

ASX Announcement

Placement under ASX Listing Rule 7.1A and Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)



1 November 2017

Arafura Resources Limited (ASX: ARU) ('Arafura' or 'The Company') refers to its announcements dated 24 and 25 October 2017 in relation to the private placements of shares to investors. This announcement relates to the placement that was announced on 25 October 2017 (**Additional Placement**).

The Company advises that it has today issued 3,636,364 ordinary shares using the Company's placement capacity under ASX listing rule 7.1A to an investor under the Additional Placement.

Due to the issue of shares using the Company's placement capacity under ASX Listing Rule 7.1A, the Company provides the following information in accordance with ASX Listing Rule 3.10.5A.

- a) 3,636,364 shares have been issued under the Company's ASX Listing Rule 7.1A capacity. Existing shareholders have been diluted by 0.6% following the Additional Placement made today. A breakdown of the dilution calculation is provided below.

| | |
|---|--------------------|
| Shares on issue prior to the Additional Placement made on 31 October 2017. | 572,119,585 |
| Add: Share issued today under ASX Listing Rule 7.1A | 3,636,364 |
| Total Shares on Issue at 1 November 2017 | 575,755,949 |
| Dilution to existing shareholders due to issue of today's shares under ASX Listing Rule 7.1A capacity | 0.6% |

- b) The Company conducted the placement rather than a pro-rata issue or other type of issue in which existing security holders would have been eligible to participate, as it was considered to be the quickest, most efficient and most certain method of raising funds in the circumstances.
- c) The Additional Placement was not underwritten but brokers have participated in placing the shares to the investors for which they will receive a fee of 5% (plus GST) of the funds contributed.
- d) The Company also incurred miscellaneous expenses including listing fees and legal fees in connection with the Additional Placement.

Placement under ASX Listing Rule 7.1A and Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)

Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)

In relation to the issue of 3,636,364 new ordinary shares under the Additional Placement, the Company provides the following notice.

In accordance with section 708A(6) of the *Corporations Act 2001 (Cth)* (“**Act**”), the Company confirms that:

1. The shares are part of the class of ordinary shares quoted on the Australian Securities Exchange.
2. This notice is given under section 708A(5)(e) of the Act.
3. The Company issued the shares without disclosure to investors under Part 6D.2 of the Act.
4. As at the date of this notice:
 - a. the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. the Company has complied with section 674 of the Act.
5. As at the date of this notice, there is no excluded information of the type referred to in sections 708A(7) and 708A(8) of the Act.

– ENDS –

For and behalf of Arafura Resources Limited

Peter Sherrington

CFO/Company Secretary

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