

Navigating the Future: Sustainable Strategies for Rare Earth Industries

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Principles for a sustainable rare earths industry



Profitable operators with sustainable balance sheets

- Industry growing with support from customers
- Price predictability



Responsible producers validated by external ESG standards

- Energy transition
- Protect environment
- Conserve water
- Minimise waste



Resilient global supply chain

- Multi-geography
- Capable producers at each stage
- Supportive government policy



Attractive industry

- Safe for people & the environment
- Industry of choice for diverse talent
- Positive impact on our people & communities

Major trends in rare earths supply chain: 2021 & 2024

1

MARKET GROWTH

2021: Strong demand growth; green tech accelerating

2024: Inside-China slowdown in demand; Rest of World demand growth muted

2

PRODUCTION CAPACITY

2021: All major suppliers increasing capacity

2024: Many new projects stalled. Existing suppliers, including Lynas, continue to grow capacity

3

NEW SUPPLY CHAINS

2021: Government and industry recognise need for new local supply chains

2024: Government & private investment in local RE supply chains

4

PRICING OUTLOOK

2021: Prices rising in response to demand growth

2024: Pricing at surprisingly low levels following strong production growth inside China

5

SUPPLY CHAIN RESILIENCE

2021: Pandemic-related focus on security of supply

2024: Post-pandemic govt action on resilient & sustainable supply for energy transition

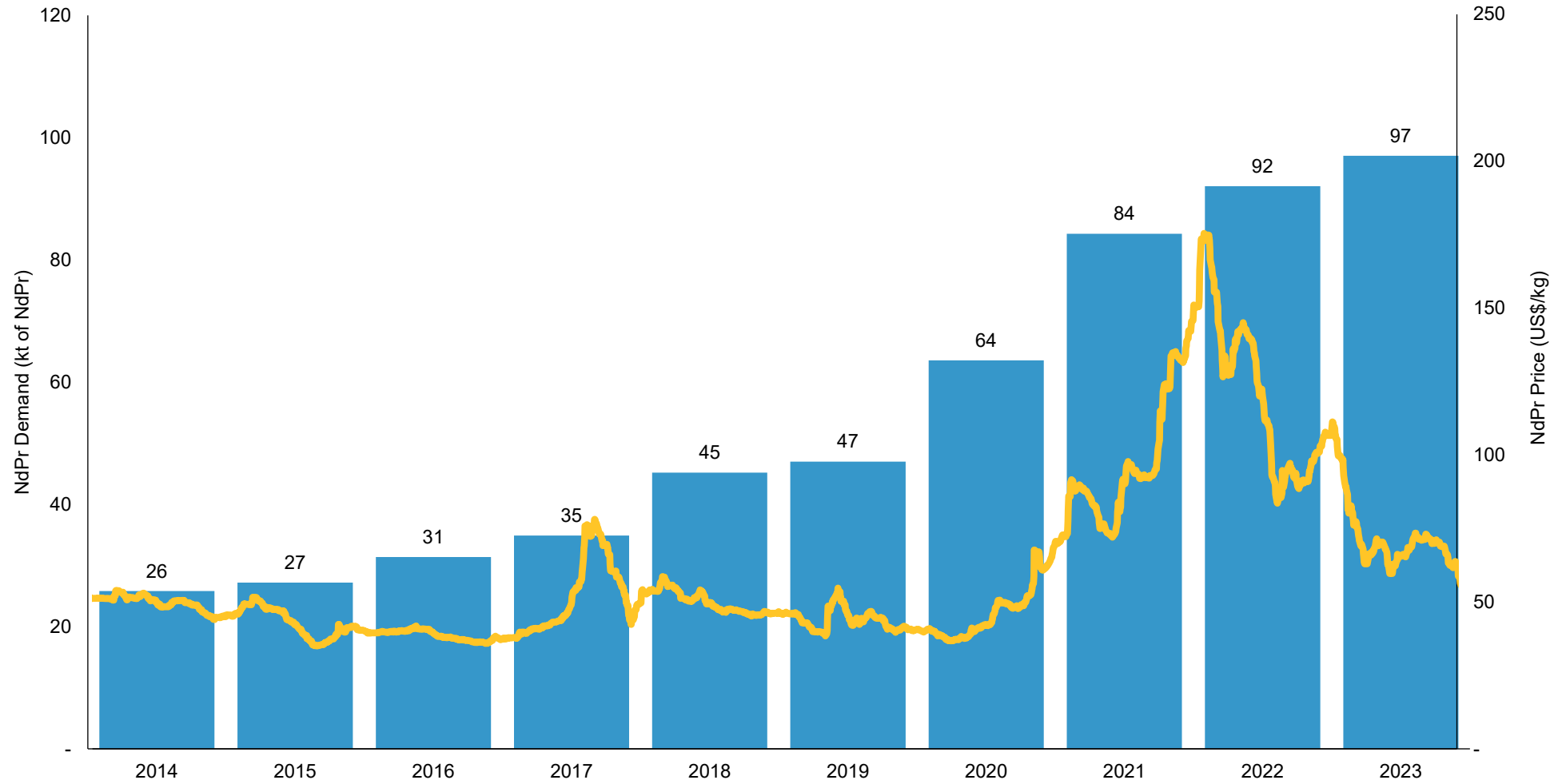
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SUSTAINABILITY OF PRODUCTION

