

24 September 2018

MEDIA SPECULATION – POTENTIAL REVIEW OF LYNAS OPERATIONS IN MALAYSIA

Lynas Corporation Limited (ASX:LYC, OTC:LYSDY) is aware of media speculation in Malaysia regarding a potential government review of Lynas' Malaysian operations.

We hold ourselves to a high standard and will cooperate with any review confident in our performance.

- Lynas has been the subject of several previous reviews independent of government including 2 special missions by the International Atomic Energy Agency (IAEA) and numerous court challenges to Lynas' operating licence (each of which was dismissed, including a full merits hearing before the courts in Malaysia that was dismissed in 2015).
- We have implemented all recommendations from the International Atomic Energy Agency (IAEA) and the Parliamentary Select Committee.
- Lynas has been compliant with regulatory requirements during almost 6 years of operations. Each review has confirmed that Lynas operates in accordance with regulatory requirements imposed by Malaysian law and evidences that Lynas has adopted best practices on a range of environmental matters. As an example, the most recent Department of Environment appointed 3rd party environmental audit on 28 & 29 August 2018 found 10 best practices, 1 opportunity for improvement and no non-compliance.

To continue operations as projected, Lynas will need to receive renewals and variations of the terms of existing licences. Examples may include increases to concentrate import volumes, additional residue storage approvals and periodic renewals of licences. Lynas continues to lodge applications related to the above and to engage with the relevant regulators on a business as usual basis. In some instances approval processes are taking longer than has been the practice previously. Lynas has and will continue to respond to all requests for additional information in a timely and complete manner.

Lynas has been and will continue to be an excellent corporate citizen and we believe this will be shown if a further review is conducted. We are committed to Zero Harm for our people, environment and communities and have evidence that supports the safety of our operations on all 3 criteria. In addition, we contribute positively to the lives and careers of our people, our communities and to the Malaysian economy.

- We have made capital investment in Malaysia in excess of MYR 3 billion in plant and equipment and our annual expenditure in Malaysia is over MYR 500 million/year.
- We directly employ over 600 people at our LAMP and we contribute to the employment of thousands of other people through our contractors and suppliers. 97% of our staff and 71% of our management staff are Malaysian.
- The vast majority of our employment and our expenditure is in Kuantan and our surrounding communities.

Through Lynas, over the past 6 years, Malaysia has become the major centre of excellence in Rare Earths outside China.



The media has speculated that the chair of the proposed committee may be a long time anti-Lynas campaigner. If that appointment is confirmed, then that will raise concerns. However, Lynas will advocate for a review that is transparent, impartial and scientific, consistent with other recent initiatives of the new government.

For all media enquiries please contact Jennifer Parker or Lauren Stutchbury from Cannings Corporate Communications on +61 2 8284 9990.

Andrew Arnold
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