

Very busy year, fast moving geopolitics with Lynas in the front seat

Company/ASX Code	Lynas Rare Earths / LYC
AGM time and date	10am (AEDT) on Wednesday, 26 November 2025
Location	The Mint, 10 Macquarie St Sydney NSW 2000
Registry	Boardroom Pty Ltd
Type of meeting	Hybrid with live webcast, voting and questions https://meetings.300.lumiconnect.com/300-949-225-256
Monitor	Julieanne Mills, Len Roy and Helen Manning
Pre-AGM Meeting	Yes, with Chair John Humphrey and NED Vanessa Guthrie

Monitor Shareholding: The individual involved in the preparation of this voting intention has a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Remuneration Report	For
2	Re-election of Vanessa Guthrie as a director	For
3	Election of Kathleen Bozanic as a director	For
4	Grant of performance rights to Amanda Lacaze, CEO and Managing director	For

Overview

Lynas (LYC) is currently the only commercial producer of light and now heavy rare earths outside China. Its Mt Weld mine is a globally recognised high grade long life deposit of rare earths. It now has Kalgoorlie and Malaysia producing rare earth oxides (REO) and a range of processed rare earths including Neodymium-praseodymium (NdPr), Dysprosium (Dy), and Terbium (Tb). NdPr is crucial in making high strength permanent magnets used in EV and wind turbines. This is a volatile industry due to Chinas control of the market and price, the current US tariff trade war and China's threats to limit supply.

The heightened attention on rare earths is also due to their strategic importance for defence and electronics, significant investment is being made to provide a secure domestic supply outside China. Lynas has the first mover advantage of outside China supply.

The share price has seen recent highs of ~\$21 and has fluctuated wildly on the news in the US China trade skirmish.

2. Summary of discussion points

- Geopolitical changes shifting goal posts, China vs US,
- DoD investment in Mountain Pass (MP) with underwriting of \$110/tonne pricing impact
- Seadrift Texas.
- Rare earths rising competition with Govt support for Arafura and US support for US companies.
- New “Towards 2030” strategy: optimisation of existing assets, continuing ramp up to demand, develop downstream capacity, magnets and new markets.
- Remuneration targets
- Malaysian government relationship and upcoming licensing.
- Sustainability progress.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Accounts and reports

Financial performance

The financial results were disappointing with lower-than-nameplate production at Kalgoorlie during ramp up, higher cost of sales with new facilities, and step-up in the depreciation and amortisation from Kalgoorlie/Mt Weld expansions compressing margins.

The main revenue source NdPr saw prices improving over the year. Revenue: \$556.5m increased from \$463.3m.

FY25 Annual profit dropped more than 90% with NPAT: \$8.0m a decrease from \$84.5m in FY24 as depreciation ramped up with the new assets; EBIT \$6.2m; EBITDA \$101.2m.

Cash: \$166.5m at 30 Jun was down from \$523.8m in FY24.

The August results announced an equity raise with a \$750m institutional placement 56.6 million shares at \$13.25 and 6.1% of shares on issue and a \$75m. The SPP for retail shareholders that followed was oversubscribed and \$189m in shares were issued. LYC now has plenty of cash for its “Towards 2030 strategy”

No dividend was paid, and no dividend policy is yet to be determined.

Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT (\$m)	7.99	84.5	310.6	540.8	157
EBIT (\$m)	6.19	75.23	315.50	540.6	169.5
Share price (\$)	8.61	5.93	6.85	8.73	5.71
Dividend (cents)	0	0	0	0	0
Simple TSR (%)	7.61	(13)	(22)	53	194
EPS (cents)	0.85	9.04	34.05	59.95	18.08
CEO total remuneration, actual (\$m)	3.179	3.483	3.67	5.61	2.85

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Operations

Record NdPr production in the June quarter; with NdPr sales volume 6,555 tonnes increased 18% y/y.

Total REO sales 10,970 t decreased 10% as Lynas dialled back lower-value Lanthanum (La) and Cerium (Ce) due to lower pricing.

The Kalgoorlie cracking & leaching facility is integrated but still ramping up with commissioning ongoing.

