

A modern mining company



23 February 2017

The Manager, Companies
Australian Securities Exchange
Companies Announcement Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

OZ Minerals' 2016 Full Year Financial Results

Further to the release of OZ Minerals' 2016 Full Year Financial Results; a management presentation will be available to view on the OZ Minerals website at www.ozminerals.com at 10am AEDT. An archive will be available later in the day.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Mancini', with a long horizontal flourish extending to the right.

Robert Mancini

Company Secretary and Head of Legal

23 February 2017

Robust financials underpin further growth

- Net Profit After Tax of \$107.8 million on revenue of \$822.9 million
- EBITDA (underlying) of \$373.8 million in line with forecast production but impacted by power outages at Prominent Hillⁱ
- Cash balance of \$655.7 million and no debt
- \$90.5 million returned to shareholders in 2016
- Board approve fully franked final dividend of 14 cents per share to be paid in March 2017
- Robust financial position supports growth strategy and shareholder returns

OZ Minerals has today released its full-year results to 31 December 2016.

“The last 12 months has seen the mine life of Prominent Hill extended, production targets lifted, ground broken on one of the largest proposed new copper mines in the world and a pipeline of exploration earn-in agreements put in place,” said OZ Minerals Chief Executive Officer, Andrew Cole.

“Strong operating cash flow has generated a significant cash balance with no debt, overall business costs continue to reduce and we have returned more than \$90.5 million to shareholders in the last 12 months.

“Our strategy of capital discipline, lean management and delivering value, is firmly in place. The opportunity in front of us is to entrench OZ Minerals as an agile, innovative, low cost and world-class copper producer,” said Mr Cole.

Result overview:

Underlying EBITDA for the year was down 14 per cent, in line with forecast production but impacted by the 15-day power outage at Prominent Hill following severe storms in South Australia in September 2016.

"We are in the process of developing an energy strategy for the company and our focus remains on working with all stakeholders to ensure security of supply," said Mr Cole.

Net Profit After Tax, including significant items, was \$107.8 million compared to \$130.2 million for the prior corresponding period (pcp) with a cash balance of \$655.7 million compared to \$552.5 million for the pcp.

Dividend:

The lift in cash generation throughout 2016 saw the OZ Minerals Board approve a fully franked dividend of 14 cents per share.

"The strong cash flow generation and the move to a tax paying situation has allowed us to reward shareholders with a fully franked dividend but not at the cost of future investment in our key projects," said OZ Minerals Chief Financial Officer, Luke Anderson.

"Based on our most recent updates to the market we expect this robust operating cash generation to continue."

Outlook:

OZ Minerals provided detailed outlook information in its December quarterly report released to the market on 30 January 2017, which included:

- Copper guidance at Prominent Hill to be lifted for 2018 and 2019.
- Prominent Hill mine life extended to 2028 driven by growth in underground Ore Reserve of more than 40 per cent.
- Board review of the Carrapateena Feasibility study in Q2 with a view to evaluating funding for the next stage of the project.
- The Concentrate Treatment Plant (CTP), which will process a higher grade of copper undergoing a parallel but separate study process.
- Field activities at West Musgrave in Western Australia due to re-commence in late March 2017, in line with a wider Scoping Study looking at developing the Nebo-Babel deposit.

"We remain firmly focused on the positive longer-term copper supply fundamentals in undertaking disciplined investment in the Carrapateena project, exploration and wider growth opportunities," said Mr Anderson.

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ⁱ OZ Minerals financial results are reported under International Financial Reporting Standards ('IFRS'). This full-year Report and Results for Announcement to the Market include certain non-IFRS measures including Underlying EBITDA, Underlying EBIT and Underlying NPAT. These measures are presented to enable understanding of the underlying performance of the Consolidated Entity without the impact of non-trading items. Non-IFRS measures have not been subject to audit or review.

Forward-Looking Statements

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.



2016 Full Year Financial Results Presentation

23 FEBRUARY 2016



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Disclaimer

Forward looking statements

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

OZ Minerals financial results are reported under International Financial Reporting Standards (IFRS). This release includes certain non-IFRS measures including Underlying EBITDA, Underlying EBIT and Underlying NPAT. These measures are presented to enable understanding of the underlying performance of the Company without the impact of non-trading items such as impairment and litigation settlement expense. Non IFRS measures have not been subject to audit or review.

