

DEAR SHAREHOLDER



Lynas Corporation Ltd is an Australian company (ASX 100) imposing a toxic and radioactive rare earth processing plant – Lynas Advanced Materials Plant (LAMP) – onto thousands of people in Malaysia. On 4th August, 2011 they opened their Mt Weld rare earth mine in the Northern Goldfields of Western Australia. Lynas want to export the rare earth ore out of Fremantle to Kuantan, Malaysia.

The LAMP is located in an ecologically sensitive drained mangrove swamp prone to tropical floods in Kuantan, Pahang, Malaysia. Lynas has not completed any geological or ecological impact study of the plant. **Both Lynas and the Malaysian government have pushed the LAMP on local communities without free, prior and informed consent.** Instead of addressing the potential impacts of hazardous and long-lived toxic materials both Lynas and the Malaysian government have been exclusive and secretive.

The site is next to the Balok River which drains into the South China Sea, only about 4km to the east of the refinery. Lynas' waste water – 500 tonnes every hour – will be discharged into the Balok River and into the sea, waste gas will be discharged into the atmosphere and worst of all, solid waste – 280,000 tonnes a year enough to fill 126 Olympic size swimming pools – will be dumped into open retention ponds made only of a plastic base.



This waste stream contains 106 tonnes of radioactive thorium and 5.6 tonnes of uranium.

The closest settlement is 3km away and an estimated 700,000 people live within 30 km from the plant. Along the coast, thousands of families depend on the fishing industry for their livelihoods. Tourism and agriculture are also crucial for the local economy. Property value has already fallen by 20% close to the plant.

Lynas will never find a safe permanent waste management plan for the LAMP as recommended by the International Atomic Energy Agency and required by Malaysian government before an operating licence will be issued.

The LAMP is the target of the largest environmental justice action in the history of Malaysia lead by a diversity of local people. The last big public action on Oct 9th 2011 attracted between 5,000 to 8,000 people who defied the government's order not to attend. Thousands of protestors were turned away by the police who blocked all the roads leading to the site of the protest.

Both the Malaysian Medical Association (MMA) and the Bar Council (the association of lawyers in Malaysia) have issued public warnings urging the Government not to continue with the project in light of the risks and hazards for Malaysia and it's people.

As Australian's we must stand in solidarity with our Malaysian friends to make Lynas accountable You can Support the Save Malaysia! Stop Lynas! campaign by telling Lynas to halt any more development of the LAMP and to get out of Malaysia!

For more info: <http://stoplynas.org>
Take Action! <http://stoplynas.org/take-action/>

STOP LYNAS!

WEDNESDAY 30 NOVEMBER 9.30AM

PROTEST LYNAS SHAREHOLDER MEETING Custom House, 32 Alfred Street, Sydney

LYNAS OUT OF MALAYSIA!



OPEN LETTER TO LYNAS SHAREHOLDERS

DEAR SHAREHOLDERS,

There are many risks associated with the rare earth project in Malaysia which you have not been told. Lynas Corporation is not a typical mining company with fixed asset and a sound track record of practical experience in the mining sector. Nick Curtis is a merchant banker, not a miner. The company's investment is only as flimsy as what his PR team have managed to spin, hoping that the truth on the ground will never surface because they are out of mind and therefore should be out of sight.

What are the risks associated with the Malaysian rare earth plant?

- Poor location — siting a highly polluting plant near a highly populated area is a big mistake. It has now become the target for Malaysia's biggest environmental protest action.
- No informed consent from local people – the plant was constructed without any public consultation and least of all the informed consent of the local people.
- The project was badly managed by different contractors and sub-contractors with no experience in rare earth processing anywhere.
- Most people work for Lynas Corporation to cash in on the windfall of the surge in share values and not for the sustainability or the success of the project, causing massive cost over-run and shonky construction.
- The critical part of the plant — the concrete tanks in the processing area are defective due to the omission of the damp proofing membrane at the base of the tank and poor workmanship resulting in serious leakage and cracks. They are expensive and time consuming to fix if at all possible.
- Experienced industrial engineers projected that even if Lynas has summarily fixed the construction problem, it will take at least 3 months for all engineering work to be completed for operation, and another 3 or 4 months for production. The monsoon raining season has just started. No work will be possible in this period and Lynas will probably encounter other flood related problems soon stalling its project completion further. This contrasts with Lynas' repeatedly unrealistic claim of a January production.
- The Malaysian Government mandated Lynas to provide a long-term waste management plan which Lynas will never be able to satisfactorily produced because there is no safe way to manage radioactive waste. So far, all of the waste management plans submitted by Lynas have been rejected by the Malaysian government.
- Cutting corners and doing it cheap in Malaysia — whilst Lynas managed to by-passed the more stringent Australian laws and procedure to fast track the rare earth plant in Malaysia, Lynas has overlooked that this has sparked outrage and anger amongst Malaysians to challenge their government.
- Ethically minded Australians will not support this project. Some will help the Malaysians to stop it in Australia. The campaign has only just started. You can still divest before it is too late.
- Even if the Malaysian Government decided against all odds to issue Lynas the pre-operating licence, there will be court actions. Cases are being prepared by the various groups both in Australia and in Malaysia potentially stalling the project indefinitely.

