



# OZ Minerals Projects

## 2017 South Australian Exploration and Mining Conference

---

December 2017



A modern  
mining company

# Disclaimer

## Forward Looking Statements

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 Minerals' 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.

# Compliance Statements

## Prominent Hill Production Targets Cautionary Statement

Production Targets for the Prominent Hill Underground only are based on:

Proved Ore Reserve 44%  
Probable Ore Reserve 47%  
Measured Mineral Resource 1%  
Indicated Mineral Resource 3%  
Inferred Mineral Resource 5%

Production Targets for the entire Prominent Hill asset are based on:

Proved Ore Reserve 47%  
Probable Ore Reserve 45%  
Measured Mineral Resource 1%  
Indicated Mineral Resource 2%  
Inferred Mineral Resource 5%

The modifying factors used in the estimation of the Ore Reserve were also applied to the Mineral Resources in the generation of the production target. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production targets will be realised.

The Ore Reserve and Mineral Resource Estimate underpinning these Production Targets were prepared by a Competent Person in accordance with the JORC Code 2012. The production targets are the result of detailed studies based on the actual performance of our existing mines and processing plant. These studies include the assessment of mining, metallurgical, ore processing, marketing, government, legal, environmental, economic and social factors.

## Prominent Hill Resources and Reserves

The information on Prominent Hill Mineral Resources and Ore Reserves in this presentation is extracted from the document entitled "Prominent Hill 2017 Mineral Resource and Ore Reserve Statement and Explanatory Notes" which is annexed to the ASX Release entitled "Prominent Hill underground Reserve growth continues, mine life extended to 2029" released on 21 November 2017 and available at [www.ozminerals.com/media/asx](http://www.ozminerals.com/media/asx). OZ Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



# Compliance Statements

## **Carrapateena Production Targets Cautionary Statement**

Production targets for Carrapateena are based on:

Probable Ore Reserves:	94%
Inferred Mineral Resources:	6%

There is a low level of geological confidence associated with Inferred Mineral Resources. There is no certainty that further exploration work and studies will result in the determination of Inferred Mineral Resources or that the production targets will be realised.

The Ore Reserve and Mineral Resource estimates underpinning the production targets were prepared by a Competent Person in accordance with the JORC Code 2012. The material assumptions used in the estimation of the production targets and associated financial information referred to in this presentation can be found in the Carrapateena Feasibility Study Update released on 24 August 2017, the Restated 2016 Carrapateena Mineral Resource Statement as at 18 November 2016 released on 9 December 2016, and the Carrapateena Ore Reserve Statement as at 4 August 2017 released on 24 August 2017.

## **Carrapateena Resources and Reserves**

The information on the 134 Mt Carrapateena Mineral Resource in this presentation is extracted from the document entitled "Carrapateena Project Mineral Resource Statement and Explanatory Notes as at 18 November 2016" released on 9 December 2016 and available at [www.ozminerals.com/media/asx](http://www.ozminerals.com/media/asx). OZ Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information on Carrapateena Ore Reserves in this presentation is extracted from the document entitled "Carrapateena Project Ore Reserve Statement and Explanatory Notes as at 4 August 2017" released on 24 August 2017 and available at [www.ozminerals.com/media/asx](http://www.ozminerals.com/media/asx). OZ Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

