

Lynas Rare Earths Limited

**Bell Potter
Unearthed Conference**

10 February 2022



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FY21 financial highlights

RECORD
PROFIT

\$157M

FY20: (\$19)M

RECORD SALES

\$498M

FY20: \$305M

EBITDA

\$235M

FY20: \$60M

CASH
AND SHORT TERM
DEPOSITS

\$681M

FY20: \$102M

Lynas
Rare Earths



FY21 operational highlights

15,761tne

Total REO

FY20: 14,562 tonnes

5,461tne

NdPr

FY20: 4,656 tonnes

Lynas 2025 project

- **Kalgoorlie:** Substantial progress on approvals and early works
- **USA:** Two contracts signed with U.S. Government

Resilient business

Successfully managed COVID-19 challenges - logistics, supply, staffing, inventory



FY21 ESG highlights

**Zero COVID-19
workplace
transmission**

Enhanced
COVID-19 health
& safety protocols

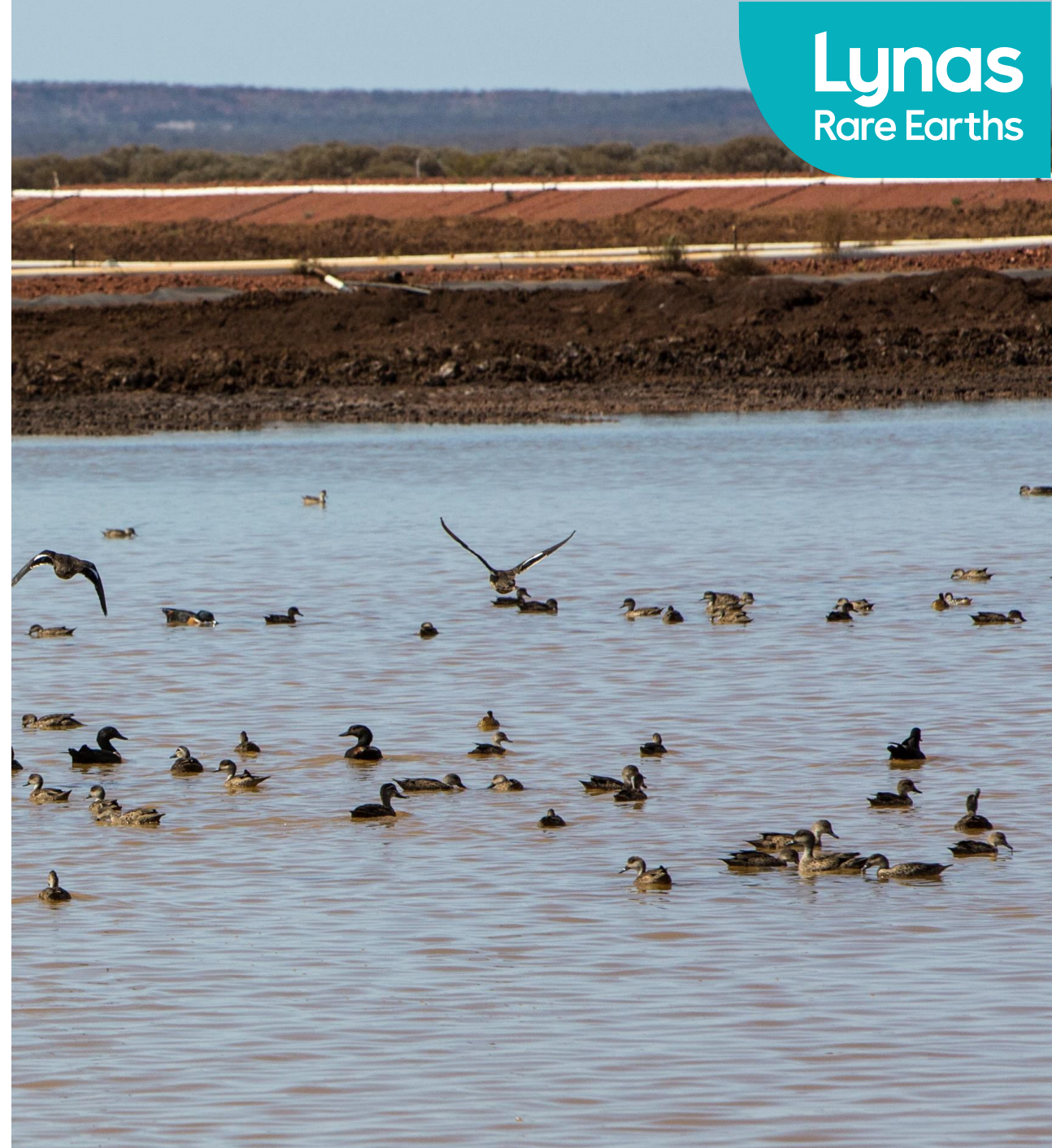
**Gold Medal
EcoVadis
Sustainability
Rating**

