



OZ Minerals takeover offer for Avanco Resources

Investor Presentation

27 MARCH 2018



A modern
mining company

Disclaimer

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All figures are expressed in Australian dollars unless stated otherwise.

Strategic Rationale

Strong strategic alignment and significant benefit for OZ Minerals shareholders

Value Creation

Value and earnings accretive opportunity for OZ Minerals | Significant upside embedded in Avanco's portfolio | Pathway to optimise assets
Aim to be a 50ktpa+ copper and 100koz+ gold producer in Brazil at bottom half of cost curve

Copper Core

- / 1Mt contained copper mineral resource base in the Carajás IOCG¹ province
- / High grade, copper gold portfolio with an operating base and near-term province expansion potential

Multiple Assets

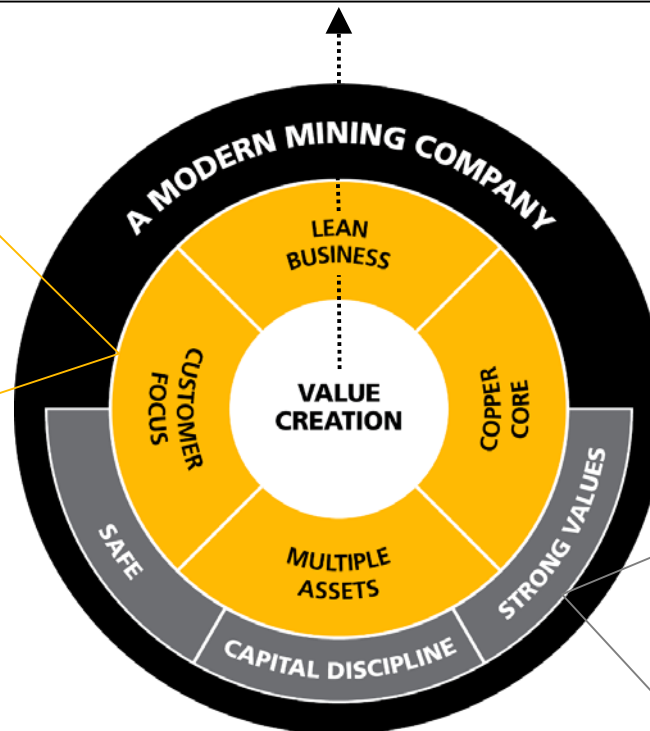
- / Geographical diversification into new mineral provinces
- / Immediately increases production and significantly enhances growth pipeline and options
- / Potential pathway to seven operating mines within OZ Minerals' portfolio in the next six years

Lean Business

- / Experienced, Brazilian in-country management, culturally aligned
- / Integration facilitated via devolved operating model

Customer Focus

- / High quality Antas concentrate contracted under favourable terms



Strong Values

- / 10 years of operating experience in Brazil
- / Strong relationships with communities, landowners, partners, regulators and Governments

Capital Discipline

- / Cash / scrip maintains flexibility for capital management and growth options
- / Strong cash balance for current and future growth and dividends

Safe

- / Excellent safety culture
- / Three million man hours achieved without a lost time incident

¹ IOCG = Iron Oxide Copper Gold.

