Quarterly Activities Report and Appendix 5B

For the period ending 31 March 2017

ASX: ARU

ARAFURA RESOURCES LIMITED

HIGHLIGHTS

- **Beneficiation (Phase 1) pilot program delivers excellent results**
- **Prayon, a leading phosphoric acid expert, assists with Phase 2 of pilot program for optimisation of the phosphate digestion and phosphoric acid production**
- **Nolans Supplemental EIS document lodged and regulatory approvals process advances to next significant milestone**
- **Private placement completed with institutional investors in the US, Hong Kong and Australia, raising $3.6 million**
- **Share Purchase Plan launched and closes early with strong shareholder support raising $3.1 million**
- **Cash balance at end of reporting period $11.8 million, excluding an additional $3.1 million received from the SPP in April 2017**
- **Arafura now well placed to progress the Nolans NdPr project with focus on completion of the pilot program**
- **Arafura highly leveraged to strong forecast demand growth for neodymium**

NOLANS PROJECT

PILOT PLANT & VERIFICATION PROGRAMS

Beneficiation Piloting Results Confirmed

During the quarter, Arafura confirmed the excellent results from piloting of its beneficiation flowsheet for its 100 per cent-owned Nolans Neodymium-Praseodymium ("NdPr") Project *(ASX announcement 6 February 2017)*.

Following a comprehensive review of the performance and results from the piloting operation by independent engineering firm SNC-Lavalin, Arafura confirms that sufficient process engineering data has been generated to support whole-of-ore flotation as the basis of design for the beneficiation plant in the Nolans definitive feasibility study ("DFS").

The beneficiation pilot plant is Phase 1 of Arafura's final piloting of the Nolans process flowsheet. The Nolans pilot program is illustrated in Figure 3. The pilot collected comprehensive and reliable operational and materials handling data for mass balancing and to build process design criteria, to enable final plant design and cost estimates for the beneficiation flowsheet.

The piloting operation, which was hosted at ALS Metallurgy's facility in Perth, successfully produced approximately five tonnes of a clean high-phosphate concentrate ("HPC"). Vision of the operation has been uploaded to Arafura's YouTube channel.

The characteristics of the HPC are outlined in Table 1. The total rare earth oxide ("TREO") and phosphate ("P_2O_5") grade and recovery, together with rejection of iron ("Fe_2O_3") and aluminium ("Al_2O_3"), confirm Arafura's bench-scale test programs and validate the flowsheet changes announced in mid-2016 *(ASX announcement 28 June 2016)*.

	Feed	HPC
TREO Grade	4.7%	**7.0%**
TREO Recovery	-	**>80%**
NdPr Oxide Grade	1.2%	**1.8%**
NdPr Oxide Recovery	-	**>82%**
P_2O_5 Grade	17.4%	**29%**
P_2O_5 Recovery	-	**>90%**
Al_2O_3 Grade	7.2%	**<3.2%**
Fe_2O_3 Grade	2.6%	**<1.9%**
Mass Pull	-	**55%**

Table 1: Characteristics of the High-Phosphate Concentrate

Phosphate Extraction Piloting completed in March

During the quarter Prayon Technologies ("Prayon"), a leading phosphoric acid expert, were engaged to provide specialist support to help analyse and interpret engineering and operational data from Phase 2 (phosphate extraction) of the Nolans pilot program, with the findings to be incorporated into the project's DFS *(ASX announcement 10 March 2017)*.

The pilot, which operated over two weeks from 16 March to 31 March, was hosted by SGS and attended by Prayon technologists. This period included commissioning and operation under two different process conditions to evaluate their impact on performance across the circuit. The flow sheet for the phosphate extraction circuit is shown in Figure 1, and vision of the pilot in operation will be uploaded to Arafura's YouTube channel during the first week of May.

