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Increase in Total Mount Weld Rare Earths Resource

New Heavy Rare Earths Resource Identified

Highlights

- ***An updated Mineral Resource estimate for the Mount Weld Central Lanthanide Deposit (CLD) Sector of 12.2 million tonnes at 9.7% REO, giving a new resource of 1.18 million tonnes of REO***
- ***A zone of mineralisation has been identified with a higher value heavy Rare Earths distribution. The average REO distribution in this zone has a composite market price of US\$21/kg REO***
- ***Subject to finalization of a feasibility study the Mineral Resource within this new zone may support a second Rare Earths operation based on high value, heavy Rare Earths***

UPDATED MINERAL RESOURCE ESTIMATE

The Board of Lynas Corporation Limited ("Lynas", ASX code LYC) is pleased to report, according to the 2004 JORC Code, an updated resource estimate for the Mount Weld Central Lanthanide Deposit (CLD) Sector of 12.2 million tonnes at 9.7% REO, at a cut-off grade of 2.5% REO, giving a total resource of 1.18 million tonnes of REO. Table 1 shows the classification of Mineral Resource for the CLD Sector. Figure 1 shows the CLD Sector of the carbonatite.

The previous June 2002 resource of 7.7 million tonnes at 11.9% REO, giving 920,000 tonnes of REO, was reported at a cut-off grade of 4% REO. At the same cut-off, the updated resource estimate increases to 8.9 million tonnes at 12.1% REO, giving 1.08 million tonnes REO. This increase is due to a revised geological interpretation based on the inclusion of the 2007 infill drilling program data. It represents an increase of 17% or 160,000 tonnes REO compared to the June 2002 resource estimate.

It is now considered appropriate to report the resource estimate using a lower cut-off grade of 2.5% REO following the substantial increases in Rare Earths' prices since 2002. As stated above, at a cut-off grade of 2.5% REO the resource estimate increases to 1.18 million tonnes REO in total, representing a 29% increase in REO tonnes compared to the June 2002 resource estimate.

HEAVY RARE EARTHS MINERALISATION

Significantly, during this review a higher value, heavy Rare Earths resource has been identified, which is located within the CLD Sector resource, immediately to the south east of the Central Zone (Figure 1). This new zone, the "Southern Zone", has an estimated resource of 2.8 million tonnes at an average grade of 4.0% REO, giving 111,000 tonnes REO with a distribution biased more

towards high value heavy Rare Earths. Table 2 shows the classification of Mineral Resource for the Southern Zone. The average REO distribution of this Southern Zone is shown in Table 3 and has a value of approximately US\$21/kg REO. The average depth of this resource is 35 metres below the surface, which would allow an open-pit approach to mining.

In the international Rare Earths industry the heavy Rare Earths are less abundant than light Rare Earths and are mainly sourced from ionic Rare Earths clays found in the southern provinces of China which typically have average grades of 0.05% to 0.2% REO. These heavy Rare Earths are currently in very high demand by customers for energy efficient applications such as magnets and phosphors. Based on the high value associated with this REO distribution Lynas will immediately embark on a pre-feasibility study to determine the optimal process flow sheet to maximise recovery of these valuable Rare Earths. Preliminary mineralogy test work has been completed and has identified the minerals associated with the heavy Rare Earths as churchite and xenotime, in addition to secondary monazite.

CURRENT OPERATION

The existing Rare Earths operation is based on a mine plan covering a high REO grade zone in the centre of the CLD Sector. This secondary monazite mineralisation zone is now named the Central Zone. This Central Zone has a resource, above a REO cut-off of 2.5%, within the designed pit of 4.7 million tonnes at an average grade of 13.8% REO for a total of 648,000 tonnes REO. Table 4 shows the classification of Mineral Resource for the Central Zone. The Rare Earths distribution in this Central Zone is as previously published and shown in Table 3. This distribution is the basis for the Mount Weld Average Price published in the quarterly reports and on the website, currently US\$13.93/kg REO.

The balance of the CLD Sector Mineral Resource is 4.8 million tonnes at 8.9% REO, giving 425,000 tonnes REO lying inside the CLD sector but outside either of the two zones described above. This resource represents opportunity for new pit optimisation and expansion, as well as potential to define new pit areas within the CLD Sector. Table 5 shows the classification of Mineral Resource for this balance of the CLD Sector Mineral Resource.

ADDITIONAL POTENTIAL

Within the CLD Sector, although excluded from the presently defined Mineral Resources, further potential mineralisation has been identified and evaluated using historical lower confidence drilling data than that used to estimate the Mineral Resources. This review suggests that, above a REO cut-off of 2.5%, there is potential for approximately a further 4 to 8 million tonnes with a REO grade between 4% and 8% REO. This potential mineralisation has had insufficient exploration to define a Mineral Resource, and it is uncertain that further drilling will convert this to a Mineral Resource.

