ASX ANNOUNCEMENT

MINERAL SANDS AND RARE EARTHS CONFERENCE PRESENTATION

19 March 2024

Arafura Rare Earths Limited (**ASX**: **ARU**) ("**Arafura**" or the "**Company**") is pleased to attach a copy of a presentation delivered by Managing Director and Chief Executive Officer, Mr Darryl Cuzzubbo, at the 24th Annual Mineral Sands and Rare Earths Conference held in Perth today.

-ENDS-

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ARAFURA'S SUSTAINABILITY GOAL

"Our goal is to be a trusted global leader and supplier of choice for sustainably mined and processed rare earth products, helping our customers deliver clean and efficient technologies. We are committed to delivering positive intergenerational economic, environmental and social benefits to our stakeholders."

ASX: ARU

19 March 2024

Mineral Sands and Rare Earths Conference 2024

Arafura Rare Earths

Recent developments in rare earths markets and the Nolans Project

Darryl Cuzzubbo
Managing Director and CEO

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Mineral Resources and Ore Reserves

The information in this presentation that relates to Mineral Resources is extracted from the Company's ASX announcement dated 7 June 2017 (Detailed Resource Assessment Completed) and was completed in accordance with the guidelines of the JORC Code (2012). The information in this presentation that relates to Ore Reserves is extracted from the Company's ASX announcement dated 16 March 2020 (Major Increase in Mine Life for the Nolans Project) and was completed in accordance with the guidelines of the JORC Code (2012). Arafura Rare Earths confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. Arafura Rare Earths confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Production Targets and Forecast Financial Information

The information in this presentation that relates to production targets and financial information (in relation to capital cost of A$1,590 million) is extracted from the Company's ASX announcement dated 11 November 2022 (Nolans Project Update). The production target is based on 12% Proved Reserves, 62% Probable Reserves and 26% inferred resources as reported in the Company's ASX announcement dated 11 November 2022. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. Arafura confirms that, other than as set out in this presentation, all material assumptions underpinning the production target and forecast financial information derived from the production target set out in the Company's ASX announcement dated 11 November 2022 (including any assumptions referred to in the Company's ASX announcement dated 11 November 2022 that were used from the DFS as set out in the Company's ASX announcement dated 7 February 2019 (Nolans Project Definitive Feasibility Study) or from the Updated Mining Study as set out in the Company's ASX announcement dated 16 March 2020 (Major Increase in Mine Life for the Nolans Project)), continue to apply and have not materially changed.

Arafura CORPORATE SUMMARY

Explorer → **Developer** → Project Execution

Why the Nolans Project?

- NdPr is critical to the electrification economy and a lower carbon future
  - essential for EVs and wind turbines
  - <2% of EV cost
- Demand expected to almost double by 2030* and development pipeline bare
- Supply security threat to global car and wind turbine manufacturers with ~90% of NdPr supplied by China
- Australia's first NdPr onsite ore to oxide processing plant with access to existing infrastructure

Market Cap	Share price
A$601m[1]	A$0.23[1]
Shares on issue	**Cash**
2,310m	A$67m[2]

[1] As at 15 March 2024
[2] Data based on 31 December 2023 Quarterly Report

* Source: Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040", (Q2 2023), p 80

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Single point of failure RISK

