ARAFURA
RARE EARTHS LIMITED

Arafura Sustainability Report

FY2025

Acknowledgement of Country

Arafura acknowledges the Traditional Owners and Custodians of the lands where the Nolans Project is located in the Northern Territory, the Anmatjere People.

We also acknowledge the Whadjuk people of the Noongar Nation who are the Traditional Owners and Custodians of the lands where our head office is located in Perth.

Arafura pays respects to their Elders, past and present.

This report accounts for Arafura Rare Earths Limited's (Arafura or the Company) contributions to sustainable development between 1 July 2024 and 30 June 2025, unless stated otherwise.

All references to our, we, us, the Group, the Company and Arafura refer to Arafura Rare Earths Limited (ABN (Australian Business Number) 22 080 933 455) and its subsidiaries. All references to Project, The Project or Nolans refer to Arafura's 100% owned Nolans Project located in the Northern Territory, Australia. All references to NdPr refer to Neodymium and Praseodymium collectively. All references to Dy refer to Dysprosium and references to Tb refer to Terbium. Unless otherwise stated, the currency referenced throughout this report is in Australian dollars.

The report has been prepared in line with Arafura's eight sustainability elements and 'with reference' to the GRI Standards framework. For further information about our sustainability approach, or to provide feedback about this report, please email arafura@arultd.com.

This report has been approved for release by Arafura's Board of Directors.

Forward-looking statements

This report includes forward-looking statements. These statements relate to Arafura's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like 'will', 'progress', 'anticipate', 'intend', 'expect', 'may', 'seek', 'towards', 'enable' and similar words or expressions containing same.

The forward-looking statements reflect Arafura's views and assumptions with respect to future events as of the date of this report and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to Arafura, or any of its affiliates or persons acting on its behalf. Arafura does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither Arafura nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, Arafura and each of its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.

Production Targets and Forecast Financial Information

The information in this report that relates to production targets is extracted from the Company's ASX announcement dated 11 November 2022 (Nolans Project Update). The production target is based on 12% Proved Ore Reserves, 62% Probable Ore Reserves and 26% inferred Mineral 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 report 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.

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Our commitment

As we advance the Nolans Project, sustainability remains central to our decision-making. Guided by our eight sustainability elements, we are committed to demonstrating our Values in Action approach (Care, Collaboration, Commitment, Courage and Curiosity). We are embedding responsible practices across every aspect of our business to deliver long-term benefits for people, communities, and the environment.

Our path so far

Responsible Business Practices

In FY2025 we strengthened our governance and ethics frameworks, advancing our Environmental and Social Management System to meet international standards. Our Green Loan Framework established our sustainability objectives, supporting our endeavours to successfully secure more than US$1 billion in debt financing.

Climate Change

We remain committed to achieving net zero by 2050 and to the implementation of a greenhouse gas emissions reduction pathway for the Nolans Project. Reduced activity at the Nolans Project site has also reduced our reported Scope 1 & 2 emissions between FY2024 and FY2025, which are down from 591 tCO_2e in FY2024 to 71 tCO_2e in FY2025.

Environmental Management

Three key Environmental Management Plans were approved on a federal level, covering water abstraction, biodiversity and radiation protection. These approvals provide a strong foundation for construction readiness. The two remaining Environmental Management Plans, the Acid Metalliferous Drainage Management Plan and the revised Kerosene Camp Creek Management Plan, will be delivered and enacted during the appropriate phase of construction. Ongoing monitoring programs were strengthened, and we initiated a feral animal control program which will enable the implementation of the Felixer™ devices to help protect the Great Desert Skink and other vulnerable species.

Health and Safety

The health, safety and wellbeing of our people remain our highest priority. Our people completed more than 24,000 work hours without a recordable safety incident. Safety readiness was enhanced with new communications systems and journey management, while accreditation with the Office of the Federal Safety Commissioner progressed through system verification audits.

People and Culture

At year-end our workforce was 30 strong, 37% of which were female with 50% female representation on the Executive Leadership Team (excluding the CEO/MD). We embedded the Arafura Values in Action behavioural framework, introduced a Human Rights Policy, and broadened our Diversity Policy into an Inclusion and Diversity Policy.

Supply Chain

We continued to prioritise "buy local first," working with Alice Springs and Northern Territory (NT) businesses. Supplier qualification standards were enhanced to include ethical, social and environmental criteria, while planning advanced for a new supplier roadshow to build capability ahead of construction.

Indigenous Partnerships

Partnerships with Traditional Owners deepened through our Local and Indigenous Business Program, supporting businesses such as Penangke Cultural Consultants and The Blaak Line. Co-design of workforce and community programs with the Central Land Council progressed, alongside ongoing youth support through Clontarf and Stars foundations. These initiatives reflect our belief in partnership by design, creating opportunities with communities, not just for them.

Stakeholders and Communities

We maintained active engagement across Central Australia, sharing project updates and opportunities through forums, schools and community events. Co-design of the Community Development Program advanced with Traditional Owners, while local initiatives such as sporting sponsorships helped strengthen community wellbeing.

Our path forward

As we approach a final investment decision (FID), sustainability remains central to how we will deliver the Nolans Project. From governance and climate resilience to partnerships and community development, we are laying the groundwork for a project that is trusted, enduring, and beneficial for generations to come.

Market outlook

As FY2025 came to a close, we saw a fundamental shift in the geopolitical and global trade environment. Unprecedented disruptions to global trade has exposed critical dependencies and vulnerabilities in the rare earths value chain. These rare earth elements are no longer obscure minerals. They are essential to enable the energy transition, the production of personal devices, medical applications and advanced military systems.

Governments and industry around the world have taken a proactive approach in a race to establish rare earth independence and support the development of this nascent sector. Initiatives such as the G7 Critical Minerals Action Plan, the Minerals Security Partnership, and the European Union's Critical Raw Materials Act all serve to facilitate investment and innovation, foster collaboration and enable independent standards-based markets.

Risks within the magnet supply chain, driven by concentrated market dominance, have been building over several years and recent control measures have underscored the seriousness of this threat. Historically, export controls and suppressed pricing created significant barriers to entry, impacting the economic viability of rare earth projects outside of China.

With changing market dynamics, we are now seeing the emergence of independent indexes which provide a platform on which price bifurcation can evolve to incentivise western rare earth supply.

Against this backdrop, Arafura is positioned as the most advanced ore-to-oxide project, ready to move into full-scale development.

As an Australian domiciled Company, Arafura is committed to achieving ESG best practice in the extraction and processing of rare earths. Our single site ore-to-oxide strategy will set us apart from our peers, and establish industry leading standards, from the responsible management of radionuclides, to reduced shipping volumes with the potential to significantly reduce our Scope 3 emissions, and that of our customers as we deliver a clean oxide negating intermediatory processing and associated emissions therein.

Geostrategic positioning to achieve regional supply chain autonomy of the rare earths magnet value chain has seen significant state-backed policy and financing initiatives directed towards the sector. This has been necessary to protect against coercive foreign trade and policy initiatives seeking to gain a competitive advantage and maximise industry participation in the global energy transition economy.

The Nolans Project's production design capacity is 4,440 tonnes per annum NdPr oxide, which is enough to support magnet demand requirements for the manufacture of four million electric vehicles (EV's).

The Nolans Project is the only fully integrated ore to oxide project that is construction-ready and of the scale to cornerstone a region's supply requirements that will underpin magnet value chain capacity building and further downstream value chain benefits.

A new NdPr demand theme is emerging from robotics, which is forecast to surpass EVs and become the leading demand segment by 2040. This is driven by AI and machine learning, giving greater capability and utility across industrial and home applications.

To meet global carbon reduction targets, the deployment of NdPr/magnet dependent technologies such as EVs and renewable energy from wind turbines will be required. In addition, increasing energy costs and energy efficiency rating policies will drive the adoption of ultra-premium efficiency motors utilising permanent magnet technologies in many applications.

Message from the Chair & Managing Director

Welcome to Arafura's FY2025 Sustainability Report

Dear readers

FY2025 was a year of disciplined progress for Arafura Rare Earths as we advanced the Nolans Project toward FID. We strengthened the strategic and financial foundations of Nolans while advancing our core sustainability commitments that define how we will operate.

We achieved several significant financial milestones during the year.

Firstly, we delivered on our debt funding strategy in July 2024 following receipt of credit approved terms for more than US$1 billion in debt, guarantees and completion support. These approvals were received from nine export credit agencies and commercial banks across five countries.

Secondly, we made significant progress on our equity funding strategy underscored by a $200 million cornerstone investment commitment from the National Reconstruction Fund Corporation (NRFC). Following year end, we entered into an appraisal process with the German Raw Materials Fund for potential equity investment of up to $175 million and received a Letter of Interest (LOI) from Export Finance Australia (EFA) for further investment.

Sustainability outcomes remained front and centre as we progressed our funding strategies. We continued delivery of our lender-endorsed Environmental and Social Action Plan (ESAP) and progressed actions across biodiversity, water management, cultural heritage, tailings storage, and stakeholder engagement. Our team worked tirelessly to deliver our ESAP obligations, which we are pleased to report remain on track.

We held to our commitment to net zero by 2050 through continued implementation of our Greenhouse Gas Emissions Reduction Pathway (GHG Reduction Pathway). In support of this, we undertook further studies into low emission energy sources for Nolans, including concentrated solar thermal, which was initially identified in our GHG Reduction Pathway.

In parallel, we maintained engagement with the Commonwealth Government regarding Safeguard Mechanism implications for Nolans, with reference to our planned GHG Reduction Pathway.

On Country, we deepened partnerships with Traditional Owners and local communities through regular liaison committee meetings, workforce and Indigenous business development programs, and outreach with local Alice Springs based schools. The integration of social value with project readiness continues to strengthen Arafura's long-term position.

Our achievements to date have been made possible by the continued support of our stakeholders. We are grateful to our people, the Traditional Owners and Central Land Council, and our partners across government, industry and finance. Together, we are positioning Nolans not only as an enabler of the global energy transition but also as a project that will deliver enduring benefits for the Northern Territory, Central Australia and beyond.

More broadly, the rare earths market in FY2025 was characterised by significant volatility, shaped by trade tensions, Chinese export control measures and broader supply chain disruptions which impacted manufacturing lines globally.

These dynamics sharpened the focus of governments and customers on the need for secure and sustainable supply. We observed a step change in demand from automotive, renewable energy and advanced manufacturing sectors which are increasingly seeking transparent, responsible NdPr supply. Nolans, the world's most advanced rare earths ore-to-oxide project, is well placed to meet this demand.

As we move into FY2026, the Board's priorities are clear: complete our equity funding strategy with high-quality, values-aligned investors; maintain best-practice governance and sustainability practices; and keep listening to our stakeholders so we deliver a project that is trusted and enduring.

Sincerely

Mark and Darryl

Mark Southey
Chair

Darryl Cuzzubbo
Managing Director

Message from the Chair of the Sustainability Committee

Dear readers

As Chair of the Sustainability Committee, it is a privilege to reflect on and share our progress over the past 12 months and the milestones that we have achieved which reinforce our commitment to responsible, long-term resource development.

The fundamental shift in the geopolitical and global trade environment is undeniable, with critical dependencies and vulnerabilities in the rare earths value chain exposed as a result of unprecedented disruptions to global trade. As strategic assets, rare earths are reshaping our global order as Governments and industry take a proactive approach to develop the sector at the heart of the global energy transition.

We are well positioned to play a key role in the development of the new global supply chain. We will do it responsibly with our industry leading ore-to-oxide strategy. A strategy which minimises volumes through our distribution networks, positively impacting future Scope 3 emissions while managing waste locally to support the fulfilment of future rehabilitation commitments.

Sustainability is central to our vision to redefine responsible rare earths processing to enable the energy transition. We are guided by our eight sustainability elements and through demonstrable and tangible actions, our sustainability ecosystem will support our evolution into a trusted global leader and supplier of choice.

We continue to align our practices with international standards, including Global Reporting Initiatives (GRI), Equator Principles IV and IFC Performance Standards. This alignment ensures accountability, transparency and resiliency across our operations.

The completion of the US$1billion of debt was instrumental in assessing our progress against these international standards. Not only did the due diligence highlight significant progress and advanced preparedness in many areas, it also provided the opportunity to redirect our focus to those areas requiring additional attention as identified in the comprehensive Environmental and Social Action Plan.

Our refreshed values underpin everything we do from guiding the decisions we make to how we operate and approach the delivery of the Nolans Project. They keep us focused on what is most important and assist us in defining what sustainable delivery and responsible mining and processing operations look like for our business.

And that responsibility extends to our partners, including the Traditional Owners and communities in which we will operate. We aren't planning *for* our Traditional Owners and communities, we are planning *with* them as we look to codesign and build programs such as the Workforce and Community Development Programs that will deliver real meaningful opportunities and uplift the community.

As we move into FY2026 our focus remains steadfast to ensure we have the mechanisms in place to safely transition into full scale construction and continue to care for our people, our environment and our stakeholders, as we prepare to deliver the rare earths that will power the technologies of tomorrow.

As we mature, so too will our sustainability strategy. As we innovate, we look to elevate our environmental performance and impact. As we deepen our stakeholder engagement, we look to deliver tangible community outcomes for decades to come.

Sincerely

Cathy

Cathy Moises
Chair, Sustainability Committee

About us

The Nolans Project, 135 kilometres north of Alice Springs, is a fully permitted,[1] construction-ready,[2] single site ore-to-oxide project with an anticipated mine life of 38 years. A Phase 2 preliminary study indicates potential to expand production capacity and unlock a downstream processing hub with potential to process third-party ore. The Nolans Project is strategically located in the Northern Territory, accessible to the Darwin-Adelaide Road, Rail to Darwin Port, water supply and natural gas pipeline. All of these attributes position Nolans as a strategic and attractive project, set to deliver on a global stage from the heart of our nation.

Who we are

Arafura Rare Earths Limited is an Australian, ASX-listed company (ASX:ARU) focused on the responsible future production of the rare earths elements Neodymium and Praseodymium (NdPr) from its Nolans Project in the Northern Territory.

NdPr is used in ultra strong, high-performance neodymium iron-boron (NdFeB) magnets which are critical in electric vehicles, wind turbines and other modern technologies driving the electrification economy, energy transition and defence systems.

With demand for NdPr anticipated to more than double by 2032, we intend to be a key player in the diversification of the global NdPr supply chain.

We are proud of the role we will play as a leading, responsible global provider of rare earths, which are essential to helping the world achieve its net zero ambitions.

[1]The Commonwealth Government approval requires five management plans, three of which have been approved. The final two management plans are subject to future detailed design activities.
[2]Commencement of construction is subject to finalisation and financial close of debt financing facilities and receipt of equity funding sufficient to proceed to construction.

What matters to us

As Arafura prepares to enter a new era of growth, we are working to ensure we have the right operating model and organisational culture to support our ambitions. The Arafura Way is currently in development and will ensure we have integrated systems, structures and processes in place.

Our visions and values have been revisited to ensure they are fit for purpose and reflective of where we are in our growth journey. With a new Executive Leadership Team, a refreshed Board and an imminent growth in workforce (post FID), we undertook a comprehensive review which led to refined vision and values for Arafura.

Our vision

Redefining responsible rare earths processing to enable the global energy transition.

Our values

We are intentionally building a culture that drives and future-proofs our success.

That means that our values are so much more than words on a page. They are clearly articulated behaviours that reflect our vision. Behaviours that will guide our mindset and demonstrate our Value's in Action every day.

Through behavioural development programs, people and operating process redesign and visual symbols, we have embedded these behaviours throughout the organisation, establishing the foundations for future success.

Figure 1. Arafura's Values in Action

Our approach to sustainability

Arafura's eight 'elements' of the sustainability ecosystem describe and guide our approach to sustainability. They are informed by globally recognised sustainability frameworks and are tailored to our business. Our vision and values sit at the heart of our sustainability elements, guiding our decision-making every day. This report reflects Arafura's sustainability performance in FY2025, aligned with the eight elements.

Disclosures

Arafura's sustainability disclosures are presented in Appendix I and in a separate, downloadable spreadsheet on our website. We are continuing to evolve our disclosures towards the widely recognised Global Reporting Index (GRI) Standards.

The GRI Standards support organisations to disclose their economic, environmental, social and governance performance. Established in 1997, the GRI Standards provide a framework for transparent and comprehensive sustainability reporting, helping stakeholders to evaluate sustainability efforts and promoting accountability and transparency in businesses worldwide. Arafura is reporting in FY2025 'with reference' to the GRI Standards, with the objective of working towards reporting 'in accordance' with the standards in future.

