ASX ANNOUNCEMENT

ARAFURA PRESENTS AT THE 2025 PROSPECTORS & DEVELOPERS ASSOCIATION OF CANADA (PDAC) CONVENTION

5 March 2025

Arafura Rare Earths Limited (**ASX: ARU**) (**Arafura** or the **Company**) is pleased to attach a copy of the presentation delivered at the 2025 Prospectors & Developers Association of Canada (PDAC) Convention in Toronto, Canada by Managing Director and CEO Darryl Cuzzubbo.

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ASX: ARU

Arafura Rare Earths

Our role in the electrification economy

4 March 2025
MD and CEO Darryl Cuzzubbo

2025 Prospectors and Developers Association of Canada (PDAC) Convention

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RARE EARTHS LIMITED

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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.

Agenda

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1. Corporate summary
2. Market outlook: structural deficit expected from 2026/27
3. Development pipeline challenging
4. Funding a US$1.2bn rare earths project
5. ESG – an integrated approach focusing upon what matters most
6. Ready to go

Arafura Rare Earths: corporate summary

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NdPr is essential for the **energy transition** and **electrification economy** more broadly

- Strongest permanent magnet available today
- Extremely low substitution risk

Demand expected to nearly double by 2032, development pipeline is challenging [4]

Supply security threat with ~90% of NdPr supplied by China [3]

Nolans sits comfortably in **first quartile of cost curve** [7]

Emerging thematic: between 2024 and 2035 CAGR for robotics is ~22% [8]

Project details

Mine life	+38 years
NdPr oxide	4,440 tpa
SEG / HRE oxide	573[5] tpa
Phos acid	144,393 tpa (54% P_2O_5 MGA)

Economic returns (US$m)[6]

Capex (including contingency)	1,226	
	Base case	**Incentive**
EBITDA pa	460	592
NPV_8 after tax	1,729	2,549
IRR after tax %	17.2	20.6

Why the Nolans Project?

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

1 All Northern Territory Government approvals granted / Awaiting approval of relevant management plans in support of Commonwealth Government approvals already received.
2 Commencement of construction is subject to finalisation and financial close of debt financing facilities and receipt of equity funding sufficient to proceed to construction.
3, 4 Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q2 2023).
5 In the 2022 Nolans Project Update (Refer to ASX Announcement dated 11 November 2022), SEG was reported as 474 tpa (as that figure did not include the 99 tpa Heavy Rare Earth (HRE) component of the line item). The project details table above now includes the 99 tpa HRE component in relation to SEG
6, 7 Refer to ASX Announcement dated 23 July 2024
8 Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q3 2024)

