22 February 2023

Stronger second half after challenging start to 2022

- Net Profit After Tax of $207 million on net revenue of $1.9 billion
- EBITDA $693 million and operating margin of 36%
- Earnings Per Share of 62 cents
- Operating cash flows of $648 million; net debt position of $254 million
- Invested $951 million advancing growth strategy focused on long-life, low-cost assets in quality jurisdictions
- Entered into a Scheme Implementation Deed with BHP under which it is proposed that BHP would acquire 100% of the shares in OZL by way of a scheme of arrangement ("Scheme") for a cash price of A$28.25 per OZL share
    - Scheme Booklet expected to be sent to shareholders early March 2023; Shareholder Scheme Meeting expected to be held April 2023
    - OZ Minerals' Directors unanimously recommend shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of shareholders
    - OZ Minerals Board intends to declare a fully franked Special Dividend of $1.75 per share before the Scheme Meeting, conditional on the Scheme becoming effective and payable on the Implementation Date

OZ Minerals today released its Annual Report and Sustainability Review for the year ended 31 December 2022.

OZ Minerals Managing Director and Chief Executive Officer, Andrew Cole, said:

"2022 saw the OZ Minerals team end the year on a strong note after a challenging first half impacted by adverse weather, COVID-19 absenteeism, supply chain disruption and inflationary pressure. Despite the impact to production and costs, and a weaker copper price, we delivered net profit of $207 million on revenue of $1.9 billion.

"In 2022 we continued to invest in our growth projects with expansions advancing at Carrapateena and Prominent Hill and final investment approval to develop our fourth operating asset, the West Musgrave copper-nickel project in Western Australia.

"On 22 December we entered into a Scheme Implementation Deed ("SID") with BHP Lonsdale Investments Pty Ltd ("BHP"), a wholly owned subsidiary of BHP Group Limited, in relation to the proposed acquisition by BHP of all the issued shares in OZ Minerals for $28.25 per share by way of a scheme of arrangement subject to satisfaction or waiver of customary conditions. OZ Minerals' Directors unanimously recommend shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of shareholders.

"The Scheme Booklet, including the Independent Expert's Report, is expected to be sent to shareholders in early March 2023 with the shareholder vote currently expected to be held in April 2023."

The SID permits, subject to certain conditions, OZ Minerals to declare and pay OZ Minerals shareholders a Special Dividend prior to implementation of the Scheme. Prior to the Scheme meeting, the Board intends to declare a fully franked Special Dividend of $1.75 per share, such dividend conditional on the Scheme becoming effective. If the Scheme does become effective the Special Dividend will be paid on the date the Scheme is implemented to OZ Minerals shareholders who hold OZ Minerals shares on the Special Dividend record date. The Special Dividend record date will be three days before the Scheme record date, with both record dates currently expected to be in late-April 2023. In this respect if OZ Minerals declares and pays a Special Dividend of $1.75 per share, OZ Minerals shareholders registered on the record dates for both the Scheme and the Special Dividend will be paid $1.75 per share from OZ Minerals as a Special Dividend and $26.50 per share from BHP as Scheme consideration, for a total cash payment of $28.25 per share.

As BHP's proposed acquisition is in progress, this release and the accompanying Annual Report and Sustainability Review focus primarily on the achievements of 2022.

2022 Financial result overview:

Net revenue of $1,921 million, was lower than the previous year by $175 million mainly due to reduced sales volume and weaker copper prices. The realised $A copper price was seven per cent lower than the comparative period while the net $A gold price was seven per cent higher. Contained copper and gold sold during the year was lower than the comparative period by circa 2,900 tonnes and 40,200 ounces respectively. The lower gold volumes were mainly the result of the depletion of high-grade gold ore stockpiles at Prominent Hill in the prior year.

