

28 August 2024

LYNAS RARE EARTHS FULL YEAR 2024 RESULTS

Profitable in a challenging market, well positioned for future growth

	FY23	FY24
• Net Profit After Tax (NPAT):	\$310.7m	\$84.5m
• Revenue:	\$739.3m	\$463.3m
• EBIT:	\$315.5m	\$75.2m
• EBITDA:	\$377.7m	\$132.1m
• Cost of sales:	(\$399.9m)	(\$330.6m)
• Closing cash and cash equivalents:	\$1,011.2m	\$523.8m

Lynas Rare Earths Limited (“Lynas”) (ASX: LYC, OTC: LYSDY) today released its Financial Report for the full year ending 30 June 2024.

Lynas Rare Earths CEO and Managing Director, Amanda Lacaze, commented:

“2024 was both an exciting and challenging year for Lynas Rare Earths. Whilst a number of major milestones were achieved for our Company, inside China demand was subdued for most of the year and rare earths market prices remained stubbornly low. Pleasingly, there have been positive movements in the NdPr market price since May 2024.

“Achievements in FY24 included the variation to the Malaysian operating licence to enable the continuation of cracking and leaching in Malaysia and first production from our new Kalgoorlie Rare Earths Processing Facility. The construction and commissioning of such a large facility in just over two years from receipt of full construction approvals is a credit to the skills and perseverance of our Kalgoorlie team and the support received from our Malaysian experts.

“At Lynas Malaysia, our largest works program in over a decade was successfully and safely completed in December 2023. Notwithstanding this excellent performance, we recorded an increase in restricted work injuries in FY24 and are implementing further improvements to our

health and safety programs with the objective of reducing and eliminating injuries in our operations in the year ahead.

“As a result of our continued focus on operational efficiencies and cost control, I am pleased to report revenue of \$463.3m and a Net Profit After Tax (NPAT) of \$84.5m for the 2024 financial year.

“Whilst NdPr production decreased by 8%, in a year when we undertook a major works program at Lynas Malaysia, total costs reduced by 17% in FY24 vs FY23, a reflection of the continued focus on capturing efficiencies across the business. We are proud of our competitive cost position and as an integrated rare earths producer, we continue to benefit from the inherent advantages of the high grade Mt Weld rare earths resource.

“Lynas has over a decade of experience as a supplier of separated rare earths and this means we are well prepared to weather market price volatility. During the year we carefully managed sales and inventory to maximise sales prices. Our average selling price improved towards the end of FY24 as we proactively managed the timing of sales, especially for Heavy Rare Earths where pricing was particularly volatile.

“Despite the short term effects of low market prices, we continue to see investment and policy initiatives that will support a growing global rare earths supply chain. Lynas continues to invest to ensure we are able to grow with the market. In FY24, \$579.3m was invested in capital and mine development projects, primarily related to the new Kalgoorlie Rare Earths Processing Facility, the Mt Weld expansion project, and capacity and efficiency projects at Lynas Malaysia.

“Notwithstanding this heavy capital investment program, we ended the period with a robust cash balance of \$523.8m. Long dated debt reduced to US\$130m, preserving a strong Balance Sheet despite the low market prices through FY24,” added Ms Lacaze.

Key growth project milestones

In Malaysia, a variation to the Malaysian operating licence was announced on 24 October 2023 allowing Lynas to continue importing and processing Lanthanide Concentrate from the Mt Weld mine at Lynas Malaysia. This followed extensive discussions with the Malaysian government

and regulators and provided pathways for further investment in the efficient, cost competitive Lynas Malaysia facilities.

Subsequently, the most significant works in over a decade were completed at the Lynas Malaysia plant during a 6-week temporary shutdown in November and December 2023. The works enable a progressive uplift to separation capacity of approximately 10,500 tonnes p.a. for the NdPr family (NdPr, Nd, Pr), in line with our previously announced Lynas 2025 goals.

These works have also enabled the reconfiguration of an existing Solvent Extraction (SX) circuit to produce two Heavy Rare Earths (Dysprosium and Terbium) in Malaysia for the first time. As announced on 27 June 2024, first production is targeted for the 2025 calendar year.

In Australia, following final commissioning activities, production of Mixed Rare Earth Carbonate (MREC) commenced in the June 2024 quarter and the first shipment of MREC was dispatched to Lynas Malaysia. The ramp up of the Kalgoorlie facility continues as planned, and is being managed to align with increased production capacity at Mt Weld and Lynas Malaysia and with market demand.

