Dear Shareholder,

On behalf of the Lynas Directors, I am pleased to enclose our Notice of Annual General Meeting for 2017.

This year has marked the completion of a significant turnaround of the business and the consolidation of Lynas’ position as the second largest NdPr producer in the world. As a result of the successful execution of strategies to improve the production process, market position, cost management and debt arrangements, the company achieved record sales and earnings results which, in turn, facilitated significant improvements to the balance sheet of the company.

I encourage you to read the enclosed Notice of Annual General Meeting in full and refer to the Explanatory Memorandum for each of the 6 resolutions that we are proposing for your consideration. In summary, the resolutions are:

**Resolution 1**
Remuneration Report
(a) explains the Board’s policies relating to remuneration of directors and executives of the Company;
(b) discusses the relationship between such policies and the Company’s performance;
(c) provides details of any performance conditions attached to such remuneration; and
(d) sets out remuneration details for each director and Key Management Personnel.

**Resolution 2**
Confirmation of Appointment of Professor John Humphrey as a Director
Professor John Humphrey commences as a Non-Executive Director with effect from 15 May 2017. His key areas of expertise include mergers and acquisitions, corporate finance and corporate governance. In addition, Professor Humphrey has held non-executive director positions at other listed companies over many years and we are confident that his skills and experience will be of significant benefit to Lynas.

**Resolution 3**
Confirmation of Appointment of Grant Murdoch as a Director
Grant Murdoch will commence as a Non-Executive Director, with effect from 30 October 2017. When Liam Forde retires from the Board, Grant Murdoch, who has extensive experience in chartered accountancy and audit, will become the Chairman of the Lynas Audit & Risk Committee. Grant has held non-executive director positions at other listed companies over many years and we are also confident that Grant’s experience will be of significant benefit to Lynas.

**Resolution 4**
Authorisation of Issue of Performance Rights
The Lynas incentive structure focuses on specific objectives that align with the interests of shareholders. The short term incentive programme is focused on operating measures, including cash management, production output, cost management and other operating KPIs, including safety, customer development, environmental compliance, reputational management and community engagement. The long term incentive programme is focused on measures of shareholder value growth, including EBITDA growth and Total Shareholder Return.
Resolution 5
Consolidation of Shares
The Company proposes to consolidate its share capital through the conversion of every ten ordinary shares in the Company into one ordinary share in the Company. The number of shares in Lynas is disproportionate to our peers and so the Company proposes to reduce this number by way of a share consolidation. Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

Resolution 6
Grant of Performance Rights for the benefit of CEO & Managing Director, Amanda Lacaze.
As mentioned above in Resolution 4, the Lynas incentive structure focusses on specific objectives that align with the interests of shareholders. In addition, the Board believes it is important that the performance rights plan includes an incentive to retain Ms Lacaze and her senior leadership team, who have led the recent turnaround in the business and to ensure the effective delivery of strategic plans to grow shareholder value.

More details on each Resolution are set out in the enclosed Notice of Annual General Meeting and Explanatory Memorandum, which I encourage you to read in full.

The Directors believe that it is in the best interests of Lynas that the Resolutions set out in the Notice be passed and, to the extent that they are permitted to make a recommendation, the Directors unanimously recommend that you vote in favour of each Resolution. The Directors have abstained from Board discussions and from making any recommendation to shareholders in respect of any matters in which they have a personal interest.

Lynas is committed to delivering value for our customers and our shareholders, to contributing positively to the communities of Mt Weld and Kuantan, and to providing a safe and rewarding workplace for our people.

Current market prices and structural demand dynamics for our products support cautious optimism for the year ahead. We have a strong management team and the dedicated workforce in place to realise the potential for our Company.

We thank our shareholders for their continued support, and we look forward to seeing many of you at the Sheraton on the Park, Sydney at 10.00am on Tuesday 28 November 2017.

Yours sincerely,

Mike Harding
Chairman
NOTICE OF ANNUAL GENERAL MEETING

To be held on Tuesday 28 November 2017 at 10.00am (Sydney time) at Sheraton on the Park 161 Elizabeth Street, Sydney

This is an important document. Please read it carefully.
If you are unable to attend the Annual General Meeting, please complete the Proxy Form enclosed at the back of this document and return it in accordance with the instructions.
Notice of Annual General Meeting

Notice is hereby given that the 2017 Annual General Meeting of shareholders of Lynas Corporation Limited (“Company”) will be at the Sheraton on the Park 161 Elizabeth Street, Sydney, NSW on 28 November 2017 at 10.00 am (Sydney time) for the purpose of transacting the following Business.

Ordinary Business

2017 FINANCIAL STATEMENTS
To receive and consider the financial statements of the Company for the year ended 30 June 2017, consisting of the Annual Financial Report, the Directors’ Report and the Auditor’s Report.

RESOLUTION 1
RENUMERATION REPORT
To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report of the Company for the year ended 30 June 2017 be adopted.”

Note: Pursuant to section 250R(3) of the Corporations Act 2001, the vote on this resolution is advisory only and it does not bind the directors or the Company.

Voting Exclusion: The Company will disregard any votes cast on Resolution 1:
- by or on behalf of a member of the Key Management Personnel as disclosed in the Lynas Remuneration Report (KMP), or a closely related party of such a member (such as close family members and any companies the person controls) regardless of the capacity in which the vote is cast; and
- as a proxy by a member of the KMP at the date of the Annual General Meeting or a closely related party of such a member, unless the vote is cast by:
  - a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - the person chairing the meeting as proxy for a person who is entitled to vote and the proxy does not specify how the chair is to vote but expressly authorises the chair to vote undirected proxies as the chair sees fit (even if the resolution is connected with the remuneration of the key management personnel).
RESOLUTION 2
CONFIRMATION OF APPOINTMENT OF JOHN HUMPHREY AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the appointment of John Humphrey as a director of the Company since the previous Annual General Meeting be confirmed pursuant to Article 13.5 of the Constitution.”

Note: John Humphrey was appointed as a Non-Executive Director of the Company with effect from 15 May 2017. Pursuant to Article 13.5 of the Company’s Constitution, the existing directors of the Company may appoint a person as a director, subject to the Company confirming the appointment by resolution at the Company’s next Annual General Meeting.

RESOLUTION 3
CONFIRMATION OF APPOINTMENT OF GRANT MURDOCH AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the appointment of Grant Murdoch as a director of the Company since the previous Annual General Meeting be confirmed pursuant to Article 13.5 of the Constitution.”

Note: Grant Murdoch was appointed as a Non-Executive Director of the Company with effect from 30 October 2017. Pursuant to Article 13.5 of the Company’s Constitution, the existing directors of the Company may appoint a person as a director, subject to the Company confirming the appointment by resolution at the Company’s next Annual General Meeting.

RESOLUTION 4
AUTHORISATION OF ISSUE OF PERFORMANCE RIGHTS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purpose of Rule 7.2 Exception 9 of the Listing Rules of ASX Limited and for all other purposes, the Company hereby approves the issue of Performance Rights ("Performance Rights") under the Lynas Corporation Ltd ACN 009 066 648 Performance Rights Plan, as amended, ("Rights Plan") to persons eligible to participate in the Rights Plan, on the terms and conditions set out in Annexure A.”

Note: The aggregate number of Options and Performance Rights over unissued Shares in the Company that may be issued under all Lynas employee incentive plans at any time shall not exceed 5% of the total number of Shares on issue from time to time.

Voting exclusion: The Company will disregard any votes cast on Resolution 4:
- by or on behalf of any director, except any director who is ineligible to participate; or
- any associate of any such person;
- unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 4 and:
  - the vote is cast in accordance with a direction on the proxy form; or
  - the vote is cast by the person chairing the meeting pursuant to an express authorisation to exercise the proxy as the proxy decides.

In addition, no KMP of Lynas or a closely related party of such a KMP may vote as a proxy on Resolution 4 above unless the vote is cast by:
- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the person chairing the meeting as proxy for a person who is entitled to vote and the proxy does not specify how the chair is to vote but expressly authorises the chair to vote undirected proxies as the chair sees fit (even if the resolution is connected with the remuneration of the key management personnel).
RESOLUTION 5
CONSOLIDATION OF SHARES

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to section 254H of the Corporations Act 2001 (Cth) and for all other purposes, with effect from 4 December 2017 the share capital of the Company will be consolidated on the basis that:

(a) every ten fully paid ordinary shares in the Company will be consolidated into one fully paid ordinary share in the Company; and

(b) where the number of shares held by a shareholder of the Company as a result of the consolidation effected by paragraph (a) of this resolution includes any fraction of a share, that fraction of a share be rounded up to the next whole number of shares.”

