ARAFURA
RESOURCES LIMITED

Industry Briefing

Hong Kong

Dr Steve Ward
Managing Director & Chief Executive Officer
8th November 2010

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The information in this presentation that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Richard Brescianini BSc(Hons). The information in this presentation that relates to mineral resources or ore reserves is also based on metallurgical results and interpretation complied by Mr Steven Mackowski BAppSc. Both are full-time employees of Arafura Resources.

Mr Brescianini is a Member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 (The JORC Code)". Mr Brescianini consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Mr Mackowski is a Fellow of the Australasian Institute of Mining and Metallurgy and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 (The JORC Code)".
Mr Mackowski consents to the inclusion in this presentation of the matters based on his metallurgical results and interpretation in the form and context in which it appears.

Arafura - An Emerging Rare Earths Company

Our vision is to be the recognised leading supplier of Rare Earths to the world

Successful fundraising recently completed….

As at 5 November 2010

Capital

335 m shares

17 m Board/Employee options

Market capitalisation

@ A$1.30 = ~A$435 million

Cash **(@ 5 November 2010)**

A$63.3 million

Top shareholders

JP Morgan Nominees[1]	26.9%
ECE[2]	19.2%
Institutions[3]	13.0%
Board & Management	2.5%

1. Substantial German-based shareholding amongst many shareholders (formerly ANZ Nominees)
2. East China Mineral Exploration & Development Bureau
3. Tranche 1 of the $90m placement to institutions –details announced shortly.
4. Includes placement to institutions from tranche 2.

*As at 9 December 2010

Capital

366m shares

17m Board/Employee options

Market capitalisation

@ A$1.30 = ~A$475 million

Cash forecast

A$95 million (estimate)

Top shareholders

JP Morgan Nominees	24.6%
ECE	17.6%
Institutions[4]	20.5%
Board & Management	2.3%

* Subject to shareholder approval at EGM.

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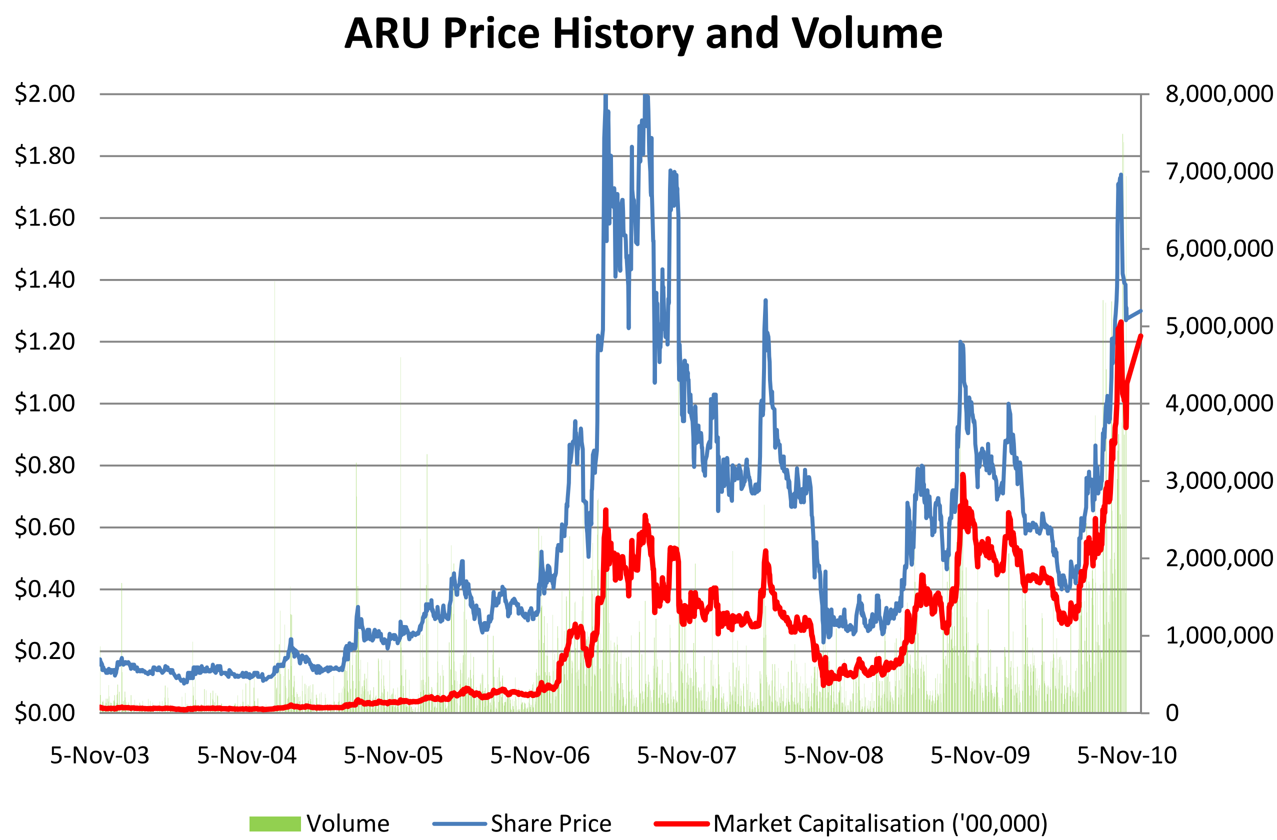
Market Capitalisation and Price History

