



2015 FOURTH QUARTER REPORT

Q4 Presentation

21 January 2016



A modern
mining company

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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.

Compliance statements

Carrapateena Mineral Resource estimate

The information in this presentation that relates to 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>. 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 findings of the Competent Person (Stuart Masters) are presented have not been materially modified from the original market announcement.

Production targets

The information in this presentation that relates to potential gold ore throughput of the processing plant is extracted from the report entitled 'Prominent Hill gold trial confirms significant value in stockpiles' released on 18 January 2016 and is available at http://www.ozminerals.com/uploads/media/160118_ASX_Release_Prominent_Hill_gold_trial_confirms_significant_value_in_stockpiles.pdf. The company confirms that all material assumptions underpinning the production targets in that report continue to apply and have not materially changed.

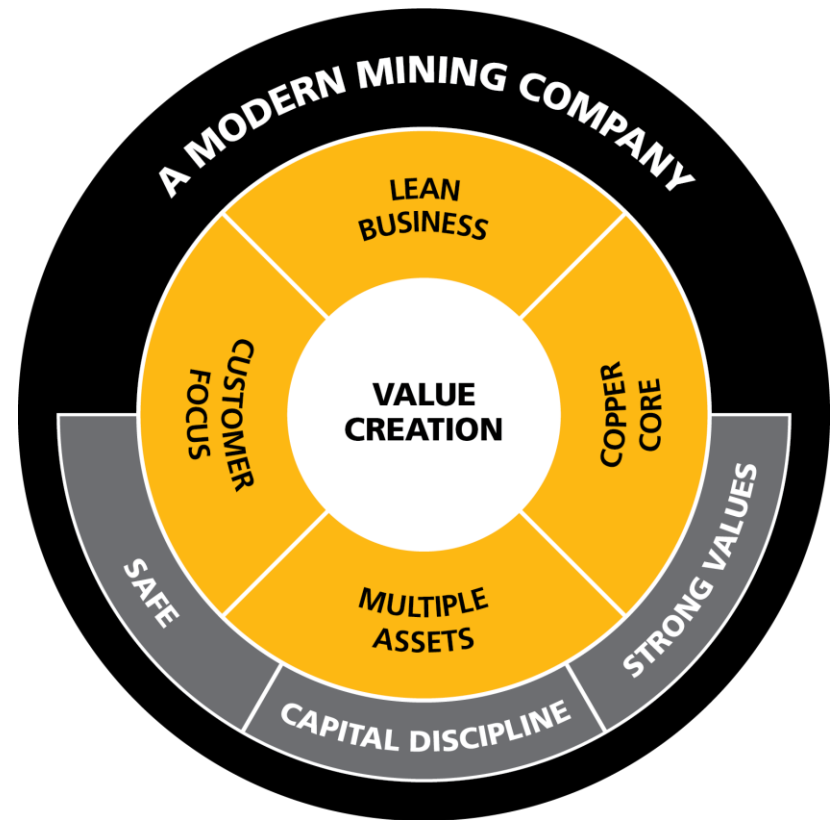
Strategy focused on value creation

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.

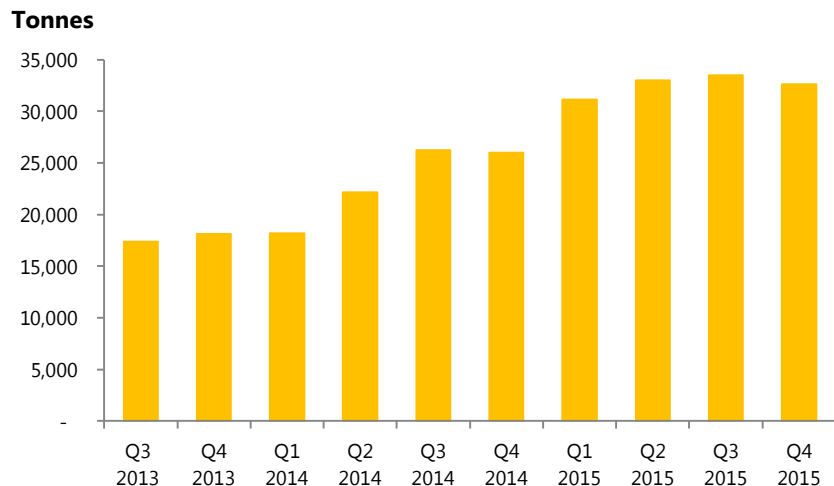


Q4 Summary

ITEM		Q3	Q4
Contained Copper produced (t)	●	33,518	● 32,636
Contained Gold produced (oz)	●	23,817	● 31,547
C1 costs US c/lb	●	74	● 67