Outside the CLD Sector but within the Mount Weld carbonatite tenements a number of other areas of Rare Earths mineralisation have been highlighted during this resource review. These are in addition to the 400,000 tonnes of Rare Earths previously reported within the Crown Polymetallic Resource and represent targets for further Rare Earths exploration.

TABLE 1: CLASSIFICATION OF MINERAL RESOURCES FOR THE TOTAL CLD SECTOR

CLD Sector Mineral Resources at 2.5% REO cut off			
Category	M Tonnes	REO Grade (%)	Kt REO
Measured	2.21	14.7	324
Indicated	3.84	11.5	441
Inferred	6.19	6.8	418
Total	12.24	9.7	1,184

FIGURE 1: MOUNT WELD CARBONATITE SECTORS AND MINING LEASES

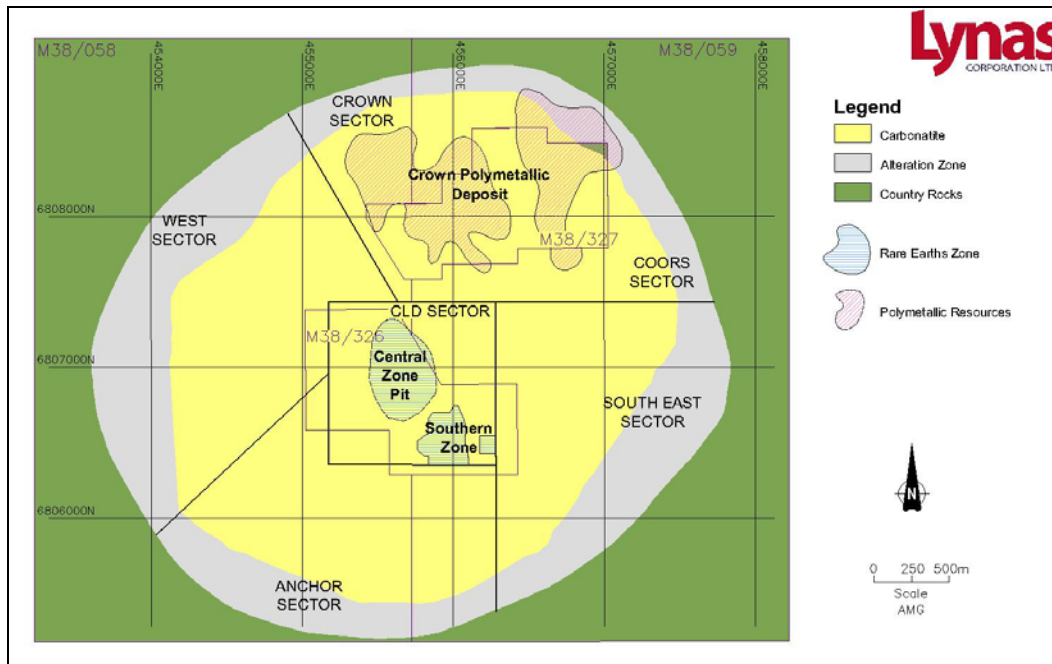


TABLE 2: CLASSIFICATION OF MINERAL RESOURCES FOR THE SOUTHERN ZONE WITHIN THE CLD SECTOR

CLD Sector Mineral Resources at 2.5% REO cut off			
Category	M Tonnes	REO Grade (%)	Kt REO
Measured	0.13	3.8	5
Indicated	0.78	4.2	33
Inferred	1.87	3.9	73
Total	2.78	4.0	111

TABLE 3: REO DISTRIBUTION OF MINERAL RESOURCES

Average REO Distribution of Mineral Resources (%)		
Rare Earths Oxide	Central Zone	Southern Zone
Lanthanum Oxide	25.60%	18.12%
Cerium Oxide	45.74%	46.98%
Praseodymium Oxide	5.42%	4.42%
Neodymium Oxide	18.62%	16.07%
Samarium Oxide	2.44%	2.60%
Europium Oxide	0.55%	0.73%
Gadolinium Oxide	0.97%	2.33%
Terbium Oxide	0.09%	0.32%
Dysprosium Oxide	0.16%	1.56%
Holmium Oxide	0.01%	0.23%
Erbium Oxide	0.02%	0.51%
Thulium Oxide	0.00%	0.05%
Ytterbium Oxide	0.01%	0.22%
Lutetium oxide	0.00%	0.03%
Yttrium Oxide	0.37%	5.83%
Total	100.00%	100.00%

TABLE 4: CLASSIFICATION OF MINERAL RESOURCES FOR THE CENTRAL ZONE WITHIN THE CLD SECTOR

CLD Sector Mineral Resources at 2.5% REO cut off			
Category	M Tonnes	REO Grade (%)	Kt REO
Measured	1.89	15.6	295
Indicated	1.89	13.7	258
Inferred	0.92	10.3	95
Total	4.70	13.8	648

TABLE 5: CLASSIFICATION OF MINERAL RESOURCES FOR THE BALANCE OF RESOURCE WITHIN THE CLD SECTOR

CLD Sector Mineral Resources at 2.5% REO cut off			
Category	M Tonnes	REO Grade (%)	Kt REO
Measured	0.19	12.7	24
Indicated	1.17	12.9	151
Inferred	3.40	7.4	250
Total	4.76	8.9	425

About Lynas Corporation

Lynas owns the richest 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.

