

8 May 2023

MALAYSIAN OPERATING LICENCE UPDATE

Lynas Rare Earths Ltd (ASX: LYC, OTC:LYSDY) ("Lynas") advises of a variation to the Malaysian operating licence conditions of its wholly-owned subsidiary Lynas Malaysia. Lynas Malaysia has been advised that its licence to import and process lanthanide concentrate is now valid until 1 January 2024.

This change has been made by the Minister of the Ministry of Science, Technology and Innovation (MOSTI) in response to the appeals filed by Lynas under the *Atomic Energy Licence Act 1984* (as announced on 16 and 24 February 2023). The MOSTI Minister has otherwise dismissed Lynas' appeals.

The licence variation allows the Lynas Malaysia cracking and leaching plant to continue to operate until 1 January 2024 and will remove the requirement for a shutdown at the Lynas Malaysia plant prior to 1 January 2024 (refer announcement 12 April 2023).

Lynas had applied to the MOSTI Minister for the removal of the conditions which limit operations at the Lynas Malaysia facility as they represent a significant variation from the conditions under which Lynas made the initial decision to invest in Malaysia. Further, the conditions do not follow the recommendations of the Malaysian Government's 2018 Executive Review Committee report on Lynas Malaysia's operations, the Atomic Energy Licensing Board's own audits of Lynas Malaysia's operations or any of the 3 prior independent expert scientific reviews of Lynas Malaysia's operations.

Malaysia offers legal avenues for the review of the licence conditions. Lynas has made significant investments in its Malaysian facility and will seek review through these processes in respect of the conditions to ensure that Lynas is treated fairly and equitably as a Foreign Direct Investor and as a significant employer and contributor to the Malaysian economy.

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