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ASX: ARU

Arafura Rare Earths

Investor Presentation

August 2025

ARAFURA
RARE EARTHS LIMITED

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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.

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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.

The information in this presentation that relates to forecast financial information (including forecast financial information derived from the production target) is extracted from the Company's ASX presentation dated 23 July 2024 (Arafura achieves major debt funding milestone). Arafura confirms that, all material assumptions underpinning the forecast financial information (and forecast financial information derived from the production target) set out in the announcement released on 23 July 2024 continue to apply and have not materially changed. The Company believes it has a reasonable basis for making the forward-looking statements in this presentation (including with respect to forecast financial information).

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The Nolan's Project

NdPr Oxide
4,440 tpa

SEG/HRE Oxide[2]
573 tpa
(Includes Dy and Tb)

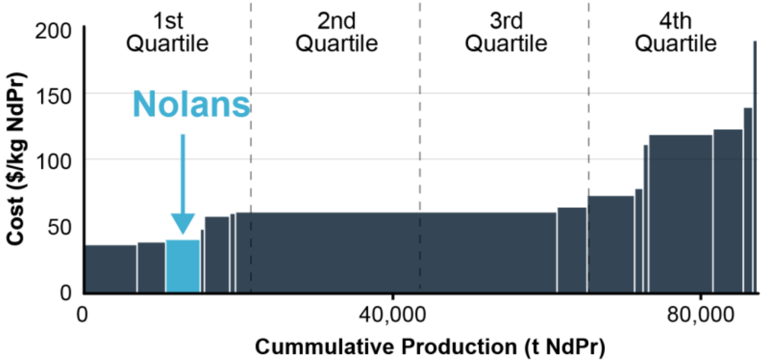
Phos acid
144,393 tpa
(54% P_2O_5 MGA)

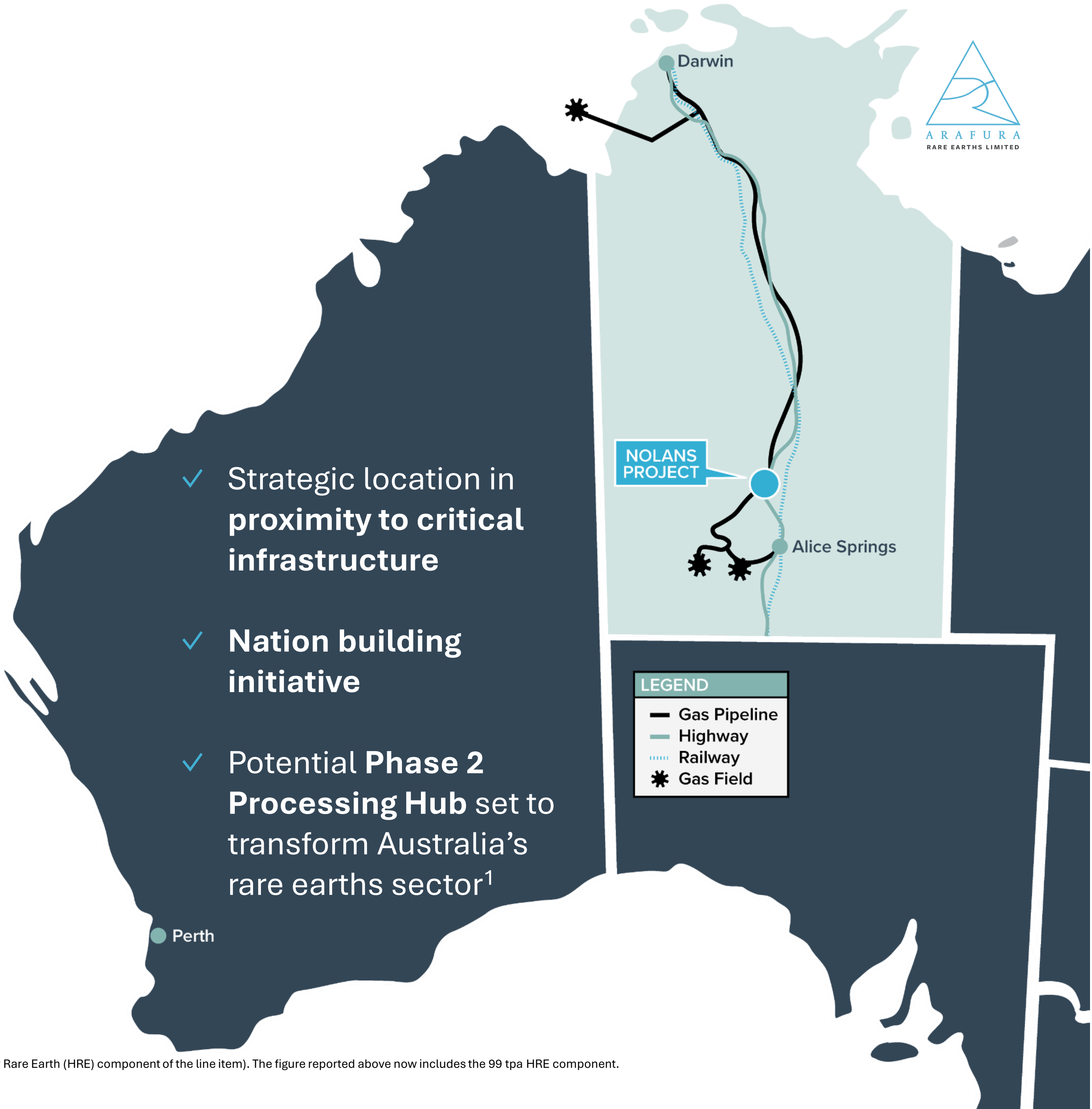
Mine Life
+38 years

Capex[1]
US$1,226 m
(including contingency)

