

A photograph of an industrial facility at night. In the foreground, a worker in a yellow high-visibility jacket and white hard hat is walking away from the camera on a metal walkway. To the right, there is a small, single-story industrial building with a door and a window, illuminated by warm lights. Other workers in similar gear are visible near the building. The background shows more industrial structures and a body of water under a dark sky with scattered clouds. A semi-transparent blue rectangle is overlaid on the left side of the image, containing white text.

# **LYNAS: GROWING THE MARKET OUTSIDE CHINA**

**Argus US Specialty Metals  
conference  
7 June, 2019**



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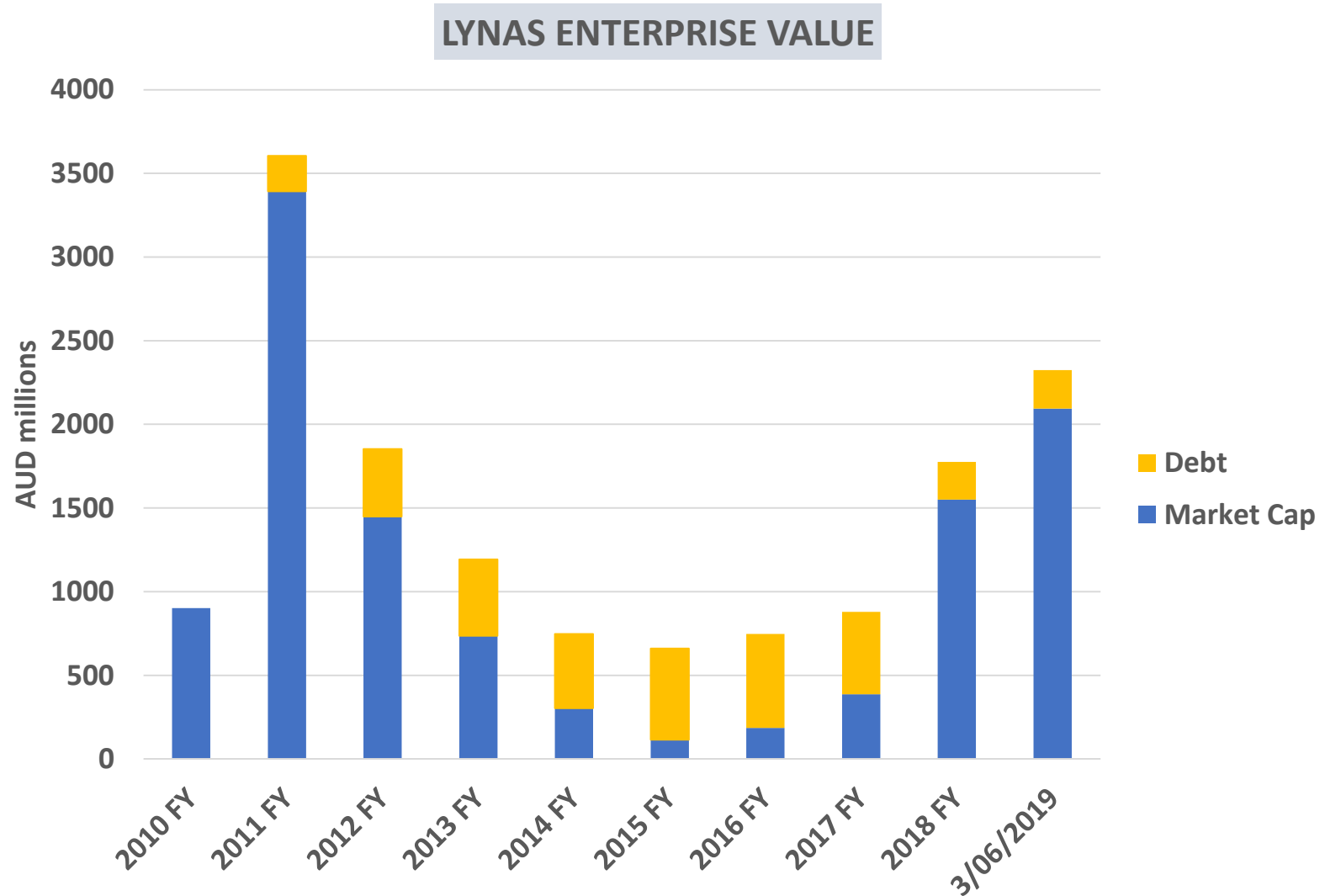
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# Our long journey to deliver value

- 2011: The investment world discovers Rare Earths
- 2012: Lynas construction slower than forecast
- 2013-2016: High debt, low cash
  - US \$425m debt
  - A \$4.1m operating cash flow
- 2017: Lynas comes of age
  - Producing at nameplate
  - Convertible bond converts
- 2018: Lynas NEXT growth project
  - US \$165m debt
  - A \$118.5m operating cash flow