Table 1 provides a summary of the disclosures relevant to each of our eight sustainability elements. Appendix II contains a GRI Index summarising our disclosures for FY2025 in this report and other publicly available reports and information.

Materiality

Arafura's material topics are shown in Figure 3. At the time of preparation of this report, a final investment decision was pending for the Nolans Project. In line with this, the existing materiality assessment was taken into consideration when developing this Sustainability Report.

There are 11 topics identified as 'material' to Arafura and our stakeholders, with a further nine designated as 'watch topics' for potential future materiality. All topics are influential in our eight elements approach to sustainability.

The GRI disclosures associated with the 11 material topics are a focus in this FY2025 report.

United Nations' Sustainable Development Goals

We remain committed to aligning our practices with the United Nations' Sustainable Development Goals (SDGs) and we continued as a participant in the UN Global Compact in FY2025. We are confident that we can contribute to many of the 17 SDGs. Within this report, we identify where they play a role in guiding our sustainability delivery and outcomes. Table 1 provides a summary of their relevance to each of our eight elements.

Environmental and social due diligence of the Nolans Project

In the first half of FY2024 we appointed an Independent Environmental and Social Consultant (IESC), to conduct an Environmental and Social Due Diligence (ESDD) assessment of the Nolans Project on behalf of project lenders. The ESDD assessment was an essential due diligence requirement for obtaining credit approvals for the project finance facilities from the lender group. These were announced in July 2024 and comprise five export credit and government agencies and four commercial banks.

The ESDD was completed against the following internationally recognised standards:

- International Finance Corporation (IFC) Performance Standards
- EP4 Equator Principles IV
- Global Industry Standard on Tailings Management (GISTM)

Specific project lender ESG requirements were also addressed during the ESDD.

The IESC recognised that while the international standards applied in the ESDD are comprehensive, Arafura's existing practices, shaped by strong Australian regulatory frameworks , were found to either meet, partially meet, or exceed many of the assessed requirements. Where Australian standards surpassed international benchmarks, no additional action was required. The ESDD focused on identifying areas where further alignment with global standards is needed, and these have been addressed through a targeted Environmental and Social Action Plan (ESAP).

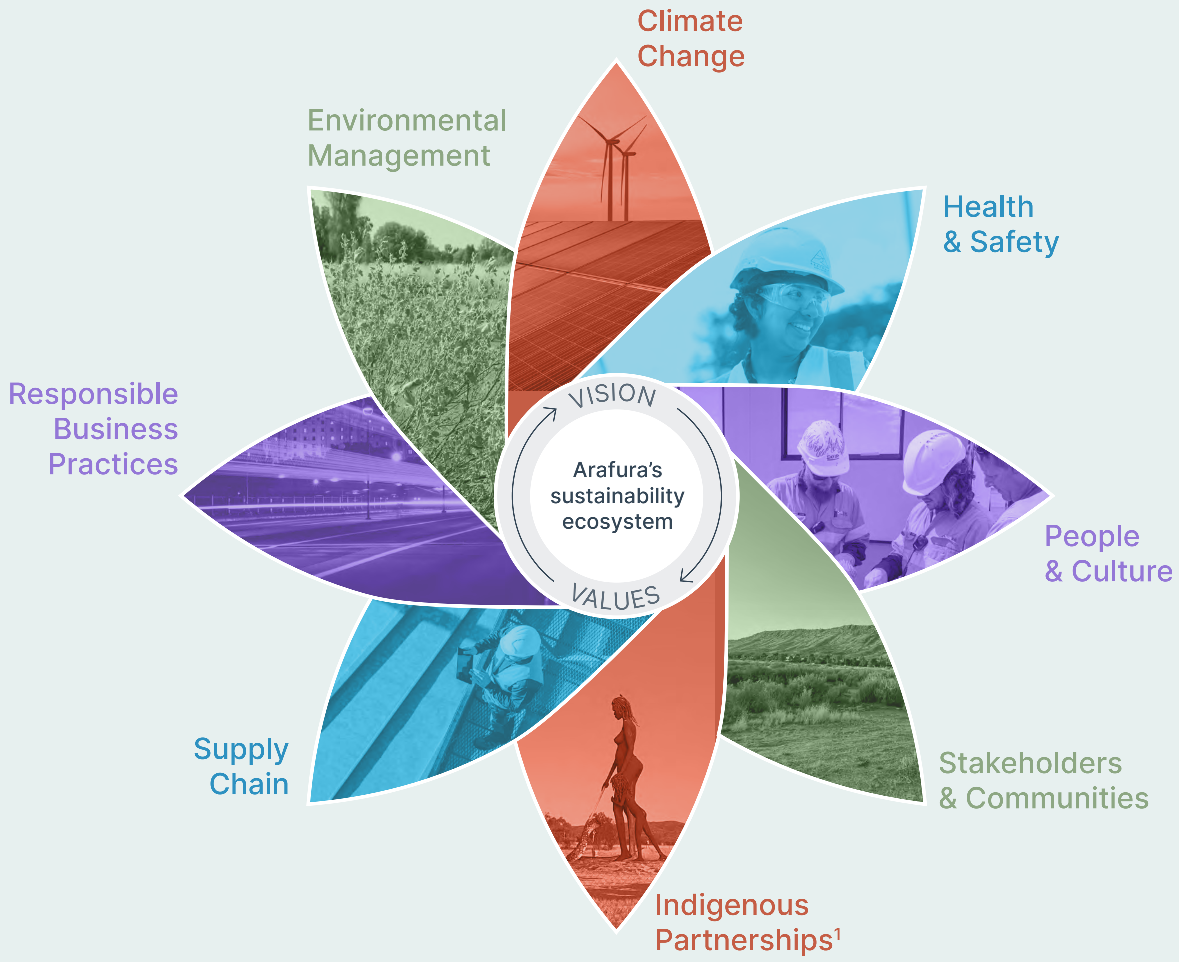


Figure 2. Eight elements that define Arafura's sustainability ecosystem

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

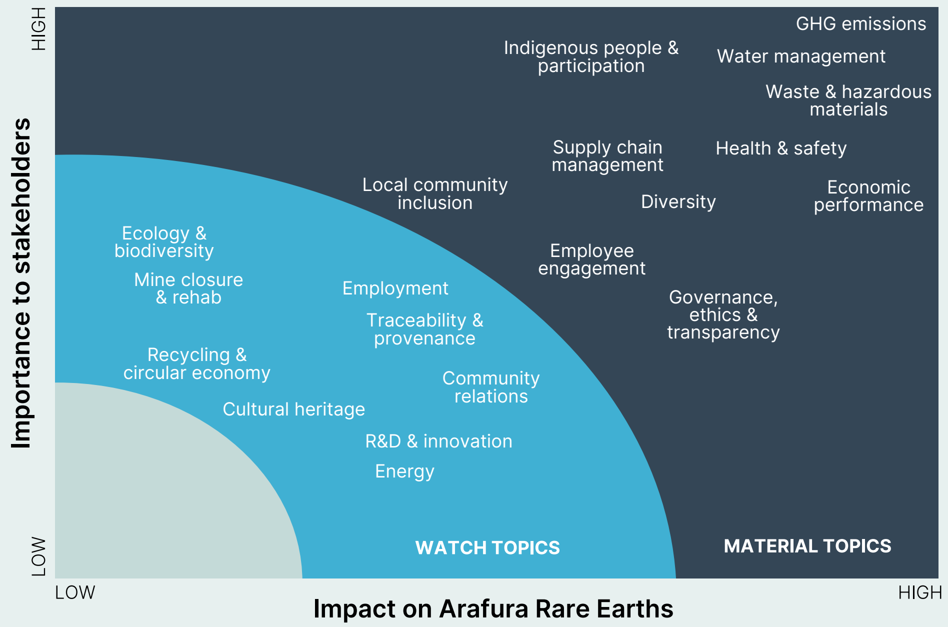


Figure 3. Arafura's materiality matrix presents the issues in two dimensions: their importance to our stakeholders and their likely impact on our business

Our approach to sustainability *cont.*

Subsequently, an Environmental and Social Action Plan (ESAP) was developed to address the requirements assessed as partially, or not met. The ESAP describes the required corrective actions, as well as the timeframes over which they should be completed.

Each of the lenders reviewed and commented on the details of the ESAP, prior to accepting it for issue to Arafura. Upon receipt, we presented the ESAP to the Board for acceptance and support to resource implementation of the plan. Board approval of this was received in early 2024.

Delivery of the ESAP corrective actions has been a top priority in FY2025, particularly the actions that need to be addressed prior to recommencing construction. Our focus on delivery will continue in FY2026. Regular engagement with the IESC is being maintained as actions are addressed and presented for final assessment and close out.

Following the final investment decision, and once construction is underway, Arafura is required to demonstrate ongoing compliance with the ESAP – to the satisfaction of the IESC and the lenders – as a condition of the project finance facilities.

Most importantly, we acknowledge the expected social and environmental performance benefits to be realised from implementing processes, systems and procedures to the levels required by these standards. Ultimately, these are expected to generate positive outcomes for the Nolans Project and its stakeholders, across the breadth of our eight elements of sustainability.

Links to relevant materials:

- *UN Global Compact - Arafura Submissions*
- *ASX Announcement – Arafura achieves major debt funding milestone*
- *ASX Announcement – Arafura achieves major debt funding milestone presentation*

Table 1. Alignment of Arafura's material topics and sustainability elements to GRI disclosures and the United Nations' Sustainable Development Goals.

Material topic/s	Arafura sustainability element	Relevant GRI disclosure	UN SDG
Governance, ethics & transparency; economic performance	Responsible Business Practices	• GRI 2 General Disclosures • GRI 201 Economic Performance • GRI 202 Market Presence • GRI 203 Indirect Economic Impacts • GRI 205 Anti-corruption • GRI 206 Anti-competitive Behaviour • GRI 407 Freedom of Association and Collective Bargaining	8, 16
GHG emissions	Climate Change	• GRI 305 Emissions	7, 11, 12, 13
Water management; waste & hazardous materials	Environmental Management	• GRI 303 Water and Effluents • GRI 306 Waste	6, 15
Health & safety	Health and Safety	• GRI 403 Occupational Health and Safety	3
Employee engagement; diversity	People and Culture	• GRI 404 Training and Education • GRI 405 Diversity and Equal Opportunity, • GRI 406 Non-discrimination	5, 8, 10
Supply chain management	Supply Chain	• GRI 204 Procurement Practices • GRI 308 Supplier Environmental Assessment • GRI 408 Child Labour • GRI 409 Forced or Compulsory Labour • GRI 414 Supplier Social Assessment	8, 12
Indigenous people & participation	Indigenous Partnerships	• GRI 411 Rights of Indigenous People	10, 16
Local community inclusion	Stakeholders and Communities	• GRI 413 Local Communities	11

Note: The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States. https://www.un.org/sustainabledevelopment

Developing the Nolans Project

NdPr is essential for global decarbonisation. It is primarily used in the production of neodymium-iron-boron (NdFeB) magnets, the strongest permanent magnet available today. These magnets are essential for advancing renewable energy technologies such as electric vehicles and wind turbines and enabling technological advancements that impact our lives daily. Increasingly NdPr is being used in robotics and artificial intelligence (AI) technology in addition to electronic devices and medical applications.

Preparing for full construction

Arafura has established itself globally as a key player in the diversification of the global NdPr supply chain.

Our Nolans Project, 135km north of Alice Springs in the Northern Territory, is defined by one of the world's largest undeveloped NdPr Mineral Resources. With a mine life spanning 38 years, and a valuable phosphoric acid by-product, it is a long-term, strategic operation.

A comprehensive, four-year metallurgical piloting program and a definitive feasibility study have confirmed the technical and economic viability of the Nolans Project. The single-site, ore-to-oxide processing facility ensures traceability. This positions Arafura as a leading, responsible global provider of rare earths, which are essential to helping the world achieve its net zero ambitions and advance technologies.

Nolans has obtained all requisite Federal and Northern Territory government approvals, which allow the Company to commence full construction. These approvals establish environmental and social impact mitigation strategies, and our capacity for rehabilitation.

Spanning a construction period of approximately 41 months, the Project is expected to create more than 600 construction jobs with a further 350 permanent full time equivalent roles created to support steady state operations. And the opportunities are not limited to developing workforce capability within the region, with the Company committed to a local procurement strategy, developing long term logistics and supply chain partnerships.

In July 2024, we achieved the significant milestone of completing our debt funding strategy, a key component of the total funding strategy which will bring about a final investment decision. More than US$1 billion in conditional approvals was received from nine lenders, including commercial banks and international export credit agencies from Korea, Canada and Germany. This included an Australian Government commitment of US$533 million in debt funding and completion support through Export Finance Australia (EFA) and the Northern Australia Infrastructure Fund (NAIF).

Arafura signed a binding term sheet with the NRFC in January 2025 for a $200 million investment to support the development of the Nolans Project. This commitment for the issue of unsecured convertible notes has been a catalyst in attracting additional strategic cornerstone investments, with cornerstone investors being a fundamental component in securing Arafura's funding strategy which will enable the announcement of a final investment decision and the commencement of construction.

Subsequent to the end of the FY2025 reporting period, the Company completed an $80million two-tranche placement, attracting high quality, long-term investors. Tranche 1 settled on 25 August 2025 and Tranche 2 settled on 2 October 2025 following shareholder approval. Funds raised further strengthen the balance sheet and provide sufficient capital to accelerate construction following FID.

Figure 4. Darryl Cuzzubbo with Minister King at the Diggers and Dealers Conference in August 2025

Project delivery

Positioned as the only construction ready ore-to-oxide project globally, our early earthworks and ongoing detailed planning and preparation has us well positioned to accelerate the return to on-site activities post an investment decision being made.

The consolidation of our team through 2025 has brought about a renewed focus on the refinement and optimisation of the process flow sheet and, where possible, identification of opportunities to advance engineering and design work. This has resulted in the development of a well-defined scope of works with a view of improving capital and schedule while minimising execution risks.

Our project management team continues to manage engineering, procurement activities and early contractor involvement, particularly with preferred construction partners. Our attention has been firmly directed on those activities that are necessary to finalise the funding strategy, manage critical path items, site security and surveillance and activities necessary to meet our ongoing compliance and environmental obligations to maintain good standing.

Procurement planning and preparation continued with regular market testing for the supply of specific equipment packages. As we get closer to FID and the resumption of activities, attention has turned to key site-based services including paramedic services and camp management.

As part of our operational readiness work, Arafura continued along the pathway to obtain Workplace Health and Safety Accreditation from the Office of the Federal Safety Commissioner. Following the initial Systems Verification Audit in February 2025, the Company is updating the applicable management systems in preparation of the full Systems Verification Audit in late 2025.

The Company has also commenced a gap analysis review for the Nolans Project safety case and its required inputs. This work will provide the outline of the obligations required from the Company and its lead engineer in the two-year period following the lodgement of the Major Hazard Facility Notification once FID is announced.

Subsequent to the period end, Arafura's revised Radiation Protection and Radioactive Waste Management Plan (RPRWMP) was approved by the Department of Climate Change, Energy, the Environment and Water. The approved plan will now be implemented.

Our product

NdPr is a key ingredient in the manufacture of high-performance magnets, which are essential for the electrification and efficient operation of technologies supporting the global energy transition. These rare earths are strategic enablers and our NdPr oxide will be at the heart of the global energy transition. Our customers are global original equipment manufacturers (OEMs) and their motor component suppliers in the automotive and renewable wind energy industries. They are dependent on Arafura product to establish supply chain diversification and resilience and value ESG best practice and transparency in the extraction and processing of the rare earths. Even against today's standard, the industry is contributing to a legacy of poor ESG performance that has created ESG risks for OEMs delivering products into industry sectors that cannot afford such brand risk exposure. Arafura's ore-to-oxide strategy will set us apart from our peers and establish industry leading standards.

Arafura's business model of ore-to-oxide rare earth production, all at a single site in a tier one jurisdiction, provides the optimal ESG solution. Shipping a high-purity 99.9% NdPr oxide, rather than the suboptimal common practice of shipping an intermediate product containing radionuclides, where the majority of which is disposed of as a concentrated waste in a foreign jurisdiction. Arafura ore-to-oxide processing model ensures improved transparency and traceability over its operations and product origin. We will be able to reduce shipping volumes, which we anticipate will have a positive impact on our future Scope 3 emissions.