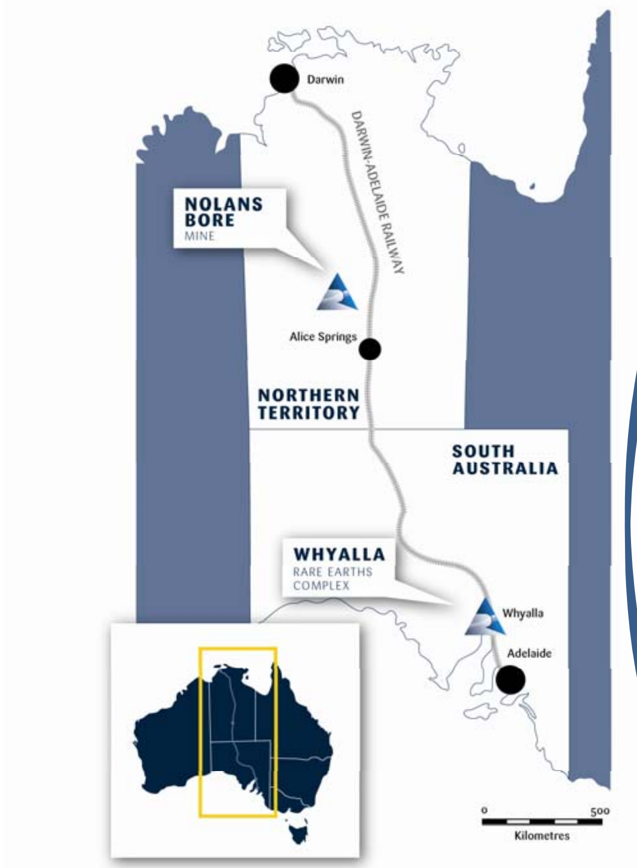


Arafura now covered by:

	Report Date	12 mth Price Targets
BBY	28th October 2010	$3.64/share
Bell Potter	26th October 2010	$2.32/share
Byron	31st August 2010	$2.75/share
RCR	15th October 2010	$6.38/share

Business Model

Confirmed Business Model ....



Adding Value in Australia:

- Mining & ore beneficiation at Nolans Bore in the Northern Territory
- Mineral Concentrate transported by rail to Whyalla in South Australia
- 20,000 tpa Rare Earth Oxides (REO) produced in Whyalla

Capturing Value in the Industry Supply Chain:

- Production of rare earth oxides rather than lower priced concentrates or intermediates
- Seeking mutually beneficial 'win/win' contracts over the next 12 months;
- The only company with significant amounts of uncommitted rare earth oxide products available to supply users worldwide
- Ideal product mix to feed high growth markets e.g. Magnets, phosphors

Ore → Mineral Concentrate → Rare Earth Intermediates (Carbonate) → Rare Earth Oxides → Metals/Alloys → OEMs

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The Nolans Project
Rare Earth Oxides for users worldwide

Nolans Project – The globally significant resource

Long life, multiple revenue streams with upside potential….

Phase 1 Annual Production	
REO **Rare Earths Oxides**	20,000 t
P_2O_5 **as 61% Phosphoric Acid**	80,000 t
U_3O_8 **Uranium Oxide**	150 t
$CaSO_4$ **Gypsum**	500,000 t

Total resources for Nolans Project

RESOURCES	TONNES[1] (million)	RARE EARTHS REO %	PHOSPHATE P_2O_5 %	URANIUM U_3O_8 lb/t
Measured	5.1	3.2	13.5	0.57
Indicated	12.3	2.8	13.4	0.43
Inferred	12.8	2.6	12.2	0.40
TOTAL	30.3	2.8	12.9	0.44
CONTAINED METAL		848,000 t	3.9 Mt	13.3 Mlb

1. Using 1% REE cut-off grade

Further drilling is planned to identify the full size and extent of the Nolans resource – it is currently open and may be able to support expanded production.