Underlying EBITDA, Underlying EBIT and Underlying NPAT are included in Note 1 Operating Segments, which form part of the Financial Report.

All figures are expressed in Australian dollars unless stated otherwise.

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

Compliance Statements

Prominent Hill Production Targets Cautionary Statement

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

Proved Ore Reserve 47%
Probable Ore Reserve 33%
Measured Mineral Resource 0%
Indicated Mineral Resource 4%
Inferred Mineral Resource 16%

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

Proved Ore Reserve 46%
Probable Ore Reserve 40%
Measured Mineral Resource 0%
Indicated Mineral Resource 3%
Inferred Mineral Resource 11%

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.

Further information on Prominent Hill Resources and Reserves is available in the document entitled "Prominent Hill 2016 Mineral Resource and Ore Reserve Statement and Explanatory Notes" which is annexed to the ASX Release entitled "Prominent Hill mine life extended to 2028" released on 15 November 2015 and available at <http://www.ozminerals.com/media/prominent-hill-mine-life-extended-to-2028-and-2016-mineral-resource-and-ore/>. 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.

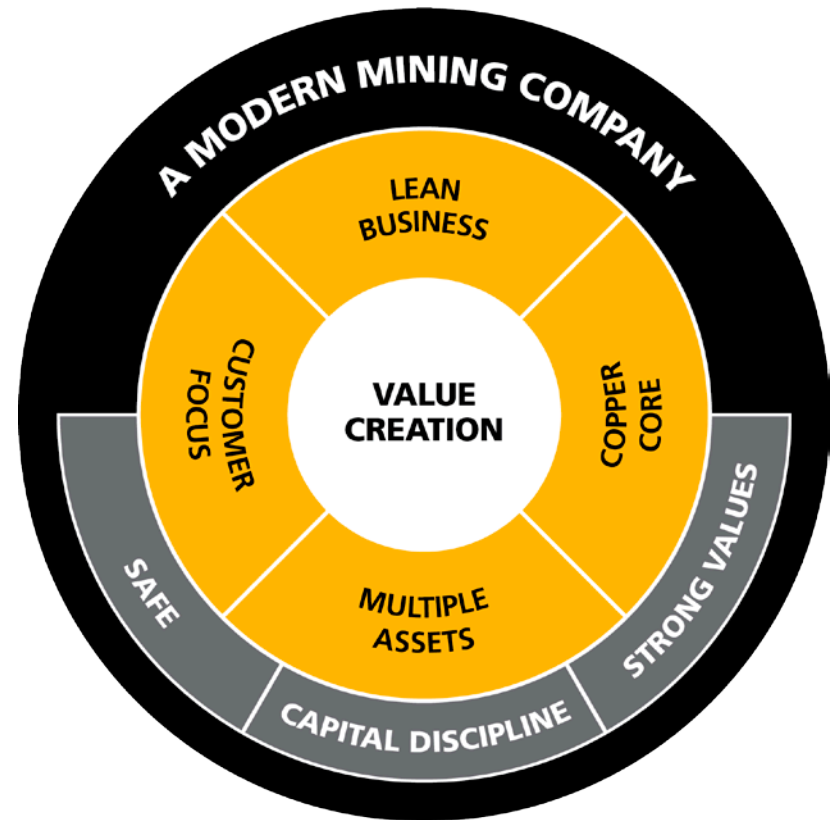
Delivering on our growth strategy

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.



