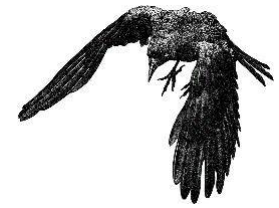


ARAFURA RESOURCES LTD.

//Rare Earths



STORMCROW

Feb 11, 2014 ASX-ARU

TARGET A\$0.35

UPDATE NOTE

Arafura Engages Consultant to Complete EIS, Critical Step Towards Completion

Arafura announced (10 February in Australia) that it has engaged GHD Group (what was formerly very well known as Gutteridge Haskins & Davey) to complete the company's Environmental Impact Study (EIS). The target for submission of the EIS to the Northern Territory's Environmental Protection Authority is Q1 of calendar 2016.

It would be hard to imagine a firm better able to complete the EIS than GHD. GHD employs more than 8,000 staff globally, and practice solely in the areas of the environment, water, energy and resources, property and buildings, and transportation. Where required, GHD will be assisted in this engagement by specialists in the areas of radiation management, groundwater sustainability, economic analysis and social impact assessment.

Perhaps the most problematic issues for the Nolans Bore Project have been freshwater availability and radiation management. The groundwater problem has become far simpler with the discovery of an underground aquifer southwest of the town of Aileron. The radiation issue has always been similarly addressable, but GHD and the independent experts will have the task of designing a long-term plan for the thorium and, to a lesser extent, uranium, that accompanies the rare earths in the Nolans deposit.

The engagement of a premiere consulting firm to complete the EIS demonstrates that Nolans continues to progress to completion and, ultimately, production. We continue to believe that Nolans is a potential world-leading source of magnet materials such as neodymium and praseodymium. **We maintain our positive recommendation and A\$0.35 target price.**

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	New	Old
Rating	Positive	N/A
Target	A\$0.35	N/A

Shares O/S FD	~451.7M
Recent Price	A\$0.04
Market Cap	A\$18M
Net Cash	~A\$15.6M



See the end of report for important disclosures

Keywords

Industry	Rare Earths, Critical Materials, Critical Metals, Mining, Industrial Minerals	
Relevant Companies	GREAT WESTERN MINERALS – GWG:TSXV ARAFURA RESOURCES – ARU:ASX MOLYCORP – MCP:NYSE FRONTIER RARE EARTHS – FRO:TSX RARE ELEMENT RES'S – RES:TSX UCORE RARE METALS – UCU:TSXV AVALON RARE METALS – AVL:TSX QUEST RARE MINERALS – QRM:TSX	MONTERO MINING – MON:TSXV PEAK RESOURCES – PEK:ASX LYNAS CORP – LYC:ASX NORTHERN MINERALS – NTU:ASX NAMIBIA RARE EARTHS – NRE:TSX HUDSON RESOURCES – HUD:TSXV MATAMEC EXPLO – MAT:TSXV STANS ENERGY CORP – HRE:TSXV
Why do we use keywords?	<i>We feel people who could stand to benefit from the contents of this report, are not solely ones who already follow the specific company or sector discussed herein. As such, we hope to provide this free service to as wide an audience as possible—and keywords help to this end.</i>	

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