

24 September 2014

SENIOR DEBT FACILITY UPDATE

Lynas Corporation Limited (“Lynas”) (ASX:LYC, OTC:LYSDY) is pleased to announce that Lynas has signed a binding term sheet (**Term Sheet**) with its Senior Lender to amend key terms of its Senior Loan Facility.

The Senior Loan Facility in the principal amount of US\$225 million was received in 2011 from a Special Purpose Lender (JARE) established by Japan, Oil, Gas and Metals National Corporation (JOGMEC) and Sojitz Corporation. JOGMEC’s role is to secure a stable supply of key natural resources for Japanese industry. Sojitz Corporation is a diversified Japanese trading group whose activities include being the largest trader of Rare Earths in Japan.

Signing of the Term Sheet by all three parties demonstrates their continuing commitment to the development of Japanese industries that require a secure supply of Rare Earths products. Importantly, the Term Sheet provides Lynas with the ability to take the final steps to fully commercialising its vision of providing a sustainable integrated supply chain from mine to customer. Under the revised terms, Lynas is able to offer JARE:

- Strengthened commitments to supply the Japanese market.
- A strong performing facility on agreeable terms for the lender while providing a stable platform for the Lynas business

The amendments in the Term Sheet are binding from 30 September 2014. The key amendments in the Term Sheet are as follows:

1. Rare Earths Supply

Lynas confirms its commitment to supporting high growth Japanese industries as they seek to diversify their Rare Earths supply sources, in accordance with the agreements that were announced on 30 March 2011. In addition, Lynas will provide additional assurances regarding prioritized Nd/Pr supply from the LAMP to the Japanese market.

2. Interest Rate

The Interest Rate is fixed at 7.00% per annum.

3. Repayment Schedule

The repayment schedule is amended to the following:

Repayment Date:	Instalment
19 January 2014	US\$10 million (already paid)
30 September 2014	US\$10 million
31 March 2015	US\$15 million
30 June 2015	US\$15 million
30 September 2015	US\$30 million
21 December 2015	US\$20 million
31 March 2016	US\$20 million
30 June 2016	US\$105 million

The repayment that is due on 30 September 2014 may be made up to 15 calendar days after 30 September 2014.

4. First Ranking Securities

The Senior Lender's first ranking securities will remain in place throughout the term of the Senior Facility.

In conjunction with these new agreed terms, Lynas agrees to commit to its ongoing business improvement plans. Lynas has also agreed to complete an equity raising, underwritten by investors who specialise in the energy and industrial sectors. Lynas will release details of the equity raising to the market shortly.

Lynas is very pleased to confirm the above agreed terms and continuing commitment to building a stable supply of quality Rare Earths products for Japanese firms operating in the high-growth, technology leading energy efficient sector.

For further information please contact Alan Jury on +61 2 8259 7100 or visit www.lynascorp.com