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 2026

Reporting Period: Year ended 30 June 2026

Comparative Reporting Period: Year ended 30 June 2025

RESULTS FOR ANNOUNCEMENT TO MARKET

	30 June 2026 A$m	30 June 2025 A$m	Movement A$m	Movement %
Revenue from ordinary activities	977.9	556.5	421.4	76%
Earnings before interest, tax, depreciation, amortisation and treasury charges (EBITDA)	386.0	101.2	284.8	282%
Profit from ordinary activities after tax attributable to members	**222.4**	**8.0**	**214.4**	**2,679%**
Net profit for the period attributable to Members	**222.4**	**8.0**	**214.4**	**2,679%**

Dividend Information

No dividends have been paid or proposed at 30 June 2026.

Net Tangible Assets

	30 June 2026 (cents)	30 June 2025 (cents)
Net Tangible Assets per share	**350.91**	250.62

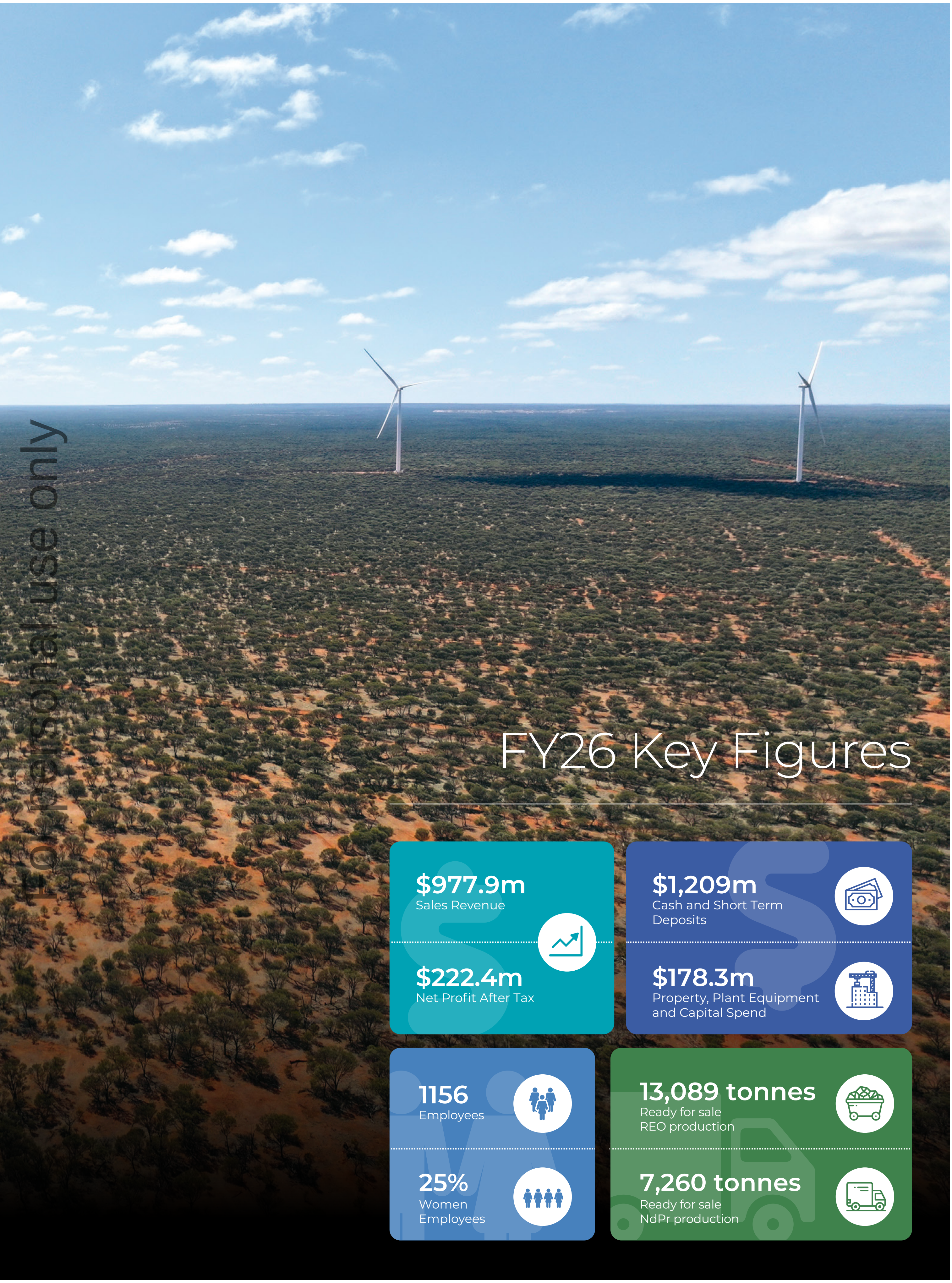
Lynas
Rare Earths

2026
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.



FY26 Key Figures

$977.9m
Sales Revenue

$222.4m
Net Profit After Tax

$1,209m
Cash and Short Term Deposits

$178.3m
Property, Plant Equipment and Capital Spend

1156
Employees

25%
Women Employees

13,089 tonnes
Ready for sale REO production

7,260 tonnes
Ready for sale NdPr production

Chair and CEO's Letter

"Lynas was well positioned to capitalise on strong market demand in FY26."

Dear Shareholder, we are pleased to present the Lynas Rare Earths Annual Report for the 2026 financial year.

FY26 Performance

Lynas was well positioned to capitalise on strong market demand in FY26. This resulted in record revenue of $977.9m and a Net Profit After Tax (NPAT) of $222.4m.

Rare earths market prices strengthened during the year, reflecting both increased demand and global government action. A record average annual selling price of A$80.7/kg Rare Earth Oxide (REO) was achieved across all rare earth products, reflecting improved market prices, an increased mix of heavy rare earth sales, and sales with pricing not linked to the market index.

These strong FY26 results reflect the process improvements made to our operations and the continued development of our rare earths product suite, including separated heavy rare earth (HRE) oxides Dysprosium (Dy), Terbium (Tb) and Samarium (Sm).

Ready for sale REO production increased to 13,089 tonnes (FY25: 10,462 tonnes), including 7,260 tonnes NdPr (FY25: 6,558 tonnes). While cost of sales increased, this largely reflected the higher fixed cost attributed to new facilities which are in commissioning and ramp up, as well as the higher cost of sourcing inputs outside China and cost escalation due to the current geopolitical environment.

The average China domestic price of NdPr (VAT excluded) increased from US$55.0/kg in June 2025 to US$100.8/kg in June 2026. This was influenced by market demand and floor price agreements led by global governments, including agreements between Lynas and Japan Australia Rare Earths B.V. (JARE) for supply of rare earths to Japanese industry to 2038[1] and with the U.S. Government for supply to the U.S. industrial base over a four-year period[2]. These agreements will help to reduce price volatility for Lynas and enable continued growth and investment in our operations.

An increase in closing cash and short-term deposits to $1,209.1m (FY25: $166.5m), aligns with the Company's strong operational performance and the successful equity raise during the period. The equity was raised to help accelerate the *Towards 2030* growth strategy which was announced in August 2025 to meet increased market demand for rare earths. The strategy includes both optimising existing assets and key growth pillars.

Positioning operations for growth

NdPr sales volume increased by 12% to 7,337 tonnes (FY25: 6,555 tonnes), with record NdPr production in the second half of the year, and total REO sales volume increased by 11% to 12,122 tonnes (FY25: 10,970 tonnes).

[1] https://wcsecure.weblink.com.au/pdf/LYC/03066669.pdf
[2] https://wcsecure.weblink.com.au/pdf/LYC/03068512.pdf

> "Construction and commissioning of the Mt Weld expansion project was completed."

At Mt Weld, high efficiency mining operations continued during the period, producing sufficient feedstock to supply both Lynas Malaysia and the Kalgoorlie Rare Earths Processing Facility.

Construction and commissioning of the Mt Weld expansion project was completed and ramp up of the new flowsheet continued during the year. As expected in the ramp up of a large-scale processing facility, some challenges were experienced during the year. This included issues with the ramp up of the new water recycle plant at Mt Weld and an ore variation that presented challenges to downstream processing. Significant work has been undertaken to address these challenges.

Construction and commissioning of the Mt Weld hybrid renewable power station by Lynas' power purchase agreement (PPA) partner Zenith Energy was completed in the first half of the year, with the power station fully operational since January 2026. Average renewable electricity content in the six months to June 2026 was 93%, well ahead of the targeted 70%.

In Malaysia, first production of the heavy rare earth Samarium (Sm) oxide was achieved in March 2026. This is Lynas' third separated heavy rare earth product, following Dysprosium (Dy) and Terbium (Tb) oxides, first produced in FY25. Initial customer orders for Samarium (Sm) oxide are expected to be fulfilled in the first quarter of FY27.

In Kalgoorlie, the ramp up of the Kalgoorlie Rare Earths Processing Facility continued during the year and process modifications targeting quality and productivity improvements were completed. This included a continuous precipitation process which will enable design precipitation capacity and mixed rare earth carbonate (MREC) quality improvements. In keeping with Lynas' sustainability focus, construction of the new on-site water recycle plant is also being completed.

"Pleasingly, record NdPr production was achieved in the second half of FY26."

Pleasingly, record NdPr production was achieved in the second half of FY26. This was achieved despite the ore variation issues which affected downstream processing productivity and the volume of finished products during the June quarter.

As shareholders will be aware, the Lynas Malaysia operating licence was renewed for a period of 10 years, commencing 3 March 2026. This is a longer period than the previous three-year operating licences and provides increased investment certainty.

Prioritising safe operations

Safety continued to be a key priority in FY26 as we ramped up and integrated new flowsheets across our operating sites.

The 12-month rolling lost time injury frequency rate (LTIFR) improved to 0.9 per million hours worked (FY25: 1.8). However, the 12-month total recordable injury frequency rate (TRIFR) increased to 4.1 per million hours worked (FY25: 3.6), primarily due to strains, sprains and overstress. There is a continued focus in FY27 on training to reduce injuries.

FY27 training priorities include correct manual handling techniques, three points of contact on stairs and ladders and ground condition awareness

Accelerating *Towards 2030*

The *Towards 2030* growth strategy was announced in August 2025[3] to optimise performance from the *Lynas 2025* capital investments and grow the business. An equity raising was successfully completed to support the delivery of the strategy. The equity raising comprised a $750 million institutional placement and a ~$182 million Share Purchase Plan for retail shareholders. The institutional placement attracted significant demand from both existing shareholders and new investors and we thank shareholders for their support.

[3] https://wcsecure.weblink.com.au/pdf/LYC/02985269.pdf

During the year, progress was made on key growth pillars of the *Towards 2030* growth strategy including:

Optimise performance from *Lynas 2025* capital investments

- Updated 12-year availability and supply agreement with JARE announced in March 2026 includes firm offtake for 5,000 tonnes per annum NdPr with a US$110/kg NdPr floor price and an upside sharing arrangement when prices exceed US$150/kg NdPr, capped at US$10m/annum. Lynas will make available up to 7,200 tonnes per annum of NdPr to Japanese industry to 2038, subject to no opportunity loss to Lynas;
- The agreement with JARE also includes firm offtake of 50% of all HRE oxides at prices and terms that represent no opportunity loss to Lynas. Lynas will make available to the Japanese market up to 75% of all HRE oxides produced by Lynas, subject to no opportunity loss to Lynas.

Add resource and scale

- Establishment of the resource development team and identification of potential new feedstock sources;
- Scoping study for the development of the Mt Weld Carbonatite has been completed and a dedicated team established to progress the further stages of the feasibility assessment; and
- MoU signed with Japan Australia Rare Earths B.V. (JARE) to establish a framework for cooperation across the rare earths value chain, particularly in relation to mineral exploration of rare earth elements and adjacent minerals.

Increase downstream capacity

- Announcement of an expanded heavy rare earths (HRE) separation facility at Lynas Malaysia[4] that will increase HRE production capacity and meet customer needs for an expanded suite of separated HRE products;
- First production of Samarium (Sm) oxide at Lynas Malaysia[5], adding to Lynas' separated HRE product range.

Expand into the outside China metal and magnet supply chain

- Following an MoU signed in July 2025[6], in July 2026[7] a long-term partnership agreement with JS Link, Inc was signed for the development of a rare earth permanent magnet factory in Kuantan, Malaysia by JS Link;
- MoU signed with Noveon Magnetics in October 2025 to help support a scalable domestic U.S. supply chain for rare earth permanent magnets[8];
- Framework Agreement entered into between Lynas and LS Eco Energy in March 2026[9] to work towards a definitive agreement for a long-term metal processing arrangement at a new rare earth metal making facility to be constructed by LS Eco Energy in Vietnam.

4 https://wcsecure.weblink.com.au/pdf/LYC/03015215.pdf
5 https://wcsecure.weblink.com.au/pdf/LYC/03069968.pdf
6 https://wcsecure.weblink.com.au/pdf/LYC/02970284.pdf
7 https://wcsecure.weblink.com.au/pdf/LYC/03108378.pdf
8 https://wcsecure.weblink.com.au/pdf/LYC/03005309.pdf
9 https://wcsecure.weblink.com.au/pdf/LYC/03072369.pdf

Concluding remarks

Lynas is focused on capitalising on our unique position in the rare earths market to build value for shareholders. The team is focused on safely ramping up the *Lynas 2025* capital investments and increasing production capacity to meet growing demand from new metal and magnet making projects globally.

As shareholders are aware, during the year Amanda Lacaze, Lynas' Chief Executive Officer and Managing Director announced her intention to retire from the role, effective from 30 June 2026. Amanda made an outstanding contribution during her 12 years at Lynas and we thank Amanda for her leadership and dedication to our people, our company and the industry. The Board is undertaking a global CEO search process and will update the market in due course.

We thank all members of the Lynas team for their hard work and commitment during the year. To our shareholders, thank you for your continued support. We look forward to updating you as we progress our *Towards 2030* strategy in the year ahead.

John Humphrey
Chair

Pol Le Roux
Interim CEO

Our Operations

MALAYSIA

Lynas Malaysia:
Integrated Rare Earths refinery

AUSTRALIA

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

Kalgoorlie, WA:
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
(Retired 30 June 2026)

John Beevers
Non-Executive Director

Kathleen Bozanic
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
(Retired 30 June 2026)

Pol Le Roux
Interim Chief Executive Officer
(commenced 1 July 2026)

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

Jennifer Parker
Vice President Corporate Affairs

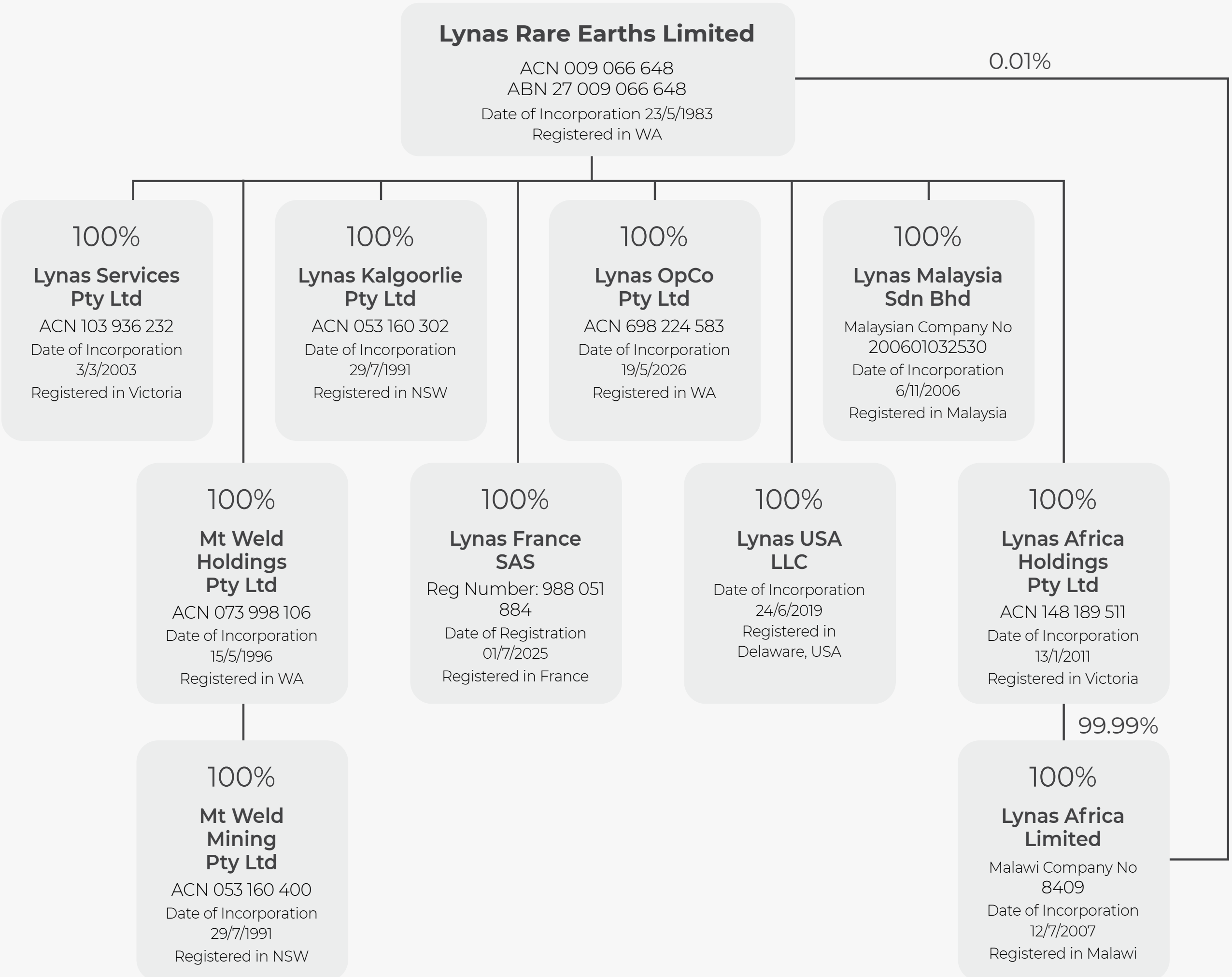
Gaudenz Sturzenegger
Chief Financial Officer

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 2026. In order to comply with the provisions of the Corporations Act 2001, the Directors' report 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 Mallesons (previously 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 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 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 (retired 30 June 2026)
Managing Director

Ms Lacaze retired as Managing Director and Chief Executive Officer (CEO) of the Company on 30 June 2026 after 12 years in the role.

Ms Lacaze has 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. She was a Non-Executive Director of ING Bank Australia until 30 May 2021. 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, Bachelor of Engineering, Master of Business 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.

For personal use only

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 Non-Executive Director of Aristocrat Leisure Limited. Mr Etienne previously held the role Non-Executive Director and Chair of Cleanaway Waste Management Limited (retired 30 June 2026). 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 AO 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 Chair of IGO Limited (appointed 1 December 2025 and chair from 1 January 2026), a Non-Executive Director of Santos Limited and Cleanaway Waste Management Limited (from 1 February 2026) and Deputy Chair of Cricket Australia. Dr Guthrie was formerly Chancellor of Curtin University, and a Director of Orica Limited, Adbri Limited, North American Construction Group Limited, and Tronox Holdings plc. Dr Guthrie was the former Managing Director and CEO of Toro Energy Limited.

Dr Guthrie is a Fellow of the Australian Institute of Company Directors, the Australasian Institute of Mining and Metallurgy and the Academy of Technological Sciences and Engineering. She 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 (Life), 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 was also a former senator of the University of Queensland (as well as chair of the risk committee and member of the finance committee). He is 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 was the Chair of the Audit, Risk and ESG Committee until 28 February 2026 and a member of the Nomination, Remuneration and Community Committee.

