

HD Investors Question Why Lynas Lenders Haven't Extended Repayment Deadline -- Market Talk

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0722 GMT [Dow Jones] A September deadline is looming for Australian rare-earths miner Lynas (LYC.AU) to repay \$35 million of a larger loan to Japanese trading house Sojitz Corp. (2768.TO) and state-owned lender Japan Oil, Gas and Metals National Corp. And that is worrying investors, who are questioning why Sojitz and Jorgmec haven't extended the deadline. A time cushion would give Lynas a chance to ramp up output at its Mount Weld mine in Western Australia and its Malaysian processing plant. "The position of the Japanese is intriguing," said Mike Harrowell, a resources analyst at BBY Ltd.

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"I'd be staggered if the Japanese don't support the company, but their support to date has created short-term balance-sheet difficulties for Lynas that appear inconsistent with Japan's need to insure against Chinese rare-earth availability." In May, Lynas said it was working with Japanese bank Nomura on refinancing its senior debt with Sojitz and Jorgmec while it tapped equity markets for a further 40 million Australian dollars. (daniel.stacey@wsj.com; @DanielStacey)

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CO jogmnc : Japan Oil, Gas and Metals National Corp | nilnic : Sojitz Corporation

IN iindstrls : Industrial Goods | imet : Mining/Quarrying | ibasicm : Basic Materials/Resources | i1 : Energy | i13 : Crude Oil/Natural Gas | i61 : Wholesalers | i64 : Retail/Wholesale

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