RESOLUTION 6
GRANT OF PERFORMANCE RIGHTS FOR THE BENEFIT OF CEO & MANAGING DIRECTOR – AMANDA LACAZE

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to and in accordance with Listing Rule 10.14 of the ASX Listing Rules, and for all other purposes, the Company approves and authorises the Directors of the Company to grant, for the benefit of Amanda Lacaze, the following rights to subscribe for ordinary shares in the Company:

(a) FY17 STI Performance Rights: 2,123,905 Performance Rights with a 12-month vesting period commencing on 28 August 2017 and an exercise date in the first employee trading window after 28 August 2018, as a Short Term Incentive (“STI”) award in respect of FY17, subject to the conditions set out in the attached Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan

(b) Strategic Performance Rights: 8,091,065 Performance Rights with a 24-month vesting period commencing on 28 August 2017 and an exercise date in the first employee trading window after 28 August 2019, as an incentive to retain the services of Ms Lacaze as CEO of the business and to implement the leadership team’s 2 year plan to continue to grow shareholder value, subject to the conditions set out in the attached Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan

(c) LTI Performance Rights: A Long Term Incentive (“LTI”) of up to 4,236,201 Performance Rights with a 3 year vesting period and a 2 year exercise period, and subject to the conditions set out in the attached Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 any director who is eligible to participate in the performance rights plans and any associate of such persons. However, Lynas need not disregard a vote if it is cast by:

• a person as proxy for a person who is entitled to vote, in accordance with the directions on the voting form; or

• the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the voting form to vote as the proxy decides.

In addition, no KMP of Lynas or a closely related party of such a KMP may vote as a proxy on Resolution 6 above unless the vote is cast by:

• a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

• the person chairing the meeting as proxy for a person who is entitled to vote and the proxy does not specify how the chair is to vote but expressly authorises the chair to vote undirected proxies as the chair sees fit (even if the resolution is connected with the remuneration of the key management personnel).

Note: As described in the Explanatory Memorandum, the Performance Rights were valued by the Company and its advisers using the 5 day VWAP as at the date of Board approval on 28 August 2017, being $0.1588 per Performance Right.

The above number of LTI Performance rights has been calculated assuming a maximum of 120% of the LTI Performance Rights with an EBITDA hurdle may vest, as described in the Explanatory Memorandum.

By order of the Board

Andrew Arnold
Secretary
Date: 26 September 2017
Information for Shareholders

1. ENTITLEMENTS TO ATTEND, SPEAK AND VOTE

All shareholders may attend the Annual General Meeting.

The Annual General Meeting gives shareholders the opportunity to hear both the Chair and the CEO and Managing Director talk about the year that has just passed and also give some insight into the Company’s strategy for the year ahead.

For the purposes of determining a person’s entitlement to vote at the meeting, a person will be recognised as a member and holder of shares if that person is registered as a holder of those shares at 7.00 pm (Sydney time) on 26 November 2017.

2. PROXY VOTES

A Proxy Form is enclosed with this Notice.

You can appoint a proxy to attend and vote for you at the meeting in accordance with the directions on the Proxy Form. If no directions as to voting are given to the proxy on the Proxy Form, the proxy may vote as he or she thinks fit, to the extent permitted by law.

If you are entitled to cast two or more votes, you may appoint not more than two proxies to attend and vote for you at the meeting and specify the proportion or number of votes each proxy may exercise.

3. LODGEMENT OF PROXY FORMS

For an appointment of a proxy for the meeting to be effective:

- the proxy’s appointment; and
- the power of attorney (if any) under which it is signed or satisfactory proof of that power or a certified copy of it,

must be received by the Company at the registered office or at the office of the Company’s share registry, Boardroom Pty Limited, by no later than 10.00 am (Sydney time), on Sunday 26 November 2017:

**By hand:** Share Registry: Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 Australia

**By mail:** Share Registry: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

**By facsimile:** Share Registry: +61 2 9290 9655

**Online Voting:** Share Registry: www.votingonline.com.au/lynasagm2017
Explanatory Memorandum

This Explanatory Memorandum contains information relevant to the Resolutions set out in the Notice of Annual General Meeting ("Notice") of Lynas Corporation Limited ACN 009 066 648 ("Company") and should be read carefully and in its entirety by shareholders before making any decision in relation to the Resolutions.

The Directors believe that it is in the best interests of Lynas that the Resolutions set out in the Notice be passed and, to the extent that they are permitted to make a recommendation, the Directors unanimously recommend that you vote in favour of the Resolutions. The Directors have abstained from Board discussions and from making any recommendation to shareholders in respect of those matters in which they have a personal interest.

If you have any doubt regarding the information contained in this Explanatory Memorandum or any action you should take in respect of such information, you should consult your financial, legal, taxation or other professional adviser.

Defined terms used in this Explanatory Memorandum are set out in the Glossary.

RESOLUTION 1
REMUNERATION REPORT


The Remuneration Report:
(a) explains the Board’s policies relating to remuneration of directors, secretaries and executives of the Company;
(b) discusses the relationship between such policies and the Company’s performance;
(c) provides details of any performance conditions attached to such remuneration; and
(d) sets out remuneration details for each director and Key Management Personnel.

The Board submits the Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution as required by the Corporations Act 2001 (Cth) ("Corporations Act").

Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company’s remuneration policy.

A voting exclusion applies to this resolution, as set out earlier in this Notice of Meeting.

RESOLUTION 2
CONFIRMATION OF APPOINTMENT OF JOHN HUMPHREY AS A DIRECTOR

In accordance with the commentary and guidance to Recommendation 2.3 of the ASX Corporate Governance Principles, the Company provides the following information concerning Professor Humphrey:

Biographical details
Professor John Humphrey was appointed as a Non-Executive Director with effect from 15 May 2017.

Professor Humphrey is the Dean of the Faculty of Law at Queensland University of Technology and a Non-Executive Director of Horizon Oil Limited, Auswide Bank Ltd (formerly Wide Bay Australia) and Spotless Group Holdings Ltd. His previous positions include Deputy Chairman of King & Wood Mallesons, Non-Executive Director of Downer EDI Limited, Villa World Limited and Sunshine Broadcasting Network Limited and he has served as a member of the Australian Takeovers Panel.

Professor Humphrey holds a Bachelor of Laws degree from the University of Queensland.

Details of relationships between the Candidate and the Company
Professor Humphrey is a Non-Executive Director of the Company.
Details of relationships between the Candidate and Directors of the Company
Not applicable.

Other directorships held
Professor Humphrey is a Non-Executive Director of Horizon Oil Limited, Auswide Bank Ltd (formerly Wide Bay Australia) and Spotless Group Holdings Ltd.

The term of office already served by Professor Humphrey
Professor Humphrey joined the Board as a Non-Executive Director from 15 May 2017.

The Board (with Professor Humphrey abstaining) supports the election of Professor Humphrey as a director and considers him to be independent.

RESOLUTION 3
CONFIRMATION OF APPOINTMENT OF GRANT MURDOCH AS A DIRECTOR

In accordance with the commentary and guidance to Recommendation 2.3 of the ASX Corporate Governance Principles, the Company provides the following information concerning Mr Murdoch:

Biographical details
Grant Murdoch will be appointed as a Non-Executive Director with effect from 30 October 2017.

Mr Murdoch is currently a non-executive director of the listed entities ALS Limited, OFX Group Ltd and Redbubble Limited. He is also an Adjunct Professor at the University of Queensland Business School, Chair of the University of Queensland Risk & Audit Committee and a member of its Finance Committee and a Non-Executive Director of UQ Holdings.

Mr Murdoch is also a member of the Queensland State Council of the Australian Institute of Company Directors. His previous positions include being a Director of Murdoch Corporate Finance Pty Ltd, a Partner of Ernst & Young where he was the Queensland Leader for Transaction Advisory Services, and a Brisbane Partner of Deloitte where he was the Leader for Queensland Audit and Corporate Finance.

Mr Murdoch holds a Master of Commerce (Hons) and a Bachelor of Commerce from the University of Canterbury – New Zealand.

Details of relationships between the Candidate and the Company
Mr Murdoch is a Non-Executive Director of the Company.

Details of relationships between the Candidate and Directors of the Company
Not applicable.

Other directorships held
Mr Murdoch is a Non-Executive Director of ALS Limited, OzForex Group Ltd, QIC Limited, Redbubble Limited and UQ Holdings.

The term of office already served by Mr Murdoch
Mr Murdoch will join the Board as a Non-Executive Director with effect from 30 October 2017.

The Board (with Mr Murdoch abstaining) supports the election of Mr Murdoch as a director and considers him to be independent.