Kathleen Bozanic, BCom, ANZCA, GAICD (Appointed 17 October 2025)
Non-Executive Director

Ms Bozanic has over 30 years’ experience as a finance professional in the resources sector. She is currently Non-Executive Chair of WA1 Resources Limited, Non-Executive Director of Rugby Australia and the UWA Business School, and a member of the University of Western Australia Senate. Previously, Ms Bozanic served as Non-Executive Director and Chair of the Audit and Risk Committee of IGO Limited prior to being appointed as Chief Financial Officer of IGO Limited. She was also previously a Non-Executive Director of DRA Global Limited, Great Southern Mining Limited, Rugby WA and Western Australian Department of Health, Child and Adolescent Health Service, a partner at Deloitte and has held senior positions with BGC Contracting, Atlas Iron Limited and Mt Gibson Limited.

Ms Bozanic holds a Bachelor of Commerce (Accounting & Finance), is a member of the Institute of Chartered Accountants, Australian and New Zealand and Chief Executive Woman and is a graduate of the Australian Institute of Company Directors (GAICD). She was also previously a Registered Company Auditor in Australia.

Ms Bozanic is the Chair of the Audit, Risk and ESG Committee and a member of the Nomination, Remuneration and Community Committee as of 1 March 2026.

INTERIM CHIEF EXECUTIVE OFFICER

Pol Le Roux

Mr Le Roux was appointed as Interim CEO of Lynas Rare Earths on 1 July 2026 following the retirement of Amanda Lacaze. Previously he was Chief Operating Officer responsible for Lynas’ operations in Western Australia and Malaysia as well as Supply Chain, Major Projects, Health, Safety & Environment and Research and Innovation.

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 Limited (Lynas) recorded a Net Profit After Tax (NPAT) of $222.4m for the 2026 financial year, a significant improvement on FY25. Annual revenue increased to a record $977.9m as a result of increased NdPr sales volume, higher selling prices due to improvements in the NdPr market price and an increasing share of sales independent of the market index.

An increase in closing cash and short term deposits of $1,209.1m (30 June 2025: $166.5m) at 30 June 2026 aligns with the conclusion of major capital projects as part of the *Lynas 2025* growth initiative, an increase in the average selling price across all rare earth oxides, in particular the NdPr family, and a successful capital raise during the period.

	FY26	FY25	Movement	
	A$m	A$m	A$m	%
Net Sales Revenue	977.9	556.5	421.4	76%
Cost of Sales	(585.5)	(426.7)	(158.8)	37%
Gross Profit	**392.4**	**129.8**	**262.6**	**202%**
Net Profit Before Tax	**256.1**	**9.7**	**246.4**	**2,540%**
Net Profit After Tax	**222.4**	**8.0**	**214.4**	**2,679%**

Sales volumes

	FY26	FY25	Movement	
	t REO	t REO	t REO	%
Sales volume total (t REO)	12,122	10,970	1,152	11%
Sales volume NdPr (t)	7,337	6,555	782	12%
NdPr contribution to total sales	61%	60%		

Cash and Asset movements

	30 June 26	30 June 25	Movement	
	A$m	A$m	A$m	%
Cash and Short-term Deposits	1,209.1	166.5	1,042.6	626%
Net Assets	**3,490.4**	**2,352.7**	**1,137.7**	**48%**
Market Capitalisation	**18,177.4**	**8,054.2**	**10,123.2**	**126%**

Operational highlights

Lynas strengthened its balance sheet during the year through strong operational results and the completion of an equity raising. The equity raising will support the Company's strong growth agenda through the *Towards 2030* growth strategy which was announced in August 2025[1] and progressed during the period.

Towards 2030 sets out Lynas' plan to optimise performance from the *Lynas 2025* capital investments which were largely completed in 2025 and progress new growth opportunities.

The equity raising comprised a $750 million institutional placement and a ~$182 million Share Purchase Plan for retail shareholders. The institutional placement attracted significant demand and support from both existing shareholders and new investors. The successful completion was announced the following day. The Share Purchase Plan also received strong support from eligible shareholders and Lynas exercised its discretion to accept all valid applications. As a result, the Share Purchase Plan increased to ~$182 million from the initial target of $75 million.

Highlights from operations included:

- Annual revenue increased to a record $977.9m from $556.5m in FY25;
- Ready for sale REO production increased to 13,089 tonnes, including 7,260 tonnes NdPr, up from 10,462 tonnes in FY25, including 6,558 tonnes NdPr;
- Record average annual selling price across all rare earth products of A$80.7/kg
- Lynas Malaysia operating licence renewed for 10 years[2];
- Completed construction and commissioning of the Mt Weld expansion project and ramped up new flowsheet;
- Completed construction and commissioning of the Mt Weld hybrid renewable power station ahead of schedule, achieving average 93% renewable electricity production in 2H FY26, well above the target of 70%.

On 10 March 2026, Lynas and JARE announced an updated 12-year availability and supply agreement which builds on the success of this partnership over the past 15 years. The updated agreement includes:

- Firm offtake for 5,000 tonnes per annum NdPr with a US$110/kg NdPr floor price. Lynas will also make available up to 7,200 tonnes per annum of NdPr to Japanese industry to 2038, subject to no opportunity loss to Lynas;
- An upside sharing arrangement when prices exceed US$150/kg NdPr, capped at US$10m/annum;
- Lynas will make available to the Japanese market up to 75% of all HRE oxides produced by Lynas, subject to no opportunity loss to Lynas with a firm offtake of 50% of all HRE oxides at prices and terms that represent no opportunity loss to Lynas;
- Volumes and prices of NdPr and HRE which are supplied to customers will be agreed by Lynas, JARE and each customer. The updated agreement will ensure continued supply of these strategically important materials for Japanese industry and the implementation of fair market pricing as part of the agreement will reduce price volatility for Lynas and enable continued growth and investment in our operations.

Following the launch of the *Towards 2030* growth strategy, Lynas progressed key growth pillars including:

- *Optimise performance from Lynas 2025 capital investments:* Updated 12-year availability and supply agreement with JARE for Japanese industry announced March 2026, includes firm offtakes and US$110/kg NdPr floor price;
- *Add resource and scale:* Establishment of the resource development team and identification of potential new feedstock sources; scoping study for the development of the Mt Weld Carbonatite has been completed and a dedicated team established to progress the further stages of the feasibility assessment; and an MoU signed with Japan Australia Rare Earths B.V. (JARE) to establish a framework for cooperation across the rare earths value chain, particularly in relation to mineral exploration of rare earth elements and adjacent minerals;
- *Increase downstream capacity:* Announcement of an expanded heavy rare earths (HRE) separation facility at Lynas Malaysia[3] that will increase HRE production capacity and meet customer need for an expanded suite of separated HRE products; first production of Samarium (Sm) oxide at Lynas Malaysia[4], adding to Lynas' separated Dy and Tb products which were first produced in FY25;

[1] https://wcsecure.weblink.com.au/pdf/LYC/02985269.pdf
[2] https://wcsecure.weblink.com.au/pdf/LYC/03063279.pdf
[3] https://wcsecure.weblink.com.au/pdf/LYC/03015215.pdf
[4] https://wcsecure.weblink.com.au/pdf/LYC/03069968.pdf

- *Expand into the outside China metal and magnet supply chain:* Following an MoU signed in July 2025[5], in July 2026[6] a long-term partnership agreement with JS Link, Inc was signed for the development of a rare earth permanent magnet factory in Kuantan, Malaysia by JS Link; MoU signed with Noveon Magnetics in October 2025 to support a scalable domestic U.S. supply chain for rare earth permanent magnets[7]; Framework Agreement entered into between Lynas and LS Eco Energy in March 2026 to work towards a definitive agreement for a long-term metal processing arrangement at a new rare earth metal making facility to be constructed by LS Eco Energy in Vietnam.

During the year, raw materials and consumables inventory was proactively increased to safeguard against potential disruptions arising from geopolitics, global logistics conditions and global trade uncertainties.

Lynas continues to develop the Mt Weld resource to meet forecast demand growth. This includes ongoing exploration activities within the Mt Weld orebody.

Mt Weld

High efficiency mining operations continued during the period, securing sufficient feedstock to supply both Lynas Malaysia and the Kalgoorlie Rare Earths Processing Facility, while optimising production costs in the long term.

A scoping study for the development of the Mt Weld Carbonatite was completed during the year and a dedicated team has been established to progress the further stages of the feasibility assessment.

Commissioning of the Mt Weld expansion project was largely completed in the December quarter of FY26 and the flotation process was running steadily at 70% of design capacity in December 2025. During the second half of FY26, the ramp up of the processing plant continued, with all equipment operational apart from a new fine grinding mill (Isamill) which is planned to be operational in FY27 and will assist with further improvement in recoveries. Construction focus is now on additional tailings storage facilities required to meet future needs.

As expected in the ramp up of a large-scale processing facility, some challenges were experienced and resolved during the June quarter FY26. This included issues with the new Mt Weld water recycling plant and concentrate quality issues which affected the productivity of cracking and leaching in Kalgoorlie and Kuantan and the volume of finished products during the June quarter. Operating standards for upstream and downstream processing have now been improved to better manage the ore variation.

Construction and commissioning of the Mt Weld hybrid power station by Lynas' power purchase agreement (PPA) partner Zenith Energy was completed in the first half of the year and the power station has been fully operational since January 2026. Average renewable electricity content in 2H FY26 was 93%, well ahead of the targeted 70%.

Lynas Malaysia

During the year, enhancements and equipment installed as part of the *Lynas 2025* growth plan were ramped up, including new enclosed furnaces that provide safety, productivity and GHG emissions reduction benefits.

First production of Samarium (Sm) oxide was achieved in March 2026 and the customer qualification process commenced in FY26. This adds to Lynas' separated heavy rare earth product suite which also includes Dy and Tb oxides first produced in FY25.

As previously noted, Mt Weld concentrate quality issues affected the productivity of cracking and leaching in Kuantan and the volume of finished products during the June quarter. Operating standards for upstream and downstream processing have now been improved to better manage the ore variation.

On 29 October 2025, Lynas announced a heavy rare earth (HRE) expansion project at the Lynas Malaysia advanced materials plant. The HRE expansion project is required to process various kinds of HRE feedstock in addition to Mt Weld feedstock in order to produce target volumes of the suite of separated HRE products. Purchase orders for critical equipment have been placed and the project scope has been reviewed to allow a staged, product-by-product start-up and to meet specific customers' product purity and physical characteristic requirements. The next step will be the production of Gadolinium (Gd) (expected in early FY28), Yttrium (Y) (expected in early CY28) increase Samarium (Sm) production capacity (expected CY28) ,and then Lutetium (Lu).

The estimated cost of the expanded HRE facility has increased from approximately A$180 million[9] to approximately A$294m (including contingency). The increased cost is due to additional equipment to meet customers' specific product purity and physical characteristic requirements, the higher cost of sourcing equipment outside China, and cost escalation due to the current geopolitical environment.

5 https://wcsecure.weblink.com.au/pdf/LYC/02970284.pdf
6 https://wcsecure.weblink.com.au/pdf/LYC/03108378.pdf
7 https://wcsecure.weblink.com.au/pdf/LYC/03005309.pdf
8 https://wcsecure.weblink.com.au/pdf/LYC/03072369.pdf
9 https://wcsecure.weblink.com.au/pdf/LYC/03015215.pdf

The Lynas Malaysia operating licence was renewed for 10 years commencing 3 March 2026. This is a substantially longer licence term than the previously issued 3-year licence terms, providing greater investment certainty for Lynas and for our rare earths supply chain partners and customers.

As part of the operating licence, Lynas Malaysia is required to implement an alternative cracking process so that the facility no longer produces WLP residue with an activity concentration above 1 Bq/g after 2 March 2031, with the modification to commence based on an agreed plan by March 2028. Over the past 3 years, Lynas and local and international academic institutions have undertaken laboratory-scale research into modifications to the cracking process. Lynas is now progressing with plans for an industrial pilot trial, together with trials on the reuse of WLP.

During the year the Department of Environment (DOE) Environmental Audit was successfully completed with 31 best practices, zero observations and zero non-compliances.

Kalgoorlie

The ramp up of the Kalgoorlie Rare Earths Processing Facility continued during the year and process modifications targeting quality and productivity improvements were completed. This included a continuous precipitation process which will enable design precipitation capacity and mixed rare earth carbonate (MREC) quality improvements. In keeping with Lynas' sustainability focus, works to complete construction of the Kalgoorlie water recycle plant continue.

The ramp up faced a number of challenges during the year, including power supply disruptions in the December quarter and flow on effects from the Mt Weld ore variation detailed earlier in this report. Following works by the external electricity provider, electricity supply stabilised from December onwards. Lynas continues to explore alternative energy solutions including off-grid electricity options.

Lynas USA

Lynas signed a binding Letter of Intent with the U.S. Government in March 2026 for the supply of approximately US$96 million of light and heavy rare earth oxides over a 4 year period. This supply of rare earth oxides is for the U.S. industrial base and broader industry development, particularly for research, development, test, and evaluation purposes related to permanent magnet production. Funding for the supply agreement has been reallocated from funds previously intended for the construction of a HRE facility in Texas which will no longer proceed. The floor price for supply of NdPr oxide will be US$110/kg.

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 (LTIFR) as at 30 June 2026 was 0.9 per million hours worked, an improvement from the FY25 LTIFR of 1.8 per million hours worked. The 12-month total recordable injury frequency rate (TRIFR) at 30 June 2026 was 4.1 per million hours worked, higher than the FY25 TRIFR of 3.6 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. The Kalgoorlie operations remain in ramp up and as such, ISO certification has not commenced.

FINANCIAL AND OPERATIONAL PERFORMANCE

Sales volume, revenue and costs

Sales by tonnage and value		FY26	FY25	FY24	FY23	FY26 Percentage change
Sales volume	(REOt)	12,122	10,970	12,158	16,014	10.5%
Cash receipts from customers	(A$m)	887.3	550.7	460.8	820.8	61.1%
Sales revenue	(A$m)	977.9	556.5	463.3	739.3	75.7%
Average selling price	(A$/kg)	80.7	50.6	38.1	46.2	59.4%
Cost of sales	(A$m)	(585.5)	(426.7)	(330.6)	(399.9)	37.2%

The average selling price across all rare earth products of A$80.7/kg REO for the year was the highest on record. This reflects the continued focus on the highest value strategic customers, improved NdPr market prices, an increased mix of heavy rare earth sales and sales with pricing not linked to the market index.

The cost of sales has increased with a higher fixed cost attributed to new facilities which are in commissioning and ramp up.

Lynas has received strong customer enquiry for our new separated heavy rare earths (HRE) products. The Lynas pricing offer for Dysprosium (Dy) and Terbium (Tb) reflects the high demand for these products outside China rather than the market index which is based on inside China transactions. The first separated HRE oxides (Dy, Tb) were shipped to customers during the year and customer qualification commenced for Samarium (Sm) oxide, first produced in March 2026. The initial customer orders for Samarium (Sm) oxide are expected to be fulfilled in the first quarter of FY27.

Customers continue to focus on securing sustainable, outside China supply chains due to geopolitics and export restrictions. This focus is supported by strategic Government actions to secure rare earth volumes to support critical manufacturing industries. Lynas is uniquely positioned to operate effectively in this evolving market environment as the only commercial producer of light and heavy rare earth oxides outside of China.

On 10 March 2026, Lynas and JARE announced an updated 12-year availability and supply agreement which builds on the success of this partnership over the past 15 years. The updated agreement includes:

- Firm offtake for 5,000 tonnes per annum NdPr with a US$110/kg NdPr floor price. Lynas will also make available up to 7,200 tonnes per annum of NdPr to Japanese industry to 2038, subject to no opportunity loss to Lynas;
- An upside sharing arrangement when prices exceed US$150/kg NdPr, capped at US$10m/annum;
- Lynas will make available to the Japanese market up to 75% of all HRE oxides produced by Lynas, subject to no opportunity loss to Lynas with a firm offtake of 50% of all HRE oxides at prices and terms that represent no opportunity loss to Lynas;
- Volumes and prices of NdPr and HRE which are supplied to customers will be agreed by Lynas, JARE and each customer. The updated agreement will ensure continued supply of these strategically important materials for Japanese industry and the implementation of fair market pricing as part of the agreement will reduce price volatility for Lynas and enable continued growth and investment in our operations.

In July 2026, a long-term partnership agreement with JS Link, Inc was signed for the development of a rare earth permanent magnet factory in Kuantan, Malaysia by JS Link, with an operating capacity of 3,000 tonne per annum of NdFeB permanent sintered magnets. Lynas made an investment of approximately A$50m in ordinary equity of JS Link, with the funds to be used to support the construction of the Malaysian magnet factory, with JS Link responsible for the remaining funding for the facility. Lynas will also supply rare earth materials to the JS Link magnet factory in Yesan, South Korea, and the planned factory in Malaysia at commercial prices under an exclusive supply arrangement until January 2038.

Lynas entered into a Framework Agreement with LS Eco Energy, a subsidiary of LS Cable & System, in March 2026 and continues to work towards the definitive agreement for a long-term metal processing arrangement covering the use of Lynas' rare earth products at a metal making facility to be constructed by LS Eco Energy in Vietnam. The partnership will complement Lynas' existing metal tolling arrangements and develop additional rare earth metal making capacity to meet market demand for metallised light and heavy rare earths. In July 2026, Lynas entered into binding agreements with LS Eco Energy for the cross-subscription of convertible instruments to the value of approximately AUD 29m each.

Market prices

The average China domestic price of NdPr (VAT excluded) increased from US$55.0/kg in June 2025 to US$100.8/kg in June 2026.

Market dynamics remained positive during the year with significant demand for all rare earth oxides, including the newly launched Samarium (Sm), from the outside China magnet supply chain and original equipment manufacturers (OEMs). Lynas continues to focus on accelerating the ramp up in HRE production capacity to meet the growing demand from the new metal and magnet maker projects globally.

Production volumes

Production volumes		FY26	FY25	FY24	FY23	FY26 Percentage change
Ready for sale production volume (REO) total	(t)	13,089	10,462	10,908	16,780	25%
Ready for sale production volume NdPr	(t)	7,260	6,558	5,655	6,142	11%

Increased production volumes of both REO and NdPr reflect the improvement in market conditions during FY26. Record NdPr production was achieved in the second half of FY26.

Cash and cash flows

	FY26	FY25
Net operating cash inflows	318.8	104.2
Net investing cash outflows	(846.7)	(406.2)
Net financing cash inflows/(outflows)	859.4	(45.3)
Net cash flows	**331.5**	**(347.3)**
Impact of foreign exchange	6.1	(10.0)
Cash and cash equivalents	504.1	166.5

Operating cash flows increased driven by the increase in sales revenue. These operating cash flows include the payment of $19.6m to GSSB to construct and manage the Malaysian residue storage facilities.

Net investing cash outflows included $707.6m in funds invested into short term deposits. A further $178.3m related to the completion payments for property plant and equipment in relation to the Mt Weld Expansion project and other capital projects.

Finance cash inflows are highlighted by the net $914.3m capital raise undertaken in FY26. This has been offset by US$20.0m (A$29.5m) of principal repayments made on the JARE loan facility in line with the loan agreement.

Debt and Capital

In A$m	FY26	FY25
JARE loan	119.7	151.3
Total borrowings	**119.7**	**151.3**
Financial income	38.5	17.4
Financial expenses	(29.8)	(13.8)

US$20.0m (A$29.5m) of principal repayments were made on the JARE facility during the year.

