

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Lynas Corporation Limited

ACN/ARSN 009 066 648

This notice is given by Mount Kellett Capital Management LP (**Investment Manager**), as the investment manager for each of Vista Asset Funding (Ireland) DAC, Mount Kellett Capital Partners (Ireland) II DAC, Lantau Overseas Master Fund II LP and Lantau Overseas Master Fund II-A LP (together, **Mount Kellett Funds**).

1. Details of substantial holder (1)

Name Mount Kellett Capital Management LP as investment manager for each of the Mount Kellett Funds

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 15/8/2017

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| Ordinary Shares | 400,000,000 | 400,000,000 | 8.7% |

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7) | Class and number of securities |
|---|---|--------------------------------|
| Vista Asset Funding (Ireland) DAC | Became the beneficial owner of shares by reason of conversion of Convertible Bonds, a copy of the conversion notice is annexed to this notice marked [A] | 10,767,560 ordinary shares |
| Mount Kellett Capital Partners (Ireland) II DAC | Became the beneficial owner of shares by reason of conversion of Convertible Bonds, a copy of the conversion notice is annexed to this notice marked [B] | 368,634,680 ordinary shares |
| Lantau Overseas Master Fund II LP | Became the beneficial owner of shares by reason of conversion of Convertible Bonds, a copy of the conversion notice is annexed to this notice marked [C] | 12,192,760 ordinary shares |
| Lantau Overseas Master Fund II-A LP | Became the beneficial owner of shares by reason of conversion of Convertible Bonds, a copy of the conversion notice is annexed to this notice marked [D] | 8,405,000 ordinary shares |
| Mount Kellett Capital Management LP | Power to control exercise of voting rights or disposal of ordinary shares by reason of having control of investment decisions as investment manager of Vista Asset Funding (Ireland) DAC, Mount Kellett Capital Partners (Ireland) II DAC, Lantau Overseas Master Fund II LP and Lantau Overseas Master Fund II-A LP. | 400,000,000 ordinary shares |

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|---|---|---|--|
| Vista Asset Funding (Ireland) DAC | The Hongkong and Shanghai Banking Corporation Limited | Vista Asset Funding (Ireland) DAC | 10,767,560 fully paid ordinary shares |
| Mount Kellett Capital Partners (Ireland) II DAC | The Hongkong and Shanghai Banking Corporation Limited | Mount Kellett Capital Partners (Ireland) II DAC | 368,634,680 fully paid ordinary shares |
| Lantau Overseas Master Fund II LP | The Hongkong and Shanghai Banking Corporation Limited | Lantau Overseas Master Fund II LP | 12,192,760 fully paid ordinary shares |
| Lantau Overseas Master Fund II-A LP | The Hongkong and Shanghai Banking Corporation Limited | Lantau Overseas Master Fund II-A LP | 8,405,000 fully paid ordinary shares |
| Mount Kellett Capital Management LP | The Hongkong and Shanghai Banking Corporation Limited | Vista Asset Funding (Ireland) DAC, Mount Kellett Capital Partners (Ireland) II DAC, Lantau Overseas Master Fund II LP and Lantau Overseas Master Fund II-A LP | 400,000,000 ordinary shares |

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) | Class and number of securities |
|---|---------------------|-------------------|--|
| Vista Asset Funding (Ireland) DAC | 15/8/2017 | \$1,076,756 | 10,767,560 fully paid ordinary shares |
| Mount Kellett Capital Partners (Ireland) II DAC | 15/8/2017 | \$36,863,468 | 368,634,680 fully paid ordinary shares |
| Lantau Overseas Master Fund II LP | 15/8/2017 | \$1,219,276 | 12,192,760 fully paid ordinary shares |
| Lantau Overseas Master Fund II-A LP | 15/8/2017 | \$840,500 | 8,405,000 fully paid ordinary shares |
| Mount Kellett Capital Management LP | 15/8/2017 | \$40,000,000 | 400,000,000 ordinary shares |

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-------------------------------------|--|
| Mount Kellett Capital Management LP | Mount Kellett Capital Management LP is the investment manager of each of the Mount Kellett Funds |

7. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|---|--|
| Vista Asset Funding (Ireland) DAC | 1st Floor, Cape House, Westend Office Park, Snugborough Road, Blanchardstown, Dublin 15 |
| Mount Kellett Capital Partners (Ireland) II DAC | 1st Floor, Cape House, Westend Office Park, Snugborough Road, Blanchardstown, Dublin 15 |
| Lantau Overseas Master Fund II LP | Intertrust Corporate Services Cayman Limited 190 Elgin Avenue George Town, KY19005 |
| Lantau Overseas Master Fund II-A LP | Intertrust Corporate Services Cayman Limited 190 Elgin Avenue George Town, KY19005 |
| Mount Kellett Capital Management LP | National Corporate Research 615 South DuPont Highway Dover, DE 19901 |
| The Hongkong and Shanghai Banking Corporation Limited | Level 3, 10 Smith Street Parramatta NSW 2150 |

