

A close-up photograph of an industrial process. A large, cylindrical metal component is suspended from above, and a thick stream of bright purple powder is being poured from its base into a rectangular, light-colored container. The container sits on a dark, textured surface, possibly a conveyor belt or a worktable. The background is filled with various industrial structures, including pipes, beams, and machinery, creating a complex, metallic environment. The lighting is focused on the pouring action, highlighting the texture of the powder and the metallic surfaces.

# Lynas Update

**Amanda Lacaze**

26-28 May 2020

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# Investing to Diversify our industrial footprint

## Gebeng, Malaysia

World's largest Rare Earths plant, separating and refining rare Earth Concentrate  
New opportunities for downstream processing being studied



## Western Australia

Tier 1 deposit at Mt Weld:  
Mining and Concentration.  
Cracking & Leaching plant in  
Kalgoorlie by 2023



## Texas, United States

MOU with a skilled US partner, Blue Line Corporation  
High value plant producing separated Heavy Rare Earths and value added Specialty Materials



# Making significant progress on Lynas 2025 initiatives



**Mt Weld, WA: Production ramp up to meet forecast demand growth**



**Kalgoorlie, WA: Building a new Cracking & Leaching plant in WA**



**Malaysia: Investing in increased downstream processing, product range, recycling**



**United States: Filling a market gap with new separation and product finishing capability**

## FY20 Progress

- Increasing Dysprosium (Dy) and Terbium (Tb) content of SEG by blending Duncan ore into the feed
- Optimising circuit changes
  - Pre-leach to reduce carbonate levels in concentrate
  - Kiln drying of concentrate

- Option signed on industrial site in Kalgoorlie for new plant
- Kalgoorlie processing plant awarded Lead Agency status by the Government of Western Australia (Dec 2019) and Major Project status by the Australian Government (Feb 2020)
- Project team established: Approvals and Engineering workstreams progressing well

- La and Ce quality improvements have delivered increased average selling price during the half year
- Circuit upgrades to further improve product quality have been completed

- Advanced plans for proposed Texas separation plant developed with Blue Line Corporation following signing of MOU on 20 May 2019



**Campaign 3 Pit looking North East**

# Lynas Kuantan RE Processing Facility - Cracking & Leaching Plant



# COVID-19 Protocols implemented at both sites



Arrival at front gate  
< 50% staffing



Social distancing  
in control room &  
other site  
facilities



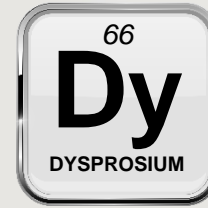
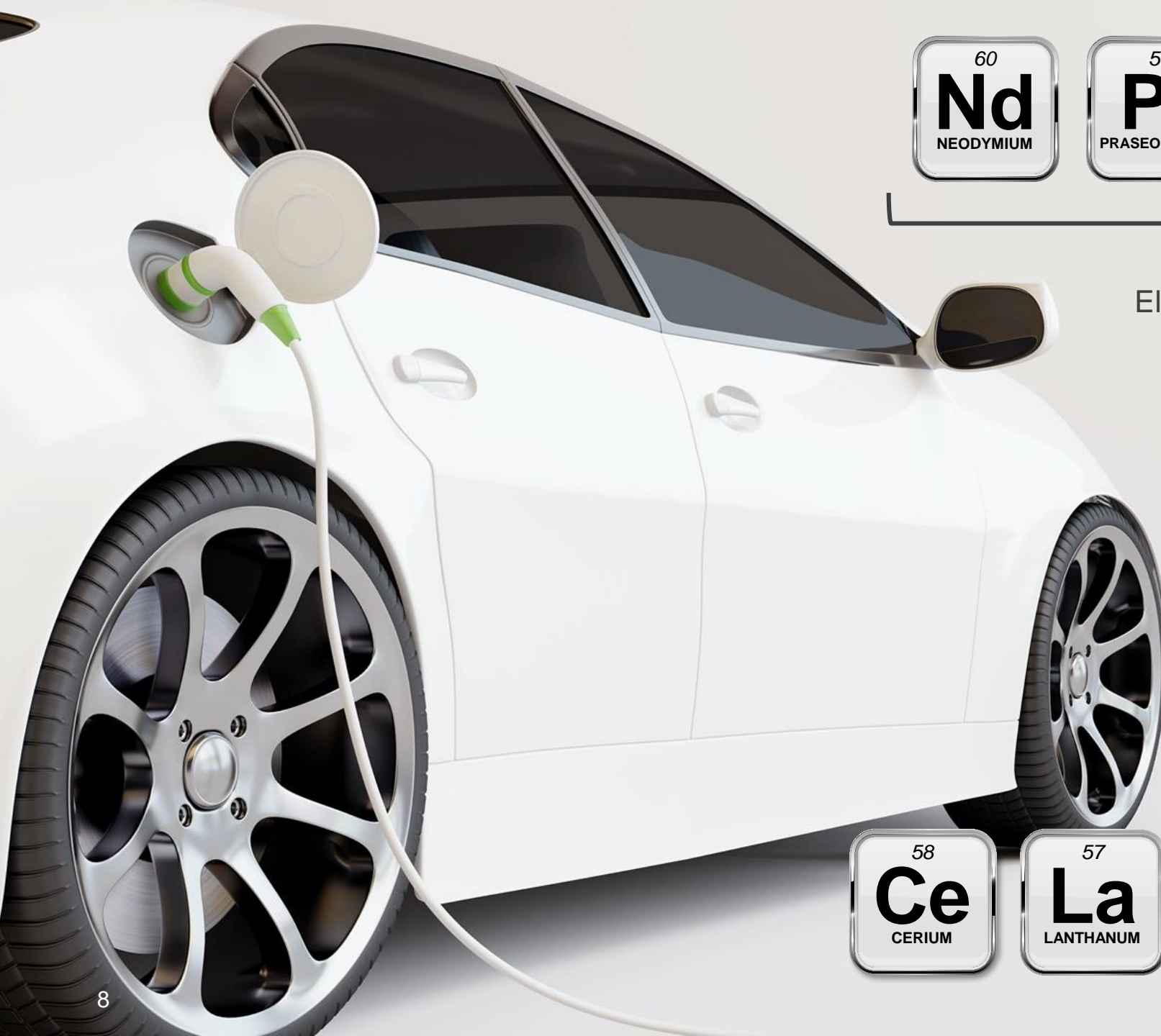
Disinfecting surfaces



