



ASX Code	ARU
Issued Shares	721.4 million
Employee Options	30.7 million
Market Cap @ A\$0.05	A\$36.1 million
Cash (31-Dec-18)	A\$9.0 million
Debt	Nil

CLEAN ENERGY NdPr FROM AUSTRALIA

THE NOLANS NEODYMIUM-PRASEODYMIUM (NdPr) PROJECT IN AUSTRALIA'S NORTHERN TERRITORY IS RAPIDLY ADVANCING TOWARDS COMMERCIALISATION AND ARAFURA IS ON TRACK TO ENTER THE GLOBAL NdPr SUPPLY CHAIN IN THE EARLY 2020s.

The cornerstone of the Nolans Project is one of the world's largest NdPr resources. Arafura plans to construct a long-life, low-cost operation at the Nolans site to produce final rare earth products for export.

Arafura has demonstrated the Project's technical and economic viability in its February 2019 Definitive Feasibility Study (DFS) and is now focused on raising the development capital needed to meet the anticipated early-2020s NdPr supply deficit when China (the dominant producer and consumer of NdPr) is forecast to become a net importer.

The Project has secured all environmental approvals and has major project facilitation status with the Australian and Northern Territory governments.

Nolans – Ore Reserves

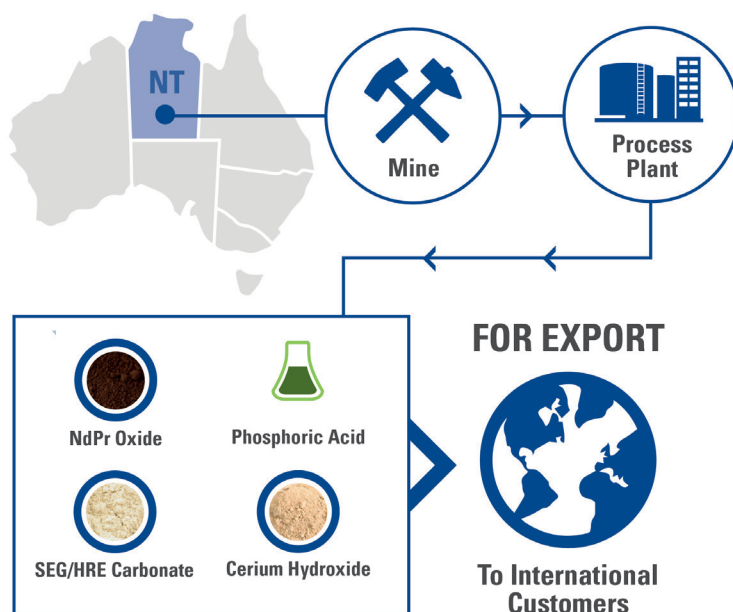
RESERVES	TONNES (M)	RARE EARTHS TREO %	PHOSPHATE P ₂ O ₅ %	NdPr ENRICHMENT %
Proved	4.3	3.1	13	26.1
Probable	14.9	2.9	13	26.5
TOTAL	19.2	3.0	13	26.4

Numbers may not compute due to rounding. 'NdPr Enrichment' is the proportion of TREO comprising Nd₂O₃ and Pr₆O₁₁.

Nolans – Key Metrics from DFS

Production	
Mine Life (years)	23
Ore (tpa)	896,000
Concentrate (tpa)	293,000
NdPr Oxide (tpa)	4,357
SEG/HRE Carbonate (tpa TREO)	603
Cerium Hydroxide (tpa TREO)	8,383
Phosphoric Acid (tpa 54% MGA)	135,808
Financial	
CAPEX (US\$M pre-production)	\$726
Revenue (US\$M pa)	\$414
OPEX (US\$M pa)	\$148
EBITDA (US\$M pa)	\$266
OPEX (US\$/kg NdPr; less MGA credit)	\$25.94
NPV ₁₀ (US\$M after tax and capital payback)	\$497
IRR	17.43%
After tax payback	Year 5

Production metrics are annual average post-ramp up.



Investment Highlights

- High-growth NdFeB permanent magnet focus for clean energy applications
- NdPr production planned to coincide with projected supply gap
- Large resource (56 Mt) at surface with expansion potential at depth
- Low production cost to remain competitive in a cyclical downturn
- Robust cash margin with average revenue to operating costs ratio of 2.8
- Single development site close to transport, energy and water infrastructure
- Low geopolitical risk mining jurisdiction with regulatory certainty

CONTACT

Arafura Resources Limited | Level 3, 263 Adelaide Terrace, Perth WA 6000, Australia
 T: +61 8 6210 7666 | E: arafura@arultd.com | W: www.arultd.com | @ARULtd

