

For personal use only



Nicholas Curtis, Executive Chairman

**3rd International Rare Earths Conference
November 2007**

Lynas
CORPORATION LTD

Our strategy is to develop a transparent, environmentally sound, integrated supply chain

For personal use only



Mining

- Mining and crushing at Mt Weld, Western Australia
- Transporting the 'whole of ore' to Malaysia

Rare Earths Concentration

Purpose built processing plant in Malaysia to concentrate the ore shipped from Australia



Rare Earths Cracking and Initial Separation

The plant then processes the concentrate to produce intermediate Rare Earths products

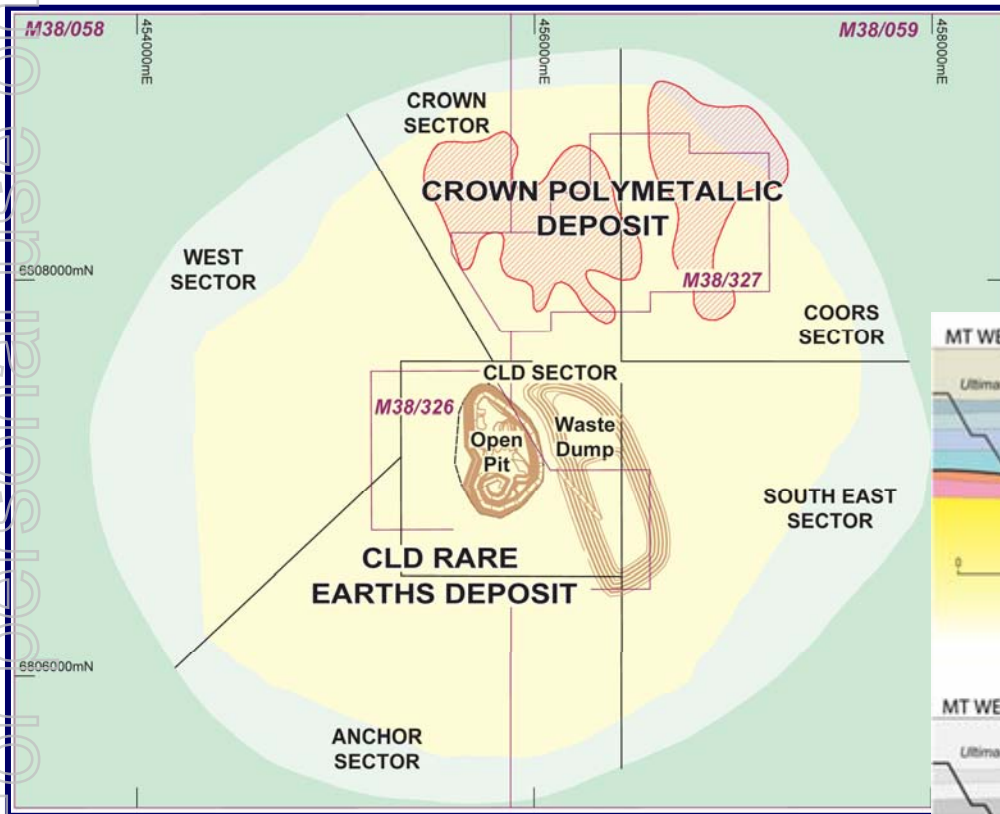
Separation to Individual Rare Earths

The Rare Earths are then further separated into individual high purity oxides for sale to customers or downstream JVs



