



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

24 August 2020

Dispatch of Retail Entitlement Offer Booklet

Lynas Corporation Limited (ASX: LYC) ("**Lynas**") is pleased to advise that the Retail Offer Booklet, along with personalised Entitlement and Acceptance Forms for the retail component of the 1 for 7.7 accelerated pro rata non-renounceable entitlement offer ("**Retail Entitlement Offer**"), as announced to ASX on 17 August 2020, has now been despatched to shareholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Shareholders**").

A letter to shareholders who are ineligible to participate in the Retail Entitlement Offer ("**Ineligible Retail Shareholders**") notifying them of the Retail Entitlement Offer and their ineligibility to participate has also been despatched.

A copy of the Retail Offer Booklet and the letter to Ineligible Retail Shareholders is attached. Eligible Retail Shareholders can access details of the Retail Entitlement Offer and a copy of the Retail Offer Booklet at: www.investorserve.com.au.

The Retail Entitlement Offer opens today, 24 August 2020, and is expected to close at 5.00pm (Sydney time) on 7 September 2020 (unless extended). Lynas encourages Eligible Retail Shareholders who wish to participate in the Retail Entitlement Offer to act promptly in submitting their Entitlement and Acceptance Form.

Each Eligible Retail Shareholder's personalised Entitlement and Acceptance Form contains details of that Eligible Retail Shareholder's Entitlement and should be completed in accordance with the instructions provided on the form, and the instructions in the Retail Offer Booklet under "How to Apply".

To participate, Eligible Retail Shareholders must ensure that they have completed their application and paid Application Monies by BPAY®, or by lodging a completed Entitlement and Acceptance Form with your Application Monies paid by cheque, bank draft or money order, so that these are received by Boardroom (Lynas' registry provider) before 5:00pm (Sydney time) on Monday, 7 September 2020.

If you have any questions in relation to the Entitlement Offer, please contact the Lynas Corporation Limited Entitlement Offer Information Line on +1300 655 683 (within Australia) or +61 2 9290 9685 (outside Australia) between 8.30am to 5.30pm (Sydney time) during the Retail Entitlement Offer Period.



Further Information

Further information regarding the Placement and Entitlement Offer is contained in the investor presentation released to the ASX on Monday, 17 August 2020.

Canaccord Genuity (Australia) Limited and Merrill Lynch Equities (Australia) Limited are joint lead managers and underwriters to the Placement and the Entitlement Offer. Ord Minnett Limited is acting as co-lead manager to the Offer.

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.

Authorised by:

Andrew Arnold, Company Secretary
Lynas Corporation Limited

This announcement is not financial product, legal, tax or investment advice and has not taken into account your objectives, financial situation or needs. You should seek appropriate professional advice before making any investment decision.

This announcement has been prepared for release in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements and new shares to be offered and sold in the Entitlement Offer and the Placement may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of any person in the United States, unless those securities have been registered under the U.S. Securities Act (which the Company has no obligation to do) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The entitlements and new shares to be offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States.



Lynas Corporation Limited (ACN 009 066 648)

Retail Entitlement Offer

Details of a 1 for 7.7 pro rata accelerated non-renounceable entitlement offer of new Lynas Shares at an offer price of \$2.30 per new Lynas Share.

Retail Entitlement Offer closes: 5.00pm (Sydney time) on Monday, 7 September 2020 (unless extended).

This Retail Offer Booklet is an important document which is accompanied by an Entitlement and Acceptance Form. If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

You can also contact the Lynas Corporation Limited Entitlement Offer Information Line on 1300 655 683 (within Australia) or +61 2 9290 9685 (outside Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period if you have any questions about the details of the Retail Entitlement Offer.

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Important information

This Retail Offer Booklet (other than the Announcements) is dated 24 August 2020.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 and ASIC Corporations (Trading Suspension Relief) Instrument 2020/289). This Retail Offer Booklet does not contain all of the information which an Eligible Retail Shareholder may require to make an informed investment decision. This Retail Offer Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Retail Offer Booklet should be read in full before you decide to participate in the Retail Entitlement Offer. You should also read and understand the information on Lynas and the Retail Entitlement Offer made publicly available by Lynas, before deciding to participate. In particular, please refer to the enclosed materials and Announcements, and Lynas' historical interim and annual reports and other announcements made available at www.asx.com.au.

As an Eligible Retail Shareholder who takes up your full Retail Entitlement, you may also apply for Additional New Shares in excess of your Entitlement (to the extent available and up to a maximum of 50% of your Retail Entitlement) at the Offer Price. In the event that applications for oversubscriptions exceed the supply of Retail Shortfall, the allocation of Additional New Shares will be subject to scale back by agreement between Lynas and the Underwriters. There is no guarantee you will be allocated all Additional New Shares that you apply for.

By returning an Entitlement and Acceptance Form with the requisite Application Monies or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and that you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.¹

Future performance and forward-looking statements

This Retail Offer Booklet contains certain "forward-looking statements", including Lynas' expectations about the performance of its business. The words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "predict", "outlook", "guidance", "intend", "should", "could", "may", "target", "plan", "project", "consider", "forecast", "aim", "will" and similar expressions are intended to identify such forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. While due care and attention has been used in the preparation of any forward-looking statements, any such statements in this Retail Offer Booklet are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.

Any forward-looking statements contained in this Retail Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks, contingencies and uncertainties and other factors, many of which are beyond the control of Lynas, and may involve significant elements of subjective judgment and assumptions as to future events, which may or may not be correct and therefore you are cautioned not to place undue reliance on such information. Refer to the "Key Risks" section of the Investor Presentation for a non-exhaustive summary of certain general and company-specific risk factors that may affect Lynas.

Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which such statements are based, as may statements about market or industry trends, which are based on interpretations of current market conditions. Eligible Retail Shareholders should consider any forward-looking statements contained in this Retail Offer Booklet in light of those risks and disclosures. Any forward-looking statements are based on information available to Lynas as at the date of this Retail Offer Booklet.

Except as required by law or regulation (including the ASX Listing Rules), Lynas disclaims any obligation and makes no undertaking to provide any additional or updated information whether as a result of new information, future events or results or otherwise, or to reflect any change in expectations or assumptions.

Past performance

Past performance and pro-forma historical information in this Retail Offer Booklet is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Lynas performance. The historical information in this Retail Offer Booklet is, or is based upon, information that has been released to ASX.

INTERNATIONAL OFFER RESTRICTIONS

No overseas offering

This Retail Offer Booklet (including the accompanying Entitlement and Acceptance Form) does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made under the Retail Entitlement Offer, in countries other than Australia and New Zealand unless Lynas, in its discretion, is satisfied that the Retail Entitlement Offer may be made in compliance with all applicable laws.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

¹ ® Registered to BPAY Pty Limited ACN 079 137 518

Important information

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares (if any) is subject to all requisite authorities and clearances being obtained for Lynas to lawfully receive your Application Monies.

United States

This Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither this Retail Offer Booklet (or any part of it) nor the Entitlement and Acceptance Form may be released or distributed in the United States.

Neither the Retail Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may not be issued to, taken up, purchased or exercised by any person in the United States or any person acting for the account or benefit of any person in the United States. The New Shares offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, the registration requirements of, the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may only be issued, taken up, purchased or exercised, and the New Shares offered and sold in the Retail Entitlement Offer may only be offered and sold, outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

New Zealand

The New Shares being offered under the Entitlement Offer are not being offered to the public within New Zealand other than to Eligible Shareholders of Lynas with registered addresses in New Zealand in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. This Offer Document has been prepared in compliance with Australian law and is not a product disclosure statement under the Financial Markets Conduct Act 2013 (**FMCA**) or other similar offering or disclosure document under New Zealand law and has not been registered, filed with, or approved by

any New Zealand regulatory authority or under or in accordance with the FMCA or any other relevant law in New Zealand. It does not contain all the information that a product disclosure document, under New Zealand law, is required to contain.

Risks

An investment in Lynas Shares is subject to known and unknown risks, some of which are beyond the control of Lynas, including possible loss of income and principal invested. Lynas does not guarantee any particular rate of return or the performance of Lynas nor does it guarantee the repayment or maintenance of capital or any particular tax treatment. Refer to the "Key Risks" section of the Investor Presentation included in Section 5 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Lynas.

Definitions and time

Defined terms used in this Retail Offer Booklet are contained in the Glossary. All references to time are to time in Sydney, Australia, unless otherwise indicated.

Currency

Unless otherwise stated, all dollar values in this Retail Offer Booklet are in Australian dollars (A\$, \$ or dollars).

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares including Additional New Shares. Section 6 provides a general summary of the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders that are tax residents of Australia. The summary does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Lynas recommends that you consult your professional tax advisor in connection with the Retail Entitlement Offer.

Trading New Shares

Lynas, the Underwriters and their advisors will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe have, but have not yet, been issued to them, whether on the basis of a confirmation of issue provided by Lynas or the Registry or otherwise or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to hold.

If you are in any doubt as to these matters, you should seek professional advice from a licensed advisor.

Refer to Section 7.1 for more details.

Other general matters

Please read carefully Section 7 of this Retail Offer Booklet for other important notices, disclaimers and acknowledgements.

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Key Dates

Key Dates

EVENT	DATE (2020)
Announcement of the Placement and Entitlement Offer	Monday, 17 August
Placement and Institutional Entitlement Offer closes	Tuesday, 18 August
Trading in Lynas Shares resumes	Wednesday, 19 August
Record Date for determining eligibility for the Retail Entitlement Offer (7.00pm)	Wednesday, 19 August
Retail Offer Booklet lodged with ASX	Monday, 24 August
Despatch of Retail Offer Booklets and Entitlement and Acceptance Forms to Eligible Retail Shareholders and Retail Entitlement Offer opens	Monday, 24 August
Settlement of Placement and Institutional Entitlement Offer	Tuesday, 25 August
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 26 August
Retail Entitlement Offer closes (5.00pm) (Retail Closing Date)	Monday, 7 September
Settlement of Retail Entitlement Offer	Friday, 11 September
Allotment of New Shares under the Retail Entitlement Offer (Issue Date)	Monday, 14 September
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Tuesday, 15 September
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 16 September

These dates are indicative only and are subject to change without notice. All references to time are to time in Sydney, Australia. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Lynas has the right to amend the timetable with the Underwriters' written consent. In particular, Lynas reserves the right to extend the Retail Closing Date, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Retail Closing Date will have a consequential effect on the Issue Date.

The quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any doubt about whether you should participate in the Retail Entitlement Offer, you should seek professional advice from a licensed advisor before making any investment decision. If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Retail Entitlement, or have lost your Entitlement and Acceptance Form and would like a replacement form, please call the Lynas Corporation Limited Entitlement Offer Information Line on 1300 655 683 (within Australia) or on +61 2 9290 9685 (outside Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period. You can also view the Retail Offer Booklet and Entitlement and Acceptable Form online at www.investorserve.com.au.

Chairman's Letter

Dear Shareholder

As a valued shareholder of Lynas Corporation Limited (**Lynas**), I am pleased to invite you to participate in Lynas' recently announced fully underwritten² 1 for 7.7 pro rata accelerated non-renounceable entitlement offer of new Lynas ordinary shares (**New Shares**) at an offer price of A\$2.30 (**Offer Price**) per New Share to raise approximately A\$213.7 million (**Entitlement Offer**).

Entitlement Offer and Use of Proceeds to fund *Lynas 2025* Foundation Projects

On Monday, 17 August 2020, Lynas announced a fully underwritten³ institutional placement of New Shares (**Placement**) at the Offer Price to raise approximately A\$211.6 million and the Entitlement Offer (together, the **Offer**), to raise an aggregate of approximately A\$425 million.

The Offer is fully underwritten⁴ and proceeds will be used to fund the *Lynas 2025* foundation projects expected to be delivered in 2023: the planned **Kalgoorlie Rare Earth Processing Facility** to produce mixed Rare Earths carbonate for shipment to the Lynas Malaysia Plant, and the **associated upgrades at the Lynas Malaysia Plant**. These major projects are essential steps towards the *Lynas 2025* vision and will provide foundation capability for further growth.

The Entitlement Offer comprises both an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**) to raise approximately A\$213.7 million.

This information booklet (**Retail Offer Booklet**) relates to the Retail Entitlement Offer.

Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same Offer Price as the Eligible Institutional Shareholders who participated in the Institutional Entitlement Offer. The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is dispatched to Eligible Retail Shareholders on 24 August 2020.

The Offer Price of A\$2.30 per New Share represents a 9.7% discount to Theoretical Ex-Rights Price (**TERP**)⁵ and an 11.9% discount to the closing price of Lynas of A\$2.61 per share on Friday, 14 August 2020.

If you take up your full Entitlement, Eligible Retail Shareholders may also apply for additional New Shares up to a maximum of 50% in excess of your Entitlement, at the Offer Price. In the event that applications for oversubscriptions exceed the supply of Retail Shortfall, the allocation of Additional New Shares will be subject to scale back by agreement between Lynas and the Underwriters. The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradable on the ASX, cannot be sold and is not otherwise transferable. I encourage you to consider the Entitlement Offer carefully.

Other information

This Retail Offer Booklet contains important information, including:

- ASX announcements relating to the Entitlement Offer, including the Investor Presentation released to the ASX on Monday, 17 August 2020, which provide information on Lynas, the Entitlement Offer and key risks for you to consider;

² In accordance with the Underwriting Agreement, key terms of which are summarised in section 7.10. See also footnote 1 on page 2 of the Investor Presentation.

³ Please refer to footnote 2.

⁴ Please refer to footnote 2.

⁵ The Theoretical Ex-Rights Price (**TERP**) is calculated by reference to Lynas' closing price of A\$2.61 per share on Friday, 14 August 2020, being the last trading day prior to the announcement of the Offer. TERP is a theoretical calculation only and the actual price at which Lynas' shares trade immediately after the ex-date of the Offer will depend on many factors and may not approximate TERP.

Chairman's Letter

- instructions on how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is dispatched to Eligible Retail Shareholders, which will detail your Entitlement, to be completed in accordance with the instructions in this Information Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPAY® or by cheque, bank draft or money order.

You should carefully read this Retail Offer Booklet in its entirety and consult your stockbroker, accountant or other professional financial adviser before making your investment decision. You should read and consider the "Key Risks" section in Appendix B of the Investor Presentation included in section 5 of this Retail Offer Booklet, which contains a summary of some of the key risks associated with an investment in Lynas. If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

For further information on the Entitlement Offer you can call the Lynas Corporation Limited Entitlement Offer Information Line on 1300 655 683 (within Australia) or +61 2 9290 9685 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 7 September 2020.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you decide to take this opportunity to increase your investment in Lynas please ensure that, before 5.00pm (Sydney time) on Friday, 7 September 2020, you have paid your Application Monies, via BPAY® pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is dispatched to you, or if you are unable to pay using BPAY®, your Application Monies are sent by cheque, bank draft or money order and received by post by the Registry by the closing date of Friday, 7 September 2020.

On behalf of the board of Lynas, I thank you for your ongoing support and invite you to consider participating in this Retail Entitlement Offer.

Yours sincerely



Mike Harding
Chairman

What should you do?

1. Read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form

This Retail Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Retail Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. The Retail Offer Booklet and Entitlement and Acceptance Form can also be viewed at www.investorserve.com.au.

This Retail Entitlement Offer is not being made under a prospectus or product disclosure statement. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on Lynas and the Retail Entitlement Offer (for example, the information available on Lynas' website www.lynascorp.com or on ASX's website www.asx.com.au) prior to deciding whether to participate in the Retail Entitlement Offer and apply for New Shares.

If you are in doubt as to the course you should follow, you should seek professional advice from a licensed advisor.

2. Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with a licensed advisor if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Shares is subject to both known and unknown risks, some of which are beyond the control of Lynas. These risks include the possible loss of income and principal invested. Lynas does not guarantee any particular rate of return or the performance of the New Shares offered under the Retail Entitlement Offer or the performance of Lynas, nor does it guarantee the repayment of capital from Lynas. In considering an investment in New Shares, investors should have regard to (amongst other things) the "Key Risks" section of the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet.

3. Decide what you want to do

If you are an Eligible Retail Shareholder, you have four options available to you in relation to the Retail Entitlement Offer:

- A.** take up all of your Retail Entitlement (**Option 1**);
- B.** take up all of your Retail Entitlement in full, and also apply for Additional New Shares in excess of your Retail Entitlement (up to a maximum of 50% of your Retail Entitlement) (**Option 2**);
- C.** take up part of your Retail Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Retail Entitlements (**Option 3**); or
- D.** do nothing, in which case your Retail Entitlements will lapse and you will receive no value for those lapsed Retail Entitlements (**Option 4**).

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer. If you are an Eligible Retail Shareholder who participates in the Retail Entitlement Offer, your percentage holding in Lynas will increase, reduce, or stay the same depending on the proportion of your Retail Entitlement you subscribe for and whether you also apply for, and are issued with, Additional New Shares.

The Retail Entitlement Offer is non-renounceable, which means that your Entitlements cannot be traded or otherwise transferred on ASX or any other exchange or privately. If you do not participate in the Retail Entitlement Offer, you will not receive any value for your Entitlement.

What should you do?

4. Apply for New Shares

To participate in the Retail Entitlement Offer, please complete and return your personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY® so that it is received by no later than 5.00pm (Sydney time) on Monday, 7 September 2020. **Payment via BPAY® is highly recommended in light of delays to postal services caused by the COVID-19 pandemic.**

If you are an Eligible Shareholder in New Zealand and you do not have an Australian bank account or do not wish to pay via BPAY®, see Section 4.6.

If you take no action, your Entitlement under the Retail Entitlement Offer will lapse.

5. Questions

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact the Lynas Corporation Limited Entitlement Offer Information Line on 1300 655 683 (within Australia) or on +61 2 9290 9685 (outside Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

Section 1: Details on the Entitlement Offer

1.1 Overview

Lynas is seeking to raise a total of approximately A\$213.7 million by way of a fully underwritten⁶ pro rata accelerated non-renounceable entitlement offer of New Shares at an Offer Price of A\$2.30 (**Entitlement Offer**). The Entitlement Offer comprises:

- the Institutional Entitlement Offer; and
- the Retail Entitlement Offer (to which this Retail Offer Booklet relates).

Lynas is seeking to raise total proceeds of approximately A\$425 million under the Placement and Entitlement Offer.

Lynas intends to use the proceeds of the capital raised under the Entitlement Offer and Placement to fund the Lynas 2025 foundation projects expected to be delivered in 2023 and for general corporate and working capital purposes.

The Entitlement Offer is underwritten⁷ by Canaccord Genuity (Australia) Limited (ACN 075 071 466) and Merrill Lynch Equities (Australia) Limited (ACN 006 276 795). Ord Minnett Limited is acting as co-lead manager to the Offer.

1.2 Explanation of the Entitlement Offer

The Entitlement Offer comprises two components: the Institutional Entitlement Offer and the Retail Entitlement Offer (to which this Retail Offer Booklet relates).

1.2.1 Institutional Entitlement Offer

On Monday, 17 August 2020 and Tuesday, 18 August 2020, Lynas and the Underwriters conducted an Institutional Entitlement Offer in which Eligible Institutional Shareholders were invited to take up all or part of their Entitlement and were also invited to apply for additional New Shares under the Institutional Entitlement Offer.

New Shares equivalent to the number not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer, together with any New Shares which would have been offered to Ineligible Institutional Shareholders if they had been eligible to participate in the Institutional Entitlement Offer, were offered to institutional investors, including Eligible Institutional Shareholders who applied for New Shares in excess of their Entitlement.

Allotment of the New Shares under the Placement and Institutional Entitlement Offer is expected to occur on Wednesday, 26 August 2020. Those New Shares are expected to commence trading on ASX on that date (on a normal settlement basis).

1.2.2 Retail Entitlement Offer

All Eligible Retail Shareholders (refer to section 1.3) are invited to subscribe for 1 New Share for every 7.7 existing Lynas Shares held on the Record Date (7.00pm (Sydney time) on Wednesday, 19 August 2020). The Offer Price of A\$2.30 per New Share represents:

- A 9.7% discount to TERP.⁸ TERP is calculated by reference to Lynas' closing price on Friday, 14 August 2020.
- A 11.9% discount to the last traded price of A\$2.61 on Friday, 14 August 2020.

