

9 November 2010

Lynas Signs New Customer Contract

Lynas Corporation Limited (“Lynas”) (ASX:LYC, OTC:LYSDY) is pleased to announce the signing of a new long term supply agreement with a European Rare Earths consumer for the supply of Mount Weld Rare Earths to be produced at the Lynas Advanced Materials Plant (LAMP) in Malaysia.

The contract shall be for product supplied from the 11,000 tonnes REO per annum Phase 1 of the LAMP, which is on schedule for first feed of Rare Earths concentrate into the LAMP in the third quarter of 2011. The contract also has provision for the supply of products from the Phase 2 expansion of the LAMP.

The contract price is related to the China FOB market price for the product at the time of delivery plus delivery costs from FOB Kuantan to port of delivery. The contract price reflects the surety of supply Mount Weld Rare Earths and the LAMP are bringing to the market by being located outside of China. The contract has an evergreen clause, allowing the contract to extend upon mutual agreement.

Lynas’ Executive Chairman, Nicholas Curtis, believes that the signing of the contract is another key milestone for the company and the Rare Earths project:

“Lynas is extremely pleased to continue to sign contracts with important customers in the Rare Earths industry. Lynas is able to provide support to the market with production in 2011, and being the first new Rare Earths project into production outside China gives Lynas a significant advantage in developing close relationships with the market consumers. With six signed contracts and two letter of intent already in place the company anticipates further contract announcements over coming months”, Mr Curtis said.

The company continues to be actively engaged with potential customers in Europe, Japan and the USA.

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 on target for early 2011. The first feed of concentrate to the kiln at the LAMP in Malaysia is on target for the third quarter of 2011. Lynas has received all required approvals to construct both plants.

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). Each Lynas ADR is equivalent to 10 ordinary shares of Lynas as traded on the Australian Securities Exchange (ASX). The Bank of New York Mellon is the depositary bank in respect of Lynas ADRs.

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