



ersonal use only

LYNAS RARE EARTHS

FY21 Results

Investor Presentation

27 August 2021

Disclaimer

This presentation has been prepared by Lynas Rare Earths Limited (ABN 27 009 066 648) (Lynas or the Company) this presentation contains summary information about Lynas and its subsidiaries (Lynas Group) and their activities current as at the date of this presentation. The information in this presentation is of general background and does not purport to be complete or to comprise all the information that a shareholder or potential investor in Lynas may require in order to determine whether to deal in Lynas shares. It should be read in conjunction with Lynas group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au. This document is not a prospectus or a product disclosure statement under the Corporations act (Cth) 2001 (Corporations Act) and has not been lodged with ASIC.

Not investment or financial product advice

This presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Lynas shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. Lynas is not licensed to provide financial product advice in respect of Lynas shares. Cooling off rights do not apply to the acquisition of Lynas shares.

Financial data

All dollar values are in Australian dollars (A\$) unless stated otherwise and financial data is presented within the full year ending 30 June 2021 unless stated otherwise. Any pro forma historical financial information included in this presentation does not purport to be in compliance with article 11 of regulation S-X of the rules and regulations of the US securities and exchange commission.

Future performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. This presentation contains certain "forward-looking statements". The words "expect", "should", "could", "may", "will", "predict", "plan", "scenario", "forecasts", "anticipates" "estimates" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-

looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Investment risk and other risks

An investment in Lynas shares is subject to investment and other known and unknown risks, some of which are beyond the control of Lynas group, including risk factors associated with the industry in which Lynas group operates, such as: nature of mineral exploration and production; mineral and ore reserves; operations risks; project development risks; market price and demand risk; credit and market risks; regulatory, political and environmental risks; tax and other risks generally relating to equity investment.

Not an offer

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the united states. Any securities described in this presentation have not been, and will not be, registered under the U.S. Securities act of 1933 (the "securities act").

Disclaimer

Lynas and its affiliates, officers, employees, agents and advisers have not authorised, permitted or caused the issue, dispatch or provision of this presentation to any third party. Lynas, its related bodies corporate and their respective affiliates, officers, employees, agents and advisers to the maximum extent permitted by law, expressly disclaim all liabilities in respect of any expenses, losses, damages or costs incurred by you as a result of the information in this presentation being inaccurate or due to information being omitted from this presentation, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information. The information in this presentation remains subject to change without notice.

Record profit and strong financial performance

	FY21	FY20	Movement	
	\$m	\$m	\$m	%
Net Sales Revenue	489	305	184	60%
EBITDA	235	60	175	292%
Net Profit after tax	157	(19)	176	n/a

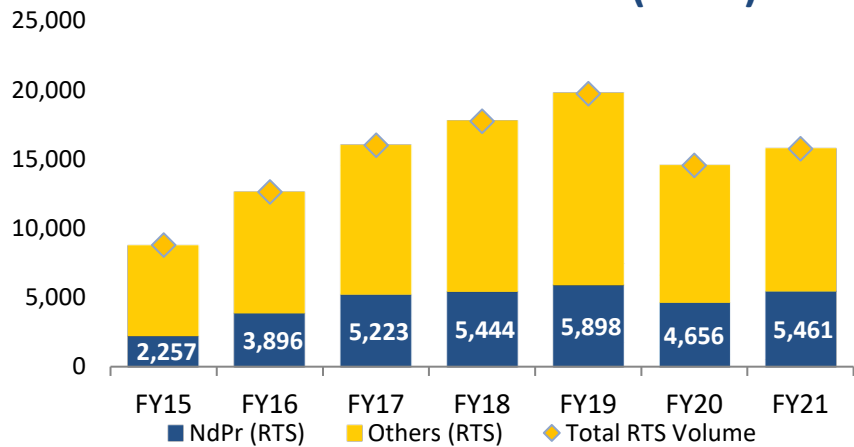
	30 June 2021	30 June 2020	Movement	
	\$m	\$m	\$m	%
Cash and short- term deposits	681	102	579	568%
Net Assets	1,083	518	565	109%
Market Capitalisation	5,145	1,262	3,883	308%