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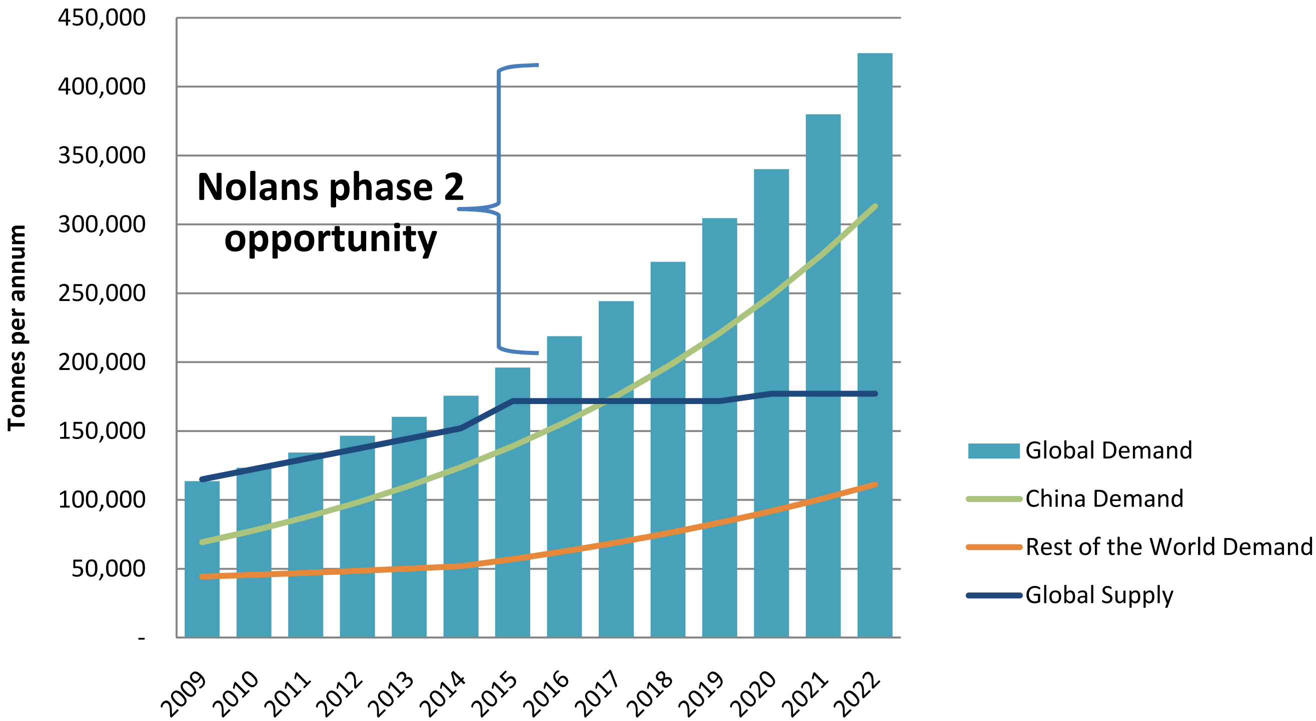
Rare earths: supply and demand

The Industry challenge is on the Supply side to keep up with demand…..

Overall global tightness has been exacerbated in markets outside of China by Chinese export quota reductions



REO Global & China Demand/Supply (BCC Forecast 2009-2014, Internal Supply Forecast 2014-2022)

Nolans Rare Earths mix

An industry favourable mix for magnets and phosphors….

Rare Earth Element	% REO contained	Volume (tonnes)	REO Price (US$/kg) (Nov 5 2010)	Projected Revenue (US$ millions) p.a.	% Revenue
Lanthanum	19.74%	3,948	$45.00	$177.6	16.0%
Cerium	47.53%	9,506	$43.00	$408.7	36.8%
Praseodymium	5.82%	1,164	$72.00	$83.8	7.55%
Neodymium	21.20%	4,240	$76.50	$324.3	29.21%
Samarium	2.37%	474	$34.50	$16.3	1.47%
Europium	0.40%	80	$630.00	$50.4	4.54%
Gadolinium	1.00%	200	$44.50	$8.9	0.8%
Dysprosium	0.33%	66	$295.00	$19.5	1.75%
Terbium	0.08%	16	$605.00	$9.6	0.87%
Yttrium	1.32%	264	$42.50	$11.2	1.01%
Others	0.21%	42			
	100.00%	20,000	$55.53	$1,110	100.0%

The Path to Rare Earth Oxide Supply - 2013

Nolans Project Timeline

First production remains on target for 2013....

Activity	OCT 10
Mine design and site plan	Q4 2010
HCl Recovery Program (Calcium Chloride recycle)	Q1 2011
Mine Approvals	Q2 2011
Mine EIS	Q2 2011
Whyalla EIS	Q3 2011
Rare Earths Complex plant approvals	Q4 2011
BFS	Q4 2011
Project Financing	Q4 2011
Construction	2012/13
FIRST PRODUCTION	**2013**

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Summary

Arafura Resources: the viable alternative

Longevity – de-risked process – high value oxides – upside potential...

