

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2024

23 July 2024

HIGHLIGHTS

	Q4 FY23	Q3 FY24	Q4 FY24
• Quarterly gross sales revenue ¹ :	A\$157.5m	A\$101.2m	A\$136.6m
• Sales receipts:	A\$188.9m	A\$107.7m	A\$117.5m
• Closing cash and short term deposits:	A\$1,011.2m	A\$616.7m	A\$523.8m
• Total REO production:	4,475 REOt	3,545 REOt	2,188 REOt
◦ NdPr production:	1,864 REOt	1,724 REOt	1,504 REOt
• Cash payments for CAPEX, exploration and development	A\$200.5m	A\$97.7m	A\$131.1m

CEO REVIEW

During the June quarter, the ramp up of the Kalgoorlie facility continued and the first shipment of Mixed Rare Earth Carbonate (MREC) was dispatched to Malaysia. While production volumes remain low as processes are stabilised, the ramp up is proceeding in accordance with plan.

Total rare earth oxide (REO) production was 2,188 tonnes and NdPr production was 1,504 tonnes in the June quarter. This was lower than prior quarters as we completed some essential maintenance at Lynas Malaysia during the quarter. Once complete, we continued the ramp up of downstream production to our interim target of 9000 tonnes per annum. The process performance modifications undertaken at Lynas Malaysia to progressively work towards 10,500 tonnes per annum production capacity are on track.

Sales revenue of \$136.6m and sales receipts of \$117.5m for the quarter reflected the low average NdPr price (US\$46/kg ex VAT) during the quarter. Despite a slight improvement in China domestic end product demand, market prices remained low. However, our average selling price improved through the quarter as we carefully managed the timing of sales, especially for Heavy Rare Earth which were quite volatile throughout the quarter.

Following the signing of a 5-year mining contract with Carey Group in March 2024, mining operations recommenced at Mt Weld in the June quarter. As part of the new mining contract, Carey Mining has brought a new generation fleet of equipment to site, including a PC1250 excavator and Komatsu 785 haul trucks. The deployment has proceeded smoothly and we are delighted to welcome the Carey Mining team to site.

During the quarter, Mt Weld delivered efficient production of concentrate. Trucking of concentrate to the Kalgoorlie facility commenced using Lynas' new "rotainer" container system. This system uses half size containers and mechanical lifting to minimise manual handling requirements at Mt Weld and at Kalgoorlie.

Progress continued on the Mt Weld Expansion Project during the quarter. Stage 1 (Concentrate Dewatering) construction is complete and commissioning has commenced. The new concentrate dewatering circuit has been tied into the existing plant and once commissioned, will debottleneck the existing operation while the balance of the new plant is constructed. Commissioning of Stage 1 (Concentrate Dewatering) is expected to be completed by end of September 2024.

Construction of Stage 2 (balance of plant) continues to ramp up and construction of the Tailings Storage Facility (TSF) has commenced. Construction of Stage 2 (balance of plant) is now expected to be completed by the end of FY25. Commissioning activities for Stage 2 will progress concurrently with construction as individual circuits are completed.

In a further exciting development for Lynas, as announced on 27 June 2024, Lynas Malaysia is targeting first production of two separated Heavy Rare Earths (HRE) products in the CY 2025. A new process will produce separated Dysprosium (Dy) and Terbium (Tb) at Lynas Malaysia for the first time and will complement Lynas' existing Light Rare Earths product range.

To facilitate the production of Dy and Tb at Lynas Malaysia, one of Lynas Malaysia's solvent extraction circuits will be reconfigured. The new circuit will have design capacity to separate up to 1,500 tonnes of SEG¹ per year². Front end engineering design (FEED) has been completed and detailed engineering design is underway, with commissioning and ramp up expected in mid-CY2025. The approximately \$25 million CAPEX for this project will be accommodated within the previously disclosed Lynas Malaysia Industrial Plan.

The Malaysian Dy/Tb separation circuit is in addition to Lynas' plans for a U.S. Rare Earths Processing Facility. Progress continued on pre-construction activities for the U.S. Facility during the quarter.

