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Arafura Rare Earths

Investor Presentation

May 2026

ARAFURA
RARE EARTHS LIMITED

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This presentation is dated 22 May 2026 and has been prepared by Arafura Rare Earths Limited ("**Arafura**", "**Arafura Rare Earths**" or the "**Company**") in relation to an offer of shares in the Company via an institutional placement of ~A$350m ("Placement") that is underwritten to the value of ~A$265m, and an offer of shares under a share purchase plan ("SPP") (the Offer). This presentation is of a summary form only and therefore contains general background information which may not be complete. It should be read in conjunction with, and full review made of, Arafura Rare Earths' most recent financial report and other periodic disclosures and releases lodged with the Australian Securities Exchange (ASX) and available at www.asx.com.au.

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Mineral Resources and Ore Reserves

The information in this presentation that relates to Mineral Resources at the Nolans Project is extracted from the Company's ASX announcement entitled Detailed Resource Assessment Completed, released to ASX on 7 June 2017 which is available to view at www.asx.com.au. The information in this presentation that relates to Ore Reserves at the Nolans Project is extracted from the Company's ASX announcement entitled Major Increase in Mine Life for the Nolans Project released to ASX on 16 March 2020 which is available to view at www.asx.com.au. 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.

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the JORC Code. Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code, they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43 101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators or (ii) Item 1300 of Regulation S-K, which governs disclosure of mineral reserves in registration statements filed with the US Securities and Exchange Commission. Information contained in this presentation describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of other countries. You should not assume that quantities reported as "resources" in this presentation will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

Production Targets and Forecast Financial Information

The information in this presentation that relates to production targets at the Nolans Project 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.

This presentation contains forecast financial information (including forecast financial information derived from the Company's production target). This financial information is based on the material assumptions set out (or referred to) in Appendix C of the Company's ASX announcement dated 28 October 2025 (Investor Presentation) which continue to apply and which have not materially changed. The Company believes it has a reasonable basis for making the forward-looking statements in this presentation (including with respect to forecast financial information).

Financial Data and Non-IFRS Financial Information

All monetary values expressed as "$" or "A$" in this Presentation are in Australian dollars, unless stated otherwise. All monetary values expressed as "US$" in this Presentation are in US dollars, unless stated otherwise. The assumed exchange rate to convert Australian dollars to US dollars (as applicable) is 0.682, unless expressly shown otherwise in the footnote to the slide or in the relevant appendix. The Company supplements its financial information reporting determined under International Financial Reporting Standards ("IFRS") with certain non-IFRS financial measures constituting "non-IFRS financial information" under ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information" published by ASIC, including measures such as cash operating costs, All-In Sustaining Cost, EBITDA, NPV, IRR and project payback. Investors should be aware that this Presentation contains such "non-IFRS financial information". The non-IFRS financial measures do not have standardised meanings prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although the Company believes that these measures provide additional meaningful information to assist management, investors and analysts in understanding the financial results and assessing the Company's prospects, readers are cautioned not to place undue reliance on any non-IFRS financial information (or non-IFRS financial measures).

Disclaimer

The placement element of the Offer is fully underwritten (with the exception of Hancock's commitment of A$85m) by the Joint Lead Managers. A summary of the key terms of the underwriting agreement between Arafura Rare Earths and the Joint Lead Managers is provided in Appendix D of this presentation.

To the maximum extent permitted by law, the Company and the Joint Lead Managers and each of their respective related bodies corporate, shareholders and affiliates, and each of their respective officers, directors, partners, employees, representatives, affiliates, agents, consultants and advisers (each a "Limited Party"): (i) disclaim any and all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any direct, indirect, consequential or contingent loss or damage arising from this presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this presentation; (ii) disclaim any obligations or undertaking to release any updates or revisions to the information in this presentation to reflect any change in expectations or assumptions; (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation or that this presentation contains all material information about Arafura Rare Earths or that a prospective investor or purchaser may require in evaluating a possible investment in Arafura Rare Earths or acquisition of shares in Arafura Rare Earths, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; (iv) do not make any recommendation as to whether any potential investor should participate in the Offer, nor make any representation, assurance or guarantee in connection with the repayment of capital or any particular rate of income or capital return on an investment in Arafura Rare Earths (including an investment in Arafura Rare Earths shares); (v) disclaim any fiduciary agency, custodial or other legal obligations to, or any fiduciary, agency, custodial or other legal relationship between them and the recipients of this presentation or the participants in the Offer; and (vi) do not make or purport to make any statements in this presentation and there is no statement in this presentation which is based on any statement by any of them.

The Joint Lead Managers and their respective Limited Parties have not independently verified the information in this presentation and take no responsibility for any part of this presentation. They make no recommendations as to whether you or your related parties should participate in the Placement or SPP, nor do they make any representations or warranties to you concerning the Placement or SPP. By accepting this presentation, You represent, warrant and agree that you have not relied on any statements made by the, the Joint Lead Managers or their respective Limited Parties. You undertake that you will not seek to sue or hold the Joint Lead Managers or their respective Limited Parties liable in any respect in connection with this presentation or the Placement or SPP (to the maximum extent permitted by law).

Each Joint Lead Manager, together with its respective affiliates and related bodies corporate, is a full-service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, margin lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. Each Joint Lead Manager (and/or its respective affiliates and related bodies corporate) have performed, and may perform, other financial or advisory services for Arafura Rare Earths, and/or may have other interests in or relationships with Arafura Rare Earths or other entities mentioned in this presentation for which they have received or may receive customary fees and expenses.

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Authorisation

This presentation has been authorized for release by the Board of Arafura Rare Earths Limited.

Rare Earths: linchpin to future facing industries

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Driving economic prosperity through the delivery of rare earths to high value future-facing industries

Wind Turbines

Electric Vehicles

Robotics & AI

Aerospace & Defence

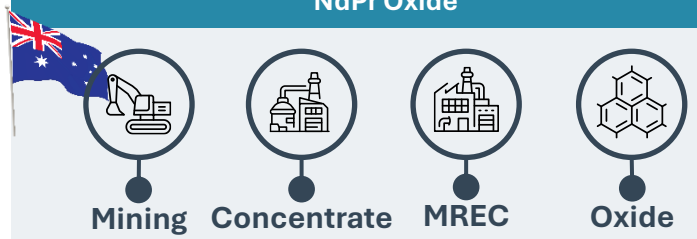
Phones & Tablets

Medical Imaging

Value Chain Multiplier Effect[1]

~1:500

NdPr Oxide

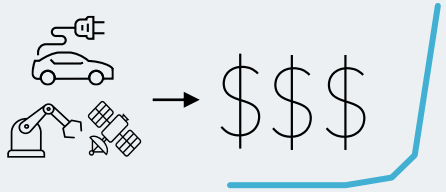


NdPr Oxide: 1 x Kg = US$100 or 0.21% cost of EV

Intermediate Manufacturing

NdPr Magnet: 3 x Kgs = US$300 or 0.63% cost of EV

High value future-facing industries



1 x Electric Vehicle:100% = US$47,000

[1] Multiplier effect has been calculated based on the assumption one electric vehicle requires 3kg of NdPr magnets, which in turn requires 1kg of NdPr oxide. The assumed prices for NdPr oxide, NdPr magnets and electric vehicles are illustrative only.

Delivering the world's third mine to oxide project

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NdPr Oxide
4,440 tpa

SEG/HRE Oxide
573 tpa [3]
(Includes Dy and Tb)

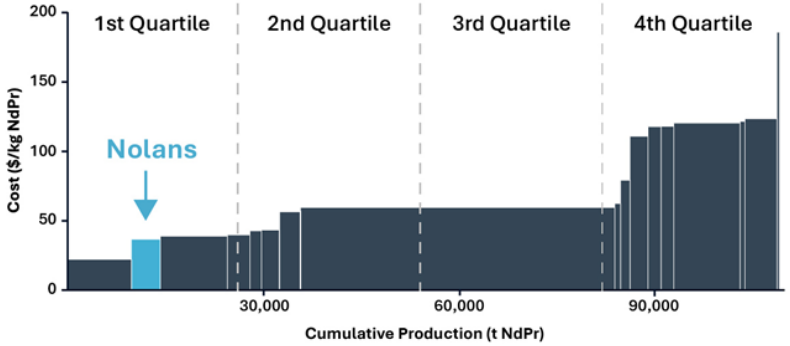
Phos acid
144,393 tpa
(54% P_2O_5 MGA)

Mine Life
+38 years

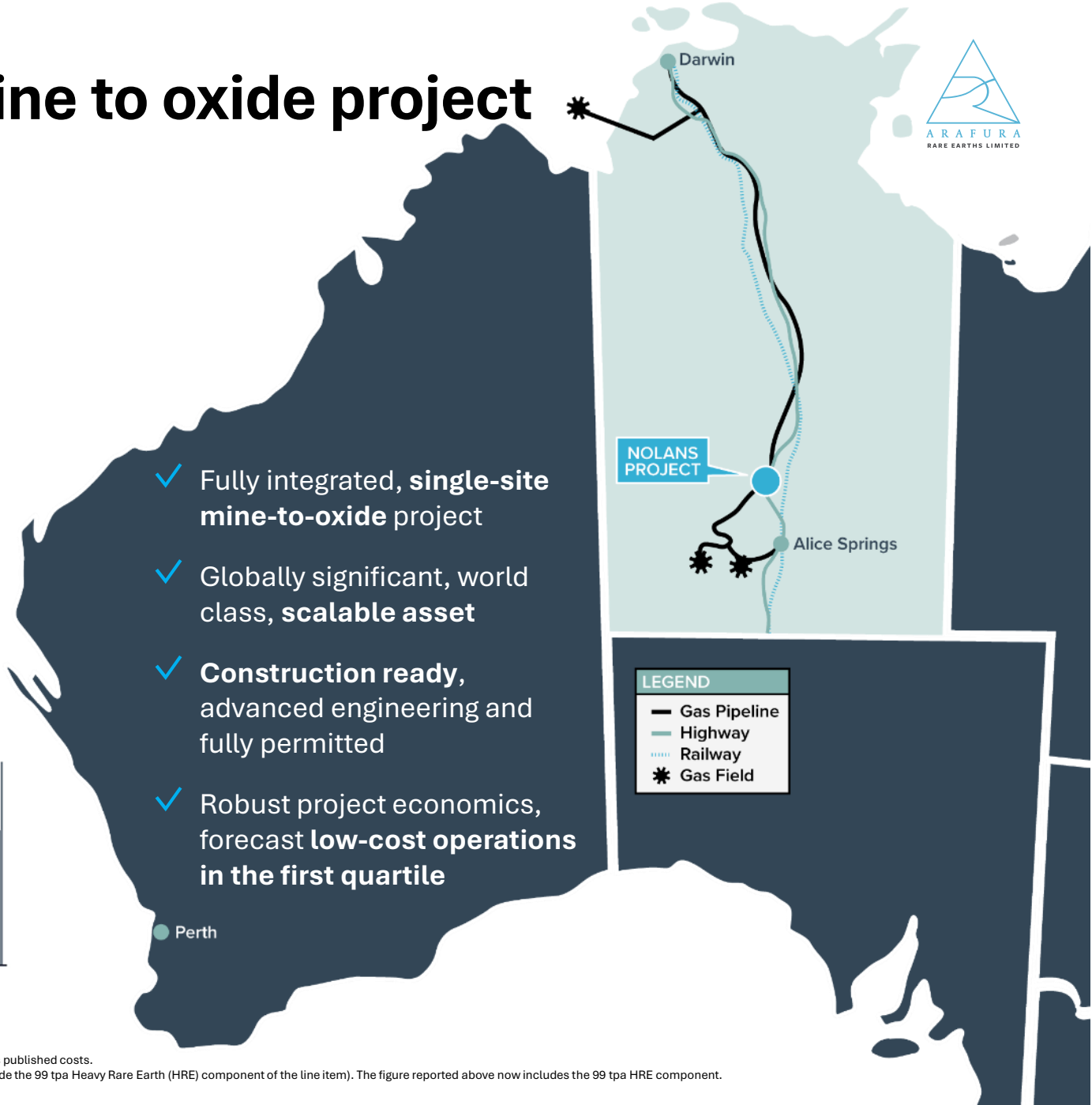
Forecast capex[1]
US$1,191 m
(including contingency)

NPV_8 after tax[1]
US$1,859 m (base)
US$2,327 m (incentive)

Nolans forecast to sit comfortably in **first quartile of cost curve**[2]



- Fully integrated, **single-site mine-to-oxide** project
- Globally significant, world class, **scalable asset**
- **Construction ready**, advanced engineering and fully permitted
- Robust project economics, forecast **low-cost operations in the first quartile**



[1] Refer to slide 24 of this presentation titled "Robust project economics".
[2] CRU Rare Earths Cost Curve, October 2025. Based on CRU independent estimate of Nolans operating costs in 2030. May not be consistent with Arafura's published costs.
[3] In the 2022 Nolans Project Update (Refer to ASX Announcement dated 11 November 2022), SEG/HRE was reported as 474 tpa (as that figure did not include the 99 tpa Heavy Rare Earth (HRE) component of the line item). The figure reported above now includes the 99 tpa HRE component.
[4] Refer to ASX announcement dated 23 July 2024 and slide 35 of this presentation titled "Nolans Phase 2 preliminary study"

Final investment decision achieved for Nolans

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Positive Final Investment Decision made for the Nolans Project[1], marking a major milestone in establishing **the world's third fully integrated rare earth ore-to-oxide operation** outside of mainland China, a key enabler to diversified and resilient global supply chains for rare earths.

Capital Raise

1. **~A$350m** two-tranche placement
2. Includes **A$85m** commitment from Hancock Prospecting
3. **A$25m** share purchase plan

Purpose

1. The Placement will complete the Nolans equity funding package[2] (see next slide)
2. Satisfies equity condition in EFA, GRMF and NRFC agreements for a total of ~A$430m
3. This raise, coupled with existing cash and cornerstone equity commitments will meet minimum equity contribution for senior debt[3]
4. Provides additional equity buffer of ~A$150m

Transaction Highlights

- This A$350m Placement will satisfy the equity funding requirement the Nolans Project[2]
- Hancock (currently ~15% shareholder) has committed A$85m in the placement
- Prudent ~A$150m equity buffer to mitigate impact of macroeconomic uncertainty
- Leading EPCM contractor engaged and experienced owner's team onboarded to support successful project delivery
- Contracts to be awarded and construction activity to commence within approximately four months of FID[1]

[1] Refer to ASX announcement dated 21 May 2026. FID has been made on the basis that the Company's Board is confident that it will be able to achieve all remaining milestones (including in relation to debt and equity financing) required to fully fund the Nolans Project. The Company will now proceed to finalise debt and equity funding arrangements and, subject to the completion of those arrangements and other milestones detailed on slide 7 of this presentation, commence construction of the Nolans Project.

