

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B FOR PERIOD ENDING 30 JUNE 2024

23/07/2024

Arafura Rare Earths Limited (ASX: ARU) (“Arafura” or the “Company”) reports that during the second quarter of the year the Company achieved significant milestones in reaching a final investment decision for the Nolans Project (Nolans).

HIGHLIGHTS

- Subsequent to the quarter Arafura received conditional approval for more than US\$1 billion in debt funding and completion support for the Nolans Project
- This is a significant milestone for Arafura and completes its debt-led funding strategy
- The debt funding received from Australian and international credit agencies and commercial lenders highlights the geostrategic importance of Arafura’s role in developing a diversified global NdPr supply chain
- Preparation of the safety case was the primary focus for operational readiness
- Focus remained on commencement of construction once financing is in place
- Arafura is closer than ever to a final investment decision on the Nolans Project

Arafura’s Managing Director Darryl Cuzzubbo said:

“Finalising our debt funding strategy is a phenomenal achievement. The level support we have received from export credit agencies and commercial lenders signifies that the Nolans Project is indeed a global opportunity to secure a diversified NdPr supply chain.

I am immensely proud of the Arafura team. We are building an incredible can-do culture, and we remain laser focused on reaching FID by the end of this year.

While we now shift our focus to executing the equity strategy the Project team continues to prepare for commencement of construction, and we are engaging our stakeholders on progress and achievements.”

-ENDS-

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THE NOLANS PROJECT

During and just subsequent to the quarter the Company received conditional approval for US\$300 million debt funding from Export Development Canada, US\$150 million from KEXIM, comprising ~US\$75 million direct loan facility and ~US\$75 million loan guarantee, and US\$115 million from Euler Hermes in untied loan guarantees.¹

On 23 July 2024 the Company announced it had received conditional approval from the commercial lender syndicate, which finalises the debt-led funding strategy and brings the total amount of conditionally approved debt funding and completion support to more than US\$1 billion (refer ASX Announcement 23 July 2024).

Following this pivotal achievement the Company disclosed the Nolans Project economics and sources and uses of funds, including the amount of new equity required to meet the balance of the Project's funding requirement.²

The Company will continue to advance its offtake and equity strategies towards a final investment decision (**FID**) by the end of 2024.

Project activities remained limited to those necessary to support finance, critical path activities, compliance, and progressing improvement ideas that reduce capital, schedule and risk.

Nolans is shovel ready and the Company will commence construction activities immediately upon reaching FID.



Figure 1: Aerial view of the Nolans Project



Figure 2: Aerial view of the Turkey's Nest



Figure 3: Passive dust collection monitoring



Figure 4: Ground watering monitoring

¹ Refer ASX announcements 27 May 2024, 1 July 2024, 4 July 2024

² Refer ASX Announcement 23 July 2024



ENGINEERING DESIGN AND PROCUREMENT

Procurement progressed during the quarter, with planning and preparation underway to commence significant activities once funding has been secured. The procurement team continue to test the market for supply of specific equipment packages seeking to improve prices.

In addition to supporting the financing strategy, the integrated project management team (**IPMT**) focussed on preparation for FID. This included detailed planning for the period immediately prior to FID as well as the first nine months post-FID to ensure schedule-critical activities are planned, prioritised and resourced. Discussions with Monadelphous resumed during the quarter and was focussed on the terms of the Hydromet construction contract.

Engineering Design and Procurement

Hydrometallurgical Plant

Engineering progressed with Milestone 1 design reviews finalised for all except three plant areas and key documents such as P&IDs, process control narratives and Metallurgical Design Criteria well advanced. Some minor corrosion test work continued with results used to inform the selection of materials of construction. The engineering and project teams have progressed a number of cost saving opportunities in the plant design which will reduce some material quantities and construction costs.

Power Station

Arafura's published Net Zero Pathway includes a cogeneration solution incorporating electrical power and thermal power for steam generation. As the Project definition matures and as new technologies emerge the Company noted a likely evolution of its Pathway.³ The Company continues to engage with a number of providers in a competitive process for power supply to meet the requirements of the Project and align with the Company's net zero commitment.

Non-Process Infrastructure

Work on non-process infrastructure (**NPI**) has been focused on the below engineering activities:

- Kerosine Camp Diversion – design revision following peer review feedback.
- Bulk earthworks – ready to award detailed engineering.
- Accommodation Camp – renegotiation and extension of hire arrangements until December.
- General preparations to resume site activity in anticipation of FID.

