



# LYNAS CORPORATION

Amanda Lacaze, CEO & Managing Director  
March 2018

ASX Ticker: LYC  
ADR Ticker: LYSDY  
(ratio: 1 Ord = 1 ADR)



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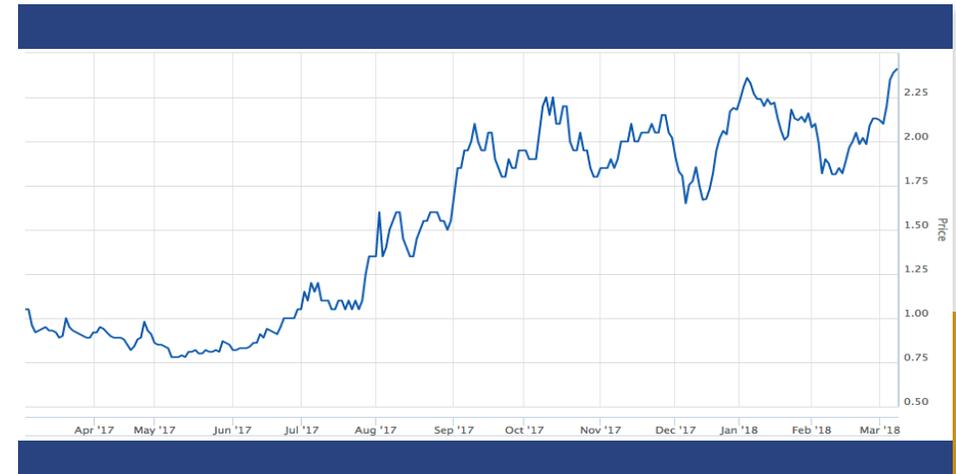
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# Introduction to Lynas

- Lynas Corporation Ltd (ASX: LYC) is an integrated miner and producer of Rare Earths, operating a high grade mine in Mt Weld, Western Australia and a reliable, sustainable chemical processing operation in Kuantan, Malaysia
- Lynas is the second largest producer of Neodymium-Praseodymium (NdPr) material in the world and the leading supplier of NdPr to the free market
- Rare Earths are essential to high technology, high growth industries such as electric vehicles and wind turbines
- Lynas has quality, long term relationships with direct customers and end users around the world, primarily magnet makers and automobile component manufacturers in Japan and China
- Significant operational, cost and balance sheet improvements over past 3 years delivered a record Half Year FY2018 profit and improved revenue, cash flow, sales and production volumes

Type of Share	Ordinary
ASX Ticker	LYC
ISIN	AU000000LYC6
Shares Outstanding as at 14 March 2018	643,660,433
Cash Balance (31 Dec 2017)	A\$47.8M
Debt as at 14 March 2018	US\$170m JARE US\$26.5m Conv Bond
Enterprise Value	A\$1.8B

