ASX ANNOUNCEMENT

COMMITMENTS RECEIVED FOR $350 MILLION PLACEMENT

25 May 2026

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 Friday, 22 May 2026.

HIGHLIGHTS

- **Commitments received under institutional placement to raise A$350 million**
- **Placement bookbuild received strong demand from high quality investors, reinforcing confidence in the Company's path to construction for Nolans**

The Company has received commitments to raise ~A$350 million (before costs) via a two-tranche institutional placement of approximately 1,346.2 million new fully paid ordinary shares (**New Shares**) at an offer price of A$0.26 per New Share (**Placement**).

Tranche One of the Placement will raise ~A$175.5 million (before costs) and Tranche Two of the Placement, which is subject to shareholder approval, is expected to raise ~A$174.5 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 subscribe for ~A$85 million (~326.9 million New Shares) in the Placement. Following completion of the Placement, Hancock will hold an interest in the Company of ~17.5%[1].

Upon settlement of the Placement and cornerstone investor commitments (including EFA, GRMF and NRFC)[2], Arafura will have a pro forma cash balance (31 March 2026) of ~A$1,341m[3].

Arafura will resume trading on the ASX from market open today, Monday, 25 May 2026, with settlement under tranche one of the Placement expected to occur on Thursday, 28 May 2026. Settlement of Tranche Two of the Placement is expected to occur on Wednesday, 8 July 2026, 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 Thursday, 2 July 2026 (**EGM**).

In addition to the Placement, and as announced on Friday, 22 May 2026, the Company is also undertaking a share purchase plan (**SPP**) targeting to raise approximately A$25 million at the same offer price as the Placement (A$0.26 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. The Company has sought a waiver of ASX Listing Rule 7.3.9 for this purpose.

[1] *Post completion of Tranche Two of the Placement and before any shares are issued under the SPP or to any of the cornerstone investors.*
[2] *Refer to ASX announcements dated 1 April 2026 (cornerstone equity agreements) and 12 May 2026 (NRFC convertible note documentation).*
[3] *Before costs and excluding any proceeds raised under the SPP.*

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Commenting on the successful placement, Arafura's Chief Executive Officer and Managing Director, Darryl Cuzzubbo, said:

"The strong support received for this capital raising is a clear endorsement of the Nolans Rare Earths Project and Arafura's role in building a diversified, Western rare earths supply chain. With this successful result and the Board's recent Final Investment Decision, we look forward to commencing construction of this nationally significant project, which we are targeting in around September 2026."

Hancock Executive Chairman Mrs Gina Rinehart, AO, added:

"Hancock Prospecting is pleased to support development in the Northern Territory, and support Arafura with additional investment to enable the start of construction of the Nolan's Bore rare earths project, which will play a vital strategic role in the global critical minerals supply chain."

Indicative Timetable

Event	Date (AEST)
Placement	
Trading halt lifted and announcement of completion of the Placement	Monday, 25 May 2026
Settlement of New Shares under Tranche One Placement	Thursday, 28 May 2026
Issue, quotation and trading of New Shares under the Tranche One Placement	Friday, 29 May 2026
EGM to approve issue of New Shares under the Tranche Two Placement, SPP and Director participation	Thursday, 2 July 2026
Settlement of New Shares under the Tranche Two Placement	Wednesday, 8 July 2026
Issue, quotation and trading of New Shares under the Tranche Two Placement	Thursday, 9 July 2026
SPP	
Record Date	Thursday, 21 May 2026
SPP Prospectus lodged with ASIC, released to ASX and dispatched to Shareholders SPP opens	Wednesday, 3 June 2026
EGM to approve issue of New Shares under the Tranche Two Placement, SPP and Director participation	Thursday, 2 July 2026
SPP closes	Tuesday, 7 July 2026
Announcement of results of SPP and Issue of New Shares issued under SPP	Monday, 13 July 2026
Commencement of trading of New Shares issued under SPP	Wednesday, 15 July 2026

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.

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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;
- the Prospectus will be made available to eligible shareholders when the SPP opens and the New Shares are offered;
- the Prospectus will be made available to eligible shareholders on Wednesday, 3 June 2026 through a designated website established for the offer;
- a person should consider the Prospectus in deciding whether to acquire New Shares under the SPP; and
- anyone who wants to acquire New Shares under the SPP 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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