

Lynas AGM 2018
Chairman's Address

Ladies and Gentlemen, on behalf of the Lynas Board, I would like to welcome all our shareholders today.

2018 was a very good year for Lynas.

Key highlights for 2018 include record production, positive cash flow and significant debt reductions.

I would like to summarize the progress we made on each of these areas.

Production:

Lynas continued to make improvements in the production rates and quality of its rare earth materials during the year. In FY18, production of NdPr was approximately 5,400 tonnes compared to 5,200 in FY17. Total rare earth oxide production increased by 1,750 tonnes to 17,800 tonnes.

The Lynas NEXT project initiatives allowed the Company to increase output, expand the product range and improve production efficiency. I'm pleased to confirm that the Company achieved 600 tonnes of production in September 2018, well ahead of the original target of January 2019. This confirms the Company's ability to produce NdPr at the Lynas NEXT rate.

Cash flow:

During FY18, Lynas achieved its first net profit after tax in the rare earths industry of \$53 million. Cash flows from operating activities were strong, increasing to \$118m in FY18 from \$34m in FY17. Lynas achieved record total sales revenue after commissions of \$374m during the year, compared with \$257m in FY17.

Debt reduction:

On 30 June 2017, the Lynas loan facilities totaled US\$425 million, comprising US\$200 million debt to JARE and US\$225 million under the convertible bond facility.

At 30 June 2018, the principal amount of the loan facilities had reduced to US\$165.2 million.

As we have indicated in recent ASX announcements, a review of our Malaysian operations has commenced, following the change of government in May this year. Our CEO Amanda Lacaze will talk more about that topic and the operational aspects of the business.

On behalf of my Board colleagues, I would like to thank our CEO Amanda Lacaze, the executive team, and all our employees for their roles in delivering the Company's excellent performance.

Lastly, I would like to thank all of our shareholders, including our longstanding retail shareholders and the institutions who have joined our register or increased their holdings in the company over recent years. We look forward to continuing to build value together.

Thank you