

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION  
FOR IMMEDIATE RELEASE**

**20 January 2020**

**RECOMMENDED CASH ACQUISITION**

**for**

**SIRIUS MINERALS PLC**

**by**

**ANGLO AMERICAN PROJECTS UK LIMITED**

**(a wholly owned subsidiary of Anglo American plc)**

**Summary**

- The boards of Anglo American plc ("**Anglo American**"), Anglo American Projects UK Limited ("**Bidco**") and Sirius Minerals Plc ("**Sirius**") are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition pursuant to which Bidco shall acquire the entire issued and to be issued share capital of Sirius (the "**Acquisition**"). The Acquisition is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, Sirius Shareholders shall be entitled to receive:

<b>for each Sirius Share</b>	<b>5.50 pence in cash</b>
------------------------------	---------------------------
- The Offer Price represents a premium of approximately:
  - 34.1 per cent. to the Closing Price of 4.10 pence per Sirius Share on 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period);
  - 46.5 per cent. to the volume-weighted average price of 3.75 pence per Sirius Share since Sirius' 17 September 2019 strategic review announcement to 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period);
  - 53.4 per cent. to the one-month volume-weighted average price of 3.59 pence per Sirius Share to 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period); and
  - 61.7 per cent. to the three-month volume-weighted average price of 3.40 pence per Sirius Share to 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period).
- The Acquisition values the entire issued and to be issued share capital of Sirius at approximately £404.9 million.
- If, on or after the date of this announcement and on or prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Sirius on the Sirius Shares, the Offer Price shall be reduced

correspondingly. In such circumstances, Sirius Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

- In September 2019, Sirius announced that it was undertaking a strategic review in order to assess the development plan for its North Yorkshire polyhalite project (the "**Project**") and an appropriate financing structure to provide relevant funding. Sirius also announced that the strategic review would include a broader process to seek a major strategic partner in the Project. In November 2019, Sirius provided an update on the progress of this strategic review, including a revised two-stage development plan.
- Anglo American identified the Project as being of potential interest some time ago, given the quality of the underlying asset in terms of scale, resource life, operating cost profile and the nature and quality of its product. The Project has the potential to fit well with Anglo American's established strategy of focusing on world-class assets, particularly in the context of Anglo American's portfolio trajectory towards later cycle products that support a fast-growing global population and a cleaner, greener, more sustainable world. The key elements underlying the rationale include:
  - Asset quality: Anglo American believes that the Project has the potential to become a world-class, low-cost and long-life asset. Sirius has progressed the development of the Project to an advanced stage, with construction now under way for over two years. Sirius has indicated that this is currently the world's largest known high-grade polyhalite deposit with a JORC Reserve of 290 million tonnes, with a grade of 88.8%, and a Resource of 2.69 billion tonnes. The Resource indicated by Sirius has the scale, thickness and quality to be mined efficiently through a relatively simple, low-energy, non-chemical production process. Sirius has indicated that the Project could operate at an EBITDA margin potentially well in excess of 50% leaving the Project well positioned for strong through-the-cycle profitability with an anticipated long asset life.
  - Development pathway: At this stage, the Project requires a significant amount of further financing to develop and commission the operation that has proven challenging for Sirius to procure on an economic basis. Anglo American, as one of the world's leading mining companies, has the resources and capabilities to help build on the achievements of the Sirius team. Anglo American remains committed to its disciplined capital allocation framework. In the first two years after successful completion of the Acquisition, development work on the Project is expected to be broadly in line with Sirius' revised development plan although Anglo American intends to update the development timeline, optimise mine design and ensure appropriate integration with its own operating standards and practices. During this period and subject to the update, development work of approximately US\$300 million per annum is expected. Anglo American believes that there is the potential for long-term benefits from Anglo American's technical expertise in both the development and operational phases, as well as from Anglo American's recognised Operating Model to drive safety and productivity to world-leading standards. Integration into Anglo American's global marketing network would provide full mine-to-market capabilities and build on Anglo American's institutional experience in the world's major fertiliser markets.
  - Premium product: Sirius' polyhalite product, POLY4, is a multi-nutrient fertiliser certified for organic use and has the potential to generate demand at a competitive cost that supports a strong margin. POLY4 is an attractive low-chloride alternative to, and for blending with, traditional fertiliser products on a cost-effective basis. It includes four of the six key nutrients that plants need to grow - potassium, sulphur, magnesium and calcium. The use of fertilisers is one of the most effective ways to improve agricultural

yields and therefore help to address the anticipated future imbalance between food, feed and biofuel demand and supply caused by a fast-growing global population and limited additional land availability for agricultural use.

## **Recommendation**

- The Sirius Directors, who have been so advised by J.P. Morgan Cazenove and Lazard as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Sirius Directors, J.P. Morgan Cazenove and Lazard have taken into account the commercial assessments of the Sirius Directors. In addition, the Sirius Directors consider the terms of the Acquisition to be in the best interests of Sirius Shareholders as a whole.
- Accordingly, the Sirius Directors intend to recommend unanimously that Sirius Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting as the Sirius Directors who hold Sirius Shares have irrevocably undertaken to do or procure to be done in respect of their own beneficial holdings, amounting, in aggregate, to 172,462,637 Sirius Shares representing, in aggregate, approximately 2.46 per cent. of the issued share capital of Sirius as at 16 January 2020 (being the latest practicable date prior to this announcement).

## **Timetable**

- It is intended that the Acquisition will be effected by means of a scheme of arrangement of Sirius under Part 26 of the Companies Act, further details of which are contained in the full text of this announcement (and will be included in the Scheme Document). Anglo American and Bidco reserve the right to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent and the terms of the Co-operation Agreement.
- The Acquisition shall be put to Sirius Shareholders at the Court Meeting and at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of the Sirius Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Sirius Shares voted. In addition, a special resolution implementing the Scheme must be passed by Sirius Shareholders representing at least 75 per cent. of votes cast at the General Meeting.
- The Acquisition is subject to further conditions and terms set out in Appendix I to this announcement, including the receipt of the relevant clearances from the competition and regulatory authorities.
- Bidco and Sirius intend to work together (to the extent legally permissible) to engage constructively with relevant stakeholders.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, shall be sent to Sirius Shareholders within 28 days of this announcement and it is expected that the Scheme will become Effective by 31 March 2020.

Commenting on the Acquisition, Mark Cutifani, Chief Executive of Anglo American, said:

"Anglo American's recommended offer provides greater certainty for Sirius' Shareholders, employees and wider stakeholders, while bringing the prospects for the development of this potential Tier 1 Project closer to reality. We intend to bring Anglo American's financial, technical and product marketing resources and capabilities to the development of the Project, which of course would be expected to unlock a significant and sustained associated employment and economic stimulus for the local area.

"The addition of the Project supports our ongoing transition towards supplying those essential metals and minerals that will meet the world's evolving needs - in terms of the undoubted need for cleaner energy and transport, and providing infrastructure and food for the world's fast-growing and urbanising population. Our

development of the Project in the years ahead reinforces the quality of our portfolio and our long-term growth profile, further enhancing our ability to deliver leading returns on a sustainable basis and enduring value for all stakeholders."

Commenting on the Acquisition, Russell Scrimshaw, Chairman of Sirius, said:

"Four months ago, following the setbacks in the bond market, we took the difficult decision to slow the pace of development of our project and initiate a strategic review to reassess how best to unlock the long term value for our Shareholders, the community, the UK, and our customers all around the world.

"The scope of the strategic review was to consider and incorporate optimisations to the Project development plan and to explore alternative funding solutions, including looking for a strategic partner to acquire a minority interest in the Project to provide those funds and support the senior debt financing required to complete the Project.

"We were successful in reducing the initial funding needs of our Project to map out a way to develop the Project in a way that better aligned risk to capital providers but, despite an extensive global search for a strategic investor, we have to date not received a firm proposal for a partial Project stake. The only viable proposal was received from Anglo American in early January, who were only interested in pursuing a 100% control transaction.

"Alternative financing solutions have also been pursued in parallel to the strategic partner process, which resulted initially in a non-binding proposal being received in December 2019 and subsequently a revised proposal being received on 9 January 2020. However, in the opinion of the Sirius Board and its advisers, the terms of the proposal received and the conditions attached are not acceptable in their current form. It is highly unlikely that acceptable revisions to this financing proposal can be delivered and implemented by the end of March 2020.

"We acknowledge that to many Shareholders our decision as a board to recommend this offer will have come as a shock. Your board deeply regrets that we could not deliver the complete stage two financing in 2019 despite a very broad and thorough process. Going into the strategic review the Sirius Board's strong preference was a solution that allowed current Shareholders to participate as fully as possible in the future development of the Project. Following the strategic review process it is clear that no such options are currently available to us and in that context Anglo American's offer is the only feasible option.

"We also recognise the returns that this offer would represent are not what either our shareholders or the Sirius Board had previously hoped for. We regret that we are not able to deliver on our long-term goal of Sirius being able to deliver the Project into production, although we assure all stakeholders that the team has worked tirelessly and diligently over the last nine years to try and achieve that. However, given the current cash constraints of Sirius, and lack of realistic and deliverable alternative financing and development options, we believe this to be a fair approach from Anglo American, a company committed to approaching the Project in the right way, and with the resources to complete the job.

"We now face a stark choice. If the Acquisition is not approved by Shareholders and does not complete there is a high probability that the business could be placed into administration or liquidation within weeks thereafter. This outcome would most likely result in Shareholders losing all of their investment, as well as put the future of the entire Project, and its associated benefits for the local area and the UK, at risk.

"This is the context in which your board must assess the offer for your company and, having given due consideration, your board believes the Acquisition to be in the best interests of Sirius and all of its stakeholders, providing Shareholders with some financial return."

***This summary should be read in conjunction with the full text of this announcement. The Acquisition shall be subject to the Conditions and further terms set out in Appendix I to this announcement and to the full terms and conditions which shall be set out in the Scheme Document. Appendix II to this announcement contains the sources of information and bases of calculations of certain information contained in this announcement,***

**Appendix III contains a summary of the irrevocable undertakings received in relation to this Acquisition and Appendix IV contains definitions of certain expressions used in this summary and in this announcement.**

**Enquiries:**

**Anglo American**

**Media**

UK

James Wyatt-Tilby  
james.wyatt-tilby@angloamerican.com  
Tel: +44 (0)20 7968 8759

Marcelo Esquivel  
marcelo.esquivel@angloamerican.com  
Tel: +44 (0)20 7968 8891

Katie Ryall  
katie.ryall@angloamerican.com  
Tel: +44 (0)20 7968 8935

South Africa

Pranill Ramchander  
pranill.ramchander@angloamerican.com  
Tel: +27 (0)11 638 2592

Sibusiso Tshabalala  
sibusiso.tshabalala@angloamerican.com  
Tel: +27 (0)11 638 2175

**Investors**

UK

Paul Galloway  
paul.galloway@angloamerican.com  
Tel: +44 (0)20 7968 8718

Robert Greenberg  
robert.greenberg@angloamerican.com  
Tel: +44 (0)20 7968 2124

Emma Waterworth  
emma.waterworth@angloamerican.com  
Tel: +44 (0)20 7968 8574

**Bank of America Securities (Joint Financial Adviser to Anglo American)**

Ben Davies  
Geoff Iles  
Peter Surr  
Ben Winstanley  
Tel: +44 (0) 20 7628 1000

**Centerview Partners UK LLP (Joint Financial Adviser to Anglo American)**

James Hartop  
Edward Rowe  
Fiona McHardy  
Tel: +44 (0) 20 7409 9700

**Brunswick (Anglo American's PR adviser)**

Jonathan Glass  
Charles Pretzlik  
Tel: +44 (0) 20 7404 5959

**Sirius**

Gareth Edmunds  
Tristan Pottas  
Tel: +44 (0) 8455 240 247

**J.P. Morgan Cazenove (Lead Financial Adviser to Sirius)**

Jamie Riddell  
James Robinson  
Andrey Zhvitiashvili  
Jonty Edwards  
Tel: +44 (0) 20 7742 4000

**Lazard & Co., Limited (Financial Adviser to Sirius)**

Spiro Youakim  
David Burlison  
Tel: +44 (0) 20 7187 2000

Victoria Varga

**Liberum Capital (Joint Broker to Sirius)**

Clayton Bush

Tel: +44 (0) 20 3100 2000

**Shore Capital (Joint Broker to Sirius)**

Jerry Keen

Tel: +44 (0) 20 7408 4090

**Edelman (Sirius' PR adviser)**

Iain Dey

Tel: +44 (0) 20 3047 2268

Ed Brown

John Kiely

Linklaters LLP are retained as legal adviser to Anglo American. Allen & Overy LLP are retained as legal adviser to Sirius.