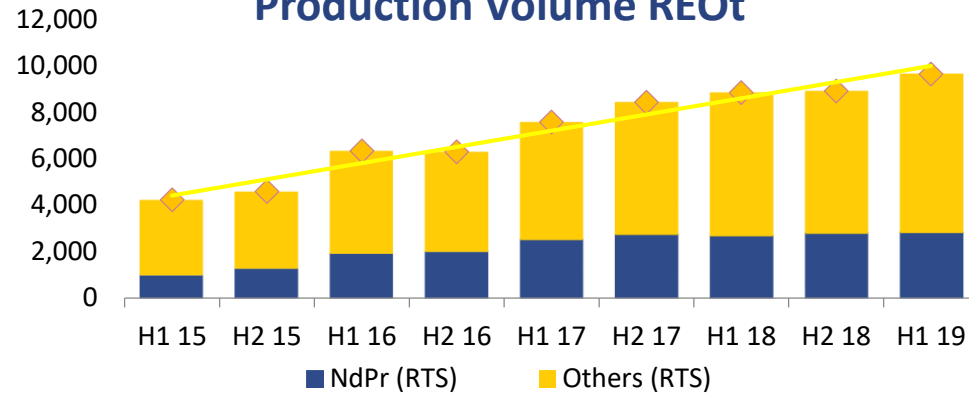


# Our product offering today

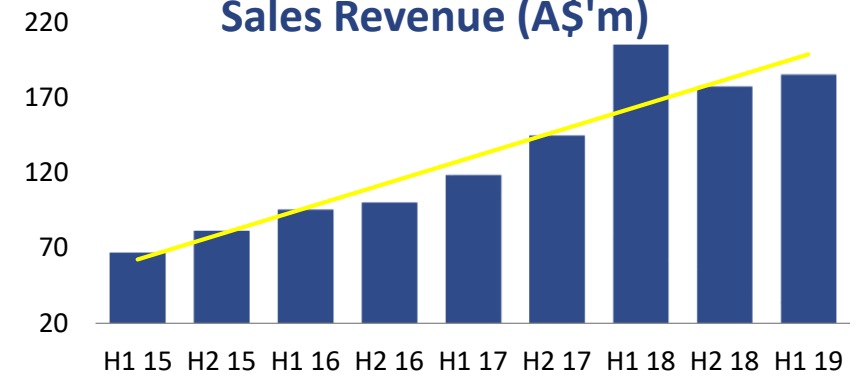
| Product   | Capacity REO tonnes/annum | Market                       |
|---|---------------------------|------------------------------|
| <b>NdPr+Nd+Pr Oxide &amp; Metal</b>             | <b>7,200</b>              |                              |
| NdPr  | 5,400                     | Magnets                      |
| Nd  | 1,500                     | Magnets, Catalysts           |
| Pr  | 300                       | Catalysts, Pigments, Magnets |
| <b>SEG Oxide</b>                                | <b>1200</b>               | <b>HRE Separation</b>        |
| <b>Ce-La Carbonate, Oxide, Metal, Compounds</b> | <b>16,000</b>             |                              |
| Ce Carbonate, Oxide                             |                           | Catalysis, Glass             |
| La Oxide  |                           | FCC, Ferrite, NiMH           |
| LaCe Carbonate, Oxide, Metal                    |                           | Polishing, NiMH, Alloy       |
| RE compounds                                    |                           | Customized applications      |

# Our track record underpins our confidence in the future

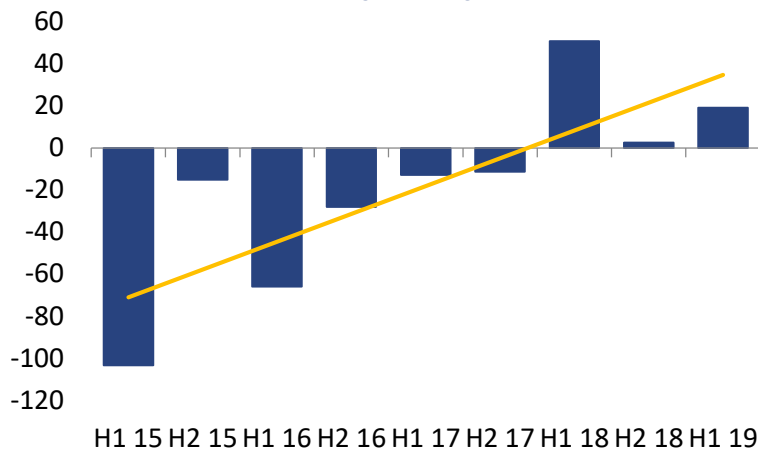
## Production Volume REOt



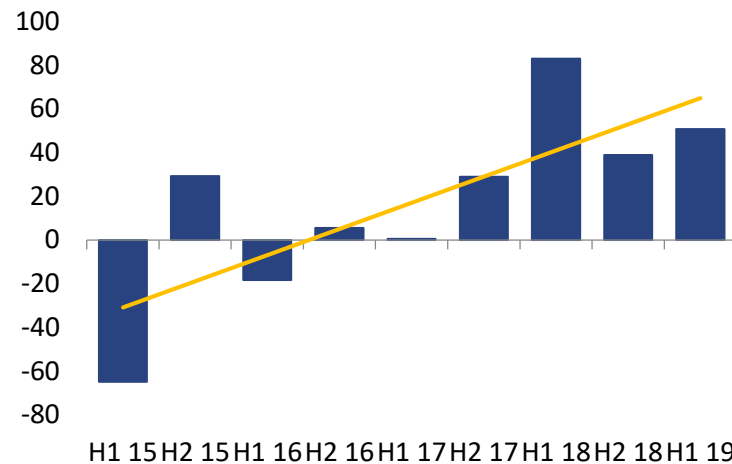
## Sales Revenue (A\$m)



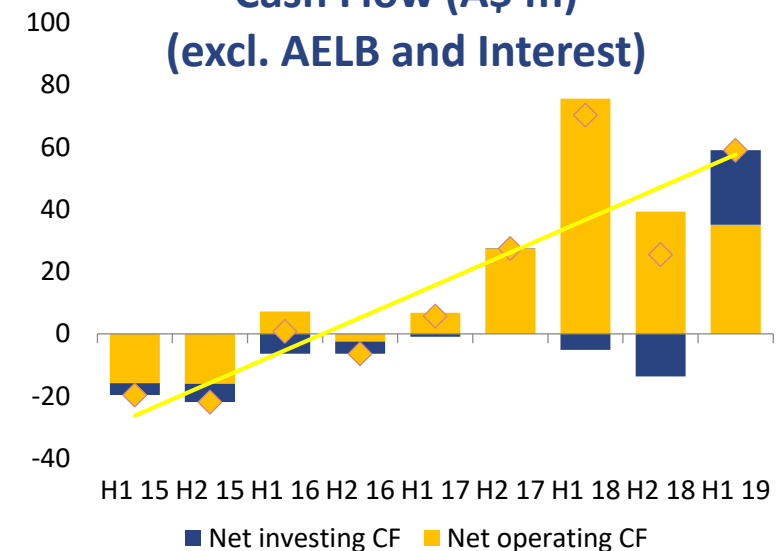
## NPAT (A\$m)



## EBITDA (A\$m)



## Cash Flow (A\$m) (excl. AELB and Interest)



# Malaysia regulatory update

## Operating License renewal

- Full Operating Stage License (FOSL) due for renewal on 2 September 2019
- License renewal application progressing to a “normal” timetable
- AELB Audit for renewal of the FOSL completed April 2019 - “Very Satisfactory” rating

## Residue Management

- Malaysian government’s 2018 Executive Review Committee found Lynas residues are managed “in a proper manner”
- Ongoing discussions with the Malaysian government to finalize WLP management requirements

- On 30 May 2019, the Malaysian Prime Minister acknowledged the importance of the continued operation of Lynas in Malaysia
- Lynas 2025 allows us to meet the new conditions proposed by the Malaysian Prime Minister

# Lynas 2025: Growing with the market

**A larger business to meet  
forecast demand growth**



- Efficient capacity expansion leveraging Lynas' unique assets
- 10,500 tpa NdPr products

**Diversified Industrial footprint  
with processing facilities in  
optimal locations**



- Upstream processing close to the resource
- Downstream processing close to our customers; Malaysia and US
- Relocation of C&L to WA to satisfy Malaysian requirements

