



2016 First Quarter Report Presentation

21 APRIL 2016



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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

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.

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 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.

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.

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

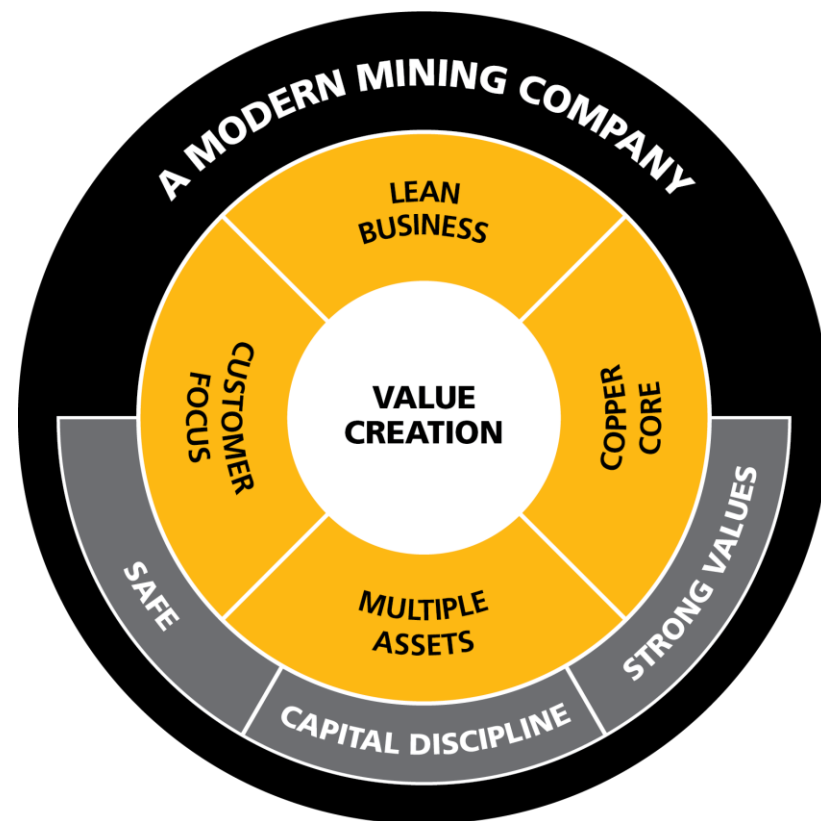
The information in this presentation that refers to the Mineral Resource estimate for Carrapateena as at November 2013 is extracted from the announcement entitled 'Annual Carrapateena Resource Update 2013' released on 28 November 2013 available at <http://www.ozminerals.com/media/annual-carrapateena-resource-update-2013>. 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.

The information in this presentation that relates to the High Grade Carrapateena Mineral Resource estimate is extracted from the announcement entitled 'Carrapateena Update' released to the market on 6 October 2015 and available at <http://www.ozminerals.com/Media/docs/151006-Carrapateena-High-Grade-Explanatory-notes-1503c513-d142-485c-8a51-52b3c24ad7bc-0.pdf>. 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.

The information in this presentation that relates to the scoping study detailed within the 'Carrapateena: a clear and compelling path to value' announcement released to the market on 26 February 2016 and is available at http://www.ozminerals.com/uploads/media/ASX_Carrapateena_release_and_presentation.pdf. 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.

OZ Minerals strategy – 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
- ✓ 3 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 5.77 (30% decrease from 2014)
- ✓ Increased cash balance by \$315m 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
- ✓ Cost saving program; \$20 million realised and \$25 million identified

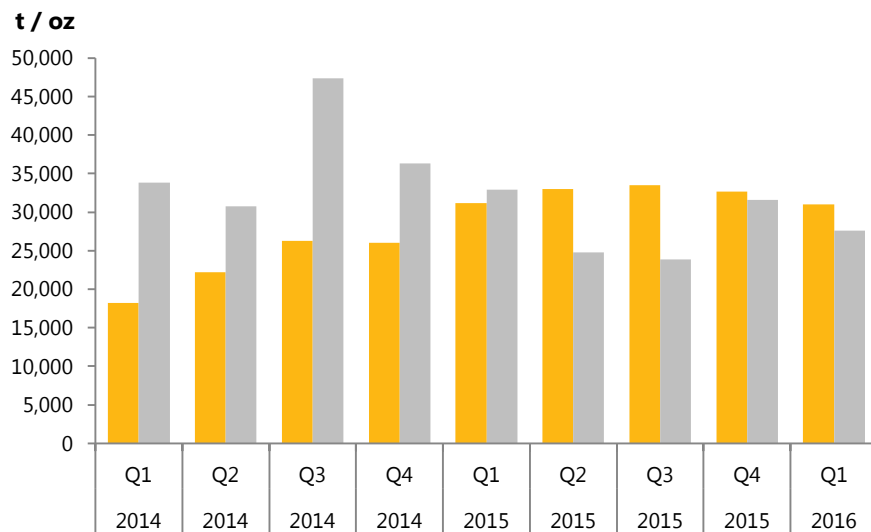


Q1 Summary

ITEM	Q1
Contained Copper produced (t)	● 31,018
Contained Gold produced (oz)	● 27,563
C1 costs US c/lb	● 75.3

