LYNAS: GROWING THE MARKET OUTSIDE CHINA

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Our long journey to deliver value

- 2011: The investment world discovers Rare Earths
- 2012: Lynas construction slower than forecast
- 2013-2016: High debt, low cash
  - US $425m debt
  - A $4.1m operating cash flow
- 2017: Lynas comes of age
  - Producing at nameplate
  - Convertible bond converts
- 2018: Lynas NEXT growth project
  - US $165m debt
  - A $118.5m operating cash flow
## Our product offering today

<table>
<thead>
<tr>
<th>Product</th>
<th>Capacity REO tonnes/annum</th>
<th>Market</th>
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<tbody>
<tr>
<td><strong>NdPr+Nd+Pr Oxide &amp; Metal</strong></td>
<td>7,200</td>
<td></td>
</tr>
<tr>
<td>NdPr</td>
<td>5,400</td>
<td>Magnets</td>
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<tr>
<td>Nd</td>
<td>1,500</td>
<td>Magnets, Catalysts</td>
</tr>
<tr>
<td>Pr</td>
<td>300</td>
<td>Catalysts, Pigments, Magnets</td>
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<td><strong>SEG Oxide</strong></td>
<td>1200</td>
<td>HRE Separation</td>
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<tr>
<td>Ce-La Carbonate, Oxide, Metal, Compounds</td>
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<tr>
<td>Ce Carbonate, Oxide</td>
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<td>Catalysis, Glass</td>
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<td>FCC, Ferrite, NiMH</td>
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<tr>
<td>LaCe Carbonate, Oxide, Metal</td>
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<td>Polishing, NiMH, Alloy</td>
</tr>
<tr>
<td>RE compounds</td>
<td></td>
<td>Customized applications</td>
</tr>
</tbody>
</table>
Our track record underpins our confidence in the future

Production Volume REOt

Sales Revenue (A$m)

NPAT (A$m)

EBITDA (A$m)

Cash Flow (A$m) (excl. AELB and Interest)
Malaysia regulatory update

Operating License renewal

- Full Operating Stage License (FOSL) due for renewal on 2 September 2019
- License renewal application progressing to a “normal” timetable
- AELB Audit for renewal of the FOSL completed April 2019 - “Very Satisfactory” rating

Residue Management

- Malaysian government’s 2018 Executive Review Committee found Lynas residues are managed “in a proper manner”
- Ongoing discussions with the Malaysian government to finalize WLP management requirements

- On 30 May 2019, the Malaysian Prime Minister acknowledged the importance of the continued operation of Lynas in Malaysia
- Lynas 2025 allows us to meet the new conditions proposed by the Malaysian Prime Minister
Lynas 2025: Growing with the market

A larger business to meet forecast demand growth
- Efficient capacity expansion leveraging Lynas’ unique assets
- 10,500 tpa NdPr products

Diversified Industrial footprint with processing facilities in optimal locations
- Upstream processing close to the resource
- Downstream processing close to our customers; Malaysia and US
- Relocation of C&L to WA to satisfy Malaysian requirements

Supplier of choice to non Chinese customers with a fit for market product portfolio
- Selected separated Heavy Rare Earth products
- Value added Cerium

Enhanced earnings
- A step change in production
- Improved portfolio pricing
- Continued flow sheet and cost efficiencies

$500m Capital plan
- Self-funded with support of JARE
- Return on investment of planned growth initiatives is expected to materially exceed WACC
- Enhancing long term shareholder value
Our track record underpins our confidence in the future.

- **United States**: Exciting market opportunity with a skilled US based partner.
- **Western Australia**: An expanded WA operation.
- **Malaysia**: A dynamic operation in Gebeng with increased investment in downstream processing.
- **Vietnam-Thailand**: Metal Tollers.
Developing our sources of unique competitive advantage

Mt Weld
- A true Tier 1 Resource
- Continuing exploration and development to maintain a 25+ year Reserve at new rates

Market position
- World’s second largest Rare Earths producer
- Only Rare Earths miner and processor outside China
- Established long-term, trusted relationships built with our key customers

Inhouse Intellectual Property
- Technical, Engineering and Processing IP positions Lynas as the Rare Earths Centre of Excellence outside China

Proven Operations
- Established operating assets
- Strong capital and operating cost culture

Will to win
- Corporate culture founded on our capable and resilient people
- Focused on building long term shareholder value
Our unique Tier 1 Rare Earth deposit
Mt Weld is favoured by grade, NdPr content, total REO and life of mine
Sustaining a 25+ Year Reserve in 2025

Coarse grain primary RE mineralisation will be much simpler to process

- Step change improvement in grade and recovery performance for current and future ores
- Proven improved flowsheet for new ores
- Exploration and new flowsheet for Primary Carbonatite
- Flowsheet for Direct Processing of low grade ore

Direct Shipping Ore commenced March 2019

Coarse grained parisite mineral (115m depth)
Chemical Formula: Ca(REE)2(CO3)3F2
Our competitiveness continues to improve

- From 2014 to 2016, Lynas operations stabilised
- Mid-2016, both plants were running at design capacity
- Through Lynas NEXT, production capacity has increased to 7.2 ktpa of NdPr and a wider product range
- Processing costs are continuously improving
- Continued focus on cost efficiencies in daily operations as well as breakthrough innovation programs
Improving Capital Efficiency