Transaction Summary

Key Highlights

Structure	<ul style="list-style-type: none"> / Off-market takeover offer by OZ Minerals for all the ordinary shares of Avanco (the "Offer") / Unanimously recommended by Avanco's Board in the absence of a superior proposal
Offer consideration	<ul style="list-style-type: none"> / 50/50 cash/scrip consideration, comprising A\$0.085 cash and 0.009 OZ Minerals shares for each Avanco share / Values Avanco at A\$0.17 p.s.¹ or a total equity value of A\$418 million²: representing approximately 16% of OZ Minerals market capitalisation / Represents a premium of: <ul style="list-style-type: none"> / 121% to Avanco's last undisturbed price of A\$0.077 p.s. on 26 March 2018 / 119% to Avanco's 1-month VWAP of A\$0.078 p.s. up to and including 26 March 2018 / The Offer Consideration is final and will not be increased³
Shareholder support	<ul style="list-style-type: none"> / Avanco shareholders collectively representing 30.62% of Avanco shares have indicated they will accept the Offer in the absence of a superior proposal / pre-bid acceptance deed entered into with Appian⁴, Avanco's largest shareholder, representing 18.45% of Avanco shares / statement of intention received from funds and accounts under management by BlackRock Investment Management (UK) Limited ("BlackRock") (representing 11.6% of Avanco shares) and Avanco's directors and management (representing 0.57% of Avanco shares)
Funding and relative ownership	<ul style="list-style-type: none"> / Cash consideration to be funded from available cash on OZ Minerals' balance sheet / Assuming the Offer is successful, Avanco shareholders will own up to 7.3% of the pro forma shares of OZ Minerals
Conditions	<ul style="list-style-type: none"> / The Offer remains subject to a number of conditions set out in the Bid Implementation Deed, including: <ul style="list-style-type: none"> / 50.1% minimum acceptance condition / no material adverse change or prescribed occurrences in relation to Avanco / no adverse regulatory event affecting Avanco or its assets / receipt of change of control consents for one Avanco material contract / other customary conditions for a transaction of this type
Exclusivity	<ul style="list-style-type: none"> / Customary deal protection mechanisms, including "no shop", "no talk" and "no due diligence" restrictions as well as notification and matching rights in the event of competing proposals / A break fee may also be payable by Avanco to OZ Minerals in certain circumstances

¹ Based on OZ Minerals' 1-month VWAP of A\$9.45 p.s. up to and including 26 March 2018.

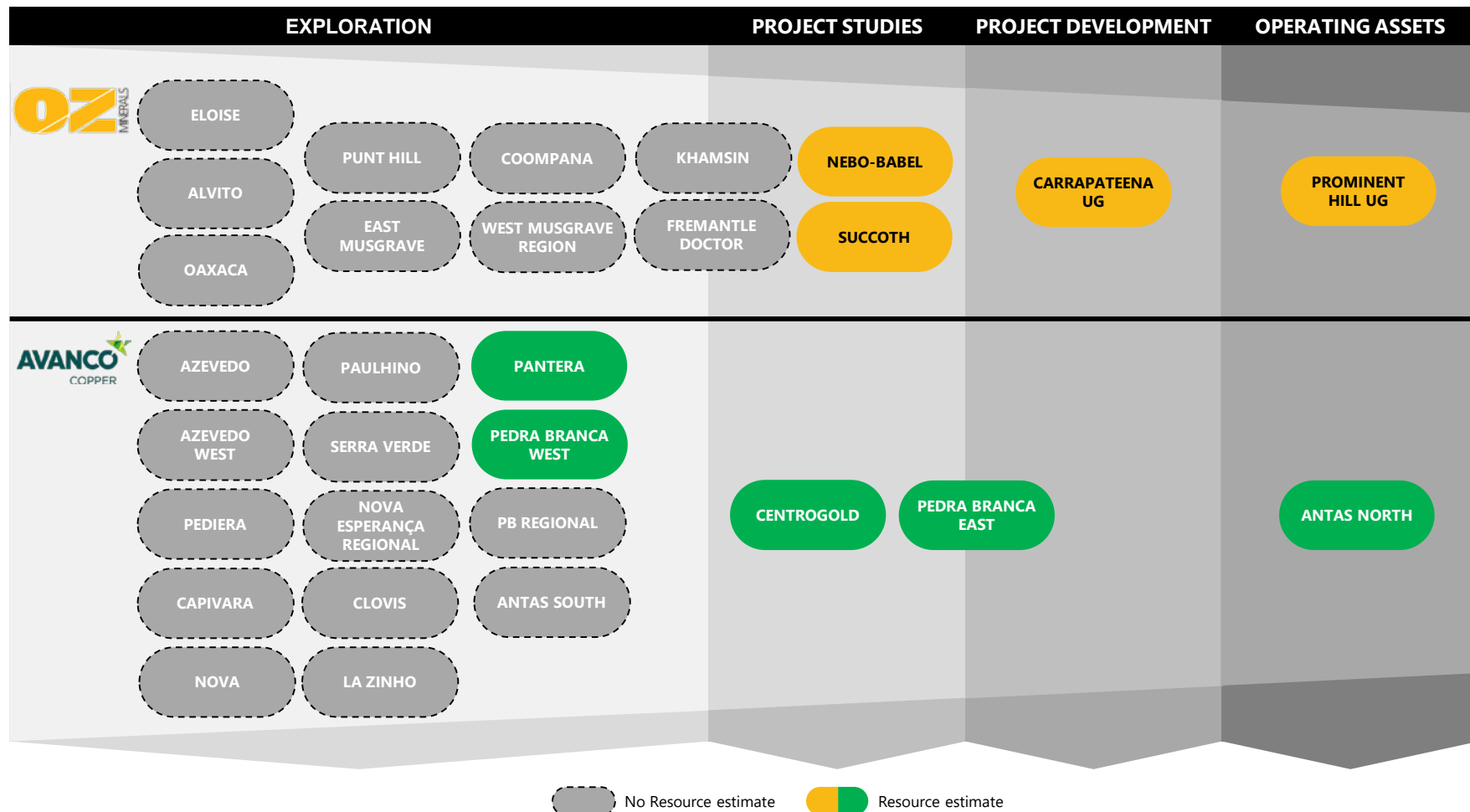
² Based on 2,456,906,443 Avanco shares as at 26 March 2018.

