

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2023

31 July 2023

HIGHLIGHTS

		Q4 FY22	Q3 FY23	Q4 FY23
•	Quarterly Sales Revenue:	A\$294.5m	A\$237.1m	A\$157.5m
•	Sales receipts:	A\$351m	A\$229.2m	A\$188.9m
•	Closing cash and short term deposits:	A\$965.6m	A\$1,112.9m	A\$1,011.2m
•	Total REO production:	3,650 REOt	4,348 REOt	4,475 REOt
	o NdPr production:	1,579 REOt	1,725 REOt	1,864 REOt
•	Cash payments for CAPEX, exploration and development	A\$73.6m	A\$155.3m	A\$200.5m

CEO REVIEW

The strong operational performance recorded in the March guarter extended in the June guarter.

Lynas recorded its highest ever quarterly production of NdPr at 1,864 tonnes and Mt Weld delivered record quarterly concentrate production.

We continue to accumulate inventory as we plan for the start up of the Kalgoorlie facility. We have secured supply to our key customers and, in the coming months, given low market pricing, we will hold additional inventory directly.

External market dynamics, including softer demand for NdFeB magnets in Japan and China's recent oversupply of La-Ce, resulted in lower market prices for rare earth materials during the period. Sales revenue was \$157.5m and sales receipts were \$188.9m, reflecting the lower market prices for rare earth products during the quarter.

Mt Weld achieved record quarterly production in the period, with sufficient concentrate produced to feed the Lynas Malaysia plant and build inventory for the Kalgoorlie facility. Mining Campaign 4 was completed during the quarter and ore has been stockpiled for processing and production of concentrate. The Mt Weld exploration program continued during the period and 97 reverse circulation drillholes have now been completed.

During the quarter, we were pleased to receive a variation to our Malaysian operating licence which allows the Lynas Malaysia cracking and leaching plant to continue to operate until 1 January 2024. We continue



to seek review of our Malaysian operating licence conditions to maintain the conditions on which Lynas made the initial decision to invest in Malaysia and ensure that Lynas is treated fairly and equitably as a Foreign Direct Investor and as a significant employer and contributor to the Malaysian economy.

Final major construction activities for the Kalgoorlie Rare Earths Processing Facility continued during the quarter and full plant commissioning commenced.

During the quarter, construction verification, energisation and function testing was completed for the majority of process areas with significant progress achieved on the wet and fluid commissioning and process commissioning. Major earthworks including ponds required for initial production and on-site services including power, water and laboratory facilities are also complete, including the on-site gas supply.

The only major area required for first production which remains under final construction is the waste gas treatment plant. Additional resources have been mobilised to assist in the completion of this item however productivity improvements are limited by workfront availability. For those not familiar with construction, this effectively means the number of tasks that can be undertaken within a limited space.

The Kalgoorlie team is now targeting first production of MREC (Mixed Rare Earth Carbonate) in September 2023. This remains within the range of ramp up scenarios that has been considered for Kalgoorlie. The excellent NdPr production performance during the March and June 2023 quarters has enabled Lynas to build finished goods inventory to assist in meeting key customers' requirements during any transition period.

A number of members of the Lynas Malaysia cracking and leaching team are on site in Kalgoorlie to assist with training, commissioning and operational readiness for first production. This is an excellent opportunity to leverage the unique expertise of our Malaysian team members.

The Mt Weld Expansion Project is progressing as planned, with earthworks nearing completion and the early concrete works well progressed. Fabricated steel modules are being delivered to site in preparation for contractor mobilisation.

As announced on 21 June 2023, Lynas has been awarded a \$20 million grant as part of the Australian Government's Modern Manufacturing Initiative Manufacturing Integration Stream. The grant will contribute to the development of a new capability to process apatite-rich ores from the Mt Weld ore body through a newly developed process which will be undertaken as part of the Mt Weld expansion project.

In the United States, there has been continued progress on the planned U.S. Rare Earths Processing Facility in Texas including completion of the site acquisition, detailed engineering and long lead item procurement activities.

Lynas has completed the purchase of a 149-acre greenfield site in Seadrift, Texas. The site is located in an existing industrial zone. This large site will allow for co-location of the Heavy Rare Earths and Light Rare Earth separation plants as well as potential future growth opportunities such as downstream processing and recycling to create a circular mine to magnet supply chain.



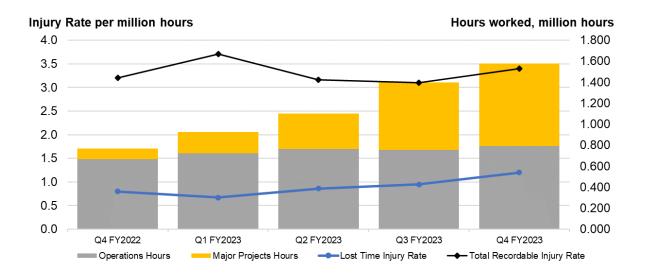
SAFETY AND ENVIRONMENT

Lynas is committed to ensuring the Company's operations and projects around the world are consistent with national and international safety and sustainability best practices.

