

# ASX ANNOUNCEMENT

## Execution Readiness Update

10 March 2026



**Arafura Rare Earths Limited (ASX: ARU) (Arafura or the Company)** is pleased to provide an update on the Nolans Project execution readiness activities.

### HIGHLIGHTS

- **Arafura's subsidiary, Arafura Nolans Project Pty Ltd, has entered into a Compensation Deed with the holder of the pastoral lease covering the Nolans Project site, ATAYF Pastoralists Pty Ltd (ATAYF). Emphasising the strong alignment of interests to successfully deliver the Nolans Project, ATAYF will become a shareholder in Arafura.**
- **Arafura has entered into an agreement to acquire the existing +200 room camp infrastructure which will enable construction activities to commence shortly after an investment decision is announced.**
- **Arafura has partnered with Clean TeQ Water (Clean TeQ) to review alternative rare earth separation technologies specifically targeting the further processing of heavy rare earths (HRE) to a HRE oxide. The opportunity to introduce a SEG/HRE oxide aims to maximise on the evolving market demand for HRE elements emerging from European and United States initiatives driving functional market indices.**

### Compensation Agreement

In accordance with the Minerals Titles Act (NT), the Company has entered into a Compensation Deed with the local pastoralist and holder of the pastoral lease covering the Nolans Project site, ATAYF Pastoralists Pty Ltd (as trustee for the ATAYF Pastoralists Trust), to formalise access and compensation arrangements associated with the Project development.

In recognition of the long-term partnership underpinning this agreement, the compensation will be satisfied via the issue of shares in Arafura Rare Earths Ltd valued at A\$4 million. In addition to the compensation payment, ATAYF will also make a cash investment into Arafura of A\$1.2 million. The deemed issue price for the compensation payment and the investment was \$0.22 per share, being a 10% discount from the volume weighted average price (VWAP) of the Shares on the ASX over the 20 trading days immediately prior to the date of the Deed.

All shares issued to ATAYF will be subject to a 36-month voluntary escrow period from the date of the Deed.

Arafura and ATAYF, have agreed to establish a clear and cooperative framework for timely delivery of the project and the creation of a platform for ongoing collaboration, including potential cooperation in relation to renewable power supply, shared infrastructure and services and the delivery of other initiatives to support the Project, pastoral operations and local communities.

The issue of the shares will be done via placement capacity under Listing Rule 7.1 with an Appendix 3B and Appendix 2A to be lodged separately.

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## **Execution Readiness Update**

### **Camp Infrastructure**

Arafura has reached an agreement with NT Link to acquire the existing camp infrastructure at Nolan's for A\$6.75 million subject to terms and conditions customary for a transaction of this nature.

Acquisition of the camp enables early mobilisation and uninterrupted access to facilities, which will support greater control over scheduling during ramp up, strengthening operational flexibility. Ownership of the camp is also commercially prudent by eliminating long term rental cost on these facilities which will be required to support ongoing operations at the site.

### **Alternative Separation Technologies**

While light rare earths (like Neodymium and Praseodymium) are the backbone of the magnet market, the global supply of heavy rare earths (**HRE**) remains precariously thin and highly concentrated, an imbalance that has been emphasised by China's use of export controls. Many of these rare earth elements play a critical role in defence and industrial applications where temperature resistant high-performance magnets are essential.

Arafura is partnering with Clean TeQ Water (Clean TeQ) to complete a technical review program intended to augment the Company's current development pathway. Together, Arafura and Clean TeQ will deliver a focused program of ion exchange and separation test work designed to assess targeted opportunities to further enhance Nolans flowsheet.

Arafura's primary focus on Phase 1 of the Nolans Rare Earths Project remains unchanged, with this study designed to benchmark alternative methods of metallurgical separation with potential for improved economies of scale characteristics that may unlock further separation opportunities. This initiative complements, rather than replaces, the existing development strategy, serving as a high-value optimisation opportunity. The successful separation of the SEG/HRE elements and single site processing to an oxide is intended to complement the Company's existing light rare earths product offerings. At the same time, further downstream processing and onshore value add is aligned with the Federal Government's Future Made in Australia program

This technical review will be run in parallel to the current test work which seeks to recover additional SEG/HRE product mix containing Dy and Tb from the acid purification liquor waste to increase overall production of these strategic elements.

#### **Arafura's Managing Director Darryl Cuzzubbo said:**

*"The execution of these activities ensures that we can commence construction activities shortly after calling FID. The acquisition of the camp reflects the Company's continued focus on disciplined capital allocation and execution readiness. The collaboration with our pastoralist, ATAYF, and the nature of the deed and our partnership reflects a balanced approach where our stakeholders are aligned with, and share in, the success of the Company.*

*As we look to our partnership with Clean TeQ, we recognise the opportunities associated with heavy rare earth elements and the challenges faced to separate these elements efficiently. By identifying opportunities to enhance and augment our extraction processes, capacity and capability now, we can extract maximum value from our resource which contains NdPr, Dy, Tb as well as other strategic rare earth elements such as Yttrium and Samarium, to deliver a light and heavy rare earths oxide suite that is highly sought after by manufactures of high-performance magnets in both the defence and civil sectors."*



## **Execution Readiness Update**

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### **Further Information:**

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