

QUARTERLY REPORT

FOR THE THREE MONTHS
ENDING 30 JUNE 2008



HIGHLIGHTS:

COPPER PRODUCED AT SEPON	13,240t
COPPER PRODUCED AT GOLDEN GROVE	1,719t
ZINC PRODUCED AT CENTURY	130,756t
ZINC PRODUCED AT GOLDEN GROVE	37,683t
ZINC PRODUCED AT ROSEBERY	21,088t
GOLD PRODUCTION AT SEPON	19,096oz
GOLD PRODUCED AT GOLDEN GROVE	16,994oz
AVERAGE LME CASH COPPER PRICE	US\$3.83/lb
AVERAGE LME CASH ZINC PRICE	US\$0.96/lb
AVERAGE COMEX GOLD PRICE	US\$896/oz

OXIANA OPERATIONS

Sepon Copper Operation

- Sepon copper production on track to meet forecast. Strong exploration results including 71m at 9.4% copper from Thengkhamb South continue to confirm the copper potential of the mineral district.

Sepon Gold operation

- Sepon gold production of 19,096oz. New Houay Yeng deposit continues to be extended.

Golden Grove

- Good zinc production quarter with 37,683t produced. Regional exploration underway.

Prominent Hill

- Construction on schedule and on budget and discovery of a potential new deposit.

Martabe

- Final approvals to develop the Martabe gold mine received from the Government of Indonesia and construction commenced.

ZINIFEX OPERATIONS

Century

- Record annual zinc production of 521,471t. New ball mill commissioned as part of Project PERcent.

Rosebery

- Quarterly production of zinc at Rosebery higher due to higher throughput and head grades.

Avebury

- Acquisition of Allegiance Mining completed and first production of nickel concentrates from the Avebury nickel operation in July.

IMPORTANT NOTE

On 1 July 2008, the merger between Oxiana Limited and Zinifex Limited came into effect and Zinifex Limited became a wholly owned subsidiary of Oxiana Limited (now renamed "OZ Minerals Limited"). Zinifex Limited was delisted on 2 July 2008. In light of the merger and the delisting of Zinifex, information relating to Zinifex Limited, and the assets and businesses owned by Zinifex Limited, have been included in this quarterly report notwithstanding the fact that the merger only occurred after the period to which this quarterly report relates. The information has been presented separately in the report. However, from the third quarter onwards, the report will be structured differently to show the combined operations.

OZMINERALS.COM

A handwritten signature in black ink, appearing to read 'Andrew Michelmores'.

Andrew Michelmores
Managing Director & Chief Executive Officer

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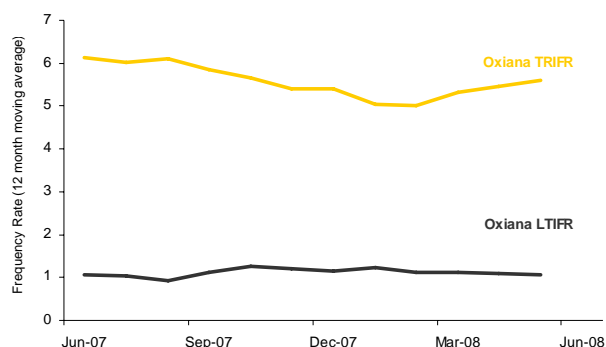
**OXIANA QUARTERLY ACTIVITIES TO
JUNE 30 2008**

FIGURE 1: OXIANA GROUP SAFETY PERFORMANCE YEAR TO DATE

LTIFR = LOST TIME INJURY FREQUENCY RATE PER MILLION MAN HOURS
TRIFR = TOTAL RECORDABLE INJURY FREQUENCY RATE (LTI + MEDICAL TREATMENT INJURIES + RESTRICTED WORK INJURIES)

SAFETY

The Total Recordable Injury Frequency Rate increased from 5.0 (12 month moving average) last quarter to 5.6 this quarter. This deterioration was largely due to increased injuries reported at the Prominent Hill project site in South Australia, as the scale and pace of construction activity increased. The site has actively increased its focus on safety including increasing the presence of safety advisers in the field and increased frequency of communications on safety.

SEPON COPPER**MINING AND PRODUCTION**

The volume of material mined for the quarter was lower due to record rainfall impeding access to the copper pit. A return to more optimal mining patterns in the third quarter will depend on rainfall intensity. However, these events will not impact the copper production forecast due to adequate copper ore stockpiles.

Copper ore milled and final copper production of 13,240t for the period was lower due a major planned shutdown in April and an unplanned plant shut-down as a result of a fire sustained in the plant's electro-winning tankhouse in May.

Repairs to the tankhouse roof structure, cladding and draining and cleaning of electro-winning cells affected by the fire saw the plant off-line for 10 days with full production capacity restored after 14 days.

This saw approximately 2,500t of lost production, which has been somewhat offset by higher than planned production in the first quarter of 2008. Full year production guidance of 60,000t to 65,000t is maintained.

TABLE 1
QUARTERLY COPPER PRODUCTION STATISTICS

	JUNE QTR '08	YEAR TO DATE
ORE MINED (TONNES)	399,139	1,038,532
GRADE (%)	5.4	5.1
STRIP RATIO (W/O)	2.6	1.7
ORE MILLED (TONNES)	275,825	620,143
GRADE (%)	5.5	5.5
RECOVERY (%)	89.6	91.1
PRODUCTION (STRIPPED) (TONNES)	13,240	30,372
CATHODE SOLD (TONNES)	13,346	30,281

COSTS

Unit operating costs were higher in the June quarter due to lower copper production and higher fuel and acid costs.

Direct operating costs of US\$83c/lb for the year to date are higher than guidance of 72c/lb to 78c/lb. Upward cost pressure will continue through the second half due to higher prices for key inputs such as fuel, acid and lime.

TABLE 2
QUARTERLY COPPER COSTS

USc/lb*	JUNE QTR '08	YEAR TO DATE
DIRECT CASH COST	100	83
MARKET PREMIUM	(4)	(4)
ROYALTIES	17	16
TOTAL CASH COST	113	95
DEPRECIATION & AMORTISATION	16	15
REHABILITATION	1	1
TOTAL PRODUCTION COST	130	111

* FIGURES MAY NOT ALWAYS ADD DUE TO ROUNDING

SEPON COPPER EXPANSION

An expansion project to take the Sepon copper plant from its current nameplate design capacity of 60,000 t/a to 80,000t/a by 2010 is currently underway.

Work during the quarter accelerated in both engineering and construction areas. Detailed engineering is now 60% complete.