2021: Emerging customer focus on responsible and sustainable supply

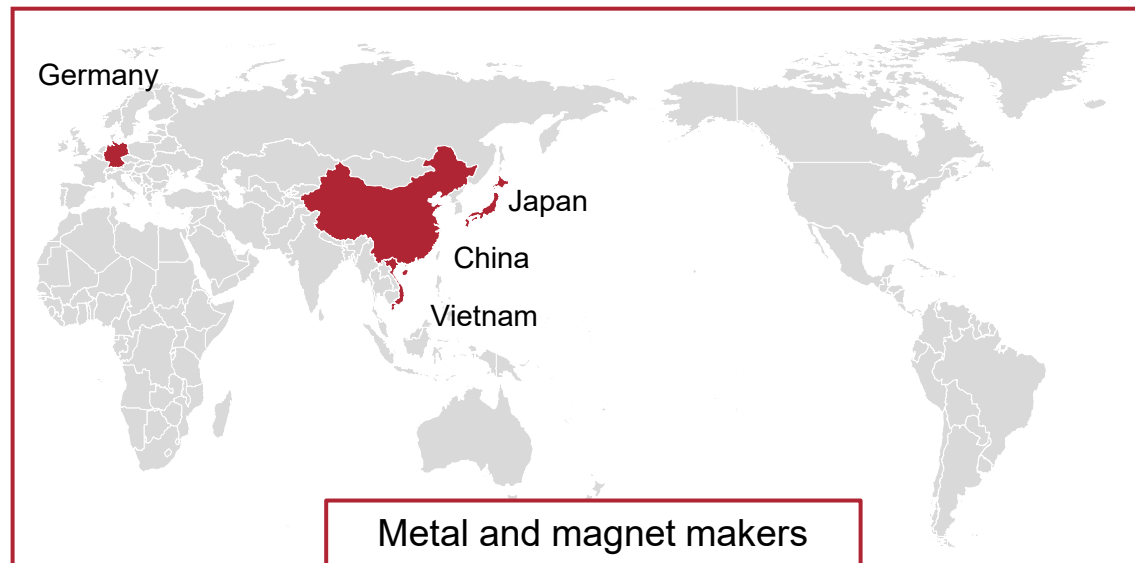
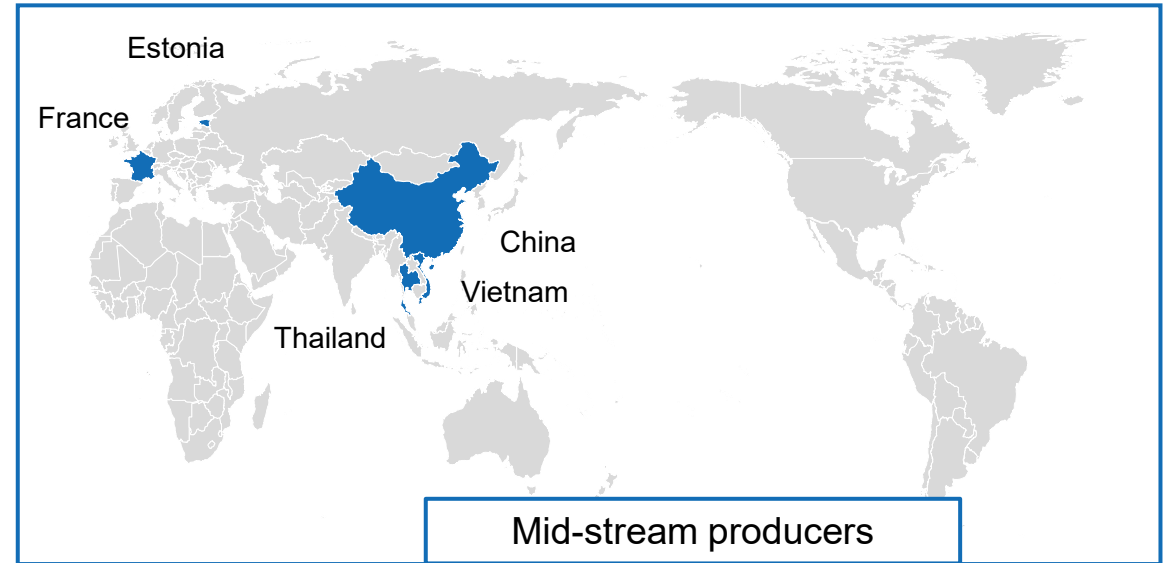
