

A close-up photograph of an industrial process. A large, dark metal cylindrical component is positioned vertically, pouring a bright purple powder into a yellow, rectangular container. The background shows a complex industrial environment with various pipes, metal structures, and a green laser light. The scene is dimly lit, with the primary light source being the glowing purple powder.

LYNAS CORPORATION

**Metal Events' International
Rare Earths Webinar**

23 September 2020

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A worker wearing a white hard hat, a yellow high-visibility jacket, and dark trousers with reflective stripes is walking through a large industrial warehouse. The warehouse is filled with numerous large, white, rectangular bags (likely containing rare earth minerals) stacked on wooden pallets. The bags are secured with purple straps. The floor is dark grey with yellow safety markings. The ceiling is high with a grid of lights.

Has COVID-19 changed the Rare Earths world?

How is COVID-19 affecting wind industry demand?

Renewable energy has proven to be more resilient than other parts of the energy sector

Wind industry forecast to achieve year on year growth in 2020

We continue to see sustained demand for NdPr from the wind power industry

Expect longer term trends to be clearer after end of CY2020

How is COVID-19 affecting **automotive demand**?



Global sales down overall but performance varies by geography and vehicle type

Strong growth in European EV sales - forecasts of year on year growth

Based on customer feedback, car electrification is growing faster than expected

May take a few quarters to clarify the effects of government economic policies on Rare Earths demand

Increasing focus on resilient supply chains across all markets



Electric Vehicles (EV) – Including Electric drive components, Hybrid motor technology, Electric public transport and Electric aviation
Benefits: Lighter and more efficient high-performance motors
Rare Earth products: NdPr, Dy, Tb



Green Technologies – Including automotive Catalytic Converters to reduce NOx, CO gases and new generation direct drive Wind Turbines
Benefits: Making vehicle emissions cleaner, and wind turbines lighter, more reliable, cheaper to maintain and lower energy production costs
Rare Earth products: NdPr, Dy, Tb, Ce

