

22 June 2020

OZ Minerals to acquire Cassini Resources

- OZ Minerals to acquire Cassini Resources via a Scheme of Arrangement, consolidating its ownership of the West Musgrave Project to 100%
- Cassini to undertake an inter-conditional demerger of its Yarawindah Brook and Mount Squires assets into a new company, Caspin Resources Limited ("**Caspin**") which intends to apply to list on the ASX
- Transaction is mutually beneficial:
 - OZ Minerals gains maximum optionality regarding development of the West Musgrave Project
 - Cassini shareholders receive immediate value for the West Musgrave Project and ongoing exposure to upside from future West Musgrave Project value, as well as Yarawindah Brook and Mount Squires, via Caspin
- In addition to Caspin shares, Cassini shareholders will receive consideration with an implied value¹ of A\$0.16 per share comprised of:
 - A\$0.15 in the form of one new OZL share for every 68.5 CZI shares held; and
 - A\$0.01 per share cash capital return to be paid out of Cassini's existing cash balance
- Caspin may also receive additional cash payment(s) of up to A\$20 million in total in the event of a potential future sale of all or a portion of OZ Minerals' interest in West Musgrave (if such future sale is above the implied value of this Transaction)
- The A\$0.16 per share, which excludes the Caspin shares, represents the following premiums to recent Cassini Resources trading:
 - A 31% premium to 1-day VWAP
 - A 31% premium to 1-month VWAP
 - A 55% premium to 3-month VWAP
- Board of Cassini has unanimously recommended the Transaction and confirmed their intention to vote in favour of all resolutions
- Major shareholders of Cassini (representing 17.4%² of issued capital), including Tinci Materials, have confirmed to Cassini their intention to vote in favour of the Transaction

Overview of the Transaction

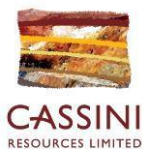
OZ Minerals Limited ("**OZ Minerals**") (ASX:OZL) and Cassini Resources Limited ("**Cassini**") (ASX: CZI) are pleased to announce the execution of a binding scheme implementation deed ("**Acquisition SID**") relating to a scheme of arrangement under Part 5.1 of the Corporations Act under which OZ Minerals will, subject to the satisfaction of various conditions, acquire all of the issued and to be issued share capital of Cassini (the "**Acquisition Scheme**").

In addition, Cassini and Caspin have entered into a separate scheme implementation deed (the "**Demerger SID**") relating to a scheme of arrangement under part 5.1 of the Corporations Act under which Cassini will, subject to the satisfaction of various conditions, demerge its Yarawindah Brook and Mount Squires assets via a pro rata distribution of Caspin shares (the "**Demerger Scheme**"), allowing Cassini shareholders to retain full

¹ Implied value based on the VWAP of OZ Minerals shares on ASX on the 10 trading days prior to the date of this announcement. The implied value will change based on movements in the OZ Minerals share price.

² Includes voting intention statements by Cassini Directors.

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exposure to the value and upside of these assets in a new vehicle which intends to apply for listing on the Australian Securities Exchange ("**ASX**"), with the listing subject to all necessary regulatory approvals. The Yarawindah Ni-Cu-PGE Project is located in the emerging New Norcia Nickel Province, approximately 40km north of the recent high grade discovery at the Julimar Prospect.

The Acquisition Scheme and Demerger Scheme will be inter-conditional and completed in conjunction with a capital reduction to effect the demerger (the "**Transaction**").

The Acquisition Scheme will result in OZ Minerals consolidating 100% ownership of West Musgrave and surrounding tenements including One Tree Hill and Succoth, enhancing optionality regarding the optimal development approach, timing and funding for the West Musgrave project. A Pre-Feasibility Study ("**PFS**") released in February 2020 showed West Musgrave to be a low cost, long life (26 year), copper-nickel open pit project with a low carbon footprint. The project is located in Western Australia near the borders of South Australia and the Northern Territory.

Management commentary

OZ Minerals Chief Executive Andrew Cole said the acquisition was the natural evolution of a strong and effective working relationship with Cassini which has enabled agreement on the best value path forward for both parties.

"We appreciate the quality project Cassini introduced to OZ Minerals and we have valued their input in the project throughout the Further Scoping Study and Pre-Feasibility Study. This acquisition gives OZ Minerals 100% ownership of the project allowing flexibility regarding future funding and development options.

"This is a promising project with strong sustainability credentials both in terms of the copper and nickel to be mined being critical inputs for the renewable economy and also in relation to its low carbon footprint with some 80% of power generated through renewable sources including solar and wind.

