

Arafura Resources Ltd

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Arafura Resources increases ore reserves by 54% and lowers opex

Arafura Resources Ltd (ASX:ARU) has updated its JORC Ore Reserve for its flagship Nolans Neodymium-Praseodymium (NdPr) Project in the Northern Territory.

The update features a 54% increase to 29.5 million tonnes grading 2.9% TREO and 13% P₂O₅ including 26.4% NdPr enrichment.

Nolans Project Ore Reserves				
Classification	Mt	TREO (%)	P ₂ O ₅ (%)	NdPr Enrichment (%)
Proved	5.0	3.0	13	26.2
Probable	24.6	2.8	13	26.5
Total	29.5	2.9	13	26.4

Using the processing design envelope from the definitive feasibility study (DFS) the Ore Reserves support production over 33 years, an increase of 10 years over the 23-year base case in the DFS.

Production schedule reveals lower costs

In addition to the updated Ore Reserves, Arafura's mining consultant has also prepared a production schedule.

Scheduling of the mining inventory, with some minor changes to the design envelope of the process plant, provides far superior financial outcomes over those delivered in the DFS base case.

The mining inventory production schedule supports production over 39 years of an average of 4,325 tonnes per annum of NdPr oxide at an operating cost of less than US\$24 per kilogram NdPr oxide (net of phosphoric acid by-product credit).

Arafura one of lowest cost NdPr producers in the world

Arafura's managing director Gavin Lockyer said: "The reduction in operating costs cements Arafura as one of the lowest-cost NdPr producers in the world.

"The increase in Ore Reserves and mining inventory attests to the long-term potential of the Nolans Project and when read in conjunction with the recently announced deep drilling results, reinforces its standing as a world-class NdPr development opportunity.

"I challenge anyone to find a better fully permitted, fully costed NdPr-focused project outside China.

"It meets all the criteria to be a long term, sustainable supplier of critical minerals into clean energy technologies, and will deliver intergenerational benefits in a part of Australia that is challenged by limited opportunities for genuine economic development."

Price: 0.105

Market Cap: \$122.62 m

1 Year Share Price Graph



Share Information

Code: ARU

Listing: ASX

52 week High Low
0.115 0.046

Sector: Rare earths & specialist minerals

Website: www.arultd.com

Company Synopsis:

Arafura Resources Ltd (ASX:ARU) is focused on the development and marketing of mineral resources, primarily those contained within the Nolans Neodymium-Praseodymium Project.

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Recent drilling also points to resource growth

Arafura recently completed a nine-hole drilling program included four deep exploration holes targeting down-dip extensions to existing JORC resources in the deposit's North and Southeast Zones.

Three of the four holes (NBRD1102, 1106 and 1109) intersected thick zones of rare earths mineralisation up to about 200 metres vertically below the planned final mining pit.

Best results from these three holes included:

- 46.76 metres at 1.5% TREO and 7% P2O5 from 316.72 metres in hole NBRD1102 (Southeast Zone);
- 75.68 metres at 2.8% TREO and 11% P2O5 from 364.37 metres in hole NBRD1106 (North Zone); and
- 65.15 metres at 1.5% TREO and 6% P2O5 from 422.88 metres in hole NBRD1109 (North Zone).

The other five holes in the program were shallow infill resource definition holes confirming detailed geological and material type information for resource modeling and mine planning.

These results support the project's potential to grow its resource inventory further in the future.

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