RESOLUTION 4
AUTHORISATION OF ISSUE OF PERFORMANCE RIGHTS

Under Listing Rule 7.1, the Company may issue or agree to issue equity securities equivalent to 15% of the total issued equity securities in the Company in any 12 month period without obtaining shareholder approval. Listing Rule 7.2 Exception 9 contains an exception to the 15% limit where shareholders have approved the issue of securities under an employee incentive scheme within 3 years before the date of issue of securities.

It is common for companies to obtain approvals for the issue of securities pursuant to an employee incentive scheme every 3 years so that Listing Rule 7.2 Exception 9 continues to apply to the company’s employee incentive scheme.

Shareholders of the Company last approved the issue of Performance Rights pursuant to the Rights Plan on 28 November 2014.

Given that by the time of this 2017 Annual General Meeting of the Company, 3 years will have elapsed since the shareholders of the Company approved the issue of Performance Rights pursuant to the Rights Plan on 28 November 2014, the Company seeks shareholder approval at this 2017 Annual General Meeting in the same terms as the approval granted on 28 November 2014.
Explanatory Memorandum

The aggregate number of Options and Performance Rights over unissued Shares in the Company that may be issued under all Lynas employee incentive plans at any time shall not exceed 5% of the total number of Shares on issue from time to time.

The following information is provided in accordance with Listing Rule 7.2 Exception 9:

1. a summary of the terms of the Rights Plan is set out in Annexure A;
2. the number of current Rights issued under the Rights Plan since the date of that last approval (on 28 November 2014) is 93,601,826.

A voting exclusion applies to this resolution, as set out earlier in this Notice of Meeting.

RESOLUTION 5
CONSOLIDATION OF SHARES

5.1 The Proposal

5.1.1 General

The Company proposes to consolidate its share capital through the conversion of every ten ordinary shares in the Company into one ordinary share in the Company. Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

5.1.2 Timetable

If the consolidation is approved, the consolidation will take effect on 4 December 2017, or such other subsequent date that is notified by the Company to the ASX. The following is an indicative timetable (subject to change) of the key events:

<table>
<thead>
<tr>
<th>Key Event</th>
<th>Indicative Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual General Meeting</td>
<td>28 November 2017</td>
</tr>
<tr>
<td>Notification to ASX that share consolidation is approved</td>
<td>28 November 2017</td>
</tr>
<tr>
<td>Last day for trading in pre-consolidated securities</td>
<td>29 November 2017</td>
</tr>
<tr>
<td>Trading in consolidated securities on a deferred settlement basis commences</td>
<td>30 November 2017</td>
</tr>
<tr>
<td>Last day to register transfers on a pre-consolidation basis</td>
<td>1 December 2017</td>
</tr>
<tr>
<td>Share consolidation effective Registration of securities on a post-consolidation basis</td>
<td>4 December 2017</td>
</tr>
<tr>
<td>Dispatch of new holding statements Deferred settlement trading ends</td>
<td>8 December 2017</td>
</tr>
<tr>
<td>Normal trading starts</td>
<td>11 December 2017</td>
</tr>
<tr>
<td>First settlement date for trades made on post-consolidation basis</td>
<td>13 December 2017</td>
</tr>
</tbody>
</table>

5.1.3 Treatment of fractions

Where the consolidation of a shareholder’s holding results in an entitlement to a fraction of a share, the fraction will be rounded up to the nearest whole number of shares.

5.2 Reasons for the consolidation

Lynas has a very large number of shares on issue. The number of shares on issue is approximately 5.084 billion and the other classes of securities convertible into shares are shown in the tables on page 17. The number of shares is disproportionate to Lynas’ peers and so the Company proposes to reduce this number by way of a share consolidation.
5.3 Effect of the consolidation
If the proposed share consolidation is approved by shareholders, the number of Lynas shares on issue will be reduced from approximately 5.084 billion to approximately 508.4 million.

As the consolidation applies equally to all of the Company’s shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company’s shares (subject only to the rounding up of fractions). It follows that the consolidation will have no material effect on the percentage interest of each individual shareholder in the Company. Therefore, if a shareholder currently has 5,084,000 shares representing approximately 0.1 percent of the Company’s issued capital, then if the share consolidation is approved and implemented, the shareholder will have 508,400 shares following the consolidation, still representing the same 0.1 percent of the Company’s issued capital.

Similarly, the aggregate value of each shareholder’s holding (and Lynas’ market capitalisation) should not materially change – other than minor changes as a result of rounding – as a result of the share consolidation alone (assuming no other market movements or impacts). However, the price per share could be expected to increase to reflect the reduced number of shares on issue.

5.4 Tax implications for Lynas’ Australian resident shareholders
The summary in this section is general in nature. In addition, particular taxation implications will depend upon the circumstances of each shareholder. Accordingly, shareholders are encouraged to seek and rely only on their own professional advice in relation to their tax position. Neither the Company nor any of its officers, employees or advisors assumes any liability or responsibility for advising shareholders about the tax consequences for them from the proposed share consolidation.

The share consolidation will be undertaken in accordance with section 254H of the Corporations Act. Subject only to rounding, there will be no change to the proportionate interests held by each shareholder in the Company as a result of the consolidation.

The share consolidation will occur through the conversion of every ten ordinary shares in the Company into one ordinary share in the Company. No capital gains tax (CGT) event will occur as a result of the Company share consolidation and therefore there should be no taxation implications arising for the Company’s Australian resident shareholders.

5.5 Effect of the Consolidation on the Company’s Convertible Bonds
In February 2012, the Company issued convertible bonds. The current aggregate principal amount of the bonds is US$126.5 million and the maturity date is 30 September 2020.

As approved at the 2016 Lynas Annual General Meeting, the current Conversion Price for the convertible bonds is A$0.10, based on a fixed US$/A$ exchange rate of A$1 = US$0.75.

The convertible bond deed poll states the following:

“If and whenever there shall be a consolidation, reclassification or subdivision in relation to the Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

\[
\frac{A}{B}
\]

where:

- \(A\) is the aggregate number of Shares on issue immediately before such consolidation, reclassification or subdivision, as the case may be; and
- \(B\) is the aggregate number of Shares on issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.”

Therefore, if the proposed consolidation is approved by shareholders, the Conversion Price will be adjusted from A$0.10 to A$1.00. This treatment is consistent with Listing Rule 7.21 which provides that an entity may reorganise its capital if, in respect of any convertible securities, the number of the convertible securities or the conversion price, or both, is reorganised so that the holder of the convertible securities will not receive a benefit that holders of ordinary securities do not receive.
5.6 Effect of the Consolidation on the Company’s Performance Rights and Warrants

As at the date of this Explanatory Memorandum, the Company has granted (or agreed to grant) 129,291,105 employee performance rights as follows:

<table>
<thead>
<tr>
<th>Exercise period (subject to vesting conditions)</th>
<th>Number</th>
<th>Exercise price</th>
</tr>
</thead>
<tbody>
<tr>
<td>First trading window after 30 August 2017</td>
<td>10,054,019</td>
<td>$0.00</td>
</tr>
<tr>
<td>23 September 2017 to 23 September 2019</td>
<td>3,537,736</td>
<td>$0.00</td>
</tr>
<tr>
<td>23 September 2017 to 23 September 2019</td>
<td>2,830,189</td>
<td>$0.00</td>
</tr>
<tr>
<td>18 September 2018 to 18 September 2020</td>
<td>44,888,179</td>
<td>$0.00</td>
</tr>
<tr>
<td>30 August 2019 to 30 August 2021</td>
<td>22,185,717</td>
<td>$0.00</td>
</tr>
<tr>
<td>First trading window after 28 August 2018</td>
<td>5,338,876</td>
<td>$0.00</td>
</tr>
<tr>
<td>28 August 2020 to 28 August 2022</td>
<td>4,767,110</td>
<td>$0.00</td>
</tr>
<tr>
<td>First trading window after 28 August 2018</td>
<td>2,123,905(1)</td>
<td>$0.00</td>
</tr>
<tr>
<td>First trading window after 28 August 2019</td>
<td>29,329,173(2)</td>
<td>$0.00</td>
</tr>
<tr>
<td>28 August 2020 to 28 August 2022</td>
<td>4,236,201(1)</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**TOTAL** 129,291,105

(1) Subject to shareholder approval in accordance with Resolution 6
(2) Subject to shareholder approval in accordance with Resolution 6. This figure comprises 8,091,065 Performance Rights for the benefit of Ms Lacaze and 21,238,108 Performance Rights for the benefit of other members of the senior executive team. The 21,238,108 Performance Rights do not require shareholder approval, however they will not be issued if shareholders do not approve Resolution 6, as referred to on page 14.

In addition, the Company has issued 273,648,609 warrants to the holders of the Company’s convertible bonds. Each warrant is an option to acquire one ordinary share in the Company at any time up to 30 September 2020 at an exercise price of A$0.05.

