

15 July 2011

## Press Release

### Chinese Rare Earths Export Quota Released for Second Half of 2011

Lynas Corporation Limited ("Lynas") (ASX:LYC, OTC:LYSDY) notes that The Ministry of Commerce of the People's Republic of China has released 15,738 tonnes of approved Rare Earths export quota for the second half of 2011. The total export quota for 2011 is therefore 30,184 tonnes for both local and foreign owned companies. This is slightly lower than the total quota for 2010 of 30,259 tonnes.

However in May this year the Ministry of Commerce and General Administration of Customs jointly issued a notice stating, from 20 May 2011 onwards, ferrous alloys containing Rare Earths elements greater than 10% by weight of the total content shall be included into the Rare Earths export quota license management system. Note that the customs code used appears to exclude magnet alloys at this time.

Examples of ferrous alloys now under the quota system are ferro-dysprosium alloys, ferro-terbium alloys and Rare Earths silicate alloys. Industry sources estimate that ferrous alloys with Rare Earths greater than 10% by weight would account for at least 2,000 tonnes of exports.

The addition of ferrous alloys means the quota is actually being tightened because more products will compete for limited allowances. Therefore the net result of the total 2011 export quota released, when taking into account the new material requiring export quota, is at a minimum a 7% reduction compared to 2010.

The total export quota available remains well below the demand for Rare Earths outside of China, and is likely to result in continued shortages of available Rare Earths.

#### 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.

Construction of Phase 1 of the Lynas Rare Earths Project is being funded from existing cash of Lynas. Construction of Phase 2 of the Lynas Rare Earths Project will be funded from the Sojitz/JOGMEC facilities. The Concentration Plant in Western Australia commenced feed of ore on 14 May 2011. Practical completion and commissioning of the LAMP are scheduled to be achieved before the end of 2011. Lynas has received all required approvals to construct the LAMP, and is in the process of applying for all pre-operation and operation approvals.

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.

'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). The Bank of New York Mellon is the depositary bank in respect of Lynas ADRs.

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