



A modern  
mining company

OZ Minerals Limited  
ABN 40 005 482 824

Level 1, 162 Greenhill Road  
Parkside SA 5063 Australia

T 61 8 8229 6600  
F 61 8 8229 6601

ozminerals.com

22 July 2016

The Manager, Companies  
Australian Securities Exchange  
Companies Announcement Centre  
Level 4, 20 Bond Street  
Sydney NSW 2000

Dear Sir/Madam,

**OZ Minerals June 2016 Quarterly Report – webcast details**

Further to the release of the OZ Minerals' June 2016 Quarterly Report and Presentation, a management presentation on the report will be available to view on the OZ Minerals website at [www.ozminerals.com](http://www.ozminerals.com) at 10am AEDT and an archive will be available later in the day.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Robert Mancini', written over a horizontal line.

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

For personal use only

## Second Quarter Report 2016

FOR THE THREE MONTHS ENDING 30 JUNE 2016

OZ Minerals Contained Metal Production	FY 2016 Guidance	March Q1 2016	June Q2 2016	June YTD 2016
Total Copper (Tonnes)	115,000 - 125,000	31,018	27,350	58,368
Total Gold (Ounces)	125,000 - 135,000	27,563	30,099	57,662
C1 Cash Costs (US cents/lb)	70 - 80	75.3	72.0	73.8

### Sound performance despite challenges; costs down

- Production in line with annual guidance; gold volumes to increase in second half
- Safety performance improved; June quarter TRIFR of 5.81 versus prior quarter at 6.11<sup>i</sup>
- C1 cost of US 72.0 c/lb within guidance range
- Underground operating costs of \$48/t significantly lower than prior quarter at \$60/t
- Carrapateena decline contract awarded; construction to begin in August
- Additional \$5 million of procurement cost savings; total increased to \$25 million annualised
- Long intersection of porphyry style copper mineralisation drilled at Provost, Jamaica
- Cash balance grows to \$564 million with \$57 million added to ore inventory and \$7.2 million on share buyback
- Agile response to operational and environmental challenges during the quarter

"Prominent Hill has once again demonstrated its operational resilience by bouncing back from an unscheduled plant closure and frequent regional rainfall," said Andrew Cole, Managing Director and CEO. "We remain on track to meet guidance despite losing around 10% of our plant availability in the quarter with unplanned repairs to the cracked SAG mill girth gear."

"The underground team's excellent work, that was recently recognised by an AMC benchmarking report, is flowing through to reduced underground mining costs and productivity improvements. Issues with ground support mesh entering the ore stream during the prior quarter were also resolved.

"In the open pit, the strip ratio is now less than one and waste removed in this quarter was half the amount mined in the previous quarter," said Mr Cole.

The procurement cost saving program initiated in late 2015 has continued to deliver results, with another \$5 million of annualised savings realised, bringing total annualised savings to \$25 million.

"The last quarter has also been a busy period for the Carrapateena project," said Mr Cole. "Over the past three months we have announced a larger, more value accretive 4.0Mtpa option, identified Whyalla as a possible location for the concentrate treatment plant, confirmed, through an external expert's report, that dilution does not pose a material risk to the project and put in place an independent advisory committee."

"With Carrapateena's decline contractor announced earlier this week and construction to begin in August, the PYBAR team are ready to mobilise and Australia's largest undeveloped copper project is fast becoming an exciting reality for OZ Minerals," said Mr Cole.



**Andrew Cole, Managing Director and CEO**

## SAFETY

OZ Minerals' total recordable injury frequency rate per million hours worked was 5.81 at the end of June 2016, five per cent lower than the prior quarter at 6.11. Prominent Hill incurred three recordable restricted musculoskeletal injuries, which was an improvement quarter on quarter.

Prominent Hill management progressed implementation of the site safety strategy during the quarter. Activity included the deployment of a new site-wide hazard identification program and isolation process, in line with the recently developed critical risk framework. A site wide physical well-being program will be launched in Q3, using a contract partner to assist with physical conditioning plans to aid in reducing the cumulative impact of daily physical activity on the body. An independent review of the current site safety strategy effectiveness and a zero harm workshop for site leaders will also be undertaken early in the third quarter.

## PROMINENT HILL OPERATIONS

### Overview

Prominent Hill delivered another sound result of 27,350 tonnes of copper production for the quarter, in line with guidance.

The planned processing plant shutdown and eight additional days of downtime resulting from the successful SAG mill girth gear repair, reduced concentrator utilisation to 85 per cent, impacting metal production for the quarter. Despite the unplanned downtime, full year guidance is maintained.

Gold production of 30,099 ounces was higher than the prior quarter as a result of increased gold head grade, which will remain elevated and contribute to the increasing gold production profile in the second half.

A number of weather events occurred throughout the quarter impacting production, however, open pit mining impacts were mitigated by significant improvements in fleet effectiveness following the demobilisation in the prior quarter.

Underground operations continued to progress well, with development of the second decline on schedule and ore production increasing in line with the mine plan. Benchmarking completed by AMC in the quarter demonstrated a strong operating discipline, which is maximising production effectiveness in the underground. First quartile performance in many areas is also being realised which is an excellent early result.

Delineation drilling results released during the quarter highlighted intercepted mineralisation both directly west and below the current lower levels of the Ore Reserve, as well as down dip of intercepts released in March. Highlights included an intercept of 16.7m @ 3.2 per cent copper, including 7.0m @ 4.9 per cent copper located below the existing Ore Reserve, demonstrating continuity of inferred resource mineralisation<sup>ii</sup>.

For operating and cost statistics please refer to Tables 2 and 3 on pages 9 and 10 of this report.

### Mining

#### Open Pit

Ore mined in the quarter was 3.7Mt, consisting of 2.9Mt of copper-gold ore and 0.7Mt of gold only ore.

Waste material movement in the quarter was 3.0Mt, significantly below the prior quarter of 5.9Mt due to the reduced fleet and strip ratio as per the mine plan. The strip ratio for the quarter was 0.8:1, declining from 1.3:1 in the prior quarter.

Productivity improvements driven by a 10 per cent increase in dig rate quarter on quarter were realised through simplified bench development, maximising large productive work areas for the one primary excavator. The improved dig rates helped offset impacts of 22 wet weather events (74 hours) distributed periodically throughout the quarter.

The comprehensive groundwater capture and recycling strategy has assisted cover sequence stability whilst reducing a processing plant throughput constraint and reliance on external bore fields. The current water recovery from the pit de-risking program is 11.9 ML/week, which includes the depressurisation holes, air wells and in-pit sumps.

## Underground Operations

Underground operations delivered high grade copper ore of 531kt at 1.94 per cent copper, a seven per cent increase in ore tonnage on the prior quarter. Annual ore production remains on track to meet guidance.

Development of the second decline continued on schedule, with underground waste movement slightly above the prior quarter. Production drilling increased quarter on quarter as per stope production schedule requirements. The underground truck and loader fleet will be increased by one unit respectively in the coming quarter to meet the expanding production profile.

Underground back fill was interrupted by the extended concentrator downtime during the quarter. Planned CHF volumes of 62k cubic metres were achieved using available plant capacity. Paste volumes, whilst a record for paste placed underground (circa 110 cubic metres), were behind plan with shortfalls to be mitigated in the second half with underground waste co-disposal and available plant capacity.

Benchmarking completed in the quarter by AMC highlighted the strong operating performance improvements achieved across development, production and cost metrics since a similar benchmarking exercise completed in June 2015. This work has confirmed that steps taken to position the underground operation in the top half of industry production and bottom half of industry cost curves are progressing well.

## Processing

There were 2.3Mt of ore milled for the quarter, which was lower than the prior quarter. Concentrator utilisation reduced to 85 per cent through a combination of the planned shutdown for a SAG mill reline in May and additional downtime required to repair a crack in the SAG mill girth gear detected during a routine inspection. Repair works were conducted successfully by a specialist engineering firm onsite. A measured operating regime was implemented following the repairs, temporarily impacting throughput rates prior to returning to normal operating conditions later in the quarter. As an additional risk mitigating measure, a new girth gear is currently being cut with completion expected by end of the third quarter.

A remediation plan has also been successfully implemented to resolve issues caused by ground support mesh entering the ore stream that were experienced in the prior quarter.

Plant recoveries trended lower to 85 per cent for copper and 72 per cent for gold. Copper content in concentrate produced was lower than the prior quarter at 47 per cent. This reflected a lower copper to sulphur ratio feed grade trend but was in line with metallurgical prediction models.

## Costs

C1 cash costs for the quarter were US72.0c/lb, within the full year guidance range of US70-80c/lb. Year to date C1 cost is US73.8c/lb and Prominent Hill remains a bottom quartile cost producer.

Costs were lower than the prior quarter with lower mining costs and a larger by product credit, partially offset by a smaller mining deferral, less payable copper produced and higher processing costs.

Open pit mining unit costs were higher at A\$6.64/t for the quarter with less tonnes mined following the fleet demobilisation in the prior quarter. Costs are expected to remain at or around this level for the remainder of 2016 to be within full year guidance of \$6.40 - \$6.60/t. The strip ratio was 0.8:1, continuing to decline from 1.3:1 in the prior quarter.

Underground operating costs of \$48/t mined were lower than the prior quarter, with less total cost incurred, higher ore tonnes mined and less stope filling due to concentrator availability with lower consumable costs.

Processing costs were higher this quarter with additional work completed (ball mill reline) compared to the prior quarter and repair of the girth gear in the SAG Mill.

The procurement cost savings program has successfully continued this quarter with an additional \$5 million of annualised savings delivered, bringing the total to \$25 million since inception. Opportunities in the pipeline continue to be pursued for further savings.

With a declining strip ratio and less tonnes milled this quarter, the increase in ore stockpiled continues to result in significant cash and non-cash adjustments. A lower depreciation expense was incurred this quarter (with less tonnes mined), however, as a result of less copper produced and strengthening A\$, the cost on a C1 basis was in line with the prior quarter.

## Sales and Marketing

Shipments of Prominent Hill concentrates for the quarter totalled 60,994 dry metric tonnes, containing 30,147 tonnes copper, 33,223 ounces of gold and 223,055 ounces of silver.

## CARRAPATEENA PROJECT

In May, the results of prefeasibility study (PFS) scope optimisation work were released, addressing a number of risks and opportunities, allowing a more defined project to be progressed to the next stage of the PFS. This work provided confidence for the Board to approve early development of the mine access decline.

- A sub level cave dilution study confirmed that dilution from the overburden does not pose a material risk to the ore grade, the deposit will cave appropriately and the previously used dilution assumptions are valid.
- A conveyor study confirmed that a conveyor capable of hauling up to 4.8Mtpa can be installed within the decline. The conveyor will allow for a rapid ramp up of production, without the need for a second decline and reduce mining operating costs.
- A Concentrate Treatment Plant (CTP) location study confirmed there would be a significant operating cost benefit by locating the facility in Whyalla with easy access to port, skilled labour, rail, roads, power, water, gas and oxygen. It also has the added advantage of releasing power at Carrapateena for haulage and processing, allowing for a larger capacity project without increasing power supply costs. A centrally located CTP with port access has further potential to treat third party concentrates.

The Carrapateena project team grew during the quarter, adding three highly experienced project managers to oversee the prefeasibility study, CTP feasibility study and decline construction. A dedicated Commercial Manager was also added to ensure tight project controls.

An external, independent advisory committee has also been established to review project progress. The three-person team of Adrian Pratt (mining), Peter Tilyard (metallurgy) and John Eltham (project execution) each have more than 30 years of experience and will report directly to the CEO and steering committee.

A drilling program was also completed with a total of 6,700m over four holes completed. The program was designed to upgrade some resources to Measured status as well as providing additional samples for metallurgical test work. Receipt of assays and data analysis is now underway. With more samples available from the high grade Bornite and Chalcopyrite zones, additional comminution, flotation and concentrate treatment test work has commenced to build on the work already conducted.

The contract for the construction of the Carrapateena decline was awarded to PYBAR Mining Services on 19 July, for a scope of work including a 20m deep boxcut, 7,500m of decline and lateral development, 1500m of surface ventilation raises and supply of all surface infrastructure to support the development. The tender process attracted significant interest from international and domestic contractors, with very competitive pricing achieved. The PYBAR team are expected to mobilise to site during August to begin preparations, with firing for the decline to take place in September.

Unaudited exploration expenditure for Q2 relating to the Carrapateena project was \$10.3 million.

## GLOBAL EXPLORATION

### Australian Exploration

During the quarter OZ Minerals continued to advance two exploration JVs that commenced in 2015:

- The Mt Woods JV completed heritage surveys and land access to enable a ground based geophysical survey to commence in Q3. The EM and IP program will focus upon the following prospects: Andromeda, Taurus, Mercury and Jupiter. The survey is expected to be completed by the end of Q3.
- The Eloise JV completed one drill hole at the Bullwinkle prospect and two drill holes at Olympus prospects. No significant mineralisation was intercepted at Olympus and assay results for Bullwinkle are outstanding. A large ground EM survey, comprising 117.6 line kilometres, was completed over the Levuka Shear Zone in the northeast of the Eloise JV project area. Two strong EM conductors have been identified at the Iris Prospect, located approximately 5 km northeast of the Eloise copper-gold mine. The Iris North target lies at a depth of 100m with a modelled strike of 250 m, depth extent of 600 m and conductance of 1500 Siemens (S). The Iris South target lies at a depth of 135 m with a modelled strike of 400m, depth extent of 120m and conductance of 3200 S. The targets lie within interpreted Mt Norna Quartzite, a regionally significant geological unit that hosts the Eloise and Osborne copper-gold mines and the world-class Cannington silver-lead-zinc mine.

No activity was undertaken on the Yandal One JV with Toro Energy.

### Jamaica: Bellas Gate (70 per cent, Potential earn-in to 80 per cent)

OZ Minerals continued geological mapping at Bellas Gate and completed 48 line-km of IP surveys during Q2 to aid prioritisation of drill targets. Strong chargeability anomalies were identified at Provost, Provost SE and Calabash prospects.