Market outlook: structural deficit expected from 2026/27

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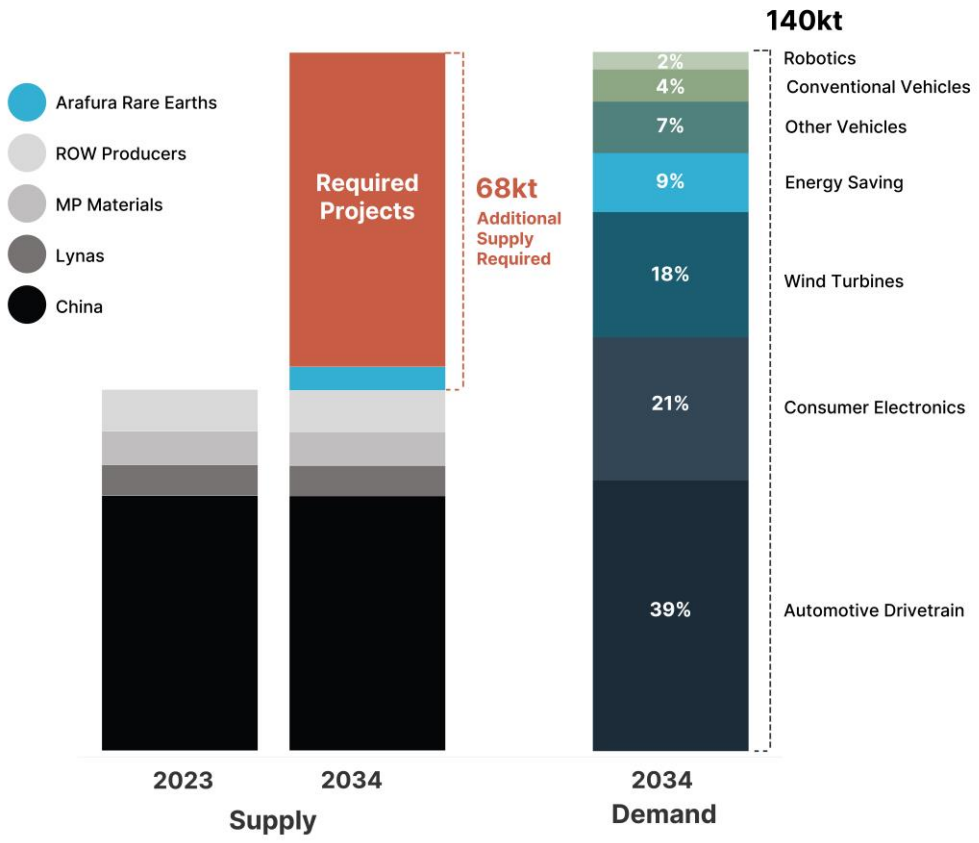
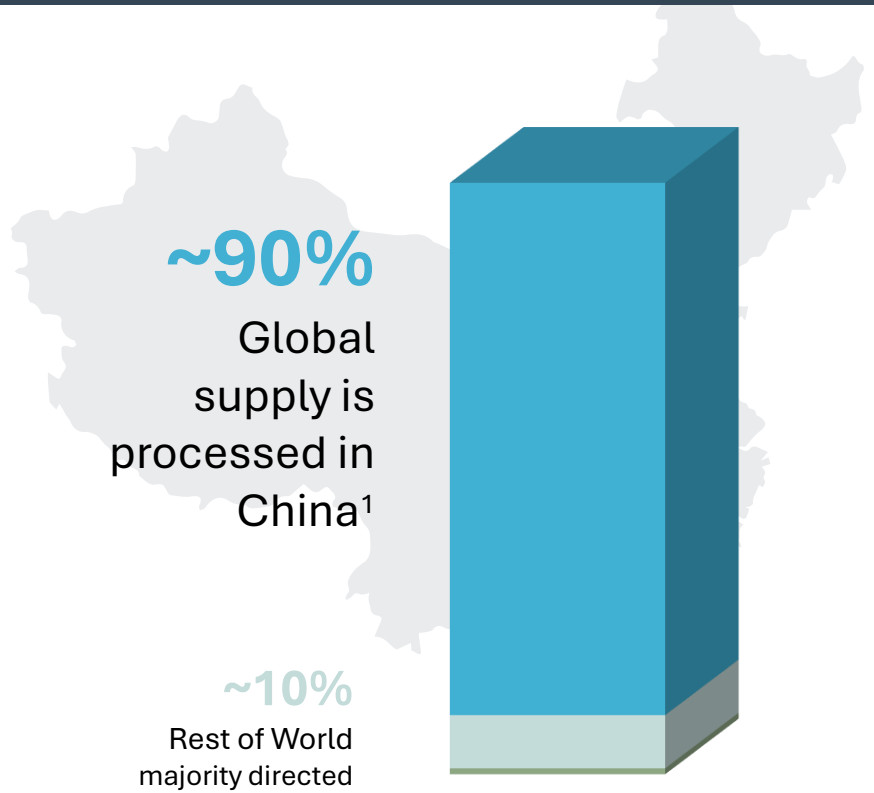
NdPr Supply and Demand



Sources: Supply demand data 'CRU Rare Earth Elements Special Report Datapack 2024 and NdPr Oxide segment breakdown 'Project Blue interactive data March 2024'

NdPr Supply Chain Risk



~90%

Global supply is processed in China[1]

~10%

Rest of World majority directed to Japan[2]

