Arafura Resources Limited

Alistair Stephens

Managing Director

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The information contained in this presentation has been prepared using the information available to Arafura Resources at the time of the preparation of the presentation. For further information about Arafura Resources, you can obtain a copy of all recent ASX announcements made by Arafura Resources at www.arafuraresources.com.au Any person considering an investment in Arafura Resources is advised to obtain independent financial advice prior to making an investment decision.

www.arafuraresources.com.au email:arafura@arafuraresources.com.au

Board and Senior Management

Non-Executive Chairman

Mick Muir

Non-Executive Directors

Ian Kowalick

Terry Jackson

Company Secretary & CFO

Gavin Lockyer

Managing Director

Alistair Stephens

GM – Project Development

Steve Mackowski

GM – Strategy & Exploration

Richard Brescianini

Marketing Consultants

Dudley Kingsnorth

Kaz Machida - Asia

Corporate Structure

ASX Codes	ARU : ARUO
Shares on Issue	121.3 m
Listed Options	14.2 m @ 13c, June ’08
Share Price (11 June 2007)	A$1.55
Market Capitalisation (fully diluted)	~A$215 m
Cash on hand	A$5.0 m
Australian Government Grant for feasibility	A$3.3 m

Strategy

Develop long life projects with high returns

Expanding our Northern Territory Focused Exploration

The NT is substantially under explored with excellent infrastructure

Some areas are unexplored and are the most prospective in the world

The NT hosts world class mining operations (U, Zn, Pb, Al, Mn, and Au)

Operations Strategy

Short Term Revenue (<2 years)

Gold resources, iron royalties

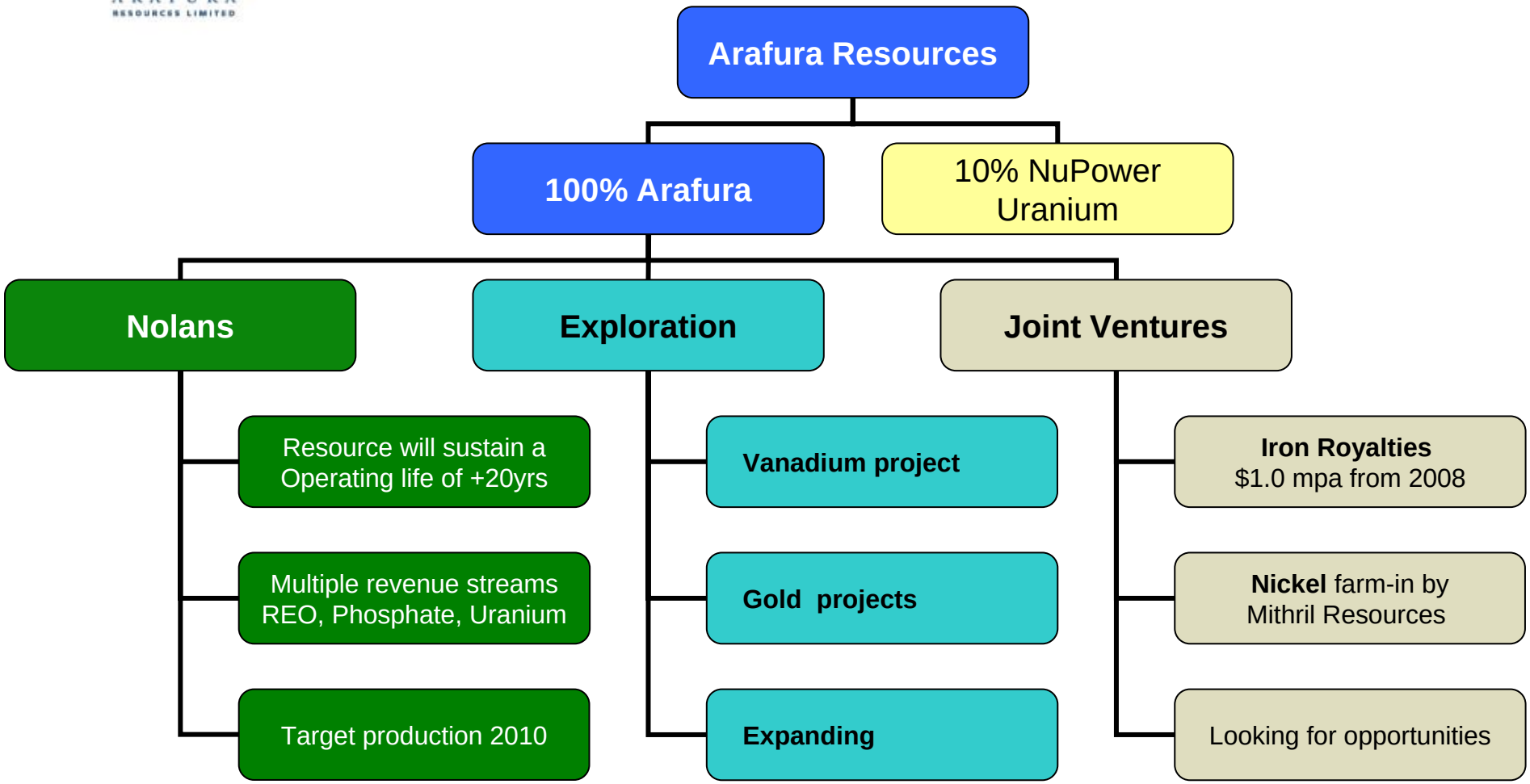
Medium Term Targets (2010)