Drilling commenced at Bellas Gate and a total of three holes for 729 metres were completed at Lucky Valley and Provost.

Drilling at Provost SE and Calabash is set to commence shortly.

- Drilling at Provost targeted the edge of a strong chargeability anomaly, coincident mapped quartz stock work and surface geochemical anomalies. Hole PVT-16-001 was abandoned at 111.1 metres down hole depth due to poor ground conditions and the hole was re-drilled with PVT-16-002. Both holes intersected broad zones of copper mineralisation (refer to Table 1).
- A single drill hole at Lucky Valley targeted beneath a zone containing strong quartz veining and alteration at surface. No significant mineralisation was intersected. The alteration is presumed to be stoped out by a late intrusive body and the prospect is now downgraded.

### Jamaica: Rodinia JV (Potential earn-in to 80 per cent)

Field mapping was completed at the Sue River and Jobs Hill prospects. The Sue River area was subsequently downgraded. Mapping at the Jobs Hill prospect delineated a 40-60 metre wide copper-mineralised breccia zone with ~600 metres strike extent. Two holes for 390 metres were drilled to test the breccia zone.

- Hole JBH-16-001 intersected narrow copper-mineralised intervals within the breccia (see Table 1 for assay results). One follow up hole, JBH-16-002 had to be abandoned before reaching the target breccia zone.

Table 1: Assay results from Bellas Gate and Rodinia JV's, Jamaica

Hole Name	From (m)	To (m)	Width (m)	Cu %	Au g/t	CuEq %
JBH-16-001	160	163	3	0.48	0	0.48
<i>and</i>	179	184	5	0.87	0	0.87
JBH-16-002	Assays awaited					
LVY-16-001	Assays awaited					
PVT-16-001	28	111.1	83.1	0.37	0.16	0.46
<i>including</i>	61	111.1	50.1	0.4	0.19	0.51
<i>including</i>	82	111.1	29.1	0.49	0.24	0.63
PVT-16-002	29	138	109	0.27	0.11	0.33
<i>and</i>	138	148	10	1.28	0.9	1.79
<i>and</i>	148	368.15	220.15	0.23	0.09	0.28
PVT-16-003	Drilling in progress					

See Appendix 1 for full JORC disclosure

Unaudited exploration expenditure for Q2 was \$5.7 million which relates to payments for Chile, Jamaica and Australian exploration activities.

## CORPORATE

On 18 July 2016 the Federal Court of Australia approved the settlement of the class action, commenced in February 2014 by ACA Lawyers. The class action proceedings were filed by former Zinifex shareholders who held Zinifex shares on 1 July 2008 and received shares in OZ Minerals following the merger between Oxiana and Zinifex on 1 July 2008.

The action was dismissed with no admission of liability by any party.

The total settlement amount for the class action is \$32.5 million, of which OZ Minerals' contribution is \$24 million. The settlement includes interest and the applicant's legal fees and litigation costs and was paid in July. Year to date legal costs incurred by OZ Minerals in relation to the class action amounted to \$12.4 million.

The share buyback program for \$60 million commenced during the quarter with 1.3 million shares purchased at an average price of \$5.42, for \$7.2 million total spend to the end of June.

Approximately 60 per cent of the existing gold stockpile was hedged during the quarter with \$293 million of revenue expected to be realised from 2018 – 2021. Full exposure to the spot gold price is currently maintained to mid-2018.

## Corporate Information

### Webcast

As is OZ Minerals' established practice, a presentation associated with this Quarterly Report will be broadcast at 10am (AEST) on the day that the Report is lodged with the ASX. Access to this live broadcast is available to all interested parties via the OZ Minerals website ([www.ozminerals.com](http://www.ozminerals.com)) and is archived on the website shortly thereafter for ongoing public access. The date of each Quarterly Report presentation is announced in advance and can be found on the OZ Minerals' website.

While we will endeavour to release the Report on the date provided in advance, we may bring the announcement forward if the relevant information is finalised earlier than expected or delay the Report if information is not final.

### Issued Share Capital at 21 July 2016

Ordinary Shares	302,166,634
-----------------	-------------

### Share Price Activity for the June Quarter (Closing Price)

High	\$6.16
------	--------

Low	\$4.98
-----	--------

Last	\$6.45 (21 July 2016)
------	-----------------------

Average daily volume	2.5 million shares
----------------------	--------------------

### Share Registry

Link Market Services Limited

Level 1, 333 Collins Street,  
Melbourne VIC 3000

Telephone Australia: (+61) 1300 306 089

Facsimile: +61 (2) 9287 0303

[registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

### Registered Office

Level 1, 162 Greenhill Road

Parkside, South Australia, 5063, Australia

Telephone: +61 (8) 8229 6600

Fax: +61 (8) 8229 6601

### Investor and Media Enquiries

#### Investors

Tom Dixon

Investor Relations Advisor

Telephone: +61 (8) 8229 6628

Mobile: +61 (0) 450 541 389

Email: [tom.dixon@ozminerals.com](mailto:tom.dixon@ozminerals.com)

#### Media

Emma Schwartz

Communications Advisor

Telephone: +61 (8) 8229 6679

Mobile: +61 (0) 423 492 914

Email: [emma.schwartz@ozminerals.com](mailto:emma.schwartz@ozminerals.com)

### **COMPETENT PERSON'S STATEMENT**

The information in this report that relates to exploration results in respect to the Eloise JV, is based on information compiled by Mr Glen Little, who is a full-time employee of Minotaur Exploration Ltd and a Member of the Australian Institute of Geoscientists (AIG). Minotaur Exploration Ltd is holder of the tenements referred to in this report which form part of the Eloise JV in partnership with OZ Minerals. Mr Little has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Little consents to inclusion in this document of the information in the form and context in which it appears.

The information in this report that relates to exploration results in respect to the Jamaica Bellas Gate and Rodinia JV's are based on and fairly represents information and supporting documentation compiled by Mr Hamish Freeman BSc (Hons), a competent person who is a member of the Australian Institute of Geoscientists. Mr Freeman is a full time employee of OZ Minerals Limited. Mr Freeman is a shareholder of OZ Minerals and is entitled to participate in the OZ Minerals Performance Rights Plan. Mr Freeman has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Freeman consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

## OZ Minerals Prominent Hill Production and Costs

Table 2: Operating Statistics

		Q1 2016	Q2 2016	YTD 2016
MINED (TONNES)	MALU OP COPPER-GOLD ORE	3,876,362	2,920,342	6,796,704
	MALU OP GOLD-ONLY ORE	634,576	735,938	1,370,514
	UNDERGROUND TOTAL ORE	498,470	530,871	1,029,341
	WASTE	5,914,866	2,973,644	8,888,510
MINED GRADE - SOURCE				
MALU OP - COPPER-GOLD ORE	COPPER (%)	1.12	0.99	1.06
	GOLD (G/T)	0.46	0.57	0.51
MALU OP - GOLD-ONLY ORE	COPPER (%)	0.11	0.1	0.11
	GOLD (G/T)	1.08	0.95	1.01
UNDERGROUND - TOTAL ORE	COPPER (%)	2.07	1.94	2.00
	GOLD (G/T)	0.41	0.55	0.48
ORE MILLED	(TONNES)	2,534,402	2,260,325	4,794,727
MILLED GRADE	COPPER (%)	1.40	1.42	1.41
	GOLD (G/T)	0.46	0.58	0.52
	SILVER (G/T)	3.63	3.92	3.77
RECOVERY	COPPER (%)	87.7	85.3	86.6
	GOLD (%)	73.4	71.8	72.5
	SILVER (%)	71.3	72.5	71.9
COPPER CONCENTRATE PRODUCED	TONNES	60,936	58,160	119,096
CONCENTRATE GRADE	COPPER (%)	50.9	47.0	49.0
	GOLD (G/T)	14.1	16.1	15.1
	SILVER (G/T)	107.7	110.5	109.1
CONTAINED METAL IN	COPPER (TONNES)	31,018	27,350	58,368
CONCENTRATES PRODUCED	GOLD (OZ)	27,563	30,099	57,662
	SILVER (OZ)	210,975	206,704	417,679
TOTAL CONCENTRATE SOLD	(DM TONNES)	48,530	60,994	109,524

Table 3: Operating Costs ('C1 Costs')

US Cents per pound	Q1 2016	Q2 2016	YTD 2016
Mining costs	98.3	88.2	93.5
Deferred mining	(20.2)	(4.4)	(12.8)
Ore inventory adjustment	(23.4)	(25.9)	(24.5)
<b>Total Mining costs</b>	<b>54.7</b>	<b>57.9</b>	<b>56.2</b>
Site processing costs	22.9	27.9	25.2
TC/RC and transport	41.7	45.3	43.4
Net By - Product credit	(51.0)	(67.1)	(58.6)
Other direct cash costs	7.0	8.0	7.6
<b>Total C1 costs</b>	<b>75.3</b>	<b>72.0</b>	<b>73.8</b>
Royalties	11.7	12.6	12.1
Other indirect costs	3.7	2.2	3.0
<b>Total cash costs</b>	<b>90.7</b>	<b>86.8</b>	<b>88.8</b>
D&A	104.4	108.4	106.3
Other non-cash costs (D&A capitalised into inventory)	(44.1)	(49.9)	(46.8)
Net realisable value adj. - low grade gold ore	0.0	3.2	1.7
<b>Total production costs</b>	<b>151.1</b>	<b>148.5</b>	<b>150.0</b>

Table 4: Guidance

GUIDANCE	2016	2017	2018	2019
<b>PROMINENT HILL:</b>				
COPPER PRODUCTION*	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*	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			
<b>OTHER:</b>				
EXPLORATION	\$10 - \$15 MILLION			

The above Production Targets were first set out in the market release 'Record production sets scene for dividends and growth' created on 10 February 2016 and is available at: [http://www.ozminerals.com/uploads/media/160210\\_ASX\\_Release\\_2015\\_Full\\_Year\\_Results.pdf](http://www.ozminerals.com/uploads/media/160210_ASX_Release_2015_Full_Year_Results.pdf)

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

**\* Production Targets Cautionary Statement**

Production targets 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:

[http://www.ozminerals.com/uploads/media/151104\\_ASX\\_Release\\_Prominent\\_Hill\\_Mineral\\_Resources\\_and\\_Reserves\\_Statement..pdf](http://www.ozminerals.com/uploads/media/151104_ASX_Release_Prominent_Hill_Mineral_Resources_and_Reserves_Statement..pdf)

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 the Initial 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.

<sup>i</sup> March quarter TRIFR reclassified to 6.11 from 5.77 as reported in the March 2016 Quarterly Report on 21 April 2016

<sup>ii</sup> Full information relating to June resource delineation drilling results is set out in "OZ Minerals 2016 Analyst Visit Presentation" created on 07 June 2016 and is available at: [http://www.ozminerals.com/uploads/media/OZ\\_Minerals\\_Analyst\\_Visit\\_2016\\_FINAL.pdf](http://www.ozminerals.com/uploads/media/OZ_Minerals_Analyst_Visit_2016_FINAL.pdf)

## APPENDIX 1: EXPLORATION DRILLING

**TABLE 5: Lucky Valley, Provost and Jobs Hill Prospects Drill Hole Information**

Hole Name	Total Depth (m)	East	North	RL	Dip	Azim	From (m)	To (m)	Width (m)	Cu %	Au g/t	CuEq %
JBH-16-001	237	303615	2010855	340	-60	315	160	163	3	0.48	0.00	0.48
JBH-16-001							179	184	5	0.87	0.00	0.87
JBH-16-002	153.75	303913	2011228	271	-60	298	<i>assays awaited</i>					
LVY-16-001	249.05	269058	2001406	334	-50	53	<i>assays awaited</i>					
PVT-16-001	111.1	267169	2000885	382	-51	101	28	111.1	83.1	0.37	0.16	0.46
<i>including</i>							61	111.1	50.1	0.4	0.19	0.51
<i>including</i>							82	111.1	29.1	0.49	0.24	0.63
PVT-16-002	368.15	267168	2000885	382	-50	101	29	138	109	0.27	0.11	0.33
<i>and</i>							138	148	10	1.28	0.9	1.79
<i>and</i>							148	368.15	220.15	0.23	0.09	0.28
PVT-16-003	238.95*	267815	2000680	348	-50	270	<i>Drilling in progress</i>					

\* ongoing at end of Q2

NB: All co-ordinates are in WGS84 grid

## APPENDIX 1: EXPLORATION DRILLING

### Lucky Valley, Provost and Jobs Hill Prospects

#### JORC 2012 Table 1 - Section 1: Sampling techniques and data

Criteria	Commentary
Sampling techniques	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Drill holes completed at the Provost, Lucky Valley and Jobs Hill prospects consisted of diamond drilling from surface. All samples consist of diamond drill core (either NQ3, HQ3, NTW or BTW) cut with a manual core saw and sampled as half or quarter core. The method of sampling is considered to be of an acceptable quality for the reporting of Exploration Results.</p> <p>Diamond drilling is used to obtain all samples. Core is cut into half or quarters. Nominal one metre length samples were obtained from half core, and 2m composites of quarter core. Lengths range from 0.5m to 1.5m based on geological boundaries. If core loss prohibits sampling on even metre intervals, sampling is based on individual runs (where runs are typically less than 1 m)</p> <p>The samples were crushed and pulverised to a nominal 95% passing - 105 microns. The resulting pulp was assayed for a suite of 36 elements using ICP-OES and fire assay for gold.</p> <p>Sub-sampling, sample preparation, assay methods and assay quality are discussed in other parts of this table.</p> <p>Eloise JV</p> <p>The EM survey within the Eloise JV area was conducted by GEM Geophysics, an external geophysical contractor and the EM system used Zonge ZT30 transmitter (using 0.25Hz frequency) and a 3-component SQUID EM sensor.</p> <p>EM data receiver stations were spaced at 100m intervals along E-W lines and each E-W lines was spaced at 800m intervals over the wider survey area. EM data receiver stations were spaced at 50m intervals along E-W lines with each E-W line spaced at 200m over the Iris EM Anomaly. Data quality was of a high standard for the whole of the survey and consistent with the type of target being sort.</p> <p>Internal checks of equipment was conducted prior to and during commencement of the survey to enquire the SQUID sensor was calibrated and measuring correctly and would therefore give the best representative sample results for this type of survey.</p> <p>EM Transmitter loops were doubled and were 200m x 200m in size using a moving-loop survey method. This type of system and loop configuration is considered appropriate for the survey area where the targeted basement rocks are covered by 50-120m of younger conductive cover and for the target size of any potential mineralisation.</p>
Drilling techniques	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Diamond holes were cored from surface using a combination of HQ3, NQ3, NTW and BTW core sizes.</p> <p>Where ground conditions permitted holes were oriented using ACT III core orientation tools.</p> <p>Eloise JV</p> <p>Not Applicable</p>