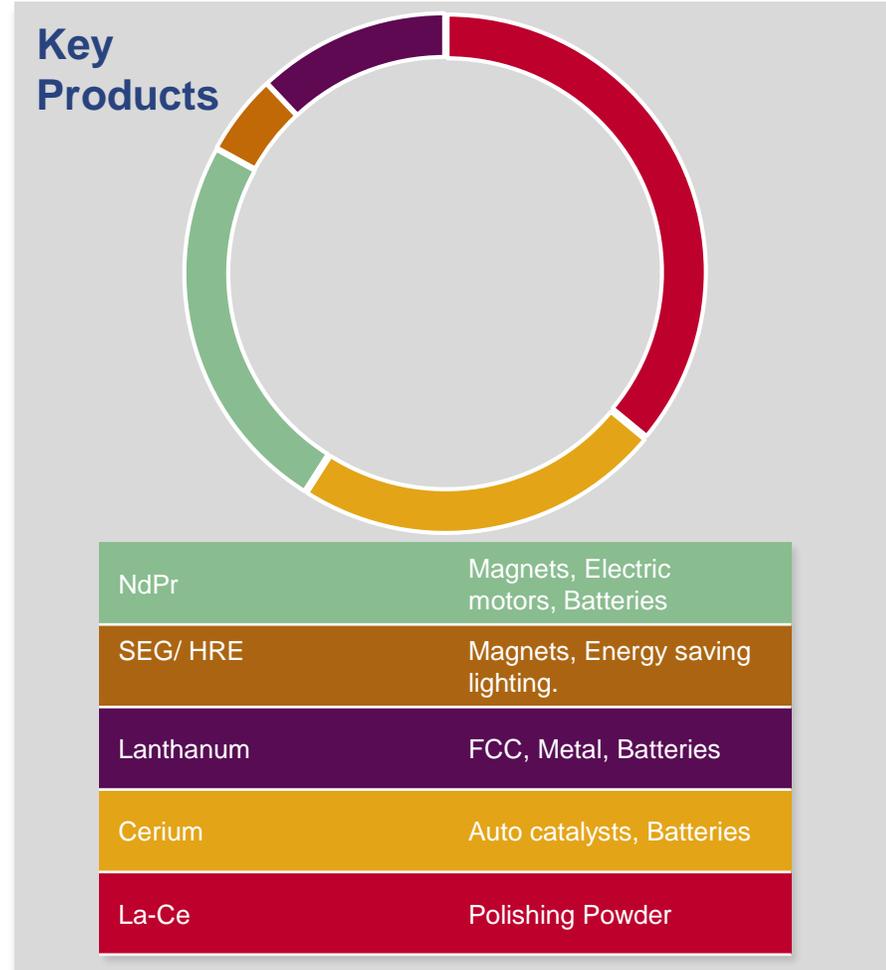




# The Rare Earths Market

# Rare Earths are essential for many future facing technologies

Where	RE Property	RE	Allows	Final Impact
Wind turbines	Permanent magnet generators	Nd Pr, Dy	No gear box (Cost) Better yield in light winds	Energy produced at lower cost
Cars	Permanent magnets motors	Nd Pr, Dy	Electricity savings Weight Reduction	Saves energy
	Electricity storage	La, Ce	HEV Batteries	
	Catalytic reduction	Ce	Depollution systems	
Appliances	Permanent magnets motors	Nd, Pr, Dy	Electricity savings	Saves energy
Lighting	Efficiency (x3)	Eu, Tb, Ce, La, Y	Energy Savings	
Electronics	Smaller components	Dy, Nd	Improved functionality	Efficient operation
Medical	Magnetic, chemistry, luminescence	Gd, Lu	IRM, PET scans, Kidney disease	Improved diagnostics and health outcomes



- **Market demand is strong, and**
- **There is demand for a reliable Rare Earths source outside China which Lynas fills**

