

# ASX ANNOUNCEMENT

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

29 October 2024

**Arafura Rare Earths Limited (ASX: ARU) (Arafura or the Company)** reports that during the third quarter of the year the Company continued to execute its funding strategy to reach a final investment decision (**FID**) for the Nolans Project (**Nolans** or the **Project**).

### HIGHLIGHTS

- In July the Company completed its debt funding strategy after securing conditional approvals for more than US\$1 billion of senior and subordinated facilities from nine Australian and international lenders (as previously announced in Q2 report 23 July 2024)
- Focus shifted to executing the first two pillars of the equity strategy to secure funding from cornerstone and institutional investors
- The Company conducted a successful capital raise and share purchase plan raising A\$24.6 million (before costs)
- A Memorandum of Understanding signed with the Saskatchewan Research Council for collaboration on the global diversification of the magnet value supply chain
- Procurement, design and engineering progressed as planned with focus on supporting equity strategy

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

"The completion of the debt strategy has meant we can now focus on executing the first two pillars of our equity strategy.

Our teams are also preparing the business for a final investment decision and commencement of construction that we expect to make in the first half of next year.

While this update on timing may be frustrating, significant progress has been made with cornerstone investors as we pursue a robust phased approach to securing the equity required. We are bound by the timelines of others, which includes extensive due diligence and internal approval processes. Prioritising certainty over speed will ensure the best outcome for Arafura.

The significant contribution Nolans will make to a globally diversified NdPr supply chain continues to strongly resonate."

**-ENDS-**

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## THE NOLANS PROJECT

Throughout the September quarter the Company remained focused on delivering the equity strategy towards a final investment decision on the Nolans Project.

As outlined in the second quarter report in July<sup>1</sup> the Company announced the significant achievement of finalising the debt funding of more than US\$1 billion.

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 once FID has been reached.



Figure 1: Aerial view of the Nolans Project



Figure 2: Aerial view of the Turkey's Nest

## ENGINEERING DESIGN AND PROCUREMENT

The integrated project management team (**IPMT**) continued to focus on preparation for FID and supporting the financing strategy. This included detailed planning and preparation for a return to on-site activities immediately after FID is achieved.

Procurement planning and preparation continued throughout the quarter. The procurement team continued to test the market for supply of specific equipment packages seeking to improve prices.

The procurement processes for key site-based services needed to resume activities have commenced, including paramedic services and camp management. Discussions with Monadelphous continued during the quarter with good progress achieved on the terms of the Hydromet construction contract.

### Engineering Design and Procurement

#### Hydrometallurgical Plant

Engineering continued to progress with a new revision of the Metallurgical Design Criteria issued. The engineering and project teams have been collaborating on identified opportunities which will either de-risk the plant start-up or reduce capital costs.

<sup>1</sup> Refer ASX announcement 23 July 2024

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### Power Station

Arafura continued to progress its Net Zero Pathway (refer to ASX Announcement dated 31 January 2023), which potentially includes a cogeneration solution incorporating electrical power and thermal power for steam generation.<sup>2</sup>

During the quarter the Company engaged with a number of providers in a competitive process for power supply to meet the requirements of the Project in terms of reliability, cost and schedule, and align with the Company's emissions reduction targets. The agreement with APA Group who were initially appointed as preferred Independent Power Provider (refer to ASX Announcement dated 31 July 2023) has been terminated.

Concurrently, work progressed on the engineering design, which includes assessment of the Company's power consumption and an assessment of its suitability to meet its safeguard mechanism baseline for the Nolans Project.

The market will be provided with a further update when an alternative solution has been confirmed.

The Company engaged with the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) on the safeguard mechanism. Refer to Sustainability section for further information.

### Gas Supply

In July the Company announced it had revised its gas supply agreement with the Mereenie field joint venture partners (**Mereenie JV**).<sup>3</sup> Under the terms of the revised agreement the Company will take 5.49PJ in 2028 and the Mereenie JV will nominate the volume of gas to be made available in 2029 and 2030, with that volume not to exceed 10.95PJ.