Early civil construction was undertaken and concrete works have commenced.

Early modifications to the solvent extraction and flotation areas were made and orders were placed for all remaining process equipment.

The project is on schedule for commissioning in the fourth quarter of 2009.

The second autoclave project, which will improve the reliability and flexibility of the plant, progressed with detailed engineering essentially complete. The first 2 vessels arrived on-site in early June with the autoclave itself due at the end of August. Construction commenced with concrete works 50% complete and structural steel now on-site. The project is on schedule for completion in the first quarter of 2009.

SEPON INFRASTRUCTURE

In April, Oxiana approved the construction of a second 115kV powerline to the Sepon site to provide for increased electrical demands in the future. The project is scheduled for completion in the third quarter of 2009.

The new polishing plant (which treats excess water prior to discharge) will be operating at the end of the third quarter of 2008, and will complete the Western Tailings Storage Facility project.

SEPON COPPER EXPLORATION

Up to 20 drill rigs were active on exploration and resource definition, although drilling activities decreased towards the end of the quarter with the approach of the wet season. Surface exploration continued to generate and rapidly advance new targets to drill status.

The success of ongoing copper exploration and resource evaluation continued to re-enforce the inherent upside potential of the Sepon district.

Results from resource evaluation drilling at the Thengkhamb South deposit continued to confirm and extend the high grade copper resource. Several wide primary copper intercepts including 19.2m at 1.9% Cu and 0.2g/t Au further highlight the potential for primary copper deposits beneath the supergene mineralisation.

Better intersections obtained during the quarter include:

TABLE 3

HOLE ID	FROM (M)	INTERVAL (M)	CU (%)	AU (G/T)
TKM616	37.5	15.5	3.8	0.2
TKM616*	57.8	19.2	1.9	0.2
TKM629	11	14.1	9.9	0.1
TKM637	12	71	9.4	
TKM670	14	14	4.0	
TKM675	70	14	3.4	
TKM684	36	40	3.2	0.1
TKM729	SURFACE	31	1.1	0.5
TKM745	22.6	24.9	2.7	1.0
TKM734	60	42.4	4.3	
TKM750	8	38	1.7	0.3
TKM808	20	51	4.6	0.1
TKM817	45	22	4.5	0.1

* DENOTES PRIMARY MINERALISATION

In the Khanong copper pit, resource definition drilling to improve confidence in some under drilled areas of the deposit returned numerous outstanding intercepts, in line with or exceeding expectations. Several strong gold intercepts were also reported from the northeast corner of the resource area. Better intersections obtained during the quarter are tabled below:

TABLE 4

HOLE ID	FROM (M)	INTERVAL (M)	CU (%)	AU (g/t)
KHN658	37	20	8.6	0.1
KHN659	30	30	7.1	0.4
KHN664	12	19.7	9.4	1.1
KHN666	5.2	21.8	5.7	0.3
KHN667	12	30.6	12.4	0.7
KHN670	32	38	8.0	0.1
KHN677	43.3	11.7	9.1	0.1
KHN704	24.9	31.1	3.9	0.1

CU: *INTERCEPTS ARE WEIGHTED AVERAGES CALCULATED USING A 0.5% COPPER CUT-OFF ; MAXIMUM INTERNAL WASTE IS 2 METRES*.

AU: *FIRE ASSAY, WEIGHTED AVERAGES OF APPROXIMATE 1 METRE SAMPLE INTERVALS, 0.5G/T AU LOWER CUT-OFF, MAX 2M INTERNAL WASTE*.

A resource definition programme to improve resource confidence was also completed at the Pha Bing deposit immediately to the north of Thengkhamb. Results continue to confirm a robust high grade resource in line with previous estimates. Better intersections received to date include:

TABLE 5

HOLE ID	FROM (M)	INTERVAL (M)	CU (%)	AU (g/t)
PHB229	27	17	4.7	0.2
PHB231	31	18	4.0	
PHB243	38	15.5	6.4	1.1
PHB254	8	7.5	10.9	0.2
PHB240	42	19	5.5	0.1
PHB269	29	18	5.2	0.1
PHB281	17	19.6	10.6	0.2
PHB291	32	13.8	16.2	0.4
PHB325	12	14	6.5	0.2
PHB337	20	30.7	6.4	0.1
PHB411	1	62	1.6	0.3

CU: *INTERCEPTS ARE WEIGHTED AVERAGES CALCULATED USING A 0.5% COPPER CUT-OFF ; MAXIMUM INTERNAL WASTE IS 2 METRES*.

AU: *FIRE ASSAY, WEIGHTED AVERAGES OF APPROXIMATE 1 METRE SAMPLE INTERVALS, 0.5G/T AU LOWER CUT-OFF, MAX 2M INTERNAL WASTE*.

Exploration drilling at Thengkhamb East to delineate near-surface supergene copper resources and to assess potential of the

underlying primary mineralisation has intersected wide intervals of primary copper-gold with or without molybdenum mineralisation from near surface. A preliminary resource calculation for this new discovery is planned upon completion of the current drilling programme and extensive infill and extension drilling to fully delineate the deposit will follow the monsoon season. Better intersections received to date include:

TABLE 6

HOLE ID	FROM (M)	INTERVAL (M)	CU (%)	AU (g/t)	MO (g/t)
TKE096	28	12.2	2.8	1.6	241
TKE096	47.1	50.9	1.6	0.6	148
INCL. OXIDE	47.1	5.4	7.8	0.8	766
INCL. PRIMARY*	52.5	45.5	0.8	0.5	75
TKE102	54	10.4	2.9	0.1	16
TKE107	39	18	1.1	5.2	344
TKE107*	51	23	0.8	2.1	246
TKE114*	151	19	0.8	0.4	128
TKE126	13	14	1.4	2.1	87

* DENOTES PRIMARY MINERALISATION

Further assays are awaited for other holes, several of which contain broad (50 metre-wide) zones of primary copper gold mineralisation. The available results are better than expected and further highlight potential of this area to host a large tonnage, primary copper-gold resource. Latest primary results include: 47m at 0.6% Cu and 0.4g/t Au from 99m in TKE126 and 76.6m at 0.7% Cu and 0.2g/t Au from 20.4m in TKE131.

Latest supergene copper/gold include 22m at 8.3% Cu and 0.2g/t Au from 34m in TKE129 which is the highest grade intersection to date from Thengkhamb East and 45m at 1.8% Cu and 0.6g/t Au from 30m in TKE131.

