

17 August 2020

Lynas Corporation announces fully underwritten¹ equity raising to raise approximately A\$425 million to fund *Lynas 2025* foundation projects

- **Fully underwritten² 1 for 7.7 pro-rata accelerated non-renounceable entitlement offer and institutional placement to raise approximately A\$425 million**
- **New shares to be issued at A\$2.30 per share, representing a 11.9% discount to last close and a 9.7% discount to TERP³**
- **Proceeds from the equity raising will be used to fund major projects expected to be delivered in 2023 that are essential steps towards the *Lynas 2025* growth vision:**
 - **The planned Kalgoorlie Rare Earth Processing Facility, and**
 - **Associated upgrades at the Lynas Malaysia Plant**
- **Strengthened balance sheet delivers timely funding for *Lynas 2025* foundation projects during a critical transformation period and mitigates economic uncertainty due to COVID-19**
- **Equitable opportunity for all eligible existing Lynas shareholders to participate in the entitlement offer on a pro-rata basis while eligible new investors have an opportunity to gain exposure to Lynas' compelling 2025 growth vision**

Lynas Corporation Limited (ASX:LYC) ("**Lynas**" or the "**Company**") is pleased to announce that the Company is undertaking an equity raising comprising a fully underwritten⁴ pro-rata accelerated non-renounceable entitlement offer and institutional placement to raise approximately A\$425 million (the "**Offer**").

Lynas plans to grow with its markets and deliver a larger, more diverse business in 2025. The Offer will fund the *Lynas 2025* foundation projects expected to be delivered in 2023:

- **The planned *Kalgoorlie Rare Earth Processing Facility* to produce mixed Rare Earths carbonate for shipment to the Lynas Malaysia Plant , and**
- **Associated upgrades at the Lynas Malaysia Plant.**

¹ Excluding the circumstances described in Footnote 1 on page 2 of LYC's investor presentation released to ASX on 17 August 2020 ("**Investor Presentation**"). Refer to "Equity raising risk" in the Key Risks section of the Investor Presentation for a description of the terms and conditions of the underwriting arrangements.

² Please refer to Footnote 1

³ The theoretical ex-rights price is the theoretical price at which Lynas shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Lynas' shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Lynas' closing price of A\$2.61 on 14 August 2020. The TERP also includes New Shares to be issued under the Placement.

⁴ Please refer to Footnote 1

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The Offer structure provides an opportunity for all eligible existing Lynas shareholders to participate in the entitlement offer on a pro-rata basis. Eligible new investors also have the opportunity to join the *Lynas 2025* growth vision by subscribing for new shares. Lynas Chief Executive Officer and Managing Director, Amanda Lacaze, commented:

“The *Lynas 2025* growth vision announced in May 2019 is an exciting opportunity to transform our business and grow with our key markets. Advanced manufacturing supply chains need Rare Earths and COVID-19 has brought into sharp focus the need for resilient and diversified supply chains.

“Lynas is ideally placed to meet this need as we are a proven and profitable operation and the only significant producer of separated Rare Earths outside of China.

“By strengthening our balance sheet, we can mitigate global economic uncertainties and continue to progress our foundation project which is the Kalgoorlie Rare Earth Processing Facility. This facility provides the opportunity to develop a Critical Minerals processing hub in the Goldfields. The project has received strong support from the Kalgoorlie-Boulder City Council, Western Australian and Australian governments.”

Offer Details

The fully underwritten⁵ ~A\$425 million Offer comprises the following:

- An institutional placement of approximately 92 million new fully paid ordinary shares in Lynas (“**New Shares**”) to raise up to approximately A\$211.6 million (“**Placement**”); and
- A 1-for-7.7 pro-rata accelerated non-renounceable entitlement offer of approximately 92.9 million New Shares to raise up to approximately A\$213.7 million (“**Entitlement Offer**”).

All New Shares offered under the Offer will be issued at a price of A\$2.30 per New Share, which represents a:

- 11.9% discount to the last traded price of A\$2.61 on 14 August 2020; and
- 9.7% discount to the Theoretical Ex-Rights Price (“**TERP**”)⁶ of A\$2.5463.

