



LYNAS CORPORATION AGM Presentation

26 November 2020

Disclaimer

This Presentation has been prepared by Lynas Corporation Limited (ABN 27 009 066 648) (Lynas or the Company) This Presentation contains summary information about Lynas and its subsidiaries (Lynas Group) and their activities current as at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete or to comprise all the information that a shareholder or potential investor in Lynas may require in order to determine whether to deal in Lynas shares. It should be read in conjunction with Lynas Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au. This document is not a prospectus or a product disclosure statement under the Corporations Act (Cth) 2001 (Corporations Act) and has not been lodged with ASIC.

Not investment or financial product advice

This Presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Lynas shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. Lynas is not licensed to provide financial product advice in respect of Lynas shares. Cooling off rights do not apply to the acquisition of Lynas shares.

Financial data

All dollar values are in Australian dollars (A\$) unless stated otherwise and financial data is presented within the year ending 30 June 2020 unless stated otherwise. Any pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

Future performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. This Presentation contains certain "forward-looking statements". The words "expect", "should", "could", "may", "will", "predict", "plan", "scenario", "forecasts", "anticipates" "estimates" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and

financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Investment Risk and other risks

An investment in Lynas shares is subject to investment and other known and unknown risks, some of which are beyond the control of Lynas Group, including risk factors associated with the industry in which Lynas Group operates, such as: nature of mineral exploration and production; mineral and ore reserves; operations risks; project development risks; market price and demand risk; credit and market risks; regulatory, political and environmental risks; tax and other risks generally relating to equity investment.

Not an offer

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Any securities described in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act").

Disclaimer

Lynas and its affiliates, officers, employees, agents and advisers have not authorised, permitted or caused the issue, dispatch or provision of this Presentation to any third party. Lynas, its related bodies corporate and their respective affiliates, officers, employees, agents and advisers to the maximum extent permitted by law, expressly disclaim all liabilities in respect of any expenses, losses, damages or costs incurred by you as a result of the information in this Presentation being inaccurate or due to information being omitted from this Presentation, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information. The information in this Presentation remains subject to change without notice.

Our values reflect the way we work every day

OUR VALUES



Care

We care for and respect each other, our communities and the environment. We make sure we all go home safe and well.



Achievement

We are resilient and committed. We overcome challenges to achieve our goals.



Expertise

We are driven to be the world's best in Rare Earths and to earn the respect of our customers.



Diversity

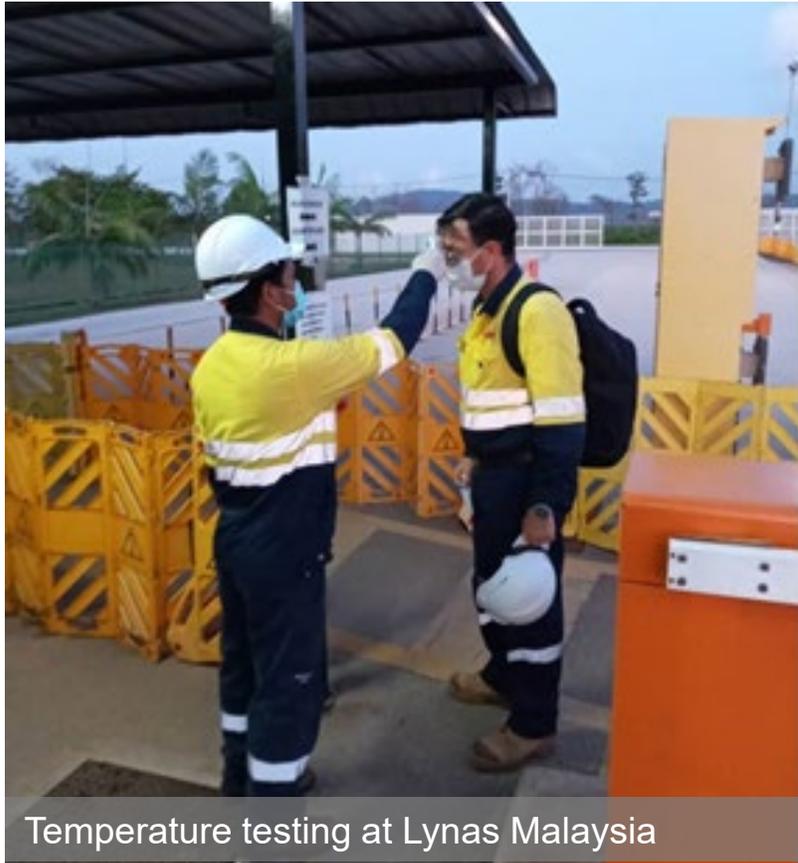
We are a multicultural company. We value and embrace diversity.



