



# **OZ MINERALS**

# **2011 FOURTH**

# **QUARTER REPORT**

**18 JANUARY 2012**

**[WWW.OZMINERALS.COM](http://WWW.OZMINERALS.COM)**

# DISCLAIMER



This presentation has been prepared by OZ Minerals Limited ("OZ Minerals") and consists of written materials/slides for a presentation concerning OZ Minerals. By reviewing/attending this presentation, you agree to be bound by the following conditions.

No representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the information, contained in the presentation or of the views, opinions and conclusions contained in this material. To the maximum extent permitted by law, OZ Minerals and its related bodies corporate and affiliates, and its respective directors, officers, employees, agents and advisers disclaim any liability (including, without limitation any liability arising from fault or negligence) for any loss or damage arising from any use of this material or its contents, including any error or omission there from, or otherwise arising in connection with it.

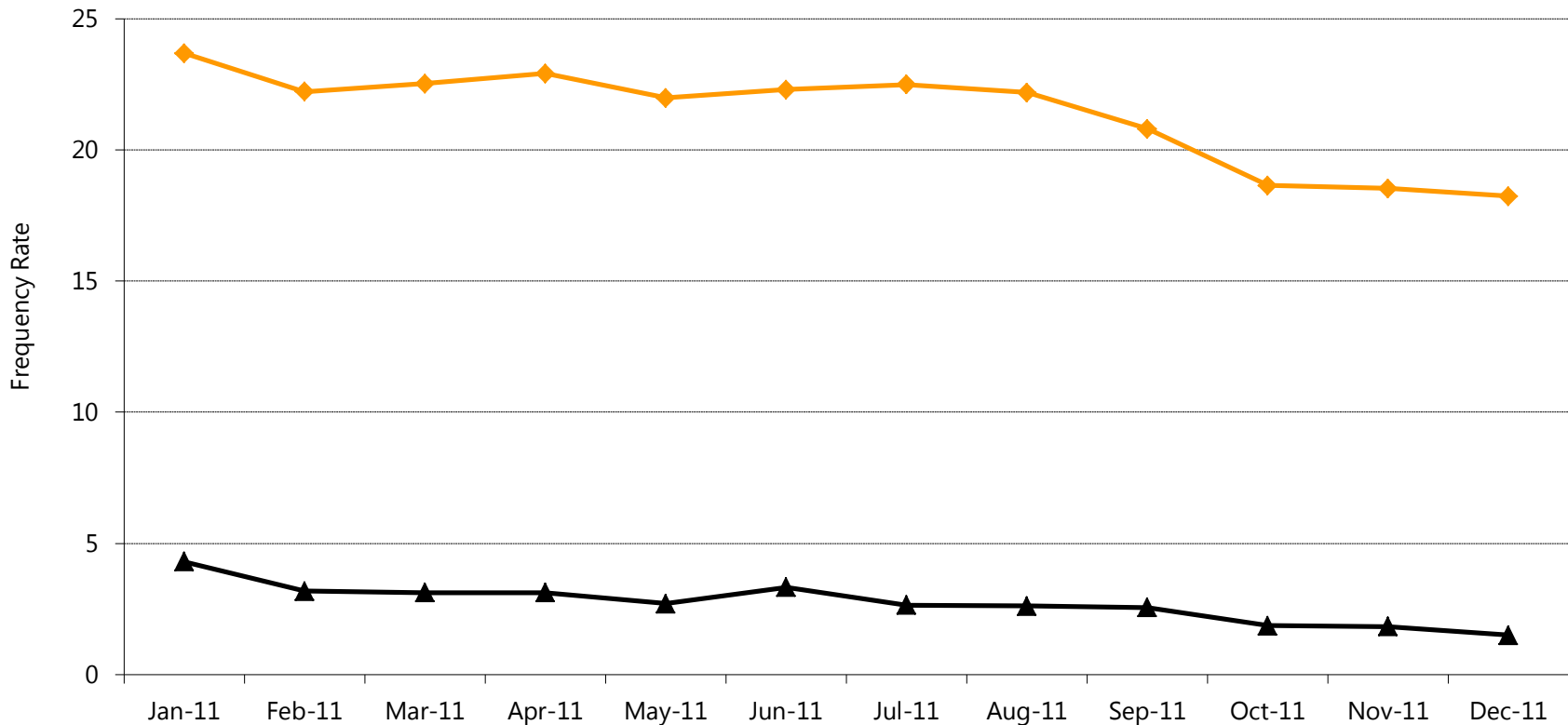
Some statements in this presentation relate to the future and are forward looking statements. Such statements may include, but are not limited to, statements with regard to intention, capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost 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 Mineral's 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 and intentions 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 Minerals 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.

- Pleasing year of operational performance at Prominent Hill.
- Copper and gold production and unit costs met guidance.
- Improved year for safety performance.
- Ankata underground development on schedule for Q1 production of first ore from stoping.
- Work at Carrapateena underway
  - Exploration drilling commenced
  - Options studies progressing well.
- Share buy-back 50% complete.

## OZ Minerals Lost Time and Total Recordable Injury Frequency Rate 12 Month Moving Average \*



\* Injuries per million man hours

—◆— OZ Minerals TRIFR

—▲— OZ Minerals LTIFR

- Improvement in total recordable injury rate.

