



ABN 22 080 933 455

Arafura Resources Ltd

25 AUGUST 2008

## **Chemical Processing Facility Heads of Agreement Nolans Rare Earth-Phosphate Project**

Arafura Resources Limited "Arafura"(ASX:ARU) is pleased to announce the signing of an agreement with Incitec Pivot Limited "Incitec Pivot" (ASX:IPL) under which Arafura and Incitec Pivot will evaluate the feasibility of constructing integrated chemical facilities to supply relevant chemicals to Arafura's proposed Rare-Earth-Phosphate processing facility.

The study will incorporate a review of potential plant sites in South Australia and the Northern Territory for both the chemical plant and the rare earth processing facility and is expected to take approximately 6 months.

The parties will consider the feasibility of the chemical facility supplying the majority of Arafura's chemical needs for its Rare-Earth facility, including hydrochloric and sulphuric acid and caustic soda.

In addition, the parties will consider the marketing opportunities for the chemical outputs of phosphoric acid and calcium chloride from the Arafura rare earth processing facility creating a specialist chemical supply, logistics and marketing opportunity.

### **About INVITEC PIVOT LIMITED**

Incitec Pivot, an ASX Top 50 company, is a leading international chemicals company with nitrogen-based manufacturing at its core.

Incitec Pivot has extensive operations throughout Australia, the United States, Canada and Mexico, including manufacturing plants, distribution centres and well-established channels to market, and employs approximately 4,500 staff worldwide.

Incitec Pivot is Australia's largest manufacturer and distributor of fertiliser products and, since its acquisition of Dyno Nobel earlier this year, is a leading supplier of explosives products and services in Australia and North America.

It also undertakes trading through its international trading arm, Southern Cross International.

### **About Arafura Resources**

Arafura Resources is a Perth-based specialty metals explorer and developing producer which has operated in the Northern Territory for the past 20 years. It listed on the Australian Stock Exchange in 2003 and has diversified its asset portfolio by targeting projects that will deliver long-term and sustainable value and growth.

### **Arafura Resources Strategy**

Arafura has an exploration and development program to grow its position in rare earth projects that are consistent with additional growth beyond the Nolans Project. The Company will focus on the identification and development of rare earth projects and specialise in rare earths products and their markets.

**Growth through Development**

Arafura's primary focus is the development of the Nolans rare earths-phosphate-uranium project. The deposit has a resource to sustain a mine life of over 20 years and Arafura has developed a processing flowsheet that optimises the extraction of rare earths, phosphoric acid, and uranium.

For more information:

Fact sheets on Arafura can be found on the Arafura Resources website at [www.arafuraresources.com.au](http://www.arafuraresources.com.au)

Alistair Stephens  
Managing Director  
+61 8 9221 7666