



18 June 2012

MINISTER DISMISSES APPEAL AGAINST THE AELB'S DECISION TO APPROVE THE TEMPORARY OPERATING LICENCE FOR LAMP

Lynas Corporation (ASX:LYC, OTC:LYSDY) is pleased to announce that the appeal, which was lodged under the Atomic Energy Licensing Act in relation to the decision of the Malaysian Atomic Energy Licensing Board (**AELB**) to approve the issuance of a temporary operating licence (**TOL**) for the Lynas Advanced Materials Plant (**LAMP**), has been dismissed by the Minister of Innovation, Science and Technology, YB Dato' Seri Panglima Dr. Maximus Johnity Ongkili. In dismissing the appeal, the Minister affirmed the 1 February 2012 decision of the AELB to approve the issuance of the TOL.

A copy of the Minister's press release setting out details of his decision and the conditions of the TOL is attached to this announcement.

Lynas has readily available solutions to satisfy the new conditions announced by the Minister. The next step will be the tabling and debate of the Parliamentary Select Committee's Report. Lynas looks forward to completion of the regulatory and political processes in Malaysia as soon as possible.

"The decision by the Minister is the latest in a long line of rulings and approvals where Lynas has been assessed and judged to have complied with Malaysian and international regulatory standards," said Lynas Executive Chairman Nicholas Curtis.

"The Malaysian Department of Environment, the International Atomic Energy Agency, the Malaysian Atomic Energy Licensing Board, and now the Minister of Science, Technology and Innovation have all scrutinised various aspects of Lynas' plant and compliance with the required domestic and international standards, and all have found in favour of Lynas."

"Lynas has passed every review it has been subject to, and we now look forward to the issuance of the TOL."

Mr Curtis said Lynas is continuing its long-running community engagement program that, since July 2011, has involved direct communication with more than 10,000 local residents, community leaders, villagers and their families.

"The Lynas plant is safe for everyone concerned and we look forward to demonstrating that to the Malaysian community," Mr Curtis said.



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**SECRETARY GENERAL
MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION**

**PRESS RELEASE
15 JUNE 2012**

**RULING ON THE APPEAL AGAINST THE DECISION OF THE
ATOMIC ENERGY LICENSING BOARD TO APPROVE, WITH
CONDITIONS, A TEMPORARY OPERATING LICENCE (TOL) TO
LYNAS (M) SDN BHD**

Minister of Science, Technology and Innovation, Datuk Seri Panglima Dr. Maximus Johnity Ongkili has made a decision on 13 June 2012 on the appeal filed by three individuals against the decision of the Atomic Energy Licensing Board (the Board) to approve, with conditions, a Temporary Operating Licence (TOL) to Lynas (M) Sdn Bhd.

The Board approved the Class A Licence (Milling – Temporary Operation Stage) on 30 January 2012. The appeal was filed by Ismail Abu Bakar, Tan Ah Meng and Abujavalli V. Raman as provided for under Section 32 of the Atomic Energy Licensing Act 1984 [Act 304]. The Minister heard the appeal on 17 April 2012.

After giving due consideration to all the evidence presented at the hearing on the issues raised by the Appellants, the Minister has decided that there was no strong justification nor scientific or technical basis for him to set aside the decision of the Board.

Besides this, issues raised by the Appellants had already been given due consideration by the Board in granting the TOL.

However, pursuant to the powers conferred by Subsection 32(5) of Act 304, the Minister of MOSTI has made an order to impose additional conditions to the licence conditions imposed by the Board on 30 January 2012.

The additional conditions are as follows:

- i) Lynas must submit to the Board a method to immobilise radioactive elements in the residue to be disposed in the event excessive residue is stored in the Residue Storage Facility (RSF). The method is to trap radioactive elements from being released into the environment. The immobilisation method is to be approved by the Board and would be made part of the licence conditions; and
- ii) With regard to the radioactive residue disposal facility, Lynas must submit an Emergency Response Plan to control the release of dust from the residue into the air and the environment. The Emergency Response Plan has to be endorsed by the Board. The Plan is necessary in the event the water sprinkler system fails. The response plan should include a contingency measure to provide an alternative water source on standby at all times. The endorsed Emergency Response Plan will be made part of the licence conditions.

The licence conditions imposed by the Board on 30 January 2012 were as follows:

- (i) Lynas is required to submit all aspects relating to *Permanent Disposal Facility* (PDF);
- (ii) The plan and location of the PDF shall be submitted regardless of the outcome of the research and development on commercialisation, recycling and reuse of the residue;

- (iii) The plan and location of the PDF must be submitted and approved within the period of the licence and not more than 10 months from the date of the issuance of the TOL;
- (iv) Lynas shall comply with the financial guarantee prescribed under the relevant laws and according to the proposal submitted by Lynas (M) Sdn Bhd to the Board, USD50 million will be paid to the Government of Malaysia in instalments. This is subject to the review by the Board if so decided at a later date; and
- (v) The Board has the right to appoint an independent assessor to evaluate Lynas's compliance with the stipulated standards and regulations, and the cost shall be borne by the licensee.

Furthermore, the management of the residue generated by Lynas (M) Sdn Bhd during the tenure of the TOL, shall be the responsibility of Lynas, including if necessary, the return of the residue to the source of origin.

Therefore, the TOL shall only be issued by the Board once Lynas (M) Sdn Bhd has complied with all the stipulated conditions, including the two additional conditions.

For more information, please contact:

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