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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.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NdPr (RTS)</th>
<th>Others (RTS)</th>
<th>Total RTS Volume</th>
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<tbody>
<tr>
<td>Q1 FY15</td>
<td>2,043</td>
<td>445</td>
<td>2,488</td>
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<td>Q3 FY15</td>
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<td>1,343</td>
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New Record Sales Volume

Sales Volume (tonnes)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NdPr Sales</th>
<th>Others Sales</th>
<th>Total Sales Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY15</td>
<td>468</td>
<td>1,088</td>
<td>1,556</td>
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<tr>
<td>Q2 FY15</td>
<td>556</td>
<td>2,057</td>
<td>2,613</td>
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<td>Q3 FY15</td>
<td>413</td>
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<td>Q2 FY16</td>
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<td>Q3 FY16</td>
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<td>Q4 FY17</td>
<td>1,348</td>
<td>4,783</td>
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NdPr Sales
Others Sales
Total Sales Volume
New record Sales Revenue

Sales Revenue (A$'m)

<table>
<thead>
<tr>
<th>Q1 FY15</th>
<th>Q2 FY15</th>
<th>Q3 FY15</th>
<th>Q4 FY15</th>
<th>Q1 FY16</th>
<th>Q2 FY16</th>
<th>Q3 FY16</th>
<th>Q4 FY16</th>
<th>Q1 FY17</th>
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<td>54</td>
<td>65</td>
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<td>76</td>
</tr>
</tbody>
</table>

Sales Revenue (Gross)
Stable Operating Costs

Total Operating Costs vs Production
(excl. restructuring costs, STI & employee share based payment)

REOt

Q1 FY15 Q2 FY15 Q3 FY15 Q4 FY15 Q1 FY16 Q2 FY16 Q3 FY16 Q4 FY16 Q1 FY17 Q2 FY17 Q3 FY17 Q4 FY17

NdPr Production (RTS) Others (RTS) Total RTS Volume Operating Costs (A$'mil)
Unit Operating Costs Trend

Unit Operating Costs vs Production
(excl. restructuring costs, STI & employee share based payment)
Cash Flow

**Investing Cash Flow is CAPEX**
NdPr price increased throughout the quarter
The trend has continued in early July

- 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

[Graphs showing historical US stock of electric cars and global sales forecast from 2015 to 2030]
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)**

- **Electric Motor**
  - NdPr
  - Dysprosium
  - Terbium
  - Gadolinium
  - Holmium
  - Lanthanum
- **Catalytic Converter**
  - Cerium
  - Lanthanum
  - Nd and Pr
- **UV Cut Glass**
  - Cerium
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
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.

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.
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.