OZ Minerals Portfolio

Operations, Projects and a Growing Pipeline of Opportunities

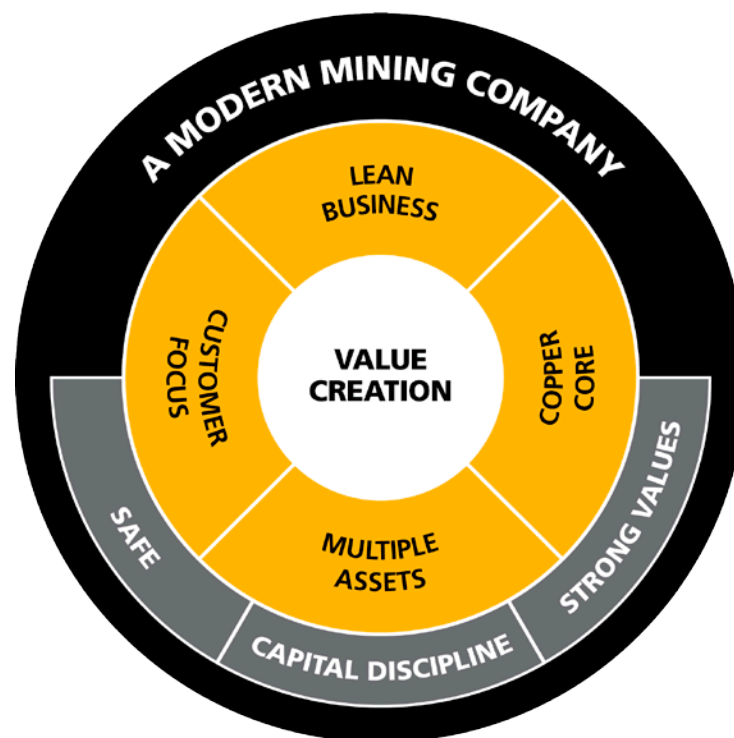


PROMINENT HILL	CARRAPATEENA	WEST MUSGRAVE	GROWTH GAWLER CRATON	GROWTH PIPELINE
<p>OP AND UG MINING</p> <p>STRONG CASH GENERATION</p> <p>BOTTOM QUARTILE COSTS</p> <p>ROM STOCK UNWIND 2018-2023</p> <p>RESOURCE TO RESERVE CONVERSION</p> <p>LONG LIFE</p>	<p>LOW RISK JURISDICTION</p> <p>20+ YEAR UG MINE LIFE</p> <p>BOTTOM QUARTILE COSTS</p> <p>RAPID PAYBACK</p> <p>HIGHEST GRADE Cu CONCENTRATE GLOBALLY</p> <p>EXPANSION OPTIONALITY</p>	<p>ESTABLISHED RESOURCE</p> <p>SCOPING STUDY COMMENCED</p> <p>OPEN PITTABLE</p> <p>LOW STRIP RATIO</p> <p>REGIONAL EXPLORATION OPPORTUNITIES</p>	<p>KHAMSIN</p> <p>FREMANTLE DOCTOR</p> <p>MOUNT WOODS</p> <p>INTERCEPT HILL</p>	<p>ELOISE</p> <p>MOUNT KEITH</p> <p>COOMPANA</p> <p>M & A</p>

