

24 May 2016

A modern  
mining company

The Manager, Companies  
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Dear Sir/Madam,

### **Annual General Meeting and retirement of Mr Dean Pritchard**

In accordance with ASX Listing Rule 3.13.3, please find attached the addresses to shareholders and accompanying slides that will be delivered by the Chairman and the Managing Director & Chief Executive Officer at the Annual General Meeting of OZ Minerals Limited which commences at 2.30pm (Adelaide time) today in Adelaide.

The meeting will be webcast live on the OZ Minerals website at [www.ozminerals.com](http://www.ozminerals.com).

Effective at the conclusion of today's Annual General Meeting, Mr Dean Pritchard will retire from the Board of OZ Minerals. Mr Pritchard has been an independent non- executive of the company since 2008.

The Chairman Mr Neil Hamilton said, *"Dean has been a significant contributor to the Company since 2008. His skills and expertise across a number of sectors, particularly the construction and engineering industries have been of significant benefit to the Company. His ability to provide guidance and direction as part of Board discussions and also to employees of OZ Minerals has been greatly appreciated"*.

The results of the Annual General Meeting will be released after the conclusion of the meeting and the Annual General Meeting webcast will be available at [www.ozminerals.com](http://www.ozminerals.com) approximately four hours after the close of the meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Robert Mancini'.

**Robert Mancini**  
Head of Legal and Company Secretary

## OZ MINERALS LIMITED

### ANNUAL GENERAL MEETING

2.30pm 24 May 2016

ADELAIDE OVAL, LEVEL 3

RIVERBANK STAND, NORTH ADELAIDE

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#### Housekeeping – Damon Hunt

#### SLIDE 1 – Cover slide

##### Welcome

Good afternoon, my name is Neil Hamilton and I am the Chairman of OZ Minerals Limited. On behalf of the Board of Directors, I welcome those of you who join us today in person, and those who are joining us online, to the OZ Minerals 2016 Annual General Meeting.

Before we start, I would like to ask Jack Buckskin, who is a Kurna man (pronounced “gana”), to officially welcome us to country.

#### SLIDE 2 – CHAIRMAN’S ADDRESS

##### Introductions

Thanks very much, Jack.

To commence, I would like to introduce the Board of Directors to you. You can read the full details of their backgrounds and qualifications in the Annual Report.

- On my right is **Andrew Cole** –Managing Director and Chief Executive Officer
- Next to Andrew is **Rebecca McGrath** –Chairman of the Human Resources and Remuneration Committee and a member of the Audit Committee.
- Next to Rebecca is **Charles Lenegan** –Chairman of the Audit Committee.
- On my left is **Paul Dowd** –Chairman of the Sustainability Committee. Paul is standing for re-election today.
- Next to Paul is **Dean Pritchard** – A member of the Sustainability Committee and a member of the Human Resources and Remuneration Committee. As you know, Dean will be retiring at the conclusion of this AGM and I will have more to say on that in a moment.
- Next to Dean is **Julie Beeby**. I would like to welcome Julie to her first OZ Minerals AGM. Julie was appointed to the Board on the 19<sup>th</sup> of April this year. She will also serve as a member of the Sustainability and Human Resources and Remuneration Committee. I will have more to say on that shortly also.
- Next to Julie is **Robert Mancini**, our Company Secretary and Head of Legal.

I would also like to introduce **Luke Anderson**, our Chief Financial Officer, and **Bob Fulker**, our Chief Operating Officer. Luke and Bob, please stand up so that people can see you.

**Paul Cenko** and **Michael Bray**, from KPMG, the company's audit firm, are here with us today. Welcome Paul and Michael. Michael will be available to answer any questions regarding the conduct of the audit and the content and preparation of the Audit Report during the meeting. As a consequence of our move to Adelaide, Michael will hand over the role of Lead Audit Partner to Paul. I would like to take this opportunity to thank Michael for his efforts over many years as our Audit Partner and for his wise counsel and advice.

Today's meeting will be organised in three parts:

- Firstly, I will provide shareholders with a brief summary of the highlights from this past year and then present the Board's view of the underlying value of OZ Minerals.
- Andrew will then provide you with the details behind this past year's operational performance, as well as provide you with a look forward into some of the planned initiatives and projects in the pipeline.
- That will be followed by the formal business component of the meeting at which time I will take your questions on each resolution. I ask that you reserve your questions until such time as I introduce the relevant resolution and then call for your questions.
- There will then be an opportunity for any general questions at the end of the meeting.

### **SLIDE 3 - Disclaimer**

Within our comments today are references to forward looking statements and production outlook. The disclaimer on slide 3 pertains to these topics.

### **SLIDES 4 & 5 – Compliance Statements**

Other statements made in today's presentation should be read in conjunction with the relevant compliance statements in slides 4 and 5.

### **SLIDE 6 – 2015/16 Performance**

#### **Highlights**

I will speak briefly to the highlights of the 2015 year and then I would like to spend some time talking about our view of the value of the company, what component parts make up that value and what we, as an organisation, are doing to both realise that value and get that value recognised in the market, ultimately reflected by share price.

When we met here last year we said that we had concluded a year of consolidation, a new base from which to take the company forward into the next chapter of its life. In 2015 we further consolidated that base but have also now started to expand and extend the life of the company's operations.

Some of the highlights of the 2015 year were:

- Further improvement in our safety performance
- Excellent output from Prominent Hill
- Significant increase in our cash reserves
- Consolidation of our offices into one presence here in Adelaide
- Success in further reduction in operating costs as we seek to be a lean and agile operator
- The sound financial performance supported dividends in excess of \$60 million

Andrew will touch on some of these in more detail and full particulars of the achievements are set out in the Annual Report.

In addition to these achievements, we have continued to identify growth opportunities for the Company through exploration, acquisition and from further development of our existing assets.

## **SLIDE 7 – OZ Minerals’ Value – asset and exploration locations**

### **Highlights**

When we, as a Board, look at our view of the value of the company we examine the component parts of that value pool. When we met here this time last year we saw:

- The Prominent Hill pit operation, the Ankarta and a relatively new Malu Underground;
- Our stockpiles of ore at Prominent Hill
- Our strong cash reserves
- The exciting potential of Carrapateena (and nearby resources).

We believed then that we needed to do more to prove, better demonstrate and explain the value of these assets.

In respect of Prominent Hill, the continued strong performance of the well-established operations has, we believe, confirmed its value. That value is supported by strong, consistent cash flows. We have also been working hard on the Malu Underground and have announced some very encouraging drill results, the development of a second access to the resource and considerable work has been undertaken in improving the operating costs per tonne in this mine. Andrew will provide more detail in his presentation later but suffice it to say that all this work is designed to achieve significant mine life extension at Prominent Hill.

In April we announced that we had executed a hedge over part of our significant gold stockpiles at Prominent Hill. This not only locks in that gold at historic high levels but also, importantly, is an independent verification of the value of those stockpiles which form part of our asset base.

During the 2015 year we saw an increase in our cash reserves by some \$334 million which provides us with great flexibility to buy or develop assets and/or undertake capital management. Our operations this year will again be strongly cash flow positive.

Since last we met, an enormous amount of work has been done on the Carrapateena project, culminating in an announcement earlier this month of a very robust financial case around a development of the high grade core of the resource. We anticipate construction of

the decline to commence in the coming months. We believe we have demonstrated a compelling value proposition around this project, identifying an NPV of approximately \$750 million or \$2.50 per share. It is important to also note that the Company can fund the development of this project from its own resources and that the project is the exploitation of but a part of the Carrapateena resource not to mention the potential satellite deposits of Fremantle Doctor and Khamsin.

Whilst a lot more work will need to be done in coming years to determine the economics of expanding the project, it is reasonable to assert that any project economics can only be enhanced by the existence of the infrastructure at Carrapateena which will by then have already been paid for. Andrew will speak in more detail about the proposed concentrate treatment plant at Whyalla which is funded by the economics of the Carrapateena project but which will also be a valuable resource to the treatment of ore from an extended Prominent Hill operation.

## **SLIDE 8 – Outlook for OZ Minerals**

### **Unlocking value for the future**

All of these things contribute to our view of the underlying value of the company. Of course any value will be affected by assumptions about some important factors, outside our control, like future commodity and currency prices.

We have a positive view on the outlook for copper particularly out from 2018 but always test our plans and decisions against various possible scenarios for prices. In summary, we believe we have a very strong case to argue that the company has a very robust underlying value from its existing assets alone. Our challenge, as we continue to develop these assets, is to explain and demonstrate that our view of value to the wide investment community and, where possible, close the difference that might exist between our view of underlying value, appropriately risk adjusted, and our share price. We are pleased that in the last 12 months we have seen an improvement in our share price and a closing of that “gap.”

We know we have more work to do and that this is an ongoing body of work. Andrew will provide some more detail on these continuing initiatives.

We are committed to allocating our capital in a manner that best creates shareholder value, meets shareholder expectations and measures an appropriate risk profile.

We have a dividend policy that reflects those objectives. We have said that we will, where the economics are supportive, look at forms of capital management to create value. Capital for development and/or acquisition of assets needs to compete with possible alternative uses. We have continued to explore and advance opportunities for growth by acquisition but always only against the backdrop of those criteria.

We are, by virtue of our strong balance sheet, very competitively placed to acquire assets that may come to market.

## **SLIDE 9 – OZ Minerals Board**

Finally, before handing over to Andrew a couple of comments on our Board. As I mentioned, at the conclusion of this meeting, Dean Pritchard will leave the Company after many years of outstanding service. We thank him for that service and his considerable contribution to the Board's deliberations. On a personal note I would like to thank Dean for his positive, always constructive and, where appropriate, challenging support for me whilst I have been in this position. It has been a pleasure working with you Dean, I have learnt a lot from you, and we all wish you the best for the future.

I also welcome Julie to the Board and I am very comfortable that she will be an excellent addition to the team. She brings with her considerable valuable experience and I look forward to working with you Julie as part of the company Board.

## **SLIDE 10 – MANAGING DIRECTOR AND CEO'S ADDRESS**

Thank you, Neil. Good afternoon, ladies and gentlemen. It is a great pleasure to be here today, for my second OZ Minerals AGM.

## **SLIDE 11 - OZ Minerals Growth Strategy**

In April 2015 we introduced a new strategy that we committed to implement across every facet of the business. It outlined how we would work and what we would focus on including a foundation built on safety, strong values and capital discipline.

Value creation was at the core of this strategy, meaning value for shareholders, and value for our people, communities, partners and stakeholders. I then presented this strategy to you at this venue at this same time last year with most things at that time being a commitment of things we would do.

## **SLIDE 12 – OZ Minerals' strategy – One year on**

Last month, and one year on from the release of the new strategy, I was very pleased to present to our shareholders an overview of the work we have done over this past year. It was a significant moment for us as we have used this platform to further mold OZ Minerals into a truly modern mining company. We still have a lot of work to do but I think it is worth reflecting on what the team at OZ Minerals has achieved over this past year.

- We have consolidated our offices into one and re-organised the business
- We have continued to improve our safety performance seeing another 35% improvement over 2014
- We increased our cash balance by over \$300 million, taking our cash balance to \$533m by the end of Q1 2016
- We maintained our strong balance sheet with no debt.
- We have reduced our cost base further positioning Prominent Hill clearly in the bottom quartile of the cost curve
- We increased our 2015 NPAT by 168% to \$130 million
- Our 2015 Underlying EBITDA by 42% to \$485 million, whilst reducing our cost of goods sold by 17% to \$379 million

- We signed three new and innovative exploration joint ventures
- Commenced a new decline to access the UG at Prominent Hill to enable an UG expansion and cost reduction
- And of course we released a new and compelling scope of work for Carrapateena

All in all it has been a busy year, but a very exciting year of growth against the head winds of a declining Cu price when most companies are shrinking and contracting.

Today I would like to take you through some details that help verify the Chairman's introductory comments, covering some of what we have done, and just as importantly, what we still have to do!