2nd award
July 2021

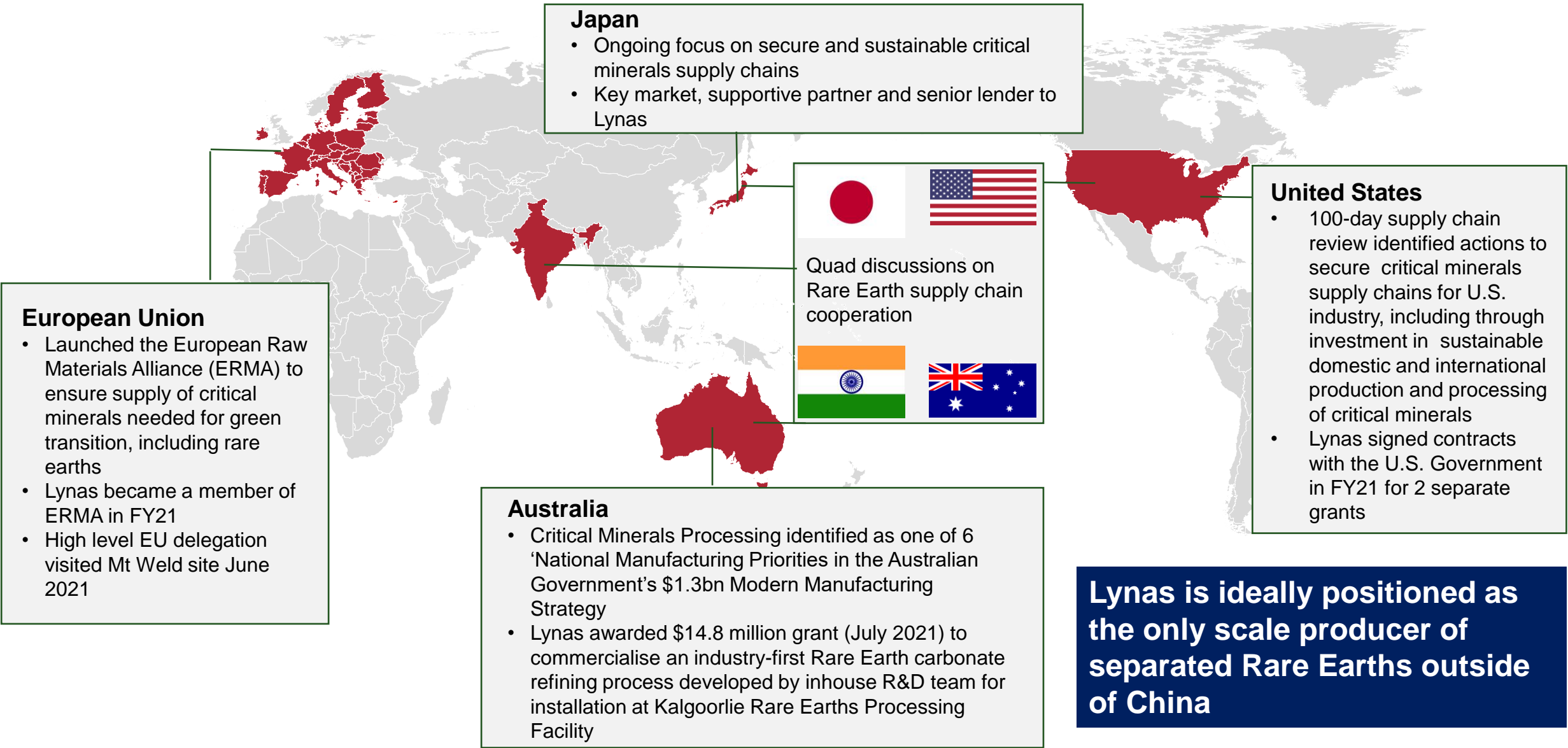
Commitment to
**Science Based
Targets
initiative
(SBTi)**
September
2021