Anglo American LEI: 549300S9XF92D1X8ME43

Sirius LEI: 2138004ATVA9GVUAGA82

**Shareholder helpline**

*If you have any questions in relation to the Acquisition please contact Georgeson, a trading name of Computershare Investor Services PLC, on 00 800 3742 6163 between the hours of 9.00 a.m. and 5.00 p.m. Monday to Friday.*

*Please note, that for legal reasons, Georgeson will only be able to provide you with information contained in this announcement and will be unable to give advice on the merits of the Acquisition or to provide legal, financial or taxation advice on the contents of this announcement or the Acquisition.*

**Important Notices**

*Merrill Lynch International ("**BofA Securities**"), which is authorised by the UK Prudential Regulation Authority and regulated by the FCA and the UK Prudential Regulation Authority, is acting exclusively for Anglo American and for no one else and will not be responsible to anyone other than Anglo American for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this announcement, any statement contained herein or otherwise.*

*Centerview Partners UK LLP ("**Centerview Partners**") is authorised and regulated by the FCA. Centerview Partners is acting exclusively for Anglo American and no one else in connection with the matters referred to in this announcement. Centerview Partners is not and will not be responsible to anyone other than Anglo American for providing the protections afforded to its clients or for providing advice in connection with the contents of this announcement or any other matter referred to in this announcement. Neither Centerview Partners, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever to any person who is not a client of Centerview Partners in connection with this announcement, any statement contained herein or otherwise.*

*J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the FCA. J.P. Morgan Cazenove is acting as financial adviser exclusively for Sirius and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of J.P. Morgan Cazenove, or for providing advice in relation to any matter referred to herein.*

*Lazard & Co., Limited ("**Lazard**")*, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Sirius and for no one else and will not be responsible to anyone other than Sirius for providing the protections afforded to its clients or for providing advice in connection with the matters set out in this announcement. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this announcement, any statement contained herein, the transaction described herein or otherwise.

*Liberum Capital Limited ("**Liberum Capital**")*, which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker exclusively for Sirius and for no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of Liberum Capital, or for providing advice in relation to any matter referred to herein.

*Shore Capital Stockbrokers Limited ("**Shore Capital**")*, which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker exclusively for Sirius and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of Shore Capital, or for providing advice in relation to any matter referred to herein.

*This announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise.*

*The Acquisition shall be made solely by means of the Scheme Document which shall contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.*

*This announcement has been prepared for the purpose of complying with the laws of England and Wales and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.*

*Sirius shall prepare the Scheme Document to be distributed to Sirius Shareholders. Sirius and Anglo American urge Sirius Shareholders to read the Scheme Document when it becomes available because it shall contain important information relating to the Acquisition.*

*This announcement does not constitute a prospectus or prospectus exempted document.*

### **Overseas Shareholders**

*The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom or the United States may be restricted by law. Persons who are not resident in the United Kingdom or the United States or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.*

*Unless otherwise determined by Anglo American or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or*

*otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to Sirius Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Sirius Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.*

#### **Additional information for US investors**

*The Acquisition relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.*

*Accordingly, the Acquisition is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.*

*Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved or passed judgment upon the fairness or the merits of the Acquisition or determined if this announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the US.*

*However, if Anglo American were to elect to implement the Acquisition by means of a takeover offer, such takeover offer shall be made in compliance with all applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such a takeover would be made in the United States by Anglo American and no one else.*

*In the event that the Acquisition is implemented by way of Takeover Offer, in accordance with normal United Kingdom practice and pursuant to Rule 14e-15(b) of the US Exchange Act, Anglo American or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Sirius outside of the US, other than pursuant to such Takeover Offer, during the period in which such Takeover Offer would remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*The receipt of consideration by a US holder for the transfer of its Sirius Shares pursuant to the Scheme shall be a taxable transaction for United States federal income tax purposes. Each Sirius Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.*

*Financial information relating to Sirius included in this announcement and the Scheme Document has been or shall have been prepared in accordance with accounting standards applicable in the United Kingdom and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*



Anglo American, Bidco and Sirius are each organised under the laws of England and Wales. Some or all of the officers and directors of Anglo American, Bidco and Sirius, respectively, are residents of countries other than the United States. As a result, it may be difficult for US Sirius Shareholders to effect service of process within the United States upon Anglo American, Bidco or Sirius or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United Kingdom.

### **Forward looking statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Sirius, Anglo American or any member of the Anglo American

Group contain statements which are, or may be deemed to be, "forward-looking statements". Such forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Anglo American, any member of the Anglo American Group or the Enlarged Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this announcement relate to Anglo American, any member of the Anglo American Group or the Enlarged Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward-looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects", "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology.

Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Anglo American's, any member of the Anglo American Group's or Sirius' operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Anglo American's, any member of the Anglo American Group's or Sirius' business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that shall occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Sirius nor any of Anglo American nor any member of the Anglo American Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

The forward-looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to any member of the Anglo American Group or Sirius

Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Sirius, the Anglo American Group and Anglo American expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

### **No profit forecasts or estimates**

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Anglo American or Sirius, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Anglo American or Sirius, as appropriate.

### **Disclosure requirements of the Takeover Code**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they shall be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Electronic communications**

Please be aware that addresses, electronic addresses and certain information provided by Sirius Shareholders, persons with information rights and other relevant persons for the receipt of communications from Sirius may be provided to Anglo American during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

### **Publication on website and availability of hard copies**

A copy of this announcement shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Anglo American's and Sirius' websites at [www.angloamerican.com/offer](http://www.angloamerican.com/offer) and [www.siriusminerals.com/investors/firm-offer-from-anglo-american-plc](http://www.siriusminerals.com/investors/firm-offer-from-anglo-american-plc) respectively by no later than 12 noon (London time) on the Business Day following the publication of this announcement. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this announcement.

You may request a hard copy of this announcement by contacting Sirius' registrars, Link Asset Services, during business hours on 0871 664 0300 (or +44(0) 371 664 0300 from abroad) or at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Takeover Code, Sirius confirms that as at the date of this announcement, it has in issue and admitted to trading on the Main Market of the London Stock Exchange, 7,020,196,560 ordinary shares of 0.25 pence each (no ordinary shares are held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00B0DG3H29.

Sirius has an American depositary receipts ("**ADR**") program comprising 30,229 ADRs, for which Deutsche Bank Trust Company Americas acts as depositary. These ADRs represent 1,511,450 ordinary shares of Sirius. The ADRs are traded over-the-counter. The trading symbol for the ADR securities is SRUXY and the ISIN is US82967P1030.

In addition, the Sirius Group has US\$236,600,000 convertible bonds outstanding. These bonds are convertible into Sirius ordinary shares and comprise two series: (i) US\$137,600,000 8.5 per cent. convertible bonds due 2023 (ISIN code: XS1515223516); and (ii) US\$99,000,000 5.0 per cent. convertible bonds due 2027 (ISIN code: XS1991118255).

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**20 January 2020**

**RECOMMENDED CASH ACQUISITION**

**for**

**SIRIUS MINERALS PLC**

by  
**ANGLO AMERICAN PROJECTS UK LIMITED**  
**(a wholly owned subsidiary of Anglo American plc)**

**1 Introduction**

The boards of Anglo American plc ("**Anglo American**"), Anglo American Projects UK Limited ("**Bidco**") and Sirius Minerals Plc ("**Sirius**") are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition pursuant to which Bidco shall acquire the entire issued and to be issued share capital of Sirius (the "**Acquisition**"). The Acquisition is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

**2 The Acquisition**

Under the terms of the Acquisition, which shall be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, Sirius Shareholders shall be entitled to receive:

<b>for each Sirius Share</b>	<b>5.50 pence in cash</b>
------------------------------	---------------------------

The Acquisition values the entire issued and to be issued share capital of Sirius at approximately £404.9 million and represents a premium of approximately:

- 34.1 per cent. to the Closing Price of 4.10 pence per Sirius Share on 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period);
- 46.5 per cent. to the volume-weighted average price of 3.75 pence per Sirius Share since Sirius' 17 September 2019 strategic review announcement to 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period);
- 53.4 per cent. to the one-month volume-weighted average price of 3.59 pence per Sirius Share to 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period); and
- 61.7 per cent. to the three-month volume-weighted average price of 3.40 pence per Sirius Share to 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period).

If, on or after the date of this announcement and on or prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Sirius on the Sirius Shares, the Offer Price shall be reduced correspondingly. In such circumstances, Sirius Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, shall be sent to Sirius Shareholders within 28 days of this announcement and it is expected that the Scheme will become Effective by 31 March 2020.

**3 Background to and reasons for the Acquisition**

In September 2019, Sirius announced that it was undertaking a strategic review in order to assess the development plan for its North Yorkshire polyhalite project (the "**Project**") and an appropriate financing structure to provide relevant funding. Sirius also announced that the strategic review would include a broader process to seek a major strategic partner in the Project. In November 2019, Sirius provided an update on the progress of this strategic review, including a revised two-stage development plan.

The Project, once developed, is expected to produce a premium fertiliser product that has the potential to generate demand both on a standalone basis and when blended with existing products at a competitive cost that would support attractive margins.

Anglo American is a leading global mining company with a world-class portfolio of mining and mineral processing operations and undeveloped resources, combined with a worldwide marketing network through which it sells its products to customers. Anglo American has a clear, asset-led strategy and the quality, long life and growth potential of those mineral assets are the foundation of the long-term competitiveness and sustainability of its business.

Anglo American identified the Project as being of potential interest some time ago, given the quality of the underlying asset in terms of scale, resource life, operating cost profile and the nature and quality of its product. The Project has the potential to fit well with Anglo American's established strategy of focusing on world-class assets, particularly in the context of Anglo American's portfolio trajectory towards later cycle products that support a fast-growing global population and a cleaner, greener, more sustainable world.

Anglo American believes that the offer provides certainty to Sirius Shareholders, employees and wider stakeholders, whilst Anglo American brings financial, technical and marketing resources and capabilities to progress the Project over time, with the potential for associated employment and economic benefits for the local area. Anglo American remains committed to its disciplined capital allocation framework. In the first two years after successful completion of the Acquisition, development work on the Project is expected to be broadly in line with Sirius' revised development plan although Anglo American intends to update the development timeline, optimise mine design and ensure appropriate integration with its own operating standards and practices. As part of that process, Anglo American will review the residual capital for the Project under its ownership. Sirius currently expects incremental capital of approximately US\$3.3 billion in order to reach a production level of 10 mtpa and assuming a P90 contingency. During these first two years and subject to the update, development work of approximately US\$300 million per annum is expected. In line with its capital allocation framework Anglo American will also keep potential syndication of the Project under review.