- Favourable to guidance
● Unfavourable to guidance

CONTAINED COPPER PRODUCED



2015 RECORD YEAR OF PRODUCTION

- ✓ Record safety performance with a TRIFR reduction to 5.30; 35% decrease from 2014 (8.18)
- ✓ 2015 record copper production of 130,305 tonnes achieved upper end of guidance range of 126-131kt
- ✓ 2015 C1 cost US 70.1c/lb at bottom of guidance range of US 70-80c/lb; lowest quartile cost producer
- ✓ 2015 Open pit unit mining cost of \$5.70/t (inc. geology) within guidance of \$5.60 - \$5.80/t
- ✓ Strong cash flow generation builds an unaudited cash balance of \$553 million at 31 December 2015

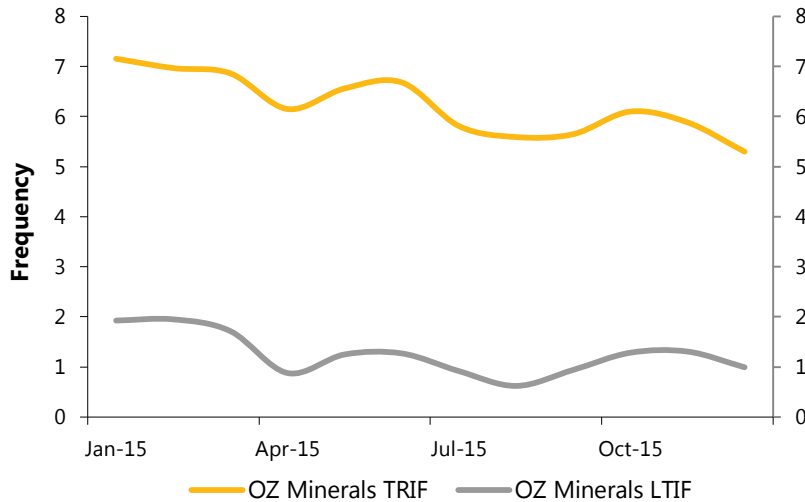
MULTIPLE OPTIONS FOR INCREASED SH VALUE

- Carrapateena decision expected in February 2016; high grade resource identified of 61Mt @ 2.9% CuEq¹
- Hydromet demonstration trial successfully completed; cost and efficiency improvements under review
- Growth options continue to be assessed; three new exploration JVs with Minotaur and Toro
- Cost reduction program well underway; annual savings in excess of \$5 million already realised

¹ Please refer to the statement supporting this estimate on slide 3

Safe work and strong leadership

SAFETY PERFORMANCE



SAFETY IMPROVEMENTS CONTINUE

- ✓ Reduction in TRIFR to 5.30, a six percent decrease on the prior quarter (5.65) and a 35% decrease on 2014 (8.18)
- ✓ Lowest TRIFR on record; last two months of the quarter recordable injury free
- ✓ Significant improvement in high potential incident reporting, investigation and auditing
- ✓ Site safety acceleration program health check completed
- ✓ Weekly Site Safety Leadership Forum established

SAFETY STRATEGY BEING ROLLED OUT

- Comprehensive review of site safety strategy with an emphasis on:
 - Safety leadership
 - Safe Behaviours
 - Risk Management
 - Hazard Awareness
 - Mental Health
 - Physical Well Being



Open Pit performance

ITEM	Q3	Q4
Open pit ore mined	3.0Mt	3.9Mt
Open pit waste mined	9.7Mt	8.5Mt



OPEN PIT PERFORMANCE IMPROVING

- ✓ Maintenance planning initiatives have continued to realise increases in excavator availability
- ✓ Waste to ore stripping ratio continued to decline as planned (2.1:1 for the quarter compared to 3.2:1 in the prior quarter)
- ✓ Open pit de-risking initiatives progressed:
 - ✓ Drilling and installation of horizontal de-pressurisation holes in south wall
 - ✓ Completion of additional de-pressurisation wells