The broad objectives of the closed loop phosphate extraction program were to:

- Demonstrate the flowsheet in a small scale (about 400 kg of HPC consumed) closed loop with simplified unit operations to confirm the technical and operational viability of the loop, and to produce a rare earths-rich pre-leach residue suitable for small scale continuous sulfation testing;
- Confirm process performance, reagent consumptions and product quality for all unit operations tested (including pre-leach residue, rare earth recovery precipitate, and merchant grade phosphoric acid);
- Collect and record relevant process parameters from the pilot and provide control parameters and a component mass balance;
- Obtain process and mechanical engineering design data for incorporation into the DFS engineering definition;
- Obtain some material for essential vendor testwork; and
- Prepare a draft data package and report detailing all the process outcomes for incorporation into the DFS.

The pilot is expected to confirm previous bench scale test results, and samples collected throughout pilot operations would indicate this has been achieved. Images from the phosphate extraction pilot can be seen at Figure 2.

Final assay results are expected during the June quarter 2017, with final reports from both Prayon and SGS anticipated shortly thereafter.

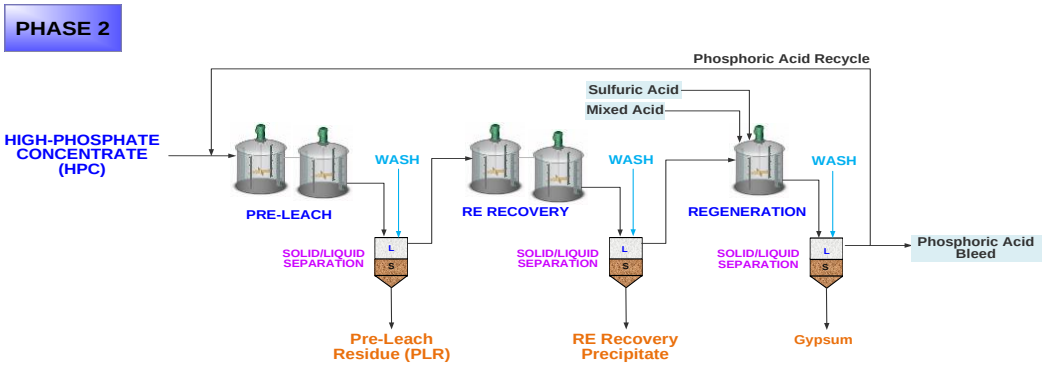

Figure 1: Phosphate Extraction Circuit

Figure 2: Pre-Leach tanks (L) and Rare Earth Recovery tanks (R)

Next Steps Downstream

The next stage in the Nolans pilot program is Phase 3, the operation of a bulk pre-leach to generate material for downstream rare earth extraction piloting. Prior to the commencement of the Phase 3 program, a small-scale continuous acid bake will be completed to optimise the operating conditions and assist with the preparation of the scope for the Phase 3 pilot.

The broad objectives of the bulk pre-leach pilot will be to:

- Operate the pre-leach to demonstrate its technical and operational viability, and process all available HPC material (about 5 tonnes) to generate pre-leach residue for downstream piloting;
- Confirm process performance, reagent consumptions and product quality for all unit operations;
- Collect and record process parameters and other relevant data;
- Obtain process and mechanical engineering design data for incorporation into the DFS engineering definition;
- Obtain sufficient material for vendor testwork; and
- Prepare a draft data package and report detailing all the process outcomes for submission into the DFS.

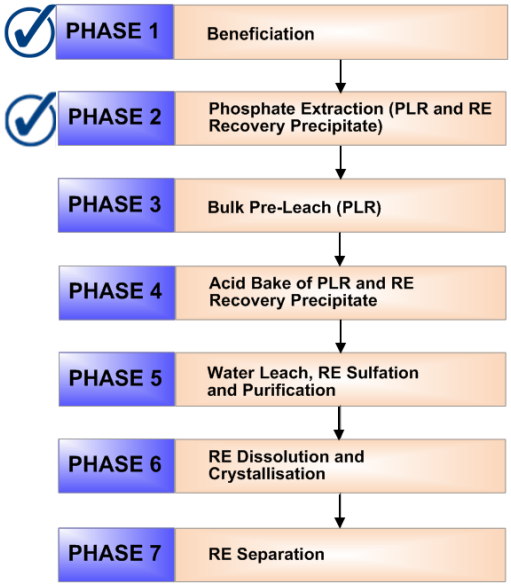

Figure 3: Nolans Pilot Program
Each phase is operated on a continuous basis

REGULATORY APPROVALS – ENVIRONMENTAL IMPACT STATEMENT STUDIES

The Environmental Impact Statement Supplementary Report ("EIS Supplement") has been submitted to the Northern Territory Environment Protection Authority ("NTEPA") for final assessment.

