



30 September 2013

## OPERATIONS UPDATE

Lynas Corporation (ASX:LYC, OTC:LYSDY) provides the following update regarding the Lynas Advanced Material Plant (LAMP) in Malaysia. As outlined in the Company's June 2013 Quarterly Activities Report, a series of work programs involving equipment changes and materials handling to improve the capability of the cracking and leaching units of Phase 1 of the LAMP to operate continuously at nameplate production capacity were planned in the second half of 2013. These programs do not involve significant capital investments and are being progressively implemented.

A number of these work programs in the cracking area are now complete and are working. The remaining work programs in leaching are continuing as scheduled. The Company is achieving improved operational performance in the cracking and leaching units of the LAMP; however, completion of the entire work program is required to properly assess the full extent and sustainability of improved operational performance.

Commercial production of REO products from the LAMP remains at reduced volume until these work programs are concluded, as previously reported. As such, REO production in the September 2013 quarter remained at low volumes. Equipment modifications continue, according to the delivery lead time of various items. Production is expected to build up through the December quarter with a target of completing all changes by the end of 2013.

The Company has made progress in the customer qualification process, with 25 qualifications for products by customers achieved to date. Furthermore, the Company has had sales of each of its full REO product suite, and this is expected to contribute to a standard price distribution for the September quarter.

Commissioning of the Phase 2 expansion project to 22,000tpa REO production capacity is pending regulatory approvals of completion and first feed to kiln is scheduled to follow in November. As formerly announced, the subsequent Phase 2 production will be determined by a various factors, primarily being market conditions.

As announced on 16 September, the Company has successfully agreed changes to a number of terms in the Sojitz / JOGMEC loan facility. Lynas expects to defer beyond 2013 a substantial amount of working capital which was necessary to pass some production-based tests.

Further updates, including detailed production and sales data, will be provided in the Company's September 2013 Quarterly Activities report, which is expected to be released on 31 October 2013.

**For further information please contact Alan Jury or Alistair Reid on +61 2 8259 7100 or visit [www.lynascorp.com](http://www.lynascorp.com)**

**For all media enquiries please contact Cameron Morse from FTI Consulting on +61 8 9485 8888.**