2016 Highlights

Operating discipline delivering results

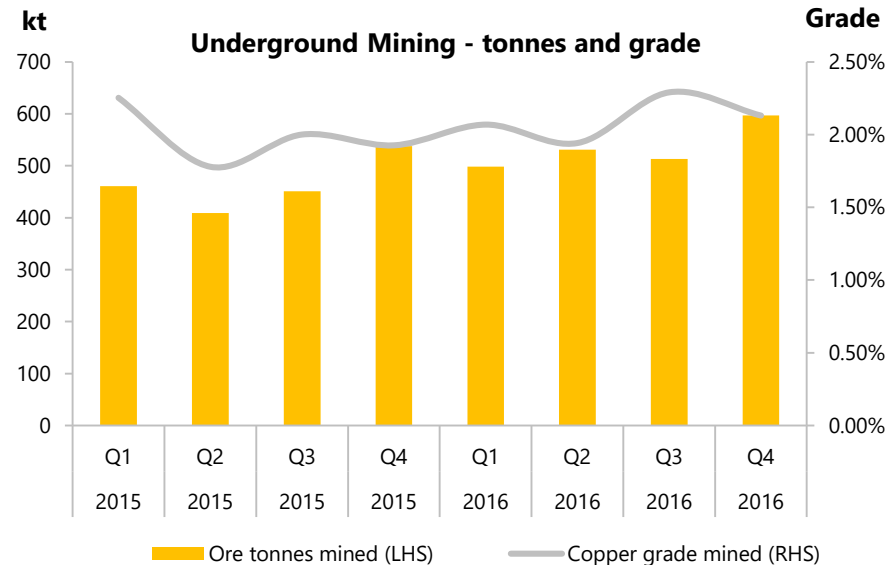
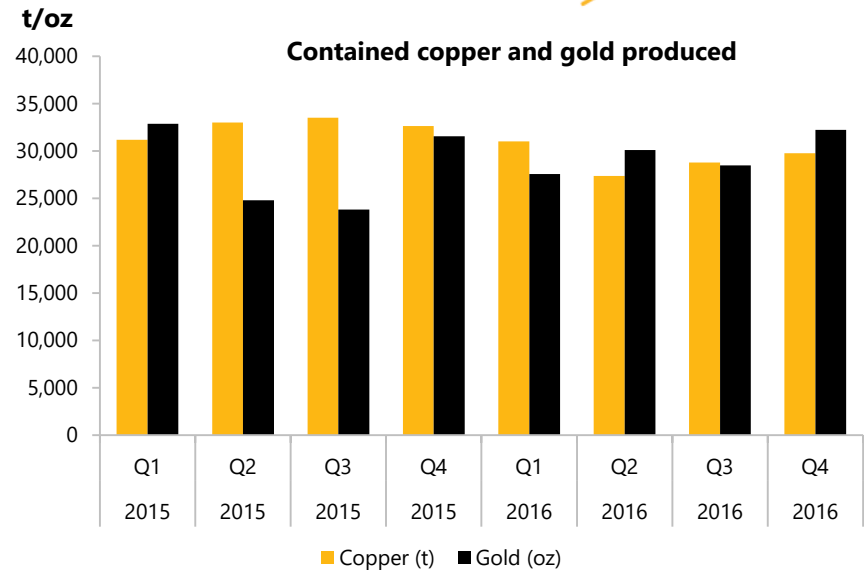
- / Copper guidance achieved for 2016 and for the second consecutive year
- / Prominent Hill mine life extended to at least 2028 with growth in underground Ore Reserve of more than 40%
- / Cash balance increased to \$656 million with no debt; Annualised procurement cost savings in excess of \$40 million delivered
- / Carrapateena Feasibility studies on schedule; decline development over 850 metres
- / Growth pipeline expanded with six exploration partnerships now in place
- / More than \$90 million returned to shareholders; robust financial position supports growth strategy and shareholder returns
- / Fully franked final dividend of 14 cps declared; 20 cps total dividend for 2016



2016 Performance

Prominent Hill Production

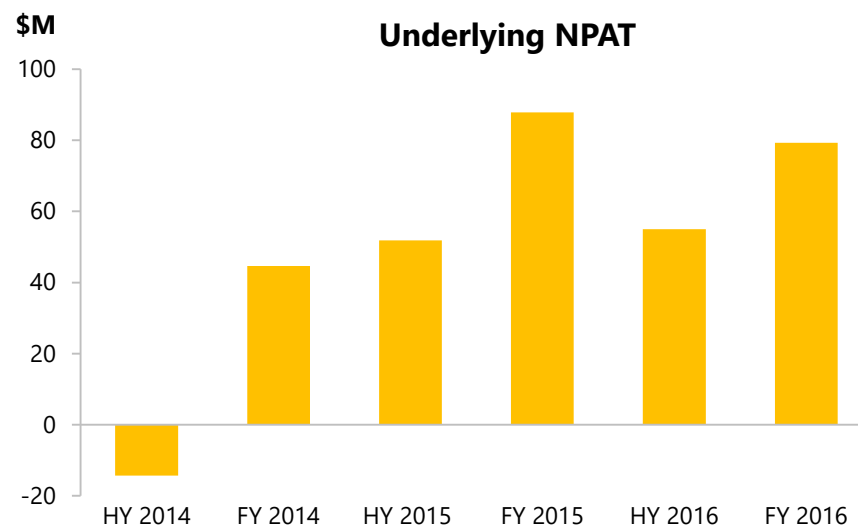
