



**CASSINI**  
RESOURCES LIMITED

# **CASSINI RESOURCES LIMITED**

## **ACQUISITION SCHEME BOOKLET**

for the recommended scheme of arrangement in relation to the proposed acquisition by OZ Minerals Limited (ACN 005 482 824) of all your Cassini Resources Limited (ACN 149 789 337) shares

Your Directors unanimously recommend that you

### **VOTE IN FAVOUR**

of the Acquisition Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Acquisition Scheme. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

If you require further information or have questions in relation to the Acquisition Scheme, please contact the Company Secretary on +61 8 9322 7600 Monday to Friday between 9:00am and 5:00pm (AWST).



*DLA Piper*  
Legal Adviser to Cassini

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# Letter from the Directors of Cassini Resources Limited

## Dear Cassini Shareholder

On behalf of the Directors, I am pleased to provide you with this Acquisition Scheme Booklet, which contains information about the proposed acquisition of Cassini Resources Limited (**Cassini**) by OZ Minerals Limited (**OZ Minerals**).

On 22 June 2020, Cassini announced that it had entered into an Acquisition Scheme Implementation Deed under which OZ Minerals proposes to acquire all of the Acquisition Scheme Shares through a scheme of arrangement. As outlined in that announcement, if the Acquisition Scheme is approved and becomes Effective, Cassini Shareholders will receive scrip consideration of 1 New OZ Mineral Share for every 68.5 Acquisition Scheme Shares held at the Record Date.

In addition, Cassini will undertake a demerger of Caspin Resources Limited (**Caspin**), currently a wholly-owned subsidiary of Cassini, which will hold the Yarawindah Brook and Mount Squires assets and be implemented pursuant to the Demerger Deed and the Demerger Scheme. If the Demerger Scheme is approved by the requisite majority of Cassini Shareholders and by the Court and becomes effective, and the Capital Reduction is approved by Cassini Shareholders, Demerger Scheme Shareholders will receive 1 Caspin Share for every 22 Cassini Shares they hold (other than ineligible shareholders) and a cash distribution of A\$0.01 per Cassini Share held on the Record Date.

As part of the Transaction, Caspin will hold the right to receive a potential payment by OZ Minerals in two potential scenarios up to an aggregate cap of A\$20 million (**Contingent Consideration**). In the first scenario, if OZ Minerals disposes of 30% or more of its interest in the West Musgrave Project to a third party 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 (i.e. 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 party, 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 Acquisition Scheme and Demerger Scheme will be inter-conditional, that is, the Demerger Scheme needs to be approved for the Acquisition Scheme to be implemented. The Demerger Scheme will be facilitated through a capital reduction and an in-specie distribution of Caspin Shares and a cash distribution of A\$0.01 per Cassini Share to Demerger Scheme Shareholders (**Capital Return**).

Based on the OZ Minerals Share price prior to announcement of the Transaction, excluding the value of Caspin Shares, Cassini Shareholders will receive an upfront implied value of A\$0.16 per Cassini Share, comprised of A\$0.15 in the form of OZ Minerals' Shares, and A\$0.01 in cash from the Capital Return. This implied value will vary subject to changes in the price at which OZ Minerals Shares trade on ASX after the issue of the OZ Minerals Shares under the Acquisition Scheme.

The Directors believe that the proposed acquisition by OZ Minerals is compelling for Cassini Shareholders by providing shareholders the opportunity to receive immediate value for the West Musgrave Project, and retain ongoing exposure to any upside from future West Musgrave Project value, as well as Yarawindah Brook, Mount Squires and the Contingent Consideration, via Caspin.

The Directors and major shareholders of Cassini (representing 17.4% of issued capital), including Tinci (HK) Limited and Atasa Holdings Pty Ltd, have confirmed to Cassini their intention to vote in favour of the Acquisition Scheme and the Demerger Scheme.

## DIRECTORS' RECOMMENDATION

The Independent Expert has concluded that the Acquisition Scheme is fair and reasonable and, therefore, is in the best interests of Cassini Shareholders. As such, the Directors unanimously recommend that Cassini Shareholders vote in favour of the Acquisition Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.<sup>1</sup> Subject to those same qualifications, each Director intends to vote all the Cassini Shares held or controlled by them in favour of the Acquisition Scheme.

<sup>1</sup> Please refer to Annexure 1, which contains the Independent Expert's Report.

I would like to take this opportunity to highlight the key reasons why the Directors believe that the transaction with OZ Minerals is compelling and why we recommend that you vote in favour of the Acquisition Scheme:

- **The Acquisition Scheme Consideration (even excluding the value of Caspin) and Capital Return represents a compelling premium to Cassini's recent trading values:**

- 31% premium to Cassini's 1-day VWAP on 19 June 2020
- 31% premium to Cassini's 1-month VWAP up to and including 19 June 2020
- 55% premium to Cassini's 3-month VWAP up to and including 19 June 2020

- **In addition to the Acquisition Scheme Consideration and Capital Return, Cassini Shareholders will receive a pro-rata ownership in Caspin, a new demerged entity which will hold Cassini's current Yarawindah Brook and Mount Squires assets, and holds the right to receive a Contingent Consideration from OZ Minerals of up to A\$20 million;**

- **Cassini Shareholders will retain ongoing exposure to the West Musgrave Project with potential to benefit from OZ Minerals' strong balance sheet, operating cash flow and expertise to support the development of the project;**

- **Cassini does not currently have the funding to contribute to its pro-rata share of development capital of the West Musgrave Project** – any additional equity funding may be dilutive for Cassini Shareholders or may involve restrictive covenants which limits Cassini's operations and business strategy. Whilst progress has been made to obtain funding, no assurances can be given that appropriate capital or funding will be available on terms favourable to Cassini or at all; and

- **The Acquisition Scheme and the Demerger Scheme are inter-conditional** - the Demerger Scheme cannot proceed unless the Acquisition Scheme is approved. The Demerger offers you the ability to maintain your exposure to and benefits from the potential success of Cassini's Yarawindah Brook and Mount Squires assets.

I urge you to read this Acquisition Scheme Booklet (including the Independent Expert's Report) carefully in full, and if required, to seek your own legal, financial, taxation or other professional advice. I encourage you to closely consider the merits of the Acquisition Scheme as described in this Acquisition Scheme Booklet.

Cassini Shareholders who have elected to receive communications electronically will receive an email where they can download the Acquisition Scheme Booklet and lodge their proxy vote online. The Acquisition Scheme Booklet will also be available for download from <https://www.cassiniresources.com.au/>.

Your vote is important. At the Acquisition Scheme Meeting, Cassini Shareholders will be asked to approve the Acquisition Scheme, and I encourage you to vote either by attending the Acquisition Scheme meeting or by completing the enclosed Proxy Form or voting online so that your vote is received by 10:00am (AWST) on 19 September 2020.

If you wish for the Acquisition Scheme to proceed, it is important that you vote in favour of the Acquisition Scheme.

If you require further information or have questions in relation to the Acquisition Scheme, please contact the Company Secretary on +61 8 9322 7600 Monday to Friday between 9:00am and 5:00pm (AWST) or visit <https://www.cassiniresources.com.au/>.



**Michael Young**  
Non-Executive Chairman



## Letter from the Directors of OZ Minerals

Dear Cassini Shareholder,

On behalf of the OZ Minerals Limited Board, I am pleased to present you with this opportunity to realise value from your investment in Cassini.

The proposal from OZ Minerals will provide you with upfront consideration in the form of OZ Minerals Shares at an attractive premium to Cassini's share price prior to the announcement of the Transaction and a capital return paid in cash. By receiving OZ Minerals Shares you will maintain exposure to the West Musgrave Project and benefit from our diversified portfolio of producing and growth assets, strong balance sheet and sustainable dividend policy. In addition, you will retain exposure to the Yarawindah Brook and Mount Squires assets via the newly created Caspin and the opportunity to benefit from future value unlocked from the West Musgrave Project via the contingent consideration structure.

We believe the Transaction is a natural evolution of the mutually beneficial partnership between OZ Minerals and Cassini over the last four years and provides the most attractive value path forward for both parties. Further details on the Transaction, OZ Minerals and our future intentions are contained in this Acquisition Scheme Booklet, which will assist with making a decision.

The Cassini Board has unanimously recommended that you vote in favour of the Transaction, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders. The Directors and major shareholders of Cassini representing 17.4% of Cassini's issued capital, including Tinci (HK) Limited, have confirmed their present intention to vote in favour of the Transaction in the absence of a superior proposal. I also encourage you to vote in favour of the Transaction.

On behalf of the Board and management of OZ Minerals, I look forward to welcoming you as an OZ Minerals shareholder at the completion of the Transaction.

Your sincerely



**Rebecca McGrath**  
Chairman

# Important Notices

## Date of this Acquisition Scheme Booklet

This Acquisition Scheme Booklet is dated 12 August 2020.

## Defined terms and interpretation

Capitalised terms used in this Acquisition Scheme Booklet (other than in the Independent Expert's Report (including the Independent Technical Specialist's Report) contained in Annexure 1) and the Proxy Form accompanying this Acquisition Scheme Booklet are either defined in brackets when first used or are defined in the Glossary in Section 13. The Glossary also sets out some rules of interpretation which apply to this Acquisition Scheme Booklet. The Independent Expert's Report and the Independent Technical Specialist's Report contain their own defined terms which are sometimes different from those set out in the Glossary in Section 13.

## References to Acquisition Scheme Booklet, Sections and Annexures

References to Sections and Annexures are to the named Sections and Annexures in this Acquisition Scheme Booklet.

## Purpose of this Acquisition Scheme Booklet

This Acquisition Scheme Booklet includes the Explanatory Statement for the Acquisition Scheme required by section 412(1) of the Corporations Act. The purpose of this Acquisition Scheme Booklet is to explain the terms of the Acquisition Scheme and the manner in which it will be implemented (if approved). This Acquisition Scheme Booklet provides all information required to be given to Cassini Shareholders or that is otherwise material to the making of a decision in relation to the Acquisition Scheme, being information that is within the knowledge of any Director which has not previously been disclosed to Cassini Shareholders.

## General

This Acquisition Scheme Booklet is important. You should read this Acquisition Scheme Booklet carefully before making a decision about how to vote on the Acquisition Scheme Resolution to be considered at the Acquisition Scheme Meeting.

## No investment advice

This Acquisition Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs of any Cassini Shareholder or any other person. It is important that you read this Acquisition Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Acquisition Scheme. This Acquisition Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to OZ Minerals Shares, Cassini Shares or any other securities. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Cassini Shareholders should consult their taxation adviser as to the applicable tax consequences of the Acquisition Scheme. A summary of the Australian taxation considerations is detailed in Section 10.

## Responsibility statement

The Cassini Information has been prepared by Cassini and is the responsibility of Cassini. To the maximum extent permitted by law, neither OZ Minerals nor any of its Subsidiaries, directors, officers or advisors is responsible for the accuracy or completeness of the information contained in this Acquisition Scheme Booklet other than the OZ Minerals Information and disclaim any liability in this regard.

The OZ Minerals Information has been prepared by OZ Minerals and is the responsibility of OZ Minerals. To the maximum extent permitted by law, neither Cassini nor any of its Subsidiaries, directors, officers or advisors is responsible for the accuracy or completeness of any OZ Minerals Information contained in the Acquisition Scheme Booklet and disclaim any liability in this regard.

Grant Thornton has prepared, and is responsible for, the Independent Expert's Report contained in Annexure 1 of this Acquisition Scheme Booklet. To the maximum extent permitted by law, none of Cassini, OZ Minerals, their respective Related Entities or the directors, officers, employees or advisers of any of those

entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

CSA Global Pty Ltd has prepared, and is responsible for, the Independent Technical Specialist's Report contained in appendix H to the Independent Expert's Report. To the maximum extent permitted by law, none of Cassini, OZ Minerals, their respective Related Entities or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Technical Specialist's Report and disclaim any liability in this regard.

## Role of ASIC

A copy of this Acquisition Scheme Booklet has been lodged with, and registered by, ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Acquisition Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Acquisition Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Acquisition Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

## Role of ASX

A copy of this Acquisition Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Acquisition Scheme Booklet.

## Court order under subsection 411(1) of the Corporations Act

### Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the Explanatory Statement required to accompany the Notice of Acquisition Scheme Meeting does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Acquisition Scheme or as to how you should vote (on this matter, you must reach your own decision); or
- (ii) has prepared, or is responsible for the content of, the Explanatory Statement.

## Notice to Cassini Shareholders in Ineligible Jurisdictions

This Acquisition Scheme Booklet complies with Australian disclosure requirements. These disclosure requirements may be different to those in other countries. It is important that Cassini Shareholders who are not Australian resident taxpayers or who are liable for tax outside Australia seek specific tax advice in relation to the Australian and overseas tax consequences of the Acquisition Scheme.

Restrictions in the Ineligible Jurisdictions may make it impractical or unlawful for OZ Minerals Shares to be issued under the Acquisition Scheme to, or received under the Acquisition Scheme by, Cassini Shareholders in those jurisdictions. A Cassini Shareholder whose address shown in the Cassini Register is in a jurisdiction outside Australia, New Zealand, Hong Kong, Singapore, Malaysia and the People's Republic of China will be an Ineligible Shareholder for the purposes of the Acquisition Scheme. Cassini Shareholders recorded on the Cassini Register as having an address within an Ineligible Jurisdiction should refer to Section 5.2 for further information.

This Acquisition Scheme Booklet and the Acquisition Scheme do not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

## Notice to Cassini Shareholders in New Zealand

This Acquisition Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of New OZ Minerals Shares under the Acquisition Scheme is being made to existing Cassini Shareholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice

2016 and, accordingly, this Acquisition Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

#### **Notice to Cassini Shareholders in Singapore**

This Acquisition Scheme Booklet and any other document relating to the Acquisition Scheme have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Acquisition Scheme is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (the "SFA") will not apply.

This Acquisition Scheme Booklet and any other document relating to the offer, sale or distribution, or invitation for subscription, purchase or receipt of New OZ Minerals Shares may not be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to New OZ Minerals Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person. Any investment referred to in this Acquisition Scheme Booklet may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investment.

Neither Cassini nor OZ Minerals is in the business of dealing in securities or holds itself out, or purports to hold itself out, to be doing so. As such, Cassini and OZ Minerals are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

#### **Notice to Cassini Shareholders in Hong Kong**

**WARNING:** The contents of this Acquisition Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Acquisition Scheme. If you are in any doubt about any of the contents of this Acquisition Scheme Booklet, you should obtain independent professional advice.

This Acquisition Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Acquisition Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Acquisition Scheme Booklet in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Acquisition Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to

securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

#### **Notice to Cassini Shareholders in Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the New OZ Minerals Shares. The New OZ Minerals Shares may not be issued or transferred in Malaysia except to persons who are Cassini Shareholders in compliance with the Acquisition Scheme.

#### **Notice to Cassini Shareholders in the People's Republic of China**

The information in this Acquisition Scheme Booklet does not constitute a public offer of New OZ Minerals Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New OZ Minerals Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

#### **Forward looking statements**

Certain statements in this Acquisition Scheme Booklet relate to the future, including forward looking statements and information ("forward looking statements"). The forward looking statements in this Acquisition Scheme Booklet, including statements relating to the Combined Group and the transactions contemplated by the Acquisition Scheme Implementation Deed, are not based on historical facts, but rather reflect the current views and expectations of Cassini or, in relation to the OZ Minerals Information, OZ Minerals concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, statements that describe the expectations, goals, objectives, plans, targets, estimates of Ore Reserves and Mineral Resources and future costs of OZ Minerals or Cassini are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Cassini, OZ Minerals or the Combined Group to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Cassini, OZ Minerals and the Combined Group will operate in the future, including the price of commodities, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, port access, customer risks, commodity price volatility, discrepancies between actual and estimated costs or production, Ore Reserves and Mineral Resources being inaccurate or changing over time, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of mining services, mineral exploration and production, the global economic climate, dilution, share price volatility, competition, loss of key directors and employees, additional funding requirements and defective title to mineral claims or property. See Section 9 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of Cassini and OZ Minerals is no assurance of their or the Combined Group's future financial performance. None of Cassini, OZ Minerals and their respective directors, or any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements and information in this Acquisition Scheme Booklet will actually occur.

The forward looking statements in this Acquisition Scheme Booklet reflect views and expectations held only at the date of this Acquisition Scheme Booklet. Cassini believes that all forward looking statements included in the Cassini Information have been made on a reasonable basis and OZ Minerals believes that all forward looking statements included in the OZ Minerals Information have been made on a reasonable basis. However, none of Cassini, OZ Minerals and their respective directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward looking statements in this Acquisition Scheme Booklet will actually occur. Cassini Shareholders should therefore treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, Cassini, OZ Minerals and their respective directors disclaim any obligation to revise or update, after the date of this Acquisition Scheme Booklet, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

#### **Diagrams, charts, maps, graphs and tables**

Any diagrams, charts, maps, graphs and tables appearing in this Acquisition Scheme Booklet are illustrative only and may not be drawn to scale.

#### **Effect of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Acquisition Scheme Booklet, including but not limited to those in respect of the Acquisition Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Acquisition Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

#### **No website is part of this Acquisition Scheme Booklet**

Cassini and OZ Minerals each maintain websites at <https://www.cassiniresources.com.au/> and <https://www.ozminerals.com/> respectively. Any references in this Acquisition Scheme Booklet to those or other internet sites are for information purposes only and do not form part of this Acquisition Scheme Booklet.

#### **Implied value**

All references in this Acquisition Scheme Booklet to the value or implied value of the Acquisition Scheme Consideration should not be taken as an indication that Acquisition Scheme Shareholders

will receive cash. The implied value of the Acquisition Scheme Consideration is not fixed. Acquisition Scheme Shareholders (other than Ineligible Shareholders and Non-Electing Small Shareholders) will receive OZ Minerals Shares as consideration for their Cassini Shares under the Acquisition Scheme. Consequently, the implied value of the Acquisition Scheme Consideration will depend on the price at which OZ Minerals Shares trade on ASX after issue of the OZ Minerals Shares under the Acquisition Scheme. There can be no guarantee of that price. This also applies to Ineligible Shareholders and Non-Electing Small Shareholders, whose Acquisition Scheme Consideration will be remitted to the Sale Agent to on sell market through the Sale Facility. Any cash remitted to Ineligible Shareholders and Non-Electing Small Shareholders under the Acquisition Scheme will depend on the market price of OZ Minerals Shares at the time of sale by the Sale Agent. Please refer to Section 9.3 for a non-exhaustive list of risk factors relevant to the Combined Group.

#### **Currency**

All references in this Acquisition Scheme Booklet to "A\$", "AUD", "Australian dollars" are to Australian currency.

#### **Privacy and personal information**

Cassini and OZ Minerals will need to collect personal information to implement the Acquisition Scheme. The personal information may include the names, contact details and details of shareholdings of Cassini Shareholders together with contact details of individuals appointed by Cassini Shareholders as proxies, body corporate representatives or attorneys at the Acquisition Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

Cassini Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the Share Registry if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to Cassini, OZ Minerals and their respective advisers and agents to the extent necessary to effect the Acquisition Scheme. If the information outlined above is not collected, Cassini may be hindered in, or prevented from, conducting the Acquisition Scheme Meeting or implementing the Acquisition Scheme effectively, or at all.

Cassini Shareholders who appoint an individual as their proxy, body corporate representative or attorney to vote at the Acquisition Scheme Meeting should inform that individual of the matters outlined above.

**Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the Cassini Register. The Cassini Register contains personal information about Cassini Shareholders.**



## Important dates and times for the Acquisition Scheme<sup>(1)</sup>

Latest time and date for lodgement of completed Proxy Form for the Acquisition Scheme Meeting	10:00am (AWST) on Saturday, 19 September 2020
Latest time and date for lodgement of completed Proxy Form for the Demerger Scheme Meeting	11:00am (AWST) on Saturday, 19 September 2020
Latest time and date for lodgement of completed Proxy Form for the Capital Reduction Meeting	11:30am (AWST) on Saturday, 19 September 2020
Time and date for determining eligibility of Cassini Shareholders to vote at the Acquisition Scheme Meeting, the Demerger Scheme Meeting and the Capital Reduction Meeting	5:00pm (AWST) on Saturday, 19 September 2020
Time and date of the Acquisition Scheme Meeting	10:00am (AWST) on Monday, 21 September 2020
Time and date of the Demerger Scheme Meeting	Commencing immediately following the conclusion of the Acquisition Scheme Meeting (but not before 11:00am (AWST)) on Monday, 21 September 2020
Time and date of the Capital Reduction Meeting	Commencing immediately following the conclusion of the Demerger Scheme Meeting (but not before 11:30am (AWST)) on Monday, 21 September 2020
Second Court Date	Wednesday, 23 September 2020
Effective Date of the Acquisition Scheme and Demerger Scheme	Thursday, 24 September 2020
Last date of trading of Cassini Shares on ASX	Thursday, 24 September 2020
Record Date for determining entitlements to the Acquisition Scheme Consideration and the Demerger Entitlement	Monday, 28 September 2020
Implementation Date for the Demerger Scheme and transfer of the Demerger Entitlement	Friday, 2 October 2020
Implementation Date for the Acquisition Scheme and issue of the Acquisition Scheme Consideration	Monday, 5 October 2020
New OZ Minerals Shares commence trading on ASX	Tuesday, 6 October 2020
Dispatch of Holding Statements for OZ Minerals Shares issued as Acquisition Scheme Consideration	Wednesday, 7 October 2020

- (1) All stated dates and times are indicative only. The actual timetable will depend on many factors outside the control of Cassini and OZ Minerals, including the Court approval process and the satisfaction or waiver of the conditions precedent to the completion of the Acquisition Scheme by each of Cassini and OZ Minerals. Any changes to the above timetable will be announced to ASX and will be available under Cassini's profile on ASX at [www.asx.com.au](http://www.asx.com.au).

# 1. Summary of the Acquisition Scheme

## 1.1 Introduction

This summary identifies key features of the Acquisition Scheme but must be read in conjunction with the additional detailed information for Cassini Shareholders set out in this Acquisition Scheme Booklet. You are urged to read this Acquisition Scheme Booklet in its entirety.

On 22 June 2020, Cassini and OZ Minerals announced to ASX that they had entered into the Acquisition Scheme Implementation Deed under which, subject to the satisfaction or waiver, as applicable, of defined conditions, OZ Minerals will acquire all of the Acquisition Scheme Shares held by Acquisition Scheme Shareholders through a scheme of arrangement for the Acquisition Scheme Consideration.

If the Acquisition Scheme is approved by the Requisite Majority of Cassini Shareholders and by the Court, and if all other conditions to the Acquisition Scheme are satisfied or waived (where applicable), all Acquisition Scheme Shares will be transferred to OZ Minerals with effect from the Implementation Date and without the need for any further act by Cassini Shareholders (other than acts required to be performed by Cassini, its Directors or officers, as attorney or agent for Cassini Shareholders). From the Implementation Date, Cassini will become a wholly-owned subsidiary of OZ Minerals. Cassini is expected to be removed from the official list of ASX shortly after the Implementation Date, subject to satisfaction of any conditions under the Listing Rules (as modified or waived).

## 1.2 What you will receive if the Acquisition Scheme becomes Effective

If the Acquisition Scheme is approved and becomes Effective, on the Implementation Date Acquisition Scheme Shareholders (other than Ineligible Shareholders and Non-Electing Small Shareholders) will be issued the Acquisition Scheme Consideration in return for the transfer to OZ Minerals of the Cassini Shares held by them on the Record Date and each Cassini Shareholder (except in the case of an Ineligible Shareholders and Non-Electing Small Shareholders) will receive evidence of ownership in respect of the OZ Minerals Shares to which that Cassini Shareholder is entitled.

If you are an Ineligible Shareholder or Non-Electing Small Shareholder and the Acquisition Scheme becomes Effective, on the Implementation Date your Cassini Shares will be transferred to OZ Minerals and the OZ Minerals Shares which would have been issued to you will be issued to the Sale Agent (subject to any foreign resident CGT withholding required with respect to Ineligible Shareholders who do not return a completed Relevant Foreign Resident Declaration Form referred to in Section 5.5). If you are an Ineligible Shareholder or Non-Electing Small Shareholder, OZ Minerals must procure that the Sale Agent sells those OZ Minerals Shares as soon as reasonably practicable and in any event within 30 Business Days following the Implementation Date and OZ Minerals remits the net sale proceeds (minus applicable selling costs, taxes and charges) directly to the holders. OZ Minerals must promptly remit to you your pro rata share of the net proceeds from the sale of Acquisition Scheme Consideration sold through the Sale Facility and will use reasonable endeavours to do so within 10 Business Days of the Sale Agent selling those OZ Minerals Shares.

Further details about Ineligible Shareholders and Small Shareholders are set out in Sections 5.2 and 5.3 respectively. Cassini Shareholders should also refer to Section 10 for important information in relation to certain Australian taxation matters.

## 1.3 Directors' recommendations

Your Directors unanimously recommend that Cassini Shareholders vote in favour of the Acquisition Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.<sup>2</sup> Each of the Directors will (in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders) vote, or procure the voting of any Cassini Shares controlled or held by, or on behalf of, them at the time of the Acquisition Scheme Meeting, in favour of the Acquisition Scheme at the Acquisition Scheme Meeting.

<sup>2</sup> A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because that they have an interest in the Acquisition Scheme that renders it inappropriate to maintain any such recommendation.



The reasons to vote in favour of or against the Acquisition Scheme as considered by the Directors are set out in Section 2.

A summary of implications for Cassini Shareholders if the Acquisition Scheme does not proceed are set out in Section 3 under the heading titled, "What happens if the Acquisition Scheme is not approved".

## **1.4 Independent Expert**

Cassini has commissioned Grant Thornton as the Independent Expert to prepare a report to ascertain whether the Acquisition Scheme is in the best interests of Cassini Shareholders.

The Independent Expert has concluded that the Acquisition Scheme is fair and reasonable and in the best interests of Cassini Shareholders.

The Independent Expert's Report is set out in Annexure 1.

## **1.5 Implementation, timetable and procedures**

If the Acquisition Scheme is approved by Cassini Shareholders and the Court, and all other conditions to the Acquisition Scheme are satisfied or (where applicable) waived, it is expected that the Acquisition Scheme will be implemented on or around Monday, 5 October 2020. The key dates and times in relation to the Acquisition Scheme are set out at the beginning of this Acquisition Scheme Booklet. These key dates are indicative only and are subject to change.

## **1.6 Conditions to the Acquisition Scheme**

A description of all of the conditions to the Acquisition Scheme is included in the Acquisition Scheme Implementation Deed in Annexure 2.

## **1.7 Acquisition Scheme Meeting**

The Acquisition Scheme Meeting, to approve the Acquisition Scheme, is scheduled to be held at 10:00am on Monday, 21 September 2020. Voting eligibility for the Acquisition Scheme Meeting will be determined as at 5:00pm (AWST) on Saturday, 19 September 2020.

Further details of the Acquisition Scheme Meeting, including how to vote, are contained in Section 4. The Notice of Acquisition Scheme Meeting is contained in Annexure 5.

## **1.8 Approvals**

### **(a) Acquisition Scheme Meeting**

The Acquisition Scheme must be approved by the Requisite Majority, being:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders present and voting at the Acquisition Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (ii) at least 75% of the total number of votes which are cast at the Acquisition Scheme Meeting.

### **(b) Court Approval**

If the Acquisition Scheme is approved at the Acquisition Scheme Meeting, and all other conditions of the Acquisition Scheme have been satisfied or (where applicable) waived, the Court will be asked to approve the Acquisition Scheme on the Second Court Date in accordance with section 411(4)(b) of the Corporations Act. The Second Court Date is expected to be on or around Wednesday, 23 September 2020.

## 1.9 Tax implications

The transfer of your Cassini Shares in accordance with the Acquisition Scheme may have tax implications for you. You should seek your own professional advice regarding your individual tax consequences. A summary of relevant Australian tax implications for Acquisition Scheme Shareholders is contained in Section 10.

## 1.10 The Demerger is a separate transaction

In addition to the Acquisition Scheme, Cassini intends to propose the Demerger to Cassini Shareholders. The Demerger is a separate but inter-conditional transaction and details of the Demerger are not included in this Acquisition Scheme Booklet.

Further information in relation to the Demerger can be found in the Demerger Scheme Booklet, which was made available to you at the same time as this Acquisition Scheme Booklet.

## 1.11 What to do next

### (a) Read the remainder of this Acquisition Scheme Booklet

Read the remainder of this Acquisition Scheme Booklet in full before making any decision on the Acquisition Scheme.

### (b) Consider your options

Cassini Shareholders should refer to Section 2 for further guidance on the reasons to vote in favour of or against the Acquisition Scheme and Section 9 for guidance on the risk factors associated with the Acquisition Scheme.

If you have any questions in relation to the Acquisition Scheme or the Acquisition Scheme Meeting, please contact the Company Secretary on +61 8 9322 7600 Monday to Friday between 9:00am and 5:00pm (AWST), visit <https://www.cassiniresources.com.au/> or consult your legal, investment, taxation, financial, taxation or other professional adviser.

### (c) Vote at the Acquisition Scheme Meeting

Your Directors urge you to vote on the Acquisition Scheme at the Acquisition Scheme Meeting. The Acquisition Scheme affects your shareholding and your vote at the Acquisition Scheme Meeting is important in determining whether the Acquisition Scheme proceeds.

Your Directors unanimously recommend that you vote in favour of the Acquisition Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.<sup>3</sup>

<sup>3</sup> A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because that they have an interest in the Acquisition Scheme that renders it inappropriate to maintain any such recommendation.

## 2. Reasons to vote in favour of or against the Acquisition Scheme

### 2.1 Reasons to vote in favour of the Acquisition Scheme

<b>Your Directors recommend the Acquisition Scheme in the absence of a Superior Proposal</b>	<p>Your Directors unanimously recommend that you vote in favour of the Acquisition Scheme and each Cassini Director presently intends to vote in favour of the Acquisition Scheme with respect to the Cassini Shares he or she holds or controls, in each case in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.</p> <p>The Directors and major shareholders of Cassini (representing 17.4% of issued capital), including Tinci (HK) Limited and Atasa Holdings Pty Ltd, have confirmed to Cassini their intention to vote in favour of the Acquisition Scheme.</p>
<b>The Independent Expert, Grant Thornton, has concluded that the Acquisition Scheme is fair and reasonable to Cassini Shareholders</b>	<p>The Independent Expert, Grant Thornton, has concluded that the Acquisition Scheme is fair and reasonable and in the best interests of Cassini Shareholders.</p> <p>The Independent Expert's Report is set out in Annexure 1.</p>
<b>The upfront consideration represents a compelling premium to Cassini's current trading values</b>	<p>The upfront implied value of A\$0.16 per Cassini Share, comprised of A\$0.15 in the form of OZ Minerals' Shares, and A\$0.01 in cash from the Capital Return represents a premium of:</p> <ul style="list-style-type: none"><li>• 31% to Cassini's 1-day VWAP of A\$0.123 per Cassini Share on 19 June 2020; being the last day of trading of Cassini Shares prior to the announcement of the Acquisition Scheme;</li><li>• 31% to Cassini's 1-month VWAP of A\$0.122 per Cassini Share, up to and including 19 June 2020; and</li><li>• 55% to Cassini's 3-month VWAP of A\$0.103 per Cassini Share, up to and including 19 June 2020.</li></ul> <p>The upfront implied value of A\$0.16 was calculated at 22 June 2020 when the Acquisition Scheme was announced and will change with changes to the OZ Minerals share price. This implied value will vary subject to changes in the price at which OZ Minerals Shares trade on ASX after the issue of the OZ Minerals Shares under the Acquisition Scheme.</p> <p>The upfront implied value does not include the Cassini Shares to be distributed to Demerger Scheme Shareholders pursuant to the Demerger or the Contingent Consideration.</p> <p>Refer to Section 6.10 for recent Cassini Share price history based on the last practicable date prior to the date of this Acquisition Scheme Booklet.</p>

<b>No Superior Proposal has emerged</b>	<p>There is the potential for a proposal that is superior to the Scheme to emerge. However, as at the date of this Acquisition Scheme Booklet, no Superior Proposal has emerged.</p> <p>Furthermore, the fact that Cassini is a minority JV partner in the West Musgrave Project may reduce the likelihood of a third party putting forward a Superior Proposal.</p> <p>If a Superior Proposal is received, this will be announced to ASX, and the Cassini Directors will carefully consider the proposal and advise Cassini Shareholders of their recommendation.</p>
<b>On going exposure to the West Musgrave Project with potential to benefit from OZ Minerals' strong balance sheet, sustainable dividend policy, operating cash flow and expertise to support the development of the West Musgrave Project</b>	<p>Shareholders will have on going exposure to Cassini's assets through the ownership of OZ Minerals. Notably, OZ Minerals' group cash on hand as at 31 December 2019 was A\$134 million with a market capitalisation of approximately A\$4,594 million as at 6 August 2020 (being the last practicable date prior to the date of this Acquisition Scheme Booklet). OZ Minerals also reported profit before income tax expense in 2019 of approximately A\$228.6 million for the 12 months ending 31 December 2019.</p> <p>There is potential to benefit from OZ Minerals' strong balance sheet, sustainable dividend policy, and operating cash flow and expertise to support the development of the West Musgrave Project.</p>
<b>Provides exposure to OZ Minerals asset portfolio</b>	Shareholders will have on going exposure to OZ Minerals' global portfolio of projects.
<b>The Acquisition Scheme and the Demerger Scheme are inter-conditional</b>	<p>The Acquisition Scheme and the Demerger Scheme are inter-conditional, which means the Demerger Scheme cannot proceed unless the Acquisition Scheme is approved. The Demerger offers you the ability to maintain your exposure to benefits from the potential progress and success of Cassini's Yarawindah Brook and Mount Squires assets, as well as provide you with exposure to the Contingent Consideration.</p> <p>Further, if each element of the Transaction is implemented, Acquisition Scheme Shareholders (excluding Ineligible Shareholder or Non-Electing Small Shareholders) will retain their exposure to Cassini's Yarawindah Brook and Mount Squires assets as a result of the Demerger and the pro-rata distribution of Caspin Shares.</p>
<b>Risks associated with the development of the West Musgrave Project if the Acquisition Scheme is not implemented</b>	<p>If the Acquisition Scheme does not proceed, Cassini Shareholders will continue to be exposed to the risks inherent in the business of exploration, development and production. If the Acquisition Scheme is not implemented, Cassini will require additional financial resources to continue funding the development of the West Musgrave Project pro rata to its shareholding in the West Musgrave Project.</p> <p>Any capital raising by Cassini will be dilutive to existing Cassini Shareholders. If Cassini is unable to satisfy the capital requirements to fund the development of the West Musgrave Project, Cassini may be required to limit its contributions to the West Musgrave Project significantly which would consequentially dilute its interest in the West Musgrave Project.</p>
<b>There are risks to not voting for the Scheme</b>	The Cassini Board considers if the Acquisition Scheme does not complete, and no alternative proposal emerges, the Cassini share price may decline. The Acquisition Scheme Consideration is significantly above the closing price of Cassini prior to the announcement of the Acquisition Scheme.

	Refer to Section 9.4 for further risks if the Acquisition Scheme is not implemented.
<b>Cassini Shareholders may be eligible for CGT rollover relief</b>	<p>The disposal of the Cassini Shares to OZ Minerals in accordance with the Acquisition Scheme will give rise to a CGT event. The time of the CGT event should be the date that the Cassini Shares are disposed of, which will occur on the Implementation Date.</p> <p>Cassini Shareholders who make a capital gain from the disposal of their Cassini Shares may be eligible to choose CGT scrip for scrip rollover relief (provided certain conditions are met).</p> <p>Refer to Section 10 for further information on the Australian tax consequences.</p>

## 2.2 Reasons to vote against the Acquisition Scheme

<b>You may disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion</b>	You may disagree with the unanimous recommendation of your Cassini Directors and the conclusion of the Independent Expert, who has concluded that the Acquisition Scheme is fair and reasonable and in the best interests of Cassini Shareholders, in the absence of a Superior Proposal. Refer to Annexure 1 for a copy of the Independent Expert's Report.
<b>Dilution to Cassini's assets</b>	<p>Following implementation of the Scheme, Cassini Shareholders will hold approximately 2% of the issued share capital of OZ Minerals. Accordingly, Cassini Shareholders will have a reduced entitlement to any potential proceeds which may be generated by Cassini's existing project portfolio.</p> <p>It is possible that you may wish Cassini to remain a standalone entity because you specifically invested in Cassini to seek exposure to a company with the specific characteristics of Cassini.</p>
<b>Changing risk profile</b>	In addition, the risk profile and risk of investment for Cassini Shareholders will change and you may consider the risk profile and risk of investment of the Combined Group to be disadvantageous relative to that of Cassini as a standalone entity. Cassini Shareholders will be exposed to commodity price movements of Gold, in addition to Copper and Nickel. Other key aspects including the capital structure, ownership and board and management of the Combined Group will differ.
<b>A Superior Proposal for Cassini, if it were to continue as a stand-alone entity, may materialise in the future</b>	<p>You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. However, since the announcement of the execution of the Acquisition Scheme Implementation Deed on 22 June 2020 and up to the date of this Acquisition Scheme Booklet, no Superior Proposal has been received.</p> <p>Cassini Shareholders should note that the likelihood of a Superior Proposal emerging may be impacted by the fact that OZ Minerals owns and controls 70% of the West Musgrave Project.</p> <p>If a Superior Proposal emerges, this will be announced to ASX and the Cassini Directors will carefully reconsider the Acquisition Scheme and advise Cassini Shareholders of their recommendation (subject to the exclusivity provisions of the Acquisition Scheme Implementation Deed).</p>
<b>The potential tax consequences of the Acquisition Scheme may not suit your current financial position or tax circumstances</b>	<p>If the Scheme is implemented, you may incur tax on the transfer of your Cassini Shares. Please refer to Section 10 for further information on the Australian tax implications.</p> <p>The disposal of the Cassini Shares to OZ Minerals in accordance with the Acquisition Scheme will give rise to a CGT event. The time of the CGT</p>

	<p>event should be the date that the Cassini Shares are disposed of, which will occur on the Implementation Date.</p> <p>Scrip for scrip rollover relief is not available if a Cassini Shareholder makes a capital loss in respect of the Acquisition Scheme. Refer to Section 10 for further details.</p> <p>All Cassini Shareholders are advised to seek independent professional advice about their particular circumstances including, for non-resident Cassini Shareholders, any foreign tax consequences.</p>
<p><b>The exact value of the Scrip Consideration is not certain and will depend on the price at which OZ Minerals' Shares trade on ASX after the Implementation Date</b></p>	<p>The Acquisition Scheme Consideration is not certain and the exact value that you receive for your Cassini Shares may move adversely from the market value of the Acquisition Scheme Consideration on the date of this Acquisition Scheme Booklet or the Acquisition Scheme Meeting. One such factor which may affect the volatility of the OZ Minerals Share price is COVID-19. To date, the COVID-19 pandemic has not had a material impact on OZ Minerals' operations in Australia. However, any infections on the Combined Group's Australian sites could impact the OZ Minerals Share price as a result of the Combined Group's operations being suspended or otherwise disrupted.</p> <p>Alternatively, if there is an increase in the relative price of OZ Minerals' Shares, the effective value you receive for your Cassini Shares may move favourably from the market value of the Acquisition Scheme Consideration on the date of this Acquisition Scheme Booklet or the Acquisition Scheme Meeting.</p> <p>In addition, the Sale Agent will be issued the Cassini Shares that would otherwise be issued to Ineligible Shareholders and Non-Electing Small Shareholders and will sell them as soon as reasonably practicable after the Implementation Date. Although the quantum of these sales is expected to be limited, it is possible that such sales may exert downward pressure on the share price of OZ Minerals during the applicable period.</p>

## 2.3 Other relevant considerations

- (a) The Acquisition Scheme may be implemented even if you do not vote, or vote against the Acquisition Scheme

Even if you do not vote, or if you vote against the Acquisition Scheme, the Acquisition Scheme may still be implemented if it is approved by the Requisite Majority of Cassini Shareholders and by the Court. If this occurs and you are a Cassini Shareholder, your Cassini Shares will be transferred to OZ Minerals (as applicable) and you will receive the Acquisition Scheme Consideration even though you did not vote on, or voted against, the Acquisition Scheme.

- (b) Costs of the Acquisition Scheme

Cassini has already incurred, and will incur, significant costs in respect of the proposal to implement the Acquisition Scheme, Demerger Scheme and Capital Reduction. These costs include negotiation with OZ Minerals, retention of advisers, provision of information to OZ Minerals, facilitating OZ Minerals' access to due diligence, engagement of the Independent Expert and the preparation of this Acquisition Scheme Booklet. If the Acquisition Scheme is not implemented in circumstances where no Superior Proposal emerges and is completed, Cassini will not receive any material value for the costs it has incurred in connection with the Acquisition Scheme.

Under the Acquisition Scheme Implementation Deed, a break fee of A\$760,000 may become payable by Cassini to OZ Minerals, in certain circumstances. Failure by Cassini Shareholders to approve the Acquisition Scheme at the Acquisition Scheme Meeting will not trigger an obligation to pay the break fee. Further details of the circumstances in which a break fee may become payable to OZ Minerals are in Section 11.18.



Under the Acquisition Scheme Implementation Deed, a break fee of A\$760,000 may become payable by OZ Minerals to Cassini, in certain circumstances. Further details of the circumstances in which a break fee may become payable to Cassini are in Section 11.19.

(c) Relationship between the Acquisition Scheme, Demerger Scheme and the Capital Reduction Meeting

It is important that you vote at the Demerger Scheme Meeting and Capital Reduction Meeting as it is a condition precedent to the Acquisition Scheme becoming Effective that Cassini Shareholders approve the resolution put forward at the Capital Reduction Meeting. If Cassini Shareholders do not approve the resolutions put forward at the Demerger Meeting and Capital Reduction Meeting, the Acquisition Scheme will not proceed.

See Section 11.10 for further information in relation to the Demerger Meeting and Capital Reduction Meeting.

(d) No brokerage will be payable on the transfer of your Cassini Shares pursuant to the Acquisition Scheme

Acquisition Scheme Shareholders (including Ineligible Shareholders and Non-Electing Small Shareholders) will not pay brokerage fees on the disposal of their Cassini Shares pursuant to the Acquisition Scheme.

### 3. Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Acquisition Scheme, but must be read in conjunction with the more detailed information included in this Acquisition Scheme Booklet. You are urged to read this Acquisition Scheme Booklet in its entirety.

Overview of the Transaction	
<b>What is the Transaction?</b>	<p>On 22 June 2020, Cassini announced the Transaction to ASX. The Acquisition Scheme, Demerger Scheme and the Capital Reduction are together referred to as the Transaction. The Transaction will be implemented by way of two separate but inter-conditional schemes of arrangement and a capital reduction to effect the Demerger.</p> <p>This means that each of the Demerger (via the Demerger Scheme) and the Acquisition Scheme contain conditions precedent that relate to Cassini Shareholders and the Court approving the other. Effectively, neither the Demerger nor the Acquisition Scheme will be implemented unless the other is implemented.</p>
<b>What is the Acquisition Scheme?</b>	<p>The Acquisition Scheme is a proposed acquisition by OZ Minerals of Cassini to be implemented by way of a scheme of arrangement under Part 5.1 of the Corporations Act between Cassini and Cassini Shareholders under which all of the Cassini Shares held by Acquisition Scheme Shareholders will be transferred to OZ Minerals in consideration for the issuance by OZ Minerals of the Acquisition Scheme Consideration.</p> <p>The Acquisition Scheme requires the approval of both the Requisite Majority of Cassini Shareholders at the Acquisition Scheme Meeting and the Court.</p> <p>The terms of the Acquisition Scheme are set out in full in Annexure 3.</p>
<b>What is the Demerger?</b>	<p>The Demerger is separate from the Acquisition Scheme. The Demerger involves the demerger of Caspin, which is currently a wholly-owned subsidiary of Cassini. Upon implementation of the Demerger, Caspin will become a standalone entity, separate to Cassini.</p> <p>The Demerger is proposed to occur by way of the Demerger Scheme and the Capital Reduction, which will result in 100% of the Caspin Shares being distributed to, or for the benefit of, Cassini Shareholders. The implementation of the Demerger is expected to occur one day prior to the implementation of the Acquisition Scheme.</p> <p>If the Demerger is approved by Cassini Shareholders and implemented, Demerger Scheme Shareholders will receive 1 Caspin Share for every 22 Cassini Shares they hold (other than Ineligible Shareholders) and A\$0.01 per Cassini Share held on the Record Date. Following implementation of the Demerger Scheme, Caspin intends to conduct an initial public offer and apply for admission to the official list of ASX.</p> <p>The Demerger is conditional on (among other things) the Requisite Majorities of Cassini Shareholders also approving the Acquisition Scheme.</p> <p>Details of the Demerger are not included in this Acquisition Scheme Booklet.</p> <p>Further information in relation to the Demerger can be found in the Demerger Scheme Booklet, which was made available to you at the same time as this Acquisition Scheme Booklet.</p>
<b>What is the Demerger Scheme?</b>	<p>The Demerger Scheme is a scheme of arrangement under part 5.1 of the Corporations Act between Cassini and "Demerger Scheme Shareholders".</p> <p>Cassini Shareholders will be asked to approve the Demerger Scheme at the Demerger Scheme Meeting.</p>

## Overview of the Transaction

	<p>Details of the Demerger Scheme are not included in this Acquisition Scheme Booklet</p> <p>Further information in relation to Demerger Scheme can be found in the Demerger Scheme Booklet, which was made available to you at the same time as this Acquisition Scheme Booklet.</p>
<b>What is the Capital Reduction?</b>	<p>The Capital Reduction is a return of capital of your Cassini Shares, and is a necessary step to effect the Demerger. The Acquisition Scheme and the Demerger Scheme are conditional on the Capital Reduction being approved by Cassini Shareholders.</p>

## Overview of the Acquisition Scheme

<b>What is the Acquisition Scheme Consideration?</b>	<p>If the Acquisition Scheme proceeds, the Acquisition Scheme Consideration, being 1 New OZ Mineral Share for every 68.5 Acquisition Scheme Shares, will be issued to Acquisition Scheme Shareholders (excluding Ineligible Shareholder or Non-Electing Small Shareholders).</p>
<b>What will be the effect of the Acquisition Scheme?</b>	<p>If the Acquisition Scheme is approved by the Requisite Majority of Cassini Shareholders and the Court:</p> <ul style="list-style-type: none"> <li>all your Cassini Shares will be transferred to OZ Minerals;</li> <li>in exchange, you will receive the Acquisition Scheme Consideration for each Cassini Share you hold; and</li> <li>Cassini will become a wholly-owned subsidiary of OZ Minerals and will be removed from the official list of ASX.</li> </ul>
<b>What value does the Acquisition Scheme imply for my Cassini Shares?</b>	<p>Based on the OZ Minerals share price prior to announcement of the transaction, Cassini Shareholders will receive an upfront implied value of A\$0.16 per share, comprised of A\$0.15 in the form of OZ Minerals' Shares, and A\$0.01 in cash from the Capital Return. The implied value of the Acquisition Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the OZ Minerals share price. Please refer to Section 7.11 for the recent price history of OZ Minerals Shares.</p>
<b>Are there conditions that need to be satisfied before the Acquisition Scheme can proceed?</b>	<p>Implementation of the Acquisition Scheme is subject to satisfaction or waiver (where applicable) of a number of conditions contained in the Acquisition Scheme Implementation Deed, set out in Annexure 2.</p> <p>There are a number of conditions that remain outstanding as at the date of this Acquisition Scheme Booklet as described in 11.15.</p>
<b>What is the Directors' recommendation?</b>	<p>Your Directors have carefully considered the advantages and disadvantages of the Acquisition Scheme and unanimously recommend that you vote in favour of the Acquisition Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.</p> <p>Your Directors intend to vote, or procure the voting, in favour of the Acquisition Scheme with respect to any Cassini Shares controlled or held by, or on behalf of, them, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.</p>

## Overview of the Acquisition Scheme

	<p>In relation to the recommendation of Mr Richard Bevan, Cassini Shareholders should have regard to the fact that, once the Acquisition Scheme becomes Effective, Mr Bevan's 1,115,803 Cassini Performance Rights will automatically vest into Cassini Shares as described in Section 11.20 and he may also become entitled to a cash amount of \$90,000 in the circumstances detailed in Section 12.2(b). In relation to the recommendation of Ms Simone Suen, Cassini Shareholders should have regard to the fact that Ms Suen is also a director and shareholder of Atasa Holdings Pty Ltd, which holds Cassini Options which are entitled to be dealt with in accordance with Section 11.21. Mr Bevan and Ms Suen consider that, despite these arrangements it is appropriate for them to make a recommendation on the Acquisition Scheme as the value of these arrangements are not material to Mr Bevan and Ms Suen and accordingly do not impact their recommendation.</p> <p>A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because that they have an interest in the Acquisition Scheme that renders it inappropriate to maintain any such recommendation.</p>
<b>Are there any major shareholders who support the Acquisition Scheme?</b>	<p>Tinci (HK) Limited (approximately 5.84%) and Atasa Holdings Pty Ltd (approximately 7.31%), each a substantial shareholder of Cassini, have confirmed their intention to vote in favour of the Acquisition Scheme in respect of Cassini Shares currently held, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.</p> <p>In addition to the above and as disclosed by Cassini on 4 April 2020, Cassini holds a relevant interest in the Cassini Shares held by Tinci (HK) Limited pursuant to a Subscription and Voting Deed dated 4 April 2019 whereby Tinci (HK) Limited has for the period until 4 April 2021 agreed, in the absence of a superior proposal, to vote in accordance with the recommendation of the majority of the Board in respect of any change of control transaction.</p>
<b>What are the reasons to vote in favour of the Acquisition Scheme?</b>	The Directors have described in Section 2.1 the reasons why Cassini Shareholders should vote in favour of the Acquisition Scheme.
<b>What are the reasons to vote against the Acquisition Scheme?</b>	The Directors have described in Section 2.2 the reasons why you may decide to vote against the Acquisition Scheme.
<b>What are the risks for me if the Acquisition Scheme is implemented?</b>	If the Acquisition Scheme is implemented, you will be entitled to receive the Acquisition Scheme Consideration (unless you are a Ineligible Shareholder or Non-Electing Small Shareholder). Cassini Shareholders who receive and retain OZ Minerals Shares under the Acquisition Scheme may be subject to certain risks, including as detailed in Section 9.
<b>What is the Independent Expert's conclusion?</b>	<p>The Independent Expert has concluded that the Acquisition Scheme is fair and reasonable and in the best interests of Cassini Shareholders.</p> <p>The Independent Expert's Report is set out in Annexure 2.</p>
<b>If I wish to support the Acquisition Scheme, what should I do?</b>	Your Directors unanimously recommend that you vote in favour of the Acquisition Scheme at the Acquisition Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini

## Overview of the Acquisition Scheme

	<p>Shareholders.<sup>4</sup> If you are a registered Cassini Shareholder and are unable to attend the Acquisition Scheme Meeting you may be entitled to vote by proxy, corporate representative or attorney.</p> <p>See Section 4 for directions on how to vote and important voting information generally.</p>
<b>What happens if I vote against the Acquisition Scheme?</b>	<p>If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Acquisition Scheme, you may vote against the Acquisition Scheme at the Acquisition Scheme Meeting.</p> <p>If the Acquisition Scheme is approved by the Requisite Majority of Cassini Shareholders and by the Court, and all other conditions to the Acquisition Scheme are satisfied or waived (where applicable), your Cassini Shares will be transferred to OZ Minerals in consideration for OZ Minerals issuing to you or the Sale Agent on your behalf, as applicable, the Acquisition Scheme Consideration. This will occur even if you voted against the Acquisition Scheme at the Acquisition Scheme Meeting.</p> <p>If the Acquisition Scheme is not approved by the Requisite Majority of Cassini Shareholders or the Court, Cassini will remain an independent company and you will remain a Cassini Shareholder.</p>
<b>How will the Acquisition Scheme be implemented?</b>	<p>If the Acquisition Scheme becomes Effective, no further action is required on the part of the Acquisition Scheme Shareholders in order to implement the Acquisition Scheme. Under the Acquisition Scheme, Cassini is given authority to effect a valid transfer of all Cassini Shares to OZ Minerals and to enter the name of OZ Minerals in the Cassini Register as holder of all Cassini Shares. If the Acquisition Scheme becomes Effective, each Cassini Shareholder (other than Ineligible Shareholders and Non-Electing Small Shareholders) will be deemed to have agreed to become a holder of OZ Minerals Shares in accordance with the Acquisition Scheme and to have accepted the OZ Minerals Shares issued to that holder under the Acquisition Scheme subject to, and to be bound by, OZ Minerals' constitution.</p>
<b>What happens if the Acquisition Scheme is not approved?</b>	<p>If the Acquisition Scheme is not approved by the Requisite Majority of Cassini Shareholders or the Court, the Acquisition Scheme will not be implemented.</p> <p>Further, if any of the conditions to the Acquisition Scheme are not satisfied or waived (where applicable), including if the Acquisition Scheme is not approved by the Requisite Majority of Cassini Shareholders and by the Court, the Acquisition Scheme Implementation Deed may be terminated and the Acquisition Scheme will not be implemented.</p> <p>The consequences of the Acquisition Scheme not being implemented include:</p> <ul style="list-style-type: none"> <li>• you will retain your Cassini Shares, you will not be issued the Acquisition Scheme Consideration, and you will continue to be exposed to the risks associated with your investment in Cassini Shares (see Section 9.4);</li> <li>• the Demerger will not proceed, which means Cassini Shareholders will not receive Caspin Shares or the Demerger Cash Entitlement;</li> </ul>

<sup>4</sup> A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because that they have an interest in the Acquisition Scheme that renders it inappropriate to maintain any such recommendation.

## Overview of the Acquisition Scheme

	<ul style="list-style-type: none"> <li>the Cassini Board and management will continue to operate Cassini's business;</li> <li>the expected benefits of the Acquisition Scheme (set out in Section 2.1) will not be realised;</li> <li>Cassini's Share price may fall to the extent that the market reflects an assumption that the Acquisition Scheme will be completed;</li> <li>Cassini will have incurred significant costs and management time and resources for no outcome; and</li> <li>Cassini may be liable to pay the Cassini Break Fee (A\$760,000) to OZ Minerals. For further details in relation to the Cassini Break Fee, see Section 11.18.</li> </ul>
<b>Is a Superior Proposal likely? What happens if a Superior Proposal emerges?</b>	<p>At the date of this Acquisition Scheme Booklet, no Superior Proposal for Cassini has emerged.</p> <p>Until the Acquisition Scheme becomes Effective, there is nothing preventing third parties from making unsolicited Competing Proposals for Cassini.</p> <p>The Acquisition Scheme Implementation Deed contains certain exclusivity arrangements. For example, it restricts certain Cassini actions, obliges Cassini to disclose certain information to OZ Minerals in the event a Competing Proposal emerges and also gives OZ Minerals a right to match a Superior Proposal in certain circumstances.</p> <p>It is possible that, if Cassini were to continue as an independent company, a Superior Proposal for Cassini may materialise in the future.</p> <p>Further details regarding Competing Proposals, Superior Proposals and the exclusivity arrangements are set out in Sections 5.6 and 11.16.</p>
<b>What are the tax implications of the Acquisition Scheme?</b>	<p>Section 10 provides a description of the general Australian tax consequences of the Acquisition Scheme and Section 5.5 explains important information in relation to completing and returning your Relevant Foreign Resident Declaration Form, if applicable to you.</p> <p>It is recommended you seek professional tax advice.</p>
<b>Who will manage the Combined Group following the implementation of the Acquisition Scheme?</b>	<p>Following implementation of the Acquisition Scheme, OZ Minerals will continue to be managed by the current Board of Directors and senior management. Details of which are provided in Section 8.3.</p>
<b>How do the Directors intend to vote in respect of their own Cassini Shares?</b>	<p>In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders, each Director intends to vote, or procure the voting, in favour of the Acquisition Scheme with respect to any Cassini Shares controlled or held by, or on behalf of, them.</p> <p>Your Directors collectively control the voting rights attaching to approximately 11.6% of the total number of Cassini Shares on issue.</p>



## Questions about your entitlements

<b>Who is entitled to participate in the Acquisition Scheme?</b>	<p>Each person (other than Ineligible Shareholders, Non-Electing Small Shareholders, OZ Minerals or a wholly-owned subsidiary of OZ Minerals) who is a Cassini Shareholder as at 5:00pm (AWST) on the Record Date (expected to be Monday, 28 September 2020) will be entitled to participate in the Acquisition Scheme.</p>
<b>What if I am an Ineligible Shareholder?</b>	<p>If you are a Cassini Shareholder whose address shown in the Cassini Register is in an Ineligible Jurisdiction or who is otherwise determined to be an Ineligible Shareholder, OZ Minerals will not issue OZ Minerals Shares to you. However, your Cassini Shares will be part of the Acquisition Scheme.</p> <p>The number of OZ Minerals Shares that would otherwise have been issued to you under the Acquisition Scheme will be issued to the Sale Agent (subject to any foreign resident CGT withholding required with respect to Ineligible Shareholders who do not return a completed Relevant Foreign Resident Declaration Form referred to in Section 5.5), who will sell those OZ Minerals Shares and remit the proceeds of such sale to OZ Minerals, net of costs. OZ Minerals will promptly remit to you your pro rata share of the net proceeds from the sale of Acquisition Scheme Consideration sold through the Sale Facility.</p> <p>Please refer to Section 5.2 for further information.</p>
<b>What if I receive a Relevant Foreign Resident Declaration Form?</b>	<p>Acquisition Scheme Shareholders with an address outside Australia (or which OZ Minerals, as a purchaser, reasonably believes is a "relevant foreign resident"), will be provided (either together with this Acquisition Scheme Booklet or separately) a Relevant Foreign Resident Declaration Form. In this declaration form, a Cassini Shareholder may provide OZ Minerals with a declaration that:</p> <ul style="list-style-type: none"> <li>the registered holder of the relevant Cassini Shares is an Australian tax resident (residency declaration); or</li> <li>the Cassini Shares held by the registered holder are not indirect Australian real property interests (interest declaration). Please refer to Section 10 for the definition of "indirect Australian real property interest".</li> </ul> <p>For these Cassini Shareholders, unless a signed Relevant Foreign Resident Declaration Form regarding your residency or interest is provided to OZ Minerals, if OZ Minerals believes that foreign resident CGT withholding is applicable to the relevant Cassini Shareholder it may be required to withhold and pay to the Commissioner of Taxation a withholding amount of 12.5% from the Acquisition Scheme Consideration. Please refer to Section 5.5 for further information.</p>
<b>What if I am a Small Shareholder?</b>	<p>If you are a Cassini Shareholder (other than an Ineligible Shareholder) who, based on your holding of Cassini Shares on the Record Date, would, on implementation of the Acquisition Scheme, be entitled to receive less than a Marketable Parcel of OZ Minerals Shares (assessed by reference to the last traded price of OZ Minerals Shares on ASX on the trading day prior to the Record Date) as Acquisition Scheme Consideration, OZ Minerals will not issue OZ Minerals Shares to you unless, on implementation of the Acquisition Scheme, you would be entitled to receive at least one whole OZ Minerals Share as Acquisition Scheme Consideration and you elect to receive your Acquisition Scheme Consideration in the form of OZ Minerals Shares. Section 5.3 explains the process and deadline for making such an Election.</p> <p>If you do not elect to receive OZ Minerals Shares in accordance with the process in Section 5.3, then the number of OZ Minerals Shares that would</p>

## Questions about your entitlements

	<p>otherwise have been issued to you under the Acquisition Scheme will be issued to the Sale Agent, who will sell those OZ Minerals Shares and remit the proceeds of such sale to OZ Minerals, net of costs. OZ Minerals will promptly remit to you your pro rata share of the net proceeds from the sale of Acquisition Scheme Consideration sold through the Sale Facility.</p>
<b>What happens if the market price of OZ Minerals Shares increases or decreases?</b>	<p>The implied value of the Acquisition Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the OZ Minerals share price.</p>
<b>How will fractional entitlements to OZ Minerals Shares be treated?</b>	<p>If, pursuant to the calculation of your Acquisition Scheme Consideration, you would be entitled to a fraction of an OZ Minerals Share your fractional entitlement of:</p> <ul style="list-style-type: none"> <li>• 0.5 or more will be rounded up to the nearest whole number; and</li> <li>• less than 0.5 will be rounded down to the nearest whole number, except where rounding down would cause no New OZ Minerals Shares to be issued to an Acquisition Scheme Shareholder, in which case the fractional entitlement will be rounded up to 1 New OZ Minerals Share.</li> </ul>
<b>What warranties do I give?</b>	<p>Under the Acquisition Scheme, each Acquisition Scheme Shareholder is deemed to have warranted to OZ Minerals that:</p> <ul style="list-style-type: none"> <li>• all Cassini Shares (including any rights and entitlements attaching to those Cassini Shares) will, at the date of the transfer of them to OZ Minerals, be fully paid and free from all mortgages, charges, security interests, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and</li> <li>• they have the power and capacity to sell and to transfer their Cassini Shares, and all rights and entitlements attaching to those Cassini Shares to OZ Minerals.</li> </ul>
<b>When will I be issued the Acquisition Scheme Consideration?</b>	<p>If the Scheme is implemented, OZ Minerals will issue your OZ Minerals Shares to you (or in the case of an Ineligible Foreign Shareholder or a Non-Electing Small Shareholder, to the Sale Agent) on the Implementation Date, which is expected to be 5 October 2020. OZ Minerals will send, or procure the sending of, evidence of ownership for those OZ Mineral Shares to Acquisition Scheme Shareholders (except Ineligible Foreign Shareholders and Non-Electing Small Shareholders) in respect of the Acquisition Scheme Consideration following the Implementation Date.</p>
<b>Will I have to pay brokerage fees on the disposal of my Cassini Shares?</b>	<p>Acquisition Scheme Shareholders (including Ineligible Shareholders and Non-Electing Small Shareholders) will not pay brokerage fees on the disposal of their Cassini Shares.</p> <p>If you are an Ineligible Shareholder or a Non-Electing Small Shareholder the Sale Agent will sell the OZ Minerals Shares that would otherwise have been issued to you and pay OZ Minerals those sale proceeds (minus applicable selling costs, taxes and charges). OZ Minerals will then promptly remit to you your pro rata share of the net proceeds from the sale of Acquisition Scheme Consideration sold through the Sale Facility.</p>

## Questions about your entitlements

### When can I trade my OZ Minerals Shares?

Once you have received the Acquisition Scheme Consideration, you can trade your OZ Minerals Shares on ASX.

For further details, see Section 11.12.

## Questions about the Acquisition Scheme Meeting and voting

### Who can vote?

If you are registered as a Cassini Shareholder at 5:00pm (AWST) on 19 September 2020 you will be entitled to vote on the Acquisition Scheme Resolution to be proposed at the Acquisition Scheme Meeting.

For further details, see Section 4.

### When and where will the Acquisition Scheme Meeting be held?

The Acquisition Scheme Meeting to approve the Acquisition Scheme is scheduled to be held on 21 September 2020 commencing at 10:00am (AWST).

