

ASX ANNOUNCEMENT

MINING THE TERRITORY PRESENTATION

24 August 2022



Arafura Resources Limited (ASX:ARU) (“Arafura” or the “Company”) is pleased to attach a copy of its presentation delivered by Managing Director, Mr Gavin Lockyer, at the Mining the Territory Conference held today in Darwin, NT. Mr Lockyer will present on the topic of ‘Making the Territory a Green Metal Superpower’.

Mining the Territory is Northern Australia’s leading mining conference taking a deep dive into the region’s industry: From exploration & resources development to operation, market & logistics.

-ENDS-

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“Our goal is to be a trusted global leader and supplier of choice for sustainably mined and processed rare earth products, helping our customers deliver clean and efficient technologies. We are committed to delivering positive intergenerational economic, environmental and social benefits to our stakeholders.”

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NdPr

Making the Territory a Green Metal Superpower

Mining the Territory Conference
August 2022 – Darwin NT





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Mineral Resources and Ore Reserves

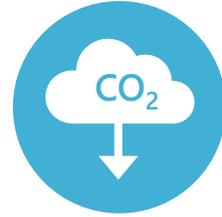
The information in this presentation that relates to Mineral Resources is extracted from the Company's ASX announcement dated 7 June 2017 (Detailed Resource Assessment Completed) and was completed in accordance with the guidelines of the JORC Code (2012). The information in this presentation that relates to Ore Reserves is extracted from the Company's ASX announcement dated 16 March 2020 (Major Increase in Mine Life for the Nolans Project) and was completed in accordance with the guidelines of the JORC Code (2012). Arafura Resources confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. Arafura Resources confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Production Targets and Forecast Financial Information

The information in this presentation that relates to production targets and financial information is extracted from the Company's ASX announcement dated 11 May 2021 (Nolans Project Update). The production target is based on 12% Proved Reserves, 62% Probable Reserves and 26% inferred resources as reported in the Company's ASX announcement dated 11 May 2021. 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 and forecast financial information derived from the production target set out in the Company's ASX announcement dated 11 May 2021 (including any assumptions referred to in the Company's ASX announcement dated 11 May 2021 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.

Link to video

A World in Transition



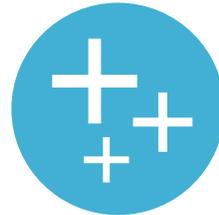
Two great revolutions are underway: **digitalisation** and **decarbonisation**



Australia is poised to benefit: resources, energy, expertise, proximity to markets, environmental standards



Both rely on a secure and long-term supply of **rare earths**



Realising its full economic and environmental value to Australia requires moving beyond the quarry, to **value-added processing with low emission energy**



Nolans is a shovel-ready, long life rare earth mine and oxide processing facility, **the first of its kind in Australia aligned with Australia's Critical Minerals Strategy**

Australia's Critical Minerals Strategy

- ✓ Aligned with key trading partners
- ✓ Advanced manufacturing in Australia
- ✓ Nolans granted Major Project Status: Formal recognition of the national strategic significance of the Project through its economic and employment contribution to the Northern Territory.

Government Support so far:

Flagship Project:
Strong Support



Australian Government
Department of Industry, Science,
Energy and Resources

CMFO

Critical Minerals Strategy implemented by the **Critical Minerals Facilitation Office (CMFO)** which supports the development of resources, downstream processing and global supply chains.

Letter of Support
\$200m



Australian Government
Department of Industry, Science,
Energy and Resources

EFA

Critical Minerals Facility of \$2Billion managed by **Export Finance Australia (EFA)** 10-year program or until finance equivalent to \$2 billion provided.

Letter of Support
\$100m



Australian Government
Department of Industry, Science,
Energy and Resources

NAIF

The Northern Australia Infrastructure Facility (NAIF) offers up to \$5 billion over 5 years in finance to encourage and complement private sector investment in infrastructure that benefits Northern Australia.

