

Lynas Corporation

4th Quarter Report
June 2017



**SAFE FOR PEOPLE
SAFE FOR THE ENVIRONMENT
SECURE FOR CUSTOMERS**



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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. 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.

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FY17 Q4 Highlights

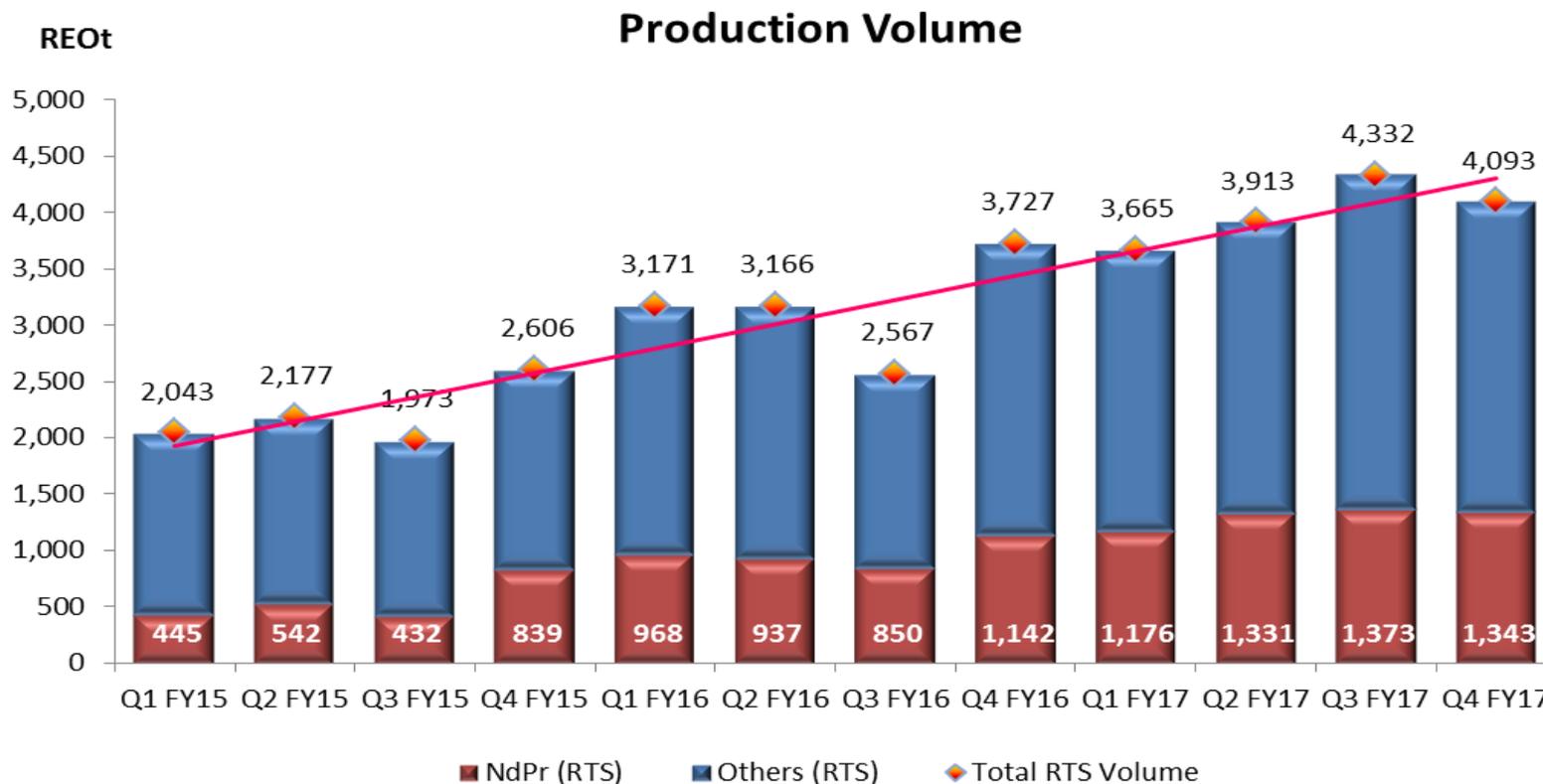


- **RECORD CASHFLOW FROM OPERATING AND INVESTING ACTIVITIES**
 - + \$15.8m excluding interest payments
- **IMPROVED MARKET CONDITIONS**
 - NdPr inside China market price increased to US\$39/kg
 - Continued strong demand
 - Positive effects of actions by the China central government
- **LEADING MARKET POSITION AND RECORD SALES**
 - Lynas has consolidated its position as the leading supplier of NdPr to the free market
 - Invoiced sales revenue at \$75.6m
- **RELIABLE PRODUCTION**
 - NdPr production at 1,343 tonnes continued to be slightly above design rate
- **FINANCING CASHFLOWS**
 - A\$780,382 received from the exercise of warrants
 - \$5.1m interest bill for 6 months to 30 June paid from operating cashflow