Sustainability

We are passionate about contributing to a sustainable future and green technologies.

COVID-19 best practice is built into the way we work



Temperature testing at Lynas Malaysia



Socially distanced stretches at Mt Weld



Contributing to our local aged care home in Malaysia

Care packages for women in our Goldfields community in WA

Our strong foundations and approach underpin our achievements

In FY2020 we managed a number of challenges:

- Malaysian operating licence renewal
- Finalising Lynas NEXT initiatives
- Commencing Lynas 2025 growth projects
- COVID-19

By focusing on what matters most:

- Caring for our people
- Building a business embracing best practice sustainability initiatives
- Complying with regulations at all times

FY20 Operational Highlights

People

Excellent safety outcomes

- 12-month rolling lost time injury frequency rate was 0.8 per million hours worked (2019: 0.9 per million hours)
- Strict COVID-19 health & safety protocols implemented March 2020 to protect the health & wellbeing of our people
- Zero public health or environmental incidents
- Continuing to support our local communities

Sustainability

Ethical and sustainable production of Rare Earths

Our commitment includes:

- Signatory to UN Global Compact and contributing to UN Sustainable Development Goals
- Recognising our mine is a precious resource and we need to use it well
- Embracing new technologies in our operations to reduce our environmental footprint

Regulatory

Lynas Malaysia operating licence renewed

Two new Malaysian operating licenses awarded during the year:

- 3-year licence renewed to March 2023
- This renewal followed satisfaction of conditions of the 6-month licence renewal announced 16 August 2019
- Lynas has appointed a local turnkey contractor to manage the entire PDF project

Lynas 2025 growth vision

Growing with the market

- Kalgoorlie selected as the location for our new Rare Earth Processing Facility
- Kalgoorlie project awarded Major Project Status from the Australian government and lead agency status from the WA State government
- Lynas selected by U.S. Dept of Defense for Phase 1 of U.S. Heavy Rare Earths separation facility, including finalising a Phase 1 contract
- Dedicated project teams for each key project in place and working well

FY2020 Financial Highlights

Revenue
\$305.1m

(FY19: \$363.5m)

Cash at year end
\$101.7m

(FY19: \$89.7m)

Gross Profit
\$47.8m

(FY19: \$90.5m)

**Cash flows from
operating activities**
\$32.1m

(FY19: \$104.1m)

EBITDA
\$59.8m

(FY19: \$100.7m)

EBIT
(\$6.2)m

(FY19: \$56.4m)

