

18 November 2022

OZ Minerals receives revised proposal at \$28.25 per share from BHP and provides access to due diligence

OZ Minerals Limited (“**OZ Minerals**”) advises that on 16 November 2022 it received a revised conditional, non-binding and indicative proposal from BHP Group Limited (“**BHP**”) to acquire all shares in OZ Minerals for A\$28.25 per share in cash via a scheme of arrangement (“**Revised Proposal**”).

The Revised Proposal follows a period of engagement with BHP after BHP’s unsolicited, conditional, non-binding and indicative proposal received on 5 August 2022 (“**Initial Proposal**”).

The Revised Proposal of A\$28.25 per share represents:

- an enterprise value for OZ Minerals of A\$9.6 billion¹;
- a 49.3% premium to OZ Minerals’ undisturbed closing share price of A\$18.92 per share on 5 August 2022;
- a 59.8% premium to OZ Minerals’ undisturbed 30-day volume weighted average price of A\$17.67 per share as at 5 August 2022; and
- a 13.0% increase compared to the Initial Proposal of A\$25.00 per share.

The Revised Proposal also allows OZ Minerals to consider paying a franked dividend to shareholders prior to the transaction being implemented. The cash consideration price will be reduced by the cash component of any dividends or return of capital paid by OZ Minerals before the date of the implementation of the Revised Proposal.

The Revised Proposal is subject to a number of conditions including:

- BHP completing satisfactory due diligence;
- entry into a scheme implementation agreement on acceptable terms; and
- a unanimous recommendation from the OZ Minerals Board of Directors that shareholders vote in favour of the transaction (in the absence of a superior proposal and subject to an independent expert concluding, and continuing to conclude, that the transaction is in the best interests of OZ Minerals’ shareholders) as well as a statement that each Board member vote all OZ Minerals shares they own in such manner.

BHP has indicated that this offer price represents the best and final price it is willing to offer under the Revised Proposal, in the absence of a competing proposal.

¹ Based on OZ Minerals’ fully diluted shares on issue of 336.8 million (inclusive of 2.1 million performance rights) and net debt of A\$84m as at 30 September 2022.

After carefully assessing the Revised Proposal, the Board of OZ Minerals has agreed to grant BHP the opportunity to conduct due diligence for four weeks on an exclusive basis (the key exclusivity terms are summarised in Appendix A) and to work cooperatively towards entry into a scheme implementation agreement with BHP according to the terms of the Revised Proposal. The 4 week period is expected to commence on or around Monday 21 November 2022.

Subject to agreement of an acceptable binding scheme implementation agreement, the intention of the OZ Minerals Board is to unanimously recommend the Revised Proposal as being in the best interests of OZ Minerals' shareholders in the absence of a superior proposal and subject to the independent expert's recommendation.

OZ Minerals Chairman, Rebecca McGrath, said:

"The Revised Proposal from BHP follows a period of Board-level engagement, securing a circa \$1.1 billion increase to the Initial Proposal. It is the Board's view that progressing the Revised Proposal, including providing BHP with access to due diligence, is in the best interests of OZ Minerals' shareholders and other stakeholders. The Board will continue to update shareholders as appropriate."

OZ Minerals Managing Director and Chief Executive Officer, Andrew Cole said:

"BHP's Revised Proposal is a clear reflection of OZ Minerals' unique set of highly strategic, quality assets in quality jurisdictions and an enviable multigenerational growth pipeline of copper and nickel assets in strong demand due to global electrification. We look forward to working with BHP in a collaborative way to progress the Revised Proposal in the best interests of OZ Minerals' and its stakeholders."

OZ Minerals notes that there is no certainty at this stage that the Revised Proposal and engagement between OZ Minerals and BHP will progress to a binding scheme implementation agreement for consideration by shareholders.

At this stage, shareholders do not need to take any action. OZ Minerals will continue to update shareholders as appropriate.

OZ Minerals is being advised by Macquarie Capital, Greenhill & Co and Gilbert + Tobin.

This announcement is authorised for market release by OZ Minerals' Board.

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Appendix A

Summary of key exclusivity terms

1.1 No shop restriction

During the Exclusivity Period, OZ Minerals must not, and must ensure that each of its Representatives does not, directly or indirectly:

- (a) solicit, encourage, initiate or invite (including by the provision of non-public information to any third party) any enquiries, expressions of interest, offers, discussions or negotiations by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, or with a view to obtaining, an actual, proposed or potential Competing Proposal; or
- (b) communicate to any person any intention to do any of the things referred to above.

1.2 No talk restriction

Subject to the fiduciary out described below, during the Exclusivity Period, OZ Minerals must not, and must ensure that each of its Representatives does not, directly or indirectly:

- (a) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into; or
- (b) facilitate, participate or continue in any negotiations or discussions with any other person regarding,

a Competing Proposal or any inquiry, expression of interest, offer, proposal or discussion by any person in relation to any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by OZ Minerals or any of its Representatives or the person has publicly announced the Competing Proposal.

