



2021 Second Quarter Report

Presentation

27 JULY 2021



A modern
mining company

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Forward Looking Statements

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All figures are expressed in Australian dollars unless stated otherwise.

This presentation should be read in conjunction with the Quarterly Report released today.

This announcement is authorised for market release by OZ Minerals’ Managing Director and CEO, Andrew Cole.

OZ Minerals Registered Office: 2 Hamra Drive, Adelaide Airport, South Australia, 5950, Australia

Compliance Statements

Production Targets Cautionary Statement

Each of the Production Targets referred to in this presentation were initially reported in the following market announcements:

- / Carrapateena ASX announcement headed "[Carrapateena Expansion creates significant value uplift and unlocks long-life mining province](#)" dated 23 June 2020
- / Prominent Hill ASX announcement headed "[Resources updates strengthen Australian copper assets](#)" (Life of Mine Production Target) and "[OZ Minerals to invest \\$47 million to progress Prominent Hill shaft expansion study](#)" (Expansion Study Production Target) both dated 16 November 2020
- / West Musgrave ASX announcement headed "[West Musgrave value and scale uplift in Pre-Feasibility Study Update](#)" dated 09 December 2020
- / Carajás East ASX announcement headed "[Carajás Hub strategy gains pace](#)" dated 28 November 2019
- / CentroGold ASX announcement headed "[Gurupi province potential strengthened on CentroGold Pre-Feasibility Study](#)" dated 11 July 2019

OZ Minerals confirms that all the material assumptions underpinning each of the Production Targets cited in the initial announcement listed above continue to apply and have not materially changed.

The Cu equivalent Production Targets referred to in this presentation are based on the applicable Cu and Au Production Targets referred to in the market announcements cited above.

Resource and Reserves

The Mineral Resources and Ore Reserves in this presentation is extracted from the following documents and available at www.ozminerals.com/operations/resources-reserves:

- / Carrapateena Carrapateena 2020 Mineral Resources and Ore Reserves Statement and Explanatory Notes as at 30 June 2020 released on 16 November 2020
- / Prominent Hill Prominent Hill 2020 Mineral Resources and Ore Reserves Statement and Explanatory Notes as at 30 June 2020 released on 16 November 2020
- / West Musgrave West Musgrave Project Nebo-Babel Deposits 2020 Mineral Resource and Ore Reserve Statement and Explanatory notes as at 9 December 2020 released on 9 December 2020
- / Pedra Branca Pedra Branca 2019 Mineral Resource Statement and Explanatory Notes as at 25 March 2019 and 2019 Ore Reserve Statement and Explanatory Notes as at 15 November 2019, released 28 November 2019
- / CentroGold CentroGold Project Combined 'Blanket' and 'Contact' Mineral Resource as at 06 May 2019 and Ore Reserve as at 24 June 2019 Statement and Explanatory Notes, released 11 July 2019

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.

Copper Equivalent Assumptions

The copper equivalent tonnes was calculated with the following formula based on assumed recoveries for the relevant assets:

- / Carrapateena Copper Equivalent tonnes = $(\text{Cu recovered}) + ((\text{Au recovered} \times \text{Au US\$/oz}) / (2204 \times \text{Cu US\$/lb}))$
- / Prominent Hill Copper Equivalent tonnes = $(\text{mined tonnes} \times \text{Cu \%} \times \text{Cu Rec}) + (((\text{mined tonnes} \times \text{Au g/t} \times \text{Au Rec}) / 31.1) \times \text{Au US\$/oz} / \text{AUD-US Exchange}) / (2204 \times \text{Cu US\$/lb} / \text{AUD-US Exchange})$
- / West Musgrave Copper Equivalent tonnes = $(\text{Cu recovered}) + (\text{Ni recovered} \times \text{Ni US\$/lb} / \text{Cu US\$/lb})$
- / Assumed prices: Cu US\$2.91/lb; Au US\$1,246/oz; Ni US\$7.60/lb, AUD/USD 0.67
- / Assumed Recoveries: Prominent Hill Cu 86.3%, Au 73.1%

OZ Minerals' opinion is that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

2021 Q2 Highlights

Creating Value for all Stakeholders



**Shareholder
Value**



**Government
Value**



**Community
Value**



**Employee
Value**



**Supplier
Value**

22% uplift in Q on Q copper production

**H1 net revenue \$986 million; cash balance
\$134 million; debt facility fully repaid**

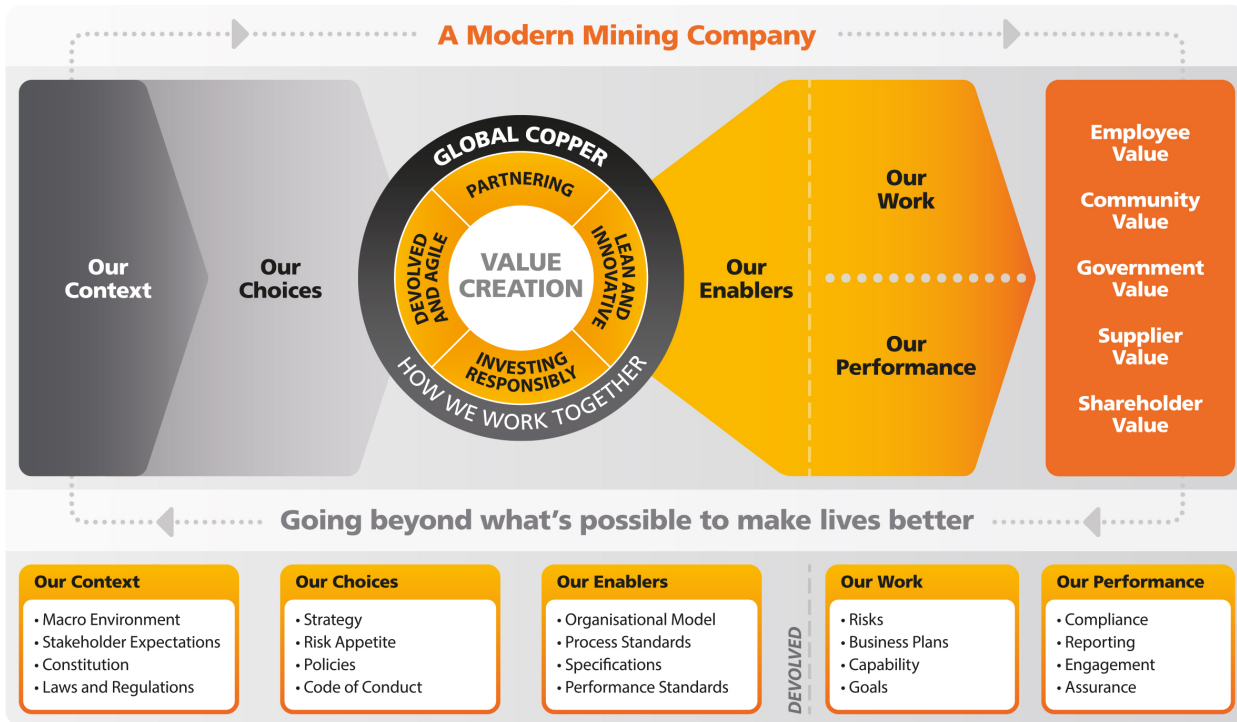
**Group copper production guidance on track;
gold production increased with cash costs
lowered**

