ARAFURA INVESTOR ROADSHOW

Alistair J Stephens
Managing Director

February 2008

Arafura Resources Ltd

Important Notice

This presentation contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

No representation or warranty, express or implied, is made by Arafura Resources that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of Arafura Resources, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission there from. Arafura Resources accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation or any other information made available to a person nor any obligation to furnish the person with any further information.

The presentation may contain images of indigenous people that may be considered culturally sensitive.

Arafura Resources Ltd

Shares and Options (ASX: ARU / ARUO)

As at 31 December 2007

Ordinary shares	143.9 million	
Listed options	10.6 million 13 cent expiring 30 June 2008	
Unlisted options	6.65 million unlisted options	
Cash in bank	$18.4m	
Iron royalties	$2.5m	50% received
AusIndustry grant	$2.7M	available

Achievements in 2007

1. **Project PFS Valuation NPV AUD $1.1 Billion**
2. **Drilling has identified additional mineralisation.**
3. **The development of a recovery process**
4. **High recovery and high quality products**
   - Rare earths 83% highest known for any RE deposit
   - Phosphate 80% high purity & high quality
5. **Flow sheet design prepared for pilot plant**
6. **And**
   - NuPower demerger, Vanadium discovery, Kurinelli soil gold results

Northern Territory Community

Keeping the community informed

Helping in education

Supporting the local community

Employing local workers

Nolans – 2008

Resource drilling program at Nolans is + 50% complete

- Assaying in progress

Crushing & screening has commenced

- Bulk sampling is complete.

Pilot plant at ANSTO

- Being prepared

A good start with commodity prices

- RE Prices up 23% to US$14,250 / t for Nolans rare earths product mix
- Phosphoric acid prices exceed US$800/t

Nolans Bulk Sampling

Rare earths mineralisation is exposed at surface as seen in the bulk sample trench.

Sampling the trench walls.

Nolans Bulk Sampling

The soil cover is very shallow across the at Nolans project area as seen in the bulk sample trench.

Samples were drummed for transport.

Nolans Bulk Sampling

Drummed samples were stacked onto pallets and loaded into containers for transportation.

The bulk sample was transported by road train in containers for crushing, screening and heavy media separation test work.

Nolans Development Plan

2008	Pilot plant (2008) and DFS (2008/09)
2009	Approvals process
2010	Construction and commissioning
2011	Production at 50% utilisation = 10,000 t REO
2012	Production at 75% utilisation = 15,000 t REO
2013	Production at 100% utilisation = 20,000t REO

Nolans Market

ARAFURA

ENERGY PRODUCTION

Petroleum refining

Lanthanum oxide is used in petroleum cracking catalysts in the oil refining industry.

High-powered electric motors

Neodymium, dysprosium, terbium are used in the strongest permanent magnets known. Electric motors use these magnets to achieve superior output in power generation from wind.

New generation vehicles

Lanthanum is also used as a catalyst in hydrogen fuel cell technology.

ARAFURA

ENERGY REDUCTION

UV Filters in Glass

Cerium added to glass is a filter of ultra-violet radiation used in many vehicles.

Reducing fuel consumption

Neodymium is used in the electric motors in hybrid cars, which reduces fuel consumption.

Lighter - Faster

Rare earths used in vehicles improves performance and lowers car weight resulting in reduced fuel consumption.

ARAFURA
RESOURCES LIMITED

HOT OFF THE PRESS

Beijing forbids foreign mining of rare minerals

Cary Huang in Beijing

Beijing will ban foreign companies from investing or exploring in mining rare minerals or major non-renewable mineral resources to protect the country's limited resources.

Under a new set of regulations, issued by the Ministry of Commerce and the National Development and Reform Commission (NDRC), foreign firms will also be restricted or forbidden from investing in other projects that pollute the environment or consume energy intensively.

"Some important minerals that cannot be recycled are off limits to foreign investment as are highly energy-consuming or polluting projects," said a statement posted yesterday on the website of the NDRC.

