CEO's Address
Lynas AGM 2018

Thanks Mike and good morning all.

I'd like to join Mike in welcoming everyone here today and those who are viewing our webcast.

SLIDE 3

It is a great privilege to lead your company and to have been part of its transformation to a proven and profitable producer of specialty Rare Earth materials. I am particularly proud to present to you today in the year we have declared our maiden profit.

Today, Lynas is in the enviable position of being the world's second largest producer of Neodymium-Praseodymium and the only miner and processor of Rare Earth materials outside China.

We have built our business on the principle of Zero Harm – Zero Harm for our people, Zero Harm for our communities, and Zero Harm for the environment.

This is evident in the world-class safety and sustainability of our mine in Western Australia and our plant in Malaysia. We are proudly compliant with all licence conditions in both locations.

As a result of this approach, Lynas is now the sustainable supplier of choice for a number of strategic manufacturing customers around the globe.

SLIDE 4

We are focused on continuing to build value in our business, and in doing so, building value for our shareholders.

Equity value has been heading in the right direction since 2015, and 2018 represented a significant step change. This is a direct result of our unrelenting focus on delivering our strategy and continuing to grow our position as a leading supplier of quality Rare Earth materials.

As Mike mentioned, 2018 was truly a landmark year. We recorded our first statutory profit and positive EBIT as a Rare Earths company, significantly reduced debt, and embarked on our Lynas NEXT growth project which has increased production and grown our sales volumes.

Lynas Corporation Ltd
PT17212 Jalan Gebeng 3, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang Darul Makmur, Malaysia
Tel: +60 9 582 5200 +60 9 582 5800
Fax: +60 9 582 5291 +60 9 582 5292
www.lynascorp.com
ACN 009 066 648

SLIDE 5

As you can see from these highlights, our strong operational performance and disciplined approach to cost management contributed to significant improvements on all key financial metrics.

- Net Profit After Tax was $53.1m, a substantial improvement from the restated loss of $0.5m recorded in FY17
- EBIT increased to $81.0m from a loss of $14.5m in FY17
- Adjusted EBITDA increased to $127.0m from $31.9m in FY17
- Gross profit for the year grew to $121.1m from $14.7m in FY17
- And positive cash flows from operating activities continued to increase to $118.5m from $34.0m in FY17.

As a result of our performance in 2018, we were in a position to make a number of repayments - including voluntary early repayments - to our senior lender and reduce the outstanding principal amount of the JARE senior loan facility by US$50m to US$150m at June 30, 2018.

Following the conversion of US$209.8m of Convertible Bonds, outstanding Convertible Bonds were reduced to US$15.2m at June 30, 2018 and the total principal amount of the Group's loan facilities reduced to US$165.2m.

SLIDE 6

A key differentiator for Lynas Rare Earths is our strong focus on Sustainability.

Ensuring we have a sustainable balance sheet and profitable business is an essential component of our approach to sustainability.

So too is Life Cycle Assessment, which ensures sustainable supply of materials and finished products, and drives continuous improvement in environmental practices.

Manufacturers need to trust that their raw material supply and their supplier is sustainable and this is especially important when they are making procurement decisions for eco-friendly and digital age products.

We are engaged with several end users and magnet makers in Life Cycle Assessment (LCA) from mine to magnet. We are collaborating with several institutions, such as the Demeter GloREIA project in the EU, to evaluate the impact on the environment of the full supply chain activity in accordance with United Nations guidelines.

Lynas Corporation Ltd
PT17212 Jalan Gebeng 3, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang Darul Makmur, Malaysia
Tel: +60 9 582 5200 +60 9 582 5800
Fax: +60 9 582 5291 +60 9 582 5292
www.lynascorp.com
ACN 009 066 648

Our ability to demonstrate the sustainability of our activity sets Lynas apart and is highly regarded by our customers.

SLIDE 7

Our reputation as a sustainable supplier of Rare Earth materials puts us in a strong position to benefit from growing demand.

Ensuring we have the cost-effective production capacity to grow with the market was the key driver of our Lynas NEXT project and I'm delighted to say that the Lynas team has achieved each of the objectives we set for the project.

Key achievements of our $35 million Lynas NEXT investment include:

- Increasing our production capacity to 600 tonnes per month of NdPr in September 2018, four months ahead of schedule
- Increasing our recoveries, product quality and Cracking & Leaching efficiencies
- Upgrading our Mt Weld Resources and Reserves Statement and confirming 25+ year mine life at Lynas NEXT rates
- Introducing new products including separated Nd and Pr
- Increasing our sales revenues as a result of production improvements; and
- Investing in R&D for new applications for Rare Earths and developing new partnerships with companies and universities.

