The Time is Now
The Next Chapter of the Lynas Story

Diggers and Dealers Mining Forum

Kam Leung
VP Production

8 August 2017
Disclaimer

This Presentation has been prepared by Lynas Corporation 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. 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 financial year end of 30 June 2016 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.
What Makes an Attractive Investment?
Growing Demand
Lithium and Rare Earths

Global Lithium Demand Is Rising
Chilean mineral lithium export data

Chile Mineral Lithium Export Data

Source: Central Bank of Chile

Bloomberg
Growing Demand
Lithium and Rare Earths
Adoption of New Technology
Are Electric Vehicles Crossing the “Chasm”? 

Crossing the Chasm, Geoffrey Moore 1991
Electric Vehicle Growth
Driving the Demand for NdPr

Forecast Usage of Magnetic Rare Earth Metals

<table>
<thead>
<tr>
<th>NdPr in</th>
<th>2016</th>
<th>2020</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Vehicles</td>
<td>2 kt</td>
<td>7 kt</td>
<td>12kt</td>
</tr>
<tr>
<td>Wind Turbines</td>
<td>2kt</td>
<td>3 kt</td>
<td>4 kt</td>
</tr>
</tbody>
</table>

Electric vehicles will drive the growth in NdPr consumption

Requires 1 LYNAS every 4 years!
Supply of Magnetic Rare Earth Materials
NdPr Price Increased Throughout 2017

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
What Makes a Good Business?

- Secure Long Term Source of Raw Material
- Community and Regulatory Support
- Capability and Opportunity for Growth
- Reliable Production
- Entry Barriers for Competitors
- Low Cost Producer
- Sustainable Production
- Improvement Culture
- Growing Positive Cashflow
- Quality Management, Quality Products
- Market Position
- Supportive Financiers
Secure long term source of Raw Material
The Mount Weld Carbonatite Intrusion World Class Rare Earths Metals Deposit

- Central Lanthanide Deposit, the highest grade operating Rare Earths mine in the world
- Duncan Deposit, the largest high grade Dysprosium resource in the world

### CLD Mineral Resources 2016
(Reserve cut-off grade 2.5% REO)

<table>
<thead>
<tr>
<th>Category</th>
<th>Mt</th>
<th>REO (%)</th>
<th>REO (kt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>6.1</td>
<td>11.6</td>
<td>721</td>
</tr>
<tr>
<td>Indicated</td>
<td>5.4</td>
<td>8.6</td>
<td>470</td>
</tr>
<tr>
<td>Inferred</td>
<td>3.4</td>
<td>4.1</td>
<td>135</td>
</tr>
<tr>
<td>Total</td>
<td>14.9</td>
<td>8.8</td>
<td>1,326</td>
</tr>
</tbody>
</table>

### CLD Reserve Update 2016
(Reserve cut-off grade 4.0% REO)

<table>
<thead>
<tr>
<th>Ore Reserves</th>
<th>Ore (Mt)</th>
<th>REO (%)</th>
<th>REO (kt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proved</td>
<td>5.5</td>
<td>11.8</td>
<td>648</td>
</tr>
<tr>
<td>Probable</td>
<td>4.2</td>
<td>9.3</td>
<td>391</td>
</tr>
<tr>
<td>Total</td>
<td>9.7</td>
<td>10.7</td>
<td>1,039</td>
</tr>
</tbody>
</table>
Reliable Production
NdPr Production Marginally Above Design Rates

Production Volume

[Bar chart showing production volume from Q1 FY15 to Q4 FY17, with specific data points for NdPr (RTS), Others (RTS), and Total RTS Volume.]

Lynas Corporation LTD
Reliable Production
Mining Campaign 1B Completed Under Budget (A$3 million)
240kt ore @17.8% REO extracted

Mine access ramp development
Mn ore – West Section of Pit

Access to first ore – 375mRL (Jan 25)

CZ High ore – North Section of Pit

Further movement of west wall slip with heavy rain. Ongoing survey and safety berm.

Rain delays mining
Rainfall was 300% of Decile 9

Mining right down to the water table – looking South
Low Cost Producer
Cost Containment During Production Ramp Up

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

REOt
6,000
5,000
4,000
3,000
2,000
1,000
0

A$'mil
60.0
50.0
40.0
30.0
20.0
10.0

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

2,043 2,177 1,973 2,606 3,171 3,166 2,567 3,727 3,665 3,913 4,332 4,093

NdPr Production (RTS) Others (RTS) Total RTS Volume Operating Costs (A$'m)

Lynas CORPORATION LTD
Product Quality Counts for Rare Earths
2014-16 Focus on NdPr; 2016 → Focus on La, Ce

Filtration improvements (launders, filter cloths, control sequence, maintenance and cleaning) have reduced Zn and S in La and LaCe

New centrifuge wash water sprays and measurement of centrifuge heel
Reducing Na, Cl in all products

Coloured loops improve management of final product

Previous Recipe
A lot of small particles formed. High impurities level

New Recipe and with auto sequence
Less small particles observed. Lower impurities level
Developing Capability to Make New Product Grades
New SX Processes to Remove Impurities in La and Ce

