



Carrapateena Pre-Feasibility Study

7 November 2016



A modern
mining company

Disclaimer

Forward looking statements

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Compliance Statements



Carrapateena Production Targets Cautionary Statement

Production targets for Carrapateena are based on:

Probable Reserve:	91%
Inferred Resource:	9%

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 indicated 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 production targets and financial information in this release are based on a Pre-Feasibility study.

Carrapateena Resource and Reserve Statements

The information in this presentation that relates to the 2015 Carrapateena Restated Mineral Resource is extracted from the document entitled "Carrapateena Restated 2015 Mineral Resource Statement as at 17 October 2016" announced on 07 November 2016. The announcement is also available on the Company's website.

The information in this presentation that relates to the 2016 Carrapateena Ore Reserve is extracted from the document entitled "Carrapateena Ore Reserve Statement as at 20 October 2016 " announced on 07 November 2016. The announcement is also available on the Company's website.

Pre-Feasibility study

The information in this presentation that relates to the Pre-Feasibility study is detailed in the document entitled "Carrapateena Sub level Cave Pre Feasibility Study – Executive Summary" and the release entitled "Confidence in Carrapateena Project grows" announced to the market on 07 November 2016.

Compliance Statements

Carrapateena Mineral Resource estimates

Information in this presentation that relates to the:

- Mineral Resource estimate for Carrapateena as at November 2013 is extracted from the announcement entitled 'Annual Carrapateena Resource Update 2013' released on 28 November 2013 available at <http://www.ozminerals.com/media/annual-carrapateena-resource-update-2013>;
- High Grade Carrapateena Mineral Resource estimate is extracted from the announcement entitled 'Carrapateena Update' released to the market on 6 October 2015 and available at <http://www.ozminerals.com/Media/docs/151006-Carrapateena-High-Grade--Explanatory-notes-1503c513-d142-485c-8a51-52b3c24ad7bc-0.pdf>; and
- Scoping Study is detailed within the 'Carrapateena: a clear and compelling path to value' announcement released to the market on 26 February 2016 and is available at http://www.ozminerals.com/uploads/media/ASX_Carrapateena_release_and_presentation.pdf

Except for the release of announcements relating to Carrapateena on 07 November 2016, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements above and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Khamsin Mineral Resource estimate

The information in this presentation that relates to the Khamsin Mineral Resource as at 23 March 2014 is extracted from the report entitled "Khamsin Mineral Resources Statement as at 23 March 2014" which was released to the market on 26 May 2014 and is available to view on www.ozminerals.com/operations/resources--reserves.html.

The Company 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. The Company 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.

OZ Minerals Strategy

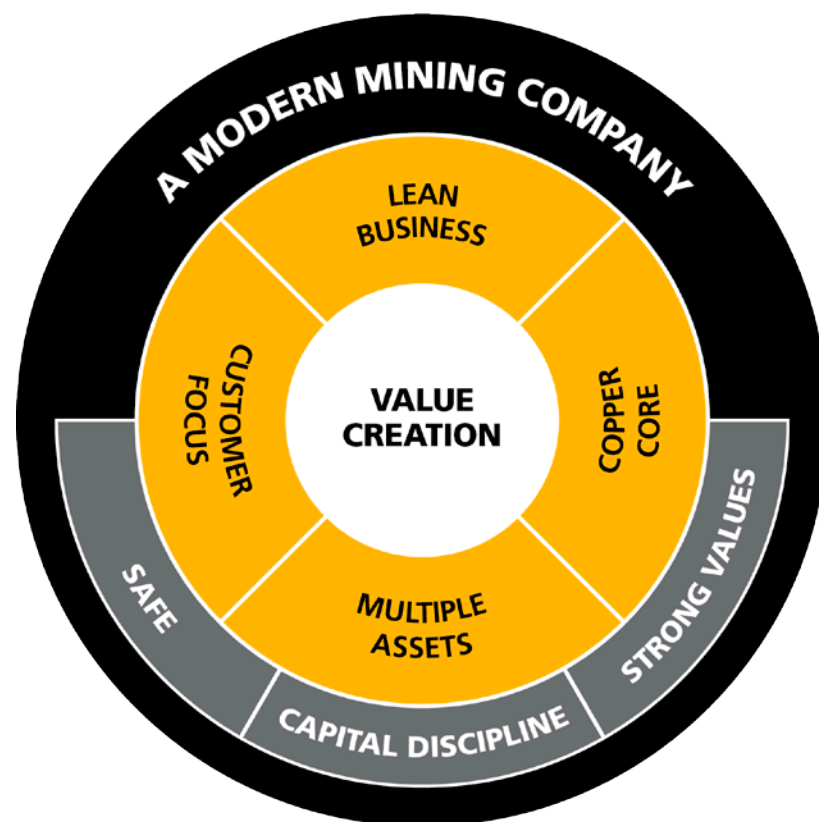
Carrapateena – Delivering on our growth strategy

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 of copper with base metals and gold opportunistically pursued.
- **Multiple assets** – Build and maintain a portfolio of valuable, risk managed cash generating assets.



OZ Minerals Portfolio

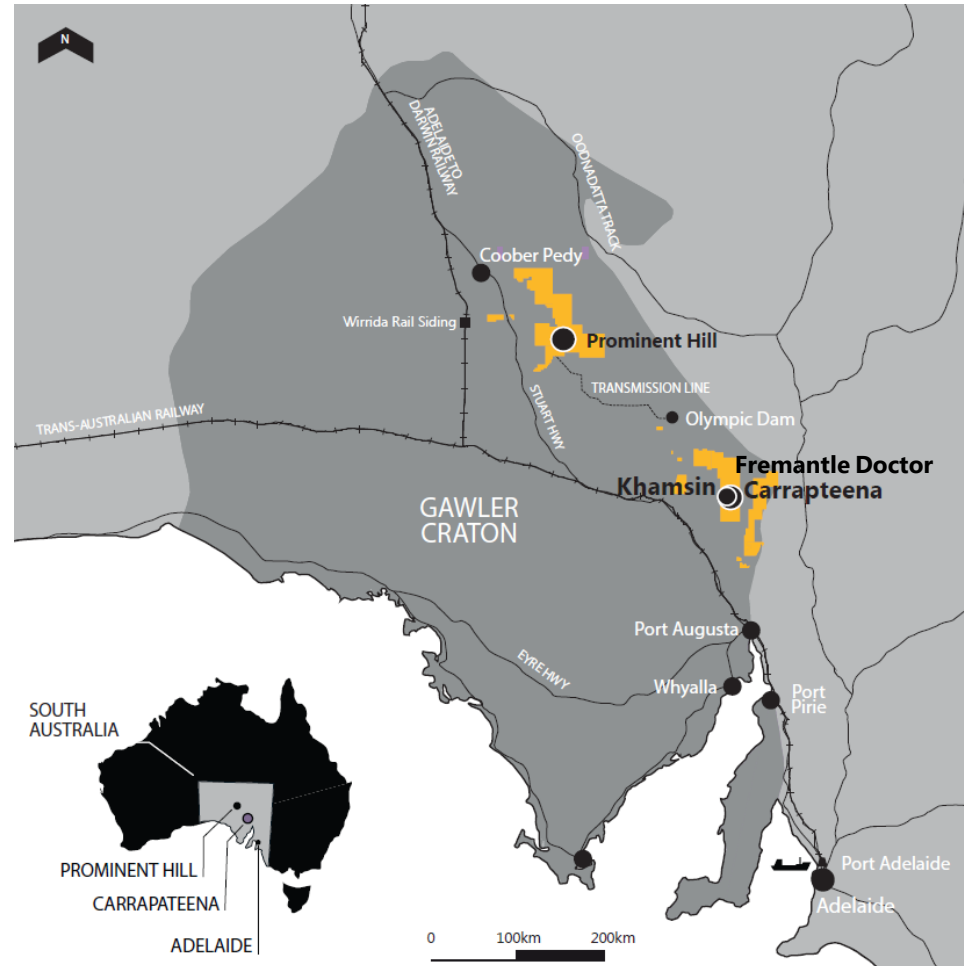
Operations, Projects and a Growing Pipeline of Opportunities

PROMINENT HILL	CARRAPATEENA	WEST MUSGRAVE	GROWTH Gawler Craton	GROWTH Pipeline
OP AND UG MINING	LOW RISK JURISDICTION	ESTABLISHED RESOURCE	KHAMSIN	ELOISE
STRONG CASH GENERATION	20+ YEAR UG MINE LIFE	SCOPING STUDY COMMENCED	FREMANTLE DOCTOR	MOUNT KEITH
BOTTOM QUARTILE COSTS	BOTTOM QUARTILE COSTS	OPEN PITTABLE	MOUNT WOODS	COOMPANA
ROM STOCK UNWIND 2018-2022	RAPID PAYBACK	LOW STRIP RATIO		M & A
RESOURCE TO RESERVE CONVERSION	HIGHEST GRADE Cu CONCENTRATE GLOBALLY	REGIONAL EXPLORATION OPPORTUNITIES		
LIFE INCREASING	EXPANSION OPTIONALITY			