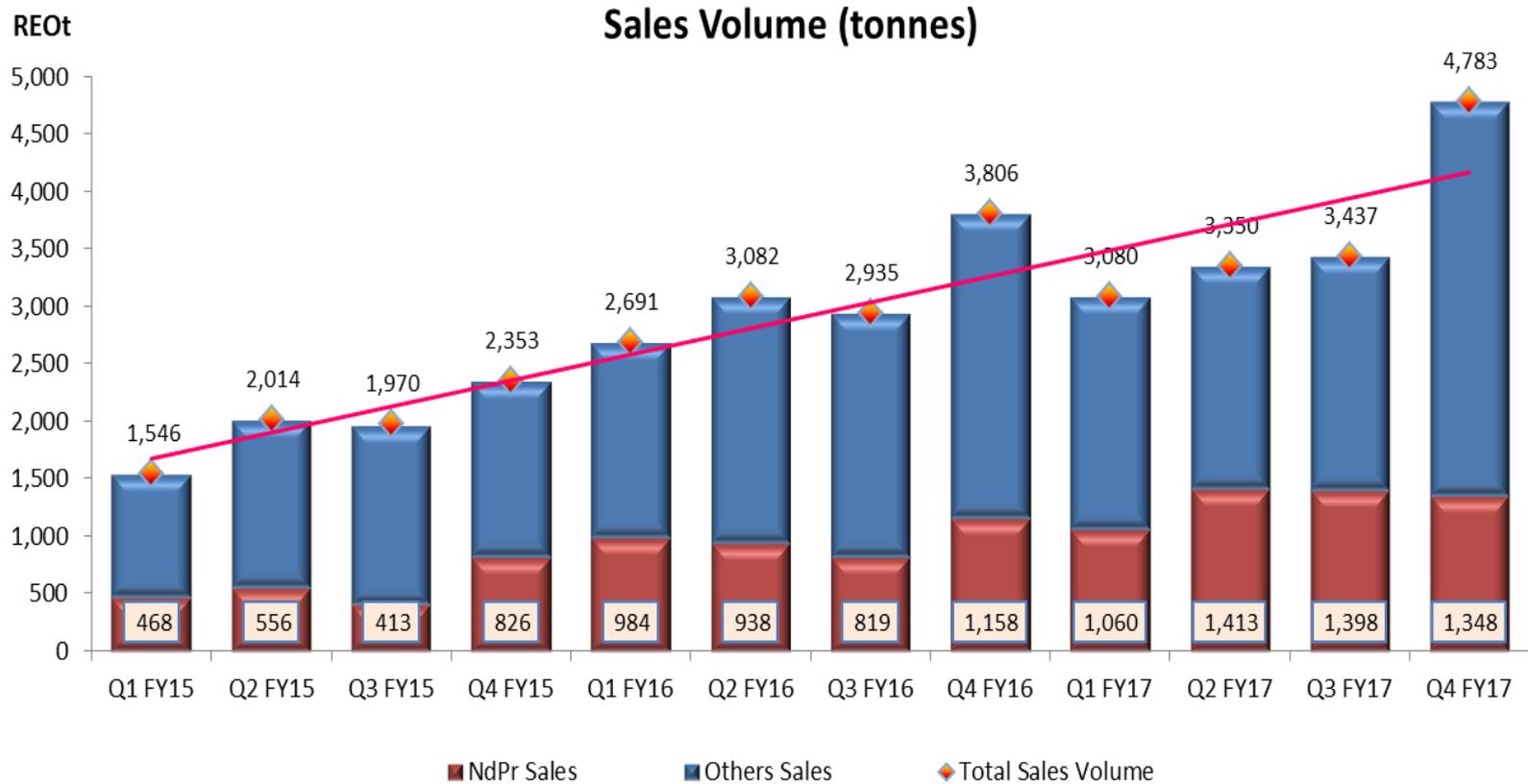
Lynas is ready to benefit from the upturn in the Rare Earths market



