



ARAFURA BOARD CHANGES RESIGNATION OF DIRECTOR

Australian Rare Earths company, **Arafura Resources Limited (ASX: ARU)** ("**Arafura**" or the "**Company**") wishes to advise that Ms Shasha Lu has today retired from the Arafura Board. Ms Lu's retirement allows her to focus her efforts on pursuing other business interests which include her recent appointment as a Non-Executive Director of Sheng Kang Ning (Shanghai) Mining Investment CO., LTD ("**SKN**").

Ms Lu was appointed as a Director of Arafura in July 2009. At the time of her appointment Ms Lu was an Executive Director and CEO of Hong Kong East China Non-Ferrous Mineral Resources Co. Ltd ("**HKECE**") which is a subsidiary of Jiangsu East China Non-ferrous Metals Investment Holding CO., LTD ("**ECE**"). HKECE holds the foreign business interests of ECE. Ms Lu has stepped down from her position as Executive Director and CEO of HKECE and is now pursuing new business interests including those at SKN.

Ms Lu has been an active and productive member of the Arafura Board and has been influential in the development of the Nolans Rare Earth Project since joining the Board in July 2009. Ms Lu played a vital role in the completion of the ECE and Arafura Share Subscription Agreement and in the ongoing development of a constructive and valuable relationship between Arafura and ECE. More recently Ms Lu has assisted Arafura with direction and advice for the implementation of its China-based optimisation program for the Nolans Project and importantly the establishment of a working relationship and consulting services arrangements with SKN, a China-based organisation whose business objectives include mineral investment and project development.

Ms Lu was also a member of Arafura's Remuneration and Nomination and the Audit and Risk committees. Until suitable replacement(s) are appointed, the Board will assume responsibility for these sub-committees. Ms Lu has also confirmed she will not exercise any vested options currently issued to her. Under the terms of the Company Option Plan, upon Ms Lu ceasing to be a Director, all unexercised options (vested or not) will automatically lapse.

Arafura is in the process of assessing a number of candidates to fill the Board position created by the departure of Ms Lu. The new Arafura Board will be structured to accommodate the next growth phase in the development of the Nolans Project and to ensure the skillset of the Board is relevant to the future business needs of the Company.

Arafura Chairman, Mr Ian Kowalick commented, "We thank Shasha for her contribution to Arafura which commenced in 2009. Arafura will miss her significant

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input to the Board and to the strategic direction of the Company. We wish her every success in the pursuit of her new business interests.”

As a result of Ms Lu’s retirement, Resolution 3 pertaining to her re-election as a Director, as set out in the Company’s Notice of Annual General Meeting (ASX: ARU 16/10/14), has been withdrawn and will not be put to shareholders at the meeting scheduled for Thursday 20 November 2014.

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