ASX Listing Rule 7.22.1 states the following:

“In a consolidation of capital – the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

*Example: Company A consolidates 2 fully paid ordinary shares into 1 fully paid ordinary share. Every 2 options exercisable at $1.00 each are consolidated into 1 option exercisable at $2.00 for 1 fully paid ordinary share.*

Therefore, in accordance with ASX Listing Rule 7.22.1, if the proposed consolidation is approved by shareholders, the Company’s employee performance rights are expected to be adjusted as shown in the following table:

<table>
<thead>
<tr>
<th>Exercise period (subject to vesting conditions)</th>
<th>Number</th>
<th>Approx. Adjusted Number</th>
<th>Exercise price</th>
</tr>
</thead>
<tbody>
<tr>
<td>First trading window after 30 August 2017</td>
<td>10,054,019</td>
<td>1,005,402</td>
<td>$0.00</td>
</tr>
<tr>
<td>23 September 2017 to 23 September 2019</td>
<td>3,537,736</td>
<td>353,774</td>
<td>$0.00</td>
</tr>
<tr>
<td>23 September 2017 to 23 September 2019</td>
<td>2,830,189</td>
<td>283,019</td>
<td>$0.00</td>
</tr>
<tr>
<td>18 September 2018 to 18 September 2020</td>
<td>44,888,179</td>
<td>4,488,818</td>
<td>$0.00</td>
</tr>
<tr>
<td>30 August 2019 to 30 August 2021</td>
<td>22,185,717</td>
<td>2,218,572</td>
<td>$0.00</td>
</tr>
<tr>
<td>First trading window after 28 August 2018</td>
<td>5,338,876</td>
<td>533,888</td>
<td>$0.00</td>
</tr>
<tr>
<td>28 August 2020 to 28 August 2022</td>
<td>4,767,110</td>
<td>476,711</td>
<td>$0.00</td>
</tr>
<tr>
<td>First trading window after 28 August 2018</td>
<td>2,123,905(1)</td>
<td>212,391(1)</td>
<td>$0.00</td>
</tr>
<tr>
<td>First trading window after 28 August 2019</td>
<td>29,329,173(2)</td>
<td>2,932,917(2)</td>
<td>$0.00</td>
</tr>
<tr>
<td>28 August 2020 to 28 August 2022</td>
<td>4,236,201(1)</td>
<td>423,620(1)</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**TOTAL** 129,291,105

12,929,112

(1) Subject to shareholder approval in accordance with Resolution 6
(2) Subject to shareholder approval in accordance with Resolution 6. This figure comprises 8,091,065 Performance Rights for the benefit of Ms Lacaze and 21,238,108 Performance Rights for the benefit of other members of the senior executive team. The 21,238,108 Performance Rights do not require shareholder approval, however they will not be issued if shareholders do not approve Resolution 6, as referred to on page 14.
The figures in the “Approx. Adjusted Number” column in the table above are subject to rounding, because most of the series of employee performance rights were issued for the benefit of more than one employee, and there may be minor rounding adjustments when each individual parcel is adjusted in accordance with the principles set out above.

In addition, in accordance with ASX Listing Rule 7.22.1, if the proposed consolidation is approved by shareholders, the 273,648,609 warrants issued to the holders of the Company’s convertible bonds with an exercise price of A$0.05 are expected to be adjusted into approximately 27,364,861 warrants (subject to rounding) with an exercise price of A$0.50.

5.7 Directors’ recommendation
The Company’s Directors unanimously recommend that shareholders vote in favour of the share consolidation. Each Director intends to vote all the Company’s shares controlled by him or her in favour of the proposed share consolidation. Details of the number of shares in which each Director has an interest as at the date of this Notice of Annual General Meeting are as follows:

<table>
<thead>
<tr>
<th>Ordinary shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. Harding</td>
</tr>
<tr>
<td>A. Lacaze(1)</td>
</tr>
<tr>
<td>W. Forde</td>
</tr>
<tr>
<td>K. Conlon(2)</td>
</tr>
<tr>
<td>P. Etienne</td>
</tr>
<tr>
<td>J. Humphrey</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

(1) Includes shares held by spouse. In addition 34,928,000 Performance Rights have been granted for the benefit of Amanda Lacaze, excluding the Performance Rights referred to in Resolution 6.

(2) Shares held by spouse.

5.8 No other material information
Other than as set out in this document, and other than information previously disclosed to the shareholders of the Company, there is no other information that is known to the Company’s Directors which may reasonably be expected to be material to the making of a decision by the Company’s shareholders regarding whether or not to vote in favour of the share consolidation.

RESOLUTION 6
GRANT OF PERFORMANCE RIGHTS FOR THE BENEFIT OF CEO & MANAGING DIRECTOR – AMANDA LACAZE

Summary
In accordance with the terms of Amanda Lacaze’s employment contract (details of which were announced to the ASX on 25 June 2014), the Company proposes to grant up to the following number of Performance Rights for the benefit of its Chief Executive Officer and Managing Director, Amanda Lacaze:

(a) **FY17 STI Performance Rights**: 2,123,905 Performance Rights (value A$330,904.35) with a 12-month vesting period commencing 28 August 2017 and an exercise date in the first employee trading window after 28 August 2018, as an STI award in respect of FY17, subject to the conditions set out in this Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan (“FY17 STI Performance Rights”);

(b) **Strategic Performance Rights**: 8,091,065 Performance Rights (value A$1,260,588) with a 24-month vesting period commencing on 28 August 2017 and an exercise date in the first employee trading window after 28 August 2019 ("Strategic Performance Rights"). The Strategic Performance Rights are proposed as an incentive to retain Ms Lacaze, who with her senior leadership team has led the turnaround of the business over recent years, and to implement the leadership team’s 2 year plan to continue to grow shareholder value, subject to the conditions set out in the attached Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan. The Strategic Performance Rights are subject to the vesting conditions described below concerning: (i) remaining employed by Lynas for at least the next 2 years and performing at an acceptable level, and (ii) meeting the strategic targets that have been set by the Lynas Board;

(c) **LTI Performance Rights**: A Long Term Incentive ("LTI") of up to 4,236,201 Performance Rights (value A$660,000) with a 3 year vesting period commencing 28 August 2017 and a 2 year exercise period, and otherwise in accordance with the Rules of the Rights Plan (“LTI Performance Rights”). The above figure includes the potential award of 120% of the LTI Performance Rights that are subject to an EBITDA condition, as described below.
The Lynam incentive structure focusses on specific objectives that align with the interests of shareholders.

The Short Term Incentive (STI) programme is focused on operating measures, including cash management, production output, cost management and other operating KPIs, including safety, customer development, environmental compliance, reputational management and community engagement. The Long Term Incentive (LTI) programme is focused on measures of shareholder value growth, including EBITDA growth and Total Shareholder Return.

In addition, The Board believes it is important that the incentive programme is designed to retain the senior leadership team that has led the recent turnaround in the business and to ensure the effective delivery of strategic plans to grow shareholder value.

The proposed STI award equates to 26.25% of Ms Lacaze’s total fixed remuneration. The proposed STI award is for achieving significant milestones in cash balances, increased NdPr production, reduced costs and improved team/individual performance, as described below.

The proposed Strategic award equates to one year of Ms Lacaze’s total fixed remuneration. The proposed Strategic award becomes exercisable in the first employee trading window after 28 August 2017, as an incentive to retain the services of Ms Lacaze as CEO of the business, who with her senior leadership team has led the turnaround of the business over recent years, and to implement the leadership team’s 2 year plan to continue to grow shareholder value.

The proposed LTI award equates to up to 50% of Ms Lacaze’s total fixed remuneration, however the proposed LTI award is subject to performance hurdles related to EBITDA over the 3 year vesting period and Total Shareholder Return over the 3 year vesting period.

Each Performance Right is a right to acquire one share in the Company (“Share”) in the future, subject to certain conditions. Unlike an Option, the holder of a Performance Right is not required to pay an exercise price in order to exercise his/her right to acquire Shares. The granting of Performance Rights is a recognised practice in Australia as part of the remuneration of senior executives.

Ms Lacaze is a very experienced manager who brings more than 25 years of senior operational experience to Lynam, including management of both publicly listed and private companies. It is appropriate that her remuneration package is benchmarked to the market and that her remuneration package includes incentives for long term performance that align with the interests of shareholders.

Ms Lacaze’s remuneration package has not increased since she was appointed as CEO in June 2014. Her package was benchmarked to market based on data provided by Mercer, an external consulting firm. This benchmarked data was also used by the Company’s Nomination and Remuneration Committee to calculate a recommended number of Performance Rights to be granted to Ms Lacaze. Ms Lacaze’s package reflected the difficulty in recruiting a suitable candidate in June 2014 to undertake the challenging role of Lynam CEO, at a time of uncertainty regarding the Company’s future. The package also reflects the Company’s requirement for an international CEO to manage the Lynam Group from Kuantan in regional Malaysia.