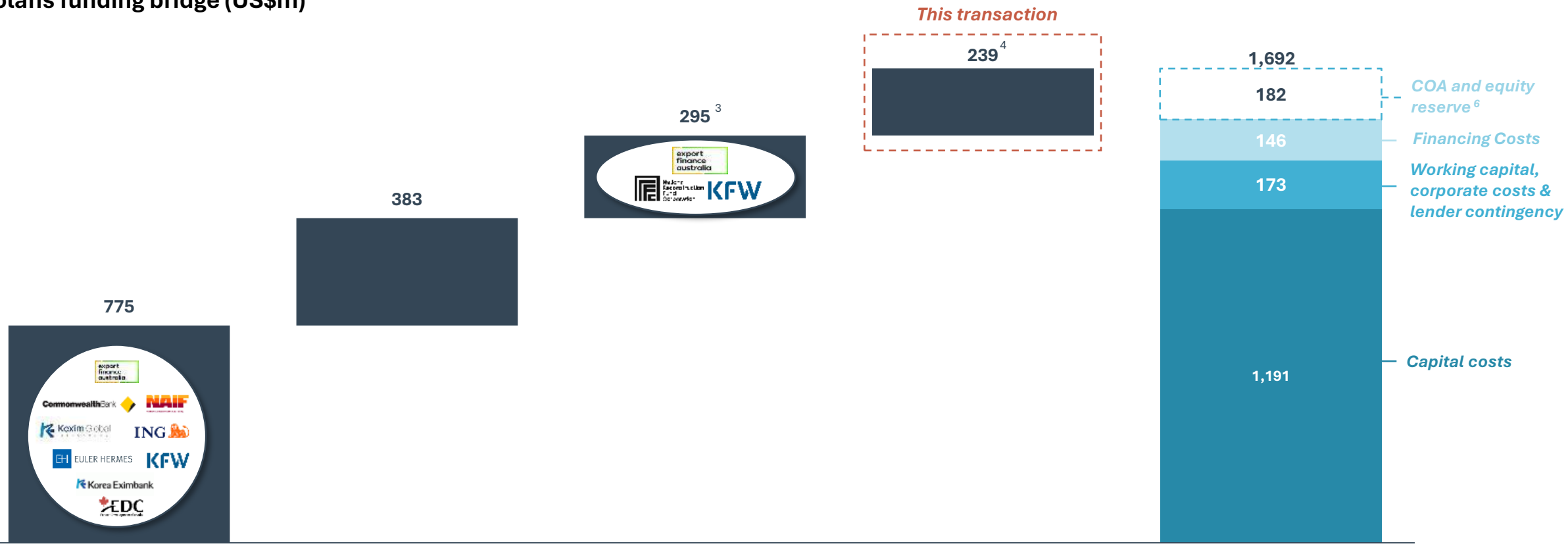
[2] The completion of Arafura's equity funding strategy for Nolans remains conditional upon completion under the EFA, KfW and NRFC subscription agreements. Each of these subscriptions remains subject to various conditions precedent – refer to ASX announcements dated 1 April 2026 (in respect of the conditions to the EFA and KfW subscriptions) and 12 May 2026 (in respect of the conditions to the NRFC subscription).

[3] Determined by the lenders model subject to ongoing review prior to first drawdown of debt.

Arafura to be fully funded

Nolans to be fully funded into production upon completion of the Placement[1]

Nolans funding bridge (US$m)[2]



[1] Arafura's funding strategy for Nolans remains conditional on the execution of long form project finance documentation and the satisfaction of conditions precedent under those documents, in addition to completion under the EFA, KfW and NRFC subscription agreements, each of which remains subject to various conditions precedent detailed in ASX announcements dated 1 April 2026 (in respect of the conditions to the EFA and KfW subscriptions) and 12 May 2026 (in respect of the conditions to the NRFC subscription).
[2] Assumed exchange rates of AUD:USD of 0.682, EUR:USD of 1.17.
[3] Comprises NRFC convertible notes of A$200m (refer to ASX Announcement dated 12 May 2026), EFA equity investment of US$100m (refer to ASX Announcement dated 1 April 2026) and German Raw Materials Fund investment of €50m (refer to ASX Announcement dated 1 April 2026).
[4] Targeting to raise a total of A$350m via the Placement. The Company is also targeting to raise A$25m via the SPP. The SPP target is indicative only and is not underwritten. The final quantum is subject to shareholder subscriptions. Funds raised in the SPP will be applied to the Project's equity reserve.
[5] The Company has ongoing engagement with the lender group to ensure credit approvals are valid prior to contractual close on the project finance facilities.
[6] Comprises the previously reported equity funded US$80 million cost overrun account and a new ~US$102 million (A$150 million) equity reserve to cover the potential impact on capital costs from recent macroeconomic and geopolitical developments, including but not limited to the Middle East conflict.

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Pathway to Project Construction

Construction targeted to commence approximately 4 months after FID[1] upon completion of below milestones

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01

Shareholder approval of funding commitments at General Meeting[2]

02

Finalisation of offtake arrangements[3]

03

Execution of loan documentation[4] and completion of EFA and GRMF equity[5]

[1] Refer to ASX announced dated 21 May 2026.
[2] Shareholder approval is required for tranche 2 of the Placement, SPP and cornerstone subscriptions from EFA, GRMF and NRFC.
[3] Refer to slide 15 for offtake status.
[4] Refer to slide 26 for debt financing status.
[5] Refer to slide 10 for cornerstone equity status.

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Section 1

Equity raising

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RESOURCES LIMITED

Equity raising overview

ARAFURA
RARE EARTHS LIMITED

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Offer structure and size	• Arafura is undertaking a two-tranche institutional placement to raise ~A$350m ("**Placement**"), via the issue of approximately: – ~675.1m fully paid ordinary shares ("**New Shares**") to raise ~A$175.5m pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 ("**Tranche One Placement**"); and – ~671.0m New Shares to raise ~A$174.5m, subject to shareholder approval ("**Tranche Two Placement**")[1] • Up to approximately ~1,346.2m New Shares to be issued under the Placement, representing ~28.8% of existing shares on issue • In addition to the Placement, Arafura will also be undertaking a non-underwritten share purchase plan to raise approximately A$25.0m ("**SPP**") • New Shares issued under the Placement and SPP will rank equally with Arafura's existing shares on issue
Hancock Commitment	• Arafura's largest shareholder, Hancock Prospecting Pty Ltd (**"Hancock"**), has committed to subscribe for A$85m in the Placement ("**Hancock Commitment**") • With the exception of the Hancock Commitment, the Placement is fully underwritten[2]
Offer price	• Offer price of A$0.260 per share, which represents a: – 16.1% discount to Arafura's last closing share price of A$0.310 per share on Thursday, 21 May 2026; and – 15.5% discount to Arafura's 5-day volume weighted average price ("**VWAP**") of A$0.308 per share up to, and including, Thursday, 21 May 2026
Share Purchase Plan	• Existing eligible shareholders, being those Arafura shareholders that have a registered address in Australia or New Zealand at 7.00pm AEST on Thursday, 21 May 2026, will be invited to subscribe for up to A$30,000 of New Shares under the SPP at the same price as the Placement (A$0.260 per share) • As the SPP is not underwritten, the SPP may raise less than A$25 million. The Company retains the right to scale-back applications (in whole or in part) in its absolute discretion (subject to the ASX Listing Rules). • The issue of shares under the SPP will be subject to shareholder approval[1], with further details to be provided in a prospectus to be lodged with ASIC and released to ASX in due course
Joint Lead Managers and Underwriters	• Barrenjoey Markets Pty Limited and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers, Bookrunners and Underwriters to the Placement

[1] Shareholder approval will be sought at an Extraordinary General Meeting expected to be held in or around July 2026.
[2] Refer to Appendix D for key terms of the underwriting agreement.

High-quality, supportive strategic equity partners

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Nolans is backed by high-quality investors aligned with supply chain security and diversification

HANCOCK PROSPECTING

A$85m

- Commitment to subscribe for **A$85m** under the Placement, following **A$125m** investment announced in October 2025
- Hancock to hold ~17.5% following completion of the Placement
- Nominee appointed on Arafura's Project Advisory Committee

National Reconstruction Fund Corporation

US$136m[2]

- Convertible note
- **A$200m** binding agreements executed in May 2026
- 15-year tenor with 7-year conversion period (non-convertible for first two years)
- Convertible at $0.476 per share, a 40% premium to the agreed reference price
- Subject to conditions precedent[2]

export finance australia

US$100m[3]

- Ordinary equity
- **US$100m** binding equity commitment executed in April 2026
- Subject to conditions precedent[3]

KfW

US$59m[3]

- Ordinary equity
- **€50m** binding equity commitment executed in April 2026
- Linked to the Siemens Gamesa 520tpa NdPr supply agreement
- Subject to conditions precedent[3]

[1] Assumed exchange rates of AUD:USD of 0.682, EUR:USD of 1.17.
[2] Refer to ASX Announcement dated 12 May 2026. The NRFC subscription is subject to conditions precedent including Arafura approving a Final Investment Decision, the execution of senior debt documents, shareholder approval, the company receiving all funds to fully fund the equity component of the Nolans Project and other customary conditions.
[3] Refer to ASX announcement dated 1 April 2026. The KfW and EFA subscriptions are inter-conditional and are subject to conditions precedent including shareholder approval, the Nolans Project being fully funded, the execution of key documentation in relation to the Nolans Project's finance facilities, no material adverse change, the NRFC convertible note documents not being terminated, the offtake agreement with Siemens Gamesa RE being amended and not being terminated (KfW subscription only), FIRB approval (KfW subscription only), environmental and social requirements (KfW subscription only), construction approvals (EFA subscription only) and compliance with certain Commonwealth Government requirements (EFA subscription only).

Sources and use of funds

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Proceeds from the Placement fully fund the equity funding component of the Nolans Project

Sources of funds	A$m
Proceeds from the Placement (before costs)[1]	350
Cash and cash equivalents (31 March 2026)	561
Total	**911**

Uses of funds	A$m
Nolans Project capital costs, cash component of the cost overrun facility, equity reserve, financing and transaction costs, working capital and corporate costs[2]	911
Total	**911**

[1] Including approximately A$174.5 million targeted to be raised under the Tranche Two Placement subject to receipt of shareholder approval
[2] Commencement of construction remains subject to the items detailed on slide 7 of this presentation.

Timetable and pro-forma capital structure

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Indicative Timetable[1]

Event	Date
Placement	
Trading halt and announcement of the Placement and SPP	Friday, 22 May 2026
Placement bookbuild	Friday, 22 May 2026
Trading halt lifted and announcement of completion of the Placement	Monday, 25 May 2026
Settlement of New Shares under Tranche One Placement	Thursday, 28 May 2026
Issue, quotation and trading of New Shares under the Tranche One Placement	Friday, 29 May 2026
EGM to approve issue of New Shares under the Tranche Two Placement and SPP	Thursday, 2 July 2026
Settlement of New Shares under the Tranche Two Placement	Wednesday, 8 July 2026
Issue, quotation and trading of New Shares under the Tranche Two Placement	Thursday, 9 July 2026
SPP	
Record Date	Thursday, 21 May 2026
SPP Prospectus lodged with ASIC, released to ASX and despatched to shareholders SPP opens	Wednesday, 3 June 2026
EGM to approve issue of New Shares under the Tranche Two Placement and SPP	Thursday, 2 July 2026
SPP closes	Tuesday, 7 July 2026
Announcement of results of SPP and Issue of New Shares issued under SPP	Monday, 13 July 2026
Commencement of trading of New Shares issued under SPP	Wednesday, 15 July 2026

Pro-forma capital structure

	Shares	Cash
Current[2]	~4,680m	A$561m
Placement[3]	~1,346m	A$350m
Pro-forma[3]	**~6,026m**	**A$911m**

[1] Indicative only and dates are subject to change by the Joint Lead Managers and/or the Company.
[2] Unaudited cash balance as at 31 March 2026.
[3] Shown before costs of the Offer and includes A$174.5 million targeted to be raised under the Tranche Two Placement subject to receipt of shareholder approval.

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Section 2

Offtake and rare earths market

ARAFURA RESOURCES LIMITED

Scarcity driving geographically captured supply[1]

Arafura: a strategic supply for Europe, Korea & RoW

	CHINA	MP MATERIALS	LYNAS RARE EARTHS	ARAFURA RARE EARTHS[3]
Company	中國稀土集團 CHINA RARE EARTH GROUP CO.,LTD.	MP MATERIALS	Lynas Rare Earths	ARAFURA RARE EARTHS LIMITED
Funding/ Policy	• Restrictions on rare earth exports • Ban on export of rare earths processing technology • VAT rebate	• Tariff on China magnets and RE's • Inflation Reduction Act (IRA) U.S. DEPARTMENT OF ENERGY	JOGMEC	Korea Eximbank EULER HERMES Australian Government export finance australia Critical Raw Materials Act
End Users[2]	盛和资源 SHENGHE RESOURCES BYD SAIC GWM GEELY	gm U.S. Department of Defense	sojitz	HYUNDAI SIEMENS Gamesa RENEWABLE ENERGY KIA TRAXYS

State-supported project financing & policy

1. Geographic representation indicates majority of target NdPr product flow. Specified companies may sell product into other regions.
2. Customers are indicative only based on publicly announced sales agreements and arrangements.
3. Arafura is still in the funding phase. Accordingly, the ability to obtain finance from the parties listed below is subject to a number of conditions precedent. In addition, supply of product to end users is subject to funding, completion of development, commissioning and general market conditions.

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Binding offtake target

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Approaching 80% offtake target

- Prior to drawdown of the senior debt (~12 months after construction commencement), Arafura must have secured its 80% offtake target
- Traxys North America binding offtake term sheet executed and CMSR non-binding letter of support received
- Advanced engagement program on minimum volume requirements into Germany/Europe with automotive OEMs and Tier 1s
- ~80% of DyTb production volumes remain uncontracted and are being leveraged to deliver optimal terms
- Restructure of existing contracts with Hyundai & Kia and Siemens Gamesa targeted prior to construction commencement, including potential revision of contract pricing[1]

Offtake Discussion Group	Location	NdPr Oxide (tpa)[2]	% of Binding Offtake Target[3]
Secured Offtake			
Hyundai & Kia[1]	Korea	1,500	42%
Siemens Gamesa RE[1]	Germany	520	15%
Traxys Europe S.A	Luxembourg	300	8%
Traxys North America LLC	United States	500	14%
Letter of Support			
CMSR[4]	Australia	500	14%
Sub-total		**3,320**	**93%**
Target Market Engagement[5]			
OEMs and Tier 1s	Germany/Europe	250	7%
Sub-total		**250**	**7%**
TARGET BINDING OFFTAKE @ 80%		**3,570**	**100%**
Uncontracted Production			
	Spot Market Sales	870	
TOTAL PRODUCTION		**4,440**	

[1] The sunset date for meeting the conditions precedent under the existing offtake agreements with Hyundai & Kia and Siemens Gamesa RE is 30 June 2026 (refer to ASX announcement dated 7 November 2022) and 30 September 2026 (refer to ASX announcement dated 11 April 2023) respectively. Arafura is in the process of negotiating an extension of these sunset dates, which may include potential revisions to contract pricing, volumes and the inclusion of heavy rare earths, with the objective of reducing Arafura's exposure to China-based pricing indices. These potential revisions remain at discussion stage only and are non-binding in nature. Refer to the material business risks in Appendix B for further information relating to funding and offtake risk.
[2] Product may be supplied as NdPr Oxide or Metal equivalent.
[3] The Company is targeting 80% of Planned Production as binding offtake. Planned Production refers to the average annual production from Nolans, being 4,440 tpa of NdPr oxide (refer ASX Announcement dated 11 November 2022).
[4] Letter of Support received from the Critical Minerals Strategic Reserve is non-binding. Refer to ASX announcement dated 21May 2026.
[5] The Company, at this stage, has no certainty as to the timing and likelihood of successfully concluding binding offtake agreements.

Traxys agreement

500tpa NdPr binding term sheet with Traxys on a global, seaborne index

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About Traxys

- Global commodities group with deep critical minerals experience
- Established international customer network enhancing market access
- Strategic offtake partner, potential supplier to EXIM managed Project Vault, diversifying Arafura's customer base

Offtake Summary

- Binding term sheet executed[1]
- 500tpa NdPr oxide and 7.5tpa of DyTb Oxide
- NdPr pricing based on a global, seaborne reference price (e.g. BMI or S&P etc)
- 5-year offtake with option to extend by 2-years by mutual agreement

[1] See Arafura's ASX Announcement dated 13 May 2026 for further information.

