

ARAFURA SECURES WHYALLA SITE FOR RARE EARTHS PROCESSING COMPLEX

HIGHLIGHTS:

- Arafura secures site for the Whyalla Rare Earths Complex by signing a land purchase contract with OneSteel;
- Contract covers approximately 800 hectares of land, and is subject to final government approvals;
- Under the contract, Arafura retains rights to access the site to continue with detailed engineering and environmental studies;
- Other terms of the sale contract are commercial in confidence.



Australian rare earths company **Arafura Resources Limited (ASX: ARU)** (**Arafura** or **the Company**) today announced it has exchanged signed contracts (**Contract**) with OneSteel Manufacturing Pty Ltd, a subsidiary of OneSteel Limited (**OneSteel**), to purchase approximately 800 hectares of land at Whyalla in South Australia to locate its proposed rare earths processing complex (**Rare Earths Complex** or **the Complex**).

The land is located within the current OneSteel Whyalla landholding. The Contract incorporates easements for the location of infrastructure, and settlement of the Contract is subject to final approval of the change in ownership by relevant government agencies.

In September 2010, Arafura and OneSteel signed an Exclusivity Deed to negotiate a formal sale agreement which has now been concluded. Since that time Arafura has had access to the site to undertake detailed engineering and environmental studies. Earlier this month the Company received EIS Guidelines relating to development approvals for the Rare Earths Complex at the site.

Arafura Managing Director & CEO Dr Steve Ward said, "Today's signing marks a very important milestone in the development of the Nolans Rare Earths Project, and helps to cement Arafura's position as one of the very few near-term producers of rare earths. Whyalla is a key part of Arafura's business model which is to add value to resources in Australia and produce rare earth oxides for users worldwide using production processes developed in Australia."

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The Whyalla site was identified after a comprehensive Australia-wide assessment, and has many of the characteristics necessary for the development and operation of a substantial minerals processing and chemical facility, such as availability of services, close proximity to transport infrastructure, and access to a skilled workforce. The Company continues to progress work relating to the EIS approval.

“The Whyalla community and the South Australian and Northern Territory governments have been very supportive of our plans to deliver a project that will place Australia well and truly on the global rare earths industry map. I look forward to Arafura being a member of the Whyalla community for many years to come,” he added.

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