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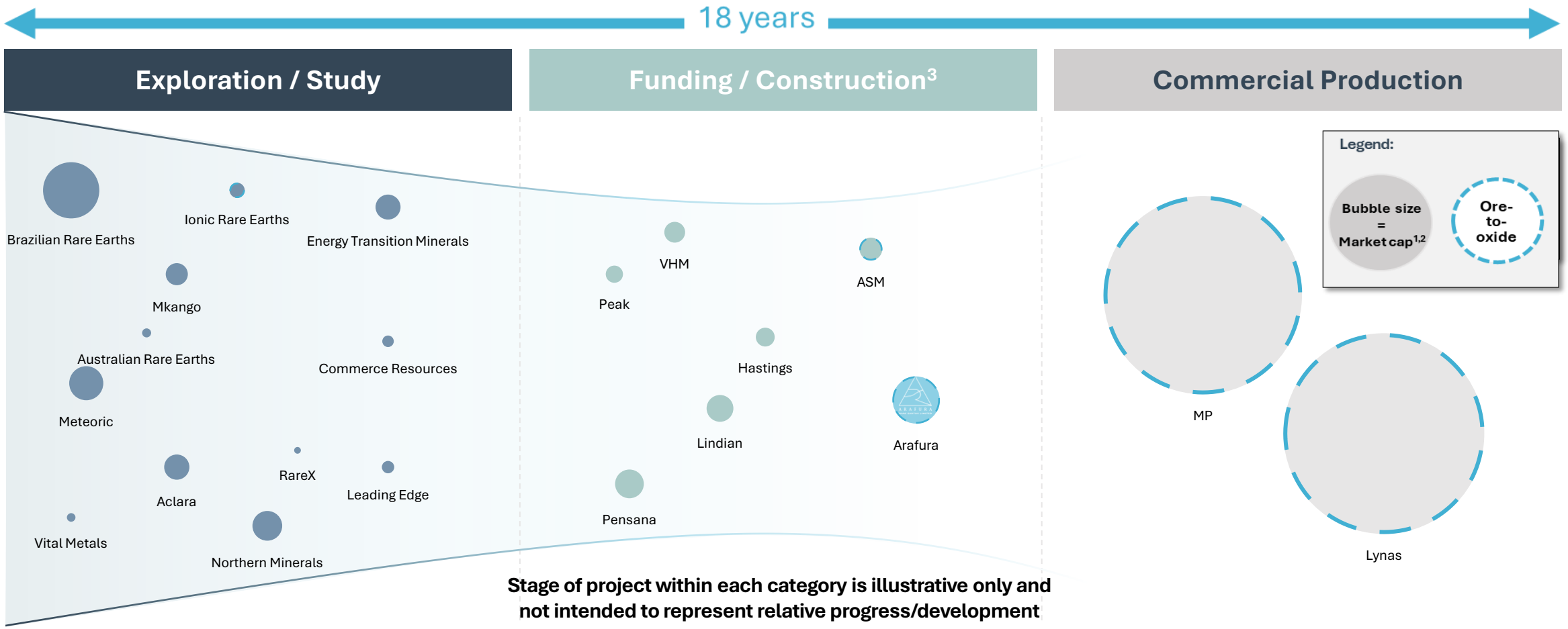
[1] Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q2 2023)
[2] Refer Lynas ASX announcement 7 March 2023 "JARE extends support for Lynas growth plan" and Sojitz News Release 7 March 2023 "Securing Supply of Heavy Rare Earths to Japan with Additional Investment to Lynas". Arafura estimates ~75% of LYC supply is allocated to Japanese market.

Development pipeline challenging

- Arafura's Nolans Project is one of the most advanced among non-producing rare earths companies globally, and the most advanced of those companies adopting an integrated ore-to-oxide operating model
- Arafura is uniquely positioned to capitalise on forecast long-term supply and demand dynamics



Stage of project within each category is illustrative only and not intended to represent relative progress/development

[1] Based on share prices as at 13 February 2025
[2] There is no guarantee that Arafura's market capitalisation following production will increase, or that its market capitalisation will be similar to MP or Lynas. MP and Lynas are already in production and so are not identical in nature to Arafura
[3] Groups sitting in funding/construction phase are subject to funding, offtake activities, completion of construction and development, commissioning and general market conditions

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Funding a US$1.2bn rare earths project

ARAFURA RARE EARTHS LIMITED

- Debt conditionally approved [1]
- First equity cornerstone investment commitment of **A$200 million**[2]
- 58% of targeted binding offtake agreements in place with Hyundai & Kia, and Siemens Gamesa Renewable Energy[3]

Debt

Base debt of **US$775m** from nine international Export Credit Agencies and commercial lenders

export finance australia

EDC Export Development Canada

NAIF Northern Australia Infrastructure Facility

EULER HERMES

Korea Eximbank

KFW IPEX-Bank

CommonwealthBank

ING

Kexim Global SINGAPORE

Equity - Cornerstone

1 Customer, Strategic & Govt

- Customer cornerstones
- Government seeded funds with supply chain mandate
- Substantial holders

National Reconstruction Fund Corporation

2 Industry Cornerstone

- Resources private equity, corporates, large institutional and family offices

Equity - Public Market

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

[1] All debt facilities remain conditional on final documentation and other conditions precedent customary for secured project financing. Refer to ASX Announcement dated 23 July 2024.
[2] Refer ASX Announcement dated 15 January 2025.
- Conditions to drawdown include providing an updated Financial Model based off, amongst other things, independent commodity price forecasts which demonstrates compliance with financial ratios and debt sizing criteria.
- Other customary project financing conditions include entry into material project contracts with associated tripartite agreements, project authorisations, representations, undertakings and Offtake Policy compliance.

[3] Targeting 80% of Planned Production as binding offtake. Planned Production refers to the average annual production from Nolans, being 4,440 tpa NdPr oxide (Refer to ASX Announcement dated 11 November 2022).

