

ABOUT ARAFURA

Redefining responsible rare earths processing to enable the global energy transition



Company Overview

Arafura Rare Earths Limited (Arafura) is an ASX-listed (ASX: ARU) mining company focused on developing its 100%-owned Nolans Project.

- ➔ Nolans is located 135km north of Alice Springs in the Northern Territory of Australia.
- ➔ Nolans is a long-life and high margin project that will encompass a mine and advanced on-site rare earth oxide manufacturing facility.
- ➔ Underpinned by a scaleable mineral resource particularly enriched in 'magnet feed' rare earths are used in electric vehicle motors and wind turbine generators, including NdPr, dysprosium and terbium.
- ➔ Construction ready with environmental permits and approvals in place and mineral lease/license granted.
- ➔ Aligned to global policy agendas to develop secure, resilient and sustainable diversified supply.



Investment Highlights

Globally significant, world-class asset

- Long life and large scale; Nolans has a 38-year mine life underpinned by a high-grade mineral resource of 56Mt at 2.6% total rare earth oxide (26.4% NdPr enrichment).
- Average run rate of 4,440tpa NdPr oxide and 573tpa SEG-HRE (includes dysprosium and terbium).

Construction ready and located next to existing infrastructure

- The most advanced rare earth ore-to-oxide project in the western world.
- Located close to existing infrastructure and 135km north of Alice Springs in the Northern Territory.

Low-cost operation

- Low-cost operation with unit costs of <US\$30/kg¹ NdPr oxide.
- Nolans sits comfortably in the 1st quartile of the global cost curve underpinning attractive economics through-the-cycle.

Debt funding and initial cornerstone investment complete

- Debt facilities totaling US\$1,055m credit approved by nine lenders across five countries.
- Equity funding advancing with US\$133m² cornerstone investment commitment received from the NRFC.
- €100m cornerstone investment from the German Raw Materials Fund referred for appraisal.

Binding offtakes secured and robust demand fundamentals

- Targeting 80% of planned production to binding offtake agreements with tier 1 customers.
- 66% secured with Hyundai and Kia, Siemens Gamesa and global trading group Traxys.
- Market fundamentals for NdPr Oxide remain robust; Nolans production aligned to forecast structural supply deficit.



NPV₈

Base and incentive case after tax **NPV₈ of US\$1.7bn and US\$2.5bn**



IRR

Base and incentive case **IRR of 17.2% and 20.6%**



EBITDA

Significant life of mine average base and incentive case **EBITDA of US\$460m & US\$592m**

1) Net of P₂O₅ credit

2) Assumed foreign exchange rate of USD:AUD 66.5

Precarious reliance on supply of NdPr



Demand expected to nearly double by 2037 and development pipeline is challenging³



Export restrictions by China are tightening supplies, raising prices and forcing idling of EV plants (e.g. Ford in Chicago)



Arafura witnessing firsthand policy responses to **develop alternative supply chains** and potential price divergence between China and other markets



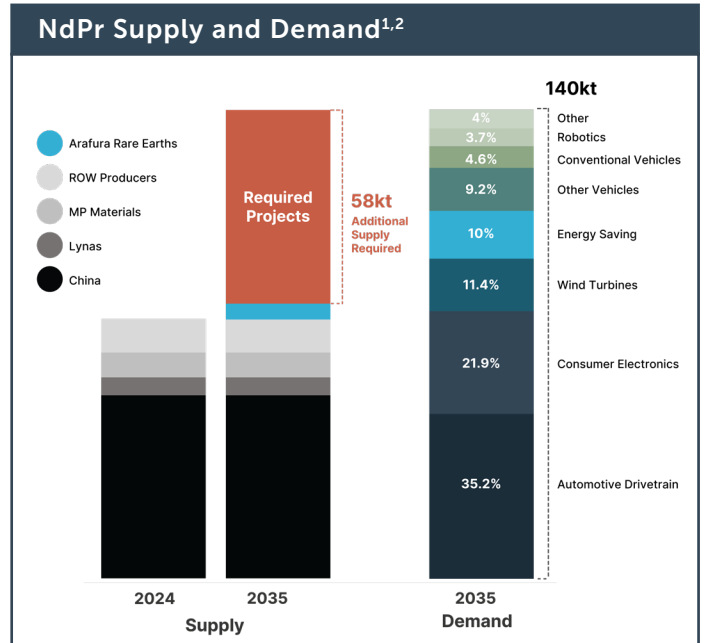
Demand growth of 8% CAGR from 2024 to 2035 driven by the transition to low-carbon economy (EV, wind & robotics)