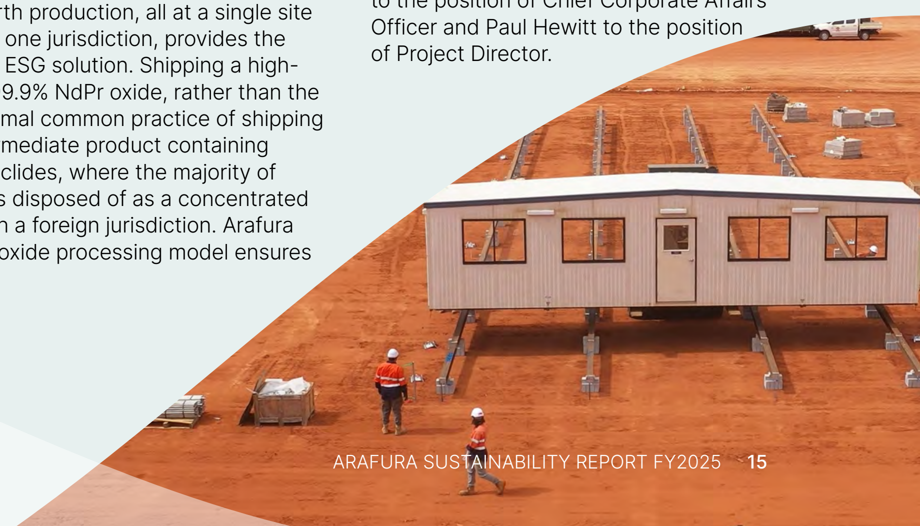
In addition, we are able to manage waste streams locally for future rehabilitation activities. Together with flora management, we aim to return the land in accordance with our post mining land use conditions as agreed with our stakeholders. This also allows us to manage the radionuclides that are naturally occurring in the host ore body, mitigating additional licencing risks and shipment of concentrated volumes to foreign jurisdictions.

With a pathway to net zero mapped out, we are confident in our ability to deliver a traceable and transparent product that has been responsibly sourced to support global net zero outcomes.

Our people

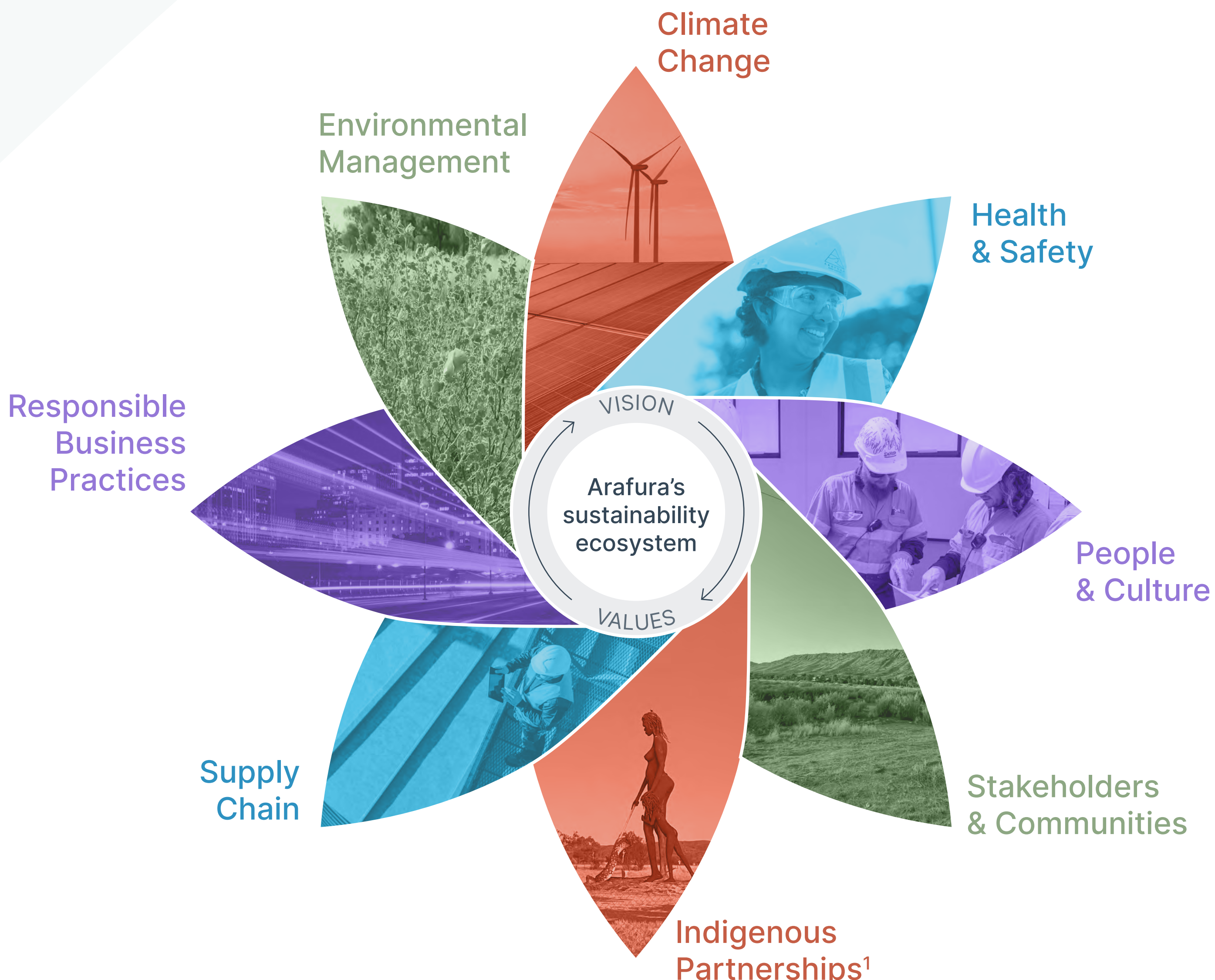
We recognise that our people will be the drivers of our future success and our ability to deliver on our sustainability objectives.

In FY2024, significant executive and non-executive director changes were implemented, resulting in the successful formation of an expanded board and new leadership team. Through FY2025 we further strengthened our Board and project execution readiness with the appointment of Ian Murray as a non-executive director and the appointment of highly experienced executives Tommie van der Walt to the position of Chief Projects Officer, Penelope Stonier to the position of Chief Corporate Affairs Officer and Paul Hewitt to the position of Project Director.



Sustainability performance

Arafura's performance across the eight elements of our sustainability ecosystem.



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

Responsible Business Practices

At Arafura, our aim is to be a global leader in the responsible mining and processing of rare earth products. Responsible business practices and strong governance are foundational to our operations and business strategies. This ensures we're operating responsibly and sustainably, delivering value to our stakeholders.

We understand that strong governance is the cornerstone of a successful and sustainable business. As we transition from explorer to developer, an embedded governance culture – and effective implementation and maturation of our governance processes – continues to be our priority.

We conduct our business in accordance with our governance framework, along with the laws and regulations of the jurisdictions in which we operate. Governance plays a critical role in our decision-making processes, ensuring our responsible operations and supporting compliance with regulations and strong risk management practices. We also review the governance of any external stakeholders we engage, including our offtake partners, project financiers and consultants and suppliers.

Our governance structure and processes cascade from our Constitution and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition, released on 27 February 2019). This establishes our governance requirements and how the relationship between the Company, our Board of Directors and our shareholders is directed and controlled. Although the Principles and Recommendations remain consistent over the years, the Company constantly reviews its business practices to ensure continuous improvement and development, while also considering how this could work in the construction and operational phase of the project lifecycle.

Additionally, we released an annual Corporate Governance Statement, in line with our corporate annual reporting processes. The statement outlines our approach to corporate governance practices and how we perform against each recommendation, with an 'if not, why not' approach.

Strong governance for operational readiness

The Board recognises the importance of a strong and well-developed corporate governance strategy and plan. Relative key performance indicators (KPIs) will be critical to building the foundations of a world-class operating entity. These KPIs have been developed for each executive leadership team member. Post a final investment decision, these will be cascaded within the business to ensure they remain relevant to every role in the Company. In the interim a set of final investment decision readiness KPI's have been set for FY2026 aligning the entire organisation with this critical milestone.

The refreshed Board and Executive team have endorsed the newly created Arafura's Values in Action (AViA) framework, and progress has been made in embedding this framework throughout the organisation. A Company wide development program building the foundational mindsets required to demonstrate our Values of Courage and Curiosity was run during the year. This work will be further embedded in FY2026.

The internal Policy Working Group continued to work on the relevant policies required to prepare the organisation for safe, lawful, responsible and ethical operations. Policy development is a continuous process, with each policy marked for annual review and approval by relevant stakeholders across the business. As we embed the AViA framework within our operations, we have sought to ensure alignment of our culture through values driven, condensed processes or control environments.

Establishing a culture of inclusion where diversity of thought can thrive is essential to our success. The Diversity Policy was expanded during the year to a broader Inclusion and Diversity Policy, focusing on achieving diversity (beyond gender) through the implementation of an integrated People Plan. As the Company progresses towards FID, we are mindful of building a long-term workforce that reflects community demographics. Arafura aims to have Board and Executive roles comprising of at least 40% men and 40% women by 2030 and will commence reviewing appropriate measurable objectives for achieving this in each reporting period.

Our suite of governance documents promotes transparency, integrity, accountability and financial responsibility from our people. These documents include our: Code of Conduct; Anti-Bribery and Corruption Policy; Inclusion and Diversity Policy; and our Whistleblower Policy. These are available on our intranet and employment management platform. New employees are required to review and acknowledge understanding of such policies and procedures, and existing employees and contractors are prompted to review and re-acknowledge them annually via our employee management platform. See the 'Links to relevant materials' at the end of this section for a list of our publicly available governance documents.

Aligned SDGs

"Sustainability is central to our vision to redefine responsible rare earths processing to enable the energy transition. We are guided by our eight sustainability elements and through demonstrable and tangible actions, our sustainability ecosystem will support our evolution into a trusted global leader and supplier of choice."

Cathy
Sustainability Committee Chair

Disclosures relevant to the Responsible Business Practices element can be found in Appendix I (Tables 1-7)

Links to relevant materials:

- *Arafura Corporate Governance*
- *Corporate Governance Statement*
- *Board of Directors*
- *Anti-Bribery and Corruption Policy*
- *Code of Conduct*
- *Disclosure Policy*
- *Diversity Policy*
- *Risk Management Policy*
- *Securities Trading Policy*
- *Shareholder Communication Policy*
- *Statement of Company Values*
- *Whistleblower Policy*

Environmental and Social Management System

In FY2025, we continued to develop an integrated Environmental and Social Management System (ESMS).

This system aligns with the:

- Equator Principles (EP4)
- International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability
- ISO standard for Environmental Management Systems (AS/NZS ISO14001:2015).

The ESMS forms the basis from which we will plan, monitor, measure and improve our environmental performance. It will ensure that risks are well understood, effective mitigations and controls are in place – and tested for effectiveness over time – and that valuable opportunities can be realised.

See Appendix I - 'Responsible Business Practices' for our disclosures regarding ethical and lawful behaviour.

Responsible Business Practices
cont.

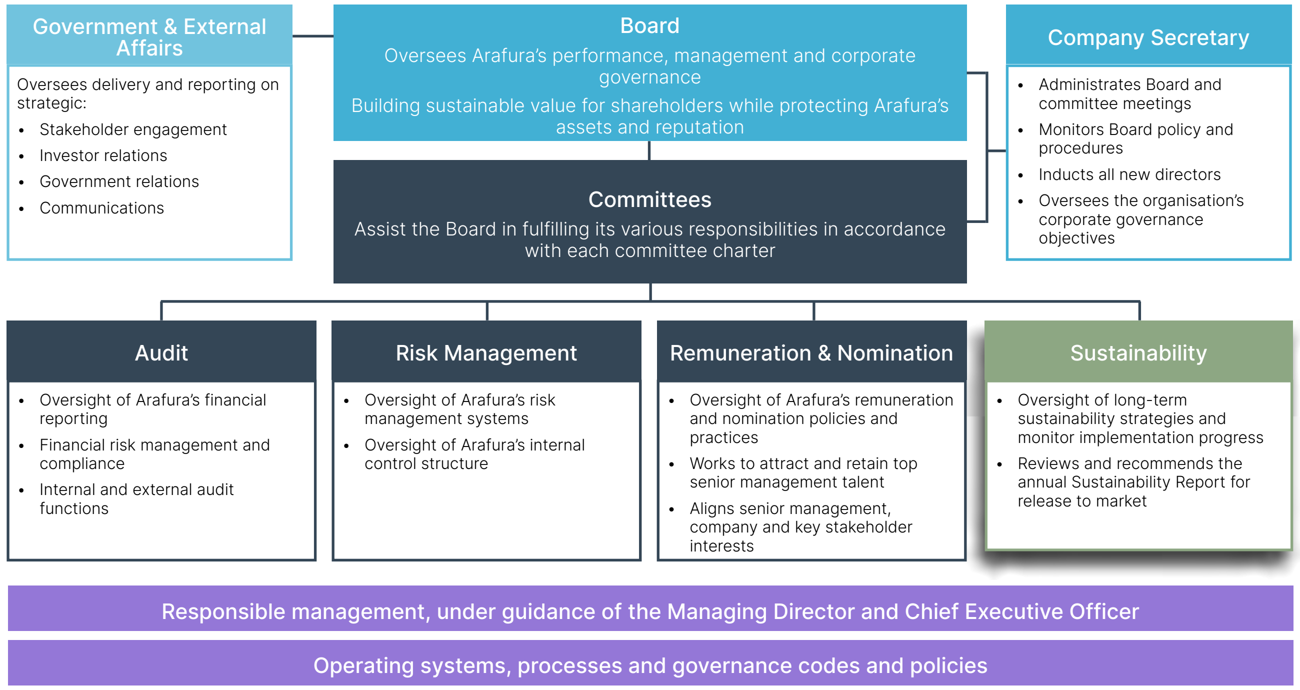


Figure 4. Arafura Rare Earths Limited corporate governance structure

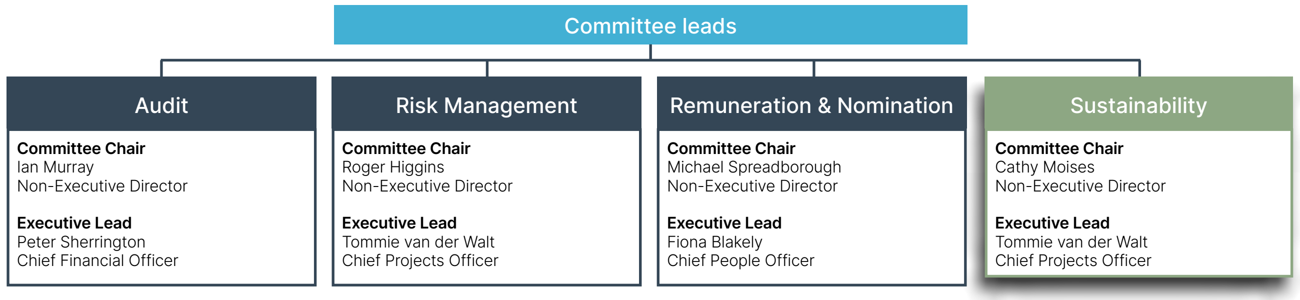


Figure 5. Committee leads

Our corporate governance framework and structure

Our Board oversees the implementation of Arafura's governance framework. To provide strategic guidance and oversight of crucial business areas, the Board operates four standing committees that work in partnership with the senior leadership team. The refreshed Board and Executive Leadership Team (ELT) have worked together effectively over the year, refocusing each Board and committee meeting to ensure appropriate coverage of strategic, operational and governance matters.

Annually, the Board and the ELT participate in an externally run, independent evaluation process, reflecting a commitment to continuous improvement and integrity. The assessment focuses on the overall function of the Board, the skills of each of the directors and how those skills align with Arafura's immediate requirements compared to the prior year.

In FY2024, as a result of the refreshed Board and ELT, the evaluation process was customised. Firstly, there was a short reflection on what has been done well since the leadership and Board changes, followed by a forward-looking strategic review of key focus areas to be targeted for the next 12 months. The Board noted four key emerging themes and committed to seven corresponding action items. Separately, the results of each of the Board committees were discussed with the relevant Committee Chair and additional action items were agreed for the year. Throughout FY2025, the Board has continued to review these key themes and progress on the action items to ensure the Board and each Committee remains accountable to its commitment. A review of the themes and action items has also been completed to ensure these remain relevant and whether any additional themes or action items should be added.

