Lynas Corporation
Rare Earths – we touch them everyday

Capital Raising and Business Update

September 2014
Disclaimer

This Presentation has been prepared by Lynas Corporation Limited (ABN 27 009 066 648) (Lynas or the Company) in relation to an Entitlement Issue of shares and options in Australia. The offer is made pursuant to a prospectus under Section 6D.2 of the Corporations Act 2001 (Cth) which was lodged with the Australian Securities and Investments Commission (ASIC) on 29 September 2014 (the “Prospectus”). 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. 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.

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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.

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This Presentation contains certain “forward-looking statements”. The words “expect”, “should”, “could”, “may”, “will”, “predict”, “plan”, “scenario”, “forecasts”, “anticipates” 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.

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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; construction risks; progressing risks; project developments; market price and demand risk; credit and market risks; regulatory, political and environmental risks; tax and other risks generally relating to equity investment.

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The information in this Presentation remains subject to change without notice.
Lynas is an integrated source of Rare Earths from Mine to Customer

Rare Earths are essential inputs to high technology, high growth, future-facing industries and Lynas is uniquely placed to succeed in this market

• We have invested in a portfolio of aligned assets:
  o Mt. Weld: The highest grade Rare Earths mine in the world, 35 km south of Laverton, WA
  o Mt. Weld Concentration Plant: Commissioned in 2011, located 1.5km from mine
  o Lynas Advanced Materials Plant (LAMP): Integrated manufacturing facility, separating and processing RE materials, located in the Gebeng Industrial Estate (GIE) near the Port of Kuantan in Malaysia

• We have established solid foundations in key business functions:
  • Mt Weld is operating efficiently and safely at target rates
  • LAMP commissioning is complete and production capability is on track
  • Channels to market have been established and strong relationships with key target customers have been formed

• Lynas is now positioned to create shareholder value as it transitions from its start up project phase to full business operations

• We are very pleased to present you with this investment opportunity
Lynas is now well positioned for growth

Three conditions support Lynas’ transition:
1. A secure, low-cost funding platform to support continued business development
2. A Full Operational Stage License (FOSL) for the LAMP delivering ongoing license to operate
3. A capable and appropriately skilled management team to guide profitable operations

Lynas is still on a development path. Significant progress has been made in improving production, however, there is still work to be done in all areas of the business, particularly development of sales opportunities.

Importantly recent changes have seen 3 key conditions satisfied:

1. The restructure of the Senior Secured (JARE) debt provides:
   – Low cost of capital; the blended interest cost of debt sits at 4.8%
   – A manageable repayment schedule; the new amortization schedule is aligned to the business’ forecast growth rates
   – An ongoing strong commitment to a distribution partnership providing access to the high value Japanese market

2. The FOSL was granted on 2 September 2014 and provides:
   – Malaysian regulatory endorsement of operational standards
   – A clear definition of ongoing requirements
   – The foundation for continued operational stability

3. The management team has the right skill set:
   – As CEO & MD, Amanda Lacaze brings significant turnaround experience and a track record of success in driving profitable growth in technology-based industries
   – Kam Leung, VP Production has deep operational experience in chemical and metallurgical industries. Since his appointment he has been pivotal in delivering substantial performance improvements at LAMP, including significantly improved production to customer quality specifications
   – Jean Claude Steinmetz, Chief Commercial Officer, has built on his extensive experience in the Rare Earths market and established strong relationships with key customers. He has broadened Lynas’ reach into new target markets with a key focus on creating customer value to lessen the effect of commodity pricing fluctuations
Performance is improving with substantial improvements in key measures

Four successive quarters of increases in production volume and sales revenue, and on track for a fifth successive quarter of increases

- Production has continued to increase every quarter, with a compound quarterly growth rate of approximately 70% since the June 2013 quarter
- Sales revenue has increased every quarter, with a compound quarterly growth rate of approximately 110% since the June 2013 quarter
- Improved proportion of “on spec” production being achieved in September 2014 quarter should underpin continued strong growth in sales revenue
  - 99% “on spec” production of NdPr in September 2014 to date – double that being achieved at the beginning of the quarter. NdPr constitutes approximately 70% of Lynas’ sales revenue.

Focus on creating a lean business has so far delivered annualised cost savings of $26 million

In the past four months:
- Reduction of office costs, contract labour and duplicated services created an annualised overhead cost savings of $16 million
- Annualised cost savings from renegotiation of supplier contracts, is $10 million
- Significant further cost savings are anticipated
  - Improvements in procurement process
  - Utilities savings
  - Workforce savings
As part of the business transformation, Lynas is now offering an equity investment opportunity

- The combination of the restructured debt agreement with new equity provides a secure platform for further business development
- Once this transaction has been completed Lynas expects to have $82 million of cash (after payment of the Senior Facility instalment of US$10 million).
- Up to an additional $66.6 million could be generated by the exercise of the Placement Options, the Entitlement Options and the Underwriter Options
- Debt amortisation requirements over the next 12 months have been reduced by US$40 million
- Critically, the blended interest rate on Lynas’ debt facilities is an attractive 4.8%pa, allowing the company to focus resources on improving its business operations and performance
- This transaction is expected to significantly increase the institutional shareholder base – some of the key sub-underwriters have a specific focus on energy and industrial sectors in Asian markets
Equity Raising Summary