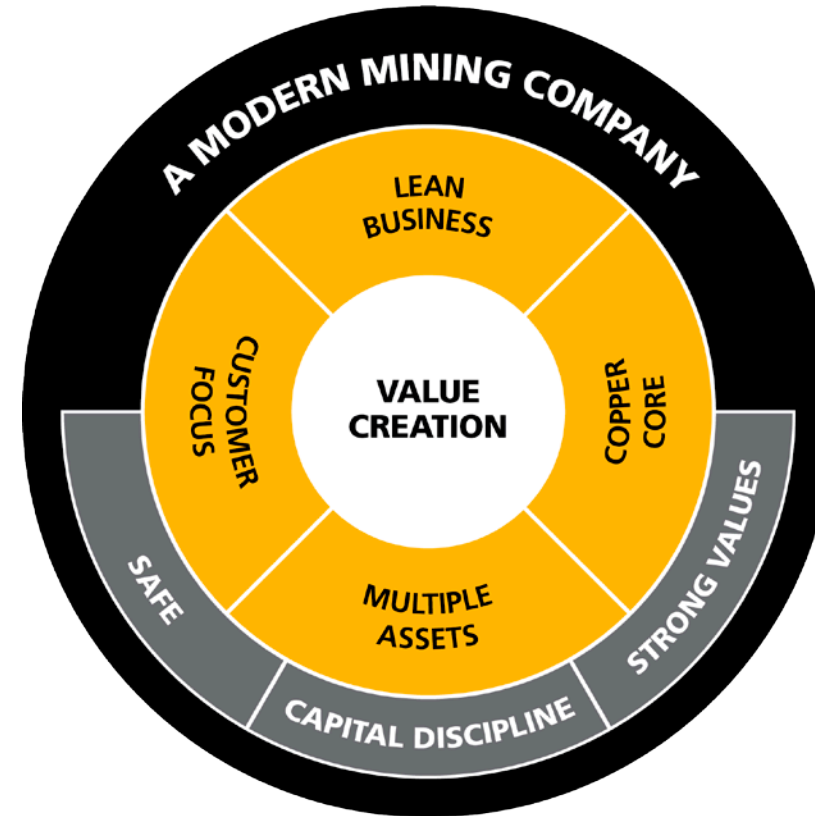
# Delivering on our growth strategy

## How we will work

- **Safety** – Safe work above all else, strive for a workplace with no injuries.
- **Values** – Integrity and strong governance in all aspects of the way we work.
- **Capital discipline** – Commitment to reliably and predictably deliver with disciplined capital deployment.

## What we will focus on

- **Lean business** – Fit for purpose today with an agile and flexible approach to opportunity.
