LYNAS CORPORATION
FY19 RESULTS
Analyst and Investor Presentation
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**United States**

MOU with a skilled US based partner, Blue Line Corporation, to produce separated Heavy Rare Earths and value added Specialty Materials.

**Malaysia**

A dynamic operation in Gebeng with Cracking & Leaching, Solvent Extraction, Product Finishing and opportunities for further downstream processing.

**Western Australia**

Tier 1 deposit at Mt Weld: Mining and Concentration, Cracking & Leaching to be relocated to WA by 2023

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**Key Metrics**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<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 30 June 2019</td>
<td>667,802,000</td>
</tr>
<tr>
<td>Cash Balance (30 June 2019)</td>
<td>A$89.7m</td>
</tr>
<tr>
<td>Debt as at 30 June 2019</td>
<td>US$145m JARE</td>
</tr>
<tr>
<td></td>
<td>US$13.7m Conv Bond</td>
</tr>
<tr>
<td>Enterprise Value</td>
<td>A$1.5b</td>
</tr>
</tbody>
</table>
Continued strong financial performance in challenging conditions

- 2nd consecutive profit as Rare Earth company
- Record total REO production
  - 19,737 tonnes (FY18: 17,753 tonnes)
- Record NdPr production
  - 5,898 tonnes (FY18: 5,444)
- Strong cash flows from operating activities
  - $104.1m (FY18: $118.5m)
- Total Group debts reduced
  - $193.0m (FY18: $225.1m)
- Lynas NEXT project completed successfully
- Lynas 2025 growth plans announced
- Excellent sustainability and WHS performance awarded by external assessors

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<thead>
<tr>
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<th>FY19</th>
<th>FY18</th>
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<tbody>
<tr>
<td>NPAT</td>
<td>$80.0m</td>
<td>$53.1m</td>
</tr>
<tr>
<td>EBIT</td>
<td>$56.4m</td>
<td>$81.0m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$100.7m</td>
<td>$121.9m</td>
</tr>
<tr>
<td>Revenue</td>
<td>$363.5m</td>
<td>$374.1m</td>
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FY19 Results

Production Volume REOt

NPBT (A$m)

EBITDA (A$m)

Sales Revenue (A$'m)

Cash Flow (A$'m) (excl. AELB, Interest)
Mt Weld in FY19

Lynas NEXT initiatives

- 2018 Mt Weld Mineral Resource and 2018 Mt Weld Ore Reserve:
  - 70% increase in Mineral Resource contained REO
  - 60% increase in Ore Reserve contained REO
  - Ore Reserve supports a 25+ year life at Lynas NEXT rates (7000t NdPr/annum)

- 3rd Tailings Storage Facility (TSF3) completed and commissioned

- Pre-Rougher Stack Cell commissioned

Mining Campaign 3 in progress

- Overburden removal substantially completed
- Mining and stockpiling of ore underway
Lynas Malaysia in FY19

365 Days LTI free
Record Production (total REO and NdPr)

Lynas NEXT initiatives

- Proven ability to produce NdPr at Lynas NEXT rates
- Successful start-up of new Nd and Pr separation circuit:
  - Separated Nd oxide produced from December 2018
  - Separated Pr oxide produced from February 2019
- New SX circuits optimised to increase production and quality of La and Ce
- Upgrade of product finishing circuits to accommodate increased product range
- Upgrade of kiln waste gas treatment circuits
- Improved MgO circuit to improve recoveries
- A 3rd larger water storage pond constructed and commissioned
Balance sheet fit for growth

• **Strong Balance Sheet**
  - Debt of US$158.7m of which US$13.7m is convertible bonds
  - Cash Balance at 30th June 2019: A$89.7m
  - Strong operating cash flow of A$222.6m over the last eight quarters or A$27.8m on average per quarter

• **JARE has extended its support to Lynas**
  - New terms were agreed with JARE on 27 June, 2019 regarding the existing JARE loan facility, demonstrating the ongoing support from the Group’s lenders.
  - The maturity date of the JARE loan facility has been extended to June 30, 2030 (previously June 30, 2020). The interest rate on this facility is 2.5% p.a. at June 30, 2019 (previously 3.75% p.a.).

In light of this loan extension and the current cash position Lynas is confident of its ability to self-fund the announced projects, based on current independent price forecasts.
Spotlight on Rare Earths is creating opportunities

Geopolitics

US-China trade tensions have led to concerns about security of supply and single sourcing.

