

20 September



AN EMERGING RARE EARTHS PRODUCER FOR USERS WORLDWIDE

SOUTH AUSTRALIAN GOVERNMENT ANNOUNCES ITS INTENTION TO DECLARE MAJOR PROJECT STATUS FOR ARAFURA'S WHYALLA RARE EARTHS COMPLEX

HIGHLIGHTS:

- South Australian Government has announced its intention to declare Major
 Project status for Arafura's proposed Whyalla Rare Earths Complex.
- Follows Arafura's signing of Exclusivity Deed for Whyalla land announced on 17 September 2010.

The South Australian Government has announced its intention to grant Major Project status for Arafura Resources Limited's (ASX: ARU) (Arafura or the Company) proposed Whyalla Rare Earths Complex (Rare Earths Complex or the Complex). This move was announced in Adelaide on Friday 17 September by the South Australian Minister for Urban Development and Planning, Hon Paul Holloway.

Arafura Managing Director and CEO Dr Steve Ward welcomed the South Australian Government's announcement which recognises that the Rare Earths Complex is considered to be of major economic, social or environmental importance to the State.

"Arafura's Whyalla Rare Earths Complex is consistent with the SA Government's objective to develop mineral processing industries in the area. Attaining Major Project status will be another significant step for us," he said.

Dr Ward added, "We have been very pleased with the positive reaction we have received to our announcement regarding the Whyalla location from both the SA Government and the local community. Site selection is another major milestone in the history of the Company. We are now in a position to move forward at pace with all our Nolans Project work programs as we progress towards production in 2013."

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Visit <u>www.arafuraresources.com.au</u> for information on the Whyalla Rare Earths Complex.

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