- Phase 1: 29 Flotation Cells
- Phase 2: 9 Flotation Cells
- Lynas NEXT: 1 Flotation Cell
- Lynas 2025: 3-5 Flotation Cells
Lynas NEXT - Cracking and Leaching

MgO Circuit Split, new heat exchangers added, new pumping designs, new hopper designs, changed filter configurations

Redesigned WGT ducting

Emissions improvements
• Energy International Agency: 125-220m electric cars on the road in 2030
  
  ≈ Equivalent to 88-155ktns additional supply of NdPr over next 10 years

• Most new models will be launched in 2021 when growth of NdPr demand will accelerate

• From late 2020s, end of life recycling will affect demand for fresh oxide

Demand for NdPr is forecast to accelerate from 2021
Lynas is the partner of choice for securing a sustainable magnet supply chain

- **Lynas offers:**
  - Unique market expertise inside and outside China
  - Independence from China
  - Transparent downstream supply chain
  - Can provide metal, alloy and recycling services through trusted partners in addition to Rare Earth supply
  - Full transparency of transactions
  - Traceability from mine to magnet

- **Recognized environmental performance:**
  - Silver medallist with Together For Sustainability
  - United Nation Global Compact Signatory
  - Life Cycle Assessment shared and communicated
Our sales and marketing road map to 2025

- Maintain 20-25% NdPr market share through timely capacity increases
- Develop additional value for other products
  - La all pre-sold via long term contracts outside China
  - New opportunities for Ce that can increase sales value by up to 10 times versus current
- Extract Dy and Tb from our Heavy Rare Earths and develop Duncan
- Prepare for magnet recycling
Our investment in Specialty Products
EBITDA from Ce-La products expected to be 3x higher in 2025 compared to 2018
Lynas has a key role to play in Heavy Rare Earths

- Currently all Heavy Rare Earths (HRE) separation is in China
- Dy and Tb are essential to high power electrical motors
- HRE in China is extracted from ionic clay, the processing of which creates serious environmental problems. China Central government has decided to reduce this source of HRE to a minimum and ban imports of similar resource from Myanmar
- It is expected this reduction in supply while demand is increasing (with the demand for electric cars) will lead to a substantial price increase
- Lynas has 50t/year of Dy and 20t/year of Tb contained in its current ore blend. Future campaigns will deliver 3 to 4 times this quantity.
- Lynas plans to invest in HRE separation
Lynas-Japan alliance plays an essential role in RE market growth

- Security of supply from Lynas has contributed to growth in Japanese industry
- Lynas provides outside China automotive manufacturers with confidence in Rare Earths technology
Lynas – Blue Line partnership
Replicating in USA what we did in Japan

• MOU between Lynas and Blue Line Corporation for the joint development of Rare Earths separation in USA
  • Binding, conditional on funding approvals by both parties
  • Exclusive for 12 months
  • Primarily focusing on HRE separation but could include LRE separation as well
  • Lynas will provide technology and hold a substantive majority interest in the JV

• Started in 2001, Blue Line is an independent Rare Earths processor in USA, addressing the catalytic, ceramic, nanomaterials and water treatment applications
• ISO 9001 certified, Blue Line has excellent recognized expertise in Rare Earths product management

• This partnership will allow us to maximize the value of our Heavy Rare Earths and accelerate the USA market growth by providing there a sustainable source of supply

Hondo Texas

• A 53 hectare industrial site with train access
• A former ceramic plant purchased by Blue Line in 2010 for Rare Earths processing
Blue Line’s ready-made facilities in Hondo, Texas

- Shuttle Kiln
- 3 Tunnel Kilns
- Process Equipment
- Powder Silos
- Programmable logic controllers
- Electricity & natural gas supply
- ISO Certification
#1 Rare Earths supplier outside China
Highly visible
Demonstrated capability to grow

Supporting downstream industry growth outside China
Japan: +50% since 2013
Bringing Rare Earths supply to the United States

Trusted sustainable Rare Earths supplier
Fully transparent
Ranked Silver medallist by EU chemical companies
UN Global Compact signatory

Adding substantial value to our business
Dy, Tb separation
High value added Ce based products
End of life magnet recycling
COMPETENT PERSON’S STATEMENTS—MINERAL RESOURCES

The information in this report that relates to the 2018 Mineral Resources is based on information compiled by Mr Alex Whishaw under the guidance of Dr Andrew Scogings. Mr Wishaw and Dr Scogings are full-time employees of CSA Global. Mr Wishaw is a member of the Australasian Institute of Mining and Metallurgy. Dr Scogings is a Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and an RPGeo (Industrial Minerals). Dr Scogings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Dr Scogings consents to the disclosure of information in this report in the form and context in which it appears.

COMPETENT PERSON’S STATEMENTS—ORE RESERVES

The information in this presentation which relates to the Ore Reserves estimate accurately reflect 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 public statement that relates to the Mt Weld Rare Earths Project is based on information resulting from Feasibility works carried out by Auralia Mining Consulting Pty Ltd. Mr Steve Lampron completed the Ore Reserve estimate. Mr Steve Lampron 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 Steve Lampron consents to the inclusion in the document of the information in the form and context in which it appears.