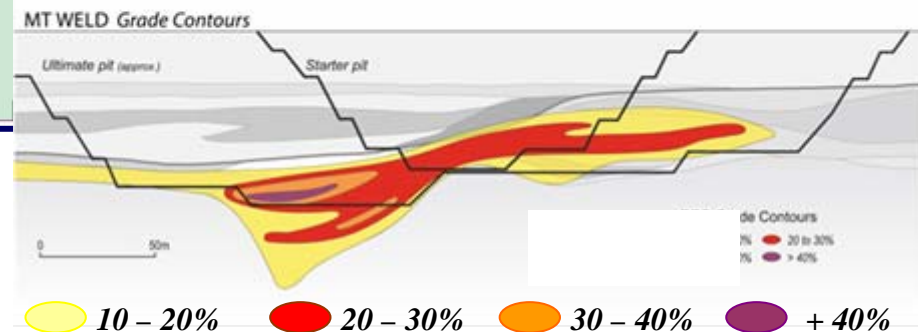
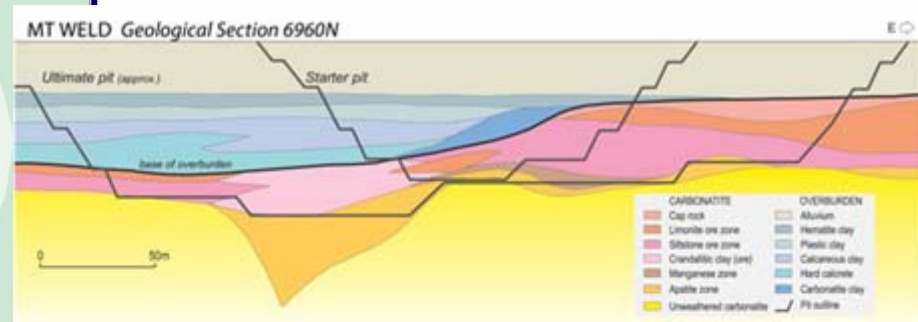
Mt Weld, located in Western Australia, is geologically unique

Plan View of Lynas Mt Weld Tenements



- ▶ High grade, mine plan at 15% REO
- ▶ Low Thorium, 44ppm ThO₂ / 1% REO
- ▶ Concentration through flotation

Cross Section Rare Earths Deposit



The Mt Weld resource has the highest grade of Rare Earths of any known deposit

The Central Lanthanide Deposit (4% REO cut-off)

<u>Category</u>	<u>Tonnes (Mt)</u>	<u>Grade (%REO)</u>	<u>Tonnes REO</u>
Measured	1.2	15.7	186,000
Indicated	5.0	11.8	583,000
Inferred	1.5	9.9	148,000
Total	7.7	12.0	917,000

JORC standard resource estimation and resource modelling by Hellman and Schofield

Grade control drilling confirmed robustness of resource and a ultra-high grade zone

Ultra-High Grade REO Drill Intercepts

Drill hole No	Easting (MGA)	Northing (MGA)	From m	To m	Interval m	REO Grade %
RC915	455800	6807100	54	58	4	45.5
RC922	455820	6807140	48	50	2	45.5
RC923	455820	6807160	54	58	4	54.7
RC932	455840	6807160	46	48	2	40.9
RC990	455800	6807200	54	58	4	44.8
RC991	455800	6807180	58	60	2	51.2
RC997	455820	6807180	56	62	6	46.8
RC998	455800	6807160	56	60	4	49.6
RC448	455743	6807116	69	75	6	43.0
RC460	455823	6807156	51	54	3	42.9
RC679	455818	6807157	54	60	6	48.7
RC725	455798	6807177	54	60	6	42.3

For personal use only

Overburden removal commenced at Mt Weld in June 2007

For personal use only



Downer EDI have been appointed, they are a large experienced contract mining company