### Non-Process Infrastructure

Throughout the quarter work on non-process infrastructure (**NPI**) was focused on:

- Design updates for the Kerosene Camp Creek Diversion were finalised and peer reviewed. This enabled the application Interfere with a Waterway to be submitted to the Northern Territory regulator during the quarter.
- The NPI bulk earthworks design package was awarded in late July for the completion of 'Issue for Tender' (**IFT**) deliverables. During the quarter the deliverables for the site access road were completed and design of the mine access road and process plant pad are well advanced.

### Construction

No works progressed on site during the quarter, with ongoing site security and surveillance protecting assets. In support of future construction activities, Arafura has commenced the process for obtaining Workplace, Health and Safety Accreditation from the Office of the Federal Safety Commissioner. The initial application for accreditation was lodged during the quarter.

## OPERATIONAL READINESS

During the quarter, operational readiness activities continued. The preparation of the safety case is on schedule and the Notification of Major Hazards Facility submission remains under review. Ongoing activities during the quarter include development of the mine execution plan and review of the commissioning sequence.

<sup>2</sup> Arafura anticipates that the pathway will evolve as the Project definition increases and emissions reduction technologies are identified, matured or reduce in cost.

<sup>3</sup> Refer ASX Announcement dated 29 July 2024

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### CAPITAL COST TRENDING

Current trend analysis has not changed from the Company's update on its Project Economics from 23 July 2024.

Since the release of the November 2022 Project Update (Refer to ASX Announcement dated 11 November 2022), which is the most recent 'first principles' estimate for the project provided to the market, the Company has been diligently reviewing capital expenditure (**capex**) costs, exploring ways to reduce capex, risk, and schedule. This includes, but is not limited to, continuous engagement with potential supplier and vendors on market trends and cost pressures.

As the point of FID draws near, these efforts have intensified to ensure that any capex and operational expenditure pressures are balanced by improvements, thereby maintaining the Nolans investment case.

Arafura will update the market should there be a material change, including details of any material financial impact on the Project.

### PROJECT SCHEDULE

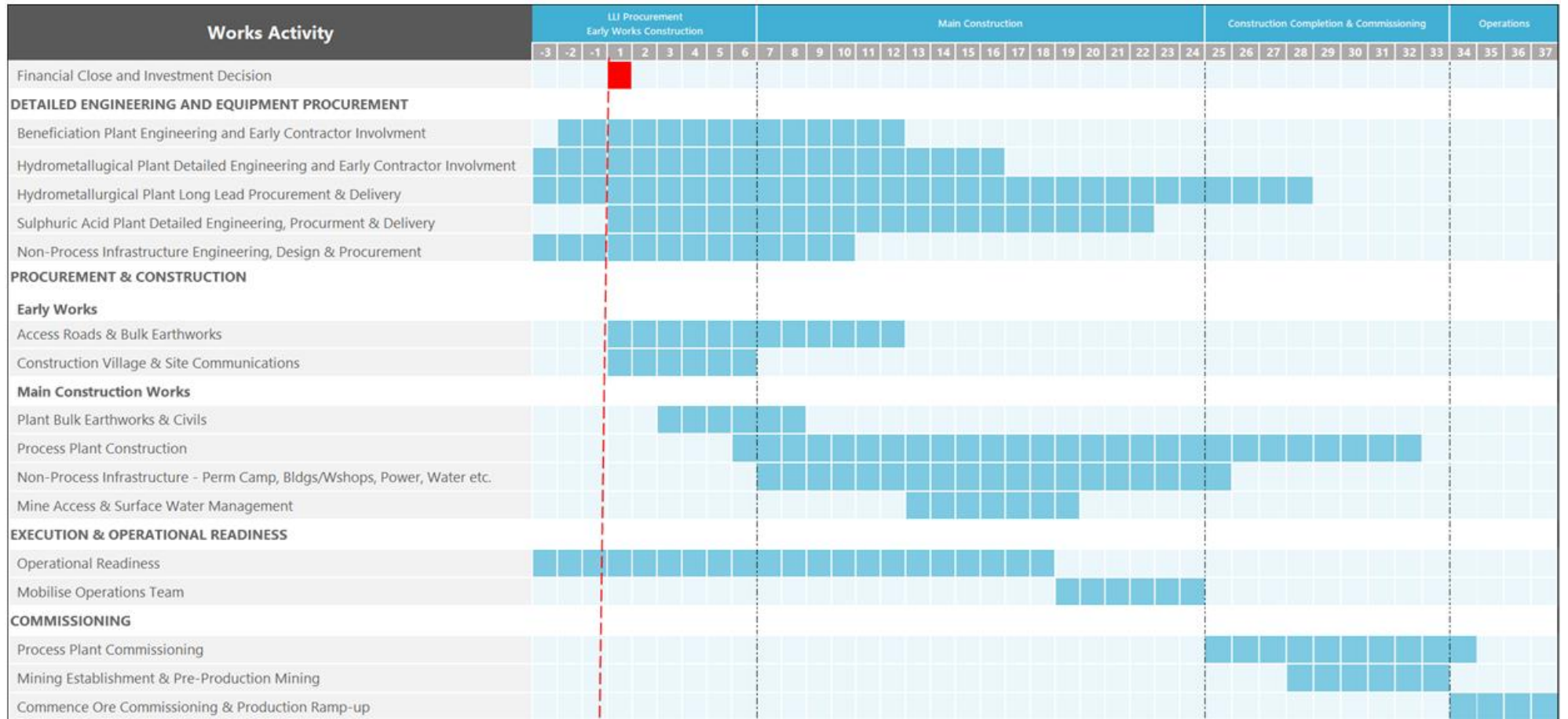
The key focus throughout the quarter remained on securing funding. The execution schedule from FID to start-up remains at 37 months.

