



A R A F U R A
RESOURCES LIMITED

**NOTICE OF
ANNUAL GENERAL MEETING
AND
EXPLANATORY MEMORANDUM
TO SHAREHOLDERS**

A PROXY FORM IS ATTACHED

Date of Meeting
22 November 2013

Time of Meeting
10am WST

Place of Meeting
**Duxton Hotel, Room: Duxton 3
1 St Georges Terrace, Perth
Western Australia**

Please read the Notice and Explanatory Memorandum carefully.
If you are unable to attend the meeting please complete and return the enclosed
proxy form in accordance with the specified instructions.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2013 Annual General Meeting of the Company will be held at Duxton Hotel Room: Duxton 3, 1 St Georges Terrace, Perth, Western Australia, on 22 November 2013 at 10 am WST.

Agenda

Ordinary Business

An Explanatory Memorandum containing information in relation to each of the following resolutions accompanies the Notice of Annual General Meeting.

Annual Report

To receive and consider the consolidated financial statements of the Company and its controlled entities for the year ended 30 June 2013 and the reports of the Directors and auditors for the financial year ended 30 June 2013.

RESOLUTION 1: Remuneration Report

The Company's board is submitting its Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution.

To consider, and if thought fit, to pass the following non-binding resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2013 be adopted."

RESOLUTION 2: Re-election of Chris Tonkin as Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Chris Tonkin, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company's constitution, and being eligible, is re-elected as a Director of the Company."

RESOLUTION 3: Re-election of Ian Kowalick as Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Ian Kowalick, being a Director of the Company who retires by rotation under rule 7.1(d) of the Company's constitution, and being eligible, is re-elected as a Director of the Company."

RESOLUTION 4: Election of Terry Grose as Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Terry Grose, having been appointed as a Director of the Company since the last Annual General Meeting and who retires under rule 7.1(c) of the Company's constitution and being eligible, is elected as a Director of the Company"

RESOLUTION 5: Approval of issue of Options under Option Plan for purpose of Listing Rule 7.2, Exception 9.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purpose of Exception 9 in listing rule 7.2, the shareholders of the Company approve the issue of options under the Arafura Resources Limited Option Plan, a summary of which is set out in the Explanatory Statement accompanying the notice of meeting."

NOTICE OF ANNUAL GENERAL MEETING

Other business

To deal with any other business which may be brought forward in accordance with the Company's constitution or the Corporations Act.

Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Capitalised terms which are not defined in this Notice of Meeting and Explanatory Memorandum are defined in **Annexure A** to the Explanatory Memorandum.

Resolutions are not inter-dependent

The resolutions are not inter-dependent. This means that a resolution may be passed notwithstanding that one or more of the other resolutions are not passed.

Entitlement to vote

Snapshot date

It has been determined that in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), for the purposes of the Annual General Meeting, Company Shares will be taken to be held by the persons who are the registered holders at **5.00 pm WST on 20 November 2013**. Accordingly, Company Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting Exclusions

The Company will disregard:

1. In relation to Resolution 1, a vote on Resolution 1 must not be cast in any capacity by, or on behalf of, either of the following persons:

- (a) a member of the Key Management Personnel for the company, details of whose remuneration are included in the remuneration report; or
- (b) a Closely Related Party of such a member.

However a person described above (the "voter") may cast a vote on Resolution 1 as a Proxy if the vote is not cast on behalf of a person described in paragraph (a) or (b) above and either:

- (a) the voter is appointed as a Proxy by writing that specifies the way the Proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as Proxy:
 - (1) does not specify the way the Proxy is to vote on the resolution; and
 - (2) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the company.
- 2. any votes cast on Resolution 2 by Mr Chris Tonkin and any of his Associates;
- 3. any votes cast on Resolution 3 by Mr Ian Kowalick and any of his Associates;
- 4. any votes cast on Resolution 4 by Mr Terry Grose and any of his Associates;
- 5. any votes cast on Resolution 5 by a Director (except a Director who is ineligible to participate in the Company's Option Plan) and any of their associates. However the Company need not disregard a vote on Resolution 5 if:
 - (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

How to vote

You may vote by attending the meeting in person, by proxy or by authorised representative. A corporate shareholder may also appoint a corporate representative.