### **SLIDE 13 – Safety**

The safety of our people is paramount. This is something that I am very passionate about – it is of course very personal when people are injured in the workplace with consequences for individuals, families and friends, and it can have significant and very real impacts on business performance.

Safety performance is a very powerful leading indicator for business performance, workforce productivity and leadership quality. I am pleased to say that our recordable injury rate improved by 35% this last year, a reflection of the commitment and importance the site leadership teams places on this. We are under no illusion however that we have more to do – whilst people are being hurt in our workplace we must continue to make proactive improvements that will result in no injuries to anyone, at any time, for any reason.

### **SLIDE 14 – Executive Committee**

As part of our company restructure last year we reduced the overall size of our team. We also put in place an organisational structure that ensures every person is clear on their role and the expectations placed on them. We are mid-way through introducing LEAN Visual Management as our core management tool in every part of the business. This has already proved valuable – it helps provide clarity on what core levers we can pull and who is accountable for what.

Pictured on this slide is our Executive team, all of whom are here today. I would encourage you to meet them and ask questions of them after today's formalities.

### **SLIDE 15 – Gawler Graton**

For those of you who are not familiar with SA's geology, this map shows a geological terrane named the Gawler Craton. It sits in the middle of SA and contains 68% of Australia's Cu and 14% of the world's known Cu resources. It is highly prospective and I have absolutely no doubt that there are more resources to be found. The Gawler Craton already contains one of the world's largest ore bodies at Olympic Dam and other significant deposits, including Prominent Hill and Carrapateena.

The Gawler Craton and indeed other parts of SA benefit from strong support from both sides of politics and very constructive local communities. This makes the Gawler Craton an

excellent mining jurisdiction and I would go so far to say, that in my experience, it is probably one of the most attractive and lowest risk jurisdictions in the world for a mining company to operate.

#### **SLIDE 16 – Prominent Hill site images**

I will now touch on some of the work being done at Prominent Hill. For those who haven't have not been to site here are a few images of the site, located around 650km north-west of Adelaide. You can see the open pit at bottom and top right, primary crusher and stockpile at the top left and UG load-out in the top middle.

#### **SLIDE 17 – Operational Performance**

As the Chairman mentioned, 2015 was a good year for Prominent Hill with many records set, all built on past year improvements. Core to our strategy is that of reliability and predictability - I am pleased to say that Prominent Hill successfully met or exceeded all guidance targets set over the past five consecutive quarters. Being accountable for delivery is at the heart of our who we are and who we need to be.

We expect this trend of meeting guidance to continue, furthermore we believe in a culture of continual reflection and optimisation, which will see new opportunities flagged and realised. As an example, we have already locked in \$20m of annualised savings this year and have another \$25m of opportunities identified. This focus will continue.

#### **SLIDE 18 – Prominent Hill – Resource conversion drilling**

At the heart of creating value is the mineral resource we mine. Resources are usually complex and continue to yield surprises, on occasion not so good but more often than not positive. This typically results in mine life extensions as more is learned as new and deeper drilling is undertaken. At Prominent Hill this mine life revision has already started to occur with the commissioning of the Malu UG mine mid-last year. We also know that about half of the Prominent Hill resource of 152mt @ 1.2% Cu and 0.6g/t Au is in our current mine plan, which already takes us out to 2026. The rest of the resource needs more work before we can determine whether it can or can not be economically mined.

In terms of positive surprises, earlier this year we released some results from drilling under the PH OP but outside the current 152mt Cu resource that included a drill intersection of 68.5m @ 3.2% Cu, including 23.6m @ 5.6%Cu. This just reaffirmed for us that we have a lot to learn about this resource and that spending about \$4m this year to better understand the resource we think is very important.

#### **SLIDE 19 – Significant de-risked value in ROM Stocks**

As a result of stripping Au ore over the past half dozen years and our current strategy of fast-tracking OP mining, we are rapidly building a stockpile of ore adjacent to the processing plant. This stockpile is being built to minimise the cost of mining the open pit and whilst we do not currently have spare plant capacity to process this ore, this stockpile is rapidly becoming a very valuable asset. The costs of building this asset is being incurred now but



the subsequent release of cash when we process the stockpile is expected to be substantial from 2018 to 2022.

Our recent hedging of a small part of the Au stockpile has helped de-risk this asset and locks in a historically high gold price.

#### **SLIDE 20 - Prominent Hill – Creating value for the next 10+ years**

Whilst mining in the open pit will conclude in 2018, we are rapidly expanding the PH UG with the current mine plan taking us out to 2026. From a total output perspective, you can see from this diagram that we will produce at or near capacity through 2022, which has us generating substantial cash flow over the coming 6 or so years.

We have many projects targeting new efficiencies at Prominent Hill, identified and scheduled. We are in the process of expanding the PH underground mine up to approximately 4mtpa and we intend to drive improvements that should see it become best in class when benchmarked globally. This should allow us to decrease unit costs and therefore reduce the resource cut-off grade which, in turn, will allow us to extend mine life. This is our core work over the coming year.

#### **SLIDE 21– Carrapateena images**

Now let me turn to OZ Minerals' internal growth project - Carrapateena. For those of you unfamiliar with Carrapateena, it is around 130km north of Port Augusta and as you can see by the photos on the screen the terrain is flat and easy to work, and the site is well equipped with a camp and supporting infrastructure ready for the next phase of work.

We currently have over 20 people on site with resource drilling underway using two rigs operating 24 hours-a-day.

#### **SLIDE 22 – Carrapateena project status – Carrapateena 4mtpa +Whyalla CTP**

As no doubt you will be aware, last October we announced a resource of 62mt @ 2.9% CuEq contained within the greater 800mt Carrapateena resource. Since then we have made very good progress and earlier this month we announced a final scope of work to progress to PFS. This scope is now focussed on a 4mtpa sub-level cave mine, which we expect to generate substantial value, at a very healthy rate of return, with minimal technical risk. This project when benchmarked globally should have one of the lowest operating costs, below average capital intensity and generate \$4.8b pre-tax cash at consensus pricing. Whilst more design and permitting work needs to be completed to help us make the "final decision to construct" in Q1 2017, the current economics and risk profile of the project give us sufficient confidence to commence the access decline now. In doing this we are aiming for first production in the second half of 2019 and ultimately save approximately \$90m in value from delay.

As part of the final scope of work, we have already flagged that we prefer Whyalla as the new home for the CTP (formally known as Hydromet). By basing the CTP at Whyalla we can free up power at the Carrapateena site, which in turn allows us to increase the annual rate up to 4mtpa. We will see also lower operating costs in Whyalla with existing services close by both at the Arrium port and in the Whyalla township.

Lastly, by having the CTP based in Whyalla it gives us the opportunity to look at using this facility for deeper Prominent Hill ore (or any other ore for that matter) if we find we need it in the coming years – this will give us much greater flexibility and optionality.

#### **SLIDE 23 – Carrapateena project status - Separation of Carrapateena and CTP**

As this map also shows, the transport distance from Carrapateena to Whyalla is about half that of the distance to Adelaide Port which would also see a transport cost saving. Arrium has sufficient available land, spare port capacity and most of the services we require to run the CTP. The MOU we have signed with Arrium and their Administrators has been done on the basis that we both see a solution that will generate a win for OZ Minerals, a win for Arrium and a win for the community of Whyalla.

We are now in commercial discussions with Arrium and their Administrators and if successful, this project will generate approximately 100 construction jobs between 2017 - 2019 and approximately 100 ongoing operation jobs. This is great news for SA but also great news for OZ Minerals.

#### **SLIDE 24 – Copper-in-concentrate grades**

A key competitive differentiator of OZ Minerals is the quality of concentrate produced. PH already has the highest Cu in Concentrate % in the world as evidenced by this chart published by WoodMac, an independent research agency. Going forward, once the CTP is built, OZ Minerals' concentrate should be the best and cleanest in the world.

#### **SLIDE 25 – Carrapateena project status - Scalability of mine design**

One of the great things about Carrapateena is that the mine, once constructed, will be flexible and scalable. None of this upside is captured in the economics of the published base project, but with sub level caving being our preferred mining method and with a total resource of 800mt (just at Carrapateena, not including Khamsin or Fremantle Doctor), any changes in the macro environment whether that be Cu price or exchange rate for example, we will have the flexibility to expand (and shrink) the mine to exploit more (or less) of the resource.

As this graphic shows, if Cu price increases, we can quickly expand our sublevel cave designs to take more resource (for example the green area currently outside our mine plan). This is a very important feature of Carrapateena, one that I am certain will lead to substantial and additional value creation over time.

#### **SLIDE 26 – Carrapateena project status – timeline**

So where to from here.....

We are now in the PFS for Carrapateena using the published scope. This and the Feasibility Study are due for completion by the end of Q1 2017 at which time we will need to decide whether to progress and construct. This timing will allow first Cu production in the second half of 2019 following an estimated 2 year build period.

The Carrapateena drilling program which is currently in progress should be complete in a matter of weeks. On the decline tender the construction contractor will be appointed within the next several weeks with construction to begin soon after. Water drilling and Mining Lease approvals need to commence as we also increase community consultation.

The SA Government has invited us to submit the CTP to be assessed under 'Major Project' status, which we have now commenced.

Separate to this timeline, we have also begun looking at whether the CTP could add value by processing deeper Prominent Hill resource currently not in the mine plan. This work is still early, but a central CTP will likely give us more flexibility and hence allow us to convert more PH resource to reserve, thus extending mine life, and creating more cash flow over a longer period of time.

#### **SLIDE 27 - Growth across the business slide**

Without dwelling too much on this, I do want to quickly touch on our external growth pipeline. This pipeline is very important to the creation of long term value. We are actively seeking new innovative ways of gaining access to high-potential projects and have signed three such agreements over recent months.

This approach allows us to gain access to very good projects and it allows our partners to continue their work in a very tight market where exploration funds are just not available on the public market.

#### **SLIDE 28 – Australian Exploration and Growth**

One such project is a new collaboration with Minotaur Exploration in Queensland. This JV is targeting both Eloise style and Cannington style mineralisation. The land package is in the highly prospective Mt Isa Inlier - it has known mineralisation, is adjacent to producing mines and has many compelling exploration targets. We are actively fast tracking this project given the results we have seen to date and will see the first round of drilling commence later this month.

#### **SLIDE 29 - Shareholder returns against peers**

Before I finish and hand back to the Chairman, I want to finish on one KPI that we as a leadership team focus on – total shareholder return. Despite Cu prices declining over the same period, OZ Minerals has steadily increased its TSR and is now leading its peers. To quantify this the company share price has increased 15% (not including dividends) whilst the Cu price in A\$ has decreased nearly 20%.

Whilst I think successful, we cannot take our eye off this as a core measure. We have more work to do as I believe that we are only just starting to see the underlying value of this company reflected in its share price.

#### **SLIDE 30 – Creating value for the future – what's next?**

I am very pleased to have a strong and committed team at OZ Minerals, people who are proud of the company they are building. I would like to thank them for their hard work and their commitment, and their families for supporting them through this. I would also like to thank the many partners we have, the many important stakeholders we work with and of course, our shareholders, all of whom are helping build a more valuable company. I look forward to another strong year in 2016.

#### **SLIDE 31 – Cover Slide**



# OZ Minerals 2016 Annual General Meeting

Adelaide Oval

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24 May 2016



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# Chairman's address

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# Disclaimer

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Some statements in this presentation are forward-looking statements within the meaning of the US securities laws. 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.

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

All figures are expressed in Australian dollars unless stated otherwise.

# Compliance statements

## Production Targets Cautionary Statements

Production targets for Prominent Hill are based on:

Classification:	2016-2019 Total
Total Reserve:	90%
Proved:	40%
Probable:	50%
Mine Plan Outside Of Reserve:	10%
Measured:	1%
Indicated:	1%
Inferred:	5%
Unclassified:	3%

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.

