

3 MAY 2018

OZ Minerals extends its Offer for Avanco

OZ Minerals Limited ("OZ Minerals") announces that it has extended the offer period for its 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 ("Avanco") ("Offer").

The Offer is now scheduled to close at **7.00pm** (Sydney time) on **1 June 2018** (unless extended).

In relation to this extension, a formal notice of variation has been lodged with ASIC and served on Avanco, and has also been sent to Avanco shareholders. A copy of the notice, along with a copy of a letter sent to shareholders accompanying the notice, is attached to this announcement.

The Offer values Avanco at \$0.17 per Avanco share, which is at a level higher than the Avanco share price at any time in the last five years, and which represents a significant 121% premium to Avanco's share price of \$0.077 per share before the Offer was announced¹. It also allows Avanco shareholders to hold shares in a financially stronger company with a diversified asset portfolio and a history of paying dividends.

OZ Minerals notes that the **offer price is final**, in the absence of a competing proposal. **This means that OZ Minerals cannot, by law, increase its offer price** unless Avanco receives a competing proposal. Furthermore as at the date of this announcement, the OZ Minerals Offer is the only offer available for all your Avanco shares.

The directors of Avanco unanimously recommend that Avanco shareholders accept the Offer in the absence of a superior proposal. Importantly, and as announced by Avanco on 2 May 2018, Avanco's directors and certain members of Avanco management have already accepted the Offer for their collective holdings, representing 0.57% of all Avanco shares². Avanco also confirmed that it has not received any competing proposal.

As at the date of this announcement, OZ Minerals has a relevant interest of 22.31%² in Avanco.

OZ Minerals strongly encourages all Avanco shareholders to accept the Offer without delay.

For further information, please contact:

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¹ Based on OZ Minerals 1 month VWAP of \$9.45 per share prior to the announcement of the Offer on 27 March 2018.

² Based on 2,456,906,443 Avanco shares on issue as at the date of this announcement.

A modern mining company



3 May 2018

Shareholder Name
Address line 1
Address line 2
Address line 3

Dear Shareholder,

OZ Minerals extends its Offer for Avanco

OZ Minerals Limited ("OZ Minerals") has extended the offer period for its 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 ("Avanco") ("Offer").

The Offer is now scheduled to close at **7.00pm** (Sydney time) on **1 June 2018** (unless extended). A formal letter of variation as required by the Corporations Act 2001 (Cth) is enclosed.

The Offer values Avanco at \$0.17 per Avanco share, which is at a level higher than the Avanco share price at any time in the last five years, and which represents a significant 121% premium to Avanco's share price of \$0.077 per share before the Offer was announced¹. The Offer also gives Avanco shareholders who accept the Offer the chance to hold shares in a financially stronger company with a diversified asset portfolio and a history of paying dividends.

On 17 April 2018, OZ Minerals released an announcement to the ASX titled 'OZ Minerals March 2018 Quarterly Report' which provided an outline of the strong production and operational performance achieved by OZ Minerals in the March 2018 quarter. At our Annual General Meeting on 24 April, we reviewed 2017's significant operating performance with net profit up 114% year on year, continuing to support a solid basis for the future. These results demonstrated the strong cash generation of OZ Minerals and the progress made on a number of key growth initiatives, including the Carrapateena copper gold project and the West Musgrave nickel copper pre feasibility study. Importantly, OZ Minerals also reiterated its FY 2018 production and cash cost guidance as part of its quarterly update.

OZ Minerals notes that the offer price is final in the absence of a competing proposal. **This means that OZ Minerals cannot, by law, increase its offer price** unless Avanco receives a competing proposal. Furthermore as at the date of this letter, the OZ Minerals Offer is the only offer available for all your Avanco shares.

The directors of Avanco unanimously recommend that Avanco shareholders accept the Offer in the absence of a superior proposal. Importantly, and as announced by Avanco on 2 May 2018, Avanco's directors and certain members of Avanco management have already accepted the Offer for their collective holdings, representing 0.57% of all Avanco shares². Avanco also confirmed that it has not received any competing proposal.

As at the date of this letter, OZ Minerals has a relevant interest of 22.31%² in Avanco.

¹ Based on OZ Minerals 1 month VWAP of \$9.45 per share prior to the announcement of the Offer on 27 March 2018.

² Based on 2,456,906,443 Avanco shares on issue as at the date of this letter.

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If you have already accepted the Offer, you do not need to take any action. If you have not, I strongly urge you to accept the Offer without delay.

If you require a new acceptance form, or have any queries in relation to the Offer or how to accept it, please contact OZ Minerals' Offer Information Line on 1300 330 255 (within Australia) or +61 1300 330 255 (outside Australia).

We look forward to welcoming you as an OZ Minerals shareholder and in doing so, you sharing in the upside potential of both the OZ Minerals and Avanco assets, and development pipelines.

Yours faithfully,



Andrew Cole
Managing Director and CEO
OZ Minerals Limited

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A copy of this notice was lodged with ASIC on 3 May 2018. ASIC takes no responsibility for the contents of this notice.

OZ Minerals Brazil (Holdings) Pty Ltd

ACN 625 407 141

Takeover offer for Avanco Resources Limited

Notice of variation – Extension of offer period

To: Avanco Resources Limited ACN 126 379 646 (**Avanco**)

Each Avanco shareholder and other person referred to in section 650D(1)(c) and section 650D(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by ASIC Class Order [13/521])

OZ Minerals Brazil (Holdings) Pty Ltd (**OZ Minerals Brazil**) gives notice that its takeover offers for all of the ordinary shares in Avanco contained in its bidder's statement dated 10 April 2018 (**Bidder's Statement**) are varied by extending the period during which the offer will remain open so that the offer will now close at 7.00 pm (Sydney time) on 1 June 2018.

OZ Minerals Brazil also gives notice that its takeover offers are varied such that the new date for the purposes of giving notice of status of defeating conditions will be 25 May 2018.

As at the date of this notice:

- 1 the offers have been freed of the defeating conditions contained in sections 13.8(a) (regulatory approvals) and 13.8(f) (material contracts) of the Bidder's Statement; and
- 2 none of the other defeating conditions to the offers in section 13.8 of the Bidder's Statement have been freed or, so far as OZ Minerals Brazil knows, fulfilled and, accordingly, the offers remain subject to those defeating conditions.

DATED: 3 May 2018

Signed for and on behalf of
OZ Minerals Brazil (Holdings) Pty Ltd


Robert Mancini
Director