Interim Unaudited Consolidated Financial Report incorporating Appendix 4D

For the half year ended 31 December 2024

ACN 009 066 648
and
Controlled Entities

Contents

Appendix 4D
(Listing Rule 4.2A.3)
Lynas Rare Earths Ltd (ACN 009 066 648)
And Controlled Entities

For the half year ended 31 December 2024

Reporting Period: Half year ended 31 December 2024 (1H 25)

Comparative Reporting Period: Half year ended 31 December 2023 (1H 24)

Results for announcement to market

	1H 25	1H 24	Movement	
	$m	$m	$m	%
Revenue from ordinary activities	254.3	234.8	19.5	8%
Earnings before interest, tax, depreciation, amortisation and treasury charges (EBITDA)	38.1	62.6	(24.5)	(39%)
Profit from ordinary activities after tax attributable to members	5.9	39.5	(33.6)	(85%)
Net profit for the period attributable to members	5.9	39.5	(33.6)	(85%)

Dividend Information

No dividends have been paid or proposed at 31 December 2024.

Net Tangible Assets

	1H 25	1H 24
Net Tangible Assets per share	248.10	234.65

Directors' report

The Board of Directors (the "Board" or the "Directors") of Lynas Rare Earths Limited (the "Company" or "Lynas") and its subsidiaries (together referred to as the "Group") submit their report for the half year ended 31 December 2024.

Directors

The names and details of the Company's Directors who were in office during or since the end of the financial half year are as set out below. All Directors were in office for this entire period unless otherwise stated.

John Humphrey	Non-Executive Chair
Amanda Lacaze	Managing Director
Philippe Etienne	Non-Executive Director
Grant Murdoch	Non-Executive Director
Vanessa Guthrie	Non-Executive Director
John Beevers	Non-Executive Director

Review of operations

Financial highlights

Lynas has recognised a Net Profit After Tax of $5.9m for the 6-month period to 31 December 2024 ("1H 25"). Revenue increased in this period as a result of increased NdPr sales volume. NdPr family sales volume has increased by 23% for the period. Total REO sales volume has reduced by 14% reflecting poor market demand for La and Ce products.

	1H 25	1H 24	Movement	
	$m	$m	$m	%
Net Sales Revenue	254.3	234.8	19.5	8%
Cost of Sales	(205.3)	(159.0)	(46.3)	(29%)
Gross Profit	**49.0**	**75.8**	**(26.8)**	**(35%)**
Net Profit Before Tax	**7.0**	**50.3**	**(43.3)**	**(86%)**
Net Profit After Tax	**5.9**	**39.5**	**(33.6)**	**(85%)**

The increase in revenue was achieved despite challenging rare earths market conditions. The average China domestic price of NdPr (VAT excluded) decreased from US$56/kg in December 2023 to US$49/kg in December 2024. As a result, the 23% increase in NdPr sales volume only delivered an 8% increase in sales revenue for the period.

Cost of sales increased by 29%, mainly due to the 23% increase in NdPr sales volume and a $5.1m net realisable value provision against low-value inventory and WIP on hand at the end of the period. Overall, Lynas saw a slight increase in the unit costs of production as expected in line with additional facilities at Mt Weld, Kalgoorlie and Malaysia coming online.

Sales volumes

	1H 25	1H 24	Movement	
	t REO	t REO	t REO	%
Sales volume total	5,708	6,617	(909)	(14%)
Sales volume NdPr	3,178	2,590	588	23%
NdPr contribution to total sales	56%	39%		

Lynas recorded an improved operating cash inflow of $49.5m. This is primarily the result of the EBITDA for the half year of $38m, a reduction in debtors from 30 June 2024 and the sale of finished goods inventory from 30 June 2024 during the 31 December 2024 period. The costs associated with this inventory sold in 1H 25 have been recognised in cost of sales during the period.

In A$m	1H 25	1H 24
Net operating cash inflows	49.5	5.5
Net investing cash outflows	(254.3)	(321.5)
Net financing cash outflows	(22.6)	(8.7)
Net cash flows	**(227.4)**	**(324.7)**

In A$m	31 Dec 2024	30 June 2024
Cash and cash equivalents	308.3	523.8

Net investing cash outflows primarily relate to payments associated with the Lynas Kalgoorlie and Mt Weld expansion projects. Financing cash flows comprised financial expenses, payments on lease liabilities and a US$10.0m (A$16.1m) principal repayment on the JARE loan facility.

Operational highlights

We were delighted to welcome the Australian Minister for Resources and Northern Australia, the Hon. Madeleine King MP, to officially open our new Kalgoorlie Facility on 8th November 2024. The opening highlighted the significance of the Kalgoorlie Facility as Australia's only downstream rare earths processing facility. Constructing, commissioning and commencing operations of a facility of this scale and complexity in less than two and a half years from the receipt of full construction approvals is a significant achievement from all involved.

The half year also saw Stage 1 of the Mt Weld Expansion project (dewatering circuit) successfully commissioned and integrated into operations.

These are significant milestones for our Lynas 2025 growth plan. When complete, the Mt Weld Expansion project, together with the Kalgoorlie Facility, will ensure that Lynas is well positioned to take advantage of future market growth.

The new Mt Weld Mineral Resource and Reserve statement was released in August 2024 and included significant increases in Mineral Resource, Mineral Reserve and contained HRE elements. Excellent concentrate production rates were enhanced by the integration of the Mt Weld Expansion Project Stage 1 (dewatering circuit) into the existing Mt Weld concentration plant.

Continued progress on the Lynas Malaysia Industrial plan included commissioning the new MREC receival facility, operating the new SX flowsheet and installing new equipment in Product Finishing. Substantial progress was made on installation of the new Dy/Tb separation circuit with commissioning and ramp up expected in mid-CY2025.

Progress continues on the planned U.S. Rare Earths Processing Facility and a pathway to resolve the previously noted wastewater management challenges at the Seadrift site has been identified. Lynas continues to work with the Department of Defense to assess this pathway, and alternative approaches.

Mt Weld

Lynas Rare Earths continues to develop the Mt Weld resource to meet forecast demand growth. This includes ongoing exploration, production of mixed rare earths concentrates, and an expansion project to increase concentrate feedstock production to support production of 12,000 tonnes per annum of finished NdPr oxide.

Mining and Production

Mining continued at Mt Weld throughout the half year, and excellent concentrate production was achieved, securing sufficient feedstock to supply both Lynas Malaysia and the Kalgoorlie Rare Earths Processing Facility.

The integration of the Mt Weld Expansion Project Stage 1 (dewatering circuit) into operations went very well and is already delivering a high-quality product which is expected to lead to downstream cost and productivity improvements.