1.3 No due diligence restriction

Subject to the fiduciary out described below, during the Exclusivity Period, OZ Minerals must not, and must ensure that none of its Representatives, directly or indirectly:

- (a) permit any person (other than BHP or any of its Representatives) to undertake due diligence investigations in respect of OZ Minerals, its related bodies corporate, or any of their business and operations; or
- (b) make available to any person (other than BHP or any of its Representatives) or permit any such person to receive any non-public information relating to OZ Minerals, its related bodies corporate, or the OZ Minerals group's business,

in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to:

- (c) the formulation, development, finalisation, receipt or announcement of any actual, proposed or potential Competing Proposal; or
- (d) the person otherwise acquiring an interest in OZ Minerals that could, directly or indirectly, result in the Transaction not being capable of implementation in the manner contemplated by the parties or either of OZ Minerals or BHP deciding not to proceed with the Transaction,

(including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of OZ Minerals or any of its Representatives) whether by that person or another person.

1.4 **Fiduciary out**

- (a) The no talk and no due diligence restriction do not apply to the extent they restrict OZ Minerals or the OZ Minerals board from taking or refusing to take any action with respect to a genuine Competing Proposal (in relation to which there has been no contravention of the no shop restriction) provided that the OZ Minerals board has determined, in good faith after:
- (i) consultation with its financial advisors, that the Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
 - (ii) receiving written legal advice from its external legal advisers experienced in transactions of this nature that failing to respond to such a genuine Competing Proposal would (or may be reasonably likely to) constitute a breach of the OZ Minerals board's fiduciary or statutory obligations.
- (b) OZ Minerals acknowledges and agrees that BHP has the right (but not the obligation) to:
- (i) undertake its due diligence investigations in respect of the OZ Minerals group and the OZ Minerals business (and to continue to undertake those investigations) for the duration of the Exclusivity Period; and
 - (ii) have access to (and to continue to be entitled to have access to) the data room and the documents uploaded to the data room for the duration of the Exclusivity Period,
- notwithstanding that OZ Minerals may, in reliance on the fiduciary out, disclose or otherwise provide or make available to any person any non-public information relating to the OZ Minerals group.

1.5 **Ordinary course discussions**

The exclusivity provisions do not prevent OZ Minerals from, amongst other things, making presentations or providing information to brokers, portfolio investors, joint venture partners or potential joint venture partners, analysts and other third parties in the ordinary course of business.

1.6 **Key defined terms**

Competing Proposal means any expression of interest, proposal, offer, transaction, agreement or arrangement which, if entered into or completed substantially in accordance with its terms, would result in any third party (either alone or together with one or more third parties):

- (a) acquiring Voting Power (as defined in section 610 of the Corporations Act) in OZ Minerals of more than 20% or otherwise acquiring:
- (i) a Relevant Interest (as defined in sections 608 and 609 of the Corporations Act) in;
 - (ii) a legal, beneficial or economic interest in; or
 - (iii) control of,
- more than 20% of the OZ Minerals shares (including through one or more derivative contracts, an equity swap, contract for difference or similar transaction or arrangement);
- (b) acquiring Control (as defined in section 50AA of the Corporations Act) of or merging with OZ Minerals;

- (c) acquiring, becoming the holder of or having a right to acquire all or substantially all of the property or the material assets of the OZ Minerals group taken as a whole, or otherwise acquiring a legal or economic interest in such property or assets; or
- (d) entering into any agreement, arrangement or understanding requiring OZ Minerals to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of a takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, assignment of assets or liabilities, joint venture, dual listed company structure (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

Corporations Act means the *Corporations Act 2001* (Cth).

Exclusivity Period means the period starting on 18 November 2022 and ending on the earlier of the date:

- (a) that is 20 business days after the data room opens, which is expected to be Monday 21 November 2022. This date will be extended by one week if before the end of this period BHP confirms to OZ Minerals that it has completed its due diligence investigations and is willing to proceed with the Transaction on the terms set out in the Revised Proposal (including the price of \$28.25 per share);
- (b) the parties enter into an implementation agreement in relation to the Transaction;
- (c) BHP terminates its due diligence investigations in respect of OZ Minerals;
- (d) BHP reduces the proposed offer price under the Transaction to below \$28.25 per share or advises OZ Minerals that it intends to do so; and
- (e) the confidentiality and exclusivity deed is terminated.

If before the end of the Exclusivity Period BHP confirms to OZ Minerals that it has completed its due diligence investigations and that it is willing to proceed with the Transaction on the terms set out in the Revised Proposal (including the price of \$28.25 per share), the Exclusivity Period will be extended by 1 week from the date it would otherwise have expired.

Representative means, in relation to a party:

- (a) a related body corporate of that party; or
- (b) a director, officer, employee, agent, contractor or adviser of or to that party or any of its related bodies corporate.

Superior Proposal means a bona fide Competing Proposal which the OZ Minerals board, acting in good faith and in order to satisfy what the OZ Minerals board considers to be its fiduciary or statutory duties, and after having obtained advice from its legal and financial advisers, determines:

- (a) is reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal, including its conditions, the identity and the financial condition of the person making such proposal and all relevant legal, regulatory and financial matters; and
- (b) would, if completed substantially in accordance with its terms, be of a higher value and more favourable to OZ Minerals shareholders than the latest proposal provided by BHP to OZ Minerals, considering all relevant aspects of the Competing Proposal.

Transaction means the proposed acquisition by BHP (or a related body corporate of BHP) of all the OZ Minerals shares by scheme of arrangement pursuant to a proposal which is agreed in writing with OZ Minerals and recommended to OZ Minerals shareholders by the OZ Minerals board.