Eligible Retail Shareholders who have been sent this Retail Offer Booklet together with a personalised Entitlement and Acceptance Form are required to decide whether to take up all, part, or none of their Retail Entitlement.

Eligible Retail Shareholders who take up their full Retail Entitlement may also apply for Additional New Shares in excess of their Retail Entitlement (to the extent available and up to a maximum of 50% of their Retail Entitlement).

⁶ Please refer to footnote 2.

⁷ Please refer to footnote 2.

⁸ Theoretical ex-rights price (TERP) includes shares on issue under the Placement and Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Lynas shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

Section 1: Details on the Entitlement Offer

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 7 September 2020 (unless extended).

The Retail Entitlement Offer is non-renounceable, which means that the Entitlements are non-transferable and cannot be sold or traded.

1.2.3 No offer under the Retail Entitlement Offer to Eligible Institutional Shareholders or Ineligible Institutional Shareholders

The Retail Entitlement Offer does not constitute an offer to:

- any Eligible Institutional Shareholder (whether or not it participated in the Institutional Entitlement Offer);
- any person allocated New Shares under the Institutional Entitlement Offer;
- any Ineligible Institutional Shareholder;
- a nominee or custodian for such Eligible Institutional Shareholder, in respect of Shares held for it;
- any person in the United States; or
- any person acting for the account or benefit of a person in the United States (to the extent they hold Lynas Shares and are acting for the account or benefit of a person in the United States).

1.3 Who can participate in the Retail Entitlement Offer

An Eligible Retail Shareholder is a person who meets all of the following requirements:

- was a registered holder of Lynas Shares as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 19 August 2020; and
- has a registered address on the Lynas share register in Australia or New Zealand (or is a shareholder that Lynas has otherwise determined is eligible to participate); and
- is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent they hold Lynas Shares for the account or benefit of such a person in the United States); and
- did not receive an offer to participate (other than as a nominee or custodian in respect of other underlying holdings) or was otherwise ineligible to participate under the Institutional Entitlement Offer; and
- is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

A retail Shareholder that is **not** an Eligible Retail Shareholder is referred to as an “**Ineligible Retail Shareholder**” in this Retail Offer Booklet.

In this Retail Offer Booklet:

- references to ‘you’ are references to Eligible Retail Shareholders; and
- references to ‘your Retail Entitlement’ are references to the Retail Entitlements of Eligible Retail Shareholders; and
- references to ‘your Entitlement and Acceptance Form’ are references to the form of that name accompanying this Retail Offer Booklet that you can use to take up your Retail Entitlement.

Section 2: Summary of your options

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all of your Retail Entitlement (**Option 1**);
- take up all of your Retail Entitlement in full, and also apply for Additional New Shares in excess of your Retail Entitlement (up to a maximum of 50% of your Retail Entitlement) (**Option 2**);
- take up part of your Retail Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Retail Entitlements (**Option 3**); or
- do nothing, in which case your Retail Entitlements will lapse and you will receive no value for those lapsed Retail Entitlements (**Option 4**).

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

Option	Key considerations	More information
Option 1 Take up all of your Retail Entitlement	<ul style="list-style-type: none"> ▪ To take up all of your Retail Entitlement, you need to complete and return your personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY® pursuant to the instructions set out on the Entitlement and Acceptance Form. If you decide to submit your payment via BPAY® you should instruct payment well before 5.00pm (Sydney time) on the Retail Closing Date to enable its receipt by that time. If you pay by BPAY® there is no need to return your Entitlement and Acceptance Form. If you decide to submit your payment by cheque, bank draft or money order, you must ensure that the payment (along with your personalised Entitlement and Acceptance Form) is received by no later than 5.00pm (Sydney time) on the Retail Closing Date. ▪ Payment via BPAY® is highly recommended in light of delays to postal services caused by the COVID-19 pandemic. ▪ New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Lynas Shares. 	Section 4.1
Option 2 Take up all of your Retail Entitlement in full, and also apply for Additional New Shares in excess of your Retail Entitlement (up to a maximum of 50% of your Retail Entitlement)	<ul style="list-style-type: none"> ▪ To take up all of your Retail Entitlement and also apply for Additional New Shares in excess of your Retail Entitlement you need to complete and return your personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY® pursuant to the instructions set out on the Entitlement and Acceptance Form. If you decide to submit your payment via BPAY® you should instruct payment well before 5.00pm (Sydney time) on the Retail Closing Date to enable its receipt by that time. If you pay by BPAY® there is no need to return your Entitlement and Acceptance Form. If you decide to submit your payment by cheque, bank draft or money order, you must ensure that the payment (along with your personalised Entitlement and Acceptance Form) is received by no later than 5.00pm (Sydney time) on the Retail Closing Date. ▪ The maximum amount of Additional New Shares you can apply for is 50% of your Retail Entitlement. ▪ Payment via BPAY® is highly recommended in light of delays to postal services caused by the COVID-19 pandemic. ▪ In the event of oversubscriptions, the allocation of Additional New Shares will be subject to scale back by agreement between 	Section 4.2

Section 2: Summary of your options

	<p>Lynas and the Underwriters. There is no guarantee that you will be allocated any Additional New Shares.</p> <ul style="list-style-type: none"> Additional New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Lynas Shares. 	
<p>Option 3</p> <p>Take up part of your Retail Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Retail Entitlements</p>	<ul style="list-style-type: none"> To take up part of your Retail Entitlement, you need to complete and return your personalised Entitlement and Acceptance Form (noting the number of New Shares you wish to take up) with the requisite Application Monies or pay your Application Monies via BPAY® pursuant to the instructions set out on the Entitlement and Acceptance Form. If you decide to submit your payment via BPAY® you should instruct payment well before 5.00pm (Sydney time) on the Retail Closing Date to enable its receipt by that time. If you pay by BPAY® there is no need to return your Entitlement and Acceptance Form. If you decide to submit your payment by cheque, bank draft or money order, you must ensure that the payment (along with your personalised Entitlement and Acceptance Form) is received by no later than 5.00pm (Sydney time) on the Retail Closing Date. Payment via BPAY® is highly recommended in light of delays to postal services caused by the COVID-19 pandemic. Lynas will treat you as applying for as many New Shares as your payment will pay for in full. The part of your Retail Entitlement not taken up will lapse and the New Shares not subscribed for will form part of the Retail Shortfall. If you do not take up your Retail Entitlement in full, you will receive no value for those Retail Entitlements not taken up. If you do not take up all of your Retail Entitlement, your proportionate interest in Lynas will be diluted. Your Retail Entitlements are non-renounceable. This means they cannot be traded on ASX or any other exchange and cannot be privately transferred. 	Section 4.3
<p>Option 4</p> <p>Do nothing, in which case your Retail Entitlement will lapse and you will receive no value for those lapsed Retail Entitlements</p>	<ul style="list-style-type: none"> If you do not take up your Retail Entitlement, you will not be issued New Shares and your Retail Entitlements will lapse. The New Shares not subscribed for will form part of the Retail Shortfall. Your Retail Entitlements are non-renounceable. This means they cannot be traded on ASX or any other exchange and cannot be privately transferred. If you do not take up your Retail Entitlement, you will receive no value for those Retail Entitlements. If you do not take up your Retail Entitlement, your proportionate holding in Lynas will be diluted. 	Section 4.4

If you have any doubt about how you should deal with your Retail Entitlement, you should seek professional advice from a licensed advisor.

Section 3: Further information about the Retail Entitlement Offer

3.1 Your Retail Entitlement

Your Retail Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form. It has been calculated as 1 New Share for every 7.7 Lynas Shares you held as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 19 August 2020, at the Offer Price of \$2.30 per New Share.⁹

If you have more than one holding of Lynas Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Retail Entitlements for each separate holding. Note that the Retail Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Retail Entitlement you may be permitted to take up where, for example, you are holding Lynas Shares on behalf of a person in the United States (see the definition of “**Eligible Retail Shareholder**” in Section 1).

3.2 Closing date

If you take up and pay for all or part of your Retail Entitlement before the Retail Closing Date, you will be issued your New Shares including your Additional New Shares (if applicable) on Monday, 14 September 2020 (**Issue Date**).

New Shares including Additional New Shares issued under the Entitlement Offer will be fully paid and rank equally with Lynas Shares from issue.

3.3 Consequences of not accepting all or part of your Retail Entitlement

If you do not accept all or part of your Retail Entitlement in accordance with the instructions set out in this Retail Offer Booklet, those New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (including New Shares that relate to the portion of your Retail Entitlement that has not been accepted) will be acquired by Eligible Retail Shareholders as Additional New Shares, the Underwriters or any sub-underwriters.

By allowing your Retail Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Retail Entitlement and you will not receive any value for your Retail Entitlement. Your proportionate interest in Lynas will also be diluted.

3.4 Nominees

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees and custodians which hold Lynas Shares as nominees or custodians will have received, or will shortly receive, a letter from Lynas. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- beneficiaries on whose behalf they hold Lynas Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not); or
- Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Booklet to, or accept the Retail Entitlement Offer on behalf of, any person in the United States or any person acting for the account or benefit of a person in the United States (to the extent such person holds Lynas Shares and is acting for the account or benefit of a person in the United States) or other jurisdiction outside Australia and New Zealand, except with the consent of Lynas and as permitted in compliance with applicable law.

⁹ Where fractions arise in the calculation of a Retail Entitlement, the Retail Entitlement will be rounded up to the nearest whole number of New Shares.

Section 3: Further information about the Retail Entitlement Offer

Nominees and custodians may not distribute this Retail Offer Booklet, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand, except that nominees and custodians may distribute this Retail Offer Booklet and may permit beneficial shareholders to participate in the Entitlement Offer with the consent of Lynas who will determine if the number of beneficial shareholders that the nominee or custodian proposes to participate in the Entitlement Offer will be permitted in compliance with applicable law.

Lynas is not required to determine whether or not any registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Lynas Shares.

Section 4: Options available to you

4.1 Option 1 – Take up all of your Retail Entitlement

To take up all of your Retail Entitlement, you must:

- pay by BPAY® (see Section 4.5); or
- complete your personalised Entitlement and Acceptance Form and return it by mail with your Application Monies in the form of a cheque, bank draft or money order (see Section 4.6),

in each case, by no later than 5.00pm (Sydney time) on the Retail Closing Date.

Payment via BPAY® is highly recommended in light of delays to postal services caused by the COVID-19 pandemic.

4.2 Option 2 – Take up all of your Retail Entitlement in full, and also apply for Additional New Shares in excess of your Retail Entitlement (up to a maximum of 50% of your Retail Entitlement)

To take up all of your Retail Entitlement and also apply for Additional New Shares in excess of your Retail Entitlement, you must:

- pay by BPAY® (see Section 4.5); or
- complete your personalised Entitlement and Acceptance Form and return it by mail with your Application Monies in the form of a cheque, bank draft or money order (see Section 4.6),

in each case, so that it is received by no later than 5.00pm (Sydney time) on the Retail Closing Date.

Payment via BPAY® is highly recommended in light of delays to postal services caused by the COVID-19 pandemic.

4.3 Option 3 – Take up part of your Retail Entitlement

To take up part of your Retail Entitlement, you must:

- pay by BPAY® (see Section 4.5); or
- complete your personalised Entitlement and Acceptance Form (indicating the number of New Shares you wish to take up) and return it by mail with your Application Monies, in the form of a cheque, bank draft or money order (see Section 4.6),

in each case, so that it is received by no later than 5.00pm (Sydney time) on the Retail Closing Date.

The part of your Retail Entitlement not taken up will lapse and the New Shares not subscribed for will form part of the Retail Shortfall.

Payment via BPAY® is highly recommended in light of delays to postal services caused by the COVID-19 pandemic.

4.4 Option 4 – Take no action

If you take no action, you will not be issued New Shares, your Retail Entitlement will lapse and the New Shares not subscribed for will form part of the Retail Shortfall.

Your Retail Entitlement is non-renounceable and is not tradeable or otherwise transferable. Eligible Retail Shareholders who do not take up their Retail Entitlements in full will not receive any value for those Retail Entitlements they do not take up.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their proportionate interests in Lynas diluted.

Section 4: Options available to you

4.5 Payment by BPAY®

To pay by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian branch of a financial institution that supports BPAY® transactions.

You should instruct payment well before 5.00pm (Sydney time) on the Retail Closing Date to enable its receipt before the Retail Entitlement Offer closes.

If you pay by BPAY®, your Entitlement and Acceptance Form is **not** required to be lodged with the Registry and you will be deemed to have made the declarations set out in this Retail Offer Booklet and on the Entitlement and Acceptance Form.

Lynas will treat you as applying for as many New Shares, including Additional New Shares, as your payment will pay for in full up to your Retail Entitlement, and where applicable above your Retail Entitlement up to a maximum of 50% of your Retail Entitlement.

Any Application Monies received for more than your final allocation of New Shares including Additional New Shares will be refunded to you as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form or accessed online at www.investorserve.com.au. If you receive more than one personalised Entitlement and Acceptance Form, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Entitlement and Acceptance Form that you receive.

You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. You may also have your own limit on the amount that you can pay via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

4.6 Payment by post with cheque, bank draft or money order

To pay by cheque, bank draft or money order, you must complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form, indicating the number of New Shares including Additional New Shares you wish to apply for and return it by mail to the address set out below, accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to “Lynas Corporation Limited” and crossed “Not Negotiable”. Any agreement to issue New Shares, including Additional New Shares, to you following receipt of your personalised Entitlement and Acceptance Form is conditional on your cheque, bank draft or money order in payment of the Application Monies for those New Shares including Additional New Shares being honoured on first presentation.

Your cheque, bank draft or money order must be:

- for an amount equal to the Offer Price multiplied by the number of New Shares including, if applicable, the number of Additional New Shares that you are applying for; and
- in Australian currency, drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. Eligible Shareholders who are resident in New Zealand must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque, bank draft or money order for Application Monies (or the amount for which the cheque clears in time for issue) is insufficient to pay in full for the number of New Shares including Additional New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares including Additional New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares including Additional New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares will be refunded. No

Section 4: Options available to you

interest will be paid to applicants on any Application Monies received or refunded (wholly or partially).

Cash payments will not be accepted. Receipts for payment will not be issued.

It is important to note that the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 7 September 2020 (unless extended). To participate in the Retail Entitlement Offer, your payment must be received no later than this date. Eligible Retail Shareholders who make payment via cheque, bank draft or money order should mail their cheque, bank draft or money order and their completed Entitlement and Acceptance Form to the address below:

Mail Address:

Lynas Corporation Limited Retail Entitlement Offer
c/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Entitlement and Acceptance Forms (and payments of any Application Monies) will not be accepted at Lynas' registered or corporate offices.

For the convenience of Eligible Retail Shareholders in Australia, an Australian reply paid envelope with the appropriate address has been included with this Retail Offer Booklet. Shareholders in New Zealand will need to affix the appropriate postage.

Section 5: Announcements



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

17 August 2020

Lynas Corporation announces fully underwritten¹ equity raising to raise approximately A\$425 million to fund *Lynas 2025* foundation projects

- Fully underwritten² 1 for 7.7 pro-rata accelerated non-renounceable entitlement offer and institutional placement to raise approximately A\$425 million
- New shares to be issued at A\$2.30 per share, representing a 11.9% discount to last close and a 9.7% discount to TERP³
- Proceeds from the equity raising will be used to fund major projects expected to be delivered in 2023 that are essential steps towards the *Lynas 2025* growth vision:
 - The planned Kalgoorlie Rare Earth Processing Facility, and
 - Associated upgrades at the Lynas Malaysia Plant
- Strengthened balance sheet delivers timely funding for *Lynas 2025* foundation projects during a critical transformation period and mitigates economic uncertainty due to COVID-19
- Equitable opportunity for all eligible existing Lynas shareholders to participate in the entitlement offer on a pro-rata basis while eligible new investors have an opportunity to gain exposure to Lynas' compelling 2025 growth vision

Lynas Corporation Limited (ASX:LYC) ("**Lynas**" or the "**Company**") is pleased to announce that the Company is undertaking an equity raising comprising a fully underwritten⁴ pro-rata accelerated non-renounceable entitlement offer and institutional placement to raise approximately A\$425 million (the "**Offer**").

Lynas plans to grow with its markets and deliver a larger, more diverse business in 2025. The Offer will fund the *Lynas 2025* foundation projects expected to be delivered in 2023:

- The planned **Kalgoorlie Rare Earth Processing Facility** to produce mixed Rare Earths carbonate for shipment to the Lynas Malaysia Plant, and
- **Associated upgrades at the Lynas Malaysia Plant.**

¹ Excluding the circumstances described in Footnote 1 on page 2 of LYC's investor presentation released to ASX on 17 August 2020 ("**Investor Presentation**"). Refer to "Equity raising risk" in the Key Risks section of the Investor Presentation for a description of the terms and conditions of the underwriting arrangements.

² Please refer to Footnote 1

³ The theoretical ex-rights price is the theoretical price at which Lynas shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Lynas' shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Lynas' closing price of A\$2.61 on 14 August 2020. The TERP also includes New Shares to be issued under the Placement.

⁴ Please refer to Footnote 1

Section 5: Announcements



The Offer structure provides an opportunity for all eligible existing Lynas shareholders to participate in the entitlement offer on a pro-rata basis. Eligible new investors also have the opportunity to join the *Lynas 2025* growth vision by subscribing for new shares.

Lynas Chief Executive Officer and Managing Director, Amanda Lacaze, commented:

"The *Lynas 2025* growth vision announced in May 2019 is an exciting opportunity to transform our business and grow with our key markets. Advanced manufacturing supply chains need Rare Earths and COVID-19 has brought into sharp focus the need for resilient and diversified supply chains.

"Lynas is ideally placed to meet this need as we are a proven and profitable operation and the only significant producer of separated Rare Earths outside of China.

"By strengthening our balance sheet, we can mitigate global economic uncertainties and continue to progress our foundation project which is the Kalgoorlie Rare Earth Processing Facility. This facility provides the opportunity to develop a Critical Minerals processing hub in the Goldfields. The project has received strong support from the Kalgoorlie-Boulder City Council, Western Australian and Australian governments."

Offer Details

The fully underwritten⁵ ~A\$425 million Offer comprises the following:

- An institutional placement of approximately 92 million new fully paid ordinary shares in Lynas ("**New Shares**") to raise up to approximately A\$211.6 million ("**Placement**"); and
- A 1-for-7.7 pro-rata accelerated non-renounceable entitlement offer of approximately 92.9 million New Shares to raise up to approximately A\$213.7 million ("**Entitlement Offer**").

All New Shares offered under the Offer will be issued at a price of A\$2.30 per New Share, which represents a:

- 11.9% discount to the last traded price of A\$2.61 on 14 August 2020; and
- 9.7% discount to the Theoretical Ex-Rights Price ("**TERP**")⁶ of A\$2.5463.

The Entitlement Offer provides eligible shareholders the opportunity to subscribe for 1 New Share for every 7.7 existing shares held as at 7.00pm Sydney Time on Wednesday, 19 August 2020 ("**Record Date**"). Furthermore, it is intended that eligible institutional shareholders that bid for up to their pro-rata allocation of New Shares under the Placement will be allotted their full bid, on a best endeavours basis.

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**"), which is being conducted today, Monday, 17 August 2020, along with the Placement. Entitlements not taken up by institutional shareholders cannot be traded on market or transferred. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the Institutional Entitlement Offer. Entitlements not taken up by eligible institutional

⁵ Please refer to Footnote 1

⁶ Please refer to Footnote 3

Section 5: Announcements



shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") will be conducted at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will be open from Monday, 24 August 2020 to eligible retail shareholders with a registered address in Australia or New Zealand, as at the Record Date and is expected to close at 5.00pm (Sydney time) on Monday, 7 September 2020. Eligible retail shareholders who take up their full retail entitlement will also be invited to subscribe for shares over and above their entitlement, up to a maximum of 50% above their entitlement, subject to the overall level of participation in the Entitlement Offer and at the discretion of Lynas' Board of Directors.

