Lynas Rare Earths

Appendix 4E

(Listing Rule 4.2A.3)

Lynas Rare Earths Ltd (ACN 009 066 648) and Controlled Entities

For the year ended 30 June 2025

Comparative Reporting Period: Year ended 30 June 2024

RESULTS FOR ANNOUNCEMENT TO MARKET

	30 June 2025	30 June 2024	Movement	
	$m	$m	$m	%
Revenue from ordinary activities	556.5	463.3	93.2	20.1%
Earnings before interest, tax, depreciation, amortisation and treasury charges (EBITDA)	101.2	132.1	(30.9)	(23.4%)
Profit from ordinary activities after tax attributable to members	**8.0**	**84.5**	**(76.5)**	**(90.5%)**
Net profit for the period attributable to members	**8.0**	**84.5**	**(76.5)**	**(90.5%)**

Dividend Information

No dividends have been paid or proposed at 30 June 2025.

Net Tangible Assets

	30 June 2025	30 June 2024
	cents	cents
Net Tangible Assets per share	**250.62**	238.82

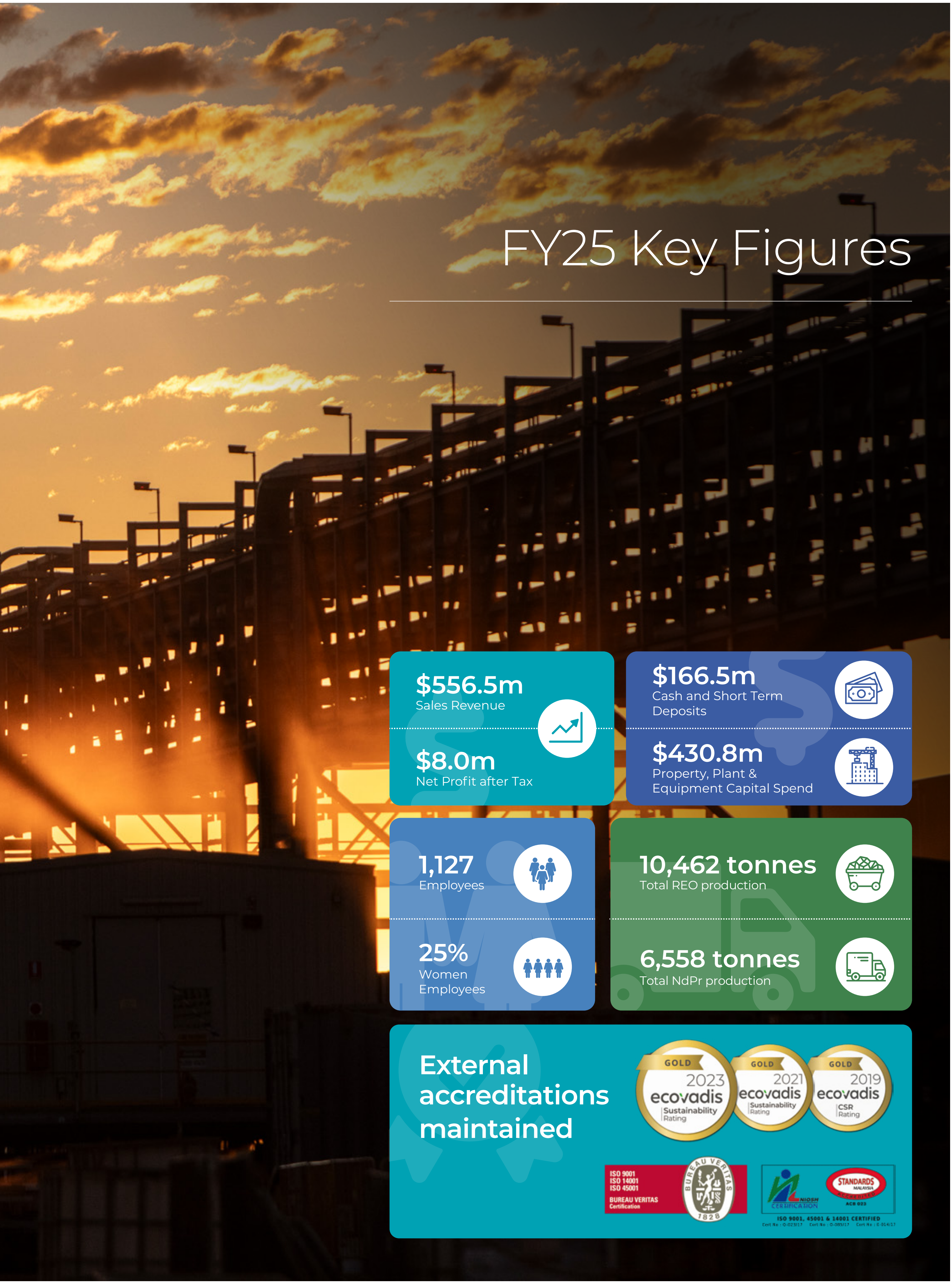
Lynas Rare Earths

2025
Annual Report

Contents

Lynas Rare Earths acknowledges the Traditional Owners of the lands on which we live and work, across Australia.

We acknowledge and value Lynas' Aboriginal and Torres Strait Islander employees, partners and communities and pay respect to their Elders past and present.



FY25 Key Figures

$556.5m
Sales Revenue

$8.0m
Net Profit after Tax

$166.5m
Cash and Short Term Deposits

$430.8m
Property, Plant & Equipment Capital Spend

1,127
Employees

25%
Women Employees

10,462 tonnes
Total REO production

6,558 tonnes
Total NdPr production

External accreditations maintained

GOLD 2023 ecovadis Sustainability Rating

GOLD 2021 ecovadis Sustainability Rating

GOLD 2019 ecovadis CSR Rating

ISO 9001
ISO 14001
ISO 45001
BUREAU VERITAS Certification

ISO 9001, 45001 & 14001 CERTIFIED

Chair's Letter

"Lynas is proud of our position as the market leader in responsibly produced separated rare earths."

Dear Shareholder, it's my pleasure to present the Lynas Rare Earths Annual Report for the 2025 financial year.

This is an exciting time for the rare earths industry and for Lynas as we enter the next phase of our development with the *Towards 2030* strategy. This follows on from the success of our Lynas 2025 growth strategy which is largely complete.

The rare earths market outside China is rapidly evolving and the Lynas 2025 capital investments have ensured we are positioned to optimise these investments and capture value for our shareholders.

Lynas' leadership position in the outside China market also enables constructive engagement with governments around the world as they develop policies and implement actions to protect and develop the current non-China rare earths supply chain.

The *Towards 2030* strategy also identifies new growth opportunities, including adding resource and scale; increasing downstream capacity for Heavy Rare Earth and NdPr separation; and expanding into the outside China metal and magnet supply chain. The projects delivered as part of the Lynas 2025 initiative provide the foundation for our *Towards 2030* strategy.

FY25 Performance

The Company's FY25 financial results reflect the investment in new facilities and new products, as well as relatively low rare earth market pricing during the period. Net Profit After Tax (NPAT) of $8.0m was delivered for FY25 and annual revenue increased to $556.5m, primarily as a result of increased NdPr production and sales.

Pleasingly, sales volume of 6,555 tonnes for the high-value NdPr product family increased by 18% on the prior corresponding period. Total REO sales volume reduced by 10% to 10,970 tonnes, as we reduced production of the lower value La and Ce products. Cost of sales increased due to higher fixed costs on lower production volumes at the new facilities which are being commissioned and ramped up.

The average China domestic price of NdPr (VAT excluded) increased from US$44.0/kg in June 2024 to US$55.0/kg in June 2025. After a sustained period of low market prices, an upward movement towards the end of the June 2025 quarter has continued into the September quarter FY26.

Closing cash and short term deposits of $166.5m were held at the end of the financial year.

Your Company concludes the financial year having delivered expanded operations and processing capacity at Mt Weld as well as the 2024 Mineral Resource and Ore Reserve Update (published 5 August 2024). In keeping with our commitment to sustainability, construction of the Mt Weld Hybrid Power Station continued apace in FY25. Solar and gas components have been commissioned and are operational, and commissioning of 4 wind turbines will follow.

In Kalgoorlie, the new Rare Earths Processing Facility is producing Mixed Rare Earths Carbonate (MREC) which is shipped to Lynas Malaysia for separation into individual rare earth products. The support of experts from our Lynas Malaysia team continues to be instrumental to the ramp up and flowsheet improvements at the Kalgoorlie facility.

In Malaysia, upgrades to the advanced materials plant have created an expanded facility, with additional processes commissioned and operating for MREC receival, Solvent Extraction and Product Finishing. Works to increase nameplate production capacity have been completed and the first production of separated Dysprosium oxide and Terbium oxide was achieved during the year.

The production of separated Heavy Rare Earth oxides at Lynas Malaysia marked an important milestone not just for Lynas but for outside China manufacturers as Lynas is now the only commercial producer of separated Heavy Rare Earths ex-China.

The major works undertaken as part of the Lynas 2025 growth initiative provide an expanded industrial footprint and product suite to meet the needs of the growing rare earths market. These achievements are strong evidence of the Company's ability to build and operate new rare earths processing facilities and the value created by enhancing current operations.

Towards 2030

Lynas is proud of our position as the market leader in responsibly produced separated rare earths. As we embark on our *Towards 2030* strategy, we remain focused on ensuring Lynas' operations are safe for our people, the community and the environment, and continue to transparently report on our sustainability performance.

On behalf of the Board, I extend my appreciation to Amanda Lacaze and the executive team for their leadership, and I thank all members of the Lynas team for their dedication and contribution to Lynas' achievements this year.

Thank you for your ongoing trust and support of Lynas. We look forward to updating you on our progress *Towards 2030* in the year ahead.

John Humphrey
Chair

CEO Review

"It is exciting to see the investments planned over the past five years as part of our Lynas 2025 growth plan come to fruition this year."

This has been a year of significant achievements for Lynas as we come to the conclusion of the Lynas 2025 major growth projects.

With these projects largely complete, we have announced the *Towards 2030* strategy which sets out our plan to optimise performance from the *Lynas 2025* capital investments and to pursue new growth opportunities. During FY25, we produced our first separated Heavy Rare Earths at Lynas Malaysia, we completed the construction phase of the Mt Weld expansion project and we progressed the construction and commissioning of processing and renewable power infrastructure at Mt Weld. We also continued to ramp up the Kalgoorlie Rare Earths Processing Facility and Mixed Rare Earth Carbonate (MREC) receival facilities in Malaysia and finalised our projects in Solvent Extraction and Product Finishing to deliver 10.5 kt p.a. of nameplate finished NdPr capacity[1].

In the June 2025 quarter, the average selling price of A$60.2/kg across all products was the highest average selling price since the July 2022 quarter. While there was a small improvement in the NdPr market price towards the end of the June quarter, the increase in average selling price was primarily due to a continued focus on the highest value strategic customers, the development of new guaranteed supply chains and the implementation of a balanced pricing portfolio with some pricing agreements independent of the market index.

Safety in focus

At Lynas, safety is our first priority. This means we are focused on production that is safe for our people, safe for our communities, and safe for the environment.

In prior years we had a focus on construction safety and this year we transitioned into ongoing operations safety as major construction projects came to a conclusion.

In FY25, the 12-month Total Recordable Injury Frequency Rate (TRIFR) decreased to 3.6 per million hours worked (FY24: 5.0 per million hours worked), however, it was disappointing to see the 12-month rolling Lost Time Injury Frequency Rate (LTIFR) increase to 1.8 per million hours worked (FY24: 1.04 per million hours worked).

Site teams are focused on educating and implementing safety programs to ensure our people are confident in identifying and managing hazards. A key cause of the rise in the FY25 LTIFR was an increase in falls on same level. An awareness campaign in respect of slips, trips and missteps is being rolled out across our operating sites to address this hazard.

Making sure we all go home safe and well is a core value at Lynas and one that remains a key focus at each of our operating locations.

[1] This is a reference to the nameplate processing capacity at the relevant facility based on current equipment configuration at the facility. It is not, and is not intended to be, a production target for the purposes of Chapter 5 of the ASX Listing Rules or a projection or forecast of the amount of minerals to be extracted or produced for any particular period.

Lynas 2025 growth initiative largely complete

It is exciting to see the investments planned over the past five years as part of our Lynas 2025 growth plan come to fruition this year. In Western Australia, this includes the Mt Weld expansion project and fully integrating the Kalgoorlie Processing Facility into Lynas' global operations. In Malaysia, significant upgrades have resulted in new processes and products, including our first separated Heavy Rare Earth oxides, making Lynas the only commercial producer of these products outside China.

The Lynas 2025 growth initiative, launched in 2019, was designed to deliver increased capacity, enhanced efficiency and improved sustainability across Lynas' global operations. With the conclusion of major capital projects in FY25, the focus is now on commissioning and ramping up these assets to support Lynas' continued position as the leading supplier of responsibly produced Light and Heavy Rare Earth Oxides.

At Mt Weld, the Lynas 2025 growth initiative has delivered expanded operations and processing capacity, the Mineral Resource and Ore Reserve Update[2] which was published 5 August 2024, and construction and staged commissioning of the Mt Weld Hybrid Power Station, with gas and solar assets now operating and wind turbines constructed.

The Kalgoorlie Rare Earths Processing Facility is now fully integrated into our global operations. With nameplate feedstock capacity to produce approx. 9.0 kt p.a. NdPr finished product[1], the facility is ramping up MREC production to supply the Lynas Malaysia facility. The Kalgoorlie operations team is focused on continuous flowsheet improvements to enhance the quality of MREC and support improved processing performance at Lynas Malaysia.

The upgrades at Lynas Malaysia have delivered significant benefits including additional processes for MREC receival, Solvent Extraction and Product Finishing production which provide an uplift in capacity to 10.5 kt p.a.. The first production of separated Dysprosium oxide and Terbium oxide is a significant milestone for Lynas and a critical step for outside China industry development. Lynas is now able to supply customers with the two Heavy Rare Earth oxides required for rare earth permanent magnets used in electric motors.

In the United States, Lynas is actively engaged with a growing number of U.S. rare earth buyers, including new metal and magnet projects.

2 Refer to announcement on 5 August 2024 "2024 Mineral Resource and Ore Reserve Update": https://wcsecure.weblink.com.au/pdf/LYC/02835257.pdf

Lynas has an expenditure-based contract with the US Department of Defence (DoD) for the construction of a Heavy Rare Earths processing facility at Seadrift, Texas. Following the identification of a permitting issue related to waste-water management which affects the Seadrift site, an alternative pathway was identified to resolve the wastewater management challenges. Additional CAPEX will be required to implement this pathway.

There is significant uncertainty as to whether the construction of the Heavy Rare Earth processing facility at Seadrift, Texas will proceed and, if so, in what form. Lynas is working with the U.S. DoD to negotiate a mutually acceptable offtake agreement for production from Lynas' operating assets. While there can be no certainty that offtake agreements will be agreed, any offtake agreements would need to be on commercial terms acceptable to Lynas, having regard to Lynas' important strategic position in the global rare earths supply chain.

Positioned for growth

The Lynas 2025 growth projects have created a future fit business that enables us to capitalise on the growing rare earths market through the *Towards 2030* strategy.

Towards 2030 has two key elements – optimising performance from the Lynas 2025 capital investments to deliver returns for shareholders, and growing our business by adding resource and scale, increasing downstream capacity, and expanding into the outside China metal and magnet supply chain.

Dynamic market environment

The importance of rare earths has been emphasised in recent trade negotiations. Customers and governments are actively seeking and implementing strategies to address current unhelpful market dynamics and uncertain supply. We expect industry shaping government interventions will lead to a larger "rest of world" rare earths industry.

Recent action by the U.S. administration represents the most significant government action since Japan's investment in Lynas in 2011 and highlights the increased understanding by customers of the risks posed by concentrated supply chains.

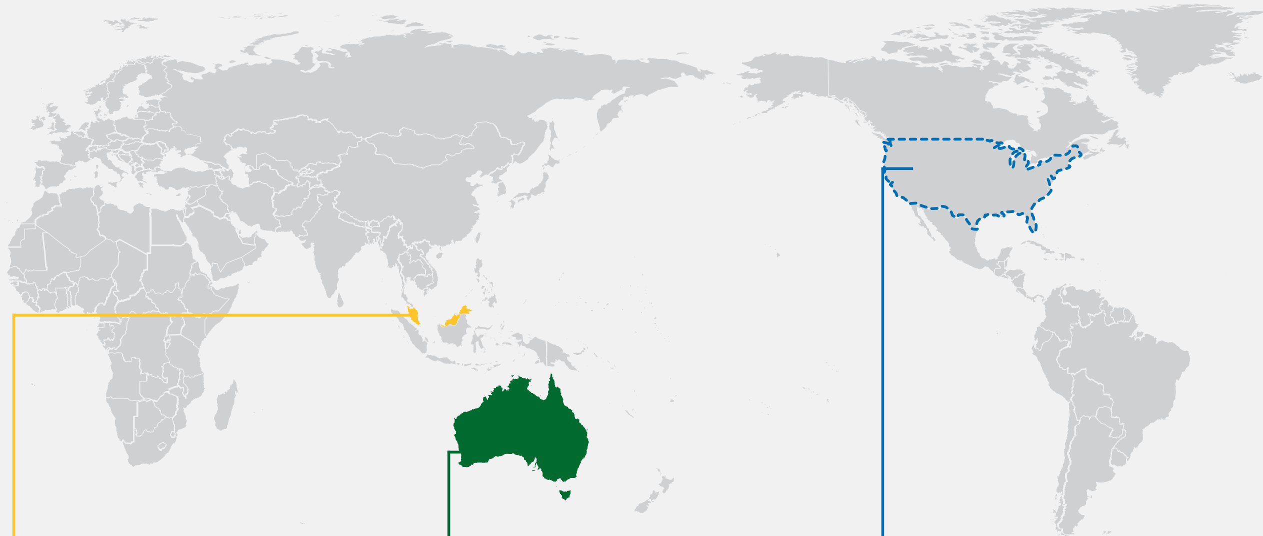
New and improved assets to grow with the market

With the substantial completion of Lynas 2025 initiatives, we have improved operating assets to enable us to take full advantage of rare earths market growth. This is a credit to our people who have worked hard to deliver these initiatives over the past 5 years.

As we progress *Towards 2030*, we are ambitious to capitalise on the rapidly evolving rare earths market outside China, to ensure we continue to deliver value for our shareholders. We look forward to FY26 with a great deal of enthusiasm.

Amanda Lacaze
Managing Director and Chief Executive Officer

Our Operations



MALAYSIA

Lynas Malaysia:
Integrated Rare Earths refinery in Gebeng, Malaysia.

AUSTRALIA

Mt Weld, WA:
Tier 1 Rare Earths deposit, Concentration Plant.

Kalgoorlie, WA:
Rare Earths Processing Facility

UNITED STATES

Planned U.S. Rare Earths Processing Facility

Living 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.

BOARD OF DIRECTORS

John Humphrey
Chair

Amanda Lacaze
Managing Director & CEO

John Beevers
Non-Executive Director

Philippe Etienne
Non-Executive Director

Dr Vanessa Guthrie AO
Non-Executive Director

Grant Murdoch
Non-Executive Director

SENIOR MANAGEMENT TEAM

Amanda Lacaze
Managing Director & CEO

Mimi Afzan Afza
Vice President People & Culture

Dato Sri Mashal Ahmad
Vice President Malaysia

Daniel Havas
Vice President Strategy & Investor Relations

Chris Jenney
Vice President Sales & Market Development

Sarah Leonard
General Counsel & Company Secretary

Pol Le Roux
Chief Operating Officer

Jennifer Parker
Vice President Corporate Affairs

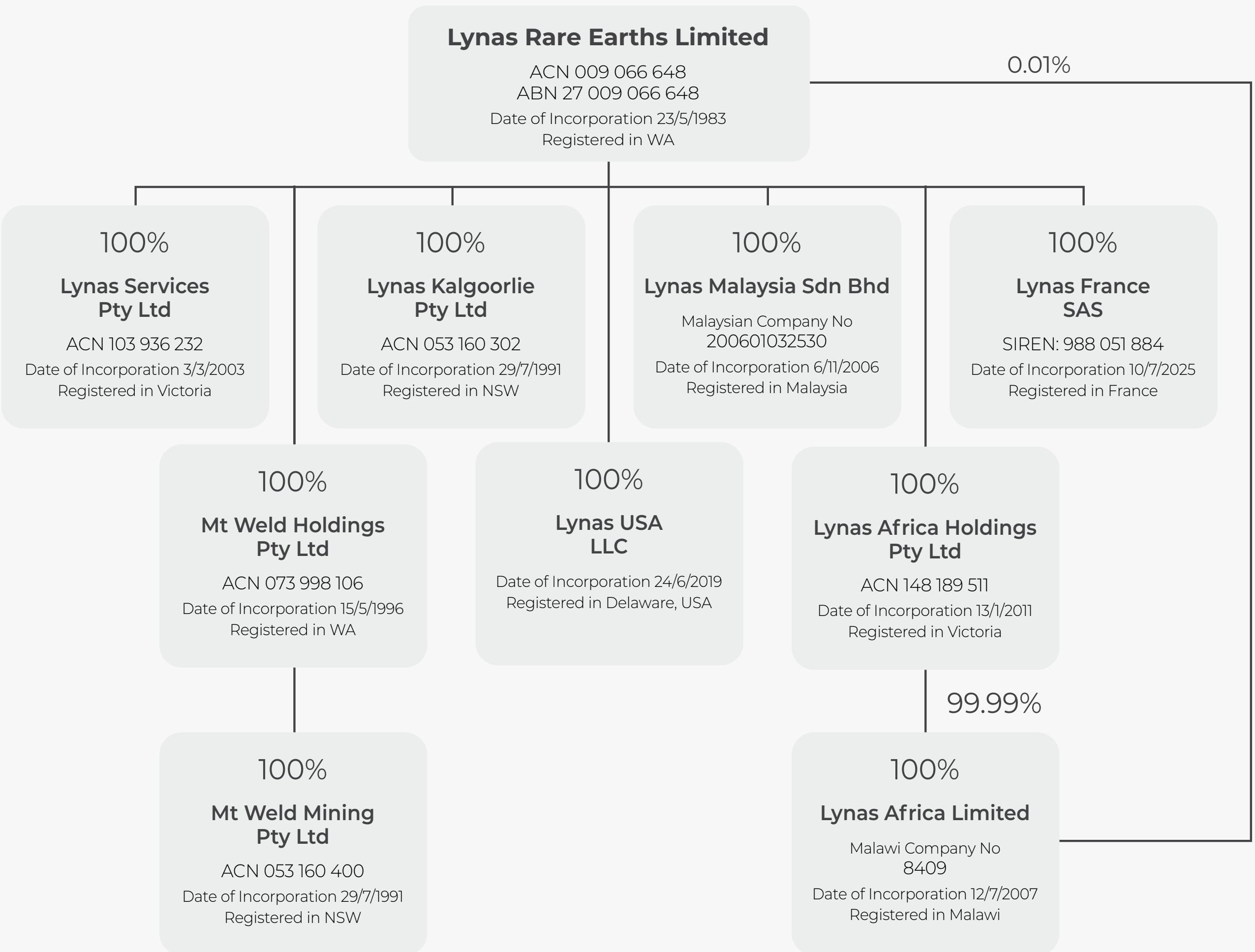
Gaudenz Sturzenegger
Chief Financial Officer

Directors' Report

The Board of Directors (the "Board" or the "Directors") of Lynas Rare Earths Limited (the "Company") and its subsidiaries (together referred to as the "Group") submit their report for the year ended 30 June 2025. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

CORPORATE INFORMATION

Lynas Rare Earths Limited is limited by shares and is incorporated and domiciled in Australia. The Group's corporate structure is as follows:



DIRECTORS

The names and details of the Company's Directors who were in office during or since the end of the financial year are as set out below. All Directors were in office for this entire period unless otherwise stated.

John Humphrey LLB
Non-Executive Director

Mr Humphrey joined the Company as a Non-Executive Director on 15 May 2017 and was appointed Chair on 29 November 2023. His key areas of expertise include mergers and acquisitions, corporate finance and corporate governance.

Mr Humphrey is a senior consultant to King & Wood Mallesons. He was the Dean of the Faculty of Law at Queensland University of Technology from January 2013 until June 2019. He was a Senior Partner at King & Wood Mallesons between 1998 and 2012 and a Partner at Corrs Chambers Westgarth between 1980 and 1998. He is an experienced Non-Executive Director having previously been Chairman and a Non-Executive Director of Spotless Group Holdings until 31 January 2021 and Chairman and Non-Executive Director of Auswide Bank Limited (formerly Wide Bay Australia Limited) until 31 December 2020. He was appointed as Chairman and a Non-Executive Director of Titles Queensland in August 2021 and he has previously served as Chairman and Non-Executive Director of Horizon Oil Limited and Villa World Limited, Deputy Chairman of King & Wood Mallesons. Mr Humphrey has also been a Non-Executive Director of Cromwell Property Group, Downer Group Limited, and Sunshine Broadcasting Group Limited and served as a member of the Australian Takeovers Panel. He is a member of the Australian Institute of Company Directors.

Mr Humphrey is a member of the Nomination, Remuneration and Community Committee and a member of the Audit, Risk and ESG Committee.

Amanda Lacaze BA, MAICD
Managing Director

Ms Lacaze was appointed as Managing Director and Chief Executive Officer of the Company on 25 June 2014 following her appointment as a Non-Executive Director of the Company on 1 January 2014.

Ms Lacaze brings more than 25 years of senior operational experience to Lynas, including as Chief Executive Officer of Commander Communications, Executive Chairman of Orion Telecommunications and Chief Executive Officer of AOL|7. Prior to that, Ms Lacaze was Managing Director of Marketing at Telstra and held various business management roles at ICI Australia (now Orica and Incitec Pivot). Ms Lacaze's early experience was in consumer goods with Nestle.

Ms Lacaze is a member of Chief Executive Women and the Australian Institute of Company Directors. Ms Lacaze holds a Bachelor of Arts Degree from the University of Queensland and postgraduate Diploma in Marketing from the Australian Graduate School of Management.

John Beevers BEng (Mining), MBus, GAICD
Non-Executive Director

Mr Beevers joined the Company as a Non-Executive Director on 1 May 2023. Mr Beevers is an experienced Board director with over 30 years' experience in the resources, mining services and chemical industries. He has broad international experience in operations and leadership, including as CEO of Orica Mining Services and Managing Director and CEO for Groundprobe.

Mr Beevers is currently a Non-Executive Director of Orica Limited and Syrah Resources Limited. He is a graduate of the Australian Institute of Company Directors.

Mr Beevers is a member of the Nomination, Remuneration and Community Committee and a member of the Health, Safety and Environment Committee.

Philippe Etienne MBA, BSc (Phys) (Pharm) GAICD
Non-Executive Director

Mr Etienne joined the Company as a Non-Executive Director on 1 January 2015. He is a Non-Executive Director and Chair of Cleanaway Waste Management Limited (appointed Chair 20 September 2023) and Non-Executive Director of Aristocrat Leisure Limited. Mr Etienne is also a former Non-Executive Director of Sedgman Limited and the former Managing Director and Chief Executive Officer of Innovia Security Pty Ltd.

Previously, he was the Chief Executive Officer of Orica Mining Services and was a member of Orica Limited's Executive Committee.

Mr Etienne is a member and graduate of the Australian Institute of Company Directors. His career includes senior executive positions with Orica in Australia, the USA and Germany including strategy and planning and responsibility for synergy delivery of large scale acquisitions.

Mr Etienne is the Chair of the Health, Safety and Environment Committee and a member of the Audit, Risk and ESG Committee.

Dr Vanessa Guthrie AO, Hon DSc, PhD, BSc (Hons) FAICD
Non-Executive Director

Dr Guthrie was appointed as a Non-Executive Director on 1 October 2020. Dr Guthrie has qualifications in geology, environment, law and business management including a PhD in Geology and over 30 years' experience in the resources sector.

Dr Guthrie is currently Deputy Chair of Cricket Australia (appointed Deputy Chair 9 May 2025), Chancellor of Curtin University and a Non-Executive Director of Santos Limited and Orica Limited. Dr Guthrie was formerly the Lead Independent Director and Deputy Chair of Adbri Limited and a Non-Executive Director of the Australian Broadcasting Corporation, North American Construction Group Limited (retired 14 May 2025), Tronox Holdings PLC, and Infrastructure Australia. She is also the former Managing Director and CEO of Toro Energy Limited and was the Chair of the Minerals Council of Australia. She is a Fellow of the Australian Institute of Company Directors, the Academy of Technological Sciences and Engineering and the Australasian Institute of Mining and Metallurgy and holds an Honorary Doctor of Science from Curtin University. Dr Guthrie was appointed an Officer of the Order of Australia in 2021 in recognition of her contribution to the minerals and resources sector.

Dr Guthrie is Chair of the Remuneration, Nomination and Community Committee (since 29 November 2023) and a member of the Health, Safety and Environment Committee.

Grant Murdoch M COM (Hons), FAICD, FCA
Non-Executive Director

Mr Murdoch joined the Company as a Non-Executive Director on 30 October 2017. Mr Murdoch has more than 38 years of chartered accounting experience. From 2004 to 2011, Mr Murdoch led the corporate finance team for Ernst & Young Queensland and was an audit and corporate finance partner with Deloitte from 1980 to 2000. Mr Murdoch has extensive experience in providing advice in relation to mergers, acquisitions, takeovers, corporate restructures, share issues, pre-acquisition pricing due diligence advice, expert reports for capital raisings and initial public offerings.

Mr Murdoch is currently the Non-Executive Chaiman of Eagle Street Associates Pty Ltd (appointed 1 July 2024). He was previously a Non-Executive Director and Chair of the Audit Committee of Auswide Bank Ltd (resigned 17 February 2025), Director and the Chair of the Audit Committee for OFX Limited, ALS Limited, Redbubble Limited and QIC. He is a senator of the University of Queensland (as well as chair of the risk committee and member of the finance committee) and an adjunct professor at the University of Queensland Business School. Mr Murdoch has a Master's Degree in Commerce (Honours) from the University of Canterbury, New Zealand, is a graduate of the Kellogg Advanced Executive Program and the Advanced Leadership Program at Northwestern University. He is a fellow of both the Institute of Chartered Accountants in Australia and New Zealand and of the Australian Institute of Company Directors.

Mr Murdoch is the Chair of the Audit, Risk and ESG Committee and a member of the Nomination, Remuneration and Community Committee.

COMPANY SECRETARY

Sarah Leonard

Ms Leonard is an experienced General Counsel and a leading resources and infrastructure lawyer. She was previously the Group Legal Counsel at Monadelphous Group Limited, an ASX listed contractor in the resources sector. In that role, she was responsible for governance, compliance and regulatory matters in relation to the Group. Prior to her role as Group Legal Counsel, Sarah was a partner at Corrs Chambers Westgarth in the construction and infrastructure team.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel is set out in the remuneration report of this Directors’ Report. The term ‘key management personnel’ refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director of the Company.

DIRECTORS SHAREHOLDINGS

As at the date of this report, the Directors’ shareholdings are consistent with the shareholdings table described in Section J(i) of the remuneration report.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Group are:

- Integrated mining of Rare Earth minerals in Australia and minerals processing in Australia and Malaysia; and
- Development of Rare Earth deposits.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Except as disclosed in the review of operations, the factors and business risks that affect future performance and the subsequent events, there have been no significant changes in the state of affairs of the Group during the current financial year.

