

7 August 2007

**\$60M SHARE PLACEMENT COMPLETES FUNDING PACKAGE  
FOR RARE EARTHS PROJECT**

The Directors of Lynas Corporation Limited ("Lynas") (ASX code LYC) are pleased to announce the completion of a \$60 million share placement at \$1.15 per share. This completes a \$300 million debt and equity funding package for the Rare Earths project raised over the last month.

The placement was lead managed by Austock Corporate Finance with Patersons Securities Limited appointed as co-broker to the issue. Strong demand from both domestic and international investors resulted in the placement being significantly oversubscribed. Settlement and allotment of all shares under the placement will occur on 10 August 2007.

Upon completion of the placement, Lynas will have approximately 560 million ordinary shares on issue. Participants in the placement represent a broad range of global institutional investors consisting of existing institutional holders and a number of new institutional shareholders that have been attracted onto the register.

The Directors are also able to announce the final amount to be drawn down from the Indus Capital Partners, LLC, convertible note facility announced on 6 July 2007, shall be \$80 million, leaving a \$35 million standby facility available as additional contingency for the project.

The funding package for the Rare Earths project therefore comprises of the share placement, the convertible note facility, the US\$105 million bank debt facility underwritten by Bayerische Hypo- und Vereinsbank AG announced by the company on the 27 July 2007 and a cash balance of \$60 million.

Lynas Executive Chairman, Nicholas Curtis said:

"The Directors are very pleased to finalise the complete fund requirements of the Rare Earths project taking into account prudent gearing ratios for the company whilst minimising dilution for existing shareholders. This package shall fund the capital and all project costs for the development of the mine at Mt Weld, the processing plant in Malaysia, contingencies, working capital requirements and corporate costs."

## About Lynas Corporation

Lynas is the world's only viable producer and processor of Rare Earths outside of China. The company owns the richest deposit of Rare Earths in the world at Mt Weld, near Laverton in Western Australia. The contractor is currently on site and mining has commenced. Production of Rare Earths from Lynas' Malaysian processing plant is scheduled to commence in late 2008.

'Rare Earths' is the term given to fifteen metallic elements known as the lanthanide series, plus yttrium. They are essential in the development and manufacturing of many modern technological products, from disc drives to flat panel displays, iPods and magnetic resonance imaging (MRI) scans. They also 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.

Lynas' strategy is to create a reliable, fully integrated source of Rare Earths supply from the mine through to customers in the global Rare Earths industry. 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.

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