Further details of the Acquisition Scheme Meeting, including how to vote are contained in Section 4. The Notice of Acquisition Scheme Meeting is contained in Annexure 5.

### What vote is required to approve the Acquisition Scheme?

The Acquisition Scheme needs to be approved by the Requisite Majority of Cassini Shareholders, which is:

- unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders present and voting at the Acquisition Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- at least 75% of the total number of votes cast on the resolution at the Acquisition Scheme Meeting.

### Is voting compulsory?

No, voting is not compulsory. However, your vote is important. If you cannot attend the Acquisition Scheme Meeting scheduled to be held on 21 September 2020 at 10:00am (AWST) you should complete and return the Proxy Form enclosed with this Acquisition Scheme Booklet.

For further details regarding voting and submitting Proxy Forms for the Acquisition Scheme Meeting, see Section 4.

### Why should I vote?

Your vote will be important in determining whether the Acquisition Scheme will proceed.

Your Directors unanimously recommend that you vote in favour of the Acquisition Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.<sup>5</sup>

### What happens if I do not vote?

If you do not vote and the Acquisition Scheme is approved by a Requisite Majority of Cassini Shareholders and the Court and becomes Effective, your Cassini Shares will be transferred to OZ Minerals in consideration for OZ Minerals issuing to you the Acquisition Scheme Consideration for your Cassini Shares unless you are an Ineligible Shareholder or a Non-Electing Small Shareholder, in which case the Sale Agent will sell your OZ Minerals

<sup>5</sup> A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because that they have an interest in the Acquisition Scheme that renders it inappropriate to maintain any such recommendation.

## Questions about the Acquisition Scheme Meeting and voting

	<p>Shares and remit the proceeds to OZ Minerals, net of costs. OZ Minerals will then promptly remit to you your pro rata share of the net proceeds from the sale of Acquisition Scheme Consideration sold through the Sale Facility. Ineligible Shareholders who do not return a Relevant Foreign Resident Declaration Form may also be subject to foreign resident CGT withholding, refer to Section 5.5 for further details.</p> <p>If the Acquisition Scheme is not approved, Cassini will remain an independent company and you will remain a Cassini Shareholder.</p>
<b>Can I attend the Court and oppose the Court approval of the Acquisition Scheme?</b>	<p>If you wish to oppose approval by the Court of the Acquisition Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on Cassini, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Cassini at least one Business Day (in Perth, Western Australia) before the Second Court Date.</p>
<b>Can I split my shares?</b>	<p>If OZ Minerals forms the opinion that two or more Cassini Shareholders have, before the Record Date, been a party to:</p> <ul style="list-style-type: none"> <li>splitting a holder of Cassini Shares into two or more parcels of Cassini Shares whether or not it results in any change in beneficial ownership of the Cassini Shares (<b>Share Splitting</b>); or</li> <li>division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements),</li> </ul> <p>OZ Minerals may give notice to such Cassini Shareholders attributing the Cassini Shares held by all of them to one of them (specifically identified in such notice). This notice deems the Cassini Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.</p> <p>If the Acquisition Scheme is not approved by Cassini Shareholders at the Acquisition Scheme Meeting, by reason only of the non-satisfaction of the Headcount Test and Cassini or OZ Minerals considers that Share Splitting may have caused or contributed to the Headcount Test not having been satisfied then Cassini must apply for an order of the Court to disregard the Headcount Test and seek Court approval of the Acquisition Scheme, notwithstanding that the Headcount Test has not been satisfied.</p>
<b>What are my options?</b>	<p>You may:</p> <ul style="list-style-type: none"> <li>vote in favour of the Acquisition Scheme at the Acquisition Scheme Meeting;</li> <li>vote against the Acquisition Scheme at the Acquisition Scheme Meeting;</li> <li>sell your Cassini Shares on market at any time before the close of trading on ASX on the Record Date; or</li> <li>do nothing.</li> </ul> <p>See section 5.9 for further information.</p>

## Questions about the Acquisition Scheme Meeting and voting

### What if I cannot, or do not wish to, attend the Acquisition Scheme Meeting?

If you cannot, or do not wish to, attend the Acquisition Scheme Meeting, you may vote online or appoint a proxy, corporate representative or attorney to vote on your behalf. For further details regarding voting and submitting Proxy Forms for the Acquisition Scheme Meeting, see Section 4.

## Questions about OZ Minerals

### Who is OZ Minerals?

OZ Minerals is a copper-focused, global, modern mining company based in South Australia. Listed on the Australian Securities Exchange (ASX100), OZ Minerals has a growth strategy focused on creating value for all stakeholders. In South Australia, it owns and operates the copper-gold mine at Prominent Hill and the copper-gold mine at Carrapateena. It operates the Antas copper-gold mine in Brazil, and is currently constructing the Pedra Branca copper mine in Brazil. The company has a pipeline of earn-in agreements with experienced exploration companies in Australia and internationally. It also has a significant pipeline of development and exploration opportunities in the Carajás and Gurupi provinces in Brazil.

See Section 7 for further information on OZ Minerals and Section 8 for further information on the Combined Group.

### Why does OZ Minerals wish to implement the Acquisition Scheme?

The Acquisition Scheme will result in OZ Minerals consolidating 100% ownership of the West Musgrave Project and surrounding tenements including One Tree Hill and Succoth, enhancing optionality regarding the optimal development approach, timing and funding for the West Musgrave Project.

The Boards of both OZ Minerals and Cassini believe the Transaction represents the best value path forward for both sets of shareholders.

### What are OZ Minerals' intentions in relation to the Combined Group if the Acquisition Scheme proceeds?

If the Scheme is implemented, OZ Minerals intends to assess its strategic alternatives for the West Musgrave Project, including the most time and value accretive manner for progressing possible feasibility study work.

See Section 8 for further information on the Combined Group.

Cassini Shareholders should be aware that if the Acquisition Scheme proceeds, there will be various risks associated with an investment in OZ Minerals, which are described (non-exhaustively) in Section 9.

## Questions about Caspin

### Who is Caspin?

Caspin was incorporated in Australia on 17 June 2020 by its current parent company, Cassini, to effect the proposed Demerger of Cassini's Yarawindah Brook Project and Mount Squires Project via a transfer to Caspin of the shares in the four subsidiaries of Cassini which hold those assets.

Further information about Caspin, including its business strategy, board and the risks associated with an investment in Caspin are detailed in the Demerger Scheme Booklet, which was made available to you at the same time as this Acquisition Scheme Booklet.

## General questions

### What other information is available?

You should read the detailed information in relation to the Acquisition Scheme provided in this Acquisition Scheme Booklet.

Further information in relation to the Demerger can be found in the Demerger Scheme Booklet, which was made available to you at the same time as this Acquisition Scheme Booklet.

Further information in relation to Cassini can be obtained from ASX on its website [www.asx.com.au](http://www.asx.com.au)

Further information in relation to OZ Minerals can be obtained from ASX on its website [www.asx.com.au](http://www.asx.com.au)

### Who can help answer my questions about the Acquisition Scheme?

If you have questions in relation to the Acquisition Scheme or the Acquisition Scheme Meeting, please contact the Company Secretary on +61 8 9322 7600 Monday to Friday between 9:00am and 5:00pm (AWST), visit <https://www.cassiniresources.com.au/> or consult your legal, investment, financial, taxation or other professional adviser.



## 4. Acquisition Scheme Meeting and voting information

This Section contains information relating to voting entitlements and information on how to vote at the Acquisition Scheme Meeting for Cassini Shareholders.

### 4.1 Acquisition Scheme Meeting

#### (a) Time and location

The Acquisition Scheme Meeting to approve the Acquisition Scheme is scheduled to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia on 21 September 2020 at 10:00am (AWST).

#### (b) Requisite Majority

At the Acquisition Scheme Meeting, the Acquisition Scheme Resolution will be proposed to the Acquisition Scheme Meeting which must be approved by:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders present and voting at the Acquisition Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (ii) at least 75% of the total number of votes which are cast at the Acquisition Scheme Meeting,

(the **Requisite Majority**), for the Acquisition Scheme to become Effective.

#### (c) Notice of Acquisition Scheme Meeting

The Acquisition Scheme Resolution is set out in the Notice of Acquisition Scheme Meeting in Annexure 5.

### 4.2 Entitlement and ability to vote at the Acquisition Scheme Meeting

If you are registered as a Cassini Shareholder as at 5:00pm (AWST) on 19 September 2020, you will be entitled to vote on the Acquisition Scheme Resolution at the Acquisition Scheme Meeting. Voting on the Acquisition Scheme Resolution will be by poll.

#### (a) Voting in person

If you wish to vote in person, you may attend the Acquisition Scheme Meeting. You (or your proxy, corporate representative or attorney) may also attend the Acquisition Scheme Meeting through an online platform. To attend the Acquisition Scheme Meeting online:

- (i) go to [investor.automic.com.au](http://investor.automic.com.au); and
- (ii) login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.

Cassini Shareholders and their proxies will be able to vote on the Acquisition Scheme Resolution directly through the online platform at any time between the commencement of the Acquisition Scheme Meeting at 10:00am (AWST) on 21 September 2020 and the closure of voting as announced by the chair during the Acquisition Scheme Meeting.

#### (b) Voting by proxy

Your personalised Proxy Form for the Acquisition Scheme Meeting accompanies this Acquisition Scheme Booklet.

You can appoint a proxy by completing and returning to Cassini the enclosed Proxy Form for the Acquisition Scheme Meeting. The Proxy Form must be received by Cassini by no later than 10:00am (AWST) on 19 September 2020.

You must return the Proxy Form to Cassini by either posting it in the reply-paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:

- (i) Mail to:  
Automic, GPO Box 5193, Sydney NSW 2001
- (ii) Hand deliver to:  
Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
- (iii) Fax to:  
+61 2 8583 3040
- (iv) lodged online at <https://investor.automic.com.au/#/loginsah> and following the instructions provided.

If a proxy appointment is signed by or validly authenticated by a Cassini Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman of the Acquisition Scheme Meeting may act as proxy.

If:

- (i) a Cassini Shareholder nominates the chairman of the Acquisition Scheme Meeting as the Cassini Shareholder's proxy; or
- (ii) a proxy appointment is signed by a Cassini Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,

the person acting as chairman in respect of an item of business at the Acquisition Scheme Meeting must act as proxy under the appointment in respect of that item of business.

Proxy appointments in favour of the chairman of the Acquisition Scheme Meeting, the Cassini company secretary or any Director which do not contain a direction will be voted in support of the Acquisition Scheme Resolution at the Acquisition Scheme Meeting.

A Cassini Shareholder who wishes to submit a proxy has the right to appoint a proxy (who need not be a Cassini Shareholder) to represent him, her or it at the Acquisition Scheme Meeting, other than the chairman of the Acquisition Scheme Meeting, by inserting the name of his chosen proxy in the space provided for that purpose on the Proxy Form.

A Cassini Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes. The Cassini Shares represented by proxy will be voted for or against or withheld from voting in accordance with the instructions of the Cassini Shareholder on any ballot that may be called for, and if the Cassini Shareholder specifies a choice with respect to any matter to be acted upon, the Cassini Shares will be voted accordingly.

A Cassini Shareholder who has deposited a Proxy Form may revoke it prior to its use, by instrument in writing executed by the Cassini Shareholder or by his, her or its attorney duly authorised in writing or, if the Cassini Shareholder is a company, executed by a duly authorised officer or attorney in compliance with applicable law and deposited at the Share Registry by 10:00am (AWST) on 19 September 2020 or with the chairman of the Acquisition

Scheme Meeting on the day of, and prior to the start of, the Acquisition Scheme Meeting. A Cassini Shareholder may also revoke a proxy in any other manner permitted by law.

If an attorney signs a Proxy Form on your behalf, a certified copy of the power of attorney under which the Proxy Form was signed must be received by the Share Registry at the same time as the Proxy Form (unless you have already provided a certified copy of the power of attorney to Cassini).

(c) **Undirected proxies**

A Cassini Shareholder who has submitted a proxy has the right to appoint the chairman of the Acquisition Scheme Meeting, or another person (who need not be a Cassini Shareholder) to represent him, her or it at the Acquisition Scheme Meeting and vote on the Acquisition Scheme Resolution, by inserting the name of his, her or its desired representative in the space provided for that purpose on the Proxy Form.

Any instrument of proxy in which the name of the appointee is not filled in will be deemed to have been given in favour of the chairman of the Acquisition Scheme Meeting.

The chairman of the Acquisition Scheme Meeting intends to vote all undirected proxies in favour of the Acquisition Scheme Resolution.

(d) **Voting by corporate representative**

To vote in person at the Acquisition Scheme Meeting, a Cassini Shareholder or proxy, which is a body corporate, may appoint an individual to act as its representative.

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate Cassini Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

A certificate with or without the seal of the body corporate Cassini Shareholder, signed by 2 directors of that body corporate or signed by one director and one secretary, or any other document as the chairman of the Acquisition Scheme Meeting in his sole discretion considers sufficient, will be evidence of the appointment, or of the revocation of the appointment, as the case may be, of a representative.

(e) **Voting by attorney**

A Cassini Shareholder may appoint a person (whether a Cassini Shareholder or not) as its attorney to attend and vote at the Acquisition Scheme Meeting.

An instrument appointing an attorney must be in writing executed under the hand of the appointer or the appointer's attorney duly authorised in writing, or if the appointer is a corporation, under its common seal (if any) or the hand of its duly authorised attorney or executed in a manner permitted by the Corporations Act. The instrument may contain directions as to the manner in which the attorney is to vote on a particular resolution(s) and subject to the Corporations Act, may otherwise be in any form as the Directors may prescribe or accept. A fax of a written power of attorney is valid provided it has been provided to Cassini on the fax number in Section 4.2(b) by no later than 10:00am (AWST) on 19 September 2020. Such fax will be deemed to have been served on Cassini upon the receipt of a transmission report confirming successful transmission of that fax.

## 5. Key considerations

The purpose of this Section 5 is to identify significant issues for you to consider in relation to the Acquisition Scheme.

Before deciding how to vote at the Acquisition Scheme Meeting, you should carefully consider the factors discussed below and the risk factors outlined in Section 9, as well as the other information contained in this Acquisition Scheme Booklet.

### 5.1 Background

If the Acquisition Scheme is implemented, OZ Minerals will acquire all of the Cassini Shares held by Acquisition Scheme Shareholders by way of a scheme of arrangement.

The Acquisition Scheme is subject to, among other things, approval by the Requisite Majority of Cassini Shareholders at the Acquisition Scheme Meeting and approval by the Court pursuant to section 411(4)(b) of the Corporations Act on the Second Court Date. For further details of the conditions, refer to Section 11.15.

If the Acquisition Scheme becomes Effective, Cassini will become a wholly-owned subsidiary of OZ Minerals and will request that ASX remove Cassini from the official list of ASX on or shortly after the Implementation Date.

Cassini Shareholders will be issued OZ Minerals Shares for the transfer of their Cassini Shares to OZ Minerals, resulting in existing OZ Minerals Shareholders and Cassini Shareholders owning approximately 2% (inclusive of the OZ Minerals Shares to be issued to the Sale Agent) of OZ Minerals Shares.

OZ Minerals has executed the Deed Poll pursuant to which OZ Minerals has agreed, subject to the Acquisition Scheme becoming Effective, to acquire the Cassini Shares held by Acquisition Scheme Shareholders for the Acquisition Scheme Consideration. Under the terms of the Acquisition Scheme, each Acquisition Scheme Shareholder (other than Ineligible Shareholders and Non-Electing Small Shareholders) will receive scrip consideration of 1 New OZ Minerals Share for every 68.5 Acquisition Scheme Shares held at the Record Date.

If OZ Minerals converts all or any of the OZ Minerals Shares into a larger or smaller number of OZ Minerals Shares or conducts a Bonus Issue or a Rights Issue, in each case before the time at which the OZ Minerals Shares to be issued as Acquisition Scheme Consideration would participate in such conversion, Bonus Issue or Rights Issue, then the number of OZ Minerals Shares to comprise the Acquisition Scheme Consideration would be adjusted to reflect the position assuming they participated in such conversion, Bonus Issue or Rights Issue.

If the Acquisition Scheme becomes Effective, OZ Minerals will issue the Acquisition Scheme Consideration to Acquisition Scheme Shareholders (or to the Sale Agent for sale through the Sale Facility) on the Implementation Date, and OZ Minerals will register the registered holders of the Acquisition Scheme Consideration in the OZ Minerals Register. OZ Minerals will send, or procure the sending of, evidence of ownership for those OZ Minerals Shares to Acquisition Scheme Shareholders (except Ineligible Shareholders and Non-Electing Small Shareholders).

If, pursuant to the calculation of your Acquisition Scheme Consideration, you would be entitled to a fraction of an OZ Minerals Share your fractional entitlement of:

- (a) 0.5 or more will be rounded up to the nearest whole number; and
- (b) less than 0.5 will be rounded down to the nearest whole number, except where rounding down would cause no New OZ Minerals Shares to be issued to an Acquisition Scheme Shareholder, in which case the fractional entitlement will be rounded up to 1 New OZ Minerals Share.

Refer to Section 5.4 for details of rounding in respect of OZ Minerals Shares to be issued to the Sale Agent.

The value of the OZ Minerals Shares may increase or decrease after the Implementation Date if the market price of OZ Minerals Shares moves.

Details on certain Australian tax considerations in relation to the Acquisition Scheme Consideration can be found in Section 10.

## 5.2 Ineligible Shareholders

Restrictions in certain foreign countries may make it impractical or unlawful for OZ Minerals Shares to be issued under the Acquisition Scheme to Cassini Shareholders in those countries.

Acquisition Scheme Shareholders whose address is shown in the Cassini Register as being in an Ineligible Jurisdiction which OZ Minerals has determined, acting reasonably, is a place that it is unlawful or unduly onerous to issue the OZ Minerals Shares, will be regarded as Ineligible Shareholders for the purposes of the Acquisition Scheme.

OZ Minerals is under no obligation to issue and allot, and will not issue, any OZ Minerals Shares to any Ineligible Shareholder. Instead, if the Acquisition Scheme becomes Effective, OZ Minerals will issue the OZ Minerals Shares to which the Ineligible Shareholder would otherwise have been entitled to the Sale Agent for sale through the Sale Facility. See Section 5.4 for further information about the Sale Facility.

Acquisition Scheme Shareholders with an address outside Australia (or which OZ Minerals, as a purchaser, considers or reasonably believes is a “relevant foreign resident”), will be provided (either together with this Acquisition Scheme Booklet or separately) a Relevant Foreign Resident Declaration Form for the purposes of foreign resident capital gains tax withholding purposes. It is important that Acquisition Scheme Shareholders who receive a Relevant Foreign Resident Declaration Form complete this form. Please refer to Section 5.5 for further information.

## 5.3 Small Shareholders

Acquisition Scheme Shareholders who are not Ineligible Shareholders and who, based on their holding of Cassini Shares on the Record Date, would, on implementation of the Acquisition Scheme, be entitled to receive less than a Marketable Parcel of OZ Minerals Shares (assessed by reference to the last traded price of OZ Minerals Shares on ASX on the Record Date) as Acquisition Scheme Consideration, will be regarded as Small Shareholders for the purposes of the Acquisition Scheme.

A Small Shareholder who, on implementation of the Acquisition Scheme would be entitled to receive at least one whole OZ Minerals Share as Acquisition Scheme Consideration, may elect to receive the Acquisition Scheme Consideration in the form of OZ Minerals Shares by making a valid election to receive OZ Minerals Shares under the Acquisition Scheme (**Election**).

To make an Election, you should complete and return the Election Form accompanying this Acquisition Scheme Booklet, in accordance with the instructions on that form. The deadline for receipt of an Election Form by the Cassini Registry is 5:00pm (AWST) on 24 September 2020 (or such later date agreed by Cassini and OZ Minerals). Small Shareholders that do not make a valid Election, or are unable to make an Election to receive the Acquisition Scheme Consideration in the form of OZ Minerals Shares by 5:00pm (AWST) on 24 September 2020 (or such later date agreed by Cassini and OZ Minerals) (**Non-Electing Small Shareholder**) will not be issued any OZ Minerals Shares. Instead, if the Acquisition Scheme becomes Effective, OZ Minerals will issue the OZ Minerals Shares to which the Non-Electing Small Shareholder would otherwise have been entitled to the Sale Agent for sale through the Sale Facility. See Section 5.4 for further information about the Sale Facility.

With the exception of the Non-Electing Small Shareholders who are unable to make an Election, unless you are a trustee or nominee:

- (a) you may only make an Election under the Acquisition Scheme in respect of all your Cassini Shares; and
- (b) if you make an Election under the Acquisition Scheme, it will be deemed to apply to all your Cassini Shares regardless of whether the number of relevant Cassini Shares you hold at 5:00pm (AWST) on the Record Date is greater or less than the number you held at the time you made your election.

If you hold one or more parcels of Cassini Shares as trustee or nominee for, or otherwise on account of, another person, you may establish separate holdings for each of your beneficiaries and make individual Elections for each holding. However, you may not accept instructions from a beneficiary to make an Election unless it is in respect of the Acquisition Scheme Consideration attributable to all parcels of Cassini Shares held by you on behalf of that beneficiary.

You may withdraw an Election following the instructions on the Election Form. The deadline for receipt by the Share Registry of instructions to withdraw an Election is 5:00pm (AWST) on 24 September 2020 (or such later



date agreed by Cassini and OZ Minerals). If your valid instructions are not received by this time, you will be treated in accordance with your last valid Election Form, or if no valid Election Form has been received, you will not be issued any OZ Minerals Shares. Instead, if the Acquisition Scheme becomes Effective, OZ Minerals will issue the OZ Minerals Shares to which the Non-Electing Small Shareholder would otherwise have been entitled to the Sale Agent for sale through the Sale Facility. See Section 5.4 for further information about the Sale Facility.

However, you will cease to be a Small Shareholder if you would, on implementation of the Acquisition Scheme, be entitled to receive a Marketable Parcel of OZ Minerals Shares (assessed by reference to the last traded price of OZ Minerals Shares on ASX as at the Record Date) as Acquisition Scheme Consideration. If you cease to be a Small Shareholder in this way you will not need to make an Election and you will receive Acquisition Scheme Consideration or in the case of an Ineligible Shareholder, you will receive proceeds through the Sale Facility.

OZ Minerals is under no obligation to issue and allot, and will not issue, any OZ Minerals Shares to Non-Electing Small Shareholders. Instead, if the Acquisition Scheme becomes Effective, OZ Minerals will issue the OZ Minerals Shares to which the Non-Electing Small Shareholder would otherwise have been entitled to the Sale Agent for sale through the Sale Facility. See Section 5.4 for further information about the Sale Facility.

## 5.4 Sale Facility

If you are an Ineligible Shareholder or a Non-Electing Small Shareholder, the entire Acquisition Scheme Consideration that would otherwise have been issued to you (inclusive of any fraction of a OZ Minerals Share and subject to any foreign resident CGT withholding required with respect to Ineligible Shareholders who do not return a completed Relevant Foreign Resident Declaration Form referred to in Section 5.5) will be issued to the Sale Agent for sale through the Sale Facility and you will receive a pro rata share of the net proceeds from the sale of all Acquisition Scheme Consideration sold through the Sale Facility. The proceeds received by Ineligible Shareholders and Non-Electing Small Shareholders will be after deductions for applicable selling costs, taxes and charges.

The Sale Facility will operate as follows:

- (a) as soon as reasonably practicable, but no more than 30 Business Days after the Implementation Date, the Sale Agent will arrange for the sale of all the OZ Minerals Shares allotted to it. The sales will be effected in such manner, at such price and on such other terms as the Sale Agent determines in good faith and at the sole risk of the Ineligible Shareholders and Non-Electing Small Shareholders; and
- (b) the Sale Agent will then remit the sale proceeds, less any applicable selling costs, taxes and charges, to OZ Minerals which will then account to each Ineligible Shareholder and Non-Electing Small Shareholder for their pro rata share of the aggregate sale proceeds by either:
  - (i) sending a cheque in A\$ by prepaid post to the Ineligible Shareholders and Non-Electing Small Shareholders to their address as it appears on the Cassini Register on the Record Date; or
  - (ii) making a deposit into an account with any Australian bank notified by the relevant Ineligible Shareholder or Non-Electing Small Shareholder to Cassini or the Share Registry and recorded in the Cassini Register on the Record Date.

OZ Minerals will use reasonable endeavours remit the sale proceeds within 10 Business Days of the Sale Agent selling those OZ Minerals Shares. Each Ineligible Shareholder and Non-Electing Small Shareholder will receive their pro rata share of the aggregate sale proceeds based on their proportion of the number of OZ Minerals Shares that they would have otherwise received as a portion of all OZ Minerals Shares issued to the Sale Agent.

The Sale Agent and its affiliates (**Sale Agent Group**) is a full-service financial institution engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Sale Agent Group may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may, without limitation, involve or relate to assets, securities and/or instruments of OZ Minerals, and/or persons and entities with relationships with OZ Minerals. The Sale Agent Group may also communicate investment recommendations, market colour or trading ideas and/or publish or express research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they

should acquire, long and/or short positions in such assets, securities and instruments. These various activities may impact the price at which OZ Minerals Shares may be sold through the Sale Facility. The Sale Agent Group has provided, and may in the future provide, financial advisory, financing services and other services to OZ Minerals and to persons and entities with relationships with OZ Minerals, for which the Sale Agent Group has received or will receive customary fees and expenses. An entity within the Sale Agent Group is acting as financial adviser to OZ Minerals in relation to the Transaction and may receive fees, expenses and other compensation in connection with this role.

The Sale Agent is acting as an execution only broker to OZ Minerals, and is not acting as agent or sub-agent, and does not assume or accept any duty (fiduciary or otherwise) or responsibility, to any Ineligible Shareholder or Non-Electing Small Shareholder. To the maximum extent permitted by law, the Sale Agent Group will not be liable for any failure to sell OZ Mineral Shares under the Sale Facility at a particular price.

## **5.5 Foreign Resident Capital Gains Tax Withholding and Relevant Foreign Resident Declaration Form**

Acquisition Scheme Shareholders with an address outside Australia (or which OZ Minerals, as a purchaser, considers or reasonably believes is a “relevant foreign resident”), will be provided (either together with this Acquisition Scheme Booklet or separately) a Relevant Foreign Resident Declaration Form for the purposes of foreign resident CGT withholding purposes.

In this declaration form, a Cassini Shareholder may provide OZ Minerals with a declaration that:

- (a) the registered holder of the relevant Cassini Shares is an Australian tax resident (residency declaration); or
- (b) the Cassini Shares held by the registered holder are not indirect Australian real property interests (interest declaration). Please refer to Section 10 for the definition of indirect Australian real property interest.

It is important that Cassini Shareholders who receive a Relevant Foreign Resident Declaration Form complete this form.

Unless a signed Relevant Foreign Resident Declaration Form regarding your residency or interest is provided to OZ Minerals, for these Cassini Shareholders if OZ Minerals believes that foreign resident CGT withholding is applicable to the relevant Cassini Shareholder it may be required to withhold and pay to the Commissioner of Taxation a withholding amount of 12.5% from the Acquisition Scheme Consideration. OZ Minerals will:

- (a) determine the relevant amount required to be paid to the Commissioner of Taxation being 12.5% (or such lesser amount approved by the Commissioner of Taxation); and
- (b) withhold this amount from the Acquisition Scheme Consideration by issuing to the Acquisition Scheme Shareholder or to the Sale Agent (in respect of Ineligible Shareholders) a lesser number of OZ Minerals Shares as reasonably determined by OZ Minerals to account for the withholding amount and pay such withholding amount to the Commissioner of Taxation.

If requested by the relevant Acquisition Scheme Shareholder in writing, OZ Minerals will provide the Acquisition Scheme Shareholder with a receipt or evidence of the payment of the relevant amount withheld to the Commissioner of Taxation.

Further information regarding the applicable foreign resident CGT withholding laws can be found in Section 10 which contains a general summary of the Australian tax consequences of the Acquisition Scheme for Cassini Shareholders.

## **5.6 Competing Proposals**

During the Exclusivity Period the Acquisition Scheme Implementation Deed prohibits Cassini and its Representatives from soliciting, inviting, encouraging or initiating any Competing Proposal with any third party

in relation to (or which may reasonably be expected to lead to) a Competing Proposal, or communicate any intention to do any of these things.

There are also certain restrictions in the Acquisition Scheme Implementation Deed in relation to discussions with third parties in relation to Competing Proposals, providing due diligence access and making available any non-public information (with certain exceptions relevant to the fiduciary duties of Cassini Directors).

During the Exclusivity Period, Cassini must promptly (and in any event within 2 Business Days) notify OZ Minerals if it, or if it becomes aware of that any of its Representatives:

- (a) receives an approach, inquiry or proposal made by a person with respect to initiating any discussions or negotiations that concern, or that could reasonably be expected to lead to, any Competing Proposal or a transaction which would require Cassini to abandon, or otherwise fail to proceed with, any aspect of the Transaction; and
- (b) receives a request for information or provides information relating to Cassini or any of its Related Bodies Corporate or any of their businesses and operations which Cassini has reasonable grounds for to suspect such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal or a transaction which would require Cassini to abandon, or otherwise fail to proceed with, any aspect of the Transaction.

Where a Competing Proposal is received, OZ Minerals has the right, but not the obligation, within 5 Business Days of receipt of that notice to offer to amend the terms of the Acquisition Scheme.

As at the date of this Acquisition Scheme Booklet, Cassini has not received any Competing Proposals.

Your Directors will carefully consider any Competing Proposal received from a third party (provided it does not breach the terms of the Acquisition Scheme Implementation Deed) and inform you of any material developments. However, presently your Directors are not aware of any such proposals.

## **5.7 Directors' recommendation**

Your Directors believe that the Acquisition Scheme is in the best interests of Cassini Shareholders, and they unanimously recommend that Cassini Shareholders vote in favour of the Acquisition Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.

Your Directors have formed their conclusion and made their recommendation on the Acquisition Scheme based on the reasons outlined in Section 2.

In relation to the recommendation of Mr Richard Bevan, Cassini Shareholders should have regard to the fact that, once the Acquisition Scheme becomes Effective, Mr Bevan's 1,115,803 Cassini Performance Rights will automatically vest into Cassini Shares as described in Section 11.20 and he may also become entitled to a cash amount of \$90,000 in the circumstances detailed in Section 12.2(b). In relation to the recommendation of Ms Simone Suen, Cassini Shareholders should have regard to the fact that Ms Suen is also a director and shareholder of Atasa Holdings Pty Ltd, which holds Cassini Options which are entitled to be dealt with in accordance with Section 11.21. Mr Bevan and Ms Suen consider that, despite these arrangements it is appropriate for them to make a recommendation on the Acquisition Scheme as the value of these arrangements are not material to Mr Bevan and Ms Suen and accordingly do not impact their recommendation.

Each of the Directors will vote or procure the voting of, any Cassini Shares controlled or held by, or on behalf of, such Director at the time of the Acquisition Scheme Meeting, in favour of the Acquisition Scheme at the Acquisition Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders.

The reasons Cassini Shareholders might elect to vote against the Acquisition Scheme are set out in Section 2.2.

## **5.8 Independent Expert's Report**

The Independent Expert, Grant Thornton, has reviewed the terms of the Acquisition Scheme and concluded that the Acquisition Scheme is fair and reasonable and in the best interests of Cassini Shareholders.

The Independent Expert's Report is set out in Annexure 1 and should be read in its entirety, including the assumptions on which the conclusions are based.

## 5.9 What are your options and what should you do?

You have the following four options in relation to your Cassini Shares. Cassini encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your Cassini Shares.

### (a) **Vote in favour of the Acquisition Scheme at the Acquisition Scheme Meeting**

Your Directors unanimously recommend that you vote in favour of the Acquisition Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interests of Cassini Shareholders. The reasons for your Directors' unanimous recommendation are set out in Section 2.1.

If you wish to support the Acquisition Scheme, you can do so by voting in favour of the Acquisition Scheme Resolution at the Acquisition Scheme Meeting. For directions on how to vote at the Acquisition Scheme Meeting, and important voting information generally, please refer to Section 4.

### (b) **Vote against the Acquisition Scheme at the Acquisition Scheme Meeting**

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Acquisition Scheme, you may vote against the Acquisition Scheme Resolution at the Acquisition Scheme Meeting.

However, you should note that if all of the conditions to the Acquisition Scheme are satisfied or waived (where applicable), the Acquisition Scheme will bind all Cassini Shareholders, including those who vote against the Acquisition Scheme Resolution at the Acquisition Scheme Meeting or those who do not vote at all.

### (c) **Sell your Cassini Shares on ASX**

The Acquisition Scheme does not preclude you from selling your Cassini Shares on market for cash, if you wish, provided you do so before close of trading in Cassini Shares on ASX on the Effective Date (currently expected to be 24 September 2020) when trading in Cassini Shares will end.

If you are considering selling your Cassini Shares on ASX you should have regard to the prevailing trading prices of Cassini Shares at that time.

If you sell your Cassini Shares on market for cash, you:

- (i) will not be entitled to receive the Acquisition Scheme Consideration;
- (ii) may incur a brokerage charge;
- (iii) may incur CGT; and
- (iv) will not be able to participate in a Superior Proposal, if one emerges, noting that, at the date of this Acquisition Scheme Booklet, your Directors have not received notice from any third party of an intention to make any Competing Proposal or Superior Proposal.

### (d) **Do nothing**

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions to the Acquisition Scheme are satisfied or waived (where applicable), the Acquisition Scheme will bind all Cassini Shareholders, including those who vote against the Acquisition Scheme Resolution at the Acquisition Scheme Meeting or those who do not vote at all.

Remember, if you want to receive the Acquisition Scheme Consideration, your vote is important. If the Acquisition Scheme is not approved by the Requisite Majority of Cassini Shareholders, you will not be entitled to receive any Acquisition Scheme Consideration.

## 5.10 Dealing with your OZ Minerals Shares

If the Acquisition Scheme is implemented, all of the Cassini Shares held by Acquisition Scheme Shareholders at 5:00pm (AWST) on the Record Date will be transferred to OZ Minerals on the Implementation Date and in exchange, each Acquisition Scheme Shareholder (other than Ineligible Shareholders and Non-Electing Cash Out Shareholders) will be issued OZ Minerals Shares. If you wish to sell the OZ Minerals Shares issued to you, you may do so on ASX.

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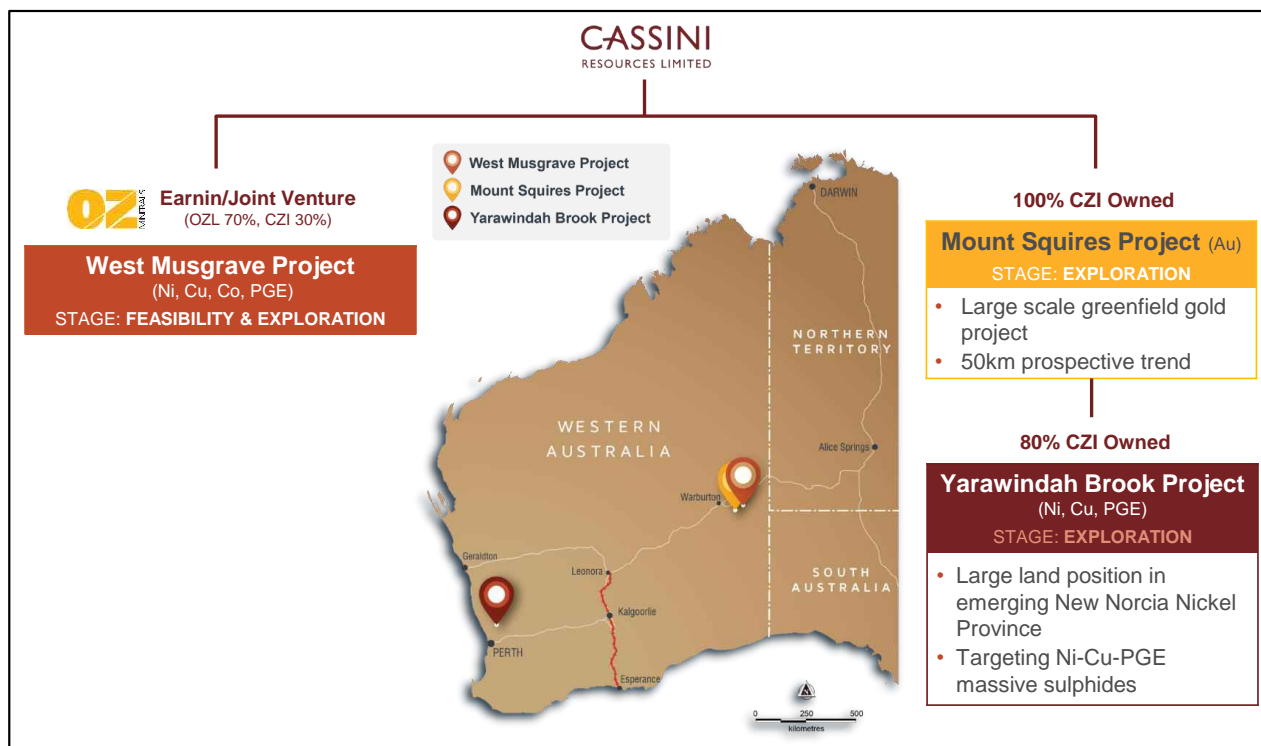
## 6. Information about Cassini

### 6.1 Introduction

The information contained in this Section 6 has been prepared by Cassini. The information concerning Cassini, and the intentions, views and opinions contained in this Section 6 are the responsibility of Cassini. OZ Minerals does not assume any responsibility for the accuracy or completeness of the information in this Section 6.

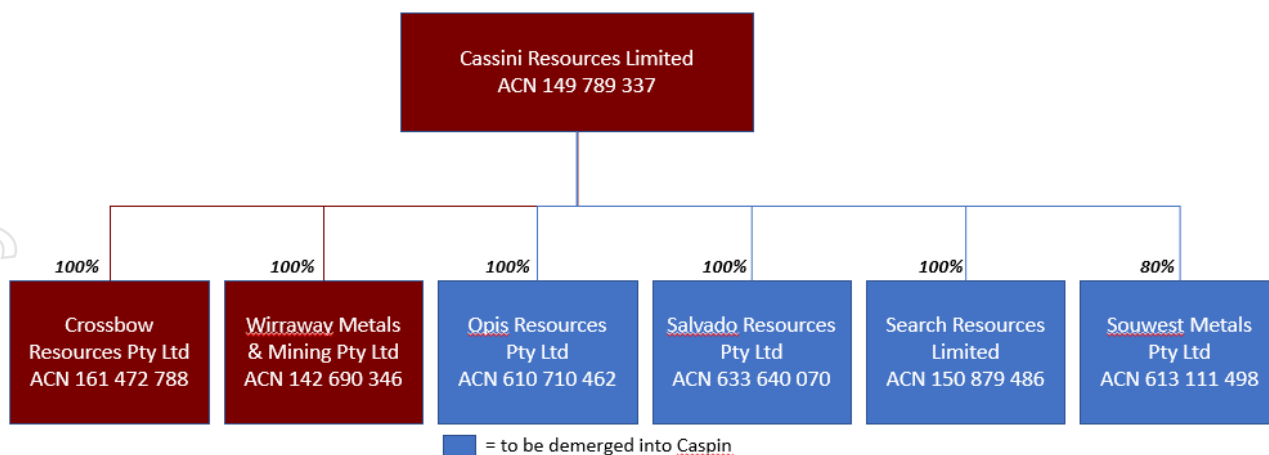
### 6.2 Overview of Cassini

Cassini is an Australian base and precious metals developer and explorer. Cassini's flagship West Musgrave Project is a new mining camp with three existing nickel and copper sulphide deposits and a number of other significant regional exploration targets. As a result of a three stage \$36M farm-in / joint venture agreement with OZ Minerals entered into by Cassini in August 2016, OZ Minerals now holds a 70% interest in the West Musgrave Project. Cassini also owns an 80% interest in the Yarawindah Nickel-Copper-Cobalt project and 100% of the Mount Squires Project both located in Western Australia.



Cassini is a 'disclosing entity' for the purposes of the Corporations Act and is therefore subject to regular reporting obligations under the Corporations Act and the Listing Rules. See Section 6.13 for further information.

### 6.3 Corporate Structure



## 6.4 Directors and Executive Officers

### (a) Directors of Cassini

At the date of this Acquisition Scheme Booklet, the Directors are:

Executive Directors	
Mr Richard Bevan	Managing Director
Non-Executive Director	
Mr Michael Young	Non-Executive Chairman
Dr Jon Hronsky OAM	Non-Executive Director
Mr Phil Warren	Non-Executive Director
Ms Sze Man Suen	Non-Executive Director

### (b) Cassini Senior Management

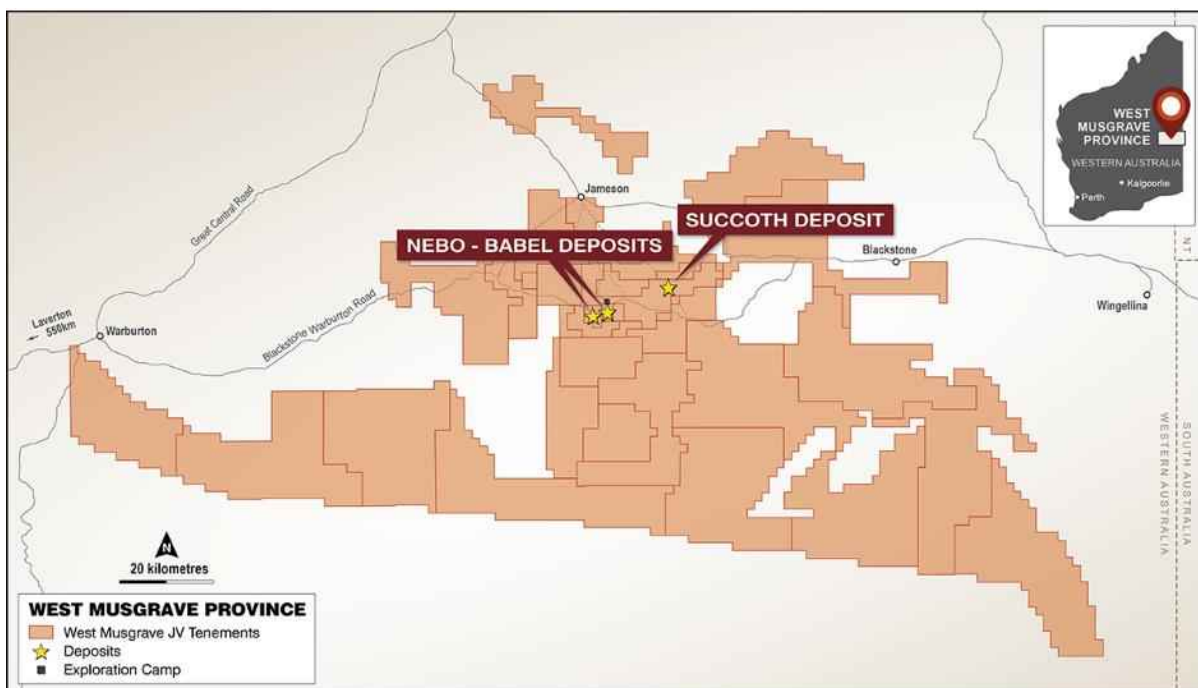
At the date of this Acquisition Scheme Booklet, the senior management personnel of Cassini are:

Senior Management Personnel	
Mr Greg Miles	Chief Operating Officer
Dr Zoran Seat	General Manager - Geology
Mr Steven Wood	Company Secretary

## 6.5 Key Assets and Operations

### (a) West Musgrave Project

The West Musgrave Project is a new mining camp with three existing nickel and copper sulphide deposits and a number of other significant regional exploration targets. Cassini currently holds a 30% interest in the West Musgrave Project alongside 70% joint venture partner OZ Minerals.



The West Musgrave Project is located in a geologically exciting and relatively underexplored region of Western Australia that is highly prospective for nickel-copper-PGE sulphide deposits and gold. The project area was first subjected to modern exploration by BHP Billiton in the mid 1990's, which culminated in the discoveries of the Nebo and Babel (**Nebo-Babel**) nickel and copper sulphide (**Ni, Cu**) deposits in 2000, and later, the Succoth copper (**Cu**) deposit in 2009.

Cassini acquired the West Musgrave Project from BHP Billiton in 2014 and has since progressed the project by conducting regional exploration, in-fill drilling and further geological interpretation of new and historical data to key projects within the mineral rich province.

Cassini confirmed the economic viability of the Nebo-Babel deposits by a positive study released in April 2015, with further optimisation results released in April 2016.

In October 2016, Cassini executed a joint venture agreement with OZ Minerals to fast track development of the project.

Under the agreement, OZ Minerals earned the right to farm-in to the West Musgrave Project by sole funding a minimum \$36 million of staged development and exploration expenditure, for a 70% interest in the West Musgrave Project. The agreement included a minimum \$28m funding for continued studies on Nebo-Babel to progress it to a "Decision to Mine", as well as a minimum regional exploration spend of \$8 million to assist in identifying additional value adding opportunities.

OZ Minerals has since spent over A\$36 million on the West Musgrave Project to earn its 70% interest.

A Scoping Study released in November 2017, examining the project scale options and management of technical risk, delivered positive economics for a large, low cost mine. Nebo-Babel proceeding to a Pre-Feasibility Study (**PFS**) managed by OZ Minerals.

Results of the Nebo-Babel PFS for the West Musgrave Project were released by OZ Minerals in February 2020. The PFS demonstrated the strategic value of the project confirming excellent economics on a long life ~26 year, low operating cost, low carbon, open pit copper and nickel sulphide mine. The project has been significantly de-risked by detailed metallurgical test-work and resource definition work packages.

Following drilling throughout 2019 of over 170,000m a maiden Probable Ore Reserve of 220Mt at 0.36% Cu and 0.33% Ni was declared, representing ~22 years of the ~26 year life of mine (**LOM**) demonstrated in the PFS (balance of the mine life underpinned by a combination of Indicated and Inferred Mineral

Resource). The PFS considers a modern mine development driven by innovation in mining, processing and power generation.

OZ Minerals will sole fund the Nebo-Babel Studies up to completion of a Bankable Feasibility Study and a decision to mine is delivered. In respect of any amount funded by OZ Minerals in excess of A\$36 million, Cassini will be loan-carried for its 30% contribution, with principal and capitalised interest to be repaid 5 years after the commencement of production.

The study does not incorporate the Succoth Copper deposit and exploration prospects within the broader Joint Venture project. Other opportunities exist within the West Musgrave Project to add value over time with continued exploration and development activities. The Joint Venture recently expanded the project footprint to over 9,500km<sup>2</sup> offering enormous potential in this underexplored province.

The table below outlines the key project metrics of the PFS in comparison to the Nov 2017 Scoping Study. For more information, please refer to Cassini's ASX release "Nebo-Babel Pre-Feasibility Study" on 12 February 2020.

Key Financial and Production Metrics <sup>#</sup>	Unit	Further Scoping Study Nov'17 <sup>*</sup>	Pre-Feasibility Study Feb'20 <sup>**</sup>
Processing capacity	Mtpa	10+	10
Life of Operation	Years	8	~26
Copper recovery / Nickel recovery	%	73% / 59%	~78% / ~69%
Average Ni Production	ktpa	20-25	~22
Average Cu Production	ktpa	25-30	~28
C1 cost payable Cu (net of by-product credits)	US\$/lb	0.20 – 0.40	~(0.90)
C1 cost payable Ni (net of by-product credits)	US\$/lb	2.00 – 2.30	~1.30
Pre-production capital (excl. study) <sup>^</sup>	A\$M	730-800	~995
Average net cash flow (post tax)	A\$Mpa	120-150	~190
Post Tax NPV	A\$	-	~800
Post Tax IRR	%	20-25	~20
Project payback			
From commencement of production	Years	3-4	
From decision to mine	Years		~6

<sup>#</sup> All project values in real terms as at 1 January 2020

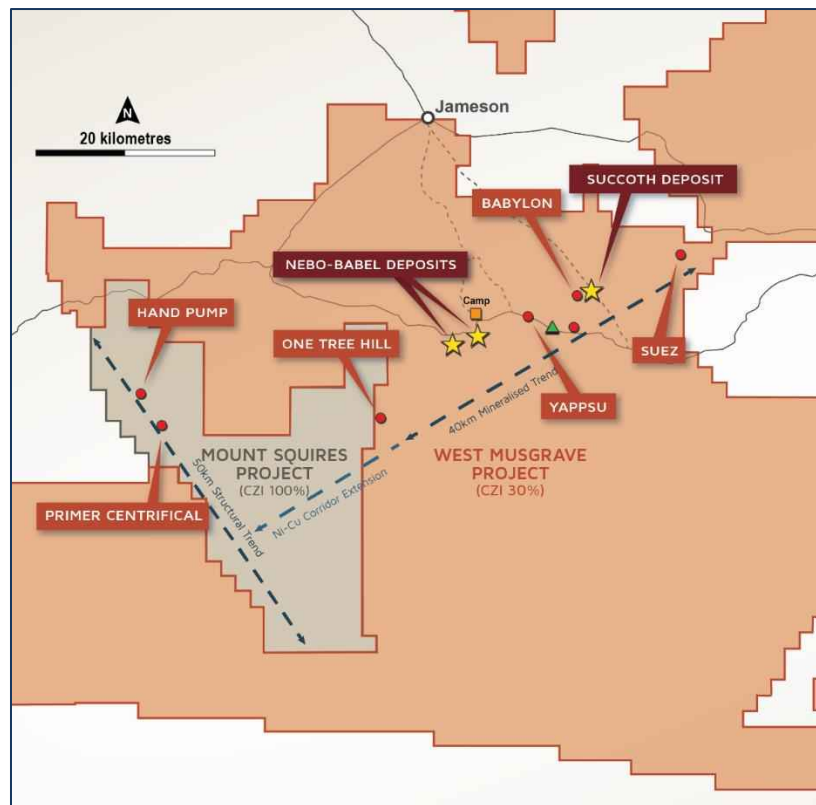
<sup>\*</sup> Assumes a third party power purchase agreement and therefore no upfront capital associated with the power supply; a Power Purchase Agreement has been included as an operating expense. Ownership options for power infrastructure will be investigated further. Current estimates to build the power solution is circa A\$275 million.

<sup>\*</sup> The Scoping Study was prepared at a ±35% level of accuracy

<sup>\*\*</sup> The Pre-Feasibility Study was prepared at a ±25% level of accuracy; these production targets must be read in conjunction with the production targets cautionary statement on page 4

## (b) Mount Squires Project

Cassini's 100% owned Mount Squires Project hosts a number of prospective gold targets, which includes a range of conceptual to advanced prospects. Cassini has been developing the project since early 2015 through the consolidation of tenements forming a prospective gold frontier. The Mount Squires Project is located adjacent to the western border of the West Musgrave Project which hosts the large Nebo-Babel Ni-Cu Sulphide Deposits, approximately 1,700km northwest of Perth, Western Australia.



Geological interpretation has benefited from Cassini's growing knowledge base at the adjacent West Musgrave Project through identification of structures controlling mineralisation in the Mount Squires Project. This has highlighted a structural corridor striking over 50km.

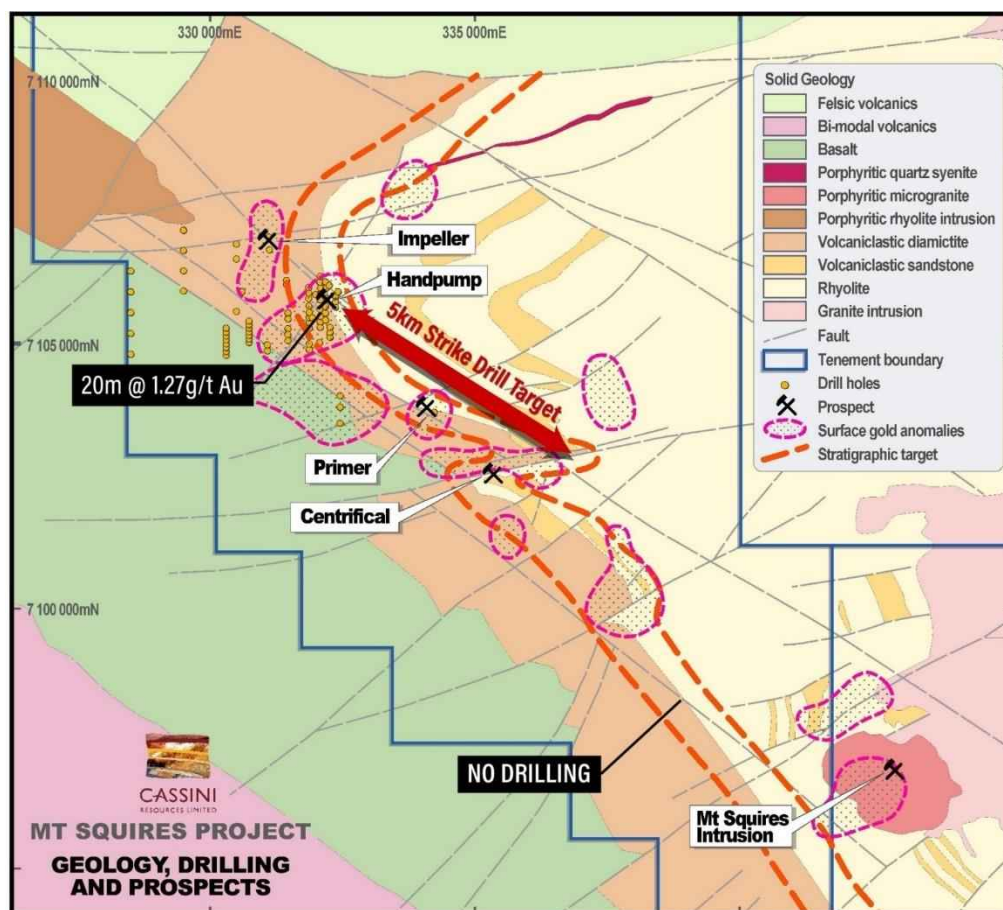
Cassini has compiled all previous exploration into a consolidated database and utilised public geological and geophysical datasets to assist with geological interpretation and targeting.

Cassini considers that the geological setting may have some affinity with intracontinental "hot-spot" epithermal gold mineralisation, rather than the more common island arc setting found elsewhere along the Pacific Rim. Examples of this style are deposits in the northern Nevada region, including the Sleeper Deposit, with high gold grades from shallow crustal emplacement.

In the September Quarter 2019, Cassini completed its maiden drill program at the Handpump Prospect comprising 10 holes for 1,134m of RC drilling. Best results include 20m @ 1.27g/t Au, including 7m @ 2.54g/t Au from 23m in drill hole MSC0003, 27m @ 1.00g/t Au from 31m, including 3m @ 2.59g/t Au from 38m in drill hole MSC0004 and 19m @ 0.68g/t Au including 6m @ 1.26g/t Au from 38m in drill hole MSC0005. The results have confirmed the potential for economic mineralisation at surface and



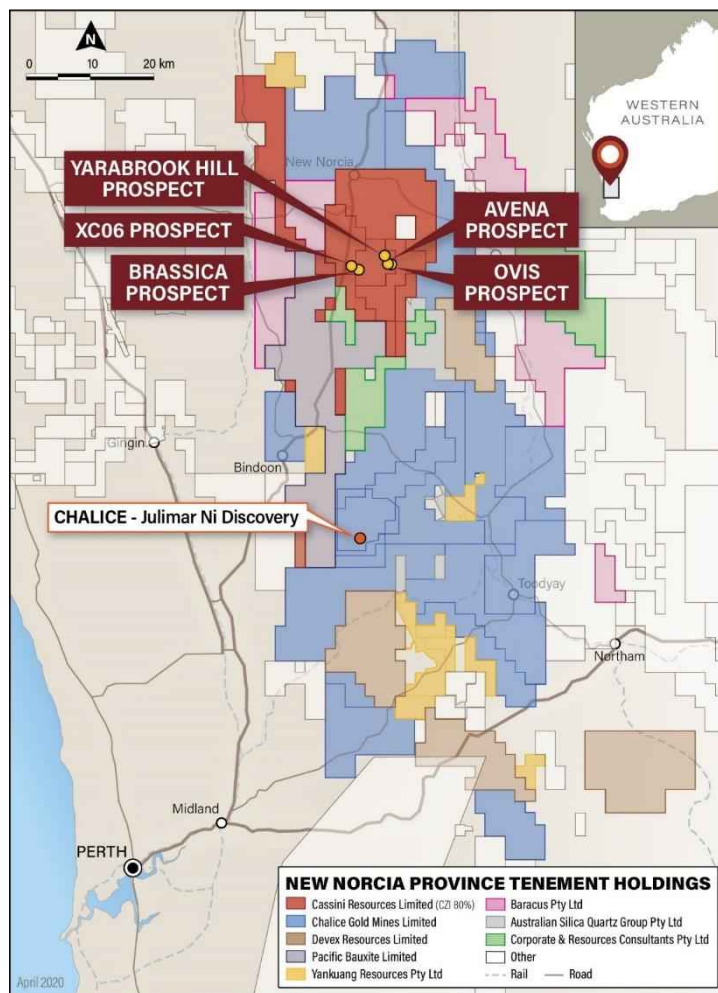
extending to shallow depths. Simultaneously, a high-resolution aeromagnetic survey was conducted over the northern half of the Mount Squires Project to assist with structural and lithological mapping.



(c) **Yarawindah Brook Project**

Cassini's 80% owned Yarawindah Brook Project is located 130km northeast of Perth, in the emerging Ni-Cu-PGE sulphide New Norcia province. Cassini has built a significant ground position of over 400km<sup>2</sup>, approximately 40km north from Chalice Gold Mines' recent high-grade Julimar Ni-Cu-PGE discovery. The New Norcia region is deeply weathered, with little fresh rock outcrop and extensively covered by cultivated farmland, which has impeded previous exploration. Despite the presence of known Ni-Cu occurrences, discovered in the 1970s, most historical exploration has focused on surficial

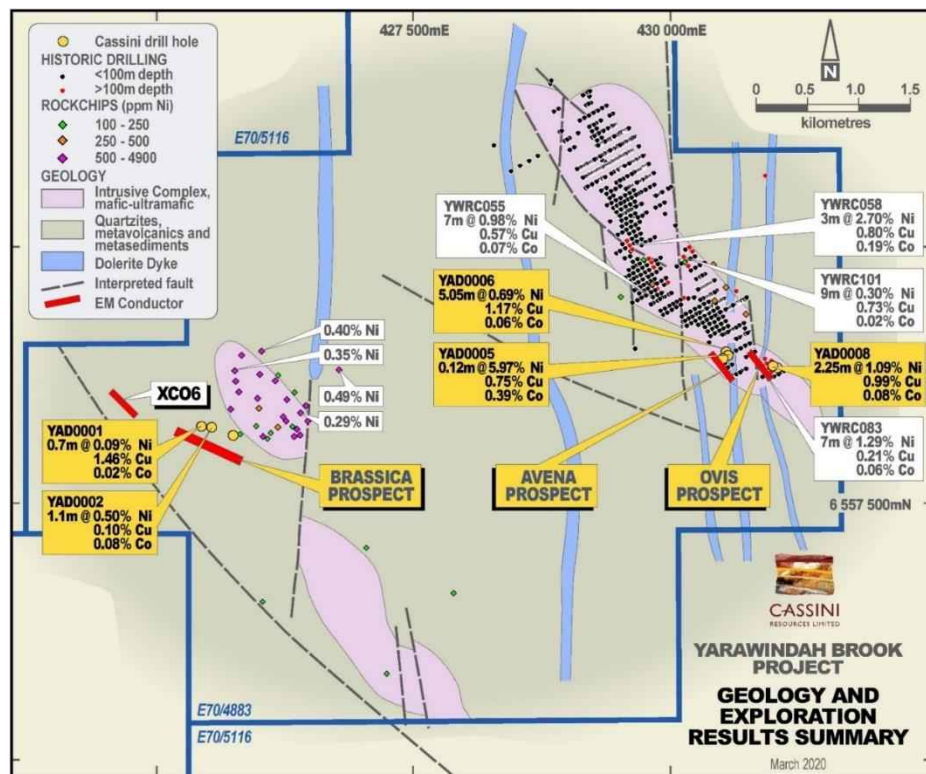
bauxite deposits. As a result, there is a paucity of deeper, bedrock drilling and the geology is poorly understood.



Yarawindah Brook has had limited nickel, copper and cobalt exploration despite a favourable regional setting, prospective geology and near-surface occurrences of nickel and copper mineralisation. Historical exploration focussed primarily on a small, non-compliant platinum and palladium (**PGE**) resource which Cassini considers a “path-finder anomaly” for massive nickel-copper-cobalt sulphides.

The last phase of active exploration occurred in 2007 targeting surface electromagnetic (**EM**) anomalies, returning encouraging results from hole YWRC0083 including 7m @ 1.30% Ni, 0.22% Cu, 0.06% Co and 432ppb Pd from 74m. Despite the promising result no further follow-up drilling was conducted due to budget limitations of the previous operator during the exploration downturn post-GFC.

Cassini completed an airborne electromagnetic survey (**AEM**) over the project in early 2018, identifying numerous conductors worthy of further investigation. A surface fixed loop electromagnetic (**FLEM**) survey was completed over several of the higher priority AEM anomalies in order to confirm and better constrain the conductors prior to drilling. The FLEM reinforced the anomalies, known as XC05 (**Brassica Prospect**) and XC06 conductors, as priority targets in the western portion of the Yarawindah Brook Project as well as AN01 (**Ovis Prospect**) and AN02 (**Avena Prospect**) conductors at the southern end of the main Yarawindah Project (see figure below).



Cassini completed its first diamond drilling program in early 2020, targeting multiple new EM conductors identified following the airborne and ground EM surveys of 2018. A total of 9 diamond holes were completed for 1,148m.

At the Avena Prospect, drill holes have predominantly intersected broad zones of shallow, disseminated Ni and Cu sulphides, which locally contain high-grade, massive nickel sulphides. Cassini is particularly encouraged by a massive sulphide intercept of 0.12m @ 5.97% Ni, 0.75% Cu, 0.39% Co & 2.66g/t PGE from 84.3m in YAD0005. The nickel tenor of this intercept is representative of the historical massive sulphide intersections at Yarrowindah, which are Cassini's primary targets. Although thin, this interval is interpreted to represent a structurally remobilised massive sulphide from a proximal source. Further encouragement was returned from YAD0006, which intersected 5.05m @ 0.69% Ni, 1.17% Cu & 0.06% Co from 57.95m. These intercepts range from 50m to 72m vertically below surface, well within open-pit mining depths.

Mineralisation remains open along strike and down-plunge to the north. Downhole electromagnetic survey (**DHEM**) has identified new "off-hole" conductors, which may be tested in future drilling programs.

At the Ovis Prospect, all three drill holes targeted electromagnetic conductors and intersected nickel-copper sulphide mineralisation at shallow depths. Best results include 2.25m @ 1.09% Ni, 0.99% Cu, 0.08% Co & 0.24g/t PGE from 84.8m in YAD0008 and 0.9m @ 1.44% Ni, 0.76% Cu, 0.11% Co & 0.19g/t PGE from 86.5m in YAD0009. Mineralisation is hosted in metagabbro and metapyroxenite intrusive sequences, consistent with the exploration model targeting mafic-hosted, orthomagmatic massive sulphides.

