

**QUARTERLY REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2024**

17 January 2025

HIGHLIGHTS

	Q2 FY24	Q1 FY25	Q2 FY25
• Quarterly gross sales revenue:	A\$136.2m	A\$120.5m	A\$141.2m
• Sales receipts:	A\$107.1m	A\$127.5m	A\$145.9m
• Closing cash and short term deposits:	A\$686.1m	A\$414.3m	A\$308.3m
• Total REO production:	1,566t	2,722t	2,617t
○ NdPr production:	901t	1,677t	1,292t
• Cash payments for CAPEX, exploration and development	A\$182.2m	A\$125.0m	A\$140.9m

CEO REVIEW

During the December quarter, we were delighted to welcome the Australian Minister for Resources and Northern Australia, the Hon. Madeleine King MP, to officially open our new Kalgoorlie Facility on 8th November 2024. The opening highlighted the significance of our Kalgoorlie Facility as Australia’s only downstream rare earths processing facility and the incredible achievement by all involved to construct, commission and commence operations of a facility of this scale and complexity in less than two and a half years from the receipt of full approvals.

During the quarter we also successfully commissioned and integrated Stage 1 of the Mt Weld Expansion Project (dewatering circuit) into operations. These are significant milestones for our Lynas 2025 growth plan and it is pleasing that both are now part of normal operations.

An uplift in sales revenue to \$141.2m and sales receipts to \$145.9m was achieved for the quarter despite continuing low market prices and subdued inside China demand. The revenue growth reflected our focus on high value strategic customers and product mix and benefited from favourable foreign exchange rates.

Quarterly production of total rare earth oxide (REO) production at 2,617 tonnes and NdPr production at 1,292 tonnes was lower than we had planned, reflecting very low production in December.

Shareholders will recall we have an annual (calendar year) lanthanide processing limit in Malaysia for Mt Weld concentrate. The annual ceiling was reached in late November 2024 and during December downstream production was completely dependent on mixed rare earth carbonate (MREC) feedstock from Kalgoorlie. Whilst we had sufficient MREC feedstock on hand for December production, we

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identified issues with impurities in the material that required additional treatment. Unfortunately, the chemical inputs required for this treatment were not available until 25th December.

These kinds of challenges are expected when processing new feedstocks and we experienced similar challenges in the early days of the Lynas Malaysia plant. However, the sole focus on MREC processing in December has provided valuable learnings for our team and technical solutions have been identified that will not require additional chemical treatment in the future. These solutions are being implemented progressively.

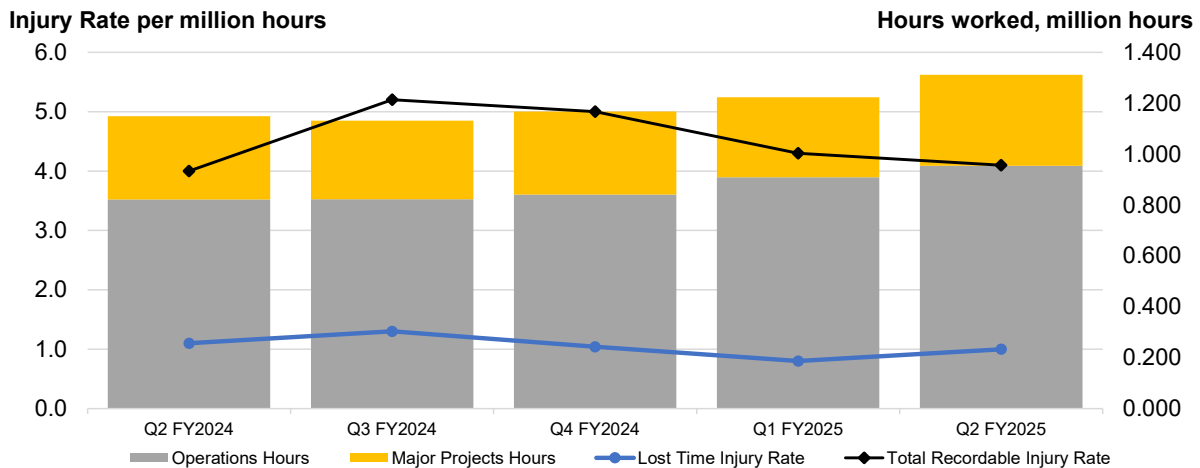
At Mt Weld, mining continued through the quarter, and excellent concentrate production was achieved, sufficient to supply both Lynas Malaysia and Lynas Kalgoorlie. This was enhanced by the integration of the Mt Weld Expansion Project Stage 1 (dewatering circuit) into the existing Mt Weld concentration plant.

