

A modern mining company



4 May 2018

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

Dear Sir/Madam,

Takeover bid by OZ Minerals Brazil (Holdings) Pty Ltd for Avanco Resources Limited — institutional acceptance facility and supplementary bidder's statement

We refer to OZ Minerals Limited's off-market takeover bid (through its wholly owned subsidiary OZ Minerals Brazil (Holdings) Pty Ltd (**OZ Minerals Brazil**)) for all the ordinary shares in Avanco Resources Limited (**Avanco**) (**Offer**).

OZ Minerals Brazil has established an institutional acceptance facility open to persons identified by OZ Minerals Brazil as 'professional investors' (as defined in section 9 of the *Corporations Act 2001* (Cth)) that hold or beneficially own at least 2,945,000 shares in Avanco (approximately \$500,000 worth based on a notional implied offer price of \$0.17 per Avanco share under the Offer) in order to facilitate receipt of acceptances of the Offer.

Please see attached, by way of service pursuant to paragraph 647(3)(b) of the *Corporations Act 2001* (Cth), a supplementary bidder's statement dated 4 May 2018.

Sincerely,

A handwritten signature in black ink, appearing to be 'Michelle Pole', written over a light grey horizontal line.

Michelle Pole

Company Secretary and Senior Legal Counsel

Supplementary Bidder's Statement in relation to the takeover bid by **OZ Minerals Brazil (Holdings) Pty Ltd (ACN 625 407 141)** for all of the ordinary shares in **Avanco Resources Limited (ACN 126 379 646)**

1 Introduction

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth) (**Supplementary Bidder's Statement**). It is supplementary to the bidder's statement dated 10 April 2018 issued by OZ Minerals Brazil (Holdings) Pty Ltd ACN 625 407 141 (**OZ Minerals Brazil**) in relation to its off market takeover bid for all the ordinary shares in Avanco Resources Limited ACN 126 379 646 (**Avanco**) (the **Offer**).

This Supplementary Bidder's Statement supplements, and should be read together with OZ Minerals Brazil's bidder's statement dated 10 April 2018 (**Bidder's Statement**).

2 Institutional acceptance facility

2.1 Overview

OZ Minerals Brazil has established an institutional acceptance facility open to persons identified by OZ Minerals Brazil as 'professional investors' (as defined in section 9 of the *Corporations Act 2001* (Cth)) that hold or beneficially own at least 2,945,000 shares in Avanco (**Shares**) (approximately \$500,000 worth based on a notional implied offer price of \$0.17 per Avanco Share under the Offer) (**Eligible Shareholders**) in order to facilitate receipt of acceptances of the Offer (**Facility**).

OZ Minerals Brazil recognises that some investors in Avanco may be unable or unwilling to accept the Offer until the Offer becomes or is declared unconditional. The Facility has therefore been established to provide Eligible Shareholders with the ability to register their support for the Offer and their intention to accept the Offer before the Offer becomes or is declared unconditional.

The acceptance facility collection agent for the Facility is Pacific Custodians Pty Limited ACN 009 682 866 (**Facility Agent**).

Before making a decision whether or not to participate in the Facility, Eligible Unitholders are encouraged to consult with their financial or other professional adviser.

2.2 Operation of the Facility

In summary, the Facility will operate in the following way:

- (a) An Eligible Shareholder who wishes to participate in the Facility must provide to the Facility Agent duly completed and executed documentation appointing the Facility Agent as the acceptance facility collection agent, together with a signed Acceptance Form and/or direction to its custodian, nominee or trustee (**Custodian Direction**) to accept the Offer (each, **Acceptance Instructions**).

- (b) The Facility Agent will hold the Acceptance Instructions as acceptance facility collection agent and bare trustee only and will not acquire a Relevant Interest in any of the Shares the subject of the Acceptance Instructions.
- (c) The Facility Agent must:
- (1) deliver all Acceptance Forms to OZ Minerals Brazil or Link Market Services Limited in accordance with the instructions on the relevant Acceptance Forms or, in the case of Avanco Shares held electronically and settled through the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited, give the Acceptance Forms to the relevant Controlling Participant (as defined in the ASX Settlement Operating Rules);
 - (2) deliver all Custodian Directions to OZ Minerals Brazil or to the relevant custodian, nominee or trustee; and/or
 - (3) direct the relevant Eligible Shareholders to initiate acceptance of the Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules,
- as soon as possible after (and not before) OZ Minerals Brazil confirms to the Facility Agent by written notice (**Confirmation Letter**) that OZ Minerals Brazil has declared the Offer free of all defeating conditions or will declare the Offer free of all defeating conditions not later than the time that all Acceptance Instructions are processed. OZ Minerals Brazil is under no obligation to give the Confirmation Letter to the Facility Agent.
- (d) Eligible Shareholders retain all rights and control over their Shares and will be able to withdraw their Acceptance Instructions at any time prior to the Facility Agent receiving the Confirmation Letter from OZ Minerals Brazil.
- (e) OZ Minerals Brazil reserves the right to declare the Offer free from all defeating conditions at any time (subject to the *Corporations Act 2001* (Cth)) irrespective of the number of acceptances held by OZ Minerals Brazil, or the number of Shares that are the subject of Acceptance Instructions held by the Facility Agent.

2.3 Obtaining documentation relating to the Facility

If you are an Eligible Shareholder, a copy of the documentation relating to the Facility may be requested from the Facility Agent by email:

Email: capitalmarkets@linkmarketservices.com.au

Subject: OZ Minerals Brazil (Holdings) Pty Ltd takeover of Avanco Resources Limited (AVBT)
line: Takeover Bidder – IAF Document Request

2.4 Disclosure of Acceptance Instructions

By 8.00am (Sydney time) on each Business Day (or at any other time upon request from OZ Minerals Brazil), the Facility Agent will notify OZ Minerals Brazil of the number of Shares in respect of which Acceptance Instructions have been received as at 7.00pm (Sydney time) the previous Business Day, with the expectation that OZ Minerals Brazil

will release this information to ASX in conjunction with its substantial holding notices in response to acceptances of the Offer received.

3 Consents

Pacific Custodians Pty Limited has given, and not withdrawn before the lodgement of this Supplementary Bidder's Statement with ASIC, its written consent to be named in this Supplementary Bidder's Statement as the acceptance facility collection agent for the Facility in the form and context in which it is so named. Pacific Custodians Pty Limited has not caused or authorised the issue of this Supplementary Bidder's Statement, does not make or purport to make any statement in this Supplementary Bidder's Statement or any statement on which a statement in this Supplementary Bidder's Statement is based and takes no responsibility for any part of this Supplementary Bidder's Statement other than any reference to its name.

4 Other notices

Unless the context otherwise requires, terms defined in the Bidder's Statement have the same meaning in this Supplementary Bidder's Statement.

A copy of this Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Signed for and on behalf of OZ Minerals Brazil following a unanimous resolution of the directors of OZ Minerals Brazil.



Robert Mancini
Director

4 May 2018