Equity raising terms
- Institutional Placement of 150 million shares @ A$0.08 per share to raise A$12.0 million (before costs).
- A 5-for-14 Renounceable Entitlement Issue of 887.1m new shares @ A$0.08 per share to raise A$71.0 million (before costs).
- For every two (2) Entitlement shares and Institutional Placement shares subscribed for the applicant will receive one (1) option, exercisable by 15 September 2015 at $0.09 per option.
- Institutional Placement and Renounceable Entitlement Issue will be underwritten by Patersons Securities Limited. Sub-Underwriters will receive one (1) underwriter option for every four (4) shares sub-underwritten (total 221.8m underwriter options).
- Underwriter options to be issued on the same terms as the Entitlement options.
- If all options are exercised a further A$66.6 million will be raised in September 2015.
- The new shares will rank equally with existing shares.
- The new options will be quoted on the ASX and freely tradeable.

Pro Forma Balance Sheet
- The Group’s pro forma cash balance as at 30 September 2014 following completion of the equity raising is $82 million (after payment of the Senior Facility instalment of US$10 million).
- Following completion of the proposed amendment of the Sojitz/JOGMEC senior secured facility, 90% of Group debt facilities will constitute non-current liabilities (totalising US$440 million) of which 75% (US$330 million) is not due before June/July 2016.
- Completion of the Institutional Placement and Renounceable Entitlement Issue will cause an adjustment to the conversion price for the US$225 million Mt Kellett Convertible Bond Facility (currently A$0.98 per share). Once known, the adjustment amount will be announced to the ASX.

Indicative Capital Structure

<table>
<thead>
<tr>
<th>Sources</th>
<th>Shares (m)</th>
<th>Options (m)</th>
<th>Raising pre costs ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing</td>
<td>2,333.8</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Institutional Placement</td>
<td>150.0</td>
<td>75.0</td>
<td>$12.0</td>
</tr>
<tr>
<td>Rights Issue (5:14)</td>
<td>887.1</td>
<td>443.5</td>
<td>$71.0</td>
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<tr>
<td>Underwriter Options</td>
<td>-</td>
<td>221.8</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,370.9</strong></td>
<td><strong>740.3</strong></td>
<td><strong>$83.0</strong></td>
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</table>
## Indicative Use of Funds and Timetable

<table>
<thead>
<tr>
<th>Sources</th>
<th>A$M</th>
<th>Uses</th>
<th>A$M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional Placement</td>
<td>12.0</td>
<td>US$10 million instalment under the Senior Facility</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Restructuring costs to reset the Company’s cost base</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Removal of bottlenecks, and more efficient waste management processes in WA and Malaysia</td>
<td>24.0</td>
</tr>
<tr>
<td>Renounceable Entitlement Issue</td>
<td>71.0</td>
<td>Applications development, liquidity headroom &amp; working capital</td>
<td>36.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$83.0</strong></td>
<td>Total</td>
<td><strong>$83.0</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction announced; Prospectus lodged with ASIC and ASX</td>
<td>Monday, 29 September 2014</td>
</tr>
<tr>
<td>Institutional Placement settles</td>
<td>Wednesday, 1 October 2014</td>
</tr>
<tr>
<td>Rights Trading commences</td>
<td>Wednesday, 1 October 2014</td>
</tr>
<tr>
<td>Record date</td>
<td>7:00pm (Sydney time), Friday, 3 October 2014</td>
</tr>
<tr>
<td>Dispatch of Offer documents and Offer opens</td>
<td>Thursday, 9 October 2014</td>
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<tr>
<td>Rights trading ends</td>
<td>Monday, 13 October 2014</td>
</tr>
<tr>
<td>New shares &amp; entitlement options commence trade on deferred settlement basis</td>
<td>Tuesday, 14 October 2014</td>
</tr>
<tr>
<td>Offer closes</td>
<td>5:00pm (Sydney time), Monday, 20 October 2014</td>
</tr>
</tbody>
</table>

This timetable is subject to change. Subject to its obligations under the underwriting agreement, Lynas reserves the right to vary the timetable without notice. The commencement of trading of New Shares and Options is subject to confirmation from ASX.

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## Pro Forma Balance Sheet

### 30 June 2014 Adjustments

<table>
<thead>
<tr>
<th></th>
<th>30 June 2014 Audited</th>
<th>Adjustment for Placement &amp; Rights Issue</th>
<th>30 June 2014 Senior Facility</th>
<th>30 June 2014 Proforma</th>
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</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>38,144</td>
<td>77,532</td>
<td>115,676</td>
<td></td>
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<tr>
<td>Other current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>77,902</td>
<td></td>
<td>77,902</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>116,046</td>
<td>77,532</td>
<td>193,578</td>
<td></td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>736,300</td>
<td>-</td>
<td>-</td>
<td>736,300</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>852,346</td>
<td>77,532</td>
<td>-</td>
<td>929,878</td>
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<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Borrowings</td>
<td>122,094</td>
<td>(79,626)</td>
<td>42,468</td>
<td></td>
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<tr>
<td>Other current liabilities</td>
<td>48,719</td>
<td></td>
<td>48,719</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>170,813</td>
<td>-</td>
<td>(79,626)</td>
<td>91,187</td>
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<tr>
<td>Borrowings</td>
<td>321,477</td>
<td>79,626</td>
<td>401,103</td>
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<tr>
<td>Other non-current liabilities</td>
<td>58,016</td>
<td></td>
<td>58,016</td>
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</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>379,493</td>
<td>-</td>
<td>79,626</td>
<td>459,119</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>550,306</td>
<td>-</td>
<td>-</td>
<td>550,306</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>302,040</td>
<td>77,532</td>
<td>-</td>
<td>379,572</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>302,040</td>
<td>77,532</td>
<td>-</td>
<td>379,572</td>
</tr>
</tbody>
</table>
Key Investment Highlights

