

Amanda Lacaze comes to rescue Lynas

✘ Lynas has changed captains, signaling that the Board has decided that it wants to change the Company's course. The rare earth producer, still unable to overcome its financial difficulties, has replaced Eric Noyrez with Ms. Amanda Lacaze as CEO. The surprise move suggests that Noyrez may have been 'persuaded' to resign by the Board due to the ongoing delays in the Lynas's Advanced Malaysian Processing plant (LAMP) reaching full capacity.

Noyrez, who held his position for just over a year, led Lynas in a difficult period as the Company conducted the commissioning of the mine in Mt. Weld, Australia, and in the wake of Lynas's start of production after the Company had overcome numerous protests as well as technical and financial problems. Overcoming numerous challenges and achieving a steady production would have led to a transformation of the company and would now make it possible to focus more on commercial success. Amanda Lacaze comes from a telecom background; she was previously CEO of Commander Communications and also served as Vice President of Marketing Australia's leading telecommunications company Telstra, where she helped to expand and strengthen the Company's business. Lacazes also has experience in the chemical, heavy industry, technology and marketing – among other things – sectors. Lynas has also had to endure a sharp drop in the price of light rare earths even as it should manage to reach its planned production rate of 11,000 tons per year at the end of June.

No official reason was given for Noyrez's departure and Chairman Nick Curtis did not offer any reason; however, Curtis and the Board may have pondered the shift toward Ms' Lacaze's leadership as early as last December when Amanda Lacaze was appointed as non-executive director to the Lynas Board. At the

time, she was said to bring “skills in strategic marketing and her focus on delivering outstanding financial performance”. Curtis also said that, as a Board member, Ms. Lacaze would be “a great contributor to Lynas, particularly as the company continues its evolution from project developer to industrial producer, which is Amanda’s core area of expertise”. Should Lacaze succeed in using her expertise to reach Lynas’s planned production ramp-up, it would help the Company reduce production costs and improve cash flow. This is crucial given that Lynas’s main products, cerium oxide and lanthanum have fallen substantially since reaching peaks in 2011.

Noyrez’s departure comes just as Lynas managed to secure an AUD\$ 40 million financing last May to address its cash flow problems. Lynas has close to a billion dollars (RM3 billion) on the Kuantan processing plant and even if it has secured financing to keep going for next year, it still faces the risk of insolvency in the medium term if it cannot meet its production goals and if the price of light rare earths (LREE) continues to drop. If Lynas can manage to run at full steam, it could start to challenge China’s dominance, but it must reach this level quickly in order to take advantage of China’s ‘sabbatical’ rare earth mining period, as the government tries to confront the country’s massive pollution related to unregulated industrialization. Beijing is also trying to curb the problem of rare earths smuggling, which has flourished until recently, putting further pressure on prices. As for China, Lynas indicated that it will consider all reasonable solutions to improving its performance and to ensure its long term survival and presumably, this must mean that Lynas is open to Chinese investment as well. China is Australia’s main trading partner of Australia and suggests that Canberra may be edging closer to signing a free trade agreement with Beijing.

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