21% women
senior executives
FY20: 16.7%

19.2% women
employees
FY20: 15.5%



Governments are acting on supply chain vulnerability



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

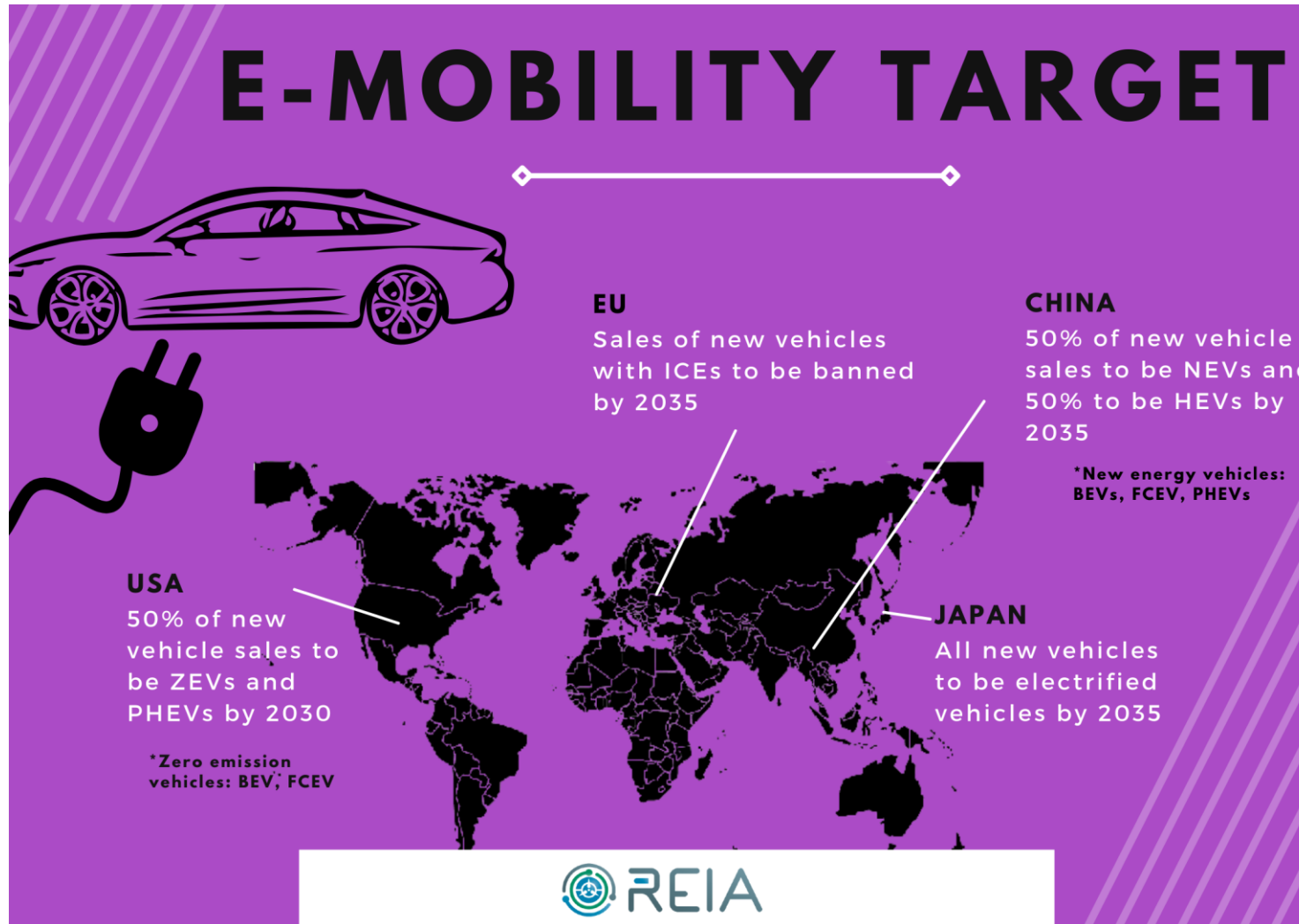
- Critical Minerals Processing identified as one of 6 'National Manufacturing Priorities in the Australian Government's \$1.3bn Modern Manufacturing Strategy
- Lynas awarded \$14.8 million grant (July 2021) to commercialise an industry-first Rare Earth carbonate refining process developed by inhouse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