Since June 2014, Ms Lacaze has led a significant turnaround in the Company’s performance, reflected in the improved operating metrics summarised below. There remains significant work to be done in the business by a CEO with Ms Lacaze’s skill set, including strengthening the Company’s position in the volatile global market for rare earth products and maintaining the Company’s improved relations with its lenders, customers, investors, local communities and other key stakeholders.

Net operating cash flows for FY17 were $34.0m (FY16: $4.1m) reflecting increased production volumes, reduced costs and improved selling prices towards the end of FY17. The Company’s share price on 1 July 2016 was 5.7 cents. By 30 June 2017, the Company’s share price had increased to 10.5 cents, and it has increased further between the end of FY17 and the date of this Explanatory Memorandum. The Company’s closing share price on 25 September 2017 was 19 cents.

Listing Rule 10.14
Listing Rule 10.14 states that a company must not permit a Director or an associate of a Director to acquire securities under an employee incentive scheme without the approval of ordinary shareholders.

The following information is provided to shareholders for the purpose of Listing Rule 10.15:

(a) The Performance Rights will be granted for the benefit of Amanda Lacaze, who is the Managing Director.

(b) The maximum number of Performance Rights to be granted under Resolution 6 is as follows:

(i) FY17 STI: 2,123,905 Performance Rights (value A$330,904.35).
(ii) Strategic: 8,091,065 Performance Rights (value A$1,260,588).
(iii) LTI: 4,236,201 Performance Rights (value A$660,000) – This figure includes the potential award of 120% of the LTI Performance Rights that are subject to an EBITDA condition, as described below.

(c) The Performance Rights will be granted as employee incentives and accordingly, the Performance Rights will be granted for no additional cash consideration. No amount will be payable on the exercise of the Performance Rights. The FY17 STI Performance Rights will have a 12 month vesting period commencing 28 August 2017, and an exercise date in the first employee share trading window after 28 August 2018. The Strategic Performance Rights will have a 2 year vesting period commencing 28 August 2017 and an exercise date in the first employee share trading window after 28 August 2019. The LTI Performance Rights will have a 3 year vesting period commencing 28 August 2017 and a 2 year exercise period.

(d) The Performance Rights are subject to the following vesting conditions and performance hurdles:

(i) FY17 STI: The FY17 STI Performance Rights have a 12-month vesting period commencing on 28 August 2017. They were awarded to Ms Lacaze, subject to shareholder approval, as an STI award following satisfaction of the STI hurdles that were set for Ms Lacaze’s performance in FY17. Those STI hurdles were as follows:
The FY17 STI Program had 4 hurdles as follows:

1. Cash balance – 25%
2. NdPr production – 25%
3. Operating Cost targets – 25%
4. Team / Individual Performance – 25%

The table below summarises the STI targets and outcomes for the financial year ended 30 June 2017 outcomes for Cash Balance and NdPr Production.

Targets for Operating Costs were set at the start of FY17 based on NdPr unit operating costs, excluding employee share payments, after crediting non-NdPr realised revenue. Those figures are commercial-in-confidence because it is not in the interest of the Group to disclose those figures to third parties such as customers and competitors. However we confirm that the actual result for FY17 was a 21% reduction on the actual per NdPr unit Operating Costs result for FY16. Based on the targets set, an award was made for FY17 at the 105% level for Operating Costs.

<table>
<thead>
<tr>
<th>FY17 STI Goal</th>
<th>Target for 80% of Award</th>
<th>Target for 100% of Award</th>
<th>Target for 120% of Award</th>
<th>FY17 Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted cash balance</td>
<td>A$28,001,735</td>
<td>A$39,412,640</td>
<td>A$43,353,904</td>
<td>A$35,857,798</td>
</tr>
<tr>
<td>NdPr production volume (PF output)</td>
<td>4,989t</td>
<td>4,989t</td>
<td>5,488t</td>
<td>5,238t</td>
</tr>
</tbody>
</table>

As shown in the above table, three bands of performance were specified at the beginning of FY17 for each STI goal, with awards to be made equal to 80%, 100% or 120% of the available STI award pool for each goal, depending on which performance band was achieved. Awards would be prorated if performance fell between the 80%, 100% or 120% targets.

In addition, 25% of the STI award pool was available based on Team / Individual Performance goals. The Team/Individual Performance goals include safety, customer development, environmental compliance, reputational management and community engagement. In FY17, the Group maintained a very good safety record, with the Group-wide 12-month rolling Lost Time Injury Frequency Rate, as at the end of June 2017, at 2.2 per million hours worked. In addition, significant progress was made in each of the other goals specified above, as detailed in the Review of Operations and Financial Performance sections on pages 12 to 19 of the Lynas 2017 Annual Report. In assessing the award for Team / Individual Performance, the Board considered each of the outcomes on the goals specified above and the improved financial performance of the Group in FY17, as detailed in the Review of Operations and Financial Performance sections on pages 12 to 19 of the Lynas 2017 Annual Report. The Board concluded that the performance of the Executives had been excellent during FY17 and an award was made at the 110% level for Team/Individual Performance in FY17.

In accordance with the above calculations, the overall outcome was that 105% of the available STI awards will be made in respect of the financial year ended 30 June 2017. Those awards will be made 50% in cash and 50% in Performance Rights with a 12 month vesting period. After the end of the financial year, the Board calculates the STI award outcome based on the above criteria, and the Board reserves the right to adjust the outcome, or the timing of payments, based on factors such as cash availability to pay the proposed award. No such adjustment was made for FY17. In addition, if there had been a fatality during the year (which there was not), no STI awards would have been made unless so resolved by the Board.

(ii) **Strategic:** The Strategic Performance Rights will have a 24-month vesting period commencing on 28 August 2017 and an exercise date in the first employee trading window after 28 August 2019, as an incentive to retain Ms Lacaze, who with her senior leadership team has led the turnaround of the business over recent years, and to implement the leadership team’s 2 year plan to continue to grow shareholder value.

The proposed Strategic Performance Rights are subject to the following vesting conditions:

1. Ms Lacaze remaining employed by Lynas for at least the next 2 years and performing at an acceptable level; and
2. Meeting the strategic targets that have been set by the Lynas Board.

The key reasons for the proposed Strategic Performance Rights are as follows:

- Since her appointment in June 2014, Amanda Lacaze and the senior leadership team have executed a significant and difficult turnaround of the business. Net operating cash flows for FY17 were $34.0m (FY16: $4.1m) reflecting increased production volumes, reduced costs and improved selling prices towards the end of FY17. The Company’s share price on 1 July 2016 was 5.7 cents. By 30 June 2017, the Company’s share price had increased to 10.5 cents, and it has increased further since the end of FY17. The Company’s closing share price on 25 September 2017 was 19 cents.
- The business is now well placed to move to its next growth phase. Ms Lacaze and the senior leadership team have led the company through the turnaround process and they have developed a specific and credible 2 year plan to continue to grow shareholder value. The strategic plan and the associated strategic targets that have been set by the Lynas Board are commercial-in-confidence.
The directors believe that it would not be in shareholders’ interests for disruption to the senior leadership team to occur over the next 2 years, while this plan is being executed.

The proposed Strategic Performance Rights also reflect the Group’s requirement for an international calibre CEO with the requisite skills and experience to operate and grow the business, and the need to retain such a CEO at our main operational site in Kuantan, in regional Malaysia. Since her appointment in June 2014, Ms Lacaze and the senior leadership team have demonstrated the capacity to lead significant improvements in the Company’s production performance, to achieve major cost savings, and to establish the business as a key player in the global Rare Earths market. The Company will need to respond to numerous opportunities and challenges over the coming years, including changing regulatory environments in key jurisdictions, new product applications, further expansions of production capacity and changing market dynamics.

As announced to the ASX on 26 September 2017, in addition to the proposed grant of 8,091,065 Strategic Performance Rights for the benefit of Amanda Lacaze, the Company also proposes to grant 21,238,108 Strategic Performance Rights on the same terms for the benefit of other members of the senior executive team. Both the proposed 8,091,065 Strategic Performance Rights for the benefit of Ms Lacaze and the proposed 21,238,108 Strategic Performance Rights for the benefit of other members of the senior executive team will only be issued if shareholders approve the proposed grant of Strategic Performance Rights for the benefit of Ms Lacaze pursuant to Resolution 6.

