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Lynas signs contracts for Mt Weld hybrid power station

Lynas Rare Earths Ltd (ASX: LYC, OTC:LYSDY) (“Lynas”) is pleased to announce the signing of contracts with Zenith Energy (“Zenith”), a leading independent power provider, for the supply of power from a gas-fired hybrid renewable power station to Lynas’ Mt Weld mine and concentration plant, near Laverton, Western Australia.

Upon completion the new hybrid power station will have approximately 65MW total installed capacity comprising a 24MW Wind Farm (4 wind turbines), a 7MW solar PV farm, and a 12MW/12MWh Battery Energy Storage System (BESS). This renewable facility will be supported by a 17MW high efficiency gas fired power station. To provide redundancy in the back-up system for our 24/7 operation, 5MW of diesel standby generation will be installed.

Zenith Energy will finance, build, own, operate and maintain the new hybrid power station at Mt Weld under a Power Purchase Agreement (PPA) for a term of 15 years, commencing from the installation of the wind energy component which is scheduled to occur in calendar year 2026.

Early works are in progress following the signing of an early works agreement in CY2023 and include construction of the thermal power station and orders placed for long lead items including wind turbines. The thermal power station is expected to be completed in the first half of CY2025. Renewables (solar, wind and battery storage) will be installed progressively, with full operation expected in CY2026.

The hybrid power station has been designed to deliver up to approximately 70% average annual renewable energy as well as reliable baseload thermal capability. It is forecast that the power station will reduce Greenhouse Gas (“GHG”) emissions by approximately 60,000t CO₂-equivalent per year when compared to a diesel-only power station of equivalent size. Once fully operational, the hybrid power station will have the ability to deliver “engine off” operation, providing renewables-only power during periods of high renewable energy production.

Lynas CEO and Managing Director, Amanda Lacaze, commented: “Lynas produces materials used in the manufacture of 21st Century technologies and we look forward to working with Zenith Energy as it delivers a 21st Century power solution for Mt Weld.

“As part of our commitment to reducing GHG emissions and progressively transitioning to cleaner energy sources, the existing Mt Weld diesel power plant will be decommissioned as soon as the thermal (gas) power station is completed.

“Moving away from the legacy diesel power plant to a gas-fired hybrid renewable power station is a significant step in reducing the GHG emissions intensity of our Mt Weld operations. Pleasingly, our commitment to renewable energy sources also offers a lower unit cost of power compared to a thermal-only power solution.”

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Important Information**Future performance**

This announcement contains certain “forward-looking statements”. The words “expect”, “should”, “could”, “may”, “will”, “predict”, “plan”, “scenario”, “forecasts”, “anticipates” “estimates” and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.