# PROMINENT HILL



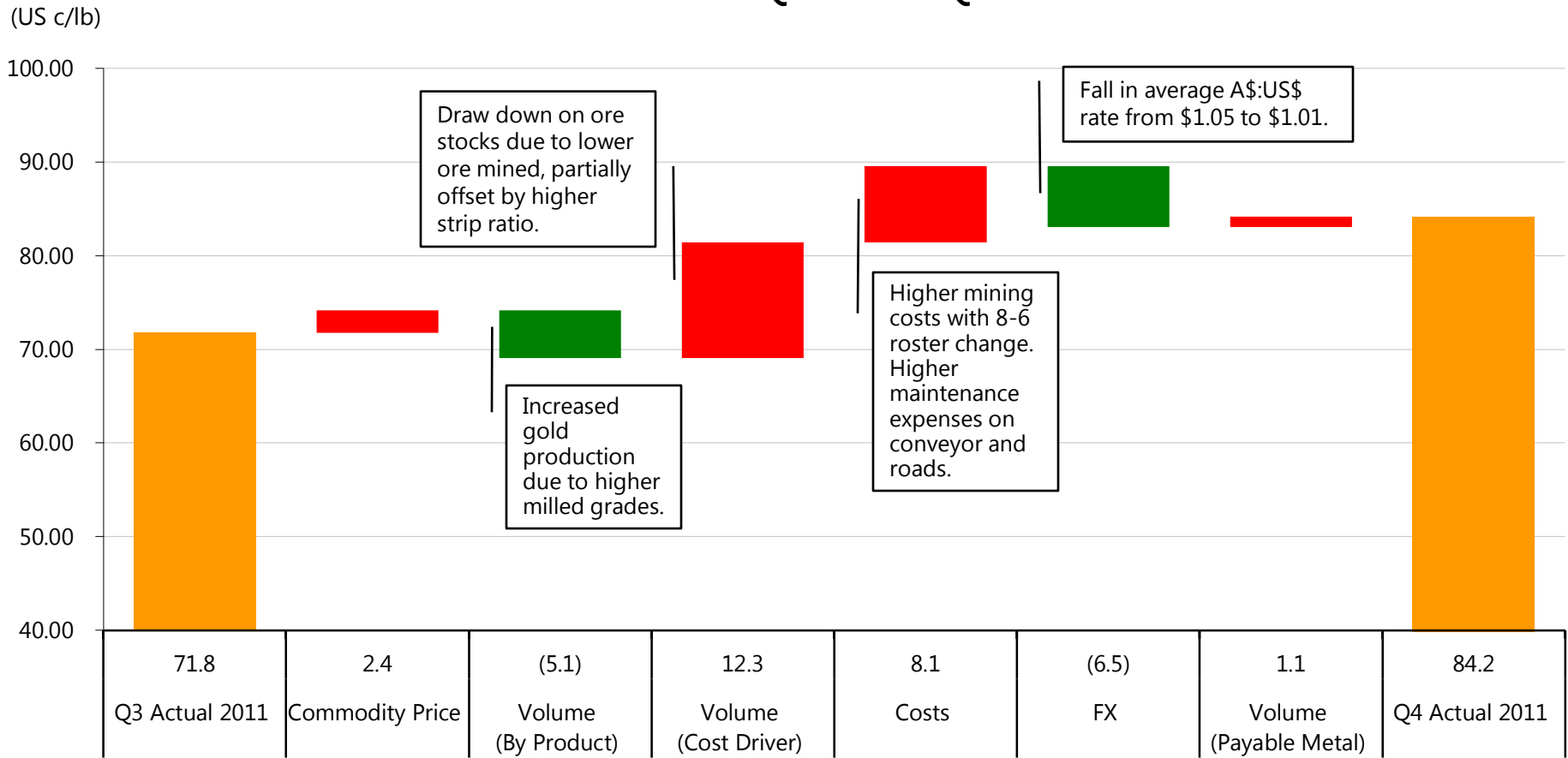
PROMINENT HILL PRODUCTION STATISTICS		SEP QTR '11	DEC QTR '11	YTD '11
MINED	ORE (TONNES)	2,807,269	2,212,157	11,333,854
	WASTE (TONNES)	14,220,747	14,266,345	57,683,667
MINED GRADE	COPPER (%)	1.15	1.28	1.14
	GOLD (G/T)	0.47	0.47	0.51
	SILVER (G/T)	2.72	3.18	2.62
ORE MILLED	(TONNES)	2,484,882	2,442,800	9,891,819
MILLED GRADE	COPPER (%)	1.21	1.22	1.20
	GOLD (G/T)	0.58	0.61	0.65
	SILVER (G/T)	2.65	3.03	2.52
RECOVERY	COPPER (%)	90.8	89.9	90.5
	GOLD (%)	78.2	78.6	78.0
	SILVER (%)	79.1	71.0	76.4
COPPER CONCENTRATE PRODUCED	TONNES	49,804	53,163	204,225
CONTAINED METAL IN CONCENTRATES	COPPER (TONNES)	27,217	26,802	107,744
	GOLD (OZ)	36,064	37,814	160,007
	SILVER (OZ)	167,620	168,782	612,903
TOTAL CONCENTRATE SOLD	(DM TONNES)	41,056	56,396	208,510
C1 CASH COSTS	US CENTS PER LB	71.8	84.2	70.4

- Copper production of 100,000t to 110,000t to be maintained for 2012.
- Gold production expected to be in the range of 130,000oz to 150,000oz.
- Costs increasing progressively throughout 2012 to average between \$US1.00/lb to \$US1.10/lb.
- Delayed concentrate shipments to be cleared by end Q1 2012.

