

16 May 2011

## **Update on the Independent Expert Review of the Lynas Advanced Materials Plant in Malaysia**

Lynas Corporation Limited (“Lynas”) (ASX:LYC, OTC:LYSDY) advises that the Malaysian Minister of International Trade and Industry, Y.B. Dato’ Sri Mustapa Mohamad, has announced the objectives, scope of work, and anticipated timetable for the independent expert review of the health, safety and environmental aspects of the Lynas Advanced Material Plant (LAMP), currently under construction in Gebeng Industrial Estate, Kuantan, Malaysia.

The Minister’s announcement of Friday 13 April 2011 is attached to this statement, including a list of expert panel biodata.

The expert panel comprises eminent representatives of the International Atomic Energy Agency (IAEA), an internationally recognised body that has the necessary expertise to undertake such an assignment. All members of the panel are recognised experts in their respective disciplines and have specialist knowledge on issues relating to radiation protection, safety assessment, waste management, transportation, and decommissioning and remedial actions.

The IAEA has advised that following the appointment of panel members, work on the project has begun. The expert team will visit Malaysia for 6 working days from 29 May to 3 June. The work agenda of the review panel will include open and closed working sessions, presentations by relevant stakeholders, as well as site visits. Interested parties, including residents and community groups, will have the opportunity to make representations to the panel.

The panel is scheduled to complete its report and submit it to the Government by the end of June 2011.

Lynas fully supports the Malaysian Government decision to make public the panel’s findings and recommendations in the interest of transparency.

Lynas continues to work with the Malaysian authorities, including the Atomic Energy Licensing Board and the Department of Environment, to ensure that ongoing project construction continues to meet all requirements and adheres to international standards.

The Company remains confident the review will reconfirm that the plant is safe and presents no hazard to the community or Lynas workers. Lynas trusts that this independent review will help to address public concerns expressed in recent times about the health, safety and environmental aspects of this important project.

## 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

The Concentration Plant in Western Australia commenced feed of ore on 14 May 2011. Engineering and construction of the LAMP remain within budget. 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.

**For further information please contact Nicholas Curtis or Matthew James on +61 (0)2 8259 7100 or visit [www.lynascorp.com](http://www.lynascorp.com)**



## MEDIA STATEMENT

**by YB Dato' Sri Mustapa Mohamad  
Minister of International Trade and Industry**

**13 May 2011**

1. On 22 April 2011, I announced the Malaysian Government's decision to appoint an independent panel of international experts to review the health and safety aspects of the proposed Rare Earth Processing Facility (the "Lynas Project") in Gebeng, Pahang.
2. For this purpose, we have sought the assistance of the International Atomic Energy Agency (IAEA) in Vienna to undertake this task. The IAEA is the internationally recognised body that has the necessary expertise to undertake such an assignment.
3. The Director-General of our Atomic Energy Licensing Board, Raja Dato Abdul Aziz Raja Adnan, has been in discussions with the IAEA on behalf of the Malaysian Government for this purpose and I am happy to announce today that in response to the Malaysian Government's request, the IAEA has agreed to appoint an expert team to review the proposed operation at Gebeng. The team comprises professionals from various disciplines. Some are from the IAEA itself while others are experts from IAEA member countries.
4. The objectives of the IAEA team's mission will be two-fold:
  - i) To review compliance with relevant International Safety Standards and Good Practices; and
  - ii) To provide an independent expert opinion on safety issues, in particular, those relating to radiation safety.
5. The scope of this review process will include the following:
  - i) Transportation
  - ii) Radiation Protection (occupational, public and environmental)
  - iii) Safety Assessment
  - iv) Waste Management
  - v) Decommissioning and Environmental Remediation

6. The work agenda of the review mission will include open and closed working sessions, presentations by relevant stakeholders, and site visits. Interested parties, including residents and community groups, will have the opportunity to make representations to the panel.
7. The expert team will visit Malaysia for 6 working days from 29 May to 3 June. We expect that at least two days will be allocated to receiving representations from the public and stakeholders .
8. The expert team selected by IAEA to undertake this review consists of nine persons. The list of panel members and their details is attached to this statement.

All members of the panel are recognised experts in their respective disciplines and have specialist knowledge on issues relating to radiation protection, safety assessment, waste management, transportation, and decommissioning and remedial actions.

9. The IAEA has advised that following the appointment of panel members, work on the project has begun. The panel is scheduled to complete its report and submit it to the Government by the end of June.
10. In the interest of transparency, the Government will make public the panel's findings and recommendations.
11. Pending the completion of this exercise, and a Government decision on the findings and recommendations to be submitted by this panel, the following two conditions will continue to apply:
  - a. There will be no importation into Malaysia of raw materials from Australia.
  - b. No pre-operating licence will be issued to Lynas.
12. This is a People 1st Government and we will continue to give the highest priority to safeguarding the health and safety of the people and the environment at all times.

