

**Lynas Rare Earths Limited**

**Bell Potter Unearthed 2023**

**7 February 2023**



# Disclaimer

This presentation has been prepared by Lynas Rare Earths Limited (ABN 27 009 066 648) (Lynas or the Company) this presentation contains summary information about Lynas and its subsidiaries (Lynas Group) and their activities current as at the date of this presentation. The information in this presentation is of general background and does not purport to be complete or to comprise all the information that a shareholder or potential investor in Lynas may require in order to determine whether to deal in Lynas shares. It should be read in conjunction with Lynas group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at [www.asx.com.au](http://www.asx.com.au). This document is not a prospectus or a product disclosure statement under the Corporations act (Cth) 2001 (Corporations Act) and has not been lodged with ASIC.

## **Not investment or financial product advice**

This presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Lynas shares 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 Lynas shares. Cooling off rights do not apply to the acquisition of Lynas shares.

## **Financial data**

All dollar values are in Australian dollars (A\$) unless stated otherwise and financial data is presented within the year ending 30 June 2022 unless stated otherwise. 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 US securities and exchange commission.

## **Future performance**

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. This presentation contains certain "forward-looking statements". The words "expect", "should", "could", "may", "will", "predict", "plan", "scenario", "forecasts", "anticipates" "estimates" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. 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. Such forward-looking statements including projections, guidance on future earnings and estimates are provided

as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

## **Investment risk and other risks**

An investment in Lynas shares is subject to investment and other known and unknown risks, some of which are beyond the control of Lynas group, including risk factors associated with the industry in which Lynas group operates, such as: nature of mineral exploration and production; mineral and ore reserves; operations risks; project development risks; market price and demand risk; credit and market risks; regulatory, political and environmental risks; tax and other risks generally relating to equity investment.

## **Not an offer**

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the united states. Any securities described in this presentation have not been, and will not be, registered under the U.S. Securities act of 1933 (the "securities act").

## **Disclaimer**

Lynas and its affiliates, officers, employees, agents and advisers have not authorised, permitted or caused the issue, dispatch or provision of this presentation to any third party. Lynas, its related bodies corporate and their respective affiliates, officers, employees, agents and advisers to the maximum extent permitted by law, expressly disclaim all liabilities in respect of any expenses, losses, damages or costs incurred by you as a result of the information in this presentation being inaccurate or due to information being omitted from this presentation, 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. The information in this presentation remains subject to change without notice.

# FY23 Q2 financial highlights

## Sales Receipts

**\$168.4m**

Q2 FY22: \$151.0m

## Sales Revenue

**\$232.7m**

Q2 FY22: \$202.7m

## Cash payments for capex, exploration & development

**\$141.9m**

Q2 FY22: \$38.3m

## Cash and Short Term Deposits

**\$934.2m**

Q2 FY22: \$674.2m





# FY23 Q2 operational highlights

**4,457t**

Total REO production

Q2 FY22: 4,209 tonnes

**1,508t**

NdPr REO production

Q2 FY23: 1,359 tonnes

**\$62.5**

Average selling price  
per kg REO

Q2 FY22: \$54.0/kg





# FY2022 ESG highlights

## Operating safely through COVID-19 pandemic

LTIF rate of **0.8** per million hours worked

## Increasing gender diversity

**24%** women senior executives at 30 June

**23%** women employees at 30 June

**50%** women Board members

## Enhancing climate change resilience

GHG Policy

Energy transition initiatives in development

## Delivering on commitment to ESG

WA Golden Gecko Award finalist for environmental excellence

Upgraded to MSCI 'AA' ESG rating

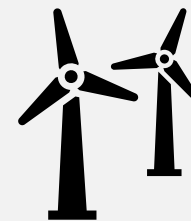


# Demand continues to grow for EVs and wind energy



Additional **5kt NdPr oxide** required per  
10m Hybrid Electric Vehicles

Additional **7kt NdPr oxide** required per  
10m Battery Electric Vehicles



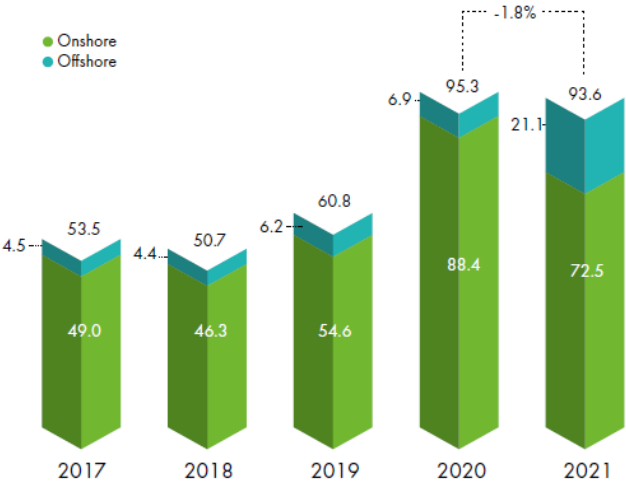
**3 kilotonnes** of NdPr oxide per  
10GW capacity direct drive wind turbine