The mineralised portion of the host sequence is over 50m thick and anomalous in Ni-Cu throughout, which is important as massive Ni sulphide accumulations are generally associated with large volumes of sulphide-bearing magma. The host sequence in YAD0008 returned a broad, diluted intercept of 50m @ 0.24% Ni & 0.18% Cu (and terminated in anomalous metagabbro) demonstrating the potential scale and prospectivity of the mineralised intrusive.

At the Brassica Prospect, 4km to the west of Avena and Ovis, results include promising intercepts of 1.1m @ 0.50% Ni, 0.10% Cu & 0.08% Co from 92.9m in YAD0002 and 0.7m @ 0.09% Ni, 1.46% Cu & 0.02% Co from 71.4m in YAD0001. The metagabbros are strongly anomalous in Ni and Cu (approx. 500ppm) throughout.

The results to date support Cassini's exploration model that the Yarrowindah Project has potential to host multiple Ni-Cu magmatic sulphide deposits. Cassini has now demonstrated that there is a

significant opportunity in the region to apply modern exploration concepts and techniques to identify near-surface, Ni-Cu-PGE sulphide mineralisation.

## 6.6 Ore Reserves and Mineral Resources

The information in this Section 6.6 that relates to the Nebo-Babel Mineral Resources and Ore Reserves are extracted from the report entitled “West Musgrave Project Nebo-Babel Deposits Ore Reserve Statement and Explanatory Notes” and “West Musgrave Project Nebo-Babel Deposits Mineral Resource Statement and Explanatory Notes” released on 12 February 2020. These Mineral Resource and Ore Reserve statements and their accompanying explanatory notes are available to be viewed at [ozminerals.com/operations/resources-reserves.html](http://ozminerals.com/operations/resources-reserves.html). Based on the statements made by OZ Minerals in Section 7.6, OZ Minerals has stated that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The form and context in which the competent person’s findings are presented have not been materially modified from the original market announcements.

The information in this Section 6.6 that relates to the Succoth Mineral Resources is extracted from the report entitled “Maiden Succoth Resource Estimate” released on ASX on 7 December 2015. Cassini is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The form and context in which the competent person’s findings are presented have not been materially modified from the original market announcements.

### Nebo-Babel Mineral Resource Estimate as at 11 February 2020

Category	Deposit	Tonnes (Mt)	Ni (%)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	Pd (ppm)	Pt (ppm)	Ni metal (kt)	Cu metal (kt)
Indicated	Babel	240	0.31	0.35	0.06	1.0	120	0.10	0.08	760	850
	Nebo	38	0.40	0.35	0.04	0.8	150	0.08	0.06	150	130
	<b>Sub-total</b>	<b>280</b>	<b>0.32</b>	<b>0.35</b>	<b>0.06</b>	<b>1.0</b>	<b>120</b>	<b>0.10</b>	<b>0.08</b>	<b>910</b>	<b>990</b>
Inferred	Babel	62	0.34	0.38	0.07	1.2	120	0.11	0.09	210	230
	Nebo	1	0.38	0.44	0.05	0.6	140	0.09	0.07	3.6	4.1
	<b>Sub-total</b>	<b>63</b>	<b>0.34</b>	<b>0.38</b>	<b>0.07</b>	<b>1.2</b>	<b>120</b>	<b>0.11</b>	<b>0.09</b>	<b>210</b>	<b>240</b>
Indicated + Inferred	Babel	300	0.32	0.36	0.06	1.1	120	0.10	0.09	960	1,100
	Nebo	39	0.40	0.35	0.04	0.8	150	0.08	0.06	150	140
	<b>Total</b>	<b>340</b>	<b>0.33</b>	<b>0.36</b>	<b>0.06</b>	<b>1.0</b>	<b>120</b>	<b>0.10</b>	<b>0.08</b>	<b>1,100</b>	<b>1,200</b>

\* Mineral Resources reported at a 1.2 revenue factor A\$23 NSR cut-off and within a 1.2 revenue factor A\$28 NSR pit shell.

<sup>1</sup> Table subject to rounding errors.

Refer to “West Musgrave Project Nebo Babel Mineral Resource Statement and Explanatory Notes” released to ASX on 12 February 2020.

### Nebo-Babel Ore Reserve Estimate as at 11 February 2020<sup>6</sup>

Deposit	Classification	Ore (Mt)	Ni (%)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	Pd (ppm)	Pt (ppm)	Ni Metal (kt)	Cu Metal (kt)
Nebo	Probable	20	0.48	0.40	0.04	0.8	180	0.10	0.10	100	80
Babel	Probable	200	0.32	0.36	0.06	1	120	0.10	0.10	630	700
<b>Total</b>	<b>Probable</b>	<b>220</b>	<b>0.33</b>	<b>0.36</b>	<b>0.06</b>	<b>1</b>	<b>120</b>	<b>0.10</b>	<b>0.10</b>	<b>720</b>	<b>790</b>



Notes: NSR cut-off \$28/t ore<sup>7</sup>. The table is subject to rounding errors.

Refer to "West Musgrave Project Nebo Babel Ore Reserve Statement and Explanatory Notes" released to ASX on 12 February 2020.

### Succoth Inferred Mineral Resource. Cu >= 0.3%

Type	Tonnes (Mt)	Cu (%)	Cu Metal (t)	Ni (%)	Pt (ppm)	Pd (ppm)	Au (g/t)
Oxide	5	0.59	31,000	0.06	0.04	0.11	0.01
Fresh	151	0.60	912,000	0.06	0.04	0.11	0.02
<b>Total</b>	<b>156</b>	<b>0.60</b>	<b>943,000</b>	<b>0.06</b>	<b>0.04</b>	<b>0.11</b>	<b>0.02</b>

Refer to "Maiden Succoth Resource Estimate" released to ASX on 7 December 2015.

## 6.7 West Musgrave Project – Joint Venture Agreement

On 13 October 2016, Cassini executed a farm in and joint venture agreement with OZ Minerals (**Joint Venture Agreement**) with respect to development of the West Musgrave Project (**Joint Venture**).

Under the Joint Venture Agreement, OZ Minerals earned the right to farm-in to the West Musgrave Project and acquire its current 70% interest in the West Musgrave Project. The agreement also provides that OZ Minerals will sole fund expenditure on studies on the West Musgrave Project until completion of a Bankable Feasibility Study (**BFS**).

Under the Joint Venture Agreement, the material terms are that:

- (a) (purposes) the purposes of the Joint Venture are:
  - (i) exploring the joint venture area; and
  - (ii) if a viable mineable resource or resources is or are established, developing and mining the relevant part or parts of the joint venture area upon the terms and conditions set out in the Joint Venture Agreement;
- (b) (manager) OZ Minerals is the manager of the Joint Venture;
- (c) (programmes of work) OZ Minerals is responsible for preparing programmes of works in respect of the West Musgrave Project;
- (d) (expenditure) following earning its 70% interest in the project, OZ Minerals has agreed to sole fund all expenditure on the West Musgrave Project until the completion of a BFS;
- (e) (Cassini's interest loan-carried) in respect of any expenditure funded by OZ Minerals following earning its 70% interest in the project until completion of a BFS, Cassini will be loan-carried for 30% of this expenditure funded by OZ Minerals with the loan repayable 5 years after the commencement of production, interest accruing daily at LIBOR + 3% and capitalising quarterly and all principal and accrued interest capitalising at the maturity date or upon an insolvency event occurring in relation to OZ Minerals;
- (f) (decision to mine) if a decision to mine is made:
  - (i) the manager shall deliver copies of each BFS to each participant to convene an operating committee;
  - (ii) following delivery of the BFS, the operating committee may:
    - (A) commence mining operations in respect of all or part of the joint venture area identified in the BFS; and

<sup>7</sup> Net smelter return (NSR) details can be found under Section 3 "Cut-off parameters" in the attached JORC Table 1 documentation



- (B) to delineate that part of the joint venture area which is sufficient to carry out the proposed mining operations in accordance with good mining practice and such area should become a production area;
- (g) if at the operating committee meeting:
- (i) the participants vote in favour of commencing mining operations in respect of all or part of the joint venture area, then a decision to mine has been made and each participant is bound to contribute (in proportion to its interest in the joint venture) to the costs of development. If a participant is unable to raise funding within the period required under the agreement, then it will have the right to elect to not participate in mining operations in which case it will be deemed to have voted against the decision to mine;
  - (ii) a participant with an aggregate joint venture interest of fifty per cent (50%) or more voted to approve the decision to mine (**Mining Participant**) but the other participant (**Non-Mining Participant**) voted not to approve the decision to mine or did not vote (for whatever reason), then paragraph 6.7(h) will apply; or
  - (iii) the participants with an aggregate interest in the joint venture of less than fifty per cent (50%) vote in favour of a decision to mine but the remaining Mining Participants vote not to mine, then mining operations will not proceed.
- (h) (option to acquire Non-Mining Participant's interest) the Mining Participant shall have the option to acquire the whole of the Non-Mining Participant's joint venture interest;
- (i) (dilution) if a participant elects not to contribute to its proportion of required funds its interest in the Joint Venture will be diluted according to standard industry practice; and
- (j) (termination) the Joint Venture Agreement shall continue until:
- (i) terminated by unanimous agreement between the participants;
  - (ii) all participants withdraw;
  - (iii) there remains only one participant; or
  - (iv) 80 years from the formation date,
- whichever occurs earlier.

## 6.8 Historical financial information

### (a) Basis of preparation

The selected historical financial information in this section has been extracted from Cassini's audited consolidated financial statements for the financial years ended 30 June 2019 and 30 June 2018 and the reviewed consolidated financial statements for the half year ended 31 December 2019.

On request prior to the Effective Date, Cassini will provide, within three Business Days of the request, a copy of Cassini's audited consolidated financial statements for the financial years ended 30 June 2019 and 30 June 2018 and the reviewed consolidated financial statements for the half year ended 31 December 2019, free of charge to any Cassini Shareholder.

The information in this section is a summary only and has been prepared solely for inclusion in this Acquisition Scheme Booklet. Cassini's full financial accounts are available on its website, <https://www.cassiniresources.com.au/financial-reports> or by requesting a copy from Cassini's Company Secretary on +61 8 9322 7600.

### (b) Consolidated Statements of Profit or Loss and Other Comprehensive Income

Set out below is a summary of Cassini's audited Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2019 and 30 June 2018 and the reviewed

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2019:

	31-Dec-19 6 Months Reviewed	30-Jun-19 12 Months Audited	30-Jun-18 12 Months Audited
<b>\$</b>			
<b>Revenue from continuing operations</b>			
Revenue	-	-	70,751
Interest received	-	31,528	10,247
Other income	119,144	400,455	1,901,585
Employee and director benefits expenses	(473,664)	(788,768)	(700,874)
Financial and company secretarial expenses	(93,071)	(150,076)	(150,063)
Audit & accounting fees	(16,993)	(79,867)	(50,191)
Legal Fees	(20,267)	(43,064)	(18,657)
Insurance	(25,790)	(27,548)	(32,592)
ASX and share registry fees	(54,768)	(88,689)	(48,806)
Share based payment expense	(24,544)	(22,876)	-
Consultants and corporate advisory	(118,003)	(581,702)	(355,345)
Other employee expenses	-	(30,941)	(15,101)
Exploration expenditure not capitalised	-	(55,547)	(170,258)
Impairment expense	-	(1,717,646)	-
Marketing, travel and investor relations	(71,014)	(317,812)	(303,032)
Rent expenses	(9,703)	(122,158)	(137,099)
Depreciation and amortisation expense	(53,440)	(11,008)	(21,608)
Other expenses	(145,927)	(192,327)	(65,556)
Interest expenses	(22,314)	-	-
<b>Profit/(Loss) before income tax expense</b>	<b>(1,010,354)</b>	<b>(3,798,046)</b>	<b>(86,599)</b>
Income tax expense	-	-	-
<b>Profit/(Loss) after income tax for the period</b>	<b>(1,010,354)</b>	<b>(3,798,046)</b>	<b>(86,599)</b>
<b>Discontinued operation</b>			
Gain after tax from discontinued operation	-	-	635,164
<b>Net profit/(loss) for the year</b>	<b>(1,010,354)</b>	<b>(3,798,046)</b>	<b>548,565</b>
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations	-	-	(638,650)
<b>Other comprehensive loss for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>(638,650)</b>
<b>Total comprehensive profit/(loss) for the period</b>	<b>(1,010,354)</b>	<b>(3,798,046)</b>	<b>(90,085)</b>
<b>Total comprehensive profit/(loss) is attributable to:</b>			
Owners of Cassini Resources Limited	<b>(1,010,354)</b>	<b>(3,798,046)</b>	<b>(90,085)</b>
Non-controlling interests	-	-	-
	<b>(1,010,354)</b>	<b>(3,798,046)</b>	<b>(90,085)</b>

(c) **Consolidated Statement of Financial Position**

Below is a summary of Cassini's audited Consolidated Statements of Financial Position as at 30 June 2019 and 30 June 2018 and of Cassini's reviewed Consolidated Statement of Financial Position as at 31 December 2019:

\$	31-Dec-19 Reviewed	30-Jun-19 Audited	30-Jun-18 Audited
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7,733,978	8,131,090	1,358,279
Trade and other receivables	244,863	1,634,726	1,248,868
<b>Total current assets</b>	<b>7,978,841</b>	<b>9,765,816</b>	<b>2,607,147</b>
<b>Non-current assets</b>			
Property, plant and equipment	81,049	91,585	102,593
Exploration and evaluation expenditure	18,060,097	13,493,270	10,585,996
Right of use assets	529,505	-	-
<b>Total non-current assets</b>	<b>18,670,652</b>	<b>13,584,855</b>	<b>10,688,589</b>
<b>TOTAL ASSETS</b>	<b>26,649,493</b>	<b>23,350,670</b>	<b>13,295,736</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	352,454	1,612,488	1,918,657
Provisions	166,540	157,216	112,210
Other payables	324,841	283,949	167,273
Lease liabilities	70,320	-	-
<b>Total current liabilities</b>	<b>914,154</b>	<b>2,053,653</b>	<b>2,198,140</b>
<b>Non-current liabilities</b>			
Lease liabilities	470,892	-	-
Borrowings	7,265,668	3,110,883	-
<b>Total non-current liabilities</b>	<b>7,736,560</b>	<b>3,110,883</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>8,650,715</b>	<b>5,164,536</b>	<b>2,198,140</b>
<b>NET ASSETS</b>	<b>17,998,779</b>	<b>18,186,135</b>	<b>11,097,596</b>
<b>EQUITY</b>			
Issued capital	37,267,052	36,468,598	26,185,123
Options reserve	1,694,611	1,693,372	1,237,600
Performance right reserve	46,181	22,876	-
Accumulated losses	(21,133,527)	(20,123,173)	(16,325,127)
<b>Capital and reserves attributable to owners of the company</b>	<b>17,874,317</b>	<b>18,061,673</b>	<b>11,097,596</b>
Non-controlling interest	124,462	124,462	-
<b>TOTAL EQUITY</b>	<b>17,998,779</b>	<b>18,186,135</b>	<b>11,097,596</b>

(d) **Consolidated cash flow statement**

Set out below is a summary of Cassini's audited consolidated statement of cash flows for the years ended 30 June 2019 and 30 June 2018 and the reviewed consolidated statement of cash flows for the half year ended 31 December 2019:

	<b>31-Dec-19</b>	<b>30-Jun-19</b>	<b>30-Jun-18</b>
	<b>6 Months</b>	<b>12 Months</b>	<b>12 Months</b>
<b>\$</b>	<b>Reviewed</b>	<b>Audited</b>	<b>Audited</b>
<b>Cash flows from operating activities</b>			
Cash receipts from customer	-	419,308	2,046,276
Payments to suppliers and employees	(978,984)	(2,551,588)	(2,232,036)
Interest and fuel tax credits received	80,144	31,982	10,246
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(898,840)</b>	<b>(2,100,298)</b>	<b>(175,514)</b>
<b>Cash flows from investing activities</b>			
Joint venture cash call receipts, net of GST	6,387,242	12,061,654	5,430,000
Payments for property, plant and equipment	-	-	3,012
Exploration and evaluation expenditure	(7,197,351)	(14,642,109)	(5,998,220)
<b>Net cash outflow from investing activities</b>	<b>(810,109)</b>	<b>(2,580,455)</b>	<b>(565,208)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issue, net of share issue costs	798,454	10,541,400	-
Proceed from borrowings	654,222	912,164	-
Lease payment	(53,511)	-	-
<b>Net cash inflow from financing activities</b>	<b>1,399,165</b>	<b>11,453,564</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	(397,111)	6,772,811	(740,722)
Cash and cash equivalents at beginning of the financial period	8,131,090	1,358,279	2,099,001
<b>Cash and cash equivalents at end of the period</b>	<b>7,733,979</b>	<b>8,131,090</b>	<b>1,358,279</b>

## 6.9 Material changes in Cassini's financial position and financial performance

To the knowledge of your Directors, and except as disclosed in this Section 6.9 or elsewhere in this Acquisition Scheme Booklet, the financial position and financial performance of Cassini has not materially changed since 31 December 2019.

Cassini will release its financial report for the year ended 30 June 2020 on the ASX website ([www.asx.com.au](http://www.asx.com.au)) and <https://www.cassiniresources.com.au> in accordance with the timeframes detailed in the Corporations Act and Listing Rules.

As at 30 June 2020, Cassini's cash balance is \$6,012,362 and Cassini's outstanding loan carry from OZ Minerals is \$10,258,649.

## 6.10 Recent Cassini Share price history



*Last 12 months trading history of Cassini Shares*

At 6 August 2020, being the last practicable date prior to the date of this Acquisition Scheme Booklet:

- (a) the last recorded traded price of Cassini Shares was A\$0.21;
- (b) the 30 day VWAP of Cassini Shares was A\$0.187;
- (c) the 60 day VWAP of Cassini Shares was A\$0.169;
- (d) the 90 day VWAP of Cassini Shares was A\$0.157;
- (e) the highest recorded traded price of Cassini Shares in the previous 3 months was A\$0.210 on 6 August 2020; and
- (f) the lowest recorded traded price of Cassini Shares in the previous 3 months was A\$0.097 on 11 May 2020.

The current price of Cassini Shares on ASX can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)) or <https://www.cassiniresources.com.au/>.

## 6.11 Cassini issued securities

At 6 August 2020, being the latest practical date prior to the date of this Acquisition Scheme Booklet, there were 427,757,093 Cassini Shares, 16,072,302 Cassini Options and 2,751,757 Cassini Performance Rights on issue.

## 6.12 Dividend Policy

The Directors may pay to Cassini Shareholders any interim and final dividends as, in the Directors' judgment, the financial position of Cassini justifies. The Directors may fix the amount, the record date for determining the eligibility and the method of payment. All dividends must be paid to the Cassini Shareholders in proportion to the number and amount paid on the Shares held.

## 6.13 Publicly available information

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, Cassini is subject to regular reporting and disclosure obligations. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Cassini's most recent announcements are available on the Cassini website at: <https://www.cassiniresources.com.au/>.

ASX maintains files containing publicly available information about entities listed on their exchange. Cassini's files are available for inspection at Cassini's registered office during normal business hours and are available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

Additionally, copies of documents lodged with ASIC in relation to Cassini may be obtained from or inspected at an ASIC service centre. Please note, ASIC may charge a fee in respect of such services.

The following documents are available for inspection free of charge prior to the Acquisition Scheme Meeting during normal business hours at the registered office of Cassini:

- (a) Cassini's constitution;
- (b) Cassini's annual report for the year ended 30 June 2019; and
- (c) Cassini's public announcements.

The annual report and public announcements are available at Cassini's website at <https://www.cassiniresources.com.au/>.

## 6.14 Litigation

The Cassini Group is not currently subject to any litigation proceedings.

## 6.15 Further information

For a summary of the risks associated with the Acquisition Scheme, refer to Section 9. In particular, Section 9.4 outlines certain risks to Cassini if the Acquisition Scheme does not proceed.



## 7. Information about OZ Minerals

### 7.1 Introduction

This information contained in this Section 7 has been prepared by OZ Minerals. The information in relation to OZ Minerals has been prepared as at the date of the Acquisition Scheme Booklet and is the responsibility of OZ Minerals. Additional information is included in the Independent Expert's Report attached in Annexure 1. Cassini does not assume any responsibility for the accuracy or completeness of the information in this Section 7.

### 7.2 Overview of OZ Minerals

#### (a) Background

OZ Minerals is an Australian-based modern mining company with a focus on copper and is listed on ASX (ASX100). OZ Minerals has a growth strategy focused on creating value for all stakeholders.

OZ Minerals has interests in the following key assets:

- (i) 100% of Prominent Hill, a copper-gold mining operation in northern South Australia;
- (ii) 100% of Carrapateena, a copper-gold mining operation that produced first concentrate in December 2019, and is targeting a 12-month ramp-up period to achieve a production run rate of 4.25 Mtpa, provided the cave propagates as expected and the plant continues to perform. It is located approximately 160km north of Port Augusta in South Australia's highly prospective Gawler Craton;
- (iii) 70% of West Musgrave, a copper-nickel project located in the highly prospective Musgrave Province of Western Australia near the border of South Australia and the Northern Territory;
- (iv) 100% of the Carajás copper-gold projects, which includes the operating Antas mine and the Pedra Branca project, located approximately 40km south-east of Parauapebas, in the state of Pará in northern Brazil; and
- (v) 100% of CentroGold, a gold project with a pre-feasibility study completed in 2019, and located in the Gurupi region, in the state of Maranhão in Northern Brazil.

OZ Minerals also has a dynamic pipeline of potential exploration and growth opportunities in its own right, and with other partners.

#### (b) History

OZ Minerals was formed in 2008 by the merger of two Australian non-ferrous metals mining businesses, Oxiana Limited and Zinifex Limited.

OZ Minerals' assets, excluding Prominent Hill, were then acquired in 2009 by China Non-Ferrous Metals Co Ltd (**Minmetals**), the company now operating as MMG Limited.

In 2011, OZ Minerals purchased the Carrapateena exploration project. A pre-feasibility study for a proposed underground block cave mine was released for the project in 2014. In 2015, a series of parallel initiatives commenced to explore options to de-risk and increase the value of the project. OZ Minerals released a feasibility study update on Carrapateena in mid-2017. Following a three construction period, Carrapateena produced first concentrate in December 2019 and is targeting a 12-month ramp up period to achieve an annualised production rate of 4.25 Mtpa by the end of 2020. In June 2020, OZ Minerals released the Carrapateena Block Cave Expansion Pre-Feasibility Study and Carrapateena Life of Province Scoping Study. Stage 1 of the Block Cave Expansion Feasibility Study is now underway with completion expected in late 2021.

In 2012, OZ Minerals expanded its Prominent Hill open pit operation to include underground mining at the Ankata Underground mine. In 2015, a second underground mine, Malu Underground, was commissioned. The operations of these underground mines have subsequently been integrated. The company transitioned Prominent Hill to an underground-only mining operation in March 2018, whilst continuing to process stockpiles of ore historically mined from open pit mining operations. These

stockpiles will be depleted during 2023, at which stage Prominent Hill is likely to revert to a smaller processing operation. In 2020, OZ Minerals continued to ramp up underground mine production, expecting a full year ore movement of 3.7 – 4.0Mt and is currently undertaking an underground expansion study which it is expected to complete in Q4 2020.

In August 2016, OZ Minerals signed an agreement with Cassini to earn up to 70% of the West Musgrave Project, Australia's largest undeveloped copper-nickel deposit. In November 2017, OZ Minerals and Cassini announced that the West Musgrave Project would progress to a pre-feasibility study following positive scoping study results. The pre-feasibility study was completed in February 2020.

In August 2018, OZ Minerals completed the acquisition of Avanco Resources Limited, which provided a strategic foothold in Brazil's Carajás copper province and the Gurupi greenstone belt. The assets include the Antas copper gold mine, together with a series of development and exploration assets. In 2019, the Pedra Branca feasibility study update report and preliminary mine optimisation studies were completed. Construction on the Pedra Branca underground decline began in December 2019 and first development ore reached in mid-2020. In 2019, OZ Minerals also completed an initial pre-feasibility study at CentroGold and is currently working towards removing a development injunction over the site which was in place at the time of acquisition.

OZ Minerals relocated its corporate headquarters from Melbourne to Adelaide in July 2015.

(c) **Strategy – The OZWay**



OZ Minerals is a Modern Mining Company that has grown over the past three years. To ensure all the people OZ Minerals interact with understand the company, OZ Minerals has developed The OZWay – a simple model that explains how all the parts of the company fit together. At the centre is OZ Minerals' Strategy and its Purpose – Going beyond what's possible to make lives better.

An explanation of each of the elements in The OZWay – is provided below:

**Our Context** is what happens in the world around us. As a Modern Mining Company, with a focus on Global Copper, we are agile to the changes in our *Macro Environment* and we listen and act on our *Stakeholder Expectations*. As a listed company we have a Constitution and we intend to always meet or exceed the *Laws and Regulations* in the places we work.

**Our Choices** define who we want to be. Our "how" focussed **Strategy** guides our priorities and together we agree on the Risk Appetite that we work within. Everything we do is about value creation and our *Policies* talk about how we do that in the different cultures and conditions where we work. Our *Code of Conduct* provides for a culture of inclusion where motivated people act ethically and responsibly. Our behaviours and principles are lived through our How We Work Together principles.

**Our Enablers** bring our **Strategy** to life and empower our people to succeed. Our *Organisational Model* is devolved to Corporate Functions and Assets whose leaders' accountabilities are outlined in our Global Process *Standards and Specifications*. The devolved organisation is connected through risk management and our Global *Performance Standards* set the minimum requirements for managing material threats. We are proud of our culture and see this as our most significant enabler for success.

**Our Work** is done by our Corporate Functions and Assets. It is prioritised using Risks in the context of both threats and opportunities. We are innovative in the development of our Business Plans and we use Value Creation to ensure we invest responsibly. As a Lean organisation we know when Partnering makes sense and we ensure the *Capability* of our people, processes and technologies allow us to deliver. We regularly set and track our *Goals* aligned to our effective planning.

**Our Performance** gives us the drive to continue to grow. We measure our *Compliance* to ensure we are doing what we say we will do. Our internal and external *Reporting* is data driven, and outcome focussed with the right people having the right information at the right time. We act with integrity and our *Engagement* with our stakeholders ensures we continue to deliver Value Creation. Our Assurance processes are there to make sure The *OZWay* is always followed and continuously improved.

**Value Creation** for *Employees, Communities, Governments, Suppliers and Shareholders* is core to who we are as a Company. We are collectively the people who make up OZ Minerals and How We Work Together will ensure we are Going Beyond What's Possible to Make Lives Better.

## 7.3 Organisational Structure

The wholly owned controlled entities of the OZ Minerals Group are listed below:

Entity	Country of Incorporation
OZ Minerals Brazil (Holdings) Pty Ltd	Australia
Avanco Resources Pty Ltd	Australia
Avanco Holdings Pty Ltd	Australia
Estrela Metals Pty Ltd	Australia
AVB Copper Pty Ltd	Australia
AVB Brazil Pty Ltd	Australia
AVB Carajas Pty Ltd	Australia
AVB Minerals Pty Ltd	Australia
Estrela de Brasil Mineração Ltda	Brazil
AVB Mineração Ltda	Brazil
Avanco Resources Mineração Ltda	Brazil
Vale Dourado Mineração Ltda	Brazil
MCT Mineração Ltda	Brazil
ACG Mineração Ltda	Brazil
ARL South America Exploration Ltd	Bermuda
ARL Holdings Ltd	Bermuda
Avanco Lux S.a.r.l.	Luxembourg
Avanco Lux S.C.S	Luxembourg
Carrapateena Pty Ltd	Australia
CTP Assets Pty Ltd	Australia
CTP Operations Pty Ltd	Australia
Minotaur Resources Holdings Pty Ltd	Australia
OZ Exploration Pty Ltd	Australia
OZ Minerals Equity Pty Ltd	Australia
OZ Minerals Group Treasury Pty Ltd	Australia
OZ Minerals Holdings Pty Ltd	Australia
OZ Minerals Insurance Pte Ltd	Singapore
OZ Minerals International (Holdings) Pty Ltd	Australia
OZ Minerals Investments Pty Ltd	Australia
OZ Minerals Jamaica Limited	Jamaica
OZ Minerals Prominent Hill Operations Pty Ltd	Australia
OZ Minerals Prominent Hill Pty Ltd	Australia
OZ Minerals Services Pty Ltd	Australia
OZ Minerals Zinifex Holdings Pty Ltd	Australia
OZ Minerals Carrapateena Pty Ltd	Australia
OZM Carrapateena Pty Ltd	Australia
OZ Minerals Peru S.A.C.	Peru
OZ Minerals Musgrave Holdings Pty Ltd	Australia
OZ Minerals Musgrave Operations Pty Ltd	Australia
OZ Exploration (USA) LLC	USA
SLM - Santa Lucia Mineração Eireli	Brazil
Mineração Águas Boas Ltda	Brazil
ZRUS Holdings Pty Ltd	Australia

Under the Acquisition Scheme, Cassini will become a wholly-owned subsidiary of OZ Minerals, and Cassini's subsidiaries (other than those being demerged under the Demerger Scheme) will in turn become part of the OZ Minerals Group.

## 7.4 Directors and Executive Officers

### (a) Board of Directors

#### **Rebecca McGrath – Independent Non-Executive Chairman**

*BTP (Hons), MA (App.Sci) FAICD*

Ms McGrath is an internationally experienced business leader, director and chairman.

Ms McGrath's executive career included 23 years with BP Plc. She held a range of senior executive and group executive roles in Australia, Europe and the UK, including Chief Financial Officer, Chief Operating Officer and Executive Management Board member Australia and New Zealand.

Ms McGrath is currently a Non-Executive Director of Investa Commercial Property Fund Holdings and Investa Wholesale Funds Management Ltd, Incitec Pivot Ltd and Goodman Group. Ms McGrath is the Victorian Council President of the Australian Institute of Company Directors. Ms McGrath is Chairman of Scania Australia (a subsidiary of Scania AB of Sweden) and Chairman of not-for-profit organisation Kilfinan Australia.

#### **Andrew Cole – Managing Director and Chief Executive Officer**

*BAppSc (Hons) in Geophysics MAICD*

Mr Cole has over 27 years' experience in exploration and operations in the resources industry. Following exploration geoscientist roles in Australia, Canada, USA and Mexico with Rio Tinto Exploration (CRA and Kennecott), Mr Cole spent 10 years in mine development and mine operations with Rio Tinto in Australia, China, Canada and the UK.

During his career at Rio Tinto, Mr Cole held various senior and leadership positions, including General Manager Operations of the Clermont Region Operations, including the Blair Athol Mine and Clermont Mine, Chief Executive Officer of Chinalco Rio Tinto Exploration and Chief Operating Officer of Rio Tinto Iron and Titanium.

Mr Cole joined OZ Minerals as MD and CEO in 2014.

#### **Tonianne Dwyer – Independent Non-Executive Director**

*BJuris (Hons), LLB (Hons)*

Ms Dwyer is an independent non-executive public company director. Ms Dwyer spent over 20 years in investment banking and real estate fund management and was a Director of Investment Banking at Societe Generale/Hambros Bank advising on mergers and acquisitions, restructuring and refinancing. Ms Dwyer was Head of Fund Management at the LSE listed property company, Quintain Estates and Development plc and was later appointed to the Board as an Executive Director.

Ms Dwyer is also a non-executive Director on the Boards of DEXUS Property Group, Metcash Limited and ALS Limited. She is Deputy Chancellor of the University of Queensland, and was a Non-Executive Director of Queensland Treasury Corporation until 30 June 2020. Ms Dwyer is a graduate member of the Australian Institute of Company Directors, a Director of Chief Executive Women and a member of Women Corporate Directors.

#### **Peter Wasow – Independent Non-Executive Director**

*B. Comm, GradDip (Management), Fellow (CPA Australia)*

Mr Wasow has extensive experience in the resources sector as both a senior executive and director.

He formerly held the position of CEO & Managing Director of Alumina Limited, an ASX 100 Company, and before that Executive Vice President and Chief Financial Officer, Santos Limited and in a 20 year plus career at BHP he held senior positions including Vice President, Finance and other senior roles in Petroleum, Services, Corporate, Steel and Minerals.

Mr Wasow is currently the senior independent Director of the privately held GHD Group and a Non-Executive Director of APA Group. He was also Non-Executive Director of Alcoa of Australia Limited, AWA Brazil Limitada, AWAC LLC and Non-Executive Director of ASX-listed Alumina from 2011 to 2013 and Executive Director from 2014 to 2017.



Mr Wasow has also been a member of the Business Council of Australia, and director of the International Aluminium Institute and APPEA.

**Charlie Sartain – Independent Non-Executive Director**

*BEng (Hons), Fellow (Australasian Institute of Mining and Metallurgy), Fellow (The Academy of Technological Sciences and Engineering)*

Mr Sartain has more than 30 years' international mining experience. He was Chief Executive Officer of Xstrata's global copper business for nine years from 2004. Prior to that, he held senior executive positions in Latin America and Australia including General Manager and President of Minera Alumbrera Ltd in Argentina, General Manager of Ernest Henry copper/gold mine and General Manager of Ravenswood Gold Mines in Queensland.

Mr Sartain is currently a Non-Executive Director of ALS Limited.

**Richard Seville – Independent Non-Executive Director**

*BSc (Hons) Mining Geology, MEngSc Rock Engineering, MAusIMM, ARSM*

Mr Seville has over 35 years' experience in the resources sector including 25 years as either Managing Director or Executive Director of various ASX, TSX and AIM listed companies.

Mr Seville was Orocobre's Managing Director and CEO for 12 years before stepping down in January 2019. He remains on the Board as a Non-Executive Director.

Mr Seville is a mining geologist and geotechnical engineer, graduating from the Imperial College London and James Cook University in North Queensland. He holds a Bachelor of Science degree with Honours in Mining Geology and a Master of Engineering Science in Rock Engineering.

In June 2019, Mr Seville was appointed Chairperson of Agrimin Limited and he is also a Non-executive director of Orocobre Limited.

(b) **Executive Officers**

**Andrew Cole – Managing Director and Chief Executive Officer**

*BAppSc (Hons) in Geophysics MAICD*

Mr Cole has over 27 years' experience in exploration and operations in the resources industry. Following exploration geoscientist roles in Australia, Canada, USA and Mexico with Rio Tinto Exploration (CRA and Kennecott), Mr Cole spent 10 years in mine development and mine operations with Rio Tinto in Australia, China, Canada and the UK.

During his career at Rio Tinto, Mr Cole held various senior and leadership positions, including General Manager Operations of the Clermont Region Operations, including the Blair Athol Mine and Clermont Mine, Chief Executive Officer of Chinalco Rio Tinto Exploration and Chief Operating Officer of Rio Tinto Iron and Titanium.

**Warrick Ranson – Chief Financial Officer**

*MBA, BBus (Accounting), FCA, GAICD*

Mr Ranson leads the Corporate Finance function and has accountability for Budgeting & Planning, Risk & Audit, Accounting, Tax, Treasury and Sales & Marketing.

Mr Ranson has had an extensive career in the mining industry, including over 18 years at Rio Tinto where he held various senior executive financial, commercial and transformation roles. Commencing his career in public practice, more recent roles have included Finance Executive of Rio Tinto's Copper product group based in London, Chief Commercial Officer within the Iron Ore product group and Head of Productivity Development for Rio Tinto globally.

Prior to joining OZ Minerals Mr Ranson was with German-headquartered diversified industrial group, Thyssenkrupp.

Mr Ranson is a Fellow of the Institute of Chartered Accountants in Australia, a Graduate Member of the Australian Institute of Company Directors and holds an MBA from the University of Oxford.



### **Mark Irwin – Chief Commercial Officer**

*MBA, LLB*

Mr Irwin is accountable for OZ Minerals' growth activity, including delivery of the Carrapateena copper-gold mine, the West Musgrave Project, project studies and our exploration and acquisitive growth pipeline.

He has lived and worked in the United States, Australia and the UK and has over 25 years of senior experience in various global roles including commercial and strategy, mergers and acquisitions, operations, and supply chain roles in global organisations including BHP, GrainCorp and Boart Longyear.

### **Kerrina Chadwick – Chief Corporate Affairs Officer**

Ms Chadwick is accountable for managing OZ Minerals' strategic approach to internal and external communications, brand, reputation, and stakeholder engagement including investor relations, media and government.

She has more than 20 years' experience in Corporate Public Affairs in prominent ASX listed companies including the senior roles of Head of Corporate Affairs for gold miner, Newcrest, and General Manager Group Communications and General Manager Government Relations at retailer, Coles Group Limited. She began her career in the media followed by a period as a Ministerial advisor.

### **Tania Davey – Chief Transformation Officer**

Ms Davey was appointed as Chief Transformation Officer of OZ Minerals in January 2019. She is responsible for leading the Transformation function in the business, helping accelerate the identification and implementation of disruptive technical and non-technical change.

Ms Davey has over 20 years' experience in technology, project delivery and management within the resources and engineering sectors globally.

### **Fiona Blakely – Chief People Officer**

*MSc (Occ Psych), MBA, FAHRI, ACC*

Ms Blakely is responsible for the people and culture corporate strategy. She has over 20 years' multinational experience in organisational development and culture change.

She began her career with Shell UK before establishing the HR function for Bausch and Lomb UK's manufacturing division. After moving to Australia to complete her MBA, Ms Blakely joined Lion Nathan as HR Director Wines and Spirits, followed by a series of roles in corporate strategy and capability. Across all of these roles Ms Blakely's passion has been the development of high performing cultures through the application of evidence-based practices.

Ms Blakely is a Fellow of the Australian HR Institute, an accredited coach with the International Coaching Federation and a member of Australian Adaptive Leadership Institute's advisory committee.

### **Steven McClare – Chief Technical Officer**

*BEng Mining (Hons), MAUSIMM*

Mr McClare is responsible for strengthening project and operations outcomes and ensuring project governance, as OZ Minerals progresses its growth strategy and project pipeline.

Mr McClare is an experienced mining executive with over 28 years' experience, and most recently held the position of Managing Director & CEO at Hillgrove Resources. His background includes management of the Kanmantoo, Cadia Valley, Telfer, Callie and Normandy's White Devil Operations, as well as various roles within Mount Isa Mines.

Mr McClare is a qualified mining engineer with a First Class Mine Managers Certificate, and is a Member of the Advisory Board – SMI Production Centres University of Queensland.

### **Carlos Gonzalez – Chief Executive Brazil**

*MBA in Business Strategic Management*

Mr Gonzalez brings with him over 25 years' experience spanning operational leadership, mine planning and strategy design across multiple commodities within Brazil, with international mining companies including Anglo American, Vale and MMX.

Mr Gonzalez has qualifications in Geology, Mining Engineering and an MBA in Business Strategic Management.

As CEO Brazil, Mr Gonzalez is responsible for leadership of OZ Minerals' Brazilian organisation and delivery of the growth strategy underpinned by the Antas operating asset and quality exploration pipeline in the Carajás and Gurupi provinces.

**Myles Johnston – General Manager, Carrapateena**  
*BSc (Hons)*

As General Manager, Mr Johnston is accountable for mining, processing and all associated infrastructure at Carrapateena, having led the operational readiness of the Carrapateena project site through construction and commissioning.

Mr Johnston has 30 years' experience locally and internationally in the mining sector. His recent roles include Chief Operating Officer at copper-focused Lighthouse Minerals and a long career at MIM/Xstrata/Glencore where he led the feasibility study of the Ernest Henry underground project and was then responsible for the successful construction of the sub-level caving operation.

**Gabrielle Iwanow – General Manager, Prominent Hill**  
*BCom, BA, BBusComm, FAusIMM*

As General Manager, Ms Iwanow is accountable for mining, processing and all associated infrastructure at Prominent Hill operations including oversight of the new power line construction project.

Ms Iwanow has over 20 years' experience in roles spanning change management, project management, stakeholder and team engagement, strategy development and operations. Most recently, she worked for Rio Tinto for 14 years in commercial, engagement and operational roles in the United Kingdom, China, India and Australia. She was Business Executive supporting the Chief Executive of Rio Tinto for two years. Immediately prior to joining OZ Minerals, Ms Iwanow lived in Paraburdoo and worked onsite as the General Manager, Paraburdoo operations, a large, 24mtpa multi-mine iron ore and plant operation in the Pilbara.

Ms Iwanow is a Fellow of AusIMM and has qualifications in Economics, Psychology and Business. Ms Iwanow is a Councillor on the South Australian Chamber of Mines and Energy (SACOME) and a member of the AusIMM Council for Diversity and Inclusion.

## 7.5 Key Assets and Operations

### (a) Prominent Hill

Prominent Hill is a copper–gold–silver mine located in South Australia, 130 km south-east of Coober Pedy.

In 2019, Prominent Hill continued to deliver consistent and reliable results, meeting copper production and cost guidance for the fifth successive year. Prominent Hill generated A\$440.3 million in free cashflow and its mine life was extended to 2031 with a 7% increase in underground Proved Ore Reserves.

In Q1 2020, Prominent Hill delivered strong gold production and negative C1 costs, with copper production in line with plan. The mine produced 15,580 tonnes of copper and 49,049 ounces of gold at a negative C1 cost and achieved its highest monthly underground haulage volumes in March 2020, exceeding an annualised 4 Mtpa run rate. This strong performance continued in Q2 2020, during which Prominent Hill produced 15,065 tonnes of copper and 52,725 ounces of gold at a negative C1 cost, with copper production in line with plan. Underground ore movement during Q2 2020 achieved an annualised 3.8 Mtpa run rate and remains on track for full year guidance of 3.7 – 4.0 Mtpa.

In Q2 2020, the Malu Paste Plant was successfully commissioned and in early July 2020 a new five-year contract was signed with Byrnecut for underground mining services.

Prominent Hill expansion study work continues with a variety of internal and external resources collaborating across work streams. Updates related to key work packages include:

- (i) The existing processing plant infrastructure and flow sheet has been reviewed in detail with metallurgical modelling confirming that it will be suitable for feed rates of between 4Mtpa and 8Mtpa with minimal modifications.
- (ii) The mine optimisation model was updated and has resulted in a tightening of the proposed shaft depth to between 1,200m and 1,300m below surface. Trade off studies are currently underway to confirm final shaft and related infrastructure dimensions.

As an input into an updated mine design, preliminary geotechnical modelling has indicated that the current mining sequence, based on a primary-secondary method of stope extraction, is suitable to continue until a mine depth of approximately 1,300m below surface. Beneath this depth, a longitudinal sequence is likely to be required. This is expected to be confirmed after an additional in-situ stress measurement is taken in Q4 2020.

Two additional exploration drills were commissioned underground in Q2 2020, bringing the total to four, to support an expanded Mineral Resource drilling program. The focus of the program for the remainder of 2020 is to provide further understanding of the Malu ore body below the current life of mine limits. The resource is open at depth and drilling results to date have warranted further drilling to help inform the study.

In response to the COVID-19 pandemic, OZ Minerals completed a review of all growth, exploration and other expenditure with the objective of protecting its people and maintaining low cost metal production at its operating assets. Prominent Hill was regarded as low risk and non-time critical capital was deferred to 2021, although expansion study work has continued as planned.

Prominent Hill's 2020 guidance is to produce 55,000-65,000 tonnes of copper and 175,000-190,000 ounces of gold, with C1 cash costs of (40)-(30) US cents/lb and all-in sustaining costs of 25-35 US cents/lb.

#### Prominent Hill Overview

Location: 650 km north-west of Adelaide, 130 km south-east of Coober Pedy

Product: Copper concentrate (containing gold and silver)

Mining method: Underground mine, supplemented by open pit stockpile

Processing method: Conventional crushing, grinding and flotation

Mineral Resources (as at 30 June 2019): 140Mt at 1.0% copper, 0.7g/t gold, and 3g/t silver

Underground Ore Reserves (as at 30 June 2019): 39Mt at 1.3% copper, 0.6g/t gold and 3g/t silver

Surface Stocks Ore Reserves (as at 30 June 2019): 23Mt at 0.3% copper, 0.6g/t gold and 2g/t silver

#### (b) Carrapateena

Carrapateena is an iron-oxide-copper-gold (**IOCG**) underground mine located in the highly prospective Gawler Craton in South Australia approximately 250 km from the Prominent Hill mine. Carrapateena produced first concentrate in December 2019 following a two-year construction period and is targeting a 12 month ramp up period to achieve a production run rate of 4.25 Mtpa by the end of 2020, provided the cave propagates as expected. It is an underground sub-level cave operation with an estimated mine life of 20 years. In June 2020, a pre-feasibility study for the block cave was released to ASX with a feasibility study commencing in July 2020.

In March 2020, Carrapateena achieved nameplate mill throughput rate on a periodic basis, with stable operational periods at 500t/hr and is on target to ramp up to full name plate minerals processing plant production by the end of 2020.

In Q1 2020, Carrapateena produced 2,495 tonnes of copper and 5,041 ounces of gold. In Q2 2020, Carrapateena produced 7,170 tonnes of copper and 14,423 ounces of gold, with the uplift in production due to better performance from the underground materials handling system and production system in addition to the throughput performance of the plant year to date.

Following the deferral of non-essential 2020 capital expenditure resulting from OZ Minerals' COVID-19 business review, as a result of Carrapateena's strong start to production OZ Minerals decided to re-introduce approximately \$45 million of deferred growth capital funding for plant and infrastructure projects that will benefit production beyond 2020.

Carrapateena's 2020 guidance is to produce 25,000-30,000 tonnes of copper and 45,000-50,000 ounces of gold, with C1 cash costs of 100-120 US cents/lb and all-in sustaining costs of 150-170 US cents/lb.

### Carrapateena Overview

Location: 250 km south-east of Prominent Hill and 160 km north of the regional centre of Port Augusta in South Australia

Product: Copper concentrate (containing gold and silver)

Status: First saleable concentrate produced in December 2019, ramping up to steady state production

Mineral Resources (as at 30 June 2019): 970Mt at 0.5% copper, 0.2 g/t gold and 3 g/t silver

Ore Reserves (as at 31 May 2020): 220Mt at 1.1% copper, 0.44 g/t gold and 4.5 g/t silver

Expansion pre-feasibility study: Estimated increase to average life of mine production to ~110,000–120,000 tonnes of copper and ~110,000-120,000 ounces of gold per annum from 2026, with life of mine all-in sustaining costs of ~US\$0.75-0.85c/lb.

#### (c) Carrapateena mine and province expansion

In June 2020, OZ Minerals released the Carrapateena Block Cave Expansion Pre-Feasibility Study which concluded that there is potential to deliver superior value for OZ Minerals' stakeholders by replacing the bottom half of the current sub-level cave with a larger block cave, operable from 2026. Value is expected to be derived from increasing production throughput to 12 Mtpa at a lower operational cost and cut-off grade than the sub-level cave, and from bringing forward the ability to mine the higher-grade ore at the bottom of the orebody. This ore would have been otherwise mined closer to the end of the mine life, using sub-level cave mining method alone. Initial expansion into Block Cave 1 also enables ability to unlock further value with future expansion into lower grade areas such as Block Cave 2 which is considered in the Expansion Pre-Feasibility Study.

The Carrapateena Mineral Resource was updated to 970 Mt @ 0.5% copper in November 2019 and was restated and used for the Expansion Pre-Feasibility Study released in June 2020. Associated with the Expansion Pre-Feasibility Study, OZ Minerals announced Ore Reserves for Carrapateena increased from 91 Mt @ 2.0% CuEq to 220 Mt @ 1.3% CuEq by including Block Cave 1 and Block Cave 2, with the sub-level cave. Block Cave 1 and Block Cave 2 expansion NPV of ~\$600m increases to ~\$770m at final investment decision in 2023, with an IRR of ~19% (post tax). OZ Minerals has now commenced the Block Cave Expansion Feasibility Study Stage 1 which is expected to be largely completed by late 2021.

In June 2020, OZ Minerals also released the Carrapateena Life of Province Plan Scoping Study undertaken to determine the potential of the Carrapateena Province for future mining opportunities following Block Cave 2. The Life of Province Plan is a material opportunity to further unlock the Carrapateena Province for many decades after Block Cave 2, providing the region with the potential for a multi-generational mine that delivers significant value for OZ Minerals' stakeholders.

#### (d) West Musgrave Project

The West Musgrave Project is located in Western Australia, near the South Australia and Northern Territory borders. West Musgrave contains three known deposits – Nebo, Babel and Succoth – as well as the One Tree Hill prospect. The Nebo and Babel copper-nickel deposits have been the primary focus of drilling and studies to date.

In August 2016, OZ Minerals signed an agreement with Cassini to earn up to 70% of the West Musgrave Project, by spending a total of A\$36 million, which was achieved in 2019. In February 2020, OZ Minerals and Cassini announced the results of the West Musgrave, Nebo-Babel Pre-Feasibility Study and a Maiden Probable Ore Reserve of 220 Mt @ 0.36% copper and 0.33% nickel.

Further information regarding the West Musgrave Project can be found in Section 6.5(a).

#### West Musgrave Overview

Location: Western Australia near the South Australia and Northern Territory border

Ownership: OZ Minerals 70% ownership; Cassini 30% ownership

Deposit: Copper and nickel

Status: Pre-feasibility study complete

Mineral Resources (as at 11 February 2020): 340Mt at 0.33% nickel and 0.36% copper

Ore Reserves (as at 11 February 2020): 220Mt at 0.33% nickel and 0.36% copper

Province exploration program: One Tree Hill prospect and the Succoth deposit

#### (e) Carajás Province

The Carajás province in Brazil is one of the world's premier IOCG mineral provinces and is host to the world's largest iron ore mine and a number of sizeable copper-gold mines. OZ Minerals has the operating open pit mine at Antas, the Pedra Branca underground project under construction, as well as the high-grade copper-gold exploration project Pantera and Clovis.

OZ Minerals has also entered into various earn-in agreements in the Carajas, including with Vale S.A. for options to purchase two nearby exploration projects; Santa Lucia, an advanced exploration project approximately 40 km trucking distance from Antas, and the less advanced but highly prospective Circular North.

OZ Minerals is implementing a staged, low risk and capital conservative Hub strategy in the province that will see copper processing facilities serving multiple small and mid-sized mines in the region. The first Carajás Hub is the Antas facility which will process ore trucked from the ~1Mtpa Pedra Branca underground mine, located 75 km from the Antas plant. Pedra Branca decline development is tracking to plan with the first run of mine ore on schedule to be trucked to the Carajás hub at Antas for processing in Q3 2020. The ore sorting equipment has been installed and operating at Antas on a trial basis with the optimal mass versus grade currently being determined.

The Carajás province produced 6,810 tonnes of copper and 6,171 ounces of gold in 2019. In Q1 2020, Carajás produced 2,156 tonnes of copper and 1,516 ounces of gold, with C1 cash costs of 97 US cents/lb with an all-in sustaining cost of 144 US cents/lb. In Q2 2020, Carajás produced 2,342 tonnes of copper and 1,592 ounces of gold, with C1 cash costs of 69 US cents/lb and an all-in sustaining cost of 134 US cents/lb, and it remains on track for full year guidance.

2020 guidance for the Carajás Hub is to produce 8,000-10,000 tonnes of copper and 7,000-9,000 ounces of gold, with C1 cash costs of 100-120 US cents/lb and all-in sustaining costs of 155-175 US cents/lb.

#### Antas Overview

Location: Carajás province in the state of Pará in northern Brazil, ~40 km south-east of Parauapebas

Product: Copper concentrate (containing gold)

Mining method: Open pit, drill and blast

Processing method: Ore sorting, conventional crushing, grinding, flotation and filtration

Mineral Resources: 2.6Mt at 1.2% copper, 0.4 g/t gold

#### Pedra Branca Overview

Location: Carajás province. Northern Brazil, in the state of Pará, ~100 km south of Parauapebas and 30 km east of Canaã



Project: High grade copper-gold underground mine

Status: Construction underway and feasibility study nearing completion.

Proposed method: Underground open-stopping

(f) **Gurupi**

The Gurupi province is in the state of Maranhão in northern Brazil, between the cities of Belém and São Luis. OZ Minerals' CentroGold project sits in this province and is considered to be one of the largest undeveloped gold projects in Brazil, with three main deposits: Blanket, Contact and Chega Tudo.

The larger CentroGold area is considered to host exciting exploration potential. Interpretation of a vast database of historical information, including soil geochemistry and drilling also suggests potential associated with the proximal Chega Tudo deposit and eight other known targets including Mandiocall, Sequeiro and Jibóia. The acquisition of the Jibóia exploration tenements to the north of CentroGold has expanded the total land package held to ~2,300 km<sup>2</sup> along 85 km of strike length, with the CentroGold project now comprising less than 3% of this land.

Gurupi's potential has strengthened with the CentroGold Pre-Feasibility Study demonstrating a minimum 10-year operation could be developed for low capital investment with industry bottom half operating costs, once the injunction is removed.

#### CentroGold Overview

Location: Gurupi region, in the state of Maranhão in northern Brazil, between the cities of Belém and São Luis and close to existing infrastructure including sealed roads, power, water and skilled labour

Status: Pre-feasibility study complete, awaiting injunction removal to begin Feasibility study

Project: Open pit gold project

Proposed method: Open pit mine, flotation and carbon-in-leach processing plant

Mineral Resource: 28Mt @ 1.9 g/t gold

Estimated mine life: 10 years minimum

Estimated annual production: 100,000-120,000 oz gold

(g) **Exploration and Growth**

Growth through exploration is a key part of OZ Minerals' strategy to create and maintain long-term value. OZ Minerals has built a well-developed growth pipeline with multiple projects at different stages of maturity. This allows the company to allocate resources to the most value-accretive activities and provides more options when deciding which projects to progress. OZ Minerals rigorously pursues its pipeline of opportunities and if at any time a project is determined to not have the potential to generate substantial value, expenditure is ceased and the company withdraws from the arrangement in line with its obligation and intent to invest responsibly.

OZ Minerals has several exploration earn-in agreements in place with highly regarded explorers who provide the company with expertise in specific geologies or locations. OZ Minerals' exploration partners, in turn, gain access capital to undertake drilling programs. OZ Minerals typically works with its partners to oversee projects while they manage on-the-ground-activities.

OZ Minerals' exploration growth pipeline includes earn-in agreements in Sweden, a new multi-site exploration greenfield discovery alliance (Red Metal Limited) targeting base metals mineralisation in WA and QLD, and an updated joint venture in QLD (Minotaur Exploration). In addition, it also has an earn-in agreement with a private Peruvian company to explore for iron oxide copper-gold (IOCG) deposits in the Arequipa district of southern coastal Peru, and the second largest portfolio of exploration projects in Brazil, which spans over 1,800 square kilometres.

## 7.6 Ore Reserves and Mineral Resources

Information in the following tables is subject to rounding error. The information below is extracted from the OZ Minerals "2019 Annual & Sustainability Report", except for the information in relation to Carrapateena and West

Musgrave (Nebo-Babel). Carrapateena Ore Reserves are extracted from the report entitled "Carrapateena 2020 Ore Reserves Statement" released on 23 June 2020. West Musgrave (Nebo-Babel) Minerals Resources and Ore Reserves are extracted from the report entitled "West Musgrave Project Nebo-Babel Deposits Ore Reserve Statement and Explanatory Notes" and "West Musgrave Project Nebo-Babel Deposits Mineral Resource Statement and Explanatory Notes" released on 12 February 2020. These Mineral Resource and Ore Reserve statements and their accompanying explanatory notes are available to be viewed at [ozminerals.com/operations/resources-reserves.html](http://ozminerals.com/operations/resources-reserves.html). OZ Minerals is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The form and context in which the competent person's findings are presented have not been materially modified from the original market announcements.

Mineral Resources	Measured				Indicated				Inferred				Total						
	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Cu kt	Au koz	Ag Moz
Copper																			
Prominent Hill Underground	52	1.3	0.6	3	21	0.9	0.9	3	48	1.0	0.7	2	120	1.1	0.7	3	1,300	2,700	11
Prominent Hill Surface Stocks	7.5	0.6	0.4	2	–	–	–	–	–	–	–	–	7.5	0.6	0.4	2	48	92	1
Carrapateena	137	0.84	0.38	3.0	484	0.66	0.28	3.3	345	0.26	0.13	1.7	965	0.54	0.24	2.7	5,200	7,400	83
Fremantle Doctor	–	–	–	–	–	–	–	–	104	0.7	0.5	3	104	0.7	0.5	3	800	2,400	9
Succoth <sup>8</sup>	–	–	–	–	–	–	–	–	160	0.6	–	–	160	0.6	–	–	–	–	–
Antas South	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Antas North	0.28	0.9	0.2	–	1.7	1.1	0.3	–	0.64	1.4	0.5	–	2.6	1.2	0.4	–	30	29	–
Pedra Branca	2.3	1.6	0.48	–	11	1.6	0.44	–	4.8	1.5	0.44	–	19	1.6	0.44	–	–	–	–
Total	200	1.0	0.43	2.9	520	0.7	0.31	3.2	660	0.5	0.24	1.5	1,400	0.6	0.29	2.3	8,600	13,000	100
Gold																			
Prominent Hill Surface Stocks	15	0.10	0.80	2	–	–	–	–	–	–	–	–	15	0.1	0.8	2	17	380	1
CentroGold	–	–	–	–	21	–	1.9	–	7.3	–	1.8	–	28	–	1.9	–	–	1,700	–
Chega Tudo	–	–	–	–	8.2	–	1.6	–	3.1	–	1.5	–	11.3	–	1.6	–	–	577	–
Total	15	0.11	0.78	2	29	–	1.8	–	10	–	1.7	–	54	–	1.5	0.8	17	2,600	1

Mineral Resources	Measured				Indicated				Inferred				Total					
	Tonnes Mt	Ni %	Cu %	Ag g/t	Tonnes Mt	Ni %	Cu %	Au ppm	Tonnes Mt	Ni %	Cu %	Au ppm	Tonnes Mt	Ni %	Cu %	Au ppm	Ni kt	Cu kt
<b>Nickel</b>																		
Babel <sup>8</sup>	–	–	–	–	240	0.31	0.35	0.06	62	0.34	0.38	0.07	300	0.32	0.36	0.06	960	1,100
Nebo <sup>8</sup>	–	–	–	–	38	0.40	0.35	0.04	1	0.38	0.44	0.05	39	0.40	0.35	0.04	150	140
Total	–	–	–	–	280	0.32	0.35	0.06	63	0.34	0.38	0.07	340	0.33	0.36	0.06	1,100	1,200

Ore Reserves	Proved				Probable				Total						
	Tonnes Cu Mt	%	Au g/t	Ag g/t	Tonnes Cu Mt	%	Au g/t	Ag g/t	Tonnes Cu Mt	%	Au g/t	Ag g/t	Cu kt	Au koz	Ag Moz
Copper															
Prominent Hill Underground	30	1.3	0.6	3	8.9	1.0	0.9	3	39	1.3	0.60	3	490	770	4
Prominent Hill Surface Stocks	7.5	0.6	0.4	2	–	–	–	–	7.5	0.6	0.40	2	48	92	1
Carrapateena	–	–	–	–	220	1.1	0.44	4.5	220	1.1	0.44	2.5	2,300	3,100	31
Pedra Branca	1.1	1.9	0.6	–	3.9	2.1	0.5	–	5.0	2.1	0.5	–	104	89	–
Total	38	1.2	0.5	3	230	1.1	0.5	4	270	1.1	0.5	4	3,000	4,000	36
Gold															
Prominent Hill Surface Stocks	15	0.1	0.8	2	–	–	–	–	15	0.10	0.8	2	17	380	1
CentroGold	–	–	–	–	20	–	1.7	–	20	–	1.7	–	–	1,100	–
Total	15	0.1	0.8	2	20	–	1.7	–	35	0.10	1.3	1	17	1,400	1

<sup>8</sup> OZ Minerals currently owns 70% of West Musgrave, however the data above is reported on a 100% basis.

Ore Reserves	Proved				Probable				Total						
	Tonnes Mt	Ni %	Cu %	Au ppm	Tonnes Mt	Ni %	Cu %	Au ppm	Tonnes Mt	Ni %	Cu %	Au ppm	Ni kt	Cu kt	
<b>Nickel</b>															
Babel <sup>1</sup>	–	–	–	–	20	0.48	0.40	0.04	20	0.48	0.40	0.04	100	80	
Nebo <sup>1</sup>	–	–	–	–	200	0.32	0.36	0.06	200	0.32	0.36	0.06	630	700	
Total	–	–	–	–	220	0.33	0.36	0.06	220	0.33	0.36	0.06	720	790	

Note: OZ Minerals acquired the Pantera option when it acquired Avanco Resources and its Brazilian assets in August 2018; see Avanco's ASX Announcement "Maiden Pantera MRE pushes Avanco's Carajás Resource Base Beyond 1 Mt of Contained Copper" released on 19 March 2018. This estimate is subject to further drilling and review. OZ Minerals' interest in the tenement is subject to the production of a revised Resource by 2021 and OZ Minerals' election to either purchase the tenement or return the title to Vale at that time.

## 7.7 Historical financial information

### (a) Basis of Presentation of Historical Financial Information

The historical financial information in this Section relates to OZ Minerals on a standalone basis and, accordingly, does not reflect any impact of the Acquisition Scheme.

The historical financial information set out in this Section 7.7 is intended to provide an overview of OZ Minerals' historical financial performance, position and cash flows, and is not intended to provide the level of detail or understanding which is available from a review of the OZ Minerals' published financial reports (which include the full financial accounts and the notes to those accounts) which are available on ASX or OZ Minerals' website.

In accordance with its normal processes, OZ Minerals currently expects to release its half-year financial results for the financial year to 30 June 2020 to ASX on or about 19 August 2020.

At each reporting date, the OZ Minerals Board assesses whether circumstances indicate that the carrying value of any of its assets should be impaired. As part of its 30 June 2020 half-year review process, OZ Minerals will consider whether any impairments are required, based on commodity prices at the time and a review of expected operational performance. While circumstances may change before this process is completed, culminating in the release of OZ Minerals' half-year results to 30 June 2020 to ASX, OZ Minerals does not currently expect there to be any material impairment to the carrying value of any of its assets as reported in the full-year financial report for the period ended 31 December 2019.

### (b) Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income

The summarised historical consolidated statements of profit or loss and other comprehensive income of OZ Minerals for the full-years ended 31 December 2019 and 31 December 2018 shown below have been extracted from the Audited Annual Financial Report for the year ended 31 December 2019, which was audited by KPMG. KPMG issued an unqualified audit opinion on the consolidated statements of profit or loss and other comprehensive income.

