
QUARTERLY REPORT
FOR THE PERIOD ENDING 31 MARCH 2011

HIGHLIGHTS

- Handover of the Concentration Plant in Western Australia from the construction contractor was completed on 31 March 2011. The first feed of ore is scheduled to occur within approximately two weeks.
- Lynas Advanced Materials Plant (LAMP) in Malaysia remains on time as at 31 March 2011; with the first feed to kiln at the LAMP on target for September of 2011, and Lynas welcomes appointment of an independent panel of international experts to conduct a one-month review of the health, safety and environmental aspects of the LAMP to address public concern in Malaysia.
- Basic Engineering Design for Phase 2 of the LAMP was completed during the quarter, and the tender process for the engineering, construction, procurement and commissioning contract is underway.
- Sojitz and Lynas executed binding financing, distribution & agency and availability agreements on 30 March 2011. The financing agreement formed the basis of a financing package to raise a total of US\$325 million.
- Successful completion of the settlement formalities for the purchase of the Kangankunde Rare Earths Deposit (KGK), Malawi, Africa
- Signing of a new long term supply agreement with a major Rare Earths consumer for the supply of Mount Weld Rare Earths.
- Prices continue to increase post quarter-end and as at 27 April 2011 the average price for the Mount Weld Rare Earths composition was US\$160.32/kg REO on a FOB China basis.

CORPORATE

The Lynas Rare Earths project remains on schedule for first feed of concentrate to the Lynas Advanced Materials Plant (LAMP) in September 2011. The Company remains on track to be the first new supplier of Rare Earths outside China that can provide a stable and long term source of supply to the Rare Earths market.

SOJITZ – JOGMEC TRANSACTION

Japan is the largest Rare Earths market outside of China and therefore the Company was pleased to successfully conclude the Strategic Alliance with Sojitz Corporation (“Sojitz”) to secure additional supply of Rare Earths products for the Japanese market by accelerating the expansion of the capacity of the Lynas Rare Earths project to 22,000 tonnes Rare Earths Oxide (REO) per annum in 2012.

Sojitz and Lynas executed binding financing, distribution & agency and availability agreements on 30 March 2011. The agreements with Sojitz specifically provide for:

- The allocation of a minimum of 8,500 tonnes (+/- 500 tonnes) per annum of Rare Earths products to the Japanese market over a period of 10 years;
- The joint marketing and distribution of a minimum of 8,500 tonnes (+/- 500 tonnes) of Rare Earths products in Japan;
- The provision of a loan facility (the SPC Loan Facility) for US\$225 million to be provided by a special purpose company established by Sojitz and the Japan, Oil, Gas and Metals National Corporation (JOGMEC); and
- The subscription by the SPC for US\$25 million of new fully paid ordinary shares in Lynas at a price of A\$2.12 per share (the SPC Placement).

The financing agreement formed the basis of a financing package to raise a total of US\$325 million¹. The financing package consisted of the SPC Loan Facility, the SPC Placement, as well as a fully underwritten institutional placement of new shares which raised approximately \$55 million at a price of \$2.07 per share (the Institutional Placement), which represented a 5.0% discount to the last traded price and a 2.2% discount to the 5-day Volume-Weighted Average Price (VWAP), and an underwritten share purchase plan which raised approximately \$20 million (the SPP).

The drawdown of the SPC Loan Facility and the SPC Placement are subject to the conditions precedent listed in the Lynas ASX announcements dated 30 March 2011. Those conditions precedent are expected to be satisfied in May 2011.

The Company will use proceeds from the SPC Loan Facility and the SPC Placement to fund Phase 2 of the Project. The Company will use the proceeds of the Institutional Placement and SPP

¹ Assumes an exchange rate of USD1=AUD1

to fund the additional expenditures that may arise. These include, but are not limited to, preliminary work on the Kangankunde Rare Earths Deposit in Malawi, including preliminary testing, drilling, engineering and site preparation; the purchase of additional equipment for the processing and handling of additional end products from the (LAMP) in Gebeng, required as a result of increased customer product specifications for the end products; first fill chemicals for the Concentration Plant and the LAMP; and general working capital for the Company.

KANGANKUNDE RARE EARTHS DEPOSIT

During the quarter Lynas announced the successful completion of the settlement formalities for the purchase of the Kangankunde Rare Earths Deposit (KGK), Malawi, Africa after receiving approval from the Government of Malawi to complete the acquisition last quarter. The completion of the purchase of KGK has allowed Lynas to commence development of the project.

