

**ASX  
RELEASE**

11 February 2011



**AN EMERGING  
RARE EARTHS  
PRODUCER  
FOR USERS  
WORLDWIDE**

## **TECHNOLOGY DEMONSTRATION PROGRAM UPDATE**

Australian rare earths company **Arafura Resources Limited (ASX: ARU)** (**Arafura** or **the Company**) is pleased to provide an update on progress of the calcium chloride recycle part of its demonstration program for key aspects of rare earths processing technology.

The work stream to demonstrate the process in which calcium chloride is reacted with sulphuric acid to generate hydrochloric acid for reuse, and calcium sulphate (gypsum) product for sale, is progressing very well.

The demonstration facilities located at AMMTEC in Perth have been successfully pre-commissioned. Full trials with chemicals have now commenced. Arafura is being assisted by experts from McGill University in Canada.

There has already been interest in the gypsum product. One major gypsum user has sent one of their experts to view the demonstration facilities.

Arafura Managing Director & CEO Dr Steve Ward commented, "We are very pleased with progress to date. This test program is designed to optimise all aspects of this part of the rare earth production process and, in doing so, reduce capital investment and operating expenditure. It forms part of our extensive overall work program for 2011 which is moving ahead at full pace. We will provide further updates as milestones are achieved."

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