

Arafura Resources

Investor Update

Managing Director's Presentation

January 2006



Arafura
Resources for the future

Corporate Overview

Corporate Strategy

Rare Earths Review and 2006 Plan

Uranium Review and 2006 Plan

Gold Review and 2006 Plan

Divestments Review and 2006 Plan

Summary



Capital Structure

ASX listed

Shares on issue

Market capitalisation

Listed options

Options on issue

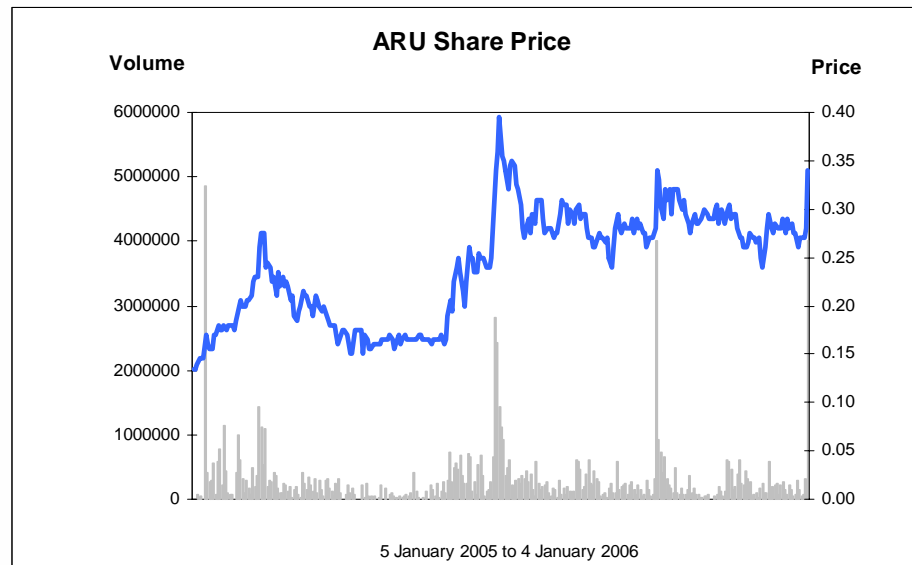
ARU

58 m

\$20m

ARUO (June 2008)

26 m



Cash at
31 Dec 05
\$2.4m

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Resources for the future

Resources for the future

Rare earths will be instrumental in supporting changes to the transport industry through the development of clean and fuel efficient vehicles