Lodgement of the EIS Supplement with the NTEPA is a significant step in the Northern Territory process for gaining environmental regulatory approval for the Nolans project. The EIS Supplement was prepared by leading environment and resources consulting group GHD following an eight-week public review of the Nolans draft EIS in mid-2016, and provides additional information aimed at clarifying matters that were raised by review respondents.

The EIS Supplement has also been lodged with the Australian Government's Department of the Environment and Energy under the bilateral assessment arrangement between the Northern Territory and Australian governments.

Arafura is targeting environmental regulatory approval for Nolans later this year.

EXPLORATION

JERVOIS (Base and Precious Metals; Iron-Vanadium)

Rox Resources Ltd (ASX: RXL, or "Rox") holds a 51 per cent interest in the base and precious metal rights on Arafura's EL 29701, located 280 kilometres north-east of Alice Springs. Arafura holds the residual 49 per cent interest, and Rox has elected to earn 70 per cent by spending an additional $1 million on the tenement to December 2017.

CORPORATE

STRATEGY AND OUTLOOK

RARE EARTHS MARKET UPDATE

NdPr Prices - 21 Month Peak

In February NdPr supply was limited with producers restricting supply on the basis that price increases were imminent. This trend continued in March as producers continued to hold firm for higher prices. China domestic NdPr prices achieved steady increases throughout the March quarter and by the start of April were at levels not seen since June 2015.

It has been well publicised that lower rare earth prices in 2016 resulted in lower margins and, in many instances, losses for Chinese rare earth companies. The Shanghai-listed China Northern Rare Earth High-tech Co Ltd ("China Northern"), China's largest rare earths producer, signalled in January its 2016 profit would be 90% lower than that achieved in 2015. The dramatic fall in profit was attributed to higher costs and lower rare earth prices. China Northern also noted unfair competition (presumably from illegal production) exacerbated the pricing situation. Later in February China Northern said that it "would hike its prices" in a move that was seen as a turning point for the rare earth industry and prices. With increased focus on removing illegal production from the China market, China Northern has perhaps sensed the opportunity to limit the supply of material to the market at unsustainable prices. China Northern is a significant rare earth industry participant and it appears a number of other producers have followed China Northern's lead as evidenced in Figure 4 which shows the recent increase in NdPr oxide China domestic price.

