

THIRD QUARTER REPORT 2015

FOR THE THREE MONTHS
ENDING 30 SEPTEMBER 2015



OZ MINERALS CONTAINED METAL PRODUCTION	Q2 2015	Q3 2015	YTD 2015
TOTAL COPPER (TONNES)	32,991	33,518	97,669
TOTAL GOLD (OUNCES)	24,790	23,817	81,481
C1 CASH COSTS (US cents/lb)	75.3	74.3	71.1

Record Run of Production, Costs Down, Guidance Increased

Highlights:

- Improved safety performance through a reduction in TRIFR to 5.96 (an 11 per cent decrease on prior quarter)
- Record run of production. Last three quarters best in five years
- Quarterly copper production 28 per cent above the previous corresponding period
- 2015 copper production guidance raised to 126,000 – 131,000 tonnes from 110,000 – 120,000 tonnes¹
- 2015 C1 cost guidance reduced to US 70 – 80 c/lb of payable copper from US 80 – 95 c/lb
- Open pit unit mining cost (inc. geology) guidance reduced to \$5.60 – \$5.80/t from \$5.80 – \$6.10/t
- Carrapateena high grade mineral resource identified
- Positive first results from the Hydromet demonstration trial
- Multiple growth options under active consideration

“Prominent Hill is having a very strong year,” said Andrew Cole, Managing Director and CEO. “The last three quarters have been the strongest in five years and we are now confident that we will exceed our original production guidance target.”

“The focus on delivering our strategy and being a lean business has helped us push costs down and improve operational reliability, thus maximising the already significant amount of cash being generated by the mine. Production is higher while the amount of waste being moved is over 40 per cent less than the same period last year.

“We are exceeding the targets that we set earlier this year, but believe we can do even better. Next year we plan to be even more ambitious and my senior leadership team has committed to making further savings. As a starting point, all parts of the business will aim to deliver a 15 per cent reduction in overall costs to help secure our place as a reliable and first quartile cost producer,” said Mr Cole.

Shipments of Prominent Hill concentrates for the quarter totalled 74,213 dry metric tonnes, containing 37,661 tonnes copper, 27,301 ounces of gold and 214,719 ounces of silver. Our strong sales performance, and customer focus continues to be well aligned with our copper production profile.

“We continue to see strong demand for our copper concentrate on the back of our long term and newer relationships with our valued customers.

“In terms of growth, our internal Carrapateena high grade growth project at 61 million tonnes of 2.9 per cent copper equivalent is world class. The Carrapateena scoping study that is already underway will announce a development pathway in the first quarter of 2016. We continue to maintain our disciplined approach to evaluating external growth opportunities and we are seeing some really interesting assets coming onto the market,” said Mr Cole.

Andrew Cole, Managing Director and CEO

¹ Please refer to the Production Target cautionary statement on page 7. Production guidance ranges for 2016-17 copper production, 2018 copper production and 2015-18 gold production is set out in Table 3.

OZ MINERALS

QUARTERLY ACTIVITIES TO 30 SEPTEMBER 2015

SAFETY

OZ Minerals' total recordable injury frequency rate per million hours worked was 5.96 at the end of September 2015, an 11 per cent decrease on the prior quarter (6.68).

The Prominent Hill management focus on continually improving our leading safety performance has shown reductions in the lagging indicators. The Site Safety Acceleration Program has three main pillars for improvement to continue, these are; Critical Risk Management, Risk & Hazard Awareness and Leadership Intent.

The Mental Health in Mining initiative from previous months has completed its data-gathering phase and is moving into the information and feedback sessions; these are expected to occur in the coming months.

PROMINENT HILL OPERATIONS

PROMINENT HILL

OVERVIEW

Prominent Hill has delivered another strong quarter of copper production with 33,518 tonnes for the quarter (97,669 tonnes for the nine months to September). The consistent and reliable production performance has resulted in upward revision of copper production guidance range of 126kt to 131kt for 2015.

Gold production of 23,817 ounces for the quarter (81,481 ounces for the nine months to September) is on track to achieve annual guidance. Copper feed continues to be prioritised leading to the lower production of gold during the quarter.

The Open Pit continues to comply with mining plans and delivered a strong quarter. Ongoing mine to mill alignment and customer focussed concentrate production has resulted in continued diversification of customers.

