



LYNAS RARE EARTHS
FY21 Results

Investor Presentation

27 August 2021

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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 |

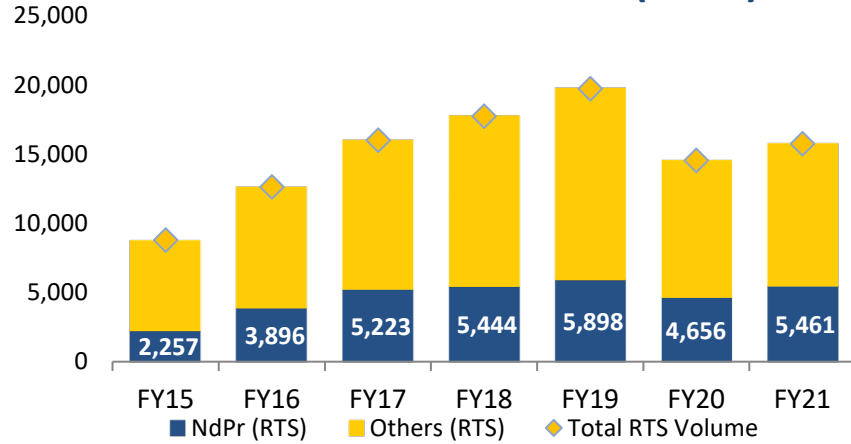
| | 30 June 2021 | 30 June 2020 | Movement | |
|-------------------------------------|--------------|--------------|----------|------|
| | \$m | \$m | \$m | % |
| Cash and short-term deposits | 681 | 102 | 579 | 568% |
| Net Assets | 1,083 | 518 | 565 | 109% |
| Market Capitalisation | 5,145 | 1,262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

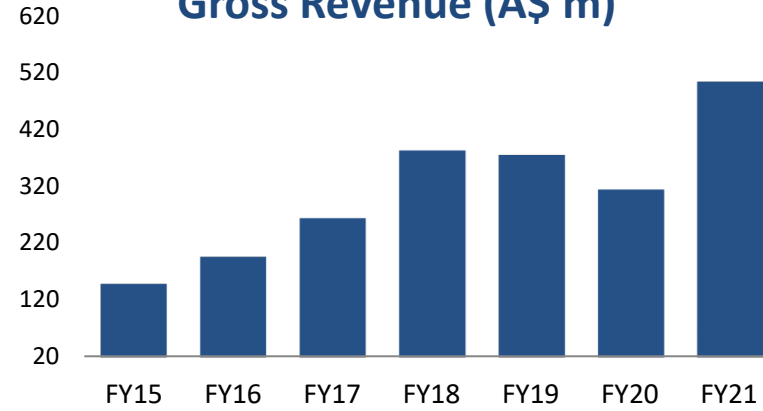
Note: Percentage may differ from the sum of the separate figures due to rounding

FY21 Results

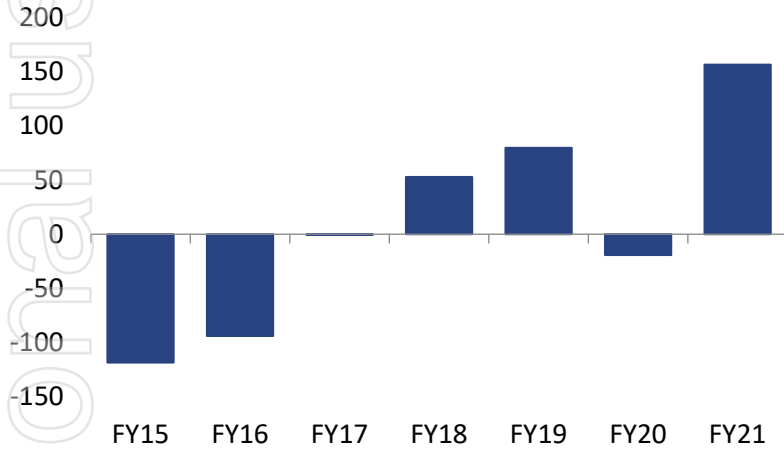
Production Volume (REOt)



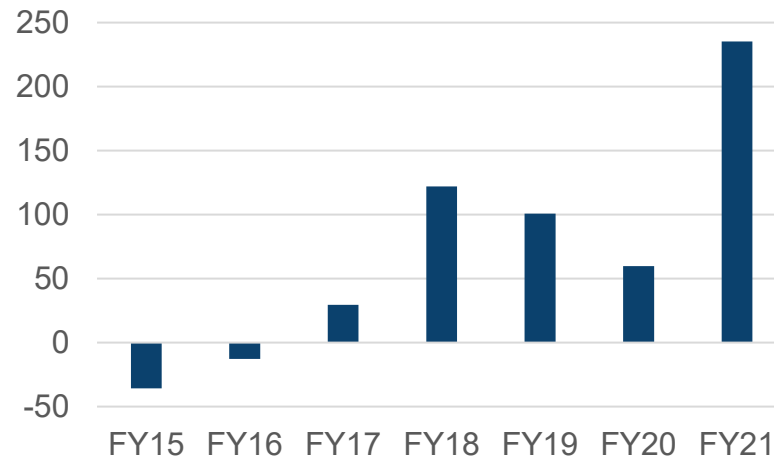
Gross Revenue (A\$m)



