

OZ in \$76 million takeover

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BUSINESS EDITOR

OZ Minerals has launched a friendly takeover bid for Cassini Resources, offering a share-funded deal worth \$76 million for the smaller company.





GROWING: An OZ Minerals staff member at the Adelaide company's Prominent Hill Mine in central South Australia.

OZ and Cassini are joint venture partners in the West Musgrave project in eastern Western Australia, where Adelaide-based OZ aims to build a \$1 billion copper and nickel mine.

A prefeasibility study for the project was released in February, envisaging a 26-year mine life.

Under the takeover deal announced yesterday, OZ would move to full ownership of the West Musgrave tenements, including One Tree Hill and Succoth.

A number of Cassini's other assets including its Yarawindah Brook and Mount Squires projects, would then be demerged into a new ASX-listed company, Caspin Resources.

Cassini shareholders would receive Caspin shares as part of the deal, as well as one OZ Minerals share for every 68.5 Cassini shares they own.

There would also be a 1c a share capital return paid out of Cassini's existing cash balance.

"Caspin may also receive additional cash payment of up to \$20 million in total in the event of a potential future sale of all or a portion of OZ Minerals' interest in West Musgrave," OZ told the ASX in a statement.

OZ managing director Andrew Cole said the consolidation of ownership of the Musgrave project would give the company more flexibility.

"We appreciate the quality project Cassini introduced to OZ Minerals and we have valued their input in the project throughout the further scoping study and pre-feasibility study," he said.

"This acquisition gives OZ Minerals 100 per cent ownership of the project allowing flexibility regarding future funding and development options.

"This is a promising project with strong sustainability credentials both in terms of the copper and nickel to be mined being critical inputs for the renewable economy and also in relation to its low carbon footprint with some 80 per cent of power generated through renewable sources including solar and wind. We are also pleased to welcome Cassini shareholders on to OZ Minerals' register to continue to benefit from further progress at West Musgrave which complements our operations at Prominent Hill and Carrapateena in South Australia and the Carajás hub in Brazil."

The PFS for the West Musgrave project included a novel off-grid power solution for the proposed mine, with OZ considering a mix of renewable energy and diesel and gas, providing a "low-carbon solution.

"We believe, supported by the views of potential renewable energy suppliers, that 70-80 per cent of the power needs for West Musgrave can be supplied by renewable sources, supplemented by battery storage and diesel or trucked gas fired generation," Mr Cole said at the time.

"The pre-feasibility study base case assumes the power solution will be outsourced to a third party, with power purchased back over the life of the asset."

A 50MW base case power supply was proposed using a hybrid solar-wind-battery-diesel solution, although a gas pipeline remains a secondary option. OZ, which is valued at \$3.37 billion, also owns the Prominent Hill mine near Coober Pedy and the Carrapateena mine which is ramping up to full production.

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