- **Customer focus** – Preferred supplier of mineral products to customers.
- **Copper core** – Foundation built on copper with base metals and gold opportunistically pursued.
- **Multiple assets** – Build and maintain a portfolio of valuable, risk managed cash generating assets.



# Company Snapshot

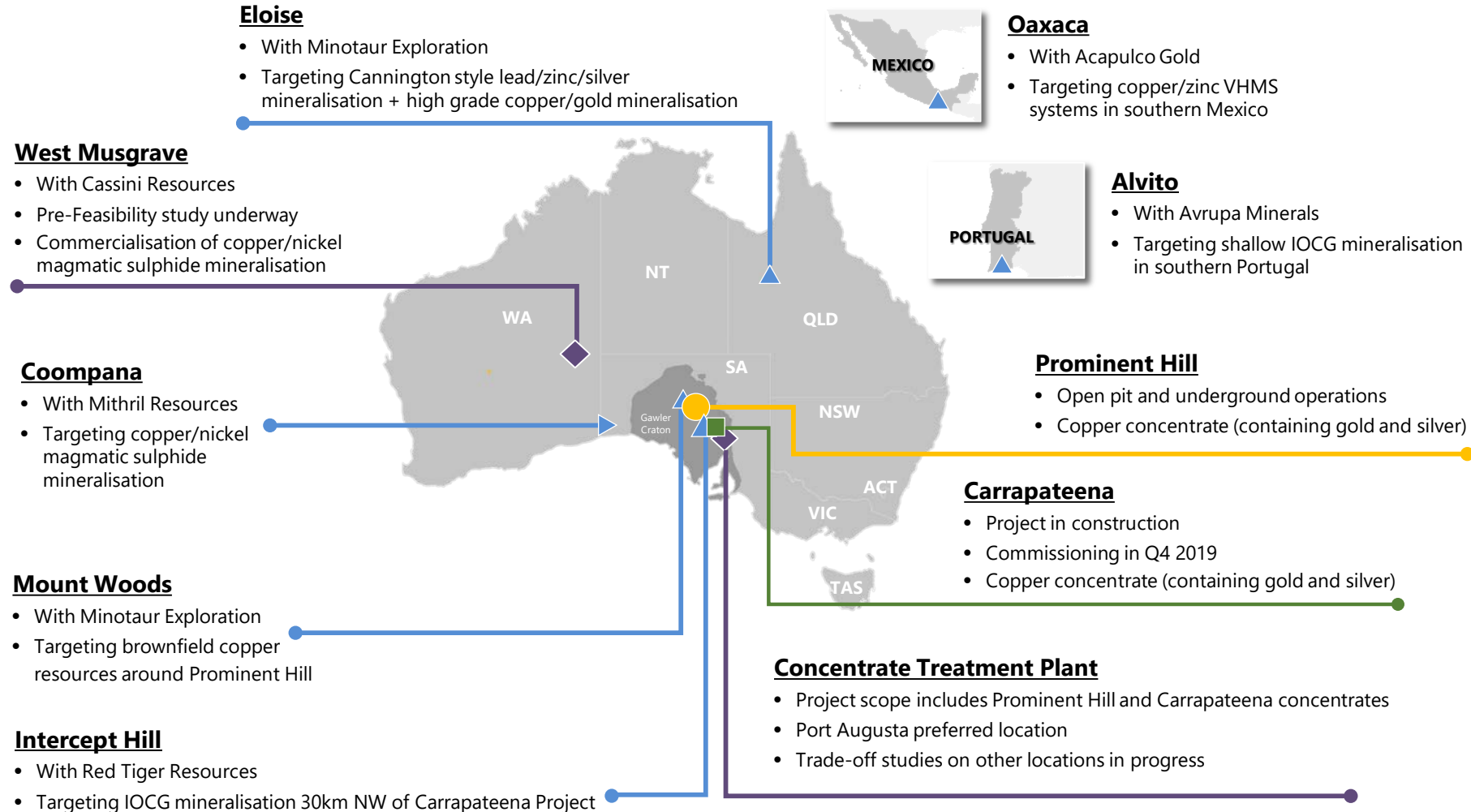
Operations, projects and a growing pipeline of opportunities