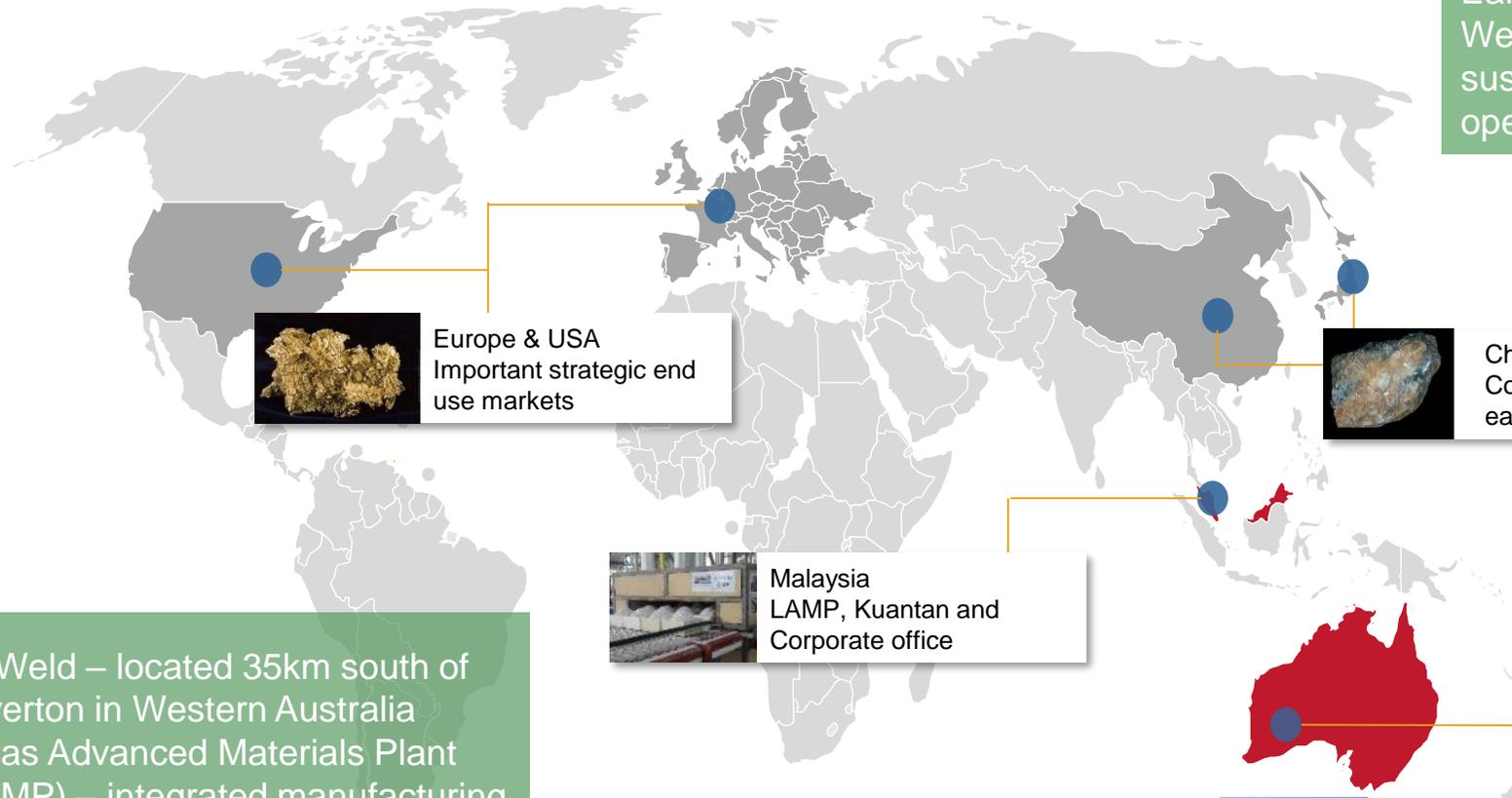
# Lynas: A market-leading Rare Earths company

Investing in Lynas provides access to existing markets and exposure to growing tech markets



# Global operations & customer relationships

Lynas Corporation Ltd (ASX: LYC) is an integrated miner and producer of Rare Earths, operating a high grade mine in Mt Weld, Western Australia and a reliable, sustainable chemical processing operation in Kuantan, Malaysia



Europe & USA  
Important strategic end use markets



China & Japan  
Core client base for rare earth metals



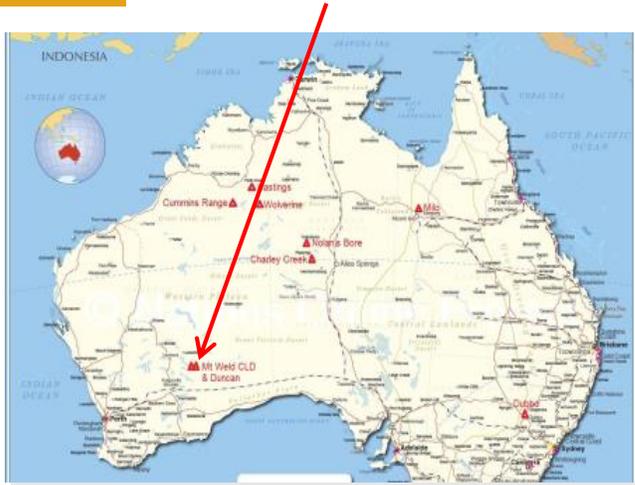
Malaysia  
LAMP, Kuantan and  
Corporate office



