ASX ANNOUNCEMENT

ARAFURA SIGNS BINDING OFFTAKE TERM SHEET WITH TRAXYS NORTH AMERICA LLC

ARAFURA
RARE EARTHS LIMITED

13 May 2026

Arafura Rare Earths Limited (**ASX: ARU**) (**Arafura** or the **Company**) announces the signing of a binding Offtake Term Sheet with Traxys North America LLC (**Traxys**).

HIGHLIGHTS

- **Arafura Nolans Project Pty Ltd (a wholly owned subsidiary of Arafura) enters into a binding Term Sheet with Traxys North America LLC to supply 500 tpa of NdPr oxide**
- **Pricing linked to an independent and transparent global seaborne index**
- **Agreement is binding subject to satisfaction of conditions precedent including long form documentation**

Arafura has executed a binding term sheet with Traxys North America to support the revitalisation and onshoring of domestic manufacturing across automotive, defence, and advanced technologies sectors in the United States (US). It is Traxys' intention to seek to utilise the product for supply into the US supply chain, including the potential supply into US EXIM managed Project Vault. This agreement is separate and in addition to the Traxys Europe SA agreement announced on 20 March 2025 for the supply of up to 300tpa of NdPr oxide.

Key terms of the agreement include:

- Annual contract volume of 500tpa NdPr oxide and 7.5tpa DyTb oxide.
- Period of five (5) years with option to extend by two (2) years by mutual agreement.
- Pricing will be 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.
- The Company expects to finalise and execute a long form offtake agreement prior to the sunset date of 6 months from execution of Term Sheet.
- Conditions precedent that are customary for arrangements of this nature and include Arafura undertaking a Final Investment Decision (FID) for the Nolans Project.

Arafura's Managing Director Darryl Cuzzubbo said:

"We have long believed that the right partners would define the quality and durability of Arafura. The offtake relationships we have established are not just transactional arrangements. They reflect growing alignment between industry participants and government-supported initiatives aimed at establishing resilient critical minerals ecosystems as an imperative, not merely an opportunity. As we advance this strategic agreement, we achieve another milestone in delivering the Company's broader long-term offtake objectives and financing strategy in support of a future investment decision."

-ENDS-

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About Traxys:

Traxys is a leading global physical trader and merchant in the metals and natural resources sectors. Traxys provides financing, investing, marketing, sourcing and logistics services to a broad base of industrial customers across the metals, minerals, and mining industries, with a focus on base metals, concentrates, minor and alloying metals, industrial minerals, chemicals, and materials for steel mills and foundries.

With over 65 commodities traded and a history spanning more than 100 years, Traxys operates globally with over 500 employees. The group maintains over 20 global offices and generates approximately US$10.0 billion in annual revenue. Traxys is committed to the highest internationally recognized principles for responsible business conduct, and to ensuring that its operations are equitable, sustainable, and transparent. Traxys premises its practices on environmental, social, and governance (ESG) standards that enable Traxys to set a leading example for the responsible sourcing and trading of metals and minerals.

To learn more about Traxys, go to: www.traxys.com.

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