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Commencement of Mine Design Drilling at Nolans Project

Arafura Resources Limited (ASX:ARU) has commenced drilling at its Nolans rare earths-phosphate-uranium project in the Northern Territory, located 135 kilometres north-north-west of Alice Springs.

This drill program is an important and necessary component of the Nolans Definitive Feasibility Study.

The program comprises approximately 1,000 metres of core drilling into the central portion of the North Zone of the Nolans deposit. Arafura anticipates this area will be the focus of initial mining operations when planned development commences in 2009/10.

The current drill program, scheduled for completion within six weeks, will acquire detailed geotechnical data, including groundwater information, to be used in mine design.

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

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