



ASX Announcement

Arafura Launches Underwritten Share Purchase Plan

12 November 2018

Share Purchase Plan

Arafura Resources Limited (ASX: ARU, “Arafura” or the “Company”) is pleased to announce a Share Purchase Plan (“**SPP**”) to raise **A\$3 million** (before costs) to advance its 100% owned Nolans Neodymium Praseodymium (**NdPr**) Project in the Northern Territory and for general working capital.

The SPP will be underwritten up to A\$3 million by Patersons Securities Limited (“**Patersons**”) which is acting as Lead Manager and Underwriter to the offer. The New Shares (as defined below) will be issued at a **20% discount to the VWAP trading price over the 5 trading days before the date of issue of the New Shares** and will be offered to Eligible Shareholders (as defined below) free of brokerage and fees.

Funds raised under the SPP will be used to advance the Company’s Nolans NdPr Project in the Northern Territory and for general working capital. The Company continues to progress its DFS and to work towards a final investment decision. Arafura recently announced (on 15 October 2018) its first NdPr offtake non-binding MoU with JingCi Material Science Co – a Tier 1 magnet manufacturer. Arafura also recently announced (on 7 November 2018) its decision to build its Rare Earth Separation Plant in Australia.

Details of the SPP

The Company will offer eligible shareholders who were registered shareholders as at 4:00pm (AWST) on Friday, 9 November 2018 (“**Record Date**”) the opportunity to apply for new fully paid ordinary shares (“**New Shares**”) in the Company under the SPP.

Additionally, the Company has agreed that Patersons may facilitate an offer of New Shares to be issued at the same price as those under the SPP (“**Top-Up Placement**”). The maximum number of New Shares that may be issued under the Top-Up Placement will be equal to the Company’s remaining placement capacity as per ASX Listing Rules 7.1 and 7.1A on completion of the SPP or such lower number as nominated by the Company.

Under the SPP, eligible shareholders (being those whose registered address is in Australia or New Zealand as at the Record Date) will be given the opportunity to purchase up to A\$15,000 worth of new shares in the Company (“**New Shares**”) at a discount and without incurring brokerage or transaction costs.

Eligible shareholders will be able to participate in the SPP by choosing one of the following levels of participation:

A\$1,000 (minimum) of New Shares
A\$2,500 of New Shares
A\$5,000 of New Shares
A\$7,500 of New Shares
A\$10,000 of New Shares
A\$15,000 (maximum) of New Shares

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The fees payable to the Underwriter are 6% of the gross proceeds of the SPP and the Top-Up Placement, plus expenses.

Full details of the SPP will be set out in the SPP booklet and personalised Application Form which will be sent to eligible shareholders on or about Friday 16 November 2018. Completed Application Forms and payment must be received by 5:00pm (AWST) on Friday 7 December 2018 (“Closing Date”).

The SPP offer fits within ASX Listing Rule 7.2 Exception 15 and therefore shareholder approval will not be obtained. New Shares issued to the Underwriter (and any New Shares issued under the Top-Up Placement) will be issued from the Company’s placement capacity under ASX Listing Rules 7.1 and 7.1A. The offer of New Shares under the SPP is made in accordance with ASIC Class Order [CO 09/425] and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act 2001 (Cth).

An indicative timetable for the SPP is set out below. The Company may change these dates and times at its discretion.

Event	Date
Record Date	4:00pm AWST Friday, 9 November 2018
Announce SPP	Monday, 12 November 2018
Despatch SPP booklet to shareholders	Friday, 16 November 2018
Opening Date	Friday, 16 November 2018
Closing Date	5:00pm AWST Friday, 7 December 2018
Company to notify Underwriter of Shortfall (if any)	Tuesday, 11 December 2018
Issue of New Shares under the SPP	Friday, 14 December 2018
Quotation on ASX of New Shares under the SPP	Monday, 17 December 2018

The SPP is non-renounceable. This means that eligible shareholders who do not take up their entitlements to participate in the SPP will not be able to transfer or receive any value for those entitlements.

In accordance with the instructions in the SPP booklet and on the Application Form (to be sent to eligible shareholders by post), eligible shareholders may complete the Application Form and return it to Arafura’s share registry together with a cheque, bank draft or money order. Payments can also be made by BPAY® utilising the Biller Code and reference number that will be provided on the Application Form by 3:00pm (AWST) on Friday, 7 December 2018. Alternatively payment by cheque, bank draft or money order must be received by 5:00pm (AWST) on Friday, 7 December 2018.

Online Application Process

Alternatively, eligible shareholders may participate in the SPP by submitting an online Application Form and making a BPAY® payment by 3:00pm (AWST) on Friday, 7 December 2018. Online applications will be available from Friday, 16 November 2018 and can be made in advance of the SPP booklet being received by post. To apply online follow the steps outlined below:

1. Visit Arafura’s website at www.arultd.com.
2. Click on the “Share Purchase Plan– Apply here” button.
3. You will first need to complete the Country Validation to confirm your eligibility.

4. To apply you will be required to enter your Security Reference Number (SRN) or Holder Identification Number (HIN), shareholding Surname or Company name and your registered postcode.
5. Note, you will need to put an X or I before your HIN/SRN to log in.
A HIN, being Broker sponsored, commences with an "X". If you have an account number from a CHESS statement, you will need to add an "X" to the front of the account number to log in.
A SRN, being Issuer sponsored commences with an "I". You will need to enter the "I" followed by the 11 digit number to log in. (Note: if your SRN has less than 11 digits, add enough zeros to the front to ensure it has 11 digits)
6. Submit your application by following the instructions outlined in the online application form.
7. Make your BPAY® payment so it is received by Closing Date. If you have successfully completed the online application form the system will generate a unique BPAY reference number.

For further information regarding the SPP, please contact the Share Registry, Link Market Services Ltd, on (+61) 1300 222 378 (toll free within Australia), 8:30am to 5:00pm (AEDT) Monday to Friday.

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For further information, contact:

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