At the direction of the Board, the Company completed a 360 performance review of the Managing Director (MD) and Chief Executive Officer (CEO) to assess strengths and opportunities. All insights were collected anonymously, allowing participants to provide honest feedback. The results of the assessments allowed the Board to identify implementable actions that will be assessed through subsequent Board meetings.

Project finance and offtake

Strong governance is also essential for ensuring financial responsibility. The Nolans Project has strong alignment with international original equipment manufacturers in jurisdictions that adopt global critical mineral initiatives, focused on responsible value chains supporting low-carbon economies. This has resulted in our ability to secure a total debt financing package that totals in excess of US$1 billion. This will be pivotal to securing the strategic equity funding required for the project.

Our project financing and offtake strategy have enabled strong export credit agency (ECA) participation in our debt structure. This has facilitated commercial lender approvals under the ECA covered tranches, the cost overrun facility (COF) and provision of a full suite of institutional banking and risk management services to support Arafura through the construction process and into operations.

The syndicate of lenders, for facilities totalling US$775m, comprises EFA (under the Critical Minerals Facility), NAIF, Export Development Canada (EDC) and the Export-Import Bank of Korea (KEXIM), with untied loan guarantees from Euler Hermes and KEXIM facilitating commercial lenders KfW IPEX-Bank, KEXIM Global – Singapore, Commonwealth Bank of Australia, ING, and EFA (under its Commercial Account) providing funding under the ECA covered tranches.

Additionally, Arafura has secured a US$80million COF, supported by both ECAs and commercial lenders. A subordinated Standby Liquidity Facility (SLF) of up to US$200million from EFA provides an additional layer of funding contingency to ensure Nolans is funded through first production and ramp-up to its targeted nameplate capacity.

These debt financing commitments highlight the strategic value in developing Australian downstream rare earths processing capability, and a diversified NdPr global supply chain, to meet forecast demand growth for electric vehicles and wind turbines.

From an equity perspective, the Company executed a binding term sheet for $200 million investment commitment, via a convertible note, from the NRFC on 15 January 2025, representing the first major milestone in Arafura's equity funding strategy (Figure 6). This is expected to be a catalyst for attracting additional strategic investment into Nolans with similarities being drawn to the leadership shown by the Australian Government which catalysed Arafura's debt financing process.

Importantly, the NRFC convertible notes complement the project's existing debt finance facilities being unsecured and subordinate to these facilities.

The NRFC's objectives are shaped by a sound environmental, social and governance principles. They are:

- crowding-in private finance
- growing industrial capability
- helping industry pursue value-adding opportunities
- improving economic diversity
- decarbonisation
- creating secure jobs and a skilled, adaptable workforce
- boosting supply chain resilience
- commercialising Australian innovation.

Sustainable finance remains critical to supporting the transition to a low-carbon economy. Our establishment of a Green Loan Framework (GLF) aligns our financing strategy with offtake, sustainability and climate change related objectives.

This is based on the Green Loan Principles jointly issued by the Loan Market Association, Asia Pacific Loan Market Association and the Loan Syndications and Trading Association. The US$775 million senior loan facilities, other than the US$125 million EFA and US$100 million NAIF facilities are structured as Green Loans, assisting Arafura's access to capital and liquidity from commercial lenders (provided proceeds are used to fund expenditure that supports the transition to a low-carbon economy, whilst aligning with Arafura's sustainability and climate change objectives). GLF proceeds are eligible for funding of capital expenditure dedicated to NdPr oxide extraction and processing at Nolans for supply to wind turbine and electric vehicle industries.

Governance measures in the GLF to ensure compliance with applicable sustainability standards and regulatory requirements and management of proceeds, will be overseen by the Board Sustainability Committee. Annual reporting on fund allocation and impacts will be prepared until full allocation of any green loan proceeds. Reporting under the GLF will be subject to external review.

A second-party opinion of the GLF was prepared by ISS Corporate Solutions in July 2023. This provided a positive sustainability assessment of the Nolans Project. It also confirmed alignment of the GLF with Green Loan Principles and that the rationale for issuing green loans is consistent with Arafura's sustainability objectives.

Climate Change

The Nolans Project will play an important role in the green energy transition by providing a reliable supply of the rare earth products essential to the production of electric vehicles and wind turbines. We take our responsibility to minimise the climate impact of our activities, and to manage the impact of climate-related risks on our business seriously.

In the FY2024 Sustainability Report we began reporting our progress on Climate Change against the disclosure areas identified under the Australian Accounting Standards Board (AASB) Sustainability Standard. Whilst it will be several years before Arafura will be required to complete mandatory reporting under the new Australian legislation, we believe that now is an appropriate time in the maturity of the Project to begin aligning our public reporting on climate change with the principles of the AASB reporting framework. This practice continued for our FY2025 reporting. Below, we provide disclosures on:

- Governance
- Strategy
- Risk management
- Metrics and targets

Governance

At Arafura, climate-related risks and opportunities are governed by the Board Sustainability Committee (see 'Responsible Business Practices' section). Executive management of climate-related risks and opportunities is delegated to the Chief Projects Officer, who coordinates work with teams from across the business to assess and mitigate risks and opportunities.

Arafura Board

Sustainability Committee

Chief Projects Officer

Figure 6. Organisational structure.

Strategy

In FY2024 we completed a whole-of-business, climate-related risks and opportunity assessment. In FY2025 we have continued to apply the approaches established during this process for the management of our climate-related risks and opportunities.

The work in FY2024, which was facilitated by SLR Consulting, provided a foundational understanding of the potential climate-related physical and energy transition risks that the Nolans Project may experience. During FY2025 we received the results of detailed modelling of the physical risks from ClimSystems (a sister company of SLR Consulting). The modelling was compared to the existing design for the mine and processing plant to ensure that the design was sufficient to accommodate increased risk levels from climate events such as increased heatwaves, bushfire risk and high rainfall events. In general, the existing design parameters were found to be sufficient.

In FY2025, our approach to expenditure on both climate adaption and mitigation (e.g. emissions reduction investigations) has been aligned to the company's overall strategy of prudent cost control prior to achieving FID. We have continued to assess the impact of the evolving project design on the implementation of the GHG Emissions Reduction Pathway (refer ASX release dated 31 January 2023). Post-FID we will update the pathway based on the revised Nolans Project schedule.

Risk management

During FY2024, we began developing our climate-related risk and opportunity management framework following the initial assessment. During FY2025 we completed the development of this framework and its integration with Arafura's enterprise-wide risk and opportunity management process. This included prioritisation of risks and reporting on the highest priority risks to the Board and Sustainability Committee.

Our risk management processes for climate-related risks include:

- Periodic review of climate-related risks and opportunities, with consideration of maturing business and project planning and development. These reviews are intended to integrate consideration of the risks by relevant cross-functional Arafura and project personnel to determine the potential for changes that may influence the safe performance and operation of the Nolans Project.
- Use of physical modelling outputs to understand the potential for, and relevance of, changes to the climate at Nolans.

Metrics and targets

Arafura is committed to achieving net zero emissions by 2050, in line with the goals of the Paris Agreement. This commitment was first made in July 2021 (refer to ASX release dated 17 May 2021).

In our FY2022 Sustainability Report, we committed to achieving a 30% reduction in baseline emissions by 2030 and a 75% reduction in baseline emissions by 2040. The baseline emissions were defined as the emissions in the first full year of the processing plant's operation. At the time, this was forecast to occur in 2027, and the emissions estimated were 349 $ktCO_2e$ in that year.

The GHG Emissions Reduction Pathway, the development of which provided us with the confidence to commit to the 2030 target, assumed that full production would be achieved by 2027. Once a final investment decision for the Nolans Project is reached, the timeframe for achievement of full production will be reforecast, and the timeframes included in the GHG Emissions Reduction Pathway will be reviewed and aligned to the revised timing.

Aligned SDGs

> "Sustainability isn't just a checkbox to move past, it has to be at the core of how we operate. What I value most at Arafura is being part of a team that's willing to rethink the usual playbook and pursue bold, innovative solutions that go beyond surface-level fixes and deliver practical outcomes that make a real difference. From emissions reduction to Indigenous engagement and alignment with global best practices, this is the kind of work I'm proud to be part of."

Maggie
Senior Environmental Scientist

Disclosures relevant to Climate Change can be found in Appendix I (Tables 8-10).

Links to relevant materials:

- *ASX Announcement - Greenhouse Gas Emissions Reduction Pathway (31 January 2023)*
- *ASX Announcement - Arafura commits to sustainable supply of rare earths (17 May 2021)*

GHG reporting

Scope 1 & 2 GHG protocol emissions for Arafura and the Nolans Project, from FY2022 to FY2025, are presented in Appendix I – [Table 8 – Greenhouse Gas Emissions and Table 9 – Energy Consumption.] Scope 1 emissions refer to fuel usage (unleaded petrol and diesel) for transport and to generate stationary energy (e.g. diesel in generators). Scope 2 emissions refer to electricity that is sourced from an independent provider and used at any of Arafura's facilities.

On-site activities at the Nolans Project decreased significantly between FY2024 and FY2025. As a result the total combined metric tonnes of carbon dioxide equivalent (tCO_2eq) generated from Scope 1 and 2 emissions for Arafura and the Nolans Project decreased from 591 tCO_2eq to 71 tCO_2eq.

For FY2025 we are, for the first time, reporting our Scope 3 emissions from business travel. Total estimated Scope 3 emissions for business travel for FY2025 are 951 tCO_2eq. These emissions include travel to site from the Perth head office as well as travel to meet suppliers, investors, customers and other stakeholders globally.

Environmental Management

Arafura is committed to responsible mining and processing practices that minimise environmental impact and protect the environmental values of the Nolans Project site and surrounds. We strive to apply the same rigour to managing our environmental performance as we do to our financial, production and safety performance.

In FY2025, we continued developing and maturing Arafura's Environmental and Social Management System (ESMS). This system aligns with the: Equator Principles (EP4); the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability; and the ISO standard for Environmental Management Systems (AS/NZS ISO14001:2015).

The ESMS establishes the base from which we plan, monitor, measure and improve our environmental performance over time. It will ensure that risks are well understood, effective mitigations and controls are in place – and tested for effectiveness over time – and that tangible opportunities can be realised.

The ESMS provides Arafura with a methodical approach to managing environmental and social risks in a structured way, based on the Plan-Do-Check-Act process of continuous improvement.

External review and audit by the Independent Environmental and Social Consultant (IESC) appointed to fulfill Environmental and Social Due Diligence (ESDD) requirements continued during FY2025 to ensure the system aligns with Australian and international standards, and the requirements of external stakeholders.

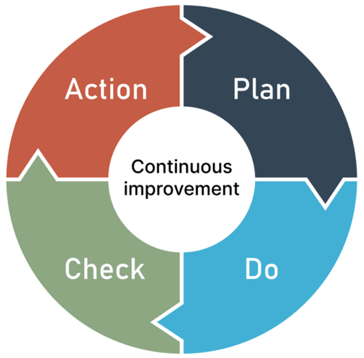


Figure 7. Approach to continuous improvement

The focus has been on 'construction readiness' to ensure the system is matured and ready for implementation, to 'hit the ground running' once site works recommence. These internal processes and management plans will ensure that future works on site will be undertaken in an environmentally responsible manner, and in compliance with all legislative, regulatory, and stakeholder commitments.

Permitting and approvals

The Nolans Project Environmental Impact Statement (EIS) was assessed by the Northern Territory Environmental Protection Authority (NT EPA) in 2017, with 16 recommendations made to manage potential environmental impacts and risks of the Project. The assessment concluded that, subject to the implementation of the recommendations, the Project can be managed in a manner that is expected to meet the NT EPA's objectives and avoids significant or unacceptable environmental impacts and risks. This was based on extensive cultural heritage and baseline environmental studies that Arafura commenced in 2006 and continued in subsequent years.

Based on the NT EPA's assessment, under bilateral agreement between the NT and Federal governments, the Project received Federal approval in 2018 under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). This was based on assessment of the Project as a controlled action under the EPBC Act for the controlling provisions of two matters of national environmental significance (MNES): listed threatened species and communities; and nuclear actions. This approval was conditioned to meet the requirement of the NT EPA assessment and ensure these MNES are adequately managed to reduce environmental impacts and risks. Variation to this approval was subsequently approved in 2024 to allow staged approval of environmental management plans (EMPs), and to meet current approval conventions.

One of the conditions of EPBC approval was the approval of a series of EMPs prior to commencing scopes of work related to activities of interest. To date, three of the five EMPs have been approved. Arafura's Water Abstraction Management Plan was approved in FY2024; Arafura's Biodiversity Management Plan was developed and approved in FY2025; and Arafura's Radiation Protection and Radioactive Waste Management Plan was developed in FY2025 and approved shortly after in July 2025. With the approval of these EMPs, Arafura has all necessary EPBC approvals to commence construction of the Nolans Project.

The two-remaining required EMPs (Acid and Metalliferous Drainage Management Plan (AMD MP) and Kerosene Camp Creek Management Plan (KCC MP) are required prior to conducting works related to the plans. The AMD MP was developed in FY2025 and will be submitted for approval in FY2026. The KCC MP will be developed in FY2026 when refinement of the diversion has been completed.

Aligned SDGs

> "To me, sustainability is about creating lasting value, environmentally, socially, and economically. At Arafura, this means managing our environmental impacts responsibly, fostering fair and respectful relationships with communities, and ensuring our project is economically viable in ways that support both people and the planet."
>
> **Daniel**
> Environmental Manager

The requirement for these EMPs to be approved under the EPBC Act, as well as at an NT Government level, provides assurance that the management systems being developed and implemented by Arafura meet all legislative requirements and constitute best environmental practice.

Mining Authorisation approval was granted by the NT Government in 2022 under the Mining Management Act 2001. Variation of approval was subsequently granted in 2023; and a further variation application is currently under assessment, to reflect recent updates to project planning. This is now deemed an approved Environmental (Mining) Licence under the Environmental Protection Act 2019 in alignment with recent legislative changes in the NT (the key legislative requirement in the NT to regulate mining activities and ensure the Project is operated in an environmentally responsible manner). The Mining Authorisation includes approval of the Mining Management Plan and a host of supporting EMPs which were implemented by Arafura during FY2025 as relevant to the project stage. Further maturing of the EMPs will continue to be a core activity, as part of our ESMS implementation and continuous improvement process.

Environmental reporting

Annual compliance reporting in accordance with regulatory requirements was undertaken in FY2025. This included reporting on whether approval conditions were met and management plans were implemented, depending on the stage of the Project. This included compliance reporting to the federal regulator for the EPBC approval and reporting to the NT Government for the Environmental (Mining) Licence and water licences. All compliance reports developed in FY2025 are available on the Arafura website.

Looking ahead

In FY2026, we will continue to further develop our ESMS, with a focus on implementation on the ground and continuous improvement of procedures, processes, systems and ways of working.

When construction activities recommence at the Nolans Project site, implementation of the ESMS will continue, with a focus on compliance with the relevant licences and approved EMPs.

Implementation of the above-described environmental monitoring programs will also continue.

Environmental Management *cont.*

Groundwater extraction licences have been granted for the Nolans Project by the NT Government, including a licence for Project water supply from the production borefield (granted in FY2023) and another for dewatering in the proposed mine pit area (granted FY2022). Approval of the Kerosene Camp Creek diversion was also granted by the NT Government in FY2025.

Monitoring and management

Groundwater

Although none of the sourced groundwater originates from high, or extremely high-water stress areas, the groundwater extraction licences will require substantial proactive management. Ongoing monitoring in the bores network was conducted in FY2025 across the mine site, residue storage facility, and the borefield area as part of the baseline monitoring program. This will continue for the duration of the Project to support sustainable water management. Monitoring includes measurement of groundwater levels, water quality and data logger downloads.

Water extraction from the borefield occurred briefly during early site works between August and October 2023. A total of 8.83ML, only 0.14% of the annual entitlement, were extracted during that period. No water extraction has occurred since that time.

Additional flow meters were installed on surrounding groundwater bores in FY2025 as part of an ongoing hydrocensus. This is to understand the extraction volumes and patterns of surrounding groundwater users, to ensure the aquifer is managed within sustainable and allowed limits. The data will be collected on an ongoing basis as part of Arafura's adaptive groundwater management approach and used to inform the implementation of appropriate management measures.