Within Anglo American's portfolio, the Project is expected to benefit from Anglo American's technical expertise in both the development and operational phases, as well as from Anglo American's recognised Operating Model to drive safety and productivity to world-leading standards. Integration into Anglo American's marketing network provides further potential through full mine-to-market capabilities and institutional experience in the world's major fertiliser markets.

Anglo American notes the following key attributes of the Project from its initial assessment:

#### ***Asset quality***

Anglo American believes that the Project has the potential to become a world-class, low-cost and long-life asset. Sirius has progressed the development of the Project to an advanced stage, with construction now under way for over two years. Sirius has indicated that this is currently the world's largest known high-grade polyhalite deposit with a JORC Reserve of 290 million tonnes, with a grade of 88.8% and a Resource of 2.69 billion tonnes. The Resource indicated by Sirius has the scale, thickness and quality to be mined efficiently through a relatively simple, low-energy, non-chemical production process. Anglo American expects that this could result in total unit costs of US\$40-50 per tonne at an initial level of production of 10 mtpa. Sirius has indicated that the Project could operate at an EBITDA margin potentially well in excess of 50%, leaving the Project well positioned for strong through-the-cycle profitability with an anticipated long asset life.

### ***Development pathway***

As at 30 September 2019, US\$1.1 billion has been invested in the development of the Project, with construction supported by the appointment of well-proven contractors including DMC Mining Services Ltd, Strabag AG, Worley Parsons Ltd and P. J. Carey (Contractors) Limited.

All material development, operational and export approvals are in place and access rights secured for the current development plan including the sinking of an operation and a service shaft, the construction of the proposed mineral transport system ("**MTS**") and the material handling facility ("**MHF**") as well as the refurbishment of the port handling facility. The MTS will transport product 37km underground, directly from the mine to the MHF. This will have direct access to dedicated, deep-water harbour facilities.

Prior to completion of the Acquisition, Sirius intends to provide Anglo American and Bidco with information relating to its ongoing cash balance and cash flow requirements in respect of the Offer Period, provided that Anglo American and Bidco agree that such information shall not be used as the basis for invoking any Condition to the Acquisition. Anglo American, Bidco and Sirius intend to work with each other (to the extent legally permissible) to ensure that the business continues to address the financial challenges it faces in the long-term best interests of Sirius and its stakeholders.

### ***Premium product***

Global fertiliser demand is driven by factors including food, feed and fuel demand, which are in turn driven by population growth, diet, arable land per capita and biofuel demand. The use of fertilisers is one of the most effective ways to improve agricultural yields and therefore help to address the anticipated future imbalance between food, feed and biofuel demand and supply. Fertilisers are therefore likely to have a critical role to play in a sustainable future.

Sirius' polyhalite product, POLY4, is a multi-nutrient fertiliser certified for organic use and has the potential to generate demand at a competitive cost that supports a strong margin. POLY4 is an attractive low-chloride alternative to, and for blending with, traditional fertiliser products on a cost-effective basis. It includes four of the six key macro-nutrients necessary for plant growth, being potassium, sulphur, magnesium and calcium, and has been certified for organic use.

Over a period of 7 years, a total of 492 trials across 54 different crops in 31 different countries have been undertaken by Sirius to support discussions with customers on the technical and commercial applications of POLY4. These have shown that polyhalite can improve crop yield, quality and taste. Polyhalite can also improve plant resistance to drought, frost, insects and diseases. Trials are ongoing and will continue to take place during the review phase.

POLY4 will be positioned as a premium product as a result of its multi-nutrient, lower-chloride composition. POLY4 and Sulphate of Potash have significantly lower chloride content (less than five per cent.) than the most commonly used potash fertilizer, Muriate of Potash (approximately 40 per cent.). This is important because many of the world's major crops, such as tea, coffee, beans, potatoes, and many fruits and vegetables, are particularly sensitive to chloride. Sirius has also identified that POLY4 generates significantly less CO<sub>2</sub> per tonne relative to both Sulphate of Potash and Muriate of Potash (less than, approximately, 93% and 85% respectively).

As a result of the significant benefits and potential for POLY4, Sirius has been able to enter into a number of customer offtake agreements with well-established counterparties such as Archer Daniels Midland Company, BayWa AG, Cibrafertel Companhia Brasileira de Fertilizantes, Indian Farmers Fertilisers Cooperative Ltd, Wilmar Group and Qatar Chemical and Petrochemical Marketing and Distribution Company Q.p.J.S.C. A large

proportion of these agreements have specific price levels recognising the value from key nutrients and have been set up on a take-or-pay basis. In total, these offtake arrangements accommodate production in excess of 10 mtpa. Based on January 2019 prices, the indicative weighted average FOB price for POLY4 would be approximately US\$140 per tonne under the offtake agreements as outlined in Sirius' May 2019 prospectus. This figure is not a forecast of future pricing and future pricing could be materially different.

### ***Investing in the United Kingdom***

The Project is located in North Yorkshire in the United Kingdom and offers the potential for significant investment and sustained job creation in the region, both directly and indirectly. Key stakeholders, including the North York Moors National Parks Authority, Scarborough Borough Council and a number of local landowners continue to express their support for its development.

As a sign of its intent to support the sustainable development of the Project's host communities, Anglo American intends to make a voluntary contribution of £4 million to the Sirius Minerals Foundation, with £1 million to be paid on completion of the Acquisition and a further £1 million to be paid on the anniversary of completion of the Acquisition for the next three years.

## **4 Recommendation**

The Sirius Directors, who have been so advised by J.P. Morgan Cazenove and Lazard as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to Sirius Directors, J.P. Morgan Cazenove and Lazard have taken into account the commercial assessments of the Sirius Directors. In addition, the Sirius Directors consider the terms of the Acquisition to be in the best interests of Sirius Shareholders as a whole.

Accordingly, the Sirius Directors intend to recommend unanimously that Sirius Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting as the Sirius Directors who hold Sirius Shares have irrevocably undertaken to do or procure to be done in respect of their own beneficial holdings, amounting, in aggregate, to 172,462,637 Sirius Shares, representing, in aggregate, approximately 2.46 per cent. of the issued share capital of Sirius as at 16 January 2020 (being the latest practicable date prior to announcement).

Further details of these irrevocable undertakings (including the circumstances in which they shall fall away) are set out in Appendix III to this announcement.

## **5 Background to and reasons for the recommendation**

On 17 September 2019 Sirius announced that, as a result of market conditions impacting its ability to deliver its Stage 2 Financing, it would be slowing the pace of development on its North Yorkshire polyhalite project and undertaking a strategic review over a period of six months. The purpose of the strategic review was to consider and incorporate optimisations to the project development plan and to explore alternative funding solutions, including conducting a process with the aim of identifying and securing a strategic investor in the project, in order to reassess the best way to unlock the value of the project for Sirius Shareholders, the community, the UK, and Sirius' customers all around the world. Sirius believed that the compelling economics of the Project provided a strong basis for a revised funding plan, but that it would require time to bring together components of such a plan and to assess investor appetite for a revised funding plan. The strategic review also recognised the difficult market conditions in the project finance market for single asset companies with a greenfield mining project and took into account the feedback received from prospective senior debt providers (including during Stage 2 Financing) around the risks associated with construction. Sirius had identified strategic partners as a way to bring extra

capital into the Project to strengthen the credit case, as well as to potentially provide extra support during construction.

As at 31 August 2019, Sirius had approximately £180 million of unrestricted cash. That amount did not provide sufficient liquidity for Sirius to continue the development of the project in line with its original development schedule for any significant period of time. Therefore, the Sirius Board determined that the scope of development works would be scaled down to provide time to conduct the strategic review of the project development and to explore various funding options. The reduced pace of development focused on maintaining key areas of the Project to preserve the most value for the Project.

During the preliminary phase of the strategic review, Sirius assessed the development options available to significantly de-risk the proposition for any future senior debt providers. In the debt raising processes conducted by Sirius over the last three years, one common aspect identified by prospective credit providers had been the perceived risk associated with deep shaft construction. On 11 November 2019, Sirius announced an update to the strategic review which had identified a two-stage development plan to enable Sirius to achieve the key de-risking milestone of first polyhalite, when the service shaft reaches the polyhalite ore body, with an upfront capital requirement of ~US\$600 million (in addition to existing cash resources) for this initial scope. The deferred scope of additional works required to reach an installed and ramped up production capacity of 10 mtpa contemplated up to US\$2.5 billion of further capital expenditure thereafter. At the same time, Sirius announced that it was seeking to have the initial scope funded from the proceeds of either the strategic investor process or through a structured debt financing package, with either potentially incorporating the issue of new equity or an equity-like component to the financing package. Sirius confirmed that the strategic partner and debt financing processes were underway with the aim of securing ~US\$600 million of initial scope funding, with various parties engaged and assessing information.

Sirius and its advisers have undertaken an extensive global engagement process, covering mining and fertilizer companies, broader natural resource and industrial companies, financial sponsors, sovereign wealth funds and family offices, as well as providers of structured finance and mezzanine investors. Sirius has facilitated access to project information, conducted site visits and management presentations, supported due diligence requirements and held discussions with parties interested in the Project. Sirius has also evaluated capital markets financing options including institutional equity and retail equity investors, senior mezzanine and junior debt and convertible debt. The Sirius Board has carefully and regularly reviewed the progress of the revised funding plan. It has monitored the status of all parties involved in the strategic investor and debt financing processes and has evaluated discussions and proposals received against the objectives of the strategic review and the Sirius Group's remaining liquidity position.

As at 31 December 2019, Sirius had approximately £59.9 million of unrestricted cash, which was broadly in line with the expected capital spend when the strategic review was announced on 17 September 2019. Unless Sirius is able to secure additional funding or a merger or acquisition transaction involving Sirius by the end of March 2020 or soon thereafter, the Sirius Board would be required to place Sirius into administration or liquidation, which could result in Shareholders losing all of their investment in Sirius.

In conjunction with this review, Anglo American actively explored an interest in Sirius during Q4 2019. On 6 January 2020 the Sirius Board received a non-binding indicative proposal from Anglo American expressing an interest in acquiring Sirius. On 8 January 2020, Sirius announced that it was in advanced discussions with Anglo American regarding a possible all-cash offer of 5.50 pence per Sirius Share for the entire issued, and to be issued, share capital of Sirius. Following receipt of the Anglo American proposal, the Sirius Board carefully assessed the merits of the proposal against the



potential alternative options from other parties involved in the ongoing strategic investor and debt financing processes and also in light of the Sirius Group's current and expected liquidity position.

The most advanced alternative proposal was a potential debt financing proposal from a consortium of financial investors. In December 2019, Sirius received a non-binding term sheet from the consortium to form the basis of a US\$680 million funding package to cover the initial scope of work. On 9 January 2020, Sirius received a revised non-binding term sheet from the consortium. The Sirius Board reviewed the proposed terms and conditions, together with its advisers, and concluded that the consortium's conditions and the time it would take to meet such conditions were such that there is a very material risk that the overall funding package would not be implementable by the end of March 2020. Based on the backdrop of the search for a standalone funding solution undertaken over the last 4 months and the extensive discussions held during that timeframe, the Sirius Board believes that, at this time, there is not likely to be an alternative to the Acquisition other than administration or liquidation.

In this context, the Sirius Directors view the Acquisition as the only viable way forward for Sirius. It provides certainty of value in cash to Sirius Shareholders (as against potentially losing all of their investment) and, as a result of the support of the Project by Anglo American, provides greater certainty of outcome for Sirius' creditors. In addition, it safeguards the Project by placing it into a group with the financial, technical and marketing resources and capabilities to progress it over time; it protects the employees, and allows the community, region and the UK to continue to benefit from the Project.

