

30 May 2011

Conditions Precedent Satisfied – Sojitz / JOGMEC Facilities

Lynas Corporation Limited (**Lynas**) (ASX:LYC, OTC:LYSDY) is pleased to announce that Lynas has today issued a Utilization Notice following satisfaction of the conditions precedent for drawdown of the following facilities which were announced on 30 March 2011:

- A loan facility (the **Loan Facility**) for US\$225 million from a special purpose company (**SPC**) established by Sojitz Corporation (**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 (**New Shares**) at a price of A\$2.12 per share (the **Sojitz Placement**).

The cash proceeds from the above facilities totalling US\$250 million are expected to be received later this week. Proceeds of the Loan Facility and the Sojitz Placement will be used solely to fund the completion of Phase 2 of the Lynas Rare Earths Project, enabling the Company to increase planned production of rare earth oxides (**REO**) to 22,000tpa from the expected Phase 1 run-rate production of 11,000tpa. The New Shares issued under the Sojitz Placement will rank equally with existing shares. The New Shares are expected to be issued later this week.

About Lynas Corporation

Lynas owns the richest known deposit of Rare Earths, also known as Lanthanides, in the world at Mount Weld, near Laverton in Western Australia. This deposit underpins Lynas' strategy to create a reliable, fully integrated source of Rare Earths supply from the mine through to customers in the global Rare Earths industry.

Lynas will concentrate the ore mined at Mount Weld in a Concentration Plant approximately 1.5km from the mine. The concentrate produced by the Concentration Plant will be shipped in sea containers and transported by road and ship to the east coast of Malaysia to the Lynas Advanced Materials Plant (LAMP) within the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia, to process the Mount Weld concentrate through to separated Rare Earths products

Construction of Phase 1 of the Lynas Rare Earths Project is being funded from existing cash of Lynas. Construction of Phase 2 of the Lynas Rare Earths Project will be funded from the Sojitz/JOGMEC facilities. The Concentration Plant in Western Australia commenced feed of ore on 14 May 2011. Practical completion of the LAMP is scheduled for September 2011. Lynas has



received all required approvals to construct the LAMP, and is in the process of applying for all pre-operation and operation approvals.

The company plans to become the benchmark for security of supply and a world leader in quality and environmental responsibility to an international customer base, with production anticipated to commence in 2011.

'Rare Earths' is the term given to fifteen metallic elements known as the lanthanide series, plus yttrium. They play a key role in green environmental products, from energy efficient compact fluorescent light bulbs (CFLs) to hybrid cars, automotive catalytic converters and wind turbine generators. They are also essential in the development and manufacturing of many modern technological products, from hard disc drives to flat panel displays, iPods and magnetic resonance imaging (MRI) scans.

Lynas American Depositary Receipts (**ADRs**) trade under the code LYSDY (CUSIP number 551073208). The Bank of New York Mellon is the depositary bank in respect of Lynas ADRs.

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