- Favourable to annual guidance
● Unfavourable to annual guidance

CONTAINED COPPER AND GOLD PRODUCED



A STRONG START ON TRACK FOR GUIDANCE

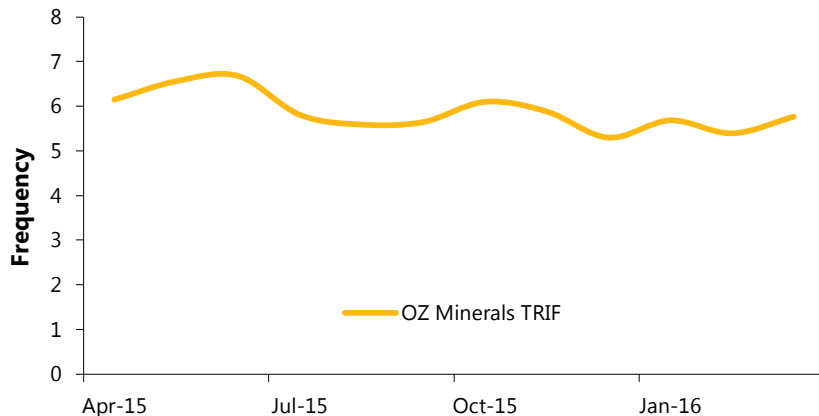
- ✓ Significant reduction in severity of reported injuries
- ✓ Strong copper production in-line with guidance
- ✓ C1 costs of US 75.3 c/lb within guidance
- ✓ Prominent Hill drilling successful in testing mineralisation outside of current Reserve
- ✓ Carrapateena base case identified with IRR well over 20 per cent
- ✓ Annualised cost saving initiatives of \$20 million delivered with a further \$25 million identified
- ✓ Compelling exploration targets identified for accelerated drilling at Eloise project

GROWTH OPTIONS PROGRESSING

- Carrapateena PFS final scope with project scale to be announced in May
- Prominent Hill second decline ahead of schedule; development to continue through 2016
- Third drilling rig to join underground fleet to increase capacity and output and remove next underground constraint

Safety

SAFETY PERFORMANCE



WEEKLY SAFETY FORUM WORKSHOP



INJURY SEVERITY DECREASING

- ✓ March quarter TRIFR at 5.77, a nine per cent increase on the prior quarter (5.30) driven by rise in self-reported muscle strains
- ✓ Overall severity of injuries decreased by more than 20 per cent over prior quarter
- ✓ Site safety focus on developing maturity of safety culture through improved accountability, engagement, systems and knowledge
- ✓ New Life Saving behaviours rolling out across site
- ✓ Improved incident investigation close-out rates

SAFETY STRATEGY ROLL OUT CONTINUES

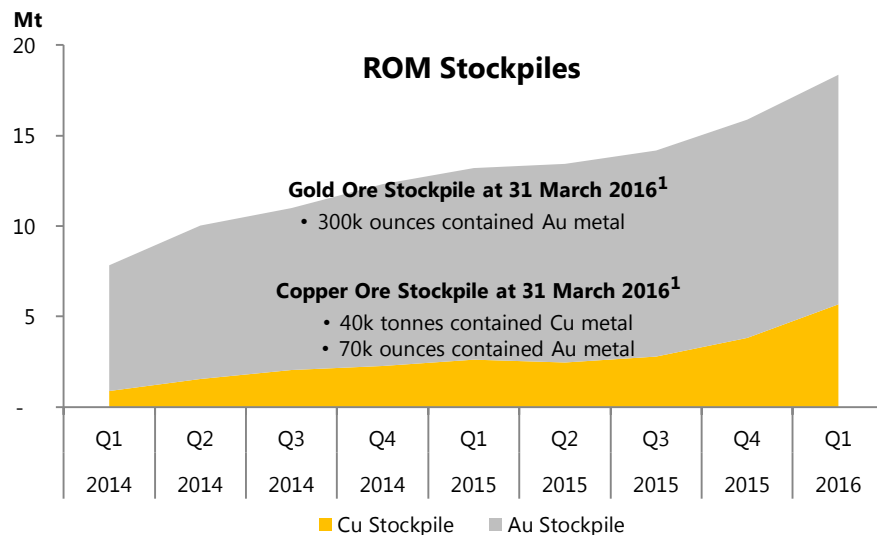
- Roll out of Critical Risk management across site
- Focused safety interaction training to improve engagement
- New isolation system roll out

Cash Generation

WORKING CAPITAL MOVEMENTS

A\$m	Dec'15	Mar '16*	Change
Trade receivables	91	67	(24)
Concentrate (at cost)	29	59	30
Trade payables	(63)	(51)	12
Ore inventory	279	342	63
Working Capital	336	417	81
Cash balance	553	533	(20)

* March 2016 balances unaudited



CAPITAL DISCIPLINE MAINTAINED

- ✓ Unaudited cash balance of \$533 million at 31 March 2016
- ✓ Cash balance reduced by dividend of \$43 million and investment in ore inventory of \$63 million consistent with plan to optimise OP contract
- ✓ High concentrate stocks at 31 March due to shipment timing; reduced following sale of c. 10k dmt in first week of April valued at c.A\$40 million
- ✓ Majority of US\$ holdings now converted to A\$ at an average AUD/USD rate of 0.72
- ✓ Buyback yet to commence following blackout restrictions

CASH FOCUS REMAINS A PRIORITY

- Re-negotiation of debt facility to provide available credit and flexibility at an annualised cost saving of \$2.1 million