PERFORMANCE REVIEW

The Directors together with Management monitor the Group’s overall performance including development and implementation of the strategic plan and the operating and financial performance of the Group.

REVIEW OF OPERATIONS

Financial highlights

Lynas Rare Earths Ltd (Lynas) recorded annual revenue of $556.5m as a result of increased NdPr sales volume.

Lynas recorded a Net Profit After Tax of $8.0m for the 2025 financial year. Contributing factors to the lower NPAT in FY25 include additional depreciation on plant and equipment for the Kalgoorlie Facility and Mt Weld expansion, coupled with lower than nameplate production at the Kalgoorlie Facility.

Sales volume for the high-value NdPr product family increased by 18% on the prior corresponding period while total REO sales volume reduced by 10% due to low market demand for La and Ce products.

Closing cash and short term deposits of $166.5m at 30 June 2025 aligns with the conclusion of major capital projects as part of the Lynas 2025 growth initiative, including the Mt Weld Expansion project.

	FY25	FY24	Movement	
	A$m	A$m	A$m	%
Net Sales Revenue	556.5	463.3	93.2	20.1
Cost of Sales	(426.7)	(330.6)	(96.1)	29.1
Gross Profit	**129.8**	**132.7**	**(2.9)**	**(2.2)**
Net Profit Before Tax	**9.7**	**105.5**	**(95.8)**	**(90.8)**
Net Profit After Tax	**8.0**	**84.5**	**(76.5)**	**(90.5)**

Sales volumes

	FY25	FY24	Movement	
	t REO	t REO	t REO	%
Sales volume total	10,970	12,158	(1,188)	(10)
Sales volume NdPr	6,555	5,576	979	18
NdPr contribution to total sales	60%	46%		

Cash and Asset movements

	30 June 25	30 June 24	Movement	
	A$m	A$m	A$m	%
Cash and Short-term Deposits	166.5	523.8	(357.3)	(68.2)
Net Assets	**2,352.7**	**2,242.8**	**109.9**	**4.9**
Market Capitalisation	**8,054.2**	**5,543.9**	**2,510.3**	**45.3**

Mt Weld

Lynas Rare Earths continues to develop the Mt Weld resource to meet forecast demand growth. This includes ongoing exploration, production of mixed rare earths concentrates, and an expansion project to increase concentrate feedstock production to support production of 12 kt p.a. of finished NdPr oxide.

Mining and Production

Mining continued at Mt Weld throughout the year, and excellent concentrate production was achieved, securing sufficient feedstock to supply both Lynas Malaysia and the Kalgoorlie Rare Earths Processing Facility. Record concentrate production was achieved in the June quarter and record NdPr in concentrate production was achieved in FY25.

The increased production is the outcome of the staged commissioning approach taken for the Mt Weld Expansion project. The integration of Stage 1 (dewatering circuit) into operations as soon as it was completed has delivered a high-quality product which is expected to lead to downstream cost and productivity improvements. Efficiency initiatives in the existing plant also contributed to production improvements during the year.

Exploration and Resource Update

Following the completion of the Mt Weld exploration program in the 2024 financial year, on 5 August 2024, Lynas announced a 92% increase in Mineral Resources and a 63% increase in Ore Reserves, with a significant increase in contained Heavy Rare Earth mineralisation[2].

The Ore Reserve update[3] will support:

- a >35 year mine life at production rates for sufficient concentrate feedstock for production capacity of 7,200 t p.a. NdPr (Neodymium Praseodymium) oxide finished product; and
- a >20 year mine life at expanded production rates for sufficient concentrate feedstock for production capacity of 12 kt p.a. of NdPr oxide finished product in line with Mt Weld expansion capacity (currently being commissioned).

Over 84,000 metres of drilling was performed since the previous Mineral Resource update in August 2018, targeting rare earth element mineral resources surrounding the open cut mine in the saprolite zone and to 200 metres below surface.

The fresh carbonatite below the weathered laterite zone was encountered in all holes to 200 metres. Monazite is the major rare earth mineral in the dolomite carbonatite whilst parisite, synchysite and bastnasite are the predominant rare earth minerals in the dolomite phoscorite and calcite carbonatite surrounding the dolomite core of the Mineral Resource area.

The Mt Weld Rare Earth Mineral Resources estimate is now 106.6 million tonnes at an average grade of 4.12% Total Rare Earth Oxide (TREO) for a total of 4.39 million tonnes of contained TREO. A Mineral Resource cut-off grade of 2.5% TREO was applied.

Compared to the August 2018 Mineral Resources estimate, the Mineral Resources has increased 92% from 55.4 Mt to 106.6 Mt and contained TREO has increased by 46% from 3.0 million to 4.39 million tonnes TREO, successfully adding resources and replacing depletion.

The Mt Weld Rare Earth Ore Reserves are now 32.0 million tonnes at 6.4% TREO for 2.0 million tonnes of contained TREO. This now includes Mt Weld processing tailings with an average 7.3% TREO.

Compared to the August 2018 Ore Reserves, the August 2024 Ore Reserve:

- 63% increase in Ore Reserves tonnage;
- Average grade reduced from 8.6% to 6.4% TREO, reflecting depletion and a revised cut-off grade;
- 22% increase in contained TREO from 1.690 million to 2.064 million tonnes;
- 92% increase in contained Dy oxide, from 6,660 tonnes to 12,790 tonnes.

[3] Refer to announcement on 5 August 2024 "2024 Mineral Resource and Ore Reserve Update": https://wcsecure.weblink.com.au/pdf/LYC/02835257.pdf

Mt Weld Expansion

The Stage 1 Concentrate Dewatering Circuit began operating during the year. The circuit performance has met the design intent and is producing concentrate filter cake with low moistures, providing an operating benefit to the business.

Stage 2 of the Mt Weld Expansion is in the final stages and progressing as planned. The process plant has been handed over to commissioning and the only works remaining to be completed are minor non-process infrastructure not critical for production.

The crusher circuit has now been successfully commissioned with ore, and the grinding and flotation circuits energised. Reagent deliveries have commenced in preparation for initial production on the new circuits. The project team are focused on water and ore commissioning of the process plant in Q1 FY26. Operations personnel are fully engaged with the commissioning specialists, working as an integrated team to facilitate a smooth handover and ramp-up.

Excellent progress has also been made on construction of the hybrid power station by our power purchase agreement (PPA) partner Zenith Energy. The solar farm has been constructed, and installation of the wind turbines has commenced, with three of four wind turbines now installed.

Lynas Malaysia

Lynas Malaysia has steadily increased the production run rate during the year and the production team is now focused on stabilising production at the higher run rate. The first batch of MREC from Kalgoorlie was processed in early FY25 and the ramp up of the MREC process continued through year.

Preventative 10-year maintenance works were undertaken while Malaysia's cracking and leaching facilities were shutdown in December. The preventative maintenance works were designed to support maximum output over the coming years. This includes replacing all kiln bearings (8 sets per kiln) after the first ever failure of a kiln bearing in August 2024 and investing in predictive maintenance technologies.

In addition to the improving production rates, process performance modifications continued to progressively work towards 10 kt p.a. NdPr production capacity, in line with the Lynas 2025 target capacity.

Significantly for Lynas and our customers, first production of separated Dysprosium and Terbium was achieved at Lynas Malaysia in May and June 2025 respectively. Lynas is now the world's only commercial producer of separated Heavy Rare Earth products outside China, able to supply the two Heavy Rare Earth products required for rare earth permanent magnets used in electric motors.

In addition, Lynas has signed two Memorandums of Understanding (MoUs) for the development of new upstream and downstream rare earths projects in Malaysia. Both MoUs are non-binding and subject to a definitive agreement. This includes a MoU for the supply of mixed rare earths carbonate (MREC) from Menteri Besar (MB) Inc., the strategic investment arm of the Kelantan State Government in Malaysia and an MoU with Korean permanent magnet manufacturer JS Link to collaborate on the development of a 3,000 tonne capacity NdFeB permanent sintered magnet manufacturing facility near the Lynas Malaysia advanced materials plant in Kuantan, Malaysia. Lynas and JS Link will also collaborate in respect of the supply by Lynas of Light and Heavy Rare Earth materials to JS Link to support production of NdFeB permanent sintered magnets.

Kalgoorlie

The Kalgoorlie Rare Earths Processing Facility commenced first production in the June 2024 quarter. The Facility was officially opened on Friday 8th November 2024 by the Australian Minister for Resources and Northern Australia, the Hon. Madeleine King MP, together with Lynas Board Chair John Humphrey and CEO Amanda Lacaze. The opening was attended by Lynas Kalgoorlie team members and contractors as well as representatives from state and local government, industry and community stakeholders. Visitors completed a site tour before the formal opening and unveiling of a commemorative plaque and monument created from the Kalgoorlie plant's first 'supabob' valve.

Following the initial delivery of MREC to Lynas Malaysia in early FY25, process modifications have continued at the Kalgoorlie Facility to enhance the quality of Mixed Rare Earth Concentrate (MREC) which will improve processing performance at Lynas Malaysia.

Lynas USA

Lynas has a contract with the US Department of Defence for the construction of a Heavy Rare Earths processing facility at Seadrift, Texas. The contract is an expenditure-based contract under which all of Lynas' properly allocable construction costs in respect of the facility will be reimbursed. A contribution by the U.S. Department of Defence of approximately US$258m is currently allocated to the Seadrift facility.

Following the identification of a permitting issue related to wastewater management which affects the Seadrift site, an alternative pathway was identified to resolve the wastewater management challenges. Additional CAPEX will be required to implement this pathway.

Lynas is yet to commence construction or operations in the USA and had no USA employees in FY25.

There is significant uncertainty as to whether the construction of the Heavy Rare Earth processing facility at Seadrift, Texas will proceed and, if so, in what form. Lynas is working with the US Department of Defence to negotiate a mutually acceptable offtake agreement for production from Lynas' operating assets. While there can be no certainty that offtake agreements will be agreed, any offtake agreements would need to be on commercial terms acceptable to Lynas, having regard to Lynas' important strategic position in the global rare earths supply chain.

Malawi deposit

Since fiscal year 2012, no further capital investment has been made on the Kangankunde Rare Earths resource development in Malawi and the project remains on hold while the Malawi deposit remains the subject of an ongoing title dispute. Lynas has no active operations or employees in Malawi. As announced on 22 January 2019, the Malawi government has purported to cancel the Group's Malawi mining lease and the Group has initiated judicial review proceedings in the Malawi courts challenging that decision.

Health, Safety and Environment

Lynas is committed to ensuring the Group's operations in Australia and Malaysia are consistent with national and international safety and sustainability best practice.

The 12-month rolling lost time injury frequency rate as at 30 June 2025 was 1.8 per million hours worked (June 2024: 1.04 per million hours worked). In addition, the 12-month total recordable injury frequency rate at 30 June 2025 was 3.6 per million hours worked (June 2024: 5.0 per million hours worked).

The annual ISO surveillance audits were conducted at Mt Weld and Lynas Malaysia during the year and both sites were recertified for ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management) and ISO 45011:2018 (Occupational Health and Safety Management). These sites have been certified since 2012.

FINANCIAL AND OPERATIONAL PERFORMANCE

Sales volume, revenue and costs

Sales by tonnage and value		FY25	FY24	FY23	FY22	FY25 Percentage change
Sales volume	(REOt)	10,970	12,158	16,014	15,263.0	(9.8%)
Cash receipts from customers	(A$m)	550.7	460.8	820.8	855.0	19.5%
Sales revenue	(A$m)	556.5	463.3	739.3	920.0	20.1%
Average selling price	(A$/kg)	50.6	38.1	46.2	60.3	32.8%
Cost of sales	(A$m)	(426.7)	(330.6)	(399.9)	(348.4)	29.1%

The average selling price across all rare earth products of A$60.2/kg in the final quarter for FY25 was the highest average selling price since the July 2022 quarter. This reflects a continued focus on the highest value strategic customers, development of new guaranteed supply chains and the implementation of a balanced pricing portfolio with some pricing agreements independent of the market index.

Uncertainties in the global trade environment have translated to a significant increase in demand from direct end customers and new magnet maker projects.

Cost of sales have increased with a greater fixed cost attributed to new facilities being commissioned and ramping up with lower production volumes.

Sales activity continues to focus on building the Lynas strategic customer base. This includes increasing the number of direct end customer agreements by providing customers with guaranteed and independent supply chains for their critical applications. Lynas also continues to work with new market players in a number of jurisdictions to establish new rare earth supply chains.

Lynas has received strong customer enquiry for our new Heavy Rare Earths production capacity. The Lynas pricing offer for Dysprosium and Terbium reflects the high demand for these products outside China rather than the market index which is based on inside China transactions.

Market prices

The average China domestic price of NdPr (VAT excluded) increased from US$44.0/kg in June 2024 to US$55.0/kg in June 2025. The NdPr market price increase towards the end of the June quarter and pricing has continued to firm into the first weeks of the September 2025 quarter.

Prices for standard La and Ce products were very low. The marginal cost of producing these materials exceeded the potential achieved prices. Production (and sales) of these materials were reduced during FY25 to optimise cost performance.

Production volumes

Production volumes		FY25	FY24	FY23	FY22	FY25 Percentage change
Ready for sale production volume (REO) total	(t)	10,462	10,908	16,780	15,970	(4.1%)
Ready for sale production volume NdPr	(t)	6,558	5,655	6,142	5,880	16.0%

Increased production volumes of NdPr reflect an optimised production strategy. A 16% increase in NdPr REOt production was offset by a 4% reduction in production volumes for total REO (i.e. including La and Ce).

The production run rate increased through the second half of FY25 and the production team is now focused on stabilising production at the higher run rate.

Cash and cash flows

	FY25 A$m	FY24 A$m
Net operating cash inflows	104.2	35.0
Net investing cash outflows	(406.2)	(507.2)
Net financing cash outflows	(45.3)	(22.5)
Net cash flows	**(347.3)**	**(494.7)**
Impact of foreign exchange	(10.0)	7.4
Cash and cash equivalents	166.5	523.8

Operating cash flows increased despite the lower profit results. These operating cash flows include the payment of $30.3m to GSSB to construct and manage the Malaysian PDF project and payments of income taxes of $20.5m, primarily related to FY25 instalment payments.

Net investing cash outflows included the ongoing payments for property plant and equipment in relation to the completed Kalgoorlie Rare Earths Processing Facility and ongoing Mt Weld Expansion projects. Finance cash outflows include US$20.0m (A$31.4m) of principal repayments made on the JARE loan facility in line with the loan agreement.

Capital Expenditure

Capital expenditure is expected to be approximately $160m million in FY26.

This includes expenditure in respect of:

- $100m in payments in relation to the close out of the major projects implemented as part of the Lynas 2025 plan
- $30m in relation to payments for mining activities
- $30m in relation to other capital projects, including sustaining capital

Debt and Capital

	FY25 A$m	FY24 A$m
JARE loan	151.3	171.8
Total borrowings	**151.3**	**171.8**
Financial income	17.4	39.8
Financial expenses	(13.8)	(9.6)

US$20.0m (A$31.4m) of principal repayments were made on the JARE facility during the year.

The financial income continued to be strong as a result of increasing interest rates, offset by a decrease in underlying cash balances. Financial expenses have increased as a result of increasing unwinding of the discounting of the restoration liabilities. During the year, $11.8m (FY24: $12.1m) of finance expenses have been capitalised into the Kalgoorlie Rare Earths Processing Facility and Mt Weld Expansion projects. There were no changes to the interest rate on the JARE facility during the period.

During the year ended 30 June 2025, the Company issued shares as shown below:

	Number (000's)
Shares on issue 30 June 2024	**934,718**
Issue of shares pursuant to exercised performance rights	729
Shares on issue 30 June 2025	**935,447**

Performance rights

At 30 June 2025, the Company had the following options and performance rights on issue:

	Number (000's)
Performance rights	4,569

Earnings per share

For the year ended 30 June	FY25	FY24
Basic earnings per share (cents per share)	0.85	9.04
Diluted earnings per share (cents per share)	0.85	9.01

Dividends

There were no dividends declared or paid during the year ended 30 June 2025 (2024: nil) and no dividends have been declared or paid since 30 June 2025.

Risk management

The Group takes a proactive approach to risk management. The Directors are responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities.

The Group believes it is crucial for Directors to be part of this process, and has an established Audit, Risk and ESG Committee and a Health, Safety and Environment Committee.

Lynas Rare Earths has a Risk Management Policy and an internal Risk Management Framework for oversight and management of material business risks.

The Risk Management Framework forms part of internal controls and governance used to manage risk within the organisation. The Framework encompasses the key principles, oversight, structure, risk appetite and processes that apply to all risks across the business, including climate-change relate risks and opportunities.

The defined roles and responsibilities from the Board-level to Operational Units/Risk Owners to support the oversight on the risks and risk mitigating controls are outlined in the Framework.

The Board Audit, Risk and ESG Committee oversees climate-related material risks and opportunities. The Committee meets at least two times annually or more frequently as required.

FACTORS AND BUSINESS RISKS THAT AFFECT FUTURE PERFORMANCE

Lynas operates in a changing environment and is therefore subject to factors and business risks that will affect future performance.

We identify risks, then evaluate the inherent risk of an activity and the mitigation required. Risk assessments are updated by operations and management and reported to the Board of Directors.

In FY25, Lynas continued to enhance risk management systems and processes, including by engaging external subject matter experts.

Set out below are the principal risks and uncertainties that could have a material effect on Lynas' future results, both operationally and financially. It is not possible to determine the likelihood of these risks occurring with any certainty. In the event that one or more of these risks materialise, Lynas' reputation, strategy, business, operations, financial condition and future performance could be materially and adversely affected. There may also be other risks that are currently unknown or are deemed immaterial, but which may subsequently become known and/or material. These may individually or in aggregate adversely affect Lynas.

1. Operational risks

1.1 Rare earth prices

Lynas' revenue is affected by market fluctuations in Rare Earth prices. This is because the product prices used in the majority of Lynas' sales are calculated by pricing formulae that reference published pricing for various Rare Earths materials. The market price has been volatile in the past because it is influenced by numerous factors and events that are beyond the control of Lynas. These include:

- **Supply side factors:** Supply side factors are a significant influence on price volatility for Rare Earth materials. Supply of Rare Earth materials is dominated by Chinese producers. The China Central Government regulates production via quotas and environmental standards. Over the past few years, there has been significant restructuring of the Chinese market in line with China Central government policy. However, periods of restricted supply, over supply or speculative trading of Rare Earths can lead to significant fluctuations in Rare Earth pricing.
- **Demand side factors:** Demand side factors are also a significant influence on price volatility for Rare Earth materials. Demand for end-products that utilise Lynas' Rare Earths including internal combustion vehicles, hybrid vehicles, electric vehicles and electronic devices fluctuates due to factors including global economic trends, regulatory developments and consumer trends.
- **Geopolitical factors:** Recently Rare Earths have received significant attention for geopolitical reasons, including as a result of global trade tariffs and restrictions, and the global focus on supply chain resilience.

The table below illustrates how average China domestic NdPr prices (excluding VAT) have fluctuated over FY25:

	September 2024 Quarter	December 2024 Quarter	March 2025 Quarter	June 2025 Quarter
US$/kg	48	51	53	53

Lynas' approach to reducing pricing volatility for its customers includes:

- Promoting fixed pricing to some customers, set for periods relevant to customer operations;
- Developing long term contracts that aim to reduce price variations for end users and OEMs such as car makers and wind turbine manufacturers;
- Implementing some pricing agreements independent of the market index.

Lynas achieved a small price premium compared to the NdPr market price, supported by:

- Sustained demand from the Japanese market and selected customers in China;
- The recognition by the market that Lynas is now well established as the only supplier of scale of separated Rare Earths outside China;
- End users placing more importance on being able to trace the origin of rare earths from an ethical and environmentally responsible source of production to their end products, which Lynas can provide.

Strong Rare Earth prices, as well as real or perceived disruptions in supply, may create economic incentives to identify or create alternate technologies that ultimately could depress future long-term demand for Rare Earths. This may, at the same time, incentivise the development of additional mining properties to produce Rare Earths. If industries reduce their reliance on Rare Earth products, the resulting change in demand could have a material adverse effect on Lynas' business. In particular, if prices or demand for Rare Earths were to decline, this could impair Lynas' ability to obtain financing for current or additional projects and its ability to find purchasers for its products at prices acceptable to Lynas.

It is impossible to predict future Rare Earths price movements with certainty. Any sustained low Rare Earths prices or further declines in the price of Rare Earths, including as a result of periods of over-supply and/or speculative trading of Rare Earths, will adversely affect Lynas' business, results of operations and its ability to finance planned capital expenditures, including development projects.

1.2 Market competition

Lynas Rare Earths supply contracts and profits may be adversely affected by the introduction of new mining and separation facilities and any increase in competition in the global Rare Earths market, either of which could increase the global supply of Rare Earths. If this is at a rate faster than demand growth it could potentially lead to lower prices.

1.3 Exchange rates

Lynas is exposed to fluctuations in the US dollar as all sales are denominated in US dollars. Lynas borrows money and holds a portion of cash in US dollars, which provides Lynas with a partial natural hedge. Accordingly, Lynas' income from customers, and the value of its business, will be affected by fluctuations in the rate by which the US dollar is exchanged with the Chinese Renminbi and the Australian dollar.

Lynas is exposed to fluctuations in the Malaysian ringgit (MYR), which is the currency that dominates Lynas' cash operating outflows in Malaysia. In addition, Lynas holds significant non-current assets in Malaysia which are denominated in MYR.

Adverse movements in the Australian dollar against the US dollar and the MYR may have an adverse impact on Lynas' financial position and operating results. The following table shows the average USD/AUD and MYR/AUD exchange rates over the past five years:

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
USD/AUD	$0.6532	$0.6556	$0.6760	$0.7258	$0.7468
MYR/AUD	$2.7619	$3.0783	$3.0688	$3.0698	$3.0806

In-China market prices for Rare Earths are denominated in the Chinese Renminbi. A devaluation in the Chinese Renminbi would increase attractiveness in Chinese exports and China's internal supply. Fluctuation in the Chinese Renminbi against the US Dollar therefore also increases the foreign exchange exposure on Lynas.

1.4 Operational and development risks

Lynas' operations and development activities could be affected by various unforeseen events and circumstances, such as hazards in exploration, the ability of third parties to meet their commitments in accordance with contractual arrangements, and the delivery and grades of ore and performance of processing facilities at design specification. Factors such as these may result in increased costs, lower production levels and, following on from that, lower revenue levels. Any negative outcomes flowing from these operational risks could have an adverse effect on Lynas' business, financial condition, profitability and performance.

1.5 Nature of mining

Mineral mining involves risks, which even with a combination of experience, knowledge and careful evaluation may not be able to be fully mitigated. Mining operations are subject to hazards normally encountered in exploration and mining. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment, which may cause a material adverse impact on Lynas' operations and its financial results. Projects may not proceed to plan with potential for delay in the timing of targeted output, and Lynas may not achieve the level of targeted mining output. Mining output levels may also be affected by factors beyond Lynas' control.

1.6 Mineral and ore reserves

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the anticipated level of recovery will be realised. Mineral resource and ore reserve estimates are based upon estimates made by Lynas personnel and independent consultants. Estimates are inherently uncertain and are based on geological interpretations and inferences drawn from drilling results and sampling analyses. There is no certainty that any mineral resources or ore reserves identified by Lynas will be realised, that any anticipated level of recovery of minerals will be realised, or that an identified ore reserve or mineral resource will be a commercially mineable (or viable) deposit which can be legally and economically exploited.

Further, the grade of mineralisation which may ultimately be mined may differ materially from what is predicted. The quantity and resulting valuation of ore reserves and mineral resources may also vary depending on, amongst others, metal prices, cut-off grades and estimates of future operating costs (which may be inaccurate). Production can be affected by many factors. Any material change in the quantity of ore resources, mineral reserves, grade, or stripping ratio may affect the economic viability of any project undertaken by Lynas.

Lynas' estimated mineral resources and ore reserves should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations. Investors should be cautioned not to place undue reliance on any estimates made by Lynas. Lynas cannot be certain that its mineral resource and ore reserve estimates are accurate and cannot guarantee that it will recover the expected quantities of metals. Future production could differ dramatically from such estimates for the following reasons:

- actual mineralisation or Rare Earth grade could be different from those predicted by drilling, sampling, feasibility or technical reports;
- increases in the capital or operating costs of the mine;
- decreases in Rare Earth oxide prices;
- changes in the life-of-mine plan;
- the grade of Rare Earths may vary over the life of a Lynas project and Lynas cannot give any assurances that any particular mineral reserve estimate will ultimately be recovered; or
- metallurgical performance could differ from forecast.

The occurrence of any of these events may cause Lynas to adjust its mineral resource and reserve estimates or change its mining plans. This could negatively affect Lynas' financial condition and results of operations. Moreover, short-term factors, such as the need for additional development of any Lynas project or the processing of new or different grades, may adversely affect Lynas.

Lynas reports its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").

1.7 Processing operations

Lynas' operations are subject to the operating risks associated with Rare Earth processing, including performance of processing facilities, and the related risks associated with storage and transportation of raw materials, products and residues. These operating risks have the potential to cause personal injury, property damage and environmental contamination, and may result in the shutdown of affected facilities and in business interruption and the imposition of civil or criminal penalties, and negatively impact the reputation of Lynas.

The hazards associated with Lynas' mining and processing operations and the related storage and transportation of products and residues include:

- pipeline and storage tank leaks and ruptures;
- explosions and fires;
- mechanical failures; and
- chemical spills and other discharges or releases of toxic or hazardous substances or gases.

These hazards may cause personal injury and loss of life, damage to property and contamination of the environment, which may result in suspension of operations and the imposition of civil or criminal penalties, including fines, expenses for remediation and claims brought by governmental entities or third parties. Although Lynas has detailed and closely managed plans to mitigate these risks and maintains property, business interruption and casualty insurance of types and in the amounts that it believes is customary for the chemicals industry, Lynas is not fully insured against all potential hazards incidental to its businesses.

1.8 Availability of key inputs

The Mt Weld Concentration Plant, the Lynas Malaysia Plant and the Kalgoorlie Rare Earth Processing Facility rely on the ready availability of key inputs, including chemical reagents, water, electricity and gas. Any inability of Lynas to obtain such inputs in sufficient quantities on a timely basis could materially adversely affect Lynas' operations. For example, operational disruptions or insolvency of key suppliers may adversely affect the availability of chemical reagents. Interruptions in supply of electricity may occur, including due to insufficient network capacity.

In respect of water, the water supply to the Mt Weld Concentration Plant is primarily sourced from a local aquifer supplemented by recycling, the water supply to the Lynas Malaysia plant is primarily sourced from the local Kuantan water supply infrastructure, supplemented by recycling and the supply to the Kalgoorlie Rare Earth Processing Facility is primarily sourced under a water supply agreement for recycled grey water from the City of Kalgoorlie-Boulder. Reductions in water availability from those sources or failures of infrastructure could materially adversely affect the availability of water to the Lynas operations, notwithstanding the investment in water recycling in Western Australian operations, for example due to climate-related changes in weather patterns, such as extreme precipitation or increased drought or failures of infrastructure.

1.9 Supply chain and counterparty risk

Lynas is dependent on contractors and suppliers to supply vital goods and services to its operations, including shipping logistics and the supply of chemicals and other materials. Lynas is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers, including in respect of the ability of those contractors and suppliers to meet their commitments under sales contracts or due to extreme weather events. Any disruption to services or supplies may have an adverse effect on Lynas' financial business and financial condition.

1.10 Attraction and retention of skilled personnel

Attraction and retention of skilled personnel is important to Lynas' operations and its further growth.

In addition, industrial and labour disputes, work stoppages and accidents, and logistical and engineering difficulties may also have an adverse effect on Lynas' profitability and share price.

1.11 Customer risks

Lynas' revenue is dependent on continuing sales to its key customers, many of whom require delivery to specific timetables of products that comply with detailed specifications. The loss of key customers could significantly affect Lynas' business, for example due to disputes with customers, customers switching to other suppliers or technologies, or customer businesses being adversely affected by events outside the control of Lynas, including customer insolvency or declining markets for the end-products of customers.

1.12 Industry trends, including changes in technology

Changes in technology, including switches to renewable energy sources, present both opportunities and risks to the Lynas business. As technologies and consumer trends continue to evolve, new competing technologies may emerge that may reduce demand for Lynas Rare Earth products. Any significant trends away from technologies that utilise Lynas Rare Earths products could materially adversely affect the Lynas business.

1.13 Project development risks

Lynas is undertaking significant and complex construction projects, including the recently completed Rare Earths Processing Facility in Kalgoorlie, the Mt Weld Expansion project near Laverton, and the planned Lynas U.S. Rare Earths Processing Facility in Texas. Construction and ramp up of such projects are subject to numerous risks, many of which are outside the control of Lynas, including project delays and cost overruns, disputes with contractors, insolvency of contractors, problems with design, delays in commissioning or ramp-up and new facilities not performing in accordance with expectations.

Lynas has a contract with the US Department of Defence for the construction of a Heavy Rare Earths processing facility at Seadrift, Texas. The contract is an expenditure-based contract under which all of Lynas' properly allocable construction costs in respect of the facility will be reimbursed. A contribution by the U.S. Department of Defence of approximately US$258m is currently allocated to the Seadrift facility. Additional CAPEX will be required. There is significant uncertainty as to whether the construction of the Heavy Rare Earth processing facility at Seadrift, Texas will proceed and, if so, in what form. Lynas is working with the US Department of Defence to negotiate a mutually acceptable offtake agreement for production from Lynas' operating assets. While there can be no certainty that offtake agreements will be agreed, any offtake agreements would need to be on commercial terms acceptable to Lynas, having regard to Lynas' important strategic position in the global rare earths supply chain.

2. Regulatory, legal and environmental risks

2.1 General regulatory risks

Lynas' business is subject, in each of the countries in which Lynas operates, to various national and local laws and regulations relating to the mining, production, marketing, pricing, transportation and storage of Lynas' products and residues. A change in the legislative and administrative regimes, taxation laws, interest rates, and other legal and government policies may have an adverse effect on the assets, operations and ultimately the financial performance of Lynas and the market price of Lynas shares. Other changes in the regulatory environment (including applicable accounting standards) may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Lynas' business and financial condition.

2.2 Licences, permits, approvals, consents and authorisations

Lynas' mining and production activities are dependent on the granting and maintenance of appropriate licences, permits, approvals, and regulatory consents and authorisations (including those related to interests in mining tenements and those related to the operation of the Lynas plants in Australia and Malaysia), which may not be granted or may be withdrawn or be made subject to limitations at the discretion of government or regulatory authorities. Although such licences, permits, approvals and regulatory consents and authorisations may be granted, continued or renewed (as the case may be), there can be no assurance that such licences, permits, approvals and regulatory consents and authorisations will be granted, continued or renewed as a matter of course, or as to the terms of renewals or grants, including that new conditions, or new interpretations of existing conditions, will not be imposed in connection therewith. Whether such licences, permits, approvals and regulatory consents and authorisations may be granted, continued or renewed (as the case may be) often depends on Lynas being successful in obtaining the required statutory approvals for proposed activities. If there is a failure to obtain or retain the appropriate licences, permits, approvals and regulatory consents and authorisations, or if there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions or withdrawn, then Lynas' ability to conduct its mining and production activities may be adversely affected.

