



## 2017 Copper To The World Conference

—  
Andrew Cole – Chief Executive Officer



A modern  
mining company

# Disclaimer

This presentation has been prepared by OZ Minerals Limited (**OZ Minerals**) and consists of written materials/slides for a presentation concerning OZ Minerals. By reviewing/attending this presentation, you agree to be bound by the following conditions.

No representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the information, contained in the presentation or of the views, opinions and conclusions contained in this material. To the maximum extent permitted by law, OZ Minerals and its related bodies corporate and affiliates, and its respective directors, officers, employees, agents and advisers disclaim any liability (including, without limitation any liability arising from fault or negligence) for any loss or damage arising from any use of this material or its contents, including any error or omission there from, or otherwise arising in connection with it.

Some statements in this presentation are forward-looking statements. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside OZ Minerals’ control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements which speak only as at the date of the presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, OZ Minerals does not undertake any obligation to publicly release any updates or revisions to any forward looking statements contained in this presentation, whether as a result of any change in OZ Mineral’s expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

Certain statistical and other information included in this presentation is sourced from publicly available third party sources and has not been independently verified.

All figures are expressed in Australian dollars unless stated otherwise.

# Opportunities for the South Australian copper sector

## Presentation outline

- / Setting the context
  - Australia and the international copper market
  - Industry sentiment
  - Market overview
- / Opportunities and why South Australia
  - The Gawler Craton
- / OZ Minerals' projects and exploration
  - Prominent Hill
  - Carrapateena
  - Concentrate Treatment Plant
  - Copper grade comparison
- / Building a pipeline of future opportunities

# Australia and the international copper market



## Australia

### **Second largest at 13%**

- Australia hosts the world's second largest EDR of copper.
- Australia has about 13% of the world's copper EDR.
- Chile is the world's largest copper producer, with an EDR of 28%.

## South Australia

### **Nearly 70% of Australia's copper Economic Demonstrated Resource (EDR) is in SA**

- SA produces around a quarter of Australia's mined copper production.
- The Gawler Craton represents nearly 70% of Australia's copper EDR, broadly in line with Peru (the world's third largest EDR).

# Industry sentiment

What's been in the media?

Home / Business / Mining

Apr 3 2017 at 11:00 PM | Updated Apr 3 2017 at 11:00 PM

## Rio Tinto tips 2017 copper shortage

The problem is: copper is not being discovered fast enough to meet upcoming demand. A study by Wood Mackenzie found that there will be a 10 million tonne supply deficit by 2028. That's equal to the annual production of the world's biggest copper mine (Escondida) multiplied by a factor of ten.

There are several reasons for this.

First, it now takes longer to go from discovery to production than ever before in the mining industry. Geological, environmental, and political challenges have brought the average lead time to around 10 years for new mines.

Beyond all of the challenges above, the economics also have to line up. Thomson Reuters GFMS estimates that for new copper supply to be incentivized to come online, the copper price must be \$3.50 per pound.

Copper mining is all about grade or scale. The majority of global output comes from mega mines that have massive economies of scale to reduce costs. However, it has been a long-running trend

## Copper has biggest 1-day rise in 2 months

JUNE 9, 2017 7:51AM

Jan Harvey, Reuters

Copper has posted its biggest one-day rise since early April as better-than-expected Chinese economic data allays some concerns about oversupply, prompting a bigger bounce off this week's near three-week low.



## Copper Demand for Electric Cars to be Nine Times Higher by 2027

Copper demand for electric vehicles and buses could rise to 1.74 million tonnes in the next decade, a new study says.

« Copper Prices Rebound on ...

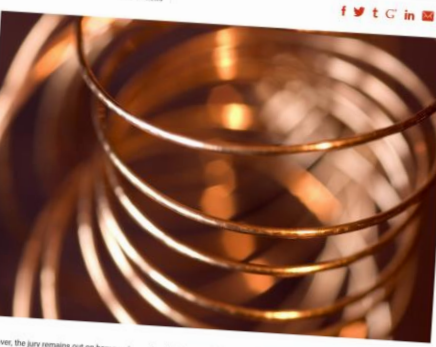
Priscila Barrera • June 13, 2017

Add Comment

### Copper bulls charging

IN an uncertain market, most commentators can agree on one thing - the positive outlook for copper.

12 Jun 2017 10:27 News



However, the jury remains out on how much supply will tighten and when prices will rise.

UBS reiterated last week that it was bullish copper, expecting the red metal to average US\$2 per pound this year before rising to \$2.25/lb next year.