Awarded
\$30m



Australian Government
Department of Industry, Science,
Energy and Resources

MMI

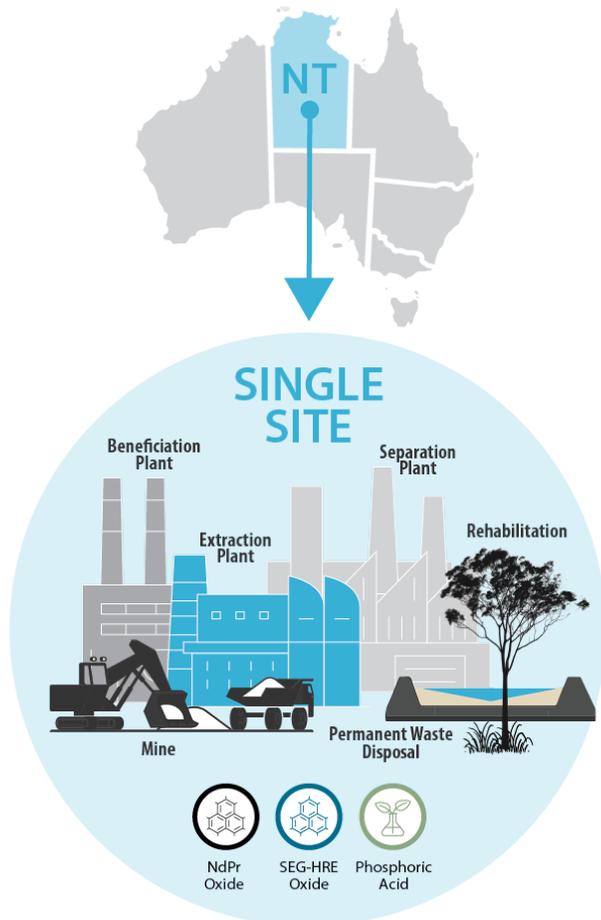
Modern Manufacturing Initiative (MMI) dispending \$1.3B in grants to build scale in manufacturing and supply chain opportunities
Priorities in critical mineral processing and clean energy



(ASX:ARU)

Key Facts

Advanced manufacturing onsite
– Ore to oxide at Single Site –
First of its kind in Australia