Gawler Craton Overview

Carrapateena Mineral Province

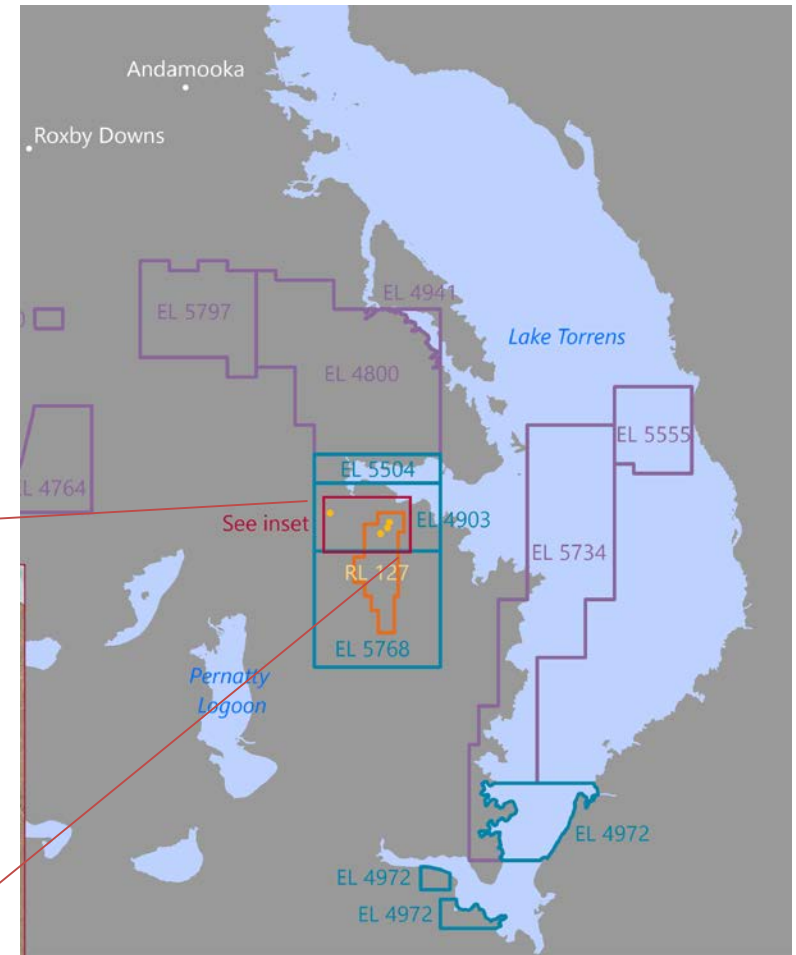
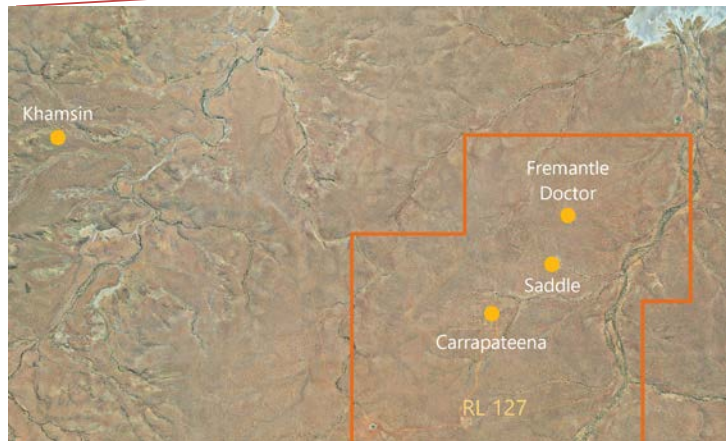
- / Stable low risk jurisdiction in the Gawler Craton region
- / Home to 68% of Australia's and 14% of the world's known copper resources
- / IOCG Resources have significantly higher copper grades than global average
- / Carrapateena location is highly prospective for additional resources, including known mineralisation at Khamsin and Fremantle Doctor
- / Carrapateena PFS represents the first stage of a potentially much broader regional development



Carrapateena Mineral Province

District optionality not included in Carrapateena PFS base case

- / Future expansion options retained for remaining Carrapateena Resource
- / Exploration tenements surrounding Carrapateena to potentially add value to project:
 - **Khamsin** (202Mt @ 0.6% Cu, 0.1g/t Au*) is 7km from Carrapateena
 - Test work confirms ore could be processed through the Carrapateena process plant
 - **Fremantle Doctor** is 2km from Carrapateena
 - Will be accessible via Carrapateena underground infrastructure



Carrapateena PFS Financial Summary

Economically Compelling Option Confirmed

- / AT CONSENSUS PRICING (unlevered, post-tax):
 - NPV_{9.5} of \$820 million; IRR circa 21%
 - NPV_{9.5} of \$770 million; IRR circa 20% including deferred vendor payment of US\$50 million
 - Assumptions: LOM copper US\$2.87/lb; gold US\$1,226/oz; US/AUD – 0.75
- / ~\$830 million pre-production capital cost excluding Concentrate Treatment Plant (CTP) (including owner's cost and contingency)
- / ~\$150 million off-site CTP
- / ~\$10.6 billion total revenue over LOM
- / ~\$5.2 billion projected net pre-tax cash flow including capital expenditure
- / Estimated Project payback by 2023, four years after commencing production
- / Total costs from July 2016 to March 2017 forecast to be \$84 million
- / Project can be funded from existing cash balance and cash flows with dividend policy maintained
- / Feasibility study expected to be bankable

Carrapateena PFS Production Summary

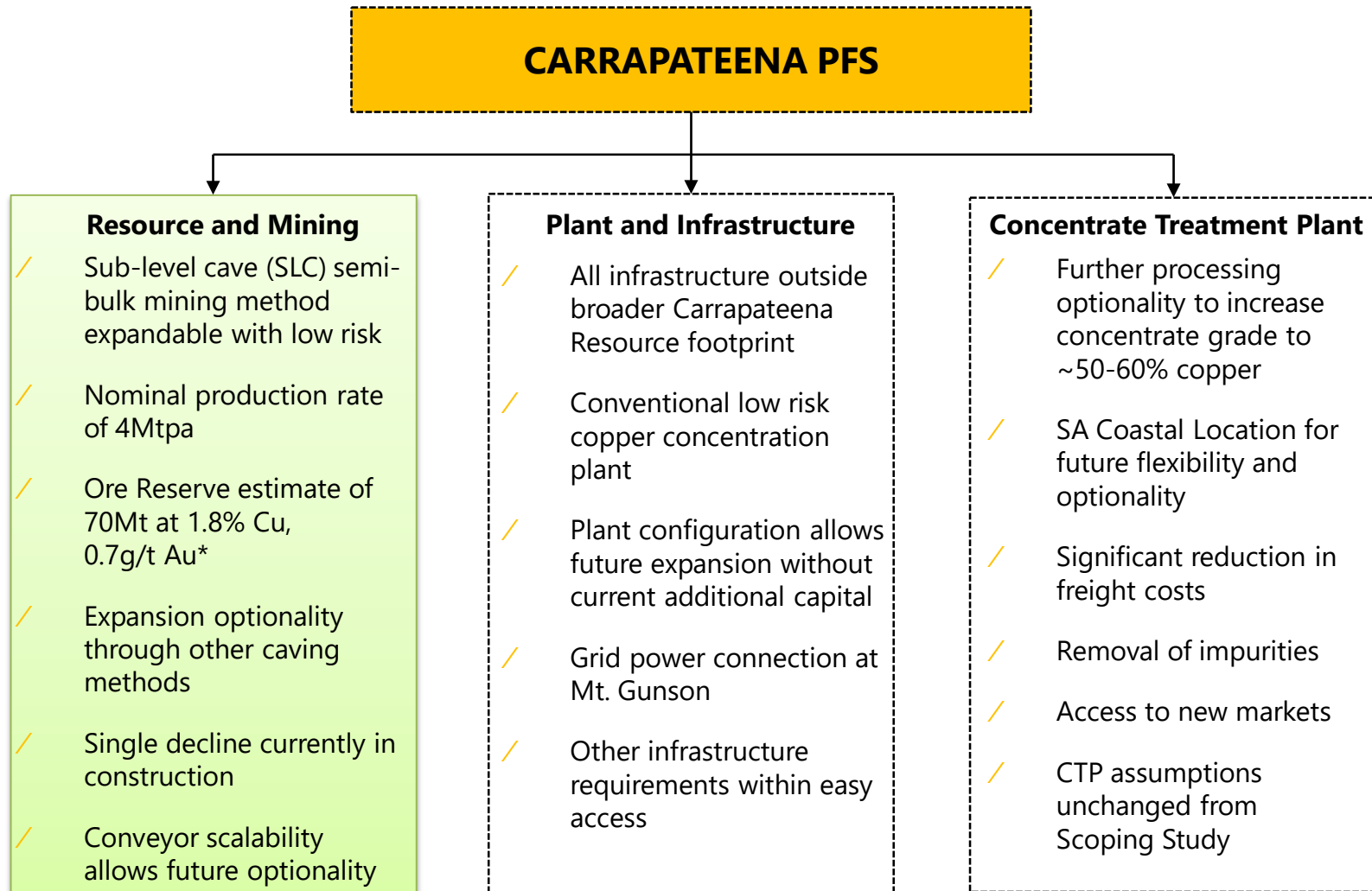
Low Technical Risk Option Confirmed

- / Estimated Average annual production rate raised to 61Kt of copper and 63Koz of gold*
- / Production Years 1-3: ~ 66Kt of copper and 82Koz of gold*
- / Mine life of over 20 years from a plant operating at a production rate of 4Mtpa
- / Bottom quartile production costs:
 - LOM AISC of US\$0.92/lb copper
 - LOM C1 costs US\$0.82/lb copper
- / Minerals processing plant featuring high metal recoveries of ~91% and ~73% for copper and gold respectively
- / Optionality to expand mining operations given region is highly prospective for additional resources
- / Project build while construction costs are low in sector