Lynas Directors who are eligible to participate in the Retail Entitlement Offer have each confirmed their intention to subscribe for all or part of their respective entitlements.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value with respect to those entitlements not taken up.

Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares on issue in Lynas. The Company will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

Canaccord Genuity and Merrill Lynch Equities (Australia) Limited are acting as joint lead managers, underwriters and bookrunners to the Offer. Ord Minnett is acting as co-lead manager to the Offer.

Offer Timetable

An indicative timetable of key dates in relation to the Offer is detailed below.

Event	Time (AEST) / Date
Announcement of the Offer and Placement and Institutional Entitlement Offer open	Monday, 17 August 2020
Announce completion of the Placement and Institutional Entitlement Offer	Wednesday, 19 August 2020
Trading in Lynas shares resumes on ex-entitlement basis	Wednesday, 19 August 2020
Record date for determining entitlement for the Entitlement Offer	7:00pm on Wednesday, 19 August 2020
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Monday, 24 August 2020
Settlement of Placement and Institutional Entitlement Offer	Tuesday, 25 August 2020
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 26 August 2020
Retail Entitlement Offer closing date	5:00pm on Monday, 7 September 2020

Lynas Corporation Ltd
Suite 1, Level 1, 45 Royal Street, East Perth WA 6004, Australia
T: +61 8 6241 3800 F: +61 8 9225 6842
www.lynascorp.com
ACN 009 066 648



Section 5: Announcements



Event	Time (AEST) / Date
Results of Retail Entitlement Offer announced to ASX	Thursday, 10 September 2020
Settlement of Retail Entitlement Offer	Friday, 11 September 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 14 September 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 15 September 2020
Despatch of holding statements	Wednesday, 16 September 2020

Note: The timetable above is indicative only and may be subject to change. All times and dates refer to Sydney time. Lynas reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Lynas reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

Further Information

Further details of the Offer are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign offer restrictions with respect to the Offer. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

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.

Authorised By:
Andrew Arnold
Company Secretary

This announcement is not financial product, legal, tax or investment advice and has not taken into account your objectives, financial situation or needs.

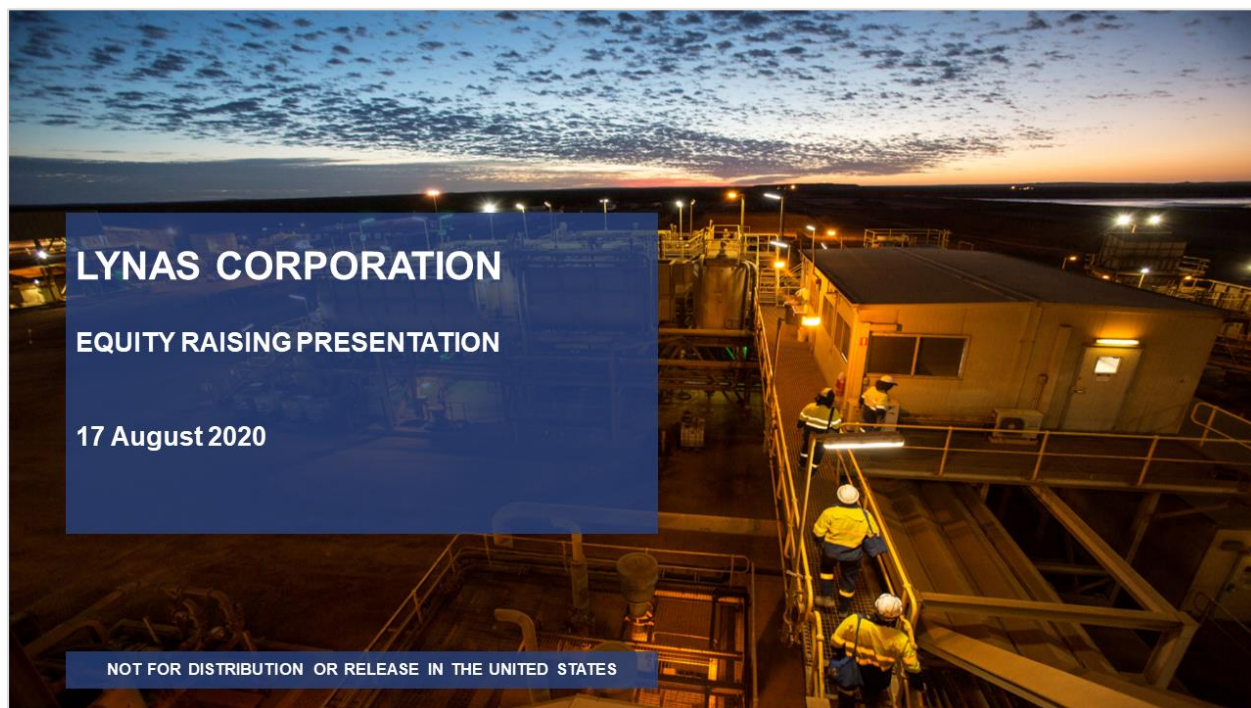
This announcement contains certain "forward-looking statements", which can generally be identified by the use of words such as "will", "may", "could", "likely", "ongoing", "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "forecast", "goal", "objective", "aim", "seek" and other words and terms of similar meaning or by using future dates in connection with any discussion of, among other things, expectations regarding the completion of the Offer and the use of proceeds. The Company cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. See the Investor Presentation for a description of key risks with respect to the Offer. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on forward-looking statements.

This announcement has been prepared for release in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements and new shares to be offered and sold in the Entitlement Offer and the Placement may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of any person in the United States, unless those securities have been registered under the U.S. Securities Act (which the Company has no obligation to do) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The entitlements and new shares to be offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States.

Lynas Corporation Ltd
Suite 1, Level 1, 45 Royal Street, East Perth WA 6004, Australia
T: +61 8 6241 3800 F: +61 8 9225 6842
www.lynascorp.com
ACN 009 066 648



Section 5: Announcements



Disclaimer

The following notice and disclaimer applies to this investor presentation (**Presentation**) and you are therefore advised to read this carefully before reading or making any other use of this Presentation, or any information contained in this Presentation. By accepting, accessing or reviewing this Presentation or attending an investor presentation or briefing, you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation has been prepared by Lynas Corporation Limited (ABN 27 009 066 648) (**Lynas**) and is dated at 17 August 2020. This Presentation has been prepared in connection with Lynas' proposed fully underwritten equity raising (**Offer**) of new ordinary shares in Lynas (**New Shares**), comprising:

- A placement of New Shares to institutional and sophisticated investors (**Placement**) under section 708A of the Corporations Act 2001 (Cth) (**Corporations Act**).
- A pro rata accelerated non-renounceable entitlement offer of New Shares to certain eligible Lynas shareholders (**Entitlement Offer**).

The Entitlement Offer is being made to:

- eligible institutional shareholders of Lynas in certain permitted jurisdictions (**Institutional Entitlement Offer**); and
- eligible retail shareholders of Lynas in Australia and New Zealand (**Retail Entitlement Offer**).

under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by the Australian Securities and Investments Commission (ASIC) Corporations (Non-Traditional Rights Issues) Instrument 2016/64, ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 and ASIC Corporations (Trading Suspension Relief) Instrument 2020/289.

Summary Information

This Presentation: (i) contains summary information about Lynas and its activities current as at the date of this Presentation; (ii) is for information purposes only and is not, and does not comprise all of the information which would be required to be disclosed in a prospectus, product disclosure statement or other offering document under Australian law or any other law and will not be lodged with ASIC or any foreign regulator; (iii) does not and will not form any part of any contract for the acquisition of New Shares; and (iv) should be read in conjunction with Lynas' other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au.

Market and industry data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of Lynas, its representatives or advisors have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction in which it would be unlawful. This Presentation is not a prospectus, product disclosure statement or other disclosure document under the Corporations Act (and has not been lodged with ASIC) or any other law. The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand (**Retail Offer Booklet**), and made available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the Entitlement and Acceptance form.

The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws (see International Offer Restrictions in Appendix B in this Presentation). By accepting this Presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained therein.

1. The Underwriting Agreement dated 17 August 2020 between Lynas and the Underwriters (**Underwriting Agreement**) provides that an Underwriter will not be required to subscribe for a number of shares that would cause it to breach the 20% takeover threshold contained in section 606 of the Corporations Act 2001 (Cth) or Australia's published Foreign Investment Review Board policy or which would require notification to the Commonwealth Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cth). The issue size is approximately 154.9 million shares or 20.5% of Lynas' issued capital post completion of the Entitlement Offer. If an Underwriter was required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund its respective proportion of the underwritten proceeds in accordance with and subject to the terms of the Underwriting Agreement by the applicable settlement date, (ii) the number of excess shortfall shares would be up to its respective proportion of the number of shares to be issued under the Offer pursuant to the terms of the Underwriting Agreement less the number of shares that have been pre-committed or sub-underwritten and the number of shares that the underwriter is able to take up without causing it to breach or notify under these provisions (when aggregated) with any additional interests the underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it (where possible), or to third party investors, after close of the Offer until the date falling two months after the Offer is announced to ASX. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement where there is an excess shortfall. The directors of Lynas reserve the right to issue any shortfall (including any excess shortfall) under the Entitlement Offer at their discretion, subject to the terms of the Underwriting Agreement. Any shortfall under the Entitlement Offer will be allocated to the Underwriters or to third party investors as directed by the Underwriters in accordance with the Underwriting Agreement.

Section 5: Announcements

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Each person that reviews the information contained in this Presentation will be deemed to represent that it is: (1) outside the United States and not acting for the account or benefit of a person in the United States, or (2) either (x) a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act or (y) a dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k) of the U.S. Securities Act) for which it has, and is exercising, investment discretion, within the meaning of Rule 902(k)(2)(ii) of Regulation S, in reliance on Regulation S, and each such person agrees that it will not forward or deliver this presentation, electronically or otherwise, to any other person.

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This Presentation is not financial product or investment advice or a recommendation to acquire Lynas shares or accounting, legal or tax advice. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Lynas and the impact that different future outcomes might have on Lynas. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. Lynas is not licensed to provide financial product advice in respect of the New Shares. Cooling off rights do not apply to the acquisition of the New Shares.

Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless stated otherwise. This Presentation includes certain historical financial information as at 30 June 2020 unless stated otherwise (**Financial Information**), being:

- the historical consolidated statement of financial position as at 30 June 2020 (the **Historical Financial Information**); and

- the pro forma historical consolidated statement of financial position as at 30 June 2020 assuming the completion of the Offer (net of transaction costs) (the **Pro Forma Historical Financial Information**).

The **Historical Financial Information** and **Pro Forma Historical Financial Information** are collectively referred to as **Financial Information**.

The **Financial Information** has been included in this Presentation in relation to the Offer and should not be used for any other purpose. The **Financial Information** is intended to present investors with information to assist them in understanding the underlying historical financial position of Lynas. The Directors of Lynas (the **Directors**) are responsible for the preparation and presentation of the **Financial Information**.

The **Historical Financial Information** was derived from the consolidated financial statements of Lynas for the year ended 30 June 2020, which were audited by Ernst & Young in accordance with Australian Auditing Standards and on which an unqualified audit opinion was issued. The **Historical Financial Information** has been prepared using the recognition and measurement requirements of Australian Accounting Standards (**AAS**).

The **Pro Forma Historical Financial Information** has been derived from the historical consolidated statement of financial position as at 30 June 2020 and adjusted for pro forma adjustments relating to the Offer less transaction costs as if they had occurred as at 30 June 2020. The **Pro Forma Historical Financial Information** has been prepared by Lynas in accordance with the recognition and measurement requirements of AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 30 June 2020.

The **Financial Information** is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the AAS, the International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) (IFRS) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The **Pro Forma Historical Information** provided in this presentation is for illustrative purposes only and is not represented as being indicative of Lynas' views on its future financial condition and/or performance.

Certain financial measures included in this Presentation are (i) "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" and (ii) non-GAAP financial measures under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include net debt and EBITDA¹. While Lynas believes that this non-IFRS financial information provided, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of Lynas, non-IFRS and non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS, may not be comparable to the calculation of similar measures of other companies and, as presented, may not be permissible in a registration statement under the U.S. Securities Act. Therefore, you should not place undue reliance on any non-IFRS financial information or non-GAAP financial measures included in this Presentation or construe them as alternatives to other financial measures determined in accordance with AAS or IFRS.

1. EBITDA means earnings before Interest, Taxes, Depreciation and Amortisation. Refer to note A.1 in Lynas' FY20 consolidated financial statements for numerical reconciliation of profit for the year to EBITDA.

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Subsequent events

The **Financial Information** has been prepared based upon conditions existing at 30 June 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed as at 30 June 2020. No adjustments have been made to the **Pro Forma Historical Financial Information** as at 30 June 2020 for events that occurred post 30 June 2020 other than pro forma adjustments relating to the Offer less transaction costs as if they had occurred as at 30 June 2020. Refer to Note E10 to the 30 June 2020 consolidated financial statements for details of subsequent events that have occurred post 30 June 2020.

This Presentation contains pro forma financial information (including a pro forma balance sheet). Investors should note that the pro forma financial information included in this Presentation is for illustrative purposes only, is not represented as being indicative of Lynas' views on its future financial condition or performance, and any pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Effect of Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding.

Future performance and forward looking statements

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. The words "expect", "likely", "should", "could", "may", "will", "aim", "intend", "propose", "believe", "opinion", "consider", "predict", "plan", "scenario", "project", "outlook", "guidance", "forecast", "anticipates", "target", "estimate" and other similar expressions within the meaning of securities laws of applicable jurisdictions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements include statements regarding Lynas' expectations about the financial and operating performance of its businesses, statements about the plans, objective and strategies of Lynas' management, statements about the industry and markets in which Lynas operates and statements about the timetable and the outcome of the Offer and the proceeds thereof. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Any forward-looking statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.

Any such statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks, contingencies and uncertainties and other factors, many of which are beyond the control of Lynas, and may involve significant elements of subjective judgment and assumptions as to future events, which may or may not be correct. Forward-looking statements may also assume the success of Lynas' business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Lynas' control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Refer to the key risks in the "Key Risks" section of this Presentation for a non-exhaustive summary of certain general and company-specific risk factors that may affect Lynas.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of the COVID-19 pandemic, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to Lynas as at the date of this presentation.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Lynas or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur. Actual operations, results, performance, targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), Lynas disclaims any obligation or undertaking to update forward-looking statements in this Presentation to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Past Performance

Past performance and pro forma historical information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Lynas' views on its future performance or condition. Investors should note that past performance, including past share price performance, of Lynas cannot be relied upon as an indicator of (and provides no guidance as to) future performance of Lynas including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to ASX.

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Investment Risk and other risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Lynas. Lynas does not guarantee any particular rate of return or the performance of Lynas nor does it guarantee any particular tax treatment. Investors should have regard to the "Key Risks" section of this Presentation when making their investment decision. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of shares in Lynas (including New Shares) in the future. There is no guarantee that the New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Disclaimer

No party other than Lynas has authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation or makes or purports to make any statement in this Presentation. Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) and Merrill Lynch Equities (Australia) Limited (ABN 65 006 278 795) (Underwriters) are joint lead managers, bookrunners and underwriters to the Offer. A summary of the key terms of the Underwriting Agreement is included in the "Key Risks" section of this Presentation.

To the maximum extent permitted by law, each of Lynas, the Underwriters, their respective affiliates or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents (each a Limited Party):

- expressly exclude and disclaim all responsibility and liability, including, without limitation, for negligence or in respect of any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by way of negligence or otherwise; and
- make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information in this Presentation or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, implied by, the information in this Presentation or any part of, or that this Presentation contains all material information about Lynas, the Offer or that a prospective investor or purchaser may require in evaluating a possible investment in Lynas or acquisition of New Shares.

Each Underwriter and its other Limited Parties make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer. There is no statement in this Presentation which is based on any statement by any Underwriter or any Underwriter's Limited Parties (except for references to the Underwriters' names). You represent, warrant and agree that you have not relied on any statements made by the Underwriters or other Limited Parties in

relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of Lynas, the Underwriters or their Limited Parties. You undertake that you will not seek to sue or hold the Underwriters or their Limited Parties liable in any respect in connection with this Presentation or the Offer (to the maximum extent permitted by law).

The Underwriters, together with their respective affiliates and related bodies corporate, are each full service financial institutions engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, marketing making, market lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The Underwriters (and/or their respective bodies corporate) have performed, and may perform, other financial or advisory services for Lynas, and/or may have other interests in or relationships with Lynas and its related entities or other entities mentioned in this Presentation for which they have received or may receive customary fees and expenses. Without limitation, in the ordinary course of their various business activities, the Underwriters and other Limited Parties may have interests in the securities of Lynas, including being directors of, or providing investment banking services to, Lynas. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriters may receive fees for acting in their capacity as joint lead managers, bookrunners and underwriters to the Offer.

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Lynas and the Underwriter. Each of Lynas and the Underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Statements made in this presentation are made only as at the date of this presentation. None of the Underwriters, nor any of their or Lynas' respective Limited Parties have any obligation to update the statements in this Presentation. The information in this Presentation remains subject to change without notice.

Withdrawal and cooling-off

Lynas reserves the right to withdraw, of vary the timetable for, the Offer without notice (subject to the Underwriters' consent). Cooling-off rights do not apply to the acquisition of New Shares.