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**Ministry of International Trade and Industry**  
**Kuala Lumpur, Malaysia**  
**13 May 2011**

## **INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)**

### **Summary Biodata of the Members of the IAEA International Expert Review Panel**

#### **Team Leader**

##### **Dr Tero Varjoranta (Finland)**

Mr Varjoranta is the Director of the Division of Nuclear Fuel Cycle and Waste Technology at the IAEA Department of Nuclear Energy. He holds an advanced university degree of PhL in physics, mathematics, chemistry and theoretical physics. Before joining the IAEA, Mr. Varjoranta was with the Radiation and Nuclear Safety Authority (STUK) of Finland, where he held the position of Director of the Department of Nuclear Waste and Materials. He has almost 30 years of experience in the field of nuclear energy and in radiation protection. At STUK, Mr. Varjoranta was responsible for a wide range of activities including the supervision of nuclear materials, radioactive waste and spent fuel management; pre-disposal and disposal of low and intermediate level waste (LILW); international procurement and nuclear fuel cycle services for Finnish reactors; licensing of the nuclear fuel procurement, export, import and transports for Finland's nuclear power plants; transportation of nuclear and radioactive materials; nuclear non-proliferation, the battle against nuclear terrorism and combating illicit nuclear trafficking. From 1987 to 1988, Mr. Varjoranta worked at the United States Nuclear Regulatory Commission (NRC), and from 2002 to 2005, he was at the International Science and Technology Center (ISTC) in Moscow, Russian Federation. He was also Chairman of the European Nuclear Safety Regulators Forum (ENSREG) working group for spent fuel and radioactive waste management and decommissioning.

#### **External Experts**

##### **Mr Jan van der Steen (Netherlands)**

He is a subject-matter specialist in management, occupational and public/environmental radiation protection, regulatory aspects and education regarding Naturally Occurring Radioactive Material (NORM) issues. Before retiring Mr van der Steen was the Manager of Radiation & Environment Session at NRG, Arnhem, The Netherlands. He holds a degree in Engineering by the Technical University of Delft in the Netherlands. He was consulted by the IAEA in the publication of numerous technical documents, safety requirements and safety guides on NORMs and has taken part in several training courses, expert mission and workshops organised by the IAEA.

##### **Dr Leo M. Lowe (Canada)**

A doctorate in Nuclear Physics from McMaster University, Dr Lowe is a senior health and environmental physicist at SENES Consultants (from which he is a founding member and worked since 1980). He has a wide experience on NORM related issues including Occupational Assessment, Environmental Monitoring, Radiation Dosimetry and Risk Assessment, Waste Management, Decommissioning and Remedial Actions, Public Communication and Regulatory Review.

**Dr P. M. Balagopala Pillai (India)**

Dr. P. M. B. Pillai is a senior scientist at Bhabha Atomic Research Centre (BARC), where he was the Head of the Health Physics Unit, Indian Rare Earths Ltd plants in South India. His fields of specialization and expertise are: Occupational and Environmental Radiation Protection in processing of Rare Earths, Thorium, Uranium and NORMs. He served as a member of the expert committee of Atomic Energy Regulatory Board (AERB, India) for the drafting of Safety Guide for management of radioactive waste in the processing of Th, U & NORMs; and is presently engaged in drafting a safety Guide for Beach Sand Mineral Industries. Dr. Pillai has served as consultant to IAEA for drafting and review of safety reports on NORMs, Rare earths, Zircon, etc.

**Dr Dennis Wymer (UK)**

Dr Wymer holds a Ph. D in Mechanical Engineering from the Imperial College in the United Kingdom. He has worked for the IAEA from 1993 up to 2009 where he was in charge of the development of safety reports and training packages on radiation protection and radioactive waste management specific to NORM-industries and representing the Agency in advisory and safety missions to IAEA Member States. Prior to his involvement with the IAEA, he has been responsible for directing the South African mining industry's collective-funded research programme on occupational radiation protection, management of radioactive mine residues and water quality management.

**Mr Ulric Schwela (Italy, Finland)**

Mr Schwela is a subject matter expert on transportation of radioactive materials, works as the technical advisor to the Tantalum Niobium Study Centre in Belgium. He is a member of the IAEA International Steering Committee on denial of shipment since it was founded, and currently chairs the committee.

**Internal (IAEA) Experts****Dr Magnus Vesterlind (Sweden)**

Since September 2010, Dr Magnus Vesterlind is the Head of the Waste and Environmental Safety Section at the IAEA. Before joining the IAEA Dr Vesterlind worked for the Swedish Nuclear Fuel and Waste Management Company, SKB. He was Deputy Project Manager for the Spent Nuclear Fuel Project, with responsibilities for preparing the licence applications for the Swedish repository for spent nuclear fuel. He had worked for the Swedish nuclear safety and radiation protection regulatory body for 14 years before joining SKB in 2008. For several years, he was the Director for the Swedish Nuclear Power Inspectorate's (SKI) Office for Nuclear Waste Safety, and his duties included e.g. the development of regulations, inspection of waste management facilities and review of nuclear industry's programme for disposal of spent nuclear fuel. Dr Vesterling has participated in several international working groups and committees belonging to e.g. the IAEA, OECD/NEA and the European Commission (EC).

**Dr Horst Monken Fernandes (Brazil)**

Dr Fernandes is a staff member of the IAEA's Wastes Technology Section where he is responsible for implementing different types of activities related to Environmental Remediation and NORM. He holds a doctorate in Environmental Geochemistry. Before joining the IAEA, he was the Head of the Environmental Impact Section of the Brazilian Nuclear Energy Commission. There, among other activities, he was responsible for carrying out a national survey programme on the potential radiological impacts of NORM industries in the country including waste management and environmental remediation aspects. He supervised the decommissioning and cleaning-up activities of a RER processing plant in Brazil.

**Ms Hanna Kajander (Finland)**

Ms Kajander, a Communications Specialist, holds an MSc in Public Relations and Organisational Communication by the University of Jyvaskyla and worked before joining the IAEA as a Communication Officer at the TVO Nuclear Power Plant in Finland.

**Administrative Assistant****Ms Hiroko Raticliffe**

Ms Raticliffe will act as the administrative secretary of the expert team. She has been with the IAEA for 10 years. During this time had assisted high level managers in different sectors of the Agency in complex administrative activities.