• The Assets are in place
  – Mine and processing in WA is proven and operating effectively
  – LAMP Phase 1 is fully commissioned and Phase 2 Cracking and Leaching and Product Finishing assets are operational

• The new management team is in place with a clear focus on delivering profitable growth

• Performance is accelerating with both production and sales growing strongly

• Lynas’ assets underpin a strong market position with high barriers to entry

• The business operates in high growth sectors – demand in key end use markets is expected to grow at rates ahead of global GDP creating strong demand for rare earth materials

• Recent uncertainty has created a significant weakness in the share price, presenting an excellent investment opportunity to build a position in Lynas
• The Company
  – Key strengths, assets and performance

• The Market
  – Market drivers and sector analysis

• The Investment
  – Details of the investment opportunity, risks and disclaimers
Lynas is a business with strong fundamentals

Lynas operates in an attractive market

- Rare Earths are an essential element in high growth, future-facing industries
- The Market size is currently ~100ktpa, expected to grow to ~140ktpa by 2020. Japanese firms are key customers for rare earths products
- Key market players are attracted to Lynas as a supplier of high quality Rare Earths produced in a safe environmentally sustainable facility

Lynas has sustainable competitive advantage

- LAMP is the world’s largest and most modern Rare Earths separation plant, located within a cost competitive industrial and petrochemical estate
- LAMP is fully operational and has achieved four successive quarters of strong increases in production and sales and is on track to achieve a fifth
- The transition of leadership is complete and realigns priorities to shift focus from production volume to quality and value of production
- The difficult operating period has led to the creation of a leaner, smarter approach – simplification of the Company’s operating structure and reduction of input costs has resulted in $16 million in annualised cost savings in just four months
- Lynas has strong engagement and relationships with major customers – Japanese customers continue to grow, currently representing 60% of sales
Market Analysis

Rare Earth Demand Drivers

- Market size: ~100ktpa currently – expected to grow to ~140ktpa by the end of the decade
- Lynas Rare Earth materials are a technology enabler in products such as conventional, hybrid and electric cars, consumer electronics, and wind turbines
- Lynas is focused on creating value including new applications and technology development
- Lynas offers the only independent secure supply chain in the market
- The Lynas deposit is well suited to the production of high value elements (Nd, Pr) used in the highest value growth segments

2015E Expected Global Rare Earths demand by application

- NiMH Batteries 11%
- Magnets 27%
- Autocatalysts 8%
- FCCs 13%
- Metallurgy & FerroSilicon 13%
- Phosphors 7%
- Polishing 11%
- UV Cut 2%
- Optical Glass 3%
- Other 5%

Rare Earth Demand Drivers
Rare Earths – Critical Components in Global and Growing End Markets

Global Rare Earth Mining and Processing (~100ktpa REO)

- NdFeB Magnets
  - Wind
  - Gen. Auto
  - HEV/EV
  - Tech.
  - Household
  - Industrial

- NiMH Batteries
  - HEV/EV
  - Appliances

- Auto-catalysts
  - Gen. Auto

- Fuel Cracking Catalysts
  - Oil Refining

- Special Alloys
  - Steel and Alloy Production

- Glass Polishing
  - Tech.
  - Optic
  - Crystal
  - Glassware

- Lighting
  - Energy Efficient Lighting

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Rare Earths are technology enablers in Hybrid Cars

- LCD screen
  - Europium
  - Yttrium
  - Cerium
- Glass and mirrors polishing powder
  - Cerium
- UV cut glass
  - Cerium
- Component sensors
  - Yttrium
- Hybrid electric motor and generator
  - Neodymium
  - Praseodymium
  - Dysprosium
  - Terbium
- Headlight glass
  - Neodymium
- 25+ electric motors throughout vehicle
  - Neodymium magnets
- Diesel fuel additive
  - Cerium
  - Lanthanum
- Hybrid NiMH battery
  - Lanthanum
  - Cerium
- Catalytic converter
  - Cerium
  - Lanthanum

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… but conventional cars also contain Rare Earths
Outlook: Key Demand Trends

Key macro consumption trends are expected to drive future growth of the global RE market

1. Energy efficient and green applications continue to accelerate strong NdPr demand growth
   - Wind energy, HEV/EVs, general auto, energy efficient drives for household and industrial applications
   - Subject to Dy reduction through innovation and restoring industry confidence in Rare Earth sourcing