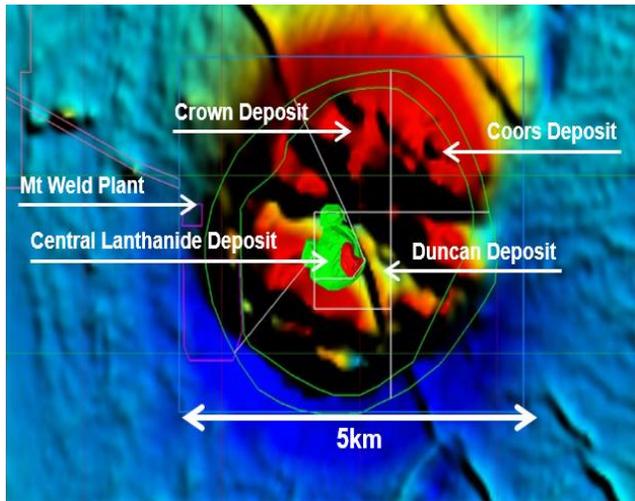
Australia  
Mount Weld Rare Earths  
deposit and processing  
plant.  
Perth office

- Mt Weld – located 35km south of Laverton in Western Australia
- Lynas Advanced Materials Plant (LAMP) – integrated manufacturing facility, located in Kuantan, Malaysia

# World's highest grade operating Rare Earths mine



- Simple open pit mine with over 25 years life of mine, located in Mt Weld, Western Australia, 1000km from Freemantle port.
- Currently mining by campaign the Central Lanthanide Deposit (CLD), the highest grade operating Rare Earth mine in the world with a rare earth distribution fit for market (highest ratio of NdPr among operating light rare earth producers)
- Other deposits yet to be developed: Duncan (High grade Dy), Crown (High grade Niobium), Swan (Phosphate)
- All deposits currently limited by drilling
- All deposits close to the Mt Weld processing infrastructure <5km



Rare Earth Oxides	CLD	DUNCAN
NdPr	23.3%	22.6%
Cerium	47.6%	39.4%
Lanthanum	23.9%	24.9%
Dysprosium	0.3%	1.3%
Terbium	0.1%	0.3%
Others	4.8%	11.5%

# Concentration plant at Mt Weld

- Flotation process concentrates ore from **16.5% to 38% Rare Earth content**
- Recovery and output rates well above design
- Optimised on energy savings, water balance, tailings management and environmental protection



Lynas Mt Weld Concentration Plant



Lynas Mt Weld Tailing Pond

# Lynas Malaysia: Largest Rare Earths chemical processing plant in the world

- 22,000 t/year, increasing to 25,000 t/year from January 2019
  - 500 t/mth NdPr increasing to 600 t/mth
- 500 staff, 24/7 operation, highly instrumented (17,000 loops), strong QC lab (50 Chemistry degree holders), 4 (60m long) rotary kilns, 1000 solvent extraction stages, 45 high speed centrifuges, 8 tunnel furnaces (90m each).
- Certified ISO 9001, ISO 14001, OHSAS 18001
- Approved by Together For Sustainability, the global audit program driven by the leading European chemical companies

Product	LAMP production %	Major Application
NdPr, Nd, Pr oxide	27%	Magnets, Catalyst, Pigments
SEG-Heavies	5%	Magnets, Lighting
Ce Carbonate, Oxide	30%	Auto & Chemical Catalyst, UV-cut glass, Semi-Conductors
La Carbonate, Oxide	15%	Oil Refineries, Batteries, Ferrite magnets
Ce-La and other RE compounds	23%	Polishing, Batteries, Special Alloy

# Lynas: Leading the market in sustainability



## Resource optimisation & water management

Lynas has, and continues to, optimise flotation techniques to continuously improve ore utilisation  
Lynas has implemented industry leading water management systems to improve water recycling

## Best practice environmental strategies

Lynas prioritises the safety of people, the community and the environment and has implemented industry leading environmental solutions in all parts of its operation

## Delivering to customer needs

Lynas is supporting technology adoption with key users and where relevant is implementing long term supply agreements

## Ongoing community engagement

Lynas runs long and short term engagements to contribute to the local communities in Malaysia and in Mt Weld

# Lynas NEXT: Investing in our future



## Increase productivity of our existing assets

Invest in improved plant reliability and recoveries

Increase production of NdPr to 500 tonnes/month from April 2018 and 600 tonnes/month from January 2019



## Deliver better returns on total Rare Earths processed

Extend product range to include additional separated materials and new higher purity grades