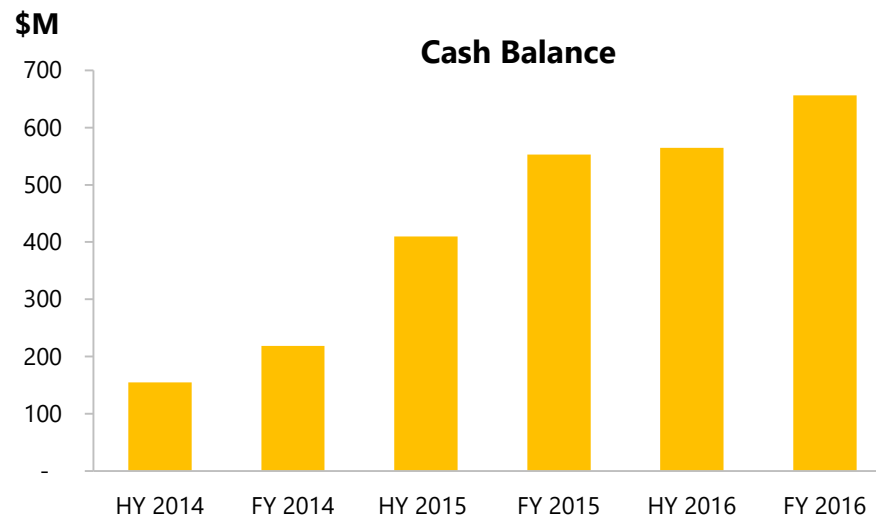
- / Prominent Hill demonstrated its operating discipline meeting copper guidance despite 15 days of lost production due to state-wide power outage:
 - / Copper production 116,882 tonnes
 - / Gold production 118,333 ounces
- / 2017 copper production guidance confirmed and lifted for 2018 and 2019
- / Bottom quartile costs – FY 2016 C1 cost of US 74.1c/lb; All-in sustaining cost of US 115c/lb
- / Mine life extended to at least 2028 driven by growth in underground Ore Reserve of more than 40%
- / Second permanent decline ahead of schedule with breakthrough expected in Q3 2017
- / Increase in TRIFR attributable to underground; Numerous Prominent Hill departments and contract partners more than one year recordable injury free
- / Open Pit ROM stockpile build to continue to mid-2018; processing plant at 9-10Mt capacity until mid 2023* with no associated OP mining cash costs



