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Arafura Resources Limited

Broker Presentation – April 2007



Arafura Resources Limited

| | |
|--|----------------------|
| ASX Codes | ARU : ARUO |
| Shares on Issue | 120 m |
| Options | 15 m @ 13c, June '08 |
| Share Price range (23 April 2007) | A\$2.00 |
| Market Capitalisation (fully diluted) | ~A\$270 m |
| Cash on hand | A\$6.0 m |
| Commonwealth Ready Grant for feasibility | A\$3.3 m |

Positioned to grow into a specialty metal producer

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Resources for the future



Arafura Resources Limited

NT focused exploration & Development Co.

- Focused on Nolans – phosphate hosted rare earths / uranium deposit
- Target production in 2010
- Exploration projects in gold (Tennant Ck) and vanadium (Jervois)
- Gold resources and iron ore royalties (Pine Creek)

Looking to expand without loosing focus

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Resources for the future



Arafura Projects & Investments

Arafura Resources

100% Arafura

10% NuPower

Nolans Project

Exploration

Joint Ventures

Resource will sustain a Long life of +20yrs

Multiple revenue streams REO, Phosphate, U3O8,

Major market opportunity in REO

Jervois Vanadium Project
100% ARU

Kurinelli Gold 100%

Mt Porter gold resource
34,200 oz

Pine Ck Iron Royalties
\$1.0 to \$1.5mpa from 2008

Nickel farm-in by
Mithril Resources

Looking for opportunities

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Resources for the future



Nolans – Resource

Multi commodity deposit

- Rare Earths, Phosphate, Uranium, (Calcium Chloride as by product)