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.

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Figure 3: Indicative Nolans Project Schedule





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### OPERATIONAL LICENCING

The Company received approval for the Water Abstraction Management Plan (**WAMP**) in May. Subsequent to the end of the quarter approvals were received for the Biodiversity Management Plan (**BMP**) and variation to the EPBC<sup>4</sup> Conditions of Approval for Nolans.

The Company resubmitted its Radiation Protection and Waste Management Plan to the Department of Climate Change, Energy, and Environment and Water (**DCCEEW**) for assessment and continues to proactively engage to ensure a timely approval is received.

A revised Mine Management Plan (**MMP**) was submitted to the Northern Territory Department of Environment, Parks and Water Security (**DEPWS**) addressing a Request for Information received during assessment of the current MMP. The revision included matured descriptions of the stages of the construction activities and the associated security calculations. The approved MMP remains current and there is no risk to schedule delay with the assessment of the revised MMP.

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 (refer ASX announcement 29 April 2024). The Company is on track to complete the actions deemed required prior to the commencement of construction.

During the quarter, a process was established with Tetra Tech Coffey (**TTC**) to assess and verify closure of each action. Submission of deliverables to address the corrective actions commenced during the quarter and assessment by TTC is underway. Preparation of further deliverables is continuing.

Preparation of the Company's third sustainability report progressed and will be published in the fourth quarter.



Figure 4 – environmental approvals underway on site



Figure 5 – borefield infrastructure

<sup>4</sup> Environment Protection and Biodiversity Conservation Act 1999

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### Energy and Emissions Reduction

The Nolans Project is forecast to emit more than 100,000 tonnes of carbon dioxide equivalent per year, and so will need to be compliant with the Safeguard Mechanism.

In August 2024 the Australian government announced it had enacted the National Greenhouse and Energy Reporting Legislation Amendment (Best Practice Emissions Intensities Update) Instrument 2024. This instrument includes best practice emissions intensities under the Safeguard Mechanism for rare earth processing and phosphoric acid for the first time. These best practice emissions intensities are important policy settings for the determination of the Nolans Project emissions liability under the Safeguard Mechanism.

The published best practice emissions intensities imply a significant emissions liability for the Nolans Project. This is primarily driven by the Nolans Project's inherently high stationary energy use and the extent of downstream processing relative to other producers, which is a function of the Nolans ore-body composition.