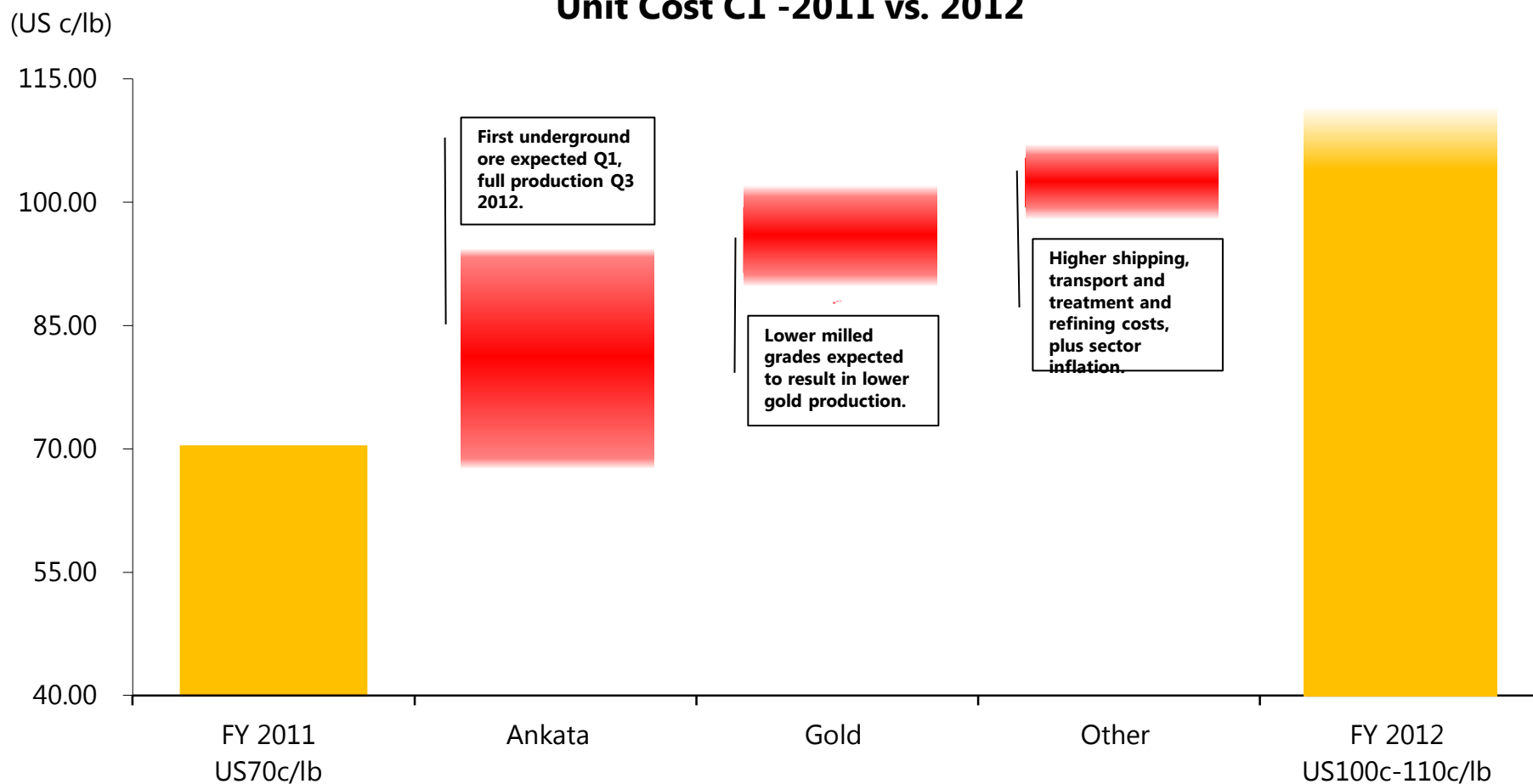
# UNIT PRODUCTION COSTS



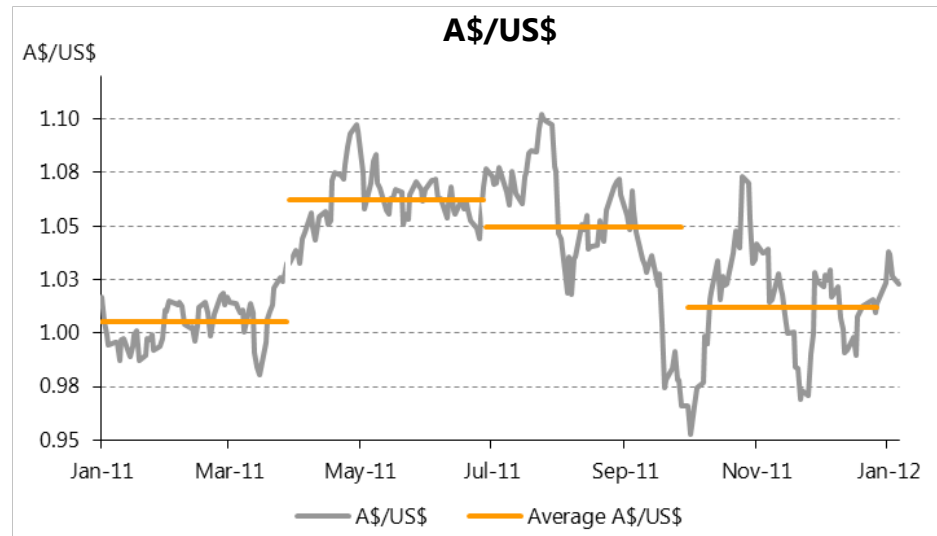
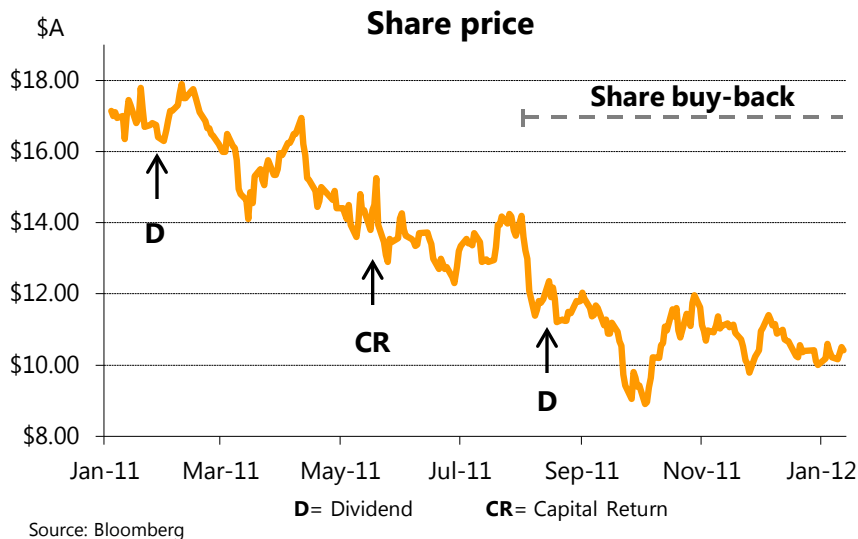
