ASX ANNOUNCEMENT

WAIVER OF ASX LISTING RULE 7.3.9 GRANTED FOR SHARE PURCHASE PLAN

ARAFURA
RARE EARTHS

29 May 2026

Arafura Rare Earths Limited (**ASX: ARU**) (**Arafura** or the **Company**) refers to its ASX announcement titled "Arafura Launches A$350 Million Placement and A$25 Million SPP" released on 22 May 2026 (**Capital Raising Announcement**).

Unless otherwise defined, capitalised terms used in this announcement have the same meaning as in the Capital Raising Announcement.

As set out in the Capital Raising Announcement, the Company has completed two share purchase plans in the preceding 12 months. The first completed on 10 October 2025 in reliance on ASX Listing Rule 7.2 (Exception 5) and *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* (**ASIC Instrument**), and the second completed on 15 December 2025 via a prospectus and subject to shareholder approval in reliance on a waiver of ASX Listing Rule 7.3.9, which was granted by ASX on 5 November 2025. The Company now wishes to offer eligible shareholders the ability to acquire up to a further A$30,000 worth of New Shares under the SPP.

As the ASIC Instrument and ASX Listing Rule 7.2 (Exception 5) only allow a maximum investment of A$30,000 in any 12-month period, the Company is unable to rely on the ASIC Instrument or ASX Listing Rule 7.2 (Exception 5) in respect of the SPP. Accordingly, the offer and issue of the New Shares under the SPP will be made under a prospectus that will be prepared and lodged with ASIC (and released to ASX) in due course and will be subject to shareholder approval for the purposes of ASX Listing Rule 7.1.

Because the SPP is subject to shareholder approval, ASX Listing Rule 7.3.9 requires that the relevant resolution in the Company's notice of meeting include a voting exclusion statement excluding the votes of persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company). The effect of ASX Listing Rule 7.3.9 is that it would exclude votes from shareholders who are expected to participate in the SPP unless a waiver is obtained. As a result, Arafura applied to ASX for a waiver of ASX Listing Rule 7.3.9.

On 29 May 2026, pursuant to ASX Listing Rule 18.1, ASX granted the Company a waiver of ASX Listing Rule 7.3.9.

Specifically, ASX provided the following decision in respect of the waiver:

> *Based solely on the information provided, ASX Limited (**ASX**) grants Arafura Rare Earths Limited (**Company**) a waiver from Listing Rule 7.3.9 to the extent necessary to permit the Company to include a resolution in the Company's notice of meeting (**Notice**) to eligible shareholders under the Company's proposed Share Purchase Plan (**SPP**) not to include a voting exclusion statement that excludes the votes of persons who may participate in the SPP, on the following conditions:*
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> 1. *that, if the SPP is underwritten, the Company excludes any votes cast in favour of that resolution by any proposed underwriter or sub-underwriter of the SPP; and*
> 2. *the Notice states that any shareholders casting votes on the resolution relating to the SPP will be excluded from participating in the SPP shortfall.*

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Nature and effect of the waiver

ASX Listing Rule 7.3.9 requires a resolution seeking approval for the purposes of ASX Listing Rule 7.1 to have a voting exclusion statement excluding votes of shareholders who are expected to participate in the issue (and their associates). This would, in effect, exclude eligible shareholders who may participate in the SPP (and their associates) from voting on the resolution to approve the SPP.

The effect of the waiver is to allow the relevant resolution in the Company's notice of meeting (approving the issue of New Shares under the SPP) to not include a voting exclusion statement that excludes votes of persons who may participate in the SPP (and their associates).

Reasons for seeking the waiver

The Company sought the waiver to ensure that eligible shareholders would not be excluded from voting on the resolution to approve the issue of new shares under the SPP.

Without the waiver, a large portion of the Company's shareholders would not be able to vote on the resolution, and only ineligible shareholders would be able to vote on the resolution.

-ENDS-

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