**Growth projects advancing with key
milestones & decision points during H2 2021**

A Modern Mining Company Strategy

Purpose driven organisation creating value for stakeholders enabled by culture

The **OZ**Way



Company Snapshot

Why OZL

**Purpose-driven organisation
creating value for stakeholders
enabled by company culture**

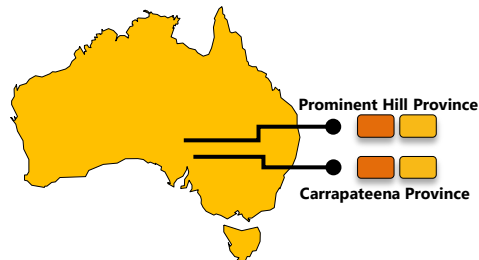
**Copper focused, long life, low
operating cost assets**

**Organic pipeline offers long
term growth potential**

**Development execution,
consistent operational
performance, balance sheet &
management team**

Operations

Australia: Long life and low operating cost assets



Brazil: Pursuing hub approach in premier IOCG mineral province



Organic Growth Pipeline

Development or Study

West Musgrave Province



Carajás East Province (Pedra Branca, Santa Lucia)



Prominent Hill Shaft Expansion



Carajás West Province (Pantera)



Carrapateena Block Cave Expansion



Gurupi Province (CentroGold)



Copper

Gold

Nickel

Global Exploration – 16 projects

Australia

Brazil

Sweden

Peru



A modern
mining company

Company Snapshot & Organic Growth Pipeline

Carrapateena Province

Mine Type: Cu/Au SLC transitioning to BC

Processing: 4.25Mtpa

Mine Life: 2045

Guidance:

2021 Production: 55-65kt Cu & 75-85koz Au

2021 AISC: US 95-105 c/lb

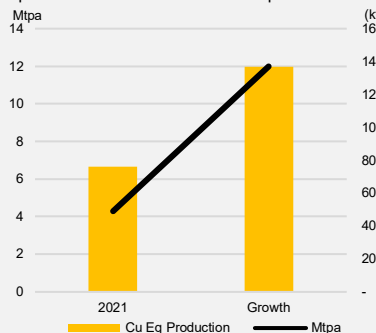
MROR:

Reserves: 220Mt @ 1.1% Cu, 0.45 g/t Au

Resources: 950Mt @ 0.57% Cu, 0.25 g/t Au

Key Growth Projects:

- SLC optimisation to increase production rates to circa 4.7 to 5Mtpa from 2023
- BC early works to begin in Q4 2021 to increase production rates to circa 12Mtpa from 2028



Prominent Hill Province

Mine Type: Cu/Au open stoping

Processing: ~10Mtpa

Mine Life: 2030

Guidance:

2021 Production: 58-70kt Cu & 125-135koz Au

2021 AISC: US 145-165 c/lb

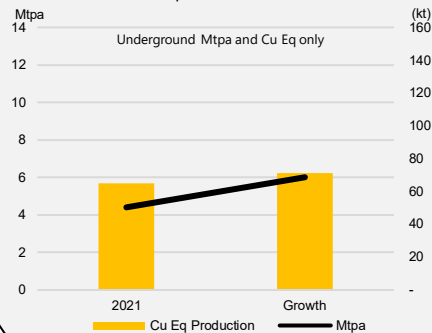
MROR:

Reserves: 56Mt @ 0.9% Cu, 0.7 g/t Au

Resources: 150Mt @ 0.9% Cu, 0.7 g/t Au

Key Growth Projects:

- Decline development to allow bottom-up stoping sequence enabling 5Mtpa from 2022
- Shaft Expansion Study to enable 6Mtpa from 2025 to be completed in Q3 2021



West Musgrave Province

Mine Type: Cu/Ni open Pit

Processing: 12Mtpa

Mine Life: 26 years

PFSU Production pa: 32kt Cu & 26kt Ni

PFSU C1 Cost: Cu US (90) c/lb (net of Ni by product)

MROR:

Nebo Babel

Reserves: 253Mt @ 0.35% Cu, 0.32% Ni

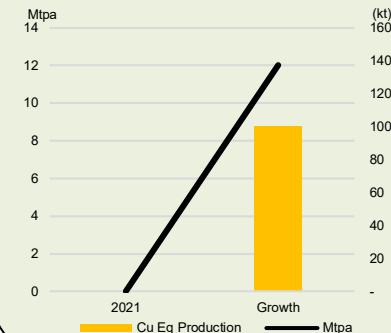
Resources: 390Mt @ 0.34% Cu, 0.31% Ni

Succoth

Reserves: 156Mt @ 0.6% Cu

Key Growth Projects:

- Study progressing with investment decision in 2022



Brazil

Carajás East Province

Mine Type: Cu/Au open stoping

Processing: 0.8Mtpa

Mine Life: 7 years

Guidance:

2021 Production: 7-10kt Cu & 5-8koz Au

2021 AISC: US 290-300 c/lb

MROR:

Reserves: 5Mt @ 2.1% Cu, 0.5 g/t Au

Resources: 19Mt @ 1.6% Cu, 0.4 g/t Au

Key Growth Projects:

- Ramping up Pedra Branca underground mine during 2021
- Resource drilling at Santa Lucia and exploration of potential satellite targets

Carajás West Province

Key Growth Projects:

- Resource drilling at Pantera for potential processing hub

Gurupi Province

Mine Type: Au open pit

Processing: 2.5Mtpa

Mine Life: 10 years

PFS Production pa: 100-120koz

PFS AISC: US\$ 640 oz

MROR:

Reserves: 20Mt @ 1.7 g/t Au

Resources: 28Mt @ 1.9 g/t Au

Key Growth Projects:

