ASX ANNOUNCEMENT

2025 GLOBAL METALS & MINING CONFERENCE PRESENTATION

20 May 2025

Arafura Rare Earths Limited (**ASX: ARU**) (**Arafura** or the **Company**) is pleased to attach a copy of the presentation delivered at the 2025 Global Metals & Mining Conference in Henderson, Nevada by Chief Financial Officer Peter Sherrington.

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Further Information:

Investors
Lewis Lowe
Financial Controller
+61 416 827 569
llowe@arultd.com

Media
Luke Forrestal
GRA Partners
+61 411 479 144
luke.forrestal@grapartners.com.au

Authorised by:
Lewis Lowe and Matthew Foy
Joint Company Secretary

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ASX: ARU

2025 Global Metals & Mining Conference

May 2025

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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 Company's mineral resources includes 9% Measured Resources, 54% Indicated Resources and 37% Inferred Resources. 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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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 2037, 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]

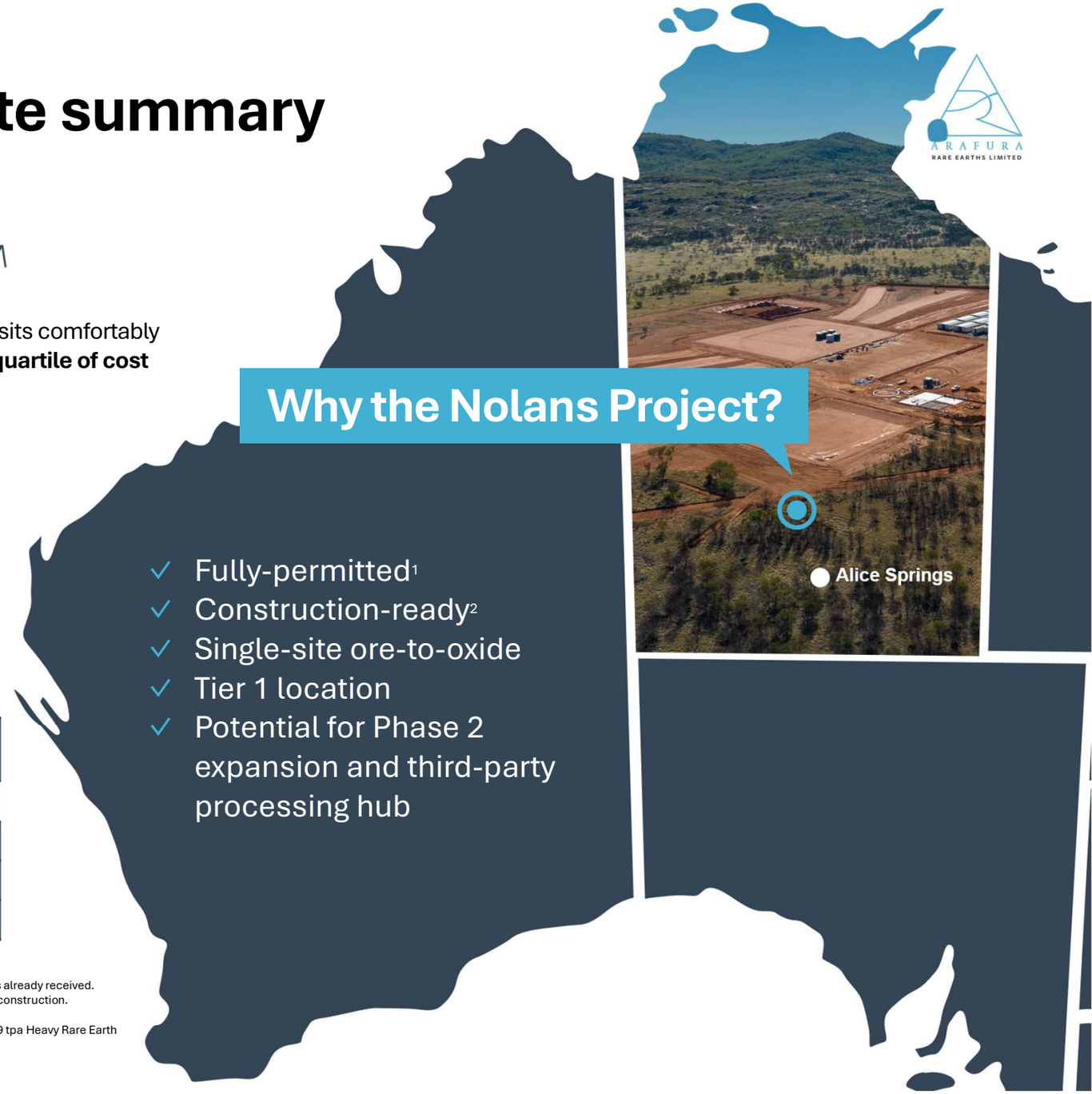
Emerging thematic: between 2024 and 2035 CAGR for robotics is ~22% [8]

Project details

Mine life	+38 years
NdPr oxide	4,440 tpa
SEG / HRE oxide (includes Dy and Tb)	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



- ✓ 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" (H2 2024).
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)