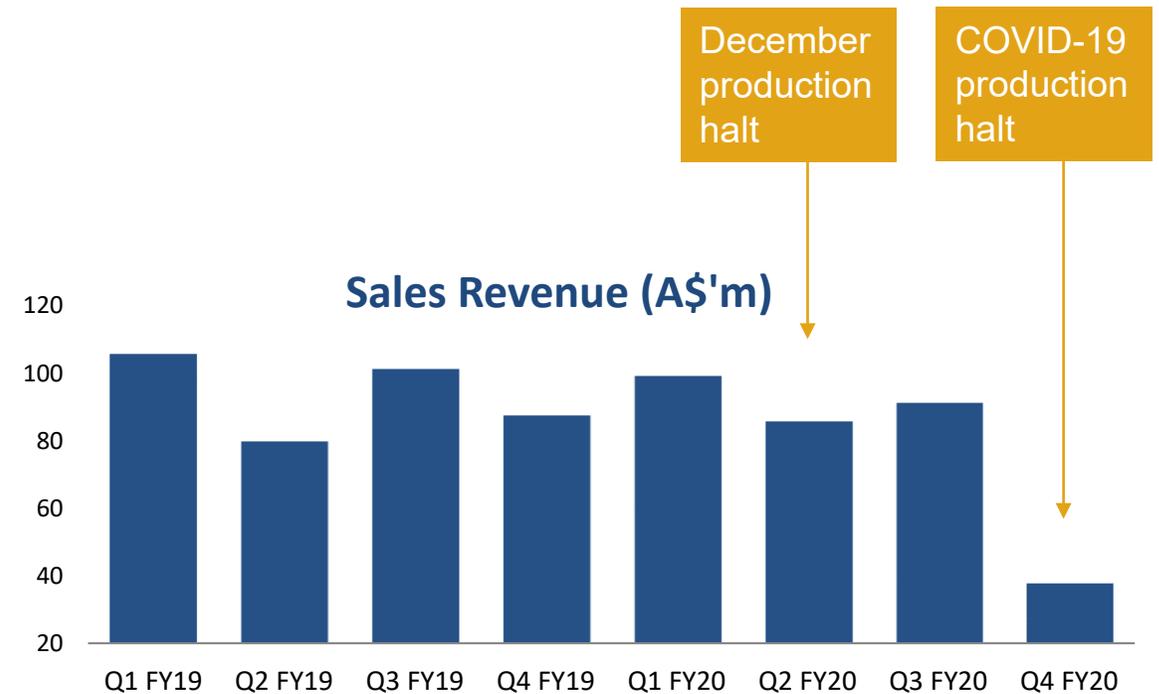
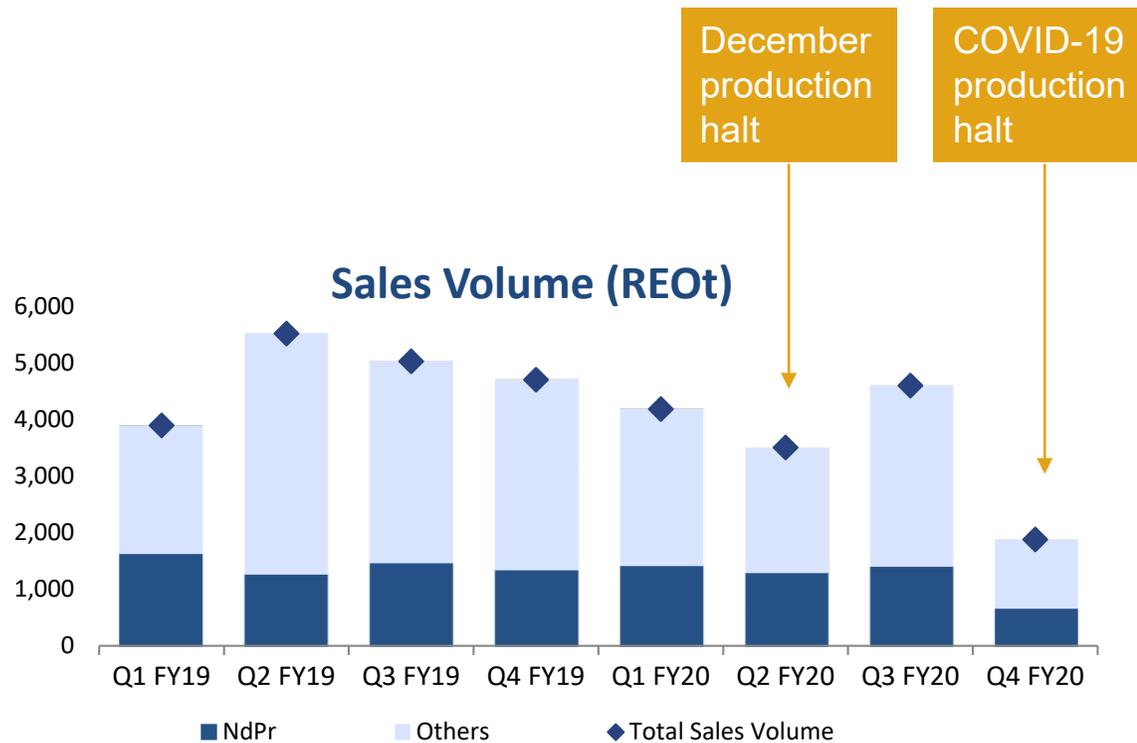
NdPr Produced
4,656 tonnes

