

22 December 2022

Proposed acquisition of OZ Minerals by BHP progresses to signed Scheme Implementation Deed

- OZ Minerals has today entered a Scheme Implementation Deed with BHP under which BHP has agreed to acquire 100% of the shares in OZ Minerals by way of a scheme of arrangement
- Should the Scheme proceed, OZ Minerals' shareholders will receive A\$28.25 per OZ Minerals share in cash which represents a 49.3% premium to OZ Minerals' closing share price of A\$18.92 per share on 5 August 2022 prior to BHP's initial proposal
- OZ Minerals may pay fully franked dividends of up to \$1.75 cash per OZ Minerals share which would have up to \$0.75 of franking credits attached for shareholders eligible to use them.¹ The cash amount of the dividend will be deducted from the \$28.25 cash consideration.
- The Scheme is subject to various conditions including approval by OZ Minerals shareholders at a Scheme Meeting expected to be held in late March to early April 2023, with a Scheme Booklet and independent expert's report to be provided to shareholders ahead of the Scheme Meeting. Implementation of the Scheme is expected to occur in mid to late April 2023.
- OZ Minerals' Directors unanimously recommend that OZ Minerals shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of OZ Minerals shareholders

Following a four-week period of due diligence, OZ Minerals has entered into a Scheme Implementation Deed ("**SID**") with BHP Lonsdale Investments Pty Ltd ("**BHP**"), a wholly owned subsidiary of BHP Group Limited, under which it is proposed that BHP will acquire 100% of the shares in OZ Minerals by way of a scheme of arrangement (the "**Scheme**").

The Scheme is subject to various conditions including approval by OZ Minerals shareholders at a meeting of shareholders ("**Scheme Meeting**") expected to be held in late March to early April 2023.

Prior to the Scheme Meeting, OZ Minerals shareholders will be provided with additional information relating to the Scheme in the form of a Scheme Booklet, which will also include an independent expert's report opining on whether the Scheme is in the best interests of shareholders.

¹ Subject to formal declaration by the OZ Minerals Board which is expected to occur at the time of the finalisation of the FY 22 results. If OZ Minerals declares and pays a dividend of \$1.75 per share, the \$28.25 will be reduced by such amount and BHP will pay \$26.50.

OZ Minerals Directors unanimously recommend the Scheme

The OZ Minerals Directors unanimously recommend that OZ Minerals shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to an independent expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interests of OZ Minerals shareholders. Subject to those same qualifications, each member of the OZ Minerals Board intends to vote, or cause to be voted, all OZ Minerals shares held or controlled by them in favour of the Scheme.

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

"The Scheme provides OZ Minerals shareholders with an opportunity to realise certain value for their OZ Minerals shares at a compelling premium. This offer price represents a 49.3% premium to the undisturbed share price prior to BHP's Initial Proposal. BHP has also stated its offer price is best and final, in the absence of a competing proposal."

"The OZ Minerals Board believes that BHP's offer appropriately reflects the quality, growth profile and strategic nature of OZ Minerals' long-life copper and nickel assets."

"The OZ Minerals team will work closely with all of our stakeholders, including our employees, customers, suppliers and the traditional owners of the land on which we operate, to ensure their interests are prioritised should the Scheme proceed."

OZ Minerals Chairman, Rebecca McGrath said:

"The OZ Minerals Board has been focused on ensuring we deliver value to all of our stakeholders. The OZ Minerals Directors formed the view that, on balance, the combination of value and certainty offered by the cash scheme consideration is likely to deliver a superior outcome for OZ Minerals shareholders now compared to what would otherwise be available, on a risk adjusted basis, if OZ Minerals continued to operate as a standalone entity."

"We are pleased to recommend the Scheme, which offers shareholders value at a significant premium to where the share price was trading prior to the Initial Proposal from BHP."