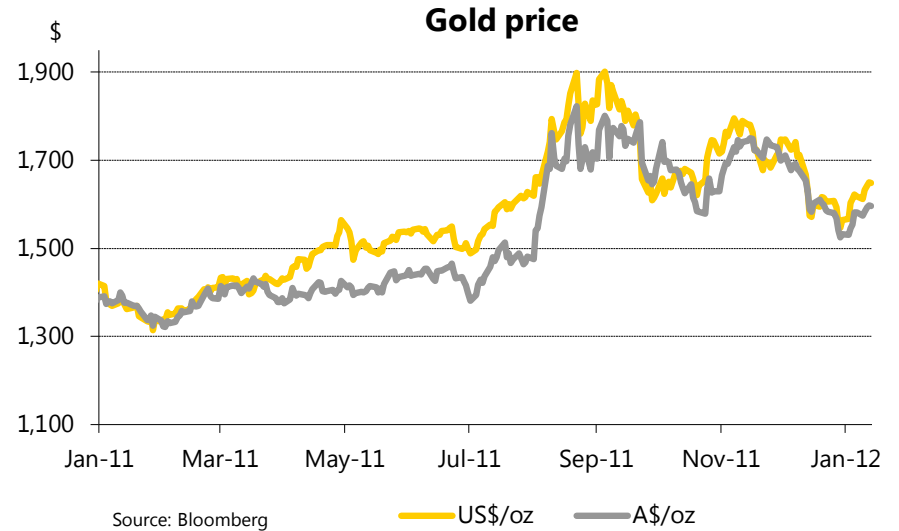
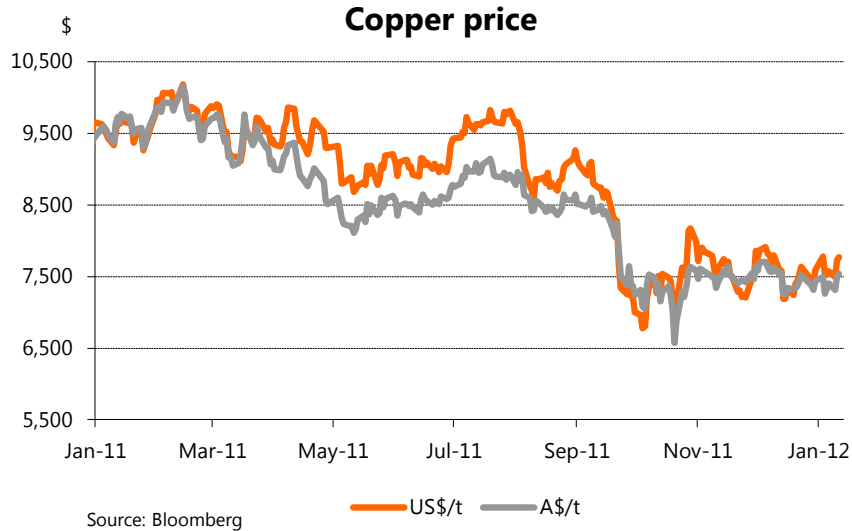
## Unit Cost C1 - Q3 2011 vs. Q4 2011