- **MARKET CAPITALISATION**  
~A\$2.5 BILLION @ \$8.30/share
- **ASX100 COMPANY**
- **CASH A\$639 MILLION**  
(AT 30 SEPTEMBER 2017, UNAUDITED)
- **NO DEBT**
- **STRONG CASH GENERATION**
- **2017 GUIDANCE:**
- **105Kt–115Kt Cu; 115Koz–125Koz Au**
- **C1 US 85c– 95c/lb; AISC US 120c–130c/lb**

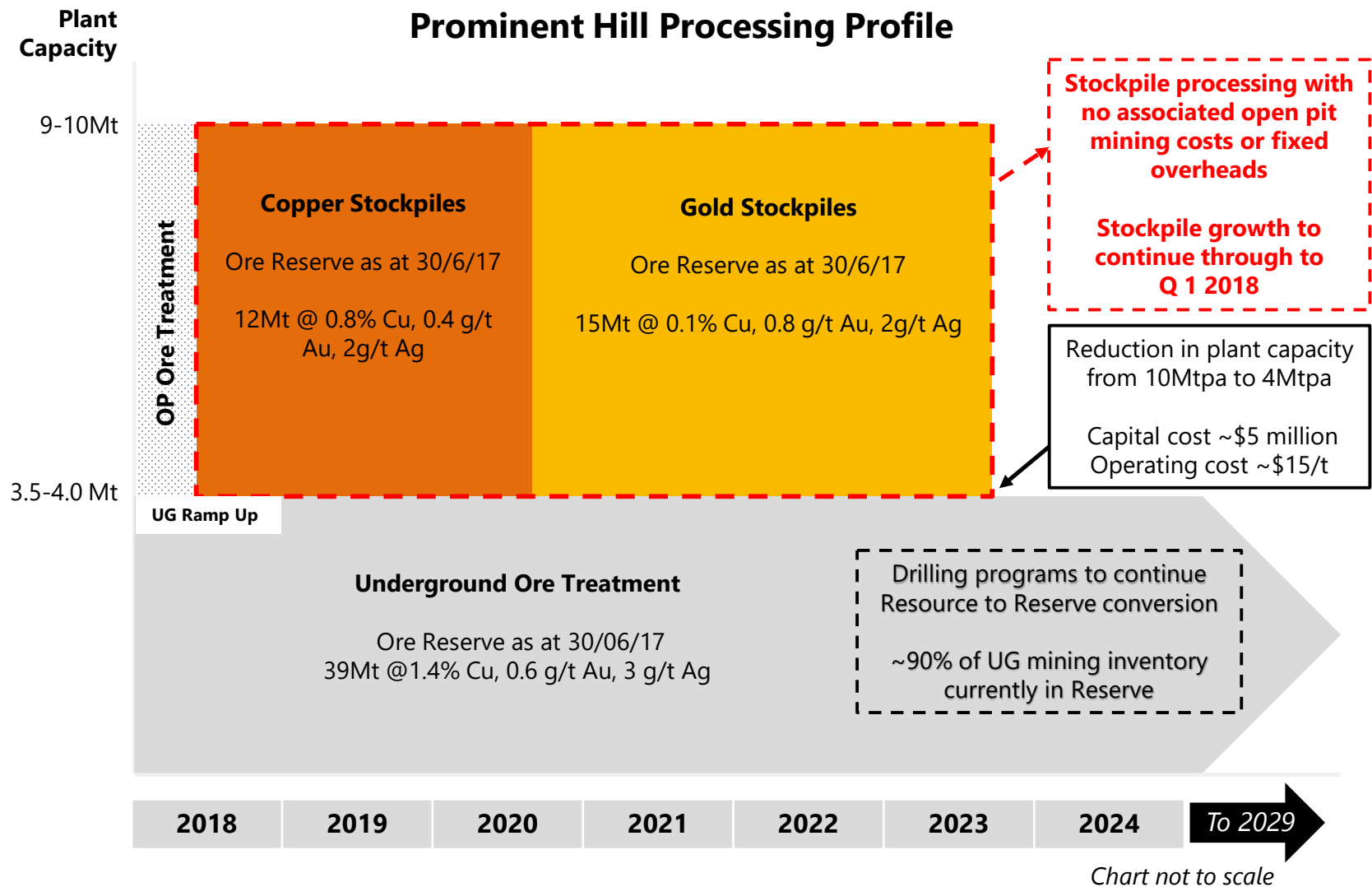
PROMINENT HILL	CARRAPATEENA	WEST MUSGRAVE	GROWTH GAWLER CRATON	GROWTH PIPELINE
OPERATING MINE	MINE IN CONSTRUCTION	PROJECT IN PRE-FEASIBILITY STUDY	KHAMSIN	ELOISE
OP AND UG MINING			FREMANTLE DOCTOR	COOMPANA
STRONG CASH GENERATION	LOW RISK JURISDICTION	ESTABLISHED RESOURCE	MOUNT WOODS	ALVITO (PORTUGAL)
BOTTOM QUARTILE COSTS	20 YEAR UG MINE LIFE	OPEN PITTABLE	INTERCEPT HILL	OAXACA (MEXICO)
ROM STOCK UNWIND 2018-2023	BOTTOM QUARTILE COSTS	LOW STRIP RATIO		M & A
RESOURCE TO RESERVE CONVERSION	RAPID PAYBACK	REGIONAL EXPLORATION OPPORTUNITIES		
LONG LIFE	EXPANSION OPTIONALITY			
STRATEGIC PROJECTS: 1. CONCENTRATE TREATMENT PLANT 2. POWER				