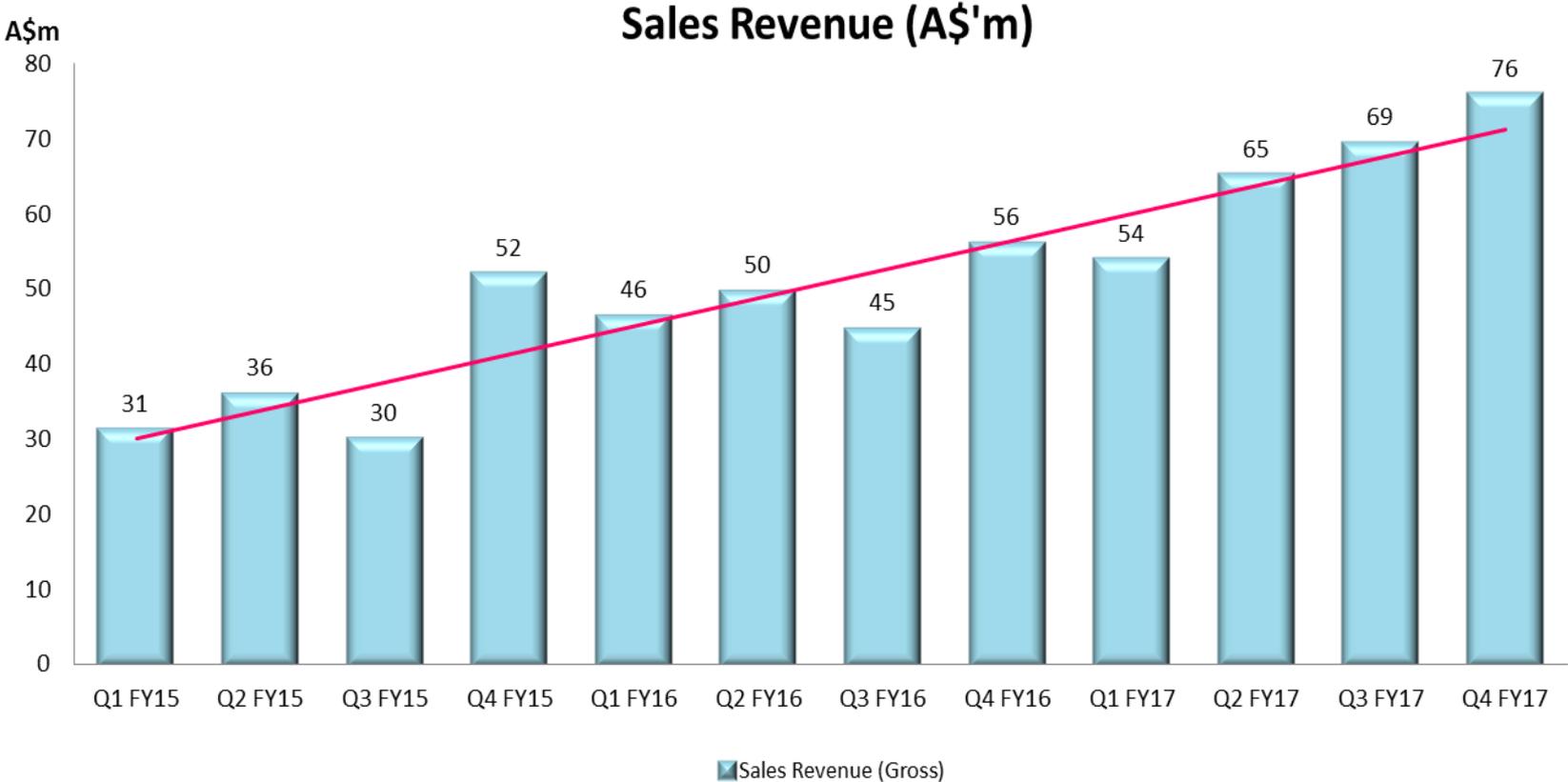
NdPr production continued at marginally above design rates