## APPENDIX 1: EXPLORATION DRILLING

<p>Drill sample recovery</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Length based core recovery was measured from core for every drill run. The data was recorded and archived in hard copy. Average recovery for completed reported holes is 95%.</p> <p>Drilling method as well as mud/water additives were selected to maximise drill core recovery.</p> <p>Eloise JV</p> <p>Not Applicable</p>
<p>Logging</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>All core samples were geologically logged by trained geologists to a standard considered appropriate to reporting of exploration drill results.</p> <p>Core logs were qualitative and quantitative in nature. Lithology, alteration and mineralisation were logged qualitatively and structure quantitatively. Core is photographed both dry and wet prior to cutting and sampling.</p> <p>100% of the core drilled was geologically logged.</p> <p>Eloise JV</p> <p>Not Applicable</p>
<p>Sub-sampling techniques and sample preparation</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>All core was cut with a manual core saw in a consistent way that preserved the bottom of hole reference line, where present. Either half or quarter core was taken for sampling. Where half core was taken, sample intervals were 1m, whereas quarter core was sampled as 2m lengths. Core was sampled as 1 m or 2 m lengths based on geology.</p> <p>Work reported is based solely on drill core.</p> <p>Sample preparation included drying, crushing to 90 per cent passing -2mm, rotary splitting 800 g, then pulverising this to 95 per cent passing -105 microns.</p> <p>Standard Operating Procedures (SOP's) exist for all sampling steps, and all staff were adequately trained in these.</p> <p>Due to the early stage exploratory nature of the drill holes reported, no lab or field duplicates were taken.</p> <p>It is considered that sample sizes are appropriate for the grain size of the material sampled.</p> <p>Eloise JV</p> <p>EM Transmitter loops were doubled and were 200m x 200m in size using a moving-loop survey method. This type of system and loop configuration is considered appropriate for the survey area where the targeted basement rocks are covered by 50-120m of younger conductive cover and for the target size of any potential mineralisation and therefore the electrical properties (i.e. the sample) are as representative as possible for this type of survey.</p>

## APPENDIX 1: EXPLORATION DRILLING

<p>Quality of assay data and laboratory tests</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>The analytical method used analysed copper grades using a multi-acid digest with ICP-OES finish and gold using fire assay. Over range copper was analysed with ICP-OES. Analysis was undertaken by Activation Laboratories, Ancaster, Ontario, Canada.</p> <p>The techniques are considered to be total for all relevant elements. Review of QAQC results confirms that the quality of the data is acceptable.</p> <p>Measurements of magnetic susceptibility have been taken on drill core.</p> <p>Assay data quality was monitored through submission of certified standards and blanks every 25 samples. Analysis of results from these samples showed that levels of bias, precision and contamination are within limits that are considered acceptable.</p> <p>Eloise JV</p> <p>The EM system used Zonge ZT30 transmitter (using 0.25Hz frequency) and a 3-component SQUID EM sensor. EM Transmitter loops were doubled and were 200m x 200m in size using a moving-loop survey method.</p>
<p>Verification of sampling and assaying</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Documented verification of significant intervals by independent personnel has not been done</p> <p>No twin holes have been drilled.</p> <p>Primary data is stored both in its source electronic form, and, where applicable, on paper. Assay data is retained in both the original certificate (.pdf) form, where available, and as text files received from the laboratory. Sampling cutsheets are imported into a GBIS database. The GBIS database has inbuilt validation checks and triggers to ensure data is correct. Primary assay .sif file data from the laboratory is receipted and stored in a GBIS database.</p> <p>Where assay results are below detection limit, a value of negative detection limit (eg. &lt;2ppb for Au is stored as -2 ppb). The impact of this on the interpretation is negligible.</p> <p>Eloise JV</p> <p>Not Applicable</p>
<p>Location of data points</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>All collar locations were determined using a hand held GPS. All drill holes have magnetic downhole surveys taken at 50m intervals using digital Reflex EZ-Trac equipment. An azimuth adjustment of -7 degrees was applied for the conversion from magnetic to WGS84 (zone 18N) Grid.</p> <p>The grid used is WGS 84 zone 18 north.</p> <p>Collar elevations were determined by handheld GPS. This is considered to be adequate for the reporting of exploration results.</p> <p>Eloise JV</p> <p>Not Applicable</p>

For personal use only

## APPENDIX 1: EXPLORATION DRILLING

<p>Data spacing and distribution</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Spacing of drill sites was sufficient for the early stage of exploration.</p> <p>No Mineral Resource or Ore Reserve estimate has been reported for the Provost, Lucky Valley or Jobs Hill prospects. Sample compositing has not been applied.</p> <p>Eloise JV</p> <p>EM data receiver stations were spaced at 100m intervals along E-W lines and each E-W lines was spaced at 800m intervals over the wider survey area. EM data receiver stations were spaced at 50m intervals along E-W lines with each E-W line spaced at 200m over the Iris EM Anomaly.</p>
<p>Orientation of data in relation to geological structure</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Considering the deposit type, it is considered that the sampling is not biased by the sampling orientation.</p> <p>Eloise JV</p> <p>The E-W orientation of the EM survey lines is a close as possible to orthogonal to the strike of the basement geology. The assumption is that most mineral occurrences would strike approximately N-S and thus there is not expected to be any bias in the results received.</p>
<p>Sample Security</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Samples were sent via road transport from the Bellas Gate core processing facility by project staff to the shipping agent in Kingston and forwarded by air to the laboratory in Ancaster, Ontario, Canada. Chain of Custody documentation is compiled through the shipping process. Any discrepancy between listed and received samples was communicated back to site staff for resolution.</p> <p>Eloise JV</p> <p>Electronic data was emailed directly from the operator at the point of collection to the Minotaur staff geophysicist.</p>
<p>Audits or reviews</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>No audit has occurred on the sampling of the holes specific to this release.</p> <p>Eloise JV</p> <p>A Minotaur representation was onsite at commencement of the EM survey to ensure all survey parameters were correct and the data being collected was of sufficiently high quality to be representative.</p>

## APPENDIX 1: EXPLORATION DRILLING

**JORC 2012 Table 1 – Section 2: Reporting of exploration results**

Criteria	Commentary
Mineral tenement and land tenure status	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>The Provost and Lucky Valley Prospects are located on SEPL 538 within St Catherine Parish, Jamaica. SEPL 538 is held in the name of OZ Exploration Pty Ltd who hold a 70% interest and by Carube Resources Jamaica Limited, a wholly owned subsidiary of Carube Resources Inc., who hold the remaining 30%. OZ Exploration Pty Ltd can earn up to 80 per cent equity in the tenement under a joint venture agreement with Carube Resources Inc.</p> <p>The Jobs Hill prospect is located on SEPL 552 within St Mary, St Catherine and St Andrew parishes, Jamaica. SEPL 552 is held (100%) by Rodinia Jamaica Limited. OZ Exploration Pty Ltd can earn up to 80 per cent equity in the tenement under a joint venture agreement with Rodinia Jamaica Limited.</p> <p>Both SEPL538 and SEPL552 are held in good standing.</p> <p>Eloise JV</p> <p>The information that relates to the ground EM survey conducted by Minotaur Exploration Ltd is from EPM's 17838, 19500, 25237, 25389. EPM 17838 is 100% owned by Levuka Resources Pty Ltd and EPM's 19500, 25237, 25389 are 100% owned by Minotaur Operations Pty Ltd; both companies are subsidiaries of Minotaur Exploration Limited (Minotaur).</p> <p>All EPM's form part of a Farm-In agreement with OZ Minerals Ltd called the Eloise JV. OZ Minerals are yet to earn equity in the JV.</p> <p>All EPM's have a registered Native Title Claim over them by the Mitakoodi and Mayi People #5 (Federal Court File No: QUD556/2015, Application No. QC2015/009). The Claim is yet to be determined by the Federal Court. Minotaur is operating all EPM's under the Native Title Protection Conditions (NTPC's) as per the Conditions of Grant of tenure.</p> <p>All EPM's listed above are secure and complaint with their respective Conditions of Grant. There are no impediments to obtaining a licence to operate.</p>
Exploration done by other parties	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Historic mapping and rock chip sampling was undertaken at Provost and Lucky Valley. At Jobs Hill, Burrex Mines Ltd completed seven diamond drill holes in the mid-1960s, and the area was also subject to mining prior to the mid-1900s. No records of historic production have been located.</p> <p>Eloise JV</p> <p>Historical exploration by other companies across parts of the larger EM survey area includes airborne magnetic surveys, gravity surveys, EM surveys, RC drilling and diamond drilling.</p> <p>There is no previous ground geophysical surveying or drilling in the area of the Iris EM anomaly.</p>

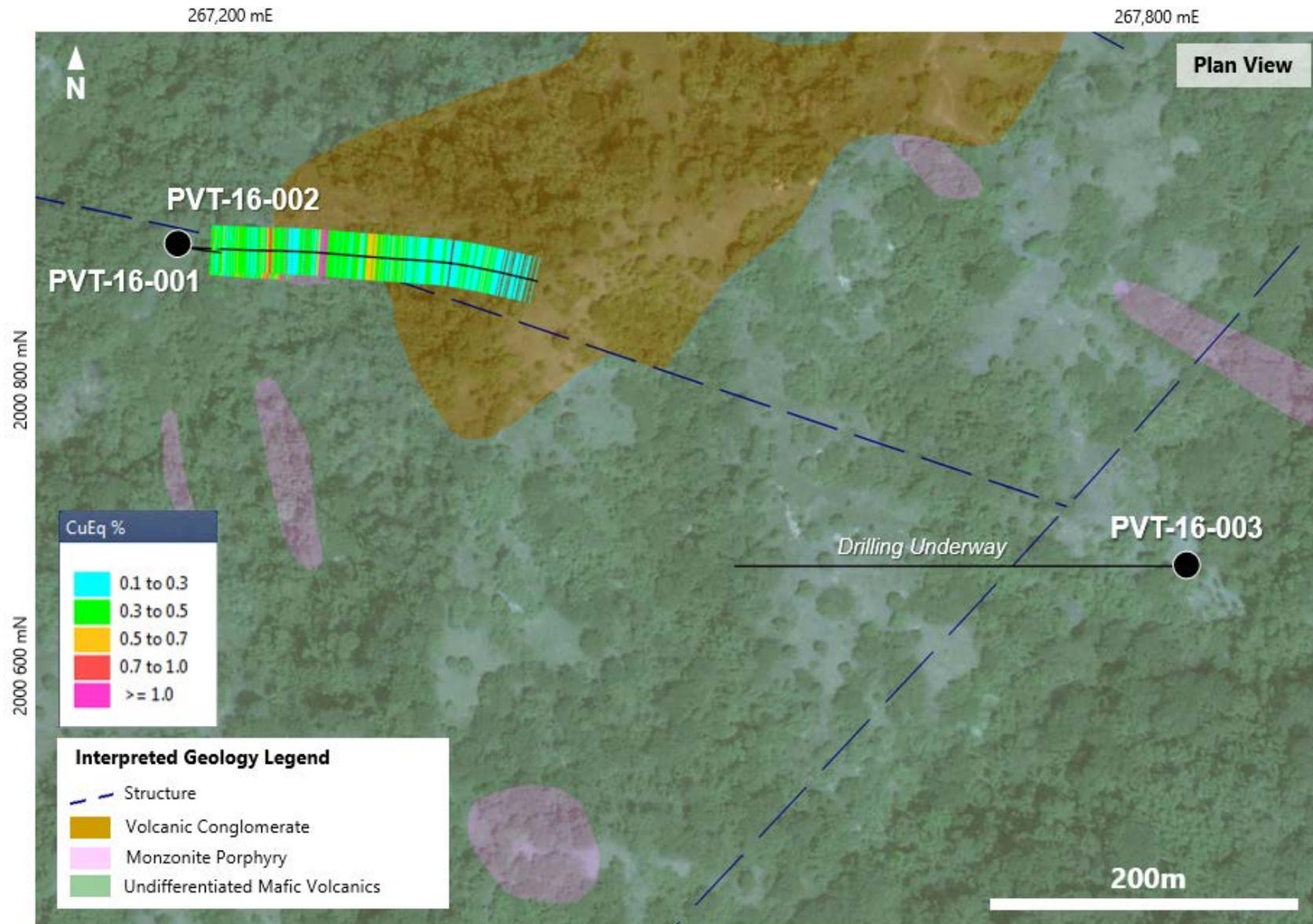
## APPENDIX 1: EXPLORATION DRILLING

<p>Geology</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Preliminary interpretation suggests porphyry copper- gold mineralisation at Provost and Lucky Valley. Mineralisation at Jobs Hill appears to be a structurally hosted copper occurrence.</p> <p>Eloise JV</p> <p>Within the eastern portion of Mt Isa Block targeted mineralisation styles include: IOCG and ISCG styles of mineralisation associated with ~1590–1500Ma granitic intrusions and fluid movement along structural contacts e.g. Eloise Cu-Au; and sediment-hosted Zn+Pb+Ag deposits e.g. Mt Isa, Cannington.</p>
<p>Drill hole information</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Refer to Table 5.</p> <p>All information material to the understanding of the Exploration Results has been included.</p> <p>Eloise JV</p> <p>Not Applicable</p>
<p>Data aggregation methods</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>All drill hole intervals referred to in this release are length-weighted and calculated with unlimited internal dilution.</p> <p>Copper equivalents (CuEq) are calculated using a US\$3.00/lb. copper and a US\$1200 per ounce gold price assuming 100% recovery of both metals.</p> <p>Eloise JV</p> <p>Not Applicable</p>
<p>Relationship between mineralisation widths and intercept lengths</p>	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>These drill holes provide insufficient data to indicate mineralisation width and geometry.</p> <p>Mineralisation has been reported as down hole lengths, true width is not known.</p> <p>Eloise JV</p> <p>Not Applicable</p>

