



ASX / MEDIA ANNOUNCEMENT

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Arafura Resources appoints Dr Stephen Ward as Managing Director and Chief Executive Officer

Emerging Australian rare earths producer, Arafura Resources Limited (**ASX: ARU**) (“**Arafura**” or “**the Company**”) is pleased to announce the appointment of Dr Stephen (Steve) Ward to the role of Managing Director and Chief Executive Officer with effect from 1 January 2010.

Dr Ward has extensive executive management and Board experience in the chemical, mining and minerals processing industries, both in Australia and internationally. He has an intimate knowledge of Arafura and the international rare earths industry having served as a Non-Executive Director of the Company since 2007.

Dr Ward joins Arafura’s executive management team after serving two years as Senior Vice President – Strategy and Development of Cristal Global, a privately-owned major global chemical and resources company.

He also has strong global marketing experience gained working in a range of international appointments and has completed a range of M&A and capital raising activities for a number of companies.

Prior to inviting an application from Dr Ward, the Board engaged independent recruitment consultancy Gerard Daniels to conduct a global search to identify suitable candidates.

Arafura Chairman Mr. Ian Laurance said that while a number of candidates were identified in the search, the Board took the decision to approach Dr Ward to seek his interest in the position.

“His decision to accept the role is a real coup for Arafura,” Mr. Laurance said. “In addition to securing a person of Dr Ward’s calibre and experience to lead the Company, the Board is confident the appointment will allow Arafura to complete the Nolans Rare Earths-Phosphate-Uranium Project’s Bankable Feasibility Study by the end of 2010.”

Dr Ward acknowledged he was joining Arafura at a critical stage of the Company’s development.

The global rare earths market is valued at more than US\$1.1 billion with demand predicted to increase by more than 50% by 2014. This growth is underpinned by the lift in demand for clean, green technology to meet consumers' and international governments' increased focus on environmental concerns and emissions abatement schemes.

China currently supplies 97% of the global rare earths market and has indicated its intention to curtail exports to meet its increasing domestic needs. These factors are likely to create a 60,000 tonne shortfall in rare earth supply.

"Arafura's Nolans deposit is one of the world's largest identified rare earths resources outside China. It is also one of the few projects at an advanced stage of development and with potential for near-term production," Dr Ward said.

"Arafura's 100% owned Nolans Project contains a world-class rare earths deposit capable of supporting a 20-year mine life and the Company is targeting production of 20,000 tonnes of Rare Earth Oxide (REO) per annum from 2013," he said.

"Arafura has a clear opportunity to commercialise its Nolans deposit to deliver value to its shareholders and this remains the Company's key focus going forward."

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Attachment 1: Background Information on Dr Steve Ward

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About Arafura Resources

Arafura Resources Limited ("Arafura" or "the Company") is a Perth-based speciality metals explorer and emerging producer. It is listed on the Australian Securities Exchange (ASX) under the code ARU.

The Company's prime focus is on developing its world-class 100%-owned Nolans Rare Earths-Phosphate-Uranium Project in Australia's Northern Territory. Nolans has current resources of 30.3 million tonnes that can sustain a mine life of more than 20 years. The deposit contains 848,000 tonnes of rare earths (REO), 3.9 million tonnes of phosphate (P₂O₅), and 13.3 million pounds of uranium (U₃O₈).

'Rare earths' is the key term given to 15 metallic elements known as the lanthanide series plus yttrium. They play a key role in a wide range of 'green' products – from energy efficient compact fluorescent light bulbs to rechargeable batteries and magnets in the electric motors of hybrid

cars, automatic catalytic converters and wind turbines. They are also essential in the manufacture of lifestyle products such as LCD screens, iPods and computer hard disc drives.

Arafura has developed a processing flowsheet for the Nolans Project that optimises the extraction of rare earths, phosphoric acid and uranium, and has demonstrated the recovery of these commodities at a pre-production scale pilot plant.

The Company has an exploration and development strategy to grow its position in rare earths beyond the Nolans Project.

Arafura also has interests in a number of other projects in the Northern Territory that are prospective for gold, base metals, iron and vanadium.

Attachment 1

Background Information

Dr Stephen (Steve) Ward

Dr Ward has over 30 years' experience in the chemical, mining and minerals processing industries.

He is a graduate from the University of Nottingham; BSc Hons Chemistry (1976) and PhD in Physical Chemistry (1979). Steve gained 20 years broad experience with titanium pigment producer Tioxide Group Ltd (now Huntsman Pigments) where he worked in production, operational, engineering and technical roles at the Australian production facility.

He was the inaugural General Manager responsible for the development and start-up of Tioxide's manufacturing facilities in Malaysia (early 90's). He has subsequently moved to business management roles based in the United Kingdom and became an Executive Director of the global company with general management responsibility for the European, Middle East and Southern Africa business unit.

Dr Ward spent seven years with Australian publicly-listed minerals sands producer Iluka Resources, holding a number of positions including President - USA Mining and Processing Operations and Global Executive General Manager responsible for sales and marketing and business development.

He was a private consultant to the resources and chemicals industries, prior to being engaged by Cristal Global, a Saudi Arabian-based global titanium pigment producer as Senior Vice President Strategy and Development. He also served as Chairman and Managing Director of Bemax Resources Ltd when it was acquired by Cristal Global in 2008..

Dr Ward was a Non-Executive Director of Australian publicly-listed mineral sands producer Consolidated Rutile Ltd.

He is a graduate of the Australian Institute of Company Directors.