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Funding Lynas 2025 Foundation Projects

Equity Raising	<ul style="list-style-type: none">Lynas is raising approximately A\$425m through a fully underwritten¹ ~A\$211.6m institutional placement and a ~A\$213.7m pro rata accelerated non-renounceable entitlement offer
Use of Proceeds	<ul style="list-style-type: none">Proceeds from the equity raising will fund the <i>Lynas 2025</i> foundation projects expected to be delivered in 2023:<ul style="list-style-type: none">Planned Kalgoorlie Rare Earths Processing Facility to produce mixed Rare Earths carbonate for shipment to the Lynas Malaysia PlantAssociated upgrades at the Lynas Malaysia PlantAny additional proceeds will be used for general corporate and working capital purposes<i>Note: Funding of the proposed Heavy Rare Earths separation facility, if it proceeds, is excluded and will be pursued separately</i>
Rationale	<ul style="list-style-type: none">The Lynas business is transforming to grow with its markets and deliver a larger, more diverse business by 2025Major Projects deliverable in 2023 are essential steps towards the <i>Lynas 2025</i> vision and will provide foundation capability for further growthOn time delivery of <i>Lynas 2025</i> foundation projects is essential to meet regulatory requirements²Operating cashflow may be affected by the uncertain global economy as a result of COVID-19 effects<ul style="list-style-type: none">Equity raise is a proactive capital management decision to enable progress to continue on required timelinesStrong support from the Australian and Western Australian governments for the development of Australian based Rare Earths processing capabilityStrengthened balance sheet with pro-forma³ net cash of A\$318m (as at 30 June 2020)

¹ Please refer to footnote 1 on page 2

² The operating licence for the Lynas Malaysia Plant was renewed by the Malaysia Atomic Energy Licensing Board for three years expiring March 2023. The approval is subject to conditions summarised in the announcement to the ASX dated 27 February 2020. Key conditions include that the Cracking and Leaching plant outside Malaysia is in operation before July 2023. After that period, Lynas will no longer be allowed to import raw materials containing Naturally Occurring Radioactive Material into Malaysia. The planned Kalgoorlie Rare Earths Processing Facility is required to satisfy this condition. To the extent that Lynas does not comply with this and other conditions, then Lynas' licences and approvals may be revoked. See also Malaysian regulatory matters the Key Risks section in Annexure B. Further, as announced on 17 January 2020, a judicial review application has been lodged in Malaysia relating to the renewal of the Lynas Malaysia operating licence. The hearing of that judicial review application is scheduled for 19 October 2020. While Lynas has been successful in defending several similar judicial review applications in the past, any adverse court findings could materially adversely affect the ability of Lynas to operate its Malaysian plant in its current form. See also legal action in Key Risks section in Annexure B

³ Pro forma measures have been calculated as at 30 June 2020, after costs of the equity raising

Section 5: Announcements

Enabling an Exciting Transformation

- ✓ Equity raising will deliver timely funding for *Lynas 2025* foundation projects
- ✓ Equity raise mitigates uncertainty created by COVID-19 in the near and intermediate term
- ✓ Raising funds now allows better planning and management of the extensive capital plan through to 2023

Certainty

- ✓ Able to use operating cash flow for other essential capital projects including Malaysian Permanent Deposit Facility (PDF)
- ✓ Flexibility to use other funding solutions to capture additional growth opportunities as they arise
- ✓ Equity funding significantly enhances Lynas' balance sheet during a critical transformation and growth period

Flexibility

- ✓ Structure of the offer allows eligible existing Lynas shareholders¹ to participate in the entitlement offer on a pro-rata basis
- ✓ New investors have an opportunity to join the *Lynas 2025* growth vision by subscribing for new shares
- ✓ Post equity raise, Lynas' enhanced balance sheet and funding capabilities are expected to benefit all shareholders

Equitable

1. Including institutional shareholders and eligible retail shareholders with a registered address in Australia or New Zealand

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Key Offer Details

Investors can gain exposure to Rare Earths through an investment in the only significant producer of separated Rare Earths outside of China

Offer Size and Structure	<ul style="list-style-type: none"> Equity raising of approximately A\$425m comprising a fully underwritten¹ institutional placement of approximately 92 million new fully paid ordinary shares in Lynas (New Shares) to raise approximately A\$211.6 million (Placement) and a 1 for 7.7 pro rata accelerated non-renounceable entitlement offer to eligible existing shareholders of approximately 92.9 million New Shares to raise approximately A\$213.7 million (Entitlement Offer), (together, the Offer) Under the Entitlement Offer, eligible shareholders have the opportunity to subscribe for 1 New Share for every 7.7 existing Lynas shares held as at the Record Date (7.00pm on Wednesday, 19 August 2020)
Offer Price²	<ul style="list-style-type: none"> A\$2.30 per New Share representing a 11.9% discount to the last closing price of A\$2.61 on 14 August 2020 and 9.7% discount to TERP² of \$2.5463
Offer Details	<ul style="list-style-type: none"> Approximately 184.9 million New Shares to be issued, representing 25.8% of existing shares on issue The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable The Entitlement Offer comprises an accelerated Institutional Entitlement Offer and Retail Entitlement Offer Eligible retail shareholders, being eligible shareholders with a registered address in Australia or New Zealand, will have the ability to subscribe for shares over and above their entitlement, subject to the level of uptake of the Retail Entitlement Offer New Shares issued under the Offer will rank equally with existing shares on issue
Underwriting	<ul style="list-style-type: none"> The Offer is fully underwritten¹ by Canaccord Genuity (Australia) Limited and Merrill Lynch Equities (Australia) Limited, subject to certain conditions Ord Minnett Limited is acting as co-lead manager to the Offer

1. Please refer to footnote 1 on page 2

2. The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Lynas shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Lynas' closing price of A\$2.61 on 14 August 2020. The TERP calculation includes New Shares issued under the Placement

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Section 5: Announcements

Equity Raising Timetable

Event	Date
Equity Raising announcement and Placement and Institutional Entitlement Offer open	Monday, 17 August 2020
Announce Completion of Placement and Institutional Entitlement Offer	Wednesday, 19 August 2020
Trading in Lynas shares resumes on an ex-entitlement basis	Wednesday, 19 August 2020
Record date for determining entitlement for the Entitlement Offer	7.00PM Sydney Time, Wednesday, 19 August 2020
Despatch of Retail Offer Booklet and Retail Entitlement Offer open	Monday, 24 August 2020
Settlement of Placement and Institutional Entitlement Offer	Tuesday, 25 August 2020
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 26 August 2020
Retail Entitlement Offer closing date	5.00PM Sydney Time, Monday, 7 September 2020
Results of Retail Entitlement Offer announced to ASX	Thursday, 10 September 2020
Settlement of Retail Entitlement Offer	Friday, 11 September 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 15 September 2020
Despatch of holding statements	Wednesday, 16 September 2020

Note: The Offer Timetable is subject to variation. Lynas reserves the right to alter the Timetable at its discretion and without notice, subject to ASX Listing Rules and the Corporations Act and other applicable law. In particular, Lynas reserves the right to either, generally or in particular cases, extend the closing date of the institutional or retail components of the Offer, to accept late applications or to withdraw the Offer prior to the issue of the relevant securities without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

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Lynas Pro-forma Capital Structure

Fit for Purpose pro-forma capital structure

- Equity raising is the next step in prudent capital management
- Japan Australia Rare Earths B.V. (JARE) debt of US\$156.5m (principal of US\$145m plus US\$11.5m of deferred interest)⁵
- Pro-Forma² net cash balance as at 30 June 2020: A\$318m
- Final tranche of convertible bonds (US\$12.2m) converted by bondholders on 3 August 2020
- Supportive senior lender:
 - JARE lending facility with a maturity date of 30 June 2030 and an interest rate of 2.5% p.a.
 - Ongoing active support for company and industry development shown by recent deferral of historical interest liabilities⁶

Debt Facility	30 June 2020	Impact of fully underwritten ¹ Equity Raising	Pro Forma ²
JARE Loan Facility	(\$181m) ⁵		(\$181m)
Convertible Bond	(\$18m)		(\$18m)
Cash and cash equivalents	\$102m	\$415m	\$517m
Net (Debt) ³ / Cash and cash equivalents	(\$97m)	\$415m	\$318m
Ratio of Net Debt / EBITDA ⁴	(1.6)		Not applicable

Sources		Uses	
Equity Raising	\$425m	Kalgoortie Rare Earth Processing Facility and associated upgrades at the Lynas Malaysia Plant	\$415m
		Transaction Costs	\$10m
Total Sources	\$425m	Total Uses	\$425m

1. Please refer to footnote 1 on page 2.
 2. Pro forma measures have been calculated as at 30 June 2020, after costs of the equity raising.
 3. Net Debt comprising the net of Borrowings and cash & cash equivalents.
 4. See footnote 1 on page 3. EBITDA calculated for the 12 months ended 30 June 2020.
 5. The JARE debt of US\$156.5m (principal of US\$145m plus US\$11.5m of deferred interest) has been discounted to present value and converted to Australian dollars at 30 June 2020 to A\$181m. For further detail, please refer to note C.2 in Lynas FY20 consolidated financial statements.
 6. On 13 August 2020, Lynas announced that JARE will defer further interest payments of US\$11.5m until 31 October 2021 with no penalty and no additional interest.

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Section 5: Announcements

Pro-forma Balance Sheet

	30 June 20	Impact of fully underwritten equity raising ¹	30 June 20
	Historical financial information		Pro forma historical financial information
	A\$ million	A\$ million	A\$ million
Cash and cash equivalents	102	415	517
Other current assets and non-current assets	834		834
Total assets	936	415	1,351
Borrowings	199		199
Other current liabilities and non-current liabilities	219		219
Total liabilities	418		418
Net assets	518	415	933
Equity			
Share capital	1,425	415	1,840
Accumulated losses and reserves	(907)		(907)
Total equity	518	415	933

1. Pro forma adjustment: \$425 million equity raise net of transaction costs of \$10 million

2. The Lynas Story



Section 5: Announcements

Lynas supplies essential materials to exciting growth industries

Key Investment Drivers

- Global Climate Change Policy
- Industrial Automation
- Desire for Sustainable Mobility
- Increased global significance of Rare Earths
- Heightened focus on resilient supply chains
- Technology Incentives and R&D Subsidies



Electric Vehicles (EV) – Including Electric drive components, Hybrid motor technology, Electric public transport and Electric aviation
Benefits: Lighter and more efficient high-performance motors
Rare Earth products: NdPr, Dy, Tb



Green Technologies – Including automotive Catalytic Converters to reduce NOx, CO gases and new generation direct drive Wind Turbines
Benefits: Making vehicle emissions cleaner, and wind turbines lighter, more reliable, cheaper to maintain and lower energy production costs
Rare Earth products: NdPr, Dy, Tb, Ce



Consumer Electronics – Including smartphones and computer components
Benefits: Driving the evolution of smaller, lighter, cheaper and more efficient consumer devices
Rare Earth products: NdPr, Dy, Tb, Ce, La



Robotics, Appliances & Medical Devices – Including robotics, drones, household appliances, medical diagnostic equipment
Benefits: Improving energy efficiency and medical diagnoses
Rare Earth products: NdPr, Dy, Tb

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Lynas is a Proven Producer of Separated Rare Earths



Designed to sustainably meet market needs now and into the future

- Ethos of Zero harm for our people, our communities and the environment
- Mt Weld is a tier 1 deposit – long life, high grade with a favourable mix of Rare Earth elements
- Facilities designed to meet Sustainability principles
- Gold medal CSR rating from EcoVadis for supply chain sustainability
- UN Global Compact signatory



Inhouse Expertise & Intellectual Property (IP) which cannot be easily replicated

- Processing Rare Earths requires complex mineralogical and industrial skills
- In the last 3 decades, Lynas is the only significant Rare Earths business outside China to successfully construct and ramp-up separation facilities
- Lynas has operated the world's largest Rare Earths separation plant in Kuantan, Malaysia safely for 8 years
- Lynas has developed significant inhouse chemical, technical & engineering IP



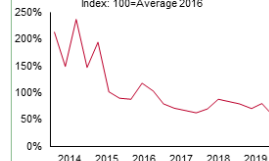
Trusted Customer Relationships

- Strategic customers in Asia, Europe & North America
- Market leading supplier to Japanese magnet market
- Products are traceable from mine to magnet with life cycle assessment available
- Business development capability to tailor products and services to customer needs



Strong Track Record

Lynas NdPr Production Cost
 Index: 100=Average 2016



- An integrated business able to optimise costs from mine to refined product
- Track record of reliable production that meets customer requirements
- Lynas NEXT \$35m capacity building project delivered on time and on budget in FY2018-2019

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Section 5: Announcements

Positioning Our Industrial Footprint for a Growing Market



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Unlocking the Potential of our Premier Deposit at Mt Weld

Significant, High-Grade Resources

- Tier 1 deposit with 25+ year life at Lynas NEXT rates¹
- Mining and Processing higher grade CZ and LI ore since start up
- Processing of Duncan ore (higher HRE incl Dy, Tb) since Q1 FY20
- 2019 Mineral Resource – 2,980 kt contained Total Rare Earth Oxide (TREO)¹
- 2019 Ore Reserve – 1,648 kt contained TREO¹

Investment can improve Mt Weld operations

Mining

- Drilling programs planned North-West and South of current Life of Mine Pit
- Targeting depth extensions from drilling in the Apatite (AP) ore zone
- Fresh Mineralisation is open at depth with minimal deep drilling into the orebody

Processing

- R&D on increasing recovery
- Install new stack cells – low cost capacity uplift
- Application of Accelerated Mechanical Consolidation (AMC) technology to improve tailings consolidation
- New water treatment to extend water recovery and recycling
- Investigating hybrid and renewable power supply options



1. Please refer to Appendix A

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Lynas Rare Earth materials are used in industries where sustainability & environmental provenance matters



2019 ecovadis CSR Rating
GOLD

TOGETHER FOR SUSTAINABILITY

WE SUPPORT
UN GLOBAL COMPACT

SDG GOALS

We care for our people:

- The health & safety of our people, our communities and the environment is always our first priority
- We develop our people through training, education & promotions
- Certified to OHSAS 18001 (Occupational Health and Safety Management Systems)

We care for the environment:

- Environmentally-responsible Rare Earths producer by design
- Mine to magnet traceability
- Life Cycle Assessment with selected partners
- Certified to ISO 14001 (Environmental Management Systems)

We care for our communities:

- Making a positive contribution to local employment, skills, education, and health
- Prioritising local suppliers
- Keeping our communities informed
- Being a trusted & productive community member

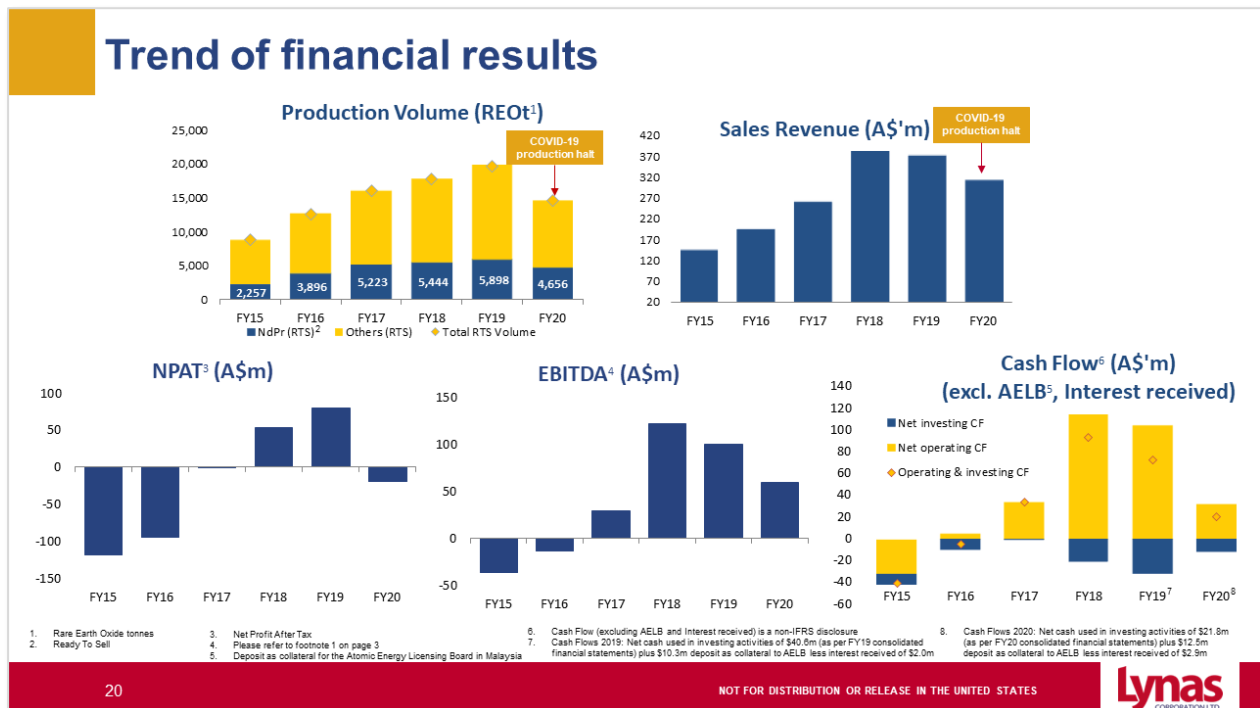
Our sustainability has been recognised:

- Gold EcoVadis CSR rating for the Lynas Malaysia Plant, ranking in top 5% of companies evaluated (July 2019)
- 'Best in CSR Award' to the Lynas Malaysia Plant in Lang International Awards (November 2019)

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Board & Management Team Supporting the Lynas 2025 Vision



Kathleen Conlon
Chair-elect



Mike Harding
Chair
(retiring 30th September 2020)



Amanda Lacaze
Managing Director



Grant Murdoch
Non-Executive Director



Phillippe Etienne
Non-Executive Director



Professor John Humphrey
Non-Executive Director



Gaudenz Sturzenegger
Chief Financial Officer



Pol Le Roux
VP, Downstream



Kam Leung
VP, Upstream



Andrew Arnold
General Counsel & Company Secretary



Dato' Mashal Ahmad
VP, Malaysia



Mimi Afzan Afza
VP, People & Culture

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3. Our Growth Strategy



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Transforming for the Future



Lynas Today

- Tier 1 Rare Earths deposit at Mt Weld
- The World's largest Rare Earths separation plant in Gebeng, Malaysia
- Strategic customer relationships in Asia, Europe & North America
- Dedicated project teams working to execute *Lynas 2025* plans, including new Kalgoorlie Rare Earths Processing Facility
- Supportive lending arrangements with JARE



Lynas in 2023

- Upgrades at Mt Weld to improve operational delivery
- Kalgoorlie Rare Earths Processing Facility operating by July 2023
- Upgrades at the Lynas Malaysia Plant to process material from the new Kalgoorlie Rare Earths Processing Facility
- Expanded product portfolio



Our Vision for 2025

- A larger business to meet forecast demand growth
- Diversified industrial footprint with processing facilities in optimal locations
- Supplier of choice to strategic customers with a fit for market product portfolio
- Target NdPr production capacity of 10,500 tonnes per annum by 2025¹



Capital Projects Plan

- Kalgoorlie Rare Earths Processing Facility plus associated upgrades at the Lynas Malaysia Plant of \$500m
- Malaysian PDF \$120m

Our track record underpins our confidence in the future

1. The capacity of our facilities represents that maximum annual production volume achievable at normal production rates, subject to factors including customer demand and any applicable regulatory constraints

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Developing Value-Added Rare Earth Processing in Western Australia



Creating a Rare Earths processing hub in the Goldfields region, WA

- Kalgoorlie selected as location for planned Lynas Rare Earths Processing Facility on 9 December 2019
- Kalgoorlie offers proximity to the Mt Weld mine, a skilled workforce, and a rich history in mining
- Project awarded Lead Agency status by the Government of Western Australia and Major Project status by the Australian Government



Delivering on government policy for critical minerals processing

- The Australian government's Critical Minerals Development Roadmap (April 2019)¹ targets development of value-added critical minerals processing in Australia
- Significant work with the Australian government, including Export Finance Australia, Clean Energy Finance Corporation & Critical Minerals Facilitation Office, to support the development of a Goldfields critical minerals hub



Engaging with the Kalgoorlie community & regulators

- Presentations to local community and business forums November 2019 & February 2020
- Interactive online Community Forum held June 2020
- Pop-up information booth from September – October 2020
- Ongoing consultation & engagement with WA & federal regulators



Contributing to the Kalgoorlie economy

- Up to \$500m capital investment in Kalgoorlie
- Expect to create up to 500 jobs during construction & directly employ over 200 people in the Goldfields once operational
- Residential workforce in Kalgoorlie
- Priority given to hiring and buying locally

1. Source: Australian government, <https://www.industry.gov.au/news-media/critical-minerals-facilitation-office-news/national-roadmap-for-critical-minerals-development>

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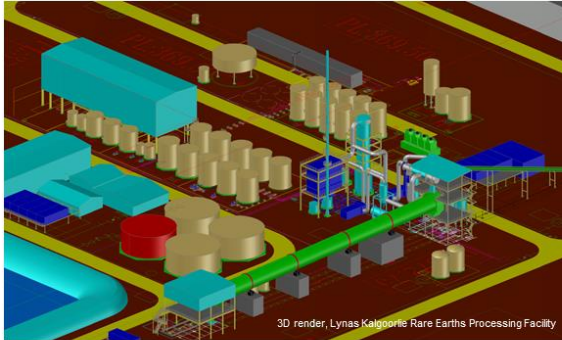
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Making progress on our planned Kalgoorlie Rare Earths Processing Facility

A foundation project for the *Lynas 2025* growth plan



- Construction expected to commence in mid 2021, subject to approvals
- Facility will process Rare Earth concentrate from Mt Weld to produce mixed Rare Earth carbonate that will undergo further processing at the Lynas Malaysia Plant
- Lynas has exercised a sublease for an industrial zoned property from the City of Kalgoorlie-Boulder
- Project environmental studies completed and awaiting regulatory approvals
- High-level design completed in-house based on learnings from the Lynas Malaysia Plant
- Front-end Engineering Design completed for critical areas
- Order placed for the rotary kiln (the most critical long lead item)
- Lynas is seeking regulatory approvals to commence Preliminary Works in H2 CY2020