*These production targets must be read in conjunction with the production cautionary statement on slide 3

Carrapateena PFS Scope

Three Separate Work Packages



Resource and Mining

Tjati Decline construction has commenced and is on Schedule



- / Partnering Agreement signed with Traditional Owners, the Kokatha people
- / Tjati Decline officially opened by Premier of South Australia Jay Weatherill
- / Tjati Decline on schedule and now 120 metres advanced
- / Release of the Carrapateena Pre-Feasibility Study today marks another major milestone

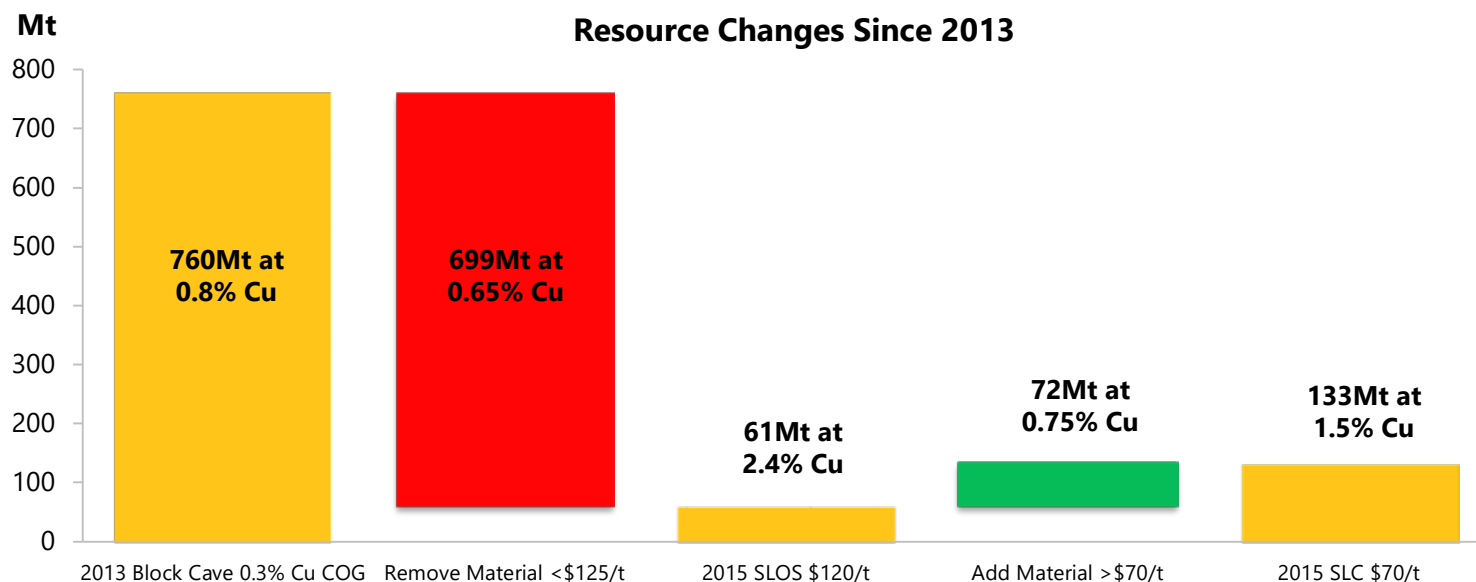
Resource and Mining

Mineral Resource JORC Compliant

Carrapateena Resource statement reconciliation*

- / 2013 Carrapateena Resource Statement for a Block Cave Mining Method
 - 760Mt @ 0.8% Cu, 0.3g/t Au utilising a 0.3% Cu COG
- / 2015 Carrapateena Resource Statement for a Sub Level Open Stope mining Method
 - 61Mt @ 2.4% Cu, 0.9g/t Au utilising a \$125 NSR COG
- / Restated 2015 Carrapateena Resource statement for a Sub Level Cave Mining Method
 - 133Mt @ 1.5% Cu, 0.6g/t Au utilising a \$70 NSR COG

Basis of
PFS



Resource and Mining

Ore Reserve JORC Compliant

- / The Ore Reserve as at 20 October 2016 is underpinned by the Restated 2015 Mineral Resource as at 17 October 2016 containing 133Mt at 1.5% Copper and 0.6g/t Au*
- / Ore Reserve includes:
 - Lower grade ore recovered as development
 - Lower grade dilution from overlying rocks, wall rocks surrounding the cave and internal dilution captured within the mine design envelope

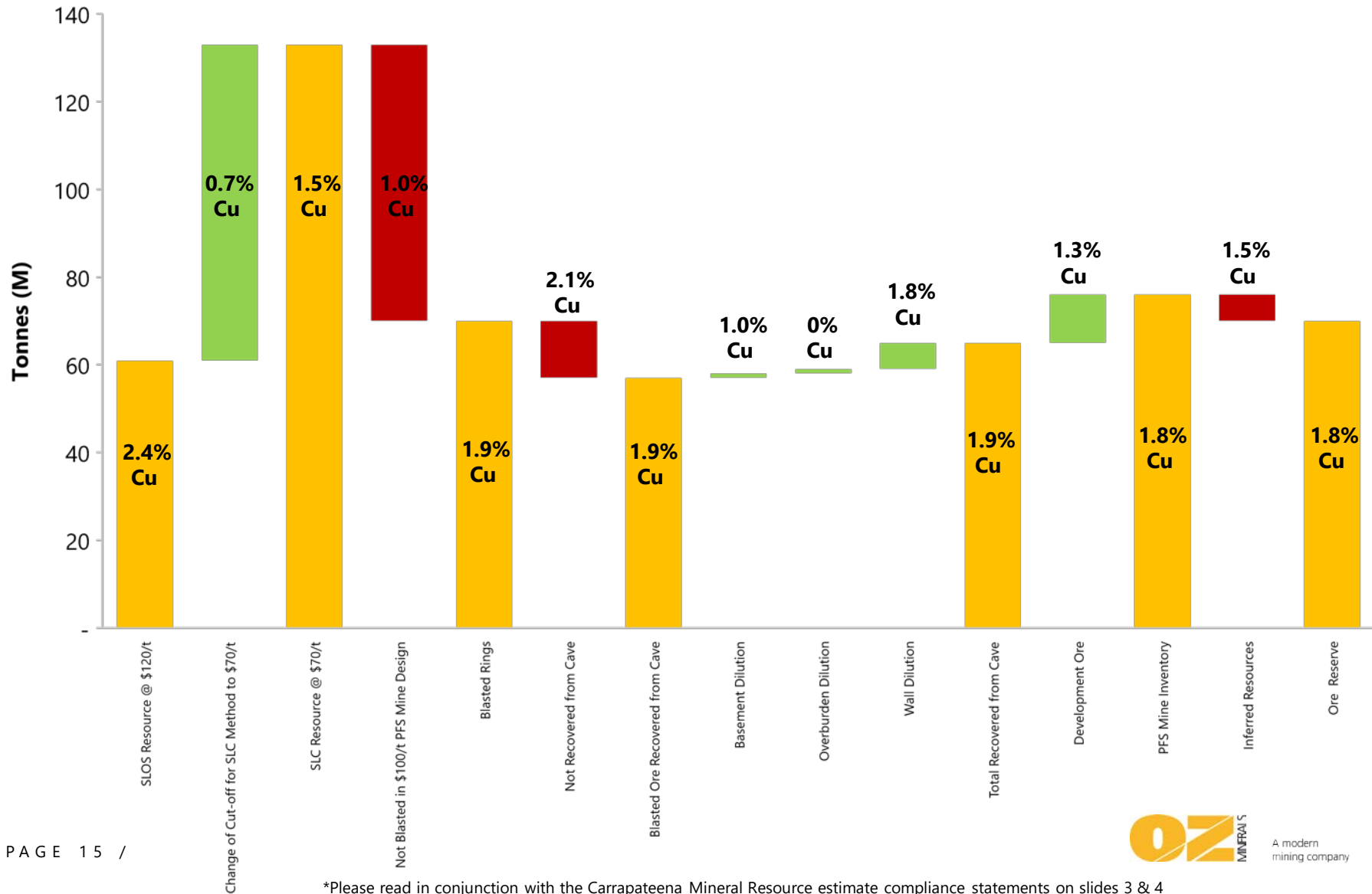
2016 Carrapateena Ore Reserve*

Classification	Ore (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (Moz)
Proved	0	0	0	0	0	0	0
Probable	70	1.8	0.7	8.4	1,300	1,700	19
Total	70	1.8	0.7	8.4	1,300	1,700	19

*Please read in conjunction with the Carrapateena Mineral Resource estimate and Ore Reserve compliance statement on slide 3