³ In the absence of a competing proposal.

⁴ Appian Natural Resources Fund LP and Appian Natural Resources (UST) Fund LP.

Diversification of Asset Portfolio

An enhanced asset pipeline across multiple provinces



Brazil: world-class mineral provinces

An attractive investment jurisdiction for mining

Brazil attributes

- / Mining friendly jurisdiction with a pro-mining administration
- / Attractive mineral endowment
- / Well established infrastructure
- / Mining code encourages project development and exploration
- / Strong approval and permitting processes

Royalties

- / Low Federal Government royalty regime of 2% on copper and gold

Tax and repatriation

- / Investment incentives to encourage exploration and development
- / Corporate tax concessions available for mining and processing projects in Pará and Maranhão States
- / No double taxation for standard investment / funding structures and profit repatriation

The Carajás copper province in Brazil

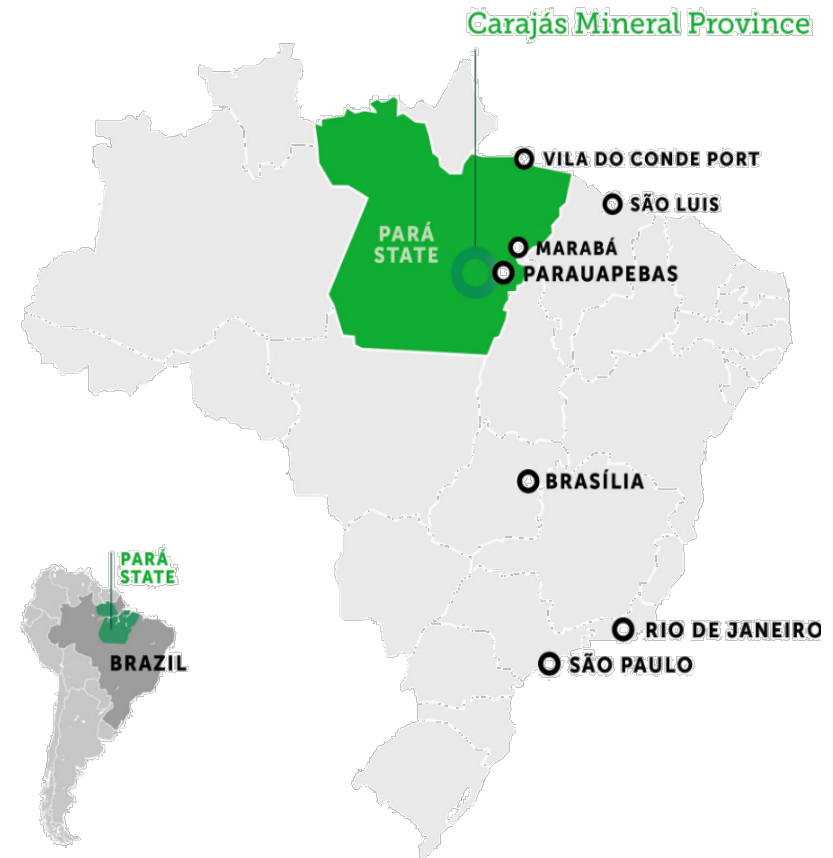
Establishes a platform for growth in the highly prospective Carajás province in Brazil

Why the Carajás province?