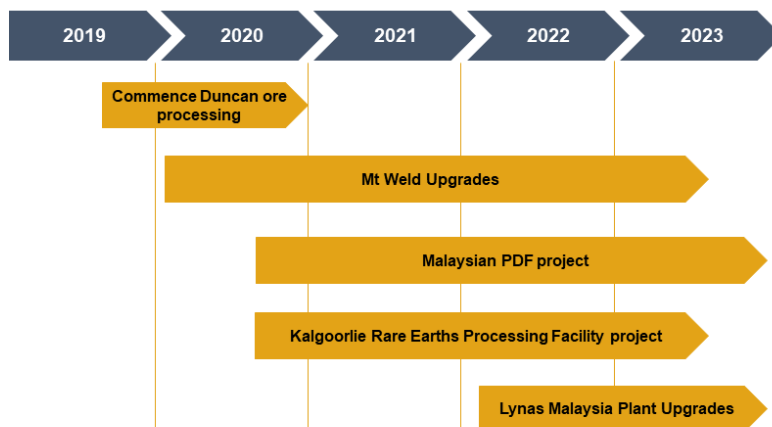
Dedicated project team in place

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Building the foundations for our future growth



Dates illustrated are indicative and may be affected by a variety of factors which may impact progress and the timing of completion

Transformation and flow sheet enhancements will position the business to grow with the market

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4. Summary

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Lynas is transforming for the future

Offer Overview	<ul style="list-style-type: none">Lynas is raising approximately \$425m through a fully underwritten¹ ~A\$211.6m institutional placement and a ~A\$213.7m pro rata accelerated non-renounceable entitlement offer, to fund<ul style="list-style-type: none">Planned Kalgoorlie Rare Earths Processing Facility to produce mixed Rare Earths carbonate for shipment to the Lynas Malaysia PlantAssociated upgrades at the Lynas Malaysia PlantAny additional proceeds will be used for general corporate and working capital purposes								
Rationale for the Equity Raise	<ul style="list-style-type: none">Major Projects deliverable in 2023 are essential steps towards the <i>Lynas 2025</i> vision and will provide foundation capability for further growthProvides Lynas with the flexibility to continue to transform and reshape its business despite the unstable economic environment due to COVID-19On time delivery of Lynas 2025 foundation projects is essential to meet regulatory requirements²								
Key Dates³	<table border="1"><tr><th>Completion of Institutional Offer</th><th>Record Date</th><th>Retail Entitlement Offer Opens</th><th>Retail Entitlement Offer Closes</th></tr><tr><td>Wednesday 19 August 2020</td><td>Wednesday 19 August 2020</td><td>Monday 24 August 2020</td><td>Monday 7 September 2020</td></tr></table>	Completion of Institutional Offer	Record Date	Retail Entitlement Offer Opens	Retail Entitlement Offer Closes	Wednesday 19 August 2020	Wednesday 19 August 2020	Monday 24 August 2020	Monday 7 September 2020
Completion of Institutional Offer	Record Date	Retail Entitlement Offer Opens	Retail Entitlement Offer Closes						
Wednesday 19 August 2020	Wednesday 19 August 2020	Monday 24 August 2020	Monday 7 September 2020						

1. Please refer to footnote 1 on page 2
2. Please refer to footnote 2 on page 9
3. Please refer to the note on page 11

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Section 5: Announcements

The Rare Earths Company of Choice



Market Opportunities

- Long term demand outlook for key Rare Earths products including NdPr remains strong¹
- COVID-19 has increased customer and governmental appetite for diversified and resilient Rare Earths supply



Unique Market Position

- World's second largest Rare Earths producer
- Only significant producer of separated Rare Earths outside of China
- Established & trusted relationships with strategic customers in global supply chains
- Active support from Australian, Japanese and US governments



Established Operations with Significant IP

- Proven and profitable business
- Strong capital and operating cost culture
- Significant Technical, Engineering and Processing IP
- Track record of delivering projects on time and on budget



Growth & Expansion Opportunities

- Mt Weld – Tier 1 Deposit with an existing 25+ year Reserve life²
- Planned Kalgoorlie Rare Earths Processing Facility provides foundation for Lynas 2025 growth initiatives



Proven Team

- Corporate culture founded on capable and resilient people
- Rigorous focus on building long term shareholder value

1. Roskill, Rare Earth Outlook to 2029, 28th Edition, 31 December 2019
2. Please refer to Appendix A

Visit our Investor Centre at:
www.lynascorp.com

OUR VALUES



Care

We care for and respect each other, our communities and the environment. We make sure we all go home safe and well.



Achievement

We are resilient and committed. We overcome challenges to achieve our goals.



Expertise

We are driven to be the world's best in Rare Earths and to earn the respect of our customers.



Diversity

We are a multicultural company. We value and embrace diversity.



Sustainability

We are passionate about contributing to a sustainable future and green technologies.

Section 5: Announcements

Appendix A: JORC Compliance

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JORC Compliance

The information in this presentation is extracted from the report entitled Lynas Corporation 2019 Annual Report created on (October 2 2019) and is available to view on (<https://www.lynascorp.com/wp-content/uploads/2019/10/191002-Annual-Report-Appendix-4G-and-Corporate-Governance-Statement-1979978.pdf>).

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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Section 5: Announcements

Appendix B: Key Risks

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Key Risks

This section discusses some of the key risks associated with an investment in Lynas, which may affect Lynas' business, its operating and financial performance, and the value of Lynas shares (including New Shares issued in connection with the Placement or Entitlement Offer). Before investing in Lynas, you should be aware that an investment in Lynas has a number of risks, some of which are specific to Lynas and some of which relate to listed securities generally, many of which are beyond the control of Lynas. You should consider whether this investment is suitable for you.

Potential investors should consider publicly available information on Lynas (such as that available on the websites of Lynas and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision. Nothing in this presentation is personal financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

The risks set out below have been categorised into risks associated with Lynas' business and risks associated with the Placement, Entitlement Offer and associated matters. Such categorisation is not intended to be in order of importance and you should read all of this key risk section in its entirety. The following risks do not constitute an exhaustive list of all risks involved with an investment in Lynas. It is also important to note that there can be no guarantee that Lynas will achieve its stated objectives or that any forward-looking statements or forecasts contained in this presentation will be realised.

RISKS ASSOCIATED WITH LYNAS' BUSINESS

Set out below are the principal risks and uncertainties associated with Lynas (including its controlled entities) (Lynas). It is not possible to determine the likelihood of these risks occurring with any certainty. In the event that one or more of these risks materialise, Lynas' reputation, strategy, business, operations, financial condition and future performance could be materially and adversely impacted. There may also be other risks that are currently unknown or are deemed immaterial, but which may subsequently become known and/or material. These may individually or in aggregate adversely impact Lynas. Accordingly, no assurances or guarantees of future performance, profitability, distributions or returns of capital are given by Lynas.

Impact of COVID-19 and general economic conditions

In light of recent global macroeconomic events, including the impact of COVID-19, some of the countries in which Lynas operates and sells its Rare Earths, including Malaysia, Australia and the United States, are experiencing, and may continue to experience, an economic recession or downturn, the severity and duration of which remains highly uncertain. These economic disruptions could have a material adverse effect on Lynas' operating and financial position and performance, and could affect the price of Lynas shares.

Additionally, the events relating to COVID-19 have resulted in significant market changes and volatility of supply and demand. The outbreak and its impacts are rapidly evolving and outcomes are uncertain and dependent upon many factors beyond Lynas' control. Many of the risks highlighted in further detail below may be heightened due to the impacts of the COVID-19 pandemic. There continues to be considerable uncertainty as to the further short- and long-term impact of COVID-19, globally and within the markets in which Lynas operates and sells its Rare Earths, including in relation to governmental responses, international trade, potential taxation changes, work stoppages, lockdowns, quarantines, travel restrictions and share markets.

The potential effects of these possible outcomes on Lynas include, but are not limited to:

- closure of and/or reduced capacity at Lynas' plants and facilities;
- delays or interruption in supply chains leading to an inability to secure or obtain raw materials, finished products or components, or to distribute products to customers;
- health outcomes for Lynas' employees or its customers' employees, which could result in the closure of a plant or facility for a period and could adversely affect the availability of technically equipped and qualified personnel needed to conduct certain operations;
- a reduction in processing of downstream products and production of end-products that utilise Lynas' Rare Earths or other industrial activity, leading to a decrease in demand for Lynas' Rare Earths;
- counterparty non-performance or claims under existing contractual arrangements;
- insolvency of counterparties (including customers);
- delays of projects with large associated capital spend, deferral of discretionary capital spend and impact on valuation of assets;
- disruptions to international trade resulting from policies developed by governments in response to COVID-19 or as a result of disputes or disagreements amongst governments on matters relating directly or indirectly to COVID-19.

Operational risks

Rare earth prices
Lynas' revenue is affected by market fluctuations in Rare Earth prices. This is because the product prices used in the majority of Lynas' sales are calculated by pricing formulae that reference published pricing for various Rare Earth materials. The market prices have been volatile in the past because they are influenced by numerous factors and events that are beyond the control of Lynas. These include:

- **Supply side factors:** Supply side factors are a significant influence on price volatility for Rare Earth materials. Supply of Rare Earth materials is dominated by Chinese producers. The Chinese Central Government regulates production via quotas and environmental standards. Over the past few years, there has been significant restructuring of the Chinese market in line with China Central government policy. However, periods of over supply or speculative trading of Rare Earths can lead to significant fluctuations in Rare Earth pricing.
- **Demand side factors:** Demand side factors are also a significant influence on price volatility for Rare Earth materials. Demand for end-products that utilise Lynas' Rare Earths including internal combustion vehicles, hybrid vehicles, electric vehicles and electronic devices fluctuates due to factors including global economic trends, regulatory developments and consumer trends.
- **Geopolitical Factors:** Recently Rare Earths have been the focus of significant attention, including as a result of the recent trade tensions between the US and China.

Strong Rare Earth prices, as well as real or perceived disruptions in supply, may create economic incentives to identify or create alternate technologies that ultimately could depress future long-term demand for Rare Earths. This may, at the same time, incentivise the development of additional mining properties to produce Rare Earths. If industries reduce their reliance on Rare Earth products, the resulting change in demand could have a material adverse effect on Lynas' business. In particular, if prices or demand for Rare Earths were to decline, this could impair Lynas' ability to obtain financing for current or additional projects and its ability to find purchasers for its products at prices acceptable to Lynas.

It is impossible to predict future Rare Earth price movements with certainty. Any sustained low Rare Earth prices or further declines in the prices of Rare Earths, including as a result of periods of over-supply and/or speculative trading of Rare Earths, will adversely affect Lynas' business, results of operations and its ability to finance planned capital expenditures, including development projects.

Market competition

Lynas' Rare Earths supply contracts and profits may be adversely affected by the introduction of new mining and separation facilities and any increase in competition in the global Rare Earths market, either of which could increase the global supply of Rare Earths and thereby potentially lower prices.

Exchange rates

Lynas is exposed to fluctuations in the US dollar as all sales are denominated in US dollars. Lynas borrows money and holds a portion of cash in US dollars, which provides Lynas with a partial natural hedge. Accordingly, Lynas' income from customers, and the value of its business, will be affected by fluctuations in the rate by which the US dollar is exchanged with the Chinese Renminbi and the Australian dollar. Lynas is exposed to fluctuations in the Malaysian ringgit (MYR), which is the currency that dominates Lynas' cash operating outflows. In addition, most of Lynas' non-current assets are its Malaysia assets which are denominated in MYR. Adverse movements in the Australian dollar against the US dollar and the MYR may have an adverse impact on Lynas' financial position and operating results. In-China market prices for Rare Earths are denominated in the Chinese Renminbi. In addition, a devaluation in the Chinese Renminbi would increase attractiveness in Chinese exports and China's internal supply. Fluctuation in the Chinese Renminbi against the US dollar therefore also increases the foreign exchange exposure on Lynas.

Operational and development risks

Lynas' operations and development activities could be affected by various unforeseen events and circumstances, such as hazards in exploration, the ability of third parties to meet their commitments in accordance with contractual arrangements, the realisation of tonnages and grades of ore and performance of processing facilities against design specification. Factors such as these may result in increased costs, lower production levels and, following on from that, lower revenue levels. Any negative outcomes flowing from these operational risks could have an adverse effect on Lynas' business, financial condition, profitability and performance.

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Key Risks (cont'd)

Nature of mining

Mineral mining involves risks, which even with a combination of experience, knowledge and careful evaluation may not be able to be fully mitigated. Mining operations are subject to hazards normally encountered in exploration and mining. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment, which may cause a material adverse impact on Lynas' operations and its financial results. Projects may not proceed to plan with potential for delay in the timing of targeted output, and Lynas may not achieve the level of targeted mining output. Mining output levels may also be affected by factors beyond Lynas' control.

Mineral resources and ore reserves

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the anticipated level of recovery will be realised. Mineral resource and ore reserve estimates are based upon estimates made by Lynas personnel and independent consultants. Estimates are inherently uncertain and are based on geological interpretations and inferences drawn from drilling results and sampling analyses. There is no certainty that any mineral resources or ore reserves identified by Lynas will be realised, that any anticipated level of recovery of minerals will be realised, or that an identified ore reserve or mineral resource will be a commercially mineable (or viable) deposit which can be legally and economically exploited. Further, the grade of mineralisation which may ultimately be mined may differ materially from what is estimated. The quantity and resulting valuation of ore reserves and mineral resources may also vary depending on, amongst others, metal prices, cut-off grades and estimates of future operating costs (which may be inaccurate). Production can be affected by many factors. Any material change in the quantity of ore resources, mineral reserves, grade, or stripping ratio may affect the economic viability of any project undertaken by Lynas. Lynas' estimated mineral resources and ore reserves should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations. Lynas cannot be certain that its mineral resource and ore reserve estimates are accurate and cannot guarantee that it will recover the expected quantities of metals. Future production could differ dramatically from such estimates for the following reasons:

- actual mineralisation or Rare Earth grade could be different from those predicted by drilling, sampling, feasibility or technical reports;
- increases in the capital or operating costs of the mine;
- decreases in rare earth oxide prices;
- changes in the life-of-mine plan;
- the grade of Rare Earths may vary over the life of a Lynas project and Lynas cannot give any assurances that any particular mineral reserve estimate will ultimately be recovered; or
- metallurgical performance could differ from forecast.

The occurrence of any of these events may cause Lynas to adjust its mineral resource and reserve estimates or change its mining plans. This could negatively affect Lynas' financial condition and results of operations. Moreover, short-term factors, such as its need for additional development of any Lynas project or the processing of new or different grades, may adversely affect Lynas. As a result, investors are cautioned not to place undue reliance on any estimates made by Lynas.

Processing operations

Lynas' operations are subject to the operating risks associated with Rare Earth processing, including performance of processing facilities against design specification, and the related risks associated with storage and transportation of raw materials, products and residues. These operating risks have the potential to cause personal injury, property damage and environmental contamination, and may result in the shutdown of affected facilities and in business interruption and the imposition of civil or criminal penalties, and negatively impact the reputation of Lynas. The hazards associated with Lynas' mining and processing operations and the related storage and transportation of products and residues include:

- pipeline and storage tank leaks and ruptures;
- explosions and fires;
- mechanical failures;
- chemical spills and other discharges or releases of toxic or hazardous substances or gases; and
- residue storage and tailings dam failures.

These hazards may cause personal injury and loss of life, damage to property and contamination of the environment, which may result in suspension of operations and the imposition of civil or criminal penalties, including fines, expenses for remediation and claims brought by governmental entities or third parties. Although Lynas has detailed and closely managed plans to mitigate these risks and maintains property, business interruption and casualty insurance of types and in the amounts that it believes is customary for its industry, Lynas is not fully insured against all potential hazards incidental to its business.

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Key Risks (cont'd)

Data and cyber security risks

Lynas may be subject to network and systems interference from a number of sources, such as cyber-attacks, security breaches or system defects, which could result in commercial, financial, health and safety, environmental or reputational impacts. The potential consequences of such interference include production downtime, operational delays, destruction or corruption of data, disclosure of commercially sensitive information and data breaches. While Lynas has disaster recovery and business continuity plans in place, such interference could have a material impact on Lynas' business, operations or financial condition and performance.

Corporate culture and business conduct

Corporate culture can greatly influence individual and group behaviours. The behaviours that could expose Lynas to conduct risk include but are not limited to:

- Delays in appropriately escalating regulatory and compliance issues;
- Failure to resolve issues in a timely manner; and
- Failure to deliver on product and service commitments.

If Lynas' conduct and ethics related controls, frameworks and practices were to fail significantly, be set inappropriately, or not meet legal, regulatory, or community expectations, then Lynas may be exposed to reputational damage through fines, regulatory intervention or investigation, temporary or permanent loss of licences, litigation and/or permanent loss of business.

Regulatory, legal and environmental risks

General regulatory risks

Lynas' business is subject, in each of the countries in which Lynas operates and sells its Rare Earths, to various national and local laws and regulations relating to the mining, production, marketing, pricing, transportation and storage of Lynas' products and residues. A change in the legislative and administrative regimes, taxation laws, interest rates, and other legal and government policies may have an adverse effect on the assets, operations and ultimately the financial performance of Lynas and the market price of Lynas shares. Other changes in the regulatory environment (including applicable accounting standards) may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Lynas' business and financial condition.

Licences, permits, approvals, consents and authorisations

Lynas' mining and production activities are dependent on the granting and maintenance of appropriate licences, permits, approvals, and regulatory consents and authorisations (including those related to interests in mining tenements and those related to the operation of the Lynas plants in Australia and Malaysia), which may not be granted or may be withdrawn, or be made subject to limitations at the discretion of government or regulatory authorities. Although such licences, permits, approvals and regulatory consents and authorisations may be granted, continued or renewed (as the case may be), there can be no assurance that such licences, permits, approvals and regulatory consents and authorisations will be granted, continued or renewed as a matter of course, or as to the terms of renewals or grants, including that new conditions, or new interpretations of existing conditions, will not be imposed in connection therewith. Whether such licences, permits, approvals and regulatory consents and authorisations may be granted, continued or renewed (as the case may be) often depends on Lynas being successful in obtaining the required statutory approvals for proposed activities. If there is a failure to obtain or retain the appropriate licences, permits, approvals and regulatory consents and authorisations, or if there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions or withdrawn, then Lynas' ability to conduct its mining and production activities may be adversely affected.

Political risks and government actions

Lynas' operations could be affected by government actions in Australia, Malaysia and other countries or jurisdictions in which it operates and sells its Rare Earths. Lynas is subject to the risk that it may not be able to carry out its operations as it intends, including because of a change in government, legislation, guidelines, regulation or policy, including in relation to the environment, the Rare Earths sector, competition policy, native title and cultural heritage. Such changes could affect and access, the granting of licences and other tenements, the approval of developments and freedom to conduct operations.

The possible extent of introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect Lynas' business is difficult to predict. Any such government action may require increased capital or operating expenditures and could prevent or delay certain operations by Lynas, which could have a material adverse effect on Lynas' business and financial condition. Lynas

Availability of key inputs, including Water

The Mt Weld Mine and Concentration Plant and the Lynas Malaysia Plant rely on the ready availability of key inputs, including chemical reagents, water, electricity and gas. Any inability of Lynas to obtain such inputs in sufficient quantities on a timely basis could materially adversely affect Lynas' operations. For example, the insolvency of key suppliers may adversely affect the availability of chemical reagents. In addition, the water supply to the Mt Weld Mine and Concentration Plant is primarily sourced from a local aquifer supplemented by recycling, and the water supply to the Lynas Malaysia Plant is primarily sourced from the local Kuantan water supply infrastructure, supplemented by recycling. Reductions in water availability from those sources, for example due to changes in weather patterns or failures of infrastructure, could materially adversely affect the availability of water to the Lynas operations.

Supply Chain and counterparty risk

Lynas is dependent on contractors and suppliers to supply vital goods and services to its operations, including for the supply of chemicals and other materials. Lynas is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers, including in respect of the ability of those contractors and suppliers to meet their commitments under sales contracts. Any disruption to services or supplies may have an adverse effect on Lynas' financial business and financial condition.