Improve recoveries



## Strengthen the business with new customer offers

Engage directly at various stages of the value chain

Offer long term contracts with committed volumes and/or pricing



## Continue to drive total cost down

Process efficiency

Procurement effectiveness



## Contribute to total market growth

Promote Rare Earths technology

Invest in new product and application development

# Half Year FY2018 results highlights

## Record profit

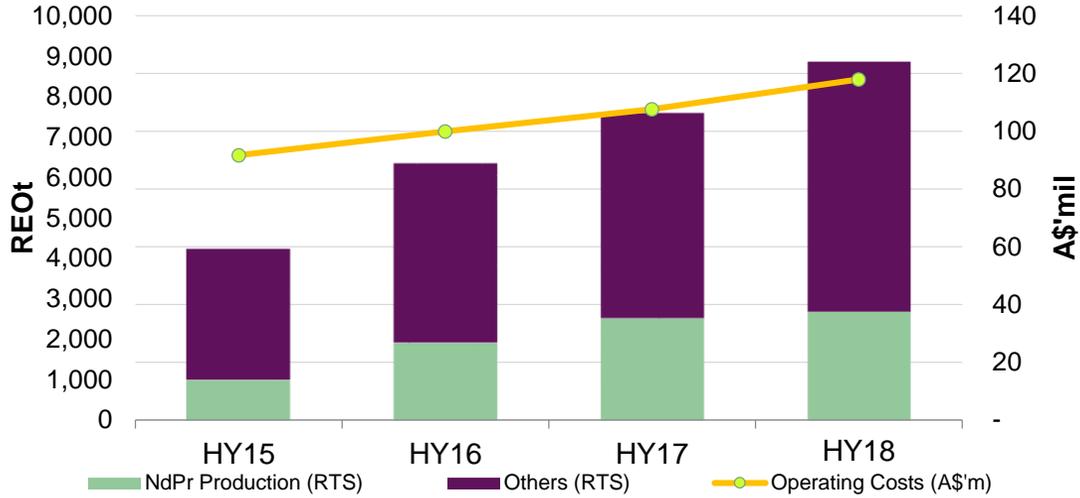
EBIT	A\$63m
Adj EBITDA	A\$85.5m

- Record profit from operating activities
- Revenue growth of 75% to A\$200.9m (H1 2017: A\$114.6m)
- Total REO production growth of 17% to 8,839 tonnes (H12017: 7,579 tonnes)
  - NdPr production up by 6%
  - Significant improvements in finished product quality of La and Ce materials
- Operating costs at \$133.9m (H1 2017: A\$133m)
- Cash flows of \$80.2m from operating activities (H1 2017: A\$6.7 million).
- Group debts reduced to USD256.5m by end December 2017 and by a further USD60m in early 2018 to USD196.5
- A\$35 million Lynas NEXT programme commenced in the December quarter to increase customer engagement and optimise existing assets for future growth.

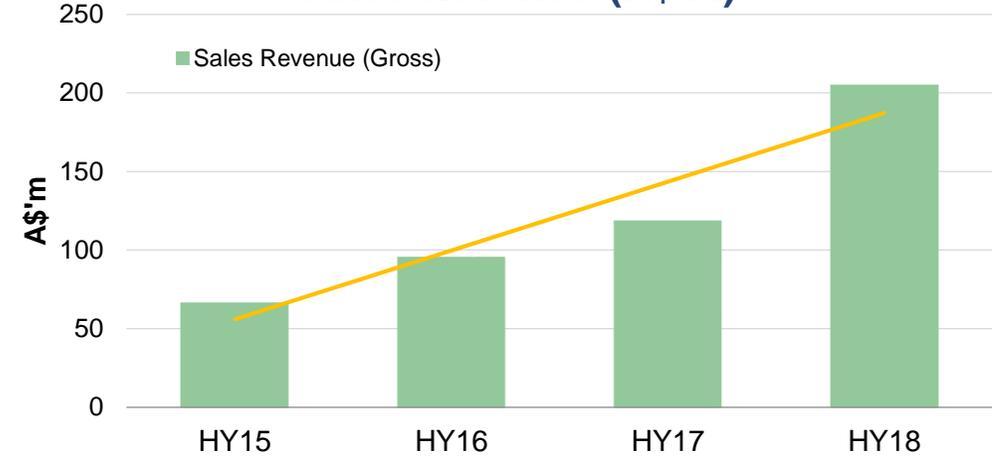
# Increased production and sales volumes