(FY19: 5,898 tonnes)

**Total REO
Produced**
14,562t

(FY19: 19,737t)

FY20 Sales Volume & Revenue were affected by temporary production halts in 2 quarters



NdPr market prices remained low throughout the financial year

Underlying growth drivers remain unchanged

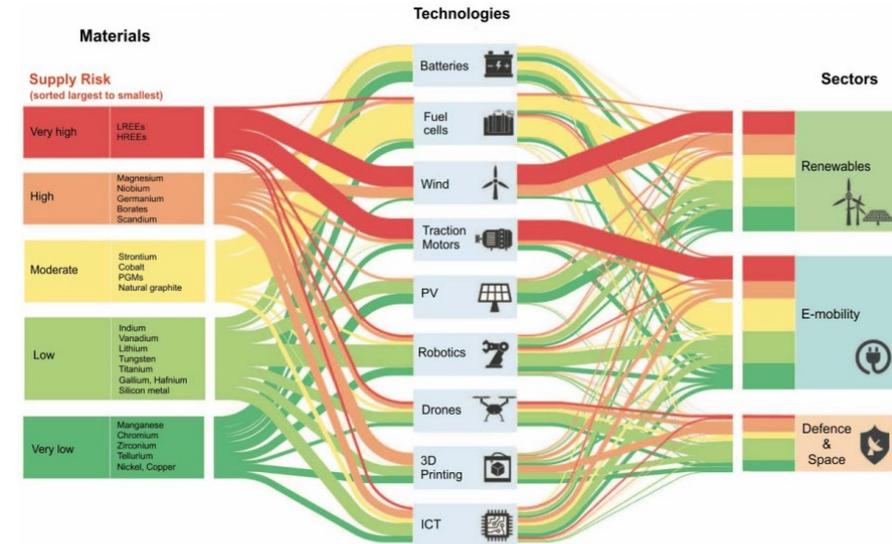


Governments around the world are focused on Rare Earths supply chain resilience

Megatrends

- 1 Digital transformation
- 2 Investing in supply chain resilience
- 3 Localisation and staying closer to home
- 4 A changing economic landscape
- 5 Stepping into the new normal

Source: Global Trade & Investment Megatrends, CSIRO Data 61, Austrade, November 2020



Source: European Commission, Critical materials for strategic technologies and sectors in the EU-a foresight study, 2020.

European Commission | English | Search

Home > Press corner > Speech Commissioner Breton

Available languages: English

Speech | 29 September 2020 | Brussels

Speech by Commissioner Breton at the launch of the European Raw Materials Alliance

Page contents

- Top
- Print friendly pdf
- Press contact

"Check against delivery"

Ladies and Gentlemen,

Welcome to the launch meeting of the European Raw Materials Alliance!

Europe has set out the ambition to be the first supplier of green energy, to be the first digital continent, and also the first continent in terms of the circular economy.

Making these ambitions a reality requires critical materials, such as lithium for batteries, magnets, or semiconductors.

To meet our Green Deal targets, by 2030 and by 2050 we will need even higher amounts of critical raw materials for our strategic sectors and technologies.

U.S.-Australia-India-Japan Consultations ("The Quad")

MEDIA NOTE

OFFICE OF THE SPOKESPERSON

SEPTEMBER 25, 2020

Share f t

Senior officials from the United States, Australia, India, and Japan met virtually on September 25, 2020, for consultations on collective efforts to advance a free, open, and inclusive Indo-Pacific region.

The four democracies discussed ways to work together to respond to the COVID-19 pandemic, promote transparency and counter disinformation, and protect the rules-based order the region has long enjoyed.

Noting the importance of digital connectivity and secure networks, the officials discussed ways to promote the use of trusted vendors, particularly for fifth generation (5G) networks. They explored ways to enhance coordination on counterterrorism, maritime security, cyber security, and regional connectivity, as well as quality infrastructure based upon international best practices, such as the G20 Principles for Quality Infrastructure Investments. Participants also highlighted the need to improve supply chains in sectors including critical minerals, medical supplies, and pharmaceuticals.