Voting in person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at **10.00am WST on 22 November 2013**.

NOTICE OF ANNUAL GENERAL MEETING

Voting by Proxy

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

Lodgement of Proxy Forms

To be effective, completed proxy forms must be returned by:

- Mail to the Company's registered post-office at PO Box 5773, St Georges Terrace, Perth WA 6831;
- Fax to +61 8 9221 7966; or
- Hand delivered to Level 5, 16 St Georges Tce, Perth, WA 6000.

so that they are received no later than **10.00am WST on 20 November 2013**.

Proxy forms or proxy voting instruction received after this time will be invalid.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy.

Voting by Corporate Representative

To appoint a corporate representative contact the Company's share registry and obtain an Appointment of Corporate Representative form.

Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders to ask questions about or make comments on the management of the Company at the meeting.

Similarly, a reasonable opportunity will be given to shareholders to ask the Company's external auditor, BDO Audit (WA) Pty Ltd, questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to BDO Audit & Assurance (WA) Pty Ltd if the questions are relevant to the content of the BDO audit report or the conduct of its audit of the Company's financial report for the period ended 30 June 2013. Relevant written questions for BDO Audit & Assurance (WA) Pty Ltd must be received by mail at the registered office of the Company (PO Box 5773, St Georges Terrace, Perth WA 6831) or by facsimile, facsimile number +61 8 9221 7966 no later than the fifth business day before the date of the Meeting.

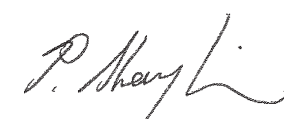
A list of the relevant written questions together with responses will be made available to shareholders attending the meeting. They will also be placed on the Company's website.

The following details should be included with written questions:

- **the Shareholder's Name**; and
- either the Shareholder's **Security Reference Number (SRN)** or **Holder Identification Number (HIN)**.

By Order of the Board

Dated this 16th day of October 2013



Peter Sherrington
Company Secretary

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the forthcoming annual general meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting. Please refer to **Annexure A** of this Explanatory Memorandum for definitions of capitalised terms in this Notice of Meeting and Explanatory Memorandum.

Business

The Annual Report 2013 (including the financial statements, Directors' report and Auditor's report for the financial year ended 30 June 2013) is available for review by members at www.arafuraresources.com.au and will be tabled at the Meeting. There is no formal resolution to accept the financial statements and reports, but provision will be made to members to question the Directors and the Auditor should they wish to do so.

1: Financial Report

The Corporations Act requires the following reports in respect of the year ended 30 June 2013 to be laid before the Annual General Meeting:

- (a) the reports of the Directors and auditors; and
- (b) the annual financial report, including the Company's financial statements.

Neither the Corporations Act nor the Company's constitution requires a vote of shareholders on the reports or statements.

The financial report for consideration at the meeting will be the full financial report. Each shareholder is sent the full financial report as part of the Annual Report.

Members will have a reasonable opportunity at the meeting to ask questions and make comments on these Reports and on the business and operations of the Company. Members will also be given a reasonable opportunity to ask the auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report.

2: Resolution 1 – Remuneration Report

The Remuneration Report of the Company for the financial year ending 30 June 2013 is set out in the Directors' Report on pages 28 to 42 of the Company's Annual Report 2013 which was released to the market on 23 September 2013.

The Remuneration Report sets out the Company's remuneration arrangements for the Executive and Non-Executive Directors and Executive employees of the Company.

Members attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory only and the resolution itself does not bind the Directors of the Company. However, whilst the resolution itself does not bind the Directors of the Company, if at least 25% of the votes cast on Resolution 1 are against the resolution in two consecutive years, starting at this 2013 AGM, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director / Chief Executive Officer) must stand for re-election. The Company encourages all shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the meeting is appointed as your proxy and you have not directed the Chairman how to vote on Resolution 1 by marking "X" in the box in the Proxy Form, then the terms of the Proxy Form state that you provide an express authorisation for the Chairman of the meeting to vote the proxy in accordance with the Chairman's intention.