- / Provides a platform for growth in one of the most attractive provinces globally for copper
- / Carajás is a premier mineral-hosting province, hosting the world's largest known concentration of IOCG deposits (e.g. Sossego, Salobo, Igarapé Bahia-Alemão, Cristalino, Gameleira, Tarzan and 118)
- / Two key deposit styles:
 - / Larger IOCG deposits with lower grades (e.g. Salobo, Sossego, both ~1% Cu plus Au)
 - / Smaller, structurally controlled IOCG deposits with higher grades (e.g. Antas, Pedra Branca, both >1% Cu plus Au)

Why Avanco?

- / 2nd largest landholder in Carajás (after Vale) with a ~1,800 km² tenement position and a >1Mt contained copper resource base
- / Ready made Carajás footprint with extensive exploration and development pipeline



Avanco's Carajás portfolio

High grade assets in a world class mineral province

1

Antas (100%)

- **Status:** Operating
- **Reserves**¹: 2.8Mt @ 2.4% Cu, 0.5g/t Au
- **Resources**¹: ~19.8Mt @ 1.1% Cu, 0.2g/t Au

2

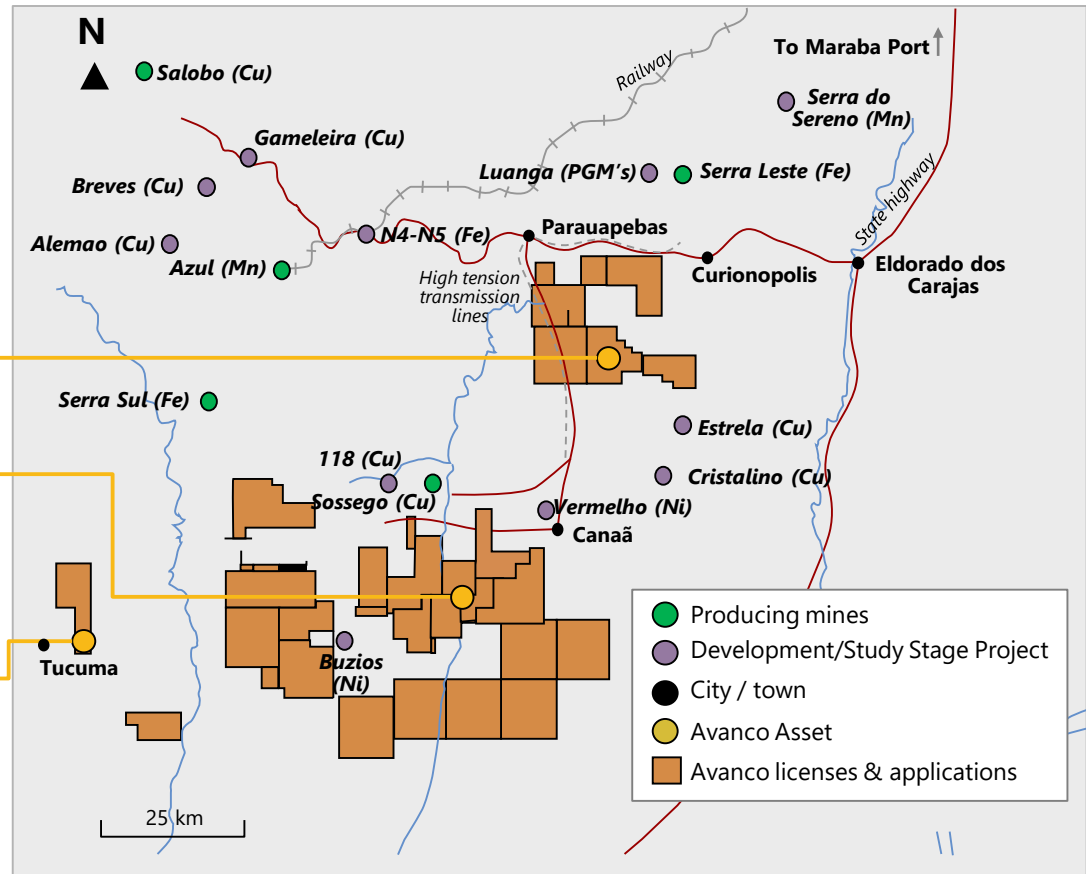
Pedra Branca (100%)