- Record profit achieved
- Production sustained safely at 75% of Lynas NEXT capacity despite challenges of COVID-19
- Effective cost controls maintained
- Strong Balance Sheet including approx. \$425m equity raising in September 2020
- Cash and short term deposits of \$681m
- Debt balance of \$171m (JARE loan) following conversion of final tranche of convertible bonds in August 2020
- Continued progress on *Lynas 2025* growth initiatives

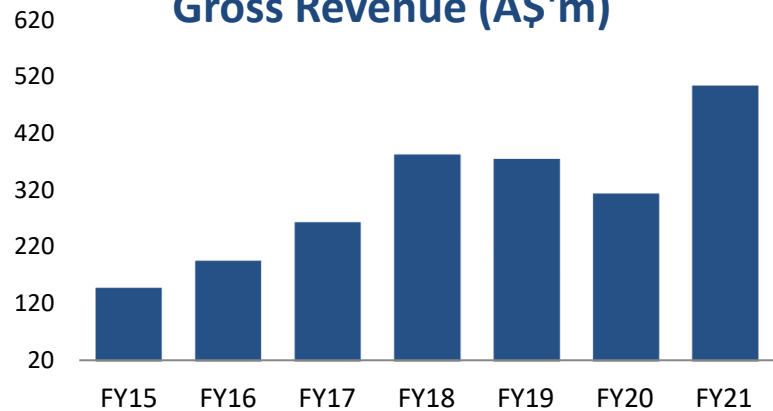
Note: Percentage may differ from the sum of the separate figures due to rounding

FY21 Results

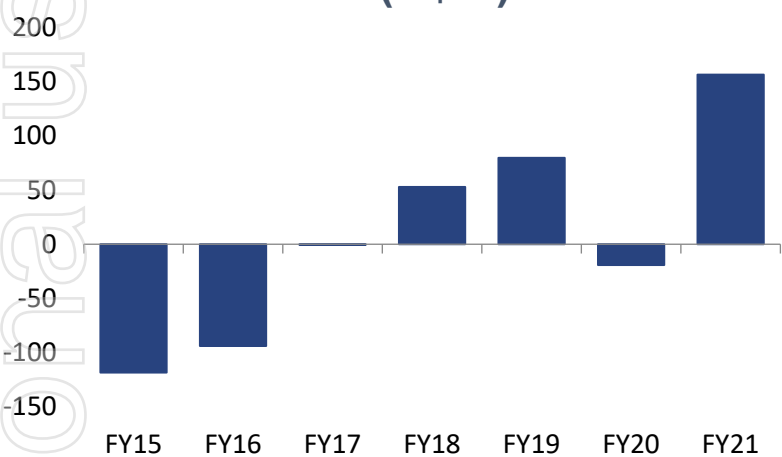
Production Volume (REOt)



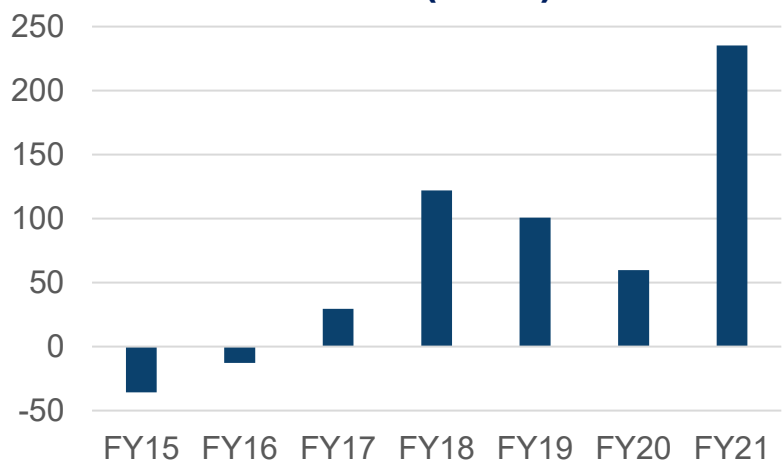
Gross Revenue (A\$m)