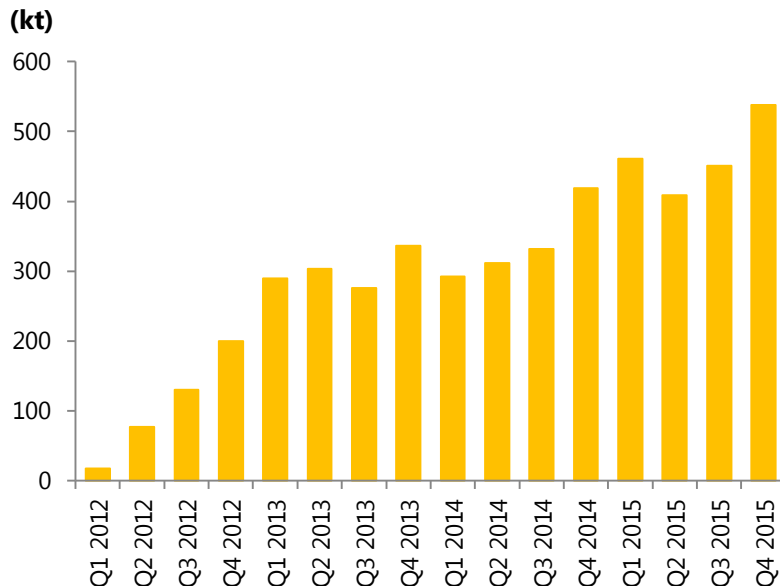
FURTHER IMPROVEMENTS AND DEMOBILISATION

- Bench configuration trials underway to optimise dig rate and equipment effectiveness as working areas in the pit reduce
- Fleet demobilisation program to commence in Q1 2016 on back of bench space constraints:
 - 114 Staff
 - 1 x 996 Excavator
 - 14 x CAT 793D Trucks
 - 3 x CAT D10 Dozers
 - 1 x CAT Grader

Underground performance

ITEM	Q3	Q4
Underground ore mined	451kt	538kt

UNDERGROUND ORE HAULED



PRODUCTION CONTINUES TO RISE

- ✓ Underground mine contributed 538kt of ore at 1.93% copper in Q4
- ✓ Highest quarterly production achieved to date
- ✓ LEAN operating model implemented at crew level
- ✓ Waste backfilling into stopes commenced, reducing waste haulage and backfill costs
- ✓ Average loader age < 2 years

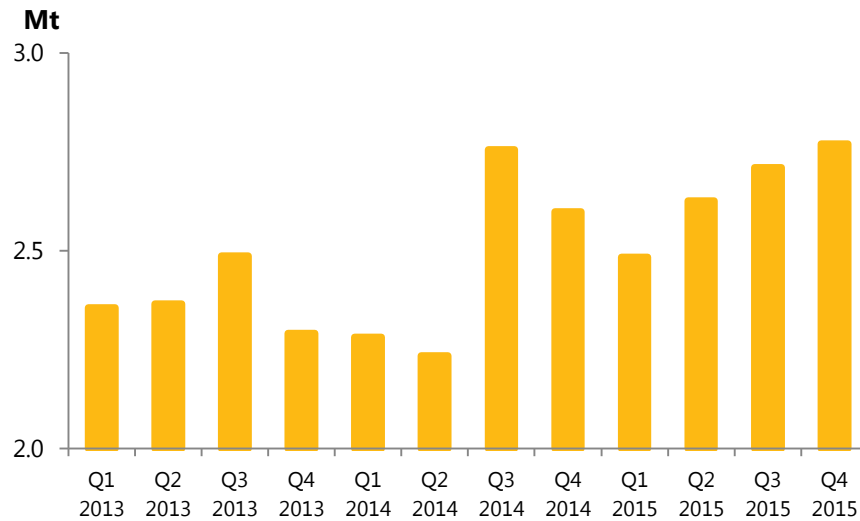
FURTHER IMPROVEMENTS TO IMPLEMENT

- Production improvement plan ongoing targeting:
 - Increased waste dumping into stopes
 - Increased ore movement
 - Improved equipment utilisation
 - Equipment requirement review and reduction
 - Increased remote loading capability
- Decision on second decline imminent

