

ASX RELEASE

16 March 2011



**AN EMERGING
RARE EARTHS
PRODUCER
FOR USERS
WORLDWIDE**

ARAFURA AWARDS MAJOR ENGINEERING CONTRACT TO ADVANCE NOLANS BANKABLE FEASIBILITY STUDY

Australian rare earths company **Arafura Resources Limited (ASX: ARU)** (**Arafura** or **the Company**) is pleased to advise that it has appointed AMEC Minproc Limited (“AMEC Minproc”) as the Engineering Study Manager to advance the Nolans Project Bankable Feasibility Study (BFS). Their key role in the BFS is to develop the engineering and cost estimates, to the level acceptable for project financing, for the Rare Earths Complex at Whyalla in South Australia.

Together with existing contractors, Lycopodium (Mining) and Parsons Brinkerhoff (Owner’s engineering team), AMEC Minproc will bring together the engineering studies which are crucial to the Engineering Procurement and Construction Management (EPCM) processes, and ultimately finalising the BFS in readiness for project financing.

AMEC Minproc is recognised as a first tier process consulting and EPCM organisation with considerable experience in developing feasibility studies and executing projects with complex metallurgical and chemical processes. They have over 30 years’ experience in the industry, having completed more than 400 major studies. AMEC Minproc is part of AMEC plc, a FTSE 100 company that employs 22,000 people globally, and brings significant experience to the project in the engineering and construction of sophisticated hydrometallurgical and chemical processes, similar to the unit processes proposed for the Rare Earths Complex at Whyalla.

With this appointment Arafura remains on track to complete the BFS in 2011.

Arafura’s Managing Director and CEO, Dr Steve Ward, commented, “The successful capital raising last year allows Arafura to continue its program to complete the BFS in 2011 and then, subject to securing project finance, advance to production of Rare Earth Oxides in 2013. The appointment of AMEC Minproc, a leading first tier engineering firm, to the project represents a further major milestone in Arafura’s progress this year.”

- ENDS -

For further information contact:

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

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