



27 April 2011

## **Forge Resources Limited - Update**

Lynas Corporation Limited ("Lynas") (ASX:LYC, OTC:LYSDY) announced on 16 March 2011 the details of a proposed transaction with Forge Resources Limited ("Forge").

In addition, on 28 March 2011, Lynas released a detailed Explanatory Memorandum on the proposed transaction, including an independent expert's report prepared by Grant Samuel. The independent expert's report confirmed that the proposed transaction is fair and reasonable to the shareholders of Lynas not associated with Forge or Mr Nicholas Curtis, in the absence of a superior proposal.

The Independent Directors of Lynas have recommended that Lynas Shareholders vote in favour of the proposed transaction in the absence of a superior proposal.

Since the announcement of the proposed transaction, Lynas has received some questions from shareholders. Lynas has applied the highest standards of corporate governance throughout the proposed transaction, and consistent with that approach, Lynas has decided to issue an updated explanatory memorandum to address a number of questions that have been raised.

It is anticipated that the updated explanatory memorandum will be available mid-May. This will result in a delay to the Extraordinary General Meeting that was originally scheduled for 18 May 2011. It is now likely that the Extraordinary General Meeting will be scheduled for mid-June.

### **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

Engineering and construction of both the Concentration Plant in Western Australia and the LAMP remain within budget. The first feed of ore into the Concentration Plant in Western Australia is



scheduled to commence in the next few weeks. The first feed of concentrate to the kiln at the LAMP in Malaysia is scheduled for September 2011. Lynas has received all required approvals to construct both plants and Lynas 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 Andrew Arnold on +61 (0)2 8259 7100 or visit [www.lynascorp.com](http://www.lynascorp.com)**

**For all media enquires please contact Michael Vaughan from FD on +61 (2) 8298 6100 or +61 422 602 720**