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 ([http://www.ozminerals.com/uploads/media/160118\\_ASX\\_Release\\_Prominent\\_Hill\\_gold\\_trial\\_confirms\\_significant\\_value\\_in\\_stockpiles.pdf](http://www.ozminerals.com/uploads/media/160118_ASX_Release_Prominent_Hill_gold_trial_confirms_significant_value_in_stockpiles.pdf)) and 'OZ Minerals hedges gold in stockpiles to lock-in value' released on 27 April 2016 ([http://www.ozminerals.com/uploads/media/160427\\_OZL\\_hedges\\_gold\\_in\\_stockpiles.pdf](http://www.ozminerals.com/uploads/media/160427_OZL_hedges_gold_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.

Further information on Prominent Hill Mineral Resources and Ore Reserves is available in the Annual Resource and Reserve Update for Prominent Hill released to the ASX on 4 November 2015 which is available on the OZ Minerals website [www.ozminerals.com/uploads/media/151104\\_ASX\\_Release\\_Prominent\\_Hill\\_Mineral\\_Resources\\_and\\_Reserves\\_Statement](http://www.ozminerals.com/uploads/media/151104_ASX_Release_Prominent_Hill_Mineral_Resources_and_Reserves_Statement) OZ Minerals confirms that it is not aware of any new information or data that materially affects the information included in that 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.



# Compliance statements

## **Production Targets Cautionary Statements continued**

Production targets for Carrapateena are based on:

Indicated:	99%
Inferred:	1%

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 resource or that the production target will be realised. The Carrapateena Mineral Resource estimate announced on 6 October 2015 underpins the production target. The Mineral Resource Estimate underpinning the production target was prepared by a Competent Person in accordance with the JORC Code 2012. The production target and financial information in this release are based on a scoping study. The scoping study referred to in this announcement is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realised.

## **Carrapateena Mineral Resource estimates**

The information in this presentation that refers to the Mineral Resource estimate for Carrapateena 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>, 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 announcement entitled '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](http://www.ozminerals.com/uploads/media/ASX_Carrapateena_release_and_presentation.pdf) and the announcement entitled 'Larger 4 Mtpa Carrapateena boosts value – underground decline to start imminently' released to the market on 6 May 2016 and available at [http://www.ozminerals.com/uploads/media/160506\\_Carrapateena\\_4Mtpa\\_Whyalla\\_CTP\\_\(1\).pdf](http://www.ozminerals.com/uploads/media/160506_Carrapateena_4Mtpa_Whyalla_CTP_(1).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.

## **Exploration**

Please refer to the announcement 'Minotaur identifies new targets near Prominent Hill' released to the market on 29 April 2016 and available at [http://www.ozminerals.com/uploads/media/160429\\_Minotaur\\_identifies\\_targets\\_around\\_Prominent\\_Hill.pdf](http://www.ozminerals.com/uploads/media/160429_Minotaur_identifies_targets_around_Prominent_Hill.pdf)



# 2015/16 Performance

## Highlights

### Production

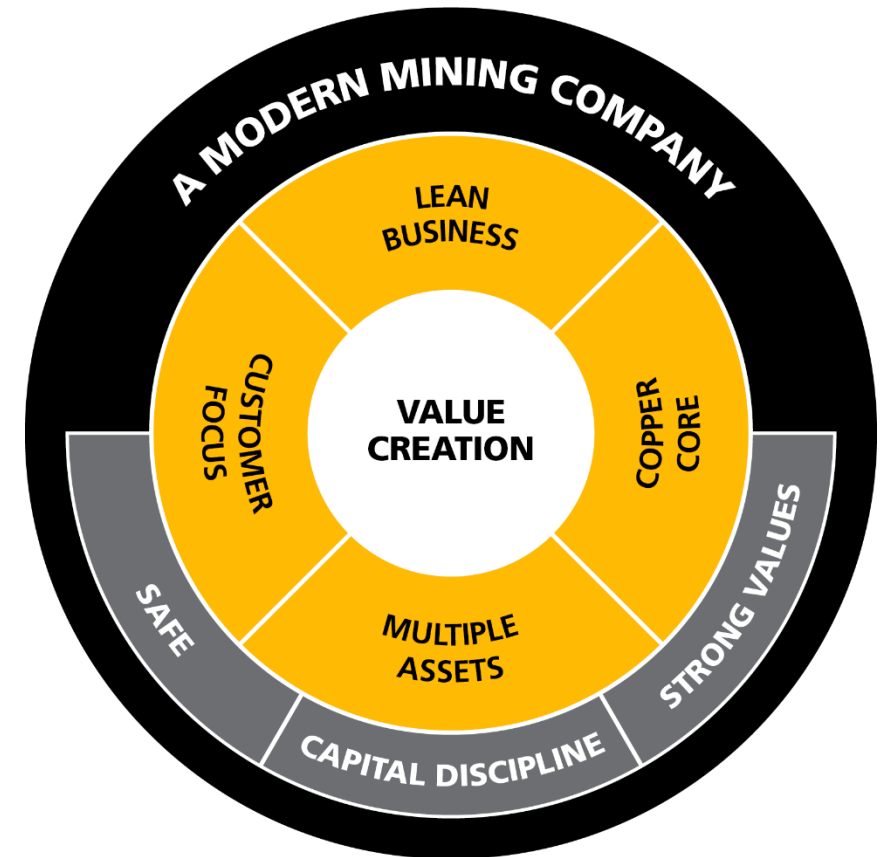
- / Record company safety performance – 35% reduction in TRIFR
- / Copper and Gold production met or exceeded guidance
- / 2015 Copper production: 130,305 tonnes
- / 2015 Gold production: 113,028 ounces

### Economic

- / \$533 million in cash at end March 2016 – debt free
- / Significant cost reductions achieved – 2015 C1 cost of 70c/lb
- / \$879 million in revenue, \$130 million NPAT
- / 2015 Dividend \$61 million

### Growth

- / Offices consolidated in Adelaide
- / Second decline at Prominent Hill underway
- / Prominent Hill drilling program to convert resource to reserves in progress
- / Carrapateena project scope increased to 4.0 Mtpa - decline construction imminent
- / Hydromet trial returned excellent copper-in-concentrate upgrades
- / Three joint exploration ventures underway with Minotaur and Toro Energy Ltd



# OZ Minerals' national footprint

## Asset and exploration locations

### Mount Keith JV

- Yandal One JV with Toro Energy
- Exploring for nickel sulphide mineralisation

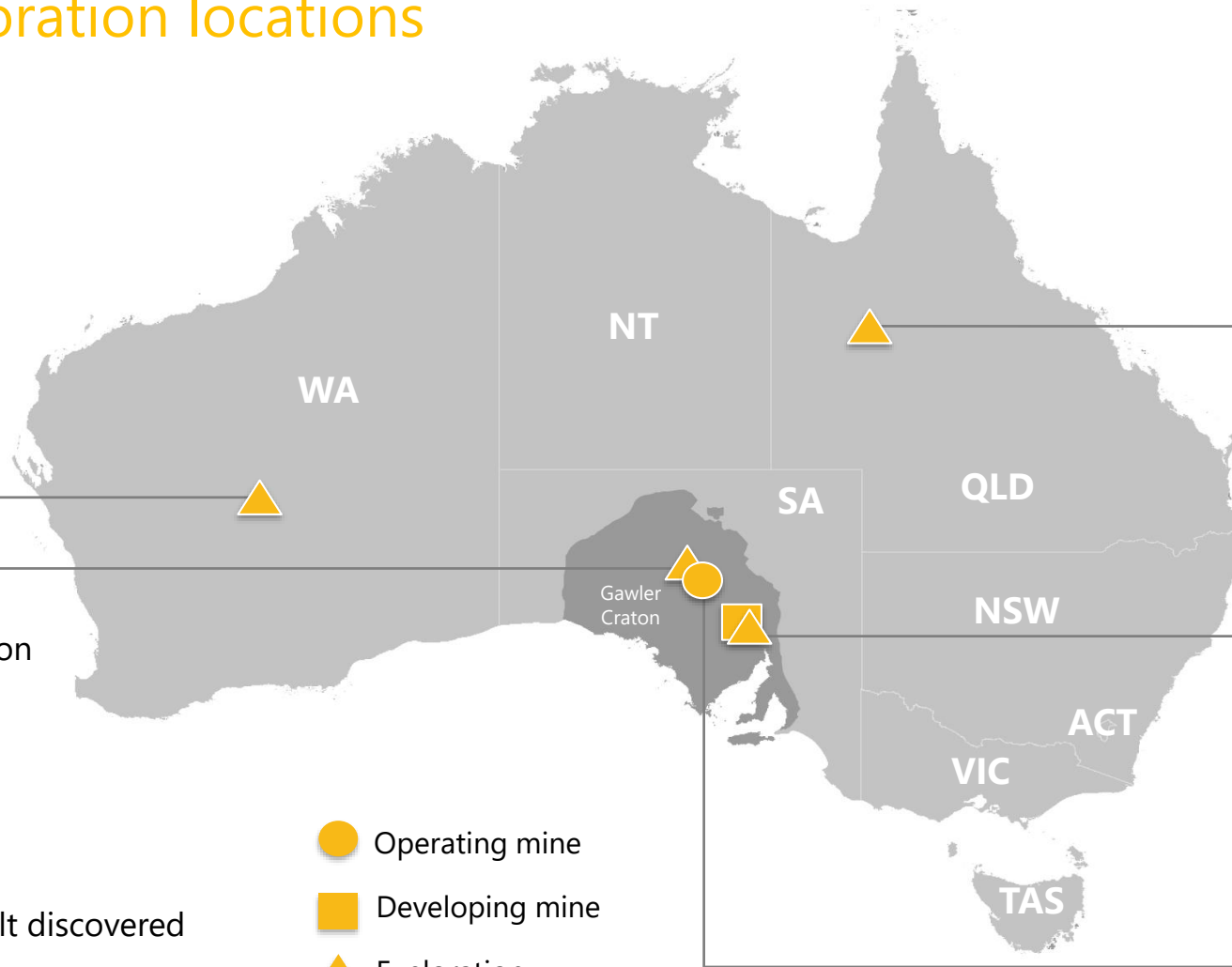
### Mount Woods JV

- JV with Minotaur Exploration
- Exploring for brownfield copper resources around Prominent Hill

### Jamaica JV

- New porphyry copper belt discovered
- Exploring for porphyry copper resources

- Operating mine
- Developing mine
- ▲ Exploration



### Eloise Project JV

- JV with Minotaur Exploration
- Exploring for Cannington style lead/zinc/silver mineralisation

### Carrapateena project

- Advanced world-class project
- Project in pre-feasibility stage
- Iron oxide copper-gold deposit

### Prominent Hill operation

- Open pit and underground operations
- Copper concentrate (gold and silver)
- Stockpiled ore

# Outlook for OZ Minerals

## Unlocking value for the future

### Value creation

Customer focus,  
copper core, lean  
business



### Cash Balance

A\$533 million  
Strong cash flow  
Debt free



### Market Capitalisation

~ A\$1.8 billion



### Growth

Ambitious and  
disciplined internal  
and external growth  
strategy

### Prominent Hill

UG excellence  
Life extension via  
Resource to Reserve  
conversion



### Carrapateena

4 Mtpa mine over  
20+ years  
High return, low cost  
optionality to expand



# OZ Minerals Board



## **Mr Dean Pritchard**

BE, FIE Aust, CP Eng, FAICD

**Independent Non-Executive Director since 20 June 2008**

Mr Pritchard has over 30 years of experience in the engineering and construction industry. He was previously Chairman of ICS Global Limited, a Director of RailCorp, Zinifex Limited and Eraring Energy and Chief Executive Officer of Boulderstone Hornibrook from 1991 to 1997. Serves on the Sustainability Committee and Human Resources & Remuneration Committee



## **Dr Julie Beeby**

BSc (Hons I), PhD (Physical Chemistry), MBA, FAICD

**Independent Non-Executive Director since 19 April 2016**

Dr Beeby has more than 25 years' experience in the resources sector, including the minerals and petroleum industries. Dr Beeby has technology, operations, strategy and mergers and acquisitions experience, and was the former Chief Executive of gas producer, WestSide Corporation Ltd. Dr Beeby has previously held non-executive director positions including Gloucester Coal Ltd, Forge Ltd, and CRC Mining. She is currently a non-executive director of Whitehaven Coal Ltd and Chairman of the Queensland Electricity Transmission Corporation, Powerlink Qld.