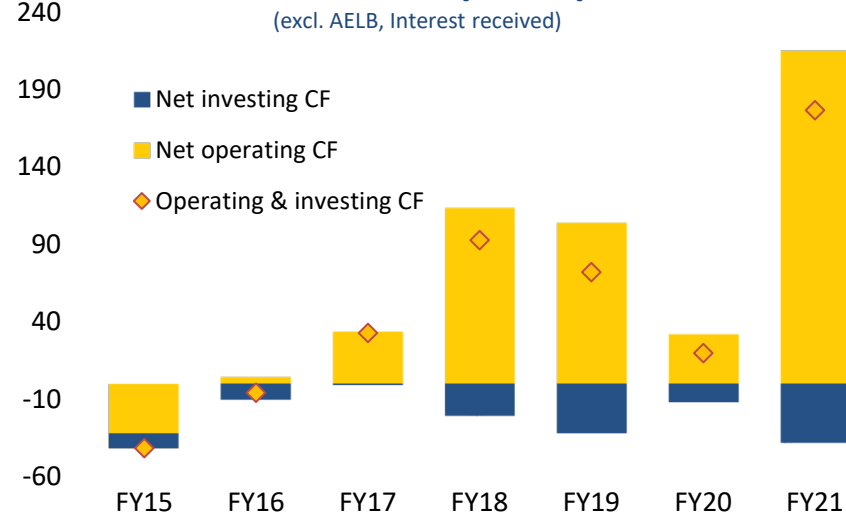
NPAT (A\$m)



EBITDA (A\$m)



Cash Flow (A\$m)



Meeting customer demand

READY FOR SALE
PRODUCTION
VOLUME - REO

15,761
TONNES

(FY20: 14,562 TONNES)

READY FOR SALE
PRODUCTION
VOLUME - NdPr

5,461
TONNES

(FY20: 4,656 TONNES)

AVERAGE
SELLING PRICE

A\$29.8
PER KG

(FY20: A\$21.5/KG)

SALES VOLUME
TOTAL REO

16,405
TONNES

(FY20: 14,172 TONNES)

COST OF SALES

A\$(302.2)
MILLION

(FY20: (257.3M))

NdPr OXIDE CHINA
DOMESTIC PRICE
(EX-VAT) JUNE 2021

US\$64.7
PER KG

(JUNE 2020: US\$36.0/KG)

Leveraging positive market conditions

Safe, sustainable production

- Enhanced COVID-19 health and safety protocols at both sites; zero workplace transmission in FY21
- 12-month rolling lost time injury frequency rate: 0.8 per million hours worked at 30 June 2021 (June 2020 0.8/m hours worked)
- 12-month total recordable injury frequency rate: 2.1 per million hours worked at 30 June 2021 (June 2020 3.5/m hours worked)
- Annual ISO audits successfully completed and Lynas Malaysia and Mt Weld recertified to ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management) and ISO 45011:2018 (Occupational Health and Safety Management) standards



Employee engagement

- Lynas' success relies on the efforts of our employees who remained determined and disciplined in FY21
- High staff retention at all levels including senior management
- Exemplary compliance with comprehensive COVID-19 policies which cover work and home lives
- Focus on all aspects of diversity; increase in total female employees to 19.2% and women in senior executive positions to 21%

Meeting customer and investor needs for ethical and responsible Rare Earths

Environment



- Completed review and assessment of GHG emissions frameworks in FY21
- Continued to update Life Cycle Assessment
- Lynas Malaysia awarded a Gold Medal EcoVadis sustainability rating for the 2nd time in July 2021, placing Lynas Malaysia among the top 5% of companies evaluated

Social

- Ongoing community consultation and engagement on key projects
- Increased support for our communities affected by COVID-19 and extreme weather events
- Increased focus on employee diversity delivering results

Governance

- External risk assurance mapping exercise undertaken
- Increased focus on cyber security
- Modern slavery training and risk assessment undertaken

Reporting

- First annual Modern Slavery Statement released March 2021
- Second annual Sustainability Report released October 2020
- New format ESG Report to be released in October 2021



Focus on operational Excellence

- Continuous improvement program driving operational performance at both sites
- Continued strong cost control
- Careful management of inventory despite international shipping delays
- Ongoing investment in internal product innovation & R&D
- Implementation of 7S management at Lynas Malaysia

Lynas
Rare Earths



Ongoing investment in operating assets

- Malaysian plant audit conducted and comprehensive maintenance programme being implemented
- Implementation of new water management solutions at both sites
- Commissioning of 2nd Stack Cell at Mt Weld commenced in June 2021, following successful implementation of the Pre-Rougher Stack Cell in 2019