The Company-wide 12-month rolling Lost Time Injury Rate, as of the end of June 2023, was 1.2 per million hours worked while Total Recordable Injury Rate was 3.4 per million hours for the same period.

We are very disappointed to report a Lost Time Injury at each of the Mt Weld, Kalgoorlie and Kuantan sites during the quarter. This appears to correlate to the increase in major project activity.

We have launched safety initiatives at each site which focus on identifying hazards and assessing and controlling risks prior to acting and reiterated that personal safety must always be prioritised over deadlines or production outcomes.



Detailed environmental monitoring since the start of Lynas Malaysia's operations in Kuantan in 2012 has consistently demonstrated that Lynas Malaysia is compliant with regulatory requirements and international standards. Information concerning the Company's environmental monitoring programs is available at www.LynasRareEarths.com.



MARKETING AND SALES

	Q4FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Sales Volume REO t	3,719	3,325	3,725	4,914	4,050
Sales Revenue	A\$294.5m	A\$163.8m	A\$217.5m	A\$237.1m	A\$157.5m
Average Selling Price	A\$79.2/kg	A\$49.3/kg	A\$58.4/kg	A\$48.3/kg	A\$38.9/kg
Sales Receipts (cash)	A\$351m	A\$234.4m	A\$168.4m	A\$229.2m	A\$188.9m

Note: Sales information in this report is provided on an unaudited basis.

The PrNd market price remains low and demand from customers outside China decreased during the quarter due to weaker demand for NdFeB magnets in Japan, especially in the factory automation industry sector. However, due to existing long term customer sales contracts, this did not have a significant effect on our sales performance in the quarter.

Similarly, La-Ce prices continued to decrease due to oversupply of La-Ce in China. Demand for our La-Ce product from our key customers remained stable.

Demand for Heavy Rare Earths was also stable during the quarter due to strong demand for high performance magnets for traction motors. Dy prices began to rebound during the quarter from May.

Future pricing trends will depend on the economic recovery in China and the Chinese production quota for the second half of 2023.

	NdPr Oxide China Domestic Price (VAT excluded)								
	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Apr	May	June	
USD/kg	120.4	93.9	83.2	86.6	60.3	62.3	58.2	60.4	
Base 100	100	78	69	72	50	52	48	50	

	Dy Oxide China Domestic Price (VAT excluded)							
	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Apr	May	June
USD/kg	340.9	294.5	290.7	294.9	255.0	247.6	253.9	263.4
Base 100	100	86	85	86	75	73	75	77

	Tb Oxide China Domestic Price (VAT excluded)							
	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Apr	May	June
USD/kg	1883.7	1717.9	1650.9	1641.9	1064.5	1159.1	1024.8	1009.7
Base 100	100	91	88	86	57	62	54	54



OPERATIONS

Upstream

Mt Weld delivered record concentrate production during the quarter. Mt Weld produced sufficient concentrate to feed the Lynas Malaysia plant and build inventory for the new Kalgoorlie Rare Earths Processing Facility.

Mining Campaign 4 was completed during the quarter and ore was stockpiled for future production.

The Mt Weld exploration program on the exploration target in the fresh carbonatite below the current Mt Weld life of mine design and ore reserve continued during the quarter. Reverse circulation drilling has commenced with 97 holes (17,432m) completed to date.

Downstream

	Q4FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Ready for Sale Production Volume Total	3,650 REOt	3,500 REOt	4,457 REOt	4,348 REOt	4,475 REOt
Ready for Sale Production Volume NdPr	1,579 REOt	1,045 REOt	1,508 REOt	1,725 REOt	1,864 REOt

Lynas Malaysia also delivered record production. A total of 1,864 tonnes of NdPr was produced during the quarter. This was the second consecutive quarter that the Lynas Malaysia team has delivered record NdPr production.

The excellent performance is the result of effective operational equipment performance, continuous improvements managing upstream and downstream dependencies between Mt Weld and the Lynas Malaysia plant, and no significant downtime from external events.

While NdPr production volume was very strong this quarter, a continued supplier shortage of hydrochloric acid resulted in lower La and Ce production.



LYNAS GROWTH PROJECTS

Kalgoorlie Project

Final major construction activities for the Kalgoorlie Rare Earths Processing Facility continued during the quarter and full plant commissioning commenced.

The only major area required for first production which remains under final construction is the waste gas treatment plant. Additional resources have been mobilised to assist in the completion of this item however productivity improvements are limited by workfront availability.

As previously outlined, commissioning is being undertaken in 4 phases and the final stage 4 commissioning commenced in June. We have now mobilised members of our Lynas Malaysia team to assist with the final stages of commissioning and the initial stages of production.

During the quarter, construction verification, energisation and function testing was completed for the majority of process areas with significant progress achieved on the wet and fluid commissioning and process commissioning. This included Stage 4 commissioning of the chemical and wet circuits using Rare Earth carbonate from Lynas Malaysia, including neutralisation, filtration and carbonation circuits. Chemicals required for production have been received to on-site storage facilities and first delivery of concentrate from Mt Weld to support feed-on has occurred.

