

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

LYNAS CORPORATION LTD

ABN

27 009 066 648

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - (13,222) (9,177)	- - (50,870) (23,318)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	753	4,732
1.5 Interest and other costs of finance paid	(1,912)	(10,778)
1.6 Income taxes paid/ refunded	(95)	121
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(23,653)	(80,113)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- (749) (101,641)	- (749) (262,184)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Security deposits) (i)	-	(8,167)
Net investing cash flows	(102,390)	(271,100)
1.13 Total operating and investing cash flows (carried forward)	(126,043)	(351,213)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(126,043)	(351,213)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	471	664
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	211,239	211,239
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	211,710	211,903
	Net increase (decrease) in cash held	85,667	(139,310)
1.20	Cash at beginning of quarter/year to date	215,548	433,956
1.21	Exchange rate adjustments to item 1.20	2,302	8,871
1.22	Cash at end of quarter (ii)	303,517	303,517

(i) The security deposit has been provided to secure a banking facility in Malaysia. Whilst the Group retains beneficial ownership of these monies, security deposits are not available to finance the Group's day-to-day operations and therefore have been excluded from cash for the purposes of this report. They are disclosed as an asset on the Group's balance sheet.

(ii) Cash at the end of the quarter is represented by unrestricted cash of \$182.7M and restricted cash of \$120.8M. The restricted cash is only available to fund capital expenditure associated with the Phase 2 expansion of the Concentration Plant in Mt Weld, and the Lynas Advanced Materials Plant in Malaysia.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	328
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries, fees and consulting services at standard commercial rates.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available US\$'000	Amount used US\$'000
3.1 Loan facilities (including Convertible Bonds) (iii)	450,000	450,000
3.2 Credit standby arrangements	Nil	Nil

- (iii) The Group has a US\$225M fully drawn down facility from an SPC established by Sojitz and JOGMEC.
During the quarter the Group finalised a US\$225M Convertible Bond issue, resulting in net proceeds of A\$211.2M (after expenses).
These facilities have been fully drawn. The amount of cash available and unspent as at 31 March 2012 totals A\$303.5M of which \$182.7M is unrestricted cash and \$120.8M is restricted cash (as per item 1.22)

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development (Phase 1 - \$45.3M, Phase 2 - \$73.4M, Other - \$11.3M)	130,005
4.3 Production/ operations	18,867
4.4 Administration & interest	12,021
Total	160,893

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	77,440	22,660
5.2	Deposits at call and term deposits	105,278	12,655
5.3	Bank overdraft	-	-
5.4	Other (Restricted cash)	120,799	180,233
	Total: cash at end of quarter (item 1.22)	303,517	215,548

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,714,496,913	1,714,496,913		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	350,000 100,000 50,000 50,000 100,000	350,000 100,000 50,000 50,000 100,000	\$0.66 \$0.91 \$1.01 \$0.64 \$0.66	\$0.66 \$0.91 \$1.01 \$0.64 \$0.66
7.5 +Convertible debt securities (2.75% Convertible Bonds due 2016)	225,000,000	N/A	US\$1.00	US\$1.00
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	225,000,000	N/A	US\$1.00	US\$1.00

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

			Exercise price	Expiry date
7.7	Options (description and conversion factor)	9,300,000	\$1.01	06/12
		50,000	\$0.81	08/12
		500,000	\$1.06	12/12
		1,000,000	\$0.98	07/13
		14,400,000	\$0.66	09/13
		2,700,000	\$0.81	09/13
		1,100,000	\$0.16	01/14
		24,500,000	\$0.66	10/14
		1,000,000	\$0.66	07/15
		23,400,000	\$1.15	08/15
		1,608,618	\$0.00	08/15
		1,000,000	\$1.60	10/15
		200,000	\$2.36	12/15
		420,000	\$0.00	06/16
		30,232	\$0.00	09/14
		20,245	\$0.00	09/15
		955,323	\$0.00	09/16
		8,145,000	\$1.69	09/16
		2,000,000	\$1.57	12/16
7.8	Issued during quarter			
7.9	Exercised during quarter	350,000	\$0.66	09/13
		100,000	\$0.91	07/12
		50,000	\$1.01	06/12
		50,000	\$0.64	04/12
		100,000	\$0.66	09/13
7.10	Cancelled after the quarter	1,020,000*	\$1.69	09/16
		300,000*	\$0.00	08/15
7.11	Debentures (totals only)			
7.12	Unsecured notes (totals only)			

*Cancelled subsequent to the end of the quarter

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
 (Director/Company secretary)

Date: 30/4/12

Print name: ANDREW ARNOLD

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==