Resource and Mining

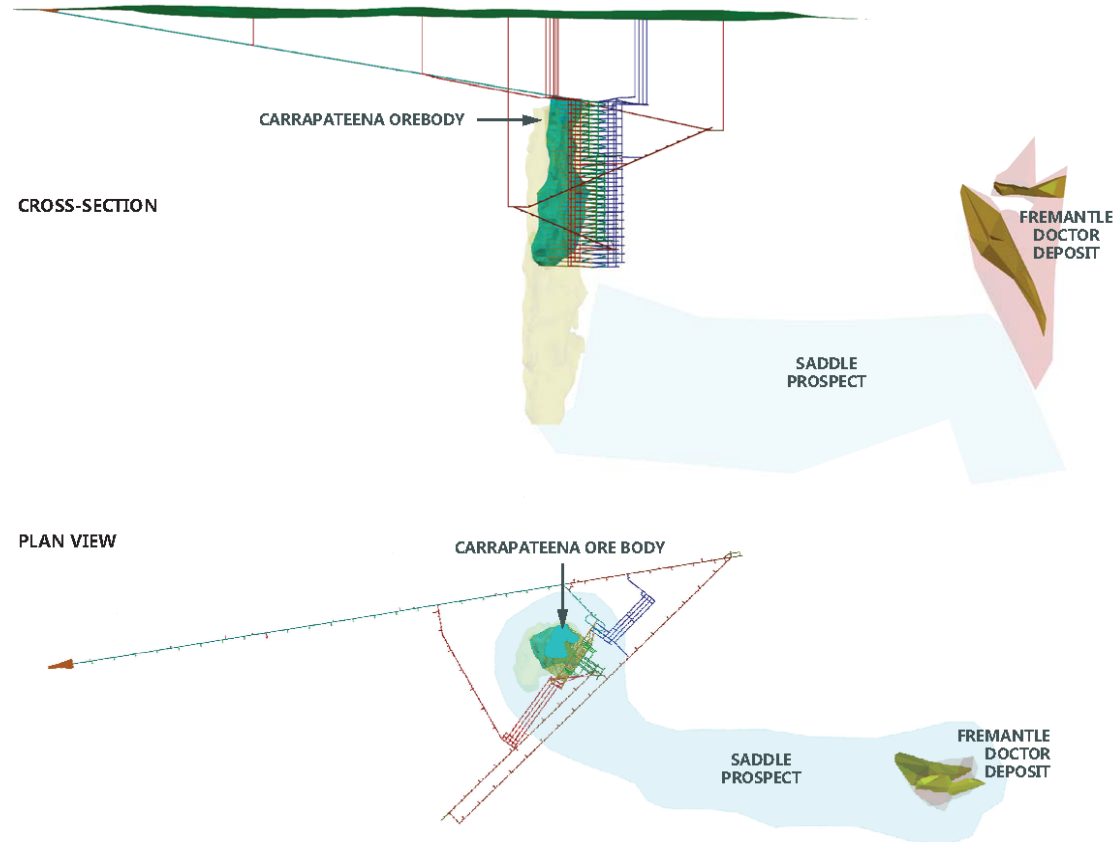
Changing Resource / Reserves 2015-2016*



Resource and Mining

Mine Operation Overview

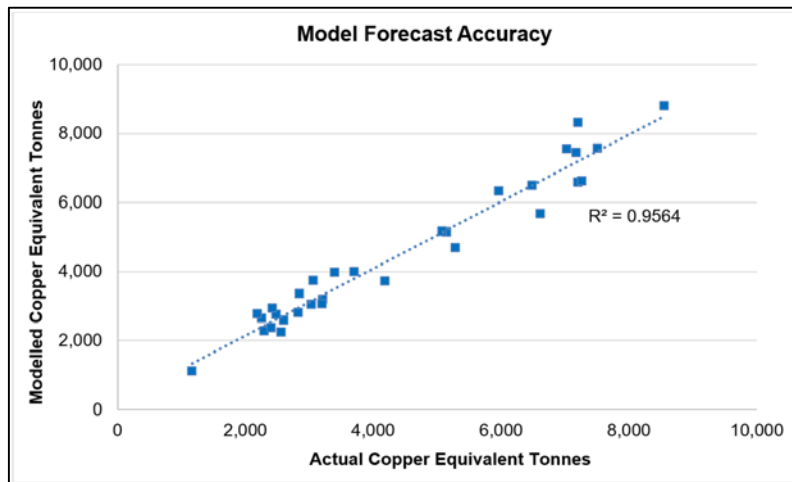
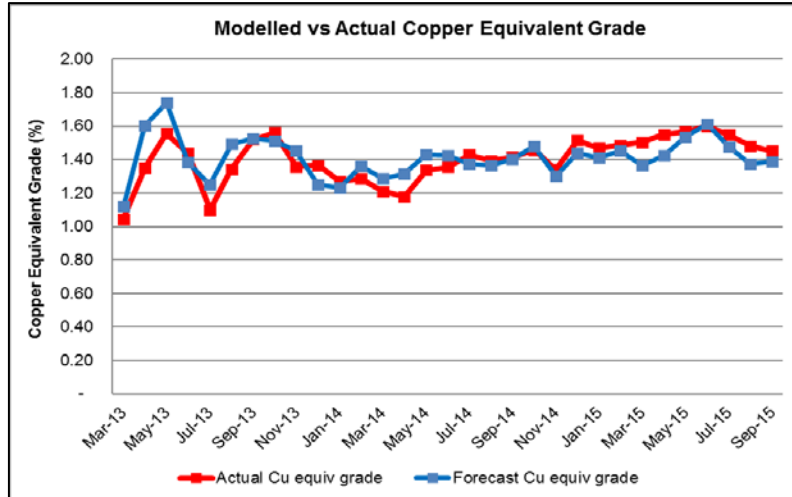
- / Mine accessed via a single decline
- / Mining commences at top of orebody
- / Sub-levels spaced at 25m intervals are developed progressively downwards
- / On each sub-level, ore is broken by drilling and blasting
- / Initial truck haulage of waste and ore to surface waste and ore stockpiles
- / Production ore transported from underground crushers via roof-mounted conveyor in the decline
- / Concentrate production via conventional grinding and flotation plant
- / Concentrate loaded into half height shipping containers and trucked to CTP or customers, similar to current arrangements for Prominent Hill



Resource and Mining

Mining - Sub Level Cave Dilution - PFS

Cellular Automata success example - used at Ernest Henry*

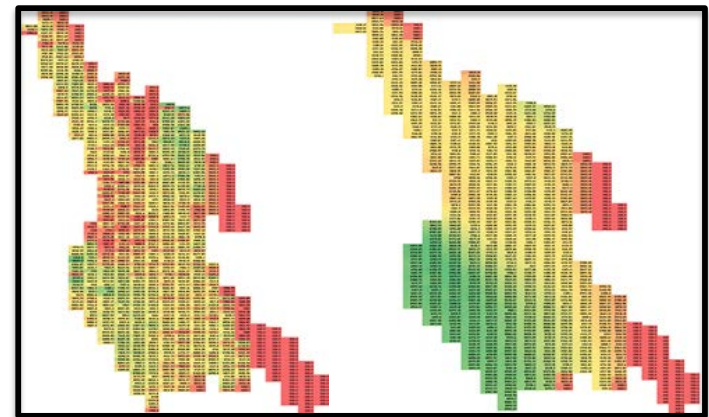


*Campbell, A and Power, G 2016. "Increasing NPV by a third at an operating SLC mine using draw strategy optimization" *Proc. Massmin 2016 Conference*, Sydney

