

17 August 2020

LYNAS CORPORATION FULL YEAR 2020 RESULTS

Solid revenue and positive operating cashflows

- Revenue of \$305.1m (FY19: \$363.5m) reflecting temporary production halts and weak market conditions during the year
- EBITDA of \$59.8m (FY19: \$100.7m)
- Cash flows from operating activities remained positive at \$32.1m (FY19: \$104.1m) as a result of a company wide focus on cost management
- Closing cash balance of \$101.7m (FY19: \$89.7m)
- Lynas Malaysia's operating licence renewed for three years to March 2023
- Continued progress towards *Lynas 2025* growth vision:
 - Kalgoorlie, WA selected as location for Rare Earth Processing Facility: Project team established, front end engineering design completed, tender released for longest lead item
 - Lynas selected by U.S. Dept of Defense for Phase 1 of U.S. Heavy Rare Earths separation facility
- Gold EcoVadis CSR rating awarded to Lynas Malaysia

Lynas Corporation Ltd (ASX:LYC, OTC:LYSDY) today released its Financial Report for the full year ending 30 June 2020.

The company reported an EBITDA of \$59.8m for the year (FY19: \$100.7m), which was heavily influenced by the 6 week temporary shutdown of the Lynas Malaysia plant, in accordance with the Malaysian government's COVID-19 Movement Control Order. Net sales revenue for FY2020 was \$305.1m (FY19: \$363.5m) and total sales volumes were 14,172 REOt (FY19: 19,154 REOt).

Lynas Corporation CEO and Managing Director, Amanda Lacaze, commented: "Our company entered the COVID-19 pandemic in robust financial shape, as a result of a number of years of prudent capital management. However, our FY20 financial performance has been affected by the COVID-19 related shutdown as well as lower

market prices and the temporary production halt in December after we reached the annual concentrate processing limit for calendar year 2019.

“While this was disappointing, we have built a resilient business and despite the lower market pricing, our performance in quarters not affected by the production halts remained strong. This resilience was also shown in the way our people quickly adapted to new ways of working and new COVID-19 protocols to protect the health and wellbeing of all staff.

“A highlight this year was the renewal of our Malaysian operating licence for three years to March 2023 with acceptable conditions. The licence renewal provides the foundation for the continued operation of Lynas Malaysia as well as a resolution on the management of our two residue streams. In a further step towards satisfying the Malaysian licence conditions, on 5 August 2020, we announced that the Atomic Energy Licensing Board had approved the proposed site for the Permanent Deposit Facility for one of residue streams, WLP, subject to relevant studies and final approvals,” Ms Lacaze said.

“We also made substantial progress on key *Lynas 2025* projects during the year including our planned Kalgoorlie Rare Earth Processing Facility and plans for a Heavy Rare Earth separation facility.

“A dedicated project team was established for the Kalgoorlie project, front end engineering design was completed and we released the tender for the longest lead item, the kiln, which has since been awarded. The Kalgoorlie project, together with the associated upgrades at Lynas Malaysia, will represent a \$500 million capital investment and will create up to 500 jobs during construction and 100 new ongoing jobs once operational.

“We also progressed our plans to meet our customers’ needs for separated Heavy Rare Earths and announced on 22 April 2020 that Lynas has been selected for Phase 1 of the U.S. Department of Defense tender for a Heavy Rare Earths separation plant in the United States,” Ms Lacaze said.

Safe and sustainable Rare Earths production

Lynas delivered a further improvement in safe operation with 12-month rolling lost time injury frequency rate at 0.8 per million hours worked (2019: 0.9 per million hours).

As a result of the company's continued focus on safe production, Lynas Malaysia achieved 461 days LTI free in August 2019 and there were no lost time injuries company wide during the September quarter.

Since March 2020, Lynas Malaysia and Mt Weld have continued to implement extensive COVID-19 health and safety protocols, in line with government requirements and industry best practices, to protect the health and wellbeing of our workforce.

During the year Lynas Malaysia was awarded a Gold medal CSR rating from EcoVadis, a supply chain sustainability assessment used by many global manufacturers. This reflects our ongoing commitment to sustainable and environmentally-responsible Rare Earths production.

Production Update

FY20 NdPr production was 4,656 tonnes and total REO was 14,562. Mining Campaign 3 was completed at Mt Weld during the year, resulting in approximately 560,000 tonnes of ore extracted.

Production restarted at the Lynas Malaysia plant on 4 May 2020 following the 6 week temporary production shutdown in compliance with the Malaysian government's COVID-19 Movement Control Order. Operations were restarted at approximately 70% of the Lynas NEXT production rates which was determined as sufficient to refill supply chains and to restock depleted inventories of critical materials while maintaining new COVID-related health and safety protocols for our people and local communities.

Production increased to 75% of the Lynas NEXT production rates in June and we expect to maintain this rate until COVID-19 uncertainty is resolved.



The COVID-19 pandemic has heightened customer and government interest in securing reliable and diversified Rare Earths supply for growing industries. As the only significant producer of separated Rare Earths outside of China, Lynas is ideally positioned to meet this need.

About Lynas Corporation

Lynas Corporation Ltd (ASX: LYC) is the only significant producer of separated Rare Earths outside of China. Rare Earths are an essential input to global manufacturing supply chains, including digital age technologies and green technologies such as electric vehicles and wind turbines.

Built from the ground up as a sustainable and environmentally-responsible producer, Lynas operates one of the world's highest grade Rare Earth mines in Mt Weld, Western Australia, and the world's largest single Rare Earths chemical processing plant in Gebeng, Malaysia. Since commencing production in 2012, Lynas has grown to become the world's second largest Rare Earths producer and its materials are essential to manufacturing supply chains. Lynas' materials are sold with a certificate of origin and its NdPr is traceable from its mine to magnet production.

For more information visit: lynascorp.com

If you have any queries in relation to this announcement, please contact Jennifer Parker or Lauren Stutchbury, our communications consultants at Cannings Strategic Communications on +61 2 8284 9990.

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