# OZ Minerals Portfolio

● Operating Mine   ■ Mine in construction   ◆ Study phase   ▲ Exploration



# Prominent Hill mine life extended to 2029





# Carrapateena: delivering on our growth strategy

## VALUE CREATION

NPV<sub>9.5</sub> ~\$910M | IRR ~20% | Payback by 2024 | Average annual cash flow after tax \$265M

Bottom quartile LOM costs: AISC US\$99c/lb; C1 US\$62c/lb | 20 Year mine life from a plant operating at 4.25Mtpa\*

Assumptions: LT Cu US\$2.92/lb; LT Au US\$1,306/oz; USD/AUD – 0.75 | NPV Neutral: LT Cu US\$2.12/lb; LT Au US\$1,266/oz; USD/AUD – 0.80

### Lean Business

- Design fit for purpose with expansion optionality
- Dual decline design reflecting agile approach

### Copper Core

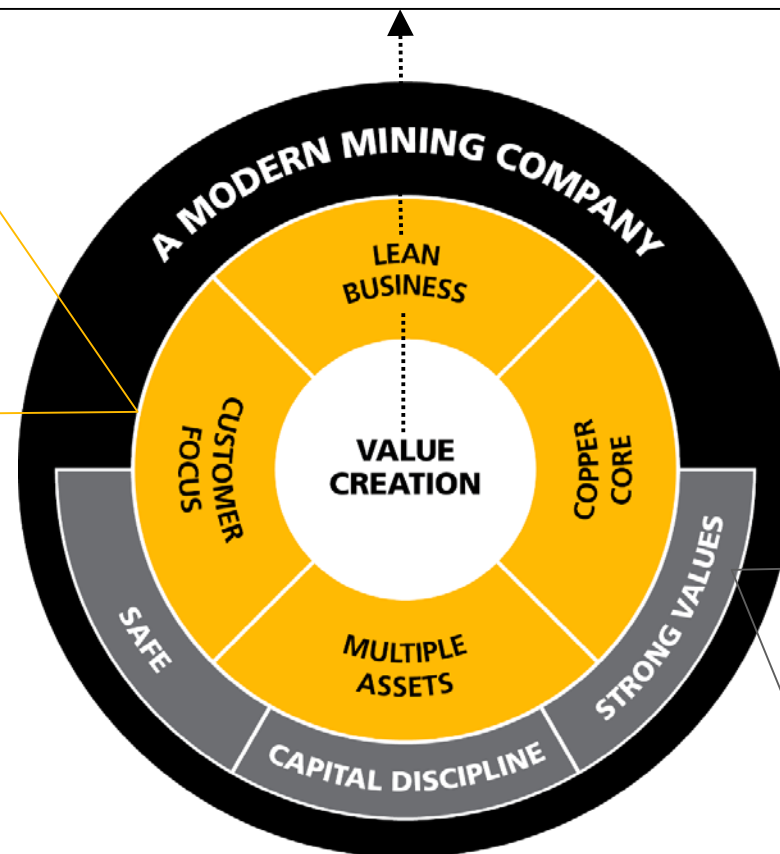
- High grade 30%-40% copper in concentrate
- Average annual production of 65kt Cu and 67koz Au\*
- Ore Reserve estimate: 79Mt @ 1.8%Cu, 0.7g/t Au, 8.5g/t Ag\*\*