PFS Dilution estimation – Benchmark Best Practice modelling Utilised

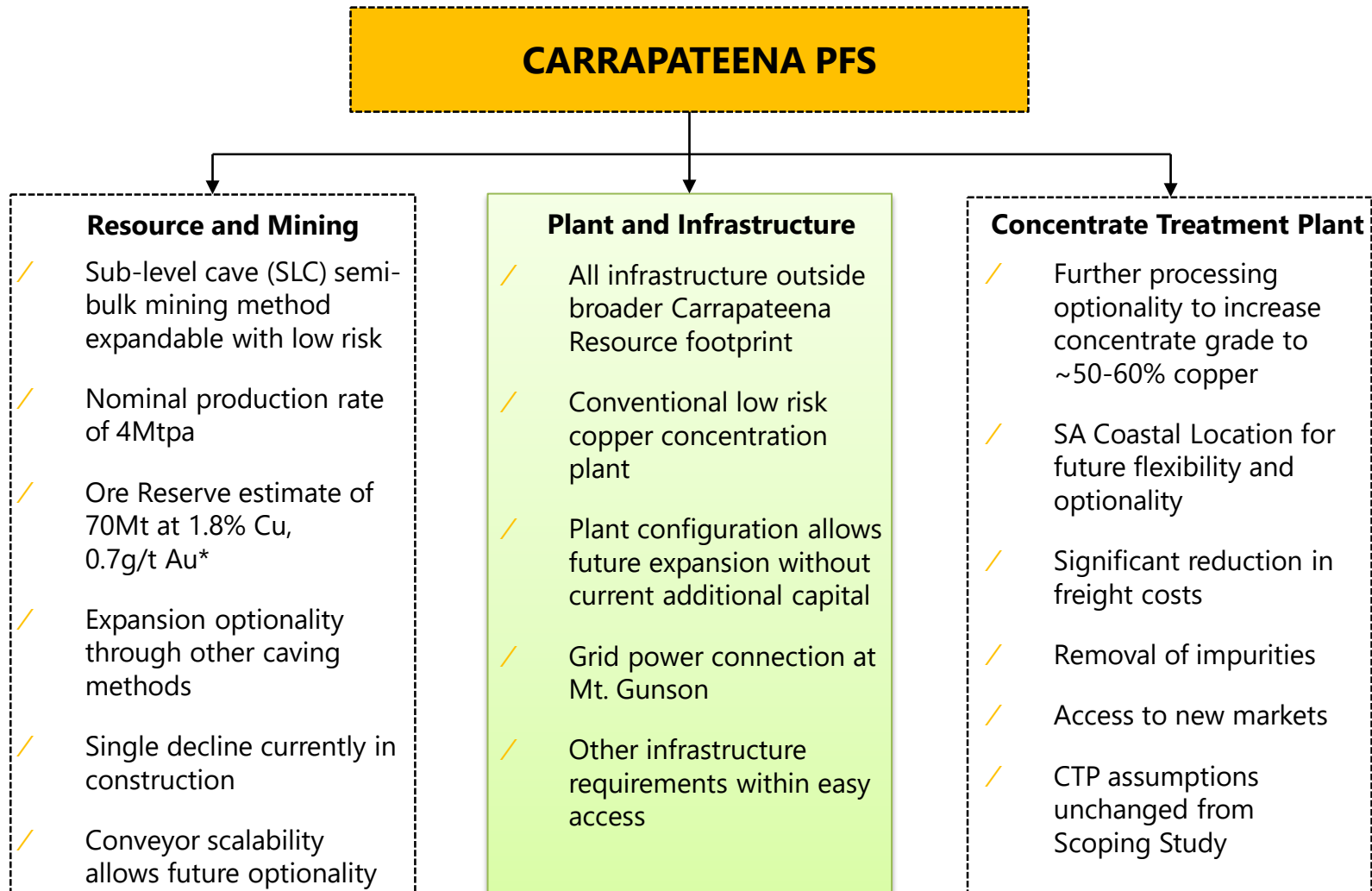
- Draw Strategy – Optimised tonnage draw per ring fired to achieve the required cut-off grade
 - Operational discipline easy to maintain
 - The model breaks the resource into 1.25m trackable blocks, Cellular Automata Cave Flow Modelling
 - Each block is continually tracked through the cave zone
 - Tonnage draw per ring is smoothed to maintain the required broken ore blanket, Dilution Blanket, above the working sub level, eliminates preferential waste draw
- Simulation resulted in a draw of 91% of blasted tonnes and 88% metal recovery compared to 110% / 85% assumed in the scoping study

Carrapateena 4010 Level Footprint



Carrapateena PFS Scope

Three Separate Work Packages



Plant and Infrastructure

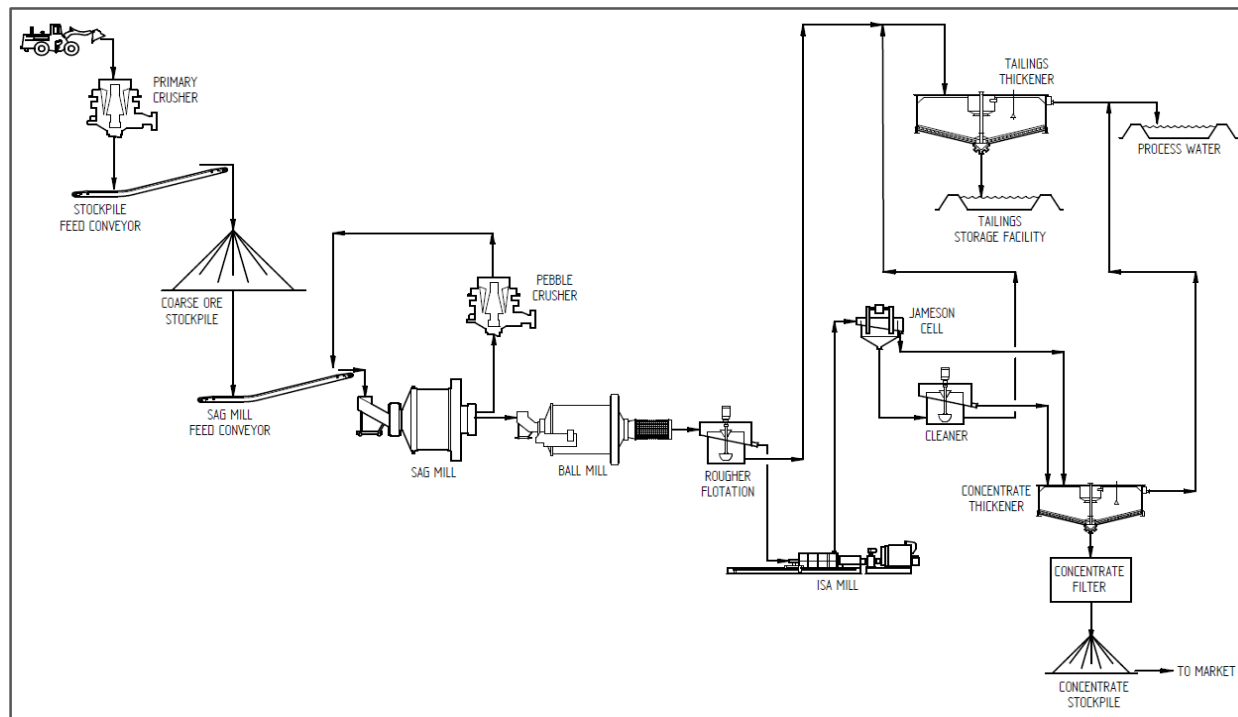
Overview

Area	Sub-Area	Feature	Remarks
Processing	Product	Copper and gold in concentrate	
	Production rate*	Estimated average of 61,000 tonnes copper and 63,000 ounces gold per year Life of Mine	A high grade copper concentrate at ~30 – 40% copper upgraded to ~50 - 60% through the proposed offsite CTP
	Comminution	SAG Mill, Ball Mill and Pebble Crushing	
	Flotation	Rougher flotation followed by three-stage cleaning	Including fine grinding (IsaMill) circuit
Tailings	Tailings disposal	Valley fill thickened tailings storage facility	
Waste Handling	Putrescible, Recyclable, Hydrocarbon and Other Waste Handling	Facilities for each, segregated and located on site	
Infrastructure	Power	132 kV, 55 MW High Voltage connection to SA grid with onsite generation	Connection point near Mt Gunson Sub Station adjacent Stuart Highway
	Water	Borefield Supply	Mix of water from project wellfield located 40 km north-west of plant site and local bores
	Access Road	New access road approx. 50 km to Stuart Highway	Largely following new High Voltage Transmission Line alignment
	Village	450 person	Re-use of some existing facilities from PH