NPV_8 after tax[1]
US$1,729 m (base)
US$2,549 m (incentive)

Nolans is forecast to sit comfortably in **first quartile of cost curve[3]**





- ✓ Strategic location in **proximity to critical infrastructure**
- ✓ **Nation building initiative**
- ✓ Potential **Phase 2 Processing Hub** set to transform Australia's rare earths sector[1]

[1] Refer to ASX Announcement dated 23 July 2024
[2] In the 2022 Nolans Project Update (Refer to ASX Announcement dated 11 November 2022), SEG was reported as 474 tpa (as that figure did not include the 99 tpa Heavy Rare Earth (HRE) component of the line item). The figure reported above now includes the 99 tpa HRE component.
[3] CRU Rare Earths Cost Curve, April 2024. Based on CRU independent estimate of Nolans operating costs in 2030. May not be consistent with Arafura's published costs.

Single site, ore to oxide

Stuart Highway 10km east

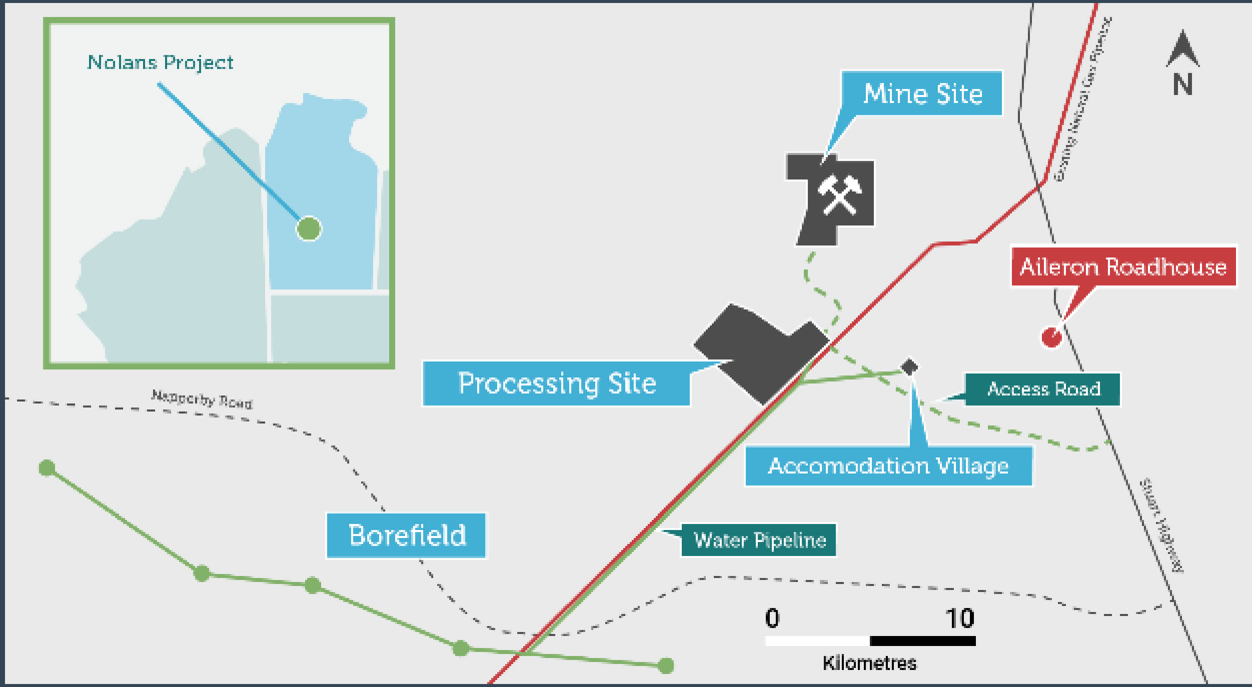
Water supply 25km southwest

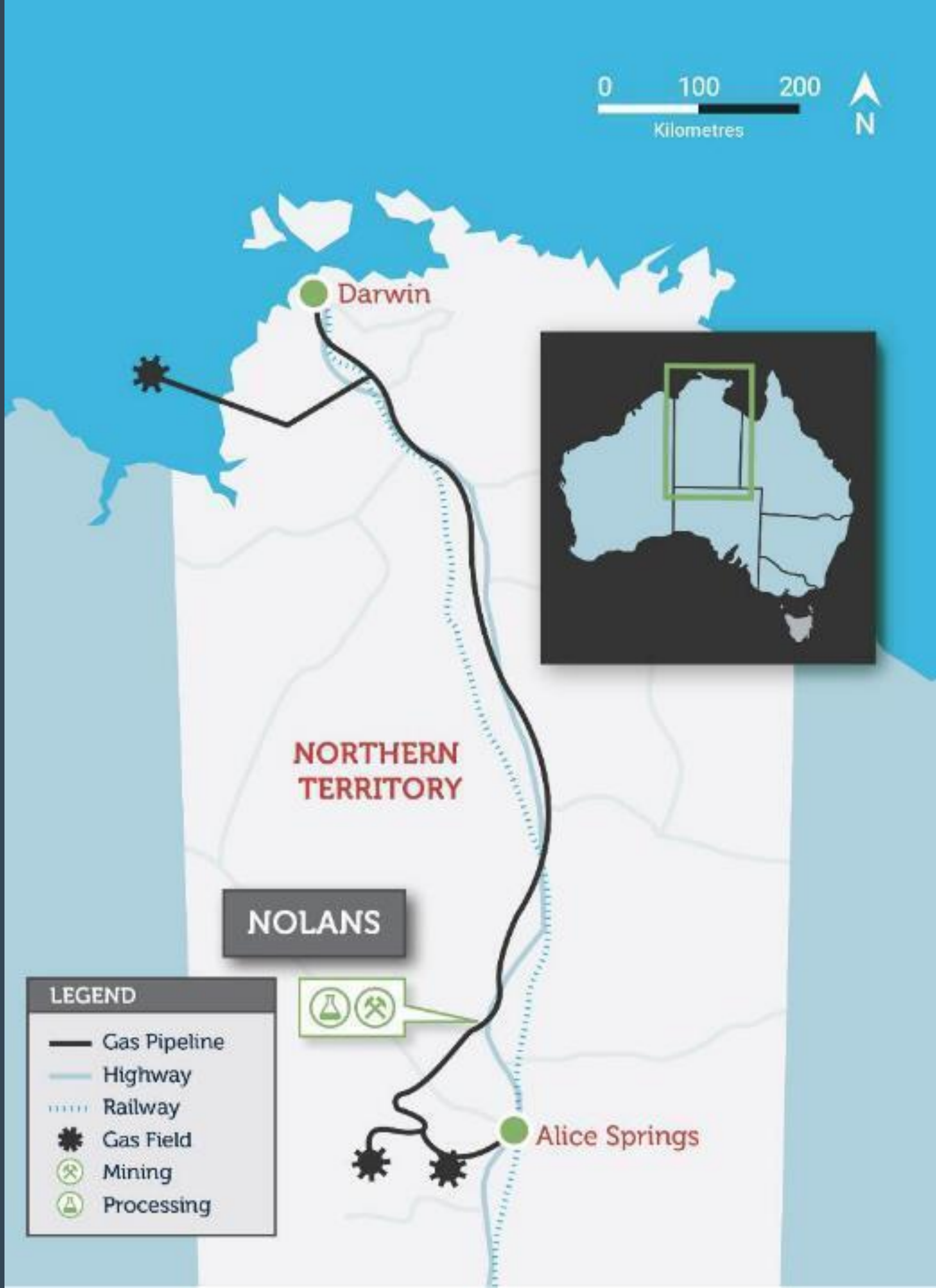
Alice Springs railyard, airport and other services 135km south

Amadeus natural gas pipeline adjacent to site

Tailings and waste management at site

Deep water port and associated infrastructure at Darwin





Construction ready

Once financed, we are ready to go

Environmental permits and approvals in place

Granted mineral lease / license

Access to existing infrastructure

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

Experienced Board and leadership team supported by Hatch

Construction to commence when funding complete

Project well defined with process plant engineering enabling stable capital forecast

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

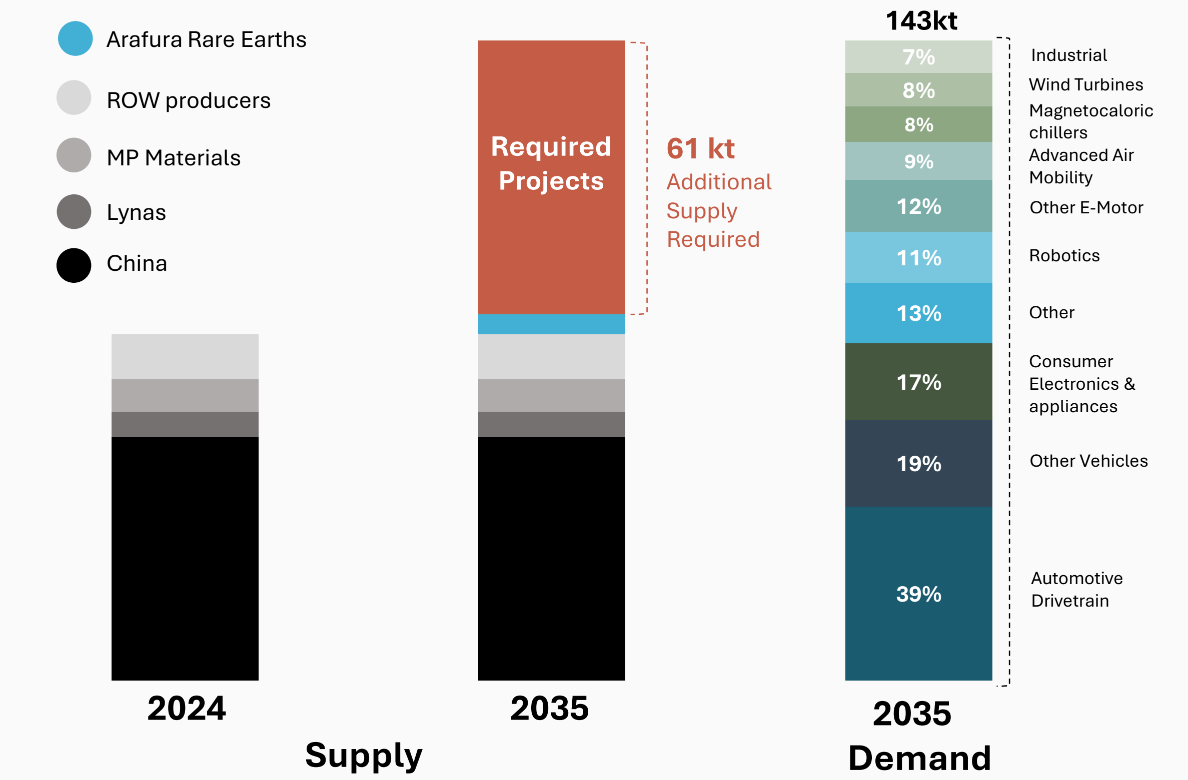
More than one Nolans project required every year