Will serve on the Sustainability Committee and Human Resources & Remuneration Committee.

# Managing Director and CEO's address

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# OZ Minerals growth strategy

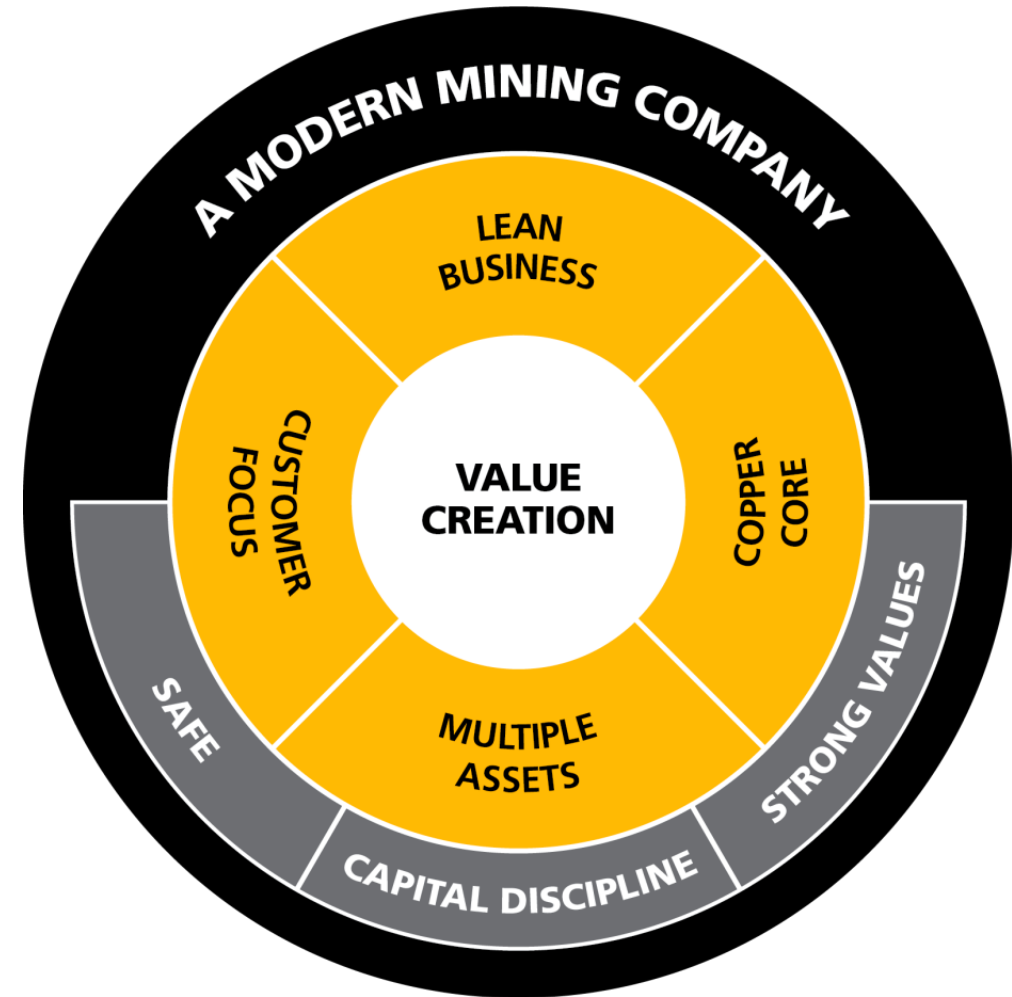
## Embedding the fundamentals and leveraging our strengths

### 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

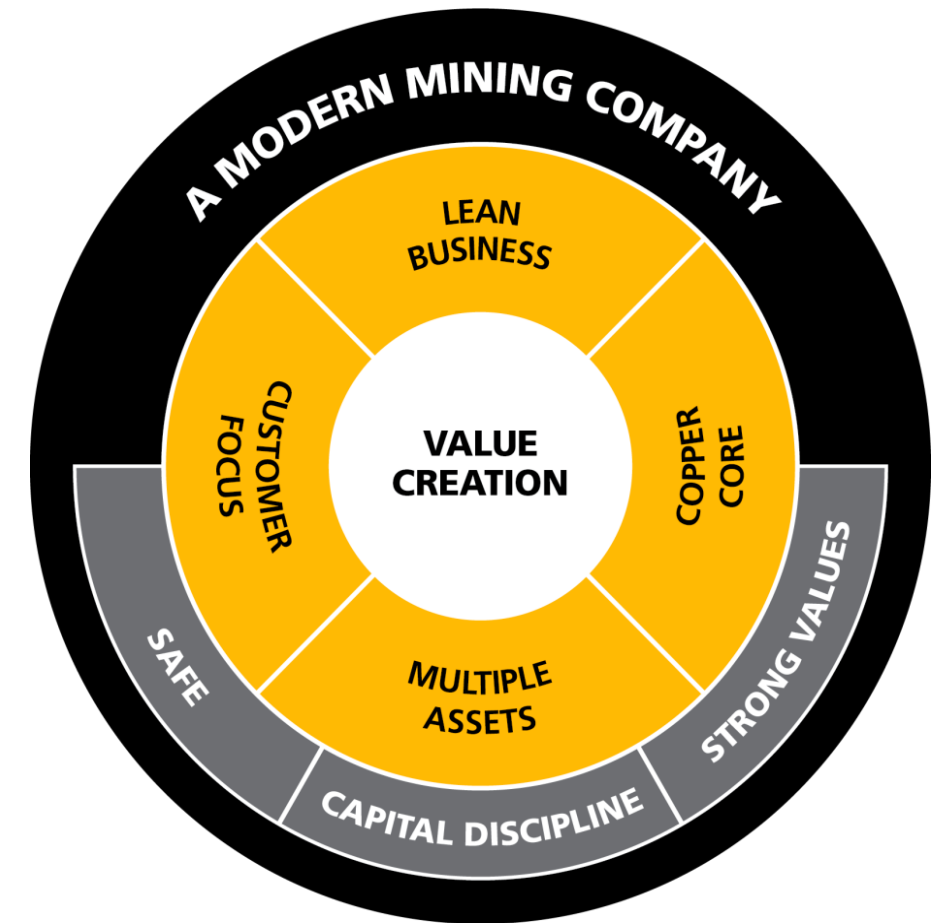
- **Lean business** – Fit for purpose today with an agile and flexible approach to opportunity
- **Customer focus** – Preferred supplier of mineral products to customers
- **Copper core** – Foundation built on copper with base metals and gold opportunistically pursued
- **Multiple assets** – Build and maintain a portfolio of valuable, risk managed, cash generating assets



# OZ Minerals growth strategy

## Achievements one year on

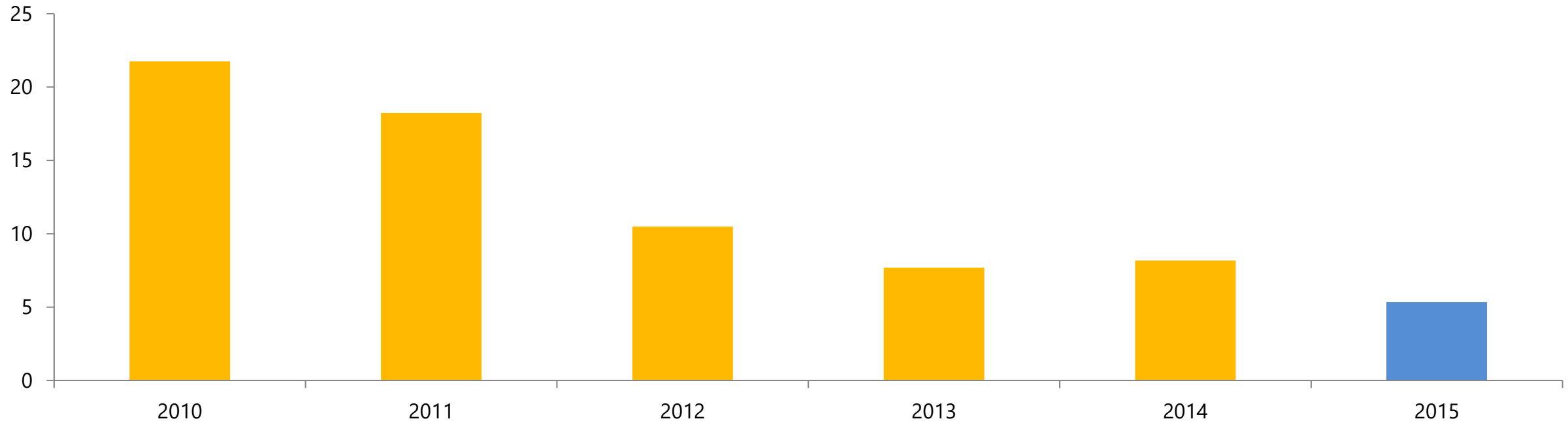
- ✓ Merged and moved corporate office to Adelaide
- ✓ Appointment of new executive team
- ✓ Business restructured with shift to devolved model
- ✓ Competitive Carrapateena project progressed to PFS
- ✓ Three exploration deals announced in SA, WA and QLD
- ✓ PH drilling success testing mineralisation outside current Reserve
- ✓ Instilled operating discipline – four consecutive quarters on or above guidance
- ✓ Safety improvements with a TRIFR reduction to 5.30 (35% decrease from 2014)
- ✓ Increased cash balance by \$314m to A\$533 million (March 2016 unaudited); debt free
- ✓ 2015 dividend payout of over \$60m with a highly competitive 4.7% yield; buyback of \$60 million also announced
- ✓ Significant cost removed from the business; \$20 million realised and \$25 million more identified





# Safe work and strong leadership

## Total Recordable Injury Frequency Rate



- / Reduction in TRIFR to 5.30, a 35% decrease on 2014 (8.18)
- / No recordable injuries for 3 consecutive months – a record for Prominent Hill
- / Lowest TRIFR on record
- / Significant improvements in high risk incident reporting, investigation timings and auditing
- / Site safety acceleration program health check completed



# OZ Minerals Executive Committee

## Leaner structure



**Andrew Cole**  
Managing Director & CEO



**Luke Anderson**  
Chief Financial Officer



**Bob Fulker**  
Chief Operating Officer

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**Industry experience**

Mining (Diamonds, Titanium, Gold, Copper, Zinc, Coal)

Industrial Minerals, Mining (Gold, Copper, Zinc)

Mining (Copper, Silver, Lead, Zinc, Coal, Gold, Iron Ore)



