

QUARTERLY REPORT

FOR THE THREE MONTHS
ENDING 31 MARCH 2011



PROMINENT HILL CONTAINED METAL PRODUCTION	MARCH 2011 QUARTER
TOTAL COPPER	25,708t
TOTAL GOLD	41,911oz
C1 CASH COSTS	US70.3c/lb

OZMINERALS.COM

- Steady copper production from Prominent Hill.
- Record copper and gold prices received.
- Major exploration program continues at Prominent Hill.
- Agreement to purchase Carrapateena copper-gold deposit in South Australia.
- Initial Inferred Resource reported over part of the Carrapateena deposit.

A handwritten signature in black ink, appearing to read 'Terry Burgess', with a long horizontal flourish extending to the right.

Terry Burgess
Managing Director and Chief Executive Officer
14 April 2011

For personal use only

**OZ MINERALS QUARTERLY ACTIVITIES TO
31 MARCH 2011****SAFETY**

Overall safety performance was flat with 17 total recordable injuries occurring compared to 18 for the previous quarter. This included two lost time injuries compared to four recorded for the previous quarter. While our 12 month total recordable injury frequency rate remains steady, our lost time injury frequency rate decreased by 29 percent to 3.10. Work continues with all employees and various contractor groups on the major safety improvement program which commenced in late 2010.

OPERATIONS**PROMINENT HILL**

Overall performance for the quarter was steady with 25,708t of copper and 41,911oz of gold produced for the period.

Ore mined for the quarter was higher with 3.5Mt mined and strong plant performance continued with throughput rates averaging 10.1 million tonnes per annum annualised, or 25 percent above design capacity, with minimal unplanned downtime.

While total gold production was lower this quarter, higher grades expected in the second and third quarters are expected to see production achieve forecast levels for the year of 185,000+oz of gold.

Copper and gold produced was higher than sold for the quarter with abnormal rainfall impacting concentrate transport access for three weeks over the quarter. Extra concentrate shipments will be made in the second quarter to clear the backlog of product.

'C1' cash costs of production were US70.3c/lb. These higher unit costs were mainly due to a higher Australian dollar and lower by-product credits from gold. Average C1 costs for the year are expected to be less than US70c/lb allowing for a higher consensus forecast Australian dollar exchange rate than previously used.

TABLE 1
PROMINENT HILL PRODUCTION STATISTICS

		DEC QTR '10	MAR QTR '11
MINED	ORE (TONNES)	2,587,715	3,474,311
	WASTE (TONNES)	14,280,775	13,761,825
MINED GRADE	COPPER (%)	0.99	0.99
	GOLD (G/T)	0.63	0.55
	SILVER (G/T)	2.46	2.07
ORE MILLED	(TONNES)	2,541,796	2,532,835
MILLED GRADE	COPPER (%)	1.10	1.12
	GOLD (G/T)	0.84	0.67
	SILVER (G/T)	1.95	2.01
RECOVERY	COPPER (%)	89.9	90.9
	GOLD (%)	78.8	77.2
	SILVER (%)	74.6	75.9
COPPER CONCENTRATE PRODUCED	TONNES	50,111	49,527
CONCENTRATE GRADE	COPPER (%)	50.3	51.9
	GOLD (G/T)	33.6	26.3
	SILVER (G/T)	73.7	77.9
CONTAINED METAL IN CONCENTRATES	COPPER (TONNES)	25,185	25,708
	GOLD (OZ)	54,128	41,911
	SILVER (OZ)	118,763	124,033
TOTAL CONCENTRATE SOLD	(DM TONNES)	46,593	46,209
PAYABLE METAL IN CONCENTRATES SOLD	COPPER (TONNES)	23,705	22,049
	GOLD (OZ)	44,892	46,235
	SILVER (OZ)	94,522	92,293

* Any variation in sales figures from previous quarters reflects final reconciliation with smelters.

Mining

Ore mined for the quarter was higher than average at 3.47Mt. Waste mined was slightly lower at 13.76Mt including 1.0Mt of material related to the underground cut-back (6.2Mt in Q4 2010). The cut-back is now complete.

The fleet gave priority to ore mining for the quarter after disruption by rainfall events associated with ex-Cyclone Yasi in February.

The portal to the Ankata deposit was accessed in November 2010 and 626 metres of the decline was developed to the end of the period.

