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5 May 2014

## **EQUITY RAISING AND PROPOSED FINANCING TRANSACTION**

- **Share Purchase Plan fully underwritten to raise a minimum of A\$30 million**
- **Placement to raise up to A\$10 million**
- **Proposed purchase and amendment of the Sojitz / JOGMEC loan facility**

Lynas Corporation (ASX:LYC, OTC:LYSDY) announces it will undertake a fully underwritten share purchase plan ("SPP") to raise a minimum of A\$30 million with the capacity to top up this amount by a Placement ("Placement") to raise up to A\$10 million. Funds raised will be used to augment working capital during ramp-up at the Lynas Advanced Materials Plant (LAMP).

All new shares issued under the Equity Raising ("New Shares") will rank equally with existing shares on issue.

The issue price for both the SPP and the Placement will be a 17.5% discount to the average price during the 5 trading days up to and including the SPP shortfall date, rounded up to the nearest 0.1 cent. The SPP is fully underwritten by Patersons Securities Limited to \$30 million.

"We believe the capital raising and proposed debt amendment provides a solid financial base for the Company and addresses any liquidity concerns that the market might have had", said Lynas Corporation's Chairman, Mr Nicholas Curtis.

"We achieved a new record month of production in April 2014 of 709 tonnes on an REO equivalent basis, more than 20% higher than the previous record month in March. The ramp up of production and sales from the LAMP is now well advanced and we expect to be at our targeted production rate during the June 2014 quarter. The equity raising will secure our short term working capital requirement.

"The Lynas Directors are particularly pleased to be able to offer eligible shareholders the opportunity to participate in the Equity Raising."

"Completion of the proposed purchase and amendment of the Sojitz/JOGMEC loan facility is conditional on matters including requisite approvals, completion of due diligence and definitive documentation. This would remove the obligation of debt repayments until mid-2016, giving Lynas time to further strengthen its financial profile through the build-up of cash flow from production and sales".



## Share Purchase Plan

The SPP will provide existing eligible shareholders on Lynas' register at 7pm on 2 May 2014 with registered addresses in Australia and New Zealand with the opportunity to apply for up to A\$15,000 worth of Lynas' ordinary shares (subject to any scale-back), without incurring brokerage or other transaction costs.

The Directors reserve the right to expand the size of the SPP (subject to ASX Listing Rule limits) and to scale back acceptance at its discretion.

A booklet providing the full terms and conditions of the SPP is expected to be dispatched on 9 May 2014.

### Indicative timetable

Event	Date
SPP record date	7:00pm (AEST), Friday, 2 May 2014
Dispatch of SPP booklet and SPP offer opens	Friday, 9 May 2014
SPP pricing period	Wednesday, 21 May 2014 to Tuesday, 27 May 2014 (inclusive)
SPP offer closes	5:00pm (AEST), Friday, 23 May 2014
SPP shortfall date	Tuesday, 27 May 2014
SPP and Placement results and pricing announcement	Thursday, 29 May 2014
SPP and Placement shares commence trading	Thursday, 29 May 2014
Despatch of transaction confirmations under the SPP and, if applicable, a direct credit deposit or refund cheque	Thursday, 29 May 2014

This timetable is subject to change. Subject to its obligations under the underwriting agreement, Lynas reserves the right to vary the timetable without notice, including without limitation to close the SPP early. Shareholders are therefore encouraged to lodge their applications well ahead of the advertised closing date. The commencement of trading of the New Shares is subject to confirmation from ASX.



### ***Proposed Purchase and Amendment of the Sojitz / JOGMEC Facility***

Lynas announces that, following receipt of expressions of interest from various financial industry participants, the Company has selected Nomura Australia Limited to arrange the purchase and amendment of the Sojitz / JOGMEC senior secured facility.

Lynas has negotiated an indicative term sheet with Nomura Australia and consequently appointed Nomura Australia to act as Arranger. Nomura Australia is a wholly owned subsidiary of Nomura Holdings Inc., a financial services group headquartered in Japan.

The detailed terms are subject to some further negotiation, and are conditional on matters including requisite approvals, completion of due diligence and definitive documentation. The transaction will be undertaken in accordance with the terms of the Group's other debt facilities and will not be binding on the parties until the above conditions are satisfied.

The proposed transaction includes a replacement of the current Sojitz / JOGMEC repayment schedule with a single repayment of the entire facility in June 2016. Completion of this transaction would allow the Company time to further strengthen its financial profile through the build-up of cash flow from production and sales.

The aim of Lynas and Nomura Australia is to complete this transaction well prior to September 2014, subject to satisfaction of various conditions. Further details will be provided as they are finalised.

Lynas remains engaged with existing and potential financiers regarding the potential restructure of its existing financing facilities.

**For further information please contact Alan Jury or Alistair Reid on +61 2 8259 7100.**

**For all media enquiries please contact Cameron Morse from FTI Consulting on +61 8 9485 8888.**

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