

# ASX ANNOUNCEMENT

## ARAFURA COMMITS TO SUSTAINABLE SUPPLY OF RARE EARTHS

17 May 2021



- **Arafura commits to sustainable supply of Neodymium-Praseodymium (NdPr) for global customers**
- **Membership of UN Global Compact and Initiative for Responsible Mining Assurance (IRMA), committing to independent, third-party reporting of environmental, social and governance (ESG) performance**
- **Mineral Lease application submitted for future installation of solar farm to offset gas usage and reduce greenhouse gas emissions as part of program to align Company with the Paris Agreement targeting net zero emissions by 2050**
- **Comprehensive up-to-date sustainability report currently being prepared**

**Arafura Resources Limited (ASX:ARU)** ("**Arafura**" or the "**Company**") is pleased to announce a commitment to becoming a sustainable and trusted supplier of rare earths and phosphoric acid to global customers. The Company is in the process of adopting a series of standards, targets and aspirations, culminating in the release of an up-to-date sustainability report on its world-class 100%-owned Nolans Neodymium-Praseodymium (**NdPr**) Project in the Northern Territory.

Arafura Managing Director Gavin Lockyer said: "*Commitment to the sustainable development and operation of Nolans is a core principle and goal of the Arafura Board of Directors, our shareholders and all our employees. This first step represents our commitment to an unending journey of striving to leave the world a better place than before we started.*"

### ESG COMMITMENT

The Company has set itself the following goal:

*"Arafura's ESG commitment is to be a trusted global leader and supplier of choice for sustainably mined rare earth products, helping our customers deliver clean and efficient technologies. We are committed to delivering positive intergenerational economic, environmental and social benefits to our stakeholders."*

We believe this is expected from our stakeholders, including traditional owners, communities, customers, employees, partner companies and shareholders.

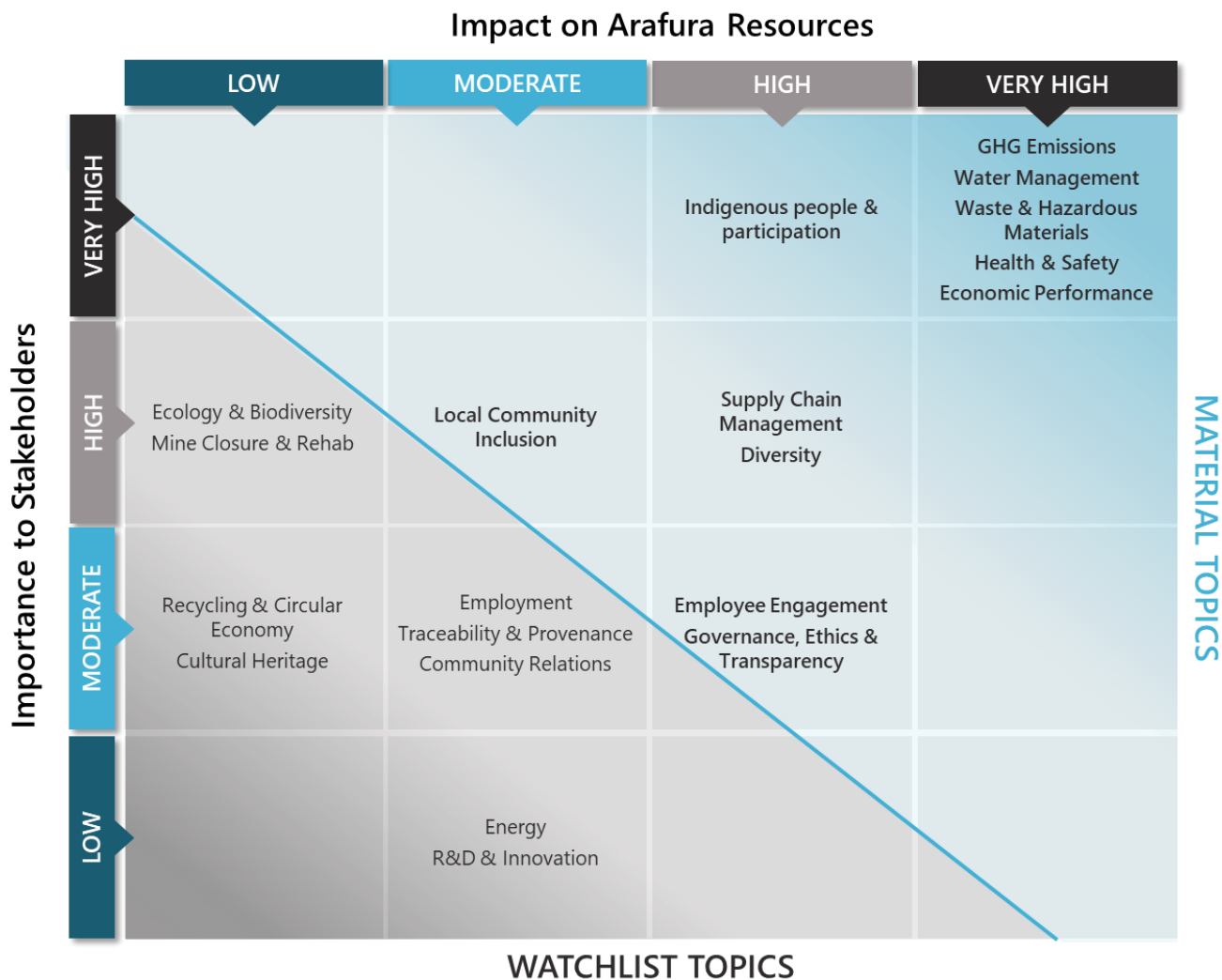
The first step in achieving this goal was to map and assess Arafura's key material issues and their importance to the Company's stakeholder group. The outcome of this assessment is presented in the materiality matrix below.

