


18 December 2006

**Issue of Shares and Notice pursuant to subsection 708A(5)(e) of the  
Corporations Act 2001 (Cth) (Act)**

Please find attached an Appendix 3B for the issue of 2,799,993 ordinary shares on the exercise of December 2006 options.

As required by subsection 708A(6) of the Act Lynas Corporation Ltd advises that:

- (1) It has issued the shares without disclosure to investors under Part 6D.2 of the Act;
- (2) this Notice is being given pursuant to subsection 708A(5)(e) of the Act;
- (3) as at the date of this Notice, Lynas has complied with:
  - (a) the provisions of Chapter 2M of the Act as they apply to Lynas; and
  - (b) section 674 of the Act; and
- (4) as at the date of this Notice, there is no information which is excluded information as defined in subsections 708A(7) and 708A(8) of the Act.



Ivo Polovineo  
Company Secretary

## 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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

LYNAS CORPORATION LTD

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   | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 2,799,993       |
| 3 | Principal terms of the +securities (eg, 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) | N/A             |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment 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>Rank equally with existing ordinary shares</p>				
<p>5 Issue price or consideration</p>	<p>\$559,999</p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued on the exercise of 2,799,993 December 2006 options at \$0.20 each</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>Shares allotted 18 December 2006</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1422 989 1467">Number</th> <th data-bbox="989 1422 1276 1467">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1467 989 1624">386,773,841</td> <td data-bbox="989 1467 1276 1624">Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	386,773,841	Ordinary shares
Number	+Class				
386,773,841	Ordinary shares				

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+ See chapter 19 for defined terms.

Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	<sup>+</sup> Class
	300,000	Employee Options exercisable at 30 cents issued pursuant to amended Option Incentive Plan exercisable on or before 26 November 2007
	1,270,000	Employee Options exercisable at 30 cents issued pursuant to amended Option Incentive Plan exercisable on or before 30 June 2008
	8,200,000	Employee Options exercisable at 30 cents issued pursuant to amended Option Incentive Plan exercisable on or before 30 June 2011
	50,000	Employee Options exercisable at 32 cents issued pursuant to Option Incentive Plan on or before 11 October 2011
	700,000	Employee Options exercisable at 36 cents on or before issued pursuant to Option Incentive Plan 11 October 2011
	7,500,000	Options exercisable on or before 30 November 2007 issued pursuant to Lando Deed of Release
	133,333	Options exercisable at 20 cents on or before 31 December 2006
	7,316,648	Options exercisable at 20 cents on or before 31 December 2007
	9,800,000	Options exercisable at 17 cents on or before 16 January 2009
	35,000	Convertible Notes of \$1,000 each issued in August 2006
	20,000,000	Options exercisable at 17 cents on or before 11 August 2009

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

## Part 2 - Bonus issue or pro rata issue

<sup>+</sup> See chapter 19 for defined terms.

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

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+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

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32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

**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**

*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

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in all  
respects from the date of allotment  
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

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)

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

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+ 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

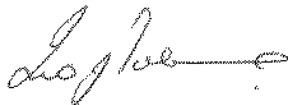
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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.

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+ See chapter 19 for defined terms.

- 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 not available now, 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 true and complete.

Sign here:



Secretary

Date: 18 December 2006

Print name: Ivo Polovineo