**Damon Hunt**  
Head of Corporate Affairs



**Mark Rankmore**  
Head of Human Resources



**Robert Mancini**  
Head of Legal and Company Secretary

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**Industry experience**

Oil & Gas, Aviation, Government

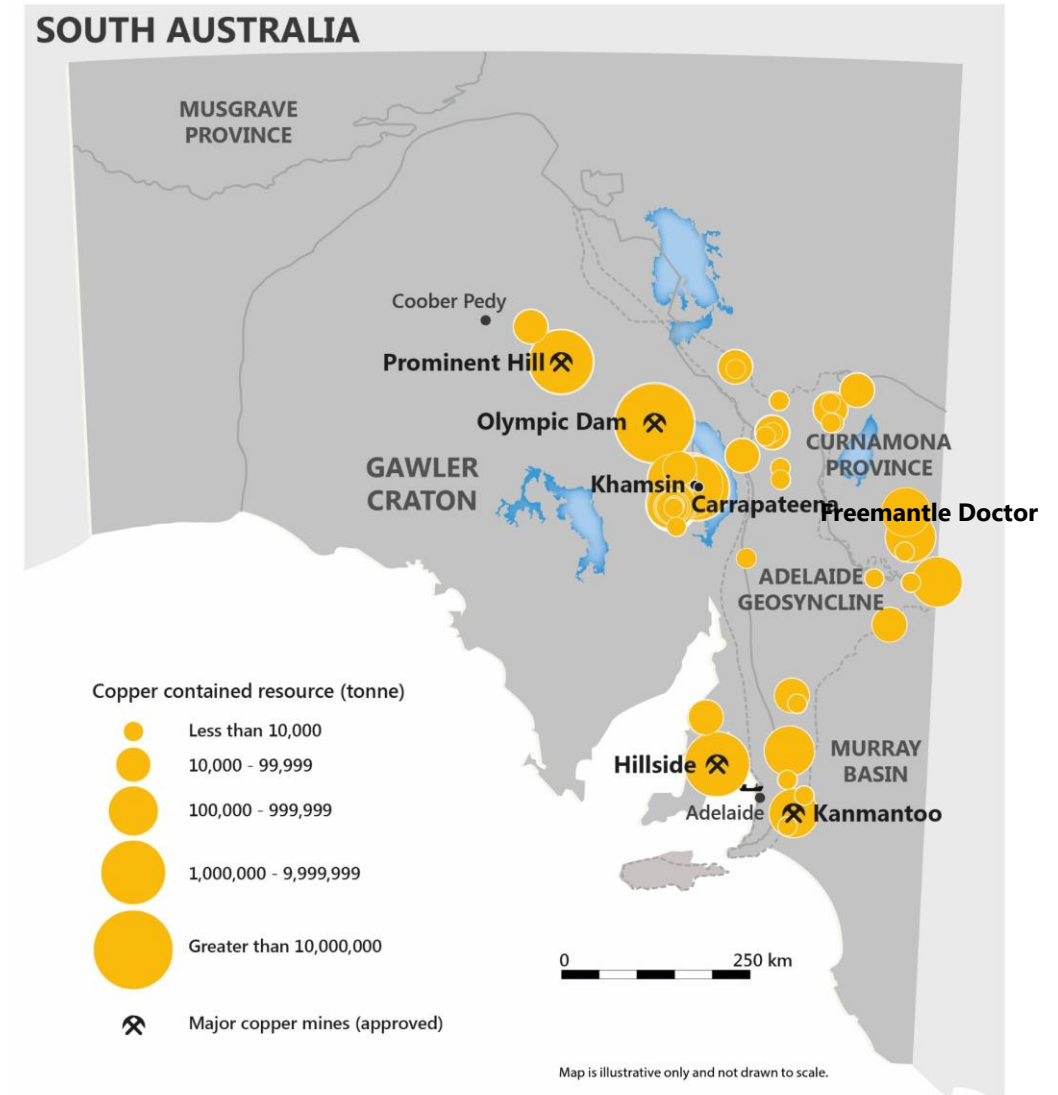
Mining, Engineering, Industrial Services, Manufacturing

Mining, Engineering, Utilities, Oil & Gas

# Exploring the Gawler Craton region

## South Australia

- / South Australia holds 14% of the world's copper
- / OZ Minerals has the ability to unlock and exploit some of that value lying within the Gawler Craton
- / It contains one of the world's largest ore bodies at Olympic Dam and other major deposits, including Prominent Hill
- / Known Resources along the belt include Carrapateena, Khmasin, Freemantle Doctor and Kanmantoo
- / Exploration joint venture with Minotaur looking for brownfield copper resources near Prominent Hill
- / Carrapateena is a world class deposit with potential for a mine life exceeding 20 years
- / Export route to Asian and European markets via Adelaide



# Prominent Hill

## Site images



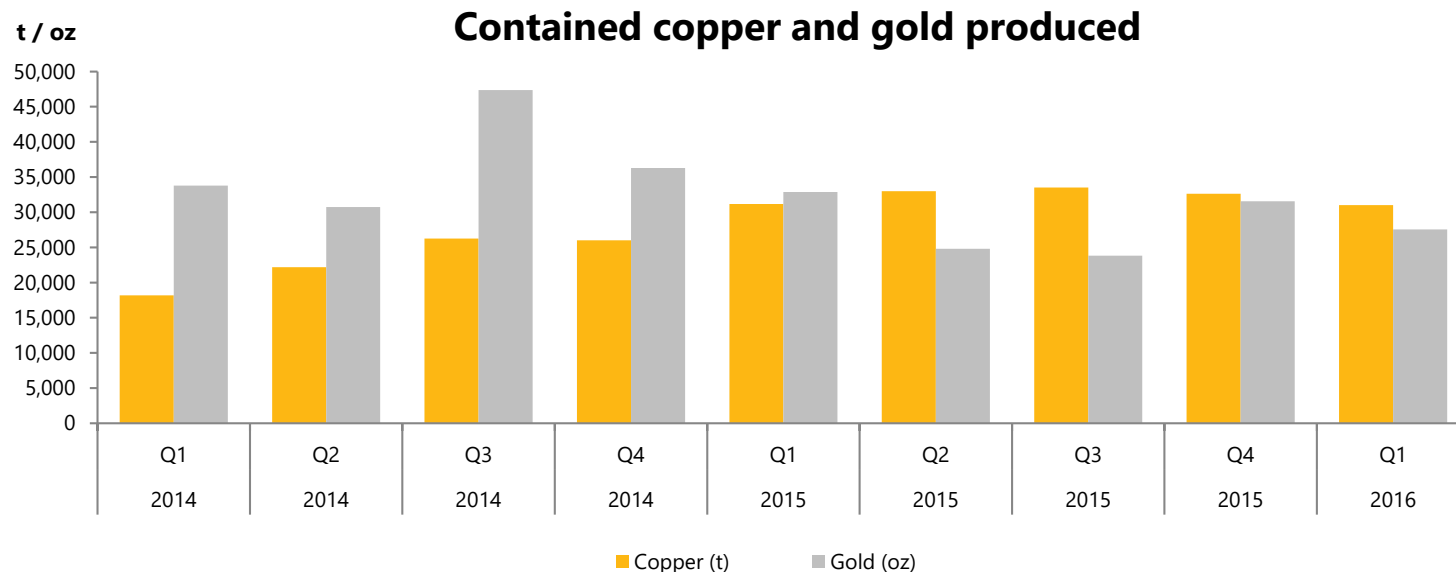


# Operational Performance

## Prominent Hill

Item	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Contained Copper produced (t)	31,160	32,991	33,518	32,636	31,018
Contained Gold produced (oz)	32,874	24,790	23,817	31,547	27,563
C1 costs USc/lb	63	75	74	67	75

● Favourable to guidance



## 2015 record year of production

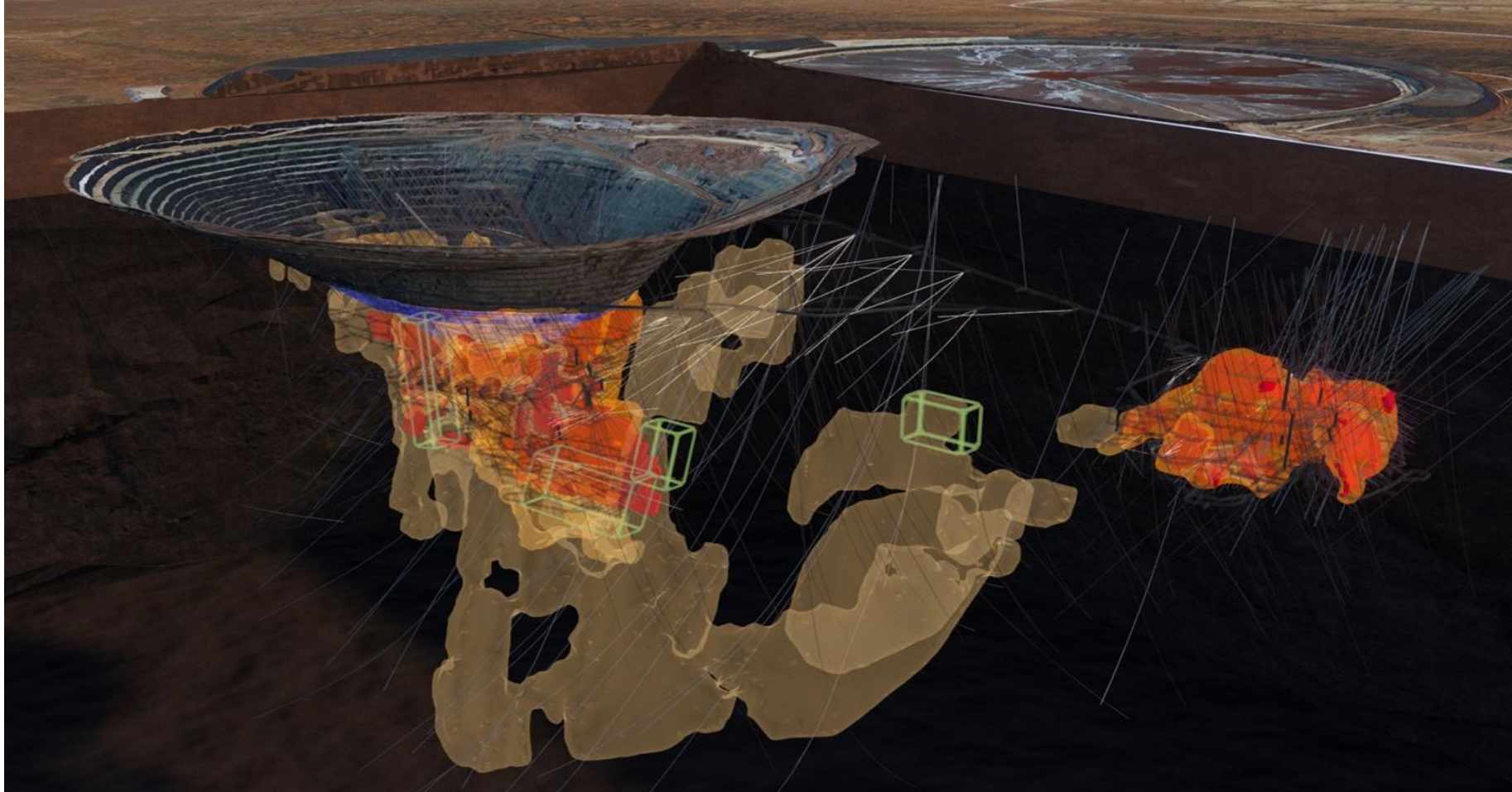
- / 2015 record copper production of 130,305 tonnes achieved upper end of guidance range of 126-131kt
- / 2015 C1 cost US 70.1c/lb at bottom of guidance range of US 70-80c/lb; lowest quartile cost producer
- / 2015 Open pit unit mining cost of \$5.70/t (inc. geology) within guidance of \$5.60 – \$5.80/t
- / Strong cash flow generation builds a cash balance of \$533 million (unaudited) at 31 March 2016
- / Cost reduction program well underway; annual savings of \$20 million realised; further \$25 million additional savings in pipeline
- / Waste to ore stripping ratio continues to decline as planned
- / Q1 2016 on track to achieve annual guidance



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# Prominent Hill – Resource conversion drilling

