ASX ANNOUNCEMENT

REVISED AGM PRESENTATION

21/10/2024

Arafura Rare Earths Limited (**ASX: ARU**) ("**Arafura**" or the "**Company**") refers to slides 8 and 12 of the presentation released on 17 October 2024 titled "**AGM Presentation**" which contained peer comparisons.

Following release of the AGM Presentation, ASX informed the Company that the slides contained comparisons to entities that ASX considers are not 'like for like' notwithstanding the disclosures included on those slides. Accordingly, the Company has retracted the peer comparisons contained on slides 8 and 12 of the AGM Presentation and investors should not rely on those slides when making an investment decision in relation to the Company.

An updated presentation with the peer comparisons removed is attached to this release.

-ENDS-

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ASX: ARU 17 October 2024

Arafura Rare Earths
Annual General Meeting

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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 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, all material assumptions underpinning 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.

The information in this presentation that relates to forecast financial information (including forecast financial information derived from the production target) is extracted from the Company's ASX presentation dated 23 July 2024 (Arafura achieves major debt funding milestone). Arafura confirms that, all material assumptions underpinning the forecast financial information (and forecast financial information derived from the production target) set out in the announcement released on 23 July 2024 continue to apply and have not materially changed.

Arafura Rare Earths: corporate summary

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Explorer → **Developer** → Operator

NdPr is essential for the **energy transition**

Supply security threat with ~90% of NdPr supplied by China[4]

Demand expected to nearly double by 2032[2] development pipeline is challenging

Mine life	**+38 years**
NdPr Oxide	**4,440 tpa**
SEG/HRE Oxide	**474 tpa**
Phos Acid	**144,393 tpa (54% P_2O_5 MGA)**

Why the Nolans Project?

- ✓ Fully-permitted[1]
- ✓ Construction-ready[3]
- ✓ Single-site ore-to-oxide
- ✓ Tier 1 location
- ✓ Potential for Phase 2 expansion and third-party processing hub, preliminary study underway

[1] All Northern Territory Government approvals granted / Awaiting approval of relevant management plans in support of Commonwealth Government approvals already received
[2] Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q2 2023)
[3] Commencement of construction is subject to finalisation and financial close of debt financing facilities and receipt of equity funding sufficient to proceed to construction
[4] Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q2 2023)

2024: progress towards FID – a year in review

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Government approvals[1]

Experienced Board and Management team + KBR and Hatch[2]

Engineering well advanced[3]

Early works completed[3]

Offtakes binding or in advanced negotiations[4]

US$1billion debt conditionally secured[4]

Final step: secure equity

[1] All Northern Territory Government approvals granted / awaiting approval of relevant management plans in support of Commonwealth Government approvals already received
[2] ASX announcement 10 April 2024
[3] ASX announcement 31 October 2023
[4] ASX announcement 23 July 2024

