



ARAFURA RESOURCES NL (ASX : ARU)

ASX ANNOUNCEMENT 1 November, 2006

Drilling commenced at Mt Porter Gold Project

ERL116 (100% ARU)

Arafura Resources NL (ASX:ARU) has commenced drilling at Mt Porter gold project located at Pine Creek in the Northern Territory.

The Mt Porter project contains a small resource of 34,200 ounces of gold in a shallow resource that is amenable to open pit mining. The current drill program consists of about 10 holes for approximately 800 metres to test for extensions to the mineralisation.

The Mt Porter project is located about 15 kilometres from the Union Reefs gold treatment plant that is located near Pine Creek. The owners of the plant, GBS Gold International Inc. ("GBS", a Toronto listed company) successfully recommissioned the plant on 23 August 2006. Arafura will commence negotiations for the treatment of the Mt Porter resource through the plant. GBS are considering modifying part of the plant to treat refractory ores that should significantly improve the recovery of Mt Porter style mineralisation.

Arafura has also revisited metallurgical test work for Mt Porter mineralisation which should be available in November 2006. The Company has also revitalised environmental studies for the submission of a public environmental report. Arafura has an agreement with the Northern Land Council (NLC) for the mining of the deposit.

Results from the drilling program are expected before the end of the year.

All further enquiries should be directed to:

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