Letter of support secured under A$1.2bn CMSR[1]

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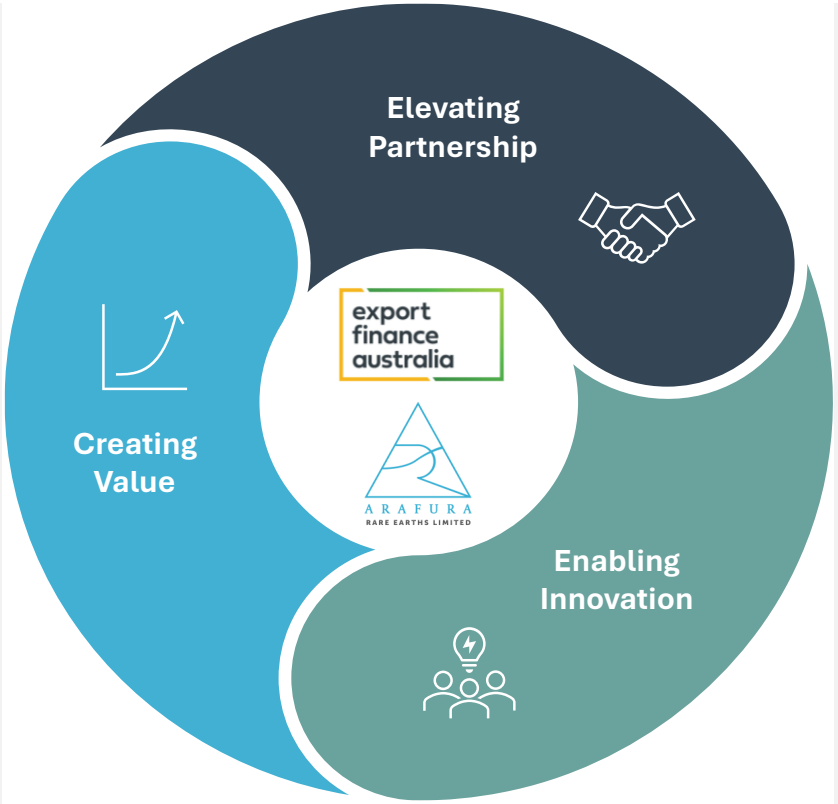
CMSR Objectives

- Economic and Industry Development, attracting investment, derisking and accelerating projects
- Supply chain security and resilience
- Market stabilisation
- Prioritisation of rare earth elements, together with antimony & gallium
- Strengthen geopolitical partnerships



Letter of Support

- Non-binding letter of support[2]
- 500tpa NdPr oxide
- Pricing and structure of support subject to further negotiation
- Tools available to the CMSR include:
  - Offtake agreements
  - Forward contracts
  - Contracts for difference
  - Stockpiling
  - Volume backstops

[1] A total of A$1.2bn has been allocated by the Federal Government to establish the Critical Minerals Strategic Reserve. Refer to The Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia – Media Releases (1 April 2026, 31 March 2026, 12 January 2026), Transcripts (12 January 2026, 5 August 2025)
[2] Refer to ASX announcement dated 21 May 2026.

Demand doubling....and that's before robotics takes off

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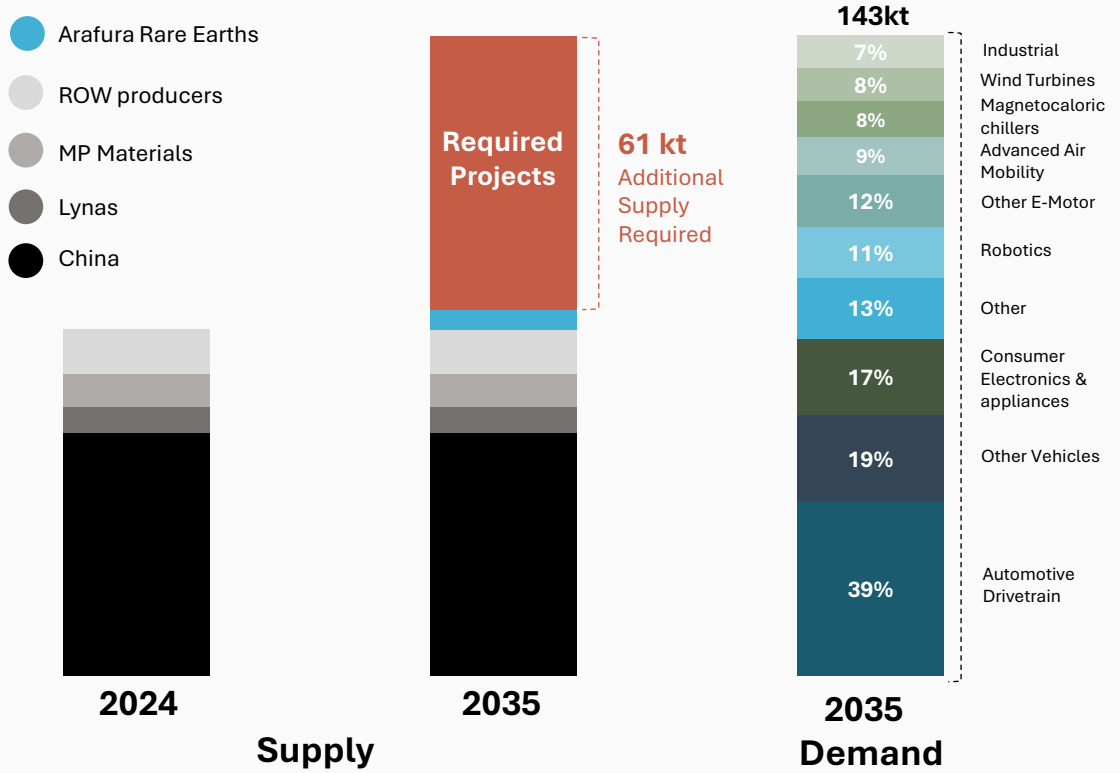
More than one Nolans project required every year

Additional supply of over **60kt NdPr oxide required by 2035**

Demand growth of 7% CAGR from 2024 to 2035 driven by the transition to low-carbon economy (EV, wind & robotics)

Emerging thematic: between 2024 and 2035 CAGR for robotics is ~22%[1] with Humanoids forecast to be a **US$5 Trillion market by 2050**[3]

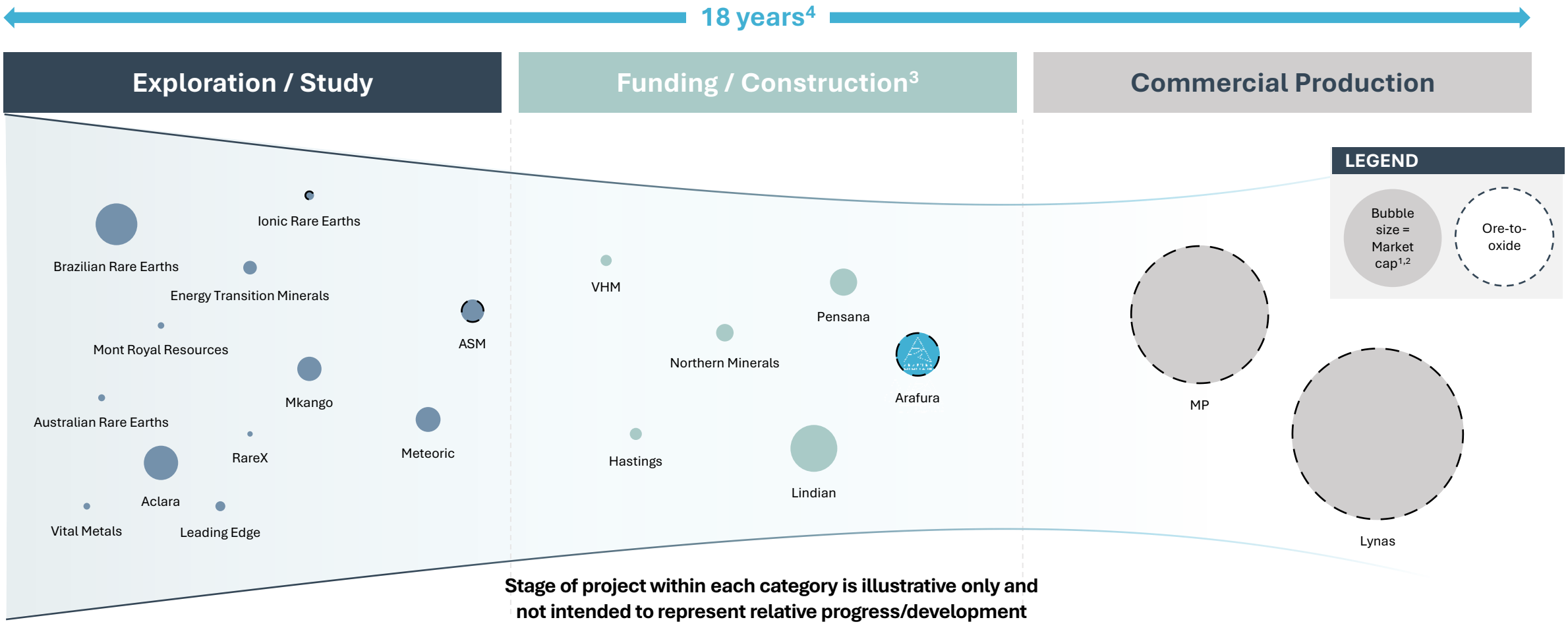
NdPr Supply and Demand[1,2]



[1] CRU - 2025 Rare Earths Special Report,
[2] Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q3 2024), Project Blue - Rare Earths Report 2025 Q2 used for the demand breakdown by segment (end-use)
[3] Morgan Stanley Research – Humanoids: A $5 Trillion Market (May 14, 2025)

Development pipeline challenging

World's most advanced single site, ore-to-oxide project[2]



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

[1] Based on share prices as at 14 April 2026.
[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. Excludes companies/projects without a long term mine supply.
[3] Groups sitting in funding/ phase are subject to funding, offtake activities, completion of and development, commissioning and general market conditions
[4] www.spglobal.com/market-intelligence/en/news-insights/research/from-6years-to-18years-the-increasing-trend-of-mine-lead-times

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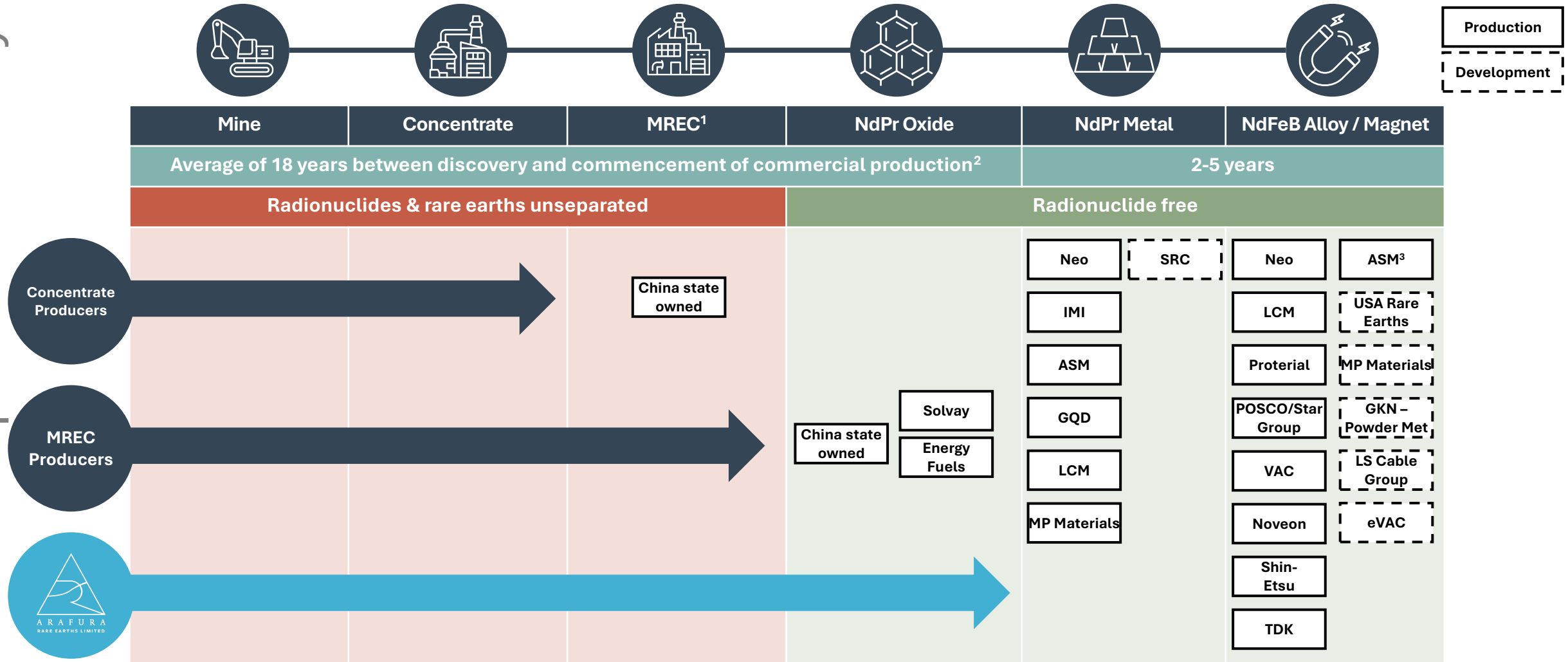
The right strategy, the right time



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[1] Mixed Rare Earth Carbonate
[2] www.spglobal.com/market-intelligence/en/news-insights/research/from-6years-to-18years-the-increasing-trend-of-mine-lead-times
[3] ASM is an alloy producer, but does not produce magnets