The Sirius Directors, who have been so advised by J.P. Morgan Cazenove and Lazard as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. J.P. Morgan Cazenove and Lazard are providing independent financial advice to the Sirius Board for the purposes of Rule 3 of the Takeover Code. In providing advice to the Sirius Board, J.P. Morgan Cazenove and Lazard have taken into account the commercial assessments of the Sirius Board.

The Sirius Directors consider the terms of the Acquisition to be in the best interests of Sirius Shareholders as a whole. The Sirius Directors therefore unanimously recommend that Sirius Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the Sirius General Meeting.

## **6 Information on Anglo American**

### ***Anglo American***

Anglo American is a leading global mining company whose products are the essential ingredients in almost every aspect of modern life. Its portfolio of world-class competitive mining operations and undeveloped resources provides the metals and minerals that enable a cleaner, greener and more sustainable world and that meet the fast-growing consumer-driven demands of the world's developed and maturing economies. With people at the heart of its business, Anglo American uses innovative practices and the latest technologies to discover new resources and mine, process, move and market its products to customers around the world - safely, responsibly and sustainably.

Anglo American was founded in 1917 and today produces diamonds (through De Beers), copper, platinum group metals, iron ore, metallurgical coal, nickel and thermal coal, with operations and projects in development in Australia, Botswana, Brazil, Canada, Chile, Colombia, Namibia, Peru, South Africa and Zimbabwe, most of whose products are marketed to customers via a dedicated global marketing business based in London and Singapore. In 2018, Anglo American generated revenue of US\$27.6 billion, an underlying EBITDA of US\$9.2 billion and profit attributable to equity shareholders of US\$3.5 billion, with a 19% Return on Capital Employed. Headquartered in London and listed on the London and Johannesburg stock

exchanges with a market capitalisation of £29.8 billion as of 16 January 2020, Anglo American employs approximately 90,000 people around the world.

The Acquisition will mark a continuation of Anglo American's long experience in the fertiliser market over much of the last 50 years, having owned and operated assets both in the U.K and more recently in Brazil until 2016 when it ceased to have any interests in the fertiliser market.

### ***Bidco***

Bidco is a newly incorporated indirect wholly owned subsidiary of Anglo American, and is a private limited company incorporated in England and Wales.

Bidco has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Acquisition.

## **7 Information on Sirius**

Sirius is a public limited company registered in England and Wales. The Sirius Shares are listed on the Official List.

Sirius was previously quoted on the AIM market of the London Stock Exchange in 2005 and the Sirius Shares were admitted to trading to the Main Market of the London Stock Exchange on 28 April 2017. Since then, the Company's principal activities have been to raise funds to invest in developing potential mining opportunities. Prior to the acquisition of York Potash Limited and the Project in January 2011, such development opportunities included projects in North Dakota, Queensland and Western Australia. These projects and associated project companies are now dormant or wound up, and Sirius' resources have been dedicated to the development of the Project.

## **8 Directors, management, employees and locations**

### ***Employees and management***

Anglo American attaches great importance to the skill and experience of Sirius' management and employees and recognises that the commitment of the management and employees of Sirius will be important to Anglo American going forward, particularly in relation to the development of the Project and therefore, save as set out in "Sirius senior management and incentivisation arrangements" below, Anglo American does not intend to make any material change in the conditions of employment of Sirius employees, unless otherwise agreed with the relevant employee.

Anglo American intends to support the Sirius management team in conjunction with the broader resources of Anglo American in order to proceed with the development of the Project following a further review of the development plan. Anglo American remains committed to its disciplined capital allocation framework. In the first two years after successful completion of the Acquisition, development work on the Project is expected to be broadly in line with Sirius' revised development plan although Anglo American intends to update the development timeline, optimise mine design and ensure appropriate integration with Anglo American's own operating standards and practices. Following completion of the Acquisition, Anglo American does not intend to initiate any material headcount reductions within the current Sirius organisation or any material changes in the balance of skills and functions of the Sirius employees and management but may provide additional support to the Project through the use of Anglo American's skills and capabilities. Anglo American intends to continue to support Sirius' existing engineering apprentice scheme.

Sirius currently has a head office in Scarborough with a small registered office in London. Following completion of the Acquisition, Anglo American intends to maintain Sirius' Scarborough office and to close Sirius' London office. Anglo American intends to maintain Sirius' executive, sales and projects functions across both locations and consolidate certain corporate

and support functions with corresponding Anglo American functions. Anglo American has not yet determined whether these steps will result in headcount reductions but Anglo American would expect that any required reductions would not be material in number.

It is expected that, upon completion of the Acquisition, each of the non-executive members of the Sirius Board shall resign from his/her office as a Sirius Director.

#### ***Existing rights and pension schemes***

Anglo American has given assurances to the Sirius Directors that, following completion of the Acquisition, the existing contractual and statutory rights and terms and conditions of employment, including pension obligations, of the management and employees of the Sirius Group will be fully safeguarded in accordance with applicable law. The Sirius Group has confirmed to Anglo American that the only pension scheme it currently makes available to its employees is a defined contribution pension scheme provided through an external provider and it does not have any current or historical liability exposure to any pension arrangements providing benefits on a defined benefit basis. Anglo American therefore does not anticipate any pensions underfunding risk or exposure to any pension scheme deficit arising under legislation to, or in respect of, the Sirius Group employees following completion of the Acquisition.

#### ***Sirius senior management and incentivisation arrangements***

Each of the Sirius Chief Executive Officer; Chief Financial Officer; General Counsel and Company Secretary; Chief Development Officer; Chief Marketing Officer; External Affairs Director and People Director have agreed that they will remain with the Sirius business following completion of the Acquisition, for a period of at least one year. Anglo American has therefore agreed that during the period of one year following completion there will be no changes to these individuals' remuneration arrangements in respect of salary, benefits and pensions, and that during this period they will continue to participate in a bonus and a long-term incentive arrangement in accordance with their current ordinary level of annual bonus and long-term incentive participation. The annual bonus and long-term incentive arrangements will be cash-based and subject to terms, including in relation to continued employment and performance conditions, to be determined in due course.

#### ***Locations, fixed assets and research and development***

Except as referred to in "Employees and management" above, Anglo American does not intend to make any material restructurings or changes in location of Sirius' operations and places of business following completion of the Acquisition.

No changes are envisaged by Anglo American with respect to the redeployment of Sirius' fixed asset base.

Sirius' research, or global agronomy, programme is designed to provide scientific data on specific crop responses to POLY4 and POLY4-based NPK blends to support ongoing discussions with customers on the technical and commercial applications of POLY4. Anglo American intends to continue to support Sirius' research programme.

The Acquisition shall not have any impact on the existing business of Anglo American.

#### ***De-listing***

Prior to the Scheme becoming Effective, it is intended that applications will be made to the London Stock Exchange to cancel trading in Sirius Shares on the London Stock Exchange's Main Market for listed securities and to the FCA to cancel the listing of Sirius Shares from the Official List, in each case to take effect on or shortly after the Effective Date.

#### ***Other***

No statements in this paragraph 8 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## **9 The Sirius Share Plans**

Participants in the Sirius Share Plans shall be contacted regarding the effect of the Acquisition on their rights under the Sirius Share Plans and appropriate proposals shall be made to such participants in due course. Further details of the terms of such proposals shall be included in the Scheme Document and in separate letters to be sent to participants in the Sirius Share Plans.

## **10 The Convertible Bonds**

Anglo American will make an appropriate proposal to the Convertible Bondholders. Anglo American intends to treat the Effective Date as the date of occurrence of a "Change of Control" under the terms and conditions of the Convertible Bonds. Under such proposals, Convertible Bondholders will have the right:

- to convert their Convertible Bonds at their prevailing conversion price prior to the Effective Date of the Scheme. Convertible Bondholders who exercise this right will participate in the Scheme as holders of Sirius Shares and will receive the Offer Price for each Sirius Share then held; and/or
- subject to completion of the Acquisition, to convert their Convertible Bonds during the period of 60 days following the Effective Date at the enhanced change of control conversion price. Convertible Bondholders who exercise this right will (as a result of amendments to Sirius' articles of association proposed to be implemented as from the Effective Date) receive the Offer Price for each Sirius Share they would have otherwise been entitled to on conversion, rather than the resulting Sirius Shares; and/or
- subject to completion of the Acquisition to redeem their Convertible Bonds, in the case of the Sirius 2023 Bonds, at their principal amount plus accrued interest and, in the case of the Sirius 2027 Bonds, at their accreted principal amount plus accrued interest, in each case in accordance with the terms of the relevant Convertible Bonds.

Further details of these proposals shall be included in the Scheme Document and in the separate notice to be given to the Convertible Bondholders in due course.

Convertible Bondholders that do not exercise any of these rights will retain the right (for so long as their Convertible Bonds remain outstanding and in accordance with the terms and conditions of the Convertible Bonds) either to continue to hold their Convertible Bonds or to convert their Convertible Bonds at the prevailing conversion price following the end of the 60-day change of control period. Convertible Bondholders who exercise this conversion right will not be entitled to the enhanced change of control conversion price and will receive the Offer Price for each Sirius Share they would otherwise have been entitled to on conversion, rather than the resulting Sirius Shares (as a result of amendments to Sirius' articles of association proposed to be implemented as from the Effective Date). For the avoidance of doubt, the Acquisition is not conditional upon the approval of the Convertible Bondholders.

## **11 Hancock royalty deed**

Pursuant to a royalty financing agreement dated 25 October 2016 entered into between Sirius, York Potash Limited, York Potash Processing & Ports Limited and Hancock British Holdings Limited ("**Hancock**") (as amended by a side letter dated 13 September 2018) (together, the "**Royalty Deed**"), Hancock has a right to subscribe, and Sirius has an obligation to require

Hancock to subscribe, for Sirius Shares subject to the terms and conditions of the Royalty Deed being satisfied (or waived by Hancock). Pursuant to the terms of the Royalty Deed, Hancock also has certain board observers and rights to appoint a director to the Sirius Board.

Hancock has agreed that, conditional upon completion of the Acquisition, Hancock irrevocably waives its right to subscribe, and agrees that Sirius shall have no obligation to require Hancock to subscribe, for Sirius Shares, and has agreed to remove the board observers and director appointment rights afforded to it under the terms of the Royalty Deed (the "**Hancock Waiver**"). Anglo American has agreed, in a side letter (the "**Waiver Side Letter**"), conditional upon completion of the Acquisition, to procure that Sirius agrees to the terms of the Hancock Waiver.

## 12 Financing

Full acceptance of the Acquisition will result in the payment by Anglo American of up to approximately £404.9 million in cash to Sirius Shareholders. The cash consideration payable to Sirius Shareholders under the terms of the Acquisition will be funded from existing cash facilities.

BofA Securities, as financial adviser to Anglo American, is satisfied that sufficient cash resources are available to Anglo American to enable it to satisfy, in full, the cash consideration payable to Sirius Shareholders under the terms of the Acquisition.

## 13 Asset valuation reports

For the purposes of Rule 29 of the Takeover Code, Sirius notes that the asset valuation reports it published in the 12 months before the start of the Offer Period (specifically, in the Sirius equity prospectus dated 1 May 2019 and the York Potash Intermediate Holdings Plc preliminary bond offering memorandum dated 19 July 2019) were based on a series of assumptions and structures that are no longer valid or relevant in the context of the Acquisition. Sirius therefore disclaims the content of those reports and so the information in them should be discounted by Sirius Shareholders when considering the Acquisition.