Global e-mobility targets



Forecast Magnet market growth has accelerated

Rate of NdPr demand growth has accelerated

- Updated volume forecast for NdPr of at least 10% annual growth rate, up from previous 7.5%
- Corresponding increase in demand for Dy Tb - the average mix of REO in high performance NdFeB magnet is 90% NdPr/10% DyTb

Ongoing favourable market dynamics

- Demand for electric vehicles has accelerated - global electric car sales rose by ~140% in Q1 2021 (IEA)
- Autocatalyst market growth driven by global vehicle sales - forecast to grow between 8% and 10% in 2021 (S&P Global Ratings)
- Demand for catalysts from the automotive and Fluid Catalytic Cracking (FCC) sectors back to pre-COVID levels and expected to grow at a low moderate level

Diversifying Rare Earths supply chains has become a priority for governments and industry

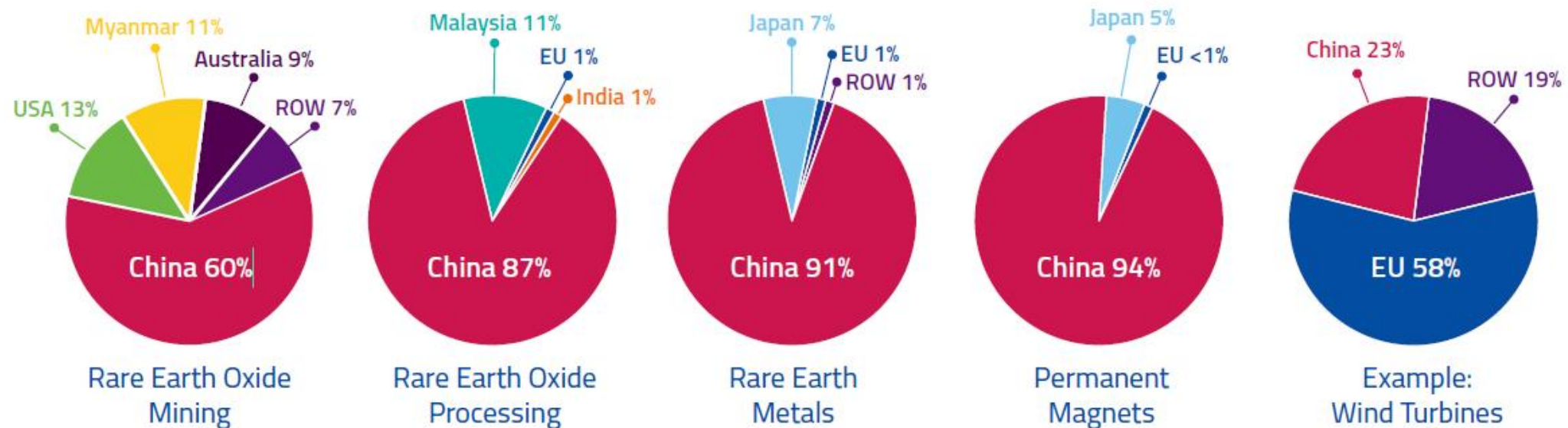


Fig. 3: From rare earths mining to wind turbine manufacturing: estimated market shares in 2019. Sources: Team analysis and Roskill 2018; Adamas Intelligence 2019; Peteves 2017; Carrara et al. 2020; IEA 2021; USGS 2021.