The project remains on schedule to produce first ore from stoping by the first quarter of 2012, ramping up to full mining rates by the third quarter of 2012.

Processing

The plant performed well throughout the quarter with throughput of 2.53Mt of ore representing an annualised rate of 10.1Mtpa or 25 percent above design levels.

Copper grades averaged 1.12 percent for the period and are expected to be slightly higher in the second half of 2011 than in the first half.

Copper recoveries were particularly good, averaging 90.9 percent for the quarter.

Costs

C1 Cash costs of US70.3c/lb production were higher than the previous quarter. This was mainly as a result of lower gold produced, reduced waste mining and the stronger Australian dollar.

The quarter on quarter increase in mining unit costs was driven by a higher amount of ore mined compared with the previous quarter, together with the rising fuel price. However, pleasingly, overall costs in A\$ per tonne mined and milled terms were steady.

Fuel costs were approximately 20 percent higher due to higher equipment activity and higher fuel prices.

Deferred mining costs are up quarter on quarter with higher volumes of waste mined in the last quarter attributable to the cutback for the underground mine which were therefore capitalised. Excluding the capitalisation of the cutback, the strip ratio and associated gross deferred mining expense were in line with the previous quarter.

The previous quarter included a scheduled annual shutdown, hence the total site processing cost was lower in the March quarter.

Average C1 cash costs of production for 2011 are expected to be less than US70c/lb. This is higher than previous guidance primarily due to a stronger Australian dollar in the first quarter and the higher consensus forecast for the Australian dollar for the remainder of the year.

TC/RC's benchmark rates are understood to have settled at around US\$56/5.6 for deliveries in 2011 and as such are expected to be approximately 20 percent higher than 2010.

TABLE 2
PROMINENT HILL COSTS (US CENTS PER LB)

	DEC QTR '10	MAR QTR '11
MINING COSTS	93.9	101.2
DEFERRED MINING	-1.8	17.6
ORE INVENTORY ADJ	-0.5	-26.3
TOTAL MINING COSTS	91.6	92.5
TOTAL SITE PROCESSING COSTS	45.5	39.7
TC AND TRANSPORT	25.0	26.8
NET BY-PRODUCT CREDIT (INCL PROCESSING/TC/RC/TRANSPORT)	-137.8	-108.0
OTHER DIRECT CASH COSTS	19.2	19.3
TOTAL C1 COSTS	43.5	70.3
ROYALTIES	7.6	7.8
OTHER INDIRECT COSTS	28.4	21.2
TOTAL CASH COSTS	79.5	99.3
D&A	77.3	78.4
OTHER NON CASH COSTS	-12.0	-8.5
TOTAL PRODUCTION COSTS	144.8	169.3

EXPLORATION

PROMINENT HILL

Near mine exploration

Drilling with three rigs continued to test the area between the main Prominent Hill Resource (Malu deposit) and the Ankata deposit in the area known as the Munda and Kalaya Zones. Ten holes were completed (with three in progress) during the quarter for 8,817 metres.

Significant gold and copper intersections were made in the Munda Zone including:

TABLE 3

HOLE ID	INTERVAL (M)	CU (%)	AU (G/T)	FROM (M)
PH10D540	6	3.4	-	439
	5.4	4.1	-	655
PH10D543	31	1.3	-	420
PH10D550	12	-	3.4	878
PH10D551	7	1.8	-	402
PH11D555	11	2.6	-	314
	5	-	6	655

All holes cut-off 0.3% copper if down hole depth <550m, cut off 0.8% copper if down hole depth >550m. No top cuts applied, depth in metres down hole. A diagram on slide 10 of the accompanying presentation shows the location of the intersections.

Selected assays received during the quarter for the Kalaya Zone included:

TABLE 4

HOLE ID	INTERVAL (M)	CU (%)	AU (G/T)	FROM (M)
PH10D543	23	-	1.6	439
	10	2.6	-	965
PH10D550	19	1.6	-	1,277

All holes cut-off 0.3% copper if down hole depth <550m, cut off 0.8% copper if down hole depth >550m. No top cuts applied, depth in metres down hole. A diagram on slide 10 of the accompanying presentation shows the location of the intersections.

Assays are still awaited for several holes drilled during the quarter. Current modelling indicates that there is likely to be continuity between the main Prominent Hill resource (Malu Deposit) and the Munda and Kalaya Zones. Drilling will continue into the next quarter to confirm continuity.