2.3 Political risks and government actions

Lynas' operations could be affected by government actions in Australia, Malaysia, USA and other countries or jurisdictions in which it has interests. Lynas is subject to the risk that it may not be able to carry out its operations as it intends, including because of a change in government, legislation, guidelines, regulation or policy, including in relation to the environment, the Rare Earths sector, competition policy, native title and cultural heritage. Such changes could affect land access, the granting of licences and other tenements, the approval of developments and freedom to conduct operations.

The possible extent of introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect Lynas' business is difficult to predict. Any such government action may require increased capital or operating expenditures and could prevent or delay certain operations by Lynas, which could have a material adverse effect on Lynas' business and financial condition.

Lynas also may not be able to ensure the security of its assets located outside Australia, and is subject to risks of, among other things, loss of revenue, property and equipment as a result of hazards such as expropriation, war, insurrection and acts of terrorism and other political risks and increases in taxes and government royalties. The effects of these factors are difficult to predict and any combination of one or other of the above may have a material adverse effect on Lynas' business and financial position.

2.4 Malaysian regulatory matters

Without limiting the generality of the risks specified above in this section, as announced on 24 October 2023, Lynas Malaysia was issued with a variation to its operating licence which allows Lynas to continue to import and process Lanthanide Concentrate from Lynas' Mt Weld mine in Western Australia at the Lynas Malaysia facility. The amended operating licence is valid until 2 March 2026. Under this operating licence, Lynas Malaysia will commit to increasing its existing research and development (R&D) investment in Malaysia from 0.5% to 1% of Lynas Malaysia's gross sales. The R&D program will be overseen by the Malaysian Atomic Energy Licensing Board (AELB) and will be directed towards developing methods for removal of naturally occurring radioactive material (NORM) from residues. Lynas will manage the R&D investment funds and dedicate senior scientists to progress developments alongside researchers from leading Malaysian institutions.

To the extent that Lynas does not, or is unable to, comply with relevant licence conditions including the key conditions specified above, and/or comply with licence conditions within the timeframes prescribed, then Lynas' licences and approvals may be revoked. Government action, including legal action, may be also taken by or at the direction of the Malaysian government in order to ensure that the terms and conditions of Lynas' licences and approvals are complied with to levels satisfactory to, and within the timeframes prescribed by, the Malaysian government.

2.5 Environmental risks

Lynas' activities are subject to extensive laws and regulations controlling not only the mining of, exploration for and processing of Rare Earths, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, Lynas must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and Lynas could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of residues and the effects of its business on the water table and groundwater quality.

Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Given the sensitive nature of this area, Lynas may be exposed to litigation and foreseen and unforeseen compliance and rehabilitation costs despite its best efforts.

2.6 Climate change risks

Information on climate related risks and related actions is outlined in Climate Related Financial Disclosures below.

2.7 Disposal of residues

At the Mt Weld Mine and Concentration Plant, the Lynas Malaysia Plant, and the new Lynas Kalgoorlie Rare Earths Processing Plant, Lynas operations generate/will generate residue materials in the form of solids, liquids and gases. Lynas has appropriate plans in place for the treatment, sale or disposal of each of those residues. Failure to implement those plans could have a material effect on Lynas' licensing conditions and may adversely affect its operations.

2.8 Community acceptance and reputation

Lynas recognises that a strong mutual relationship with each community in which it operates is a pre-condition to successful operations. Failure to maintain those relationships and the acceptance by those communities may have an adverse effect on Lynas' operations.

In addition, Lynas recognises the importance of maintaining its reputation with its stakeholders including shareholders, regulatory authorities, communities, customers and suppliers. Failure to maintain its reputation with some or all stakeholders may have a negative effect on the future performance of Lynas.

2.9 Legal action

It is possible that Lynas could be exposed to litigation or proceedings, either from shareholders, financiers, regulators or members of the communities in which Lynas operates.

2.10 Health and safety

Lynas is subject to extensive laws and regulation in respect of the health and safety of its people and communities, and the protection and rehabilitation of the environments within which it operates. Lynas must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the implementation of the regulations by the permitting authority.

2.11 Tax risks

Lynas is subject to taxation and other imposts in Australia, Malaysia and other countries or jurisdictions in which it has interests. In addition to the normal level of income tax imposed on all industries, companies in the resources sector are required to pay government royalties, direct and indirect taxes and other imposts. The profitability of companies in these industries can be affected by changes in government taxation and royalty policies or in the interpretation or application of such policies. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Lynas operates, may affect the tax liabilities of Lynas.

3. Financial risks

3.1 Debt facilities and covenants

Lynas has financing arrangements in place which are subject to acceleration and enforcement rights in the event of a default. To date, the Japan Australia Rare Earths B.V. (JARE) loan facility has been secured over all the assets of Lynas, other than Malaysia and Malawi assets.

Enforcement may involve enforcement of security over the assets of Lynas and its material subsidiaries, including appointing a receiver. The principal amount of the JARE facility was US$110m as at 30 June 2025. The principal amount will be due for repayment in fixed loan repayments between 31 December 2025 and 30 June 2030.

In the event significant uncertainty arises in relation to Lynas' ability to fully repay, refinance or reschedule the outstanding balances of the JARE loan facility by the maturity date of 30 June 2030, Lynas' ability to continue as a going concern may also be affected.

In addition, Lynas' existing debt facilities are subject to a range of covenants. A failure to comply with any of these debt covenants may require Lynas to seek amendments, waivers of covenant compliance or alternative borrowing arrangements. There is no assurance that its lenders would consent to such an amendment or waiver in the event of non-compliance, or that such consent would not be conditional upon the receipt of a cash payment, revised payout terms, increased interest rates, or restrictions in the expansion of debt facilities in the foreseeable future, or that its lenders would not exercise rights that would be available to them, including among other things, calling an event of default and demanding immediate payment of outstanding borrowings. If such a demand was made and appropriate forbearance or refinance arrangements could not be reached, Lynas may not have sufficient available funds to meet that demand.

3.2 Funding risk

Lynas' existing debt facility agreements restrict its ability to incur further debt except in certain circumstances. Should Lynas experience a protracted decline in earnings, there is a possibility that the quantum of debt and/or equity funding available to Lynas would not be sufficient to execute its strategy (including its development of large scale projects) which could have a negative impact on the future financial performance or position of Lynas.

4. General risks

4.1 General economic conditions

Lynas' operating performance and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or decrease in consumer and business demand, could be expected to have an adverse impact on Lynas' business, results of operations or financial condition and performance.

4.2 Accounting standards

Accounting standards may change. This may affect the reporting earnings of Lynas and its financial position from time to time. Lynas has previously and will continue to assess and disclose, when known, the effect of adopting new accounting standards in its periodic financial reporting.

4.3 Force majeure events

Events may occur within or outside Lynas' key markets that could affect global economies and the operations of Lynas. The events include, but are not limited, to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, changes in weather patterns or other severe weather events, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on market conditions, the demand for Lynas' product offering and services and Lynas' ability to conduct business.

4.4 Cyber security

Cyber security risks are increasing in the external environment. Cyber security risks include computer viruses targeting IT systems, unauthorised access, cyber-attack (either targeted at Lynas for financial gain or due to geopolitical matters), social media disinformation campaigns, penetration of Lynas systems (including through attacks on Lynas' suppliers) and other similar matters. A cyber event may lead to adverse impacts on Lynas' operations and financial performance.

5. Climate-related Financial Disclosures

This report represents climate-related disclosures for Lynas Rare Earths Limited and its subsidiaries ('the Group') for the year ended 30 June 2025. The Group's climate disclosures have been voluntarily guided by core content areas of AASB S2 *Climate-related Disclosures* as issued by the Australian Accounting Standards Board (AASB).

Commencing for the year ended 30 June 2026, Lynas will prepare an annual 'Sustainability Report' which will include mandatory climate-related disclosures in accordance with the *Corporations Act 2001*.

5.1 Corporate Information

Headquartered in Perth, Western Australia, Lynas Rare Earths Limited (Lynas) is an integrated rare earths miner and producer and the world's only commercial producer of both separated Light and Heavy rare earths outside of China.

Lynas operates the high grade Mt Weld rare earths mine and concentration plant near Laverton, Western Australia, a Rare Earths Processing Facility in Kalgoorlie, Western Australia, and the Lynas Malaysia advanced materials plant in Gebeng, Malaysia.

Lynas was established as an ethical and responsible rare earths producer and has been in production in both Western Australia and Malaysia for over 12 years. Lynas has a demonstrated commitment to safety for people, communities and the environment and strives to make a positive contribution to each of the communities in which it operates.

Lynas has over 1,100 employees across Malaysia and Australia. This includes geologists, engineers, metallurgists, tradespeople, process technicians and support functions on operating sites as well as professional and administrative functions at offices in Perth and Sydney, Australia and in Kuala Lumpur, Malaysia.

Rare earths are used in future facing technologies designed to lower emissions and reduce energy consumption, as well as to improve efficiency, performance, speed, durability, and thermal stability. This includes hybrid and electric vehicles, wind turbines and electronics. The rare earth products produced by Lynas are traceable from mine to metal as Lynas owns the mine and processing facilities and has a tolling arrangement with an NdPr metal making partner.

Lynas' product range includes Light Rare Earths – Neodymium and Praseodymium (NdPr); Lanthanum (La); and Cerium (Ce) – and Heavy Rare Earths – Dysprosium (Dy); Terbium (Tb); unseparated Samarium/Europium/Gadolinium; Holmium concentrate; and unseparated SEGH.

The key markets for separated rare earth materials are rare earths manufacturing supply chains in east Asia, Europe and North America.

Business activities undertaken by Lynas include exploration, mining and production of a rare earths concentrate at Lynas' Mt Weld site in Western Australia; cracking and leaching of the rare earth concentrate at the Lynas Malaysia plant in Gebeng and at the Kalgoorlie Rare Earths Processing Facility; and solvent extraction and product finishing (drying and calcination) at the Lynas Malaysia plant. Other activities include sales, marketing & transport of products from Lynas Malaysia to customers; by-product management; and research & innovation for new products and processes, including for new energy industries.

FY25 Progress

Key areas of focus in FY25 included:

- Construction of new 65MW Mt Weld hybrid power station and progressive commissioning of gas and solar
- Commissioning of Lynas Malaysia solar array
- Climate Transition Working Group identification of GHG emissions reduction opportunities, in line with Lynas' Climate Change Policy
- New whole of company GHG data management system to enhance data consistency
- Pre-assurance assessment of climate-related disclosures in preparation for FY26 mandatory reporting

5.2 Climate Governance

Board Oversight

The Lynas Board of Directors (the Board) is responsible for setting and overseeing the Group's strategy, business plans and annual budgets, and the risk management approach. Detailed biographies of Board members are available on the Lynas website at **LynasRareEarths.com** and in the Annual Report.

Committees to support Board oversight

The Audit, Risk & ESG Committee of the Board provides stewardship for identifying, managing and responding to environmental, corporate social responsibility, corporate governance (ESG) and sustainability (including climate) trends and appropriate reporting to and communication with investors and other key stakeholders. The Committee is accountable to the Board.

In relation to Sustainability reporting, the Committee’s role includes overseeing, monitoring and reviewing the Company’s corporate reporting process and internal control framework, including whether the sustainability (climate) report reflects the understanding of the Committee members in relation to climate-related risks and opportunities of the Company that could reasonably be expected to affect the Company’s prospects, and complies with legal requirements and standards.

The Committee oversees and reports to the Board on key business risks including internal controls, performance against the Company’s risk management framework and the systems and processes used to identify, assess, prioritise and monitor material climate related risks and opportunities.

The Committee also oversees and reports to the Board on the relevance of ESG trends and developments, including climate-related matters, policies and/or initiatives related to ESG (including progress towards climate-related targets or objectives), controls, policies and procedures for overseeing and preparing the sustainability report and sustainability records, and specific actions or decisions the Board should consider in relation to ESG and climate change.

ESG, including climate, is a recurring agenda item discussed at each Audit, Risk and ESG Committee meeting and where appropriate at Board meetings. Material climate change risk and opportunities are assessed on an annual basis or more frequently as needed.

In FY25, the Board met on a quarterly basis to discuss ESG and climate, including progress towards the Group’s climate-related objectives. In FY25, the Board held a director education session and a workshop where climate-related risks and opportunities were considered and assessed in the context of the Group’s strategy.

The Charter of the Audit, Risk & ESG Committee of the Lynas Rare Earths Board of Directors (available at **https://lynasrareearths.com/about-us/corporate-governance/**) outlines the Committee’s role in relation to climate.

The Board’s Nomination and Remuneration Committee is responsible for determining how climate-related performance metrics are included in remuneration frameworks.

Management responsibilities

The Board delegates day-to-day responsibility of executing strategy, including climate-related matters, to the appointed management roles. The CEO is supported by a team of management executives, including the key roles in executive management of climate-related matters that are delegated to support Board oversight. Senior executives lead a Climate Transition Working Group which is focused on developing the Group’s GHG emissions reduction strategy and monitoring performance.

Key roles delegated to executives to support Board oversight include:

- **Chief Executive Officer (CEO)**: responsible for climate-related matters at the highest level and responsible for ensuring that climate-related matters are embedded into the Group’s core values and long-term strategy.
- **Chief Financial Officer (CFO)**: responsible for incorporating climate-related matters into financial practices, financial reporting (including climate-related financial disclosures) and disclosure activities for alignment to financial reporting.
- **Chief Operating Officer (COO)**: responsible for embedding climate-related matters into the Group’s operations focusing on operational efficiency, resilience and research and development.
- **VP Corporate Affairs & ESG Impact**: responsible for developing and implementing the Group’s climate-related strategy including alignment of policies and frameworks, coordinating stakeholder engagement in ESG and climate-related initiatives and reporting, and preparing ESG and climate-related disclosures. Prepares updates to be tabled to the Board and/or Audit, Risk & ESG Committee.
- **VP Sales & Market Development**: responsible for growing existing market and developing market opportunities for new products, including new energy products.

Controls and procedures used by management to support oversight of climate matters

Management’s oversight of the Group’s climate-related risks and opportunities is supported by the use of controls and procedures relating to climate-related risks and opportunities and the monitoring of performance in managing those risks, including the measurement of GHG emissions and progress towards climate objectives and targets. These controls form part of the Group's risk management processes and are integrated throughout business functions.

Management is responsible for daily implementation of governance frameworks and controls to support compliance and stakeholder communications.

Climate Change Policy

The Lynas Rare Earths Climate Change Policy outlines the Company's approach to the challenges of climate change and includes the Company's commitment to target Net Zero emissions by 2050. It is available at: https://lynasrareearths.com/about-us/corporate-governance/.

Climate-related skills and competencies

Frequent and deliberate consideration is given to Director experience, qualifications, background and skills. Directors, including the Chair, self assess their individual skills and experience and self assessment ratings inform the Board's Skills and Experience matrix, which is disclosed in the annual Corporate Governance Statement.

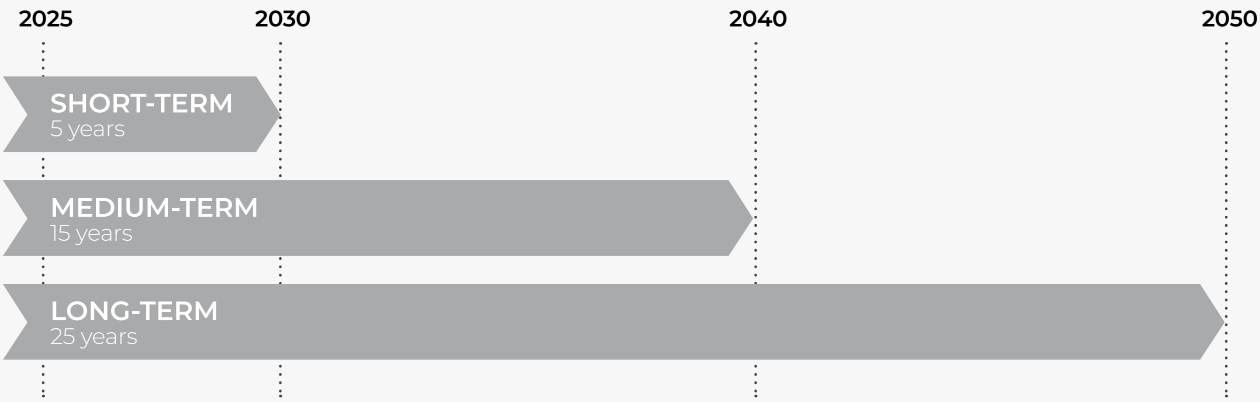
The matrix is considered in the context of the Group's strategic priorities and the external environment within which the Group operates. The matrix is considered essential to the effectiveness of the Board and its Committees and is revised annually and approved by the Board.

Many of the skills outlined in the matrix are critical for the oversight of strategies to respond to climate related risks and opportunities. Board education sessions related to climate strategy, risks and reporting were undertaken during the reporting period and delivered by external subject matter experts. This included the use of scenario analysis to assess climate-related risks and opportunities.

Executives with responsibility for climate-related risks, opportunities and reporting also participated in ongoing training and development opportunities. Where specific skills or advice are required, Lynas engages external expert advisers, including in the areas of climate science, governance, and auditing.

5.3 Strategy

Lynas' strategy is to meet the challenges of climate change by reducing Scope 1 and 2 emissions intensity in our operations and by contributing to low emissions technologies to support the energy transition. We seek to achieve this in a way that makes a positive contribution to our communities and delivers value for our customers, shareholders and other important stakeholders.



Lynas' climate strategy considers the following three-time horizons: short-term (5 years to 2030), medium-term (15 years to 2040) and long-term (25 years to 2050). These timeframes are aligned to the Group's strategic priorities, the anticipated progression of climate-related initiatives and the current project lifespan of assets.

Our climate strategy includes:

- **Market development**: Increase production capacity to meet forecast demand growth for rare earths, critical to the energy transition; continuing R&D and external engagement, including product innovation on catalysts for the hydrogen value chain

- **Physical risk adaptation**: Continue to assess physical climate-related scenarios and risks in our operations and where required, implement adaptations to maintain operational safety and productivity; invest in water recycling and identification of new water sources
- **Reduced reliance on fossil fuels**: Invest in cleaner energy solutions including renewable power generation
- **Process and product innovation**: Invest in research & innovation to reduce GHG emissions in our operations and share knowledge across sites via a multi-disciplinary Climate Transition Working Group

Climate related risks and opportunities are reviewed annually or more frequently as needed by the Board and considered as part of Lynas' business and capital allocation strategy in a range of ways including:

1. Life cycle assessment of GHG impacts included in all capital project decision making
2. GHG emissions reduction opportunities included in operational process improvement plans
3. GHG emissions reduction included in Research & Innovation strategy

FY25 strategies and actions to address climate-related issues included:

Action Areas	Operating site	Strategy	FY25 Progress
Transition Actions Reduce reliance on fossil fuels	Malaysia	Direct and market-based renewable energy solutions	Commissioned 0.75MW solar array at Lynas Malaysia. Purchased Malaysian Renewable Energy Certificates equivalent to 60,000 MWh.
	Mt Weld, WA	Construct gas and renewable power station assets and progressively commission to reduce reliance on legacy diesel power station	Construction and commissioning of gas turbines and solar array as part of approx. 65 MW gas-firmed hybrid renewable power station at Mt Weld. Wind turbines transported to site and initial turbine construction completed.
Increase production capacity to meet forecast demand growth for rare earths	Mt Weld, WA	Mt Weld exploration program and capacity expansion to increase concentrate feedstock production	Mt Weld Mineral Resource & Ore Reserve Update announced 5 August 2024. Mt Weld Expansion Project largely complete and commissioning underway.
	Kuantan, Malaysia	New heavy rare earth separation capacity	Commenced production of 2 separated Heavy Rare Earth oxides at Lynas Malaysia.
Physical Actions Prepare for potential extreme weather events	Kuantan, Malaysia	Prepare for potential wildfire	Enhanced preventative actions including drone monitoring of surrounding vegetation during the dry season and emergency response planning with local fire service.
Invest in water recycling and identification of new water sources	Mt Weld, WA	Increase recycled water use and identify additional water supply	State of the art Mt Weld water recycling plant constructed and will be commissioned in FY26.

5.4 Scenario Analysis

In FY25, a physical climate scenario analysis was undertaken by external consultants, FM. An external climate adviser was also engaged to undertake a qualitative assessment of likely physical climate risks and a quantitative assessment of potentially material risks.

In addition, an assessment of the potential future market for rare earth materials, under future climate change scenarios, was undertaken to inform analysis of potential transition risks and climate-related opportunities.

Short term (by 2030) and long term (by 2050) scenarios were applied to the two Lynas' operating sites identified to be exposed to a physical climate peril – the risk of flooding for Lynas' Mt Weld operation and the risk of wildfire for the Lynas Malaysia operation.

Scenarios used for the analysis included the low and high Representative Concentration Pathways (RCPs) detailed by the Intergovernmental Panel on Climate Change (IPCC), Socio-economic Pathway 5–8.5 for physical risk scenarios and IPCC Socio-economic Pathway 1–1.9 for transition risk scenarios. The latest CMIP6 climate scenario data has been used to inform this assessment.

Scenarios considered short and long term acute physical risks such as physical damage to assets (buildings, machinery, inventory) and associated loss in profits caused by disruption to operations as a result of increased severity of extreme weather events such as extreme precipitation, strong winds, extreme heat, drought and sea level rise.

5.4.1 Physical climate hazards

The scenario analysis indicated that Lynas' Mt Weld operation is exposed to the peril of flooding. Action was taken in FY24 to install a flood protection barrier which was in operation during the extreme rain events in CY2024. The Lynas Malaysia operation was identified as having exposure to risk of bushfire and actions related to pre-incident and emergency response planning were undertaken in FY25.

Potential exposure to the climate perils of drought and extreme heat were identified for Lynas' Western Australian operations and the perils of extreme precipitation and extreme heat for the Malaysian operation.

More intense or prolonged droughts can lead to diminishing water resources, increasing operational risks, and potentially more severe bushfires. Opportunities to increase Lynas' resilience to drought include the $30m state-of-the-art high recovery water recycling circuit from the tailings dam and an additional bore water desalination plant constructed as part of Mt Weld expansion project.

Given the location of Lynas' operating sites in tropical and semi-arid locations, Lynas is aware of the potential risks of extreme heat and heat stress on our people. Measures are put in place to mitigate these risks, including employee dehydration testing and awareness.

5.4.2 Climate-related transition impacts

Scenarios projecting future demand for rare earth materials under different policy settings predict significant increases in demand, particularly over the next 10–15 years. Scenarios with stronger climate action predict greater rare earths demand, driven by growth in clean technologies, including wind turbine and electric vehicle uptake.

While the market outlook for rare earths materials is positive under all climate scenarios, the prospect of a poorly managed and disorderly transition to global net zero emissions could have a material impact on future demand.

5.4.3 Capacity to adjust/adapt the Group's strategy and business model to climate change

The Group's capacity to remain resilient to climate change is influenced by maintaining financial flexibility to allocate capital efficiently towards emerging climate priorities. This enables the Group to respond should risks and opportunities change as a result of shifting global action. The key areas of potential changes to capital allocation are, as follows:

If a low-warming scenario were to eventuate, Lynas has the capacity to:

- Increase production capacity to produce materials required for low emissions technologies, including NdPr for permanent magnet motors used in electric and hybrid vehicles
- Prioritise and accelerate investment in new energy products such as catalysts for the hydrogen market

Alternatively, if a high-warming world scenario were to eventuate, the Group has capacity to:

- Increase capital for adaptation projects responding to increased exposure to extreme weather patterns
- Balance research and innovation investment in new energy markets with more mature market opportunities.

5.5 Risk Management

Climate-related risks and opportunities are considered as part of business strategy and planning. The Company's Risk Management Framework includes the identification, assessment and management of climate-related risks and the Company's Risk Management Policy is available at **https://lynasrareearths.com/about-us/corporate-governance/**.

Lynas has identified preventative and mitigating controls to physical site-based risks and controls have been integrated into operational risk management practices.

Lynas' leadership team takes a holistic view of transitional risks as these are generally applicable throughout the Group.

Lynas' business model is strongly aligned for growth under 'transition' scenarios as the Company's products are used in a range of low emissions technologies such as wind turbines, electric vehicles and efficient electric motors. This provides material upside opportunities for Lynas Rare Earths in future scenarios where more ambitious action to address climate change occurs. While transition scenarios do present some general business risks, including future high fossil fuel prices and the prospect of new innovations changing demand for rare earth materials, it is likely that material upside opportunities exist for Lynas Rare Earths under most transition scenarios, particularly in light of the Group's established operations and growth plan.

While Lynas' assessment of climate-related risks and opportunities did not have a material impact for the year ended 30 June 2025, this may change in future periods as Lynas updates its assessments.

Climate-related risks and opportunities are outlined below with time horizons as follows:

- Short term: 1-5 years
- Medium term: 6-15 years
- Long term: 16-25 years

Risk/Opportunity		Time Horizon
Transition Risks	• Current reliance on fossil fuels and investment required to transition to cleaner energy sources	Medium
	• Existing and emerging regulatory requirements: Increased political, policy and legal risks such as the introduction of regulatory changes to reduce or address the impact of climate change, including limiting Greenhouse Gas emissions emissions from emissions-intensive industries	Medium
	• Costs: Increased capital and operational costs including higher cost inputs and raw materials; investment in new low emissions technologies; cost of complying with changes to emissions regulations; potential for high future carbon prices	Medium
	• Technology: Technological changes to address the effects of climate change that may result in decreased demand for Lynas' products; the emergence of lower cost or lower emissions competitors of either rare earth products or alternative technologies	Medium-long
	• Reputation: Reputational risks associated with Lynas' conduct or changing community expectations	Medium
	• Litigation: If the company fails to appropriately verify and substantiate and environmental claims.	Medium

Risk/Opportunity			Time Horizon
Transition Opportunities	• Demand for rare earth materials is expected to grow dramatically from current levels to 2035. Increased demand is expected to be strongest under scenarios consistent with stronger actions and policies to reduce greenhouse gas emissions. More ambitious action towards reducing emissions will see demand grow faster in the short term. Increases in demand will be driven by growth in clean technologies, particularly wind turbine and electric vehicle uptake.		Medium-long
	• Increased demand for rare earths is expected to be observed across a wide variety of rare earth materials, particularly Neodymium, Praseodymium, Dysprosium and Terbium used in permanent magnets for electric motor production.		Medium-long
	• Lynas' unique position as the only scale producer of separated light and heavy rare earth materials outside of China means that the Group has an important role to play in providing key inputs to green technologies designed to limit the effects of climate change. Lynas seeks to leverage its competitive advantage to increase outside-China supply of rare earths.		Short-medium
Acute Physical risks	Australia:	Malaysia:	
Event-driven physical risks including increased severity of extreme weather events	• An increase in extreme weather events could increase the risk of exposure to flooding at Mt Weld	• An increase in extreme weather events could increase the risk of exposure to bushfire	Short-medium
Chronic Physical risks	Australia:	Malaysia:	
Longer-term shifts in climate patterns e.g. higher temperatures, changes in drought and sea level rise	• The risk of drought could create increased pressure on water supplies which will require additional investment in water recycling and identification of new water sources	• An increase in heat stress periods with an increase in the frequency of very hot days could present a risk of interrupted operations or lost productivity	Long
	• An increase in extreme heat days could translate to a material increase in heat stress periods, potentially disrupting operations and contributing to lost productivity	• An increase in precipitation could lead to extreme rain events, potentially disrupting operations	

Risk Governance

Lynas' Risk Management Framework integrates risk governance, strategy and processes into business decision making. By adopting a three-line defence model, the Group establishes accountability and effectiveness in managing risk while enhancing compliance with regulation. An outline of the three-line defence model is provided below:

Line	Includes	Responsibilities
1st line: Operational management	Includes employees making decisions in line with the overall strategy, those deploying resources within the entity and those who contribute to overall business outcomes.	Responsible for both assisting in the identification and management of associated risks, including climate risks.
2nd line: Executive Risk Committee	Includes those responsible for providing expert knowledge, support and monitoring on risk-related matters in line with the RMF.	Responsible for managing organisation-wide risks including the review and approval of RMF climate risk, appetite, and strategy.
3rd line: Internal Audit	Includes evaluating risk assessment and mitigation strategies, monitoring controls, providing advisory services, monitoring compliance, and facilitating communication.	Provides assurance assessment to the Board over the control environment within the Group, including on climate matters.

Risk & Opportunity Identification & Assessment

Potential climate-related risks are identified by gathering and analysing internal evidence and external evidence (such as industry peer disclosures, industry outlook commentaries, topics identified in disclosure standards). Lynas' identification of opportunities is embedded within the risk identification process and opportunities are also identified through stakeholder engagement and monitoring of climate-related trends.

Lynas utilises climate modelling data from internal data sources (including FM Global's climate resilience assessment of Lynas operating sites) and external sources, such as the IPCC and local meteorological agencies to assess regional climate impacts.

Through climate modelling, Lynas evaluates potential outcomes under varying warming trajectories and identifies potential climate-related risks and emerging market opportunities. Regular consultation with regulatory, industry bodies, investors and communities helps Lynas anticipate market shifts to align opportunities and anticipate and mitigate risks. Lynas also fosters innovation through cross-functional teams who explore opportunities to reduce GHG emissions in processing and create innovative products to support the energy transition and emissions reduction.

When assessing climate-related risks, Lynas assesses the nature, likelihood and magnitude of the impact on our business performance and prospects, using both qualitative and quantitative criteria.

Lynas assesses opportunities through a comprehensive project evaluation process incorporating financial viability, environment and social impact and compliance with regulations. Projects undergo a cost-benefit analysis, including Life Cycle Assessment for major capital projects.

Risk & Opportunity Prioritisation & Monitoring

As part of the Lynas Risk Management Framework, climate-related risks are prioritised based on their potential impact on operations and financial performance. The Framework incorporates probability and severity, allowing resources to be focused on the most pressing threats over multiple time horizons.

Opportunities are evaluated based on their relevance to the Group's core business operations, stakeholder interest and potential to drive value creation, and prioritised based on their potential impact, feasibility and alignment with strategic business goals.

Ongoing risk monitoring, including climate-related risks and opportunities, is integrated into business activities and reported to the Board on a quarterly basis.

5.6 Metrics

Lynas monitors and reports on total Scope 1 and Scope 2 GHG emissions in line with the GHG Protocol and Australia's National Greenhouse Energy Reporting (NGER). In FY25, Lynas has focused on enhancing company-wide GHG data management and recording.

