

ASX RELEASE

2 April 2014



AN EMERGING
RARE EARTHS
PRODUCER
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CLARIFYING STATEMENT FURTHER COST SAVINGS IDENTIFIED FOR NOLANS PROJECT

Arafura Resources Limited (ASX:ARU) (“Arafura” or the “Company”) refers to its ASX announcement of 20 March 2014 containing an update of CAPEX (capital costs) and OPEX (operating costs) estimates for the Nolans Rare Earths Project.

The CAPEX and OPEX estimates and the annual REO equivalent production of 20,000 tonnes in the original announcement are underpinned by Measured and Indicated Mineral Resources for Nolans Bore (see Table 1). These Mineral Resources were estimated and reported following the guidelines of the JORC Code 2004 by AMC Consultants Pty Ltd in June 2012. The information in Table 1 has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Table 1 Nolans Bore Mineral Resources (as at 8 June 2012)

RESOURCES	TONNES (million)	RARE EARTHS REO %	TONNES REO	PHOSPHATE P ₂ O ₅ %	TONNES P ₂ O ₅	URANIUM U ₃ O ₈ lb/t	TONNES U ₃ O ₈
Measured	4.3	3.3	144,000	13	572,000	0.57	1,120
Indicated	21	2.6	563,000	12	2,610,000	0.42	4,090
Inferred	22	2.4	511,000	10	2,220,000	0.37	3,610
TOTAL	47	2.6	1,217,000	11	5,410,000	0.41	8,830

1% REO cut-off grade. REO grade excludes Yttrium (“Y”). Numbers may not compute exactly due to rounding.

Ore Reserves were estimated for Nolans Bore and reported by the Company on 11 December 2012 in accordance with the JORC Code 2004. Since that time the Company has materially changed some of the Modifying Factors that support these Ore Reserves. The Company is currently completing a Chinese optimisation program and expects there will be further changes to the Modifying Factors for the Nolans Project. A new estimate of Ore Reserves will be completed and reported in accordance with the JORC Code 2012 by the Company once the updates from the Chinese optimisation program are complete.

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Competent Person's Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr John Tyrrell, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tyrrell is a full time employee of AMC Consultants Pty Ltd. Mr Tyrrell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Tyrrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

