



7 January 2013

**LYNAS ADVANCED MATERIAL PLANT UPDATE
SUCCESSFUL COMMISSIONING OF CRACKING AND LEACHING RARE EARTH
EXTRACTION UNITS AND FEED TO SOLVENT EXTRACTION UNITS**

Lynas Corporation (ASX:LYC, OTC:LYSDY) is pleased to announce the successful commissioning of the cracking and leaching rare earth extraction units at the Lynas Advanced Material Plant (LAMP) in Malaysia.

This involves the cracking of the concentrate through the kilns followed by the leaching circuit to produce a mixed rare earths sulphate. The process has achieved recovery rates of more than 90% of contained rare earth oxides (REO) through the cracking units.

The mixed rare earths sulphate is now being fed into the solvent extraction units for ultimate production of individual Rare Earth products.

Lynas anticipates commercial rare earth products will be available in the next few weeks with ramp up of production to take place over the next three months.

"This is another significant milestone for Lynas," said Lynas Executive Chairman Nicholas Curtis. "The safe and efficient operation of the LAMP is now a reality, and we are providing real-time data that assures people the LAMP is entirely safe for our local communities and the environment. We are excited to start creating value at the LAMP, and we look forward to sharing that value with all of our key stakeholders, including the communities in which we operate."

As a consequence of successful commissioning of the cracking and leaching process, Lynas is now producing sufficient quantities of solids residues to start the production of synthetic gypsum and aggregate co-products. This will provide co-product samples for testing and market trials that are a necessary precursor for commercial off-take contracts.

Lynas wishes a happy new year to all our stakeholders and local communities.

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