In order to optimise the cost performance of both cracking and leaching plants, 2 grades of concentrate are being produced for supply to Lynas Malaysia and Lynas Kalgoorlie respectively, taking into account process differences between each site.

Resource Update

On 5 August 2024, Lynas announced a Mt Weld Mineral Resource and Ore Reserve Update[1]. This included a 92% increase in Mineral Resources[2] and a 63% increase in Ore Reserves[3], with a significant increase in contained Heavy Rare Earth mineralisation. As noted in the FY24 Annual Report, the Ore Reserve update will support:

- a >35 year mine life at production rates for sufficient concentrate feedstock for production capacity of 7,200 tpa NdPr (Neodymium Praseodymium) oxide finished product; and
- a >20 year mine life at expanded production rates for sufficient concentrate feedstock for production capacity of 12,000tpa of NdPr oxide finished product in line with Mt Weld expansion capacity (currently under construction).

The Mt Weld Rare Earth Mineral Resources estimate is now 106.6 million tonnes at an average grade of 4.12% Total Rare Earth Oxide (TREO) for a total of 4.39 million tonnes of contained TREO. A Mineral Resource cut-off grade of 2.5% TREO was applied.

Compared to the August 2018 Mineral Resources estimate, the Mineral Resources has increased 92% from 55.4 Mt to 106.6 Mt and contained TREO has increased by 46% from 3.0 million to 4.39 million tonnes TREO, successfully adding resources and replacing depletion.

The Mt Weld Rare Earth Ore Reserves are now 32.0 million tonnes at 6.4% TREO for 2.0 million tonnes of contained TREO. This now includes Mt Weld processing tailings with an average 7.3% TREO for 117,265 tonnes.

Compared to the August 2018 Ore Reserves, the 2024 Ore Reserve:

- Ore Reserves tonnage has increased 63%;
- Average grade has reduced from 8.6% to 6.4% TREO, reflecting depletion and a revised cut-off grade;
- Contained TREO has increased 22% from 1.690 million to 2.064 million tonnes;
- Contained Dy oxide has increased 92% from 6,660 tonnes to 12,790 tonnes.

Mt Weld Expansion

The Stage 1 Concentrate Dewatering Circuit began operating during the half year. The circuit performance has met the design intent and is producing concentrate filter cake with low moistures, providing an operating benefit to the business.

Construction of Stage 2 (balance of plant) continues to progress as planned. Installation of structural steel and mechanical equipment is nearing completion and focus is moving to piping, electrical and instrumentation works. Construction of Stage 2 is forecast to be complete by the end of FY25, with circuits progressively commissioned. Energisation of the HV switchroom and commissioning of the crushing circuit and bore water treatment plant is planned to commence in the March 2025 quarter. Construction of the Hybrid Power Station is progressing as planned. Gas bullets have been placed on site and the gas generators have been installed. Operation of the gas power generation assets is planned from March 2025. Earthworks for the solar farm have commenced and solar panels are planned to be delivered to site in the March quarter.

[1] See announcement at: https://wcsecure.weblink.com.au/pdf/LYC/02835257.pdf
[2] Mineral Resource cut-off grade of 2.5% TREO applied
[3] Reserves cutoff of 2.8% TREO compared to 4.0% TREO used for 2018 Reserves

Lynas Malaysia

Lynas Malaysia processed the first batch of MREC from Kalgoorlie during the September quarter and ramp up activities continued through the December quarter. December production was affected by technical issues in the MREC feedstock that required additional treatment. The chemical inputs required for this treatment were not available on site until 25 December 2024, resulting in lower production in December.

Process performance modifications to progressively work towards 10,500 tonnes per annum NdPr production capacity continued throughout the period. We expect to ramp-up these modified facilities to reach the 10,500 tonnes per annum NdPr production rate by the end of FY2025.

As announced on 27 June 2024, Lynas Malaysia is targeting first production of two separate Heavy Rare Earths (HRE) products in the 2025 calendar year. Construction of the new Dy-Tb circuit continued with commissioning and ramp up expected in mid-CY2025.

Preventative 10-year maintenance works were undertaken while Malaysia's cracking and leaching facilities were shutdown in December. The preventative maintenance undertaken on the cracking and leaching plant in December has been designed to deliver maximum output over the coming years. This includes replacing all kiln bearings (8 sets per kiln) after the first ever failure of a kiln bearing in August 2024 and investing in predictive maintenance technologies.

Kalgoorlie

The Kalgoorlie Rare Earths Processing Facility was officially opened on Friday 8th November by the Australian Minister for Resources and Northern Australia, the Hon. Madeleine King MP, together with Lynas Board Chair John Humphrey and CEO Amanda Lacaze. The opening was attended by Lynas Kalgoorlie team members and contractors as well as representatives from state and local government, industry and community stakeholders. Visitors completed a site tour before the formal opening and unveiling of a commemorative plaque and monument created from the Kalgoorlie plant's first 'supabob' valve.

Following the commencement of production of Mixed Rare Earth Carbonate (MREC) at Kalgoorlie in June 2024, further shipments of MREC from the Kalgoorlie Facility were delivered to Lynas Malaysia for processing during the half year.

Lynas USA

A pathway has been identified to resolve the wastewater management challenges previously noted at the Seadrift site. Lynas is now working with the Department of Defense to assess this pathway, and alternative approaches.

Malawi deposit

Since fiscal year 2012, no further capital investment has been made on the Kangankunde Rare Earths resource development in Malawi and the project remains on hold while the Malawi deposit remains the subject of an ongoing title dispute. As announced on 22 January 2019, the Malawi government has purported to cancel the Group's Malawi mining lease, and the Group has initiated judicial review proceedings in the Malawi courts challenging that decision.

Health, safety and environment

Lynas is committed to ensuring the Group's operations in Australia and Malaysia are consistent with national and international safety and sustainability best practice. Lynas has established extensive processes to ensure that our operations are safe for employees, safe for the environment and community, and secure for our customers.

During the half year, the Mt Weld Expansion team achieved 1 million hours LTI free. The Lynas Malaysia Expansion team reached a total of 1.2 million hours of work by end of December 2024, without a single Lost Time Injury.

The 12-month rolling lost time injury frequency rate as at 31 December 2024 was 1.0 per million hours worked (30 June 2024: 1.04 per million hours worked). In addition, the 12-month total recordable injury frequency rate at 31 December 2024 was 4.1 per million hours worked (30 June 2024: 5.0 per million hours worked).

Lynas Malaysia and Mt Weld continue to be certified under ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management) and ISO 45011:2018 (Occupational Health and Safety Management). Lynas sites have been certified since 2012. Lynas is fully compliant with local laws and regulations in each of our operating locations and we voluntarily implement best practice where it delivers a higher standard than local regulations.