Malaysia upgrades have lifted nameplate separation capacity and delivered the first separated heavy RE oxides (Dy, Tb)—making Lynas the only commercial producer of these oxides outside China.

China domestic NdPr price rose from US\$44/kg (Jun-24) to US\$55/kg (Jun-25) and was trending up into Q1 FY26.

BHP and LYC have come to an acceptable agreement on the provision of sulphuric acid, but it remains a sensitive topic.

Strategy & funding

Launched “Towards 2030” strategy:

“Harvest: optimise returns from Lynas 2025 capex build.

Grow: add feedstock (incl. ionic clays), expand heavy RE separation and specialty products, and lift NdPr separation capacity toward ~12 ktpa (target nameplate); pursue partnerships in metal/magnet supply chains.”

The strategy is supported by the announced \$750m equity raising and \$182m.SPP.

LYC sells mainly into China but will continue to build its sales outside China and encourage deals based on strategic value rather than price.

We raised concerns around the rising competition present in the RE market. LYC sees this as a positive as it improves technical capability and shifts costs. It took LYC 3 years to get to name plate capacity at LAMP, they feel LYC has a significant advantage as a market leader.

Governance and culture

This is a well-run board, as transparent as they can be in what is a sensitive market. The board was increased in October to six with the addition of Ms Bozanic. Ms Bozanic is seen as someone with significant mining and finance skills and will join the Audit committee and eventually chair that committee. She is up for election (details below)

The board is planning to add a couple of directors in the new year. There is a planned board departure at some point in the year. They are focused on directors with significant skills in international relationships and geo-politics and a director with engineering, mining and technical skills and a probable international director.

Amanda Lacaze has been the CEO for eleven years now and has been an effective and energetic CEO building the company under difficult circumstances. The board fully supports Amanda and feels she “will be hard to replace”. They see no need for a transition at this point, but it is consistently on the board agenda.

Key events

Successful \$750m Institutional placement with 56.6 million shares at \$13.25 and 6.1% of shares on issue. The \$75m SPP was oversubscribed and \$182million in shares were finally issued.

There is “Considerable uncertainty” around the Heavy Rare Earth (HRE) processing plant at Seadrift, Texas. A commercially acceptable DoD offtake is still pending; an alternative pathway was identified for wastewater permitting issues, but it needs extra capex. There is still a \$250m contract in place but what form that will take is uncertain. Currently no offtake agreement has been reached

The US DoD has now invested heavily in Mountain Pass (MP) and has guaranteed a floor price of \$110 per kg for the HRE eventually produced. Discussions with the US are ongoing but the America First policy may not see a plant built by Lynas.

The announcement in October of a new \$180m HRE separation facility in Malaysia will begin producing Samarium in April 26. It will expand production of a suite of HRE including: Gadolinium; Dysprosium; Terbium; Yttrium; Lanthanum within two years. With a processing capacity of 5,000tonnes pa.

Kalgoorlie continues to ramp up and has not yet reached name plate capacity.

Lynas has signed several non-binding MoU for supply of ionic clay feedstock to the LAMP plant and potential sales of products to upstream businesses.

An MoU for supply of ionic clay to the LAMP plant with Menteri Besar Inc. (MB Inc.), the Kelantan state investment arm, to negotiate supply of mixed rare earth carbonate (MREC) from local ionic clay deposits to the Lynas Malaysia (LAMP) plant in Kuantan once production starts. It's a framework to move to a definitive supply agreement and is not yet binding.

MoU with Korean J S Link to supply a sustainable magnet supply chain of NdFeB for their permanent magnet facility to be built Kuantan.

Noveon Magnetics MoU to form a strategic partnership aimed at establishing a scalable and domestic U.S. supply chain for rare earth permanent magnets. The MoU is non-binding and subject to the negotiation of definitive agreements.

Key board or senior management changes

There have been no significant changes to the key management. Significant movement across business units with Malaysian input into the Kalgoorlie ramp up to improve output for Malaysia plant.

Kathleen Bozanic has joined the board

Sustainability/ESG

Waste, energy and water are material to rare earth mining.