## Drilling program underway

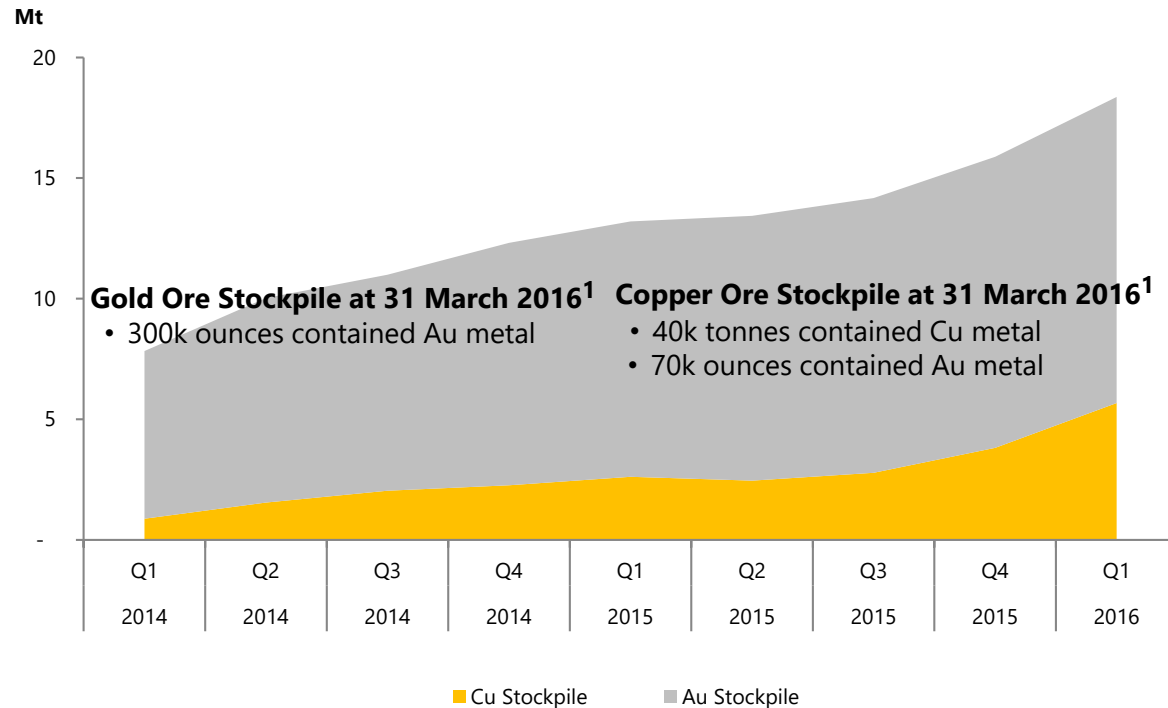


- / Seven underground diamond infill holes drilled at Prominent Hill in 2015/16
- / Drilling identified an intersection of 68.5m @ 3.2% copper
- / Prominent Hill copper resource 152mt @ 1.2% copper and 0.6% Au
- / Aim to boost production capacity of the underground up to 4mtpa
- / Extend life of mine beyond 2026
- / \$4 million drilling program to continue in 2016

Full summary of information relating to Prominent Hill Mineral Resources and Reserves is set out in the 'Annual Resource and Reserve Update for Prominent Hill' created on 04 November 2015 and is available at [www.ozminerals.com/operations/resources--reserves.html](http://www.ozminerals.com/operations/resources--reserves.html).

# Significant de-risked value in ROM stocks

## ROM STOCKPILES – ACCELERATED MINING VALUE



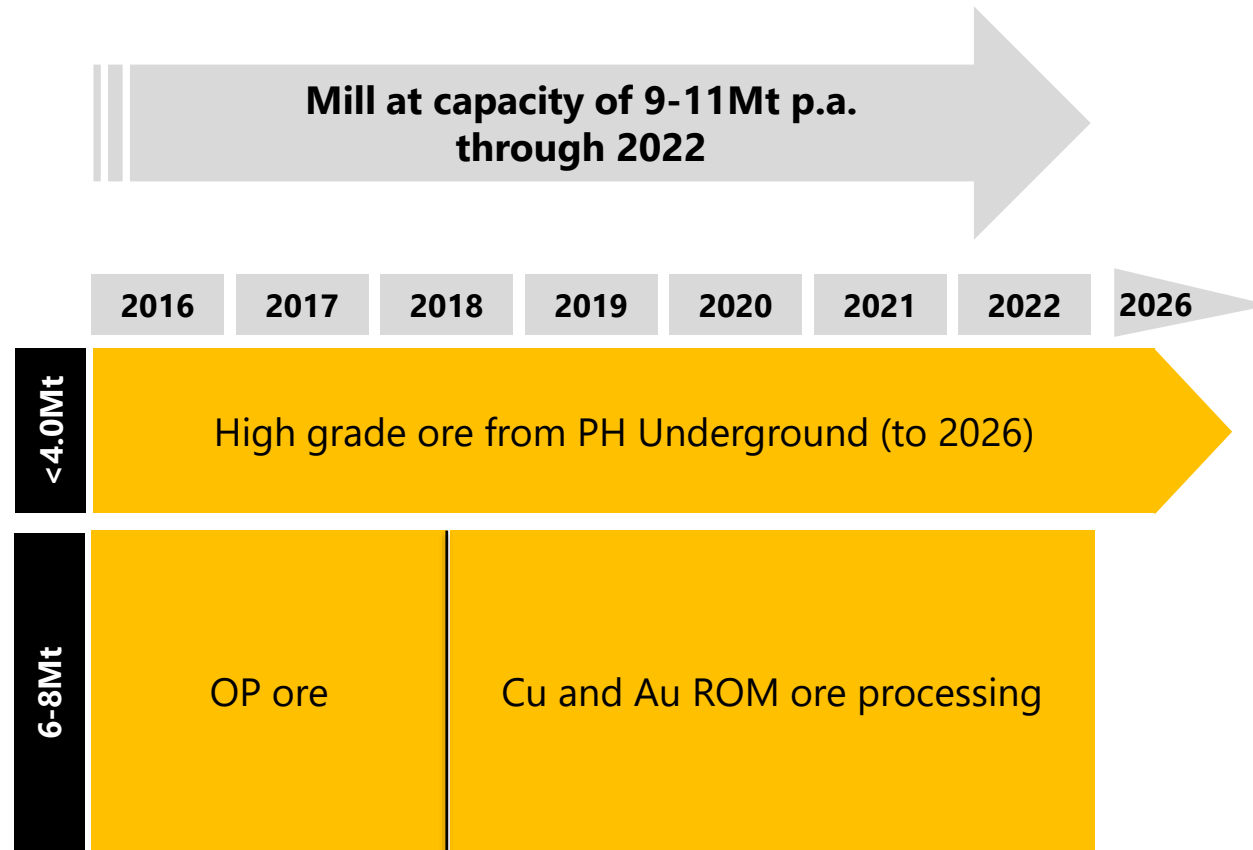
<sup>1</sup> For modifying factors to be used in estimating values of the stockpiles please refer to the supporting documents listed on slide 4

## DE-RISKING THE FUTURE AND GENERATING CASH

- / Accelerated open pit mine plan will:
  - / Bring copper metal sales forward.
  - / Lower LOM mining expenditure.
  - / Assist de risking the pit.
  - / Invest in working capital.
- / Results in significant contained metal content within ROM stocks will continue to increase
- / ROM stock cash realised 2018-2022.
- / Copper ore is priority milled due to highest value.
- / Mill has proven capability to process high 50%+ levels of gold ore.

# Prominent Hill: Creating value for the next 10+ years

## Prominent Hill base case\*



"Low risk cash generation from current underground operations and stockpiles. High throughput levels reduce fixed cost allocations."

- / Copper ore is priority milled due to highest value
- / Multiple ore sources allow mill to remain at or near capacity through 2022
- / Integrated underground mine creates significant economic benefit with decreasing development costs in later years
- / Low-risk ROM stocks provide further significant cash flows as current working capital investment is realised
- / ROM stock cash realised 2018-2022
- / Mill has proven capability to process high 50%+ levels of gold ore
- / Opportunities to change base case with resource drilling to extend UG life



# Carrapateena

## Site images





# Carrapateena project status

## Carrapateena 4 Mtpa + Whyalla CTP

### **Carrapateena scope increased to 4.0 Mtpa\***

- / Pre-feasibility study (PFS) scope increased to 4.0 Mtpa
- / Sub-level cave (SLC) with on-site processing facility confirmed
- / Decline tenders short-listed with construction to commence imminently
- / Conveyor in single decline gives flexibility to increase production rate
- / Dilution risk understood and not significant to project
- / Approximately \$4.8 billion LOM net cash flow before tax
- / Carrapateena NPV<sub>9.5</sub> of circa A\$750M and IRR 24% (at latest consensus pricing)

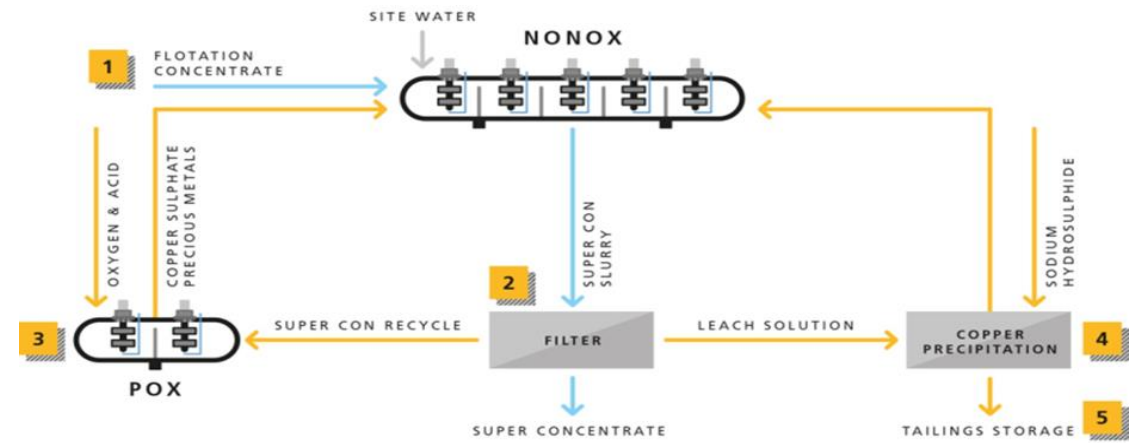
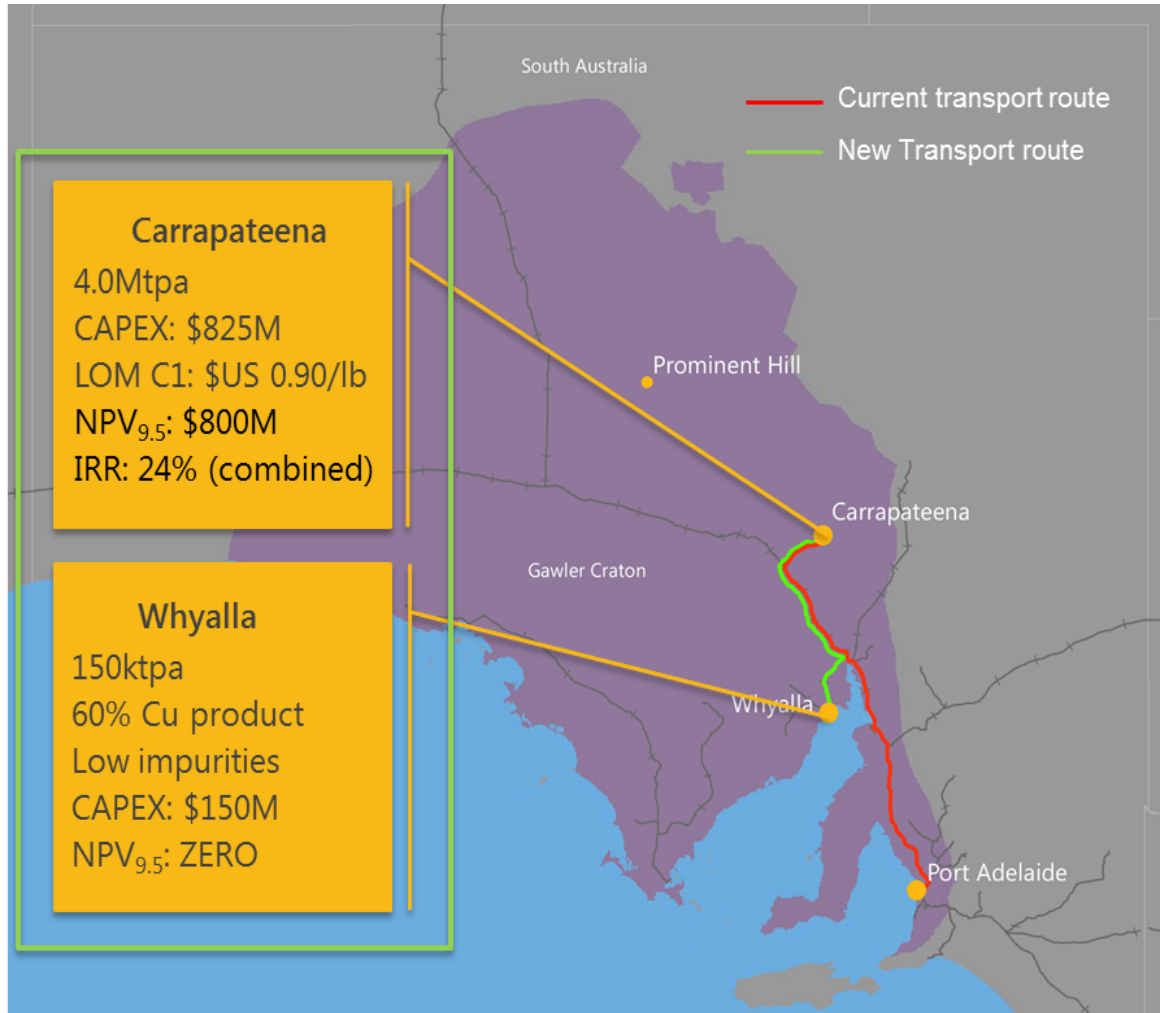
### **Concentrate Treatment Plant proposed for Whyalla**