Nolans aims to supply
~5% of global demand for
NdPr 99.99% pure oxide



**28-month
construction
period¹**

- \$1 billion initial capital spend
- Peak workforce of 650²



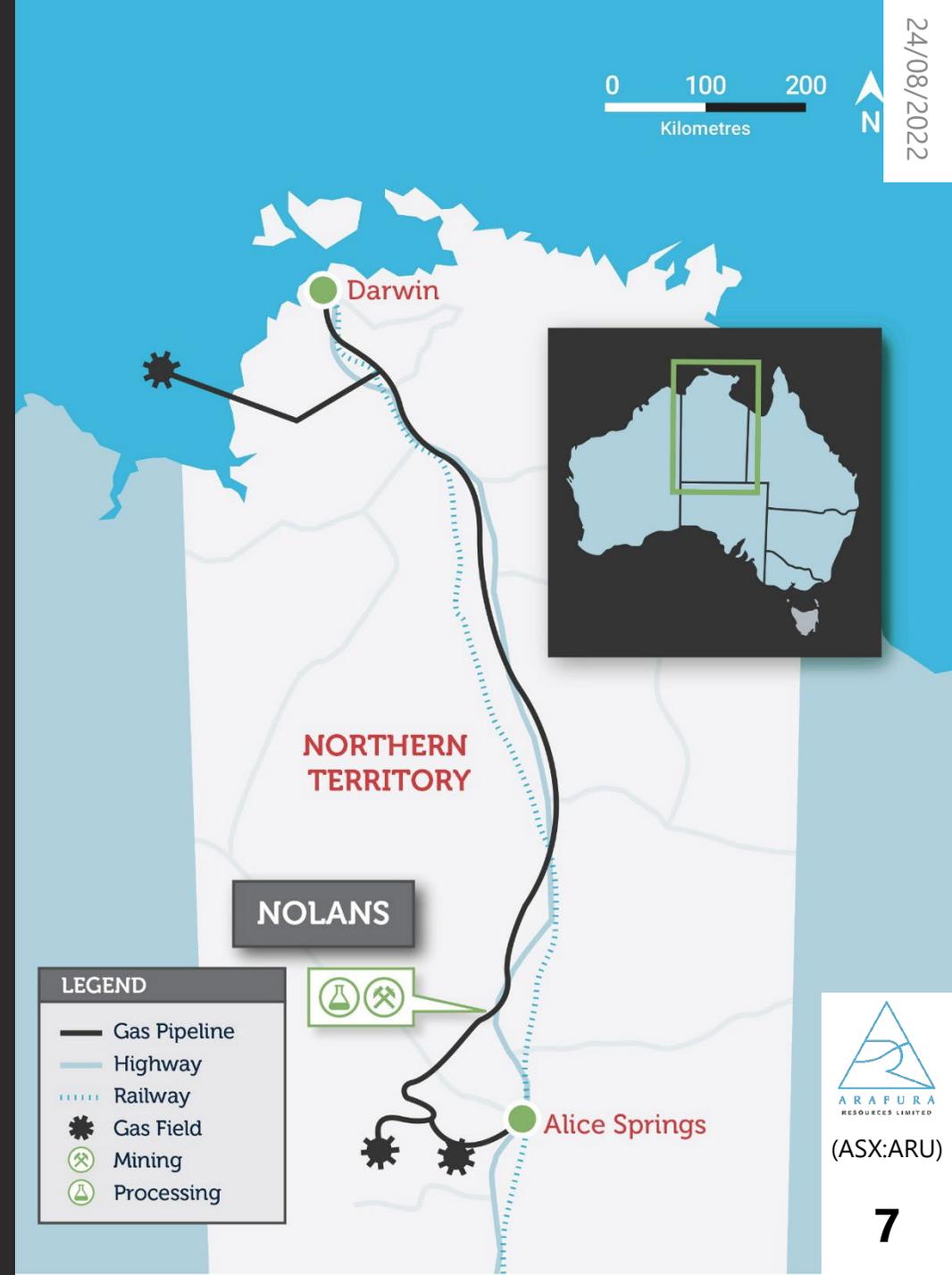
**Minimum
38-year
operational
life**

- \$200 million annual spend
- 280 direct permanent jobs
- Expansion potential – open at depth

¹ Quarterly Activities Report and Appendix 5B – July 2022
² 25% initially expected to be sourced from the NT

Leveraging Off Existing Infrastructure to Develop the Region

- ✓ Stuart Highway 10 km east
- ✓ Water supply 25km southwest
- ✓ Alice Springs railyard, airport and other services 135km south
- ✓ Amadeus natural gas pipeline- adjacent to project site
- ✓ Tailings and process wastes at site

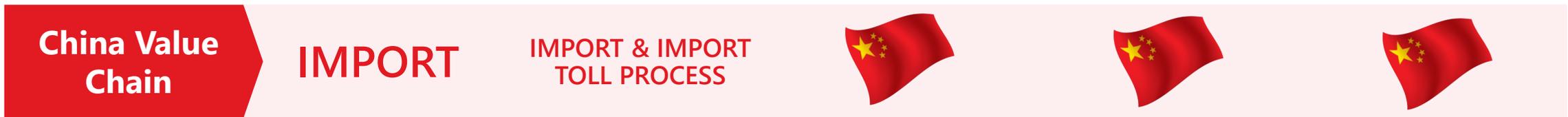


NdPr Market



Strategic Importance of Producing an Oxide

A complete diversified supply chain for the world

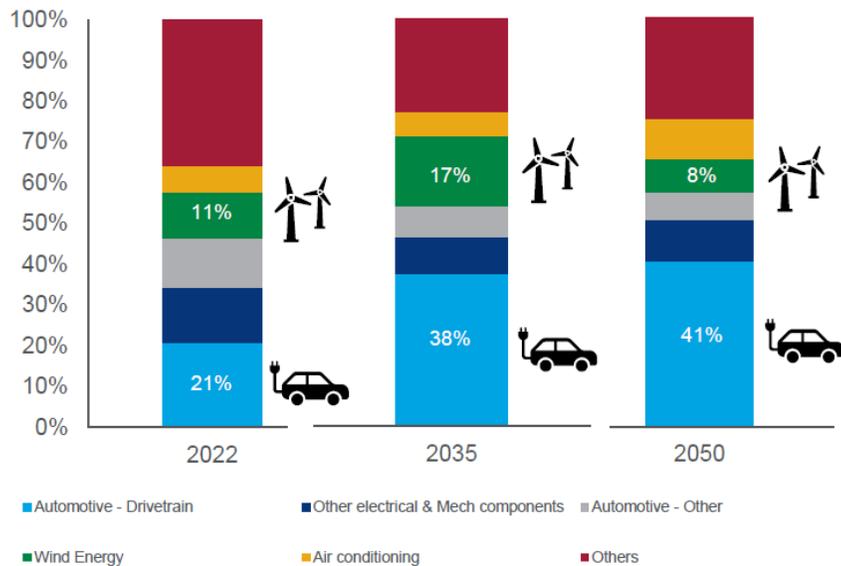


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NdPr for Magnets Critical Component in Clean Energy Sector