Construction

No works progressed on site during the quarter, with ongoing site security and surveillance protecting assets. Additional CCTV cameras were installed to support remote monitoring.

³ ASX Announcement 31 January 2023



OPERATIONAL READINESS

During the quarter, operational readiness activities continued. The preparation of the safety case is on schedule with the first Process Hazard Assessment (**PHA**) completed and the Notification of MHF submission drafted. Ongoing activities during the quarter include development of the mine execution plan and review of the commissioning sequence.

CAPITAL COST TRENDING

The Company continues to refer to the detailed capital cost estimates outlined in the November 2022 Project Update,⁴ which was the most recent ‘first principles’ estimate for the project provided to the market.

Current trend analysis and forecasting has not changed from the Company’s September 2023 Quarterly report (refer to ASX Announcement 31 October 2023) and does not indicate any material change to the overall capital cost of the Project and is in line with expectations. At this stage, the Company does not consider the increase to be material in the context of the overall capital cost associated with the Project, however, has included the trends in the updated capital cost estimate underpinning the project economics (Refer to ASX Presentation dated 23 July 2024). An update will be provided to the market should there be a material change, including details of any material financial impact on the Project.

PROJECT SCHEDULE

The key focus throughout the quarter remained on securing Project funding. The Project execution schedule from FID to start-up remains at 37 months.

The schedule provided below is indicative only, subject to change, and is contingent on the completion of construction and development, commissioning, and general market conditions.

⁴ ASX Announcement 11 November 2022



OPERATIONAL LICENCING

All major Federal and Northern Territory (**NT**) environmental approvals for the Nolans Project have been secured. Of the suite of Environmental Management Plans (**EMPs**) that have been developed for the project, five are required to be approved by the Federal Government's Department of Climate Change, Energy, and Environment and Water (**DCCEEW**). These are specified in the project's existing EPBC approval conditions.

Condition 8 of the EPBC approval requires the five EMPs to be approved prior to the commencement of construction. An application is under assessment by DCCEEW to amend Condition 8 of the EPBC approval. This will enable phased approval of the EMPs prior to the commencement of the activity described in each EMP. At the time of preparation of this report, DCCEEW provided a draft revision of project EPBC conditions, adopting this phased EMP approval approach.

The Water Abstraction Management Plan (**WAMP**) and the Biodiversity Management Plan (**BMP**) are two of five EMPs required for the commencement of construction activities. The Company received approval for the WAMP during the quarter and engagement continued to support final assessment and approval of the BMP, together with the adjustment of Condition 8. During the quarter DCCEEW provided feedback on the submitted version of the Radiation Protection and Waste Management Plan. At the time of preparation of this report DCCEEW provided clarification, via a draft revision of project conditions, that this EMP will also require approval prior to the commencement of construction. Revision of the EMP is currently underway by an independent radiation management expert, to be resubmitted for assessment as a priority.

The remaining two EMPs are the Kerosene Camp Creek Management Plan, Acid and Metalliferous Drainage Management Plan. Further technical studies are in progress to inform detailed design planning and address initial feedback provided by DCCEEW. The EMPs will be further matured and provided to DCCEEW for assessment once complete, in accordance with the revised EPBC conditions (when finalised). These project activities are planned to commence well after commencement of construction.

A revision of the Mine Management Plan (**MMP**) was prepared and submitted to the NT Department of Industry, Tourism and Trade (**DITT**) to cover additional tenement areas and the associated environmental assessment completed. The MMP is being further revised to address a Request for Information issued by DITT during the assessment process. Due to the approved MMP currently in place, approval of the revision is not considered a critical path activity that may delay commencement of construction.

Environmental monitoring continued on-site to collect baseline data. Dust samples were collected from passive sampling points monthly. Groundwater levels were measured in monitoring bores monthly and samples collected and analysed for water quality once during the quarter.

SUSTAINABILITY

Reporting, disclosures and compliance

Activities to deliver the Environmental and Social Action Plan (**ESAP**) continued during the quarter, as related to the final report of the Environmental and Social Due Diligence process that was issued by Tetra Tech Coffey (**TTC**) on behalf of the lender group in Q1 2024. Arafura is on track to complete the actions deemed required prior to the commencement of construction. A process is being established for TTC to assess and verify closure of each action.