Information concerning the Company's environmental monitoring programs is available at www.LynasRareEarths.com.

Financial and operational performance

Sales volume, revenue and costs

Sales by tonnage and value		1H 25	1H 24	2H 24	FY24
Sales volume	(REOt)	5,708	6,617	5,541	12,158
Cash receipts from customers	(A$m)	273.4	235.6	225.2	460.8
Sales revenue	(A$m)	254.3	234.8	228.5	463.3
Average selling price	(A$/kg)	44.6	35.5	40.7	38.1
Cost of sales	(A$m)	(205.3)	(159.0)	(171.6)	(330.6)

NdPr family sales volumes increased by 23%. Total REO Sales volumes were 14% lower than 1H24. The increased proportion of NdPr in the overall sales volume resulted in an improved average selling price of $44.6/kg. However, the average China domestic price of NdPr (VAT excluded) decreased from US$56/kg in December 2023 to US$49/kg in December 2024. As a result, the 23% increase in NdPr sales volume only delivered an 8% increase in sales revenue for the period.

Cost of sales increased by 29%, mainly due to the 23% increase in NdPr sales volume and a $5m net realisable value provision against low-value inventory and WIP on hand at the end of the period. Overall, Lynas saw a slight increase in the unit costs of production as expected in line with additional facilities at Mt Weld, Kalgoorlie and Malaysia coming online.

Market prices

Market conditions remained challenging as rare earths market pricing continued at low levels. The average China domestic price of NdPr (VAT excluded) decreased from US$56/kg in December 2023 to US$49/kg in December 2024.

Production volumes

		1H 25	1H 24	2H 24	FY24
Ready for sale production volume total	(REOt)	5,339	5,175	5,733	10,908
Ready for sale production volume NdPr	(REOt)	2,969	2,427	3,228	5,655

Increased production volumes of REO and NdPr reflect an optimised production strategy. A 22% increase in NdPr REOt production only resulted in a 3% increase of overall production of REOt.

Following the commencement of production of Mixed Rare Earth Carbonate (MREC) at Kalgoorlie in June 2024 quarter, further shipments of MREC from the Kalgoorlie Facility were delivered to Lynas Malaysia for processing during the half year.

Debt and capital

In A$m	1H 25	1H 24	2H 24	FY24
JARE loan	171.8	172.6	171.8	171.8
Financial income	11.2	22.7	17.1	39.8
Financial expenses	(6.4)	(4.2)	(5.4)	(9.6)

US$10.0m (A$16.1m) in principal repayments were made on the JARE facility. However, as a result of movements in foreign exchange rates during the period, the decrease reflected in the carrying amount is small.

Financial income decreased from 1H24 as a result of the lower cash balance held. Financial expenses are net of $6.2m (HY23: $6.0m) in interest that has been capitalised into the Kalgoorlie Rare Earths Processing Facility project. There have been no changes to the interest rate on the JARE loan facility during the period.

During the half year ended 31 December 2024, the Company did not issue shares.

	Number (000's)
Shares on issue 30 June 2024	934,718
Issue of shares pursuant to exercised performance rights	-
Shares on issue 31 December 2024	**934,718**

Performance rights

At 31 December 2024, the Company had the following options and performance rights on issue:

	Number (000's)
Performance rights	5,305

Earnings per share

For the half year ended 31 December	2024	2023
Basic earnings per share (cents per share)	0.63	4.23
Diluted earnings per share (cents per share)	0.62	4.22

Dividends

There were no dividends declared or paid during the half year ended 31 December 2024 (2023: nil) and no dividends have been declared or paid since 31 December 2024.

Risk management

The Group takes a proactive approach to risk management. The Directors are responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities.

The Group believes it is crucial for Directors to be a part of this process and has established an Audit, Risk and ESG Committee and a Health, Safety and Environment Committee.

Lynas Rare Earths has a Risk Management Policy and a Risk Management Framework for oversight and management of material business risks.

Factors and business risks that affect future performance

Lynas operates in a changing environment and is therefore subject to factors and business risks that will affect future performance.

We identify risks, then evaluate the inherent risk of an activity and the mitigation required. Risk assessments are updated by operations and management and reported to the Board of Directors.

Basis of report

The report is based on the guidelines in The Group 100 Incorporated publication Guide to the Review of Operations and Financial Condition.

Environmental regulation and performance

The Group is bound by the requirements and guidelines of the relevant environmental protection authorities for the management and rehabilitation of mining tenements owned or previously owned by the Group. Mining tenements are being maintained and rehabilitated following these guidelines. The Group is also bound by the requirements of its operating licence in Malaysia. There have been no known breaches of any of these requirements and guidelines.

We continue to focus on ensuring positive relationships with regulators and local communities, and compliance with regulatory requirements in both jurisdictions in which we operate.

Significant changes in the state of affairs

Except as disclosed in the review of operations, the factors and business risks that affect future performance and the subsequent events, there have been no significant changes in the state of affairs of the Group during the half year ended 31 December 2024.

Auditor's independence declaration

We have obtained an independence declaration from our auditors, Ernst & Young, which follows the Directors' Declaration.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, in relation to the “rounding off” of amounts. Amounts in the Directors’ Report and Financial Statements have been rounded off, in accordance with the Instrument, to the nearest thousand dollars, unless otherwise stated.

Subsequent events

There have been no events subsequent to 31 December 2024 that would require accrual or disclosure in this financial report.

Directors' declaration

In accordance with a resolution of the directors of Lynas Rare Earths Limited, I state that in the opinion of the directors:

a) The interim financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001*, including

i) Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and

ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors,

John Humphrey
Chair
Sydney, 26 February 2025

Auditor's independence declaration

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Auditor's independence declaration to the directors of Lynas Rare Earths Limited

As lead auditor for the review of the half-year financial report of Lynas Rare Earths Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lynas Rare Earths Limited and the entities it controlled during the financial period.

Ernst + Young

Ernst & Young

T S Hammond
Partner
26 February 2025

Independent auditor's report

Shape the future
with confidence

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Independent auditor's review report to the members of Lynas Rare Earths Limited

Conclusion

We have reviewed the accompanying half-year financial report of Lynas Rare Earths Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Shape the future
with confidence

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

T S Hammond
Partner
Perth

26 February 2025

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December

In A$'000	Note	2024	2023
Revenue	2	254,312	234,779
Cost of sales	2	(205,304)	(159,012)
Gross profit		**49,008**	**75,767**
General and administration expenses	2	(28,238)	(39,867)
Net foreign exchange (loss) / gain		(16,563)	(3,905)
Other expenses		(2,033)	(205)
Profit from operating activities		**2,174**	**31,790**
Financial income	3	11,220	22,709
Financial expenses	3	(6,376)	(4,245)
Net financial income		**4,844**	**18,464**
Profit before income tax		**7,018**	**50,254**
Income tax expense	4	(1,167)	(10,718)
Profit for the period		**5,851**	**39,536**
Other comprehensive income / (loss) for the period net of income tax that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		93,116	(4,977)
Total other comprehensive income / (loss) for the period, net of income tax		**93,116**	**(4,977)**
Total comprehensive income for the period attributable to equity holders of the Company		**98,967**	**34,559**
Earnings per share			
Basic earnings per share (cents per share)	16	0.63	4.23
Diluted earnings per share (cents per share)	16	0.62	4.22

The interim unaudited consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the interim unaudited consolidated financial statements.