- / Standalone concentrate treatment plant facility proposed for Whyalla
- / Cheaper access to skilled labour, port, rail, roads, power, water, gas and oxygen
- / Non-binding MOU signed with administrators of Arrium
- / Significant cost and capacity benefits for Carrapateena; increased flexibility for Prominent Hill, other mines in Australia and overseas
- / SA Government has invited OZ Minerals to submit CTP for 'Major Project status'



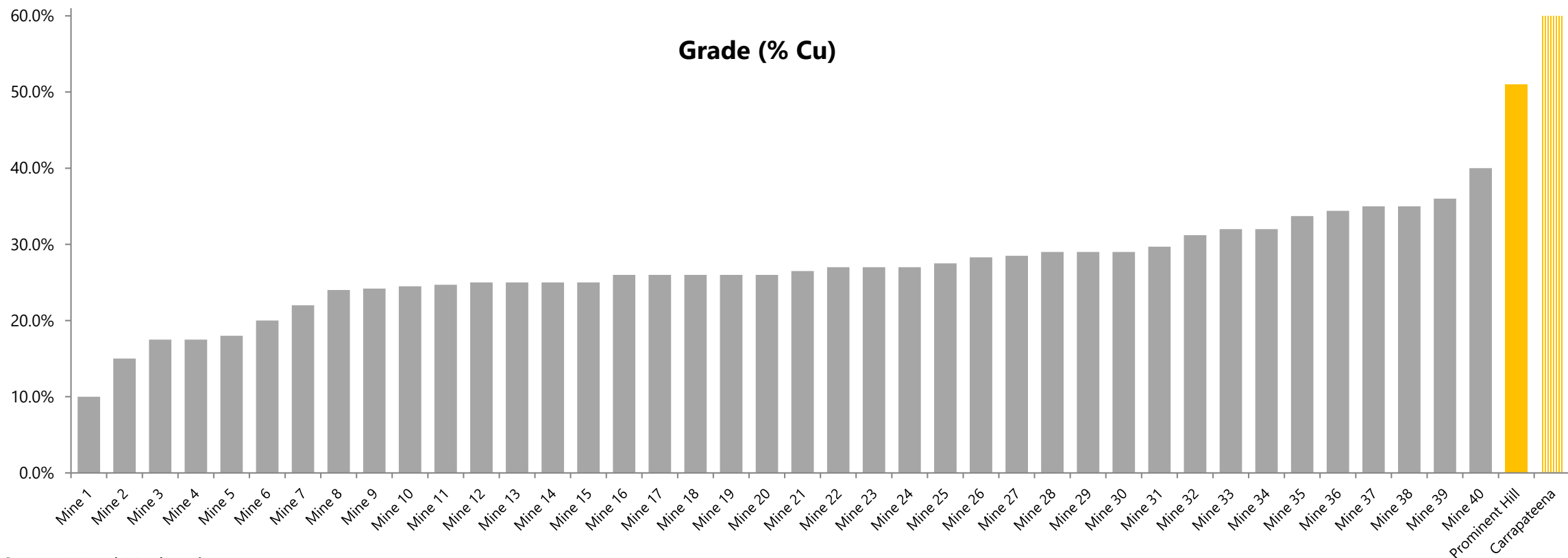
# Carrapateena project status

## Carrapateena 4 Mtpa + Whyalla CTP\*



# Copper-in-concentrate grades

## OZ Minerals provides strategic difference

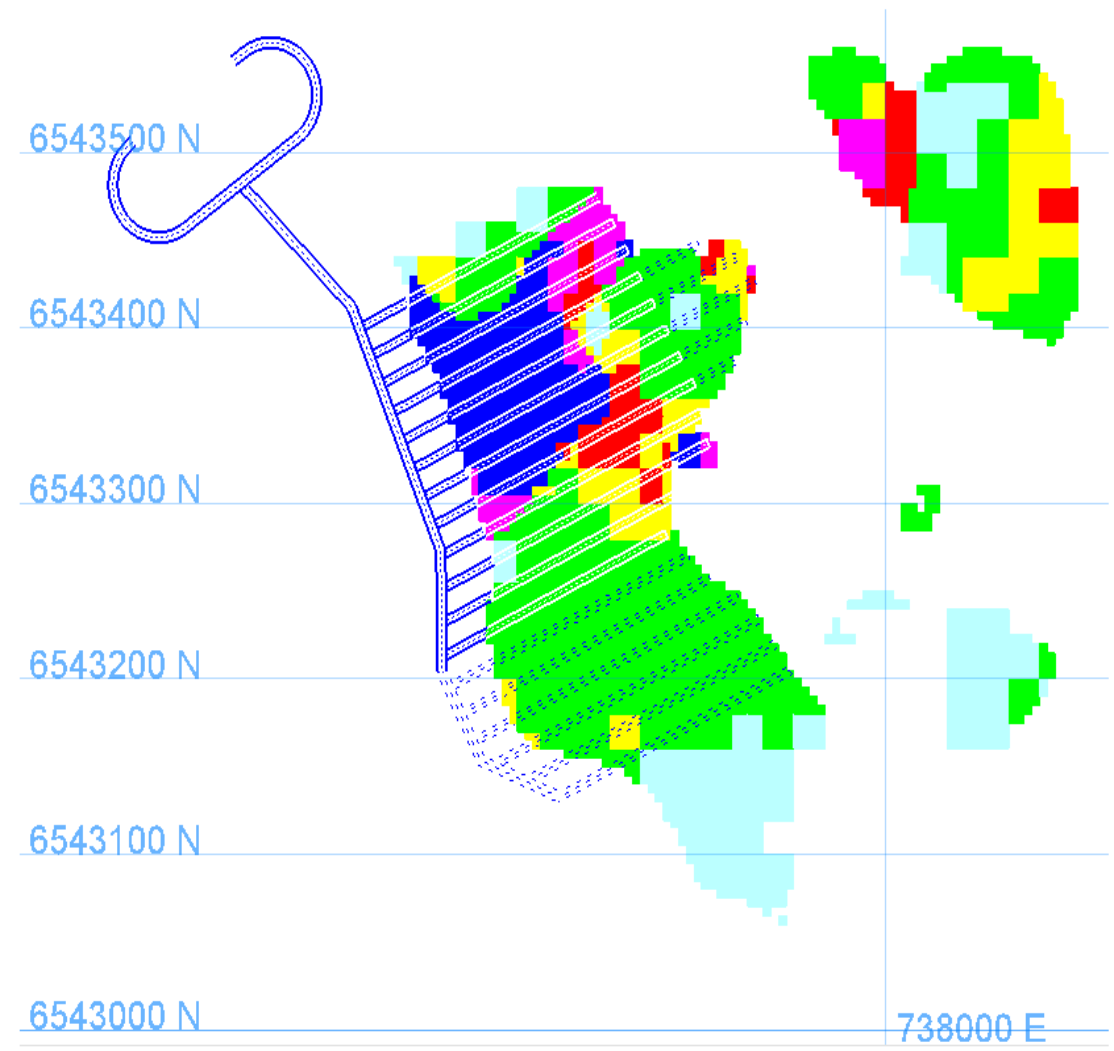
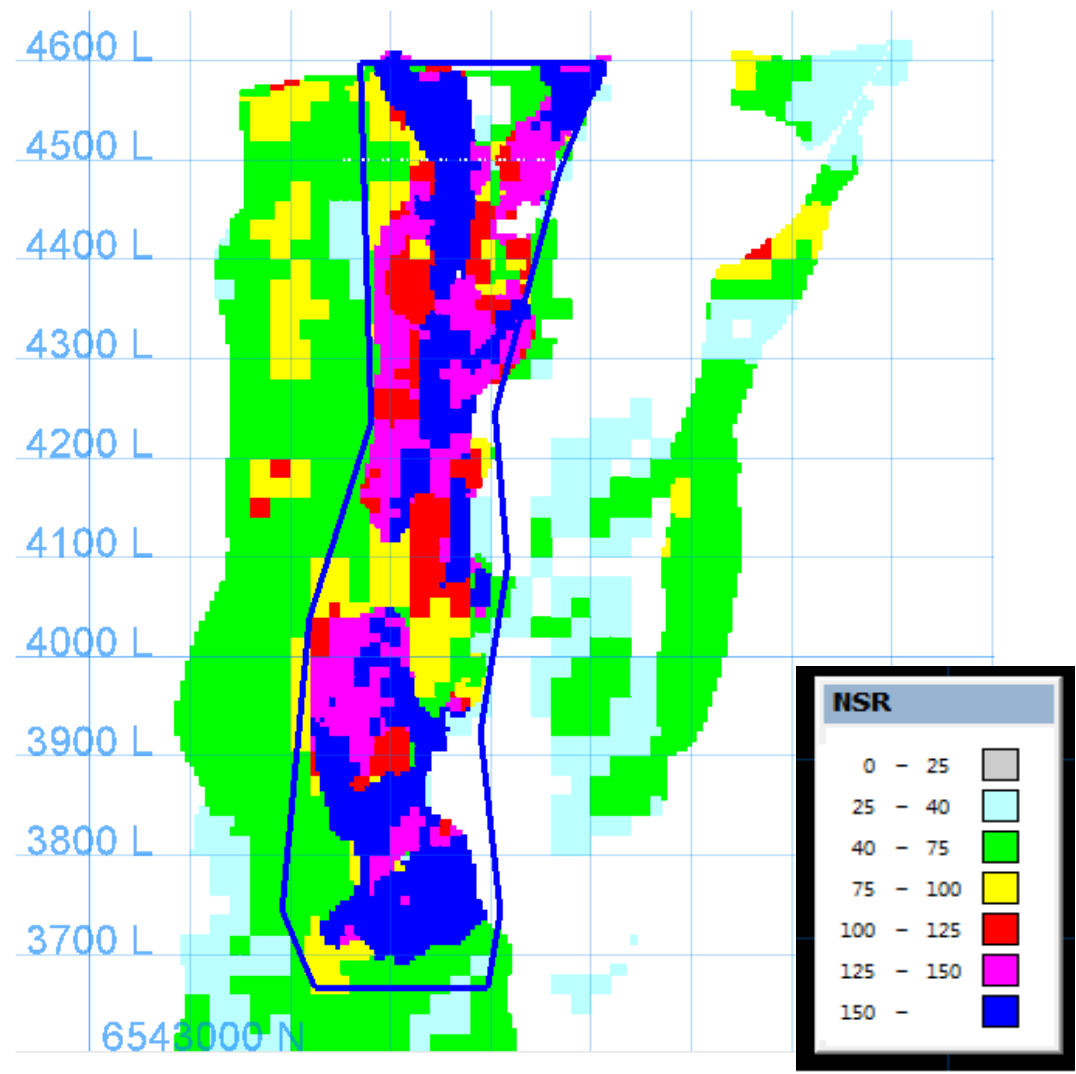


