

**ASX
RELEASE**

14 December 2010



**AN EMERGING
RARE EARTHS
PRODUCER
FOR USERS
WORLDWIDE**

ARAFURA APPOINTS CHRIS TONKIN AS NON-EXECUTIVE DIRECTOR

Emerging Australian rare earths producer, Arafura Resources Limited (**ASX: ARU**) ("**Arafura**" or "**the Company**") is pleased to announce the appointment of Mr Chris Tonkin as a Non-executive Director of the Company with effect 1 January 2011.

Mr. Tonkin has been closely involved in the financing, business analysis and development of many major projects in Australia and internationally over the last 20 years and is recognised throughout a wide industry network. He began his career as a metallurgist and environmental engineer, prior to undertaking a range of corporate advisory assignments for AIDC, Chase Manhattan Bank and KPMG.

In 1994, Mr. Tonkin joined the ANZ Banking Group Limited in the Project and Structured Finance business. His most recent role was Executive Director and Head of Natural Resources in ANZ's Project and Structured Finance Group. Under Mr. Tonkin's direction and management the business became the most successful natural resources finance business in Australasia. By syndicating funds globally, ANZ were positioned as a preferred financier for complex resources transactions throughout Australia, Asia and the Pacific.

Mr. Tonkin holds a Bachelor of Science (Honours) degree in Metallurgy and Chemistry, a Bachelor of Arts degree in Economics and Politics, and a Master of Business Administration. He is a member of the Finance and Treasury Association Limited, the Melbourne University Business School Association, and is a Graduate of the Australian Institute of Company Directors.

Arafura Chairman Mr. Ian Laurance said, "The Board is delighted to have Mr. Tonkin join Arafura. His appointment re-affirms my comments at the Company's AGM that the Board will continue to look for suitably qualified and dedicated directors with complementary skills to strengthen the Board as appropriate and ensure seamless transitions."

"Mr. Tonkin's appointment is especially important at this critical time of Arafura's development as it seeks funding in the order of \$1 billion in project financing over the next 12 months. We are delighted that Mr. Tonkin has accepted our offer."

Mr. Tonkin will also serve as a member of Arafura's Audit and Risk Committee, further enhancing the skills for this important Board committee.

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