

ASX Announcement

Second Issue of Shares – Entitlement Offer

19 July 2019



Arafura Resources Limited (**Arafura** or **Company**) confirms that, further to Arafura's announcement earlier today, Arafura has now received further subscription funds for the shortfall from its non-renounceable entitlement offer announced to ASX on 20 June 2019 (**Entitlement Offer**) comprising \$10.2 million (before costs) and has issued 120,541,657 fully paid ordinary shares (**Shares**) to the respective sub-underwriters. This issue brings the total number of Shares on issue to 1,052,541,263 and brings the total amount raised to date to \$23.0 million (before costs).

The remaining shortfall amount of \$200,000 (which represents 2,352,941 Shares) remains outstanding. These outstanding funds are being settled directly with Arafura by international funds transfer and due to administration issues, cleared funds are not yet available. The Company expects to receive these funds shortly and will provide a further announcement when the funds have been received and when the remaining shortfall shares have been issued.

Secondary trading notice given for Ineligible Foreign Shares pursuant to paragraph 708A(5)(e) of the Corporations Act 2001 (Cth) (Act).

Of the 120,541,657 shortfall Shares issued, 574,200 Shares (the **Ineligible Foreign Shares**) represent the "entitlements" of shareholders with registered addresses outside of Australia and New Zealand. These Ineligible Foreign Shares were not offered to persons under the Entitlement Offer and do not fall within the disclosure exemption and secondary trading exemption relating to entitlement offers. Accordingly, the following secondary trading notice is given in respect of the Ineligible Foreign Shares only. Upon giving this notice, a sale of the Ineligible Foreign Shares within 12 months of their issue will fall within the exemption in section 708A(5) of the Act.

Arafura hereby notifies ASX that:

1. Arafura issued the Ineligible Foreign Shares without disclosure to investors under Part 6D.2 of the Act;
2. this notice is given by Arafura under paragraph 708A(5)(e) of the Act;
3. as at the date of this notice, Arafura has complied with the provisions of Chapter 2M of the Act as they apply to Arafura, and section 674 of the Act; and
4. as at the date of this notice, there is no excluded information of the type referred to in subsections 708A(7) and (8) of the Act.

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Signed for and on behalf of Arafura



Peter Sherrington
Chief Financial Officer and Company Secretary
Arafura Resources Limited

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