

28 July 2011

## **ARAFURA DISCOVERS MORE RARE EARTHS AT NOLANS BORE**

### **HIGHLIGHTS:**

- **Substantial new shallow rare earths mineralisation encountered at Nolans Bore;**
- **The best mineralised intercepts include:**
  - **143 metres @ 3.6% REO, 19.8% P<sub>2</sub>O<sub>5</sub> and 0.56 lb/t U<sub>3</sub>O<sub>8</sub> from 23 metres in NBRC900**
  - **27 metres @ 4.1% REO, 25.6% P<sub>2</sub>O<sub>5</sub> and 0.58 lb/t U<sub>3</sub>O<sub>8</sub> from 58 metres in NBRC899**
  - **19 metres @ 5.4% REO, 27.1% P<sub>2</sub>O<sub>5</sub> and 0.90 lb/t U<sub>3</sub>O<sub>8</sub> from 106 metres in NBRC899;**
- **Further rare earths confirmed at depth across large parts of the Nolans Bore resource;**
- **Revised JORC resource for Nolans Bore expected by the end of 2011.**



Australian rare earths company **Arafura Resources Limited (ASX: ARU)** (**Arafura or the Company**) today confirms the presence of substantial new shallow rare earths mineralisation at its 100 per cent owned Nolans Bore deposit in the Northern Territory, within an area that had not been extensively tested in past drilling programs.

The mineralisation in this untested area (Figure 1) is buried under about 3 metres of shallow overburden in an extensive north-south zone that transects the deposit. Access to this particular area was inhibited during earlier drilling campaigns due to the presence of infrastructure.

The assay results reported from two drill holes in this area collared about 60m apart (Table 1: holes NBRC899 and NBRC900) include some thick, strongly mineralised intervals. Additional drilling to further evaluate the extent and nature of this newly recognized north-south zone of mineralisation is in progress. Some of this material has not been included in current JORC resources at Nolans Bore (ASX:ARU 11/11/2008).

These drill intercepts are part of a comprehensive campaign of reverse circulation (RC) and diamond core (DDH) drilling (totaling 52,260m) that commenced at Nolans Bore in February 2011. The campaign has two aims:

- To provide improved JORC confidence levels for part of the resource necessary for the Nolans Project Bankable Feasibility Study (BFS); and
- To determine the full extent of the Nolans Bore resource for assessment of expansion opportunities.

### **ARAFURA RESOURCES LIMITED**

arafura@arafuraresources.com.au www.arafuraresources.com.au ABN 22 080 933 455

**PERTH:** Level 5/16 St Georges Tce, Perth WA 6000 | PO Box 3047, Adelaide Terrace, Perth WA 6832 T: +618 6210 7666 F: +618 9221 7966

**DARWIN:** 18 Menmuir St, Winnellie NT 0820 | PO Box 37220, Winnellie NT 0821 T: +618 8947 5588 F: +618 8947 5599

**WHYALLA:** Unit 18, 11 Darling Tce, Whyalla SA 5600 T: +618 8645 5509 F: +618 8645 1856



All shallow (150m deep) RC infill drilling has now been completed (29,904m in 227 holes). Assay results received to date are in line with expectations.

An extensive program of deeper diamond drilling (RC-DDH ('diamond tails') in Figure 1) is nearing completion with geological and geophysical logging confirming the presence of Nolans Bore-type rare earths mineralisation at depth across large parts of the deposit. Most of this mineralisation is likely to represent new JORC resources. Assay results from deeper intersections (>150m) will be reported in the near future.

Arafura anticipates releasing a revised estimate of JORC resources for Nolans Bore by the end of 2011, encompassing results from the full 2011 drilling campaign. This new estimate will be used as the basis for the Nolans Project BFS.