Drivetrain automotive and wind energy to represent 55% of magnet demand in 2035

NdFeB magnet demand by major end-use (AET1.5)

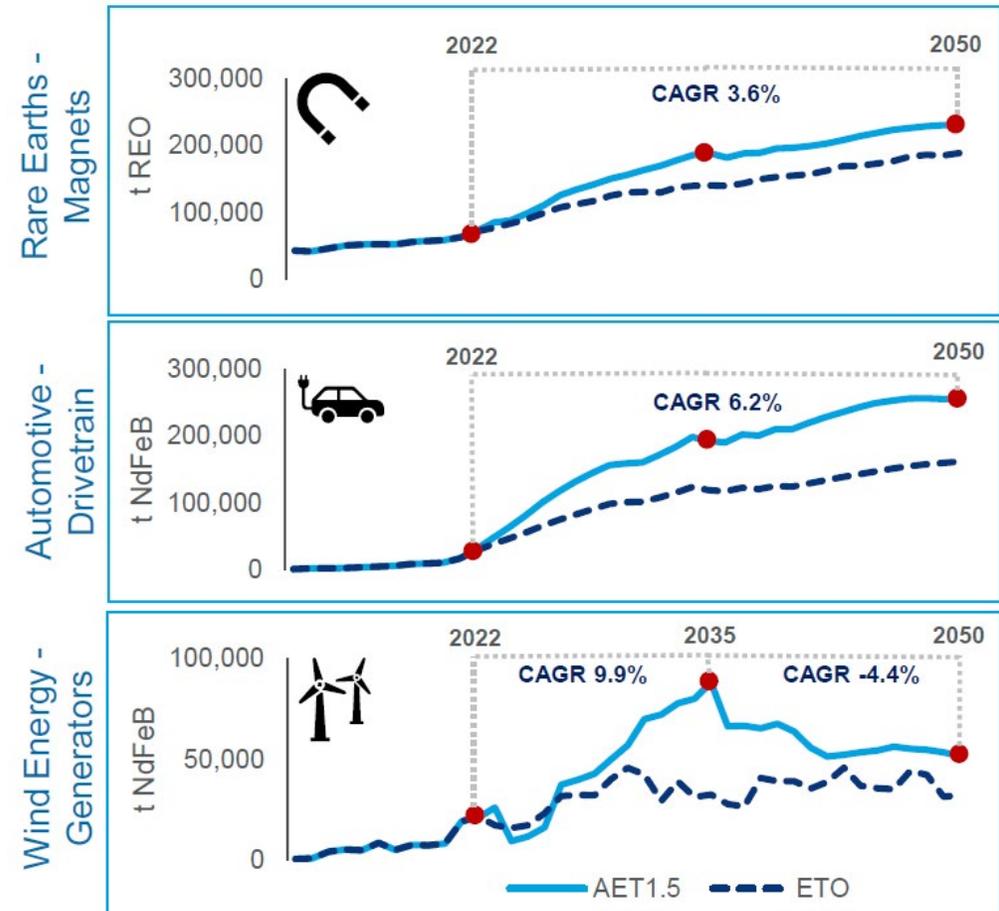


Source: Wood Mackenzie Business

Forecast supply gap emerging by 2030 represents in excess of **10 Nolans Projects**



24/08/2022



ETO = Energy Transition Outlook (Base Case)
AET1.5 = Accelerated Energy Transition 1.5°C (Scenario)

Source: Wood Mackenzie Business



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National Benefits



To date, Arafura has:

\$3.5m water exploration to ensure sustainability.



Water drilling at Nolans Site

New aquifer allowed permanent water to be available to Alyuen community.



Employing local contractors for ongoing water monitoring

In excess of \$50m of on ground exploration with royalties



Laundry at Alyuen

Indigenous engagement

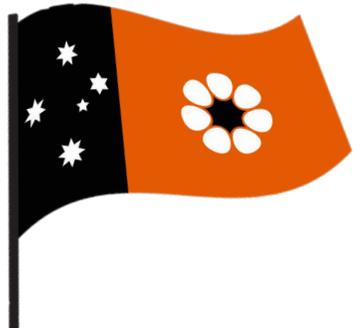


Karen Sheldon Workshop

Local sponsorship - Young Indigenous Art & Literacy Program



Example of artworks (Laramba & Ti Tree Remote Schools)



Arafura not only has an approved **Territory Benefits Plan**, but have also undertaken **extensive social studies**, developed a **Cultural Heritage Management Plan**, have an **Indigenous Engagement Strategy** and continue to work closely with the community and Territorians to ensure our initiatives are fit for purpose.



