

21/12/2023

Dear Shareholder

## ARAFURA RARE EARTHS LIMITED (ASX: ARU) SHARE PURCHASE PLAN

On 13 December 2023, Arafura Rare Earths Limited (ASX: ARU) (“**Arafura**” or the “**Company**”) announced it was conducting a share purchase plan to raise approximately A\$10 million (before costs) (“**SPP**”).

The SPP offers eligible shareholders the opportunity to apply for parcels of new fully paid ordinary shares in Arafura (“**New Shares**”) worth up to A\$30,000 without incurring brokerage or other transaction costs. New Shares will be issued at an issue price of A\$0.16, being the same issue price as under the fully underwritten institutional placement<sup>1</sup> announced on 13 December 2023 and 14 December 2023.

In respect of the SPP, **Eligible Shareholders** are shareholders who:

1. were shareholders on the Company’s share register at 7.00pm (AEDT) on 12 December 2023 with a registered address in Australia or New Zealand;
2. are not in the United States nor acting for the account or benefit of a person in the United States; and
3. do not hold Arafura shares on behalf of another person who resides outside Australia or New Zealand.

Eligible Shareholders may apply for New Shares in parcels valued at A\$2,500, A\$5,000, A\$10,000, A\$20,000, A\$25,000 or A\$30,000. Participation in the SPP offer is optional.

The SPP is subject to the terms and conditions set out in the SPP Offer Booklet. A copy of the SPP Offer Booklet, along with instructions on how to apply for New Shares under the SPP and submit payment for New Shares is available online at [www.arultd.com](http://www.arultd.com). Shareholders that have requested physical copies of documents have been sent a copy of the SPP Offer Booklet and their personalised application form via post.

Arafura notes that it issued shares under a previous share purchase plan on 6 January 2023. In order to fall within ASX Listing Rule 7.2, Exception 5, Arafura is restricted from issuing or agreeing to issue any shares under the offer contained in the SPP until after 6 January 2024.

Accordingly, application monies received under the SPP before 7 January 2024 will be held on trust by Arafura until 7 January 2024 and applications received before that date will only be deemed to be received by Arafura under the SPP on 7 January 2024. Applicants who have made an application under the SPP before 7 January 2024 may withdraw their application (and receive a full refund) by lodging a signed Withdrawal Form with the

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<sup>1</sup> Participants in the placement also received one free attaching option for every two shares subscribed for under the placement. Free attaching options are not being offered under the SPP.

Arafura Rare Earths Limited | ABN: 22 080 933 455

**Perth Address:**

Level 6, 432 Murray St, Perth WA 6000  
PO Box 5773, St Georges Terrace, Perth WA 6831

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Share Registry by no later than 5:00pm (AEDT) on 6 January 2024. After this time, you will not be able to withdraw your application, and any Withdrawal Forms received after this time will be disregarded.

You can obtain a Withdrawal Form by contacting the Arafura Shareholder Information Line on (+61) 1800 992 145 (toll free within Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays).

**This letter is to notify you that the SPP is now open and provide you with instructions as to how to obtain a copy of the SPP Offer Booklet and your personalised application form.**

#### **How to obtain a copy of the SPP Offer Booklet and your personalised application form**

1. **PAPER** - You can request a paper copy of the SPP Offer Booklet and your personalised application form by contacting the Arafura Shareholder Information Line on (+61) 1800 992 145 (toll free within Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the SPP offer period.

**Please note that that if you request a paper copy of the SPP Offer Booklet and personalised application form, there may be some delays in delivery of the SPP Offer Booklet and your personalised application form via post. You are encouraged to access the SPP Offer Booklet and your personalised application form online by following the instructions on the offer website (see below).**

2. **ONLINE** - The SPP Offer Booklet and your personalised application form are available to view online at [www.arultd.com](http://www.arultd.com). To access this website you will need your SRN or HIN, and must follow the following steps:
  - Log in to the SPP Offer Website accessible through the Company's website at [www.arultd.com](http://www.arultd.com) and enter your exact registered details.
  - Enter your HIN/SRN, Surname/Company Name and your postcode (applicable only in Australia).
  - Read the SPP Booklet in its entirety. If you are in doubt about what to do, consult your professional advisor.
  - Download your personalised application form with payment details.
  - Make your payment of total application monies via BPAY® (or, for Eligible Shareholders in New Zealand, via BPAY® or electronic funds transfer) for the amount of New Shares that you wish to apply for, available in the following six parcels: \$2,500, \$5,000, \$10,000, \$20,000, \$25,000 or \$30,000.

**The SPP is scheduled to close at 5.00pm (AEDT) on Monday, 22 January 2024. Payment must be received before this time.**

You should read the SPP Offer Booklet carefully and in its entirety before deciding whether to participate in the SPP.

#### **Key Dates\***

<b>Date (and time if relevant)</b>	<b>Event</b>
7:00pm AEDT, 12 December 2023	<b>Record Date</b> The date and time at which Arafura determines who is eligible to participate in the SPP.
21 December 2023	<b>Opening Date</b> Applications will be processed following this date.
5:00pm AEDT, 22 January 2024	<b>Closing Date</b> Application monies must be received by this time and date.
25 January 2024	<b>Announcement of Results</b>
25 January 2024	<b>Issue Date</b> The date on which the New Shares are expected to be issued and any scale back of the New Shares is announced.
29 January 2024	<b>Quotation Date</b> New Shares are quoted on ASX.
30 January 2024	<b>Trading Date</b> The date on which the New Shares are expected to begin trading.
31 January 2024	<b>Despatch Date</b> Transaction confirmations / holding statements will be sent to shareholders on or around this date.

\* Arafura may change any of the Key Dates at its discretion (even if the offer has opened or applications have been received).

### Action required by Eligible Shareholders

Eligible Shareholders may participate in the SPP by submitting a payment in accordance with the instructions set out in the SPP Offer Booklet and on your personalised application form.

Application monies must be received before 5.00pm (AEDT) on Monday, 22 January 2024.

### Enquiries

If you have any questions, please visit [www.arultd.com](http://www.arultd.com) or call the Arafura Shareholder Information Line on (+61) 1800 992 145 (toll free within Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the SPP offer period. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

Yours sincerely



Mark Southey  
Non-Executive Chairman  
**Arafura Rare Earths Limited**

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