

7 December 2018

Media Release

Response to comments on recent Review Committee report on Lynas Malaysia

Lynas was pleased that the report of the Review Committee into Lynas Malaysia's operations, released on 4 December 2018, found our operations are low risk and compliant with applicable laws.

The Review Committee identified many positive aspects of Lynas Malaysia's operations and also made some recommendations which we will seek to implement.

Lynas is disappointed that certain comments have been made following the release of the report which seek to misrepresent its findings or disregard the recommendations of the Review Committee.

The facts about groundwater

Lynas wishes to respond to comments relating to the Review Committee's recommendation that studies on the Balok River aquatic ecosystem be conducted after it found an increase in heavy metal concentrations for nickel, chromium, lead and mercury in groundwater in the Gebeng-Kuantan area.

The Review Committee report made no findings as to the origin of the materials in the groundwater and instead recommended that further studies are undertaken.

There are many potential sources and reasons for the heavy metal presence in groundwater and to suggest otherwise is incorrect and misleading. It must also be pointed out that Lynas stores all the residues (WLP and NUF) in specially designed, constructed and operated storage facilities approved by the regulatory authorities. Besides the use of double liner system that prevent any leaching, all storage cells are equipped with Underline Leak Detection System that monitors any leaks from the cells. Such monitoring has been going on since the storage facilities were first used. Our data have not shown of any leaks coming out from any of the cells. Water (including rain water) collected in the cells is either recycled back into processing or treated by our Waste Water Treatment System, and monitored for quality compliance before release into the environment.

Lynas will undertake studies and implement additional monitoring recommended by the Review Committee to rule out any contribution by Lynas Malaysia.

The Review Committee also recommended biological monitoring to measure the intake of heavy metals and radioactive materials by aquatic plants and aquatic life. Lynas carried out such monitoring onsite and will further implement the recommendation of the Review Committee. Lynas also hopes that other neighbouring mines and industrial plants will follow our lead.

As the Review Committee found, Lynas is compliant with all applicable regulations and operates extensive testing and monitoring programs to ensure the safety of our people, our communities, and the environment.

Lynas is deeply disappointed that certain politicians are misleading the public with inaccurate statements about the Review Committee's findings. This misrepresentation

undermines the scientific approach of the Review Committee members and their diligent study of all aspects of Lynas' operations and safety.

The facts about Lynas residues

Lynas also wishes to address comments made regarding the management and storage of residues produced at the Lynas Malaysia plant.

Lynas confirms that all materials are stored in Permanent Deposit Facility (PDF) compliant facilities which meet Malaysian regulatory requirements as well as international best practice. The facilities are designed to ensure the material is properly contained, even in the event of extreme weather events.

Gypsum is the 2nd highest volume residue produced by industrial plants in Malaysia and Lynas produces two types of gypsum, one of which contains low levels of Naturally Occurring Radioactive Material (NORM). Lynas is aware of instances where much higher volumes of gypsum material are stored on sites in Malaysia, and where material with much higher levels of radioactivity is stored in facilities that are not of the same high standard as Lynas' facilities.

Since we began operating in Malaysia, Lynas has been compliant with our licence conditions which explicitly state that residues should be recycled, and if that fails, then they should be stored in a PDF. Export should only be considered if a PDF could not be identified or approved. This is consistent with international best practice and with the recommendations of the Review Committee.

The facts about Lynas' commitment to Malaysia

Lynas is fully committed to our Malaysian operations and our people are dedicated to operating in a way that is lawful and contributes positively to Malaysia.

Lynas is the only miner and processor of Rare Earths outside China and our team has proudly developed capability and IP in Malaysia that is unique outside China.

We felt compelled to address misinformation on behalf of our people, whose skills have made Malaysia a significant player in the global manufacturing supply chain. We hope future discussions about Lynas Malaysia will reflect these facts.