#### RELATED CONTENT

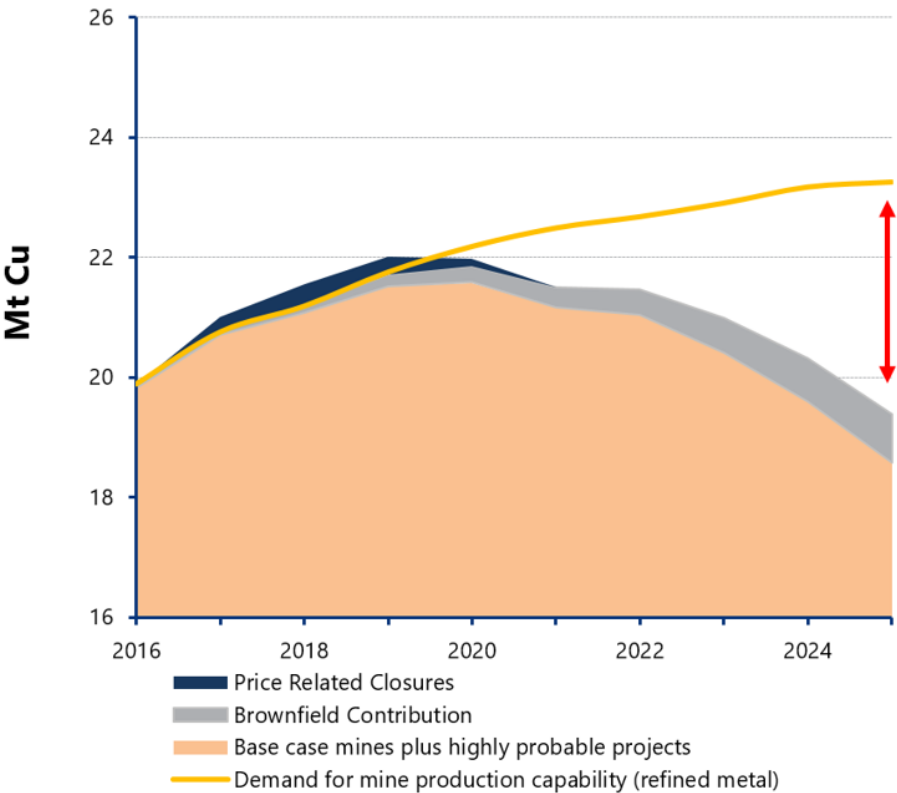
- How one sell-off overshadows ANZ
- Cracking could set the site of 2016
- Global outlook for copper & silver

The electric vehicle (EV) sector as nine times in the next decade, for the International Copper TechEx.

