

ASX Announcement

\$1.6m Additional Placement completed

25 October 2017



Arafura Resources Limited (ASX: ARU) (Arafura or the Company) is pleased to announce that in addition to the placement announced on 24 October 2017 (**Initial Placement**), it has received a further \$1.6m of commitments from investors to subscribe for shares at an issue price of \$0.11 per share (**Additional Placement**).

A number of investors expressed an interest to participate in the Initial Placement but were unable to provide a firm commitment by 24 October 2017. However, given the interest in the Initial Placement, the Company extended offers to those investors to subscribe for shares on the same terms as offered under the Initial Placement.

The Company will raise approximately 1.6 million (before costs) from the Additional Placement and a total of approximately \$3.1million (before costs) from the Initial Placement and the Additional Placement. The Company intends to use the funds raised towards progressing development at the Company's 100% owned Nolans NdPr project (including preparation of a Definitive Feasibility Study for that project and definition stage engineering activities) and general working capital.

The subscription price of \$0.11 per share under the Additional Placement will result in the issue of approximately 14.5 million new shares which will be issued under the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. This represents a discount of 17.9% to the 15 day VWAP of \$0.134, as at the close of trade on 24 October 2017.

New shares will rank equally with existing Arafura shares from the date of issue. Settlement of the issue is expected to take place on Monday, 30 October 2017.

Annual General Meeting Resolution 6 Additional 10% Placement Capacity

The Company refers to the 2017 Notice of Annual General Meeting announced on 6 October 2017 and advises that Resolution 6 – Approval of Additional 10% Placement Capacity, is withdrawn from the notice of meeting and will not be put to shareholders at the meeting. The Company believes that with the funds raised from the Initial Placement and the Additional Placement, it will be able to access sufficient funding, through to a Final Investment Decision (FID) for the Nolans NdPr project, without the additional 10% placement capacity being available.

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