It said Beijing would no longer grant favourable policy to encourage export-oriented foreign direct investment amid a massive trade surplus and surging foreign reserves.

Jian Zhuang, a senior economist at the Asian Development Bank's China resident mission, said the move was in line with the government's shift in the economic development mode away from over reliance on investment and exports to one driven by domestic consumption.

It was also aimed at protecting the country's limited natural resources in view of growing global shortage and rising prices of commodities, Mr Zhuang said.

"China is in particular need of protecting its own resources as the country is not rich in natural resources reserves," Mr Zhuang said.

Beijing has indicated in the past two years it does not want foreign firms to gain access to deposits of strategic minor metals.

The guidelines jointly issued by the two ministries, which will take effect from December 1, said the government would also restrict foreign investment in luxury villas, hotels and offices, the official China News Service said.

The guidelines also restrict foreign investment in the secondary property market. The government also prohibits foreigners from investing in small and mid-sized oil refineries, limiting access to foreigners seeking a foothold in the world's second-largest energy market.

The government regularly updates the list of "encouraged," "restricted" and "prohibited" categories. Central agencies and regional governments are required to follow such principles in scrutinising and approving foreign-invested projects.

Beijing would further "prudentially" open up strategic industries concerning matters of economic security to foreign investors, the statement said.

On Tuesday last week, Vice-Premier Zeng Peiyan said the mainland must restrict foreign capital in "key areas" and "sensitive industries" to defend its economic security.

> China needs to protect its own resources as the country is not rich in natural resources
>
> **Jian Zhuang, senior economist, Asian Development Bank**

Protecting sensitive sectors from the impact of globalisation has been a hot topic on the mainland.

A controversial Anti-Monopoly Law passed in August subjects foreign acquisitions of mainland firms to stringent new checks intended to protect the country's economic security. The law, which takes effect from August 1 next year, has reignited fears among foreign investors that Beijing is succumbing to protectionism.

The country will, however, encourage foreign firms to invest in renewable energy, ecological and environmentally friendly projects, said the statement. Foreign investment is encouraged in mining projects that need advanced technology or those in the underdeveloped northwest or in the northeast rust belt, it said.

South China Post. Bus Section pg B5 Thurs 8 Nov 2007

Japan urges China to ease rare metals supply

Reuters Thursday November 8 2007

TOKYO, Nov 8 (Reuters) - Japan's trade minister urged China on Thursday not to put the squeeze on Tokyo and other buyers of its rare metals as Beijing tightens its grip on the resources, which are indispensable for Japan's high-tech industries.

Minister of Economy, Trade and Industry Akira Amari also told Reuters he would visit South Africa and Botswana next week in a bid to secure alternative sources of the minerals, many of which resource-poor Japan depends almost entirely on China.

Fears about supply security has grown among Japanese firms amid surges in raw material prices, and as China, the source of around 90 percent of rare earth metals and tungsten supplies for Japan, steps up its control over them.

"China's got Japan's manufacturers by the throat," said one Japanese energy official who declined to be named.

Motors for hybrid cars -- a market in which Japan leads the world -- cannot be manufactured without rare earth dysprosium, and drilling tools with tungsten tips are vital for the production of compact mobile phones.

Prices of tungsten have approximately quadrupled from 2004, and dysprosium has gone up over three times in the same period, according to the Japanese government.

China banned duty-free exports of rare earth ores for processing earlier this year, and on Wednesday said it would bar foreign investment in mining rare minerals or those that can't be recycled.

"China needs to understand that no country can prosper by dominating its resources," Amari said in an interview.

"It's only natural that China would want to use its resources strategically, but it needs to understand that the basic principle in trade is that you can only prosper if your partner is prosperous."

PARTNER AND RIVAL CHINA

While China is a major producer of rare metals, it has become an importer of many minerals due to growing domestic demand brought on by its booming economy and competes with Japan in securing the resources on the global stage.