Reliance on key personnel

Lynas' execution capacity is substantially attributable to the role played by a group of its senior management and key employees. Lynas' future success depends significantly on the full involvement of these key executives and employees and its ability to continue to retain and recruit high-level personnel. The loss of key employees could significantly affect Lynas' operations. In addition, industrial and labour disputes, work stoppages and accidents, and logistical and engineering difficulties may also have an adverse effect on Lynas' profitability and share price.

Customer risks

Lynas' revenue is dependent on continuing sales to its key customers, many of whom require delivery to specific timetables of products that comply with detailed specifications. The loss of key customers could significantly affect Lynas' business, for example due to disputes with customers, customers switching to other suppliers or technologies, or customer businesses being adversely affected by events outside the control of Lynas, including customer insolvency or declining markets for the end-products of customers.

Industry Trends, including Changes in Technology

Changes in technology, including switches to renewable energy sources, present both opportunities and risks to the Lynas business. As technologies and consumer trends continue to evolve, new competing technologies may emerge that may reduce demand for Lynas Rare Earth products. Any significant trends away from technologies that utilise Lynas Rare Earths products could materially adversely affect the Lynas business.

Project Development risks

Lynas is undertaking significant and complex construction projects, primarily related to the new Lynas Cracking & Leaching facility in Kalgoorlie. Construction projects are subject to numerous risks, many of which are outside the control of Lynas, including delays in project approvals, project delays and cost overruns, disputes with contractors, insolvency of contractors, problems with design, delays in commissioning or ramp-up and new facilities not performing in accordance with expectations. In May 2019, Lynas entered into a Memorandum of Understanding with Blue Line Corporation for a joint venture to develop Rare Earths separation capacity in the United States. On 22 April 2020, Lynas announced that it had signed a contract with the U.S. Department of Defense to begin Phase 1 work on a U.S. based Heavy Rare Earth separation facility. The Phase 1 funding provided by the U.S. Department of Defense will allow Lynas and Blue Line Corporation to complete a detailed market and strategy study plus detailed planning and design work for the construction of a Heavy Rare Earth separation facility. Any disagreement with Blue Line Corporation, including in relation to how the separation facility should be developed, operate efficiently, and/or the potential inability of Blue Line Corporation to meet its financial or other joint venture commitments may have a negative impact on Lynas' future business, operating and financial performance and results, and/or the value of its underlying assets.

also may not be able to ensure the security of its assets located outside Australia, and is subject to risks of, among other things, loss of revenue, property and equipment as a result of hazards such as expropriation, war, insurance and acts of terrorism and other political risks and increases in taxes and government royalties. The effects of these factors are difficult to predict and any combination of one or other of the above may have a material adverse effect on Lynas' business and financial position. Recent changes of governments in Malaysia created additional political focus on Lynas, which creates additional risks for the business. In order to continue operating the business as currently projected, Lynas will need to continue to receive new licences, renewals of existing licences and variations of the terms of existing licences. Examples may include increases to concentrations import and processing volumes, additional residue storage volume and periodic renewals of licences. Such amendments would require approval from the relevant regulatory authorities acting in accordance with government policy and licence conditions.

Malaysian regulatory matters

Without limiting the generality of the risks specified above in this section, as announced on 27 February 2020, the Malaysian Atomic Energy Licensing Board (AELB) has renewed the operating licence for the Lynas Malaysia Plant for three years expiring March 2023, subject to the following key conditions:

- Lynas to begin the process of developing the Permanent Disposal Facility (PDF) within the first year from the date of approval of the licence;
- Lynas must submit a work development plan for the construction of the PDF and report on its development status as determined by the AELB;
- Lynas must ensure that the Cracking and Leaching plant outside Malaysia is in operation before July 2023. After that period, Lynas will no longer be allowed to import raw materials containing Naturally Occurring Radioactive Material (NORM) into Malaysia;
- Holding of a financial deposit will be maintained for compliance with the relevant licence conditions.

To the extent that Lynas does not, or is not able to, comply with relevant licence conditions including the key conditions specified above, and/or comply with licence conditions within the timeframes prescribed, then Lynas' licences and approvals may be revoked. Government action, including legal action, may be also taken by or at the direction of the Malaysian government in order to ensure that the terms and conditions of Lynas' licences and approvals are complied with to levels satisfactory to, and within the timeframes prescribed by, the Malaysian government.

Environmental risks

Lynas' activities are subject to extensive laws and regulations controlling not only the mining of, exploration for and processing of Rare Earths, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, Lynas must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and Lynas could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of residues and the effects of its business on the water table and groundwater quality. Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Lynas may thus be exposed to litigation and unforeseen compliance and rehabilitation costs despite its best efforts.

Climate change risks

Climate change and the rapidly evolving response to it may lead to a number of risks, including but not limited to:

- Increased political, policy and legal risks (e.g. the introduction of regulatory changes aimed at reducing the impact of, or addressing climate change, including reducing or limiting carbon emissions);
- Increased capital and operational costs, including increased costs of inputs and raw materials; and
- Technological change and reputational risks associated with Lynas' conduct.

Climate change may also result in more extreme weather events and physical impacts on Lynas due to the energy intensive nature of Lynas' operations, and Lynas' reliance on fossil fuels for mining and processing activities.

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Section 5: Announcements

Key Risks (cont'd)

Disposal of Residues

At the Mt Weld Mine and Concentration Plant, the Lynas Malaysia Plant, and the new proposed Lynas Kalgoolie Rare Earths Processing Facility, Lynas operations generate waste residue materials in the form of solids, liquids and gases. Lynas has appropriate plans in place for the treatment, sale or disposal each of these residues. Failure to implement those plans could have a material effect on Lynas' licensing conditions and may adversely affect its operations.

Community acceptance and reputation

Lynas recognises that a satisfactory mutual relationship with each community in which it operates is a pre-condition to successful operations. Failure to maintain those relationships and the acceptance by those communities may have an adverse effect on Lynas' operations. In addition, Lynas recognises the importance of maintaining its reputation with all of its stakeholders including shareholders, regulatory authorities, communities, customers and suppliers and other parties who have an interest in Lynas' operations. Failure to maintain its reputation with some or all of its stakeholders, for example by not adequately engaging with or considering the views of those stakeholders, may have a negative impact on the future performance or reputation of Lynas.

Legal action

As announced on 17 January 2020, a judicial review application has been lodged in Malaysia challenging the processes followed during the August 2019 renewal of the Lynas Malaysia operating licence. The hearing of that judicial review application is scheduled for 19 October 2020. While Lynas has been successful in defending several similar judicial review applications in the past, any adverse court findings could materially adversely affect the ability of Lynas to operate its Malaysian plant in its current form. In addition, it is possible that in the future, Lynas could be exposed to other litigation or proceedings, either from shareholders, financiers, regulators or members of the communities in which Lynas operates.

Health and safety

Lynas is subject to extensive laws and regulation in Malaysia and Australia in respect of the health and safety of its people and communities, and the protection and rehabilitation of the environments within which it operates. Lynas must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the implementation of the regulations by the permitting authority.

Tax and Royalty risks

Lynas is subject to taxation and other imposts in Australia, Malaysia and other countries or jurisdictions in which it operates and sells its Rare Earths. In addition to the normal level of income tax imposed on all industries, companies in the resources sector are required to pay government royalties, direct and indirect taxes and other imposts. The profitability of companies in these industries can be affected by changes in government taxation and royalty policies or in the interpretation or application of such policies. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Lynas operates and sells its Rare Earths, may impact the tax liabilities of Lynas.

Financial risks

Debt facilities and covenants

Lynas has financing arrangements in place which are subject to acceleration and enforcement rights in the event a default were to arise under them. The Japan Australia Rare Earths B.V. (JARE) loan facility has been secured over all the assets of Lynas, other than Malawi assets. Pursuant to the amendments to the JARE loan facility dated 27 June 2019, JARE has released the following securities: (i) Debt of Charge - All Assets (Malaysia) and (ii) Malaysian Real Property Mortgage. Enforcement may involve enforcement of security over the assets of Lynas and its material subsidiaries, including appointing a receiver. The principal amount of the JARE facility was US\$145m as at June 30, 2020. The principal amount will be due for repayment in fixed loan repayments between December 31, 2021 and June 30, 2030. Please refer to Lynas' ASX announcement on 13 August 2020 regarding JARE's revised payment schedule and deferred interest payments.

In the event significant uncertainty arises in relation to Lynas' ability to fully repay, refinance or reschedule the outstanding balance of the JARE loan facility by its respective maturity date of June 30, 2030, Lynas' ability to continue as a going concern may also be affected. In addition, Lynas' existing debt facilities are subject to a range of covenants. A failure to comply with any of these debt covenants may require

Lynas to seek amendments, waivers of covenant compliance or alternative borrowing arrangements. There is no assurance that its lenders would consent to such an amendment or waiver in the event of non-compliance, or that such consent would not be conditional upon the receipt of a cash payment, revised payout terms, increased interest rates, or restrictions in the expansion of debt facilities in the foreseeable future, or that its lenders would not exercise rights that would be available to them, including among other things, calling an event of default and demanding immediate payment of outstanding borrowings. If such a demand was made and appropriate forbearance or refinances arrangements could not be reached, Lynas may not have sufficient available funds to meet that demand.

Funding risk

Lynas' existing debt facility agreements restrict its ability to incur further debt except in certain circumstances. Should Lynas experience a protracted decline in earnings, there is a possibility that the quantum of debt and/or equity funding available to Lynas would not be sufficient to execute its strategy (including its development of large-scale projects) which could have a negative impact on the future financial performance or position of Lynas.

General risks

General economic conditions

Lynas' operating performance and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or decrease in consumer and business demand, could be expected to have an adverse impact on Lynas' business, results of operations or financial condition and performance.

General investment risks

There are general risks associated with investments in equity securities. No assurances can be given that the New Shares will trade at or above the price at which they are issued. None of Lynas, its directors or any other person guarantees the market performance of the New Shares or of Lynas. The trading price of shares in Lynas may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the price at which they are issued.

Generally applicable factors which may affect the market price of Lynas shares (and over which Lynas and its directors have limited or no control) include:

- the impact of COVID-19 (or other pandemics or epidemics), and the measures taken to control their spread, including on the health of the workforce and consumer demand and impact on supply chains;
- general movements in Australian and international stock markets;
- investor sentiment and the demand for ASX-listed securities generally, and the risk of contagion;
- Australian and international economic conditions and outlook, including aggregate investment and economic output, employment levels and labour costs, commodity prices, inflation, interest rates, and exchange rates;
- changes in interest rates and the rate of inflation;
- changes in exchange rates, Rare Earths prices, employment levels and consumer demand;
- changes in government legislation, regulation and policies, including fiscal, regulatory, trade and monetary policies and tax laws;
- announcement of new technologies and displacement of existing technologies;
- natural disasters, extreme weather events and catastrophes;
- geo-political instability, including international hostilities and acts of terrorism;
- demand for and supply of Lynas shares;
- announcements and results of competitors; and
- the expectations of securities analysts and analysts' reports.

It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable. There have been in recent months, and may be in the future, significant fluctuations and volatility in the prices of equity securities. In particular, the COVID-19 pandemic, and the continuing uncertainty as to its future impact on the Australian and global economies, has contributed to significant market falls and volatility, and could materially adversely impact the market price of the New Shares.

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Key Risks (cont'd)

Volatility and liquidity risk

While Lynas shares are currently listed on ASX, there is no guarantee that there will at all times be sufficient buyers of shares to enable shareholders to dispose of Lynas shares in a timely manner at a price that the shareholder may have expected to achieve. The price of shares may go up and down by a material amount, even over a short period of time. No assurance can be given that the New Shares will trade at or above the Offer Price or that there will be an active market in Lynas shares. None of Lynas, its directors nor any other person guarantees the performance of the New Shares.

Equity raising risk

Lynas has entered into an underwriting agreement with the Underwriters under which the Underwriters have agreed to fully underwrite the Placement and Entitlement Offer, subject to the terms and conditions of that agreement (Underwriting Agreement). If certain conditions are not satisfied or certain events occur, then each Underwriter may terminate the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include (but are not limited to):

- ASX announces that the Lynas will be removed from the Official List or that any New Shares will be delisted or suspended from quotation by ASX for any reason;
- the S&P/ASX 200 Index closes 10% (or more) below the level of the relevant index prior to entry into the Underwriting Agreement (Base Level) on any date after entry into this Underwriting Agreement until the first settlement date (expected to be Tuesday, 25 August 2020) (First Settlement Date);
- At any time after the First Settlement Date up until 5.00pm on the second settlement date (expected to be Friday, 11 September 2020) (Second Settlement Date) the S&P/ASX 200 Index has, either closed at a level that is 12.5% (or more) below the Base Level, and the index has remained at or below 12.5% under the Base Level on two consecutive trading days, or closed at a level that is 12.5% (or more) below the Base Level and remained at or below 12.5% under the Base Level as at the most recent close prior to the Second Settlement Date or at the close of any business day during the Second Settlement Date;
- ASX does not agree to grant official quotation of all the New Shares on an unconditional basis;
- A statement contained in the Offer materials is, becomes or is likely to be misleading or deceptive (including by omission);
- Lynas withdraws the Offer or any component of it or indicates that it does not intend to or is unable to proceed with the Offer or any component of it;
- An insolvency event occurs;
- There is an adverse change (or an event occurs which is likely to give rise to an adverse change) in the position of Lynas from the position fairly disclosed by Lynas to ASX;
- A force majeure event occurs;
- Lynas or any of its directors or officers engage in any fraudulent conduct or activity whether or not in connection with the Offer;
- A director or senior manager of Lynas is charged with an indictable offence relating to financial or corporate matters or a director of Lynas is disqualified from managing a corporation;
- It becomes public (and is not withdrawn within 2 business days after it is made or is made within 2 Business Days of the First Settlement Date or the Second Settlement Date and is not withdrawn by 5.00am of the relevant Settlement) that:
 - ASIC issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer (or announces its intention to do so);
 - there is an application to any government agency for any order, declaration or other remedy, or any other government agency commences any other investigation or hearing or announces its intention to do so, in each case in connection with the Offer;
 - ASIC or any other government agency commences or gives notice of an intention to commence a prosecution of Lynas or any director or employee of Lynas; or
 - ASIC or any other government agency commences or gives notice of an intention to commence a hearing or investigation into Lynas;
- Lynas is in breach of any terms and conditions of the Underwriting Agreement;
- A law or any new regulation is made or a new policy is adopted or official announcement is made that a law or new regulation will be introduced in Australia or any State or Territory of Australia, or a new policy will be adopted, other than any other than any law, regulation or policy which has been publicly announced by the Government of the Commonwealth of Australia or any State or Territory of Australia, or certain government agencies or authorities in Australia prior to entry into the Underwriting Agreement, any of which does or is likely to prohibit or regulate the Offer, capital markets or stock markets or otherwise have a material adverse effect on the Offer;
- There is a contravention by Lynas of law, or the Offer does not comply with law, or Lynas is prevented from allotting and issuing the New Shares;
- There is a suspension or material limitation in trading of securities generally on ASX, HXK, LSE or NYSE.

- In respect of any one or more of Australia, New Zealand, Malaysia, Japan, Hong Kong, the USA or the UK:

- the relevant central banking authority declares a general moratorium or there is a material disruption in commercial banking or securities settlement or clearance services in any of those countries;
 - there is an adverse change or disruption to the existing financial markets, political or economic conditions;
 - hostilities not existing at the date of Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not);
 - a state of emergency is declared (other than as already declared prior to entry into the Underwriting Agreement); or
 - a significant terrorist attack is perpetrated.
- There is an unforeseen shut down of the Gebeng Industrial Park near Kuantan, Malaysia, the Mt Weld Mine or any other material site or project of Lynas occurs on or after the date of the Underwriting Agreement.
 - In relation to Lynas' cracking and leaching project in Kalgoolie (Kalgoolie Project):
 - the Government of Western Australia revokes the "Lead Agency" status granted to the processing plant for the Kalgoolie Project; or
 - the Australian Government revokes the "Major Project" status granted to the processing plant for the Kalgoolie Project.

The termination of the Underwriting Agreement would have an adverse impact on the amount of funds raised under the Placement and Entitlement Offer and, if it were to occur, Lynas may need to take other steps to raise capital. The Underwriting Agreement contains representations, warranties, undertakings and indemnities in favour of the Underwriters, subject to certain carve outs. For details of the fees payable to the Underwriters, refer to the Appendix 3B released to the ASX on 17 August 2020.

Foreign jurisdictions

For investors outside Australia, Australian law may operate differently from the laws of the jurisdiction in which those investors reside and laws may change from time to time, impacting the potential return on, and risks associated with, an investment in Lynas shares.

Risks of dilution

Existing shareholders who do not participate in the Placement and who do not participate in or take up all of their entitlements under the Entitlement Offer will have their percentage security holding in Lynas shares diluted. Depending on the size of a shareholder's existing holding, a participating shareholder may still be diluted even though they participate in the Placement or the Entitlement Offer depending on the number of New Shares allocated to them. Investors may also have their investment diluted by any future capital raisings by Lynas.

Dividends

The payment of any dividends in respect of Lynas' shares is affected by several factors, including covenants in the JARE loan facility, Lynas' profitability, retained earnings, ability to frank dividends, capital requirements and free cash flow. Any future dividends will be determined by Lynas Board having regard to these factors, among others. There is no guarantee that any dividends will be paid by Lynas. If Lynas is unable to pay dividends the price of its shares may fall.

Accounting Standards

Accounting standards may change. This may affect the reporting earnings of Lynas and its financial position from time to time. Lynas has previously and will continue to assess and disclose, when known, the effect of adopting new accounting standards in its periodic financial reporting.

Adverse changes to tax laws may occur

Future changes in taxation laws in jurisdictions in which Lynas operates, including in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in Lynas shares or the holding or disposing of those shares. An investment in shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in Lynas.

For investors outside Australia, Australian tax law may operate differently from the laws of the jurisdiction in which those investors reside and tax and other laws may change from time to time, impacting the potential return on, and risks associated with, an investment in Lynas shares.

Force majeure events

Events may occur within or outside Lynas' key markets that could impact upon the global economies and the operations of Lynas. The events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, cyclones, changes in weather patterns or other severe weather events, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on market conditions, the demand for Lynas' product offering and services and Lynas' ability to conduct business.

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Section 5: Announcements

Appendix C: International Offer Restrictions

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International Offer Restrictions

This document does not constitute an offer of new ordinary shares (New Shares) of Lynas Corporation Limited (Company) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the Provinces), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are 'accredited investors' within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators. No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and accepted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares. The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada. Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser. The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a 'Canadian financial institution' or a 'Schedule III bank' (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation, (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon, and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered. Section 135 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of

any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have. Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières déontes aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the Prospectus Regulation). In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are 'qualified investors' (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the FIEL) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

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NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Section 5: Announcements

International Offer Restrictions (cont'd)

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 5 and 6 of the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the FMCA).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2015.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMCA;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMCA;
- is large within the meaning of clause 39 of Schedule 1 of the FMCA;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMCA; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMCA (and, if an eligible investor, have provided the necessary certification).

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 15. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or

authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority (SCA) or any other authority in the UAE. This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2015, as amended) and may not be provided to any person other than the original recipient. No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 85(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 85(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company. In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, unless those securities have been registered under the U.S. Securities Act (which the Company has no obligation to do) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

The securities to be offered and sold in the Placement and Entitlement Offer may be offered and sold only (a) in the United States, (1) to persons that are "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act, or (2) to dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k) of the U.S. Securities Act) for which they have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(ii) of Regulation S, in reliance on Regulation S, and (b) outside the United States in "offshore transactions" (as defined in Rule 902(f) under Regulation S under the U.S. Securities Act) in reliance on Regulation S.

Section 6: Taxation

6.1 Introduction

Set out below is a summary of the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders who:

- are residents of Australia for Australian income tax purposes; and
- hold their Lynas Shares (and will hold their New Shares, including any Additional New Shares) on capital account.