Market: short-term challenges locking in long-term upside

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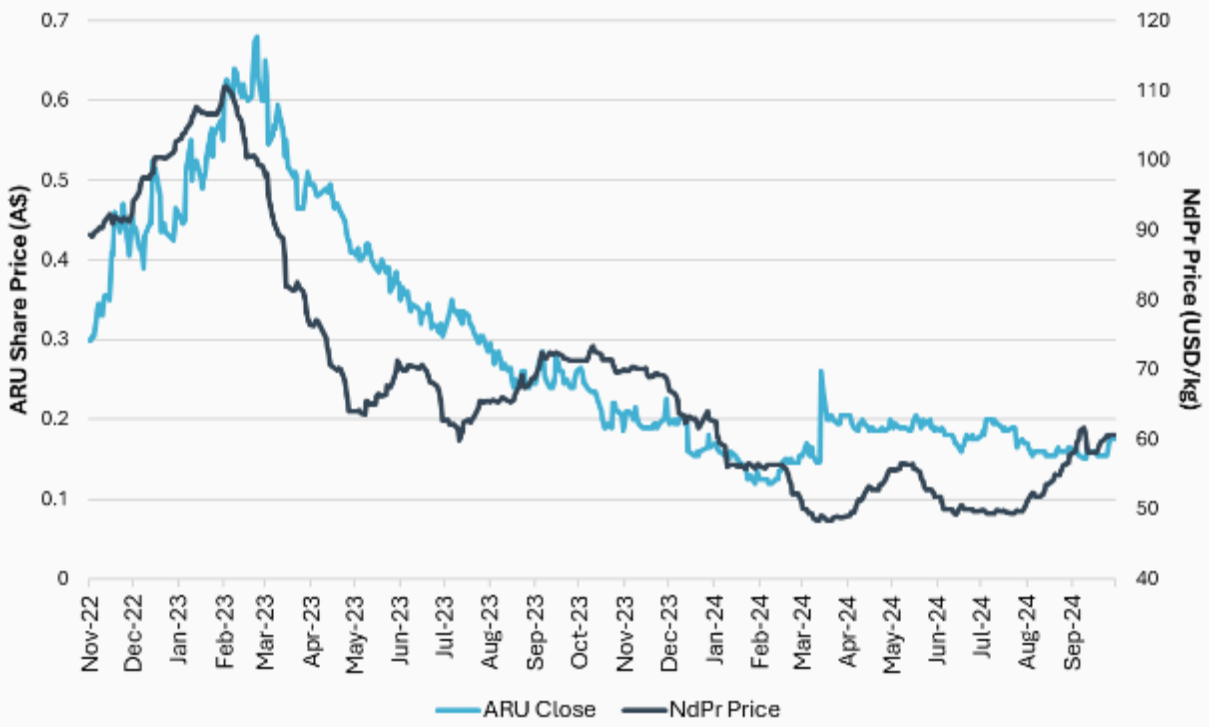
Short-term has been challenging[1]

- China ~ 90% of market
- NdPr pricing recovering from multi-year lows
- Headwinds when raising funding

Medium- and long-term remains strong

- NdPr demand expected to double over decade[1]
- Robotics present demand upside[2]
- Supply response limited due to historic NdPr pricing[3]
- Government policy responses:
  - European Critical Raw Materials Act (CRMA)
  - Inflation Reduction Act (IRA)
  - Future Made in Australia Act
- Structural supply deficit expected to trigger inducement pricing of US$130-163/kg[4]

ARU share price vs NdPr price



[1] ASX Announcement 29 May 2025
[2] Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q3 2024)
[3] Source: internal analysis of pipeline development as at August 2023
[4] ASX announcement 23 July 2024

Debt financing: success despite headwinds

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What we have achieved:

- Nine lenders across five countries
- Offtake aligned to export credit agency funding
- US$1 billion+ in debt financing conditionally approved
- US$775 million + US$280 million completion support
- Average tenor >12 years

Successful due diligence:

- Independent Technical Expert (ITE)
- Independent environmental and social consultant – assessed risks across ESG
- Market consultant – assessed the market and competitive landscape
- Insurance advisor – assessed all risks and liabilities
- Legal review of project contracts, offtakes, approvals

Sets a solid foundation to secure remaining equity

Australian and international lenders[1]

export finance australia
NAIF
EDC
KFW IPEX-Bank
EULER HERMES
Kexim Global SINGAPORE
Korea Eximbank THE EXPORT-IMPORT BANK OF KOREA
ING
CommonwealthBank

[1] ASX Announcement 23 July 2024

Equity Funding strategy: prioritising certainty over speed

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Focused on execution certainty over speed

Cornerstone Group | **Public Market**

1 Customer cornerstone & other strategic investors

- Substantial holders
- Other customer cornerstones

2 Industry cornerstone

- Government seeded funds with supply chain diversification mandate
- Resources PE, corporates, large institutional and family offices