## Major automaker announcements on electrification, 2021-2022

Automaker	Announcement date	Ambition
<a href="#">Toyota</a>	2021	3.5 million annual electric car sales by 2030 and the rollout of 30 BEV models
<a href="#">Volkswagen</a>	2021	All-electric vehicles to exceed 70% of European and 50% of Chinese and US sales by 2030, and by 2040 nearly 100% to be ZEVs
<a href="#">Ford</a>	2022	One-third of sales to be fully electric by 2026 and 50% by 2030, with all-electric sales in Europe by 2030
<a href="#">BMW</a>	2021	50% of vehicles sold to be fully electric by 2030 or earlier
<a href="#">Volvo</a>	2021	Become a fully electric car company by 2030
<a href="#">Geely</a>	2021	20% of car sales to be electric by 2025
<a href="#">Mercedes</a>	2021	All newly launched vehicles will be fully electric from 2025
<a href="#">General Motors</a>	2022	30 EV models and BEV production capacity of 1 million units in North America by 2025, plus carbon neutrality in 2040

Source: IEA Electric Vehicle Tracking Report, September 2022

New installations



Source: GWEC Annual Wind Report 2022



# Developing our business for an exciting future



Accelerating production capacity at Mt Weld



Completing the Rare Earths Processing Facility in Kalgoorlie



Enhancing operations at Lynas Malaysia



Planning U.S. Rare Earth Processing Facility in Texas

**Ambitious growth projects are underway**



# Making the most of the precious Mt Weld resource

- Approx. \$500m Mt Weld capacity expansion project
  - Targeting concentrate feedstock of 12,000 tpa NdPr products in 2024
- New 2-year exploration program
- New infrastructure

## Progress to date:

- Project team in place
- Long lead items and early procurement underway
- Exploration program progressing with US\$9m support from JARE



# Mt Weld expansion integrates with existing operation

Power station

Reagents

Concentrate Load-Out

Apatite Dewatering (re-use existing)

Apatite Leach &  
Concentrate Dewatering

New Grinding &  
Flotation

Re-use Existing Flotation

Crushing Circuit →

Recycle Water Treatment



# Expanding Australian operations with the Kalgoorlie Rare Earths Processing Facility

**Lynas**  
Rare Earths





# Enhancing operations in Malaysia

## Increasing capacity

- Works to receive mixed rare earth carbonate feedstock
- Investment in solvent extraction and product finishing
- Expanding range of products

## Improving efficiency

- Water recycling
- Ongoing 7S programmes

## Continuing to meet regulations

- Safe and compliant operations
- Construction of the offsite PDF underway





# Progressing plans for the USA Rare Earths Separation Facility

Committed & supportive U.S. Government

- Follow-on contract for construction of commercial HRE separation facility
- Phase II deliverables submitted to the US DoD

Backed by U.S. Government policy settings

- Inflation Reduction Act
- Defence Production Act

Planning for Lynas Facility underway





# Lynas plays an important role in the global economy

Malaysia:

**Over RM\$3 billion** in  
foreign direct investment, since  
2008

Approx. **1000 ongoing jobs**  
(98% local employment)

Kalgoorlie:

Approx. **A\$575 million**  
capital investment

Approx. **290 jobs** during  
construction

Approx. **128 ongoing  
jobs**

Mt Weld expansion:

Approx. **A\$500 million**  
capital investment

Approx. **300 jobs** to be  
created during construction

Up to **20 ongoing jobs** (to  
12 kt NdPr feedstock)

United States:

Planned **U.S. Rare Earths  
Processing Facility**  
(Heavy and Light Rare Earths)

Approx. **619 jobs** to be  
created during construction

Approx. **112 ongoing  
jobs**





### 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.

Visit us at  
[LynasRareEarths.com](https://LynasRareEarths.com)



# Appendix A: JORC Compliance and Competent Person's Statement

## Exploration Results

The information in this report that relates to the Exploration Results is based on information compiled by Dr Sadangaya Ganesh Bhat. Dr Sadangaya Ganesh Bhat is a full-time employee of Lynas Rare Earths. Dr Sadangaya Ganesh Bhat is a member of the AusIMM. Dr Sadangaya Ganesh Bhat has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Dr Sadangaya Ganesh Bhat consents to the disclosure of information in this report in the form and context in which it appears.

The potential extent and grade of the Fresh Carbonatite is unknown at this stage, as there has been insufficient exploration and it is uncertain if further exploration will result in estimation of a Mineral Resource. The Exploration Results have been prepared and reported in accordance with the 2012 edition of the JORC Code

## Mineral Resources and Ore Reserves

Full details of the material change that occurred in 2018 are reported in the Lynas ASX announcement dated August 6, 2018, titled “**Lynas announces a 60% increase to Mt Weld Ore Reserves, one of the world’s richest sources of Rare Earths**”. Current Resource and Reserve Statements for the Mt Weld Rare Earth Mineral Deposit Mineral Resources are in the 2022 Annual Report created on 12 October 2022 and available to view at: <https://lynasrareearths.com/investors-media/reporting-centre/annual-reports/>. The company confirms that all material assumptions and technical parameters underpinning the estimated Ore Reserves set out in the ASX announcement dated August 6, 2018 continue to apply and have not materially changed.