

A modern mining company



29 June 2018

The Manager, Companies
Australian Securities Exchange
Companies Announcement Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

OZ Minerals to commence compulsory acquisition

Compulsory acquisition notices and related correspondence will be dispatched to all Avanco Resources Limited shareholders who have not accepted OZ Minerals Limited's offer (through its wholly owned subsidiary OZ Minerals Brazil (Holdings) Pty Ltd).

A copy of that correspondence is attached to this announcement. A copy of the compulsory acquisition notice is included by way of service pursuant to s661B(1)(d) of the Corporations Act.

We understand ASX will suspend quotation of Avanco Resources Limited shares 5 business days after today, in accordance with ASX Listing Rule 17.4.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michelle Pole'. The signature is fluid and cursive, starting with a large loop and ending with a long horizontal stroke.

Michelle Pole

Company Secretary and Senior Legal Counsel

27 June 2018

Sample name
Sample address line 1
Sample address line 2
Sample address line 3

Dear Avanco Shareholder,

Compulsory acquisition of shares in Avanco

OZ Minerals Brazil (Holdings) Pty Ltd (**OZ Minerals Brazil**) has a relevant interest in more than 90% of the shares in Avanco Resources Limited (**Avanco**) as a result of its takeover offer.

Accordingly, OZ Minerals Brazil will now exercise its right to acquire the remaining shares under the compulsory acquisition provisions of the Corporations Act. The compulsory acquisition will be on the same terms as the offer (that is, consideration of \$0.085 cash and 0.009 OZ Minerals Limited shares per Avanco share).

If you have accepted OZ Minerals Brazil's takeover offer, you can disregard this letter.

Avanco shareholders who have not accepted the offer may still do so up until the scheduled offer closing time of 7.00pm (Sydney time) on 6 July 2018. This will result in quicker payment than under compulsory acquisition.

On completion of the compulsory acquisition process, OZ Minerals Brazil will pay and issue to Avanco the consideration for the shares that it compulsorily acquires. Shareholders whose shares are compulsorily acquired will be sent a claim form by Avanco advising them how to claim their consideration.

Enclosed is an ASIC Form 6021 – Notice of compulsory acquisition following takeover bid, which sets out further information on the compulsory acquisition process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Mancini', with a horizontal line extending to the right.

Robert Mancini

Director
OZ Minerals Brazil (Holdings) Pty Ltd

Notice of compulsory acquisition following takeover bid

Notice

To each holder of:

Description of class of securities to which the bid relates

Ordinary shares

(Bid Class Securities)

Name of target company or body

in

Name ('the Company')

Avanco Resources Limited

ACN/ARBN/ARSN

126 379 646

Tick applicable box(es)

- and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.
- and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

Name of bidder

1. Under a takeover bid offers were made by

OZ Minerals Brazil (Holdings) Pty Ltd ACN 625 407 141

in respect of the acquisition of Bid Class Securities in the company.

The offers

Tick one box

- closed
- are scheduled to close

Date offers closed or are scheduled to close

on

Date

0 6 / 0 7 / 1 8
[D] [D] [M] [M] [Y] [Y]

Tick applicable box(es).
(see subsection 661A(4) and (4A))

2. You are, as at the date of this notice, the holder of one or more of the following

- securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)
- securities to which the bid related issued after the end of the offer period and before the date of this notice
- securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related
- securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

Description of securities

Description of securities

the following securities in the bid class in which the bidder has a relevant interest

Tick one box

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

- 661A(1)
- 661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Continued... Notice

Date of lodgement

4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

This notice was lodged with ASIC on

Date

/ /
[D] [D] [M] [M] [Y] [Y]

Insert paragraph 4A only where alternative forms of consideration were offered under the bid.

- 4A. You are entitled, within one month after being given this notice (see paragraph 8), or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:

Details of alternative terms

| |
|----------------|
| Not applicable |
| |
| |

If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:

Set out the terms that will apply

| |
|----------------|
| Not applicable |
| |
| |

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.

Tick one box

6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before

- this notice was given.
 the end of the offer period.

7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.

8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Signature

Name of person signing

Robert Mancini

Capacity

Director

Signature



Date signed

/ /
[D] [D] [M] [M] [Y] [Y]