3 Institutional investors

- Institutional investors with an energy transition mandate

4 Existing shareholders

- Balance to be raised through offer to new and existing shareholders

Customer/strategic commitment will drive participation of financial groups

EGM vote by existing shareholders

Joint Lead Managers appointed

UBS | cg/ Investment Banking | Barrenjoey° Partnering with BARCLAYS

Creating value: leveraging off a world class orebody

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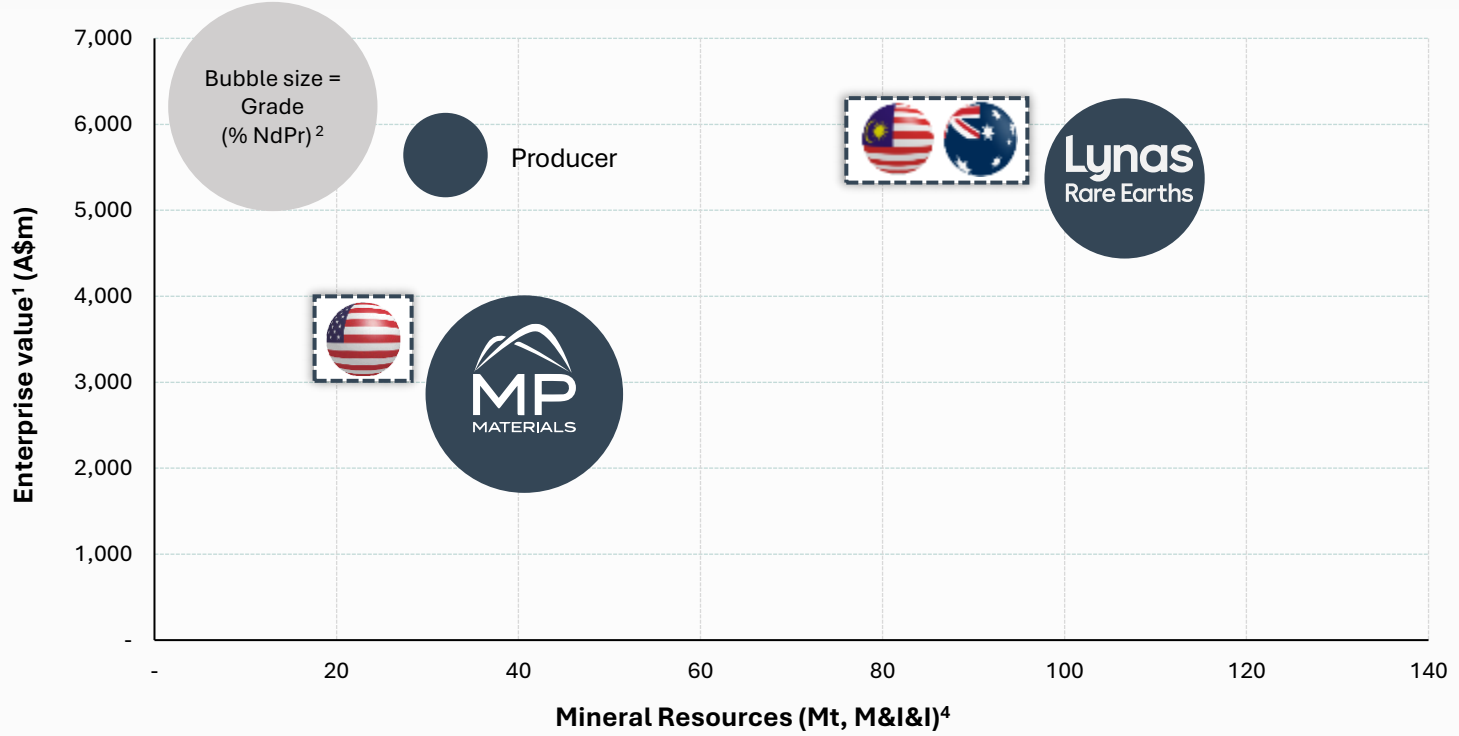
Nolans: a differentiated proposition at the right time for the energy transition