**Arafura Resources Limited | ABN: 22 080 933 455**

Level 6, 432 Murray St, Perth WA 6000  
PO Box 5773, St Georges Terrace, Perth WA 6831  
T: +61 8 6370 2800 | W: [www.arultd.com](http://www.arultd.com) | E: [arafura@arultd.com](mailto:arafura@arultd.com)

**NdPr**

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As it strives to meet its sustainability goal, Arafura will initially focus on:

- Greenhouse gas emissions and climate change;
- Water consumption and management;
- Management of wastes and hazardous materials;
- Health and safety of employees;
- Indigenous people and local participation;
- Supply chain management;
- Diversity and employee engagement;
- Governance, ethics and transparency; and
- Economic viability and sustainability.

Other issues identified will be assessed and reported on as part of a watchlist of important issues.

## **GLOBAL GOVERNANCE**

The Nolans Project is a “mine to oxide” project located on a single site in a jurisdiction with a strong regulatory framework and where all potential environmental issues are required to be fully investigated, managed, and costed into all planning. However, global external governance provides a further layer of oversight across the full range of activities and issues recognised by the Company’s customers and international stakeholders.

To provide this governance, the Company has applied to join both UN Global Compact and the Initiative for Responsible Mining Assurance (**IRMA**).

UN Global Compact aims to accelerate and scale the collective global impact of business through its Ten Principles in the areas of human rights, labour, the environment and anti-corruption and to take action on the issues embodied in the 17 UN Sustainable Development Goals (SDGs). As a member of UN Global Compact, the Company will be required to complete detailed reporting against the governing principles and UN SDGs.

IRMA is an industry-specific initiative responding to the global demand for more socially and environmentally responsible mining. It demands independent third-party verification and certification against a comprehensive standard for all mined materials that provides ‘one-stop coverage’ of the full range of issues related to the impacts of industrial-scale mines. IRMA members include global mining companies as well as potential customers for the NdPr oxide product from Nolans such as BMW Group, Ford Motor Company and Daimler AG. IRMA is currently developing their IRMA Ready assessment standard specifically aimed at mining projects under development and the Company will complete this assessment once it is launched.

## **CLIMATE CHANGE**

Climate change and greenhouse gas emissions are a critical global issue and in consideration of this, Arafura is committed to the ongoing development and operation of Nolans with the aim of achieving net zero carbon emissions by 2050.



As part of this commitment, the Company has completed an independent greenhouse gas emissions audit of the proposed operation and is working with external consultants to develop greenhouse gas emission reduction strategies and goals toward reaching net zero by 2050.

## **ARAFURA COMMITS TO SUSTAINABLE SUPPLY OF RARE EARTHS**

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An important first step in this carbon reduction journey has been made through the application for an ancillary mineral lease (MLA 32722) close to the process plant site for the construction of a substantial solar farm to offset power production from natural gas. Further planning and design of this green power facility, and other similar measures, will be outlined in the greenhouse gas emissions reduction study that is currently underway. This study will also set interim targets on the Company's journey toward net zero carbon emissions.

### **SUSTAINABILITY REPORTING**

Working with Futureproof Consulting, a specialist sustainability consultant, the Company is currently in the process of developing an up-to-date sustainability report. This comprehensive report will provide detailed communication on material ESG issues identified above along with considered actions plans, targets and aspirations across short, medium and long-term timeframes.

It is anticipated that this sustainability report will be made available publicly in mid-2021 and updated on an annual basis to provide transparency to all stakeholders on the Company's progress and performance.

**-ENDS-**

**For further information contact:**

Gavin Lockyer  
Managing Director  
+61 8 6370 2800

**Authorised by:**

Catherine Huynh  
Company Secretary

**Media Enquiries:**

Luke Forrestal  
Media & Capital Partners  
+61 411 479 144