Energy and Emissions Reduction

The Company continued to actively engage with DCCEEW on an appropriate safeguard mechanism baseline for Nolans and production variables related to rare earths mining and processing. Further technical process

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information was provided to DCCEEW for consideration, together with engagement from technical leads within Arafura.

Stakeholder Engagement

Arafura was represented at the Rare Earths Conference (22 April 2024), Canaccord Genuity Global Metals & Mining Conference (7 May 2024), 121 Mining Investment Conference (10 May 2024), the Critical Minerals Conference (29 May 2024), the Australia Korea Business Council (AKBC) Canberra delegation (27 June 2024) and the AKBC Seoul delegation (1 July 2024).

The Company continued to engage Project stakeholders including the Northern Territory Government, Commonwealth Government, local communities, and environmental groups.

The May Board meeting was held in Alice Springs, which provided an opportunity for Board members and the Leadership Team to engage key stakeholders on the Project.



Figure 6: Federal Minister for Resources and Northern Australia Madeleine King met with Arafura's Board and Leadership Team in Alice Springs



Figure 7: Chair Mark Southey and CEO Darryl Cuzzubbo met with key Alice Springs stakeholders including Mayor Matt Paterson, Alice Springs Town Council CEO Andrew Wilsmore, NT Investment Commissioner Kelly Ralston, and Executive Director Department of Industry Tourism and Trade Bill Sankey

EXPLORATION

Nolans Bore

Activities continued to focus on progressing mining-related studies.

No on-ground exploration activity occurred in the quarter. Work largely focussed on further enhancing the geological database, researching opportunities, and reviewing the exploration activities of other rare earth companies.

MACROECONOMIC DEVELOPMENTS

NdPr Market

The price of NdPr oxide price finished the quarter at US\$50.44 per kilogram. Marginal strengthening during the period was not sustained. The market remains subdued and the consensus opinion from analysts suggests the NdPr price is currently well below the average breakeven price for the industry. Consequently, prices are forecast to improve over time.

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The US Government announced in May that import tariffs would be imposed on a range of Chinese products including rare earths and permanent magnets. Rare earths will be subject to a 25 percent tariff beginning in 2024 and a tariff on permanent magnets will be imposed from 2026. The Company anticipates that this is likely to further promote the development of magnet production capacity outside of China, leading to increased diversification and demand for NdPr. This is particularly beneficial for Arafura as an NdPr oxide producer supporting the diversification of magnet supply chains servicing the energy transition technologies of automotive and wind OEMs.

Table 1: NdPr oxide price EXW China (inclusive VAT) converted to US\$



OFFTAKE AND PROJECT FUNDING

Offtake from Nolans

The Company remains engaged in negotiations for the remaining portion of Arafura's offtake target. The level of interest exceeds the targeted 80 percent of annual NdPr production being contracted under binding long-term offtake agreements. Binding offtake agreements announced to the market now comprise 58 percent of the total offtake target⁵ volume.

⁵ Targeting 80% of Planned Production as binding offtake. Planned Production refers to the average annual production from Nolans, being 4,440 tpa (refer ASX Announcement dated 11 May 2021)



Table 2: Offtake overview

Offtake Discussion Group	Location	NdPr Oxide (tpa) ⁽¹⁾	% of Binding Offtake Target
Secured Offtake (Binding Agreement)			
Hyundai & Kia	Korea	1,500	43%
Siemens Gamesa RE	Germany	520	15%
Offtake Under Discussion ⁽²⁾			
Contract negotiations	Asia & Europe	1,925	54%
Advanced offtake discussions	Europe & US	2,815	79%
TOTAL		6,760	191%

(1) Product may be supplied as NdPr Oxide or Metal equivalent.

(2) The Company, at this stage, has no certainty as to the timing and likelihood of successfully concluding binding agreements being entered into.

Project Funding – Debt

On 23 July 2024 the Company announced the completion of its debt-led funding strategy, having secured more than US\$1 billion in debt funding and completion support.

The syndicate of lenders 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. The \$775 million senior debt facilities have a weighted average tenor of 12.2 years.

The US\$80 million COF is provided by both ECAs and commercial lenders. The commercial lender group has also provided commitments to contingent instrument facilities and swap lines required to manage foreign exchange exposures during construction.