Nolans Project location

Stuart Highway 10km east

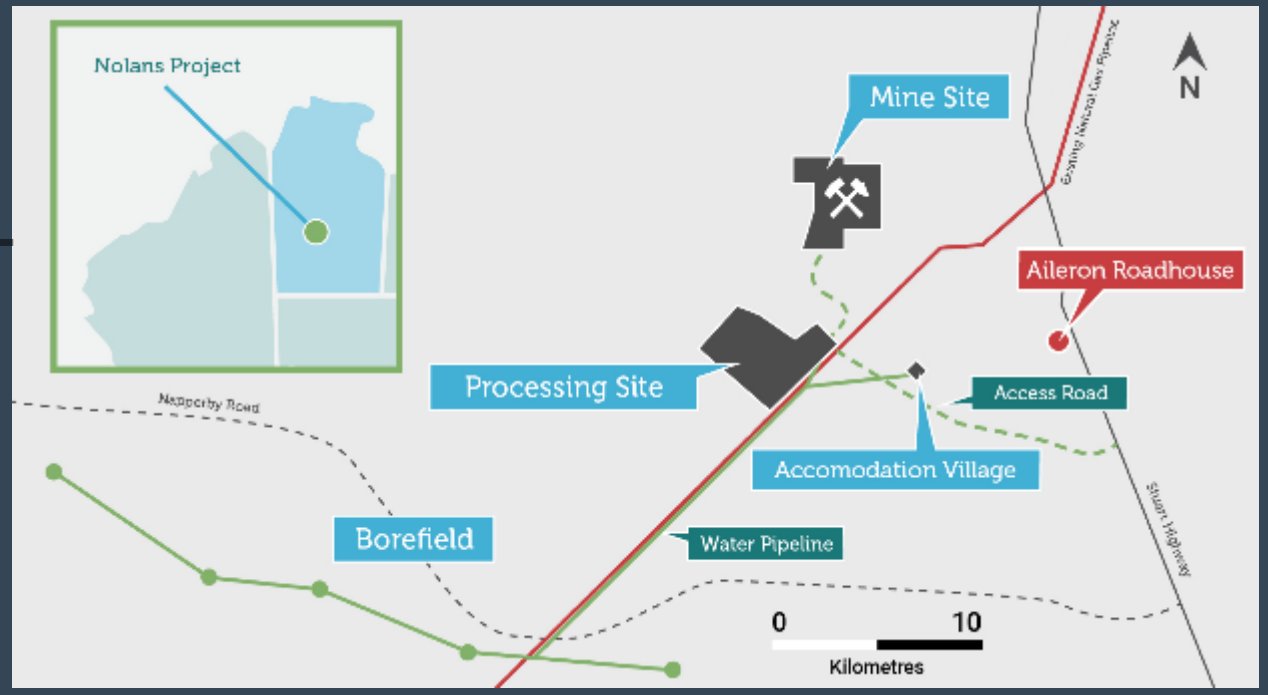
Water supply 25km southwest

Alice Springs railyard, airport and other services 135km south

Amadeus natural gas pipeline adjacent to site

Tailings and waste management at site

Deep water port and associated infrastructure at Darwin



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Construction ready

Once financed, we are ready to go

Environmental permits and approvals in place[1]

Granted mineral lease / license

Access to existing infrastructure

>US$40m on site works de-risking project schedule

Experienced Board and leadership team supported by KBR and Hatch

Construction to commence when funding complete

Project well defined with >60% process plant engineering, enabling:

- stable capital forecast
- reduced cash burn rate, sufficient liquidity to CY2026

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[1] All Northern Territory Government approvals granted / Awaiting approval of relevant management plans in support of Commonwealth Government approvals already received

