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LYNAS ANNOUNCES \$500M MT WELD EXPANSION

Lynas Rare Earths Ltd (ASX: LYC, OTC:LYSDY) (“Lynas”) today announces an approximately \$500m project to expand capacity at the Mt Weld mine and concentration plant to meet accelerating market demand for rare earth materials.

Accelerating growth capacity

Global demand for rare earth materials and NdFeB magnets continues to accelerate. NdFeB magnet demand forecast to grow from 130,000 tonnes of NdFeB magnets consumed in 2020 to 265,000 tonnes in 2030, driven by growth in electric vehicles and wind energy.

The Lynas 2025 growth plan (announced 21 May 2019) targeted a 50% increase in NdPr production to 10,500 tonnes per annum by 2025, including significant development of the Mt Weld ore body and beneficiation circuit. To meet Lynas’ ambition to grow with the market, this previously announced growth plan must be accelerated and increased.

Investment in capacity expansion will be required at every production stage. This starts with increasing feedstock availability and Lynas is today announcing project to substantially expand Mt Weld feedstock capacity, which builds on the previously announced Lynas 2025 growth plan for Mt Weld. The Mt Weld expansion will target feedstock production capacity of 12,000 tonnes per annum NdPr equivalent in 2024¹. Further capacity expansion in existing upstream and downstream production together with growth options for 2025 and beyond are being developed. This includes two additional stages at Mt Weld which offer a pathway to an additional 2,400 tonnes NdPr equivalent per annum each.

Mt Weld capacity expansion

The Mt Weld mine is a high grade long life resource². The significant potential for further development of the ore body was demonstrated by the 1km deep exploration drill hole completed in 2021 which displayed continuous rare earth mineralisation (announced 1 March 2022).

The initial expansion to 12,000 tonnes per annum NdPr equivalent has been fully scoped and the approximately \$500m investment for this stage of the project is fully funded from cash flow. This project is based on known technology. It includes upscaled processing equipment, efficiency improvements, enhanced sustainability and will provide a platform for further capacity increases.

¹ Production capacity increase is measured on an NdPr equivalent basis. Lynas Mt Weld feedstock includes other REEs such as Hf, Dy and Tb and LaCe (refer to announcement 6 August 2018)

² As at 30 June 2021 (Lynas 2021 Annual Report released 12 October 2021) (1) the Mt Weld Rare Earth Ore Reserve estimate was 18.9 million tonnes at an average grade of 8.3% Total Rare Earth Oxide (TREO) for a total of 1.571 million tonnes contained TREO; and (2) the Mt Weld Rare Earth Mineral Resource estimate was 55.2 million tonnes at an average grade of 5.3% TREO for a total of 2.931 million tonnes of contained TREO

Key elements of the project include:

- Crushing and grinding infrastructure
- Additional flotation circuits
- Apatite leach circuit
- Concentrate dewatering circuit
- Concentrate drying and load out facilities
- Reagent facilities
- A state-of-the-art high recovery water recycling circuit from the tailings dam
- Additional bore water desalination plant
- Additional tailings storage facilities, with segregated storage of process streams to enable potential future reprocessing.

In addition to this initial expansion project, Lynas plans to implement further sustainability and circular economy activities on the Mt Weld site, including:

- A staged transition from diesel fuelled power generation to gas and then hybrid renewable power generation
- A larger mine and waste rock landforms designed to be progressively rehabilitated
- Surface water management to capture seasonal rain events and divert into managed aquifer/ ground water recharge that also forms flood protection infrastructure for climate change resilience.

Procurement of long lead equipment items has commenced. Subject to relevant regulatory and stakeholder approvals, construction activities are expected to commence in early 2023, with full operation planned for 2024. Some infrastructure will be brought online in stages to accelerate production growth prior to the completion date.

The Mt Weld capacity expansion is a brownfields project that will be carried out on the existing Mt Weld tenure. Comprehensive environmental flora and fauna and cultural heritage surveys have already been completed on the Mt Weld site and will support the environmental approval process.

Progressing the resource exploration program

In addition to undertaking the Mt Weld expansion project, the mining exploration and characterisation program established following the results of the 1020 metre deep exploration hole (announced 1 March 2022) will also be progressed over the next two years. The Lynas Geology team is collaborating with external experts including world-leading geologists from our partners, Japan Oil, Gas and Metals National Corporation (JOGMEC), CSIRO as well as Murdoch University and Curtin University with the Minerals Research Institute of Western Australia.

Developing critical minerals capability in Western Australia's Goldfields region

The Mt Weld expansion project is expected to create up to 300 jobs during the construction phase and over 100 ongoing operational jobs in the Goldfields region of Western Australia. This substantial investment in the regional Western Australia complements the company's \$500m

investment in the new Kalgoorlie Rare Earths Processing Facility which is expected to create over 209 positions during construction and up to 128 new ongoing jobs. The project also supports the Australian Government's Critical Minerals Strategy and the Western Australian Government's Battery and Critical Minerals Strategy.

CEO Commentary

Lynas CEO and Managing Director, Amanda Lacaze, commented:

"The rare earths market is growing at pace as the world transitions to new energy technologies such as wind energy and electric vehicles. Lynas has a decade long track record in responsible rare earths production and the \$500m Mt Weld expansion project we are announcing today is designed to ensure we continue to grow with the market as a supplier of choice.

"This investment is supported by our high grade, long life and reliable source of feedstock, the remarkable Mt Weld ore body. Having a long life resource is an essential foundation for success in the rare earths market and the recent 1km deep drilling has demonstrated Mt Weld's potential to supply feedstock for many years into the future. The Mt Weld capacity expansion project aims to unlock its true value in the most efficient and sustainable way to 2025 and beyond."

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