

BOARD CHANGES

Arafura Resources Limited (**ASX: ARU**) ("**Arafura**" or "**the Company**") wishes to advise that Mr. Ian Kowalick AM has been appointed to the Arafura Board with immediate effect.

Mr. Kowalick is a well-known businessman based in Adelaide South Australia. He was one of the original founding directors of Arafura.

Mr. Ian Laurance AM has decided to stand down from the position of non-executive Chairman and will remain as a non-executive Director. The Board acknowledges Mr. Ian Laurance's contribution to Arafura in his time as non-executive Chairman. During this period, the Company survived the difficult period of the Global Financial Crisis. Firm plans for the company's future were then established, including the Board Refresh Program.

Mr. Kowalick has agreed to become non-executive Chairman during January 2012. This will enable him to complete a number of other business activities before he takes on the role. He will also hold discussions with as many shareholders as possible, including ECE and German shareholder groups, before the end of 2011.

Current non-executive director, Mr. Chris Tonkin, has been appointed non-executive Chairman for the interim period prior to Mr. Kowalick taking on the role.

Arafura's Managing Director and Chief Executive Officer, Dr Steve Ward commented "The appointment of Ian Kowalick as non-executive Chairman and all other changes to the Board in 2011 are entirely consistent with the Board Refresh Program which was announced in July earlier this year.

Ian Kowalick has a number of skills and relevant experience which are ideal for the next phases of the Nolans Project as we advance towards production. I believe that these will be of great benefit to all shareholders at this time.

Chris Tonkin has vast experience in global financial markets and will provide tremendous support and input from the position of Chair at a time when we are developing our financing plans.

Finally, I would like to thank Ian Laurance for his support to me over the past two years".

Ian Kowalick commented "It is a privilege and honor for me to accept the position of non-executive Chairman. Arafura has made great strides in advancing the Nolans Project. The Bankable Feasibility Study is progressing at full pace and is on plan to be completed with project financing in place by the end of 2012. I look forward to working with the Board, Arafura's management, shareholders and other stakeholders to create a sizeable mine at Nolans in the Northern Territory and a significant chemical complex at Whyalla, in South



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Australia. Together we will make Arafura a successful major company in Australia and leading supplier of Rare Earths to users worldwide”.

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