Precarious reliance on supply of NdFeB magnets from China

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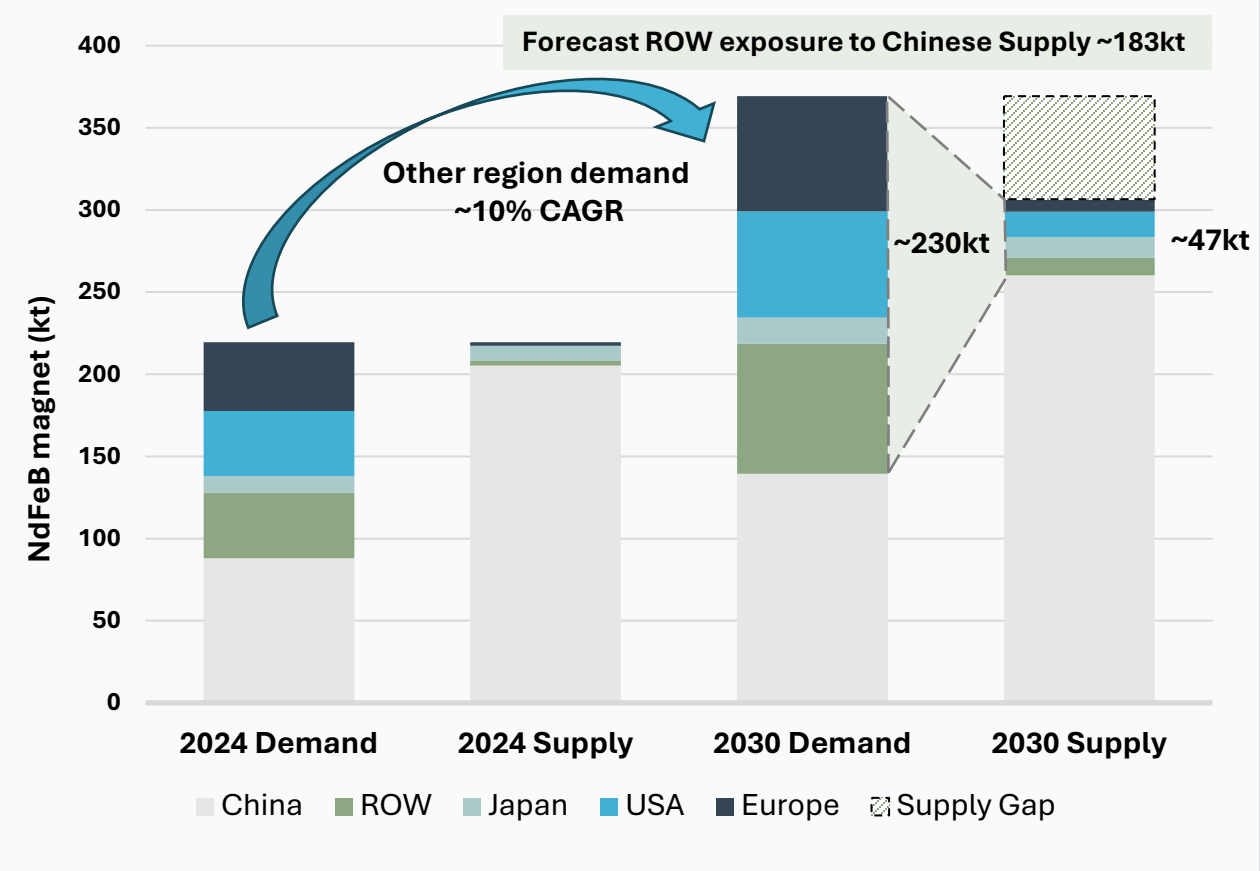
ROW's supply chain resilience has been exposed by 2025 trade war.

- In 2024, China produced 94% of the world's NdFeB magnets[1]
- Other regions becoming even less self-sufficient – demand-supply gap widening from 117kt in 2024 to **183kt in 2030**[1].
- Reliance on continued, steady supply of high-performance magnets from China to support multi trillion-dollar industries
- *Example of industry exposure (using EV consumption/value as a proxy for all downstream consumption).*
  - *183kt / 3.5kg[2] x US$47,600[3] = US$ 2.5 trillion revenue.*
- **Even a marginal dislocation has huge ramifications.**
- **Access to magnet feed oxides is the enabler for Western magnet capacity.**

NdFeB Magnet Supply and Demand 2024 & 2030[1]



[1] *Adamas Intelligence 2040 market outlook. Project Blue RE Market update Q1 2025.*
[2] https://www.magnetapplications.com/blog/neodymium-price-concerns
[3] Affordable Chinese EVs Boost Adoption Rates In Asia, South America: Report (insideevs.com), IEA Global EV Outlook 2024

Unfolding market dynamics exposing vulnerability of the rare earth magnet value chain

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United States
The US has imposed China-specific tariffs on the import of magnets – 30%[1].

Retaliatory China tariffs of 125% has seen MP Materials halt concentrate export to China (~8kt contained NdPr)[2]

Greenland & Ukraine
The geopolitical posturing of the US in Greenland and Ukraine has brought attention to rare earths.

Germany
Germany has amended its constitution constraining debt, Creating a €500 billion fund for investment in defence, infrastructure, climate protection and green transformation of its economy.

European Union
Release of the EU Clean Industrial Deal including initiatives for centralised buying and strategic stockpiling.

Myanmar
Conflict in the Kachin state of Myanmar is significantly impacting the supply of HRE's.

China
China is imposing export controls on heavy rare earths and high-performance magnets containing Dy and Tb. The automotive sector globally is assessing the impact.

China has proposed regulations that will include imported raw ores and concentrates in their industry production quotas, giving it control over the development pathway for RE projects.

Australia
Australian government to establish A$1.2bn Critical Minerals Strategic Reserve using national offtake agreements and selective stockpiling

[1] https://www.apexmagnets.com/magnet_tariff?srsltid=AfmBOoowcw2p6-u2mlVdykg9nEZqcfdTUszkvh3cGtfvRzwEOli3qzly
[2] https://www.mining-technology.com/news/mp-material-rare-earth-shipment/

Regions are focusing on critical mineral sourcing initiatives to secure industrial autonomy and long-term prosperity

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Implications for rare earths

- China domestic prices fell due to export trade restrictions (counter intuitive)
- End user stockpiles of high-performance magnets expected to fall in coming months
- China's export controls of HRE's has seen the Europe price for Dy and Tb at multiples of 3-4 times the China domestic price[1]
- US 30% tariff on the import of magnets from China sets benchmark for price differential
- Proposed stockpiling critical raw materials for national security will drive increased transparency on trade/pricing

The culmination of these market dynamics strengthens the case for establishing an Ex-China pricing mechanism.

