



LYNAS CORPORATION

H1 2018 Results
5 March 2018



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.

Half Year Results Highlights

Record profit

EBIT \$63m

Adj EBITDA \$85.5m

- Record Profit from operating activities
- Revenue growth of 75% to \$200.9m (H1 2017: \$114.6m)
- Total REO production growth of 17% to 8,839 tonnes (H12017: 7,579 tonnes)
 - NdPr production up by 6%
 - Significant improvements in finished product quality of La and Ce materials
- Operating costs at \$133.9m (H1 2017: \$133m)
- Cash flows of \$80.2m from operating activities (H1 2017: \$6.7 million).
- Group debts reduced to USD256.5m by end December 2017 and by a further USD20m in January 2018 to USD236.5
- \$35 million Lynas NEXT programme commenced in the December quarter to increase customer engagement and optimise existing assets for future growth.

Strong Profit Dynamic

Profit & Loss Statement

For the half year ended

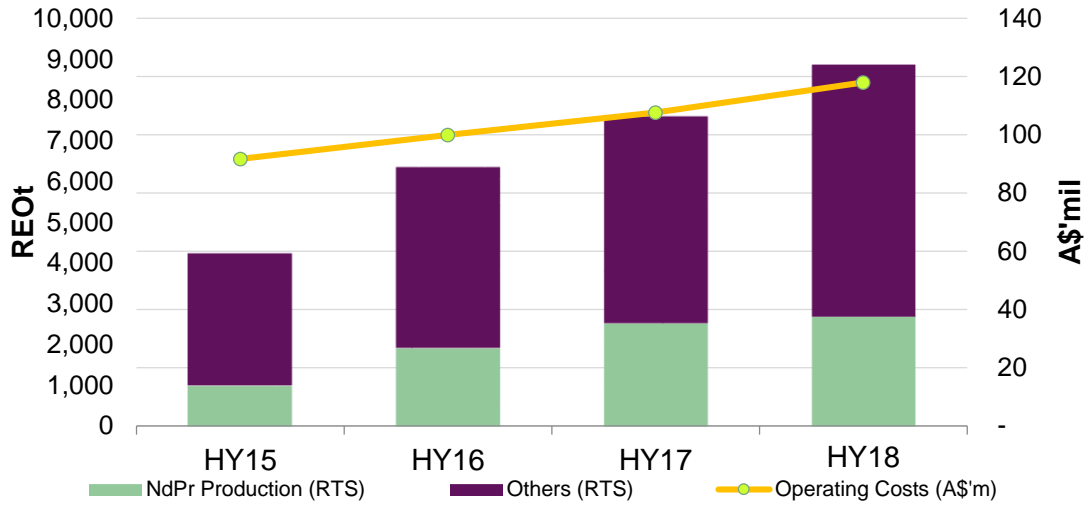
In AUD Million (m)	December 31, Restated 2016*	December 31, 2017	Variance
Revenue	114.6	200.9	86.3
Cost of sales	-117.5	-117.8	-0.3
Gross profit / (loss)	-2.9	83.1	86.0
General and administration expenses	-15.5	-16.1	-0.6
Net foreign exchange loss	-0.4	-3.5	-3.1
Other expenses	-0.5	-0.5	0.0
Profit / (loss) from operating activities (EBIT)	-19.3	63.0	82.3
Net gain on extinguishment of debts	37.3	0.0	-37.3
Financial income	0.1	21.3	21.2
Financial costs	-17.0	-33.5	-16.5
Net financial (costs) / income	20.4	-12.2	-32.6
Profit / (loss) before income tax	1.1	50.8	49.7
EBIT	-19.3	63.0	82.3
Depreciation and Amortisation	19.8	20.0	0.2
EBITDA	0.5	83.0	82.5
Adjustments, mainly non-cash remuneration	1.6	2.5	0.9
adjusted EBITDA	2.1	85.5	83.4