Signature

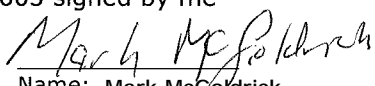
| | | |
|------------|------------------------|---|
| print name | <i>Mark McGoldrick</i> | Authorised signatory of Mount Kellett Capital Management LP |
| sign here | <i>Mark McGoldrick</i> | date 16 / 8 / 2017 |

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

This is the annexure of 2 pages marked "A" referred to in form 603 signed by me and dated 16 August 2017


Name: Mark McGoldrick
Capacity: Authorised signatory of
Mount Kellett Capital
Management LP

Conversion Notice

To: Lynas Corporation Limited (**Company**)
From: Vista Asset Funding (Ireland) DAC (**Bondholder**)

Notice of Conversion of Convertible Bonds

The Bondholder hereby gives notice of its election to convert the number of Convertible Bonds specified below by into Shares in the Company calculated in accordance with the Convertible Bond Deed dated 24 January 2012, as amended (**Convertible Bond Deed**).

| | |
|---|-------------------|
| Number of Convertible Bonds to be converted (Face Value = US\$1.00 per Convertible Bond): | 807,567 |
| Number of Conversion Shares to be Issued (Conversion Price =A\$0.10, at an exchange rate of A\$1.00 = US\$0.75): | 10,767,560 |

The Bondholder applies for such number of Shares as is equal to the Conversion Shares as calculated in accordance with the Convertible Bond Deed and requests that you issue the Conversion Shares to the Bondholder's Custodian Account as follows:

Name of Custodian Account: The Hongkong and Shanghai Banking Corporation Limited

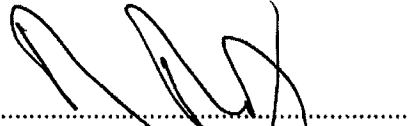
Address: The Hongkong and Shanghai Banking Corporation Limited (Australia Branch), Level 3,
10 Smith Street, Parramatta NSW 2150

HIN: 651362

The above Custodian will act as custodian of the Conversion Shares and has consented to becoming the registered holder of the Conversion Shares. The Bondholder agrees to be bound by the Constitution of the Company.

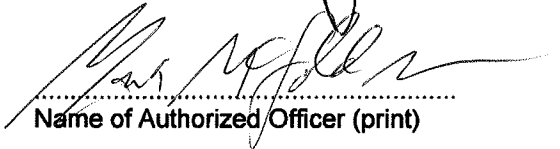
Dated 15 August 2017

Executed by Vista Asset Funding)
(Ireland) DAC)



Authorized Officer's Signature

Brian Brady
Director

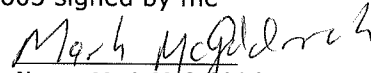


Name of Authorized Officer (print)

Note: A term defined in the Convertible Bond Deed has the same meaning when used in this notice.

For personal use only

This is the annexure of 2 pages marked "B" referred to in form 603 signed by me and dated 16 August 2017


Name: Mark McGoldrick
Capacity: Authorised signatory of
Mount Kellett Capital
Management LP

Conversion Notice

To: Lynas Corporation Limited (**Company**)
From: Mount Kellett Capital Partners (Ireland) II DAC (**Bondholder**)

Notice of Conversion of Convertible Bonds

The Bondholder hereby gives notice of its election to convert the number of Convertible Bonds specified below by into Shares in the Company calculated in accordance with the Convertible Bond Deed dated 24 January 2012, as amended (**Convertible Bond Deed**).

**Number of Convertible Bonds to be converted
(Face Value = US\$1.00 per Convertible Bond):**

27,647,601

**Number of Conversion Shares to be Issued
(Conversion Price =A\$0.10, at an exchange rate
of A\$1.00 = US\$0.75):**

368,634,680

The Bondholder applies for such number of Shares as is equal to the Conversion Shares as calculated in accordance with the Convertible Bond Deed and requests that you issue the Conversion Shares to the Bondholder's Custodian Account as follows:

Name of Custodian Account: The Hongkong and Shanghai Banking Corporation Limited

Address: The Hongkong and Shanghai Banking Corporation Limited (Australia Branch), Level 3,
10 Smith Street, Parramatta NSW 2150

HIN: 651362


The above Custodian will act as custodian of the Conversion Shares and has consented to becoming the registered holder of the Conversion Shares. The Bondholder agrees to be bound by the Constitution of the Company.