The financial income strengthened as a result of increasing cash balances, largely due to the equity raising announced in August 2025. Financial expenses have increased as a result of increasing unwinding of the discounting of the restoration liabilities and completion of Lynas growth projects, resulting in a reduction in finance costs capitalised. During the year, $6.6m (FY25: $11.8m) of finance expenses were capitalised into the 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 2026, the Company issued shares as shown below:

	Number (000's)
Shares on issue 30 June 2025	**935,447**
Issue of shares pursuant to exercised performance rights	673
Issue of shares pursuant to capital raise	70,383
Shares on issue 30 June 2026	**1,006,503**

Performance rights

At 30 June 2026, the Company had the following options and performance rights on issue:

	Number (000's)
Performance rights	4,046

Earnings per share

For the year ended 30 June	FY26	FY25
Basic earnings per share (cents per share)	22.15	0.85
Diluted earnings per share (cents per share)	22.06	0.85

Dividends

There were no dividends declared or paid during the year ended 30 June 2026 (2025: nil) and no dividends have been declared or paid since 30 June 2026.

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 related 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.

Lynas identifies risks, then evaluates the inherent risk of an activity and the mitigation required. Risk assessments are updated by operations and management and material risks are reported to the Board of Directors.

In FY26, 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.

Lynas' approach to reducing pricing volatility for customers includes:

- Securing a floor price for rare earth oxides through strategic partner agreements;
- 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.

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 may impact its share price 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 2026	30 June 2025	30 June 2024	30 June 2023	30 June 2022
USD/AUD	$0.6785	$0.6532	$0.6556	$0.6760	$0.7258
MYR/AUD	$2.7715	$2.7619	$3.0783	$3.0688	$3.0698

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, performance and share price.

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. 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.

1.5 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. The need for additional future resources could also affect future production.

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 position, results of operations and share price. 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, residues and reagents 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.

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 advanced materials 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 expanding the heavy rare earths separation facility at Lynas Malaysia and partnering with third parties who are constructing new metal and magnet making facilities. Construction and ramp up of 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.

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. 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.

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 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, financial position and share price.

2.4 Malaysian regulatory matters

Without limiting the generality of the risks specified above in this section, as announced on 2 March 2026, the Lynas Malaysia operating licence was renewed for 10 years commencing 3 March 2026.

As part of the operating licence, Lynas Malaysia is required to implement an alternative cracking process so that the facility no longer produces WLP residue with an activity concentration above 1 Bq/g after 2 March 2031, with modification to commence by March 2028. Over the past 3 years, Lynas and local and international academic institutions have undertaken laboratory-scale research into modifications to the cracking process. Lynas is now progressing with an industrial scale trial, together with trials on the recycling and reuse of WLP.

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 the below Sustainability Report (mandatory climate disclosures).

2.7 Disposal of residues

At the Mt Weld Mine and Concentration Plant, the Lynas Malaysia advanced materials plant, and the Kalgoorlie Rare Earths Processing Facility, Lynas operations generate residue or by-product 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. Failure to manage these matters 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.

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.

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$90m as at 30 June 2026. The principal amount will be due for repayment in fixed loan repayments between 31 December 2026 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 and digital innovation

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, financial performance and reputation.

Digital technologies, including AI, are rapidly advancing. Misuse of AI could cause reputational damage to Lynas and an increased risk of compromise of Lynas' intellectual property. Failure to effectively adopt digital technologies could lead to less efficient business operations.

Sustainability Report (mandatory)

FY26 CLIMATE-RELATED DISCLOSURES

This Sustainability Report comprises climate-related disclosures for Lynas Rare Earths Limited and its subsidiaries ('Lynas' or 'the Group') for the year ended 30 June 2026. This report has been prepared for the same consolidated reporting entity and reporting period as the Group's Consolidated Financial Statements and uses the same currency as the Financial Report.

This Sustainability Report builds on the Group's voluntary reporting aligned with the Task Force on Climate-related Financial Disclosure (TCFD) framework for climate-related reporting which commenced in FY20.

This Sustainability Report has been prepared for the Group in accordance with the Corporations Act (2001) and AASB S2 *Climate-related Disclosures,* which is the mandatory Australian Sustainability Reporting Standard (ASRS) issued by the Australian Accounting Standards Board (AASB).

Management has made significant judgements, estimates and assumptions and this has been disclosed within the relevant sections of this report. Specific judgements, estimates and assumptions related to the following key areas can be found in the following sections:

- Those used to identify climate-related risks and opportunities: Section 1.2
- Those used to assess material climate-related information: Section 3.2
- Those used in the methodology to calculate greenhouse gas emissions: Section 4.2

As this is the first year in which the Group has applied AASB S2, the Group has elected to apply transition relief not to disclose comparative information and Scope 3 greenhouse gas (GHG) emissions information in this Sustainability Report.

Lynas has also early adopted the Amendments to AASB S2 Climate-related Disclosures, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 30 June 2026. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

IMPORTANT NOTICE

This report contains forward-looking statements and other forward-looking representations relating to climate issues, including climate-related actions/objectives and targets, anticipated effects of climate-related risks and opportunities (CRROs), project lifespans of assets and production capacity. There are significant uncertainties, limitations and assumptions in the metrics and modelling on which these statements rely.

These forward looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Group's control.

You should not place undue reliance on these forward looking statements. To the maximum extent permitted by law, Lynas provides no representation, assurance, or warranty (express or implied) in connection with the accuracy, completeness and likelihood of fulfilment of any forward-looking statement, or any outcome expressed or implied in any forward looking statement.

Parts of this report contain market, industry and statistical information and estimates that are based on reports from industry analysts and independent sources, as well as management's own good faith estimates and analysis. Lynas believes the sources to be reputable but has not independently verified the data sources, methodologies or assumptions.

Information that is based on estimates, forecasts, projections or industry research is inherently subject to uncertain-ties, and actual events or circumstances may materially differ from this information.

The metrics, methodologies and data on which forward-looking statements rely may be impacted by various factors including:

- the inherent limits in the current scientific understanding of climate change and its impacts;
- the rapidly evolving and maturing nature of methodologies to capture and record emissions;
- reliance on assumptions and future uncertainty (including in relation to energy stability, technology development (and its affordability) and socio-economic changes); and
- the uncertainty around future climate and sustainability related policy, market practice, regulation and legislation.

Given the risks and uncertainties associated with the forward-looking statements in this report, you are cautioned not to place undue reliance upon them. The information provided in this report may not be suitable for your specific needs and is not a substitute for obtaining independent advice.

CORPORATE INFORMATION

Headquartered in Perth, Western Australia, Lynas is an integrated rare earths miner and producer and the world's only commercial producer of separated light and heavy rare earth oxides outside of China.

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.

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 and transport of products from Lynas Malaysia to customers; by-product management; and research and innovation for new products and processes, including for new energy industries.

DIRECTORS' DECLARATION

In the opinion of the directors of Lynas Rare Earths Limited, the Group has taken reasonable steps to ensure the substantive provisions of this Sustainability Report are in accordance with the requirements of the *Corporations Act 2001* ('the Act'), including:

(a) Complying with the Australian Sustainability Reporting Standard AASB S2 *Climate-Related Disclosures* and section 296C(2) of the *Corporations Act 2001;* and

(b) Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001.*

Made in accordance with a resolution of the directors of Lynas Rare Earths Limited.

On behalf of the Board

John Humphrey

Director

26 August 2026

1. Strategy

1.1 Business Strategy

The Group's business strategy is to grow, optimise performance and deliver returns to shareholders from the *Lynas 2025* capital investments, including ramping up assets in line with customer demand and market growth; and adding resource and scale, increasing downstream capacity, and expanding into the outside China metal and magnet supply chain. This strategy is outlined in the *Towards 2030* growth strategy announced on 28 August 2026[10].

In line with Lynas' Climate Change Policy[11], the Group is taking action to meet the challenges of climate change by identifying opportunities to reduce Scope 1 and 2 emissions 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. Key elements of the Group's strategy to meet the challenges of climate change are: market development, physical risk adaptation, clean energy investment and research and innovation.

Market development

Increase production capacity and product range to meet forecast demand growth for rare earth materials in energy efficient technologies

Physical risk adaptation

Continue to assess and implement mitigation measures for potential climate related physical risks in our operations

Clean energy investment

Invest in clean energy solutions, including renewable power, to reduce GHG emissions

Research and innovation

Develop innovative solutions to reduce GHG emissions in our operations and work to develop clean energy products for our customers

Time horizons

The Group considers the effects of climate change over three time horizons that are aligned to the Group's strategic priorities, the anticipated progression of climate-related risks, opportunities, adaptions and mitigation initiatives and the current project lifespan of assets:

Short-term	2026–2030 (4 years)	Lynas' *Towards 2030* growth strategy outlines business growth plan to 2030[12]
Medium-term	2030–2040 (5-14 years)	Aligned with longer term asset planning
Long-term	2040–2050 (15–24 years)	The Mt Weld Ore Reserve supports >20 year mine life at expanded production rates[13]; Lynas production facilities are long-term assets

10 https://wcsecure.weblink.com.au/pdf/LYC/02985269.pdf
11 https://lynasrareearths.com/wp-content/uploads/2023/11/Lynas-Climate-Change-Policy-28-Nov23.pdf
12 https://wcsecure.weblink.com.au/pdf/LYC/02985269.pdf
13 https://wcsecure.weblink.com.au/pdf/LYC/02835257.pdf

1.2 Climate-related risks and opportunities

In FY26, the Group conducted an assessment of a broad list of climate-related risks and opportunities (CRROs) to identify what could reasonably be expected to affect the entity's prospects over the short, medium or long term, including:

- Effect on cash flows, access to finance or cost of capital over the short, medium or long term;
- Current and anticipated effects on the Group's business model, value chain, strategy and decision making; and
- Future projections of both climate-related physical and transitional impacts.

This review considered all risks in the Group's Risk Register for their relevance in relation to CRROs and included scenario analysis of 5 core classes of acute and chronic physical perils (precipitation, drought, bushfire, temperatures and oceans) as well as 5 transition risks (policy, legal, technology, reputation and market) and 5 opportunities (clean energy development, new products and services, access to new markets, enhanced business resilience and policy). A short list of potential CRROs was then developed and assessed based on those that could reasonably be expected to affect the Group's prospects over the short, medium and long term.

Scenario analysis

Climate-related scenario analysis completed across all of Lynas' operating locations was used to assess the anticipated effects of the CRROs over the short, medium and long time horizons and the resilience of the Group's strategy and business model in low and moderate scenarios for transition risks and low and high emissions scenarios for physical risks (see table below). It was also used as an additional input to inform the identification of CRROs.

Scenario analysis is used as a risk assessment tool, not a prediction. There are inherent limitations with scenario analysis because it relies on assumptions that may or may not prove to be correct. The key assumptions and methodologies used are outlined below.

By evaluating a range of plausible climate futures to assess the anticipated effects, the Group enhances its understanding of how CRROs may affect its operations, assets, customers and broader value chain under different conditions.

Scenario analysis was undertaken in line with Intergovernmental Panel on Climate Change's (IPCC) low emissions and high emissions concentration pathways. The review used Socio-economic Pathways (SSPs), which are the latest generation of global climate modelling from the Coupled Model Intercomparison Project phase 6 (CMIP6). Scenarios were chosen for their relevance to Lynas' operations and business model. Low and high emissions scenarios were selected for assessment of physical risks to test physical risks under 'best and worst case' scenarios. For transition risks, the low and "middle of the road" scenarios were selected to align with current policy commitments and data availability.

Scenarios considered	SSP1-1.9 *Sustainability*	SSP2-4.5 *Middle of the road*	SSP5-8.5 *Fossil-fuelled development*
Likely surface temperature change[15]	Approx. 1.5°C	Approx. 2.1-3.5°C	Approx. 3.3-5.7°C
Climate risks & opportunities assessed	Physical & transition	Transition	Physical
Key assumptions			
Policies	Coordinated global climate policy	Fragmented global climate policy	Absence of global climate policy
Macroeconomic trends	Gradual shift towards a more sustainable path	Social, economic and technological trends similar to historical patterns	Social and economic development is coupled with use of fossil fuels and resource and energy intensive lifestyles
Energy use & mix	Increasing shift to renewable energy and sharp decline in fossil fuel generation post-2030	Use of fossil fuels and renewable energy solutions	Fossil fuel based economy
Technology development	High demand for low emissions technologies such as EVs and power generation and storage, consistent with the NGFS Net Zero 2050 scenario (NGFS Phase V, 2024) and IEA Net Zero Emissions by 2050 Scenario (IEA, 2024b)	Demand for low emissions technologies grows but at a slower rate	Limited demand for decar-bonisation technologies

Data from additional sources was used as necessary, including the NGFS Net Zero 2050 scenario (NGFS Phase V, 2024) and IEA Net Zero Emissions by 2050 Scenario (IEA, 2024b), while ensuring consistency with underlying IPCC scenarios. Climate analysis was undertaken by subject matter experts which included site visits, historical data analysis and recent events and weather patterns, and the implementation of site-specific mitigation measures.

Mitigation measures for potential risks identified includes the installation of flood barriers and causeways at Mt Weld; water recycling at Mt Weld and Kalgoorlie; drone bushfire monitoring, vegetation management and emergency response planning and drills; and staff dehydration testing and awareness.

Scenarios considered acute physical risks such as physical damage to assets (buildings, machinery, inventory) at each of Lynas' three operating sites and associated loss in profits caused by that physical damage or disruption to operations as a result of chronic physical risks, such as increased severity of extreme weather events such as extreme precipitation, strong winds, extreme heat, drought and sea level rise.

Scenarios also considered transition risks including regulatory changes, increased capital and operating costs and technological changes. As Lynas supplies materials used in low emissions technologies, such as electric vehicles and wind turbines, Lynas' business model is structurally aligned with the energy transition and opportunities were also assessed under two relevant scenarios.

Scenario analysis was completed by external climate experts in August 2025 and presented to the Board as part of the Audit, Risk & ESG Committee's Climate Workshop held in November 2025. This supplemented physical climate risk scenario analysis undertaken by an external expert as part of an annual assessment which also includes visits to each operating site and engagement with site management. Further scenario analysis of CRROs was completed in July 2026 to consolidate the analysis completed during FY26.

[14] Relative to pre-industrial time

Climate resilience

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.

Based on the climate-related scenario analysis performed, Lynas considers its strategy and business model to be resilient under the scenarios assessed. While the implications of climate change differ across the scenarios considered, the Group maintains the financial and operational flexibility to respond to climate-related risks and pursue climate-related opportunities.

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 adjust or adapt business strategy to:
  - Expand facilities and 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 adjust or adapt business strategy 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.

1.3 Climate-related risks and opportunities affecting the business

Lynas continues to put controls and mitigants in place for climate-related risks within the Group Risk Register that have a high or extreme inherent risk rating ("IRR"). Lynas continues to put controls and mitigants in place to reduce these risks.

Following detailed analysis and assessment, six climate-related risks and opportunities (CRROs) were identified with potential effects on Lynas' business model and value chain over the short, medium or long term.

1.4 Potential effects and mitigation of identified risks

The table below outlines the six CRROs and their potential effects on Lynas' business model and value chain.

From a transition risk and opportunity perspective, as Lynas is an integrated miner and producer of rare earth products, 100% of Lynas' business activities are exposed to identified transition risks and aligned with transition opportunities. From a physical risk perspective, 100% of operating sites (total of 3 sites) are exposed to identified physical risks, as outlined below.

Lynas established a Climate Transition Working Group, which is a cross-functional team dedicated to developing short, medium and long term GHG emissions reduction strategies, in line with Lynas' Climate Change Policy, to address CRROs.

Transition risk 1	**Changes to 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 GHG emissions from emissions-intensive industries.*	
Time Horizon: Medium-long	**Potential effect on business model and value chain**	**Mitigation or adaption effects**
	Policy impacts such as the introduction of regulatory changes to reduce or address the impact of climate change, including limiting GHG emissions from energy-intensive industries such as minerals processing.	Key initiatives in FY26 included: • enhancing the Group GHG data management system to increase accuracy and auditability; • working towards the Group's first Climate Transition Plan; and • commissioning the new 65MW Mt Weld hybrid renewable power station which has reduced reliance on diesel fuel at Mt Weld operations. Lynas has recognised an additional $143.8m in Right-Of-Use assets with respect to the Solar and Wind components of the power station commissioned in FY26.

Transition risk 2	**Increased capital and operational costs:** *Increased costs such as 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.*	
Time Horizon: Medium	**Potential effect on business model and value chain**	**Mitigation or adaption effects**
	Higher cost inputs and raw materials; investment required for new low emissions technologies or alternative fuels; higher fossil fuel prices as the energy transition progresses; cost of complying with changes to emissions regulations.	During FY26 Lynas focused on reducing reliance on fossil fuels by transitioning to renewable and clean energy solutions by commissioning the new 65MW Mt Weld hybrid power station, which was completed in the December 2025 quarter and full operation commenced under a 15-year power purchase agreement (PPA) with Zenith Energy. This achieved: • average 93% renewable energy once fully operational in FY26 (January-June 2026), well above target of 70%; • savings of over 870,000 litres of diesel in Q3 FY26 compared to Q3 FY25 when Mt Weld was operating a diesel power plant; and increased operational energy efficiency and reduced emissions from processing. Further, in FY26 gas consumption at Lynas Malaysia was reduced through new, enclosed furnaces.
Transition risk 3	**Technological changes to address the effects of climate change:** *Technological changes could result in decreased demand for Lynas' products due to the emergence of lower cost or lower emissions competitors of either rare earth products or alternative technologies.*	
Time Horizon: Medium-long	**Potential effect on business model and value chain**	**Mitigation or adaption effects**
	Technological change 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; or the energy transition pathway may be slower than predicted, reducing demand for rare earths in new energy technologies such as electric vehicles, wind turbines and electrification of industrial processes.	Lynas continued to invest in process improvements and product innovation in FY26 to assist the Group and its customers to meet the challenges of climate change. In FY26, Lynas invested $9m in research and innovation activities.

Transition opportunity 1	**Forecast growth in demand for rare earth materials:** *Increased demand for rare earth materials will be driven by growth in clean technologies, particularly wind turbine and electric vehicle uptake which will require increased production of Nd, Pr, Dy and Tb for permanent magnet motors. Stronger climate action is likely to lead to higher demand.*	
Time Horizon: Medium-long	Potential effect on business model and value chain	Mitigation or adaption effects
	Most transition pathways forecast a significant increase in demand for rare earths as inputs to clean energy technologies. Stronger demand is likely to be observed under transition scenarios consistent with more ambitious emissions reduction policies. Larger and faster positive opportunities for rare earth producers will emerge with efforts to achieve net zero emissions.	Implementing key pillars of the Group's *Towards 2030* growth strategy announced August 2025 is a key enabler to maximise value from this opportunity. In FY26 progress on *Towards 2030* growth pillars includes: • ramping up assets in line with customer demand and market growth; • expanding heavy rare earth product range with first Samarium (Sm) production in March 2026; • signing an MoU with Japanese partner JARE for mineral exploration and development; and • expanding into the outside China metal and magnet supply chain through a partnership with JS Link[15] for the construction of a Malaysian magnet factory by JS Link and supply of rare earths by Lynas, and agreements with LS Eco Energy towards the definitive agreement for a long-term metal processing arrangement utilising Lynas' rare earth products at a metal making facility to be constructed by LS Eco Energy[16] in Vietnam.
Physical risk 1 (acute)	**Increased severity of extreme weather events:** *Increased risk of exposure to flooding and bushfire could lead to safety hazards, physical damage or business interruptions at the Mt Weld mine, Kalgoorlie Rare Earth Processing Facility or Lynas Malaysia advanced materials plant, potentially affecting employee safety, production outcomes, costs or supply chains.*	
Time Horizon: Short-medium	Potential effect on business model and value chain	Mitigation or adaption effects
	Western Australia: An increase in extreme weather events could increase the risk of exposure to flooding at Mt Weld operations and wildfire at Kalgoorlie operations. **Malaysia:** An increase in extreme weather events could increase the risk of exposure to bushfire.	Mitigation or adaption efforts include: • pre-incident mitigation measures and emergency response planning for potential extreme weather events implemented at each site. • flood barriers have been installed at the Mt Weld site. • drone monitoring for bushfires implemented at Lynas Malaysia. • vegetation management and emergency response planning at Lynas Malaysia and Kalgoorlie sites. • bushfire response planning and emergency drills at its Kalgoorlie and Kuantan sites.