Prominent Hill

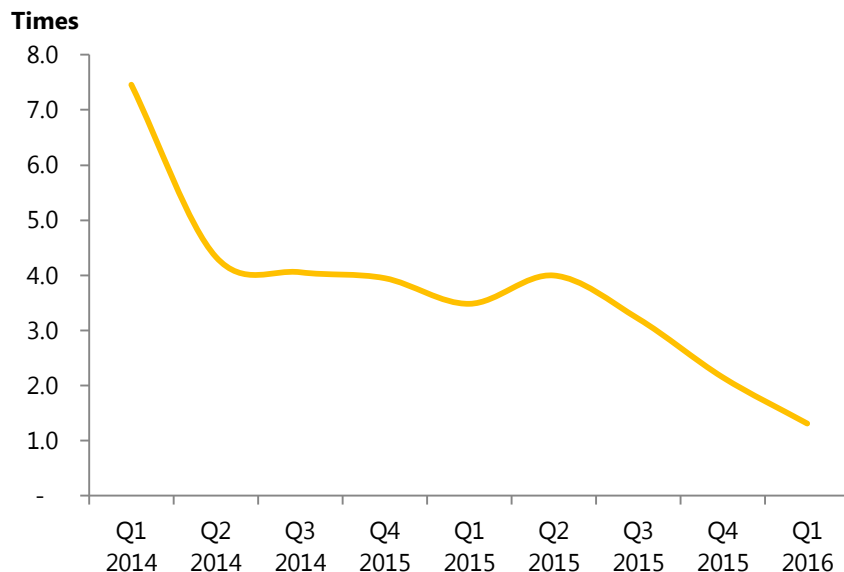


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Open Pit performance

ITEM	Q1
Open Pit ore mined (Mt)	4.5
Open Pit waste mined (Mt)	5.9

WASTE TO ORE STRIPPING RATIO



DEMOBILISATION SUCCESSFUL

- ✓ Successful transition to reduced fleet in March with immediate excavator productivity improvement
- ✓ Increased excavator utilisation continues to be achieved as a result of improving availability
- ✓ Strip ratio continued to decline as planned (1.3:1 for the quarter compared to 2.1:1 in the prior quarter)
- ✓ Open pit de-risking initiatives continued:
 - ✓ Successful completion of horizontal de-pressurisation hole drilling in south wall
 - ✓ Pit de-risking program has increased water recovery to 12.5 ML/week (up from 3.5 ML/week pre-April 2015)

PROGRESSIVE FACILITY MANAGEMENT

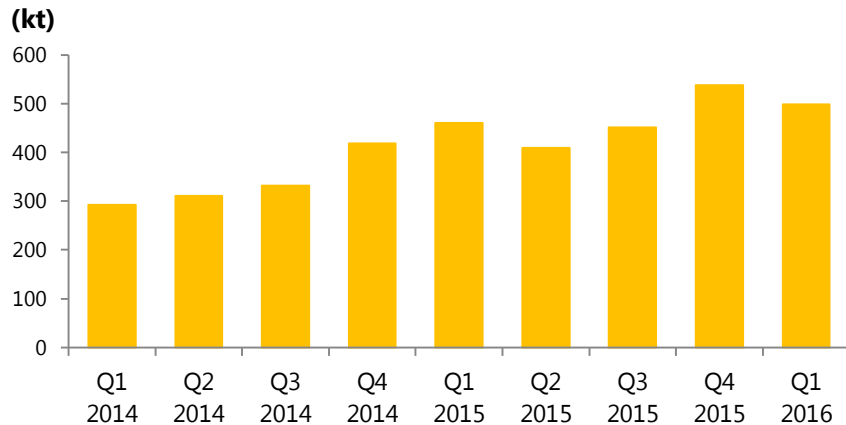
- Integration of site surface facilities between OP and UG with transfer of OP facilities to Byrnecut
- Stage 3 dewatering scheduled for completion in April in advance of mining activities

Underground performance

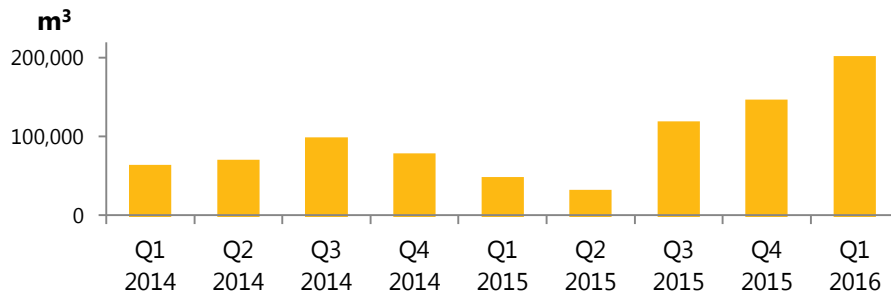
ITEM	Q1
Underground ore mined (kt)	498

- Favourable to annual guidance
- Unfavourable to annual guidance

UNDERGROUND ORE HAULED



BACKFILL PLACED



UNDERGROUND PROGRESSING TO PLAN

- ✓ Underground mine contributed 498kt of ore at 2.07 per cent copper, in-line with mining schedule
- ✓ Geotechnical and mining sequence restrictions with minor oversize issues affecting ore tonnes
- ✓ Copper metal mined in-line with previous quarter
- ✓ Second decline development commenced and progressing six percent ahead of schedule
- ✓ Record backfill volumes placed underground
- ✓ Third production drilling rig deployed to site in preparation for increased drilling requirements

