

3 January 2019

LYNAS APPEALS CONDITION IMPOSED ON 4 DECEMBER 2018

Further to the ASX announcement of Lynas Corporation Ltd (ASX:LYC, OTC:LYSDY) dated 5 December 2018, Lynas Malaysia has today filed an appeal pursuant to the Atomic Energy Licensing Act 1984 in respect of the decision communicated in a MESTECC press statement and in a letter from the Deputy Director of the AELB dated 4 December 2018. That decision purported to impose a new condition to the renewal of Lynas Malaysia's operating licence which is due on 2 September 2019. As noted in the Lynas ASX announcement dated 5 December 2018, the new condition requires the export of Lynas Malaysia's Water Leach Purification (WLP) residue out of Malaysia before 2 September 2019.

Lynas CEO Amanda Lacaze said: "Our preferred course of action remains to resolve these issues through our ongoing discussions with the Malaysian government. However the statute in Malaysia requires that an appeal must be filed within 30 days, otherwise we may lose some rights of appeal. The statute requires that this initial appeal is lodged with the Minister of MESTECC. Key issues in relation to the new condition include the availability of regulatory approvals, the proposed timetable for export of WLP residue and the significant cost. We look forward to continued discussions with the Malaysian government to seek to resolve these issues. Today's appeal has been filed to preserve our legal rights while those discussions are ongoing."

In addition, as mentioned in the Lynas ASX announcements dated 27 November 2018, there was a temporary halt to production in December 2018, which reduced NdPr production in the December quarter by approximately 400 tonnes. Lynas Malaysia continues to operate on a business-as-usual basis, and production has recommenced following the temporary halt in December 2018.

For all media enquiries please contact Jennifer Parker from Cannings Corporate Communications at jparker@cannings.net.au.

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