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]

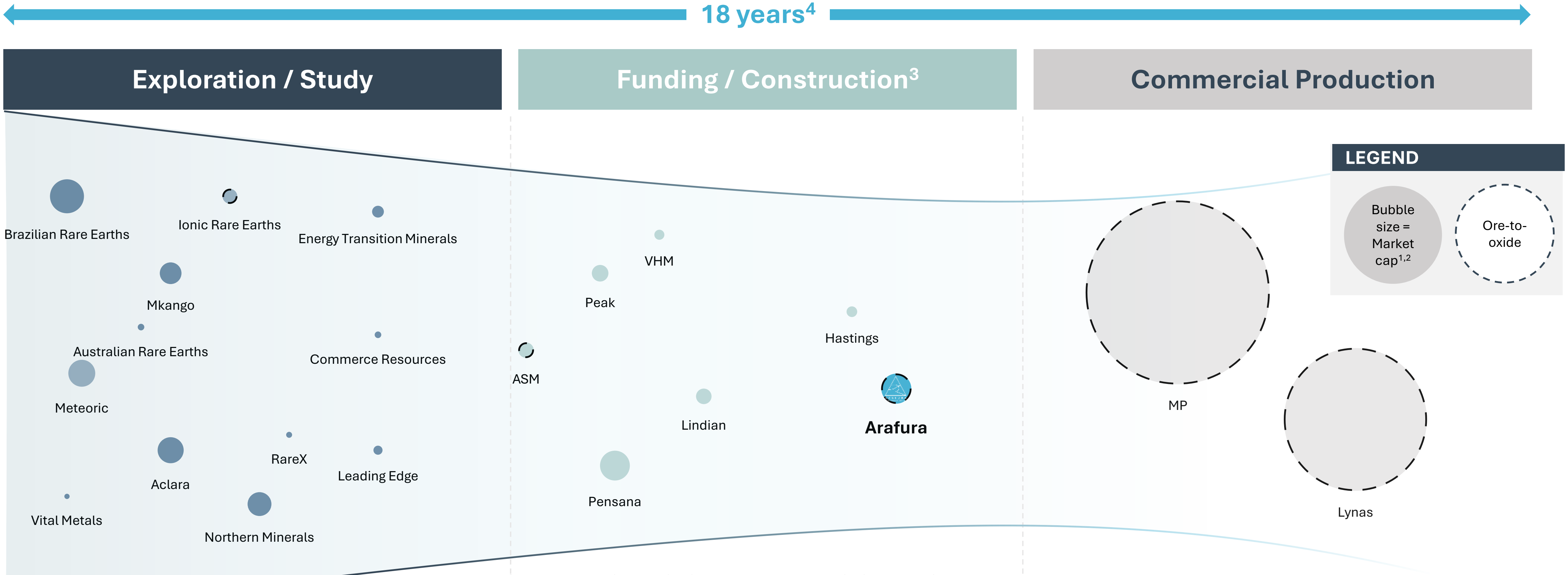
NdPr Supply and Demand[1,2]



[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 construction ready, 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 30 July 2025
[2] There is no guarantee that Arafura's market capitalisation following production will increase, or that its market capitalisation will be similar to MP or Lynas. MP and Lynas are already in production and so are not identical in nature to Arafura. Excludes companies/projects without a long term mine supply.
[3] Groups sitting in funding/construction phase are subject to funding, offtake activities, completion of construction 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

Scarcity driving geographically captured supply[1]

Arafura: a strategic supply for Europe, Korea & RoW

State-supported project financing & policy

	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 U.S. Department of Defense	JOGMEC	Korea Eximbank THE EXPORT-IMPORT BANK OF KOREA EULER HERMES Australian Government export finance australia Critical Raw Materials Act (CRMA)
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

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/construction phase. Accordingly, the ability to obtain finance from the parties listed below is subject to a number of conditions precedent, including ARU raising the equity component of the funding package required for the development of Nolans. In addition, supply of product to end users is subject to funding, completion of construction and development, commissioning and general market conditions.

MP transaction[1] accelerates discussion of ex China price

US$110/kg creates a market reference price – Benchmark Minerals Intelligence to launch new ex China rare earth prices[2]

DoD Investment & Strategic Capital:

- US$400m convertible preferred equity inc warrant
- US$150m loan

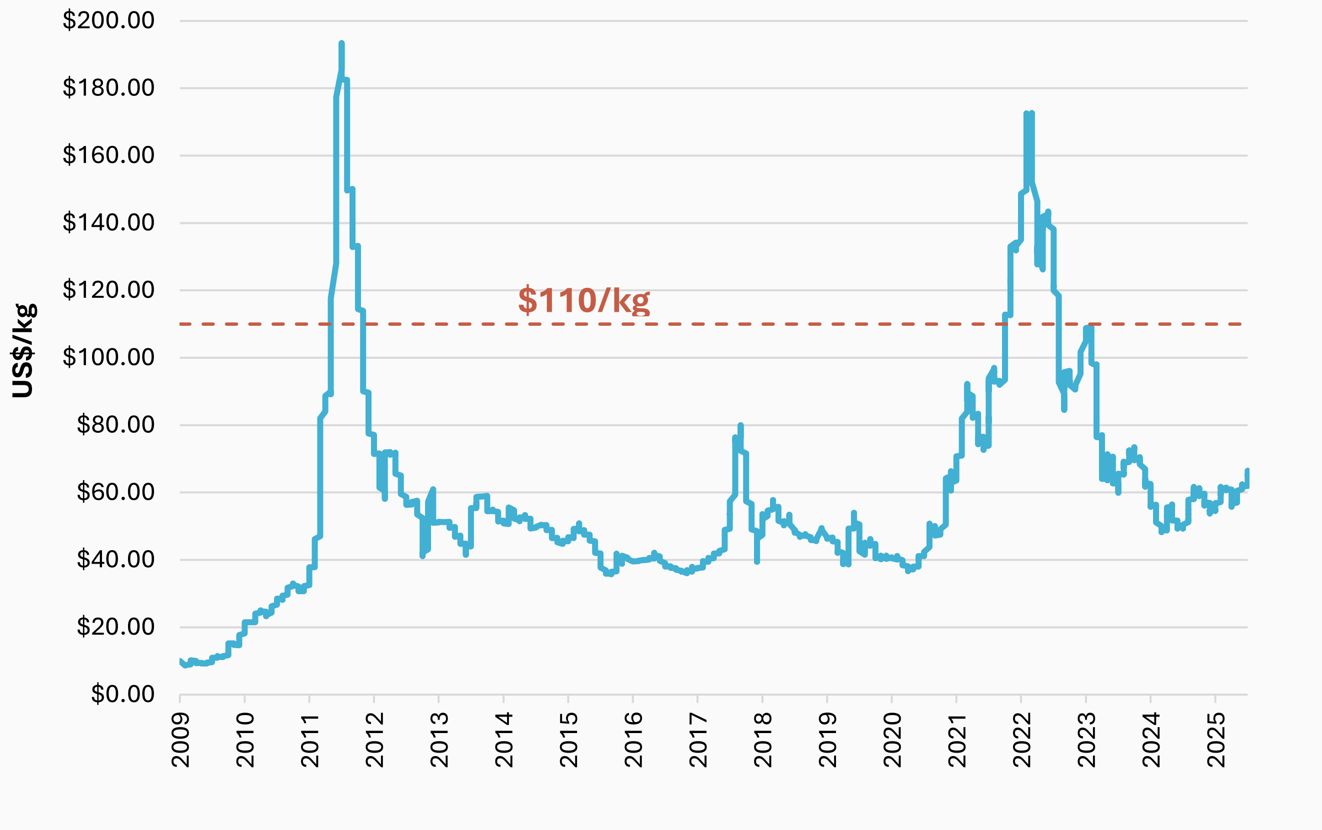
NdPr Price Floor:

- DoD guarantees minimum NdPr price of US$110/kg
- Price sharing arrangement above US$110/kg
- 10-year term commencing Q4 2025

"10X" Magnet Plant:

- 100% DoD offtake for defense consumption and commercial syndication
- Minimum US$140m EBITDA guarantee

Historical NdPr Oxide Pricing, EXW China (USD/kg)



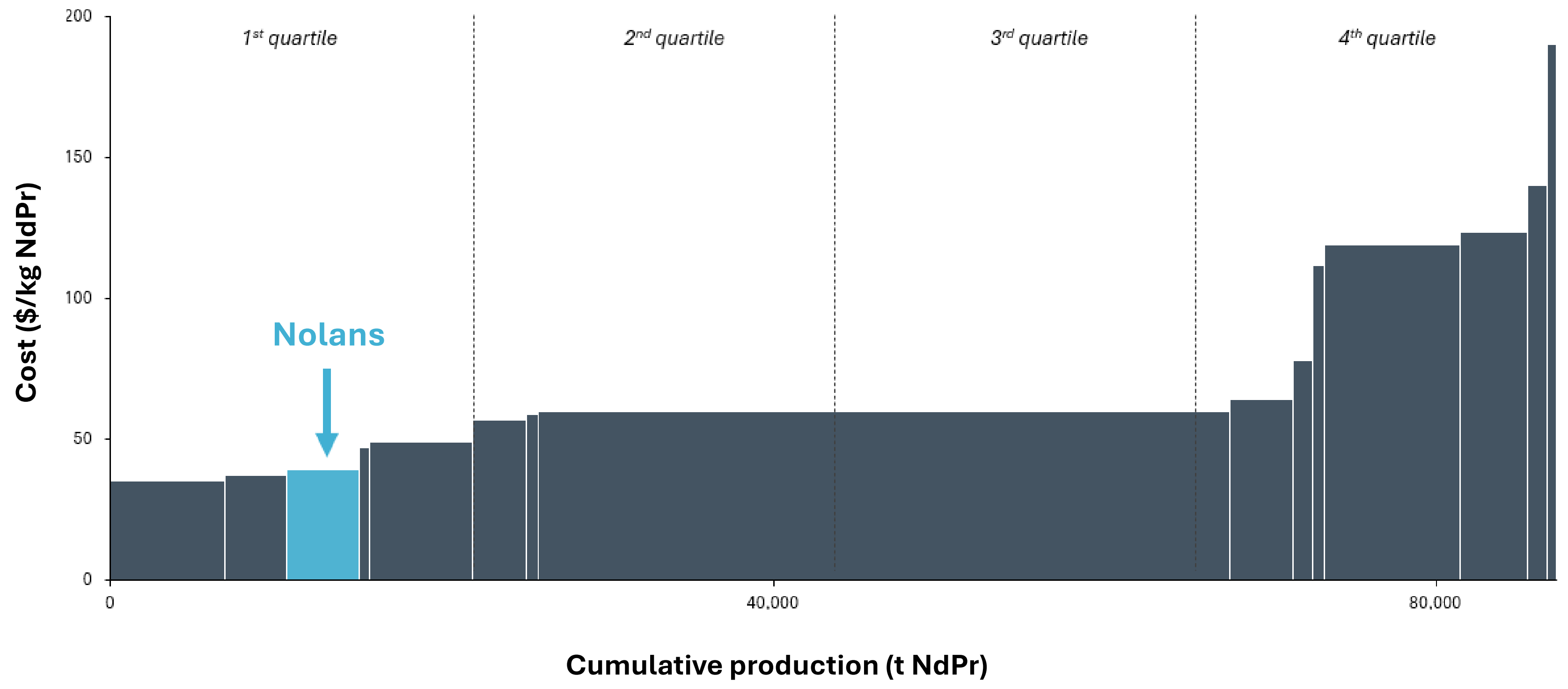
1. https://s25.q4cdn.com/570172628/files/doc_events/2025/Jul/10/FINAL-Transformational-Public-Private-Partnership-7-9-25-440pm.pdf
2. https://source.benchmarkminerals.com/article/benchmark-to-launch-ex-china-rare-earth-prices