For personal use only



First drill and blast in July

The Mt Weld Rare Earths mine is now well underway

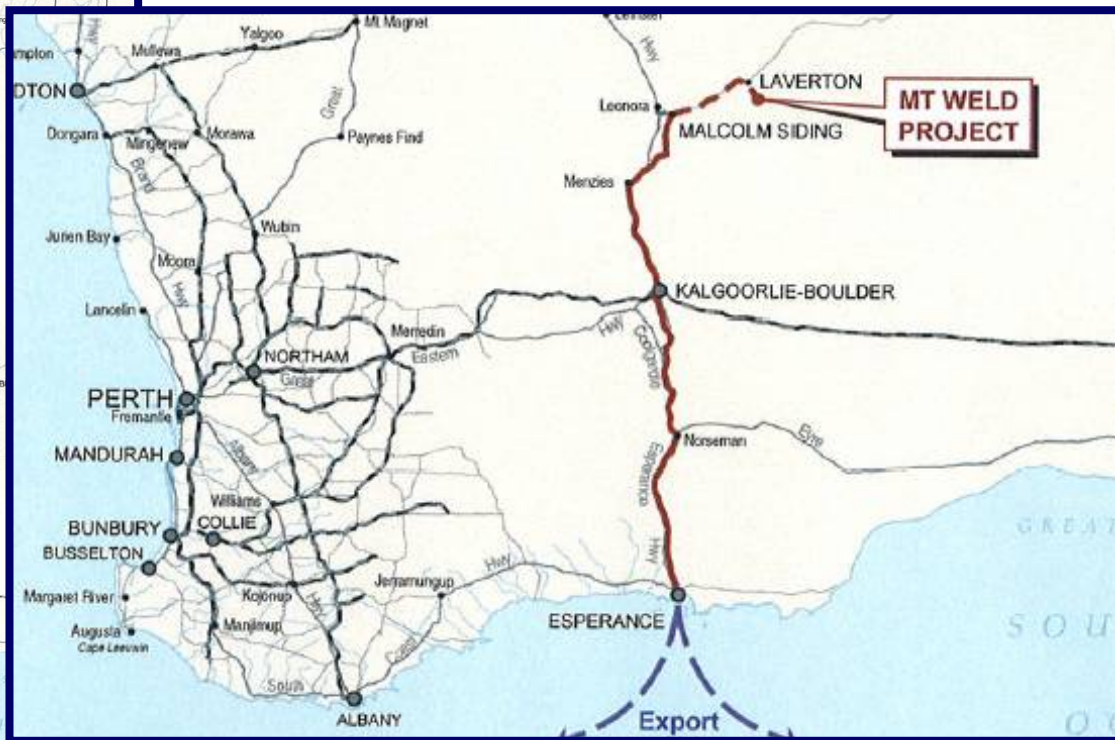
For personal use only



The ore shall be trucked then railed to Esperance Port for bulk shipment to Malaysia

For personal use only

- ▶ Transportation of ore to Malaysia represents only 14% of total costs



Lynas has secured land for the processing plant in the State of Pahang on the east coast



Satellite Photo of Gebeng Industrial Area



The east coast of Malaysia is an ideal location for the processing plant

- ▶ **Strong Federal, State, and Local Government support. Lynas granted “strategic pioneer status” with 10 year tax free period**
- ▶ **Excellent infrastructure in Gebeng Industrial Area**
 - Cleared, filled, and level industrial land available
 - Close to Kuantan Port with bulk material, liquid and container berths
 - Available public utilities (gas, water, electricity, steam)
 - Established manufacturers of key re-agents located nearby (sulphuric acid, hydrochloric acid, sodium hydroxide, lime)
- ▶ **Clear environmental approval processes**
- ▶ **Skilled labour force**
 - Large chemical industry on the east coast of Malaysia
 - Access to a diligent, skilled and competitive labour force with good English skills