Major earthworks including ponds required for initial production and on-site services including power, water and laboratory facilities are complete, including the on-site gas supply.

The team is now targeting first production of MREC (Mixed Rare Earth Carbonate) in September 2023. This remains within the range of ramp up scenarios that has been considered for Kalgoorlie. The excellent NdPr production performance during the March and June 2023 quarters has enabled Lynas to build finished goods inventory to assist in meeting key customers' requirements during any transition period.





Filter Building during lighting commissioning



Waste Gas Treatment plant in foreground





First LPG gas fill



Mt Weld Expansion

The Mt Weld Expansion Project is progressing as planned.

The project schedule remains on track with earthworks nearing completion and concrete works well progressed. Fabricated steel modules are being delivered to site in preparation for structural, mechanical and piping (SMP) contractor mobilisation in the September quarter.

As previously outlined, formal approval of the Minor and Preliminary Works application was received from the Environmental Protection Authority (EPA) in March. This provided the approvals needed to progress early works.

The Mt Weld Life of Mine Proposal (EPA Assessment) four-week public review period closed in June. The next steps for the Life of Mine assessment are for Lynas to provide responses to submissions and for the EPA to complete their assessment report.

Proposals for a gas then hybrid renewable power station under a Power Purchasing Agreement commercial model have been evaluated and contractual negotiations will be concluded over the coming months.

As announced on 21 June 2023, Lynas has been awarded a \$20 million grant as part of the Australian Government's Modern Manufacturing Initiative Manufacturing Integration Stream. The grant will contribute to the development of a new capability to process apatite-rich ores from the Mt Weld ore body through a newly-developed process containing two circuits for the removal of apatite. The Apatite Leach Circuit project will be undertaken as part of the Mt Weld expansion project.



Aerial view of Mt Weld Expansion Project (June 2023)



United States

During the quarter, progress continued on plans for the U.S. Rare Earths Processing Facility including finalising the site acquisition, detailed engineering and long lead item procurement activities.

Lynas has completed the purchase of a 149-acre greenfield site in Seadrift, Texas. The site was purchased from Union Carbide Corporation, a wholly owned subsidiary of The Dow Chemical Company, and is located in an existing industrial zone. The site was selected for its proximity to a skilled workforce, potential customers, infrastructure and logistics.

This large site will allow for co-location of Heavy Rare Earths and Light Rare Earth separation and processing as well as potential future growth opportunities such as downstream processing and recycling to create a circular mine to magnet supply chain.

Seadrift, Texas, is an excellent location for the Facility and Lynas is excited to be part of the Calhoun County community and will work to create advanced manufacturing jobs and economic opportunities for local people.



Aerial view Lynas USA LLC site and surrounds, Seadrift, Texas, USA



FINANCE

Cash Position

A summarised cash flow for the quarter ended 30 June 2023 is set out below.

0.1011 51 011	A\$ million	A\$ million	
CASH FLOW	June 23 quarter	FY23 YTD	
Cash Inflows			
Receipts from customers	188.9	820.9	
Proceeds from the issue of share capital (JARE contribution to Lynas Growth Plan)	-	213.8	
Receipt of grant funding ¹	15.4	15.4	
Cash Outflows			
Payment for production, administration and royalty costs	(109.1)	(431.0)	
Payments for capex, exploration and development	(200.5)	(595.5)	
Payments for extinguishment of rehabilitation liability ²	(2.0)	(6.2)	
Payments to security deposits	(0.4)	(5.7)	
Payments of borrowings	(3.0)	(6.0)	
Net interest received	8.6	25.1	
Net exchange rate adjustment	0.4	14.8	
OPENING CASH AND SHORT TERM DEPOSITS	1,112.9	965.6	
CLOSING CASH AND SHORT TERM DEPOSITS	1,011.2	1,011.2	

⁽¹⁾ Grant funding relate to receipts received from Australian Government grants announced on 21 June 2023 and 22 July 2021.

⁽²⁾ Payments for the extinguishment of rehabilitation liability relate to scheduled progress payments to GSSB in relation to the construction of the Permanent Disposal Facility in Malaysia.

⁽³⁾ Financial information in this report is provided on an unaudited basis.



CORPORATE

During the quarter, Lynas Malaysia received a variation to our Malaysian operating licence which allows the Lynas Malaysia cracking and leaching plant to continue to operate until 1 January 2024 (refer announcement 8 May 2023). As announced on 26 July 2023, Lynas Malaysia has filed judicial review proceedings in the High Court of Malaya at Kuala Lumpur seeking judicial review of the Malaysian operating licence conditions prohibiting the import and processing of lanthanide concentrate after 1 January 2024.

The 2023 Annual General Meeting of Lynas shareholders will be held on 29 November 2023 at 10am (AEDT) at The Mint, 10 Macquarie St, Sydney. Shareholders will also be able to attend the meeting via a virtual platform. A notice of meeting will be issued closer to the date.

Authorised by: Sarah Leonard Company Secretary