

5 March 2010

## Letter of Award – Mount Weld Concentration Plant

Lynas Corporation Limited (“Lynas”) (ASX code: LYC) today announced that it has issued a letter of award to Abesque Engineering Ltd (“Abesque”) for a lump sum contract to complete engineering design and construction of the Mount Weld Concentration Plant.

The lump sum contract will replace the existing separate engineering and construction works contracts with Abesque for the Mount Weld Concentration Plant. The existing contracts were based on schedules of rates, and so the move to a lump sum contract should reduce the risk of variations from budgeted costs.

The lump sum fixed price of the new contract will be A\$36,232,733 (excluding GST). The figure of A\$36,232,733 is within the Lynas budget and it represents the bulk of the Mount Weld Concentration Plant capital costs amount of approximately A\$45.6 million referred to in the March 2010 Lynas Investor Presentation. The majority of the remaining amount is also committed under existing contracts.

The key target dates for the Mount Weld Concentration Plant are as follows:

- (a) Mobilization to site – April 2010;
- (b) First Ore Feed – December 2010.

A definitive lump sum contract is now being prepared for execution, based on the letter of award that has been executed by Lynas and Abesque.

Lynas’ Executive Chairman, Nicholas Curtis, stated “We are very pleased to have entered a new phase of our relationship with Abesque for delivery of the Mount Weld Concentration Plant. The move to a lump sum contract recognizes the strength of the relationship between Lynas and Abesque, and the quality of the work completed to date. The lump sum contract provides for completion of the Mount Weld Concentration Plant on time and within budget, which is excellent news for Lynas.”

### 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.



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Development of the mine is complete and in November 2009 Lynas completed an A\$450million capital raising to enable the completion of construction of the Concentration Plant at Mount Weld and an Advanced Materials Plant to process the Mount Weld concentrate through to final Rare Earths oxides in the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia. Lynas has received all required approvals to construct both plants.

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.

'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.

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