SLIDE 8

What makes Lynas NEXT all the more remarkable is the fact that it was delivered on time and on budget, by an inhouse project team, and while we were still producing.

Having people with intimate knowledge of our operations design and execute the project has ensured downtime is limited and new skills and IP have been retained inhouse.

SLIDE 9

Our increased production capacity and our strong focus on sustainability have increased Lynas' reputation as THE sustainable Rare Earths supplier of choice.

SLIDE 10

Each year I like to share something new with you. As many of our shareholders have not had the opportunity to visit our operations in Mt Weld and in Malaysia, this year I would like to take you on a Virtual Tour of our operations.

SLIDE 11

Starting at our mine in Mt Weld, Western Australia, as this flowsheet shows, Mt Weld is where we mine, on a campaign basis, and process our concentrate. The foundation of all our company's value comes from under the ground at Mt Weld. It is a Tier 1 deposit – high grade, long life.

This year, as part of Lynas NEXT, we completed the 1st stage of a 6 stage drilling campaign to increase our understanding of the Mt Weld ore body. As a result, we upgraded our Resource by 70% and our Reserve by 60%. We confirmed a 25+ life of mine at Lynas NEXT rates.

I often fall into the trap of regarding this as the "simple" part of our flow sheet, but as you can see from this chart, it includes many steps, each of which has their own challenges.

SLIDE 12

At Mt Weld we have 101 staff including geologists, metallurgists, mining engineers and an environmental scientist.

At Mt Weld we are constantly innovating to deliver innovations in Rare Earths mining and processing. Some of our recent projects have included:

- Innovations in water management including dissolved air flotation, ultrafiltration, reverse osmosis and managed aquifer recharge including some very clever new "water farming" techniques. These improvements are essential as our process requires clean water and our only source of that is the aquifer.
- Innovations in residue management including enhanced tailings deposition and mud farming technologies. Continuous improvement in residue management will assist us to minimize future tailings dam construction and associated costs.
- R&D and collaboration with universities & research institutes to find more efficient and sustainable processing methods. We have set ourselves the target of achieving a step change in our recoveries – we don't know how yet, but we have made some positive 1st steps.

And, as with all of our operations, Mt Weld is accredited to ISO 9001, ISO 14001, OHSAS 18001

SLIDE 13

Here are just a few photos to show you what all those words on innovation look like on site.

SLIDE 14

Moving now to our operations in the Gebeng Industrial Estate in Malaysia, I'd like to start the tour in our Central Laboratory.

SLIDE 15

The Lynas Central Laboratory is a high-tech, high volume quick turnaround Laboratory. It services the full value chain in Malaysia 24/7. 2 years ago we set ourselves the target of creating a world class laboratory. This means having a lab where we are confident and innovative in our methods, consistent and accurate in our results and able to deliver quick turnaround. We want to be the Employer of Choice for experienced chemists and young graduates. And we want to be a reference lab for the Rare Earths industry.
We have made much progress and today are very proud of our Central Laboratory. Although we are not yet where we want to be, we have made great strides, introduced new methods and built a really capable and well skilled staff.

- 53 staff including 38 Chemists (50 Malaysian, 3 expats)
- 1,500 samples/day; 15,000 analytes/day
- Pioneering RE analysis in process solutions
- Collaboration with local universities
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

SLIDE 16

Now, let's visit our Engineering and Maintenance team, who provide 24/7 support for over 10,000 items of equipment. Yes, that's 10,000 items of equipment. Just to give you a sense that includes:

- 4 x 60m high temperature gas fired Rotary Kilns
- 8 x 88m high temperature gas and electric Tunnel Furnaces
- 53 high speed Centrifuges
- 46 plate and frame Pressure Filters
- 934 agitators
- 1,106 pumps, fans & conveyors
- 3,564 fields instruments (flow, temperature, pressure, level & valves) transmitters & switches.
- 303 Variable Speed Drive (VSD) units
- 112 Programable Logic Control (PLCs)
- Process Control System (PCS) that control process parameter with 17,000 loops across the plant

Maintenance can be one of those thankless areas – only remembered when there is a problem. Not for us. Our maintenance team progressively remediated many of the original design flaws at our plant – and it has been really clever work. There hasn't been

a reference site they can visit. The innovation and design work has been theirs, including working with our local suppliers and engineering firms. The Engineering and Maintenance department includes:

- 115 staff incl. 19 Engineers (100% Malaysian)
- Continuous improvement in safety, environment, equipment, reliability and costs
- In-house design and execution of Lynas NEXT plant upgrades
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

SLIDE 17

Moving along to our Cracking & Leaching area, this is where we produce the Rare Earth Sulphate solution feed for SX separation.

