



ACN 009 066 648

NOTICE OF ANNUAL GENERAL MEETING

**To be held on Thursday 23 November 2006 at 10.30 am (AEST)
in the Premier's Room at the Hotel Inter-Continental,
Corner Bridge and Phillip Streets, Sydney, NSW**

*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.*

LYNAS CORPORATION LIMITED
ACN 009 066 648
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2006 Annual General Meeting of shareholders of Lynas Corporation Limited ("Company") will be held in the Premier's Room at the Hotel Inter-Continental, Corner Bridge and Phillip Streets, Sydney, NSW on 23 November 2006 at 10.30 am (AEST) for the purpose of transacting the following Business.

ORDINARY BUSINESS

2006 Financial Statements

To receive and consider the financial statements of the Company for the year ended 30 June 2006, consisting of the Annual Financial Report, the Directors' Report and Auditor's Report.

Resolution 1 – Remuneration 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 2006 be adopted."

Pursuant to section 250R(3) of the <i>Corporations Act</i> 2001, the vote on this resolution is advisory only and it does not bind the directors or the Company.
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Resolution 2 – Confirmation of Appointment of David Davidson as a Director

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

"That the appointment of David Oliver Davidson as a director of the Company since the previous Annual General Meeting pursuant to Article 13.5 of the Company's Constitution be confirmed."

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.

Entitlements to Vote

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 7pm AEST on 21 November 2006.

By order of the Board

A handwritten signature in cursive script, appearing to read 'Ivo Polovineo', followed by a horizontal line and a small flourish.

Ivo Polovineo
Company Secretary
Date: 16 October 2006

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders in Lynas Corporation Limited ACN 009 066 648 (“**Company**”) with sufficient information to assess the merits of the Resolutions contained in the Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the above Resolutions.

The following information should be noted in respect of the various matters contained in the Notice of Annual General Meeting:

RESOLUTION 1 – REMUNERATION REPORT

The Remuneration Report for the year ended 30 June 2006 is set out in the Directors’ Report on pages 23 to 27 of the Annual Report.

The Remuneration Report:

- Explains the Board’s policies relating to remuneration of directors, secretaries and executives of the Company;
- Discusses the relationship between such policies and the Company’s performance;
- Provides details of any performance conditions attached to such remuneration; and
- Sets out remuneration details for each director and certain named executives.

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.

RESOLUTION 2 – CONFIRMATION OF APPOINTMENT OF DAVID DAVIDSON AS A DIRECTOR

In accordance with the commentary and guidance to Recommendation 2.4 of the ASX Corporate Governance Principles, the Company provides the following information concerning Mr Davidson:

Biographical details

Mr. Davidson has had a distinguished career with ICI and DuPont. An Australian, he has lived and worked in Europe and North America and held a number of senior executive roles with global responsibilities. He is a former director of ICI America Inc. Since returning to Australia, Mr. Davidson has been providing executive and corporate advice on organisation development and strategy. During the past three years Mr. Davidson has not held any other listed company directorships.

Details of relationships between the Candidate and the Company

Mr. Davidson is a non-executive Director of the Company

Details of relationships between the Candidate and Directors of the Company

Not applicable

Directorships held

Nil

The term of office already served by Mr Davidson

Mr. Davidson originally joined the Board on 28 March 2002. He resigned from the Board on 18 August 2005 and was re-appointed as a director on 8 December 2005.

LYNAS CORPORATION LIMITED
ACN 009 066 648
PROXY FORM

The Company Secretary
Lynas Corporation Limited
C/- The Share Registry
770 Canning Highway
APPLECROSS WA 6153

Facsimile: +61 8 9315 2233

I/We (name of shareholder)
of (address)

being a member/members of Lynas Corporation Limited HEREBY APPOINT

(name)

of (address)

or failing that person then the Chairperson of the meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held on 23 November 2006 and at any adjournment of the meeting.

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Confirmation of appointment of Mr David Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

In relation to undirected proxies, the Chairman intends to vote in favour of Resolutions 1 and 2.

If you wish to appoint the Chairman as your proxy and you do not wish to direct the Chairman how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

Shareholders are entitled to appoint up to 2 proxies (whether shareholders or not) to attend the Meeting and vote. If you wish to appoint 2 proxies, please obtain a second form by telephoning (02) 8259 7100. Both forms should be completed with the nominated number or percentage of your voting rights clearly printed on each form. If you do not specify a number or percentage of your voting rights, each proxy may exercise half of your voting rights. Please return both proxy forms together.

Dated _____ .

If the shareholder is an individual:

Signature: _____

If the shareholder is a company:

Affix common seal (if required by Constitution)

Director/Sole Director and Secretary

Director/Secretary

Print name

Print name

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
3. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
4. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting **that is by 10.30 am AEST on 21 November 2006** by post or facsimile to the respective addresses stipulated in this proxy form.
5. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.