Long-term deficits in magnet supply could **constrain EV and wind turbine production** without new sources

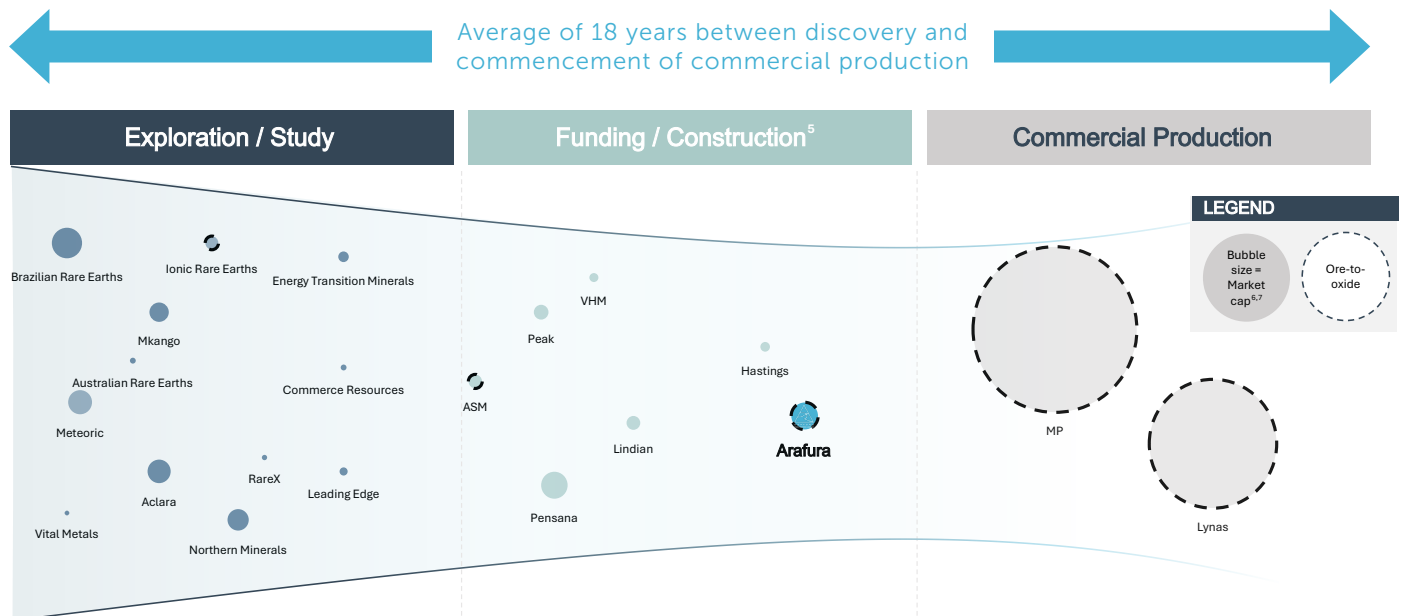


Emerging thematic: between 2024 and 2035 CAGR for robotics is ~22%⁴



Nolans is the only new near-term solution to supply chain vulnerability

- ➔ Highly constrained pipeline of new projects to meet growing demand for ex-China sources of supply
- ➔ Nolans uniquely positioned as one of the most advanced among non-producing rare earths companies globally



1) Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q3 2024)

2) CRU - 2025 Rare Earths Special Report, Project Blue - Rare Earths Report 2025 Q2 was used for the demand breakdown by segment (end-use)

3) Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (H2 2024)

4) Adamas Intelligence, "Rare Earth Magnet Market Outlook to 2040" (Q3 2024)

5) Groups sitting in funding/construction phase are subject to funding, offtake activities, completion of construction and development, commissioning and general market conditions

6) Based on share prices as at 30 July 2025

7) 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

YOUTUBE



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