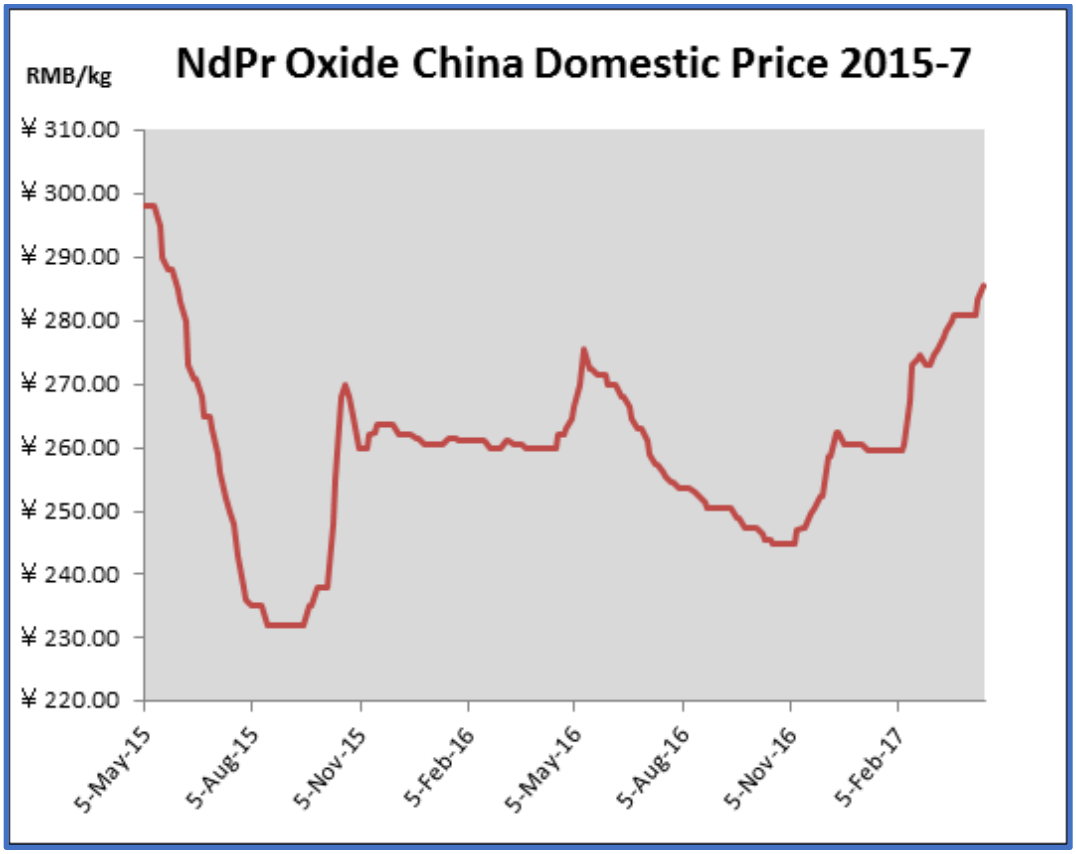

Figure 4: NdPr Oxide China Domestic Price

Increased Rare Earths Industry Investment and Corporate Activity

The first quarter of 2017 saw continued investment and corporate activity for the rare earths sector signalling improved confidence. A significant number of transactions were completed during the period by China-based entities, providing anecdotal evidence of improved sentiment towards rare earths. The Aluminium Corporation of China ("Chalco") announced plans to invest US$29 million in downstream rare earths production for NdPr magnet alloys and rare earth catalysts. The Chalco downstream rare earths business will be based in Baotou (Inner Mongolia), indicating the company expects to source raw materials from its existing rare earth operations in Sichuan and Guangxi provinces, and also from China Northern, which has operations in Inner Mongolia. Importantly, the investment by Chalco is further evidence of the strong growth prospects for NdPr magnet products.

A broader resurgence in corporate activity in the rare earths sector in general has been apparent with the completion of several other transactions, including:

- China-based Shenghe Resources Holding Ltd's 12.5% investment in ASX-listed Greenland Minerals and Energy's Kvanefjeld rare earth-uranium project in November 2016;

- Huatai Mining Pty Ltd, a subsidiary of China-based Shandong Taizhong Energy Co. Ltd, partially completing an investment in ASX-listed Northern Minerals and its Browns Range dysprosium-focussed project in February 2017;
- Northern Minerals entering into a sales agreement for its Browns Range pilot plant production with a 51%-owned subsidiary of Guangdong Raising Asset Management in April 2017; and
- TSXV and AIM-listed Mkango Resources, which is developing the Songwe Hill rare earths project in Malawi, issuing 12 million share purchase warrants to Noble Resources International, potentially an interest of up to 12.5%, in December 2016. On receipt of regulatory approval for the issue of the warrants, Mkango completes a placement of £450,000 with two specialist Swiss mutual funds.

Supply Chain Mapping – Apple Cobalt Case Study

In March 2017 Apple released its annual Supplier Responsibility Report. Apple's Code of Conduct requires its suppliers to work to required standards for safe working conditions, fair treatment of workers, and environmentally safe manufacturing. From an earlier certification program in 2010 Apple mapped the supply chain for tin, tantalum, tungsten, and gold ("3TG") to the smelter. Apple's 3TG smelters all participate in independent third party audits and certification programs. In 2014 Apple extended this program to incorporate its cobalt smelters and refiners. Initial work focussed on assessing the risks surrounding cobalt production and in 2015 the work extended to mapping the supply chain right back to the mine level. In 2016 Apple collaborated with the China Chamber of Commerce of Metals, Minerals and Chemicals ("CCCMC") to develop a third-party audit program for cobalt. Audit programs provide assurance smelters and refiners have in place chain of custody management systems to map raw material supply back to their original sources. Suppliers who are unable to adhere to the required social and environmental standards are removed from the Apple supply chain. Twenty-two cobalt smelters and refiners were remove from the Apple supply chain in 2016 as a result of being unable to comply with the required standards.

