

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 | 100,000 |
| 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>\$101,000</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 100,000 unlisted employee options that were issued on 25 June 2007 with an expiry date of 25 June 2012 at \$1.01 per share.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>4 May 2012</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 1352 997 1400">Number</th> <th data-bbox="997 1352 1283 1400">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1400 997 1547">1,714,596,913</td> <td data-bbox="997 1400 1283 1547">Ordinary shares</td> </tr> </tbody> </table>	Number	⁺ Class	1,714,596,913	Ordinary shares
Number	⁺ Class				
1,714,596,913	Ordinary shares				

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

Number	⁺ Class
9,200,000	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
500,000	Employee Options exercisable at \$1.06 on or before 31 December 2012
1,000,000	Employee Options exercisable at 98 cents on or before 21 July 2013
14,400,000	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
1,608,618	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
420,000	Employee Performance Rights exercisable for no further consideration on or before 6 June 2016
8,145,000	Employee Options exercisable at \$1.69 on or before 22 September 2016

⁺ See chapter 19 for defined terms.

30,232	Employee Performance Rights exercisable for no further consideration on or before 22 September 2014
20,245	Employee Performance Rights exercisable for no further consideration on or before 22 September 2015
955,323	Employee Performance Rights exercisable for no further consideration on or before 22 September 2016
2,000,000	Employee Options exercisable at \$1.57 on or before 12 December 2016
225,000,000	2.75% Convertible Bonds due 2016
<p><i>Note: As announced in the Appendix 5B lodged with the ASX on 30 April 2012, 1,020,000 Employee Options exercisable at \$1.69 on or before 22 September 2016 and 300,000 Employee Performance Rights exercisable for no further consideration on or before 19 August 2015 have been cancelled.</i></p>	

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

- 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

⁺ 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 *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

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39 Class of +securities for which quotation is sought

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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

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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)

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	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: 4 May 2012

Print name:

Andrew Arnold