

ASX Announcement

Performance Rights Issue

21 September 2018



Arafura Resources Limited (ASX: ARU) (Arafura or the Company) advises that the Board has resolved to issue a total of 10,000,000 performance rights to directors, executives and senior employees of the Company pursuant to the Arafura Performance Rights Plan.

The issue of performance rights to the managing director is subject to shareholder approval at the Company's 2018 AGM on 22 November 2018. The performance rights will not vest and the underlying share will not be issued unless the performance and vesting conditions as set by the Board have been satisfied being:

Tranche	Vesting Conditions
Tranche 1	Completion of a Definitive Feasibility Study within 25% or better of US\$680m Capex and \$35/kg NdPr Opex (excluding Phosphate credit) for the Company's Nolans NdPr Project and continuous service for at least 24 months from the milestone being achieved.
Tranche 2	The Company being granted a Mining Lease from the Northern Territory Department of Primary Industry and Resources in relation to the Nolans NdPr Project and continuous service for at least 24 months from the milestone being achieved.
Tranche 3	Project funding for the Company's Nolans NdPr project being secured on terms acceptable to the Board and continuous service for at least 24 months from the milestone being achieved.

Other key terms relating to the Performance Rights are as follows:

Description	Details
Number to be issued to the managing director (subject to shareholder approval)	3,000,000 unlisted performance rights



Performance Rights Issue

Number to be issued to executive and senior employees	7,000,000 unlisted performance rights
Issue price	Nil
Expiry	4 years after issue

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