

**QUARTERLY REPORT  
FOR THE PERIOD ENDED 31 MARCH 2024**

24 April 2024

**HIGHLIGHTS**

	Q3 FY23	Q2 FY24	Q3 FY24
• Quarterly gross sales revenue <sup>1</sup> :	A\$242.8m	A\$136.2m	A\$101.2m
• Sales receipts:	A\$229.2m	A\$107.1m	A\$107.7m
• Closing cash and short term deposits:	A\$1,112.9m	A\$686.1m	A\$616.7m
• Total REO production:	4,348 REOt	1,566 REOt	3,545 REOt
○ NdPr production:	1,725 REOt	901 REOt	1,724 REOt
• Cash payments for CAPEX, exploration and development	A\$155.3m	A\$182.2m	A\$97.7m

(1) Gross sales revenue excludes any other income / expenses from price adjustments on quotational sales.

**CEO REVIEW**

Excellent production rates, including 1,724 tonnes NdPr, were achieved in the March quarter. Our Malaysian team managed a very successful production ramp up after the significant upgrade works which were completed in the previous quarter.

Sales revenue and sales receipts for the quarter, at \$101.2m and \$107.7m respectively, reflected the low average NdPr price (US\$47/kg ex VAT) during the quarter and also our decision to hold both NdPr and SEG inventory rather than sell into the low price environment. Market prices have started to increase in April.

The Mt Weld Expansion Project schedule remains on track with construction activities progressing as planned. Structural, mechanical, piping (SMP) and electrical works on Stage 1 (Concentrate Dewatering) are well advanced. The energisation and commissioning of the Stage 1 circuit will commence over the next few months, and the Stage 1 circuit will initially be tied into the existing operation. A staged commissioning approach reduces commissioning risk and enables a step-up in production capacity in the latter part of this calendar year whilst the remainder of the plant is constructed.

Construction of Stage 2 (Balance of Plant) is ramping up. All long lead time equipment is on site, including grinding mills and flotation cells. Concrete works are advancing and SMP works will commence in late April.

At the Kalgoorlie facility, final commissioning and initial production activities continued through the quarter. Introduction of concentrate into the process has informed additional works and activities. This has included enhanced electrical back-up systems following the major electricity outage in late January, further testing of loading and unloading systems and additional testing of the flowsheet.

All but one construction contractor has now been demobilised from site. This has enabled the finalisation of payment claims under those contracts. Based on the continued finalisation of construction costs and the extended commissioning timeline, the updated project budget for the Kalgoorlie facility is estimated at a capital cost of approximately A\$800m, an increase on the previous estimate of \$730m outlined in August 2023. This increase in expenditure will be covered from the existing cash balance and accommodated within the estimated \$600million capital expenditure envelope for FY24.

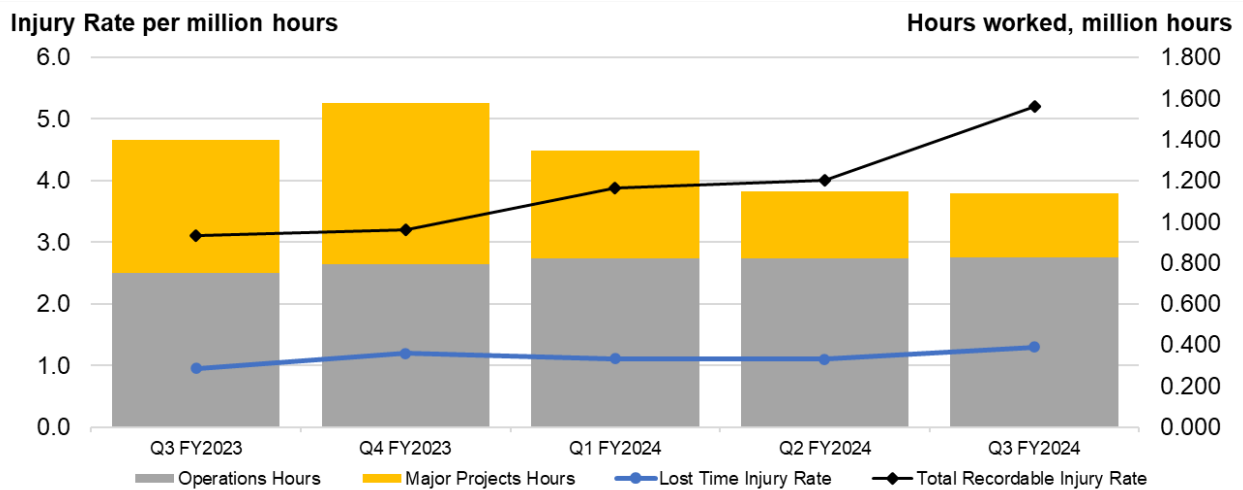
During the quarter, detailed engineering, procurement and approvals activities continued for our U.S. Rare Earths Processing Facility. In January 2024, the federal NEPA environmental approval process was successfully concluded with the issuance of a 'Finding of No Significant Impact'. The project's 30% engineering design review was also completed during the period, and a ramp up in procurement activities is now in progress. Earthworks are expected to commence at the Seadrift site by the end of this calendar year subject to all necessary approvals being in place.

