

**Mr Ding's Address  
Representative of East China Mineral Exploration  
and Development Bureau (ECE)**

**Arafura Resources AGM  
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Good morning, ladies and gentlemen. As a representative of ECE, I am very honored to give a brief address at the 2015 Annual General Meeting.

In the past year, the management of Arafura has done plentiful work in relation to the technology feasibility study of Nolans Project. They have conducted extensive and efficient cooperations and communications with rare earth research institutes in China, such as Shenghe Resources, Research Institute based in Beijing and Guangzhou Non-ferrous Rare Earth Institute, etc. The Research Institute based in Beijing has completed the laboratory test work in the past year and has finished an alternative reagent flowsheet for Nolans Project. The results of the alternative reagent have the potential to be more productive and efficient than the SAPL flowsheet. The alternative reagent flowsheet also has the potential for lower CAPEX and OPEX opportunities, which could provide further significant improvements to the Nolans Project feasibility study.

Finishing the laboratory test work does not mean that we could go straight to commercial production. We still need to conduct a large-scale Pilot plant as compared to the limited number of samples in the laboratory test work. The parameters and results from the Pilot Plant will represent the future economic index of the plant for production.

But at present, in a very challenging international economic environment and at a very difficult period of time for the minerals industry, I would recommend caution prior to starting the Pilot plant for either the SAPL and alternate reagent flowsheet due to the large amount of money needed. I would suggest Arafura to conserve its cash resources and also progress Nolans to project financing. ECE, as an Arafura shareholder, will assist to identify strategic and financial partners to advance the project and hopefully bring the best outcome for all shareholders in the future. Therefore, let us work together to overcome the difficulties and seek for a bright future.

Thank you very much!