Processing Plant performance

ITEM	Q3	Q4
Ore milled (Mt)	2.7Mt	2.8Mt
Copper recovery (%)	88%	88%
Gold recovery (%)	71%	71%

MILL THROUGHPUT



RECORD THROUGHPUT WITH HIGH RECOVERY

- ✓ Total ore milled 2.8Mt in Q4; 10.6 million tonnes for 2015
- ✓ Record hourly / daily / weekly throughput rate and total tonnes milled
- ✓ Plant recoveries for Q4 remained high at 88 percent for copper and 71 percent for gold
- ✓ 2015 water recovery from the TSF greater than all previous years combined

CONTINUOUS IMPROVEMENT

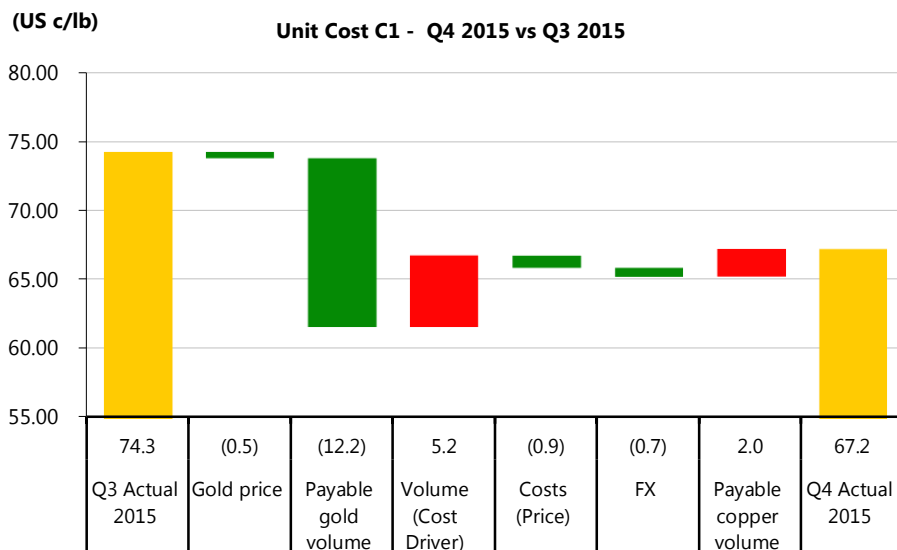
- Gold ore trial identified plant ability to process 8.7Mt per annum for a high gold ore blend ²
- Further optimisation could deliver gold ore throughput to 9.5Mt per annum ³

Cost performance

ITEM		Q3	Q4
Open Pit unit costs \$/t	●	5.62	● 5.61
Underground unit costs \$/t		46	46
C1 costs USc/lb	●	74	● 67

- Favourable to guidance
- Unfavourable to guidance

C1 FACTOR ANALYSIS



COST REDUCTIONS ACHIEVED

- ✓ 2015 C1 cost US 70.1c/lb at bottom of guidance range of US 70-80c/lb
- ✓ Significant reduction in C1 costs at US 67.2c/lb (Q4) predominantly due to higher gold grades milled
- ✓ Notional C1 split: Open Pit US 55c/lb; Underground US 107c/lb
- ✓ Q4 open pit unit cash costs of \$5.61/t reflects cost control strategies and mining efficiencies
- ✓ Underground operating costs in-line with previous quarter at \$46/t
- ✓ Cost control program has realised in excess of \$5 million per annum of cost savings

NEW INITIATIVES UNDERWAY

- Arc Blue (procurement specialist) leading procurement and contract management review
- Head office transition completed with corporate cost savings to be fully realised in 2016

Cash generated

WORKING CAPITAL MOVEMENTS

A\$m	Dec'14	Dec'15 ¹	Change
Trade receivables	120	91	(29)
Concentrate (at cost)	34	29	(5)
Trade payables	(74)	(63)	11
Ore inventory	195	279	84
Working Capital	275	336	61
Cash balance	219	553	334

¹ December 2015 figures unaudited



CAPITAL DISCIPLINE IMPLEMENTED

- ✓ Unaudited 31 December 2015 cash balance of \$553 million with no debt
- ✓ 2015 pre-dividend net cash generation of \$352 million (unaudited), in addition to working capital increases
- ✓ Ore inventory stockpile continues to build - consistent with plan to optimise OP contract; investment intended to be realised 2018-2022