Company-wide total Scope 1 and 2 emissions for FY20-FY25 (tonnes CO_2-e) are as follows:

Reporting Year		FY20	FY21	FY22	FY23	FY24	FY25
Mt Weld	Scope 1	21,137	19,697	25,649	29,990	28,523	41,097
	Scope 2	–	–	–	–	–	-
	Scope 1+2	21, 137	19,697	25,649	29,990	28,523	41,097
Kalgoorlie	Scope 1	–	–	956	9,324	3,686	10,809
	Scope 2	–	–	–	12	3,904	14,066
	Scope 1+2	–	–	–	9,336	7,590	24,875
Malaysia	Scope 1	32,634	39,951	40,807	42,952	36,837	27,549
	Scope 2	43,387	43,917	42,831	43,568	38,688	54,500
	Scope 1+2	76,021	83,868	83,638	86,520	75,525	82,049
Group Total	Scope 1	53,771	59,648	67,412	82,266	69,046	79,455
	Scope 2	43,387	43,917	42,831	43,580	42,592	68,566
	Scope 1+2	97,159	103,565	110,243	125,846	111,638	148,021
Other metrics	Renewable Energy Certificates (RECs) retired						60,000 (equivalent to 60,000 MWh)

Climate related targets

As stated in the Company's Climate Change Policy, Lynas is targeting net zero emissions (Scope 1 & 2) by 2050.

Lynas is focused on direct action, including through the generation, purchase and use of renewable energy and through research and innovation on rare earths processing and product development. Lynas does not intend to use carbon offsets to achieve our short-medium term climate ambitions. Depending on technological development timeframes, carbon offsets may have a role to play in the long-term to address residual hard to abate emissions once all possible direct action has been taken.

5.7 Greenhouse Gas Emissions inventory methodology

Lynas monitors and reports on total Scope 1 and Scope 2 GHG emissions in line with the GHG Protocol and Australia's National Greenhouse Energy Reporting (NGER).

Lynas Rare Earths' GHG methodology is available at **https://lynasrareearths.com/sustainability/our-commitment-to-esg/**

BASIS OF REPORT

The report is based on the guidelines in The Group 100 Incorporated publication Guide to the Review of Operations and Financial Condition.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is bound by the requirements and guidelines of the relevant environmental protection authorities for the management and rehabilitation of mining tenements owned or previously owned by the Group. Mining tenements are being maintained and rehabilitated following these guidelines. The Group is also bound by the requirements of its operating licence in Malaysia. There have been no known breaches of any of these requirements and guidelines.

We continue to focus on ensuring positive relationships with regulators and local communities, and compliance with regulatory requirements in both jurisdictions in which we operate.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Except as disclosed in the review of operations, the factors and business risks that affect future performance and the subsequent events, there have been no significant changes in the state of affairs of the Group during the year ended 30 June 2025.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement of the Group, current on the date that the Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the *Corporations Act 2001*, is located on the Group's website, **www.lynasrareearths.com**.

SHARES ISSUED UPON EXERCISE OF PERFORMANCE RIGHTS

During the financial year 728,687 Performance Rights were exercised as set out in Note E.7 to the Financial Statements.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the end of the financial year, the Group has paid a premium in respect of a contract insuring all Directors and Officers of the Group against liabilities incurred as a Director or Officer of the Group, to the extent permitted by the Corporations Act 2001, that arise because of the following:

a. a wilful breach of duty; or
b. a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The insurance contract prohibits disclosure of the premiums payable under the contract. The premiums are not included as part of the Directors' remuneration in Section H of the Remuneration Report or Note E.7 to the Financial Statements.

NON-AUDIT SERVICES

During the year Ernst & Young, the Group's auditor, has performed certain other services in addition to the audit and review of the Financial Statements.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined in Note E.3 to the Financial Statements. The Directors have considered the non-audit services provided during the year by the auditor, and are satisfied that the provision of non-audit services by the auditor during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants,* as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

INDEMNIFICATION AND INSURANCE OF AUDITOR

During or since the end of the financial year, the Group entered into an agreement with its auditors, Ernst & Young, indemnifying them against any claims by third parties arising from their report on the Annual Financial Report, except where the liability arises out of conduct involving a lack of good faith. No payment has been made to indemnify Ernst & Young during or since the financial year.

COMMITTEE MEMBERSHIP

During the financial year, the Group had the following Committees of the Board of Directors: Audit, Risk & ESG Committee, Health, Safety & Environment Committee, and Nomination, Remuneration and Community Committee.

Directors acting on the Committees of the Board during the year ended 30 June 2025:

For the period from 1 July 2024 to 30 June 2025:

Audit, Risk & ESG	Health, Safety & Environment	Nomination, Remuneration & Community
G. Murdoch[c]	P. Etienne[c]	V. Guthrie[c]
P. Etienne	V. Guthrie	J. Humphrey
J. Humphrey	J. Beevers	G. Murdoch
		J. Beevers

(c) Chair of Committee

As summarised in the Corporate Governance Statement, each Committee consists of independent Directors.

The number of Directors' meetings held during the year and the number of Board and Board committee meetings:

	Directors' Meetings	Audit, Risk & ESG[2]	Health, Safety & Environment[2]	Nomination, Remuneration & Community[2]
Number of meetings held:	11	6	3	4
Number of meetings attended:				
A. Lacaze	10[1]	–	–	–
P. Etienne	11	5	3	–
V. Guthrie	11	–	3	4
J. Humphrey	11	6	–	4
G. Murdoch	11	6	–	4
J. Beevers	11	–	3	4

(1) A Lacaze was only eligible to attend 10 of the Directors Meetings during the year
(2) Attendance at subcommittee meetings reflect relevant committee members only.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Ernst & Young, which follows the Directors' Declaration.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, in relation to the “rounding off” of amounts. Amounts in the Directors’ Report and Financial Statements have been rounded off, in accordance with the Instrument, to the nearest thousand dollars, unless otherwise stated.

SUBSEQUENT EVENTS

On 24 July 2025, Lynas announced the signing of a Memorandum of Understanding (MoU) with Korean permanent magnet manufacturer JS Link to develop a sustainable rare earth permanent magnet value chain in Malaysia. Under the terms of the MoU, Lynas will collaborate with JS Link on the development of a 3,000 tonne capacity NdFeB permanent sintered magnet manufacturing facility near the Lynas Malaysia advanced materials plant in Kuantan, Malaysia. Lynas and JS Link will also collaborate in respect of the supply by Lynas of Light and Heavy Rare Earth materials to JS Link to support production of NdFeB permanent sintered magnets. The MoU is non-binding and subject to a definitive agreement.

On 28 August 2025, Lynas announced that it is undertaking an equity raising comprising a fully underwritten institutional placement to raise approximately A$750m and a non-underwritten share purchase plan to raise up to A$75m.

Environmental, Social and Governance Statement

Financial year ended 30 June 2025

The Lynas Environmental, Social and Governance Report (ESG Report) for FY25 will be published on the Group’s website, **www.lynasrareearths.com**, in October 2025.

Remuneration report – audited

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for the 2025 financial year and provide an overview of our remuneration framework and outcomes.

Remuneration framework

Lynas' remuneration objective is to maximise shareholder value by the attraction and retention of talented people. We remunerate our people competitively and consistently with comparable employment market conditions. Lynas is the only ex-China producer of scale of separated Rare Earths and our remuneration framework takes into account the unique skills of our people, the global nature of the rare earths business, the complexity of the critical minerals supply chain and priorities for our operations, customers and shareholders, including climate-related initiatives.

Remuneration for KMP and Lynas Leadership Team members includes a performance based Short Term Incentive (STI) and Long Term Incentive (LTI). The STI and LTI have also been extended to include employees in roles that have considerable influence on outcomes associated with capital management, operational leadership and major capacity growth projects or have specialist expertise in strategic areas for Lynas.

Lynas also offers a company-wide employee bonus scheme (excluding those eligible for STI/LTI) to provide all employees an opportunity to contribute to and benefit from the company's success.

There were no changes to executive or Board remuneration structures in FY25 and key Management Personnel (KMP) also remained consistent.

Business performance

Capital investments made as part of the Lynas 2025 growth initiative were largely completed during the year and commissioning and ramp up of new facilities continued in FY25.

In Western Australia, this included production ramp up and flowsheet improvements at the new Kalgoorlie Rare Earths Processing Facility and the construction and progressive commissioning of the Mt Weld Expansion project and hybrid power station. In Malaysia, the first batches of Mixed Rare Earths Carbonate (MREC) feedstock from Kalgoorlie were processed, the first separated Heavy Rare Earth oxides (Dy and Tb) were produced, and quarterly production of NdPr exceeded 2,000 tonnes for the first time in the June quarter 2025.

The rare earths market remained dynamic during the year. While market prices remained low, in the second half of the year there was an increase in customer demand and the highest average selling price since the July 2022 quarter was achieved in the June quarter of FY25 due to a focus on strategic customer relationships and a balanced pricing portfolio.

Remuneration outcomes

Remuneration outcomes for FY25 reflect the business performance and global market environment during the year.

The Lynas Short Term Incentive (STI) rewards performance in core business drivers. In FY25, this included EBITDA, NdPr Production, NdPr Production Rate and NdPr Operating Costs, as well as key non-financial performance metrics that are of particular importance to shareholders, including Strategic Plan/Business Plan; Health, Safety and the Environment (HSE); Sustainability (including climate-related objectives); and People and Culture. Based on these outcomes, 40% of the STI will vest.

The Long Term Incentive (LTI) recognises that capital projects are a substantial growth driver for the company. The LTI for the three year period from 1 July 2022 to 30 June 2025 has two components which are designed to be aligned with the creation of sustainable long term shareholder value. The first of these components is Relative Total Shareholder Returns (TSR) assessed over a three year period, relative to other peer group companies. The second component is related to targets aligned with Lynas' strategic growth objectives. Lynas' TSR was at the 40th percentile of ASX200 companies (a total positive shareholder return of 1.7% over the period) and did not vest. The strategic targets in respect Lynas 2025 projects were assessed and 50% will vest (25% of total LTI).

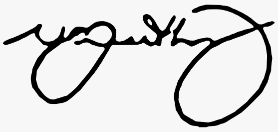
Summary

The Lynas Board remains committed to executive remuneration being strongly aligned with key performance outcomes that drive shareholder value. For this reason, a significant proportion of executive remuneration is 'at risk' or variable pay.

This year has seen the culmination of the Lynas 2025 strategy and the capital invested over the past five years has created a larger industrial footprint, with additional processing capacity and additional products. As demonstrated by FY25 production and sales outcomes, the team remains focused on meeting customer needs and creating value from the $1.5 billion expansion capital invested in operating assets.

The Nomination, Remuneration and Community Committee welcomes your feedback and support as we continue our work to attract and retain talent at Lynas and create and deliver value for shareholders.

Yours sincerely,



Vanessa Guthrie

Chair

Nomination, Remuneration and Community Committee

This report sets out Lynas' remuneration framework and outcomes for Key Management Personnel (KMP) for the financial year ended 30 June 2025. This report has been prepared and audited in accordance with the requirements of the *Corporations Act 2001* and its regulations.

A. LIST OF KMP

The KMP during the financial year ended 30 June 2025 were as follows:

KMP	Position	Location	Term as KMP
Executive Director			
A. Lacaze	CEO and Managing Director	Australia	Full Financial Year
Non-Executive Directors			
J. Humphrey	Chairman, Non-Executive Director	Australia	Full Financial Year
J. Beevers	Non-Executive Director	Australia	Full Financial Year
P. Etienne	Non-Executive Director, Chair of the HSE Committee	Australia	Full Financial Year
V. Guthrie	Non-Executive Director, Chair of the Nomination, Remuneration & Community Committee	Australia	Full Financial Year
G. Murdoch	Non-Executive Director, Chair of the Audit, Risk & ESG Committee	Australia	Full Financial Year
Executives			
G. Sturzenegger	Chief Financial Officer	Malaysia	Full Financial Year
S. Leonard	General Counsel and Company Secretary	Australia	Full Financial Year
P. Le Roux	Chief Operating Officer	Malaysia	Full Financial Year
C. Jenney	Vice President – Sales and Market Development	Australia	Full Financial Year
M. Ahmad	Vice President – Malaysia	Malaysia	Full Financial Year

B. OUR REMUNERATION GOVERNANCE

The Nomination, Remuneration and Community Committee is responsible for reviewing and making recommendations to the Board on the remuneration arrangements for Directors and Executives. The Nomination, Remuneration and Community Committee assesses, on a regular basis, the appropriateness of the nature and amount of KMP remuneration.

In fulfilling these duties and to support effective governance processes, the Committee:

- consists of independent Non-Executive Directors and has an independent Chair;
- has unrestricted access to management and any relevant documents; and
- engages external advisers for assistance to the extent appropriate and necessary (e.g. detailing market levels of remuneration).

C. OUR REMUNERATION FRAMEWORK

Overview

Lynas' remuneration objective is to maximise shareholder benefits by attracting, retaining and motivating talented people, including our Board of Directors and executive management team, at a cost that is acceptable to shareholders. We remunerate our people competitively and consistently with comparable employment market conditions. Lynas is the largest producer of separated Rare Earths outside of China and our remuneration framework takes into account the global nature of the rare earths business and the complexity of the critical minerals supply chain.

Component	Description	How does it link to performance and strategy?
Fixed Remuneration	Fixed remuneration consists of base salary, non-monetary benefits and statutory superannuation contributions.	Fixed remuneration is set at a level that enables Lynas to attract and retain talented people, at a cost which is acceptable to shareholders. It reflects the global nature of the rare earths supply chain, macro-economic factors, the need to attract experienced expatriate personnel to the Lynas Malaysia plant in Gebeng near Kuantan in regional Malaysia and the competitive market for resources personnel in Western Australia. Individual remuneration reflects the role, responsibilities, and experience of the relevant employee.
Short Term Incentive (STI)	The STI program is based on the achievement of annual financial and non-financial goals. Further details of the STI Plan Structure are set out below.	STI supports the delivery of annual performance goals which are selected by the Board considering the budget and Lynas' strategic initiatives. The STI Plan ensures annual remuneration is competitive to facilitate retention of key personnel. Half of the STI is paid as deferred equity (performance rights).
Long Term Incentive (LTI)	The LTI program provides a reward for longer term performance Further details of the LTI Plan Structure are set out below.	LTI focuses on long term performance goals which create sustained value for shareholders. LTI is paid as deferred equity (performance rights) which aligns the interests of Executives and shareholders in ensuring the sustainable, long term performance of Lynas.

Our remuneration mix aims to achieve a balance between fixed and performance related components. This contributes to a high performance culture led by the Executive team.

The diagrams below illustrate the remuneration mix range for Executives based on the target and maximum LTI and STI opportunities for FY25. The actual remuneration mix for Executives will vary depending on the level of performance relative to the LTI and STI performance objectives.

	Fixed	STI	LTI
CEO	26.7 – 28.6%	28.6 – 33.3%	40.0 – 42.8%
Other Executive KMP	34.0 – 36.3%	31.9 – 33.3%	34.0 – 36.3%

Short term incentive structure

The structure of the STI Plan is as follows:

Description	Under the STI Plan, Executive KMP can earn an annual incentive based on performance during the year. STI Plan performance conditions align with Lynas' annual operational and financial goals. The performance conditions are chosen to incentivise performance that is consistent with desired business outcomes and which contributes to longer term growth in shareholder value. The STI Plan is at risk remuneration. Actual awards depend on performance against the performance conditions.
Participants	Executive KMP and any employee of Lynas who is invited by the Board are eligible to participate. In addition to the Executive KMP, during FY25, three members of the Lynas Leadership Team and thirty six senior employees who are critical to the delivery of Lynas' short-term operational and financial goals were invited to participate in the STI Plan.
STI Opportunity	**Target Performance:** In FY25, up to 100% of fixed remuneration for CEO. Up to 75% of fixed remuneration for Executive KMP and Lynas Leadership Team. Up to 37.5% of fixed remuneration for Senior Managers. Up to 10% of fixed remuneration for other employees eligible to participate in the STI Plan. **Maximum Opportunity:** In FY25, up to 125% of fixed remuneration for CEO. Up to 93.75% of fixed remuneration for Executive KMP and Lynas Leadership Team. Up to 46.87% of fixed remuneration for Senior Managers. Up to 11% of fixed remuneration for other employees eligible to participate in the STI Plan.
Basis of award	Half of the STI opportunity is awarded in cash and half is awarded in performance rights. The number of STI performance rights to be granted is calculated by taking the volume weighted average price of Lynas' shares for the 5 trading days up to and including the date of Board approval (the PR Value). The relevant STI grant is divided by the PR Value and rounded up to the nearest whole number.
Performance Conditions	The Board selects both financial and non-financial performance conditions based on the Lynas budget and strategic plan. For FY25, three bands of performance were set for each performance condition: • **Threshold: 90% of budget – 75% award** • **Target: 100% of budget – 100% award** • **Maximum: 110% of budget – 125% award** If performance falls between the Threshold and Maximum levels then awards are pro-rated. No STI Plan awards will be made if there is an 'at fault' fatality during the performance period.
Financial Performance Conditions (60% weighting)	Financial performance conditions are selected by the Board using the approved budget. The performance goals are selected based on the budget and considering market conditions. The financial conditions are assessed annually. For the FY25 STI Plan the four financial performance conditions selected were: (1) EBITDA Target (20% weighting); (2) NdPr Production (13.33% weighting); (3) NdPr Production Rate (6.67% weighting); and (4) NdPr Operating Costs (20% weighting).
Non-financial Performance Conditions (40% weighting)	The Board selects non-financial conditions for the STI Plan based on the team/individual responsibilities in the context of the Lynas strategic plan. The non-financial conditions are assessed annually. For the FY25 STI Plan the areas selected for assessment were: (1) Progress on Strategic Plan/ Business Plan; (2) Health, Safety and Environment; (3) Sustainability; (4) People & Culture.

Why were these performance conditions selected?	A combination of financial and non-financial performance conditions aligns the STI Plan with growth and sustainable returns for shareholders. The financial conditions selected by the Board in FY25 are measures which directly affect Lynas' profitability and financial performance. Due to the anticipated increases in capital expenditure for strategic growth projects, EBITDA rather than EBIT was selected by the Board as the financial growth measure. The non-financial performance conditions reflect areas that are critical for the success of Lynas and complement the measures included in the other quantitative STI and LTI targets. Non-financial performance conditions are designed to address areas of particular importance to shareholders. The non-financial performance conditions for FY25 were selected by the Board for the following reasons: • Strategic Initiatives: Initiatives planned to deliver value for shareholders • Health, Safety & Environment: Critical to continued safe operations • Sustainability: Important to Lynas' stakeholders and the future sustainable growth of the business, including climate change • People & Culture: Important to Lynas' stakeholders and employee attraction and retention Performance conditions for the STI Plan are reviewed annually by the Board to ensure they remain aligned with business strategy and shareholder interests.
How and when is performance assessed?	Performance is assessed annually. For the financial conditions, the Board calculates the results after the end of the performance period. For the non-financial conditions, the Board assesses the performance of the Executives based on the recommendations from the Nomination, Remuneration and Community Committee.
Eligibility for dividends	Holders of performance rights are not eligible for dividends until the performance rights have been converted into shares.
Cessation of employment	STI performance rights are subject to a vesting condition of continued employment at Lynas for a period of 12 months after the grant. **Cessation of employment or engagement** Subject to the terms of the relevant invitation and the Plan: • if an Offeree ceases to be an employee of, or engaged by, the Group in circumstances where the cessation is due to Termination for Cause, then unless the Board determines otherwise, all of their vested (but unexercised) Rights, and all of their unvested Rights, will automatically lapse; and • if an Offeree ceases to be an employee of, or engaged by, the Group in circumstances other than due to Termination for Cause, then unless the Board determines otherwise, all vested (but unexercised) Rights, and all unvested Rights, will remain on issue in accordance with the terms and conditions upon which those Rights were granted. **Termination for Cause** means termination of employment or engagement of the Offeree due to, amongst other matters, fraud or dishonesty, a material breach of the Offeree's obligations to the Group, any act of gross negligence in the performance of duties or any other reason (including under applicable law or the Offeree's employment contract, consulting agreement or other form of engagement) that the Board determines constitutes justification for termination without notice or compensation. **Treatment of Rights after cessation of employment or Engagement** If a person continues to hold Rights after they or their Offeree cease to be employed or engaged by the Group, then the Board may in its discretion determine that some or all of those Rights will lapse if the Board determines that the person has breached any obligation owed to the Group or the circumstances have changed such that it is no longer appropriate for the person to retain the Rights.

Clawback	The Board may, amongst taking other action (such as requiring any benefits obtained under the Plan to be returned), deem any unvested or vested (but unexercised) Rights to have lapsed if an Offeree takes certain adverse action, including committing a fraudulent or dishonest act or engaging in behaviour which has caused, or is likely to cause, the Company's reputation to be adversely affected.
Change of Control Event	If an event occurs that the Board reasonably believes may lead to a Change of Control Event, the Board may determine the treatment (and the timing of such treatment) of any unvested or unexercised Rights. If a Change of Control Event occurs and the Board has not made a determination, then all unvested Rights automatically vest and are deemed to have been exercised, together with any previously vested but unexercised Rights, on the occurrence of the Change of Control Event. A **Change of Control Event** includes: • a takeover bid that is or becomes free of any defeating conditions where an offeror who previously had voting power of less than 50% in the Company obtains voting power of more than 50%; • shareholders of the Company approving a proposed compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies at a meeting convened by the Court pursuant to section 411(4)(a) of the Corporations Act; • any person becoming bound or entitled to acquire shares in the Company under section 414 (compulsory acquisition following a scheme or contract) or Chapter 6A (compulsory acquisition of securities) of the Corporations Act; • a selective capital reduction being announced in respect of the Company which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; • the Company passes a resolution for voluntary winding up; • an order is made for the compulsory winding up of the Company; or • in any other case, a person obtaining voting power in the Company which the Board determines is sufficient to control the composition of the Board.
Disposal restriction	A Right is not transferable except where permitted with the prior written consent of the Board or where required by force of law upon death or bankruptcy. Unless the Board determines otherwise, Shares allotted upon exercise of Rights must not be sold, transferred or disposed of by the holder at any time during which trading in the Company's securities is prohibited in accordance with the Company's corporate governance policies on share trading activities.
Bonus issues	If Shares are issued pro rata to the Company's shareholders by way of bonus issue, the number of Shares over which the Rights are exercisable will be increased by the number of Shares that the Rights Holder would have received if it had exercised the Rights before the record date for the bonus issue. No adjustment will be made to the exercise price (if any).
Pro rata issues	If Shares are offered pro rata for subscription by the Company's shareholders (except a bonus issue) during the currency of and prior to exercise of any Rights, the exercise price (if any) of each Right will be adjusted in a manner determined by the Board and in accordance with the ASX Listing Rules.
Adjustment for reorganisation	If there is a reorganisation of the issued capital of the Company then the rights of a Rights Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
New issues	Subject to the foregoing, during the currency of any Rights and prior to their exercise, Rights Holders are not entitled to participate in any new issue of securities of the Company as a result of their holding Rights.

Ranking of Shares	Any Shares allotted under the Plan will rank equally with Shares of the same class on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their allotment.
Quotation	If Shares of the same class as those allotted under the Plan are quoted on the Australian Securities Exchange (**ASX**) at the time of allotment, the Company will apply to the ASX for those Shares to be quoted. Unless the Board determines otherwise in its discretion, the Company will not apply for quotation of any Rights on the ASX.
Amendment	Subject to the ASX Listing Rules and the Corporations Act, the Board may amend, revoke, vary or add to all or any of the provisions of the Plan, or the terms or conditions of any Right (including vesting conditions). However, without the consent of the Rights Holder, no amendment may be made which adversely affects the rights of the Rights Holder, other than in certain circumstances, including an amendment for the purposes of complying with law or the ASX Listing Rules. Subject to the foregoing, any amendment may be given retrospective effect.
Board discretion	The Plan is administered by the Board which has power to, amongst other matters, determine appropriate procedures for administration of the Plan consistent with the Plan rules. Except as otherwise expressly provided in the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan or any Rights and in the exercise of any power or discretion under the Plan. The Board may at any time waive in whole or in part any terms or conditions (including any vesting condition) in relation to any Rights.

Long term incentive structure

This section summarises the LTI grants made in FY25.

Description	Under the LTI Plan, annual grants of performance rights are made to eligible participants to align remuneration with the creation of sustainable shareholder value over the long term.
Participants	Executive KMP and any employee of Lynas who is invited by the Board are eligible to participate. In addition to the Executive KMP, during FY25, three members of the Lynas Leadership Team and thirty six senior employees who are critical to the delivery of Lynas' short-term operational and financial goals were invited to participate in the Plan.
LTI Opportunity	**CEO** – Up to 150% of fixed remuneration **Other KMP and Lynas Leadership Team** – Up to 100% of fixed remuneration **Other invited employees** – Up 25 to 50% of fixed remuneration depending on employee level The number of LTI performance rights to be granted is calculated by taking the volume weighted average price of Lynas' shares for the 5 trading days up to and including the date of Board approval (the PR Value). The relevant LTI grant is divided by the PR Value and rounded to the nearest whole number.
Vesting Date	In the first employee share trading window following August 2027.
Performance Conditions	Four vesting conditions apply to the LTI grants made during FY25: • Relative Total Shareholder Return (TSR) • Strategic Target – Comparative EBITDA • Strategic Target – Revenue Resilience • Sustainability Target

Relative TSR – 50% weighting	Relative TSR is assessed over a three year period from 1 July 2024 to 30 June 2027, relative to other companies in the ASX50 - 150 index (Peer Group Companies). For any performance rights to vest under the TSR vesting condition, Lynas' performance must be equal to or greater than the 51% percentile of Peer Group Companies. The percentage of the performance rights that may vest is determined as follows:

Lynas TSR Ranking across the TSR Period	Proportion of Performance Rights that vest
Below 51st percentile	0%
At the 51st percentile	50%
Between the 51st percentile and the 76th percentile	Between 50% and 100% as determined on a linear basis (rounded to the nearest 5%)
At or above 76th percentile	100%

Strategic Target – Comparative EBITDA - 20% weighting	This strategic target will measure Lynas' EBITDA compared to other rare earth producing companies globally. Performance will be assessed against the most recently publicly disclosed EBITDA for rare earths sold in all forms. The comparison will be calculated using EBITDA margin in %. The vesting scale for this measure is as follows: • 0% vests if comparative EBITDA is more than 25% below EBITDA of the best performing producer globally • 50% vests if the comparative EBITDA is equal to 25% below EBITDA of the best performing producer globally • 100% vests if comparative EBITDA is equal to or better than EBITDA of the best performing producer globally
Strategic Target – Revenue Resilience – 20% weighting	This strategic target will measure the contribution to Lynas' EBITDA from new products and new customers. FY24 will be used as a baseline. EBITDA contribution from new customers and products in respect of which there were no sales as at 30 June 2024 will be measured. The vesting scale will be as follows: • 50% vests if EBITDA contribution from new customers and/or new products is greater than or equal to 10% • 100% will vest if EBITDA contribution from new customers and/or new products is greater than or equal to 15%
Climate Target – 10% weighting	The Climate Target will measure progress against emissions reduction actions in accordance with the following timeline: • Finalise and roll out Scope 1, 2 and 3 methodology and implement across all operations (by end FY25) • Determine GHG emissions baseline for Lynas Malaysia and set site emissions reductions targets (by end FY26) • Achieve planned progress against site specific emissions reductions targets (by end FY27)

Why were these performance conditions selected?	The vesting conditions for the LTI Plan were selected due to their alignment with Lynas' long term strategic goals. The Relative TSR Vesting condition was selected because it ensures alignment between competitive shareholder return and reward for the executive. The comparison with peer group companies in the ASX50 – 150 index provides an objective, external market-based performance measure relative to Lynas' peer group companies. Relative TSR is widely understood and accepted by key stakeholders. The Strategic Target – Comparative EBITDA was selected because it provides a comparison to other producing rare earth companies which is an important measure of success. EBITDA margin has been selected as it is a publicly disclosed measure and therefore the calculation can be performed from information derived from public financial statements. The Strategic Target – Revenue Resilience was selected because it will measure Lynas' ability to broaden its portfolio of products and customers. Broadening Lynas' customer base in its magnet business and broadening income beyond NdPr sales are key success factors for securing resilient growth. The Climate Target has been selected due to the importance of the energy transition to Lynas' stakeholders.
How and when is performance assessed?	Relative TSR will be calculated by Lynas and tested by an external adviser as soon as practicable at the end of the performance period. The Strategic and Sustainability Targets will be assessed by the Board after 30 June 2027.
Eligibility for dividends	Holders of performance rights are not eligible for dividends until the performance rights have been converted into shares.
Cessation of employment	**Cessation of employment or engagement** Subject to the terms of the relevant invitation and the Plan: • if an Offeree ceases to be an employee of, or engaged by, the Group in circumstances where the cessation is due to Termination for Cause, then unless the Board determines otherwise, all of their vested (but unexercised) Rights, and all of their unvested Rights, will automatically lapse; and • if an Offeree ceases to be an employee of, or engaged by, the Group in circumstances other than due to Termination for Cause, then unless the Board determines otherwise, all vested (but unexercised) Rights, and all unvested Rights, will remain on issue in accordance with the terms and conditions upon which those Rights were granted. **Termination for Cause** means termination of employment or engagement of the Offeree due to, amongst other matters, fraud or dishonesty, a material breach of the Offeree's obligations to the Group, any act of gross negligence in the performance of duties or any other reason (including under applicable law or the Offeree's employment contract, consulting agreement or other form of engagement) that the Board determines constitutes justification for termination without notice or compensation. **Treatment of Rights after cessation of employment or Engagement** If a person continues to hold Rights after they or their Offeree cease to be employed or engaged by the Group, then the Board may in its discretion determine that some or all of those Rights will lapse if the Board determines that the person has breached any obligation owed to the Group or the circumstances have changed such that it is no longer appropriate for the person to retain the Rights.
Clawback	The Board may, amongst taking other action (such as requiring any benefits obtained under the Plan to be returned), deem any unvested or vested (but unexercised) Rights to have lapsed if an Offeree takes certain adverse action, including committing a fraudulent or dishonest act or engaging in behaviour which has caused, or is likely to cause, the Company's reputation to be adversely affected.

Change of Control Event	If an event occurs that the Board reasonably believes may lead to a Change of Control Event, the Board may determine the treatment (and the timing of such treatment) of any unvested or unexercised Rights. If a Change of Control Event occurs and the Board has not made a determination, then all unvested Rights automatically vest and are deemed to have been exercised, together with any previously vested but unexercised Rights, on the occurrence of the Change of Control Event. A **Change of Control Event** includes: • a takeover bid that is or becomes free of any defeating conditions where an offeror who previously had voting power of less than 50% in the Company obtains voting power of more than 50%; • shareholders of the Company approving a proposed compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies at a meeting convened by the Court pursuant to section 411(4)(a) of the Corporations Act; • any person becoming bound or entitled to acquire shares in the Company under section 414 (compulsory acquisition following a scheme or contract) or Chapter 6A (compulsory acquisition of securities) of the Corporations Act; • a selective capital reduction being announced in respect of the Company which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; • the Company passes a resolution for voluntary winding up; • an order is made for the compulsory winding up of the Company; or • in any other case, a person obtaining voting power in the Company which the Board determines is sufficient to control the composition of the Board.
Disposal restriction	A Right is not transferable except where permitted with the prior written consent of the Board or where required by force of law upon death or bankruptcy. Unless the Board determines otherwise, Shares allotted upon exercise of Rights must not be sold, transferred or disposed of by the holder at any time during which trading in the Company's securities is prohibited in accordance with the Company's corporate governance policies on share trading activities.
Bonus issues	If Shares are issued pro rata to the Company's shareholders by way of bonus issue, the number of Shares over which the Rights are exercisable will be increased by the number of Shares that the Rights Holder would have received if it had exercised the Rights before the record date for the bonus issue. No adjustment will be made to the exercise price (if any).
Pro rata issues	If Shares are offered pro rata for subscription by the Company's shareholders (except a bonus issue) during the currency of and prior to exercise of any Rights, the exercise price (if any) of each Right will be adjusted in a manner determined by the Board and in accordance with the ASX Listing Rules.
Adjustment for reorganisation	If there is a reorganisation of the issued capital of the Company then the rights of a Rights Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
New issues	Subject to the foregoing, during the currency of any Rights and prior to their exercise, Rights Holders are not entitled to participate in any new issue of securities of the Company as a result of their holding Rights.
Ranking of Shares	Any Shares allotted under the Plan will rank equally with Shares of the same class on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their allotment.