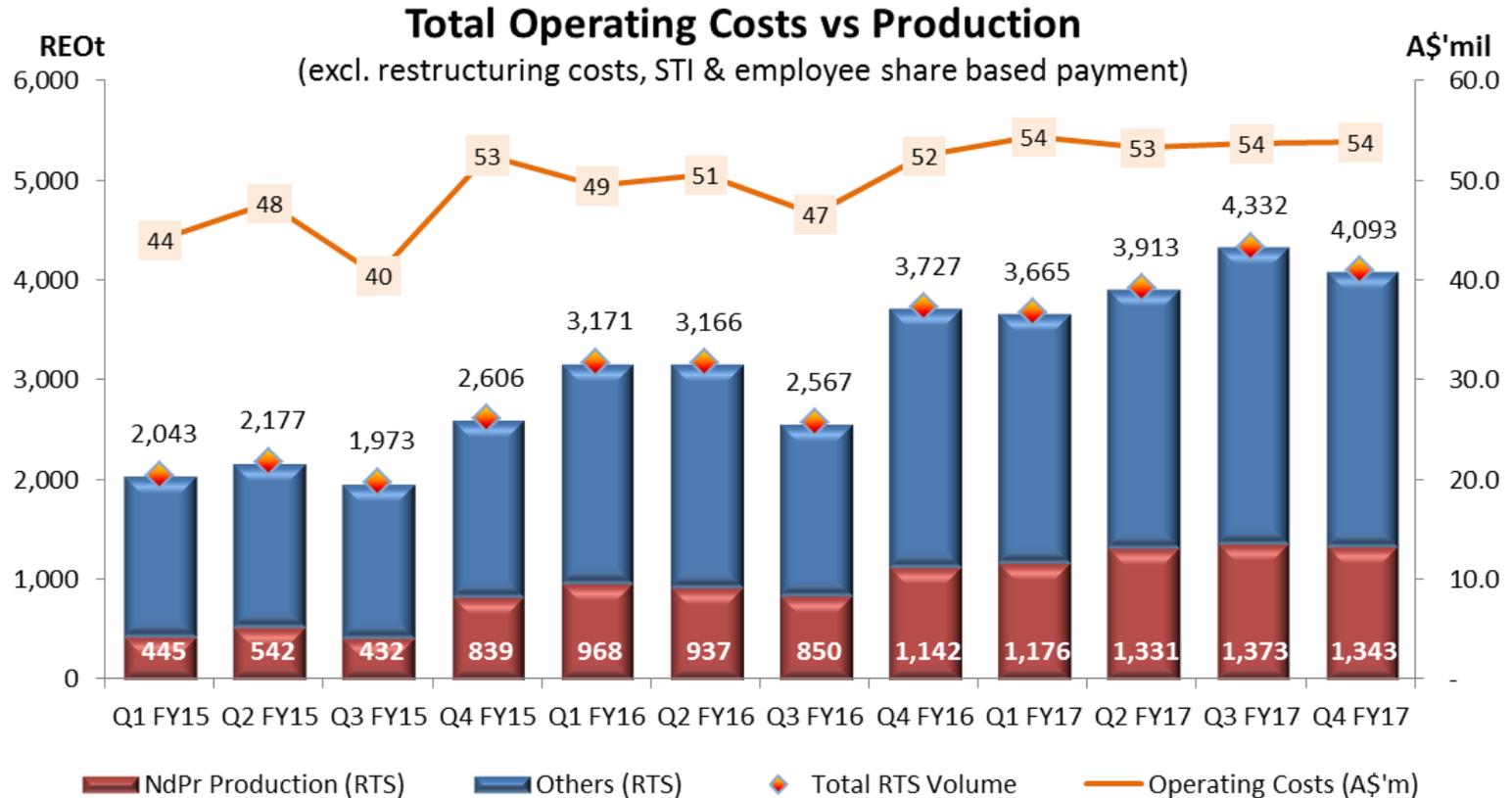
New Record Sales Volume



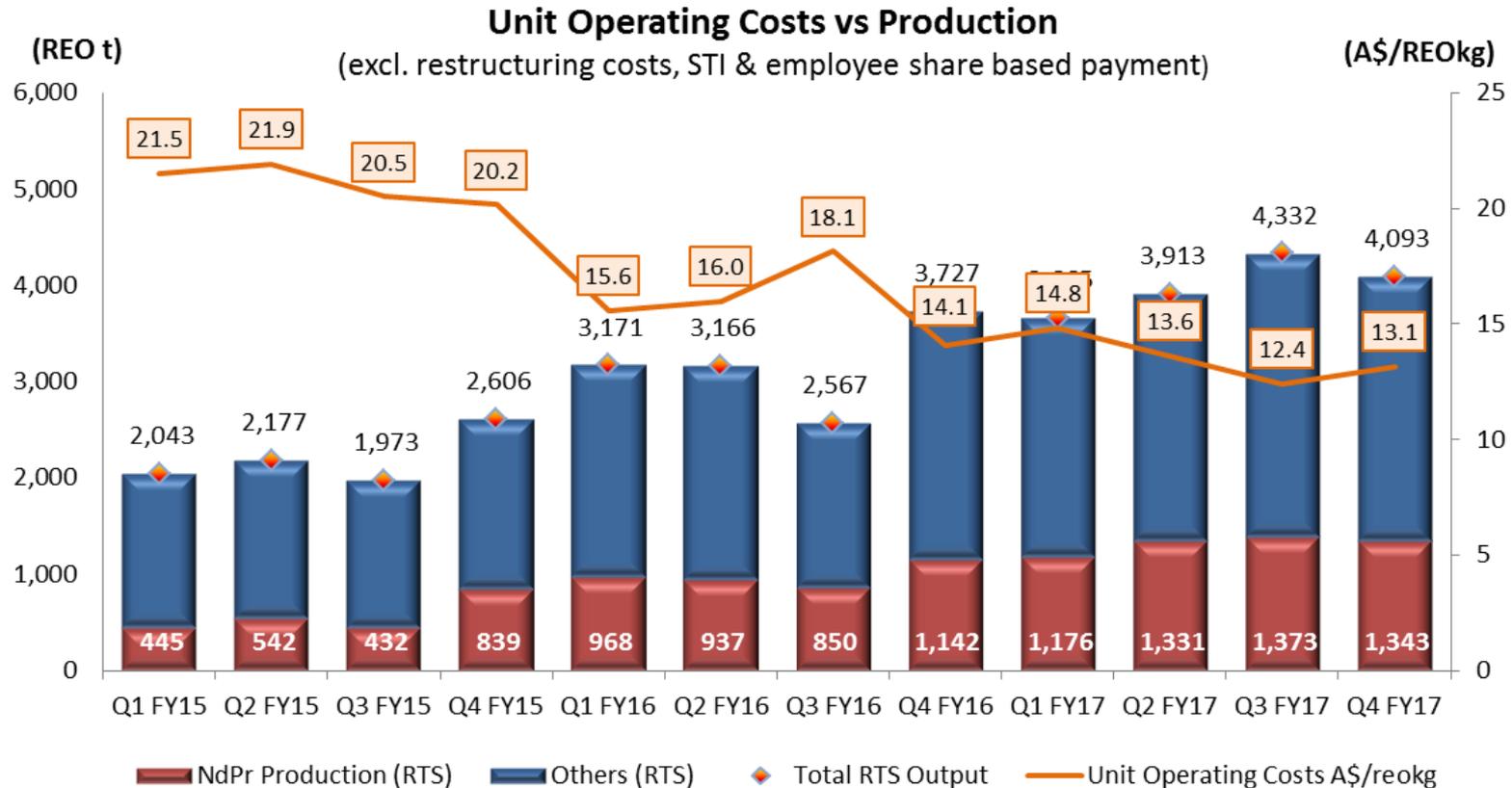
New record Sales Revenue



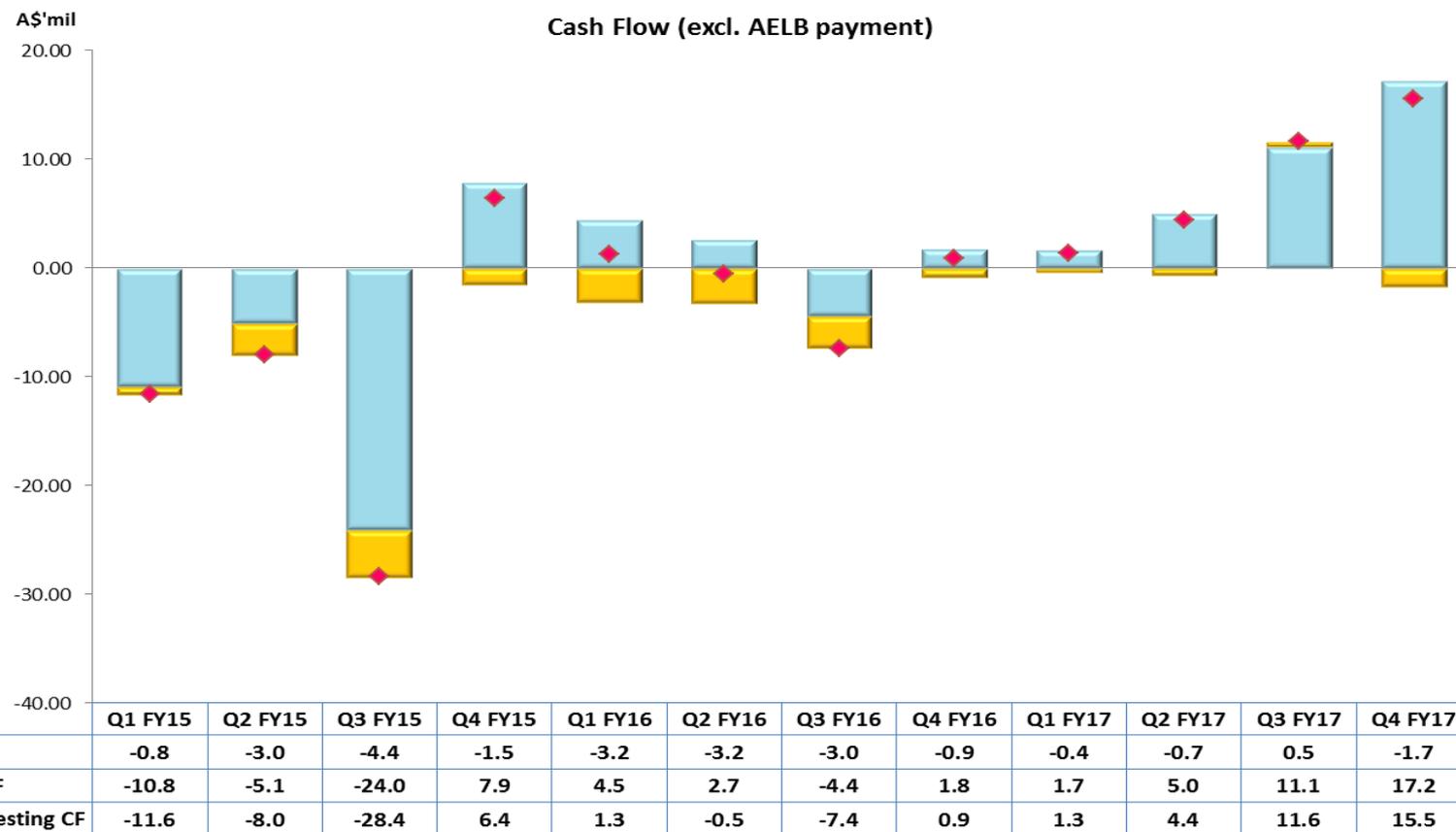
Stable Operating Costs



Unit Operating Costs Trend



Cash Flow