For the period ended 31 December (A\$m)	2019	2018
Revenue	1,107.0	1,117.0
Other Income	0.2	2.8
Mining	(251.5)	(310.1)
Processing	(146.8)	(146.5)
Freight	(80.5)	(72.9)
Site Administration	(48.8)	(41.1)
Royalties	(57.6)	(56.3)
Inventory Movement	(140.8)	(83.7)
Corporate Administration	(50.2)	(29.0)
Exploration and Corporate Development	(93.9)	(67.2)
Other Expenses	(4.5)	(14.2)
Foreign Exchange Gain/(Loss)	0.9	7.2
Profit Before Interest and Income Tax	233.5	306.0
Finance Income	5.1	12.0
Finance Expense	(10.0)	(5.1)
Profit Before Income Tax	228.6	312.9

Income Tax	(64.7)	(90.5)
Profit for the Year Attributable to Equity Holders of OZ Minerals Limited	163.9	222.4

#### Other Comprehensive Gain/(Loss)

Items that will Not be Reclassified Subsequently to Future Income Statements

Change in Fair Value of Investments in Equity Securities, Net of Tax	(7.6)	(6.7)
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Items that May be Reclassified Subsequently to Future to Income Statements

Cash Flow Hedges Reserve Change in Fair Value	(52.0)	(17.8)
Cash Flow Hedges Reclassified to Profit and Loss	23.9	–
Foreign Operations – Foreign Currency Translation Differences	8.9	18.9
Other Comprehensive Loss for the Year, Net of Tax	(26.8)	(5.6)
Total Comprehensive Income for the Year Attributable to Equity Holders of OZ Minerals Limited	137.1	216.8

	Cents	Cents
Basic and Diluted Earnings Per Share (Cents)	50.7	71.5

*The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes*

#### (c) Historical Consolidated Balance Sheet

The summarised historical consolidated balance sheets as at 31 December 2019 and 31 December 2018 set out below have been extracted from the Audited Annual Financial Report for the year ended 31 December 2019, which were audited by KPMG. KPMG has issued an unqualified audit opinion on these consolidated balance sheets.

For the period ended 31 December (A\$m)	2019	2018
<b>Current Assets</b>		
Cash and Cash Equivalents	134.0	505.1
Trade Receivables	83.1	70.9
Tax Receivable	–	4.9
Inventories	238.3	276.8
Prepayments	7.7	6.3
Derivative Financial Instruments	–	17.9
Other Receivables	23.4	22.2
<b>Total Current Assets</b>	<b>486.5</b>	<b>904.1</b>
<b>Non-Current Assets</b>		
Deferred Tax Assets	7.1	2.5
Inventories	299.3	401.6
Exploration Assets	112.1	78.1
Property, Plant and Equipment	2,696.3	1,999.5
Right-of-use Assets	176.1	–
Other Assets	36.6	57.1
<b>Total Non-Current Assets</b>	<b>3,327.5</b>	<b>2,538.8</b>
<b>Total Assets</b>	<b>3,814.0</b>	<b>3,442.9</b>
<b>Current Liabilities</b>		
Trade Payables and Accruals	168.6	145.1
Other Payables	8.2	7.1
Current Tax Provision	5.6	–
Employee Benefits	14.5	12.7
Provisions	1.0	3.9

Derivative Financial Instruments	60.4	9.3
Loans and Borrowings	37.8	–
<b>Total Current Liabilities</b>	<b>296.1</b>	<b>178.1</b>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	270.1	264.6
Employee Benefits	1.7	1.5
Provisions	97.4	59.3
Derivative Financial Instruments	22.7	24.2
Loans and Borrowings	146.1	–
<b>Total Non-Current Liabilities</b>	<b>538.0</b>	<b>349.6</b>
<b>Total Liabilities</b>	<b>834.1</b>	<b>527.7</b>
<b>Net Assets</b>	<b>2,979.9</b>	<b>2,915.2</b>
<b>Equity</b>		
Issued Capital	2,280.4	2,280.4
Cash Flow Hedge Reserve	(49.5)	(21.4)
Retained Earnings	721.2	638.5
Treasury Shares	–	(1.2)
Foreign Currency Translation Reserve	27.8	18.9
<b>Total Equity Attributable to Equity Holders of OZ Minerals Limited</b>	<b>2,979.9</b>	<b>2,915.2</b>

Comparative information for exploration assets and Property, plant and equipment were reclassified as per Note 16. The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

(d) **Historical Consolidated Statement of Cash Flows**

The summarised historical statements of cash flows of OZ Minerals for the full-year ended 31 December 2019 and 31 December 2018 shown below have been extracted from the Audited Financial Report for the full-year ended 31 December 2019, which were audited by KPMG Audit. KPMG issued an unqualified audit opinion on the consolidated statements of cash flows.

For the period ended 31 December (A\$m)	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from Customers	1,139.9	1,204.1
Payments to Suppliers and Employees	(492.7)	(550.2)
Payments for Exploration and Evaluation	(96.5)	(67.6)
Income Tax Paid	(44.1)	(148.7)
Financing Costs	(2.3)	(1.0)
Interest Received	6.3	13.0
<b>Net Cash Inflows from Operating Activities</b>	<b>510.6</b>	<b>449.6</b>
<b>Cash Flows from Investing Activities</b>		
Payment for Property, Plant and Equipment	(737.7)	(426.4)
Exploration Assets <sup>1</sup>	(26.2)	–
Payment for Avanco, Net of Cash Acquired	–	(183.3)
<b>Net Cash Outflows from Investing Activities</b>	<b>(763.9)</b>	<b>(609.7)</b>
<b>Cash Flows from Financing Activities</b>		
Dividends Paid to Shareholders	(74.3)	(67.6)



Payments for Loans and Borrowings	(47.3)	–
<b>Net Cash Outflows from Financing Activities</b>	<b>(121.6)</b>	<b>(67.6)</b>
Net Decrease in Cash Held	(374.9)	(227.7)
Cash and Cash Equivalents at Beginning of the Year	505.1	729.4
Effects of Exchange Rate Changes on Foreign Currency Denominated Cash Balances	3.8	3.4
Cash and Cash Equivalents at the End of the Year	134.0	505.1

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.*

<sup>1</sup> In 2018, exploration assets acquired under the Avanco Resources Limited acquisition were included within the payment for Avanco Resources Limited.

(e) **Management Commentary on Historical Financials**

*Balance Sheet*

Cash and cash equivalents at 31 December 2019 totalled \$134.0 million (31 December 2018: \$505.1 million), a net decrease of \$371.1 million in 2019. The reduction in the cash balance was a result of operating cash flows being offset by ongoing investment in Carrapateena, Prominent Hill, West Musgrave, and Property, Plant and Equipment, as well as the payment of dividends. At 31 December 2019, OZ Minerals had \$183.9 million of lease liabilities and \$300.0 million in an undrawn revolving credit facility.

*Profit and Loss Statement*

Gross revenue of \$1,173.9 million was lower than the previous year by \$17.2 million with lower copper and gold sales partially offset by higher Australian dollar realised copper and gold prices. The realised \$A copper price was 2% lower than in the comparative period while the net \$A gold price was 12% higher. Revenue includes \$23.9 million in realised losses on existing gold hedges.

OZ Minerals' profit after tax for the year ending 31 December 2019 decreased 26.3% to \$163.9 million (2018 \$222.4 million), principally due to lower copper sales as Prominent Hill transitions from its higher copper grade open pit stockpiles and higher exploration and corporate development expenditure.

*Cash Flow Statement*

Net cash flow from operating activities was \$510.6 million (2018: \$449.6 million). Customer receipts during the year were lower by \$64.2 million due to the timing of concentrate sales. Payments to suppliers and employees were \$492.7 million for the year, \$57.5 million lower than in 2018 primarily due to the reclassification of certain payments to suppliers as financing cashflows under AASB 16 Leases. Payments for exploration and corporate development expenditure increased by \$28.9 million, reflecting the ongoing investment in the growth pipeline during the year. PAYG tax payments were \$104.6 million lower than the previous year which included a finalisation payment for the Company's tax liability from 2017, prior to the Company's transition to a PAYG regime, and lower earnings before tax for the year.

Cash used in investing activities was \$763.9 million (2018: \$609.7 million). This was attributable to \$579.2 million capitalised development costs at Carrapateena, general property, plant, equipment and mine development at Prominent Hill (\$102.5 million) and the Carajás (\$9.9 million) and study costs associated with the West Musgrave Project (\$26.2 million).

Net cash payments for financing activities were \$121.6 million (2018: cash outflows of \$67.6 million) and included payments to suppliers (now classified as lease payments following the application of AASB 16 Leases) of \$47.3 million in addition to 23 cents per share fully franked dividend paid for the financial year ending 31 December 2019 of \$74.3 million and in line with 2018.

*March 2020 Quarterly Report*

The following selected financial information for OZ Minerals is taken from its unaudited March 2020 Quarterly Report, released on Wednesday, 15 April 2020:

- (i) net outflow of cash from operating activities was \$41 million;
- (ii) cash used in investing activities was \$121 million;
- (iii) working capital increased by \$103 million resulting from a \$77 million increase in trade receivables (timing of shipments), decrease in trade payables of \$23 million due to timing of payables and accruals and a reduction in ore inventory of \$15 million;
- (iv) cash at bank at 31 March 2020 was \$61 million and debt was \$150 million; and
- (v) revolving credit facility increased to \$480 million to further improve liquidity reserves.

#### *June 2020 Quarterly Report*

The following selected financial information for OZ Minerals is taken from its unaudited June 2020 Quarterly Report, released on Wednesday, 22 July 2020:

- (i) net inflow of cash from operating activities was \$156 million;
- (ii) cash used in investing activities was \$40 million;
- (iii) working capital decreased by \$17 million resulting from a \$4 million decrease in trade receivables, increase in trade payables of \$9 million as a result of accruals at the half year ended 30 June 2020 and a reduction in ore inventory of \$10 million (which was partially offset by an increase in concentrate of \$6 million);
- (iv) cash at bank at 30 June 2020 was \$115 million and debt was \$100 million; and
- (v) revolving credit facility of \$480 million in place.

For full details, see OZ Minerals' Q1 and Q2 2020 Reports, and OZ Minerals' 2019 Annual and Sustainability Report, available at [www.asx.com.au](http://www.asx.com.au) or [www.ozminerals.com.au](http://www.ozminerals.com.au).

#### *Half Yearly report for six-month period ended 30 June 2020*

The OZ Minerals Half Yearly Report for the six-month period ended 30 June 2020 is expected to be released on or about 19 August 2020 and will be available at [www.asx.com.au](http://www.asx.com.au) or [www.ozminerals.com.au](http://www.ozminerals.com.au).

## 7.8 Production guidance

On 22 July 2020, OZ Minerals updated its production guidance for the full financial year ending 31 December 2020 as follows:

<b>OZ Minerals Metal Production &amp; Costs</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Previous FY 2020 Guidance</b>	<b>Current FY 2020 Guidance</b>
<b>Total Copper (Tonnes)</b>	<b>20,231</b>	<b>24,577</b>	<b>83,000-100,000</b>	<b>88,000-105,000</b> ↑
Prominent Hill	15,580	15,065	55,000-65,000	55,000-65,000
Carrapateena	2,495	7,170	20,000-25,000	25,000-30,000 ↑
Carajás	2,156	2,342	8,000-10,000	8,000-10,000
<b>Total Gold (Ounces)</b>	<b>55,606</b>	<b>68,740</b>	<b>207,000-234,000</b>	<b>227,000-249,000</b> ↑
Prominent Hill	49,049	52,725	165,000-185,000	175,000-190,000 ↑
Carrapateena	5,041	14,423	35,000-40,000	45,000-50,000 ↑
Carajás	1,516	1,592	7,000-9,000	7,000-9,000
<b>C1 Cash Costs (US cents/lb)</b>	<b>8.8</b>	<b>(5.4)</b>	<b>60-75</b>	<b>10-25</b> ↓
Prominent Hill	(26.8)	(70.8)	5-15	(40)-(30) ↓
Carrapateena	157.8	108.2	175-195	100-120 ↓
Carajás	97.0	69.0	155-175	100-120 ↓
<b>All-in Sustaining Costs (US cents/lb)</b>	<b>74.9</b>	<b>50.5</b>	<b>115-130</b>	<b>70-85</b> ↓

Prominent Hill	29.0	(3.6)	60-70	25-35 ↓
Carrapateena	306.0	137.6	235-260	150-170 ↓
Carajás	144.0	134.0	215-235	155-175 ↓

## 7.9 Corporate governance

OZ Minerals is committed to doing business in accordance with high standards of corporate governance and creating and delivering value across our five stakeholder groups – employees, communities, governments, suppliers and shareholders. OZ Minerals regularly reviews its governance practices against both current and emerging corporate governance developments which are relevant to OZ Minerals, to reflect market practice, expectations and regulations as appropriate.

OZ Minerals' Corporate Governance Statement for the 2019 financial year outlined the key features of OZ Minerals' corporate governance framework, by reference to the ASX Corporate Governance Council's 3<sup>rd</sup> edition of its Corporate Governance Principles and Recommendations. The Corporate Governance Statement can be found on OZ Minerals' website at ([www.ozminerals.com/about/corporate-governance/corporate-governance-statement/](http://www.ozminerals.com/about/corporate-governance/corporate-governance-statement/)).

## 7.10 OZ Minerals' securities and capital structure

### (a) Ownership

OZ Minerals is listed on the ASX and has a diverse shareholder base. As at 6 August 2020, being the last practicable date prior to the date of this Acquisition Scheme Booklet, OZ Minerals had 39,627 shareholders.

To the best of its knowledge, OZ Minerals is not directly or indirectly controlled by another corporation or any person or foreign government and there are no current activities known which may, at a subsequent date, result in a change of control of OZ Minerals.

As at 6 August 2020, so far as known to OZ Minerals based on publicly available information, there are no substantial holders of OZ Minerals Shares, except as set out below:

Substantial Holder	Number of OZ Minerals Shares Held	Voting Power
BlackRock Group (as held by various investment vehicles)	25,117,947	7.75%
Cooper Investors	20,315,817	6.27%
Dimensional Entities	see note below	6.02%
Vanguard Group	16,285,849	5.03%

*Note: Dimensional Entities' change of substantial holder notice lodged with ASX on 7 May 2020 erroneously states that Dimensional Entities holds 324,188,240 OZ Minerals Shares. According to the OZ Minerals Register as at 3 July 2020, Dimensional Entities holds 19,503,238 OZ Minerals Shares.*

### (b) OZ Minerals issued securities

As at the date of this Acquisition Scheme Booklet, the total securities of OZ Minerals on issue were as follows:

- (i) 324,697,275 fully paid ordinary shares; and
- (ii) 2,563,269 performance rights.

## 7.11 Recent trading performance of OZ Minerals Shares

The chart below shows the closing price of OZ Minerals Shares on ASX over the 12 month period up to and including 6 August 2020, being the last practicable date prior to the date of this Acquisition Scheme Booklet:



Figure 1. OZ Minerals 12-month share price chart

Source: IRESS.

The closing price of OZ Minerals Shares on the ASX as at the close of trading on 6 August 2020 was A\$14.15.

During the 90 trading days up to (and including) 6 August 2020:

- (a) the highest recorded daily closing price for OZ Minerals Shares on the ASX was A\$14.15 on 6 August 2020; and
- (b) the lowest recorded daily closing price for OZ Minerals Shares on the ASX was A\$7.05 on 2 April 2020.

## 7.12 Dividend history

OZ Minerals has previously paid dividends, as follows:

Record date	Payment date	Unfranked Cents Per OZ Minerals Share	Fully Franked Cents Per OZ Minerals Share	Total Dividends (\$ million)
12 March 2020	26 March 2020	–	15	48.6
3 September 2019	17 September 2019	–	8	25.9
12 March 2019	26 March 2019	–	15	48.4
3 September 2018	17 September 2018	–	8	25.8
12 March 2018	26 March 2018	–	14	41.8

The OZ Minerals Board's current policy is to prioritise returns to shareholders by paying a sustainable ordinary dividend from pre-growth cash flow, while having regard to near term, identified capital investment opportunities that create superior value and the need to maintain a strong balance sheet. The OZ Minerals Board declared a

total, fully-franked dividend for 2019 of \$0.23 per OZ Minerals Share, made up of a half year payment of \$0.08 per OZ Minerals Share and an end-year payment of \$0.15 per OZ Minerals Share.

The final dividend was paid on 26 March 2020. The financial impact of the dividend, amounting to \$48.6 million, was not recognised in the consolidated financial statements for the financial year ending 31 December 2019 and will be recognised in subsequent consolidated financial statements.

The declaration and payment of dividends remains at the discretion of the OZ Minerals Board, and actual dividends declared in the future may vary.

## 7.13 Rights and liabilities attaching to OZ Minerals Shares

### *Introduction*

The rights and liabilities attaching to the OZ Minerals Shares which will be issued as Acquisition Scheme Consideration are set out in OZ Minerals' constitution and are subject to the Corporations Act and the Listing Rules.

The main rights and liabilities attaching to the OZ Minerals Shares are summarised below. This summary does not purport to be exhaustive and must be read subject to the full text of OZ Minerals' constitution, available at the OZ Minerals website: [www.ozminerals.com.au/about/corporate-governance](http://www.ozminerals.com.au/about/corporate-governance).

### *Issue of further shares*

The OZ Minerals Board may from time to time issue further shares in the capital of the company.

### *Transfer of Shares*

OZ Minerals Shares are freely transferable.

### *Voting rights*

At a meeting of OZ Minerals Shareholders, each holder is entitled to attend and vote in person, by proxy, by attorney or by representative. Each OZ Minerals Shareholder has one vote for each OZ Minerals Share held.

### *Dividends*

OZ Minerals Shareholders will have the right to participate fully in all dividends, other distributions and entitlements declared by OZ Minerals.

### *Winding up*

If OZ Minerals is wound up, the liquidator can divide the assets of OZ Minerals among its contributories in any way the liquidator thinks fit.

### *OZ Minerals Share Plans*

As at the date of this Acquisition Scheme Booklet, OZ Minerals currently has a Performance Rights Plan (**PRP**) and Omnibus Incentive Plan in place. Offers of performance rights are currently on foot under both plans. Offers of Long Term Incentive (**LTI**) awards are made under the Omnibus Incentive Plan. Offers of performance rights to other employees are made under the Performance Rights Plan.

Performance rights granted under the PRP or as LTI are not entitled to dividends nor have voting rights. One OZ Minerals Share is allocated on vesting of a performance right, and where applicable, exercise, of a performance right.

Vesting of performance rights under the PRP and granted as LTI is dependent upon meeting performance conditions and/or a service condition (being continuous employment with OZ Minerals). The OZ Minerals Shares issued on vesting, and where applicable, exercise, of performance rights rank equally in all respects with previously issued fully paid ordinary shares.

If a performance right holder's employment is terminated for cause, all unvested performance rights will lapse unless the OZ Minerals Board determines otherwise.

## 7.14 Litigation

OZ Minerals is currently party to a contractual dispute in relation to certain payments in connection with the underground mining services contract in relation to Carrapateena. Discussions in relation to this dispute are progressing but the timing and outcome of any resolution to this dispute as a result of those discussions is uncertain, and there is a risk that this dispute could proceed to trial. OZ Minerals does not expect this dispute to have a material adverse impact on the OZ Minerals Group's financial position or prospects.

OZ Minerals is currently party to a contractual dispute regarding potential claims by the contractor in relation to the scope of their work performed on the Carrapateena minerals processing plant and non-process infrastructure. Discussions in relation to this dispute are progressing but the timing and outcome of any resolution to this dispute is uncertain, and there is a risk that this dispute could proceed to trial. In addition, certain technical aspects of this dispute have been referred to an informal mediation process for resolution. OZ Minerals does not expect this dispute to have a material adverse impact on the OZ Minerals Group's financial position or prospects.

Other than the foregoing, as at the date of this Acquisition Scheme Booklet, OZ Minerals is not involved in any material legal disputes and is not party to any material litigation.

### 7.15 Interests in Cassini securities

Neither OZ Minerals nor any OZ Minerals Director holds a relevant interest in Cassini Shares or any other Cassini security.

### 7.16 Disclosure of interests

Except as otherwise provided in this Acquisition Scheme Booklet, no:

- (a) OZ Minerals Director or proposed director of OZ Minerals;
- (b) person named in this Acquisition Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Acquisition Scheme Booklet for or on behalf of OZ Minerals;
- (c) promoter, stockbroker or underwriter of OZ Minerals or the Combined Group,

(together the **Interested Persons**) holds, or held at any time during the two years before the date of this Acquisition Scheme Booklet any interests in:

- (d) the formation or promotion of OZ Minerals or the Combined Group;
- (e) property acquired or proposed to be acquired by OZ Minerals in connection with the formation or promotion of OZ Minerals or the Combined Group or the offer of OZ Minerals Shares under the Acquisition Scheme; or
- (f) the offer of OZ Minerals Shares under the Acquisition Scheme.

### 7.17 Disclosure of fees and other benefits

Except as otherwise disclosed in this Acquisition Scheme Booklet, OZ Minerals has not paid or agreed to pay any fees, or provided or agreed to provide any benefit:

- (a) to a director or proposed director of OZ Minerals to induce them to become or qualify as a director of OZ Minerals;
- (b) for services provided by any Interested Persons in connection with:
  - (i) the formation or promotion of OZ Minerals or the Combined Group; or
  - (ii) the offer of OZ Minerals Shares under the Acquisition Scheme.



## 7.18 Publicly available information about OZ Minerals

OZ Minerals is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, OZ Minerals is subject to the ASX Listing Rules which require continuous disclosure of any information OZ Minerals has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

The ASX maintains files containing publicly disclosed information about all listed companies. OZ Minerals' file is available for inspection at ASX during normal business hours.

In addition, OZ Minerals is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by OZ Minerals may be obtained from, or inspected at, an ASIC office.

On request to OZ Minerals and free of charge, Cassini Shareholders may obtain a copy of:

- (a) The annual financial report of OZ Minerals for the year ended 31 December 2019 (being the annual financial report most recently lodged with ASIC before lodgement of this Acquisition Scheme Booklet with ASIC); and
- (b) Any continuous disclosure notice given to ASX by OZ Minerals since the lodgement with ASIC of the 31 December 2019 annual report for OZ Minerals referred to above and before lodgement of this Acquisition Scheme Booklet with ASIC.

A list of announcements made by OZ Minerals to ASX from the date of the Acquisition Scheme Implementation Deed on 6 August 2020 to 6 August 2020 is included below.

Date	Description of Announcement
22/06/2020	CZI: OZ Minerals to acquire Cassini Resources
22/06/2020	OZ Minerals to acquire Cassini Resources
22/06/2020	CZI: Scheme Implementation Deed
22/06/2020	CZI: Company Presentation and Webinar Details
22/06/2020	Proposed Issue of Securities – OZL
22/06/2020	Change in substantial holding
23/06/2020	Carrapateena Block Cave Expansion Pre-Feasibility Study
23/06/2020	Carrapateena Ore Reserves Statement as at 31 May 2020
23/06/2020	Carrapateena Life of Province Plan Scoping Study
23/06/2020	Virtual strategy day and Carrapateena site visit
09/07/2020	Prominent Hill extends Underground Mining Services
16/07/2020	MEP: Maiden Jericho Resource and Cloncurry exploration update
17/07/2020	Appendix 2A
17/07/2020	Appendix 3G
21/07/2020	IVR: Maslins Project Update
22/07/2020	OZ Minerals 2020 Second Quarter Report
22/07/2020	OZ Minerals 2020 Second Quarter Report Presentation
22/07/2020	OZ Minerals 2020 Second Quarter Report Webcast

A substantial amount of information about OZ Minerals is available in electronic form from: [www.ozminerals.com](http://www.ozminerals.com).

## 7.19 Other material information

Except as otherwise disclosed in this Acquisition Scheme Booklet, the OZ Minerals Board is not aware of any information, as at the date of this Acquisition Scheme Booklet, that is material to the making of a decision in relation to the Acquisition Scheme which has not been previously disclosed to Cassini Shareholders.

## 8. Information about the Combined Group

This section of the Acquisition Scheme Booklet contains information in relation to the Combined Group if the Acquisition Scheme is implemented. Additional information is included in the Independent Expert's Report attached in Annexure 1.

### 8.1 Rationale for Acquisition Scheme and overview of the Combined Group

#### (a) Overview of the Combined Group

Following completion of the Acquisition Scheme, OZ Minerals' interests in its key projects will become:

- (i) 100% of Prominent Hill;
- (ii) 100% of Carrapateena;
- (iii) 100% of West Musgrave;
- (iv) 100% of Carajas province; and
- (v) 100% of CentroGold and the Gurupi province.

These assets are described in more detail in Sections 7.2 and 7.5.

#### (b) Rationale for the Acquisition Scheme

The Acquisition Scheme will result in OZ Minerals consolidating to 100% its ownership of the West Musgrave Project and surrounding tenements including One Tree Hill and Succoth, enhancing optionality regarding the optimal development approach, timing and funding for the West Musgrave Project.

The Boards of both OZ Minerals and Cassini believe the Transaction represents the best value path forward for both sets of shareholders. Cassini Shareholders are receiving an attractive premium for their 30% interest in the West Musgrave Project. In addition, by receiving OZ Minerals Shares under the Acquisition Scheme, Cassini Shareholders will maintain exposure to (and any future value unlocked from) the West Musgrave Project and will also gain exposure to OZ Minerals' global portfolio of producing and development assets, including potential future dividends. Further, Cassini Shareholders will retain full exposure to the Yarawindah Brook and Mount Squires assets via Caspin Shares to be issued under the Demerger Scheme, and the potential to benefit from any future de-risking of the West Musgrave Project via the contingent payment structure.

The reasons for approving the Acquisition Scheme are discussed in more detail in Section 2.1.

### 8.2 Corporate structure of the Combined Group

On implementation of the Acquisition Scheme, Cassini will be a wholly-owned subsidiary of OZ Minerals, and each of the subsidiaries of Cassini (except those being demerged under the Demerger Scheme) will form part of the OZ Minerals Group.

The existing wholly owned controlled entities of OZ Minerals are listed in Section 7.3.

### 8.3 Board and Management of the Combined Group

Following the implementation of the Acquisition Scheme, there will be no change to the OZ Minerals Board (as described in section 7.4).

Detailed profiles of the senior management teams of both OZ Minerals and Cassini can be viewed in Sections 7.4 and 6.4 respectively.

### 8.4 OZ Minerals' intentions in respect of the Combined Group

The intentions of the OZ Minerals Board for Cassini, the West Musgrave Project and the employees of the Combined Group are set out below. The following statements are based on facts and information known to OZ

Minerals at the time of preparing this Acquisition Scheme Booklet that concern OZ Minerals and the West Musgrave Project as well as the general economic and business environment.

(a) **Corporate matters in relation to Cassini**

In accordance with the Acquisition Scheme Implementation Deed, if the Acquisition Scheme is implemented Cassini will apply for termination of the official quotation of Cassini Shares on ASX and to be removed from the official list of the ASX. Cassini will become a wholly-owned subsidiary of OZ Minerals and, other than certain subsidiaries of Cassini being demerged under the Demerger Scheme, Cassini's corporate structure is otherwise expected to remain largely intact.

(b) **Corporate strategy**

OZ Minerals is in a strong financial position to access funds for development and exploration opportunities across its portfolio of assets. The Combined Group will also have the capacity to consider other potential acquisition and funding opportunities that it believes are complementary to, and facilitate the development of, its assets and operations. In addition, from time to time OZ Minerals may engage in discussions with third parties in relation to potential development / divestment and strategic partnerships opportunities, which it believes may support the feasibility and development of the Combined Group's projects, including the West Musgrave Project.

In particular, on implementation of the Transaction, OZ Minerals intends to review and assess its strategic alternatives for the West Musgrave Project, including the most time and cost-efficient way of progressing possible feasibility study work at West Musgrave. As noted above, part of the rationale for the Acquisition Scheme is to enhance OZ Minerals optionality around the optimal development approach, timing and funding for the West Musgrave Project. Accordingly, as part of its strategic review OZ Minerals may consider development, divestment, streaming, offtake or similar transactions relating to the West Musgrave Project, with either strategic or financial counter-parties. Final decisions will only be made after completion of OZ Minerals' review.

In certain circumstances, such transactions may result in payments being made to Caspin in accordance with the Contingent Payment Deed.

(c) **Employees**

OZ Minerals will procure the resignation of those non-executive directors of Cassini who hold directorships on the Board of Cassini or the boards of Cassini's subsidiaries as soon as practicable after the implementation of the Acquisition Scheme.

Caspin will offer employment to select employee(s) focused on geology and exploration functions of Cassini.

All other employees of Cassini may be offered employment or retained with the Combined Group and those that are not will be made redundant.

Employees made redundant will receive their full contractual and statutory entitlements, which would be paid from OZ Minerals' cash reserves.

(d) **Demerger of Caspin**

The Demerger involves the demerger of Caspin, which is currently a wholly-owned subsidiary of Cassini. Upon implementation of the Demerger, Caspin will become a standalone entity, separate to Cassini.

The Demerger is proposed to occur by way of the Demerger Scheme and the Capital Reduction, which will result in 100% of the Caspin Shares being distributed to, or for the benefit of, Cassini Shareholders. The implementation of the Demerger is expected to occur one day prior to the implementation of the Acquisition Scheme.

If the Demerger is approved by Cassini Shareholders and implemented, Demerger Scheme Shareholders will receive 1 Caspin Share for every 22 Cassini Shares they hold (other than Ineligible Shareholders) and A\$0.01 per Cassini Share held on the Record Date.

The Demerger Scheme Implementation Deed and Demerger Deed entered into between Cassini and Caspin regulates certain transitional matters between, and the orderly separation of, Cassini (which will

form part of the OZ Minerals Group following implementation of the Acquisition Scheme) and Caspin. The fundamental principle underlying the Demerger is that, on and from the Demerger Implementation Date:

- (i) Cassini will have the entire economic benefit, commercial risk and liabilities of all business to be conducted by Cassini after the Demerger Implementation Date, as though Cassini had always owned and operated those businesses; and
- (ii) Caspin will have the entire economic benefit, commercial risk and liabilities of all businesses to be conducted by Caspin after the Demerger Implementation Date, as though Caspin had always owned and operated those businesses.

Full details of the Demerger Scheme and Caspin (and a summary of the key terms of the Demerger Scheme Implementation Deed and the Demerger Deed) can be found in the Demerger Scheme Booklet, which was made available to you at the same time as this Acquisition Scheme Booklet.

## 8.5 Combined Group capital structure on implementation

### (a) Share capital

The table below summarises the share capital structure of the Combined Group on implementation of the Acquisition Scheme:

Timing	Number
OZ Minerals Shares on issue as at the date of this Acquisition Scheme Booklet	324,697,275
OZ Minerals Shares to be issued under the Acquisition Scheme	6,446,440
<b>Pro-forma</b>	<b>331,143,715</b>

### (b) Pro-forma ownership

On implementation of the Acquisition Scheme, Cassini Shareholders will own approximately 2% of the Combined Group.

### (c) Convertible securities

On implementation of the Acquisition Scheme, it is expected that the Combined Group will have 2,563,269 performance rights on issue.

Further information regarding the performance rights is available in Section 7.13.

## 8.6 Pro-forma financial information in relation to the Combined Group

This Section 8.6 contains the historical and pro-forma historical financial information (**Historical and Pro-forma Historical Financial Information**) comprising:

- (i) the historical consolidated balance sheet of OZ Minerals as at 31 December 2019;
- (ii) the historical consolidated balance sheet of Cassini as at 31 December 2019; and
- (iii) the pro-forma historical consolidated balance sheet for the Combined Group as at 31 December 2019 (**Pro-forma Historical Financial Information**).

### (a) Basis of preparation

The historical consolidated balance sheet of OZ Minerals has been derived from OZ Minerals' 2019 Audited Annual Financial Report for year ended 31 December 2019, which was audited by KPMG as noted in section 7.7.

The historical consolidated balance sheet of Cassini has been derived from Cassini's 2019 Interim Financial Report for the half year ended 31 December 2019, which was reviewed by BDO.

The historical consolidated balance sheets of OZ Minerals and Cassini as at 31 December 2019 have been prepared in accordance with the recognition and measurement principals contained in Australian Accounting Standards.

The Pro-forma Historical Financial Information has been derived from the historical consolidated balance sheet of OZ Minerals and Cassini as at 31 December 2019 adjusted for the effects of certain events and transactions (the **Pro-forma Adjustments**) as if those events and transactions had occurred at 31 December 2019. The Pro-forma Adjustments relate to the implementation of the Acquisition Scheme and the Demerger Scheme and are recognised or measured in accordance with the Australian Accounting Standards.

The Pro-forma Historical Financial Information is provided for illustrative purposes only and is prepared on the assumption that the above events occurred on 31 December 2019. Due to its nature, the Pro-forma Historical Financial Information does not represent OZ Minerals' or the Combined Group's actual or prospective financial position.

The Historical and Pro-forma Historical Financial Information is presented in an abbreviated form and does not contain all of the presentation, comparative information and disclosures that are usually provided in an annual financial report prepared in accordance with the Corporations Act.

The Pro-forma Historical Financial Information presented in this Section 8.6 should be read in conjunction with the risk factors set out in Section 9 and other information contained in this Acquisition Scheme Booklet.

Amounts in this Section 8.6 have been rounded to the nearest A\$ million.

The Pro-forma Historical Financial Information should be read in conjunction with the accounting policies detailed in OZ Minerals' Audited Annual Financial Report for the year ended 31 December 2019 and Cassini's Interim Financial Report for the six month period ended 31 December 2019. While the operating activities of the two companies are not comparable, a preliminary assessment has identified the accounting policies adopted by OZ Minerals and the accounting policies adopted by Cassini prior to the Acquisition Scheme differ mainly in the area of accounting for exploration expenditure. Specifically, OZ Minerals recognises exploration and evaluation expenditure in the Income Statement unless it is expected to be recouped through successful development and exploitation of the area of interest or alternatively its sale, or it is the cost of acquisition of an exploration project in a business combination, in which case it is recognised as an asset. Cassini recognises exploration and development expenditure as an asset in respect of each identifiable area of interest including where activities in the area have not reached a stage that permits reasonable assessment of existence of economically recoverable reserves. This difference in accounting policy does not affect the Pro-forma Historical Financial Information as the exploration and evaluation assets of Cassini will be recognised by the Combined Group as acquired exploration and evaluation assets.

(b) **Historical and Pro-forma Historical Financial Information**

Under the Acquisition Scheme, OZ Minerals will acquire all the Cassini Shares held by Acquisition Scheme Shareholders for the Acquisition Scheme Consideration immediately following the Demerger of Caspin.

For illustrative purposes, the Pro-forma Historical Financial Information has been presented below:

For the period ended 31 December 2019	Historical	Historical Cassini	Pro-forma adjustments	Pro-forma balance of Combined Group	Notes
A\$ million					
<b>Current Assets</b>					
Cash and Cash Equivalents	134.0	7.7	(7.7)	134.0	2
Trade Receivables	83.1	0.3	(0.3)	83.1	3
Tax Receivable				0.0	
Inventories	238.3			238.3	
Prepayments	7.7			7.7	
Derivative Financial Instruments				0.0	

Other Receivables	23.4			23.4	
<b>Total Current Assets</b>	<b>486.5</b>	<b>8.0</b>	<b>(8.0)</b>	<b>486.5</b>	
<b>Non-Current Assets</b>					
Deferred Tax Assets	7.1			7.1	
Inventories	299.3			299.3	
Exploration Assets	112.1	18.1	80.6	210.8	4, 9, 10
Property, Plant and Equipment	2,696.3	0.1	(0.1)	2,696.3	
Right-of-use Assets	176.1	0.5		176.6	5
Other Assets	36.6			36.6	
<b>Total Non-Current Assets</b>	<b>3,327.5</b>	<b>18.7</b>	<b>80.5</b>	<b>3,426.7</b>	
<b>Total Assets</b>	<b>3,814.0</b>	<b>26.7</b>	<b>72.5</b>	<b>3,913.2</b>	
<b>Current Liabilities</b>					
Trade Payables and Accruals	168.6	0.4	7.1	176.1	3, 8
Other Payables	8.2	0.3	(0.3)	8.2	3
Current Tax Provision	5.6			5.6	
Employee Benefits	14.5			14.5	
Provisions	1.0	0.2	(0.2)	1.0	3
Derivative Financial Instruments	60.4			60.4	
Loans and Borrowings	37.8	0.1	(0.1)	37.8	5
<b>Total Current Liabilities</b>	<b>296.1</b>	<b>1.0</b>	<b>6.5</b>	<b>303.6</b>	
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities	270.1			270.1	
Employee Benefits	1.7			1.7	
Provisions	97.4			97.4	
Derivative Financial Instruments	22.7			22.7	
Loans and Borrowings	146.1	7.7	(7.1)	146.7	5, 9
<b>Total Non-Current Liabilities</b>	<b>538.0</b>	<b>7.7</b>	<b>(7.1)</b>	<b>538.6</b>	
<b>Total Liabilities</b>	<b>834.1</b>	<b>8.7</b>	<b>(0.6)</b>	<b>842.2</b>	
<b>Net Assets</b>	<b>2,979.9</b>	<b>18.0</b>	<b>73.1</b>	<b>3,071.0</b>	
<b>Equity</b>					
Issued Capital	2,280.4	37.3	53.8	2,371.5	2, 6, 10
Options Reserve		1.7	(1.7)	0.0	6
Performance right reserve				0.0	
Cash Flow Hedge Reserve	(49.5)			(49.5)	
Retained Earnings	721.2	(21.1)	21.1	721.2	7, 8
Treasury Shares				0.0	
Foreign Currency Translation Reserve	27.8			27.8	
Non-Controlling Interest		0.1	(0.1)	0.0	4
<b>Total Equity</b>	<b>2,979.9</b>	<b>18.0</b>	<b>73.1</b>	<b>3,071.0</b>	

Notes to the Pro-forma Historical Financial Information:

- The Pro-forma Adjustments reflect the acquisition of Cassini by OZ Minerals in accordance with the Acquisition Scheme (following completion of the Capital Reduction and Demerger in accordance with the Demerger Scheme). For the purposes of preparing the Pro-forma Historical Financial Information, the Transaction has been accounted for as an asset acquisition and the Transaction has been measured with reference to the estimated fair value of the Acquisition Scheme Consideration as at the last practicable date.



2. Under the Capital Reduction, Cassini will make a cash distribution amounting to \$0.01 per Cassini Share (totalling approximately A\$4.4 million) to the Cassini Shareholders prior to the Demerger and implementation of the Acquisition Scheme, with residual cash after settling outstanding liabilities inherited by Caspin.
3. Receivables, payables and provisions of Cassini to be settled prior to the Demerger and implementation of the Acquisition Scheme.
4. Capitalised exploration expenditure of non-West Musgrave Projects to be inherited by Caspin, including allocation of the Souwest non-controlling interest.
5. Right of use assets and lease liabilities relating to Cassini's Perth office lease obligations will be inherited by Cassini.
6. All in-the-money Cassini options will be exercised and Cassini performance rights will vest and convert to Cassini Shares prior to the Implementation Date and issue of OZ Minerals Shares.
7. Elimination, on consolidation into the Combined Group of Caspin's accumulated losses including pre-acquisition adjustments which impact income and expenses.
8. Transaction costs to be incurred by OZ Minerals in relation to advisory fees, legal fees, expert fees, stamp duties and other Transaction related expenses are estimated to be A\$7.5 million. As the Pro-forma Historical Financial Information has been prepared on the basis that the Transaction is an asset acquisition, these costs have been added to the estimated Acquisition Scheme Consideration to determine the total cost of the acquisition.
9. Adjustment to offset OZ Minerals' loan to Cassini (under the terms of the Joint Venture) with capitalised exploration expenditure post acquisition.
10. Recognition of net consideration paid as OZ Minerals Shares for the acquisition of the West Musgrave Project.

**The estimated total cost of the acquisition has been allocated to the net assets as follows:**

<b>Estimated costs of acquisition</b>	<b>A\$ million</b>
Estimated value of scheme consideration	91.2
Estimated WA stamp duty costs	4.5
Estimated transaction costs	3.0
<b>Estimated total cost of acquisition</b>	<b>98.7</b>
<b>Allocation to assets acquired (provisional)</b>	
Exploration Assets	98.7
Right-of-use Assets	0.5
Lease Liabilities	(0.5)
<b>Total net assets</b>	<b>98.7</b>

For the purposes of preparing the Pro-forma Historical Financial Information it is assumed that, other than exploration and evaluation assets, all other assets and liabilities in the historical consolidated statement of financial position of Cassini as at 31 December 2019 have a fair value equivalent to their carrying value.

The uplift in the carrying value of exploration and evaluation assets is the difference between the cost allocated to exploration and evaluation assets above and the carrying value of these assets at 31 December 2019, less the assets transferred by Cassini to Caspin pre-acquisition.

The allocation of the total cost of acquisition to the net assets of Cassini has been determined on a provisional basis. The actual cost of the acquisition will be determined at the acquisition date (being the Implementation Date). Following implementation of the Acquisition Scheme, OZ Minerals will perform a full analysis of the accounting treatment of the acquisition under Australian Accounting Standards. This exercise may give rise to material differences in value and may result in values being attributed to other assets and liabilities on the Pro-forma Historical Financial Information.

**(c) Transactions not included in the Pro-forma Adjustments**

As at 31 December 2019, Cassini had an unrecognised deferred tax asset relating to income tax losses in Australia amounting to A\$2.3 million. A detailed analysis of the consequences of joining the OZ Minerals tax consolidated group will be undertaken following implementation of the Acquisition Scheme. No deferred tax asset has been recognised for Cassini's tax losses in the Pro-forma Historical Financial Information.

OZ Minerals and Caspin have entered into the Contingent Payment Deed, which provides for the potential payment by OZ Minerals to Caspin of Contingent Consideration of up to \$20 million. These

payments do not currently meet the recognition criteria for liabilities in the accounting standards and accordingly are not recognised in the Pro-forma Historical Financial Information.

On completion of the Acquisition Scheme, OZ Minerals will inherit the deferred consideration of A\$10 million which may be payable to South32 by Cassini in respect of the West Musgrave Project, which is also not included in the Pro-forma Historical Financial Information given it remains a contingent liability.

Several matters have occurred, and will continue to occur, since the date of the Pro-forma Historical Financial Information that would otherwise impact the Pro-forma Historical Financial Information. These matters include but are not limited to the financial impact of OZ Minerals' ordinary course operations including the operation of Prominent Hill, the ramp up of Carrapateena to full production, operations and development at Carajas, progressing growth projects, the payments of dividends and the draw down of debt.

## **8.7 Financial forecasts**

Each of the OZ Minerals Board and the Cassini Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Combined Group. Each of the OZ Minerals Board and the Cassini Board has concluded that such forecast financial information would have the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to either set of shareholders.

## 9. Risk factors

### 9.1 Introduction

If the Acquisition Scheme is implemented, Cassini Shareholders (excluding Ineligible Shareholders and Non-Electing Small Shareholders) will be entitled to receive the Acquisition Scheme Consideration in the form of OZ Minerals Shares. The value of OZ Minerals Shares will be influenced by a number of factors, many of which will be beyond the control of the management of the Combined Group.

Some of these risks are either related to the resources sector generally or already affect the Cassini business which will form part of the Combined Group and are therefore risks to which Cassini Shareholders already have some exposure. There are however, a number of risks which will be new or potentially greater in impact than is currently the case in relation to Cassini alone.

The risk factors presented in this Section are not an exhaustive list of all risks and risk factors related to Cassini, the Combined Group or the Acquisition Scheme. Additional risks and uncertainties not currently known to OZ Minerals or Cassini may also have an adverse impact on the Combined Group's business.

This Section does not take into account the investment objectives, financial situation, position or particular needs of Cassini Shareholders. Each Cassini Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

Cassini Shareholders will remain directly exposed to the risks related to Caspin if the Demerger Scheme is implemented. Please refer to section 10 of the Demerger Scheme Booklet for details about those risks.

### 9.2 Risks related to the Acquisition Scheme

(a) **The OZ Minerals Shares issued in connection with the Acquisition Scheme may have a market value different than expected**

Pursuant to the Acquisition Scheme, each Acquisition Scheme Shareholder (excluding Ineligible Shareholders or Non-Electing Small Shareholders) will be entitled to receive scrip consideration of 1 New OZ Mineral Share for every 68.5 Acquisition Scheme Shares held at the Record Date. The implied value of the Acquisition Scheme Consideration will depend on the price at which the OZ Minerals Shares trade on ASX after the Effective Date and is not fixed.

Further, for Ineligible Shareholders and Non-Electing Small Shareholders, there is no guarantee as to the price at which OZ Minerals Shares may be sold by the Sale Agent as described in Section 5.4 (or the timing).

The price of OZ Minerals Shares, following implementation of the Acquisition Scheme will vary and may be volatile as a result of a number of factors, including the financial and operating performance of OZ Minerals and general market conditions.

(b) **Completion of the Acquisition Scheme is subject to various conditions that must be satisfied or waived**

Completion of the Acquisition Scheme is subject to a number of conditions. There can be no certainty, nor can Cassini provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of other conditions precedent to the Acquisition Scheme which are outside the control of Cassini and OZ Minerals, including, but not limited to, approval of the Acquisition Scheme by the Requisite Majority of Cassini Shareholders and approval by the Court of the Acquisition Scheme at the Court hearing to be held on the Second Court Date (see Annexure 2).

If for any reason the conditions to the Acquisition Scheme are not satisfied or waived (where applicable) and the Acquisition Scheme is not completed, the market price of Cassini Shares may be adversely affected.

- (c) The Acquisition Scheme Implementation Deed may be terminated by Cassini or OZ Minerals in certain circumstances, in which case Cassini may not be able to solicit an alternative transaction**
- Each of Cassini and OZ Minerals has the right to terminate the Acquisition Scheme Implementation Deed in certain circumstances. Accordingly, there is no certainty that the Acquisition Scheme Implementation Deed will not be terminated by either Cassini or OZ Minerals before the implementation of the Acquisition Scheme.
- If the Acquisition Scheme Implementation Deed is terminated, there is no assurance that the Cassini Board will be able to find a party willing to pay an equivalent or greater price for Cassini Shares than the price to be paid pursuant to the terms of the Acquisition Scheme Implementation Deed.
- (d) The issuance of OZ Minerals Shares could adversely affect the market price of OZ Minerals Shares**
- If the Acquisition Scheme is implemented, a number of additional OZ Minerals Shares will be available for trading in the public market. The increase in the number of OZ Minerals Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, OZ Minerals Shares. However, it should be noted that the OZ Minerals Shares to be issued under the Acquisition Scheme will comprise only approximately 2% of the expanded share capital of the Combined Group.
- (e) Transaction costs**
- OZ Minerals*
- If the Acquisition Scheme is implemented, the cost of the transaction to be payable by OZ Minerals is expected to be approximately A\$7.5 million (excluding GST). This includes stamp duty, financial advisory, legal, accounting, tax and administrative fees, share registry and other expenses. It does not include transaction costs that may be payable by Cassini.
- OZ Minerals estimates that it will have incurred or committed transaction costs of approximately A\$1.5 million prior to the Acquisition Scheme Meeting. These costs will be payable regardless of whether or not the Acquisition Scheme is implemented.
- Cassini*
- If the Transaction is implemented, the cost of the transaction to be payable by Cassini is expected to be approximately A\$2.3 million (excluding GST). This includes financial advisory, legal, accounting, Independent Expert, Independent Technical Specialist's, tax and administrative fees, Acquisition Scheme Booklet and Demerger Scheme Booklet printing, share registry and other expenses. It does not include transaction costs that may be payable by OZ Minerals.
- Cassini estimates that it will have incurred or committed transaction costs of approximately A\$1.2 million (excluding GST) prior to the Acquisition Scheme Meeting. These costs will be payable regardless of whether or not the Transaction is implemented.
- (f) Tax consequences for Acquisition Scheme Shareholders**
- If the Acquisition Scheme is successfully implemented, there may be tax consequences for Acquisition Scheme Shareholders. The tax consequences for Acquisition Scheme Shareholders will vary depending on a number of factors, including their place of residence for tax purposes and their individual tax circumstances.
- A summary of the general Australian income tax, stamp duty and GST consequences for Cassini Shareholders participating in the Acquisition Scheme is set out in Section 10.
- Cassini Shareholders are encouraged to seek independent professional advice regarding the individual tax consequences applicable to them.
- (g) Integration risks**

There are risks associated with conducting the business activities and operations previously operated by a different entity. While OZ Minerals expects that value can be added for shareholders of OZ Minerals by acquiring all shares in Cassini, the risk exists that any integration or strategy implementation may take longer than expected or may incur additional costs so that the full benefits of the Acquisition are only achieved in part or not at all. This may impact OZ Minerals' financial performance.

Under the Acquisition Scheme Implementation Deed, OZ Minerals and Cassini agreed to establish a Transaction Implementation Committee to discuss and plan for the orderly transition of the business and affairs of the Cassini Group to OZ Minerals. However, there is a risk that integration may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated.

(h) **Accounting treatment of Cassini Group assets in the Combined Group**

Following implementation of the Acquisition Scheme, the Combined Group will be required to perform a fair value assessment of all of the assets and liabilities of the Combined Group, including tangible and intangible assets, which may differ from the preliminary assessments noted in Section 8.6. As a result of that fair value assessment, the Combined Group's charges (for example, depreciation expense and amortisation expense) and asset carrying values may be substantially different to the corresponding charges and asset carrying values applied by Cassini and OZ Minerals as stand-alone entities and, to that extent, may impact upon the future financial performance and financial results of the Combined Group.

The Combined Group will also be subject to risks arising as a result of any future changes in accounting policies applied by the Combined Group which may have an adverse impact on the Combined Group.

Changes to accounting standards may also adversely affect the Combined Group's reported earnings performance in any given reporting period and its consolidated statement of financial position from time to time.

### 9.3 Risks related to the Combined Group

The following risk factors apply equally to OZ Minerals (and the OZ Minerals Group) prior to and after implementation of the Acquisition Scheme (after which time the OZ Minerals Group would include the Cassini Group, as part of the Combined Group).

(a) **Change in risk and investment profile**

If the Acquisition Scheme is implemented, Cassini Shareholders will be exposed to risk factors relating to OZ Minerals, and to certain additional risks relating to the Combined Group and the integration of the two companies.

These include risks relating to the operation of a broader suite of assets (both in nature and scale) than Cassini owns and the change in product quality profiles.

(b) **Exchange rate fluctuations**

OZ Minerals currently does not generally hedge currency risk, and there can be no assurance that the company will hedge exchange rate risks moving forward.

Given that OZ Minerals' existing functional currency is the Australian dollar (with US dollars only held to meet US dollar commitments), post-implementation the Combined Group's Australian dollar earnings may be adversely affected by movements in either the US dollar or Brazilian real.

(c) **Acquisitions**

A key element of OZ Minerals' strategy involves the acquisition of companies or investment in projects to add to its asset portfolio. Whilst it is OZ Minerals' policy to conduct a thorough due diligence process in relation to any such acquisition, these transactions involve inherent risks, including:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;

- ability to achieve identified and anticipated synergies;
- unanticipated costs and problems or latent liabilities such as the existence of native title or environmental liabilities on the acquired properties;
- diversion of management attention from existing business;
- potential loss of its key employees or the key employees of any business it acquires;
- unanticipated changes in business industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired projects, companies or securities.

Any one or more of these factors or other risks could cause OZ Minerals not to realise the benefits anticipated to result from the acquisition of projects, companies or securities and could have a material adverse effect on its ability to grow and on its financial position and financial performance.

(d) **Dependence of licences and permits**

The projects in which OZ Minerals has invested generally require governmental licences, permits, authorisations, concessions and other approvals in connection with their activities. Obtaining and complying with the necessary governmental permits and regulations can be particularly complex, costly and time-consuming and is therefore not assured.

The duration, cost and success of permit applications are contingent on many factors, including those outside the control of the OZ Minerals Group. Delay in obtaining or renewing, or failure to obtain or renew, a necessary permit could mean that OZ Minerals may be delayed or, in a worst case scenario, unable to proceed with the development or continued operation of a mine or project. The permits that OZ Minerals and its investee entities need may not be issued, maintained or renewed either in a timely fashion or at all, which may constrain the ability of OZ Minerals and its investee entities to conduct their mining operations, which in turn may impact OZ Minerals' financial results.

(e) **Joint ventures**

Other OZ Minerals assets may, in the future, also be managed through joint venture partnerships. These non-controlled assets may not comply with OZ Minerals' management and operating standards, controls and procedures, including its health, safety, environment and community standards. Failure to adopt equivalent standards, controls and procedures at these assets could adversely impact OZ Minerals' reputation and financial results.

(f) **COVID-19**

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has had, and is likely to continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates.

To date, the COVID-19 pandemic has not had a material impact on OZ Minerals' operations in Australia. Any infections on the Combined Group's Australian sites could result in the Combined Group's operations being suspended or otherwise disrupted, which may have an adverse impact on the Combined Group's operations as well as adverse implications on the Combined Group's future cash flows, profitability, and financial condition.

As is the case with OZ Minerals' Australian operations, the COVID-19 pandemic has not had a material impact on operations in Brazil to date. Given the current rate of infection of COVID-19 in Brazil, there is a risk that an adverse impact on OZ Minerals' Brazilian operations could materialise in the near term. However, given the relative size of OZ Minerals' operations in Brazil to the OZ Minerals Group as a whole, any suspension of or disruption to the Brazilian operations are not expected to have a material adverse effect on the Combined Group's future cash flows, profitability or financial condition.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and



quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Combined Group's operations, financial position and prospects.

OZ Minerals has implemented a COVID-19 management plan across its business at all locations in order to minimise the risk of infection for individuals.

(g) **Exploration risk**

OZ Minerals and Cassini have followed an exploration programme that has resulted in upgrades to Mineral Resources and Ore Reserves. However, exploration activities are speculative by nature and therefore are often unsuccessful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in additional mines being developed.

Accordingly, if the exploration activities undertaken by the Combined Group do not result in additional Ore Reserves or identified Mineral Resources cannot be converted into Ore Reserves, there may be an adverse effect on the company's financial performance.

In addition, the exploitation of successful discoveries involves obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities.

Further, the decision to proceed to further exploitation may require the participation of other companies whose interest and objectives may not be the same as those of the Combined Group.

(h) **Development risk**

For development projects, estimates of Proven and Probable Ore Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

The information provided in this Acquisition Scheme Booklet in relation to OZ Minerals' projects (including the West Musgrave Project) is the current estimate of Mineral Resources and Ore Reserves, capital and operating costs, as determined from geological data obtained from drill holes and other exploration techniques and technical studies conducted to date.

These matters may change over time.

(i) **Operating risks**

The ability of the Combined Group to achieve production targets within anticipated time lines, or at all, or meet operating and capital expenditure estimates cannot be assured.

The Combined Group's assets and mining operations are subject to uncertainty with respect to (among other things): ore tonnes, grade, metallurgical recovery and impurities, ground conditions, operational environment, funding for development, availability of power supply, regulatory changes, accidents, contractual risks and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, cyclones, storms, floods, bushfires or other natural disasters. If faced by the Combined Group, these circumstances could result in the OZ Minerals not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Combined Group's financial and operational performance.

(j) **Litigation risk**

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that lack merit. Due to the inherent uncertainty of litigation, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which the Combined Group is or may

become subject could have a material effect on the Combined Group's financial position, results of operations or project development activities.

(k) **Estimate risk**

The Mineral Resources and Ore Reserves for OZ Minerals' assets (including the West Musgrave Project) are estimates only and no assurance can be given that any particular recovery level of metals will in fact be realised. These estimates are prepared in accordance with the JORC Code, but they are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience which could in turn affect the Combined Group's mining plans and ultimately its financial performance and value.

Estimates that are valid when made may change significantly when new information becomes available. In addition, commodity price fluctuations, as well as increased production costs or reduced throughput or recovery rates, may render reserves and resources uneconomic and so may materially affect the estimates.

(l) **Fluctuations in commodity prices and global economic volatility**

The Combined Group will generally be a price-taker in the markets in which it will operate. The prices the Combined Group obtains for its products will be determined by, or linked to, prices in world commodity markets, which have historically been subject to substantial volatility. Commodity prices are affected by underlying global economic and geopolitical factors, industry demand and supply balances, trade wars, product substitution and national tariffs.

OZ Minerals cannot provide any assurances as to the prices the Combined Group will achieve for its products. Changes in commodity prices, including prices for copper concentrate and associated pricing for impurities and treatment charges, may have a positive or negative effect on the Combined Group's project development and production plans and activities, together with its ability to fund those plans and activities.

OZ Minerals' customers may change over time depending on market conditions and market pricing opportunities.

(m) **Actions by governments or political events**

The Combined Group and its business could be adversely affected by new government regulations, such as controls on imports, exports and/or prices.

Increasing requirements relating to regulatory and environmental approvals may affect existing operations or potentially cause delays in and adversely affect the expansion of existing operations.

In addition, the Combined Group and its business could be exposed to the risk of terrorism, civil unrest, nationalisation, renegotiation or nullification of existing contracts, leases, permits or other agreements, changes in laws and policy (including changes in exchange control policies regulating the repatriation of earnings or capital out of the relevant jurisdiction) and governmental reviews and investigations (including historical tax audits), as well as other unforeseeable risks in the jurisdictions in which it operates that could have an adverse impact upon the profitability of an operation.

(n) **Employee and union relations**

Some of the employees at OZ Minerals' assets are represented by labour unions under various collective labour agreements.

The Combined Group or its relevant joint venture partners may not be able to satisfactorily renegotiate collective labour agreements when they expire and may face higher wages and changes in benefits.

In addition, existing labour agreements may not prevent strikes or work stoppages in the future, and any strike or other work stoppage could have an adverse effect on the operations and financial results of the Combined Group.

(o) **Unexpected natural or operational catastrophes**

The operations of OZ Minerals may both be affected by various factors outside of OZ Minerals' control, including natural disasters, and operational and technical catastrophes.

These include, but are not limited to: flooding or adverse weather conditions, earthquakes, fires, explosions, rock falls, and unusual or unexpected rock formations that affect the exploration, development or mining operations of the business.

(p) **Environmental risk**

The operations and activities of the Combined Group are subject to the environmental laws and regulations of Australia and the other places it conducts business. As with all mining operations and exploration projects, the Combined Group's operations and activities are expected to have an impact on the environment. OZ Minerals attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.

OZ Minerals is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Combined Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Combined Group to incur significant expenses and undertake significant investments which could have material adverse effect on the Combined Group's business, financial condition and performance.

(q) **Climate change**

The physical and non-physical impacts of climate change may affect the Combined Group's assets, its productivity, the markets in which it sells its products, and the communities in which the Combined Group operates. Risks related to the physical impacts of climate change include acute risks resulting from increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns.

Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower-carbon economy. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact the Combined Group's costs and operational efficiency.

(r) **Bribery and corruption**

The Combined Group may suffer a significant loss resulting from historic or future fraud, bribery, corruption, other illegal acts by its employees, inadequate or failed internal processes or systems, or from external events, such as security threats affecting its ability to operate. OZ Minerals relies on its employees to follow policies and processes as well as applicable laws in their activities. Risk of illegal acts or failed systems is managed through OZ Minerals' infrastructure, controls, systems and people, complemented by a focus on enterprise wide management of specific operational risks such as fraud, bribery and corruption, as well as personnel and systems risks. Specific programs, policies, standards and methodologies have been developed to support the management of these risks, however these cannot guarantee that such conduct does not occur and if it does, it can result in direct or indirect financial loss, reputational impact or regulatory consequences.

(s) **Investigations**

The Combined Group may be subject to legal and regulatory investigations, reviews and other compliance queries from regulators and enforcement bodies from time to time. As disclosed in OZ Minerals 2019 Annual and Sustainability Report released on 19 February 2020, the Australian Federal Police are conducting an ongoing investigation into OZ Mineral's former Cambodian operations operated through Oxiana. If adverse findings are made by a regulatory or enforcement body as a result of an investigation or review (including the aforementioned Australian Federal Police investigation), there may be reputational consequences for the Combined Group, and a risk of civil and criminal penalties, statutory or regulatory sanctions, a requirement to pay compensation, infringement notices or fines. Further, the Combined Group may be subject to recommendations and directions to enhance its control framework, governance and systems. Any material investigation or adverse finding resulting

from that investigation involving the Combined Group could have a material adverse impact on the financial performance and position of the Combined Group.

(t) **Economic conditions**

The operating and financial performance of the Combined Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, copper prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Combined Group's operating and financial performance and financial position. The Combined Group's future possible revenues and share prices can be affected by these factors, which are beyond OZ Minerals' control.

(u) **Share market conditions**

The price at which OZ Minerals Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the OZ Minerals Shares to trade at prices below the OZ Minerals Share price at the date of announcement of the Acquisition Scheme. There is no assurance that the price of the OZ Minerals Shares will increase following implementation of the Acquisition Scheme, even if OZ Minerals' earnings increase.

Some of the factors which may adversely impact the price of the OZ Minerals Shares include fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings, country trade and importation policies, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which OZ Minerals operates and general operational and business risks.

(v) **Shareholder dilution**

In the future, OZ Minerals may elect to issue OZ Minerals Shares or engage in capital raisings to facilitate employee share plans, fund acquisitions, undertake other strategic initiatives, or for working capital purposes. While OZ Minerals will be subject to the constraints of the Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), OZ Minerals Shareholders at the time may be diluted as a result of such issues of OZ Minerals Shares and capital raisings.

(w) **Changes in taxation rules or their interpretation**

Changes in tax law (including value added taxes and stamp duties), or changes in the way taxation laws are interpreted may impact OZ Minerals' tax liabilities or the tax treatment of an OZ Minerals Shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in OZ Minerals Shares involves tax considerations which may differ for each OZ Minerals Shareholder. Each Cassini Shareholder is encouraged to seek professional tax advice in connection with the Acquisition Scheme and how they may be discretely impacted.

(x) **Force majeure events**

Events may occur within or outside Australia that could impact upon the Australian economy, OZ Minerals' operations and the price of OZ Minerals Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for OZ Minerals' products and its ability to operate its assets. OZ Minerals has only a limited ability to insure against some of these risks.

## 9.4 Risks related to Cassini if the Acquisition Scheme does not proceed

(a) **Cassini Shareholders will not receive the Acquisition Scheme Consideration**

If the Acquisition Scheme is not implemented, Cassini Shareholders will retain their Cassini Shares and will not receive the Acquisition Scheme Consideration and the Demerger will not proceed given the inter-conditional nature of the Transaction. If the Acquisition Scheme is not implemented, Cassini would remain listed on ASX and would continue to operate its business. In those circumstances, Cassini Shareholders will continue to be exposed to the risks and benefits of owning Cassini Shares.

(b) **The Directors believe that if the Acquisition Scheme does not proceed, the price of a Cassini Share may fall below its recent trading price, in the absence of a Superior Proposal**

The market price of a company's publicly traded securities is affected by many variables, some of which are not directly related to the company. Price fluctuations in Cassini's Share price could result from national and global economic and financial conditions, the market's response to the Acquisition Scheme, changes in iron ore prices, market perceptions of Cassini, regulatory changes affecting the Cassini's operations, variations in Cassini's operating results and liquidity of financial markets. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Cassini Shares in the future if the Acquisition Scheme does not proceed.

The trading price of a Cassini Share rose by 23% following the announcement of the Acquisition Scheme on the Announcement Date (based on the closing price of Cassini Shares on ASX on the date prior to the Announcement Date and the Announcement Date).

