

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 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors (i)	46,275	151,967
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration(ii)	(41,434) (8,086)	(125,891) (20,187)
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	(20)	(66)
1.7 Other (provide details if material) (iii)	(1,091)	(3,475)
Net Operating Cash Flows	(4,356)	2,348
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets (iv)	(3,017)	(9,582)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	33
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	1	154
Net investing cash flows	(3,016)	(9,395)
1.13 Total operating and investing cash flows (carried forward)	(7,372)	(7,047)

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1.13	Total operating and investing cash flows (brought forward)	(7,372)	(7,047)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	102
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings (refer to item 3.1 (i))		
1.18	Dividends paid		
1.19	Other:		
	a. Interest & other costs of finance paid	(16)	(57)
	b. Interest & other items of a similar nature received	14	58
	Net financing cash flows	(2)	103
	Net increase in cash held	(7,374)	(6,944)
1.20	Cash at beginning of quarter/year to date	53,636	51,974
1.21	Net exchange rate adjustments	(1,751)	(519)
1.22	Cash at end of quarter	44,511	44,511

- (i) Includes \$A7.2M received from customers on deferred sales.
- (ii) Administration includes sales commissions, outbound freight and yearly insurance renewal.
- (iii) Royalties paid in relation to shipment of rare earth concentrate from Australia to Malaysia.
- (iv) Payments include amounts for property, plant and equipment and intangibles.

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	502
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

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

+ See chapter 19 for defined terms.

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 "JARE 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.

As announced on August 17, 2015, interest payments for both facilities are paid into a restricted Lynas bank account, and are available, at the lenders' discretion, for reuse in the Lynas business.

Estimated gross cash outflows for next quarter (excluding revenue)

	\$A'000
4.1 Exploration and evaluation	125
4.2 Development	1,200
4.3 Production (including royalties)	45,000
4.4 Administration (including interest payments and sales commissions)(i)	6,200
Total	52,525

- (i) The total forecast cash outflow does not include the transfer of funds for interest on the JARE and Convertible Bond facilities during the June quarter. As referred to in the Quarterly Report released on 29 April 2016, Lynas has reached an agreement-in-principle with both lender groups, subject to documentation, for further amendments to the debt facilities to assist the business during this period of prolonged and unprecedented low rare earths prices. The further amendments will postpone to the end of December 2016 without penalty any interest payments to be made from May 2016 to September 2016 and will allow the US\$2 million principal payment that is due to JARE on 30 June 2016 to be paid by redrawing funds already deposited in the JARE restricted interest account. Both lender groups have affirmed their continuing support for the Lynas business, as reflected in these further amendments that are scheduled to be documented by the end of May 2016.

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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	10,432	20,136
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Restricted cash)	34,079	33,500
Total: cash at end of quarter (item 1.22)	44,511	53,636

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			

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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	3,488,438,369	3,488,438,369		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil		
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		

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	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>Unlisted Warrants</u>			
	174,365,466	Nil	\$0.038	September 30, 2018
	<u>Unlisted Options</u>			
	579,663	Nil	\$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
	4,464,286		\$0.00	May 6, 2018
	25,686,920		\$0.00	December 31, 2016
	47,709,315		\$0.00	September 18, 2020
7.8	Issued during quarter	Nil		
7.9	Exercised during quarter	Nil		
7.10	Expired or cancelled during quarter	Nil		
7.11	Debentures <i>(totals only)</i>	Nil		
7.12	Unsecured notes <i>(totals only)</i>	Nil		

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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: 29 April 2016

Print name: Andrew Arnold

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Appendix A – Schedule of interests in mining tenements held as at 31 March 2016

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 38/2558	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 38/2935	Mt Weld Mining Pty Ltd	Mt Weld, Western Australia	100	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

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