

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Lynas Corporation Limited

ABN

27 009 066 648

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Unquoted warrants ( <b>Warrants</b> )  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 174,365,466 Warrants   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Each Warrant is exercisable into one Ordinary Share at an exercise price of A\$0.038 per Warrant on or before 30 September 2018.<br>(See also the summary of terms in Attachment 1). |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No. The Warrants are a new class of unquoted security.</p> <p>On exercise of the Warrants in accordance with their terms and conditions, the Ordinary Shares issued will rank equally in all respects with existing Ordinary Shares.</p>
5	Issue price or consideration	Nil.
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued as part of the commercial terms relating to a long term debt structure as announced to ASX on 17 August 2015. If all of the Warrants are exercised, they will provide additional cash to the business of A\$6.625 million.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A

6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) N/A

6f Number of +securities issued under an exception in rule 7.2 N/A

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. N/A

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements N/A

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A - complete Annexure 1 and release to ASX Market Announcements N/A

7 +Issue dates  
 Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  
 Cross reference: item 33 of Appendix 3B. 7 September 2015

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	3,487,597,037	Ordinary Shares
	739,890,355	Options expiring 15 September 2015 exercisable at \$0.09

+ See chapter 19 for defined terms.

9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="564 192 762 226">Number</th> <th data-bbox="772 192 1369 226"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="564 237 762 271">1,000,000</td> <td data-bbox="772 237 1369 304">Employee options exercisable at \$1.60 on or before 1 October 2015</td> </tr> <tr> <td data-bbox="564 344 762 378">679,758</td> <td data-bbox="772 344 1369 412">Employee options exercisable at \$1.02 on or before 24 September 2017</td> </tr> <tr> <td data-bbox="564 452 762 486">432,489</td> <td data-bbox="772 452 1369 564">Employee Performance Rights exercisable for no further consideration on or before 24 September 2017</td> </tr> <tr> <td data-bbox="564 600 762 633">579,663</td> <td data-bbox="772 600 1369 712">Class 1 Employee Performance Rights exercisable for no further consideration on or before 23 September 2018</td> </tr> <tr> <td data-bbox="564 748 762 781">2,268,067</td> <td data-bbox="772 748 1369 860">Class 2 Employee Performance Rights exercisable for no further consideration on or before 23 September 2018</td> </tr> <tr> <td data-bbox="564 891 762 925">9,443,395</td> <td data-bbox="772 891 1369 1003">Class 2 Employee Performance Rights exercisable for no further consideration on or before 23 September 2019</td> </tr> <tr> <td data-bbox="564 1034 762 1068">862,069</td> <td data-bbox="772 1034 1369 1146">Sign-On Performance Rights exercisable for no further consideration on or before 23 September 2017</td> </tr> <tr> <td data-bbox="564 1178 762 1211">1,086,957</td> <td data-bbox="772 1178 1369 1290">Performance Based Performance Rights exercisable for no further consideration on or before 23 September 2017</td> </tr> <tr> <td data-bbox="564 1321 762 1355">6,226,416</td> <td data-bbox="772 1321 1369 1433">LTI Performance Rights exercisable for no further consideration on or before 23 September 2019</td> </tr> <tr> <td data-bbox="564 1464 762 1498">225,000,000</td> <td data-bbox="772 1464 1369 1498">2.75% Convertible Bonds due 2016</td> </tr> <tr> <td data-bbox="564 1574 762 1608">174,365,466</td> <td data-bbox="772 1574 1369 1641">Warrants exercisable at \$0.038 on or before 30 September 2018</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	1,000,000	Employee options exercisable at \$1.60 on or before 1 October 2015	679,758	Employee options exercisable at \$1.02 on or before 24 September 2017	432,489	Employee Performance Rights exercisable for no further consideration on or before 24 September 2017	579,663	Class 1 Employee Performance Rights exercisable for no further consideration on or before 23 September 2018	2,268,067	Class 2 Employee Performance Rights exercisable for no further consideration on or before 23 September 2018	9,443,395	Class 2 Employee Performance Rights exercisable for no further consideration on or before 23 September 2019	862,069	Sign-On Performance Rights exercisable for no further consideration on or before 23 September 2017	1,086,957	Performance Based Performance Rights exercisable for no further consideration on or before 23 September 2017	6,226,416	LTI Performance Rights exercisable for no further consideration on or before 23 September 2019	225,000,000	2.75% Convertible Bonds due 2016	174,365,466	Warrants exercisable at \$0.038 on or before 30 September 2018
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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A																								

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

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+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose	N/A

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+ See chapter 19 for defined terms.

of their entitlements (except by sale through a broker)?

