

# RARE EARTH at Arafura

By Rob McGlynn

Core drilling underway at Nolans

Arafura Resources Managing Director and Chief Executive Officer Dr Stephen Ward believes the company is well on track to become a leading supplier of Rare Earths thanks to its world class Nolans Project, located north of Alice Springs in central Australia.

The Northern Territory Explorer is making excellent progress on the project's Bankable Feasibility Study, and is on schedule to deliver first production of Rare Earth Oxide (REO), Phosphoric Acid and Uranium Oxide in 2013.

Rare Earths are vital ingredients for the electronics and technology industries, and are essential elements in producing a host of electronic products, such as mobile phones, laptop computers and liquid crystal and plasma display screens.

Dr Ward said that global demand is increasing much more rapidly than supply; so much so that prices are forecast to increase between 20 and 30 per cent over the next five years.

"At present the total value of the global market is estimated to be more than \$US1.1 billion annually," he said. "Nolans has a current total resource of over 30 million tonnes, including 848,000 tonnes



Arafura Resources Managing Director and Chief Executive Officer Dr Stephen Ward

of Rare Earths and 3.9 million tonnes of Phosphate."

The resource is conducive to open cut mining with a mine life of at least 20 years, based on an annual production rate of 20,000 tonnes of Rare Earth Oxide.

Once mining begins the concentrate will be trucked to the Adelaide-Darwin railway and railed to a dedicated chemical processing and production facility.

"Resource extraction will involve a small open pit operation," Dr Ward explained. "Upgrading of ore to a mineral concentrate at the mine site will be achieved via a process involving crushing, gravity separation, flotation and grinding."

While the company has no definite 'local content' policy, Dr Ward said it has operated in the NT for over 10 years



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and where possible the company always looks to employ local operators.

Capital cost of the Nolans project is approximately \$US420 million, with by far the greater proportion expended on the chemical processing facility.

Location of the chemical plant is yet to be confirmed; however, the company is expecting to make a decision within the next few months.

While production is first and foremost in Arafura's scope, Dr Ward said he is keen to look beyond the first phase of Nolans, as the resource is still open.

"If the resource proves to be larger than we currently have outlined there is the possibility of a second phase production expansion during 2015 to 2020," he said.