Quotation	If Shares of the same class as those allotted under the Plan are quoted on the Australian Securities Exchange (**ASX**) at the time of allotment, the Company will apply to the ASX for those Shares to be quoted. Unless the Board determines otherwise in its discretion, the Company will not apply for quotation of any Rights on the ASX.
Amendment	Subject to the ASX Listing Rules and the Corporations Act, the Board may amend, revoke, vary or add to all or any of the provisions of the Plan, or the terms or conditions of any Right (including vesting conditions). However, without the consent of the Rights Holder, no amendment may be made which adversely affects the rights of the Rights Holder, other than in certain circumstances, including an amendment for the purposes of complying with law or the ASX Listing Rules. Subject to the foregoing, any amendment may be given retrospective effect.
Board discretion	The Plan is administered by the Board which has power to, amongst other matters, determine appropriate procedures for administration of the Plan consistent with the Plan rules. Except as otherwise expressly provided in the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan or any Rights and in the exercise of any power or discretion under the Plan. The Board may at any time waive in whole or in part any terms or conditions (including any vesting condition) in relation to any Rights.

D. REMUNERATION OUTCOMES IN FY25

FY25 STI grant performance outcomes

An award at 40% of fixed remuneration for CEO and 30% of fixed remuneration for executive KMP will be made under the FY25 STI Plan. The table below sets out the outcomes of the FY25 STI Plan.

Performance outcome – financial performance conditions

Performance condition	Lynas has recorded performance on NdPr Operating Costs that was above the threshold in FY25. Performance on EBITDA, NdPr Production and NdPr Production Rate was below threshold.

Outcome

				Outcome				
Performance Condition	**Target**	**Actual**	**Weighting**	**Threshold 90%**	**Target 100%**	**Maximum 110%**	**CEO Outcome (% of Fixed Rem)**	**Executive KMP Outcome (% of Fixed Rem)**
EBITDA	Forecast target[1]	78% of Target	20%				0%	0%
NdPr Production Target	Forecast Target[1]	87% of Target	13.33%				0%	0%
NdPr Production Rate[2]	Forecast Target[1]	78% of Target	6.67%				0%	0%
NdPr Operating Costs	Forecast Target[1]	Target not achieved	20%				0%	0%

(1) The NdPr Operating Cost, NdPr Production Target, NdPr Production Rate and EBITDA Target are commercial in confidence. The NdPr Operating Cost. NdPr Production Target, NdPr Production Rate and EBITDA Targets are set by the Board based on the annual budget.

(2) The NdPr Production Rate performance condition measured production achieved during Q4 of FY25 against a target set by the Board.

Performance outcome – non-financial performance conditions

Performance Conditions	The Board assessed the performance of the Executives in the following areas: (1) Progress on Strategic Plan/Business Plan; (2) Health, Safety and Environment; (3) Sustainability; (4) People & Culture.
Outcome – Target Achieved	The Board has assessed an award at 100% of Target (weighted outcome of 40%) for the non-financial performance conditions.

Performance Condition	**Target**	**Outcome**
Progress on Strategic Plan/ Business Plan	FY25 saw all Lynas 2025 investments largely completed. The Board has assessed performance against in this area at maximum achievement. At Mt Weld, the successful delivery of the Mt Weld Expansion Project on budget together with the updated Mineral Resource and Reserve Statement published in August 2024 will set Mt Weld up for the next decade. Record operational performance was achieved at Mt Weld during FY25. In Malaysia, the Lynas Malaysia Industrial plan was successfully completed on budget with the first production of separated Dy and Tb outside China. Record NdPr production was delivered in FY25.	Maximum Achieved

Outcome – target achieved *continued*

Performance Condition	Target	Outcome
Progress on Strategic Plan/ Business Plan *continued*	Significant progress was also made in Malaysia in respect of supporting the development of the Malaysian rare earths industry through the MOU signed with MB Inc for upstream feedstock and the MoU with JS Link for down-stream magnet development. In Kalgoorlie, the favourable resolution of the acid supply contract with BHP post the closure of Nickel West and the establishment of an alternative acid supply chain was s significant achievement. A key element of Lynas' ongoing success is the experience and IP developed within the workforce. During the year, new organisational development initiatives were put in place, including an updated structure. Retention rates for key staff have remained on target.	Maximum Achieved
Health, Safety and Environment	Safety performance was assessed. The Board encouraged continued improvements in safety performance. Performance against the leading and lagging indicators was as follows: HSE Lagging Indicators • TRIFR improvement (Threshold of 4.0 or below) • TRIFR improvement to 3.6 HSE Leading Indicators • Completed roll out of PASS (Positive Attitude Safety System) at all sites • Progress to complete Critical Risk Actions was 84.2% of actions closed within due date • Hazard Investigation and Action close out performance against target (measured through HSE Scorecard in STEMS) was at 92% against a target of 80% Environmental performance: • All operating licences maintained in good standing.	Partially achieved
Sustainability	The Board assessed progress in implementing sustainability improvements (including progress of implementing Greenhouse Gas (GHG) emission reduction plans). Performance was assessed as achieving target. Progress during FY25 included: • Completed implementation of new GHG emissions data management system • Completed the construction of the Mt Weld Water Recycling Plant to increase water recycling at Mt Weld. Commissioning of the plant will occur through the beginning of FY26 • The transition of Mt Weld baseload power from diesel to gas was achieved on target • Implementation of the Lynas Local Giving program in Malaysia	Target achieved

	Performance Condition	Target	Outcome
Outcome – target achieved *continued*	**People & Culture**	The People & Culture focus for the FY25 STI program was increasing diversity in a range of areas. The Board assessed that Target performance was achieved. Progress during FY25 included: • Progress on actions identified in the 2024 Staff Engagement Survey was achieved on target • Year on year increase on women in operations roles (including at each operating location) was achieved from 21% at the end of FY24 to 23% at the end of FY25 • Employment of indigenous peoples (either direct or through Lynas' contractors) – maintained • Continued staff mobility across operations to increase experience and diversity at all operating sites occurred with a particular focus on Kalgoorlie • Succession planning process was conducted to promote talent identification and planning (including the identification of future women executives)	Target Achieved

2022 LTI grant performance outcomes

The LTI performance rights issued in August 2022 to executive KMP and LLT members were granted subject to the following vesting conditions:

- **Relative TSR – 50% weighting**
- **Strategic Targets – 50% weighting**

An overall achievement of 2022 LTI was assessed at 25% overall. The table below sets the performance outcomes in respect of each performance category.

Performance outcome – relative TSR

Vesting Condition

Satisfaction of the Relative TSR vesting condition required Lynas' TSR to be at least at the 51st percentile of ASX 200 companies calculated over the three year period from 1 July 2022 to 30 June 2025.

The Relative TSR performance rights will vest in accordance with the following scale:

Lynas TSR Ranking	Proportion of Performance Rights that vest
Below 51st percentile	0%
At the 51st percentile	50%
Between the 51st percentile and the 76th percentile	Between 50% and 100% as determined on a linear basis (rounded up or down to the nearest 5%)
At or above 76th percentile	100%

Outcome – Did not vest

RTSR was assessed by an external consultant, PWC.

Lynas' TSR was at the 40th percentile of ASX200 companies (a total positive shareholder return of 1.7% over the period). 0% of the Relative TSR Performance Rights will vest.

Performance outcome – Lynas 2025 Project Targets	

Vesting Condition	The Strategic Target vesting condition is that by 30 June 2025:
	• achieving production capacity uplift to the level required by Lynas' strategic growth plan is achieved;
	• the following Project milestones are successfully achieved;
	  • by the end of CY2024, the Kalgoorlie plant is ramped up and with capacity to produce consistently at nameplate capacity;
	  • completion of the Mt Weld expansion capacity uplift to 12 kt p.a. NdPr equivalent by the end of CY2024; and
	  • US HRE and LRE plant constructed and operational by end of CY2025 subject to finalisation of U.S. Government funding. In the event of delay to the U.S. Government funding, processing of HRE in another location will satisfy this objective.

Outcome – Achieved at 50%	The Board has assessed an outcome of 50% in respect of the Lynas 2025 performance targets. FY25 saw all Lynas 2025 projects largely complete. The delivery of HRE separation capacity in Malaysia was completed, with the first production of separated Dy and Tb. Lynas HRE separation capacity is the first such capability outside China and has delivered significant value for Lynas' shareholders. Excellent project performance was achieved on the Mt Weld expansion project. Although the construction of the entire Mt Weld capacity uplift was completed by FY25 not CY2024 as originally set in the performance conditions this was due to the project schedule being managed to delivery a best for business outcome by ensuring that: • concentrate feedstock was never the production bottleneck for downstream operations; • overall construction costs were minimised to deliver the project within budget. This project schedule saw Mt Weld Expansion Project Stage 1 (Concentrate Dewatering) come into operation from October 2024. The completion of the Concentrate Dewatering Circuit removed the existing operational bottleneck and enable an immediate lift in production capacity at Mt Weld. As a result of the successful completion of Stage 1 and forecast concentrate demand, Stage 2 (Balance of Plant) was re-sequenced so as to optimise cost performance. For these reasons, the Board considers that the performance condition was partially achieved. All works at the Lynas Malaysia plant required to provide the capability to uplift to 10.5 kt p.a. were completed despite the production rate of 10.5 kt p.a. not being achieved due to operational reasons. Ramp up of the Kalgoorlie plant to produce at nameplate capacity was not achieved due to operational and market reasons.

E. LINKING REMUNERATION AND GROUP PERFORMANCE

Sections C and D above set out how the LTI and STI Plan Performance Conditions are linked to Lynas' performance.

The table below provides further information about the financial performance of Lynas over the past five years.

	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Revenue ($'000)	489,024	920,014	739,279	463,285	556,512
Total REO production (tonnes per annum)	15,761	15,970	16,780	10,908	10,462
Sales volume (REO tonnes per annum)	16,405	15,263	16,014	12,158	10,970
Average selling price (per REO tonne)	29.81	60.27	46.16	38.10	50.60
Profit before tax ($'000)	157,487	535,756	347,835	105,500	9,739
Profit after tax ($'000)	157,083	540,824	310,666	84,514	7,990
Earnings before interest and tax (EBIT)	169,500	540,641	315,504	75,234	6,191
Shareholder capital ($'000)	1,859,598	1,859,598	2,091,089	2,091,089	2,091,089
Annual average share price	$4.15	$8.51	$8.00	$6.53	$7.24
Closing share price at financial year end	$5.71	$8.73	$6.85	$5.93	$8.61
Basic earnings / (loss) per share (cents)	18.08	59.95	34.05	9.04	0.85
Diluted earnings / (loss) per share (cents)	17.99	58.70	33.92	9.01	0.85

Separately, changes in the share based remuneration from one year to the next reflect the effect of amortising the accounting value of options and performance rights over their vesting period and the impact of forfeitures which can relate to both the current and prior periods in a given fiscal period. In certain periods, a negative value may be presented which results when the forfeitures recognised in a period are greater than the accounting amortisation expense for the current portion of the vesting period.

F. MINIMUM SHAREHOLDING POLICY FOR BOARD AND KMP

The Board has developed a Minimum Shareholding Policy ("MSP") for Non-Executive Directors, CEO / Managing Director and other KMP in order to create greater alignment between KMP and the shareholder return. The targets for the MSR have been set in FY25 and are required to be met by 30 June 2030.

Details of the Lynas MSP are below:

Non Executive Directors	100% of base fees, inclusive of committee fees and superannuation contributions
Managing Director / CEO	100% of fixed remuneration
Other KMP	50% of fixed remuneration

The value of shareholdings at 30 June 2025 has been calculated using the 5 day VWAP as at 30 June 2025.

The progress of each Director and KMP member towards these targets is outlined in Section J of this report.

G. SERVICE AGREEMENTS

The CEO and Managing Director and Executives each have a services contract/ employment contracts which are on reasonable commercial conditions. The key provisions of the agreement are:

	CEO and Managing Director	Other Executives
Type	Services contract	Employment contract
Duration	Ongoing	Ongoing
Notice by Executive	3 months	3 months
Notice by Lynas	6 months Termination without notice for serious misconduct	3 – 6 months Termination without notice for serious misconduct
Treatment of incentives on termination	On resignation, then unless otherwise determined by the Board (in its discretion), the unvested performance rights will continue to be subject to the rules of the LTI Plan until the vesting date, at which time the performance rights will vest in accordance with the rules of the LTI Plan. The Board may exercise its discretion to cancel the performance rights, except where the participant has been retrenched where cancellation will occur within 36 months of the Board's decision.	

H. NON-EXECUTIVE DIRECTOR REMUNERATION

Remuneration policy

Consistent with Lynas' approach, remuneration of Non-Executive Directors is set at a level that enables Lynas to engage high calibre individuals. We focus on ensuring that the Board of Directors reflects the broad mix of skills, experience and diversity necessary to oversee Lynas in its position as a significant participant in the critical global market for Rare Earth products.

Non-Executive Director fees are set considering: (1) the fees paid by companies of a similar size and/or industry; (2) the time and commitment required; (3) the risk and responsibilities; and (4) the required commercial and industry experience.

To ensure independence, Non-Executive Director fees are fixed, and Non-Executive Directors do not receive any performance-related or 'at-risk' compensation.

Remuneration structure

Non-Executive Director fees consist of Director fees and Committee fees. Each Non-Executive Director (other than the Chairman of the Board) received a fee for each committee of which they are members (capped at two committees). The Chairman of the Board does not receive committee fees.

The current aggregate fee pool for the Non-Executive Directors of $2.2 million was approved at the AGM held on 29 November 2022. FY25 Director fees remained well below the pool limit, which will enable the appointment of additional Directors in the future.

The Non-Executive Director fees payable for the period from 1 July 2024 to 30 June 2025 were:

Board fees per annum	Amount (inclusive of superannuation)
Chairman	$375,292
Non-Executive Director	$165,750
Committee Chair (Audit, Risk & ESG)	$49,725
Committee Chair (Nomination, Remuneration & Community/Health, Safety & Environment)	$38,675
Committee member (Audit, Risk & ESG)	$24,862
Committee member (Nomination, Remuneration & Community/Health, Safety & Environment)	$19,337

Board and committee fees were last reviewed effective from 1 July 2022.

The remuneration for each of the Non-Executive Directors for the financial years ended 30 June 2025 and 30 June 2024 is set out in Section I below.

I. DETAILS OF REMUNERATION

The figures included in the statutory table below for share based payments were not actually provided to the KMP during FY25 or FY24. These amounts are calculated in accordance with accounting standards and are the amortised IFRS fair values of equity and equity-related instruments that have been granted to the executives.

	Short term benefits			Post-employment benefits		Long term benefits			
Name	Cash salary and fees	Other short term employee benefits	Non-monetary benefits	Termination payments	Super and other pension payments	Long service leave	Share-based payments (net)	Performance related % Total	Total
FY25	$	$	$	$	$	$	$	$	$
Executive Director									
A. Lacaze	1,480,600	432,629	–	–	29,932	36,972	1,199,305	51%	3,179,438
Non-Executive Directors									
J. Humphrey	350,000	–	–	–	29,932	–	–	0%	379,932
P. Etienne	231,363	–	–	–	–	–	–	0%	231,363
G. Murdoch	212,500	–	–	–	24,438	–	–	0%	236,938
V. Guthrie	225,788	–	–	–	–	–	–	0%	225,788
J. Beevers	190,319	–	–	–	15,956	–	–	0%	206,275
Executives									
S. Leonard	505,222	114,227	–	–	29,932	8,421	382,347	48%	1,040,149
G. Sturzenegger	642,198	150,938	–	–	–	–	456,229	49%	1,249,365
C. Jenney	747,203	169,780	–	–	29,932	12,453	584,836	49%	1,544,204
P. Le Roux	831,007	265,916	97,700	–	91,032	–	661,288	48%	1,946,943
M. Ahmad	427,535	130,617	–	–	63,741	–	372,211	51%	994,104
Total	**5,843,735**	**1,264,107**	**97,700**	**–**	**314,895**	**57,846**	**3,656,216**	**44%**	**11,234,499**

Name	Short term benefits: Cash salary and fees	Short term benefits: Other short term employee benefits	Short term benefits: Non-monetary benefits	Post-employment benefits: Termination payments	Post-employment benefits: Super and other pension payments	Long term benefits: Long service leave	Long term benefits: Share-based payments (net)	Performance related % Total	Total
FY24	$	$	$	$	$	$	$	$	$
Executive Director									
A. Lacaze	1,480,600	566,046	–	–	27,399	23,651	1,385,725	56%	3,483,421
Non-Executive Directors									
K. Conlon[(1)]	144,487	–	–	–	13,118	–	–	0%	157,605
J. Humphrey[(2)]	291,721	–	–	–	26,255	–	–	0%	317,976
P. Etienne	230,325	–	–	–	–	–	–	0%	230,325
G. Murdoch	212,500	–	–	–	23,375	–	–	0%	235,875
V. Guthrie	219,562	–	–	–	–	–	–	0%	219,562
J. Beevers	186,604	–	–	–	20,526	–	–	0%	207,130
Executives									
S. Leonard	505,222	153,066	–	–	27,399	12,333	411,608	51%	1,109,628
G. Sturzenegger	611,794	179,552	–	–	–	–	477,025	52%	1,268,371
C. Jenney	765,177	204,247	–	–	27,399	8,339	661,629	52%	1,666,791
P. Le Roux	828,788	261,971	90,604	–	84,420	–	694,629	49%	1,960,412
M. Ahmad	396,480	195,338	–	–	59,024	–	376,518	56%	1,027,360
Total	**5,873,260**	**1,560,220**	**90,604**	**–**	**308,915**	**44,323**	**4,007,134**	**47%**	**11,884,456**

(1) Resigned 29 November 2023
(2) Appointed Chairman 29 November 2023

J. KMP EQUITY HOLDINGS

1. Shareholdings

The following table outlines the shares held directly, indirectly and beneficially by directors and KMP as at 30 June 2025.

Name	Balance at beginning of year	Purchased during the year	On exercise of performance rights	Sold during the year	Balance at end of year	Minimum shareholding policy*
A. Lacaze	2,325,617	–	337,056	(462,979)	2,199,694	Met
P. Etienne	75,284	–	–	–	75,284	Met
J. Humphrey	70,000	–	–	–	70,000	Met
G. Murdoch	161,007	–	–	–	161,007	Met
V. Guthrie	15,000	–	–	–	15,000	59%
J. Beevers	27,787	–	–	–	27,787	Met
S. Leonard	56,148	–	30,182	(30,182)	56,148	Met
G. Sturzenegger	668,078	–	36,167	–	704,245	Met
C. Jenney	15,524	–	37,469	(15,000)	37,993	90%
P. Le Roux	267,541	–	48,000	–	315,541	Met
M. Ahmad	153,495	–	28,381	–	181,876	Met
Total	**3,835,481**	**–**	**517,255**	**(508,161)**	**3,844,575**	

* The minimum shareholding test is measured using the 5 day VWAP to 30 June 2025 (FY25: $8.88). The minimum shareholding requirement is required to be met by 30 June 2030.

2. Share based remuneration – performance rights

Performance Rights are issued with no consideration payable on exercise. As at year end the Group had on issue to directors and KMP the following Performance Rights to acquire ordinary fully paid shares:

Series	Grant date	Number	Date vested and exercisable	Expiry date	Exercise price	Fair Value per performance right at grant date
BS	17 February 2023	187,246	25 August 2025	25 August 2027	$0.00	$8.29
BT	17 February 2023	187,246	25 August 2025	25 August 2027	$0.00	$4.50
BU	29 November 2022	128,804	25 August 2025	25 August 2027	$0.00	$8.54
BV	29 November 2022	128,804	25 August 2025	25 August 2027	$0.00	$4.97
BW	13 November 2023	237,488	31 August 2026	25 August 2028	$0.00	$4.42
BX	13 November 2023	189,992	31 August 2026	25 August 2028	$0.00	$6.91
BY	13 November 2023	47,500	31 August 2026	25 August 2028	$0.00	$6.91
CA	29 November 2023	161,263	31 August 2026	25 August 2028	$0.00	$3.84
CB	29 November 2023	129,010	31 August 2026	25 August 2028	$0.00	$6.62
CC	29 November 2023	32,253	24 August 2026	24 August 2028	$0.00	$6.62
CD	17 March 2025	141,696	31 August 2025	31 August 2025	$0.00	$7.61
CE	27 November 2024	84,273	31 August 2025	31 August 2025	$0.00	$6.87
CF	17 March 2025	247,286	31 August 2027	31 August 2029	$0.00	$5.55
CG	17 March 2025	98,915	31 August 2027	31 August 2029	$0.00	$7.61
CH	17 March 2025	98,915	31 August 2027	31 August 2029	$0.00	$7.61
CI	17 March 2025	49,458	31 August 2027	31 August 2029	$0.00	$7.61
CJ	27 November 2024	168,545	31 August 2027	31 August 2029	$0.00	$4.43
CK	27 November 2024	67,418	31 August 2027	31 August 2029	$0.00	$6.87
CL	27 November 2024	67,418	31 August 2027	31 August 2029	$0.00	$6.87
CM	27 November 2024	33,709	31 August 2027	31 August 2029	$0.00	$6.87
Total		**2,487,239**				

Fair value of performance rights

The fair value of each Performance Right is estimated on the date it is granted using volume-weighted average share price, Monte Carlo and Binomial valuation methodologies. The following assumptions were considered in the valuation of Performance Rights granted during the year ended 30 June 2025:

	PRs issued to employees other than CEO			PRs issued to CEO		
	Series CD	**Series CF**	**Series CG, CH & CI**	**Series CE**	**Series CJ**	**Series CK, CL & CM**
Grant date	17 March 2025	17 March 2025	17 March 2025	27 Nov 2024	27 Nov 2024	27 Nov 2024
Fair Value per right	$7.61	$5.55	$7.61	$6.87	$4.43	$6.87
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Dividend yield	Nil	0.20%	Nil	Nil	0.20%	Nil
Expected volatility	40%	40%	40%	40%	40%	40%
Risk-free Rate	3.98%	3.98%	3.98%	3.76%	3.76%	3.76%
Expiry date	31 Aug 2025	31 Aug 2029	31 Aug 2029	31 Aug 2025	31 Aug 2029	31 Aug 2029

The life of the Performance Right is up to 5 years from date of grant (as specified above) and is therefore not necessarily indicative of exercise patterns that may occur.

The resulting weighted average fair values for all Performance Rights granted for the benefit of Directors and KMP during the year are:

Grant date	Number of performance rights	Fair value per instrument at valuation date	Exercise price per instrument	First exercise date	Last exercise or expiry date
17 March 2025	141,696	$7.61	$ 0.00	31 August 2025	31 August 2025
17 March 2025	247,286	$5.55	$ 0.00	31 August 2027	31 August 2029
17 March 2025	197,832	$7.61	$ 0.00	31 August 2027	31 August 2029
17 March 2025	49,459	$7.61	$ 0.00	31 August 2027	31 August 2029
27 November 2024	84,273	$6.87	$ 0.00	31 August 2025	31 August 2025
27 November 2024	168,545	$4.43	$ 0.00	31 August 2027	31 August 2029
27 November 2024	134,836	$6.87	$ 0.00	31 August 2027	31 August 2029
27 November 2024	33,709	$6.87	$ 0.00	31 August 2027	31 August 2029
Total	**1,057,636**				

Except as specified in the table above, all Performance Rights granted for the benefit of Directors and KMP have three-year vesting periods. The Performance Rights are exercisable up to five years after issue date, subject to achievement of the relevant performance hurdles.

The following tables outline the Performance Rights granted for the benefit of Directors and KMP during the 2024 and 2025 financial years and those Performance Rights which have vested at each respective year-end.

30 June 2025	Balance at beginning of year	Granted	Grant date	Exercised	Forfeited	Net change	Balance at end of year
A. Lacaze	1,021,677	421,363	27 November 2024	(337,056)	(104,490)	(20,183)	1,001,494
K. Conlon	–	–	–	–	–	–	–
P. Etienne	–	–	–	–	–	–	–
J. Humphrey	–	–	–	–	–	–	–
G. Murdoch	–	–	–	–	–	–	–
V. Guthrie	–	–	–	–	–	–	–
J. Beevers	–	–	–	–	–	–	–
S Leonard	184,843	102,097	17 March 2025	(30,182)	(18,362)	53,553	238,396
G. Sturzenegger	219,488	119,765	17 March 2025	(36,167)	(21,425)	62,173	281,661
P. Le Roux	299,399*	168,498	17 March 2025	(48,000)	(25,740)	94,758	394,157
M. Ahmad	172,187	98,134	17 March 2025	(28,381)	(16,821)	52,932	225,119
C. Jenney	253,987	147,779	17 March 2025	(37,469)	(17,885)	92,425	346,412
Total	**2,151,581**	**1,057,636**		**(517,255)**	**(204,723)**	**(335,658)**	**2,487,239**

* Opening balance for P Le Roux was corrected by 36,069 performance rights

30 June 2024	Balance at beginning of year	Granted	Grant date	Exercised	Forfeited	Net change	Balance at end of year
A. Lacaze	1,254,752	405,944	29 Nov 2023	(430,163)	(208,856)	(233,075)	1,021,677
K. Conlon	–	–	–	–	–	–	–
P. Etienne	–	–	–	–	–	–	–
J. Humphrey	–	–	–	–	–	–	–
G. Murdoch	–	–	–	–	–	–	–
V. Guthrie	–	–	–	–	–	–	–
J. Beevers	–	–	–	–	–	–	–
S Leonard	170,185	98,245	8 Nov 2023	(48,656)	(34,931)	14,658	184,843
G. Sturzenegger	209,943	118,454	8 Nov 2023	(62,460)	(46,449)	9,545	219,488
P. Le Roux	283,394	162,283	8 Nov 2023	(64,610)	(45,599)	52,074	335,468
M. Ahmad	165,059	93,011	8 Nov 2023	(49,212)	(36,671)	7,128	172,187
C. Jenney	127,113	140,241	8 Nov 2023	(13,367)	–	126,874	253,987
Total	**2,210,446**	**1,018,178**		**(668,468)**	**(372,506)**	**(22,796)**	**2,187,650**

At 30 June 2025, no KMP had any performance rights that had vested and were exercisable (30 June 2024: 208,856).

The Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors,

John Humphrey

Chair

Brisbane, 28 August 2025

Directors' Declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial report is in compliance with International Financial Reporting Standards, as stated in the Basis of preparation note to the Financial Statements;

(c) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct;

(d) in the Directors' opinion, the attached financial report and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position and performance of the Group; and

(e) Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by Corporations Instrument 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the Corporations Instrument applies, as detailed in Note E.6 to the Financial Statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the *Corporations Act 2001*.

On behalf of the Directors,

John Humphrey

Chair

Brisbane, 28 August 2025

Auditor’s Independence Declaration

Ernst & Young
9 The Esplanade
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
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Auditor’s independence declaration to the directors of Lynas Rare Earths Limited

As lead auditor for the audit of the financial report of Lynas Rare Earths Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Lynas Rare Earths Limited and the entities it controlled during the financial year.

Ernst & Young

T S Hammond
Partner
28 August 2025

Independent Auditor's Report

Ernst & Young
9 The Esplanade
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Independent auditor's report to the members of Lynas Rare Earths Limit

Report on the audit of the financial report

Opinion

We have audited the financial report of Lynas Rare Earths Limited (the Company) and its subsidia (collectively the Group), which comprises the consolidated statement of financial position as at 3 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the yea then ended, notes to the financial statements, including material accounting policy information, t consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corpora Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities ur those standards are further described in the *Auditor's responsibilities for the audit of the financia report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a ba for our opinion.

