

27 July 2007

**LYNAS SECURES US\$105 MILLION BANK DEBT FACILITY FOR
THE DEVELOPMENT OF THE RARE EARTHS PROJECT**

The Directors of Lynas Corporation Limited ("Lynas") (ASX code LYC) are pleased to announce the company has received a Letter of Offer providing commitment from Bayerische Hypo- und Vereinsbank AG (HVB) to underwrite a Facility of US\$105 million.

Draw down of this Facility is subject to standard banking due diligence, all Facility documentation in place; all necessary authorisations, consents and approvals in place; and completion of a convertible note for a minimum of US\$50 million. This convertible note will be provided by the Indus Capital Partners LLC facility announced on 6 July 2007.

Lynas has accepted this Facility. The key terms of the US\$105 million Facility include:

1. Senior Debt Facility for US\$80 million and Mezzanine Facility for US\$10 million with repayments commencing December 2009 and ending December 2013.
2. Working Capital Facility for US\$15 million redrawable until December 2012 with a repayment in June and December 2013.
3. The margin for all components of the facility is 2.5% over the USD SIBOR reference rate after construction is complete and 3.0% during construction.

Lynas Executive Chairman, Nicholas Curtis said:

"The facility from HVB is a major achievement for Lynas. It underscores the financial robustness of the Rare Earths project and secures the company's ability to develop a globally significant position as a key supplier in the Rare Earths industry."

About Lynas Corporation

Lynas is the world's only viable producer and processor of Rare Earths outside of China. The company owns the richest deposit of Rare Earths in the world at Mt Weld, near Laverton in Western Australia. The contractor is currently on site and mining has commenced. Production of Rare Earths from Lynas' Malaysian processing plant is scheduled to commence in the second half of late 2008.

'Rare Earths' is the term given to fifteen metallic elements known as the lanthanide series, plus yttrium. They are essential in the development and manufacturing of many modern technological products, from disc drives to flat panel displays, iPods and magnetic resonance imaging (MRI) scans. They also 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.

Lynas' strategy is to create a reliable, fully integrated source of Rare Earths supply from the mine through to customers in the global Rare Earths industry. 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.

For further information please contact Nicholas Curtis on +61 (0)2 8259 7100 or visit www.lynascorp.com