Your Directors believe that if the Acquisition Scheme is not approved and no Superior Proposal emerges it is likely that the trading price of Cassini Shares will fall to below the level at which it has been trading since the Acquisition Scheme was announced (although this is difficult to predict with any degree of certainty).

(c) **Joint Venture risks**

Cassini is a minority owner (30%) of the Joint Venture with OZ (70%). If the Acquisition Scheme is not implemented, Cassini will require additional financial resources to continue funding the development of the West Musgrave Project pro rata to its shareholding in the West Musgrave Project.

Any capital raising by Cassini will be dilutive to existing Cassini Shareholders. If Cassini is unable to satisfy the capital requirements to fund the development of the West Musgrave Project, Cassini may be required to limit its contributions to the West Musgrave Project significantly which would consequentially dilute its interest in the West Musgrave Project.

Further information on the Joint Venture is detailed in Section 6.7.

There is a risk of default under the Joint Venture Agreement by OZ Minerals. Any issues with OZ Minerals' ability to perform the obligations due under the Joint Venture Agreement could have a material adverse impact on the financial position of Cassini. There is also the risk of disputes with OZ Minerals, the resolution of which could lead to delays in the West Musgrave Project development activities or financial loss.

(d) **Transaction costs will be incurred**

If the Acquisition Scheme is not implemented, Cassini's transactions costs will be borne by Cassini alone, subject to any off-set by way of break fee payment from OZ Minerals. Cassini may also be required to pay a break fee to OZ Minerals, depending on the circumstances in which the Acquisition Scheme does not proceed.

(e) **Availability of funding**

Cassini has a limited cash balance, and there can be no guarantee that Cassini will be able to obtain future debt or equity financing to sustain its operations. Cassini's capital requirements depend on numerous factors. Depending on Cassini's ability to generate income from its operations, Cassini may require further financing in addition to the amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If Cassini is unable to obtain additional financing as needed, it may be required



to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that Cassini will be able to secure any additional funding or be able to secure funding on terms favourable to Cassini.

(f) **COVID-19 risk**

The global economic outlook is facing continuing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. The likelihood and severity of any potential impacts are however very difficult to predict.

To date, the COVID-19 pandemic has not had any material impact on Cassini's operations, however, any infections on site could result in delays or suspensions of Cassini's operations. Governmental measures in Australia and overseas to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact Cassini's operations.

(g) **Other risks**

If the event the Acquisition Scheme is not implemented, an investment in Cassini Shares will continue to be exposed to various further risk factors, including those which currently apply to a shareholding in Cassini. Many of the risk factors described as applicable to OZ Minerals (including the Combined Group) in Section 9.3 also apply to a continuing investment in Cassini as a stand-alone entity.



## 10. Australian taxation considerations



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The Directors  
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Our ref 40928684\_1

10 August 2020

Dear Directors

### Tax Implications for the Acquisition Scheme

This letter has been prepared at the request of Cassini for inclusion in the Acquisition Scheme Booklet.

All capitalised terms contained that are not otherwise defined take on the meaning given to them in the Acquisition Scheme Booklet.

#### 1 Purpose of this letter

The purpose of this letter is to provide a general overview of the expected Australian income tax, GST and stamp duty consequences of the Acquisition Scheme for Cassini's Shareholders who:

- Hold their Cassini Shares on capital account (and not on revenue account or as trading stock);
- Are not subject to the Taxation of Financial Arrangements (TOFA) rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (ITAA 1997); and
- Did not acquire their Cassini Shares as a result of participation in an employee share scheme.

All references to "Cassini Shareholders" in this section refer to the class of shareholders outlined above.

We have not addressed the tax implications that may arise for non-resident Cassini Shareholders under the laws of other jurisdictions.

#### 2 Class Ruling Application

A Class Ruling is currently being sought from the Australian Taxation Office (ATO) by Cassini on behalf of Cassini Shareholders to confirm many of the income tax consequences set out in this letter in respect of the Acquisition Scheme, including whether Cassini's Australian resident Shareholders, who would otherwise make a

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capital gain on the disposal of their Cassini Shares, may be eligible to obtain scrip for scrip rollover relief pursuant to Subdivision 124-M ITAA 1997.

### **3 Australian Tax Resident Shareholders**

This Section applies to Cassini Shareholders who are residents of Australia for Australian income tax purpose and fall within the class of shareholders as outlined in Section 1 above.

#### **3.1 Capital Gains Tax (CGT) Event**

As a result of the Acquisition Scheme, in exchange for Oz Minerals Shares, Cassini Shareholders will dispose of their Cassini Shares to Oz Minerals.

The disposal of the Cassini Shares to Oz Minerals in accordance with the Acquisition Scheme will give rise to CGT event A1 for Cassini's Shareholders. The time of the CGT event should be the date that the Cassini Shares are disposed of, which will occur on the Implementation Date.

In the absence of CGT rollover relief, refer to subsection 3.1.4, the following tax consequences are expected to arise for the Cassini Shareholders:

- i. A capital gain will be realised to the extent the capital proceeds received by the Cassini Shareholders from the disposal of their Cassini Shares exceed the cost base of those shares; or
- ii. A capital loss will be realised to the extent that capital proceeds received by the Cassini Shareholders from the disposal of their Cassini Shares are less than the reduced cost base of those shares.

##### **3.1.1 Capital Proceeds**

The Capital proceeds on the disposal of the Cassini Shares should be equal to the market value of the Oz Minerals Shares received by the Cassini Shareholders on the Implementation Date of the Acquisition Scheme.

##### **3.1.2 Cost Base and Reduced Cost Base**

The cost base of a Cassini Share will generally be equal to the cost of acquiring the Cassini Share plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs).

The reduced cost base of a Cassini Share is determined in a manner similar to the cost base although some differences in the calculation of the reduced cost base do exist depending the Cassini Shareholder's individual circumstances.

The cost base and reduced cost base of each Cassini Share will depend on the individual circumstances of each Cassini Shareholder.



### **3.1.3 CGT discount**

Cassini Shareholders may be entitled to reduce any capital gain on the disposal of their Cassini Shares by either indexing their cost base or applying the CGT discount.

Certain shareholders, such as individuals and trustees of trusts, may be entitled to the 50% CGT discount in relation to the amount of any capital gain (after taking into account current year or carry forward capital losses) if the disposal of their Cassini Shares occurs 12 months after the date they acquired (or are deemed to have acquired) them.

Complying superannuation entities may be eligible for a 33⅓% discount if the disposal of their Cassini Shares occurs 12 months after the date they acquired (or are deemed to have acquired) them.

The CGT discount is not available to certain Cassini Shareholders including those who are companies or who have chosen to apply the indexation method to the cost base of their Cassini Shares.

### **3.1.4 Scrip for Scrip Roll-over Relief**

Cassini Shareholders who make a capital gain from the disposal of their Cassini Shares may be eligible to choose CGT scrip for scrip rollover relief (provided certain conditions are met). Scrip for scrip rollover relief is not available if a Cassini Shareholder makes a capital loss in respect of the Acquisition Scheme.

Broadly, scrip for scrip rollover relief would:

- enable Cassini Shareholders to disregard the capital gain they make from the disposal of their Cassini Shares under the Acquisition Scheme;
- provide that the first element of the cost base and reduced cost base of the Oz Minerals Shares received is determined by attributing to them, on a reasonable basis, the existing cost base of the Cassini Shares exchanged under the Acquisition Scheme; and
- deem the acquisition date of the Oz Minerals Shares to be the date when the Cassini Shareholder originally acquired their Cassini Shares for CGT purposes. This is important for the purposes of determining future eligibility for the CGT discount.

Cassini Shareholders do not need to inform the ATO, or document their choice to claim scrip for scrip rollover relief in any particular way, other than to complete their income tax return in a manner which is consistent with their choice.

As outlined in Section 2, a Class Ruling is currently being sought from the ATO to obtain confirmation that Cassini's Shareholders are eligible for Scrip for Scrip rollover relief in respect of the Acquisition Scheme where they make a capital gain.





### **3.1.5 Capital loss**

If a Cassini Shareholder incurs a capital loss in respect of the Acquisition Scheme, this capital loss may be offset against capital gains derived in the same income year or in later income years.

Please note that specific loss recoupment rules apply to companies to limit their availability to recoup carried forward capital losses in future years in certain circumstances. Cassini Shareholders should seek their own tax advice in relation to the operation of the loss recoupment rules.

## **4 Foreign Tax Resident Shareholders**

This section applies to Cassini Shareholders who are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents) and meet the criteria outlined in Section 1 above. This section does not apply to any Cassini Shareholders who hold their Cassin Shares at any time in carrying on a business at or through a permanent establishment in Australia.

### **4.1 Indirect Australian Real Property Interests (IARPI)**

Foreign resident Cassini Shareholders should generally not be subject to the CGT rules in Australia on the disposal of their Cassini Shares, provided their Cassini Shares are not an IARPI as at the time of the disposal.

Broadly, a Cassini Shareholder's interest in Cassini will not be an IARPI unless both of the following conditions are satisfied:

- a) The foreign tax resident Cassini Shareholder and their associates (as defined for tax purposes, refer below) together hold 10% or more of the issued shares in Cassini at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Cassini Shares (this is known as the 'non-portfolio interest test'); and
- b) The aggregate market value of Cassini's assets which are taxable Australian property (being direct and indirect interest in real property, i.e. land, and/or mining, quarrying or prospecting rights to minerals, petroleum or quarry materials situated in Australia) exceeds the aggregate market value of Cassini's assets which are not taxable Australian property (this is known as the 'principal asset test').

On the basis that the aggregate market value of Cassini's assets which are taxable Australian property exceeds the aggregate market value of Cassini's assets which are not taxable Australian property, Cassini's shares will pass the principal asset test.

However, it is expected that no foreign resident Cassini Shareholder holds/held the requisite 10% or more of the issued shares in Cassini at the time of disposal, therefore,



the non-portfolio test is likely to be failed. The foreign resident Cassini Shareholders should, therefore, not be subject to CGT in respect of the Acquisition Scheme on the basis that the foreign resident Cassini Shareholders do not hold an IARPI.

For completeness, please note that the definition of associates for tax purposes is complex and depends on whether the non-resident Cassini Shareholder is an individual, a company, a trustee or a partnership. Generally, an associate for tax purposes can include relatives, partners, trustees and beneficiaries, and related companies.

## **5 Foreign Resident Capital Gains Withholding Tax (FRCGWT) Regime**

The FRCGWT Regime requires a purchaser of an IARPI from a foreign resident to withhold 12.5% of the purchase price of the IARPI.

As noted above, it is unlikely that any foreign resident Cassini Shareholder hold an IARPI and, accordingly, no CGT liability should arise for the foreign resident Cassini Shareholders.

However, in order to ensure that Oz Minerals is able to conclude whether it has a requirement to withhold in respect of the Acquisition Scheme under the FRCGWT regime, Cassini Shareholders (including both Australian residents and foreign resident shareholders) should complete a FRCGWHT vendor declaration, declaring they are either an Australian resident for tax purposes or if they are a foreign resident confirm whether they do or do not hold an indirect Australian real property interest, and provide this to Oz Minerals prior to the Implementation Date.

We understand the vendor declarations will be incorporated within the voting process.

## **6 GST**

No GST will be payable by the Cassini Shareholders on either the disposal of their Cassini Shares or the acquisition of their Oz Minerals Shares.

However, GST may be charged to Cassini Shareholders in respect of any adviser fees or other costs they may incur in relation to their participation in the Acquisition Scheme. The eligibility for Cassini Shareholders to claim full or partial input tax credits in relation to this GST payable will depend on the individual circumstances of each shareholder. Cassini Shareholders should seek their own independent tax advice in relation to this.

## **7 Stamp Duty**

No Stamp Duty should be payable by the Cassini Shareholders in relation to the disposal of their Cassini Shares to Oz Minerals under the Acquisition Scheme.



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## Scope of Advice

This letter has been prepared for inclusion in this Acquisition Scheme Booklet and should be read in conjunction with the remainder of this Acquisition Scheme Booklet. In providing our views, we have relied upon facts as set out in the Acquisition Scheme Booklet that have not been independently verified by KPMG.

The following summary is based upon the legislation and established interpretation of legislation as at the date of this Acquisition Scheme Booklet, but is not intended to be an authoritative or complete statement of the law relevant to the circumstances of each Cassini Shareholder. Cassini Shareholders should seek independent professional advice in relation to their own particular circumstances.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on such information without appropriate professional advice after a thorough examination of their particular situation. As KPMG does not undertake to update this advice for any changes in the Australian tax law after the date of this letter, it is the responsibility of the Cassini Shareholders to take further advice, if they are to rely on our advice at a later date.

KPMG's Tax practice is not licensed to provide financial product advice under the Corporations Act and taxation is only one of the matters that must be considered when making a decision on a financial product. You should consider taking advice from an Australian Financial Services Licence holder before making any decision on a financial product.

\* \* \* \* \*

Yours sincerely

Craig Yaxley  
Partner



## **11. Information about the Acquisition Scheme**

### **11.1 Acquisition Scheme Implementation Deed**

Cassini and OZ Minerals have entered into the Acquisition Scheme Implementation Deed in connection with the proposed Acquisition Scheme. The Acquisition Scheme Implementation Deed sets out the obligations of Cassini and OZ Minerals in relation to the Acquisition Scheme.

The Acquisition Scheme Implementation Deed is contained in Annexure 2.

### **11.2 Acquisition Scheme Meeting**

The Court has ordered that a meeting of Cassini Shareholders be held at 10:00am (AWST) on 21 September 2020 to consider the Acquisition Scheme.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Acquisition Scheme Meeting be convened and has approved this Acquisition Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Acquisition Scheme or as to how Cassini Shareholders should vote (on this matter Cassini Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for, the content of this Acquisition Scheme Booklet.

The order of the Court that the Acquisition Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Acquisition Scheme.

The Acquisition Scheme is conditional, among other things, on approval of the Acquisition Scheme Resolution by the Requisite Majority of Cassini Shareholders, being:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders present and voting at the Acquisition Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (b) at least 75% of the total number of votes which are cast at the Acquisition Scheme Meeting.

Further details of the consequences of the Acquisition Scheme not being implemented are set out in Section 3 under the heading titled "What happens if the Acquisition Scheme is not approved?".

### **11.3 Court approval of the Acquisition Scheme**

Cassini will apply to the Court for orders approving the Acquisition Scheme if:

- (a) the Acquisition Scheme Resolution is approved by the Requisite Majority of Cassini Shareholders at the Acquisition Scheme Meeting; and
- (b) all other conditions to the Acquisition Scheme which are required (under the Acquisition Scheme Implementation Deed) to be satisfied by the Second Court Date are satisfied or waived (where applicable).

The date on which the Court hears Cassini's application is the Second Court Date.

The Court may refuse to grant the orders referred to above even if the Acquisition Scheme Resolution is approved by the Requisite Majority of Cassini Shareholders.

ASIC has been requested to issue a written statement that it has no objection to the Acquisition Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Acquisition Scheme, the Court may still approve the Acquisition Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

Cassini Shareholders have the right to seek leave to appear at the Court on the Second Court Date to oppose the approval of the Acquisition Scheme by the Court or make representations to the Court in relation to the Acquisition Scheme. If you wish to oppose approval of the Acquisition Scheme by the Court at the Court hearing

you may do so by filing with the Court, and serving on Cassini, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Cassini at least one Business Day (in Perth, Western Australia) before the Second Court Date. That date is currently scheduled to occur on or around 23 September 2020. Any change to this date will be announced through ASX and will be available on ASX's website, [www.asx.com.au](http://www.asx.com.au). Alternatively, if you wish to make representations to the Court in relation to the Acquisition Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

#### **11.4 Actions by Cassini and OZ Minerals**

If Court orders approving the Acquisition Scheme are obtained, the Cassini Board and the OZ Minerals Board will take or procure the taking of the steps required for the Acquisition Scheme to be implemented. These will include the following:

- (a) Cassini will lodge with ASIC an office copy of the Court order approving the Acquisition Scheme, under section 411(10) of the Corporations Act, and the Acquisition Scheme will become Effective;
- (b) on the close of trade on the Effective Date, Cassini Shares will be suspended from trading on ASX;
- (c) on and from the Implementation Date, and subject to the Acquisition Scheme becoming Effective, each of the Directors on the boards of each Cassini Group member, as nominated by OZ Minerals, will resign and be replaced by directors nominated by OZ Minerals;
- (d) on the Implementation Date, all of the Cassini Shares held by Acquisition Scheme Shareholders at 5:00pm (AWST) on the Record Date will be transferred to OZ Minerals and, in exchange, each Acquisition Scheme Shareholder (other than Ineligible Shareholders and Non-Electing Small Shareholders, refer to Sections 5.2 and 5.3, and subject to any foreign resident CGT withholding described in Section 5.5) will be issued the Acquisition Scheme Consideration;
- (e) on the Implementation Date, OZ Minerals will issue to the Sale Agent the Acquisition Scheme Consideration in respect of the Cassini Shares held at 5:00pm (AWST) on the Record Date by all Ineligible Shareholders and all Non-Electing Small Shareholders. OZ Minerals will procure that the Sale Agent sells those OZ Minerals Shares within 30 Business Days following the Implementation Date. The Sale Agent must promptly remit the net proceeds of the sale of those OZ Minerals Shares (after deducting any applicable selling costs, taxes and charges) to OZ Minerals, which will then remit such proceeds to Ineligible Shareholders and Non-Electing Small Shareholders (subject to any foreign resident CGT withholding required with respect to Ineligible Shareholders who do not return a completed Relevant Foreign Resident Declaration Form referred to in Section 5.5);
- (f) on the Implementation Date, OZ Minerals will register the holders of OZ Minerals Shares in the OZ Minerals Register;
- (g) on the Implementation Date, Cassini will enter the name of OZ Minerals in the Cassini Register as the holder of the Cassini Shares; and
- (h) on a date to be determined by OZ Minerals and Cassini after the Implementation Date, Cassini will request that ASX remove Cassini from the official list of ASX.

#### **11.5 Effective Date**

The Acquisition Scheme will become Effective on the date upon which the office copy of the order of the Court under section 411(10) of the Corporations Act approving the Acquisition Scheme is lodged with ASIC or such earlier date as the Court determines or specifies in the order.

If the Acquisition Scheme becomes Effective, Cassini will immediately give notice of the event to ASX. Cassini Shares will be suspended from trading on ASX on the close of trade on the Effective Date.

Once the Acquisition Scheme becomes Effective, Cassini and OZ Minerals will become bound to implement the Acquisition Scheme in accordance with its terms.

## 11.6 Acquisition Scheme

If the Acquisition Scheme becomes Effective (i.e. after it is approved by Cassini Shareholders and the Court), all Cassini Shares outstanding at 5:00pm (AWST) on the Record Date will be transferred on the Implementation Date to OZ Minerals, in return for the issuance by OZ Minerals of the Acquisition Scheme Consideration to Cassini Shareholders and the Sale Agent for sale through the Sale Facility. See Annexure 3 for a copy of the Acquisition Scheme.

## 11.7 Deed Poll

OZ Minerals has executed a Deed Poll in favour of Acquisition Scheme Shareholders, by which it offers to acquire all of the Acquisition Scheme Shares held by Acquisition Scheme Participants. In consideration for the acceptance of that offer and, subject to the Acquisition Scheme becoming Effective, the transfer of each Acquisition Scheme Share to OZ Minerals, OZ Minerals undertakes in favour of each Acquisition Scheme Shareholder to pay the Acquisition Scheme Consideration for each Acquisition Scheme Share, being one New OZ Minerals Share for every 68.5 Acquisition Scheme Shares held by an Acquisition Scheme Shareholder.

See Annexure 4 for a copy of the Deed Poll.

## 11.8 Record Date

The Record Date for the Acquisition Scheme is 5:00pm (AWST) on the date which is two Business Days after the Effective Date (or on such other date (after the Effective Date) as Cassini and OZ Minerals may agree in writing). Only Cassini Shareholders who appear on the Cassini Register at 5:00pm (AWST) on the Record Date will be entitled to receive the Acquisition Scheme Consideration.

## 11.9 Implementation Date

The Implementation Date for the Acquisition Scheme is the date which is five Business Days after the Record Date (or on such other date agreed to in writing by Cassini and OZ Minerals).

On the Implementation Date for the Acquisition Scheme, OZ Minerals must:

- (a) issue OZ Minerals Shares to Cassini Shareholders entitled to them and cause their names and addresses to be recorded in the OZ Minerals Register; and
- (b) issue OZ Minerals Shares to the Sale Agent for sale through the Sale Facility.

In the case of each Cassini Shareholder entitled to OZ Minerals Shares:

- (a) if they held their Cassini Shares on the CHESS subregister of the Cassini Register, the OZ Minerals Shares issued to them will be recorded on the CHESS subregister of the OZ Minerals Register; and
- (b) if they held their Cassini Shares on the issuer sponsored subregister of the Cassini Register, the OZ Minerals Shares issued to them will be recorded on the issuer sponsored subregister of the OZ Minerals Register.

In the case of Cassini Shares held in joint names, the Acquisition Scheme Consideration will be issued to, and registered in the names of, the joint holders, and holding statements and CHESS confirmation advices will be sent to the registered address as recorded on the Cassini Register at 5:00pm (AWST) on the Record Date.

All Cassini Shares at 5:00pm (AWST) on the Record Date will be transferred on the Implementation Date to OZ Minerals without any need for further actions by Cassini Shareholders.

## 11.10 Relationship between the Acquisition Scheme and the Demerger

The Demerger and the Acquisition Scheme are separate but inter-conditional transactions. This means that each of the Demerger (via the Demerger Scheme) and the Acquisition Scheme contain conditions precedent that relate to Cassini Shareholders and the Court approving the other. Effectively, neither the Demerger nor the Acquisition Scheme will be implemented unless the other is implemented.

If the Demerger Scheme is implemented, Cassini Shareholders will hold shares in Caspin and Caspin intends to conduct an initial public offer and apply for admission to the official list of ASX.

Further information in relation to the Demerger can be found in the Demerger Scheme Booklet, which was made available to you at the same time as this Acquisition Scheme Booklet.

### **11.11 Despatch of holding statements and CHESS confirmation advices**

OZ Minerals will despatch holding statements and CHESS confirmation advices to Acquisition Scheme Shareholders entitled to them after the Implementation Date.

### **11.12 Commencement of trading in OZ Minerals Shares on ASX**

Trading in OZ Minerals Shares issued under the Acquisition Scheme on ASX is expected to commence on a normal settlement basis with effect from the next Business Day after the Implementation Date (or such other date as ASX requires). The Implementation Date is currently expected to be 5 October 2020. The actual dates will be announced to ASX and published on the Cassini website (<https://www.cassiniresources.com.au/>).

### **11.13 Delisting of Cassini**

On a date to be determined by OZ Minerals and Cassini after the Implementation Date, it is intended that Cassini will request that ASX remove Cassini from the official list of ASX.

### **11.14 Share Splitting**

If OZ Minerals forms the opinion (acting reasonably) that two or more Cassini Shareholders have, before the Record Date, been a party to:

- (a) splitting a holder of Cassini Shares into two or more parcels of Cassini Shares whether or not it results in any change of legal or beneficial ownership of the Cassini Shares (**Share Splitting**); or
- (b) division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements),

OZ Minerals may give notice to such Cassini Shareholders attributing the Cassini Shares held by all of them to one of them (specifically identified in such notice). This notice deems the Cassini Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.

If the Acquisition Scheme is not approved by Cassini Shareholders at the Acquisition Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Cassini or OZ Minerals considers (each acting reasonably) that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then Cassini must apply for an order of the Court to disregard the Headcount Test and seek Court approval of the Acquisition Scheme, notwithstanding that the Headcount Test has not been satisfied.

### **11.15 Conditions precedent to the Acquisition Scheme**

#### **(a) Outstanding conditions precedent to Acquisition Scheme**

The Acquisition Scheme and the obligations of Cassini and OZ Minerals to implement the Acquisition Scheme are subject to the following outstanding conditions precedent being satisfied or, where applicable, waived, in accordance with the terms of the Acquisition Scheme Implementation Deed on or prior to the Second Court Date:

- (i) Court approval of the Acquisition Scheme and Demerger Scheme in accordance with section 411(4)(b) of the Corporations Act and an office copy of the Court orders approving the Acquisition Scheme and Demerger Scheme being lodged with ASIC as contemplated by section 411(10) of the Corporations Act;
- (ii) approval of the Capital Reduction by Cassini Shareholders;

- (iii) approval of the Acquisition Scheme and Demerger Scheme by the Requisite Majority of Cassini Shareholders;
- (iv) no order or legal restraint preventing the implementation of the Transaction being issued or made by any court or Government and Regulatory Agency, and no other legal restraint or prohibition preventing completion of the Transaction before and as at two hours before the Court hearing on the Second Court Date;
- (v) no action or investigation is announced or commenced by any Government and Regulatory Agency relating to a substantial part of the ordinary business of Cassini Group taken as a whole, in each case which is reasonably likely to have a materially adverse effect on that part of the business and as at two hours before the Court hearing on the Second Court Date;
- (vi) any regulatory consents and approvals which are necessary to implement the Acquisition Scheme are obtained before and as at two hours before the Court hearing on the Second Court Date;
- (vii) no Cassini Prescribed Occurrence occurring between the date of the Acquisition Scheme Implementation Deed and two hours before the Court hearing on the Second Court Date;
- (viii) no Cassini Material Adverse Change occurring between the date of the Acquisition Scheme Implementation Deed and two hours before the Court hearing on the Second Court Date;
- (ix) the representations and warranties made by Cassini in the Acquisition Scheme Implementation Deed being true and correct in all material respects as at the date of the Acquisition Scheme Implementation Deed and on each subsequent day until two hours before the Court hearing on the Second Court Date;
- (x) the receipt by Cassini of an Independent Expert's Report concluding that the Acquisition Scheme and the Demerger Scheme are in the best interest of the Cassini Shareholders, and the Independent Expert does not change or publicly withdraw this conclusion two hours before the Court hearing on the Second Court Date; and
- (xi) no Cassini Director fails to make, changes, qualifies or withdraws his or her recommendation or voting intention between the date of the Acquisition Scheme Implementation Deed and two hours before the Court hearing on the Second Court Date except where, after first obtaining written advice from independent Senior Counsel, a Cassini Director reasonably determines that he or she should not provide or continue to maintain any recommendation because that Cassini Director has an interest in the Transaction that renders it inappropriate for him or her to maintain any such recommendation.

(b) **Conditions precedent to Acquisition Scheme that have been satisfied or waived**

As at the date of this Acquisition Scheme Booklet, the following conditions to the Acquisition Scheme have been satisfied or waived:

- (i) each Cassini Optionholder either exercising their Cassini Options or entering into a deed with Cassini and OZ Minerals regarding the cancellation of those Cassini Options.

## 11.16 Exclusivity arrangements

The Acquisition Scheme Implementation Deed contains exclusivity arrangements which, during the Exclusivity Period, prevent Cassini and its Subsidiaries, or any of its or Representatives, directly or indirectly:

- (a) **(No shop):** soliciting, inviting, encouraging or initiating any Competing Proposal or any enquiries, proposals, discussions or negotiations in relation to (or which may reasonably be expected to lead to) a Competing Proposal, or communicating any intention to do any of these things;



- (b) **(No talk):**
- (i) responding to or facilitating any enquiries, proposals, negotiations or discussions with any third party or entering into any letter of intent, memorandum of understanding or other agreement;
  - (ii) negotiating or entering into or participating in negotiations or discussions with any person (other than OZ Minerals); or
  - (iii) communicating any intention to do any of these things,
- in relation to, or which may reasonably be expected to lead to a Competing Proposal.
- (c) **(Due diligence information):**
- (i) except with the prior written consent of OZ Minerals, soliciting, inviting, initiating, encouraging, facilitating or permitting any person (other than OZ Minerals or its Representatives) to undertake due diligence investigations on Cassini, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal;
  - (ii) except with the prior written consent of OZ Minerals, making available to any other person (other than OZ Minerals, its Representatives or a Government or Regulatory Agency) or permitting any such person to receive any non-public information relating to Cassini, its Related Bodies Corporate, or any of their businesses and operations with a view to obtaining, or which may reasonably be expected to lead to, a Competing Proposal; or
  - (iii) providing any non-public information to a third party (other than in the ordinary course of business, as required by law or the rules of any prescribed financial market).

Cassini and its Subsidiaries, or any of its Representatives must also cease discussions with third parties in relation to a potential Competing Proposal (or a transaction which would require Cassini to abandon, or otherwise fail to proceed with, any aspect of the Transaction) and cease the provision of due diligence access and the making available of any non-public information to any third party.

Certain of these restrictions (but not the "No shop" restrictions) are subject to Cassini's right to engage with third parties in connection with a written Competing Proposal where the Directors have determined (after receiving relevant advice) that such a Competing Proposal is or may reasonably be expected to lead to a Superior Proposal and that failing to respond to a Competing Proposal or failing to or refusing to take account may constitute a breach of their fiduciary or statutory duties.

However, OZ Minerals has the right, but not the obligation, at any time during the period of 5 Business Days following the receipt of the notice from Cassini of a Superior Proposal, to amend the terms of the Acquisition Scheme including increasing the amount of consideration offered under the Acquisition Scheme or proposing any other form of Acquisition Scheme, each a counter proposal to the Superior Proposal.

At the date of this Acquisition Scheme Booklet, Cassini has not received any Competing Proposals.

For further information refer to clause 8 of the Acquisition Scheme Implementation Deed in Annexure 2.

## 11.17 Termination of the Acquisition Scheme Implementation Deed

The Acquisition Scheme Implementation Deed may be terminated prior to two hours before the Court hearing on the Second Court Date (in this Section 11.17 "terminate") in certain circumstances, including:

- (a) **(Material breach of the Acquisition Scheme Implementation Deed):** Cassini or OZ Minerals may terminate if the other is in material breach of any of its obligations under the Acquisition Scheme Implementation Deed (other than a material breach of a representation or warranty) and, if capable of remedy, the material breach is not remedied within ten Business Days of receipt of a breach notice from the other party;
- (b) **(Conditions Precedent):** Cassini or OZ Minerals may terminate if there is a breach or non-fulfilment of a condition precedent (provided the condition is for the benefit of the party seeking to terminate) which is not waived and there is failure to agree on an alternative means of completing the Transaction;



- (c) **(Official quotation):** Cassini may terminate if ASX refuses to grant, or informs one or both of Cassini and OZ Minerals that ASX will refuse to grant, official quotation on ASX of any or all of the New OZ Minerals Shares;
- (d) **(OZ Minerals is removed from the official list):** Cassini may terminate if OZ Minerals is removed from the official list of ASX or ASX determines that will occur;
- (e) **(OZ Minerals Material Adverse Change):** Cassini may terminate if an OZ Minerals Material Adverse Change occurs;
- (f) **(Cassini Board recommends a Superior Proposal):** Cassini may terminate, if a Cassini Director publicly withdraw or adversely change their recommendation as a result of a Superior Proposal being made or the Independent Expert concluding in the Independent Expert's Report (or any update or variation to that report) that the Acquisition Scheme is not in the best interests of Cassini Shareholders;<sup>9</sup>
- (g) **(Entry into Competing Proposal):** OZ Minerals may terminate if Cassini enters into any agreement or arrangement in relation to the implementation of a Competing Proposal;
- (h) **(Announcement of Competing Proposal):** OZ Minerals may terminate if a Competing Proposal is announced, made, or becomes open for acceptance and the third party announcing or making the Competing Proposal (either alone or together with its Associates) acquires a Relevant Interest in more than 50% of all Cassini Shares and that Competing Proposal is (or has become) free from any defeating conditions.
- (i) **(OZ Minerals breaches any representation or warranty):** Cassini may terminate if OZ Minerals materially breaches any representation or warranty contained in the Acquisition Scheme Implementation Deed and:
- (i) OZ Minerals fails to remedy that breach within ten Business Days of receipt of a breach notice from Cassini; and
  - (ii) the aggregate loss to Cassini and Cassini's Shareholders that would reasonably be expected to follow from the relevant breach is material in the context of the Acquisition Scheme taken as a whole;
- (j) **(Cassini breaches any representation or warranty):** OZ Minerals may terminate if Cassini materially breaches any representation or warranty contained in the Acquisition Scheme Implementation Deed and:
- (i) Cassini fails to remedy that breach within ten Business Days of receipt of a breach notice from OZ Minerals; and
  - (ii) the loss that would reasonably be expected to follow from the relevant breach is material in the context of the Acquisition Scheme taken as a whole; and
- (k) **(A Director fails to recommend the Acquisition Scheme):** OZ Minerals may terminate if a Director withdraws, adversely changes or makes any public statement that is inconsistent with his or her recommendation that Cassini Shareholders vote in favour of the Acquisition Scheme (in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interest of Cassini Shareholders)<sup>10</sup> or makes a public statement that is inconsistent with his or her recommendation of the Acquisition Scheme (including where a Competing Proposal is recommended, endorsed or supported by any Cassini Director).

<sup>9</sup> A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because that they have an interest in the Acquisition Scheme that renders it inappropriate to maintain any such recommendation.

<sup>10</sup> See note 6 above.

## 11.18 Cassini Break Fee

Cassini has agreed to pay to OZ Minerals the Cassini Break Fee (A\$760,000) if at any time on or after the date of the Acquisition Scheme Implementation Deed and before the End Date, any of the following events occur:

- (a) any Director fails to recommend that Cassini Shareholders vote in favour of the Acquisition Scheme (in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Acquisition Scheme is in the best interest of Cassini Shareholders);<sup>11</sup>
- (b) any Director changes, withdraws or modifies his or her recommendation of the Acquisition Scheme or makes any public statement, or takes any other action that is inconsistent with his or her recommendation of the Acquisition Scheme (including where a Competing Proposal is recommended or supported by any Cassini Director), other than where the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Acquisition Scheme is not in the best interests of Cassini Shareholders;
- (c) a Competing Proposal is disclosed to Cassini or publicly announced by a third party and within 12 months thereafter, a Competing Proposal is entered into or completed involving that third party or any of its Associates;
- (d) OZ Minerals becomes entitled to terminate the Acquisition Scheme Implementation Deed because Cassini is in material breach of any of its material obligations under the Acquisition Scheme Implementation Deed (other than a material breach of a representation or warranty); or
- (e) OZ Minerals becomes entitled to terminate the Acquisition Scheme Implementation Deed because Cassini materially breaches an exclusivity arrangements contained in the Acquisition Scheme Implementation Deed, there is a breach or non-fulfilment of a Prescribed Occurrence or the representations and warranties given by Cassini under the Acquisition Scheme Implementation Deed are not true and accurate in all material respects.

## 11.19 OZ Minerals Break Fee

OZ Minerals has agreed to pay to Cassini the OZ Minerals Break Fee (A\$760,000) if at any time on or after the date of the Acquisition Scheme Implementation Deed and before the End Date, any of the following events occur:

- (a) Cassini becomes entitled to terminate the Acquisition Scheme Implementation Deed because OZ Minerals is in material breach of any of its material obligations under the Acquisition Scheme Implementation Deed (other than a material breach of a representation or warranty); or
- (b) Cassini becomes entitled to terminate the Acquisition Scheme Implementation Deed if OZ Minerals materially breaches any representation or warranty contained in the Acquisition Scheme Implementation Deed and:
  - (i) OZ Minerals fails to remedy that breach within ten Business Days of receipt of a breach notice from Cassini; and
  - (ii) the aggregate loss to Cassini and Cassini's Shareholders that would reasonably be expected to follow from the relevant breach is material in the context of the Acquisition Scheme taken as a whole.

## 11.20 Arrangements for holders of Cassini Performance Rights

Cassini has 2,751,757 Cassini Performance Rights on issue which, if they vest in accordance with their terms of issue, convert into Cassini Shares on a one-for-one basis.

Under the terms of the Cassini Employee Incentive Plan in relation to Cassini Performance Rights, where a change of control event has occurred, all granted Cassini Performance Rights which have not yet vested or lapsed shall automatically and immediately vest.

<sup>11</sup> See note 6 above.

The Cassini Performance Rights will, subject to the Acquisition Scheme becoming Effective, automatically convert into Cassini Shares following Court approval of the Acquisition Scheme.

## 11.21 Arrangements for holders of Cassini Options

At the date of this Acquisition Scheme Booklet, the following Cassini Options are on issue:

Exercise Price	No. of Cassini Options	Issue Date	Expiry Date	Cancellation Consideration per Cassini Option
A\$0.15 <sup>1</sup>	5,000,000	12 April 2019	12 April 2022	A\$0.00
A\$0.20 <sup>1</sup>	5,000,000	12 April 2019	12 April 2022	A\$0.0372
A\$0.1235	6,072,302	10 June 2019	10 June 2022	A\$0.0265
<b>Total</b>	<b>16,072,302</b>			

Notes:

- Atasa Holdings Pty Ltd holds 2,500,000 Cassini Options (A\$0.15 exercise price) and 2,500,000 (A\$0.20 exercise price). Ms Simone Suen is a director and shareholder of Atasa Holdings Pty Ltd.

Cassini and OZ Minerals have entered into Option Cancellation Deeds with each of the Cassini Optionholders. The material terms of the Option Cancellation Deeds are summarised below:

- each Cassini Optionholder has agreed to the cancellation of their Cassini Options in consideration for a cash payment;
- OZ Minerals must provide, or procure the provision of, the consideration to the Cassini Optionholders on the Implementation Date;
- the cancellation of the Cassini Options is conditional on:
  - the Acquisition Scheme becoming Effective;
  - the necessary regulatory approvals, confirmations and waivers having been obtained by Cassini; and
  - the Cassini Optionholder not having dealt with the Cassini Options contrary to the terms of the Option Cancellation Deed.

Cassini has obtained a waiver from ASX of the requirements of Listing Rule 6.23.2 to permit the Cassini Options to be cancelled for consideration without requiring Cassini Shareholder approval to be obtained. Refer to Section 12.13(a) for further details.

If a Cassini Optionholder exercises its Cassini Options prior to the Record Date, Cassini will issue Cassini Shares to that Cassini Optionholder so as to facilitate the Cassini Optionholder's participation in the Acquisition Scheme as a Cassini Shareholder.

## 12. Additional information

### 12.1 Interests of Cassini Directors in Cassini securities

#### (a) Cassini marketable securities

The number, description and amount of Cassini marketable securities controlled or held by, or on behalf of, each Director as at the date of this Acquisition Scheme Booklet are:

Director	Cassini Shares	Cassini Options	Cassini Performance Rights
Mike Young	6,294,024	-	-
Richard Bevan	7,872,830	-	1,115,803
Simone Suen	31,283,466 <sup>1</sup>	5,000,000 <sup>1</sup>	-
Jon Hronsky	1,781,033	-	-
Phil Warren	2,343,561	-	-

Notes:

1. Ms Simone Suen is a director and shareholder of Atasa Holdings Ltd. Atasa Holdings Pty Ltd holds 31,133,466 Cassini Shares and 5,000,000 Cassini Options.

### 12.2 Agreements or arrangements with Directors and executive officers

#### (a) Deeds of indemnity, access and insurance

Cassini has entered into deeds of indemnity, insurance and access with its Directors and various executive officers, on customary terms.

Cassini pays premiums in respect of a directors and officers insurance policy for the benefit of the Directors and executive officers. Cassini may, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for any and all directors and executive officers of each member of the Cassini Group for up to a 7 year period from the Implementation Date. Clause 13 of the Acquisition Scheme Implementation Deed provides various OZ Minerals undertakings in support of that insurance.

Clause 12 of the Acquisition Scheme Implementation Deed also provides for certain releases by Cassini of each director, officer or employee of any member of the Cassini Group as is customary for transactions such as the Acquisition Scheme.

#### (b) Other termination benefits

Except as set out in this Section 12.2 or elsewhere in this Acquisition Scheme Booklet, there are no payments or other benefits that are proposed to:

- (i) be made or given to any director of Cassini as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in Cassini or in a Related Body Corporate of Cassini; or
- (ii) be made or given to any director of any Related Body Corporate of Cassini as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in Cassini.

If a change of control of Cassini occurs (which includes a person acquiring more than 50% of Cassini Shares) and, at any time during the 12 month period following such change of control Mr Bevan resigns from Cassini for Good Reason, Mr Bevan shall be entitled to a payment equivalent to \$90,000 (being one quarter of his salary immediately prior to the change of control).

### 12.3 Substantial holders

At 6 August 2020, being the last practicable date prior to the date of this Acquisition Scheme Booklet, the following persons had notified Cassini that they had Voting Power in 5% or more of Cassini Shares:

Shareholder Name	Number of Cassini Shares	% of Cassini Shares
Buxiao Yu	31,769,787	7.65%
Atasa Holdings Pty Ltd <TS3A Family a/c>	31,133,466	7.27%
Colin David Iles	26,003,377	6.07%
Tinci (HK) Limited	25,000,000	5.84%
Cassini Resources Limited <sup>1</sup>	25,000,000	5.84%
Mr Sufan Siau and Lusmiati Marsudidjaja	21,262,465	5.12%

Notes:

- At the date of this Acquisition Scheme Booklet, Cassini has a Relevant Interest in 25,000,000 Cassini Shares, as a result of a Subscription and Voting Deed entered into between Cassini and Tinci (HK) Limited dated 4 April 2019. Accordingly, Cassini's Relevant Interest in its own shares corresponds to a Voting Power of 5.84% at the date of this Acquisition Scheme Booklet. For a period of 2 years after the date of the agreement, in the absence of a superior proposal, Tinci (HK) Limited agreed to vote in accordance with the recommendation of the majority of the Board in respect of any change of control transaction.

## 12.4 Intentions of Cassini Directors

As at 6 August 2020, being the last practicable date prior to the date of this Acquisition Scheme Booklet, all Cassini Directors have confirmed their intention to vote in favour of the Acquisition Scheme and Demerger Scheme subject to a Superior Proposal and the Independent Expert not changing their opinion that the Acquisition Scheme and Demerger Scheme are in the best interest of Cassini Shareholders.

## 12.5 Interests of Cassini Directors in OZ Minerals

No OZ Minerals Shares are currently held by, or on behalf of, any Cassini Director.

## 12.6 Intentions of OZ Minerals after the Implementation Date

If the Acquisition Scheme is implemented, it will be a matter for OZ Minerals to determine its intentions in relation to:

- the continuation of the business of Cassini;
- any major changes to be made to the business of Cassini; and
- the future employment of the present employees of Cassini.

The current intentions of OZ Minerals in relation to the Combined Group are set out in this Acquisition Scheme Booklet, particularly in Section 8.

## 12.7 ASX Announcements

Cassini has lodged the following announcements with ASX since the lodgement of its annual report for the financial year ended 30 June 2019:

Date	Description of Announcement
27/09/2019	Appendix 4G and Corporate Governance Statement
02/10/2019	Good Drill Results Continue at Mount Squires Gold Project
15/10/2019	Company Presentation - Australian Nickel Conference
21/10/2019	Advancing the Mount Squires Gold Project
25/10/2019	Notice of Annual General Meeting/Proxy Form
28/10/2019	Quarterly Activities and Cashflow Report
25/11/2019	Expansion of West Musgrave Joint Venture
26/11/2019	Managing Director AGM Presentation
26/11/2019	Results of Meeting
27/11/2019	Constitution

Date	Description of Announcement
09/12/2019	Drill program to commence at Yarawindah Brook
12/12/2019	Board Changes Ahead of Defining Year for Cassini
13/12/2019	\$820,750 Capital Raised via Unlisted Option Exercise
13/12/2019	Appendix 3B
18/12/2019	West Musgrave Tenement Acquisition
18/12/2019	Appendix 3X - Initial Director's Interest Notice
18/12/2019	Appendix 3Z - Final Director's Interest Notice
18/12/2019	Appendix 3Y - Change of Director's Interest Notice x 4
19/12/2019	West Musgrave Project Exploration Update
14/01/2020	New Mineralised Prospect Discovered at Yarawindah
24/01/2020	Quarterly Activities and Cashflow Report
07/02/2020	Trading Halt
11/02/2020	OZL: West Musgrave Pre-Feasibility Study Update
11/02/2020	Suspension from Official Quotation
12/02/2020	Response to ASX Price Query
12/02/2020	Nebo-Babel Pre-Feasibility Study
12/02/2020	Reinstatement to Official Quotation
19/02/2020	Company Presentation - RIU Explorers Conference
12/03/2020	Half Yearly Report and Accounts
26/03/2020	Mineralisation Extended at Yarawindah Project
16/04/2020	Results Confirm Yarawindah in Emerging Ni-Cu-PGE Province
23/04/2020	Quarterly Activities and Cashflow Report
13/05/2020	Drilling Commencing at Yarrawindah Ni-Cu-PGE Project
15/05/2020	Company Presentation - Yarawindah Brook Ni-Cu-PGE Project
28/05/2020	Yarawindah Ni-Cu-PGE Project Exploration Update
29/05/2020	Yarawindah Ni-Cu-PGE Project Exploration Update - Amended
18/06/2020	Appendix 3G
22/06/2020	OZ Minerals to acquire Cassini Resources
22/06/2020	Scheme Implementation Deed
22/06/2020	Company Presentation and Webinar Details
21/07/2020	New Targets at Yarawindah Ni-Cu-PGE Project

## 12.8 Lodgement of Acquisition Scheme Booklet

This Acquisition Scheme Booklet was lodged with ASIC on 24 July 2020 in accordance with section 411(2)(b) of the Corporations Act.

## 12.9 No unacceptable circumstances

The Directors believe that the Acquisition Scheme does not involve any circumstances in relation to the affairs of any Cassini Shareholder that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

## 12.10 Creditors of Cassini

The Acquisition Scheme, if implemented, is not expected to materially prejudice Cassini’s ability to pay its creditors, as the Acquisition Scheme involves the acquisition of Cassini Shares for consideration provided by a third party, rather than the acquisition of Cassini’s underlying assets. No material new liability (other than transaction costs) is expected to be incurred by Cassini as a consequence of the Acquisition Scheme (refer also to Section 11.18 for information relating to the Cassini Break Fee). Cassini has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.



## 12.11 Consents

### (a) Role of advisers and experts

The persons named in this Acquisition Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Acquisition Scheme or the preparation or distribution of this Acquisition Scheme Booklet are:

Name	Role	Estimate of Fees (ex. GST)
Grant Thornton Corporate Finance Pty Ltd	Independent Expert	A\$100,000
CSA Global Pty Ltd	Technical Expert	A\$96,000
DLA Piper	Legal adviser to Cassini	A\$600,000
Sternship Advisers and ICA Partners	Financial advisers to Cassini	A\$1,200,000
Automic Registry Services	Cassini's share registry	A\$27,500
KPMG Australia	Tax adviser to Cassini	A\$170,000

### (b) Consents

Each person named in Section 12.11(a) has given, and before the time of registration of this Acquisition Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Acquisition Scheme Booklet in the capacity indicated next to their name.

### (c) Disclaimer

Each person named in Section 12.11(a):

- (i) has not authorised or caused the issue of this Acquisition Scheme Booklet;
- (ii) does not make, or purport to make, any statement in this Acquisition Scheme Booklet or any statement on which a statement in this Acquisition Scheme Booklet is based other than as specified in Section 12.11; and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Acquisition Scheme Booklet other than a reference to its name and any statement or report which has been included in this Acquisition Scheme Booklet with the consent of that person.

### (d) Fees

Each of the persons named in Section 12.11 as performing a function in a professional, advisory or other capacity in connection with the Acquisition Scheme and the preparation of this Acquisition Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to these parties is detailed in section 12.11(a).

If the Transaction is implemented, costs of approximately A\$2.3 million (excluding GST) are expected to be paid by Cassini. This includes advisory fees for Cassini's financial, legal, accounting and tax advisers, the Independent Expert's fees, governance support and proxy advisor engagement support fees, general administrative fees, printing and distribution costs, expenses associated with convening and holding the Acquisition Scheme Meeting and Demerger Scheme Meeting and other expenses.

If the Transaction is not implemented, costs of approximately A\$1.2 million (excluding GST) are expected to be paid by Cassini.

These amounts do not include the transaction costs that may be incurred by OZ Minerals in relation to the Acquisition Scheme.

## 12.12 Competent Persons' Statements and compliance statements

### (a) **Cassini**

The information in this Acquisition Scheme Booklet that relates to Cassini's Exploration Results is based on information compiled or reviewed by Mr Greg Miles, who is an employee of the company. Mr Miles is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Miles consents to the inclusion in this Acquisition Scheme Booklet of the matters based on information in the form and context in which it appears.

Cassini is not aware of any new information or data, other than that disclosed in this Acquisition Scheme Booklet, that materially affects the information included in this Acquisition Scheme Booklet and that all material assumptions and parameters underpinning Exploration Results, Mineral Resource Estimates and Production Targets as reported in the market announcements dated 29 January 2018, 19 February 2018, 2 May 2018, 14 January 2020, 16 April 2020 & 13 May 2020 continue to apply and have not materially changed.

### (b) **OZ Minerals**

The information in this Acquisition Scheme Booklet that relates to OZ Minerals' Mineral Resources and Ore Reserves is extracted from the OZ Minerals "2019 Annual & Sustainability Report", except for the information in relation to Carrapateena and West Musgrave (Nebo-Babel). Carrapateena Ore Reserves are extracted from the report entitled "Carrapateena 2020 Ore Reserves Statement" released on 23 June 2020. West Musgrave (Nebo-Babel) Minerals Resources and Ore Reserves are extracted from the report entitled "West Musgrave Project Nebo-Babel Deposits Ore Reserve Statement and Explanatory Notes" and "West Musgrave Project Nebo-Babel Deposits Mineral Resource Statement and Explanatory Notes" released on 12 February 2020. These Mineral Resource and Ore Reserve statements and their accompanying explanatory notes are available to be viewed at [ozminerals.com/operations/resources-reserves.html](http://ozminerals.com/operations/resources-reserves.html). OZ Minerals is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The form and context in which the competent person's findings are presented have not been materially modified from the original market announcements.

## 12.13 Regulatory conditions and relief

### (a) **ASX waiver**

ASX Listing Rule 6.23.2 provides that the cancellation of options for consideration requires the approval of shareholders. Cassini has been granted a waiver of ASX Listing Rule 6.23.2 to permit the Cassini Options to be cancelled without requiring the approval of Cassini Shareholders, subject to the Acquisition Scheme being approved by the Requisite Majority of Cassini Shareholders and the Court. The waiver application was made on the basis that Cassini Shareholders are provided with information of the proposed treatment of Cassini Options in this Acquisition Scheme Booklet and therefore able to consider this information when determining whether to vote in favour of the Acquisition Scheme. Refer to Section 12.1(c) for further information on the proposed treatment of Cassini Options.

### (b) **Trading in OZ Minerals Shares during the deferred settlement period**

In December 2017 ASIC released its "No action position for trading during deferred settlement periods", which applies:

- (i) to the sale of unissued securities during a deferred settlement period (including the on-sale of those securities); and

- (ii) where sellers believe on reasonable grounds that they have an unconditional entitlement to the securities.

It is expected that the OZ Minerals Shares to be issued to Acquisition Scheme Shareholders (other than to Ineligible Shareholders and Non-Electing Small Shareholders) will commence trading on ASX on a deferred settlement basis on the day following the Effective Date, at which point the Acquisition Scheme will be unconditional.

## 12.14 Foreign jurisdictions

### (a) General

No action has been taken to register or qualify the New OZ Minerals Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to Cassini, Cassini Shareholders whose addresses are shown in the Cassini Register for the Demerger as being in the following jurisdictions will be entitled to have New OZ Minerals Shares issued to them under the Acquisition Scheme subject to any qualifications set out below in respect of that jurisdiction:

- (i) Australia;
- (ii) New Zealand;
- (iii) Singapore;
- (iv) Hong Kong;
- (v) Malaysia;
- (vi) China, where a Cassini Shareholder is a (i) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets, (ii) sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investment or (iii) another type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise); and
- (vii) any other person or jurisdiction in respect of which OZ Minerals reasonably believes that it is not prohibited and not unduly onerous or impractical to issue New OZ Minerals Shares to a Cassini Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Cassini Shareholders who hold Cassini Shares on behalf of a beneficial owner resident outside Australia, New Zealand, Singapore, Hong Kong and Malaysia may not forward this Acquisition Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of Cassini.

### (b) New Zealand

This Acquisition Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of New OZ Minerals Shares under the Acquisition Scheme is being made to existing Cassini Shareholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Acquisition Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

### (c) Singapore

This Acquisition Scheme Booklet and any other document relating to the Acquisition Scheme have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Acquisition Scheme is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (the "SFA") will not apply.

This Acquisition Scheme Booklet and any other document relating to the offer, sale or distribution, or invitation for subscription, purchase or receipt of New OZ Minerals Shares may not be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to New OZ Minerals Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person. Any investment referred to in this Acquisition Scheme Booklet may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investment.

Neither Cassini nor OZ Minerals is in the business of dealing in securities or holds itself out, or purports to hold itself out, to be doing so. As such, Cassini and OZ Minerals are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(d) **Hong Kong**

**WARNING:** The contents of this Acquisition Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Acquisition Scheme. If you are in any doubt about any of the contents of this Acquisition Scheme Booklet, you should obtain independent professional advice.

This Acquisition Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Acquisition Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Acquisition Scheme Booklet in Hong Kong, other than to persons who are “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Acquisition Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

(e) **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the New OZ Minerals Shares. The New OZ Minerals Shares may not be issued or transferred in Malaysia except to persons who are Cassini Shareholders in compliance with the Acquisition Scheme.

(f) **China**

The information in this Acquisition Scheme Booklet does not constitute a public offer of New OZ Minerals Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New OZ Minerals Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

## **12.15 Supplementary information**

If, between the date of lodgement of this Acquisition Scheme Booklet for registration by ASIC and the Effective Date, Cassini becomes aware of any of the following:

- (a) a material statement in this Acquisition Scheme Booklet is false or misleading or deceptive;
- (b) a material omission from this Acquisition Scheme Booklet;
- (c) a significant change affecting a matter included in this Acquisition Scheme Booklet; or
- (d) a significant new matter that has arisen and that would have been required to be included in this Acquisition Scheme Booklet if it had arisen before the date of lodgement of this Acquisition Scheme Booklet for registration by ASIC,

Cassini will make available supplementary material to Cassini Shareholders. Cassini intends to make available any supplementary material by releasing that material to ASX ([www.asx.com.au](http://www.asx.com.au)) and posting the supplementary document to Cassini's website (<https://www.cassiniresources.com.au/>). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Cassini may also send such supplementary materials to Cassini Shareholders.

## **12.16 Other material information**

Except as set out in this Acquisition Scheme Booklet, there is no other information material to the making of a decision in relation to the Acquisition Scheme, being information that is within the knowledge of Cassini which has not previously been disclosed to Cassini Shareholders.



THE ISSUE OF THIS ACQUISITION SCHEME BOOKLET IS AUTHORISED BY THE DIRECTORS OF CASSINI RESOURCES LIMITED AND THIS ACQUISITION SCHEME BOOKLET HAS BEEN SIGNED BY OR ON BEHALF OF THE DIRECTORS OF CASSINI RESOURCES LIMITED ON 12 AUGUST 2020

A handwritten signature in black ink, appearing to read 'Richard Bevan', written over a large, faint, vertical watermark that says 'For personal use only'.

**Richard Bevan**  
**Managing Director**

## 13. Glossary

In this Acquisition Scheme Booklet, unless the context requires otherwise:

**\$ or A\$** means the lawful currency of Australia.

**Acquisition Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Cassini and Acquisition Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

**Acquisition Scheme Booklet** means the scheme booklet to be despatched to all Cassini Shareholders in connection with the Acquisition Scheme, which will contain (among other things) the Independent Expert's Report, a notice of meeting in respect of the Acquisition Scheme Meeting and a proxy form.

**Acquisition Scheme Consideration** means one New OZ Minerals Share for every 68.5 Acquisition Scheme Shares held by an Acquisition Scheme Shareholder.

**Acquisition Scheme Implementation Deed** means the Acquisition Scheme Implementation Deed dated 21 June 2020 (as amended and restated on or about 7 August 2020) between Cassini and OZ Minerals being Annexure 2.

**Acquisition Scheme Meeting** means the meeting of Cassini Shareholders ordered by the Court for the purposes of considering the Acquisition Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

**Acquisition Scheme Resolution** means the resolution to be proposed to the Cassini Shareholders at the Acquisition Scheme Meeting to approve the Acquisition Scheme, set out in the Notice of Acquisition Scheme Meeting.

**Acquisition Scheme Share** means a Cassini Share held by an Acquisition Scheme Shareholder as at the Record Date.

**Acquisition Scheme Shareholder** means each person who is a Cassini Shareholder (other than any member of OZ Minerals Group) on the Record Date.

**Annexure** means an annexure to this Acquisition Scheme Booklet.

**Announcement Date** means the date on which Cassini and OZ Minerals announced to ASX that they had entered into the Acquisition Scheme Implementation Deed, being 22 June 2020.

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the meaning given in section 12 of the Corporations Act as if section 12(1) of that Act included a reference to the Acquisition Scheme Implementation Deed and Cassini was the designated body.

**ASX** means ASX Limited or the Australian Securities Exchange, as the context requires.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532.

**Authorised Person** means, in respect of a person:

- (a) a director, officer or employee of the person;
- (b) an adviser of the person; and
- (c) a director, officer or employee of an adviser of the person.

**AWST** means Australian Western Standard Time.

**Bankable Feasibility Study** has the meaning given in the JORC Code.

**Board** means the board of directors of Cassini or OZ Minerals (as applicable).

**Bonus Issue** has the meaning given to that term in the Listing Rules.

**Business Day** means a day that is not a Saturday, Sunday or a public holiday in Perth, Western Australia.

**C1** means direct costs incurred in mining, processing and selling of minerals.

**Capital Reduction** means, subject to Cassini Shareholder approval, the capital reduction to be undertaken as part of the implementation of the Demerger Scheme pursuant to section 256C of the Corporations Act.

**Capital Reduction Meeting** means the general meeting to be convened by Cassini at which Cassini Shareholders will vote on the Capital Reduction Resolution.

**Capital Reduction Resolution** means the resolution to be put to Cassini Shareholders to approve the Capital Reduction.

**Capital Return** has the meaning given to that term in the Letter from Directors of Cassini Resources Limited.

**Caspin** means Caspin Resources Limited ACN 641 813 587.

**Caspin Share** means a fully paid ordinary share issued in the capital of Caspin.

**Cassini** or **Company** means Cassini Resources Limited ACN 149 789 337.

**Cassini Board** means the board of directors of Cassini from time to time.

**Cassini Break Fee** means A\$760,000 (exclusive of GST).

**Cassini Director** or **Director** means a director of Cassini.

**Cassini Employee Incentive Plan** means the Cassini Performance Rights and Options Plan as approved by Cassini Shareholders on 29 November 2018.

**Cassini Group** means Cassini and its Subsidiaries.

**Cassini Indemnified Party** means any member of the Cassini Group, or any director, officer, employee or adviser of any member of the Cassini Group, who held such position at any time before the Implementation Date.

**Cassini Information** means all information included in the Acquisition Scheme Booklet other than the OZ Minerals Information and the Independent Expert's Report.

**Cassini Material Adverse Change** means one or more changes, events, circumstances, occurrences or matters that occur, are announced, are disclosed or otherwise becomes known to OZ Minerals (whether it becomes public or not) which (whether individually or when aggregated with all such changes, events, circumstances, occurrences or matters) has had or is reasonably likely to have to the effect of:

- (a) Cassini, or any member of the Cassini Group:
  - (i) ceasing to have legal or beneficial title (or the ability to enjoy access consistent with prior practice) to any Key Tenement; or
  - (ii) breaching any of the terms and conditions, laws or regulations to which a Key Tenement is subject; and
- (b) Cassini, or any member of the Cassini Group:
  - (i) ceasing to have legal or beneficial title (or the ability to enjoy access consistent with prior practice) to any non-Key Tenement; or
  - (ii) breaching any of the terms and conditions, laws or regulations to which a non-Key Tenement is subject,where this would have, or could reasonably be expected to have, a material impact on the West Musgrave Project;
- (c) any Key Tenement becoming subject to cancellation, revocation, forfeiture or surrender;

- (d) any non-Key Tenement becoming subject to cancellation, revocation, forfeiture or surrender, where this would have, or could reasonably be expected to have, a material impact on the West Musgrave Project; or
- (e) the Cassini Group, or any member of the Cassini Group, being the subject of a Claim (which is not wholly included in the Demerged Assets and Liabilities) which has, or is reasonably likely to lead to, liability, loss or damages of more than A\$2.5 million to the Cassini Group,

in each case other than matters, events or circumstances:

- (a) expressly required or permitted by the Acquisition Scheme Implementation Deed, the Acquisition Scheme or the Demerger Documents;
- (b) fairly disclosed to OZ Minerals, ASIC or ASX within three years prior to the date of the Acquisition Scheme Implementation Deed;
- (c) which arise from changes in interest rates, commodity prices or currency exchange rates;
- (d) which are known by OZ Minerals as at the date of the Acquisition Scheme Implementation Deed;
- (e) arising as a result of any change in law or governmental policy applicable to any member of the Cassini Group;
- (f) which arise as a consequence of COVID-19;
- (g) arising out of any action or inaction by OZ Minerals which amounts to a breach of the Joint Venture Agreement;
- (h) arising out of any action taken by, or under the instruction of, the OZ Minerals Group in relation to the West Musgrave Project; or
- (i) that occur with the written consent of OZ Minerals.

**Cassini Optionholder** means the holder of a Cassini Option.

**Cassini Option or Options** means an option to acquire a Cassini Share, with such option being on issue as at the Effective Date.

**Cassini Performance Right** means a right granted by Cassini to acquire by way of issue a Share and for the avoidance of doubt, does not include an Option.

**Cassini Register** means the register of Cassini Shareholders maintained in accordance with the Corporations Act.

**Cassini Share** means a fully paid ordinary share issued in the capital of Cassini.

**Cassini Shareholder** means a person who is registered in the Cassini Register as the holder of one or more Cassini Shares, from time to time.

**CHESS** means the clearing house electronic sub-register system of security transfers operated by ASX Settlement.

**Claim** means in relation to a person, any claim, cause of action, proceeding, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or ascertained, actual or contingent.

**Combined Group** means the combined Cassini Group and OZ Minerals Group, post-Demerger of Caspin and implementation of the Acquisition Scheme.

**Competing Proposal** means any inquiry, offer, proposal or expression of interest, transaction or arrangement (including by way of takeover bid or scheme of arrangement), other than the Transaction, under which, if entered into or ultimately completed substantially in accordance with its terms, a person or two or more persons who are Associates (other than OZ Minerals or its Related Bodies Corporate) would directly or indirectly:

- (a) acquire a Relevant Interest in or become the holder of more than 15% of the issued share capital of Cassini;
- (b) acquire, obtain a right to acquire, or otherwise obtain an economic interest in 15% of the issued share capital of Cassini (including, without limitation, under any swap or other derivative arrangement);

- (c) acquire control of Cassini within the meaning of section 50AA of the Corporations Act, disregarding section 50AA(4) of the Corporations Act;
- (d) acquire, obtain a right (including an option) to acquire, or otherwise obtain an economic interest in, any minerals produced from the West Musgrave Project (including, without limitation, under an offtake, streaming, royalty or similar arrangement); or
- (e) merge with Cassini or any of its controlled entities, whether by takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase or exchange, sale or purchase of assets or businesses, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for Cassini or other synthetic merger or any other transaction or arrangement,

but excluding, for the avoidance of doubt, the Restructure.