- **Status:** Feasibility
- **Resources**¹: ~17.7Mt @ 2.4% Cu, 0.7g/t Au

3

Pantera (option to acquire 100%)

- **Status:** Exploration
- **Resources**¹: ~20.8Mt @ 1.7% Cu, 0.2 g/t Au



¹ This information is extracted from the announcement by Avanco Resources Limited titled "CentroGold - Updated Contact Deposit Resource Grade Now Exceeds 3g/t Gold" released on 21 March 2018. OZ Minerals is not aware of any new information or data that materially affects the information included in that announcement. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

1 Antas

An open pit operation with potential underground upside

- / Avanco's flagship asset, located in the Carajás, ~25km south-west of Parauapebas
- / Antas North is a high grade open pit copper-gold mine that has been in commercial production since July 2016
 - / Construction, commissioning and ramp-up completed on time and under budget
- / 800Ktpa plant capacity (currently processing ~700Ktpa)
- / Potential production upside with Antas Mineral Resources open at depth and numerous near mine exploration targets

Operating metrics	Units	CY2017				
		Q1	Q2	Q3	Q4	Total
Copper production	Kt	3.5	3.6	3.7	3.3	14.1
Gold production	Koz	2.8	3.0	3.1	2.5	11.4
C1 cash costs	US\$/lb Cu	1.52	1.46	1.57	2.05	1.64



	Category	Mt	Grade		Contained	
			Cu (%)	Au (g/t)	Cu (Kt)	Au (Koz)
Antas North – Mine	Proved	0.90	3.6	0.7	32.3	21.2
	Probable	1.83	1.8	0.4	33.6	25.6
Antas North – Stockpiles	Proved	0.04	0.9	0.3	0.4	0.4
Total Ore Reserves¹		2.78	2.4	0.5	66.3	47.2
Antas North	Measured	2.84	2.2	0.5	62.2	48.4
	Indicated	2.93	1.5	0.3	44.0	31.5
	Inferred	3.99	1.1	0.2	43.2	24.2
Antas South	Measured	0.59	1.3	0.2	8.0	3.0
	Indicated	7.50	0.7	0.2	53.0	49.0
	Inferred	1.99	1.2	0.2	24.0	13.0
Total Mineral Resources^{1,2}		19.84	1.1	0.2	234.4	169.1

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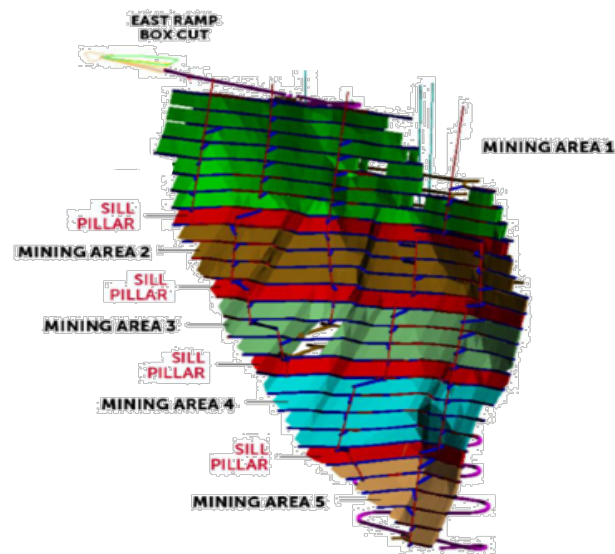
² Reported inclusive of Ore Reserves