The mining contractor has commenced mining with first ore placed on the stockpiles in December 2007. Lynas has received all environmental approvals to build a 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. 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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Notes on Resource Estimates

The resource estimates were prepared by Dr Phillip Hellman BSc (Hons) PhD FAIG from Hellman and Schofield Pty Ltd ("H&S") with geological input from Mr Rob Duncan, FAusIMM, consultant geologist to Lynas Corporation. Both are Competent Persons as defined by the 2004 JORC Code. Information in this release relating to resource estimates is based on and accurately reflects information provided by Dr Hellman who consents to the inclusion of the new resource estimates. Dr Phillip Hellman and Mr Rob Duncan consent to the inclusion of these results and the accompanying notes in the form and context in which they appear.

H&S has accepted in good faith the drill-hole and assay database provided by Lynas and has not examined issues such as the quality of sampling and assaying, adequacy of density determinations, drill sample recoveries, accuracy of surveying, etc. Previous work by H&S draws attention to an uncertainty with assaying accuracy in pre-Lynas assays that may contribute to the resource estimates being understated by up to approximately 5-10%. H&S has worked closely on the geological interpretation of the deposit with Mr Rob Duncan who has been associated with the project since its inception in 1988. REO are defined as the rare earth oxides from La to Lu. Yttrium is associated with REO and in this report Yttrium has been included in the REO grades or the REO metal. Some resources within the pit have been mined and are currently on stockpiles awaiting processing.

Geology and mineralisation. The CLD Sector occurs within the Mount Weld carbonatite which is a 3.5 km diameter near-vertical plug that has been deeply weathered and covered with lake sediments ranging from 20 m to 50 m in thickness. The mineralisation has been defined on the basis of various regolith units, approximately 30 m thick, below the lake sediments and above the carbonatite. These include the "CZ", "LI", "CR", "CC" and "AP" units.

Drilling and sampling. The geological database used for the CLD Sector Resource Estimates consists of 243 assayed vertical holes (6 diamond core holes and 237 air-core reverse circulation holes (“RC”), representing 6014 assayed metres. In addition, there are 130 assayed RC holes (3478 assayed metres) that are suspected to have suffered loss of fines in the hydrocyclone sampling plant due to high water flows experienced before dewatering of the regolith in 1991. Accordingly, these have only been used to estimate potential mineralisation. The average drill spacing for newer drill holes within the area of Measured and Indicated Resources is 21 m and 80 m for all holes outside this area. A 10x10m pattern of 51 grade control holes was completed in 2006 within a 5100 sq m area.

Assaying. Routine assaying of 14 lanthanides, Y, Th, U, Al, Si, P, Mn, Fe and Ca has been undertaken by Genalysis Laboratories, Perth. The lanthanides and Y, Th and U were assayed using a 0.2 g sample and a total fusion/HCl digestion.

Geological modelling. Cross-sectional geological interpretations were completed in collaboration with Mr R Duncan and used to define a 3D solid geological model with dimensions of 10 x 10 x 3 m (x, y, z). Each lithology was assigned a constant density ranging from 1.6 to 2.4 in the regolith and overlying sediments. 71 dry density determinations are available. The geological interpretation of the area of grade control drilling was revised to take into account slightly less volume of the “CZ” (soft monazite “siltstone”) lithology compensated by more volume of “AP” (basal apatite unit).

Resource Estimation. Ordinary kriging was used to estimate TLnO grades from two and three metre composites within the mineralised zone using four estimation passes. Confidence classification is on the basis of proximity to and number of data points as well as data quality. Measured block grades are estimated from a 30x30x6 m search with a maximum and minimum number of data of 32 and 10, respectively. Indicated block grades result from a 45x45x9 m search (32/10 points) and Inferred from a 60x60x12 m search (32/5 points), respectively.

Potential mineralisation. An additional class of estimates was defined on the basis of a more liberal search of 120x120x24 m (32/4 points) using data from old and new holes. These define tonnes and grades in the outer less densely drilled area (100x100 m) and are presented here as “Potential Mineralisation” whose future economic viability status is more uncertain than the central part of the CLD mineralisation. The results have been presented as tonnage and grade ranges due to the uncertainty associate with these estimates.

Cut-off grades. Reported cut-off grades have been based on the recommendations of Lynas who have advised that they are realistic in terms of current considerations of prices, processing and mining costs and the marketability of the lanthanide resource.

Comparison with previous results. As discussed in text.