**Contingent Payment Deed** means the deed between OZ Minerals and Caspin dated 21 June 2020 which provides for the potential payment of the Contingent Consideration.

**Contingent Consideration** has the meaning given to that term in the Letter from Directors of Cassini Resources Limited.

**Control** has the meaning given to that term in section 50AA of the Corporations Act and **Controlling** and **Controlled** has the corresponding meaning.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Court** means the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act as agreed in writing between Cassini and OZ Minerals.

**Deed Poll** means the deed poll executed by OZ Minerals and set out in Annexure 4 of this Acquisition Scheme Booklet.

**Demerged Assets and Liabilities** means the Caspin Assets and the Caspin Liabilities (as such terms are defined in the Demerger Deed) which will be held (directly or indirectly) by Caspin immediately prior to the implementation of the Demerger Scheme.

**Demerger** means the demerger of Caspin from Cassini by way of the Demerger Scheme and the Capital Reduction.

**Demerger Cash Entitlement** means A\$0.01 per Cassini Share held on the Record Date.

**Demerger Deed** means the deed between Cassini and Caspin which sets out the process for the restructure of the Cassini Group to effect the transfer of the Demerged Assets and Liabilities to Caspin and to enable the legal and operational separation of Caspin from Cassini so that Caspin can operate as a separate entity.

**Demerger Documents** means:

- (a) the Demerger Scheme Implementation Deed;
- (b) the Demerger Scheme;
- (c) the Demerger Scheme Deed Poll;
- (d) the Demerger Deed;
- (e) the documents contemplated by the Demerger Deed as required to effect the restructure of the Cassin Group; and
- (f) any other document which is necessary or desirable to be entered into between Cassini and a member of the Cassini Group in relation to the Demerger Scheme,



for (a) to (e), in agreed form as at the date of the Demerger Scheme Implementation Deed and as initialled by or on behalf of OZ Minerals and Cassini, in each case for the purposes of identification, and any amendments to such documents as consented to in writing by OZ Minerals (such consent not to be unreasonably withheld).

**Demerger Entitlement** means, in relation to a Demerger Scheme Shareholder, the Demerger Cash Entitlement and the Demerger Share Entitlement.

**Demerger Implementation Date** means the date that is one Business Day prior to the Implementation Date.

**Demerger Scheme** means the members' scheme of arrangement under Part 5.1 of the Corporations Act between Cassini and the Demerger Scheme Shareholders pursuant to which Cassini will demerge Caspin by applying the Capital Reduction, on behalf of Demerger Scheme Shareholders, for the transfer to those shareholders of the Caspin Shares and a cash distribution of 1 cent per Cassini Share, in the form attached to the Demerger Scheme Implementation Deed, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

**Demerger Scheme Booklet** means the information booklet to be despatched to all Cassini Shareholders and approved by the Court in connection with the Demerger Scheme, including the Demerger Scheme, the Explanatory Statement in respect of the Demerger Scheme, the Independent Expert's Report and the notice of meeting.

**Demerger Scheme Deed Poll** means the deed poll to be entered into by Cassini in respect of the provision of the Demerger Scheme in the form attached to the Demerger Scheme Implementation Deed.

**Demerger Scheme Implementation Deed** means the demerger scheme implementation deed between Cassini and Caspin.

**Demerger Scheme Meeting** means the meeting of Cassini Shareholders convened by the Court in relation to the Demerger Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

**Demerger Scheme Share** means a Cassini Share on issue at the Record Date

**Demerger Scheme Shareholder** means each person registered in the Cassini Register as the holder of Demerger Scheme Shares as at the Record Date.

**Demerger Share Entitlement** means 1 Caspin Share for every 22 Cassini Shares held on the Record Date.

**Effect** means, when used in relation to the Acquisition Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Acquisition Scheme and **Effective** has a corresponding meaning.

**Effective Date** means the date the Acquisition Scheme becomes Effective.

**Election** has the meaning given to that term in section 5.3 and **Elect** has a corresponding meaning.

**Election Form** means the election forms provided with the Acquisition Scheme Booklet under which a Small Shareholder can make an Election to receive their Acquisition Scheme Consideration in the form of New OZ Minerals Shares.

**End Date** means 21 December 2020 or such later date as OZ Minerals and Cassini agree in writing.

**Exclusivity Period** means the period commencing on the Execution Date and ending on the earlier of the date the Acquisition Scheme Implementation Deed is terminated, the Implementation Date or the End Date.

**Explanatory Statement** means the statement pursuant to section 412 of the Corporations Act, which will be registered by ASIC in relation to the Acquisition Scheme, copies of which will be included in the Acquisition Scheme Booklet.

**Good Reason** means the occurrence of any of the following events:

- (a) a material change in the Mr Bevan's status or position, including any material adverse change in status or position as a result of a material diminution in Mr Bevan's duties or authorities or the assignment of any duties or responsibilities which are materially inconsistent with such status or position;
- (b) a material reduction by Cassini in Mr Bevan's annual base salary;
- (c) a material failure by Cassini to continue any benefit program in which Mr Bevan is participating other than as a result of the normal expiration of such program;
- (d) Cassini requiring Mr Bevan to be based anywhere other than where he is based at the time of the change of control, except for required travel in the ordinary course of business;
- (e) Cassini requiring Mr Bevan to report to a person of lower apparent or ostensible authority or standing within Cassini; or
- (f) any other action by Cassini which would constitute constructive dismissal at law.

**Government and Regulatory Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian (including ASIC and the Takeovers Panel). It also includes ASX and any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions.

**Grant Thornton** means Grant Thornton Corporate Finance Pty Ltd.

**GST** has the meaning given to it in the GST law.

**GST law** has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Headcount Test** means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Acquisition Scheme at the Acquisition Scheme Meeting is passed by a majority in number of Cassini Shareholders present and voting, either in person or by proxy.

**Implementation Date** means the date that is 5 Business Days after the Record Date, or such other date (after the Record Date) as Cassini and OZ Minerals agree in writing.

**Independent Expert** means Grant Thornton Corporate Finance Pty Ltd.

**Independent Expert's Report** means the report in Annexure 1.

**Independent Technical Specialist** means CSA Global Pty Ltd.

**Independent Technical Specialist Report** means the report in appendix H to the Independent Expert's Report.

**Ineligible Shareholder** means an Acquisition Scheme Shareholder whose Registered Address is in an is in a jurisdiction outside Australia and its external territories, New Zealand, Hong Kong, Singapore, Malaysia and the People's Republic of China and any other jurisdiction in respect of which OZ Minerals reasonably believes that it is not prohibited and not unduly onerous or impractical to implement this Acquisition Scheme and to issue New OZ Minerals Shares to an Acquisition Scheme Shareholder with a Registered Address in such jurisdiction.

**Ineligible Jurisdiction** means, any jurisdiction other than Australia and its external territories, New Zealand, Hong Kong, Singapore, Malaysia and the People's Republic of China.

**Insolvency Event** means in relation to a person:

- (a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity;
- (b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;
- (c) the entity executing a deed of company arrangement;

- (d) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation) or is otherwise presumed to be insolvent under the Corporations Act unless the entity has, or has access to, committed financial support from its parent entity such that it is able to pay its debts; or
- (e) the entity being deregistered as a company or otherwise dissolved.

**Interested Persons** has the meaning given to that term in Section 7.16.

**Joint Venture** means the joint venture between Cassini and OZ Minerals in relation to the West Musgrave Project.

**Joint Venture Agreement** means the Farmin and Joint Venture Agreement – West Musgrave Project between OZ Exploration Pty Ltd, OZ Minerals, Wirraway Metals & Mining Pty Ltd and Cassini dated 12 October 2016, as subsequently amended from time to time.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.

**Key Tenement** means the Tenements on which any part of the Nebo-Babel and Succoth deposits are located.

**Listing Rules** means the official listing rules of ASX.

**Marketable Parcel** has the meaning given to that term in the Listing Rules.

**Mineral Resource** has the meaning given to that term in the JORC Code.

**Mount Squires Project** means the Mount Squires Project 100% held by Cassini.

**New Caspin Shares** has the meaning defined in the Demerger Scheme Implementation Deed.

**New OZ Minerals Share** means a OZ Minerals Share to be issued under the Acquisition Scheme.

**Non-Electing Small Shareholder** has the meaning given to that term in Section 5.3.

**Notice of Acquisition Scheme Meeting** means the notice convening the Acquisition Scheme Meeting together with the Proxy Forms for that meeting as set out in Annexure 5.

**Ore Reserve** has the meaning given to that term in the JORC Code.

**OZ Minerals** means OZ Minerals Limited ACN 005 482 824.

**OZ Minerals Break Fee** means A\$760,000 (exclusive of GST).

**OZ Minerals Board** means the board of directors of OZ Minerals.

**OZ Minerals Directors** means the Directors of OZ Minerals.

**OZ Minerals Group** means OZ Minerals and each of its Related Bodies Corporate.

**OZ Minerals Information** means information regarding the OZ Minerals Group provided by or on behalf of OZ Minerals to Cassini or its Representatives in writing for inclusion in the Acquisition Scheme Booklet, being the information in the sections or parts of those sections described below:

- (a) Letter from the Directors of OZ Minerals;
- (b) the Important Notes section:
- (i) the second paragraph under the heading “Responsibility Statement”; and
  - (ii) the fourth and fifth paragraphs under the heading “Forward looking statements” to the extent it relates to OZ Minerals;

- (c) Section 3 under the part named "Questions about OZ Minerals";
- (d) the second last and last paragraphs in Section 5.4;
- (e) Section 7;
- (f) Section 8 as it relates to OZ Minerals contribution to the information regarding the Combined Group;
- (g) Sections 9.2(d), 9.2(h) and 9.3; and
- (h) Section 13: the following definitions contained in the Glossary:
  - (i) OZ Minerals;
  - (ii) OZ Minerals Break Fee;
  - (iii) OZ Minerals Board;
  - (iv) OZ Minerals Group;
  - (v) OZ Minerals Material Adverse Change;
  - (vi) OZ Minerals Register;
  - (vii) OZ Minerals Shares; and
  - (viii) OZ Minerals Shareholder,

except in each case to the extent that information is based on information provided or prepared by or on behalf of Cassini.

**OZ Minerals Material Adverse Change** means one or more changes, events, circumstances, occurrences or matters that occur, are announced, are disclosed or otherwise becomes known to Cassini (whether it becomes public or not) which (whether individually or when aggregated with all such changes, events, circumstances, occurrences or matters) has had or is reasonably likely to have to the effect of:

- (a) reducing the consolidated net assets of the OZ Minerals Group by A\$450 million; or
- (b) the OZ Minerals Group being unable to carry on its business in substantially the same manner as carried on at the date of the Acquisition Scheme Implementation Deed,

in each case other than matters, events or circumstances:

- (c) fairly disclosed to the other party, ASX or ASIC within three years prior to the date of the Acquisition Scheme Implementation Deed;
- (d) which arise from changes in interest rates, commodity prices or currency exchange rates;
- (e) which arise as a consequence of COVID-19 in relation to the operations of the OZ Minerals Group in Brazil;
- (f) which are known by Cassini as at the date of Acquisition Scheme Implementation Deed;
- (g) arising as a result of any change in law or governmental policy applicable to the relevant party;
- (h) arising out of any action or inaction by Cassini which amounts to a breach of the Joint Venture Agreement; or
- (i) that occur with the written consent of Cassini.

**OZ Minerals Register** means the share register of OZ Minerals Shareholders maintained by or on behalf of OZ Minerals in accordance with the Corporations Act.

**OZ Minerals Share** means a fully paid ordinary share in the capital of OZ Minerals.

**OZ Minerals Shareholder** means a person who is registered in the OZ Minerals Register as the holder of one or more OZ Minerals Shares, from time to time.

**Pre-Feasibility Study** has the meaning given in the JORC Code.

**Prescribed Occurrence** has the meaning given in the Acquisition Scheme Implementation Deed.

**Proxy Form** means the proxy form that accompanies this Acquisition Scheme Booklet or is available from the Share Registry.

**Record Date** means 5:00pm on the date that is 2 Business Days after the Effective Date, or such other date (after the Effective Date) as Cassini and OZ Minerals agree in writing.

**Registered Address** means, in relation to an Acquisition Scheme Shareholder, the address of the Acquisition Scheme Shareholder shown in the Cassini Register.

**Related Body Corporate** has the meaning given to that term in section 50 of the Corporations Act.

**Related Entity** means, in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

**Relevant Foreign Resident Declaration Form** means a form for making a declaration in accordance with the Withholding Law.

**Relevant Interest** has the meaning given to that term in section 9 of the Corporations Act.

**Representative** means:

- (a) in relation to Cassini, a member of the Cassini Group, any director, officer or employee of any member of the Cassini Group, and any financier, financial adviser, accounting adviser, auditor, legal adviser or technical or other expert adviser or consultant to any member of the Cassini Group in relation to the Transaction; and
- (b) in relation to OZ Minerals, a member of the OZ Minerals Group, any director, officer or employee of any member of the OZ Minerals Group and any financier, financial adviser, accounting adviser, auditor, legal adviser, or technical or other expert adviser or consultant to any member of the OZ Minerals Group in relation to the Transaction.

**Requisite Majority** means in relation to the Acquisition Scheme Resolution, a resolution passed by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders (as the case may be), who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (b) at least 75% of the votes cast on the resolution.

**Restructure** has the meaning given in the Acquisition Scheme Implementation Deed.

**Rights Issue** has the meaning given to that term in the Listing Rules.

**Sale Agent** means a person (or that person's nominee) appointed by OZ Minerals and Cassini to sell the OZ Minerals Shares that would otherwise be issued to or for the benefit of Ineligible Shareholders or Non-Electing Small Shareholders under the terms of the Acquisition Scheme.

**Sale Facility** means the facility to be made available to Ineligible Shareholders and Non-Electing Small Shareholders for their Acquisition Scheme Consideration to be sold by the Sale Agent and have the net proceeds of sale remitted to them as contemplated in section 5.4.

**Scoping Study** has the meaning given in the JORC Code.



**Small Shareholder** means an Acquisition Scheme Shareholder (not being an Ineligible Shareholder) who, based on their holding of Acquisition Scheme Shares on the Record Date, would, on implementation of the Acquisition Scheme, be entitled to receive less than a Marketable Parcel of New OZ Minerals Shares (assessed by reference to the last traded price of OZ Minerals shares on ASX on the trading day prior to the Record Date) as Acquisition Scheme Consideration.

**Second Court Date** means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Acquisition Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

**Section** means a section of this Acquisition Scheme Booklet.

**Share Registry** means Automatic Registry Services.

**Subsidiary** has the meaning given to that term in section 46 of the Corporations Act.

**Superior Proposal** means a bona fide Competing Proposal which in the opinion of a majority of members of the Cassini Board in order to satisfy what they consider to be their fiduciary or statutory duties (after having received advice from their external legal and financial advisers):

- (a) is capable of being completed in accordance with its terms, taking into account all financial, regulatory and other aspects of the proposal, including the ability of the proposing party to consummate the transactions contemplated by the Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to Cassini Shareholders as a whole than the Transaction, taking into account all of the terms and conditions of the Competing Proposal, including conditionality, funding, certainty and timing.

**Tenements** means the tenements that form part of the West Musgrave Project as defined in the Joint Venture Agreement.

**Transaction** means the Acquisition Scheme, Demerger Scheme and the Capital Reduction.

**Voting Power** has the meaning given to it in the Corporations Act.

**VWAP** means the volume weighted average price.

**West Musgrave Project** means any resource exploration, development or mining project within the area of the Tenements and includes, but is not limited to, the project the subject of the Joint Venture Agreement.

**Withholding Law** means a withholding rate variation notice issued by the Commissioner in accordance with the Withholding Law.

In this Acquisition Scheme Booklet (other than in Annexures 1 to 5):

- (a) all dates and times are Perth, Western Australia times unless otherwise indicated;
- (b) words and phrases not otherwise defined in this Acquisition Scheme Booklet have the same meaning (if any) as is given to them by the Corporations Act;
- (c) the singular includes the plural and vice versa. A reference to a person includes a reference to a corporation;
- (d) headings are for ease of reference only and do not affect the interpretation of this Acquisition Scheme Booklet; and
- (e) a reference to a Section is to a Section in this Acquisition Scheme Booklet unless stated otherwise.

## ANNEXURE 1: – INDEPENDENT EXPERT'S REPORT



Grant Thornton

An instinct for growth™

# Cassini Resources Limited

## Acquisition Scheme

Independent Expert's Report and Financial Services Guide

7 August 2020

The Directors  
Cassini Resource Limited  
Ground Floor, 16 Ord Street  
West Perth WA 6005

7 August 2020

Dear Directors

## Introduction

Cassini Resources Limited ("Cassini" or "the Company") is a base and precious metals developer and explorer headquartered in Perth, Western Australia. Cassini's flagship West Musgrave Project ("West Musgrave Project") is a new mining camp in Western Australia with three existing nickel and copper sulphide deposits and a number of other significant regional exploration targets. Currently the West Musgrave Project is owned 30% by Cassini and 70% by OZ Minerals Limited ("OZ Minerals"). Separately, Cassini is also exploring at its 100% owned Mt. Squires Gold Project ("Mount Squires Project"), and its 80% owned Yarawindah Brook Nickel-Copper-Cobalt Project ("Yarawindah Brook Project"), both also located in Western Australia. Cassini is listed on the Australian Securities Exchange ("ASX") and had a market capitalisation of A\$85.6<sup>1</sup> million as at 6 August 2020.

On 22 June 2020, Cassini announced that it had entered into an inter-conditional Acquisition Scheme Implementation Deed in relation to an acquisition scheme of arrangement ("Acquisition Scheme") and also proposed to also undertake a demerger ("Demerger") of Caspin Resources Limited ("Caspin") via a demerger scheme of arrangement ("Demerger Scheme").

Pursuant to the Acquisition Scheme, OZ Minerals proposes to acquire all of the shares in Cassini on a post-Demerger basis through a scheme of arrangement. As outlined in that announcement, if the Acquisition Scheme is approved and becomes effective Cassini Shareholders will receive scrip consideration of 1 New OZ Mineral Share for every 68.5 Acquisition Scheme Shares held at the Record Date ("Acquisition Scheme Consideration"). Post-transaction Cassini Shareholders are estimated to own approximately 2% of the combined OZ Minerals.

Immediately before the implementation of the Acquisition Scheme, Cassini will undertake a demerger of Caspin, currently a wholly owned subsidiary of Cassini, which will hold the Yarawindah Brook and Mount Squires assets, by way of a scheme of arrangement. Under the Demerger Scheme, Cassini shareholders ("Cassini Shareholders") will receive 1 share in Caspin for every 22 Cassini shares held and a cash distribution of A\$0.01 for every Cassini share held ("Capital Return") at the Record Date<sup>2</sup>. To facilitate the Demerger Scheme, Cassini will undertake a capital reduction to be approved by Cassini shareholders. It is the intention of the directors of Caspin that Caspin will apply for admission to the official list of the ASX as soon as practicable following the implementation of the Demerger Scheme. The Acquisition Scheme and Demerger Scheme are inter-conditional. The total consideration received for the Acquisition Scheme, Demerger Scheme and Capital Return is referred to in this report as the "Scheme Consideration".

<sup>1</sup> Based on the closing share price of A\$0.20 as at 6 August 2020 and 427.8 million shares outstanding.

<sup>2</sup> This will occur in the same proportion of the shares held in Cassini before the Demerger Scheme.

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As part of the transaction consideration, Caspin will also hold the right to receive a future potential payment by OZ Minerals under certain circumstances as discussed in section 1 ("Contingent Consideration").

Whilst from a legal perspective, the transaction has been structured as two separate schemes, the substance is that Cassini Shareholders are being asked to sell 100% of their Cassini Shares in exchange for the following Scheme Consideration:

- 1 New OZ Mineral Share for every 68.5 Cassini Shares.
- 1 share in Caspin for every 22 Cassini Shares.
- The Capital Return of A\$0.01 per Cassini Share.

As at the date of this Report, and as set out in the Acquisition Scheme Booklet, the Directors of Cassini recommend that you vote in favour of the Acquisition Scheme in the absence of a superior proposal. Similarly, the Directors of Cassini recommend that you vote in favour of the Demerger Scheme.

### Purpose of the report

The directors of Cassini (the "Directors") have requested that Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") provide an Independent Expert's Report advising whether, in our opinion, the Acquisition Scheme is in the best interests of Cassini Shareholders. Grant Thornton Corporate Finance has also been engaged by the Directors to provide an Independent Expert's Report in relation to the Demerger Scheme. Refer to the Demerger Scheme booklet for the Demerger Scheme Independent Expert's Report.

Section 411 of the Corporation Act 2001 (Section 411) regulates schemes of arrangement between companies and their shareholders. Part 3 of Section 411 prescribes the information to be provided to shareholders in relation to schemes of arrangement.

As OZ Minerals does not have any directors in common with Cassini, and does not hold any shares in Cassini, there is no legal requirement for an independent expert's report under section 411(3). However, whilst there is no legal requirement for the preparation of an independent expert's in conjunction with the Acquisition Scheme, the Directors have decided to commission this report to assist Cassini Shareholders in assessing the merits of Acquisition Scheme<sup>3</sup>.

When preparing this expert's report, Grant Thornton Corporate Finance has had regard to the Australian Securities Investment Commission ("ASIC") Regulatory Guide 111 *Contents of expert reports* ("RG 111") and Regulatory Guide 112 *Independence of experts* ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

For the purposes of this report, Grant Thornton Corporate Finance has engaged CSA Global Pty Ltd ("CSA Global") to review and opine on the reasonableness of the technical assumptions adopted for the West Musgrave Project and to provide an opinion on value for the resources and exploration assets not captured

<sup>3</sup> We note that it is a condition precedent of the Scheme that an IER concludes the Scheme is in the best interests of Cassini Shareholders.



in the Pre-Feasibility Study ("PFS"). CSA Global's valuation was prepared in accordance with the VALMIN Code and is attached in Appendix H ("CSA Report").

Grant Thornton Corporate Finance and CSA Global (for the purposes of the CSA Report) and with consultation with Cassini management have made a number of independent judgements including for example, the timing and profile of bankable feasibility study ("BFS") costs and the timing of development activities. These judgements are for the specific purposes of this report, and as at the date of this report, and may vary, materially or otherwise, with the intentions or expectations currently held by Cassini, its joint venture partners and/or third party operators.

This report is to be included in the Scheme Booklet to be sent to Cassini Shareholders and has been prepared for the exclusive purpose of assisting Cassini Shareholders in their consideration of the Acquisition Scheme. Neither Grant Thornton Corporate Finance, nor any member or employee thereof, undertakes responsibility to any person, other than the Cassini Shareholders and Cassini, in respect of this report, including any errors or omissions however caused.

### Summary of opinion

**Grant Thornton Corporate Finance has concluded that the Acquisition Scheme is FAIR AND REASONABLE and hence in the BEST INTERESTS of Cassini Shareholders.**

### ***Fairness Assessment***

In forming our opinion in relation to the fairness of the Acquisition Scheme to the Cassini Shareholders, we have considered the interdependency of the Acquisition Scheme and the Demerger Scheme and the transaction as a whole. Whilst Cassini Shareholders are required to vote on each scheme separately, the substance of the transaction is such that Cassini Shareholders need to consider their options being:

- Retain shares in Cassini in its current form; or
- Enable the sale of their 30% interest in the West Musgrave Project and demerge a separate entity holding the Yarawindah Brook Project and Mount Squires Project assets in exchange for: shares in OZ Minerals; shares in the demerged entity Caspin; the Capital Return; and the potential to receive the Contingent Consideration.

It is our view that as the Acquisition Scheme can only proceed if the Demerger Scheme proceeds, and vice versa, it is necessary to consider the fairness of the overall transaction and the Scheme Consideration.

Grant Thornton Corporate Finance has compared the value per Cassini Share before the Acquisition Scheme and Demerger Scheme on a control basis to the value of the Scheme Consideration being offered, being: OZ Minerals Shares on a minority basis; the Capital Return; and the value of Caspin Shares following the demerger.



The following table summarises our fairness assessment:

Fairness assessment	Section Reference	Low	High
A\$ / Share			
Valuation of Cassini Shares	8	0.11	0.21
Implied Scheme Consideration per Cassini Share	9	0.19	0.22
<b>Premium / (Discount)</b>		<b>0.09</b>	<b>0.02</b>
<b>Premium / (Discount) %</b>		<b>85.0%</b>	<b>7.6%</b>
<b>FAIRNESS ASSESSMENT</b>		<b>FAIR</b>	

Source: GTCF analysis

Note: some totals may not appear to add due to rounding

The Scheme Consideration is within our valuation range for a Cassini Share on a 100% and fully diluted basis. Accordingly, we conclude that the Scheme is **FAIR** to Cassini Shareholders.

Cassini Shareholders should be aware that our assessment of the value per Cassini Share and the value of OZ Minerals shares and Caspin Shares (both included in the Scheme Consideration) should not be considered to reflect the price at which they will trade. The price at which they will ultimately trade depends on a range of factors, including: the liquidity; macro-economic conditions; the regulatory and political environment; exchange rates; and the performance of the underlying operations and commodity prices.

#### *Valuation assessment of Cassini Shares*

In our valuation assessment of the fair market value of Cassini Shares after the Demerger Scheme and Capital Return, we have relied on a sum of the parts ("SOP") approach, which includes a Discounted Cash Flow ("DCF") assessment of Cassini's 30% interest in the West Musgrave Project and values attributable to other assets and liabilities of Cassini, including the resources and tenements not captured in the DCF, as determined by CSA Global. We have cross checked the fair market value of Cassini's 30% interest in the West Musgrave Project based on Resource Multiple method.

We have used a financial model provided by Cassini forecasting the post-tax free cash flows of the West Musgrave Project ("PFS Model") based on the PFS and industry benchmarks. CSA Global has reviewed the PFS Model and has provided us with their opinion on the reasonableness of the technical assumptions adopted for the West Musgrave Project. We have considered alternative valuation approaches for the West Musgrave Project including the application of reserve and resource multiples and the quoted share price method. We selected the DCF as the primary method on the basis of the following:

- The West Musgrave Project has JORC compliant Probable Ore Reserves of 220Mt, as well as an additional 120Mt of Indicated and Inferred Mineral Resources. The forecasts contained in the PFS assume mining of the Ore Reserves, therefore providing support for the production forecasts.
- The PFS Model was reviewed by CSA Global who have provided us with their opinion on the reasonableness of certain key assumptions. We have had regard to their comments and performed a sensitivity analysis to address their concern around the marketability of the concentrates locally versus internationally.
- We have analysed the Cassini share price prior to the announcement of the schemes and consider it to be illiquid, and therefore may not be representative of the value of the underlying assets.

- Observed Ore Reserve and Mineral Resource multiples based on comparable companies and transactions are broad as they are specific to the particular assets (which can vary widely in quality and risk profile) underlying each company. We consider that these multiples provided a basis for a cross check rather than a primary valuation methodology.

For the purposes of the DCF Method, we have modelled the future performance of the West Musgrave Project based on the key assumptions contained in the PFS, based on an expected Life of Mine of 26 years, consistent with the current Ore Reserve (Ore Reserves are currently sufficient for a 22 year mine life) and Mineral Resource estimates. We have assessed the net present value of the future cash flows utilising a real, post tax, weighted average cost of capital ("WACC") between 9.5% and 10.5%, reflecting the commodity composition, sector and the early stage of the West Musgrave Project and the risks associated with proceeding to production. As the West Musgrave Project is at pre-feasibility stage there is still significant risks associated with proceeding to production, including availability of funding, gaining all relevant approvals, capital expenditure, timing delays and commodity price fluctuations. Where these have not been captured in the Financial Model, we have considered these factors in the determination of our WACC.

The following table provides a summary of the SOP approach having regard to our DCF assessment, CSA Report at Appendix H and the balance sheet as at 31 March 2019.

Sum of Parts Valuation Summary (A\$ million)	Section Reference	Low	High
WACC		10.5%	9.5%
West Musgrave Project 100% value	8.2	188.7	323.0
Cassini share of West Musgrave Project		30%	30%
Cassini share of West Musgrave Project		56.6	96.9
<u>Other Cassini West Musgrave Project Adjustments:</u>			
OZL loan deferred-carry net impacts	8.2.1.3	6.2	5.4
Other Cassini South32 Obligations	8.2.1.3	(18.6)	(20.8)
Add: Other Mineral Assets	8.2.2	14.8	14.8
Add: Demerger assets	8.2.3	1.3	9.6
Less: Net debt	8.2.4	(0.1)	(0.1)
Less: Corporate costs	8.2.5	(13.2)	(14.3)
<b>Equity Value (control basis)</b>		<b>47.0</b>	<b>91.6</b>
Number of outstanding shares (fully diluted) (millions)	8.2.6	446.6	446.6
<b>Value per share (control basis) (A\$ per Share)</b>		<b>0.11</b>	<b>0.21</b>

Source: PFS Model, Cassini company information and reporting, GTCF calculations

We summarise below the details in respect to the above table:

- OZ Minerals loan deferred carry – In progressing to the BFS stage, OZ Minerals has agreed with Cassini that it would fund Cassini's share of the study costs required, via a loan which will be repaid by Cassini 5 years after production commences, in effect, deferring its share of the funding requirements. The adjustment reflects the discounted future interest bearing loan cash flows received and repaid by Cassini for its share of the West Musgrave Project's BFS costs

- Other Cassini South32 Obligations – specific provisions agreed by OZ Minerals and Cassini in their Joint Venture Agreement with respect to certain obligations to South32 stemming from Cassini's acquisition of the West Musgrave Project in 2014. These include: a share of royalty payments payable to South32 as consideration for the acquisition that is different to and independent of their respective ownership of the West Musgrave Project; and Cassini retaining the obligation to make a deferred cash payment 12 months after operations commences.
- Other Mineral Assets – reflect the value of Mineral Resources not included in the West Musgrave Project PFS including other West Musgrave Project exploration ground and Succoth. This value has been determined by CSA Global. The value of the assets to be demerged into Caspin are not included in this balance.
- Demerger Assets – reflect the value of the Yarawindah Brook Project and Mount Squires Project. These values have been determined by CSA Global.
- Net Debt – cash and debt outstanding as at the 31 March 2020
- Corporate costs – forecast corporate costs, discounted to present value.

We note that the low end of our valuation range is below the trading price of Cassini price just prior to the announcement of the transactions, however aligned with the one month VWAP prior to the announcement of \$0.105. We consider that this is reasonable on the basis that:

- Cassini shares are illiquid in their trading and therefore the traded price may not be fully reflective of the underlying value of Cassini; and
- The value of the Cassini shares is highly sensitive to fluctuations in commodity prices and exchange rates. Our valuation takes into account a long term view of these macro-economic assumptions.

The outcome of the DCF Method is supported by the Resource Multiple Method.

*Resource Multiple implied in the DCF assessment*

The selected value range based on the DCF approach, implies an enterprise value as a multiple of Ore Reserves and Mineral Resources as set out below: The reserves and resources used are either Joint Ore Reserve Committee ("JORC") Code (Australian standard) or National Instrument 43-101 (Canadian standard) compliant. We have converted the primary commodities into nickel equivalent tonnes using the commodity price assumptions utilised in our base case valuation.

Cassini - Implied Mineral Resources Multiples (A\$ million)	Section Reference	Low	High
Cassini share of West Musgrave Project	8.2	57	97
Cassini share of Other Mineral Assets	8.2.2	15	15
Cassini share of Yarawindah Brook and Mount Squires	8.2.3	1	10
Less: Corporate Costs	8.2.5	(13)	(14)
Enterprise Value		60	107
Ore Reserves (kt Ni Equivalent)		331	331
Mineral Resources (kt Ni Equivalent)		505	505
<b>Implied Ore Reserves Multiple (A\$/t Ni Eq)</b>		<b>180</b>	<b>323</b>
<b>Implied Mineral Resources Multiple (A\$/t Ni Eq)</b>		<b>118</b>	<b>212</b>

Source: Cassini company information and GTCF calculations.

Note: Cassini's reserves and resources based on its 30% share of Nebo-Babel reserves and resources. Nebo-Babel reserves are 220mt @ 0.33% Ni and 0.36% Cu and resources are 340mt @ 0.33% Ni and 0.36% Cu. Nickel equivalent conversions are based on spot commodity prices further detail on calculations is provided in section 8.

We provide the EV to resource key statistics from the eleven companies considered to comparable to Cassini in the table below. Because of the proportion of Ore Reserves and Mineral Resources represented by nickel we have identified peers that are also primarily nickel focused, and also at a similar stage of development (in particular pre-revenue) to Cassini. For further information on the peers refer to section 8.3.1.

Trading mineral resources multiples of listed companies	EV/Ni Eq Reserve	Resource
Statistical Analysis	A\$/t	A\$/t
High	3,223	753
Median	473	172
Average	1,056	176
Low	58	3

Source: Comparable company financial statements, announcements and presentations, S&P Global and GTCF analysis

Note 1: Enterprise Value as at 6 August 2020.

Cassini's implied nickel resource multiple range of A\$118/t to A\$212/t is within the broad range of trading resource multiples observed in a range of comparable listed nickel exploration and development companies of \$3/t to \$753/t, with a mean and median of A\$176/t and A\$172/t respectively (refer to section 8.3 for detailed calculations).



### Scheme Consideration

We have assessed the value of total Scheme Consideration as follows:

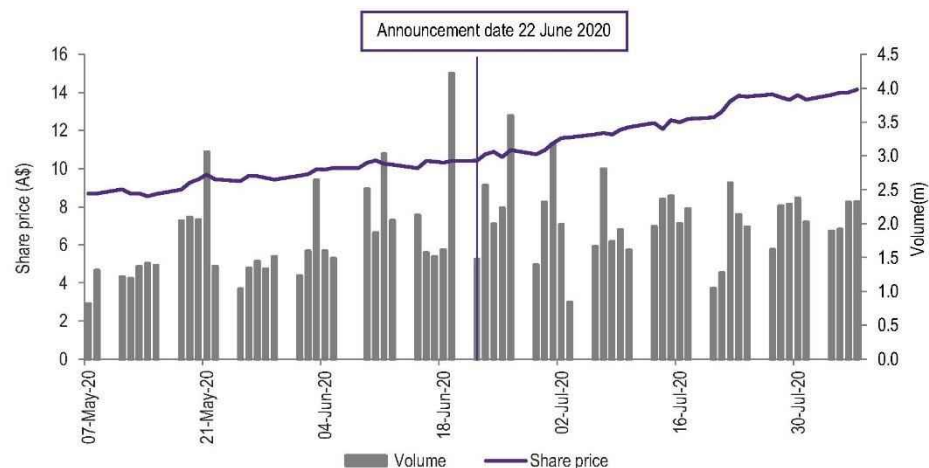
Scheme consideration A\$ / Share		Section Reference	Low	High
Trading prices of OZ Minerals after the announcement		9	12.50	13.50
Exchange Ratio (OZL:CZL)			68.5	68.5
Acquisition Scheme Consideration per Cassini Share	A		0.18	0.20
Assessed value of Caspin shares			0.05	0.30
Demerger ratio (CZL: Caspin)			22	22
Assessed value of Caspin shares per Cassini share	B	10	0.00	0.01
Capital Return	C		0.01	0.01
<b>Total Scheme Consideration per Cassini share</b>	<b>A + B + C = D</b>		<b>0.19</b>	<b>0.22</b>

Source: GTCF analysis

### Valuation assessment of enlarged OZ Minerals Shares

We have assessed the value of OZ Minerals Shares to be a range of A\$12.50 per share to A\$13.50 per share for the purposes of determining the Scheme Consideration. In our assessment of the Scheme Consideration, we have had regard to the trading price of OZ Minerals which in our opinion reflects the value of the Scheme Consideration receivable by Cassini Shareholders on a minority basis over the period since the announcement of the Acquisition Scheme. The following chart shows OZ Minerals share price over the last 3 months to 6 August 2020.

### OZ Minerals historical share price and volume



Source: S&P Global and GTCF analysis

In our assessment of the Scheme Consideration, we have considered it appropriate to rely on OZ Mineral's trading price since the announcement of the Acquisition Scheme due to the following:



- As discussed in section 9.2, trading in OZ Minerals shares displays high liquidity, which will allow Cassini Shareholders to realise the OZ Minerals Shares received as consideration at market value in the future. Accordingly, the trading price of OZ Minerals Shares represents a reasonable proxy of the value that accepting Cassini Shareholders could expect to realise from their investment if they decide to sell the OZ Minerals Shares received as consideration.
- If the Acquisition Scheme is implemented, Cassini Shareholders will collectively hold approximately 2% of the enlarged share capital of OZ Minerals on an undiluted basis. Accordingly, they will not be able to influence and change the strategic direction of OZ Minerals and would have a limited dilutionary impact on the existing OZ Minerals Shareholders. Further, it is likely that the acquisition of the shares in Cassini is factored into the trading price of OZ Minerals following the announcement of the proposed Acquisition Scheme.
- As outlined in the graph above, the OZ Minerals share price has recovered strongly since 23 March 2020, increasing from A\$5.99/share to A\$14.15/share over the period to 6 August 2020. Since the announcement of the Schemes, OZ Minerals also announced the release of the positive PFS in relation to the Carrapateena Block Cave Expansion which, coupled with a copper price recovery is likely to have had a positive influence on the share price. Given the recent volatility in the OZ Minerals share price, we have considered the volume weighted average price since the announcement of the transactions in determining the value of Scheme Consideration.

#### *Sensitivity on the value per OZ Minerals share*

Our valuation assessment of Cassini based on the SOP approach is substantially fixed as at the date of this report, whereas our valuation assessment of the Scheme Consideration offered will depend on the trading price of OZ Minerals. Accordingly, we have outlined below a sensitivity table which outlines how the value of the Scheme Consideration offered varies in conjunction with different level of OZ Mineral's trading price and the impact on our fairness assessment.

OZ Minerals Share Price Sensitivity	Enlarged OZ Minerals Share Price						
	8.00	9.00	10.00	11.00	12.00	13.00	14.00
Implied value of Scheme Consideration <sup>1</sup>	0.129	0.144	0.158	0.173	0.188	0.202	0.217
Valuation of Cassini Shares (LOW)	0.105	0.105	0.105	0.105	0.105	0.105	0.105
Valuation of Cassini Shares (HIGH)	0.205	0.205	0.205	0.205	0.205	0.205	0.205
Premium / (Discount) % (LOW)	23%	37%	50%	64%	78%	92%	106%
Premium / (Discount) % (HIGH)	(37%)	(30%)	(23%)	(16%)	(9%)	(1%)	6%
FAIRNESS OPINION	FAIR	FAIR	FAIR	FAIR	FAIR	FAIR	FAIR

Source: GTCF analysis

Notes: (1) For the purposes of determining the implied value of Scheme Consideration, we have taken the 'low' assessed valuation of Cassini Shares per Cassini Share.

As set out in the table above, if the share price of OZ Minerals reduces to A\$8.00 per share (a reduction of 43% to the A\$14.15 per share closing price as at 6 August 2020) the offer is still fair.

#### Valuation assessment of Caspin Shares

We have assessed the value of Caspin Shares to be a range of A\$0.002 per Cassini share to A\$0.014 per Cassini share, as follows:

Net realisable value of assets - valuation summary A\$'000 (except where stated otherwise)	Section Reference	Low	Preferred	High
Yarawindah Brook	8.2.3	1,000	3,000	4,700
Mount Squires	8.2.3	300	1,300	4,900
Cash contribution		508	508	508
<b>Equity value (control basis)</b>		<b>1,808</b>	<b>4,808</b>	<b>10,108</b>
Number of outstanding shares ('000s) (fully diluted) <sup>1</sup>		20,304	20,304	20,304
<b>Value per share (control basis) (A\$ per Caspin Share)</b>		<b>0.09</b>	<b>0.24</b>	<b>0.50</b>
Marketability discount (%)		40%	40%	40%
Marketability discount (\$)		0.04	0.09	0.20
<b>Value per share (minority basis) (A\$ per Cassini Share)</b>		<b>0.05</b>	<b>0.14</b>	<b>0.30</b>
Demerger ratio		22	22	22
<b>Value per share (minority basis) (A\$ per Cassini Share)</b>		<b>0.002</b>	<b>0.006</b>	<b>0.014</b>

Source: CSA Global, GTCF analysis

Notes: (1) Shares outstanding is calculated based on 1 Caspin Share per 22 Cassini Shares, plus 1,000 shares on issue that are owned by Cassini, plus the 4,000 shares that Caspin will issue to Cassini for the purchase of the Yarawindah Brook and Mount Squires assets.

In our assessment the value of the Caspin Shares following the Demerger Scheme we have had regard to the values of the Yarawindah Brook Project and Mount Squires Project as determined by CSA Global (refer to the report attached at Appendix H. CSA Global have provided a range of values around a preferred value. Given the early stage of these projects, CSA Global has advised that the range is best representative of the potential range of values that these assets may attract.

In connection with, and prior to, the implementation of the Demerger Scheme, Cassini will contribute A\$500,000 to Caspin in cash for working capital purposes.

Following the Demerger Scheme it is in the intention of the Caspin Board that Caspin pursue a listing on the ASX, which is likely to involve a capital raise, however the timing and success of such a listing is not known at the date of this report. Accordingly, following the Demerger Scheme Cassini Shareholders will hold a minority interest in an unlisted company. We have accordingly applied a marketability discount of 40%.

We have applied marketability discount of the value of the shares on the following basis:

- Following the Demerger Scheme it is in the intention of the Caspin Board that Caspin pursue a listing on the ASX, which is likely to involve a capital raise, however the timing and success of such a listing is not known at the date of this report. Accordingly, following the Demerger Scheme Cassini Shareholders will receive an interest in an unlisted company.
- Associated with the potential listing on the ASX, it is likely that Caspin will seek to raise capital. The ability to secure the capital raise and the quantum required is unknown. Further any capital raise will have a dilutive effect on the existing Caspin shareholders.
- Cassini Shareholders will hold a minority interest in Caspin.



Caspin will issue c 20.2 million shares to Cassini Shareholders based on a demerger ratio of 1 Caspin share per 22 Cassini shares.

In assessing the value of the Scheme Consideration, we have attributed no value to the Contingent Consideration of up to A\$20 million payable by OZ Minerals to Caspin in the event of a future sale of 30% or more of the West Musgrave Project for an implied disposal value of A\$76 million or more or in the event of a future sale of 30% or more of the contained nickel at the West Musgrave Project to a strategic party. This additional value would provide Caspin shareholders with potential upside exposure to the West Musgrave Project, however such a value cannot be reliably quantified given the inherent uncertainty of whether or when such transactions would occur.

### ***Reasonableness Assessment***

In considering the reasonableness of the Scheme, we have assessed the following advantages, disadvantages and other factors.

#### **Advantages**

##### *Premium to Cassini share price pre-announcement*

The consideration offered under the proposed Acquisition Scheme of one OZ Minerals share for every 68.5 Cassini Shares, plus the Capital Return and one Caspin share per every 22 Cassini shares (implying a Scheme Consideration range of A\$0.19 - A\$0.22 per Cassini Share), represents a significant premium over the trading price of Cassini Shares prior to the announcement of the proposed Acquisition Scheme.

The Scheme Consideration represents a premium of:

- 58%-83% premium to the 1-day VWAP of Cassini Shares on 19 June 2020 of A\$0.12 per share.
- 81%-110% premium to the 1-month VWAP of Cassini Shares to 19 June 2020 of A\$0.105 per share.
- 239%-293% premium to the 3-month VWAP of Cassini Shares to 19 June 2020 of A\$0.056 per share.

This premium for control is unlikely to be available to Cassini Shareholders in the absence of the Acquisition Scheme or a superior proposal.

In addition to the Total Scheme Consideration the Cassini Shareholders (via Caspin) will hold the right to receive a Contingent Consideration in the case of a future transaction regarding the West Musgrave Project from OZ Minerals of up to A\$20 million.

##### *Ability to successfully fund the West Musgrave Project*

Cassini has limited cash reserves and does not currently have sufficient capital to contribute to its pro-rata share of development capital of the West Musgrave Project. Absent of the ability of Cassini to generate income from its operations, Cassini may be required to obtain future debt or equity financing to sustain its operations and contribute to the development of the West Musgrave Project. Any additional equity funding may be dilutive for Cassini Shareholders and any potential debt funding may involve restrictive covenants affecting Cassini's ability to raise further capital or deliver on its strategy. Whilst Cassini would undertake best endeavours to secure funding, no assurances can be given that appropriate capital or funding will be available on terms favourable to Cassini.

As outlined in section 8.2.1.2, from 1 January 2020 to 31 December 2025 approximately A\$1.13 billion of capital expenditure and pre-strip costs are expected to be required to bring the West Musgrave Project into production. Since October 2016, OZ Minerals has contributed the required A\$36 million of development and exploration expenditure to earn its 70% share in the West Musgrave Project. All subsequent expenditure is to be jointly funded by Cassini and OZ Minerals at their stipulated 30/70 split. Currently, any expenditure for the BFS that Cassini is not able to fund has been funded by OZ Minerals through a deferred carry, with the principal plus capitalised interest due five years after the commencement of production.





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Our DCF analysis of the project has assumed that the project will be funded by a market participant with access to project finance, via debt and/or equity. In the absence of the Acquisition Scheme, Cassini would be required to source funding for its 30% share of the c. A\$1 billion capital costs. It is likely that Cassini would fund their contribution via debt and capital raising. In the event Cassini was required to raise equity, it is likely to have a dilutive effect on the value of a Cassini share in absence of the Acquisition Scheme. We have illustrated the impact of such a potential capital raising in our sensitivity analysis at section 8.2.7.

If the Acquisition Scheme is implemented, OZ Minerals will explore the future development of the West Musgrave Project. With a strong balance sheet and market capitalisation of c. A\$4.59 billion<sup>4</sup>, it has the potential to progress the project on more advantageous funding terms.

*Holding shares in the larger and more diversified OZ Minerals*

By receiving OZ Minerals Shares, should Cassini Shareholders elect to retain their interest, Cassini Shareholders will not only gain full exposure to the West Musgrave Project but also benefit from OZ Minerals diversified portfolio of producing and growth assets, strong balance sheet, track record of paying dividends and liquidity. OZ Minerals' asset portfolio has a strong copper focus, headlined by the copper-gold mine at Prominent Hill, the copper-gold mine at Carrapateena, and other offshore assets in Brazil. Further background information on OZ Minerals assets portfolio and their major projects are outlined in section 5. The Acquisition Scheme enables Cassini Shareholders to attain the portfolio benefits and growth opportunities an interest in OZ Minerals provides, at the same time retaining their exposure to the West Musgrave Project.

OZ Minerals has also established a well-developed growth pipeline with multiple projects at different stages of maturity. This allows the company to allocate resources to the most value-accretive activities and provides more options when deciding which projects to progress. OZ Minerals carefully pursues its pipeline of opportunities and if at any time a project is determined to not have the potential to generate substantial value, expenditure is ceased and the company withdraws from the arrangement in line with OZ Minerals' obligation and intent to invest responsibly<sup>5</sup>.

As detailed in section 9.2, the OZ Minerals share trading has exhibited high liquidity, providing Cassini Shareholders with the option of realising their interest in the future at market value.

*Cassini Shareholders have the potential to retain participation in the potential upside of the West Musgrave Project*

Pursuant to the Contingent Payment Deed, OZ Minerals will provide Caspin with the ability to receive potential upside (up to A\$20 million) should OZ Minerals dispose of 30% or more of the West Musgrave Project, or contained nickel rights, under certain conditions.

*The Demerger Scheme is in the best interests of Cassini Shareholders*

The Acquisition Scheme and the Demerger Scheme are inter-conditional, which means the Demerger Scheme cannot proceed unless the Acquisition Scheme is approved and vice versa. The Demerger Scheme enables Cassini Shareholders to maintain exposure to benefits from the potential future development of Cassini's Yarawindah Brook Project and Mount Squires Project.

<sup>4</sup> As at 6 August 2020, based on 324,697,275 shares outstanding at a closing price of \$114.15 per share.

<sup>5</sup> Acquisition Scheme Booklet - Cassini Resource Limited





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Pursuant to the Demerger Scheme Independent Expert's Report, Grant Thornton Corporate Finance has concluded that the Demerger Scheme is FAIR AND REASONABLE and hence in the BEST INTERESTS of Cassini Shareholders.

*Low likelihood of a superior proposal*

Cassini has not received any alternative offers for to acquire its 30% interest in the West Musgrave Project or the Cassini Shares. Given Cassini's minority interest in the West Musgrave Project it does make the prospect of an alternative offer less likely than if it were a majority or sole owner of the asset.

In our opinion, the Acquisition Scheme represents the best possible outcome for Cassini Shareholders to realise a price for their investment which captures the future potential of the West Musgrave Project.

*No brokerage costs or stamp duty payable*

No brokerage costs or stamp duty will be payable by Cassini Shareholders on the transfer of their Cassini Shares pursuant to the Acquisition Scheme.

## Disadvantages

*The nature of Cassini and OZ Minerals is different*

Certain Cassini Shareholders may prefer the growth potential associated with a single development asset company with some exploration assets to provide further potential upside. OZ Minerals is a more stable and diversified business with a history of strong cash flows and dividends. Whilst attractive to some investors, others may prefer the higher risk and reward profile of Cassini.

Furthermore, it is possible that Cassini Shareholders may wish Cassini to remain a standalone entity because they specifically invested in Cassini to seek exposure to a company with the specific characteristics of Cassini. The opportunities associated with the Yarawindah Brook Project and Mount Squires Project are retained by the Cassini Shareholders by virtue of the Demerger Scheme.

As a shareholder in OZ Minerals, Cassini Shareholders will be exposed to different risks where the risk profile and the investment risks of OZ Minerals are different to those of Cassini. Cassini Shareholders will have different commodity price exposure through OZ Minerals interests in gold, copper and nickel, and geographic and exchange rate exposure through Projects located in Brazil.

*Dilution of interest in Cassini's assets*

Following implementation of the Acquisition Scheme, Cassini Shareholders will hold approximately 2% of the issued share capital of OZ Minerals. Accordingly, Cassini Shareholders will have a reduced entitlement to any potential proceeds which may be generated by the West Musgrave Project.

However, Shareholders will hold an interest in a wider portfolio of assets in OZ Minerals including copper-gold mine at Prominent Hill, the copper mine at Carrapateena, and other offshore assets in Brazil along with well-developed growth pipeline with multiple projects.

*Cassini Shareholders may not be able realise value in Caspin*

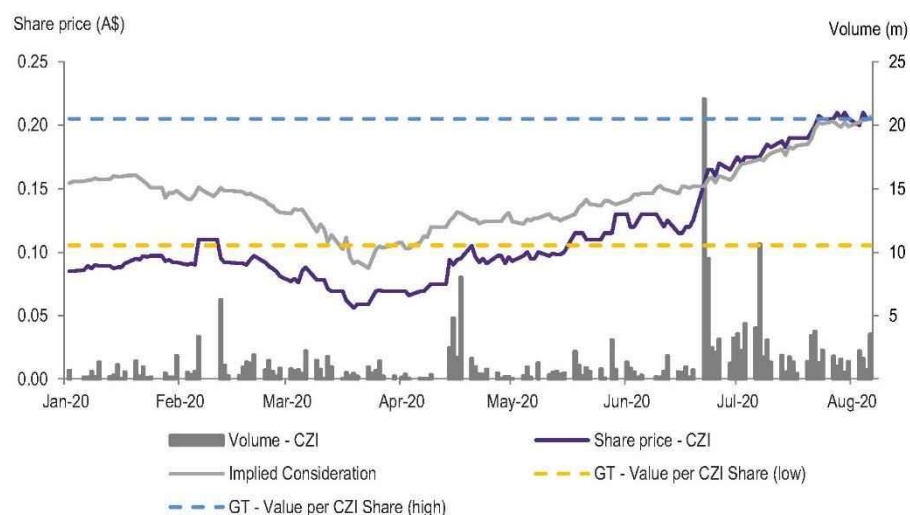
The ability of shareholders in Caspin to realise any value in Caspin will be dependent on the ability of Caspin to raise additional capital through equity or debt. Further exploration activities will require an injection of capital in order for the company to pursue its strategic objectives. As a smaller company than Cassini, the ability to raise capital may be somewhat constrained, particularly if an ASX listing does not occur. In the event Caspin is not able raise sufficient capital, it is likely that Caspin will have limited value.

## Other factors

### *Share price after the announcement*

As set out below, following the announcement of the Acquisition Scheme, the trading price of Cassini has traded between 16 cents and 21 cents which is broadly in line with the Scheme Consideration plus the Capital Reduction. Cassini's trading price after the announcement of the Acquisition Scheme seems to indicate good support from investors for the Acquisition Scheme and Demerger Scheme, perceived low risk of it being unsuccessful and limited expectations for a superior proposal.

### Historical Cassini Share Price and Implied Consideration



Source: S&P Global and GTCF analysis

### *Potential tax consequences for Cassini Shareholders*

If the Acquisition Scheme is implemented, Cassini Shareholders may incur tax on the transfer of their Cassini Shares.

All Cassini Shareholders are advised to seek independent professional advice about their particular circumstances including, for non-resident Cassini Shareholders, the foreign tax consequences.

*Deal break costs*

If the Acquisition Scheme does not proceed, then under certain circumstances a break fee of A\$760,000 may become payable by Cassini to OZ Minerals, or by OZ Minerals to Cassini.

*Share price in absence of the Acquisition Scheme*

In the absence of the Acquisition Scheme or an alternative transaction, all else being equal, in our opinion, it is likely that Cassini Shares will trade at prices below the consideration offered and in line with the trading price before the announcement of the Acquisition Scheme.

*COVID 19*

Following the outbreak of the COVID-19 pandemic, the global economic outlook has become uncertain and is likely to have a significant impact on macroeconomic factors including inflation rates, capital markets and access to capital, foreign exchange rates and commodity prices. The exact impact of COVID -19 on the global economy is currently unknown.

Government measures such as social distancing, travel bans and quarantine may have an impact on the ability for Cassini and/or OZ Minerals following the scheme to continue the West Musgrave Project development in the timeframes currently forecast.

*Directors' recommendations and intentions*

As set out in the Acquisition Scheme Booklet, as at the date of this Report, the Directors of Cassini recommend that you vote in favour of the Acquisition Scheme in the absence of a superior proposal.

**Reasonableness conclusion**

Based on the qualitative factors identified above, it is our opinion that the Acquisition Scheme is **REASONABLE** to Cassini Shareholders.

**Overall conclusion**

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Acquisition Scheme is **FAIR AND REASONABLE** and hence in the **BEST INTERESTS** of the Cassini Shareholders in the absence of a superior alternative proposal emerging.

**Other matters**

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Scheme is a matter for each Cassini Shareholder to decide based on their own views of the value of Cassini and expectations about: future market conditions; Cassini's performance; risk profile; and investment strategy. If Cassini Shareholders are in doubt about the action they should take in relation to the Acquisition Scheme, they should seek their own professional advice.

For personal use only



Yours faithfully  
GRANT THORNTON CORPORATE FINANCE PTY LTD

JANNAYA JAMES  
Director

ANDREA DE CIAN  
Director

## Financial Services Guide

### 1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by Cassini to provide general financial product advice in the form of an independent expert's report in relation to the Acquisition Scheme. This report is included in Cassini's Acquisition Scheme Booklet.

### 2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

### 3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

### 4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Acquisition Scheme and Demerger Scheme reports, Grant Thornton Corporate Finance will receive from Cassini a fee of A\$100,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the reports. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.





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## **5 Independence**

Grant Thornton Corporate Finance is required to be independent of Cassini in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

*"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Cassini (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Acquisition Scheme.*

*Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Acquisition Scheme, other than the preparation of this report.*

*Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Acquisition Scheme. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.*

*Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 "Independence of expert" issued by the ASIC."*

## **6 Complaints process**

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority who can be contacted at:

Australian Financial Complaints Authority Limited  
GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

## **7 Compensation arrangements**

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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## 1 Outline of the Scheme

### 1.1 Key terms of the Scheme

In addition to the terms outlined in the introduction to this report, we have set out below some of the key terms of the Acquisition Scheme and Demerger Scheme (which are inter-conditional), including the relevant provisions of the associated Contingent Payment Deed:

- *Contingent Consideration* – Pursuant to the Contingent Payment Deed, Caspin holds the right to a deferred payment from OZ Minerals in two potential scenarios. The maximum Contingent Consideration that Caspin can receive under this clause is A\$20 million.
  1. If OZ Minerals disposes of 30% or more of its interest in the West Musgrave Project for a sale price implying a value for that 30% interest equal to or greater than A\$76 million, Caspin is entitled to receive Contingent Consideration equal to A\$10 million plus an additional A\$0.20 for every dollar exceeding A\$76 million. If OZ Minerals sells less than a 30% interest, the Contingent Consideration will be calculated on a pro-rata basis of what would have been payable if a 30% or greater share was sold.
  2. If OZ Minerals sells 30% or more of the contained nickel at West Musgrave to a strategic party, Caspin is entitled to receive Contingent Consideration equal to A\$10 million. If OZ Minerals sells less than 30% of the contained nickel, the Contingent Consideration shall be calculated on a pro-rata basis.
- *Conditions precedent* – The Scheme Implementation Deed includes, but is not limited to, the following conditions precedent:
  - Cassini Shareholder approval of the Capital Reduction, Demerger Scheme and Acquisition Scheme.
  - Court approval of the Demerger Scheme and Acquisition Scheme.
  - Acquisition Scheme and Demerger Scheme Orders lodged with ASIC.
  - Cassini Options - as at two hours before the commencement of the hearing of the second court date (the "Delivery Time"), each holder of Cassini Options has either exercised its Cassini Options or entered into a deed with Cassini and OZ Minerals regarding the Cassini Options held by them.
  - All regulatory consents and approvals obtained and no action or investigation announced or commenced by any Government or regulatory agency.
  - No material adverse change.
  - Cassini representations and warranties being true and correct in all material respects.
  - Independent expert concludes that the Acquisition Scheme and Demerger Scheme are in the best interests of Cassini Shareholders.



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- Cassini board of directors remains unanimous in its recommendation of the Acquisition Scheme and Demerger Scheme.
- *Exercise, transfer or cancellation of Cassini Options* - The parties must use reasonable endeavours to procure that, as soon as practicable after the date of this deed (subject to compliance with applicable laws and stock exchange rules or waived by ASIC or ASX), each holder of Cassini Options either:
  - Exercises its Cassini Options prior to the Record Date, such that such holder of the Cassini Option participates in the Acquisition Scheme; or
  - Enters into a deed with OZ Minerals and Cassini, in a form acceptable to both OZ Minerals and Cassini (each acting reasonably), under which:
    - the holder agrees to the transfer to OZ Minerals or to cancel all of their Cassini Options with such transfer or cancellation to be subject to the Acquisition Scheme becoming effective;
    - OZ Minerals agrees to provide, or procure the provision of, A\$0.0372 per Out Of The Money Option, A\$0.00 per In The Money Option with an issue price of A\$0.15, and A\$0.0265 per In The Money Option with an issue price of A\$0.1235; and
    - Cassini agrees to cooperate with OZ Minerals to facilitate the transfer or cancellation of the Cassini Options.
- *Cassini Performance Rights* - Cassini must take such action as is necessary to ensure that any Cassini Performance Rights which have not already vested, so vest and convert to ordinary shares.
- *Cassini Break Fee* – a break fee of A\$760,000 (plus GST) may, subject to certain limited exemptions, become payable by Cassini to OZ Minerals if (among other conditions):
  - There is a breach or non-fulfilment of the conditions precedent in relation to any of the Cassini Directors failing to make, changing or qualifying their Voting Intention or Recommendations; or
  - OZ Minerals becomes entitled to terminate this deed under clause 14.2(a) of the Scheme Implementation Deed which is where a Cassini Director recommends, endorses or supports any competing proposal or withdraws, adversely changes or makes any public statement that is inconsistent with a Recommendation or Voting Intention,

other than where:

  - The Independent Expert concludes in the Independent Expert's Report without regard to any competing proposal, that the Acquisition Scheme or the Demerger Scheme is not in the best interests of Cassini Shareholders;
  - A Cassini Director determines that he or she should not provide or continue to maintain a recommendation due to an interest in the Acquisition Scheme, Demerger Scheme or Capital Reduction that renders it inappropriate for he or she to maintain any such recommendation; or



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- Cassini terminates the deed due to a material breach of the Acquisition Deed by OZ Minerals or the ASX does not grant the official quotation of the new OZ Minerals Shares.
- *OZ Minerals Break Fee* – a break fee of A\$760,000 (plus GST) will, subject to certain limited exemptions such as the Acquisition Scheme becoming effective, become payable by OZ Minerals to Cassini, if Cassini becomes entitled to terminate this deed under clause 14.1(b) or 14.3(c) of the Scheme Implementation Deed (i.e. material breach of the deed by OZ Minerals or representations and warranties made by OZ Minerals were not true and accurate in all material respects).
- *Others* – other terms typical for a transaction of this nature, including: exclusivity arrangements such as “no shop”, “no talk”, and “no due diligence”; and an obligation for Cassini to notify OZ Minerals of any competing proposals and the opportunity for OZ Minerals to match any superior proposal.





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## **2 Purpose and scope of the report**

### **2.1 Purpose**

#### *Section 411 of the Corporations Act*

Section 411 of the Corporations Act 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirement for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

While there is no legal requirement for an independent expert's report to be prepared in respect of the Scheme, the Directors of Cassini have requested that Grant Thornton Corporate Finance prepare an independent expert's report to express an opinion as to whether the Acquisition Scheme is in the best interests of Cassini's shareholders.

### **2.2 Basis of assessment**

In determining whether the Acquisition Scheme is in the best interests of the Company's members, Grant Thornton Corporate Finance has had regard to relevant Regulatory Guides issued by the ASIC, including RG 111, Regulatory Guide 60 Scheme of arrangement ("RG60") and RG 112. The IER will also include other information and disclosures as required by ASIC. We note that neither the Corporations Act nor the Corporations Regulations define the term "in the best interests of members".

RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG111 requires an independent expert report prepared for a change of control transaction implemented by way of scheme of arrangement to undertake an analysis substantially the same as for a takeover bid. However, the opinion of the expert should be whether or not the proposed scheme is "in the best interests of the members of the company". If an expert were to conclude that a proposal was "fair and reasonable" if it was in the form of a takeover bid, it will also conclude that the proposed scheme is "in the best interests of the members of the company".

Pursuant to RG111, an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject of the offer. A comparison must be made assuming 100% ownership of the target company.



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RG111 considers an offer to be “reasonable” if it is fair. An offer may also be reasonable if, despite not being “fair” but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

In our opinion, the most appropriate way to evaluate the fairness of the Acquisition Scheme is to compare the fair market value of Cassini on a control basis with the Scheme Consideration.