"China is a partner and a rival. It's a partnership accompanied by tension," Amari said.

Japanese traders were more blunt.

"China is a real threat," said a senior trader at Japanese rare metals trading company Advanced Material Japan Corporation.

"Japan is way behind China. We know that we're resource-poor and have to depend on other countries, but the government has not taken steps to deal with that so far."

He said Japan should review its reserves of rare metals to better reflect the current needs of Japanese manufacturers.

Japan began piling up stocks of rare metals -- nickel, molybdenum, chrome, tungsten, cobalt, manganese and vanadium -- in 1983 to cope with the possibility of a supply shortage.

But the reserves do not include rare earth or platinum, which is also in great demand among Japanese automobile makers as it is used as a catalyst to clean car exhaust fumes.

Amari admitted that Japan had lagged behind China in "resources diplomacy", but said he was confident that Japan, by offering development aid, can build ties with potential producers, including African countries.

"Japan is going to tell the countries: 'we'll support your efforts to stand on your own feet' ... All the producer countries share the fear: 'what happens once we run out of resources'," Amari said.

"We need to offer them a solution. Only Japan can tie-up resources diplomacy with industrial assistance."

Amari also said that during his visit to Africa from Nov. 14, Japan would offer assistance in exploration technology so the countries can verify potential mineral deposits. (Additional reporting by Yoko Kubota; Editing by Malcolm Whittaker)

ARAFURA

ENERGY EFFICIENCY

New Generation Vehicles

Neodymium and samarium are used in the strongest permanent magnets known. Electric motors in hybrid cars use these magnets to achieve superior output and torque.

Rechargeable Batteries

Lanthanum is a key component in the rechargeable NiMH batteries used in hybrid cars.

Energy Efficient Lighting

Praseodymium and Europium are key elements in Rare Earths used in energy efficient lighting.

ARAFURA

LIFESTYLE

Colour screen LCDs/PDPs

Europium, terbium and yttrium are used as phosphors in electronic screens.

Components to hardware

Neodymium permanent magnets and other rare earths are used in computer hard disk drives.

Medical services

Rare earths are essential components in MRIs.

Autocatalysis

Mixed rare earth oxides are used in environmental catalysts including exhaust converters, chemical scrubbers and other gaseous products and waste streams.

Rare Earths Market

China

- Produces >95% of a total demand of 108,000 tonnes
- Consumes 55% = 60,000 tonnes

Non-Chinese supply

- Limited resources with modest expansion capability
- Currently dominated by low value light rare earths (Ce & La)

Non-Chinese consumers

- High demand for Nd, Pr, Dy, Tb, Eu
- Japan 25,000 tpa Magnet & phosphor market
- Europe 10,000 tpa Catalyst market (Ce & La)
- USA 10,000 tpa FCC oil industry market (La)

China's Policy Changes

2007 policy

- Export tariffs of between 10% and 15% depending on the type of rare earths material

Effective 1 January 2008, export tariffs will increase:

- 15% for Neodymium, Praseodymium, as metal oxides chlorides or carbonate material and
- 25% for Dysprosium, Terbium, Europium and Yttrium as oxides, chlorides or metals.