2. Demand for REs is expected to continue to be supported by large market segments with steady growth rates
   - Autocatalyst market (Ce), FCC market (La), metallurgy & ferrosilicon market (La,Ce, mischmetal)

Estimated REO demand in magnet industry

Source: Lynas estimates and industry sources

2010-2020 CAGR: 9%

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China has dominated the RE market and is now moving towards a more orderly market approach

Moving towards supply discipline inside China – aiming at sustainable production

- The Chinese government is actively cracking down on illegal RE mining to improve the environmental and safety compliance of the RE industry
- Capital required to make REs in an environmentally sustainable fashion accounts for ~40-50% of the total investment and 30-40% of operating costs, including for Chinese companies
- Consequently, the Chinese government is consolidating all Chinese producers
- This will lead to a more stable, regulated supply of REs in the future
- Chinese economics of production is increasingly reflecting the enforcement of environmental sustainability standards

China consumes 50-60% of global RE production already and this will continue to grow, due to fast growing Chinese domestic demand
At this pace China will become a net importer of REs in the medium term

Chinese RE producers along with outside China RE producers can meet global RE demand and enable the market to grow to its full potential

Shift to sustainable producers:
Lynas is already safe for people and the environment and secure for customers
The market needs other such suppliers
Competent Person’s Statement

• The Mineral Resources and Ore Reserves Statement in this presentation is based on, and fairly represents, information and supporting documentation prepared by Brendan Shand, who is a member of The Australasian Institute of Mining and Metallurgy. Brendan Shand is an employee of the Group and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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’.

• Brendan Shand consents to the inclusion in this presentation of the matters based on his information and supporting documentation in the form and context in which it appears.
The slides in this presentation containing Rare Earths market data have been sourced from independent analysis of end application demand, along with Lynas estimates of quantities of Rare Earths end use in various key applications.

Although Lynas believes that the outcomes expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Forward-looking statements are based on assumptions and contingencies which are subject to change without notice. Factors that could cause actual results to differ materially from those in forward-looking statements include new Rare Earths applications, the development of economic Rare Earths substitutes, and general economic, market or business conditions. While Lynas has made every reasonable effort to ensure the veracity of the information presented, Lynas does not guarantee the accuracy and reliability of the estimates, forecasts and conclusions contained herein. Accordingly, the Rare Earths market data in this presentation should be used for general guidance only. There can be no guarantee that actual outcomes will not differ materially from forward-looking statements.
Key Risk Factors

1) Introduction
Investing in New Shares involves a degree of risk. Before applying for New Shares and Options, you should consider whether they are a suitable investment for you.
You should be aware that there are risks involved with participating in the Entitlement Offer and holding New Shares or exercising the Entitlement Options to acquire Shares. Some of these risks are specific to an investment in Lynas, while others relate generally to any investment in the equity markets. The occurrence of these risks may have an adverse impact on Lynas’ business, results of operations, financial condition and performance or the price of Shares, and also impact its ability to continue as a “going concern”.

This Section should be read in conjunction with Section 4, Section 5, and Section 6, of the Prospectus, which contain further details on Lynas. The risks set out below do not necessarily constitute an exhaustive list of all the risks involved with an investment in Lynas. Many such risks are outside the control of Lynas and its Board.
You should read all of this Presentation and the Prospectus carefully and consider your personal circumstances and consult your stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

2) Financial position
(a) Ability to continue as a going concern
Note 2.2 of the Company’s financial report for the year ended 30 June 2014 sets out the basis upon which the financial report has been prepared using the going concern assumption. Any failure to obtain the additional funding required by Lynas would cast significant doubt about Lynas’ ability to continue as a going concern and therefore, whether Lynas is able to realise its assets and discharge its liabilities in the normal course of business.
Lynas has taken the following steps to mitigate this risk:
- Lynas has agreed to amendments to the Senior Loan Facility repayment schedule, as detailed in Section 5.2 of the Prospectus.
- In conjunction with the amendments to the Senior Loan Facility, Lynas plans to complete the Placement and the Entitlement Offer.
- Lynas requires this additional equity to meet the amended principal repayments due under the Senior Loan Facility, particularly the next payment for US$10 million which is due under the binding Term Sheet no later than 15 October 2014, as well as to ensure it has the funding required to allow Lynas to restructure its cost base and for general liquidity headroom purposes.
- The directors and management, having obtained a signed underwriting agreement, are confident that there are reasonable grounds to believe that the additional equity funding will be obtained in a timely manner over the course of October 2014 to satisfy both the Lynas cash requirements and meet the next US$10 million Senior Loan Facility principal repayment due no later than 15 October 2014.