The summary below does not apply to Eligible Retail Shareholders who:

- are non-residents of Australia for Australian income tax purposes;
- hold their Lynas Shares (or will hold their New Shares, including any Additional New Shares) as revenue assets (which will generally be the case for Eligible Retail Shareholders who use their Lynas Shares in carrying on a business of share trading, banking or insurance) or as trading stock, or have acquired Lynas Shares for the purpose of on-sale at a profit;
- acquired their Lynas Shares in respect of which their Retail Entitlements are issued under any employee share scheme or where New Shares (including any Additional New Shares) are acquired pursuant to any employee share scheme; or
- may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents.

This taxation summary is based on the Australian tax law and administrative practice as it applies as at 9.00am on the date of this Retail Offer Booklet. Other than as expressly discussed or specified, the comments do not take into account or anticipate changes in Australian tax law, administrative practice or future judicial interpretations of Australian tax law after this time.

This summary also does not take account of any individual circumstances of any particular Eligible Retail Shareholder and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian tax implications. Eligible Retail Shareholders should seek and rely upon specific advice applicable to their own particular circumstances from their own financial or tax advisors.

6.2 Issue of Retail Entitlements

The issue to you of your Retail Entitlements should not, of itself, result in any amount being included in your assessable income.

6.3 Exercise of Retail Entitlements

You will acquire New Shares where you take up all or part of your Retail Entitlements under the Retail Entitlement Offer.

You may acquire Additional New Shares where you take up all of your Retail Entitlements and also apply for Additional New Shares in excess of your Retail Entitlement under the Retail Entitlement Offer (up to a maximum of 50% of your Retail Entitlement).

No Australian income tax liability should arise for you at the time of exercising (i.e. taking up) your Retail Entitlement.

For CGT purposes, you will be taken to have acquired the New Shares, including any Additional New Shares, you acquire on the day that you exercise your Retail Entitlement. Each New Share, including Additional New Share, will constitute a separate CGT asset.

If you take up all or part of your Retail Entitlement, the cost base of the New Shares, including any Additional New Shares, you acquire will, for CGT purposes, be equal to the Offer Price payable by you for those New Shares (including Additional New Shares) plus certain non-deductible incidental costs you incur in acquiring them.

Section 6: Taxation

6.4 Lapse of Retail Entitlement

If you do not take up all or part of your Retail Entitlement in accordance with the instructions set out above, then your Retail Entitlement will lapse and you will not receive any consideration for your Retail Entitlement that is not taken up. There should be no tax implications for you from the lapse of your Retail Entitlement.

6.5 Dividends on New Shares (including Additional New Shares)

Any future dividends or other distributions made in respect of New Shares, including any Additional New Shares, will be subject to the same income taxation treatment as dividends or other distributions made on Lynas Shares held in the same circumstances.

6.6 Disposal of New Shares (including Additional New Shares)

The disposal of a New Share or an Additional New Share will constitute a disposal for CGT purposes.

On disposal of a New Share or an Additional New Share, you will make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share or Additional New Share. You will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share or Additional New Share. The cost base of New Shares, including any Additional New Shares, is described above in Section 6.3.

If you are an individual, trustee or complying superannuation entity that has held New Shares (including any Additional New Shares) for 12 months or more at the time of disposal (not including the date of acquisition and disposal) you should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trustees and 33⅓% for complying superannuation entities.

You will be taken to have acquired New Shares, including any Additional New Shares, for the purposes of the CGT discount on the day you exercise your Retail Entitlements. Accordingly, to be eligible for the CGT discount, you must have held New Shares, including any Additional New Shares, for at least 12 months after the date that you exercised your Retail Entitlement (not including the date of acquisition and disposal).

If you make a capital loss, you can only use that loss to offset other capital gains (i.e. the capital loss cannot be used against taxable income on revenue account). However, if the capital loss cannot be used in a particular income year, you can carry it forward to use in future income years, providing certain loss utilisation tests are satisfied.

6.7 Taxation of Financial Arrangements (TOFA)

The TOFA provisions operate to make assessable or deductible, gains or losses arising from certain 'financial arrangements' (importantly, the CGT discount is not available for any gain that is subject to the TOFA provisions). The application of the TOFA provisions depend on your specific facts and circumstances. You should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions to you.

6.8 Provision of TFN and/or ABN

Lynas may be required to withhold tax from you on payments of dividends that are not fully franked, at the specified rate, and remit such amounts to the ATO, unless you have provided a TFN, ABN or you have informed us that you are exempt from quoting your TFN or ABN.

You are not required to provide your TFN or ABN to Lynas, however you may choose to do so. If you have previously quoted your TFN, ABN, or have notified us that an exemption from quoting your TFN or ABN exists, that quotation or exemption will also apply in respect of any New Shares, including Additional New Shares, acquired by you.

6.9 Other Australian taxes

No GST or stamp duty should be payable by you in respect of the issue or taking up of your Retail Entitlements, or the acquisition of New Shares (including any Additional New Shares), pursuant to the Retail Entitlement Offer.

Section 7: Additional information

This Retail Offer Booklet (including the enclosed Announcements) and attached personalised Entitlement and Acceptance Form have been prepared by Lynas.

This Retail Offer Booklet (other than the Announcements) is dated 24 August 2020. The Announcements are current as at the date on which they were released. This Retail Offer Booklet remains subject to change without notice, and Lynas is not responsible for updating this Retail Offer Booklet.

There may be additional announcements that have been made by Lynas (including after the date of this Retail Offer Booklet) that are made throughout the Retail Entitlement Offer Period that may be relevant to your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by Lynas before submitting an Application.

No party other than Lynas has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

For the avoidance of doubt, to the maximum extent permitted by law, each Underwriter and its affiliates, related bodies corporate, officers, employees, agents and advisors disclaim all liability, including (without limitation) liability arising from fault, negligence or otherwise, for any loss howsoever and whenever arising from the use of any of the information contained in this Retail Offer Booklet, and each Underwriter does not act as a fiduciary or agent of any other person.

This information is important and requires your immediate attention.

You should read this Retail Offer Booklet in full before deciding how to deal with your Retail Entitlement. In particular, you should consider the risk factors outlined in the “Key Risks” section of the enclosed Investor Presentation, which could affect the operating and financial performance of Lynas or the value of an investment in Lynas.

You should consider these risk factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Retail Entitlement. It is recommended that you seek professional advice from a licensed advisor before deciding whether or not to participate in the Retail Entitlement Offer.

7.1 Trading of New Shares

Lynas has applied to the ASX for official quotation of the New Shares. If ASX does not grant quotation of the New Shares, Lynas will repay all Application Monies (without interest). Subject to approval being granted, it is expected that trading of New Shares on ASX will commence on Tuesday, 15 September 2020 on a normal settlement basis.

Lynas, the Underwriters and their advisors will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe have, but have not yet, been issued to them, whether on the basis of a confirmation of issue provided by Lynas or the Registry or otherwise or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to hold.

If you are in any doubt as to these matters, you should seek professional advice.

7.2 Eligible Retail Shareholders

This Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand, and has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 and ASIC Corporations (Trading Suspension Relief) Instrument 2020/289).

Lynas may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional investors in foreign jurisdictions which did not participate in the Institutional Entitlement Offer (excluding the United States and subject to compliance with applicable laws).

7.3 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Lynas Shares. The rights attaching to the New Shares are set out in Lynas' Constitution and are regulated by the Corporations Act, ASX Listing Rules and general law.

Section 7: Additional information

7.4 Rounding of New Shares

Where fractions arise in the calculation of Retail Entitlements, they will be rounded up to the next whole number of New Shares.

7.5 Reconciliation and the rights of Lynas and the Underwriters

As with any entitlement offer, investors may believe that they own more Lynas Shares on the Record Date than they ultimately do, or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation to ensure all Eligible Retail Shareholders have the opportunity to receive their full Retail Entitlement.

If reconciliation is required, it is possible that Lynas may need to issue a small quantity of additional New Shares (**Top-Up Shares**) to ensure that all Eligible Retail Shareholders have the opportunity to receive their full Retail Entitlements on a pro rata basis. The price at which these Top-Up Shares will be issued will be the same as the Offer Price.

Lynas also reserves the right to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if their Retail Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Retail Entitlement claims, or if they are not Eligible Retail Shareholders. In that case, Lynas may, at its discretion, require the relevant Shareholder to transfer excess New Shares to the Underwriters at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer Lynas Shares held by them or purchase additional Lynas Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Retail Entitlement, and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Lynas in its absolute discretion. Those applying acknowledge that there is no time limit on the ability for Lynas or the Underwriters to require any of the actions set out above.

7.6 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

7.7 No entitlements trading

Retail Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

7.8 Not financial product advice

This Retail Offer Booklet is not a prospectus, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC or any foreign regulator). This Retail Offer Booklet is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. Any Eligible Retail Shareholder who wishes to participate in the Retail Entitlement Offer should consider this Retail Offer Booklet in full. Any Eligible Retail Shareholder who wishes to subscribe for and purchase New Shares will need to follow the instructions contained in this Retail Offer Booklet and the Entitlement and Acceptance Form which accompanies it. This Retail Offer Booklet does not constitute investment or financial product advice or any recommendation to acquire Lynas Shares or New Shares and does not and will not form any part of any contract for the acquisition of New Shares.

Each recipient of this Retail Offer Booklet should make their own enquiries and investigations regarding all information in this Retail Offer Booklet, including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Lynas and the impact that different future outcomes may have on Lynas. This Retail Offer Booklet has been prepared without taking account of any person's investment objectives, financial situation or particular needs.

Before making an investment decision, Eligible Retail Shareholders should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, make their own assessment of the information and seek advice appropriate to their jurisdiction in relation to the information and any action taken on the basis of the information. Any reference to, or explanations of

Section 7: Additional information

legislation, regulatory issues or any other legal commentary (if any) are indicative only, and do not summarise all relevant issues and are not intended to be a full explanation of a particular matter. Lynas is not licensed to provide financial product advice in respect of Lynas Shares.

If, after reading this Retail Offer Booklet, you have any questions about whether you should invest in the Retail Entitlement Offer, you should seek professional advice from a licensed advisor before making any investment decision.

Nominees and custodians may not distribute any part of this Retail Offer Booklet in the United States or in any other country outside Australia and New Zealand.

7.9 Financial data

All dollar values in this Retail Offer Booklet are in Australian dollars (A\$, \$ or dollars).

7.10 Underwriting

The Entitlement Offer is underwritten¹⁰ by the Underwriters, and Lynas and the Underwriters have entered into an Underwriting Agreement. Any New Shares which are not taken up by Eligible Retail Shareholders pursuant to their Retail Entitlement and option to subscribe for Additional New Shares will form part of the Retail Shortfall, which will be acquired by any Eligible Retail Shareholder (in the form of Additional New Shares), or the Underwriters or sub-underwriters, on the terms and conditions of the Underwriting Agreement.

Each Underwriter's obligations under the Underwriting Agreement, including to manage and underwrite the Entitlement Offer, are conditional on certain matters, including ASX granting Lynas a trading halt on the date of the announcement of the Offer, as well as timely delivery of the due diligence questionnaire and certain other documents.

The Underwriting Agreement contains representations, warranties, undertakings and indemnities in favour of the Underwriters, subject to certain carve outs.

Each Underwriter may terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to where:

- ASX announces that the Lynas will be removed from the official list or that any New Shares will be delisted or suspended from quotation by ASX for any reason.
- The S&P/ASX 200 Index closes 10% (or more) below the level of the relevant index prior to entry into the Underwriting Agreement (**Base Level**) on any date after entry into the Underwriting Agreement until the first settlement date (expected to be Tuesday, 25 August 2020) (**First Settlement Date**).
- At any time after the First Settlement Date up until 5.00pm (Sydney time) on the second settlement date (expected to be Friday, 11 September 2020) (**Second Settlement Date**) the S&P/ASX 200 Index has, either:
 - closed at a level that is 12.5% (or more) below the Base Level, and the index has remained at or below 12.5% under the Base Level on two consecutive trading days; or
 - closed at a level that is 12.5% (or more) below the Base Level and remained at or below 12.5% under the Base Level as at the most recent close prior to the Second Settlement Date or at the close of any business day during the Second Settlement Date.
- ASX does not agree to grant official quotation of all the New Shares on an unconditional basis.
- A statement contained in the Offer materials is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive.
- Lynas withdraws the Offer or any component of it or indicates that it does not intend to or is unable to proceed with the Offer or any component of it.
- An insolvency event occurs.
- There is an adverse change (or an event occurs which is likely to give rise to an adverse change) in

¹⁰ Please refer to footnote 2.

Section 7: Additional information

the position of Lynas from the position fairly disclosed by Lynas to ASX.

- A force majeure event occurs.
- Lynas or any of its directors or officers engage in any fraudulent conduct or activity whether or not in connection with the Offer.
- A director or senior manager of Lynas is charged with an indictable offence relating to financial or corporate matters or a director of Lynas is disqualified from managing a corporation.
- It becomes public (and is not withdrawn within 2 business days after it is made, or if it is made within 2 Business Days of the First Settlement Date or the Second Settlement Date, it has not been withdrawn by 8.00am on the relevant Settlement Date) that:
 - ASIC issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer (or announces its intention to do so).
 - there is an application to any government agency for any order, declaration or other remedy, or any other government agency commences any other investigation or hearing or announces its intention to do so, in each case in connection with the Placement and Entitlement Offer;
 - ASIC or any other government agency commences or gives notice of an intention to commence a prosecution of Lynas or any director or employee of Lynas; or
 - ASIC or any other government agency commences or gives notice of an intention to commence a hearing or investigation into Lynas.
- Lynas is in breach of any terms and conditions of the Underwriting Agreement.
- A law or any new regulation is made or a new policy is adopted or official announcement is made that a law or new regulation will be introduced in Australia or any State or Territory of Australia, or a new policy will be adopted, other than any other than any law, regulation or policy which has been publicly announced by the Government of the Commonwealth of Australia or any State or Territory of Australia, or certain government agencies or authorities in Australia prior to entry into the Underwriting Agreement, any of which does or is likely to prohibit or regulate the Offer, capital markets or stock markets.
- There is a contravention by Lynas of law, or the Placement or Entitlement Offer do not comply with law, or Lynas is prevented from allotting and issuing the New Shares.
- There is a suspension or material limitation in trading of securities generally on ASX, HKEX, LSE, or NYSE.
- In respect of any one or more of Australia, New Zealand, Malaysia, Japan, Hong Kong, the USA or the UK:
 - the relevant central banking authority declares a general moratorium or there is a material disruption in commercial banking or securities settlement or clearance services in any of those countries;
 - there is an adverse change or disruption to the existing financial markets, political or economic conditions;
 - hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not);
 - a state of emergency is declared (other than as already declared prior to entry into the Underwriting Agreement); or
 - a significant terrorist attack is perpetrated.
- There is an unforeseen shut down of the Gebeng Industrial Park near Kuantan, Malaysia, the Mt Weld Mine or any other material site or project of Lynas occurs on or after the date of the Underwriting Agreement.

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- In relation to Lynas' cracking and leaching project in Kalgoorlie (**Kalgoorlie Project**):
 - the Government of Western Australia revokes the "Lead Agency" status granted to the processing plant for the Kalgoorlie Project; or
 - the Australian Government revokes the "Major Project" status granted to the processing plant for the Kalgoorlie Project.

For details of the fees payable to the Underwriters, refer to the Appendix 3B released to ASX on 17 August 2020.

Neither the Underwriters, nor any of their related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, advisors or agents (collectively, the **Underwriter Parties**) have authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which has been verified by or which is based on a statement made by an Underwriter Party. To the maximum extent permitted by law, each Underwriter Party:

- expressly disclaims all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) in respect of, and makes no representations regarding, and takes no responsibility for any part of this Retail Offer Booklet or any action taken by you on the basis of the information in this Retail Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Offer Booklet; and
- excludes and disclaims all liability for any expenses, losses, damages or costs (whether direct, indirect, consequential or contingent) incurred by you as a result of your participation in the Entitlement Offer or this Retail Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Underwriter Parties makes any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

7.11 Foreign jurisdictions

This Retail Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia and New Zealand except to the extent permitted below.

This Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal.

Neither the Retail Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may not be issued to, taken up, purchased or exercised by, any person in the United States or any person acting for the account or benefit of any person in the United States. The New Shares offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may only be issued, taken up, purchased or exercised, and the New Shares offered and sold in the Retail Entitlement Offer may only be offered and sold, outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Section 7: Additional information

No action has been taken to register or qualify the Retail Entitlement Offer or the New Shares, or otherwise permit the offering of the New Shares, in any jurisdiction other than Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form will be taken by Lynas to constitute a representation by you that there has been no breach of any such laws. Eligible Retail Shareholders who are nominees or custodians should see Section 3.4.

The distribution of this Retail Offer Booklet (including in electronic format) outside Australia and New Zealand may be restricted by law. If you come into possession of this Retail Offer Booklet, you must observe such restrictions. In particular, this document or any copy of it must not be distributed in the United States. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

7.12 Ineligible Retail Shareholders

Lynas has decided that it is unreasonable to make offers under the Retail Entitlement Offer to retail investors who are holders of Lynas Shares and who are resident outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

7.13 Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of Applications made pursuant to the Retail Entitlement Offer are governed by the law applicable in New South Wales, Australia. Each Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

7.14 Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Retail Offer Booklet during the period of the Retail Entitlement Offer on the Lynas website at www.lynascorp.com or by calling the Lynas Corporation Limited Entitlement Offer Information Line on 1300 655 683 (within Australia) or on +61 2 9290 9685 (outside Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

Persons who access the electronic version of this Retail Offer Booklet should ensure that they download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the Lynas website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Lynas Corporation Limited Entitlement Offer Information Line. To access your personalised replacement Entitlement and Acceptance Form online, you will require your Security Reference Number or Holder Identification Number and will need to pass a series of security questions.

Neither this Retail Offer Booklet (or any part of it) nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons in the United States or persons acting for the account or benefit of a person in the United States (to the extent such person holds Lynas Shares and is acting for the account or benefit of a person in the United States), or otherwise released or distributed in the United States.

7.15 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Offer Booklet.

Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by Lynas, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Lynas, its directors, officers or employees or any other person, warrants or guarantees the future performance of Lynas or any return on any investment made pursuant to this Retail Offer Booklet.

Section 7: Additional information

7.16 Withdrawal of the Entitlement Offer

Lynas reserves the right to withdraw all or part of the Entitlement Offer and the information in this Retail Offer Booklet at any time, subject to applicable laws, in which case Lynas will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where New Shares have already been issued under the Institutional Entitlement Offer, Lynas may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer. To the fullest extent permitted by law, you agree that any Application Monies paid by you to Lynas will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Lynas.

7.17 Privacy

As a Shareholder, Lynas and the Registry have already collected certain personal information from you. If you apply for New Shares, Lynas and the Registry may update that personal information or collect additional personal information for the purposes of:

- processing your application and assessing your acceptance of the New Shares;
- servicing your needs as a Shareholder and providing facilities and services that you request; and
- carrying out appropriate administration.

Company and tax laws require some personal information to be collected. If you do not provide your personal information, we may not be able to process your application.

Lynas and the Registry may disclose this information for these purposes to its subsidiaries and relevant organisations involved in providing, managing or administering your product or service such as third party suppliers, other organisations, loyalty and affinity partners, printers, posting services, call centres, and our advisors. Lynas and the Registry may need to share some of your information with organisations outside Australia.

Where personal information is disclosed, Lynas will seek to ensure that the information is held, used or disclosed consistently with the *Privacy Act 1988* (Cth) and any other applicable privacy laws and codes.

You can ask us to access information that we hold about you or to correct information we hold about you by writing to Lynas through the Registry at GPO Box 3993 Sydney NSW 2001 or see the Registry Privacy Policy at <https://boardroomlimited.com.au/corp/privacy-policy/>.