Uranium is the clean economic solution to power generation

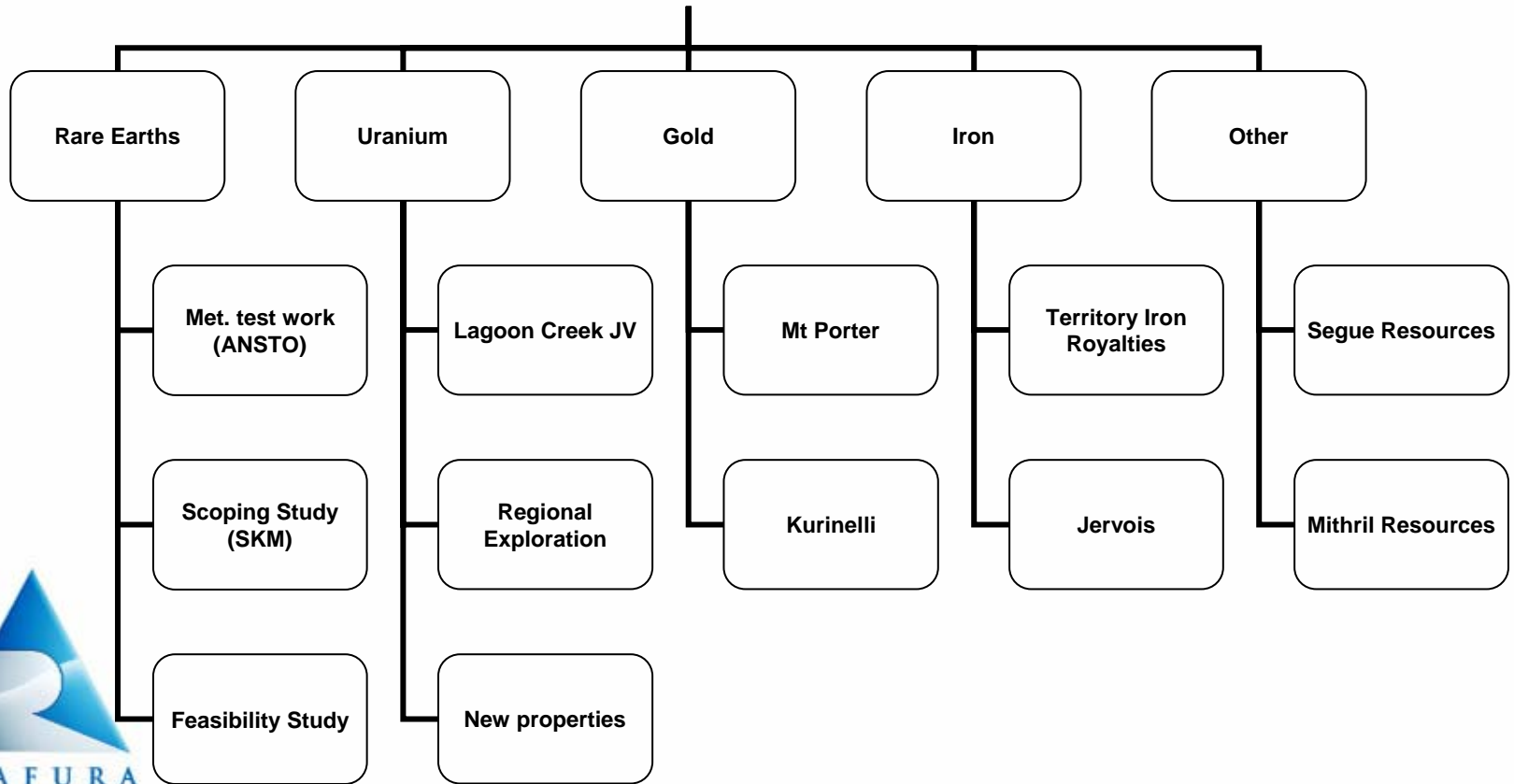
Creating Value

Define our gold potential at Kurinelli

Capturing maximum value from our assets through divestment



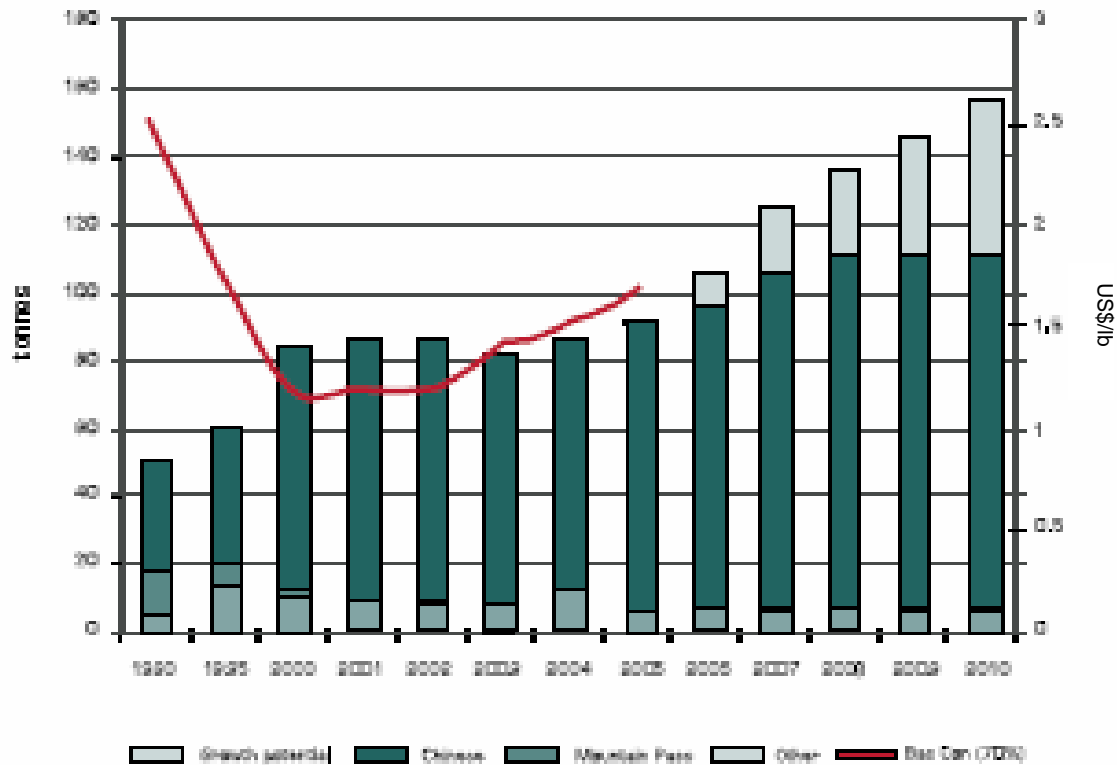
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Resources for the future