### Multiple Assets

- Second cash generating asset
- Expansion optionality retained given known mineralisation and highly prospective region

### Customer Focus

- High quality concentrate saleable under existing international Prominent Hill contracts



### Safe

- Everyone works safely at site and strives for a workplace with no injuries

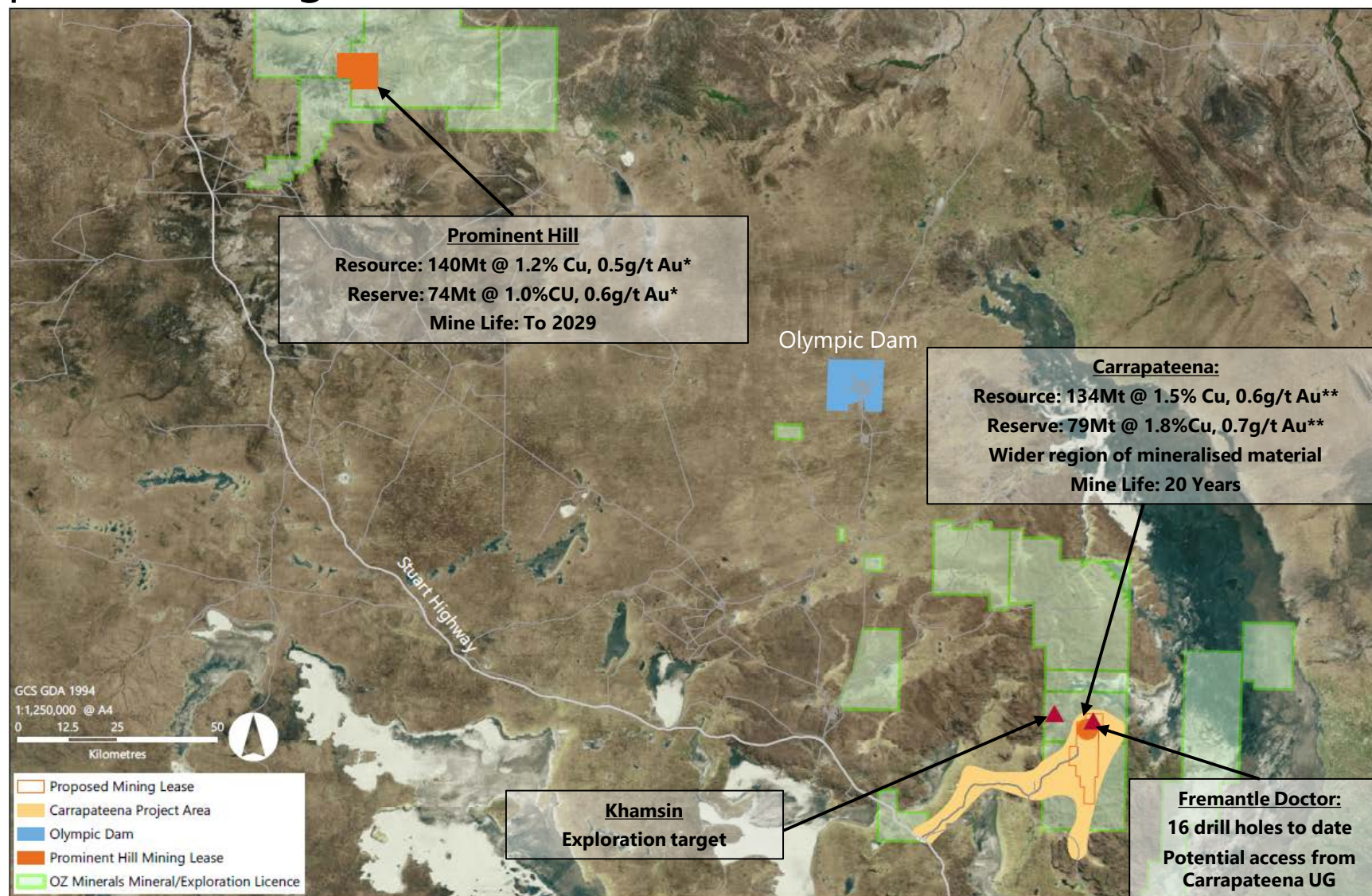
### Capital Discipline

- Cost certainty has increased with 50% of ~\$916 million pre-production capital in lump sum contracts near finalisation
- Project can be funded from existing cash balance and cash flows with ability to maintain dividend policy

### Strong Values

- ECI partners responsible for delivering local content and traditional owner involvement
- Strong relationships with pastoralists and the Kokatha people

# Carrapateena – Regional Mineralisation



\* Please read in conjunction with the Prominent Hill Mineral Resource and Ore Reserve estimate compliance statements on slide 3

\*\* Please read in conjunction with the Carrapateena Mineral Resource and Ore Reserve estimate compliance statements on slide 4

# West Musgrave proceeds to Pre-Feasibility Study

## Cassini Resources JV

### STAGED LOW RISK EARN IN

- / Strategic deal giving access to an established project and significant portion of a new mining province
- / Leveraging significant historical investment
- / Initial commitment of \$3 million for detailed scoping study to identify optimised pathway to commercialisation including opportunities for shared regional infrastructure
- / Limited outlay provides option on significant Resource
- / Focus on improvement in metallurgical recovery and operational scale to extract increased value from the resource