- World class and high value creating Nolans project;
- Longevity - 20 year+ life of mine at 20,000 tpa;
- Process developed with experts and de-risked through demonstration
- Proven and already efficient patented technology through to high value Rare Earth Oxides

- Uncommitted product available for customers worldwide;
- Near-term production opportunity: one of very few options available;
- Upside potential with Nolans expansion;

Arafura Resources is a viable alternative in a complex industry where all prospective producers will not come to fruition.

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Thank You

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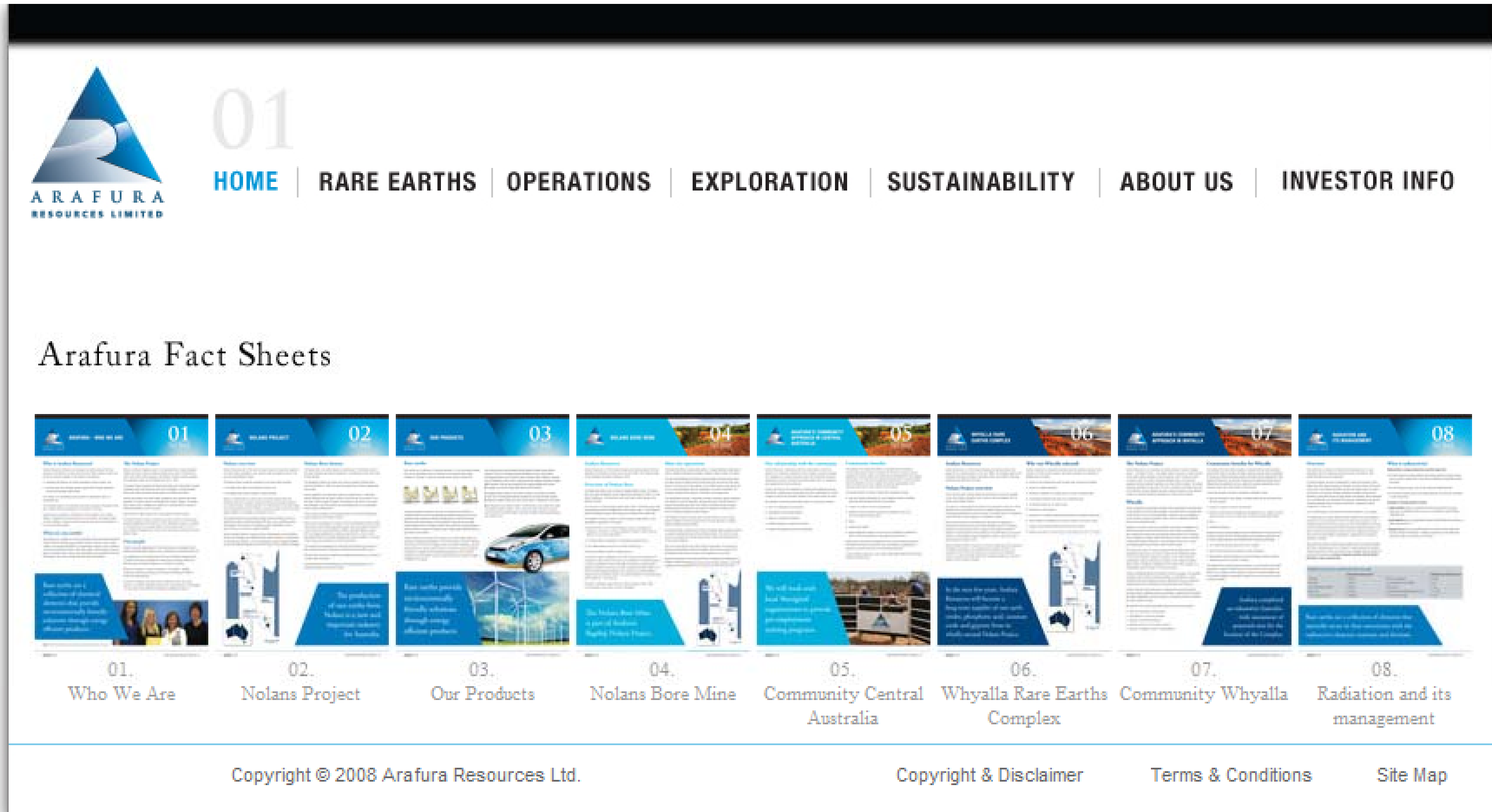
For a copy of the 2010 Financial report or for further information please visit www.arafuraresources.com.au

For more information……



Nolans Project Fact Sheets at www.arafuraresources.com.au