Market Outlook

REO Demand and Price



Rare Earths

Powering Technology

- Nolans Bore Resource
 - 3 fold increase
 - 18.6MT @ 3.1% REO, 14%P₂O₅
 - Mine life > 20 years
- Metallurgical Test work
 - Initiated testwork for recovery of REO,Uranium,P₂O₅
 - ANSTO
- Scoping Study
 - Engaged SKM



Resource Table Rare Earths

The total indicated and inferred resources as at November 2005 are:

	MT	REO%	REO (kt)	P ₂ O ₅ %	U ₃ O ₈ lb/t
High grade	3.9	4.4	174	18.3	0.70
Medium grade	6.6	2.4	158	11.1	0.37
Total Indicated	10.5	3.1	332	13.8	0.50
Total Inferred	8.1	3.0	245	14.3	0.43
TOTAL	18.6	3.1	577	14.0	0.47

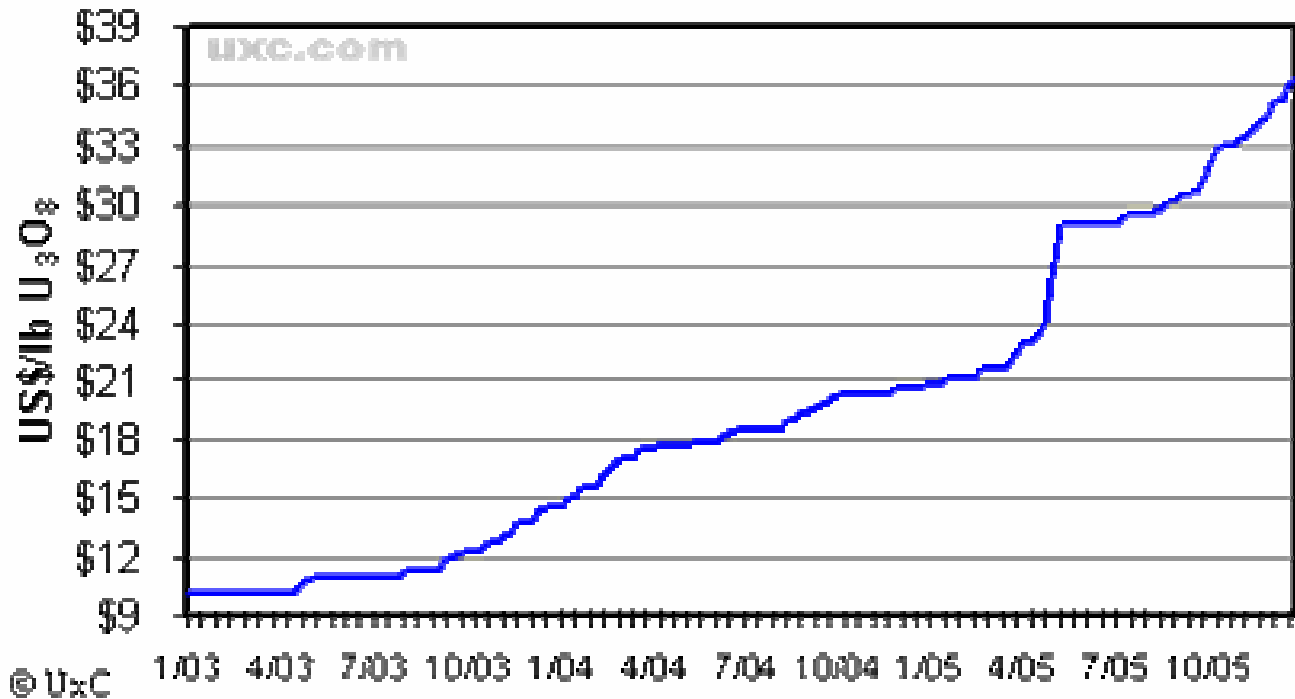


Rare Earths
Powering Technology

- Nolans Bore Feasibility Study
 - Resource
 - Geological Model
 - Technical
 - Appoint Project Manager
 - Complete flow sheet
 - Mine Design
 - Regulatory
 - Environmental baseline
 - Marketing
 - Engage offtake parties



Market Outlook



Uranium
Energy of the future

- Lagoon Creek JV
 - Agreement for \$5.5m over 5 years to earn 60% equity
 - Geophysical aerial survey completed
- Regional Ground Acquisitions
 - 7,550 Km² over 5 tenements
 - Yalyirimbi, Lucy Creek, Woodforde River, Burts Plain, Sandover.
- Nolans Bore
 - 8.7m lbs U₃O₈ in resource