**Supplier of choice to non  
Chinese customers with a fit for  
market product portfolio**



- Selected separated Heavy Rare Earth products
- Value added Cerium

**Enhanced earnings**



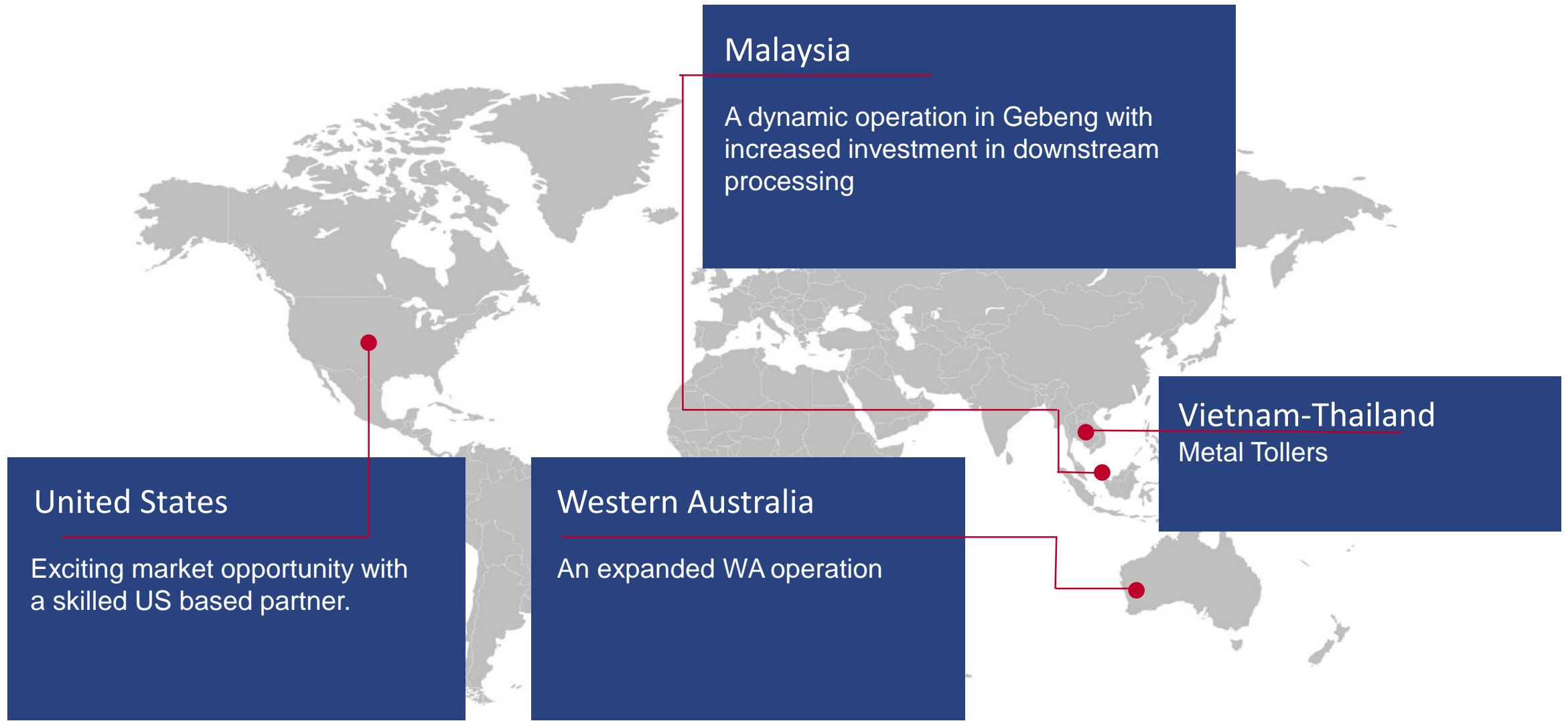
- A step change in production
- Improved portfolio pricing
- Continued flow sheet and cost efficiencies

**\$500m Capital plan**



- Self-funded with support of JARE
- Return on investment of planned growth initiatives is expected to materially exceed WACC
- Enhancing long term shareholder value

# Our track record underpins our confidence in **the future**





# Developing our sources of unique competitive advantage



## Mt Weld

- A true Tier 1 Resource
- Continuing exploration and development to maintain a 25+ year Reserve at new rates



## Market position

- World's second largest Rare Earths producer
- Only Rare Earths miner and processor outside China
- Established long-term, trusted relationships built with our key customers



## Inhouse Intellectual Property

- Technical, Engineering and Processing IP positions Lynas as the Rare Earths Centre of Excellence outside China



## Proven Operations

- Established operating assets
- Strong capital and operating cost culture

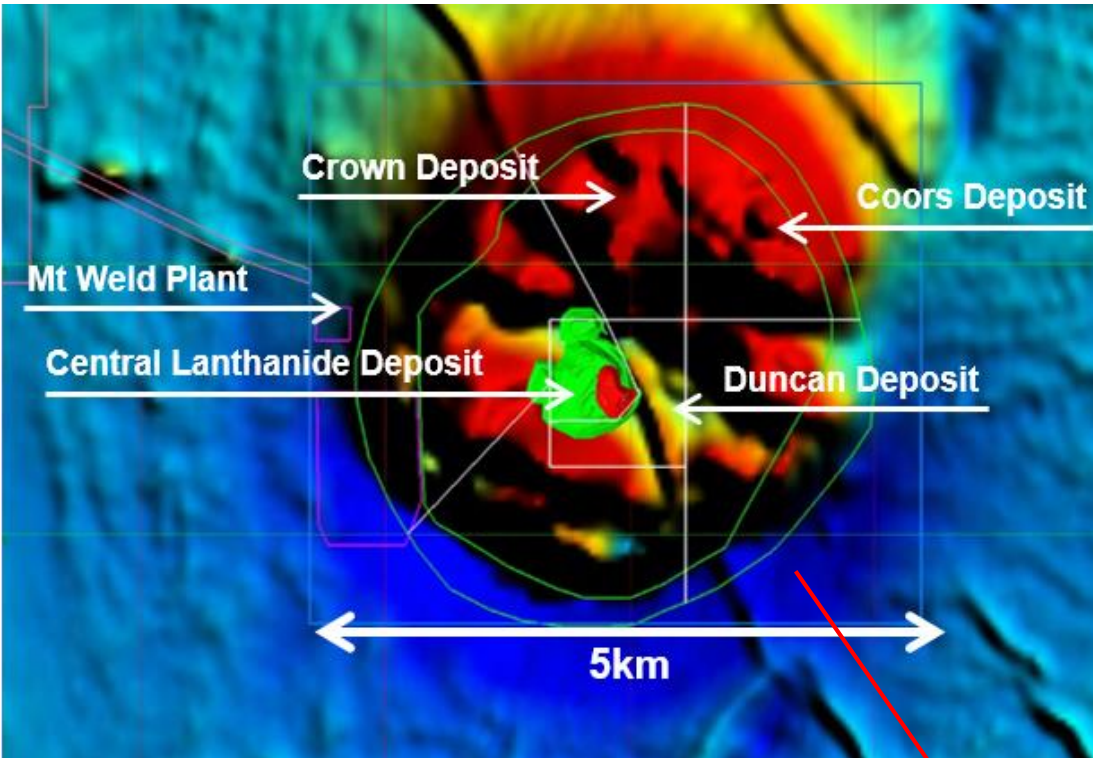


## Will to win

- Corporate culture founded on our capable and resilient people
- Focused on building long term shareholder value



