ASX ANNOUNCEMENT

APPOINTMENT OF MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

5 February 2024

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Arafura Rare Earths Limited (**ASX: ARU**) (**Arafura** or **the Company**) is pleased to announce the appointment of Darryl Cuzzubbo as Managing Director and Chief Executive Officer, following the departure of Gavin Lockyer.

Mr Cuzzubbo commences his role immediately and Mr Lockyer will depart after a short handover to complete an effective transition.

Mr Cuzzubbo joined the Board of Arafura as a non-executive director in November 2021. In September 2023 he was further engaged by the Board to provide management support services to the Company's executive leadership team, drawing on his extensive operational and project development expertise. As a result, Mr Cuzzubbo has detailed knowledge of the Company's current financial and operational progress.

Mr Cuzzubbo's appointment is the result of an extended four-month executive search process led by consultants Korn Ferry. The search was assisted by Mr Lockyer and represented the Board's focus on leadership transition by identifying the individual who can best lead Arafura through its next phase of development, including construction and delivery of the Nolans Project and growth into a globally significant rare earths producer.

Mr Cuzzubbo has more than 30 years of experience across global senior executive and executive directorial roles in multi-commodity, services and manufacturing businesses. During this time, including 24 years with BHP, his scope of responsibilities included managing multiple complex operations such as Olympic Dam and large explosive manufacturing plants across more than 20 countries, delivering large greenfield and brownfield projects, as well as the financing of project development and acquisition activities. He brings a wealth of knowledge and experience in both the resources and manufacturing sectors.

Commenting on Mr Cuzzubbo's appointment, Arafura Chairman Mark Southey said: *"This transition reflects the Board's absolute focus on delivering and commissioning the Nolans Project, as the Company's efforts to secure key off-take agreements and debt financing head towards a conclusion".*

"Arafura engaged the services of Korn Ferry in a global recruitment process seeking an executive to lead Arafura through its next stage of operational development, with emphasis placed on securing the expertise required to deliver and commission a complex processing plant in a remote location."

ARAFURA'S SUSTAINABILITY GOAL

"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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"Darryl has acquired an extensive understanding of Arafura and the rare earths market during his time with our Board and that means he will now hit the ground running as he is well-known to our team and to our many major stakeholders in the project. The Board firmly believes that Darryl is the right leader to build on our progress to date and to complete the Nolans Project."

Mr Lockyer has been with Arafura for more than 17 years, the majority of those as Managing Director. During that period, he progressed the Company from being an explorer to a project ready organisation, achieving a number of critical financial and approvals goals.

Mr Southey praised the outstanding contribution of Mr Lockyer in securing Arafura's international standing as the next major rare earths producer, with capacity to add substantial NdPr production into strategically important supply chains:

"On behalf of the Board I express sincere thanks to Gavin for his many and varied contributions to Arafura and the development of the Nolans Project over many years," Mr Southey said.

"Gavin was instrumental in driving the Company forward and the many important steps taken, and agreements secured, by his team to commercially position us for the delivery phase of the Nolans Project."

Mr Cuzzubbo will be based in Arafura's head office in Perth, Western Australia.

A summary of the material terms of the employment agreement between the Company and Mr Cuzzubbo is set out in the Appendix to this announcement.

-ENDS-

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Authorised by:

The Board of Directors
Arafura Rare Earths Limited

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Appendix 1

Commencement Date	5 February 2024
Term	No fixed term. Employment will continue until terminated by either party.
Total Fixed Remuneration	A Total Fixed Remuneration (TFR) (inclusive of superannuation) of $690,000 per annum. A review of the remuneration package will be performed at the commencement of main construction of the Nolans Project and annually thereafter.
Incentives	Participation in the Nolans Success Plan which will entitle the Managing Director to be issued incentive securities over 5 tranches equal to a Total Incentive Opportunity (TIO) of 800% of Total Fixed Remuneration over a 4 year period. Vesting conditions will be tied to 5 critical milestones linked to the successful delivery of the Nolans Project being: ▪ Commencement of Main Construction ▪ First Draw down of Debt ▪ First Ore delivered to ROM Pad ▪ First NdPr Oxide Production ▪ Project Close Out Further incentive securities may be issued to account for any increase in remuneration package following the remuneration review that will occur at the commencement of main construction of the Nolans Project. Incentive securities will vest if certain change of control events occur, subject to Board discretion. The issue of Incentive securities will be subject to shareholder approval.
Other Benefits	▪ Annual Leave and Long Service Leave in line with statutory requirements. ▪ Relocation costs from Wollongong and Brisbane to Perth. Certain costs may be clawed-back in the event of resignation or termination for gross misconduct prior to the 2-year anniversary of commencing work in Perth.
Notice Period	6 months (either party may give notice)
Severance Pay	6 months base salary inclusive of any statutory redundancy payment