At Thengkhamb North, drilling confirmed the continuity of primary copper mineralisation to depth. High grade near-surface supergene copper including 14m at 3.3% Cu and 19m at 6.1% Cu was also intersected.

A drilling programme commenced testing primary copper targets over four kilometres, adjacent and beneath, the near surface Thengkhamb South supergene copper deposits. All assays are pending.

Further encouraging results were returned from Songkhamb West, to the east of Thengkhamb, including 8m at 6.4% Cu and 1.1g/t Au from 40m in SKW032. Additional drilling is required to define the extent of this near-surface supergene mineralisation.

Elsewhere in the Sepon district highly anomalous molybdenum (to 942ppm Mo) in soil and rock samples were reported from two intrusive centres east of the Sepon mine and scout drilling is planned. Wide intervals of molybdenum only mineralisation were also reported from drilling at Thengkhamb North.

An RC drill programme was completed at the western section of the Din Daeng Zn-Pb prospect, 7 km north of the main Sepon mineral field. All assays are pending.

SEPON GOLD

MINING AND PRODUCTION

As experienced at the Sepon copper operation, ore mined was lower in the June Quarter due to minor flooding of some mining areas. Additional mining equipment and the opening of a new open-pit, Houay Yeng, in the third quarter will result in an improvement in mining consistency.

Ore milled was at good rates and recovery was significantly improved. 19,096 oz of gold were produced for the period.

Production forecasts for the year have been revised down to 85,000-95,000oz.

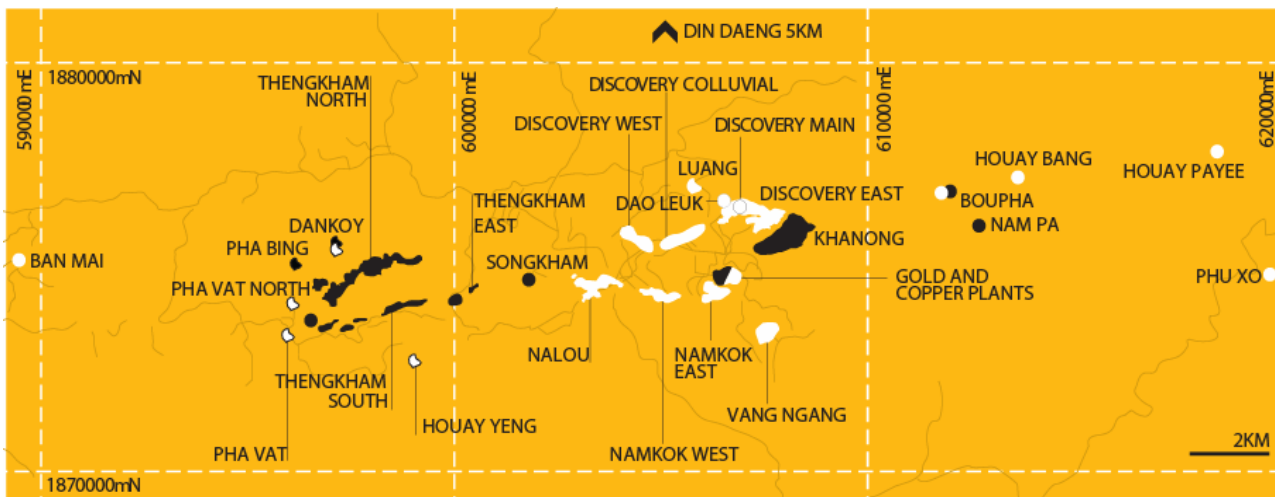


FIGURE 2: SEPON COPPER AND GOLD DEPOSITS AND PLANT INFRASTRUCTURE

○ GOLD RESOURCE ● COPPER RESOURCE ○ GOLD PROSPECT ● COPPER PROSPECT

TABLE 7
QUARTERLY GOLD PRODUCTION STATISTICS

	JUNE QTR '08	YEAR TO DATE
ORE MINED (TONNES)	407,315	976,215
GRADE (g/t)	1.4	1.7
STRIP RATIO (W/O)	0.9	1.1
ORE MILLED (TONNES)	579,616	1,144,471
GOLD GRADE (g/t)	1.5	1.6
SILVER GRADE (g/t)	4.8	5.2
GOLD RECOVERY (%)	71.1	65.8
SILVER RECOVERY (%)	15.8	17.0
PRODUCTION		
GOLD* oz	19,096	43,331
SILVER oz	20,440	34,281
GOLD SOLD OZ	19,029	41,469

* PRODUCTION REPORTED IS GOLD Poured

COSTS

The gold price continued to rise during the quarter, averaging US\$888/oz. Unit operating costs were higher during the quarter due to ore inventory adjustments. Direct operating costs have been revised up to between US\$500/oz US\$550/oz for the full year.

TABLE 8
QUARTERLY GOLD COSTS

ALL IN US\$/oz*	JUNE QTR '08	YEAR TO DATE*
OPERATING	530	507
REFINING & TRANSPORT	5	3
BY PRODUCT CREDIT	(21)	(13)
ROYALTIES	41	39
TOTAL CASH COSTS	555	537
DEPRECIATION & AMORTISATION	284	258
REHABILITATION	8	11
TOTAL PRODUCTION COSTS	847	806

* YTD INCLUDES MINOR FIRST QUARTER ADJUSTMENTS FOR DEPRECIATION, ROYALTIES AND REHABILITATION.

FIGURES MAY NOT ALWAYS ADD DUE TO ROUNDING

- ALL COSTS INCURRED BY THE SITE, INCLUDING INVENTORY CHANGES, CORPORATE CHARGES AND REALISED FOREIGN EXCHANGE GAINS/(LOSSES), EXPLORATION AND RESOURCE DRILLING EXPENDITURES ARE NOT INCLUDED IN MINE SITE CASH COSTS.
- REVENUE FROM SILVER AT SPOT PRICE.
- INCLUDES AMORTISATION OF THE PRE-PRODUCTION CAPITAL AND DEPRECIATION OF MINE OPERATIONS CAPITAL EXPENDITURE, WHICH INCLUDES EXPLORATION, RESOURCE DRILLING AND SUSTAINING CAPITAL.
- PROVISION FOR FINAL SITE RECLAMATION IN ADDITION TO ONGOING REHABILITATION.

SEPON GOLD EXPLORATION

Resource definition drilling confirmed Houay Yeng as a new open-pit gold deposit with recent results extending the oxide resource envelope at least 160 metres further to the northwest. Resource modelling and estimation is in progress. Better intersections returned during the quarter include:

HOLE	FROM (M)	INTERVAL (M)	Au (g/t)
YNG523	8	8	8.8
YNG524	83	6.4	9.6
YNG525	72	5	8.8
YNG526	20.5	20.5	12.0

Au: *Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste*.