As a future nascent rare earths downstream producer which has sought to implement energy efficiency measures across the design of the plant, this was a disappointing outcome. Arafura is committed to environmental responsibility and sustainable development and has published its net zero pathway to achieve net zero by 2050.

The impact of the safeguard mechanism as it stands will be particularly challenging during the period of ramp up leading to commercial production. Throughout the quarter the Company engaged with relevant decision makers to ensure any impact was fully understood. Engagement will continue with the aim of reducing the impact of the safeguard mechanism particularly before commercial production.

### Stakeholder Engagement

Arafura was represented at the Austmine CEO luncheon, Developing Northern Australia Conference, AusIMM Critical Minerals Conference, NT Resources week, and a sponsor of the 45<sup>th</sup> Australia Korea Business Council Joint Meeting in Perth.

The Company hosted analysts from Canaccord, Ord Minnett and Barrenjoey on site at the Nolans Project to fully engage them on progress.

At its current phase, representation at events and conferences is important to broadly share the story of Arafura and Nolans with institutional investors, customers, partners, government and retail shareholders. All stakeholder groups are an important part of the equity strategy.

The Company continued to proactively engage stakeholders including the Northern Territory Government, Australian government and local communities.

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Figure 6: CEO Darryl Cuzzubbo attended the 45<sup>th</sup> Annual AKBC joint meeting in Perth in August 2024 along with key representatives from the Australian and Korean governments.



Figure 7: CEO Darryl Cuzzubbo and the Hon Don Farrell, Minister for Trade, participated in a panel discussion at the AKBC Joint Meeting on the critical minerals supply chain with representatives from KEXIM.



Figure 8: Arafura's COO Stuart Macnaughton and NT Manager Stewart Forrest hosted analysts from Barrenjoey, Ord Minnett and Canaccord on a site visit in September 2024

## 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 mining studies and further enhancing the geological database, researching opportunities, and reviewing the exploration activities of other rare earth companies.

## MACROECONOMIC DEVELOPMENTS

### Neodymium and Praseodymium (NdPr) Market

The price of NdPr oxide at the end of the quarter was \$60.54 per kilogram. The price has strengthened since the Chinese government released the quotas for the second half of the year. The mining and separation volumes for the second half remained the same as the first half, totalling 270,000 tonnes and 254,000 tonnes respectively. China has consistently increased half-year volumes in recent years, but the second half announcement potentially halts this trend.



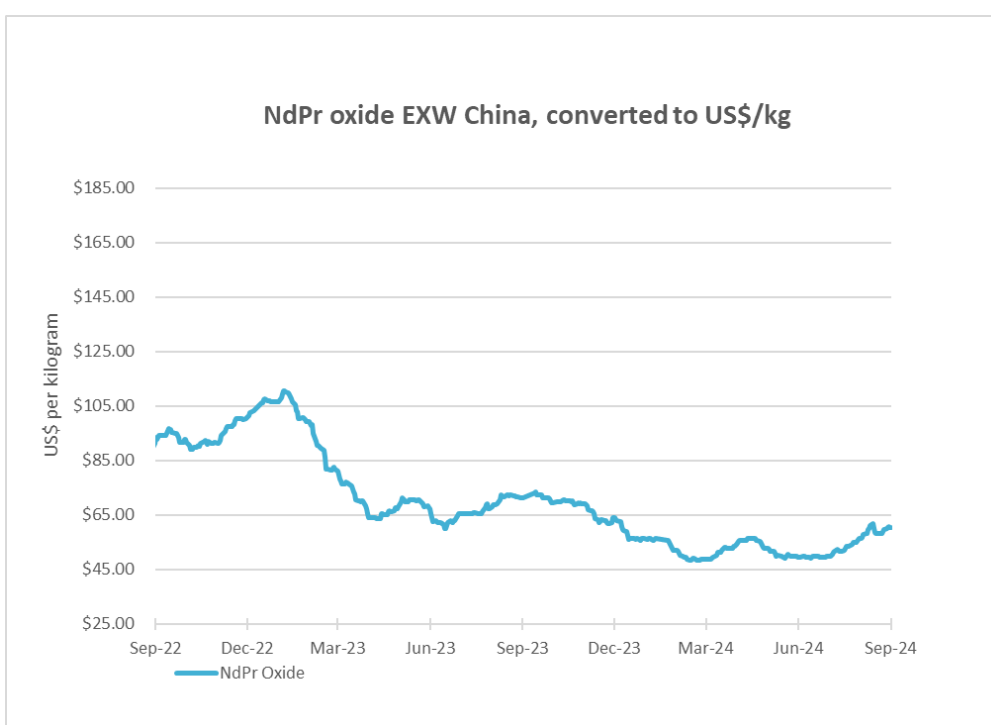
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This change could tighten NdPr supply and support pricing as demand from new magnet supply contracts is typically renewed and awarded following the European holiday period. Poor profit figures and losses from the major rare earth groups in China indicate pricing has reached a level that is not economically sustainable. The increased import by China of rare earth products exploited from Myanmar is likely to have supported what would have been even more significant losses.