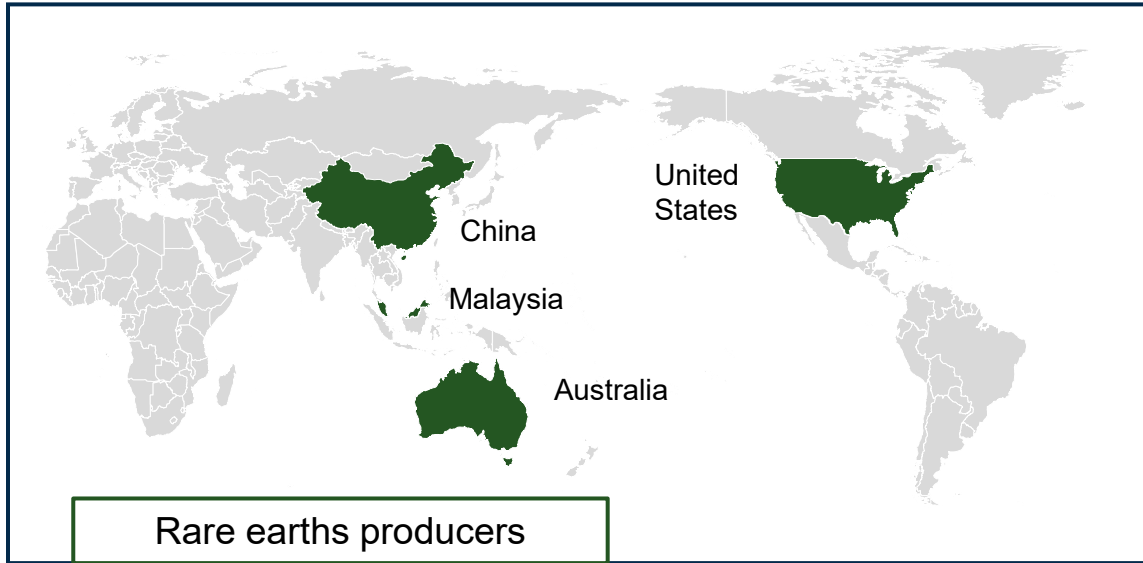
2024: Increased focus on ESG as a 'ticket to play' - limited evidence of willingness to pay a premium