Good progress has been made in sustainability reporting with increased data.

No significant environmental incidents or ground water quality impact at Mt Weld tailings was recorded.

ISO 9001/14001/45001 surveillance audits recertified; participation continues in UNGC, GRI, TCFD and major ESG ratings programs.

Rehabilitation is seen as a significant audit matter with \$298m aligned to Malaysia- water leached purification (WLP) and Neutralised underflow (NUP) waste storage.

A \$128m permanent disposal facility for WLP residue was agreed with Gading Senggara Sdn Bhd in Malaysia in 2020. Construction of the Permanent Disposal Facility (PDF) for WLP residue remains a political/community flashpoint; the Malaysian govt said the PDF was ~72% complete in Oct-2025 and "slightly behind schedule," with completion targeted by end-2026. This is a long running licensing condition and the cornerstone of Lynas's residue stewardship in Malaysia and a prerequisite for ongoing operations. Delays keep licence risk elevated until commissioning and regulatory sign-off are finished.

LYC is working on developing alternative uses for the waste exploring reuse or repurpose of iron phosphate and gypsum for other products

The \$30m Mt Weld water recycling plant is completed and commissioning. 27% of Water is recycled, this will provide up to 90% recycled tailing water to a high quality.

Emissions rose with Scope 1+2 ~149,375 tCO₂-e (vs 111,638 in FY24), with higher energy use at Kalgoorlie and higher grid electricity in Malaysia as production increases.

Construction of the 65MW Mt Weld Hybrid Power Plant has seen gas and solar commissioned and 4 wind turbines are now under construction with batteries planned for the end FY26. The implementation of gas first, plus solar has provided a transition away from diesel for baseload power. The target is to provide at least 70% renewable energy. 100% has been achieved at times. When fully installed this will reduce emissions.

A 0.75 MW Rooftop Solar array at Lynas Malaysia commissioned and operating but provides limited power. LYC purchased 60,000 MWh of Malaysian renewable energy certificates (RECs)

Energy Grid reliability at Kalgoorlie is problematic with a FY25 report flagging South-West Interconnected System outages and notes LYC is assessing reliable electricity options for the facility.

A GHGe data management system has been implemented.

People

LYC has produced its 5th Modern Slavery Report.

The FY25 priority was stable employment of First Nations people and workforce mobility to promote cultural diversity and to assist the Kalgoorlie ramp up.

LYC gender equity has seen 33.3 % women on board, 23% women in senior executive positions, 25% female employees. There are programs to support women into leadership positions. Average total gender pay gap was 1.2%, the median was 23.6%

LYC had an 87% participation rate in their survey with 88% agreeing that LYC was a great place to work and 94% believed the work they do was important sustainable and environmentally responsible.

Safety saw LTIFR increased to 1.8 and progress with TRIFR declining to 3.6 the shift from construction to operation has seen an increased focus on safety and reporting.

\$13.8m was spent on R&D

LYC provides support for local Malaysian and WA communities with 79% procurement sourced locally and \$470,000 provided in Malaysian community support.

Carey Mining is the First Nations mining contractor at Mt Weld and LYC are happy with the good relationship and operations they are providing.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

Malaysia

Since 1 Jan 2024 Malaysia has banned exports of raw/unprocessed rare earths to force more domestic value-adding (processing/refining) before any exports. It is an about face on the rare earths sector. Malaysia is developing ionic clay deposits of RE in the country and are actively building the sector.

Rare earths (non-radioactive REE) are classed as a strategic mineral under the national minerals plan; the ministry of industry and trade (MITI) is working on amendments to the Mineral Development Act 1994 to enable upstream-to-downstream development and attract investment/tech transfer.

The policy aims for “mine-to-magnet” capability via foreign partnerships and local equity, but Malaysia still lacks full mining/processing tech; the state is courting partners while keeping the raw-exports ban to anchor downstream investment

Malaysia tightly controls radioactive waste (NORM (U-238/Th-232) with a **1 Bq/g** threshold) processing projects must keep residues below that or manage them as radioactive waste.

