



ARAFURA RESOURCES NL

ACN 080 933 455

ASX ANNOUNCEMENT 17 August, 2006

DRILLING RESULTS AT KURINELLI COFIRM FURTHER GOLD MINERALISATION

Authorisation C 74, Mineral Claims 950-953, (ARU 100%)
Mineral Claim 22799 (ARU Option to Purchase)

HIGHLIGHTS

- A drill program of 57 drill holes for a total of 3,597 metres at Arafura's Kurinelli Gold Project has been completed.
- Drilling has confirmed the presence of gold mineralisation.
- 2-metre composite samples yielded results including 6.77 g/T gold.
- Results are encouraging for the discovery of more coherent mineralisation and additional close-spaced soil sampling is planned in the northern part of the anomaly.

Arafura Resources (ASX:ARU) today announced that greenfields drilling at the company's Kurinelli gold project has confirmed gold mineralisation. Kurinelli is located in the Davenport Ranges 140 kilometres southeast of Tennant Creek in the Northern Territory.

A total of 57 inclined reverse circulation percussion holes were drilled to test the subsurface extent of gold-in-soils geochemical anomalism identified in Arafura's 2004-06 exploration programs. Holes were drilled to depths between 42 and 86 metres for a total of 3,597 metres.

Drilling was focussed beneath sites of significant gold mineralisation and concentrated in a 1 x 1.5 kilometre area in the south-western part of much larger 5.5 x 1.5 kilometre anomalous gold zone at Kurinelli.

The drilling results indicate that the gold mineralisation in this part of the Kurinelli Gold Project area is mostly restricted to narrow intervals. This is consistent with the narrow quartz veins observed and mapped in surface outcrops in this area.

Nine of the two-metre composite samples returned average assays above 1 g/T Au with the best result occurring in KNRC019 (6.77 g/T Au).

Wider anomalous gold intercepts do occur in five holes. Results from these include

- 4 metres @ 0.53 g/T Au from the surface in KNRC023
- 14 metres @ 0.27 g/T Au from the surface in KNRC051 (including 4 metres @ 0.60 g/T Au from the surface)
- 4 metres @ 2.34 g/T Au from 14 metres in KNRC054
- 6 metres @ 0.41 g/T Au from 48 metres in KNRC046
- 32 metres @ 0.15 g/T Au from 18 metres in KNRC043

Results of 19 samples returned average gold assay values of greater than 0.5 g/T. A complete list of all nineteen composite samples with intercepts greater than 0.5 g/T Au are included (Table 1) together with the accompanying diagrams which detail locations of all drill holes completed at Kurinelli by Arafura Resources.

These anomalous intercepts suggest slightly wider mineralised zones or multiple veins may be present in the Kurinelli area. These are considered encouraging for the discovery of more coherent mineralised zones.

Further 25 x 50 metres infill soil sampling is planned to better define the gold anomalism in adjacent areas at Kurinelli.

Additional 1-metre re-sampling of the anomalous composite samples is also currently underway.

For further details contact:

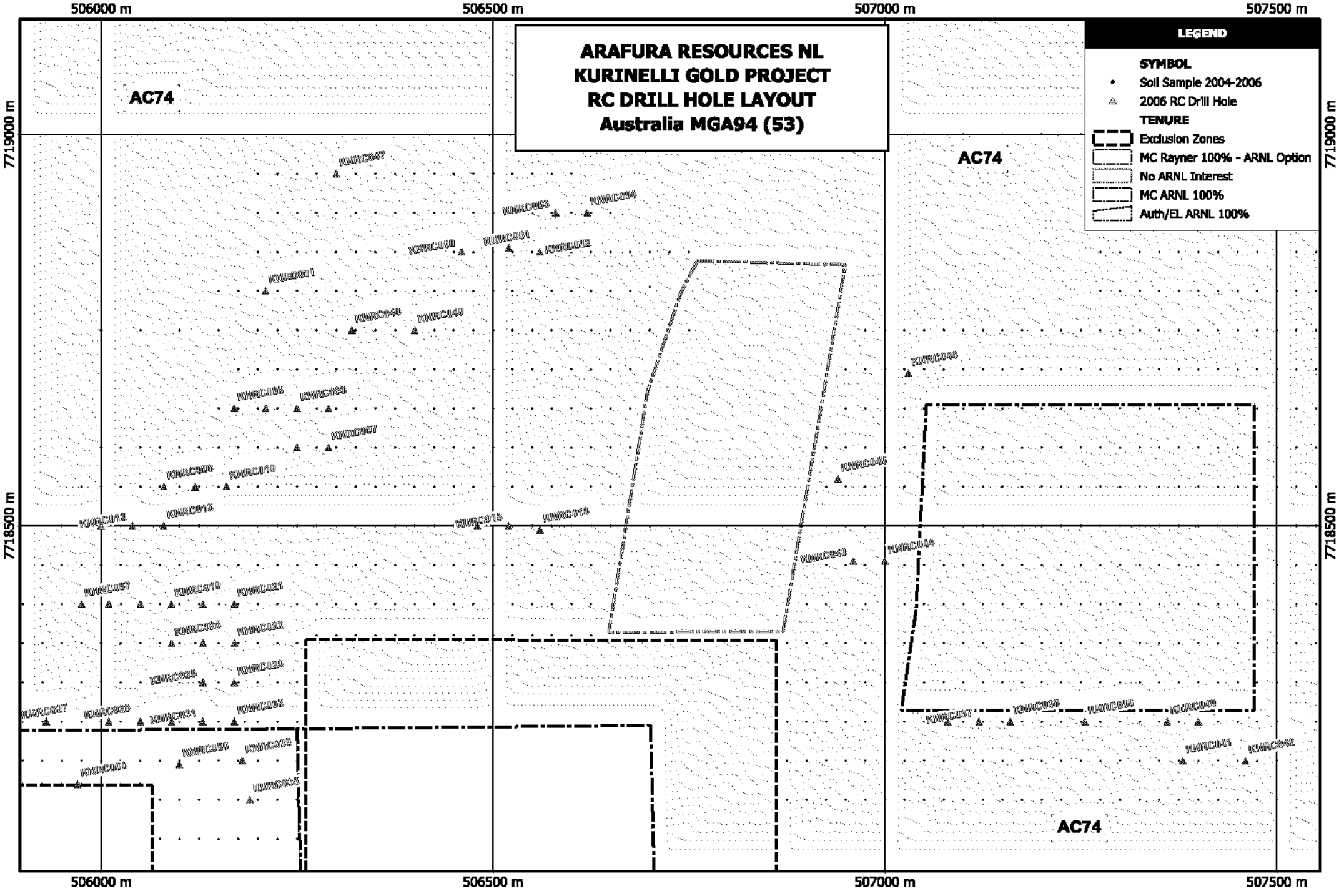
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The information in this press release that relates to exploration results and geological interpretation has been compiled by Mr John Goulevitch, BSc(Hons), MSc, of Exploremin Pty Ltd. Mr Goulevitch is a Fellow of the Australian Institute of Geoscientists and he has sufficient experience relevant to this style of mineralisation to qualify as the Competent Person as defined in the *Australasian Code for Reporting of Mineral Resources and Ore Reserves* (JORC Code) for reporting exploration results. Mr Goulevitch fills the role of Consulting Geologist to Arafura Resources. He consents to the inclusion in this report of the matters contained in the form and context in which they appear. An entity associated with Mr Goulevitch is a shareholder in Arafura.

Table 1: Intercepts averaging greater than 0.5 g/T Au

HoleNo	From	To	Interval	Average Au (g/T)
KNRC019	44	46	2	6.77
KNRC053	14	16	2	4.14
KNRC049	32	34	2	2.37
KNRC030	30	32	2	2.35
KNRC022	52	54	2	2.24
KNRC037	14	16	2	1.13
KNRC020	42	44	2	1.06
KNRC043	24	26	2	1.05
KNRC053	44	46	2	1.05
KNRC007	6	8	2	0.84
KNRC017	40	42	2	0.71
KNRC023	0	2	2	0.69
KNRC051	0	2	2	0.68
KNRC046	52	54	2	0.56
KNRC046	50	52	2	0.56
KNRC006	42	44	2	0.55
KNRC053	16	18	2	0.54
KNRC022	24	26	2	0.53
KNRC051	2	4	2	0.52



**ARAFURA RESOURCES NL
KURINELLI GOLD PROJECT
RC DRILL HOLE LAYOUT
Australia MGA94 (53)**

LEGEND

SYMBOL

- Soil Sample 2004-2006
- ▲ 2006 RC Drill Hole

TENURE

- Exclusion Zones
- MC Rayner 100% - ARNL Option
- No ARNL Interest
- MC ARNL 100%
- Auth/EL ARNL 100%