Demand growth not yet matched by price growth



Source: Macquarie Research, UBS Estimates, Lynas Internal Data.

The industry remains geographically concentrated



China continues to strengthen its industry capability

Consolidation of market leaders

Government export controls implemented, including extraction & separation technology

Rare earth market prices subdued in line with China slowdown



“In order to protect rare earth resources and promote the sustainable and healthy development of the rare earth industry, our country has implemented a rare earth export license management system and included rare earth products in the control list.

...

*Natural resources are an important foundation for human survival and social development, and are of great significance to maintaining national security.”**

Limited progress on outside China industry development

One commercial supplier of separated materials ex-China (Lynas)

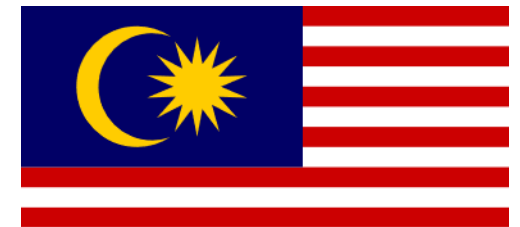
Limited growth in magnet manufacturing capability

Many prospective projects have stalled

Governments taking action on supply chain resilience

- Onshore & friend-shore mining, processing and downstream

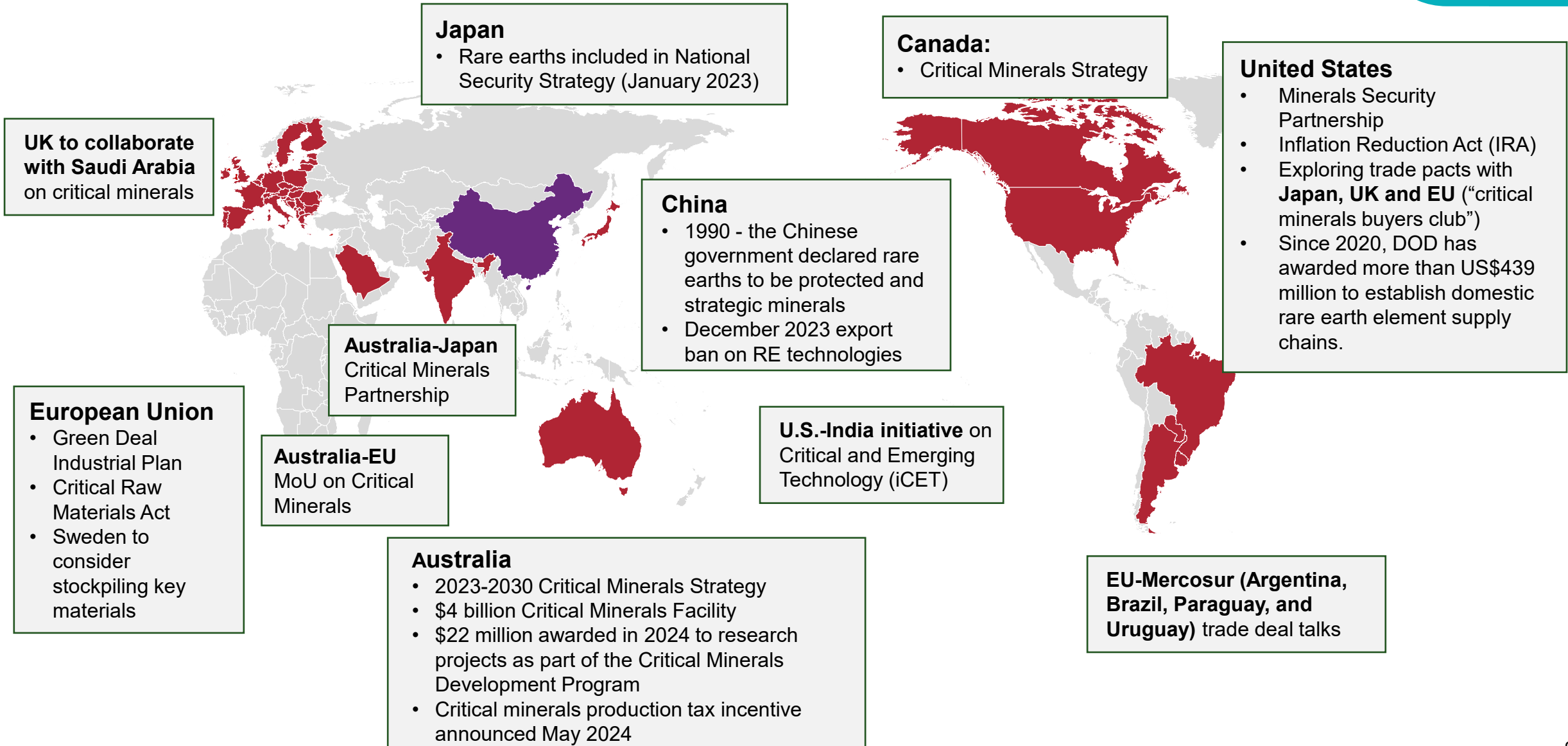
Customer demand for responsibly produced rare earths increasing - but not translating to increased price



*Since 2020, DOD has awarded more than \$439 million to establish domestic rare earth element supply chains. This includes separating and refining rare earth elements mined in the U.S., as well as developing downstream stateside processes needed to convert those refined materials into metals and then magnets.**

* Source: <https://www.defense.gov/News/News-Stories/Article/Article/3700059/dod-looks-to-establish-mine-to-magnet-supply-chain-for-rare-earth-materials/#:~:text=Since%202020%2C%20DOD%20has%20awarded,into%20metals%20and%20then%20magnets>