On 14 March 2024, Lynas was pleased to announce that Western Australian company Carey Group Holdings was awarded a 5-year contract for mining services at Lynas' Mt Weld rare earths mine. The contract will draw on Carey's nearly 30 years of experience as an open pit mining contractor and leading 100% First Nations-owned business, including as a service provider to neighbouring mines near Laverton. Carey commenced on site in April 2024.

## SAFETY AND ENVIRONMENT

Lynas is committed to ensuring the Company’s operations and projects around the world are consistent with national and international safety and sustainability best practice.

The Company-wide 12-month rolling Lost Time Injury Rate, as at the end of March 2024, was 1.3 per million hours worked while Total Recordable Injury Rate was 5.2 per million hours for the same period.



At Lynas we are proud of our full compliance with local laws and regulations and adoption of international best practices. Information concerning the Company’s environmental monitoring programs is available at [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

## MARKETING AND SALES

	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
Sales Volume REOt	<b>4,914</b>	<b>4,050</b>	<b>2,701</b>	<b>3,916</b>	<b>2,310</b>
Gross Sales Revenue <sup>1</sup>	A\$242.8m	A\$176.1m	A\$126.8m	A\$136.2m	A\$101.2m
Average Selling Price <sup>2</sup>	A\$49.4/kg	A\$43.5/kg	A\$46.9/kg	A\$34.8/kg	A\$43.8/kg
Sales Receipts (cash)	A\$229.2m	A\$188.9m	A\$128.5m	A\$107.1m	A\$107.7m

(1) Gross sales revenue excludes any other income / expenses from price adjustments on quotational sales.

(2) Average selling price excludes price adjustments.

Note: Sales information in this report is provided on an unaudited basis

During the quarter, rare earth prices remained at a low point. In light of this, we opted to hold all inventory of SEG, as well as approximately 500 tonnes of NdPr. While this has resulted in lower revenue for the period, it should enable Lynas to achieve better value over time, as market prices have started to improve in April.

NdPr Oxide China Domestic Price (VAT excluded)								
	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Jan	Feb	Mar
USD/kg	88	60	59	60	47	50	48	43
Base 100	100	68	67	68	53	56	54	49

Dy Oxide China Domestic Price (VAT excluded)								
	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Jan	Feb	Mar
USD/kg	295	257	290	326	235	250	231	222
Base 100	100	87	98	111	80	85	78	75

Tb Oxide China Domestic Price (VAT excluded)								
	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Jan	Feb	Mar
USD/kg	1642	1058	934	974	682	727	672	647
Base 100	100	64	57	59	42	44	41	39

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## OPERATIONS

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### Upstream

Mt Weld delivered efficient production during the quarter, despite an exceptional rain event in early March. This forced the shutdown of concentrate production for several days and the loss of 12 haulage days. Operations are now back on track, supplying concentrate for both Kuantan and Kalgoorlie.

### Downstream

	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
Ready for Sale Production Volume Total	4,348 REOt	4,475 REOt	3,609 REOt	1,566 REOt	3,545 REOt
Ready for Sale Production Volume NdPr	1,725 REOt	1,864 REOt	1,526 REOt	901 REOt	1,724 REOt

Kuantan delivered an excellent result during the March quarter, managing a much faster than expected ramp-up of the modified plant, following the December shutdown. Over 1,700 tonnes of NdPr were delivered, compared to the initially projected 1,500 tonnes for the quarter.