Exploration drilling also tested primary gold targets at Houay Bang, Boupaha and Dao Leuk prospects during the quarter.

At Dao Leuk, located immediately west of the Discovery Main Pit, drilling to follow up earlier results including 17m at 9.7g/t Au has extended mineralisation to over 500 metres of strike. Preliminary assay results from this hole include 11m at 5.5g/t Au (from 175m) and 12m at 6.3g/t (from 201m).

Four kilometres to the northeast of the plant, drilling at Houay Bang prospect returned better intersections of 5m at 2.2g/t Au from 20m and 11m at 1.0g/t Au from 114m. Recent drilling has returned excellent results in moderate-high grade primary gold mineralisation. Better intersections include:

20m at 3.6g/t Au from 80m in HYB033
13m at 15.9g/t Au from 47m in HYB049
7m at 4.6g/t Au from 66m in HYB049

Further assays are pending, and additional drilling is required to test the controls and extent of high grade primary mineralisation.

GOLDEN GROVE

MINING AND CONSTRUCTION

Mining and milling at Golden Grove was focused on zinc for the quarter with good production of 37,683t zinc.

During the quarter, power supply interruptions were experienced across Western Australia due to major gas supplier Apache Energy's Varanus Island gas plant being off-line. Golden Grove plant saw reduced production capacity for only 2 days. The power disruption is not anticipated to have any material impact on costs due to a long term contract agreement.

Zinc mining during the quarter was 303,262 tonnes with 282,824 tonnes from Gossan Hill and 20,439 tonnes from Scuddles.

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Copper mining during the quarter was 103,775 tonnes with 82,786 tonnes from Gossan Hill and 20,989 tonnes from Scuddles.

A mill improvement program is underway at Golden Grove to take annual throughput rates to 1.75Mt/a. Throughput rates reached record highs during May but a scheduled shutdown, harder than expected ore and reduced production capacity during the power supply interruption saw annualised rates of around 1.5Mt/a for the June quarter.

Production forecasts for 2008 have been revised down to 130,000t – 135,000t of zinc as a result of ventilation infrastructure work impeding production. Production guidance for other metals is unchanged: copper at 20,000t to 25,000t, silver at 3 million ounces to 3.5 million ounces, gold at 50,000 ounces to 55,000 ounces and lead at 10,000t to 13,000t.

TABLE 10
QUARTERLY GOLDEN GROVE PRODUCTION STATISTICS

	JUNE QTR '08	YEAR TO DATE
MINED Zn ORE (TONNES)	303,262	445,765
MINED Cu ORE (TONNES)	103,775	389,010
GRADE Zn (%)	13.1	13.4
GRADE Cu (%)	3.0	3.5
MILLED Zn ORE (TONNES)	305,265	444,940
GRADE Zn (%)	13.6	13.8
RECOVERY Zn (%)	91.0	91.8
MILLED Cu ORE (TONNES)	73,690	333,787
GRADE Cu (%)	2.9	3.6
RECOVERY Cu (%)	80.5	81.2
Zn CONCENTRATE (TONNES)	73,523	108,714
Zn GRADE (%)	51.3	51.8
Cu CONCENTRATE (TONNES)	8,240	46,401
Cu GRADE (%)	20.9	20.9
HPM CONCENTRATE (TONNES)	10,760	14,296
Cu GRADE (%)	5.1	5.7
Pb GRADE (%)	37.8	39.3
Au GRADE (TONNES)	47.5	47.0
Ag GRADE (TONNES)	2,079	2,258
CONTAINED METAL IN CONCENTRATES*		
Zn (TONNES)	37,683	56,297
Cu (TONNES)	1,719	9,677
Au (OZ)	16,994	23,694
Ag (OZ)	912,248	1,398,478
Pb (TONNES)	4,071	5,618

* WHERE THERE ARE PAYABLE TERMS

COSTS

Costs remain in line with guidance. Direct operating unit costs were lower due to higher volumes of zinc produced but lower by-product credits due to lower copper production saw total cash costs up for the quarter.

TABLE 11
QUARTERLY GOLDEN GROVE COSTS

ALL IN US\$/lb*	JUNE QTR '08	YEAR TO DATE
OPERATING	60	78
REALISATION	35	35
BY-PRODUCT CREDITS	(53)	(90)
ROYALTIES	7	10
TOTAL CASH COST	49	33
DEPRECIATION & AMORTISATION	17	22
REHABILITATION	0	0
TOTAL PRODUCTION COST	67	55

* COSTS ARE PER LB OF ZINC PRODUCED. GOLD, SILVER, COPPER AND LEAD ARE TAKEN AS CREDITS.

GOLDEN GROVE EXPANSION STUDIES

Drilling to infill and extend the copper resources at Gossan Hill amenable for open pit mining was carried out during the quarter.

Metallurgical test-work to define the operating parameters for the treatment of the oxide copper ore commenced.

The Mining proposal for an oxide copper open pit at Gossan Hill was submitted to regulators as the first stage of the permitting process.

GOLDEN GROVE EXPLORATION

A new underground diamond drilling programme is under way to test the zinc and copper potential below the Hougomont ore body.

GOLDEN GROVE REGIONAL EXPLORATION

Drilling at the Cullens prospect, located 4km to the South of the Gossan Hill mine, intersected encouraging mineralisation, including, 5.6m @ 10.7% Zn from 825.4m down hole. Preliminary interpretation suggests that this intersection may connect with the historical zinc intersections to the immediate south in the Felix tenement. Drilling on the Felix tenement has resumed and further testing of the Cullens area will continue as part of a programme to test the regional potential of the Golden Grove VHMS district.

MARKETING

With the exception of copper, base metal prices fell during the quarter. Precious metals prices fell slightly for the quarter but remain near historical highs supported by high oil prices and the weak US Dollar.

The LME cash copper price averaged US\$3.82/lb for the quarter, 8.3% higher than the previous quarter, and 10% higher than the second quarter of 2007. Copper mine supply continues to lag demand, suppressing inventory levels and thereby supporting price levels. LME zinc prices fell 13% for the quarter as stocks increased to 150,000t. This level is substantially less than forecast by some commentators at the beginning of the year and represents less than 1 week of global zinc consumption. The gold price averaged \$896/oz for the quarter, down 3.3% from the previous record quarterly average, and 34% higher than the average for the second quarter 2007.

