

13 June 2018

## Acceptances and acceptance instructions under the OZ Minerals offer for Avanco now total 73.9%

### Offer Period extended until 6 July 2018

- **OZ Minerals has received acceptances and acceptance instructions for 73.9% of Avanco shares**
  - includes 63.7% in acceptances and 10.2% via the institutional acceptance facility, which is now irrevocable and unconditional
- **Offer period will be extended to 7.00pm (Sydney time) on 6 July 2018**
- **All of Avanco's major shareholders (Appian, BlackRock, Greenstone Resources and Glencore) have now accepted or given acceptance instructions in the Offer**
- **The Offer is unconditional**
- **Offer price is final and cannot be increased by law**
- **Payment terms have been accelerated**
- **OZ Minerals has assumed control of Avanco Board and intends to place secondees into key management roles**
- **Avanco shareholders are urged to accept the Offer without delay**

OZ Minerals is pleased to advise that, as at this morning, it had received acceptances and acceptance instructions of its Offer<sup>1</sup> for a total of 73.9% of the issued capital in Avanco. This total includes:

- 63.7% in direct acceptances; and
- 10.2% in acceptance instructions under the institutional acceptance facility, all of which relate to shares held by BlackRock. As the Offer is unconditional, BlackRock cannot withdraw these instructions and they will be processed as an acceptance.

Acceptances and acceptance instructions have been received from all of Avanco's major shareholders (Appian, BlackRock, Greenstone Resources and Glencore) and in respect of the shares resulting from the exercise of Avanco management options following the Offer being declared unconditional on 7 June 2018.

---

<sup>1</sup> Offer refers to the recommended off-market takeover offer through its wholly owned subsidiary OZ Minerals Brazil (Holdings) Pty Ltd for all the ordinary shares in Avanco Resources Limited.

13 June 2018

OZ Minerals will extend the offer until 7.00pm (Sydney time) on 6 July 2018.<sup>2</sup>

Shareholders intending to accept the Offer are encouraged to do so immediately, as there is no reason to delay.

Avanco shareholders who have already accepted the Offer, or who accept by 14 June, will be paid the Offer consideration of \$0.085 cash and 0.009 OZ Minerals shares for each Avanco share by 21 June. Avanco shareholders who accept after 14 June will be paid within seven days of acceptance.

OZ Minerals has implemented the following changes with respect to Avanco:

- OZ Minerals Executives Andrew Cole, Mark Irwin and Warrick Ranson have been appointed Non-Executive Directors of the Avanco Board, with Andrew Cole assuming the role of Chairman;
- Avanco Board directors Simon Mottram and Luis Azevedo have retired from the Board but remain as senior executives with Avanco;
- Luiz Ferraz has retired from the Board;
- Tony Polglase has stepped down as Managing Director of Avanco and is now Chief Executive, Brazil;
- OZ Minerals intends to place secondees into key management and technical roles in Brazil without delay; and
- OZ Minerals has a dedicated internal team focused on transition of ownership and integration activity as its ownership in Avanco increases.

OZ Minerals believes that Avanco shareholders can share in the upside potential of both OZ Minerals and Avanco operating assets and development pipelines and urges Avanco shareholders to **ACCEPT the Offer for the following reasons:**

- The Offer is unconditional;
- The Offer price is **final** in all respects and cannot, by law, be increased for any reason;
- No competing offer has emerged since the Offer was announced by OZ Minerals on 27 March 2018;
- The consideration of \$0.085 cash and 0.009 OZ Minerals shares for each Avanco share means the **Offer is now worth \$0.181 per share**, which currently represents a significant 135% premium to Avanco's share price of \$0.077 per share prior to announcement of the transaction, and is higher than the Avanco share price at any time over the prior five years;
- Avanco shareholders will receive cash and shares in OZ Minerals, a financially stronger company with a diversified asset portfolio, international exploration prospects and a history of paying dividends;
- Avanco shareholders will retain exposure to Avanco's undeveloped assets through shares in OZ Minerals;
- OZ Minerals' shares have significantly greater trading liquidity than Avanco's, meaning Avanco shareholders can sell or increase their holding in OZ Minerals more easily than they can with their shareholding in Avanco; and
- Avanco's Board unanimously recommends the Offer be accepted and each of Avanco's directors and each Key Management Personnel<sup>3</sup> has accepted the Offer for all their shares in Avanco.

#### **There are risks in remaining an Avanco shareholder following conclusion of the Offer**

- The presence of a majority shareholder is likely to significantly reduce the liquidity in Avanco shares and may impact the trading value of those shares;

---

<sup>2</sup> As the level of acceptances surpassed 50% within the last seven days of the Offer period, the Offer period is extended by law for 14 days. However, OZ Minerals has decided to extend for a longer period.

<sup>3</sup> As defined in OZ Minerals Brazil's bidder's statement in relation to the Offer.

13 June 2018

- OZ Minerals intends to develop Avanco's assets expediently, which is likely to require significant levels of funding. OZ Minerals will encourage the investigation of all funding models, but currently believes that the best method to raise the required funding would be through the issue of new Avanco shares. Shareholders who remain on the Avanco share register should consider the implications of any such share issue, both if they participate in an equity issue and if they do not; and
- If the Offer closes with OZ Minerals holding less than 90% of the shares, Avanco's share price may fall below the current trading price and there is no guarantee that OZ Minerals will make another offer at a later time for the Avanco shares it does not own.

The Offer price is final and cannot be increased by law. The Offer is unconditional and will close at 7.00pm (Sydney time) on 6 July 2018 (unless further extended). Avanco shareholders should accept without delay.

For further information, please contact:

**Investors**

Tom Dixon

T: +61 8 8229 6628

M: +61 450 541 389

E: [tom.dixon@ozminerals.com](mailto:tom.dixon@ozminerals.com)

**Media**

Sharon Lam

T: +61 8 8229 6627

M: +61 438 544 937

E: [sharon.lam@ozminerals.com](mailto:sharon.lam@ozminerals.com)