The subordinated Standby Liquidity Facility (**SLF**) of up to US\$200 million provided by EFA provides another layer of funding contingency⁶ and ensures that Nolans is funded through first production and ramp-up to nameplate capacity of 4,440 tonnes NdPr oxide per annum.⁷ The debt facilities are summarised in Table 3.

The significant support from international ECAs highlights the geostrategic importance of Nolans in creating a diversified global supply chain of NdPr. The support from the Commonwealth Government unlocked support from global ECAs.

⁶ Refer ASX Announcement dated 14 March 2024

⁷ Refer ASX Announcement dated 11 May 2021

**Table 3: Indicative Debt Facilities**

Facilities	Tenor (Years)	Amount (US\$ million)
Senior Debt Facilities		
Export Finance Australia	15	125
Northern Australia Infrastructure Facility	15	100 ⁽¹⁾
Export Development Canada	12	290 ⁽²⁾
KEXIM	10	75
ECA Covered Tranches		
KfW IPEX-Bank KEXIM Global (Singapore) Commonwealth Bank of Australia ING Export Finance Australia		
Total ECA Covered Tranches ⁽³⁾	10	185
TOTAL		775
Cost Overrun Facility	8	80 ⁽⁴⁾
TOTAL SENIOR DEBT		855 ⁽⁵⁾
Subordinated Debt		
EFA Standby Liquidity Facility	15	200
TOTAL DEBT		1,055

(1) NAIF commitment of A\$150 million converted to US\$ for comparison purposes only at AUD/USD 0.6667428.

(2) US\$10m of EDC funding is included in the COF.

(3) Commercial bank lenders supported by untied loan guarantees from Euler Hermes of US\$110 million and KEXIM of US\$75 million (Refer to ASX Announcements dated 4 July 2024 and 1 July 2024).

(4) US\$160m total Cost Overrun funding, 50% debt funded (COF) with the remaining US\$80 million to be funded by equity. COF debt includes A\$ tranche with NAIF commitment up to A\$50 million.

(5) Excludes Contingent Instrument Facilities to support the provision of bank guarantees.

Project Funding – Equity

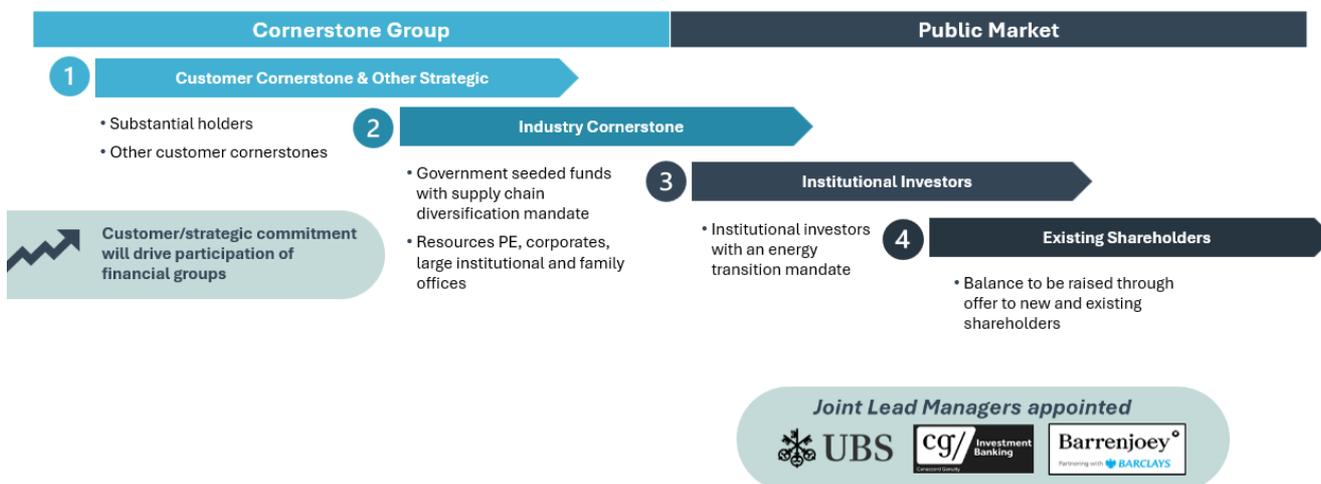
The intention is to execute a capital raising when there is sufficient certainty on the debt financing with key credit approvals in place and certainty long form loan documents can be executed.