Plant and Infrastructure

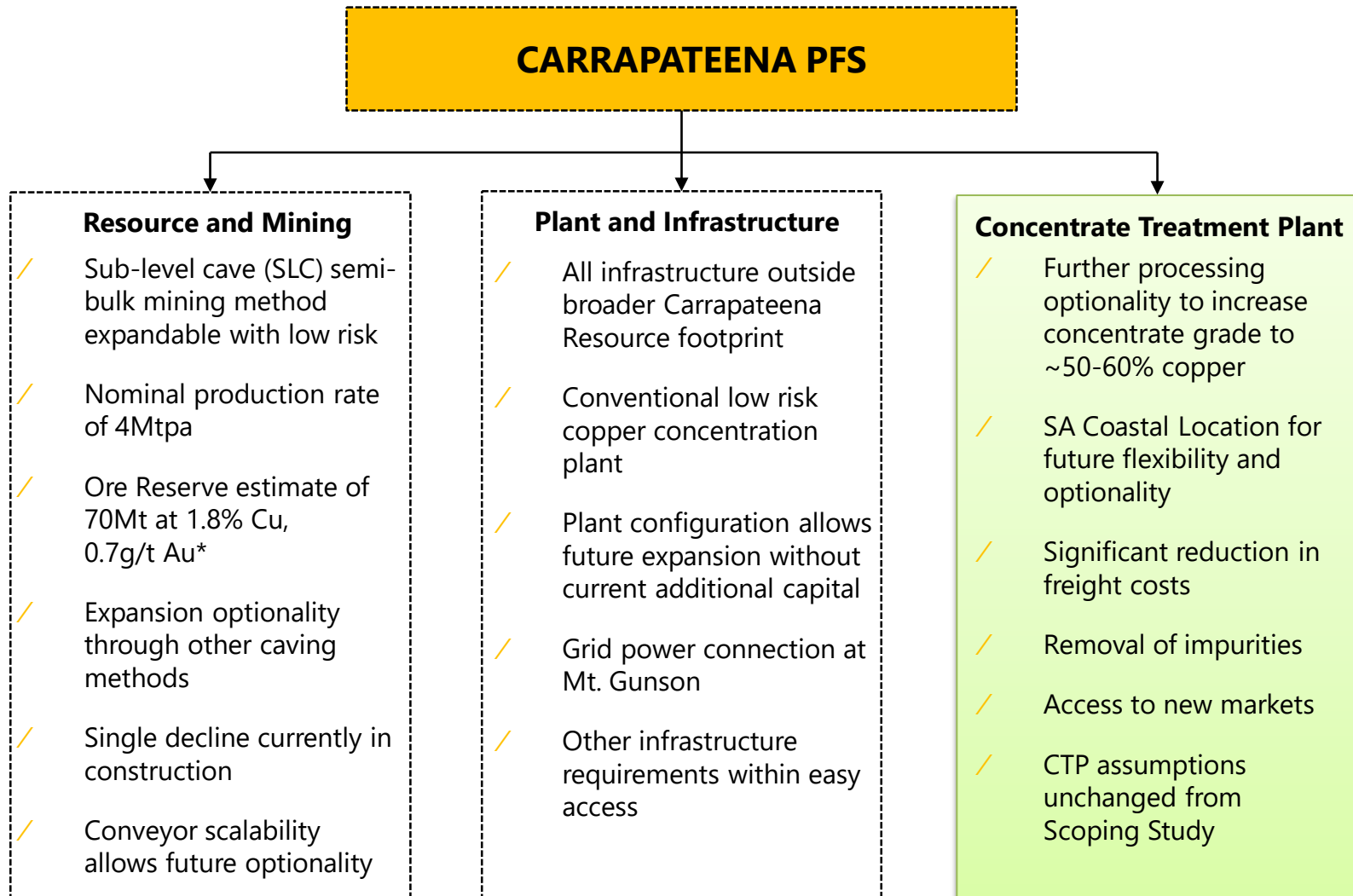
Simplified Process Flowsheet

- / Conveying, stockpiling and reclaiming of crushed underground ore
- / Grinding in an SABC (SAG Mill, Ball Mill and Pebble Crusher) in closed circuit with cyclones producing a grind size P80 of 75 μm
- / Recovery in a flotation and regrind circuit
- / Thickening and filtering of the concentrate
- / Stockpiling of the filtered concentrate in the concentrate storage shed prior to placement in containers for storage and load-out
- / Thickening of tailings in a Hi-rate thickener and pumping to the tailings storage facility (TSF)



Carrapateena PFS Scope

Three Separate Work Packages



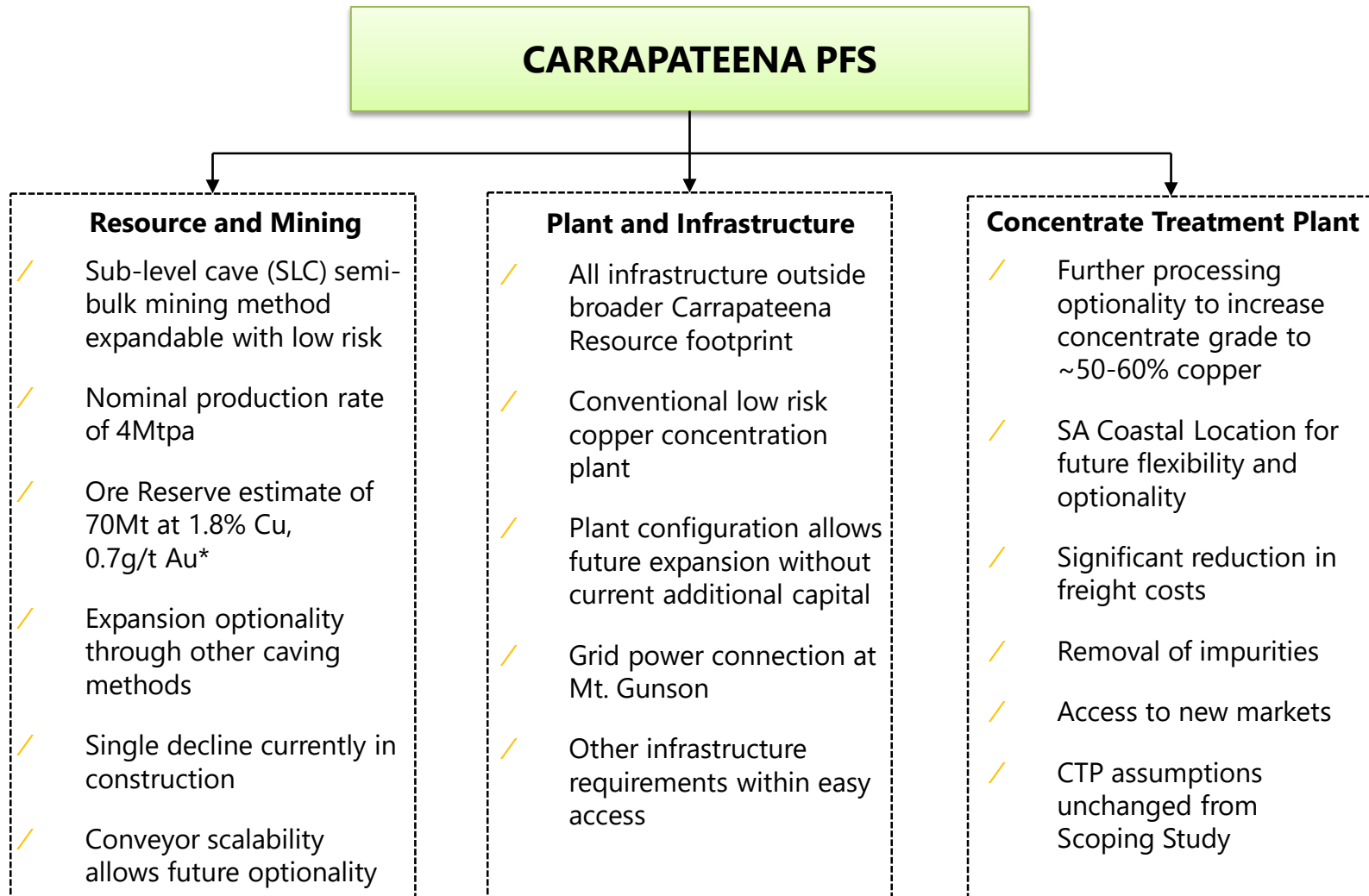
Concentrate Treatment Plant (CTP)

Benefits and Location

- / In conjunction with Carrapateena, a CTP is proposed to be located off site to further process copper concentrate to increase the grade and reduce impurities
- / This process will:
 - Produce a high quality concentrate with a premium copper content of ~50-60%
 - Open new markets with a clean concentrate that will not attract penalties
 - Reduce freight and downstream processing costs
 - Improve regulatory risk profile and provide optionality into the future
- / Average annual production of over 100,000 dry metric tonnes of copper concentrate post treatment
- / Several locations identified in the Spencer Gulf region
 - Key criteria are ease of access, services infrastructure and open port
 - Discussions continue with Arrium administrators over long-term access rights to site and port at Whyalla
- / CTP undergoing parallel evaluation process to be released with Carrapateena Feasibility study in 2017

Carrapateena PFS Scope

Three Separate Work Packages



Carrapateena Project SS to PFS Progression

Scope confirmed with robust returns and key risks managed

Timeframe	May 2016	October 2016	
Scope	4Mtpa SLC	4Mtpa SLC	—
Definition	SS (-5%+20%)	PFS (-4%+11%)	↑
CAPEX	~\$975M	~\$980M	—
NPV _{9.5} (consensus)*	\$800M	\$820M	↑
IRR (consensus)*	24%	21%	↓
LOM Production	53Kt Cu / 53Koz Au**	61Kt Cu / 63Koz Au**	↑
LOM C1 Cost	~US \$0.90/lb	~US \$ 0.82/lb	↓
CTP Production	~150Ktpa	~150Ktpa	—
Geotechnical	SLC	SLC Decline Underway	↑
Funding	Cash & CF	Cash & CF	—
Land Access	Kokatha Partnership	Kokatha Partnership	—
Approvals	ML Docs Prepared	Community Consult	↑
Power	55MW; CTP Offsite	Negotiations Underway	↑
Water	8ML/day	8ML/day 5ML/day local source	↑

* NPV / IRR calculations exclude one-off deferred acquisition payment to RMG/Teck of US\$50M

**These production targets must be read in conjunction with the production cautionary statements on slide 3 & 4

Carrapateena Threats

Mitigation Actions in Place for Key Threats

Identified Threat	Mitigation
Water	<ul style="list-style-type: none">/ Targeting 8ML/day for production; 5ML/day identified, but dispersed and some is hypersaline/ Current work targeting sufficient water for construction - 10 additional holes planned before end of Q1 2017/ Focus on understanding potential to use hypersaline water which is relatively plentiful along the edge of Lake Torrens/ Potential impact of using hypersaline water is a reduction in recoveries, increased maintenance costs and additional capital to manage corrosion
Power	<ul style="list-style-type: none">/ 55MW now confirmed; access to corridor for installation to be finalised/ Indicative alignment established and line route being designed including pole locations, allowing progression of localised cultural surveys/ Negotiation of Transmission Connection Agreement (Full Load TCA) has commenced for the substation at Mount Gunson/ Ownership models (BOOM, BOO) for the line from the substation to site to be investigated through feasibility study - ownership of power line not considered core business

Carrapateena Opportunities

Opportunities to be explored during FS

Processing

- / Processing plant cost can be reduced through further rationalisation of design criteria and consideration of risk profile / expandability
- / Competitive EPC process is expected to return improvements relative to PFS estimates
- / CTP concentrate may attract a premium and open up new markets such as Japan and Korea

Infrastructure

- / The market for supply of infrastructure remains in oversupply and opportunities exist to source materials and services at rates lower than assumed in the PFS
- / Opportunity to build in cost saving synergies given proximity of Prominent Hill
- / Rationalising spares and maintenance services through the use of a virtual warehouse concept, sharing of critical spares with Prominent Hill to reduce CAPEX and OPEX