# Our unique Tier 1 Rare Earth deposit







**Mt Weld is favoured by grade, NdPr content, total REO and life of mine**



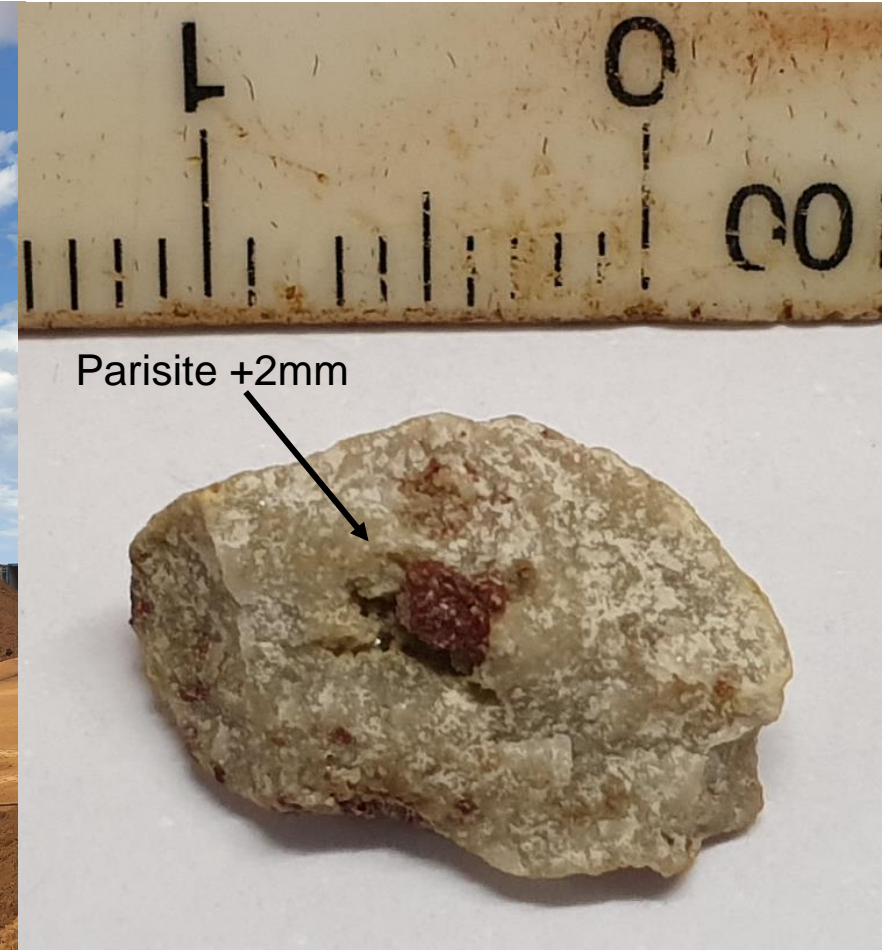
# Sustaining a 25+ Year Reserve in 2025

Coarse grain primary RE mineralisation will be much simpler to process

- Step change improvement in grade and recovery performance for current and future ores
- Proven improved flowsheet for new ores
- Exploration and new flowsheet for Primary Carbonatite
- Flowsheet for Direct Processing of low grade ore



*Direct Shipping Ore commenced March 2019*



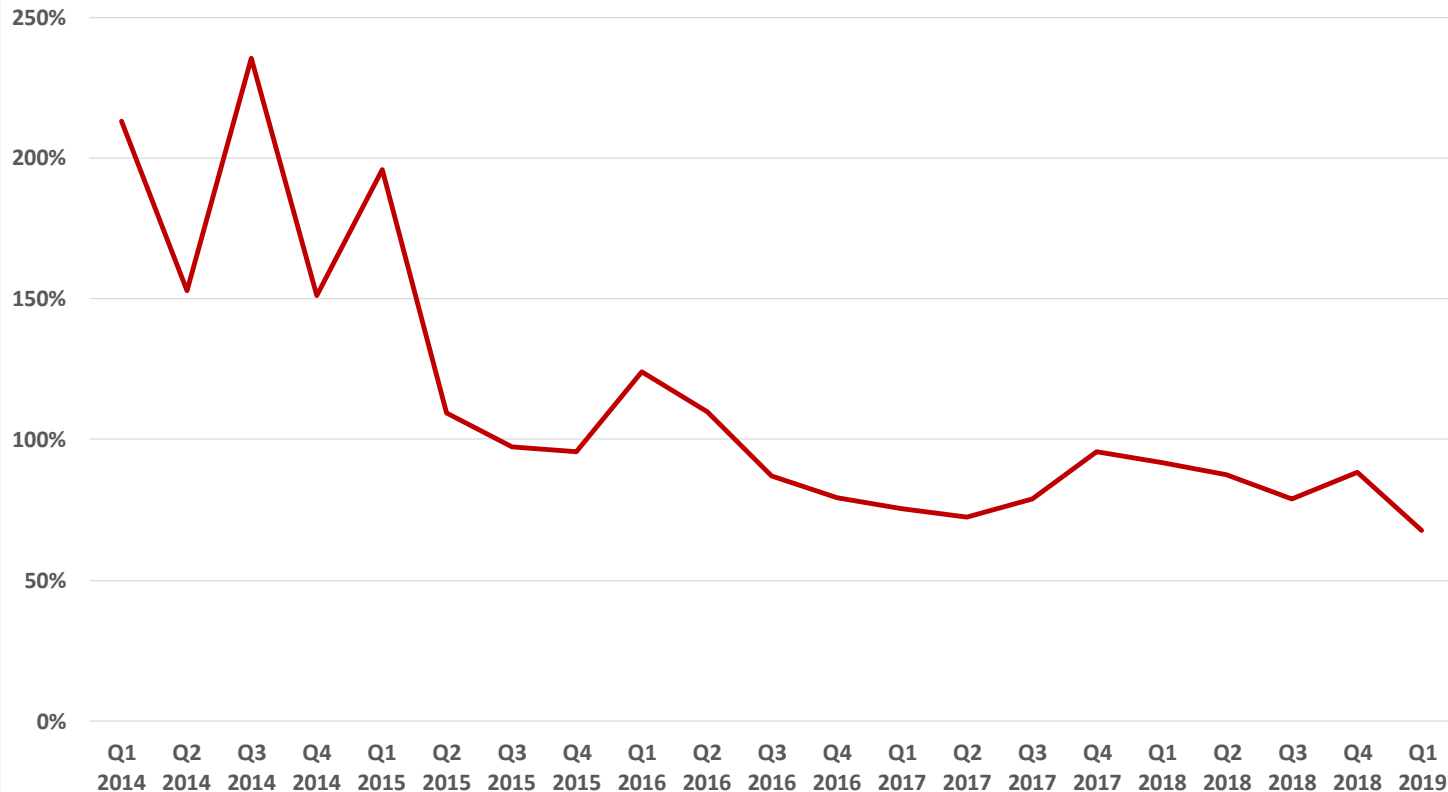
*Coarse grained parisite mineral (115m depth)*  
**Chemical Formula:  $\text{Ca}(\text{REE})_2(\text{CO}_3)_3\text{F}_2$**