During the quarter the Company appointed Barrenjoey as a third joint lead manager (**JLM**) alongside UBS AG (**UBS**) and Canaccord Genuity (**Canaccord**) to assist in raising the equity required to execute the project equity funding. The scope of work includes advisory for structuring, market engagement, engagement with strategic and cornerstone investors and managing the public offer process. Fees are customary for an engagement of this nature.

The Company remained committed to its equity strategy and a cascade approach, with focus remaining on execution certainty over speed. Arafura is targeting a substantial portion of the equity requirement via cornerstone investors ahead of launching a public equity raising with institutions and retail investors. Arafura's strategy with remaining offtake is focused on parties bringing strategic value including equity investment.

Table 4: Equity strategy

Focused on execution certainty over speed



CORPORATE

Minhub update

Following a review of the Minhub opportunity the Company decided to cease further expenditure to ensure focus remains on funding the Nolan's Project. Arafura has contributed A\$0.9m to the feasibility study to date and expects to dilute down from a 50 percent participation right dependent on the final cost of Minhub Feasibility Study, expected in the September quarter. Following receipt of the Minhub feasibility study, the Company will reassess its options based on the outcomes of the study and Minhub's proposed plan.

Nolans Phase 2 preliminary expansion study

The Company has completed a preliminary in-house Nolans Phase 2 expansion study which considered the possibility of expanding the size of the processing facility at Nolans (**Phase 2 Study**)⁸. The results were positive and a more detailed investigation into a potential Phase 2 expansion will be undertaken through a pre-feasibility study (**PFS**). The PFS will explore two options, building a discrete second processing plant or an integrated expansion of existing processing capacity. The PFS will require an investment of approximately A\$15 million and is planned to be commissioned once a final investment decision has been made with respect to Nolans. The Company intends to commence the process of obtaining the necessary government and regulatory approvals for a Phase 2 expansion around the same time.

Cash Position

On 30 June 2024, Arafura had cash reserves of A\$42m (versus \$58m as at 31 March 2024).

During the quarter, the Company spent ~\$0.7 million on exploration and evaluation activities, ~\$3.5 million on corporate, administration and business development costs and ~\$10.6 million on project development activities including:

⁸ Refer ASX announcement 23 July 2024

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- Detailed engineering on the hydrometallurgical plant.
- Engineering activities on other aspects of Nolans.
- Project management.
- Site overheads.

Consistent with the company wide expenditure review disclosed in the Company's March 2024 Quarterly Report, cash outflows from reoccurring activities reduced by ~A\$11m in the current quarter, averaging ~A\$5m per month (versus ~A\$9m per month in the prior quarter).

Payments of \$302,000 reported in Item 6.1 of the attached Appendix 5B relate to salaries, fees and superannuation paid to Directors.

Further details on cashflows for the June 2024 are available in the attached Appendix 5B.

People and capability update

During the quarter Fiona Blakely commenced as Chief People Officer. This appointment completes the new Leadership Team structure that brings the leadership capability required to achieve FID by the second half of 2024 and immediately commence construction.

Tenements

In accordance with ASX Listing Rule 5.3, please refer to Appendix 1 for a listing of all tenement holdings.

Forward Looking Statements

This report contains certain statements which may constitute "forward-looking statements." Such statements are only expectations or beliefs and are subject to inherent risks and uncertainties which could cause actual values, results or performance achievements to differ materially from those expressed or implied in this announcement. No representation or warranty, express or implied is made by Arafura that any forward-looking statement contained in this announcement will occur, be achieved or prove to be correct. You are cautioned against relying upon any forward-looking statement.

Content presented in this report is provided as at the time of this announcement (unless otherwise stated). Reliance should not be placed on information or opinions contained in this announcement and, subject only to any legal obligation to do so, Arafura Rare Earths accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this announcement or any other information made available to a person, nor any obligation to furnish the person with any further information.

Production Targets and Forecast Financial Information

The information in this announcement 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 Reserves, 62% Probable Reserves and 26% inferred resources as reported in the Company's ASX announcement dated 11 November 2022. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. Arafura confirms that, all material assumptions underpinning the production target set out in the Company's ASX announcement dated 11 November 2022 (including any assumptions referred to in the Company's ASX announcement dated 11 November 2022 that were used from the DFS as set out in the Company's ASX announcement dated 7 February 2019 (Nolans Project Definitive Feasibility Study) or from the Updated Mining Study as set out in the Company's ASX announcement dated 16 March 2020 (Major Increase in Mine Life for the Nolans Project)), continue to apply and have not materially changed.

