

26 March 2019

Proposal to acquire Lynas Corporation

Wesfarmers (ASX:WES) has made a conditional, non-binding indicative proposal (**Indicative Proposal**) to the Board of Lynas Corporation (ASX:LYC) to acquire Lynas for \$2.25 a share, payable in cash, pursuant to a scheme of arrangement. The proposal is a premium of 44.7 per cent to the last closing price and a premium of 36.4 per cent to the 60-day weighted average price of Lynas to 25 March 2019.

The proposal is conditional on, among other things, entry into a Process Deed to govern Wesfarmers' due diligence and the negotiation of a binding Implementation Agreement between the parties. Wesfarmers is seeking to negotiate a Process Deed with Lynas. Any transaction would remain subject to various matters including:

- completion by Wesfarmers of its due diligence investigations;
- negotiation and execution of an Implementation Agreement, for approval by both Boards;
- ensuring that relevant operating licences in Malaysia are in force and will remain in force for a satisfactory period following completion of the transaction; and
- securing regulatory approvals for the transaction, Lynas shareholder approval, Court approval and meeting other customary conditions.

There is no certainty that the Indicative Proposal will lead to an agreed transaction.

Wesfarmers is uniquely placed to support Lynas' future through further capital investment to support downstream processing assets and realise the full potential of the Mt Weld ore body. Wesfarmers also offers highly complementary mining and chemical processing expertise and a track record of working well with diverse Government and other stakeholders to deliver sustainable, positive outcomes for local communities.

Wesfarmers Managing Director Rob Scott said, "An investment in Lynas leverages our unique assets and capabilities, including in chemical processing, and will deliver Lynas' shareholders with an attractive premium and certain cash return."

"We also acknowledge the importance of the Lynas Advanced Materials Plant in Malaysia and the strong contribution made by Lynas' management team and its employees across all operations. We expect Lynas' employees to continue to play an important role in taking the company forward."

For more information:

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