

Lynas Rare Earths Limited

FY2022 Results Presentation

26 August 2022

*Growing and developing the outside
China rare earth supply chain*

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Acknowledgement

Lynas Rare Earths acknowledges the Traditional Owners of the lands on which we live and work, across Australia.

We acknowledge and value Lynas' Aboriginal and Torres Strait Islander employees, partners and communities and pay respect their to Elders past, present and emerging.



FY2022 financial highlights

Record Profit

\$540.8m

FY21 NPAT: \$157.1m

Record Sales
Revenue

\$920.0m

FY21: \$489.0m

EBITDA

\$601.2m

FY21: \$235.3m

Cash and Short Term
Deposits

\$965.6m

30 June 2021: \$680.8m



FY2022 operational highlights

15,970t

Total REO production

FY21: 15,761 tonnes

5,880t

NdPr production

FY21: 5,461 tonnes

\$60.3

Average selling price
per kg REO

FY21: \$29.8/kg

\$186.3m

Property, plant &
equipment capital
spend

30 June 2021: \$40.4m



FY2022 ESG highlights

Operating safely through COVID-19 pandemic

LTIF rate of **0.8 per million hours worked**

Over 400 days LTI free achieved at Mt Weld site

Increasing gender diversity

24% women senior executives at 30 June

23% women employees at 30 June

50% women Board members

Enhancing climate change resilience

GHG Policy, SBTi commitment

Energy transition initiatives & targets in development

Delivering on commitment to ESG

WA Golden Gecko Award finalist for environmental excellence

Upgraded to MSCI 'AA' ESG rating



Rare earths market remained strong in FY2022

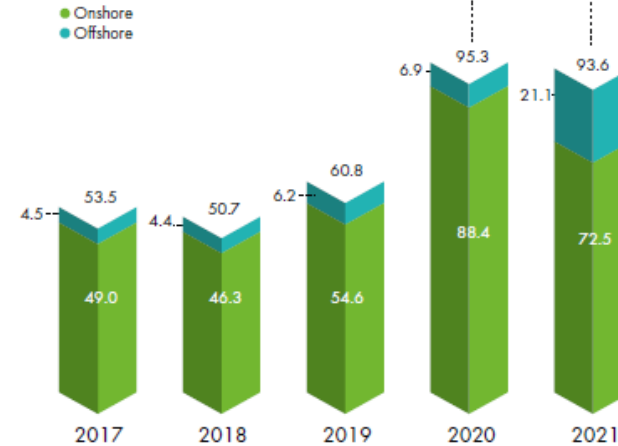
Rare earth market prices sustained at high levels

- NdPr price 70-80% higher in H2 FY22 than H2 FY21
- China domestic price in June quarter FY22 was US\$120/kg
- Feedback from customers indicates outside China demand remains strong

Demand is accelerating in key markets

- Increase in global wind installations together with increased use of Direct Drive (DD) technology
 - DD technology uses average of 850kg of NdFeB magnet per MW
- Europe electric car sales increased to 2.3 million and accounted for 17% of Europe's auto sales in 2021
- United States electric car sales increased to 630,000 in 2021, more than in 2019 and 2020 combined