- Update Mineral Resource and Ore Reserve to support study update

Stakeholder Value Creation

Creating a sustainable and successful company

Going beyond what's possible to make lives better



Shareholder	Share price and dividends ✓ Grow share price: measured relative to peer group / sustainable dividend (TSR) Reserve growth ✓ Grow OZL's Copper Reserves: measured relative to OZL's Reserve at the end of previous year All-In Sustaining Costs (AISC) ✓ Bottom half of cost curve: measured relative to global copper producers Governance ✓ Board effectiveness: Compliance with ASX's corporate governance principles and recommendations
Government	Employment by jurisdiction ✓ Workforce – local / state / out of state / Land Connected and Indigenous Peoples Taxes and royalties ✓ Income tax expense / royalties (total and jurisdictions) Capital investment ✓ Capital investment Emissions and energy ✓ Scope 1 & 2 emissions intensity (tCO ₂ -e per t Cu Eq) / Scope 1 & 2 absolute emissions / net energy intensity (per t Cu Eq) and renewable energy percentage Local content ✓ Value spent with local suppliers through supply chains
Community	Community engagement ✓ Number and average duration for resolution of concerns, complaints and grievances Cultural heritage ✓ Unauthorised cultural heritage breaches / significant environmental and social incidents Social contribution ✓ Quantity and case studies Partnering ✓ Partnering case studies Human rights ✓ Modern Slavery Act action plan Implementation and number of incidents Water ✓ Water consumed (per t Cu Eq) / water withdrawal in areas of extreme water stress (%) Waste ✓ Non-mineral waste produced (per t Cu Eq) Land and biodiversity ✓ Area (ha) disturbed in high biodiversity conservation areas
Employee	Inclusion ✓ Inclusion maturity upward trend Diversity ✓ Diversity of thought and demographic Safety performance ✓ Total Recordable Injury Frequency Rate (TRIFR) and zero fatalities Workforce engagement ✓ Employee Survey Results above industry benchmark
Supplier	Net Promoter Score (NPS) ✓ Net Promoter Score (NPS) survey On time payment ✓ Proportion (number and value) of invoices paid on time within payment terms (7, 14, 30, 60 and >60 days of invoice date) Supplier Value by jurisdiction ✓ OZ Minerals expenditure by number of suppliers and value spent with them by postcode



Shareholder Value



Government Value



Community Value



Employee Value



Supplier Value

2021 Q2 Highlights

- Partnering health checks held with Traditional Owners in South Australia
- Arkani Ngura Innovation and Technology Centre to be established at Prominent Hill – jointly sponsored by South Australian Government
- Regional supplier tours to encourage greater local business participation
- Providing medical supplies in Brazil
- Partnering with suppliers to trial innovative ideas
 - Hydrogen direct injection system to improve engine combustion efficiency for surface drill rigs
 - Tele-remote loading of trucks underground

Q2 Activity Summary

METAL PRODUCTION & COSTS

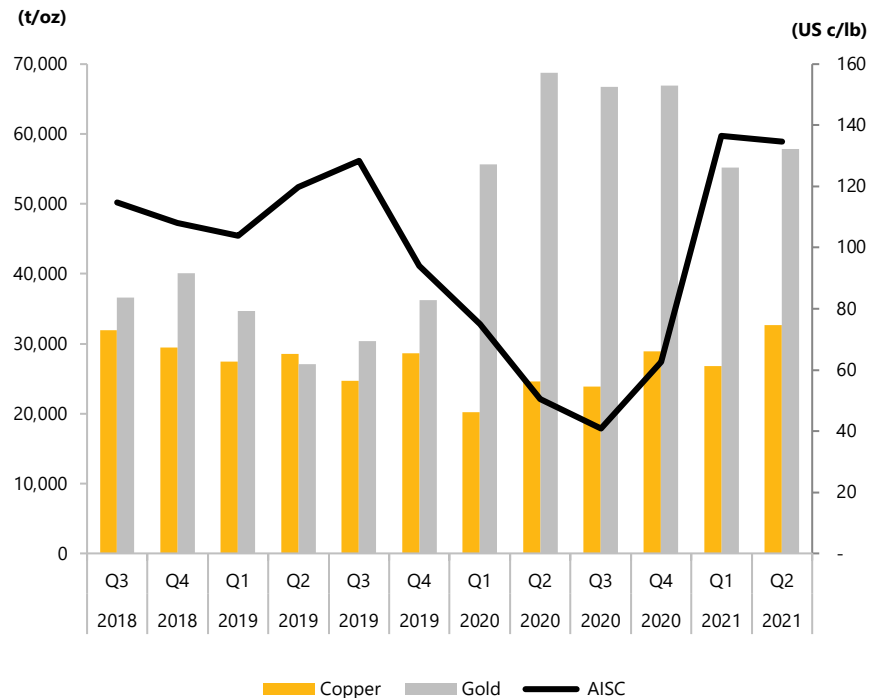
OZL Metal Production & Costs	Units	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	FY 2021 Guidance*
Total Copper	Tonnes	24,577	23,873	28,939	26,842	32,681	120,000-145,000
Total Gold	Ounces	68,740	66,746	66,895	55,150	57,875	205,000-228,000
All-in Sustaining Costs	US cents/lb	50.5	40.9	62.7	136.5	134.5	130-145
C1 Cash Costs	US cents/lb	(5.4)	(24.4)	6.4	63.3	60.7	65-75

● Favourable to annual guidance ● Unfavourable to annual guidance

* 2021 guidance metrics updated with Q2 report

- / Strong first half operating performance
- / 22% quarter on quarter copper production increase with improving grade at Carrapateena
- / Increased gold production guidance due to higher than expected gold grade in stockpiles at Prominent Hill
- / Costs well controlled

CONTAINED COPPER AND GOLD PRODUCED AND AISC



Capital Management

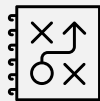
Our Context

Capital allocation is driven by strategy and influenced by global and regional trends

Megatrends & Macroeconomics

Responsible production

Strategy



Clean copper focused
(60kt Cu H1)

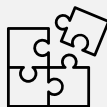
By-product revenue
(26% of net revenue H1)

Our Work

Processes ensure capital allocation balances growth, value, portfolio impact and risk

Balance Sheet strength

Capital Allocation Framework



Low jurisdictional risk
(94% of production in Aus)

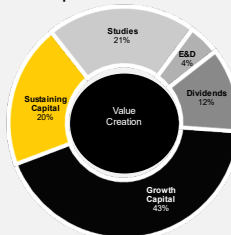
Conservative gearing
(undrawn \$480m debt facility)

First Half portfolio
(AISC of 136c/lb H1)

Our Choices

Investing in value accretive growth, creating a Modern Mining Company, and rewarding shareholders along the way

Capital Allocation YTD Q2



- > Value creation
- > Independent review
- > Portfolio assessment

Investment in Growth
(\$249m H1)

Sustainable dividends
(Final dividend at 17c/share)

Project pipeline generation
(22 projects under expl'n or study)