15 https://wcsecure.weblink.com.au/pdf/LYC/03108378.pdf
16 https://wcsecure.weblink.com.au/pdf/LYC/03114179.pdf

Physical risk 2 (chronic) e.g. extreme heat, extreme precipitation and drought	*Longer term shifts in climate patterns: Increased risk of extreme heat, extreme precipitation and drought could lead to increased pressure on water supplies for remote operations in Western Australia physical damage or interruptions to operations in at the Mt Weld mine, Kalgoorlie Rare Earth Processing Facility or Lynas Malaysia advanced materials plant.*	
Time Horizon: Long	Potential effect on business model and value chain	Mitigation or adaption effects
	Western Australia: Increased pressure on water supplies will require additional investment in water recycling and identification of new water sources. An increase in extreme heat days could translate to a material increase in heat stress periods, potentially disrupting operations and contributing to lost productivity. **Malaysia:** An increase in heat stress periods with an increase in the frequency of very hot days could present a risk to employee safety as well as a risk of interrupted operations or lost productivity; extreme precipitation could present a risk of interrupted operations or lost productivity if it results in disruptions to staff commuting or supply chain logistics.	Mitigation or adaption efforts include: • new on-site water recycling infrastructure to increase resource efficiency at Mt Weld. Further, construction is being completed for a new water recycling plant at the Kalgoorlie Rare Earths Processing Facility. • implementing heat mitigation initiatives, including additional building ventilation at Lynas Malaysia to reduce the effects of heat stress. • installing new enclosed furnaces at Lynas Malaysia, reducing ambient heat in product finishing area. • installing cool rooms at Mt Weld and Kalgoorlie to provide relief for employees during hot weather. • continuing to focus on employee dehydration awareness on all sites.

1.5 Overview of current and anticipated financial effects

As part of the Lynas Risk Management Framework, climate-related risks are assessed and prioritised based on their potential impact on operations and financial performance.

During the current reporting period there was no material financial impact associated with CRROs on the Group's financial position, financial performance or cash flows.

The Group is unable to quantify the anticipated financial effect from this risk. There is significant uncertainty associated with the basis for any financial quantification of the anticipated effects due to:

Transition risks 1: Changes to existing and emerging regulatory

There is significant uncertainty as to the speed and nature of changes to the regulatory environment in the medium to long term to financially quantify the impact of this risk. This risk could impact Lynas' cost of sales and compliance expenses.

Transition risks 2: Increased capital and operating costs

There is significant uncertainty as to the timing and magnitude of changes to the costs of inputs and raw materials passed on through the supply chain to financially quantify the impact of this risk. This risk could impact Lynas' cost of sales and capital expenditure costs.

Transition risks 3: Technological changes to address the effects of climate change

There is significant uncertainty as to the speed and magnitude of changes to the technological changes in the medium to long term to address the effects of climate change. This risk could impact Lynas' cost of sales (where further costs are required to keep up with technology changes), capital expenditure costs (where new capital technology is required) and impairment costs (where existing capital assets become obsolete as new technology is employed).

Physical risks 1 (acute): Increased severity of extreme weather events

There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial impacts due to the significant uncertainty of the likelihood, severity and area of asset(s) effected over the short, medium and long term due to the increased severity of extreme weather events. This risk could impact Lynas' overall ability to operate, impacting revenue and cost of sales, as well as asset values for potential damage of isolated extreme weather events.

Physical risks 2 (chronic): Longer term shifts in climate patterns

There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial impacts due to the significant uncertainty of the likelihood, severity and area of asset(s) effected over the long term due to shifts in climate patterns. This risk could impact Lynas' overall ability to operate, impacting revenue and cost of sales, as well as asset values for potential damage of isolated extreme weather events.

Transition opportunity 1: Forecast growth in demand for rare earth materials

There is significant uncertainty as to the speed and quantum of changes in demand for rare earth magnets and this is not yet able to be quantified. This opportunity could impact Lynas' revenue.

As a result of the above, any quantitative estimate of the anticipated financial effects would be highly uncertain and is not considered useful to users of the financial statements and this report.

2. Governance

2.1 Governance roles and responsibilities

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. This includes the Board's responsibility for oversight of climate-related risks and opportunities (CRROs), with support from the Audit, Risk and ESG Committee of the Board. Detailed biographies of Board members are available on the Lynas website at LynasRareEarths.com and in the Annual Report.

Role of Board Committees

The Audit, Risk and ESG Committee of the Board oversees, monitors, reviews, and reports to the Board on key business risks (including CRROs), internal controls and performance against the Company's risk management framework. The Committee consists of non-executive directors and is accountable to the Board. In FY26, all members of the Committee were independent non-executive directors.

The Charter of the Audit, Risk and ESG Committee of the Lynas Rare Earths Board of Directors outlines the Committee's role in relation to CRROs. As stated in the Committee Charter, this 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 CRROs of the Company that could reasonably be expected to affect the Company's prospects, and complies with legal requirements and applicable sustainability 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 CRROs. This includes the setting of measurable objectives such as climate-related targets and monitoring progress against those objectives and the appropriate form of reporting.

ESG, including CRROs, is a recurring agenda item discussed at each Audit, Risk and ESG Committee meeting and where appropriate at Board meetings. Audit, Risk and ESG Committee meetings are held at least twice a year. In FY26, the Board discussed ESG and climate, including progress towards the Group's climate-related objectives at four Audit, Risk and ESG Committee meetings. This included the review of scenario analysis to assess CRROs at a Board Climate Workshop held by the Audit, Risk and ESG Committee in November 2025. The Committee also holds director education sessions on climate related matters to enhance Board skills. Board education sessions related to climate strategy, risks and reporting were held during FY26 and delivered by external subject matter experts. Progress towards climate-related actions is reported to the Board and reviewed at each meeting of the Audit, Risk and ESG Committee, which occurs at least twice annually.

In line with the Group's Climate Change Policy (available at **https://lynasrareearths.com/about-us/corporate-governance/**), CRROs 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:

- Assessment of GHG emission impacts included in all capital project decision making
- GHG emissions reduction opportunities included in operational process improvement plans
- GHG emissions reduction included in research and innovation strategy

The Board takes CRROs into account when overseeing strategy, major transactions, risk management processes and related policies. While the Group does not currently use a carbon price, GHG emissions are assessed and considered as part of major project capital expenditure approvals, in line with climate-related risks included in the Group's Risk Register.

The Board also considers trade-off associated with CRROs and identifies mitigation measures where available. For example, the Mt Weld Expansion project was completed in FY26 to meet increased market demand for rare earths as inputs to energy efficient, electronics and green technologies, and production capacity has been increased by approximately four times. As part of this project, the legacy diesel fired Mt Weld power plant was replaced with a high efficiency 65MW hybrid renewable power station targeting 70% renewable electricity generation.

The Nomination, Remuneration and Community Committee of the Board oversees Board skills and is responsible for equity-based remuneration plans for senior executives and other employees, as outlined in the Charter of the Nomination, Remuneration and Community Committee (available at **https://lynasrareearths.com/about-us/corporate-governance/**). This includes determining climate-related performance metrics to be included in remuneration frameworks. In FY26, climate-related targets were included as part of both the Short Term Incentive (STI) and Long Term Incentive (LTI) for the CEO and executives. Non-financial performance represented 60% of the potential STI opportunity, distributed across four key areas: (1) Progress on Strategic Plan/Business Plan; (2) Health, Safety and Environment; (3) Sustainability (including climate); (4) People and Culture. The climate-related metric for the Sustainability component of the STI was full commissioning and operation of the Mt Weld hybrid renewable power station by 30 June 2026. This was achieved ahead of schedule in January 2026. For the LTI, climate-related targets represented 10% of the total LTI opportunity and related to the delivery of greater than targeted 70% average renewable energy penetration at Mt Weld from the new Mt Weld hybrid renewable power station.

Frequent and deliberate consideration is given to Director experience, qualifications, background and skills. Directors, including the Chair, self-assess their individual skills and experience, including environment and climate change skills. The matrix is revised annually and approved by the Board. Self assessment ratings inform the Board's Skills and Experience matrix, which is disclosed in the annual Corporate Governance Statement (available on the Group's website). Board training and education sessions on climate-related risks and opportunities were held in FY26 and are planned for FY27.

Board of Directors
Responsible for setting and overseeing Group strategy and risk management approach.

Board Committees
Audit, Risk & ESG Committee oversees, monitors, reviews, and reports to the Board on key business risks, including identifying, assessing, prioritising and monitoring material climate-related risks and opportunities and appropriate reporting.

CEO
Responsible for climate-related matters at the highest level and ensuring they are embedded into core values and strategy.

Lynas Leadership Team
Executive management responsible for strategies to manage climate risks and opportunities within relevant divisions.

Working Groups
Climate Transition Working Group and Major Projects Steering Committee are responsible for identifying, reviewing and assist the Lynas leadership team to oversee and coordinate the Group's GHG emissions reduction strategies and monitor performance.

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 executive management with key roles in climate-related matters. Senior executives lead a cross-functional Climate Transition Working Group which is focused on developing the Group's GHG emissions reduction strategy and climate transition plan and monitoring performance. Responsibility for CRROs is delegated to relevant executives.

The executive reports to the Audit, Risk and ESG Committee on these matters at each meeting of the Committee which is held at least twice yearly. In FY26, six Audit, Risk and ESG Committee meetings were held.

Where specific skills or advice are required, Lynas engages external expert advisers, including in the areas of climate science, governance, and assurance.

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, strategy and operations.
- Chief Financial Officer (CFO): responsible for Group risk management (including integration of CRROs), auditing and disclosure activities aligned with financial reporting.

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

Management's oversight of the Group's CRROs is supported by the use of controls and procedures relating to CRROs and the monitoring of performance in managing those risks. This includes the following procedures:

i) Identification of climate-related information, including internal and external information about past events, current conditions and forecasts of future conditions, including climate scenario modelling

ii) Assessment of CRROs and the significance of their impacts using key judgements, estimates and significant assumptions

iii) Determination of CRROs that could reasonably be expected to affect the Group's prospects

iv) Qualitative and quantitative assessment of CRROs.

The controls related to these procedures include:

- Climate Workshop held annually by the Audit, Risk and ESG Committee of the Board to assess climate-related risks and opportunities
- Climate risk register maintained and reviewed quarterly as part of the Group Risk Register
- Scenario analysis results reviewed by management and the Board prior to being incorporated into reporting
- Key judgements, estimates and assumptions in the CRROs are reviewed and approved by the Audit, Risk and ESG Committee of the Board
- GHG data collection and management is subject to validation and review by management.

Management is responsible for daily implementation of governance frameworks and controls to support compliance and stakeholder communications, and reporting to the Board on these matters.

3. Risk Management

3.1 Risk Governance

CRROs are considered as part of business strategy and planning, and are integrated into Lynas' Risk Management Framework which includes risk governance, strategy and decision making processes. The Group's Risk Management Policy is available at **https://lynasrareearths.com/about-us/corporate-governance/.**

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 Risk Management Framework.	Responsible for managing organisation-wide risks including the review and approval of Risk Management Framework, which include the broader 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.

3.2 Risk processes

Climate-related risk and opportunity identification

The identification and assessment of CRROs considered the Group's business model and value chain, using all reasonable and supportable information available without undue cost or effort for a comprehensive understanding of the CRROs.

Lynas' Risk Management Framework provides a structured and consistent approach to identifying and managing our risks and compliance obligations. Whilst CRROs are not yet integrated into the Risk Management Framework, the framework has guided our approach to CRRO risk management during the reporting period. CRROs were included within broader risk categories which were monitored during the reporting period.

Potential climate-related physical risks, chronic hazards and transition risks and opportunities are identified by gathering and analysing internal and external evidence. This includes current and past Group experience as well as assessments by subject matter experts, industry peer disclosures, industry outlook forecasts (such as from the International Energy Agency (IEA)) and topics identified in disclosure standards.

Lynas utilises climate modelling data from internal data sources (including external experts climate resilience assessment of Lynas operating sites) and external sources, such as local meteorological agencies and the IPCC. In FY26, this included physical scenario analysis to assess short and long term effects of climate-related physical risks on the Group's operating sites across the Intergovernmental Panel on Climate Change's (IPCC) low emissions and high emissions Shared Socioeconomic Pathways SSP1-1.9 and SSP5-8.5. Transition risks were assessed using SSP1-1.9 and SSP2-4.5.

Lynas' business model is 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. Potential climate-related opportunities are identified through stakeholder engagement and monitoring of climate-related trends.

Lynas' identification of opportunities is embedded within the Group's strategy and opportunities are also identified through stakeholder engagement and monitoring of climate-related trends.

Lynas takes a holistic view of transitional risks and opportunities as these are generally applicable throughout the Group.

Risk and opportunity assessment and prioritisation

As part of the Lynas Risk Management Framework, climate-related risks are assessed and prioritised based on their potential impact on operations and financial performance.

Lynas assesses the nature, likelihood and magnitude of the impact on our business performance and prospects, using both qualitative and quantitative criteria.

Lynas is guided in its assessment of the nature, likelihood and magnitude of the effects of the risks using its Risk Management Framework:

- Likelihood: Probability of the risk/opportunity materialising within the relevant time horizon rated on the five-point scale (Rare, Unlikely, Possible, Likely, Almost Certain)
- Magnitude: Severity of financial impact if the risk/opportunity materialises, rated on the five-point scale used in Lynas' Risk Management Framework (Insignificant, Minor, Moderate, Major, Severe). The consequence scale ranges from insignificant (<0.5% of adjusted 3 year average EBITDA / <$1m unplanned cash loss) to Severe (> 20% of Adjusted 3 year average EBITDA / >$100m unplanned cash loss)

A risk rating combining the likelihood and consequence is produced, on a scale of Low, Medium, High or Extreme, which assigns a numerical score between 1-25.

This risk matrix approach is used to assess and prioritise all risks, including climate-related risks. Risks classified medium or above by the risk matrix are prioritised for further action.

When assessing climate-related risks and the significance of their impacts, Lynas considers the nature, likelihood and magnitude of impacts on our business performance and prospects. This may be in the form of increased operating or capital costs, increased funding costs, reduced revenue, asset impairment, or market perceptions. Industry or market trends and forecasts as well as scenario analysis may be considered in assessing the likelihood of the risk occurring.

Management considers both qualitative and quantitative factors when assessing CRROs that could reasonably be expected to affect the entity's prospects.

Opportunities are evaluated based on their relevance to the Group's core business operations, including financial viability and impact, environmental and social impact and stakeholder interest. Opportunities are prioritised based on their potential impact, feasibility and alignment with strategic business goals. All major internal capital projects undergo a cost-benefit analysis, including a GHG emissions assessment.

Risk and Opportunity Monitoring

Climate-related risks are included in the Group's Risk Register and reviewed by the Lynas Leadership team. Risks that could reasonably be expected to affect the entity's prospects are reviewed at least twice yearly by the Audit, Risk and ESG Committee of the Board (in line with the Audit, Risk and ESG Committee Charter). The review considers whether any updates are required to the risk assessment and considers the progress of activities to mitigate or adapt to climate-related risk. Ongoing monitoring of CRROs is integrated into business activities. This includes:

- Quarterly review of progress against climate-related objectives, such as implementation of clean energy solutions or water efficiency measures
- Monitoring of weather data to ensure that emerging risks and opportunities are identified and addressed (e.g. installation of cool rooms for employee relief during periods of extreme heat)
- Ongoing engagement with customers and research and innovation activities to identify market opportunities and assess market demand for rare earths for use in clean energy technologies
- Ongoing engagement with stakeholders including communities and regulatory bodies to stay informed about changes in climate policy and environmental conditions.

4. Metrics and Targets

Lynas measures Scope 1 and 2 GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) except for the Group's Australian operating facilities which are within the scope of the Australian National Greenhouse and Energy Reporting scheme ("NGER"). The Group has applied the jurisdictional relief to use NGER to measure these emissions.

4.1 Operational GHG metrics

In FY26, the Group's total GHG emissions were 174,211 tonnes of carbon dioxide equivalent (tCO_2-e). This included 96,790tCO_2-e Scope 1 and 77,421tCO_2-e Scope 2 (location-based).

The Group applies an operational control approach to define its organisational boundary for the purposes of calculating its GHG emissions. The operational control approach reflects emissions from assets and operations where the Group has the authority to implement operating and environmental policies and therefore can directly influence and manage greenhouse gas emissions. Management considers this approach to provide the most relevant representation of the emissions associated with operations under its control.

All of Lynas' operating sites are under the control of the Group. The Group does not operate any joint ventures.

Scope 1 and scope 2 emissions for FY26 (tonnes CO_2-e) are outlined in the table below. Note, no contractual instruments such as renewable energy certificates are included in this reporting.

GHG emissions (tonnes CO_2 equivalent)

	Unit	FY26
Scope 1	tCO_2-e	96,790
Scope 2 (location based)	tCO_2-e	77,421
Total GHG emissions	tCO_2-e	174,211

Scope 1 emissions are direct GHG emissions from sources that are controlled by Lynas. In line with the Group's Climate Change Policy[17] and the Group's commitment to identify opportunities to reduce GHG emissions in our operations, a new 65MW Mt Weld hybrid renewable power station was commissioned and began operation in FY26 with Lynas' power purchase agreement (PPA) partner Zenith Energy. This power station is under Lynas' operational control. It includes wind, solar and battery energy storage components and is firmed by high efficiency gas turbines.

Scope 2 emissions are indirect emissions from the generation of purchased energy consumed by Lynas. This includes electricity Lynas buys from the electrical grid for use at operating sites in Kalgoorlie, WA; Kuantan, Malaysia as well as at the Group's head office in Perth, WA and accommodation village in Laverton, WA. Scope 2 emissions are measured using the location-based method which reflects average emissions factors for the electricity grids on which the Group consumes electricity.

During the year Lynas continued to enhance Scope 1 and Scope 2 GHG emissions data recording and reporting, including identifying opportunities for data automation to increase efficiency and accuracy and reduce manual data handling. The Group also continues to engage with suppliers to obtain more precise data.

4.2 Methodology for the calculation of GHG emissions

Calculation standard

For the calculation of the Scope 1 and 2 GHG emissions, the Group follows the guidelines and methodologies of the Greenhouse Gas (GHG) Protocol: Corporate Standard Reporting Standard (2004) and Australian National Greenhouse and Energy Reporting (NGER) legislation.

The Group has measured emissions via the operational control approach, as the operational control approach assumes accountability for emissions produced directly or indirectly through its activities. These boundaries reflect all the operations within the consolidated Group. The Group does not operate via any joint ventures. The Group applies emissions factors that best represent its activities as the basis for measuring greenhouse gas emissions.

Where applicable, NGER legislation and the NGER Measurement Determination have been used to support the identification of facilities, energy reporting and the calculation of Australian Scope 1 and Scope 2 emissions.