The excellent operational management of the Lynas Malaysia advanced materials plant was recognised during the quarter with Lynas Malaysia receiving an award for 'Best License Holder for Control Category 4 2021-2023' by the Malaysian Department of Atomic Energy (AELB). This award recognises Lynas Malaysia's achievement of "Very Satisfactory" ratings in all safety audits, the highest possible rating, and the plant's excellent record of regulatory compliance.

As announced on 22 July 2024, Lynas has signed contracts with Zenith Energy for the supply of power from a gas-fired hybrid renewable power station to the Mt Weld mine and concentration plant. The hybrid power station has been designed to deliver up to approximately 70% average annual renewable energy as well as reliable baseload thermal capability. 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.

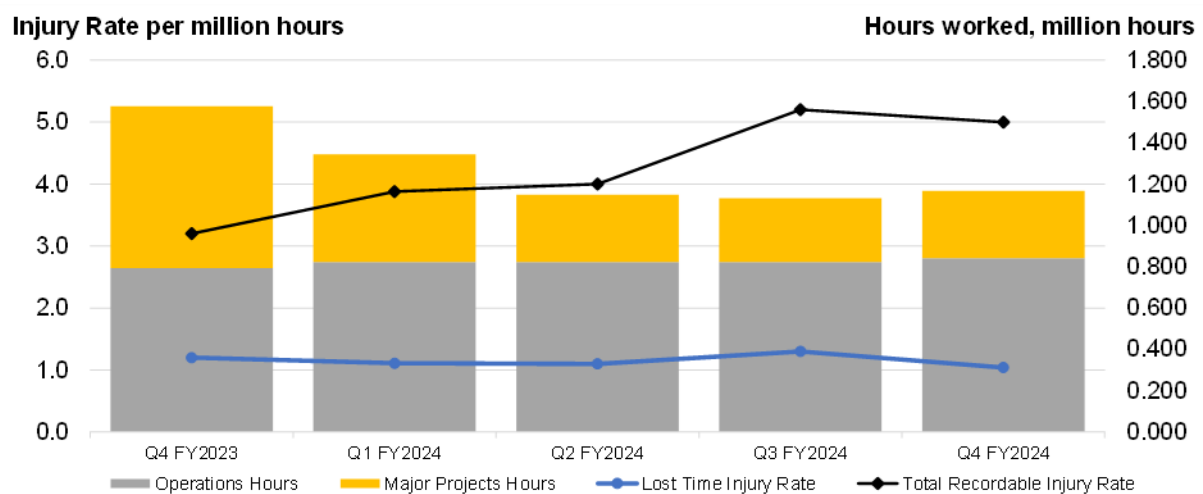
¹ SEG¹ is a mixed Heavy Rare Earth compound containing mixed Samarium, Europium, Gadolinium, Holmium, Dysprosium and Terbium

² The circuit separation capacity figure relates to engineering designed infrastructure nameplate capacity only and is not, nor is it intended to be, a 'production target' for the purposes of Chapter 5 of the ASX Listing Rules.

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 June 2024, was 1.04 per million hours worked while Total Recordable Injury Rate was 5.0 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.

MARKETING AND SALES

	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Sales Volume REOt	4,050	2,701	3,916	2,310	3,231
Gross Sales Revenue ¹	A\$176.1m	A\$126.8m	A\$136.2m	A\$101.2m	A\$136.6m
Average Selling Price ²	A\$43.5/kg	A\$46.9/kg	A\$34.8/kg	A\$43.8/kg	A\$42.3/kg
Sales Receipts (cash)	A\$188.9m	A\$128.5m	A\$107.1m	A\$107.7m	A\$117.5m

(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

Market prices remained low despite a slight improvement in China domestic demand. Lynas continued to focus on fulfilling contracted customer requirements and maintained our strategy of not selling into the spot market. Despite the general market price decrease, we managed to improve our average selling price through the quarter by managing the timing of sales, especially for Heavy Rare Earths where pricing was volatile during the quarter.

