

CNMC FOREIGN INVESTMENT APPLICATION FOR LYNAS

- China Nonferrous Metal Mining (Group) Co. Limited (CNMC) is seeking foreign investment approval to participate in a \$252 million share placement in Lynas Corporation.
 - The proposal would give CNMC a 51.66 per cent shareholding and 4 of 8 board seats. In addition, CNMC will provide a loan facility to assist with developing a rare earths project.
- The case has received international attention. China dominates 97% of global rare earth production, and imposes export and production controls which encourage overseas manufacturing firms to relocate to China.
 - Rare earths are used to manufacture technology such as fluorescent lights, superconductors, miniaturised magnets, rechargeable batteries (eg for hybrid cars), and computer screens.
- Australia has two rare earth companies – both with greenfield projects – Lynas and Arafura.
- The Foreign Investment Review Board is currently in discussions with CNMC on its application.
- On 23 September Lynas Corporation announced to the ASX that it had suspended trading, pending an update on the Company's proposed transaction with CNMC.

It is longstanding practice not to comment on applications under consideration by the Foreign Investment Review Board.

The statutory deadline for consideration of this application is 2 October.