Source: Wood Mackenzie

Comparison mines: Almalyk, Andina, Antamina, Antapaccay, Batu Hijau, Bingham Canyon, Buenavista (Cananea), Candelaria, Centinela, Cerro Verde Mill, Chuquicamata, Collahuasi, Constancia, Cuajone, Dexing, El Teniente, Erdenet, Escondida, Gay, Highland Valley Copper, Kansanshi, Koktaus, La Caridad, Los Bronces, Los Pelambres, Lubin, Luita, Mina Ministro Hales, Morenci, Mount Isa Cu, Oyu Tolgoi, Polkowice, PT Freeport Indonesia, Rudna, Salobo, Sarcheshmeh, Sossego, Toquepala, Toromocho Project, Zhezkazgan

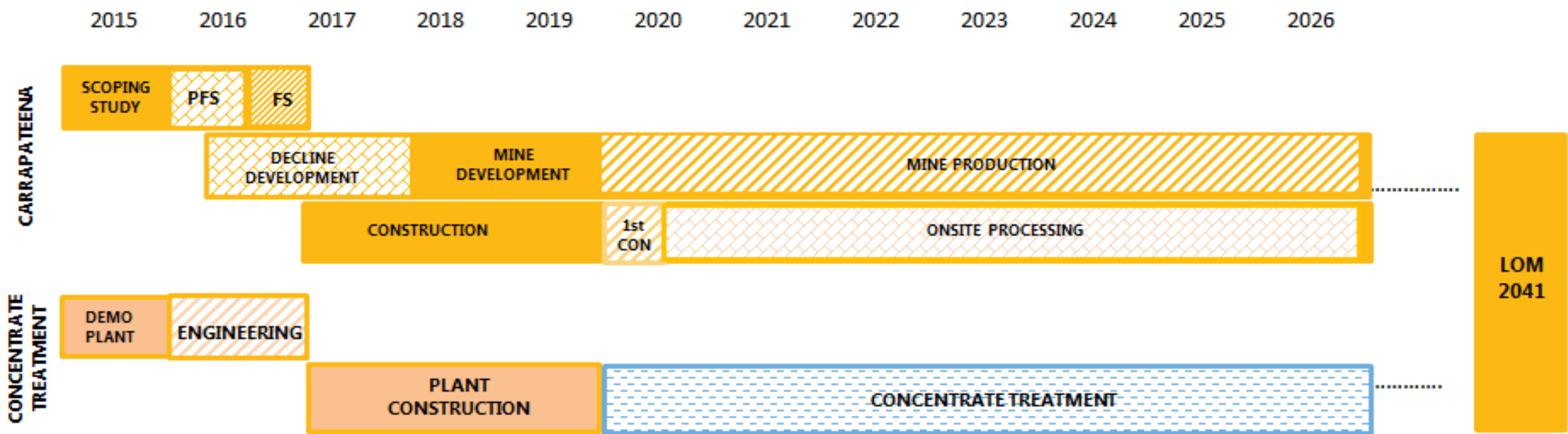
# Carrapateena project status

## Scalability of mine design



# Carrapateena project status

## Timeline



A commitment of approximately \$20M to be expensed in 2016 to complete the substantial work already undertaken. This includes:

- / An accelerated PFS leveraging extensive work done to date
- / Finalise scoping costing and supplier selection for long lead items
- / Water drilling to further define the southern portion of the northern well field
- / Mining Lease approvals activities including community consultation and engagement
- / CTP assessed under 'Major Project' status



# Growth across the business

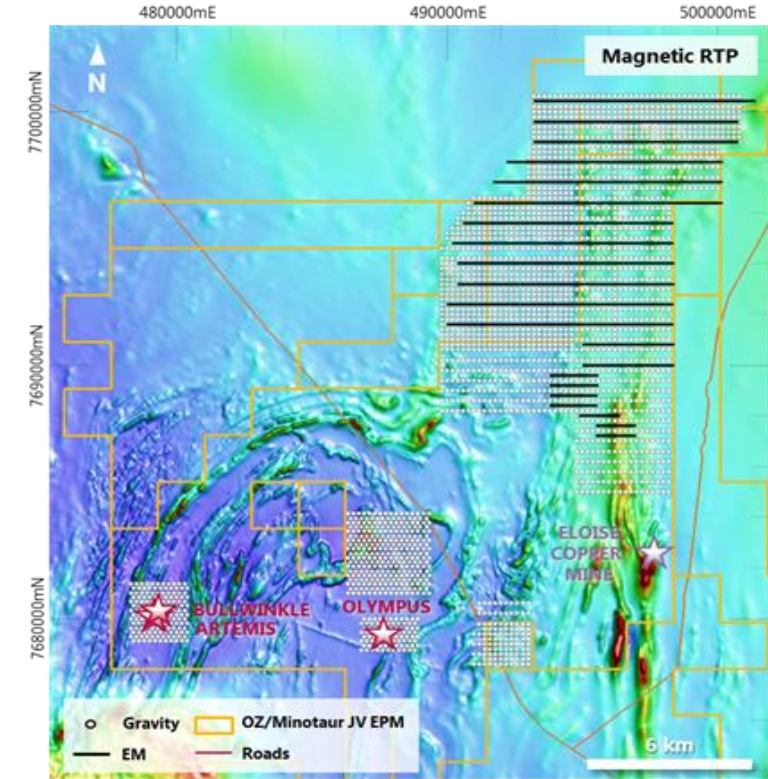
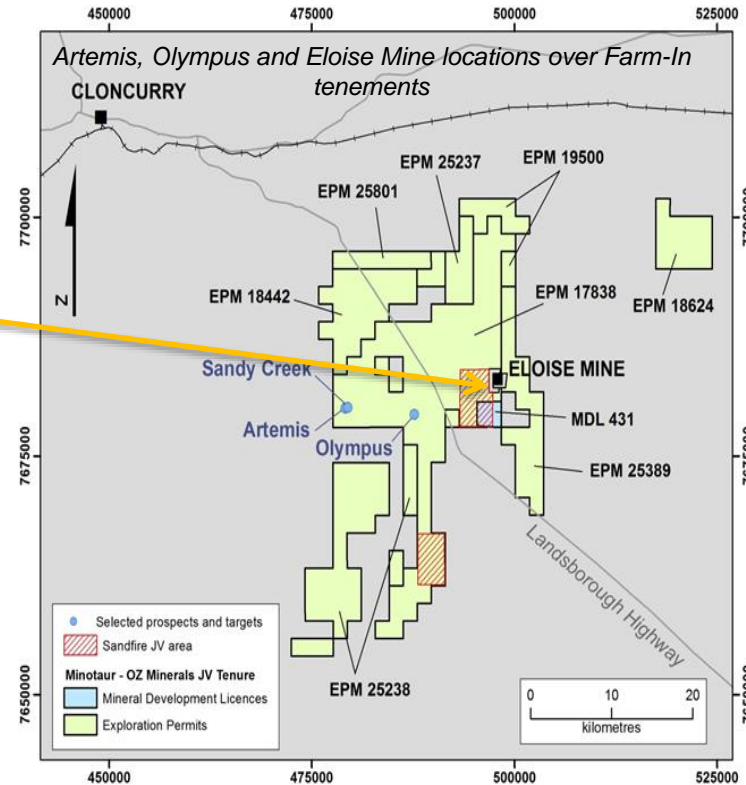


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# Australian Exploration and Growth

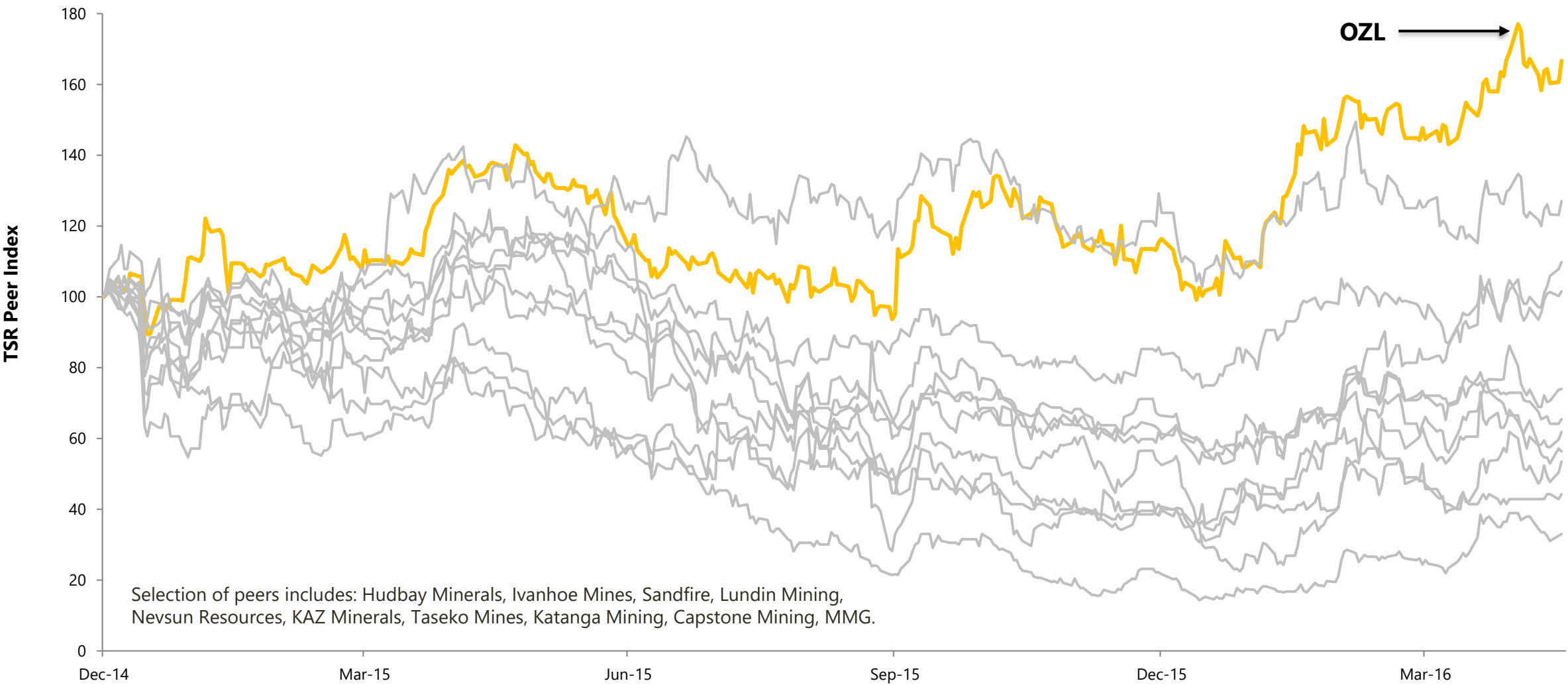
## Eloise Project\*



- Minotaur drill intersect at Artemis – 20m @3% Cu
- Bullwinkle:** IP anomaly potentially represents extensions of Artemis and Sandy Creek polymetallic mineralisation.
- Previous drilling at the sites intersected up to 3% copper in multiple drill holes
- Olympus:** rock chips of 2.7% to 7% Cu and up to 0.8 g/t Au coincident with a large IP anomaly
- Further drilling planned for later this month

# Shareholder return against peers

2015 – Present





# Creating value for the future

## What's next?







# OZ Minerals 2016 Annual General Meeting

Adelaide Oval

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24 May 2016



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