From its supply chain mapping programs for 3TG and cobalt, Apple has developed a Risk Readiness Assessment ("RRA") tool which is now used by its 3TG suppliers. Apple have also promoted the RRA tool at industry conferences as a methodology for assessing and reporting supply chain risk management. Arafura expects Apple will continue to call for these systems to be implemented by other manufacturers and will look to extend this certification program to other technology metals, perhaps including NdPr, to ensure all its products are manufactured to a high level of integrity. Extension of the certification program to NdPr and to users in other clean energy industry sectors could reasonably be expected to have a significant impact on supply given the known levels of illegal production.

ARAFURA COMPLETES PRIVATE PLACEMENT & SPP

In February, Arafura completed a private placement with institutional and sophisticated investors in North America, Hong Kong, and Australia raising $3.6 million in new capital. On announcement of the placement the Company also launched a share purchase plan ("SPP"). Arafura believes the strong support for the placement reflects the quality of the Nolans project, which contains industry-leading concentrations of the key magnet-feed NdPr rare earths, and a growing global awareness of the strategic importance of NdPr to the clean transport and energy sectors.

The Company, whilst successfully fulfilling its objective of attracting institutional investment, was also keen to provide its existing retail shareholder base with the opportunity to invest through the SPP offer. The SPP was strongly supported by shareholders and the Company raised a further $3.1 million. The offer closed early once it became clear the target capital raising of $2.5 million had been exceeded.

Arafura's cash position as at 31 March 2017 was $11.8 million which included the funds from the private placement. The SPP offer was completed in early April and the $3.1 million raised through this initiative along with the existing cash reserves places the Company in a strong position to progress the Nolans NdPr Project with the focus on the completion of the pilot program.

ARAFURA LEVERAGED TO NdPr DEMAND

Arafura's extensive market interaction indicates that demand for NdPr is likely to grow at around 7.5% per annum and the Company is positioning itself to become an important low-cost, low-risk, environmentally-responsible supplier of this product from the Nolans project in the Northern Territory. As high-value magnet-feed NdPr accounts for 26.5% of the project's rare earths endowment, the Company has directed significant attention to maximising NdPr recovery in its flowsheet development. With NdPr set to be the dominant revenue source for most rare earth projects, project efficiencies measured with reference to NdPr metrics will be a strong indicator for potential performance and peer assessment.

Prepared by Resource Capital Research ("RCR"), Figure 5 below shows peer comparative analysis for the leading ASX-listed rare earth companies on the basis of operating expenditure for total rare earth oxide ("TREO") and NdPr production. By virtue of the Nolans Project being strongly endowed in NdPr, and its ultra-low operating costs further enhanced through the recovery of phosphoric acid as a saleable by-product, Nolans ranks strongly on both operating cost metrics.

