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ASX ANNOUNCEMENT

RESULTS OF SHARE PURCHASE PLAN

25 January 2024

Arafura Rare Earths Limited (**ASX: ARU**) (**Arafura** or **the Company**) is pleased to announce the results of the Share Purchase Plan (**SPP**) which closed at 5:00pm AEDT on 22 January 2024.

The SPP provided eligible shareholders who held shares at 7:00pm AEDT on 12 December 2023 with the opportunity to apply for up to $30,000 worth of new fully paid ordinary shares at the same issue price ($0.16 per share) as the placement announced to the ASX on 13 December 2023 (**Placement**).

The Company received a total of $6.5 million (before costs) from 710 applications under the SPP.

A total of 40.7 million new shares will be issued today and an Appendix 2A will follow this announcement.

The combined funds of $31.5 million (before costs) raised under the Placement and SPP will enable the Company to further develop the Nolans Project; uses will include:

- Integrated project management team costs (including KBR).
- Costs associated with detailed engineering (by consultants including Hatch) and early contractor involvement to advance detailed design and construction planning.
- Procurement of certified vendor data for equipment to support detailed engineering.
- Costs associated with site overheads, ESG, technology, business development and exploration.
- Corporate costs including office operations, project funding, and sales and marketing.
- A cash portion retained as a liquidity buffer.

Proceeds will also be used for general working capital purposes (including transaction costs).

Commenting on the completion of the SPP, Arafura Managing Director Gavin Lockyer said, "The result of this recent raising activity would not be possible without the ongoing support of our shareholders, many of whom have supported Arafura and the Nolans Project over a significant period of time. Combined with the funds raised via the Placement, the SPP provides essential interim funding for activities to support the project's ongoing development, as we work towards finalising the project's debt financing and larger-scale funding activities."

-ENDS-

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ARAFURA'S SUSTAINABILITY GOAL

"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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