

## ASX RELEASE

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### NOLANS PROJECT – FURTHER CONTRACTS AWARDED TO COMPLETE BANKABLE FEASIBILITY STUDY

Australian rare earths company Arafura Resources Limited (ASX: **ARU**) (“**Arafura**” or “**the Company**”) is pleased to advise that it has entered into a contractual arrangement with Parsons Brinckerhoff to join Arafura’s existing staff and create the larger integrated client team now required for the management of the completion of the engineering aspects of its Bankable Feasibility Study (BFS).

With the recent decision on the Whyalla site location, for the Rare Earths Complex, Arafura is on track to complete the BFS for the Nolans Project in Q4 2011. The remaining engineering work on the BFS will gather together all previous bodies of work and advance and finalize the engineering and project definition to a level where the information will be ready for project financing. Arafura will be approaching “first tier” process consulting/EPCM organisations to complete the study program as their Study Contractor.

Parsons Brinckerhoff will bring project management systems and processes as well as personnel into the Company’s project team to help manage the Study Contractor during this final phase of the study.

Arafura’s Managing Director and CEO, Dr Steve Ward, commented “With the announcement of Whyalla as our preferred location for the Rare Earths Complex, we now have a clear business model where we will add value to the Nolans resource in Australia at Whyalla and produce valuable rare earth oxides for users worldwide. The strategic importance of Rare Earths for worldwide users has been highlighted by US Secretary of State, Hillary Clinton, in her recent speech in Melbourne during her visit to Australia. Our recent successful capital raising, which was a significant vote of confidence in our Nolans project and the company at large, has provided the funds for us to drive forward with our Nolans Project plan at full pace. We recognize that we need to supplement our existing excellent team with appropriate expert skills to ensure we deliver the Nolans Project to plan and we welcome Parsons Brinckerhoff via this contract as part of that process”.

#### **For further information contact:**

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