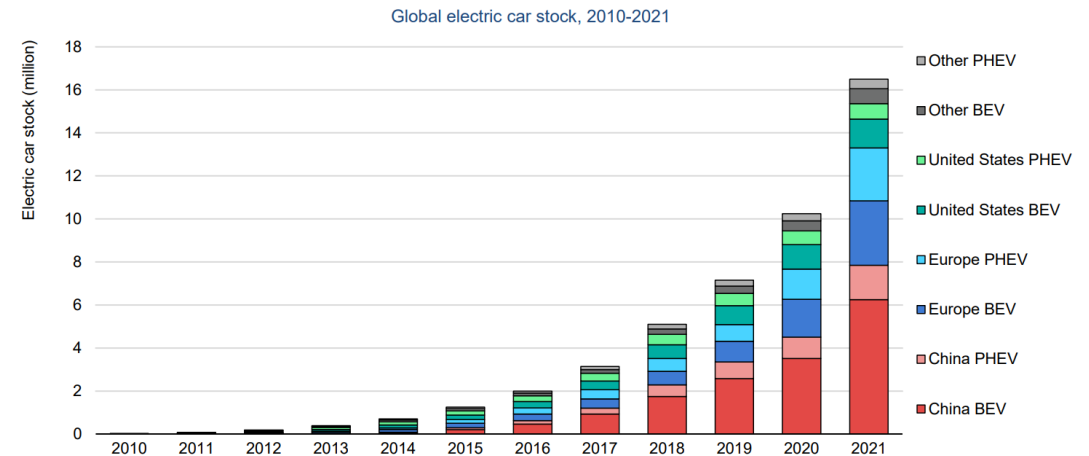
New installations



2020 new installations data has been adjusted based on the input GWEC received. For details see Appendix -Methodology and Terminology

New wind power installations (GW)
Source: GWEC

Over 16.5 million electric cars were on the road in 2021, a tripling in just three years



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Notes: BEV = battery electric vehicle; PHEV = plug-in hybrid electric vehicle. Electric car stock in this figure refers to passenger light-duty vehicles. "Other" includes Australia, Brazil, Canada, Chile, India, Japan, Korea, Malaysia, Mexico, New Zealand, South Africa and Thailand. Europe in this figure includes the EU27, Norway, Iceland, Switzerland and United Kingdom.
Sources: IEA analysis based on country submissions, complemented by [ACEA](#), [CAAM](#), [EAFO](#), [EV Volumes](#), [Marklines](#).

Mt Weld in FY2022

- Mining Campaign 4-1 commenced
- Campaign 3 ores processed in the mill
- Debottlenecking initiatives to ensure supply for increased production rates at Lynas Malaysia
- Concentrate shipped to Malaysia using both commercial and charter shipping to mitigate logistics issues



Results of 1km deep drillhole

- Results from 1km deep exploration drillhole below current Mt Weld pit floor announced 1 March 2022:
 - Rare Earth Element (REE) mineralisation confirmed along the entire 1020m drillhole at an average grade of 2.22% REO, no cut-off grade applied*
 - All samples returned REE assay
 - New exploration target identified in the fresh carbonatite below the surface weathering zone that is being mined within the Life of Mine design

Malaysia in FY2022

- Record NdPr production of 1,687 tonnes in March quarter
- June quarter production affected by water supply challenges
- Continued 7S programmes throughout facility
- Strategic inventories of critical chemicals and reagents were built up during the period



Focus on asset integrity

- Increased focus on preventative maintenance with capital spend allocated to:
 - Asset integrity
 - Improving reliability
 - Modifications for improved environmental outcomes
 - e.g. Increased ventilation & reduced room temperature in Product Finishing area
- Malaysian Permanent Disposal Facility (PDF) for WLP residue
 - Community consultation & engagement
 - EIA approved and construction commenced

Kalgoorlie in FY2022

- Full construction approvals received in FY22
- 100% of equipment purchased
- Construction works over 40% complete by year end
- Kiln installed in position and has rotated under its own power
- Work on concrete, foundations and frames for key buildings has progressed rapidly
- Operational leadership team successfully recruited



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United States in FY2022

- Awarded US\$120m U.S. Government contract for commercial Heavy Rare Earths Processing Facility (14 June 2022)
- Detailed planning underway for co-located Heavy Rare Earths and Light Rare Earths Processing Facility
- Expected to be located in Gulf Coast of Texas
- Targeted to be operational in financial year 2025.

Our commitment to ESG starts with our people and communities

People

- Lynas employs 911 people globally:
 - 760 in Malaysia
 - 151 in Australia
- Strict COVID-19 protocols
- Safe & respectful workplace
- Over 400 days LTI free at Mt Weld since April 2021



Communities

Lynas is committed to:

- Hiring and buying locally
- Being active members of our communities

We share our prosperity with host communities & support:

- Health and sport
- Education and training
- The environment, and
- Vulnerable community members

Caring for the environment

- Greenhouse Gas (GHG) policy implemented
- Commitment to Science Based Targets initiative (SBTi) September 2021
- Rehabilitation trials conducted as part of biodiversity focus
- New processing flowsheet that reduced energy demand = taking 515 cars off the road per year



Awards & recognition

- Finalist for 2022 Golden Gecko Award for environmental excellence administered by the WA DMIRS
- Gold medal EcoVadis Sustainability rating
- Upgraded to MSCI 'AA' ESG rating