Lynas 2025 growth plan

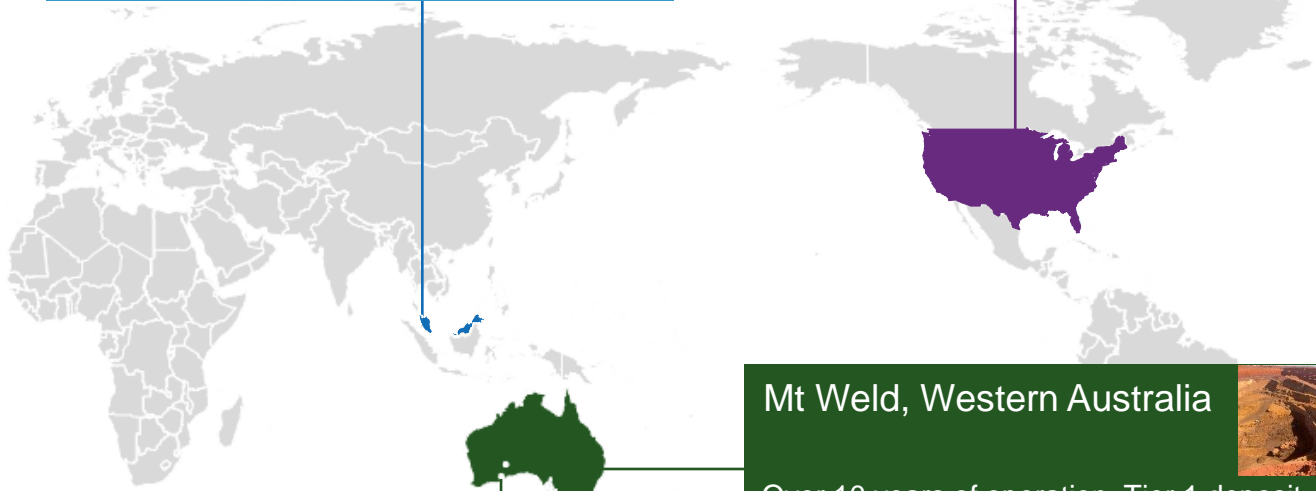
Malaysia



Lynas Malaysia: Over 9 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



Over 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

Delivering our Lynas 2025 Foundation Project: Kalgoorlie Rare Earths Processing Facility

Project details:

\$500m capital project

Operational by July 2023

**Replacement + growth
capacity**

**Able to process 3rd party
feedstock**

Key progress:

- **Ministerial approval** for implementation received 1 Feb 2022
- **Preliminary site works** well advanced
- **Kiln shell sections fabricated** and in Australia
- **WA fabricated steel tanks delivered** to site
- **100% of long lead time orders placed**
- **77% of total equipment orders placed**
- **First Kalgoorlie-based employees hired**
- **Water Agreement signed** with the City of Kalgoorlie-Boulder
- **Power access agreement signed** with Western Power
- **\$14.8m Australian Government grant** to commercialise industry first RE carbonate refining process

Kiln shell arrives in WA



Our commitment to regional & WA procurement

Pioneer Water Tanks, WA

Site earthworks,
Versatile Plant
Hire, Kalgoorlie

Treated water
pipeline installation,
Auscub Service,
Kalgoorlie

Grey water and sewerage,
Emyor Services,
Kalgoorlie

Water treatment, Reverse
Osmosis Plant and
disinfection plant
services, Aquasol, WA

QWEST Crane, WA

Access Hire EWP,
Kalgoorlie

\$12m rotary kiln
installation
contract awarded to
Alltype
Engineering, WA

Electricals, Goldfields
Electrical Contracting,
Kalgoorlie

\$20m Concrete Civils
construction awarded Jagcor, WA

Surveyor, McGregor
Surveys, WA

\$17.5m contract
48 steel tanks
awarded to
Polaris
Engineering,
Perth, WA

Buildings hired
through Ausco &
Onsite Kalgoorlie

Perimeter site
fencing by Built by
Geoff, Kalgoorlie



Developing our resource for future growth



Investing in Research and Innovation

Water treatment in Malaysia

Pilot commencing at Lynas Malaysia for innovative water treatment solution:

- Reduced water and chemical inputs through reuse
- Reduced residue / by-product production
- Zero discharge by design
- Cost benefits