(iii) LTI: The LTI Performance Rights will have a 3-year vesting period. The LTI Performance Rights are subject to the following performance hurdles:

(A) 50% will be conditional on the Company’s average annual EBITDA growth in the period from 1 July 2017 to 30 June 2020, using the annualized figure from 1 January 2017 to 30 June 2017 as the base figure, in accordance with the following sliding scale:
   a. If the average annual EBITDA growth from 1 July 2017 to 30 June 2020 is at least 21% per annum, then 50% of the EBITDA portion will vest.
   b. If the average annual EBITDA growth from 1 July 2017 to 30 June 2020 is at least 25% per annum, then 100% of the EBITDA portion will vest.
   c. If the average annual EBITDA growth from 1 July 2017 to 30 June 2020 is at least 30% per annum, then 120% of the EBITDA portion will vest.

   Awards would be prorated if the EBITDA growth outcome falls between bands (a) and (b) or between bands (b) and (c). The EBITDA figure that will be used to measure the outcome will be an adjusted EBITDA figure (after removing non-cash expenses such as employee share based payments). The annualized adjusted EBITDA for the base period from 1 January 2017 to 30 June 2017 was $58.8 million.

(B) 50% will be conditional on the company’s Total Shareholder Return (TSR) being at least at the 51st percentile of ASX 300 Metals and Mining Index companies calculated over the 3-year vesting period, in accordance with the following sliding scale:
   a. If the LYNAS TSR is at least at the 51st percentile, 50% of the TSR portion will vest.
   b. If the LYNAS TSR is at least at the 76th percentile, 100% of the TSR portion will vest.
   c. If the LYNAS TSR is between the 51st percentile and the 76th percentile, a pro rata amount of between 50% and 100% of the TSR portion will vest (with the relevant percentile being rounded up or down to the nearest 5%, for ease of calculation).

   The Directors believe that the above performance hurdles are important measures of long-term success for the Group that are fully aligned with the interests of shareholders. After several years of ramping up NdPr production to the current levels while tightly managing costs, the Company’s EBITDA growth over the next 3 financial years will be an important measure of the success of the improvements to the business implemented by Ms Lacaze and her team.

   The TSR hurdle compares shareholder returns from LYNAS to shareholder returns from ASX 300 Metals and Mining Index companies over the 3-year vesting period. LYNAS is currently a member of the ASX 300 Metals and Mining Index, and therefore this is considered to be an appropriate benchmark for the TSR hurdle that is aligned to shareholder returns.

The Performance Rights were valued by the Company and its advisers at the 5 day VWAP as at 28 August 2017, being the date that the Board approved the proposed award of Performance Rights, subject to shareholder approval. The 5 day VWAP on that date was $0.1558.

Details of the securities granted under the Company’s Employee Performance Rights Plan to persons referred to in Listing Rule 10.14 since the issuance of securities pursuant to the Company’s Employee Performance Rights Plan was approved by shareholders at the Annual General Meeting on 28 November 2014 are set out below.

The following Performance Rights have been granted for the benefit of Amanda Lacaze, as approved by shareholders at previous Annual General Meetings of Shareholders:

(a) 2,830,189 Long Term Incentive ("LTI") Performance Rights subject to a Total Shareholder Return hurdle with a 3 year vesting period expiring 23 September 2017 and a 2 year exercise period, and subject to the Rules of the Rights Plan.

(b) 19,411,764 Long Term Incentive ("LTI") Performance Rights subject to NdPr production and Total Shareholder Return hurdles with a 3 year vesting period expiring 18 September 2018 and a 2 year exercise period, and subject to the Rules of the Rights Plan.
(c) 2,453,488 Short Term Incentive ("STI") with a 12-month vesting period and an exercise period in the first employee share trading window after 30 August 2017, and subject to the Rules of the Rights Plan.

(d) 10,232,559 Long Term Incentive ("LTI") Performance Rights subject to NdPr production and Total Shareholder Return hurdles with a 3 year vesting period expiring 30 August 2019 and a 2 year exercise period, and subject to the Rules of the Rights Plan.

The above Performance Rights were granted as employee incentives and accordingly, the Performance Rights were granted for no additional cash consideration.

(g) The names of all persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are: Amanda Lacaze.

(h) No loan is granted by the Company for the acquisition of the Performance Rights.

(i) The Performance Rights will be issued no later than 12 months after the date of this Annual General meeting.

Related Party Transactions

Ms Lacaze is a Director of the Company, and accordingly she is a “related party” for the purposes of Chapter 2E of the Corporations Act. The proposed grant of Performance Rights for the benefit of Ms Lacaze, as described above, constitutes a “financial benefit” as described in the Corporations Act.

Under Chapter 2E of the Corporations Act a public company cannot give a financial benefit to a related party unless: (i) shareholders have resolved to approve the giving of the financial benefit, or (ii) an exception applies. Section 211(1) of the Corporations Act contains an exception where the financial benefit is remuneration given to an employee that is reasonable in the circumstances of the company and the employee.

In the view of the Board, the proposed grant of Performance Rights for the benefit of Ms Lacaze, as a component of her remuneration, does not require shareholder approval under Chapter 2E of the Corporations Act because the exception in section 211(1) of the Corporations Act applies.

The Board considers that the proposed grant of Performance Rights for the benefit of Ms Lacaze constitutes reasonable remuneration given the circumstances of the Company and the responsibilities involved in Ms Lacaze’s role as CEO. In this respect, the Board has specifically considered the number of Performance Rights proposed to be granted, the number of Performance Rights previously granted to Ms Lacaze, the performance conditions to be attached to the Performance Rights, and the underlying value of the Performance Rights. Accordingly, the Company is not seeking shareholder approval under Chapter 2E of the Corporations Act for the proposed grant of Performance Rights. The Company is seeking shareholder approval of the proposed grant of Performance Rights in accordance with Listing Rule 10.14 of the ASX Listing Rules.

In addition, the information on Resolution 6 in this Explanatory Memorandum is equivalent to the information that would be provided if shareholder approval were being sought under Chapter 2E of the Corporations Act.

Directors’ recommendation and interests

All the Directors were available to consider the proposed Resolution 6.

Section 195 of the Corporations Act provides, in essence, that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a “material personal interest” are being considered. Amanda Lacaze has an interest in the outcome of the proposed resolution because she will be granted an interest in Performance Rights in accordance with the proposed resolution. Accordingly, Amanda Lacaze is unable to make a recommendation to shareholders concerning Resolution 6.

The other Directors of the Company (Non Participating Directors) do not have an interest in the outcome of the proposed resolution because they will be granted an interest in Performance Rights in accordance with the proposed resolution. Accordingly, Amanda Lacaze is unable to make a recommendation to shareholders concerning the proposed Resolution 6.

Therefore, the Non Participating Directors unanimously recommend that shareholders vote in favour of Resolution 6.

A voting exclusion applies to this resolution, as set out earlier in this Notice of Meeting.

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors

Resolution 6 would have the effect of giving power to the Directors to grant Amanda Lacaze Performance Rights on the terms and conditions as set out in Annexure A and as otherwise mentioned above. The Company presently has on issue 5,084,483,409 ordinary shares. If the Performance Rights proposed to be granted for the benefit of Amanda Lacaze are approved by shareholders, the total number of Options and Performance Rights granted by the Company will be 129,291,105. This represents approximately 2.54% of the 5,084,483,409 ordinary shares that the Company has issued at the date of this Explanatory Memorandum.
If any Performance Rights granted as proposed above are exercised, the effect would be to dilute the shareholding of existing shareholders. The highest closing price for Shares trading on ASX during the past 12 months was A$0.21 which occurred on 11 September 2017 and the lowest closing price of Shares trading on ASX during the past 12 months was A$0.053 which occurred on 24 October 2016. The most recent closing price of Shares trading on the ASX prior to the date of this Explanatory Memorandum was A$0.19 which occurred on 25 September 2017.

The other remuneration currently being received by the proposed recipient of the Performance Rights is set out on page 36 of the Lynas 2017 Annual Report and in the Company’s ASX announcement dated 25 June 2014.

At the date of this Notice the proposed recipient of the Performance Rights, Amanda Lacaze, has an interest in 12,416,116 ordinary shares, and 34,928,000 employee performance rights that have been awarded.

The FY17 STI Performance Rights equate to 26.25% of Ms Lacaze’s total fixed remuneration. The Strategic Performance Rights equate to one year’s total fixed remuneration for Ms Lacaze. In addition, as announced to the ASX on 25 June 2014, Ms Lacaze may receive, in the Board’s discretion, an annual LTI Performance Rights award equal to up to A$600,000, which is approximately 50% of Ms Lacaze’s total fixed remuneration.

Below are tables setting out the maximum number of LTI Performance Rights that could be exercised by Ms Lacaze if the vesting condition is satisfied, and if the EBITDA and TSR conditions are wholly or partly satisfied.

