

The background of the slide is a photograph of an industrial facility. A large, dark, cylindrical metal component is being processed by a machine. A bright, glowing orange-red stream of molten material is being poured from the bottom of the cylinder into a rectangular, light-colored metal mold. The mold is positioned on a conveyor belt system. The background is slightly blurred, showing various industrial structures and equipment. A semi-transparent blue rectangular overlay is positioned on the left side of the image, containing the title and date text.

LYNAS CORPORATION 1H FY2020 REPORT

28 FEBRUARY 2020

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Building on our unique market position

Key Metrics

ASX Ticker	LYC
ISIN	AU000000LYC6
Shares Outstanding as at 31 December 2019	697,378,577
Cash Balance (31 December 2019)	A\$111.8m
Debt as at 31 December 2019	US\$145m JARE US\$13.7m Conv Bond
Enterprise Value as at 31 December 2019	A\$1.85b



- Mt Weld: A true Tier 1 resource
- Lynas Malaysia: The world's largest, most modern RE plant designed on best practice sustainability principles
- World's 2nd largest Rare Earths producer and only rest of world producer of scale
- Comprehensive approach to safety and sustainability; environmental stewardship and community engagement
- Continued process and product innovations
- Quality, long term customer relationships with manufacturing supply chains around the world

Delivering solid HY performance in challenging conditions

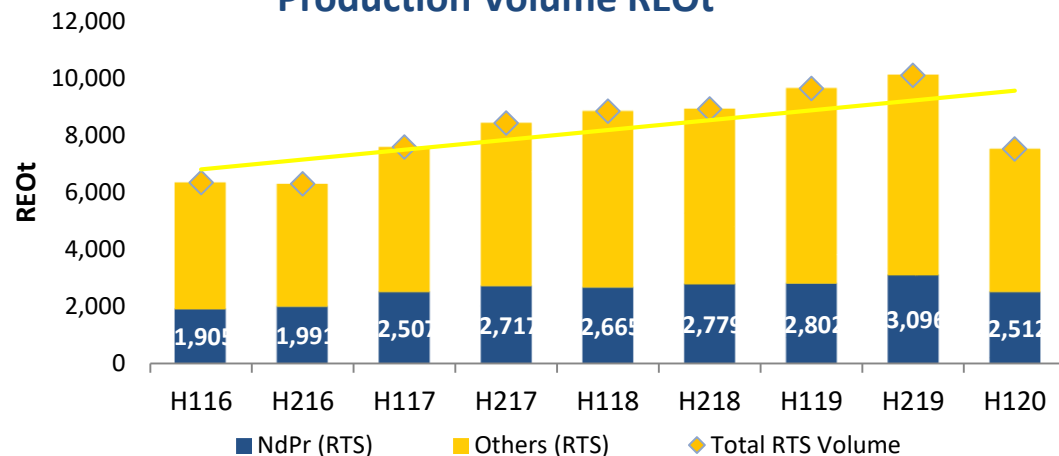
Revenue
\$180.1m

**Closing cash
balance**
\$111.8m

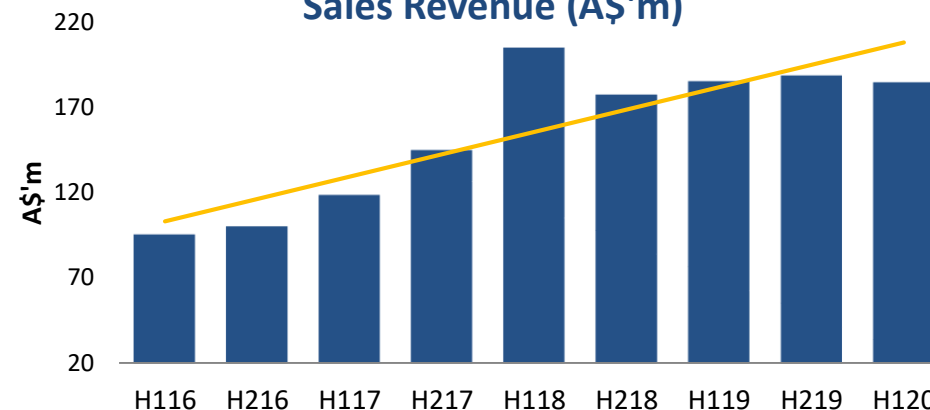
- Revenue stable despite weak market conditions:
 - Revenue: \$180.1m
 - NPAT: \$3.9m
 - EBIT: \$8.4m
 - EBITDA: \$44.2m
- Met NdPr demand from key customers. Offset lower market prices with a higher value product mix
- Cash flows from operating activities of \$39.1m (H1 2019: \$41.2m)
- Closing cash balance of \$111.8m (H1 2019: \$53.7m)
- Significant progress made on Lynas 2025 initiatives to diversify industrial footprint by establishing new processing facilities in Kalgoorlie and the United States
- Achieved 461 days Lost Time Injury free at Lynas Malaysia in August 2019
- Received a “Very Satisfactory” audit result from Malaysia’s AELB, the highest performance rating available.
- Malaysian operating licence renewed for three years to March 2023, as announced on 27 February 2020.