Consolidated statement of financial position

As at

In A$'000	Note	31 Dec 2024	30 June 2024
Assets			
Cash and cash equivalents	5	308,315	523,838
Trade and other receivables	6	29,245	49,650
Prepayments		8,313	6,195
Current tax asset		20,740	7,025
Inventories	7	147,593	120,576
Total current assets		**514,206**	**707,284**
Inventories	7	12,021	11,169
Property, plant and equipment	9	2,190,827	1,920,179
Deferred development expenditure	9	93,666	73,984
Intangible assets		1,190	1,268
Deferred tax asset		4,724	5,889
Other non-current assets	8	99,860	85,148
Total non-current assets		**2,402,288**	**2,097,637**
Total assets		**2,916,494**	**2,804,921**
Liabilities			
Trade and other payables	10	71,674	92,356
Borrowings	11	30,642	28,544
Employee benefits	13	7,156	6,033
Provisions	13	28,410	37,462
Lease liabilities	18	4,816	4,952
Total current liabilities		**142,698**	**169,347**
Borrowings	11	141,137	143,294
Employee benefits	13	752	468
Provisions	13	266,710	241,819
Lease liabilities	18	19,553	7,188
Total non-current liabilities		**428,152**	**392,769**
Total liabilities		**570,850**	**562,116**
Net assets		**2,345,644**	**2,242,805**
Equity			
Share capital	15	2,091,089	2,091,089
Retained earnings		226,261	220,410
Reserves		28,294	(68,694)
Total equity attributable to the equity holders of the Company		**2,345,644**	**2,242,805**

The interim unaudited consolidated statement of financial position should be read in conjunction with the notes to the interim unaudited consolidated financial statements.

Consolidated statement of changes in equity

In A$'000	Ref	Share capital	Retained earnings / (Accumulated losses)	Foreign currency translation reserve	Equity settled employee benefits reserve	Warrant reserve	Total
Balance at 1 July 2024		2,091,089	220,410	(163,426)	72,967	21,765	2,242,805
Other comprehensive income for the period		-	-	93,116	-	-	93,116
Total profit for the period		-	5,851	-	-	-	5,851
Total comprehensive income for the period		**-**	**5,851**	**93,116**	**-**	**-**	**98,967**
Employee remuneration settled through share-based payments		-	-	-	3,872	-	3,872
Balance at 31 Dec 2024		**2,091,089**	**226,261**	**(70,310)**	**76,839**	**21,765**	**2,345,644**
Balance at 1 July 2023		2,091,089	135,896	(151,147)	65,801	21,765	2,163,404
Other comprehensive income for the period		-	-	(4,977)	-	-	(4,977)
Total profit for the period		-	39,536	-	-	-	39,536
Total comprehensive income for the period		**-**	**39,536**	**(4,977)**	**-**	**-**	**34,559**
Employee remuneration settled through share-based payments		**-**	**-**	**-**	3,123	**-**	**3,123**
Balance at 31 Dec 2023		**2,091,089**	**175,432**	**(156,124)**	**68,924**	**21,765**	**2,201,086**

The interim unaudited consolidated statement of changes in equity should be read in conjunction with the notes to the interim unaudited consolidated financial statements.

Consolidated statement of cash flows

For the half year ended 31 December

In A$'000	Note	2024	2023
Cash flows from operating activities			
Receipts from customers		273,400	235,638
Payments to suppliers and employees		(184,956)	(179,476)
Payments for discharge of rehabilitation obligation		(22,532)	(10,635)
Royalties paid		(2,653)	(4,757)
Income taxes paid		(13,739)	(35,298)
Net cash from operating activities		**49,520**	**5,472**
Cash flows from investing activities			
Payments for property, plant and equipment and development expenditure		(267,015)	(346,882)
Security bonds paid		(156)	(46)
Security bonds refunded		26	1,852
Interest received		12,878	23,535
Net cash used in investing activities		**(254,267)**	**(321,541)**
Cash flows from financing activities			
Interest and other financing costs paid		(3,330)	(3,200)
Repayment of long-term borrowings		(16,080)	(2,936)
Repayment of lease liabilities		(3,164)	(2,601)
Net cash provided from used in financing activities		**(22,574)**	**(8,737)**
Net decrease in cash and cash equivalents		**(227,321)**	**(324,806)**
Cash and cash equivalents at the beginning of the half year		523,838	1,011,212
Effect of exchange rate fluctuations (net) on cash held		11,798	(304)
Closing cash and cash equivalents	5	**308,315**	**686,102**

The interim unaudited consolidated statement of cash flows should be read in conjunction with the notes to the interim unaudited consolidated financial statements.

Notes to consolidated financial statements

For the half year ended 31 December 2024

About this report

Lynas Rare Earths Limited (the "Company") is a for-profit company domiciled and incorporated in Australia.

The interim unaudited consolidated financial statements of the Company as at and for the half year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" or "Lynas").

The Group is principally engaged in the extraction and processing of rare earth minerals, primarily in Australia and Malaysia.

The address of the registered office of the Company is Level 4, 1 Howard St Perth, WA, Australia.

1. Basis of preparation

Statement of compliance

The interim unaudited consolidated financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting. The disclosures required in these interim unaudited consolidated financial statements are less extensive than the disclosure requirements for annual financial statements. The interim unaudited consolidated financial statements should be read in conjunction with the annual financial report of the Group for the year ended 30 June 2024.

The interim unaudited consolidated financial statements comprise the statements of profit or loss and other comprehensive income, financial position, changes in equity and cash flows as well as the relevant notes to the interim unaudited consolidated financial statements.

Basis of measurement

The financial report has been prepared under the historical cost convention.

Information as disclosed in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the current period is for the 6-month period ended 31 December 2024. Information for the comparative period is for the 6-month period ended 31 December 2023.

Consolidation of subsidiaries

Subsidiaries are entities controlled by the Company or the Group. Control is achieved when the Company or Group has power over the investee, is exposed, or has the rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the financial report from the date control (or effective control) commences until the date that control ceases. All entities within the Group are 100% owned and controlled.