The deposit has an Inferred Resource of 107,000 tonnes of Rare Earths Oxide (REO) at an average grade of 4.24% REO using a 3.5% REO cut-off grade. At a 3% REO cut-off grade the resource increases to 180,000 tonnes REO and remains open at depth. Importantly, the deposit has extremely low natural radiation levels for a Rare Earths deposit, with an average of 11ppm thorium oxide per percentage of REO content.

NEW SUPPLY AGREEMENT

Post quarter-end, Lynas announced the signing of a new long term supply agreement with a major Rare Earths consumer for the supply of Mount Weld Rare Earths to be produced at the LAMP in Malaysia. This contract is the conversion of a Letter of Intent (LOI) signed in September 2008.

RARE EARTHS MARKET

The Rare Earths supply constraint has continued to impact Rare Earths prices both inside and outside China, as prices continued to increase sharply across the quarter. The average quarterly price for the Mount Weld Rare Earths distribution, on a Freight on Board (FOB) China basis, increased to US\$92.84/kg REO, which is an increase of over 49% across the quarter. Prices continue to increase post quarter-end and as at 27 April 2011 the average price for the Mount Weld Rare Earths composition was US\$160.32/kg on a FOB China basis.

INDEPENDENT EXPERT REVIEW TO ADDRESS PUBLIC CONCERNS IN MALAYSIA

On 22 April 2011, the Malaysian Minister of International Trade and Industry announced the appointment of an independent panel of international experts to conduct a one-month review of the health, safety and environmental aspects of the LAMP. The Company welcomes the review and continues to work with the Malaysian authorities, including the Atomic Energy Licensing Board and the Department of Environment, to ensure that the project construction continues to meet all requirements and adheres to international standards. The Company is confident that the review will reconfirm that the plant is safe and presents no hazard to the community or Lynas workers. Lynas understands that the review will be completed within one month and as such believes the review will have no impact on the anticipated completion date of the LAMP.

PROPOSED FORGE RESOURCES TRANSACTION

As announced on 16 March 2011 Lynas signed a Master Agreement with Forge Resources Limited (Forge) under which Lynas has agreed to grant Forge subleases to conduct exploration activities on, and potentially develop certain parts of the Swan and Crown Deposits (**Transaction**). The proposed subleases are over designated areas at Mount Weld covering the Crown polymetallic deposit and the Swan deposit (**Subleases**). Whilst these deposits contain low levels of Rare Earths, these deposits are not stand alone Rare Earths deposits – the Crown polymetallic deposit is a niobium / tantalum deposit and the Swan deposit is a phosphate deposit. Accordingly, any Rare Earths produced from the Crown polymetallic deposit and the Swan deposit will be by-products.

Under the Transaction, Lynas will have the right to terminate the Subleases if Forge has not made a formal decision to commence commercial mining operations in any of the Sublease areas within 5 years of the date that Lynas grants the Subleases. In return for granting the Subleases, Lynas (or its related body corporate) will receive:

- \$20.7 million in cash;
- Five year options to subscribe for up to 7 million ordinary shares in Forge at a price equal to the average issue price under the proposed capital raising by Forge to raise not less than \$30 million (“Lynas Options”). If any of the Lynas Options are exercised, Lynas will (subject to the ASX Listing Rules) also be offered the opportunity to subscribe for a percentage of the shares issued in each subsequent placement or other non-pro rata issue of Forge shares for cash consideration that Forge conducts during the five year period from execution of the Subleases, to enable Lynas to maintain its ownership interest in Forge;
- The right to purchase all Rare Earths produced from the sublease deposits at a price to be agreed based on international market prices appropriate for a similar intermediate product. All concentration and separation operations conducted by Forge in respect of the Sublease deposits must produce at least a mixed Rare Earths carbonate (which is an intermediate product that Lynas may process further to add additional value);
- To the extent that Rare Earths produced from the Sublease deposits are sold by Forge to third parties (rather than Lynas), a 10% royalty on the Rare Earths sold; and
- A 1% royalty on all minerals (other than Rare Earths and other phosphates on which royalties are already paid under existing royalty agreements) recovered from the Sublease deposits and sold by Forge for a period of 20 years.