33 +Issue date

N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

The Options will form a new class of security and the details below will be provided at the time of issue.

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37  A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought 

N/A
-----

39 +Class of +securities for which quotation is sought 

N/A
-----

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A
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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A
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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

+ See chapter 19 for defined terms.



## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 7 September 2015  
(Company secretary)

Print name: Andrew Arnold

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+ See chapter 19 for defined terms.

## ATTACHMENT 1

### KEY TERMS AND CONDITIONS OF UNQUOTED WARRANTS

Key Term	Description
<b>Overview</b>	
<b>Subscribers of Warrants</b>	The Mt Kellett led bondholder group
<b>No. of Warrants</b>	174,365,466 Warrants
<b>Issue price</b>	The Warrants are being issued to the Subscribers at no cost. Accordingly, no additional funds will be raised by Lynas in connection with the issue of the Warrants to the Subscribers.
<b>Issue date</b>	7 September 2015.
<b>Quotation</b>	The Warrants will not be listed for quotation on ASX or any other securities exchange.
<b>Exercise of Warrants</b>	
<b>Exercise price</b>	A\$0.038 (subject to adjustment as set out below) per Warrant being exercised.
<b>Exercise period</b>	The Warrants can be exercised at any time from the issue of the Warrants until 5.00pm (Sydney time) on 30 September 2018, at which point, any Warrants that have not been exercised will automatically lapse.
<b>Entitlement</b>	Each Warrant entitles the holder to subscribe for one fully paid ordinary share in Lynas upon exercise of each Warrant. Warrants are exercisable by giving notice to Lynas during the exercise period for the Warrants.
<b>Ranking and quotation of shares issued on exercise</b>	Each Lynas share issued upon exercise of a Warrant will rank <i>pari passu</i> with existing issued fully paid ordinary shares in Lynas.  Lynas will apply for the issued shares to be listed for quotation on ASX and any other securities exchange on which Lynas shares are listed.
<b>Other key terms of Warrants</b>	
<b>Takeover threshold</b>	The Subscribers must not exercise any Warrant, and Lynas shall have no obligation to issue Lynas shares, where a consequence of the issue of Lynas shares would result in that Subscriber's voting power exceeding 20%.
<b>Right to participate in new share issues</b>	The Warrants do not entitle holders to participate in new share issues.. Lynas must notify Warrant holders of any proposed new pro rata issue ten business days before the record date for such issue.
<b>Right to participate in dividends</b>	The Warrants do not entitle holders to participate in dividends paid in respect of Lynas shares until the Warrants have been validly exercised, and new Lynas shares have been issued, prior to the record date for

	the relevant dividend. Lynas must provide 15 business days' notice to Warrant holders prior to the record date for the relevant dividend.
<b>Adjustments</b>	Various adjustments to the Warrants will be triggered in certain circumstances, in accordance with the ASX listing rules, including where there is a reorganisation of Lynas' capital and in the event of a bonus issue of shares.
<b>Transferable</b>	Warrants are transferable subject to compliance with Chapter 6D of the Corporations Act as it applies at the relevant time, including with respect to any applicable restrictions as to onsale to retail investors over the 12 month period following the date of issue.
<b>Representations and warranties</b>	Each of Lynas and the Subscribers makes standard representations and warranties for a transaction of this nature, including in relation to status, corporate power and ability to enter into and perform their respective agreed obligations. Lynas also makes representations and warranties in relation to its compliance with disclosure requirements under the ASX listing rules and Corporations Act, consents and approvals required and the validity of the Warrants. Each Subscriber also makes representations and warranties in relation to being a sophisticated or professional investor (as defined in the Corporations Act).