# Our competitiveness continues to improve

## Lynas NdPr Production cost

Index: 100=Average 2016

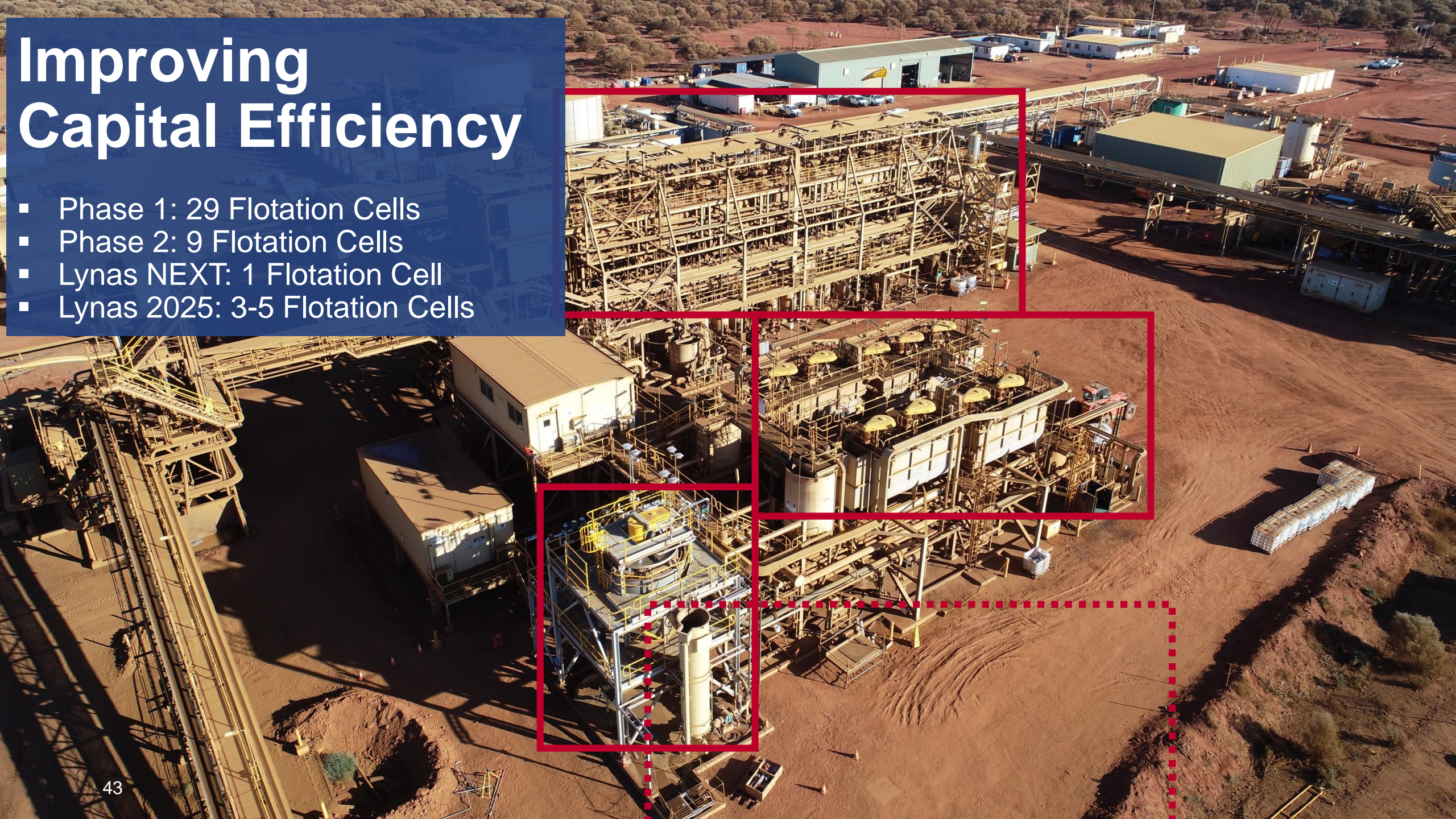


- From 2014 to 2016, Lynas operations stabilised
- Mid-2016, both plants were running at design capacity
- Through Lynas NEXT, production capacity has increased to 7.2 ktpa of NdPr and a wider product range
- Processing costs are continuously improving
- Continued focus on cost efficiencies in daily operations as well as breakthrough innovation programs



# Improving Capital Efficiency

- Phase 1: 29 Flotation Cells
- Phase 2: 9 Flotation Cells
- Lynas NEXT: 1 Flotation Cell
- Lynas 2025: 3-5 Flotation Cells





# Lynas NEXT - Cracking and Leaching



MgO Circuit Split, new heat exchangers added, new pumping designs, new hopper designs, changed filter configurations