Mining

- / Installation of a temporary crusher higher up in the decline could accelerate ramp up
- / No additional capital required as a temporary crusher has been allowed for on the surface during early trucking

Carrapateena Cash Flow Summary

Net LOM Cash Flows Improved

Estimated average Cash Flow (2020 - 2025)	\$ Million
Net Revenue	583
Net Costs	(192)
Operating Cash Flow	391
Total Capital	(61)
Cash Flow Pre-Tax	330
Tax	(80)
Net Cash Flow	250

/ Compared to the scoping study, LOM the project has estimated:

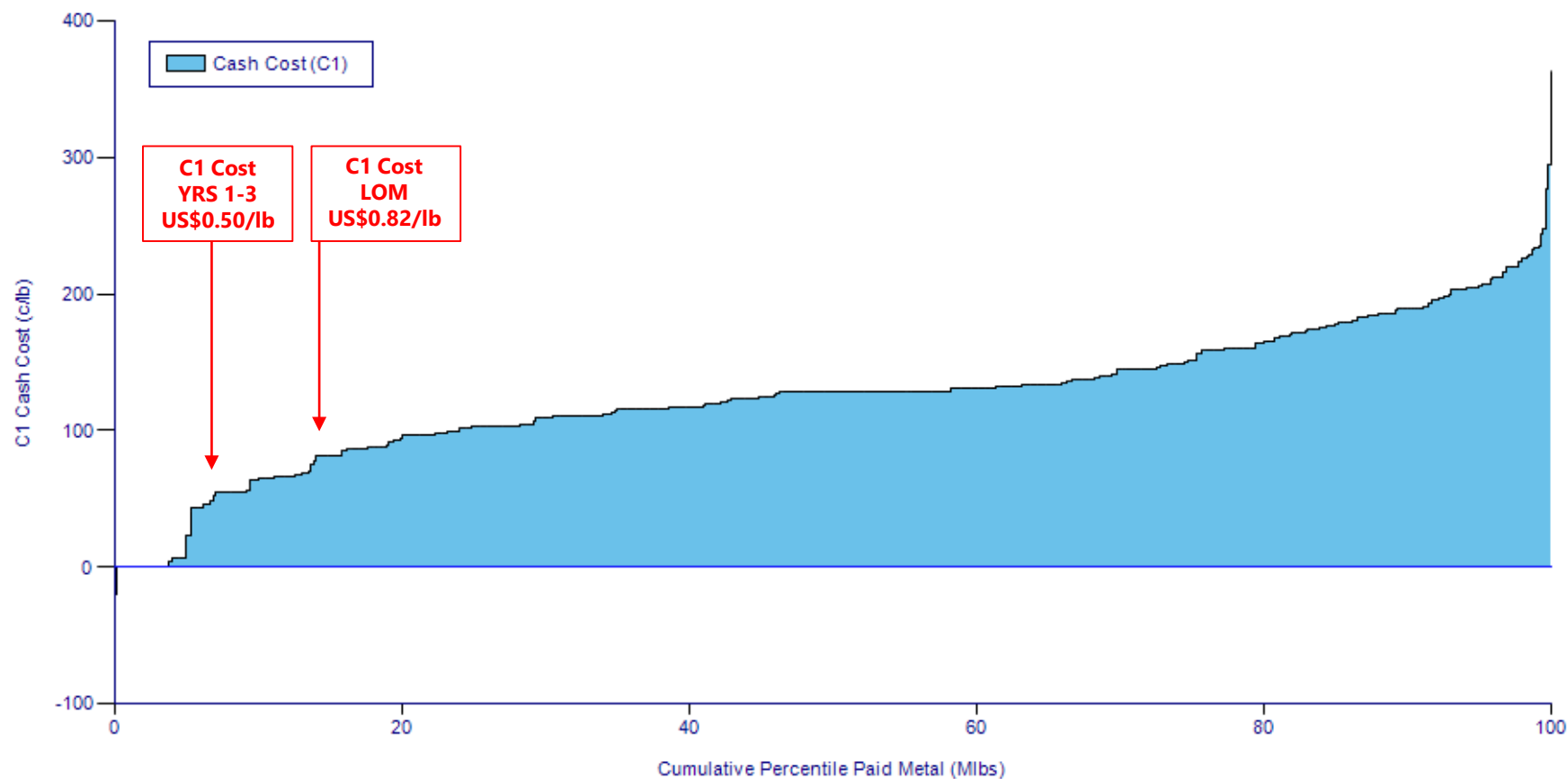
- Higher \$280 million in revenue
- Lower \$100 million in sustaining capital costs
- Lower \$70 million in operating costs and
- Additional \$50 million in taxes on higher income

- / LOM net cashflows improved significantly compared to the scoping study estimates mainly due to higher sustained copper and gold grades expected through the LOM
- / Estimated average net cashflows of \$250 million in the first five years of commissioning takes into consideration installation of the conveyor and underground crushers
- / Payback period ~4 years from commissioning
- / Opportunity to install a temporary underground crusher earlier than the permanent installation to accelerate ramp up of revenue
- / Preproduction capex accelerated primarily in 2018 with refinement to work schedules to complete construction by mid 2019
- / Sustaining capex profile better reflects expectation of development and maintenance expenditure