(b) Level of debt and covenants
As set out in Section 5, of the Prospectus Lynas has in place both a Senior Loan Facility and Convertible Bonds and is under an obligation to make repayments on specified dates. Should a number of the risks outlined in this Section eventuate, then Lynas may experience difficulty in making the repayments as and when they fall due. There is no guarantee that the proceeds derived from the Entitlement Offer (or the Placement) will necessarily be sufficient to meet its debt covenants. If there were a significant further decline in revenue or earnings, this could cause Lynas to not comply with these debt covenants.
A failure to comply with any of these debt covenants may require Lynas to seek amendments, waivers of covenant compliance or alternative borrowing arrangements. There is no assurance that its lenders would consent to such an amendment or waiver in the event of non-compliance, or that such consent would not be conditional upon the receipt of a cash payment, revised payout terms, increased interest rates, or restrictions in the expansion of debt facilities in the foreseeable future, or that its lenders would not exercise rights that would be available to them, including among other things, calling an event of default and demanding immediate payment of outstanding borrowings.
If such a demand was made and appropriate forbearance or refinancing arrangements could not be reached, Lynas may not have sufficient available funds to meet that demand.

c) Proceeds from the refinancing may not provide sufficient funding to execute the Company’s business strategy
Lynas’ business strategy is reliant upon access to debt funding over an extended period of time and at an acceptable cost of debt. The Company’s existing facility agreements restrict its ability to incur further debt except in certain circumstances. Should the Company experience a protracted decline in earnings, there is a possibility that the quantum of debt and/ or equity funding available to the Company would not be sufficient to execute its strategy which could have a negative impact on the future financial performance or position of Lynas
Key Risk Factors (cont’d)

3) Operational Risks

Lynas is exposed to various operational risks including unanticipated financial, operational or political events, cost overruns, decline in Rare Earths commodity prices and demand, equipment and labour shortages, equipment failure, technical concerns including possible reserves and deliverability difficulties, environmental impacts, increases in operating cost structures, community or industrial actions, natural disasters, interruptions to the supply of power, water, chemical or fuel, or other circumstances which may result in the delay, suspension or termination of Lynas’ capital projects, the total or partial loss of the investment and a material adverse effect on Lynas’ results of operations and financial condition. In addition the ramp up of operational assets can be subject to unexpected problems of delays.

(a) Development stage business
Lynas is still on the development path. Significant progress has been made in improving production, however, there is still work to be done in all areas of the business, particularly development of sale opportunities.

(b) Nature of mining
Mineral mining involves risks, which even with a combination of experience, knowledge and careful evaluation may not be able to be adequately mitigated. Mining operations are subject to hazards normally encountered in exploration and mining. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment, which may cause a material adverse impact on Lynas’ operations and its financial results. Projects may not proceed to plan with potential for delay in the timing of targeted output, and Lynas may not achieve the level of targeted mining output. Mining output levels may also be affected by factors beyond Lynas’ control.

(c) Mineral and ore reserves
No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the indicated level of recovery will be realised. Mineral resource and ore reserve estimates are based upon estimates made by Lynas personnel and independent consultants. Estimates are inherently uncertain and are based on geological interpretations and inferences drawn from drilling results and sampling analyses. There is no certainty that any mineral resources or ore reserves identified by Lynas will be realised, that any anticipated level of recovery of minerals will be realised, or that an identified ore reserve or mineral resource will be a commercially mineable (or viable) deposit which can be legally and economically exploited.

Further, the grade of mineralisation which may ultimately be mined may differ materially from what is predicted. The quantity and resulting valuation of ore reserves and mineral resources may also vary depending on, amongst others, metal prices, cut-off grades and estimates of future operating costs (which may be inaccurate). Production can be affected by many factors. Any material change in quantity of ore resources, mineral reserves, grade, or stripping ratio may affect the economic viability of any project undertaken by Lynas.

Lynas’ estimated mineral resources and ore reserves should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations. Investors should be cautioned not to place undue reliance on any estimates made by Lynas. Lynas cannot be certain that its mineral resource and ore reserve estimates are accurate and cannot guarantee that it will recover the expected quantities of metals. Future production could differ dramatically from such estimates for the following reasons:
- actual mineralisation or Rare Earth grade could be different from those predicted by drilling, sampling, feasibility or technical reports;
- increases in the capital or operating costs of the mine;
- decreases in REO prices;
- changes in the life-of-mine plan;
- the grade of Rare Earths may vary over the life of a Lynas project and Lynas cannot give any assurances that any particular mineral reserve estimate will ultimately be recovered; or
- metallurgical performance could differ from forecast.

The occurrence of any of these events may cause Lynas to adjust its mineral resource and reserve estimates or change its mining plans. This could negatively affect Lynas’ financial condition and results of operations. Moreover, short-term factors, such as the need for additional development of any Lynas project or the processing of new or different grades, may adversely affect Lynas.

(d) Processing/ ramp-up risks
While the Mt. Weld concentration plant has operated successfully on a campaign basis (synchronised to LAMP demand) in recent months, there is no guarantee that the plant will perform to design specifications when it operates on a continuous basis. In addition, the Company is engaged in discussions and planning with regulators and vendors for the improvement and expansion of the tailings storage facility at Mt. Weld which may require further capital investment. There is no guarantee that additional ramp up will be completed on a timely basis and delays in the completion of projects may result in increased costs and reduced profitability. Additionally, there are always inherent risks in production including equipment failures, quality issues and cost increases that could limit production and profitability.
Key Risk Factors (cont’d)

While the LAMP will continue to ramp up there are no guarantees that the targeted production run-rates will be consistently achieved. There are inherent risks in the full start up of Phase 2 capacity which may limit the ability of Lynas to operate the additional capacity in a cost effective and continuous basis.