This standard underpins the Lynas licence changes which allow import and cracking & leaching through March 2026 provided thorium is removed and residues meet the limit. It also applies to the amount of feedstock able to be imported into Malaysia.

LYC license renewal has been an issue in the past while the company is taking nothing for granted there is new legislation in parliament that could see an extended license beyond 3

years which would provide greater investment certainty. The chair sees no reason for it not being renewed but he does not take the decision for granted.

Remuneration

There have been no significant changes to the remuneration structure in FY25. LYC has a STI and LTI scheme that extends to key employees. They also have an employee wide bonus scheme for those not included in this. Maintaining existing skills and expertise is important to the business as the only HRE producer outside China. Retaining these skilled personnel in an expanding industry sector will be challenging.

CEO statutory remuneration is reported; no actual take home pay is disclosed. We continue to encourage the board to report this.

CEO total reported pay fell to \$3.18m (FY25) from \$3.48m (FY24) as incentives moderated. That's broadly aligned with the weaker profit year.

STI was not paid in full: Management's short-term incentive (STI) for FY25 will vest at 40%, not 100%. Half of any STI is deferred into equity via performance rights.

The FY23-25 LTI long-term incentive outcome was 25% of the maximum vesting. The relative total shareholder return (TSR) was 1.7% and ranked at the 40th percentile of ASX 200 peer group and did not vest. The strategic targets for FY25; Comparative EBITDA (20%), Revenue Resilience (20%), sustainability target (10%) achieved a 50% outcome. This shows the LTI can and does zero out when returns underperform.

The plan includes clawback (malus) and an 'at-fault fatality' STI gate (no STI if such an event occurs).

NED pay was steady & below pool: Non-executive director (NED) fees were last reviewed in 2022 and sit well below the \$2.2m fee pool; chair fee \$375k, NED base \$165.8k.

Minimum shareholding policy: Directors and KMP have an MSP; the table shows most comply. The framework has credible guardrails (deferral, clawback, MSP; TSR didn't vest).

There was a discussion with the Chair and Vanessa around trust and judgement of the board. The frameworks are appropriate, the remuneration is not excessive, the outcomes are in line with shareholders and the price of NdPr is largely outside the board and management control. They felt that the management had achieved an enormous amount and positioned the company for the new strategy even though the financial results were not what they would like. The board had fair but stretch targets that because of the Kalgoorlie ramp up and transition to HRE at LAMP had been difficult to achieve. We understand the argument for commercial confidentiality in this scenario.

Sales of NdPr provide the bulk of LYC revenue and the pricing is mostly dictated by sales to China. LYC is working to gain more control over this by developing new buyers and strategic pricing for its RE products.

Further details of the remuneration can be found in the appendix at the end of this report.

4. Rationale for Voting Intentions

Resolution 1: Remuneration Report (For)

The ASA have no significant concerns with the remuneration report. We believe the board has given due consideration to the remuneration, applied discretion where needed and not awarded excessive remuneration. The financial results are partly explained by: the ramp up of Kalgoorlie; other project completions and their commissioning including the first HRE processing in Malaysia; and the inclusion of depreciation and amortisation. No financial STI vested.

We appreciate this years' inclusion of a minimum shareholding policy and greater clarity around the outcomes. We would like the board to consider the inclusion of CEO and KMP actual/realised take home pay to give greater clarity to remuneration outcomes for retail shareholders, clearer KPI disclosures tied to ramp milestones would be appreciated if appropriate.

The ASA will vote in favour of the remuneration report.

Resolution 2: Re-election of Vanessa Guthrie as a Director (For)

Vanessa Guthrie FAICD, AO, was appointed to the board in October 2020.

She is Chair of the Remuneration Nomination Community Committee and a member of the Health Safety and Environment Committee.

Background: qualifications include Geology (PhD), Environment, Law and Business Management

Vanessa is currently deputy chair of Cricket Australian, Chancellor of Curtin University and NED of Santos Ltd and Orica Ltd. This is a reasonably heavy workload, and we would like to hear from Vanessa about how she will manage this load.