Australian Government | Department of Industry, Science, Energy and Resources

About us | Ministers | Consultations | Contact us

Search industry.gov.au

Menu

Home > News media > Modern Manufacturing Strategy

Modern Manufacturing Strategy

News

1 October 2020

The Modern Manufacturing Strategy is a whole-of-government strategy to help Australian manufacturers scale-up, become more competitive and resilient — creating jobs for now and future generations. The Australian Government is backing an enterprise-led recovery. It sends a clear signal that Australia is open for business.

Find out about each of the initiatives:

- Modern Manufacturing Initiative and National Manufacturing Priorities
- Supply Chain Resilience Initiative
- Manufacturing Modernisation Fund round two

The Minister announced initiatives to transform Australian manufacturing on 1 October 2020.

MAKE IT HAPPEN

The Australian Government's Modern Manufacturing Strategy

The Australian Government is backing an enterprise-led recovery through the Modern Manufacturing Strategy. Not only is Australia open for business, we mean business.

ECONOMY | NATIONAL SECURITY | BUDGET | IMMIGRATION | CORONAVIRUS.GOV

EXECUTIVE ORDERS

Executive Order on Addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals from Foreign Adversaries

ECONOMY & JOBS | Issued on: September 30, 2020

We have the balance sheet to grow

We are ready to put our balance sheet to work

- ✓ Recent \$425m equity raising received significant demand from investors
- ✓ Delivers timely funding for *Lynas 2025* foundation projects:
 - ✓ Kalgoorlie Rare Earth Processing Facility, and
 - ✓ Associated upgrades at the Lynas Malaysia plant
- ✓ Mitigates uncertainty created by COVID-19 in the near and intermediate term

Certainty

- ✓ Equity funding significantly enhances Lynas' balance sheet during a critical transformation and growth period
- ✓ Operating cash flow can be used for other essential capital projects including Malaysian Permanent Deposit Facility (PDF)
- ✓ Flexibility to use other funding solutions to capture additional growth opportunities as they arise

Flexibility

Developing strong Upstream & Downstream capability

Malaysia



Lynas Malaysia: A dynamic operation in Gebeng, Malaysia with Cracking & Leaching, Solvent Extraction, Product Finishing

United States



Lynas signed contract with U.S. Dept of Defense in July 2020 for detailed design of a Heavy Rare Earths Separation Facility

Mt Weld, Western Australia



Mt Weld, WA: Tier 1 deposit with Mine and Concentration Plant. Continuing exploration and development to maintain a 25+ year Reserve¹

Kalgoorlie, Western Australia



Planned Rare Earth Processing Facility

- Upstream processing close to our resource
- Downstream processing close to our customers supporting downstream ecosystem development

