

**ASX
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ARAFURA COMMENCES ENVIRONMENTAL IMPACT STUDIES FOR WHYALLA RARE EARTHS COMPLEX

Australian rare earths company **Arafura Resources Limited (ASX: ARU)** (**Arafura** or **the Company**) today advised that environmental impact studies for its Whyalla Rare Earths Complex (**the Complex**) site have commenced.

The Company has contracted AECOM Australia Pty Ltd (**AECOM**) to complete the studies. AECOM has been contracted to collect baseline environmental data, assess the interaction of the Complex with the environment, and identify appropriate measures to deliver a sustainable outcome for all stakeholders.

Field assessment work has commenced on the site for the Complex and Arafura anticipates public release of appropriate documentation by mid-2011.

Arafura Resources Managing Director and CEO Dr Steve Ward said "The start of these studies is an important step in Arafura's plan to construct a world-class Rare Earths complex at Whyalla."

The Company plans to produce 20,000 tonnes of Rare Earth Oxides and 80,000 tonnes of Phosphoric Acid per annum at the Complex from 2013.

"Arafura is committed to meeting all its regulatory and social commitments in relation to the establishment of the Complex," Dr Ward said.

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Visit www.arafuraresources.com.au for information on Whyalla Rare Earths Complex.

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