

20 May 2011

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

We refer to the following issues of ordinary shares:

- 1,000,000 shares issued on 19 May 2011 on the exercise of employee options; and
- 1,000,000 shares issued on 20 May 2011 on the exercise of employee options.

In accordance with section 708A(6) of the Act, Lynas Corporation Limited (**Lynas**) confirms that:

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



Andrew Arnold
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 | 1,000,000 |
| 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) | Ordinary Shares |

+ See chapter 19 for defined terms.

<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"> • 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 	<p>Rank equally with existing ordinary shares</p>				
<p>5 Issue price or consideration</p>	<p>\$110,000</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 1,000,000 unlisted options that were issued on 28 June 2006 with an expiry date of 30 June 2011 at \$0.11 per share.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>20 May 2011</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="678 1377 981 1422">Number</th> <th data-bbox="981 1377 1284 1422">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 1422 981 1579">1,702,574,638</td> <td data-bbox="981 1422 1284 1579">Ordinary shares</td> </tr> </tbody> </table>	Number	⁺ Class	1,702,574,638	Ordinary shares
Number	⁺ Class				
1,702,574,638	Ordinary shares				

Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
100,000	Employee Options exercisable at 11 cents on or before 30 June 2011
50,000	Employee Options exercisable at 64 cents on or before 4 April 2012
9,350,000	Employee Options exercisable at \$1.01 on or before 25 June 2012
50,000	Employee Options exercisable at 81 cents on or before 24 August 2012
100,000	Employee Options exercisable at 91 cents on or before 2 July 2012
500,000	Employee Options exercisable at \$1.06 on or before 31 December 2012
200,000	Employee Options exercisable at \$1.09 on or before 30 April 2013
1,000,000	Employee Options exercisable at 98 cents on or before 21 July 2013
14,850,000	Employee Options exercisable at 66 cents on or before 24 September 2013
2,700,000	Employee Options exercisable at 81 cents on or before 24 September 2013
1,100,000	Employee Options exercisable at 16 cents on or before 5 January 2014
24,500,000	Employee Options exercisable at 66 cents on or before 8 October 2014
1,000,000	Employee Options exercisable at 66 cents on or before 1 July 2015
23,400,000	Employee Options exercisable at \$1.15 on or before 19 August 2015
1,908,618	Employee Performance Rights exercisable for no further consideration on or before 19 August 2015
1,000,000	Employee Options exercisable at \$1.60 on or before 1 October 2015
200,000	Employee Options exercisable at \$2.36 on or before 31 December 2015

+ See chapter 19 for defined terms.

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

Part 2 - Bonus issue or pro rata issue

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
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

- 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 *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?

+ See chapter 19 for defined terms.

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

+ 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 (including the securities in clause 38)		

+ 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.

+ 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: 20 May 2011

Print name:

Andrew Arnold