1. Please refer to Appendix A

Optimising our resource at Mt Weld



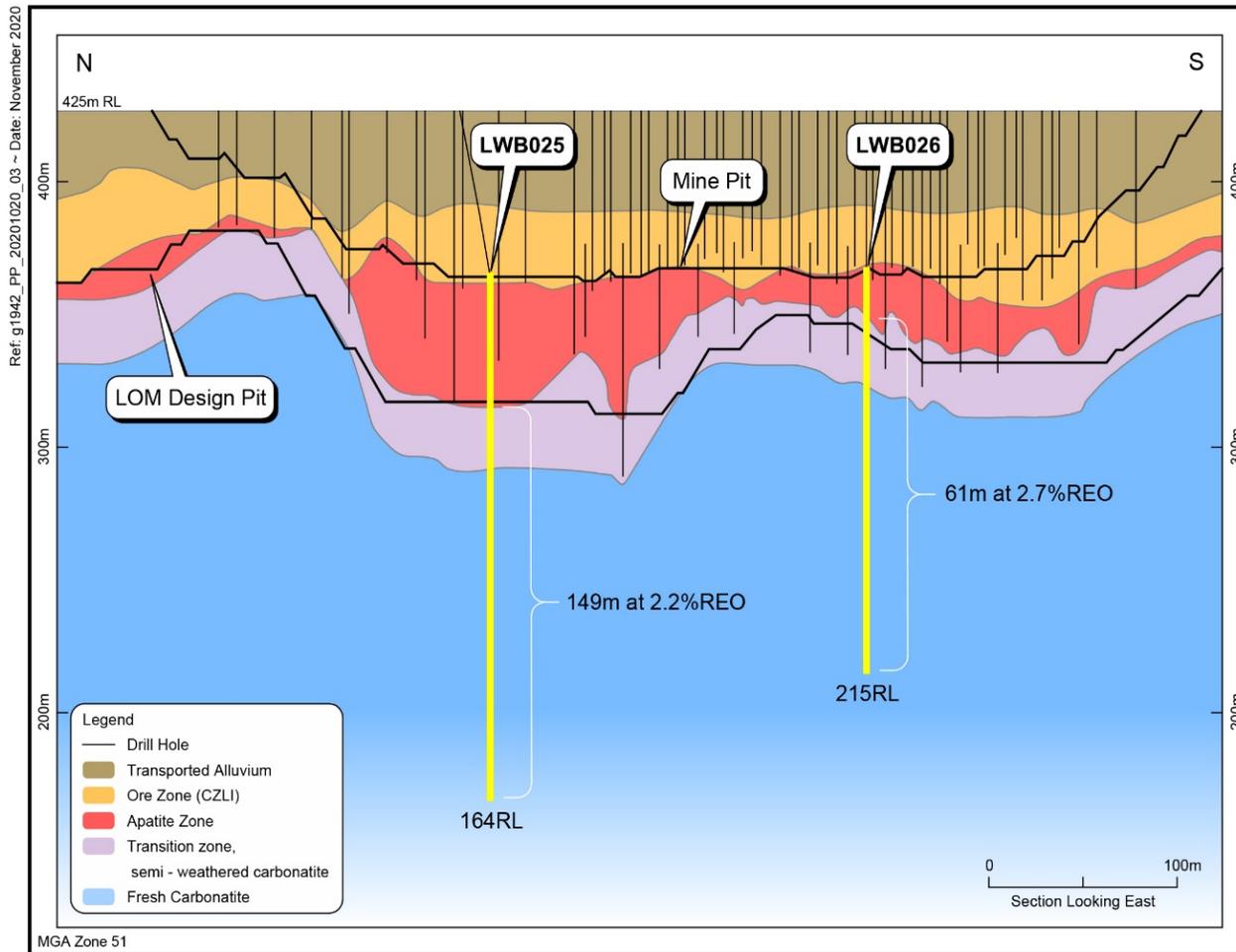
Mt Weld, Western Australia

Mt Weld, WA: Tier 1 deposit with Mine and Concentration Plant. Continuing exploration and development to maintain a 25+ year Reserve¹



- Continue to blend Duncan ore into the plant feed to increase the Dysprosium (Dy) and Terbium (Tb) content of SEG produced at Lynas Malaysia
- Ongoing upgrade of processing circuit to accommodate changes in ore mineralogy and improve concentrate product quality
 - Upgrade of the Pre-leach circuit to reduce carbonate levels in concentrate
 - New flotation circuit configuration with froth washing on all concentrate streams and reduced number of cleaner flotation stages
- New deeper drilling into fresh carbonatite below the current life of mine pit encountered significant and continuous intersections of Rare Earth mineralisation
- Achieved ISO 45001:2018 certification for occupational health and safety management systems (transitioned from OHSAS 18001) and continued certification for ISO 14001:2015 and ISO 9001:2015

Exploration Results from Fresh Carbonatite below Life of Mine Pit



Two new water bores established below the current pit floor, both holes extended for exploration purposes
This is the first time we have drilled to these depths
New deep drilling in the Fresh Carbonatite below the area of the Mineral Resources and Ore Reserves revealed:

- Significant and continuous intersections of Rare Earth minerals, including Light Rare Earth and Heavy Rare Earth elements
- Rare Earth mineralisation remains open at depth
- One new borehole included 149 metres of 2.2% Rare Earth Oxides (REO) in carbonatite at consistent grades
- The other new borehole included 61 metres at 2.7% REO in carbonatite
- Grain size is significantly coarser than in the saprolite (weathered) zone of the current Mt Weld mining zone

