

24 April 2018

ASX: AVB ('AVANCO' OR 'THE COMPANY')

Supplementary Target's Statement – OZ Minerals Offer

Avanco has today lodged a Supplementary Target's Statement with the Australian Securities and Investments Commission and the Australian Securities Exchange in relation to the off-market takeover offer (the **Offer**) from OZ Minerals Limited (**OZ Minerals**), through its wholly owned subsidiary OZ Minerals Brazil (Holdings) Pty Ltd, to acquire all the ordinary shares in Avanco.

The Supplementary Target's Statement is prepared under section 644 of the Corporations Act and is supplementary to Avanco's original target's statement dated 11 April 2018 (**Original Target's Statement**).

A copy of the Supplementary Target's Statement is attached to this announcement.

The Supplementary Target's Statement has also been given to OZ Minerals today.

The Board of Avanco continues to unanimously recommend that all Avanco shareholders ACCEPT the Offer, subject to no superior proposal being received, and intend to ACCEPT the Offer in relation to the Avanco shares that they respectively hold or control. In considering the Board of Avanco's recommendation, Avanco shareholders should review the comprehensive information provided in the Bidder's Statement and the Original Target's Statement (as supplemented by the Supplementary Target's Statement lodged today).

All company announcements and information on the Offer are available on the Avanco website at www.avancoresources.com. Shareholders can also receive further information on the Offer by calling the Company Secretary on +61 8 9324 1865 at any time between 8:30am and 5pm (WST) on Monday to Friday.

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AVANCO RESOURCES LIMITED

ACN 126 379 646

SUPPLEMENTARY TARGET'S STATEMENT

1. IMPORTANT INFORMATION

This document is a supplementary target's statement issued by Avanco Resources Limited (ACN 126 379 646) (**Avanco**) under section 644 of the *Corporations Act 2001* (Cth) (**Supplementary Target's Statement**) and is supplementary to Avanco's target's statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 11 April 2018 (**Original Target's Statement**) in relation to the off-market takeover offer by OZ Minerals Limited (ACN 005 482 824) (**OZ Minerals**), through its wholly owned subsidiary OZ Minerals Brazil (Holdings) Pty Ltd (ACN 625 407 141), for all of the fully paid ordinary shares in the capital of Avanco (**Offer**).

This Supplementary Target's Statement is dated 24 April 2018 and was lodged with ASIC and given to ASX on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Supplementary Target's Statement.

This Supplementary Target's Statement supplements and must be read together with the Original Target's Statement. If there is a conflict between the Original Target's Statement and this Supplementary Target's Statement, this Supplementary Target's Statement will prevail. Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning in this Supplementary Target's Statement.

Please consult your legal, financial or other professional adviser if you do not fully understand the contents of this Supplementary Target's Statement.

A copy of this Supplementary Target's Statement will be available on Avanco's website (www.avancoresources.com).

2. OFFER CONDITIONS

Avanco notes the following:

- (a) The Condition to the Offer set out in section 13.8(a) of the Bidder's Statement (the **Regulatory Approvals Condition**) has not yet been fulfilled or waived.
- (b) As set out in the Bidder's Statement (see in particular, sections 13.5(a), 13.8(a) and 13.9(a) of the Bidder's Statement):
 - (i) Avanco Shareholders who accept the Offer may withdraw their acceptance at any time up until the Regulatory Approvals Condition has been fulfilled or waived; and
 - (ii) once the Regulatory Approvals Condition has been fulfilled or waived, Avanco Shareholders may withdraw their acceptance only if OZ Minerals varies the Offer in a way that postpones the time when OZ Minerals is required to satisfy its obligations by more than 1 month.

This disclosure is being made to clarify various statements in the Original Target's Statement regarding the effect of accepting the Offer.

Avanco does not have any reason to believe that the Regulatory Approvals Condition will not be fulfilled.

Pursuant to section 630(4) of the Corporations Act, OZ Minerals is required to publish a notice stating that the Regulatory Approvals Condition has been fulfilled as soon as practicable after it is fulfilled. As stated in section 3.10 of the Bidder's Statement, OZ Minerals will provide updates on the status of the Conditions as and when required by the Corporations Act.

3. REIMBURSEMENT FEE ARRANGEMENTS

As noted in Avanco's ASX release dated 27 March 2018, clause 12 of the Bid Implementation Deed sets out the circumstances in which Avanco has agreed to pay a reimbursement fee of \$4.4 million to OZ Minerals. Please refer to section 12.1(d) of the Bidder's Statement for details of circumstances in which the reimbursement fee will be payable.

4. DIRECTORS' AUTHORISATION

This Supplementary Target's Statement has been approved by a resolution passed by the Directors of Avanco.

Signed for and on behalf of Avanco:



Mr Simon Mottram
Director
For and on behalf of
Avanco Resources Limited