

ASX RELEASE

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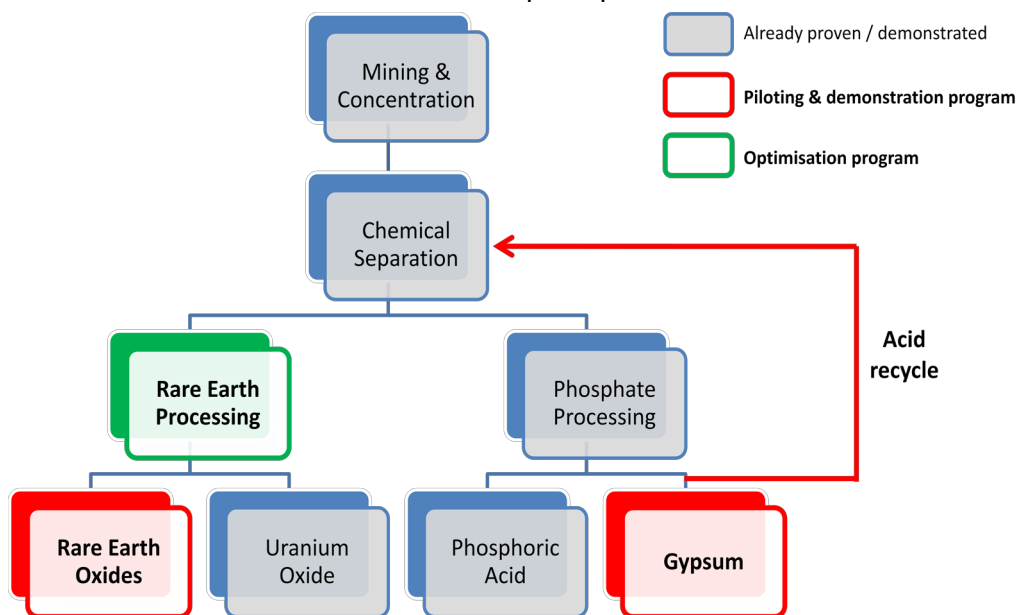
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NOLANS PROJECT – FURTHER CONTRACTS AWARDED TO PROGRESS DEMONSTRATION PHASE

Australian rare earths company Arafura Resources Limited (ASX: **ARU**) (“**Arafura**” or “**the Company**”) is pleased to advise that it has entered into contractual arrangements with a number of parties to progress, as planned, the Acid Recycle and Gypsum Production Demonstration Phase work stream for its Nolans Project.

This involves reacting calcium chloride which is formed in the phosphate processing circuit with sulphuric acid to produce commercial quality gypsum and hydrochloric acid which will be recycled into the chemical separation process.

This demonstration phase is part of a wider work stream aimed at de-risking and further optimising novel technology in order to facilitate project financing and to shorten the time taken to achieve nameplate production.



Following the completion of detailed laboratory work at CSIRO, under the guidance of Professor George Demopoulos of McGill University, Montreal, Canada, a world renowned leader in this hydrometallurgical research, detailed engineering by AKER Solutions Australia Pty Ltd is now complete. Contracts have now been executed with the following organisations to commence the work:

ARAFURA RESOURCES LIMITED

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- Aker Solutions Australia Pty Ltd – Construction Monitoring and Process Engineering; and
- AMMTEC – Construction and Operations of the Acid Recycle and Gypsum Production facility.

Arafura is working with gypsum users to optimise the process to ensure successful commercialisation of the gypsum product.

Dr Steve Ward, Arafura's Managing Director and CEO, commented, "Following our successful capital raising and receipt of the first tranche of funds on the 4th November, we can now drive forward with our work programs to reach the Project Financing Stage.

We have an exciting time ahead of us over the next 12 months as we complete the work required. Demonstration at scale, of aspects of our technology is a key part of our work program. We have a clear plan on what we have to do and our team will work with expert consultants and partners to deliver the required outcomes".

For further information contact:

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