Kalgoorlie highlights



Kalgoorlie, Western Australia
Planned Rare Earth Processing Facility



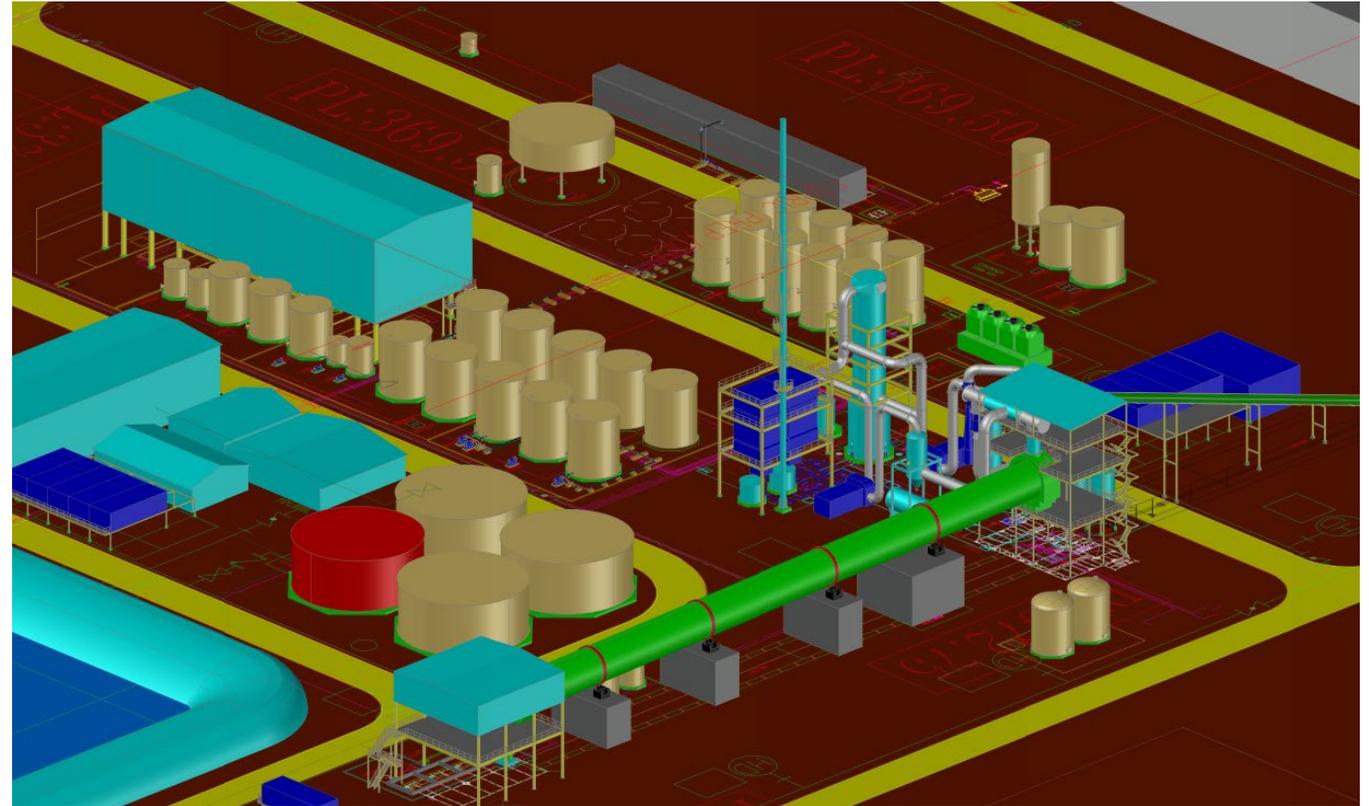
- Committed to Kalgoorlie and secured industrial zoned land from City of Kalgoorlie-Boulder
- WA government support – obtained “Lead Agency” status
- Australian government support – obtained “Major Project” status
- Active stakeholder and community engagement program
- EPBC Act referral decision – “not a controlled action”
- Engaged with WA government agencies - submitted EPA referral
- High-level design completed in-house based on learnings from Lynas Malaysia - detailed engineering design and procurement in progress
- Order placed for the rotary kiln (the most critical long lead item)
- Construction expected to commence in mid 2021, subject to approvals



Kalgoorlie Rare Earth Processing Facility



Kalgoorlie, Western Australia
Planned Rare Earth Processing Facility



Progress in Malaysia



Malaysia



Lynas Malaysia: A dynamic operation in Gebeng, Malaysia with Cracking & Leaching, Solvent Extraction, Product Finishing

