



**AN EMERGING
RARE EARTHS
PRODUCER
FOR USERS
WORLDWIDE**

SHENGHE AND ARAFURA EXECUTE MOU FOR DEVELOPMENT OF INTERNATIONAL RARE EARTHS BUSINESS

- **Shenghe and Arafura have executed an MOU for the objective of developing the Arafura owned Nolans Rare Earths Project;**
- **Shenghe Resources to utilise the development of the Nolans Rare Earths Project as an opportunity for the international expansion of its existing Chinese based Rare Earths business.**

Australian rare earths company **Arafura Resources Limited (ASX: ARU)** (“**Arafura**”) and Shenghe Resources Holding CO.LTD (600392.SS) (“**Shenghe**”) a Chinese based Rare Earths Producer are pleased to announce the signing of a Memorandum of Understanding (MOU).

Under the terms of the MOU both parties will work together to achieve the following objectives:

- Shenghe to conduct scheduled reviews of the Nolans Project definitive feasibility study which is being prepared by Arafura;
- Upon successful completion of the definitive feasibility by Arafura, Shenghe will be provided with the opportunity to co-fund the development of the Nolans Project;
- Arafura and Shenghe to examine opportunities for the sale and distribution of Rare Earth products to Shenghe’s existing customers;
- Arafura and Shenghe to continue to look for opportunities and initiatives to add to and build the strategic partnership to develop an international Rare Earths business; and
- Negotiate a Framework Agreement to formalise the arrangements for the establishment of a long term strategic partnership.

Shenghe, based in Chengdu in the Sichuan Province, is an industry leader in Rare Earths production and technology development. Shenghe is a Shanghai Stock Exchange listed public company and operates a Rare Earths processing plant in Leshan City and markets specialty Rare Earth products to international and Chinese based customers.

Arafura is an Australian based company with a Rare Earths project based near Alice Springs in the Northern Territory. Arafura believes the execution of the MOU with Shenghe will provide significant momentum assisting it to achieve its goal of making substantial reductions in the Nolans Project capital costs and operating costs. With the ongoing support of Shenghe and its other strategic partners Arafura is confident it can advance the Nolans Project towards sustainable financing and commercialisation.

- ENDS -

ARAFURA RESOURCES LIMITED

arafura@arafuraresources.com.au www.arafuraresources.com.au ABN 22 080 933 455

PERTH: Level 5/16 St Georges Tce, Perth WA 6000 | PO Box 5773, St Georges Tce, Perth WA 6831 T: +618 6210 7666 F: +618 9221 7966
DARWIN: 18 Menmuir St, Winnellie NT 0820 | PO Box 37220, Winnellie NT 0821 T: +618 8947 5588 F: +618 8947 5599



For further information contact:

Gavin Lockyer
Managing Director
T: +61 8 6210 7666

Media enquiries:

Rebecca Lawson
Mercury Consulting
T: +61 2 8256 3332
M: +61 432 398 122