China has approved a draft regulation to extend the control of its rare earth industry. The regulations were implemented on 1 October 2024 and will impose greater traceability of domestic resources and their processing. This further concentration of market power increases supply risk and strengthens the case for greater supply chain diversification, as European and US policy measures support.

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



**OFFTAKE AND PROJECT FUNDING**

**Offtake from Nolans**

Arafura signed a Memorandum of Understanding (**MoU**) with the Saskatchewan Research Council (refer ASX announcement 26 August 2024).

The purpose of this MoU is for the parties to develop a timetable and framework to agree on the terms for toll processing of its SEG/HRE product from Nolans, specifically separating out the contained Dy and Tb oxides. This pathway to market for the Dy and Tb products is crucial and strategically important as it complements planned NdPr oxide production, providing the feed materials for a customer to achieve a complete rare earth magnet solution. Additionally, the offtake of NdPr is being negotiated as part of the MoU.

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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 comprise 58 percent of the total offtake target volume.<sup>5</sup>

**Table 2: Offtake overview**

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

(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

Further to the announcement of credit approved commitments in relation to the senior and subordinated debt facilities on 23 July 2024, negotiation of project finance long form documentation with the lender group progressed well during the quarter.

The significant support from a diverse group of international Export Credit Agencies (**ECAs**) and commercial lenders, as shown in Table 3 below, highlights the geostrategic importance of Nolans in creating a diversified global supply chain for NdPr products.

Arafura's offtake and debt funding strategy are interlinked and focused on leveraging the strategic nature of NdPr, targeting NdPr offtake with partners in jurisdictions with active ECAs was central to securing the funding.

The attraction of commercial lenders under the ECA covered tranches provides Arafura with access to ancillary services critical to the operation of the Nolans project including foreign exchange, transactional banking, custodial services and other treasury related products.

The participation of the commercial lenders also demonstrates appropriate risk sharing with the ECA's. The quality of the lender group and long tenor of the debt facilities sets a solid foundation for securing project equity.

<sup>5</sup> 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 3: Indicative Debt Facilities**

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

(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 equity funding process is aligned with the debt process. The Company's strategy is to secure equity funding by leveraging the strategic nature of NdPr. The Company's cascade approach to executing the equity strategy shown in Table 4 below, is to use its competitive position to build a significant cornerstone group before approaching the public market and existing shareholders. Market engagement with institutional investors has highlighted their participation requires leadership from customers, substantial holders and state backed funds to demonstrate the strategic imperative of the investment required for the alternate NdPr value chain the Nolans project delivers. The size of the equity raising and the dominance of China in the NdPr value chain means the capital raising process must have strong strategic leadership evidenced through cornerstone investment to provide momentum before launching a public equity raise. Arafura has previously noted it is seeking certainty over speed which speaks to the need to have the cornerstone group in place to mitigate dilution from the equity raise.

