

ASX ANNOUNCEMENT

Chair Address, Annual General Meeting

30 October 2025



I'd like to welcome you all at this Annual General Meeting for Arafura Rare Earths Limited.

Achieving recognition of the significance of rare earths has been for a long time one of the many challenges faced by the sector. Education and engagement has been a key role for all the sector players. Yet, in just a matter of months, we've witnessed a fundamental shift in the geopolitical and global trade environment that is actively reshaping the world order. This evolution of the supply chain has officially transformed our Nolans Project from an Australian mining aspiration into a global strategic solution.

Rare earths are recognised as the linchpin of economic leverage, technical authority, and national security. They are strategic assets, and the world is now racing to establish independent markets.

The risks within the magnet supply chain, driven by concentrated market dominance, have been building for several years, and recent control measures have underscored the seriousness of this threat. Critical dependencies and vulnerabilities in the rare earths value chain have been starkly exposed.

Whilst there has been a long term 'admiration' of the problem by stakeholders, there has been very limited material action to address these issues until now. To the frustration of the sector and our shareholders, the volatility in sentiment plays heavily into market valuations. However, we have now reached a tipping point where action will be rewarded rather than waiting for the perfect market conditions and sentiment to move forward.

We saw the tangible impact as the United States automotive industry struggled with supply chain issues. As the financial year closed, the European Association of Automotive Suppliers reported the shutdown of several production lines and plants across Europe.

In response, the world is decoupling from a single source of rare earths. Following the landmark public-private partnership between the US Department of War (DoW) and MP Materials, the US has continued to advance its interests, partnering with friendly countries to secure its rare-earth supply chain and reduce dependency on China.

Just last week, the US and Australian Governments announced that they will explore opportunities to co-invest in Arafura's Nolans Project. This partnership, in parallel with our existing financiers, will underpin Arafura as the third independent and fully integrated producer of rare earth oxides, following Lynas and Mountain Pass. Together, we are forging the diversification of this critical supply chain, securing the long-term solutions that will meet the growing demands of tomorrow.

Against this backdrop, the early works programme completed at Nolans sees us ready to move into full-scale development of our project. Nolans isn't just a deposit; it is the most advanced, construction-ready source of NdPr outside of China, providing absolute supply chain certainty to our partners who prioritise reliable and ethical sourcing over geopolitical risk.

The geopolitical importance of Arafura's role in a diversified global supply chain is clearly highlighted by our debt financing success. In July 2024, we announced more than US\$1 billion in debt funding, completion support, and loan guarantees from commercial banks and export credit agencies from Australia, Korea, Germany, and Canada.

This success has allowed us to attract a high calibre of cornerstone investors and government-seeded funds. This included finalising a binding term sheet with the National Reconstruction Fund Corporation (NRFC) for an A\$200 million Convertible Note and, most recently, a conditionally approved equity investment from Export Finance Australia for up to US\$100 million.

We are also progressing due diligence with the German Raw Materials Fund (GRMF) and, as of last week, the Export-Import Bank of the United States.

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Our progress is definitively validated by these financial milestones. Our funding strategy is significantly advanced as we look to close out the remaining equity investments, including our cornerstone investors, during this current calendar year.

As you would now be aware, over the last couple of days, Arafura has moved expeditiously to successfully secure a major portion of the remaining equity required with an A\$475 million capital markets raising.

With our long-lead procurement in progress and the integrated debt and government equity packages now nearing completion, we are closer than ever to securing the final link in the chain and reaching a Final Investment Decision (FID).

As financing advances, our attention is sharply focused on the delivery of the Nolans Project and ensuring we have the requisite construction and operational capability. Our refreshed Board and Executive Leadership Team (ELT) have brought a step change in expertise with a focus on delivering sustainable and tangible outcomes beyond FID. Our long term and continuing relationship with Hatch gives us access to the world's best technical and engineering resources for a plant of this size and complexity. We are committed to our vision to redefine responsible rare earths processing to enable the global energy transition. Our ESG values and objectives underpin everything we do—guiding our decisions, our operations, and how we approach delivery.

We have an opportunity to be a catalyst in helping to transform Australia's rare earths sector, as well as establishing the Northern Territory as a central processing and logistics hub through vital collaboration between government, industry, and local communities.

We are deeply committed to positively impacting the communities where we live and work, recognising that our social license to operate is essential for a sustainable value proposition. In the spirit of engagement, we are working closely with our Traditional Owners, local communities, Central Land Council, and key stakeholders. We are planning with our Traditional Owners and local communities, not just for them.

While our focus is on delivering Phase 1 of the Nolans Project, we haven't lost sight of future growth opportunities. Our advanced engineering and design work ensures the foundations are laid to deliver value now and into the future at the lowest capital intensity.

We have been stoic in the knowledge that we have the right strategy in place, with the right people on board, to develop the Nolans Project and seize this opportunity.

As we approach FID, our focus is clear: secure the funding, manage capital costs, be ready for project execution.

On behalf of your board, I would like to thank all our shareholders for your continued support and importantly the team at Arafura that everyday give their all to bring Arafura's vision into realisation. Together, we are building a company that will play a defining role in the world's technology transition for decades to come.

Thank you.

-ENDS-

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