Delivering solid HY performance in challenging conditions

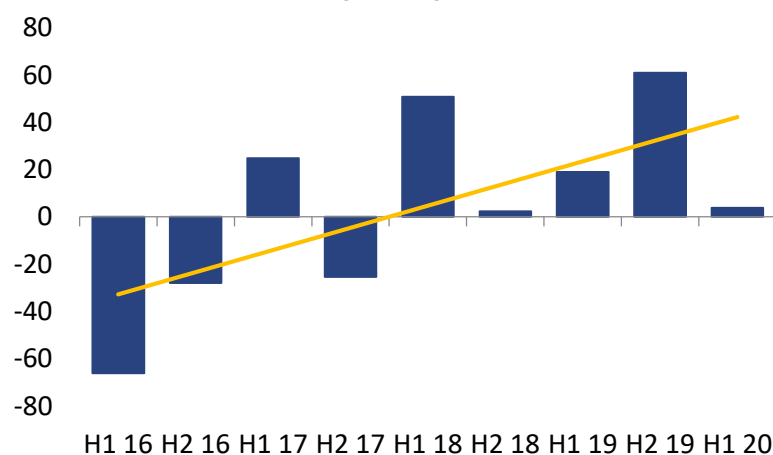
Production Volume REOt



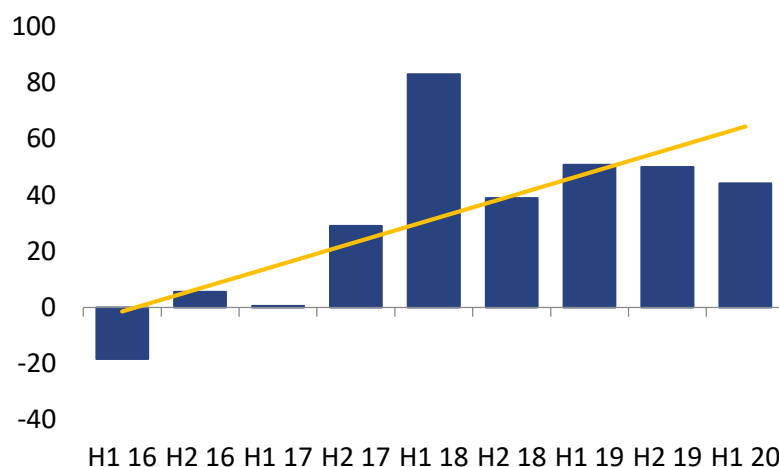
Sales Revenue (A\$'m)



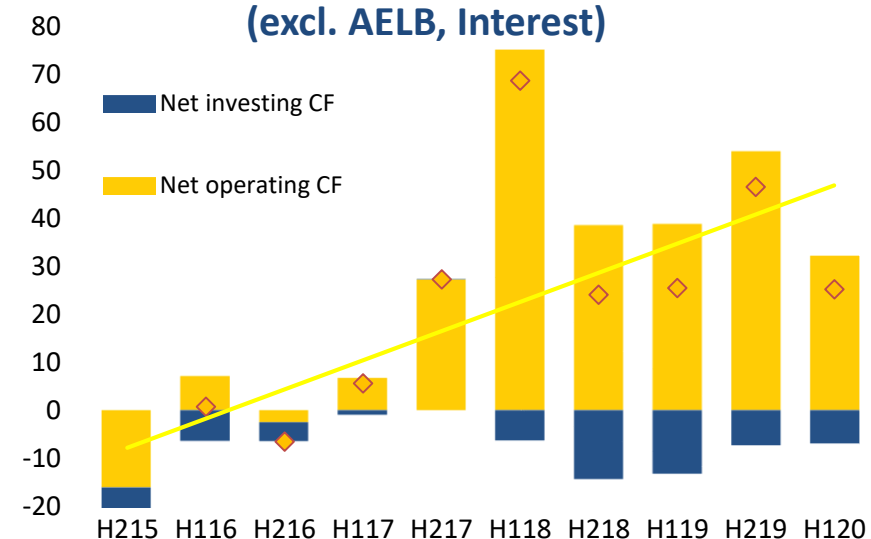
NPAT (A\$m)