## Unit Cost C1 - 2011 vs. 2012



Based on mid-point of guidance range.



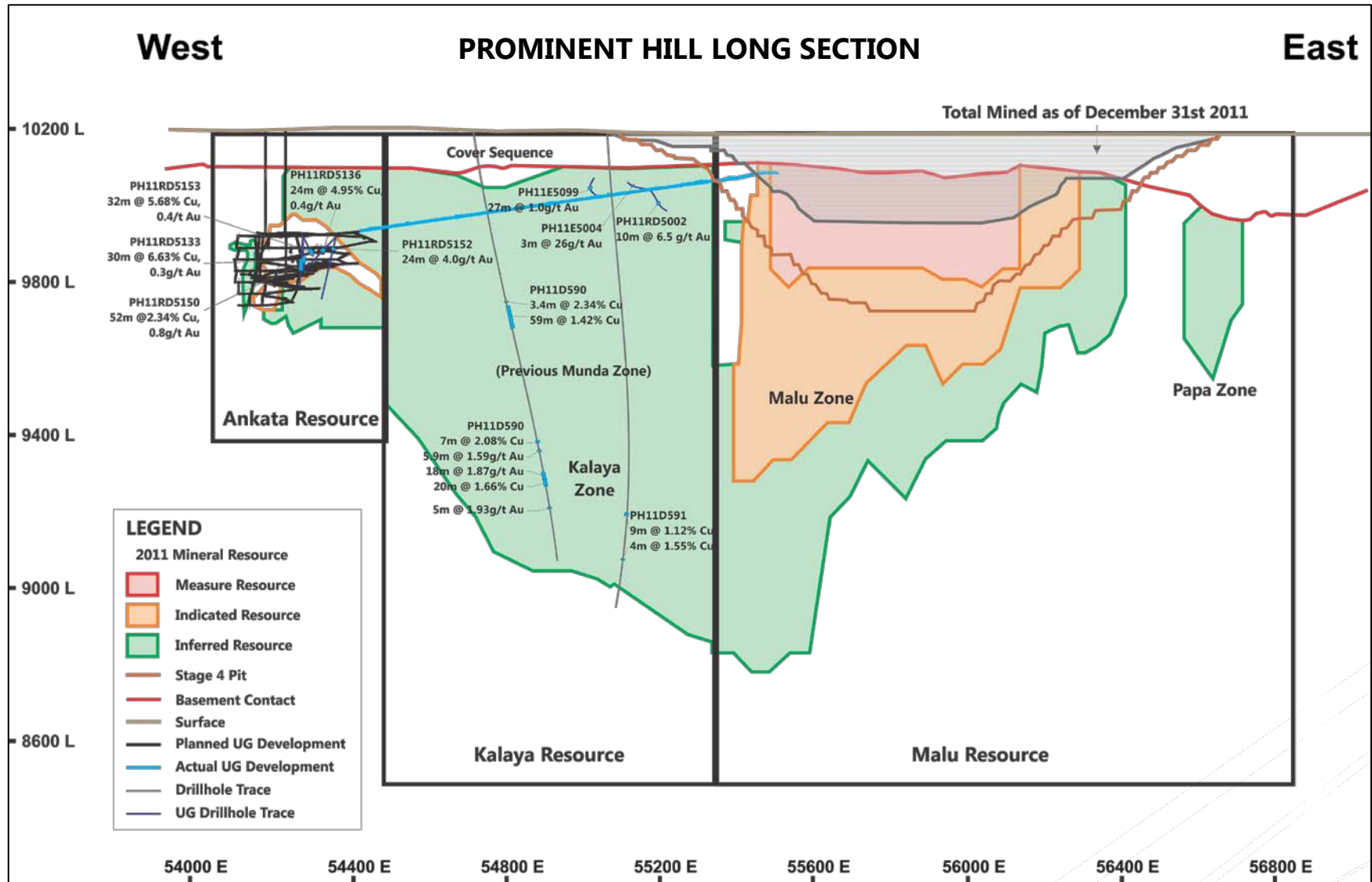


# UNDERGROUND DEVELOPMENT

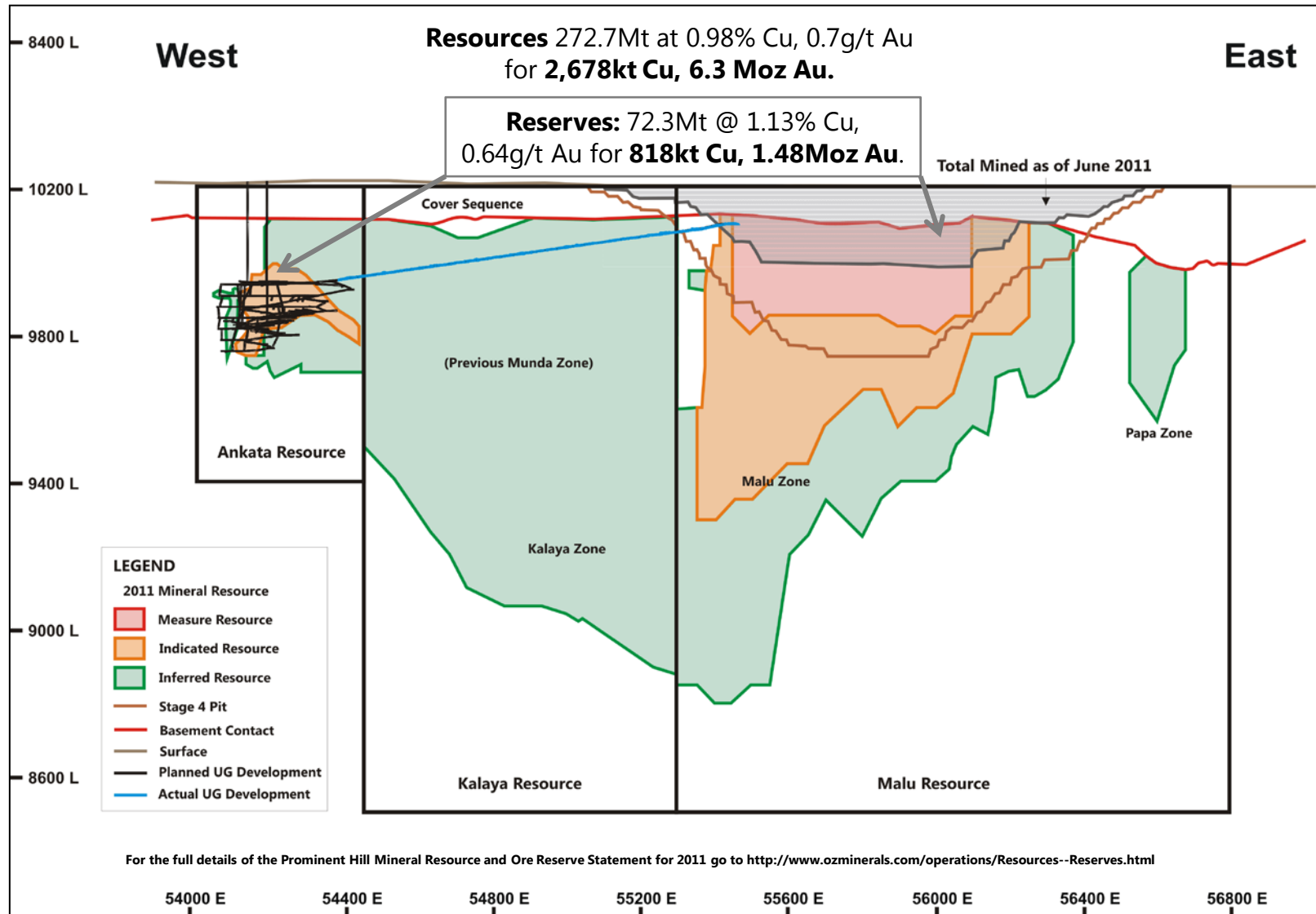


- Underground on schedule for first production from stoping Q1 2012.
- 0.8 – 1.0Mt to be mined during ramp-up in 2012.
- 1.2Mt per year expected in 2012-2015.
- Average grade range for 2012 to be 2.3-2.8% copper.
- Pastefill plant construction to be completed Q1 2012.