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Section 3

Arafura and Nolans Project

ARAFURA
RESOURCES LIMITED

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Single site, ore to oxide

Stuart Highway 10km east

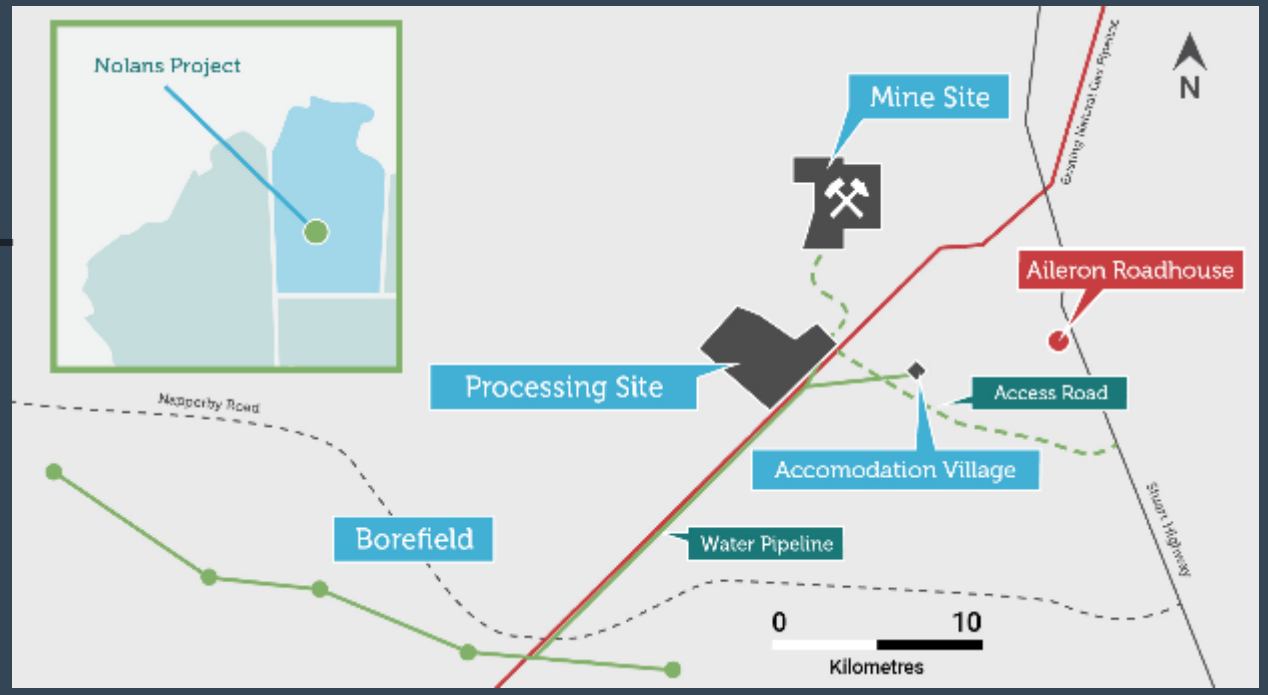
Water supply 25km southwest

Alice Springs railyard, airport and other services 135km south

Amadeus natural gas pipeline adjacent to site

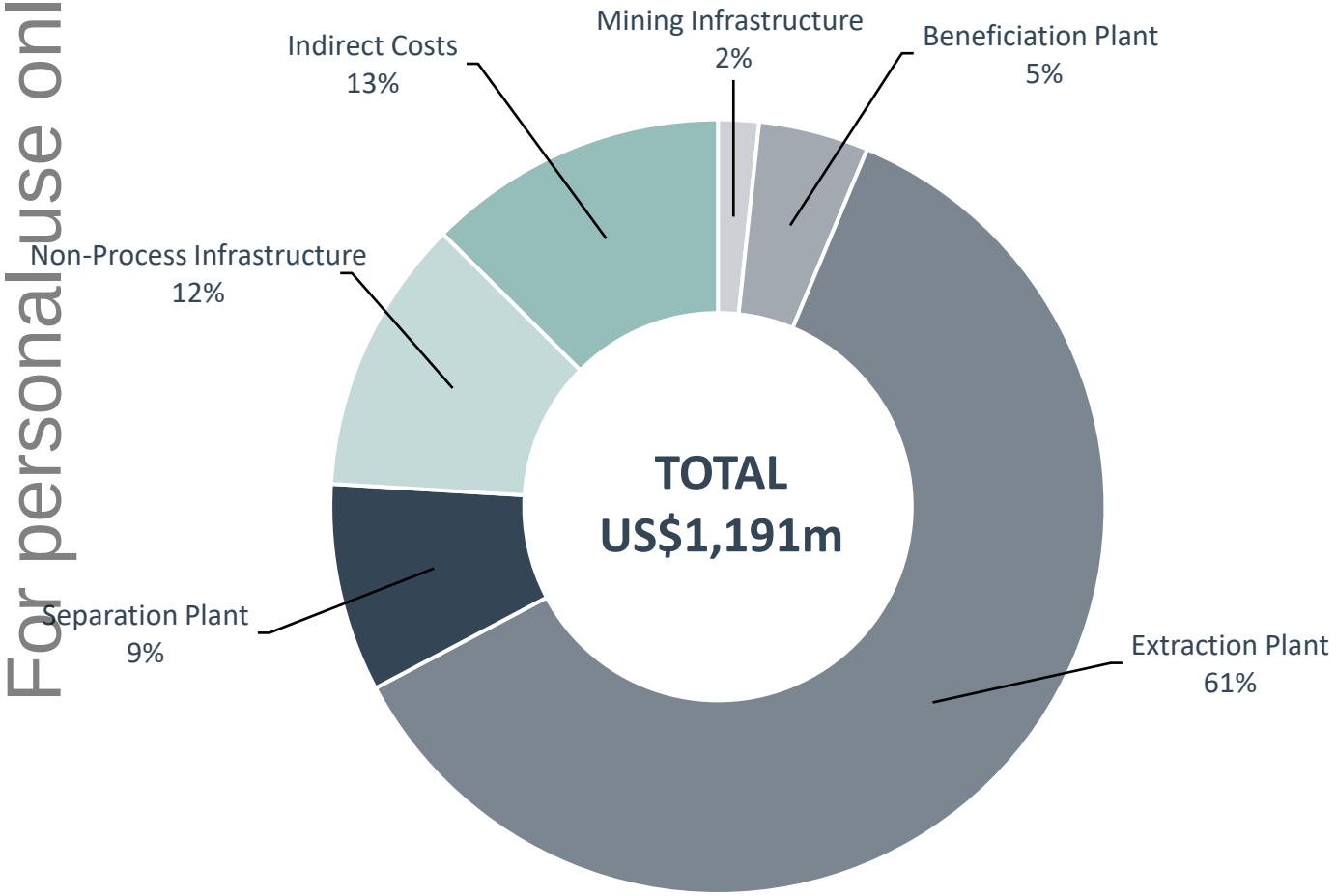
Tailings and waste management at site

Deep water port and associated infrastructure at Darwin



Capital cost breakdown

Capital costs well defined through completion of front-end engineering and design



Capital Cost Items[1]	USD$M
Mining Infrastructure	20
Beneficiation Plant	55
Extraction Plant	726
Separation Plant	104
Non-Process Infrastructure	137
Total Direct Costs	**1,042**
Detailed Engineering	31
Owner Costs, Travel and Accommodation	59
Spares and Inventory	21
Expensed capital	23
Temporary construction facilities	11
Mobile Fleet	4
Total Indirect Costs	**149**
Total Capital Costs	**1,191**

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[1] Figures include approximately 8% contingency and US$69 million of capital cost escalation.

Robust project economics

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Long life, high margin project

- Upfront capital of US$1,191m includes additional US$26m of capital escalation since July 2024 economic update
- Low operating costs of ~**USD$32/kg** net of phosphoric acid underpinning attractive economics through-the-cycle
- Base Case NdPr price forecast based on average of two independent market forecasts (CRU and Adamas) delivering:
  - Post-tax NPV_8 of **USD$1.9bn**
  - Post-tax, pre-finance IRR of **18.1%**
  - Average annual EBITDA of **USD$472M**
- Incentive Case delivers increase in NPV_8 to USD$2.3bn and IRR to 20.1%
- 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[3]	
Phosphoric Acid (tpa 54% P_2O_5 MGA)	144,393	
Realised Product Pricing	**Base (USD$/kg)**	**Incentive (USD$/kg)**
NdPr Oxide price – offtake period[4]	117	130
NdPr Oxide price – LOM	136	154
Financial	**Base (USD$M)**	**Incentive (USD$M)**
Capital Cost		
Pre-Production Capital	998	998
Other Pre-Production Costs and Escalation	106	106
Contingency	87	87
Total	1,191	1,191
Revenue		
Rare Earth Sales Revenue (per annum)	637	717
Phosphoric Acid Sales Revenue (per annum)	77	77
Operating Costs		
Mining Costs (per annum)	(30)	(30)
Processing Costs (per annum)	(154)	(154)
General and Administration Costs (per annum)	(22)	(22)
Product transport, royalties and selling costs (per annum)	(36)	(39)
EBITDA (per annum)	472	549
Post Tax Free Cash Flows (LOM)	10,582	12,488
KPI Analysis	**Base**	**Incentive**
Operating Cost USD$/kg NdPr	46.4	46.4
Operating Cost USD$/kg NdPr net of P_2O_5 credit	31.9	31.9
NPV_8 after tax (USD$M)	1,859	2,327
IRR after tax (%)	18.1%	20.1%

[1] Refer to Appendix C of the Company's ASX announcement dated 28 October 2025 (Investor Presentation) for key project economic assumptions.
[2] Numbers may not compute due to 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] In the 2022 Nolans Project Update (Refer to ASX Announcement dated 11 November 2022), SEG/HRE 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.
[4] Product prices during the offtake period refer to first seven years of production when offtake agreements will include discounts & other contract mechanisms put in place to underpin project finance.

Nolans forecast to be in first quartile of cost curve

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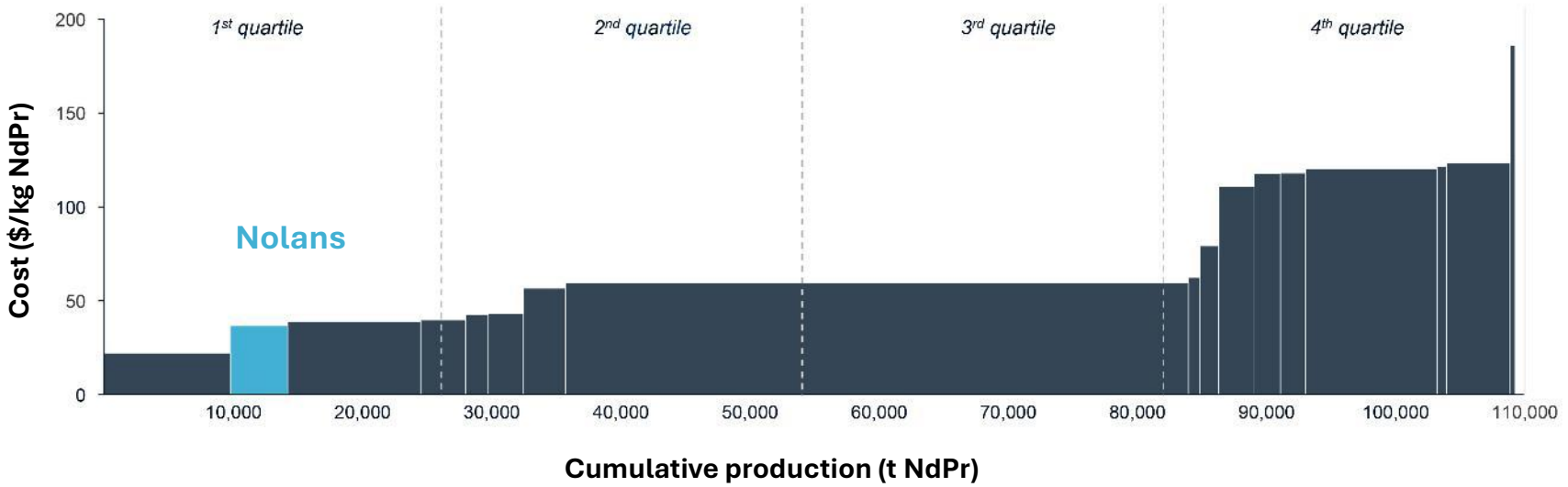
Nolans is forecast to sit comfortably in the first quartile

- 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 at recent market prices

NdPr Cost Curve 2030 including by-product credits, US$/kg NdPr oxide Cost, Real 2025[1]



[1] CRU 2025. Costs capped at $200/kg NdPr
[2] Based on CRU independent estimate of Nolans operating costs in 2030. May not be consistent with Arafura's published costs.

Debt conditionally approved

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Conditional credit approvals received for more than US$1B in debt finance for Nolans[6]

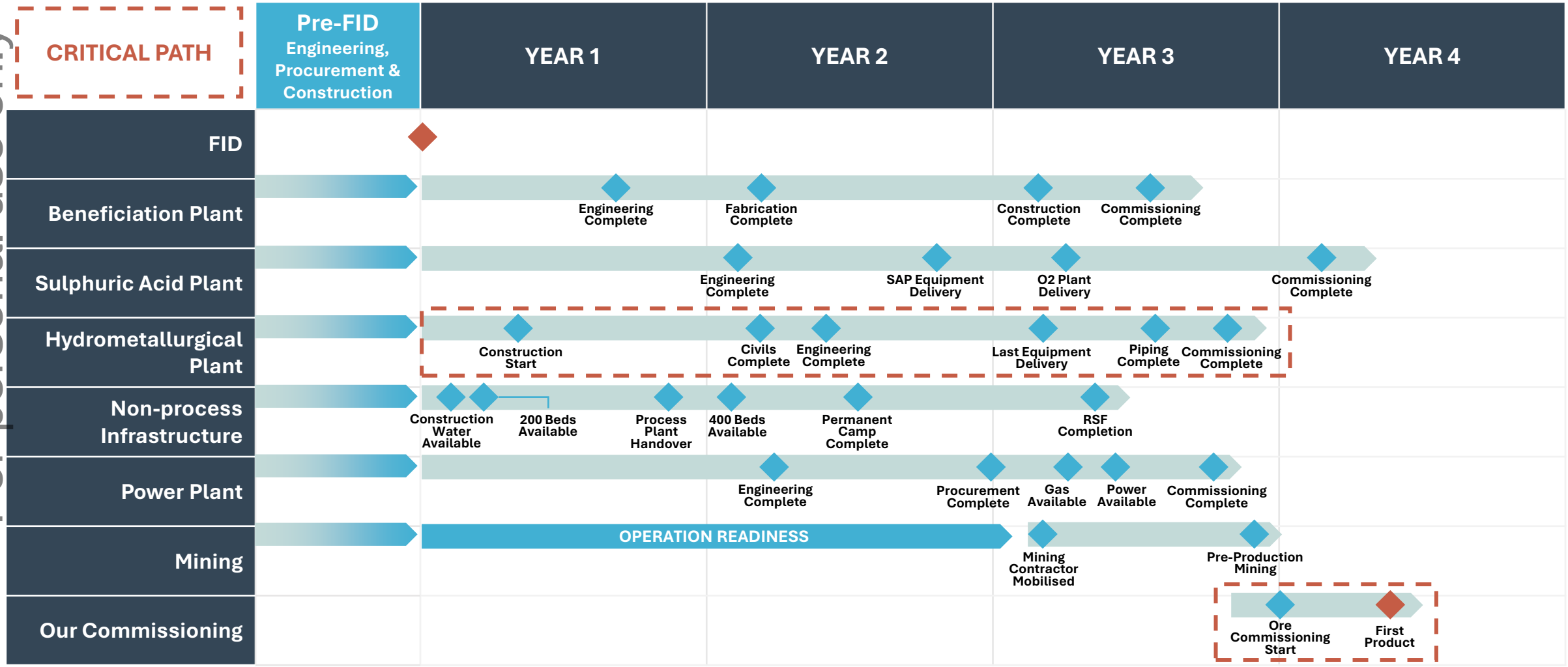
- Long form documentation well advanced and expected to be executed following General Meeting to approve equity raise.
- ECA direct lend & ECA covered tranches
- Cost Overrun Facility and Standby Liquidity Facility - US$360m including equity component
- Contingent Instrument Facilities
- Full suite of 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. Refer to the Material business risks in Appendix B for further information relating to funding risk.
[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] The Company has ongoing engagement with the lender group to ensure credit approvals are valid prior to contractual close on the project finance facilities.

Nolans Project indicative timeline

Target start Q3 CY2026[1]



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[1] Timing for the start of construction is indicative only and remains subject to the conditions outlined on slide 7 of this presentation and to the Material business risks in Appendix B not emerging.

ESG – an integrated approach focusing on what matters most

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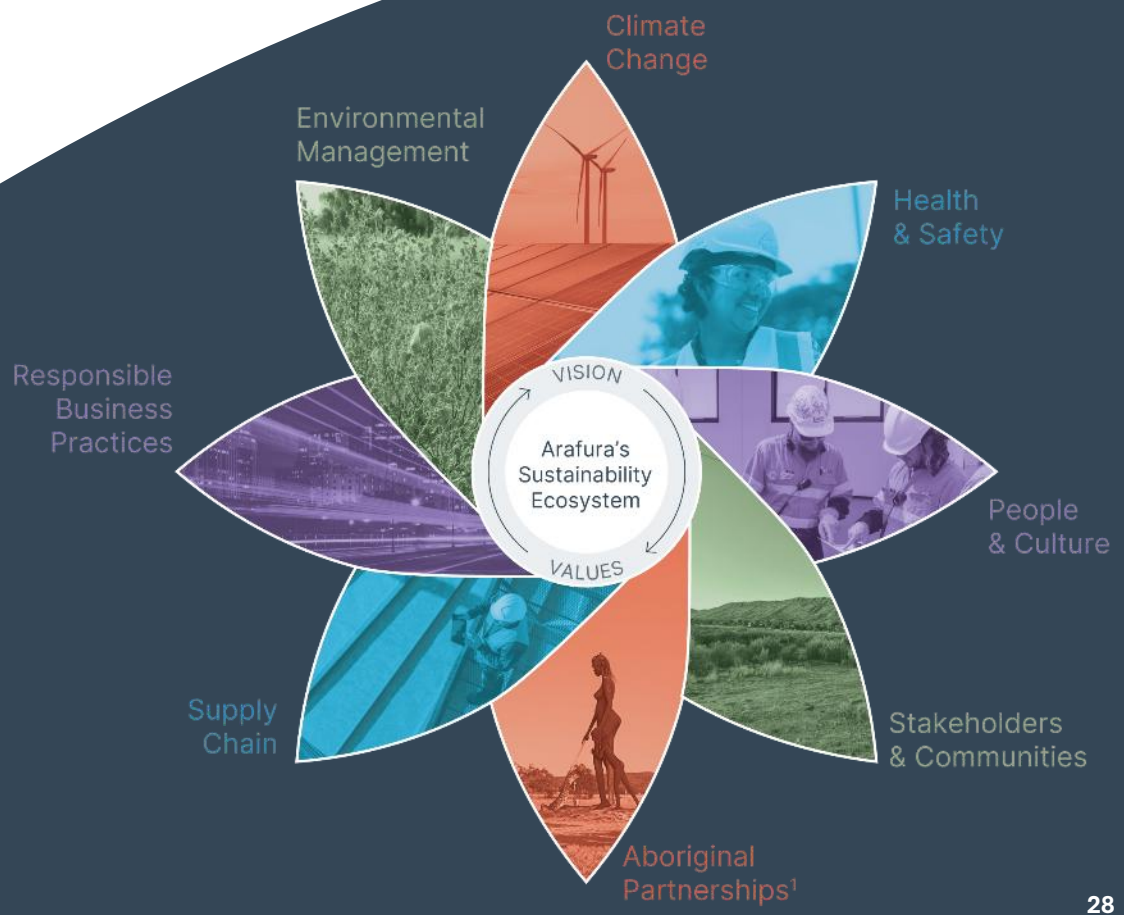
We recognise the ESG intersections and opportunities in our business

We are aligning our governance to international standards

Clear pathway to net zero

Building a sustainable workforce while co-designing Aboriginal and community development programmes for thriving communities

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



[1]Image: 'Anmatjere Woman and Child', sculpture | Mark Egan, December 2008.