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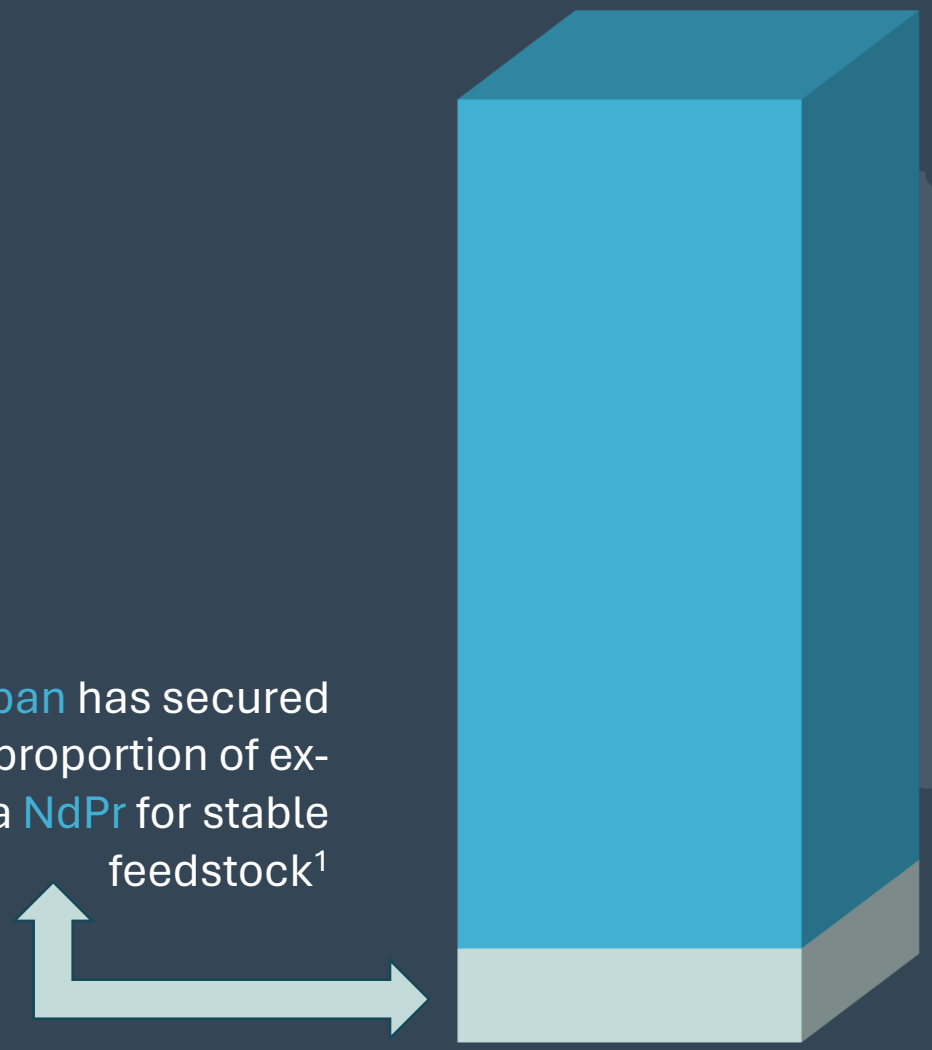

~90%
of global NdPr is processed in China

~10%
Rest of world

Japan has secured significant proportion of ex-China NdPr for stable feedstock[1]

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[1] Refer Lynas ASX announcement 7 March 2023 "JARE EXTENDS SUPPORT FOR LYNAS GROWTH PLAN" *and* Sojitz News Release 7 March 2023 "Securing Supply of Heavy Rare Earths to Japan with Additional Investment to Lynas"

Nolans BINDING OFFTAKE TARGET[4]

Focus on strategic value and equity investment

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OFFTAKE DISCUSSION GROUP	LOCATION	NDPR OXIDE (TPA)[1]	% OF BINDING OFFTAKE TARGET
SECURED OFFTAKE (BINDING AGREEMENT)			
Hyundai & Kia	Korea	1,500	40%
Siemens Gamesa RE	Germany	520	14%
OFFTAKE UNDER DISCUSSION[2]			
Contract negotiations	Japan & Europe	1,600	42%
Advanced offtake discussions	Europe & US	2,890	77%
TOTAL		**6,510**	**172%**

Targeting NdPr users not aligned with Made in China 2025 Strategy

1. Product may be supplied as NdPr Oxide or Metal equivalent.
2. The Company, at this stage, has no certainty as to the timing and likelihood of successfully concluding binding agreements being entered into.
3. ASX announcement will be released once the binding offtake agreement has been executed.
4. Targeting 85% of planned production as binding offtake. Planned Production refers to the average annual production from Nolans, being 4,440tpa (Refer to ASX Announcement dated 11 May 2021).

Funding UPDATE

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Conditional EFA and NAIF Debt Facility Approvals

Agency	Amount	Description
EFA	US$125m	Senior Debt Facility
NAIF	US$100m[1]	Senior Debt Facility
NAIF	US$33m[2]	Cost Overrun Facility
EFA	Up to US$75m	ECA Covered Tranches and COF
	US$333m	**Total Senior Debt**
EFA	US$200m	Subordinated SLF
Total	**US$533m**	**Total Senior and Subordinated Debt**

1. A$150m (NAIF) converted for comparison purposes only at AUD/USD 0.6667428.
2. A$50m (NAIF) Cost Overrun Facility converted for comparison purposes only at AUD/USD 0.6667428.