* Restated value as detailed in Note 5 of the Interim report for this half year

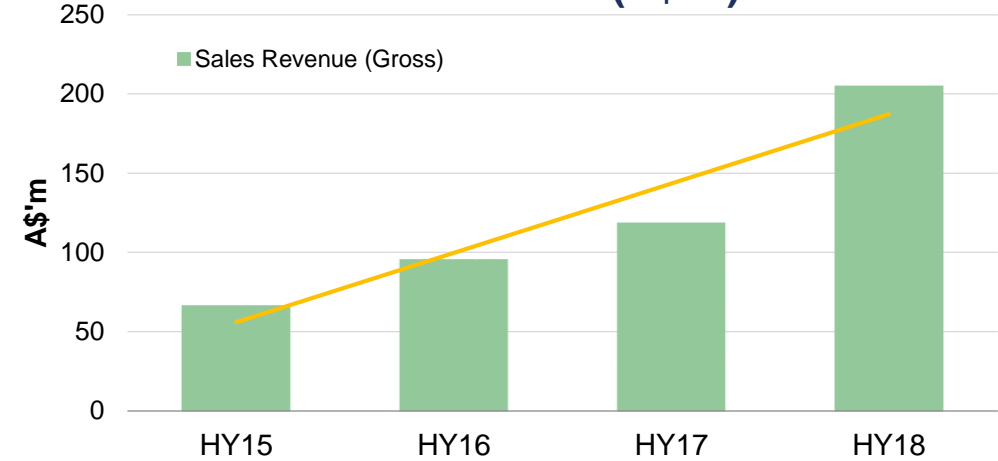
Increased production and sales volumes

Total Operating Costs vs Production

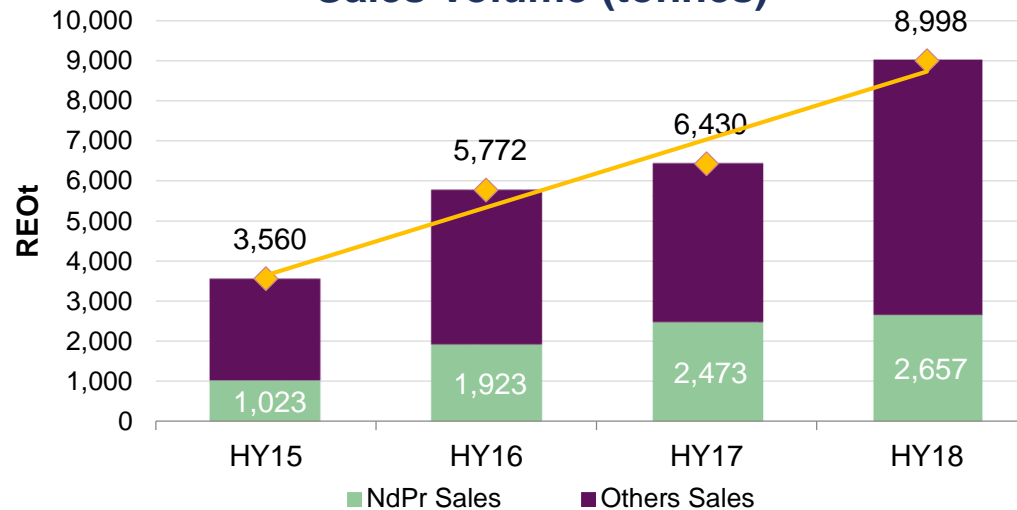
(excl. restructuring costs, STI & employee share based payment)



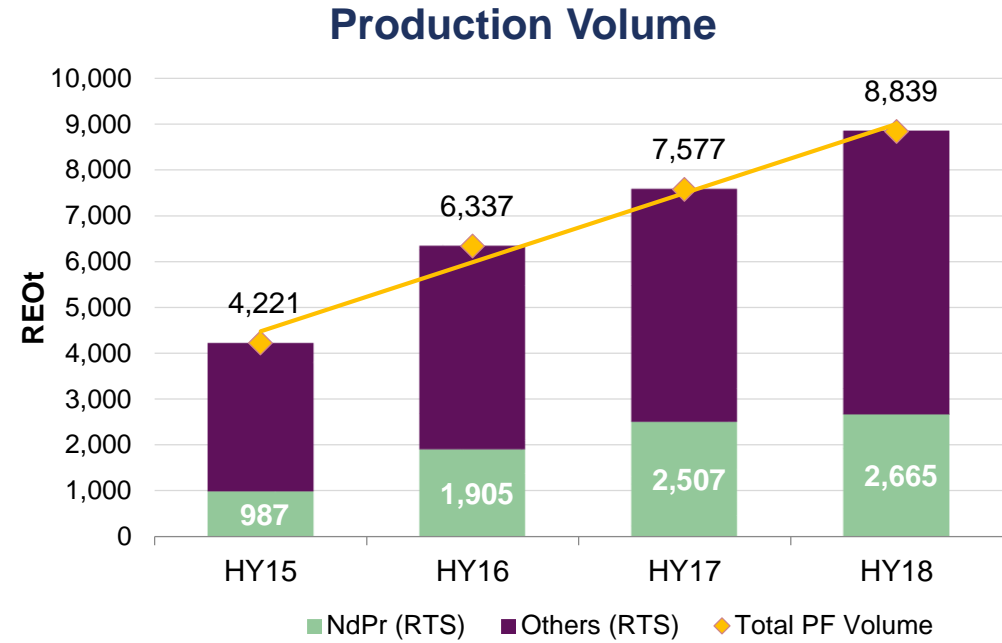
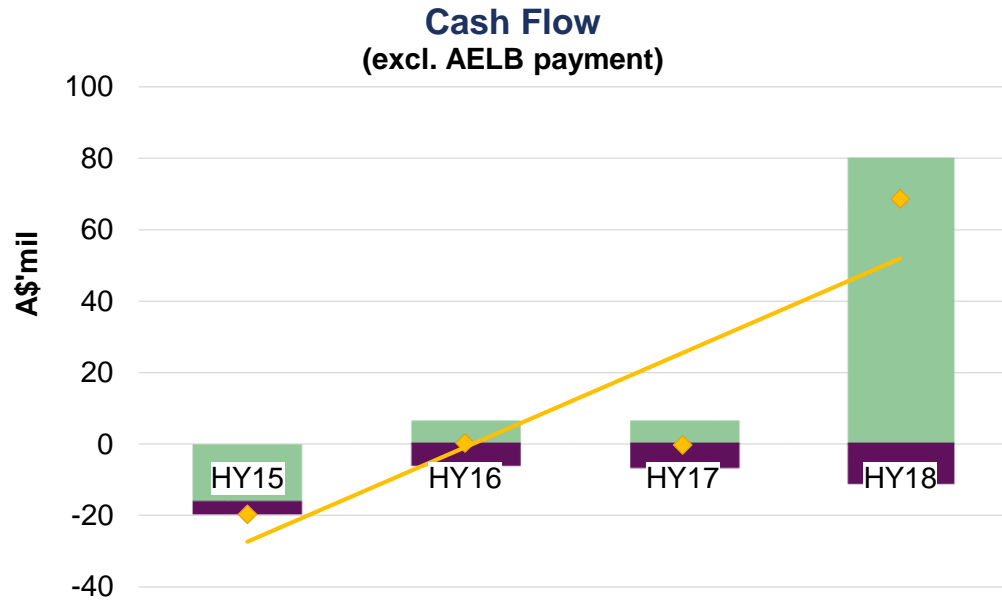
Sales Revenue (A\$m)