EXPLANATORY MEMORANDUM

3: Resolution 2 – Re-election of Chris Tonkin as Director

Chris Tonkin retires by rotation in accordance with rule 7.1(d) of the Company's constitution and the provisions of the Corporations Act and, being eligible, offers himself for re-election.

The experience, qualifications and other information about Mr. Tonkin appears below:

Chris Tonkin has over 25 years of experience as a senior business Executive with a broad industry background in business generation, management and strategy development. He has a substantial track record in structuring and arranging complex financings for companies and projects, in Australia and internationally, across all major industry sectors and particularly the resources, power and telecommunications sectors.

He began his career as a metallurgist and environmental specialist, diversifying into commercial roles at several major industrial companies and subsequently project finance, corporate and project advisory roles at AIDC, the Chase Manhattan Bank, KPMG Corporate Finance and ANZ, where his most recent role was Head of Natural Resources, Project and Structured Finance. Mr Tonkin was first appointed to Arafura as Non-Executive Director on 1 January 2011 then subsequently was appointed Managing Director and Chief Executive Officer from 21 March 2012 to 23 July 2013.

Chris is a Graduate of the Australian Institute of Company Directors and a Member of the Finance and Treasury Association.

The Directors (excluding Mr. Tonkin) recommend that the Company's shareholders vote in favour of Resolution 2.

4: Resolution 3 – Re-election of Ian Kowalick as Director

Ian Kowalick retires by rotation in accordance with rule 7.1(d) of the Company's constitution and the provisions of the Corporations Act and, being eligible, offers himself for re-election.

The experience, qualifications and other information about Mr. Kowalick appears below:

Ian Kowalick has qualifications in science, engineering, economics and finance. Ian has worked in technical and project consulting, economic and business analysis for resource companies, banking and investment. From 1995 to 2000, he held the most senior management position in the South Australian public sector.

Ian is currently a Director and Consultant. At present, he is Chairman of Playford Capital, a councillor of the University of Adelaide and Chair of its Finance Committee.

The Directors (excluding Mr. Kowalick) recommend that the Company's shareholders vote in favour of Resolution 3.

5: Resolution 4 – Election of Terry Grose as Director

Terry Grose was appointed Director since the last Annual General Meeting. Under rule 7.1(c) of the Company's constitution, he only holds office until this meeting and therefore offers himself for election.

The experience, qualifications and other information about Mr. Grose appears below:

Terry Grose has a strong commercial background gained over 30 years as a senior business executive, consultant and Director, in Australia and internationally.

He spent a number of years in merchant banking before joining Wesfarmers Limited in 1985 as its first Business Development Manager. During the ensuing decade he held various senior management positions in Wesfarmers' corporate office, its fertiliser & chemicals division and its coal mining division. For several years he was General Manager International Business Development.

In 1996 Terry moved to Hong Kong as CFO and Executive Director of an innovative computer software company with operations in Hong Kong and Japan. Three years later he played a key role in negotiating the sale of the business and then established his own business, Grose International, a commercial and financial consultancy with clients throughout Asia.

Since returning to Australia in 2008 he has worked as a consultant specialising in strategic planning and financial management and as a Director of a number of companies.

Terry is a Fellow of the Australian Institute of Company Directors and is currently a Director of Yirra Yaakin Aboriginal Corporation, Martu People Limited and Central Desert Native Title Services Limited.

The Directors (excluding Mr. Grose) recommend that the Company's shareholders vote in favour of Resolution 4.

EXPLANATORY MEMORANDUM

6: Resolution 5 – Approval of issue of Options under Option Plan

The Company's Option Plan was approved by shareholders for the purposes of exception 9(b) of Listing Rule 7.2 on 23 November 2010. Under Listing Rule 7.2 an approval for exception 9(b) expires every 3 years, therefore the previous approval will expire on 23 November 2013.

Accordingly, the Company seeks shareholder approval for the issue of options under the Plan under exception 9(b) of Listing Rule 7.2 again, in order to allow the Company to continue to issue Options under the Plan without limiting the ability of the Company to issue securities under Listing Rule 7.1.

Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period, unless such an issue of securities falls within one of the exceptions set out in Listing Rule 7.2.