Our Performance

Maintaining a strong performance against market peers

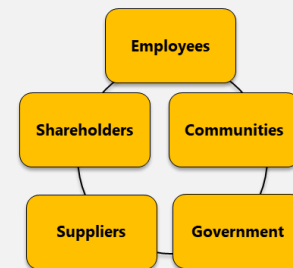
2021 Total Returns



Deliver to guidance
Margin focus
Project development & expansion

Our Value

We aim to create value for all our stakeholders

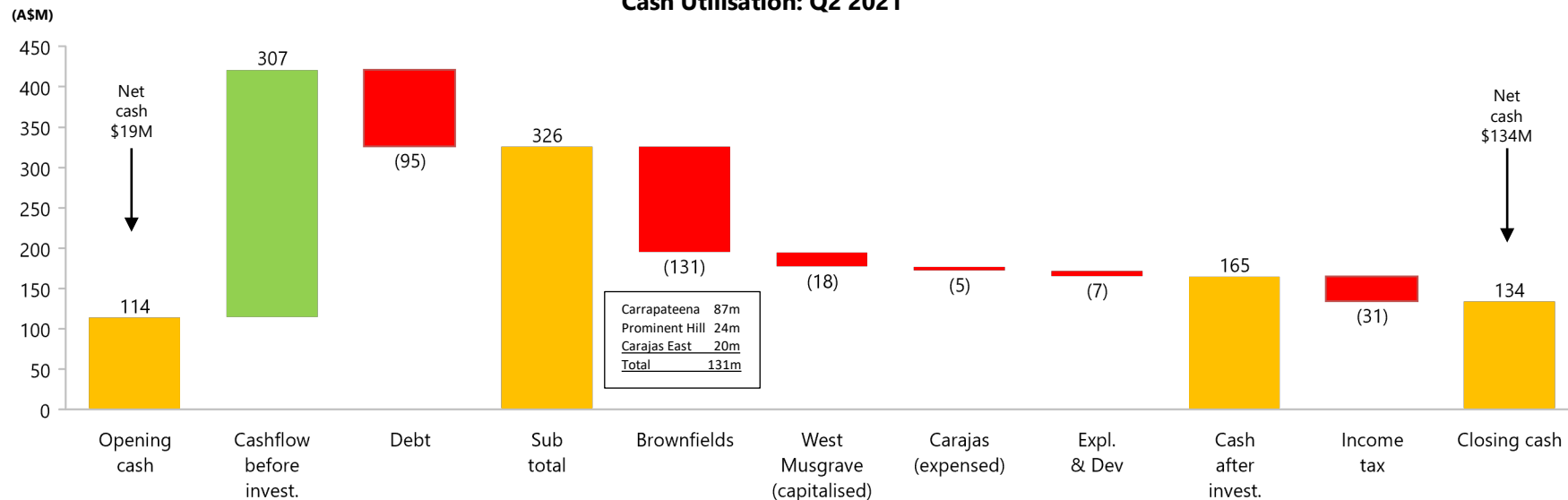


Total Shareholder Return
Regional contribution
Social & environmental performance
Employee satisfaction
Supplier approval

Cash Generation

Strong Cash position; revolving debt facility fully repaid

Cash Utilisation: Q2 2021

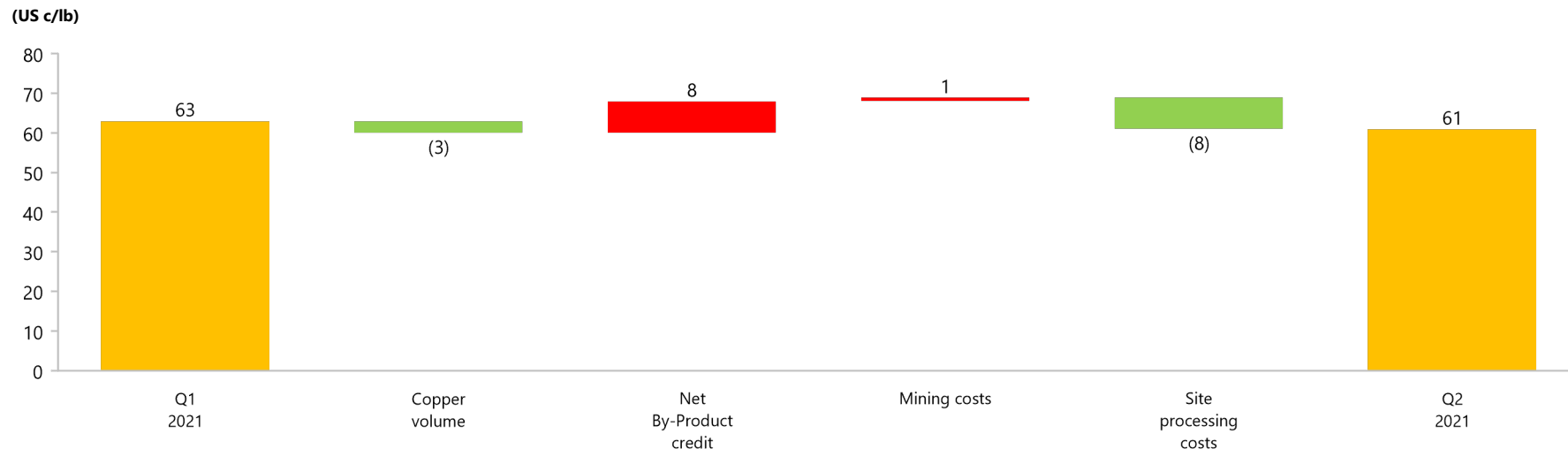


- / Cash balance \$134 million at 30 June with revolving debt facility fully repaid (\$95 million reduction)
- / Investment in brownfield growth projects increased with progress of Carrapateena accelerated decline development, crusher 2 and the Western Access Road
- / Working capital largely unchanged with reduction in ore and concentrate inventory offset by increase in trade receivables
- / Gold hedge book financially closed

Cost performance

Group C1 cash costs

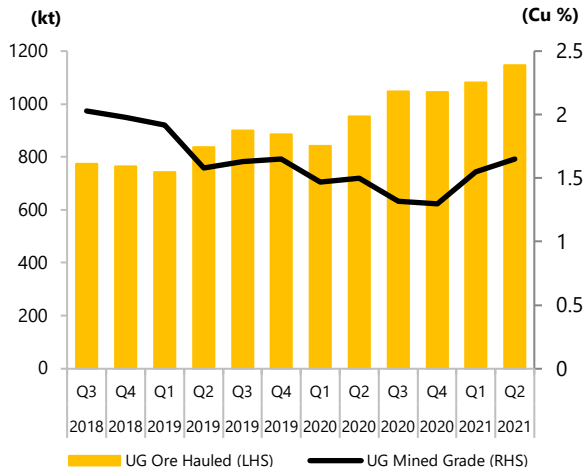
C1 Cash Costs: Q2 2021



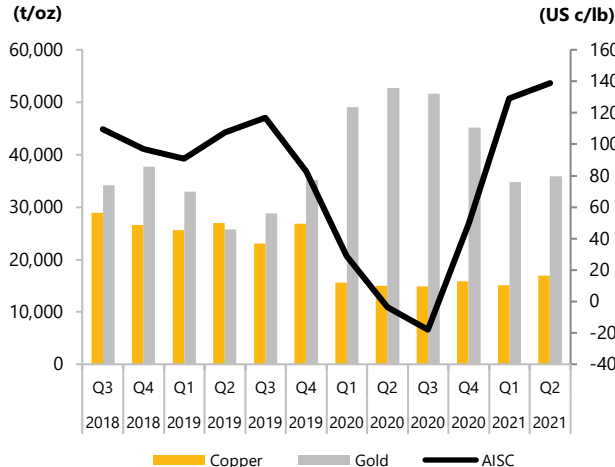
- / Consistent unit cash costs with higher copper and gold production at Carrapateena offsetting impact of lower gold price
- / Full year group C1 cash cost guidance lowered to 65-75 US c/lb due to higher by-product credits with higher gold production
- / Cost controls continue to focus on managing emerging inflationary pressures