Feasibility and development of Nolans rare earths – phosphate - uranium

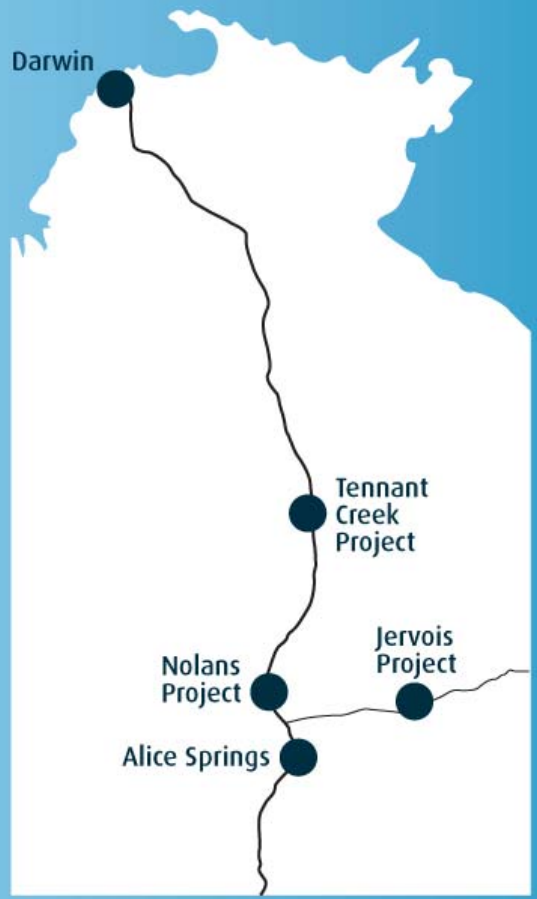
Annual revenue of +$US400m per annum

Assessing other opportunities for long life potential

Arafura Projects



Projects Locations



Nolans Rare Earths Project

Multi commodity deposit with +US$400Mpa revenue

Co-products	Rare Earths and Phosphoric Acid
By-Products	Uranium and Calcium Chloride