An underground, copper / gold development project with robust feasibility outcomes

- / Located in the southern part of the Carajás, ~100km south of Parauapebas and ~30km east of Canaã
- / Comprises two adjacent, high-grade, steeply dipping Cu-Au deposits:
 - / Pedra Branca East ("PBE") and Pedra Branca West ("PBW")
- / May 2017 PFS recommended an underground mine targeting PBE, producing 24Ktpa Cu and 16Kozpa Au with pre-production capex of US\$158 million
 - / DFS expected in May 2018
 - / Permitting process underway
- / Construction of the box-cut and portal for the underground mining access decline is complete
- / PBW requires further drilling and studies before progressing

Pedra Branca PFS (May 2017 ¹)

LOM production	~1.2Mtpa for 24Ktpa Cu & 16Kozpa Au
LOM net cash flows	~US\$368 million
C1 cash cost	~US\$1.30/lb Cu
Pre-production capex	~US\$158 million



	Category	Mt	Grade		Contained	
			Cu (%)	Au (g/t)	Cu (Kt)	Au (Koz)
PBE	Measured	1.98	2.7	0.7	53.0	43.0
	Indicated	5.72	2.8	0.7	161.0	123.0
	Inferred	2.78	2.7	0.6	75.0	55.0
PBW	Indicated	4.46	2.0	0.6	91.0	87.0
	Inferred	2.74	1.7	0.6	47.0	49.0
Total Mineral Resources²		17.67	2.4	0.6	427.0	357.0

¹ This information is extracted from the announcement by Avanco Resources Limited titled "Positive Pre Feasibility Study for Pedra Branca" released on 26 May 2017. OZ Minerals is not aware of any new information or data that materially affects the information included in that announcement. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

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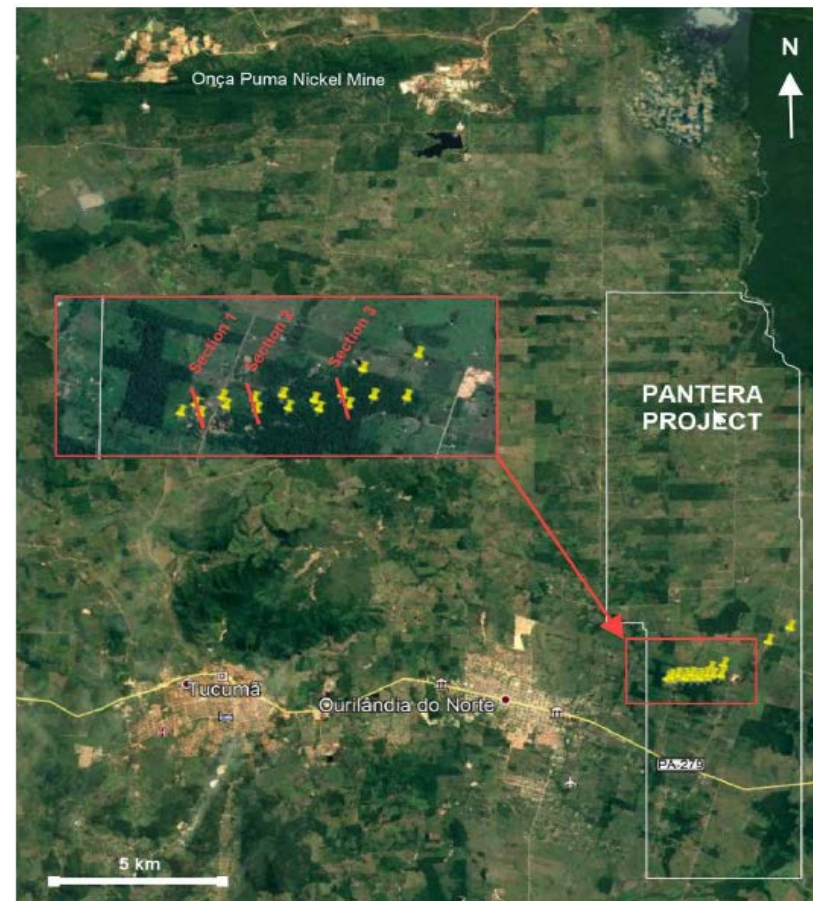
3 Pantera