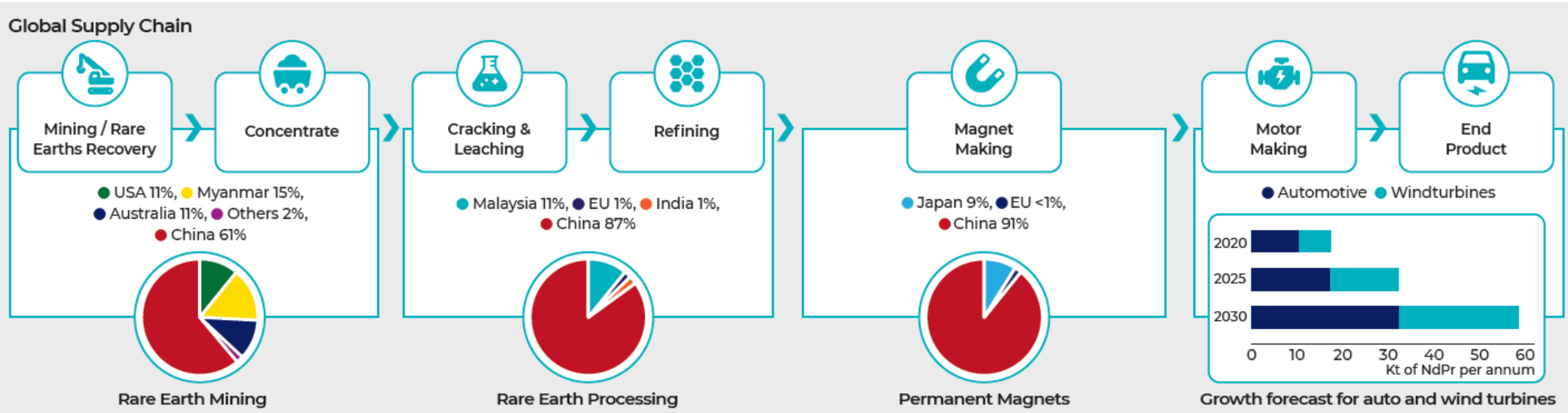


Accelerated growth plan



Demand for Rare Earth materials is accelerating

NdFeB magnet demand forecast to grow from 130,000 tonnes of NdFeB magnets consumed in 2020 to 265,000 tonnes in 2030



Mt Weld mine and concentrator

Malaysia/
Kalgoorlie
(mid-2023)

Malaysia/
United States
(CY2025)

Metal & magnet partners in
Vietnam, Japan, Europe

Motor and end product
customers in Asia, Europe,
United States

➤ Lynas offers a traceable and secure supply chain from mine to refined product, magnet and motor

We have accelerated and upgraded our growth plan

Our new plan will include capital investment at each production stage

1



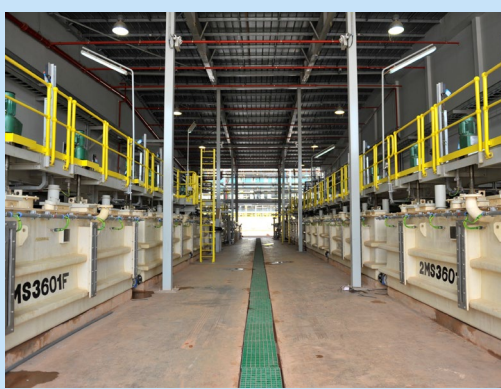
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3



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5



Expanding existing operations and adding new sites

Malaysia



Lynas Malaysia: 10 years of operation in Gebeng, Malaysia
Efficient Cracking & Leaching, Solvent Extraction, Product Finishing

United States

U.S. DoD funding awarded for HRE and LRE separation
Expected to be located on the Gulf Coast of Texas

Mt Weld, Western Australia



10 years of operation, Tier 1 deposit
Mine and Concentration Plant
Continuing exploration and development

Kalgoorlie, Western Australia

Rare Earths Processing Facility project funded and well progressed



Our operations in 2022



2 operating sites



2 countries
Headquartered in Western Australia



Global sales

Our operations in 2025



4 operating sites



3 countries
Headquartered in WA



Global sales
& operations

Capital investment plan for growth and asset integrity

Planned capital expenditure of approx. \$600 million in FY23 and \$600 million in FY24 for sustaining capital and major growth projects including:

- Completion of the Kalgoorlie Rare Earths Processing Facility
- Mt Weld expansion project to deliver concentrate feedstock to produce 12,000 tpa NdPr products
- Lynas portion in addition to USG funding for the U.S. Light Rare Earths plant
- Ongoing construction of the offsite PDF in Malaysia
- Works at Lynas Malaysia plant to receive and process Mixed Rare Earth Carbonate (MREC) and increase capacity to 10,500 tpa NdPr products
- Mining development at Mt Weld
- Sustaining capital increases due to increased plant size and preventative maintenance
- Repurposing existing equipment to expand range of products



Developing our Mt Weld resource

2022

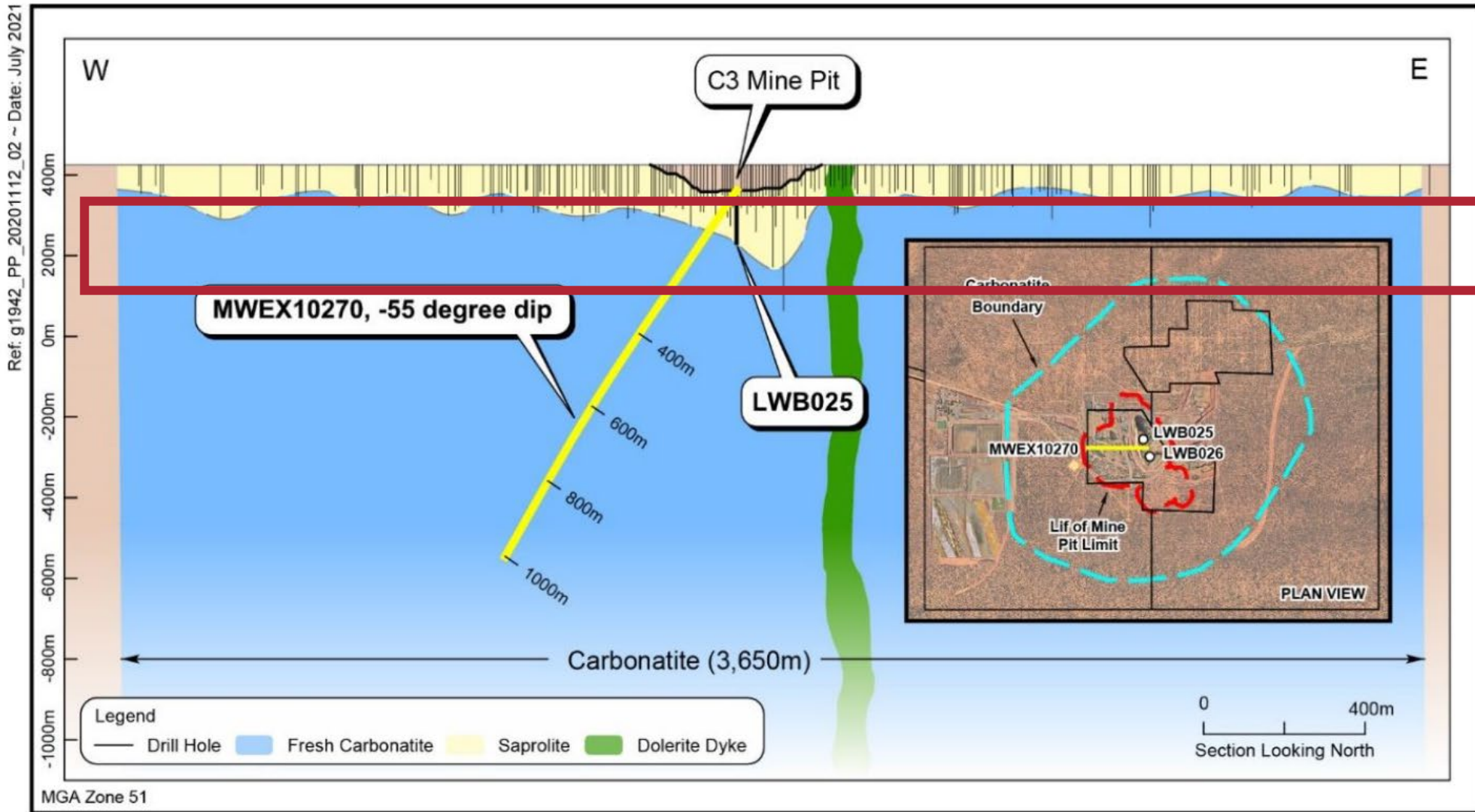
- Long life ore reserves
- Mining is in near surface weathered zone
- Continued drilling enables enhanced mine planning
- Mt Weld Mineral Rare Earth Ore Reserve estimate 18.9m tonnes at average grade of 8.3% TREO*
- Mt Weld Rare Earth Mineral Resource Estimate 55.2m tonnes at average grade of 5.3% TREO*