Uranium
Energy of the future

- Lagoon Creek JV
 - Drill test targets defined from aerial survey
- Regional
 - Reconnaissance Exploration
 - Geophysics, geochemistry
- Nolans Bore
 - Recovery testwork

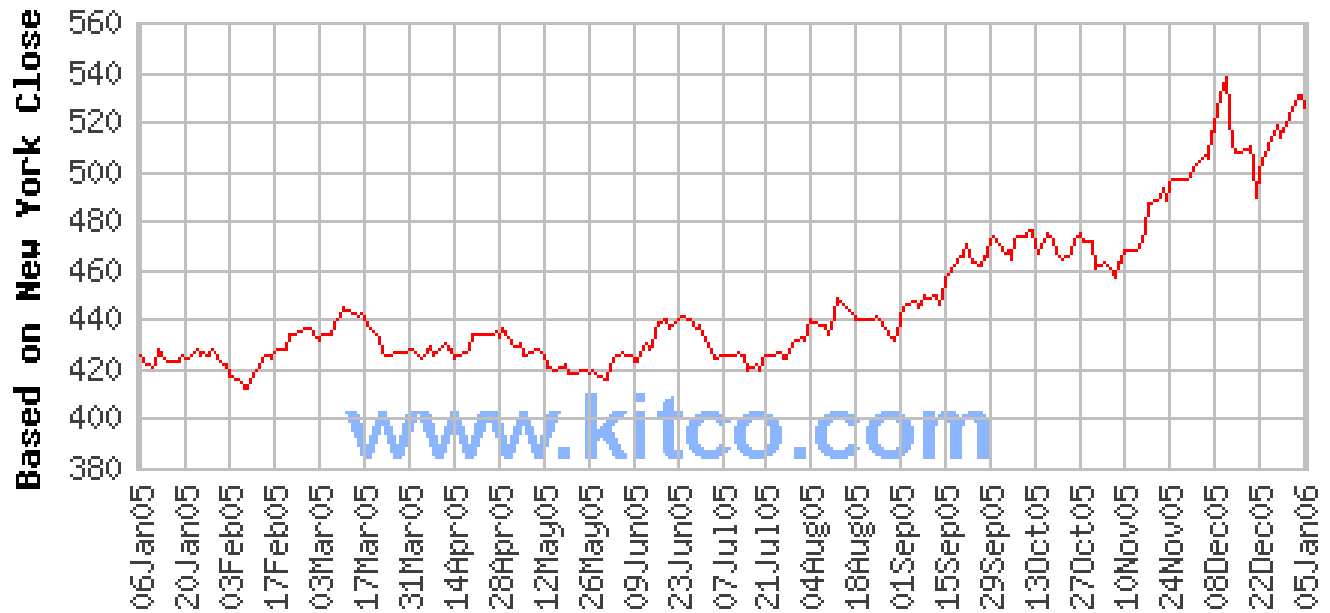


Uranium
Energy of the future

1 Year Gold (\$USD)

January 06, 2005 to January 05, 2006

MAX \$536.50 on Dec 12, 2005 , MIN \$411.10 on Feb 08, 2005



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Gold
A Solid Foundation

- Kurinelli
 - Soil sampling defines anomaly 4km x 1km
 - Sample to 5.0g/t Au
- Frances Creek
 - Mt Porter Resource 34,200oz
 - NLC mining agreement
 - PER largely completed
 - Union Reef Mill target to recommence July 2006



- Kurinelli
 - Drill Test Targets
- Frances Creek
 - Continue negotiations to realise value



- Frances Creek Iron – Territory Iron Limited
 - Resource increase to 4.5MT
- Hammer Hill – Mithril Resources Ltd
 - \$5m over 6 years to earn 70%
 - Mithril has a strategic alliance with BHPB
- Coronet Hill – Segue Resources
 - Sold Coronet Hill for \$50k cash and 500,000 shares @ \$0.50
- Lagoon Creek – Laramide Resources Ltd
 - JV signed and on target to reach milestones



- Frances Creek Iron
 - Due to commence mining in H2 2006
 - Lease applications / approvals in progress
 - Royalties to commence in 2007
- Coronet Hill
 - Shares out of escrow in August 2006



In Summary

- Nolans Bore (REO, U, P₂O₅)
 - Feasibility Study
 - Metallurgical test work
 - Pilot Plant
 - Geological modelling inc drilling
- Uranium
 - Drill test Lagoon Creek
 - Reconnaissance
- Gold
 - Drill test targets at Kurinelli
- Divestments
 - On going evaluation