Integrated underground operations delivered consistent high grade copper ore with 0.45Mt mined for the quarter.

For operating and cost statistics please refer to Tables 1 and 2 on pages 5 and 6 of this report.

MINING

Open Pit

Operations at the Open Pit progressed with excavator and truck productivity continuing to drive efficient production compared to the previous quarter.

Ore mined in the third quarter was 3.0Mt consisting of 2.6Mt of copper-gold ore and 0.4Mt of gold only ore.

Waste material movement in the third quarter was 9.7Mt, below the prior quarter of 9.9Mt. The waste to ore strip ratio continues to decline and was 3.2:1 for the quarter compared to 4.0:1 in the prior quarter. The Malu Open Pit strip ratio remains on track to meet guidance.

De-risking initiatives progressed well during the quarter and are expected to remain within budgeted expenditure of \$5.0 million for 2015. In terms of pit stability, we are now seeing less movement in the wall when compared to any other time since monitoring began.

Underground operations

The Malu underground operation was commissioned successfully on 1 July 2015 three months ahead of schedule.

Underground operations delivered high grade copper ore of 0.45Mt at 2.0% copper during the quarter.

The integration project to simplify the underground operations, create more efficient processes and further reduce costs is in progress. The Prominent Hill underground operation is led by a single underground manager with shared infrastructure and shared personnel. A single optimised mining schedule has been developed with a focus on improved development rates to facilitate strong sustainable production.

Potential options to provide additional access to the underground network and accelerate copper production are currently being assessed for financial and operational feasibility.

Processing

In the quarter 2.7Mt of ore was milled with the plant continuing to perform well above its nameplate capacity. Copper continued to be prioritised over gold ore feed and has contributed to the higher throughput.

Plant recoveries remained high at 88 per cent for copper and 71 per cent for gold. Copper content in concentrate produced was 49 per cent.

Costs

C1 cash costs of production for the quarter were US74.3 c/lb of payable copper and lower than the previous quarter (US75.3 c/lb) due to higher copper production as a result of more ore milled, the depreciating A\$ and lower net costs. C1 costs for the nine months to 30 September were US71.1 c/lb. The annual guidance range has been lowered to US70-80c/lb.

Lower Open Pit mining unit costs of \$5.62/t mined for the quarter reflected the impact of cost control strategies and the success of further efficiencies in mining.

Underground operating costs increased to \$46/t mined due to increased operating development and are expected to remain unchanged for the fourth quarter.

Processing and maintenance costs were lower than the previous quarter due to improved wear performance of mill liners.

Treatment and refining charges were in line with the prior quarter.

Sales and Marketing

Shipments of Prominent Hill concentrates for the quarter totalled 74,213 dry metric tonnes, containing 37,661 tonnes copper, 27,301 ounces of gold and 214,719 ounces of silver.

OZ Minerals has continued to pursue strategic customer diversification during the quarter, facilitated in part through the ability to customise concentrate to meet individual customer requirements. Shipping schedules are in the process of being finalised covering our 2016 concentrate production under our existing long term sales contracts.

CARRAPATEENA PROJECT

A new mineral resource statement for Carrapateena identified a high grade core with the mineral resource

being estimated at 61Mt @2.9% CuEq². These results have led to the immediate initiation of a scoping study aiming to define a potential mining and processing project of up to 3 Mtpa requiring capital of less than \$1 billion using selective mining methods. Included in this study will be an assessment of early mine access options.

The scoping study is expected to cost \$0.3 million and will fall within the \$30 million budgeted spend for Carrapateena in 2015 as previously announced.

Concurrently, two other Carrapateena options continue to be evaluated (block cave and rail link). All of the options could be supported by the Hydromet process and remain actively under consideration. The high grade option is quickly becoming the standout candidate for returning superior value to shareholders.

First results from the Hydromet demonstration plant were received during the quarter and have indicated that the process is scalable and already returning copper-in-concentrate levels of more than 55 per cent. The successful completion of this demonstration trial will allow OZ Minerals to produce some of the best and cleanest copper concentrate in the world with virtually no impurities

OZ Minerals intends to update the market in Q1 2016 on which Carrapateena development option it may wish to proceed with.