## 14 Offer-related arrangements

### **Confidentiality Agreement**

Anglo American Services (UK) Limited and Sirius entered into a confidentiality agreement dated 8 January 2020 (the "**Confidentiality Agreement**") pursuant to which Anglo American Services (UK) Limited has undertaken, on behalf of the Anglo American Group, to (i) keep confidential information relating to, *inter alia*, the Acquisition and Sirius and not to disclose it to third parties (other than to certain permitted parties) unless required by law or regulation; and (ii) use the confidential information only in connection with the Acquisition.

These confidentiality obligations shall remain in force until, *inter alia*, completion of the Acquisition. Anglo American Services (UK) Limited, on behalf of the Anglo American Group, also agreed to certain standstill undertakings, all of which ceased to apply upon the release of this announcement.

### **Co-operation Agreement**

Anglo American, Bidco and Sirius have entered into a Co-operation Agreement dated 20 January 2020, pursuant to which:

- (i) Anglo American and Bidco have agreed to use their reasonable endeavours to secure the regulatory clearances and authorisations necessary to satisfy the Regulatory Conditions as promptly as is reasonably practicable;
- (ii) Anglo American, Bidco and Sirius have agreed to certain undertakings to co-operate in relation to such regulatory clearances

and authorisations; and

- (iii) subject to Sirius complying with its obligations referred to in (ii) above, Anglo American and Bidco have agreed to use their reasonable endeavours to: (a) submit the definitive application form to Brazil's Council for Economic Defence and its entities ("**CADE**") as soon as reasonably practicable and, in any event, within two Business Days after this announcement; and (b) generally progress the applications for Clearances in order to allow the Clearances to be obtained as soon as reasonably practicable.

The Co-operation Agreement shall be terminated with immediate effect if: (i) Anglo American, Bidco and Sirius so agree in writing; or (ii) the Acquisition, with the permission of the Panel, lapses, terminates or is withdrawn in accordance with its terms (other than in certain limited circumstances).

Anglo American and Bidco have the right to terminate the Co-operation Agreement if: (i) the Sirius Directors announce that they shall not convene the Court Meeting or the General Meeting or that they do not intend to publish the Scheme Document; (ii) the Court Meeting or the General Meeting is not held by the 22<sup>nd</sup> day after 5 March 2020 (or such later date as may be agreed by Anglo American and Sirius); (iii) the Court Sanction Hearing is not held by the 22<sup>nd</sup> day after 8 April 2020 or, if CADE do not consider that the application form is eligible for the fast-track review procedure, the 22<sup>nd</sup> day after 27 May 2020 (or such later date as may be agreed by Anglo American and Sirius); (iv) the Sirius Directors otherwise withdraw, adversely modify or adversely qualify the recommendation referred to in this announcement; (v) a competing proposal is recommended by the Sirius Directors or effected; or (vi) any Condition not waived is incapable of satisfaction, or any Condition incapable of waiver is incapable of satisfaction (where such invocation has been permitted by the Panel). The Co-operation Agreement shall also terminate: (i) if the Scheme is not approved by the Sirius Shareholders at the Court Meeting and/or the General Meeting or the Court refuses to sanction the Scheme; or (ii) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred by the Long Stop Date.

The Co-operation Agreement also records Anglo American's, Bidco's and Sirius' intentions to implement the Acquisition by way of the Scheme, subject to Anglo American and Bidco having the right, subject to the consent of the Panel, to implement the Acquisition by way of a Takeover Offer.

The Co-operation Agreement also contains provisions that shall apply in respect of the Sirius Share Plans and certain other employee incentive arrangements.

## **15 Structure of and Conditions to the Acquisition**

It is intended that the Acquisition shall be effected by means of a Court-approved scheme of arrangement between Sirius and Sirius Shareholders under Part 26 of the Companies Act, although Anglo American and Bidco reserve the right to implement the Acquisition by way of a Takeover Offer (subject to Panel consent and the terms of the Co-operation Agreement).

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued share capital of Sirius. This is to be achieved by the transfer of the Sirius Shares to Bidco, in consideration for which the Sirius Shareholders who are on the register of members at the Scheme Record Time shall receive cash consideration on the basis set out in paragraph 2 of this announcement.

The Acquisition shall be subject to the Conditions and further terms set out below and in Appendix I to this announcement and to be set out in the Scheme Document and shall only become Effective, if, among other things, the following events occur on or before the Long Stop Date or such later

date as may be agreed by Anglo American and Sirius (with the Panel's consent and as the Court may approve (if such approval(s) are required)):

- (i) the approval of the Scheme by a majority in number of the Sirius Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. in value of the Sirius Shares voted by those Sirius Shareholders;
- (ii) the resolutions required to approve and implement the Scheme being duly passed by Sirius Shareholders representing the requisite majority or majorities of votes cast at the General Meeting (or any adjournment thereof);
- (iii) the approval and sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Sirius and Anglo American);
- (iv) the delivery of a copy of the Court Order to the Registrar of Companies; and
- (v) CADE having approved the consummation of the Acquisition unconditionally pursuant to the Brazilian competition law No 12529 of 30 November 2011 and CADE's Internal Regime (approved by CADE Regulation No. 22 of 19 June 2019), or, if approved with conditions, on such conditions as are reasonably satisfactory to Anglo American.

The Scheme shall lapse if:

- the Court Meeting and the General Meeting expected to take place no later than 5 March 2020 are not held by 27 March 2020 (or such later date as may be agreed between Anglo American and Sirius);
- the Court Sanction Hearing expected to take place no later than 8 April 2020 is not held by 30 April 2020 or, if CADE do not consider that the application form is eligible for the fast-track review procedure, the Court Sanction Hearing expected to take place no later than 27 May 2020 is not held by 18 June 2020 (or such later date as may be agreed between Anglo American and Sirius); or
- the Scheme does not become Effective by the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Sanction Hearing as set out above may be waived by Anglo American, and the deadline for the Scheme to become Effective may be extended by agreement between Sirius, Anglo American and Bidco.

Subject to satisfaction (or waiver, where applicable) of the Conditions, the Scheme is expected to become Effective by 31 March 2020.

Upon the Scheme becoming Effective, it shall be binding on all Sirius Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Further details of the Scheme shall be included in the Scheme Document. It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, shall be sent to Sirius Shareholders within 28 days of this announcement. The Scheme Document and Forms of Proxy will be made available to all Sirius Shareholders at no charge to them.

## **16 De-listing**

Prior to the Scheme becoming Effective, it is intended that applications will be made to the London Stock Exchange to cancel trading in Sirius Shares on the London Stock Exchange's Main Market for listed securities and to the FCA to cancel the listing of Sirius Shares from the Official List, in each case to take effect on or shortly after the Effective Date.

The last day of dealings in Sirius Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers shall be registered after 6.00p.m. on that date.

On the Effective Date, share certificates in respect of Sirius Shares shall cease to be valid and entitlements to Sirius Shares held within the CREST system shall be cancelled.

It is also proposed that, following the Effective Date and after its shares are delisted, Sirius shall be re-registered as a private limited company. A resolution to approve the re-registration will be proposed at the General Meeting.

## **17 Dividends**

Sirius has not declared any dividends for the financial year 2018 and half-year period ended 30 June 2019.

If, on or after the date of this announcement and on or prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Sirius, the Offer Price shall be reduced correspondingly. In such circumstances, Sirius Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

## **18 Sirius ADRs**

The Scheme shall not be extended to holders of Sirius ADRs. Therefore, if the Scheme becomes Effective, Deutsche Bank Trust Company Americas (the "**Sirius Depositary**"), shall call for surrender of the Sirius ADRs and, upon those surrenders, shall deliver the consideration under the Acquisition, net of applicable fees, expenses, taxes and governmental charges, to the holders of the Sirius ADRs entitled to them in accordance with the terms of the Deposit Agreement. Thereafter, the Sirius ADR program shall be terminated.

Holders of Sirius ADRs shall not be entitled to vote directly on the Scheme and the Acquisition. However, holders of Sirius ADRs have the right to instruct the Sirius Depositary how to vote the Sirius Shares in respect of the Sirius Shares underlying the Sirius ADRs, subject to and in accordance with the terms of the Deposit Agreement.

Holders of Sirius ADRs that wish to vote directly on the Scheme and the Acquisition must surrender their Sirius ADRs to the Sirius Depositary, pay the Sirius Depositary's fees and charges in accordance with the Deposit Agreement and become holders of Sirius Shares prior to the Scheme Voting Record Time, in each case subject to and in accordance with the terms of the Deposit Agreement. Holders of Sirius ADRs that wish to vote directly on the Scheme should take care to surrender their Sirius ADRs in time to permit processing to be completed by the Sirius Depositary and its English custodian prior to the Scheme Voting Record Time. Any person that holds Sirius ADRs through a broker or other securities intermediary should contact the intermediary to determine the date by which such intermediary must be instructed to act in order that the necessary processing can be completed in time.

## **19 Disclosure of interests in Sirius**

Save in respect of the irrevocable undertakings referred to in paragraph 4 above and as disclosed below, as at the close of business on 16 January 2020 (being the last practicable date prior to the date of this announcement) neither Anglo American, nor any of its directors, nor, so far as Anglo American is aware, any person acting in concert (within the meaning of the Takeover Code) with it has either (i) any interest in or right to subscribe for any relevant securities of Sirius; (ii) any short position in respect of relevant Sirius Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase



or take delivery; (iii) any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code, in relation to Sirius Shares or in relation to any securities convertible or exchangeable into Sirius Shares; or (iv) borrowed or lent any relevant Sirius Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), save for any borrowed shares which had been either on-lent or sold:

<b>Name</b>	<b>Nature of Interest</b>	<b>Number of Sirius Shares</b>
Ian Ashby	Holder of ordinary shares	1,166,665

"Interests in securities" for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person shall be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

## **20 General**

Anglo American and Bidco reserve the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer for the Sirius Shares not already directly or indirectly owned by the Anglo American Parties as an alternative to the Scheme. In such event, the Takeover Offer shall be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation) an acceptance condition set at a level permitted by the Panel.

The Acquisition shall be made subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document. The bases and sources of certain financial information contained in this announcement are set out in Appendix II to this announcement. A summary of the irrevocable undertakings given in relation to the Acquisition is contained in Appendix III to this announcement. Certain terms used in this announcement are defined in Appendix IV to this announcement.

It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting shall be sent to Sirius Shareholders within 28 days of this announcement and it is expected that the Scheme will become Effective by 31 March 2020.

Centerview Partners, BofA Securities, J.P. Morgan Cazenove and Lazard have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

## **21 Documents available on website**

Copies of the following documents shall be made available on Anglo American's and Sirius' websites at [www.angloamerican.com/offer](http://www.angloamerican.com/offer) and [www.siriusminerals.com/investors/firm-offer-from-anglo-american-plc](http://www.siriusminerals.com/investors/firm-offer-from-anglo-american-plc) respectively until the Effective Date:

- the irrevocable undertakings referred to in paragraph 4 above and summarised in Appendix III to this announcement;
- the Confidentiality Agreement referred to in paragraph 14 above;
- the Co-operation Agreement referred to in paragraph 14 above;
- the Hancock Waiver referred to in paragraph 11 above; and

- the Waiver Side Letter referred to in paragraph 11 above.