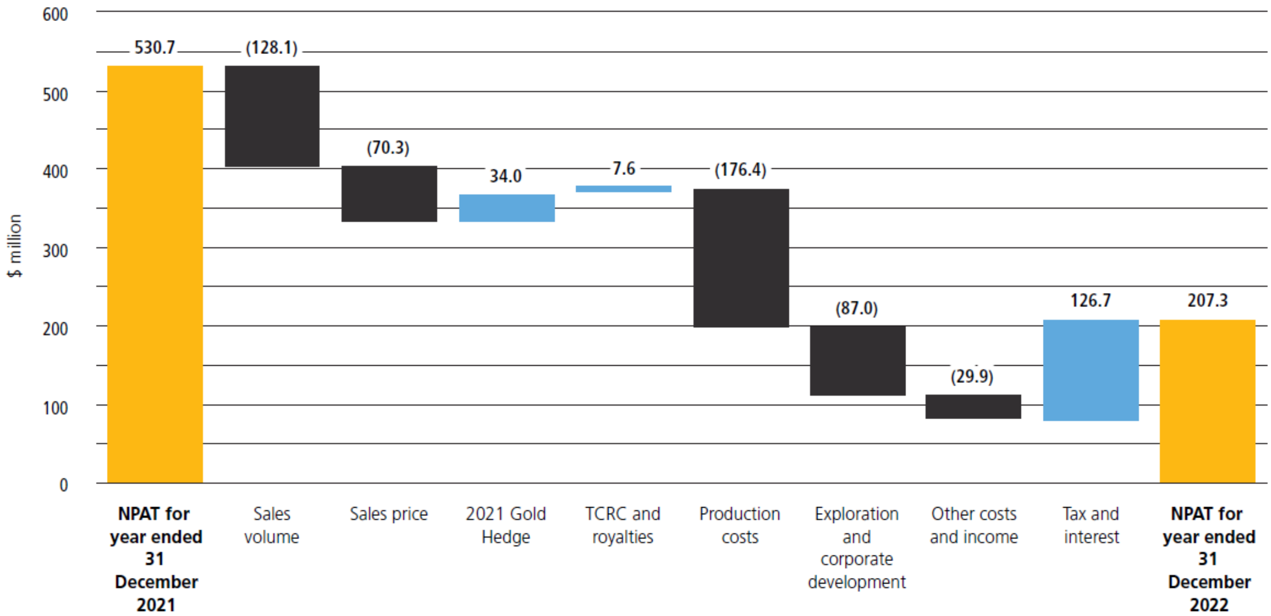
Total production costs of concentrate sold were $176 million higher than the comparative period. The increase reflects the challenging operating environment with the one-off disruptions in the first half, inflationary pressures felt industry wide, and additional labour and equipment requirements for production optimisation. An extreme weather event during the first quarter and isolated conveyor belt failures at Carrapateena led to an increase in mining costs with repairs to the Western Access Road and repairs to the materials handling system (including the mobilisation of additional underground fleet to truck material to surface). The impact of the downtime was partially offset by reduced power usage and running costs, together with opportune maintenance scheduling. Operating assets experienced COVID related disruptions and absenteeism requiring additional support from contractors, increased labour and equipment requirements for production optimisation, and industry wide inflationary pressures. These pressures included uplifts in hourly rates for both operator and maintenance crews due to interstate market demand and turnover rates and increases to diesel and utilities prices.

EBITDA of $693 million was lower than the previous year. The operating margin of 36% reflected the maintenance of a strong operating performance notwithstanding the challenging environment in the first half and the headwinds of a high inflationary environment. The second half demonstrated a much-improved production performance through programs implemented to address the disrupted first half, with progressively decreasing COVID absenteeism, a more continuous material flow and increased equipment availability leading to less constrained processing at Carrapateena, and Prominent Hill's underground operations providing higher copper grades and elevating plant performance.

During the year we invested $951 million in construction and expansion activities across all our operations as we implement our growth strategy, resulting in an increase to our property plant and equipment balances. The West Musgrave study progressed during the year with a positive final investment decision taken in September 2022. Construction of Prominent Hill's Wira Shaft mine expansion and Carrapateena's Block Cave expansion continues, with capital development and other related growth activities advancing throughout the year.

Net profit after tax (NPAT) of $207 million was lower than the strong $531 million result achieved in 2021, with lower realised AUD copper prices, lower production attributable to a number of one-off events in the first half of the year and the impacts of inflationary pressures and supply disruptions resulting in unfavourable unit costs.

Variance analysis – Net Profit After Tax for the period ended 31 December 2022



Inventories continued to decrease as the open pit ore stockpiles at Prominent Hill continue to supplement the higher-grade underground ore feed and maximise mill capacity. Inventories of $359 million at the end of the year had reduced by $50 million since 1 January 2022. Trade receivables increased due to timing of shipments.