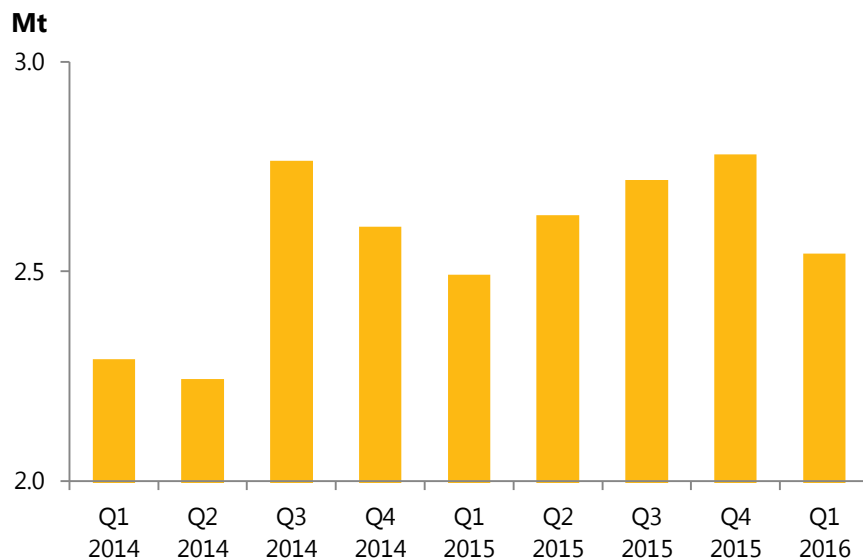
PROGRAM IMPROVEMENT TO CONTINUE

- Implementation of UG Excellence / Improvement Program
 - Increase underground drilled stocks
 - Increase underground broken stocks
 - Electronic sign register to improve hazard awareness

Processing Plant performance

ITEM	Q1
Ore milled (Mt)	2.5
Copper recovery (%)	88
Gold recovery (%)	73

MILL THROUGHPUT



MAJOR SHUTDOWN COMPLETED SAFELY

- ✓ Total ore milled 2.5Mt including major shutdown for SAG mill reline completed in January
- ✓ Mill throughput also impacted by feed contamination from steel mesh in underground ore; remediation plan implemented
- ✓ Plant recoveries remained high at 88 per cent for copper and 73 per cent for gold
- ✓ Concentrate grade high at 51%
- ✓ Consistent water recovery from tails storage facility

ONGOING INITIATIVES TO IMPLEMENT

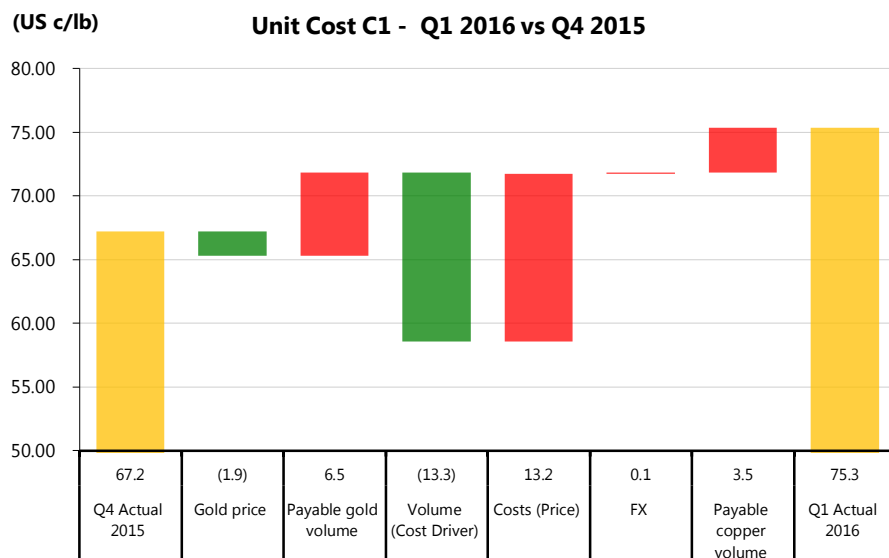
- Major consumable trial successful and will be embedded into processing plant operations

Cost Performance

ITEM	Q1
Open Pit unit costs \$/t	● 5.83
Underground unit costs \$/t	● 60
C1 costs US c/lb	● 75