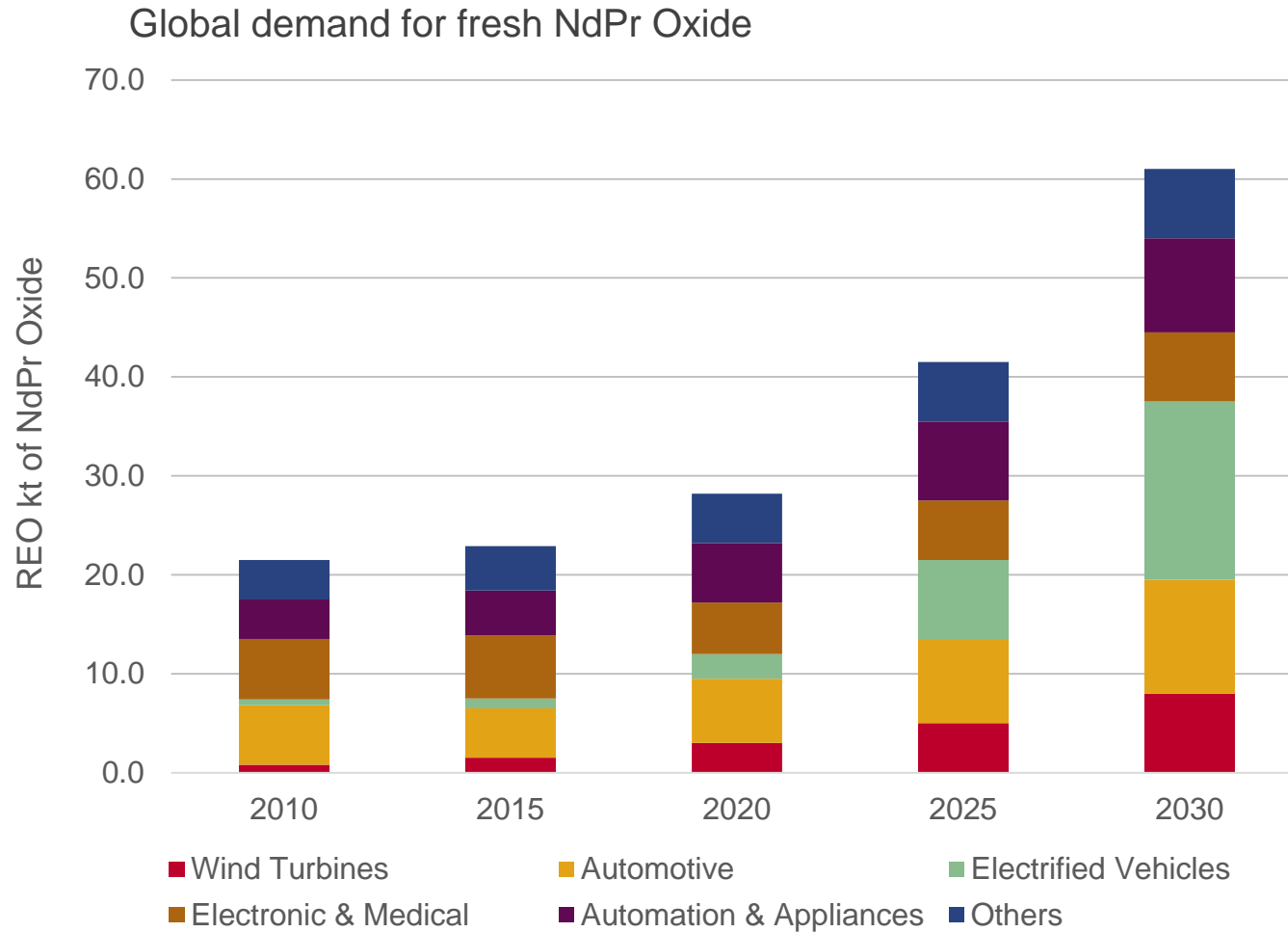


Redesigned WGT ducting



Emissions improvements

# Demand for NdPr is forecast to accelerate from 2021



- **Energy International Agency: 125-220m electric cars on the road in 2030**
  - ➔ Equivalent to 88-155ktns additional supply of NdPr over next 10 years
- **Most new models will be launched in 2021 when growth of NdPr demand will accelerate**
- **From late 2020s, end of life recycling will affect demand for fresh oxide**



# Lynas is the partner of choice for securing a sustainable magnet supply chain

- **Lynas offers:**
  - Unique market expertise inside and outside China
  - Independence from China
  - Transparent downstream supply chain
  - Can provide metal, alloy and recycling services through trusted partners in addition to Rare Earth supply
  - Full transparency of transactions
  - Traceability from mine to magnet
- **Recognized environmental performance:**
  - Silver medallist with Together For Sustainability
  - United Nation Global Compact Signatory
  - Life Cycle Assessment shared and communicated

