

15 June 2006

## MT WELD RARE EARTHS PROJECT FUNDED FOR \$75 MILLION

### HIGHLIGHTS

- **Funding achieved for Mt Weld Rare Earths Project**
- **Major overseas investment groups support share and convertible note placement**

The Directors of Lynas Corporation Limited (“Lynas”) (**ASX code LYC**) are pleased to announce \$75 million of funding has been secured for the development of the Mt Weld Rare Earths Project (“Project”).

A \$35 million convertible note issue and a \$40 million share placement have been subscribed to by major international investment groups in the US and Europe.

The \$40 million share placement at \$0.31 per share was subscribed as to \$38 million by affiliates of Goldman Sachs and Ospraie Management, and the balance to Mr Nicholas Curtis, Executive Chairman of Lynas, and to clients of Transocean Securities Pty Ltd. (Transocean). Transocean and Patersons Securities Limited (Patersons) were appointed to co-manage the share placement, with Patersons as broker to the share placement.

The convertible note underwriting of \$27 million was announced on 28 April 2006, but was not invoked as the issue was oversubscribed. The Directors instead elected to accept the full oversubscriptions of up to \$8 million, increasing the total amount raised to \$35 million. Transocean and Patersons were appointed to co-manage the convertible note placement.

The commercial terms of the Convertible Notes include:

1. Five year term;
2. 8.25 % coupon paid quarterly in arrears;
3. 40 cent conversion price into Lynas Fully Paid Ordinary Shares;
4. It is intended to list the Convertible Notes on the Singapore Stock Exchange.

The capital raisings are subject to Lynas obtaining shareholder approval for the issue of the notes and shares. It is intended that a shareholder meeting will be held in early August 2006.

It is intended that the funds raised will be used for the repayment of the outstanding debt payable by Lynas to Ashton Mining (WA) Pty Ltd (\$5.6 million approximately), and for the development of the Project.

“This capital raising demonstrates great confidence in Lynas’ position within the Rare Earths industry. The company is developing Mount Weld in Western Australia, which is currently the highest grade Rare Earths deposit in the world, at a time when current and future demand appears to be out-stripping supply. Raising these funds is a significant step towards achieving our goal of becoming a fully integrated source of supply from mine to the diverse customer base who utilise Rare Earths in the global chemicals industry,” Executive Chairman of Lynas, Nicholas Curtis, said.

## **About Lynas Corporation**

Lynas owns the highest grade deposit of Rare Earths in the world at Mount Weld, 35km south of Laverton in Western Australia. A feasibility study has been completed on the Rare Earths deposit and all Australian and Chinese approvals required for project development have been received. Lynas has a strategy of creating a reliable, fully integrated source of supply from mine through to customers, and to become the benchmark for security of supply and environmental standards in the global Rare Earths industry.

Lynas’ Mount Weld tenement also has a JORC compliant poly-metallic resource known as the “Crown” deposit. This is a titanium and niobium-rich rare metals resource that is a separate deposit to the Mount Weld Rare Earths deposit.

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