PROVISIONAL PRICING

As at the end of the second quarter, Oxiana had provisionally priced 8,200t of copper at US\$8,600/t and 27,900t of zinc metal in concentrate at US\$1,950/t.

PROMINENT HILL

MINING AND CONSTRUCTION

Pre-strip mining and construction of the Prominent Hill process plant and associated infrastructure proceeded according to plan during the quarter with commissioning and first production is on schedule for the final quarter of 2008.

Mining rates were lower as excavation moved into harder rock. Stockpiling of ore ready for commissioning has commenced.

Civil work is essentially complete. Steelwork erection and installation of pipe work continued and electrical and instrumentation installation began. Overall construction of the process plant and infrastructure was 72% complete to end June 2008.

Construction of the 170km, 132kVA power line was completed and grid power connected to the site. Water from the permanent borefield was also connected to the site.

The SAG mill has been delivered to the site and is now being installed.

Production guidance for 2008 remains at 10,000t copper and 6,000oz of gold and production for 2009 predicted to be 110,000t to 120,000t of copper and 75,000oz to 85,000oz of gold.



Overall construction at Prominent Hill is 72% complete.

PROMINENT HILL EXPANSION STUDIES

A scoping study to investigate underground mining the copper and gold resource which sits immediately below the currently planned open pit was completed. This study recommended a sub-level open stoping operation of approximately 1-2 Mt per annum commencing in late 2011 to supplement the open-pit operations. A feasibility study has commenced.

PROMINENT HILL: NEAR MINE EXPLORATION

As reported separately during the quarter (ASX Release 3/07/08) drilling completed to the west of the pit at Prominent Hill has highlighted the potential for the discovery of an additional deposit. Significant intercepts of 26m at 2.1% Cu and 86m at 2.9% Cu were returned from drilling 900m west of the pit.

These results indicate mineralisation intersected in 2007 (PH07D346 - 50m at 1.8% Cu and 0.6g/t Au) is laterally continuous over a distance of at least 100m. Assays are pending for follow up infill and step out drill holes, several of which have intersected extensive zones (of up to 120m) of visible copper sulphide mineralisation.

PROMINENT HILL: REGIONAL EXPLORATION

Systematic drill testing of regional targets elsewhere in the broader 4,175km square tenement holding is ongoing. Results to date have outlined broad zones of low grade copper-gold mineralisation at the Triton prospect (77m at 0.2% Cu and 0.1g/t Au from 251m) located 7km south-east of Prominent Hill, and strongly elevated precious metals at the Taurus prospect (146m at 0.5g/t Pd + Pt from 236m) located 10km north-east of Prominent Hill. Mineralisation at Taurus is associated with strongly anomalous nickel (up to 1500ppm Ni). Follow up drilling is planned at both prospects.

Detailed gravity surveys recently completed west of Prominent Hill have generated new high potential drill targets.

MARTABE PROJECT

CONSTRUCTION

Final Indonesian Government approvals for the Martabe project were received in late April (ASX Release 28/04/08). Project works during the quarter focused on front end engineering, land acquisition and tendering for major equipment items.

The first construction contractor mobilised to site during the quarter and earth works have now commenced.

An MOU was executed with PT Antam Tbk, under which sale of an interest in Martabe has been agreed, see 'Corporate' section p. 9.

MARTABE REGIONAL EXPLORATION

Scout drilling was completed at the Natas prospect in the Kapur-Gambir district (30km south-east of Martabe) within the Contract of Work area. Numerous holes intersected gold mineralisation associated with low sulphidation epithermal quartz veins. While assays are incomplete, most intersections are narrow and of low-moderate tenor. Soil sampling and mapping programmes continued at the Natas West prospect and adjacent areas.

A review of existing geochemical and geophysical data continued, generating new drill targets within the 1,500 square kilometre Martabe district.

REGIONAL EXPLORATION

AUSTRALIA

Mt Gibson JV (Legend Mining, Oxiana earning 75%)

Drilling commenced at the Mt Gibson VHMS-style base metals target, located 100km south of the Golden Grove mine. A broad zone of zinc sulphide mineralisation was intersected in the first hole and results are awaited. Several other holes have intersected encouraging but narrower intervals of zinc mineralisation.

Wiluna

A nickel sulphide drilling program commenced late in the quarter, targeting a series of geophysical features west of the Perseverance fault. Several holes intersected prospective sequences of mafic and ultramafic rock, some of which contain disseminated sulphides. Results are awaited.

Elsewhere at Wiluna several channel samples of banded iron formation returned values in excess of 60% Fe. Higher grades are fault-related and size potential appears to be limited.

THAILAND

Lampang Base Metals JV (Oxiana earning 75%)

Surface exploration was completed at the Lampang polymetallic VHMS style base metals prospect in north-central Thailand. Results of soil and rock-chip samples are awaited.

Iron Ore Projects (Oxiana 100%)

Geophysical surveys including, ground magnetic surveys were completed and ground gravity surveys were nearing completion by the end of the quarter. Tenements are being systematically progressed through the applications process.

INDONESIA

Project Generation

Oxiana's Indonesian registered company PT Oxindo Exploration entered into a cooperation agreement with a local Indonesian company to explore two exploration licences covering the Toluludu and Biyonga projects in Sulawesi. Both projects comprise large alteration systems, delineated by previous explorers that are considered highly prospective for copper – gold porphyry style mineralisation. These prospects were never drilled due to the political climate in the 1990's.

PT Oxindo Exploration also entered into a cooperation agreement with a local Indonesian company to explore an exploration licence covering a number of early stage porphyry copper projects in Ambon.

Extensive Indonesia-wide field reconnaissance and sampling activities continued. Additional tenement applications have been submitted over higher priority porphyry copper-gold targets.

CAMBODIA

Shin Ha JV (Oxiana 80%)

Diamond drilling continued at the Okvau intrusion-related gold project in north-eastern Cambodia, following up on strong results reported from the initial program. Several encouraging intersections were returned, confirming continuity of near surface mineralisation, and indicating the presence of additional higher grade lenses at depth. Mineralisation is largely controlled by broad zones of veining, although additional mineralisation is hosted in the surrounding sandstone.

