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Lynas is a proven and profitable producer of specialty Rare Earth Materials

- The only miner and processor of Rare Earth materials outside China and the second largest producer of Neodymium-Praseodymium (NdPr) in the world
- Comprehensive approach to safety and sustainability, complying with all licence conditions in both locations
- Quality, long term relationships with key customers around the world

**Key Metrics**

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<tr>
<td>ASX Ticker</td>
<td>LYC</td>
</tr>
<tr>
<td>ISIN</td>
<td>AU000000LYC6</td>
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<tr>
<td>Shares Outstanding as at 26 November 2018</td>
<td>665,681,660</td>
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<td>Cash Balance (30 September 2018)</td>
<td>A$65.8M</td>
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<tr>
<td>Debt as at 26 November 2018</td>
<td>US$150m JARE US$15.24m Conv Bond</td>
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Delivering value

- 2011: The investment world discovers Rare Earth
- 2012: Lynas faces regulatory hurdles in Malaysia
- 2013-2016: High debt, low cash
  - US $425m debt
  - A $4.1m operating cash flow
- 2017: Lynas comes of age
- 2018: Lynas NEXT growth project
  Improved debt and cash position
  - US $165m debt
  - A $118.5m operating cash flow
Record Results in FY18

**NPAT (A$m)**

- FY17: 29.4
- FY18: 121.9

**EBITDA (A$m)**

- FY17: 29.4
- FY18: 121.9

**Record Profit**

- NPAT: $53.1m
- EBIT: $81.0m
- EBITDA: $121.9m

**Production Volume REO t**

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<tr>
<th>Year</th>
<th>NdPr (RTS)</th>
<th>Others (RTS)</th>
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<tr>
<td>FY15</td>
<td>2,258</td>
<td>8,799</td>
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<tr>
<td>FY16</td>
<td>3,896</td>
<td>12,631</td>
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<tr>
<td>FY17</td>
<td>5,223</td>
<td>16,003</td>
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<tr>
<td>FY18</td>
<td>5,444</td>
<td>17,753</td>
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**Cash Flow (A$m)**

(excl. AELB, Interest & Debt payments)

**Sales Revenue (A$m)**

- FY15: 10
- FY16: 20
- FY17: 30
- FY18: 40

**NPAT**

- FY17: 29.4
- FY18: 121.9

**EBITDA**

- FY15: $53.1m
- FY16: $81.0m
- FY17: $121.9m

**Sales Revenue**

- FY15: $2,000
- FY16: $3,000
- FY17: $4,000
- FY18: $5,000
Our Sustainability Plan

Lynas 360° Sustainability

Financial
Sustainable balance sheet
Profitable operations

Supply Chain
Full mine-to-magnet traceability

R&D
Successful innovative products and applications

Environment
Minimise air and water emissions
Manage/develop solid residues

Resources
Life Cycle
Assessment of resource consumption
Reduce, Reuse, Recycle

CSR
Diversity
Labour Conditions
Develop people
Health & Safety
Social/Community
Lynas NEXT: Key achievements

- **Productivity**: 600 tonnes per month ahead of schedule in September 2018
- **Improvements**: Improved recoveries, Cracking & Leaching efficiencies, Product Quality
- **Resource and Reserves**: Upgraded Mt Weld Resources and Reserves Statement confirmed 25+ year mine life at Lynas NEXT rates
- **Financial**: Increased sales revenues and improved margins due to production improvements
- **Market growth**: Progressed new application development; Commenced partnerships with key companies and universities
Lynas NEXT: How we did it

Not just on time and on budget
- Executing while still producing
- Delivered by an in-house Project Team with intimate understanding of the process
- Clearly understanding what is needed and what is not
- Enhanced in-house capability

Value for Money
- Reusing, reconfiguring and upgrading existing assets where ever possible
- Improving sustainability and compliance
- Improving reliability and performance of existing equipment
- Addressing recovery loss areas

Improved waste gas scrubbing to meet new emission limits
Blending to ensure homogeneity of final products
New design off-gas ducting that will last
Addressing key losses at higher rates
Additional production of separated La and Ce
Improved waste gas scrubbing to meet new emission limits
Blending to ensure homogeneity of final products
New design off-gas ducting that will last
Addressing key losses at higher rates
Additional production of separated La and Ce
Serving high-growth markets with Sustainable Rare Earths

- Reliable supplier of high quality products
- Growing in high-value segments
- Ensuring sustainability with Life Cycle Assessments from mine to magnet

“Lynas is perceived by end users as THE sustainable supplier they need to secure the supply chain now and for the foreseeable future.”

Pol Le Roux, Vice President Sales & Marketing
A Virtual Tour of our operations
Mt Weld
An assured supply of rare earth concentrate

Exploration
Crushing, Screening, Blending
Grinding
Rougher Flotation
Thickening
Filtration
Bagging
Transport
“We are developing a deep understanding of the Tier 1 Mt Weld Rare Earths deposit and developing more efficient and sustainable processing technologies.”

Tony Malloch, General Manager – Western Australia Operations
Latest developments at Mt Weld

Dissolved Air Flotation water treatment technology to remove solids and algae from recycled water prior to further treatment.

Stack Cell pilot scale unit used to test and design to improve rougher flotation capacity.