Glossary

In this Retail Offer Booklet, the following terms have the following meanings:

ABN	Australian business number
Additional New Shares	New Shares issued in excess of an Eligible Retail Shareholder's Retail Entitlement
Announcements	The ASX Announcement and the Investor Presentation
Application	Arranging for payment of the relevant Application Monies through BPAY® on the terms and conditions of, and in accordance with the instructions on, the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies
Application Monies	The aggregate amount payable for the New Shares including any Additional New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange
ASX Announcement	The announcement released to ASX on 17 August 2020 in connection with the Placement and Entitlement Offer, a copy of which is included in Section 5 of this Retail Offer Booklet
ASX Listing Rules	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any waiver granted by ASX
CGT	Capital gains tax
Corporations Act	Corporations Act 2001 (Cth)
Eligible Institutional Shareholder	An institutional Shareholder to whom the Underwriters made an offer on behalf of Lynas under the Institutional Entitlement Offer (and who, for the avoidance of doubt, is not an Ineligible Institutional Shareholder under the Underwriting Agreement)
Eligible Retail Shareholder	A Shareholder who satisfies the definition outlined in Section 1
Eligible Shareholder	A person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder
Entitlement	The entitlement to 1 New Share for every 7.7 Lynas Shares held on the Record Date, pursuant to the Entitlement Offer
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this Retail Offer Booklet which can be used to submit an Application
Entitlement Offer	The pro rata accelerated non-renounceable entitlement offer of approximately 92.9 million New Shares to Eligible Shareholders in the proportion of 1 New Share for every 7.7 Lynas Shares held on the Record Date, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer
GST	Goods and services tax
Ineligible Institutional Shareholder	An institutional Shareholder that is not an Eligible Institutional Shareholder
Ineligible Retail Shareholder	A retail Shareholder that is not an Eligible Retail Shareholder
Institutional Entitlement Offer	The offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer

Glossary

Investor Presentation	The investor presentation in connection with the Placement and Entitlement Offer dated 17 August 2020, a copy of which is included in Section 5 of this Retail Offer Booklet
Issue Date	The date on which New Shares are issued to Eligible Retail Shareholders under the Retail Entitlement Offer, being Monday, 14 September 2020
Lynas	Lynas Corporation Limited (ACN 009 066 648)
Lynas Share	A fully paid ordinary share in Lynas
New Share	A Lynas Share issued under the Placement or Entitlement Offer, including (as the context requires) to the Underwriters or any sub-underwriter
Offer Price	\$2.30 per New Share
Placement	The institutional placement of New Shares at the Offer Price
Record Date	7.00pm (Sydney time) on Wednesday, 19 August 2020
Registry	Boardroom Pty Limited (ACN 003 209 836)
Regulation S	Regulation S under the U.S. Securities Act
Retail Closing Date	The date the Retail Entitlement Offer closes, being 5.00pm on Monday, 7 September 2020 (unless extended)
Retail Entitlement	An Entitlement under the Retail Entitlement Offer
Retail Entitlement Offer	The offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer
Retail Entitlement Offer Period	The period commencing on the opening date of the Retail Entitlement Offer, as specified in the Entitlement Offer timetable in the Key Dates for the Retail Entitlement Offer section of this Retail Offer Booklet, and ending on the Retail Closing Date
Retail Offer Booklet	This booklet dated 24 August 2020, including the Announcements and the Entitlement and Acceptance Form
Retail Shortfall	Retail Entitlements not taken up by Eligible Retail Shareholders and entitlements of Ineligible Retail Shareholders under the Retail Entitlement Offer, which will be acquired by any Eligible Retail Shareholder (in the form of Additional New Shares), the Underwriters or any sub-underwriters
Shareholder	The registered holder of any Lynas Share
TERP	Theoretical ex-rights price
TFN	Tax file number
TOFA	Taxation of financial arrangements
Underwriter Parties	The Underwriters, their related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, advisors and agents
Underwriters	Canaccord Genuity (Australia) Limited (ACN 075 071 466) and Merrill Lynch Equities (Australia) Limited (ACN 006 276 795)
Underwriting Agreement	The Underwriting Agreement dated 17 August 2020 between Lynas and the Underwriters, as described in section 7.10
U.S. Securities Act	The U.S. Securities Act of 1933, as amended

Eligible Retail Shareholder declarations

IMPORTANT

If you make an Application (whether by completing and returning your Entitlement and Acceptance Form with a cheque, bank draft or money order or making a BPAY® payment), you will be deemed to have acknowledged, represented and warranted and made the following declarations to Lynas on your own behalf and on behalf of each person on whose account you are acting.

You:

- acknowledge and agree that determination of eligibility of investors for the purposes of the Placement, Institutional Entitlement Offer or the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Lynas and the Underwriters;
- acknowledge and agree that Lynas, the Underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- acknowledge and agree that Lynas, the Underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of any scale back decisions made in respect of Additional New Shares, to the maximum extent permitted by law;
- acknowledge that you have read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form in full;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet and Lynas' Constitution;
- authorise Lynas to register you as the holder of the New Shares including Additional New Shares issued to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- acknowledge that once Lynas receives your Entitlement and Acceptance Form or your Application Monies via BPAY®, you may not withdraw it (except as provided by law);
- agree to apply for and be issued up to the number of New Shares including Additional New Shares specified in your Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise Lynas, the Underwriters, the Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares including Additional New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you are an Eligible Retail Shareholder;
- acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in Lynas and is given in the context of Lynas' past and ongoing continuous disclosure announcements to ASX;
- represent and warrant that the law of any other place does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares including Additional New Shares;
- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation, and that investments in Lynas are subject to investment risk;
- acknowledge that none of Lynas, its directors, officers, employees, agents, consultants,

Eligible Retail Shareholder declarations

advisors, and the Underwriters or their affiliates, directors, officers, employees, agents, consultants or advisors, guarantees the performance of Lynas, nor do they guarantee the repayment of capital;

- represent and warrant (for the benefit of Lynas, the Underwriters and their respective affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent you hold Lynas Shares and are acting for the account or benefit of a person in the United States) and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements or New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- understand and acknowledge that neither the Retail Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand and acknowledge that the Retail Entitlements may not be issued to, taken up, purchased or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to, persons in the United States or persons acting for the account or benefit of a person in the United States (to the extent such person holds Lynas Shares and is acting for the account or benefit of a person in the United States). You further understand and acknowledge that the Retail Entitlements issued, taken up, purchased or exercised, and the New Shares may only be offered and sold, outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- you are not engaged in the business of distributing securities;
- represent and warrant that you are subscribing for Retail Entitlements and/or purchasing New Shares outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- acknowledge and agree that you have not and will not send this Retail Offer Booklet (or any part of it), the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States;
- acknowledge and agree that each person on whose account you are acting has not and will not send this Retail Offer Booklet (or any part of it), the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States;
- acknowledge and agree that, if you decide to sell or otherwise transfer any New Shares including Additional New Shares, you will only do so in regular way transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- authorise Lynas to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Lynas Shares and is acting for the account or benefit of a person in the United States), and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person in the United States; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Lynas Shares on the Record Date.

Corporate information

Company

Lynas Corporation Limited
Suite 1, Level 1
45 Royal St
East Perth, WA 6004

Underwriters

Canaccord Genuity (Australia) Limited
Level 52, MLC Centre
19 Martin Place
Sydney NSW 2000

Merrill Lynch Equities (Australia) Limited
Level 34, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Registry

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Legal Adviser

King & Wood Mallesons
Level 27, Collins Arch
447 Collins Street
Melbourne VIC 3000

Website

To view more information on Lynas, including in relation to Lynas' business and operations, news updates, reports, publications and investor information, visit www.lynascorp.com.

Lynas Corporation Limited Entitlement Offer Information Line

Australia: 1300 655 683

International: +61 2 9290 9685

Open 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period

RETAIL ENTITLEMENT OFFER ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.	
Subregister	
SRN/HIN	
Number of Shares held at 7:00pm (Sydney time) on Wednesday, 19 August 2020 (Record Date)	

Retail Closing Date: Monday, 7 September 2020 at 5:00pm (Sydney time)

This is an important document and requires your immediate attention. This Entitlement and Acceptance Form can only be used in relation to the security holding represented by the SRN or HIN printed above. If you are in doubt about how to deal with this Entitlement and Acceptance Form, please consult your financial or other professional adviser.

You should read the Retail Offer Booklet dated 24 August 2020 (Booklet) that accompanies this Entitlement and Acceptance Form for details of the Retail Entitlement Offer and other important information. The Retail Offer Booklet contains information about investing in New Shares. Capitalised words used and not otherwise defined in this Entitlement and Acceptance Form have the meaning given to them in the Booklet.

You do not need to return this Entitlement and Acceptance Form if you pay by BPAY®.

A Offer acceptance

The return and receipt of this Entitlement and Acceptance Form with your Application Monies by the Retail Closing Date or payment via BPAY® by the Retail Closing Date will constitute acceptance of your Entitlement on the terms and conditions set out in the Booklet (Application).

If you wish to accept your **FULL RETAIL ENTITLEMENT** please complete and return this Entitlement and Acceptance Form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**.

Entitlement to New Shares under Retail Entitlement Offer	Price per New Share	Amount payable on full acceptance of Entitlement
	x A\$2.30 per New Share =	\$

If you wish to accept **PART OF YOUR RETAIL ENTITLEMENT ONLY** please complete the box below showing the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares being accepted under Retail Entitlement Offer	Price per New Share	Amount enclosed
	x A\$2.30 per New Share =	\$

B Apply for Additional New Shares up to a maximum 50% of your RETAIL ENTITLEMENT

If you apply to take up all of your Retail Entitlement in full as noted in Section A, you may also apply for Additional New Shares in excess of your Retail Entitlement, up to a maximum of 50% of your Retail Entitlement, at the Offer Price. If you wish to apply for Additional New Shares, please insert the number of Additional New Shares in the box below and the appropriate amount payable. Additional New Shares will be allocated to Eligible Retail Shareholders in accordance with the Allocation Policy set out in the Booklet and may be subject to any scale-back of applications for Additional New Shares in accordance with the Booklet. Refer to the Booklet for further details.

Number of Additional New Shares applied for under Retail Entitlement Offer	Price per Additional New Share	Amount enclosed
	x A\$2.30 per New Share =	\$

C Payment

If you wish to take up all or part of your Retail Entitlement, choose one of the payment methods shown below. Payment may only be made by BPAY®, cheque, bank draft or money order. Cash will not be accepted. Payments cannot be made at a bank.

Payment Option 1 - BPAY®



Biller Code:
CRN:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make payment from your account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY® please contact your participating financial institution.
- If paying by BPAY® you do NOT need to return this Entitlement and Acceptance Form.

Payment Option 2 – Cheque

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT AUD
				\$

- Only cheques, bank drafts or money orders in Australian dollars and drawn on an Australian branch of a financial institution will be accepted.
- Your cheque, bank draft or money order must be made payable to "Lynas Corporation Limited" and crossed "Not Negotiable".
- Please ensure that you submit the correct amount. Incorrect payments may result in your Application being rejected.

D Contact details

You do not have to provide us with your contact details, however it will assist us if we need to contact you.

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

LODGEMENT INSTRUCTIONS AND OTHER IMPORTANT INFORMATION

Your payment must be received by no later than 5.00pm (Sydney Time) on Monday, 7 September 2020.

1 BPAY®

If paying by BPAY®, you do not need to return this Entitlement and Acceptance Form but you must contact your Australian bank, credit union or building society to make this payment from your account. For more information go to: www.bpay.com.au. Refer to the front of this Entitlement and Acceptance Form for the Biller Code and Customer Reference Number (CRN). You should check the processing cut-off time for BPAY® transactions with your bank, credit union or building society to ensure that your payment will be received by the Share Registry in time as the cut-off time administered by your bank, or relevant financial institution might be earlier than the Retail Closing Date. Payments by BPAY® must be received **by no later than 5.00pm (Sydney time) on Monday, 7 September 2020**. Neither Boardroom Pty Limited nor Lynas Corporation Limited accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received on time.

Lynas will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement, and in respect of any excess amount applying for as many Additional New Shares as it will pay for in full.

2 Cheque, bank draft or money order

Complete your cheque, bank draft or money order details in Section C of this Entitlement and Acceptance Form. Please ensure that sufficient cleared funds are held in your account, as your cheque, bank draft or money order will be processed on the day of receipt, but no later than the Retail Closing Date.

If you are paying by cheque, bank draft or money order, you must post your completed Entitlement and Acceptance Form and payment to:

Lynas Corporation Limited Retail Entitlement Offer
c/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Paperclip (do not staple) your cheque(s) to the Entitlement and Acceptance Form. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Neither Boardroom Pty Limited nor Lynas accepts any responsibility if you do not lodge this Entitlement and Acceptance Form in accordance with the instructions on it. A reply paid envelope is enclosed for Eligible Retail Shareholders in Australia. All other Eligible Retail Shareholders must make their own postal arrangement and affix the correct postage. If you are paying by cheque, bank draft or money order, your Entitlement and Acceptance Form and payment must be received **by no later than 5.00pm (Sydney time) on Monday, 7 September 2020**.

You cannot withdraw your Application once it has been accepted.

Important Notices

Overseas Shareholders

The Booklet and this Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia and New Zealand. The offer and sale of the Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States, and neither the Entitlements nor the Securities may be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States. Accordingly, the Entitlements may only be issued, taken up, purchased or exercised, and the New Shares to be offered and sold under the Booklet may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act).

The Booklet and this Entitlement and Acceptance Form do not constitute an offer or invitation to acquire the Entitlements, New Shares or Additional New Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. By accepting your Entitlement or applying for New Shares (and any Additional New Shares), you represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States and that applying for New Shares (and any Additional New Shares) does not breach any law in any relevant jurisdiction outside Australia or New Zealand.

Acceptance of Retail Entitlement Offer

By either returning this Entitlement and Acceptance Form with payment to the Share Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Booklet and that you acknowledge the matters, and make the warranties and representations in the Booklet, including that you are not, and are not acting for the account or benefit of, a person in the United States; and
- you provide authorisation to be registered as the holder of New Shares (and any Additional New Shares) acquired by you and agree to be bound by the constitution of Lynas Corporation Limited; and
- you are deemed to have made the Eligible Retail Shareholder declarations starting on page 57 of the Retail Offer Booklet.

Privacy Statement

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Boardroom may disclose your personal information to its related bodies corporate and to other individuals or companies who assist Boardroom in supplying its services or who perform functions on Boardroom's behalf, to Lynas for whom Boardroom maintains securities registers or to third parties upon direction by Lynas where related to Lynas' administration of your securityholding, or as otherwise required by law. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on this Entitlement and Acceptance Form. Boardroom's privacy policy is available on our website (<https://boardroomlimited.com.au/corp/privacy-policy/>).

For further information regarding this Entitlement and Acceptance Form or the Retail Entitlement Offer please contact the Lynas Offer Information Line on 1300 655 683 within Australia, or +61 2 9290 9685 outside Australia from 8.30am to 5.00pm (Sydney time) Monday to Friday. For other questions you should contact your stockbroker, solicitor, accountant or other professional adviser.

Monday, 24 August 2020

Dear Shareholder

Lynas Corporation Limited Entitlement Offer – Notification to ineligible shareholders

On Monday, 17 August 2020, Lynas Corporation Limited ABN (27 009 066 648) (ASX: LYC) (“**Lynas**”) announced a fully underwritten¹ pro rata accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 1 new fully paid ordinary Lynas share (“**New Share**”) for every 7.7 existing fully paid ordinary Lynas shares (“**Shares**”) held as at 7.00 pm (Sydney, Australia time) on the record date (being Wednesday, 19 August 2020) (“**Record Date**”) (“**Entitlement**”) at an issue price of A\$2.30 per New Share (**Issue Price**) to raise approximately A\$214 million (“**Entitlement Offer**”).

Lynas also announced a fully underwritten² placement to institutional investors at the Issue Price per New Share to raise approximately A\$212 million (“**Placement**”, together with the Entitlement Offer, the “**Offer**”) which occurred concurrently with the institutional component of the Entitlement Offer. The Offer will raise a combined amount of approximately A\$425 million.

Canaccord Genuity and Merrill Lynch Equities (Australia) Limited are Joint Lead Managers, Joint Bookrunners and Joint Underwriters of the Offer (“**Joint Lead Managers**”). Ord Minnett is acting as co-lead manager to the Offer.

Details of Entitlement Offer

The Entitlement Offer comprises an institutional component (“**Institutional Entitlement Offer**”) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (“**Retail Entitlement Offer**”). The Retail Entitlement Offer is non-renounceable, and Entitlements that are not taken up by Eligible Retail Shareholders, together with the Entitlements of Ineligible Retail Shareholders (as defined below), will be offered for sale to institutional investors through a bookbuild process (described below).

The Entitlement Offer is being made by Lynas in accordance with section 708AA of the *Corporations Act 2001* (“**Corporations Act**”) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), meaning that no prospectus or other disclosure document needs to be prepared.

Documents relating to the Retail Entitlement Offer were lodged with the Australian Securities Exchange (“**ASX**”) today and are being mailed to Eligible Retail Shareholders.

This letter has been sent to you to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer and the Placement that you should be aware of.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders on the basis of 1 New Share for every 7.7 existing Shares held at the Record Date.

¹ Please refer to footnote 1 on slide 2 of LYC’s Investor Presentation announcement dated Monday, 17 August 2020.

² Please refer to footnote 1 above.

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Who is eligible for the Retail Entitlement Offer?

Shareholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Shareholders**") are those shareholders of Lynas on the Record Date who:

- (a) are registered as a holder of Shares;
- (b) have a registered address in Australia or New Zealand as noted on Lynas' share register or persons that Lynas has determined in its discretion are Eligible Retail Shareholders;
- (c) are not in the United States and are not a person (including nominees and custodians) acting for the account or benefit of a person in the United States (to the extent that such shareholders hold Shares for the account or benefit of such person in the United States);
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders and are consequently unable to participate in the Retail Entitlement Offer. Lynas may (in its absolute discretion) extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer (subject to compliance with applicable laws).

Eligibility of investors for the purposes of the Placement and the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Lynas and the Joint Lead Managers.

Lynas, the Joint Lead Managers, their affiliates and related bodies corporate, and each of their respective directors, officers, employees, advisers and agents, disclaim any duty or liability (including in negligence) in respect of any determination of eligibility, to the maximum extent permitted by law.

Why am I not eligible for the Retail Entitlement Offer?

Unfortunately, according to our records, you do not satisfy the criteria for an Eligible Retail Shareholder. Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), we wish to inform you that the Retail Entitlement Offer will not be extended to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

This is due to a number of factors, including the small number of Lynas shareholders in countries outside Australia and New Zealand, the number and value of Shares those Lynas shareholders hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

After consideration of these factors, Lynas has determined, pursuant to section 9A(3) of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to Lynas shareholders outside Australia and New Zealand in connection with the Retail Entitlement Offer.

Non-renounceable offer

As the Retail Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been entitled to if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for your entitlements in respect of any New Shares that would have been offered to you if you had been eligible.

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New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Retail Shareholder will be allocated to the Joint Lead Managers (in their capacity as Joint Underwriters) or to persons from whom the Joint Lead Managers have procured subscriptions for New Shares, pursuant to the underwriting arrangements between Lynas and the Joint Lead Managers.

Further information

If you have any questions in relation to any of the above matters, please contact the Lynas Corporation Limited Retail Entitlement Offer Information Line on 1300 655 683 (local call from within Australia) or +61 2 9290 9685 (from outside Australia) from 8.30am to 5.30pm (Sydney, Australia time) Monday to Friday during the Retail Entitlement Offer period.

On behalf of the Board and management of Lynas, I would like to thank you for your continued support of our company.

Yours sincerely



Andrew Arnold
Company Secretary
Lynas Corporation Limited

Authorised for release to the ASX by the Company Secretary.

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in LYC.

This letter may not be released or distributed in the United States. This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the Entitlements nor the New Shares have been or will be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold, directly or indirectly, to, any person in the United States or who is acting for the account or benefit of a person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

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