Prominent Hill

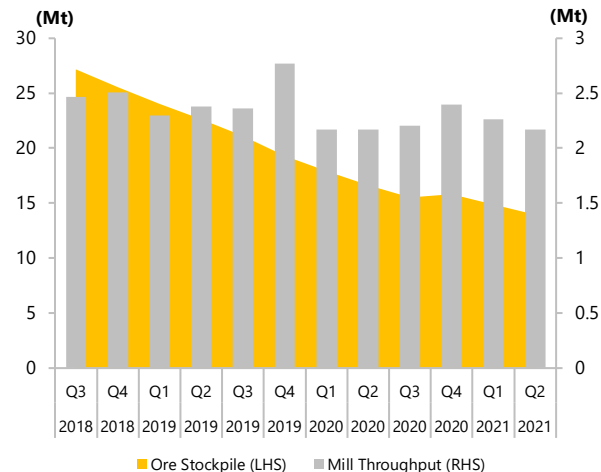
UNDERGROUND ORE HAULED AND GRADE



PRODUCTION & AISC



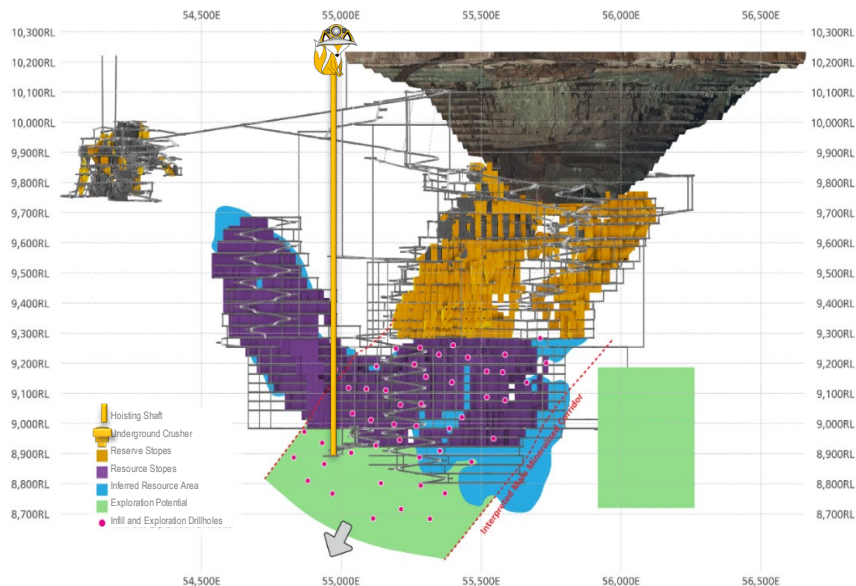
STOCKPILES AND MILL THROUGHPUT



- / Consecutive highest quarterly underground material movement to date demonstrates sustained growth in operational performance
- / Gold grades from long term stockpiles continued to exceed expectations; increase to full year gold production guidance and a corresponding reduction in unit costs due to higher gold by-product credits.
- / Enhancing community engagement via partnering health check with Traditional Owners
- / Investment Decision for Shaft Expansion expected in Q3'21

Prominent Hill Growth & Exploration

CONCEPTUAL EXPANSION STUDY MINE LAYOUT



*** Conceptual Prominent Hill Expansion Study Update Mine Layout in the Context of Prominent Hill Mineral Resources, Ore Reserves and Exploration Potential**

Lateral development underway to allow bottom-up stoping sequence enabling 5Mtpa from 2022

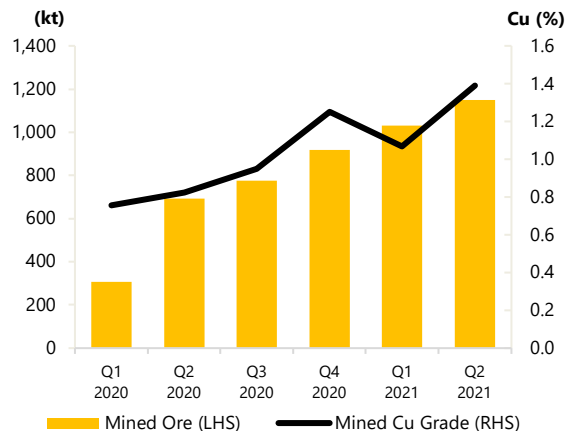
Resource delineation drilling program results aligning with expectations

Shaft Expansion Study to be completed in Q3'21; enables 6Mtpa from 2025

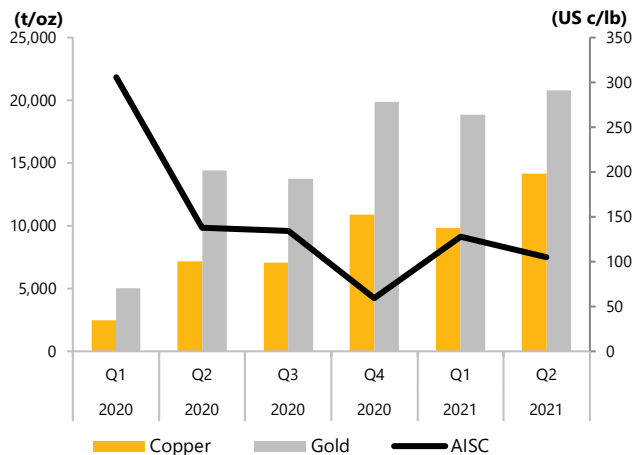
Potential access to significant resource below the current mine plan