## **Enquiries:**

### **Anglo American**

#### **Media**

##### UK

James Wyatt-Tilby  
james.wyatt-tilby@angloamerican.com  
Tel: +44 (0)20 7968 8759

Marcelo Esquivel  
marcelo.esquivel@angloamerican.com  
Tel: +44 (0)20 7968 8891

Katie Ryall  
katie.ryall@angloamerican.com  
Tel: +44 (0)20 7968 8935

##### South Africa

Pranill Ramchander  
pranill.ramchander@angloamerican.com  
Tel: +27 (0)11 638 2592

Sibusiso Tshabalala  
sibusiso.tshabalala@angloamerican.com  
Tel: +27 (0)11 638 2175

#### **Investors**

##### UK

Paul Galloway  
paul.galloway@angloamerican.com  
Tel: +44 (0)20 7968 8718

Robert Greenberg  
robert.greenberg@angloamerican.com  
Tel: +44 (0)20 7968 2124

Emma Waterworth  
emma.waterworth@angloamerican.com  
Tel: +44 (0)20 7968 8574

### **Bank of America Securities (Joint Financial Adviser to Anglo American)**

Ben Davies  
Geoff Iles  
Peter Surr  
Ben Winstanley  
Tel: +44 (0) 20 7628 1000

### **Centerview Partners UK LLP (Joint Financial Adviser to Anglo American)**

James Hartop  
Edward Rowe  
Fiona McHardy  
Tel: +44 (0) 20 7409 9700

### **Brunswick (Anglo American's PR adviser)**

Jonathan Glass  
Charles Pretzlik  
Tel: +44 (0) 20 7404 5959

### **Sirius**

Gareth Edmunds  
Tristan Pottas  
Tel: +44 (0) 8455 240 247

### **J.P. Morgan Cazenove (Lead Financial Adviser to Sirius)**

Jamie Riddell  
James Robinson  
Andrey Zhvitiashvili  
Jonty Edwards  
Tel: +44 (0) 20 7742 4000

### **Lazard & Co., Limited (Financial Adviser to Sirius)**

Spiro Youakim  
David Burlison  
Victoria Varga  
Tel: +44 (0) 20 7187 2000

**Liberum Capital (Joint Broker to Sirius)**

Clayton Bush

Tel: +44 (0) 20 3100 2000

**Shore Capital (Joint Broker to Sirius)**

Jerry Keen

Tel: +44 (0) 20 7408 4090

**Edelman (Sirius' PR adviser)**

Iain Dey

Tel: +44 (0) 20 3047 2268

Ed Brown

John Kiely

Linklaters LLP are retained as legal adviser to Anglo American. Allen & Overy LLP are retained as legal adviser to Sirius.

Anglo American LEI: 549300S9XF92D1X8ME43

Sirius LEI: 2138004ATVA9GVUAGA82

**Shareholder helpline**

*If you have any questions in relation to the Acquisition please contact Georgeson, a trading name of Computershare Investor Services PLC, on 00 800 3742 6163 between the hours of 9.00 a.m. and 5.00 p.m. Monday to Friday.*

*Please note, that for legal reasons, Georgeson will only be able to provide you with information contained in this announcement and will be unable to give advice on the merits of the Acquisition or to provide legal, financial or taxation advice on the contents of this announcement or the Acquisition.*

**Important Notices**

*Merrill Lynch International ("**BofA Securities**"), which is authorised by the UK Prudential Regulation Authority and regulated by the FCA and the UK Prudential Regulation Authority, is acting exclusively for Anglo American and for no one else and will not be responsible to anyone other than Anglo American for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this announcement, any statement contained herein or otherwise.*

*Centerview Partners UK LLP ("**Centerview Partners**") is authorised and regulated by the FCA. Centerview Partners is acting exclusively for Anglo American and no one else in connection with the matters referred to in this announcement. Centerview Partners is not and will not be responsible to anyone other than Anglo American for providing the protections afforded to its clients or for providing advice in connection with the contents of this announcement or any other matter referred to in this announcement. Neither Centerview Partners, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever to any person who is not a client of Centerview Partners in connection with this announcement, any statement contained herein or otherwise.*

*J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the FCA. J.P. Morgan Cazenove is acting as financial adviser exclusively for Sirius and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of J.P. Morgan Cazenove, or for providing advice in relation to any matter referred to herein.*

*Lazard & Co., Limited ("**Lazard**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Sirius and for no one else and will not*

be responsible to anyone other than Sirius for providing the protections afforded to its clients or for providing advice in connection with the matters set out in this announcement. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this announcement, any statement contained herein, the transaction described herein or otherwise.

Liberum Capital Limited ("**Liberum Capital**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker exclusively for Sirius and for no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of Liberum Capital, or for providing advice in relation to any matter referred to herein.

Shore Capital Stockbrokers Limited ("**Shore Capital**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker exclusively for Sirius and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of Shore Capital, or for providing advice in relation to any matter referred to herein.

This announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise.

The Acquisition shall be made solely by means of the Scheme Document which shall contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.

This announcement has been prepared for the purpose of complying with the laws of England and Wales and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Sirius shall prepare the Scheme Document to be distributed to Sirius Shareholders. Sirius and Anglo American urge Sirius Shareholders to read the Scheme Document when it becomes available because it shall contain important information relating to the Acquisition.

This announcement does not constitute a prospectus or prospectus exempted document.

### **Overseas Shareholders**

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom or the United States may be restricted by law. Persons who are not resident in the United Kingdom or the United States or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

Unless otherwise determined by Anglo American or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

*The availability of the Acquisition to Sirius Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Sirius Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as any failure to comply with the requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.*

#### **Additional information for US investors**

*The Acquisition relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.*

*Accordingly, the Acquisition is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.*

*Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved or passed judgment upon the fairness or the merits of the Acquisition or determined if this announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the US.*

*However, if Anglo American were to elect to implement the Acquisition by means of a takeover offer, such takeover offer shall be made in compliance with all applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such a takeover would be made in the United States by Anglo American and no one else.*

*In the event that the Acquisition is implemented by way of a Takeover Offer, in accordance with normal United Kingdom practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Anglo American or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Sirius outside of the US, other than pursuant to such Takeover Offer, during the period in which such Takeover Offer would remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*The receipt of consideration by a US holder for the transfer of its Sirius Shares pursuant to the Scheme shall be a taxable transaction for United States federal income tax purposes. Each Sirius Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.*

*Financial information relating to Sirius included in this announcement and the Scheme Document has been or shall have been prepared in accordance with accounting standards applicable in the United Kingdom and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*Anglo American, Bidco and Sirius are each organised under the laws of England and Wales. Some or all of the officers and directors of Anglo American, Bidco and Sirius, respectively, are residents of countries other than the United States. As a*

result, it may be difficult for US Sirius Shareholders to effect service of process within the United States upon Anglo American, Bidco or Sirius or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United Kingdom.

### **Forward looking statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Sirius, Anglo American or any member of the Anglo American

Group contain statements which are, or may be deemed to be, "forward-looking statements". Such forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Anglo American, any member of the Anglo American Group or the Enlarged Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this announcement relate to Anglo American, any member of the Anglo American Group or the Enlarged Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward-looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects", "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology.

Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Anglo American's, any member of the Anglo American Group's or Sirius' operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Anglo American's, any member of the Anglo American Group's or Sirius' business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that shall occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Sirius nor any of Anglo American nor any member of the Anglo American Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

The forward-looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to any member of the Anglo American Group or Sirius Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Sirius and Anglo American expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

### **No profit forecasts or estimates**

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Anglo American or Sirius, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Anglo American or Sirius, as appropriate.

### **Disclosure requirements of the Takeover Code**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they shall be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Electronic communications**

Please be aware that addresses, electronic addresses and certain information provided by Sirius Shareholders, persons with information rights and other relevant persons for the receipt of communications from Sirius may be provided to Anglo

American during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

### **Publication on website and availability of hard copies**

A copy of this announcement shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Anglo American's and Sirius' websites at [www.angloamerican.com/offer](http://www.angloamerican.com/offer) and [www.siriusminerals.com/investors/firm-offer-from-anglo-american-plc](http://www.siriusminerals.com/investors/firm-offer-from-anglo-american-plc) respectively by no later than 12 noon (London time) on the Business Day following the publication of this announcement. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this announcement.

You may request a hard copy of this announcement by contacting Sirius' registrars, Link Asset Services, during business hours on 0871 664 0300 (or +44(0) 371 664 0300 from abroad) or at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Takeover Code, Sirius confirms that as at the date of this announcement, it has in issue and admitted to trading on the Main Market of the London Stock Exchange, 7,020,196,560 ordinary shares of 0.25 pence each (no ordinary shares are held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00B0DG3H29.

Sirius has an American depositary receipts ("**ADR**") program comprising 30,229 ADRs, for which Deutsche Bank Trust Company Americas acts as depositary. These ADRs represent 1,511,450 ordinary shares of Sirius. The ADRs are traded over-the-counter. The trading symbol for the ADR securities is SRUXY and the ISIN is US82967P1030.

In addition, the Sirius Group has US\$236,600,000 convertible bonds outstanding. These bonds are convertible into Sirius ordinary shares and comprise two series: (i) US\$137,600,000 8.5 per cent. convertible bonds due 2023 (ISIN code: XS1515223516); and (ii) US\$99,000,000 5.0 per cent. convertible bonds due 2027 (ISIN code: XS1991118255).



# APPENDIX I

## CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

### Part A: Conditions of the Scheme and the Acquisition

- 1 The Acquisition is conditional upon the Scheme becoming unconditional and effective, subject to the Takeover Code, by not later than the Long Stop Date.
- 2 The Scheme shall be subject to the following conditions:
  - 2.1
    - (i) its approval by a majority in number of the Sirius Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Sirius Shares voted by those Sirius Shareholders; and
    - (ii) such Court Meeting being held on or before the 22<sup>nd</sup> day after 5 March 2020 (or such later date as may be agreed by Anglo American and Sirius and, if required, the Court may allow);
  - 2.2
    - (i) the resolutions required to implement the Scheme being duly passed by Sirius Shareholders representing 75 per cent. or more of votes cast at the General Meeting; and
    - (ii) such General Meeting being held on or before the 22<sup>nd</sup> day after 5 March 2020 (or such later date as may be agreed by Anglo American and Sirius and, if required, the Court may allow);
  - 2.3
    - (i) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Sirius and Anglo American) and the delivery of a copy of the Court Order to the Registrar of Companies; and
    - (ii) the Court Sanction Hearing being held on or before the 22<sup>nd</sup> day after 8 April 2020 or, if CADE do not consider that the application form is eligible for the fast-track review procedure, the 22<sup>nd</sup> day after 27 May 2020 (or such later date as may be agreed by Anglo American and Sirius and, if required, the Court may allow);
- 3 In addition, subject to the requirements of the Panel, the Acquisition shall be conditional upon the following Conditions and, accordingly, the Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

#### **Brazilian Competition Authorities clearance**

- (a) CADE having approved the consummation of the Acquisition unconditionally pursuant to the Brazilian competition law No 12529 of 30 November 2011 and CADE's Internal Regime (approved by CADE Regulation No. 22 of 19 June 2019), or, if approved with conditions, on such conditions as are reasonably satisfactory to Anglo American;

#### **Notifications, waiting periods and Authorisations**

- (b) other than in respect of Condition 3(a), all material notifications, filings or applications which are necessary having been made in connection with the Acquisition and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate)

and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Authorisations deemed reasonably necessary by Anglo American in any jurisdiction and, except pursuant to Chapter 3 of Part 28 of the Companies Act, in respect of the Acquisition having been obtained in terms and in a form reasonably satisfactory to Anglo American from all appropriate Relevant Authorities and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations, in each case in any way that would be materially adverse to the Wider Sirius Group;