Overview of the Scheme Consideration

If the Scheme is implemented, each OZ Minerals shareholder on the Scheme Record Date² will receive a cash amount of A\$28.25 per OZ Minerals share ("**Scheme Consideration**"), implying an enterprise value for OZ Minerals of approximately A\$9.6 billion³ which represents:

- a 49.3% premium to OZ Minerals' undisturbed closing share price of A\$18.92 per share on 5 August 2022, being the business day prior to OZ Minerals announcing it had received the first proposal from BHP ("**Initial Proposal**");

² As defined in the Scheme Implementation Deed appended to this announcement. Assuming a dividend is also paid, OZ Minerals shareholders will also need to be a shareholder on the record date for the dividend to receive the full \$28.25 per share. The record date for any permitted dividend is expected to be after the effective date for the Scheme and at least 2 business days prior to the Scheme Record Date.

³ Based on OZ Minerals' 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\$84m as at 30 September 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 BHP's Initial Proposal of A\$25.00 per share.

BHP has stated that the offer price of A\$28.25 per OZ Minerals share represents the best and final price it is willing to offer, in the absence of a competing proposal.

The SID also allows OZ Minerals to pay a franked dividend to shareholders prior to the Scheme being implemented. Subject to finalisation of the FY22 results, the OZ Minerals Board intends to declare and pay a fully franked final dividend of up to \$1.75 per share. The dividend is expected to be paid at the same time as the consideration payable under the Scheme. The cash amount of any dividends paid on or prior to implementation of the Scheme will reduce the cash price of \$28.25 per share payable under the Scheme. Eligible shareholders may also be able to utilise up to \$0.75 per share in franking credits. The extent to which a shareholder will be able to capture the benefit of the franking credits will depend on their individual circumstances.

Details of the Scheme Implementation Deed

The Scheme is subject to certain customary conditions including:

- the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of OZ Minerals shareholders;
- anti-trust regulatory approval in Brazil and Vietnam;
- customary conditions including no restraints, no material adverse change and no prescribed occurrences;
- approval of OZ Minerals shareholders; and
- Federal Court of Australia ("**Court**") approval.

The Scheme also has limited termination rights including either party may terminate in the event of an unremedied material breach (including material breach of limited warranties) by the other party. The Scheme is not subject to any financing conditions.

The SID contains customary exclusivity obligations, including "no shop", "no talk", and notification obligations and a matching right regime in respect of any superior proposal received by OZ Minerals. The SID also details circumstances under which OZ Minerals may be required to pay a break fee to BHP and circumstances where BHP may be required to pay OZ Minerals a reverse break fee. The amount of the break fee and reverse break fee, should either become payable, is A\$95 million.

Full details of the conditions of the Scheme and other agreed terms are set out in the SID, a copy of which will be attached to a separate ASX announcement this morning.

Timetable and next steps

OZ Minerals shareholders do not need to take any action at this time.

A Scheme Booklet containing important information in relation to the Scheme and the Scheme Meeting, including the reasons for the unanimous recommendation of OZ Minerals Directors, and

the Independent Expert's Report, is expected to be sent to OZ Minerals shareholders in late February to early March 2023.

The Scheme is subject to (among other things) approval by OZ Minerals shareholders at the Scheme Meeting, which is anticipated to be held in late March to early April 2023. For the Scheme to proceed, the resolutions at the Scheme meeting must be approved by at least 75% of all votes cast by OZ Minerals shareholders and a majority by number of all OZ Minerals shareholders present and voting (in person or by proxy) at the Scheme Meeting.

An indicative timetable is set out below. Capitalised terms used in this section below have the meaning given to those terms in the SID.

Item	Estimated date
First Court Hearing	Late February 2023
Distribute scheme booklet to OZ Minerals shareholders	Late February / early March 2023
Scheme Meeting	Late March / early April 2023
Second Court Date for approval of the Scheme	Early April 2023
Effective Date	Early April 2023
Scheme Record Date	Mid April 2023
Implementation Date	Mid / late April 2023

Note: This timetable is indicative, dependent on timely receipt of regulatory approvals and subject to change.

Advisers

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

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

For further information

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