Carrapateena

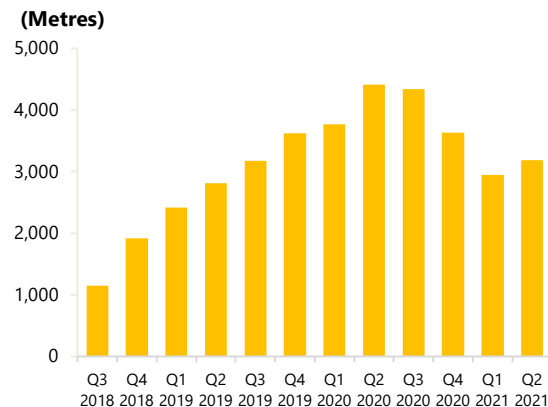
MINED ORE HAULED AND GRADE



PRODUCTION & AISC



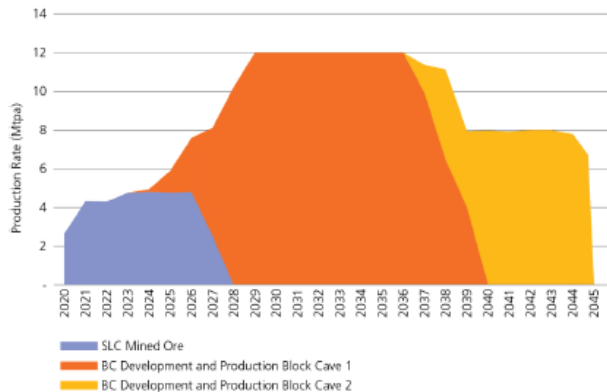
DEVELOPMENT METRES



- / Increased ore mined and copper grade resulting in higher quarterly production
- / Optimisation continues at Carrapateena with enhanced processing performance including new monthly throughput record of 420kt in June
- / Full year AISC guidance increased by 15 US c/lb with focus on effective formation of the cave and prioritising supporting mine development infrastructure
- / Enhancing community engagement via partnering health check with Traditional Owners

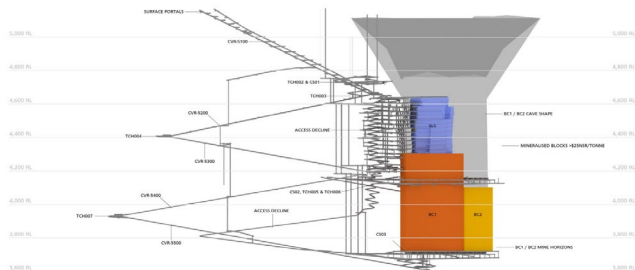
Carrapateena Growth & Exploration

BLOCK CAVE EXPANSION PRE-FEASIBILITY PRODUCTION PROFILE



* Pre-Feasibility Study Indicative Sub-Level Cave to Block Cave 1 and Block Cave 2 Production Profile (Note: production profile does not include the possible ~ 6 month earlier commencement of block cave production)

BLOCK CAVE EXPANSION PRE-FEASIBILITY STUDY LAYOUT



Optimisation of SLC production rates to circa 4.7 to 5Mtpa from 2023

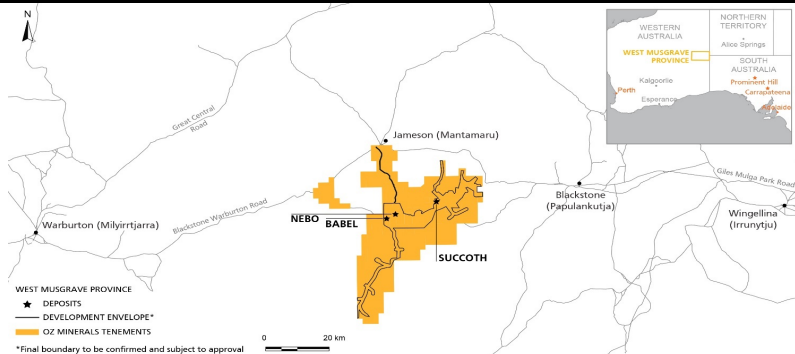
Western Access Road accelerated

Block Cave early work declines to begin Q4 2021

Block Cave study advances

West Musgrave Growth & Exploration

WEST MUSGRAVE PROJECT LOCATION & PFSU KEY METRICS*



Key Financial and Production Metrics	Unit	PFS	PFSU
Processing capacity	Mtpa	10	12
Life of Operation	Years	~26	~26
Mineral Resource	Mt	340	390
	%	0.36% Cu and 0.33% Ni	0.34% Cu and 0.31% Ni
Ore Reserve	Mt	220	253
	%	0.36% Cu and 0.33% Ni	0.35% Cu and 0.32% Ni
Copper recovery/Nickel recovery	%WA	~78%/~69%	~77%/~69%
Average Ni Production	ktpa	~22	~26
Average Cu Production	ktpa	~28	~32
Operating Cost (including mining costs)	A\$/t ore	~34	~32
C1 cost payable Cu (net of full by-product credits)	US\$/lb	~(0.90)	~(0.90)
C1 cost payable Ni (net of full by-product credits)	US\$/lb	~1.30	~1.40
Pre-production capital (excluding study)	A\$m	~995	~1,100
Average net cash flow (post tax)	A\$m/tpa	~190	~220
Post Tax NPV	A\$m	~800	~1,000
Post Tax IRR	%	~20	~20
Project payback from decision to mine	Years	~6	~6

Low cost, long life, open pit Cu / Ni project

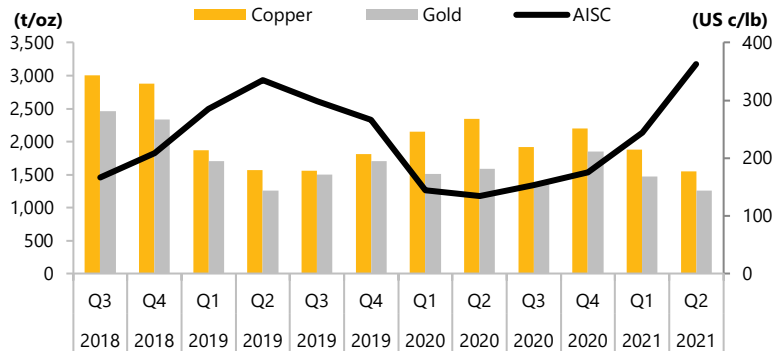
Progressing next phase of study; Investment Decision 2022

Province strategy potential with drilling program to commence Q3 2021 at Succoth deposit (Mineral Resource 156Mt @ 0.6% Cu)**