Option to acquire early stage, high grade copper / gold deposit

- / Option to acquire 100% of the Pantera copper project from Vale
- / Early stage, high grade, copper-gold, IOCG style deposit, west of Avanco's existing operations and close to established infrastructure
 - / Located in the south-east of the Pará State, near Ourilândia do Norte and Tucumã
 - / Licence ~100km², ~110km west of Pedra Branca
 - / ~20km away from Vale's operating Onça Puma Nickel Mine
- / An initial 5,000m drilling program yielded a maiden Inferred Mineral Resource estimate of 350Kt of contained copper at a 1.7% grade¹
- / Key terms of option agreement
 - / Payment to Vale based on resource definition, capped at US\$3 million per annum
 - / Estimated total acquisition cost of US\$20-35 million over 7-12 years

	Category	Mt	Grade		Contained	
			Cu (%)	Au (g/t)	Cu (Kt)	Au (Koz)
Pantera ¹	Inferred	20.8	1.7	0.2	350.0	140.0

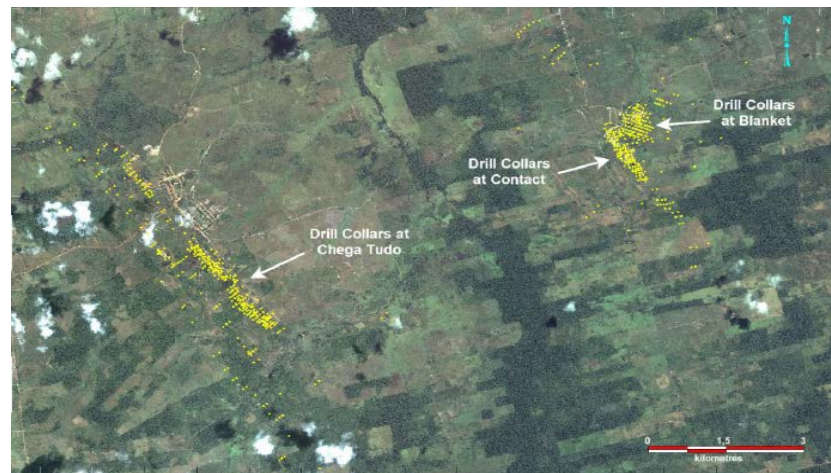
¹ This information is extracted from the announcement by Avanco Resources Limited titled "Maiden Pantera MRE pushes Avanco's Carajás Resource Base Beyond 1Mt of Contained Copper", released on 19 March 2018. OZ Minerals is not aware of any new information or data that materially affects the information included in that announcement. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.



CentroGold

Open pit high grade gold project with considerable growth opportunity

- / Open pit gold project located in the Maranhão State, northern Brazil, ~26km from the town of Centro Novo
- / Comprises ~1,370km² of tenements, situated on the Gurupi greenstone gold belt
- / The project hosts three proximal deposits: Blanket, Contact and Chega Tudo
- / Close to skilled labour and existing infrastructure, including sealed roads, power and water
- / Well positioned to become a long life, low capex gold project targeting a ~10 year mine life at ~100Kozpa Au¹
- / Negotiations with local artisanal miners and INCRA (Federal authority administering land reforms) around compensation and relocation
- / Extensive drilling, metallurgy, geotechnical and mining studies completed to date



			Grade	Contained
	Category	Mt	Au (g/t)	Au (Koz)
Contact Zone	Indicated	4.4	3.6	510
	Inferred	3.8	2.5	301
Blanket Zone	Indicated	11.4	1.9	711
	Inferred	1.9	2.0	118
Chega Tudo	Indicated	8.2	1.6	432
	Inferred	3.1	1.5	145
Total Mineral Resource ²		32.8	2.1	2,217

¹ This information is extracted from the announcement by Avanco Resources Limited titled "Accelerated Acquisition CentroGold Project", released on 18 September 2017. OZ Minerals is not aware of any new information or data that materially affects the information included in that announcement. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