## APPENDIX 1: EXPLORATION DRILLING

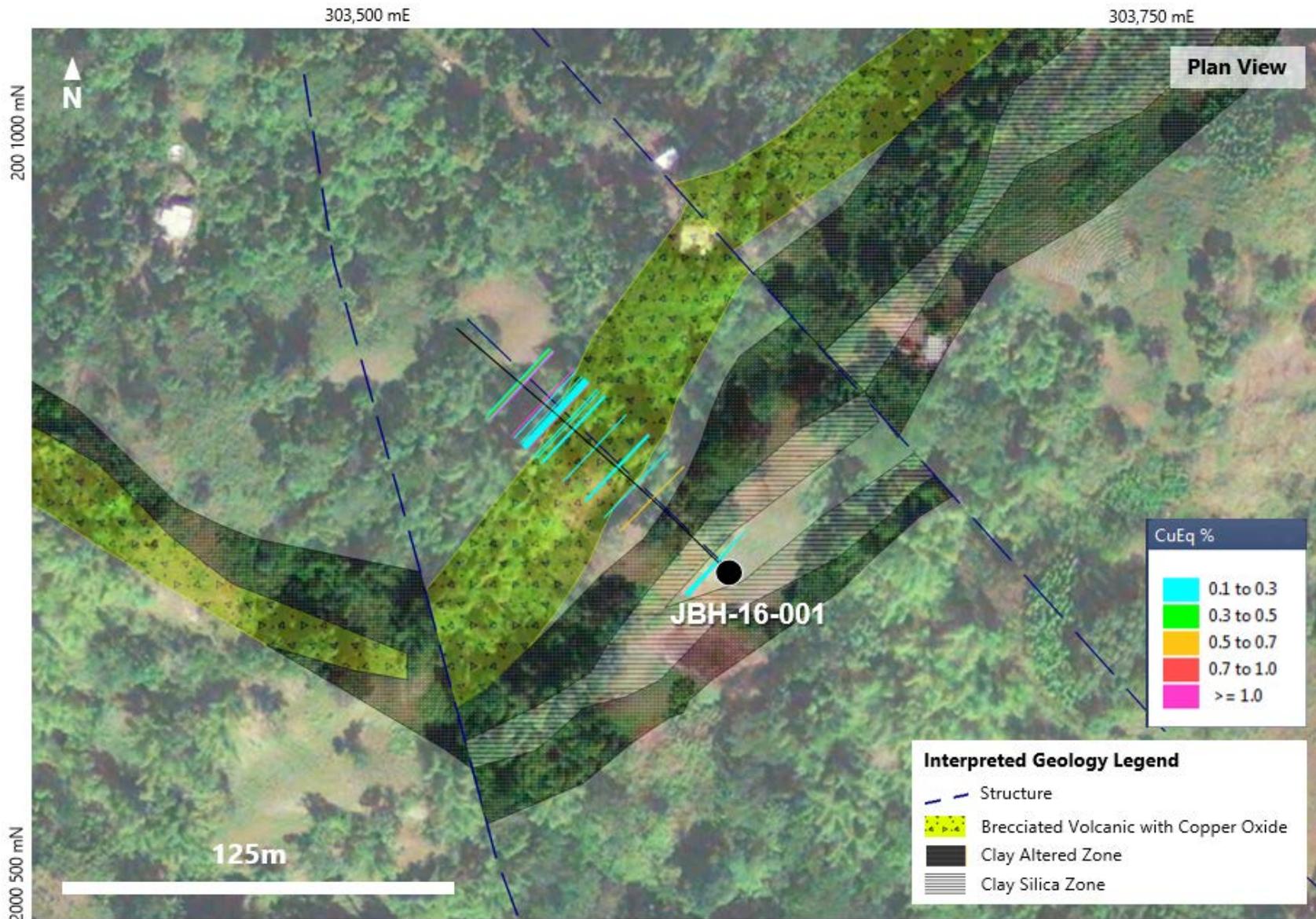
Diagrams	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Diagrams for the Provost and Jobs Hill prospects are detailed below (see Figure 1 and Figure 2).</p> <p>Eloise JV</p> <p>See Figure 3</p>
Balanced reporting	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>All significant Exploration Results are reported.</p> <p>Eloise JV</p> <p>Reporting of the EM survey results is only briefly documented in this report. For a more comprehensive report of the survey results refer to the June 2016 Quarterly Report of Minotaur Exploration Ltd</p>
Other substantive exploration data	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>There is no other material exploration data at this time.</p> <p>Eloise JV</p> <p>No substantive exploration data has been omitted</p>
Further work	<p>Jamaica Bellas Gate and Rodinia JV's</p> <p>Nearby areas of possible mineralisation are currently being reviewed and drilled.</p> <p>Eloise JV</p> <p>Follow-up work of the Iris EM anomaly is expected in the coming weeks with a drill test of the target likely; discussions are currently underway with Minotaur to determine the best method for an initial drill test</p>

Figure 1: Provost Drill Hole Plan



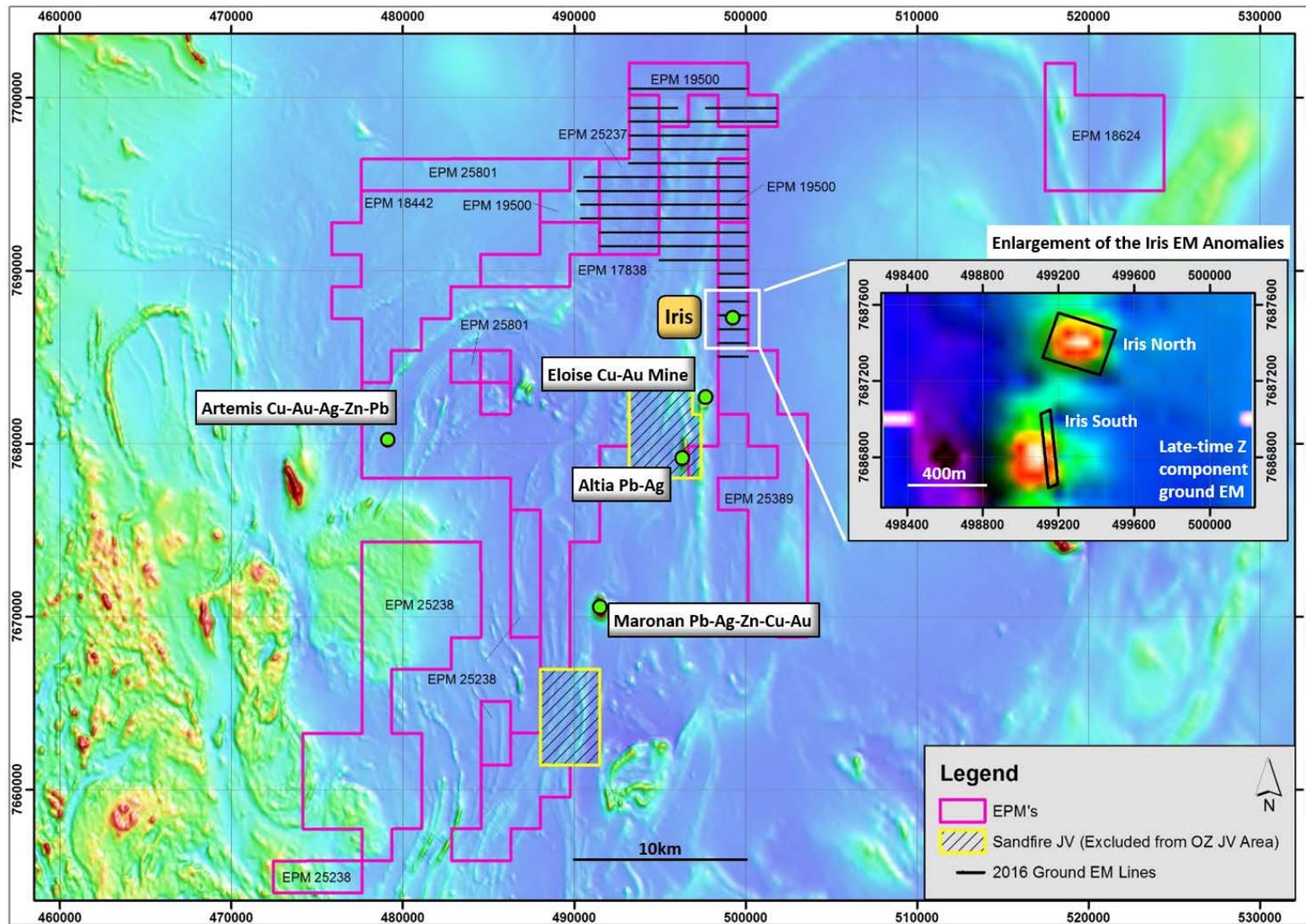
For personal use only

Figure 2: Jobs Hill Drill Hole Plan



For personal use only

Figure 3: IRIS geophysical anomaly



For personal use only

For personal use only



# 2016 Second Quarter Report Presentation

22 JULY 2016



A modern  
mining company

# Disclaimer

## Forward looking statements

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 are forward-looking statements within the meaning of the US securities laws. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "believe" and "envisage". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside OZ Minerals' control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements which speak only as at the date of the presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, OZ Minerals does not undertake any obligation to publicly release any updates or revisions to any forward looking statements contained in this presentation, whether as a result of any change in OZ Mineral's expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

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

OZ Minerals financial results are reported under International Financial Reporting Standards (IFRS). This release includes certain non-IFRS measures including Underlying EBITDA, Underlying EBIT and Underlying NPAT. These measures are presented to enable understanding of the underlying performance of the Company without the impact of non-trading items such as impairment and litigation settlement expense. Non IFRS measures have not been subject to audit or review. Underlying EBITDA, Underlying EBIT and Underlying NPAT are included in Note 1 Operating Segments, which form part of the Financial Report. Refer Note 2 1 Operating Segments to the Financial Report for further details.

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

## Prominent Hill Production Targets Cautionary Statement

Production targets for Prominent Hill are based on:

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

There is a low level of geological confidence associated with inferred mineral resources. There is no certainty that further exploration work and studies will result in the conversion of the mineral resources into ore reserves or that the production targets will be realised.

The Ore Reserve and Mineral Resource estimates underpinning the production targets were prepared by Competent Persons in accordance with the JORC Code 2012. The production targets are the result of detailed studies based on the actual performance of our existing mines and processing plant. These studies include the assessment of mining, metallurgical, ore processing, marketing, government, legal, environmental, economic and social factors.

The Production Targets in this presentation were first set out in the market release 'Record production sets scene for dividends and growth' created on 10 February 2016 and is available at [http://www.ozminerals.com/uploads/media/160210\\_ASX\\_Release\\_2015\\_Full\\_Year\\_Results.pdf](http://www.ozminerals.com/uploads/media/160210_ASX_Release_2015_Full_Year_Results.pdf) OZ Minerals confirms that it is not aware of any new information or data that materially affects that market announcement.

### Prominent Hill Mineral Resource and Ore Reserve Estimates

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](http://www.ozminerals.com/uploads/media/151104_ASX_Release_Prominent_Hill_Mineral_Resources_and_Reserves_Statement) OZ Minerals confirms that it is not aware of any new information or data that materially affects the information included in that market announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. OZ Minerals confirms that the form and context in which the findings of the Competent Person (Colin Lollo in relation to the Mineral Resource estimates and Justin Taylor in relation to the Ore Reserve estimates) are presented have not been materially modified from the original market announcement.

# Compliance Statements

## Carrapateena Production Targets Cautionary Statement

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.

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](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.

### 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.

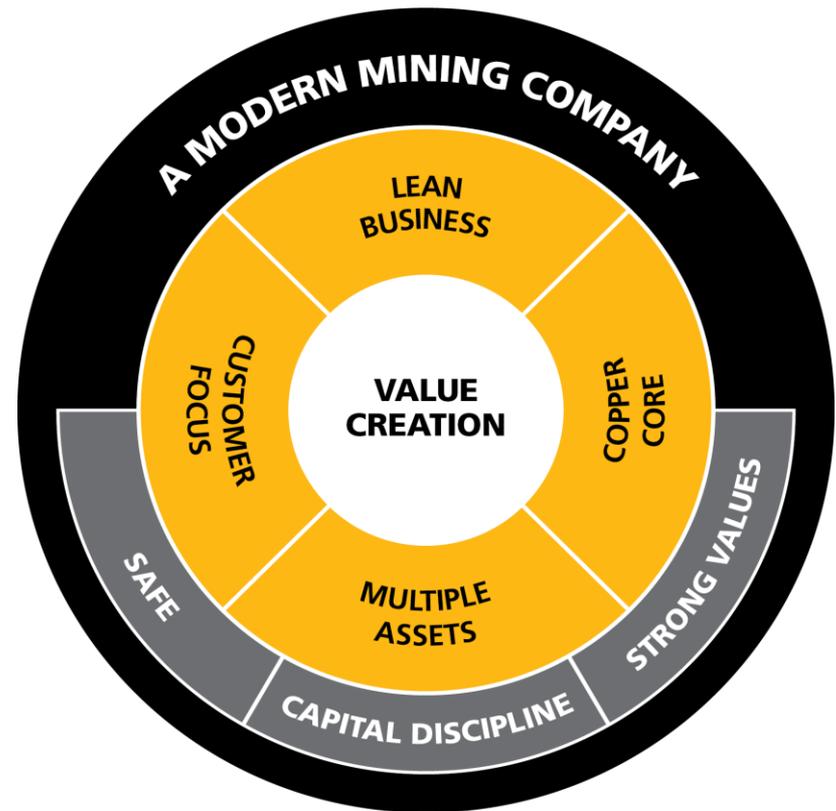
# Delivering on our growth strategy

## How we will work

- **Safety** – Safe work above all else, strive for a workplace with no injuries.
- **Values** – Integrity and strong governance in all aspects of the way we work.
- **Capital discipline** – Commitment to reliably and predictably deliver with disciplined capital deployment.