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with confidence

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Restoration and rehabilitation

Why significant	How our audit addressed the key audit matter
The Group incurs obligations for asset and site restoration and rehabilitation, which includes requirements under its Full Operating Stage License in Malaysia to manage water leached purification (WLP) and neutralisation underflow (NUF) residues arising from its production process. As at 30 June 2025 the Group's consolidated statement of financial position includes provisions of $297,920,000 in respect of such obligations as disclosed in Note D.5. Estimating the costs associated with these obligations requires significant judgement in relation to when the activities will take place, the time required for rehabilitation to be effective, the costs associated with the activities and economic assumptions such as discount rates and inflation rates. Given the significant judgements and assumptions involved, the Group is required to continually reassess and confirm that the assumptions used are appropriate. Due to the value of the provision relative to total liabilities and the significant degree of estimation and judgment used to determine the rehabilitation provision, this was considered to be a key audit matter.	Our audit procedures included the following: ▪ Assessed the appropriateness of the cost estimates used in the calculation of the provision. ▪ Assessed the qualifications, competence and objectivity of the Group's experts, the work of whom, formed the basis of the Group's rehabilitation cost estimates for the Lynas Advanced Materials Plant, Kalgoorlie Rare Earths Facility and Mt Weld sites. ▪ Inquired about any changes in license conditions with respect to the management of WLP and NUF residues and assessed the appropriateness of changes in assumptions and calculations within the rehabilitation cost estimates as a result of these changed conditions. ▪ Tested the mathematical accuracy of the rehabilitation models and assessed the appropriateness of the assumed timing of cashflows, inflation and discount rate assumptions used. ▪ Agreed payments made during the year in connection with the rehabilitation of WLP and NUF to bank statements. ▪ Assessed the appropriateness of the classification of the rehabilitation provision as a current and non-current liability at 30 June 2025. ▪ Assessed the adequacy and appropriateness of the disclosures relating to the Group's provisions for restoration and rehabilitation included in the Notes to the financial statements.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

Shape the future with confidence

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Lynas Rare Earths Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
28 August 2025

Financial Statements

as at 30 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June

In A$'000	Note	**2025**	**2024**
Revenue	A.1	556,512	463,285
Cost of sales	A.1	(426,696)	(330,586)
Gross profit		**129,816**	**132,699**
General and administration expenses	A.1	(106,597)	(61,445)
Net foreign exchange (loss) / gain		(15,001)	4,988
Other expenses		(2,027)	(1,008)
Profit from operating activities		**6,191**	**75,234**
Financial income	A.2	17,378	39,846
Financial expenses	A.2	(13,830)	(9,580)
Net financial income		**3,548**	**30,266**
Profit before income tax		**9,739**	**105,500**
Income tax (expense)	A.4	(1,749)	(20,986)
Profit for the year		**7,990**	**84,514**
Other comprehensive income / (loss) for the year net of income tax that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		94,733	(12,268)
Total other comprehensive (loss) / income for the year, net of income tax		**94,733**	**(12,268)**
Total comprehensive income for the year attributable to equity holders of the Company		**102,723**	**72,246**

	Note	cents per share	cents per share
Earnings per share			
Basic earnings per share (cents per share)	A.3	0.85	9.04
Diluted earnings per share (cents per share)	A.3	0.85	9.01

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

as at 30 June

In A$'000	Note	2025	2024
Assets			
Cash and cash equivalents	C.1	166,490	523,838
Trade and other receivables	D.1	49,002	49,650
Tax receivable		24,137	7,025
Prepayments		14,161	6,195
Inventories	D.2	176,121	120,576
Total current assets		**429,911**	**707,284**
Inventories	D.2	12,021	11,169
Property, plant and equipment	B.1	2,235,291	1,910,417
Right of use	B.2	46,401	9,762
Deferred development expenditure	B.1	115,287	73,984
Intangible assets		1,808	1,267
Deferred tax assets	A.4	6,457	5,889
Other non-current assets	D.3	97,042	85,149
Total non-current assets		**2,514,307**	**2,097,637**
Total assets		**2,944,218**	**2,804,921**
Liabilities			
Trade and other payables	D.4	83,521	92,356
Borrowings	C.2	29,166	28,544
Employee benefits	D.5	7,176	6,033
Provisions	D.5	27,355	37,462
Lease liabilities	B.2	4,623	4,952
Total current liabilities		**151,841**	**169,347**
Borrowings	C.2	122,092	143,294
Employee benefits	D.5	850	468
Provisions	D.5	270,565	241,819
Lease liabilities	B.2	46,165	7,188
Total non-current liabilities		**439,672**	**392,769**
Total liabilities		**591,513**	**562,116**
Net assets		**2,352,705**	**2,242,805**
Share capital	C.4	2,091,089	2,091,089
Retained earnings		228,400	220,410
Reserves	C.5	33,216	(68,694)
Total equity attributable to the equity holders of the Company		**2,352,705**	**2,242,805**

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June

In A$'000	Note	Share capital	Retained earnings	Foreign currency translation reserve	Equity settled employee benefits reserve	Warrant reserve	Total
Balance at 1 July 2024		2,091,089	220,410	(163,426)	72,967	21,765	2,242,805
Other comprehensive loss for the year		–	–	94,733	–	–	94,733
Total profit for the year		–	7,990	–	–	–	7,990
Total comprehensive profit for the year		**–**	**7,990**	**94,733**	**–**	**–**	**102,723**
Employee remuneration settled through share-based payments	E.7	–	–	–	7,177	–	7,177
Balance at 30 June 2025		**2,091,089**	**228,400**	**(68,693)**	**80,144**	**21,765**	**2,352,705**
Balance at 1 July 2023		2,091,089	135,896	(151,147)	65,801	21,765	2,163,404
Other comprehensive gain for the year		–	–	(12,279)	–	–	(12,279)
Total profit for the year		–	84,514	–	–	–	84,514
Total comprehensive profit for the year		**–**	**84,514**	**(12,279)**	**–**	**–**	**72,235**
Employee remuneration settled through share-based payments	E.7	–	–	–	7,166	–	7,166
Balance at 30 June 2024		**2,091,089**	**220,410**	**(163,426)**	**72,967**	**21,765**	**2,242,805**

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June

In A$'000	Note	2025	2024
Cash flows from operating activities			
Receipts from customers		550,739	460,843
Payments to suppliers and employees		(389,636)	(340,036)
Royalties paid		(6,124)	(8,158)
Payments for discharge of rehabilitation obligation	D.5	(30,314)	(26,917)
Income taxes paid		(20,498)	(50,768)
Net cash from operating activities	C.1	**104,167**	**34,964**
Cash flows from investing activities			
Payments for property, plant and equipment and development expenditure		(430,823)	(579,339)
Grants received in relation to property, plant and equipment		5,500	32,575
Security bonds paid		(142)	(97)
Security bonds refunded		34	1,889
Interest received		19,241	40,148
Deposit as collateral for AELB		–	(2,394)
Net cash used in investing activities		**(406,190)**	**(507,218)**
Cash flows from financing activities			
Interest and other financing costs paid		(6,341)	(6,376)
Repayment of lease liabilities		(7,569)	(5,734)
Repayment of borrowings		(31,390)	(10,428)
Net cash provided used in financing activities		**(45,300)**	**(22,538)**
Net (decrease) in cash and cash equivalents		(347,323)	(494,792)
Cash and cash equivalents at the beginning of the year		523,838	1,011,212
Effect of exchange rate fluctuations (net) on cash held		(10,025)	7,418
Closing cash and cash equivalents	C.1	**166,490**	**523,838**

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2025

ABOUT THIS REPORT

Lynas Rare Earths Limited (the "Company") is a for-profit company domiciled and incorporated in Australia.

The financial report of Lynas Rare Earths Limited as at and for the year ended 30 June 2025 comprises the Company and its subsidiaries (together referred to as the "Group"). The financial report was approved by the Board of Directors (the "Directors") on 28 August 2025.

The Group is principally engaged in the extraction and processing of rare earth minerals, primarily in Australia and Malaysia.

The address of the registered office of the Company is Level 4, 1 Howard St, Perth, Western Australia.

BASIS OF PREPARATION

Statement of compliance

The financial report is a general-purpose financial report and has been prepared in accordance with Australian Accounting Standards ("AASs") issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The financial report also complies with International Financial Reporting Standards and Interpretations ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Going concern

The financial report has been prepared using the going concern assumption. Included in this assumption is the expectation of the renewal of the Malaysian Operating Licence in March 2026 on similar terms to the current operating licence.

Basis of measurement

The financial report has been prepared under the historical cost convention, except for the borrowings which are at amortised cost.

Information as disclosed in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the current year is for the 12 month period ended 30 June 2025. Information for the comparative year is for the 12 month period ended 30 June 2024.

Consolidation of subsidiaries

Subsidiaries are entities controlled by the Company or the Group. Control is achieved when the Company or Group has power over the investee, is exposed, or has the rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the financial report from the date control (or effective control) commences until the date that control ceases. As per Note E.4 all entities within the Group are 100% owned and controlled.

Intra-group balances and unrealised items of income and expense arising from intra-group transactions are eliminated in preparing the financial report. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same manner as gains, but only to the extent that there is no evidence of impairment.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, in relation to the "rounding off" of amounts. Amounts in the Directors' Report and Financial Report have been rounded off, in accordance with the Instrument, to the nearest thousand dollars, unless otherwise stated.

Currency and foreign exchange

The financial report of the Company and the Group is presented in Australian Dollars ("AUD"), which is both the Company's and the Group's presentation currency.

Items included in the financial report of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the respective entities at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency of the respective entities at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency of the respective entities at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income as a component of the profit or loss.

Foreign operations

The results and financial position of those entities that have a functional currency different from the presentation currency of the Group are translated into the Group's presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date of the statement of financial position;
- income and expense items for each profit or loss item are translated at average exchange rates;
- items of other comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

As at 30 June 2025, the entities that have a different functional currency to the Group's presentation currency (AUD) are Lynas Africa Limited (USD functional currency), Lynas USA LLC (USD functional currency) and Lynas Malaysia Sdn Bhd (MYR functional currency).

Foreign exchange risk management

As a result of the Group's international operations, foreign exchange risk exposures exist on purchases, assets and borrowings that are denominated in foreign currencies (i.e. currencies other than the functional currency of each of the Group's operating entities). The currencies in which these transactions are primarily denominated are the AUD, USD and MYR.

The Group takes advantage of natural offsets to the extent possible. Therefore, when commercially feasible, the Group borrows in the same currencies in which cash flows from operations are generated. Generally the Group does not use forward exchange contracts to hedge residual foreign exchange risk arising from receipts and payments denominated in foreign currencies. However, when considered appropriate the Group may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions.

The Group's primary exposure to foreign exchange risk is on the translation of net assets of Group entities which are denominated in currencies other than AUD, which is the Group's presentation currency. The impact of movements in exchange rates is recognised primarily in the other comprehensive income component of the Group's statement of comprehensive income.

Certain subsidiaries within the Group are exposed to foreign exchange risk on purchases denominated in currencies that are not the functional currency of that subsidiary. In these circumstances, a change in exchange rates would impact the net operating profit recognised in the profit or loss component of the Group's statement of comprehensive income. Details of this exposure is detailed in the capital risks in Section C of this report.

A. EARNINGS FOR THE YEAR

This section includes the results and performance of the Group. It includes segmental information and details about the Group's tax position.

A.1. Segment revenue and expenses

AASB 8 Operating Segments ("AASB 8") requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Makers (CODM) in order to allocate resources to the segment and to assess its performance.

At year end, the Group's CODM are the Board of Directors of the Company, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the VP Major Projects, the General Counsel & Company Secretary, the VP Malaysia, the VP People & Culture and the VP Strategy and Investor Relations. Information reported to the Group's CODM for the purposes of resource allocation and assessment of performance currently focuses on the operation of the Group's integrated rare earth extraction and process facilities.

The Group has only one reportable segment under AASB 8 being its rare earth operations. The CODM does not review the business activities of the Group based on geography.

All of the Group's revenue is derived through the sale of Rare Earth products and is sold to non-Australian customers.

The accounting policies applied by this segment are the same as the Group's accounting policies. Results from operating activities represent the profit earned by this segment without allocation of interest income and expense and income tax benefit (expense). The CODM assess the performance of the operating segment based on adjusted EBITDA. Adjusted EBITDA is defined as net profit before income tax expense, net of financial expenses, depreciation and amortisation and adjusted to exclude certain significant items, including but not limited to such items as employee remuneration settled through share-based payments, restructuring costs, unrealised gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs.

16% (FY24: 23%) of the Group's non-current assets are located in Malaysia and the remaining 84% (FY24: 77%) are in Australia.

Recognition and measurement

Revenue from contracts with customers

Rare Earth product sales

The Group derives revenue from the sale of rare earth products, which are governed by a sales contract with their customers. Revenue is recognised in relation to rare earth sales at the time control transfers to customers at the date of loading/shipment. Sales made under CIF incoterms, where the Group is responsible for freight and shipping, are generally recognised at the point in time when the rare earth products are loaded onto the vessel for shipment. In these sales, the freight and shipping service represents a separate performance obligation to the sale of the rare earth products. For those sales not made under CIF incoterms, this timing is upon the delivery of the rare earth products.

Provisionally priced sales

Certain of the Group's sales are provisionally priced, where the final price depends on the sale price of products sold to a third party outside of the Lynas transaction. Adjustments to the sales price occur based on movements in market prices up to the secondary point of sale. Under AASB 15 any fair value adjustments on receivables subject to Quotational Pricing (QP) are recognised in other revenue and not included in revenue from contracts with customers.

Shipping services

As noted above, a portion of the Group's rare earth product sales are sold on CIF incoterms, whereby the Group is responsible for providing freight and shipping services after the date that it transfers control of the rare earth products to the customer. Under AASB 15, it has been concluded that freight and shipping represent a separate performance obligation and that the Group acts as principal. As a result, a portion of the transaction price is required to be allocated to this performance obligation and will be recognised over time on a gross basis as the services are provided. The Group has concluded that for the FY25 period the amount is insignificant and therefore not disclosed separately in Note A.1.

Royalties

Obligations arising from royalty arrangements are recognised as current liabilities and included as part of the cost of goods sold in the statement of comprehensive income as a component of profit or loss. Lynas currently pays royalties to the Western Australian Department of Minerals and Petroleum for the export of Rare Earth concentrate to Malaysia.

Financial income and expenses

Financial income comprises interest income and gains on derivative financial instruments in respect of investing activities that are recognised in the statement of comprehensive income as a component of the profit or loss. Interest income is recognised as it accrues using the effective interest method.

Financial expenses comprise interest expense, impairment losses recognised on financial assets (except for trade receivables) and losses in respect of financing activities on derivative instruments that are recognised in the statement of comprehensive income as a component of the profit or loss. All borrowing costs not qualifying for capitalisation are recognised in the statement of comprehensive income as a component of the profit or loss using the effective interest method.

A.1 Segment revenue and expenses continued

In A$'000	For the year ended 30 June 2025			For the year ended 30 June 2024		
	Rare Earth Operations	**Corporate/ Unallocated**	**Total Continuing Operations**	**Rare Earth Operations**	**Corporate/ Unallocated**	**Total Continuing Operations**
Business segment reporting						
Revenue from contracts with customers	542,665	–	542,665	464,446	–	464,446
Other revenue:						
Revenue adjustments	13,847		13,847	(1,161)	–	(1,161)
Total revenue	**556,512**	**–**	**556,512**	**463,285**	**–**	**463,285**
Cost of sales (excl depreciation)	(363,458)		(363,458)	(279,989)	–	(279,989)
Cost of sales (depreciation)	(63,238)	–	(63,238)	(50,597)	–	(50,597)
Gross profit	**129,816**	**–**	**129,816**	**132,699**	**–**	**132,699**
Employee and production costs net of costs recovered through production(1)	(21,149)	(12,027)	(33,176)	(13,914)	(11,556)	(25,470)
Depreciation expenses net of cost recovered through production(1)	(29,904)	(1,853)	(31,757)	(4,630)	(1,671)	(6,301)
Other general and administration expenses(2)	(24,121)	(17,543)	(41,664)	(12,527)	(17,147)	(29,674)
Total general and admin expenses	**(75,174)**	**(31,423)**	**(106,597)**	**(31,071)**	**(30,374)**	**(61,445)**
Other (expenses)	–	(2,027)	(2,027)	–	(1,008)	(1,008)
Net foreign exchange gain/(loss)	–	(15,001)	(15,001)	–	4,988	4,988
Profit/(loss) before interest and tax ("EBIT")	**54,642**	**(48,451)**	**6,191**	**101,628**	**(26,394)**	**75,234**
Other financial income			17,378			39,846
Financial expenses			(13,380)			(9,580)
Profit before income tax			**9,739**			**105,500**
Income tax (expense)			(1,749)			(20,986)
Profit for the year			**7,990**			**84,514**
EBIT(3)	54,642	(48,451)	6,191	101,628	(26,394)	75,234
Depreciation and amortisation	93,142	1,853	94,995	55,227	1,671	56,898
EBITDA(3)	**147,784**	**(46,598)**	**101,186**	**156,855**	**(24,723)**	**132,132**
Included in EBITDA:						
Non-cash employee remuneration settled through share based payments comprising:						
Share based payments expense for the year	7,177	–	7,177	7,167	–	7,167
Other expenses	–	2,027	2,027	–	1,008	1,008
Adjusted EBITDA(3)	**154,961**	**(44,571)**	**110,390**	**164,022**	**(23,715)**	**140,307**
Total assets	**1,501,389**	**1,442,829**	**2,944,218**	**1,306,725**	**1,498,196**	**2,804,921**
Total liabilities	**(422,504)**	**(169,009)**	**(591,513)**	**(391,594)**	**(170,522)**	**(562,116)**

(1) The allocation of fixed overheads is based on the normal capacity of the facilities, however overheads may not be fully allocated to production as a result of low output or idle capacity. In these cases, the unallocated overheads have been expensed directly into general and administrative costs.

(2) Other general and administration expenses include statutory, consulting, insurance, IT, marketing and general office costs.

(3) EBIT, EBITDA and Adjusted EBITDA are non IFRS measures.

A.2 Financial income and expenses

In A$'000	For the year ended 30 June 2025	2024
Interest income on cash and cash equivalents	17,378	39,846
Total financial income	**17,378**	**39,846**
Interest expense on financial liabilities:		
Interest expense on JARE loan facility	(5,474)	(5,630)
Unwinding of effective interest on JARE loan facility	(6,364)	(6,530)
Interest capitalised to qualifying assets	11,838	12,119
Unwinding of discount on restoration and rehabilitation provision	(11,208)	(8,459)
Interest expense on lease liabilities	(2,260)	(810)
Discount unwinding on AELB deposit	372	465
Financing transaction costs and fees	(734)	(735)
Total financial expenses	**(13,830)**	**(9,580)**
Net financial income	**3,548**	**30,266**

A.3. Earnings per share

Recognition and measurement

Basic earnings per share amounts are calculated by dividing net loss or profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the amount used in the determination of the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share from continuing operations.

The earnings and weighted average number of ordinary shares used in the calculations of basic and diluted earnings per share are as follows:

	As at 30 June	
In A$'000	**2025**	**2024**
Net earnings attributed to ordinary shareholders	7,990	84,514
Earnings used in calculating basic earnings per share	7,990	84,514
Net earnings impact of assumed conversions of diluted EPS	–	–
Earnings used in calculating diluted earnings per share	7,990	84,514
Number of ordinary shares on issue ('000)	935,447	934,694
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	935,080	934,374
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	939,648	937,993
	cents per share	cents per share
Basic earnings per share (cents per share)	0.85	9.04
Diluted earnings per share (cents per share)	0.85	9.01

The following dilutive shares are included in the share base for the calculation of dilutive earnings per share:

	As at 30 June	
Number (000's)	**2025**	**2024**
Performance rights	4,569	3,619
Total	**4,569**	**3,619**

A.4. Income taxes

A.4.1. Income tax expense

In A$'000	For the year ended 30 June 2025	2024
Current tax		
Current tax expense in respect of the current year	2,316	18,591
Adjustments recognised in the current year in relation to the current tax in prior years	–	(675)
	2,316	**17,916**
Deferred tax		
Deferred tax (benefit)/expense recognised in the year	(567)	3,070
Total income tax expense relating to the continuing operations	**1,749**	**20,986**

A.4.2. Reconciliation of income tax to tax expense

In A$'000	For the year ended 30 June 2025	2024
Profit before tax for continuing operations	9,739	105,500
Income tax expense calculated at 30% (2024: 30%)	2,922	31,650
Add/(deduct):		
Effect of expenses that are not deductible and income that is not assessable in determining taxable profit	9,640	3,327
Effect of difference in tax rate in subsidiaries and branches	(424)	(775)
Adjustments recognised in the current year in relation to the current tax in prior years	–	(675)
Effect of current year losses not recognised	–	25
Effect of tax exemption due to pioneer status in Malaysia	(10,526)	(12,566)
Other adjustments	137	–
Total current year income tax expense	**1,749**	**20,986**

A.4 Income taxes continued

A.4.3. Movements in deferred tax balances

In A$'000	Balance at 1 July 2024	Recognised in profit or loss	Relating to equity	Recognised in OCI	Over/Under prior year	Balance at 30 June 2025
Temporary differences						
Inventory	(1,055)	(3,192)	–	–	–	(4,247)
Development expenditure	(40,433)	(9,086)	–	–	382	(49,137)
Property plant and equipment	(1,340)	(10,051)	–	–	(413)	(11,804)
Borrowings	17,775	–	–	–	(283)	17,492
Trade payables	611	836	–	–	–	1,447
Business related costs	687	(687)	–	–	(547)	(547)
Lease liabilities	3,640	580	–	–	–	4,220
Provisions	25,241	(2,317)	–	–	650	23,574
Trademarks – CGT Asset	–	–	–	–	11	11
Other	–	(504)	–	–	(34)	(538)
Foreign Exchange	763	–	–	–	74	837
Tax Losses	–	25,149	–	–	(30)	25,119
Prepayments	–	30	–	–	–	30
Net deferred tax asset recognised	**5,889**	**758**	**–**	**–**	**(190)**	**6,457**

In A$'000	Balance at 30 June 2023	Recognised in profit or loss	Relating to equity	Recognised in OCI	Balance at 30 June 2024
Temporary differences					
Inventory	(671)	(384)	–	–	(1,055)
Development expenditure	(29,753)	(10,680)	–	–	(40,433)
Property plant and equipment	(3,132)	1,793	–	–	(1,340)
Borrowings	17,492	283	–	–	17,775
Trade payables	208	403	–	–	611
Business related costs	1,604	(916)	–	–	687
Lease liabilities	3,864	(224)	–	–	3,640
Provisions	21,529	3,711	–	–	25,241
Foreign Exchange	(2,182)	2,944	–	–	763
Net deferred tax asset recognised	**8,959**	**(3,070)**	**–**	**–**	**5,889**

A.4.4. Unrecognised deferred tax assets

	As at 30 June	
In A$'000	**2025**	**2024**
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:		
Gross revenue losses		
Australia	5,851	–
Malaysia	75,553	72,163
United States	3,545	3,636
Malawi	44	95

Recognition and measurement

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income as a component of the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised with the associated items on a net basis. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method of providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time the liability to pay the related dividend is recognised. Deferred income tax assets and liabilities in the same jurisdiction are offset in the statement of financial position only to the extent that there is a legally enforceable right to offset current tax assets and current tax liabilities and the deferred balances relate to taxes levied by the same taxing authority and are expected either to be settled on a net basis or realised simultaneously.

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2002 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Lynas Rare Earths Limited. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Entities within the tax-consolidated group have entered into a tax sharing agreement with the Company. The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the Company default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

KEY ESTIMATES AND JUDGEMENTS

Recognition of deferred tax assets

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. In making the assessment, the Group has given specific due consideration to:

- The pioneer period status (tax holiday) in relation to the Malaysian operations through to 2026.
- Tax losses generated during this period will be utilised prior to the tax exemption being applied, with any unused losses available for utilisation by the Group once the pioneer period expires.
- Tax losses generated prior to the pioneer period will remain available for use offsetting non-pioneer profits during the pioneer period for a period of 10 years after incurring the loss. At 30 June 2025, there are $75.5m losses in Malaysia.

The recognised deferred asset relates to temporary timing differences and tax losses generated in FY25 within the Australian tax group.

B. PRODUCTION AND EXPLORATION ASSETS

This section includes information about the recognition, measurement, depreciation, amortisation and impairment considerations of the core producing and exploration assets of the Group.

B.1. Property, plant and equipment and mine development

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of property, plant and equipment acquired in a business combination is determined by reference to its fair value at the date of acquisition. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the cost of that equipment.

Assets under construction

Assets under construction are transferred to the appropriate asset category when they are ready for their intended use.

Borrowing cost

Borrowing costs directly attributable to the acquisition or construction of an item of property, plant and equipment are capitalised until such time as the assets are substantially ready for their intended use. The interest rate used equates to the weighted effective interest on debt where general borrowings are used or the relevant interest rate where specific borrowings are used to finance the construction. During FY25, a capitalisation rate of 6.7% was applied (FY24: 6.7%).

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as a component of the profit or loss as incurred.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is netted off against the capitalised cost of the related asset.

Depreciation

Depreciation is recognised in the statement of comprehensive income as a component of the profit or loss or capitalised as a component of inventory in the statement of financial position (which is subsequently released to the profit or loss through the cost of goods sold on the sale of the underlying product) using a method that reflects the pattern in which the economic benefits embodied within the asset are consumed. Generally, this is on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment.

The estimated useful lives for the material classes of property, plant and equipment are as follows:

Leasehold land	30 to 99 years	Buildings	5 to 30 years
Plant and equipment	2 to 30 years	Fixtures and fittings	2 to 15 years
Leasehold improvements	3 to 30 years	Motor vehicles	8 years
Rehabilitation assets	20 to 30 years		

Depreciation methods, useful lives and residual values are reassessed on an annual basis.

Gains and losses on the disposal of items of property, plant and equipment are determined by comparing the proceeds (if any) at the time of disposal with the net carrying amount of the asset.

Development expenditure

Once an area of interest has been established as commercially viable and technically feasible, expenditure other than that relating to land, buildings and plant and equipment is capitalised as development expenditure. Development expenditure includes previously capitalised exploration and evaluation expenditure, pre-production development expenditure and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

Development costs are accumulated in respect of each separate area of interest. Costs associated with commissioning new assets in the period before they are capable of operating in the manner intended by management, are capitalised. Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit.

When an area of interest is abandoned or the Directors decide that it is not commercially viable or technically feasible, any accumulated costs in respect of that area are written off in full in the statement of comprehensive income as a component of the profit or loss in the period in which the decision to abandon the area is made to the extent that they will not be recoverable in the future.

Development assets are assessed for impairment if the facts and circumstance suggest that the carrying amount exceed the recoverable amount. For the purpose of impairment testing, development assets are allocated to the cash-generating units ("CGUs") to which the development activity relates.

Deferred stripping

Overburden and other mine waste materials are often removed during the initial development of a mine in order to access the mineral deposit. This activity is referred to as development or pre-production stripping. The directly attributable costs associated with these activities are capitalised as a component of development costs. Capitalisation of development stripping ceases and amortisation of those capitalised costs commences upon extraction of ore. Amortisation of capitalised development stripping costs occurs on a unit of production basis with reference to the life of mine of the relevant area of interest.

Removal of waste material normally continues through the life of a mine. This activity is referred to as production stripping and commences upon the extraction of ore.

Amortisation of development

Amortisation of development is recognised either in the statement of comprehensive income as a component of the profit or loss or capitalised as a component of inventory in the statement of financial position (which is subsequently released to the profit or loss through the cost of goods sold on the sale of the underlying product) on a units of production basis which aims to recognise cost proportionally to the depletion of the economically recoverable mineral resources. Costs are amortised from the commencement of commercial production.

B.1 Property, plant and equipment and mine development continued

KEY ESTIMATES AND JUDGEMENTS

Development Expenditure

Development activities commence after project sanctioning by the appropriate level of management and the Board. Judgement is applied by management in determining when a project is economically viable. In exercising this judgement, management is required to make certain estimates and assumptions as described above for capitalised development expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to the statement of comprehensive income.

Stripping Asset

As with many mining operations similar to Mt Weld, overburden and other mine waste materials are often removed during the initial development of a mine in order to access the mineral deposit. The extraction of the ore body itself will also include a waste component extracted during the mining campaign. The costs of extraction of both these elements form the stripping costs. Judgement is required to identify a suitable allocation basis to apportion the stripping costs between inventory and any stripping assets for each component.

The Group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the ore body, to be the most suitable production measure. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity.

Pre-Production Stripping

The Group has determined that the overburden removal where no ore is recovered forms part of a pre-production stripping asset and has been determined to provide more accessibility to the total ore body and is amortised over the ore body which is benefited.

Production Stripping ratio

The Group has adopted a policy of deferring production stage stripping costs and amortising them on a units-of-production basis for each individual mining campaign. Judgement is required in determining the contained ore units for each mining campaign.

Estimation of mineral reserves and resources – refer to Note B.3

In A$'000	Property, Plant and Equipment: Leasehold land	Buildings plant and equipment	Fixtures and fittings	Assets under construction	Rehabilitation asset	Leasehold improvements	Total	Development Expenditure: Development expenditure	Pre-production / Stripping asset	Total
As at 30 June 2025										
Cost	31,659	2,110,797	17,092	475,728	399,004	23,847	**3,058,127**	54,658	89,327	**143,985**
Accumulated impairment losses	–	(206,175)	(426)	(272)	–	(8,109)	**(214,982)**	(4,505)	–	**(4,505)**
Accumulated depreciation	(5,454)	(520,693)	(9,377)	–	(61,376)	(10,954)	**(607,854)**	(8,119)	(16,074)	**(24,193)**
Carrying amount	**26,205**	**1,383,929**	**7,289**	**475,456**	**337,628**	**4,784**	**2,235,291**	**42,034**	**73,253**	**115,287**
Opening cost	27,774	924,577	9,760	1,288,162	348,371	21,062	**2,619,706**	50,560	49,987	**100,547**
Opening accumulated impairment and depreciation	(4,504)	(640,704)	(7,941)	(266)	(41,822)	(14,052)	**(709,289)**	(12,221)	(14,342)	**(26,563)**
Opening carrying amount	**23,270**	**283,873**	**1,819**	**1,287,896**	**306,549**	**7,010**	**1,910,417**	**38,339**	**35,645**	**73,984**
Additions	–	1,070	56	298,357	23,663	–	**323,146**	4,156	40,967	**45,123**
Disposals	–	(652)	–	–	–	–	**(652)**	–	–	**–**
Depreciation expense	(313)	(61,125)	(1,323)	–	(14,388)	(3,065)	**(80,214)**	–	–	**–**
Amortisation expense	–	–	–	–	–	–	**–**	(315)	(3,359)	**(3,674)**
Impairment loss	–	(727)	–	–	–	–	**(727)**	(146)	–	**(146)**
Change in rehabilitation obligations	–	–	–	–	11,629	–	**11,629**	–	–	**–**
Capitalised interest	–	–	–	11,838	–	–	**11,838**	–	–	**–**
Transfers within PPE	–	1,126,708	6,709	(1,133,417)	–	–	**–**	–	–	**–**
Transfers out of PPE	–	–	–	(1,022)	–	–	**(1,022)**	–	–	**–**
Foreign currency translation	3,248	34,782	28	11,804	10,175	839	**60,876**	–	–	**–**
Carrying amount at 30 June 2025	**26,205**	**1,383,929**	**7,289**	**475,456**	**337,628**	**4,784**	**2,235,291**	**42,034**	**73,253**	**115,287**

Restrictions on the title of property plant and equipment and development assets are outlined in Note C.3.

B.1 Property, plant and equipment and mine development continued

In A$'000	Property, Plant and Equipment							Development Expenditure		
	Leasehold land	Buildings plant and equipment	Fixtures and fittings	Assets under construction	Rehabilitation asset	Leasehold improvements	Total	Development expenditure	Pre-production / Stripping asset	Total
As at 30 June 2024										
Cost	27,774	924,577	9,760	1,288,162	348,371	21,062	**2,619,706**	50,560	49,987	**100,547**
Accumulated impairment losses	–	(180,990)	(378)	(266)	–	(7,114)	**(188,748)**	(4,428)	–	**(4,428)**
Accumulated depreciation	(4,504)	(459,714)	(7,563)	–	(41,822)	(6,938)	**(520,541)**	(7,793)	(14,342)	**(22,135)**
Carrying amount	**23,270**	**283,873**	**1,819**	**1,287,896**	**306,549**	**7,010**	**1,910,417**	**38,339**	**35,645**	**73,984**
Opening cost	28,281	919,835	9,079	753,802	222,080	21,226	**1,954,303**	32,120	40,504	**72,624**
Opening accumulated impairment and depreciation	(4,301)	(615,286)	(7,364)	(268)	(31,386)	(13,579)	**(672,184)**	(11,317)	(11,614)	**(22,931)**
Opening carrying amount	**23,980**	**304,549**	**1,715**	**753,534**	**190,694**	**7,647**	**1,282,119**	**20,803**	**28,890**	**49,693**
Additions	–	1,351	751	543,357	–	–	**545,459**	18,474	9,483	**27,957**
Disposals	–	(703)	–	–	–	–	**(703)**	–	–	**–**
Depreciation expense	(287)	(35,754)	(754)	–	(11,065)	(736)	**(49,596)**	–	–	**–**
Amortisation expense	–	–	–	–	–	–	**–**	(340)	(2,728)	**(3,068)**
Impairment loss	–	–	–	–	–	–	**–**	(598)	–	**(598)**
Change in rehabilitation obligations	–	–	–	–	125,930	–	**125,930**	–	–	**–**
Capitalised interest	–	–	–	12,119	–	–	**12,119**	–	–	**–**
Transfers	–	16,874	85	(17,159)	–	200	**–**	–	–	**–**
Foreign currency translation	(423)	(2,444)	22	(3,955)	990	(101)	**(5,910)**	–	–	**–**
Carrying amount at 30 June 2024	**23,270**	**283,873**	**1,819**	**1,287,896**	**306,549**	**7,010**	**1,910,418**	**38,339**	**35,645**	**73,984**

B.2. Right of use, leases and other commitment

AASB 16 Leases

The accounting policies of the Group upon adoption of AASB 16 are as follows:

Right of Use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (where the entity does not have a purchase option at the end of the lease term). Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

Short term leases and low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption (i.e. below US$5,000/ A$7,150). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No leases meeting the low-value criteria were recognised at 30 June 2024 or 30 June 2025.