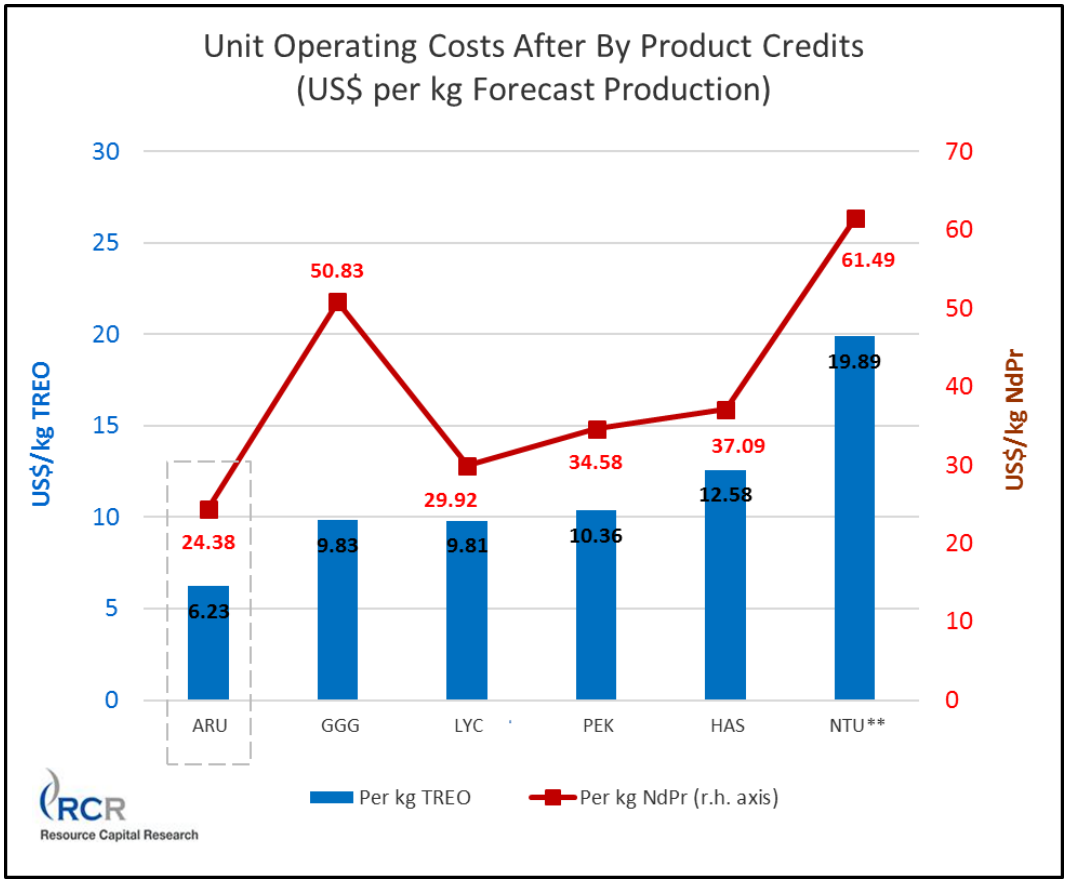

Figure 5: Comparative Unit Operating Costs for TREO and NdPr

In Figure 6, also prepared by RCR, the line graph (shown in blue) represents a peer comparison of an enterprise value ("EV") metric calculated with reference to annual NdPr production. The red bar chart in Figure 6 shows mine life based on a project's Measured and Indicated Mineral Resources. By comparison with its peers Arafura has a significantly lower value for this EV metric. On a comparative basis, the potential value of the future NdPr production may not be fully reflected in the Company's EV. In the event of a positive movement in NdPr prices there is the opportunity for the Company to be highly leveraged to a sustainable improvement in prices.

