

28 April 2006

## LYNAS SECURES \$27 MILLION CONVERTIBLE NOTE UNDERWRITING

The Directors of Lynas Corporation Limited (ASX code LYC, "Lynas") are pleased to announce that Lynas has agreed the terms of a proposed placement of A\$27 million of Convertible Notes. It is intended that the funds raised will be used for the repayment of the contingent debt payable by Lynas to Ashton Mining (WA) Pty Ltd (A\$8.6 million approximately) and for the ongoing development of the Mt Weld Rare Earths Project ("The Project"). The facility provides for acceptance of oversubscriptions of up to A\$8 Million to a total raising of A\$35 million.

Transocean Securities Pty Ltd has been appointed to manage the placement and has secured an underwriting facility from RAB Special Situations (Master) Fund Limited (a fund managed by RAB Capital plc) ("RAB") for the entire Convertible Note placement.

The terms of the Convertible Notes include:

1. Five year term
2. 40 cent conversion price into Lynas Fully Paid Ordinary Shares
3. 8.25 % coupon paid quarterly in arrears
4. The company has the right to force conversion of the notes into Lynas Fully Paid Shares if the shares trade for 30 days with a volume weighted average price over 80 cents for the first year or \$1.20 for any subsequent year.
5. The issue will be subject to shareholder approval for conversion to ordinary equity and other regulatory approvals including the appointment of an appropriate trustee.
6. It is intended to list the Convertible Notes on the Singapore Stock Exchange.

Executive Chairman of Lynas, Nicholas Curtis, said "The underwriting facility from RAB allows the company to continue the development of the Project without delay. The convertible notes are a significant step towards achieving the funding of the Mt Weld Rare Earths Project."

Lynas is seeking to raise the balance of the project funding through the placement of securities on the Australian Stock Exchange with a proposed concurrent listing on the Alternative Investment Market, (AIM).

### About Lynas Corporation

Lynas owns the richest deposit of Rare Earths in the world at Mount Weld, 35km south of Laverton in Western Australia. A feasibility study has been completed on the Rare Earths deposit and all Australian and Chinese approvals required for project development have been received. Lynas has a strategy of creating a reliable, fully integrated source of supply from mine through to

customers, and to become the benchmark for security of supply and environmental standards in the global Rare Earths industry.

Lynas' Mt Weld tenement also has a JORC compliant poly-metallic resource known as the "Crown" deposit. This is a titanium and niobium-rich rare metals resource that is a separate deposit to the Mount Weld Rare Earths deposit.

### **About RAB Capital**

RAB Capital is a multi-strategy absolute return investment management company and as at December 31 2005 assets under management were US\$2.62 Billion.

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