I think many of you will remember this was the area of the plant that provided many challenges in the early start up days of the plant. It is a high temperature, acidic environment and has presented challenge after challenge in terms of equipment and therefore process reliability.

The Lynas NEXT project included many enhancements in C&L, including a new conveyor, improved feed, upgrades to our waste gas systems and significant work in our MgO neutralisation circuit. Today we are reaping the benefits of this investment with significant improvements in reliability and recoveries providing the baseline for our increased capacity.

In C&L we have:

- 105 staff incl. 4 Engineers (100% Malaysian)
- 24/7 operation
- Developing new RE processing capability
- 4 x 60m Gas Fired Rotary Kilns
- 2 x Multi-Stage Waste Gas Treatment Plant
- 2 x Leaching and Neutralisation Circuits
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

SLIDE 18

The area of our operation which has been the most controversial is radiation and our management of residues.

We are confident our approach assures we meet our core principle – zero harm for our people, our communities and the environment.

We do this by first understanding the risk associated with our processes – in the case of radiation the IAEA describes it as “intrinsically low risk”. It is worth noting that our concentrate is not regarded as radioactive for transport purposes in Australia. It is only placarded once it reaches Kuantan port.

Having properly assessed the risk, the next step is to implement systems and processes to manage that risk and to ensure there is no pathway for our operations to impact the health of our surrounding communities or environment.

The responsibility for this rests with Offsite, Utilities and Residues – or OUR – which is a 24/7 operation delivering plant wide services, Waste Water Treatment & Residue Management.

- 62 staff incl. 4 Chemists (61 Malaysian, 1 expat)
- Multi-stage waste water treatment plant, online monitoring, regular quality sampling
- WLP & NUF stored in PDF compliant facilities
- International best practice ‘Cradle to cradle’ approach to reuse and recycle residues, R&D has proven NUF and WLP can be recycled into safe, useful products
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

SLIDE 19

Solvent Extraction – SX – is where we separate heavy Rare Earths from light Rare Earths in what we call Upstream Separation. We then separate the light and heavy Rare Earths into NdPr, La, LaCe and Ce chloride streams and remove impurities.

This is where the magic occurs! Every area has its challenges – in SX it is all about detailed understanding of the chemistry and careful control of the process. This is “rare” expertise and we have developed it on shore in Malaysia and in so doing have established a centre of excellence outside China which is valued by our customers and of which we are rightly very proud.

And as we speak, we are just starting to produce our first separated Nd and Pr – another first for our business.

This is a highly technical process and we have developed significant IP that is not found anywhere else outside of China.

- 76 staff incl. 6 Chemists/Engineers (74 Malaysian, 2 expats)
- Upstream Separation - 136 stages (mixer settlers) in 4 circuits, heavy REs separated from light REs
- Downstream Separation - 500 stages in 5 batteries; separation to NdPr, La, LaCe and Ce chloride streams

- Impurities Removal - 70 stages in 5 batteries
- Developed Lynas IP in separation processes
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

SLIDE 20

The final stage of our processing is Product Finishing. This is where the Rare Earth Chloride is processed into a carbonate or oxide final product. It is a really interesting area of the plant with many different processes – chemical and physical. Finally, after being calcined in our tunnel furnaces the product is bagged and ready to ship.

Our PF engineers are heavily involved in new product development and continuous quality and process improvements. As part of the Lynas NEXT project, we have invested in new equipment in PF that has enhanced reliability but most importantly segregated product lines in a way that supports continued quality development and delivery.

- 130 staff incl. 4 Metallurgists/Engineers (128 Malaysian, 2 expats)
- Processing RE Chloride to final product in carbonate or oxide form to product specification
    - Product range expanded from 5 to 13 products
    - Developed Lynas IP in recycling & blending processes
- Several new products undergoing laboratory or industrial scale testing
    - Continuous improvements in product traceability, process monitoring & control, training & development
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

SLIDE 21

Having heard from our people in Malaysia, I'd like to take a moment to update you on the Malaysian regulatory environment, including the review of our operations that is currently underway.

As you will have seen from our recent regulatory updates, a Committee was appointed by the new Malaysian government in October 2018 to review and evaluate Lynas Malaysia's operations including safety, health and environment performance, management of residues and impact on human health and the environment.

The Review Committee has examined extensive information, including from Lynas, relevant government agencies and the anti-Lynas groups.

