

ASX ANNOUNCEMENT

JOINT STATEMENT OF COOPERATION BETWEEN ARAFURA AND KOMIR

28 February 2022



- **Joint Statement of Cooperation signed with Korea Mine Rehabilitation and Mineral Resources Corporation (KOMIR) to facilitate the supply of rare earths to the Korean market.**
- **Arafura and KOMIR will cooperate on a range of initiatives that will support Korean customers' access to product from Arafura's Nolans Project.**
- **Nolans is a globally significant NdPr Oxide project progressing to FID in 2022.**

Arafura Resources Limited (ASX: ARU) ("Arafura" or "the Company") is pleased to announce the signing of a Joint Statement of Cooperation with the Korean Government Agency KOMIR that will support the development of Arafura's Nolans Project and assist in the export of product from Nolans to the Republic of Korea.

Arafura and KOMIR will focus on expanding cooperation in several areas including information sharing on the development of the Nolans project for participation by Korean investors; the import of rare earth products into Korea and the use of strategic stockpiling.

Nolans will produce neodymium-praseodymium (NdPr) oxide – a product integral to the production of rare earth magnets used in industries including the production of electric vehicles. Cooperation between Arafura and KOMIR recognises the strategic importance of a secure supply of critical minerals including NdPr to the Korean market.

Arafura Chairman Mark Southey said the Company welcomed the opportunity to strengthen its relationships in Korea.

"The Arafura Board of Directors and our Management Team welcome this recognition of our relationship with Korea and the opportunities it will facilitate to deliver supply of NdPr from the Nolans Project to the Korean market," he said.

"This is another milestone that indicates the global significance of Nolans, and international interest in the project's capacity to provide a reliable, secure supply of what is a critical product."

Arafura Managing Director Gavin Lockyer said the Company's relationship with KOMIR reaffirmed the importance of Nolans to prospective customers and Australia's key trading partners.

"Nolans has the capacity to meet demand for rare earths in a number of major international markets," he said.

"The coming 12 months is a particularly significant period as we continue to work toward a Final Investment Decision for Nolans in the second half of 2022, while simultaneously progressing advanced negotiations on senior debt facilities and offtake agreements."



"Our goal is to be a trusted global leader and supplier of choice for sustainably mined and processed 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."

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NdPr

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The signing between Arafura and KOMIR took place in the same week as talks in Canberra between the Australian Government and a Korean delegation led by Ministry of Trade, Industry and Energy Vice Minister Kiyoung Park. The delegation's visit also included the signing of a memorandum of understanding between the Minerals Council of Australia and KOMIR to strengthen cooperation on the exploration and development of critical minerals in Australia.

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Caption: *Signing of Joint Statement of Cooperation between Arafura Resources and Korean Government Agency KOMIR. Left to right: Xavier Simonet (CEO - Austrade), Mark Southey (Chairman - Arafura), Kyu-Yearn Hwang (President - KOMIR), Kiyoung Park (Vice Minister - Ministry of Trade, Industry and Energy).*

About the Nolans Project

Arafura's Nolans Project is a rare earth ore to oxide mine and processing facility in the Northern Territory. The project is Australia's first vertically integrated rare earths operation, where its single site mining and processing operations (including waste disposal) will provide a secure and traceable supply chain to meet domestic and international economic and security interests and the ESG needs of global customers.

Nolans has received Major Project Status from the Northern Territory (refer to ASX Announcement dated 31 July 2020) and support from Federal Ministers (refer to ASX Announcement dated 13 May 2021). In 2021 Arafura received conditional letters of support for debt facilities from Export Finance Australia (EFA) and the Northern

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Australia Infrastructure Facility (NAIF) for \$200m and \$100m respectively (refer to ASX Announcements dated 7 May 2021 and 18 June 2021).

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