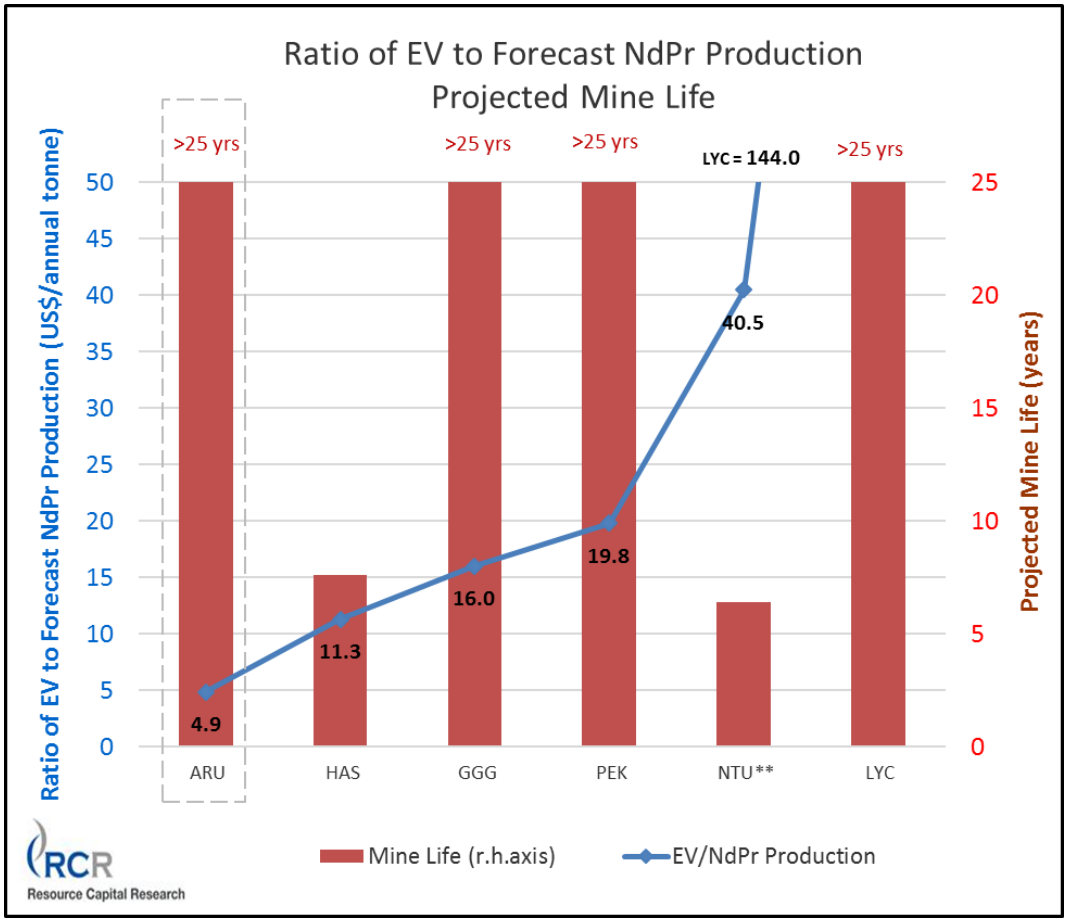

Figure 6: EV/ Annual NdPr Production and Mine Life

Figures 5 and 6 Key Assumptions

- Enterprise Value ("EV") is based on share prices as at April 26 2017 less cash on hand, plus debt, reported or estimated as at March 31 2017.
- Exchange rate of AUD1 = USD 0.76.
- Forecast operating data for development projects based on published company reports and project updates.
- NTU is a heavy rare earth deposit with dysprosium ("Dy") being the dominant projected revenue stream. NTU** analysis is calculated using a Neodymium and Praseodymium Oxide ("NdPr") grade equivalent, calculated based on the NTU Dy grade, adjusted for a Dy/ NdPr price ratio of 4.77.
- Mine life is based on Measured and Indicated mineral resource.
- PEK NdPr production adjusted to 75% of project production and HAS 91%, to reflect the relevant underlying project interest.
- LYC: NdPr production based on annualised "ready for sale production volumes" and operating costs based on annualised operating, staff and administration costs reported in Q4 of CY2016 and Q1 of CY2017. LYC reported in these quarters that NdPr production is at or slightly above full design rates.
- "TREO" = Total rare earth oxide

Code	Company Name	Project	Location	Project Interest
ARU	Arafura Resources Ltd	Nolans	NT	100%
HAS	Hastings Technology Metals Ltd	Yangibana	WA	91%
PEK	Peak Resources Ltd	Ngualla	Tanzania	75%
GGG	Greenland Minerals and Energy Ltd	Kvanefjeld	Greenland	100%
NTU	Northern Minerals Ltd	Browns Range	WA	100%
LYC	Lynas Corporation Ltd	Mt Weld	WA & Malaysia	100%

SHARE REGISTRY

Subsequent to the end of the quarter, Arafura's Share Registry Link Market Services Limited (ASX: LNK), a wholly owned subsidiary of Link Group, changed its address in Perth. Effective from 24 April 2017, the new registry address is Level 12, QV1 Building, 250 St Georges Terrace, Perth, WA, 6000.