(e) Other ongoing operational risks

(i) Reliance on key personnel
Lynas’ execution capacity is substantially attributable to the role played by a group of its senior management and key employees. Lynas’ future success depends significantly on the full involvement of these key executives and employees and its ability to continue to retain and recruit high-level personnel. The loss of key employees could significantly impact Lynas operations. In addition, industrial and labour disputes, work stoppages and accidents, logistical and engineering difficulties may also have an adverse effect on Lynas’ profitability and share price.

(ii) Processing operations
Lynas’ operations are subject to the operating risks associated with Rare Earth processing, including the related risks associated with storage and transportation of raw materials, products and wastes. These operating risks have the potential to cause personal injury, property damage and environmental contamination, and may result in the shutdown of affected facilities and in business interruption and the imposition of civil or criminal penalties, and negatively impact the reputation of Lynas.

The hazards associated with Lynas’ mining and processing operations and the related storage and transportation of products and wastes include:
- pipeline and storage tank leaks and ruptures;
- explosions and fires;
- mechanical failures; and
- chemical spills and other discharges or releases of toxic or hazardous substances or gases.

These hazards may cause personal injury and loss of life, damage to property and contamination of the environment, which may result in suspension of operations and the imposition of civil or criminal penalties, including fines, expenses for remediation and claims brought by governmental entities or third parties. Although Lynas maintains property, business interruption and casualty insurance of types and in the amounts that it believes is customary for the chemicals industry, Lynas is not fully insured against all potential hazards incidental to its businesses.

(f) Supply Chain
Lynas is dependent on contractors and suppliers to supply vital goods and services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supplies may have an adverse effect on the financial performance of the Company.

(g) Market demand and price risks
Lynas’ business relies primarily on the production and sale of Rare Earths products to a variety of buyers. Fluctuations in the global Rare Earths market may materially affect Lynas’ financial performance. Demand for, and pricing of, Rare Earths products remain sensitive to external economic and political factors, including:
- worldwide Rare Earths supply and demand;
- the level of economic activity in the markets Lynas serves;
- regional political developments in Rare Earths-producing countries and regions (in particular China as the major producer of Rare Earths);
- the price and availability of new technology; and
- the availability and cost of Rare Earths substitutes.

Strong Rare Earth prices, as well as real or perceived disruptions in supply, may create economic incentives to identify or create alternate technologies that ultimately could depress future long-term demand for Rare Earths. This may, at the same time, incentivise the development of additional mining properties to produce Rare Earths. If industries reduce their reliance on Rare Earth products, the resulting change in demand could have a material adverse effect on Lynas’ business. In particular, if prices or demand for Rare Earths were to decline, this could impair Lynas’ ability to obtain financing for current or additional projects and its ability to find purchasers for its products at prices acceptable to Lynas.
Key Risk Factors (cont’d)

It is impossible to predict future Rare Earths price movements with certainty. Any sustained low Rare Earths prices or further declines in the price of Rare Earths will adversely affect Lynas’ business, results of operations and its ability to finance planned capital expenditures, including development projects.

Sales contracts with various counterparties have been, and are further expected to be, entered into in relation to the project. The conditionality and ability of the counterparties to meet their commitments under such contracts may impact on Lynas’ investment in the project.

4) Credit and market risks
   a) Currency risk
   Lynas’ operations incur expenditures principally in the local currencies of Malaysia and Australia. Revenue from operations and certain other capital and operating costs are in US dollars. Further, Lynas’ borrowings are denominated in US dollars. Consequently, to the extent possible, Lynas takes advantage of natural offsets. Nevertheless, Lynas is exposed to foreign exchange rate fluctuations which may materially affect its financial position and operating results.

   b) Counterparty risk
   As part of its ongoing commercial activities, Lynas enters into sales contracts with various third parties for the supply of chemicals and other materials. The ability of counterparties to meet their commitments under such contracts may impact on Lynas’ business and financial condition.

   c) Access to capital risk
   Lynas’ business and, in particular, its development of large scale projects, relies on access to debt and equity financing. There is a risk that Lynas may not be able to access capital from these markets which would impact the ability to develop these projects.

   d) Competition
   Lynas’ Rare Earths supply contracts and profits may be adversely affected by the introduction of new Rare Earths facilities and any increase in competition in the global Rare Earths market, either of which could increase the global supply of Rare Earths and thereby potentially lower prices.

5) Regulatory and environmental risks
   a) General regulatory risks
   Lynas’ business is subject, in each of the countries in which Lynas operates, to various national and local laws and regulations relating to the mining, production, marketing, pricing, transportation and storage of Lynas’ products and residues. Permits from a variety of regulatory authorities are required for many aspects of Lynas’ operations. Many of those permits are subject to conditions, and a change in the conditions attaching to those permits, or the imposition of new conditions, could have a material adverse effect on Lynas’ business and financial condition. A change in the laws which apply to Lynas’ business or the way in which it is regulated could also have a material adverse effect on Lynas’ business and financial condition. Other changes in the regulatory environment (including applicable accounting standards) may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Lynas’ business and financial condition.

   b) Environmental risks
   Lynas’ activities are subject to extensive laws and regulations controlling not only the mining of, exploration for and processing of mineral properties, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, Lynas must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and Lynas could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of wastes and the effects of its business on the water table and groundwater quality. Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party’s negligence or fault.
Key Risk Factors (cont’d)

c) Disposal of Residues
At both Mt. Weld and the LAMP, Lynas operations generate residue materials in the form of solids, liquids and gases. Lynas believes it has appropriate plans in place for the treatment, sale or disposal of those residues. Failure to implement those plans could have a material effect on Lynas’ licensing conditions and may adversely affect its operations.

d) Community acceptance and reputation
Lynas recognises that a strong mutual relationship with each community in which it operates is a pre-condition to successful operations. Failure to maintain those relationships and the acceptance by those communities may have an adverse effect on Lynas’ operations.