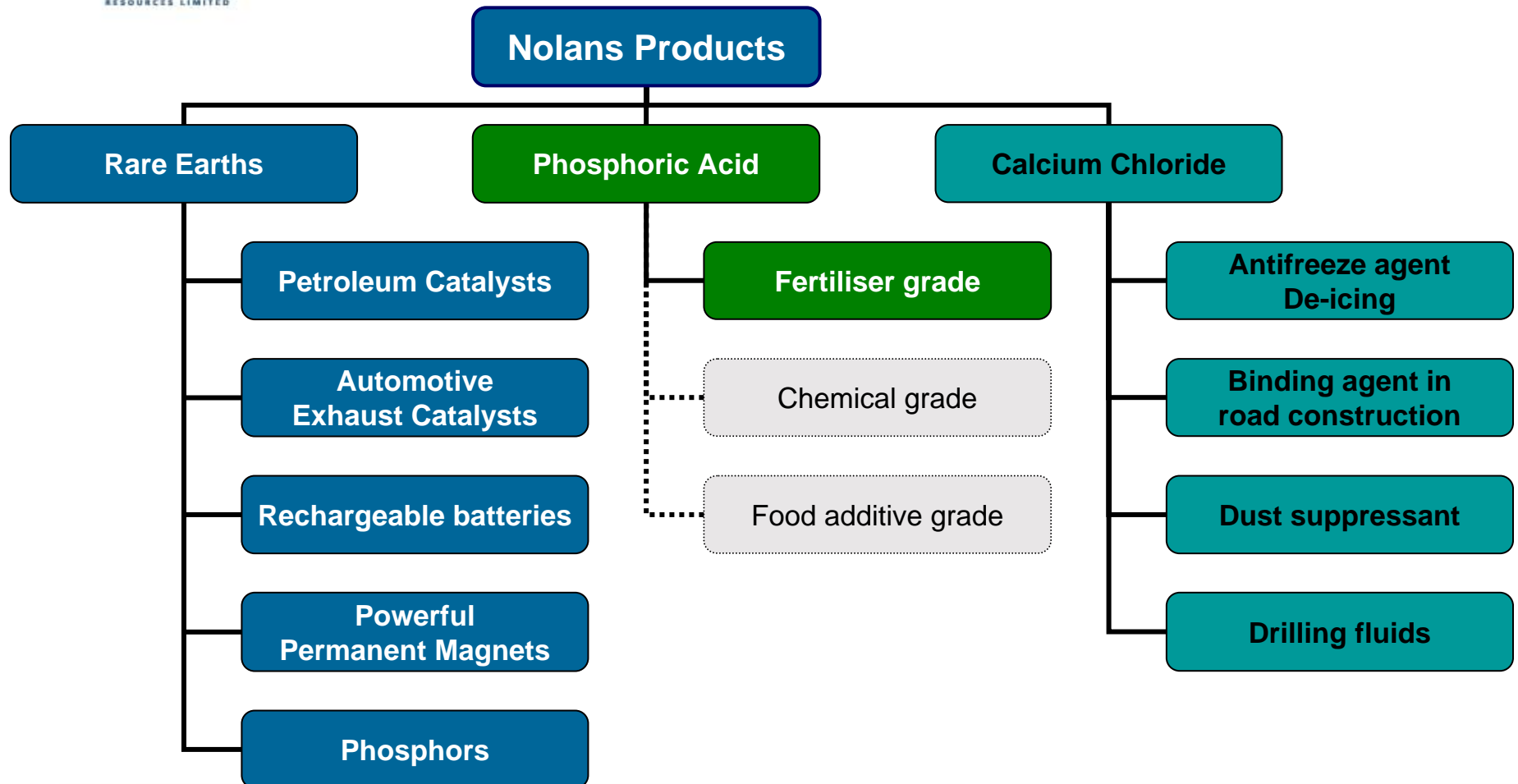
18.6 mt resource

| | | | |
|-----------------|-------------------------------------|---|---------------------------|
| – Rare Earths | Phosphate | Uranium | Thorium |
| – 3.1% REO | 14% P ₂ O ₅ | 0.47 lb/t U ₃ O ₈ | 0.36% ThO ₂ |
| – 577,000 t REO | 2.6mt P ₂ O ₅ | 8.7m lbs U ₃ O ₈ | 67,000 t ThO ₂ |

Resource has extensive upside potential

Rare Earths
Powering Technology

Nolans Project – Products & Uses



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Rare earths put *style* into lifestyle

Environmental leadership

- Reduce fuel consumption
- Reduce GHG emissions
- Automotive exhaust catalysts

Electronics

- Colour screen LCD/plasma
- Computer hard drives
- Medical services

Energy

- Petroleum refining
- Rechargeable batteries

Technology

- Hybrid vehicle technology
- Wind farms power generation
- Hydrogen fuel cells

Rare Earths

Powering Technology



Rare Earths Market

Demand

- Growing on average by 15% per annum
- Potential +50,000 tonne shortfall in demand by 2010
- Hybrid car demand the main driver (La + Nd)

Supply

- >95% controlled by China
- Export quota's have restricted supply from +60ktpa to <40ktpa
- Export taxes have increased prices