Implications for Arafura

Increased demand/access to long-term offtake

- OEMs now witnessing fragility first hand
- Strategic stockpiling / Centralised buying
- EU CRMA policy <65% sourced from one country

Increased access to cornerstone funding

- Global state-backed financing initiatives, loan guarantees and equity investment funds
- Strategic alliances, Minerals Security Partnership (MSP), MoU's (Australia – EU, Korea, India & US)

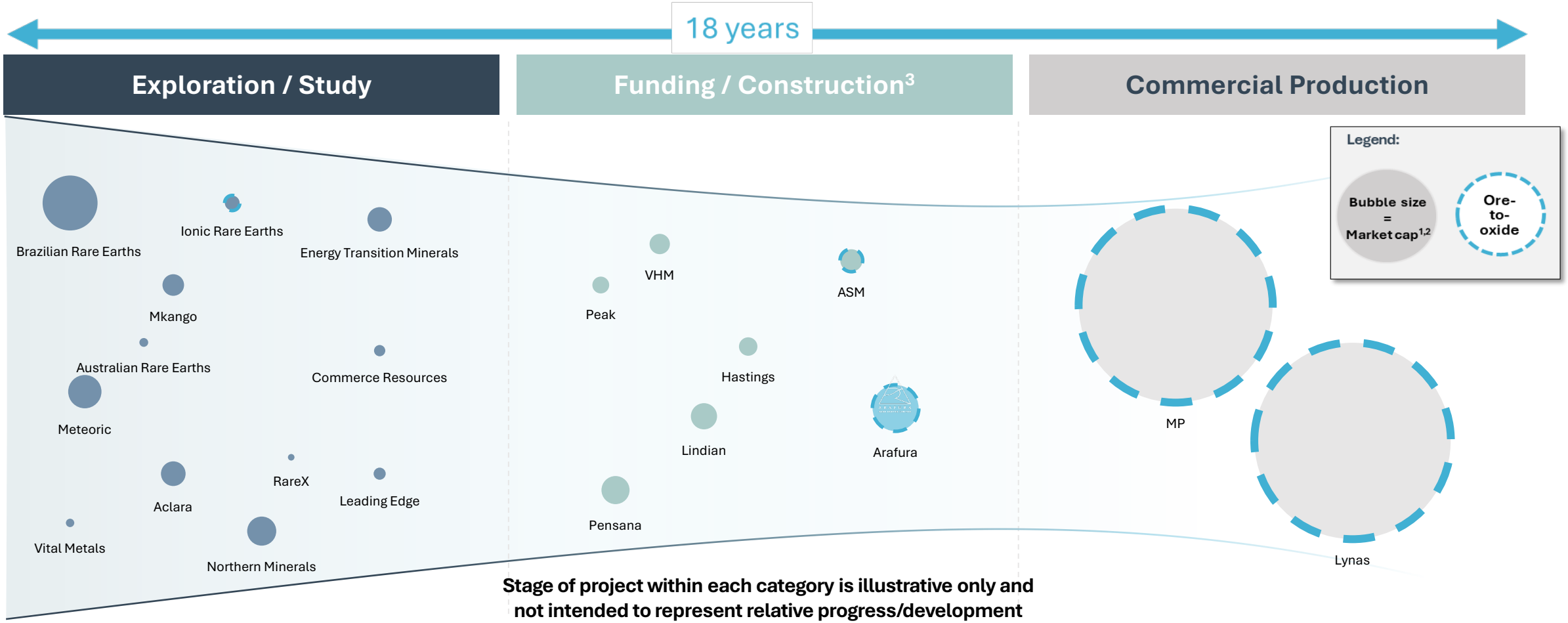
Price differential

- Tariffs to protect and incentivise the onshoring of value chains

[1] Argus Monthly Rare Earths Outlook, May 2025

Development pipeline challenging

- Arafura's Nolans Project is one of the most advanced among non-producing rare earths companies globally
- Arafura is uniquely positioned to capitalize 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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Nolans in first quartile of cost curve