A review program leading to an underground mining study has commenced for the Munda/Kalaya and Malu region beneath the final pit and is expected to be completed by year end.

Regional exploration

OZ Minerals' focus on its regional exploration program is designed to discover further Prominent Hill-style ore bodies. Drilling continued to test a number of targets in parallel.

Twenty one holes were completed (with three in progress) during the quarter for 12,816 metres. High rainfall interrupted some of the planned program. Many of the holes drilled during the quarter intersected zones of alteration associated with Iron Oxide Copper Gold and related mineralisation. These are shown in the plan on page 12 of the accompanying presentation.

Results included:

TABLE 6

HOLE ID	INTERVAL (M)	CU (%)	ZN (%)	PB (%)	FROM (M)
DD10HLH003 HALIFAX HILL	200.6	0.15	-	-	252
DD10EPS006 EPSILON	4.3	-	2.1	2	404.7
DD10PHW015 PROMINENT HILL WEST	5.2	0.21	-	-	182
DD10TUR011 TAURUS	19	0.24	-	-	528

All holes cut-off 0.3% copper if down hole depth <550m, cut off 0.8% copper if down hole depth >550m. No top cuts applied, depth in metres down hole.

Geophysical work included further processing of newly collected airborne magnetic data over the southern tenements, dipole-dipole IP surveys at Blue Duck and Bluebird, and gravity surveys at Perseus.

Geophysical surveys and drilling will continue during 2011 on existing and newly generated targets.

IMX Joint Venture (OZL 51%)

The first drilling on the IMX Joint Venture commenced during the quarter. Three initial holes were completed at the Rouse prospect for 1,900 metres and drilling of the first hole at Arapiles was in progress at 340 metres, however, no significant results were returned.

A further four target areas are planned to be drilled in 2011. Additional targets are being generated.

CARRAPATEENA

On 9 March, OZ Minerals announced it had signed an agreement to purchase the Carrapateena project in South Australia from Rudy Gomez (58 percent), Teck Australia Pty Ltd (34 percent) and various minorities (8 percent).

Under the terms of the Sale and Purchase Agreement completion of the sale will occur within five business days after consent is obtained from the South Australian Minister for Mineral Resources Development for the sale and transfer of the exploration tenements.

Carrapateena is a copper deposit of the same style as Prominent Hill and Olympic Dam. The deposit was discovered in 2005 and has been drilled out to an advanced exploration stage by the vendors. From this information OZ Minerals has been able to report an initial Mineral Resource over the southern part of the deposit as described below.

After settlement, the Company's main priority will be to undertake further exploration drilling to extend and upgrade the Resource, after receiving necessary clearances.

The project has many benefits for the Company:

- It meets OZ Minerals' strategic acquisition parameters including the potential to produce quantities of copper similar to those currently at Prominent Hill, has significant mine life potential and is in a favourable mining jurisdiction.
- Development studies and construction for the project could likely be funded from anticipated cashflows from Prominent Hill.

- It is located 250km southeast of OZ Minerals' Prominent Hill operation and is therefore anticipated to offer development, operations, logistics and management synergies.
- The project represents a significant long term option for OZ Minerals, on the exploration potential for the region.

More information on the Carrapateena project can be found at www.ozminerals.com/Operations/Carrapateena.html.

Mineral Resource

During the period, preparatory work has commenced on integrating the Carrapateena project into the Company as soon as possible after settlement.

Subsequent to the announcement of the proposed purchase, detailed technical work undertaken by OZ Minerals and its consultants, who have extensive experience in this style of deposit, has allowed an Inferred Resource to be reported (as per the definitions in the current (2004) JORC Code), for the southern part of the Carrapateena deposit.

This is based upon the information provided to the Company by the vendors.

The understanding of the continuity of mineralisation to the north still only supports the reporting of Exploration Results in this area. A plan of the deposit showing the southern and northern areas described here is shown on page 16 of the accompanying report.

The estimated Mineral Resource for the southern portion of the deposit is tabulated below. This Resource is based on data from 33 holes totalling 45,504 metres.

Please see www.ozminerals.com/Operations/Resources--Reserves.html for the full Carrapateena Resource Statement.