NPAT (A\$m)

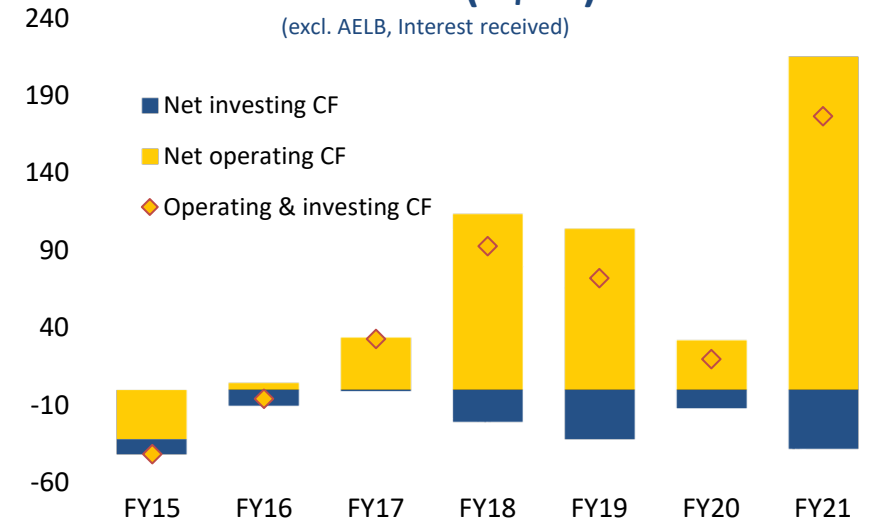


EBITDA (A\$m)



Cash Flow (A\$m)

(excl. AELB, Interest received)



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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



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



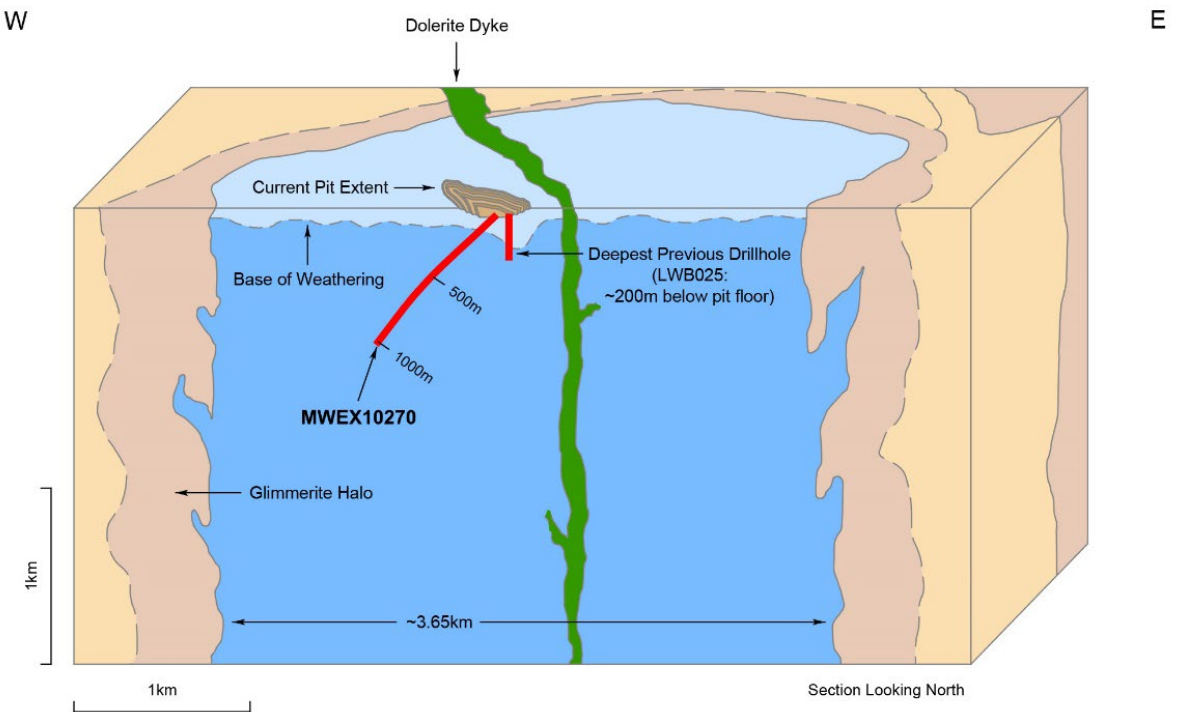
Growing demand for our products

- 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

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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)