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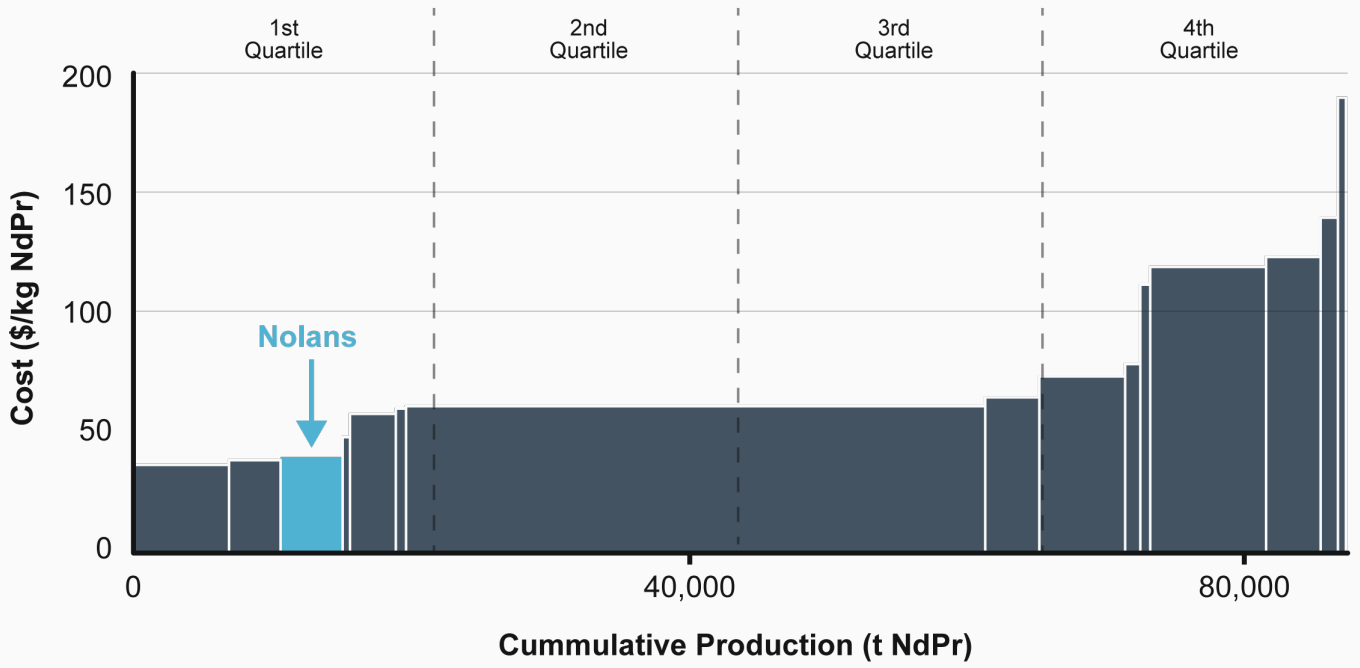
Nolans sits comfortably in the first quartile

- ✓ Nolans to sit in first quartile net of phosphoric acid by-product credits[2]
- ✓ China dominates market share
- ✓ Significant production today is marginal or loss making hence unsustainable

NdPr Cost Curve 2030, $/kg NdPr Cost, Real 2024[1]



[1] CRU Rare Earths Cost Curve, April 2024. US$/kg NdPr oxide (real 2024) with a third-party separation charge applied by CRU for those projects only producing an intermediate product e.g. concentrate or MREC.
[2] Based on CRU independent estimate of Nolan's operating costs in 2030. May not be consistent with Arafura's published costs.

Robust project economics

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Long life, high margin project

- Fall in net operating costs to **<US$30/kg** driven by stronger phosphoric acid price outlook
- NdPr price forecast based on average of 4 independent market forecasts (CRU, Project Blue, Argus and Adamas) delivering:
  - Post-tax NPV_8 of **US$1.7 billion**
  - Post-tax, pre-finance IRR of **17.2%**
  - Average annual EBITDA of **US$460m**
- Incentive price delivers increase in NPV_8 to **US$2.5bn** and IRR to **20.6%**
- Excludes any Nolans' expansion potential

Key Project Information[1, 2]		
Mining and Production		
Mine Life (years)	38	
NdPr Oxide (tpa)	4,440	
SEG/HRE Oxide (tpa)	573[4]	
Phosphoric Acid (tpa 54% P_2O_5 MGA)	144,393	
Realised Product Pricing	**Base (US$/kg)**	**Incentive (US$/kg)**
NdPr Oxide price – offtake period[3]	104	130
NdPr Oxide price – LOM	133	163
Financial	**Base (US$m)**	**Incentive (US$m)**
Capital Cost		
Pre-Production Capital	1,044	1,044
Other Pre-Production Costs and Escalation	90	90
Contingency	92	92
Total	1,226	1,226
Revenue		
Rare Earth Sales Revenue (per annum)	610	747
Phosphoric Acid Sales Revenue (per annum)	79	79
Operating Costs		
Mining Costs (per annum)	(30)	(30)
Processing Costs (per annum)	(139)	(139)
General and Administration Costs (per annum)	(24)	(24)
Product transport, royalties and selling costs (per annum)	(35)	(40)
EBITDA (per annum)	460	592
Post Tax Free Cash Flows (LOM)	10,229	13,480
KPI Analysis	**Base**	**Incentive**
Operating Cost US$/kg NdPr	43.7	43.7
Operating Cost US$/kg NdPr net of P_2O_5 credit	28.6	28.6
NPV_8 after tax (US$m)	1,729	2,549
IRR after tax (%)	17.2%	20.6%

[1] The Project Economics table is based on the assumptions and estimates set out in the Company's ASX presentation dated 23 July 2024 (Arafura achieves major debt funding milestone).
[2] Numbers may not compute because of rounding. Revenue, costs and EBITDA are calculated as the arithmetic annual average following the anticipated two year ramp up period and excluding the final years of production from low grade stockpiles.
[3] Product prices during the offtake period refer to the first seven years of production when offtake agreements will include discounts and other contract mechanisms put in place to underpin project finance for up to approximately 80% of NdPr oxide production with averages calculated as the weighted average over the specified period.
[4] In the 2022 Nolans Project Update (Refer to ASX Announcement dated 11 November 2022), SEG was reported as 474tpa (as that figure did not include the 99tpa Heavy Rare Earth (HRE) component of the line item). The Project Economics table above now includes the 99tpa HRE component in relation to SEG.