Board and Executive team

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Mark Southey | Non-Executive Chairman | BSc (Hons), MBA, GAICD and MIEAust

Mr Southey has extensive global experience in the industrial and natural resources sectors covering all aspects of asset management, maintenance, design and engineering, and major capital project development and execution. He is well versed in public company board and institutional investor engagement and has a background in both senior operational and financial roles.

Darryl Cuzzubbo | Managing Director & Chief Executive Officer | BEng Mechanical (Hons 1), MSc. MBA

With over 30 years experience in global senior and executive roles, Darryl brings extensive knowledge and experience in both the resources and manufacturing sectors having run large complex operational assets and as well as leading the development and execution of a range of major projects at Orica and BHP. Having had responsibility for a global portfolio of assets, Darryl bring a broad international perspective to the team.

Cathy Moises | Non-Executive Director | BSc (Hons) in Geology from the University of Melbourne and a Diploma of Finance and Investment from the Securities Institute of Australia

Cathy Moises has extensive experience in the resources sector having worked as a senior resources analyst for several major stockbroking firms. More recently in 2017-2019, Cathy was Head of Research at Patersons Securities Limited. Ms Moises brings substantial experience to Arafura in company management, capital markets and institutional investor engagement. Her key areas of industry experience include gold, base metals, mineral sands and the rare earths sector.

Michael Spreadborough | Non-Executive Director | B.Eng. (Mining), MBA, WA First Class Mine Manager's Certificate of Competency, AusIMM, AICD

Michael has a mining engineering background with more than 30 years' experience in mining lead, zinc, uranium, copper, gold and iron ore. He has held roles across the scope of the industry from business and project development to operations and exploration. He held positions as the General Manager – Mining for WMC and Vice President – Mining for BHP, General Manager – Coastal Operations for Rio Tinto, Chief Operating Officer for Inova Resources Ltd (formerly Ivanhoe Australia) and Sandfire Resources.

Roger Higgins | Non-Executive Director | BE (Hons) Civil, MSc, PhD, FIEAust, FAusIMM

Dr Higgins has over 50 years experience in areas of engineering, project management, mineral and water resources and environmental management. He has lived and worked in the resources industries in Australia, Chile, Canada, Papua New Guinea and the USA, and has worked on operations and projects and several additional country locations. Dr Higgins has held senior management and executive positions including Senior Vice President Copper with Teck, VP and COO Australia with BHP Base Metals and Managing Director at Ok Tedi Mining.

Ian Murray | Non-Executive Director | B Com, FCA, FAICD

Mr Murray brings more than 30 years of experience in financial, corporate, project development, mergers and acquisitions, and operational experience across Australia, Africa, Asia Pacific and North America. Mr Murray was most recently CEO and Managing Director of Gold Road as it transitioned from small market capitalisation explorer to large scale plus billion-dollar gold producer. Today he is a non-executive director with Black Rock Mining Limited and is non-executive chair of Jupiter Mines Limited.

Peter Sherrington | Chief Financial Officer | BBus, CA

Peter is a member of the Institute of Chartered Accountants.
Peter has more than 20 years of experience across ASX and publicly listed entities, as well as business and corporate advisory capabilities. Peter commenced employment with Arafura in 2008 as Commercial Manager and was appointed Chief Financial Officer in July 2013.

Tommie van der Walt | Chief Projects Officer | B.Eng (Mechanical), M.Com, PhD, Pr.Eng

Tommie is a highly experienced mining executive who has led projects from exploration through to operations in challenging environments. Tommie was responsible for developing Newmont's multi-country growth strategy and g the US$1.7 billion Ahafo mega-project on schedule, boosting production capacity and operational efficiency.
As Chief Operating Officer at Ionic Rare Earths, Tommie oversaw the development of the Makuutu Rare Earths mine in Uganda and a chemical plant in Belfast.

Fiona Blakely | Chief People Officer | MSc in Organisational Psychology, MBA, Fellow of the Australian HR Institute

Responsible for the people and culture strategy, Fiona joined Arafura May 2024. Fiona brings more than 30 years' organisational development experience and was instrumental in developing the industry recognized modern mining culture at OZ Minerals. Having held other senior roles at Shell UK, Bausch & Lomb Ltd and Lion Ltd, Fiona is passionate about building adaptive capacity within organisations.

Penelope Stonier | Chief Corporate Affairs Officer | MBA, MSc (Mineral Economics)

Penelope joined Arafura in June 2025 and brings with her a diverse background across international corporate finance, investor relations and corporate affairs. Penelope has held senior roles at Commonwealth Bank of Australia and spent more than a decade at Fortescue Metals Group, responsible for delivering their transformational capital management strategy through to May 2022, JV negotiations and establishing the company's Sustainability Financing Framework.

Jane Macey | Chief Operating Officer | B.Eng, GAICD

Jane joined Arafura late 2025 and was appointed as Chief Operating Officer in January 2026. Jane brings with her a depth of experience developed in tier one mining companies such as BHP, Rio Tinto, Fortescue, Roy Hill and Oz Minerals. A champion of transformational change, Jane has led major greenfield and brownfield operations and the delivery of multibillion dollar capital programs. As an executive leader and experienced board member , Jane's governance and operational skillset will be a driver in establishing the foundation for Nolans future operational success. Jane is a Non-Executive Director at Genesis Minerals.

Edward Matthews | Project Director | Bsc Civil Engineering

Ed is a Civil Engineer and an experienced and adaptable Project Director with over 30 years of demonstrated capability in the development and delivery of Major Projects and capital programs. Ed has managed major greenfields and brownfields resource and infrastructure projects across Australia, Asia and Africa and delivering best-in-class safety, cost and schedule outcomes. With his wealth of stakeholder and Owners Team experience, Ed's contribution will be an invaluable addition to the Arafura team throughout the project lifecycle

The Nolans Project is ready to go

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Large, high grade, scalable resource

- 38-year mine life with Phase 2 expansion potential
- 56Mt[1] Mineral Resource with 26.4% NdPr enrichment
- LOM average of 4,440 tpa NdPr[2] (>15% of current ex-China supply)

Construction ready, ore-to-oxide project

- Front-end engineering and design complete
- Site early works complete to de-risk project schedule
- Market leading consultancy Hatch appointed as EPCM

Projected first quartile of cost curve

- Ultra-low operating costs of ~USD$32/kg NdPr[3]
- Nolans independently forecast to sit in first quartile of the global cost curve

Funding and binding offtakes secured[6]

- Fully equity funded upon completion of the Placement and EFA, KfW and NRFC subscriptions[6]
- >US$1 billion in debt funding conditionally approved[4]
- Offtake book supported by global tier 1 customers

Project delivery to drive re-rate of market valuation

- Existing rare earth producers trade on elevated EV/EBITDA multiples, reflecting strong fundamentals
- Potential for Arafura to re-rate to peer multiples upon transition to production

Environment, social, governance

- All environmental permits and approvals in place
- Net zero pathway published[5]
- Extensive ESG due diligence completed through funding process
- Aligning ESG with best-practice international standards

[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 slide 24 "Robust project economics".
[4] The Company has ongoing engagement with the lender group to ensure credit approvals are valid prior to contractual close on the project finance facilities.
[5] Refer to ASX Announcement dated 31 January 2023.
[6] Nolans equity funding is subject to the satisfaction of all conditions precedent relating to the EFA, KfW and NRFC subscription arrangements, and shareholder approval of Tranche 2 of the Placement. Refer to ASX announcements dated 1 April 2026 (in respect of the conditions to the EFA and KfW subscriptions) and 12 May 2026 (in respect of the conditions to the NRFC subscription)

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Appendix A

Supporting information

ARAFURA RESOURCES LIMITED

Approvals & permitting obtained

All key environmental and regulatory approvals are now secured, ready to transition into main construction

2016
EIS submitted based on SAPL DSP flowsheet

2017
Supplementary EIS submitted based on PAPL flowsheet

2017
NT Government EPA environmental approval

2018
Commonwealth EPBC environmental approval

2019
Section 14A variation submitted and approved by NT EPA

2020
Native Title Agreement (**NTA**) executed

2020
Mineral leases granted by NT Government

2021
Mineral leases granted over water borefield

2022
Ground water extraction license granted – dewatering the mine

2022
Grant of Mining Authority by NT Government, approval of required management plans

2023
Grant of extractive mineral permits for construction material

2023
Ground water extraction license granted – Project water supply

2023
NTA registered as Indigenous Land Use Agreement, Heritage Approvals granted

2025
NT Government approval of Creek Diversion – at mine site

2025
Commonwealth EPBC approval of management plans required for construction

NOW: Construction Ready

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Geology of a long-life asset

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NdPr rich and open at depth

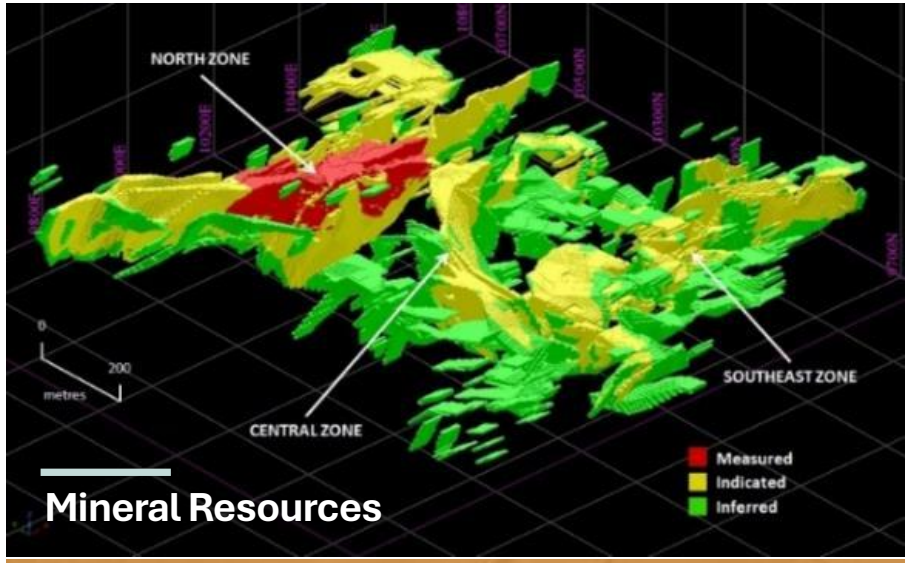
- ✓ Over 90km drilled to define and classify material types
- ✓ 29-year ore reserves
- ✓ 38-year mining inventory incl. 10.5Mt of Inferred
- ✓ Single pit
- ✓ Expansion potential

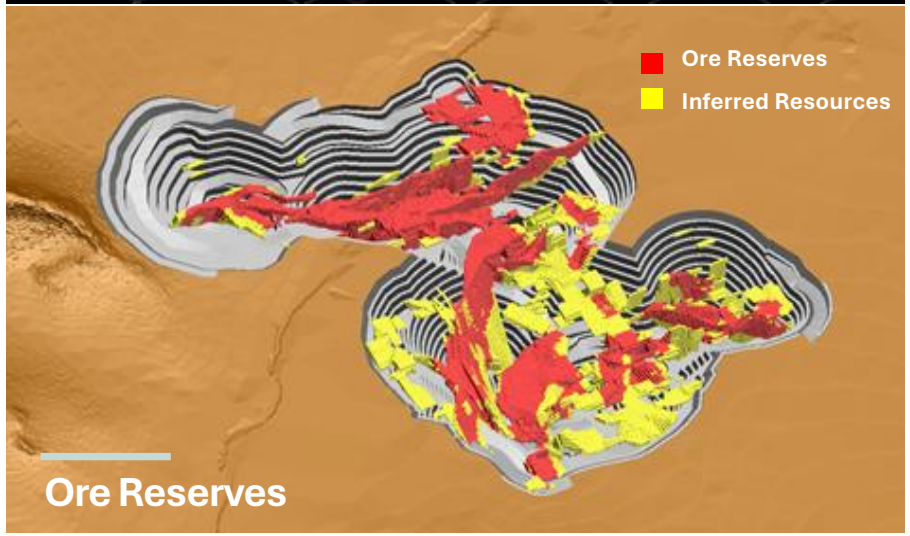
RESOURCES	TONNES (m)	RARE EARTHS TREO %	PHOSPHATE P_2O_5 %	NdPr ENRICHMENT %
Measured	4.9	3.2	13	26.1
Indicated	30	2.7	12	26.4
Inferred	21	2.3	10	26.5
TOTAL	**56**	**2.6**	**11**	**26.4**

As announced on 7 June 2017. 1% TREO cut-off grade. Numbers may not compute exactly due to rounding. "NdPr enrichment" is the proportion of TREO comprising Nd_2O_3 and Pr_6O_{11}.

RESERVES	TONNES (m)	RARE EARTHS TREO %	PHOSPHATE P_2O_5 %	NdPr ENRICHMENT %
Proved	5.0	3.0	13	26.2
Probable	24.6	2.8	13	26.5
TOTAL	**29.5**	**2.9**	**13**	**26.4**

As announced on 16 March 2020. Numbers may not compute exactly due to rounding. "NdPr enrichment" is the proportion of TREO comprising Nd_2O_3 and Pr_6O_{11}.