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ESG – an integrated approach focusing upon what matters most

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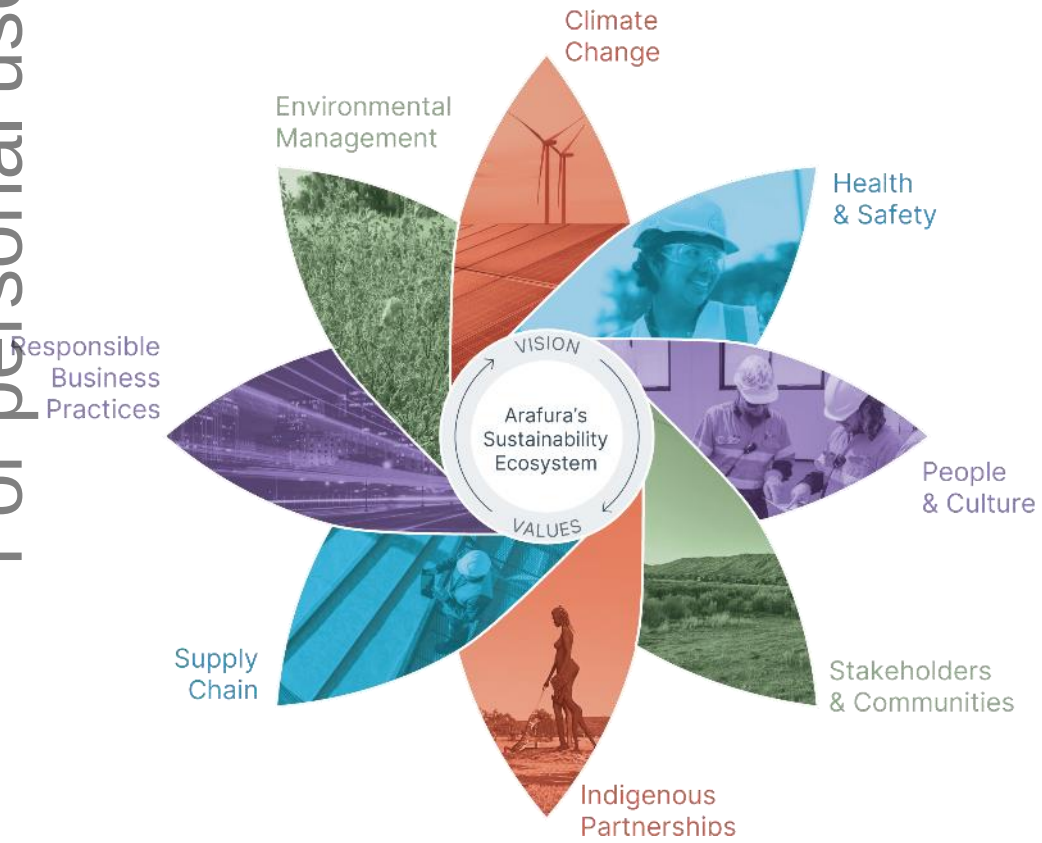
As a greenfield developer we have a unique opportunity to create and deliver value for all stakeholders



We recognise the interdependencies of Environment Social Governance in our business

We are building capability to deliver best-practice Environment Social Governance

We are aligning our Governance to international standards

We are poised to make a positive difference in the communities where we will work and live

Arafura and the Nolans Project are ready to go

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Large, high grade, scalable resource

- 38-year mine life
- Potential for Phase 2 expansion and third-party processing hub
- Mineral Resource of 56Mt at a grade of 2.6% TREO (26.4% NdPr enrichment)
- 4,440 tpa NdPr oxide[1]

Construction ready

- Fully-permitted
- Close to existing infrastructure
- Early works program completed
- Supported by community and government stakeholders

Projected first quartile of cost curve

- Revised project economics released in July 2024[2]
- Low-cost operation in the first quartile of the cost curve underpinning attractive economics through the cycle

Binding offtake agreements and funding milestones

- >US$1 billion in debt funding conditionally approved [2]
- A$200 million investment commitment from the NRFC[3]
- Binding offtake agreements with tier 1 customers Hyundai & Kia and Siemens Gamesa Renewable Energy[4]

Potential re-rate of market valuation

- Existing rare earth producers have elevated EV/EBITDA trading multiples due to geostrategic importance and strong fundamentals
- Potential for ARU re-rate in market valuation to EV/EBITDA once production achieved

Environment, Social, Governance

- Building capability to deliver best-practice ESG
- Tier 1 jurisdiction
- Aligning governance to international standards
- Net zero pathway published in 2023[5]
- Unique opportunity deliver value for all stakeholders

[1] Refer to ASX Announcement dated 11 November 2022.
[2] Refer to ASX Announcement dated 23 July 2024.
[3] Refer to ASX Announcement dated 15 January 2025.
[4] Refer to ASX Announcements dated 7 November 2022 and 11 April 2023.
[5] Refer to ASX Announcement dated 31 January 2023.

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