ASX ANNOUNCEMENT

ARAFURA ENTERS BINDING OFFTAKE AGREEMENT

12 October 2026

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Arafura Rare Earths Limited (**ASX: ARU**) (**Arafura** or the **Company**) announces the signing of binding offtake agreement with leading global raw materials trading company following previously announced binding term sheet on 13th May 2026.

HIGHLIGHTS

- **Arafura executes binding offtake agreement with global trading company to supply 850 tpa of NdPr oxide (increased from 500tpa in binding term sheet)**
- **Pricing linked to an independent and transparent global seaborne index**

Arafura has executed a binding offtake agreement with a global trading company seeking supply of critical rare earth elements. The trader has been tapped under the U.S. government's Project Vault initiative to help build resilient supply chains and secure critical mineral reserves for American manufacturing. The trading company generates approximately US$10 billion in annual revenue and maintains over 20 global offices, covering over 50 traded commodities[1].

Key terms of the agreement include:

- Annual contract volume ramping up to 850tpa NdPr oxide when at nameplate production with associated heavy rare earths.
- Period of five (5) years with two (2) year extension option by mutual agreement.
- Pricing in USD and based on a global, seaborne pricing index such as the recently established Benchmark Minerals Intelligence indices or S&P's Global Platts North America pricing index.
- Conditions precedent that are customary for arrangements of this nature.

As previously noted, the Company remains in offtake discussions with a number of parties, the Company intends to ensure that its disclosures do not compromise any commercially sensitive information or prejudice the Company's negotiating position. As a result, to the extent permitted by ASX guidance, Arafura will no longer disclose the identity of offtake counterparties unless the identity of the particular counterparty is itself material.

-ENDS-

[1] For the purposes of ASX Compliance Update 02/25, the Company confirms that:

1. It does not consider the identity of the offtake partner to be information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
2. This announcement contains all material information relevant to assessing the impact of the binding offtake agreement on the price or value of the Company's securities and is not misleading by omission; and

It has included a description of the offtake partner in this announcement that is sufficient to describe any market sensitive information about the offtake partner, including its standing and creditworthiness.

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