2016 Performance

Financial

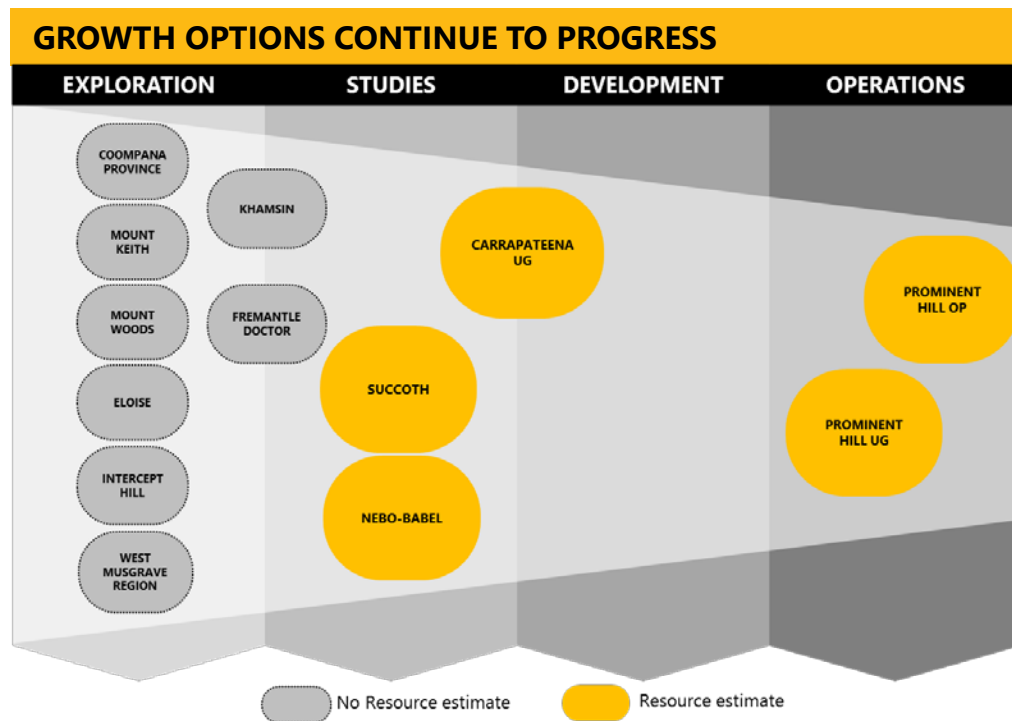
- Strong financial performance for 2016:
 - Revenue of \$823 million
 - Underlying EBITDA of \$374 million
 - Underlying NPAT of \$134 million
 - Underlying EPS of 45c
- Reduction in A\$ copper price offset by higher A\$ gold price during the year
- Cash balance of \$656 million at 31 December with undrawn debt facility available
- Net cash generation (pre-dividend, buyback and class action costs) of \$230 million
- Annualised procurement cost savings in excess of \$40 million delivered
- Fully franked final dividend of 14 cps to be paid in March 2017; 20 cps total dividend for 2016