Deslime testing as part of our metallurgical R&D program to improve recoveries.
Lynas Central Laboratory (CLAB)
World Class Rare Earth Laboratory

- High-tech, high volume quick turnaround Laboratory
- Servicing full value chain in Malaysia 24/7
- 53 staff including 38 Chemists (50 Malaysian, 3 expats)
- 1,500 samples/day; 15,000 analytes/day
- Pioneering RE analysis in process solutions
- Collaboration with local universities
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

“We’re employing new methodology in the laboratory ... The reason for that is the high volume of samples we need to process and the quality of the results we need to produce.”

Chelto Smith, Manager, Lynas Central Laboratory
Engineering and Maintenance
Safe performance of equipment, Delivery of improvement and expansion projects

- 24/7 support for over 10,000 items of equipment
- 115 staff incl. 19 Engineers (100% Malaysian)
- Continuous improvement in safety, environment, equipment, reliability and costs
- In-house design and execution of Lynas NEXT plant upgrades
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

“Huge improvements from our team provide the foundation for increased safe production at Lynas.”
Amir Hakim, Senior Engineering Services Manager
Cracking and Leaching (C&L)
Converting Rare Earth Concentrate to RE Sulphate Solution

- 24/7 operation producing Rare Earth Sulphate solution feed for SX separation
- 105 staff incl. 4 Engineers (100% Malaysian)
- Developing new RE processing capability
- 4 x 60m Gas Fired Rotary Kilns
- 2 x Multi-Stage Waste Gas Treatment Plant
- 2 x Leaching and Neutralisation Circuits
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

“Our investment in waste gas treatment ensures we meet environmental regulations and are meeting new standards ahead of time.”
Abdul Rahman, Senior Manager, Cracking & Leaching
Offsite, Utilities and Residues (OUR)
Control of discharge water quality, Safe storage of residues

- 24/7 operation delivers plant wide services, Waste Water Treatment & Residue Management
- 62 staff incl. 4 Chemists (61 Malaysian, 1 expat)
- Multi-stage waste water treatment plant, online monitoring, regular quality sampling
- WLP & NUF stored in PDF compliant facilities
- International best practice ‘Cradle to cradle’ approach to reuse and recycle residues, R&D has proven NUF and WLP can be recycled into safe, useful products
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

“All discharges comply with environmental regulations. Solid residues are managed to international best practice standards”
Grant McAuliffe, General Manager, Lynas Malaysia Operations
Solvent Extraction (SX)  
Separating and Purifying Rare Earth in Solution

- 76 staff incl. 6 Chemists/Engineers (74 Malaysian, 2 expats)
- Upstream Separation - 136 stages (mixer settlers) in 4 circuits, heavy REs separated from light REs
- Downstream Separation - 500 stages in 5 batteries; separation to NdPr, La, LaCe and Ce chloride streams
- Impurities Removal - 70 stages in 5 batteries
- Developed Lynas IP in separation processes
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

“The Lynas Advanced Materials Plant is by far the most complex solvent extraction plant outside China. In addition to developing the IP to run such a complex plant, the team on site has successfully designed 5 completely new circuits as part of Project NEXT.”

Khairul Suhaimi, Senior Manager Solvent Extraction
Product Finishing (PF)
Production and Quality Control

- 130 staff incl. 4 Metallurgists/Engineers (128 Malaysian, 2 expats)
- Processing RE Chloride to final product in carbonate or oxide form to product specification
- Product range expanded from 5 to 13 products
- Developed Lynas IP in recycling & blending processes
- Several new products undergoing laboratory or industrial scale testing
- Continuous improvements in product traceability, process monitoring & control, training & development
- Accredited to ISO 9001, ISO 14001, OHSAS 18001

“The primary reason for the development into a world-class Rare Earths producer has been the development of our staff.”

Luke Darbyshire, Senior Manager, Product Finishing
Malaysian Regulatory Update

- In October 2018, a Committee was formed to review and evaluate aspects of Lynas Malaysia’s operations:
  - Safety, health and environment performance
  - Management of residues
  - Impacts on human health and the environment
- The Review Committee has examined extensive information submitted by Lynas, relevant Government Agencies and anti-Lynas groups
- The Review Committee visited the Lynas Malaysia plant and held a public hearing in Kuantan in mid-November
- The Review Committee is due to submit its report to the Minister on 27th November 2018
  - It is expected this will be reviewed by the Minister and subsequently by Cabinet
- As indicated in the Quarterly Report on 25 October 2018 we have applied for an increase in the annual volume of lanthanide concentrate that can be processed
  - This approval has not been received
  - We are planning for a temporary shutdown of production in December
  - NdPr production in the December quarter is estimated to be reduced by 400 tonnes as a result
  - The calendar year limit on the volume of material that can be processed resets on 1 January each year
Lynas seeks to be an excellent corporate citizen

- Ongoing communication with government and regulators
- Continued compliance with licence conditions & regulations
- BAU licence renewals and variations to licence conditions
- Zero harm to our people, our communities & the environment
- Being part of & having a positive impact on our local communities
- Enhancing the lives & careers of our people & contributing to economic growth
Visit our Investor Centre at:
www.lynascorp.com