

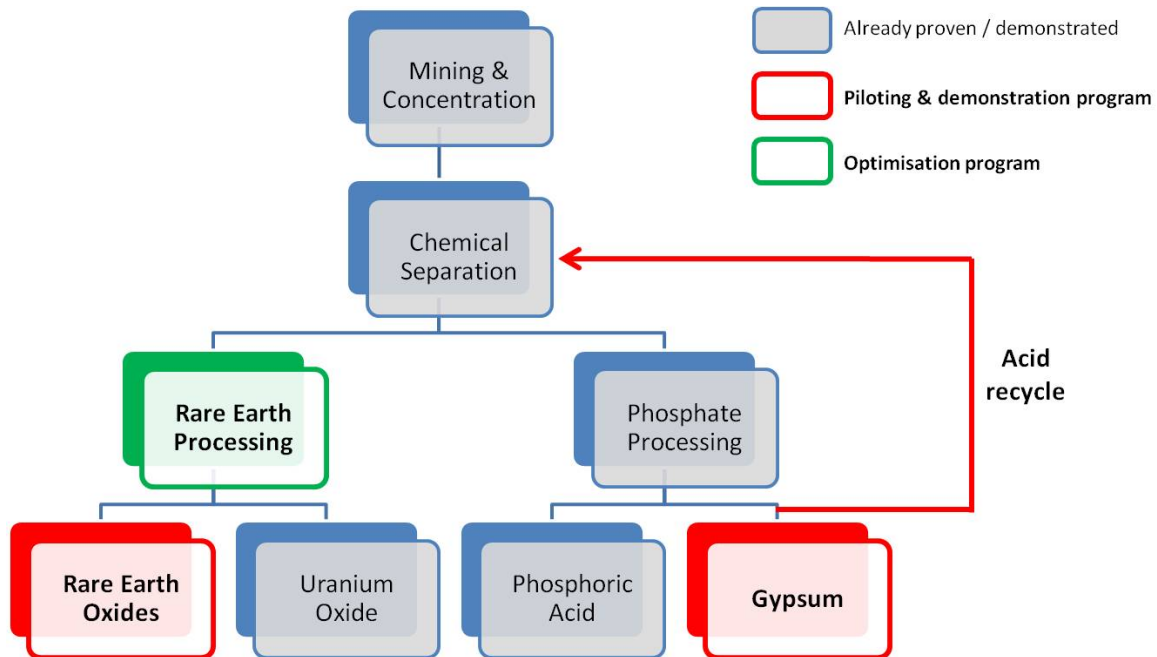
ASX RELEASE

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NOLANS PROJECT – FURTHER CONTRACTS AWARDED TO PROGRESS FEASIBILITY STUDIES

Australian rare earths company Arafura Resources Limited (ASX: **ARU**) (“**Arafura**” or “**the Company**”) is pleased to advise that it has entered into contractual arrangements with a number of parties to progress, as planned, all remaining key technology work streams for its Nolans Project.

Programs aimed at de-risking and further optimising novel technology in order to facilitate project financing and to shorten the time taken to achieve nameplate production were described as follows (ASX:ARU 31/05/10).



Initial contracts have now been executed with the following organisations to commence the work:

- Australian Nuclear Science and Technology Organisation (“ANSTO”) – Rare Earth Oxide separation;
- Bateman Engineering Pty Ltd – Rare Earth Processing optimization; and

- Aker Solutions Australia Pty Ltd – Acid recycle from calcium chloride.

Dr Steve Ward, Arafura's Managing Director and CEO, commented, "This marks another significant milestone as we progress the Nolans Project towards production in 2013. The work will assist in de-risking the project in the eyes of project financiers, and provide additional product samples for customer assessment."

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