

ASX Announcement

\$1.5m Capital Injection from Institutional and Sophisticated Investors



24 October 2017

Arafura Resources Limited (ASX: ARU) (Arafura or the Company) is pleased to announce that it has received \$1.5m in firm commitments from Institutional and Sophisticated Investors from Australia and internationally to help progress and take part in the transformation of the Company's 100% owned, world class Nolans NdPr project.

Over the past few months, Arafura has witnessed a significant change in the level of domestic and international interest in the Nolans NdPr project. Due to the quality of the parties willing to participate, the quantity of funding available and the strengthening of NdPr prices, the Company has taken the opportunity to secure this funding from both new and existing investors.

The subscription price for the placement was \$0.11 per share and will result in the issue of approximately 13.6 million New Shares under ASX Listing Rule 7.1 and will rank equally with existing Arafura shares from allotment. Settlement of the New Shares is expected to take place on Friday, 27 October 2017.

Pricing - Key Metrics		
	\$ Per Share	Discount
Placement Price	\$0.110	
Last Close	\$0.135	18.5%
15 Day VWAP	\$0.132	16.6%
1 Month VWAP	\$0.126	12.4%
2 Month VWAP	\$0.111	1.1%

The proceeds will strengthen Arafura's balance sheet and assist funding the completion of the Definitive Feasibility Study ("DFS") including the definition stage engineering activities and general working capital. The DFS is a critical investment document and de-risking initiative that will enable the Company to make a Final Investment Decision ("FID") and look to secure the appropriate funding package to help bring the Project into Production in the most valuable way for all shareholders.



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The Company notes there were a number of parties it engaged with for the private placement who were not able to proceed to a firm commitment in the two day trading halt timeframe. The Company continues to maintain discussion with these parties which may result in additional placements at a later date.

Arafura's Managing Director and Chief Executive Officer Gavin Lockyer said: "it is pleasing to see the recent increase in market understanding of the importance of Nd/Pr and its looming supply shortages into existing and emerging technologies. For many years the focus has been on battery metals, however, the two successful capital raisings Arafura has been able to conduct this year highlights the growing investor interest in these metals."

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