After investment in brownfield and greenfield growth projects, the company ended the year with a net debt position of $254 million comprising cash of $137 million and borrowings of $391 million ($375 million drawdown on the corporate revolving credit facility, and $16 million drawdown on the West Musgrave syndicated term loan facility). The Group revolving credit facility was extended in May 2022 for a further five years, increasing the limit of the facility by $217 million to $700 million. In October 2022 the Group entered into a new $1.2 billion, 18-month syndicated term loan facility to support the development of the West Musgrave project.

Income Statement Summary ($M)	FY 2022	FY 2021	Variance
Net revenue	1,920.8	2,095.8	(175.0)
EBITDA	**692.7**	**1,162.4**	**(469.7)**
Net depreciation	(347.1)	(366.7)	19.6
EBIT	**345.6**	**795.7**	**(450.1)**
Net finance expense	(35.4)	(39.1)	3.7
Income tax expense	(102.9)	(225.9)	123.0
NPAT	**207.3**	**530.7**	**(323.4)**
Earnings per share (cents)	62.0	159.6	(97.6)

Balance Sheet Summary ($M)	December 2022	December 2021	Variance
Assets			
Cash	136.7	215.4	(78.7)
Receivables	296.0	236.5	59.5
Inventories	359.1	408.7	(49.6)
Property plant & equipment and Exploration assets	4,398.1	3,638.8	759.3
Right of use assets	739.8	733.6	6.2
Other assets	140.8	63.9	76.9
Total Assets	**6,070.5**	**5,296.9**	**773.6**
Liabilities			
Creditors	326.9	232.1	94.8
Tax liabilities	504.2	411.4	92.8
Provisions	130.2	139.5	(9.3)
Lease liabilities	754.6	743.9	10.7
Borrowings	390.6	-	390.6
Other liabilities	51.4	40.3	11.1
Total Liabilities	**2,157.9**	**1,567.2**	**590.7**
Net Assets	**3,912.6**	**3,729.7**	**182.9**

2023 Guidance:

2023 production and unit cost guidance remain unchanged since announced in the Fourth Quarter 2022 Report released in January 2023.

As advised in the January 2023 release, the decision was made for the West Musgrave Living Hub to be delivered under a design and construct model requiring ~$110 million capital funding, to be initially sourced from project contingency. The OZ Minerals Board has now approved an increase to the capital budget of $110 million to $1.81 billion (nominal) to reflect the inclusion of the Living Hub. The change in contracting strategy will result in a reduction to operating costs for the project of circa $170 million over 10 years. The West Musgrave 2023 capital guidance has been revised to $625-725 million to reflect timing of the expected spend and the revised capital budget.

GUIDANCE	2023				
	PROMINENT HILL	CARRAPATEENA	CARAJÁS	WEST MUSGRAVE	TOTAL
Copper Production (tonnes)	46,000-56,000	61,000-71,000	13,000-16,000		**120,000-143,000**
Gold Production (ounces)	105,000-115,000	75,000-85,000	11,000-13,000		**191,000-213,000**
Underground Ore Movement (Mt)	4.5-5.0	4.2-4.6	0.7-0.9		
Sustaining Capital Expenditure (A$M)					
- Mine Development	10-15	18-23	8-10		**36-48**
- Site	36-46	18-23	2-4		**56-73**
Growth Capital Expenditure (A$M)					
- Mine Development	80-90	48-58	13-18		**141-166**
- Other	220-240	205-230	25-30	625-725 *(575-675)*	**1,075-1,225** *(1,025-1,175)*
AISC (US c/lb)[1]	240-260	140-160	205-230		**187-207**
C1 Costs (US c/lb)[1]	170-185[2]	105-120[2]	140-160		**133-153**
Exploration (A$M)					**20-30**
Project studies to next stage gate (A$M)					**90-100[3]**

Note: Changes to guidance reflect updates in this announcement. Figures in brackets denote previously issued guidance.

1 Average AUD/USD exchange of 0.72 has been used in converting A$ costs to US$ and assumed gold price of US$1,750/oz for C1 and AISC guidance.

2 Australian dollar denominated costs benefit by ~US3.5c per US1c reduction in the AUD/USD exchange rate.

3 Reflects anticipated expenditure on Board approved studies to their next milestone. It is expected ~70% 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.

This announcement is authorised for market release by OZ Minerals' Board.

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