29 October 2025

Lynas announces expanded Heavy Rare Earths separation facility in Malaysia

Meeting strong demand for HRE products at fair prices

Lynas Rare Earths Ltd (ASX: LYC, OTC:LYSDY) ("Lynas") is pleased to announce the Company will establish a new Heavy Rare Earth (HRE) separation facility at Lynas Malaysia to meet strong market demand for a reliable outside China source of Heavy Rare Earth oxides. The new HRE facility will have processing capacity to separate up to 5,000 tonnes per annum of HRE feedstock[1] and will build on Lynas' proven ability to produce HRE oxides in commercial quantities, a capability which is unique outside of China.

Feedstock for the new HRE facility will come from Lynas' high grade Mt Weld rare earths deposit which contains both Light and Heavy Rare Earths, and from other sources to be developed, such as ionic clay rare earth deposits in Malaysia.

Together with its Light Rare Earth products, Lynas Malaysia currently produces separated Dysprosium and Terbium oxide. This new facility will increase HRE production capacity and provide customers with an expanded suite of separated HRE products needed for modern manufacturing.

Lynas' in house expertise, laboratories and production facilities enable Lynas to cost effectively complete this project at a cost of approximately A$180 million (MYR500 million). The project will be self-funded following the equity raising successfully completed in September 2025.

The timeline for construction of the new facility is subject to regulatory approvals. Lynas is currently in discussions with a range of offtake partners to secure offtake of the expanded range of HRE products at fair prices.

The phased construction of the facility will deliver priority products first, with first production of Samarium from Mt Weld feedstock forecast for April 2026. Processing capacity will be progressively added with the capacity for the initial suite of separated HREs forecast to be available within 2 years. The initial flowsheet includes separated Samarium (Sm), Gadolinium (Gd), Dysprosium (Dy), Terbium (Tb), Yttrium (Y), Lutetium (Lu). Investment in further flowsheet enhancements to produce additional HRE products, in particular Europium (Eu), Holmium (Ho), Ytterbium (Yb), Erbium (Er), will be considered based on commercial agreements that provide an appropriate return on the additional investment.

[1] This is a reference to the nameplate processing capacity of the expanded HRE facility based on the planned equipment configuration. It is not, and is not intended to be, a production target for the purposes of Chapter 5 of the ASX Listing Rules or a projection or forecast of the amount of minerals to be extracted or produced for any particular period. Feedstock sources include Lynas' Mt Weld deposit and other potential feedstock sources currently under assessment. Production at nameplate processing capacity is subject to sourcing other potential feedstock.

Target HRE nameplate annual processing capacity[1] is outlined in the following table:

Separated HRE product	**Target HRE nameplate annual processing capacity[1]** *Tonnes*
Sm	1100
Gd	400
Tb	50
Dy	250
Y	1100
Lu	10

Commenting on the planned facility, Lynas Rare Earths CEO and Managing Director, Amanda Lacaze, said:

''The new Heavy Rare Earths processing facility at Lynas Malaysia is a key element of our *Towards 2030* growth strategy and contributes to the strength of our multi-product offering. Market demand for Heavy Rare Earths is high and Lynas can be selective in where, and at what price, we sell Heavy Rare Earth oxides.

"Lynas has already concluded contracts for current Dy and Tb production on favourable terms that reflect the strategic value and the immediate availability of these materials. Offtake agreements for the new HRE production will be negotiated on a price floor basis and priority will be given to customers where Lynas is servicing 100% of their requirements. Lynas will prioritise market segments where pricing is more favourable, such as the electronics industry.

"Lynas is part of a current functioning and reliable outside China supply chain. Lynas is the only outside China producer able to supply both Light and Heavy Rare Earth products. In 2025, we have proven our ability to separate the two in demand Heavy Rare Earth oxides, Dy and Tb, alongside our proven ability to produce LRE at scale. Our plan to produce Samarium by April 2026 further demonstrates our ability to move quickly and efficiently in line with customer needs," Ms Lacaze added.

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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

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