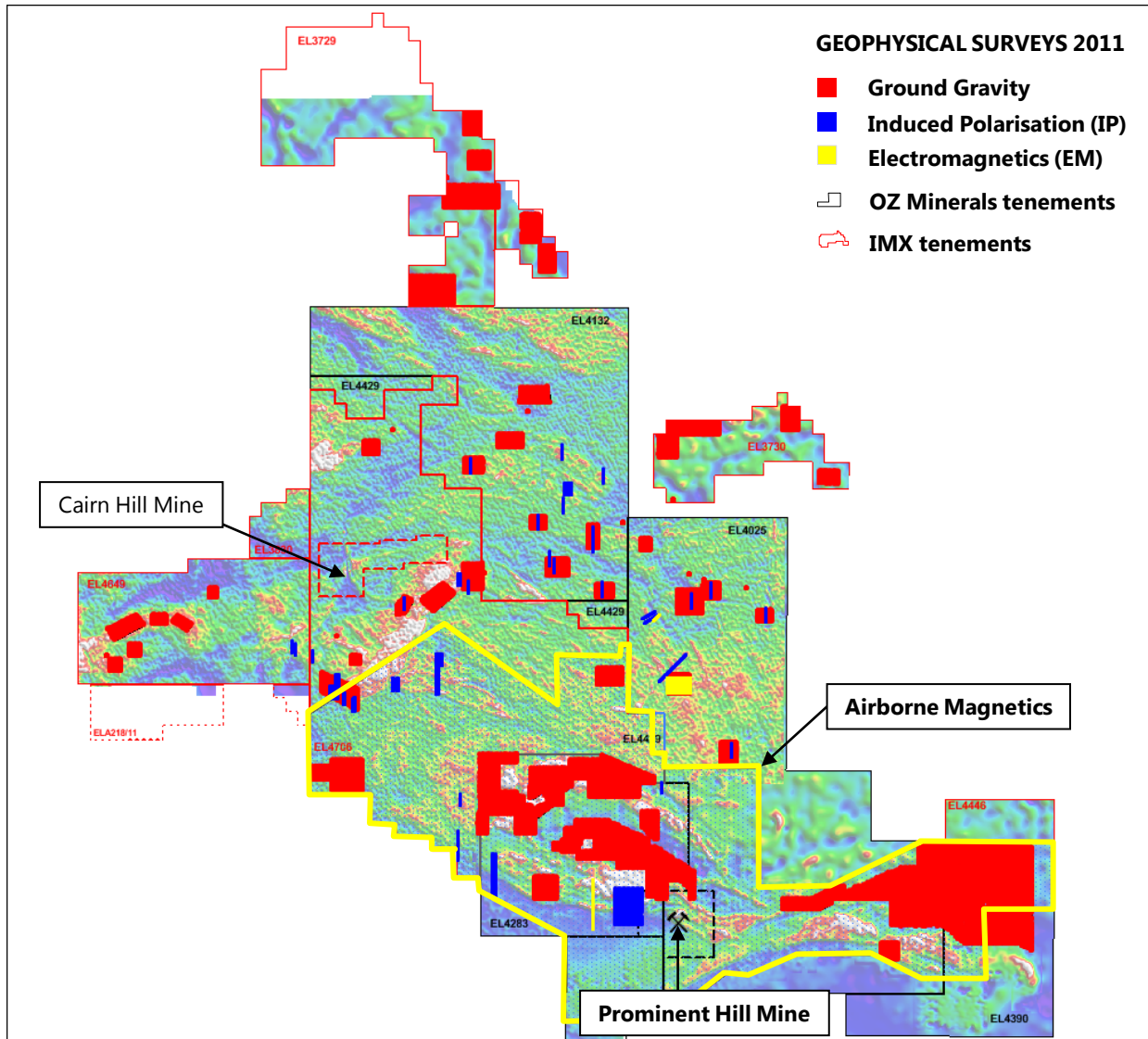
# PROMINENT HILL Q4 DRILLING RESULTS



# 2011 RESERVES & RESOURCES UPDATE



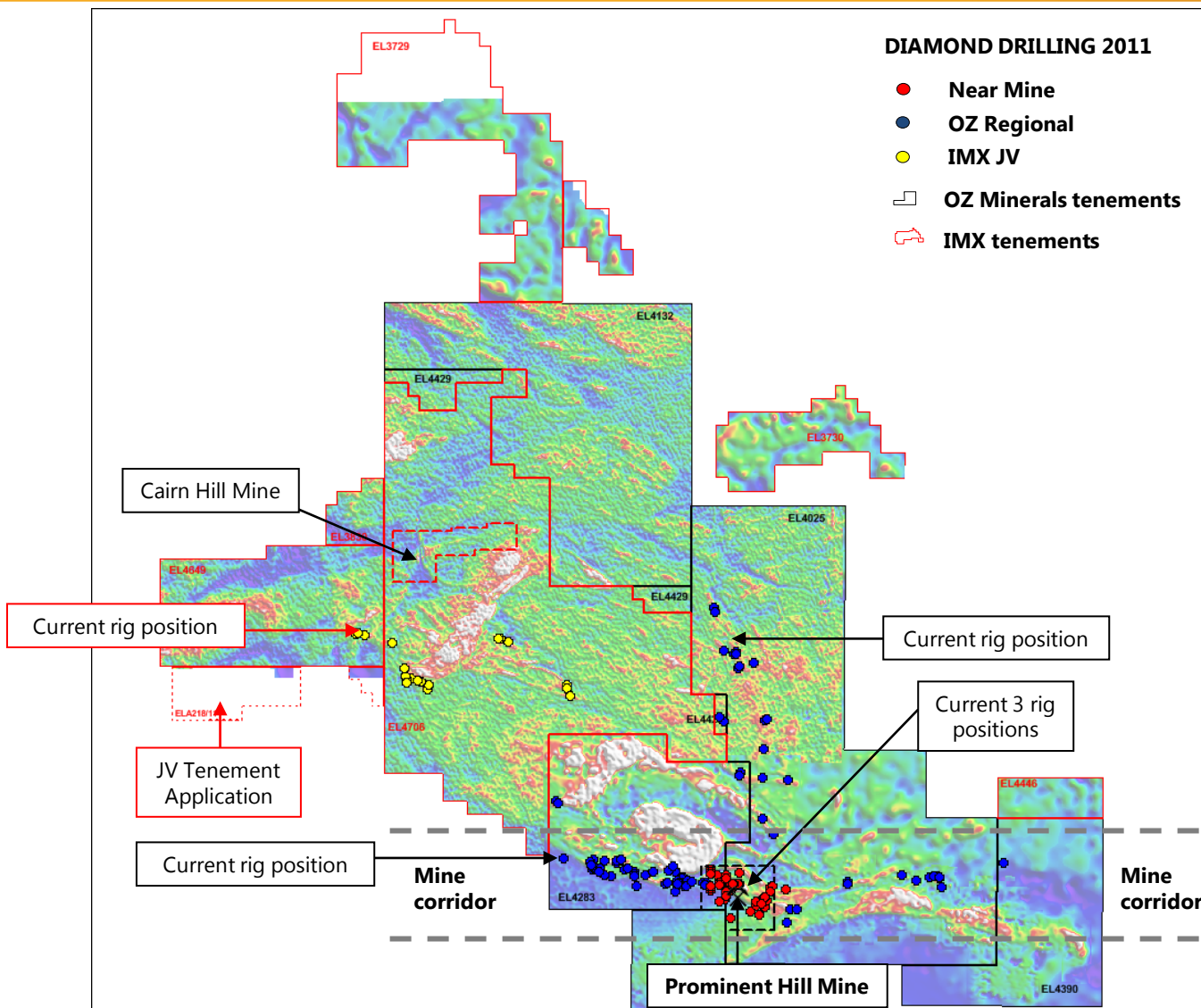
For the full details of the Prominent Hill Mineral Resource and Ore Reserve Statement for 2011 go to <http://www.ozminerals.com/operations/Resources--Reserves.html>



- Geophysics is one of the keys to discovery at Prominent Hill
- 2012 program included:
  - 15,000 line kilometres gravity.
  - 46,000 line kilometres magnetics.
  - 350 line kilometres IP
  - 30 line kilometres EM.
- Targets refined by geophysics then drill tested.