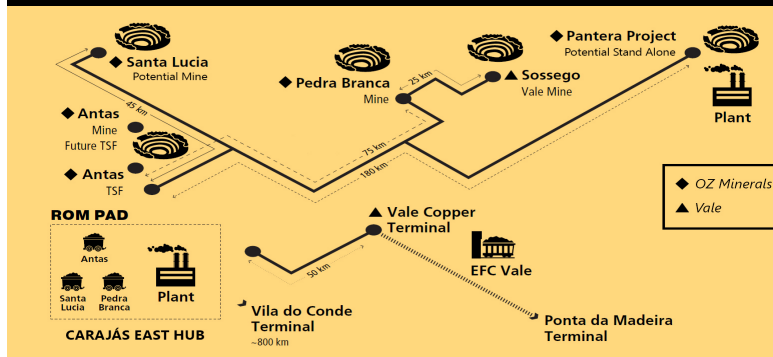
70-80% Renewable Energy

Carajás and Gurupi Provinces

CARAJÁS EAST PRODUCTION & AISC



CARAJÁS PROVINCE HUBS AND ACTUAL AND POTENTIAL SATELLITE MINES



OPERATIONAL DELIVERY, PROJECTS & STUDIES, EXPLORATION

Carajás East Province

- ✓ Mining at Antas open pit completed; to transition to a tailings storage facility in 2022
- ✓ Central processing facility at Antas performing to expectations
- ✓ Development progress at Pedra Branca continued to be impacted by COVID-19 and related delays resulting in reduction to annual production guidance and increased unit costs
- ✓ Growth capital guidance reduced by \$10 million
- ✓ Resource drilling continued at Santa Lucia with resource and study update expected in Q3

Carajás West Province

- ✓ Resource drilling continued at Pantera

Gurupi Province

- ✓ CentroGold Pre-feasibility study update on track for Q3

Growth Pipeline

Operations, projects and a growing pipeline of opportunities

PROVINCE	EXPLORATION	STUDIES	DEVELOPMENT	OPERATIONS
PROMINENT HILL	MT WOODS	UNDERGROUND EXPANSION		PROMINENT HILL UG + STOCKPILES
CARRAPATEENA	KHAMSIN, THE SADDLE & CARRA REGIONAL	FREMANTLE DOCTOR BC-C, BC-E & BC-W CARRAPATEENA BC-S & STOPE CARRAPATEENA BC-1 & BC-2		CARRAPATEENA SLC
MUSGRAVE	ONE TREE HILL YAPPSU	SUCCOTH NEBO-BABEL OP		
CARAJÁS EAST	ESTRELLA SUL PAULINHO CAPIVARA AGUAS BOA N MARQUES SUL CANAA WEST PAES CARVALHO CIRCULAR NORTH GROTA VERDE	SANTA LUCIA		PEDRA BRANCA UG ANTAS OP Mining Completed
CARAJÁS WEST		PANTERA		
GURUPI	SEQUIRO PICA PAU JIBOIA	CENTROGOLD OP		
OTHER REIGONS	PARAISO PAINIROVA LANNAVARRA YARRIE GULF THREE WAYS LAWN HILL PANDURRA BREENA PLAINS ELOISE JERICHO			



No Resource estimate



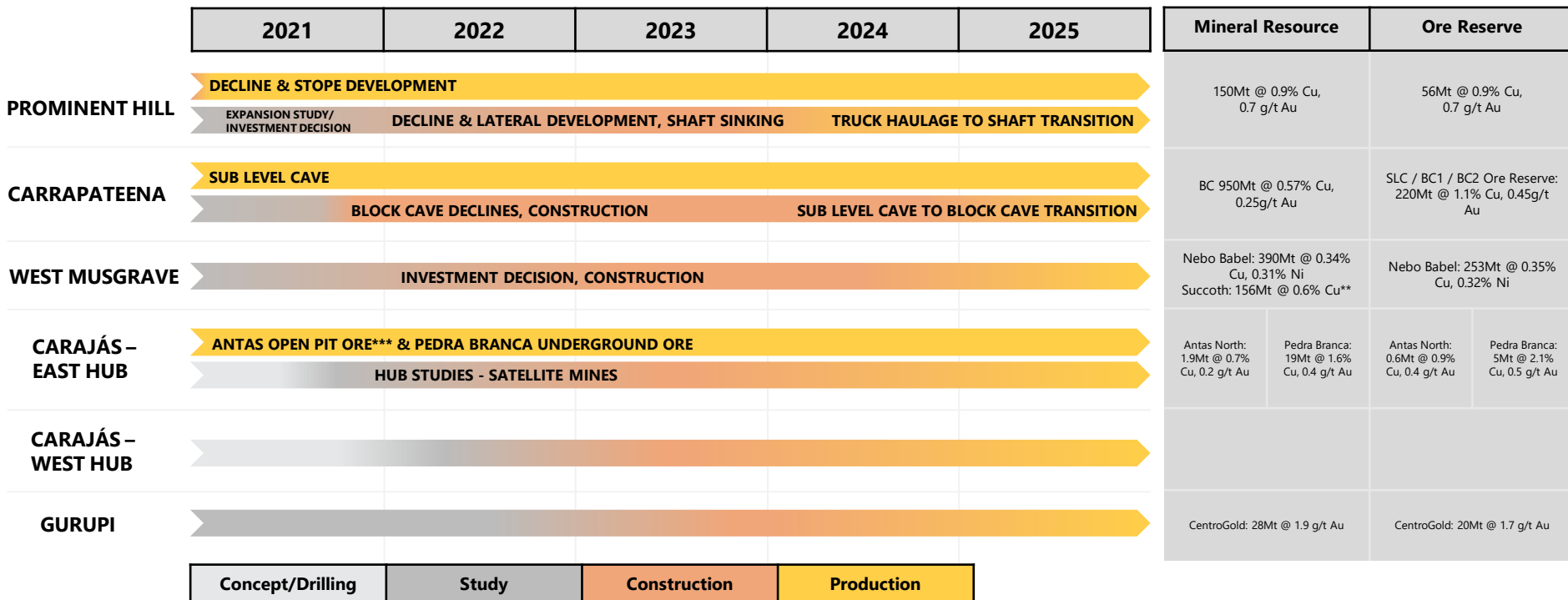
Resource estimate



Reserve estimate

Asset Timeline*

Multiple projects progressing through build and study phases



* Indicative timeline assumes required study hurdles and proposed timeframes achieved.

** See Cassini Resources' ASX Release entitled "Maiden Succoth Resource Estimate" dated 7 December 2015 and available at: www2.asx.com.au/markets/trade-our-cash-market/historical-announcements

*** Mining from Antas Open Pit was completed Q2 2021.

2021 Key Milestones

		Q1	Q2	Q3	Q4
Prominent Hill	Expansion Study update and investment decision				
	Mineral Resource and Ore Reserve update				
Carrapateena	Block Cave Expansion commitment with early works commencement	✓			
	Block Cave Expansion declines commence				
	Mineral Resource and Ore Reserve update				
West Musgrave	Study update				
	Mineral Resource and Ore Reserve update				
Carajás East	Mineral Resource and Ore Reserve update				
	Hub study update				
Carajás West	Mineral Resource & Reserve update				
	Hub study update				
Gurupi	CentroGold injunction removal			*	
	CentroGold study update				
	Mineral Resource and Ore Reserve update				

* Milestone for CentroGold injunction removal has been removed due to COVID and other delays. A new milestone is being determined.