Nolans in first quartile of cost curve

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

CRU Cost Curve 2030 (US$/kg NdPr oxide)[1]



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

Binding offtake target

Focus on strategic value and equity investment

- Targeting NdPr users not aligned with 'Made in China 2025 Strategy'.
- Offtake discussions now focused on parties that qualify for GRMF investment[4] and strategic value.

Offtake Discussion Group	Location	NdPr Oxide (tpa)[1]	% of Binding Offtake Target[2]
Secured Offtake (Binding Agreement)			
Hyundai & Kia	Korea	1,500	43%
Siemens Gamesa RE	Germany	520	15%
Traxys Europe S.A	Luxembourg	300	8%
Sub-total		**2,320**	**66%**
Target Market Engagement for Remaining Offtake[3]			
GRMF – Industry Groups	Germany/Europe	500	14%
OEM Wind/Auto, Tier 1 & Trading	Asia, Europe & US	730	20%
Sub-total		**1,230**	**34%**
TOTAL BINDING OFFTAKE		**3,550**	**100%**
Uncontracted Production			
	Spot Market Sales	890	
TOTAL PRODUCTION		**4,440**	

[1]Product may be supplied as NdPr Oxide or Metal equivalent.
[2]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).
[3]The Company, at this stage, has no certainty as to the timing and likelihood of successfully concluding binding offtake agreements.
[4]German Raw Material Fund (GRMF) Update (refer ASX Announcement dated 8 July 2025)

Debt conditionally approved

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

- ECA Direct lend & ECA Covered Tranches
- Cost Overrun Facility and Standby Liquidity Facility - 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.
[2] NAIF commitment of A$150 million converted to US$ for comparison purposes only at AUD/USD 0.67.
[3] US$10m of EDC funding is included in the COF.
[4] Commercial bank lenders supported by untied loan guarantees from Euler Hermes and KEXIM.
[5] US$160m total Cost Overrun funding, 50% debt funded (COF) with the remaining US$80 million to be funded by equity (together the Cost Overrun Account). COF debt includes A$ tranche with NAIF commitment up to A$50 million.
[6] Excludes Contingent Instrument Facilities to support the provision of bank guarantees.

Funding in focus

- Targeting **60%** of equity funding through **Cornerstone Investors**
- More than **US$1bn of debt** and completion support **conditionally approved**
- Proforma **cash balance of A$107m[3]** following receipt of proceeds from placement

BASE DEBT

export finance australia

CommonwealthBank

NAIF

Kexim Global SINGAPORE

ING

EULER HERMES

KFW

Korea Eximbank

EDC Export Development Canada

Base debt from nine international Export Credit Agencies and commercial lenders

US$775m Conditionally Approved

CORNERSRONE INVESTORS

KFW

National Reconstruction Fund Corporation

Strategic Offtake & Equity Partners

US$113m[2] | KFW
- July 2025
- Ordinary equity
- **Appraisal Phase entered**

EFA [4]
- August 2025
- Ordinary equity
- **Due Diligence underway**

US$133m[1] | NRFC
- January 2025
- Initial cornerstone investment
- Hybrid equity / convertible note

PUBLIC

Institutional & Private Investors

- Ordinary equity / Negotiations advanced

US$1.5bn REQUIRED CAPITAL

US$1.1bn[3]

US$0.36bn COMPLETION SUPPORT

~US$80m Equity

US$280M

ARAFURA RARE EARTHS LIMITED

[1] Refer to ASX announcement dated 15 January 2025. Assumed exchange rate USD:AUD 66.5

[2] Refer to ASX announcement dated 8 July 2025. Assumed EUR$100m investment size and exchange rate EUR:USD 113. Investment remains subject to additional 500tpa of NdPr oxide being supplied into the German market, detailed due diligence, approval from Germany's Interministerial Committee and the execution of definitive agreements.

[3] Proforma cash includes cash and cash equivalents as at 30 June 2025 of A$27m and A$80m proceeds from the Placement. US$1.1bn includes the Company's proforma cash balance at assumed exchange rate USD:AUD 66.5

[4] Refer to ASX Announcement dated 12 August 2025 Refer to ASX Announcement dated 12 August 2025. Quantum to be confirmed post due diligence. It is anticipated that the EFA investment will be substantial, in line with other government seeded funds.

