

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

LYNAS CORPORATION LIMITED ("the Group")

ABN

27 009 066 648

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000 prior period FX restated*
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors*	25,914	102,563
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration(i)	(37,607) (9,960)	(111,606) (28,288)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes (paid)/received	(15)	(41)
1.7 Other (provide details if material) (ii)	-	(2,513)
Net Operating Cash Flows	(21,668)	(39,885)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets (iii)	(4,400)	(8,500)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other a. Security Deposits b. Proceeds from the issues of shares via the exercise of options	18	383
Net investing cash flows	(4,382)	(8,117)
1.13 Total operating and investing cash flows (carried forward)	(26,050)	(48,002)
(i) Administration includes sales commissions.		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- (ii) Royalties paid in relation to shipment of rare earth concentrate from Australia to Malaysia.
- (iii) Payments include amounts for property, plant and equipment and intangibles.

1.13	Total operating and investing cash flows (brought forward)	(26,050)	(48,002)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4	82,977
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings (refer to item 3.1 (i))		(11,371)
1.18	Dividends paid		
1.19	Other:		
	a. Interest & other costs of finance paid(i)	(707)	(20,116)
	b. Interest & other items of a similar nature received	135	339
	Net financing cash flows	(568)	51,829
	Net (decrease)/increase in cash held	(26,618)	3,827
1.20	Cash at beginning of quarter/year to date	70,780	38,144
1.21	Net exchange rate adjustments	283	2,474
1.22	Cash at end of quarter	44,445	44,445

- (i) Total year to date interest and other costs of finance paid include, interest on convertible bonds of A\$4.2M, interest on Sojitz facility of A\$8.2M, underwriting fees on shares placement and rights issue of A\$5.1M and funding and debt restructuring related costs of A\$2.6M.

*Year to date FX translation has been adjusted from a period end to a month end conversion in line with the treatment for the Profit and Loss statement.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54 [†]
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	Nil

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

+ See chapter 19 for defined terms.

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$USD'000	Amount used \$USD'000
3.1	Loan facilities (i)	430,000	430,000
3.2	Credit standby arrangements	Nil	Nil

- (i) The Group has a US\$225M fully drawn facility from a SPC established by Sojitz and JOGMEC (the "Sojitz Facility"). Principal repayments of US\$10M each were made on January 19, 2014 and October 2, 2014 reducing the principal outstanding to US\$205M. In addition, the Group has a US\$225M Convertible Bond facility on issue.

Pursuant to a binding term sheet dated March 12, 2015, the Senior Lender under the Group's Sojitz loan facility and Lynas agreed to reduce the cash flow burden of the Sojitz loan facility on Lynas, including by deferring the repayments previously due on 31 March 2015 and 30 June 2015 until 30 June 2016. The Senior Lender and Lynas also agreed that each interest payment that is due in calendar year 2015 will be deposited into a restricted bank account, with the payments available, at the lender's discretion, for reuse in the Lynas business in the coming 12 month period.

In addition, pursuant to a binding term sheet dated March 12, 2015, Lynas and the Convertible bondholders led by Mount Kellett agreed to reduce the cash flow burden of the Convertible Bonds on Lynas by agreeing that each interest payment that is due in calendar year 2015 will be deposited into a restricted bank account, with the payments available, at the lender's discretion, for reuse in the Lynas business in the coming 12 month period

Estimated gross cash outflows for next quarter (excluding revenue)

\$A'000

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

4.1	Exploration and evaluation	Nil
4.2	Development	3,800
4.3	Production	43,000
4.4	Administration (including interest payments and sales commissions)(i)	7,900
Total		52,200

- (i) The total forecast cash outflow for the next quarter does not include the transfer of funds of approximately A\$9M to fund the interest payment due to Sojitz and Convertible Bondholders in March 2016. The amount will be deposited into restricted accounts but no payout is scheduled until 31 March 2016.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	33,020	64,105
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Restricted cash)	11,425	6,675
Total: cash at end of quarter (item 1.22)	44,445	70,780

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	See Appendix A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	Preference +securities <i>(description)</i>	Nil			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3	+Ordinary securities	3,371,002,400	3,371,002,400		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(a) 47,366	(a) 47,366	(a) \$0.09	(a) \$0.09
7.5	+Convertible debt securities <i>(description)</i>	225,000,000	N/A	US\$1.00	US\$1.00
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report


		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price (\$)</i>	<i>Expiry date</i>
	<u>Listed Options</u>				
	740,178,825	740,178,825	\$0.09	September 15, 2015	
	<u>Unlisted Options</u>				
	1,000,000	Nil	\$0.66	July 1, 2015	
	5,850,000		\$1.15	August 19, 2015	
	229,309		\$0.00	August 19, 2015	
	1,000,000		\$1.60	October 1, 2015	
	679,758		\$1.02	September 24, 2017	
	432,489		\$0.00	September 24, 2017	
	579,663		\$0.00	September 23, 2018	
	2,268,067		\$0.00	September 23, 2018	
	9,443,395		\$0.00	September 23, 2019	
	862,069		\$0.00	September 23, 2017	
	1,086,957		\$0.00	September 23, 2017	
	6,226,416		\$0.00	September 23, 2019	
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	<u>Listed Options</u> 47,366	47,366	<i>Exercise price (\$)</i> \$0.09	<i>Expiry Date</i> September 15, 2015
7.10	Expired or cancelled during quarter	<u>Unlisted Options</u>	Nil	<i>Exercise price (\$)</i>	<i>Expiry Date</i>
	5,850,000		\$1.15	August 19, 2015	
	200,000		\$2.36	December 31, 2015	
	13,582		\$0.00	September 24, 2017	
	107,202		\$0.00	September 23, 2018	
	3,476,415		\$0.00	September 23, 2019	
7.11	Debentures <i>(totals only)</i>	Nil			
7.12	Unsecured notes <i>(totals only)</i>	Nil			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


(Company secretary)

Date: 24 April 2015

Print name: Andrew Arnold

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Appendix A – Schedule of interests in mining tenements held as at 31 March 2015

Tenement Reference	Holder	Location	% Interest at beginning of Quarter	% Interest at end of Quarter	Notes
M 38/58	Mt Weld Mining Pty Ltd*	Mt Weld, Western Australia	100	100	Nil
M 38/59	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	100	Nil
M 38/326	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	100	Nil
M 38/327	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	100	Nil
ML 38/98	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	100	Nil
E 38/2224	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	100	Nil
E 38/2359	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	100	Nil
E 38/2558	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	100	Nil
L 38/224	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	100	Nil
E 38/3333	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	0	100	Nil
ML 0122/2003	Lynas Africa Limited**	Kangankunde, Malawi	100	100	Nil

* Mt Weld Mining Pty Ltd is a wholly owned subsidiary of Lynas Corporation Limited

** Lynas Africa Limited is a wholly owned subsidiary of Lynas Corporation Limited

+ See chapter 19 for defined terms.