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LYNAS SIGNS CONTRACT TO BUILD U.S. LIGHT RARE EARTHS SEPARATION FACILITY

Lynas Rare Earths Limited (ASX:LYC, OTC:LYSDY) ("Lynas") has today entered into an agreement with the United States Government to build a commercial Light Rare Earths separation plant in the United States, through our wholly owned subsidiary, Lynas USA LLC.

This collaboration with the Department of Defense is sponsored by the Title III, Defense Production Act program, which sits within the Pentagon's office of Industrial Policy, and will ultimately be directed by the Office of the Undersecretary for Acquisition and Sustainment.

This project is scheduled to be completed in accordance with the Department of Defense timetable and as part of our Lynas 2025 plan. Detailed costings are still being finalized; we expect Department of Defense funding to be capped at approximately US\$30 million. Lynas will also be expected to contribute approximately US\$30 million under the agreement.

The plant is expected to be located in Texas. Once operational, the plant is expected to produce approximately 5,000 tonnes per annum of Rare Earths products, including approximately 1,250 tonnes per annum of NdPr. The plant will be able to receive material directly from the cracking & leaching plant that Lynas is developing in Kalgoorlie, Western Australia.

The signing of this agreement follows the announcement on 27 July 2020, that Lynas had signed a contract with the U.S. Department of Defense for Phase I work on a U.S. based Heavy Rare Earth separation facility. Should that contract proceed to the next phase, the Texas facility would house both Heavy Rare Earths and Light Rare Earths processing facilities. The facilities will serve both the Defense Industrial Base (DIB) and the growing commercial market, including electric vehicles and green technologies made in the U.S. as well as in global markets.

Commenting on today's announcement, Amanda Lacaze, Lynas CEO and Managing Director said:

"As the only non-Chinese commercial producer of separated Rare Earths products to the global marketplace, Lynas is delighted by the opportunity to develop a Light Rare Earth separation facility in the United States.

"Rare Earth materials are critical inputs to many industrial supply chains, including electric vehicles, electronics and several defence applications. While demand for Rare Earth materials continues to grow, COVID-19 has exposed the risks within global supply chains of the single sourcing of critical materials.

"This agreement is consistent with the U.S. Government's commitment to rebuild the domestic industrial base, while working effectively with partner nations. The Texas plant will ensure the U.S. has a secure domestic source of high quality separated Rare Earth

materials. This secure supply will provide the essential foundation for the renewal of downstream specialty metal making and permanent magnet manufacturing in North America," Ms. Lacaze said.

If you have any queries in relation to this announcement, please contact Jennifer Parker or Lauren Stutchbury, our communications consultants at Cannings Strategic Communications on +61 2 8284 9990.

Authorized by:
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