- Favourable to annual guidance
- Unfavourable to annual guidance

C1 FACTOR ANALYSIS



COST REDUCTIONS ACHIEVED

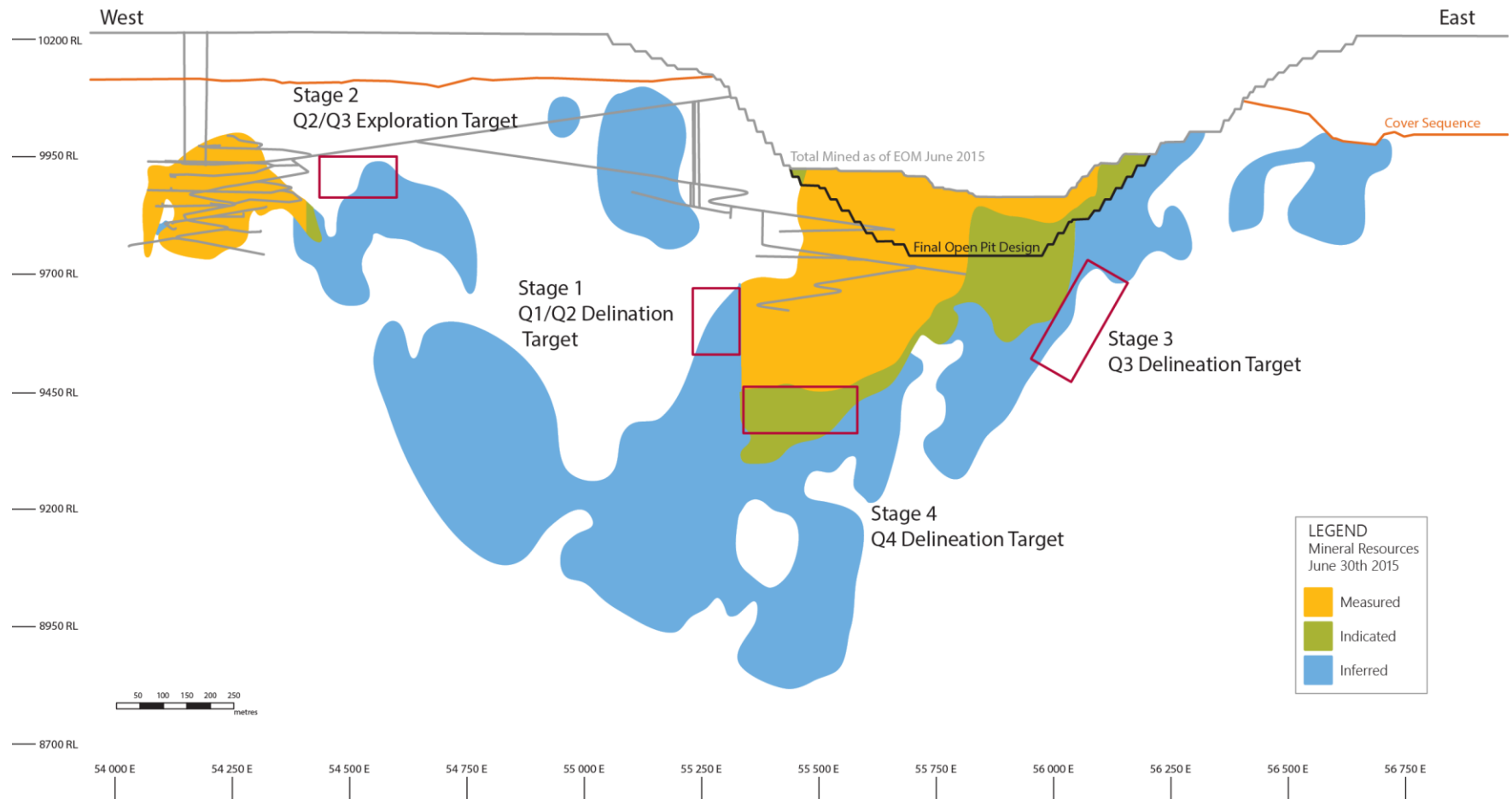
- ✓ C1 cost US 75.3c/lb within guidance range of US 70-80c/lb
- ✓ Increase in C1 costs versus prior quarter due to lower payable metal production and higher unit mining costs from lower volumes mined
- ✓ Higher OP unit mining costs of \$5.83/t consistent with fleet demobilisation
- ✓ Underground operating unit costs of \$60/t higher than prior quarter due to lower tonnes mined with increased stope filling and grade control activities
- ✓ Continued focus on supplier contract negotiations and internal productivity realising \$20 million in annualised savings

ONGOING INITIATIVES

- A\$25 million in additional cost savings in pipeline
- Total cash costs to continue to improve with fleet demobilisation and reducing volumes

2016 Diamond Drilling

Improving confidence in current Mineral Resources with aim of increasing Ore Reserves



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.

Carrapateena



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Progress achieved to date



SIGNIFICANT MILESTONES REACHED

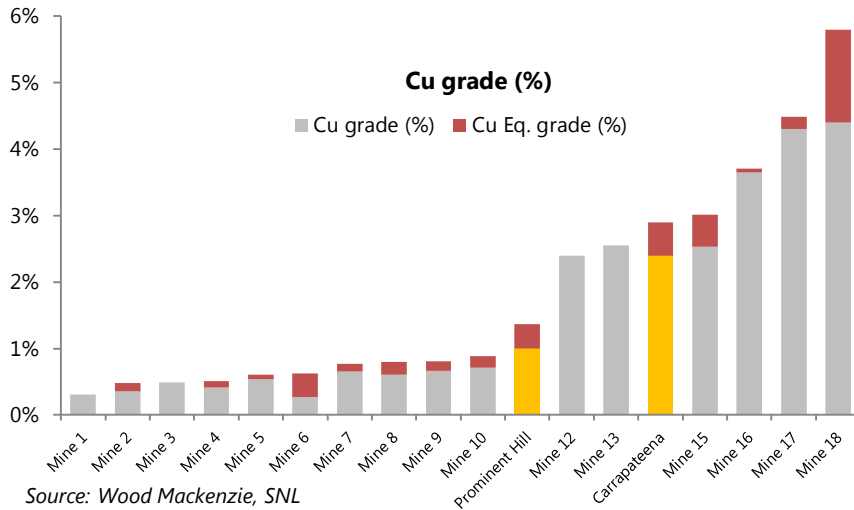
- ✓ High grade resource identified - 61Mt at 2.9 per cent CuEq²
- ✓ Hydromet demonstration plant trials successful
 - Copper-in-concentrate levels of up to 60 per cent returned
- ✓ Scoping Studies completed; new base case into PFS³:
 - 2.8Mtpa; SLC; on-site processing; hydromet and single decline
 - Project cost of A\$770 million
 - NPV_{9.5} > A\$600 million; IRR > 20 per cent; Payback 5 years
 - C1 costs of US\$0.70/lb (first 5 years), with LOM C1 costs of US\$1.00/lb
 - First 3 full years @ 55kt Cu + 58koz Au pa; LOM 40kt Cu and 38koz Au pa⁴
 - Mine life > 20 years
 - Average annual cash flow of A\$150 million
- ✓ PFS underway with scoping announcement in May

^{2,3}Please refer to the statement supporting this estimate on slide 4

⁴These production targets must be read in conjunction with the production cautionary statement on slide 4