"We are also pleased to welcome Cassini shareholders on to OZ Minerals' register to continue to benefit from further progress at West Musgrave which complements our operations at Prominent Hill and Carrapateena in South Australia and the Carajás hub in Brazil."

Cassini Chief Executive Richard Bevan said it was an opportune time for Cassini shareholders to realise value for the West Musgrave Project, whilst maintaining their exposure to the Yarawindah Brook and Mount Squires assets.

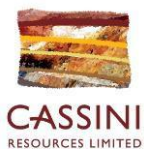
"In accepting the offer, Cassini shareholders are able to realise immediate value for their stake in the West Musgrave Project whilst retaining their exposure to the Project via the OZ Minerals shares that form part of the consideration. In addition, we are excited to be launching a new company, that intends to apply for listing on the ASX (subject to regulatory approvals), and in which Cassini shareholders will receive pro-rata shares. Caspin will focus on the highly prospective exploration projects at Yarawindah Brook and Mount Squires."

Upfront Consideration

In addition to shares in Caspin, Cassini shareholders will receive consideration with an implied value³ of A\$0.16 per share ("**Upfront Consideration**"), comprised of:

- A\$0.15 in the form of one new OZL share for every 68.5 CZI shares held; and

³ Implied value based on the VWAP of OZ Minerals shares on ASX on the 10 trading days prior to the date of this announcement. The implied value will change based on movements in the OZ Minerals share price.



- A\$0.01 per share cash capital return to be paid out of Cassini's existing cash balance ("**Capital Return**")

The Upfront Consideration, which excludes the Caspin shares, represents a premium of:

- 31% to Cassini's 1-day VWAP price of A\$0.123 per share, on 19 June 2020;
- 31% to Cassini's 1-month VWAP of A\$0.122 per share, up to and including 19 June 2020; and
- 55% to Cassini's 3-month VWAP of A\$0.103 per share, up to and including 19 June 2020

At the exchange ratio of one new OZL share for every 68.5 CZI shares held, OZL will issue approximately 6.4m new shares (~2.0% of its outstanding shares on issue) as consideration to CZI shareholders (an implied enterprise value of A\$76 million as at 19 June 2020).

An Independent Expert is to be commissioned to form a view on the value of the Caspin shares that Cassini Resources shareholders will also receive and therefore total transaction consideration for Cassini shareholders.

Contingent Consideration

OZ Minerals and Caspin have entered into a deed ("**Contingent Payment Deed**") which provides for the potential payment by OZ Minerals to Caspin of additional consideration in two potential scenarios ("**Contingent Consideration**").

In the first scenario, if OZ Minerals disposes of 30% or more of its interest in the project and the sale price implies a value for 30% of West Musgrave equal to or greater than A\$76 million ("**Implied Value**"), OZ Minerals will pay Caspin Contingent Consideration of A\$10 million, plus up to a further A\$10 million payable at a rate of A\$0.20 for each dollar of value exceeding the Implied Value. If OZ Minerals sells less than a 30% interest, the Contingent Consideration shall be calculated on a pro-rata basis (ie. if 15% is sold, the Contingent Consideration will be 50% of the amount payable for a sale of 30% or more).

In the second scenario, if OZ Minerals sells 30% or more of the contained nickel at West Musgrave to a strategic party⁴, it will pay an amount of A\$10 million to Caspin. If OZ Minerals sells less than 30% of the contained nickel, the Contingent Consideration shall be calculated based on a pro-rata basis (i.e. if 15% is sold, the Contingent Consideration will be 50% of the A\$10 million).

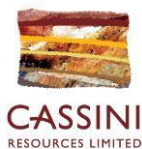
The Contingent Consideration is capped at A\$20 million. This will mean the payment will be limited to A\$10m if there is a disposal of 30% or more of the contained nickel (and nil disposal of interest in the project), or a payment of up to A\$20m in any other case (i.e. disposal of an interest in the project or a combination of both scenarios).

Benefits to Cassini shareholders

- Attractive headline offer value and premium received for 30% interest in West Musgrave
- Retain exposure to de-risking and future value unlocked from West Musgrave via OZ Minerals scrip consideration and Contingent Consideration
- Gain exposure to OZ Minerals' global portfolio of producing and development assets, including potential future dividends
- Retain full exposure to Yarawindah Brook and Mount Squires via shares in Caspin

⁴ A strategic party is any entity engaged primarily in the mining, production, sale or marketing of base metals.