**WE SUPPORT**

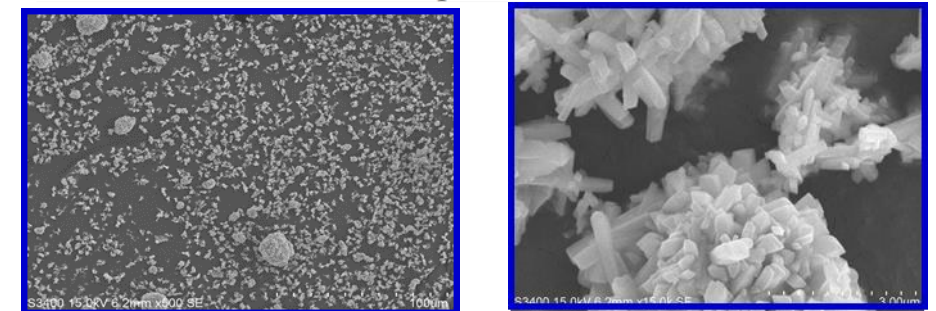
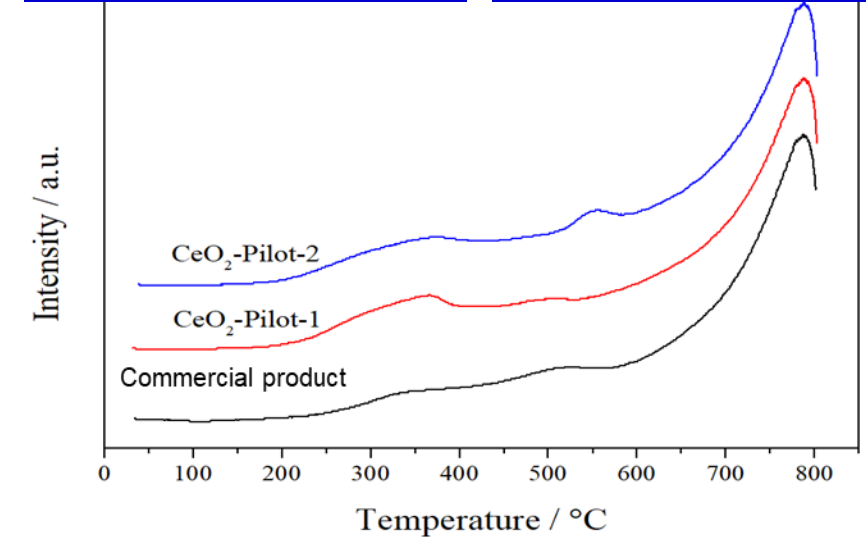
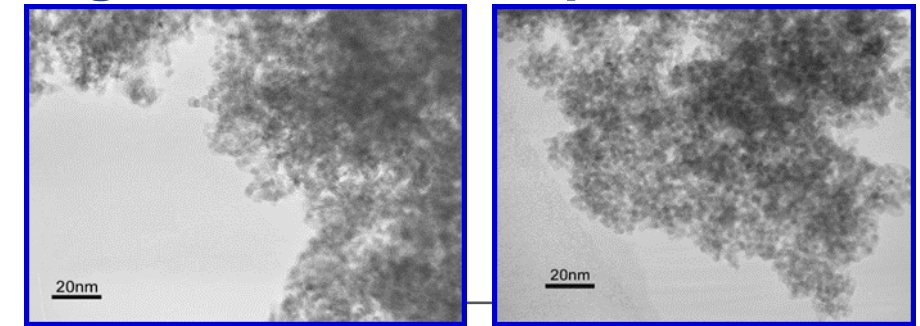
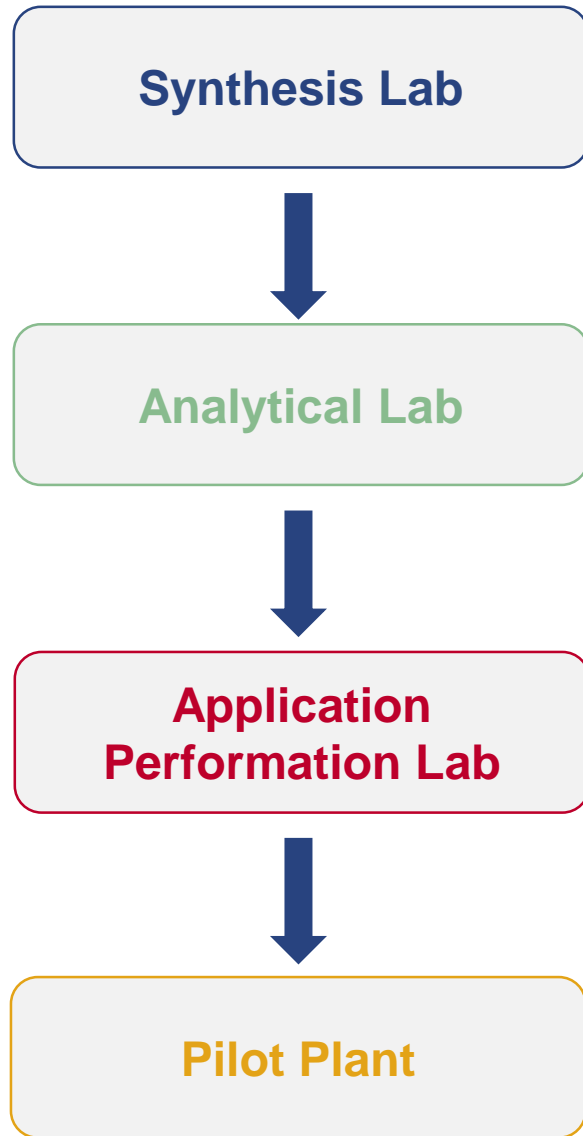


# Our sales and marketing road map to 2025

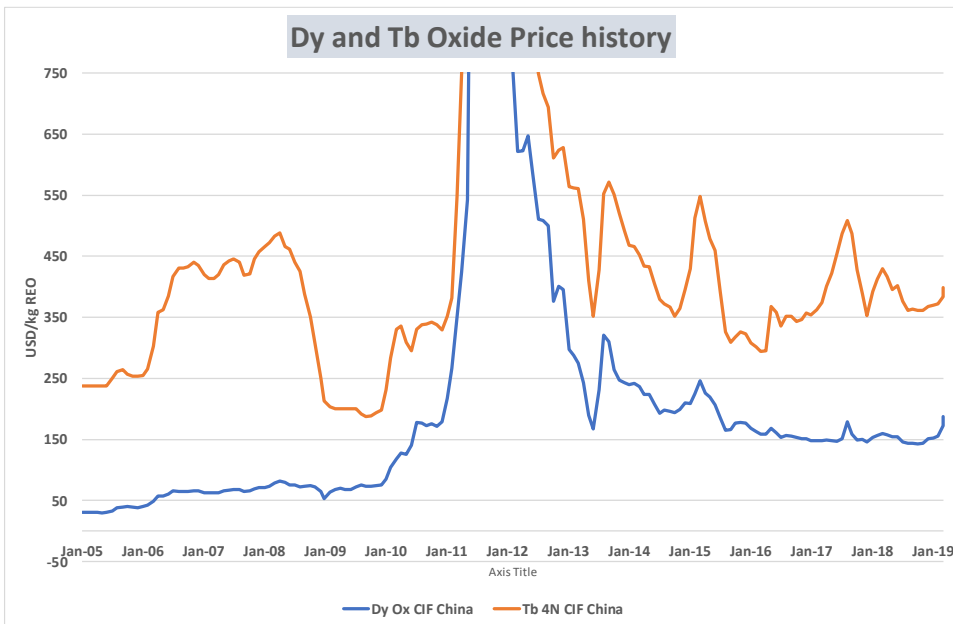
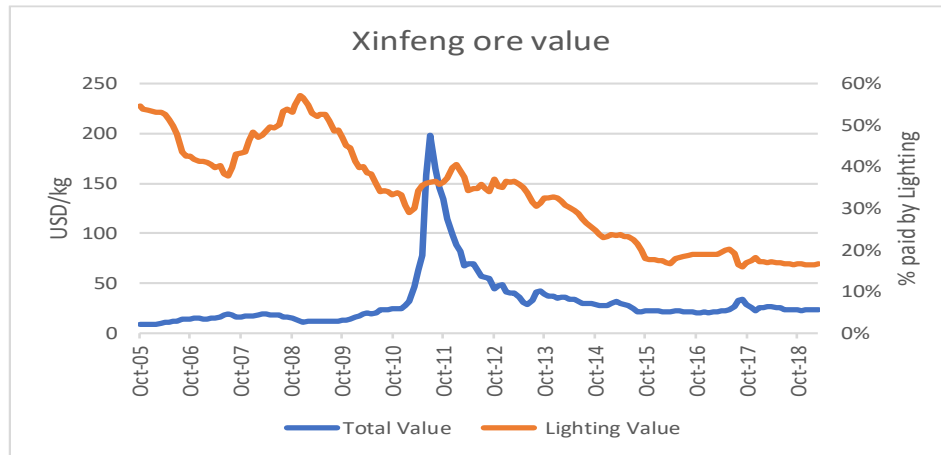