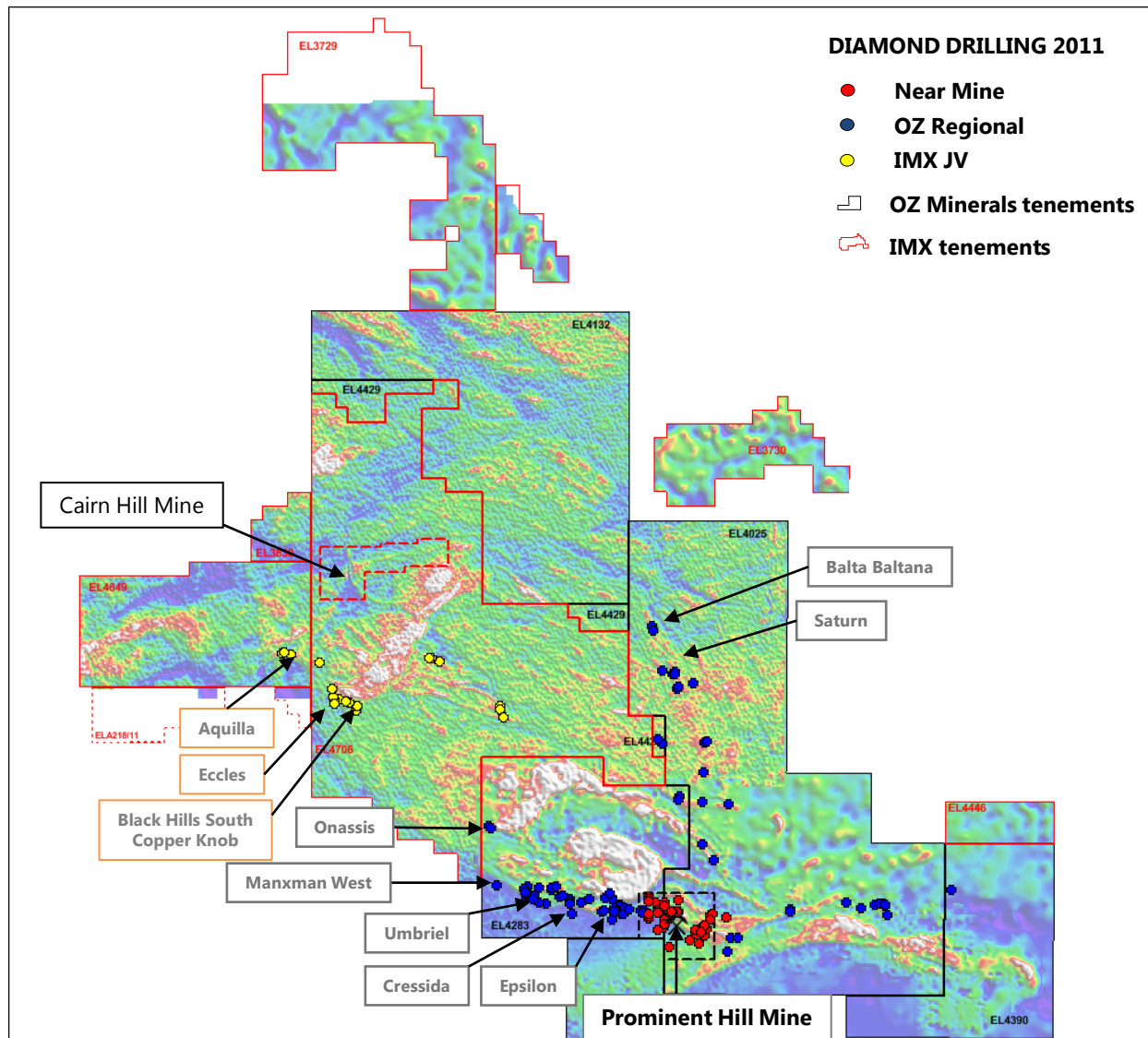


# DIAMOND DRILLING 2011



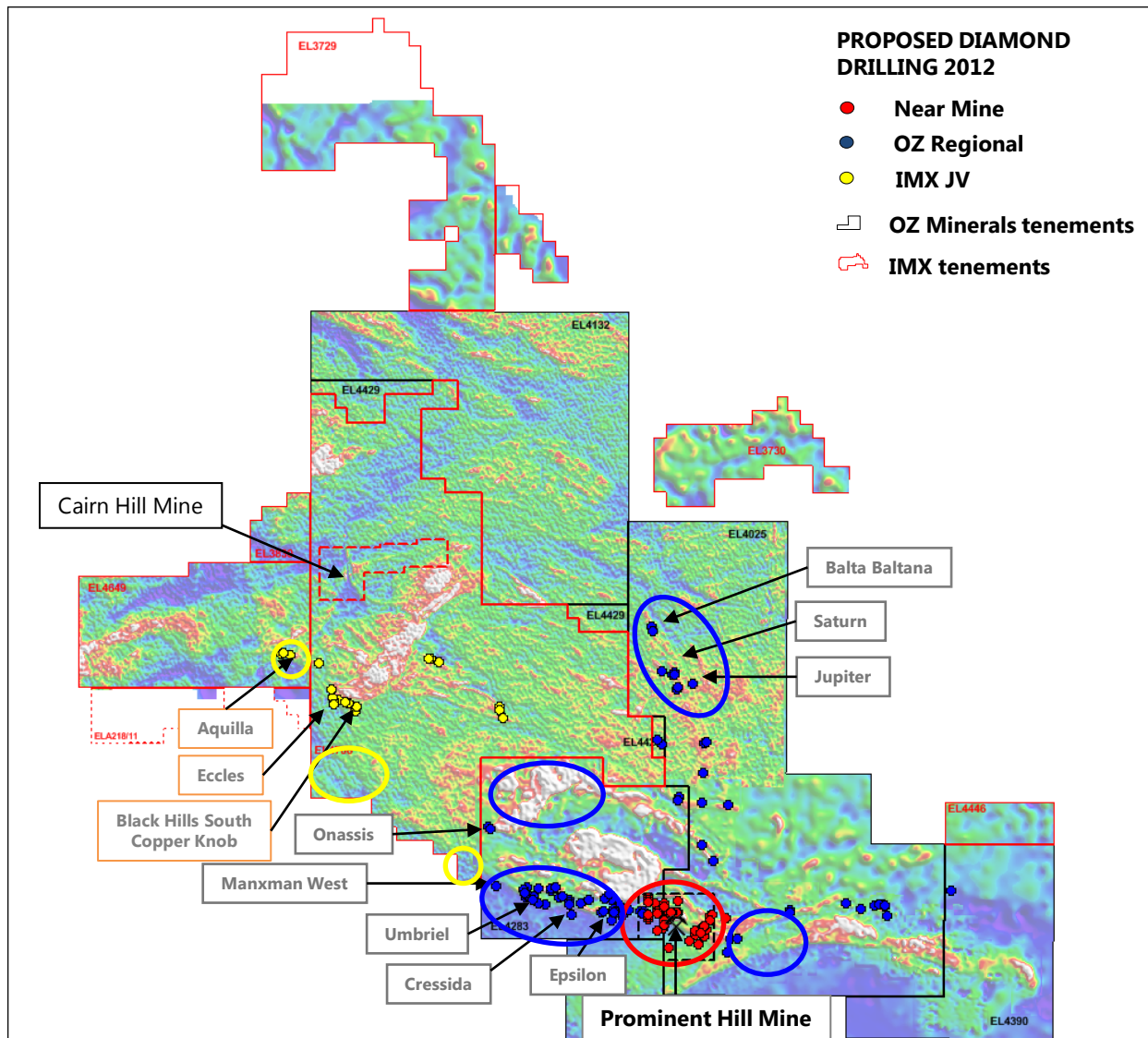
- Drilling continued throughout 2011.
- Mainly in the 'mine corridor'.
- Several previously untested targets.
- Prospects being followed up.
- Multiple untested targets remain.

# PROSPECT LOCATIONS DRILLED Q4 2011



- Still testing extensive areas of tenements.
- Moving north.
- Still testing several prospects close to Prominent Hill.