During the year ended 30 June 2025, the Group entered into an agreement with Zenith Energy Pty Ltd for the supply of power from a gas-firmed hybrid renewable power station to Lynas' Mt Weld mine and concentration plant, near Laverton, Western Australia. Various aspects of the contract have been accounted for in accordance with AASB16 Leases. Under the contract, different right of use assets will be identified as they are constructed and become commercially operational.

As of the reporting date, only the Diesel and Gas asset meets the criteria for recognition under AASB16, as it is available for use, and the Group has obtained control over the right-of-use asset. Remaining commitments under the contract have been disclosed as a lease capital commitment.

B.2. Right of use, leases and other commitment continued

Set out below are the carrying amounts of right of use recognised and the movements during the period:

	As at 30 June	
In A$'000	**2025 Right of Use Assets**	**2024 Right of Use Assets**
At 1 July	9,762	12,392
Additions	42,965	4,111
Depreciation expense	(7,444)	(6,788)
Other lease modifications	(147)	–
Foreign currency translation	1,265	47
Closing as at 30 June 2025	**46,401**	**9,762**

In A$'000	**Lease liabilities**	**Lease liabilities**
At 1 July	12,140	12,976
Additions	42,965	4,111
Payments	(7,569)	(5,734)
Accretion of interest	2,260	810
Foreign currency translation	992	(23)
Closing as at 30 June 2025	**50,788**	**12,140**
Current	(4,623)	(4,952)
Non-current	(46,165)	(7,188)
Total Lease Liabilities	**(50,788)**	**(12,140)**

In A$'000	**2025**	**2024**
Depreciation expense	(7,444)	(6,788)
Accretion of interest	2,260	810

Lease capital commitments

	As at 30 June	
In A$'000	**2025**	**2024**
Less than one year	8,656	5,753
Between one and five years	20,728	7,526
More than five years	52,341	3,531
Total	**81,725**	**16,810**

B.3. Impairment of non-current assets

The carrying amounts of the Group's non-financial assets are reviewed at least annually to determine whether there is any indication of impairment. If any such indicators exist then the asset or CGU's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amounts are estimated at least annually and whenever there is an indication that they may be impaired.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income as a component of the profit or loss. Impairment losses recognised in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other non-financial assets in the CGU on a pro-rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In assessing the fair value less cost to sell, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include a discounted future cash flows analysis and adjusted EBITDA (forecasted) multiplied by a relevant market indexed multiple.

In respect of assets other than goodwill, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's revised carrying amount will not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

Recognised impairment

There was $1.0m of impairment expense recognised on specific development assets during FY25 (FY24: $0.6m). There was no reversal of prior period impairment loss recognised in FY25 (FY24: Nil).

B.3. Impairment of non-current assets continued

KEY ESTIMATES AND JUDGEMENTS

Reserve estimates and mine life

Reserves are estimates of the amount of product that can be economically and legally extracted from the Group's mining tenements. In order to calculate reserves, estimates and assumptions are required to be formulated about a range of geological, technical and economic factors including quantities, grades, production techniques, recovery rates, production costs, transportation costs, refining costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and/or grade of reserves requires the size, shape and depth of the ore bodies or field to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgement and calculation to interpret the data.

As the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including:

- asset carrying values may be affected due to changes in the estimated future cash flows; and
- depreciation and amortisation charges in the statement of comprehensive income may change as result of the change in the useful economic lives of assets.

Mineral resources and ore reserves are reported in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing recoverable value, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where applicable, the fair value less costs to sell calculation is based on a 20-year discounted cash flow (DCF) model, which assumes ongoing licence renewals in Malaysia on similar terms to the current licence. The cash flows are derived from the two-year budget and forecast model that is extrapolated over 20 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to product price movement, volume, operating and capital cost, the discount rate used for the discounted cash flows model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

C. CASH, BORROWINGS AND CAPITAL

This section includes information about cash and cash equivalents, borrowings and capital position of the Company at the end of the reporting period.

C.1. Cash and cash equivalents

	As at 30 June	
In A$'000	**2025**	**2024**
Cash at bank and on hand	101,744	202,197
Short term deposits	64,746	321,641
Total cash and cash equivalents	**166,490**	**523,838**

Recognition and measurement

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Fair value and foreign exchange risk

The carrying amount of cash and cash equivalents approximates their fair value.

The Group's cash and cash equivalents include A$134.4m in currencies other than Australian dollars, primarily US$59.3m (30 June 2024: US$148.4m) and MYR 120.2m (30 June 2024: MYR 253.5m).

Reconciliation of the profit for the year with the net cash from operating activities

	For the year ended 30 June	
In A$'000	**2025**	**2024**
Profit for the year	7,990	84,514
Adjustments for:		
Depreciation and amortisation	94,995	56,898
Share-based payments	7,177	7,166
Net financial income	(3,548)	(30,266)
Loss / (gain) on disposal of property, plant and equipment and other non-cash transactions	(2,027)	1,798
Income tax expense	1,749	20,986
Foreign exchange gain included in profit for the year	(15,001)	(4,988)
Change in trade and other receivables	648	7,628
Change in inventories	56,397	(4,924)
Change in operating trade and other payables	5,073	(24,963)
Change in employee benefit provision	1,526	(1,200)
Change in provisions (rehabilitation obligation)	(30,314)	(26,917)
Income tax paid	(20,498)	(50,768)
Net cash from operating activities	**104,167**	**34,964**

C.2. Interest Bearing Liabilities

In A$'000	As at 30 June 2025	2024
Current borrowings		
JARE loan facility[1]	29,166	28,544
Total current borrowings	**29,166**	**28,544**
Non-current borrowings		
JARE loan facility	122,092	143,294
Total non-current borrowings	**122,092**	**143,294**

(1) In line with the repayment schedule below, payments of US$10m (AU$15.2m) are due 31 December 2025 and 30 June 2026. These have been classified as current liabilities at 30 June 2025.

Recognition and measurement

Interest bearing loans and borrowings

Subsequent to initial recognition interest bearing loans and borrowings are measured at amortised cost using the effective interest method.

KEY ESTIMATES AND JUDGEMENTS

Interest bearing loans and borrowings are measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the amortised cost of the liability. The Group has applied judgement and determined the appropriate rate for a similar instrument to be 6.5% (FY24: 6.5%). When the Group revises the estimates of future cash flows, the carrying amount of the financial liability is adjusted to reflect the new estimate discounted using the original effective rate. Any changes are recognised in the profit or loss.

Fair value and foreign exchange risk

The fair value of borrowings, which have been determined for disclosure purposes, is calculated by discounting the future contractual cash flows at the current market interest rates that are available for similar financial instruments. The fair value methodology adopted was categorised as Level 3 in the fair value hierarchy. There has been no change to the valuation technique during the year. These have been determined as follows:

	As at 30 June 2025		As at 30 June 2024	
	Carrying amount (AUD '000)	**Fair value** (AUD '000)	**Carrying amount** (AUD '000)	**Fair value** (AUD '000)
JARE loan facility	151,258	142,987	171,838	162,929
	151,258	**142,987**	**171,838**	**162,929**

Terms and debt maturity schedule

				As at 30 June 2025		As at 30 June 2024	
	Currency	**Nominal interest rate**	**Date of maturity**	**Face value** (USD '000)	**Face value** (AUD '000)	**Face value** (USD '000)	**Face value** (AUD '000)
JARE loan facility	USD	2.5%	June 2030	110,000	168,404	130,000	194,783
				110,000	**168,404**	**130,000**	**194,783**

Reconciliation of liabilities arising from financing activities

	30 June 2024		**Cash flows**			**30 June 2025**
In A$'000	**Opening Balance**	**Repayments**	**Effective Interest**	**Foreign Exchange**	**Additions**[(1)]	**Closing Balance**
JARE loan facility	171,838	(31,390)	6,364	4,446	–	**151,258**
Lease liability	12,140	(7,569)	2,260	992	42,965	**50,788**
Total	**183,978**	**(38,959)**	**8,624**	**5,438**	**42,965**	**202,046**

(1) Additions in the non-cash movements in the lease liability during the year ended 30 June 2025 related to finance leases recognised in line with AASB 16.

	30 June 2023		**Cash flows**			**30 June 2024**
In A$'000	**Opening Balance**	**Repayments**	**Effective Interest**	**Foreign Exchange**	**Additions**[(1)]	**Closing Balance**
JARE loan facility	177,379	(10,428)	6,530	(1,643)	–	171,838
Lease liability	12,976	(5,734)	810	(23)	4,111	12,140
Total	**190,355**	**(16,162)**	**7,340**	**(1,666)**	**4,111**	**183,978**

(1) Additions in the non-cash movements in the lease liability during the year ended 30 June 2024 related to finance leases recognised in line with AASB 16.

C.3. Financing facilities

Japan Australia Rare Earths B.V. (JARE) loan facility

An extension of the JARE loan facility was announced on 27 June 2019. As part of this extension, new terms were agreed to as detailed below.

The maturity date of the JARE loan facility is 30 June 2030. The interest rate on this facility is 2.5% p.a. at 30 June 2025 (30 June 2024: 2.5% p.a.).

Interest liabilities will be paid directly to the lenders at 31 December and 30 June each year. The details of the fixed repayments are as follows:

Repayment date	Amount
Each half-year from 31 Dec 2025 to 31 Dec 2027	US$10m on each date
Each half-year from 30 June 2028 to 30 June 2030	US$12m on each date

Japan will have the following priority supply rights until 2038:

1. Any fundraising will not hinder Lynas' ability to support Japanese industries diversifying their rare earths supply sources, in accordance with the Availability Agreement announced on 30 March 2011.
2. Lynas shall ensure that in the event of competing demands from the Japanese market and a non-Japanese market for the supply by the Borrower or Lynas Malaysia for NdPr produced from the Lynas Malaysia plant, the Japanese market shall have priority of supply up to 7,200 tonnes per year subject to the terms of the Availability Agreement and to the extent that Lynas will not have any opportunity loss.
3. JARE has rights of negotiation with Lynas in priority to non-Japanese market customers for the priority supply to the Japanese market of additional NdPr and Nd products produced by the Lynas 2025 Project.
4. Lynas will continue to prioritize the needs of Japanese customers for the supply of Heavy Rare Earths products produced, to the extent possible under any agreement with the U.S.

To date, the JARE loan facility has been secured over all of the assets of the Group, other than the Malawi and Malaysia assets.

Covenants

The following financial covenants are included with the JARE loan facility. They are calculated semi-annually based on the financials for the Group as at 30 June and 31 December of each year:

- Net Worth Amount, being the total amount of shareholders' equity;
- Gross Debt to Equity Ratio;
- Forward Looking Debt Service Coverage Ratio, being the Cash Flow Available for Debt Service divided by the Total Debt Service in relation to the next forecast period; and
- Backward Looking Debt Service Coverage Ratio, being the Cash Flow Available for Debt Service divided by the Total Debt Service in relation to the previous period.

The failure to comply with one of the 'financial covenants' is not a default event under the Loan. Rather it is a Review Event the effect of which is to require Lynas to obtain JARE's consent to certain transactions (ie distributions, changes to share capital and incurring financial liabilities (other than Permitted Financial Liabilities) without JARE's consent.

C.4. Contributed equity

	As at 30 June			
	2025		2024	
	Number of shares '000	Value of shares A$ '000	Number of shares '000	Value of shares A$ '000
Balance at the beginning of the year	**934,718**	**2,091,089**	**933,815**	**2,091,089**
Issue of shares pursuant to exercised performance rights	729	–	903	–
Issue of shares pursuant to equity raising	–	–	–	–
Closing balance	**935,447**	**2,091,089**	**934,718**	**2,091,089**

All issued ordinary shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. All shares rank equally with regard to the Group's residual assets in the event of a wind-up.

Recognition and measurement

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Where equity instruments are reacquired by the Group, for example, as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the statement of comprehensive income and the consideration paid including any directly attributable incremental costs (net of income taxes) is directly recognised in equity.

C.5. Reserves

	As at 30 June	
In A$'000	**2025**	**2024**
Equity settled employee benefits	80,144	72,967
Foreign currency translation	(68,693)	(163,426)
Warrant reserve	21,765	21,765
Balance at 30 June	**33,216**	**(68,694)**

Nature and purpose

The equity settled employee benefits reserve relates to performance rights granted by the Group to its employees under the employee share option plan. Further information about share-based payments to employees is set out in Note E.7.

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Warrant reserve includes options issued as part of rights issues.

C.6. Risk

Key Financial and capital risks associated with cash, debt and capital

Exposure to market, credit and liquidity risks arise in the normal course of the Group's business. The Directors and management of the Group have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Directors have established a treasury policy that identifies risks faced by the Group and sets out policies and procedures to mitigate those risks. Monthly consolidated financial reports are prepared for the Directors, who ensure compliance with the Group's risk management policies and procedures.

Capital risk management

The Directors are responsible for monitoring and managing the Group's capital structure.

The Directors' policy is to maintain an acceptable capital base to promote the confidence of the Group's financiers and creditors and to sustain the future development of the business. The Directors monitor the Group's financial position to ensure that it complies at all times with its financial and other covenants as set out in its financing arrangements.

In order to maintain or adjust the capital structure, the Directors may elect to take a number of measures including, for example, to dispose of assets or operating segments of the business, to alter its short to medium term plans in respect of capital projects and working capital levels, or to re-balance the level of equity and external debt in place.

Capital comprises share capital, external debt and reserves.

Liquidity risk management

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due and comply with covenants under both normal and stressed conditions.

The Group evaluates its liquidity requirements on an on-going basis and ensures that it has sufficient cash on demand to meet expected operating expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Interest rate risk management

The Group's interest rate risk arises from long-term borrowings at both fixed and floating rates and deposits which earn interest at floating rates. Borrowings and deposits at floating rates expose the Group to cash flows interest rate risk. The Group's exposure to interest rate risk is shown below:

	30 June 2025	Interest Rate Risk		30 June 2024	Interest Rate Risk	
	Exposure	1.0%	–1.0%	Exposure	1.0%	–1.0%
In A$'000		Impact on Profit and Equity			Impact on Profit and Equity	
Floating rate instruments						
Cash and cash equivalents	166,490	1,665	(1,665)	523,838	5,238	(5,238)
Other non-current assets	18,698	187	(187)	7,933	79	(79)
Total	**185,188**	**1,852**	**(1,852)**	**531,771**	**5,317**	**(5,317)**

Maturity analysis of financial liabilities

The table below sets out a maturity analysis for financial liabilities containing principal and interest flows. For loans outstanding, undiscounted cash flows are presented until contractual final maturity. Interest cash flows are projected based on the interest rates prevailing on the closing date.

In A$'000	Carrying Amount	Contracted cash flows	Up to and including 6 months	Between 6 months and up to 1 year	Between 1 year and up to 5 years	Over 5 years
30 June 2025						
JARE loan facility	151,258	180,474	17,432	17,207	108,402	37,433
Lease liabilities	50,788	81,725	4,328	4,328	20,728	52,341
Total	**202,046**	**262,199**	**21,760**	**21,535**	**129,130**	**89,774**
30 June 2024						
JARE loan facility	171,838	211,281	17,438	17,212	139,994	36,636
Lease liabilities	12,140	15,250	3,091	3,526	7,533	1,100
Total	**183,978**	**226,531**	**20,529**	**20,738**	**147,527**	**37,736**

Foreign exchange risk management

The Group's foreign exchange risks are detailed in the basis of preparation of these financial reports.

There are two elements of foreign exchange risk. Firstly, the Group holds cash, trade receivables and trade payables currencies other than the functional currency of the Company in which it is held. Movement in the prevailing exchange rates have an impact on the Group's profit and equity. Secondly, the Group's members are exposed to foreign exchange risk on the translation of its operations that are denominated in currencies other than AUD. The Group's net assets denominated in currencies other than the AUD which have the potential of impacting the other comprehensive income component of the statement of comprehensive income are:

			Foreign Exchange Risk			
			–10%		10%	
In A$'000		Carrying Amount	Profit	Equity	Profit	Equity
As at 30 June 2025						
Net exposure of US$ financial assets	US$	89,217	9,959	–	(9,959)	–
Net exposure of A$ financial assets	A$	953	2,098	–	(2,098)	–
Net asset exposure – MYR currency	MYR	2,087,789	–	(60,693)	–	74,180
Net asset exposure – US$ currency	US$	(5,317)	–	812	–	(812)
As at 30 June 2024						
Net exposure of US$ financial assets	US$	175,205	19,982	–	(19,982)	–
Net exposure of A$ financial assets	A$	26,074	1,574	–	(1,574)	–
Net asset exposure – MYR currency	MYR	2,187,208	–	(63,583)	–	77,713
Net asset exposure – US$ currency	US$	(5,339)	–	806	–	(806)

D. OTHER ASSETS AND LIABILITIES

This section includes information about the other assets and liabilities position at the end of the period.

D.1. Trade and other receivables

	As at 30 June	
In A$'000	**2025**	**2024**
Trade receivables at amortised cost	30,482	57,104
Trade receivables/(payable) at fair value	14,249	(14,480)
GST / VAT receivables	3,448	3,981
Other receivables	823	3,045
Total current trade and other receivables	**49,002**	**49,650**

The Group's exposure to credit risk is primarily in all its trade receivables. As at 30 June 2025 $1.4m (2024: $9.5m) of trade receivables were past due but not impaired. The full amount has been received subsequent to 30 June 2025. Where debtors become overdue, the Group maintains regular contact and has a history of collecting trade receivables in full.

At 30 June 2025, the Group had sales under contract amounting to A$103.4m (US$67.5m) (30 June 2024: A$96.2m (US$64.2m)) subject to price adjustments. A 5% change in NdPr Pricing at 30 June 2025 would have resulted in an increase/decrease in the fair value of the trade receivable by $5.7m (2024: $4.2m). At the date of this report, A$20.3m (US$13.2m) of this amount has been finalised with minimal price adjustments.

Recognition and measurement

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for instruments with maturities greater than 12 months from the reporting date, which are classified as non-current assets. The Group's receivables comprise trade and other receivables (including related party receivables) which are stated at their cost less impairment losses.

Fair value and foreign exchange risk

Given the short-term nature of trade receivables, the carrying amount is a reasonable approximation of fair value.

All trade receivables are held in currencies other than the functional currency of the entity receipting them and therefore exposed to foreign exchange risk.

D.2. Inventories

	As at 30 June	
In A$'000	**2025**	**2024**
Raw materials and consumables	39,655	40,033
Work in progress	115,368	64,966
Finished goods	33,119	26,746
Total inventories	**188,142**	**131,745**
Current inventories	176,121	120,576
Non-current inventories	12,021	11,169
Total inventories	**188,142**	**131,745**

During the year ended 30 June 2025 inventories of $426.7m (2024: $329.7m) were recognised as an expense, all of which were included in 'cost of sales'.

Depreciation recognised in inventories

The Group recognised depreciation on its property, plant and equipment and amortisation on its deferred development expenditure and intangible assets for the years ended 30 June 2025 and 2024 respectively in the following categories:

	Recognised in General and Administration Expense		Recognised in Inventory		Total	
In A$'000	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Property, plant and equipment	27,456	2,701	63,238	51,852	90,694	54,553
Deferred development expenditure	3,674	3,068	–	–	3,674	3,068
Intangibles	627	532	–	–	627	532
Total	**31,757**	**6,301**	**63,238**	**51,852**	**94,995**	**58,153**

On the sale of inventory to customers, the component of the depreciation or amortisation expense capitalised within inventory is reflected in the cost of goods sold in the statement of comprehensive income as a component of the profit or loss. This was $63.2m in the year ended 30 June 2025 (2024: $50.6m).

Write downs of inventory

During the year ended 30 June 2025, there were $1.9m of inventory write-downs to net realisable value (2024: $2.0m).

Recognition and measurement

Raw materials, work in progress and finished goods

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based either on the first in first out ("FIFO") or weighted average principles and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured or refined inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventory expected to be sold or consumed within the next 12 months is classified as current, with amounts expected to be consumed or sold after this time being classified as non-current.

Engineering and maintenance materials

Engineering and maintenance materials (representing either critical or long order components but excluding rotable spares) are measured at the lower of cost and net realisable value. The cost of these inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is determined with reference to the cost of replacement of such items in the ordinary course of business compared to the current market prices.

D.3. Other non-current assets

	As at 30 June	
In A$'000	**2025**	**2024**
Security deposits – banking facilities and other, Malaysia	2,541	2,081
Security deposits – banking facilities and other, Australia	16,157	8,620
Security deposits – AELB	78,344	74,447
	97,042	**85,148**

Deposits to the Malaysian Government's Atomic Energy Licensing Board ("AELB") form a component of a total US$50.0m of instalments due in accordance with the conditions underlying the granting of the original Full Operating Stage Licence to the Group for the Lynas Malaysia plant. The total amount deposited as security via a bond for the instalments is US$39.0m (A$59.7m) (all of which is interest earning). A further US$11.0m paid via cash between 2012 and 2016 directly to AELB is not interest earning and has been discounted to a present value of A$6.8m (FY24: A$5.9m).

Under revisions to the operating licence, a further A$11.8m in deposits have been made to the AELB to satisfy licence conditions.

Recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables, the Group initially measures a financial asset at its fair value.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets at amortised cost

This category is the most relevant to the Group as all deposits in Note D.3 are classified this way. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, and security deposits included under other non-current financial assets.

D.4. Trade and other payables

In A$'000	As at 30 June 2025	2024
Trade payables	39,016	39,332
Accrued expenses	33,106	40,817
Other payables	11,399	12,207
Total trade and other payables	**83,521**	**92,356**
Current	83,521	92,356
Non-current	–	–
Total trade and other payables	**83,521**	**92,356**

Recognition and measurement

Current trade and other payables are non-interest bearing and are normally settled on 30 to 60 day terms. Subsequent to initial recognition trade and other payables are stated at amortised cost using the effective interest method.

Given the short-term nature of trade payables, the carrying amount is a reasonable approximation of fair value.

D.5. Provisions and Employee benefits

In A$'000	As at 30 June 2025	2024
Current		
Short term employee benefits	7,176	6,033
Restoration and rehabilitation(1)	27,355	37,462
Total current	**34,531**	**43,495**
Non-Current		
Long term employee benefits	850	468
Restoration and rehabilitation	270,565	241,819
Total non-current	**271,415**	**242,287**

(1) The current portion of the restoration and rehabilitation provision represents Lynas' best estimate of the present value of the outflows relating to the discharge of the rehabilitation obligation relating to residue disposal in Malaysia over the next 12-month period.

Recognition and measurement

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision for the passage of time is recognised as a financial expense in the statement of comprehensive income as a component of the profit or loss.

Short-term employee benefits

Short-term employee benefits are expected to be settled within one year and measured on an undiscounted basis and are expensed in the statement of comprehensive income as a component of the profit or loss as the related services are provided. A provision is recognised for the amount expected to be paid under short-term cash bonus plans and outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

D.5. Provisions and Employee benefits continued

Long-term employee benefits

The liability for annual leave and long service leave for which settlement can be deferred beyond 12 months from the balance date is measured as the present value of expected future payments to be made in respect of services provided by employees. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Incentive compensation plans

The Group recognises a liability and associated expense for incentive compensation plans based on a formula that takes into consideration certain threshold targets and the associated measures of profitability. The Group recognises a provision when it is contractually obligated or when there is a past practice that has created a constructive obligation to its employees.

Restoration and rehabilitation

The activities of the Group give rise to obligations for asset and site restoration and rehabilitation at the Lynas Malaysia plant, Mount Weld concentration plant and Lynas Kalgoorlie facility. The key areas of uncertainty in estimating the provisions for these obligations are set out below. Upon cessation of operations, the site including the processing assets, ancillary facilities, utilities and the onsite storage facility will be decommissioned and any materials removed from the location.

The Group engaged third party specialists in 2024 to assist in estimating the restoration and rehabilitation provisions at Lynas Malaysia, Mt Weld and Lynas Kalgoorlie as at 30 June 2024. No specialists have been engaged this current financial year. The Group will continue to review the need to engage third party specialists periodically over time as the operations continue to develop.

The unwinding effect of discounting of the provision is recognised as a financial expense.

The mining/extraction and refining/processing activities of the Group give rise to obligations for asset and site rehabilitation. Rehabilitation obligations can include facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation and site restoration. The extent of work required and the associated costs are estimated based on feasibility and engineering studies using current restoration standards and techniques. Provisions for the cost of each rehabilitation programme are recognised at the time that the environmental disturbance occurs.

Rehabilitation provisions are initially measured at the expected value of future cash flows required to rehabilitate the relevant site, discounted to their present value. The value of the provision is progressively increased over time as the effect of discounting unwinds. When provisions for rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of rehabilitation activities for the Group's mining operations and refining operations are recognised as a component of property, plant and equipment. Amounts capitalised are depreciated or amortised accordingly.

At each reporting date the rehabilitation liability is re-measured to account for any new disturbance, updated cost estimates, changes to the estimated lives of the associated operations, new regulatory requirements and revisions to discount rates. Changes to the rehabilitation liability are added or deducted from the related rehabilitation asset and amortised accordingly.

In A$'000	As at 30 June 2025	2024
Restoration and Rehabilitation		
Balance at the beginning of the year	279,281	170,303
Provisions made during the year	31,867	127,217
Provisions paid during the year	(30,314)	(26,917)
Changes to discounts rates	(20,238)	(1,287)
Effects of foreign exchange movement	26,116	1,506
Unwinding of discount on provision	11,208	8,459
Balance at 30 June	**297,920**	**279,281**

KEY ESTIMATES AND JUDGEMENTS

Restoration and rehabilitation expenditure

The Group's accounting policy for its restoration and rehabilitation closure provisions requires significant estimates and assumptions such as: requirements of the relevant legal and regulatory framework; the magnitude of possible contamination; and the timing, extent and costs of required closure and rehabilitation activity. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognised in the statement of financial position by adjusting both the closure and rehabilitation asset and the provision.

Lynas Malaysia production residues

On 30 January 2020, the Group announced that The State Government of Pahang has issued its consent to a site for the Permanent Disposal Facility (PDF) for Water Leach Purification (WLP) residue. In additional Lynas Malaysia has appointed Gading Senggara Sdn Bhd ("GSSB") as the contractor to manage the entire PDF project. The total cost of this project will be MYR 400m (A$128.4m). The provision for restoration and rehabilitation has been updated to reflect the present value of the obligation that exists at 30 June 2025. Those costs expected to be due within 12 months have been reflected as current. The unwinding effect of discounting of the provision is recognised as a finance cost.

Payments of $30.3m (FY24: $26.9m) in relation to the discharge of rehabilitation liabilities are recognised in the Statement of Cash Flows as an operating cash outflow.

In addition, during FY25, Lynas has re-estimated the cost to permanently store Neutralization Underflow ("NUF") residue in a Long Term Disposal Facility. As a result, an additional $9.4m has been included in the provision, which represents Lynas' best estimate of the present value of the rehabilitation obligation relating to NUF on site as at 30 June 2025.

The Group has included its best estimate of the timing of these costs within the provision for restoration and rehabilitation at 30 June 2025.

Key financial risks associated with other assets and liabilities

Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and related entities. The Group's exposure to credit risk is primarily in its trade and other receivables and is influenced mainly by the individual characteristics of each customer. Demographically there are no material concentrations of credit risk. Cash and cash deposits are held in banks and financial institutions with A+ credit ratings.

Management believes that the Group's trade and other receivables are collectible in full, based on historical behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are applicable.

E. OTHER ITEMS

This section includes information on items which require disclosure to comply with Australian Accounting Standards and the Australian *Corporations Act 2001*. This section includes group structure information and other disclosures.

E.1. Contingent liabilities

An amount of US$39.0m (FY24: US$39.0m) has been deposited via a bond for instalments required in accordance with the conditions underlying the granting of the Full Operating Stage Licence to the Group for the LAMP in Malaysia. Should criteria as part of this grant not continue to be met, this amount may be utilised to settle obligations. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote. Refer to Note D.3 for details of bonds.

Litigation and legal proceedings

As a result of its operations the Group has certain contingent liabilities related to certain litigation and legal proceedings. The Group has determined that the possibility of a material outflow related to these contingent liabilities is remote.

Security and guarantee arrangements

Certain members of the Group have entered into guarantee and security arrangements in respect of the Group's indebtedness as described in Note E.6.

E.2. Other commitments

Exploration commitments

	As at 30 June	
In A$'000	**2025**	**2024**
Less than one year	594	566
Between one and five years	1,373	1,473
More than five years	3,912	3,403
Total	**5,879**	**5,442**

These include commitments relating to tenement lease rentals and the minimum expenditure requirements of the Western Australia Department of Mines and Petroleum attaching to the tenements and are subject to re-negotiation upon expiry of the exploration leases or when application for a mining licence is made. These are necessary in order to maintain the tenements in which the Group and other parties are involved. All parties are committed to meet the conditions under which the tenements were granted in accordance with the relevant mining legislation.

Capital commitments

	As at 30 June	
In A$'000	**2025**	**2024**
Less than one year	53,147	152,147
Between one and five years	55,247	–
More than five years	183,558	–
Total	**291,952**	**152,147**

At 30 June 2025 the capital commitments due in less that one year primarily related to the completion of the Mt Weld expansion project. Longer term commitments relate to the future lease commitments as further components of the Zenith Power Station are constructed.

E.3. Auditor remuneration

The following items of expenditure are included in general and administration expenses:

	For the year ended 30 June	
In A$	**2025**	**2024**
Auditor's remuneration to Ernst & Young (Australia), comprising:		
Fees for auditing the statutory financial report of the parent covering the group	370,564	341,120
Fees for other services		
Tax Services	–	–
Other assurance and agreed upon procedures	58,300	23,400
Advisory Services	–	52,000
Total auditor's remuneration Ernst & Young (Australia)	**428,864**	**416,520**
Auditor's remuneration to Ernst & Young (other locations), comprising:		
Fees for auditing the financial report of any controlled entities	163,000	158,080
Fees for other services		
Tax Services	30,374	666
Total auditor's remuneration Ernst & Young (other locations)	**193,374**	**158,746**
Total auditor's remuneration	**622,238**	**575,266**

Other tax service fees paid to EY Australia and other locations in FY24 and FY25 relate to completion of tax returns for expatriate employees.

E.4. Subsidiaries

			Ownership interest as at 30 June	
Name of Group entity	**Principal activity**	**Country of incorporation**	**2025**	**2024**
Lynas Malaysia Sdn Bhd	Operation and development of advanced material processing plant	Malaysia	100%	100%
Lynas Services Pty Ltd(1)	Provision of corporate services	Australia	100%	100%
Mount Weld Holdings Pty Ltd(1)	Holding company	Australia	100%	100%
Mount Weld Mining Pty Ltd(1)	Development of mining areas of interest and operation of concentration plant	Australia	100%	100%
Lynas Kalgoorlie Pty Ltd(1)	Development of operations in Kalgoorlie	Australia	100%	100%
Lynas Africa Holdings Pty Ltd(1)	Holding company	Australia	100%	100%
Lynas Africa Ltd	Mineral exploration	Malawi	100%	100%
Lynas USA LLC	Development of processing opportunities in USA	USA	100%	100%

(1) Entity has entered into a deed of cross guarantee with Lynas Rare Earths Limited pursuant to ASIC Instrument 2016/785 and is relieved from the requirement to prepare and lodge an audited financial report, as discussed in Note E 6. Entity is also a member of the tax-consolidated group.