Binding offtake target

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Focus on strategic value and equity investment

Targeting NdPr users not aligned with 'Made in China 2025 Strategy'.

Offtake discussions now focused on parties bringing strategic value including equity investment.

Offtake Discussion Group	Location	NdPr Oxide (tpa) [1]	% of Binding Offtake Target [4]
Secured Offtake (Binding Agreement)			
Hyundai & Kia	Korea	1,500	43%
Siemens Gamesa RE	Germany	520	15%
Traxys Europe S.A.	Luxembourg	300	8%
Total			**66%**
Offtake Under Discussion [2]			
Contract negotiations	Asia & Europe	1,625	46%
Advanced offtake discussions [3]	Europe & US	2,815	79%
TOTAL		**6,760**	**191%**

[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 80% of planned production as binding offtake. Planned Production refers to the average annual production from Nolans, being 4,440tpa (Refer ASX Announcement dated 11 May 2021)

Debt structure – conditionally approved

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Conditional credit approvals received for more than US$1B in debt finance for Nolans

- ✓ ECA Direct lend & ECA Covered Tranches
- ✓ Cost Overrun Facility and Standby Liquidity Facility
- ✓ Contingent Instrument Facilities
- ✓ Full suite of institutional banking services

Facilities	Tenor (Years)	Amount (US$ million)
Senior Debt Facilities		
Export Finance Australia	15	125
Northern Australia Infrastructure Facility	15	100 [2]
Export Development Canada	12	290 [3]
KEXIM	10	75
ECA Covered Tranches		
Euler Hermes	10	110
KEXIM	10	75
Total ECA Covered Tranches[3]		**185**
TOTAL BASE SENIOR DEBT		**775**
Cost Overrun Facility (COF)	8	80 [4]
TOTAL SENIOR DEBT		**855 [5]**
Subordinated Debt		
EFA Standby Liquidity Facility (SLF)	15	200
TOTAL DEBT		**1,055**

[1] All debt facilities remain conditional on final documentation and other conditions precedent customary for secured project financing.
[2] NAIF commitment of A$150 million converted to US$ for comparison purposes only at AUD/USD 0.67.
[3] US$10m of EDC funding is included in the COF.
[4] Commercial bank lenders supported by untied loan guarantees from Euler Hermes and KEXIM.
[5] US$160m total Cost Overrun funding, 50% debt funded (COF) with the remaining US$80 million to be funded by equity (together the Cost Overrun Account). COF debt includes A$ tranche with NAIF commitment up to A$50 million.
[6] Excludes Contingent Instrument Facilities to support the provision of bank guarantees.

Sources and uses of funds*

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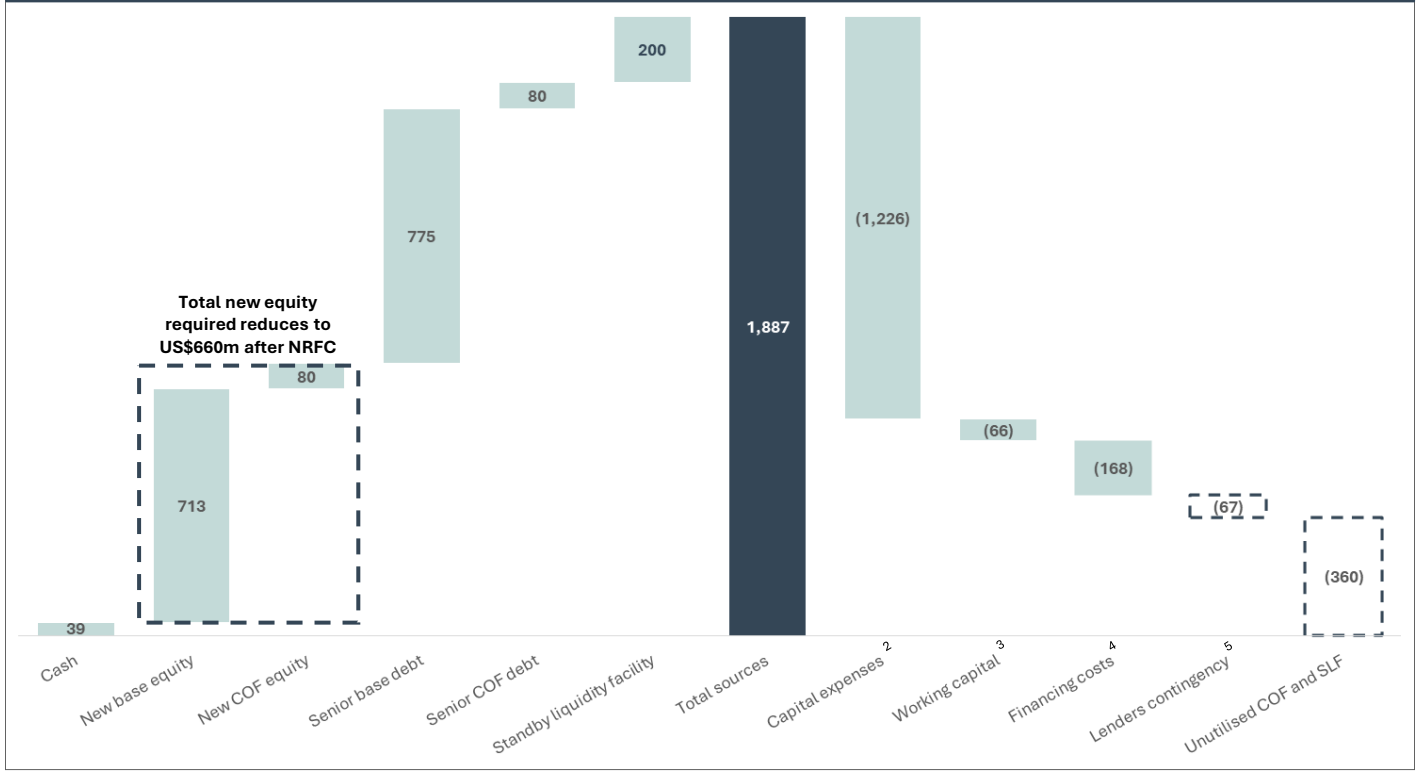
Debt and NRFC funding secured

