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Company Announcements Office
Australian Stock Exchange Limited

Issue of Shares and Options upon conversion of Convertible Notes and Notice pursuant to ASIC Class Order 02/1180

Lynas Corporation Limited ("**Lynas**") advises that, further to its New Issue Announcement (Appendix 3B) dated 25 November 2003 for the issue of 200 convertible notes, it has issued 9,000,018 shares and 3,733,324 unlisted options on conversion of 27 convertible notes.

As required by ASIC Class Order 02/1180, the directors of Lynas advise that the following information would be required to be disclosed under sub-section 713(5) of the *Corporations Act 2001* ("**Act**") if a prospectus were to be issued in reliance on section 713 of the Act in relation to an offer of the securities:

On 23 October 2003 Lynas advised that further to its announcement of 25 September of the conditional Heads of Agreement with China Iron & Steel Industry Trade Group Corporation (**CSG**) for the purchase of up to 100% ownership of CMIEC (Channar) Pty Ltd:

- Hamersley Iron Pty Ltd (**Hamersley**) and its subsidiary Channar Mining Pty Ltd (the holder of a 60% interest in the Channar Iron Ore Joint Venture) had commenced proceedings in the Supreme Court of Western Australia against CMIEC (Channar), CMIEC (Australia) Pty Ltd, China Metallurgical Import & Export Corporation (**CMIEC**) of China and CSG to restrain them from disclosing information concerning the Channar Joint Venture to Lynas or any other person in connection with the transaction referred to in Lynas' announcement of 25 September. Lynas is not a party to those Court proceedings.

- On 22 October CMIEC (Channar) and CMIEC (Australia) gave undertakings to the Court not to disclose such information for a period of up to 35 days, during which period the case would be heard by the Court;

Since that announcement was made, two material things have occurred:

1. Hamersley has purported to serve the Writ on CMIEC and CSG in China, the validity of which is being disputed; and

2. Further undertakings have been given to the Court extending the period of non-disclosure of confidential information to 28 February 2004, unless earlier released by the Court.

Lynas reiterates that it is not a party to these Court proceedings, nor (as acknowledged by Hamersley) do the proceedings seek to prevent the transaction from being undertaken.

Accordingly, Lynas does not see these proceedings as putting the transaction at risk, although they have caused a delay in the anticipated time for completion. As previously advised, the transaction is subject to a number of conditions, including approvals of the State Asset Commission of China and the China Securities Regulatory Commission, which have been applied for and are now being processed. Lynas considers that this delay will not adversely affect the fundamental benefit of the transaction, including the very important long-term relationship with CSG.