The Entitlement Offer provides eligible shareholders the opportunity to subscribe for 1 New Share for every 7.7 existing shares held as at 7.00pm Sydney Time on Wednesday, 19 August 2020 (“**Record Date**”). Furthermore, it is intended that eligible institutional shareholders that bid for up to their pro-rata allocation of New Shares under the Placement will be allotted their full bid, on a best endeavours basis.

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (“**Institutional Entitlement Offer**”), which is being conducted today, Monday, 17 August 2020, along with the Placement. Entitlements not taken up by institutional shareholders cannot be traded on market or transferred. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the Institutional Entitlement Offer. Entitlements not taken up by eligible institutional

⁵ Please refer to Footnote 1

⁶ Please refer to Footnote 3

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shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

The retail component of the Entitlement Offer (“**Retail Entitlement Offer**”) will be conducted at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will be open from Monday, 24 August 2020 to eligible retail shareholders with a registered address in Australia or New Zealand, as at the Record Date and is expected to close at 5.00pm (Sydney time) on Monday, 7 September 2020. Eligible retail shareholders who take up their full retail entitlement will also be invited to subscribe for shares over and above their entitlement, up to a maximum of 50% above their entitlement, subject to the overall level of participation in the Entitlement Offer and at the discretion of Lynas’ Board of Directors.

Lynas Directors who are eligible to participate in the Retail Entitlement Offer have each confirmed their intention to subscribe for all or part of their respective entitlements.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value with respect to those entitlements not taken up.

Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares on issue in Lynas. The Company will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

Canaccord Genuity and Merrill Lynch Equities (Australia) Limited are acting as joint lead managers, underwriters and bookrunners to the Offer. Ord Minnett is acting as co-lead manager to the Offer.

Offer Timetable

An indicative timetable of key dates in relation to the Offer is detailed below.

Event	Time (AEST) / Date
Announcement of the Offer and Placement and Institutional Entitlement Offer open	Monday, 17 August 2020
Announce completion of the Placement and Institutional Entitlement Offer	Wednesday, 19 August 2020
Trading in Lynas shares resumes on ex-entitlement basis	Wednesday, 19 August 2020
Record date for determining entitlement for the Entitlement Offer	7:00pm on Wednesday, 19 August 2020
Despatch of Retail Offer Booklet and Retail Entitlement Offer opens	Monday, 24 August 2020
Settlement of Placement and Institutional Entitlement Offer	Tuesday, 25 August 2020
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 26 August 2020
Retail Entitlement Offer closing date	5:00pm on Monday, 7 September 2020

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Event	Time (AEST) / Date
Results of Retail Entitlement Offer announced to ASX	Thursday, 10 September 2020
Settlement of Retail Entitlement Offer	Friday, 11 September 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 14 September 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 15 September 2020
Despatch of holding statements	Wednesday, 16 September 2020

Note: The timetable above is indicative only and may be subject to change. All times and dates refer to Sydney time. Lynas reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Lynas reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

Further Information

Further details of the Offer are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign offer restrictions with respect to the Offer. For other questions, you should consult your broker, solicitor, accountant, tax adviser, financial adviser, or other professional adviser.

If you have any queries in relation to this announcement, please contact Jennifer Parker or Lauren Stutchbury, our communications consultants at Cannings Strategic Communications on +61 2 8284 9990.

Authorised By:
Andrew Arnold
Company Secretary

This announcement is not financial product, legal, tax or investment advice and has not taken into account your objectives, financial situation or needs.

This announcement contains certain "forward-looking statements", which can generally be identified by the use of words such as "will", "may", "could", "likely", "ongoing", "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "forecast", "goal", "objective", "aim", "seek" and other words and terms of similar meaning or by using future dates in connection with any discussion of, among other things, expectations regarding the completion of the Offer and the use of proceeds. The Company cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. See the Investor Presentation for a description of key risks with respect to the Offer. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on forward-looking statements.

This announcement has been prepared for release in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements and new shares to be offered and sold in the Entitlement Offer and the Placement may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of any person in the United States, unless those securities have been registered under the U.S. Securities Act (which the Company has no obligation to do) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The entitlements and new shares to be offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States.

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