



ASX ANNOUNCEMENT

ARAFURA SHARE PURCHASE PLAN RESULTS

20 August 2021

Arafura Resources Limited (ASX:ARU) ("**Arafura**" or the "**Company**") is pleased to announce the results of its Share Purchase Plan (**SPP**) which closed at 5.00pm (Sydney time) on Friday 13 August 2021. The SPP provided eligible shareholders who held shares at 7:00pm (Sydney Time) on 23 June 2021 (**Record Date**) with the opportunity to apply for up to \$30,000 worth of new fully paid ordinary shares at the same issue price (\$0.12 per share) as the recently completed \$40 million placement.

The Company was permitted to raise a maximum of \$5.5 million (before costs) under the SPP following shareholder approval at the general meeting of shareholders on 9 August 2021 (this includes up to \$500,000 in oversubscriptions). As announced on 10 August 2021, as a result of the strong interest in the SPP the Board decided to accept the maximum amount under the SPP (of \$5.5 million).

The Company received a total of 1,412 applications under the SPP, representing a total application value of approximately \$16.8 million. Approximately \$1.4 million was received from ineligible shareholders and those applications have been rejected.

Given the level of interest in the SPP, the Board was required to scale-back applications and has used its discretion under the SPP to implement the scale-back in the following manner:

- Applicants with holdings of less than 500 shares as at the Record Date will not receive an allocation.
- Applicants who held between 501 and 2,500 shares at the Record Date will receive a minimum amount of 8,333 SPP shares (representing an allocation of \$999.96 of shares); and
- Applicants who held greater than 2,500 shares at the Record Date will be allocated shares on a pro-rata basis with reference to their original application amount. Shareholders in this category will receive approximately 41.592% of their application amount.

Excess application funds resulting from the scale-back and any application funds received after the closing date (and time) of the offer will be returned to those applicants by the Company's share registry, Link Market Services, as soon as possible. The share registry will refund those funds via direct credit where direct credit details have been provided and other applicants will receive this payment through a refund cheque.

Following the scale-back, a total of 45,833,235 new shares have been issued today. An Appendix 2A will follow this announcement.



"Our goal is to be a trusted global leader and supplier of choice for sustainably mined and processed rare earth products, helping our customers deliver clean and efficient technologies. We are committed to delivering positive intergenerational economic, environmental and social benefits to our stakeholders."

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20 August 2021 | **ASX Announcement**

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The combined funds raised under the Placement and the SPP (\$45.5 million in total (before costs)) will enable the Company to commence FEED activities at its Nolans Project.

Arafura's Managing Director, Mr Gavin Lockyer said, *"The level of participation by our shareholders significantly exceeds that of previous capital raisings the Company has undertaken. Whilst the Company is delighted with the support shown by its shareholders it is also conscious that the constraints on the size of the offer meant that shareholders will not receive their full application amount."*

The Company looks forward to applying the funds raised towards advancing its Nolans Project. Nolans has the potential to diversify rare earth supply chains whilst seeding new industry in Australia, one of the world's safest and most secure jurisdictions."

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