- Target gearing ~50%
- New equity requirement of US$793m (including COF)
  - Less NRFC US$133m (A$200m)
  - **Remaining new equity requirement of US$660m**
- Four layers of redundancy in funding package
  - US$92m in project contingency (in capital cost)
  - US$67m lenders contingency[5]
  - Unused COF of US$160m
  - Unused SLF of US$200m
- Proposed total funding package to provide ~US$430m of additional liquidity buffer representing ~30% of total capital costs

Sources and uses of funds[1] (US$ million)



*Subject to drawdowns under the debt funding facilities occurring and all funds being raised under the equity component of the funding.

[1] Excludes environmental bonds required by the Northern Territory Government and financial guarantees which are anticipated to be funded by a Contingent Instrument Facility (CIF).
[2] Includes pre-production capital, project contingency, pre-production costs and escalation.
[3] Net of pre-completion revenue.
[4] Includes interest during construction and ramp-up, debt establishment and commitment fees and equity raising fees.
[5] Includes additional project continency of A$50m, increase in ramp-up period from 2 years to 3 years, 3-month delay in first production and adjustments to mining and labour costs.

NRFC Investment Overview[1]

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NRFC partnership:

- ✓ A$200m cornerstone investment
- ✓ Convertible note structure
- ✓ Tenor of 15 years and conversion period of 7 years
- ✓ Conversion price at 40% premium to ordinary equity

Jointly delivering on NRFC objectives:

National Reconstruction Fund Corporation

- ✓ crowding-in private finance
- ✓ growing industrial capability
- ✓ helping industry pursue value-adding opportunities
- ✓ improving economic diversity

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- ✓ decarbonisation
- ✓ creating secure jobs and a skilled, adaptable workforce
- ✓ boosting supply chain resilience
- ✓ commercialising Australian innovation.

Key Terms	Summary
NRFC A$200m Cornerstone Investment	
Face Value	• A$200m
Maturity Date	• 15 years after the issue date
Conversion Period	• From 2 years after the Issue Date to 7 years after the Issue Date
Coupon (yr 1-7)	• three-month BBSY plus 3.0% per annum • Payable in shares or capitalized at Arafura's election
Coupon (yr 8-15)	• three-month BBSY plus 6.0% per annum
Conversion Price	• 40 percent premium to the Reference Price, subject to adjustments
Conversion Rights	• At any time during the Conversion Period in either full or part
Redemption Rights	• After Conversion Period, Arafura may redeem in full or in part (subject to a minimum of A$20m)
Security & status	• Unsecured. Subordinated to project financing facilities
Conditions Precedent	• Subject to execution of long form documentation, securing all funding, key offtake arrangement and Arafura making FID (amongst others)

[1] Refer to ASX announcement dated 15 January 2025.

Executing on funding strategy

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NRFC announcement to assist crowding in other cornerstone investors

Cornerstone Group | **Public Market**

1 Customer Cornerstone & Other Strategic

- Substantial holders
- Government seeded funds with supply chain diversification mandate
- Other customer cornerstones

Customer/strategic commitment will drive participation of financial groups

2 Industry Cornerstone

- 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

Joint Lead Managers

cg/ Canaccord Genuity

Barrenjoey Partnering with BARCLAYS

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ESG – an integrated approach focusing upon what matters most