GLOBAL EXPLORATION

Jamaica: Bellas Gate (Potential earn-in to 80 per cent)

Drilling of 7 holes for 1,435 metres was completed during the quarter, at the following prospects:

- Hendley Prospect - 1 hole for 235 metres
- Charing Cross Prospect - 2 holes for 220 metres
- Dry Hill Prospect - 2 holes for 413 metres
- Congo Prospect - 1 hole for 262 metres
- Kola Prospect - 1 hole for 307 metres

Anomalous copper and low-grade gold associated with porphyry-style alteration was intersected at Hendley.

2

This information is extracted from the report entitled 'Carrapateena Update' released on 6 October 2015 and is available at <http://www.ozminerals.com/Media/docs/151006-Carrapateena-High-Grade--Explanatory-notes-1503c513-d142-485c-8a51-52b3c24ad7bc-0.pdf>. 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 findings of the Competent Person (Stuart Masters) are presented have not been materially modified from the original market announcement.

Drill holes at Charing Cross and Dry Hill intersected minor chalcopyrite and bornite in veins and structures. Results from the first hole at Mab Hill returned low grade copper and gold associated with porphyry veining.

Field mapping carried out at Provost Prospect identified several areas of intense porphyry-style quartz veining and alteration with associated iron oxides, copper oxides and limonite at surface. Additional field reconnaissance is to be completed along the Hendley – Provost - Geo Hill trend.

Drilling in Q4 is planned at Kola Prospect.

Jamaica: Rodinia

OZ Minerals signed a definitive Joint Venture agreement with Carube Resources Corp., whereby OZ Minerals may elect to participate in exploration on up to three additional projects in Jamaica, earning up to 80 per cent in each.

CORPORATE

Relocation to Adelaide

Relocation of the corporate office and all necessary recruitment has been completed. With the commencement of Luke Anderson as CFO in mid-October, the full OZ Minerals senior management team is now in place.

Management focus is on reliability and sustainable cost reduction across the business through the continuous drive for efficiencies and cost savings.

The cost of executing core corporate functions is expected to be lower year on year on a sustainable basis. This will deliver a significant reduction in corporate overheads as the company continues to make progress toward its lean business model during 2015.

CORPORATE INFORMATION

Webcast

As is OZ Minerals' established practice, a presentation associated with this Quarterly Report will be broadcast at 10am (AEST) on the day that the Report is lodged with the ASX. Access to this live broadcast is available to all interested parties via the OZ Minerals website (www.ozminerals.com) and is archived on the website shortly thereafter for ongoing public access. The date of each Quarterly Report presentation is announced in advance and can be found on the OZ Minerals' website.

While we will endeavour to release the Report on the date provided in advance, we may bring the announcement forward if the relevant information is finalised earlier than expected or delay the Report if information is not final.

ISSUED SHARE CAPITAL AT 22 OCTOBER 2015

ORDINARY SHARES	303,470,022
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SHARE PRICE ACTIVITY FOR THE SEPTEMBER QUARTER (CLOSING PRICE)

HIGH \$4.09

LOW \$3.26

LAST \$3.95 (22 OCTOBER 2015)

AVERAGE DAILY VOLUME 2.9 MILLION SHARES

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OZ MINERALS PROMINENT HILL PRODUCTION & COSTS

Table 1 – Operating Statistics

		Q2 2015	Q3 2015	YTD 2015
MINED (TONNES)	MALU OP COPPER-GOLD ORE	2,018,658	2,587,548	6,621,387
	MALU OP GOLD-ONLY ORE	460,193	416,935	1,714,617
	UNDERGROUND TOTAL ORE	408,886	450,789	1,320,621
	WASTE	9,908,145	9,654,739	29,500,080
MINED GRADE - SOURCE				
MALU OP - COPPER-GOLD ORE	COPPER (%)	1.34	1.16	1.17
	GOLD (G/T)	0.33	0.37	0.35
MALU OP - GOLD-ONLY ORE	COPPER (%)	0.10	0.12	0.14
	GOLD (G/T)	0.66	0.84	0.69
UNDERGROUND - TOTAL ORE*	COPPER (%)	1.78	2.00	2.02
	GOLD (G/T)	0.45	0.37	0.44
ORE MILLED	(TONNES)	2,625,515	2,710,099	7,819,078
MILLED GRADE	COPPER (%)	1.41	1.40	1.40
	GOLD (G/T)	0.41	0.38	0.45
	SILVER (G/T)	2.80	3.10	2.94
RECOVERY	COPPER (%)	89.3	88.3	89.0
	GOLD (%)	71.6	71.1	72.6
	SILVER (%)	72.8	72.5	72.9
COPPER CONCENTRATE PRODUCED	TONNES	63,606	68,204	189,142
CONCENTRATE GRADE	COPPER (%)	51.9	49.1	51.6
	GOLD (G/T)	12.1	10.9	13.4
	SILVER (G/T)	84.1	89.3	88.7
CONTAINED METAL IN	COPPER (TONNES)	32,991	33,518	97,669
CONCENTRATES PRODUCED	GOLD (OZ)	24,790	23,817	81,481
	SILVER (OZ)	171,886	195,899	539,381
TOTAL CONCENTRATE SOLD	(DM TONNES)	60,770	74,213	180,750

