ASX ANNOUNCEMENT

COMPLETION OF TRANCHE 2 PLACEMENT

2/10/2025

Arafura Rare Earths Limited (**ASX: ARU**) ("**Arafura**" or the "**Company**") is pleased to announce that tranche 2 of the A$80 million placement announced on 20 August 2025 ("**Placement**") completed today, with the Company issuing 51,403,329 new fully paid ordinary shares to institutional and sophisticated investors, raising approximately A$9.8 million (before costs).

Tranche 1 of the Placement (which comprised the issue of 369,649,303 new fully paid ordinary shares) completed on 26 August 2025.

Alongside the Placement (and as also announced on 20 August 2025), the Company is undertaking a share purchase plan ("**SPP**"), targeting to raise an additional A$5 million (with the ability to accept oversubscriptions). The offer price under the SPP of $0.19 is the same as the offer price under the Placement.

The SPP is expected to close on 3 October 2025 with results announced to the ASX on 10 October 2025.

An Appendix 2A in relation to Tranche 2 of the Placement will follow this announcement.

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