2016 Performance

Growth

- / Carrapateena PFS completed; Feasibility studies on schedule for Board consideration in Q2 2017
 - / Estimated Mineral Resource elevated to 46% Measured classification*
 - / Tjati Decline over 850 metres
 - / CTP undergoing parallel but separate study process; optionality maintained in site selection
- / West Musgrave JV executed and progressed to Scoping Study
 - / Focus on operational scale and improvement in metallurgical recovery
 - / 5 hole drill program completed
 - / Logistics, infrastructure, power and processing option studies underway
- / Five additional joint exploration ventures progressing well with Minotaur Exploration, Toro Energy, Mithril Resources and Red Tiger Resources
- / Exploration expenditure to remain within \$10 - \$15 million for 2017 with additional \$3 million allocated to West Musgrave Scoping Study

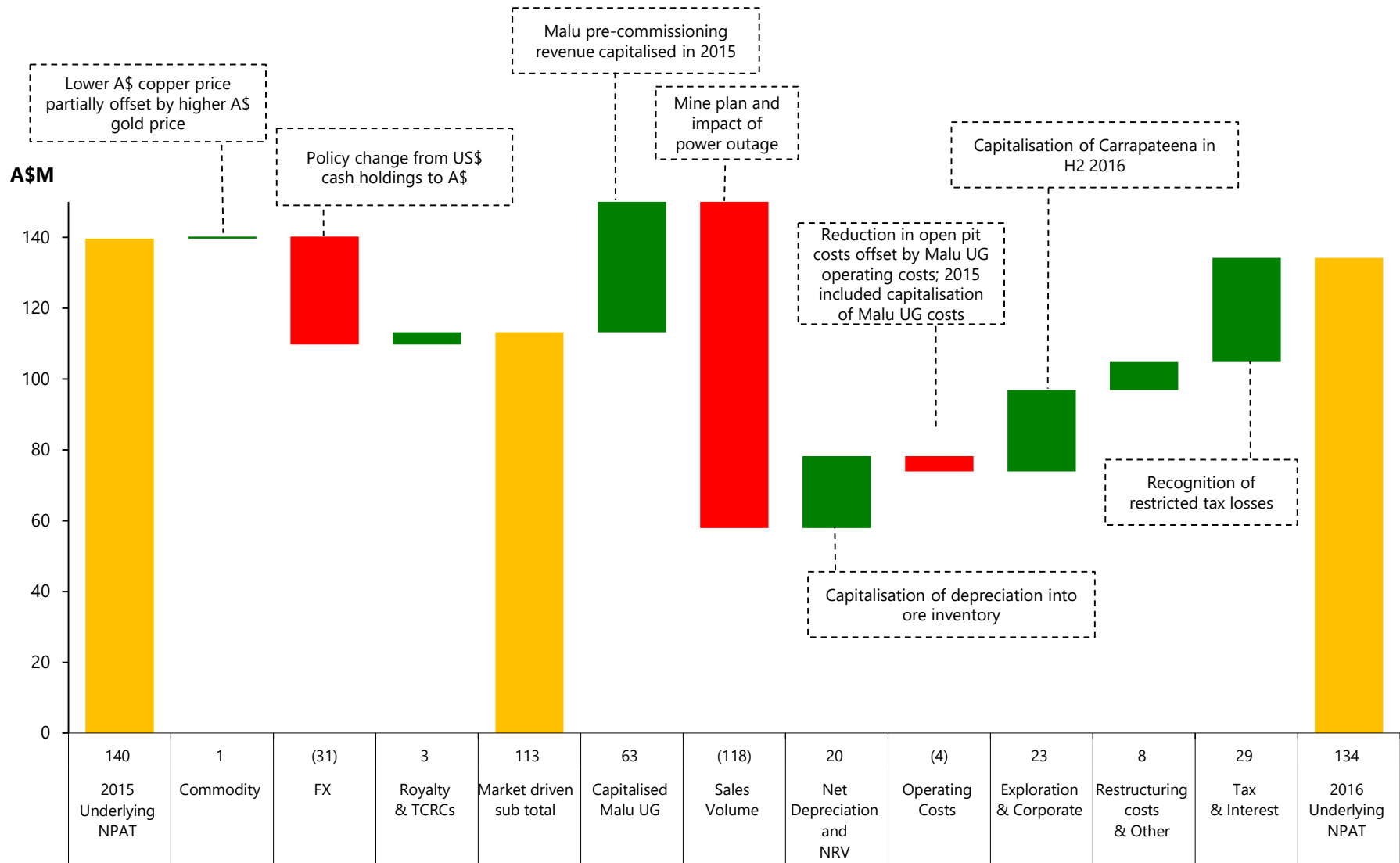


* This information is extracted from the announcement titled "Carrapateena Mineral Resource estimate robustness confirmed" released on 09 December 2016 and is available at <http://www.ozminerals.com/uploads/media/1626894.pdf>. OZ Minerals is not aware of any new information or data that materially affects the information included in that announcement. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

Income Statement

A\$M	Dec-15	Dec-16	
Revenue	879	823	Lower metal sales; lower copper price offset by higher gold price; 2015 included capitalisation of Malu UG revenue
Cost of goods sold	(382)	(380)	Reduction in OP costs offset by Malu UG costs; 2015 included capitalisation of Malu UG costs
Net foreign exchange gain	33	3	A\$ cash holding strategy reduced exposure to FX volatility
Exploration expense (incl. Carrapateena)	(40)	(29)	Capitalisation of Carrapateena costs in H2 2016
Restructuring expense	(8)	-	Corporate restructure delivered lower head office costs
Head office costs	(28)	(26)	Capitalisation of deferred waste depreciation into ore inventories
Other net expenses	(19)	(17)	Restricted tax losses recognised reducing the tax rate
Underlying EBITDA	435	374	
Net Depreciation	(235)	(209)	
Underlying EBIT	200	165	
Tax, net interest	(60)	(31)	
Underlying NPAT	140	134	

Underlying NPAT: 2016 vs. 2015



Cash Utilisation 2016 vs. 2015

Investing in the business and rewarding shareholders

A\$M



Balance Sheet

A\$M	Dec-15	Dec-16
Assets		
Cash	553	656
Receivables	99	77
Inventories	330	557
Carrapateena	252	285
Property plant & equipment	1,297	1,018
Other assets	36	37
Total Assets	2,567	2,630
Liabilities		
Creditors	65	77
Net tax liability	103	133
Provisions	55	55
Other liabilities	-	11
Total Liabilities	223	276
Net Assets	2,344	2,354

High PH operating cashflows partially offset by payment of dividend and share buyback

Sustained investment in open pit ore inventory held at lower of cost or NRV

Reduction in PP&E as a result of higher volume of ore mined during the Full Year

Increase a result of tax on current year profit (\$42m), and recognition of additional tax losses of \$14m

- / Balance sheet characterised by significant liquidity and no debt
- / Substantial value stored in growing ore inventories

Finance

Disciplined capital management



- / **Fully franked final dividend of 14 cents per share declared - circa \$42 million**
 - / Record date 10 March
 - / Payment date 24 March
- / **Total 2016 dividends of 20 cents per share – circa \$60 million**
- / Consistent policy of paying a minimum 20% of net cash generated not required for investing or balance sheet activity
- / Significant cash balance and expected strong operating cash flows fully support growth objectives and allow shareholder returns

Policy update

- / With the move to fully franked dividends and with forthcoming investment decisions due on Carrapateena, the Board has decided not to renew the 12-month, \$60m share buyback program which expires on 26 February

