



29 November 2023

**Lynas Rare Earths Annual General Meeting 2023
Address by Kathleen Conlon, Chairman**

It is a great pleasure to address you today in this, my final address as Chairman and non-Executive Director of Lynas Rare Earths.

As you know, having served on your Board for the past 12 years, I will be retiring from the Board at the close of today's meeting.

Looking around the room today I recognise some of our shareholders here from my first meeting all those years ago.

I am confident that this is the right time for a transition and I'm delighted that John Humphrey, a long standing Lynas Director, will be taking over as Chairman to lead the Board and the Company through its next phase of growth. You will hear from John at the end of today's meeting.

This year we have welcomed John Beevers to the board as part of our ongoing board renewal plan. John brings a strong track record in entrepreneurship and operating excellence which complements the current skills on the board.

We have an ongoing plan of renewal and expect to add additional directors over the coming year.

I have to say that this has been an incredible 12 years. Back in 2011, I knew that this was a company with an ambitious and worthy goal – to be an outside China supplier of ethical and responsible rare earth products for current and future technologies.

However, I certainly didn't imagine the journey we would go on and the challenges we would need to overcome to achieve our position as the world's only scale supplier of separated rare earths outside of China and a trusted supplier to our customers.

To put this 12 years in context, in 2011, the iPhone 4 was announced, Generation Alpha was born and around 50,000 electric cars were sold.

In 2023, we have the iPhone 15, a tech savvy younger generation now entering their teens, and the International Energy Agency is expecting sales of 14 million electric cars this year.

I'm extremely proud of this company and what we have achieved and I'm pleased to have this opportunity to provide an overview of the 2023 financial year.

2023 was a productive year for Lynas. The Company delivered excellent production outcomes, particularly in the second half of the year. At the same time, good progress was made on key growth projects designed to meet forecast accelerated demand growth for rare earths and deliver long term shareholder value.

Sales revenue of \$739.3 million and Net Profit After Tax (NPAT) of \$310.7 million were achieved for FY23 and the Company recorded a 4% increase in NdPr production year on year.

These strong financial results were achieved in a year that was marked by external headwinds, including lower market pricing for rare earth products and water supplier issues that limited first half production in Malaysia. This was made possible by the team's drive and ability to succeed in challenging conditions.

The average China domestic price of NdPr (VAT excluded) decreased during the year from the record prices achieved in FY22. Future market price trends continue to depend on end product demand and the further development of the outside China rare earths market.

This was a significant year for the Lynas growth projects with construction of the Kalgoorlie Rare Earths Processing Facility largely complete, commissioning underway, and more recently, the kiln heated.

In Malaysia, we have constructed Mixed Rare Earth Carbonate receiving facilities – or as we call it, MREC - to receive and process the material produced in Kalgoorlie.

Following the recent update to the Malaysian operating licence, we will be able to process both MREC and Lanthanide Concentrate at the Lynas Malaysia facility. Amanda will provide more detail in her CEO presentation.

In Western Australia, the Mt Weld capacity expansion was announced in August 2022 and is progressing well. The Mt Weld project will deliver capacity to produce sufficient concentrate feedstock for production of 12,000 tonnes per annum of finished NdPr product.

This project includes scale and efficiency improvements and sustainability and circular economy initiatives, including a new gas-renewable hybrid power station, improved water recycling and segregated tailings storage for potential future use.

The gas-renewable solution will replace the current diesel power station at Mt Weld and provide benefits including lower GHG emissions intensity and reduced exposure to fuel markets. An early works contract has been awarded and contract negotiations are expected to be concluded over the coming months.



Design and long lead procurement activities for the Mt Weld project were undertaken in FY23 and early works have progressed following formal approval of Minor and Preliminary Works from the WA Environmental Protection Authority in March 2023.

This month the WA EPA recommended the Mt Weld Life of Mine Proposal for approval which is an important step towards full environmental approval.

During the year we also made good progress on our U.S. project. A greenfield site in an existing industrial zone in Seadrift, Texas, was secured for our new U.S. Processing Facility.

This large site will allow for co-location of the Heavy Rare Earth and Light Rare Earth separation plants as well as potential future growth opportunities such as downstream processing and recycling to create a circular mine to magnet supply chain.

And on 1 August 2023, we announced an approximately US\$258 million follow on contract with the U.S. Department of Defense (DoD) for the construction of the Heavy Rare Earths component of the Lynas U.S. Rare Earths Processing Facility.

The updated contract is an expenditure-based contract under which all of Lynas' properly allocable construction costs will be reimbursed. This contract is separate to the Light Rare Earths contract with the Department of Defense announced in January 2021 which remains on foot.

These projects seek to ensure your company is well positioned to grow with the market as demand for rare earths accelerates.

I am sure shareholders will be pleased, as I am, to see that the company remains in a positive cash position with a closing cash balance of \$903 million, as at 30 September 2023, to support our growth projects.

Since 2021, we have been focused on employing capital on execution of major growth projects to ensure Lynas can retain its share in a growing market. As we bring our major projects in Kalgoorlie, Mt Weld and Kuantan to a close we will be announcing a revised capital management policy, including a dividend policy.

As we grow, we seek to increase efficiencies and share learnings between and throughout our operations. One of the ways we can do this is through workforce mobility and it is very pleasing that we have been able to bring around 30 of our talented Malaysian team to Kalgoorlie to support the commissioning and startup of our new Facility.



We recognise that we operate in a competitive market and providing career development opportunities is one of the ways we support our people and build the next generation of leaders.

Our company is committed to meeting customer, community and investor needs for ethically and responsibly produced rare earths. We work closely with our people and our local communities to provide opportunities and build shared value. From an environmental, social and governance (ESG) perspective, we are focused on transparency and continuous improvement and have provided our latest updates in the 2023 ESG Report which is available on our website.

On behalf of my colleagues on the Board, I would like to thank Amanda Lacaze, her executive team, and all of our employees for another excellent year.

The Board would also like to thank you, our shareholders, for your continued support. We look forward to continuing to build shareholder value and share our progress in the year ahead.

In closing, I would like to say that it has been an absolute privilege to have been part of Lynas' development from new entrant to significant rare earths player. This company has demonstrated that with resilience, perseverance and a commitment to doing the right thing, Australian companies can succeed as ethical and responsible materials producers for global manufacturing markets.

The Lynas I retire from today is a sustainable business with a strong balance sheet. This provides an excellent foundation to continue to progress our exciting growth plan to meet the future needs of our customers.

I wish my colleagues on the Board, the Lynas team and our shareholders all the best for the future, and I look forward to following Lynas' continued growth and development.

I would now like to invite Amanda Lacaze to address the meeting.

Authorised by: Sarah Leonard, Company Secretary

Media Relations:

Jennifer Parker or Lauren Stutchbury
E: media@Lynasre.com
T: +61 8 6241 3800

Investor Relations:

Daniel Havas
E: investorrelations@Lynasre.com