Dated 15 August 2017

Executed by Mount Kellett Capital)
Partners (Ireland) II DAC)


.....
Authorized Officer's Signature

Brian Brady
Director

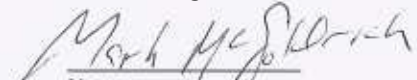

.....
Name of Authorized Officer (print)

Note: A term defined in the Convertible Bond Deed has the same meaning when used in this notice.

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This is the annexure of 1 page marked "C" referred to in form 603 signed by me and dated 16 August 2017

To: Lynas Corporation Limited (**Company**)
From: Lantau Overseas Master Fund II LP (**Bondholder**)


Name: Mark McGoldrick
Capacity: Authorised signatory of
Mount Kellett Capital
Management LP

Notice of Conversion of Convertible Bonds

The Bondholder hereby gives notice of its election to convert the number of Convertible Bonds specified below by into Shares in the Company calculated in accordance with the Convertible Bond Deed dated 24 January 2012, as amended (**Convertible Bond Deed**).

| | |
|---|-------------------|
| Number of Convertible Bonds to be converted (Face Value = US\$1.00 per Convertible Bond): | 914,457 |
| | ----- |
| Number of Conversion Shares to be Issued (Conversion Price =A\$0.10, at an exchange rate of A\$1.00 = US\$0.75): | 12,192,760 |
| | ----- |

The Bondholder applies for such number of Shares as is equal to the Conversion Shares as calculated in accordance with the Convertible Bond Deed and requests that you issue the Conversion Shares to the Bondholder's Custodian Account as follows:

Name of Custodian Account: The Hongkong and Shanghai Banking Corporation Limited
Address: The Hongkong and Shanghai Banking Corporation Limited (Australia Branch), Level 3, 10 Smith Street, Parramatta NSW 2150
HIN: 651362

The above Custodian will act as custodian of the Conversion Shares and has consented to becoming the registered holder of the Conversion Shares. The Bondholder agrees to be bound by the Constitution of the Company.

Dated 15 August 2017

Executed by Lantau Overseas Master Fund II LP)
By: Lantau Fund GP LLC, its General Partner:)
By: Mount Kellett Capital LLC, its managing member:


.....
Authorized Officer's Signature

Mark McGoldrick
.....
Name of Authorized Officer (print)

Note: A term defined in the Convertible Bond Deed has the same meaning when used in this notice.

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This is the annexure of 1 page marked "D" referred to in form 603 signed by me and dated 16 August 2017

Mark McGoldrick

To: Lynas Corporation Limited (Company)

From: Lantau Overseas Master Fund II-A LP (Bondholder)

Name: Mark McGoldrick
Capacity: Authorised signatory of
Mount Kellett Capital
Management LP

Notice of Conversion of Convertible Bonds

The Bondholder hereby gives notice of its election to convert the number of Convertible Bonds specified below by into Shares in the Company calculated in accordance with the Convertible Bond Deed dated 24 January 2012, as amended (**Convertible Bond Deed**).

| | |
|---|------------------|
| Number of Convertible Bonds to be converted (Face Value = US\$1.00 per Convertible Bond): | 630,375 |
| | |
| Number of Conversion Shares to be Issued (Conversion Price =A\$0.10, at an exchange rate of A\$1.00 = US\$0.75): | 8,406,000 |
| | |

The Bondholder applies for such number of Shares as is equal to the Conversion Shares as calculated in accordance with the Convertible Bond Deed and requests that you issue the Conversion Shares to the Bondholder's Custodian Account as follows:

Name of Custodian Account: The Hongkong and Shanghai Banking Corporation Limited

Address: The Hongkong and Shanghai Banking Corporation Limited (Australia Branch), Level 3, 10 Smith Street, Parramatta NSW 2150

HIN: 651362

The above Custodian will act as custodian of the Conversion Shares and has consented to becoming the registered holder of the Conversion Shares. The Bondholder agrees to be bound by the Constitution of the Company.

Dated 15 August 2017

Executed by Lantau Overseas Master Fund II-A LP)
By: Lantau Fund GP LLC, its General Partner:)
By: Mount Kellett Capital LLC, its managing member:

Mark McGoldrick

Authorized Officer's Signature

Mark McGoldrick

Name of Authorized Officer (print)

Note: A term defined in the Convertible Bond Deed has the same meaning when used in this notice.

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