- Lynas NEXT product range achievements are delivering sustainable additional value:
 - Separated Nd and Pr: Growing demand for Nd provides price premium of USD 2-3/kg compared to NdPr
 - Modification to La/Ce separation: Stable product quality has resulted in improved average selling price
- Increased production capacity achieved through NEXT is providing greater flexibility to easily adjust production to market demand, which has been valuable during COVID-19 uncertainty
 - Unit production cost now less dependent on production rate
 - Improved recoveries supporting cost efficiencies
- Development of specific compound products is leading to fast commercial development of sales in new applications, further increasing La-Ce value

Progress in the United States



United States



Lynas signed contract with U.S. Dept of Defense in July 2020 for detailed design of a Heavy Rare Earths Separation Facility

- Strong demand for Dy/Tb supply from magnet makers and buyers:
 - Tb increased from US\$360/kg in September 2018 to US\$480/kg in September 2019 to US\$630/kg in September 2020 and US\$780/kg in November 2020
 - Demand for these magnet temperature stabilizers is expected to continue to increase as demand for high power electric motors increases (EVs)
- Opportunities for customised downstream RE compounds:
 - Program of downstream product development being developed with Blue Line, combining both companies' expertise
- HRE Process design led by Lynas team members:
 - Process positively benchmarked versus best-in-class HRE separation
- Lynas selected by U.S. Dept of Defense for Phase 1 of U.S. Heavy Rare Earths separation facility:
 - Lynas and Blue Line undertaking detailed planning and design work

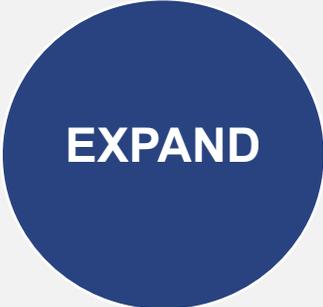
Leading the way with Responsible Rare Earths



Our commitment to ethical and sustainably produced Rare Earths includes:

- Embracing new technologies in existing and new plant operations to reduce our environmental footprint
- Participating in external verification initiatives:
 - Lynas Malaysia awarded Gold media EcoVadis rating
 - Mt Weld & Malaysian operations certified to OHSAS 18001 and ISO Environmental Management Systems and Quality Management Systems standards
- Continuous improvement in Sustainability Reporting
 - Became a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) in FY20
- Supplier sustainability audits and releasing our first Modern Slavery Statement in early CY2021

Match fit for future growth



Serve strategic markets through a diversified industrial footprint with processing facilities in optimal locations



Build on our first mover advantage to create a larger business to meet forecast demand growth



Deliver our plan to grow with the market and provide enhanced value



Visit our Investor
Centre at:
www.lynascorp.com

Appendix A: JORC Compliance and Competent Person's Statement

Exploration Results

The information in this report that relates to the Exploration Results is based on information compiled by Dr Sadangaya Ganesh Bhat. Dr Sadangaya Ganesh Bhat is a full-time employee of Lynas Corporation. Dr Sadangaya Ganesh Bhat is a member of the AusIMM. Dr Sadangaya Ganesh Bhat has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Dr Sadangaya Ganesh Bhat consents to the disclosure of information in this report in the form and context in which it appears.

The potential extent and grade of the Fresh Carbonatite is unknown at this stage, as there has been insufficient exploration and it is uncertain if further exploration will result in estimation of a Mineral Resource. The Exploration Results have been prepared and reported in accordance with the 2012 edition of the JORC Code

Mineral Resources and Ore Reserves

Full details of the material change that occurred in 2018 are reported in the Lynas ASX announcement dated August 6, 2018, titled “**Lynas announces a 60% increase to Mt Weld Ore Reserves, one of the world’s richest sources of Rare Earths**”. Current Resource and Reserve Statements for the Mt Weld Rare Earth Mineral Deposit Mineral Resources are in the 2020 Annual Report created on 6 October 2020 and available to view at: https://www.lynascorp.com/wp-content/uploads/2020/10/LYC_AR20-30Sep20-LODGE-2122450-1.pdf. The company confirms that all material assumptions and technical parameters underpinning the estimated Ore Reserves set out in the ASX announcement dated August 6, 2018 continue to apply and have not materially changed.