[17] https://lynasrareearths.com/wp-content/uploads/2023/11/Lynas-Climate-Change-Policy-28-Nov23.pdf

Scope	Emission Category	Activity	Methodology	Inputs (Estimates may be used where actual data not available)	Emission Factors (EF) Used
Scope 1	Mobile Combustion	Mobile Fuel – Diesel (cars and light vehicles)	Calculated by multiplying the quantity of fuel used by the relevant emissions factor	Diesel fuel consumption data logs	Consistent with Schedule 1, NGER Determination
	Stationary	Petroleum Products – Diesel fuel	Calculated by multiplying the quantity of fuel used by the relevant emissions factor	Diesel fuel consumption data logs	Consistent with Schedule 1, NGER Determination
	Stationary Combustion	Petroleum Products – Liquified Petroleum Gas (LPG)	Calculated by multiplying the quantity of fuel used by the relevant emissions factor	LPG consumption transaction data (invoices)	Consistent with Schedule 1, NGER Determination
	Other Process emissions	Carbonate and oxalate decomposition	Calculated by multiplying the quantity of mixed rare earth carbonate processed or rare earth oxide produced by stoichiometric emission factor derived from the balanced chemical reaction	Production data – quantity of mixed rare earth carbonate processed or rare earth oxide produced	Internally developed due to specific Lynas process
	Stationary Combustion (Malaysia)	Natural Gas	Calculated by multiplying the quantity of fuel used by the relevant emissions factor	Natural gas consumption transaction data (invoices)	NGA-2025 – Australian emissions factor used for consistency as no Malaysian emissions factor available
	Diesel Fuel-Petroleum products (Malaysia)	Other Process Emissions – Petroleum products	Calculated by multiplying the quantity of fuel used by the relevant emissions factor	Diesel fuel consumption data (invoices)	NGA-2025 – Australian emissions factor used for consistency as no Malaysian emissions factor available
	Liquified Natural Gas-Natural Gas	Stationary Combustion – Natural gas	Calculated by multiplying the quantity of fuel used by the relevant emissions factor	Gas consumption readings	Consistent with Schedule 1, NGER Determination
Scope 2	Electricity	Purchased electricity – Location based	Calculated by multiplying the quantity of electricity used by the relevant emissions factor	Invoice records	Consistent with Schedule 1, NGER Determination South-West Interconnected System in Western Australia
	Electricity – Laverton electricity grid (accommodation village)	Purchased electricity – Location based	Calculated by multiplying the quantity of electricity used by the relevant emissions factor	Invoice records	Consistent with Schedule 1, NGER Determination (The Darwin-Katherine Interconnected System)
	Malaysia – Peninsular	Purchased electricity – Location based	Calculated by multiplying the quantity of electricity used by the relevant emissions factor	Invoice records	MyEnergyStats-2024 (Peninsular Malaysia)
	Piped Supply-supplier specific	Purchased Steam – Supplier specific	Calculated by multiplying the quantity of steam supplied by the relevant emissions factor	Invoice records	Ecoinvent v3 – 2013

Capital deployment

Lynas provides the following summary of capital deployed by the Group in FY26 towards addressing CRROs, primarily the Mt Weld hybrid renewable power station.

Metric	Amount of capital expenditure deployed towards CRROs
Capital expenditure on renewable energy initiatives	$12.41m in payments made during FY26.
Right of Use Asset	$143.8m in Right of use assets recognised in FY26 in relation to the Solar and Wind components of the Mt Weld hybrid renewable power station.

4.3 Performance against climate-related objectives and actions

Lynas has an ambition to achieve net zero 2050 and the Group is working to develop GHG reduction targets and a climate transition plan to guide its progress towards achieving the targets.

The Board, on the advice of its Audit, Risk and ESG Committee, oversees the setting and monitoring of sustainability objectives, including climate-related actions. Progress towards climate-related actions is reported to the Board and reviewed at each meeting of the Audit, Risk and ESG Committee, which occurs at least twice annually.

The Group disclosed the following climate-related actions for FY26 and progress achieved during the year towards each action is outlined in the table below. Lynas continues to prioritise direct action to reduce GHG emissions through effective GHG mitigation actions and climate resilience initiatives.

Climate-related actions	FY26 progress
Complete work towards the Group's first Climate Transition Plan, including site based GHG reduction target for Lynas Malaysia	• Global GHG mapping completed and short, medium and long term GHG reduction opportunities identified for each site. • Climate Working Group assessing and prioritising opportunities for inclusion in the Group's first Climate Transition Plan. • Baseline established for Lynas Malaysia to enable target setting.
Mt Weld hybrid renewable power station commissioned and fully operational	• Construction and commissioning completed and full operation commenced 1H FY26; 93% average renewable content delivered in 2H FY26, well above 70% target.
Commission new Mt Weld water recycling plant and increase % tailings water recycled	• Commissioning completed and Mt Weld water recycling plant demonstrated ability to achieve 90% of tailings water recycled. Plant now in ramp up.

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 2026.

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 672,830 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, Risk and ESG 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 and ESG Committee, Health, Safety and Environment Committee, and Nomination, Remuneration and Community Committee.

Directors acting on the Committees of the Board during the year ended 30 June 2026:

For the period from 1 July 2025 to 28 February 2026:

Audit, Risk & ESG	Health, Safety & Environment	Nomination, Remuneration & Community
G. Murdoch(c)	P. Etienne(c)	V. Guthrie(c)
K. Bozanic(1)	V. Guthrie	J. Humphrey
P. Etienne	J. Beevers	G. Murdoch
J. Humphrey		J. Beevers
		K. Bozanic(1)

(c) Chair of Committee
(1) K Bozanic was appointed to the Board effective 17 October 2025

For the period from 1 March 2026 to 30 June 2026:

Audit, Risk & ESG	Health, Safety & Environment	Nomination, Remuneration & Community
K. Bozanic(c)	P. Etienne(c)	V. Guthrie(c)
G. Murdoch	V. Guthrie	J. Humphrey
P. Etienne	J. Beevers	G. Murdoch
J. Humphrey		J. Beevers
		K. Bozanic

(c) Chair of Committee

As summarised in the Corporate Governance Statement, the Audit Risk and ESG Committee consists of independent Directors.

The number of Directors' meetings held during the year and the number of Board and Board committee meetings are outlined in the table below:

	Directors' Meetings	Audit, Risk & ESG[1]	Health, Safety & Environment[1]	Nomination, Remuneration & Community[1]
Number of meetings held:	8	6	3	3
Number of meetings attended:				
A. Lacaze	8	6	–	–
P. Etienne	8	6	3	–
V. Guthrie	8	–	3	3
J. Humphrey	8	6	–	3
G. Murdoch	7	6	–	3
J. Beevers	8	–	3	3
K. Bozanic	5[2]	4[3]	–	2[4]

(1) Attendance at subcommittee meetings reflect relevant committee members only.
(2) K. Bozanic was appointed as a Director at the AGM on 17 October 2025 and was only eligible to attend 5 of the Directors Meetings during the year.
(3) K Bozanic was only eligible to attend 4 Audit, Risk and ESG meetings during FY26
(4) K Bozanic was only eligible to attend 2 Nomination, Remuneration and Community meetings during FY26

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 27 July 2026, Lynas announced it had entered into binding agreements with LS Eco Energy, a subsidiary of LS Cable & System, for the cross-subscription of convertible instruments to the value of approximately AUD 29m each. The convertible instruments each have a 0% interest rate, a maturity date of 5 years, and are convertible into ordinary shares at the election of the holder from 3 years after the date of issue at a conversion price referable to current trading prices. Completion of the issuances of the instruments is subject to customary conditions precedent.

Sustainability Report (voluntary)

Financial year ended 30 June 2026

The Lynas Sustainability Report (voluntary) for FY26 will be published on the Group's website, **www.lynasrareearths.com,** in October 2026.

Remuneration Report – Audited

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for the 2026 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. To deliver on this, we remunerate our people competitively and consistently with comparable employment market conditions. As the only commercial producer of separated light and heavy rare earths, Lynas' 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 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 FY26. While key Management Personnel (KMP) were consistent for the FY26 financial year, on 13 January 2026, the Chief Executive Officer and Managing Director, Amanda Lacaze, announced her intention to retire from the role after 12 years, effective from 30 June 2026. Amanda will remain employed as a consultant with Lynas until 30 September 2026. Amanda's significant contribution to Lynas has been recognised internationally, and her retirement package is included in this report. In accordance with the Performance Rights Plan rules, Amanda's unvested LTI and STI will remain on foot to be tested against the relevant performance conditions. Amanda's FY26 STI payment has been determined in the usual course with the Board exercising its discretion to make a cash payment in lieu of the usual award of performance rights. An ex-gratia payment equivalent to 6 months of Amanda's annual fixed remuneration has also been made in recognition of Amanda's service.

The Board is working through a CEO succession process, including a comprehensive global search given the important position of Lynas in the global rare earths market. Lynas Chief Operating Officer, Pol Le Roux, has been appointed Interim Chief Executive Officer while the Board completes the CEO search process.

Business performance

Following the announcement of the *Towards 2030* growth strategy in August 2025, the Group has focused on optimising the capital investments made as part of the *Lynas 2025* growth initiative and progressing the *Towards 2030* growth priorities. During the year, commissioning of new facilities at Mt Weld and Malaysia were completed and the ramp up of the new processing plant at Mt Weld contributed to the achievement of record half yearly NdPr production in the second half of FY26. From a growth perspective, the Group announced the heavy rare earths expansion project at Lynas Malaysia, produced the first Samarium (Sm) oxide, and progressed partnerships in metal and magnet making during the year.

The Group's FY26 financial performance also reflects improvements in rare earths market dynamics including higher market prices, the introduction of floor prices with strategic customers, and a sales mix that includes pricing independent of market index prices.

Remuneration outcomes

Remuneration outcomes for FY26 reflect the Group's business performance and global market dynamics during the year.

The Lynas Short Term Incentive (STI) rewards performance in core business drivers. In FY26, this included financial metrics and non-financial metrics, consistent with prior years. The financial performance metrics represented 40% of STI targets and were EBITDA, and NdPr Operating Costs. Non-financial performance metrics represented 60% of STI targets and covered: Strategic Plan/Business Plan; Workplace Health & Safety; Sustainability (including climate-related objectives); and People and Culture. Based on these outcomes, 70% of the STI will vest.

The Long Term Incentive (LTI) for the three year period from 1 July 2023 to 30 June 2026 had three components aligned with the creation of sustainable long term shareholder value. These were: Relative Total Shareholder Returns (TSR) assessed over a three year period, relative to other peer group companies; targets aligned with Lynas' strategic growth objectives; and sustainability targets. Lynas' TSR was assessed as being above the 94th percentile of ASX50 to 150 companies which a total positive shareholder return of 147.7% over the period. This excellent performance resulted in a vesting of this metric at maximum. The sustainability target was also exceeded, resulting in this measure vesting at maximum. Disappointingly, the strategic growth target in respect of production capacity was not achieved. As a result, overall achievement against the LTI was 60%.

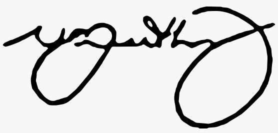
Summary

Ensuring that executive remuneration is aligned to delivering performance that drives shareholder value is a priority for the Lynas Board. For this reason, the Board considers it appropriate that a significant proportion of executive remuneration is 'at risk' or variable pay.

This year has seen the Group initiate and progress the *Towards 2030* growth initiative, continue the commissioning and ramp up of facilities constructed as part of the *Lynas 2025* capital investment program, optimise the sales pricing mix, and focus on expanding the heavy rare earth product range to meet market demand. As demonstrated by FY26 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 Board welcomes feedback on our remuneration strategy, and we thank you for your support as we continue to focus on attracting and retaining talent at Lynas to build and deliver value for all 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 2026. 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 2026 were as follows:

KMP	Position	Location	Term as KMP
Executive Director			
A. Lacaze	CEO and Managing Director	Australia	Full Financial Year (retired 30 June 2026)
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 (to 28 Feb 2026)	Australia	Full Financial Year
K. Bozanic	Non-Executive Director, Chair of the Audit Risk & ESG Committee (from 1 March 2026)	Australia	From 17 October 2025
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 only commercial producer of separated light and heavy rare earths oxides 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.

Lynas' 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 FY26. 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 FY26, three members of the Lynas Leadership Team and forty nine 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 FY26, 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 FY26, 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 FY26, 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 (40% 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 FY26 STI Plan the two financial performance conditions selected were: (1) EBITDA Target (20% weighting) and (2) NdPr Operating Costs (20% weighting).
Non-financial Performance Conditions (60% 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 FY26 STI Plan the areas selected for assessment were: (1) Progress on Strategic Plan/ Business Plan; (2) Workplace Health and Safety; (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 FY26 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 FY26 were selected by the Board for the following reasons:

- Strategic Initiatives: Initiatives planned to deliver value for shareholders.
- Workplace Health & Safety: 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 FY26.

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 FY26, three members of the Lynas Leadership Team and forty nine senior employees who are critical to the delivery of Lynas' long-term operational, financial and strategic 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 to 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 2028.
Performance Conditions	Three vesting conditions apply to the LTI grants made during FY26: • Relative Total Shareholder Return (TSR) • Strategic Target – Revenue Resilience • Sustainability Target

Relative TSR – 50% weighting	Relative TSR is assessed over a three year period from 1 July 2025 to 30 June 2028, 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 – Revenue Resilience – 40% weighting	This strategic target will measure the contribution to Lynas' EBITDA from new products and new customers. FY25 will be used as a baseline. EBITDA contribution from new customers and/or new products in respect of which there were no sales as at 30 June 2025 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%. Straight line vesting will occur between these thresholds.
Sustainability – 10% weighting	The Sustainability Target is to achieve greater than targeted 70% average renewable energy penetration at Mt Weld.
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 – 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 Sustainability 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 FY26

FY26 STI grant performance outcomes

An award at 70% of fixed remuneration for CEO and 52.5% of fixed remuneration for executive KMP will be made under the FY26 STI Plan. The table below sets out the outcomes of the FY26 STI Plan.

Performance outcome – financial performance conditions

Performance condition

In FY26, Lynas recorded performance on EBIDTA that exceeded maximum. Performance on NdPr Operating Costs was below the threshold.

Outcome

Performance Condition	Target	Actual	Weighting	Outcome of performance against target: Threshold 90%	Target 100%	Maximum 110%	CEO Outcome (% of Fixed Rem)	Executive KMP Outcome (% of Fixed Rem)
EBITDA	Forecast target[(1)]	Greater than 110% of target	20%				25%	18.75%
NdPr Operating Costs	Forecast Target[(1)]	Less than 90% of Target	20%				0%	0%

(1) The NdPr Operating Cost and EBITDA Target are commercial in confidence. The NdPr Operating Cost and EBITDA Targets are set by the Board at the beginning of the relevant financial year based on the annual budget and the Board calculates performance against these set Targets.

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 45% of fixed remuneration for the CEO and 33.75% of fixed remuneration for executive KMP for the non-financial performance conditions.

Performance Condition	Achievements	Outcome
Progress on Strategic Plan/ Business Plan	Performance against key strategic priorities as outlined in the Strategic Plan/Business Plan approved by the Board was assessed, including: • Progress towards 10.5kt p.a. production outcome • Improvements in overall equipment effectiveness (OEE) at each site • Delivery of target price premium over market price index • Renewal of Malaysian operating licence • Performance against the *Towards 2030* growth strategy	15%

Outcome – target achieved *continued*

Performance Condition	Target	Outcome
Progress on Strategic Plan/ Business Plan *continued*	The key performance achievements during FY26 were:	

Operational Performance:

- Mt Weld Expansion project achieving commissioning and ramp up at the top of the Mc Nulty ramp-up curves when compared with similar projects in Australia.
- Implementation of the ammonium bicarbonate process in Kalgoorlie to improve MREC quality.
- Improvement in overall equipment effectiveness at the Kalgoorlie Rare Earth Processing Facility.
- Lynas Malaysia demonstrating maximum capacity of cracking and leaching and solvent extraction with the next steps being to sustain operations at these capacities.

Sales & Marketing:

- Sales performance in FY26 year to date was strong and achieved a premium against benchmark price of 7.4% against a budgeted premium of 5.1%.
- Progress was achieved in relation to direct OEM contracts and the U.S. market.

Malaysian Operating Licence

- The Malaysian operating licence was renewed for 10 years in March 2026.

Lynas *Towards 2030* Strategy

- Add Resource and Scale:
  - Establishment of the resource development team and identification of potential new feedstock sources.
  - Scoping study for the development of the Mt Weld Carbonatite has been completed and a dedicated team established to progress the further stages of the feasibility assessment.
  - Mineral exploration & development MoU signed with JARE.
- Increase Downstream Capacity:
  - The HRE expansion project for expanded separation in Malaysia was announced in October 2025 and was progressed during the period.
  - The first product in the expanded product range, Samarium (Sm) oxide, was produced during the financial year.
- Expand into the Outside China metal and magnet supply chain:
  - Progress on partnerships with JS Link and LS Eco Energy.
  - Updated 12-year offtake and availability agreement with Japan Australia Rare Earths B.V. (JARE) for Japanese industry, with firm offtake for 5,000 tpa NdPr at US$110/kg floor price.
  - Secured US$96m U.S. Government offtake agreement with NdPr at US$110/kg floor price

Outcome – target achieved *continued*

Performance Condition	Target	Outcome
Workplace Health and Safety	Workplace Health and Safety performance was assessed, including the following measures: Lagging indicator: • TRIFR improvement (Threshold of 3.6 or below). Leading indicators: • Operationalise new risk register across all sites as a safety management tool • Standardise safety definitions and reporting in line with ICMM Health & Safety performance indicators, including mechanisms in root cause analysis • Implement incident reporting training (including near misses) to increase awareness Although the TRIFR improvement threshold was not achieved with an FY26 TRIFR of 4.1 per million hours worked, the 12-month rolling Lost Time Injury Rate reduced to 0.9 per million hours worked at 30 June 2026 (FY25: 1.8) and leading indicators were well progressed. The new risk register was operationalised and is being used by the sites in the assessment of all High Potential incidents. A global review of each critical event is conducted each 6 months involving a forum of all operational general managers and HSE leads. A revised incident reporting and investigation standard was implemented reflecting the ICMM Health & Safety performance indicators. On incident reporting training, a gap analysis was conducted and the roll out of training has commenced at all operating locations. There were no permanent disability injuries during FY26.	10%
Sustainability	Progress in sustainability was assessed. Including against the following targets: **Target:** Mt Weld hybrid renewable power station fully commissioned and operating by 30 June 2026. Maintain licences in good standing. Achieve “Satisfactory” or above rating in ATOM audit. Minor reportable loss of containment below FY25 levels. **Threshold:** Implement reporting improvements to meet requirements for Australian Accounting Standards Board (AASB) S2 *Climate-related Disclosures*. No severe loss of containment resulting in environmental harm. **Stretch:** Company-wide climate transition plan approved and implementation commenced at operational level. No reportable loss of containment.	10%

Outcome – target achieved *continued*

Performance Condition	Target	Outcome
Sustainability *continued*	The key performance achievements for FY26 were as follows: • Construction of the Mt Weld hybrid renewable power station was completed and full commissioning was completed ahead of schedule in the first half of the financial year. • All licences have been maintained in good standing. • A rating of “Very Satisfactory” was achieved by Lynas Malaysia in its annual ATOM compliance audit completed in January 2026. • Implementation of enhanced GHG reporting has successfully been completed during year, building on the work undertaken in FY25. • No loss of containment resulted in environmental harm during the financial year.	
People & Culture	Progress in people & culture initiatives was assessed, including against the following targets. **Target:** • Retain >80% of personnel in critical positions as identified by succession planning. • Achieve greater than 80% score for “Agree and Strongly Agree” in Staff Survey for the questions “I would recommend Lynas as a place to work”. • Roll out company-wide human behaviour consequence matrix. • Progress actions identified in 2024 Staff Engagement Survey. **Stretch:** • Year on year increase in women in operations roles (including at each operating location). • Year on year improvement in employment of indigenous peoples (either directly or through Lynas’ contractors). The key performance achievements in FY26 were as follows: • Retention of key personnel was achieved as there were no departures of personnel in critical positions as identified in the succession planning process other than as a result of planned retirements. • The company-wide human behaviour consequence matrix was rolled out. • Progress on the actions identified in the 2024 All Staff Engagement Survey were progressed as planned. The 2026 staff survey was deferred due to the transition of the CEO process. • Year on year increase in women in operations and indigenous employment was achieved.	10%

2023 LTI grant performance outcomes

The LTI performance rights issued in August 2023 to executive KMP and LLT members were granted subject to the following vesting conditions:

- **Relative TSR – 50% weighting**
- **Strategic Targets – 40% weighting**
- **Sustainability Targets – 10% weighting**

The table below sets the performance outcomes.