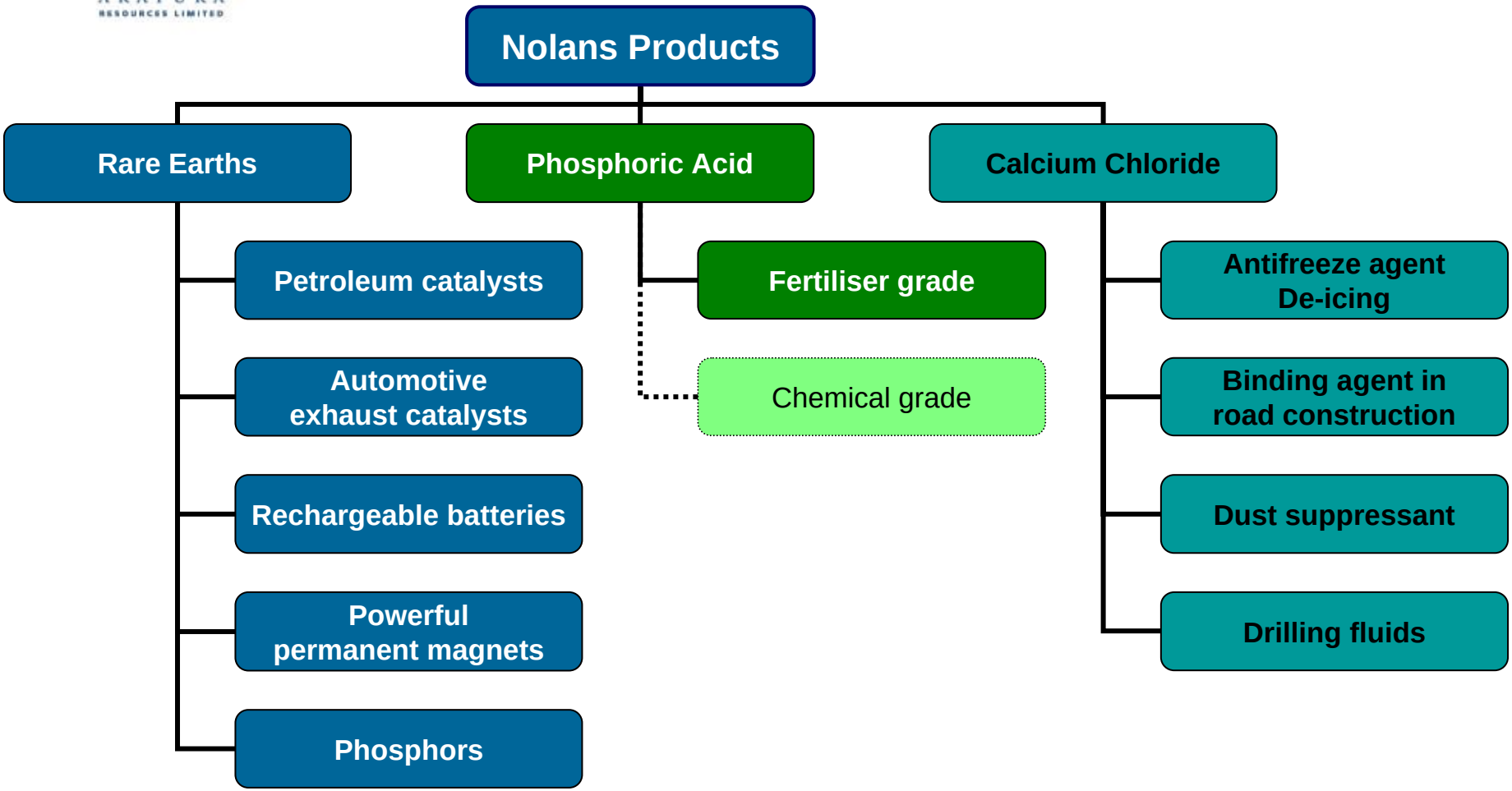
High probability to increase the resource base

Open along strike and at depth

Indicated & Inferred Resources – 18.6 Mt

Rare Earths	**Phosphate**	**Uranium**
3.1% REO	14% P_2O_5	0.47 lb/t U_3O_8
577,000 t REO	2.6 Mt P_2O_5	8.7M lbs U_3O_8

