

Amanda Lacaze of Lynas on recent rare earth trends

*July 28, 2016 – There seems little need to introduce **Lynas Corporation Ltd.** (ASX: LYC | OTC: LYSDY) to readers; after all, it appears, each time we write about this Australian rare earths producer, it unleashes a torrent of well-informed (and sometimes torrid) comment from InvestorIntel readers. Lynas remains a company of red-hot interest to investors.*

Lynas has been back in the news of late, [reporting record sales in the June quarter](#) due to higher production which compensated for still weak REE prices. As I noted at the time, Lynas was progressing on two fronts:

- The company's production of neodymium-praseodymium (Nd/Pr) – the key magnet rare earth elements – for the 12 months to June 30 exceeded the target of 3,840 tonnes. As Lynas pointed out, this was the second consecutive six-month period in which it had exceeded its Nd/Pr target. This meant that interest on the loan facility under the agreement with partners Japan Australian Rare Earths (JARE) would be reduced by 0.5%
- Lynas last month repaid another \$5.74 million; as a result of its recent repayments, the JARE senior loan facility has been reduced by a further 0.3%.

But there was another headline in recent days in one news publication that tells us something more about the Lynas story. That headline read “Lynas is a big winner with Honda hybrid engine breakthrough”, and that is an issue that is discussed in this interview.

In this interview with InvestorIntel Publisher Tracy Weslosky, Lynas Managing Director Amanda Lacaze spells out some positive developments that are offsetting the prevalent gloom that

hangs over REE prices. One such is the Honda breakthrough in engineering out heavy rare earths from its new engine – Amanda spells out why that is good news for Lynas.

Other points covered in this interview:

- How bringing Lynas to full production capacity was no easy task.
- The demand for neodymium-praseodymium.
- The relationship with the company's lenders.
- Japan's ongoing concern about rare earth supplies.
- Why the rare earths market still wears the pain of the 2011 bubble.
- Why we will never again see 2011-style rare earth prices.
- How the next challenge is to expand the Lynas business.

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