Sales Volume (tonnes)



Improved cash flow



	HY15	HY16	HY17	HY18
Net Investing CF	-3.8	-6.4	-7.0	-11.4
Net Operating CF	-15.9	6.7	6.7	80.2
Operating & Investing CF	-19.7	0.3	-0.2	68.7

Reduced Group debts

	Outstanding 31/12/16	Outstanding 31/12/17	Debt Reduced during 2017	Debt Reduced during 2018 to date
JARE Facility (1)	US\$ 200,000,000	US\$ 170,000,000	US\$ 30m	-
Convertible Bonds (2)	US\$ 225,000,000	US\$ 86,500,000	US\$ 138.5m	US\$ 20.0m
	Outstanding 31/12/16	Outstanding 31/12/17	Cash received by Lynas during 2017	Cash received by Lynas during 2018 to date
Warrants at \$0.038 (3)	174,365,466	0	A\$ 6.6m	-
Warrants at \$0.05 (4)	348,843,836	27,132,301	A\$ 3.9m	-

1) 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

On 13th October 2017, Lynas made an early prepayment of US\$15m to JARE

2) 1.875% 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.

From July 2017 to the end of February 2018, US\$158.5m of the Convertible Bond debt has been converted into equity

3) Warrants exercisable at \$0.038 on or before 30 September 2018

4) Warrants exercisable at \$0.05 on or before 30 September 2020

Lynas NEXT: Investing in our future



Increase the reliability and production of our existing assets

- Increase production of NdPr to 500 tonnes/month from April 2018 and 600 tonnes/month from January 2019



Deliver better returns on total Rare Earths processed

- Optimise product portfolio
- Improve plant reliability



Strengthen and de-risk the business through improving customer engagement

- Engage directly with target OEM users
- Utilise long term contracts



Continue to drive total cost down

- Process efficiency
- Procurement effectiveness



Contribute to total market growth

- Promote Rare Earths technology
- Invest in new product and application development

Lynas: Leading the market in sustainability



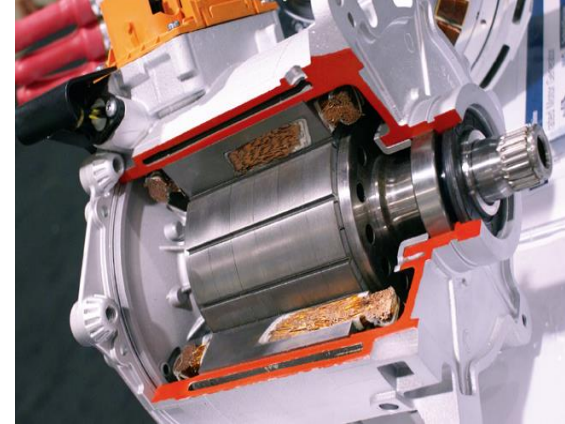
Resource Optimisation & Water Management

Lynas has, and continues to, optimise flotation techniques to continuously improve ore utilisation



Best Practice Environmental strategies

Lynas prioritises the safety of people, the community and the environment and has implemented industry leading environmental solutions in all parts of its operation



Delivering to customer needs

Lynas is supporting technology adoption with key users and where relevant is implementing long term supply agreements



Ongoing Community engagement

Lynas runs long and short term engagements to contribute to the local communities in Malaysia and in Mt Weld