In light of the fact that Lynas and Forge share Mr. Curtis as Chairman and that two Lynas directors are also shareholders in Forge, Lynas has applied the appropriate standards of corporate governance in assessing the Transaction. This has included:

- establishing an Independent Board Committee (IBC), comprising Lynas Directors who are entirely independent of Forge;

- retaining external counsel to assist the IBC with its evaluation and negotiation of the Transaction;
- appointing Grant Samuel, a leading independent expert, to report on whether the Transaction is fair and reasonable to Lynas shareholders who are not associated with Forge and Mr Curtis; and
- making implementation of the Transaction subject to the approval of Lynas shareholders.

A Notice of Extraordinary General Meeting and an Explanatory Memorandum in relation to the proposed meeting at which Lynas shareholders would be asked to consider and, if thought fit approve, the Transaction was released to the market by Lynas on 28 March 2011. The Explanatory Memorandum included, as Annexure A, a copy of the full report prepared by Grant Samuel, the Independent Expert appointed by the IBC, who confirmed that the Transaction is fair and reasonable to the shareholders of Lynas who are not associated with Forge or Mr. Curtis in the absence of a superior proposal.

The Independent Directors of Lynas have recommended that Lynas Shareholders vote in favour of the proposed Transaction in the absence of a superior proposal.

Since the announcement of the proposed transaction, Lynas has received some questions from shareholders. Lynas has applied the appropriate standards of corporate governance throughout its evaluation and negotiation of the proposed Transaction, and consistent with that approach, Lynas has decided to issue an updated Explanatory Memorandum to address a number of questions that have been raised.

It is anticipated that the updated Explanatory Memorandum will be available mid-May. The Independent Directors of Lynas strongly recommend shareholders read the updated Explanatory Memorandum in its entirety as it will contain detailed information in relation to the Transaction including a detailed description of the Transaction, potential advantages, benefits, disadvantages and risks and the recommendation of the Independent Directors.

The issuance of an updated Explanatory Memorandum will result in a delay to the Extraordinary General Meeting that was originally scheduled for 18 May 2011. It is now likely that the Extraordinary General Meeting will be scheduled for mid-June.

ENGINEERING AND CONSTRUCTION UPDATE

CONCENTRATION PLANT IN WESTERN AUSTRALIA

Due to the heavy rainfall at Mount Weld during the quarter, completion of construction was temporarily delayed, however neither the plant nor the mine site experienced damage with the water diversion channel and localised drainage in and around both sites working effectively.



Overview of the completed Concentration Plant



The Flotation section of the Concentration Plant

All construction activity at the Concentration Plant was completed during the quarter, with Practical Completion occurring on 31 March 2011. The Company is currently working on satisfying the final requirements to meet the conditions of the received approvals from the Western Australia Department of Environment to obtain the 'Licence to Operate' and the first feed of ore is scheduled to occur within approximately two weeks.

LYNAS ADVANCED MATERIALS PLANT IN MALAYSIA

As of 25 March 2011, the LAMP construction project team achieved 2,287,659 contractor man-hours this quarter with all works on site Lost Time Injury (LTI) free.

Engineering

Engineering currently stands at just over 99.7% completed. The 'Piping General Arrangements' and Structural steel stand at 100% Approved for Construction.

Procurement

The total number of equipment procurement packages at the end of the quarter stands at 138, with the vast majority of packages awarded.

The main activities during the quarter were Request for Quotations and bid evaluations for the piping special item packages, supply of pipe/fittings for fabrication and completion of warranty extensions and ordering of spares.

Contracts

The total number of contract construction packages at the end of the quarter stood at 81. As at 29 April 2011 all construction contracts have been awarded.

Construction

As usual in the rainy season, heavy rainfall was experienced during the period which required significant dewatering works, however the rainy season is now over. The total concrete poured in March was 2,135 m³ with the majority going into pipe rack footings, substations and the control rooms. The remaining concrete to be poured is approximately 4,500 m³.

Roofing works are progressing well on four buildings including the maintenance workshop. The erection crews are focusing on the remaining process buildings, substations and control rooms.

The erection of the main pipe racks is in progress. The total tonnage of steel erected in March was over 600 tonnes, bringing it close to 2,000 tonnes of steel erected to date. Site supervision has also increased accordingly as new contractors have been brought in to open up new work fronts as planned and begin the transition into building fit out and completion.