Arafura's strategy with remaining offtake is focused on parties bringing strategic value including equity investment. Engagement with equity Pool One investors, including substantial holders and customer cornerstones, commenced prior to the debt facilities being credit approved. Activities with offtake partners who are being pursued for linked equity investment has heightened activity, as the recent debt funding milestone has demonstrated further derisking of the project. Equity Pool Two incorporates state-backed funds, these include various critical material focused funds here in Australia and Europe. Arafura has due diligence and equity funding engagement with a number of these groups, the emergence of this funding source has been timely and these state-backed funds and investors from Pool One are expected to be the dominant participants in the cornerstone funding solution.

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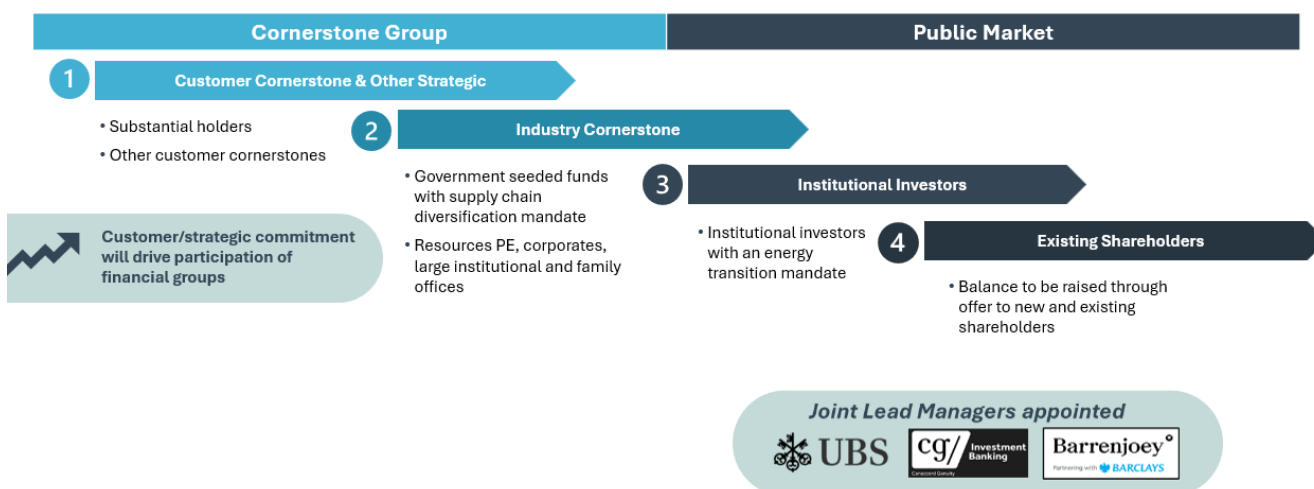
On completion of the debt funding milestone the Company and its advisors launched its engagement with the equity Pool Two investors, these included various corporates, commodity traders/ conglomerates, private equity, pension/ super funds and other key investors. Initial engagement has been with over 50 international groups. Whilst the debt funding milestone is viewed as a significant de-risking event, the dominant feedback was this group requires more progress with Pool One investors to activate significant traction for their investment process.

Activities with equity Pool Three institutional investors is largely at the preparation phase. During the quarter Arafura’s MD and CEO conducted an extensive market engagement with Australian and north American based Pool Three investors, providing an overview of the NdPr market and the Nolans project to prospective investors. Over the coming months this process will be replicated for equity Pool Three investors in Asia, Europe and other locations.

Arafura is targeting the balance of the funding via an offer to Existing Shareholders, shown as Pool Four in the equity strategy. Arafura will provide more details for the equity raising process, including engagement of Pool Four, when there is greater certainty in relation to the parties and the quantum of their respective investment.

**Table 4: Equity strategy**

Focused on execution certainty over speed



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### CORPORATE

#### Cash Position

On 30 September 2024, Arafura had cash reserves of A\$55m (versus A\$42m as at 30 June 2024).

During the quarter, the Company spent ~A\$0.7 million on exploration and evaluation activities, ~A\$3.3 million on corporate, administration and business development costs and ~A\$6.7 million on project development activities including:

- 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 continued to reduce in the current quarter, averaging ~A\$3.9m per month (versus ~A\$5m per month in the prior quarter).

