

ASX ANNOUNCEMENT

NATIVE TITLE AGREEMENT EXECUTED FOR NOLANS PROJECT

26 June 2020



- **Native Title Agreement executed**
- **Paves the way for final mining approval by Northern Territory Government**

Arafura Resources Limited (ASX:ARU) (“**Arafura**” or the “**Company**”) is pleased to announce that the Nolans Project Native Title Agreement (**Native Title Agreement**) for the Company’s 100 per cent-owned Nolans Neodymium-Praseodymium (NdPr) Project in the Northern Territory has been executed by the project’s native title holders (through their prescribed body corporates), the Central Land Council (**CLC**) and Arafura Rare Earths Pty Ltd (**ARE**), a wholly owned subsidiary of Arafura.

This follows a meeting in late February 2020, attended by the native title holders, senior staff of the CLC and representatives of Arafura, at Aileron, approximately 12 kilometres from the Nolans mine site, at which the native title holders resolved to enter into the Native Title Agreement (*refer to ASX announcement 2 March 2020*). The Native Title Agreement was intended to be presented to the first full meeting of the CLC for 2020 in April, however this meeting was cancelled due to COVID-19-related travel restrictions, designed to protect residents of remote indigenous communities across the Northern Territory.

Since that time the Company, the CLC, native title holders and the Northern Territory Government have worked together to create circumstances that would allow the prescribed body corporates representing the native title holders (being Kwaty Aboriginal Corporation RNTBC, Irretyepwenty Ywentent Pwert Aboriginal Corporation RNTBC and Alherramp Ilewerr Mamp Arrangkey Tywerl Aboriginal Corporation RNTBC) to sign the Native Title Agreement.

The signing of the Native Title Agreement represents progress towards a significant milestone for the Company as it facilitates the grant of the project’s mineral leases by the Northern Territory Government. Under the terms of the Native Title Agreement, the native title holders give their consent to the grant of the primary mineral lease, ML 26659, ancillary mineral leases, MLs 30702 to 30704, 32411 to 32416 and related access authorities. These mineral leases host the mine, process plant, tailings and process residues containment facilities, accommodation village, borefield and the infrastructure elements of the Nolans operation.

The Northern Territory Minister for Primary Industry and Resources intends to grant each of the mineral leases to ARE for an initial term of 25 years, with multiple renewal periods possible and agreed under the Native Title Agreement.

Under the terms of the Native Title Agreement:

- ARE personnel who work at the operation will undergo cultural awareness induction and training
- ARE commits to provide employment and training as well as business opportunities for the native title holders and local Aboriginal people to win contract work from ARE

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- ARE acknowledges its environmental commitments and responsibilities and its duty to protect sacred sites and sacred objects
- ARE agrees to processes and information sharing to ensure its agreed commitments are met.

The Native Title Agreement also provides for compensation payments for the benefit of native title holders in recognition of the impacts of the project on their native title rights and interests. The compensation arrangements include upfront and annual payments as well as a royalty, all of which are customary and in line with normal commercial terms for similar agreements of this nature.

Arafura's Managing Director, Gavin Lockyer, said, "On behalf of the Company, I wish to extend my appreciation to native title holders and the CLC for their work in negotiating and executing the Native Title Agreement. We look forward to developing the Nolans Project with the support and participation of native title holders and for the mutual benefit of all parties."

-ENDS-

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