Exception 9(b) of Listing Rule 7.2 provides that equity securities may be issued under an employee incentive scheme that has been approved by shareholders for that purpose within the last three years.

The purpose of the Plan is to give employees of the Company, other than an employee who is also a Director, an opportunity, in the form of options, to subscribe for Shares in the Company. The Directors consider the Plan enables the Company to retain and attract skilled and experienced employees and provide them with the motivation to make the Company more successful.

The Company has issued 20,258,000 Options under the Plan since 23 November 2010, being the date the issue of options under the Plan was last approved by shareholders:

A summary of the term of the Plan is set out in **Annexure B**.

Annexure A - Definitions

The meanings of capitalised terms used in this Notice of Meeting and Explanatory Memorandum are set out below:

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.

Board means the board of Directors.

Closely Related Parties (‘CRP’) of a KMP means; spouse or child of the KMP, a child of the KMP’s spouse, a dependent of the KMP or KMP’s spouse, anyone else who is a member of the KMP’s family and may be expected to influence the KMP or be influenced by the KMP, in the KMP’s dealing with the Company, a company the KMP controls or a person prescribed by the Corporations Regulations.

Company means Arafura Resources Limited ABN 22 080 933 455.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a Director of the Company.

Explanatory Memorandum means the explanatory memorandum to the Notice.

Key Management Personnel (‘KMP’) has the meaning given under the Accounting Standards, namely ‘key management personnel’ are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and includes any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting means the Company’s annual general meeting to be held on 22 November 2013 at 10am WST.

Notice means this Notice of Annual General Meeting.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the report commencing on page 28 of the Company’s 2013 Annual Report which was released to the market on 23 September 2013.

Resolution means a resolution contained in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Australian Standard Time.

Summary of Rules of the Option Plan

Participants in the Plan

The Board may, at its absolute discretion, invite persons (‘Participants’) who are full-time or part-time employees (including Executive Directors) and Non-Executive Directors of the Company or any subsidiary to apply for a specified number of options.

Upon receipt of such an invite, a Participant may apply for all or part of the number of options specified in the invitation.

Unless the Board determines otherwise, no payment is required for a grant of options.

Grant of Options

Upon receiving a signed application for options, the Board may in its sole discretion and only where the Participant remains an employee or Non-Executive Director of the Company, grant the options to the Participant on the terms set out in the Plan and upon such additional conditions as the Board determines.

Options can only be transferred with the Board’s consent or by force of law.

The Board must ensure that every issue of options complies with any applicable legislation and the Listing Rules, and that all approvals as are required are obtained prior to the issue.

Exercise of options

The options may be exercised in the form or manner determined by the Board, and except as provided otherwise in the Plan rules, are only capable of being exercised where the exercise conditions (if any) have been met.

Circumstances where options are capable of being exercised notwithstanding the fact that exercise conditions may not have been met include the death of the option holder, if the option holder ceases to be an employee or non-executive director of the Company, or where there is a takeover, compromise or arrangement affecting the Company.

If, in the opinion of the Board, an option holder acts fraudulently or dishonestly or in breach of their obligations to the Company, then the Board may deem any unexercised options of the option holder to have lapsed.

An unexercised option will lapse upon the first to occur of:

- any expiry date specified by the Board;
- the option lapsing on the purported transfer of the option other than in accordance with the Plan rules;
- the option lapsing in accordance with the rules relating to the death of the option holder, their cessation as an employee or non-executive director of the Company or for fraudulent or dishonest actions;
- the option lapsing in accordance with the Plan rules relating to a takeover, scheme or winding up affecting the Company ;
- the failure to meet the option’s exercise condition in the prescribed period; or
- the 10 year anniversary of the date the option was granted.

Issue of shares

The Company will issue or procure the transfer of the number of shares in respect of which an option has been exercised within 15 days after that exercise. All Shares allotted on exercise of options will rank equally with other ordinary shares of the Company. There are no transfer restrictions on Shares allotted under the Plan, unless the sale by the holder of the Shares issued on exercise of the options would require a disclosure document.

Quotation of options on ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of options.

Adjustment for reorganisation

In the event of a reorganisation including consolidation, subdivision, reduction of return of the capital of the company, the number of options to which each option holder is entitled or the exercise price of the options or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.