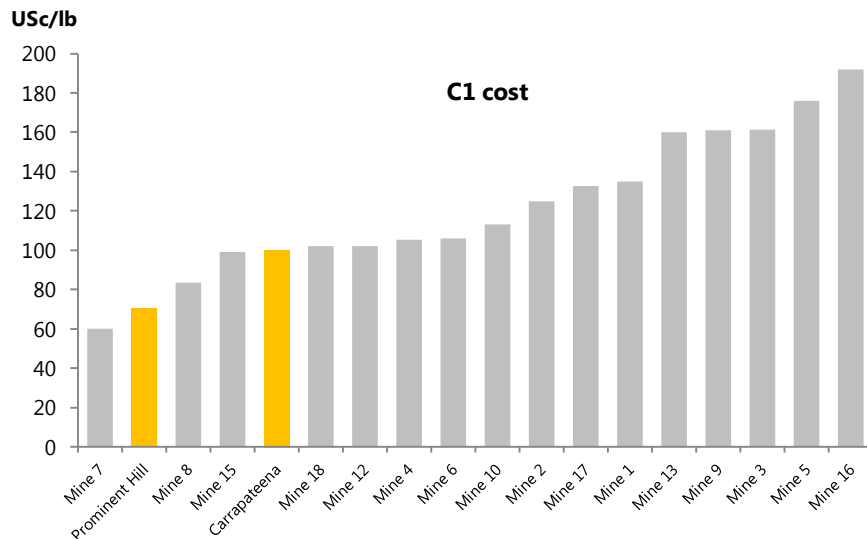
Benchmarking

Grade / C1 Cost / Capital Intensity*

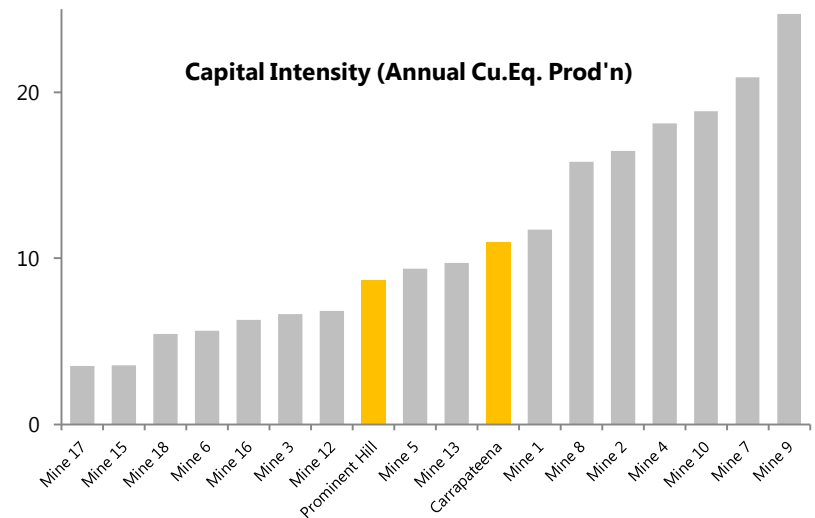


Grade / Cost / Intensity	Prominent Hill	Carrapateena
Cu grade (%)	1.0%	2.4%
Cu Eq. grade (%)	1.4%	2.9%
C1 cost (US\$/lb)	70.1	100
Capital Intensity (US\$000s/t Annual Cu.Eq. Prod'n)	8.11	15.3

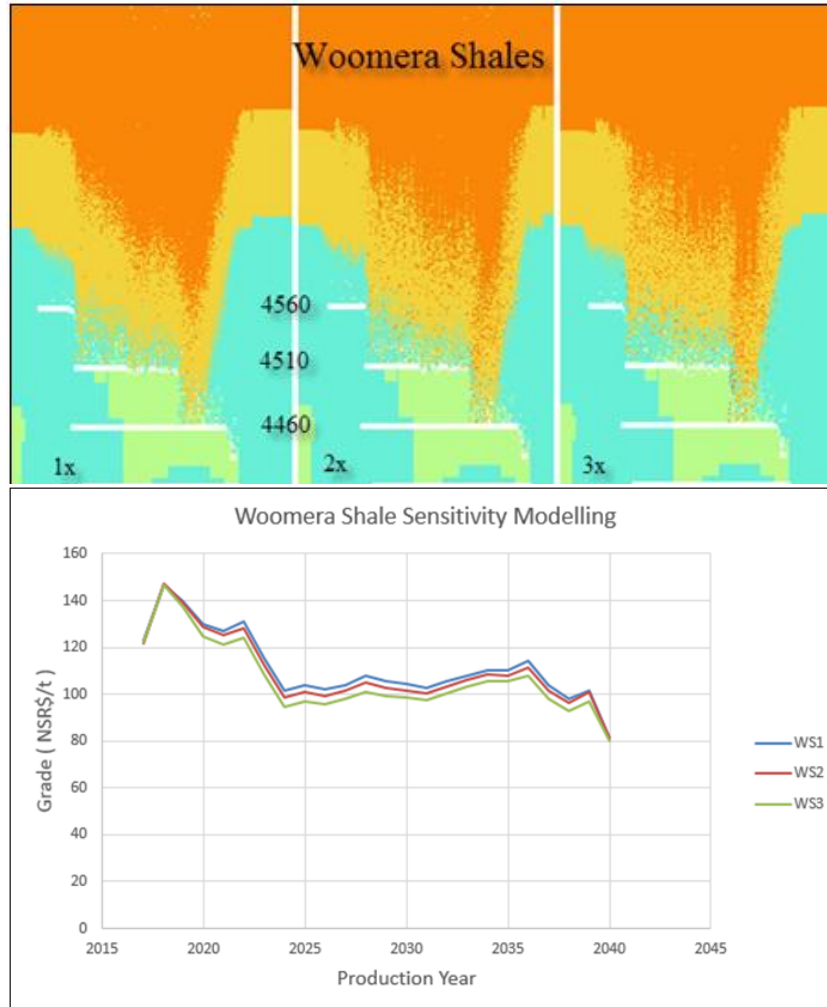
* Comparison mines include: Antas, Cobar – CSA, Cobre Panama, Constancia, DeGrussa, El Pilar, Hillside, Jabal Sayid, Kapulo, Las Bambas, Mirador, NorthMet, Nova Bollinger, Productora, Proyecto de Rio Tinto, Pumpkin Hollow, Rocklands, Wetar