Indicative Senior Debt Facilities

Agency	Amount		Description	Status
Senior Debt Facilities				
EFA	US$125m	US$225m[1]	Debt financing	Conditionally approved
NAIF	A$150m		Debt financing	Conditionally approved
Export Development Canada	US$300m		Debt financing	Letter of interest received
KEXIM	Up to US$75m		Debt financing	Letter of interest received
ECA Covered Tranches	Up to US$175m[2]		Debt financing	Covered by untied loan guarantees
Total	**US$775m**			
Cost Overrun Facility	US$80m[3]			
Total Senior Facilities	**US$855m**			
Untied Loan Guarantees (ECA Covered Tranches)				
Euler Hermes Aktiengesellschaft	Up to US$100m[4]		Untied loan guarantee	In-principle support received
KEXIM	Up to US$75m[5]		Untied loan guarantee	Letter of interest received
Total Untied Loan Guarantees	**Up to US$175m**			

1. A$150m (NAIF) combined and converted for comparison purposes only at AUD/USD 0.6667428.
2. Commercial bank tranche will be supported by untied loan guarantees from Euler Hermes and KEXIM.
3. US$160m total Cost Overrun funding, 50% debt funded with the remaining US$80m to be funded by equity.
4. Arafura is targeting US$100m of Euler Hermes loan guarantee, subject to debt sizing constraints and securing sufficient German based NdPr offtake. The Euler Hermes in-principle letter of support provides for up to US$600 million of loan guarantee (refer to ASX Announcement dated 29 March 2023).
5. Refer to ASX Announcement dated 4 December 2024.

Construction READY

Once financed, we are ready to go

- Access to existing infrastructure
- >$40m spent on site works, enabling construction works to commence post FID
- Attracting highly experienced leadership team supported by KBR and Hatch
- Project well defined >60% process plant engineering enabling:
  - stable forecast
  - reduced burn rate, sufficient liquidity to CYQ4
- Anticipate initiating construction upon completed project funding expected CY24 Q3

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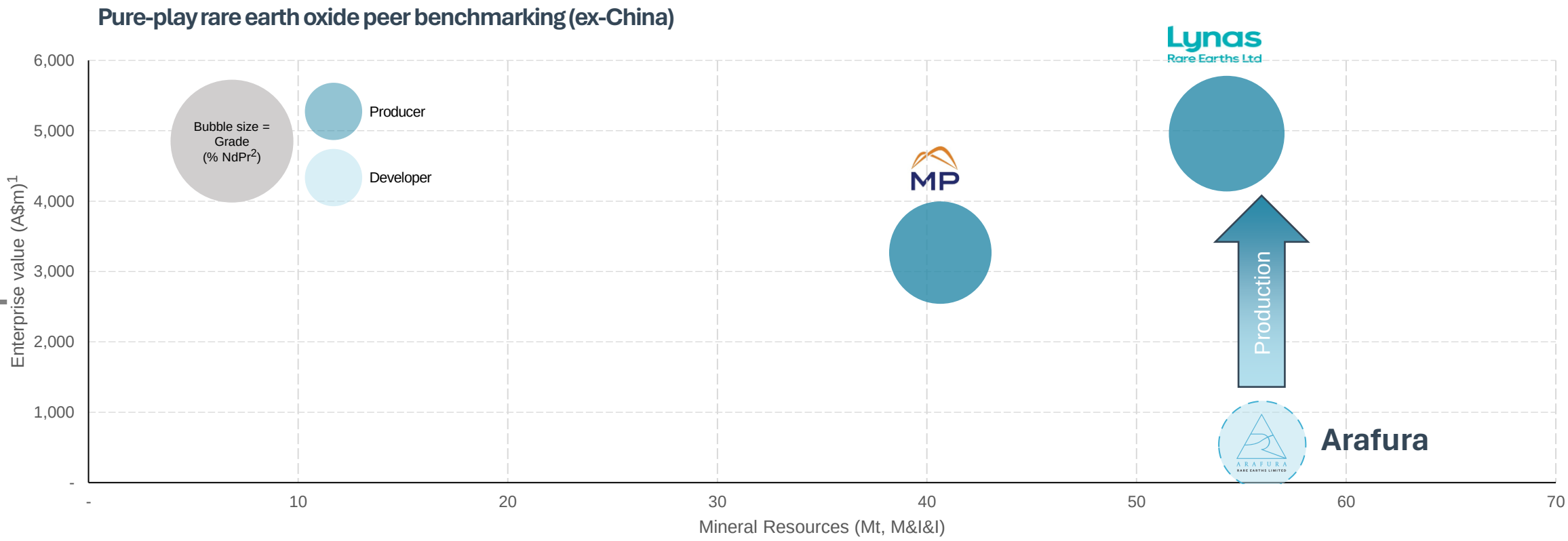
Nolans: UNIQUE INVESTMENT CASE

