

30 January 2020

PERMANENT DISPOSAL FACILITY (PDF) FOR WLP RESIDUE IN MALAYSIA

Lynas Corporation Limited (ASX:LYC, OTC:LYSDY) (“Lynas”) is pleased to provide the following updates in relation to the Permanent Disposal Facility (PDF).

1. State Government Consent

The State Government of Pahang has issued its consent to a site for the PDF for Water Leach Purification (WLP) residue. The approved site is a remote site in the Bukit Ketam area of Pahang State. Based on preliminary due diligence conducted by Lynas and its consultants, Lynas expects the site will be suitable as the location of the PDF.

2. Appointment of PDF Contractor

Lynas Malaysia has appointed Gading Senggara Sdn Bhd (“GSSB”) as the contractor to manage the entire PDF project, including design, construction, operation and institutional control during post-closure of the facility for a period to be decided by the regulatory authorities. GSSB is member of the Gading Group of Companies and the group is a significant Malaysian business conglomerate whose business units include aerospace, defence, maritime, development & construction, energy & commodity & trading, and oil & gas. GSSB is also a government-appointed concessionaire, with the licence for industrial waste disposal for the east coast region of Peninsular Malaysia.

The US dollar amount of the estimated total amount to be paid to GSSB for managing the entire PDF project is US\$98 million, as summarized in the table below. No additional payments will be made beyond the payments in the table below.

Description	Timing	Estimated US Dollars
1. Initial payments and reimbursements of costs incurred.	Year ending 30 June 2020	10,000,000
2. Progress payments for construction works.	Years ending 30 June 2021 and 30 June 2022	34,000,000
3. Ongoing periodic payments for all aspects of the operation of the facility and institutional control during post-closure of the facility for a period to be decided by the regulatory authorities.	Years ending 30 June 2023 to 30 June 2026	54,000,000
TOTAL		US\$98,000,000



Lynas has deposited a total of US\$50 million in cash and bank guarantees with the AELB. Lynas will seek access to the US\$50 million in cash and bank guarantees deposited with the AELB to partially pay the above amounts. The payments to GSSB will be made in Malaysian Ringgit. The figures in the above table have been expressed in US dollars to be consistent with the currency of the AELB deposit. The exchange rate assumed in this announcement is US\$1 = MYR4.07.

If you have any queries in relation to this announcement, please contact Jennifer Parker or Lauren Stutchbury, our communications consultants at Cannings Strategic Communications on +61 2 8284 9990.

Andrew Arnold
Company Secretary