

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

Rare Earth Prices Continue to Increase Nolans Valuation Breaks US\$50/kg level

Rare Earths prices quoted by Metal Pages, UK have continued to increase in September. These new prices have pushed the value of 1 Kg of Nolans Rare Earth mix past the US\$50 level to US \$50.03. This represents a 313% increase since December 2009 and continues to the trend of historical highs.

Rare Earths prices have significantly increased following the announcement by China in July 2010 of reductions in Rare Earth export quotas for the second half of 2010. Prices of all Rare Earths have increased. Most recently, the prices of the lighter Rare Earths, Lanthanum, Praseodymium and Neodymium, have increased markedly as demand has remained strong while exports of these from China have been reduced.

Dr Steve Ward Arafura's Managing Director and CEO commented ' This continuing trend of higher prices due to shortages outside of China underlines the importance of new supply sources and in particular our own Nolans Project. We have achieved major milestones in this project recently as we drive forward towards production in 2013. At these Rare Earth prices our annual sales revenue from Rare Earths alone would be US\$1 billion. We have an exciting future ahead of us'.

For further information please contact:

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