Better intersections received to date are tabled below:

TABLE 12

HOLE ID	FROM (M)	INTERVAL (M)	AU (g/t)
DD06OKV010	28.9	2	13.6
	34	7	4.5
	88	7	3.8
	110	4	4.9
	173	1	16.2
DD06OKV011	170.9	7.1	2.8
DD06OKV012	44	1	23.9
	68	3	8.1
	74	7	3.6
DD06OKV013	29.3	1	39.9
	46	2.3	11.3
	139	6	4.2
	153	4	5.4
	168	5	7.5
	183	1	43.3
	193	4	27.6
DD06OKV014*	28	10	3.9
DD06OKV015*	30.6	5.4	22.8
	61	1	22.7
	119	4	8.3
	149	6	5.6

NOTE: INTERSECTIONS CALCULATED USING 0.5G/T AU CUT-OFF, MAXIMUM INTERNAL DILUTION 2M, AND MAXIMUM CONSECUTIVE DILUTION 2M; * INDICATES ASSAYS ARE PRELIMINARY OR INCOMPLETE.

Preliminary studies to investigate the resource potential of the Okvau project are planned for the coming quarter.

An exploration licence was granted for the Ou Anlong sediment-hosted copper prospect in north-eastern Cambodia. Soil and stream sediment sampling continued over a prospective area. At the Phnom Chi intrusion-related gold project north-east of Phnom Penh, soil sampling and mapping continued at the Opau prospect. All assays are awaited for the above surface evaluation programmes.

CHINA

Xiaosongshan Nickel JV

Detailed geophysical surveys are in progress to define drill targets at the Xiaosongshan Ni-Cu sulphide exploration project in the Jinchuan Nickel belt, Inner Mongolia. Completion is anticipated in the current quarter with rapid advancement to drill status on priority targets expected later in the year.

ZINIFEX QUARTERLY ACTIVITIES TO JUNE 30 2008

SAFETY, HEALTH AND ENVIRONMENT

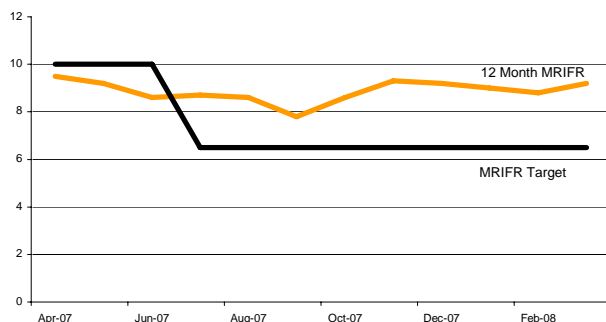


FIGURE 3: ZINIFEX GROUP MEDICALLY REFERRED INJURY FREQUENCY RATE (MRIFR)

MRIFR = PER MILLION MAN HOURS

The medically referred injury frequency rate for the June Quarter was 8.5, an improvement on the 9.3 rate experienced in the same quarter in 2007.

Zinifex had 6 environmental incidents reported to regulators in the June quarter bringing the total for the year to 15 incidents, down from 19 for the previous year.

CENTURY MINING AND PRODUCTION

Record zinc production was achieved for the full year to June 30 2008 with 521,471 tonnes of zinc contained in concentrates produced. This 4% increase was due to better recoveries, stable operations and higher than planned availabilities.

Zinc produced at Century Mine for the June Quarter was 130,756 tonnes. This was 7% lower than the corresponding period last year, although 3% higher than the March Quarter.

Zinc production was temporarily affected during the quarter by the planned upgrade of two filter-presses and operational issues with the thickener performance at the port facility.

Lead production was 5,434 tonnes for the June Quarter, 28% lower than for the corresponding quarter last year due to lower feed grades and stockpiling of lead wet stocks at Century Mine. This was done in order to preferentially filter zinc at the port during the period of operational difficulties mentioned above.

Total material moved for the June Quarter was 10.3 million bank cubic metres (BCMs), below the corresponding quarter last year of 11.9 million BCMs. This was due to longer hauls to lay limestone at the base of West Waste Dump for Acid Rock Drainage (ARD) mitigation and focus on Stage 6 (deeper pit) to establish continuity of ore supply.

The new ball mill was mechanically commissioned and efforts are now focussed on delivering the full zinc recovery benefit from Project PERcent.

During the Quarter, Zinifex and Downer EDI mutually agreed to dissolve the Century Mining Alliance. Century will move to an owner-operated model for the open pit operations during the second half of 2008. This move will retain all employees of Downer EDI currently working at Century mine, while delivering cost savings and operating efficiencies.

TABLE 13
QUARTERLY CENTURY PRODUCTION STATISTICS

	JUNE QTR '08	12 MONTHS TO JUNE 30 2008
ORE TREATED (TONNES)	1,386,585	5,540,929
ZINC %	11.8	11.9
LEAD %	1.1	1.2
SILVER G/T	20.2	25.1
ZINC CONCENTRATE (TONNES)	231,580	919,313
CONTAINING - ZINC (TONNES)	130,756	521,471
CONTAINING - SILVER (KG)	16,900	84,595
LEAD CONCENTRATE (TONNES)	8,310	60,871
CONTAINING - LEAD (TONNES)	5,434	39,898
CONTAINING - SILVER (KG)	1,104	9,566
ZINC CONCENTRATE SALES (TONNES)	198,477	918,214
LEAD CONCENTRATE SALES (TONNES)	17,569	62,129

CENTURY MINE AND REGIONAL EXPLORATION

Assays were received for hole ZCL 642 at The Watson's Lode prospect 10 kilometres south of Century. Further work is required to assess the continuity of the vein-style mineralisation and further drill testing awaits completion of a geophysical survey.

177.3m to 182.3m (5m) @ 47.3% Zn

221.0m to 236.0m (15m) @ 6.8% Zn

247.0m to 249.75m (2.75m) @ 8.1% Pb

258.0m to 263.2m (5.2m) @ 19.0% Pb

All widths quoted are down-hole.

ROSEBERY**MINING AND PRODUCTION**

Zinc metal produced for the June Quarter was 21,088 tonnes. This 9% increase on the previous quarter was due to higher ore feed grade and mill throughput.

Zinc metal in concentrates was 9% lower than for the same Quarter last year due to lower feed grades despite 8% higher mill throughput in the June Quarter 2008.

For the financial year ended June 2008, zinc production was 77,925 tonnes, 6% below the previous corresponding period due to lower feed grades despite 7% higher mill throughput.

Lead, copper and gold production were also down for the financial year ended June 2008 reflecting lower feed grades overall.

Zinc concentrate sales for the quarter were in line with production. Lead concentrate sales were higher due to the clearance of stocks at hand.

Work has commenced on the proposed South Marion Oak Tailings Storage Facility which is intended to replace the existing Bobadil facility during 2010.

