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24 November 2004

2004 Annual General Meeting

Chairman's Address

Ladies and Gentlemen, I welcome you to the 2004 Annual General Meeting of Lynas Corporation Ltd.

I declare a quorum of members present. Proxies have been received from 55 shareholders, representing 49,633,205 shares. I will give details of the proxies for and against each resolution when the resolutions are being considered.

Before dealing with the ordinary business of this meeting as outlined in the Notice of Annual General Meeting, there are a number of matters I would like to mention.

First, it gives me much pleasure to confirm that the company in on track for your Board to approve the Rare Earths Upstream Project feasibility study by the end of the year. As outlined in the company's recent Quarterly Report the preferred option for the Upstream Project involves the mining of Rare Earths from the Central Lanthanide deposit at Mt Weld near Laverton in Western Australia, transport of this ore by road and rail to the port of Esperance on the south coast of Western Australia, where it will be shipped to a port in Eastern China.

The company is in the final stages of negotiations for a new site in China, where it can build an integrated concentration plant and cracking plant for the production of Rare Earths in a commercially saleable form. The company will then seek the necessary environmental approvals for the construction of this plant and it is expected that the approvals will be issued by the end of the year. The company has commissioned a leading design institute in China to prepare the necessary preliminary engineering design plans for these facilities, such plans being based on the technology incorporated in the technical feasibility study for the concentrator adopted by the company. The construction of these facilities in China will not only reduce the capital cost by 50% compared with the construction of similar facilities in Australia, but will also result in significant reductions in operating costs, give the company access to the technological skills which the Chinese Rare Earths industry has developed and locate our operations in the centre of the market for Rare Earths products, namely China and North Asia.

The directors are confident that the company will be in production in the first quarter of 2006. Our CEO Nick Curtis will give you more details of this exciting project when he addresses you following the conclusion of the formal items of business of this meeting.

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The second matter I wish to refer to concerns a number of significant changes which have been and are proposed to be made to the composition of the Board. Mr Jake Klein was invited to join the Board on 25 August this year and his reappointment is to be dealt with later this morning. Jake is the Chief Executive Officer of Sino Gold Limited, an ASX listed company, and he has had extensive experience in the mining industry in China since 1996. With the company proposing to locate processing facilities in China, Jake's knowledge and experience will be of invaluable assistance to the company. Further, as a result of discussions that have taken place recently with a number of investors who have emerged as major shareholders in the company, it is proposed that the Board be reconstituted to give these investors representation on the Board. Accordingly, after this meeting is concluded, the Board will meet to appoint Peter Newton and Mark Okeby as directors. Peter is a well known and highly successful investor in small to mid-cap Australian mining companies. Having previously been a successful stockbroker he is now currently a director of Metals Exploration Ltd and Chairman of Bluestone Tin Ltd, both ASX listed companies. Mark Okeby is a lawyer from Perth with a long history in the mining industry and is also a director of Metals Exploration Ltd and Bluestone Tin Ltd. In order to keep the Board at its present size, I will retire from the Board, as will Harry Wang, although Harry will remain as a senior executive of the company. It is proposed that Nick Curtis will be nominated to the position of Executive Chairman of the company.

I have enjoyed my stint as a director and Chairman of the company from the development of a unique Rare Earths strategy, through achievement of significant technical milestones, to the point where Mt Weld is poised for development. However, as the company enters a new phase, with the development of the Mt Weld mine in Western Australia and the construction of processing facilities in China, these steps will require the support of major shareholders, so it is appropriate that both Peter and Mark should join the Board at this stage of the company's evolution.

I wish the new Board and the company every success for the future and would like to place on record my appreciation for the vision, dedication and effort by Nick and his team, without which the company would not have reached the stage where it is now about to unlock its full potential. I now turn to the formal business of the meeting.

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