Executing on funding strategy

Timetable to accelerate following establishment of cornerstone group

Cornerstone Group | **Public Market**

1 Customer Cornerstone & Other Strategic

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

2 Industry Cornerstone

- Resources funds, corporates, large institutional and family offices

3 Institutional Investors

- Institutional investors with an energy transition mandate

4 Existing Shareholders

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

Joint Venture being pursued in parallel and remains an alternative funding pathway

Joint Lead Managers

Canaccord Genuity

Barrenjoey

Partnering with BARCLAYS

Robust project economics

Long life, high margin project

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

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

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

Equity raising overview

Offer structure and size	• Arafura is undertaking a non-underwritten two-tranche institutional placement to raise ~A$80m ("**Placement**"), via the issue of approximately: – 369.6m fully paid ordinary shares (“**New Shares**”) to raise approximately ~A$70.2m pursuant to the Company’s existing placement capacity under ASX Listing Rule 7.1 (“**Tranche One Placement**”); and – 51.4m New Shares to raise approximately ~A$9.8m, subject to shareholder approval (“**Tranche Two Placement**”)[1] • Up to approximately 421.1m New Shares to be issued under the Placement, representing ~17.1% 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$5m (“**SPP**”) • New Shares issued under the Placement and SPP will rank equally with Arafura’s existing shares on issue
Offer price	• Offer price of A$0.19 per share, which represents a: – 13.6% discount to Arafura’s last closing share price of A$0.22 per share on 15 August 2025; and – 9.2% discount to Arafura’s 5-day volume weighted average price (“**VWAP**”) of A$0.209 per share up to and including 15 August 2025
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 Tuesday 19 August 2025, 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$0.19 per share)[2] • Arafura may decide to accept applications (in whole or in part) that result in the SPP raising more than A$5m, and also reserves the right (in its absolute discretion) to scale back applications under the SPP • Further information in relation to the SPP will be contained in the SPP offer booklet, which will be sent to eligible Arafura shareholders on or around Wednesday 27, August 2025
Joint Lead Managers	• Barrenjoey Markets Pty Limited and Canaccord Genuity (Australia) Limited are acting as Joint Lead Managers and Bookrunners to the Placement

[1] Shareholder approval will be sought at an Extraordinary General Meeting expected to be held on or around late September 2025.
[2] The Company notes that it issued shares under a previous share purchase plan on 11 September 2024. In order to fall within ASX Listing Rule 7.2, Exception 5, the Company is restricted from issuing or agreeing to issue any Shares under the offer contained in this SPP until after 11 September 2025. Accordingly, application monies received under the SPP before 12 September 2025 will be held on trust by the Company and applications received before 12 September 2025 will only be deemed to be received by the Company under the SPP on that date. Applicants who have made an application under the SPP before 12 September 2025 may withdraw their application.

Sources and use of funds

Placement proceeds partially de-risk the final equity raise and enhances the Company's negotiating leverage with potential strategic equity partners to deliver on the equity funding strategy

Sources of funds	A$m
Proceeds from the Placement (before costs)	80
Cash and cash equivalents (as at 30 June 2025, unaudited)	27
Total	**107**

Uses of funds[1]	A$m
Corporate, working capital and transaction costs[2]	20
Allocation to project development capital upon FID[3]	87
Total[2]	**107**

Table excludes up to A$5m of funds raised under the SPP – launched to enable eligible shareholders the opportunity to participate in the equity raising at the same price as the Placement. Any funds raised under the SPP will be applied towards the line items outlined in the table

[1] Estimated use of funds assuming a minimum A$80m raising under the Placement. Arafura has launched a SPP so may raise more than A$5m. Any funds raised under the SPP will be applied towards the line items noted in the table.
[2] Estimated use of funds through to 30 April 2026.
[3] A decision on FID is subject to a number of conditions including being fully funded. There is no certainty this will be achieved by April 2026.

Timetable and pro-forma capital structure

Indicative Timetable[1]

Event	Date
Placement	
Trading halt lifted and announcement of completion of Placement	Wednesday, 20 August 2025
Settlement of New Shares under the Tranche One Placement	Monday, 25 August 2025
Issue, quotation and trading of New Shares under the Tranche One Placement	Tuesday, 26 August 2025
EGM to approve issue of New Shares under the Tranche Two Placement	Friday, 26 September 2025
Settlement of New Shares under the Tranche Two Placement	Wednesday, 1 October 2025
Issue, quotation and trading of New Shares under the Tranche Two Placement	Thursday, 2 October 2025
SPP	
Record Date	7pm AEST on Tuesday, 19 August 2025
SPP offer opens, SPP Offer Booklet is dispatched	Wednesday, 27 August 2025
SPP offer closes	5pm AEST on Friday, 3 October 2025
Issue and allotment of New Shares issued under SPP	Friday, 10 October 2025
Commencement of trading of New Shares issued under SPP	Tuesday, 14 October 2025