Price

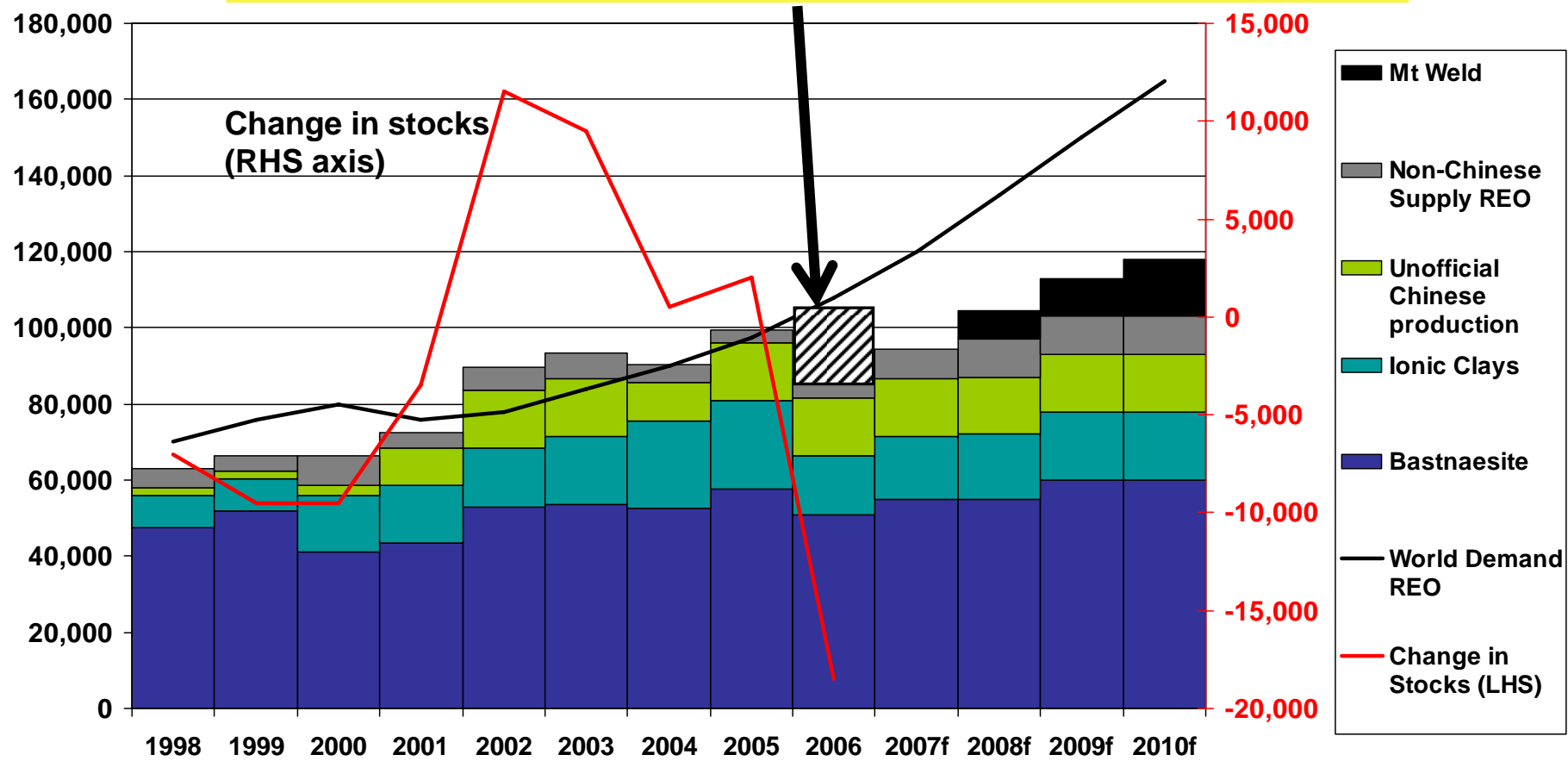
- **Demand will outstrip supply. Prices will continue to increase**
- **At US\$30/kg for Nd = AUD\$150m pa revenue from 4,200t**

Rare Earths
Powering Technology



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The deficit in production in 2006 has drawn down all world stocks



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Resources for the future



Rare Earths

| Product | Price | Use | Substitute |
|-----------------|-------------------|--|-------------------------|
| Cerium | US\$2,500/tonne | Automotive exhaust catalysis Glass additive | PGM's (limited) None |
| Lanthanum | US\$3,000/tonne | NiMH batteries Fluid cracking catalyst | Lithium Ion None |
| Neodymium (+Pr) | US\$30,000/tonne | Powerful permanent magnets | None |
| Dysprosium | US\$80,000/tonne | Improves magnet performance at temperature | None |
| Europium | US\$250,000/tonne | Screen phosphors | None |

Rare Earths
Powering Technology



Known resources compared

| | Nolans | Bautou | Mountain Pass | Mt Weld | Kangankunde Hill |
|--------------|---------------|--------|---------------|---------|------------------|
| Tonnes | 18.6mt | 300mt | 12mt | 7.7mt | 11mt |
| Grade | 3.1% | 1.5% | 8 to 9% | 11.9% | 2.0% |
| Recovery | tba | 50% | 50% | 60% | na |
| Ce + La | 67% | 75% | 81% | 73% | |
| Nd + Pr + Dy | 27% | 22% | 18% | 22% | |
| Sm+Eu+Gd+Y | 6% | 3% | 1% | 5% | |

Rare Earths
Powering Technology



Nolans - Development Stages

| | |
|---------------------------------------|----------|
| Environmental study | 2007 |
| Metallurgical testing and pilot plant | 2007 |
| Marketing | on going |
| Full engineering design | 2008 |
| Government and regulatory approvals | on going |
| Construction | 2009 |
| Commissioning/ Production | 2010 |

Rare Earths
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Questions?

www.arafuraresources.com.au

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