'Horizons' drilling project to extend Rosebery mine life continues.

A feasibility study has commenced in relation to potential surface infrastructure upgrade.

TABLE 14
QUARTERLY ROSEBERY PRODUCTION STATISTICS

	JUNE QTR '08	12 MONTHS TO JUNE 30 2008
ORE TREATED (TONNES)	204,463	761,538
ZINC (%)	11.5	11.3
LEAD (%)	3.6	3.6
COPPER (%)	0.3	0.3
SILVER g/t	142.9	135.2
GOLD g/t	1.5	1.5
ZINC CONCENTRATE (TONNES)	38,906	142,926
CONTAINING - ZINC (TONNES)	21,088	77,925
CONTAINING - SILVER (KG)	3,204	12,517
CONTAINING - GOLD (KG)	26	136
LEAD CONCENTRATE (TONNES)	9,159	34,004
CONTAINING - LEAD (TONNES)	5,724	21,640
CONTAINING - ZINC (TONNES)	890	3,363
CONTAINING - SILVER (KG)	11,539	42,928
CONTAINING - GOLD (KG)	57	220
COPPER CONCENTRATE (TONNES)	1,997	7,382
CONTAINING - COPPER (TONNES)	331	1,424
CONTAINING - SILVER (KG)	11,508	37,097
CONTAINING - GOLD (KG)	84	343
GOLD DORE (KG)	133	499
CONTAINING - GOLD (KG)	84	300
CONTAINING - SILVER (KG)	47	178
ZINC CONCENTRATE SALES (TONNES)	36,712	138,508
LEAD CONCENTRATE SALES (TONNES)	12,507	36,292

ROSEBERY NEAR MINE EXPLORATION

Assays were received for hole JP 359 into the Jupiter Prospect, 5 kilometres south of Rosebery Mine with better results including 93.1 - 98.1m: 5.0m @ 7.2% Zn, 1.9% Pb, 53g/t Ag (true width 4.4m). This drill hole is 31m north of JP 353, reported last quarter. To date, close-spaced drilling has been employed to determine the nature and controls on the mineralisation, however a program of wider-spaced drilling, to test a strike-length of 2km, is being planned.

AVEBURY

Significant progress was made on the commissioning of the Avebury concentrator over the quarter. The first nickel concentrate was produced in mid July with sales now expected in August.

The full ramp-up of operations is proceeding to plan in the mine and processing plant.

Mr Matthew Daly was appointed as General Manager, taking over from former Allegiance CEO Bruce McGowan in September.

Exploration drilling in the Avebury district during the quarter continued with three surface and one underground drill.

In the East Avebury area two intercepts of significance include 23m at 0.9% Ni suggesting the Seymour resource area extends 100m further east, and 22m at 1.0% Ni outlining a new zone of mineralisation that will require follow up.

In the Melba Flats area, two holes were completed at the North Cuni-Gents prospect. Both intersected mineralised gabbros. Better intersections returned include 1.9m at 1% Ni and 0.8% Cu from 100m and 6m at 0.8% Ni and 0.7% Cu from 210m.

DEVELOPMENT PROJECTS**DUGALD RIVER FULL FEASIBILITY STUDY**

Drilling of the deposit totalled 12,342 metres in the June Quarter and a resource update is underway.

Metallurgical testwork is ongoing with favourable results. Zinc and lead concentrate samples have been prepared and dispatched to potential customers.

Location of the tailings storage facility and a preferred power line route has been selected and detailed layout and configuration of the accommodation village, mine site and plant site have been developed. Environmental studies are ongoing.

Major plant has been specified and tenders for budgeting have been released to potential suppliers. Tenders for the grinding mills will be received in the next quarter with a view to placing orders.

Letters of Intent have been signed with Asian customers covering a major portion of forecast zinc concentrate output from the Dugald River project.

NUNAVUT

The Pre-Feasibility Study on the Izok Lake project is progressing as planned with monthly update meetings held in Vancouver with Hatch (engineering), EBA (road) and Gartner Lee (environmental).

The Transportation Options Study for the Izok Lake Project completed by EBA was reviewed and of the two remaining routes Grays Bay was chosen over the East of Kugluktuk route. This has been communicated to Premier Paul Okalik and the Kugluktuk Inuit Association.

A work program which aligns exploration and development drilling and study work for the Nunavut projects consistent with the road and port selection is being refined.

SLAVE PROVINCE, NUNAVUT

The 2008 drill program at the Izok VMS project began during the quarter. Twenty-two holes were drilled around the deposit to extend the known resource. Thirteen of these holes intersected sulphide mineralisation, and assays are pending. A further seven infill drill holes were completed within the Izok deposit to increase confidence in the resource and provide samples for metallurgical test-work. The thicknesses and intensity of mineralisation intersected in these holes were consistent with previous drilling.

Geophysical surveys were completed in the vicinity of the Izok deposit where a number of targets were identified for follow-up drilling.

Regional sampling and mapping commenced on the Izok and Gondor claim blocks, to follow up airborne anomalies identified by a MegaTEM geophysical survey flown in 2007.

Drilling was conducted at the Sand Lake prospect located 10 kilometres north of the High Lake deposit. Five diamond drill holes tested the mineralised horizon testing for stacked lenses, and intersected wide zones of low-grade mineralization with short (approximately 1 metre) zones of more massive, high-grade zinc mineralisation.

ZINIFEX MARKETING & SALES

At Century, zinc concentrate sales for the quarter were lower than production due to vessel timing factors. Vessel timing issues were also responsible for lead concentrate sales exceeding production for the quarter.

Lead concentrate sales reflected the shipment of dry stocks held at Karumba and were on par with the corresponding quarter last year, despite lower lead concentrate production.

Future sales commitments for both products are closely aligned with forecast production.

At Rosebery, zinc concentrate sales for the quarter increased from the previous quarter in line with the corresponding rise in production. The increase in lead concentrate sales for the period reflects higher production and shipment timing factors.

PROVISIONAL PRICING

At the end of the second quarter Zinifex had provisionally priced 3,400t of copper metal in concentrate at US\$9,000/t and 196,600t of zinc metal in concentrate at US\$1,910/t.

GLOBAL EXPLORATION

NORTH AMERICA

An exploration alliance was initiated with Newgenco Exploration (North America) Limited to explore for nickel-copper-platinum group element (Ni-Cu-PGE) deposits in North America. Regional targeting by Newgenco has identified several prospective regions based on a multidisciplinary approach. Follow-up field validation was initiated for targets in Ontario.