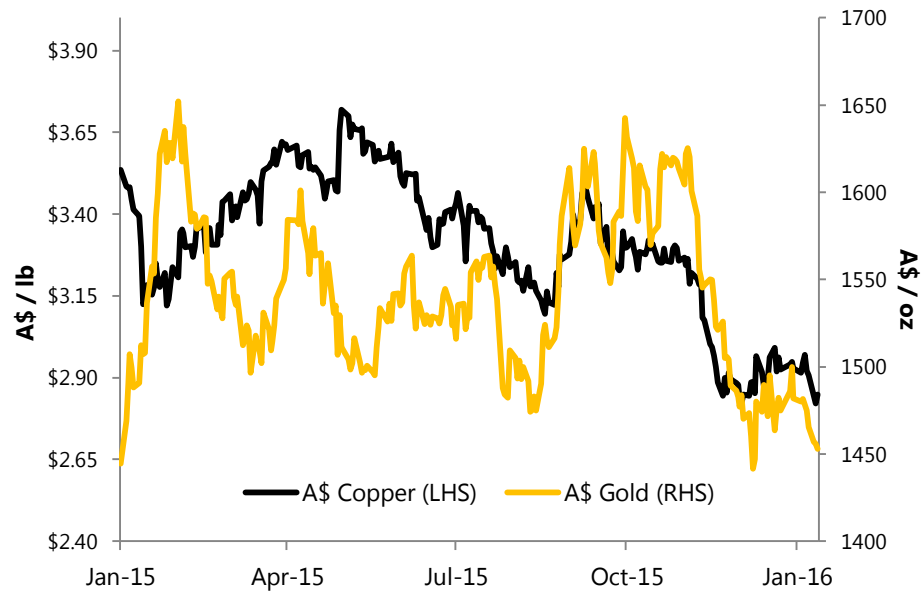
ONGOING CASH FOCUS A PRIORITY

- Cash balances to be converted to A\$, after allowing for US\$ commitments
- Undrawn loan facility of US\$200 million to be re-negotiated
- Board to consider full year dividend in-line with dividend policy, subject to investment and balance sheet activity
- Final dividend announcement and guidance issued with FY results on February 10th

Sales performance

ITEM	Q3	Q4
Copper sold (t)	37,661	37,091
Gold sold (oz)	27,301	29,870

A\$ COPPER & A\$ GOLD



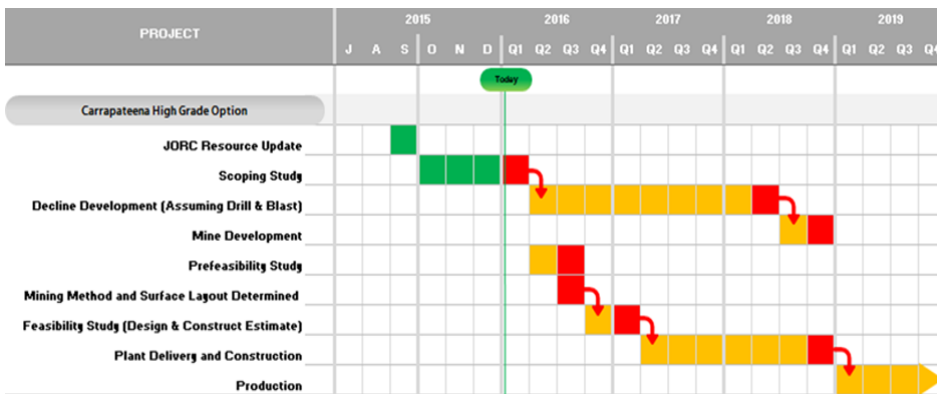
Source: Bloomberg

CUSTOMER FOCUS

- ✓ Strong demand for our high grade copper concentrate
- ✓ Majority of 2016 tonnage already sold under forward contracts
- ✓ Continuing efforts to work with customers to tailor concentrate to requirements
- ✓ Early interest from existing and potential customers on Carrapateena concentrate and Hydromet process