An Adaptive Management Plan and updated Groundwater Monitoring Program were submitted to the NT Government for approval in FY2025 to fulfill requirements of the borefield water licence. These approaches recognise the importance of groundwater dependent ecosystems (GDEs) (such as the trees, plants and animals that rely on access to groundwater) and other surrounding groundwater users and communities. Both plans include clear and measurable objectives that we will utilise when groundwater abstraction recommences, to monitor, measure and manage the GDEs and potential impacts to other groundwater users.

Passive dust and airborne radioactivity

Ongoing passive dust monitoring for dust and radioactivity analysis continued at the established monitoring network surrounding the mine site, residue storage facility and the accommodation village. The samples are aggregated for annual analysis against a range of environmental parameters and analysed regularly. Due to the limited time period during which the early site works were completed, the dust analysis is largely indicative of baseline conditions.

Feral animal control

A feral animal control program was initiated in FY2025 as part of the environmental commitments outlined in Arafura's Biodiversity Management Plan. The program targets feral cats and foxes - key predators threatening the Great Desert Skink (*Liopholis kintorei*), a species currently listed as vulnerable under both the federal Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) and the NT Territory Parks and Wildlife Conservation Act 1976.

The control program has been developed in consultation with local stakeholders including pastoralists and Traditional Owners. The program includes ground baiting and the use of

Felixer™ grooming traps, chosen for their proven effectiveness and minimal risk to native wildlife.

Biodiversity

Our biodiversity surveys play a crucial role in assessing and mitigating any potential impacts from the Nolans Project. These are conducted in accordance with Arafura's EPBC approved Biodiversity Management Plan. Surveys continued during FY2025 as part of our commitment to preserving local species and their habitats. See case study on page 27 for more detail regarding our activities over the past 12 months.

This year there was further improvement to the monitoring conducted on site with the addition of a multi-spectral drone to improve understanding of the vegetation on site. This monitoring aims to further increase the knowledge of the Great Desert Skink's surrounding the distant areas of the borefield and how best to monitor the area.

Disclosures relevant to Environmental Management can be found in Appendix I (Tables 11-12).

Links to relevant materials:

- ***Environmental Impact Statement***
- ***Arafura approvals***
- ***Environmental performance reporting***

CASE STUDY

Protecting our diversity

Feral cats are invasive predators and pose a significant threat to native fauna at the Nolans Project, particularly the vulnerable Great Desert Skink (Liopholis kintorei).

Between 2023 and 2025, biodiversity monitoring at the Nolans Project site identified feral cats at 26 out of 28 camera trap locations. Repeated detections across 74 days of monitoring suggest persistent activity and established territories throughout the site including the borefield and areas adjacent to Great Desert Skink burrows. Foxes were also recorded, though less frequently. The data shows a population decline of Great Desert Skinks and a decline in the number of burrows occupied. Predation by cats is considered the primary pressure.

In response, Arafura has initiated deployment of the Felixer™ grooming trap, a targeted, automated device that uses AI-assisted body recognition to identify cats and foxes and deliver a controlled spray of 1080 poison (sodium fluoroacetate).

Fourteen deployment locations have been identified across the Nolans site. The Felixer™ unit will be rotated through these locations to maximise coverage and effectiveness. Continued camera trap monitoring will provide data to inform implementation, assess ecological outcomes, and refine the deployment strategy over time.

The Felixer™ system has an accuracy rate of 99.5%, as it is designed to minimise non-target impacts. Initial testing began in June 2025 in 'photo mode' (non-lethal), and full activation is planned pending completion of several pre-launch requirements. The Felixer™ uses a low-dose, targeted delivery of poison, which poses lower secondary poisoning risks (than traditional baiting) to other carnivores such as dingoes and domestic dogs. Secondary poisoning risks are further reduced by environmental factors such as rainfall and microbial activity, as they accelerate breakdown of the poison. Any residual risk will be assessed and mitigated with carcass monitoring and adaptive management.

The program is being implemented under Arafura's Biodiversity Management Plan and regulatory obligations under the EPBC Act. It also supports national Threat Abatement Plans for feral cats (2024) and European red foxes (2008). The approach is grounded in environmental risk management, aiming to reduce predation pressure on vulnerable species while minimising unintended ecological impacts.

We have consulted with Traditional Owners, pastoralists, and the Central Land Council, particularly around mitigation measures such as the provision of Bluetooth dog identification tags to reduce risks to domestic animals.

Once operational, the program will be reviewed and refined based on ecological monitoring and stakeholder feedback to ensure it remains effective and accountable.

Figure 8. Feral cat (photo credit: EcOz Environmental, Biodiversity Report 2024)

Figure 9. Great Desert Skink (Liopholis kintorei) (photo credit: EcOz Environmental, Biodiversity Report 2024)

Figure 10. Felixer Grooming Trap preparation

Camera trap pointing at Great Desert Skink burrow

Health and Safety

At Arafura, we choose to put the health, safety and wellbeing of our people first. We believe in taking personal responsibility and being accountable to make the right choices, and to express and foster genuine care for ourselves; for one another, our stakeholders and our community. We embrace and champion Arafura's values.

We are pleased to report that, during FY2025, our employees and contractors performed approximately 24,588 hours with no health & safety related incidents or events.

During FY2025, the Nolans Project site activities were limited and short in duration. Activities included routine and ad hoc site mobilisations to undertake activities such as environmental monitoring, asset maintenance and stakeholder due diligence.

To support the health, safety and wellbeing of our people travelling to and from the project site to work on these activities, upgrades were made to pre-mobilisation training, site equipment and remote communication capabilities. This included:

- Deployment of Starlink
- Provision of satellite phones and personal GPS tracking devices
- Journey management monitoring
- An increase in collaboration, engagement and resource sharing with the Aileron Pastoralist

International Health and Safety at Work Day (28 April) was marked with an interactive hazard identification activity linked to Arafura's core value Care.

We applied to the Office of the Federal Safety Commissioner (OFSC) to pursue Workplace Health and Safety Scheme Accreditation. An Office of the Federal Safety Commissioner (OFSC) WH&S accreditation scheme System Verification Audit (SVA) was undertaken from 3-4 February 2025. Outcomes were as expected.

We developed a scope of work for an accredited Occupational Hygienist to undertake both a project level and a Phase 1 (Bulk Earthworks & Civils) specific qualitative Health Risk Assessment. This will help ensure risk controls are in place from the start of construction, before monitoring results from the work itself are available.

Continued engagement occurred with the Northern Territory Government, its emergency response agencies, and local emergency response stakeholders to achieve a coordinated and efficient approach to emergency response planning and communications.

In response to commitments identified as part of the funding due diligence and ESAP, all submitted health and safety related items were accepted by the independent environment and social consultant.

Looking ahead

In FY2026, we will be a participating member of the Ti-Tree Local Emergency Response Committee (LEC). LEC members come from Territory and local government departments, private businesses and emergency management volunteer organisations to collectively work together in prevention, preparation, response and recovery from emergencies within the community we operate in.

Our Emergency Response Plan will be updated to reflect our integration with the LEC and local emergency response stakeholders. This will form the final H&S pre-construction deliverable for our Environment & Social Due Diligence requirements.

We are on track to finalise our H&S system readiness via close-out of remaining OFSC WH&S Accreditation Scheme's system verification audit findings.

The Enterprise Risk Management Framework and its interface platform will be reviewed for efficiency and improved usability throughout all the organisation's disciplines.

In parallel to the commencement of construction, the Company will progress the development of the operations Safety Case, a key activity which identifies future obligations.

Key activities will include contractor evaluation, onboarding and stewardship to ensure the right Health and Safety culture is instilled within the Project and its people from the outset.

Aligned SDGs

3 GOOD HEALTH AND WELL-BEING

Disclosures relevant to Health and Safety can be found in Appendix I (Tables 13-14).

Links to relevant materials:

- ***Environmental Health and Safety at Arafura***

People and Culture

Arafura is committed to building an agile, innovative and inclusive culture, where psychological safety drives diversity of thought. Our vision and values form the core of this culture, enabling our high-performing teams to work together for the benefit of all stakeholders.

Foundational Mindset' workshop

Arafura staff celebrating Eid al-Fitr

Fostering a diverse, inclusive and respectful culture

As the new ELT formed (see 'Responsible Business Practices' section), the team's immediate priorities were to review Arafura's vision and values.

During FY2025, we established the cultural foundations through development of a behavioural framework centred around psychological safety known as Arafura's Values in Action (AViA).

An Arafura Development Program was implemented across the workforce focusing on the foundational mindsets required for AViA, in particular for the behaviours related to Courage and Curiosity. We also continued delivering a suite of training relating to respect at work, anti-bullying and anti-harassment, and health and safety to all new starters.

A revised Inclusion and Diversity Policy was approved by the Board outlining our commitments, including the aim to have Board and Executive team comprised of at least 40% women and 40% men by 2030.

Composition of our workforce

At the end of FY2025, our workforce comprised a total of 30 team members, 27 of whom, are direct employees and 3 embedded contractors. We have 37% female representation across our workforce, and 50% female representation on our ELT (excluding the Managing Director). Additionally, 3% of our workforce identifies as Aboriginal and Torres Strait Islander.

For the construction phase of the Project, we have set a workforce commitment target of 4% Indigenous employees and 10% local employees (from Central Australia).

A more aspirational target of 20% Indigenous employment has been set as the Project matures over the longer term in the operations phase.

As part of our support for flexibility in the workplace, we offer the ability to work from home, for non-operational roles. The uptake rate of this benefit is high. During FY2025 we made progress on the development of a new Ways of Working Policy, which will embed trust and empowerment into our operating system.

We are also currently trialling tailored Work-Life Plans with a view to broader implementation in FY2026.

During the period, we also redesigned our quarterly engagement surveys to align to AViA enabling us to track trends and measure progress. The results are shared within teams and used to determine the actions required to continue strengthening our culture.

We are committed to the development of our people through training and opportunities to work on cross-functional and challenging projects. We conduct remuneration reviews annually and undergo checks to ensure remuneration remains fair, equitable and in line with market conditions.

This year we lived our values of Care, Collaboration, Commitment, Courage and Curiosity through a range of cultural celebrations, employee wellbeing initiatives, team building activities and community fundraising. A key milestone was the Foundational Mindset Workshop where our entire team came together to align and move in concert with our values.

We strongly encourage a culture of giving back to the community through participation in charitable events and activities. This year, initiatives included in-office fundraising events for Cancer Council Australia and Jeans for Genes Day, as well as team members participating in Run for a Reason and City to Surf.

Looking ahead

In the coming year, we will continue to refine and shape the future of our desired culture as we embed our behavioural framework, AViA, into all of our operating systems and symbols.

Aligned SDGs

5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

"For me building a sustainable culture at Arafura is about deeply embedding what we say we value into every aspect of our business. Culture comes from what we collectively do on a day to day basis and so our operating systems need to be 100% aligned to the culture we aspire to."

Fiona
Chief People Officer

FY2024 highlights

Achieved 50:50 (female to male) gender diversity on the Executive Leadership Team.[1]

Built the Arafura Values in Action behavioural framework which will act as the foundation for embedding the Arafura culture throughout the organisation.

Formally approved and published our Human Rights Policy.

Broadened our Diversity Policy to an Inclusion and Diversity Policy with the aim to have, by 2030, Board and executive roles comprised of at least 40% men and 40% women.

[1]*Excludes Managing Director and CEO Darryl Cuzzubbo who is represented in Board composition figures.*

Disclosures relevant to People and Culture can be found in Appendix I (Tables 15-19).

Respecting human rights

Arafura supports the advancement of human rights and is committed to embedding these principles across its operations and supply chain.

As part of this commitment, we published our Human Rights Policy in FY2025 and have incorporated rigorous information gathering processes into our supplier and bidder assessments for major contracts, including the review of anti-slavery, anti-bribery and corruption policies and associated findings.

Once project delivery commences, we will participate in FairSupply supplier reviews of large tender participants to further strengthen ethical oversight in procurement. To ensure that all suppliers align with our values, we require comprehensive disclosures and responses across a range of business ethics areas including anti-bribery and corruption compliance, supply chain traceability, human rights commitments, data protection practices and adherence to modern slavery prevention measures.

These measures for major contractors and suppliers are supported by mandatory pre-qualification questionnaires, modern slavery self-assessments and the possibility of audits, interviews, and contract enforcement actions where risks are identified. In doing so, we're fostering partnerships with suppliers who maintain robust governance, respect internationally recognised human rights, and operate in accordance with the highest ethical and legal standards.

Supply Chain

At Arafura, we are committed to guiding our suppliers towards high ethical, social and environmental standards. Our supply chain strategy places a strong emphasis on sourcing goods and services from businesses local to the Nolans Project, with the aim of maximising economic and social benefits for Alice Springs, the Northern Territory, and, where possible, across Australia.

Local procurement

Supporting local communities

A sustainable supply chain is essential for responsible and effective operations. By prioritising local opportunities and promoting responsible sourcing, we not only mitigate environmental and social impacts but also strengthen the long-term viability of our business and the communities in which we operate.

Our commitment to local procurement stimulates and supports local businesses and communities. Local suppliers bring unique insights and capabilities. We are dedicated to helping smaller businesses grow and meet their development needs. In the instances local suppliers may not yet be available and, where suitable, we are committed to helping build local capabilities. This commitment forms the foundation of our 'buy local first' approach when procuring goods and services.

Strenghtening local relationships

Following our final investment decision, strengthening relationships with local businesses will be a top priority. We will continue to source a wide range of services and consumables from businesses in Alice Springs.

Non-local suppliers will only be considered once all local options have been thoroughly explored and assessed for alignment with project needs.

Where practical, we also encourage national suppliers to establish a presence in Alice Springs to further support the local economy.

Engaging local and Indigenous suppliers

The Nolans Project is committed to high levels of engagement with local suppliers, involving Australian businesses and labour. To ensure reinvestment in the Alice Springs community, all major construction companies and service providers-regardless of their location-will be required to report their spending with local and Indigenous businesses.

We maintain a comprehensive register of suppliers in Alice Springs and the Northern Territory, including Indigenous-owned businesses, and we plan to make this register available to contractors.

Procurement opportunities are promoted through the ICN (Industry Capability Network) Gateway business engagement portal, allowing suppliers to register their interest and receive notifications about new opportunities.

While we recognise that opportunities are limited until the Project reaches final investment decision status, we are optimistic that substantial opportunities will become available once works commence.

Facilitating supplier engagement

Over the past year, we have identified construction activities well-suited to contractors specialising in smaller, manageable work packages. Subject to Board approval, we plan to conduct another supplier roadshow in Alice Springs, building on the success of our 2022 Northern Territory event. These sessions, offered both in-person and online, will guide local suppliers on how to engage with the Nolans Project and help us expand our supplier database. Where possible, we will also invite major construction companies to participate, enabling them to outline available opportunities directly to local suppliers.

While Arafura is strongly committed to supporting local procurement, we also have a responsibility to make commercially sensible decisions that ensure the success of the Project. Our commitment to local sourcing does not exclude non-local suppliers, nor does it guarantee acceptance of local offerings that may not meet competitive standards.

We recognise that large capital projects are often time sensitive, which may occasionally limit the extent of local involvement, particularly where local supplier capability first needs to be developed over time. Nonetheless, we remain dedicated to working with local businesses to help build their capacity for future opportunities.

Aligned SDGs

"At Arafura, sustainability means being wholeheartedly committed to fostering and maintaining relationships that deliver positive outcomes, aligned with stakeholder and community-driven expectations and needs. That's how we'll enhance opportunities for future generations."

Glen
Work Health & Safety Manager

Supplier pre-qualification self-assessments

Enhanced qualification process

Our enhanced supplier pre-qualification process will be made available to all potential suppliers as soon as we issue contracts and orders. The process uses standard criteria, evaluating suppliers on:

- Anti-bribery and corruption measures
- Supply chain traceability
- Modern slavery prevention
- Data protection protocols
- Ethical business practices
- Financial stability, and
- Health, safety and quality standards

We continue to put emphasis on independent third-party assessments for engagements that require comprehensive review.

Disclosures relevant to Supply Chain are in development and will be reported in future years.

Links to relevant materials:
- *Nolans Project ICN Gateway*
- *Arafura website – Engaging with the project*

Ethical sourcing

Upholding High Standards

Supply chain transparency is central to our commitment to ethical sourcing. We expect all suppliers to reflect our core values, formalised through the introduction of a Supplier Code of Conduct that forms part of our contractual relationship.

