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ASX ANNOUNCEMENT

COMMITMENTS RECEIVED FOR A$475 MILLION PLACEMENT

29/10/2025

- **Successful completion of institutional placement to raise A$475 million**
- **Placement bookbuild received strong demand from high quality investor groups, providing a further endorsement of the Company's Nolans Project**

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 28 October 2025.

The Company has received commitments to raise ~A$475 million (before costs) via a two-tranche institutional placement of approximately 1,696.4 million new fully paid ordinary shares (**New Shares**) at an offer price of A$0.28 per New Share (**Placement**).

Tranche one of the Placement will raise ~A$123.4 million (before costs) and tranche two of the Placement, which is subject to shareholder approval, is expected to raise ~A$351.6 million (before costs).

The Placement was well supported by new and existing high-quality institutional investors, including Arafura's largest shareholder, Hancock Prospecting Pty Ltd (**Hancock**), which has committed to ~A$125 million (~446.4 million New Shares) in the Placement. Following completion of the Placement, Hancock will hold an interest in the Company of ~15.7%[1].

Arafura will resume trading on the ASX from market open today, 29 October 2025, with settlement under tranche one of the Placement expected to occur on 3 November 2025. Settlement of tranche two of the Placement is expected to occur on 11 December 2025, 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 5 December 2025 (**EGM**).

In addition to the Placement, and as announced on 28 October 2025, the Company is also undertaking a share purchase plan (**SPP**) targeting to raise approximately A$50 million (with the ability to accept oversubscriptions of up to A$20 million) at the same offer price as the Placement (of A$0.28 per New Share).

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**). 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.

Arafura's Managing Director and CEO Darryl Cuzzubbo said: "The strength of demand received for this capital raising has definitively validated the importance of Arafura's role in a diversified global supply chain. We have progressively delivered a funding solution that will support a final investment decision announcement early next year and see us commence construction of what will be an iconic project for Australia of global significance".

[1] *Post completion of tranche two of the placement & before any New Shares are issued under the SPP.*

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An indicative timetable for the remaining key events in relation to the capital raising is set out below.

Indicative Timetable

Event	Date (AEDT)
Placement	
Trading halt lifted and announcement of completion of the Placement	Wednesday, 29 October 2025
Settlement of New Shares under Tranche One Placement	Monday, 3 November 2025
Issue, quotation and trading of New Shares under the Tranche One Placement	Tuesday, 4 November 2025
EGM to approve issue of New Shares under the Tranche Two Placement and SPP	Friday, 5 December 2025
Settlement of New Shares under the Tranche Two Placement	Thursday, 11 December 2025
Issue, quotation and trading of New Shares under the Tranche Two Placement	Friday, 12 December 2025
SPP	
Record Date	7.00pm, Monday, 27 October 2025
SPP Prospectus lodged with ASIC, released to ASX and despatched to shareholders SPP opens	Thursday, 6 November 2025
EGM to approve issue of New Shares under the Tranche Two Placement and SPP	Friday, 5 December 2025
SPP closes	Tuesday, 9 December 2025
Announcement of results of SPP and Issue of New Shares issued under SPP	Monday, 15 December 2025
Commencement of trading of New Shares issued under SPP	Wednesday, 17 December 2025

This timetable is indicative only and the Company may, at its discretion (subject to any applicable laws and the ASX Listing Rules), vary any of the above dates. The commencement of trading and quotation of New Shares is subject to ASX confirmation.

This announcement has been approved for release by the Board of Arafura.

-ENDS-

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Summary Information

The following disclaimer applies to this announcement and any information contained in it. The information in this announcement is of a general background nature only and does not purport to be complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with ASX Limited, which are 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 accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

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 (if any) by invitation only;
- the Prospectus will be made available to eligible shareholders on 6 November 2025 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 includes forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. 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. 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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