Resource and Mining

LOM C1 costs well within lowest quartile

2016 Copper Mine, Composite, C1 Cash Cost
Grouped By Mine and Ranked By Cash Cost (C1)

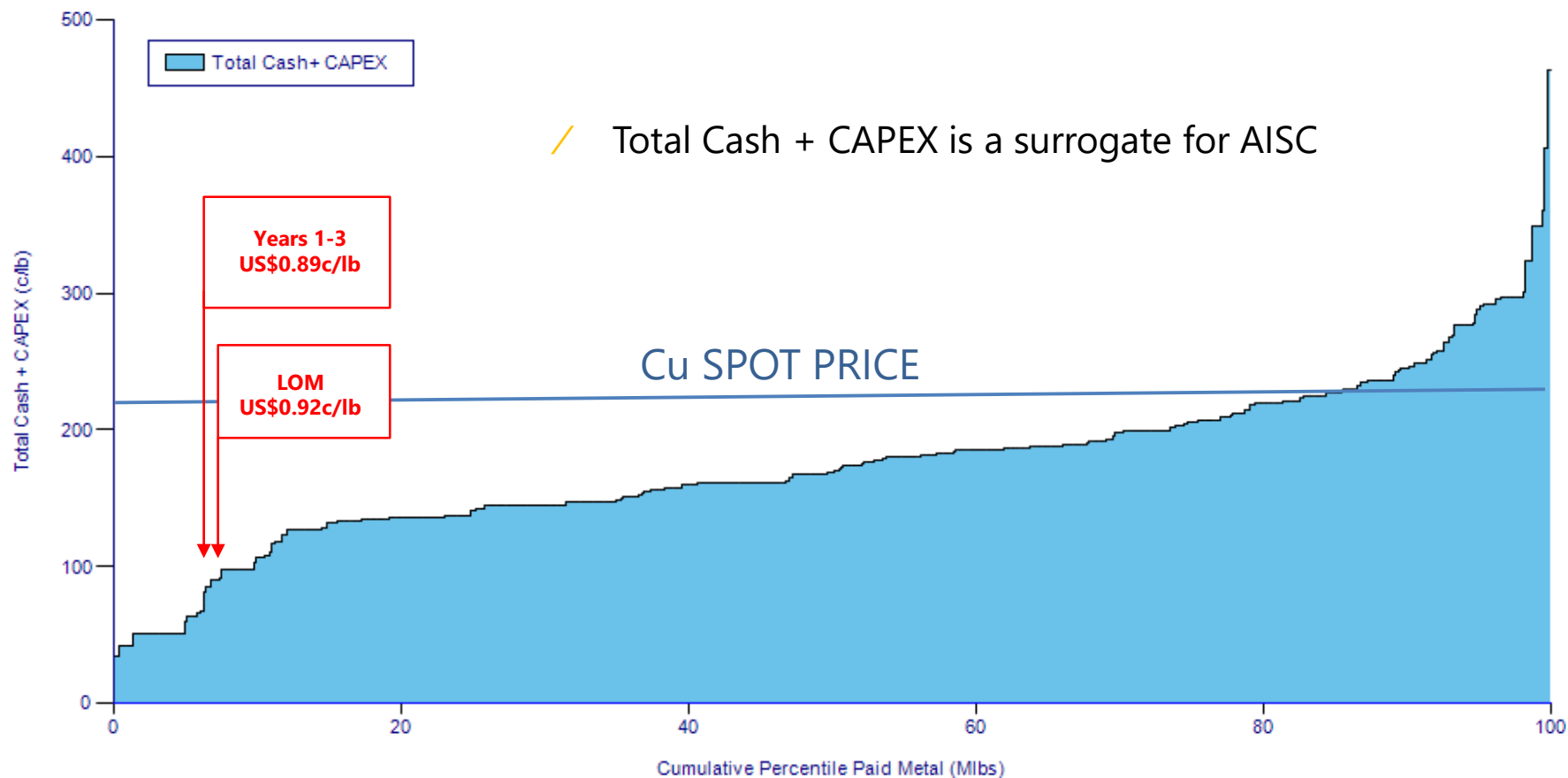


Source: Wood Mackenzie Ltd, Dataset: 2016 Q3

Financial Analysis

Total Cash + CAPEX even more compelling

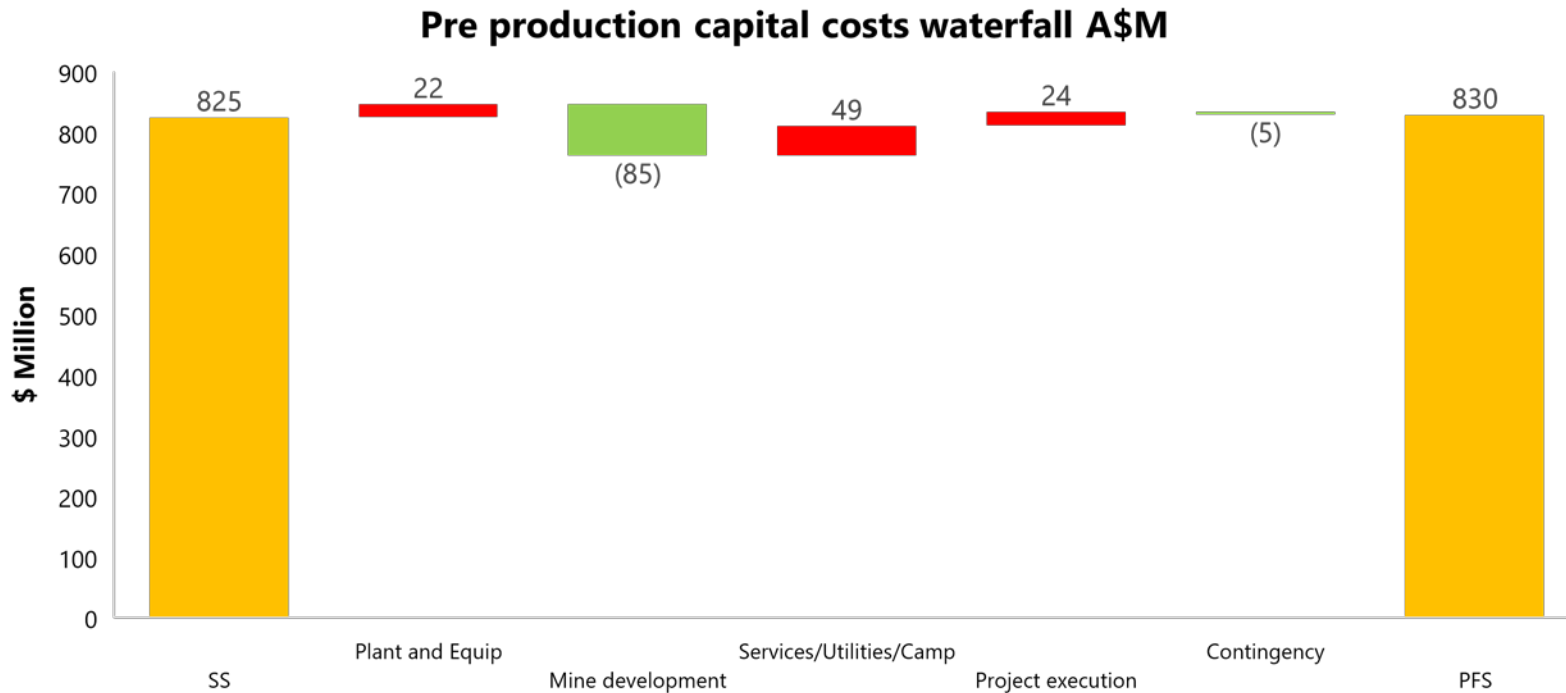
2016 Copper Mine, Composite, Total Cash + CAPEX
Grouped By Mine and Ranked By Total Cash+ CAPEX



Source: Wood Mackenzie Ltd, Dataset: 2016 Q3

Carrapateena Capital Cost Summary

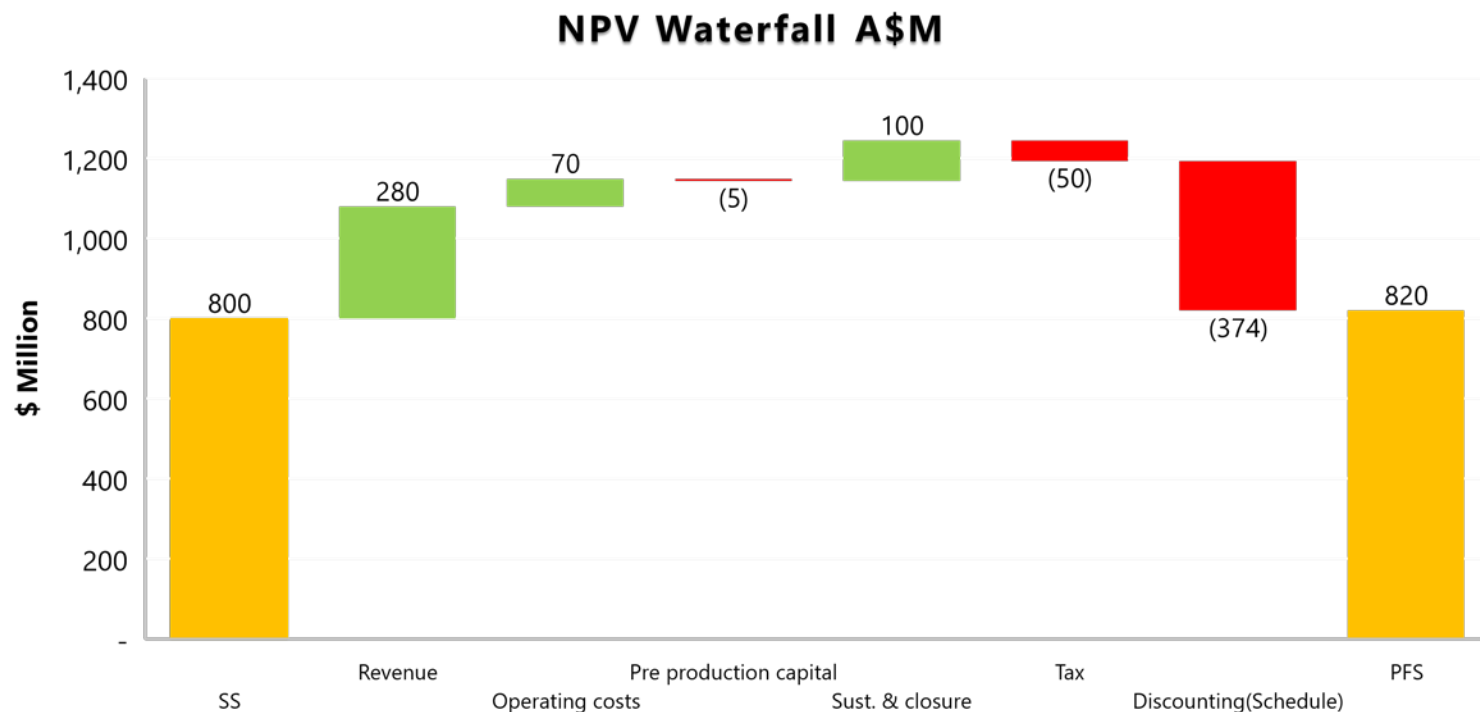
Reconciliation to Scoping Study – Pre production capital



- / Scoping study process plant and equipment cost was factored to 4Mtpa; new cost based on actual capacity specific design
- / Mine development cost decrease due to reduction in both development metres and unit cost on commercial negotiations
- / Scoping study assumed minor upgrade to existing camp and use of the existing access road; new scope has increased services / utilities / camp costs
- / Project execution costs increased with improved definition of feasibility study and owners team requirements
- / Contingency reduced slightly with improved project definition

Carrapateena Net Present Value Summary

NPV PFS Reconciliation to Scoping Study Reaffirmed



- / NPV of ~\$820 million an increase of \$20 million
- / Revenue increase of ~\$280 million: higher production partially offset by lower commodity prices
- / Lower processing costs of ~\$70 million; better definition of costs
- / Sustaining capital decrease of ~\$100 million: result of mine design optimisation
- / Tax increase of ~\$50 million: higher profits
- / Impacts largely offset due to timing

Carrapateena Next Steps

Key milestones

Key development	Target
Completion of PFS and Board Approval	Q4 2016
Updated Carrapateena Mineral Resource Statement	Q4 2016
Completion of Feasibility Study	Q1 2017
OZ Minerals Board Approval	Q2 2017
Selection of Preferred Bidder for Process Plant Design	Q2 2017
Receipt of Mining Lease Offer and Federal Government Approval	Q2 2017
First Development Ore trucked from underground	Q4 2018
Project completion	H2 2019

Carrapateena PFS Highlights

Compelling Long Life Mining Option Confirmed

- / Project competitive with, or better than comparable long-life copper assets globally
- / Project metrics improved or in line with Scoping Study
- / NPV_{9.5} of \$820 million; IRR circa 21%
- / Capex (including contingency) of circa:
 - \$830 million - underground copper and gold mine
 - \$150 million - off-site Concentrate Treatment Plant
- / Average annual production rate lifts to ~61Kt of copper and ~63Koz of gold*
- / Projected Life of Mine revenue of ~\$10.6 billion
- / Bottom quartile All-in sustaining cost over LOM circa US\$0.92/lb
- / Optionality to expand mining operations given resource prospects

*These production targets must be read in conjunction with the production cautionary statement on slide 3