In addition to these Resources, the mineralisation in the north - which is not part of the Inferred Resource - has the potential to host between 25-45Mt of material at around 1 percent copper, 0.4 g/t gold, 140 ppm U₃O₈ and 4 g/t silver, for between 0.25 Mt to 0.45 Mt of copper, 0.32 Moz to 0.57 Moz of gold, 7.7 to 13.9 Mlb of U₃O₈ and 3.2Moz to 5.8 Moz of silver (applying a 0.7% Cu cut-off grade). This is based on 26 holes drilled for 26,119 metres. It should be noted that the potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource in the north and it is therefore uncertain if further exploration will result in the determination of a Mineral Resource in this area.

Infill and orientation drilling which aims to allow estimation and reporting of an Inferred Mineral Resource for the northern area will be one of OZ Minerals' first priorities.

After this, a drilling program to provide more data to better define the continuity of the deposit and to upgrade Inferred Resources to Indicated status will be undertaken.

Project schedule

A project team has been established from internal technical personnel and recruitment for additional staff has commenced.

While the project planning is still in its very early stages a conceptual plan outlining the major project components is shown on page 22 in the presentation accompanying this report.

Assuming completion of required exploration drilling and mining option studies, a pre-feasibility study would potentially commence in 2012 and would be anticipated to take approximately one year. After this, full feasibility studies would take a further 18 to 24 months.

TABLE 5 SUMMARY INFERRED MINERAL RESOURCE FOR THE SOUTHERN PORTION OF THE CARRAPATEENA DEPOSIT.

CATEGORY	TONNES (MT)	CU (%)	AU (G/T)	U3O8 (PPM)	AG (G/T)	CONTAINED CU METAL (MT)	AU METAL (MOZ)	CONTAINED U3O8 (MLB)	AG METAL (MOZ)
MEASURED	-	-	-	-	-	-	-	-	-
INDICATED	-	-	-	-	-	-	-	-	-
INFERRED	203	1.31	0.56	270	6.0	2.7	3.7	120.9	39.2
TOTAL	203	1.31	0.56	270	6.0	2.7	3.7	120.9	39.2

Note: There are no Indicated or Measured resources at Carrapateena. (The cut-off grade of 0.7% Cu is based on information supplied by the vendors and is considered appropriate for likely mining options)

If studies are positive and the project is approved for development, construction of the plant and infrastructure, along with mine development could commence around 2015. Construction and mine development would likely take a further two years.

REGIONAL EXPLORATION

Cobar, NSW (OZL 100%)

Drilling at the China Workings prospect, 60 kilometres north of Condobolin, returned minor copper mineralisation in the first hole of the program including 4.0m at 0.55% copper and 1.98g/t silver from 181m intersected within a broader zone of alteration. Drilling continues.

San Eduardo Laramide Province, Mexico Joint Venture with Azure Minerals (OZL earning 70%)

Drilling commenced during the period to test the El Venado copper porphyry target located in the world-class Laramide district. Drilling to date has encountered significant pyrite mineralisation associated with subordinate magnetite and chlorite alteration.

Pichasca, Chile, Option to Purchase (OZL 100%)

Geological mapping and sampling identified copper porphyry targets for drill testing during the period. Drilling to date has intersected significant silica-pyrite alteration with minor intervals of low grade copper mineralisation. Mineralised tourmaline breccia dykes have also been noted in drill core.

CAMBODIA

Exploration is ongoing with a focus on Mesam. Little or no work was carried out at Okvau, O Khlek Khlok or Phnom Peam Louk during the period. Results from the current exploration program at Mesam will be taken into consideration as part of the review of the gold assets in Cambodia.

Mesam (OZL option to enter JV)

In late 2010 OZ Minerals entered into an agreement to conduct exploration over the Mesam area which abuts OZ Minerals' Okvau licence area.

During the quarter seven holes of a ten hole program were completed. Most holes intersected gold mineralisation associated with quartz veining over 1-2 metres. To date the more broadly dispersed mineralisation seen at Okvau has not been intersected in significant quantities, however, further drilling is required to adequately test the system.

Significant results include:

HOLE ID	INTERVAL (M)	AU (G/T)	FROM (M)
DD11MSM02	2	2.2	0
	1.77	39.85	152.6
DD11MSM03	1	37.9	0
DD11MSM04	2	2.9	44
	1	0.94	73
	2	1.62	136

Half core is assayed by ALS Chemex Vientiane using a 30gr charge weight and fire assay with an atomic absorption spectroscopy analysis. Intersections reported are calculated using a 0.5ppm Au cut-off and maximum internal dilution of 2m.