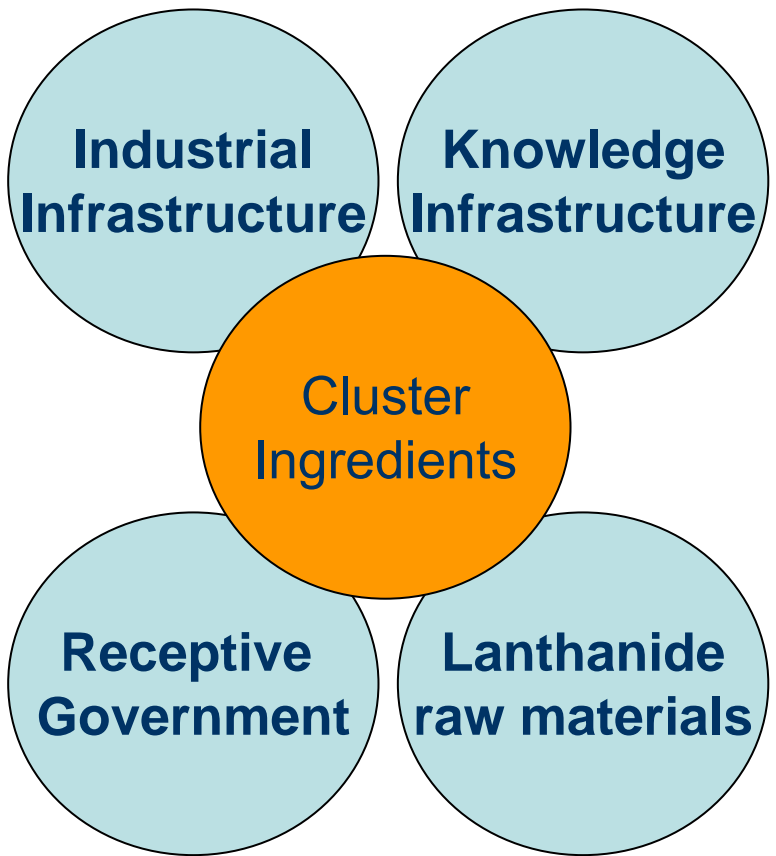
For personal use only

This manufacturing location has the potential to host a Rare Earths industry cluster

For personal use only

- Port facilities
- Industrial land
- Central Utilities
- Natural gas supply
- Chemicals supply

- Clear legal framework
- Accountable regulators
- Vision for FDI



- Secondary schooling
- English language
- Technical colleges
- University education
- Research institutions



Engineering design for the plant is well underway with Ranhill WorleyParsons

- ▶ **EPCM contract agreed with Ranhill WorleyParsons**
 - Offices in Sydney, Beijing, Kuala Lumpur and East Coast Malaysia
- ▶ **Engineering well advanced**
 - Completed Basic Engineering Design
 - Detailed Design well underway
- ▶ **Long lead time items identified**
- ▶ **Gebeng industrial land purchase complete**
- ▶ **Commercial supply contacts established**
- ▶ **Approvals underway and expected at year end**

For personal use only

The processing plant scope includes rapid brown-field expansion to 21,000t REO p.a.

For personal use only

Initial 10,500t REO

- ▶ Lynas will separate approximately 5,000 tpa REO in Malaysia,
- ▶ The remaining 5,500 tpa REO of mixed Rare Earths will be either sold or separated at strategic partner's plant

Expansion to 21,000t REO

- ▶ Lynas believe customer demand exists to expand rapidly to 21,000 tpa in total, requiring two additional 5,000t separation units in Malaysia
- ▶ Expansion will commence shortly after start of initial production

