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ASX ANNOUNCEMENT

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EXPLORATION UPDATE

DRILLING COMMENCED AT NOLANS BORE

Arafura Resources NL today announced that drilling has commenced at the company's Nolans Bore rare earths and uranium tenements. A drill rig was mobilized onto site last week and has commenced drilling over the weekend.

Drilling is achieving good penetration rates. A program of 7,500 metres is planned and the entire program of RC drilling should be complete by the end of July.

SOIL SAMPLING COMPLETED AT KURINELLI

Soil sampling at Kurinelli (gold) is complete and has been submitted for analytical analysis and should be available by the end of June. Interpretation of these and planning of the next phase will occur in July.

Company Background

Arafura Resources NL holds a number of tenements in the Northern Territory, principally prospective for uranium and rare earths. The company's key assets include the Lagoon Creek tenement on the Northern Territory - Queensland border which contain uranium and the Nolans Bore tenements which include rare earths and uranium.

The company's primary objective is to become a significant producer of rare earth and uranium commodities, based on an aggressive strategy of growth and production

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