Should results warrant, OZ Minerals has an exclusive right to enter in to a full joint venture to explore and develop the Mesam area.

MARKETING

The copper price remained buoyant during the quarter, with the LME cash price reaching an all-time high of US\$4.60/lb in February. Trading was volatile due to a number of wider economic drivers impacting investor sentiment including; concerns about tightening monetary policy in China having an impact on demand for industrial metals, political unrest in the Middle East and associated rising oil prices, continued Euro-zone debt concerns and issues associated with the earthquake in Japan. The average cash price for the quarter of US\$4.38/lb was 33 percent higher than the same quarter in 2010 and 12 percent higher than the previous quarter.

LME stocks ended the period 17 percent higher at 439,850 tonnes.

The Japanese earthquake saw the major Japanese copper smelters temporarily shut-down due to power rationing. OZ Minerals has no customers in Japan and therefore was not directly impacted. Several shipments of copper concentrates from South America were redirected from Japan, contributing to the increase seen in spot TC/RC's from around US\$70/7 at the beginning of March to around \$140/14 at the end of the period.

This will have no impact on OZ Minerals in 2011 as all production is committed under contract at rates linked to the global benchmark TC/RC levels. It is understood that the benchmark between large mines and major smelters has settled at around US\$56/5.6 for deliveries in 2011, higher than those settled in 2010 which were around US\$46/4.6.

Gold prices also traded to new record highs above US\$1,440/oz in March, as investors de-risked and moved away from currencies. The average gold price for the quarter was US\$1,385/oz, 25 percent higher than the corresponding period last year.

PROVISIONAL PRICING

At 31 March, a total of 12,379 tonnes of payable copper had been provisionally sold and revalued to a weighted average price of US\$9,410/t (US\$4.27/lb). This will be finally priced during the second quarter. All sales have realised prices in line with average LME prices over the period.

CORPORATE

ANNUAL GENERAL MEETING

OZ Minerals' Annual General Meeting will be held on Wednesday 18 May 2011 at 2.30pm (AEST). Melbourne Exhibition Centre Auditorium, Level 2, 2 Clarendon Street, Southbank, Melbourne

SHARE REGISTRY

Link Market Services Limited
Level 1, 333 Collins Street, Melbourne
VIC, 3000 Australia
Telephone Australia: 1300 306 089
Telephone International: +61 (2) 8280 7763
Facsimile: +61 (2) 9287 0303
registrars@linkmarketservices.com.au

CORPORATE INFORMATION

ISSUED SHARE CAPITAL AT 13 APRIL 2011

ORDINARY SHARES	3,238,546,504
UNLISTED OPTIONS	3,373,646

SHARE PRICE ACTIVITY FOR THE MARCH QUARTER

HIGH \$1.79

LOW \$1.41

LAST \$1.59 (13 APRIL 2011)

AVERAGE DAILY VOLUME 23.9 MILLION SHARES

REGISTERED OFFICE

Level 10, 31 Queen Street
Melbourne, VIC 3000
GPO Box 1291K, Melbourne, VIC 3001
T +61 (3) 9288 0333
F +61 (3) 9288 0300

Investor and media enquires contact

Natalie Worley
Head of Investor and External Relations
Telephone: +61 (3) 9288 0345
Email: natalie.worley@ozminerals.com

WITHIN THIS STATEMENT (OR 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.

THE INFORMATION IN THIS REPORT WHICH REFERS TO MINERAL RESOURCES AND EXPLORATION RESULTS AT CARRAPATEENA IS BASED IN INFORMATION COMPILED BY MR STUART MASTERS WHO IS A MEMBER OF THE AUSTRALASIAN INSTITUTE OF MINING AND METALLURGY (AUSIMM) (108430). MR MASTERS IS EMPLOYED BY CS-2 PTY LTD AND IS A CONSULTANT TO OZ MINERALS. HE 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 'AUSTRALIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES. MR MASTERS CONSENTS TO THE INCLUSION IN THE REPORT OF THE MATTERS BASED ON HIS INFORMATION IN THE FORM AND CONTEXT IN WHICH IT APPEARS.

OZMINERALS.COM