Substations and control rooms are now being worked on from various fronts including structural erection, civil installation of suspended slabs and building fit out contractors.

Expediting critical path works including foundations, TNB substation, steel erection, fibre reinforced plastic tank installation, underground services, off plot installations, and carbon steel

tank erection have all had proportionate quantities of focus as good coordination is required to ensure stable progress in each of these main activities.



Upstream and Downstream extraction sections of the LAMP

The inspection of critical equipment from China is completed and the progress of the factory acceptance test for the process control system stands at 75%, and is scheduled for completion in the next quarter. The natural gas pipeline and metering station is now ready to supply natural gas.

LAMPS UP

In preparation for the anticipated acceleration of the LAMP Phase 2 expansion to 22,000 tonnes REO per annum, facilitated by the Strategic Alliance Agreement between Lynas and Sojitz, a new project has been formed known as “LAMPS Up”.

LAMPS Up in Western Australia

Planning has now commenced for the accelerated expansion of the Concentration Plant. Applications to the various Western Australia Regulatory bodies are under preparation for submission in the next quarter, and a detailed feasibility study is currently nearing completion.

LAMPS Up in Malaysia

The Basic Engineering Design was officially completed as of 31st March 2011 by Toyo Engineering & Construction Sdn Bhd. The invitation to bid for the tender for Engineering, Procurement and Construction (EPCC) Contract was issued to invited bidders, under Confidentiality Agreement, on 31st March 2011 and will be closed on 28th April 2011. The EPCC Contract will be on a contractual Ready For Start-Up Date.

The LampsUp procurement in Malaysia has been initiated with the approval of purchase orders for long lead items such as rotary kilns, tunnel furnaces and for a complete supply and install package of the gas treatment plant.

MALAWI UPDATE

Settlement formalities for the purchase of the Kangankunde Carbonatite Complex (KGK) in Malawi have been concluded. The purchase price, as agreed in 2007 at US\$4 million, net of VAT, has been paid in full.

The deposit has an Inferred Resource of 107,000 tonnes of REO at an average grade of 4.24% REO using a 3.5% cut-off grade. Completed test work shows the deposit is amenable to a low cost gravity separation concentration process producing a 60% REO concentrate.

Future Work Programs

Following the successful completion of the KGK, Lynas has commenced environmental and socioeconomic baseline studies, and the undertaking of a programme to verify the geological and process work which had been started by the previous owners of the deposit. This work will include the following:

- The undertaking of an extensive drill program aimed at not only confirming the existing resource estimate but also to investigate the potential of expanding the resource, both along strike and at depth;
- The undertaking of a metallurgical testwork program to confirm the viability of the previously defined concentration flow sheet; and
- The production of bulk concentrate samples and the undertaking of cracking and solvent extraction testwork.

Works are currently focused on the preparation of the site for the commencement of a drilling program which is expected to get underway during the third quarter of this year. Works include:

- The refurbishment and upgrading of on-site accommodation;
- The connection of water, power and sewerage; and
- The relocation of mobile plant and equipment, purchased from the vendor, to the site.

OPERATIONAL UPDATE

WESTERN AUSTRALIA OPERATIONS

Permanent staff numbers in Western Australia increased from 38 to 48 this quarter. Processing at the Concentration Plant is scheduled to have a gradual build up to match the feed requirements of the LAMP. Heavy rainfall during the quarter interrupted operations as parts of the local road connections of Laverton were flooded. Drainage around the plant site ensured no adverse effects or damage occurred to the plant due as a result of the rainfall.

Preparation for the next exploration drilling programme has been completed and is scheduled to commence early in the next quarter when the raining season ceases. The drilling programme will take place to the west end of the current open pit. Ore samples will be collected and metallurgical testwork will be conducted. This will follow the ore body modelling and mine planning, with the results scheduled to be completed by the year end.

MALAYSIA OPERATIONS

Recruitment at the LAMP continued this quarter and the staff strength stood at 80 as at the end of the quarter.

The overall completion of the Ready For Start Up (RFSU) programme stood at 80.4% at the end of the quarter, which remains ahead of schedule. All commissioning procedures have been completed and the final review is ongoing. 88% of the Standard Operating Procedures for the plant are completed. All production training manuals are complete and are being used to train newly recruited staff.

