



23/07/2024

The Hon. Ed Husic
Minister for Minister for Industry and Science
CC David Masters
ed.husic.mp@aph.gov.au

Dear Minister Husic

RE: ARAFURA ACHIEVES MAJOR DEBT FUNDING MILESTONE

I am pleased to inform you that today Arafura reached the major milestone of finalising debt funding requirements for the Nolans Project in the Northern Territory. We have now received more than US\$1 billion in debt financing from nine international export credit agencies and commercial lenders.

Securing the full complement of debt was only made possible by the catalytic support provided by the Australian Government through the Northern Australian Infrastructure Facility and the Export Finance Agency, announced in March 2024.

Our focus is to raise around US\$2 billion in debt and equity to enable a final investment decision and immediately commence construction.

We also announced the potential expansion of Nolans, with a preliminary study indicating the possibility of doubling processing capacity and becoming a third-party processing hub, unlocking a unique opportunity for Australia's rare earths sector. Capacity to process feedstock from third parties will decrease the capital expenditure requirements of new rare earths projects by up to 70 percent.

We will be an essential part of the future electrification economy by supplying the rare earth elements used in manufacturing electric vehicles and wind turbines. Arafura will supply around four percent of the world's NdPr oxide demand enabling the manufacture of more than four million electric vehicles.

We will also produce near battery grade phosphoric acid, an increasingly important rare earth element due to increasing dominance of Lithium Iron Phosphate (LFP) batteries and China currently controlling global supply.

The Nolans Project will be built entirely in Australia, with a peak construction workforce of 650 people and a steady state operating workforce of 280, including a range of opportunities for local and Indigenous employment.

On behalf of Arafura Rare Earths, our project partners and supporters in and around the Alice Springs community, we are deeply grateful for your ongoing support for the Nolans Project.

Please feel free to contact me at any time should I be able to provide any assistance.

Yours sincerely,

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Darryl Cuzzubbo
Managing Director and CEO

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