## What we will focus on

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

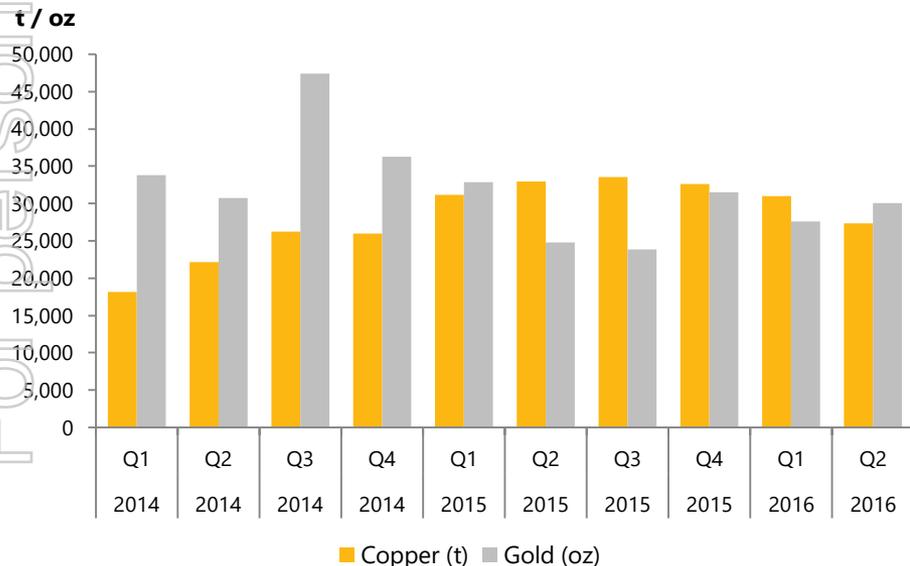


# Q2 Summary

ITEM	Q1	Q2
Contained Copper produced (t)	31,018	27,350
Contained Gold produced (oz)	27,563	30,099
C1 costs US c/lb	75.3	72.0

- Favourable to annual guidance
- Unfavourable to annual guidance

## CONTAINED COPPER AND GOLD PRODUCED



## FULL YEAR GUIDANCE MAINTAINED

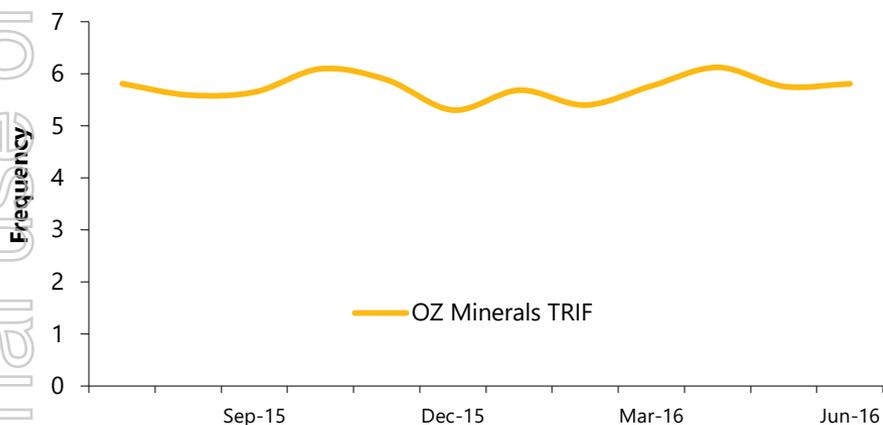
- ✓ TRIFR reduction on prior quarter
- ✓ Production in line with guidance; gold volumes to increase in second half
- ✓ Prominent Hill net operating cash flow after capex c. A\$100m in 1H 2016
- ✓ C1 costs of US 72.0 c/lb within guidance
- ✓ Carrapateena 4Mtpa; decline contract awarded to PYBAR
- ✓ Prominent Hill drilling demonstrates continuity of inferred resource mineralisation
- ✓ Annualised procurement cost savings increased to \$25 million; further \$20 million in pipeline
- ✓ Long intersection of porphyry style copper mineralisation drilled at Provost, Jamaica

## ONGOING GROWTH FOCUS

- Carrapateena decline works to commence in August
- Prominent Hill drilling to continue with second decline progressing to plan
- Full exposure to spot gold price until mid-2018

# Safety

## SAFETY PERFORMANCE



## NEW ISOLATION SYSTEM



## STRATEGY IMPLEMENTATION CONTINUED

- ✓ June quarter TRIFR at 5.81; a five per cent decrease on the prior quarter (6.11)<sup>1</sup>
- ✓ Reduction in recordable injuries quarter on quarter at Prominent Hill
- ✓ Safety focus reinforced
- ✓ Site-wide cross work group safety hazard identification program implemented
- ✓ Isolation system successfully rolled out

## IMPROVEMENT FOCUS

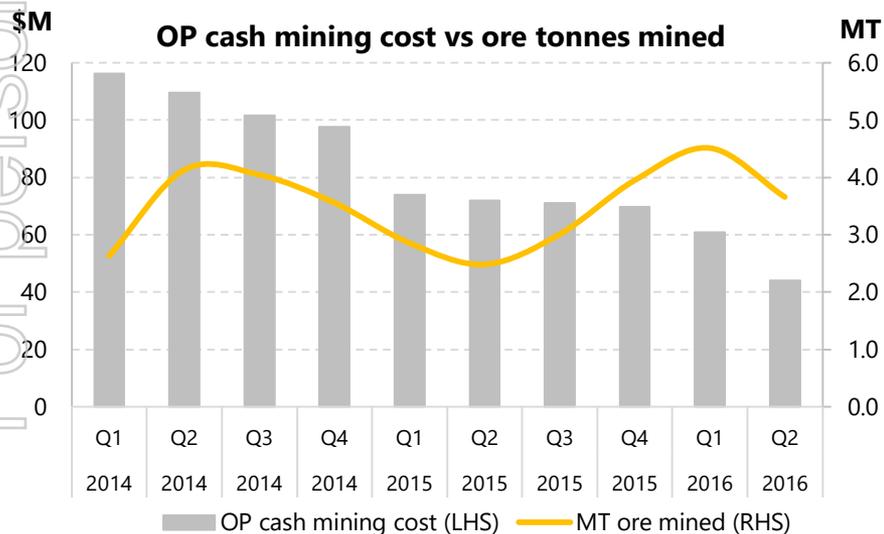
- Physical well being program to be expanded from the underground to site-wide, using external contract partner
- Critical risk management roll out site-wide
- Independent review of safety strategy effectiveness and zero harm workshop for site leaders

# Cash Generation

## WORKING CAPITAL MOVEMENTS

\$M	Mar 16*	Jun 16*	Change
Trade receivables	67	94	27
Concentrate (at cost)	59	45	(14)
Trade payables	(51)	(60)	(9)
Ore inventory	342	399	57
<b>Working Capital</b>	<b>417</b>	<b>478</b>	<b>61</b>
<b>Cash balance</b>	<b>533</b>	<b>564</b>	<b>31</b>

\* Balances unaudited



## CASH BUILD CONTINUES

- ✓ Unaudited cash balance of \$564 million at 30 June
- ✓ Trade receivables higher in Q2 due to timing of shipments near quarter end; ore inventory increases further with accelerated OP mining
- ✓ Prominent Hill net operating cash flow after capex c.\$100m in 1H 2016
- ✓ Ore mined at lower cash costs
- ✓ Unaudited net revenue 1H 2016 c.\$400 million<sup>2</sup>; with gold representing c. 25%
- ✓ Share buyback: at end Q2 1.32 million shares purchased at average price of \$5.42; total cost \$7.2 million

## MARGIN CERTAINTY WITH GOLD UPSIDE

- Gold hedge program over stockpiles begins Q3 2018; represents <50% of production in any particular year and <20% over LOM
- Strategy to lock in copper price at time of sale starting second half 2016
- Class action settlement of \$24 million expensed in first half and paid in July; associated defence costs of \$12.4 million incurred in 2016

For personal use only

# Prominent Hill

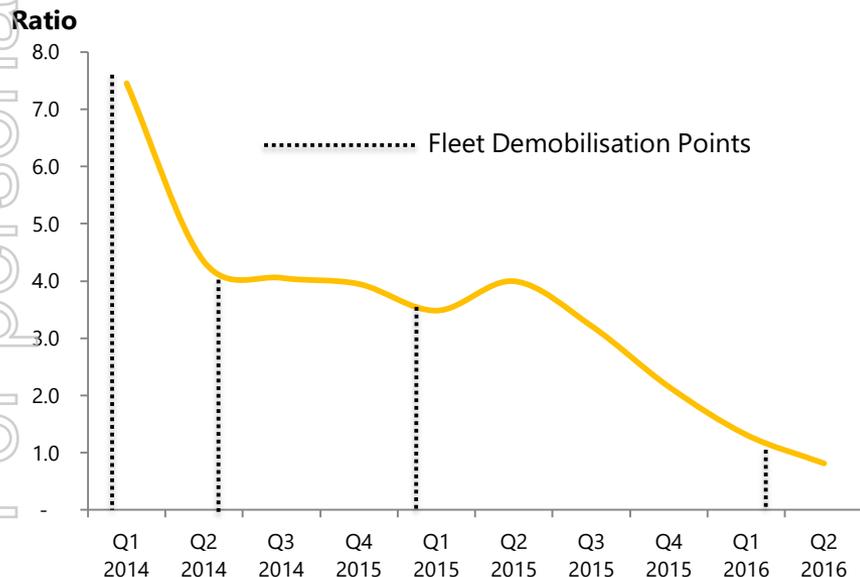


A modern  
mining company

# Open Pit performance

ITEM	Q1	Q2
Open Pit ore mined (Mt)	4.5	3.7
Open Pit waste mined (Mt)	5.9	3.0

## WASTE TO ORE STRIP RATIO



## DEMOBILISATION REAPING BENEFITS

- ✓ First full quarter of reduced fleet size
- ✓ 10% average increase in dig rate across the quarter through simplified bench development
- ✓ Elimination of interface mining with only Stage 4 remaining
- ✓ Strip ratio continued to decline as planned (0.8:1 for the quarter compared to 1.3:1 in the prior quarter)
- ✓ Integration of open pit and underground control rooms underway with co-location into single facility completed

## ONGOING IMPROVEMENT INITIATIVES

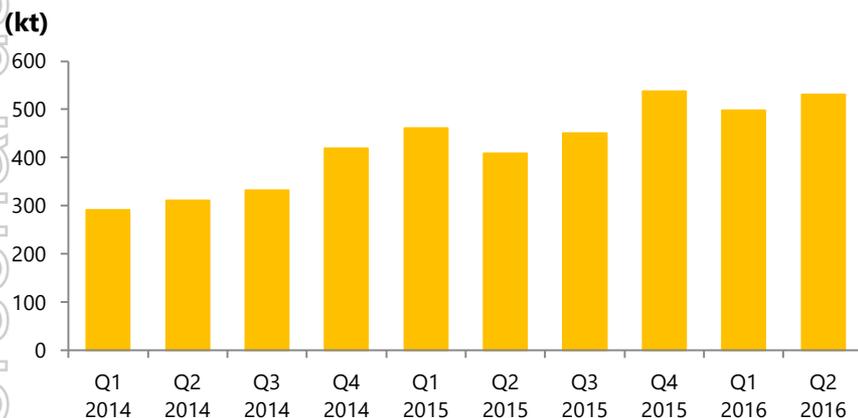
- Life of Mine pit dewatering infrastructure scheduled for completion in July
- Dedicated business improvement program to increase ore direct tip to take advantage of falling strip ratio

# Underground performance

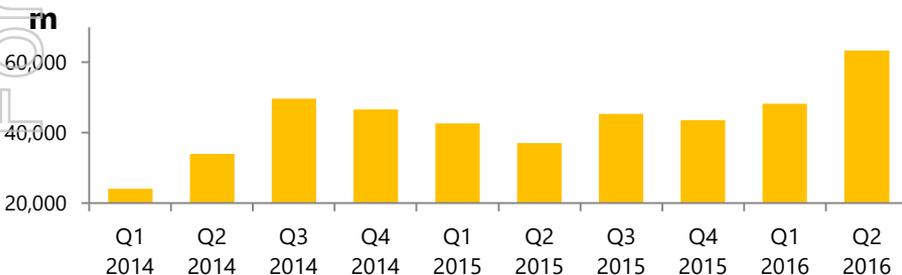
ITEM	Q1	Q2
Underground ore mined (kt)	498	531

● Favourable to annual guidance
 ● Unfavourable to annual guidance

## UNDERGROUND ORE HAULED



## PRODUCTION DRILL METRES



## UNDERGROUND PROGRESSING TO PLAN

- ✓ Underground mine contributed 531kt of ore at 1.94% copper
- ✓ Benchmarking demonstrated cost reductions and productivity improvements
- ✓ Ramp up in production drilling with inclusion of third rig
- ✓ Second decline development on schedule
- ✓ Underground diamond drilling results released in quarter to be incorporated in H2 CY16 Resource / Reserve update