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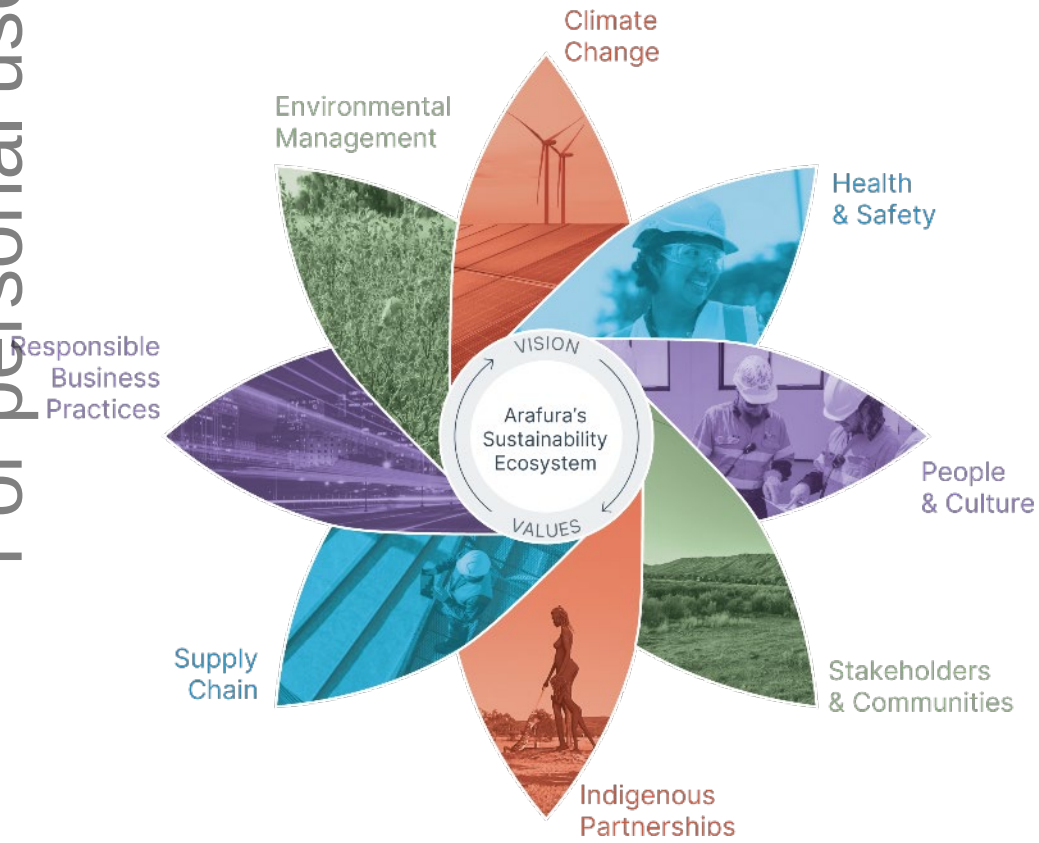
As a greenfield developer we have a unique opportunity to create and deliver value for all stakeholders



We recognise the interdependencies of ESG in our business

We are building capability to deliver best-practice ESG

We are aligning our governance to international standards

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

The Nolans Project is ready to go

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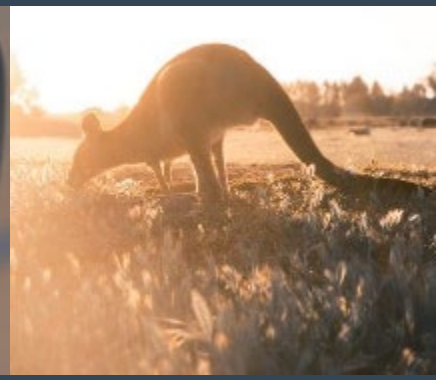

Large, high grade, scalable resource

38-year mine life underpinned by Mineral Resource of 56Mt[1] at a grade of 2.6% TREO (26.4% NdPr enrichment)

Life of mine average production of 4,440 tpa NdPr oxide[2]

Development ready, ore to oxide project

One of the only construction-ready, fully-permitted, ore to oxide NdPr rare earths projects in the western world

135km north of Alice Springs in the Northern Territory Nolans is close to existing infrastructure, with a high-level of engineering completed

Projected first quartile of cost curve

Revised project economics released in July 2024[3]

Low-cost operation placing Nolans in the first quartile of the cost curve underpinning attractive economics through the cycle

Debt funding and binding offtakes secured

>US$1 billion in debt funding conditionally approved[3]

NRFC A$200m investment commitment[4]

Secured binding offtake agreements with tier 1 customers Hyundai & Kia and Siemens Gamesa Renewable Energy and global trading group Traxys[5]

Project delivery to drive re-rate of market valuation

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

Environment, social, governance

Building capability to deliver best-practice ESG

Aligning governance to international standards

Net zero pathway published in 2023[6]

Rare earths from Nolans is differentiated by ESG credentials

Unique opportunity to create and deliver value for all stakeholders

[1] Mineral Resource comprises 4.9Mt Measured Resource, 30Mt Indicated Resource and 21Mt Inferred Resource
[2] Refer to ASX Announcement dated 11 November 2022.
[3] Refer to ASX Announcement dated 23 July 2024.
[4] Refer to ASX announcement dated 15 January 2025.
[5] Refer to ASX Announcements dated 7 November 2022, 11 April 2023 and 20 March 2025
[6] Refer to ASX Announcement dated 31 January 2023.

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Contact

Level 6, 432 Murray St
Perth WA 6000

PO Box 5773
St Georges Terrace
Perth WA 6831

T: +61 8 6370 2800

E: arafura@arultd.com
(All corporate and general enquiries)

E: nolansproject@arultd.com
(Nolans Project enquiries only)

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RARE EARTHS LIMITED