We are pleased to report that, to our knowledge, none of our current suppliers are linked to child or forced labour. We will continue to employ third-party services to verify supplier claims, especially for high-risk regions and sub-suppliers.

Looking ahead

Future Procurement and Sustainability

Following our Board's final investment decision, we anticipate a significant increase in contract and procurement activities. Our Supply Chain team will integrate sustainability criteria into every sourcing decision, ensuring compliance through comprehensive screening, facility inspections, and diligent performance monitoring.

Most local supplier opportunities will arise from site construction and associated subcontracting needs, but we will actively encourage head contractors to foster relationships with local suppliers who share Arafura's values.

Darwin Port

Indigenous Partnerships

At Arafura, we continue to respect and embrace the opportunity and privilege we hold in developing the Nolans Project on Anmatjere Country. Partnering with our Traditional Owners in the true spirit of codesign, we are planning *with* our local Indigenous communities, not just *for* them. This partnering approach will deliver mutual benefits for all.

During FY2025, we continued to strengthen our partnerships with our Traditional Owners and local Indigenous communities. Building on the foundations of our trusted relationships, we continue to develop and explore opportunities for Indigenous people in our region.

Support for Aboriginal and Traditional Owner businesses

The continued support from the Board for our Local and Indigenous Business Program (IBP) enabled us to continue providing and developing opportunities for our Traditional Owners and local communities. Our work continued with Penangke Cultural Consultants encompassing community, environmental, cultural and workforce consultation in the region. Penangke's continued success is a testament to working closely with Aboriginal owned businesses in the region; it has gone from strength to strength securing more government and private industry consulting contracts across the NT over the past year.

Through the IBP we have identified an opportunity for Blaak Line, a 100% female Aboriginal owned business, to provide transportation services for the Project, other commercial ventures and government contracts. The opportunity includes the potential development of a fully supported joint venture contract arrangement with one of the largest Australian-owned domestic and international commercial bus service operators in the industry. Arafura, the Blaak Line and the prospective partner took a tour across several WA operating mines to explore services currently provided. This has helped establish the next steps for this development opportunity.

A commitment to collaboration and co-design

We also assisted several Traditional Owners in establishing their own independent contractor services for the project and other works. ABN registration with assistance from Blaak Line and supplying work for consultation, community and cultural heritage clearance works. The program has identified future development opportunities for the coming year including helping to establish additional local Aboriginal-owned businesses, specifically a building contractor, an interpreter service and cultural training services.

Working with Blaak Line, Penangke and our independent consulting Traditional Owners throughout the year has again deepened our cultural understanding of our Traditional Owner groups and Indigenous communities. This collaboration has strengthened our relationships further.

Our Board continued to support our Indigenous Youth Program which also extended to the Clontarf Foundation. The foundation continues to be the benchmark for providing support for Indigenous youth in the NT and across Australia for personal and educational assistance and development. During the year we met with many of the Clontarf participants across several events. Future graduates from around Australia presented in Darwin, reflecting on their experiences relating to Arafura's support via Clontarf, and speaking about their future aspirations post-graduation. To ensure equal support for both Indigenous males and females, we continued discussions with the Stars Foundation and allocated a commensurate budget to support this organisation's important work.

We recognise the importance of sporting and other activities to our local communities, so we are exploring opportunities to engage local and Indigenous youth in sporting and other community events. Transportation appears to be a major inhibitor, due to the vast distances between remote locations, so we are exploring ways we can support individuals and families to consistently attend.

In FY2024 we established a Project Liaison Committee. Since then, we have worked closely with our Traditional Owners and the Central Land Council (CLC) to establish two sub-committee working groups. One is for Workforce Development and the other for Community Development. Nominees from the Traditional Owners have been elected and the groups will continue working with us and the CLC to co-design programs to benefit our local Indigenous communities through training, employment opportunities and community development.

The programs are currently being developed. Assistance from the Northern Territory Government has been provided to undertake a Skills and Training Assessment study through the Industry Skills Advisory Council Northern Territory (ISACNT). The study will identify all the necessary skills, qualifications, education and training required to fulfill each role for the Project for both construction and operations. The study will also identify what funding is available for the training and skills development and will inform the design and development of the Workforce Program's execution strategy.

Aligned SDGs

"Sustainability at Arafura means creating long-term value by balancing our responsibilities across all eight elements: protecting the environment; prioritising health and safety; building strong partnerships; and operating responsibly. That's how we deliver generational positive outcomes for our people and communities."

Jinga
Project and Office Coordinator

Disclosures relevant to Indigenous Partnerships can be found in Appendix I (Table 21).

Links to relevant materials:

- ***ASX Announcement - Native Title Agreement Executed for Nolans Project (26 June 2020)***

Creating employment opportunities

FY2025 delivered benefits for Traditional Owners and local Indigenous community members, including early employment opportunities and receiving paid work for their participation across a number of areas outlined below:

- Community consulting meetings
- Cultural heritage surveys (environmental)
- Water and environment management consultancy
- Catering
- Contracting
- Arts
- Native Title Holder meetings
- Project Liaison Committee meetings
- Employment consulting
- Community Development consultation
- Translations Services

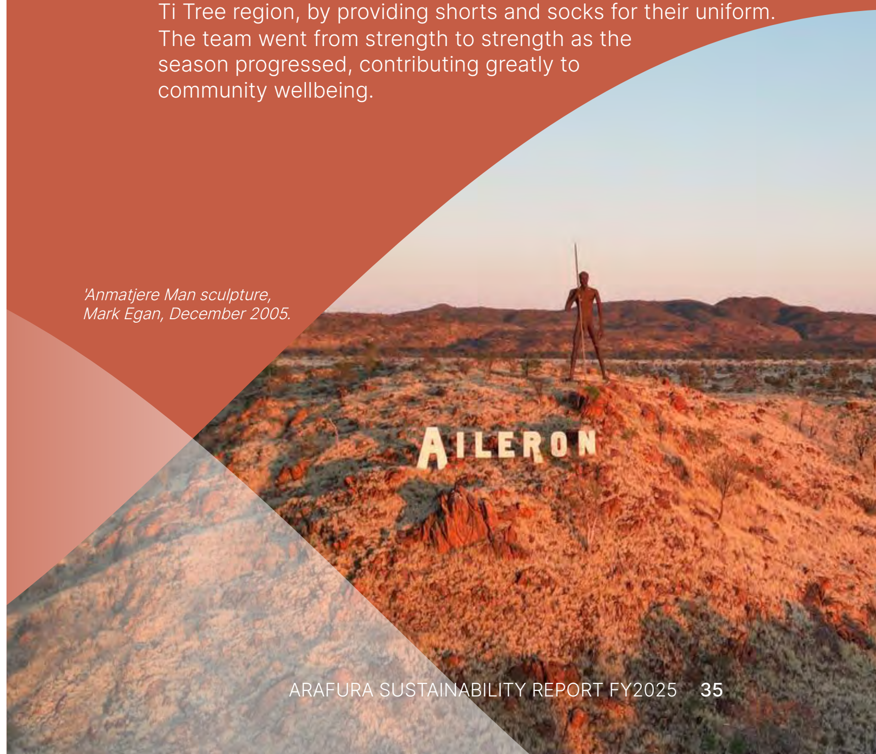
Further employment opportunities have been provided for Anmatjere translators through the Northern Territory Government's Aboriginal Translator Services. The translators play a key role in facilitating mutually beneficial understanding between the Nolans Project and the community. The community better understands the project and its opportunities, and Arafura benefits from a deep understanding of the matters of importance for Traditional Owners and local communities.

Community support

An initial scoping consultation has been conducted at Alyuen Community for the development of the Community Needs Assessment that will set the strategy for the delivery of the Community Development Program. The Community Development Program will continue to be developed in co-design with our Traditional Owners and local Indigenous communities.

Our collaboration with Traditional Owners, communities, CLC, government, industry peak associations, commercial, education and training stakeholders will continue as we develop our programs and build pathways to deliver thriving local and Indigenous communities.

Sport plays a big part in community life, and we were proud to support the local community football team, from 6Mile in the Ti Tree region, by providing shorts and socks for their uniform. The team went from strength to strength as the season progressed, contributing greatly to community wellbeing.



'Anmatjere Man sculpture, Mark Egan, December 2005.

Stakeholders and Communities

Our stakeholders and communities remain a central focus while delivering the Nolans Project in Central Australia and the Northern Territory. We take pride in our authentic style of engagement respecting each unique role our different stakeholders play in the ecosystem. Through genuine engagement with all parties, listening to their voices and participating in relevant forums, we continue to strengthen our relationships and ensure we are an integral partner across the entire Northern Territory ecosystem.

In FY2025, engagement with our communities and stakeholders continued, updating them on the Nolans Project's progress and the challenges and opportunities it presents.

We engaged across key areas, including cultural, environmental, community, social, commercial and regulatory. We participated in several forums including government and industry conferences, meetings and functions.

We also played a role on digital and educational platforms that covered international, national and local audiences.

In celebration of Earth Science Week and to champion Women in STEM, Arafura's Territory and Environmental teams, in collaboration with the Minerals Council of Australia NT Branch, hosted an engaging forum for students from across Central Australia.

Through a practical and interactive environment, students and industry participants explored opportunities and real world interfaces created by the mining sector.

The immersive experience covered topics from environmental, operational, geological and career diversity opportunities that come from being involved in the industry and the educational pathways that can lead you there.

Figure 10. Arafura was represented in the forum for students in the Central Australian Region.

A key area of focus during the period was the development of the Community Development Program (CDP). The Community Development Working Group was established under the Liaison Committee (refer to the Indigenous Partnerships section).

The Community Needs Assessments currently being co-designed with our Traditional Owners will inform the delivery strategy for the CDP.

In the coming year we will build on the strategy for delivering the CDP and begin to identify, map and engage with delivery partners from across industry, government and community groups.

Our stakeholder and community engagement will continue to mature and materialise as the Nolans Project comes closer to commercialisation and revenue production.

Aligned SDGs

11 SUSTAINABLE CITIES AND COMMUNITIES

"As Arafura and the Nolans Project matures and develops so does our approach and delivery towards sustainability. We have identified our core beliefs and coupled them together with our core behaviours. This principal and action-based undertaking builds on our foundation to ensure our ongoing commitment and delivery towards a culturally, socially, environmentally and commercially balanced sustainable future"

Stewart
Head of Northern Territory & Indigenous Affairs

The advancement of the Project allows us to lay the foundations to deliver social, cultural, environmental and financial benefits to our stakeholders and communities; this is how we'll create intergenerational positive change in the Northern Territory for decades to come.

Disclosures relevant to Stakeholders and Communities can be found in Appendix I (Table 20).

Community Benefit Program principals

The six key principles, which underpin the Community Benefit Program (CBP).

Cultural respect and sensitivity

Involve Aboriginal Elders and leaders in planning and decision-making processes and ensure programs are designed to align culturally and in accordance with need.

Collaborative governance and decision making

A commitment to shared decision making.

Shared value creation

Focus on creating shared value by aligning community benefits with business objectives.

Sustainable development and capacity building

A focus on long-term sustainability and building capacity within local communities to manage and benefit from the programs independently.

Transparency and accountability

Ensure the CBP operates with full transparency and accountability.

Continuous improvement and adaptability

Regularly review and evaluate the plan and associated programs/projects to respond to changing circumstances and community needs.

Appendices

Appendix I — Disclosures

Appendix II — GRI Index

Appendix I — Disclosures

Sustainability element - Responsible Business Practices

Table 1 Governing body

Board member	Role	Independence	Tenure during the period	Tenure as at 30 June 2024	Number of other significant positions and commitments, and the nature of the commitments	Gender	Membership of under-represented groups	Stakeholder representation
Mark Southey	Non-Exec. Chair	Independent	1 July 2024 - 30 June 2025	7 years and 5 months	Independent Non-Exec. Director - Fleetwood Corp. (ASX: FWD) Advisory board member - Gas Cleaning Technologies LLC (Dallas)	M	No	No
Ian Murray	Non-Exec. Director	Independent	10 September 2024 - 30 June 2025	0 years and 10 months	Non-Exec. Director - Black Rock Mining Limited Non-Exec. Director - Jupiter Mines Limited	M	No	No
Chris Tonkin	Non-Exec. Director	Independent	1 July 2024 - 26 July 2024	13 years and 6 months	None	M	No	No
Cathy Moises	Non-Exec. Director	Independent	1 July 2024 - 30 June 2025	5 years and 7 months	Non-Exec. Director - Australian Potash Limited Non-Exec. Director - Podium Minerals Ltd	F	Yes	No
Darryl Cuzzubbo	Managing Director and Chief Executive Officer	Non-independent	1 July 2024 - 30 June 2025	1 year and 5 months	None	M	No	No
Mike Spreadborough	Non-Exec. Director	Independent	1 July 2024 - 30 June 2025	1 year and 3 months	Exec. Co Chair - Novo Resources Ltd	M	No	No
Roger Higgins	Non-Exec. Director	Independent	1 July 2024 - 30 June 2025	1 year and 3 months	Non-Exec. Director - Worley Ltd Non-Exec. Director - Hillgrove Resources Ltd	M	No	No

Sustainability element - Responsible Business Practices *cont.*

Table 2 Anti-bribery and anti-corruption

Disclosure	FY2023	FY2024	FY2025
Total % of the Board members (executive and non-executive), senior leadership and Board committees that have received anti-corruption training	0%	100%	100%
Total % of employees that have received anti-corruption training	0%	100%	100%
Total % of business partners that have received anti-corruption training	0%	0%	0%
Total % of Board members and employees who have received a copy of the Anti-Bribery and Corruption Policy	100%	100%	100%
Total number of confirmed corruption incidents that relate to previous years	0	0	0
Total number of confirmed corruption incidents that relate to the current financial year	0	0	0
Nature of each of the corruption incidents confirmed	Not applicable	Not applicable	Not applicable
Total number of public legal cases regarding corruption brought against the organisation or its employees during the reporting period	0	0	0

Table 3 Ethical and lawful behaviour

Disclosure	FY2023	FY2024	FY2025
Internal mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity.	There is a commitment from the Board, management and staff to adhere to Arafura's values. Internal mechanisms and points of contact are described in Arafura Rare Earths Limited Code of Conduct, Whistleblower Policy, and Securities Trading Policy. All staff, upon commencement of employment, are required to acknowledge these policies and are re-sent the policies annually for acknowledgment. Staff also have access to Arafura's Employee Assistance Program.	Employees and contractors can seek guidance on ethical and lawful conduct through our designated Whistleblower Protection Officer or senior management, this ensures that inquiries are handled confidentially and supportively.	Employees and contractors can seek guidance on ethical and lawful conduct through our designated Whistleblower Protection Officer or senior management, this ensures that inquiries are handled confidentially and supportively.
External mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity.	The external mechanisms for seeking advice are described in Arafura's policies as noted above, in particular the Whistleblower Policy.	Individuals may consult independent legal representatives or other bodies for advice on ethical issues, ensuring they receive independent guidance that aligns with legal standards.	Individuals may consult independent legal representatives or regulatory agencies like ASIC (Australian Securities and Investments Commission), APRA (Australian Prudential Regulation Authority), or the ATO (Australian Taxation Office) for advice on ethical issues, ensuring they receive independent guidance that aligns with legal standards.
Internal mechanisms for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	The internal mechanisms for reporting concerns are the same as those for seeking advice and are described in Arafura's policies.	Arafura policy encourages internal reporting through established channels, such as the Whistleblower Protection Officer, allowing for confidential disclosures that are investigated thoroughly while protecting the discloser's identity.	Our policy encourages internal reporting through established channels, such as the Whistleblower Protection Officer, allowing for confidential disclosures that are investigated thoroughly while protecting the discloser's identity.
External mechanisms for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	The external mechanisms for reporting concerns are described in Arafura's policies as noted above, in particular the Whistleblower Policy.	Employees can also report concerns to external authorities, including the Company's external auditor, registered tax agent or regulatory bodies, if they believe internal mechanisms are inadequate, particularly in cases involving public interest or imminent danger, ensuring robust oversight of Arafura's practices.	Employees can also report concerns to external authorities, including the Company's external auditor, registered tax agent or regulatory bodies, if they believe internal mechanisms are inadequate, particularly in cases involving public interest or imminent danger, ensuring robust oversight of our practices.
Total number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant.	None	None	None

Sustainability element - Responsible Business Practices *cont.*

Table 4 Economic contribution

Disclosure	FY2023	FY2024	FY2025
Revenue	$0	$0	$0
Operating costs[1]	$86 million	$78 million	$18 million
Employee wages and benefits (direct employees only)	$3.8 million[2]	$5.3 million	$4.8 million
Payments to providers of capital	$0	$0	$0
Payments to government	$497,113	$1.44 million[3]	$1.23 million[4]
Total monetary value of financial assistance received by Arafura from any government during the FY reporting period	$6 million	$9 million	$0
Profit	ARU is not yet in production and operation.	ARU is not yet in production and operation.	ARU is not yet in production and operation.