Vanessa has significant past board experience in the mineral and resources sector including lead independent director of Adbri Ltd, NED on the Australian Broadcasting Commission board, North American Construction Group Ltd, Tronox Holdings PLC, and Infrastructure Australia. She was CEO of Toro Energy Ltd and chair of the Minerals Council of Australia.

As the chair of the remuneration committee, she has provided clear frameworks and appropriate targets and outcomes.

We support her election to the board.

She holds 16,740 shares

Resolution 3: Election of Kathleen Bozanic as a Director (For)

Kathleen Bozanic was appointed to the board on the 17 October 2025.

Background: ~30+ years in resources/industrial finance; former Deloitte partner; senior roles at BGC Contracting, Atlas Iron, Mt Gibson.

Kathleen is currently CFO of IGO Ltd since 2022; she was previously an IGO NED and Audit & Risk chair. She has publicly indicated plans to retire from IGO in December 2025 to focus on board work.

Katheleen is the Non-Executive Chair (2025) of WA1 Resources (a niobium explorer developer) and a NED of Rugby Australia. Previously she was a NED of DRA Global (process plant engineering and management company) she stepped down on becoming IGO CFO.

Skills

Deep audit/risk & capital discipline: Long audit background + CFO experience; useful for ramp economics, cash cost tracking, capex governance at a processing-heavy miner like Lynas.

Resources operations & project oversight: Roles across mining/contracting give practical insight into throughput, recoveries, bottlenecks and contractor risk.

M&A/offtake/financing literacy: IGO exposure to battery/critical minerals, JV/transactions—relevant for downstream partnerships and US/EU strategic funding questions at Lynas.

Kathleen brings significant skills needed for the next stage of LYC development and we support her election.

Resolution 4: Grant of performance rights to Amanda Lacaze, CEO and Managing director (For)

This will see the CEO receive

1. FY25 STI Performance Rights: 21,255 Performance Rights (value \$303,088) with a 12-month vesting period commencing 28 August 2025 and an exercise date in the first employee trading window after 28 August 2026.
2. LTI Performance Rights: A Long-Term Incentive (LTI) of 164,193 Performance Rights (value \$2,341,355) with a 3-year vesting period commencing 28 August 2025 and a 2-year exercise period.

These are subject to performance criteria as explained in the appendix below.

As we have approved the remuneration report it is therefore appropriate to approve the long-term incentive.

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Appendix 1 Remuneration framework detail

CEO rem. Framework for FY25	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.53	33%	1.53	26.6%
STI – Cash	.765	16.6%	.956	16.7%
STI – Equity (performance rights)	.765	16.6%	.956	16.7%
LTI deferred equity	1.53	33%	2.29	40%
Total	4.59	100.0%	5.73	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.

FY25 STI Plan

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

For FY25, three bands of performance were set for each performance condition:

- Threshold: 90% of budget – 75% award
- Target: 100% of budget – 100% award
- Maximum: 110% of budget – 125% award

If performance falls between the Threshold and Maximum level then awards are pro-rated.

Weighted 60% across four financial performance conditions (1) EBITDA Target (20% weighting); (2) NdPr Production (13.33% weighting); (3) NdPr Production Rate (6.67% weighting); and (4) NdPr Operating Costs (20% weighting).

Weighted 40% across four non-financial performance conditions: (1) Progress on Strategic Plan/ Business Plan; (2) Health, Safety and Environment; (3) Sustainability; (4) People & Culture.

No STI Plan awards will be made if there is an 'at fault' fatality during the performance period. NO dividends are paid until vested and subject to continuous employment for 12 months. Clawback and discretion can be applied. There is automatic vesting on a change of control.

The **F25-27 LTI** measured against relative TSR weighted at 50%, comparative EBITDA (20%), revenue resilience (20%) and sustainability targets (10%). They are well described in the report but do not provide specifics due to commercial confidentiality.

F22-25 LTI saw 25% vesting due to meeting 50% of project targets

LYC introduced a 2025 Minimum shareholder requirement for NEDs 100% of base fees inclusive of committee fees and super to be met by 2030. 100% MSR for CEO