Intra-group balances and unrealised items of income and expense arising from intra-group transactions are eliminated in preparing the financial report. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same manner as gains, but only to the extent that there is no evidence of impairment.

Presentation currency

These interim unaudited consolidated financial statements are presented in Australian dollars ("AUD"), which is the Group's presentation currency.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, in relation to the "rounding off" of amounts. Amounts in the Directors' Report and Financial Report have been rounded off, in accordance with the Instrument, to the nearest thousand dollars, unless otherwise stated.

2. Segment revenue and expenses

AASB 8 Operating Segments ("AASB 8") requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Makers (CODM) in order to allocate resources to the segment and to assess its performance.

At period end, the Group's CODM are the Board of Directors of the Company, the Chief Executive Officer, the Chief Financial Officer, the VP Upstream, the VP Downstream, the General Counsel & Company Secretary, the VP Malaysia, the VP People & Culture and the VP Strategy and Investor Relations. Information reported to the Group's CODM for the purposes of resource allocation and assessment of performance currently focuses on the operation of the Group's integrated rare earth extraction and process facilities.

The Group has only one reportable segment under AASB 8 being its rare earth operations. The CODM does not review the business activities of the Group based on geography.

All of the Group's revenue is derived through the sale of Rare Earth products and is sold to non-Australian customers.

The accounting policies applied by this segment are the same as the Group's accounting policies. Results from operating activities represent the profit earned by this segment without allocation of interest income and expense and income tax benefit (expense). The CODM assess the performance of the operating segment based on adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net of financial expenses, depreciation and amortisation and adjusted to exclude certain significant items, including but not limited to such items as employee remuneration settled through share-based payments, restructuring costs, unrealised gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs.

In A$'000	For the half year ended 31 December 2024			For the half year ended 31 December 2023		
	Rare Earth Operations	Corporate/ Unallocated	Total Continuing Operations	Rare Earth Operations	Corporate/ Unallocated	Total Continuing Operations
Business segment reporting						
Revenue from contracts with customers	255,243	-	255,243	237,064	-	237,064
Other revenue:						
Revenue adjustments	(931)		(931)	(2,285)		(2,285)
Total revenue	**254,312**	**-**	**254,312**	**234,779**	**-**	**234,779**
Cost of sales (excl depreciation)	(170,887)	-	(170,887)	(132,964)	-	(132,964)
Cost of sales (depreciation)	(34,417)	-	(34,417)	(26,048)	-	(26,048)
Gross profit	**49,008**	**-**	**49,008**	**75,767**	**-**	**75,767**
Employee and production costs net of costs recovered through production	(7,736)	(5,237)	(12,973)	(10,910)	(8,694)	(19,604)
Depreciation expenses net of cost recovered through production	(959)	(560)	(1,519)	(3,557)	(1,173)	(4,730)
Other general and administration expenses [(1)]	(6,590)	(7,156)	(13,745)	(11,565)	(3,968)	(15,533)
Total general and admin expenses	**(15,285)**	**(12,953)**	**(28,238)**	**(26,032)**	**(13,835)**	**(39,867)**
Other (expenses) / income	-	(2,033)	(2,033)	-	(205)	(205)
Net foreign exchange (loss) / gain	-	(16,563)	(16,563)	-	(3,905)	(3,905)
Profit / (loss) before interest and tax ("EBIT")	**33,723**	**(31,549)**	**2,174**	**49,735**	**(17,945)**	**31,790**
Financial income			11,220			22,709
Financial expenses			(6,376)			(4,245)
Profit before income tax			**7,018**			**50,254**
Income tax expense			(1,167)			(10,718)
Profit after income tax			**5,851**			**39,536**
EBIT	33,723	(31,549)	2,174	49,735	(17,945)	31,790
Depreciation and amortisation	35,376	560	35,936	29,605	1,173	30,778
EBITDA	**69,099**	**(30,989)**	**38,110**	**79,340**	**(16,772)**	**62,568**
Included in EBITDA:						
Non-cash employee remuneration settled through share-based payments	-	3,872	3,872	-	3,123	3,123
Other expense / (income)	-	2,033	2,033	-	205	205
Adjusted EBITDA	**69,099**	**(25,084)**	**44,015**	**79,340**	**(13,444)**	**65,894**

(1) Other general and administration expenses include statutory, consulting, insurance, IT, marketing and general office costs.

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3. Financial income and expenses

	For the half year ended 31 December	
In A$'000	**2024**	**2023**
Interest income	11,220	22,709
Total financial income	**11,220**	**22,709**
Interest expense on financial liabilities:		
Interest expense on JARE loan facility	(2,934)	(2,809)
Unwinding of effective interest on JARE loan facility	(3,253)	(3,267)
Interest capitalised to qualifying assets	6,187	6,035
Unwinding of discount on restoration and rehabilitation provision	(5,494)	(3,733)
Interest expense on lease liabilities	(653)	(368)
Discount unwinding on AELB deposit	182	297
Financing transaction costs and fees	(411)	(400)
Total financial expenses	**(6,376)**	**(4,245)**
Net financial income	**4,844**	**18,464**

4. Income taxes

	For the half year ended 31 December	
In A$'000	**2024**	**2023**
Current tax		
Current tax expense / (benefit) in respect of the current half year	(5,104)	8,830
Adjustments recognised in the current year in relation to the current tax in prior years	-	(302)
Deferred tax		
Deferred tax expense recognised in the half year	6,271	2,190
Total income tax expense relating to the continuing operations	**1,167**	**10,718**

The driver of the difference between income tax expense calculated at 30% (2024: 30%) and actual tax expense is due to the pioneer period status (tax holiday) in relation to the Malaysian operations through to January 2026. In addition, the Group retains unrecognised tax losses that are not recognised as deferred tax assets in Malaysia and Malawi. These unrecognised tax losses will be recognised when it becomes probable that the Group will have future taxable profits in these jurisdictions against which these tax losses can be utilised.

5. Cash and cash equivalents

In A$'000	31 December 2024	30 June 2024
Cash at bank and on hand	171,874	202,197
Short-term deposits	136,441	321,641
Total cash at bank and on hand	**308,315**	**523,838**

6. Trade and other receivables

In A$'000	31 December 2024	30 June 2024
Trade receivables at fair value	19,966	42,624
GST receivables	8,015	3,981
Other receivables	1,264	3,045
Total current trade and other receivables	**29,245**	**49,650**

The Group's exposure to credit risk is primarily in its trade receivables. As at 31 December 2024, $0.7m (30 June 2024: $9.5m), of trade receivables were past due but not impaired, 61% of which has been receipted in 2025. Where debtors become overdue, the Group maintains regular contact and has a history of collecting trade receivables in full.