Takeover, scheme of arrangement and winding up

If pursuant to a takeover bid:

- an offeror and its associates who previously had voting power of less than 50% in the Company obtain voting power of more than 50%; or
- an offeror and its associates who previously had voting power of more than 50% increase their voting power,

the Board must notify each option holder of the success of the takeover bid, and the notice must inform the option holder that their options must be exercised within 30 days of the date of the notice otherwise they will lapse.

Likewise, the Board may, in its absolute discretion, permit the exercise of the options upon certain occurrences including a compromise, scheme of arrangement, selective capital reduction or winding up involving the Company.

ANNEXURE C - PROXY FORM INSTRUCTIONS

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the Company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company's Share Registry no later than 48 hours before the time appointed for the holding of this Meeting, **that is by 10 a.m WST on 20 November 2013** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only even though he or she represents more than one member.
7. A joint holder may vote at a meeting either personally or by proxy, attorney or representative as if that person was the sole holder. If more than one joint holder tenders a vote in respect of the relevant shares, the vote of the holder named first in the register who tenders a vote, whether in person or by proxy, attorney or representative, must be accepted to the exclusion of the votes of the other joint holders.
8. Unless the proxy form provides differently, the proxy has the same rights to speak, demand a poll, join in demanding a poll or act generally at the meeting as the member would have had if the member was present.
9. Unless otherwise provided in the proxy form, an appointment will be taken to confer authority:
 - (a) even though the instrument may refer to specific resolutions and may direct the proxy, attorney or representative how to vote on those resolutions, to do any of the following acts:
 - (1) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;
 - (2) to vote on any procedural motion, including any motion to elect the chairperson, to vacate the chair or to adjourn the meeting; and
 - (3) to act generally at the meeting; and
 - (b) even though the instrument may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled or adjourned to another time or changed to another venue, to attend and vote at the re-scheduled or adjourned meeting or at the new venue.

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REGISTERED OFFICE

LEVEL 5, 16 ST GEORGES TERRACE
PERTH WA 6000 AUSTRALIA

TEL +61 8 6210 7666

FAX +61 8 9221 7966

ARAFURA@ARAFURARESOURCES.COM.AU

www.arafuraresources.com.au

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

Arafura Resources Limited

ABN: 22 080 933 455

REGISTERED OFFICE:
LEVEL 5
16 ST GEORGES TERRACE
WEST PERTH WA 6000

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: Holder Number: **SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

OR

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10.00am on 22nd November 2013 at Duxton Hotel Room: Duxton 3, 1 St Georges Terrace, Perth Western Australia and at any adjournment of that meeting.

If you appoint the Chairperson of the meeting as your proxy and you do not specify in this Proxy Form the way that the Chairperson is to vote on a resolution, then the Chairperson of the meeting may vote as he thinks fit for the resolution and you hereby expressly AUTHORISE the Chairperson to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the company. It is the Chairperson's intention to vote undirected proxies which he holds as proxy in favour of each resolution.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution**For Against Abstain***

1. Remuneration Report
2. Re-election of Chris Tonkin as Director
3. Re-election of Ian Kowalick as Director
4. Election of Terry Grose as Director
5. Approval of issue of options under option plan for purpose of Listing Rule 7.2, Exception 9.

☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

☐ **If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote on Resolutions 3 & 5, please mark "X" in the box.**
By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of resolutions 3 & 5 and votes cast by him/her other than as a proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on resolutions 3 & 5 and your votes will not be counted in calculating the required majority if a poll is called on resolutions 3 & 5. The Chairperson of the Meeting intends to vote undirected proxies in favour of resolutions 3 & 5.

SECTION C: Please Sign Below**This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.**

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

9146001078Reference Number:

1

ARU

1

My/Our contact details in case of enquiries are:

NAME

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TELEPHONE NUMBER

(			)																
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NOTES

1. Name and Address

This is the name and address on the Share Register of Arafura Resources Limited. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of Arafura Resources Limited.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Arafura Resources Ltd no later than 10.00am on 20th November 2013, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Arafura Resources Ltd

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PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.