Nolans Products



Rare earths - outcomes

Environmental leadership

- Reduce fuel consumption
- Reduce greenhouse emissions
- Vehicle exhaust emission control

Electronics

- LCD/plasma screens
- Computer hard drives
- Medical services

Energy

- Petroleum refining
- Rechargeable batteries
- Energy efficient lights

Technology

- Hybrid vehicle technology
- Wind farms power generation
- Hydrogen fuel cells

Rare Earths Powering Technology

Rare Earths - Supply & Demand

Demand "Driven by electronics and environmental products"

- Growing on average by 10% per annum
- Forecasted shortfall of +50,000 t by 2010
- Hybrid cars and electronics are the main driver

Supply "China's raw materials are for China's Development"

- Mining quotas restrict supply – no foreign ownership granted
- >95% of supply is controlled by Chinese Government
- Export quotas are ~40ktpa when non-Chinese demand about 60ktpa
- Export tariffs at 15% & VAT tax at 17%
- Environmental "non-compliance" further reducing supply

Rare Earths - Prices

Prices increasing strongly

Price increases in last 12 months

Lanthanum	+15%
Neodymium & Praseodymium	+150%
Dysprosium	+50%
Europium	+10%
Terbium	+25%

Prices are responding to strong demand in electronics & hybrid vehicles

Also responding to current supply constraints and a stressed market

Alternate suppliers are in strong demand

Rare Earths - uses

Product (99% grade)	US$ / tonne	Dominant Use	Substitute
Cerium	$1,400	Automotive exhaust catalysis Polishing for electronics	PGM's (limited) None
Lanthanum	$1,850	NiMH batteries Fluid cracking catalyst	Lithium Ion None
Neodymium Praseodymium	$35,000	Powerful permanent magnets	None
Dysprosium	$95,000	Improves magnet performance at temperature	None
Europium Terbium	$375,000 $650,000	Phosphors	None

Source: Metal Pages (includes the 15% export tariff on rare earths exports)