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 2023 to 30 June 2026. 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 – Achieved at 100%	RTSR was assessed by an external consultant, PWC. Lynas' TSR was at the 90th percentile of ASX200 companies (a total positive shareholder return of 147.7% over the period). 100% of the Relative TSR Performance Rights will vest.

Performance outcome – Strategic Targets

Vesting Condition	The Strategic Target vesting condition was by 30 June 2026 to delivery production capacity of greater than 10.5ktpa. Threshold achievement will occur at 10.5ktpa (50% vesting) with pro-rata assessment to maximum achievement at 12ktpa (100% vesting).
Outcome – Not achieved	The Strategic Target in respect of production capacity was not achieved.

Performance outcome – Sustainability Targets

Vesting Condition	The Sustainability Target is to deliver installed renewable capacity at Mt Weld with capacity to achieve greater than 50% of the energy requirements at Mt Weld.
Outcome – Achieved at 100%	The hybrid renewable power station at Mt Weld delivered at over 90% renewable energy capacity.

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 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026
Revenue ($'000)	920,014	739,279	463,285	556,512	977,945
Total REO production (tonnes per annum)	15,970	16,780	10,908	10,462	13,089
Sales volume (REO tonnes per annum)	15,263	16,014	12,158	10,970	12,122
Average selling price (per REO tonne)	60.27	46.16	38.10	50.60	80.68
Profit before tax ($'000)	535,756	347,835	105,500	9,739	256,056
Profit after tax ($'000)	540,824	310,666	84,514	7,990	222,352
Earnings before interest and tax (EBIT)	540,641	315,504	75,234	6,191	247,357
Shareholder capital ($'000)	1,859,598	2,091,089	2,091,089	2,091,089	3,005,375
Annual average share price	$8.51	$8.00	$6.53	$7.24	$15.99
Closing share price at financial year end	$8.73	$6.85	$5.93	$8.61	$18.06
Basic earnings / (loss) per share (cents)	59.95	34.05	9.04	0.85	22.15
Diluted earnings / (loss) per share (cents)	58.70	33.92	9.01	0.85	22.06

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 2026 has been calculated using the 5 day VWAP as at 30 June 2026.

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. RESIGNATION OF MANAGING DIRECTOR AND CEO

A Lacaze resigned as Managing Director and CEO effective 30 June 2026. She remains employed as a consultant until 30 September 2026.

Unvested Performance Rights

In respect of A Lacaze's unvested performance rights:

- by operation of the terms of the Performance Rights Plan, 21,255 unvested performance rights in respect of the FY25 STI will remain on foot and be eligible to vest in accordance with the terms of the Performance Rights Plan on the basis that A Lacaze remains employed by the Company pursuant to the relevant consultancy arrangements.
- by operation of the terms of the Performance Rights Plan, the 2023, 2024 and 2025 LTI performance rights granted to A Lacaze and approved by shareholders will remain on foot and be eligible to vest in accordance with the terms of the Performance Rights Plan and the original performance conditions

As a good leaver, A Lacaze has retained the following unvested performance rights:

Series	Grant date	Number	Vesting Date	Expiry date	Vesting Targets basis
CA	29 Nov 2023	161,263	31 August 2026	31 August 2028	Relative TSR
CB	29 Nov 2023	129,010	31 August 2026	31 August 2028	Strategic Targets
CC	29 Nov 2023	32,253	24 August 2026	24 August 2028	Sustainability
CJ	27 Nov 2024	168,545	31 August 2027	31 August 2029	Relative TSR
CK	27 Nov 2024	67,418	31 August 2027	31 August 2029	Strategic Targets
CL	27 Nov 2024	67,418	31 August 2027	31 August 2029	Strategic Targets
CM	27 Nov 2024	33,709	31 August 2027	31 August 2029	Sustainability
CR	26 Nov 2025	21,255	31 August 2026	31 August 2026	N/A – STI with Service period only
CS	26 Nov 2025	82,096	30 June 2028	30 June 2030	Relative TSR
CT	26 Nov 2025	65,677	30 June 2028	30 June 2030	Strategic Targets
CU	26 Nov 2025	16,420	30 June 2028	30 June 2030	Sustainability
Total		**845,064**			

FY26 STI

A Lacaze will remain eligible to receive STI payment in respect of FY26 in accordance with the terms of the Performance Rights Plans. The award will be determined and paid in the usual course except that the Board has exercised its discretion that a cash payment (in addition to the STI's usual 50% cash component) will be made to A Lacaze in lieu of the usual award of deferred performance rights.

Termination Payments

During the year ended 30 June 2026, Lynas paid:

- an ex Gratia payment of $772,294, equivalent to 6 months of A Lacaze existing annual fixed remuneration. This is included as a termination payment in Section J of this report.
- all remaining annual leave and long service leave obligations to A Lacaze as at 30 June 2026.

I. 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. FY26 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 2025 to 30 June 2026 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 2026 and 30 June 2025 is set out in Section I below.

J. DETAILS OF REMUNERATION

The figures included in the statutory table below for share based payments were not actually provided to the KMP during FY26 or FY25. 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.

Name	Short term benefits			Post-employment benefits		Long term benefits			
	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
FY26	$	$	$	$	$	$	$	$	$
Executive Director									
A. Lacaze[(1)]	1,525,918	1,646,519[(1)]	–	772,294	30,000	31,896	3,784,348	62%	7,790,975
Non-Executive Directors									
J. Humphrey	350,000	–	–	–	30,000	–	–	0%	380,000
P. Etienne	232,400	–	–	–	–	–	–	0%	232,400
G. Murdoch[(2)]	203,525	–	–	–	24,423	–	–	0%	227,948
V. Guthrie	226,800	–	–	–	–	–	–	0%	226,800
J. Beevers	207,200	–	–	–	–	–	–	0%	207,200
K. Bozanic[(3)]	130,665	–	–	–	15,680	–	–	0%	146,345
Executives									
S. Leonard	521,279	117,298	–	–	30,000	9,854	568,481	55%	1,246,912
G. Sturzenegger	663,826	150,051	–	–	–	–	693,464	56%	1,507,341
C Jenney	770,519	183,763	–	–	30,000	14,541	830,593	55%	1,829,416
P. Le Roux	835,294	201,877	115,498	–	105,314	–	961,690	52%	2,219,673
M. Ahmad	447,601	175,520	–	–	58,740	–	566,587	59%	1,248,448
Total	**6,115,027**	**2,475,028**	**115,498**	**772,294**	**324,157**	**56,291**	**7,405,163**	**57%**	**17,263,458**

(1) A. Lacaze resigned effective 30 June 2026. Included in her short term employee benefits include vesting of cash short term incentives related to the year ended 30 June 2026 and annual leave entitlements paid. Included in the share-based payment long-term benefits is the acceleration of vesting of FY24, FY25 and FY26 LTIs. Refer to Table H for details.

(2) G. Murdoch served as Chair of the Audit, Risk & ESG Committee to 28 February 2026.

(3) K. Bozanic was appointed to the Board effective 17 October 2025 and was appointed as Chair of the Audit, Risk & ESG Committee effective 1 March 2026.

Name	Short term benefits			Post-employment benefits		Long term benefits			
	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**

K. KMP EQUITY HOLDINGS

1. Shareholdings

The following table outlines the shares held directly, indirectly and beneficially by directors and KMP as at 30 June 2026.

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[(1)]	2,199,694	–	148,675	(329,688)	2,018,681	Met
P. Etienne	75,284	2,265	–	–	77,549	Met
J. Humphrey	70,000	2,265	–	–	72,265	Met
G. Murdoch	161,007	2,265	–	–	163,272	Met
V. Guthrie	15,000	1,740	–	–	16,740	Met
J. Beevers	27,787	2,265	–	–	30,052	Met
K. Bozanic	–	–	–	–	–	–
S. Leonard	56,148	–	37,829	(37,829)	56,148	Met
G. Sturzenegger	694,119**	–	44,278	(338,397)	400,000	Met
C. Jenney	37,993	–	54,959	(32,910)	60,042	Met
P. Le Roux	315,541	–	62,610	(308,091)	70,060	Met
M. Ahmad	181,876	–	35,645	(195,574)	21,947	Met
Total	**3,834,449**	**10,800**	**383,996**	**(1,242,489)**	**2,986,756**	

(1) A. Lacaze resigned effective 30 June 2026.

* The minimum shareholding test is measured using the 5 day VWAP to 30 June 2026 (FY26: $18.68). The minimum shareholding requirement is required to be met by 30 June 2030.

** The opening shareholding for G Sturzenegger has been adjusted to reflect a sale of 10,126 shares during FY25.

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
BW	13 Nov 2023	237,488	31 August 2026	25 August 2028	$ 0.00	$4.42
BX	13 Nov 2023	189,992	31 August 2026	25 August 2028	$ 0.00	$6.91
BY	13 Nov 2023	47,500	31 August 2026	25 August 2028	$ 0.00	$6.91
CA	29 Nov 2023	161,263	31 August 2026	25 August 2028	$ 0.00	$3.84
CB	29 Nov 2023	129,010	31 August 2026	25 August 2028	$ 0.00	$6.62
CC	29 Nov 2023	32,253	24 August 2026	24 August 2028	$ 0.00	$6.62
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
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
CN	25-May-26	36,260	31 August 2026	31 August 2026	$0.00	$19.00
CO	25-May-26	124,486	30 June 2028	30 June 2030	$0.00	$17.36
CP	25-May-26	99,590	30 June 2028	30 June 2030	$0.00	$19.00
CQ	25-May-26	24,899	30 June 2028	30 June 2030	$0.00	$19.00
CR (AGM)	26-Nov-25	21,255	31 August 2026	31 August 2026	$0.00	$15.00
CS (AGM)	26-Nov-25	82,096	30 June 2028	30 June 2030	$0.00	$12.48
CT (AGM)	26-Nov-25	65,677	30 June 2028	30 June 2030	$0.00	$15.00
CU (AGM)	26-Nov-25	16,420	30 June 2028	30 June 2030	$0.00	$15.00
Total		**2,099,853**				

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 2026:

	PRs issued to employees other than CEO			PRs issued to CEO		
	Series CN	**Series CO**	**Series CP & CQ**	**Series CR**	**Series CS**	**Series CT & CU**
Grant date	25 May 2026	25 May 2026	25 May 2026	26 Nov 2025	26 Nov 2025	26 Nov 2025
Fair Value per right	$19.00	$17.36	$19.00	$15.00	$12.48	$15.00
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Dividend yield	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Expected volatility	45%	45%	45%	45%	45%	45%
Risk-free Rate	4.6%	4.6%	4.6%	3.9%	3.9%	3.9%
Expiry date	31 Aug 2026	31 Aug 2030	31 Aug 2030	31 Aug 2026	31 Aug 2030	31 Aug 2030

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
25 May 2026	36,260	$19.00	$ 0.00	31 August 2026	31 August 2026
25 May 2026	124,486	$17.36	$ 0.00	31 August 2028	31 August 2030
25 May 2026	99,590	$19.00	$ 0.00	31 August 2028	31 August 2030
25 May 2026	24,899	$19.00	$ 0.00	31 August 2028	31 August 2030
26 November 2025	21,255	$15.00	$ 0.00	31 August 2026	31 August 2026
26 November 2025	82,096	$12.48	$ 0.00	31 August 2028	31 August 2030
26 November 2025	65,677	$15.00	$ 0.00	31 August 2028	31 August 2030
26 November 2025	16,420	$15.00	$ 0.00	31 August 2028	31 August 2030
Total	**470,683**				

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 2025 and 2026 financial years and those Performance Rights which have vested at each respective year-end.

30 June 2026	Balance at beginning of year	Granted	Grant date	Exercised	Forfeited	Net change	Balance at end of year
A. Lacaze[(1)]	1,001,494	185,448	26 Nov 2025	(148,675)	(193,206)	(156,433)	845,061
P. Etienne	–	–	–	–	–	–	–
J. Humphrey	–	–	–	–	–	–	–
G. Murdoch	–	–	–	–	–	–	–
V. Guthrie	–	–	–	–	–	–	–
J. Beevers	–	–	–	–	–	–	–
K. Bozanic	–	–	–	–	–	–	–
S Leonard	238,396	44,287	25 May 2026	(37,829)	(45,274)	(38,816)	199,580
G. Sturzenegger	281,661	54,971	25 May 2026	(44,278)	(52,819)	(42,126)	239,535
P. Le Roux	394,157	76,517	25 May 2026	(62,610)	(75,258)	(61,351)	332,806
M. Ahmad	225,119	45,150	25 May 2026	(35,645)	(41,371)	(31,866)	193,253
C. Jenney	346,412	64,310	25 May 2026	(54,959)	(66,145)	(56,794)	289,618
Total	**2,487,239**	**470,683**		**(383,996)**	**(474,073)**	**(387,386)**	**2,099,853**

(1) A Lacaze resigned effective 30 June 2026.

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 Nov 2024	(337,056)	(104,490)	(20,183)	1,001,494
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**

At 30 June 2026, no KMP had any performance rights that had vested and were exercisable (30 June 2025: nil).

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, 26 August 2026

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, 26 August 2026

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
ey.com/au

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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 for Lynas Rare Earths Limited and for the review of the selective sustainability information in the sustainability report for the financial year ended 30 June 2026, 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 and review.

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

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

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

Ernst + Young

Ernst & Young

T S Hammond
Partner
26 August 2026

Independent Auditor's Report

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
ey.com/au

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Report on the audit of the financial report

Opinion

We have audited the financial report of Lynas Rare Earths Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 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 under those standards are further described in the *Auditor's responsibilities for the audit of the financial 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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a separate opinion on these matters. For the 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 this matter. 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 matter below, provide the basis for our audit opinion on the accompanying financial report.

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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 2026 the Group's consolidated statement of financial position includes provisions of $338,805,000 in respect of such obligations as disclosed in Note D.5. The calculation of restoration provisions requires significant judgement and estimation, including in determining: ▪ The timing and extent of restoration obligations and activities required to comply with applicable environmental legislation and regulations. ▪ Cost estimates and restoration methods, informed by the work of specialist engineers and technical advisors. ▪ Liability-specific discount rates and inflation assumptions used to determine the present value of future obligations. The significant assumptions and estimates outlined above are inherently subjective. Changes to these assumptions can lead to changes in the restoration provisions. In this context, the disclosures set out in Note D.5 provide important information about the assumptions made in the calculation of the restoration provision and uncertainties at 30 June 2026. 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: ▪ Evaluating management's process for identifying legal and regulatory obligations for restoration and decommissioning and ensuring completeness of locations, infrastructure and facilities. ▪ Assessing 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, and evaluating whether the estimates prepared by those experts were appropriately reflected in the provision calculations. ▪ Inquiring about any changes in license conditions with respect to the management of WLP and NUF residues and assessing the appropriateness of changes in assumptions and calculations within the rehabilitation cost estimates as a result of these changed conditions. ▪ With the involvement of our subject matter specialists, assessing the appropriateness of the rehabilitation cost estimates, including evaluating changes in disturbed areas, cost assumptions and other key inputs to assess the reasonableness of management's current year estimate. ▪ Comparing current year cost estimates to those of the prior year and considering explanations from management and experts for observed changes. ▪ Testing the mathematical accuracy of the rehabilitation models and assessed the appropriateness of the assumed timing of cashflows, inflation and discount rate assumptions. ▪ Agreeing payments made during the year in connection with the rehabilitation of WLP and NUF to bank statements. ▪ Assessing the appropriateness of the classification of the rehabilitation provision as a current and non current liability at 30 June 2026. ▪ Assessing the adequacy of the disclosures relating to the Group's provisions for restoration and rehabilitation 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 2026 Annual Report other than the financial report and our auditor's report thereon and the Company's Sustainability Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon in this auditor's report, with the exception of the Remuneration Report and our related assurance opinion. We have issued a separate auditor's report on selective sustainability information included in the Sustainability Report.

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, 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.

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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.

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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 2026.

In our opinion, the Remuneration Report of Lynas Rare Earths Limited for the year ended 30 June 2026, 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

T S Hammond
Partner
Perth
26 August 2026

Year 1 Scope Limited Assurance Report

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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
ey.com/au

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Independent auditor's review report to the members of Lynas Rare Earths Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report of Lynas Rare Earths and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section 2.1 on pages 38 to 40
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section 1.4 on pages 33 to 36
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Sections 4.1 to 4.2 on pages 43 to 44

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by

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the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report and the Sustainability Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon in this review report . We have issued a separate auditor's report on the Financial Report and the Remuneration Report

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

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Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 28 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. 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.

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Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of Lynas Rare Earths Limited's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2.