Other achievements

Recognition during 2016

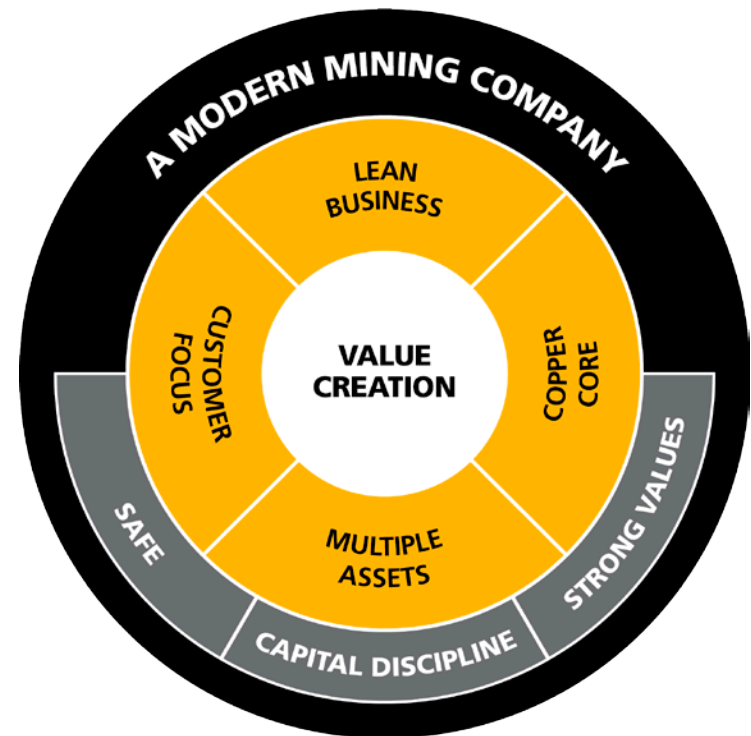


- / Landmark agreement with the Kokatha Aboriginal Corporation – traditional owners of the lands around Carrapateena
- / Industry Collaboration Award / Australian Training Awards: OZ Minerals with representatives from TafeSA and Thiess
- / Premier's Community Excellence Awards in Mining and Energy – Social Inclusion Award
- / SACOME – The Statewide Super Innovation in Resources Award
- / Women in Resources – OZ Minerals Jasmine Richards of 'Exceptional Young Woman in Australian Resources Award'
- / Renewed support for the Royal Flying Doctors Service along with a range of grass roots community sponsorships
- / Official opening of the Tjati Decline at Carrapateena – November 2016
- / Successful transition to a new ERP system and suite of internal communication tools
- / Simplification of corporate governance practices

2016 Highlights

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- / Prominent Hill mine life extended to at least 2028 with growth in underground Ore Reserve of more than 40%
- / Cash balance increased to \$656 million with no debt; Annualised procurement cost savings in excess of \$40 million delivered
- / Carrapateena Feasibility studies on schedule; decline development over 850 metres
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Supplementary Slides



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Group Taxation

Estimated Profile

- / As at 31 December 2016, OZL recognised a current tax provision of \$69 million which will be payable in H1 2017
- / In addition to the current tax provision, monthly tax instalments will also commence from H2 2017
- / Accordingly the tax cashflows in 2017 are expected to exceed the 2017 income tax expense as the provision for FY 2016 and approximately half of the FY 2017 instalments will both be paid in 2017
- / Deferred tax liability mainly related to the open pit will unwind over 2017 and 2018 resulting in a higher effective cash tax rate paid
- / OZ Minerals recognised \$13.6 million restricted tax losses during the year following reassessment of tax loss utilisation; further restricted tax losses may be recognised in future periods
- / With the commencement of cash tax payments in 2017, the final dividend for 2016 of 14 cents per share will be fully franked

Guidance

Guidance	2017	2018	2019
PROMINENT HILL:			
Copper production*	105,000 to 115,000 tonnes	90,000 to 100,000 tonnes	90,000 to 100,000 tonnes
Gold production*	115,000 to 125,000 ounces	120,000 to 130,000 ounces	120,000 to 130,000 ounces
Open pit total movement	15Mt to 20Mt	< 5Mt	
Open pit strip ratio	Circa 0.5 times	Circa 0.25 times	
Open pit unit mining costs**	\$7.25 - \$7.75/tonne		
Underground ore movement	2.3 - 2.6Mt		
Underground unit mining costs**	\$50 to \$60/tonne		
Underground capital expenditure	\$45M - \$55M (inc. development)		
Site sustaining capital expenditure	\$15 to \$20 million		
All in sustaining cost	US 120c - US 130c/lb		
C1 costs (OP & UG)	US 85c - US 95c/lb		
OTHER:			
Exploration	\$10 - \$15 million		
West Musgrave Scoping Study	Circa \$3 million		

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

** Open Pit Unit Mining Costs include geology costs. Underground Unit Mining Costs include geology costs and exclude underground capital expenditure.