Fully piloted flow sheet

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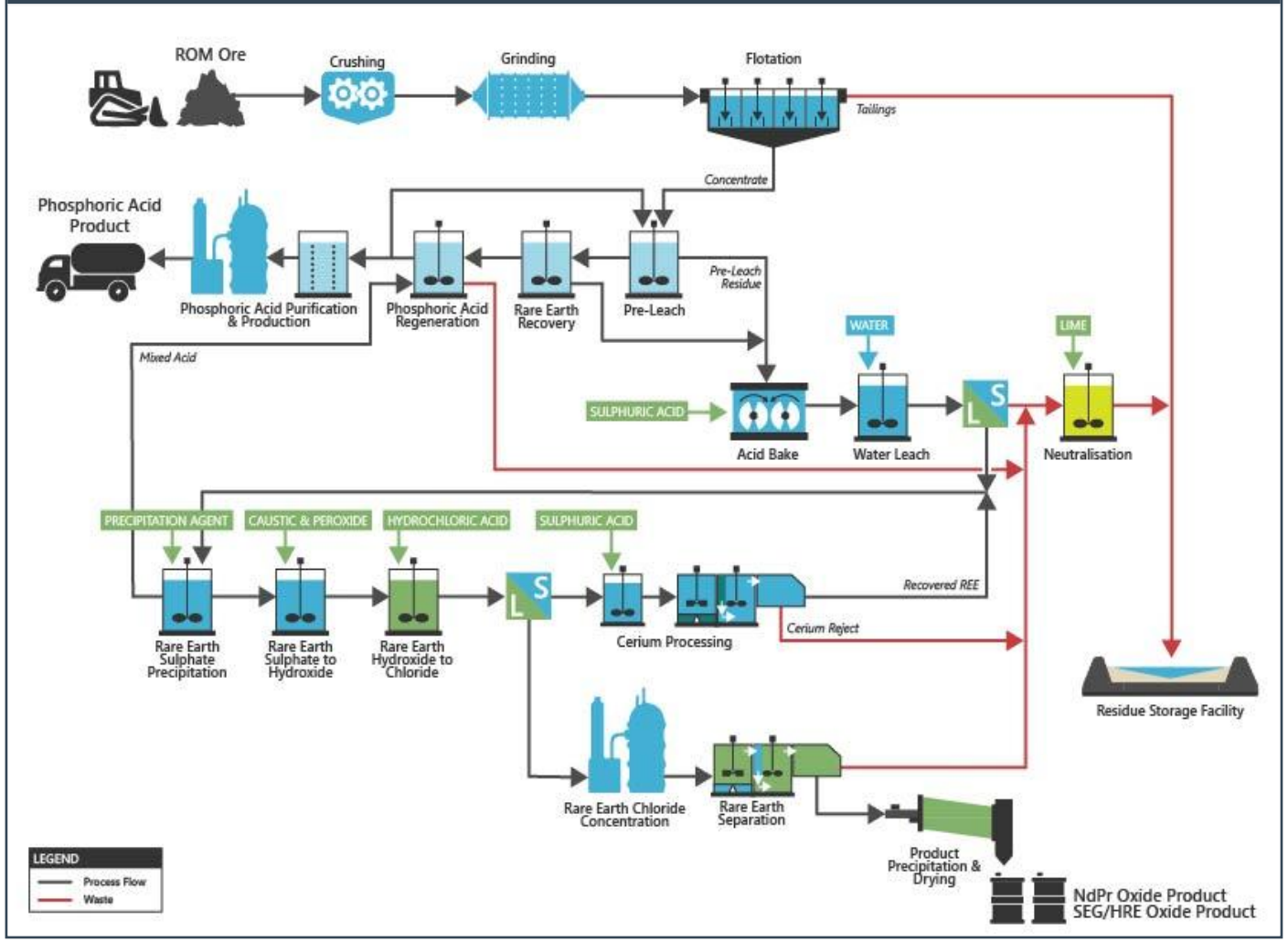
Key elements:

1. Extremely simple beneficiation
2. Modified wet phosphoric acid process to leach rare earths from concentrate and produce phosphoric acid by-product and rare earth rich feed for bake
3. Low temperature bake and precipitation of rare earths sulphate without neutralising acid allows excess acid to be recycled to pre-leach
4. Purification and cerium removal before solvent extraction
5. Separation of rare earth oxides

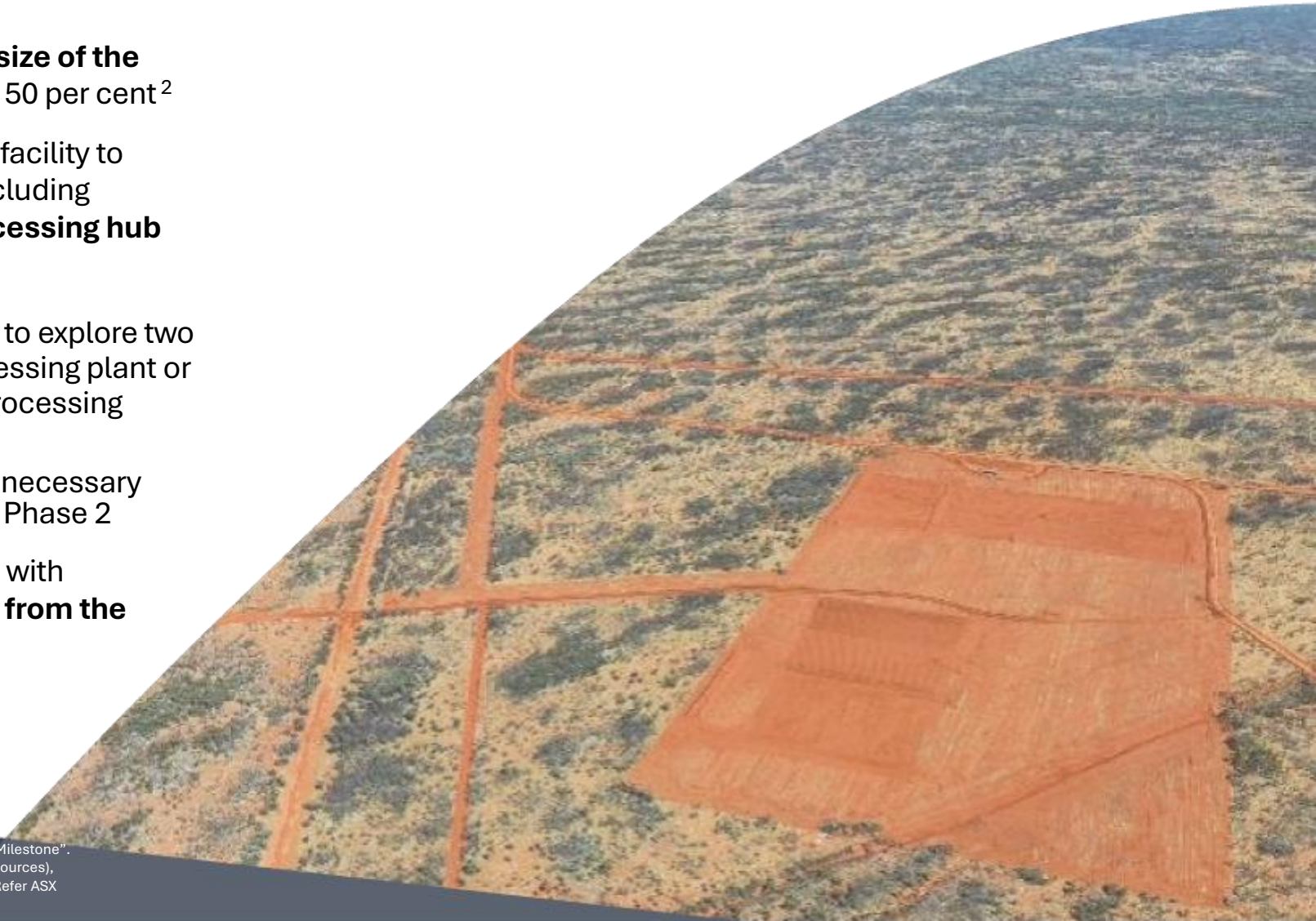
A fly through of the Nolans process plant rendered 3D model is available here.

Process Flow Sheet



Nolans Phase 2 preliminary study[1]

- **Phase 1** – 4,440tpa NdPr Oxide
- Study considered **potential for expanding the size of the Nolans processing facility** by factors of up to 150 per cent[2]
- Study considered opportunity to use expanded facility to **process third-party rare earth feedstocks** (including monazite concentrates) as a **downstream processing hub**
- Next steps (post-FID for Nolans):
  1. Commission a pre-feasibility study (PFS) to explore two options: building a discrete second processing plant or an integrated expansion of the existing processing capacity
  2. Commence the process of obtaining the necessary government and regulatory approvals for Phase 2
- Planning for PFS underway to ensure alignment with **anticipated growth in demand for rare earths from the energy transition**



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[1] Please refer to the Company's ASX announcement dated 23 July 2024 titled "Arafura Achieves Major Debt Funding Milestone".
[2] Using the existing mining inventory that is based off mineral resources and ore reserves (which includes inferred resources), and the same pit designs, sequencing and mining methods used for the base case production scenario at Nolans. Refer ASX Announcement dated 11 November 2022.

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Appendix B

Material business risks

ARAFURA RESOURCES LIMITED

Material business risks

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Company specific risks

Funding risk

The Nolans Project is a large and complex project with total capital expenditure currently estimated at approximately US$1.2 billion (refer to the Company's ASX announcement "Quarterly Activities Report and Appendix 5B" dated 28 October 2025). The business of the Company and its subsidiaries (the Group), and the ability of the Group to procure the finance required to develop the Nolans Project, relies on access to debt and equity funding.

As rare earths (including Neodymium-Praseodymium (**NdPr**)) are not traded on any commodity exchange, traditional debt and equity market sources may not be available which may make it difficult for financiers and investors to assess and understand market risk. Therefore, the Group has sought to fund a significant portion of the Nolans Project's capital expenditure through Export Credit Agencies. There can be no assurance that additional debt, equity or other forms of funding (including by way of government grants) will be available to the Group (over any timeframe) on favourable terms or at all.

The Company has received conditional credit approvals and/or letters of support from several financiers for US$775 million in senior debt facilities, an additional US$80 million for a cost overrun facility (**COF**) and a further US$200 million in the form of a standby liquidity facility (**SLF**). The COF and SLF are to be used to manage any increases in capital expenditure and operating costs incurred during ramp up.

The credit approvals received for these facilities have expiry dates and, while a number have been extended, some extensions are yet to be formalised and there remains a risk that further extensions may not be obtained as and when required.

Customary terms of the debt financing require the Company to raise a significant portion of the capital cost required to fund the Nolans Project from the equity market before debt drawdowns will be available. No assurance can be given that the required equity component of the Nolans Project financing will be raised by the Company in full or at all. While the placement component of this equity raising is targeting to fund the final public equity component of the project funding, further funds are also required from cornerstone investors (being EFA, KfW and NRFC) to fully fund the equity component of the project funding. While the Company has now entered into binding subscription agreements with EFA and KfW and NRFC, the receipt of funds under these documents is subject to conditions precedent (including in relation to certain other debt and equity funding sources remaining available) and there is no guarantee that the Group will be able to satisfy the required conditions. Accordingly, there is no guarantee that the Group will ultimately secure equity from these cornerstone investors. Failure to obtain sufficient funds from the equity market (including the failure to secure the required equity commitments from cornerstone investors) or failure to achieve other conditions precedent customary for secured project financing arrangements of this nature, such as final loan documentation and satisfaction of other conditions to drawdown (including providing an updated financial model based off, amongst other things, independent commodity price forecasts which demonstrate compliance with financial ratios and debt sizing criteria, entry into material project contracts with associated tripartite agreements, project authorisations, representations and undertakings) may preclude the Company from being able to drawdown on the financing facilities it has secured. Any additional equity financing, if secured, may dilute existing shareholdings.

Failure to obtain debt, equity and/or other forms of financing may cause the Group to postpone any development plans, forfeit rights to some or all of its projects or reduce its operating structures, including staff and overhead levels, which may delay or suspend the Group's business strategy, have a material adverse effect on the Group's activities or require the Group to sell down an interest in its projects or assets. This may adversely impact the Group's financial condition and the value of the Company's shares, and could ultimately result in the Group being unable to develop the Nolans Project. In addition, any delays in obtaining debt, equity and/or other forms of financing, or any delays in receiving (or the non-receipt of) anticipated government grants, may require the Company to decrease its planned expenditure on certain project related activities while such funding is being secured. This may lead to scheduling disruptions, timetable overruns and an overall delay in the execution of the Nolans Project.

Offtake

The Company must secure sufficient binding offtake volumes to comply with its offtake policy, which requires that at least 80% of planned production be covered by binding offtake agreements (**Binding Offtake Target**). Compliance with the offtake policy is a condition precedent to the drawdown of the financing facilities for the Nolans Project.

Additionally, certain financing facilities which have been conditionally approved by export credit agencies require offtake volumes to be placed into specific jurisdictions prior to drawdown of these facilities. Failure to comply with the Offtake Policy or to meet the jurisdictional placement requirements may preclude the Company from accessing these financing facilities.

To date, the Company has secured binding offtake agreements covering 79% of its Binding Offtake Target and a non-binding Letter of Support covering a further 14% of its Binding Offtake Target. The binding agreements are subject to conditions precedent, including the delivery of first product by specified sunset dates. There is a risk that the Company may be unable to satisfy these conditions or to extend the sunset date for these conditions where required. The sunset date for meeting the conditions precedent under the existing offtake agreements with Hyundai & Kia and Siemens Gamesa RE is 30 June 2026 (refer to ASX announcement dated 7 November 2022) and 30 September 2026 (refer to ASX announcement dated 11 April 2023) respectively. The Company is in the process of negotiating an extension of these sunset dates. While the Company expects to conclude the foregoing extensions, there can be no guarantee the extensions will be achieved on terms consistent with the existing agreements, or at all.

The Group may also fail to meet the product quality requirements and material specifications of its offtake partners. If the Company is unable to enter into binding definitive documentation securing the remainder of the Binding Offtake Target and/or extend the currency of existing binding offtake agreements (including to extend currently negotiated sunset dates), there is a risk that the Company will be unable to access debt finance in the way currently contemplated (or at all). This would have a material adverse impact on the Group's ability to develop the Nolans Project.

Material business risks

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Company specific risks

Communicable disease outbreaks

The outbreak of communicable diseases around the world (such as COVID-19) may lead to interruptions in operations, exploration, development and production activities, inability to source supplies or consumables and higher volatility in the global capital markets and price of rare earth elements or demand for the product of the Group, which may materially and adversely affect the Group's business, financial condition and results of operations.

In addition, such outbreaks may result in restrictions on travel and public transport and prolonged closures of facilities or other workplaces which may have a material adverse effect on the Group and the global economy more generally. Any material change in the Group's operating conditions, the financial markets or the economy as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations.

Exploration, production and project development

The future profitability of the Group is directly related to the results of exploration, development and production activities and costs. Exploration, project development and production involves significant risk.

Exploration is a speculative endeavour with an associated risk of not discovering NdPr and other products in economic quantities and/or grades. There are also risks associated with development of a project to exploit any discovery of NdPr or other products. No assurances can be given that funds spent on exploration and development will result in discoveries or projects that will be commercially viable. During each stage of a project's development there is a risk that forecast capital or operating expenditure estimates may increase, rendering a discovery uneconomic.

Development and production of NdPr and other mining projects may be exposed to low side reserve outcomes, cost and timetable overruns, production decreases or stoppages, which may be the result of commissioning, facility shutdowns, mechanical or technical failure, scheduling disruptions (which may result from delays to funding or decreased spend while funding is secured), technical risks and other unforeseen events. Few rare earths processing plants have been constructed and commissioned outside of the People's Republic of China and, as a result, there may be increased execution risk for the Nolans Project. A significant poor development outcome or failure to maintain production could result in the Group lowering reserve and production forecasts, loss of revenue, increased working capital requirements, and additional operating costs to restore production.

In some instances, a loss of production may result in additional capital expenditure being incurred, which could require the Group to seek additional funding, which may not be available on favourable terms (or at all).

Volatility of the price of rare earth elements

NdPr and other rare earth products are not exchange traded commodities. The Group will require contracts for sale of these mineral commodities. There is no guarantee the Group will secure contracts on terms favourable to the Group or at all.

NdPr and other rare earth product prices will depend on available markets at acceptable prices and distribution and other costs. Pricing of NdPr can also be impacted by government intervention in NdPr markets, such as through direct or indirect support of producers and exporters of NdPr, stockpiling of NdPr, and trade policies, barriers and sanctions. Historically (and at present), the supply of NdPr has been dominated by producers in the People's Republic of China. Policy changes, actions or events that affect that supply may have a significant effect on NdPr prices. Further uncertainty in the forecast price of NdPr has been introduced by recent geopolitical activity including trade tariffs imposed by the United States of America (US), the transaction between the US Department of War and US-based rare earths producer MP Materials, and rare earth export controls introduced by the People's Republic of China. The imposition or escalation of tariffs, trade restrictions or export controls by the US, the People's Republic of China or other jurisdictions may have a material impact on the pricing, supply and demand dynamics of NdPr and other rare earths products, and on the Group's ability to access key markets or secure offtake arrangements on commercially acceptable terms (or at all).

