

ASX ANNOUNCEMENT

MINERAL LEASES GRANTED BY NORTHERN TERRITORY GOVERNMENT SECURES BOREFIELD

9 February 2021



- **Secures the access to the water resource for initial 25 years**

Arafura Resources Limited (ASX:ARU) (“Arafura” or the “Company”) is pleased to announce that the Mineral Leases (MLs) for areas supporting the Company’s 100 percent owned Nolans Neodymium-Praseodymium (NdPr) Project in the Northern Territory have been granted by the Northern Territory Government.

The MLs, which will host the Nolans borefield, were granted to Arafura’s wholly owned subsidiary Arafura Rare Earths Pty Ltd (ARE) for an initial term of 25 years by the Northern Territory Minister for Mining and Industry to provide exclusive access for the construction, use and maintenance of the borefield to support the operations of the mine and processing plant. The MLs also enable the construction of a water diversion channel around the mining area as required under the Projects environmental approval conditions.

The borefield was identified by Arafura following a successful exploration and investigation program in a previously unexplored basin area approximately 20 kilometres southwest of the Nolans site. The groundwater aquifer system covers a large area, is high yielding and is of a quality that is suitable to supply the Nolans Project with water over its planned life.

Since identifying this resource in 2013, Arafura has maintained a monitoring program for ongoing collection of data which is integral to the Company’s environmental and resource sustainability management.

The granting of the leases provides Arafura with security of tenure of this resource under the Mining Act.

Subject to funding, the company anticipates commencement of the next phase of borefield development which will include stratigraphic diamond drilling to finalise understanding of the exact ground conditions and enable final production bore design. This drilling will be completed in parallel with the front-end engineering design (FEED) for the Project, reading the project for the commencement of construction.

The new ML 32416 (diversion channel) and ML’s 32411-32415 (borefield) are shown on the attached map together with the project’s cornerstone development tenure comprising existing ML 26659 (Nolans Bore mineral resource, open pit mine, waste rock dumps), ML 30702 (accommodation village), ML 30703 (tailings, gypsum and water leach residue storage facilities) and ML 30704 (process plant area, which includes the beneficiation, phosphate extraction, rare earth extraction, rare earth processing and rare earth separation facilities, and supporting infrastructure).

-ENDS-

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NdPr

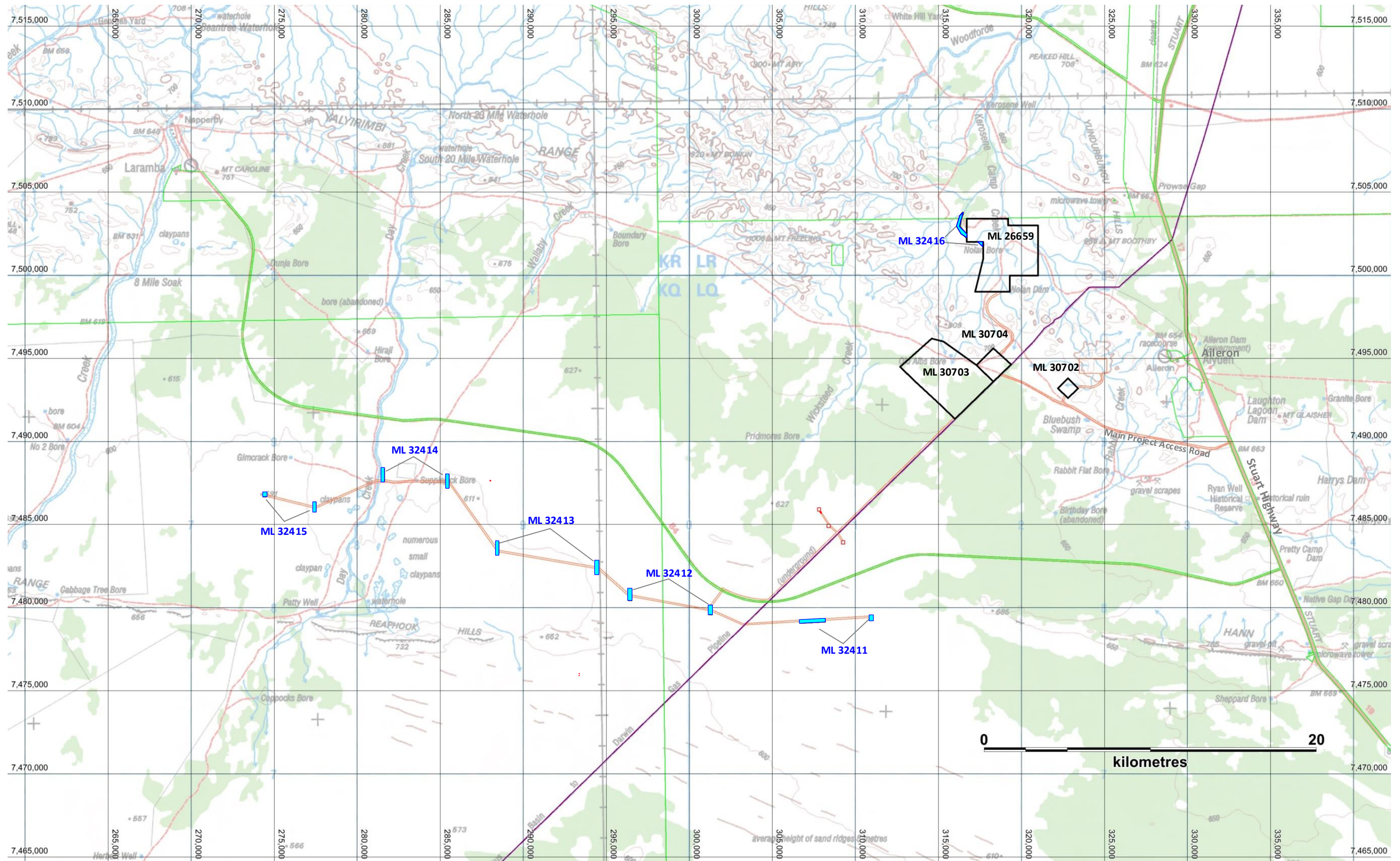


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Authorised by:

Catherine Huynh
Company Secretary



LEGEND

- Granted Mineral Lease
- Borefield Mineral Leases
- Naperby / Laramba access road from Stuart Highway
- Natural Gas Pipeline
- Pastoral Lease Boundary
- Planned Access Authority

	<p>ARAFURA RESOURCES LIMITED</p>
<p>Date: Feb 2021</p>	<p>Nolans Project - Granted Mineral Leases & Borefield Mineral Leases.</p>
<p>Drawn: KH, BF</p>	
<p>Figure 1</p>	