All working arrangements related to equipment warranties and commissioning and initial operating spares have been concluded. As equipment installation is in progress, various testings and approvals are ongoing, for example, 17 pressure vessels have been approved and 12 have been hydro-tested.

In the area of the development of Synthetic Material Products, during the quarter a plantation scale trial in Pulau Indah, Selangor, confirmed the Magnesium-Rich Synthetic Gypsum performed well as a Magnesium Gypsum Fertiliser Booster.

As previously reported, the Balok Ivory Tower programme commenced last quarter. Classes have since been conducted as scheduled. An annual camp was also held in January at the Malaysia National University in Bangi.

SUPPLY CHAIN UPDATE

Supply chain activity in the areas of chemical input, vendor engagement and supply chain logistics continued during the quarter. In Western Australia, supply of all chemicals necessary to start production has been completed with inventory holdings in place to ensure continuous supply once production has begun. In the field of logistics, port visits by Lynas staff, freight forwarding and meetings with stevedoring companies have been completed to ensure that Lynas concentrate movements meet all regulatory obligations. The inland concentrate transportation contract was completed and signed.

For Malaysia, soda ash supply has been finalised in the last quarter with a dual sourcing strategy in place to ensure continuous supply as well as to ensure a competitive vendor market for this chemical.

GLOBAL MARKET ACTIVITY

INDUSTRY NEWS

The Ministry of Land and Resources of the People's Republic of China released a production quota of 93,800 tonnes REO this year (80,400 tonnes light REO and 13,400 tonnes middle and heavy REO) and announced that no new mining licences for Rare Earths will be issued before 30 June 2012. The new production quota represents a five per cent increase from the same period last year. The Chinese government has also heightened measures to combat illegal mining which historically added at least 10,000 tonnes REO into the market.

Additionally, post quarter end, the Chinese government has imposed a natural-resource tax of RMB60/tonne on light REO ore and RMB30/tonne on heavy REO ore from 1 April 2011. Inner Mongolia Baotou Steel Rare Earth Hi-Tech Co. evaluated that this tax would increase its company's production costs by about RMB 720 million this year (approximately US\$110 million).

Meanwhile, the Chinese Ministry of Environment Protection announced a new set of environmental regulations effective from 1 October 2011 that sets out stricter emission limits on the Chinese Rare Earths industry and is expected to affect the Chinese industry in terms of consolidation and cost of production.

RARE EARTHS PRICES

Rare Earths supply constraints has further impacted Rare Earths prices. The average quarterly price for the Mount Weld Rare Earths distribution, on Freight on Board (FOB) China basis, increased to US\$ 92.84/kg REO, which is an increase of over 49% across the quarter. Prices continue to increase post quarter end and as at 27 April 2011, the average price for the Mount Weld Rare Earths composition was US\$ 160.32/kg on a FOB China basis.

Rare Earths Prices FOB China (US\$/kg)				
Rare Earths Oxide	Mt Weld Composition	Average Price Over Quarter		
Purity 99% min	% Rare Earth Oxide*	Q1 2010	Q4 2010	Q1 2011
Lanthanum Oxide	25.50%	6.08	52.49	75.87
Cerium Oxide	46.74%	4.46	52.62	77.52
Neodymium Oxide	18.50%	27.56	81.38	130.23
Praseodymium Oxide	5.32%	26.13	78.62	119.65
Samarium Oxide	2.27%	3.40	36.58	72.75
Dysprosium Oxide	0.12%	156.50	287.85	412.9
Europium Oxide	0.44%	512.40	611.54	719.2
Terbium Oxide	0.07%	478.90	620.38	717.6
Av. Mt Weld Composition		13.13	62.18	92.84

* in final product form, other Rare Earths account for 1.04%

The table above shows the average quarterly price for a standard 99% purity of individual elements and for the generic composite of Rare Earths, equivalent to the Rare Earths distribution for the Central Lanthanide Deposit at Mount Weld, on a Freight On Board (FOB) China basis.

Weekly updates of these prices can be found on the Lynas website, www.lynascorp.com, under "What Are Rare Earths?" then "What are their prices?".

It is worth noting that the domestic Chinese price for Rare Earths for the Mount Weld Rare Earths distribution is now RMB 304.12/kg REO (US\$ 46.38/kg REO) which essentially is the FOB price less the export quota cost, less the export taxes and less the VAT. Unlike Lynas, a Chinese producer does not benefit from the price differential between the inside China and outside China price, with the exception of those producers who are issued export quota. Those companies who are issued export quota capture the quota value (but not the export tax or VAT difference); however a large amount of quota is issued to trading companies, rather than to the manufacturers.