Favourable market dynamics

- Global vehicle sales forecast to grow between 8 and 10% in 2021 (S&P Global Ratings)
- Demand for electric vehicles has accelerated - global electric car sales rose by around 140% in Q1 2021 (IEA)
- NdPr demand growing with forecast global demand for NeFeB alloys and powders increasing at a CAGR of 9.7% from 2020 to 2030 (Adamas Intelligence)
- NdPr China domestic price (ex-VAT) grew to US\$64.7/kg in June 2021 from US\$36.0/kg June 2020; future price trends are dependent on end product demand



Growing demand for our products

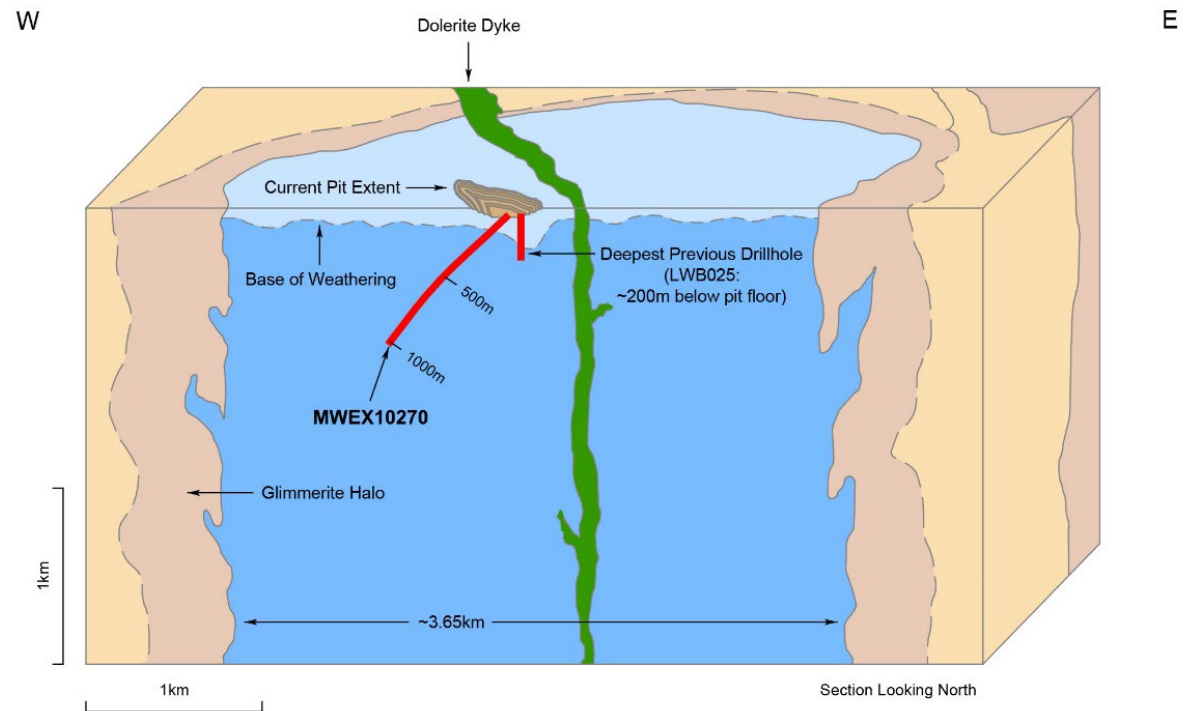
- High growth NdFeB market contributing to demand for our NdPr product family and mixed Heavy Rare Earths
- Lynas is the leading supplier of NdPr products to the Japanese market
- Demand for catalyst from the automotive and Fluid Catalytic Cracking (FCC) sectors back to pre-COVID levels
- Continued focus on strategic customer relationships



Developing our resource for the future

Managing our Mt Weld resource to meet forecast demand growth:

- Two new exploration drill holes established below the current Mt Weld pit floor
- Significant and continuous intersections of Rare Earth minerals identified below the current life of mine
- 1km deep exploration drilling completed to expand the ore body knowledge of the Mt Weld REE deposit and assist with planning for future resource expansion