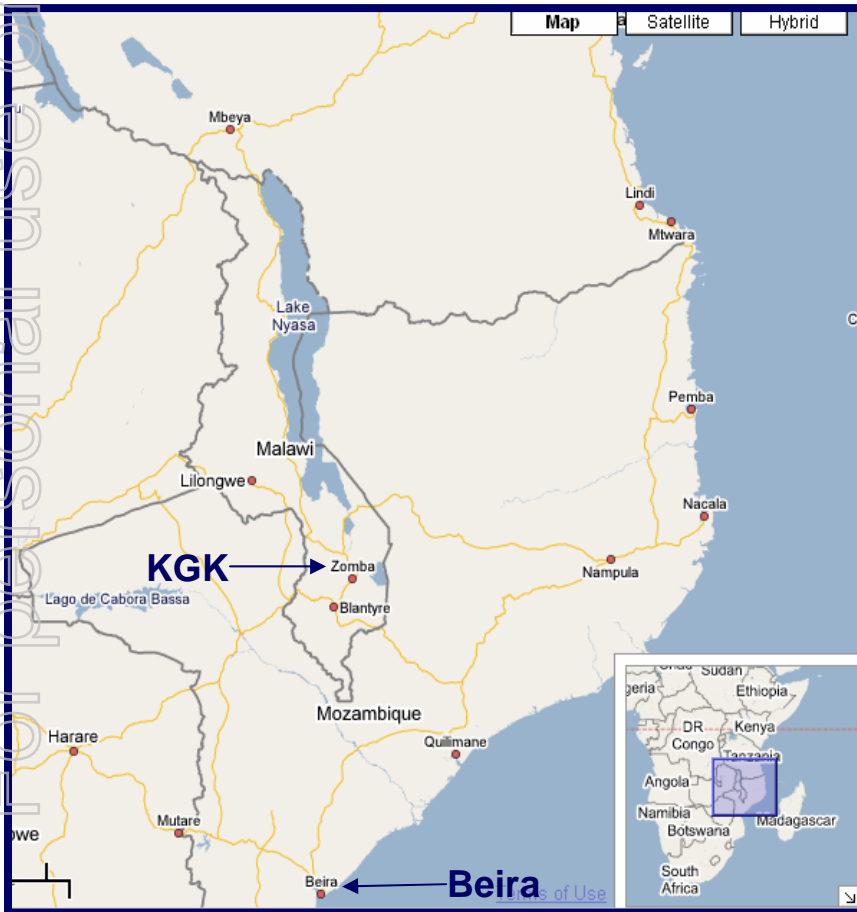
Sales

- ▶ SOLD OUT
- ▶ Partially Sold
- ▶ Remainder Under Negotiation

Sales

- ▶ Partially Sold
- ▶ Sales pipeline identified for remainder

Lynas has acquired additional Rare Earths resources in Malawi, Africa



Key points for Kangankunde (KGK)

- ▶ Fully permitted for operations
- ▶ Inferred Resource of 107,000 tonnes REO at an average grade of 4.24% REO
- ▶ Deposit remains open at depth
- ▶ Extremely low thorium levels for a Rare Earths deposit, 11ppm ThO₂ / 1% REO
- ▶ Pilot plant completed for gravity concentration process
- ▶ Unassembled gravity separation concentration plant included in sale