COMMERCIAL DISCUSSIONS

Lynas successfully concluded the Strategic Alliance with Sojitz Corporation to secure additional supply of Rare Earths products for the Japanese market. The agreement will provide for the allocation a minimum of 8,500 tonnes (+/- 500 tonnes) per annum of Rare Earths products to the Japanese market over a period of 10 years, or 40% of Lynas production capacity of the LAMP in Malaysia. Sojitz will also become the sole distributor and agent for Lynas for its business in Japan.

Post quarter-end, Lynas announced the signing of a new long term supply agreement with a major Rare Earths consumer for the supply of Mount Weld Rare Earths to be produced at the LAMP in Malaysia. This contract is the conversion of a Letter of Intent (LOI) signed in September 2008.

The contract is for product supplied from the 11,000 tonnes REO per annum Phase 1 of the LAMP, with a provision for the supply of products from the Phase 2 expansion of the LAMP. The contract price shall be referenced to market prices and based on CPT port of delivery for the product at the time of delivery. It is a multi-year contract and has an extension clause allowing the contract to extend upon mutual agreement

Additionally, Lynas has been engaged in a number of negotiations with other key customers concerning potential additional supply agreements.

FINANCE

CAPITAL RAISING

On 30 March 2011 the Company launched a \$55 million fully underwritten Institutional Share Placement together with a \$20 million fully underwritten Share Purchase Plan.

The Institutional Placement was heavily oversubscribed with strong demand from new and existing Australian and International institutional investors. Proceeds from the Institutional Placement, net of expenses, were received in full on 5 April, post the end of the quarter, and will be used to fund additional expenditure including preliminary work on the Kangankunde deposit in Malawi, the purchase of additional equipment to produce Synthetic Material Products, first fill chemicals for the LAMP and general working capital for the Company. The Institutional Placement was priced at A\$2.07 per share representing a 5.0% discount to Lynas' closing price on 29 March 2011 and a 2.2% discount to the 5-day volume weighted average price.



A Share Purchase Plan was offered to eligible shareholders in Australia and New Zealand on Lynas' register where shareholders were given the opportunity to apply for A\$5,000 worth of Lynas' ordinary shares (subject to any scale-back). Proceeds from the Share Purchase Plan are anticipated early in May 2011.

COMBINED DEBT & EQUITY FUNDING

In addition to the Capital Raising noted above, Lynas expects to receive US\$250 million in a combined debt and equity funding package from JOGMEC/Sojitz, once the remaining conditions precedent are satisfied in May 2011. As noted earlier in this report, these funds will be used to fund Phase 2 expansion of the LAMP to 22,000t REO.

CASHFLOW

CASH FLOW	A\$M
OPENING CASH BALANCE 31 DECEMBER 2010	271.5
Add	
Interest and other income received	2.2
Options converted to Equity	0.1
TOTAL INFLOW	2.3
Deduct	
Western Australia - Concentration Plant	(8.4)
Malaysia - Lynas Advanced Materials Plant	(42.7)
Investments / Security deposits / Other capital expenditure	(4.3)
Ongoing operating and financing costs	(8.0)
TOTAL OUTFLOW	(63.4)
Exchange rate adjustment	(5.7)
CLOSING CASH BALANCE 31 MARCH 2011	204.7

The total cash balance at the end of March was A\$204.7 million, which was made up of A\$43.34 million, US\$39.34 million and MYR 383 million. Interest income totalled \$2.2 million and the quarter once again saw the Australian Dollar continue to strengthen against the US Dollar and the Malaysian Ringgit, resulting in a further \$5.7 million erosion of the Company's consolidated cash position.

The total capital expenditure on the Concentration Plant and the LAMP during the quarter was over \$51 million, and for the next quarter ending June 2011 the Company anticipates production ramp up and operating expenditure to be approximately A\$10.6 million and capital expenditure to be approximately A\$75 million.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Brendan Shand, who is a member of The Australasian Institute of Mining and Metallurgy. Brendan Shand is an employee of Lynas Corporation Limited. Brendan Shand has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Brendan Shand consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.