# ASX ANNOUNCEMENT

## COMPLETION OF BOOKBUILD FOR FULLY UNDERWRITTEN A$20 MILLION INSTITUTIONAL PLACEMENT

25/07/2024

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- **Firm commitments received for a fully underwritten institutional placement of A$20 million at an issue price of A$0.16 per share**
- **Funds raised will support advancement of the Company's funding initiatives and be utilised for activities necessary to support critical path activities, compliance and progressing improvement ideas that reduce capital, schedule and risk (and for general working capital purposes)**

**Arafura Rare Earths Limited** (**ASX: ARU**) ("**Arafura**" or the "**Company**") is pleased to provide an update on the status of the capital raising announced to the ASX on 24 July 2024 ("**Capital Raising**").

The Company has received firm commitments for its fully underwritten placement (across two-tranches) of new fully paid ordinary shares ("**New Shares**") to raise A$20 million (before costs) ("**Placement**") at an offer price of A$0.16 per New Share ("**Offer Price**").

The Placement was well supported, with high levels of institutional participation that included leading investor groups domestically and abroad, which led to the decision to meet that demand and launch a two-tranche deal.

A total of 125 million New Shares will be issued under the Placement across the two tranches as follows:

| Description | Number of New Shares | Funds to be raised (A$) |
|---|---|---|
| Tranche 1 | 88,732,000 | $14,197,120.00 |
| Tranche 2 | 36,268,000 | $5,802,880.00 |
| **Total** | 125,000,000 | **$20,000,000.00** |

Tranche 1 of the Placement will utilise the Company's existing placement capacity under ASX Listing Rule 7.1 (and the issue is not subject to shareholder approval). Tranche 2 of the Placement is subject to shareholder approval.

Arafura will resume trading on the ASX from market open today, 25 July 2024, with settlement under Tranche 1 of the Placement expected to occur on 31 July 2024. Settlement of Tranche 2 of the Placement is expected to occur on 6 September 2024, subject to shareholder approval being obtained.

The Company will shortly despatch a notice of meeting to convene an extraordinary general meeting of shareholders expected to be held on 4 September 2024 (**EGM**).

In addition to the Placement, and as announced to ASX on 24 July 2024, the Company is offering all eligible existing shareholders on the Company's share register at 7.00pm (AEST) on Tuesday, 23 July 2024 with a registered address in Australia or New Zealand the opportunity to apply for New Shares in the Company by participating in a Share Purchase Plan ("**SPP**"). The Company is targeting to raise A$7 million (before costs) through the SPP (with the ability to accept oversubscriptions of up to A$3 million), and the offer price under the SPP is the same as the Offer Price under the Placement.

Further details regarding the SPP will be contained in a prospectus that will be prepared and lodged with ASIC (and released to ASX) in due course ("**Prospectus**").

**Arafura Rare Earths Limited**
**ABN:** 22 080 933 455
Level 6, 432 Murray St, Perth WA 6000
PO Box 5773, St Georges Terrace, Perth WA 6831
**T:** +61 8 6370 2800 | **W:** www.arultd.com | **E:** arafura@arultd.com

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The offer and issue of New Shares under the SPP will be subject to shareholder approval for the purposes of ASX Listing Rule 7.1, and that approval will be sought at the EGM. All New Shares to be issued under the Placement and SPP will rank equally with the Company's existing quoted shares on issue.

An indicative timetable for the Capital Raising is set out below:

| Time (AEST) and Date | Event |
|---|---|
| 7:00pm, Tuesday, 23 July 2024 | **SPP Record date** |
| Wednesday, 24 July 2024 | Trading halt<br>Announcement of Capital Raising |
| Thursday, 25 July 2024 | Announce results of Placement bookbuild (trading halt lifted) |
| Wednesday, 31 July 2024 | Placement settlement date (Tranche 1) |
| Thursday, 1 August 2024 | New Shares issued under Tranche 1 of the Placement<br>New Shares issued under Tranche 1 of the Placement commence trading |
| Friday, 2 August 2024 | **SPP Prospectus lodged with ASIC, released to ASX and despatched to shareholders**<br>**SPP opening date** |
| Monday, 5 August 2024 | Arafura despatches Notice of Meeting for EGM |
| Wednesday, 4 September 2024 | EGM to approve the issue of New Shares under the SPP (and issue of any SPP shortfall shares) and New Shares under Tranche 2 of the Placement |
| Friday, 6 September 2024 | Placement settlement date (Tranche 2) |
| Monday, 9 September 2024 | New Shares issued under Tranche 2 of the Placement<br>New Shares issued under Tranche 2 of the Placement commence trading |
| 5:00pm, Monday, 9 September 2024 | **SPP closing date** |
| Wednesday, 11 September 2024 | Announcement of results of SPP<br>Issue of New Shares under SPP |
| Thursday, 12 September 2024 | Commencement of trading of New Shares issued under SPP |

*Subject to change. The Company reserves the right to withdraw the Capital Raising (including the SPP) or vary the above dates at its discretion.*

**-ENDS-**

**Further Information:**

**Investors**
Shaan Beccarelli
Head of Corporate Affairs & Investor Relations
+61 455 559 553
sbeccarelli@arultd.com

**Media**
Luke Forrestal
GRA Partners
+61 411 479 144
luke.forrestal@grapartners.com.au

**Authorised by:**
Catherine Huynh
Company Secretary

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**Summary Information**

This announcement has been prepared by Arafura and is of a summary form only and therefore contains general background information which may not be complete. It should be read in conjunction with, and full review made of Arafura's most recent financial report and other periodic disclosures and releases lodged with the Australian Securities Exchange (ASX) and available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any information contained in this announcement.

In accordance with section 734(5)(a) of the Corporations Act, the Company confirms that (in relation to the Prospectus):

- Arafura will be the offeror of the New Shares under the SPP and SPP shortfall offer;
- the Prospectus will be made available to eligible shareholders when the SPP opens and the New Shares are offered, and the Prospectus will be made available to certain investors who participate in the SPP shortfall offer by invitation only;
- the Prospectus will be made available to eligible shareholders on 2 August 2024 through a designated website established for the offer (and any investors who are invited to participate in the SPP shortfall offer will also be given a copy of the Prospectus);
- a person should consider the Prospectus in deciding whether to acquire New Shares under the SPP or SPP shortfall offer; and
- anyone who wants to acquire New Shares under the SPP or SPP shortfall offer will need to complete an application form that will be in or will accompany the Prospectus.

**Forward Looking Statements**

This announcement contains certain statements which may constitute "forward-looking statements." These statements can be identified by the use of words like "will", "progress", "anticipate", "intend", "expect", "may", "seek", "towards", "enable" and similar words or expressions containing same. Such statements are only expectations or beliefs and are subject to inherent risks and uncertainties which could cause actual values, results or performance achievements to differ materially from those expressed or implied in this announcement. No representation or warranty, express or implied is made by Arafura that any forward-looking statement contained in this announcement will occur, be achieved or prove to be correct. You are cautioned against relying upon any forward-looking statement.

Content presented in this announcement is provided as at the time of this announcement (unless otherwise stated). Reliance should not be placed on information or opinions contained in this announcement and, subject only to any legal obligation to do so, Arafura accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this announcement or any other information made available to a person, nor any obligation to furnish the person with any further information.

The forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to the Company, or any of its affiliates or persons acting on its behalf. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither the Company nor any other person gives any representation, warranty, assurance, or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, the Company and each of its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.

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