Carrapateena



CARRAPATEENA DECISION IMMINENT

- ✓ Carrapateena high grade resource identified; 61Mt @ 2.9% CuEq⁴
- ✓ Scoping study ahead of schedule
- ✓ Successful completion of Hydromet demonstration plant trial
- ✓ Concentrate parcels achieved upgrades of up to 60 per cent copper; impurities reduced well below penalisable levels

VALUE IMPROVING INITIATIVES

- Carrapateena study progressing; announcement on future direction of the project expected in February 2016
- Cost and efficiency improvements to Hydromet process under review for application to full scale plant

Growth Opportunities



INNOVATIVE EXPLORATION TRANSACTIONS

- ✓ Three joint ventures entered into leveraging expertise and previous exploration successes:
 - Mount Woods JV with Minotaur Exploration - accelerating the search for brownfield copper resources around Prominent Hill
 - Yandal One JV with Toro Energy – innovative deal targeting significant ore-grade nickel intercepts in WA
 - Eloise JV with Minotaur Exploration – highly prospective area with geological similarities to Cannington

JAMAICAN PROJECTS PROGRESSING

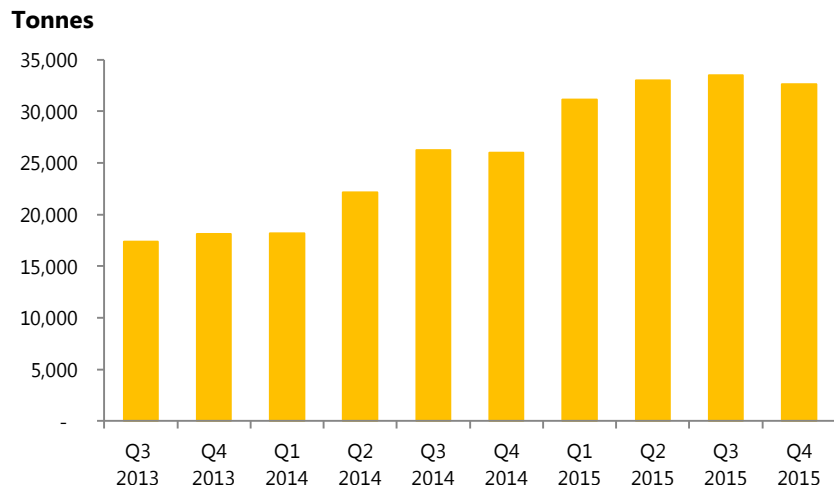
- ✓ Bellas Gate - drill program completed; porphyry style alteration and copper mineralisation identified
- ✓ Rodinia JV – field reconnaissance underway on prospects with outcropping copper mineralisation