#### **General antitrust and regulatory**

- (c) other than in respect of Condition 3(a), no antitrust regulator or Relevant Authority having given notice of a decision to take, institute or implement any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or would reasonably be expected to, in any case to an extent or in a manner which is or would be material in the context of the Wider Sirius Group taken as a whole:
  - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Anglo American Group or by any member of the Wider Sirius Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Anglo American Group or the Wider Sirius Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Sirius Group or any asset owned by any Third Party (other than in the implementation of the Acquisition);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Anglo American Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Sirius or on the ability of any member of the Wider Sirius Group or any member of the Wider Anglo American Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Sirius Group;
  - (iv) otherwise adversely affect any or all of the business, assets or profits of the Wider Sirius Group or the Wider Anglo American Group;
  - (v) result in any member of the Wider Sirius Group or any member of the Wider Anglo American Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vi) make the Acquisition or its implementation void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain, or delay or otherwise to a material extent or otherwise materially interfere with the implementation of, or

impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Acquisition;

- (vii) require, prevent or materially delay a divestiture by any member of the Wider Anglo American Group of any shares or other securities (or the equivalent) in any member of the Wider Sirius Group or any member of the Wider Anglo American Group; or
- (viii) impose any material limitation on the ability of any member of the Wider Anglo American Group of any member of the Wider Sirius Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Anglo American Group and/or the Wider Sirius Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Relevant Authority could decide to take, institute or implement any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Sirius Shares or otherwise intervene having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

- (d) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Sirius Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition would or would be reasonably expected to result in, in each case to an extent which is material in the context of the Wider Sirius Group taken as a whole:
  - (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Sirius Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Sirius Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Sirius Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iv) any liability of any member of the Wider Sirius Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
  - (v) the rights, liabilities, obligations, interests or business of any member of the Wider Sirius Group under any arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Sirius Group or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or

affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

- (vi) any member of the Wider Sirius Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (vii) the value of, or the financial or trading position of, any member of the Wider Sirius Group being prejudiced or adversely affected; or
- (viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Sirius Group other than liabilities incurred in the ordinary course of business,

and, except as Disclosed, no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Sirius Group is a party or by or to which any such member or any of its assets are bound or subject, would result in any of the events or circumstances as are referred to in Conditions 3(d)(i) to (viii), in each case to the extent material in the context of the Wider Sirius Group taken as a whole;

#### **Certain events occurring since 30 June 2019**

- (e) except as Disclosed, no member of the Wider Sirius Group having since 30 June 2019:
  - (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Sirius Shares out of treasury (except, where relevant, as between Sirius and wholly owned subsidiaries of Sirius or between the wholly owned subsidiaries of Sirius and except for the issue or transfer out of treasury of Sirius Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Sirius Share Plans);
  - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, distribution or other return of value (whether payable in cash or otherwise) other than dividends (or distributions or other return of value whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Sirius to Sirius or any of its wholly owned subsidiaries;
  - (iii) other than pursuant to the Acquisition (and except for transactions between Sirius and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sirius and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Sirius Group taken as a whole;
  - (iv) except for transactions between Sirius and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sirius, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;

- (v) except for transactions between Sirius and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sirius, issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which is material in the context of the Wider Sirius Group as a whole;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is reasonably likely to be materially restrictive on the business of any member of the Wider Sirius Group;
- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Sirius Group, except for, in each case, salary increases, bonuses or variations of terms consistent with past practice or as contemplated in the Co-operation Agreement;
- (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Sirius Group, other than as contemplated in the Co-operation Agreement;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) waived, compromised or settled any claim which is material in the context of the Wider Sirius Group as a whole;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Sirius Group and any other person in a manner which has had or would reasonably be expected to have a material adverse effect on the financial position of the Wider Sirius Group taken as a whole;
- (xii) made any material alteration to its memorandum or articles of association or other incorporation documents;
- (xiii) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to:
  - A. the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Sirius Group for its directors, employees or their dependants;
  - B. the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - C. the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - D. the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;

- (xiv) been unable, or deemed unable for the purposes of any applicable law, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened in writing to stop or suspend) payment of its debts generally or ceased or threatened in writing to cease carrying on all or a substantial part of its business;
- (xv) (other than in respect of a member of the Wider Sirius Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee, controller, liquidator or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvi) except for transactions between Sirius and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sirius, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, save with another member of the Wider Sirius Group;
- (xviii) having taken (or agreed or proposed to take) any action which requires or would require, the consent of the Panel or the approval of Sirius Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.2 of the Takeover Code; or
- (xix) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3(e), having regard to all carve outs, exclusions and limitations contained in this Condition 3(e) to the extent applicable to such transaction, matter or event;

**No adverse change, litigation, regulatory enquiry or similar**

- (f) except as Disclosed, since 30 June 2019, there having been:
  - (i) no adverse change and no circumstance having arisen which would result in any adverse change in, the business, assets, financial or trading position or profits or operational performance of any member of the Wider Sirius Group which is material in the context of the Wider Sirius Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Sirius Group or to which any member of the Wider Sirius Group is a party (whether as claimant, defendant or otherwise) having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Sirius Group which, in each case, would have a material adverse effect on the Wider Sirius Group taken as a whole;

- (iii) no investigation by any Relevant Authority against or in respect of any member of the Wider Sirius Group having been threatened in writing, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Sirius Group;
- (iv) no contingent or other liability having arisen or increased other than in the ordinary course of business which would affect adversely the business, assets, financial or trading position or profits of any member of the Wider Sirius Group to an extent which would be material in the context of the Wider Sirius Group taken as a whole; and
- (v) no steps having been taken and no omissions having been made which would result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Sirius Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would have a material adverse effect on the Wider Sirius Group taken as a whole;

**No discovery of certain matters regarding information, liabilities and environmental issues**

- (g) except as Disclosed, Anglo American not informing Sirius in writing that it has discovered, and, in each case to an extent which is material in the context of the Wider Sirius Group taken as a whole, that:
  - (i) any financial, business or other information concerning the Wider Sirius Group publicly announced prior to the date of this announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading;
  - (ii) any past or present member of the Wider Sirius Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Sirius Group;
  - (iii) there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to non-compliance with any law or regulation) would give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Sirius Group;
  - (iv) there is any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Sirius Group (or on its behalf), or in which any such member has or previously has had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Relevant Authority in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or

- (v) circumstances exist (whether as a result of making the Acquisition or otherwise) which would lead to any Relevant Authority instituting (or whereby any member of the Wider Sirius Group would be required to institute), an environment audit or take any steps which would in any such case result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Sirius Group (or on its behalf) or by any person for which a member of the Wider Sirius Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest;

#### **Anti-corruption**

- (vi) any member of the Wider Sirius Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation; or
- (vii) any member of the Wider Sirius Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations (2006) (each as amended); or
- (viii) any member of the Wider Sirius Group has engaged in any transaction which would cause any member of the Wider Anglo American Group to be in breach of applicable law or regulation upon completion of the Acquisition in relation to the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; or

#### **No criminal property**

- (ix) any asset of any member of the Wider Sirius Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

### **Part B: Certain further terms of the Acquisition**

- 1** Subject to the requirements of the Panel, Anglo American reserves the right to waive:
  - (a) the deadline set out in Condition 1, subject to the agreement of Anglo American and Sirius, and any of the deadlines set out in Condition 2 for the timing of the Court Meeting, General Meeting and the Court Sanction Hearing. If any such deadline is not met, Anglo American shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Sirius to extend the deadline in relation to the relevant Condition; and
  - (b) in whole or in part, all or any of the above Conditions 3(a) to (g) (inclusive).
- 2** If Anglo American is required by the Panel to make an offer for Sirius Shares under the provisions of Rule 9 of the Takeover Code, Anglo American may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
- 3** The Scheme and the Acquisition shall not become Effective if:



(a) in so far as the Acquisition or any matter arising from or relating to the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1) (c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or

(b) the Acquisition or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference,

in each case, before the date of the Court Meeting.

**4** Other than as required under the terms of the Co-operation Agreement, Anglo American shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 3(a) to (g) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

**5** The Sirius Shares acquired under the Acquisition shall be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and (subject to paragraph 6 below) the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this announcement.

**6** If, on or after the date of this announcement and prior to or on the Effective Date, any dividend, distribution or other return of value is declared, paid or made or becomes payable by Sirius and with a record date on or prior to the Effective Date, Anglo American reserves the right (without prejudice to any right of Anglo American, with the consent of the Panel, to invoke Condition 3(e)(ii) of this Appendix I) to reduce the consideration payable under the Acquisition to reflect the aggregate amount of such dividend, distribution or other return of value. In such circumstances, Sirius Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

If and to the extent that any such dividend, distribution or other return of value is paid or made on or prior to the Effective Date, and Anglo American exercises its rights under this paragraph 6 to reduce the consideration payable under the Acquisition, any reference in this announcement to the consideration payable under the terms of the Acquisition shall be deemed to be a reference to the consideration as so reduced.

If and to the extent that any such dividend, distribution or other return of value has been declared or announced but not paid or made or is not payable by reference to a record date on or prior to the Effective Date or shall be (i) transferred pursuant to the Acquisition on a basis which entitles Anglo American to receive the dividend, distribution or other return of value and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition shall not be subject to change in accordance with this paragraph 6.

Any exercise by Anglo American of its rights referred to in this paragraph 6 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

**7** Anglo American and Bidco reserve the right to elect (with the consent of the Panel and subject to the Co-operation Agreement) to implement the

Acquisition by way of a Takeover Offer for the Sirius Shares as an alternative to the Scheme. In such event, the Takeover Offer shall be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation) an acceptance condition set at a level permitted by the Panel and the Co-operation Agreement.

- 8** The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- 9** The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
- 10** The Acquisition is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.
- 11** Under Rule 13.5(a) of the Takeover Code, Anglo American may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Anglo American in the context of the Acquisition. Condition 2 of Part A of Appendix I and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Takeover Code.
- 12** Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## APPENDIX II

### SOURCES OF INFORMATION AND BASES OF CALCULATION

Unless otherwise stated in this announcement:

1. As at 16 January 2020 (being the latest practicable date prior to publication of this announcement), there were 7,020,196,560 Sirius Shares in issue. The International Securities Identification Number for Sirius Shares is GB00B0DG3H29.
2. Any references to the issued and to be issued share capital of Sirius are based on:
  - (i) the issued share capital of 7,020,196,560 Sirius Shares referred to in paragraph 1 above; *plus*
  - (ii) 341,152,599 Sirius Shares which may be issued on or after the date of this announcement to satisfy the exercise of options or vesting of awards pursuant to the Sirius Share Plans.
3. The value of the Acquisition based on the Offer Price of 5.50 pence per Sirius Share is calculated on the basis of the issued and to be issued share capital of Sirius (as set out in paragraph 2 above).
4. Based on current available market data as at 16 January 2020 (being the latest practicable date prior to publication of this announcement) and various other assumptions, including that all Convertible Bondholders will convert their Convertible Bonds during the 60-day change of control period, Anglo American will be required to cash out Convertible Bondholders, at the Offer Price, in respect of a total of approximately 1,053,506,079 Sirius Shares. This figure is illustrative only and the actual figure will depend, *inter alia*, on market data as at the Effective Date.
5. All Closing Prices referred to in this announcement are taken from the Daily Official List.
6. Unless otherwise stated, the financial information relating to Sirius is extracted from the audited consolidated financial statements of Sirius for the financial year to 31 December 2018, prepared in accordance with IFRS.
7. The financial information relating to Anglo American is extracted from the audited consolidated financial statements of Anglo American for the year ended 31 December 2018, prepared in accordance with IFRS.