***Investing Cash Flow is CAPEX*

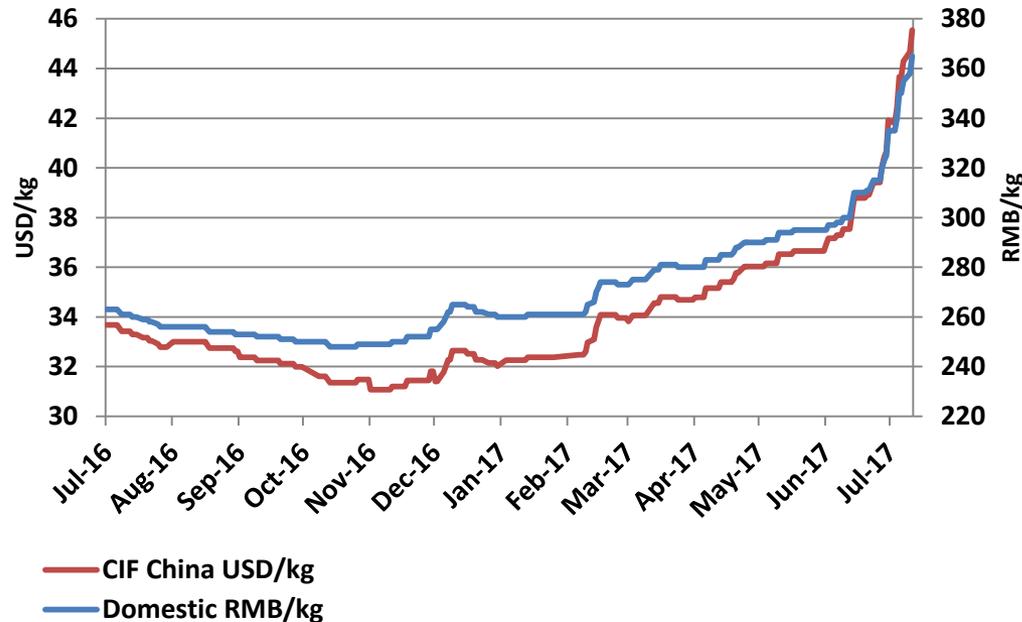


NdPr price increased throughout the quarter

The trend has continued in early July

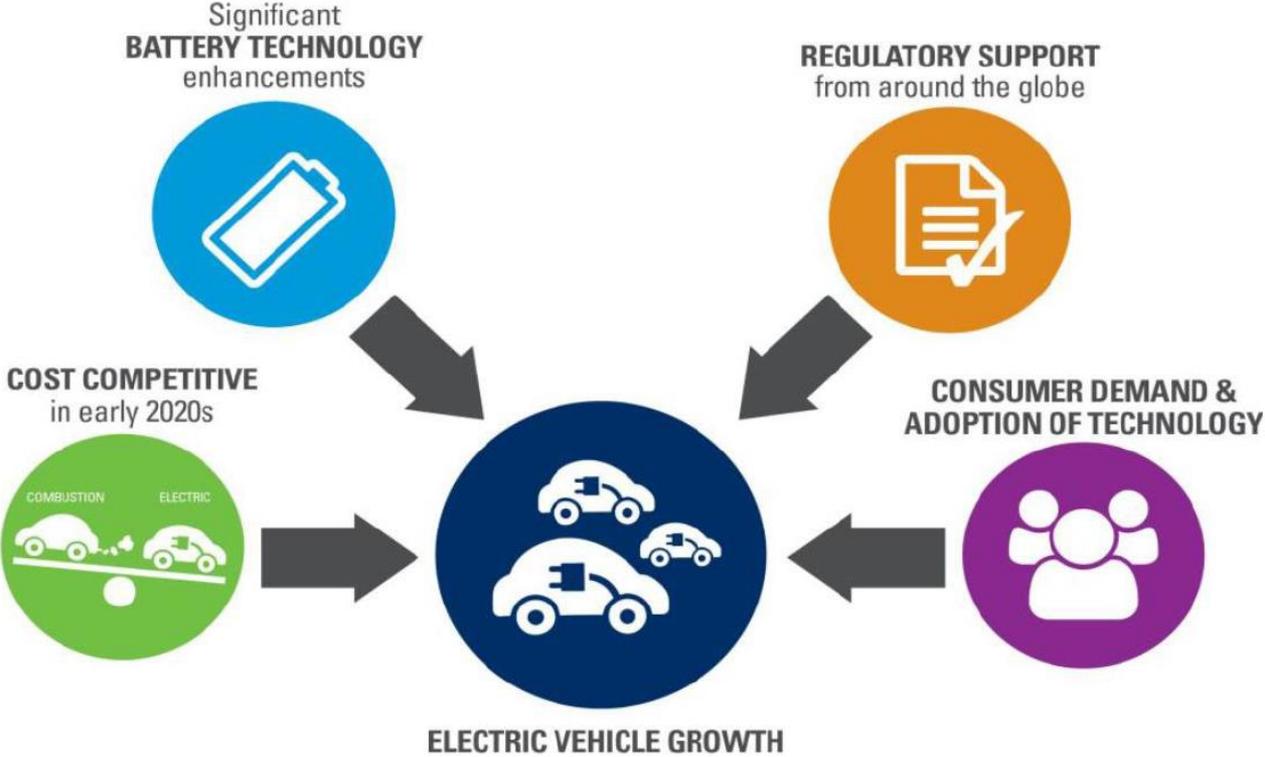


NdPr Oxide price inside China



- China central government actions have