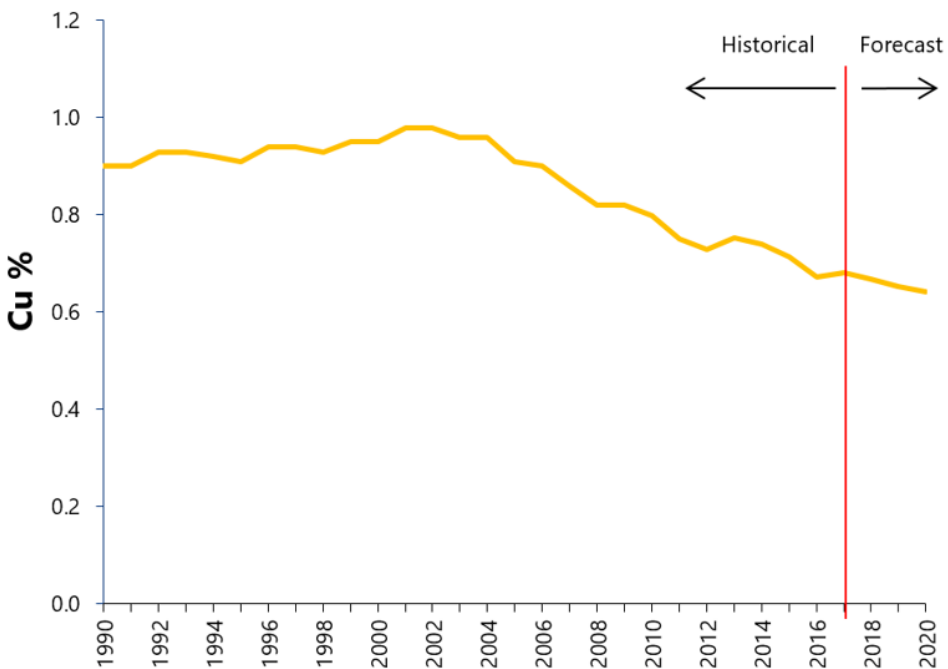
# Market overview

## Supply and grade decline forecast

Demand for mined copper



Average head grade at copper mines



Source: Wood Mackenzie

# Opportunities and why South Australia

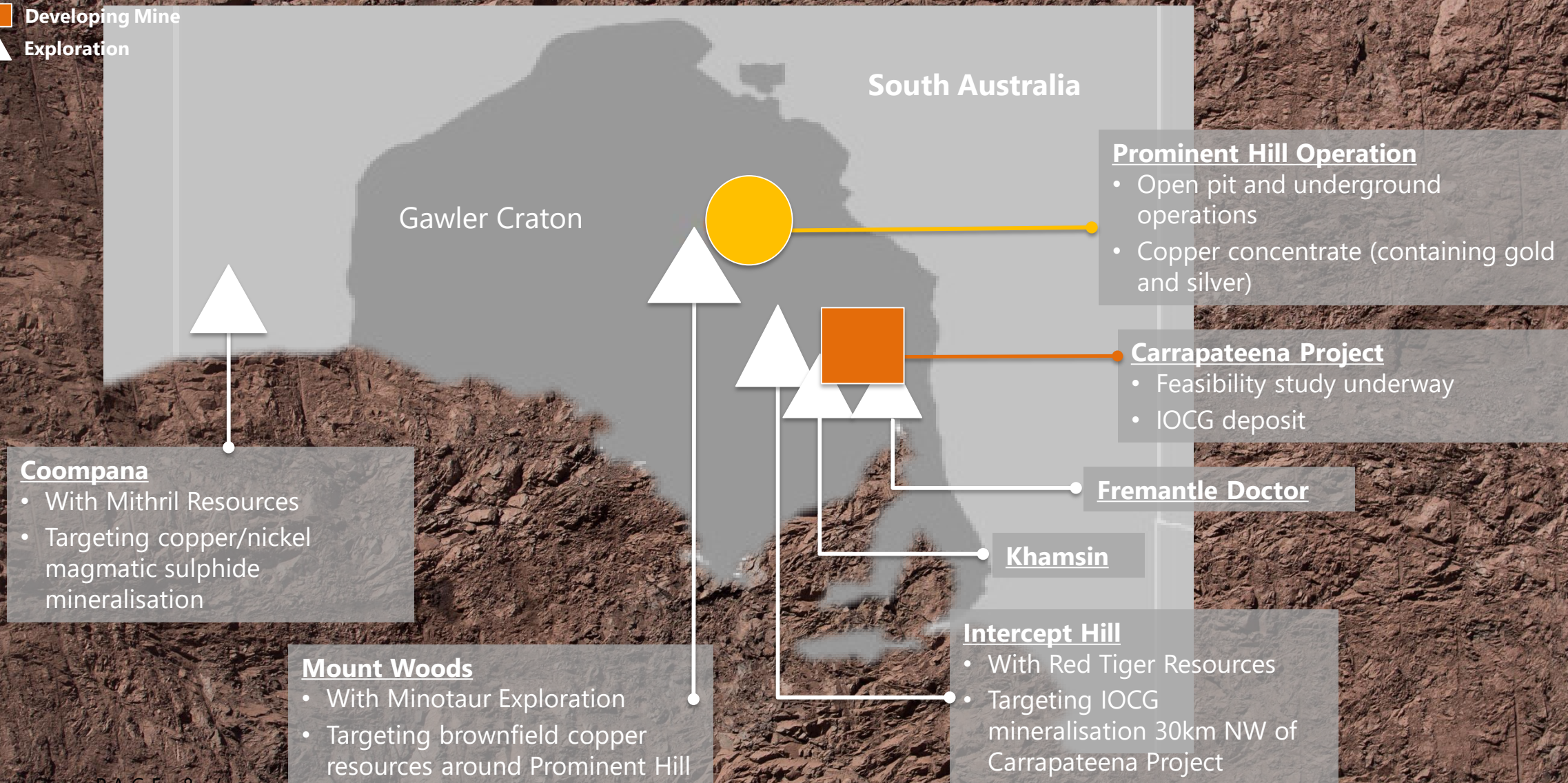


- Stable, low risk jurisdiction
  - Regulatory environment
  - State government copper strategy
- ~70% of Australia's known copper resources
- ~10% of the world's known copper resources
- Well-established supply chains and progressive exploration
- Higher grade IOCG resources
- Potential for broader regional development
- Highly prospective for additional resources



# The Gawler Craton

- Operating Mine
- Developing Mine
- ▲ Exploration



# Prominent Hill

- Copper-gold mine, open pit and underground operations
- Strong ongoing cash generation
- Mine life to at least 2028
- Drilling programs targeting replacement of underground ore reserves and mine life extension