Ernst + Young

Ernst & Young

T S Hammond
Partner
Perth
26 August 2026

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Financial Statements

as at 30 June 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June

In A$'000	Note	2026	2025
Revenue	A.1	977,945	556,512
Cost of sales	A.1	(585,493)	(426,696)
Gross profit		**392,452**	**129,816**
General and administration expenses	A.1	(140,068)	(106,597)
Net foreign exchange loss		(3,414)	(15,001)
Other expenses		(1,613)	(2,027)
Profit from operating activities		**247,357**	**6,191**
Financial income	A.2	38,512	17,378
Financial expenses	A.2	(29,813)	(13,830)
Net financial income		**8,699**	**3,548**
Profit before income tax		**256,056**	**9,739**
Income tax (expense)	A.4	(33,704)	(1,749)
Profit for the year		**222,352**	**7,990**
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		(13,230)	94,733
Total other comprehensive (loss) / income for the year, net of income tax		(13,230)	94,733
Total comprehensive income for the year attributable to equity holders of the Company		**209,122**	**102,723**

	Note	cents per share	cents per share
Earnings per share			
Basic earnings per share (cents per share)	A.3	22.15	0.85
Diluted earnings per share (cents per share)	A.3	22.06	0.85

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	2026	2025
Assets			
Cash and cash equivalents	C.1	504,128	166,490
Short Term Deposits	C.2	704,971	–
Trade and other receivables	D.1	148,212	49,002
Tax receivable		33,492	24,137
Prepayments		5,499	14,161
Inventories	D.2	227,593	176,121
Total current assets		**1,623,895**	**429,911**
Inventories	D.2	13,216	12,021
Property, plant and equipment	B.1	2,269,788	2,235,291
Right of use	B.2	210,484	46,401
Deferred development expenditure	B.1	129,349	115,287
Intangible assets		1,659	1,808
Deferred tax assets	A.4	–	6,457
Other non-current assets	D.3	79,996	97,042
Total non-current assets		**2,704,492**	**2,514,307**
Total assets		**4,328,387**	**2,944,218**
Liabilities			
Trade and other payables	D.4	107,402	83,521
Borrowings	C.3	27,681	29,166
Employee benefits	D.5	8,780	7,176
Provisions	D.5	24,897	27,355
Lease liabilities	B.2	4,978	4,623
Total current liabilities		**173,738**	**151,841**
Borrowings	C.3	92,000	122,092
Deferred tax liabilities	A.4	43,234	
Employee benefits	D.5	1,439	850
Provisions	D.5	313,908	270,565
Lease liabilities	B.2	213,677	46,165
Total non-current liabilities		**664,258**	**439,672**
Total liabilities		**837,996**	**591,513**
Net assets		**3,490,391**	**2,352,705**
Share capital	C.5	3,005,375	2,091,089
Retained earnings		450,752	228,400
Reserves	C.6	34,264	33,216
Total equity attributable to the equity holders of the Company		**3,490,391**	**2,352,705**

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	Ref	Share capital	Retained earnings	Foreign currency translation reserve	Equity settled employee benefits reserve	Warrant reserve	Total
Balance at 1 July 2025		2,091,089	228,400	(68,693)	80,144	21,765	2,352,705
Other comprehensive loss for the year		–	–	(13,230)	–	–	(13,230)
Total profit for the year		–	222,352	–	–	–	222,352
Total comprehensive profit for the year		**–**	**222,352**	**(13,230)**	**–**	**–**	**209,122**
Issue of shares, net of issues costs	C.5	914,286	–	–	–	–	914,286
Employee remuneration settled through share-based payments	E.7	–	–	–	14,278	–	14,278
Balance at 30 June 2026		**3,005,375**	**450,752**	**(81,923)**	**94,422**	**21,765**	**3,490,391**
Balance at 1 July 2024		2,091,089	220,410	(163,426)	72,967	21,765	2,242,805
Other comprehensive gain 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**

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	2026	2025
Cash flows from operating activities			
Receipts from customers		887,355	550,739
Payments to suppliers and employees		(547,867)	(389,636)
Royalties paid		(8,774)	(6,124)
Payments for discharge of rehabilitation obligation	D.5	(19,555)	(30,314)
Income taxes refunded / (paid)		7,651	(20,498)
Net cash from operating activities	C.1	**318,810**	**104,167**
Cash flows from investing activities			
Payments for property, plant and equipment and development expenditure		(178,268)	(430,823)
Grants received in relation to property, plant and equipment		6,925	5,500
Security bonds paid		(18)	(142)
Security bonds refunded		34	34
Interest received		32,226	19,241
Deposits made		(707,559)	–
Net cash used in investing activities		**(846,660)**	**(406,190)**
Cash flows from financing activities			
Interest and other financing costs paid		(4,831)	(6,341)
Proceeds from the issue of share capital		932,573	–
Payment of share issue transaction costs		(18,287)	–
Repayment of lease liabilities		(20,561)	(7,569)
Repayment of borrowings		(29,463)	(31,390)
Net cash provided used in financing activities		**859,431**	**(45,300)**
Net increase / (decrease) in cash and cash equivalents		331,581	(347,323)
Cash and cash equivalents at the beginning of the year		166,490	523,838
Effect of exchange rate fluctuations (net) on cash held		6,057	(10,025)
Closing cash and cash equivalents	C.1	**504,128**	**166,490**

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 2026

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 2026 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 26 August 2026.

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.

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 2026. Information for the comparative year is for the 12 month period ended 30 June 2025.

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 2026/183 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 2026, 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), Lynas France SAS (Euro) 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.

15% (FY25: 16%) of the Group's non-current assets are located in Malaysia and the remaining 85% (FY25: 84%) 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 FY26 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 2026 Rare Earth Operations	Corporate/ Unallocated	Total Continuing Operations	For the year ended 30 June 2025 Rare Earth Operations	Corporate/ Unallocated	Total Continuing Operations
Business segment reporting						
Revenue from contracts with customers	934,490	–	934,490	542,665	–	542,665
Other revenue:						
Revenue adjustments	43,455		43,455	13,847		13,847
Total revenue	**977,945**	**–**	**977,945**	**556,512**	**–**	**556,512**
Cost of sales (excl depreciation)	(487,181)		(487,181)	(363,458)		(363,458)
Cost of sales (depreciation)	(98,312)	–	(98,312)	(63,238)	–	(63,238)
Gross profit	**392,452**	**–**	**392,452**	**129,816**	**–**	**129,816**
Employee and production costs net of costs recovered through production[1]	(30,701)	(17,134)	(47,835)	(21,149)	(12,027)	(33,176)
Depreciation expenses net of cost recovered through production[1]	(37,128)	(3,241)	(40,369)	(29,904)	(1,853)	(31,757)
Other general and administration expenses[2]	(27,750)	(24,114)	(51,864)	(31,297)	(10,367)	(41,664)
Total general and admin expenses	**(95,579)**	**(44,489)**	**(140,068)**	**(82,350)**	**(24,247)**	**(106,597)**
Other income / (expenses)	–	(1,613)	(1,613)	–	(2,027)	(2,027)
Net foreign exchange gain / (loss)	–	(3,414)	(3,414)	–	(15,001)	(15,001)
Profit/(loss) before interest and tax ("EBIT")	**296,873**	**(49,516)**	**247,357**	**47,466**	**(41,275)**	**6,191**
Other financial income			38,512			17,378
Financial expenses			(29,813)			(13,830)
Profit before income tax			**256,056**			**9,739**
Income tax expense			(33,704)			(1,749)
Profit for the year			**222,352**			**7,990**
EBIT[3]	296,873	(49,516)	247,357	47,466	(41,275)	6,191
Depreciation and amortisation	135,440	3,241	138,681	93,142	1,853	94,995
EBITDA[3]	**432,313**	**(46,275)**	**386,038**	**140,608**	**(39,422)**	**101,186**
Included in EBITDA:						
Non-cash employee remuneration settled through share based payments comprising:						
Share based payments expense for the year	14,278	–	14,278	7,177	–	7,177
Other expenses	–	1,613	1,613	–	2,027	2,027
Adjusted EBITDA[3]	**446,591**	**(44,662)**	**401,929**	**147,785**	**(37,395)**	**110,390**
Total assets	**2,841,161**	**1,487,226**	**4,328,387**	**1,501,389**	**1,451,291**	**2,952,680**
Total liabilities	**(656,765)**	**(181,231)**	**(837,996)**	**(422,504)**	**(169,009)**	**(591,513)**

(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 2026	2025
Interest income on cash and cash equivalents and short term deposits	38,512	17,378
Total financial income	**38,512**	**17,378**
Interest expense on financial liabilities:		
Interest expense on JARE loan facility	(4,317)	(5,474)
Unwinding of effective interest on JARE loan facility	(5,270)	(6,364)
Interest capitalised to qualifying assets	6,569	11,838
Unwinding of discount on restoration and rehabilitation provision	(11,177)	(11,208)
Interest expense on lease liabilities	(15,018)	(2,260)
Discount unwinding on AELB deposit	380	372
Financing transaction costs and fees	(980)	(734)
Total financial expenses	**(29,813)**	**(13,830)**
Net financial income	**8,699**	**3,548**

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	**2026**	**2025**
Net earnings attributed to ordinary shareholders	222,352	7,990
Earnings used in calculating basic earnings per share	222,352	7,990
Net earnings impact of assumed conversions of diluted EPS	–	–
Earnings used in calculating diluted earnings per share	222,352	7,990
Number of ordinary shares on issue ('000)	1,006,503	935,447
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	1,003,742	935,080
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	1,007,788	939,648
	cents per share	cents per share
Basic earnings per share (cents per share)	22.15	0.85
Diluted earnings per share (cents per share)	22.06	0.85

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

	As at 30 June	
Number (000's)	**2026**	**2025**
Performance rights	4,046	4,569
Total	**4,046**	**4,569**

A.4. Income taxes

A.4.1. Income tax expense

In A$'000	For the year ended 30 June 2026	2025
Current tax		
Current tax (benefit) / expense in respect of the current year	(14,911)	2,316
Adjustments recognised in the current year in relation to the current tax in prior years	(1,076)	–
	(15,987)	**2,316**
Deferred tax		
Deferred tax expense / (benefit) recognised in the year	49,691	(567)
Total income tax expense relating to the continuing operations	**33,704**	**1,749**

A.4.2. Reconciliation of income tax to tax expense

In A$'000	For the year ended 30 June 2026	2025
Profit before tax for continuing operations	256,056	9,739
Income tax expense calculated at Statutory Rate (Australia 30%, Malaysia 24%) (2025:Australia 30%)	67,750	2,922
Add / (deduct):		
Effect of expenses that are not deductible and income that is not assessable in determining taxable profit	13,693	9,640
Effect of difference in tax rate in subsidiaries and branches	87	(424)
Adjustments recognised in the current year in relation to the current tax in prior years	(1,076)	–
Effect of current year losses not recognised	349	–
Effect of tax exemption due to pioneer status in Malaysia	(24,858)	(10,526)
Effect of prior period losses previously unrecognised, now recognised	(21,781)	–
Deferred tax on origination / reversal of temporary differences	(472)	–
Other adjustments	12	137
Total current year income tax expense	**33,704**	**1,749**

A.4 Income taxes continued

A.4.3. Movements in deferred tax balances

In A$'000	Balance at 1 July 2025	Recognised in profit or loss	Relating to equity	Recognised in OCI	Over/Under prior year	Balance at 30 June 2026
Temporary differences						
Inventory	(4,247)	(5,506)	–	–	103	(9,650)
Development expenditure	(49,137)	(4,153)	–	–	–	(53,290)
Property plant and equipment	(11,804)	(13,348)	–	–	(38,310)	(63,462)
Borrowings	17,492	(3,832)	–	–	112	13,772
Trade payables	901	8,708	–	–	1	9,610
Lease liabilities	4,220	2,115	–	–	(2,911)	3,424
Provisions	23,574	3,195	–	–	–	26,769
Trademarks – CGT Asset	11	–	–	–	–	11
Other	(538)	28	–	–	1,376	866
Foreign Exchange	837	(13,347)	–	–	(837)	(13,347)
Tax Losses	25,119	(6,627)	–	–	23,572	42,064
Prepayments	30	(30)	–	–	–	–
Net deferred tax asset / (liabilities) recognised	**6,457**	**(32,797)**	**–**	**–**	**(16,894)**	**(43,234)**

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**

A.4.4. Unrecognised deferred tax assets

	As at 30 June	
In A$'000	**2026**	**2025**
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	5,851
Malaysia	–	75,553
United States	3,911	3,545
Malawi	234	44

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 forecast taxable profits arising in each jurisdiction that Lynas operates.

Following the conclusion of the current terms of the pioneer period status (tax holiday) in February 2026, Lynas Malaysia has become a taxpayer for all activities in Malaysia. Lynas Malaysia has recognised previously unbooked tax losses as a result of this change in status. As a result, the recognised deferred asset relates to temporary differences and tax losses generated within the Australian tax group and within Malaysia.

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 FY26, a capitalisation rate of 6.7% was applied. (FY25: 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 – refer to Note B.3

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 2026										
Cost	31,209	2,427,702	17,178	202,173	442,903	130,188	**3,251,353**	55,355	110,453	**165,808**
Accumulated impairment losses	–	(204,951)	(419)	(258)	–	(7,994)	**(213,622)**	(4,321)	–	**(4,321)**
Accumulated depreciation	(5,692)	(657,452)	(11,351)	–	(76,225)	(17,223)	**(767,943)**	(8,522)	(23,616)	**(32,138)**
Carrying amount	**25,517**	**1,565,299**	**5,408**	**201,915**	**366,678**	**104,971**	**2,269,788**	**42,512**	**86,837**	**129,349**
Opening cost	31,659	2,110,797	17,092	475,728	399,004	23,847	**3,058,127**	54,658	89,327	**143,985**
Opening accumulated impairment and depreciation	(5,454)	(726,868)	(9,803)	(272)	(61,376)	(19,063)	**(822,836)**	(12,624)	(16,074)	**(28,698)**
Opening carrying amount	**26,205**	**1,383,929**	**7,289**	**475,456**	**337,628**	**4,784**	**2,235,291**	**42,034**	**73,253**	**115,287**
Additions	–	4,399	–	121,704	47,707	15	**173,825**	908	20,116	**21,024**
Disposals	–	(41)	–	(2)	–	–	**(43)**	–	–	**–**
Depreciation expense	(319)	(104,628)	(2,040)	–	(15,814)	(6,397)	**(129,198)**	–	–	**–**
Amortisation expense	–	–	–	–	–	–	**–**	(430)	(6,532)	**(6,962)**
Impairment loss	–	(1,751)	–	–	–	–	**(1,751)**	–	–	**–**
Government grants received	–	–	–	(6,925)	–	–	**(6,925)**	–	–	**–**
Capitalised interest	–	–	–	6,569	–	–	**6,569**	–	–	**–**
Transfers within PPE	–	285,779	172	(392,600)	–	106,649	**–**	–	–	**–**
Foreign currency translation	(369)	(2,388)	(13)	(2,287)	(2,843)	(80)	**(7,980)**	–	–	**–**
Carrying amount at 30 June 2026	**25,517**	**1,565,299**	**5,408**	**201,915**	**366,678**	**104,971**	**2,269,788**	**42,512**	**86,837**	**129,349**

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

	Property, Plant and Equipment							Development Expenditure		
In A$'000	**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 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**

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 2025 or 30 June 2026.

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 fired 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 at 30 June 2025, only the Diesel and Gas asset meets the criteria for recognition under AASB16.

During the year ended 30 June 2026, the remaining Solar and Wind assets became available for use, and therefore these assets have now been recognised as a Right-of-Use asset. There are no further lease commitments under the contract that have not been recognised as a Right of Use Asset.

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:

In A$'000	As at 30 June 2026 Right of Use Assets	As at 30 June 2025 Right of Use Assets
At 1 July	46,401	9,762
Additions	154,850	42,965
Changes to inflation rate assumptions	21,951	–
Depreciation expense	(12,770)	(7,444)
Other lease modifications	56	(147)
Foreign currency translation	(4)	1,265
Closing as at 30 June 2026	**210,484**	**46,401**

In A$'000	Lease liabilities	Lease liabilities
At 1 July	50,788	12,140
Additions	151,484	42,965
Changes to inflation rate assumptions	21,951	–
Payments	(20,561)	(7,569)
Accretion of interest	15,018	2,260
Other	(25)	992
Closing as at 30 June 2026	**218,655**	**50,788**
Current	(4,978)	(4,623)
Non-current	(213,677)	(46,165)
Total Lease Liabilities	**(218,655)**	**(50,788)**

Lease capital commitments

	As at 30 June	
In A$'000	**2026**	**2025**
Less than one year	–	8,656
Between one and five years	–	20,728
More than five years	–	52,341
Total	**–**	**81,725**

All former lease commitments have now been recognised in the lease liability.

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 $1.7m of impairment expense recognised on specific assets at during FY26 (FY25: $1.0m). There was no reversal of prior period impairment loss recognised in FY26 (FY25: 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 19-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 19 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	**2026**	**2025**
Cash at bank and on hand	233,984	101,744
Cash deposits	270,144	64,746
Total cash and cash equivalents	**504,128**	**166,490**

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$278.2m in currencies other than Australian dollars, primarily US$122.8m (30 June 2025: US$59.3m) and MYR 279.5m (30 June 2025: MYR 120.2m).

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

	For the year ended 30 June	
In A$'000	**2026**	**2025**
Profit for the year	222,352	7,990
Adjustments for:		
Depreciation and amortisation	138,681	94,995
Share-based payments	14,278	7,177
Net financial income	(8,699)	(3,548)
Impairment loss / other non-cash loss	(1,613)	(2,027)
Income tax expense	33,704	1,749
Foreign exchange loss included in profit for the year	(3,414)	(15,001)
Change in trade and other receivables	(99,210)	648
Change in inventories	(52,667)	56,397
Change in operating trade and other payables	48,332	5,073
Change in employee benefit provision	2,193	1,526
Change in provisions (rehabilitation obligation)	(19,555)	(30,314)
Change in deferred tax liability	36,777	–
Income tax paid / (received)	7,651	(20,498)
Net cash from operating activities	**318,810**	**104,167**

C.2. Short-term Deposits

In A$'000	As at 30 June 2026	As at 30 June 2025
Short term deposits	704,971	–
Total short-term deposits	**704,971**	**–**

Short-term deposits are held with major Australian financial institutions and have original maturities of greater than 3 months but less than 12 months.

C.3. Interest Bearing Liabilities

In A$'000	As at 30 June 2026	As at 30 June 2025
Current borrowings		
JARE loan facility(1)	27,681	29,166
Total current borrowings	**27,681**	**29,166**
Non-current borrowings		
JARE loan facility	92,000	122,092
Total non-current borrowings	**92,000**	**122,092**

(1) In line with the repayment schedule below, payments of US$10m (AU$13.8m) are due 31 December 2026 and 30 June 2027. These have been classified as current liabilities at 30 June 2026.

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% (FY25: 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 2026		As at 30 June 2025	
	Carrying amount (AUD '000)	**Fair value** (AUD '000)	**Carrying amount** (AUD '000)	**Fair value** (AUD '000)
JARE loan facility	119,681	113,398	151,258	142,987
	119,681	**113,398**	**151,258**	**142,987**

Terms and debt maturity schedule

				As at 30 June 2026		As at 30 June 2025	
	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	90,000	130,770	110,000	168,404
				90,000	**130,770**	**110,000**	**168,404**

Reconciliation of liabilities arising from financing activities

	1 July 2025		**Cash flows**			**30 June 2026**
In A$'000	**Opening Balance**	**Repayments**	**Effective Interest**	**Foreign Exchange**	**Additions(1)**	**Closing Balance**
JARE loan facility	151,258	(29,463)	5,270	(7,384)	–	**119,681**
Lease liability	50,787	(20,561)	15,018	(24)	173,435	**218,655**
Total	**202,045**	**(50,024)**	**20,288**	**(7,408)**	**173,435**	**338,336**

(1) Additions in the non-cash movements in the lease liability during the year ended 30 June 2026 related to finance leases recognised in line with AASB 16.

	1 July 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	991	42,965	50,787
Total	**183,978**	**(38,959)**	**8,624**	**5,437**	**42,965**	**202,045**

(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.

C.4. 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 2026 (30 June 2025: 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 2026 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.5. Contributed equity

	As at 30 June			
	2026		2025	
	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	**935,447**	**2,091,089**	**934,718**	**2,091,089**
Issue of shares pursuant to exercised performance rights	673	–	729	–
Issue of shares pursuant to equity raising	70,383	914,286	–	–
Closing balance	**1,006,503**	**3,005,375**	**935,447**	**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.6. Reserves

	As at 30 June	
In A$’000	**2026**	**2025**
Equity settled employee benefits	94,422	80,144
Foreign currency translation	(81,923)	(68,693)
Warrant reserve	21,765	21,765
Balance at 30 June	**34,264**	**33,216**

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.7. 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 2026	Interest Rate Risk		30 June 2025	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	504,128	5,041	(5,041)	166,490	1,665	(1,665)
Short-term deposits	704,971	7,050	(7,050)			
Other non-current assets	18,793	187	(187)	18,698	187	(187)
Total	**1,227,892**	**12,278**	**(12,278)**	**185,188**	**1,852**	**(1,852)**

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 2026						
JARE loan facility	119,681	138,456	16,183	15,976	106,297	–
Lease liabilities	218,655	471,092	14,037	14,037	100,534	342,484
Total	**338,336**	**609,548**	**30,220**	**30,013**	**206,831**	**342,484**
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**

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$'000		Carrying Amount	Profit	Equity	Profit	Equity
As at 30 June 2026						
Net exposure of US$ financial assets	US$	63,403	5,004	–	(5,004)	–
Net exposure of A$ financial assets	A$	2,846	541	–	(541)	–
Net asset exposure – MYR currency	MYR	1,929,520	–	(62,743)	–	76,686
Net asset exposure – US$ currency	US$	(5,619)	–	818	–	(818)
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)

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	**2026**	**2025**
Trade receivables at amortised cost	114,484	30,482
Trade receivables at fair value	20,029	14,249
GST / VAT receivables	4,113	3,448
Other receivables	9,586	823
Total current trade and other receivables	**148,212**	**49,002**

The Group's exposure to credit risk is primarily in all its trade receivables. As at 30 June 2026 $9.4m (2025: $1.4m) of trade receivables were past due but not impaired. The full amount has been received subsequent to 30 June 2026. Where debtors become overdue, the Group maintains regular contact and has a history of collecting trade receivables in full.