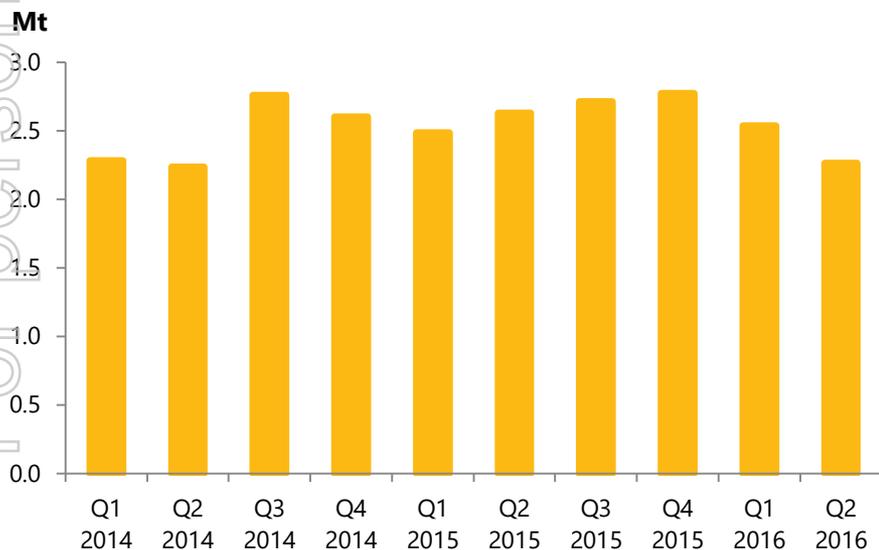
## MINE RAMP UP TO CONTINUE

- Additional truck, loader and cable bolting rig due in Q3 in line with mine ramp up
- Improvement initiatives underway include shotcrete cement optimisation and improved automated equipment KPI tracking

# Processing Plant performance

ITEM	Q1	Q2
Ore milled (Mt)	2.5	2.3
Copper recovery (%)	88	85
Gold recovery (%)	73	72

## MILL THROUGHPUT



## CONCENTRATOR CHALLENGE OVERCOME

- ✓ Total ore milled of 2.3Mt with planned shutdown completed
- ✓ Additional unplanned 8 day shutdown, with successful repair to SAG mill girth gear crack by specialist engineering firm
- ✓ Concentrator returned to normal operations late in the quarter
- ✓ Successful resolution of feed contamination issues experienced in prior quarter

## RISK MITIGATION MEASURES IN PLACE

- ✓ Replacement girth gear being cut; completion by end Q3
- ✓ Prominent Hill power under LT contract; two year fixed price deal commenced Q3 2015 avoiding short term volatility

# Cost Performance

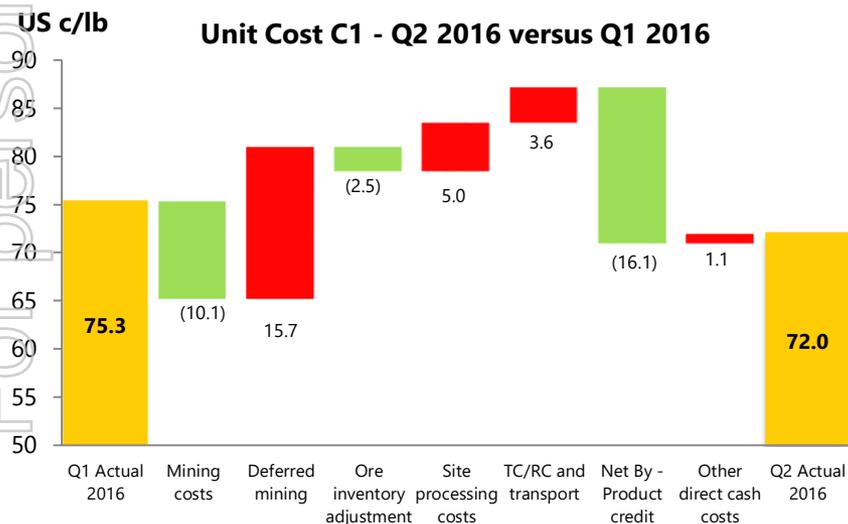
ITEM	Q1	Q2
Open Pit unit costs \$/t	● 5.83	● 6.64
Underground unit costs \$/t	● 60	● 48
C1 costs US c/lb	● 75	● 72

- Favourable to annual guidance
- Unfavourable to annual guidance

## COSTS REMAIN ON TRACK TO GUIDANCE

- ✓ Q2 C1 cost of US 72.0c/lb; 1H C1 cost of US 73.8c/lb
- ✓ 1H All-in sustaining cost of US 120c/lb
- ✓ Higher OP unit mining costs of \$6.64/t with less tonnes mined in the quarter following Q1 fleet demobilisation
- ✓ Underground operating unit costs of \$48/t lower than prior quarter due to less cost incurred, higher ore tonnes mined and less stope filling
- ✓ Procurement cost savings program realised \$25m of annualised savings to date

## C1 COST ANALYSIS



## CONTINUED FOCUS ON COSTS

- Total cash costs to remain lower with fleet demobilisation and reducing volumes
- Opportunities for further cost savings continue to be identified and pursued with \$20 million in pipeline

For personal use only

# Carrapateena



A modern  
mining company

# Carrapateena – Moving forward

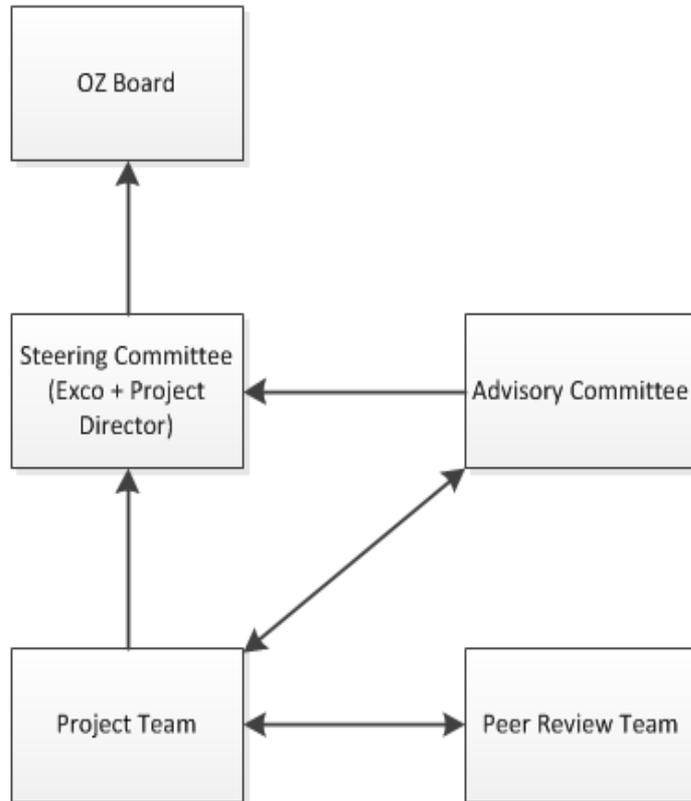


## SIGNIFICANT MILESTONES REACHED

- ✓ PFS scope optimisation work completed<sup>3</sup>
  - 4.0Mtpa sub-level cave with onsite concentrator
  - Concentrate treatment in Whyalla
  - Pre-production CAPEX of circa \$975M
  - C1 cost Years 1-5 US\$0.50/lb
  - C1 costs LOM of US\$0.90/lb
  - NPV<sub>9.5</sub> of circa \$800M and IRR 24%
- ✓ Award of decline construction to PYBAR; boxcut construction in August, decline to commence in September
- ✓ Drilling program completed, Resource update expected early September
- ✓ Project structures now in place to ensure quality delivery
  - ✓ Project governance structures established
  - ✓ Advisory Committee appointed
  - ✓ Experienced Management team recruited

# Project structure in place to ensure quality delivery

For personal use only



## FULL MANAGEMENT TEAM NOW IN PLACE

- / Significant industry experience covering project development and construction through to operations
- / Members of the team have held previous roles as Project Directors, Project Managers and in operations management

### Advisory Committee

- / External, independent advisors to review project progress
- / Three person team reports to CEO; all recognised industry experts with over 30 years experience
  - Adrian Pratt, Mining (Newcrest, Ivanhoe)
  - Peter Tilyard, Metallurgy (Rio Tinto, MMG)
  - John Eltham, Project Execution (Newmont, Normandy, Sino, Ivanhoe)

# Decline construction set to commence

## Award of contract to PYBAR



### PYBAR MOBILISING FOR AUGUST START

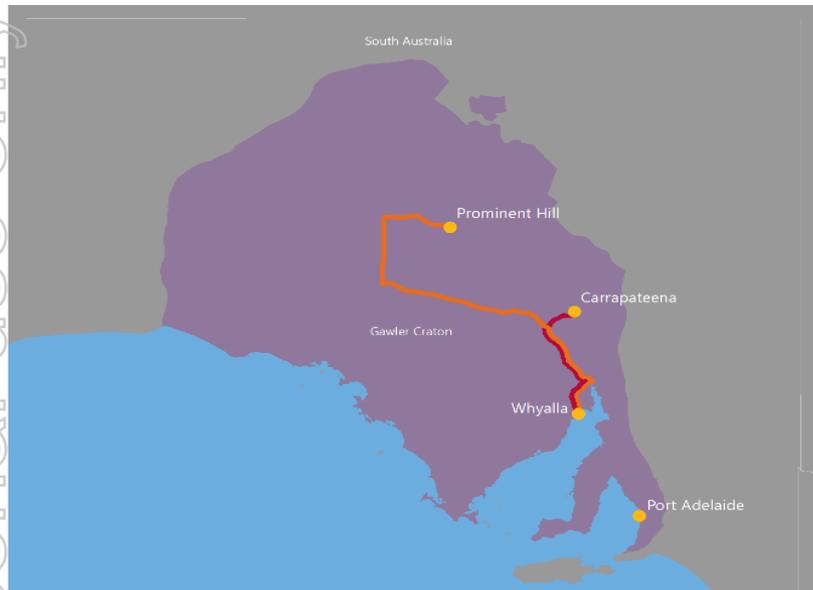
- / Construction of mine access decline is critical path to first production
- / Commencement now creates approximately \$90 million in NPV compared to one year later
- / Tender process highly competitive
- / PYBAR selected for safety focus, quality of work and cost to deliver
- / New equipment to be utilised, leading to efficient decline development
- / PYBAR to follow OZ Minerals' lead in working cooperatively with Kokatha people to create opportunities

### SCOPE OF WORK

- / Construction of a 20m deep box cut
- / Decline development to first conveyor transfer point, 600m below surface and access to first sub level (total of 7,500m)
- / Four surface ventilation raises (total of 1,500m)
- / Supply of all surface infrastructure to support the development (offices, workshop, diesel power generation)

# A new vision for the Gawler Craton

## Whyalla Treatment and Distribution Hub



### BENEFITS TO BE REALISED

- / Concentrate Treatment Plant location in Whyalla frees additional power to economically grow Carrapateena
- / Cheaper access to skilled labour, road, rail, port, gas, water and oxygen support a strong business case
- / Centralised facility can be utilised for treatment of Carrapateena, Prominent Hill and third party concentrates
- / Allows OZ Minerals to take further advantage of growth opportunities in the Gawler Craton

### LAND PURCHASE AGREEMENT PROGRESSING

- / Negotiations continuing with Arrium for purchase of 200Ha of land adjacent to OneSteel steelworks
- / Subject to completion of due diligence including agreed access to port
- / Other options actively under consideration as a contingency

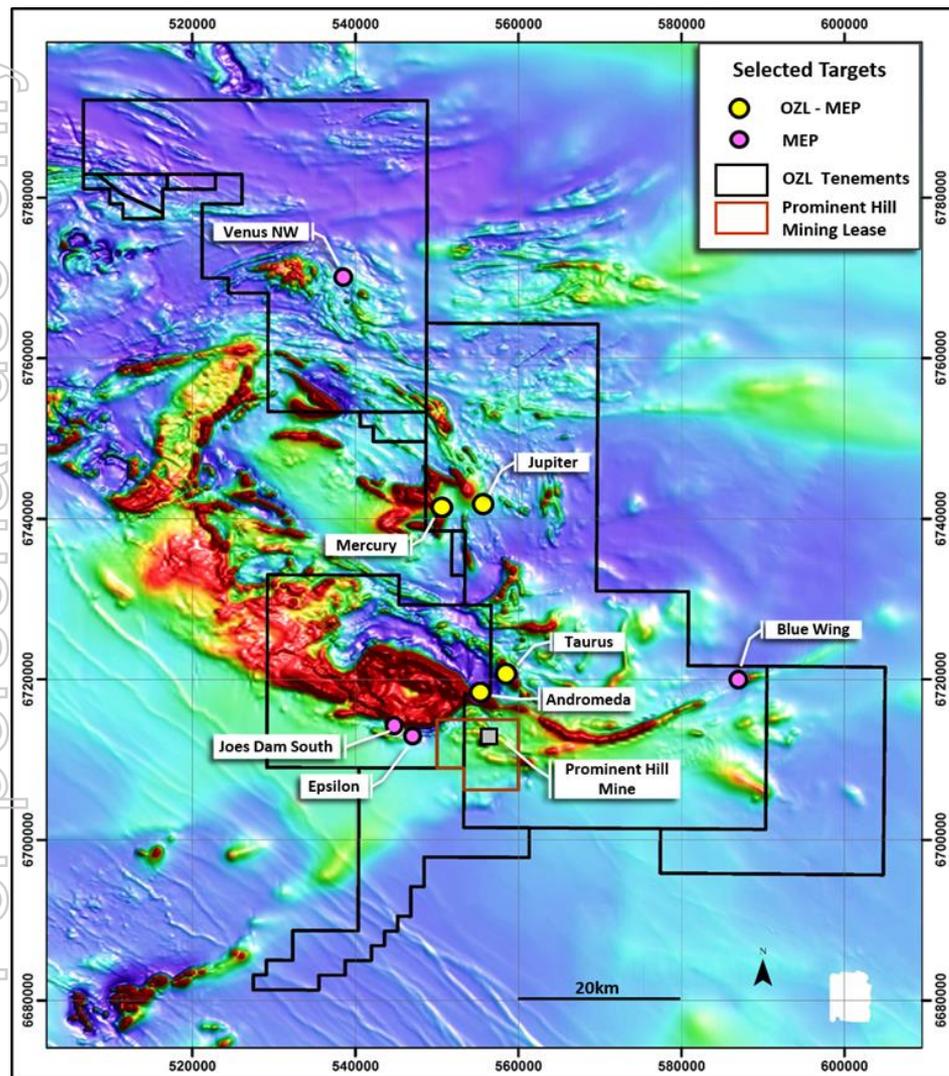
For personal use only

# Exploration and Growth



A modern  
mining company

# Mt Woods – Minotaur JV



Mt Woods - Targets selected for Joint Venture Exploration, overlain on RTP Magnetics

