



ASX Announcement

A\$7 Million Share Placement with Strong Support from Domestic and Offshore Institutional Investors

11 June 2020

Arafura Resources Limited (ASX: ARU) (Arafura or the Company) is pleased to announce that it has received firm commitments to raise A\$7 million (before costs) in new equity via a fully committed share placement to institutional and professional investors (**Placement**).

The Placement was completed at an issue price of \$0.062 per share and approximately 112.9 million new fully paid ordinary shares will be issued.

Arafura received significant interest from both domestic and offshore institutional and professional investors.

The new shares will be issued using the Company's existing placement capacity under ASX Listing Rule 7.1 and the issue will not require shareholder approval.

The Placement is expected to settle (and the shares are expected to be issued) on 17 June 2020 and will rank equally with the Company's existing quoted shares on issue.

Funds raised from the Placement will be used to undertake early engineering works for pre-Front End Engineering and Design, execution readiness activities for the Company's Nolans Project and for general working capital purposes.

Canaccord Genuity (Australia) Limited acted as Sole Lead Manager and Bookrunner to the Placement.

Arafura's Managing Director, Gavin Lockyer, said, *"The Nolans Project is the only new NdPr Oxide project in Australia with all environmental approvals granted to deliver advanced materials into the critical minerals supply chain. The significant interest from new and existing institutional investors is a strong endorsement of Arafura's 100% owned Nolans Project and the role it is expected to play in diversifying rare earth supply chains whilst seeding new industry in Australia, one of the world's safest and secure jurisdictions."*

An Appendix 3B (Proposed issue of securities) will follow this announcement.

- ENDS -

Authorised by the Board of Directors of Arafura Resources Limited.

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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, nor will 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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