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Avanco's in-country key management

A proven track record in project development and operations

Tony Polglase Managing Director

- Managing Director since inception (December 2007)
- Over 40 years of global mining experience at companies including Ashanti, Rio Tinto, TVX and Invernía
- Recognised for project management and implementation

Wayne Phillips Head of Projects

- With Avanco since inception (December 2007)
- Experience in flotation and hydrometallurgy, including copper oxide leaching and SX-EW
- Previous experience includes various positions at Kinross, SNC Lavalin, Kvaerner and Minproc

Simon Mottram Executive Director (Exploration)

- Joined Avanco in January 2011 as Executive Director of Exploration
- Over 20 years of management and exploration experience in Australia, Asia and Brazil
- Instrumental in the discovery of Antas North

Luis Azevedo Executive Director (Legal)

- Joined Avanco in December 2012
- Responsible for Brazilian legal, licensing & regulatory matters
- Over 35 years of experience at companies including Western Mining, Barrick and Harsco

Otávio Monteiro General Manager Carajas

- Joined Avanco in March 2016
- Over 25 years experience in metallurgical & chemical industries
- Previous experience includes various positions at Vale, Rio Verde Minerals and Jarcel

Jailson Araujo General Manager Gurupí

- Joined Avanco in January 2011
- Over 25 years experience in mining, mainly covering Brazilian exploration
- Recognised for a number of Brazilian copper and nickel discoveries

Manoel Cerqueira Brazil CFO

- Over 27 years of experience in accounting and finance
- Responsible for all aspects of finance, accounting, budget and cost control in Brazil
- Previous experience includes CFO roles for several TSX juniors and VP Finance for Kinross Gold Brazil



OZ Minerals will retain and benefit from Avanco's Brazilian based management team and employees

Indicative timetable



Event	Indicative Date
Announcement of takeover bid	27 March 2018
OZ Minerals lodges Bidder's Statement with ASIC and serves it on Avanco and ASX	Mid April 2018
Completion of dispatch of Bidder's Statement to Shareholders	Mid April 2018
Offer Period opens	Mid April 2018
Avanco lodges Target's Statement with ASIC and serves it on OZ Minerals and ASX	Late April 2018
Completion of dispatch of Target's Statement to Shareholders	Late April 2018
Offer Period ends (unless extended)	Mid May 2018

Note: Indicative only and subject to change

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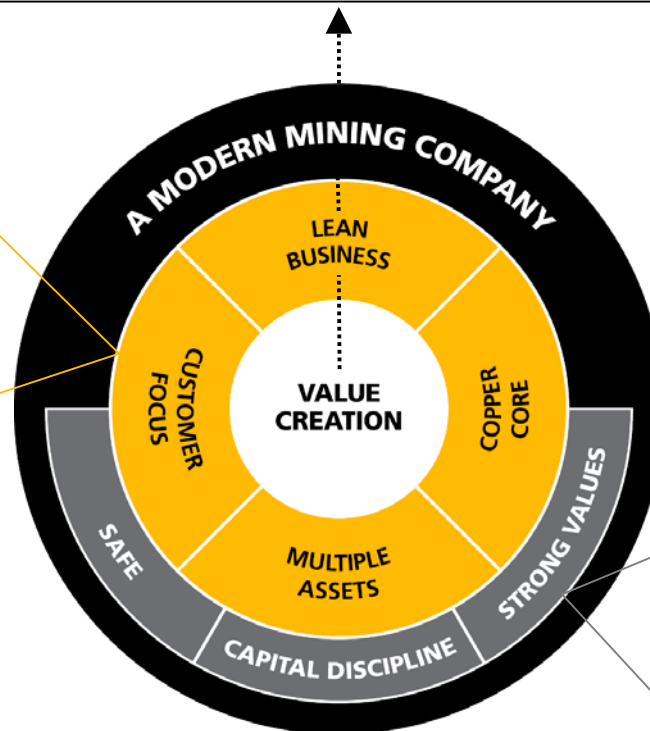
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