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Benefits to OZ Minerals shareholders

- Progress to 100% ownership of West Musgrave, providing OZ Minerals with full project development optionality
- Simplify and streamline ownership structure of West Musgrave following completion of the PFS
- Use of OZ Minerals' scrip as offer consideration preserves strong existing balance sheet and liquidity position

Cassini Board recommendation and shareholder support

The Board of Cassini has unanimously recommended that, in the absence of a superior proposal and subject to the independent expert to be appointed by Cassini opining that the Transaction is in the best interests of Cassini shareholders, all Cassini shareholders vote in favour of the Transaction. The Cassini Board members have confirmed their intention to vote in favour of the Transaction in respect of any Cassini shares they hold or control, representing approximately 4.3 % of Cassini's issued shares.

Major shareholders of Cassini, including Tinci Material, representing a further 13.1 % of Cassini's issued shares, have also confirmed their intention to vote in favour of the Transaction, absent a superior proposal.

Details of the Acquisition Scheme

The Acquisition SID sets out the detailed provisions relating to the implementation of the Acquisition Scheme. Further information in relation to the Acquisition Scheme will be set out in the Acquisition Scheme booklet, currently expected to be released in late August.

The Acquisition Scheme will be subject to customary conditions set out in the SID (a full copy of which is attached to a separate announcement today by Cassini) such as:

- Approval being received from the shareholders of Cassini and court approvals in relation to both the Acquisition Scheme and the Demerger Scheme
- All necessary regulatory approvals being obtained⁵
- No "prescribed occurrences" (as defined in the Acquisition SID) occurring in relation to Cassini
- No material adverse change occurring in relation to Cassini
- The Cassini representations and warranties (as defined in the Acquisition SID) being true and correct in all material respects
- The Independent Expert concluding that the Scheme is in the best interest of Cassini shareholders, and not changing that conclusion
- Documentation required to effect the demerger of Caspin being duly executed⁶;
- Other conditions customary for a public transaction of this nature.

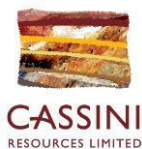
Details of the Demerger Scheme and Caspin

Under the Demerger Scheme, Cassini shareholders are currently anticipated to receive one 1 share in Caspin for every 22 Cassini shares they hold. The capital reduction to effect the Demerger will require Cassini's shareholder approval, and certain other items necessary to prepare Caspin for its application for listing on the ASX may also be put to Cassini shareholders for approval.

The key details of Caspin are summarised below:

⁵ The Acquisition Scheme is not subject to FIRB approval.

⁶ Cassini will shortly execute documents in relation to the Demerger, in a form that has been agreed with OZ Minerals.



- A new exploration focused company
- Owns 100% of the Mount Squires project which holds a number of prospective gold targets, and 80% of the Yarawindah Brook project which is an exciting nickel-copper-PGE opportunity;
- Owns the right to the Contingent Consideration; and
- A\$0.5 million in cash on implementation of the Demerger Scheme

Caspin intends to apply for listing on the ASX (subject to receipt of necessary regulatory approvals) and raise IPO equity led by Ashanti Capital. More information in relation to the Demerger Scheme, the capital reduction, Caspin and any other resolutions in relation to Caspin will be set out in the Demerger Scheme booklet, currently expected to be released in late August.

Exclusivity and other arrangements

The parties have agreed that unless the Acquisition SID is terminated, Cassini will not solicit any competing proposal or participate in any discussions or negotiations in relation to any competing bid (unless failure to do so would involve a breach of the fiduciary duties of its Directors).

The Acquisition SID also contains other customary deal protection provisions including notification obligations and matching rights.

A break fee of A\$760,000 is payable by Cassini in certain circumstances, including where the board of Cassini alters or modifies its recommendation to vote in favour of all resolutions required to effect the Transaction.

Indicative timetable

Shareholders of Cassini will be asked to approve the Acquisition Scheme and the Demerger Scheme at meetings which are expected to be held in late September 2020.

Full particulars of the Schemes, transaction terms and recommendations will be provided to Cassini shareholders through two Explanatory Booklets which will both include an Independent Expert's Report. It is expected that these booklets will be mailed to Cassini shareholders in late August 2020.

Cassini shareholders are not required to take any action at this stage in relation to either of the Schemes of Arrangement.

Advisors

OZ Minerals has appointed Goldman Sachs as financial adviser and Gilbert + Tobin as legal adviser.

Cassini has appointed Sternship Advisers and ICA Partners as financial advisers and DLA Piper Australia as legal adviser.

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Authorised for release to the ASX on behalf of Cassini by Richard Bevan, Managing Director.

Authorised for release to the ASX on behalf of OZ Minerals by Andrew Cole, Chief Executive Officer.