At 31 December 2024, the Group had sales under contract amounting to A$85.0m (US$52.7m) (30 June 2024: A$96.2m (US$64.2m)) subject to price adjustments. At the date of this report A$11.4m (US$7.1m) of this amount has been finalised with minimal price adjustments in comparison to the date when the sale was initially recognised.

7. Inventories

In A$'000	31 December 2024	30 June 2024
Raw materials and consumables	46,579	40,033
Work in progress	99,950	64,966
Finished goods	13,085	26,746
Total inventories	**159,614**	**131,745**
Current inventories	147,593	120,576
Non-current inventories	12,021	11,169
Total inventories	**159,614**	**131,745**

During the half year ended 31 December 2024 inventories of $205.3m (31 December 2023: $159.0m) were recognised as an expense. All of which were included in 'cost of sales'.

Depreciation recognised in inventories

The Group recognised depreciation on its property, plant and equipment and amortisation on its deferred development expenditure and intangible assets for the half years ended 31 December 2024 and 2023 respectively in the following categories:

	Recognised in General and Administration Expense		Recognised in Inventory		Total	
In A$'000	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Property, plant and equipment	1,156	4,031	29,630	25,386	30,786	29,417
Deferred development expenditure	145	379	2,452	-	2,597	379
Intangibles	219	320	-	-	219	320
Total	**1,520**	**4,730**	**32,082**	**25,386**	**33,601**	**30,116**

On the sale of inventory to customers, the component of the depreciation or amortisation expense capitalised within inventory is reflected in the cost of goods sold in the statement of comprehensive income as a component of the profit or loss. This was $34.4m in the period ending 31 December 2024 (2023: $26.1m).

Write downs of inventory

During the half year ended 31 December 2024, there were $5.0m in write downs to net realisable value for some products. (31 December 2023: $0.1m).

8. Other non-current assets

In A$'000	31 December 2024	30 June 2024
Security deposits – banking facilities and other, Malaysia	2,496	2,081
Security deposits – banking facilities and other, Australia	13,401	8,620
Security deposits – AELB, Malaysia	18,404	16,318
Security deposits – AELB, Australia	65,559	58,129
	99,860	**85,148**

Deposits to the Malaysian Government's Atomic Energy Licensing Board ("AELB") form a component of a total US$50.0m of instalments due in accordance with the conditions underlying the granting of the Full Operating Stage Licence to the Group for the Lynas Malaysia plant. The total amount deposited as security via a bond for the instalments is US$39.0m (A$58.4m) (all of which is interest earning). A further US$11.0m paid via cash directly to AELB is not interest earning and has been discounted to a present value of A$6.6m (FY24: A$5.9m).

No further deposits have been made under revisions to the operating licence during the half year ended 31 December 2024.

9. Property, plant and equipment and mine development

In A$'000	Property, Plant and Equipment								Development Expenditure		
	Leasehold land	Buildings plant and equipment	Fixtures and fittings	Right of use assets	Assets under construction	Rehabilitation asset	Leasehold improvements	Total	Development expenditure	Pre-production /Stripping asset	Total
As at 31 Dec 2024											
Cost	31,506	1,157,291	10,665	35,450	1,320,283	393,748	23,737	**2,972,680**	53,639	69,487	**123,126**
Accumulated impairment losses	-	(205,244)	(427)	-	(285)	-	(8,070)	**(214,026)**	(4,688)	-	**(4,688)**
Accumulated depreciation	(5,269)	(476,326)	(8,451)	(15,835)	-	(53,700)	(8,246)	**(567,827)**	(7,977)	(16,795)	**(24,772)**
Carrying amount	**26,237**	**475,721**	**1,787**	**19,615**	**1,319,998**	**340,048**	**7,421**	**2,190,827**	**40,974**	**52,692**	**93,666**
Opening cost	27,774	924,577	9,760	20,623	1,288,162	348,371	21,062	**2,640,329**	50,560	49,987	**100,547**
Opening accumulated impairment and depreciation	(4,504)	(640,704)	(7,941)	(10,861)	(266)	(41,822)	(14,052)	**(720,150)**	(12,221)	(14,342)	**(26,563)**
Opening carrying amount	**23,270**	**283,873**	**1,819**	**9,762**	**1,287,896**	**306,549**	**7,010**	**1,920,179**	**38,339**	**35,645**	**73,984**
Additions	-	1,284	56	14,973	168,075	-	-	**184,388**	3,798	19,499	**23,297**
Disposals	-	(1,207)	-	-	-	-	-	**(1,207)**	-	-	**-**
Depreciation expense	(153)	(18,183)	(416)	(5,128)	-	(6,926)	(396)	**(31,202)**	-	-	**-**
Amortisation expense	-	-	-	-	-	-	-	**-**	(145)	(2,452)	**(2,597)**
Change in rehabilitation obligations	-	-	-	-	-	9,314	-	**9,314**	-	-	**-**
Transfers	-	180,140	305	-	(180,445)	-	-	**-**	-	-	**-**
Impairment loss	-	-	-	-	-	-	-	**-**	(1,018)	-	**(1,018)**
Capitalised interest	-	-	-	-	6,187	-	-	**6,187**	-	-	**-**
Foreign currency translation	3,120	29,814	23	8	38,285	31,111	807	**103,168**	-	-	**-**
Carrying amount at 31 Dec 2024	**26,237**	**475,721**	**1,787**	**19,615**	**1,319,998**	**340,048**	**7,421**	**2,190,827**	**40,974**	**52,692**	**93,666**