At Mt Weld, the exploration drilling program was successfully completed in January 2024 and an updated Mt Weld Mineral Resource and Ore Reserve Statement¹ was released on 5 August 2024. This included a 92% increase in Mineral Resources² and a 63% increase in Mt Weld Ore Reserves³, with significant increase in contained Heavy Rare Earth mineralisation.

The Ore Reserve update supports:

- a >35 year mine life at production rates for sufficient concentrate feedstock for production capacity of 7,200 tpa NdPr (Neodymium Praseodymium) oxide finished product; and
- a >20 year mine life at expanded production rates for sufficient concentrate feedstock for production capacity of 12,000tpa of NdPr oxide finished product in line with Mt Weld expansion capacity (currently under construction).

¹ Refer to Appendix A

² Mineral Resource cut-off grade of 2.5% TREO applied

³ Reserves cutoff of 2.8% TREO compared to 4.0% TREO used for 2018 Reserves

The Mt Weld capacity expansion project progressed well during the year. Stage 1 (Concentrate Dewatering) construction was completed and commissioning commenced in the June 2024 quarter. Construction of Stage 2 (balance of plant) continues to ramp up and is now expected to be completed by the end of FY25.

As announced on 22 July 2024, contracts were signed with Zenith Energy for the supply of power from an approximately 65MW gas-fired hybrid renewable power station to Lynas' Mt Weld mine and concentration plant. Following the signing of an early works agreement in CY2023, early works progress in FY24 included construction of the thermal power station and orders placed for long lead items including wind turbines. The power station is forecast to reduce Greenhouse Gas ("GHG") emissions by approximately 60,000t CO₂-equivalent per year when compared to a diesel-only power station of equivalent size.

As announced on 1 August 2023, Lynas 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.

Detailed engineering, procurement and approvals activities continued for our U.S. Rare Earths Processing Facility. As previously disclosed, the federal NEPA environmental approval process was successfully concluded in January 2024, with the issuance of a "Finding of No Significant Impact". Subsequently, a further permitting issue has arisen related to wastewater management. It is unlikely this issue will be resolved prior to the end of 2024 and earthworks which were previously planned to commence in 2024 will be delayed until the matter is resolved.

Concluding remarks

"The 2024 financial year has demonstrated Lynas' ability to operate a profitable business through the price cycle as a result of strong financial discipline, an unrelenting focus on identifying and capturing cost efficiencies, and a clear focus on key customer requirements. In FY25, the team remains focused on fulfilling key customer needs, maximising internal efficiencies and delivering excellent value for our shareholders," said Ms Lacaze.

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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.

Appendix A: JORC Compliance and Competent Person’s Statement

Exploration Results

The information in this report is based on, and fairly represents information and supporting documentation jointly prepared by Marcelle Watson, Geology Manager, and Dr. Ganesh Bhat, Principal Resource Geologist. Marcelle Watson is a full-time employee of Lynas Rare Earths Ltd and member of AusIMM. Dr Ganesh Bhat is a full-time employee of Lynas Rare Earths Ltd and member of AusIMM. Ms Watson and Dr Bhat have the relevant experience in relation to the mineralisation being reported on to qualify as a Competent Persons as defined in the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Identified Mineral Resource and Ore Reserves 2012. Ms Watson and Dr Sadangaya Ganesh Bhat consent to the disclosure of information in this report in the form and context in which it appears. The potential extent and grade of the Fresh Carbonatite is unknown at this stage, as there has been insufficient exploration and it is uncertain if further exploration will result in estimation of a Mineral Resource. The Exploration Results have been prepared and reported in accordance with the 2012 edition of the JORC Code.

Mineral Resources and Ore Reserves

Full details of the material change that occurred in 2024 are reported in the Lynas ASX announcement dated August 5, 2024, titled “**2024 Mineral Resource and Ore Reserve update: Lynas announces a 92% increase in Mineral Resources and a 63% increase in Mt Weld Ore Reserves - with significant increase in contained heavy rare earth mineralisation**”. The company confirms that all material assumptions and technical parameters underpinning the estimated Ore Reserves set out in the ASX announcement dated August 5, 2024 continue to apply and have not materially changed.

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