contributed to improved market conditions
 - Mining and Production quotas inspected and enforced
 - Environmental audits to ensure compliance
 - Raw material audits to eliminate illegal supply
 - New and tougher environmental standards rumoured to start by end 2017
- Increasing communication regarding Automotive Electrification relying on RE

Electric vehicle global growth drivers

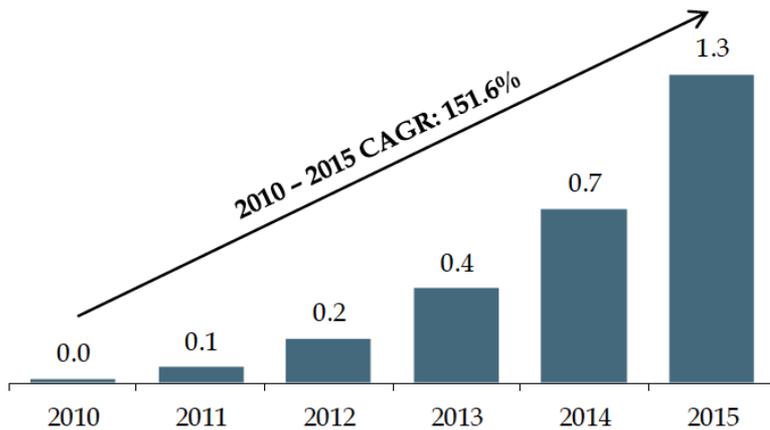


Source: Adamus Intelligence, Arnold Magnetic Technologies, Japanese industry participants, Roskill