- Large, scalable resource
- High grade
- Low unit cost – phosphoric acid credits
- Tier 1 location

Lynas and MP Materials[3]



[1] Enterprise value as at 13 August 2024. Enterprise value calculated as market capitalisation plus debt minus cash. Debt and cash as at reported on 30 June 2024. There is no guarantee that Arafura's enterprise value following production will be similar to that of Lynas or MP
[2] Based on % TREO multiplied by % NdPr enrichment
[3] Please refer to Appendix 1 for data sources
[4] Total mineral resources include varying compositions of measured, indicated and inferred; refer to Appendix 1 for a full breakdown of these resource estimates

ESG – focused on what matters most

Contribution to a lower carbon future and global energy transition

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01

Nolans Phase 1 supports the equivalent of around four million electric vehicles[1]

02

Aiming to be Australia's first NdPr ore to oxide processing facility

03

Expected to be largest and longest life mine in the NT will bring significant economic activity to Alice Springs and the NT more broadly

04

Published net zero pathway[2]

05

Aligned to international standards[3]

- International Finance Corporation (IFC) Performance Standards
- EP4 Equator Principles IV
- Global Industry Standard on Tailings Management (GISTM)

06

Potential Phase 2 expansion will unlock Australia's rare earth sector through third party processing hub[3]

[1] CRU Rare Earths Special Report 2024
[2] ASX announcement 31 January 2023
[3] ASX announcement 23 July 2024

The Nolans Project is ready to go

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01	**Large, high grade, scalable resource**[1]	• Long life and large scale, Nolans has a 38-year mine life underpinned by Mineral Resource of 56Mt at a grade of 2.6% TREO (26.4% NdPr enrichment) • Life of mine average production of 4,440 tpa NdPr oxide
02	**Development ready, ore to oxide project**[2]	• One of the only construction-ready, fully-permitted, ore to oxide NdPr rare earths projects in the western world • Located close to existing infrastructure and 135km north of Alice Springs in the Northern Territory • High-level of engineering completed
03	**Projected first quartile of cost curve**[3]	• Revised project economics released in July 2024 • Low-cost operation placing Nolans in the first quartile of the cost curve underpinning attractive economics through the cycle
04	**Debt funding and binding offtakes secured**[3]	• >US$1 billion in debt funding conditionally approved (US$775m senior debt, US$280m of completion support facilities) • Secured binding offtake agreements with tier 1 customers: Hyundai & Kia, Siemens Gamesa Renewable Energy
05	**Project delivery to drive re-rate of market valuation**[4]	• Existing rare earth producers have elevated EV/EBITDA trading multiples due to strategic importance and strong fundamentals • Potential for significant re-rate in Arafura's market valuation to EV/EBITDA once production achieved

[1] Refer ASX Announcement 7 February 2019
[2] ASX Announcement 19 March 2024
[3] ASX Announcement 23 July 2024
[4] Refer slide 'Creating value: leveraging off a world class orebody'

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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 capacity (ktpa)	Source(s)
Lynas	Mount Weld	Australia	Producing	Oxide	5,371	**Measured**: 20.0 **Indicated**: 15.5 **Inferred**: 71.1 **Total**: 106.6	**Measured**: 7.2% **Indicated**: 4.3% **Inferred**: 3.2% **Total**: 4.1%	**Total**: 15.0%	**Total**: 0.61%	0.65	12.00	**ASX announcement**: "Annual Report FY2023" on 12 October 2023 **ASX announcement**: "2024 Mineral Resource and Reserve Update" on 5 August 2024
MP	Mountain Pass	USA	Producing	Oxide	2,862	**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

[1] Enterprise value as at 13 August 2024. Enterprise value calculated as market capitalisation plus debt minus cash. Debt and cash are as at 30 June 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