## APPENDIX III IRREVOCABLE UNDERTAKINGS

The following Sirius Directors have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting:

<b>Name of Sirius Director</b>	<b>Number of Sirius Shares in respect of which undertaking is given</b>	<b>Percentage of Sirius issued share capital*</b>
R Scrimshaw	45,645,005	0.65
C Fraser	123,997,368	1.77
T Staley	1,187,139	0.02
J Hutton	30,856	0.00
J Lodge	601,822	0.01
E N Harwerth	101,303	0.00
K Clarke	899,144	0.01
L Hardy	0	0.00
<b>TOTAL</b>	<b>172,462,637</b>	<b>2.46%</b>

\*based on the number of Sirius Shares in issue on 16 January 2020 (being the last practicable date prior to the publication of this announcement)

The obligations of the Sirius Directors under the irrevocable undertakings shall lapse and cease to have effect on and from the following occurrences:

- Bidco announces, with the consent of the Panel and before the Scheme Document is published, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme is announced by Bidco;
- the Scheme is withdrawn or lapses, provided that this shall not apply if the lapse or withdrawal either is not confirmed by Bidco or a new, revised or replacement scheme of arrangement is announced by Bidco (or a person acting in concert with it) within five business days after any such lapse or withdrawal; or
- Anglo American and/or Bidco elect to implement the Acquisition by way of a Takeover Offer (rather than a Scheme).

These irrevocable undertakings remain binding in the event of a competing offer.

## APPENDIX IV DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

<b>Acquisition</b>	the recommended cash acquisition being made by Anglo American to acquire directly or indirectly the entire issued and to be issued share capital of Sirius not already directly or indirectly held by the Anglo American Parties (or by way of Takeover Offer under certain circumstances described in this announcement) to be effected by means of the Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof
<b>Anglo American</b>	Anglo American plc
<b>Anglo American Group</b>	Anglo American and its subsidiary undertakings and, where the context permits, each of them
<b>Anglo American Parties</b>	Bidco, Anglo American and those persons disclosed in paragraph 19 of this announcement
<b>Authorisations</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
<b>Bidco</b>	Anglo American Projects UK Limited, a company incorporated in England & Wales with company number 12366241 whose, registered office is at 20 Carlton House Terrace, London, United Kingdom SW1Y 5AN
<b>BofA Securities</b>	Merrill Lynch International
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in London
<b>CADE</b>	Brazil's Council for Economic Defence and its entities
<b>Centerview Partners</b>	Centerview Partners UK LLP
<b>Clearances</b>	any approvals, consents, clearances, permissions, confirmations and waivers that are required to be obtained and waiting periods that may need to have expired, from or under any of the laws, regulations or practices applied by any Relevant Authority in connection with the implementation of the Acquisition
<b>Closing Price</b>	the closing middle market price of a Sirius Share on a particular trading day as derived from the Daily Official List
<b>CMA Phase 2 Reference</b>	a reference of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
<b>Companies Act</b>	the Companies Act 2006, as amended
<b>Conditions</b>	the conditions to the implementation of the Acquisition, as set out in Appendix I to this announcement and to be set out in the Scheme Document
<b>Confidentiality Agreement</b>	the confidentiality agreement entered into between Anglo American Services (UK) Limited and Sirius Minerals Plc dated 8 January 2020
<b>Convertible Bonds</b>	together, the Sirius 2023 Bonds and the Sirius 2027 Bonds
<b>Convertible Bondholders</b>	holders of the Convertible Bonds from time to time
<b>Co-operation Agreement</b>	the co-operation agreement dated 20 January 2020 between Anglo American, Bidco and Sirius relating to,

	among other things, the implementation of the Acquisition, as described in paragraph 14 of this announcement
<b>Court</b>	the High Court of Justice in England and Wales
<b>Court Meeting</b>	the meeting of Sirius Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof, notice of which is to be contained in the Scheme Document
<b>Court Order</b>	the order of the Court sanctioning the Scheme
<b>Court Sanction Hearing</b>	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act and, if such hearing is adjourned, reference to commencement of any such hearing shall mean the commencement of the final adjournment thereof
<b>CREST</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear
<b>Daily Official List</b>	the Daily Official List published by the London Stock Exchange
<b>Dealing Disclosure</b>	has the same meaning as in Rule 8 of the Takeover Code
<b>Deposit Agreement</b>	the deposit agreement governing the Sirius ADRs dated 17 November 2014 between: (i) Sirius; (ii) the Sirius Depositary; and (iii) all holders and beneficial owners of American depositary shares as evidenced by ADRs
<b>Disclosed</b>	the information disclosed by, or on behalf of Sirius, (i) in the annual report and accounts of the Sirius Group for the financial year ended 31 December 2018; (ii) the interim results of the Sirius Group for the six month period ending on 30 June 2019; (iii) in the annual report and financial statements of York Potash Ltd for the financial year ended 31 December 2018; (iv) in the annual report and financial statements of York Potash Processing & Ports Limited for the financial year ended 31 December 2018; (v) in this announcement; (vi) in any other announcement to a Regulatory Information Service by, or on behalf of Sirius prior to the publication of this announcement; or (vii) as otherwise fairly disclosed to Anglo American (or its respective officers, employees, agents or advisers) prior to the date of this announcement, including in the 'Sirius Minerals' virtual data room hosted by Ansarada
<b>Effective</b>	in the context of the Acquisition: <ul style="list-style-type: none"> <li>(i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms; or</li> <li>(ii) if the Acquisition is implemented by way of a Takeover Offer, such Takeover Offer having been declared and become unconditional in all respects in accordance with the Takeover Code</li> </ul>
<b>Effective Date</b>	the date on which either: (i) the Scheme becomes effective in accordance with its terms; or (ii) if Anglo American and Bidco elect, and the Panel consents, to implement the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act), the date on which such takeover offer becomes or is declared unconditional in all respects
<b>Enlarged Group</b>	the combined Sirius Group and Anglo American Group following completion of the Acquisition

<b>Euroclear</b>	Euroclear UK and Ireland Limited
<b>FCA or Financial Conduct Authority</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000
<b>Forms of Proxy</b>	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
<b>General Meeting</b>	the general meeting of Sirius Shareholders (including any adjournment thereof) to be convened in connection with the Scheme
<b>Hancock</b>	Hancock British Holdings Limited
<b>IFRS</b>	International Financial Reporting Standards
<b>J.P. Morgan Cazenove</b>	J.P. Morgan Securities plc
<b>Lazard</b>	Lazard & Co., Limited
<b>Listing Rules</b>	the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 (as amended), and contained in the publication of the same name, as amended from time to time
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Long Stop Date</b>	30 April 2020 or, if CADE do not consider that the application form is eligible for the fast-track review procedure, 18 June 2020 or such later date as may be agreed in writing by Anglo American and Sirius (with the Panel's consent and as the Court may approve (if such approval(s) are required))
<b>MHF</b>	material handling facility
<b>MTS</b>	mineral transport system
<b>Offer Period</b>	the offer period (as defined by the Takeover Code) relating to Sirius, which commenced on 8 January 2020
<b>Offer Price</b>	5.50 pence per Sirius Share
<b>Official List</b>	the Official List of the London Stock Exchange
<b>Opening Position Disclosure</b>	has the same meaning as in Rule 8 of the Takeover Code
<b>Operating Model</b>	the model used by Anglo American to enable it to apply a manufacturing approach to its mining and production processing to organise and efficiently plan, schedule and resource the work to be executed, in order to deliver safer, more consistent and lower cost production with increased predictability and process stability
<b>Overseas Shareholders</b>	Sirius Shareholders (or nominees of, or custodians or trustees for Sirius Shareholders) not resident in, or nationals or citizens of the United Kingdom
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Project</b>	Sirius' North Yorkshire polyhalite project
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales
<b>Regulation</b>	the Council Regulation (EC) 139/2004
<b>Regulatory Conditions</b>	the Conditions set out in paragraphs 3(a) to 3(c) (inclusive) of Part A of Appendix I to this announcement
<b>Regulatory Information Service</b>	any of the services set out in Appendix I to the Listing Rules
<b>Relevant Authority</b>	any central bank, ministry, governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority or authority (including any

national or supranational anti-trust or merger control authority, any sectoral ministry or regulator and any foreign investment review body), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction, including, for the avoidance of doubt, the Panel

<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Sirius Shareholders
<b>Royalty Deed</b>	the royalty financing agreement dated 25 October 2016 between Sirius, York Potash Limited, York Potash Processing & Ports Limited and Hancock (as amended by a side letter on 13 September 2018)
<b>Scheme</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Sirius and the Sirius Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Sirius, Anglo American and Bidco
<b>Scheme Document</b>	the document to be sent to Sirius Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting
<b>Scheme Record Time</b>	the time and date specified as such in the Scheme Document
<b>Scheme Voting Record Time</b>	the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting shall be determined, expected to be 6:30 p.m. on the day which is two Business Days before the Court Meeting or, if the Court Meeting is adjourned, 6:30 p.m. on the day which is two Business Days before the date of such adjourned Court Meeting
<b>Significant Interest</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking
<b>Sirius</b>	Sirius Minerals Plc
<b>Sirius 2023 Bonds</b>	the US\$400,000,000 8.5 per cent. guaranteed convertible bonds due 2023 issued by Sirius Minerals Finance Limited, which are guaranteed by Sirius and convertible into Sirius Shares (of which there are US\$137,600,000 outstanding as at 16 January 2020, being the last practicable date before the date of this announcement)
<b>Sirius 2027 Bonds</b>	the US\$106,600,000 5.0 per cent. guaranteed convertible bonds due 2027 issued by Sirius Minerals Finance No.2 Limited, which are guaranteed by Sirius and convertible into Sirius Shares (of which there are US\$99,000,000 outstanding as at 16 January 2020, being the last practicable date before the date of this announcement)
<b>Sirius ADRs</b>	Sirius' sponsored level 1 American Depositary Receipts for which Deutsche Bank Trust Company Americas acts as Sirius Depositary
<b>Sirius Board</b>	the board of directors of Sirius at the time of this announcement or, where the context so requires, the



	board of directors of Sirius from time to time
<b>Sirius Depository</b>	Deutsche Bank Trust Company Americas, as depository for the Sirius ADRs program
<b>Sirius Directors</b>	the directors of Sirius at the time of this announcement or, where the context so requires, the directors of Sirius from time to time
<b>Sirius Group</b>	Sirius and its subsidiary undertakings and, where the context permits, each of them
<b>Sirius Share Plans</b>	the Sirius Share Based Incentive Plan, the Sirius Company Share Option Plan, the Sirius Unapproved Share Option Plan and the Sirius Incentive Option Scheme, and the terms governing the "milestone awards" held by the Sirius Chief Financial Officer, General Counsel and Company Secretary and Chief Development Officer
<b>Sirius Shareholders or Shareholders</b>	the holders of Sirius Shares
<b>Sirius Shares</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 0.25 pence each in the capital of Sirius and any further such ordinary shares which are unconditionally allotted or issued before the Effective Date
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>Takeover Offer</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Anglo American to acquire the entire issued and to be issued share capital of Sirius not already directly or indirectly held by the Anglo American Parties and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer
<b>Third Party</b>	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
<b>US Exchange Act</b>	the United States Securities Exchange Act 1934, as amended
<b>Wider Anglo American Group</b>	Anglo American and associated undertakings and any other body corporate, partnership, joint venture or person in which Anglo American and all such undertakings (aggregating their interests) have a Significant Interest
<b>Wider Sirius Group</b>	Sirius and associated undertakings and any other body corporate, partnership, joint venture or person in which Sirius and such undertakings (aggregating their interests) have a Significant Interest

For the purposes of this announcement, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**" and "**associated undertaking**" have the respective meanings given thereto by the Companies Act.

All references to "**Sterling**", "**£**", "**pence**" and "**p**" are to the lawful currency of the United Kingdom.

All references to "**US\$**", "**\$**" and "**US Dollars**" are to the lawful currency of the United States.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.