Announcement Summary

Entity name

ARAFURA RARE EARTHS LTD

Date of this announcement

Friday April 05, 2024

The +securities the subject of this notification are:

+Other securities issued under an +employee incentive scheme that are not intended to be quoted on ASX

Total number of +securities to be issued/transferred

ASX +security code	Security description	Total number of +securities to be issued/transferred	Issue date
ARUAD	PERFORMANCE RIGHTS	9,000,000	03/04/2024

Refer to next page for full details of the announcement

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Part 1 - Entity and announcement details

1.1 Name of entity

ARAFURA RARE EARTHS LTD

We (the entity named above) give notice of the issue, conversion or payment up of the following unquoted +securities.

1.2 Registered number type

ABN

Registration number

22080933455

1.3 ASX issuer code

ARU

1.4 The announcement is

New announcement

1.5 Date of this announcement

5/4/2024

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Part 2 - Issue details

2.1 The +securities the subject of this notification are:
+Other securities issued under an +employee incentive scheme that are not intended to be quoted on ASX

2.2a This notification is given in relation to an issue of +securities in a class which is not quoted on ASX and which:
has an existing ASX security code ("existing class")

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Part 3B - number and type of +securities the subject of this notification (existing class) where issue has not previously been notified to ASX in an Appendix 3B

ASX +security code and description

ARUAD : PERFORMANCE RIGHTS

Date the +securities the subject of this notification were issued

3/4/2024

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class

Yes

Were any of the +securities issued to +key management personnel (KMP) or an +associate?

Yes

Provide details of the KMP or +associates being issued +securities.

Name of KMP	Name of registered holder	Number of +securities
Peter Scott Sherrington	Peter Scott Sherrington	9,000,000

Please provide a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms

Each performance right is an entitlement to receive one fully paid ordinary share in Arafura Rare Earths Limited (ASX code: ARU) for a nil exercise price provided the relevant performance conditions and vesting conditions are satisfied.

A summary of the Arafura Incentive Plan is included in the 2023 Notice of Annual General Meeting Explanatory Memorandum. A copy of this Notice is available at https://wcsecure.weblink.com.au/pdf/ARU/02712220.pdf

Any other information the entity wishes to provide about the +securities the subject of this notification

Arafura has 2 separate incentive regimes in place, being the Nolans Project Success Plan and the Retention and Capability Plan. Under both these plans, securities are offered pursuant to the Arafura Incentive Plan referred to above. The incentives being issued to the KMP named above is issued under the Nolans Project Success Plan.

The Nolans Project Success Plan is tied to a series of milestones relating to construction and financing of the Nolans Project. The performance rights issued under the Nolans Project Success Plan will not vest and the underlying securities will not be issued unless the performance and vesting conditions as set by the Board have been satisfied.

Issue details

Number of +securities

9,000,000

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Part 4 - +Securities on issue

Following the issue, conversion or payment up of the +securities the subject of this notification, the +securities of the entity will comprise:

The figures in parts 4.1 and 4.2 below are automatically generated and may not reflect the entity's current issued capital if other Appendix 2A, Appendix 3G or Appendix 3H forms are currently with ASX for processing.

4.1 Quoted +securities (Total number of each +class of +securities issued and quoted on ASX)

ASX +security code and description	Total number of +securities on issue
ARU : ORDINARY FULLY PAID	2,310,302,192
ARUOA : OPTION EXPIRING 20-JUN-2025	78,125,000

4.2 Unquoted +securities (Total number of each +class of +securities issued but not quoted on ASX)

ASX +security code and description	Total number of +securities on issue
ARUAD : PERFORMANCE RIGHTS	52,348,450
ARUAC : OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES	5,668,000

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Part 5 - Other Listing Rule requirements

5.1 Were the +securities issued under an exception in Listing Rule 7.2 and therefore the issue did not need any security holder approval under Listing Rule 7.1?

Yes

5.1a Select the number of the applicable exception in Listing Rule 7.2

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