SOCIAL MEDIA

During the quarter the Company established a presence on the social media platforms Twitter and YouTube. Both platforms are being used to reinforce the Company's ASX and media statements, progress towards commercialising the Nolans project, and informing the public in respect of its community activities, the NdPr market and permanent magnet applications.

The web links are as follows:

Twitter: https://twitter.com/arultd?lang=en (Twitter handle @ARULtd)
YouTube: https://www.youtube.com/channel/UChj5-NWQJZhkod7TbaRKbfw

Nameplate Production

The estimates in this document are based on a nameplate production target of 14,000 tonnes per annum of TREO equivalent from Measured and Indicated Mineral Resources at Nolans Bore. The Mineral Resources were estimated and reported by the Company (ASX: ARU 30/10/15) following the guidelines of the JORC Code 2012. Classification of total resources at Nolans Bore into Measured, Indicated and Inferred resources, using a 1.0% TREO cut-off grade ("COG"), is shown in the table below. Contained (in-situ) resources of rare earths are also shown.

RESOURCES	TONNES million	RARE EARTHS TREO %	TONNES TREO	PHOSPHATE P_2O_5 %	URANIUM U_3O_8 lb/t
Measured	4.9	3.2	158,000	13	0.54
Indicated	30	2.7	816,000	12	0.44
Inferred	21	2.3	489,000	10	0.36
TOTAL	56	2.6	1,462,000	12	0.42

Numbers may not compute exactly due to rounding. 1 lb/t U_3O_8 = 0.0454% U_3O_8.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Kelvin Hussey, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Hussey is a full-time employee of Arafura Resources Limited. Mr Hussey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code 2012"). Mr Hussey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Arafura Resources Ltd

ABN	**Quarter ended ("current quarter")**
22 080 933 455	31 March 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(928)	(3,115)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(385)	(1,148)
	(e) administration and corporate costs	(159)	(1,116)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	60	207
1.5	Interest and other costs of finance paid	-	(3)
1.6	Income taxes paid	-	-
1.7	R&D refund - Non Capitalised Portion	-	847
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,412)**	**(4,328)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(37)
	(b) tenements (see item 10)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	8	308
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (R&D Refund – Capitalised Portion)	-	906
2.6	**Net cash from / (used in) investing activities**	**8**	**1,177**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	3,631	3,631
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(239)	(239)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**3,392**	**3,392**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,796	11,543
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,412)	(4,328)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	8	1,177
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,392	3,392
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	**Cash and cash equivalents at end of period**	**11,783**	**11,783**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	733	2,946
5.2	Call deposits	11,050	6,850
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**11,783**	**9,796**

6.	**Payments to directors of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(201)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Salaries, fees and superannuation of Directors of the Company.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A.

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/A

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	1,880
9.2	Development	-
9.3	Production	-
9.4	Staff costs	390
9.5	Administration and corporate costs	404
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**2,674**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	See Appendix A below.			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	See Appendix A Below.			

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 28 April 2017.
(Company secretary)

Print name: Peter Sherrington

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

+Rule 5.5

Appendix A – Mining Tenements Held as at 31 March 2017

Tenement reference	Project	Holder	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	Notes
ML 26659	Nolans, NT	Arafura Rare Earths Pty Ltd	Mineral Lease	100%	100%	Application Lodged
ML 30702				100%	100%	Application Lodged
ML 30703				100%	100%	Application Lodged
ML 30704				100%	100%	Application Lodged
EMEL 30510			Extractive Mineral Exploration Licence	100%	100%	
EL 28473	Aileron–Reynolds, NT	Arafura Resources Ltd	Exploration Licence	100%	100%	
EL 28498				100%	100%	
EL 29509				100%	100%	
EL 31095				100%	100%	
EL 31096				100%	100%	
EL 31097				100%	100%	
EL 31224				100%	100%	
EL 31284				100%	100%	
EL 29701	Jervois, NT	Arafura Resources Ltd	Exploration Licence	100%	100%	Rox Resources Ltd (RXL) has acquired 51% of the base and precious metal rights. RXL has a right to acquire up to 70% of the base and precious metals rights.