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## LYNAS GROWTH PROJECTS

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### Kalgoorlie Project

Following first feed of material from Mt Weld into the Kalgoorlie facility in December 2023, final commissioning and initial production activities continued through the quarter.

Introduction of concentrate into the process has informed additional works and activities. This has included enhanced electrical back-up systems following the major electricity outage that occurred in Kalgoorlie in late January, further testing of loading and unloading systems and additional testing of the flow sheet. Commissioning and initial production activities are continuing.

Continued ramp up of the facility is being managed alongside Malaysian capacity and the forecast increase in Mt Weld production as the Expansion Project Stage 1 circuit is commissioned in the next few months.

All but one construction contractor has now been demobilised from site. This has enabled the finalisation of payment claims under those contracts. Based on the continued finalisation of construction costs and the extended commissioning timeline, the updated project budget for the Kalgoorlie facility is estimated at a capital cost of approximately A\$800m, an increase on the previous estimate of \$730m outlined in August 2023. This increase in expenditure will be covered from the existing cash balance and accommodated within the estimated \$600million capital expenditure envelope for FY24.

Costs incurred during commissioning will continue to be capitalised in accordance with accounting standards until the facility achieves commercial production.



*Lynas Kalgoorlie Rare Earths Processing Facility – February 2024*

## Mt Weld Expansion

The Mt Weld Expansion Project schedule remains on track with construction activities progressing as planned.

Structural, mechanical, piping (SMP) and electrical works on Stage 1 (Concentrate Dewatering) are well advanced. The energisation and commissioning of the Stage 1 circuit will commence over the next few months, and the Stage 1 circuit will initially be tied into the existing operation. A staged commissioning approach reduces commissioning risk and enables a step-up in production capacity whilst the remainder of the plant is constructed.

Construction of Stage 2 (balance of plant) is ramping up. All long lead equipment is on site, including grinding mills and flotation cells. Concrete works are advancing and SMP works will commence in late April.

With the transition to cleaner energy at Mt Weld, the negotiation of the Power Purchasing Agreement for the hybrid gas renewable power station is near completion. This power station will replace the current diesel power station and will provide a staged hybrid gas-renewable power supply targeting up to 70% renewable energy penetration with mix of solar, wind and battery energy storage.



*Mt Weld Expansion – Stage 1 and how it ties into the existing operation.*

## United States

Detailed engineering, procurement and approvals activities continued during the quarter for our U.S. Rare Earths Processing Facility. In January 2024, the federal NEPA environmental approval process was successfully concluded with the issuance of a 'Finding of No Significant Impact'. The project's 30% engineering design review was also completed during the period, and a ramp up in procurement activities is now in progress. Earthworks are expected to commence at the Seadrift site by calendar year end subject to all necessary approvals being in place.

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## FINANCE

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### Cash Position

A summarised cash flow for the quarter ended 31 March 2024 is set out below.

CASH FLOW	A\$ million	A\$ million
	Mar 24 quarter	FY24 YTD
<b>Cash Inflows</b>		
Receipts from customers	107.7	343.3
Refund of security deposits	-	1.8
<b>Cash Outflows</b>		
Payment for production, administration and royalty costs	(96.3)	(318.4)
Payments for capex, exploration and development	(97.7)	(444.6)
Payments for extinguishment of rehabilitation liability	(5.3)	(16.0)
Payments of borrowings	-	(2.9)
Net interest received	8.6	28.9
Net exchange rate adjustment	13.6	13.4
<b>OPENING CASH AND SHORT TERM DEPOSITS</b>	686.1	1,011.2
<b>CLOSING CASH AND SHORT TERM DEPOSITS</b>	616.7	616.7

(1) Financial information in this report is provided on an unaudited basis.

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## CORPORATE

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### Award of 5-Year Mining Contract to Carey Group

On 14 March 2024, Lynas was pleased to announce that Western Australian company Carey Group Holdings was awarded a 5-year contract for mining services at Lynas' Mt Weld rare earths mine near Laverton.

The contract will draw on Carey's nearly 30 years of experience as an open pit mining contractor and leading 100% First Nations-owned business, including as a service provider to neighbouring mines near Laverton. Carey commenced on site in April 2024.

**Authorised by:**  
 Sarah Leonard  
 Company Secretary