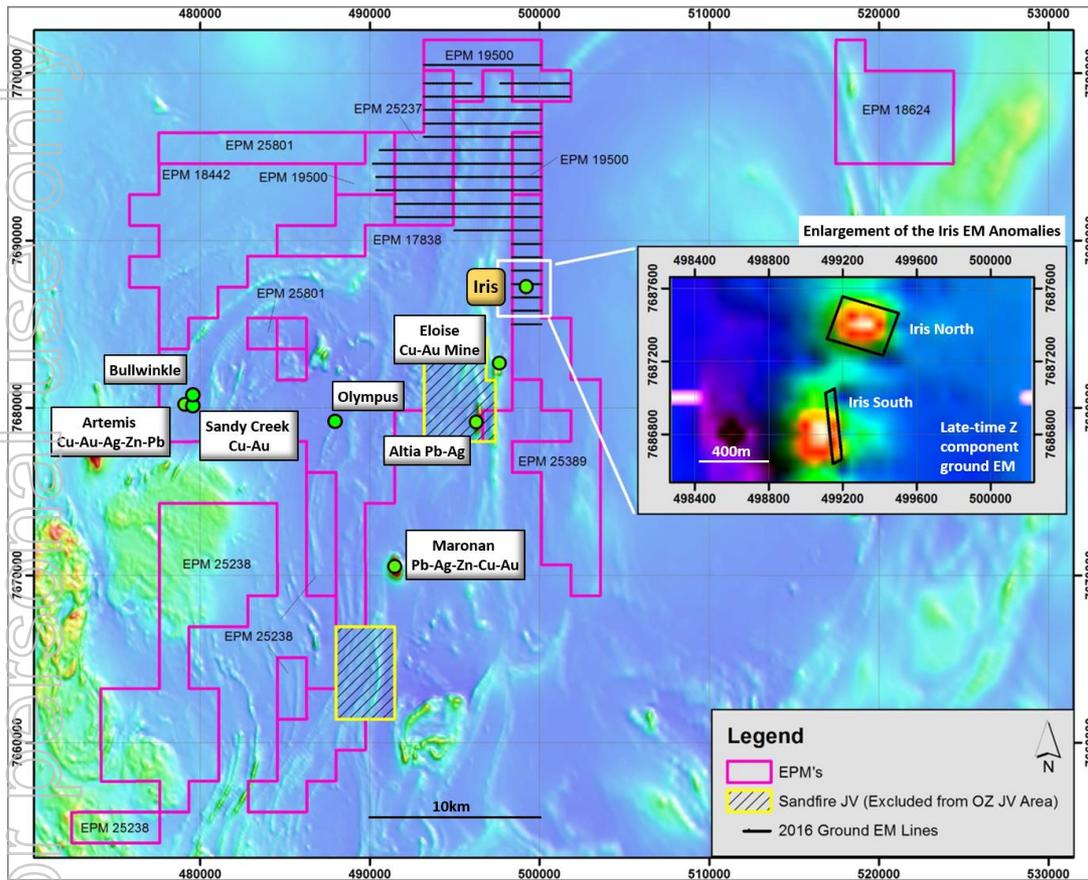
## GEOPHYSICAL PROGRAM COMMENCED

- ✓ Ground Electromagnetic surveys commenced in Q2 at priority targets Andromeda and Taurus ~10km north of Prominent Hill
- ✓ A total of 56 line km of EM surveying planned
- ✓ Approximately 10 line km completed at Andromeda and Taurus to date

## NEW TARGETS TO BE DRILLED

- ✓ IP surveys are planned following completion of EM surveys at selected targets
- ✓ Drilling of high priority targets in Q3

# Eloise – Minotaur JV



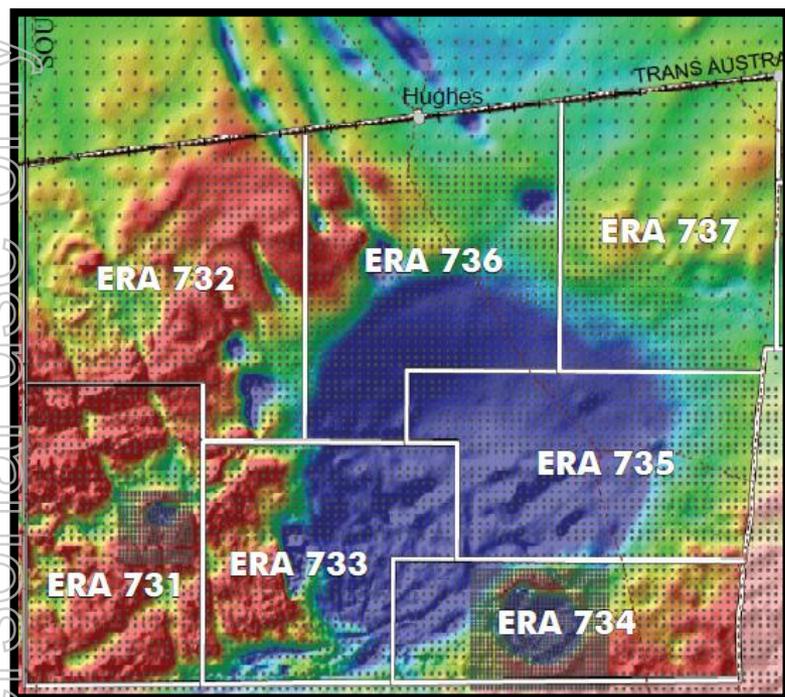
## TARGETS TESTED & NEW GEOPHYSICAL ANOMALIES

- ✓ Olympus and Bullwinkle prospects tested
- ✓ 2 holes at Olympus completed with no mineralisation intercepted
- ✓ Assays yet to be received for the single hole drilled at Bullwinkle
- ✓ Ground based EM survey (117.6 line KM) completed over the Levuka shear
- ✓ Significant EM anomaly identified at IRIS
  - ✓ Iris North
  - ✓ Iris South

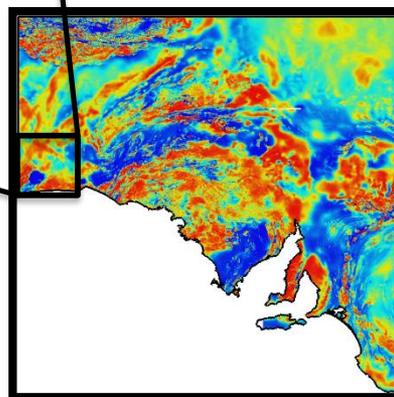
## Q3 DRILLING ON NEW TARGETS

- ✓ New Iris anomalies to be drilled in Q3

# Coompana Project – Mithril JV



- / OZ Minerals teams up with Mithril Resources to explore seven exploration licences in South Australia's far west
- / Leveraging Mithril's proven nickel/copper magmatic sulphide exploration experience
- / Supporting South Australian Government's PACE and leveraging PACE data:
  - High resolution aeromagnetic survey has been completed
  - Seismic surveying completed and data released
  - Upcoming gravity and radiometric surveys expected to commence in H2 2016
- / Secured one of the last remaining underexplored areas of Proterozoic age rocks in Australia

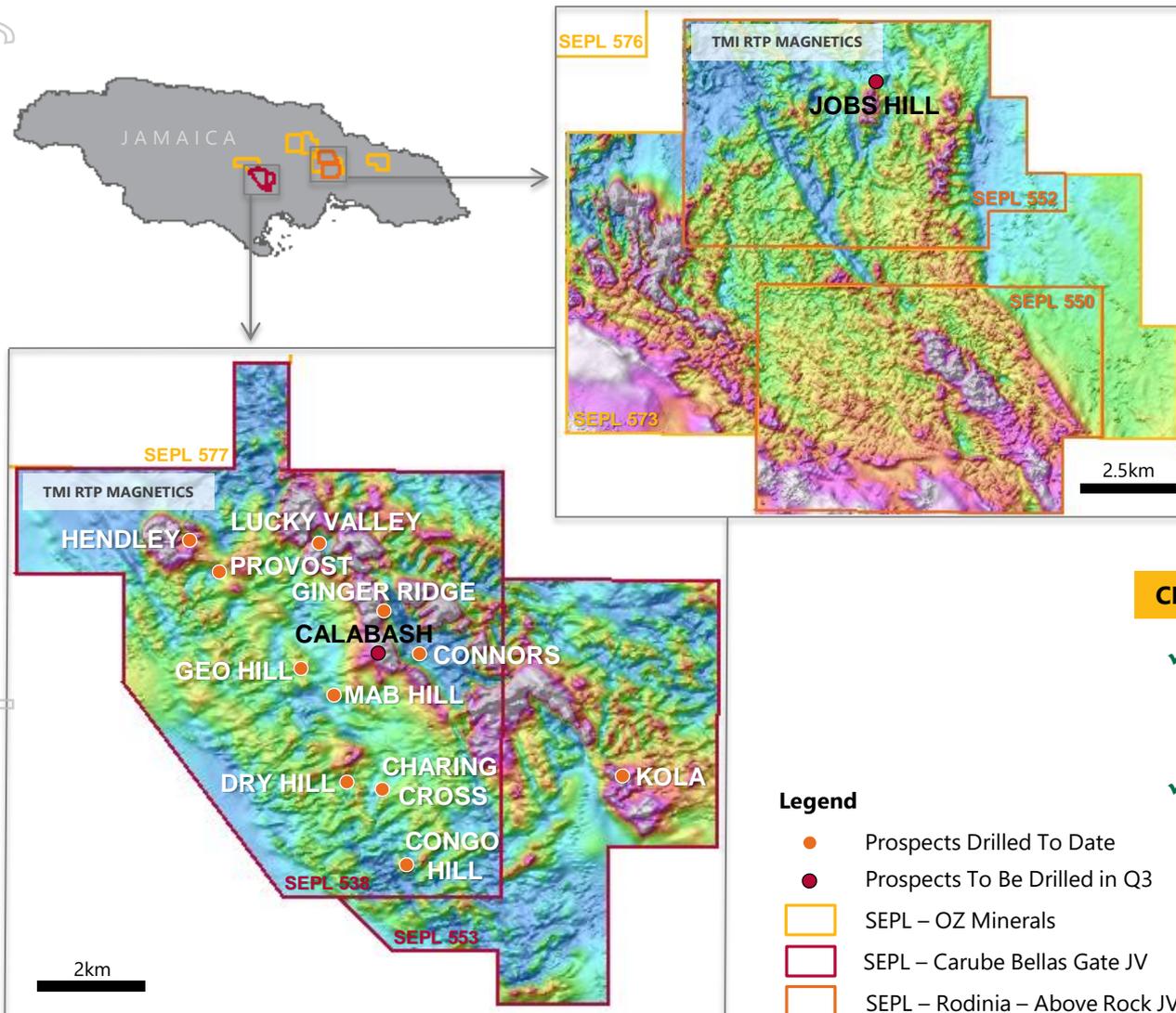


*Coompana Project - TMI RTP Magnetic Image.  
The points are the PACE funded gravity  
survey station locations.*

# Bellas Gate JV & Rodinia Above Rocks JV

## Prospects drilled to date

For personal use only



### SYSTEMATICALLY TESTING TARGETS

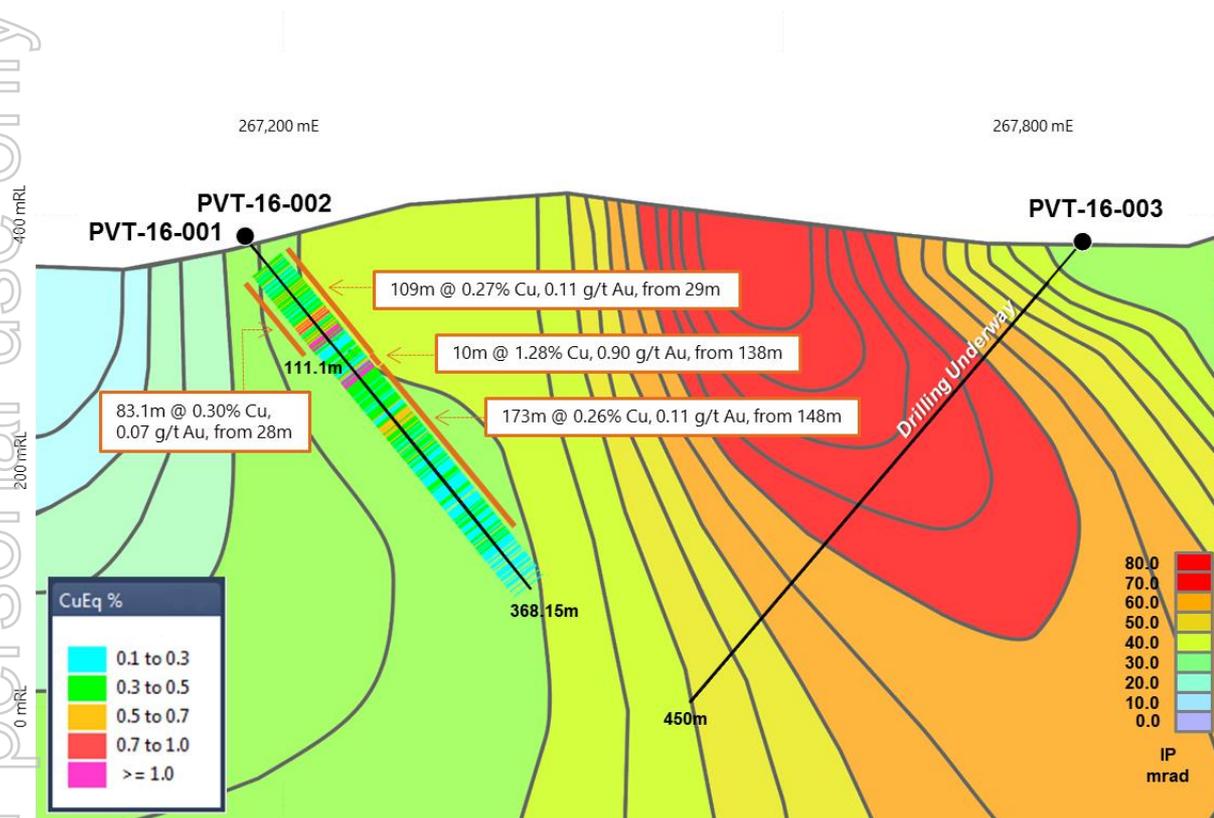
- ✓ Significant exploration program over 3 years has identified and tested 11 prospects
- ✓ 44 drill holes complete with 12,277.59m
- ✓ Airborne geophysical survey and IP survey completed
- ✓ Porphyry style mineralisation discovered at Connors, Geo Hill, Hendley and Provost

