

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the Acquisition or the contents of this letter or what action you should take, you are recommended to seek your own financial, tax and legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are in the United Kingdom or from another appropriately authorised independent financial adviser, if you are taking advice in a territory outside the United Kingdom.

**In the event of a conflict between this letter and the terms of the Sirius Minerals Plc Company Share Option Plan, the Sirius Minerals Plc Unapproved Share Option Plan or the Sirius Minerals Plc Incentive Option Scheme, as appropriate, or any relevant legislation, the terms of the relevant Share Option Plan or Option Scheme or the legislation will prevail.**

7 February 2020

**To:** Participants in the Sirius Minerals Plc Company Share Option Plan (the **CSOP**), the Sirius Minerals Plc Unapproved Share Option Plan (the **USOP**) and the Sirius Minerals Plc Incentive Option Scheme (the **IOS**)

**Recommended cash acquisition of Sirius Minerals Plc (Sirius) by Anglo American Projects UK Limited (Bidco)**

## **1. BACKGROUND**

On 20 January 2020 the Sirius Board, the Anglo American Board and the Bidco Board announced that they had agreed the terms of a recommended cash offer (the **Acquisition**) pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of Sirius.

The purpose of this letter (the **Letter**) is to explain the effect of the Acquisition on the options (**Options**) granted under the CSOP, the USOP and the IOS, and how your Option(s) will be treated in relation to the Acquisition. If you already hold Sirius Shares you should review the scheme document dated 7 February 2020 (the **Scheme Document**) available online as set out below regarding any action which you should take in respect of these Sirius Shares.

The Acquisition will be implemented by way of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the **Scheme**). Before this can happen, the Scheme has to be approved by Sirius Shareholders and sanctioned by the Court (**Court Sanction**). The Court will only be asked to sanction the Scheme if, amongst other things, it is approved by Sirius Shareholders. Under the terms of the Acquisition, Sirius Shareholders at the Scheme Record Time will be entitled to receive:

**for each Sirius Share**

**5.50 pence in cash (the Consideration)**

Further information in relation to the Scheme, including details of the conditions and the expected timetable, is set out in the Scheme Document, a copy of which is available (together with a copy of this Letter) online 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). You should read this Letter in conjunction with the Scheme Document. Defined terms used in this Letter have the meanings given in the Scheme Document, unless otherwise defined in this Letter.

The relevant steps of the Scheme for your Option(s) are set out below and are explained in more detail in the Scheme Document.

1. General Meeting
2. Court Sanction
3. Scheme Record Time
4. Effective Date

If you participate in any other Sirius Share Plan, you will receive a separate communication about that Plan.

## **2. IMPACT OF THE ACQUISITION ON YOUR OPTIONS**

Your Option(s) is/are already exercisable. However, as the exercise price of your Option(s) is higher than (i) the Consideration payable for a Sirius Share under the Acquisition and (ii) the market price of a Sirius Share as at the date immediately before the date of this Letter, your Option(s) currently has/have no value.

Options granted under the CSOP will remain exercisable for a period of six months following the Effective Date and then lapse (or any shorter period where an Option otherwise lapses in accordance with the terms on which it was granted).

Options granted under the USOP and the IOS will be exercisable up to the date which is 7 clear days before Court Sanction and will cease to be capable of exercise after this date, so will effectively lapse to the extent that they have not been exercised.

## **3. WHAT DO I NEED TO DO?**

As your Option(s) currently has/have no value it is proposed that you **take no action** with respect to it/them (the **Option Proposal**).

If the market value of Sirius Shares increases and exceeds the exercise price of your Option(s) at any time between the date of this Letter and Court Sanction, we will contact you to inform you how you can exercise your Option(s).

## **4. WHAT IF THE SCHEME IS NOT SANCTIONED BY THE COURT?**

If, for whatever reason, the Scheme is not sanctioned by the Court and the Acquisition does not proceed, your Option(s) will remain in place and continue on its/their existing terms.

## **5. DIRECTORS' RECOMMENDATION**

The Sirius Directors, who have been so advised by J.P. Morgan Cazenove and Lazard as to the financial terms of the Option Proposal, consider the terms of the Option Proposal to be fair and reasonable in the context of the Acquisition. In providing advice to the Sirius Directors, each of J.P. Morgan Cazenove and Lazard has taken into account the commercial assessments of the Sirius Directors.

The Sirius Directors recommend that you take no action with respect to your Option(s).

If you are in any doubt about the right decision for you, please speak to an independent financial or tax advisor; none of Sirius, Anglo American or Bidco can give you financial, legal, investment, tax or personal advice. If you have any other queries about this Letter, please email [REDACTED].

**If you already hold Sirius Shares you should review the Scheme Document (which is available online 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)) regarding any action you should take in respect of these Sirius Shares.**

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**For and on behalf of  
Sirius Minerals Plc**

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**For and on behalf of  
Anglo American Projects UK Limited**

## NOTES

The Sirius Directors, whose names are set out in paragraph 2.1 of Part Six (*Additional Information*) of the Scheme Document, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to the paragraph below. To the best of the knowledge and belief of the Sirius Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bidco Directors and the Anglo American Directors, whose names are set out at paragraphs 2.2 and 2.3 respectively of Part Six (*Additional Information*) of the Scheme Document, accept responsibility for the contained in this document (including any expressions of opinion) relating to Bidco, each member of the Wider Anglo American Group, the directors, partners and members of each of them and their close relatives, related trusts and companies, and other connected persons, and persons acting, or deemed to be acting, in concert with Bidco (as such term is used in the Code), including, for the avoidance of doubt, BofA Securities and Centerview Partners. To the best of the knowledge and belief of the Bidco Directors and the Anglo American Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

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 Financial Conduct Authority and the Prudential Regulation Authority. 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 document, and will not regard any other person as its client in relation to the matters in this document 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.

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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 document. 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 the Scheme or any other matter referred to in this document. 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 document, any statement contained herein or otherwise.

Each of J.P. Morgan Cazenove, Lazard, BofA Securities and Centerview Partners has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

The release, publication or distribution of this document and/or any accompanying documents in or into or from jurisdictions other than the UK may be restricted by the laws or regulations of those jurisdictions and therefore persons into whose possession this document and/or any accompanying document come, should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction.

Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus.

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

Nothing in this document shall be construed as investment advice or any investment recommendation given by or on behalf of any other person.

Accidental omission to dispatch this document to, or any failure to receive the same by, any person shall not invalidate the Option Proposal set out in this document.

Receipt of documents, acceptances and elections will not be acknowledged. All documents sent by or to you will be sent at your risk.

The Option Proposal shall be governed by and construed in accordance with English law.

Any references in this letter to tax are indicative summaries provided for information only.