

Clarification Regarding Funding For 2012

Arafura Resources Limited (**ASX:ARU**) ("**Arafura**" or "**the Company**") wishes to clarify the Company's position with regard to funding for 2012.

The Company confirms the information contained in the Global Investor Update issued on 6 December 2011:

- Upon completion of the Nolans Project Bankable Feasibility Study ("**BFS**") in 2012, the Company will have spent \$ 250M in total on the Nolans Project since work began in 2000. (Please refer to page 6 of presentation)
- The Company requires an additional \$70M in 2012 which together with existing funds will be used to complete the Nolans Project BFS (Please refer to page 23 of presentation)

In a recent media article it was inadvertently and incorrectly reported that \$250M would be spent **during 2012**.

Arafura is working with its Corporate Advisor Macquarie Capital (Australia) Limited ("**Macquarie**") to identify and procure the optimum financing package for the \$70m of funding required for 2012. (Please refer to separate ASX release of 6 December 2011)

Arafura's Managing Director and CEO, Dr Steve Ward, said "The \$250M which will have been spent since 2000 to complete the Nolans BFS in 2012 is a clear measure of the time and resources required to advance a rare earths project successfully. It also reflects the care, diligence and de-risking Arafura is taking as it progresses the Nolans Project. We have started 2012 well with considerable work in progress on all work streams. We look forward to reporting the results of our 2011 Nolans drilling campaign and rare earths production demonstration program in the coming weeks"

- ENDS -

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