Guidance

GUIDANCE	2021			
	PROMINENT HILL	CARRAPATEENA	CARAJÁS	TOTAL
Copper Production (tonnes)	58,000-70,000 (55,000-65,000) ↑	55,000-65,000	7,000-10,000 (10,000-15,000) ↓	120,000-145,000
Gold Production (ounces)	125,000-135,000 (107,000-117,000) ↑	75,000-85,000	5,000-8,000 (8,000-13,000) ↓	205,000-228,000 (190,000-215,000) ↑
Underground Ore Movement (Mt)	4.3-4.6	4.0-4.6	0.4-0.6	
Sustaining Capital Expenditure (A\$M)				
- Mine Development	45-55	30-35 (10-15) ↑	10-15	85-105 (65-85) ↑
- Site	45-55	10-15	5-8	60-78
Growth Capital Expenditure (A\$M)				
- Mine Development	15-20	85-95	40-50	140-165
- Other	17-22	185-200 (175-190) ↑	15-20 (25-30) ↓	217-242
AISC (US c/lb) ²	145-165 (175-195) ↓	95-105 (80-90) ↑	290-300 (190-200) ↑	130-145
C1 Costs (US c/lb) ²	60-70 ¹ (85-95) ↓	50-60 ¹	165-175 (95-105) ↑	65-75 (70-80) ↓
Exploration (A\$M)				20-25
Project studies to next stage gate (A\$M)				130-150 ³

Note: Changes to guidance reflect updates in the second quarter 2021 report. Figures in brackets denote previously issued guidance.

1 US dollar denominated C1 costs will benefit by US2.5c per US1c reduction in the AUD/USD exchange rate.

2 Average AUD/USD exchange of 0.77 has been used in converting A\$ costs to US\$ and assumed gold price of US\$1,864/oz for C1 and AISC guidance.

3 Reflects anticipated expenditure on Board approved studies to their next milestone. It is expected ~20% of expenditure will be expensed in the current year. Should the Board approve a project to proceed to a further milestone, additional funds will be incurred and guidance will be updated as required.



Appendix



A modern
mining company

Carrapateena Guidance 2021-2025

(for reference as previously guided)



2021-2025	Metric	SLC & Block Cave	Previous guidance
Average Annual Copper Production ¹	tonnes	70,000	70,000
Average Annual Gold Production ¹	ounces	85,000	85,000
Total Capital Expenditure for 5-year period			
- Block cave expansion	A\$M	750	-
- Deferred projects from 2020		50	-
- Projects & Mine Development		950	700
Average C1 Costs	US c/lb	50	50
Average AISC	US c/lb	75	75

¹ These production targets must be read in conjunction with the production targets cautionary statement on page 2 and 3

- / Following Board approval to proceed with the Block Cave Expansion and support additional funding for key SLC optimisation projects, the 2021-2025 capital spend provided in the 5-year guidance table in January 2020 now totals \$1.75 billion. The updated capital comprises:
 - / \$750 million for block cave works over the period (part of the estimated \$1.25 billion project capital identified in the Block Cave Expansion Pre Feasibility Study of June 2020 with balance to be spent post 2025).
 - / \$50 million deferred from 2020 spending postponed due to COVID.
 - / \$250 million which includes funding for projects in both the mine and processing plant to support the increase in SLC production rates to circa 4.7 to 5Mtpa from 2023 along with optionality to maximise SLC production and accelerate ramp up towards the Block Cave production rate of 12Mtpa. This capital includes items such as additional capacity in ventilation cooling, material handling system drive motors and tails pumps. Allowance has also been made for cost increases associated with market conditions and scope changes from the initial project plan.
- / Capital can be funded from operating cashflows with Carrapateena remaining net cash flow positive in 2021.

Depreciation and Ore inventory accounting

2021 expectations (for reference as previously guided)

- / Prominent Hill will continue to draw down open pit ore inventory through 2021
- / Ore stockpile costs of \$110 - \$120 million (mining costs ~\$60 million and capitalised depreciation ~\$50-\$60 million) will be recognised in the income statement during 2021

Balances at 31 December 2020 by category

31 December 2020 (\$M)	Plant & Equipment	Mine Property & Development	Freehold land and buildings	Mineral rights	Capital work in progress	Total
Property Plant & Equipment	1,083.7	1,248.0	88.8	310.7	182.3	2,913.5
Right of Use Assets						750.1
Ore Inventory						383.9

Depreciation methods adopted

Category	Depreciation method
Freehold land	Not depreciated
Buildings and other infrastructure	Straight line over life of mine
Short term plant and equipment	Straight line over life of asset
Processing plant	Units of ore milled over mining inventory
Mine property and development	Units of ore extracted over mining inventory applicable to the development

Expected depreciation ranges for OZ Minerals for 2021

OZ Minerals Depreciation (\$M)	2021
Depreciation of PPE	(205-215)
Depreciation of AASB16 Leases	(80-90)
Capitalised depreciation into inventory	(50-60)
Net depreciation in the income statement	(335-365)

Expected Ore inventory adjustments for OZ Minerals for 2021

OZ Minerals Ore inventory adjustments (\$M)	2021
Open Cut inventory drawdown *	(110-120)

* Includes (50-60m) capitalised depreciation

Cash Cost reconciliation to operating costs and other costs in the Income Statement

Cash costs to Costs in Income statement	Metric	YTD	Comments
Total cash costs	US c/lb	92.8	Per Table 2: Production and Costs – 2021 Year to Date
<i>Items in cash costs classified within Net revenue</i>			
By-product credits	US c/lb	169.8	Net revenue from by-products is recognised as net revenue from customers and does not form part of costs in the Income Statement
TCRCs	US c/lb	(14.4)	Treatment charges, refining costs and other commercial costs are deductions from revenue and do not form part of costs in the Income Statement
Cash costs (excluding By-product credits and TCRCs)	A\$m	409.2	
<i>Cash costs to Operating costs adjustments</i>			
AASB16 Lease adjustment	A\$m	(52.6)	Cash payments to contractors where there is an attributable equipment right are included in C1 costs but reclassified to lease amortisation and interest costs under AASB16
Inventory drawdown - ore	A\$m	25.4	Historically incurred cash costs related to stockpiled material are not included in current period C1 costs but are recognised within the Income Statement
Capitalised depreciation - ore	A\$m	28.0	Depreciation of PP&E included in value of consumed stockpiled ore
Inventory movements – concentrate	A\$m	6.6	Timing adjustment
NRV adjustment	A\$m	(18.1)	Value recalculation
Exploration and Corporate development	A\$m	23.8	Exploration, evaluation, M&A, Corporate development expenses which are not capable of being capitalised are included in the Income Statement