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Chinese Joint Venture Business Licence Received

The Directors of Lynas Corporation Limited (ASX code LYC, "Lynas") are pleased to announce the Chinese business licence has been granted for the co-operative Sino-foreign joint venture, Lynas (Shandong) Chemet. The last quarterly report, June 30 2005, announced the formation of this joint venture prior to the application of the business licence. It is intended the joint venture will construct and operate the processing plant in China for Mount Weld ore.

Mr Nicholas Curtis, Executive Chairman of Lynas noted; "This is a major milestone for Lynas. Securing the Chinese joint venture business licence means the company has cleared the final regulatory hurdle for project development."

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ABOUT LYNAS CORPORATION

Lynas is a public corporation. Lynas' shares are widely held and are listed on the Australian Stock Exchange (Symbol - LYC).

Lynas owns the richest deposit of "Rare Earths" in the world at Mount Weld, 35km south of Laverton in Western Australia, and has a strategy to bring the deposit into production thereby creating a reliable, fully integrated source of supply from mine through to customers in the global Rare Earths industry.

A feasibility study has been completed for the mine and plant required to produce a suite of both light Rare Earths, strong in Neodymium, and heavy Rare Earths, strong in Europium. An iron oxide co-product is also produced which is suitable as a plastics filler, with demand expected from the regional plastics industry. Total utilisation of the ore significantly reduces the environmental impact of the processing plant, provides useful material to the region and the additional revenue stream enhances the project economics.

All Australian and Chinese project approvals have been received to enable Mount Weld to be developed thereby enabling Lynas to become the benchmark for security of supply and environmental standards within the industry.

The management team has excellent experience and understanding of China's resources industry, including the current business and political trends, supported by years of working with China and developing a business in China. This knowledge enabled Lynas to access the excellent Chinese Rare Earths process engineers and chemists who have helped unlock the value of the Mount Weld Rare Earths deposit. China also represents the largest market for Rare Earths.

Lynas also has a JORC compliant Rare Metals resource known as the "Crown" deposit. This is a niobium rich rare metals resource that is a separate deposit to the Mount Weld Rare Earths deposit. A scoping study has been completed on the Crown deposit.

ABOUT RARE EARTHS

The Rare Earths series of elements has a range of unique metallurgical, chemical, catalytic, electrical, magnetic, and optical properties that enable them to play a major role in the advancement of materials technology. These elements are enriching our lives by enabling industry trends such as energy efficiency, miniaturisation, environmental cleanliness, and provision of colour and light.

Rare Earths already play a critical role in the electronics, automotive, and energy sectors in applications such as powerful Neodymium magnets, Europium based colour and white light phosphors, automotive catalytic converters, and NiMH re-chargeable batteries to name only a few of the many applications that use Rare Earths.

Rare Earths is the generic name used for 15 metallic elements of the Lanthanide series in the periodic table; Lanthanum, Cerium, Praseodymium, Neodymium, Samarium, Europium, Gadolinium, Terbium, Dysprosium, Holmium, Erbium, Thulium, Ytterbium and Lutetium, (atomic numbers from 57 through 71), plus Yttrium (atomic number 39).

The Rare Earths market has been growing consistently for the last 15 years. Independent market growth forecasts for the next 5 years range from 5% to over 8% compound annual growth rate, taking the 2004 market size from 80,000tpa REO to 100,000 – 125,000tpa REO in 2010.