We continue to progress our U.S. Rare Earths Processing Facility and have identified a pathway to resolve the previously noted wastewater management challenges at the Seadrift site. Lynas continues to work with the Department of Defense to assess this pathway, and alternative approaches.

SAFETY AND ENVIRONMENT

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

The Company-wide 12-month rolling Lost Time Injury Rate, as at the end of December 2024, was 1.0 per million hours worked while Total Recordable Injury Rate was 4.1 per million hours for the same period.



At Lynas we are proud of our full compliance with local laws and regulations and adoption of international best practices. Information concerning the Company’s environmental monitoring programs is available at www.LynasRareEarths.com.

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MARKETING AND SALES

	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Sales Volume REOt	3,916	2,310	3,231	2,837	2,871
Gross Sales Revenue ¹	A\$136.2m	A\$101.2m	A\$136.6m	A\$120.5m	A\$141.2m
Average Selling Price ²	A\$34.8/kg	A\$43.8/kg	A\$42.3/kg	A\$42.5/kg	A\$49.2/kg
Sales Receipts (cash)	A\$107.1m	A\$107.7m	A\$117.5m	A\$127.5m	A\$145.9m

(1) Gross sales revenue excludes any other income / expenses from price adjustments on quotational sales.

(2) Average selling price excludes price adjustments.

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

The average selling price improved during the period to \$49.2/kg, the highest average selling price since the April 2023 quarter. This was due to a continuing focus on high value strategic customers and optimised product mix, complemented by favourable foreign exchange rates. Gross sales revenue of \$141.2m was the highest since the June 2023 quarter.

Market conditions remained challenging during the quarter as rare earths market pricing continued at low levels. While there was a small improvement in the NdPr market price at the start of the quarter, pricing returned to prior quarter pricing levels in December 2024. The average NdPr market price was US\$51/kg excluding VAT during the quarter.

These market conditions are expected to continue into the March 2025 quarter due to continuing subdued inside China demand and the extended lunar new year holiday period.

Lynas maintained a stable Average Selling Price throughout the quarter and continued to meet all demand from key strategic customers, with some drawdown in inventory.

NdPr Oxide China Domestic Price (VAT excluded) ³								
	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Oct	Nov	Dec
USD/kg	60	47	46	48	51	53	51	49
Base 100	100	78	77	80	85	88	85	82

Dy Oxide China Domestic Price (VAT excluded) ³								
	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Oct	Nov	Dec
USD/kg	326	235	239	213	208	220	210	197
Base 100	100	72	73	65	63	67	64	60

Tb Oxide China Domestic Price (VAT excluded) ³								
	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Oct	Nov	Dec
USD/kg	974	682	739	650	712	732	720	687
Base 100	100	70	76	67	73	75	74	71

(3) Source: Asian Metal

OPERATIONS

Upstream

Mining continued throughout the quarter, and excellent concentrate production was achieved, securing sufficient feedstock to supply both Lynas Malaysia and the Kalgoorlie Rare Earths Processing Facility.

The integration of the Mt Weld Expansion Project Stage 1 (dewatering circuit) into operations went very well and is already delivering a high-quality product which is expected to lead to downstream cost and productivity improvements.