Additionally, technological developments may result in substitution risk and decrease the demand for (and therefore the price of) NdPr and other rare earth products. Demand for NdPr and other rare earth products may also be impacted by demand for downstream products incorporating rare earths, including (but not limited to) hybrid and electric vehicles, wind turbines, robotics, permanent magnets, medical equipment, military equipment and other high-growth advanced motion technologies as well as demand in the general automotive and electronic industries.

Any substantial variation in the price of NdPr and other rare earth products or an increase in the cost of production could have a material impact on the Group.

Metallurgy and hydrometallurgy

Metallurgical testwork is used to develop the mineral processing and hydrometallurgical processes required to convert ore into final products. Scale up, technology and materials handling risks remain as the Group moves from development to commissioning and production. Product recoveries are dependent upon the mineral processing and hydrometallurgical processes, and by their nature contain elements of significant risk such as:

- developing and identifying mineral processing and hydrometallurgical processes through testwork to produce a saleable product;
- scale-up and design of novel processes into a commercial flowsheet based on laboratory and pilot scale testwork results;
- the representative nature of the samples used for the metallurgical testwork of the ore that is mined for processing over the life of mine;
- developing an economic process route to produce a saleable product; and
- changes in mineralogy in the ore deposit resulting in inconsistent product recovery, adversely affecting the economic viability of the Nolans Project.

Capital cost risk

While the Group has completed front end engineering and design activities and is continuing detailed design and tendering activities for procurement contracts (including infrastructure contracts) as part of advancing the design and cost of the Nolans Project, until such time a design definition is complete and contracts are signed, there is a risk that the capital expenditure for the Nolans Project increases above the previous disclosed capital requirements (refer to the Company's ASX announcements "Nolans Project Update" dated 11 November 2022, "Arafura achieves major debt funding milestone presentation" dated 23 July 2024 and "Quarterly Activities Report and Appendix 5B" dated 28 October 2025) due to various macro-economic factors that have directly or indirectly impacted the industry.

In addition, even following the completion of design and the execution of contracts, there is a risk of a cost overrun on the Nolans Project given the inflationary environment (and current geopolitical events and global trade disruptions) which may impact on labour costs, supply costs, transport costs and other costs associated with the Nolans Project. The Group is following an industry standard contracting approach to execution which will likely include the use of a specialised EPCM organisation. There are cost and schedule risks to a successful project outcome if the EPCM organisation does not effectively manage all aspects of the project delivery under their scope.

Material business risks

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Company specific risks

Operating Cost risks

As the Nolans Project progresses towards production, there is a risk that ongoing operating costs may exceed prior estimates (refer to the Company's ASX announcements "Nolans Project Update" dated 11 November 2022, "Arafura achieves major debt funding milestone presentation" dated 23 July 2024 and "Quarterly Activities Report and Appendix 5B" dated 28 October 2025). This may arise due to sustained inflationary pressure on inputs such as reagents, consumables, energy, labour, and logistics. Any significant increase in operating costs could adversely impact the economic performance of the Nolans Project and its ability to meet financing and offtake obligations.

Access to fuel

The development of, and ultimate production from, the Nolans Project will be dependent on a reliable supply of energy and fuel. Any disruption to fuel or energy supply, whether arising from geopolitical conflicts, natural disasters, regulatory intervention (including the impost of tariffs or export controls) or other causes, may adversely affect the Company's ability to construct the Nolans Project to schedule, to budget, or at all.

Fuel and energy prices are subject to significant volatility driven by global crude oil prices, currency fluctuations, regulatory changes, global economic conditions and global conflicts (including the ongoing conflict in Iran and the associated disruption to shipping routes and fuel supply). A sustained increase in fuel or energy costs could increase development expenses and supply-chain costs, adversely affecting the Company's business, financial condition and prospects.

Operating risks

Industry operating risks include, but are not limited to, fires, explosions, environmental hazards, technical failures, unusual or unexpected geological conditions, adverse weather conditions and other accidents. The occurrence of any of these risks could result in substantial losses to the Group due to: injury or loss of life; damage to or destruction of property, natural resources or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties; or suspension of operations. Damages occurring to third parties as a result of such risks may also give rise to claims against the Group.

The occurrence of any of these circumstances could result in the Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Group's financial and operational performance.

Reliance on key personnel and advisors

The ability of the Group to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.

If the Group cannot secure external technical expertise (for example to carry out development activities) or if the services of the present management or technical team cease to be available to the Group, this may affect the Group's ability to achieve its objectives either fully or within the timeframes and the budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Group's performance.

Reliance on third party infrastructure

The Group will rely on third party transportation and other infrastructure, primarily in order to deliver its products to the market and incoming reagents and supplies to the Nolans Project site. Any delay or failure to access or properly maintain operating infrastructure or shared facilities may have a material adverse effect on the Group.

Reserves and resource estimates

Mineral reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates may change or become uncertain when new information becomes available on the tenements through additional exploration, investigations, research, testing or engineering over the life of a project. This applies equally to the Group's production targets in relation to the Nolans Project and any forecast financial information derived from a production target.

In addition, reserve and contingent resource estimates (and production targets and forecast financial information derived from a production target) are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. The actual reserves or contingent resources may differ from those estimated which may result in the Group altering its plans which could have either a positive or negative effect on its operations.

Changes in reserve or resource estimates could also impact the Group's ability to maintain its borrowing capacity with lenders.

Native Title

The *Native Title Act 1993* (Cth), Northern Territory Native Title legislation, Aboriginal land rights and Aboriginal heritage legislation may affect the Group's ability to gain access to prospective exploration areas or obtain any additional mineral leases required. The Group has entered into a Native Title Agreement with the Nolans Project's native title holders and the Central Land Council under which the native title holders provide their consent to the grant of the primary mineral lease, ancillary mineral leases and related access authorities for the Nolans Project (refer to the Company's ASX announcement "Native Title Agreement Executed for Nolans Project" dated 26 June 2020). An amendment to the Native Title Agreement was subsequently executed with the native title holders to cover the mineral leases and extractive mineral permits, the explosives magazine, the proposed stage 1 solar farm, the borrow pits and to effect minor changes to various access authorities.

On 22 July 2020, the Company announced that the mineral leases for the Nolans Project had been granted by the Northern Territory Government and, on 9 February 2021, the Company announced that the mineral leases for areas supporting the Nolans Project (which will host the Nolans borefield) had been granted by the Northern Territory Government (refer to the Company's ASX announcements "Nolans Mineral Leases granted by NT Government" dated 22 July 2020 and "Mineral Leases granted by NT Government secures Borefield" dated 9 February 2021). The Group will need to comply with the Native Title Agreement to avoid any potentially adverse consequences.

The Group may, from time to time, need to negotiate with native title claimants for access rights to certain tenements, or for certain activities or granting of additional leases, outside those covered by the Native Title Agreement. There may be significant delays and costs associated with these negotiations and to reach agreement acceptable to all relevant parties. At this stage, it is not possible to quantify the potential impact that these developments may have on the operations of the Group.

Material business risks

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Company specific risks

Environmental

The Group's exploration, development and production activities are subject to legislation regarding environmental matters.

The legal framework governing this area is complex and constantly developing. There is a risk that the environmental regulations may become more onerous, making the Group's operations more expensive and/or subject to potential delays. The Group may become subject to liability for pollution, CO2 emissions or other hazards against which it is not insured or cannot insure, including those in respect of past activities for which it was not responsible.

The Group's operations are subject to the Northern Territory and Commonwealth laws and regulations regarding the environment, including hazards and discharge of hazardous waste and materials. The mining and processing of Normally Occurring Radioactive Materials and the disposal of radioactive waste is subject to additional laws and regulations regarding environmental matters. The cost of compliance with these laws and regulations may impact the cost of exploration, development, operation of the production facilities and mine closure costs and may result in these costs exceeding what has been allowed for in the estimates used to develop forward looking statements around the economic performance of the Nolans Project.

Tenure

Securing and maintaining tenure over mining tenements is critical to the future development of the Group's projects. All mining tenements which the Group may acquire either by application, sale and purchase or by way of farm-in arrangements are regulated by the applicable state or territory mining legislation.

There is no guarantee that future applications for ungranted tenements will be granted as applied for (although the Group has no reason to believe that any tenements required for the Nolans Project or identified as being required in the future will not be granted in due course). Various conditions may also be imposed as a condition of grant. In addition, the relevant minister may need to consent to any transfer of a tenement to the Group.

Renewal of titles is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable state or territory mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

Under the *Mineral Titles Act 2010* (NT) (**MT Act**), a 'person who has an interest in land' (as defined in the MT Act) is entitled to compensation from the holder of a mineral title for:

- damage to the land, and any improvements on the land, caused by activities conducted under the title; and
- any loss suffered as a result of that damage.

The compensation to which a person is entitled depends upon the type of land in question (for example, whether it is freehold land or a pastoral lease) and the nature of the activities that caused the damage to the land (for example, whether they were exploration activities or mining activities). The MT Act does not require the Group to enter into landholder agreements with all or any of the persons who have interests in the land prior to the commencement of development of, or operations for, the Nolans Project and the Group has a right of access to its mineral titles and a right to occupy and use its mineral titles in accordance with their terms, the MT Act, the *Mining Management Act 2001* (NT) and the *Environmental Protection Act 2019* (NT).

The Company has entered a Compensation Deed with the landholder covering the Nolans Project site, to formalise access and compensation arrangement associated with the Project (refer to ASX announcement "Execution Readiness Update" dated 10 March 2026). However, there remains a risk of disputes or further claims for compensation that the current or any future landholder may be entitled to pursue. Such persons may be able to apply to the Northern Territory Civil and Administrative Tribunal for a decision in respect of the compensation payable to the person (and associated matters) in the event that the parties are unable to reach agreement on the compensation payable by the Group to the person. There is a risk that the compensation payable to the persons who have interests in the relevant land may exceed any estimates included in the operating cost estimates used to develop forward looking statements around the Nolans Project's economic performance.

Legislative changes, government policy and approvals

The Group requires government regulatory approvals for its operations. Changes in government, monetary policies, taxation and other laws in Australia or internationally may impact the Group's operations.

The impact of actions by state, territory and federal governments may affect the Group's activities including such matters as access to lands and infrastructure, compliance with environmental regulations, production and exploration activities. This may from time to time affect timing and scope of work to be undertaken. No guarantee can be given that all necessary permits, authorisations, agreements or licences will be provided to the Group by government bodies, or if they are, that they will be renewed or not revoked if already granted.

The Group has received environmental approval from the Australian Government and the Northern Territory Environment Protection Authority under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

The Group has received approval from the Northern Territory Government for its Mining Management Plan, which provides its Mining Authorisation for the Nolans Project.

The Group's Groundwater Extraction Licence relating to the water supply for the Nolans Project was approved in March 2023 for a period of 10 years after which extension of the approval is required. There is a risk that non-compliance by the Group with all issued approvals will result in fines, disciplinary action and/or loss of social licence to operate, and a risk that all approvals or licences with expiry dates will not be able to be extended or re-negotiated.

Foreign investment and government intervention risk

Rare earths (including NdPr) are classified as critical minerals by the Australian Government. Accordingly, the Nolans Project and investments in the Company may be subject to heightened scrutiny under Australia's foreign investment framework.

Investments in the Company by foreign persons may require Foreign Investment Review Board approval, and such approval may be granted subject to conditions, which may include conditions relating to the maintenance of Australian ownership or control, data security, and restrictions on foreign involvement. Such requirements may also affect the Group's ability to maintain or enter into financing arrangements with certain foreign lenders or export credit agencies.

The Australian Government may also impose restrictions or conditions on the development and operation of, or export of critical minerals (including NdPr) from, critical minerals projects such as the Nolans Project in order to safeguard national interests.

These requirements may have an adverse impact on the Company's ability to attract investors (including cornerstone investors), limit or delay future strategic transactions involving the Group, and limit the Company's ability to secure offtake agreements with various counterparties. Each of these could be expected to have a material adverse impact on the Group's business.

Material business risks

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Company specific risks

Critical minerals policy risk

While the classification of rare earth elements (including NdPr) as critical minerals by global governments may provide the Group with access to government support, grants and favourable policy settings, it also exposes the Group to risks associated with changing government priorities, the possible introduction of regulatory frameworks specific to critical minerals, and increased scrutiny of foreign investment in critical minerals and the export of critical minerals products.

Favourable government critical minerals policies may also support the development of competing projects or alternative supply chains, which could adversely affect the Group's position in the market and its ability to attract investment and offtakers.

There is no guarantee that current or proposed government support programs will be maintained, extended or made available to the Group.

Occupational health and safety

Occupational health and safety legislation and regulations differ in each jurisdiction. Exploration and production activities may expose the Group's staff and contractors to potentially dangerous working environments. If any of the Group's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Group's business (including financial position) and reputation.

Third party risk

The Group will rely significantly on strategic relationships with other entities and on a good relationship with regulatory and government departments and other interest holders. The Group will also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will be maintained, or that new ones will be successfully formed. The Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

Insurance

Insurance of all risks associated with mineral exploration and production is not always available and, where available, the cost can be high. The Group maintains insurance within a coverage range that it considers to be consistent with industry practice and appropriate for its needs and will update this insurance as required as Group activities evolve through the development and operation of the Nolans Project. The occurrence of an event that is uninsurable, not covered, or only partially covered by insurance could have a material adverse effect on the Group's business and financial position.

Litigation risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employment claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. If proven, any such claim or dispute may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

Climate change risk

Climate change is a risk the Group has considered, particularly related to its operations in the mining industry. A key climate change risk particularly attributable to the Group is the emergence of new or expanded regulations associated with transitioning to a lower-carbon economy and market changes related to climate change mitigation.

The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns.

All risks associated with climate change may significantly change the industry in which the Group operates.

Financial risks

The Group's activities expose it to a variety of financial risks, including:

- *Market risk*: The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, interest rate risk, price risk, credit risk and liquidity risk (maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities). The Group's future activities will be subject to volatility and fluctuations in those particular areas.
- *Foreign exchange/currency risk*: The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures with respect to changes in foreign exchange rates. The Group's future commercial transactions include product sales, capital expenditure, purchase of foreign sourced inputs and debt facilities. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.
- *Interest rate and credit risk*: This relates to the risk that interest rates applicable to the Group may fluctuate and have an impact on the value of the Group's assets and liabilities.
- *Liquidity risk*: This relates to the ability of the Group to maintain sufficient cash and the availability of funding through an adequate amount of committed credit facilities to support the Group's operations.

Material business risks

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Company specific risks

Shareholder approval risk – Tranche 2 of the Placement and SPP

The issue of New Shares under Tranche 2 of the Placement and the SPP is subject to the Company obtaining the LR 7.1 Shareholder Approval at a General Meeting.

There is no certainty that Shareholders will approve the issue of New Shares under the Tranche 2 of the Placement or the SPP. In the event Shareholders do not approve Tranche 2 of the Placement or the SPP, this could be expected to have an adverse impact on the Company's ability to raise the full amount of proceeds contemplated by the capital raising, and therefore may impact the ability of the Group to achieve some or all of the outcomes targeted from the proceeds of the capital raising, including in respect of the development of the Nolans Project.

Further details regarding the Shareholder approvals being sought, including the consequences if the relevant resolution is not passed, will be set out in the notice of meeting which will be prepared and dispatched by the Company and released on ASX in due course.

Shareholder Approval Risk – Cornerstone Investors

The issue of Shares to EFA and KfW, and the issue of Convertible Notes to NRFC, is also subject to Shareholder Approval at a General Meeting. There is no certainty that Shareholders will approve any issue of securities to Cornerstone Investors. In the event that Shareholders do not approve the Cornerstone issues, the Company will be unable to fully fund the equity component of the Nolans Project as currently envisaged.

The issue of Convertible Notes to NRFC is conditional upon the Company having raised (with the exception of the NRFC funds) the amount required to fully fund the equity component of the Nolans Project. Accordingly, even if Shareholders approve the issue of Convertible Notes to NRFC, if Shareholders do not approve Tranche 2 of the Placement, and/or the issue of Shares to EFA and KfW, the Company will be unable to proceed with the issue of Convertible Notes to NRFC.