In addition Lynas recognises the importance of maintaining its reputation with all of its stakeholders including shareholders, regulatory authorities, communities, customers and suppliers. Failure to maintain its reputation with some or all of its stakeholders may have a negative impact on the future performance of Lynas.

e) Government actions
Lynas’ operations could be affected by government actions in Australia, Malaysia and other countries or jurisdictions in which it has interests. These actions include government legislation, guidelines and regulations in relation to the environment, the Rare Earths sector, competition policy, native title and cultural heritage. Such actions could impact on land access, the granting of licenses and other tenements, the approval of developments and freedom to conduct operations.

The possible extent of introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect Lynas’ business is difficult to predict. Any such government action may require increased capital or operating expenditures and could prevent or delay certain operations by Lynas, which could have a material adverse effect on Lynas’ business and financial condition.

f) Obtaining, maintaining and renewing permits, approvals and mining tenements
The maintaining of permits, approvals and mining tenements, obtaining renewals, or getting permits, approvals and mining tenements granted, often depends on Lynas being successful in obtaining the required statutory approvals for proposed activities. There is no assurance that Lynas will be able to obtain, maintain or renew permits, approvals or mining tenements as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

g) Legal action
Lynas and the Malaysian government have to date been successful in defending several challenges to the issuance of the TOL to Lynas. However, there is an outstanding judicial review challenge, which is referred to as the “second judicial review challenge” in the Lynas Quarterly Activities Report released on 31 July 2013, which has not yet been heard by the Courts. There is no guarantee that Lynas and the Malaysian government will be successful in defending that challenge or any potential challenge to the issuance of the FOSL.

It is possible that in the future, Lynas could be exposed to other litigation or proceedings, either from shareholders, financiers, regulators and the communities in which the Company operates.

6) Tax risks
Lynas is subject to taxation and other imposts in Australia and Malaysia. Future changes in taxation laws in those countries, including changes in interpretation or application of existing laws by the courts or taxation authorities in those jurisdictions, may affect taxation treatment of Lynas securities or the holding or disposal of those securities.

In addition to the normal level of income tax imposed on all industries, companies in resources sector are required to pay government royalties, direct and indirect taxes and other imposts. The profitability of companies in these industries can be affected by changes in government taxation and royalty policies or in the interpretation or application of such policies.

7) Political risks
Lynas has operations in Australia and Malaysia. Lynas is subject to a risk that it may not be able to carry out its operations as it intends, including because of a change in government, legislation, regulation or policy. Lynas also may not be able to ensure the security of its assets, and is subject to risks of, among other things, loss of revenue, property and equipment as a result of hazards such as expropriation, war, insurrection and acts of terrorism and other political risks and increases in taxes and government royalties. The effects of these factors are difficult to predict and any combination of one or other of the above may have a material adverse effect on Lynas’ business and financial position.

8) Risks relating to equity investments and markets
Investors should be aware that there are risks associated with any investment listed on ASX. The value of Lynas Shares and Options may rise above or fall below the Offer Price or the Option Exercise Price (as applicable), depending on the financial condition and operating performance of Lynas. Further, the price at which Lynas Shares or Options trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of Lynas and over which Lynas and its directors have no control. These external factors include:
Key Risk Factors (cont’d)

- economic conditions in Australia and overseas;
- investor sentiment in the local and international stock markets;
- changes in fiscal, monetary, regulatory and other government policies; and
- geo-political conditions such as acts or threats of terrorism or military conflicts.

Investors should note that the historic share price performance of Lynas shares provides no guidance as to its future share price performance.

9) Risks associated with the Entitlement Offer
   a) Inability to complete the Entitlement Offer
   The Entitlement Offer is subject to a range of conditions and termination events as outlined in the Underwriting Agreement and summarised in Section 10.5 of the Prospectus. In the event the Underwriting Agreement is terminated, there is no guarantee that the Entitlement Offer will continue in its current form or continue at all.
   If the Entitlement Offer does not proceed, then there is significant uncertainty as to whether the Company will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they become due and payable and realise the assets and extinguish its liabilities in the normal course of operations and at the amounts stated in its statutory Statement of Financial Position.

