

31 May 2019

## PARTIAL CONVERSION OF CONVERTIBLE BONDS

Lynas Corporation Ltd (ASX:LYC, OTC:LYSDY) is pleased to announce that the bondholders have converted a further portion of their convertible bonds from debt into equity. The value of the bonds converted is US\$1,589,867.86. As a result, the principal amounts of Lynas' debt facilities have been reduced to the following:

- 1. JARE Facility US\$146.90 million
- 2. Convertible Bond Facility US\$13.65 million

Each reduction of debt is an important step in improving the company's Balance Sheet as Lynas continues to position itself for its next phase of growth.

As a result of the conversion of bonds, 2,119,823 new ordinary shares will be issued today.

Attached is an Appendix 3B relating to the conversion of bonds. The bonds were issued on 28 February 2012 and they comply with the requirements of ASIC Class Order 10/322 (now Legislative Instrument 2016/82).

For all media enquiries please contact Jennifer Parker or Lauren Stutchbury from Cannings Corporate Communications on +61 2 8284 9990.

Andrew Arnold Company Secretary



Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# **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

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).

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
- Principal of the terms 3 +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates if for payment; +convertible securities, the conversion price and dates for conversion)

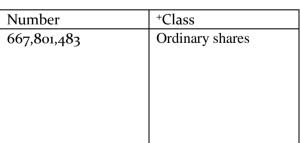
2,119,823

Ordinary Shares

4	<ul> <li>Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?</li> <li>If the additional securities do not rank equally, please state: <ul> <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> </li> </ul>	Rank equally with existing Ordinary Shares
5	Issue price or consideration	Conversion of Convertible Bonds with a face value of US\$1,589,867.86
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Conversion of Convertible Bonds with a face value of US\$1,589,867.86. The Convertible Bonds were issued on 28 February 2012 and they comply with the requirements of ASIC Class Order 10/322 (now Legislative Instrument 2016/82).
6a	Is the entity an <sup>+</sup> eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the</i> <i>subject of this Appendix 3B</i> , and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	
6с	Number of <sup>+</sup> securities issued without security holder approval under rule 7.1	
6d	Number of <sup>+</sup> securities issued with security holder approval under rule 7.1A	

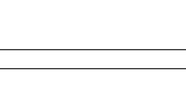
<sup>+</sup> See chapter 19 for defined terms.

- 6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)
- 6f Number of securities issued under an exception in rule 7.2
- 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.
- 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
- 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
- 7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates
- 8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (*including* the securities in section 2 if applicable)





31 May 2019



rule 75% ited

		<b>ЪТ 1</b>	
		Number	+Class
9	Number and <sup>+</sup> class	1,830,247	LTI Performance Rights exercisable for no
	of all <sup>+</sup> securities not		further consideration, subject to vesting
	quoted on ASX		conditions, in the period 18 September 2018
	(including the		to 18 September 2020
	+securities in		
	section 2 if		LTI Performance Rights exercisable for no
	applicable)	2,218,578	further consideration, subject to vesting
			conditions, in the period 30 August 2019 to
			30 August 2021
		2 022 022	Strategic Performance Rights exercisable for
		2,932,923	no further consideration, subject to vesting
			conditions, in the first employee trading
			window after 28 August 2019
		900,336	LTI Performance Rights exercisable for no
		,	further consideration, subject to vesting
			conditions, in the period 28 August 2020 to
			28 August 2022
			STI Performance Rights exercisable for no
		471,983	further consideration in the first employee
			trading window after 31 August 2019
		600.004	LTI Performance Rights exercisable for no
		690,004	further consideration, subject to vesting
			conditions, in the period 31 August 2021 to 31
			August 2023
		13,652,135.93	US\$13,652,135.93 of Convertible Bonds at
		10,002,100.00	1.875% p.a. maturing 30 September 2020,
			convertible at A\$1.00 per share based on an
			exchange rate of $A$ \$1.00 = US\$0.75. Fractions
			of a share are rounded down on conversion.
		23,256,258	Warrants exercisable at \$0.50 on or before 30
			September 2020
			*
		<u> </u>	

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

N/A

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

## 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	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates
15	<sup>+</sup> 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 <sup>+</sup> 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 <sup>+</sup>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 <sup>+</sup>security holders sell their entitlements *in full* through a broker?
- 31 How do <sup>+</sup>security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?

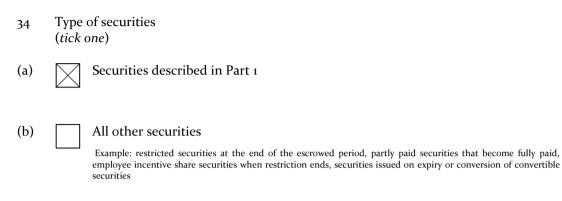
33 <sup>+</sup>Despatch date



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

## Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of 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
docume	ents					

35	If the <sup>+</sup> securities are <sup>+</sup> equity securities, the names of the 20 largest holders of the additional <sup>+</sup> securities, and the number and percentage of additional <sup>+</sup> 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 <sup>+</sup> securities

## Entities that have ticked box 34(b)

38 Number of securities for which <sup>+</sup>quotation is sought
39 Class of <sup>+</sup>securities for which quotation is sought

40 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>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)

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

Number	+Class

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

#### **Quotation agreement**

- 1 <sup>+</sup>Ouotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the \*securities on any conditions it decides.
- We warrant the following to ASX. 2
  - 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 <sup>+</sup>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.
- We will indemnify ASX to the fullest extent permitted by law in respect of any 3 claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- We give ASX the information and documents required by this form. If any 4 information or document not available now, will give it to ASX before <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

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Bram

Sign here:

**Company Secretary**)

ANDREW ARNOLD

Date: 31 May 2019

Print name:

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