

19 June 2023

UPDATE ON KALGOORLIE PROJECT

Lynas Rare Earths Ltd (ASX: LYC, OTC:LYSDY) (“Lynas”) provides an update on commissioning and operation of the new Kalgoorlie Rare Earths Processing Facility.

Commissioning is being undertaken in 4 phases and the final stage 4 commissioning commenced in June.

Under Stage 1 to 3 commissioning, key production equipment is prepared, tested and certified ready for production. Stage 4 commissioning involves the introduction of reagents and feedstock, including the first feed of lanthanide concentrate to the kiln and completing the heat up process cycle for the kiln.

In June chemical and wet circuits, including neutralisation, filtration and carbonation circuits, will be fed with Rare Earth carbonate from Lynas Malaysia which will allow completion of Stage 4 commissioning of those circuits. Major earthworks including ponds required for production and on-site services including power, water and laboratory facilities will be completed during this time and all materials (concentrate and chemicals) required for production will be received to on-site storage facilities.

Stage 4 process commissioning is on track for completion by 30 June 2023, with the exception of two critical path items - the waste gas treatment plant and on site gas supply. Commissioning of other productive equipment will continue unimpeded while these two items are completed. The first production of Mixed Rare Earth Carbonate (MREC) from the Kalgoorlie Facility is now expected in August.

Both the waste gas treatment plant and the on site gas supply presented early challenges and mitigation strategies were implemented. This included 24 hour operation of the site construction team and implementation of a trucked liquified natural gas (LNG) onsite gas solution to mitigate timing challenges experienced by our gas supplier associated with the installation of a gas pipeline.

Further challenges have presented to the completion of these two items including lack of availability of suitably qualified people to fully staff 24 hour construction activities and late delivery of equipment required for finalisation of commissioning. Whilst Lynas has sourced additional labour, the full effect of these 2 items cannot be fully mitigated at this time.

This timing is within the range of ramp up scenarios considered for the Kalgoorlie Facility.

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