# PROPOSED DRILLING H1 2012



- Drilling planned throughout 2012
- Prospects tested in 2011 being followed up.
- Multiple targets remain untested
- Further testing of the 'mine corridor' and its lateral extent
- \$28 million to be spent on regional exploration (including IMX JV) in 2012

# CARRAPATEENA COPPER - GOLD EXPLORATION SOUTH AUSTRALIA



*Image courtesy of Peter Watson – OZ Minerals*

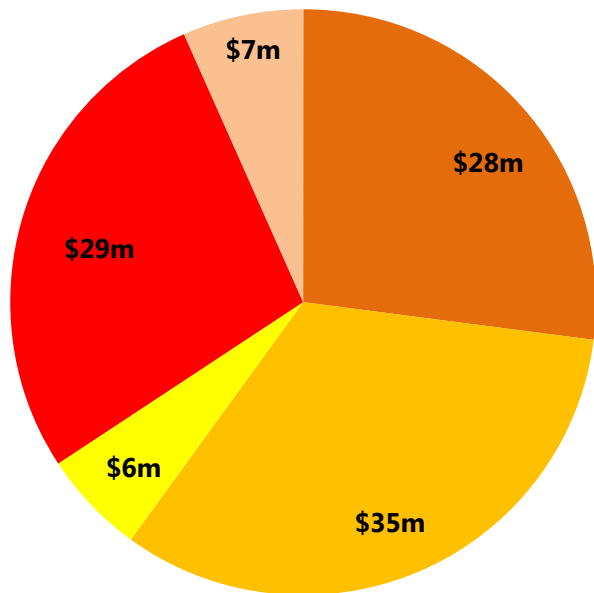
- Significant internal focus on Carrapateena.
- Exploration drilling commenced in October.
- Two holes completed with results due in February.
- Two more holes underway.
- Drilling out northern 'exploration target' and also infill of southern resource area.
- Exploration shaft being considered.
- Exploration camp completed.
- Scoping studies for mining options, metallurgy, infrastructure, power and water.
- Project expenditure for Carrapateena expected to be \$60 million with \$29 million of this on exploration.



# 2012 – SIGNIFICANT COMMITMENT TO EXPLORATION AT PROMINENT HILL CONTINUES



## 2012 Exploration



- Prominent Hill (Regional)
- Prominent Hill (Near mine) (includes exploration decline)
- Prominent Hill (Capitalised - estimate)
- Carrapateena (does not include exploration shaft)
- International

- Total Prominent Hill exploration budget of \$70 million.
- Prominent Hill underground includes the completion of the Malu exploration decline allowing access to underpit targets.
- UG drilling on Ankata likely to be capitalised.
- 14,000m program identified for Carrapateena for 2012.
- Decision on Carrapateena exploration shaft to be considered during 2012 (not included in budget).

- Good year of production at Prominent Hill and outlook for 2012.
- Underground commencing in Q1.
- Exploration intensity maintained.
- Significant year ahead for Carrapateena.
- M&A remains an important focus.

INFORMATION IN THIS PRESENTATION WHICH REFERS TO PROMINENT HILL MINERAL RESOURCES IS A SUMMARY OF INFORMATION RELATING TO MINERAL RESOURCES SET OUT IN THE PROMINENT HILL MINERAL RESOURCES AND ORE RESERVES STATEMENT AS AT 30 JUNE 2011. THIS INFORMATION HAS BEEN COMPILED BY JOHN PENHALL AND BRUCE WHITTAKER WHO ARE BOTH FULL TIME EMPLOYEES OF OZ MINERALS AND MEMBERS OF AUSTRALASIAN INSTITUTE OF MINING AND METALLURGY (AUSIMM).

THIS INFORMATION HAS BEEN APPROVED FOR RELEASE IN THE FORM AND CONTEXT IN WHICH IT APPEARS BY MR JIM HODGKISON WHO IS A FULL TIME EMPLOYEE OF OZ MINERALS AND HAS SUFFICIENT EXPERIENCE WHICH IS RELEVANT TO THE STYLE OF MINERALISATION AND TYPE OF DEPOSIT UNDER CONSIDERATION AND TO THE ACTIVITY UNDERTAKEN TO QUALIFY AS A COMPETENT PERSON AS DEFINED IN THE 2004 EDITION OF THE 'AUSTRALASIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES.

INFORMATION IN THIS ANNOUNCEMENT WHICH REFERS TO PROMINENT HILL ORE RESERVES IS A SUMMARY OF INFORMATION RELATING TO ORE RESERVES SET OUT IN THE PROMINENT HILL MINERAL RESOURCES AND ORE RESERVES STATEMENT AS AT 30 JUNE 2011. THIS INFORMATION HAS BEEN APPROVED FOR RELEASE IN THE FORM AND CONTEXT IN WHICH IT APPEARS BY MR JUSTIN TAYLOR WHO IS A FULL TIME EMPLOYEE OF OZ MINERALS AND HAS SUFFICIENT EXPERIENCE WHICH IS RELEVANT TO THE STYLE OF MINERALISATION AND TYPE OF DEPOSIT UNDER CONSIDERATION AND TO THE ACTIVITY UNDERTAKEN TO QUALIFY AS A COMPETENT PERSON AS DEFINED IN THE 2004 EDITION OF THE 'AUSTRALASIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES.

WITHIN THIS PRESENTATION REFERENCES TO EXPLORATION RESULTS RELATING TO PROMINENT HILL ARE BASED ON INFORMATION COMPILED BY MR MARCEL VAN ECK MSC WHO IS A FULL-TIME EMPLOYEE OF OZ MINERALS, IS A MEMBER OF THE AUSTRALIAN INSTITUTE OF GEOSCIENTISTS AND HAS SUFFICIENT EXPERIENCE RELEVANT TO THE STYLE OF MINERALISATION AND TYPE OF DEPOSIT UNDER CONSIDERATION AND TO THE ACTIVITIES UNDERTAKEN TO QUALIFY AS A COMPETENT PERSON AS DEFINED BY THE JORC CODE (2004). MR VAN ECK HAS CONSENTED TO THE INCLUSION OF THE MATERIAL IN THE FORM AND CONTEXT IN WHICH IT APPEARS.

ALL OTHER REFERENCES TO EXPLORATION RESULTS WITHIN THIS PRESENTATION/STATEMENT ARE BASED ON INFORMATION COMPILED BY MR A HOUSTON BSC WHO IS A FULL-TIME EMPLOYEE OF OZ MINERALS, IS A MEMBER OF THE AUSTRALIAN INSTITUTE OF GEOSCIENTISTS AND HAS SUFFICIENT EXPERIENCE RELEVANT TO THE STYLE OF MINERALISATION AND TYPE OF DEPOSIT UNDER CONSIDERATION AND TO THE ACTIVITIES UNDERTAKEN TO QUALIFY AS A COMPETENT PERSON AS DEFINED BY THE JORC CODE (2004). MR HOUSTON HAS CONSENTED TO THE INCLUSION OF THE MATERIAL IN THE FORM AND CONTEXT IN WHICH IT APPEARS.