# Carrapateena

- Proposed copper gold mine
- First commercial production for H2 2019
- ECI model to accelerate construction readiness and provide cost certainty
- Agile approach to project delivery
- Partnering agreement signed with Kokatha

CARRAPATEENA  
CONSTRUCTION OF THE TJATI DECLINE  
OFFICIALLY OPENED BY  
THE HON JAY WEATHERILL MP  
PREMIER OF SOUTH AUSTRALIA  
30 SEPTEMBER 2016



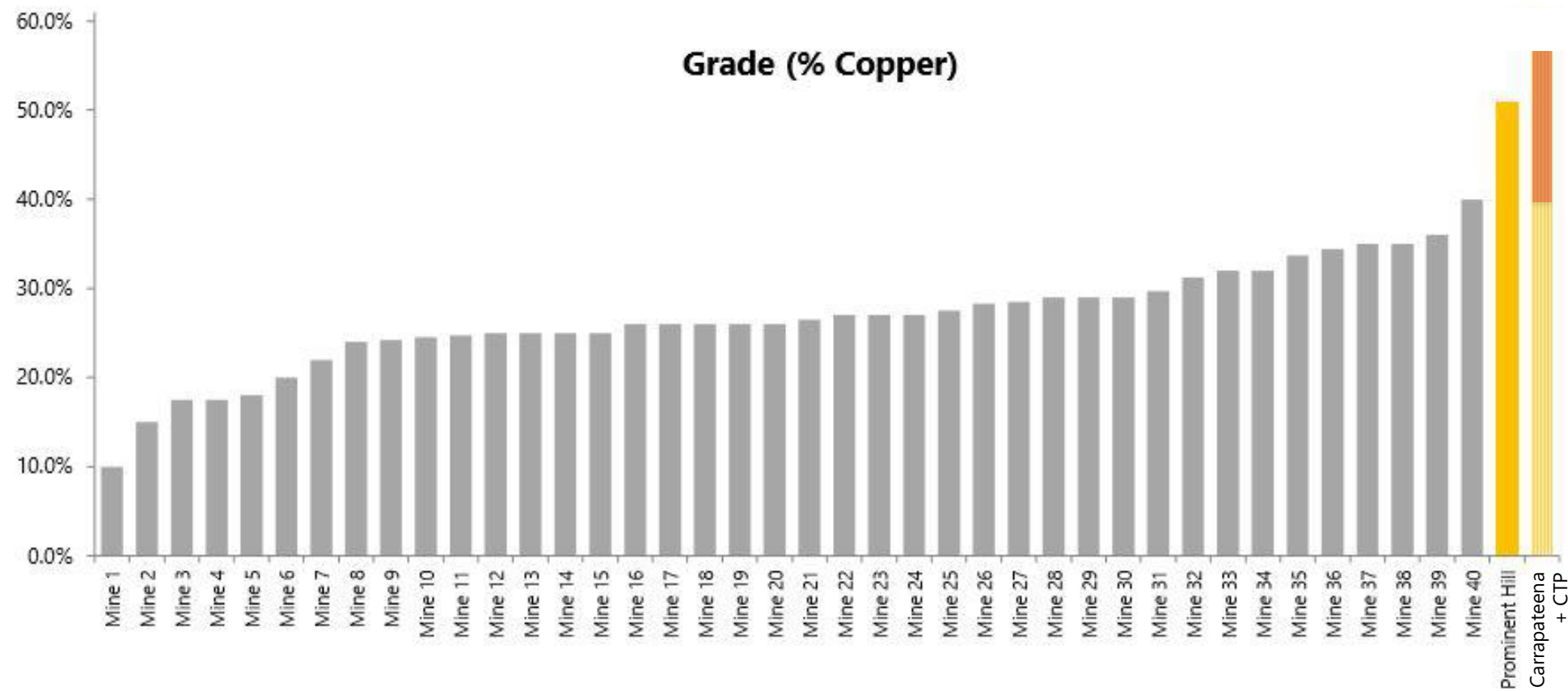
# Concentrate Treatment Plant



- Targeting a premium concentrate of approximately 50 – 60% copper with negligible impurities
- Expected treatment of Prominent Hill and Carrapateena concentrates
- Highest grade concentrate available on the market with no penalties
- Significantly lower freight costs