Arafura's Managing Director and CEO, Dr Steve Ward, commented, "The 2011 drill campaign has been a major undertaking for the Company. We will have completed more drilling this year than we have in total for all previous years. The initial results are very encouraging and reinforce the world-class status of Nolans Bore. We look forward to further results from the campaign when we will be able to assess the extent of expansion opportunities. This is particularly important considering the current undersupply in rare earths, which is forecast to remain in place for some years to come."

- ENDS -

**For further information contact:**

Dr Steve Ward  
Managing Director & CEO  
Arafura Resources Ltd  
T: +61 8 6210 7666

**Competent Person's Statement**

The information in this release that relates to exploration results and geological interpretation has been compiled by Mr Kelvin Hussey BSc (Hons) MAIG.

Mr Hussey is a Member of the Australian Institute of Geoscientists and he has sufficient experience with the style of mineralisation being reported to qualify as a Competent Person as defined in the *Australasian Code for Reporting of Mineral Resources and Ore Reserves* (JORC Code) for reporting these exploration results. Mr Hussey is a full-time employee of Arafura Resources Limited. He consents to the inclusion in this report of the contained technical information in the form and context in which it appears.

**Table 1: 2011 RC Drilling Results, Nolans Bore**

| HOLE NO. | FROM metres | TO metres    | INTERVAL metres | TOTAL REO** % | P <sub>2</sub> O <sub>5</sub> ** % | U <sub>3</sub> O <sub>8</sub> ** lb/t*** |
|----------|-------------|--------------|-----------------|---------------|------------------------------------|------------------------------------------|
| NBRC899  | 3           | 9            | 6               | 2.1           | 9.5                                | 0.23                                     |
|          | 13          | 16           | 3               | 4.3           | 22.3                               | 0.51                                     |
|          | 20          | 33           | 13              | 3.1           | 17.3                               | 0.34                                     |
|          | 38          | 39           | 1               | 5.9           | 29.3                               | 0.75                                     |
|          | 58          | 85           | 27              | 4.1           | 25.6                               | 0.58                                     |
|          | 90          | 100          | 10              | 4.4           | 24.9                               | 0.68                                     |
|          | 106         | 125          | 19              | 5.4           | 27.1                               | 0.90                                     |
|          | 129         | 139          | 10              | 2.5           | 9.9                                | 0.36                                     |
|          |             | <b>TOTAL</b> | <b>89</b>       | <b>4.0</b>    | <b>21.7</b>                        | <b>0.58</b>                              |
| NBRC900  | 3           | 5            | 2               | 2.5           | 12.1                               | 0.32                                     |
|          | 23          | 166          | 143             | 3.6           | 19.8                               | 0.56                                     |
|          |             | <b>TOTAL</b> | <b>145</b>      | <b>3.6</b>    | <b>19.7</b>                        | <b>0.56</b>                              |

| HOLE NO.        | EAST metres | NORTH metres | RL metres | INCLINATION ° | AZIMUTH ° | TOTAL DEPTH metres |
|-----------------|-------------|--------------|-----------|---------------|-----------|--------------------|
| <b>NBRC 899</b> | 318918.2    | 7501933.3    | 657.5     | -60           | 145       | 150                |
| <b>NBRC 900</b> | 318924.6    | 7501993.7    | 657.5     | -60           | 145       | 180                |

Notes:

- Results based on a 1% REE cut-off grade in the assay samples with limited internal dilution in the intercepts;
- Total REO assays do not include Yttrium (Y);
- Assay sample intervals were selected on the bases of geological and radiometric logging of individual 1 metre RC drill samples. Assay sample intervals range from 1 metre to 2 metres. Samples were prepared and analysed using the same procedures and analytical techniques (3-acid digest, ICP-OES/MS) that were used in all previous drill programs at Nolans Bore;
- Drill hole collar coordinates are in MGA94 Zone 53.

\*\* Analytical data subject to confirmation by duplicate sampling and inter-laboratory analyses.

\*\*\* 1 lb/t U<sub>3</sub>O<sub>8</sub> equals 0.0454% U<sub>3</sub>O<sub>8</sub>