Other Products

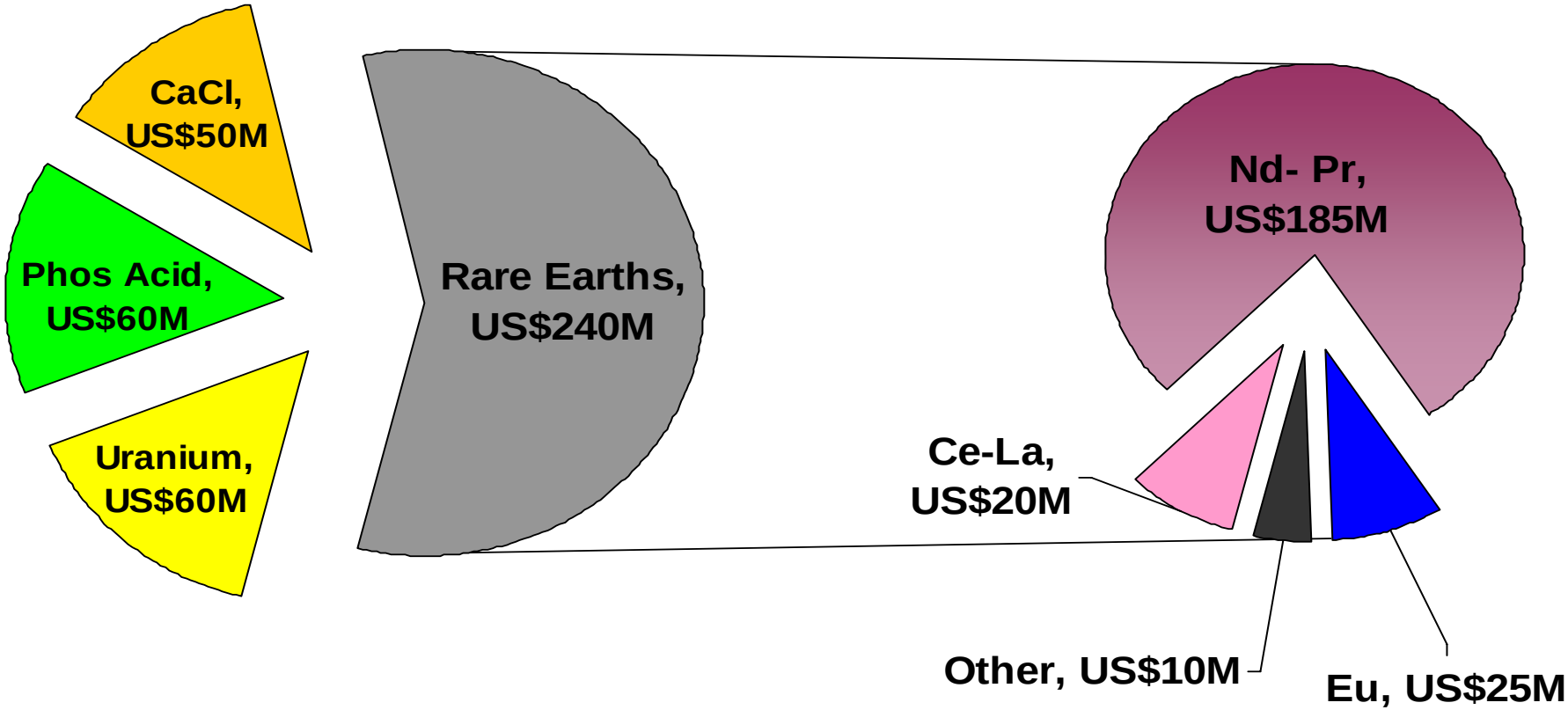
	Phosphoric Acid[1]	Calcium Chloride[2]
ARU production targets	150,000 tpa	500,000 tpa
World demand (2006)	34 Mtpa	2.7 Mtpa
Typical Price: $/tonne	US$400 (FOB)	US$250 (CIF)
World Production utilisation:	80%	93%
Australia imports	+300,000 tpa	50,000 tpa
Growth in Demand	2-4% pa	4-5% pa
Value to ARU as (FOB)	US$60 Mpa	US$50 Mpa

Source: 1:British Sulphur Consultants 2.Arafura Company literature

Arafura's base case production targets are 10,000 tpa REO, 75,000 tonnes phosphoric acid and 250,000 tonnes of Calcium chloride. The feasibility study will assess the commerciality of doubling of these rates to the targets indicated above.

Projected revenue of US$410M pa

Multiple revenue streams significantly reduces commercial risk



Assumptions

Prices (FOB) : Rare earths at an average US$12,000 per tonne, Phosphoric acid at US$400 per tonne, Calcium Chloride at US$100 per tonne.
Volume : 20,000 tonnes of rare earths, 150,000 tonnes of phosphoric acid and 500,000 tonnes of calcium chloride subject to feasibility validation
All in US Dollars

Engineering & Marketing Plan

2007 Finalise Flowsheet

Q2	Finalise rare earth circuit flowsheet design
	Phosphoric acid flowsheet is completed
Q3	Configure rare earth pilot plant
Q4	Operate phosphoric acid pilot plant

2008 Project Design & Finance

Q1	Operate rare earths plant
Q2	Product sample assessment
Q3	Project financing
Q4	Order long lead items to construction

2009 Construction

2010 Commissioning & Production

Development Plans

Development Plans – Nolans

2007	Pre-feasibility study (July) and Pilot plant (starts October)
2008	Full feasibility - Detailed engineering design
2009	Construction
2010	Commissioning & Production

Exploration Plans - 2007

Increase Nolans resources (to align with increased production rates)

Follow-up drilling at Jervois vanadium project

Growth Plans

Expand our exploration opportunities – strategic commodities

Assess short term development opportunities

Arafura's Value Proposition