Governments are making efforts to support industry development



Case study: Government support drives sustainable industry development

Japan's support was instrumental in Lynas' initial ramp up

The partnership with JOGMEC & Sojitz has changed as our business has developed and included:

- Financial
- Technical
- Geological
- Market access

Post-pandemic Japanese market has recovered and demand stabilised

Lynas is the market leading supplier to Japanese magnet makers



The industry must continue to address misinformation with facts

In the past 12 months alone, major financial media has inaccurately reported:

“The rare earths race entails difficult choices”

“Mining is dirty work”

“critical mineral processing is a dirty business which may degrade the environment”



Lynas continues to invest to meet customer needs



Malaysia	
Facility	Processing & separation
Product	LRE, SEG
Status	Operational (expansion in progress)
Target Processing Capacity ¹	~10.5ktpa NdPr finished product

Texas, U.S.	
Facility	Separation & finishing
Product	LRE, HRE
Status	Planned project (2025 – 2026 expected start up)
Target Processing Capacity ¹	~1.3ktpa NdPr finished product ~2.5 - 3.0ktpa HRE

Mt Weld, Australia	
Facility	Mine & concentrator
Product	Concentrate
Status	Operational (expansion in progress)
Target Processing Capacity	Feedstock capacity to produce ~12.0ktpa NdPr finished product

Kalgoorlie, Australia	
Facility	Processing
Product	Carbonate
Status	Ramp up
Target Processing Capacity ¹	Feedstock capacity to produce ~9.0ktpa NdPr finished product

Key	
Mixed Rare Earth Concentrate	●
Mixed Rare Earth Carbonate	●
Separated Light Rare Earths (LRE)	●
SEG (mixed Heavy Rare Earths compound)	●
Separated Heavy Rare Earths (HRE)	●
Upstream operations	Downstream operations



Mt Weld Expansion



New Kalgoorlie Rare Earths
Processing Facility



Kuantan Facility Expansion

\$1.5 billion in expansion capital

Investing in new technologies

- In-house research and development team
- Partnerships with leading universities across the world, global players in the energy sector, new equipment makers
- Developing new clean energy technologies e.g. catalysts to facilitate hydrogen generation, transport, storage



Our ESG Commitments

Caring for our people:

- Focus on safety
- Providing highly skilled jobs and learning opportunities
- Valuing and embracing diversity, equity and inclusion



Making a positive contribution to our communities:

- Local hiring
- Local suppliers
- Sharing prosperity with local communities
- Employee-led local giving programs



Being an environmental leader:

- Environmental and regulatory compliance
- Best practice tailings and by-product management
- Water recycling
- GHG emission reduction



Contributing to a sustainable future:

- Contributing to supply chain resilience
- Developing products for clean technologies
- Industry engagement and downstream development



Taking action to reduce GHG emissions

Target: Net Zero GHG emissions by 2050



GHG reduction initiatives

Early works contract awarded for gas fired hybrid renewable Mt Weld power station

Contract signed for solar panels at Lynas Malaysia
Renewable Energy Certificates secured for 80% of Lynas purchased electricity in 2025

Pilot underway for state-of-the-art chemical recycling system targeting a significant reduction in Scope 3 emissions from chemicals used in SX

Scope 1 emissions

Scope 2 emissions

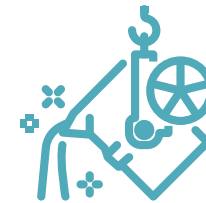
Scope 3 emissions



- Diesel power station
- Mobile machines & vehicles
- Processes & heating



- Purchased electricity for processing facilities



- Raw chemical inputs (most significant category)

Existing operations

Building prosperity in our communities

88%

local suppliers in
FY23



\$8.5m

invested in R&D in
FY23



\$600k

invested in community
support and initiatives
in FY23



1st

Reflect level
Reconciliation Action
Plan (RAP) endorsed by
Reconciliation Australia



98%

of employees are
local nationals



1102

Employees globally



\$82.4m

paid in employee
wages and benefits
in FY23



\$33.3m

paid in taxes and
royalties in FY23



Participating in external ESG verification & initiatives

Global ESG initiatives



Industry sustainability initiatives



ISO/TC 298
Rare earth



Investor ESG ratings



Sustainability reporting initiatives



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- Industry of choice for diverse talent
- Positive impact on our people & communities



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