FY21 Mt Weld initiatives included:

- Ongoing metallurgical test work on drillhole samples
- Installation of new dryer to improve the physical quality of the concentrate
- Installation of new stack cell
- Preparations for new mining campaign which commenced in Q1 FY22



Leveraging downstream processing capability

- Sustained Lynas Malaysia production at 75% of Lynas NEXT capacity (original nameplate capacity) in FY21
- Successfully managed challenges including pandemic-related restrictions to the number of employees on site and disruptions to shipping and raw material supply as well as water supply issues in the June quarter
- The plant performed well during the year and maintenance program of work will ensure it is well positioned for FY22



Lynas
Rare Earths



Further FY21 Lynas Malaysia initiatives included:

- Implemented strict COVID-19 Standard Operating Procedures as required by the Malaysian government as well as additional controls to protect our people and communities
- Progressed work on the development of the Permanent Deposit Facility (PDF) for WLP residue, including community consultation

Creating a foundation for growth

Progress on the Kalgoorlie Rare Earths Processing Facility:

- Minor and preliminary works on site approved by the WA EPA in March 2021, including access road, site office and pad suitable for the delivery of steel tanks and kiln
- EPA 4-week public review of the Environmental Review Document for the project commenced in June 2021
- Lynas established community Pop-up Information Point in Kalgoorlie in September 2020 and June 2021



Project milestones achieved in FY21 include:

- Early works commenced on Kalgoorlie site
- Orders placed for all long lead time items and 60% of total equipment requirements
- Fabrication of the five kiln shell sections now complete
- First Kalgoorlie-based employees hired

Expanding our industrial footprint

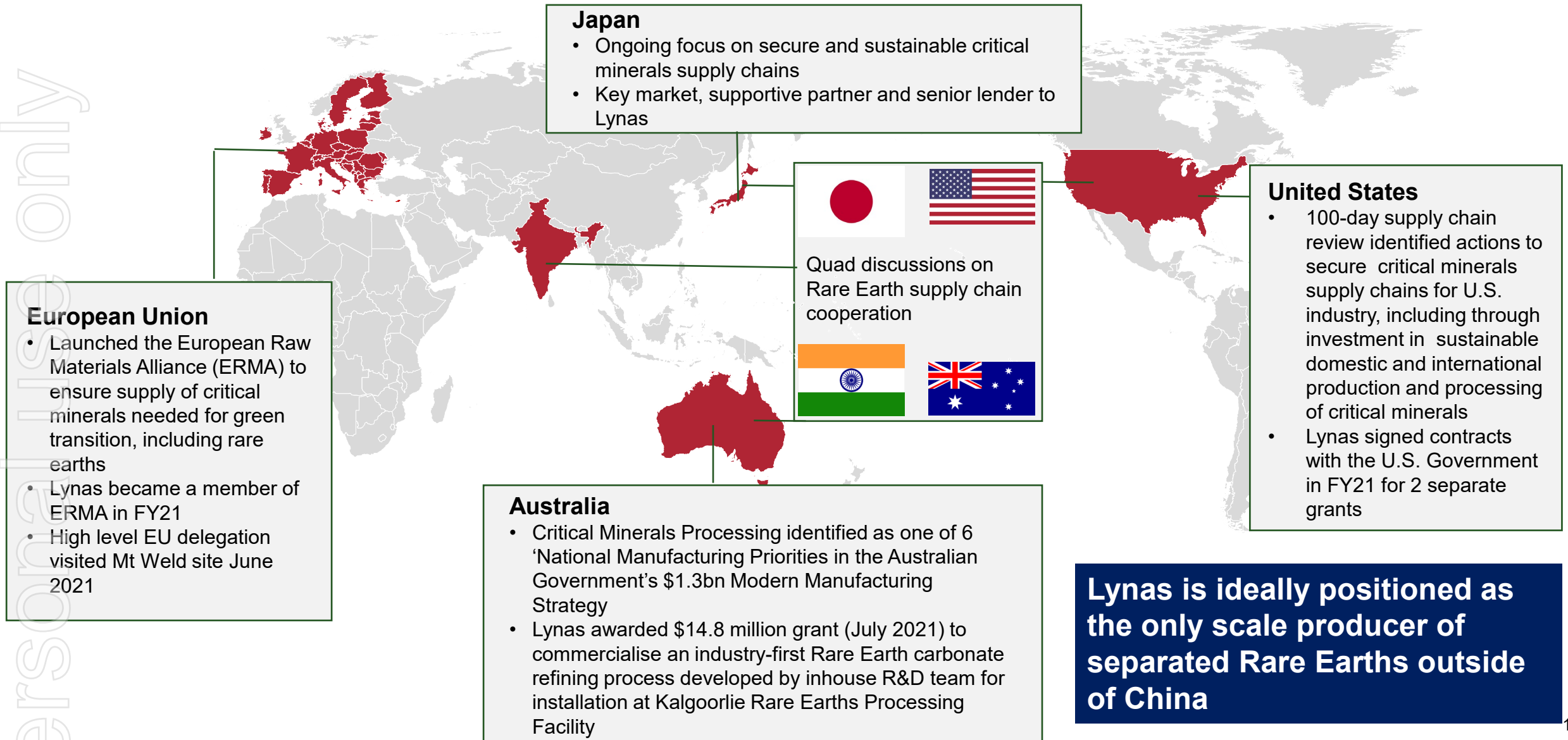
Lynas signed 2 separate funding contracts with the United States Government in FY21:

1. Contract signed for Phase 1 work for the construction of a U.S. based HRE separation facility (27 July 2020)
2. Contract signed with the United States Government to build commercial Light Rare Earths separation plant in the United States (22 January 2021)

Lynas
Rare Earths

- Detailed engineering and design work for the Heavy Rare Earths (HRE) Separation Facility was submitted to the U.S. Government in the June quarter in line with U.S. DoD Phase 1 milestones.
- Progressing with site studies and planning for integrated Rare Earths Separation Facility
- This work supports the *Lynas 2025* growth vision to have upstream processing close to our resource and downstream processing close to our customers

Governments are alert to supply chain vulnerability and taking action



Lynas 2025 growth plan to meet accelerating market demand

Malaysia



Lynas Malaysia: Over 8 years of operation in Gebeng, Malaysia
Efficient Cracking & Leaching, Solvent Extraction, Product Finishing

United States

Establish RE processing platform for LRE/HRE separation & specialty materials
Initial contracts for financial support signed with U.S. DoD in FY21

Mt Weld, Western Australia



10 years of operation, Tier 1 deposit
Mine and Concentration Plant
Continuing exploration and development

Kalgoorlie, Western Australia

Rare Earths Processing Facility project funded and well progressed



Our operations in 2021



2 operating sites



2 countries
Headquartered in WA



Global sales

Our operations in 2025



4 operating sites



3 countries
Headquartered in WA



Global sales
& operations

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
LynasRareEarths.com

Appendix A: JORC Compliance and Competent Person's Statement

Exploration Results

The information in this report that relates to the Exploration Results is based on information compiled by Dr Sadangaya Ganesh Bhat. Dr Sadangaya Ganesh Bhat is a full-time employee of Lynas Rare Earths. Dr Sadangaya Ganesh Bhat is a member of the AusIMM. Dr Sadangaya Ganesh Bhat 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 Sadangaya Ganesh Bhat consents to the disclosure of information in this report in the form and context in which it appears.

The potential extent and grade of the Fresh Carbonatite is unknown at this stage, as there has been insufficient exploration and it is uncertain if further exploration will result in estimation of a Mineral Resource. The Exploration Results have been prepared and reported in accordance with the 2012 edition of the JORC Code

Mineral Resources and Ore Reserves

Full details of the material change that occurred in 2018 are reported in the Lynas ASX announcement dated August 6, 2018, titled “**Lynas announces a 60% increase to Mt Weld Ore Reserves, one of the world’s richest sources of Rare Earths**”. Current Resource and Reserve Statements for the Mt Weld Rare Earth Mineral Deposit Mineral Resources are in the 2020 Annual Report created on 6 October 2020 and available to view at: https://www.lynasrareearths.com/wp-content/uploads/2020/10/LYC_AR20-30Sep20-LODGE-2122450-1.pdf. The company confirms that all material assumptions and technical parameters underpinning the estimated Ore Reserves set out in the ASX announcement dated August 6, 2018 continue to apply and have not materially changed.