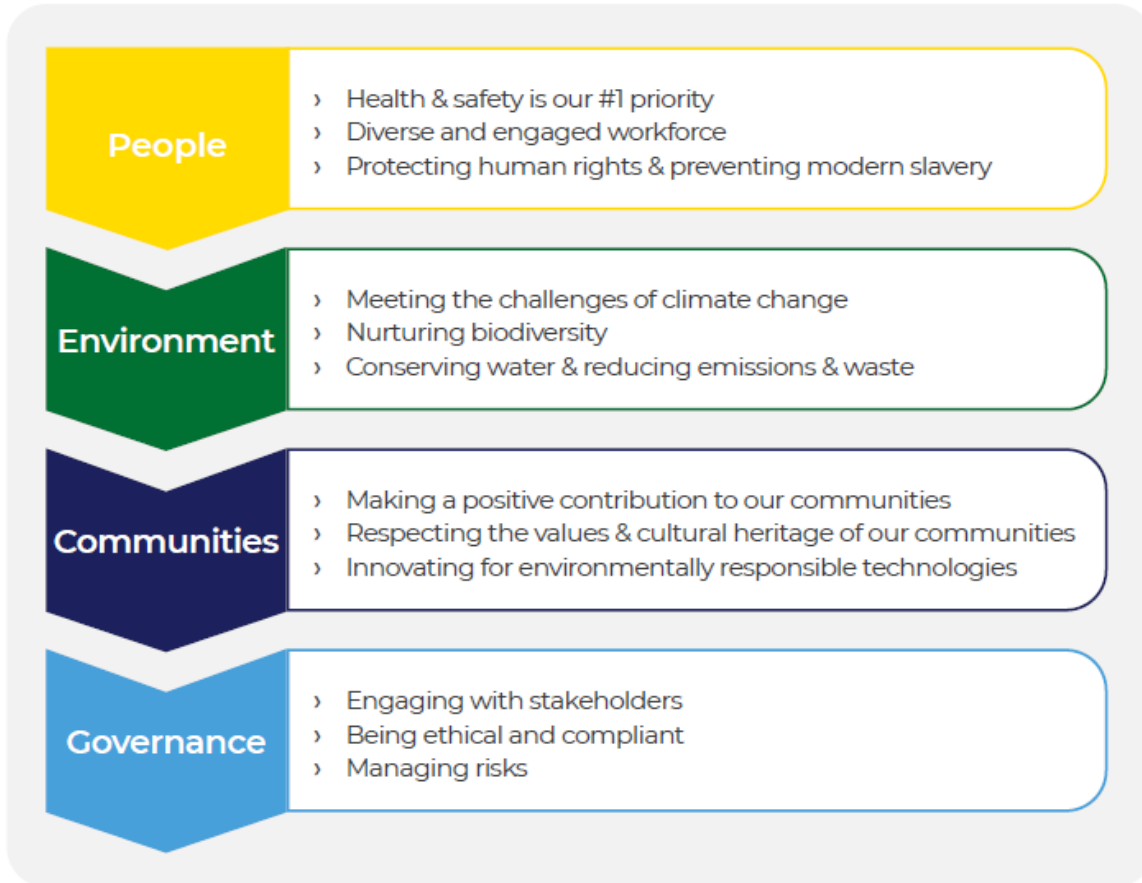


Modern Manufacturing Initiative grant in Australia

Industry 1st Rare Earth carbonate refining process:

- Developed by inhouse R&D team
- Higher purity Rare Earth carbonate
- Reduced chemical consumption
- Reduced processing costs

Our ESG approach



Meeting the challenges of climate change

Greenhouse Gas (GHG) Policy and GHG Management Plan for Mt Weld operations

Commitment to Science Based Targets initiative (SBTi)

Targets will be disclosed once verified by the SBTi

Life Cycle Assessments as part of the sustainable management of the product life cycle

Enhanced reporting in line with the Task Force for Climate-related Financial Disclosure (TCFD)

New processing flowsheet at Mt Weld reduces energy demand by 19% - equivalent to taking 515 cars off the road per year

Contract awarded to plot pathways to renewable energy use at Mt Weld to significantly reduce reliance on fossil fuels



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 us 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.