- Improved analysis of P in CeCl₃ using new simultaneous ICP instrument
- Modified SX6 operating strategy to reduce level of P in CeCl₃
- Successfully trialled Zn removal from LaCl₃ using single stage SX6 Fe removal circuit
- Converted larger, multi-stage SX3 T1 to remove Zn from LaCl₃
- Trialled Al removal from CeCl₃ using single stage SX6 Fe removal circuit
- Now operating with 2 single stage circuits in series to treat 50% of CeCl₃
Strong Market Position
Lynas is the Second Largest Producer of NdPr
Lynas is the Largest Supplier of NdPr to the Free Market Globally
Growing Cash Flow
As Revenue Increases and Costs Contained

**Investing Cash Flow is CAPEX**
Lynas Expects to Progressively De-lever its Balance Sheet
Finance Related Activities in 2017

<table>
<thead>
<tr>
<th></th>
<th>Outstanding 31/12/16</th>
<th>Outstanding 7/8/17</th>
<th>Cash received by Lynas during 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warrants at $0.038 (1)</td>
<td>174,365,466</td>
<td>0</td>
<td>A$ 6.6m</td>
</tr>
<tr>
<td>Warrants at $0.05 (2)</td>
<td>348,843,836</td>
<td>312,409,035</td>
<td>A$ 1.8m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Outstanding 31/12/16</th>
<th>Outstanding 7/8/17</th>
<th>Debt Reduced during 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>JARE Facility (3)</td>
<td>US$ 200,000,000</td>
<td>US$ 185,000,000</td>
<td>US$ 15m</td>
</tr>
<tr>
<td>Convertible Bonds (4)</td>
<td>US$ 225,000,000</td>
<td>US$ 200,000,000</td>
<td>US$ 25m</td>
</tr>
</tbody>
</table>

1) Warrants exercisable at $0.038 on or before 30 September 2018
2) Warrants exercisable at $0.05 on or before 30 September 2020
3) In Aug 2017 restricted cash accounts were closed. JARE waived interest totalling US$15m and this amount was applied as a US$15m principal repayment under the JARE facility
4) 1.25% Convertible Bonds each with a face value of US$1.00, due 30 September 2020 convertible at A$ 0.10 per share with FX of 0.75.
   In Aug 2017, US$25m of the Convertible Bond debt was converted into equity
Barriers to Entry
LAMP Processing Facilities and Operating Capability

- 4 rotary kilns (60m long)
- 8 tunnel furnaces (88m long)
- 44 High Speed Centrifuges
- 1,000 Solvent Extraction Stages
- 928 metres of kilns and tunnel furnaces
- 46 Plate & Frame Pressure Filters
- Quality specs as low as <50ppm for some impurities
Phase 1 and Phase 2 assets are now operating at above design rates.
Capability for Growth
Rapid Start Up of Phase 2 to Above Design Rates

Phase 1 includes
- SX5 Train 1
- SX5 Train 2

Phase 2 adds
- SX5 Train 3
- SX5 Train 4
Capability for Growth
Expansion Potential in Both the CLD (high grade NdPr) and Duncan (NdPr with enriched Dy)

- CLD deposit is open to the south, west and at depth
- The Duncan Deposit (DD) forms a halo of heavy rare earth elements around the CLD

### Rare Earth Profile Duncan and CLD Mineral Resources

<table>
<thead>
<tr>
<th>Rare Earth Oxides</th>
<th>Duncan Resource</th>
<th>CLD Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lanthanum Oxide</td>
<td>24.87%</td>
<td>23.88%</td>
</tr>
<tr>
<td>Cerium Oxide</td>
<td>39.38%</td>
<td>47.55%</td>
</tr>
<tr>
<td>Praseodymium Oxide</td>
<td>4.75%</td>
<td>5.16%</td>
</tr>
<tr>
<td>Neodymium Oxide</td>
<td>17.89%</td>
<td>18.13%</td>
</tr>
<tr>
<td>Gadolinium Oxide</td>
<td>1.99%</td>
<td>1.09%</td>
</tr>
<tr>
<td>Terbium Oxide</td>
<td>0.26%</td>
<td>0.09%</td>
</tr>
<tr>
<td>Dysprosium Oxide</td>
<td>1.27%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Holmium Oxide</td>
<td>0.19%</td>
<td>0.03%</td>
</tr>
<tr>
<td>Other REs</td>
<td>9.40%</td>
<td>0.76%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
• Floor of AP (apatite) ore zone was based on depth of historic drilling
• Recent grade control (1B) has identified a thick sequence of (6-7% REO) in the apatite- fresh rock transition zone below the current base of the ore reserves
• Exploration to extend current reserve deeper across the CLD deposit is planned for 2017.
Philosophy for Growth
Taking a Step by Step Approach
Sustainable Production
Successful R&D - Mt Weld Water & Tailings, LAMP Residues

- Safe storage of Mt Weld tailings
- Beached tailings using Rheomax ETD
- MudMaster Amphirol compaction and drying

Mt Weld recycling of process water - Ultra Filtration (using DOW membrane technology) prior to Reverse Osmosis treatment
What Makes an Attractive Investment?

• Electric vehicles will drive sustained growth of magnetic materials
• Lynas is the largest supplier of NdPr to the free market globally
• Lynas is a performing business
• Barriers for entry are high for new entrants
• Lynas is well positioned for growth
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.