### Class I – EBITDA Growth from 1 July 2017 to 30 June 2020

<table>
<thead>
<tr>
<th>Performance Conditions</th>
<th>21% per annum annual growth</th>
<th>25% per annum annual growth</th>
<th>30% per annum annual growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of LTI Performance Rights that may be Exercised</td>
<td>50% of EBITDA portion</td>
<td>100% of EBITDA portion</td>
<td>120% of EBITDA portion</td>
</tr>
<tr>
<td>Number of LTI Performance Rights that may be Exercised</td>
<td>962,773</td>
<td>1,925,546</td>
<td>2,310,655</td>
</tr>
<tr>
<td>Value of those LTI Performance Rights at A$0.1558</td>
<td>$150,000</td>
<td>$300,000</td>
<td>$360,000</td>
</tr>
</tbody>
</table>

Note: One LTI Performance Right in the above class was valued at A$0.1558 as at 28 August 2017.

### Class II – Three Year Total Shareholder Return (TSR) vs. ASX 300 Metals and Mining Index Companies

<table>
<thead>
<tr>
<th>Performance Conditions</th>
<th>at least 51st percentile</th>
<th>at least 76th percentile</th>
<th>between 51st and 76th percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of LTI Performance Rights that may be Exercised</td>
<td>50% of TSR portion</td>
<td>100% of TSR portion</td>
<td>pro rata between 50% and 100% of the TSR portion</td>
</tr>
<tr>
<td>Number of LTI Performance Rights that may be Exercised</td>
<td>962,773</td>
<td>1,925,546</td>
<td>Between 962,773 and 1,925,546</td>
</tr>
<tr>
<td>Value of those LTI Performance Rights at A$0.1558</td>
<td>$150,000</td>
<td>$300,000</td>
<td>Between $150,000 and $300,000</td>
</tr>
</tbody>
</table>

Note: One LTI Performance Right in the above class was valued at A$0.1558 as at 28 August 2017.
Effect on the Company's Issued Securities of Resolutions 5 and 6

On the date of this Explanatory Memorandum, excluding the securities referred to in Resolution 6, the Company has on issue, or has agreed to issue, the following equity securities:

<table>
<thead>
<tr>
<th>Type of Security Issued or Agreed to be Issued</th>
<th>Equivalent Number of Ordinary Shares on a Fully Diluted Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Shares (ASX Code: LYC)</td>
<td>5,084,483,409</td>
</tr>
<tr>
<td>Unlisted Employee Options and Unlisted Employee Performance Rights</td>
<td>93,601,826</td>
</tr>
<tr>
<td>Unlisted Warrants – Exercise Price A$0.05, Expiry Date: 30 September 2020</td>
<td>273,648,609</td>
</tr>
<tr>
<td>US$126,500,000 Convertible Bonds maturing 30 September 2020, convertible at A$0.10 per share (subject to adjustment) based on a fixed exchange rate of A$1.00 = US$0.75</td>
<td>1,686,666,667</td>
</tr>
</tbody>
</table>

If all of the securities referred to in Resolution 6 were added to the above table, it would read as follows:

<table>
<thead>
<tr>
<th>Type of Security Issued or Agreed to be Issued</th>
<th>Approximate Equivalent Number of Ordinary Shares on a Fully Diluted Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Shares (ASX Code: LYC)</td>
<td>5,084,483,409</td>
</tr>
<tr>
<td>Unlisted Employee Options and Unlisted Employee Performance Rights</td>
<td>129,291,111</td>
</tr>
<tr>
<td>Unlisted Warrants – Exercise Price A$0.05, Expiry Date: 30 September 2020</td>
<td>273,648,609</td>
</tr>
<tr>
<td>US$126,500,000 Convertible Bonds maturing 30 September 2020, convertible at A$0.10 per share (subject to adjustment) based on a fixed exchange rate of A$1.00 = US$0.75</td>
<td>1,686,666,667</td>
</tr>
</tbody>
</table>

If the share consolidation referred to in Resolution 5 is approved by shareholders, the above table would read as follows:

<table>
<thead>
<tr>
<th>Type of Security Issued or Agreed to be Issued</th>
<th>Approximate Equivalent Number of Ordinary Shares on a Fully Diluted Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Shares (ASX Code: LYC)</td>
<td>508,448,341</td>
</tr>
<tr>
<td>Unlisted Employee Options and Unlisted Employee Performance Rights</td>
<td>12,929,111</td>
</tr>
<tr>
<td>Unlisted Warrants – Exercise Price A$0.50, Expiry Date: 30 September 2020</td>
<td>27,364,861</td>
</tr>
<tr>
<td>US$126,500,000 Convertible Bonds maturing 30 September 2020, convertible at A$1.00 per share (subject to adjustment) based on a fixed exchange rate of A$1.00 = US$0.75</td>
<td>168,666,667</td>
</tr>
</tbody>
</table>
Glossary

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the board or Directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

(a) a spouse or child of the member;
(b) a child of the member’s spouse;
(c) a dependant of the member or of the member’s spouse;
(d) anyone else who is one of the member’s family and may be expected to influence the member, or be influenced by the member, in the member’s dealings with the entity;
(e) a company the member controls; or
(f) a person prescribed by the Corporations Regulations 2001 (Cth).


Director means a director of the Company.

Key Management Personnel has the same meaning as in the accounting standards (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executor or otherwise, of the Company).
Annexure A

Terms of the Lynas Employee Performance Rights Plan (Resolutions 4 and 6)

1. Name
   This Plan shall be called the Lynas Corporation Limited (ACN 009 066 648) – Performance Rights Plan.

2. Purpose
   The Purpose of this Plan is to:
   (1) recognise the ability and efforts of the directors, employees and consultants of the Company who have contributed to the success of the Company;
   (2) provide an incentive to the directors, employees and consultants to achieve the long term objectives of the Company and improve the performance of the Company; and
   (3) attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its directors, employees and consultants.

3. Commencement
   This Plan shall take effect from such date as is resolved by the Board of Directors.

4. Interpretation
   In these rules, unless the context otherwise requires:
   "ASX" means ASX Limited;
   "Board of Directors" means the Board of Directors of the Company from time to time acting by resolutions made in accordance with the Corporations Act and the Constitution of the Company;
   "Business Day" means a day on which trading banks are open for business in Sydney, Australia;
   "Change of Control Event" means a shareholder, or a group of associated shareholders, acquiring relevant interests in sufficient shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Board of Directors and that ability is successfully exercised.
   "Company" means Lynas Corporation Limited ACN 009 066 648;
   "Corporations Act" means the Corporations Act 2001 (Cth);
   "Director" means an executive or non-executive director of the Company, from time to time;
   "Eligible Person" means each individual or corporate entity that is a full-time or part-time employee or consultant of the Company, a Director or an Officer of the Company. The Board of Directors has determined that non-executive Directors may not participate in the Plan;
   "Listing Rules" means the Listing Rules of ASX;
   "Offeree" means a person to whom Rights are offered under this Plan;
   "Officer" has the same meaning as is ascribed to that term in the Corporations Act.
   "Official Quotation" means quotation on the Official List of ASX;
   "Plan" means this Plan as amended from time to time;
   "Rights Holder" means a person to whom Rights are issued under this Plan;
   "Rights" means the Rights granted under this Plan to subscribe for Shares;
   "Rules" means these rules as from time to time amended;
   "Shares" means the ordinary fully paid shares in the capital of the Company; and
   "Vesting Date" means, in respect of a Right, the date three (3) years after the date of grant of the Right, or such other period as is specified by the Board of Directors on the date of grant of the Right.
5. Eligibility

All Eligible Persons shall be entitled to participate in the Plan.

6. Limitation on Total Number of Rights

The combined number of options and performance rights over unissued Shares in the Company that may be issued under this Plan and under any other employee incentive plan at any time shall not exceed 5% of the total number of Shares on issue from time to time.

7. Number of Rights

The number of Rights an Eligible Person is to be allocated shall be determined by the Board of Directors in its sole and absolute discretion. The number of Rights that Directors are to be allocated will be subject to the approval of shareholders in general meeting.

8. Terms and Conditions of Rights

The terms and conditions of each allocation of Rights shall be determined by the Board of Directors in its sole and absolute discretion. The expiry date of Rights shall be up to five (5) years after the date on which the Rights were granted. In addition to the requirement that the Offeree must be an Eligible Person on the Vesting Date, Rights may be issued subject to such additional vesting conditions as are determined by the Board of Directors in its sole and absolute discretion.

9. Recipient of Shares

Subject to Rule 18, an Eligible Person may only apply in his/her own name to take up his/her entitlement, or part thereof, to Rights under the Plan.