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SUPPLEMENTARY SLIDES

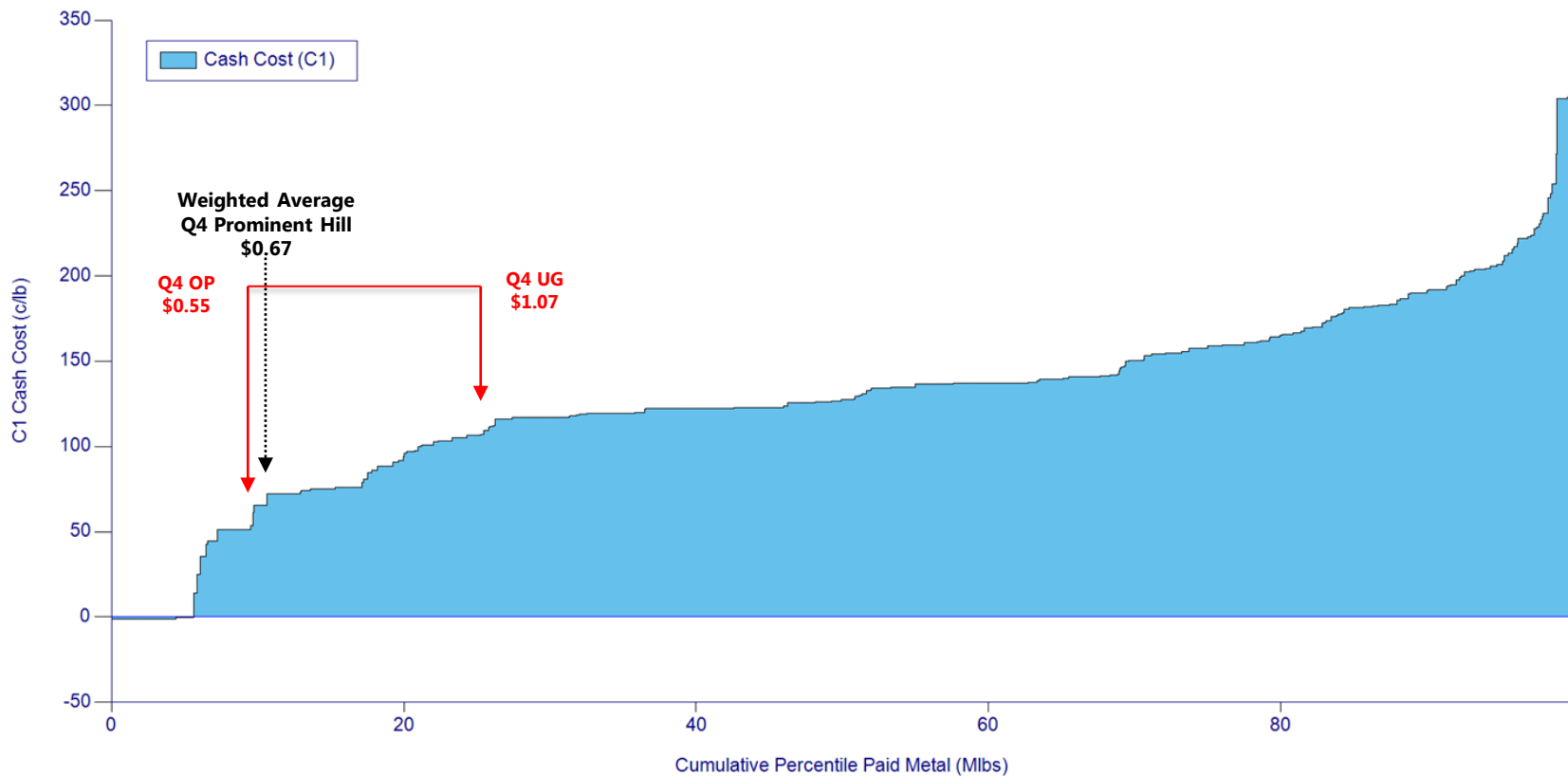


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Lowest quartile cost producer

Notional Open Pit and Underground C1 costs – Q4 2015 *

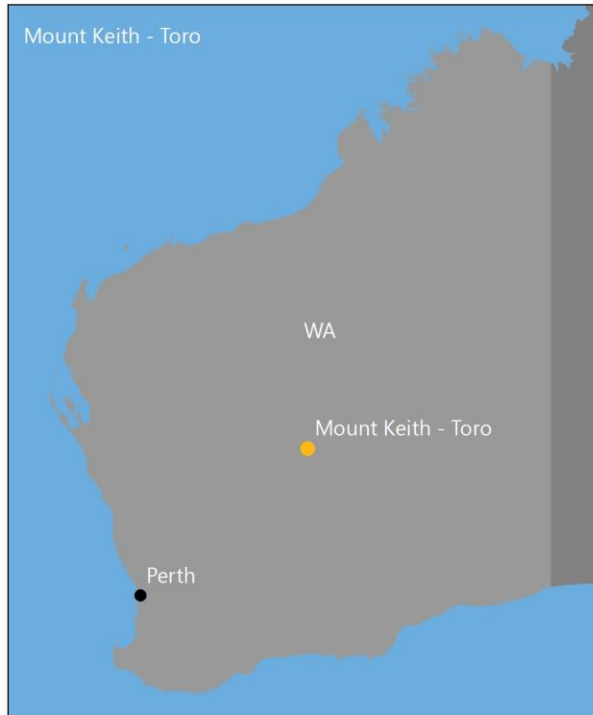
2016 Copper Mine, Composite, C1 Cash Cost
Grouped By Mine and Ranked By Cash Cost (C1)



Source: Wood Mackenzie Ltd, Dataset: 2015 Q4

* Calculated based on proportion of mill feed from each mine for Q4

Minotaur and Toro Projects



Investor Relations Calendar

