Lynas Takes the Rare Earth Race to Brazil with Meteoric Bid

written by Tracy Hughes | October 1, 2026

The race to loosen China's grip on rare earth supply has produced a proposed A$968 million deal with Brazil at its center. Earlier today, **Lynas Rare Earths Limited (ASX: LYC | OTCQX: LYSDY, LYSCF)** announced an agreement to acquire **Meteoric Resources Limited (ASX: MEI | OTCQB: METOF)** through an all-share scheme of arrangement. The attraction is Meteoric's Caldeira project in Minas Gerais, a potential new source of the materials needed by magnet manufacturers seeking supply beyond China.

For Lynas, the proposed acquisition would extend an operating business built around Australia's Mt Weld deposit and its Australian and Malaysian processing facilities into a third country. For Meteoric, it offers a route to developing Caldeira with a parent that already produces separated rare earth oxides and serves industrial customers. The commercial opportunity lies in connecting a substantial development asset with the expertise, customer relationships and financial capacity required to turn it into dependable supply.

Meteoric shareholders would receive 0.0207 new Lynas shares for each share held. The A$968 million headline uses Lynas's 60-day volume-weighted average price; at its September 30 closing price of A$13.83, the fully diluted offer value was approximately A$876 million. That closing-price basis implied A$0.286 per Meteoric share and a 68.4% premium to Meteoric's A$0.17 close. Shareholders are being offered a fixed exchange ratio, so the dollar value will move with Lynas's share price.

The industrial backdrop explains the interest. The International Energy Agency’s 2026 rare earth assessment puts China’s 2024 share at 60% of mined magnet rare earth production, 91% of refining and 94% of sintered permanent magnet manufacturing. The concentration becomes more pronounced as material moves towards the finished product. A new mine can contribute to diversification, but its commercial influence depends on the processing and manufacturing capacity available to receive its output.

Lynas brings experience at a stage where the international supply chain remains particularly concentrated. Its operations connect mining and concentration at Mt Weld with cracking and leaching at Kalgoorlie and separation in Malaysia. Neodymium and praseodymium provide the core rare earth content of powerful permanent magnets, while dysprosium and terbium can improve performance at elevated temperatures. Those materials serve electric motors, industrial equipment, wind turbines and defence applications, giving customers strong reasons to seek reliable alternative suppliers.

Caldeira’s appeal begins with scale. Meteoric reports a global resource of approximately 1.63 billion tonnes, while the July definitive feasibility study established a probable reserve of 151 million tonnes underpinning a 23-year mine plan. The reserve provides the basis for the initial development; the much larger resource offers potential for future expansion and longer operating life. Its value will depend on the recoverable element mix and the economics of the material actually scheduled for processing.

The feasibility study envisages average annual production containing 3,862 tonnes of neodymium and praseodymium and 127 tonnes of dysprosium and terbium over the mine life. These figures describe oxide content in mixed rare earth carbonate,

which still requires separation into individual products. Caldeira’s ionic clay flowsheet uses ammonium sulfate under mild conditions and avoids the hard rock cracking stage required by some other deposits. Lynas could bring substantial expertise to the subsequent processing, although the final destination of Caldeira’s product and any additional capacity requirements remain to be established.

Meteoric’s technical work gives the proposal substance. Its reported pilot results for January through May included 43 tonnes of dry ore processed, more than 200 kilograms of mixed carbonate produced and average magnet rare earth recovery of 71%, reaching 80% in May. Continuous pilot operation provides evidence about material handling, recycling and product quality that laboratory results alone cannot supply. The next test is maintaining those outcomes at commercial throughput across the scheduled ore.

Meteoric executive chair Dr Andrew Tunks described the proposed partner’s contribution directly in the joint announcement. “Lynas brings technical expertise, global credibility and balance sheet strength to fast-track the development of Caldeira,” he said. His statement captures the attraction for a developer facing a substantial construction bill. The combined business would have to translate those advantages into an approved development plan and sustained operating performance.

Lynas enters the transaction with financial capacity built from both stronger trading and substantial new equity. Its FY2026 revenue reached A$977.9 million and net profit A$222.4 million, with approximately A$1.21 billion in cash and short-term deposits at June 30. The annual report also records A$914.3 million of net proceeds from equity issuance. An acquisition paid in shares preserves cash for development, but shareholders still need to assess the return on the purchase consideration

and the capital invested afterwards.

That development commitment is material. Caldeira's feasibility study estimated initial capital of US$498 million, including contingency, while Lynas now expects development spending to exceed US$500 million. Lynas has also agreed an interim funding facility of up to A$110 million, with A$35 million initially available and further funding subject to conditions. The facility supports progress during the scheme process; construction funding, permitting and the final investment decision remain consequential steps.

Japan's relationship with Lynas illustrates how supply security can acquire commercial value. The enhanced JARE agreement announced in March runs to 2038 and includes firm annual purchases of 5,000 tonnes of NdPr, a US$110-per-kilogram NdPr floor and arrangements for sharing specified upside. It also includes a firm commitment for 50% of Lynas's heavy rare earth oxide production. These terms give investors a concrete example of customer support for diversified supply, although they should not be treated as a guaranteed selling price for Caldeira's future mixed carbonate.

Brazil's place in this industrial competition is becoming more visible. USA Rare Earth, Inc. (NASDAQ: USAR) completed its combination with Serra Verde in September, linking an operating Brazilian rare earth source with a wider processing and magnet strategy. Caldeira remains a development project, so the two assets have different operating and financing profiles. Together, the transactions suggest that Brazil is becoming an important source of feedstock for companies assembling supply chains across several countries.

Brazil also has an interest in retaining more of the processing value. Lynas says it will study the potential for additional

downstream processing in the country, consistent with Brazilian economic objectives. The choice between exporting carbonate and building further local processing would affect capital requirements, product economics and the timetable. For shareholders, the eventual integration plan will be central to judging how much value the acquisition can create.

The scheme remains proposed, with shareholder, court and regulatory approvals required and implementation targeted for March 2027. Meteoric’s board recommendation is conditional on no superior proposal and a favourable independent expert conclusion. If completed, the combination would give Lynas a substantial Brazilian development opportunity and Meteoric shareholders exposure to a larger operating business. The lasting significance will depend on whether Caldeira can supply qualified material at a cost and scale that strengthen Lynas’s competitive position.

The investment question is therefore how effectively this combination can connect future production with customers willing to support diversified supply. The IEA’s September 30th analysis treats the additional cost of mineral diversification as an insurance premium against disruption. For Lynas and Meteoric shareholders, that security value must ultimately appear in commercial contracts, operating margins and cash returns. Caldeira gives Lynas a new route to expanding its role beyond China; delivering it will require the same processing discipline that makes the proposed buyer valuable today.