# West Musgrave

**AERIAL VIEW OF WEST MUSGRAVE CAMP**



**WEST MUSGRAVE EXPLORATION CAMP**



**LOCAL ENVIRONMENT**



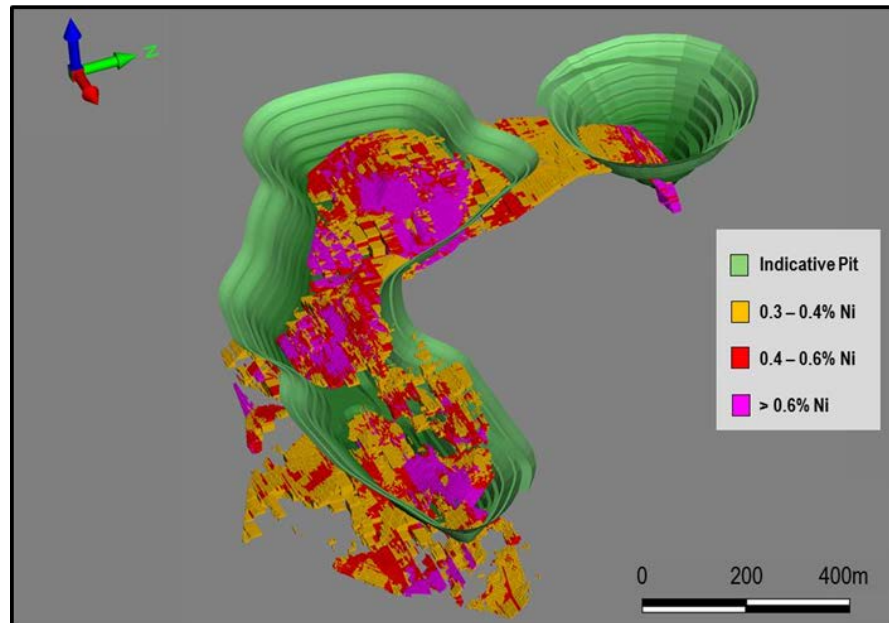
**WEST MUSGRAVE EXPLORATION CAMP**



# West Musgrave JV<sup>1</sup> – Nebo Babel

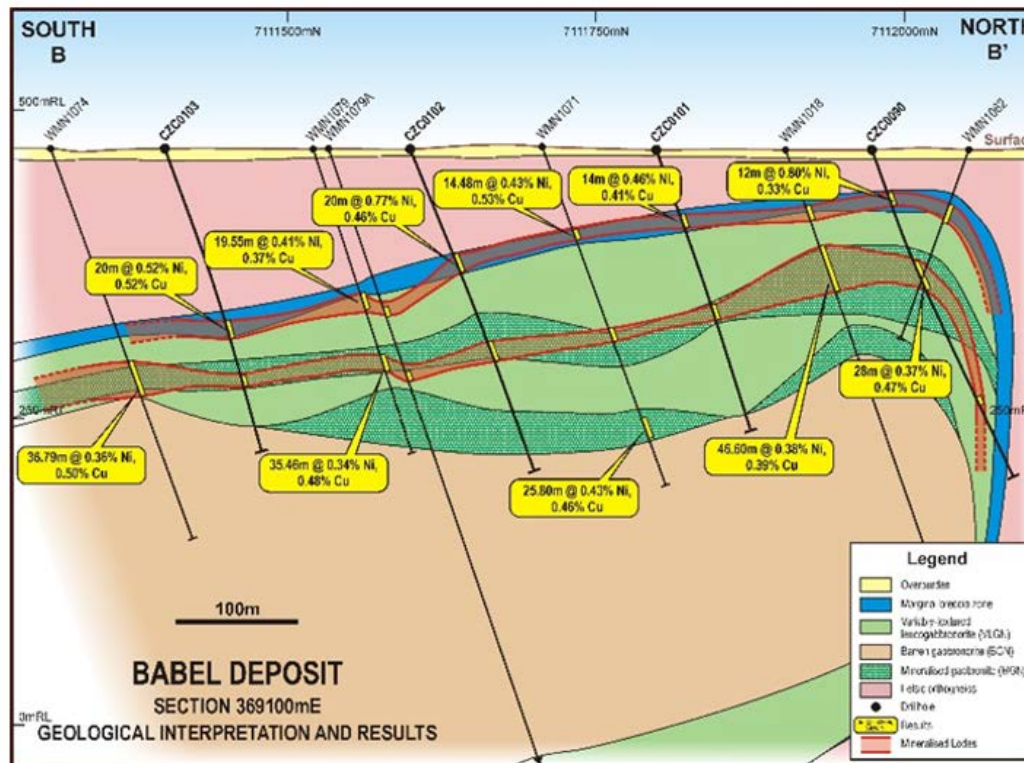
## FAVOURABLE OPEN MINING GEOMETRY

- / Shallow depth to mineralisation (50m)
- / Flat ore deposit, low strip ratios (<3:1)
- / Higher Ni-Cu grades at top of ore body



## COPPER EQUIVALENT GRADE

Prospect	Classification	CuEq% <sup>2</sup>
Combined Nebo & Babel	Total	1.38



<sup>1</sup> The information regarding the West Musgrave Project is extracted from Cassini Resources' ASX Release entitled 'Nebo-Babel Scoping Study' dated 13 April 2015 and 'Positive Nebo-Babel Optimisation Study Results' dated 14 April 2016 and are available at [www.cassiniresources.com.au/investor-relations/asx-announcements](http://www.cassiniresources.com.au/investor-relations/asx-announcements). The information in this report that relates to exploration results has not been compiled by OZ Minerals. The reported information has been derived from publicly available information arising from exploration activity reported by Cassini Resources. OZ Minerals makes no comment or representation regarding the exploration, verification and evaluation techniques adopted in respect of the historical exploration results reported in this announcement.

<sup>2</sup> The estimations of copper and nickel equivalences have been calculated by OZ Minerals. The formulae for converting Cu and Ni Head grades into CuEq and NiEq Head grades are as follows:  