Payments of A\$296,550 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 September 2024 are available in the attached Appendix 5B.

#### Board Update

Following the successful completion of Arafura's senior debt financing, Mr Chris Tonkin retired from the Board after over 13 years of service in July (Refer to ASX Announcement dated 26 July 2024). The Company subsequently appointed Mr Ian Murray to its Board as a Non-Executive Director, effective 10 September 2024 (Refer to ASX Announcement dated 10 September 2024). Mr Murray will also be Chair of the Audit Committee.

#### Capital Raising

During the quarter, the Company completed a Two-Tranche Placement to raise A\$20 million (before costs) from sophisticated and institutional investors and at the same time launched a Share Purchase Plan (**SPP**) for eligible existing Arafura shareholders. The Company received A\$4.6 million (before costs) from the SPP. Funds from the capital raising is intended to support advancement of the Company's funding initiatives and provide a sufficient cash runway through to mid-2025 to allow the Company to focus on finalising its strategic equity funding activities and offtake initiatives required for FID. Funds are also intended to be spent on critical path activities, compliance and progressing improvement ideas that reduce capital, schedule and risk and for general working capital purposes. Tranche 2 of the Placement and the issue of shares under the SPP was subject to shareholder approval at the general meeting held on 4 September 2024, which was approved.

#### Shareholder Meetings

The Company held two shareholder meetings during the quarter.

The General Meeting was held at Arafura's office on 4 September 2024 with the notice of meeting despatched on 2 August 2024. All four resolutions proposed, in relation to the Company's capital raising activities (refer above), were passed by way of a poll.

The Annual General Meeting was held subsequent to the quarter on 17 October 2024 at 10:00am WST. The notice of meeting was despatched on 16 September 2024 and shareholders were engaged to vote using the Proxy Form or



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online. All resolutions were passed by way of a poll. Questions from shareholders relating to the AGM were posted on the Company's website under the Shareholder Meeting tab.

### 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.

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 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(6,726)	(6,726)
	(c) production	-	-
	(d) staff costs	(1,527)	(1,527)
	(e) administration and corporate costs	(1,765)	(1,765)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	520	520
1.5	Interest and other costs of finance paid	(14)	(14)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-

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1.9	<b>Net cash from / (used in) operating activities</b>	<b>(9,512)</b>	<b>(9,512)</b>
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2.	<b>Cash flows from investing activities</b>	-	-
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements and bonds	-	-
	(c) property, plant and equipment	(13)	(13)
	(d) exploration and evaluation	(716)	(716)
	(e) investments	-	-
	(f) other non-current assets (environmental bond and term deposit)	-	-
2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(729)</b>	<b>(729)</b>

3.	<b>Cash flows from financing activities</b>	24,644	24,644
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		

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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	(1,335)	(1,355)
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)	(130)	(130)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>23,179</b>	<b>23,179</b>

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4.	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	42,170	42,170
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9,512)	(9,512)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(729)	(729)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	23,179	23,179
4.5	Effect of movement in exchange rates on cash held	3	3
4.6	<b>Cash and cash equivalents at end of period</b>	<b>55,111</b>	<b>55,111</b>

5.	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
		<b>\$A'000</b>	<b>\$A'000</b>
	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	55,111	42,170
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>55,111</b>	<b>42,170</b>

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



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



6.1	Aggregate number of payments to related parties and their associates included in item 1	(297)
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>		

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



7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end</b>	<b>Amount drawn at quarter end</b>
	<p>Note: the term "facility" includes all forms of financing arrangements available to the entity.</p> <p>Add notes as necessary for an understanding of the sources of finance available to the entity.</p>	<b>\$A'000</b>	<b>\$A'000</b>
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.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(9,512)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(716)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(10,228)
8.4	Cash and cash equivalents at quarter end (item 4.6)	55,111
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	55,111
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.4
	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.	

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



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: 20 October 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 SEPTEMBER 2024



### APPENDIX A – MINING TENEMENTS HELD AS AT 30 SEPTEMBER 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 SEPTEMBER 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%	