NdPr Oxide China Domestic Price (VAT excluded)*								
	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	April	May	June
USD/kg	60	59	60	47	46	47	48	44
Base 100	100	98	100	78	77	78	80	73

Dy Oxide China Domestic Price (VAT excluded)*								
	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	April	May	June
USD/kg	254	290	326	235	239	243	248	226
Base 100	100	114	128	92	94	95	97	89

Tb Oxide China Domestic Price (VAT excluded)*								
	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	April	May	June
USD/kg	1058	934	974	682	739	757	782	678
Base 100	100	88	92	64	70	72	74	64

* Source: Asian Metal

OPERATIONS

Upstream

Mining operations recommenced at Mt Weld during the quarter. Carey Mining commenced onsite with the removal of waste material above the orebody. As part of our mining contract, Carey Mining has brought a new fleet of equipment, including a PC1250 excavator and Komatsu 785 haul trucks.

As announced on 14 March 2024, the Mt Weld mining schedule has moved from campaign to continuous mining to meet our growth plan and supply the expanded processing plant, with the Carey team mining waste and ore over the next 5 years.

Mt Weld delivered efficient production of concentrate during the quarter and trucking of concentrate to our Kalgoorlie facility commenced utilising a rotainer container system that minimises manual handling.

Downstream

	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Ready for Sale Production Volume Total	4,475 REOt	3,609 REOt	1,566 REOt	3,545 REOt	2,188 REOt
Ready for Sale Production Volume NdPr	1,864 REOt	1,526 REOt	901 REOt	1,724 REOt	1,504 REOt

Lower production reflected 2 key challenges. In April, disturbances to the global shipping industry resulted in delays in receiving concentrate. As the shipping situation stabilised, the main bearings on one of the kilns failed and required a maintenance shutdown that took over a month.

Production was lower than prior quarters as we completed these essential maintenance works at Lynas Malaysia. Once complete, we continued the ramp up of downstream production to our interim target of 9000 tonnes per annum NdPr production capacity. The process performance modifications undertaken at Lynas Malaysia to progressively work towards 10,500 tonnes per annum NdPr production capacity are on track.

As announced on 27 June 2024, Lynas Malaysia is targeting first production of two separated Heavy Rare Earths (HRE) products in the 2025 calendar year (CY). A new process will produce separated Dysprosium (Dy) and Terbium (Tb) at Lynas Malaysia for the first time and will complement Lynas' existing Light Rare Earths product range.

The reconfiguration of one of Lynas Malaysia's solvent extraction circuits will facilitate the production of Dy and Tb. The new circuit is designed with capacity to separate up to 1,500 tonnes of SEG³H³ per year⁴. Front end engineering design (FEED) has been completed and detailed engineering design is underway, with commissioning and ramp up expected in mid-CY2025. The approximately \$25 million CAPEX for this project will be accommodated within the previously disclosed Lynas Malaysia Industrial Plan.

³ SEG³H is a mixed Heavy Rare Earth compound containing mixed Samarium, Europium, Gadolinium, Holmium, Dysprosium and Terbium

⁴ The circuit separation capacity figure relates to engineering designed infrastructure nameplate capacity only and is not, nor is it intended to be, a 'production target' for the purposes of Chapter 5 of the ASX Listing Rules.

As a result of the separation of Dy and Tb from the SEGH compound, Lynas' HRE product range will increase to 5 products: Dy; Tb; unseparated Samarium/Europium/Gadolinium; Holmium concentrate; and unseparated SEGH.

During the period, Lynas Malaysia was honoured to be named as Best License Holder for Control Category 4 2021-2023, by the Malaysian Department of Atomic Energy (AELB). This award recognises Lynas Malaysia's excellent materials management practices and the achievement of "Very Satisfactory" ratings in all safety audits (the highest rating) and excellent record of regulatory compliance.

LYNAS GROWTH PROJECTS

Kalgoorlie Project

Following final commissioning activities, production of Mixed Rare Earth Carbonate (MREC) has commenced and the first shipment of MREC was dispatched to Lynas Malaysia.