The future

- Ongoing mineral resource expansion drilling
- The Mt Weld carbonatite offers a treasure chest of Rare Earth Element resources
- Initial drill hole has provided an exciting exploration target





The exploration target has been defined for a pre-feasibility study



← Exploration target

We are investing \$500m at Mt Weld

	Mt Weld today		Mt Weld expansion
Concentrate feedstock to produce 12ktpa NdPr finished product	7,000	→	12,000
Throughput Capacity Mtpa	0.3	→	1.3
Apatite Ore Processing Capability		→	
Tailings Water Recycle Yield	50%	→	>90%
Power Supply	Diesel	→	Gas > Hybrid Renewable

This will deliver more feedstock, more sustainably

Continued progress on Kalgoorlie Rare Earths Processing Facility

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Kalgoorlie - People

- Key Operational and Maintenance Leadership team members recruited
- Commitment to residential operational workforce
- Future-facing critical minerals industry proving attractive to future employees



Kalgoorlie - Community

- Ongoing consultation and engagement with local communities
- Local procurement includes uniforms, accommodation, site hire and site works
- \$252m committed to date with 209 local WA suppliers
- Reconciliation Action Plan in development

Industrial plan developed for capital works

- Works required over the next 2-3 years include:
- Ongoing works required for the plant to receive and process the mixed rare earth carbonate (MREC) feedstock from the Kalgoorlie Rare Earths Processing Facility (including facilities for unloading and receiving, sulphate removal and dissolution)
 - Solvent extraction and product finishing upgrades to achieve Lynas 2025 capacity uplift to 10,500tpa NdPr finished product
 - Repurposing existing equipment to expand range of products
 - Other efficiency initiatives



1. Commercial Heavy Rare Earths separation facility

- Lynas awarded US\$120m follow on contract by U.S. Department of Defense for construction of a U.S. commercial Heavy Rare Earths facility after successful completion of the Phase 1 contract
- Facility will be co-located with Light Rare Earths separation facility
- Expected to be located within an existing industrial area on the Gulf Coast of Texas.



2. Commercial Light Rare Earths separation facility

- Lynas progressing with plans for co-located Light Rare Earths processing facility following funding contract with U.S. Department of Defense (announced 22 January 2021)
- U.S. funding to be capped at approximately US\$30 million and Lynas contributing a matching amount.



Investing in enhanced climate change resilience and circular economy



- State-of-the-art water recycling from Mt Weld tailings dam
- Treated recycled water to be used as process water for Kalgoorlie Facility



- Additional high-recovery Mt Weld bore water desalination plant
- Lynas Malaysia process modification targeting 40% reduction in fresh water



- Tailings storage facilities with segregated storage for potential future reprocessing
- Waste separation and recycling at all sites



- Staged Mt Weld transition from diesel power generation to gas then hybrid renewable power
- Renewable power solutions for other sites



- Ongoing land rehabilitation in line with biodiversity focus
- Larger Mt Weld mine and waste rock landforms designed to be progressively rehabilitated



- Surface water management to capture seasonal rain events & divert to Mt Weld ground water recharge

Our ongoing focus in FY2023

Enhancing

Operational
performance

Resource
development

Industrial footprint

Accelerating

Growth

Innovation

Organisational
capability

Delivering

Financial
performance

ESG outcomes

Community
benefits



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.

Visit us at
LynasRareEarths.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 Rare Earths. 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 2021 Annual Report created on 12 October 2021 and available to view at: <https://lynasrareearths.com/investors-media/reporting-centre/annual-reports/>. 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.