[1] Whilst the Nolans Project is not in operation phase, the operating costs refer to Nolans Project development expenses, as captured in the Annual Report (Refer to Profit and Loss Statement).
[2] Updated the employee wages and benefits for FY2023, previously reported as $3.85 million. This number comprises gross wages (less PAYG deductions) and superannuation.
[3] Payments to the government for FY2024 include: Northern Territory Government for security levies, bonds and tenement rents (bond of $1.37 million paid in June 2024) and Australian Government for penalty for breach of conditions ($16,500).
[4] Payments to the government for FY2025 include: Northern Territory government for security levies, bonds and tenement rents.

Table 5 Taxes paid

Disclosure	FY2023	FY2024	FY2025
Corporate income tax	$0	$0	$0
Property tax	$0	$0	$0
Net GST paid	$166,092	$0	$0
Other sales tax	$0	$0	$0
Employer-paid payroll taxes			
FBT (Fringe Benefits Tax)	$33,665	$26,664	$56,947
Payroll tax	$394,379	$486,852	$437,476
PAYG (Pay as you go)	$1,661,087	$2,642,947	$2,369,350

Table 6 Financial investments

Disclosure	FY2023	FY2024	FY2025
CapEx minus depreciation spent in FY	$252,287	$115,588[1]	$1,000,000
Share buy backs	$0	$0	$0
Dividend payments	$0	$0	$0

[1] Following contract negotiations during the year, Arafura recognised the Fly Camp as an asset, whereas it had previously been held under a lease arrangement.

Table 7 Total R&D expenses

Disclosure	FY2023	FY2024	FY2025
Total spent on R&D in FY	$436,950 of which Arafura received a tax refund of $211,920.	Total expenditure was $127,021, with a refund of $55,524 expected.	Estimated expenditure for FY2025 has not yet been finalised. At this stage, no draft has been prepared, and any potential tax refund is yet to be determined.

Sustainability element - Climate Change

Table 8 Greenhouse gas emissions

Disclosure	FY2023	FY2024	FY2025
Metric tonness of carbon dioxide equivalent GHG Protocol Scope 1 and Scope 2 emissions.	722.0 tCO_2eq	591.0 tCO_2eq	70.9 tCO_2eq
Gross direct (Scope 1) GHG emissions in metric tonnes of CO_2 equivalent.	678.0 tCO_2eq	548.0 tCO_2eq	25.6 tCO_2eq
Gross location-based energy indirect (Scope 2) GHG emissions in metric tonness of CO_2 equivalent.	44.0 tCO_2eq	43.0 tCO_2eq	45.3 tCO_2eq
Gross location-based energy indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent	-	-	950.5 tCO_2eq

Table 9 Energy consumption

Disclosure	FY2023	FY2024	FY2025
Total fuel consumption from non-renewable sources, in joules or multiples (include fuel types used).	9,662 GJ	7,778 GJ	364 GJ
Total fuel consumption from renewable sources, in joules or multiples (include fuel types used).	0	0	0
In joules, watt-hours or multiples, the total:			
Electricity consumption	75,076 kWh	81,600 kWh	87,287.5 kWh
Heating consumption	0 kWh	0 kWh	0 kWh
Cooling consumption	0 kWh	0 kWh	0 kWh
Steam consumption	0 kWh	0 kWh	0 kWh
Total	75,076 kWh	81,600 kWh	87,287.5 kWh
Total energy consumption within the organisation, in joules or multiples.	9,933 GJ	8,072 GJ	678 GJ

Table 10 Task Force on Climate-related Financial Disclosures implementation

Disclosure	FY2024	FY2025
Have you fully implemented the recommendations of the TCFD?	No	No.
When will Arafura implement TCFD?	Arafura will fully implement the recommendations of the TCFD in 2025.	The Company's FY2024 TCFD implementation target was predicated on achieving a final investment decision for the Project during FY2025. The Company continues to advance its TCFD implementation efforts, with full implementation planned following a final investment decision.
Have you set GHG emissions target aligned with the Paris Agreement?	Yes. Arafura commits to become Net Zero by 2050 in accordance with the Science Based Targets initiative (SBTi), which requires emissions reductions in line with the goals of the Paris Agreement.	Yes. Arafura commits to become Net Zero by 2050 in accordance with the Science Based Targets initiative (SBTi), which requires emissions reductions in line with the goals of the Paris Agreement.

Sustainability element - Environmental Management

Table 11 Freshwater availability

Disclosure	FY2023	FY2024	FY2025
Total water withdrawn by Arafura in FY in on site operations (in ML) and broken down by:	6 ML	7.3 ML	0
• Portion of water withdrawn in high or extremely-high water stress areas	0% - None of Arafura's operations are within areas of high or extremely-high water stress	0% - None of Arafura's operations are within areas of high or extremely-high water stress	0% - None of Arafura's operations are within areas of high or extremely-high water stress
• Total water discharge to all areas (in ML)	0	0	0

Table 12 Biodiversity

Disclosure	FY2023	FY2024	FY2025
Total number of IUCN (International Union for Conservation of Nature) Red List species and national conservation list species with habitats in areas affected by the operations of Arafura, by level of extinction.	• Critically endangered: 0 • Endangered: 0 • Vulnerable: 2 Central Australia Rock Wallaby (*Petrogale lateralis centralis*), Great Desert Skink (*Liopholis kintorei*). • Near threatened: 0 • Least concern: 0	• Critically endangered: 0 • Endangered: 0 • Vulnerable: 2 Central Australia Rock Wallaby (*Petrogale lateralis centralis*), Great Desert Skink (*Liopholis kintorei*). • Near threatened: 0 • Least concern: 0	• Critically endangered: 0 • Endangered: 0 • Vulnerable: 2 Central Australia Rock Wallaby (*Petrogale lateralis centralis*), Great Desert Skink (*Liopholis kintorei*). • Near threatened: 0 • Least concern: 0
Number of sites owned, leased or managed that are in or adjacent to key biodiversity areas (and the hectares of each site).	• One site leased. Perth Office - Head Office is in the CBD of Perth, Western Australia, within the Northern Swan Coastal Plain. www.keybiodiversityareas.org/site/factsheet/26933 • Total ha of site is: 0.06 ha.	• One site leased. Perth Office - Head Office is in the CBD of Perth, Western Australia, within the Northern Swan Coastal Plain. www.keybiodiversityareas.org/site/factsheet/26933 • Total ha of site is: 0.06 ha.	• Northern Swan Costal Plain - Head office, Perth CBD - 0.06ha • Protected Planet - EL 28498 - 85 ha • Shoal Bay - Darwin Office[1] - 0.0085 ha • 3 sites - total 85.09 ha www.keybiodiversityareas.org/site/factsheet/26933

[1] *Darwin office recognised as existing within key biodiversity area.*

Sustainability element - Health and Safety

Table 13 Health and Safety performance

Disclosure	FY2023	FY2024	FY2025
Number (and rate) of fatalities in FY in Arafura's employees and contractors	0	0	0
Number of 'high consequence' injuries in FY in Arafura's employees and workers	0	0	0
Number of recordable work-related injuries in FY in Arafura's workers	1 medical treatment injury (MTI)	0	0
Types of work-related injuries	Human energy	Not applicable	Not applicable
Total number of hours worked by Arafura employees and contractors in FY	147,877 (Integrated Project Management Team (IPMT) and Non-Process Infrastructure (NPI), Hatch January – July) Specific contractor data is unvalidated at 4,731	100,904 (Integrated Project Management Team (IPMT), Non-Process Infrastructure (NPI) and Contractors)	24,588 (Integrated Project Management Team (IPMT), Non-Process Infrastructure (NPI) and Contractors)
Does Arafura provide access to non-occupational medical and healthcare services?	Yes. All employees have access to an employee assistance program (EAP).	Yes. All employees have access to an employee assistance program (EAP).	Yes. All employees have access to an employee assistance program (EAP).
What is the scope of the access provided?	To deliver a range of services for work or non-work-related issues designed to enhance employee wellbeing using counselling, prevention, and intervention strategies.	To deliver a range of services for work or non-work-related issues designed to enhance employee wellbeing using counselling, prevention, and intervention strategies.	To deliver a range of services for work or non-work-related issues designed to enhance employee wellbeing using counselling, prevention, and intervention strategies.
How does Arafura facilitate this access?	Access is provided through an operated 24-hour phone service.	Access is provided through an operated 24-hour phone service.	Access is provided through an operated 24-hour phone service.
Number and percentage of all employees and contractors who are covered by an OH/S management system	Employees 78 (100%)[1] Contractors 53 (100%)[2]	Employees 55 (100%)[3] Contractors 2 (100%)[4]	Employees 38 (100%)[3] Contractors 0 (0%)[4]

[1] *Inclusive of 53% embedded contractors.*
[2] *Inclusive of all non-embedded contractors.*
[3] *Inclusive of 47% embedded contractors.*
[4] *Inclusive of all non-embedded contractors.*

Table 14 Health and Safety training

Disclosure	FY2023			FY2024			FY2025		
	No. of people	Total	Av. per person	No. of people	Total	Av. per person	No. of people	Total	Av. per person
H&S training provided	251	251[1]	1 hour	102	102[1]	1 hour	34	34[1]	1 hour

[1] *Includes site-based safety training. Note that all other safety related training for employees and embedded contractors is captured in Appendix I - People and Culture, Table 18 Training and Performance Reviews*

Sustainability element - People and Culture

Table 15 Diversity and inclusion

Disclosure		FY2023	FY2024	FY2025
Percentage by employee category[1]				
	Full-time	63%	44%	77%
	Part-time	6%	7%	13%
	Casual	0%	0%	0%
	Contractor	29%	49%	10%
	Fixed-term	1%	0%	0%
Percentage by gender				
	Male	68%	65%	63%
	Female	31%	35%	37%
	Other	1%	0%	0%
Percentage of employees per age group				
	18-30 years old	18%	7%	3%
	31-50 years old	55%	64%	50%
	51-70 years old	27%	29%	47%
	Over 70 years old	0%	0%	0%
Percentage by other diversity measures				
	Indigenous	3%	3.5%	3.3%
Percentage of individuals within the organisation's governance bodies by gender[2]				
	% of all employees in governance body	14%	11%	23%
	% of males in governance body	17%	8%	57%
	% of females in governance body	8%	16%	43%
Percentage of individuals within the organisation's governance bodies by age group[2]				
	18-30 years old	7%	0%	0%
	31-50 years old	16%	9%	43%
	51-70 years old	14%	19%	57%
	Over 70 years old	0%	0%	0%
Total number of incidents of discrimination during the reporting period		0	0	0

1 IIncludes direct employees and embedded contractors who source all of their income through working on the Nolans Project as at 30 June 2024. Excludes Non Executive Directors
2 Calculated in FY2025 as composition of the governance body by gender and age. Excludes Non Executive Directors.

Table 16 Pay equality

Disclosure		FY2023		FY2024		FY2025	
		Base salary	Total REM	Base salary	Total REM	Base salary	Total REM
Ratios of pay – full-time employees							
	Male : Female	175%	185%	164%	164%	200%	196%
	Under 31 years old : 31-50 years old	51%[1]	50%[1]	48%	48%	47%	47%
	31-50 years old : 51-70 years old	79%	73%	62%	62%	66%	66%
Ratios of pay – contractors							
	Male : Female	129%	129%	125%	125%	N/A[2]	N/A[2]
	Under 31 years old : 31-50 years old	109%	109%	N/A[3]	N/A[3]	N/A[3]	N/A[3]
	31-50 years old : 51-70 years old	80%	80%	94%	94%	147%	132%

1 Data corrected to reflect comparison of Under 31 year old to 31-50 year olds, as shown for FY2024.
2 No female contractors.
3 No under 31 year olds.
Note: REM - Remuneration and N/A - Not applicable

Table 17 Wage levels

Disclosure		FY2023	FY2024	FY2025
CEO total remuneration as a percentage of median total remuneration of employees		289%	344%	280%
Ratio of lowest wage to minimum wage[1]				
Male	Full-time - lowest wage: minimum wage	1.5	2.8	2.86
	Part-time - lowest wage: minimum wage	N/A	N/A	N/A
	Casual - lowest wage: minimum wage	N/A	N/A	N/A
	Contractor - lowest wage: minimum wage	2.3	1.6	4.37
Female	Full-time - lowest wage: minimum wage	1.2	1.75	1.72
	Part-time - lowest wage: minimum wage	1.9	1.53	2.02
	Casual - lowest wage: minimum wage	N/A	N/A	N/A
	Contractor - lowest wage: minimum wage	1.7	2.1	N/A

1 For FY2024 - minimum wage based on the Australian Mining Industry Award entry level minimum wage as per FWC determination 18 June 2023 for effect 01 July 2023: full-time = AUD$23.40; part-time = AUD$23.40; casual = AUD$29.25. For FY2025 - minimum wage based on the Australian Mining Industry Award entry level minimum wage as per FWC determination 18 June 2024 for effect 01 July 2024: full-time = $24.10; part-time = $24.10; casual = $30.12. The disclosures assume 1950 hours per annum.

Note: N/A - Not applicable

Table 18 Training and performance reviews

Disclosure	FY2023			FY2024			FY2025		
	Number of people	Total hours	Av. hours per person	Number of people	Total hours	Av. hours per person	Number of people	Total hours	Av. hours per person
Training provided by employee category									
Full-time	50	1,108	23	24	224	9	23	315	13.7
Part-time	5	37	7	4	23	6	4	53.5	13.4
Casual	0	0	N/A	0	N/A	N/A	0	N/A	N/A
Contractor	23	184	8	27	126	5	3	27.5	9.2
Training provided by gender									
Male	53	1,033	20	36	199	6	19	242	12.7
Female	24	296	12	19	174	9	11	154	14
Other	1	0	0	0	N/A	N/A	0	N/A	N/A
	Number of people	Total exp.	Av. exp. per person	Number of people	Total exp.	Av. exp. per person	Number of people	Total exp.	Av. exp. per person
Training and development expenditure									
Full-time	50	$223,667	$4565	24	$24,500	$1,021	23	$24,946	$1,085
Part-time	5	$4,849	$970	4	$818	$204	4	$3,574	$894
Casual	0	$0	$0	0	N/A	N/A	0	N/A	N/A
Contractor	23	$34,581	$1504	27	$6,112	$226	3	$2,234	$745
	Number of people	% of gender		Number of people	% of gender		Number of people	% of gender	
% of total employees by gender who received a regular performance and career development review during the reporting period									
Male	40	75%		36	100%		19	100%	
Female	22	92%		16	94%		11	100%	
Other	1	100%		0	N/A		0	N/A	
% of total employees by employee category who received a regular performance and career development review during the reporting period									
Full-time	48	96%		22	96%		23	100%	
Part-time	4	80%		4	100%		4	100%	
Casual	0	0%		0	N/A		0	N/A	
Contractor	11	48%		27	100%		3	100%	

Note: N/A - Not applicable

Table 19 Absolute number and rate of employment

	# of new hires	% of new hires	# of employees who left	% of employees who left
FY2023				
Number of new and leaving employees by gender				
Male	24	67%	6	43%
Female	11	31%	8	57%
Other	1	3%	0	0%
Total	36		14	
Number of new and leaving employees by age				
18-30 years old	8	22%	2	14%
31-50 years old	19	53%	11	79%
51-70 years old	9	25%	1	7%
Over 70 years old	0	0%	0	0%
Total	36		14	
Number of new and leaving employees by other diversity measures				
Indigenous	2	6%	0	0%
FY2024	# of new hires	% of new hires	# of employees who left	% of employees who left
Number of new and leaving employees by gender				
Male	7	47%	26	63%
Female	8	53%	15	37%
Other	0	0%	0	0%
Total	15		41	
Number of new and leaving employees by age				
18-30 years old	1	7%	5	12%
31-50 years old	9	60%	22	54%
51-70 years old	5	33%	14	34%
Over 70 years old	0	0%	0	0%
Total	15		41	
Number of new and leaving employees by other diversity measures				
Indigenous	1	7%	1	2%
FY2025	# of new hires	% of new hires	# of employees who left	% of employees who left
Number of new and leaving employees by gender				
Male	2	40%	2	25%
Female	3	60%	6	75%
Other	0	0%	0	0%
Total	5		8	
Number of new and leaving employees by age				
18-30 years old	1	20%	2	25%
31-50 years old	1	20%	4	50%
51-70 years old	3	60%	2	25%
Over 70 years old	0	0%	0	0%
Total	5		8	
Number of new and leaving employees by other diversity measures				
Indigenous	0	0%	0	0%

Sustainability element - Stakeholders and Communities

Table 20 Community investment

Disclosure	FY2023	FY2024	FY2025
Community investment	$17,500	$8,400	$0
Indigenous Partnerships	$0	$0	$85,000

Sustainability element - Indigenous Partnerships

Arafura is working towards disclosure on this sustainability element.