Lynas will commence development of the KGK resource at the start of 2008

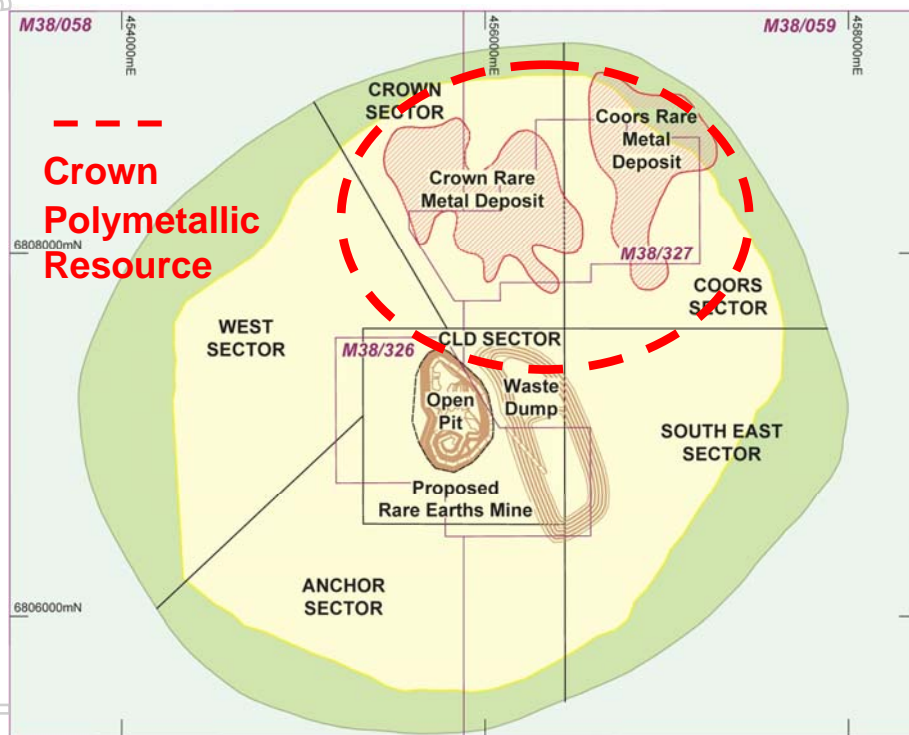
The Kangankunde Carbonatite



Next steps for the Kangankunde RE deposit

- ▶ Establish an environmental management plan
- ▶ Undertake drilling program to provide drill core and test resource extension
- ▶ Validate the concentrate production flow sheet
- ▶ Utilise existing concentration plant
- ▶ Concentrate may be separated at the Malaysian processing facility
- ▶ Cracking and separation test work shall commence on the concentrate

The Crown Polymetallic resource is the next project for Lynas to undertake



Category	Indicated	Inferred	Total
Mt	1.5	36.2	37.7
Ta ₂ O ₅	0.037%	0.024%	0.024%
Nb ₂ O ₅	1.4%	1.06%	1.07%
TLnO	1.65%	1.14%	1.16%
ZrO	0.32%	0.3%	0.3%
FeO ₃	46.5%	42.6%	42.8%
P ₂ O ₅	8.9%	7.96%	7.99%
Y ₂ O ₃	0.1%	0.09%	0.09%
Al ₂ O ₃	9.94%	11.3%	11.3%
TiO	5.8%	3.94%	4.01%

- ▶ Scoping study completed – positive project value
- ▶ Mineralogy and process test work underway

Rare metal mineral resources for ore blocks of positive net value in the Crown and Coors Sectors (Mt = millions tonnes. TLnO = Total Lanthanides), Resource estimate by Hellman & Schofield

The Crown Polymetallic Resource has a Rare Earths distribution value of over \$20/kg

For personal use only

	Mt Weld Crown Rare Earths		Scoping Study Volume	
	By Weight	By Value	In-ground Resource	Production p.a.
Lanthanum oxide	16.90%	3%	74,000 t	1,550 t
Cerium oxide	41.40%	8%	181,000 t	3,850 t
Praseodymium oxide	5.13%	7%	22,400 t	480 t
Neodymium oxide	20.18%	28%	88,300 t	1,900 t
Samarium oxide	3.64%	1%	15,900 t	340 t
Dysprosium oxide	1.76%	7%	7,700 t	160 t
Europium oxide	1.05%	18%	4,600 t	100 t
Terbium oxide	0.33%	9%	1,400 t	30 t
Yttrium oxide	5.76%	2%	25,200 t	550 t
Other	3.88%	16%	17,000 t	360 t
Total		US\$20.9/kg	437,000 t	9,300 t

- ▶ Scoping study production assumes mining of 1,000,000t of ore and an 80% recovery for Rare Earths
- ▶ The Rare Earths production would be part of a suite of metals produced from the Crown Polymetallic resource. The other key economic metal is niobium.

Rare Earths summary

- ▶ A perfect storm has hit the Rare Earths market, with demand growing strongly and supply restrictions in place
- ▶ Lynas is the alternative global supplier of Rare Earths to China, from a unique resource base and will be one of the lowest cost producers in the world
- ▶ The plant in Malaysia brings significant tax advantages, a 10 year tax free period, no VAT and no 10% export tariff
- ▶ We are well positioned to grow strongly as a key supplier of critical raw materials which underpin essential technology

For personal use only

Disclaimer

- ▶ The information contained in this presentation has been prepared using the information available to Lynas Corporation Limited (Lynas) at the time of preparation of the presentation.
- ▶ For further information about Lynas, you can obtain a copy of recent ASX announcements made by Lynas at www.lynascorp.com
- ▶ Any person considering an investment in Lynas is advised to obtain independent financial advice prior to making an investment decision.

For personal use only