At 30 June 2026, the Group had sales under contract amounting to A$169.3m (US$116.4m) (30 June 2025: A$103.4m (US$67.5m)) subject to price adjustments. A 5% change in NdPr Pricing at 30 June 2026 would have resulted in an increase/decrease in the fair value of the trade receivable by $9.5m (2025: $5.7m). At the date of this report, A$73.4m (US$49.9m) 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	**2026**	**2025**
Raw materials and consumables	60,623	39,655
Work in progress	126,605	115,368
Finished goods	53,581	33,119
Total inventories	**240,809**	**188,142**
Current inventories	227,593	176,121
Non-current inventories	13,216	12,021
Total inventories	**240,809**	**188,142**

During the year ended 30 June 2026 inventories of $585.0m (2025: $418.2m) 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 2026 and 2025 respectively in the following categories:

	Recognised in General and Administration Expense		Recognised in Inventory		Total	
In A$'000	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Property, plant and equipment and right of use assets	32,764	27,456	109,163	63,238	141,927	90,694
Deferred development expenditure	6,962	3,674	–	–	6,962	3,674
Intangibles	831	627	–	–	831	627
Total	**40,557**	**31,757**	**109,163**	**63,238**	**149,720**	**94,995**

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 $98.1m in the year ended 30 June 2026 (2025: $63.2m).

Write downs of inventory

During the year ended 30 June 2026, there were no inventory write-downs to net realisable value. (2025: $1.9m)

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	**2026**	**2025**
Security deposits – banking facilities and other, Malaysia	2,533	2,541
Security deposits – banking facilities and other, Australia	13,395	16,157
Security deposits – AELB	64,068	78,344
	79,996	**97,042**

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$31.2m (A$45.3m) (FY25: 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$6.9m (FY25: 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 2026	As at 30 June 2025
Trade payables	32,150	39,016
Accrued expenses	52,691	33,106
Other payables	22,561	11,399
Total trade and other payables	**107,402**	**83,521**
Current	107,402	83,521
Non-current	–	–
Total trade and other payables	**107,402**	**83,521**

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 2026	As at 30 June 2025
Current		
Short term employee benefits	8,780	7,176
Restoration and rehabilitation(1)	24,897	27,355
Total current	**33,677**	**34,531**
Non-Current		
Long term employee benefits	1,439	850
Restoration and rehabilitation	313,908	270,565
Total non-current	**315,347**	**271,415**

(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 2026 to assist in estimating the restoration and rehabilitation provisions at Mt Weld and Lynas Kalgoorlie as at 30 June 2026. 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 2026	2025
Restoration and Rehabilitation		
Balance at the beginning of the year	297,920	279,281
Provisions made during the year	71,098	31,867
Provisions paid during the year	(19,555)	(30,314)
Changes to discounts rates	(18,730)	(20,238)
Effects of foreign exchange movement	(3,105)	26,116
Unwinding of discount on provision	11,177	11,208
Balance at 30 June	**338,805**	**297,920**

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. The planned timing of closure and rehabilitation activities at Mt Weld, Kalgoorlie and Lynas Malaysia (other than the residues disclosed below) are currently approximately aligned to the life of mine assumptions at Mt Weld. However, regulatory, operational, environmental or market factors could result in those activities occurring earlier than currently assumed.

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 2026. 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 $19.6m (FY25: $30.3m) in relation to the discharge of rehabilitation liabilities are recognised in the Statement of Cash Flows as an operating cash outflow.

The Group has included its best estimate of the timing of these costs within the provision for restoration and rehabilitation at 30 June 2026.

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, short term deposits, and deposits included in "other assets" 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 (FY25: 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	**2026**	**2025**
Less than one year	613	594
Between one and five years	1,030	1,373
More than five years	1,436	3,912
Total	**3,079**	**5,879**

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	**2026**	**2025**
Less than one year	–	53,147
Between one and five years	–	55,247
More than five years	–	183,558
Total	**–**	**291,952**

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. At 30 June 2026, there are no significant capital commitments remaining associated to the Mt Weld expansion project and the Zenith Power Station has been fully recognised as a lease.

E.3. Auditor remuneration

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

	For the year ended 30 June	
In A$	**2026**	**2025**
Auditor's remuneration to Ernst & Young (Australia), comprising:		
Fees for auditing the statutory financial report of the parent covering the group	429,399	370,564
Fees for other services		
Tax Services	–	–
Other assurance and agreed upon procedures	95,000	58,300
Advisory Services	–	–
Total auditor's remuneration Ernst & Young (Australia)	**524,399**	**428,864**
Auditor's remuneration to Ernst & Young (other locations), comprising:		
Fees for auditing the financial report of any controlled entities	177,913	163,000
Fees for other services		
Tax Services	–	30,374
Total auditor's remuneration Ernst & Young (other locations)	**177,913**	**193,374**
Total auditor's remuneration	**702,312**	**622,238**

Other tax service fees paid to EY Australia and other locations in FY25 and FY26 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**	**2026**	**2025**
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%
Lynas France SAS	Provision of corporate services	France	100%	–
Lynas OpCo Pty Ltd	Holding company	Australia	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 2026	As at 30 June 2025
Current assets	564,350	13,708
Total assets	**2,353,329**	**1,455,622**
Current liabilities	(27,680)	(29,294)
Total liabilities	**(145,845)**	**(177,552)**
Net assets	**2,207,484**	**1,278,070**
Share capital	3,005,375	2,091,089
Accumulated deficit	(1,149,258)	(1,150,108)
Reserves	351,367	337,089
Total shareholders' equity	**2,207,484**	**1,278,070**
Loss of the Company	(850)	13,771
Total comprehensive profit/ (loss) of the parent Company	**(850)**	**13,771**

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 2026	2025
Cash and cash equivalents	276,267	40,992
Short-term deposits	538,155	–
Trade and other receivables	483,577	96,810
Inventories	73,280	47,563
Total current assets	**1,371,279**	**185,365**
Inventories	13,216	12,021
Property, plant and equipment	1,790,860	1,586,410
Deferred exploration, evaluation and development expenditure	129,349	115,287
Intangibles	637	216
Investments in subsidiaries	375,094	375,080
Other assets	7,735	82,273
Total non-current assets	**2,316,891**	**2,171,288**
Total assets	**3,688,170**	**2,356,652**
Trade and other payables	106,368	73,792
Borrowings	27,681	29,166
Employee benefits	7,866	6,355
Lease liability	4,955	4,553
Intercompany payables	817,341	510,288
Total current liabilities	**964,211**	**624,153**
Provisions	96,029	68,327
Employee benefits	1,439	850
Lease liability	92,000	122,092
Borrowings	211,987	44,372
Total non-current liabilities	**401,455**	**235,640**
Total liabilities	**1,365,666**	**859,794**
Net assets	**2,322,504**	**1,496,858**
Share capital	3,005,375	2,091,089
Accumulated deficit	(880,326)	(786,969)
Reserves	197,455	192,738
Total equity	**2,322,504**	**1,496,858**

E.6. Parent entity Information continued

Statement of comprehensive income

In A$'000	For the year ended 30 June 2026	2025
Revenue	477,511	194,352
Cost of sales	(261,106)	(142,541)
Gross profit	**216,405**	**51,811**
Other income / (expenses)	1	(738)
Foreign exchange gains / (losses)	4,890	(1,310)
General and administration expenses net of recoveries	(123,047)	(63,366)
Impairment charges	(1,751)	(3,162)
Profit / (loss) from operating activities	**94,498**	**(16,765)**
Financial income	37,696	22,185
Financial expenses	(13,672)	(15,585)
Net financial income	**24,024**	**6,600**
Profit / (loss) before income tax	**120,522**	**(10,165)**
Income tax benefit / (expense)	(40,737)	756
Profit / (loss) for the year from continuing operations	**79,785**	**(9,409)**
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	**79,785**	**(9,409)**

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 2026	2025
Wages and salaries	100,081	79,619
Superannuation and pension contributions	9,660	9,265
Employee remuneration settled through share-based payments	14,278	7,176
Termination costs	443	696
Other	1,834	1,208
Total employee costs	**126,296**	**97,964**

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$	**2026**	**2025**
Short-term employee benefits	9,477,847	7,205,542
Long-term employee benefits	56,291	57,846
Post-employment benefits	324,157	314,895
Share based payments	7,405,163	3,656,216
Total compensation paid to key management personnel	**17,263,458**	**11,234,499**

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 – Major Projects 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 2026		For the year ended 30 June 2025	
	Number of performance rights ('000)	**Weighted average exercise price** ($)	**Number of performance rights** ('000)	**Weighted average exercise price** ($)
Balance at beginning of year	**4,568,507**	**0.00**	**3,619,173**	**0.00**
Granted during the year	978,161	0.00	2,039,303	0.00
Exercised during the year	(672,830)	0.00	(728,687)	0.00
Forfeited during the year	(828,237)	0.00	(361,282)	0.00
Balance at end of year	**4,045,601**	**0.00**	**4,568,507**	**0.00**
Vested and exercisable at end of year	–	0.00	–	0.00

During the year ended 30 June 2026 the Group recognised net share based payment expense of $14.3m (FY25: $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 412 days (FY25: 382 days). The performance rights exercised during the year had a weighted average share price on exercise date of $14.41 (FY25: $8.36).

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 2026, in addition to the Executive KMP, three members of the Lynas Leadership Team and forty nine 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, three vesting conditions apply to the LTI grants made during FY26:

- Relative Total Shareholder Return (TSR)
- Strategic Targets – Revenue Resilience
- Sustainability

Relative TSR – 50% weighting

Relative TSR is assessed over a three year period from 1 July 2025 to 30 June 2028, 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 – Revenue Resilience – 40% weighting

This strategic target will measure the contribution to Lynas' EBITDA from new products and new customers. FY25 will be used as a baseline. EBITDA contribution from new customers and/or new products in respect of which there were no sales as at 30 June 2025 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%.

Straight line vesting will occur between these thresholds.

This Strategic Target was selected because it will measure Lynas' ability to broaden its portfolio of products and customers. Broadening Lynas' customer base in its NdPr business and broadening income beyond NdPr sales are key success factors for securing resilient growth.

Sustainability – 10% weighting

The Sustainability Target is to achieve greater than targeted 70% average renewable energy penetration at Mt Weld.

This Sustainability Target has been selected due to the importance of the energy transition to Lynas' stakeholders.

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 $17.48 (FY25: $5.55) 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.

E.7 Employee costs and share based payments continued

	PRs issued to employees other than CEO			PRs issued to CEO		
	Series CN	**Series CO**	**Series CP & CQ**	**Series CR**	**Series CS**	**Series CT & CU**
Grant date	25 May 2026	25 May 2026	25 May 2026	26 Nov 2025	26 Nov 2025	26 Nov 2025
Fair Value per right	$19.00	$17.36	$19.00	$15.00	$12.48	$15.00
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Dividend yield	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Expected volatility	45%	45%	45%	45%	45%	45%
Risk-free Rate	4.6%	4.6%	4.6%	3.9%	3.9%	3.9%
Expiry date	31 Aug 2026	31 Aug 2030	31 Aug 2030	31 Aug 2026	31 Aug 2030	31 Aug 2030

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**
BW	13-Nov-24	551,167	31-Aug-26	25-Aug-28	$0.00	$4.42
BX	13-Nov-24	440,948	31-Aug-26	25-Aug-28	$0.00	$6.91
BY	13-Nov-24	110,248	31-Aug-26	25-Aug-28	$0.00	$6.91
CA	29-Nov-24	161,263	31-Aug-26	25-Aug-28	$0.00	$3.84
CB	29-Nov-24	129,010	31-Aug-26	25-Aug-28	$0.00	$6.62
CC	29-Nov-24	32,253	24-Aug-25	24-Aug-25	$0.00	$6.62
CF	1-May-25	652,699	30-Jun-27	30-Jun-29	$0.00	$5.55
CG	1-May-25	261,102	30-Jun-27	30-Jun-29	$0.00	$7.61
CH	1-May-25	261,102	30-Jun-27	30-Jun-29	$0.00	$7.61
CI	1-May-25	130,559	30-Jun-27	30-Jun-29	$0.00	$7.61
CJ (AGM)	29-Nov-24	168,545	30-Jun-27	30-Jun-29	$0.00	$4.43
CK (AGM)	29-Nov-24	67,418	30-Jun-27	30-Jun-29	$0.00	$6.87
CL (AGM)	29-Nov-24	67,418	30-Jun-27	30-Jun-29	$0.00	$6.87
CM (AGM)	29-Nov-24	33,709	30-Jun-27	30-Jun-29	$0.00	$6.87
CN	25-May-26	89,618	31-Aug-26	31-Aug-26	$0.00	$19.00
CO	25-May-26	351,525	30-Jun-28	30-Jun-30	$0.00	$17.36
CP	25-May-26	281,242	30-Jun-28	30-Jun-30	$0.00	$19.00
CQ	25-May-26	70,328	30-Jun-28	30-Jun-30	$0.00	$19.00
CR (AGM)	26-Nov-25	21,255	31-Aug-26	31-Aug-26	$0.00	$15.00
CS (AGM)	26-Nov-25	82,096	30-Jun-28	30-Jun-30	$0.00	$12.48
CT (AGM)	26-Nov-25	65,677	30-Jun-28	30-Jun-30	$0.00	$15.00
CU (AGM)	26-Nov-25	16,420	30-Jun-28	30-Jun-30	$0.00	$15.00
Total		**4,045,602**				

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 2025.

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 2026 have been early adopted.

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, other than *AASB 18 Presentation and Disclosure in Financial Statements*. AASB 18 will replace *AASB 101 Presentation of Financial Statements* and retrospective application will be required. Lynas is currently assessing the impact of this upcoming standard on the financial statements.

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 27 July 2026, Lynas announced it had entered into binding agreements with LS Eco Energy, a subsidiary of LS Cable & System, for the cross-subscription of convertible instruments to the value of approximately AUD 29m each. The convertible instruments each have a 0% interest rate, a maturity date of 5 years, and are convertible into ordinary shares at the election of the holder from 3 years after the date of issue at a conversion price referable to current trading prices. Completion of the issuances of the instruments is subject to customary conditions precedent.

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 OpCo Pty Ltd	Body Corporate	Australia	100%	Australia
Lynas Africa Ltd	Body Corporate	Malawi	100%	Malawi
Lynas USA LLC	Body Corporate	USA	100%	N/A
Lynas France SAS	Body Corporate	France	100%	France

Mineral Resources and Ore Reserves

as at 30 June 2026

1. MT WELD RARE EARTH DEPOSIT ORE RESERVES 2026

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 2026

JORC CLASSIFICATION	MILLION TONNES	TREO %	CONTAINED REO '000 TONNES
Ore Reserves within Pit boundary			
Proved	17.6	7.1	1,250
Probable	10.6	4.5	480
Designed Pit Total	28.2	6.1	1,730
On Stockpiles			
Proved	1.5	9.3	140
Probable	0.0	0.0	0
Stockpiles Total	1.5	9.3	140
Tailings			
Proved	1.8	7.3	130
Probable	0.0	0.0	0
Tailings Total	1.8	7.3	130
Total Ore Reserves			
Proved	20.9	7.3	1,530
Probable	10.6	4.5	480
Total	31.5	6.4	2,010

* 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 June 30, 2026. The 2026 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 August 5, 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 August 5, 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. Mining dilution and recovery modifying factors have been applied to both the insitu Resource and the Tailings Resource. The volume surveys have been carried out by Mr Bradley Hughes, an employee of Lynas Rare Earths.

MT WELD RARE EARTH DEPOSIT MINERAL RESOURCES 2026

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 2026

JORC CLASSIFICATION	MILLION TONNES	TREO %	CONTAINED REO '000 TONNES
Insitu			
Measured	18.9	7.1	1,341
Indicated	15.3	4.3	652
Inferred	71.1	3.2	2,294
Subtotal	105.2	4.1	4,287
On Stockpiles			
Measured	2.1	8.6	185
Subtotal	2.1	8.6	185
Tailings			
Measured	1.8	7.6	138
Subtotal	1.8	7.6	138
Total Mineral Resources			
Measured	22.8	7.3	1,664
Indicated	15.3	4.3	652
Inferred	71.1	3.2	2,294
Total	109.2	4.2	4,610

* 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 June 30, 2026. The company confirms that all material assumptions and technical parameters underpinning the estimated Mineral Resources set out in the ASX announcement dated August 5, 2024 continue to apply and have not materially changed. The exceptions are the inclusion of stockpiled material as a Measured Resource.
2. A positive reconciliation between Resource depletion and actual production is noted resulting in little change in the resource from 2025.

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 October 6, 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 2026 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 2026.

(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	33,133	11,376,566	1.130
1,001–5,000	14,192	34,246,243	3.400
5,001–10,000	3,081	22,441,109	2.230
10,001–100,000	2,267	53,267,997	5.290
100,001 and over	121	885,170,662	87.950
Total	**52,794**	**1,006,502,577**	**100.000**
The number of shareholders holding less than a marketable parcel of shares	829	59,828	

(b) DISTRIBUTION OF EMPLOYEE OPTIONS/PERFORMANCE RIGHTS

There are 4,020,867 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	4	2,368	0.060
1,001–5,000	18	47,905	1.190
5,001–10,000	12	97,042	2.410
10,001–100,000	40	1,303,424	32.420
100,001–999,999,999	11	2,570,128	63.920
Total	**85**	**4,020,867**	**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	293,373,663	29.148%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	228,210,242	22.674%
3	CITICORP NOMINEES PTY LIMITED	126,446,175	12.563%
4	UBS NOMINEES PTY LTD	75,000,000	7.452%
5	BNP PARIBAS NOMS PTY LTD	38,200,214	3.795%
6	JAPAN AUSTRALIA RARE EARTHS BV	31,233,027	3.103%
7	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	20,981,436	2.085%
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	12,859,581	1.278%
9	ARGO INVESTMENTS LIMITED	6,000,000	0.596%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,438,584	0.441%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,030,292	0.400%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,574,306	0.355%
13	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,699,232	0.268%
14	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	2,367,716	0.235%
15	AMANDA LACAZE	2,018,681	0.201%
16	ALBERT & TERESA TING PTY LIMITED	1,951,458	0.194%
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,881,948	0.187%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,698,407	0.169%
19	BNP PARIBAS NOMS (NZ) LTD	1,530,948	0.152%
20	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	1,311,928	0.130%
		859,807,838	**85.425%**

(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	UBS Group AG	98,107,131
2	State Street Corporation	96,082,792
3	Australian Super Pty Ltd	94,292,123
4	Mrs Georgina Hope Rinehart, Hancock Prospecting Pty Ltd and subsidiaries of HPPL[1]	76,764,078
5	BlackRock Group	66,432,006

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

Design & Production › APM Graphics Management › 1800 806 930

CORPORATE DIRECTORY

ABN 27 009 066 648

Directors

John Humphrey
John Beevers
Kathleen Bozanic
Philippe Etienne
Vanessa Guthrie
Grant Murdoch

Company Secretary

Sarah Leonard

Registered Office

Level 4, 1 Howard St
Perth WA 6000

p +61 8 6241 3800
e general@lynasre.com

Share Register

Boardroom Pty Ltd

Level 8, 210 George Street
Sydney NSW 2000

p 1300 737 760 (in Australia)
p +61 2 9290 9600 (International)
e enquiries@boardroomlimited.com.au

Auditors

Ernst & Young

9 The Esplanade
Perth WA 6000