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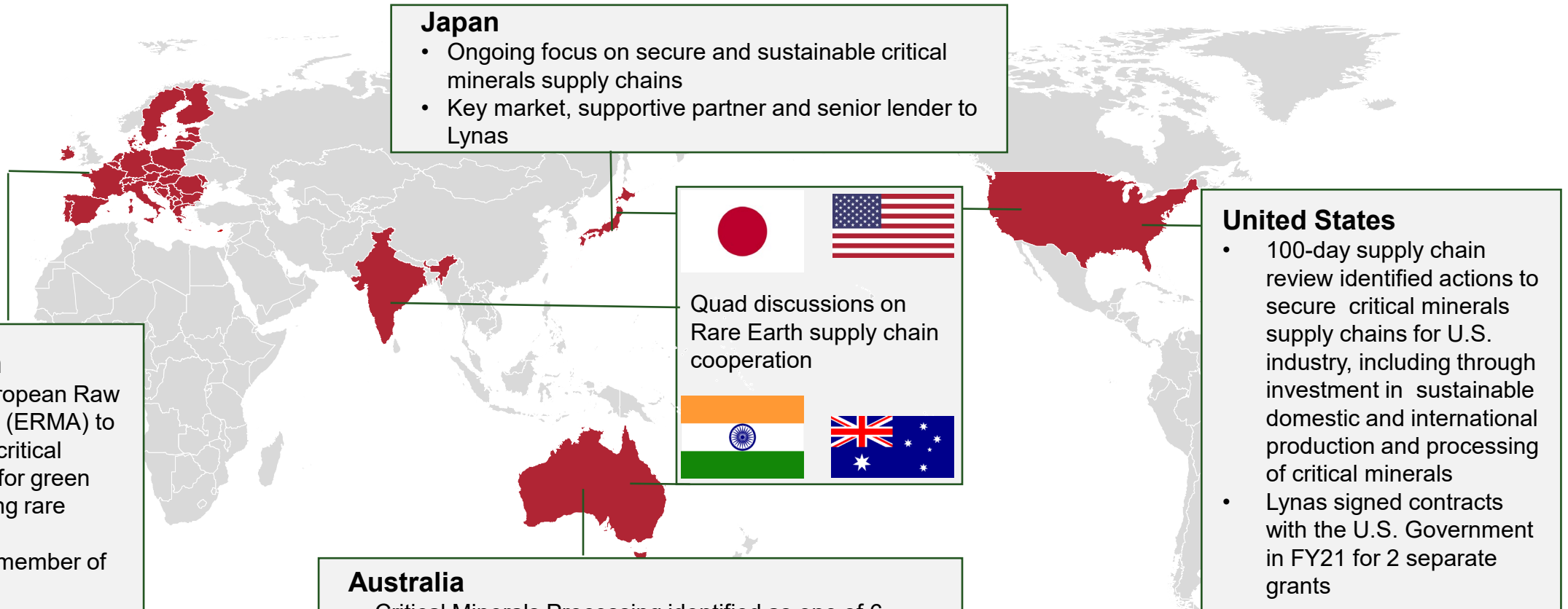
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- Detailed engineering and design work for the Heavy Rare Earths (HRE) Separation Facility was submitted to the U.S. Government in the June quarter in line with U.S. DoD Phase 1 milestones.
- Progressing with site studies and planning for integrated 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

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Japan

- Ongoing focus on secure and sustainable critical minerals supply chains
- Key market, supportive partner and senior lender to Lynas

European Union

- Launched the European Raw Materials Alliance (ERMA) to ensure supply of critical minerals needed for green transition, including rare earths
- Lynas became a member of ERMA in FY21
- High level EU delegation visited Mt Weld site June 2021



Quad discussions on Rare Earth supply chain cooperation

Australia

- Critical Minerals Processing identified as one of 6 'National Manufacturing Priorities in the Australian Government's \$1.3bn Modern Manufacturing Strategy
- Lynas awarded \$14.8 million grant (July 2021) to commercialise an industry-first Rare Earth carbonate refining process developed by inhouse R&D team for installation at Kalgoorlie Rare Earths Processing Facility

United States

- 100-day supply chain review identified actions to secure critical minerals supply chains for U.S. industry, including through investment in sustainable domestic and international production and processing of critical minerals
- Lynas signed contracts with the U.S. Government in FY21 for 2 separate grants

Lynas is ideally positioned as the only scale producer of separated Rare Earths outside of China

Lynas 2025 growth plan to meet accelerating market demand

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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 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.