The issue of Shares to EFA and KfW are both inter-conditional on the issue of Shares under the public offer (comprising the Placement) and the issue of Shares to the other Cornerstone Investor. Accordingly, even if Shareholders approve (for example) the issue of Shares to KfW, if Shareholders do not approve any (or all) of the other offers and/or the issue of Shares to EFA, the Company will be unable to proceed with the issue of Shares to KfW, and the proposed issue to the Cornerstone Investors will not proceed.

Any of the above events would be expected to have a material adverse impact on the Company's planned development of the Nolans Project.

Further details regarding the Shareholder approvals being sought at a General Meeting, including the consequences if the relevant resolution is not passed, will be set out in the notice of meeting which will be prepared and dispatched by the Company and released on ASX (prior to the General Meeting).

Underwriting risk

With the exception of Hancock's commitment, the Placement is fully underwritten. The Company has entered into a placement underwriting agreement (**Placement Agreement**) with the joint lead managers of the Placement (**JLMs**) in respect of the management and underwriting of the Placement. The Placement Agreement contains representations, warranties and indemnities in favour of the JLMs and each JLM may be able to terminate their underwriting commitments on the occurrence of a number of events. A summary of those events is set out in Appendix D to this presentation. Termination of the Placement could be expected to have an adverse impact on the Company's ability to raise the full amount of proceeds contemplated by the broader capital raising announced on Friday, 22 May 2026, and therefore may impact the ability of the Group to achieve some or all of the outcomes targeted from the proceeds of the capital raising.

Material business risks

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General risks

General market and economic factors

The operating and financial performance of the Group is influenced by a number of general economic and business conditions.

Generally applicable factors which may affect the operating and financial performance of the Group include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- commodity prices;
- changes in interest rates and the rate of inflation;
- changes in government legislation and policies, including taxation laws, the imposition of tariffs and foreign investment legislation;
- announcement of new technologies; and
- geo-political instability, including international hostilities and acts of terrorism.

Further, the effect of these conditions on the Group's ability to obtain new debt financing, and the terms on which any such financing can be obtained, is uncertain. If these conditions result in the Group being unable to obtain new debt financing, or to do so on reasonable terms, this may have an adverse impact on its financial position, financial performance and/or share price. The Group's operational and financial performance and position may be adversely affected by a worsening of international economic and market conditions and related factors. It is also possible that new risks might emerge as a result of global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable.

Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Taxation

The disposal of New Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All investors are urged to obtain independent financial advice about the consequences of disposing of New Shares from both a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of acquiring or disposing of New Shares under this equity raising.

Competition

The Company will compete with other companies, including major mining companies in Australia and internationally. Some of these companies will have greater financial and other resources than the Group and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Group can compete effectively with these companies.

Force majeure

The Group's projects now or in the future may be adversely affected by risks outside the control of the Group, including fires, labour unrest, civil disorder, war, subversive activities or sabotage, floods, pandemics, explosions or other catastrophes, epidemics or quarantine restrictions.

Iran conflict

The ongoing conflict in Iran and associated trade disruptions may have a material impact on the Group's cost base and its ability to construct the Nolans Project to budget or at all. The Company continues to monitor the direct and indirect effects of the Iran conflict on its operations.

The impact of the Iran conflict on global fuel prices has had, and may continue to have, an adverse effect on the Company's planned development of the Nolans Project. While the Company continues to undertake sensitivity analysis to better understand the potential impact of a global fuel shortage, the Company anticipates the major impact of any prolonged conflict (including any prolonged disruption to the Strait of Hormuz) will be in relation to costs incurred by the Group. While the ultimate effect of the conflict is unknown, the Company anticipates that higher fuel prices may increase costs under contracts for fuel supply, earthworks, packaging, freight and travel (among others).

While the duration and ultimate impact of the conflict is uncertain, any sustained increase in pricing under the Company's key contracts may have a material and adverse impact on the Nolans Project.

The Iran conflict has also impacted upon global trade and freight routes. While the Group has identified alternative suppliers for items of equipment required for the development of the Nolans Project, there is a risk that the Group will be unable to procure key items required to progress the Nolans Project in a timely manner or at all.

Russia-Ukraine and Israel-Palestine conflict

The ongoing Russia-Ukraine and Israel-Palestine conflicts have had and will continue to have a significant impact on global economic markets. Although the Group considers the current impact of the conflicts on the Group to be limited, given that the conflicts are ongoing and volatile in nature, the future effect of the conflicts on the Group is uncertain. The conflicts may have an adverse effect on the Company's share price or operations which will likely be out of the Group's control.

Data and information technology

The Group's computer systems are subject to the risks of unauthorised access, computer hackers, computer viruses, malicious code, organised cyber-attacks and other security problems and system disruptions, including possible unauthorised access to proprietary or classified information. Any of these events could damage the Group's reputation and have a material adverse effect on its business, reputation, results of operations and financial condition. There is also a risk that the Group's systems for capturing data and intellectual property for project development are ultimately not effective.

Speculative investment

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Group or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Group and the value of the Company's securities. An investment in the Company is speculative and investors should consult their professional adviser before applying for or disposing of securities in the Company.

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Appendix C

International offer restrictions

ARAFURA RESOURCES LIMITED

International offer restrictions

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This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (Alberta, British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of Alberta, British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are (i) "accredited investors" (as defined in National Instrument 45-106 – *Prospectus Exemptions*) and (ii) "permitted clients" (as defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) if a lead manager offering the New Shares in Canada is relying upon the international dealer exemption under NI 31-103.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

International offer restrictions

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European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Japan

The New Shares have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

International offer restrictions

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Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to "professional investors" (as defined in the SCA Board of Directors' Decision No.13/RM of 2021, as amended).

No offer of New Shares will be made to, and no subscription for New Shares will be permitted from, any person in the Abu Dhabi Global Market or the Dubai International Financial Centre.

International offer restrictions

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United Kingdom

This document has not been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of Regulation 21 of The Public Offers and Admissions to Trading Regulations 2024 ("POATRs")) has been published or is required to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of paragraph 2 of Schedule 1 to the POATRs) in the United Kingdom. The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document except pursuant to an exemption from the general prohibition on offers of relevant securities to the public in the United Kingdom. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) received in connection with the offer or sale of the New Shares has been, and only will be, communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares may be offered and sold in the United States only to:

- "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

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Appendix D

Underwriting Agreement

ARAFURA
RESOURCES LIMITED

Summary of Underwriting Agreement

ARAFURA RARE EARTHS LIMITED

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The Company has entered into a placement underwriting agreement with the Joint Lead Managers (**JLMs**) in respect of the management and underwriting of the placement (**Placement Agreement**).

The Placement Agreement contains representations, warranties and indemnities in favour of the JLMs. Each Joint Lead Manager may, in certain circumstances, terminate its obligations under the Placement Agreement on the occurrence of the following events:

(a) (*) the Company is in breach of any of the terms and conditions of the Placement Agreement or any of the Company's representations or warranties in the Placement Agreement is not true or correct when made or taken to be made;

(b) an event specified in the timetable for the transaction is delayed by, in the period up to and including the settlement date for Tranche 1 of the Placement, more than two business days, or in the period after the settlement date for Tranche 1 of the Placement, more than three business days, or in any event in a manner which constitutes a breach of the ASX Listing Rules and, in all cases, such delay is not a delay event solely within the control of the JLMs or a delay agreed to between the Company and the JLMs in writing;

(c) in the JLMs' reasonable opinion, a statement in any offer document is or becomes false, misleading or deceptive or is likely to mislead or deceive (including by omission) or otherwise fails to comply with applicable laws;

(d) (*) an obligation arises on the Company to give the ASX a notice in accordance section 708A(9) of the Corporations Act;

(e) (*) responses to the Company's due diligence questionnaire or any other information supplied by or on behalf of the Company to the JLMs in relation to the Company and its subsidiaries (**Group**) or the Placement is, or becomes, false or misleading or deceptive, or likely to mislead or deceive, including by way of omission or misstatement;

(f) (*) the Company does not issue the required notices or certificates to the JLMs under the Placement Agreement when required, or such certificates are misleading, inaccurate, untrue or incorrect;

(g) the confirmation letter from Hancock regarding Hancock's irrevocable commitment to subscribe for Placement shares is terminated, otherwise ceases to be valid, binding or in full force and effect, and is not replaced by a binding letter duly executed by the Hancock counterparty in a form acceptable by the JLMs no later than two business days before either (in the event the above occurs prior to the settlement date for Tranche 1) the Tranche 1 settlement date, or (in the event the above occurs prior to the settlement date for Tranche 2) the Tranche 2 settlement date;

(h) the Hancock party to the confirmation letter referred to in (g) above becomes insolvent or ceases to be an eligible investor;

(i) the Company fails to deliver to the JLMs evidence of receipt of cleared funds from the Hancock investor for Hancock's Tranche 1 subscription by 12:00pm on the day prior to the Tranche 1 settlement date; and for Hancock's Tranche 2 subscription by 12:00pm on the date of the extraordinary general meeting to approve the issue of the Tranche 2 shares;

(j) any of the KfW equity commitment, the EFA equity commitment or the NRFC convertible note commitment (each a **Cornerstone Equity Commitment**) is withdrawn, revoked, terminated, materially varied or otherwise ceases to be binding or have effect (noting that neither finalisation of the binding convertible note subscription agreement and convertible note deed poll with the NRFC, nor the upsizing of the funds committed under those arrangements beyond $200 million, will trigger this provision);

(k) any condition precedent of a Cornerstone Equity Commitment is not satisfied by the time it is required to be satisfied or otherwise becomes incapable of satisfaction (noting that an extension of a date for satisfaction of such a condition precedent will not trigger this provision);

(l) (*) a Group member breaches, or defaults under a debt or financing arrangement or any related documentation to which that entity is a party which is not promptly remedied or waived by the relevant financier or financiers;

(m) (*) an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing or other similar material event occurs under or in respect to any such debt or financing arrangement or related documentation which is not promptly remedied or waived by the relevant financier or financiers;

(n) (*) any financing or related arrangement referred to in any offer document is not or will not be refinanced, terminated, amended or entered in to (or a consent or waiver is or will not be given in relation to any such financing or related arrangement) in substantially the same manner or by the time described in the offer documents, or a condition precedent, or condition to funds being available for draw down, under any such arrangement is not or will not be, or is incapable of being, satisfied by the time and in the manner required;

(o) (*) any of the key approved debt facilities announced by the Company to ASX as forming part of the financing for Nolans is withdrawn, revoked, terminated, materially varied or ceases to have effect, or any financier, export credit agency or government entity providing support under such facilities notifies the Company (or publicly announces) that it does not intend to proceed with, or is materially reducing or suspending, its participation in that facility;

(p) (*) any of the facilities referred to in paragraph (o) above has lapsed, expired, or otherwise become incapable of being completed on materially the same terms as disclosed by the Company immediately prior to the date of the Placement Agreement;

(q) any offtake agreement (including any binding offtake term sheet), to which a Group member is a party as at the date of the Placement Agreement, is withdrawn, revoked, terminated, materially adversely varied or otherwise ceases to be binding or have effect;

(r) the Company is unable or unlikely to issue the Tranche 1 or Tranche 2 shares on the dates contemplated in the timetable for the transaction;

(s) the Company alters its capital structure (other than as contemplated in the Placement Agreement or the launch announcement) or constitution without the prior consent of the JLMs;

(t) (*) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of any Group member to that disclosed in ASX announcements, the due diligence questionnaire for the Placement or the Company's most recent financial reports;

(u) (*) a change to the board of directors or to the CEO or CFO of the Company occurs or is announced;

(v) the Company, any of its directors, the CFO or any other officer of the Company is charged in relation to any fraudulent conduct or activity whether or not in connection with the Placement;

(w) the Company or one of its substantial subsidiaries (>5% consolidated assets or earnings of the Group) (**Material Group Member**) is or becomes insolvent or there is an act or omission, or circumstance that arises which is likely to result in the Company or a Material Group Member becoming insolvent;

(x) ASIC issues, or threatens to issue, proceedings or commences any inquiry or investigation in relation to the Placement or SPP under Part 3 of the ASIC Act and such proceedings, inquiry or investigation become public or is not withdrawn within 2 Business Days after it is made or, where it is made less than 2 Business Days before the Tranche 1 settlement date or the Tranche 2 settlement date, it has not been withdrawn by the Tranche 1 settlement date or the Tranche 2 settlement date respectively;

Summary of Underwriting Agreement

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y) the ASX makes any official statement to any person, or indicates to the Company or the JLMs that existing shares of the Company will be suspended from quotation, the Company will be removed from the official list or that quotation of all of the shares to be issued under the Placement will not be granted by the ASX or such approval has not been given before the close of business on the last date on which the applicable Placement shares may be allotted or such suspension from quotation occurs;

z) (*) any regulatory body commences any public action against an officer of the Company (in their capacity as an officer) or announces that it intends to take any such action, or an officer of the Company is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;

aa) any government or any governmental or regulatory body issues, or threatens to issue, proceedings or commences any inquiry or investigation into the Company, the Placement or the SPP;

bb) hostilities not presently existing commence (whether was has been declared or not) or there is a major escalation of existing hostilities (whether war has been declared or not) involving any one or more of Australia, New Zealand, the US, Japan, South Korea, North Korea, the UK, any member state of the EU, Hong Kong, Iraq, Syria, Ukraine, Russia, the People's Republic of China, Israel, Iran, Lebanon, the United Arab Emirates, Yemen, Jordan, Qatar, Kuwait, Saudi Arabia, Bahrain, Oman, Singapore or any member of the North Atlantic Treaty Organisation, or a terrorist act is perpetrated on any of those countries or any diplomatic military, commercial or political establishment of any of those countries elsewhere in the world or chemical, nuclear or biological weapons of any sort are used in connection with the Ukraine conflict that is ongoing at the date of the Placement Agreement;

cc) the S&P/ASX 200 Index on any Business Day in the period up to and including the Tranche 1 settlement date, falls by 10% or more below its level at market close on the ASX trading day immediately prior to the date of the Placement Agreement (**Starting Level**) or, in the period after the Tranche 1 settlement date, closes on three consecutive Business Days or on the Business Day immediately preceding the Tranche 2 settlement date at a level that is 10% or more below the Starting Level;

dd) (*) there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Placement Agreement);

ee) (*) something referred to in paragraph (cc) occurs which does or is likely to prohibit, regulate or otherwise adversely affect the Placement or capital issues;

ff) (*) any of the following occurs:

- a general moratorium on commercial banking activities in Australia, the United States, Hong Kong, the People's Republic of China or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- trading in all securities quoted on ASX, the London Stock Exchange, Hong Kong Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect, for more than one day on which that exchange is open for trading; or
- there is any adverse change or disruption to the political conditions or financial markets of Australia, the United States, Hong Kong, the People's Republic of China or the United Kingdom or the international financial markets or any change involving a prospective adverse change in national or international political, economic or financial conditions.

Certain termination events noted above (marked with an *) will only entitle a Joint Lead Manager to exercise its rights to terminate its obligations under the Placement Agreement if the Joint Lead Manager it has reasonable and bona fide grounds to believe and does believe that the relevant event:

a) will, or is likely to, give rise to a liability of the JLMs under, or give rise to, or result in, the JLMs contravening, or being considered to be involved in a contravention of, any applicable law;

b) has, or is likely to have, a material adverse effect on the:

   a. marketing, settlement or outcome of the Placement, or on the ability of the JLMs to market or promote or settle the placement, or;

   b. the likely trading price of the Company's shares; or

   c. the willingness of investors to subscribe for Placement shares.

If either Joint Lead Manager terminates its obligations under the Placement Agreement, that Joint Lead Manager will be immediately relieved of its obligations under the Placement Agreement. Termination of the Placement Agreement could have an adverse impact on the amount of proceeds raised under the placement.

For details of fees payable to the JLMs, see the Appendix 3B released to the ASX in relation to the Placement.

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ARAFURA
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