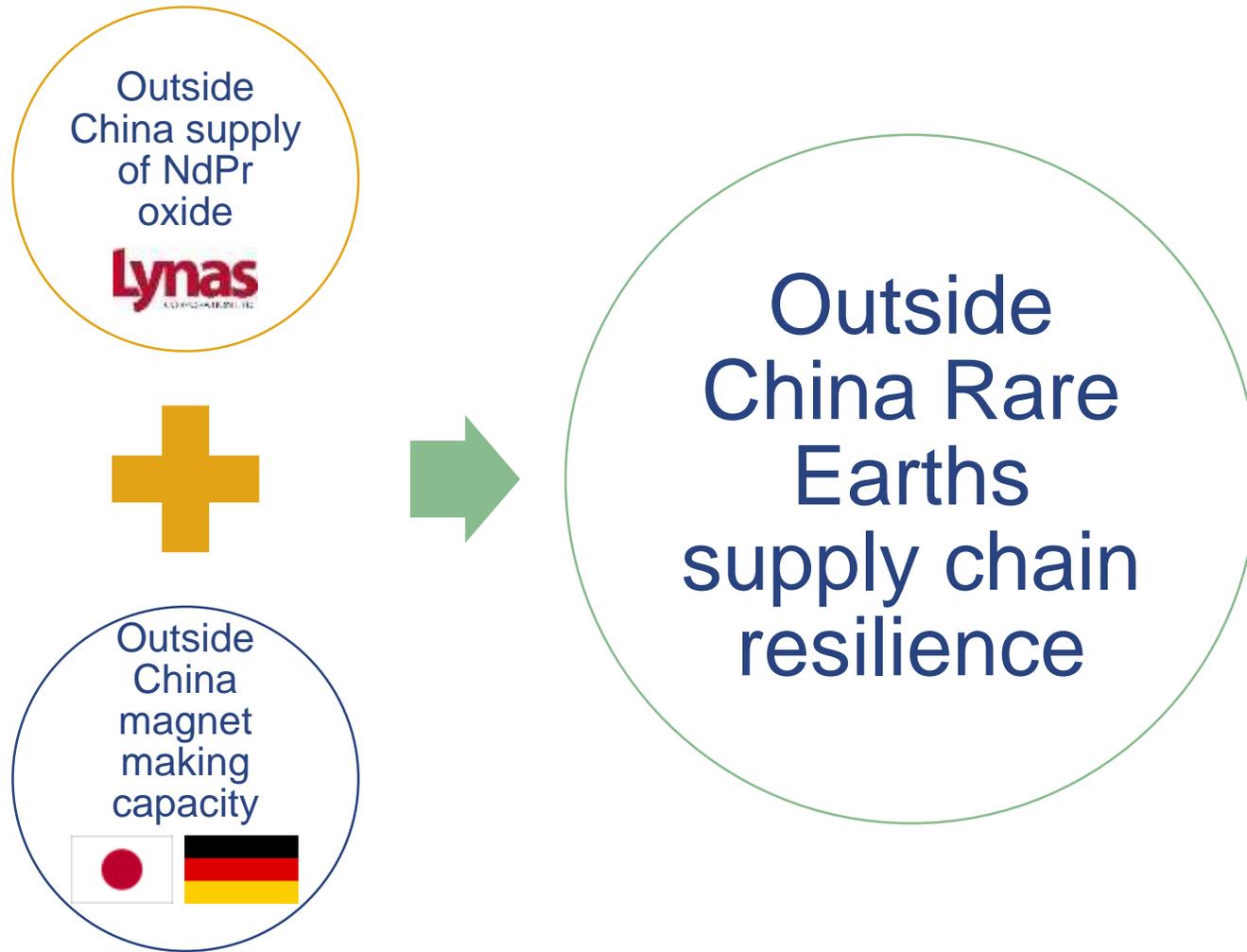


Consumer Electronics – Including smartphones and computer components
Benefits: Driving the evolution of smaller, lighter, cheaper and more efficient consumer devices
Rare Earth products: NdPr, Dy, Tb, Ce, La



Robotics, Appliances & Medical Devices – Including robotics, drones, household appliances, medical diagnostic equipment
Benefits: Improving energy efficiency and medical diagnoses
Rare Earth products: NdPr, Dy, Tb

Collective action needed to grow outside China RE supply chain



Lynas' NdPr production capacity exceeds current outside China demand

While Lynas can provide a sustainable supply of NdPr to outside China markets, the global market challenge is to develop additional magnet making capacity outside China

Strategic and collective action involving OEMs, Tier 1 suppliers and governments is required

The case for outside China separation of **Heavy Rare Earth (HREs)**

The market needs HREs

For each additional 30m eCars

+2000 tons Dy (100% of current annual supply)

+21000 tons NdPr (60% of current annual supply)

Supply concentrated in China

All HRE separation

Most HRE ore (decreasing)

Who else but Lynas?

We have the expertise

Inhouse IP & proven track record in RE separation

We have the feedstock

The high Dy content at our Mt Weld, Western Australia, mine (including Duncan) was noted on page 2 of our 6 August 2018 ASX release

Our project is ready to go

Process design finalised and benchmarked, detailed engineering work is well advanced

Lynas currently supplies approx. 20% of world demand for separated Rare Earth products



Supporting product & market development

- Successful development of value added products in FY20
- New grades of La & Ce piloted and under qualification by selected customers
- Focus on serving customer demand and supporting development of the market outside China



Constructing our planned Kalgoorlie Rare Earths Processing Facility in WA

- Kalgoorlie selected as location for planned Lynas Rare Earths Processing Facility 9 December 2019
- High level design completed, construction expected to commence in mid 2021, subject to approvals
- Project awarded Lead Agency status by the Government of Western Australia and Major Project status by the Australian Government



Developing our Heavy Rare Earth separation capacity

- Strong demand for Dy/Tb supply from magnet makers and magnet buyers
- HRE separation is an attractive strategic project
- Lynas and U.S. partner Blue Line undertaking detailed planning and design work as part of Phase 1 contract with U.S. DoD

Our Lynas 2025 growth vision will see us transform our business to grow with the market, drawing on our Tier 1 resource, inhouse intellectual property and product development technology

How is COVID-19 affecting Lynas?



Disinfecting surfaces



Temperature testing



Social distancing

- Lynas remains in robust financial shape
- Both sites continue to implement government safety and health recommendations and industry best practices
- COVID-19 special leave provisions were established for our people, including those residing in eastern states of Australia
- Production operating at 75% of the Lynas NEXT production rates since June - sufficient to refill supply chains and to restock depleted inventories while maintaining COVID-related health and safety protocols
- Demonstrated our ability to adjust the cost base to mitigate the effects of the COVID-19 shutdown and optimise efficiencies at 75% production (equivalent to original nameplate capacity)

Our strengthened balance sheet provides certainty & flexibility

- ✓ Recent \$425m equity raising received significant demand from investors
- ✓ Delivers timely funding for *Lynas 2025* foundation projects:
 - Kalgoorlie Rare Earth Processing Facility, and
 - Associated upgrades at the Lynas Malaysia plant
- ✓ Mitigates uncertainty created by COVID-19 in the near and intermediate term

Certainty

- ✓ Equity funding significantly enhances Lynas' balance sheet during a critical transformation and growth period
- ✓ Operating cash flow can be used for other essential capital projects including Malaysian Permanent Deposit Facility (PDF)
- ✓ Flexibility to use other funding solutions to capture additional growth opportunities as they arise

Flexibility

Meeting our customers' needs for **sustainably produced Rare Earths**



Lynas Rare Earth materials are used in industries where environmental provenance and sustainability matter

OUR VALUES



Care

We care for and respect each other, our communities and the environment. We make sure we all go home safe and well.



Achievement

We are resilient and committed. We overcome challenges to achieve our goals.



Expertise

We are driven to be the world's best in Rare Earths and to earn the respect of our customers.



Diversity

We are a multicultural company. We value and embrace diversity.



Sustainability

We are passionate about contributing to a sustainable future and green technologies.

Visit our Investor Centre at:
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