

1 August 2023

U.S. DoD STRENGTHENS SUPPORT FOR LYNAS U.S. FACILITY

Lynas Rare Earths Ltd (ASX: LYC, OTC:LYSDY) (“Lynas”) is pleased to announce that wholly owned subsidiary Lynas USA LLC has signed a follow on contract with the United States (U.S.) Department of Defense (DoD) for the construction of the Heavy Rare Earths component of the Lynas U.S. Rare Earths Processing Facility in Texas.

The updated contract is an expenditure-based contract under which all of Lynas’ properly allocable construction costs will be reimbursed. A contribution by the U.S. Government of approximately US\$258 million is currently allocated to the Project. This is an increase from the approximately US\$120 million announced in June 2022. The updated contract follows detailed design work and cost updates since the original design was completed.

Rare earths are critical inputs to advanced technologies in commercial and defence applications. This project, conceived and jointly supported by Lynas and the DoD, will strengthen supply chain resilience for responsibly produced rare earths as inputs to the United States’ burgeoning high-tech industry as well as U.S. and allied nation national security needs. On completion, this project will be the only scale producer of separated Heavy Rare Earths outside of China.

The contract is sponsored by the U.S. Government’s Industrial Base Analysis and Sustainment (IBAS) Program to support the development of a U.S. rare earth supply chain.

Site acquisition completed for new Facility

Lynas has completed the purchase of a 149-acre greenfield site in Seadrift, Texas. The site was purchased from Union Carbide Corporation, a wholly owned subsidiary of The Dow Chemical Company, and is located in an existing industrial zone. The site was selected for its proximity to a skilled workforce, potential customers, infrastructure and logistics.

This large site will allow for co-location of the integrated Heavy Rare Earths and Light Rare Earth separation plants as well as potential future growth opportunities such as downstream processing and recycling to create a circular mine to magnet supply chain.

Lynas’ U.S. Rare Earths Processing Facility in Texas will serve both DoD and commercial customers and is targeted to be operational in FY2026 (1 July 2025 - 30 June 2026).

Once operational, feedstock for the Facility will be sourced from the Lynas Mt Weld rare earths deposit and Kalgoorlie Rare Earths Processing Facility in Western Australia. Mt Weld is recognised as a world-class source of Light and Heavy Rare Earth minerals. The U.S. Facility will be able to process feedstock from other sources if/when they become available and are qualified.

Amanda Lacaze, CEO & Managing Director, Lynas Rare Earths, commented: “We are delighted to work with the U.S. DoD to deliver our U.S. Heavy Rare Earths separation plant in Texas, which is a key pillar of Lynas’ growth strategy. This further support by the DoD demonstrates the priority being given to developing robust and resilient rare earth supply chains.

“Our Heavy Rare Earths separation plant will be the first of its kind outside China and will help to establish a globally significant, safe and environmentally responsible rare earths supply chain. Lynas is the only

commercial scale source of separated rare earths outside of China and our expertise makes us the ideal partner for the DoD as it addresses supply chain vulnerabilities and strengthens national security.”

“Seadrift, Texas, is an excellent location for our Facility and we thank the local authorities for providing such a warm welcome. We are excited to collaborate with local community leaders to create advanced manufacturing jobs and economic opportunities.”

“HREEs are an increasingly important part of any economy, with applications in virtually every industry including both defense and commercial markets,” said the Deputy Assistant Secretary of Defense for Industrial Base Resilience, Ms. Halimah Najieb-Locke. “This effort is a cornerstone event in securing resilient supply chains by enabling the United States and its allies to gain an organic capability for critical minerals and materials and depart from foreign dependence as directed by President Biden’s Executive Order 14017.”

Site Location



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