

23 January 2009

STANDBY EQUITY FACILITY

The Board of Lynas Corporation Limited (**Lynas**) has agreed to accept the offer of an A\$30,000,000 facility with US-based Investment fund YA Global Master SPV Ltd. (**YA Global**).

Under the term sheet, Lynas may, at its **discretion**, issue shares to YA Global at any time over the next 60 months, up to a total of A\$30,000,000. The term sheet creates a binding agreement, subject to legal due diligence and definitive legal documentation.

Subject to certain pricing parameters, which include the ability for Lynas to set a minimum acceptable price, shares issued to YA Global will be priced at the lowest daily volume weighted average price (VWAP) of Lynas shares traded on each of the 10 trading days which follow an advance notice by Lynas. A commission of 4% is payable by Lynas on each advance at the time the advance is made.

The chairman of Lynas, Mr. Nicholas Curtis, stated "The execution of this facility with YA Global provides an additional back-up source of working capital finance for the Company, if required."

About Lynas Corporation

Lynas owns the richest 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.

With the first mining campaign complete and all environmental approvals in place, Lynas has commenced construction of the Concentration Plant at Mount Weld, in Western Australia, as well as an Advanced Materials Plant to process the Mount Weld concentrate through to final Rare Earths carbonates and oxides in the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia. The construction of these plans is progressing well and first production is scheduled in the fourth quarter of 2009. 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.





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