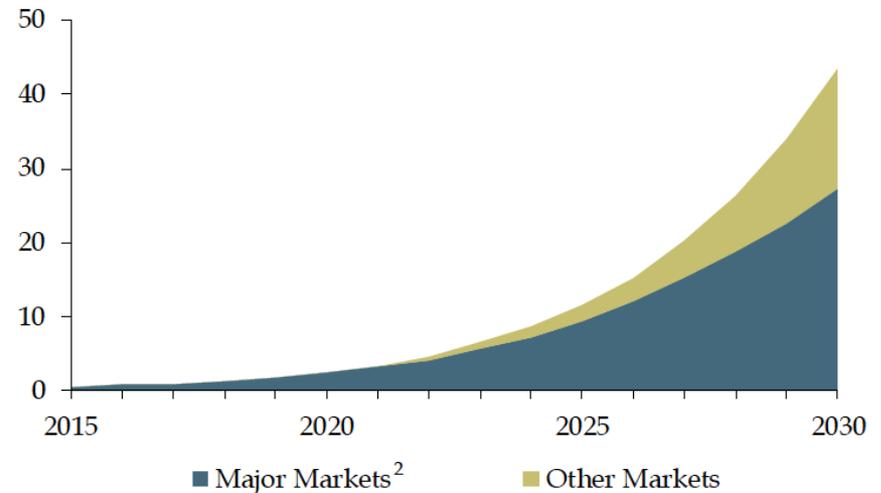
Electric vehicle market growth forecasts



U.S. Historical Stock Of Electric Cars (Millions)



Global Annual Estimated EV Sales To 2030 Based On Remap1 (Millions)



Source: IEA, IRENA, Paris Declaration

1. A global roadmap from the International Renewable Energy Agency (IRENA) to double renewables in the energy mix -estimates that a 160 million EVs by 2030 would provide sufficient battery capacity in major markets to support VRE at a large scale
2. Major markets include: China, Japan, U.S., U.K., Germany, Norway, France, Netherlands, Sweden, Canada

Electric vehicle consumer demand forecasts



Lynas products such as La, Ce and NdPr are inputs to component parts used in Electric Vehicles (“EVs”), and will benefit from the long-term growth in the EV market.

Demand growth for Electric Vehicles

- EVs include Hybrid, Plug Hybrid and Battery Electrical Cars
- Since 2010, there has been an exponential increase in electric vehicles due to:
 - Strong technological progress
 - Cost reductions (especially batteries)
 - Policy support
 - Driving and parking access advantages
 - Increased availability of public charging infrastructure
- According to IRENA’s global renewable energy roadmap (IRENA, 2016a), there is potential to increase the total number of EVs to 160 million by 2030
- Assuming current EV growth forecasts are accurate and manufacturers adopt RE technology, the market will need a “new Lynas” every 4 years to 2030

Rare Earth Metals in an Electric Vehicle (example)



Lynas can benefit from demand and price growth



- **Largest supplier of NdPr to the free market globally**
- **Highest grade operating mine**
 - Additional exploration drilling to extend the resource is planned for later this calendar year
- **Operationally stable**
 - Reliable throughput, Reliable quality
 - Focus on continuous improvement will lead to incrementally higher production
- **Costs are well managed**
 - NdPr production has increased by 17% vs prior corresponding period
 - Costs have increased by less than 2% vs prior corresponding period
- **Lynas can consider increasing capacity to meet demand**
 - Lynas has a long life (25 years+) reserve
 - Lynas can add capability faster and more cost effectively than green fields projects
 - Lynas has proven technical skill and competence in commissioning and operating Rare Earth production facilities



Competent Person's Statement



COMPETENT PERSON'S STATEMENTS— MINERAL RESOURCES

The Mineral Resources and Ore Reserves Statement 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 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 the document of the information in the form and context in which it appears.

COMPETENT PERSON'S STATEMENTS— ORE RESERVES

The information in this Presentation which relates to the Central Lanthanide Deposit Ore Reserve estimate accurately reflects information prepared by Competent Persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this document relating to the Central Lanthanide Deposit Ore Reserves at the Mt Weld Rare Earths Project is based on information resulting from Feasibility-level updated Ore Reserve works carried out by Auralia Mining Consulting Pty Ltd. Mr. Daniel Tuffin completed the Ore Reserve estimate. Mr Daniel Tuffin is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Tuffin consents to the inclusion in the document of the information in the form and context in which it appears.



Rare Earths Market Data: Disclaimer



- 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.