In considering whether the Scheme is in the best interests of Cassini’s shareholders, we have considered a number of factors, including:

- Whether the Acquisition Scheme is fair.
- The implications to Cassini Shareholders if the Acquisition Scheme is not approved.
- Other likely advantages and disadvantages associated with the Acquisition Scheme.
- Other costs and risks associated with the Acquisition Scheme that could potentially affect Cassini Shareholders.

## 2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Acquisition Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Acquisition Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of Cassini and its Directors, and all other relevant parties of the Acquisition Scheme.

## 2.4 Consent and other matters

Our report is to be read in conjunction with the Scheme Booklet dated on or around 12 August 2020 in which this report is included, and is prepared for the exclusive purpose of assisting Cassini Shareholders in their consideration of the Acquisition Scheme Booklet. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Acquisition Scheme Booklet.



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This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Acquisition Scheme to Cassini Shareholders as a whole. We have not considered the potential impact of the Acquisition Scheme on individual Cassini Shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Acquisition Scheme on individual shareholders.

The decision of whether or not to approve the Acquisition Scheme is a matter for each Cassini Shareholder based on their views on the value of Cassini and expectations about future market conditions, together with Cassini's performance, risk profile and investment strategy. If Cassini Shareholders are in doubt about the action they should take in relation to the Acquisition Scheme, they should seek their own professional advice.

## 2.5 Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services ("APES 225") as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

*"An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time."*



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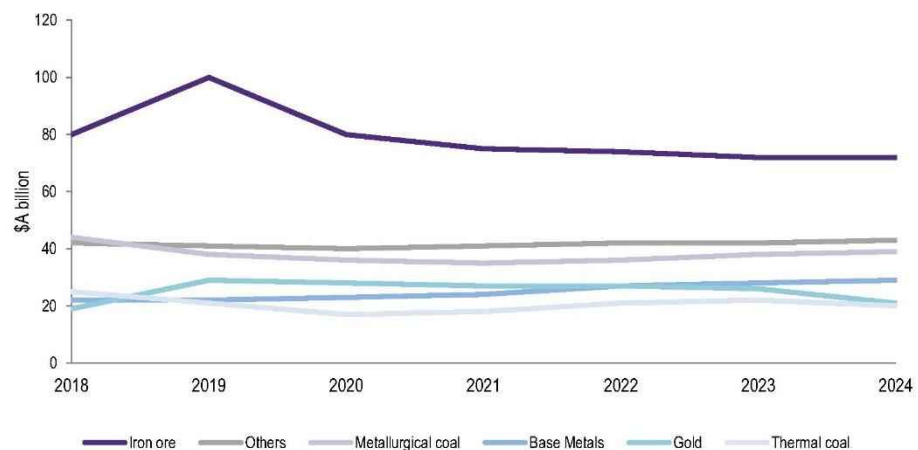
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### 3 Industry overview

#### 3.1 Australian Mining Industry

The Australian mining industry accounts for 8.7% of Australia's total GDP<sup>6</sup>. The mining industry includes all operations that extract minerals or hydrocarbons, explore for minerals or hydrocarbons or provide services to firms engaged in these activities. After the mining boom of the early 2000's, Australia has maintained strong production, with mining exports contributing 73% of Australia's total goods exports in 2018-19, and employing over 250,000 people as at November 2019<sup>7</sup>. Australia's primary mining exports include iron ore, metallurgical coal and gold. The major markets for Australia's resource and mining exports are China, Japan, South Korea, Taiwan and India.

##### Australian commodity exports



Source: Resources and Energy Quarterly, March 2020

The Australian mining industry has been affected by a number of macroeconomic factors in recent times including the outbreak of COVID-19 and the significant impact of this on the world economy. The impact of COVID-19 on the broader Australian mining sector is expected to be significant and direct. The curtailment of manufacturing activity in China led to a decline in commodity prices generally, particularly for crude oil, copper, iron ore, and other industrial commodities, however many prices have since recovered much of the declines. COVID-19 could also disrupt the demand for steel through hindering manufacturing activity. A reduction in global GDP/GDP growth as a result of COVID-19 would likely decrease commodity consumption worldwide, negatively impacting the mining industry. The impact on China's economy in particular is consequential as China is the main consumer of Australian mining exports. Trade tensions between the US and China also pose a risk to global growth and the resource and energy commodity trade for the foreseeable future. These factors could impact commodity prices and export volumes, and are discussed further throughout the report with specific reference to the nickel and copper industries.

<sup>6</sup> Resources and Energy Quarterly, March 2020

<sup>7</sup> Resources and Energy Quarterly, March 2020





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## 3.2 Nickel Industry

### 3.2.1 Overview

Nickel is a lustrous, silvery-white metal that: has strength and toughness at elevated temperatures; is easily shaped into thin wires and flat sheets; and is capable of being magnetized. More than 80% of nickel production is used in alloys which imparts strength and toughness to corrosion and various electrical, magnetic and heat resistant properties. About 65% of world nickel output is consumed in the manufacture of stainless steel<sup>8</sup>, which is widely used in the construction and chemical industries, and as a key component of motor vehicles and consumer products such as sinks, cutlery and white-goods. Nickel is also being increasingly used in batteries, which represents a growth pathway. Australia currently has 23% of world nickel reserves, ranked number two in the world, and nickel export earnings totalled A\$3.7 billion in 2018-19<sup>9</sup>. The majority of Australian nickel resources are found in Western Australia, accounting for 96% of total resources with major mines at Mount Keith, Murrin Murrin and Nova.

The composition of world nickel reserves by country is provided in the table below:

Nickel Reserves		
Country	Nickel (Mt)	Percentage of world total
Indonesia	21.0	24%
Australia	20.0	23%
Brazil	11.0	12%
Russia	6.9	8%
Cuba	5.5	6%
Philippines	4.8	5%
China	2.8	3%
Canada	2.6	3%
USA	0.1	0%
Others	14.0	16%
<b>Total</b>	<b>88.7</b>	<b>100%</b>

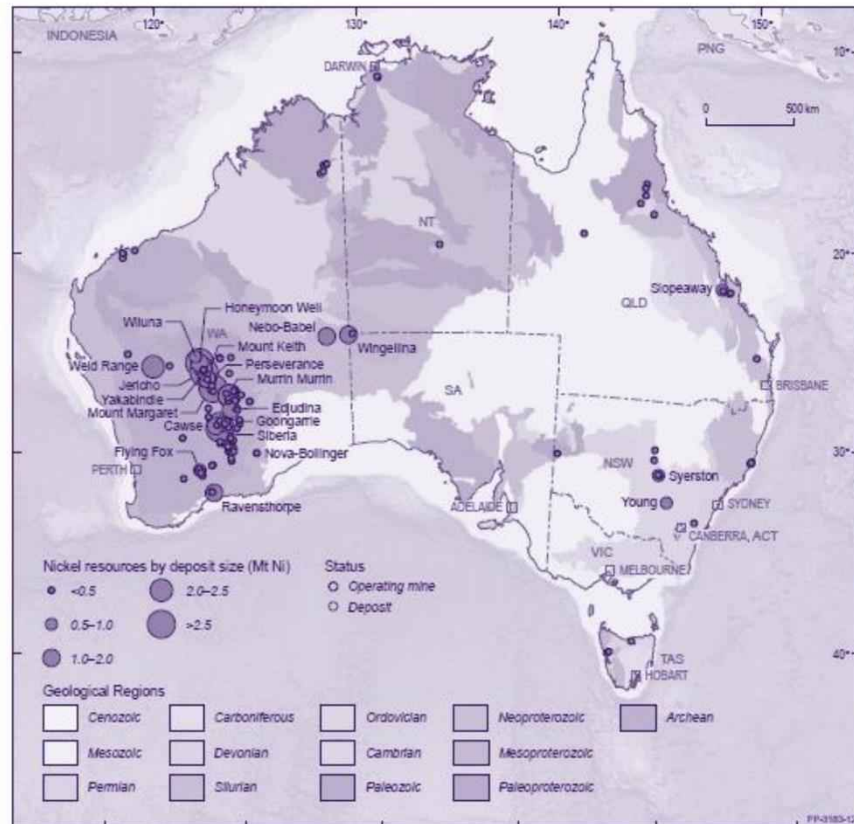
Source: Nickel reserves worldwide by country, Garside M, (2020)

<sup>8</sup> Australian Government Geoscience Australia, 2016

<sup>9</sup> Resources and Energy Quarterly, March 2020



#### Australian nickel deposits



Source: Australian Government Geoscience Australia, 2018

#### 3.2.2 Demand

After significant volatility in 2019, nickel prices to date in 2020 have remained relatively stable. In 2019, the negative impacts of US-China trade tensions and lower stainless steel production in China were outweighed by Indonesia's announcement of a ban on exports of nickel ore, resulting in steep price appreciation<sup>10</sup>.

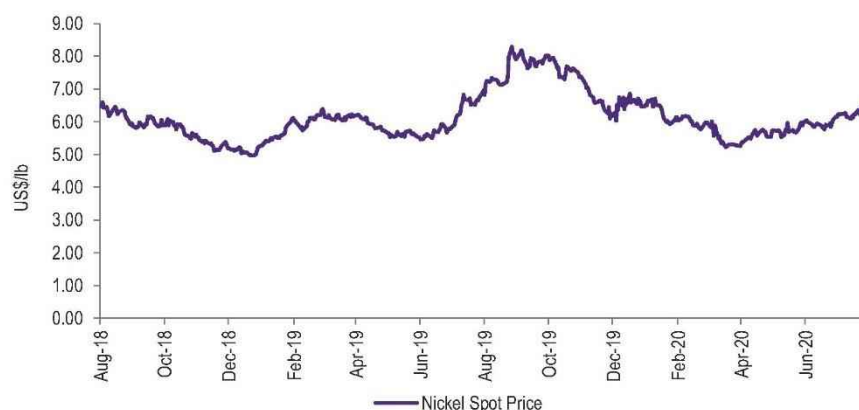
<sup>10</sup> Resources and Energy Quarterly, March 2020



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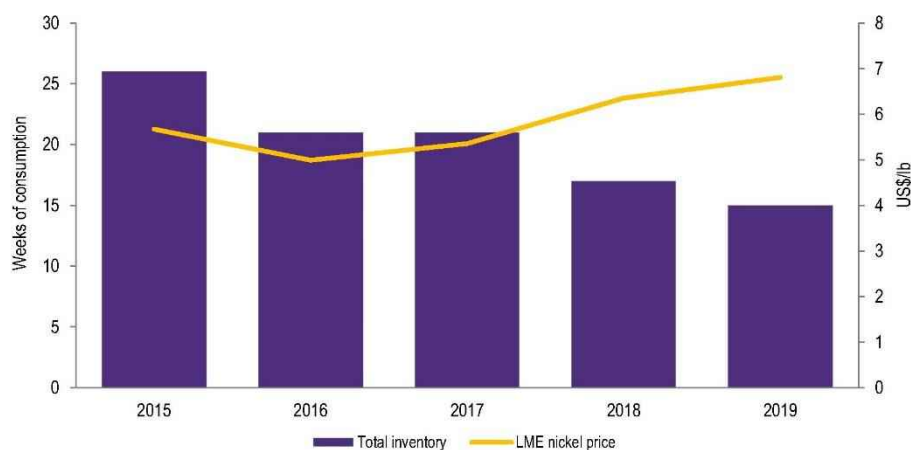
#### Nickel spot price August 2018 to August 2020



Source: S&P Global

More recently, the impacts of COVID-19 have weighed on nickel prices, yet not as severely as copper prices which have also witnessed a sharper recovery (as discussed below). Going forward, the nickel market is expected to be characterised by a growing market deficit, as Indonesia's export ban restricts world nickel supply amid healthy growth in nickel consumption. Medium term price growth is dependent on this increase in consumption, based on solid demand for stainless steel and growing momentum in nickel consumption for battery manufacturing.

#### Historical nickel spot prices and inventory levels



Source: Bloomberg (2020); London Metal Exchange (2020); S&P Patts Global (2020), Department of Industry, Science, Energy and Resources (2020)

Supported by ongoing stainless steel production, nickel consumption is expected to rise steadily over the next five years, growing from 2.4 million tonnes in 2019 to a projected 2.8 million tonnes by 2025<sup>11</sup>. This

<sup>11</sup> Resources and Energy Quarterly, March 2020

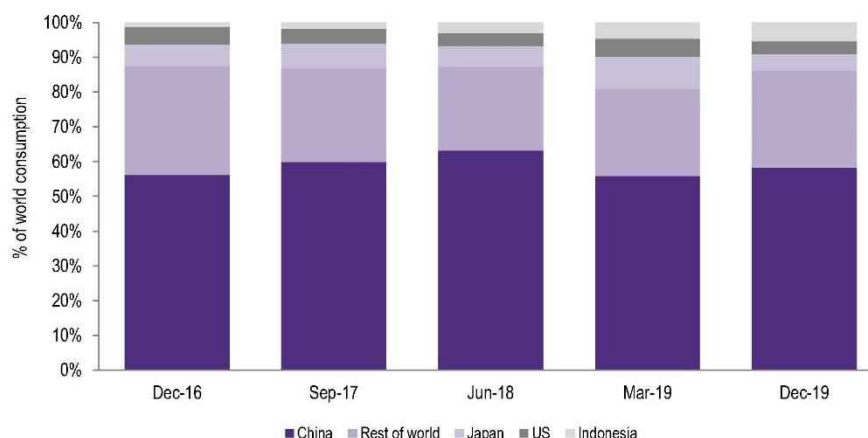


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projected growth rate is lower now than in recent years due to the slowdown in Chinese and world GDP growth as a result of COVID-19. China is the primary driver for global consumption growth, accounting for just over half of the world's consumption. Reduced industrial activity in February 2020 and March 2020 have weighed on Chinese demand, which may be countered by Chinese government stimulus. Also, China's nickel pig iron processing is heavily reliant on imports of Indonesian nickel ore, which may be constrained by the Indonesian export ban introduced in January 2020. Despite this, consumption growth should continue due to strong stainless steel production and increased battery manufacturing. The use of nickel in batteries is expected to expand as both the scale of battery manufacturing and the nickel intensity of battery technology rises. Nickel is being favoured in the manufacturing of batteries due to its efficiency, longevity and cost-effectiveness.

#### Refined nickel consumption by country



Source: International Nickel Study Group (2019), Department of Industry, Science, Energy and Resources (2019)

#### 3.2.3 Supply

Nickel mine production grew globally for the third successive year in 2019 to reach 2.6 million tonnes<sup>12</sup>. Indonesia's production has continued to gain momentum, with output increasing as a result of new projects and the export rush prior to the introduction of Indonesia's nickel ore export ban. Mine production growth is expected to continue into the future, although it is expected that this growth won't be linear due to the initial shock from Indonesia's export ban. The decrease in Indonesian production will be likely offset by higher output from China, Brazil and Australia.

The Australian nickel industry is highly concentrated, with the four largest companies accounting for over 90% of total industry revenue in 2018-19. Major companies include BHP Group Limited, Glencore plc, IGO Limited and Western Areas Limited<sup>13</sup>. Revenue concentration is high as these companies have been able to establish a stronghold in the nickel-rich areas of Western Australia. As with the copper industry (refer below) the nickel industry also has very high barriers to entry stemming from the large amount of capital required to either purchase or discover a nickel prospect. Furthermore, nickel developers and mining

<sup>12</sup> Resources and Energy Quarterly, March 2020

<sup>13</sup> IBISWorld, Nickel Ore Mining in Australia July 2019 and company information



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companies require employees with experience, knowledge and skills to liaise with government regulators and negotiate with community groups including traditional land owners.

#### 3.2.4 Outlook for Australian nickel production

Australia's Nickel export earnings are expected to grow significantly in coming years, bolstered by stronger nickel prices and investment in new capacity. Stronger nickel prices and expectations of battery-led demand growth have stimulated investment in nickel capacity, as well as a number of potential mine restarts. Investment in BHP's Nickel West projects, including the Yakadindie and Venus deposits, as well as parallel investment in processing at the Kwinana refinery, is expected to support volume growth. Australia's mine production is projected to lift from 161,000 tonnes in 2019-20 to 275,000 tonnes in 2024-25<sup>14</sup>. Of the nickel production in 2019, approximately 43% was high-grade nickel ore, 12% medium-grade nickel ore, 10% low-grade nickel ore and 34% nickel ore concentrate<sup>15</sup>. There are also a number of potential mine restarts including First Quantum's Ravensthorpe mine and Poseidon Nickel's Black Swan project.

### 3.3 Copper Industry

#### 3.3.1 Overview

Copper is a ductile, coloured metal that has very high thermal and electrical conductivity. An increasing demand for copper is generally linked to the increasing demand for electricity. In addition to being an excellent electrical conductor, copper is ductile enough to be drawn into wire and beaten into sheets without fracturing, making it ideal to use in the production of electrical cables and electrical equipment. Copper and its alloys are also widely used in plumbing components, building construction and industrial machinery. Australia currently has the world's second largest economic reserves for copper, after Chile<sup>16</sup>. Compounding this, Australia is currently the 7th largest copper producer in the world and copper exports were valued at A\$10 billion in 2019<sup>17</sup>. South Australia is the most prominent region in Australia for copper mining, driven by the Olympic Dam copper-uranium-gold mine. Other examples of important copper resources are the Prominent Hill and Carrapateena deposits in South Australia, Northparkes and Girilambone in New South Wales, and the Ernest Henry and Osborne copper deposits in Queensland.

<sup>14</sup> Resources and Energy Quarterly, March 2020

<sup>15</sup> IBISWorld, Nickel Ore Mining in Australia, July 2019

<sup>16</sup> Global Copper Reserves by Country, Garside, M, 2020

<sup>17</sup> Resources and Energy Quarterly, March 2020





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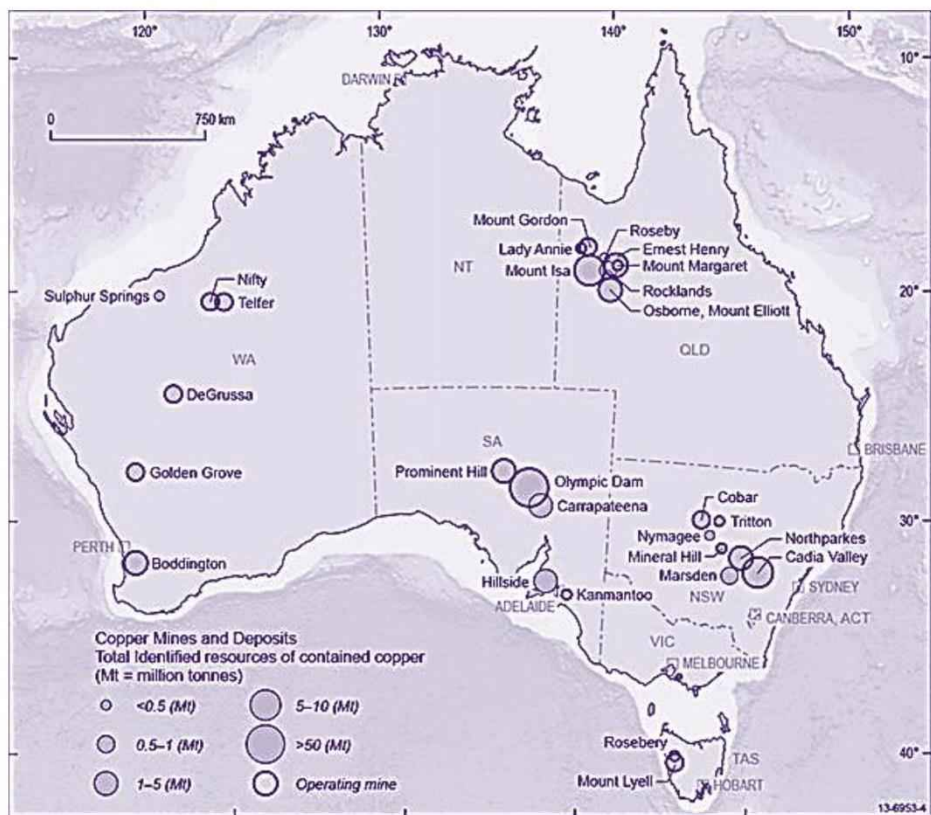
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The composition of world copper reserves by country is provided in the table below:

Copper Reserves		
Country	Copper (Mt)	Percentage of world total
Chile	200	23%
Australia	87	10%
Peru	87	10%
Russia	61	7%
Mexico	53	6%
USA	51	6%
Indonesia	28	3%
China	26	3%
Kazakhstan	20	2%
Others	258	30%
<b>Total</b>	<b>871</b>	<b>100%</b>

Source: Global copper reserves by country, Garside, M. (2020)

#### Australian Copper Deposits



Source: Australian Government Geoscience Australia, 2016





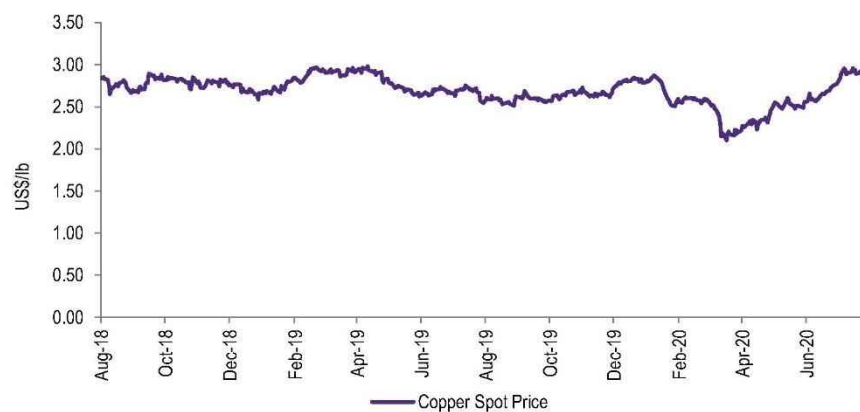
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### 3.3.2 Demand

After a period of underperformance in mid-2019, copper prices showed signs of recovery towards the end of the year as market sentiment improved following the confirmation of the US-China trade deal. In 2019, the London Metal Exchange ("LME") copper spot price averaged US\$2.72/lb, 8% lower than the previous year. Despite this recovery in the latter part of 2019, copper prices faced new challenges in early 2020 due to the COVID-19 outbreak. Copper prices fell to a low of US\$2.51/lb in February<sup>18</sup> affected by the rising US dollar, reduced industrial activity in China, as well as generally pessimistic sentiment around world GDP growth. As 2020 has continued, there has been a recovery of copper prices buoyed by better economic conditions than expected, and as at 6 August 2020 the copper price is now US\$2.93/lb.

#### Copper spot price August 2018 to August 2020

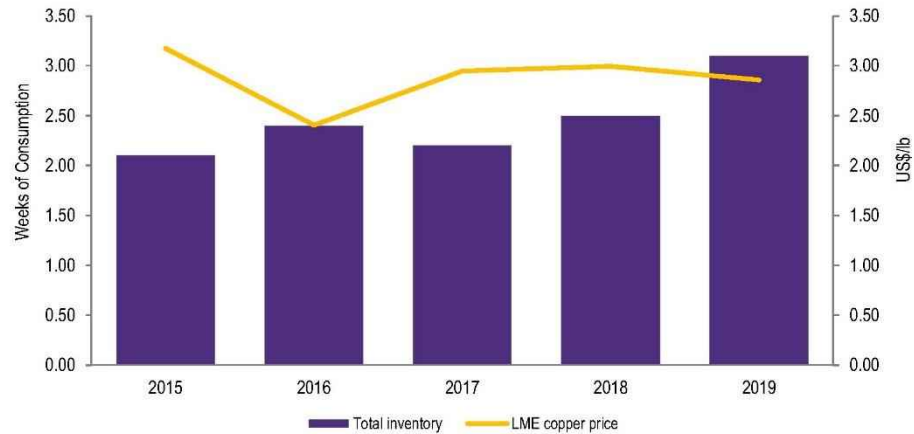


Source: S&P Global

Copper price forecasts are currently challenging due to the volatile nature of markets resulting from the COVID-19 outbreak and associated impact this has on the world economy, specifically China. However, as can be seen in the above figure, copper prices have recovered over the last few months.

<sup>18</sup> Jefferies Equity Research, Australia Metals & Mining, March 2020

#### Historical copper spot prices and inventory levels



Source: LME (2020) official cash price, Bloomberg (2020); Department of Industry, Science, Energy and Resources (2020)

A major risk for the copper industry is the moderation of world consumption growth. Global GDP/GDP growth, and consequently copper consumption, were weighed down by trade tensions and slowing activity in 2019. The stagnant consumption of 2019 has continued into 2020 as the world economy deals with the implications of COVID-19. Global consumption levels are heavily dependent on China and its level of economic activity as China consumes approximately half of the world's copper. Declining macroeconomic indicators in December 2019 and January 2020 pointed to a reduction in China's consumption, and this has been compounded by the impacts of COVID-19. Despite the impact of stimulus spending, these factors could reduce China's copper consumption by as much as 1-2%<sup>19</sup> over 2020.

Delayed copper imports, slow restarts and supply chain interruptions are all currently having a negative impact on China's copper consumption, however, industrial production and economic activity in China are expected to recover in the second half of 2020 and onwards, providing some relief. Copper demand is also likely to be bolstered by an ongoing energy transition towards lower carbon-intensive power generation and transport. Copper's conductivity, malleability and durability make it vital to electric vehicles, batteries and renewable energy generation. As such, the change in consumer preferences towards renewable energy sources has increased global demand for copper.

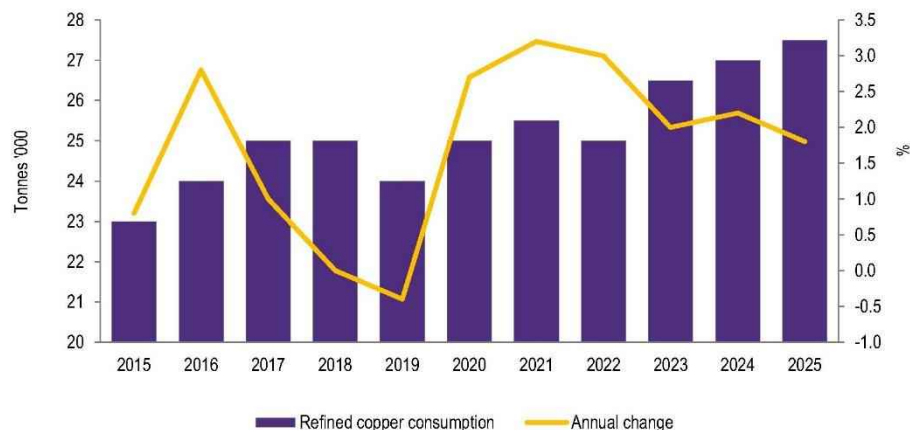
<sup>19</sup> Resources and Energy Quarterly, March 2020



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#### Outlook for refined copper consumption



Source: World Bureau of Metal Statistics (2020); Department of Industry, Science, Energy and Resources (2020)

#### 3.3.3 Supply

Global copper production is expected to increase in 2020, supported by the ongoing ramp up of the Cobre Panama mine in Peru. Chile and Peru account for approximately 40% of the global supply and are major players globally<sup>20</sup>. Both these countries have significant operations currently in operation and this will drive global production into the future. Copper prices, as well as the price of common co-products like cobalt, will determine the pace of mine expansions and restarts globally. Other significant global producers of copper include China, USA, the Democratic Republic of Congo and Australia.

The Australian copper industry is highly concentrated, with the five largest companies accounting for an estimated 82.1% of industry revenue in 2018-19<sup>21</sup>. Major companies include Glencore plc (27.9%), BHP Group Limited (20.1%), OZ Minerals Limited (14.2%), Newcrest Mining Limited (11.2%) and Sandfire Resources (8.7%). Due to the high capital intensity of the industry, barriers to entry are very high. New firms face substantial challenges as capital costs to develop a new mine are significant, and economies of scale are critical in ensuring the profitable operation of a mine. Other barriers to entry include acquiring permits and leases, and supplying comprehensive environmental impact statements, for which both require highly qualified and experienced staff to complete these tasks.

#### 3.3.4 Outlook for Australian copper production

After significant growth in 2018-19, Australia's mined copper production is forecast to fall by 3.1% in 2019-20 to 905,000 tonnes<sup>22</sup>. There have been a number of mine closures, most notably Metal X's Nifty mine in Western Australia in late 2019. Of the copper production in 2019, approximately 69.5% was classed as copper concentrate, 16.7% as electrowinning copper concentrate and 13.8% as copper ore<sup>23</sup>. An increase in future copper production in Australia is largely dependent on a sustained increase in the copper price. As the impacts of COVID-19 dissipate and conditions return to pre-COVID levels, it is expected that copper

<sup>20</sup> Mining Journal, April 2020

<sup>21</sup> IBISWorld, Copper Ore Mining in Australia, April 2019

<sup>22</sup> Resources and Energy Quarterly, March 2020

<sup>23</sup> IBISWorld, Copper Ore Mining in Australia, April 2019



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prices will continue to recover. We may then see copper production increase driven by projects such as OZ Mineral's Carrapateena mine in South Australia, which produced first concentrate in December 2019. A further positive for the level of copper production is the booming gold production in Australia which is likely to have positive flow on effects in areas where copper and gold are co-produced.

### 3.4 Gold Industry

#### 3.4.1 Overview

Gold is a rare metal and is chemically stable. It does not readily combine with other substances and does not corrode or tarnish, therefore it is almost always found in nature as pure gold. Gold is highly malleable and ductile and its most common uses are in jewellery and electronics. Australia has the highest level of gold reserves worldwide<sup>24</sup> and, is on track to potentially become the world's largest gold producer. Approximately 70% of Australia's gold resources are found in Western Australia<sup>25</sup>, with the remainder spread across the other states. A breakdown of the world mined gold reserves is provided in the table below.

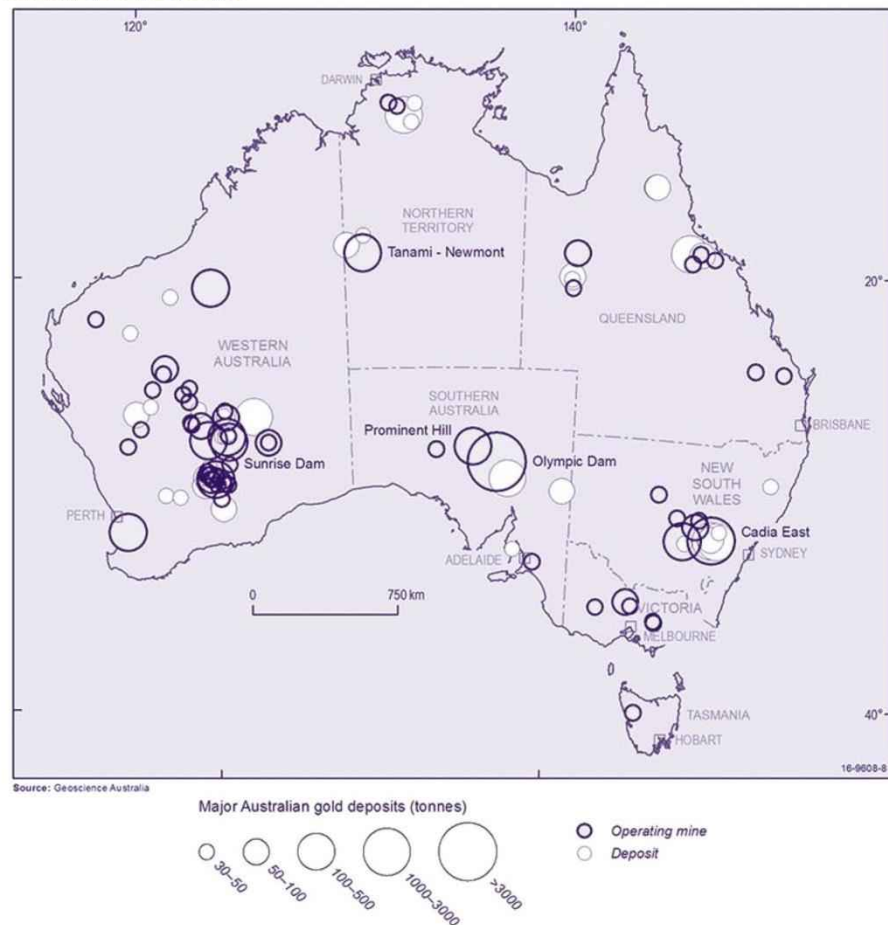
Country	Gold (t)	Percentage of world total
Australia	10,000	21%
Russia	5,300	11%
South Africa	3,200	7%
USA	3,000	6%
Indonesia	2,600	5%
Brazil	2,400	5%
Peru	2,100	4%
China	2,000	4%
Canada	1,900	4%
Others	16,200	33%
<b>Total</b>	<b>48,700</b>	<b>100%</b>

Source: World mine reserves of gold, Garside, M, (2020)

<sup>24</sup> Resources and Energy Quarterly, June 2020

<sup>25</sup> The Biggest Gold Mines in Australia, Sharry, Z, (2018)

Australian Gold Deposits:



Source: GeoScience Australia

### 3.4.2 Demand

Due to the COVID-19 pandemic and its associated economic impacts, the gold price has risen significantly over the past few months. The gold price reached a high of US\$2,056 per ounce on 6 August 2020<sup>26</sup>, benefiting from its status as a safe haven asset. The COVID-19 pandemic has also pushed the Australian dollar lower relative to the US dollar, increasing the Australian dollar gold price, recovering in to c US\$0.72 as at the date of this report. Gold prices are expected to continue to benefit from flows to safe haven assets over the remainder of 2020 as the impacts from COVID-19 continue.

<sup>26</sup> S&P Global

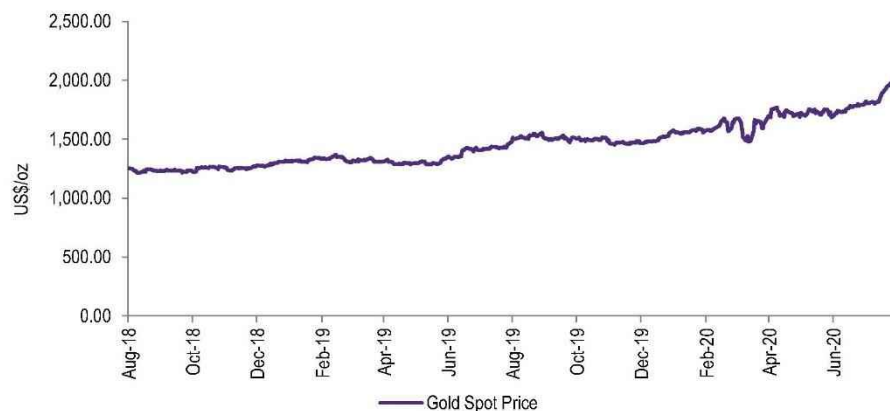




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#### Gold spot price August 2018 to August 2020



Source: CapitalIQ

World gold demand increased by 1.2% year-on-year in the March quarter 2020, driven largely by inflows into gold-backed exchange traded funds<sup>27</sup>. Due to the COVID-19 pandemic, the level of volatility in financial markets increased pushing demand for safer gold-backed exchange traded funds higher. Offsetting this increase was the drop in jewellery demand due to decreased incomes and physical distancing lockdowns. China, the world's largest gold jewellery consuming country, suffered a 65% year-on-year drop in the March quarter for gold demand<sup>28</sup>. Compounding this, official sector gold buying also decreased as central banks and other financial institutions prioritised other asset purchases rather than gold due to the impact of COVID-19. Physical gold demand is forecast to fall for the remainder of 2020 as reduced incomes and lockdown continue to deter consumption spending. However, as the economy returns to pre-COVID levels, it is expected that gold demand will also increase, driven by China and India.

#### 3.4.3 Supply

World gold supply fell by 3.8% year-on-year in the March quarter 2020, due to a 2.6% decline in gold mine production<sup>29</sup>. Gold mine production has been affected by the COVID-19 related lockdowns and production losses have been recorded in Mexico, Canada, South Africa and Peru. Production in Australia and China, the world's second largest and largest gold producers respectively<sup>30</sup>, was largely unaffected by COVID-19. However, output from several large Australian mines was reduced due to planned maintenance. Gold scrap supply, which involves the second hand selling of gold such as jewellery, is not expected to return to pre-COVID-19 levels over the remainder of 2020 due to physical distancing lockdown restrictions.

The Australian gold industry exhibits medium concentration, with the top five companies accounting for an estimated 51.3% of total revenue in 2019-20<sup>31</sup>. Major companies include: Newmont Australia Holdings (15.2%), Newcrest Mining Limited (12.8%), Gold Fields Limited (9.1%), Northern Star Resources Limited

<sup>27</sup> Resources and Energy Quarterly, June 2020

<sup>28</sup> Resources and Energy Quarterly, June 2020

<sup>29</sup> Resources and Energy Quarterly, June 2020

<sup>30</sup> Resources and Energy Quarterly, June 2020

<sup>31</sup> IBISWorld, Gold Ore Mining in Australia, 2020

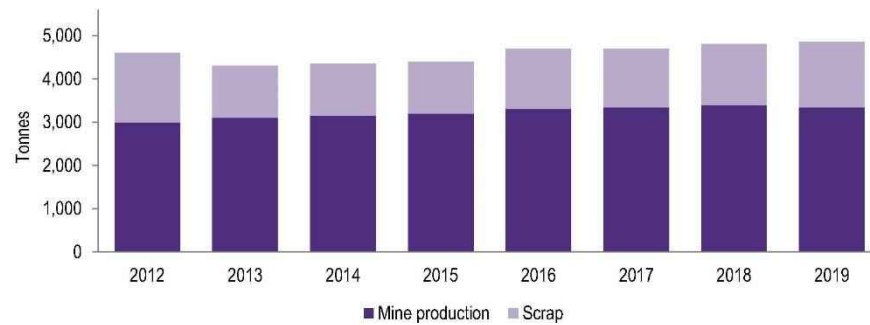


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(7.2%) and Evolution Mining Limited (7.0%). As with the nickel and copper industries, the gold industry also has significant barriers to entry such as high capital requirements and the acquisition of permits and leases.

#### World gold supply



Source: World Gold Council (2020) Gold Demand Trends; Department of Industry, Science, Energy and Resources (2020)

#### 3.4.4 Outlook

As a result of strong gold prices and a relatively low Australian dollar, Australian gold export earnings are forecast to rise in 2020-21 to a peak of nearly A\$32 billion<sup>32</sup>. Australia's gold production is also expected to increase, driven by improved production output at Kirkland Lake Gold's Fosterville mine and OZ Mineral's Prominent Hill mine. Gold exploration continues to be strongly pursued and accounts for 45% of Australia's total minerals exploration expenditure<sup>33</sup>, with Western Australia the prime focus for exploration activity.

<sup>32</sup> Resources and Energy Quarterly, June 2020

<sup>33</sup> Resources and Energy Quarterly, June 2020



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## 4 Profile of Cassini

### 4.1 Introduction

Cassini Resources Limited is an ASX-listed base and precious metals developer and explorer headquartered in Perth, Western Australia. Cassini's flagship West Musgrave Project is a new mining camp with three existing nickel and copper sulphide deposits and a number of other significant regional exploration targets. Cassini acquired the West Musgrave Project from BHP Billiton in 2014, and in October 2016 executed a Joint Venture Agreement with OZ Minerals whereby OZ Minerals has acquired a 70% interest in the West Musgrave Project by sole funding a minimum A\$36 million of staged development and exploration expenditure. Cassini is also progressing its 100% owned Mount Squires Project and 80% owned Yarawindah Brook Project, both also located in Western Australia.

#### Cassini group structure diagram



Source: Cassini Resources Limited Acquisition Scheme Booklet

### 4.2 West Musgrave Project

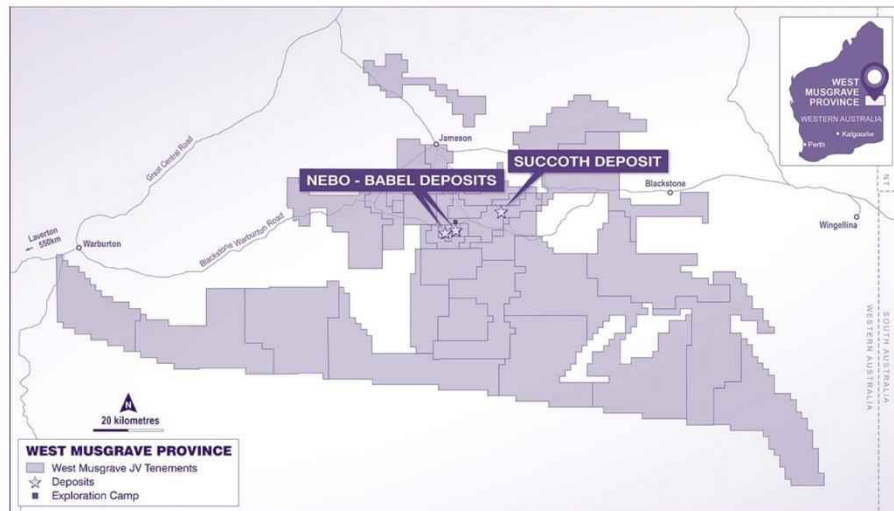
The West Musgrave Project is located 500km west of Uluru, near the intersection of the borders between WA, SA and NT. The project is 30km south of the community of Jameson. The project area was first subject to modern exploration by Western Mining Corporation in the mid 1990's, which culminated in the discoveries of the Nebo and Babel (Nebo-Babel) nickel and copper deposits in 2000, and later, the Succoth copper deposit in 2009. Following the commencement of the Joint Venture with OZ Minerals, Cassini has remained an active participant managing all sites and activities and regional exploration. Cassini's 30% share of study costs in excess of the initial \$36m are carried via a deferred interest bearing loan from OZ Minerals, to be repaid five years after first commercial production from the West Musgrave Project.



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#### West Musgrave Project Location



Source: Cassini Resources Limited website

The Nebo-Babel Pre-feasibility Study commenced in November 2017 with the results released in February 2020, together with an updated Mineral Resource and Ore Reserve document following drilling undertaken from March 2018 to September 2019. The Pre-feasibility Study demonstrates a long life, c.26 year, open pit nickel and copper mine with a low carbon footprint. A maiden Ore Reserve of 220 Mt (100% probable) at 0.36% Cu and 0.33% Ni has been established, which supports annual production of c.22,000tpa nickel and c.28,000tpa copper has been established (representing the first 22 years of the mine's 26 year life). The deposit has also been graded as low-risk as key technical elements have been overcome associated with mining, metallurgy and water supply due to the open pit mining methods and conventional processing of ore. As the mine is close to the surface, it also benefits from low overburden removal costs and strip ratios.

The deposit has significantly improved economics compared to the 2017 scoping report<sup>34</sup> as unit costs have been reduced by a third, as a result of larger economies of scale and lower power costs. Most notably, processing innovations such as the Vertical Roller Mill<sup>35</sup> and Woodgrove Flotation Cell<sup>36</sup> have led to significant reductions in power consumption. A proposed 50MW solar-wind-diesel battery hybrid solution with 80% renewable energy penetration due to the sunny and windy climate of the West Musgrave Project is expected to contribute to the low unit costs. It is assumed in the PFS that this capital component will be funded and operated by a third party. The large scale, longer life operation has come at a higher capital cost. The higher process plant capital expenditure is a trade-off for lower operating costs and the increase in mine life to 26 years which adds to non-processing infrastructure.

The figures for the most recent estimates of Resources and Reserves at Nebo-Babel as at 11<sup>th</sup> February 2020 is provided in the tables below.

<sup>34</sup> Company Presentation - Nebo-Babel Scoping Study, 2017

<sup>35</sup> A type of grinder used to grind materials into extremely fine powder for use in mineral dressing processes

<sup>36</sup> A device that allows for mineralised bubbles to be extracted under pressure as concentrate





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#### Nebo-Babel Mineral Resource as at 11th February 2020

Category	Deposit	Tonnes (Mt)	Ni (%)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	Pd (ppm)	Pt (ppm)	Ni Metal (kt)	Cu Metal (kt)
Indicated	Babel	240	0.31	0.35	0.06	1.0	120	0.10	0.08	760	850
	Nebo	38	0.40	0.35	0.04	0.8	150	0.08	0.06	150	130
	<b>Sub-total</b>	<b>280</b>	<b>0.32</b>	<b>0.35</b>	<b>0.06</b>	<b>1.0</b>	<b>120</b>	<b>0.10</b>	<b>0.08</b>	<b>910</b>	<b>990</b>
Inferred	Babel	62	0.34	0.38	0.07	1.0	120	0.11	0.09	210	230
	Nebo	1	0.38	0.44	0.05	0.6	140	0.09	0.07	4	4
	<b>Sub-total</b>	<b>63</b>	<b>0.34</b>	<b>0.38</b>	<b>0.07</b>	<b>1.0</b>	<b>120</b>	<b>0.11</b>	<b>0.09</b>	<b>210</b>	<b>240</b>
Ind + Inf	Babel	300	0.32	0.36	0.06	1.0	120	0.10	0.09	960	1100
	Nebo	39	0.40	0.35	0.04	0.8	150	0.08	0.06	150	140
<b>Total</b>		<b>340</b>	<b>0.33</b>	<b>0.36</b>	<b>0.06</b>	<b>1.00</b>	<b>120</b>	<b>0.10</b>	<b>0.08</b>	<b>1,100</b>	<b>1,200</b>

Source: West Musgrave Pre-Feasibility Study

#### Nebo-Babel Ore Reserve as at 11th February 2020

Deposit	Classification	Ore (Mt)	Ni (%)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	Pd (ppm)	Pt (ppm)	Ni Metal (kt)	Cu Metal (kt)
Nebo	Probable	20	0.48	0.40	0.04	0.8	180	0.10	0.10	100	80
Babel	Probable	200	0.32	0.36	0.06	1.0	120	0.10	0.10	630	700
<b>Total</b>		<b>220</b>	<b>0.33</b>	<b>0.36</b>	<b>0.06</b>	<b>1.0</b>	<b>120</b>	<b>0.10</b>	<b>0.10</b>	<b>720</b>	<b>790</b>

Source: West Musgrave Pre-Feasibility Study

#### Succoth deposit and other exploration targets

The West Musgrave Project also consists of the Succoth deposit, located 13km north-east of Nebo-Babel. In 2015, Cassini engaged independent resource consultants CSA Global to provide an initial Mineral Resource estimate for Succoth (CSA Global's work here has since been superseded by work conducted internally by Cassini and OZ Minerals). The maiden Inferred Mineral Resource totals 156Mt at 0.60% Cu, highlighting the potential for further exploration. The Succoth deposit could offer significant benefits to the West Musgrave Project by providing additional mineralisation to a future mining operation at Nebo-Babel. Further to this, the West Musgrave Project offers a number of other early-stage but prospective exploration targets including Yappsu, One Tree Hill and Esagila nickel-copper targets.

### 4.3 Mount Squires Project (to be demerged into Caspin)

The Mount Squires Project is 100% owned by Cassini and hosts a number of prospective gold targets, ranging from conceptual to advanced prospects. The Mount Squires Project is not part of the Acquisition Scheme, but rather part of the Demerger Scheme and will be demerged into Caspin. Cassini has been developing the project since early 2015 through the consolidation of tenements forming a prospective gold frontier. The Mount Squires Project is located adjacent to the western border of the West Musgrave Project, and geological interpretation has benefitted from Cassini's growing knowledge of the area. Gold prospectivity was first identified at Mount Squires by Western Mining Corporation in the late 1990's, and further exploration had been conducted by multiple companies but were not continued with. In September 2019, Cassini completed its maiden drill program at the Handpump Prospect comprising 10 holes for 1,134m of reverse circulation drilling. Key results are as follows:





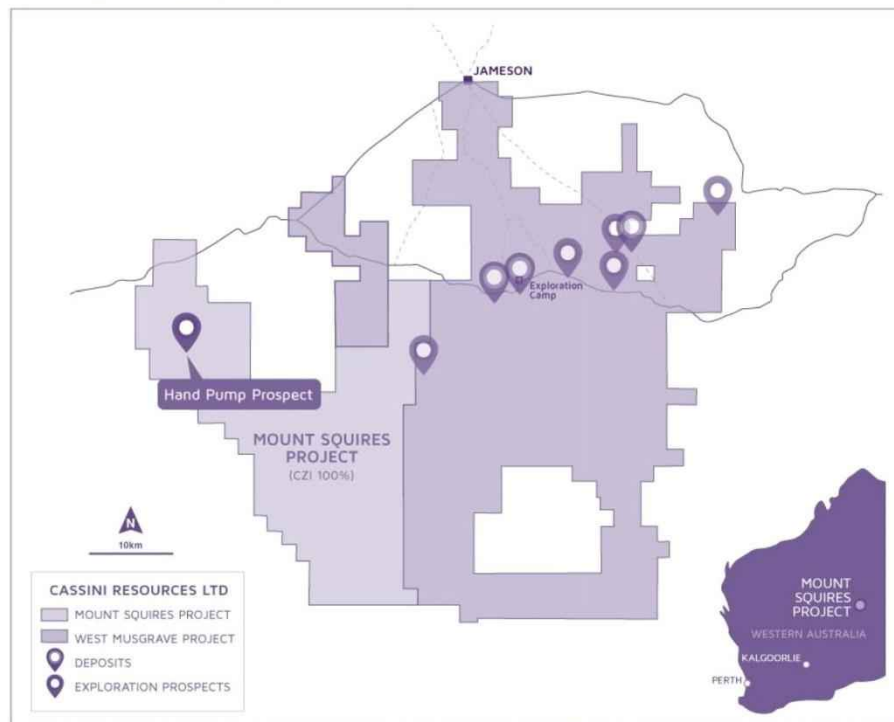
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- 20m with 1.27 grams per tonne Au, including 7m with 2.54 grams per tonne Au in MSC0003
- 27m with 1.00 grams per tonne Au, including 3m with 2.59 grams per tonne AU in MSC0004
- 19m with 0.68 grams per tonne Au including 6m with 1.26 grams per tonne AU in MSC0005

The initial discovery of gold at Handpump occurred because mineralised bedrock is exposed at the surface, a relatively rare occurrence in a landscape dominated by desert sands. Whilst the current exploration focus is primarily for gold, recent surveying and mapping by Cassini has recognized a potential extension of the magmatic nickel-copper trend from the West Musgrave Project into the eastern half of the project area.

#### Mount Squires Project Location

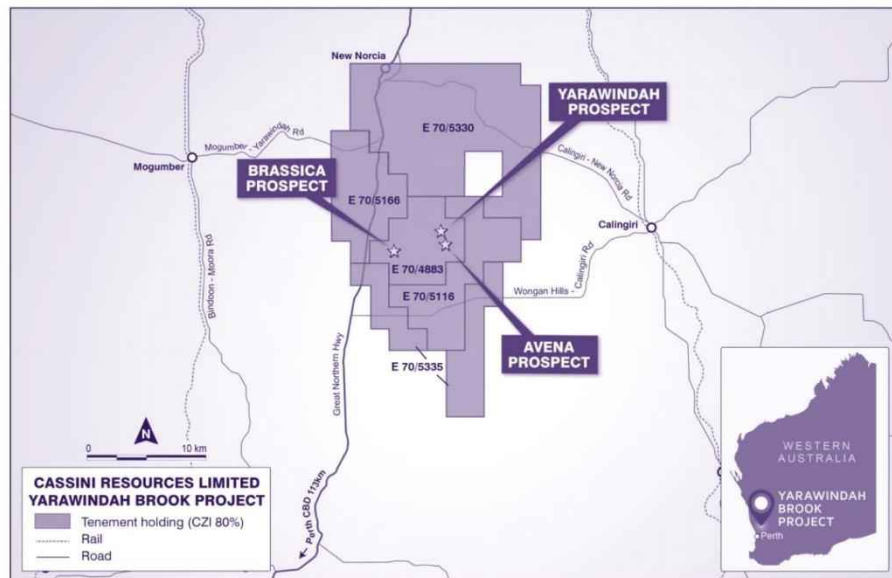


Source: Cassini Resources Limited website

#### 4.4 Yarawindah Brook Project (to be demerged into Caspin)

The 80% Cassini-owned Yarawindah Brook Project is an early stage, Nickel-Copper-PGE exploration project. It is located 100km north-east of Perth, in agricultural land near the township of New Norcia. This project is not part of the Acquisition Scheme but rather the Demerger Scheme and will be demerged into Caspin. The project has had only limited nickel, copper and cobalt exploration despite a favourable regional setting and prospective geology. Cassini completed an airborne electromagnetic survey over the project in early 2018, identifying numerous conductors worthy of further investigation, and the first drilling program was undertaken in early 2020 targeting these identified areas. A total of nine diamond holes were completed for 1,148m. Cassini's latest drilling campaign tested new electromagnetic conductors at the Brassica prospect and Avena Prospect. The company is particularly encouraged by a massive sulphide intercept at Avena of 0.12m at 5.97% nickel, 0.75% copper and 0.39% cobalt. The results to date at the Avena and Brassica Prospects support the exploration model that the Yarawindah Brook Project has potential to host multiple nickel-copper magmatic sulphide deposits. Cassini views the Yarawindah Brook Project as an excellent opportunity to apply its geological expertise and learnings in nickel-copper systems from the West Musgrave Project to a similar mineralised system. Further, the Yarawindah Brook Project is conveniently located adjacent to roads and power, providing development advantages if exploration proves successful.

##### Yarawindah Brook Project Location



Source: Cassini Resources Limited website



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## 4.5 Financial Information

Cassini's financial information is presented in A\$ which is their reporting currency.

### 4.5.1 Financial Performance

The table below illustrates the company's audited consolidated statements of comprehensive income for the last two financial years ended 30 June 2018, 30 June 2019, and the reviewed half year ended 31 December 2019.

Consolidated Statement of Financial Performance	FY18	FY19	HY20
A\$'000	Audited	Audited	Reviewed
<b>Revenue</b>			
Revenue	71	-	-
Interest Received	10	32	-
Other Income	1,902	400	119
<b>Total Revenue</b>	<b>1,983</b>	<b>432</b>	<b>119</b>
<b>Expenses</b>			
Employee and director benefits expense	(701)	(789)	(474)
Financial and company secretarial expenses	(150)	(150)	(93)
Audit and accounting fees	(50)	(80)	(17)
Legal fees	(19)	(43)	(20)
Insurance	(33)	(28)	(26)
ASX fees	(49)	(89)	(55)
Share based payment expense		(23)	(25)
Consultants and corporate advisory	(355)	(582)	(118)
Other employee expenses	(15)	(31)	-
Exploration expenditure not capitalised	(170)	(56)	-
Impairment expense		(1,718)	-
Marketing, travel and investor relations	(303)	(318)	(71)
Rent expense	(137)	(122)	(10)
Depreciation expense	(22)	(11)	(53)
Other expenses	(66)	(192)	(168)
<b>Total Expenses</b>	<b>(2,069)</b>	<b>(4,230)</b>	<b>(1,129)</b>
<b>Profit/Loss before income tax</b>	<b>(87)</b>	<b>(3,798)</b>	<b>(1,010)</b>
Income tax expense	-	-	-
<b>Profit/Loss after income tax</b>	<b>(87)</b>	<b>(3,798)</b>	<b>(1,010)</b>
Gain after tax from discontinued operation	635	-	-
<b>Net Profit/Loss</b>	<b>549</b>	<b>(3,798)</b>	<b>(1,010)</b>
Other Comprehensive Income	(639)	-	-
<b>Total Comprehensive Income</b>	<b>(90)</b>	<b>(3,798)</b>	<b>(1,010)</b>

Source: Cassini annual and half year reports

In relation to the above, we note the following:

- As Cassini is yet to reach the production phase in any of their projects, they have recorded a loss in each year of the review period.



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- Total Comprehensive Income decreased significantly in FY19 – this was primarily due to the decrease in other income from \$1,902k to \$400k and the impairment expense of \$1,718k. The impairment expense of \$1,718m relates to expenditure written off against the West Arunta Zinc Project following the decision by the company to surrender all tenements at this project.
- Other Income relates to management fees charged by OZ Minerals to other companies.
- Employee and director benefits expense includes employee wages, directors' fees and superannuation.
- The Other Comprehensive Income charge in FY18 relates to a loss made on exchange differences on translation of foreign operations.



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#### 4.5.2 Financial Position

The consolidated statement of financial position of Cassini as at 30 June 2018, 30 June 2019 and 31 December 2019 is summarised in the table below:

Consolidated Statement of Financial Position A\$'000	30-Jun-18 Audited	30-Jun-19 Audited	31-Dec-20 Reviewed
<b>Assets</b>			
Cash and cash equivalents	1,358	8,131	7,734
Trade and other receivables	1,249	1,635	245
<b>Total Current Assets</b>	<b>2,607</b>	<b>9,766</b>	<b>7,979</b>
Property, plant & equipment	103	92	81
Exploration and evaluation expenditure	10,586	13,493	18,060
Right of use assets	-	-	530
<b>Total Non-Current Assets</b>	<b>10,689</b>	<b>13,585</b>	<b>18,671</b>
<b>Total Assets</b>	<b>13,296</b>	<b>23,351</b>	<b>26,649</b>
<b>Liabilities</b>			
Trade payables	1,919	1,612	352
Provisions	112	157	167
Other payables	167	284	325
Lease liabilities	-	-	70
<b>Total Current Liabilities</b>	<b>2,198</b>	<b>2,054</b>	<b>914</b>
Borrowings	-	3,111	7,266
Lease liabilities	-	-	471
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>3,111</b>	<b>7,737</b>
<b>Total Liabilities</b>	<b>2,198</b>	<b>5,165</b>	<b>8,651</b>
<b>Net Assets</b>	<b>11,098</b>	<b>18,186</b>	<b>17,999</b>

Source: Cassini annual and half year reports

We note the following in relation to Cassini's financial position:

- As at 31 December 2019, CZI has net assets of \$17.99m.
- Cash and cash equivalents increased during FY19 due to the equity capital raising of A\$11.2 million in that year.
- PPE has decreased over the review period due to depreciation and limited additions.
- Exploration and evaluation expenditure has grown in each of the past three periods, increasing from A\$10.6 million in FY18 to A\$13.5 million in FY19 to A\$18.1 million in HY20. The majority of exploration and evaluation expenditure is from capitalised development costs at the West Musgrave Project. The value of interest in exploration expenditure is dependent on:
  - The continuance of Cassini's right to tenure the areas of interest;
  - The results of future exploration; and



- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.
- The borrowings amount consists of Cassini's share of OZ Mineral's expenditure in excess of A\$36 million. As such, as at 31 December 2019 OZ Minerals had spent A\$60.2 million, with 30% of the excess A\$24.2 million equating to A\$7.3 million. As part of the transaction, this amount is being forgiven by OZ Minerals. It is agreed that Cassini will be deferred carried up to completion of a bankable feasibility study through an interest bearing loan for its 30% contribution, to be repaid 5 years after the commencement of production at the West Musgrave Project.
- The right of use assets and lease liabilities relate to company property and reflect the new requirement of AASB 16 to recognise all leases on the balance sheet that have a material balance and a term of greater than 12 months.

#### 4.5.3 Cash Flow Statement

The table below illustrates the company's audited consolidated statements of cash flows for the last two financial years ended 30 June 2018, 30 June 2019, and the half year ended 31 December 2019.

Consolidated Statement of Cash Flows A\$'000	FY18 Audited	FY19 Audited	HY20 Reviewed
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customer	2,046	419	-
Payments to suppliers and employees	(2,232)	(2,552)	(979)
Interest received	10	32	80
<b>Net cash flows from operating activities</b>	<b>(176)</b>	<b>(2,100)</b>	<b>(899)</b>
<b>Cash Flows from Investing Activities</b>			
JV cash call receipts, net of GST	5,430	12,062	6,387
Exploration and evaluation expenditure	(5,998)	(14,642)	(7,197)
Payment for PPE	3	-	-
<b>Net cash flows from investing activities</b>	<b>(565)</b>	<b>(2,580)</b>	<b>(810)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from share issue	-	11,213	798
Proceeds from borrowings	-	912	654
Lease payment	-	-	(54)
Capital raising costs	-	(672)	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>11,454</b>	<b>1,399</b>
<b>Net change in cash</b>	<b>(741)</b>	<b>6,773</b>	<b>(397)</b>
Cash at beginning of period	2,099	1,358	8,131
<b>Cash at end of period</b>	<b>1,358</b>	<b>8,131</b>	<b>7,734</b>

Source: Cassini annual and half year reports

We note the following in relation to Cassini's cash position:

- As at 31 December 2019, Cassini had cash of A\$7.7 million.



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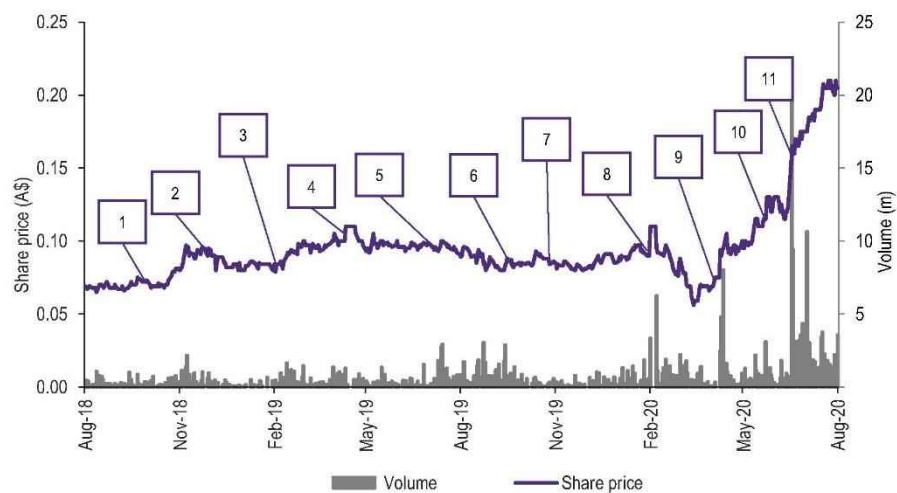
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- The biggest cash outflow for Cassini continues to be exploration and evaluation expenditure, accounting for A\$14.6 million in FY19 and A\$7.2 million for the half year to 31 December 2019.
- On 13 December 2019 Cassini completed a capital raising via the exercise of unlisted options. The directors and key management personnel exercised 12,250,000 unlisted options in order to raise A\$820,750 in capital
- JV cash call receipts include funds received from OZ Minerals to reimburse Cassini for expenditure. JV cash call receipts were largest in FY19 at \$12.1 million, a result of the higher exploration and evaluation expenditure in that year.

#### 4.6 Recent Share Trading

The figure below illustrates Cassini's share trading from 6 August 2018 to 6 August 2020.