Table 21 Number of identified incidents of violations involving the rights of Indigenous peoples

Disclosure	FY2023	FY2024	FY2025
Total number of identified incidents of violations involving the rights of Indigenous peoples during the reporting period	0	0	0

Sustainability element - Supply Chain

Arafura is working towards disclosure on this sustainability element.

Appendix II — GRI Index

GRI content index

Statement of use	Arafura has reported the information cited in this GRI content index for the period 1 July 2024 - 30 June 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 2: General Disclosures 2021	2-1 Organisational details	• Arafura website: www.arultd.com/contact/
	2-2 Entities included in the organisation's sustainability reporting	• This FY2025 Sustainability Report: section 'About us', page 8
	2-3 Reporting period, frequency and contact point	• This FY2025 Sustainability Report: inside of front cover, page 2
	2-4 Restatements of information	• See Appendix 1, Table 4 Economic contribution
	2-5 External assurance	• No dedicated assurance for this FY2025 Sustainability Report • Note that an independent audit of the Arafura Rare Earths Limited Financial Report was completed and referenced in the Annual Report 2025: page 89 www.arultd.com/wp-content/uploads/2025/09/Arafura-Annual-Report-2025.pdf
	2-6 Activities, value chain and other business relationships	• This FY2025 Sustainability Report: section 'About us', page 8; and section 'Developing the Nolans Project', from page 14
	2-7 Employees	• This FY2025 Sustainability Report: Appendix I, Table 19 Absolute number and rate of employment
	2-8 Workers who are not employees	• This FY2025 Sustainability Report: Appendix I, Table 19 Absolute number and rate of employment
	2-9 Governance structure and composition	• This FY2025 Sustainability Report: section 'Responsible Business Practices', from page 18; and Appendix 1, Table 1 Governing body • Arafura website: www.arultd.com/corporate/board/
	2-10 Nomination and selection of the highest governance body	• This FY2025 Sustainability Report: section 'Responsible Business Practices', from page 18 • Arafura website: www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf
	2-11 Chair of the highest governance body	• This FY2025 Sustainability Report: section 'Message from the Chair and Managing Director', page 6 • Arafura website: www.arultd.com/corporate/board/
	2-12 Role of the highest governance body in overseeing the management of impacts	• This FY2025 Sustainability Report: section 'Responsible Business • Practices', from page 18 • Arafura website - Board Charter www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf
	2-13 Delegation of responsibility for managing impacts	• Arafura website - Board Charter www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf

GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	• Arafura website - **www.arultd.com/wp-content/uploads/2023/02/8_0_Sustainability_Committee_Charter.pdf**
	2-15 Conflicts of interest	• Arafura website - Board Charter **www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf** • Arafura website - **www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf**
	2-16 Communication of critical concerns	• Arafura website - Board Charter **www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf**; and Board Risk Management Committee Charter **www.arultd.com/wp-content/uploads/2023/04/2_8_Risk_Management_Committee_Charter.pdf**
	2-17 Collective knowledge of the highest governance body	• Arafura website **www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf**
	2-18 Evaluation of the performance of the highest governance body	• This FY2025 Sustainability Report: section 'Responsible Business Practices', from page 18 • Arafura Annual Report 2025: **www.arultd.com/wp-content/uploads/2025/09/Arafura-Annual-Report-2025.pdf**, see Remuneration Report section, from page 38
	2-19 Remuneration policies	• Arafura Annual Report 2025: **www.arultd.com/wp-content/uploads/2025/09/Arafura-Annual-Report-2025.pdf**, see Remuneration Report section, from page 38 • Arafura website - Remuneration and Nomination Committee Charter: **www.arultd.com/wp-content/uploads/2023/02/3_0_Remuneration_and_Nomination_Committee_Charter.pdf**
	2-20 Process to determine remuneration	• Arafura website - Remuneration and Nomination Committee Charter: **www.arultd.com/wp-content/uploads/2023/02/3_0_Remuneration_and_Nomination_Committee_Charter.pdf**
	2-21 Annual total compensation ratio	• This FY2025 Sustainability Report: Appendix I, Table 17 Wage levels • Arafura Annual Report 2025: **www.arultd.com/wp-content/uploads/2025/09/Arafura-Annual-Report-2025.pdf**, see Remuneration Report section, from page 38
	2-22 Statement on sustainable development strategy	• This FY2025 Sustainability Report: section 'Our approach to sustainability', from page 10
	2-23 Policy commitments	• Arafura website: **https://www.arultd.com/corporate/corporate-governance/**, see the Corporate Governance Statement and suite of charters, codes and policies
	2-24 Embedding policy commitments	• This FY2025 Sustainability Report - see 'Responsible Business Practices' from page 18 and other references included through the report. • Arafura Annual Report 2025: **www.arultd.com/wp-content/uploads/2025/09/Arafura-Annual-Report-2025.pdf**
	2-25 Processes to remediate negative impacts	• Arafura is working towards disclosure on this GRI Standard
	2-26 Mechanisms for seeking advice and raising concerns	• Arafura website - Code of Conduct: **www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf** and Whistleblower Policy: **www.arultd.com/wp-content/uploads/2023/02/2_5_Whistleblower_Protection_Policy.pdf**
	2-27 Compliance with laws and regulations	• Arafura website - Code of Conduct: **www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf**

GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 2: General Disclosures 2021	2-28 Membership associations	• Arafura is working towards disclosure on this GRI Standard
	2-29 Approach to stakeholder engagement	• This FY2025 Sustainability Report: section 'Stakeholders and Communities', page 36 • Nolans Project Environmental Impact Statement: Appendix S (Social Impact Assessment): **www.arultd.com/wp-content/uploads/2023/01/Nolans_EIS_Appendix_S_web.pdf**
	2-30 Collective bargaining agreements	• Arafura website - Code of Conduct: **www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf**, section Compliance with Law. • Arafura uses common law contracts, underpinned (where relevant) by the modern award system
GRI 3: Material Topics 2021	3-1 Process to determine material topics	• This FY2025 Sustainability Report: section 'Our Approach to Sustainability', from page 10
	3-2 List of material topics	• This FY2025 Sustainability Report: section 'Our Approach to Sustainability', from page 10
	3-3 Management of material topics	• Covered in various sections of this FY2025 Sustainability Report
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	• This FY2025 Sustainability Report; section 'Responsible Business Practices', from page 18; and Appendix I, section Responsible Business Practices
	201-2 Financial implications and other risks and opportunities due to climate change	• This FY2025 Sustainability Report; section 'Climate Change', from page 22. Arafura is working towards disclosure on this GRI Standard
	201-3 Defined benefit plan obligations and other retirement plans	• Arafura website: **www.arultd.com/corporate/corporate-governance/**, see Code of Conduct, **www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf**, section Compliance with Law. This is inclusive of adherence to Australia's superannuation laws
	201-4 Financial assistance received from government	• This FY2025 Sustainability Report: Appendix I, Table 4 Economic contribution • Annual report 2025: page 4, 6, 9, 38, 57, 60, 67, 75 **www.arultd.com/wp-content/uploads/2025/09/Arafura-Annual-Report-2025.pdf**
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	• This FY2025 Sustainability Report: Appendix I, Table 17 Wage levels
	202-2 Proportion of senior management hired from the local community	• Arafura is working towards disclosure on this GRI Standard
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	• This FY2025 Sustainability Report: section 'Developing the Nolans Project', from page 14
	203-2 Significant indirect economic impacts	• This FY2025 Sustainability Report: section 'Responsible Business Practices', from page 18, section 'Supply Chain' from page 32, and Appendix I, Responsible Business Practices tables • Arafura Nolans Project Environmental Impact Statement: Volume 4, Appendix T - Economic Impact Report: **www.arultd.com/wp-content/uploads/2023/01/Nolans_EIS_Appendix_T_web.pdf**

GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	• Arafura is working towards disclosure on this GRI Standard
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	• Arafura is working towards disclosure on this GRI Standard
	205-2 Communication and training about anti-corruption policies and procedures	• This FY2025 Sustainability Report: section 'Responsible Business Practices' from page 18 and Appendix I, Table 2 Anti-bribery and anticorruption
	205-3 Confirmed incidents of corruption and actions taken	• This FY2025 Sustainability Report: Appendix I, Table 2 Antibribery and anti-corruption
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	• This FY2025 Sustainability Report: Appendix I, Table 3 Ethical and lawful behaviour
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	• This FY2025 Sustainability Report: Appendix I, Table 9 Energy consumption
	302-2 Energy consumption outside of the organisation	• Arafura is working towards disclosure on this GRI Standard
	302-3 Energy intensity	• Due to the status of the Arafura Nolans Project, not currently applicable
	302-4 Reduction of energy consumption	• Arafura is working towards disclosure on this GRI Standard • Arafura's greenhouse gas reduction strategy for the Nolans Project is available on the website: https://wcsecure.weblink.com.au/pdf/ARU/02626013.pdf
	302-5 Reductions in energy requirements of products and services	• Arafura is working towards disclosure on this GRI Standard
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	• This FY2025 Sustainability Report: section 'Environmental Management', from page 24 and Appendix I, Table 11 Freshwater availability • Arafura Nolans Project Mine Management Plan: Appendix R - Water Management Plan and production borefield licencing: www.arultd.com/projects/nolans/approvals/ • Arafura Nolans Project Environmental Impact Statement: Chapter 7: Surface Water and Chapter 8: Groundwater: www.arultd.com/projects/nolans/environmental-impact-statement/
	303-2 Management of water discharge-related impacts	• This FY2025 Sustainability Report: section 'Environment Management', from page 24 and Appendix I, Table 11 Freshwater availability • Arafura Nolans Project Mine Management Plan: Appendix R - Water Management Plan and production borefield licencing: www.arultd.com/projects/nolans/approvals/
	303-3 Water withdrawal	• This FY2025 Sustainability Report: Appendix I, Table 11 Freshwater availability

GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 303: Water and Effluents 2018	303-4 Water discharge	• This FY2025 Sustainability Report: Appendix I, Table 11 Freshwater availability
	303-5 Water consumption	• This FY2025 Sustainability Report: Appendix I, Table 11 Freshwater availability
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• This FY2025 Sustainability Report: section 'Environment Management' from page 24, and Appendix I, Table 12 Biodiversity • Arafura Nolans Project Mine Management Plan: Appendix B - Biodiversity Management Plan: https://www.arultd.com/wp-content/uploads/2024/12/Biodiversity-Management-Plan.pdf
	304-2 Significant impacts of activities, products and services on biodiversity	• This FY2025 Sustainability Report: section 'Environment Management' from page 24, and Appendix I, Table 12 Biodiversity
	304-3 Habitats protected or restored	• Arafura Nolans Project Mine Management Plan: Appendix B - Biodiversity Management Plan: https://www.arultd.com/wp-content/uploads/2024/12/Biodiversity-Management-Plan.pdf
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	• This FY2025 Sustainability Report: Appendix I, Table 12 Biodiversity
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	• This FY2025 Sustainability Report: section 'Climate Change', from page 22 and Appendix I, Table 8 Greenhouse gas emissions
	305-2 Energy indirect (Scope 2) GHG emissions	• This FY2025 Sustainability Report: section 'Climate Change', from page 22 and Appendix I, Table 8 Greenhouse gas emissions
	305-3 Other indirect (Scope 3) GHG emissions	• Arafura is working towards disclosure on this GRI Standard
	305-4 GHG emissions intensity	• Due to the status of the Arafura Nolans Project, not currently applicable
	305-5 Reduction of GHG emissions	• This FY2025 Sustainability Report – Climate Change: from page 22 • Arafura's greenhouse gas reduction strategy for the Nolans Project is available on the website: https://wcsecure.weblink.com.au/pdf/ARU/02626013.pdf
	305-6 Emissions of ozone-depleting substances (ODS)	• Arafura is working towards disclosure on this GRI Standard
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	• Arafura is working towards disclosure on this GRI Standard
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	• Arafura is working towards disclosure on this GRI Standard
	306-2 Management of significant waste-related impacts	• Arafura is working towards disclosure on this GRI Standard

GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 306: Waste 2020	306-3 Waste generated	• Arafura is working towards disclosure on this GRI Standard
	306-4 Waste diverted from disposal	• Arafura is working towards disclosure on this GRI Standard
	306-5 Waste directed to disposal	• Arafura is working towards disclosure on this GRI Standard
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	• Arafura is working towards disclosure on this GRI Standard
	308-2 Negative environmental impacts in the supply chain and actions taken	• Arafura is working towards disclosure on this GRI Standard
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	• This FY2025 Sustainability Report: section 'Health and Safety', from page 28
	403-2 Hazard identification, risk assessment, and incident investigation	• Arafura is working towards disclosure on this GRI Standard
	403-3 Occupational health services	• This FY2025 Sustainability Report: section 'Health and Safety', from page 28
	403-4 Worker participation, consultation, and communication on occupational health and safety	• This FY2025 Sustainability Report: section 'Health and Safety', from page 28 and Appendix I, Table 13 Health and safety performance
	403-5 Worker training on occupational health and safety	• This FY2025 Sustainability Report: section 'Health and Safety', from page 28 and Appendix I, Table 13 Health and safety performance
	403-6 Promotion of worker health	• This FY2025 Sustainability Report: section 'Health and Safety', from page 28 and Appendix I, Table 14 Health and safety training
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Arafura is working towards disclosure on this GRI Standard
	403-8 Workers covered by an occupational health and safety management system	• This FY2025 Sustainability Report: section 'Health and Safety', from page 28 and Appendix I, Table 13 Health and safety performance
	403-9 Work-related injuries	• This FY2025 Sustainability Report – Appendix I, Table 13 Health and safety performance
	403-10 Work-related ill health	• Arafura is working towards disclosure on this GRI Standard
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	• This FY2025 Sustainability Report: Appendix I, Table 14 Health and safety training and Table 18 Training and performance reviews
	404-2 Programs for upgrading employee skills and transition assistance programs	• Arafura is working towards disclosure on this GRI Standard
	404-3 Percentage of employees receiving regular performance and career development reviews	• This FY2025 Sustainability Report: Appendix I, Table 18 Training and performance reviews

GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	• This FY2025 Sustainability Report: Appendix I, Table 1 Governing body and Table 15 Diversity and inclusion
	405-2 Ratio of basic salary and remuneration of women to men	• This FY2025 Sustainability Report: Appendix I, Table 16 Pay equality
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	• This FY2025 Sustainability Report: Appendix I, Table 15 Diversity and inclusion
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	• Arafura is working towards disclosure on this GRI Standard
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	• Arafura is working towards disclosure on this GRI Standard.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	• Arafura is working towards disclosure on this GRI Standard.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	• This FY2025 Sustainability Report: Appendix I, Table 21 Number of identified incidents of violations involving the rights of Indigenous peoples
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	• This FY2025 Sustainability Report: section 'Stakeholders and communities', page 36 • Arafura Nolans Project Environmental Impact Statement: Appendix S - Social Impact Assessment: www.arultd.com/wp-content/uploads/2023/01/Nolans_EIS_Appendix_S_web.pdf
	413-2 Operations with significant actual and potential negative impacts on local communities	• This FY2025 Sustainability Report – Stakeholders and communities: page 36 • Arafura Nolans Project Environmental Impact Statement: Appendix S - Social Impact Assessment: www.arultd.com/wp-content/uploads/2023/01/Nolans_EIS_Appendix_S_web.pdf
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	• Arafura is working towards disclosure on this GRI Standard
	414-2 Negative social impacts in the supply chain and actions taken	• Arafura is working towards disclosure on this GRI Standard

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