10. Offer Letter and No Certificates

The Company shall issue a letter to each Offeree setting out the number of Rights offered and the deadline for acceptance of the offer. If an Offeree does not accept the offer before the deadline for acceptance, the offer will lapse and those Rights will not be issued.

No certificates will be issued for the Rights, and the Company’s register of Rights Holders will be conclusive evidence of the matters set out therein.

11. Terms and Conditions of Rights to be Issued to Eligible Persons

11.1 Money may be payable for the issue of the Rights.

11.2 If a Change of Control Event occurs, Rights do not vest automatically. The general position is that Rights will remain in effect, with no change to the Vesting Date.

Ultimately, a discretion remains with the Board as to whether Rights will vest upon a Change of Control Event, and if so, how many. The key criteria to be applied by the Board is what is reasonable in the circumstances. For example, if the management team remains intact following a Change of Control Event, the general position is that Rights will remain in effect, with no change to the Vesting Date.

11.3 Despite anything contained elsewhere in these Rules, but subject to Rules 11.4 and 12.1, a Right is only exercisable, if immediately following the Vesting Date, the Rights Holder is an Eligible Person.

11.4 The Board of Directors may waive or amend the operation of Rule 11.3 (but so as not to increase the period for the exercise of a Right) as it applies to a Rights Holder in the case of hardship or for any other just reason.

11.5 Each Right shall carry the right in favour of a Rights Holder to subscribe for one Share.

11.6 Shares allotted to Rights Holders on the exercise of Rights shall be issued for no additional monetary consideration.

11.7 Rights shall not be listed for official quotation on ASX.

11.8 A Rights Holder may not sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of a Right. The Board of Directors may waive or amend the operation of this Rule as it applies to a Rights Holder in cases of hardship or for any other just reason.

11.9 Rights may be issued on the basis that (subject to satisfaction of the vesting conditions) they will be automatically exercised on a specified date without further action required by the Rights Holder. Subject to satisfaction of the vesting conditions, all other Rights shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Rights Holder to exercise all or a specified number of Rights held by him. An exercise of only some Rights shall not affect the rights of the Rights Holder to the balance of the Rights held by him.

11.10 The Company shall allot the resultant Shares within five (5) business days of the exercise of the Rights.

11.11 Shares allotted pursuant to an exercise of Rights shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.

11.12 The Company shall, in accordance with Listing Rule 2.8, make application to have Shares allotted pursuant to an exercise of Rights listed for Official Quotation.
11.13 Rights Holders do not have a right to participate in new issues without exercising their Rights in accordance with Listing Rule 6.19.

11.14 In the event of any reorganisation of capital of the Company, all rights of the Rights Holder will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation in accordance with the Listing Rules.

11.15 The Rights will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Rights.

11.16 The number of Shares to be issued pursuant to the exercise of Rights will be adjusted for bonus issues made prior to exercise of Rights. The effect will be that upon exercise of the Rights the number of Shares received by the Rights Holder will include the number of bonus Shares that would have been issued if the Rights had been exercised prior to the record date for bonus issues. The exercise price of the Rights shall not change as a result of any such bonus issue.

11.17 The Company shall notify each Rights Holder and ASX within one (1) month after the record date for a bonus issue of the adjustment to the number of Shares over which the Rights exist.

12. Termination of Rights

12.1 Despite anything contained elsewhere in this Plan, if a Rights Holder ceases to be an Eligible Person prior to the specified Vesting Date of his / her Rights, then unless otherwise determined by the Board at its sole discretion, the unvested Rights held by the Rights Holder will continue to be subject to the rules of the Plan until the Vesting Date of the Rights, at which time the Rights will vest in accordance with the rules of the Plan.

12.2 If the Board exercises its discretion to cancel such Rights, such Rights will be cancelled within 6 months of the Board decision, except where the Rights Holder has been retrenched where cancellation will occur within 36 months of the Board decision.

13. Restrictions on Alterations to the Plan

The Plan may be amended at any time by resolution of the Board of Directors of the Company subject to the requirements from time to time of the Corporations Act and the Listing Rules. Any such amendment however shall not adversely affect the rights of Rights Holders who are granted Rights prior to such amendment without the consent of the Rights Holder, unless such amendment is required by, or necessitated by amendments to, either the Corporations Act or the Listing Rules.

14. Rights of Employees

The Plan shall not form part of any contract of employment between the Company and any of its employees or Directors and shall not confer directly or indirectly on any Eligible Person the right to be employed by or to continue to be employed by or hold any position in relation to the Company.

15. Powers of the Directors

The Plan shall be administered by the Board of Directors who shall have the power to:

15.1 determine procedures from time to time for administration of the Plan consistent with these rules;

15.2 resolve conclusively all questions of fact or interpretation arising in connection with the Plan; and

15.3 delegate to any one or more persons for such period and on such conditions as may be determined by the Board of Directors, the exercise of any of the Board of Directors' powers or discretions arising under the Plan.

16. Termination of Plan

The Plan may at any time be terminated by the Board of Directors but such termination shall not affect the rights of holders of Rights issued prior to termination.

17. Governing Law

This Plan shall be governed by, administered and construed in accordance with the Laws of New South Wales.
CORPORATE DIRECTORY

ACN 009 066 648

Registered Office
Suite 3/5 Tully Road
East Perth WA 6004 Australia
Tel: +61 8 6241 3800
Fax: +61 8 9225 6842
general@lynascorp.com

Principal Administrative Office
PT17212 Jalan Gebeng 3
Kawasan Perindustrian Gebeng
26080 Kuantan, Pahang Darul Makmur
Malaysia
Tel: +60 9 582 5200
Fax: +60 9 582 5291
general@lynascorp.com

Share Register
Boardroom Pty Ltd
Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000 Australia
Tel: +61 2 9290 9600
Fax: +61 2 9290 9655
enquiries@boardroomlimited.com.au

Auditors
Ernst & Young
The EY Centre
200 George Street
Sydney NSW 2000

www.lynascorp.com
YOUR VOTE IS IMPORTANT
For your vote to be effective it must be recorded before 10.00am (Sydney Time) on Sunday 26 November 2017.

TO VOTE ONLINE
STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)
STEP 3: Enter your Voting Access Code (VAC): <<VAC>>

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1: Appointment of Proxy
Indicate who you want to appoint as your Proxy
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy
You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company’s securities registry.

To appoint a second proxy you must:
(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
(b) return both forms together in the same envelope.

STEP 2: Voting Directions to your Proxy
You can tell your Proxy how to vote
To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate
Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an “Appointment of Corporate Representative” prior to admission. An Appointment of Corporate Representative form can be obtained from the company’s securities registry.

STEP 3: Sign the Form
The form must be signed as follows:
Individual: This form is to be signed by the securityholder.
Joint Holding: Where the holding is in more than one name, all the securityholders should sign.
Power of Attorney: To sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: This form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person.
Please indicate the office held by signing in the appropriate place.

STEP 4: Lodgement
Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by 10.00am (Sydney Time) on Sunday 26 November 2017. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:
By Fax + 61 2 9290 9655
By Mail Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

In Person Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000 Australia

Attending the Meeting
If you wish to attend the meeting please bring this form with you to assist registration.
Lynas Corporation Limited
ACN 009 066 648

STEP 1: Appoint a Proxy

I/We being a member/s of Lynas Corporation Limited (Company) and entitled to attend and vote hereby appoint:

☐ the Chair of the Meeting (mark box with an “X”)

OR If you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at Sheraton on the Park, 161 Elizabeth St, Sydney NSW 2000 on Tuesday 28 November 2017 at 10:00am (Sydney Time) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 4 and 6, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 4 and 6 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1, 4 and 6). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the ‘Against’ or ‘Abstain’ box opposite that resolution.

STEP 2: Voting Directions to your Proxy – please mark X to indicate your directions

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

| Resolution | Description | For | Against | Abstain
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolution 1</td>
<td>To Adopt the Remuneration Report</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Resolution 2</td>
<td>Confirmation of Appointment of John Humphrey as a Director</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Resolution 3</td>
<td>Confirmation of Appointment of Grant Murdoch as a Director</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Resolution 4</td>
<td>Authorisation of Issue of Performance Rights</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Resolution 5</td>
<td>Consolidation of Shares</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Resolution 6</td>
<td>Grant of Performance Rights for the Benefit of CEO &amp; Managing Director – Amanda Lacaze</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

STEP 3: Signature of shareholders

This form must be signed to enable your directions to be implemented.

<table>
<thead>
<tr>
<th>Individual or Securityholder 1</th>
<th>Securityholder 2</th>
<th>Securityholder 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Director and Sole Company Secretary</td>
<td>Director</td>
<td>Director/Company Secretary</td>
</tr>
</tbody>
</table>

Contact Name: ____________________________ Contact Daytime Telephone: ____________________________ Date: __________ / __________ / 2017