## Total Operating Costs vs Production

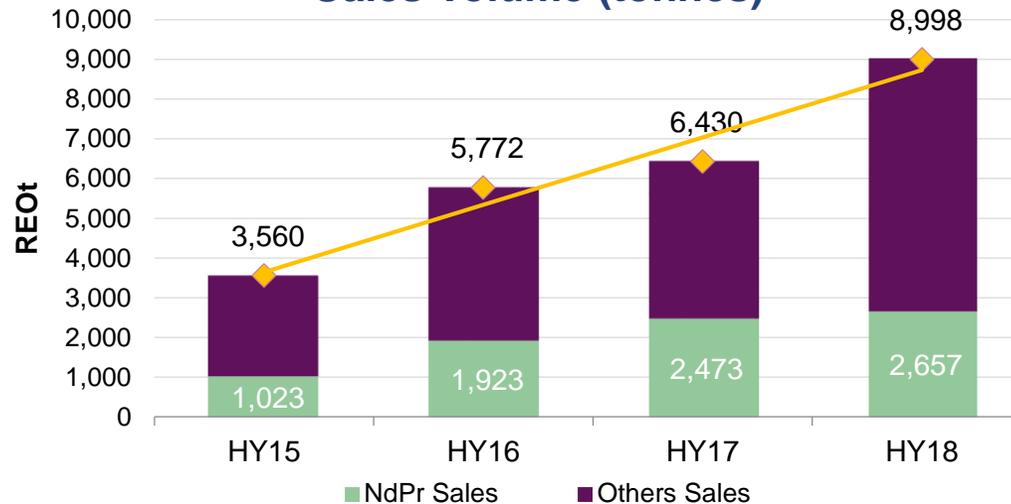
(excl. restructuring costs, STI & employee share based payment)



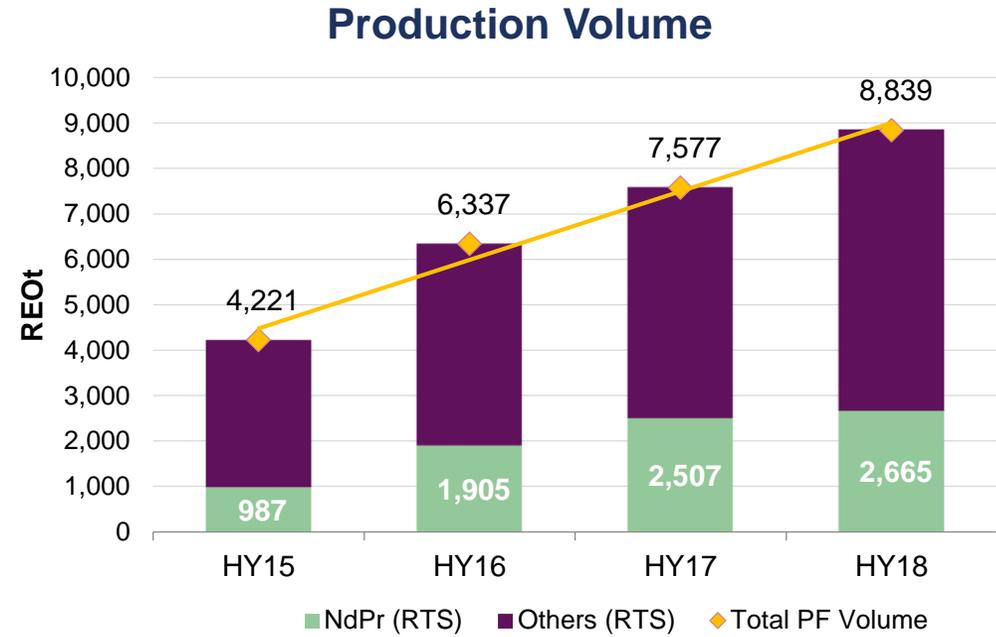
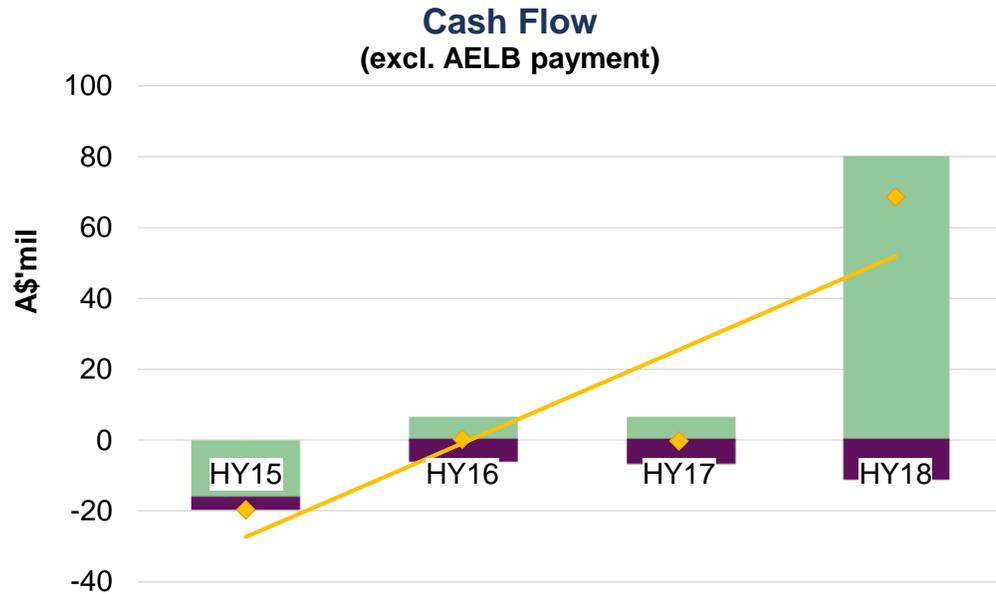
## Sales Revenue (A\$m)