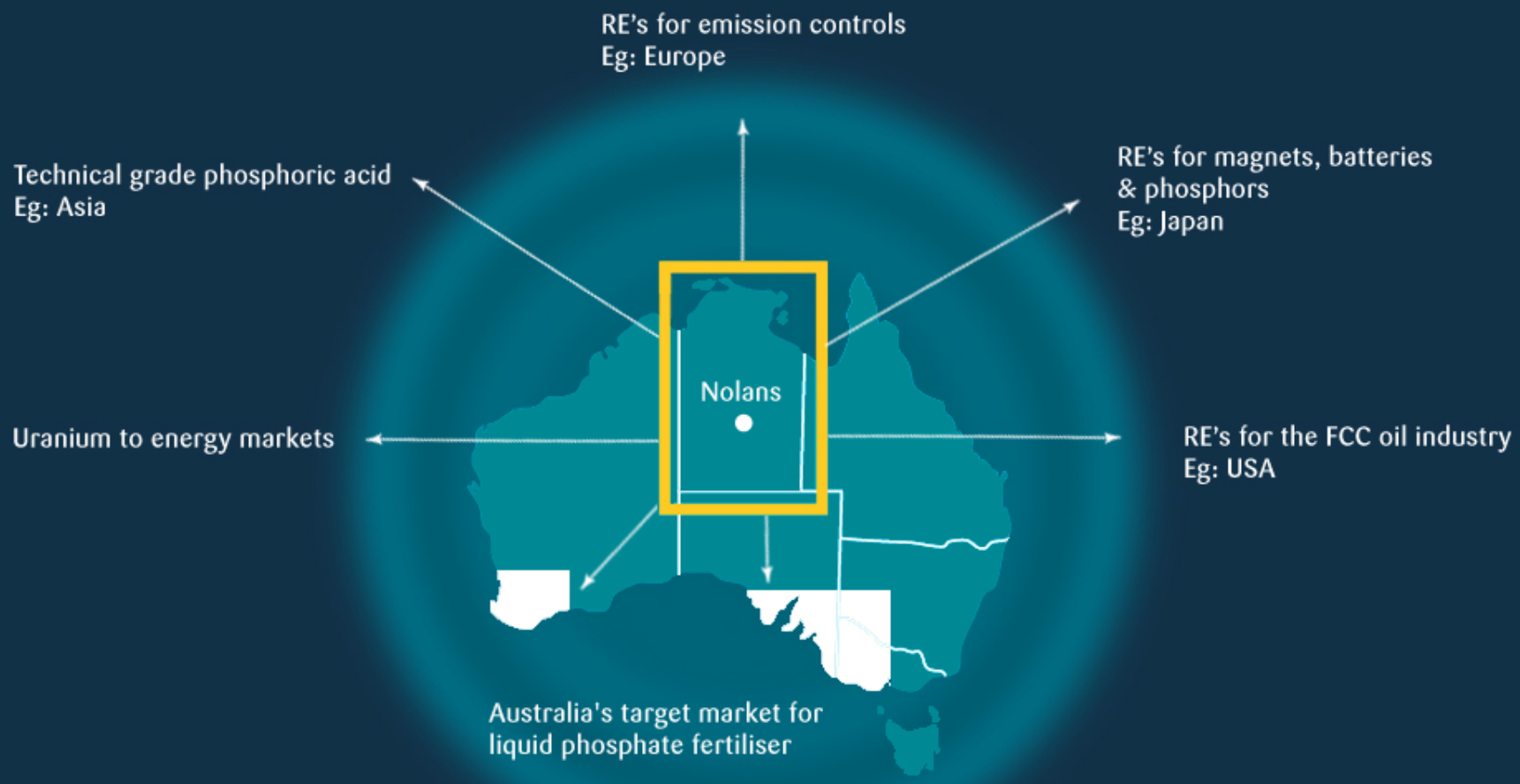
Export quota

- Chinese company exports reduced from 35 to 23 companies
- First half quota is 10% lower than 2007 period

ARAFURA
RESOURCES LIMITED

OUR MARKETS

RESOURCES FOR THE FUTURE



Looking Forward

Exploration

Rare earths	Drilling to recommence at Nolans
Vanadium	Jervois drill program scheduled for Q2 2008
Nickel	Mithril/BHPB to drill test Hammer Hill February-March
Gold	Drilling planned for Kurinelli late 2008

Nolans Pilot Plant – rare earths

- Complete heavy media separation test work - February
- Commence leaching test work March-April

Shareholder Meetings

Australia shareholder meetings 2008

Darwin	4 February 2008
Adelaide	5 February 2008
Melbourne	6 February 2008
Sydney	7 February 2008
Brisbane	8 February 2008

Additional shareholder meeting to be planned later in the year

Australia and Europe