In A$'000	Property, Plant and Equipment								Development Expenditure		
	Leasehold land	Buildings plant and equipment	Fixtures and fittings	Right of use assets	Assets under construction	Rehabilitation asset	Leasehold improvements	Total	Development expenditure	Pre-production /Stripping asset	Total
As at 31 Dec 2023											
Cost	27,971	916,388	9,469	16,538	1,093,774	337,624	21,107	**2,422,871**	43,462	40,504	**83,966**
Accumulated impairment losses	-	(182,246)	(380)	-	(260)	-	(7,165)	**(190,051)**	(3,759)	-	**(3,759)**
Accumulated depreciation	(4,395)	(448,260)	(7,200)	(7,030)	-	(35,575)	(6,619)	**(509,079)**	(7,616)	(11,819)	**(19,435)**
Carrying amount	**23,576**	**285,882**	**1,889**	**9,508**	**1,093,514**	**302,049**	**7,323**	**1,723,741**	**32,087**	**28,685**	**60,772**
Opening cost	28,281	919,835	9,079	16,500	753,802	222,080	21,226	**1,970,803**	32,120	40,504	**72,624**
Opening accumulated impairment and depreciation	(4,301)	(615,286)	(7,364)	(4,108)	(268)	(31,386)	(13,579)	**(676,292)**	(11,317)	(11,614)	**(22,931)**
Opening carrying amount	**23,980**	**304,549**	**1,715**	**12,392**	**753,534**	**190,694**	**7,647**	**1,294,511**	**20,803**	**28,890**	**49,693**
Additions	-	1,760	565	47	338,738	-	-	**341,110**	11,458	-	**11,458**
Disposals	-	(635)	-	-	-	-	-	**(635)**	-	-	**-**
Depreciation expense	(145)	(21,412)	(366)	(2,931)	-	(4,543)	(369)	**(29,766)**	-	-	**-**
Amortisation expense	-	-	-	-	-	-	-	**-**	(174)	(205)	**(379)**
Change in rehabilitation obligations	-	-	-	-	-	117,319	-	**117,319**	-	-	**-**
Transfers	-	4,108	(10)	-	(4,155)	-	57	**-**	-	-	**-**
Capitalised interest	-	-	-	-	6,035	-	-	**6,035**	-	-	**-**
Foreign currency translation	(259)	(2,488)	(15)	-	(639)	(1,421)	(12)	**(4,834)**	-	-	**-**
Carrying amount at 31 Dec 2023	**23,576**	**285,882**	**1,889**	**9,508**	**1,093,513**	**302,049**	**7,323**	**1,723,741**	**32,087**	**28,685**	**60,772**

10. Trade and other payables

In A$'000	31 December 2024	30 June 2024
Trade payables	23,427	39,332
Accrued expenses	38,269	40,817
Other payables	9,978	12,207
Total trade and other payables	**71,674**	**92,356**
Current	71,674	92,356
Non-current	-	-
Total trade and other payables	**71,674**	**92,356**

11. Interest Bearing Liabilities

In A$'000	31 December 2024	30 June 2024
Current borrowings		
JARE loan facility (1)	30,642	28,544
Total current borrowings	**30,642**	**28,544**
Non-current borrowings		
JARE loan facility	141,137	143,294
Total non-current borrowings	**141,137**	**143,294**

(1) In line with the repayment schedule below, payments of US$10m are due on 30 June 2025 and 31 December 2025 respectively. These have been classified as current liabilities at 31 December 2024.

Reconciliation of liabilities arising from financing activities

In A$'000	30 June 2024	Cash flows	Non-Cash Movements					31 December 2024
	Opening Balance	Proceeds / (Repayments)	Effective Interest	Foreign Exchange	Adjust-ment	Other (1)	Reclass	Closing Balance
JARE loan facility	171,838	(16,080)	3,253	12,768	-	-	-	171,779
Lease liability	12,140	(3,164)	653	(233)	-	14,973	-	24,369
Total	**183,978**	**(19,244)**	**3,906**	**12,535**	**-**	**14,973**	**-**	**196,148**

(1) Other non-cash movements in the lease liability during the half year ended 31 Dec 2024 and 2023 related to leases recognised in line with AASB 16.

In A$'000	30 June 2023	Cash flows	Non-Cash Movements					31 December 2023
	Opening Balance	Proceeds / (Repayments)	Effective Interest	Foreign Exchange	Adjust-ment	Other [(1)]	Reclass	Closing Balance
JARE loan facility	177,379	(2,936)	3,267	(5,156)	-	-	-	172,554
Lease liability	12,976	(2,601)	400	-	-	47	-	10,822
Total	**190,355**	**(5,537)**	**3,667**	**(5,156)**	**-**	**47**	**-**	**183,376**

(1) Other non-cash movements in the lease liability during the half year ended 31 Dec 2024 and 2023 related to leases recognised in line with AASB 16.

12. Financing facilities

Japan Australia Rare Earths B.V. (JARE) loan facility

The maturity date of the JARE loan facility is 30 June 2030. The interest rate on this facility is 2.5% p.a. at 31 December 2024 (30 June 2024: 2.5% p.a.).

Interest liabilities will be paid directly to the lenders at 31 December and 30 June each year.

There are a series of future fixed repayments for the facility as follows:

Repayment date	Amount
Every six months from 30 June 2025 to 31 Dec 2027	US$10m on each date
Every six months from 30 June 2028 to 30 June 2030	US$12m on each date

Japan will have the following priority supply rights until 2038:

1. Any fundraising will not hinder Lynas' ability to support Japanese industries diversifying their rare earths supply sources, in accordance with the Availability Agreement announced on 30 March 2011.
2. Lynas shall ensure that in the event of competing demands from the Japanese market and a non-Japanese market for the supply by the Borrower or Lynas Malaysia for NdPr produced from the Lynas Malaysia plant, the Japanese market shall have priority of supply up to 7,200 tonnes per year subject to the terms of the Availability Agreement and to the extent that Lynas will not have any opportunity loss.
3. JARE has rights of negotiation with Lynas in priority to non-Japanese market customers for the priority supply to the Japanese market of additional NdPr and Nd products produced by the Lynas 2025 Project.
4. Lynas will continue to prioritize the needs of Japanese customers for the supply of Heavy Rare Earths products produced, to the extent possible under any agreement with the U.S.

The JARE loan facility has been secured over all of the assets of the Group, other than the Malawi assets.

13. Provisions and Employee benefits

In A$'000	31 December 2024	30 June 2024
Current		
Short term employee benefits	7,156	6,033
Restoration and rehabilitation (1)	28,410	37,462
Total current	**35,566**	**43,495**
Non-Current		
Long term employee benefits	752	468
Restoration and rehabilitation	266,710	241,819
Total non-current	**267,462**	**242,287**

(1) *The current portion of the restoration and rehabilitation provision represents Lynas' best estimate of the present value of the outflows relating to the discharge of the rehabilitation obligation relating to residue disposal in Malaysia over the next 12-month period.*

The Group's accounting policy for its restoration and rehabilitation closure provisions requires significant estimates and assumptions such as: requirements of the relevant legal and regulatory framework; the magnitude of possible contamination; and the timing, extent and costs of required closure and rehabilitation activity. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognised in the statement of financial position by adjusting both the closure and rehabilitation asset and the provision.

14. Contingent liabilities

An amount of US$50.0m (FY23: US$50.0m) has been deposited via a bond for instalments required in accordance with the conditions underlying the granting of the Full Operating Stage Licence to the Group for the LAMP in Malaysia. Should criteria as part of this grant not continue to be met, this amount may be utilised to settle obligations. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote. Refer to Note 8 for details of bonds.