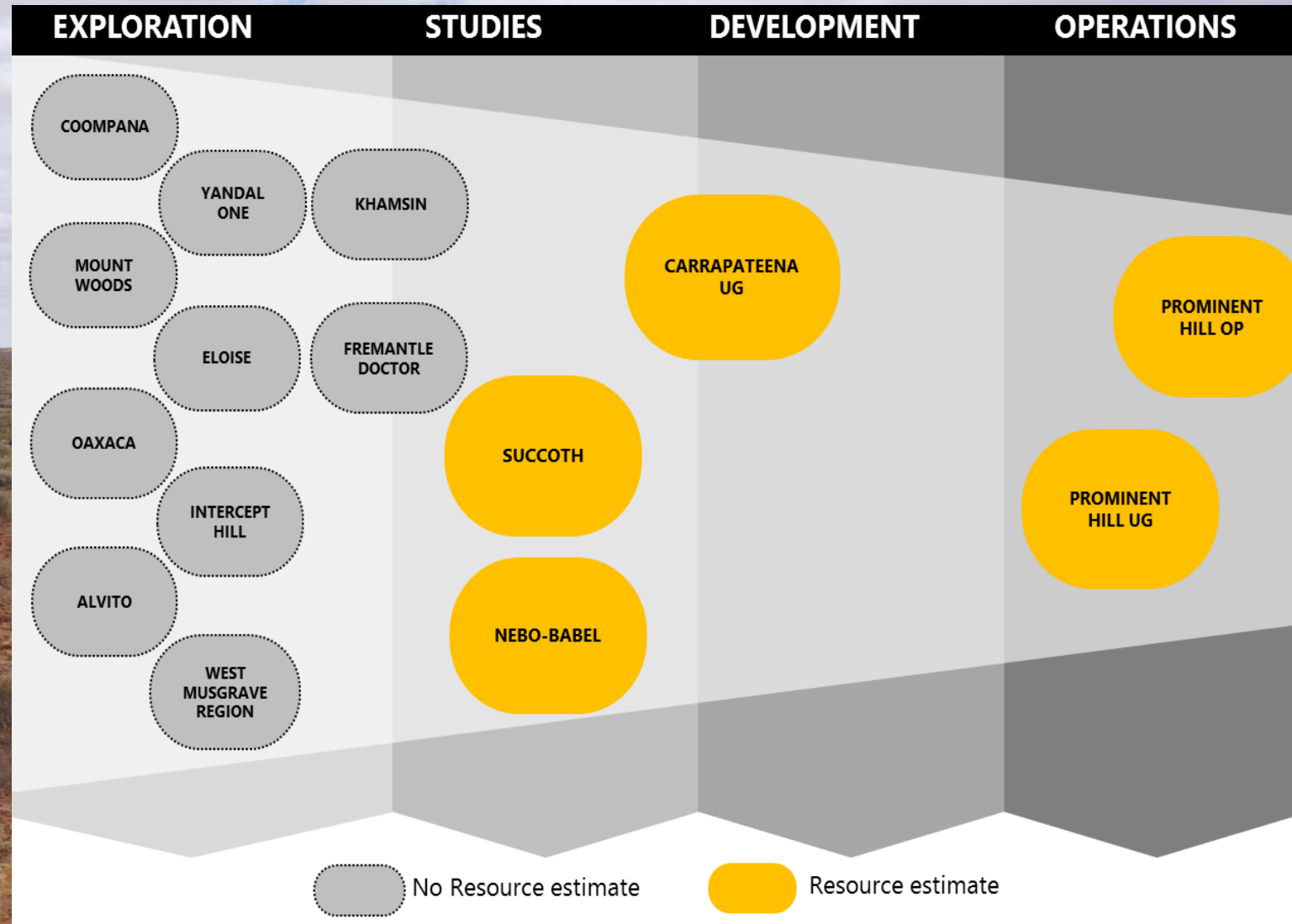
# Copper grade comparison



Source: Wood Mackenzie

Comparison mines: Almalyk, Andina, Antamina, Antapaccay, Batu Hijau, Bingham Canyon, Buenavista (Cananea), Candelaria, Centinela, Cerro Verde Mill, Chuquicamata, Collahuasi, Constanca, Cuajone, Dexing, El Teniente, Erdenet, Escondida, Gay, Highland Valley Copper, Kansanshi, Koktaus, La Caridad, Los Bronces, Los Pelambres, Lubin, Luita, Mina Ministro Hales, Morenci, Mount Isa Cu, Oyu Tolgoi, Polkowice, PT Freeport Indonesia, Rudna, Salobo, Sarcheshmeh, Sossego, Toquepala, Toromocho Project, Zhezkazgan

# BUILDING A PIPELINE OF FUTURE OPPORTUNITIES



- Domestic and international earn-in agreements
- Opportunities that become value accretive mining operations
- Careful partner selection