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The information in this announcement 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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APPENDIX 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity	
Arafura Rare Earths Ltd	
ABN	Quarter ended ("current quarter")
22 080 933 455	30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(10,616)	(100,300)
	(c) production	-	-
	(d) staff costs	(1,300)	(5,784)
	(e) administration and corporate costs	(2,182)	(10,470)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	573	2,621
1.5	Interest and other costs of finance paid	(52)	(339)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	51	9,037
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(13,525)	(105,235)

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2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements and bonds	-	-
	(c) property, plant and equipment	(5)	(124)
	(d) exploration and evaluation	(704)	(2,894)
	(e) investments	-	-
	(f) other non-current assets (environmental bond and term deposit)	(1,132)	(2,805)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	25
	(d) investments	-	-
	(e) other non-current assets	272	1,818
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	161	161
2.6	Net cash from / (used in) investing activities	801	(2,411)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	31,510

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3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,578)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(661)	(7,384)
3.10	Net cash from / (used in) financing activities	(661)	22,547

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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	57,774	128,848
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(13,525)	(105,235)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,407)	(3,819)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(661)	22,547
4.5	Effect of movement in exchange rates on cash held	(11)	(171)
4.6	Cash and cash equivalents at end of period	42,170	42,170

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
		\$A'000	\$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	42,170	57,774
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	42,170	57,774

6.	Payments to related parties of the entity and their associates	Current quarter
		\$A'000

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6.1	Aggregate number of payments to related parties and their associates included in item 1	(302)
6.2	Aggregate number of payments to related parties and their associates included in item 2	-
<p>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments</p>		
<p>Salaries, fees and superannuation of Directors of the Company.</p>		

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7.	Financing facilities	Total facility amount at quarter end	Amount drawn at quarter end
	Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	\$A'000	\$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Not applicable.			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(13,525)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(704)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(14,229)
8.4	Cash and cash equivalents at quarter end (item 4.6)	42,170
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	42,170
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.0
	Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.	

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8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: Not applicable.
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: Not applicable.
	8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Not applicable.
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.



COMPLIANCE STATEMENT

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 23 July 2024

Authorised by: The Audit Committee

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B FOR PERIOD ENDING 30 JUNE 2024



APPENDIX A – MINING TENEMENTS HELD AS AT 30 JUNE 2024

Tenement reference	Project	Holder	Nature of interest	Interest at beginning of quarter	Interest at end of quarter	Notes
ML 26659	Nolans, NT	Arafura Nolans Project Pty Ltd	Mineral Lease	100%	100%	
ML 30702				100%	100%	
ML 30703				100%	100%	
ML 30704				100%	100%	
ML 32411				100%	100%	
ML 32412				100%	100%	
ML 32413				100%	100%	
ML 32414				100%	100%	
ML 32415				100%	100%	
ML 32416				100%	100%	
EL 28473	Aileron– Reynolds, NT	Arafura Rare Earths Ltd	Exploration Licence	100%	100%	
EL 28498				100%	100%	
EL 29509				100%	100%	
EL 31224				100%	100%	
EL 31284				100%	100%	
EL 31957				100%	100%	
EL 29701	Bonya JV, NT	Arafura Rare Earths Ltd	Exploration Licence	60%	60%	Thor Mining Plc 40%, Arafura Rare Earths Limited 60%
EL 32167	Jervois Vanadium, NT	Arafura Rare Earths Ltd	Exploration Licence	60%	60%	Thor Mining Plc 40%, Arafura Rare Earths Limited 60%

**QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B FOR PERIOD
 ENDING 30 JUNE 2024**

Tenement reference	Project	Holder	Nature of interest	Interest at beginning of quarter	Interest at end of quarter	Notes
ML32722	Nolans, NT	Arafura Nolans Project Pty Ltd	Mineral Lease	100%	100%	Application lodged.
ML33107	Nolans, NT	Arafura Nolans Project Pty Ltd	Mineral Lease	100%	100%	
EMP33078 EMP33079 EMP33080 EMP33081 EMP33082 EMP33083 EMP33084 EMP33085	Nolans, NT	Arafura Nolans Project Pty Ltd	Extractive Mineral Permit	100%	100%	