

**Lynas sees Kuantan rare earths plant timeline intact**  
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MELBOURNE, March 9 — Australia's Lynas Corp still expects its rare earths plant in Malaysia to open by June, despite an appeal against the government's decision to grant a licence to the plant that is key to breaking China's grip on global markets.

Lynas said the Malaysian government had received an appeal against the temporary operating licence granted to the company in February and would hear the appeal in April.

"Lynas has been given no indication that this appeal will change the project's timeline," a Lynas spokesman said.

Lynas shares opened at A\$1.10 and rose 4.6 per cent to A\$1.13, outpacing a 0.6 per cent rise in the broader market, after its statement that the project timeline was intact.

Lynas's rare earths plant in Kuantan on the east coast of Malaysia, under construction since 2010, is one of the world's few new sources of rare earths in a market dominated by China.

Malaysia's Atomic Energy Licensing Board approved a two-year operating licence for Lynas in early February, on condition it would submit a detailed plan for a permanent disposal facility for waste from the plant within 10 months.

The appeal to the minister of science, technology and innovation was filed after Malaysia's Attorney-General ruled that court action launched last month by residents in the Kuantan area seeking to force the government to review its decision to grant Lynas a temporary operating licence was not the correct avenue of appeal.

Malaysian residents and local politicians say they are worried that radioactive waste from the plant could contaminate the environment.

Lynas says its plant is safe and is not comparable to a rare earths plant in Malaysia that was shut by a unit of Mitsubishi Chemicals in 1992 after residents there blamed the plant for birth defects and a high number of leukaemia cases.

The company expects to process up to 22,000 tonnes of rare earths annually, or about 20 per cent of the world market, through its Malaysian plant which it is supplying from its Mount Weld mine in Western Australia.

Japan is the world's biggest consumer of rare earths and is counting on Lynas to supply 8,500 tonnes a year by early 2013 to curb its reliance on China, under a deal involving trading house Sojitz Corp and state-run Japan Oil, Gas and Metals National Corp. — Reuters

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