

ASX Announcement

Nolans Definitive Feasibility Study Update

5 December 2018



Nolans Definitive Feasibility Study Update

To keep the market informed Arafura Resources Limited (ASX: ARU) (Arafura or the Company) is providing an update on the Definitive Feasibility Study (DFS) for its 100 per cent-owned Nolans Neodymium-Praseodymium (NdPr) project in the Northern Territory.

The Company advises that some preliminary operating and capital expenditure estimates for the DFS, based on external data sources, are materially higher than internal targets and estimates previously announced to the ASX on 28 June 2016 and since that date and therefore believes they warrant further detailed examination for optimisation to the extent possible. Consequently, the results of the DFS scheduled for the end of this month will be delayed pending a review expected to be completed by early February 2019.

The Company will further investigate the basis of reagent pricing and a trade off analysis of capital expenditure versus operating expenditure options prior to completing and announcing the results of the DFS. This will also be refined on confirmation of reagent consumption from Rare Earth Processing piloting. The second of these pilot plants – Phase 6 Rare Earth Dissolution and Evaporation – is currently in operation.

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NdPr