

Lynas announces temporary shut down of M'sia ops

Malaysiakini

20 October 2023

Editor's note: This article has been amended to reflect that the shutdown is a temporary measure as stated in Lynas' report.

Lynas plans to temporarily shut down all operations in Malaysia in the December quarter starting mid-November, except for its Mixed Rare Earth Carbonate (MREC) processing.

Lynas said the Malaysia plant is shut down temporarily for upgrade works to support increased downstream capacity.

The upgrading works are expected to be completed in the December quarter, the Australia-based producer of separate rare earths said in its announcement to the Australia Stock Exchange today.

"We are excited to have now commenced the kiln heating cycle at the new Kalgoorlie Facility. This is the first step in production and will be followed by first production, and then ramp up over the next few months.

"Whilst the trajectory of this ramp-up is inherently unpredictable, this is an exciting milestone.

"In Malaysia, there will be a planned shutdown of all operations, apart from MREC processing, in the December quarter starting from mid-November. MREC processing volumes are expected to be minimal during this period," the report said.

During the shutdown, Lynas said, its Malaysian personnel key to cracking and leaching (C&L) operations would be deployed to the company's new facility in Kalgoorlie, Australia to assist with its start-up process.

The company stated that the company, however, will implement an upgrade to its downstream operations to increase neodymium and praseodymium (NdPr) production capacity to approximately 10,500 tonnes per annum.

This, Lynas said, is essential additional capacity in the event the Malaysian government updates the company's licence to allow continued import and processing of Lanthanide concentrate from next year onwards.

"In the event that does not occur, the capacity will still be required as Kalgoorlie ramps up to its nameplate capacity of MREC feedstock to produce approximately 9,000tpa NdPr finished product," the report said.

Operating licence

Earlier this year, the government renewed the operating licence for Lynas' operating plant in Gebeng, Kuantan for three years, effective from March 3.

However, the licence was renewed with the same conditions imposed by the Pakatan Harapan administration in 2020.

The key conditions include relocating the cracking and leaching facility out of Malaysia before July this year, after which it will no longer be allowed to import lanthanide concentrate into the country.

The deadline, however, was extended until the end of 2023 to prevent disruption to the global rare earth supply chain and so Lynas can complete its Kalgoorlie plant.

Another key condition would be to construct a permanent disposal facility to store the existing waste from when it began operating in 2012.

Prime Minister Anwar Ibrahim also recently announced that the government will develop an export ban policy on rare earth raw materials.

This was to prevent exploitation and loss of resources, thus ensuring maximum

returns for the country, according to Anwar's speech when tabling the motion on the 12th Malaysia Plan 2021-2025 Mid-Term Review in the Dewan Rakyat last month.

Meanwhile, the announcement of the temporary closure was met with a dip in share prices on the Australian Stock Exchange.

Its shares dropped 2.7 percent to A\$6.24, the lowest since May 3, Reuters reported.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malaysiakini.com/news/683499>