AUSTRALIA

At the Menninnie Dam property in South Australia drilling continued on prospects outside the Menninnie Central resource, and encountered short intercepts of base metal mineralisation. Further IP surveying is also in progress.

At Wagga Tank in central NSW, drilling at the Siegal's shaft prospect returned an intersection in drill hole ZFXDD1 of 9 metres at 0.5% Cu, 0.8% Pb, 1.4% Zn and 31 g/t Ag. Significantly, down-hole and subsequent surface EM surveys have identified a significant off hole conductor. Interpretation is in progress to better model the location of this response.

TUNISIA

Drill testing was completed at a number of prospects within the Fernana-Nefza license including Sidi Driss where wide intercepts of low tenor zinc mineralisation were intersected. Drilling continues at El Garia and Beja.

At the Zeflana prospect 10 km south of Sidi Bou Aouane, preliminary testing indicates significant zinc anomalism.

SWEDEN

A 2,700 line-kilometre airborne VTEM geophysical survey was completed over a number of tenements in the Bergslagen district of Sweden. The data is currently being interpreted however a number of anomalies attributed to bedrock sources have already been identified for follow-up next quarter.

Ground EM surveys were completed over the Domangruven and Bersbo historical mining areas, however, the mineralisation does not appear to have responded to this technique.

MEXICO

Drill permits for a 10 hole / 2000m program were obtained at the La Coronada zinc skarn project in Southern Mexico. Drilling will begin in July, and will test a number of co-incident geology, geochemical and geophysical targets. Permission for surface access to drill was obtained for all priority drill sites from local communities and private landowners.

CORPORATE

OXIANA AND ZINIFEX MERGE TO BECOME OZ MINERALS

On 20 June 2008 Oxiana Limited and Zinifex Limited merged via a Zinifex Scheme of Arrangement.

Zinifex shareholder voted overwhelmingly in favour of the Scheme on 16 June with 97% of those who voted and 99% of the number of shares voted being in favour of the Scheme.

Zinifex shares were converted to Oxiana shares at a ratio of 3.1931 Oxiana shares for every one Oxiana share. The ratio was structured so the transaction was an effective merger of equals with the new company owned 50% by Oxiana shareholders and 50% by Zinifex shareholders.

On 18 July the combined shareholders of the new entity voted in favour of changing the name of the new Company to OZ Minerals Limited. The new ASX 'ticker' code of OZ Minerals will be OZL. This is expected to become effective on 23 July 2008.

The merger has created Australia's third largest diversified mining company and is now the world's second largest producer of zinc, a significant producer of copper, gold and silver and a new producer of nickel.

OZ Minerals has a superior source of cash flow with 5 operations and also has 3 new mines in development.

The geographic spread of the company is also more diversified with mining projects across Asia and Australia and exploration projects in Australia, Asia, North America and Europe.

AGREEMENT WITH PT ANTAM

A Memorandum of Understanding has been executed with major Indonesian mining company PT Antam Tbk.

The MOU is part of OZ Minerals strategy of developing a strong presence in Indonesia. The MOU is an agreement of both companies to cooperate in examining opportunities and forming joint ventures or other cooperative ventures for the exploration, development and operation of precious or base metal or bulk commodity projects within Indonesia.

Antam is one of the largest Indonesian mining companies and its expertise and place in the Indonesian mining sector makes it an excellent strategic partner for OZ Minerals as it aims to expand its business in Indonesia.

The first transaction to be considered is the Acquisition by Antam of an interest in OZ Minerals Martabe project in the Indonesian Province of Northern Sumatra.

Subject to the approval of both Boards and the approval of relevant Indonesian Government Authorities OZ Minerals will:

- Sell 10% of the Martabe project to Antam for US\$66.5 million.
- Grant an option to Antam to enable Antam to acquire a further 10% of the Martabe project for a further US\$66.5 million, subject to adjustments for movements in metals prices and other conditions
- Grant a further option to Antam to enable Antam to acquire a further 5% of the project for a consideration based on the market value of the project at the time, subject to other conditions.

Antam will contribute its proportionate share of development costs for the Martabe project following transfer of the interest.

ACQUISITION OF ALLEGIANCE MINING

The acquisition of Allegiance Mining was finalised with compulsory acquisition of the remaining outstanding shares of the company completed.

EXTRAORDINARY GENERAL MEETING

A General Meeting was held on 18 July 2008 which approved the change of name to OZ Minerals Limited, re-appointment of Directors and approved the remuneration cap for Directors.

SHARE REGISTRY

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Facsimile +61 2 9287 0303
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CORPORATE INFORMATION

ISSUED SHARE CAPITAL

AT JULY 21, 2008

ORDINARY SHARES 3,121,339,730

UNLISTED OPTIONS 28,641,665

US\$105,000,000 of convertible bonds outstanding, which represents 111,111,111 shares to be issued

SHARE PRICE ACTIVITY FOR THE JUNE QUARTER

HIGH \$3.58

LOW \$2.55

LAST \$2.00 (21 JULY 2007)

AVERAGE DAILY VOLUME 18.439 MILLION SHARES

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OXIANA LIMITED
WITHIN THIS STATEMENT REFERENCES TO RESOURCES AND EXPLORATION RESULTS HAVE BEEN APPROVED FOR RELEASE BY MR A MANINI BSC (HONS), FAUSIMM WHO IS A COMPETENT PERSON AS DEFINED BY THE JORC CODE (2004). HE HAS CONSENTED TO THE INCLUSION OF THE MATERIAL IN THE FORM AND CONTEXT IN WHICH IT APPEARS.

ZINIFEX
THE INFORMATION IN THIS REPORT THAT RELATES TO EXPLORATION RESULTS IS BASED ON INFORMATION COMPILED BY DAVID WALLACE, MANAGER - AUSTRALIA/ASIA EXPLORATION WITH ZINIFEX LIMITED, WHO IS A MEMBER OF THE AUSTRALASIAN INSTITUTE OF MINING AND METALLURGY AND A FULL-TIME EMPLOYEE OF THE COMPANY. MR WALLACE HAS SUFFICIENT EXPERIENCE WHICH IS RELEVANT TO THE STYLE OF MINERALISATION AND TYPE OF DEPOSIT UNDER CONSIDERATION AND TO THE ACTIVITY WHICH HE IS UNDERTAKING 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'. MR WALLACE CONSENTS TO THE INCLUSION IN THE REPORT OF THE MATTERS BASED ON HIS INFORMATION IN THE FORM AND CONTEXT IN WHICH IT APPEARS.

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