# Our investment in Specialty Products

EBITDA from Ce-La products expected to be 3x higher in 2025 compared to 2018



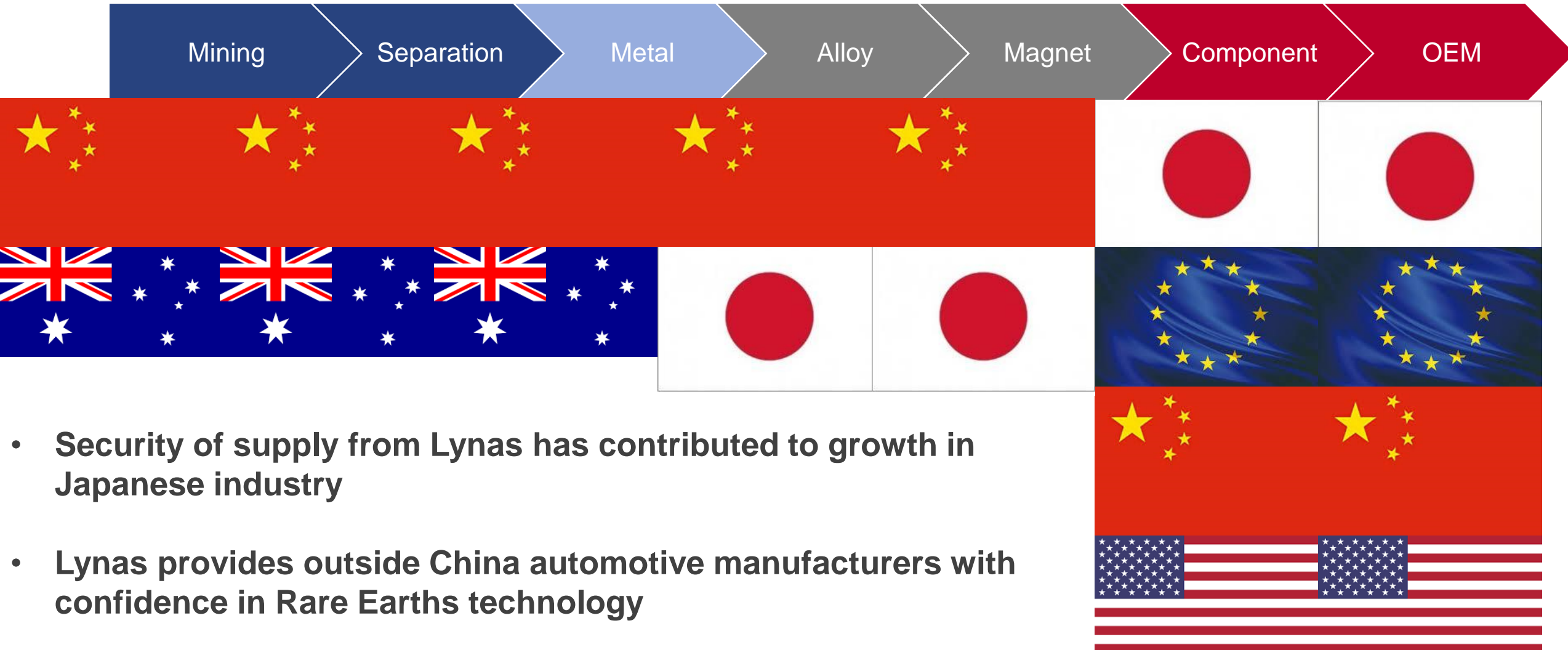
# Lynas has a key role to play in Heavy Rare Earths



- Currently all Heavy Rare Earths (HRE) separation is in China
- Dy and Tb are essential to high power electrical motors
- HRE in China is extracted from ionic clay, the processing of which creates serious environmental problems. China Central government has decided to reduce this source of HRE to a minimum and ban imports of similar resource from Myanmar
- It is expected this reduction in supply while demand is increasing (with the demand for electric cars) will lead to a substantial price increase
- Lynas has 50t/year of Dy and 20t/year of Tb contained in its current ore blend. Future campaigns will deliver 3 to 4 times this quantity.
- Lynas plans to invest in HRE separation



# Lynas-Japan alliance plays an essential role in RE market growth



# Lynas – Blue Line partnership

## Replicating in USA what we did in Japan

- MOU between Lynas and Blue Line Corporation for the joint development of Rare Earths separation in USA
  - Binding, conditional on funding approvals by both parties
  - Exclusive for 12 months
  - Primarily focusing on HRE separation but could include LRE separation as well
  - Lynas will provide technology and hold a substantive majority interest in the JV
- Started in 2001, Blue Line is an independent Rare Earths processor in USA, addressing the catalytic, ceramic, nanomaterials and water treatment applications
- ISO 9001 certified, Blue Line has excellent recognized expertise in Rare Earths product management
- This partnership will allow us to maximize the value of our Heavy Rare Earths and accelerate the USA market growth by providing there a sustainable source of supply



### Hondo Texas

- A 53 hectare industrial site with train access
- A former ceramic plant purchased by Blue Line in 2010 for Rare Earths processing



# Blue Line's ready-made facilities in Hondo, Texas



Shuttle Kiln



3 Tunnel Kilns



Process Equipment



ISO Certification

Powder Silos



Programmable logic controllers



Electricity & natural gas supply



## #1 Rare Earths supplier outside China

Highly visible  
Demonstrated capability to grow



## Supporting downstream industry growth outside China

Japan: +50% since 2013  
Bringing Rare Earths supply to the United States



## Trusted sustainable Rare Earths supplier

Fully transparent  
Ranked Silver medallist by EU chemical  
companies  
UN Global Compact signatory



## Adding substantial value to our business

Dy, Tb separation  
High value added Ce based products  
End of life magnet recycling



# Competent Person's Statement

## COMPETENT PERSON'S STATEMENTS— MINERAL RESOURCES

The information in this report that relates to the 2018 Mineral Resources is based on information compiled by Mr Alex Wishaw under the guidance of Dr Andrew Scogings. Mr Wishaw and Dr Scogings are full-time employees of CSA Global. Mr Wishaw is a member of the Australasian Institute of Mining and Metallurgy. Dr Scogings is a Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and an RPGeo (Industrial Minerals). Dr Scogings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Dr Scogings consents to the disclosure of information in this report in the form and context in which it appears.

## COMPETENT PERSON'S STATEMENTS— ORE RESERVES

The information in this presentation which relates to the Ore Reserves estimate accurately reflect information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Mt Weld Rare Earths Project is based on information resulting from Feasibility works carried out by Auralia Mining Consulting Pty Ltd. Mr Steve Lampron completed the Ore Reserve estimate. Mr Steve Lampron is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Steve Lampron consents to the inclusion in the document of the information in the form and context in which it appears.