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Job Creation During Construction & Operations



28-month construction period

- \$1 billion initial capital spend
- Peak workforce of 620*



Minimum 38-year operational life

- \$200 million annual spend
- 280* direct permanent jobs across the Territory
- Intergenerational change



Local Content

- Targeting locals as a priority
- 20% Indigenous Employment Target
- Extensive social studies



Territory Benefit Plan approved meaning:

- Local business involvement & support
- Employing Territorians
- Sponsorship in education and community projects

* 25% initially expected to be sourced from the NT

ESG Leadership



Key Pillars

 Supply Chain Integrity

 Emissions

 Waste and Water

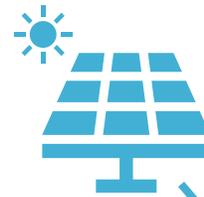
 Indigenous Engagement



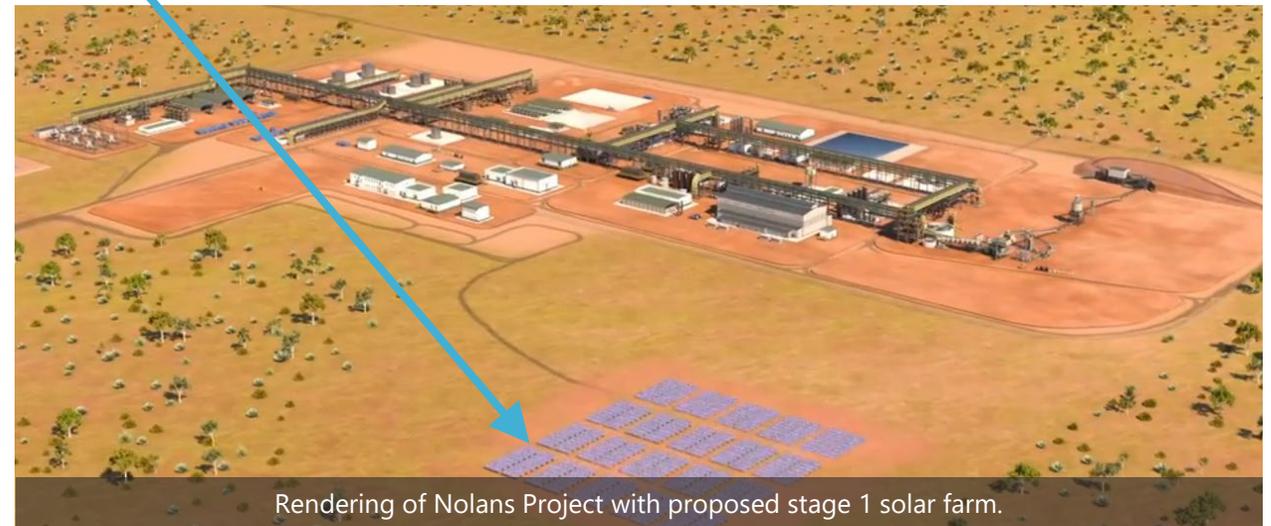
*"Arafura's ESG commitment is to be a trusted global leader and **supplier of choice** for **sustainably mined and processed rare earth products**, helping our customers deliver clean and efficient technologies. We are committed to delivering positive intergenerational economic, environmental and social benefits to our stakeholders."*

24/08/2022

Committed to Net Zero 2050



Stage 1 solar farm with potential to generate 1 megawatt (MW) of power per hectare.



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Globally Significant Rare Earth Mine and Processing Project



Arafura Managing Director, Gavin Lockyer signing the MoU with GE VP & Chief Technology Officer, Danielle Merfeld. In attendance Minister for Trade and Tourism Don Farrell, Minister for Resources and Northern Australia Madeleine King and US Secretary of Energy Jennifer Granholm.

On track for FID in H2 2022

24/08/2022

1

NdPr pricing continued to hold currently US\$110/kg¹ compared with \$87/kg in feasibility economics.

2

Significant progress made with offtake MoU's signed.

- Hyundai Motor Corporation
- General Electric Renewable Energy

3

Mandated Lead Arrangers Societe Generale and National Australia Bank appointed.

4

Hydrometallurgical plant FEED nearing completion and engagement with construction contractors advanced.



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¹ Shanghai Metal Markets 12 August 2022



[Link to video](#)



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