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ARAFURA ADDS CERIUM OXIDE TO SEPARATED RARE EARTH OXIDE PRODUCT RANGE AVAILABLE FOR CUSTOMER EVALUATION

Australian Rare Earths company **Arafura Resources Limited (ASX: ARU)** (**Arafura or the Company**) is pleased to announce the achievement of another major milestone in producing a separated Cerium Oxide product from Nolans Bore for customer evaluation.



Separated Rare Earth Oxide samples from Arafura's 2011-2012 product development program

This follows successful production of three other Rare Earth Oxide (REO) products from Nolans Bore earlier this year (ARU: ASX 17/01/12):

- Nd/Pr Oxide: Didymium Oxide (Nd+Pr);
- SEG Oxide: 'Mids' Rare Earth Oxide (Sm+Eu+Gd); and
- HRE Oxide: 'Heavy' Rare Earth Oxide (Tb+Dy+Ho+Er+Tm+Yb+Lu+Y).

Initial customer feedback confirms that these products are to the defined specifications.

All products, including Cerium Oxide, have been produced at pilot scale at ANSTO (Australian Nuclear Science and Technology Organization) in Sydney, and the Company is now advancing to produce samples of Lanthanum Oxide, the last of its five separated REO products intended for initial commercialization from the Nolans Project.

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Arafura's CEO, Chris Tonkin, said, "Arafura's downstream technology program is delivering excellent outcomes in the form of final separated REO product samples from our Nolans Bore resource. We can now add Cerium Oxide to our product range which, together with the three products previously separated, accounts for over 90% of the rare earth product value from the Nolans Project on current prices.

Our demonstrated ability to produce separated oxide products is a major point of difference between Arafura and other rare earth projects currently being considered for development in Australia and elsewhere around the world," he added.

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