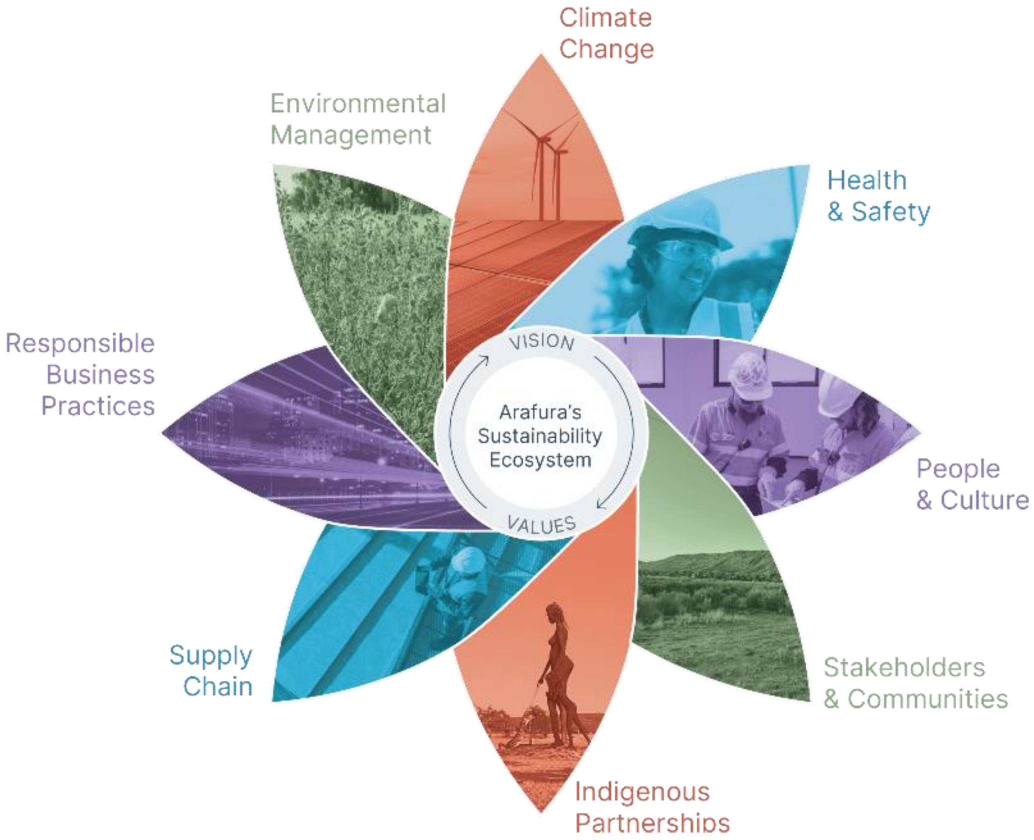
Pro-forma capital structure[2]

	Shares	Cash
Current[3]	2,464m	A$27m
Placement[4]	421m	A$80m
Pro-forma[4]	**2,885m**	**A$107m**

[1] Indicative only and dates are subject to change by the Joint Lead Managers and/or the Company.
[2] Pro-forma excludes incremental proceeds of up to A$5m and New Shares issued under the SPP.
[3] Unaudited cash balance as at 30 June 2025.
[4] Cash balance shown before costs.

ESG – an integrated approach focusing upon what matters most

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



- We recognise the interdependencies of ESG in our business
- We are building capability to deliver best-practice ESG
- We are aligning our governance to international standards
- We are poised to make a positive difference in the communities where we operate and live

The Nolans Project is ready to go

Large, high grade, scalable resource

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

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

Construction ready, ore-to-oxide project

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

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

Projected first quartile of cost curve

Revised project economics released in July 2024[3]

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

Debt funding and binding offtakes secured

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

NRFC A$200m investment commitment[4]

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

Project delivery to drive re-rate of market valuation

Existing rare earth producers have elevated EV/EBITDA trading multiples due to strategic importance and strong fundamentals

Potential for significant re-rate in Arafura's market valuation to EV/EBITDA once production achieved

Environment, social, governance

Building capability to deliver best-practice ESG

Aligning governance to international standards

Net zero pathway published in 2023[6]

Rare earths from Nolans is differentiated by ESG credentials

Unique opportunity to create and deliver value for all stakeholders

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

Appendices

APPENDIX A: Material Business Risks

Company Specific Risks

Funding risk

The Nolans Project is a large and complex project with total capital expenditure currently estimated at US$1.2 billion (refer to the Company's ASX announcement "Arafura achieves major debt funding milestone presentation" dated 23 July 2024). The business of the Company and its subsidiaries (**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 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, 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. Failure to obtain sufficient funds from the equity market 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 Nolan's 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 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. 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 66% of its Binding Offtake Target. These 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. The Group may also fail to meet the product quality requirements and material specifications of its offtake partners.

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.

APPENDIX A: Material Business Risks

Company Specific Risks

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 Defense and US-based rare earths producer MP Materials, and rare earth export controls introduced by the People's Republic of China.

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 construction, 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 result 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 and construction 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 construction 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 and "Arafura achieves major debt funding milestone presentation" dated 23 July 2024) due to various macro-economic factors that have directly or indirectly impacted the construction industry.

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

The Company continues to monitor capital cost market trends.

APPENDIX A: Material Business Risks

Company Specific Risks

Operating Cost Risk

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 and "Arafura achieves major debt funding milestone presentation" dated 23 July 2024). 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.

The Company continues to monitor operating cost market trends.

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.

APPENDIX A: Material Business Risks

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, construction, 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.

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). Should the Group not be able to enter into a landholder agreement with a person who has an interest in any relevant land, that person will be entitled to compensation as described above. Such persons will 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 the 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 .

APPENDIX A: Material Business Risks

Company Specific Risks

Occupational health and safety

Exploration and production activities may expose the Group's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. 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. Any such claim or dispute if proven, 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; and climate change may 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.

APPENDIX A: Material Business Risks

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.
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.

APPENDIX B:
International Offer Restrictions

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.*

APPENDIX B:
International Offer Restrictions

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.

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.

APPENDIX B: International Offer Restrictions

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.

APPENDIX B: International Offer Restrictions

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed 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 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only 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.

Contact

Level 6, 432 Murray St
Perth WA 6000

PO Box 5773
St Georges Terrace
Perth WA 6831

T: +61 8 6370 2800

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

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

ARAFURA
RARE EARTHS LIMITED