

This CEO Wants to Extract Rare Earths From Trade Fight

Amanda Lacaze's small company is working to break up China's dominance in the sector.

By Rhiannon Hoyle

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The rare-earths company that Amanda Lacaze runs is small, but her mission is immense: weaning the West off its dependence on China for the obscure metals needed in high-tech gear including cellphones, electric cars and jet fighters.

As chief executive of Lynas Corp., the 58-year-old Ms. Lacaze leads the world's largest producer of rare earths, such as neodymium and praseodymium, outside China, which mines them from a collapsed volcano in western Australia and refines them in Malaysia. She is now pushing to expand capacity with plans to build a Texas processing plant.

Lynas's position in the rare-earths supply chain gives it a critical role in the trade conflict between Washington and Beijing. China, which controls about 85% of refined global supplies, hinted earlier this year that it might restrict exports of such minerals. If that happened, Ms. Lacaze says it would expose gaps Lynas wouldn't be able to immediately fill, particularly in heavy rare-earth elements that are the most scarce and vital for making powerful magnets and lasers.

Ms. Lacaze has made a career of confronting crises. When the former telecom executive took over as CEO in 2014, high debt and problems getting the Malaysia plant running had pushed Lynas to the brink of collapse. She slashed costs, moved Lynas's headquarters to Malaysia from Australia and got its plant to produce more rare earths, more reliably. This spring, Lynas, which generated roughly 374 million Australian dollars, or about US\$254 million, in revenue in the year through June, spurned an unsolicited A\$1.5 billion bid from Australian conglomerate Wesfarmers Ltd.

Ms. Lacaze recently sat down with The Wall Street Journal in Sydney. Here are edited excerpts:

WSJ: Why exactly is producing rare earths so complicated and costly?

Ms. Lacaze: Often people say, “Rare earths are not rare.” However, it is very rare for them to be in a deposit that’s economical to mine; they will generally be found in trace quantities.

The rare earths that are valuable are reactive metals, which means they combine with the other elements around them. They have been married for 200 million years, and they don’t really fancy getting divorced. It is a tricky chemistry task.



As CEO of Lynas, Ms. Lacaze leads the world’s largest producer of rare earths, such as neodymium and praseodymium, outside China. PHOTO: JAMES HORAN FOR THE WALL STREET JOURNAL

WSJ: The Trump administration wants to wean the U.S. off Chinese rare-earth supplies. Is that possible?

Ms. Lacaze: It is absolutely possible, but it takes time. It took us almost a decade to do the work, to build the facilities and then to ramp them up. The administration’s intention to facilitate this is a good one, given heavy capital investment is needed.

WSJ: China could tighten the tap on rare earths at any time. What would that mean for the rest of the world?

Ms. Lacaze: We can actually serve 100% of light-rare-earths demand from outside China except for one single material, lanthanum, which is commonly used in hybrid-car batteries and for refining petroleum.

We have heavy rare earths in our ore but not our processing capability—yet. That is the first planned activity in the U.S. That’s really important because there are no heavy-rare-earth separators outside China at all.

WSJ: You attended three board meetings as a director of Lynas before putting up your hand to be CEO. Why?

Ms. Lacaze: At the first meeting, I didn't know what I didn't know. The second was a plant tour. By the third, I'd worked out that this business was in a fair bit of trouble. I either needed to resign or put my hand up to be part of the solution. That didn't necessarily mean putting my hand up and saying, "I want to be the CEO," but, as it transpired, that was the outcome.

WSJ: Some research suggests women are more likely to be appointed CEO if a company is in crisis, making it tougher to succeed. Did that concern you?

Ms. Lacaze: I have a sufficient risk profile that I was prepared to give it a shot. A lot of people would have said, "If this goes south, and there's plenty of opportunity for it to go south, then my reputation is sullied forever."

WSJ: When did you know you wanted to be a CEO?

Ms. Lacaze: At 20, I got a job as a Marlboro girl and, as it turns out, it was terrific because it was my first exposure to corporate life. I was promoted fairly quickly to sales rep and then a manager, and that gave me insight into marketing. That's when I decided I would like to be a marketer and a CEO. By the time I was 22, I had decided.

WSJ: How do you de-stress?

Ms. Lacaze: I buy shoes. I was in London for investor meetings a couple of weeks ago and came back with five new pairs. Other people might indulge in drinking expensive red wine. My indulgences: I like clothes, I like shoes, I like handbags.

WSJ: You have said you don't have to compromise your femininity for success. Has it ever created problems for you?

Ms. Lacaze: Quite the opposite. Generally, most of the world are not grumps. I take my work very seriously and if I do my job well, it has a positive impact on a lot of people's lives. What I'm wearing adds a bit of fun. People love my pink safety boots, you know? The boys in the plant know when I'm on my way.

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