##### Recent Share Trading



Source: S&P Global and GTCF analysis



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The following table illustrates the key events which may have impacted the share price and volume movements shown above:

Event	Date	Comment
1	Oct-18	West Musgrave Project PFS update. Resource drilling returns best ever Ni intersction at Nebo. Metallurgy program delivers significant improvements to nickel and copper recoveries.
2	Nov-18	New targets identified at One Tree Hill Prospect as diamond drilling extends mineralisation. A new, large downhole conductor has been identified.
3	Feb-19	New drilling results confirm potential at the Succoth mine. This has positive implications for potential resource growth and the ability to support the Nebo-Babel main development.
4	Jun-19	Cassini completes the acquisition of 80% of Yarawindah Brook Project by acquiring 80% of the issued share capital of Souwest Metals Pty Ltd.
5	Aug-19	Drilling commences at Mount Squires Gold Project.
6	Nov-19	Expansion of West Musgrave Joint Venture with new exploration tenement applications added.
7	Dec-19	\$820,750 capital raised via unlisted option exercise. 12,250,000 unlisted options held by the Directors and key management personnel were exercised.
8	Feb-20	Nebo-Babel PFS is released. Positive results announced including 26 year mine life, low carbon footprint, strong production potential.
9	Apr-20	CZI share price reaches minimum price of \$0.56 during the peak of COVID-19 crisis.
10	May-20	Drilling commencing at Yarawindah Project. Latest exploration results identify new targets for immediate drill testing.
11	Jun-20	The Proposed Scheme is announced on the 22nd June 2020.

Source: ASX announcements, GTCF Analysis

#### 4.7 Top Shareholders

We have set out below the substantial shareholders of Cassini as at 1 July 2020:

Substantial shareholders as at 1 July 2020			
Rank	Name	No. of shares	Interest (%)
1	Buxiao Yu	31,769,787	7.7%
2	Alasa Holdings Pty Ltd	31,133,466	7.3%
3	Colin David Iles	26,003,377	6.1%
4	Tinci (HK) Limited	25,000,000	5.8%
5	Cassini Resources Limited	25,000,000	5.8%
6	Mr Sufan Siauw and Lusmiati Marsudidjaja	21,262,465	5.1%
<b>Substantial shareholders total</b>		<b>160,169,095</b>	<b>37.8%</b>
<b>Remaining shareholders</b>		<b>267,530,905</b>	<b>62.2%</b>
<b>Total</b>		<b>427,700,000</b>	<b>100.0%</b>

Source: Cassini Resources Limited – Acquisition Scheme Booklet



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#### 4.8 Options and performance rights

As at 23<sup>rd</sup> June 2020, Cassini had the following unlisted options outstanding:

Exercise Price (A\$)	Number	Expiry Date	Consideration (A\$)
0.15	5,000,000	Apr-22	0.0000
0.20	5,000,000	Apr-22	0.0372
0.12	6,072,302	Jun-22	0.0265

Source: Cassini Resources Limited – Acquisition Scheme Booklet

As part of the Acquisition Scheme and pursuant to the terms of the options cancellation deeds, in the event options aren't exercise prior to the Effective Date OZ Minerals has agreed to provide, or procure, the provision of \$0.0372 per each option with an exercise price of \$0.20 per option, \$0.00 per each option with an exercise price of \$0.15 per option, and \$0.0265 per each option with an exercise price of \$0.01235 per option.

Cassini has 2,751,757 performance rights on issue which vest upon the Acquisition Scheme becoming effective and convert into Cassini shares on a one-for-one basis.



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## 5 Profile of OZ Minerals

### 5.1 Introduction

OZ Minerals is an Australian-based, ASX listed global mining company with mining operations in Australia and Brazil and an extensive exploration and development pipeline. It was established in 2008 following the merger of Oxiana and Zinifex. OZ Minerals has a strong copper focus, headlined by the copper-gold mine at Prominent Hill, the copper mine at Carrapateena, and other assets in Brazil. OZ Minerals had a market capitalisation of A\$4.6 billion as at 6 August 2020.

OZ Minerals currently owns 70% of the West Musgrave Project, with the remaining 30% owned by Cassini. As announced on 22 June 2020, OZ Minerals intends to acquire Cassini (excluding the Demerger Scheme assets, Capital Return and Caspin Cash Amount), increasing its effective ownership of the West Musgrave Project to 100%. Further background information on OZ Minerals and their major projects is provided below.

### 5.2 Prominent Hill

Prominent Hill is a copper-gold-silver mine located in South Australia, 130km south-east of Coober Pedy. The asset comprises of an open pit mine (Malu) which concluded operations in Q1 2018, two underground mines (Ankata and Malu) and a conventional crushing, grinding and flotation processing plant. It was discovered in 2001 by Adelaide-based Minotaur Exploration Limited and is considered the most significant greenfield discovery in Australia for over a decade. The mine is now 100% owned by OZ Minerals following the acquisition of Minotaur in 2005. Production at the mine began in February 2009 and immediately exceeded expectations, producing 112,171 tonnes of copper and 196,400oz of gold in 2010. Financial results for the mine have been very strong in recent years, illustrated in the below table for the years ended 31 December:

Financial Information (A\$ million)	CY18	CY19
Revenue	1,066	1,041
Cost of goods sold	(466)	(481)
Underlying EBITDA	618	587
Net depreciation and amortisation	(201)	(207)
Capital expenditure	77	106
Property, plant & equipment	672	718

Source: OZ Minerals annual report

Prominent Hill generates significant revenue for OZ Minerals contributing over A\$1 billion in 2018 and 2019. The strong financial performance of the mine helps OZ Minerals develop their asset base and realise growth aspirations. As of November 2019, Prominent Hill's mine life was extended to 2031 with a 7% increase in underground Proved Ore Reserves. Mine expansion options are also being reviewed to assess opportunities to further expand the mine's life.





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Net Revenue (A\$ million)	CY18	CY19
Copper	845	809
Gold	207	218
Silver	14	14
<b>Total</b>	<b>1,066</b>	<b>1,041</b>

Source: OZ Minerals annual report

Copper is the most prevalent mineral at Prominent Hill, contributing approximately 79% of total revenue in both 2018 and 2019. A contributing factor to the high revenue is the quality of copper mined at Prominent Hill, noted to be one of the highest grades of copper concentrate traded on the market. Once produced the copper concentrate is then transported to OZ Minerals' primary customers in Asia, Europe and Australia.

The following table illustrates the Ore Reserve and Mineral Resource estimates as at 31 December 2019 for Prominent Hill:

#### Mineral Resources Estimate as at 31 December 2019

Prominent Hill	Category	Tonnes (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (Moz)
Underground	Measured	52	1.6	1.3	0.6	3.0	650	930	5
	Indicated	21	1.4	0.9	0.9	3.0	190	600	2
	Inferred	48	1.4	1.0	0.7	2.0	480	1,100	4
	<b>Sub-total</b>	<b>120</b>	<b>1.5</b>	<b>1.1</b>	<b>0.7</b>	<b>3.0</b>	<b>1,300</b>	<b>2,700</b>	<b>11</b>
Surface Stocks - Copper	Measured	8	0.8	0.6	0.4	2.0	48	92	1
Surface Stocks - Gold	Measured	15	0.5	0.1	0.8	2.0	17	380	1
Surface Stocks	<b>Sub-total</b>	<b>23</b>	<b>0.6</b>	<b>0.3</b>	<b>0.6</b>	<b>2.0</b>	<b>65</b>	<b>470</b>	<b>2</b>
<b>Total</b>	Measured	75	1.3	1.0	0.6	3.0	720	1,400	7
	Indicated	21	1.4	0.9	0.9	3.0	190	600	2
	Inferred	48	1.4	1.0	0.7	2.0	480	1,100	4
	<b>Total</b>	<b>140</b>	<b>1.3</b>	<b>1.0</b>	<b>0.7</b>	<b>3.0</b>	<b>1,400</b>	<b>3,100</b>	<b>12</b>

Source: OZ Minerals annual report

#### Ore Reserve Estimate as at 31 December 2019

Prominent Hill	Category	Ore (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (Moz)
Underground	Proved	30	1.7	1.3	0.6	3.0	400	530	3
	Probable	9	1.4	1.0	0.9	3.0	90	240	1
	<b>Sub-total</b>	<b>39</b>	<b>1.6</b>	<b>1.3</b>	<b>0.6</b>	<b>3.0</b>	<b>490</b>	<b>770</b>	<b>4</b>
Surface Stocks - Copper	Proved	8	0.8	0.6	0.4	2.0	48	92	1
Surface Stocks - Gold	Proved	15	0.5	0.1	0.8	2.0	17	380	1
Surface Stocks	<b>Total</b>	<b>23</b>	<b>0.6</b>	<b>0.3</b>	<b>0.6</b>	<b>2.0</b>	<b>65</b>	<b>470</b>	<b>2</b>
<b>Total</b>	Proved	53	1.2	0.9	0.6	3.0	470	1,000	5
	Probable	9	1.4	1.0	0.9	3.0	88	240	1
	<b>Total</b>	<b>61</b>	<b>1.2</b>	<b>0.9</b>	<b>0.6</b>	<b>3.0</b>	<b>550</b>	<b>1,200</b>	<b>5</b>

Source: OZ Minerals annual report



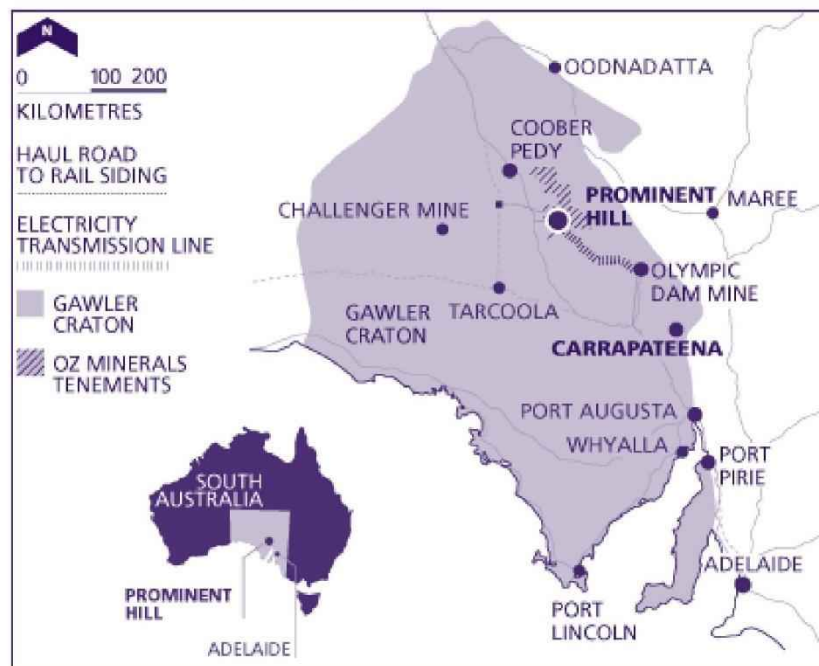
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### 5.3 Carrapateena

Carrapateena is an iron-oxide copper-gold underground mine located approximately 250km from Prominent Hill. Carrapateena produced first concentrate in December 2019 following a two year construction period and is targeting a 12 month ramp up period to achieve its full production rate of 4.25Mtpa, provided the cave propagates as expected. It is an underground sub-level cave operation with an estimated mine life of 20 years. A pre-feasibility study was completed in June 2020 examining the future expansion of the bottom half of the operation into a block cave. The below diagram illustrates the location of both Prominent Hill and Carrapateena.

**Prominent Hill and Carrapateena Project Locations**



Source: OZ Minerals website

The total Mineral Resources identified at Carrapateena are 965Mt at 0.54% copper, 0.24 g/t gold and 2.7 g/t of silver. This is in conjunction with Ore Reserves of 220Mt at 1.1% copper, 0.44 g/t of gold and 4.5 g/t of silver. A primary objective at Carrapateena is to further expand operations, and this was examined through the Block Cave Expansion Pre-feasibility study completed in June 2020. The study determined that replacing the lower half of the sub-level cave with block caves and expanding the annual throughput rate from 4.25 Mtpa to 8-12 Mtpa from 2026 would create significantly more value than a sub-level cave development alone. The study outlined how the block caves will significantly increase Ore Reserve and Mine Life, with Ore Reserves increasing from 91Mt at 2.0% CuEq to 220Mt at 1.3% CuEq. Furthermore, the block cave expansion will increase NPV by approximately A\$600m-A\$770m at final investment decision in 2023, with an IRR of approximately 19%.

Figures for the most recent estimates of Mineral Resources as at 31 December 2019 and Ore Reserves as at 31 May 2020 at Carrapateena are provided in the tables below:



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#### Carrapateena Mineral Resources Estimate as at 31 December 2019

Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu kt	Au koz	Ag Moz
Measured	140	0.8	0.4	3.0	1,200	1,650	3
Indicated	480	0.7	0.3	3.0	3,200	4,400	51
Inferred	340	0.3	0.1	2.0	890	1,400	19
<b>Total</b>	<b>970</b>	<b>0.5</b>	<b>0.2</b>	<b>3.0</b>	<b>5,200</b>	<b>7,400</b>	<b>83</b>

Source: OZ Minerals annual report

#### Carrapateena Ore Reserves Estimate as at 31 May 2020

Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu kt	Au koz	Ag Moz
Proved	0	0.0	0.0	0.0	0	0	0.0
Probable - SLC	32	1.5	0.7	8.2	480	740	8.5
Probable - BC1	140	1.1	0.5	4.5	1,600	2,000	20.0
Probable - BC1	48	0.7	0.2	2.1	310	350	3.2
<b>Total</b>	<b>220</b>	<b>1.1</b>	<b>0.4</b>	<b>4.5</b>	<b>2,400</b>	<b>3,100</b>	<b>31</b>

Source: Carrapateena Ore Reserve Statement as at 31 May 2020

### 5.4 Carajás Province

OZ Minerals owns a number of assets in the Carajás province of Brazil. OZ Minerals owns the operating open pit mine at Antas (2.6Mt at 1.2% copper and 0.4g/t gold), the Pedra Branca underground project under construction, as well as the high grade copper–gold exploration projects Pantera and Centro Gold.



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## 5.5 Financial Information

OZ Minerals financial information is presented in A\$ which is their reporting currency

### 5.5.1 Financial Performance

The table below illustrates the company's audited consolidated statements of comprehensive income for the last three financial years ended 31 December 2017, 31 December 2018 and 31 December 2019.

Consolidated Statement of Financial Performance	FY17	FY18	FY19
A\$ million	Audited	Audited	Audited
<b>Revenue</b>			
Mining revenue	1,023	1,117	1,107
Other income	5	3	0
<b>Total Revenue</b>	<b>1,028</b>	<b>1,120</b>	<b>1,107</b>
<b>Expenses</b>			
Mining	(554)	(310)	(252)
Processing	(127)	(147)	(147)
Freight	(64)	(73)	(81)
Site administration	(43)	(41)	(49)
Royalties	(53)	(56)	(58)
Inventory Movement	190	(84)	(141)
Corporate administration	(23)	(29)	(50)
Exploration and corporate development	(21)	(67)	(94)
Other expenses	(6)	(14)	(5)
Foreign exchange gain/loss	(6)	7	1
Interest expense	9	7	(5)
<b>Total Expenses</b>	<b>(699)</b>	<b>(807)</b>	<b>(879)</b>
<b>Profit before income tax</b>	<b>329</b>	<b>313</b>	<b>229</b>
Income tax	(98)	(91)	(65)
<b>Net Profit</b>	<b>231</b>	<b>222</b>	<b>164</b>
Other Comprehensive Income	(7)	(6)	(27)
<b>Total Comprehensive Income</b>	<b>224</b>	<b>217</b>	<b>137</b>

Source: OZ Minerals annual reports

In relation to the above, we note the following:

- With the Prominent Hill mine in its prime production period, OZ Minerals has been able to earn Total Comprehensive Income of A\$224 million in FY17, A\$217 million in FY18 and A\$137 million in FY19.
- The decrease in Total Comprehensive Income in FY19 was primarily driven by an increase in expenses, most notably inventory movement, corporate administration and exploration and corporate development costs. Furthermore, another contributing factor was lower copper sales at Prominent Hill as it transitions from its higher copper grade open pit stockpiles and higher exploration and corporate development expenditure.



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- The majority of mining revenue is contributed by the Prominent Hill mine accounting for approximately 96% of revenue in both FY18 and FY19. The remaining revenue is contributed by the Carajás mine.
- Revenue slightly decreased from FY18 to FY19 with lower copper and gold sales partially offset by higher Australian dollar realised copper and gold prices.
- Other Comprehensive Income includes changes in the fair value of investments, change in fair value of cash flow hedges and foreign currency translation differences on foreign operations.





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## 5.5.2 Financial Position

The consolidated statement of financial position of OZ Minerals as at 31 December 2017, 31 December 2018 and 31 December 2019 is presented in the table below:

Consolidated Statement of Financial Position	31-Dec-17	31-Dec-18	31-Dec-19
A\$ million	Audited	Audited	Audited
<b>Assets</b>			
Cash and cash equivalents	729	505	134
Trade receivables	122	71	83
Tax receivable	-	5	-
Inventories	263	277	238
Prepayments	4	6	8
Derivative financial instruments	-	18	-
Lease receivables	20		
Other receivables	11	22	23
<b>Total Current Assets</b>	<b>1,148</b>	<b>904</b>	<b>487</b>
Deferred tax assets	-	3	7
Inventories	484	402	299
Exploration assets	-	78	112
Property, plant & equipment	1,176	2,000	2,696
Right of use assets	-	-	176
Other assets	18	57	37
<b>Total Non-Current Assets</b>	<b>1,678</b>	<b>2,539</b>	<b>3,328</b>
<b>Total Assets</b>	<b>2,826</b>	<b>3,443</b>	<b>3,814</b>
<b>Liabilities</b>			
Trade payables and accruals	94	145	169
Other payables	4	7	8
Current tax provision	101	-	6
Employee benefits	10	13	15
Provisions	7	4	1
Derivative financial instruments	12	9	60
Loans and borrowings	-	-	38
<b>Total Current Liabilities</b>	<b>227</b>	<b>178</b>	<b>296</b>
Deferred tax liabilities	47	265	270
Employee benefits	2	2	2
Provisions	29	59	97
Derivative financial instruments	5	24	23
Loans and borrowings	-	-	146
<b>Total Non-Current Liabilities</b>	<b>83</b>	<b>350</b>	<b>538</b>
<b>Total Liabilities</b>	<b>310</b>	<b>528</b>	<b>834</b>
<b>Net Assets</b>	<b>2,516</b>	<b>2,915</b>	<b>2,980</b>

Source: OZ Minerals annual reports



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We note the following in relation to OZ Mineral's financial position:

- OZ Minerals has net assets of A\$2,980 million as at end of FY19.
- Total current assets have decreased over the review period due to cash and cash equivalents decreasing from A\$729 million as at end of FY17 to A\$505 million as at end of FY18 to A\$134 million as at end of FY19. The reduction in the cash balance was a result of operating cash flows being offset by ongoing investment in Carrapateena, Prominent Hill, West Musgrave as well as the payment of A\$74 million of dividends.
- PPE increased significantly over the period as a result of the construction of Carrapateena rising from A\$1,176 million as at end of FY17 to A\$2,000 million as at end of FY18 to A\$2,696 million as at end of FY19. This was driven by increases in mine property and development and plant and equipment.
- Right of use assets include office space, mining equipment leases and power line infrastructure.
- Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently re-measured at each reporting date. These include copper derivative contracts, foreign currency hedges and gold hedges.
- Loans and borrowings have increased due to lease liabilities for right of use assets. When lease contracts are terminated, the unpaid lease liability and net carrying value of the right of use assets is derecognized. As at 31 December 2019, OZ Minerals had A\$183.9 million of lease liabilities.



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### 5.5.3 Cash Flow Statement

The table below illustrates the company's audited consolidated statements of cash flows for the last three financial years ended 31 December 2017, 31 December 2018 and 31 December 2019.

Consolidated Statement of Cash Flows A\$ million	FY17 Audited	FY18 Audited	FY19 Audited
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	1,000	1,204	1,140
Payments to suppliers and employees	(569)	(550)	(493)
Payments for exploration and evaluation	(22)	(68)	(97)
Income tax paid	(79)	(149)	(44)
Financing costs	(1)	(1)	(2)
Interest received	13	13	6
<b>Net cash flows from operating activities</b>	<b>343</b>	<b>450</b>	<b>511</b>
<b>Cash Flows from Investing Activities</b>			
Payments for PPE	(151)	(426)	(738)
Exploration assets	(46)	-	(26)
Payment for Avanco	-	(183)	-
<b>Net cash flows from investing activities</b>	<b>(197)</b>	<b>(610)</b>	<b>(764)</b>
<b>Cash Flows from Financing Activities</b>			
Dividends paid to shareholders	(60)	(68)	(74)
Payments for loans and borrowings	-	-	(47)
Payment for acquisition of treasury shares	(7)		
<b>Net cash flows from financing activities</b>	<b>(67)</b>	<b>(68)</b>	<b>(122)</b>
<b>Net change in cash</b>	<b>79</b>	<b>(228)</b>	<b>(375)</b>
Cash at beginning of period	656	729	505
Effects of exchange rate changes on cash	(5)	3	4
<b>Cash at end of period</b>	<b>729</b>	<b>505</b>	<b>134</b>

Source: OZ Minerals annual reports

We note the following in relation to OZ Minerals' cash position:

- OZ Minerals' cash balance has declined over the review period, decreasing from A\$729 million in FY17 to A\$505 million in FY18 to A\$134 million in FY19.
- Customer receipts during the year were lower by A\$64.2 million due to the timing of concentrate sales, whilst payments to suppliers and employees were A\$57.5 million lower in FY19 primarily due to the reclassification of certain payments to suppliers as financing cash flows.
- A major reason for the decrease in cash is the increase in payments for PPE. Payments for PPE have consistently grown, increasing from A\$151 million in FY17 to A\$426 million in FY18 to A\$738 million in FY19. In FY19, the primary PPE payment was A\$579.2 million attributable to development costs at Carrapateena.
- OZ Minerals pay an interim and a final dividend each year. In FY19, the interim dividend was 8c per share totalling A\$25.8 million and the final dividend was 15c per share totalling A\$48.4 million.



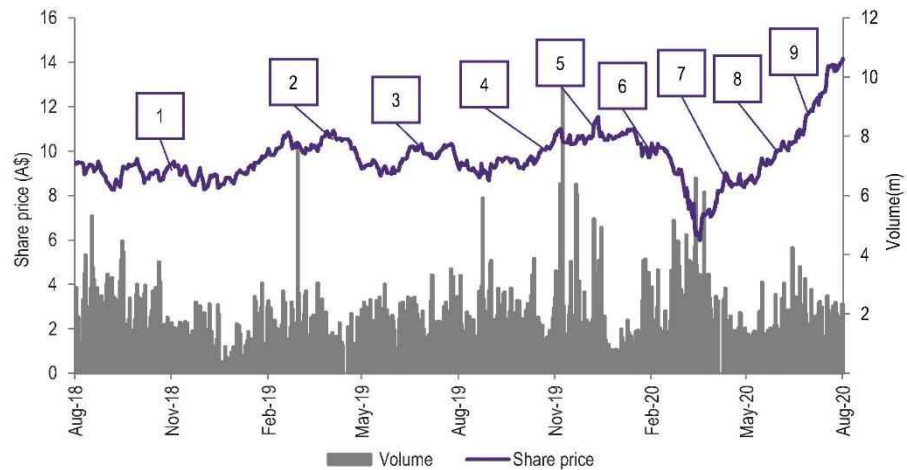
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## 5.6 Recent Share Trading

The figure below illustrates OZ Minerals' share trading from 6 August 2018 to 6 August 2020.

### Recent Share Trading



Source: S&P Global and GTCF analysis



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The following table illustrates the key events that may have impacted the share price and volume movements shown above:

Event	Date	Comment
1	Oct-18	OZL release their third quarter report with stronger than expected production from Prominent Hill mine.
2	Mar-19	Carrapateena Block Cave Expansion Scoping Study released. Results show that converting to a block cave may optimise value and further unlock the Carrapateena Life of Province Plan.
3	May-19	OZ Minerals to loan carry Minotaur through to commercial production from Jericho copper deposit.
4	Nov-19	Prominent Hill and Carrapateena Resource & Ore Reserve Statements are released. Both statements contain positive information around current and future production.
5	Nov-19	Pedra Branca project feasibility study update.
6	Feb-20	Nebo-Babel PFS results are released.
7	Apr-20	OZL shares reach minimum price of \$5.99 during the peak of COVID-19 crisis.
8	Jun-20	The Proposed Scheme is announced on 22 June 2020.
9	Jun-20	Carrapateena life of province plan scoping study released.

Source: ASX announcements, GTCF analysis

## 5.7 Shareholders

As at 1 July 2020, OZ Minerals had 324,188,240 ordinary fully paid shares on issue. We have set out below the substantial shareholders of OZ Minerals as at 1 July 2020:

Substantial shareholders as at 3 July 2020			
Rank	Name	No. of shares	Interest (%)
1	BlackRock Group	23,262,090	7.2%
2	Cooper Investors	20,315,817	6.3%
3	Dimensional Entities	19,503,238	6.0%
4	Vanguard Group	17,373,664	5.4%
5	State Street Corporation	16,836,736	5.2%
<b>Substantial shareholders total</b>		<b>97,291,545</b>	<b>30.0%</b>
<b>Remaining shareholders</b>		<b>226,896,695</b>	<b>70.0%</b>
<b>Total</b>		<b>324,188,240</b>	<b>100.0%</b>

Source: Cassini Resources Limited – Acquisition Scheme Booklet





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## 5.8 Performance Rights

The movement in the number of performance rights for FY19 can be seen in the table below:

Performance Rights	2018	2019
Opening Balance	2,006,254	2,047,737
Rights Granted	1,011,190	1,209,771
Rights Vested	(762,005)	(955,377)
Rights Forfeited	(207,702)	(116,748)
<b>Closing Balance</b>	<b>2,047,737</b>	<b>2,185,383</b>

Source: OZ Minerals annual report

As can be seen the closing balance of performance rights has increased by approximately 138k. This is primarily due to the increase in rights granted and the decrease in rights forfeited.

The total number of OZ Minerals performance rights on issue as at the date of this report is 2,563,269.



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## **6 Profile of Caspin**

### **6.1 Introduction**

Caspin is a resource exploration company that was incorporated in Australia on 17 June 2020 by its current parent company, Cassini, to effect the proposed demerger of Cassini's Yarawindah Brook and Mount Squires Projects. Caspin's strategy is to explore and progress existing mineral resource projects at Yarawindah Brook and Mount Squires and, where appropriate, generate, earn-in to, or acquire new projects with the aim of creating value for Caspin Shareholders. It is currently the intention of Caspin to seek to list Caspin on the ASX.

To give effect to the Demerger Scheme, Cassini will transfer to Caspin of the four wholly owned subsidiaries of Cassini which hold those assets. The relevant Cassini subsidiaries (which are all wholly owned except for Souwest Metals Pty Ltd which is 80% owned) are:

- Opis Resources Pty Ltd (ACN 610 710 462) (Mount Squires)
- Salvado Resources Pty Ltd (ACN 633 640 070) (Yarawindah Brook)
- Search Resources Pty Ltd (ACN 150 879 486) (Yarawindah Brook)
- Souwest Metals Pty Ltd (ACN 613 111 498) (Yarawindah Brook)

Sections 4.3 and 4.4 provide a detailed summary of the Mount Squires and Yarawindah Brook Projects.

### **6.2 Funding Strategy**

Caspin will receive A\$500,000 in funding from Cassini to provide initial working capital funding. Caspin intends to apply for admission to the official list of the ASX as soon as practicable after the implementation of the Demerger Scheme. Caspin intends to conduct a capital raising in connection with its intention to list on ASX to fund its future working capital needs and exploration activities. We note that any ASX listing and capital raising will be subject to investor appetite and market conditions.

### **6.3 Board and Senior Management**

The proposed board and senior management of Caspin are as follows:

- Greg Miles – Chief Executive Officer (current Cassini Chief Operating Officer)
- Cliff Lawrenson – Non-Executive Chairman
- Justin Tremain – Non-Executive Director
- Simone Suen – Non-Executive Director (current Cassini Non-Executive Director)
- Dr Jon Hronsky OAM – Non-Executive Director (current Cassini Non-Executive Director)



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## 6.4 Material Contracts

The below details some of the material contracts of Caspin:

### Joint Venture – Souwest Metals Pty Ltd

On 11 April 2019, Cassini exercised an option to acquire 80% of the shares in Souwest Metals Pty Ltd, the company holding the tenements comprising the Yarawindah Brook Project. The remaining 20% is held by Mr Scott Wilson and his wife Maria Wilson. On 31 May 2019, Cassini and the Wilsons entered into an incorporated joint venture agreement in respect of the operations of Souwest Metals Pty Ltd. The agreements details that Cassini is the manager of the joint venture and will be responsible for preparing all programs of works in respect of the Yarawindah Brook Project. Cassini has also agreed to sole fund all expenditure on the project including the completion of any feasibility studies.

### Contingent Payment Deed

On 21 June 2020, Caspin and OZ Minerals entered into a Contingent Payment Deed. Caspin has the right to receive a potential payment by OZ Minerals in two potential scenarios ("Contingent Consideration"). In the first scenario, if OZ Minerals disposes of 30% or more of its interest in the West Musgrave 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. In the second scenario, if OZ Minerals sells 30% or more of the contained nickel at West Musgrave to a strategic party, it will pay an amount of A\$10 million to Caspin.

In each scenario, if less than a 30% interest is sold, the Contingent Consideration will be calculated on a pro-rata basis.

The Contingent Consideration is capped at A\$20 million.

## 6.5 Capital Structure

Caspin currently has 1,000 fully paid ordinary shares on issue, issued at \$1.00 each held by Cassini.



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## 6.6 Pro Forma Financial Position

The consolidated Pro forma statement of financial position of Caspin as at 31 December 2019 is summarised in the table below:

31-Dec-19 \$'000	Souwest	Search	Opis	Salvado	Subsequent Events	Pro-forma Adjustments	Caspin Pro-forma after de-merger
<b>ASSETS</b>							
Cash and cash equivalents	0	8	-	-	-	500	508
Trade and other receivables	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>0</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>508</b>
Property, plant and equipment	-	-	-	-	-	-	-
Exploration and evaluation expenditure	762	5	1,009	-	758	-	2,535
Lease assets	-	-	-	-	-	-	-
Intercompany balances	(140)	(2,232)	(1,009)	-	(758)	4,139	-
<b>Total non-current assets</b>	<b>622</b>	<b>(2,227)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>4,139</b>	<b>2,535</b>
<b>TOTAL ASSETS</b>	<b>622</b>	<b>(2,219)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>4,639</b>	<b>3,042</b>
<b>LIABILITIES</b>							
Trade payables	-	(0)	-	-	-	-	(0)
Provisions	-	-	-	-	-	-	-
Other payables	-	(0)	-	-	-	-	(0)
Lease liabilities	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
Loans payable	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>NET ASSETS</b>	<b>622</b>	<b>(2,219)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>4,639</b>	<b>3,042</b>

Source: Cassini Resources Limited

In relation to the above, we note the following:

- The above balances are based on the balance sheet of each entity subject to the Demerger Scheme as at 31 December 2019
- The Pro forma cash adjustment of A\$500,000 is the Caspin Cash Amount to be received from Cassini as part of the Demerger Scheme.
- The Exploration and evaluation expenditure relates to capitalised costs associated with the Yarawindah Brook and Mount Squires Projects. Since 31 December 2019, additional exploration and evaluation costs have been capitalised of c. A\$758,000.
- As part of the Demerger Scheme, intercompany loans will be forgiven and Cassini will provide A\$500,000 in cash for working capital purposes.



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## 7 Valuation methodologies

### 7.1 Introduction

As discussed in Section 2, our fairness assessment involves comparing the Scheme Consideration of one OZ Minerals Share per 68.5 Cassini Shares to the fair market value of Cassini Shares excluding the Caspin demerger components on a control and fully diluted basis. The Caspin demerger components include: Yarawindah Brook; Mount Squires; cash associated with the Capital Return; and the A\$500,000 cash to be transferred to Caspin (the "Caspin Cash Amount").

Grant Thornton Corporate Finance has assessed the value of Cassini's interest in the West Musgrave Project using the concept of fair market value. Fair market value is commonly defined as:

*"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."*

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

### 7.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets ("DCF Method").
- Mineral reserve/resource multiples where the enterprise value of a company is divided by the quantity of defined mineral reserves or resources for its projects ("Resource Multiple Method").
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets ("FME Method").
- Amount available for distribution to security holders on an orderly realisation of assets ("NAV Method").
- Quoted price for listed securities, when there is a liquid and active market ("Quoted Security Price Method").
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being





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valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

### 7.3 Selected valuation methods

In our assessment of the fair value of Cassini, Grant Thornton Corporate Finance has relied on a number of valuation methodologies as outlined below:

#### 7.3.1 Sum of Parts approach ("SOP")

Grant Thornton Corporate Finance has selected the market value of net assets as the primary method to assess Cassini's equity value. The market value of net assets is based on the sum of parts of Cassini's primary asset its 30% shareholding in the West Musgrave Project (including certain adjustments specific to Cassini with respect to its interest in the West Musgrave Project as described further below) and other assets and liabilities as reported in the reviewed balance sheet as at 31 December 2019.

Summary of assets	Selected valuation methodology
<b>Mining assets</b>	
West Musgrave Project (30%)	Income based approach - DCF
West Musgrave Project Cassini Adjustments	Income based approach - DCF
Other Mineral Assets	CSA Global Valuation
Demerger Assets	CSA Global Valuation
<b>Other assets and liabilities</b>	
Corporate head office costs	Income based approach - DCF
Adjusted cash balance / surplus assets	Adjusted carrying value
Options	Scenario basis incorporating dilution and cash impacts

Source: GTCF

Note: the West Musgrave Project Cassini Adjustments relate to specific provisions of the Joint Venture Agreement with OZ Minerals and are described further in section 8.2.1.3.

#### West Musgrave Project

The West Musgrave Project is the key development asset of Cassini. Cassini owns a 30% interest in the West Musgrave Project. The market value of the West Musgrave Project was assessed applying the DCF Method. We believe this method is appropriate due to the following:

- The West Musgrave Project is at an advanced stage with a PFS released in February 2020.
- With the release of the PFS a reserve was established for the project.
- The DCF Method is the most appropriate approach in valuing assets with a finite life such as mining projects. This reflects the fact that the reserves deplete over time, and the significant level of capital and time required for the development of mining assets.
- Grant Thornton Corporate Finance has engaged CSA Global to independently review the technical assumptions in relation to the West Musgrave Project projections and we have made changes to the underlying model based on their recommendations. In certain cases we have also considered the impact from a sensitivity analysis perspective.



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#### *Other mineral assets*

The other mineral assets reflect exploration assets not otherwise included in the West Musgrave Project PFS, which however form part of the overall West Musgrave Project and are therefore subject to the Acquisition Scheme. Specifically these include: parts of the West Musgrave Project land holding (not including in the PFS) and Succoth. CSA Global has prepared a valuation of these mineral assets, as detailed in their report attached at Appendix H.

#### 7.3.2 Cross check valuation methodologies

In order to cross check our DCF approach, we have considered alternative valuation methodologies.

- *Resource and reserve multiples:* comparing the resource and reserve multiples implied in our SOP valuation with the resource and reserve multiples of listed peers and comparable transactions.
- *Quoted Security Price Method:* We have also considered the Quoted Security Price Method which is based on the Efficient Market Hypothesis which assumes that the share price at any point in time reflects all publicly available information and will change when new information becomes publicly available. However, our review of the trading data of Cassini did not show evidence of sufficient volume traded and therefore liquidity to warrant inclusion of this analysis.

#### 7.3.3 Independent technical specialist

For the purposes of this report, Grant Thornton Corporate Finance has engaged CSA Global to review and opine on the reasonableness of the technical assumptions included in the development and exploration assets of Cassini, and to prepare a valuation of the exploration assets of Cassini.

CSA Global's review was completed in accordance with the VALMIN Code and is attached in Appendix H.



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## 8 Valuation Assessment of Cassini Shares

### 8.1 Valuation Summary – Sum of Parts

We have estimated the fair market value of a share in Cassini, on a control basis, to be in the range of \$0.11 per share to \$0.21 per share.

The following table sets out our assessment of the fair market value of a Cassini share before the Acquisition and Demerger Schemes on a control basis using the SOP method:

Sum of Parts Valuation Summary (A\$ million)	Section Reference	Low	High
WACC		10.5%	9.5%
West Musgrave Project 100% value	8.2	188.7	323.0
Cassini share of West Musgrave Project		30%	30%
Cassini share of West Musgrave Project		56.6	96.9
<u>Other Cassini West Musgrave Project Adjustments:</u>			
OZL loan deferred-carry net impacts	8.2.1.3	6.2	5.4
Other Cassini South32 Obligations	8.2.1.3	(18.6)	(20.8)
Add: Other Mineral Assets	8.2.2	14.8	14.8
Add: Demerger assets	8.2.3	1.3	9.6
Less: Net debt	8.2.4	(0.1)	(0.1)
Less: Corporate costs	8.2.5	(13.2)	(14.3)
<b>Equity Value (control basis)</b>		<b>47.0</b>	<b>91.6</b>
Number of outstanding shares (fully diluted) (millions)	8.2.6	446.6	446.6
<b>Value per share (control basis) (A\$ per Share)</b>		<b>0.11</b>	<b>0.21</b>

Source: PFS Model, Cassini company information and reporting, GTCF calculations

### 8.2 Sum of Parts Valuation Components

To value the West Musgrave Project component, we have adopted the DCF method. For the purpose of our valuation assessment, Cassini Management have provided us with a pre-feasibility study model ("PFS Model") for the West Musgrave Project. We note the following in relation to the PFS Model:

- The PFS Model assesses the net present value of the West Musgrave Project using real, post-tax cash flows.
- Cash flows used to calculate the NPV are presented in AUD, as a majority of expenditure is to be paid in that currency and it is the reporting currency of Cassini and OZ Minerals. Commodity prices and therefore revenue are stated in USD which is then converted into AUD.
- The PFS Model includes annual forecast cash flows commencing 1 January 2020 and operates on a calendar year basis.
- The PFS Model is based on the pre-feasibility study and ore reserve statement conducted for the Nebo Babel site announced in February 2020.



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- We note that for the West Musgrave Project to enter production (and therefore generate income for its owners) considerable work, and risk, remains. It requires amongst other things: a positive Bankable Feasibility; a positive investment decision and funding arrangements; negotiation of licences and permits and major contracts; and then a successful construction and ramp-up. Given there are more unknowns at the West Musgrave Project's stage of development relative to say a producer or even a BFS stage project or a brownfield site or one in construction, it is important to include allowances for these risks in the valuation. In part we have considered this through the cash flows through the assumed delay to construction start, and also by applying our assessment of certain economic assumptions, but we have also had consideration to the stage of development and risk profile in our determination of an appropriate discount rate to apply to the project.

Whilst we recognise there is considerable uncertainty associated with a project at PFS stage and as a consequence utilising cash flow forecasts which are based on assumptions of revenues and costs a number of years into the future, we consider undertaking a DCF analysis as our primary methodology to be most reliable based on the following:

- The West Musgrave Project has JORC compliant Probable Ore Reserves of c 220 Mt, with an additional 140 mt of Indicated and Inferred Minerals Resources.
- The PFS Model was reviewed by CSA Global and they have provided us with their opinion on the reasonableness of certain key assumptions. We have had regard to their comments and performed a sensitivity analysis to address their concerns including around the marketability of the concentrates locally versus internationally.
- OZ Minerals as 70% owner of the West Musgrave Project has a proven track record of advancing projects through to production.
- The Acquisition Scheme is based on the West Musgrave Project assets only and does not include Yarawindah Brook and Mount Squires. As a consequence, the quoted share price of Cassini is not representative of the assets being demerged. Further, we have analysed the Cassini share price prior to the announcement of the schemes and consider it to be illiquid, and therefore may not be representative of the value of the underlying assets.
- Observed reserve and resource multiples based on comparable companies and transactions are broad as they are specific to the particular assets (which can vary widely in quality and risk profile) underlying each company. We consider that the resource multiples provided a basis for a cross check rather than a primary valuation methodology.

We have considered the assumptions contained in the PFS Model and CSA Global has undertaken a detailed review of the model and provided us with potential updates to the Financial Model. Whilst we believe that the assumptions underlying the PFS Model are reasonable (subject to CSA Global's comments) and appropriate to be adopted for the purpose of our valuation, in accordance with the requirements of RG 111, we have not disclosed them in our Report. In addition, the projections contain commercially sensitive information and they do not meet the requirements for presentation of prospective financial information as set out in ASIC RG 170.





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In accordance with the requirement of RG 111, we have undertaken a critical analysis of the PFS Model, including engaging CSA Global to undertake a review of key operational assumptions before relying on it for the purpose of our valuation assessment. Specifically, we have performed the following:

- Conducted high level checks, including limited procedures in relation to the mathematical accuracy of the PFS Model; and
- Held discussions and interviews with Cassini Management to discuss the PFS Model.

We have performed a broad review and critical analysis of the key assumptions used in the PFS Model, including engaging CSA Global to undertake a review of key operational assumptions applying assumptions that are intended to reflect the assumptions that could be reasonably adopted by industry participants in the pricing of a similar business. We have detailed this review and analysis in the following section of this Report. The assumptions adopted do not represent the projections of Grant Thornton Corporate Finance.

We note that the assumptions are inherently subject to considerable uncertainty and there is significant scope for difference of opinion. It should be noted that the value of Cassini could vary materially based on changes to certain key assumptions, in particular the nickel and copper prices, AUD:USD exchange rate and the discount rates. Accordingly, we have conducted further sensitivity analysis to highlight the impact on the value of Cassini Shares caused by movements to certain key assumptions. As a result, the outcomes of the SOP valuation approach should be considered with caution by Cassini Shareholders.

#### 8.2.1.1 Economic assumptions

##### *AUD:USD Exchange Rate*

Commodities are generally sold in USD, which for the West Musgrave Project forecasts (which are expressed in AUD) requires the USD receipts to be converted into AUD. Considering that all of the revenue attributable to the West Musgrave project is from the sale of commodities, the adopted AUD:USD exchange rate is a major assumption. In selecting the long term AUD:USD exchange rate of A0.72, we have considered the exchange rate historically and also the forecasts of financial institutions ("brokers").

A summary of the broker estimates considered is outlined below, indicating a projected increase from 0.67 in 2020 to 0.70 in 2022, and a long term rate of 0.72.

AUD/USD	2020	2021	2022	Long term
Broker 1	0.64	0.66	0.70	N/A
Broker 2	0.67	0.69	0.70	N/A
Broker 3	0.67	0.64	0.64	N/A
Broker 4	0.69	0.69	0.70	0.70
Broker 5	N/A	0.70	0.71	0.74
<b>Median</b>	<b>0.67</b>	<b>0.69</b>	<b>0.70</b>	<b>0.72</b>

*Source: broker reports*





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With reference to the above references and applying purchasing power parity (assuming US inflation of 2.0% p.a. and Australian inflation of 2.5% p.a.) we have adopted a real long term AUD:USD exchange rate of \$0.72 for the valuation.

#### Commodity Prices

We have outlined our applied assumptions in relation to commodity prices for the PFS Model in the table below:

Commodity price assumptions	Illustrative % of gross revenue	Units	Assumption - Low	Assumption - High
Nickel	56%	US\$/lb, real	6.90	7.00
Copper	39%	US\$/lb, real	2.85	2.95
Cobalt	<1%	US\$/lb, real	19.00	19.00
Gold	3%	US\$/troy oz, real	1,400.00	1,400.00
Silver	1%	US\$/troy oz, real	18.00	18.00
Palladium	1%	US\$/troy oz, real	1,075.00	1,075.00
Platinum	<1%	US\$/troy oz, real	1,077.50	1,077.50

Source: broker consensus

Our selected assumptions are based on a combination of the historical and current commodity prices, general market sentiments and a range of broker forecasts. Considering the significance on value of the nickel and copper price, we have further discussed our analysis for these two commodities below.

#### Nickel Price

The major source of revenue (c.56%) from the West Musgrave Project is from the sale of nickel, and therefore the nickel price assumption is a key driver of value. From 2017 to 2020, the nickel price was fairly volatile, moving between c. US\$4.30/lb and US\$8.30/lb over the period. The global COVID-19 outbreak has also contributed to the volatility in price, as the nickel price declined significantly between February and April 2020, reaching a low of US\$5.23/lb in late March 2020 before increasing to above US\$6.00/lb in June 2020. The natural volatility in the nickel price and the further uncertainty related to COVID-19 may mean that new information becomes available to suggest a change in our nickel price assumption may be warranted, and we note that this will likely have a material impact on the valuation. In determining the nickel price assumption for the purposes of our valuation, we have taken into account the following:

- The current and historical spot nickel prices;
- Broker forecasts for the real price of nickel, placing particular emphasis on the observed median;
- The expected timing of production from the West Musgrave Project; and
- Other publicly available industry estimates and commentary.

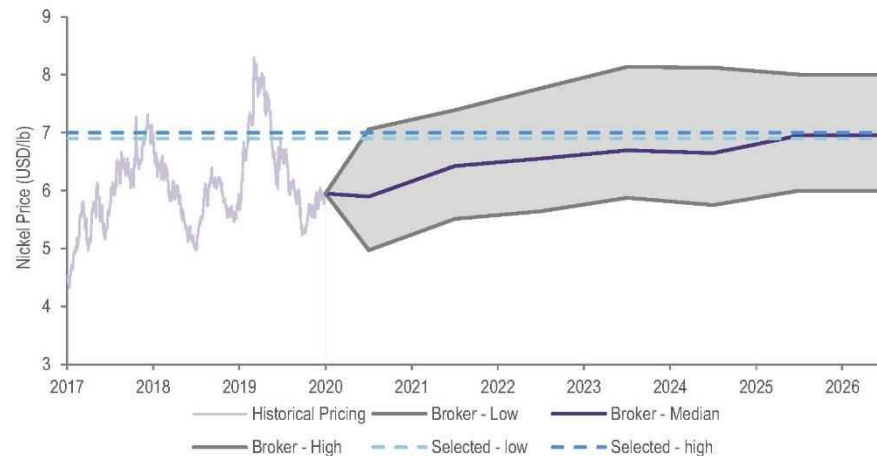
In the graph below, we have outlined the historical nickel price, the observed broker estimate ranges and median and our adopted nickel assumption.



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#### Historical and Forecast Real Nickel Prices



Source: brokers, S&P Global, GTCF Analysis

Noting that production of nickel at West Musgrave is not scheduled to begin until 2025, we have selected a real nickel price assumption that is broadly consistent with the median broker long term estimates with a range of US\$6.90/lb to US\$7.00/lb.

#### Copper Price

The second largest source of revenue (c.39%) from the West Musgrave Project is from the sale of copper. Between 2017 and 2020, the copper price was between US\$2.50/lb and US\$3.30/lb and in a general decline since 2018. With the outbreak of COVID-19 in early 2020 further downwards pressure was applied to the copper price. The copper price reached a low of US\$2.01 in late March 2020, before recovering to US\$2.70/lb in June 2020. In selecting the copper price for the purposes of our valuation, we have taken into account the following:

- The current and historical spot copper prices;
- Broker forecasts for the real price of copper, placing particular emphasis on the observed median;
- The expected timing of production from the West Musgrave Project; and
- Other publicly available industry estimates and commentary.

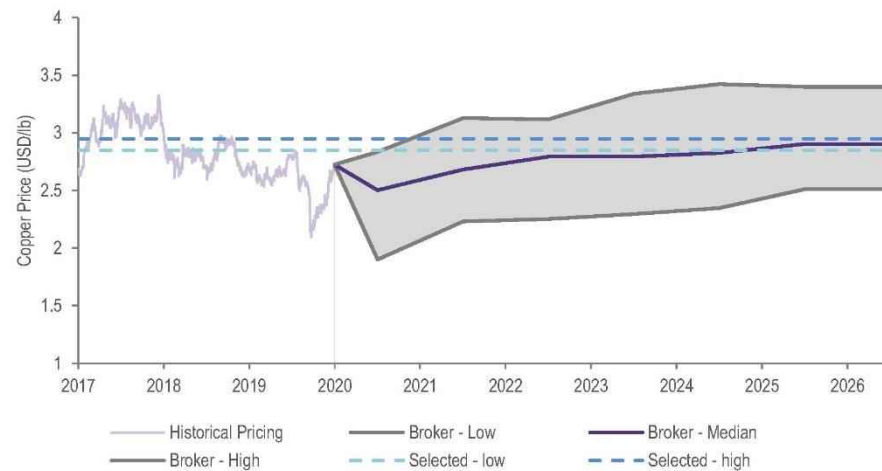
In the graph below, we have outlined the historical copper price, the observed broker estimates and our selected copper price.



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#### Historical and Forecast Copper Prices



Source: Various brokers, S&P Global, GTCF Analysis

Noting that production of copper at West Musgrave is not scheduled to begin until 2025, we have selected a copper price assumption that is broadly consistent with the median broker long term estimates of with a range of US\$2.85/lb to US\$2.95/lb.

#### Inflation

The PFS Model is a real dollar model so inflation is not relevant to the cash flows forecast except for the calculation of income tax, which is calculated on the basis of nominal cash flows and then converted back into real dollars. The inflation assumption is also relevant for the conversion of the discount rate from a nominal rate to a real rate as described in Appendix E. We have considered a range of sources for the long term inflation rate assumption including historical long term inflation rates and economic research institutions including RBA commentary and guidance. We have adopted a long term inflation rate of 2.50% per annum in the PFS Model (noting the limited impact due to it being real dollar model) and our discount rate assessment.

#### 8.2.1.2 Key project and Financial Model assumptions

The following provides details of key operating assumptions which underpin our DCF approach.

#### Construction commencement

At the time of the release of the PFS in February 2020, it was expected that construction would commence in 2022. Following discussions with Cassini Management, as a consequence of COVID-19 and the associated restrictions, we have assumed a likely delay to the start of construction at the West Musgrave Project by 1 year to 2023. Therefore, we have applied this change to the PFS Model for the purposes of our valuation.



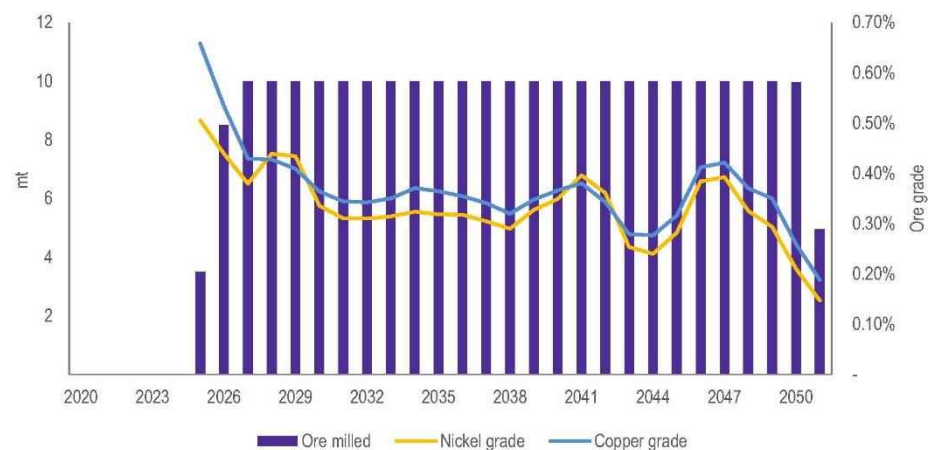
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#### Production

The West Musgrave Project's ore milled assumption and nickel and copper head grades are presented in the figure below.

#### Annual Forecast Production



Source: PFS Model, GTCF Analysis

We note the following in relation to the assumed level of ore milled over the life of the Project:

- Milled ore ramps up over from 2025 over 2 years from c.3.5mt to maximum capacity of 10mt by the third year of production.
- Current Ore Reserves are consumed over the first 22 years of operations approximately. The 26 year Mine Life represents 75% of total current Minerals Resources (including Ore Reserves mined in the first 22 years), indicating there are Minerals Resources beyond the currently contemplated mine life, though they have not yet been included within Ore Reserves.
- The grade of processed nickel and copper is forecast to maintain relative stable from 2025 to 2035, with the average 'grade' of each metal over this period expected to be c. 0.33% and 0.36% respectively.
- It is CSA Global's opinion that the mine design and material movement philosophy including stockpiling and mine plan has been completed to a PFS standard. The mining operation is relatively straightforward with the material movements, mining methods and management of the future operation well understood.
- CSA Global identified no major flaws in the process selection, metallurgical test work or the financial inputs derived in the PFS.



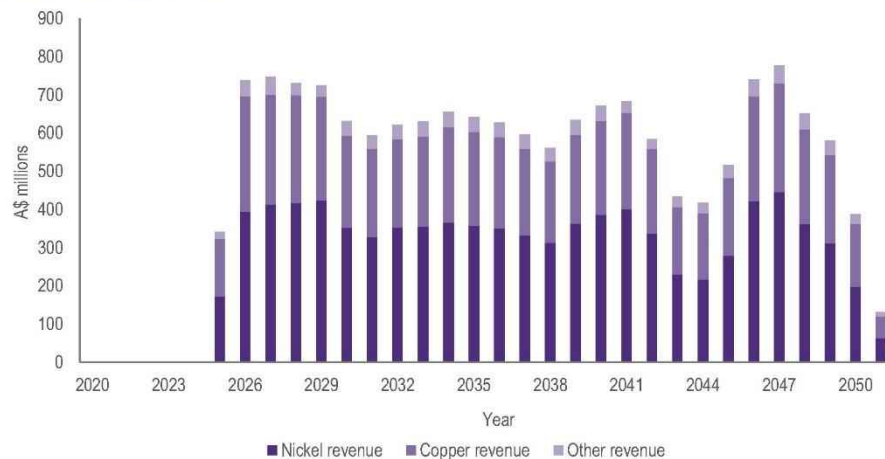


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The production described above, in combination with the nickel and copper pricing assumptions (discussed in previous section), the projected revenue profile of the West Musgrave Project is displayed below:

#### Annual Forecast Revenue



Source: PFS Model, GTCF Analysis

We note the following in relation to the assumed level of revenue over the life of the West Musgrave Project:

- The annual forecast revenue consists of revenue generated from West Musgrave Project's primary assets, specifically - nickel and copper as well as 'other revenue' generated from by-product metals such as cobalt, gold, silver, platinum and palladium.
- We note that the PFS Model assumes that 50% of concentrate sales are made to Australian customers with the remaining 50% to Chinese customers. CSA Global has indicated that, with the potential ramp-up in mining operations of the integrated nickel companies in Australia that OZ Minerals and Cassini may find it challenging to place the 50% allocated to Australia within the Australian market, particularly having regard to the low nickel content of its concentrate. If the proportion of concentrates sold to China increases, then this has a flow-on effect to the transport costs, and impacts negatively on our valuation assessment. We have conducted a sensitivity (see section 8.2.7) of this assumption showing the implications of an increase in sales to China customer to 75% and 100% of product.
- CSA Global have indicated that the concentrates will be low impurity but relatively low grade.
- The West Musgrave revenue forecast from nickel (over the life of mine ("LOM")) is projected to be approximately A\$9.2 billion in real terms, or approximately A\$340 million per annum. On this basis, nickel revenue is projected to represent approximately 56% of the West Musgrave Project total revenue.
- The West Musgrave revenue forecast from (over the LOM) is projected to be approximately A\$6.4 billion in real terms, or approximately A\$235 million per annum. On this basis, copper revenue is projected to represent approximately 39% of the total West Musgrave Project revenue.





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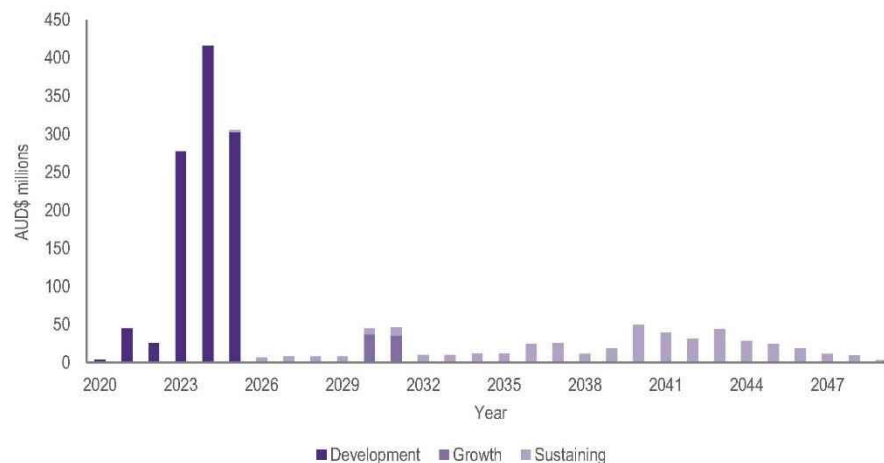
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- Other revenue generated from the Project over the LOM are projected to be approximately A\$966 million in real terms, or approximately A\$36 million per annum. On this basis, other revenue is projected to represent approximately 5% of the total West Musgrave Project revenue.
- The proportion of nickel and copper mined in a given year are fairly consistent over the course of the LOM.

#### Capital expenditure ("CAPEX")

We have set out below a graphical representation of the CAPEX profile that is assumed in the PFS Model, taking into the consideration the adjusted timeline as discussed above. It is CSA Global's view that the capital and operating costs have been developed to a standard commensurate with a PFS level of accuracy. CSA Global advises that the capital cost has been developed in-line with the process, captures all major cost centres in respect to process equipment and infrastructure and is in-line with similar scale and complexity operations.

#### Annual Forecast CAPEX



Source: PFS Model, GTCF Analysis

The PFS Model categorises capex into four categories, being BFS costs, development, growth and sustaining. We note the following in relation to the forecast capex for the West Musgrave Project:

- **BFS costs:** of A\$74 million assumed to be spent over a 2.5 year period.
- **Development CAPEX:** Development capex represents the largest source of expenditure over the life of the West Musgrave Project, accounting for c. 70% of the total capex and primarily consists of expenditure relating to the development and installation of infrastructure such as roads, buildings and processing facilities. Development capex over is projected to be approximately A\$996 million in real terms, and is forecast to be will be utilised over a three year construction period commencing 2023.



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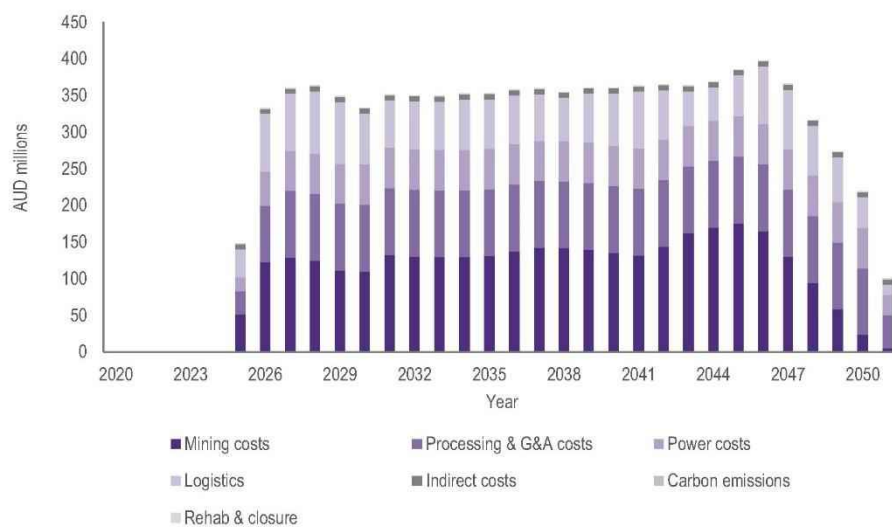
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- **Growth CAPEX:** relates to the purchase of the mining fleet from the mining contractor. Cost is estimated at A\$72 million in real terms, and is anticipated to be spent around 6 years from operations commencing.
- **Sustaining CAPEX:** relates to the expenditure that is required to maintain and replace the existing infrastructure and processing facilities that were installed during the development phase of the project. Sustaining capex over the LOM is projected to be in the vicinity of A\$371 million in real terms, or approximately A\$17 million per annum on average over LOM.

#### Operating Expenditure

We have set out below a graphical representation of the operating expenditure profile that is assumed in the PFS Model, taking into the consideration the adjusted timeline as discussed above. It is CSA Global's view that the capital and operating costs have been developed in line with the standards expected in a PFS.

#### **Annual Forecast Operating Expenditure**



Source: PFS Model, GTCF Analysis

We note the following in relation to the operating expenditure forecast for the West Musgrave Project:

- West Musgrave Project operating expenditure primarily consists of mining, processing and general & administrative (G&A) costs, as well as power and logistics costs. Operating expenditure is forecast to remain relatively consistent over the life of the Project, with a decline anticipated towards the end of the Project life, in line with a decline in production.
- The largest operating expense associated with the West Musgrave Project is reflected in its mining costs, which, on average, account for approximately 36% of its total operating expenses over the forecast period. Increases in mining costs over the forecast period are consistent with the anticipated increase in production.



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- CSA Global has indicated that whilst it considered the mining cost estimation is reasonable, it is highly ambitious to expect a greenfield project in such a remote location to expect to operate at the benchmarked industry quartiles suggested by the PFS. It is CSA Global's professional opinion that the reality is likely to be +25% rather than -25% compared with the PFS base case assumption. We have therefore only shown operating cost sensitivities of an increase to operating costs.
- Processing & general and administrative costs represent costs relating to the processing of nickel and copper as well as other general expenses, such as research and sales expenses. West Musgrave Management expect the processing and G&A costs to remain stable over the LOM, at approximately A\$91 million per annum. Processing and G&A costs are forecast to account for approximately 26% of the total operating expenses for the Project over the forecast period.
- All operating expenditure is assumed to be paid in AUD, thus exposing the profitability of the Project to the risk of an increase in the AUD:USD exchange rate that could result in consistent expenditure alongside falling revenue.

#### 8.2.1.3 Other Cassini West Musgrave Project Adjustments

##### *OZ Minerals loan deferred carry net impacts*

Under the terms of the Cassini/ OZ Minerals 12 October 2016 joint venture agreement (the "Joint Venture Agreement") OZ Minerals is currently funding Cassini's share of the costs of preparing the Bankable Feasibility Study ("BFS") for the West Musgrave Project. The balance of this funding provided on Cassini's behalf as at 31 March 2020 was A\$9.6 million. The loan provided by OZ Minerals to Cassini is interest bearing (at an interest rate of LIBOR + 3% p.a.) and must be repaid 5 years after the date of first commercial production at the West Musgrave Project. The forecast BFS costs (which are additional to the current balance of A\$9.6 million) are provided in the PFS Financial Model. As Cassini is effectively able to delay its payment obligations, we have utilised a DCF approach to determine the net impact on Cassini's interest in WMP of the free carry provided by OZ Minerals.

##### *Other Cassini South32 obligations*

The PFS Financial Model includes the cash flows associated with the agreement with BHP Billiton (now South32 Limited ("South32")) to acquire the West Musgrave Project in May 2014, whereby a royalty payment and certain milestone payments are required to be paid to South32. As part of the West Musgrave Project Joint Venture Agreement certain specific arrangements with respect to the obligations to South32 were agreed between Cassini and OZ Minerals, such that their obligations deviate from their 30/70 proportional ownership in the West Musgrave Project. In addition, the milestone payments are expected to be borne solely by Cassini.

We have discounted the incremental cash flows of Cassini's obligations under the royalty arrangement at a WACC to arrive at a net present value for the additional obligations borne by Cassini.