

61 2 8259 7199



Corporate Office
Level 6
17 Bridge Street
Sydney NSW 2000
AUSTRALIA

Telephone: +61 2 8259 7100
Facsimile: +61 2 8259 7199
Website: www.lynascorp.com
ACN: 009 088 648

25 July 2003

Ms Marian Tang
Senior Companies Advisor
Australian Stock Exchange
GPO Box D187
PERTH WA 6000

By facsimile: (08) 9221-2020

Dear Madam

LYNAS CORPORATION LIMITED – PRICE QUERY

In reply to your query today, concerning the recent increase in share price and volumes of shares traded, we answer your questions (using the same numbers) as follows:

1. The Company is not aware of any information concerning us that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. The Company believes that the recent market interest in the Company's securities is a consequence of the announcements made on 17 and 27 June 2003 that the Company had made a share placement (to raise \$1.95 million) and proposes to make an issue of convertible notes to raise a further \$10 million to sophisticated investor clients of Southern Cross Equities. The Company believes that these recapitalisation proposals have given the market confidence that the Company will be able to move forward with the development of the Mt Weld Rare Earths project.
4. The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully

A handwritten signature in black ink, appearing to read "Nicholas Curtis".

Nicholas Curtis
Chief Executive Officer and President



Rare Earths Direct®



ASX
AUSTRALIAN STOCK EXCHANGE

FAXED
25 July 2003

Mr Ivo Polovineo/Mr Michael Whillier
Lynas Corporation Limited
Level 8, 17 Bridge Street
SYDNEY NSW 2000

By facsimile: (02) 8259 7199

Australian Stock Exchange Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0000
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

Dear Sir

LYNAS CORPORATION LIMITED (the "Company") - PRICE QUERY

We have noted a change in the price of the Company's securities from 19 cents on 17 July 2003 to 23.5 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie. before 9.30 a.m. E.S.T) on Monday, 28 July 2003.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

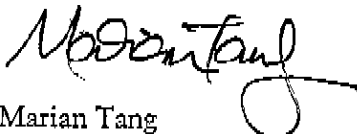
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Should you have any queries regarding any of the above, please do not hesitate to contact me.

Yours faithfully



Marian Tang
Senior Companies Advisor