## Sales Volume (tonnes)



# Improved cash flow



	HY15	HY16	HY17	HY18
Net Investing CF	-3.8	-6.4	-7.0	-11.4
Net Operating CF	-15.9	6.7	6.7	80.2
Operating & Investing CF	-19.7	0.3	-0.2	68.7

# Capital structure

Debt Class	Debt Outstanding at 14 March 2018	Equity Class	Fully Diluted Shares at 14 March 2018
JARE Facility at 3.75% p.a. maturing 30 June 2020	US\$ 170,000,000	Ordinary Shares	643,660,433
Convertible Bonds at 1.875% p.a. maturing 30 September 2020	US\$ 26,500,000	Convertible Bonds at a conversion price of A\$1.00 per share (A\$1.00 = US\$0.75)	35,333,333
		Warrants at A\$0.50	27,132,301
		Employee Performance Rights	11,286,944
<b>Total Debt Outstanding at 14 March 2018</b>	<b>US\$ 196,500,000</b>	<b>Total Fully Diluted Shares at 14 March 2018</b>	<b>717,413,011</b>



# Questions

[www.lynascorp.com](http://www.lynascorp.com)

# Share Data / ADR Data

## Share Data

Type of Share	Ordinary
ASX Ticker	LYC
ISIN	AU000000LYC6
Shares Outstanding as at 14 March 2018	643,660,433

## ADR Data

Ratio (Ordinary Share : ADR)	1 : 1
OTC Ticker	LYSDY
ISIN	US5510733075
ADR Level	Level 1
Exchange	OTC
Sponsor	Bank of New York Mellon

# Competent Person's Declaration

## Competent Person's Declaration and Compliance Statements

Exploration information in this presentation is based on, and fairly represents, information compiled by Mr. Brendan Shand who is a consultant geologist to Lynas Corporation. Mr. Shand is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Shand consents to the inclusion in this document of the information in the form and context in which it appears.

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This presentation may include forward-looking statements. These forward-looking statements are based on a number of assumptions made by the Company and its consultants in light of experience, current conditions and expectations concerning future events which the Company believes are appropriate in the present circumstances. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Lynas Corporation, which could cause actual results to differ materially from such statements.