* Concentrate sold during the quarter attributable to ore from pre commissioning phase of the underground mine was 1,379 dry metric tonnes, containing 755 tonnes of copper, 1,348 ounces of gold and 3,750 ounces of silver.

Table 2 – Operating Costs ('C1 Costs')

US Cents per pound	Q2 2015	Q3 2015	YTD 2015
Mining costs	90.5	92.9	94.3
Deferred mining	(45.8)	(39.3)	(42.8)
Ore inventory adjustment	(1.1)	(8.9)	(5.7)
Total Mining costs	43.6	44.7	45.8
Site processing costs	27.4	21.6	25.2
TC/RC and transport	40.5	41.7	41.0
Net By – Product credit	(43.4)	(39.2)	(47.7)
Other direct cash costs	7.2	5.5	6.8
Total C1 costs	75.3	74.3	71.1
Royalties	14.1	12.1	13.6
Other indirect costs	3.9	3.5	3.7
Total cash costs	93.3	89.9	88.4
D&A	64.7	71.1	69.7
Other non-cash costs	(5.7)	(13.7)	(11.2)
Net realisable value adj. – low grade gold ore**	(1.5)	3.7	5.1
Total production costs	150.8	151.0	152.0

*** Net realisable value adj.- low grade gold ore for prior quarter was restated for revaluation conducted as part of the Half Year Financial closure.*

Table 3 – Guidance

ITEM	RANGE/AMOUNT
2015 COPPER PRODUCTION***	126,000 TO 131,000 TONNES
2016-2017 COPPER PRODUCTION***	105,000 TO 115,000 TONNES
2018 COPPER PRODUCTION***	90,000 TO 100,000 TONNES
2015-2018 GOLD PRODUCTION***	100,000 TO 110,000 OUNCES PER ANNUM
2015 OPEN PIT TOTAL MOVEMENT	49MT TO 51MT
2015 OPEN PIT STRIP RATIO	2.8-2.9 TIMES
2015 UNDERGROUND ORE MOVEMENT	1.7-1.9MT
2015 OPEN PIT UNIT MINING COSTS (INC GEOLOGY)	\$5.60-\$5.80/T
2015 C1 COSTS	US70 - US 80 c/lb
2015 MALU UNDERGROUND CAPITAL EXPENDITURE	\$80M
2015 SUSTAINING CAPITAL EXPENDITURE	\$16M
2015 STUDIES AND EXPLORATION	<ul style="list-style-type: none"> • HYDROMET \$19M • OTHER STUDIES (RAIL, MALU DEEPS) \$6M • CARRAPATEENA DRILLING \$5M • GLOBAL DRILLING \$8M • OTHER CARRAPATEENA ACTIVITIES AND RETENTION LEASE \$7M

***** Production Target Cautionary Statement**

Production targets are based on:

Proved Reserves	36%
Probable Reserves	58%
Measured Resources outside Reserves	1%
Indicated Resources outside Reserves	1%
Inferred Resources	4%

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 conversion of the mineral resources into ore reserves or that the production targets will be realised.

The Ore Reserve and Mineral Resource estimates underpinning the production targets were prepared by Competent Persons 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 Mineral Resources and Ore Reserves is available in the Annual Resource and Reserve Update for Prominent Hill released on 20 November 2014 which is available on the OZ Minerals website at <http://www.ozminerals.com/operations/resources--reserves.html> and in the OZ Minerals 2014 Annual Report. 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 and 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 findings of the Competent Person (Colin Lollo in relation to the Mineral Resource estimates and Justin Taylor in relation to the Ore Reserve estimates) are presented have not been materially modified from the original market announcement.