

**ASX  
RELEASE**

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## BOARD AND MANAGEMENT CHANGES

The Chair of Arafura Resources Limited (**ASX: ARU**) (**Arafura or the Company**), Mr Ian Kowalick, today announced changes to the board and management of the Company.

“Arafura has, in recent times, been confronted by a global financial market, stressed by the debt crisis in Europe, that is reluctant to invest. Consequently it has become very difficult to raise capital for resource developments in newly emerging products such as rare earths,” Mr Kowalick said. “Whilst the Company has made excellent progress in many aspects of the development of the Nolans Project, including the successful production of final Rare Earth Oxide products, the development work has also identified some issues for which it will take more time to refine solutions.”

“Given these circumstances, the Company will focus its available capital on activities aimed at resolving outstanding technical issues and progressing current discussions with international investors with a strategic interest in rare earths.” he added.

The input now required of the board has changed, and as a matter of prudence, Mr Lloyd Jones and Ms Loretta Reynolds have elected to retire, and Mr Ian Laurance and Mr Terry Jackson, who were expected to step down at the next AGM, have elected to retire early.

Given the realignment of the development strategy, Dr Steve Ward has also stepped down as Managing Director and Chief Executive Officer.

Ian Kowalick said, “Arafura has had excellent support and guidance from its board and Dr Ward has articulated a business model and technology pathway for Arafura that can, with financial support and further development, capture the value of Nolans Bore which is a rare earths resource of global significance. We thank them for their valued contribution and wish them well.”

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