Announcement Summary

**Entity name**

ARAFURA RARE EARTHS LTD

**Announcement Type**

New announcement

**Date of this announcement**

8/4/2026

**The Proposed issue is:**
A placement or other type of issue

**Total number of +securities proposed to be issued for a placement or other type of issue**

| ASX +security code | +Security description | Maximum Number of +securities to be issued |
|---|---|---|
| ARU | ORDINARY FULLY PAID | 937,432,963 |

**Proposed +issue date**

10/6/2026

Refer to next page for full details of the announcement

For personal use only

## Part 1 - Entity and announcement details

**1.1 Name of +Entity**

ARAFURA RARE EARTHS LTD

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.
If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

| **1.2 Registered Number Type** | **Registration Number** |
|---|---|
| ABN | 22080933455 |

**1.3 ASX issuer code**

ARU

**1.4 The announcement is**
New announcement

**1.5 Date of this announcement**

8/4/2026

**1.6 The Proposed issue is:**
A placement or other type of issue

For personal use only

## Part 7 - Details of proposed placement or other issue

### Part 7A - Conditions

**7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?**
Yes

7A.1a Conditions

| Approval/Condition | Date for determination | Is the date estimated or actual? | ** Approval received/condition met? |
|---|---|---|---|
| +Security holder approval | 8/6/2026 | Estimated | No |

**Comments**

Please refer to ASX Announcement dated 1 April 2026. Arafura will convene a general meeting (GM) of shareholders to seek approval for the issue of Shares to KfW and EFA for the purposes of ASX Listing Rule7.1. Further detail regarding the timetable for the GM will be provided to shareholders in due course. FIRB approval will also be required for the KfW subscription.

### Part 7B - Issue details

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**
Existing class

**Will the proposed issue of this +security include an offer of attaching +securities?**
No

Details of +securities proposed to be issued

**ASX +security code and description**
ARU : ORDINARY FULLY PAID

**Number of +securities proposed to be issued**
937,432,963

**Offer price details**

**Are the +securities proposed to be issued being issued for a cash consideration?**
Yes

| In what currency is the cash consideration being paid? | What is the issue price per +security? |
|---|---|
| AUD - Australian Dollar | AUD 0.24470 |

For personal use only

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

## Part 7C - Timetable

**7C.1 Proposed +issue date**

10/6/2026

## Part 7D - Listing Rule requirements

**7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?**
Yes

**7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1**

8/6/2026

**7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?**
No

**7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?**
No

**7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?**
No

## Part 7E - Fees and expenses

**7E.1 Will there be a lead manager or broker to the proposed issue?**
No

**7E.2 Is the proposed issue to be underwritten?**
No

**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

## Part 7F - Further Information

**7F.01 The purpose(s) for which the entity is issuing the securities**

Shares to be issued to cornerstone investors Kreditanstalt für Wiederaufbau (KfW), on behalf of the German Raw Materials Fund and Export Finance Australia. Please refer to ASX Announcement dated 1 April 2026 for further information.

**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**
No

For personal use only

**7F.2 Any other information the entity wishes to provide about the proposed issue**

For the purposes of this appendix, an issue price of $0.2447 per share and an AUD/EUR exchange rate of 0.5966 have been used to calculate the total number of shares to be issued.

Under the subscription agreements with EFA and KfW, the issue price per share is the lower of A$0.2447 (being the volume weighted average market price of shares for the 20 trading days up to and including the date of execution of the subscription agreements, less a 10% discount) and any lower price per share at which shares are offered to third party investors in the lead up to (or in conjunction with) completion of the EFA and KfW subscriptions.

The EFA subscription is for a fixed amount of A$145,581,598.50 (converted from USD in accordance with the EFA subscription agreement). The KfW subscription is for a fixed amount of 50 million euros, which will be converted into Australian Dollars in the lead up to completion in accordance with the KfW Subscription Agreement.

Please refer to ASX Announcement dated 1 April 2026 for further information.

**7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:**
The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)

For personal use only