   b) Renouncing Entitlements under the Entitlement Offer
   If you sell or transfer all or part of your Entitlement or do not participate in the Entitlement Offer, you will forgo any exposure to future increases or decreases in the value of New Shares that would have been allotted to you had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise) and your percentage shareholding in Lynas (held at the Record Date) will be diluted to the extent of your non-participation in the Entitlement Offer. Ineligible Shareholders’ percentage ownership in Lynas (held at the Record Date) will also be diluted as a result of the Entitlement Offer.
   Additionally, if you transfer your Entitlement or do not participate in the Entitlement Offer, then you will not receive the Entitlement Options that you would be issued if you subscribe for New Shares under the Entitlement Offer. Accordingly, you will not be able to exercise such Entitlement Options, nor realise any value that may attach to those options should the trading price of Lynas’ shares at the time of exercise be above the Option Exercise Price. The final impact of the Entitlement Offer on a Shareholder’s percentage holding in Lynas is dependent on a number of factors, including the individual Shareholder’s level of take-up and the level of take-up by other Eligible Shareholders under the Entitlement Offer. If you are an Eligible Shareholder you may receive value for your Entitlement if you transfer it; however, this cannot be assured.
   The tax consequences from selling Entitlements or from doing nothing (and allowing your Entitlements to be acquired by the Underwriter) may be different. Before selling Entitlements or choosing to do nothing in respect of Entitlements, you should seek independent tax advice and may wish to refer to the tax disclosure contained in Section 10.5 of the Prospectus.

   c) Value of the Options
   The Options that are issued as part of the Entitlement Offer and the Placement, and to the Underwriter, are issued for no additional consideration but require the Option Exercise Price to be paid at the time of exercise. If the prevailing trading price of Lynas’ shares during the Option Exercise Price is lower than the Option Exercise Price, then it is likely that the Options will not be exercised. In this case, for investors, the unexercised Options will not have value and will lapse on the Option Expiration Date.
   If the Options are not exercised, or only some of the Options are exercised, then Lynas may not receive the proceeds that would otherwise be generated if holders pay the Option Exercise Price. This possibility may reduce the amount of capital that Lynas would receive if all of the Options are exercised on or before the Option Expiration Date by up to A$66.6 million.

   d) Liquidity of the Options
   Although the Options are proposed to be listed on ASX, there can be no guarantee that there will be a liquid market for trading of the Options.

   e) Risks associated with obtaining shareholder approval at the AGM
   The issue of those Underwriter Options that Lynas is unable to issue under ASX Listing Rule 7.1 is conditional upon the Shareholders of Lynas passing certain resolutions at the upcoming AGM. To the extent that those approvals are not obtained, Lynas will not have capacity under the Listing Rules to issue all the Underwriter Options to the Underwriter and may instead at Lynas’ election need to make a payment in an amount equal to the price of an Option calculated by reference to the 5 day VWAP up to and including the AGM for every Underwriter Option that would otherwise have been issued or alternatively issue Shares of equivalent value (subject to placement capacity being available under the Listing Rules).
Key Risk Factors (cont’d)

10) General risks

a) General economic conditions
Lynas’ operating performance and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or decrease in consumer and business demand, could be expected to have an adverse impact on Lynas’ business, results of operations or financial condition and performance.

b) Changes in tax rules or their interpretation
Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the tax liabilities of the Company or the tax treatment of a Shareholder’s investment. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares or Options involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in Lynas.

c) Accounting standards
Australian Accounting Standards are issued by the Australian Accounting Standards Board and are not within the control of Lynas and its Directors. Any changes to the accounting standards or to the interpretation of those standards may have an adverse effect on the reported financial performance or financial position of Lynas.

d) Interest rate fluctuations
Both the Term Sheet and Convertible Bonds have fixed rates of interest. At the maturity of these facilities, any increase in interest rates may affect Lynas’ costs of servicing its borrowings which may adversely affect its financial position.

e) Force majeure events
Events may occur within or outside Lynas’ key markets that could impact upon the global economies and the operations of Lynas. The events include, but are not limited, to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for Lynas’ product offering and services and its ability to conduct business.

11) Other risks
The above risks are not an exhaustive list of the risks. The risks outlined above and other risks may materially affect the future performance of Lynas. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Lynas.
Foreign Selling Restrictions

International Offer Restrictions
This document does not constitute an offer of securities in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

European Economic Area - Belgium, Germany, Luxembourg and Netherlands
The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.
An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:
• to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
• to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
• to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
• to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Hong Kong
WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).
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Malaysia
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Foreign Selling Restrictions

New Zealand
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• persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
• persons who are each required to (i) pay a minimum subscription price of at least NZ$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ$500,000 for securities of the Company (“initial securities”) in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Norway
This document has not been approved by, or registered with, any Norwegian securities regulator pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The New Shares may not be offered or sold, directly or indirectly, in Norway except:
a) to “professional investors” (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876);
b) any natural person who is registered as a professional investor with the Norwegian Financial Supervisory Authority (No. Finanstilsynet) and who fulfils two or more of the following: (i) any natural person with an average execution of at least ten transactions in securities of significant volume per quarter for the last four quarters; (ii) any natural person with a portfolio of securities with a market value of at least €500,000; and (iii) any natural person who works, or has worked for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;
c) to fewer than 100 natural or legal persons (other than “professional investors”); or
d) in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by the Company or an underwriter, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

Singapore
This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.
This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.
Foreign Selling Restrictions

Switzerland
The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

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United Kingdom
Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

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Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

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United States
This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Securities in Lynas have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act"), and may not be offered or sold in the United States except to Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act or pursuant to an exemption from the registration requirements of the US Securities Act and applicable US state securities laws.