Pre-start meeting



Temperature testing



Electric drives and generators  
Electric motors throughout vehicle

Rare Earths make vehicles  
lighter and more efficient

Rare Earths make vehicle  
emissions cleaner



Catalytic Convertor  
*Reducing NOx, CO*

Hybrid NiMH battery



# Continued **global demand for Rare Earths**

- **Global market:**
  - **Short term demand likely to be subdued due to COVID-19**
  - **Long term growth expectations remain strong**
- **NdPr growth over the next 10 years**
  - Automotive: Significantly affected by COVID-19, but expected to be more limited for EVs
    - Predicted -20% Global sales in 2020
    - Increased government support for EVs
      - Proposed 500 billion Euro EU Recovery Fund
      - China extended subsidies for EVs
    - Seeing greater resilience in NE Asian auto markets e.g. Korea
      - Korea -6% in Q1 20, growing in April
  - Wind Energy growth expected to accelerate from 2021
  - Reports of new stock piling program in China for NdPr, Dy, Tb (first since 2017)
- **Lynas:**
  - **Well established as alternative to China supply**
  - **Successful development of higher value added products**
- **COVID19 has increased appetite for RE supply chain alternatives to China:**
  - Lynas is engaging with end users and governments
- **Successful development of higher value products for La, Ce:**
  - New grades piloted in Q3 FY20; under qualification by selected customers
  - Commercialisation starting in Q4 FY20, including for new applications
  - Opportunity for substantial margin improvement with decreased dependence on market prices

# Heavy Rare Earths (HREs) are an attractive proposition

**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: 18 month timeline**

Detailed study finalized with Blueline at Hondo (TX)

# Planning continues for our Heavy Rare Earth separation facility



**Mt Weld, WA:  
Maximising our Heavy  
Rare Earths**



**Process Design:  
Finalized**



**Detailed engineering: Well  
advanced**



**Market: Strong appetite for  
separated HREs outside  
China**

## FY20 Progress

- Blending Duncan ore into the feedstock is increasing the Dysprosium (Dy) and Terbium (Tb) content of our SEG product
- Opportunities to optimize HRE recoveries

- Process design led by Lynas team members with operational experience of design and operation
- Design now finalized following extensive work
- Process benchmarked with best in class separation

- Detailed engineering work is well advanced
- Primary equipment has been specified and quoted
- Construction plans in progress

- Strong demand for Dy/Tb supply from magnet makers and magnet buyers
- Marketing plan for all production including customized downstream RE compounds used in different industries (Aerospace, Phosphors etc)
- Key markets include USA, Japan, Korea and Europe

# Sustainable Success. What does it take?

## Vertical Integration

Geology & Mining → Concentrator → Cracking & Leaching → Separation → Product Finishing → Product Development → Sales & Marketing

## Development of Intellectual Property

- Proven, proprietary inhouse expertise takes time
- Deep Technical support from RE experts

## Supportive Financiers and Shareholders

- Long term view
- Able to support Extended ramp up
- Ready to invest in Growth

## Hard Earned Market Position

- Bespoke product development
- Product qualification takes year(s) not months
- Supportive customers

## Community and Regulatory Support

- Community education regarding NORM
- Sustainable Producer – (ISO accreditation, LCA, Ecovadis “Gold level”)

## Competitive Cost Position

- High grade, long life orebody
- Capital efficiency
- Economies of scale

## Capable and Resilient People

- Will to win
- Develop & retain capability
- Hands on
- Agile

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