The ramp up of the Kalgoorlie facility continues in line with plan, and is being managed in line with increased production at Mt Weld and Lynas Malaysia and with market demand.

On 12 July 2024, Lynas provided an update on acid supply arrangement for Kalgoorlie following the announcement by BHP on 11 July 2024 that BHP's Western Australia Nickel operations will be temporarily suspended from October 2024. Lynas has a contract with BHP Nickel West for the supply of Sulphuric Acid to the Kalgoorlie Rare Earth Facility from either the Kalgoorlie nickel smelter or imported sources. BHP's ability to supply acid from the Kalgoorlie nickel smelter will be affected by BHP's announcement and in line with the terms of the supply contract, BHP has affirmed its commitment to using reasonable efforts to supply imported acid to Lynas. Lynas and BHP have been working together on contingencies for continued acid supply to Kalgoorlie and these plans will now be finalised for implementation.



Lynas Kalgoorlie Rare Earths Processing Facility

Mt Weld Expansion

Stage 1 (Concentrate Dewatering) construction is complete and commissioning has commenced. The dewatering switch room, thickener and filter circuits have now been energised. The new concentrate dewatering circuit has been tied into the existing plant and once commissioned, will debottleneck the existing operation while the balance of the new plant is constructed. Commissioning of Stage 1 (Concentrate Dewatering) is expected to be completed by end of September 2024.

Construction of Stage 2 (balance of plant) continues to ramp up, with all long lead equipment on site. Structural, mechanical and piping installation of the crushing, grinding and flotation circuits are advancing, and construction of the Tailings Storage Facility (TSF) has commenced. Construction of Stage 2 (balance of plant) is now expected to be completed by the end of FY25.

Commissioning activities for Stage 2 will progress concurrently with construction as individual circuits are completed. Commissioning of the High Voltage distribution, TSF, crushing and water treatment circuits will commence in CY24, with commissioning of the grinding, flotation, leaching and reagents circuits expected in CY25.

As announced on 22 July 2024, Lynas has signed contracts with Zenith Energy for the supply of power from a gas-fired hybrid renewable power station at Mt Weld. The hybrid power station has been designed to deliver up to approximately 70% average annual renewable energy as well as reliable baseload thermal capability. Early works are in progress following an early works agreement signed in CY23.



Mt Weld Expansion – Stage 1 (Concentrate Dewatering) Energisation

United States

Lynas continued to progress pre-construction activities for its planned U.S. Rare Earths Processing Facility during the quarter. Both Lynas Malaysia and the planned U.S. Rare Earths Processing Facility have been designed to accept third party feedstocks as they come online.

FINANCE

Cash Position

A summarised cash flow for the quarter ended 30 June 2024 is set out below.

CASH FLOW	A\$ million	A\$ million
	June 24 quarter	FY24 YTD
Cash Inflows		
Receipts from customers	117.5	460.8
Refund of security deposits	-	1.8
Receipt of grant funding	32.6	32.6
Cash Outflows		
Payment for production, administration and royalty costs	(84.3)	(352.6)
Payments for capex, exploration and development	(131.1)	(579.2)
Payment for income taxes	(8.3)	(50.8)
Payments for extinguishment of rehabilitation liability	(6.9)	(26.9)
Payments of borrowings	(7.5)	(10.4)
Payment for security deposits	(2.4)	(2.4)
Net interest received	4.8	33.8
Net exchange rate adjustment	(7.3)	5.9
OPENING CASH AND SHORT TERM DEPOSITS	616.7	1,011.2
CLOSING CASH AND SHORT TERM DEPOSITS	523.8	523.8

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

CORPORATE

The 2024 Annual General Meeting of Lynas shareholders will be held on 27 November 2024 at 10am Sydney time at The Mint, 10 Macquarie St, Sydney. Shareholders will also be able to attend the meeting via a virtual platform. A notice of meeting will be issued closer to the date.

Authorised by:
Sarah Leonard
Company Secretary