

## **GE Renewable Energy and Arafura Resources sign Memorandum of Understanding (MoU) on Neodymium and Praseodymium (NdPr) Rare Earths**

- *Partnership will enhance supply of rare earth materials for offshore wind turbines key to energy transition*
- *GE to negotiate the purchase of NdPr from Arafura's Nolans Project*
- *MOU signed during international energy forum, with formal agreement between the Governments of Australia and the United States to facilitate cooperation in securing supply chains for clean energy technologies.*

**Sydney - 12 July 2022** - Arafura Resources Limited (ASX: ARU) and GE Renewable Energy have signed a non-binding memorandum of understanding (MoU) to jointly co-operate in the establishment of a sustainable supply chain for NdPr central to energy transition. The parties will negotiate a long-term sales agreement for GE to purchase NdPr from Arafura's Nolans Project in central Australia.

The definitive and binding offtake agreement would be subject to key customary conditions being satisfied, including:

- Arafura securing project funding to develop the Nolans Project; and
- completion of construction, development and commissioning of the Nolans Project.

The MoU also outlines a potential strategic equity investment by GE in Arafura that will be considered and negotiated in due course.

The agreement was unveiled during the Sydney Energy Forum, a high-level summit hosted by the Australian Government and the International Energy Agency focused on securing clean energy supply for the Indo-Pacific. On the sidelines of the Forum, the Governments of Australia and the United States announced a separate government-to-government agreement to support new supply chains for clean energy technologies.

The Nolans Project in Australia's Northern Territory is a globally significant resource for NdPr with the capacity to support a value chain supplying nearly 5 per cent of the global demand over a projected life of mine of 38 years with expansion potential. With its ore to oxide business model that includes waste management certainty, it provides customers with a product supply chain that is both transparent and traceable. Nolans has the potential to create significant employment opportunities and intergenerational change to the region, with projections of new jobs in Australia, including a construction workforce of 620 and 280 ongoing operational roles.

Rare earths are essential materials for NdFeB magnets used in EVs and clean energy technologies, with magnets an essential component for the offshore wind industry, consuming over 600kg of NdFeB magnets for every MW of wind turbine generation capacity. A secured rare earths supply for GE de-risks the magnet value chain, provides supply security and supports the growth of the local offshore wind sector.

The MoU recognises the strategic nature of NdPr, a critical mineral required in the manufacture of high performance NdFeB permanent magnets and charts a path for GE and Arafura to jointly co-operate in the establishment of a diversified and sustainable supply chain. The engagement between GE and Arafura will help strengthen the supply of sustainable materials critical to the energy transition objectives of GE customers in the EU, US and Australia. Arafura is focused on establishing itself as GE's preferred NdPr partner for renewables in the EU, US and other key markets.

Having GE as another foundational offtake partner will provide Arafura with product sales diversification both geographically and into new sectors like the offshore wind turbine market. Analysts are forecasting the volume of annual offshore wind installations to more than triple, from 6.1 GW in 2020 to 23.1 GW in 2025, bringing its share of global new installations from 6.5% to 20% by 2025<sup>1</sup>. This exponential growth in demand is driven by the need for energy security and the role of renewable energy to meet the Paris carbon neutrality target by 2050.

Commenting on the MoU, Arafura's Managing Director and CEO, [Gavin Lockyer](#), said: "The signing of this MoU to collaborate with a Tier 1 OEM is a terrific outcome. Long-term Nolans NdPr may be used in magnets critical for power generation from GE's Haliade-X 12 MW, one of the most powerful offshore wind turbines on the market. It is very gratifying that a new supply chain model, along with transparency of the value chain, will ensure we know exactly where our NdPr will be used, whether it is in a particular EV model or a series of wind turbine. The contribution of Nolans NdPr to enable clean energy technologies to decarbonise the world is becoming more and more apparent."

GE Renewable Energy Vice President, Chief Technology Officer [Danielle Merfeld](#), said, "This MoU is another example of our efforts to develop strategic collaborations that can help us accelerate the energy transition. Working with Arafura gives us a new and exciting option to obtain reliable, sustainable, and competitive sources of key materials going forward that will help us lower the cost of renewable energy."

GE Renewable Energy announced in October 2021 that the company had signed a non-binding Memorandum of Understanding (MoU) with General Motors to evaluate opportunities to improve supplies of heavy and light rare earth materials and magnets, copper and electrical steel used for manufacturing of electric vehicles and renewable energy equipment.

The two companies signed a co-sourcing agreement earlier this year as the next step in that process. Metal alloys and finished magnets produced from rare earth materials are critical components used in manufacturing electric motors for automotive and renewable power generation. The collaboration between GE and GM will help both companies build a supply chain of vertically integrated magnet manufacturing they can use in electric vehicles and renewable energy equipment in the future.

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1. Source: <https://reglobal.co/europe-leads-global-offshore-wind-market-gwec>



### **About GE Renewable Energy**

GE Renewable Energy is a \$16 billion business which combines one of the broadest portfolios in the renewable energy industry to provide end-to-end solutions for our customers demanding reliable and affordable green power. Combining onshore and offshore wind, blades, hydro, storage, utility-scale solar, and grid solutions as well as hybrid renewables and digital services offerings, GE Renewable Energy has installed more than 400+ gigawatts of clean renewable energy and equipped more than 90 percent of utilities worldwide with its grid solutions. With nearly 40,000 employees present in more than 80 countries, GE Renewable Energy creates value for customers seeking to power the world with affordable, reliable and sustainable green electrons.

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### **About Arafura Resources**

Arafura Resources is an Australian mineral exploration and development company focusing on Neodymium and Praseodymium (NdPr) rare earths. It is headquartered in Perth, Western Australia and was listed on the Australian Securities Exchange (ASX) in 2003. The company's flagship project is the Nolans NdPr Project, located in central Australia.

### **About the Nolans Project**

Arafura's Nolans Project is a rare earth ore to oxide mine and processing facility in the Northern Territory. The project is Australia's first vertically integrated rare earths operation, where its single site mining and processing operations (including waste disposal) will provide a secure and traceable supply chain to meet domestic and international economic and security interests and the ESG needs of global customers. Nolans has received Major Project Status from the Northern Territory Government (refer to ASX Announcement dated 31 July 2020) and has received support from Federal Ministers (refer to ASX Announcement dated 13 May 2021). In 2021, Arafura received conditional letters of support for debt facilities from Export Finance Australia (EFA) and the Northern Australia Infrastructure Facility (NAIF) for \$200m and \$100m respectively (refer to ASX Announcements dated 7 May 2021



and 18 June 2021). In March 2022, Arafura was awarded \$30 million grant funding under the Australian Government's Modern Manufacturing Initiative (MMI) (refer to ASX Announcement dated 16 March 2022).

<https://www.gevernova.com/>  
[GE Vernova](#)

### **Media inquiries**

### **Tim Brown**

GE Vernova | Media Relations, Wind

[tim.brown@ge.com](mailto:tim.brown@ge.com)

+1 302 509 9352

### **Anthony Hasluck**

Clarity Communications, for Arafura |

[anthony.hasluck@claritycommunications.com.au](mailto:anthony.hasluck@claritycommunications.com.au)

+61 438 522 194