We welcomed the Review Committee to the Lynas Malaysia plant in mid-November. They toured the plant – in fact we used the same material and agenda for our somewhat briefer virtual tour today. They met the same team members you have just heard from.

In addition, the Review Committee conducted a public hearing on the 11th November in Kuantan. It was extremely well attended with approximately 800 attendees. Many of our staff and local community residents attended and were pleased to hear all 5 Agencies report that Lynas was compliant with all regulations.

The Review Committee is due to submit its report to the Minister today. We expect the Minister will take some time to consider the report which will then be considered by the Cabinet.

As we indicated in the Quarterly Report on 25 October 2018, one of the business as usual applications that we have lodged is for an increase in the annual volume of lanthanide concentrate that can be processed at Lynas Malaysia this calendar year. As it is now late November, and we have not received that approval, we are prudently planning for a temporary shutdown of production in December.

The potential reduction on NdPr production in the December quarter of not receiving this approval and including the reduction in volume from the final Lynas NEXT commissioning is expected to be approximately 400 tonnes.

However, it's important to note that the calendar year limit on the volume of material that Lynas can process in Malaysia will reset on 1 January 2019.

SLIDE 22

In conclusion, I'd like to share with you our commitment to be an excellent corporate citizen.

We take an ethical approach to everything we do – from our dealings with government and regulators, to the positive contributions we aim to make to our staff, our communities and the broader economies in which we operate.

We recognise that having a social licence to operate is essential to our success and our view is that as we prosper, so too should our people and our communities. We apply this approach at our operations in both Australia and Malaysia.

In Malaysia, where we are a Foreign Direct Investor, our first and most important priority is safety, as you have seen in our virtual tour.

The safe operation of Lynas Malaysia is currently being considered by the Review Committee and we look forward to reading the Committee's report when it is published. In addition to the safety of our operations, our duty as a foreign direct investor is to provide employment opportunities for Malaysians, and to successfully create economic value for Malaysia. To date, Lynas Malaysia has created over 1000 direct jobs, 97% of

our staff are Malaysian, and our employees benefit from skilled jobs that pay 4 times the average salary in Pahang, and 2.5 times the national average salary.

We also develop the skills and capabilities of our Malaysian staff. Over 70% of our management is Malaysian and 80% of those managers have been promoted in their time with Lynas. We invest in training to ensure every one of our employees has the skills to perform their jobs safely and effectively.

We believe it is our duty to be building IP in Malaysia, and examples of this include the establishment of a world class Rare Earths laboratory in Malaysia, the innovative work by our Engineering department - which shows our commitment to reusing and repurposing equipment to meet our sustainability goals - and the extensive research conducted on reusing the residues generated by our operation.

We are committed to contributing to the development of the Malaysian economy by creating positive growth opportunities. Our local procurement policy is one example. We source 80% of our inputs locally, and local suppliers have been able to grow and invest in their own businesses as a result. Through our investment, Lynas has contributed to the establishment of over 4000 jobs in the local region.

Since 2008, Lynas has contributed RM2.6Bn in Foreign Direct Investment, including our capital investment in our state-of-the-art plant. In addition, our suppliers have made capital investments of RM300m. We have established a capable supply chain that can be used to develop further downstream local industries.

Our impact on GDP in Malaysia in 2018 has been over RM969Mn and we accounted for 3.7% of Kuantan's gross value add.

And, of course, we are committed to making a direct contribution to our local communities.

Both in Laverton, Western Australia, and in Kuantan, our people are active members of our local communities. We contribute financially but most importantly we contribute with on the ground assistance. From things like building a chicken coop at the local women's refuge in Laverton to refurbishing school libraries in Balok.

In all instances we aim to contribute to improved education and health outcomes for local people. We offer school, intern and graduate programs and many of our employees are involved as supporters and volunteers for local community services. In the past 2 years, we have welcomed onto our staff some of our first Ivory Tower graduates who first joined our programme 6 years ago.

Every one of us who works in Lynas is proud of our work and the business we have created. We are looking forward to the outcome of the Review Committee. As I explained to the Committee, it is our intent to always be an excellent corporate citizen,

to care for our people and the environment and to meet all our obligations to our communities, both our local and our broader communities.

It is this drive that will ensure that we are able to continue to grow our business and to continue to deliver improved shareholder value.

I will now hand back to Mike to continue with the formalities of today's meeting.

Lynas Corporation Ltd
PT17212 Jalan Gebeng 3, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang Darul Makmur, Malaysia
Tel: +60 9 582 5200 +60 9 582 5800
Fax: +60 9 582 5291 +60 9 582 5292
www.lynascorp.com
ACN 009 066 648