US\$000's/t



Sub level caving dilution study



TECHNICAL RISKS FROM SCOPING MITIGATED

- ✓ Dilution study has shown fragmented shale from the overburden does not pose a material dilution risk
- ✓ Model has been calibrated to operating Sub Level Caves
- ✓ Sensitivity modelling considered shale travelling through the broken ore column up to three times (3x) faster than the ore itself
- ✓ Grade is reduced by five percent between best (1x) and worst (3x) scenarios
- ✓ Previously modelled dilution rates appropriate
- ✓ No fatal flaw identified

Drilling



DRILLING PROGRESSING WELL

- ✓ Program aims to upgrade Resource to Measured and collect additional material for metallurgical test work
- ✓ Four surface holes planned plus two wedges to test the margins of the high grade resource
- ✓ Drilled over 2,000m to date; both holes currently within the high grade resource
- ✓ Total of 5,000m planned using two rigs

RESOURCE UPDATE POST COMPLETION

- Program to be complete in June, with resource update to follow

Timeline



- / Prefeasibility Study Scope optimisation includes:
 - Sub Level Caving dilution study
 - Haulage study, investigating options for increasing production rate above 2.8Mtpa
 - Power study to match project scale with lowest cost power infrastructure
- / Results of scope optimisation work including updated financial assessment to be released in May

Exploration and Growth



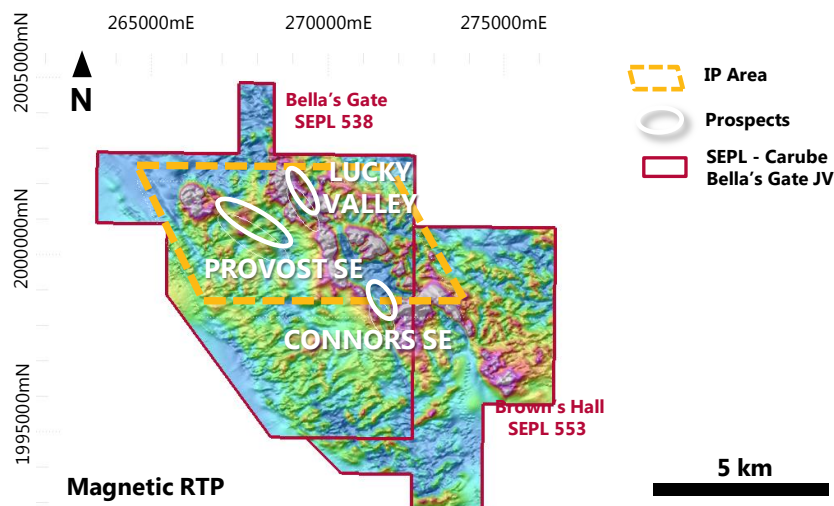
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Australian Exploration Sites