- Arafura has to potential to be the next Lynas or MP Materials with significant value uplift from entering production
- Nolan's is a **1)** large, high-grade resource **2)** unique ore to oxide producer **3)** located in a Tier 1 mining jurisdiction **4)** single site processing



1. Based on share prices as at 14 March 2024
2. Based on % TREO multiplied by % NdPr enrichment

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ESG COMMITMENTS

- Trusted global leader and supplier of choice for responsibly mined and processed rare earth products
- Helping our customers deliver clean and efficient technologies
- Delivering positive intergenerational economic, environmental and social benefits in partnership with our stakeholders

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In CONCLUSION

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- ✓ **CONSTRUCTION READY – early site works complete**
- ✓ **FINANCE – targeting senior debt of US$775m**
- ✓ **CUSTOMERS – maturing offtake and strategic equity**
- ✓ **OPPORTUNITY – right timing to meet structural supply deficit with scalable high-grade resource providing strong potential returns through commodity cycle**

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Appendix 1: Pure-play rare earth peer benchmarking

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Company	Project	Location	Stage	Product	EV (A$m)[1]	Mineral Resources (Mt)	TREO grade (%)	NdPr enrichment (%)	NdPr grade(%)[2]	Contained NdPr (Mt)	NdPr production	Source(s)
Arafura	Nolans	Australia	Construction	Oxide	537	**Measured**: 9.0 **Indicated**: 30.0 **Inferred**: 21.0 **Total**: 56.0	**Measured**: 3.2% **Indicated**: 2.7% **Inferred**: 2.3% **Total**: 2.6%	**Measured**: 26.1% **Indicated**: 26.4% **Inferred**: 26.5% **Total**: 26.4%	**Measured**: 0.84% **Indicated**: 0.71% **Inferred**: 0.61% **Total**: 0.69%	0.38	4.44	**ASX announcement**: "Nolans Project update" on 11 November 2022
Lynas	Mount Weld	Australia	Producing	Oxide	4,959	**Measured**: 17.1 **Indicated**: 11.4 **Inferred**: 25.9 **Total**: 54.3	**Measured**: 7.6% **Indicated**: 5.1% **Inferred**: 3.6% **Total**: 5.2%	**Total**: 22.8%[4]	**Total**: 1.19%	0.64	12.00	**ASX announcement**: "Annual Report FY2023" on 12 October 2023 **ASX announcement**: "Resources and Reserves Increase" on 6 August 2018
MP	Mountain Pass	USA	Producing	Oxide	3,269	**Measured**[3]: 0.1 **Indicated**[3]: 31.5 **Inferred**[3]: 9.1 **Total**: 40.6	**Measured**[3]: 9.5% **Indicated**[3]: 6.2% **Inferred**[3]: 5.1% **Total**: 5.9%	**Total**: 15.7%	**Total**: 0.93%	0.38	6.00	**SEC filing**: "FORM 10-K" from 28 February 2022

Notes:
1. Based on share prices as at 14 March 2024
2. Based on % TREO multiplied by % NdPr enrichment
3. Resources reported exclusive of Reserves. Measured Resource assumed to be equal to Proven Reserves. Indicated Resource assumed to include Probable Reserves
4. Calculated as contained NdPr reserves (386kt) divided by contained TREO reserves (1,690kt)