EBITDA (A\$m)



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



Meeting our commitments to Malaysia

Lynas Malaysia Operating Licence renewed for 3 years

- The licence is subject to certain conditions which Lynas is confident to meet:
 - Start process of developing the Permanent Disposal Facility (PDF) within the 1st year of licence
 - Submit a work development plan for the construction of the PDF and report on its status to the Malaysian Atomic Energy Licensing Board (AELB).
 - Cease import of raw materials containing Naturally Occurring Radioactive Material (NORM) into Malaysia after July 2023.
 - Maintain US\$50m AELB deposit



Ongoing Commitments

- Operate Safely: Compliant with all relevant regulation
- Employ locally: 97% of staff are Malaysian
- Buy Locally: RM600m spent in Malaysia each year
- Develop skills: 19k hours of staff training, STEM training sponsorship
- Engage and educate local stakeholders and communities
 - >500 visitors welcomed to the plant during the half year
 - February 2020 Open Day had >2000 visitors
 - Community exhibitions and information booths
 - New Communication campaign in major Malaysian media
 - Recognized by Lang International with 'Best in CSR Award'



Diversifying our industrial footprint

United States



MOU with a skilled US based partner, Blue Line Corporation, to produce separated Heavy Rare Earths and value added Specialty Materials.

Malaysia



A dynamic operation in Gebeng with Cracking & Leaching, Solvent Extraction, Product Finishing and opportunities for further downstream processing.

Western Australia

Tier 1 deposit at Mt Weld: Mining and Concentration. Cracking & Leaching to be relocated to WA by 2023



Excellent Progress on Lynas 2025 growth plan

Project team formed

- Project Office established and staffed in Perth

Kalgoorlie confirmed as location for new C&L plant

- Option signed on specific site

Key stakeholder engagement plan well progressed at local, state and federal level

Compliant tender for Heavy Rare Earth separation submitted to Us Government

Making significant progress on Lynas 2025 initiatives



Mt Weld, WA: Production ramp up to meet forecast demand growth



Kalgoorlie, WA: Building a new Cracking & Leaching in WA



Malaysia: Investing in increased downstream processing, product range, recycling



United States: Filling a market gap with new separation and product finishing capability

H1 FY20 Progress

- Increasing Dysprosium (Dy) and Terbium (Tb) content of SEG by blending Duncan ore into the feed
- Optimising circuit changes
 - pre-leach to reduce carbonate levels in concentrate
 - kiln drying of concentrate

- Option signed on industrial site in Kalgoorlie for new plant (Dec 2019)
- Kalgoorlie processing plant awarded Lead Agency status by the Government of Western Australia (Dec 2019)
- Major Project status awarded by the Australian Government (Feb 2020)

- La and Ce quality improvements delivered increased average selling price during the half year
- Completed circuit upgrades to further improve product quality

- Advanced plans for proposed Texas separation plant developed with Blue Line Corporation following signing of MOU on 20 May 2019
- Compliant tender submitted to U.S. Department of Defense for Heavy Rare Earths processing facility in the United States (Dec 2019)

Producing critical minerals for the low carbon economy



WE SUPPORT



- Lynas was designed from the ground up as a state-of-the-art environmentally-responsible Rare Earths operation
- Certified to OHSAS 18001 (Occupational Health and Safety Management Systems), ISO 14001 (Environmental Management Systems) and ISO 9001 (Quality Management Systems)
- Life Cycle Assessment with selected partners
- Awarded Gold EcoVadis CSR rating - ranking in the top 5% of 55,000 companies evaluated
- Released first Sustainability Report in 2019

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