15. Contributed equity

	For the half year ended 31 December 2024		For the year ended 30 June 2024	
	Number of shares '000	A$'000	Number of shares '000	A$'000
Balance at the beginning of the period	**934,718**	**2,091,089**	**933,815**	**2,091,089**
Issue of shares pursuant to exercised performance rights	-	-	903	-
Issue of shares	-	-	-	-
Closing balance	**934,718**	**2,091,089**	**934,718**	**2,091,089**

All issued ordinary shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. All shares rank equally with regard to the Group's residual assets in the event of a wind-up.

16. Earnings per share

Basic earnings per share amounts are calculated by dividing net loss or profit for the half year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the half year.

Diluted earnings per share adjusts the amount used in the determination of the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share from continuing operations.

The earnings and weighted average number of ordinary shares used in the calculations of basic and diluted earnings per share are as follows:

	For the half year ended 31 December	
In A$'000	**2024**	**2023**
Net earnings attributed to ordinary shareholders	5,851	39,536
Earnings used in calculating basic earnings per share	5,851	39,536
Net earnings impact of assumed conversions of diluted EPS	-	-
Earnings used in calculating diluted earnings per share	5,851	39,536
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	934,718	934,045
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	940,023	937,799
Basic loss per share (cents per share)	0.63	4.23
Diluted loss per share (cents per share)	0.62	4.22

The following dilutive shares are included in the share base for the calculation of dilutive earnings per share:

	As at 31 December	
Number (000's)	**2024**	**2023**
Performance rights	5,305	3,754
Total	**5,305**	**3,754**

Employee share options and performance rights

The Group has established an employee share plan whereby, at the discretion of Directors, performance rights may be granted over the ordinary shares of the Company for the benefit of executives and certain employees of the Group. The performance rights are granted in accordance with performance guidelines established by the Nomination, Remuneration and Community Committee. Other than short term incentives, each performance right is convertible into one ordinary share of the Company during the two years following the vesting date, which is the third anniversary of the grant date. The performance rights hold no voting or dividend rights and are not transferrable.

Performance rights are granted for the benefit of Key Management Personnel ("KMP") and other selected employees to provide greater alignment to our strategic business objectives. KMP are those people who have authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Executive Director of the Group and the Executives. At period end, the Executives include the Chief Executive Officer, the Chief Financial Officer, the Group's General Counsel & Company Secretary, Vice President - Upstream, Vice President - Downstream, Vice President – Malaysia.

Movements in employee performance rights

	For the half year ended 31 December 2024		For the half year ended 31 December 2023	
	No. of performance rights ('000)	Weighted average exercise price ($)	No. of performance rights ('000)	Weighted average exercise price ($)
Balance at beginning of period	**3,619,174**	0.00	**3,502,515**	0.00
Granted during the period [(1)]	2,026,965	0.00	1,857,405	0.00
Expired during the period	-	0.00	-	0.00
Exercised during the period	-	0.00	(878,859)	0.00
Forfeited during the period	(341,178)	0.00	(726,717)	0.00
Balance at end of period	**5,304,961**	**0.00**	**3,754,344**	**0.00**
Exercisable at end of year	731,032	0.00	232,705	0.00

(1) These performance rights are yet to be formally granted to participants.

During the half year ended 31 December 2024 the Group recognised a net share-based payment expense of $3.9m (2023: $3.2m) within the profit and loss component of the statement of comprehensive income.

The employee performance rights outstanding at the end of the year had nil weighted average exercise price and a weighted average remaining contractual life of 562 days (FY24: 594 days). No performance rights exercised during the period HY25 (FY24: $6.91).

17. Commitments

Capital commitments

In A$'000	31 December 2024	30 June 2024
Less than one year	63,602	152,147
Total	**63,602**	**152,147**

The capital commitments primarily relate to the Lynas Kalgoorlie and Mt Weld expansion projects with no significant purchase orders relating to Lynas USA.

Future lease commitments

In A$'000	31 December 2024	30 June 2024
Less than one year	4,284	-
1 – 5 years	69,126	-
5+ years	245,549	-
Total	**318,959**	**-**

The future lease commitments primarily relate to the lease with Zenith Energy Pty Ltd. Refer to Note 18.

18. Leases

During the half-year ended 31 December 2024, the Group entered into an agreement with Zenith Energy Pty Ltd for the supply of power from a gas fired hybrid renewable power station to Lynas' Mt Weld mine and concentration plant, near Laverton. Various aspects of the contract have been accounted for in accordance with AASB16 *Leases*. Under the contract, different right of use assets will be identified as they are constructed and become commercially operational.

As of the reporting date, only the Diesel asset meets the criteria for recognition under AASB16, as it is commercially operational, and the Group has obtained control over the right-of-use asset. Remaining commitments under the contract have been disclosed as a capital commitment. (refer to Note 17).

Set out below are the carrying amounts of leases recognised and the movements during the period:

In A$'000	Right of Use Assets	
	6 months ended 31 December 2024	12 months ended 30 June 2024
Opening Balance	9,762	12,392
Additions	14,973	4,111
Depreciation Expense	(5,128)	(6,788)
Foreign currency translation	8	47
Closing Balance	**19,615**	**9,762**

Set out below are the carrying amounts of lease liabilities recognised and the movements during the period:

In A$'000	Lease liabilities	
	6 months ended 31 December 2024	12 months ended 30 June 2024
Opening as at 1 July 2024	12,140	12,976
Additions	14,973	4,111
Payments	(3,164)	(5,734)
Accretion of interest	653	810
Foreign currency translation	(233)	(22)
Closing as at 31 December 2024	**24,369**	**12,140**
Current	4,816	4,952
Non-current	19,553	7,188
Total Lease liabilities	**24,369**	**12,140**

Set out below are the amounts recognised in the profit and loss during the period:

In A$'000	31 December 2024	31 December 2023
Depreciation expense	5,128	2,931
Accretion of interest	653	400

The Group had total cash outflows for leases of $3.2m in the half year ended 31 December 2024 ($2.6m in December 2023). The Group also had non-cash additions to right-of-use assets and lease liabilities of $14.9m in in the half year ended 31 December 2024 ($0.5m in December 2023). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 17.

19. Other items

New and revised standards and interpretations

Standards and Interpretations affecting amounts reported

The accounting policies applied by the Group in these interim unaudited consolidated financial statements are the same as those applied by the Group in the annual financial statements for the year ended 30 June 2024.

No new standards and amendments which became mandatory for the first time in the interim reporting period commencing 1 July 2024 resulted in any adjustments to the amounts recognised in the financial statements or disclosures.

The Australian Accounting Standards issued but not yet mandatory for the 31 December 2024 interim reporting period have not been adopted by the Group in the preparation of this interim financial report.

20. Subsequent events

There have been no other events subsequent to 31 December 2024 that would require recognition or disclosure in this financial report.

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