E.5. Parent entity Information

In A$'000	As at 30 June 2025	As at 30 June 2024
Current assets	13,708	78,023
Total assets	**1,455,622**	**1,456,722**
Current liabilities	(29,294)	(28,763)
Total liabilities	**(177,552)**	**(172,057)**
Net assets	**1,278,070**	**1,284,665**
Share capital	2,091,089	2,091,089
Accumulated deficit	(1,150,108)	(1,136,337)
Reserves	337,089	329,913
Total shareholders' equity	**1,278,070**	**1,284,665**
Loss of the Company	13,771	(1,523)
Total comprehensive profit/(loss) of the parent Company	**13,771**	**(1,523)**

E.6. Entities under a Deed of Cross Guarantee

Pursuant to ASIC Instrument 2016/785 (as amended) dated August 13, 1998, the wholly-owned Australian subsidiaries of Lynas Rare Earths Limited are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Director's reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up event occurs under any other provision of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound-up. The subsidiaries in addition to the Company subject to the deed are specified in Note E.3.

A statement of comprehensive income and statement of financial position, comprising the Company and controlled entities which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee is presented as follows:

Statement of Financial Position

In A$'000	As at 30 June 2025	As at 30 June 2024
Cash and cash equivalents	40,992	267,779
Trade and other receivables	96,810	60,548
Inventories	47,563	41,804
Total current assets	**185,365**	**370,131**
Inventories	12,021	11,169
Property, plant and equipment	1,586,410	1,339,611
Deferred exploration, evaluation and development expenditure	115,287	73,984
Intangibles	217	–
Investments in subsidiaries	375,080	375,080
Other assets	82,273	72,903
Total non-current assets	**2,171,288**	**1,872,747**
Total assets	**2,356,652**	**2,242,878**
Trade and other payables	73,792	46,407
Borrowings	29,165	28,544
Employee benefits	6,355	5,442
Lease liability	4,553	4,975
Intercompany payables	510,288	431,504
Total current liabilities	**624,153**	**516,872**
Provisions	68,327	75,993
Employee benefits	850	468
Lease liability	122,092	7,159
Borrowings	44,372	143,294
Total non-current liabilities	**235,640**	**226,914**
Total liabilities	**859,794**	**743,786**
Net assets	**1,496,858**	**1,499,092**
Share capital	2,091,089	2,091,089
Accumulated deficit	(786,969)	(777,560)
Reserves	192,738	185,563
Total equity	**1,496,858**	**1,499,092**

Statement of comprehensive income

In A$'000	For the year ended 30 June 2025	2024
Revenue	194,352	167,254
Cost of sales	(142,541)	(109,424)
Gross profit	**51,811**	**57,830**
Other income/(expenses)	(738)	13
Foreign exchange gains/(losses)	(1,310)	3,965
General and administration expenses net of recoveries	(63,366)	(34,016)
Impairment charges	(3,162)	(1,070)
Profit/(loss) from operating activities	**(16,765)**	**26,722**
Financial income	22,185	26,926
Financial expenses	(15,585)	(2,804)
Net financial income	**6,600**	**24,122**
Profit/(loss) before income tax	**(10,165)**	**50,844**
Income tax benefit/(expense)	756	(17,883)
Profit/(loss) for the year from continuing operations	**(9,409)**	**32,961**
Other comprehensive loss, net of income tax	**–**	**–**
Exchange differences on foreign currency transactions	–	–
Total other comprehensive income for the year, net of income tax	**–**	**–**
Total comprehensive income/(loss) for the year	**(9,409)**	**32,961**

E.7. Employee costs and share based payments

The following items are gross employee costs before recoveries included in general and administration expenses:

In A$'000	For the year ended 30 June 2025	2024
Wages and salaries	79,619	67,762
Superannuation and pension contributions	9,265	8,048
Employee remuneration settled through share-based payments	7,176	7,167
Termination costs	696	0
Other	1,208	1,095
Total employee costs	**97,964**	**84,072**

Share-based remuneration benefits are provided to employees via a variety of schemes which are further set out below.

The fair values of the performance rights granted under these various schemes are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at the grant date and recognised over the period during which the employees become unconditionally entitled to the performance rights. The fair value at grant date is independently determined using a performance right pricing model that takes into account the exercise price, the term of the performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the performance right.

The fair value of the performance right granted is measured to reflect the expected market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and production targets). Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. At the end of each reporting period, the Group revises its estimates of the number of performance rights that are expected to become exercisable. The employee benefits expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income as a component of profit or loss, with a corresponding adjustment to equity.

Key management personnel compensation

The aggregate compensation made to the Directors and other members of KMP of the Group is set out below:

	For the year ended 30 June	
In A$	**2025**	**2024**
Short-term employee benefits	7,205,542	7,524,084
Long-term employee benefits	57,846	44,323
Post-employment benefits	314,895	308,915
Share based payments	3,656,216	4,007,134
Total compensation paid to key management personnel	**11,234,499**	**11,884,456**

The compensation of each member of the KMP of the Group for the current and prior year is set out within the Remuneration Report. All transactions with these related parted have been considered and included in the report.

The share-based payments amount represents the impact of amortising the accounting value of options and performance rights over their vesting periods including the impact of forfeitures recognised during the period. At times, a negative value may be presented which results from the forfeitures recognised in the period (which may relate also to earlier periods) are greater than the accounting expense for the current portion of the vesting period.

Employee share options and performance rights

The Group has established an employee share plan whereby, at the discretion of Directors, performance rights may be granted over the ordinary shares of the Company for the benefit of Directors, Executives and certain employees of the Group. The performance rights are granted in accordance with performance guidelines established by the Nomination, Remuneration and Community Committee. Other than short term incentives, each performance right is convertible into one ordinary share of the Company during the two years following the vesting date, which is the third anniversary of the grant date. The performance rights hold no voting or dividend rights and are not transferrable.

Performance rights are granted for the benefit of Key Management Personnel ("KMP") and other selected employees to provide greater alignment to our strategic business objectives. KMP are those people who have authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Executive Director of the Group and the Executives. At year end, the Executives include the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Group's General Counsel & Company Secretary, Vice President – Sales & Market Development and Vice President – Malaysia.

E.7. Employee costs and share based payments continued

Movements in employee performance rights during the year

	For the year ended 30 June 2025		For the year ended 30 June 2024	
	Number of performance rights ('000)	**Weighted average exercise price** ($)	**Number of performance rights** ('000)	**Weighted average exercise price** ($)
Balance at beginning of year	**3,619,173**	**0.00**	**3,502,515**	**0.00**
Granted during the year	2,039,303	0.00	1,857,406	0.00
Exercised during the year	(728,687)	0.00	(902,708)	0.00
Forfeited during the year	(361,282)	0.00	(838,040)	0.00
Balance at end of year	**4,568,507**	**0.00**	**3,619,173**	**0.00**
Vested and exercisable at end of year	–	0.00	208,856	0.00

During the year ended 30 June 2025 the Group recognised net share based payment expense of $7.2m (FY24: $7.2m) within the profit and loss component of the statement of comprehensive income. The employee performance rights outstanding at the end of the year had a nil exercise price and a weighted average remaining contractual life of 382 days (FY24: 444 days). The performance rights exercised during the year had a weighted average share price on exercise date of $8.36 (FY24: $6.98).

Performance rights granted in the period

STI Grants

Under the STI Plan, Executive KMP can earn an annual incentive based on performance during the year.

STI Plan performance conditions align with Lynas' annual operational and financial goals. The performance conditions are chosen to incentivise performance that is consistent with desired business outcomes and which contributes to longer term growth in shareholder value.

For the year ended 30 June 2025, in addition to the Executive KMP, three members of the Lynas Leadership Team and thirty six senior employees who are critical to the delivery of Lynas' short-term operational and financial goals were invited to participate in the STI Plan.

STI performance rights are subject to a vesting condition of continued employment at Lynas for a period of 12 months after the grant date.

LTI Grants

For the CEO, other Executive KMP and Lynas Leadership Team, four vesting conditions apply to the LTI grants made during FY25:

- Relative Total Shareholder Return (TSR)
- Strategic Targets – Comparative EBITDA
- Strategic Targets – Revenue Resilience
- Climate Targets

Relative TSR – 50% weighting

Relative TSR is assessed over a three year period from 1 July 2024 to 30 June 2027, relative to other companies in the ASX50 - 150 index (Peer Group Companies). For any performance rights to vest under the TSR vesting condition, Lynas' performance must be equal to or greater than the 51% percentile of Peer Group Companies.

The percentage of the performance rights that may vest is determined as follows:

Lynas TSR Ranking across the TSR Period	Proportion of Performance Rights that vest
Below 51st percentile	0%
At the 51st percentile	50%
Between the 51st percentile and the 76th percentile	Between 50% and 100% as determined on a linear basis (rounded to the nearest 5%)
At or above 76th percentile	100%

Strategic Target – Comparative EBITDA - 20% weighting

This strategic target will measure Lynas' EBITDA margin compared to other rare earth producing companies globally.

Performance will be assessed against the most recently publicly disclosed EBITDA for rare earths sold in all forms. The comparison will be calculated using EBITDA margin in %.

The vesting scale for this measure is as follows:

- 0% vests if comparative EBITDA is more than 25% below EBITDA of the best performing producer globally
- 50% vests if the comparative EBITDA is equal to 25% below EBITDA of the best performing producer globally
- 100% vests if comparative EBITDA is equal to or better than EBITDA of the best performing producer globally

Strategic Target – Revenue Resilience - 20% weighting

This strategic target will measure the contribution to Lynas' EBITDA from new products and new customers.

FY24 will be used as a baseline. EBITDA contribution from new customers and products in respect of which there were no sales as at 30 June 2024 will be measured.

The vesting scale will be as follows:

- 50% vests if EBITDA contribution from new customers and/or new products is greater than or equal to 10%
- 100% will vest if EBITDA contribution from new customers and/or new products is greater than or equal to 15%

Climate Target – 10% weighting

The Climate Target will measure progress against emissions reduction actions in accordance with the following timeline:

- Finalise and roll out Scope 1, 2 and 3 methodology and implement across all operations (by end FY25)
- Determine GHG emissions baseline for Lynas Malaysia and set site emissions reductions targets (by end FY26)
- Achieve planned progress against site specific emissions reductions targets (by end FY27)

E.7 Employee costs and share based payments continued

In accordance with the Group's policy that governs trading of the Company's shares by Directors and employees, Directors and employees are not permitted to hedge their options or performance rights before the options vest.

The performance rights granted during the financial year had a weighted average fair value of $5.55 (FY24: $5.84) and were priced using volume-weighted average share prices, Monte Carlo and Binomial valuation methodologies. Where relevant the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past three years and peer volatility.

	PRs issued to employees other than CEO			PRs issued to CEO		
	Series CD	Series CF	Series CG, CH & CI	Series CE	Series CJ	Series CK, CL & CM
Grant date	17 March 2025	17 March 2025	17 March 2025	27 Nov 2024	27 Nov 2024	27 Nov 2024
Fair Value per right	$7.61	$5.55	$7.61	$6.87	$4.43	$6.87
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Dividend yield	Nil	0.20%	Nil	Nil	0.20%	Nil
Expected volatility	40%	40%	40%	40%	40%	40%
Risk-free Rate	3.98%	3.98%	3.98%	3.76%	3.76%	3.76%
Expiry date	31 Aug 2025	31 Aug 2029	31 Aug 2029	31 Aug 2025	31 Aug 2029	31 Aug 2029

Performance rights still to vest or yet to expire

Performance rights are issued on the same terms as options, except there is no consideration payable on exercise. The following table lists any performance rights which are still to vest, or have yet to expire.

Series	Grant date	Number	Date vested and exercisable	Expiry date	Exercise price	Value per performance right at grant date
BS	17 February 24	423,354	25 August 25	25 August 27	$0.00	$8.29
BT	17 February 24	423,354	25 August 25	25 August 27	$0.00	$4.50
BU	29 November 22	128,804	25 August 25	25 August 27	$0.00	$8.54
BV	29 November 22	128,804	25 August 25	25 August 27	$0.00	$4.97
BW	13 November 23	551,167	31 August 26	31 August 28	$0.00	$4.42
BX	13 November 23	440,948	31 August 26	31 August 28	$0.00	$6.91
BY	13 November 23	110,248	31 August 26	31 August 28	$0.00	$6.91
CA	29 November 23	161,263	31 August 26	31 August 28	$0.00	$3.84
CB	29 November 23	129,010	31 August 26	31 August 28	$0.00	$6.62
CC	29 November 23	32,253	31 August 26	31 August 28	$0.00	$6.62
CD	17 March 25	312,478	31 August 25	31 August 25	$0.00	$7.61
CE	27 November 24	84,273	31 August 25	31 August 25	$0.00	$6.87
CF	17 March 25	652,699	31 August 27	31 August 29	$0.00	$5.55
CG	17 March 25	261,102	31 August 27	31 August 29	$0.00	$7.61
CH	17 March 25	261,102	31 August 27	31 August 29	$0.00	$7.61
CI	17 March 25	130,559	31 August 27	31 August 29	$0.00	$7.61
CJ	27 November 24	168,545	31 August 27	31 August 29	$0.00	$4.43
CK	27 November 24	67,418	31 August 27	31 August 29	$0.00	$6.87
CL	27 November 24	67,418	31 August 27	31 August 29	$0.00	$6.87
CM	27 November 24	33,709	31 August 27	31 August 29	$0.00	$6.87
Total		**4,568,508**				

E.8. Other items

New and revised standards and interpretations

Standards and Interpretations affecting amounts reported

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new standards and interpretations effective as of 1 July 2024.

Several amendments to accounting standards applies for the first time in the current year. However, the adoption of these new amendments to accounting standards did not have a material impact on the Group's consolidated financial statements.

Standards and Interpretations in issue not yet adopted

No Australian Accounting Standards issued but not yet mandatory for the financial year ending 30 June 2025 have been early adopted.

The Group is currently assessing the impact of the following new standard on current presentation and disclosures.

AASB 2024-2 *Amendments to AASs – Classification and Measurement of Financial Instruments* (effective from 1 January 2026)

AASB 18 *Presentation and Disclosure in Financial Statements* (effective from 1 January 2027)

This replaces AASB 101 Presentation of Financial Statements. The key presentation and disclosure requirements established under the new standard are the presentation of newly defined subtotals in the statement of comprehensive income, the disclosure of management-defined performance measures and enhanced requirements for grouping information. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The adoption of remaining Australian Accounting Standards issued but not yet mandatory when effective is not expected to have a material impact on the Group consolidated financial statements in future periods.

E.9. Subsequent events

On 24 July 2025, Lynas announced the signing of a Memorandum of Understanding (MoU) with Korean permanent magnet manufacturer JS Link to develop a sustainable rare earth permanent magnet value chain in Malaysia. Under the terms of the MoU, Lynas will collaborate with JS Link on the development of a 3,000 tonne capacity NdFeB permanent sintered magnet manufacturing facility near the Lynas Malaysia advanced materials plant in Kuantan, Malaysia. Lynas and JS Link will also collaborate in respect of the supply by Lynas of Light and Heavy Rare Earth materials to JS Link to support production of NdFeB permanent sintered magnets. The MoU is non-binding and subject to a definitive agreement.

On 28 August 2025, Lynas announced that it is undertaking an equity raising comprising a fully underwritten institutional placement to raise approximately A$750m and a non-underwritten share purchase plan to raise up to A$75m.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of Group entity	Entity Type	Body Corporate country of incorporation	% of share capital held	Country of tax residence
Lynas Malaysia Sdn Bhd	Body Corporate	Malaysia	100%	Malaysia
Lynas Services Pty Ltd	Body Corporate	Australia	100%	Australia
Mount Weld Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Mount Weld Mining Pty Ltd	Body Corporate	Australia	100%	Australia
Lynas Kalgoorlie Pty Ltd	Body Corporate	Australia	100%	Australia
Lynas Africa Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Lynas Africa Ltd	Body Corporate	Malawi	100%	Malawi
Lynas USA LLC	Body Corporate	USA	100%	N/A

Mineral Resources and Ore Reserves

as at 30 June 2025

1. MT WELD RARE EARTH DEPOSIT ORE RESERVES 2025

The Ore Reserve estimation for the Mt Weld Rare Earth Deposit is shown in Table 1, reported above a cut-off grade of 2.8% Total Rare Earth Oxides (TREO).

TABLE 1: MT WELD RARE EARTH DEPOSIT ORE RESERVES 2025

JORC CLASSIFICATION	MILLION TONNES	TREO %	CONTAINED REO '000 TONNES
Ore Reserves within Pit boundary			
Proved	18.2	7.1	1,290
Probable	10.8	4.5	480
Designed Pit Total	28.9	6.1	1,780
On Stockpiles			
Proved	1.3	11.1	140
Probable	0.0	0.0	0
Stockpiles Total	1.3	11.1	140
Tailings			
Proved	1.7	7.3	140
Probable	0.0	0.0	0
Tailings Total	1.7	7.3	140
Total Ore Reserves			
Proved	21.2	7.4	1,560
Probable	10.8	4.5	480
Total	32.0	6.4	2,040

* TREO = total Rare Earth Oxides (La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3) + Yttrium (Y_2O_3). Totals may not balance due to rounding of figures.

Note:

The Ore Reserves for the Mt Weld Rare Earth Deposit is as of 30 June 2025. The 2025 Ore Reserve update is based upon the 2024 Mineral Resource and Ore Reserve estimate. Full details of the 2024 Mineral Resource and Ore Reserve are reported in the ASX announcement dated 5 August 2024, titled "*2024 Mineral Resource and Ore Reserve Updated: Lynas announces a 92% increase in Mineral Resources and a 63% increase in Mt Weld Ore – with a significant increase in contained heavy rare earth mineralisation*". The Company confirms that all material assumptions and technical parameters set out in the 2024 Mineral Resource and Ore Reserve dated 5 August 2024 continue to apply and have not materially changed. The stockpiles were estimated using survey volumes of the stockpiles and grades assigned to the stockpiles by the grade control process. The grade control processes were carried out by experienced Lynas geological staff and reviewed by Lynas competent person, Dr Ganesh Bhat. Tailings were estimated using survey volumes, with grades and bulk density determined by daily sampling by the Lynas metallurgical laboratory on site. The volume surveys have been carried out by Mr Bradley Hughes, an employee of Lynas Rare Earths.

2. MT WELD RARE EARTH DEPOSIT MINERAL RESOURCES 2025

The Mineral Resource estimation for the Mt Weld Rare Earth Deposit is shown in Table 2, reported above a cut-off of 2.5% Total Rare Earth Oxides (TREO).

TABLE 2: MT WELD RARE EARTH DEPOSIT MINERAL RESOURCES 2025

JORC CLASSIFICATION	MILLION TONNES	TREO %	CONTAINED REO '000 TONNES
Insitu			
Measured	19.6	7.08	1,386
Indicated	15.4	4.26	657
Inferred	71.1	3.23	2,294
Subtotal	106.0	4.09	4,337
On Stockpiles			
Measured	1.89	9.5	179
Subtotal	1.89	9.5	179
Tailings			
Measured	1.7	7.61	129
Subtotal	1.7	7.61	129
Total Mineral Resources			
Measured	23.1	7.32	1,694
Indicated	15.4	4.26	657
Inferred	71.1	3.23	2,294
Total	109.6	4.24	4,645

* TREO = total Rare Earth Oxides (La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3) + Yttrium (Y_2O_3).
Totals may not balance due to rounding of figures.
Mineral Resources have been reported above a cut-off of 2.5% TREO. The Mineral Resources are inclusive of Ore Reserves.

Notes:

1. The Mineral Resource estimation for the Mt Weld Rare Earth Deposit is as of 30 June 2025. The company confirms that all material assumptions and technical parameters underpinning the estimated Mineral Resources set out in the ASX announcement dated 5 August 2024 continue to apply and have not materially changed. The exceptions are the inclusion of stockpiled material as a Measured Resource.
2. The contained REO on Stockpiles has been corrected to 177,000 tonnes. The ASX announcement 5 August 2024 reported 17,764 tonnes.
3. A positive reconciliation between Resource depletion and actual production is noted resulting in little change in the resource from 2024.

3. NIOBIUM RICH RARE METALS MINERAL RESOURCES

The Mineral Resource estimation for the niobium rich rare metals prospect referred to as the Niobium Rich Rare Metals Project is shown in Table 3. The Rare Metals Project is located at Mt Weld.

TABLE 3: CLASSIFICATION OF MINERAL RESOURCES FOR THE NIOBIUM RICH RARE METALS PROJECT

CATEGORY	MILLION TONNES	Ta_2O_5 %	Nb_2O_5 %	TREO %	ZrO %	P_2O_5 %	Y_2O_3 %	TiO_2 %
Measured	0	0	0	0	0	0	0	0
Indicated	1.5	0.037	1.4	1.65	0.32	8.9	0.1	5.8
Inferred	36.2	0.024	1.06	1.14	0.3	7.96	0.09	3.94
Total	**37.7**	**0.024**	**1.07**	**1.16**	**0.3**	**7.99**	**0.09**	**4.01**

Notes:

1. All figures are percentages. Ta_2O_5 Tantalum Oxide, Nb_2O_5 Niobium Oxide, TREO Total Rare Earth Oxide, ZrO Zirconia, P_2O_5 Phosphate, Y_2O_3 Yttria, TiO_2 Titanium Oxide.
2. The Mineral Resource estimation for the niobium rich rare metals is as per ASX announcement dated 6 October 2004. Lynas Corp confirms that all material assumptions and technical parameters underpinning the estimated Mineral Resources continue to apply and have not materially changed. Figures in the table may not sum due to rounding.

There have been no changes to the Niobium Rich Rare Metals Project Mineral Resource since the previous reporting period.

Note on governance arrangements and internal controls:

All Lynas Mineral Resource estimations are compiled by experienced competent persons. The relevant Competent Person ensures that all aspects of the Mineral Resource estimations or the Ore Reserve estimations (as applicable) meet the JORC code requirements.

COMPETENT PERSON’S STATEMENTS– MINERAL RESOURCES

The information in this report that relates to the 2025 Mineral Resources is based on, and fairly represents, information compiled by Dr Ganesh Bhat. Dr Bhat is the Principal Geologist to Lynas Rare Earths. Dr Bhat is a Member of The Australasian Institute of Mining and Metallurgy. Dr 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 Bhat consents to the disclosure of information in this report in the form and context in which it appears.

The information in this report that relates to the Niobium Rich Rare Metals Project is based on, and fairly represents, information compiled by Dr Ganesh Bhat. Dr Bhat is the Principal Geologist to Lynas Rare Earths. Dr Bhat is a Member of The Australasian Institute of Mining and Metallurgy, AUSIMM. Dr 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 Bhat consents to the disclosure of information in this report in the form and context in which it appears.

COMPETENT PERSON’S STATEMENTS– ORE RESERVES

The reserves information in this report that relates to the Mt Weld Rare Earths Project is based on, and fairly represents, works carried out by the Lynas Rare Earths mine planning team led by Mr Brett Hampel. Mr Hampel is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify him as a Competent Person as defined in accordance with the 2012 Edition of the Australasian Joint Ore Reserves Committee (JORC). Mr Hampel consents to the inclusion in the document of the information in the form and context in which it appears.

Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report. The information is current as at 31 July 2025.

(a) DISTRIBUTION OF ORDINARY SHARES

The number of shareholders by size of holding of ordinary shares is:

Holdings Ranges	Holders	Number of Shares	Percentage of Shares
1–1,000	25,845	10,653,299	1.140
1,001–5,000	14,895	36,899,225	3.940
5,001–10,000	3,548	26,328,035	2.810
10,001–100,000	2,732	65,448,813	7.000
100,001 and over	156	796,117,499	85.110
Total	**47,176**	**935,446,871**	**100.000**
The number of shareholders holding less than a marketable parcel of shares	829	8,798	

(b) DISTRIBUTION OF EMPLOYEE OPTIONS/PERFORMANCE RIGHTS

There are 7,269,453 unlisted employee options / performance rights. The number of beneficial holders, by size of holding, of employee options / performance rights are:

Holdings Ranges	Holders	Number of Shares	Percentage of Shares
1–1,000	5	3,431	0.050
1,001–5,000	20	40,080	0.550
5,001–10,000	5	43,578	0.600
10,001–100,000	45	1,615,542	22.220
100,001 and over	16	5,566,822	76.580
Total	**91**	**7,269,453**	**100.000**

(C) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
		Number of Shares	% of Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	329,350,360	35.208%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	200,549,864	21.439%
3	CITICORP NOMINEES PTY LIMITED	99,886,971	10.678%
4	JAPAN AUSTRALIA RARE EARTHS BV	31,233,027	3.339%
5	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	22,629,657	2.419%
6	BNP PARIBAS NOMS PTY LTD	18,328,791	1.959%
7	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	12,294,699	1.314%
8	NATIONAL NOMINEES LIMITED	11,244,603	1.202%
9	ARGO INVESTMENTS LIMITED	7,400,000	0.791%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	5,932,113	0.634%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,671,759	0.499%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	4,141,219	0.443%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,653,762	0.284%
14	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,517,648	0.269%
15	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	2,251,818	0.241%
16	MS AMANDA MARGARET LACAZE (DIRECT & INDIRECT)	2,199,693	0.235%
17	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,949,508	0.208%
18	ALBERT & TERESA TING PTY LIMITED	1,924,000	0.206%
19	BNP PARIBAS NOMS (NZ) LTD	1,671,519	0.179%
20	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	1,428,152	0.153%
		764,259,163	**81.700%**

(d) SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

		Relevant Interest in Listed Ordinary Shares
1	Australian Super Pty Ltd	88,863,836
2	Mrs Georgina Hope Rinehart, Hancock Prospecting Pty Ltd and subsidiaries of HPPL[1]	76,764,078
3	State Street Corporation	69,794,349

Notes:

1. Ms Bianca Hope Rinehart in her capacity as trustee of the Hope Margaret Hancock Trust filed a notice of change of interests of substantial holder notice on 4 February 2025 in respect of 76,764,078 shares which were the subject of the change of interests of substantial holder notice lodged by Mrs Rinehart, HPPL and subsidiaries of HPPL on 31 January 2025 on the basis that a relevant interest arises by virtue of the operation of section 608(3)(a) of the Corporations Act.

(e) VOTING RIGHTS

All ordinary shares (whether fully paid or not) carry one vote per share without restriction. No other class of equity securities carries voting rights unless converted into ordinary shares.

(f) SCHEDULE OF INTERESTS IN MINING TENEMENTS

	Tenement	Percentage Held
Mt Weld Rare Earths Project		
Mt Weld	M38/58	100
Mt Weld	M38/59	100
Mt Weld	M38/326	100
Mt Weld	M38/327	100
Mt Weld	G38/36	100
Mt Weld	G38/37	100
Mt Weld	G38/40	100
Mt Weld	L38/98	100
Mt Weld	L38/224	100
Mt Weld	L38/327	100
Mt Weld	L38/361	100
Mt Weld	L38/362	100
Mt Weld	L38/363	100
Mt Weld	L38/378	100
Mt Weld	E38/2224	100
Lynas Kalgoorlie Rare Earths Processing Facility		
Kalgoorlie	G26/169	100

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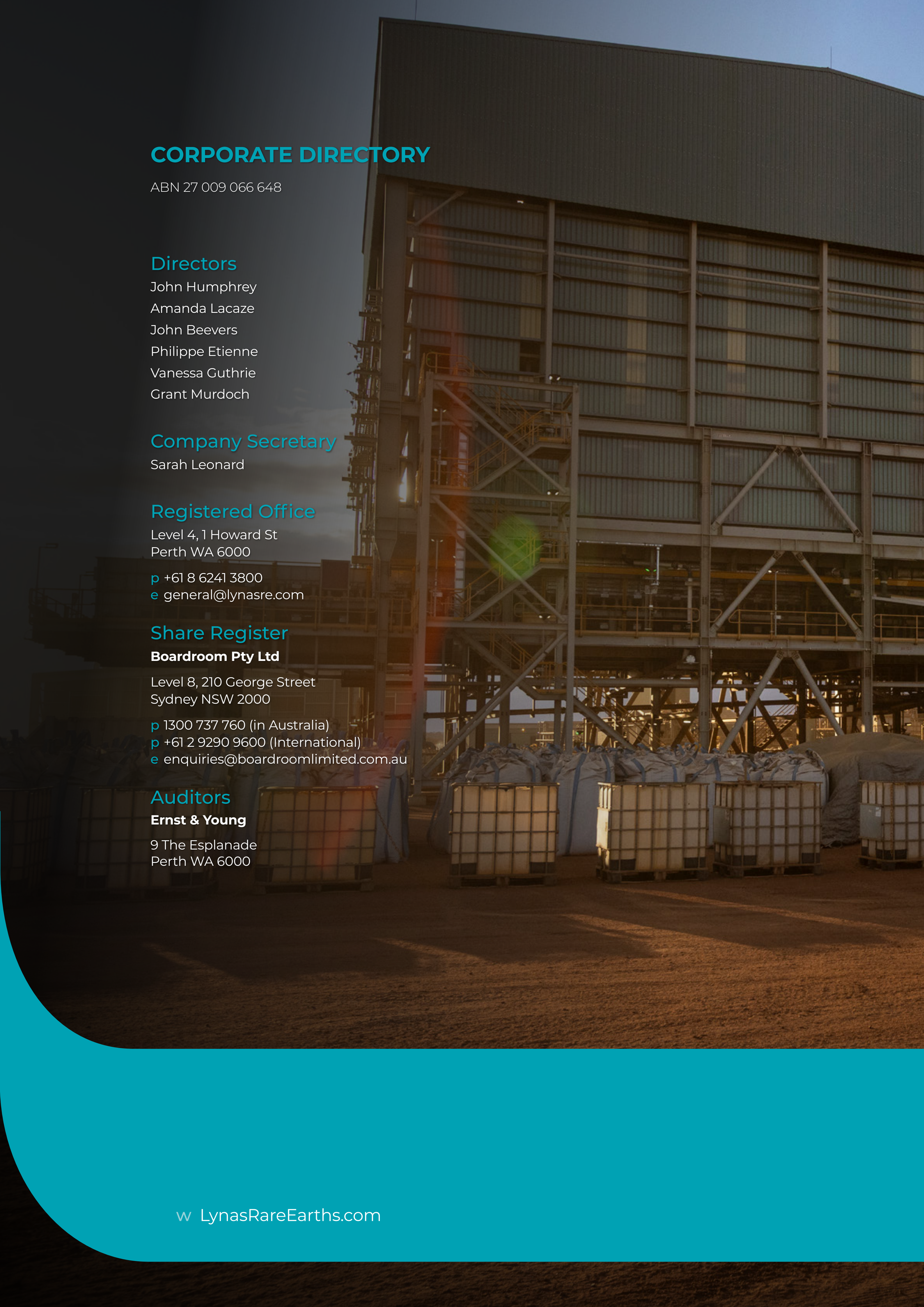

CORPORATE DIRECTORY

ABN 27 009 066 648

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