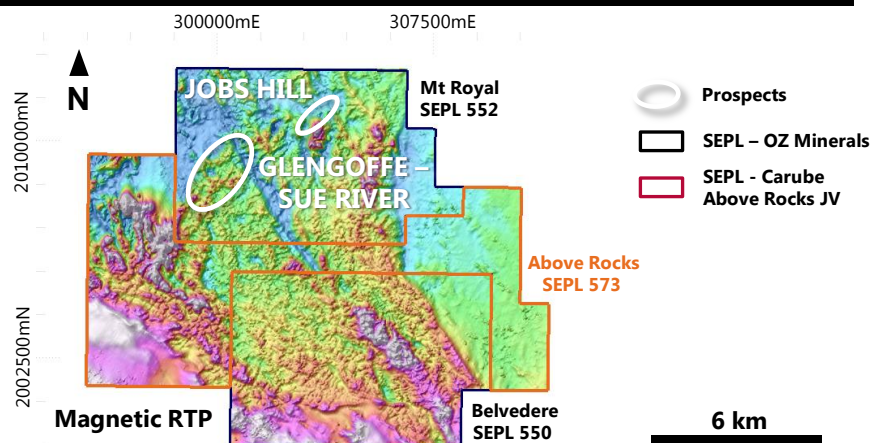


Jamaica

BELLA'S GATE JV DRILL TARGETS



RODINIA JV DRILL TARGETS



DRILLING ACTIVITY

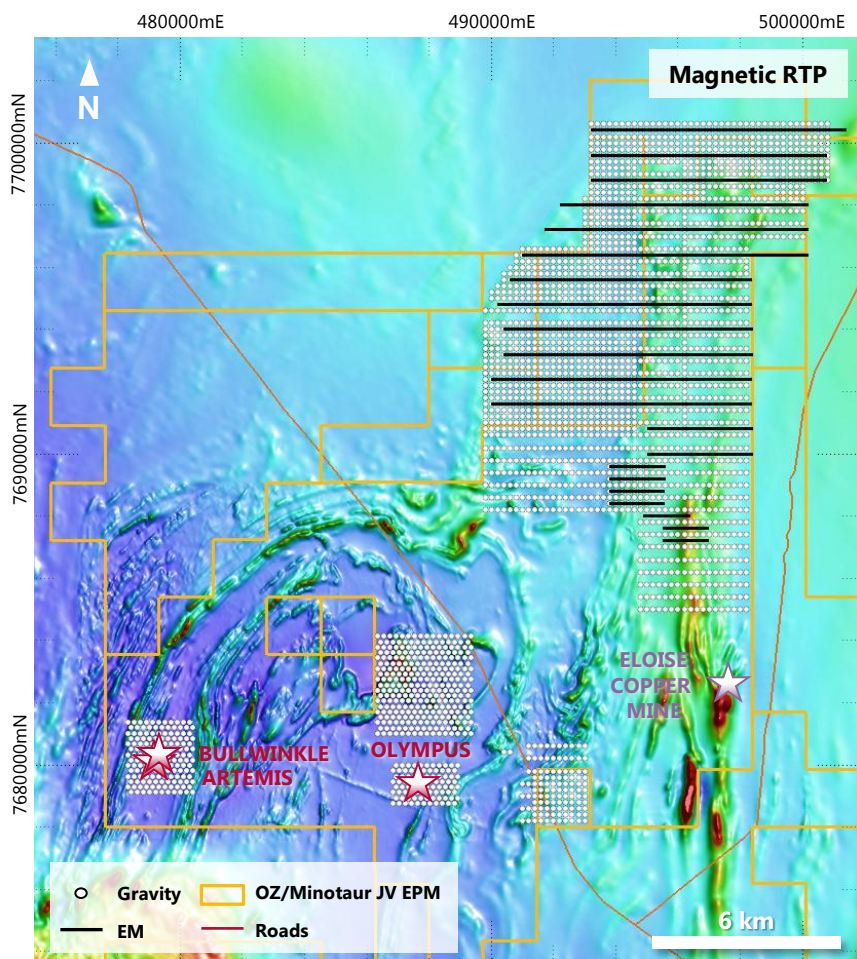
- ✓ Priority drill targets outlined at :
 - ✓ Provost – quartz / sericite / pyrite altered volcanic rocks bound by major NW trending fault with outcropping copper mineralisation
 - ✓ Lucky Valley – intense porphyry style quartz veining associated with multiple phases of feldspar porphyry intrusions
 - ✓ Connors SE - intense stock work veining in volcanic rocks
 - ✓ Jobs Hill - 15-20m wide faults and shear zones within a NE trending structural corridor, outcropping copper oxide and sulphide mineralisation

Q2 PROGRAM

- IP survey and diamond drilling to commence in April
- 46 line kilometers of IP survey to be undertaken
- 11 drill holes for 3,500m to be completed
- Further field mapping and soil sampling on the Rodinia JV tenements

Eloise Project

GEOPHYSICAL SURVEY PLAN



PRIORITY TARGETS FAST TRACKED

- ✓ JV targeting Cannington style Pb-Zn-Ag mineralisation as well as high grade Artemis/Eloise
- ✓ JV fast tracked drilling of high priority targets whilst undertaking geophysical survey to define new targets
 - ✓ Olympus target – high grade rock chips and co-incident geophysical anomaly
 - ✓ Bullwinkle target - recent geophysical survey extending the footprint of the Artemis-Sandy Creek system

Q2 PROGRAM

- Extensive gravity and EM survey commenced in April
 - 116 line kilometers of EM survey to undertaken
 - 1400 gravity stations
- Drill testing of Bullwinkle and Olympus prospect expected to commence in April



Supplementary Slides



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Guidance

Guidance	2016	2017	2018	2019
PROMINENT HILL:				
Copper production ⁵	115,000 to 125,000 tonnes	105,000 to 115,000 tonnes	85,000 to 95,000 tonnes	65,000 to 75,000 tonnes
Gold production ⁶	125,000 to 135,000 ounces	125,000 to 135,000 ounces	140,000 to 150,000 ounces	150,000 to 160,000 ounces
Open pit total movement	30Mt to 35Mt	15Mt to 20Mt	< 5Mt	
Open pit strip ratio	Circa 1.0 times	Circa 0.5 times	Circa 0.25 times	
Open pit unit mining costs*	\$6.40 - \$6.60/tonne			
Underground ore movement	2.0 - 2.2Mt			
Underground unit mining costs*	\$45 to \$55/tonne			
Underground capital expenditure	\$65M - \$75M (inc development)			
Site sustaining capital expenditure	\$15 to \$20 million			
C1 costs (OP & UG)	US 70c - US 80c/lb			
OTHER:				
Exploration	\$10 - \$15 million			

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

^{5, 6} These production targets must be read in conjunction with the production cautionary statement on slide 3

All In Sustaining Cost

- The World Gold Council's All In Sustaining Cost ('AISC') metric has been included in this report to provide a comprehensive cost metric which improves transparency related to sustaining capital
- AISC as an extension of cash costs, includes costs related to 'sustaining production' (capital expenditure and exploration costs to replenish mined reserves)
- A reconciliation of C1 costs to AISC is provided below for reference
- AISC provided below is reported on production basis consistent with the approach adopted for C1 costs

ITEM – Q1	US c/lb
C1 cash costs	75
Royalties	12
Sub-Total (Adjusted Operating Costs)	87
Corporate G&A	4
Open Pit Deferred Waste	20
Underground sustaining	13
Capital expenditure sustaining	3
All-in Sustaining Costs (AISC)	127

Depreciation of PP&E and Capitalisation into ore inventory

Indicative Calculation FY 2016

Depreciation and amortisation	2016
Depreciation of PP&E	320 – 360
Capitalised depreciation into OP ore inventory	115 – 125
Net depreciation in the Income statement	205 – 235

- Depreciation is charged on OP and UG mine development (waste), P&E, land and buildings.
- As a result of accelerated mining of the OP, the deferral of depreciation of PP&E (mainly the deferred waste asset) will continue until the OP ceases in 2018
- During this period, as ore continues to be stockpiled, depreciation directly attributable to the ore hauled and stockpiled will be capitalised into ore inventory on the balance sheet and as a result less depreciation will be recognised in the income statement
- Once the OP ceases and the ore inventory is processed and sold, the depreciation capitalised into ore inventory will be expensed into the income statement in addition to depreciation of PP&E