Lynas is uniquely positioned as the only significant rest of world Rare Earths producer.

Macroeconomics

Increased government focus, in key markets, on enhancing manufacturing capability for digital age technologies.

Lynas connects with governments around the world regarding Rare Earths supply chains.

Market Pricing

NdPr published price decreased in FY19 and despite a temporary lift in Jun 2019 remains volatile.

Lynas helps mitigate sourcing risks through long term agreements.

Market Dynamics

NdPr magnet market currently weakened by Chinese economy and temporary slow growth of automotive market.

Catalyst market is focused on long-term security of supply and Lynas has now contracted all Lanthanum production.

Strategic Partners

NdPr demand is forecast to accelerate from 2021 with launch of most new EV models.

From H2 FY19, Lynas has reserved all NdPr production for strategic customers.

Key Customers are progressively agreeing long term supply and pricing agreements.
On 15 August 2019 the Malaysian government announced the renewal of Lynas Malaysia’s operating licence.

Subject to meeting specified conditions over the next six months, the renewal provides a clear pathway for Lynas’ continued operation:

- Cracking & Leaching relocated to WA within 4 years
- Lynas to build Permanent Deposit Facility (PDF) for WLP residue
- 0.5% previously required to be invested in R&D to be submitted to the Government of Malaysia as an additional security until Cracking & Leaching relocated to Australia
Lynas made excellent progress on Sustainability initiatives in FY19

Gold Medal awarded by Ecovadis – top 5% of 55,000 companies evaluated

<table>
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<tr>
<th>Join United Nations Global Compact</th>
<th>Life Cycle Assessment</th>
<th>Gold Medal for CSR</th>
<th>Employee Health &amp; Safety award</th>
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<tbody>
<tr>
<td>Lynas became a signatory to the world’s largest corporate sustainability initiative, with over 13,000 participants who are aligning operations with universal principals on human rights, labour, environment and anti-corruption</td>
<td>Lynas conducted Life Cycle Assessments in conjunction with customers to provide environmental assurance on the Lynas Rare Earths used in customer products</td>
<td>Lynas Malaysia was upgraded to Gold from Silver in the latest EcoVadis CSR assessment through Together for Sustainability initiative</td>
<td>Lynas Malaysia’s commitment to the highest WHS standards was recognised:</td>
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<td>Rated among top 5% of 55,000 companies evaluated for performance across the environment, labour and human rights, ethics and sustainable procurement</td>
<td>Gold class award from The Malaysian Society for Occupational Safety and Health (MSOSH)</td>
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</table>
Making a meaningful contribution to our communities

- The safety of our people, our communities and the environment is our first priority
- We aim to make a positive contribution to local employment, skills, education, and health
- We provide meaningful opportunities for Lynas staff to directly contribute to their communities
- We work with our local communities to be a productive & trusted community member

Voices from our local communities

Balok residents’ representative Shaharuddin Samsudin said those in Balok were relieved as the plant had not only created jobs but also ensured economic spillovers. “As far as the residents are concerned, Lynas is neither a political issue, nor is it causing any harm to the environment.”

Meanwhile, Kampung Balok village community management council chairman Mansor Mokhtar welcomed AELB’s decision, calling it the right move. “This shows the government has an open mind towards investors like Lynas. They are aware Lynas is good for the locals, the economy and the development of Kuantan,” he said.

Sungai Ular village chief Shamsul Azlin Abdul Wahid said similar to other factories, the existence of Lynas plant brought economic benefits to the population in the surrounding area, and many villagers obtained employment at the plant, including engineers.
Facing the future with confidence

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
Lynas will continue to grow

**Lynas today**
- Uniquely positioned as the only significant rest of world Rare Earths miner and producer
- Increased global significance of Rare Earths
- World-leading Rare Earths deposit at Mt Weld
- World’s largest processing plant in Gebeng, Malaysia
- Strategic customer relationships in key markets
- Proven processing capability at Lynas NEXT rates
- Lynas NEXT capacity building program complete
- Lynas 2025 growth plans announced
- New loan facility terms agreed with JARE to support self funding of capital investment

**Lynas 2025**
- A larger business to meet forecast demand growth
- Diversified Industrial footprint with processing facilities in optimal locations
- Supplier of choice to non Chinese customers with a fit for market product portfolio
- Enhanced earnings
- $500m Capital plan

Our track record underpins our confidence in the future
Competent Person’s Statement

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.