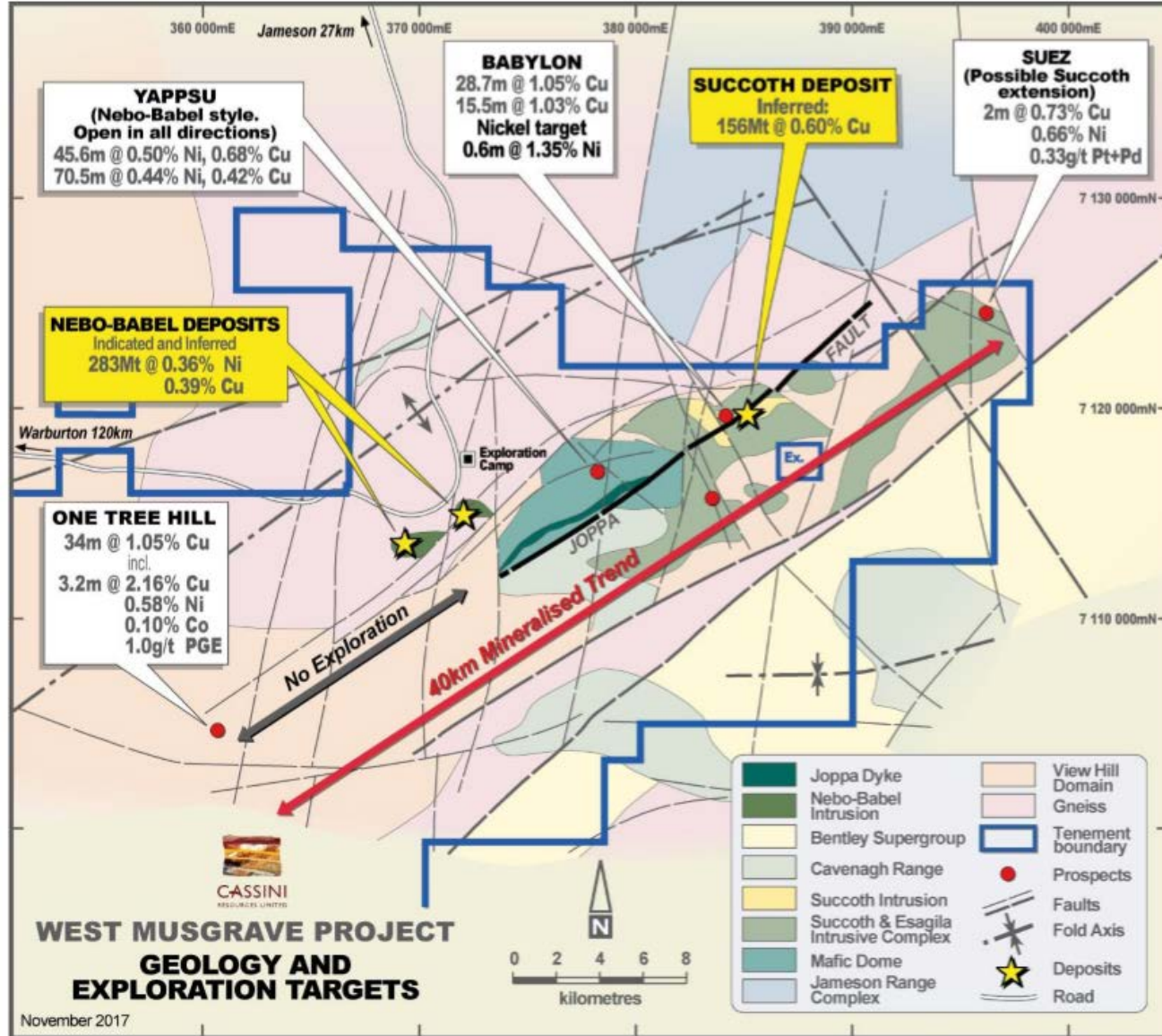
$$\text{NiEq} = \text{Ni} + \text{Cu} * (\text{US\$3/lb} * 82.2\%) / (\text{US\$8/lb} * 71.7\%)$$

$$\text{CuEq} = \text{Cu} + \text{Ni} * (\text{US\$8/lb} * 71.7\%) / (\text{US\$3/lb} * 82.2\%)$$

Metal recoveries used to calculate the conversion factor are 82.2% copper and 71.7% nickel - these are taken from the Cassini scoping study dated 13th April 2015 and based upon metallurgical test work. Metal prices of US\$3/lb copper and US\$8/lb nickel were used in the calculation. It is OZ Minerals' belief that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold. Note that the both the CuEq and NiEq are head grade equivalents, which are recommended for reporting resources. CuEq grades have been published to enable a comparison to OZ Minerals' copper assets.



# West Musgrave JV<sup>3</sup> – Regional Exploration



**Commitment of  
\$4 million in 2018 on regional  
exploration to earn 51% (18 months)**

<sup>3</sup> The information regarding the West Musgrave Project is extracted from Cassini Resources' ASX Release entitled 'West Musgrave Project to progress to Pre-Feasibility Study' dated 14 November 2017 and 'Positive Nebo-Babel Optimisation Study Results' dated 14 April 2016 and are available at [www.cassiniresources.com.au/investor-relations/asx-announcements](http://www.cassiniresources.com.au/investor-relations/asx-announcements). The information in this report that relates to exploration results has not been compiled by OZ Minerals. The reported information has been derived from publicly available information arising from exploration activity reported by Cassini Resources. OZ Minerals makes no comment or representation regarding the exploration, verification and evaluation techniques adopted in respect of the historical exploration results reported in this announcement.

# Exploration

Pipeline continues to evolve

