

NEWS RELEASE



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BHP AND OZL ENTER INTO SCHEME IMPLEMENTATION DEED

BHP has entered into a Scheme Implementation Deed (**SID**) with OZ Minerals Limited (**OZL**) to acquire 100% of OZL by way of a scheme of arrangement for a cash price of A\$28.25 per OZL share (**Scheme**).

The SID confirms the terms of the Scheme and BHP's non-binding indicative proposal announced on 18 November 2022. The execution of the SID follows the completion of a four-week exclusive due diligence period.

BHP's offer price of A\$28.25 per OZL share corresponds to an enterprise value of A\$9.6 billion¹ for OZL and represents a significant and attractive premium of:

- 49.3% to OZL's closing price of A\$18.92 per share on 5 August 2022, being the last trading day prior to the initial proposal by BHP; and
- 59.8% to OZL's 30-day VWAP of A\$17.67 per share up to and including 5 August 2022.

OZL Board support

The OZL Board has unanimously recommended that OZL shareholders vote in favour of the Scheme, and each OZL director intends to vote their OZL shares in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of OZL shareholders.

Overview of the Scheme Implementation Deed (SID)

BHP Lonsdale Investments Pty Limited, a wholly owned subsidiary of BHP Group Limited, and OZL have entered into the SID. The implementation of the Scheme is subject to satisfaction of certain conditions including receipt of approvals from regulators in relevant jurisdictions (including Brazil and Vietnam), an independent expert concluding that the Scheme is in the best interests of OZL shareholders, OZL shareholder approval, Australian court approval, no material adverse change in relation to OZL and no prescribed occurrences occurring. The Scheme is not subject to a financing condition. The conditions of the Scheme are required to be satisfied by 31 August 2023 unless extended by BHP and OZL. The SID also contains customary exclusivity provisions including 'no shop' and 'no talk' restrictions, and a matching right in favour of BHP in respect of competing proposals. The SID contains a reciprocal break fee regime, payable by BHP and OZL in certain circumstances. The amount of the break fee and reverse break, if either become payable, is A\$95 million.

The SID allows for OZL to pay a franked dividend to OZL shareholders of up to A\$1.75 per OZL share on or prior to the transaction being implemented, with the cash price of A\$28.25 to be reduced by the cash component of any dividends paid by OZL before the date of the implementation of the Scheme.

¹ Based on OZL's fully diluted shares on issue of 337.0 million (inclusive of 2.1 million performance rights) as at 22 December 2022 and net debt of A\$84 million as at 30 September 2022.

Full details of the conditions of the Scheme and other agreed terms are set out in the SID, a copy of which was released to the ASX by OZL today.

Attractive strategic rationale

BHP CEO Mike Henry said:

“The combination of BHP and OZL’s assets, skills and technical expertise provides a unique opportunity not available under separate ownership, with complementary resources including the Oak Dam exploration prospect and existing facilities within close proximity, backed by BHP’s strong balance sheet, capital discipline and commitment to sustainable development.

We thank the OZL Board and management for their engagement through the due diligence process and look forward to working together to continue to take steps forward to complete the transaction.”

Funding

The cash required by BHP to fund the Scheme will be sourced from a combination of BHP’s existing cash reserves and cash equivalents, and the proceeds of a new loan facility. The total amount of funding available under this facility exceeds the consideration required and all expected costs associated with the Scheme.

Indicative timetable

A Scheme meeting of OZL shareholders is expected to be held in late March / early April 2023 and, if approved by OZL shareholders and the court, the Scheme will be implemented shortly after.

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