In order to optimise the cost performance of both cracking & leaching plants, we are now producing 2 grades of concentrate for supply to Lynas Malaysia and Lynas Kalgoorlie respectively taking into account process differences between each site.

Downstream

	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Ready for Sale Production Volume Total Rare Earth Oxides	1,566t	3,545t	2,188t	2,722t	2,617t
Ready for Sale Production Volume NdPr	901t	1,724t	1,504t	1,677t	1,292t

Following the commencement of production of Mixed Rare Earth Carbonate (MREC) at Kalgoorlie in the June 2024, further shipments of MREC from the Kalgoorlie Facility were delivered to Lynas Malaysia for processing during the quarter.

The Kalgoorlie Rare Earths Processing Facility was officially opened on Friday 8th November by the Australian Minister for Resources and Northern Australia, the Hon. Madeleine King MP, together with Lynas Chairman 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.

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In Malaysia, the annual (calendar year) lanthanide processing limit for Mt Weld concentrate was reached in late November 2024. This is the feedstock for our Malaysian cracking and leaching plant. As mixed rare earth carbonate (MREC) feedstock from Kalgoorlie does not require cracking and leaching, MREC was the only feedstock in December and sufficient MREC was available on site for processing.

Unfortunately, December production was affected by technical issues with impurities in the MREC feedstock that required additional treatment. The chemical inputs required for this treatment were not available on site until 25th December. This resulted in disappointing production outcomes in December, however, the sole focus on MREC processing provided valuable learnings for our team and technical solutions have been identified that will not require additional chemical treatment in the future.

Preventative 10-year maintenance works were undertaken while Malaysia's cracking & leaching facilities were shutdown in December. The preventative maintenance undertaken on the cracking and leaching plant in December has been designed to deliver 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.

LYNAS GROWTH PROJECTS

Mt Weld Expansion

The Stage 1 Concentrate Dewatering Circuit operated throughout the quarter. The circuit performance has met the design intent and is producing concentrate filter cake with low moistures, providing an operating benefit to the business. The concentrate dewatering circuit is now being operated and maintained by the operations team.

Construction of Stage 2 (balance of plant) continues to progress as planned. Installation of structural steel and mechanical equipment is nearing completion and focus is moving to piping, electrical and instrumentation works. Construction of Stage 2 is forecast to be complete by the end of FY25, with circuits progressively commissioned.

Energisation of the HV switchroom and commissioning of crushing circuit and bore water treatment plant is planned to commence this quarter.

Construction of the Hybrid Power Station is progressing as planned. Gas bullets have been placed on site and the gas generators have been installed. Operation of the gas power generation assets is planned from March. Earthworks for the solar farm commenced and the solar panels are planned to be delivered to site this quarter.



Stage 2 Circuits: Crusher, Regrind Mil, Flotation, SAG & Ball Mills

United States

A pathway has been identified to resolve the wastewater management challenges previously noted at the Seadrift site. Lynas is now working with the Department of Defense to assess this pathway, and alternative approaches.

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FINANCE

Cash Position

A summarised cash flow for the quarter ended 31 December 2024 is set out below.

CASH FLOW	A\$ million	A\$ million
	Dec 24 quarter	FY25 YTD
Cash Inflows		
Receipts from customers	145.9	273.4
Cash Outflows		
Payment for production, administration and royalty costs ²	(94.3)	(183.9)
Payments for capex, exploration and development ²	(140.9)	(265.8)
Payment for income taxes	(5.6)	(13.7)
Payments for extinguishment of rehabilitation liability ²	(10.9)	(22.5)
Payments of borrowings	(16.1)	(16.1)
Payment for security deposits	-	(0.1)
Net interest received	2.5	9.5
Net exchange rate adjustment	13.4	3.7
OPENING CASH AND SHORT TERM DEPOSITS	414.3	523.8
CLOSING CASH AND SHORT TERM DEPOSITS	308.3	308.3

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

Authorised by:
Sarah Leonard
Company Secretary