### CLEAR DECISION POINTS AND MILESTONE

- ✓ Prospects Calabash and Jobs Hill to be drill tested in Q3 to complete H1 drill program
- ✓ Project to be reviewed in light of drill results to determine path forward

# Jamaica

## Provost - Drilling results over IP survey



See OZ Minerals' ASX Second Quarter Report 2016 for JORC 2012 Table 1 information

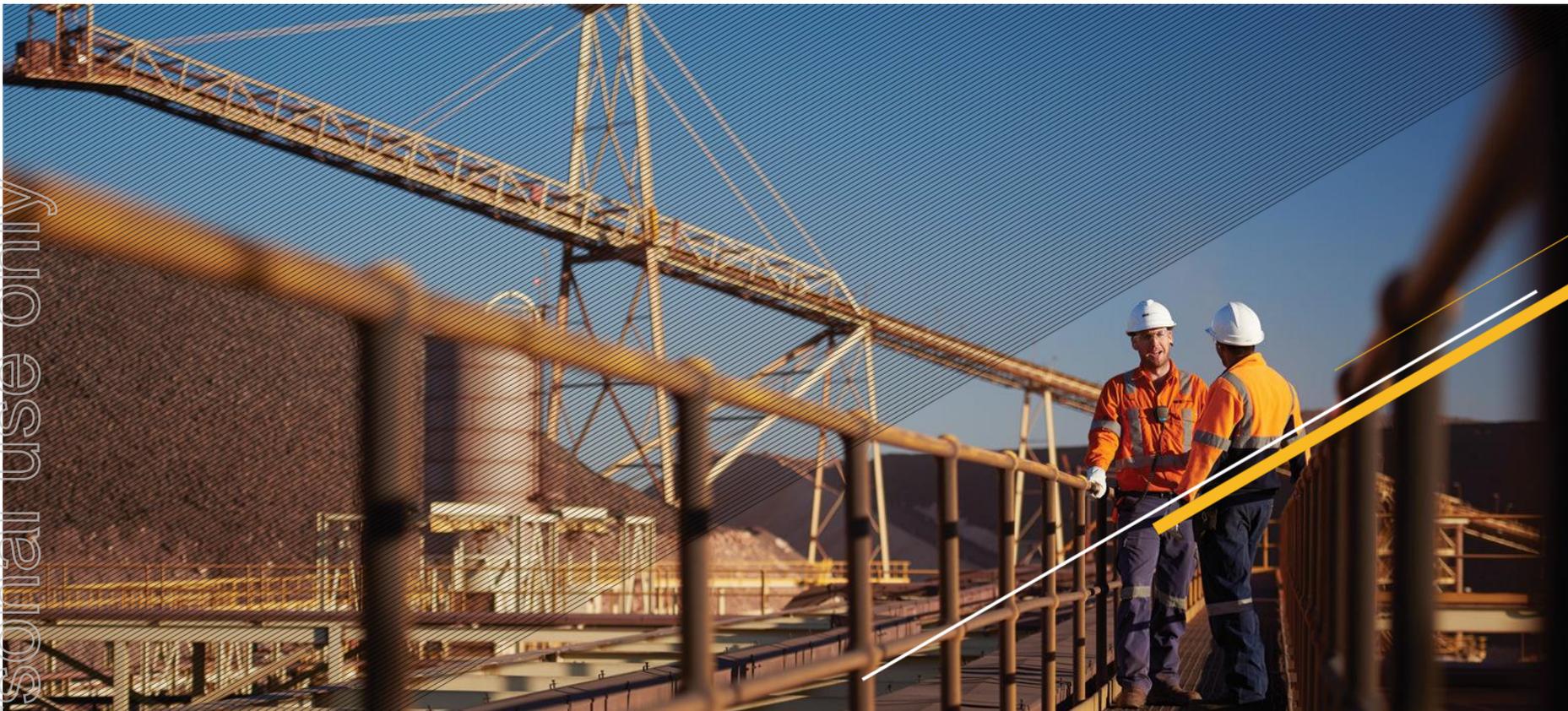
### PROVOST PROSPECT IDENTIFIED & DRILLED

- ✓ Prospect identified from surface mapping and geochemical survey
- ✓ IP survey used to fine tune drill hole location
- ✓ 2 drill holes completed and both intercepted low grade porphyry style mineralisation

### PROVOST NEXT STEPS

- ✓ 1 further hole required to test chargeability high and establish foot print
- ✓ Further drilling in Q3 subject to positive drill results

For personal use only



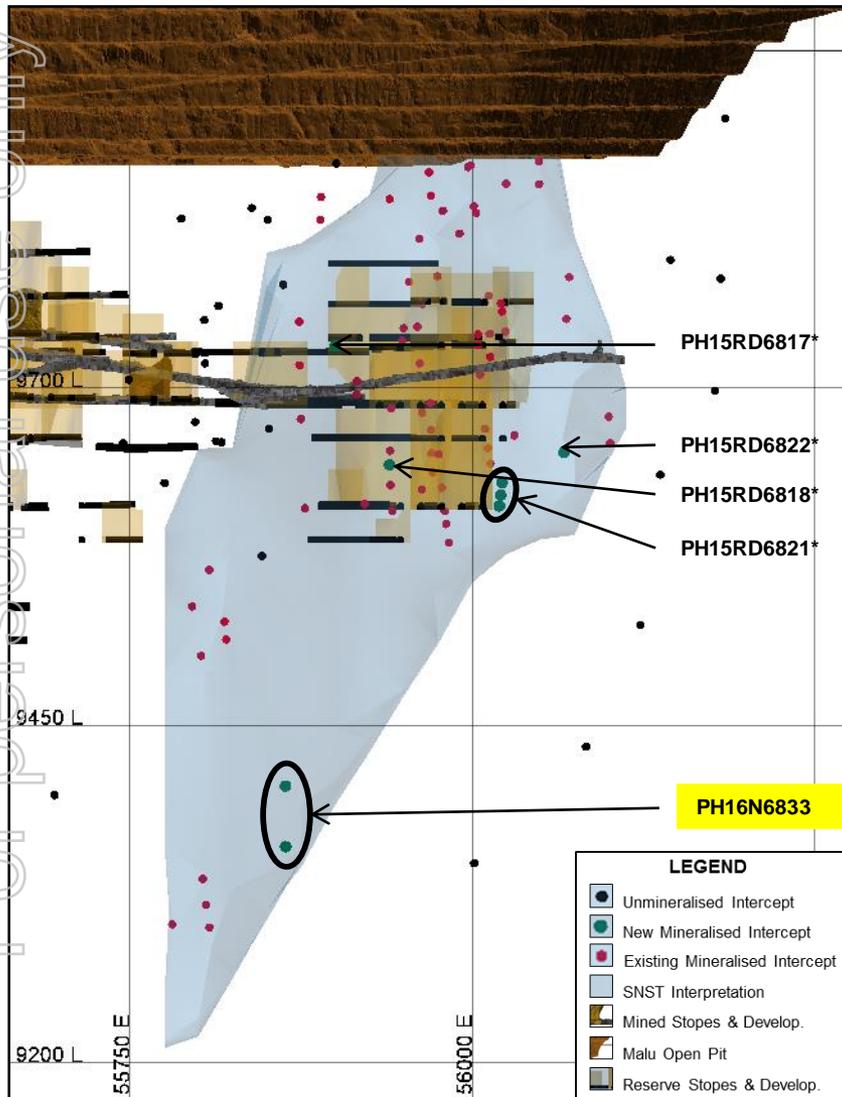
# Supplementary Slides



A modern  
mining company

# Prominent Hill Drilling Program

## Progress to Date



### Stage 3 Delineation Target

- High grade mineralisation has been intercepted ~250m down dip from intercepts released in March 2016

Drill Hole ID	Downhole From (m)	Intersection Length (m)	Cu (%)	Au (g/t)	Estimated True Thickness (m)
PH16N6833	301.0	24.0	3.2	0.7	16.7
<i>Including:</i>	<i>301.0</i>	<i>10.0</i>	<i>4.9</i>	<i>1.0</i>	<i>7.0</i>
PH16N6833	349.0	27.8	1.4	0.6	17.5
Related results reported in March 2016					
PH15RD6817*	364.0	15.0	0.7	0.3	11.0
PH15RD6818*	314.0	10.0	0.9	1.2	9.8
PH15RD6821*	230.0	18.0	3.4	0.7	16.8
PH15RD6821*	260.0	9.0	1.3	0.3	8.4
PH15RD6821*	272.0	31.3	2.5	0.7	29.3
PH15RD6822*	219.0	71.3	3.2	0.5	68.5

A full summary of information relating to recent Prominent Hill resource delineation drilling, including drill hole information and Table 1 documentation, can be found at:

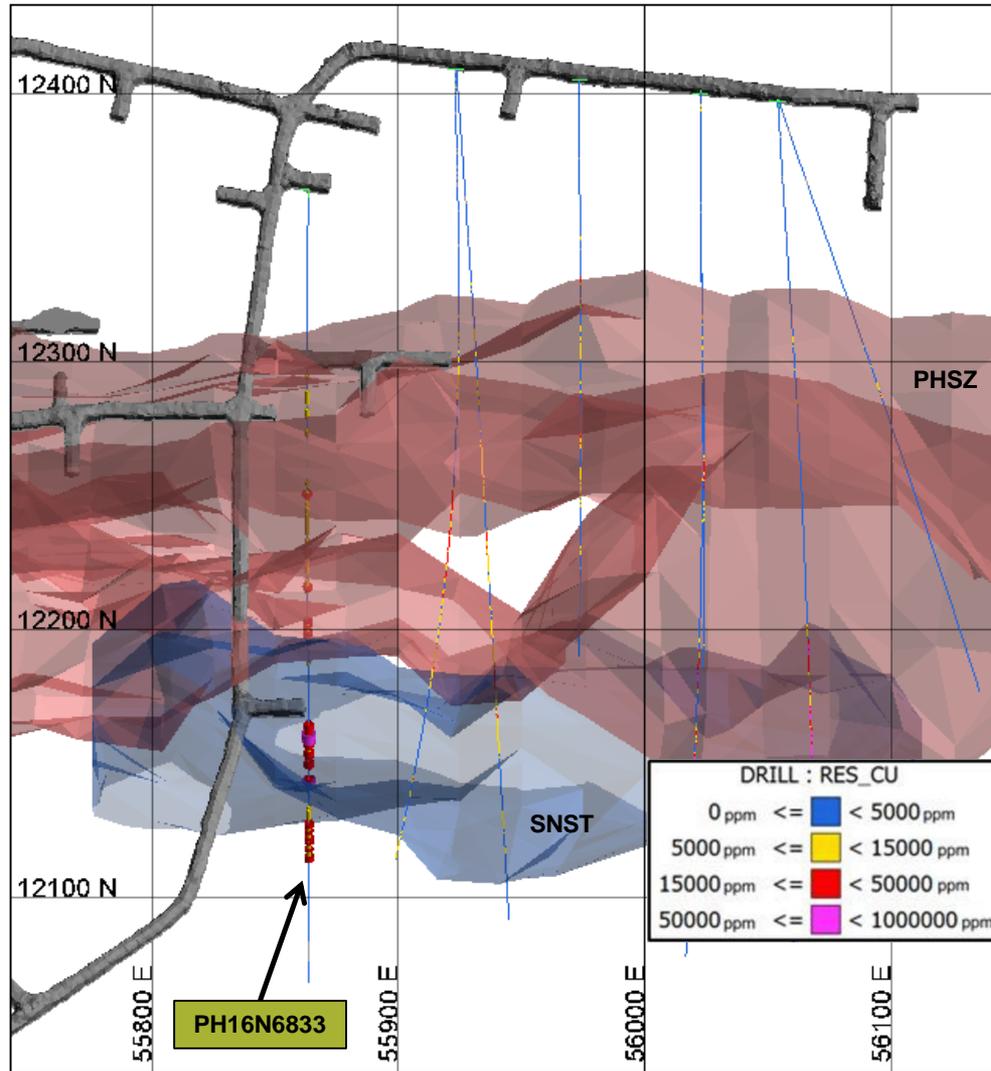
[http://www.ozminerals.com/uploads/media/OZ Minerals Analyst Visit 2016 FINAL.pdf](http://www.ozminerals.com/uploads/media/OZ_Minerals_Analyst_Visit_2016_FINAL.pdf)

Copper intercepts are length weighted downhole at grades of  $\geq 0.5\%$  Cu with  $\leq 2\text{m}$  consecutive downhole internal dilution. Minimum reported estimated intercept true thickness is four metres. Full information relating to March resource delineation drilling results is set out in "Prominent Hill drilling off to a flying start" created on 21 March 2016 and is available at:

[http://www.ozminerals.com/uploads/media/160321 Prominent Hill drilling off to a flying start.pdf](http://www.ozminerals.com/uploads/media/160321_Prominent_Hill_drilling_off_to_a_flying_start.pdf)

# Plan location – PH16N6833

For personal use only



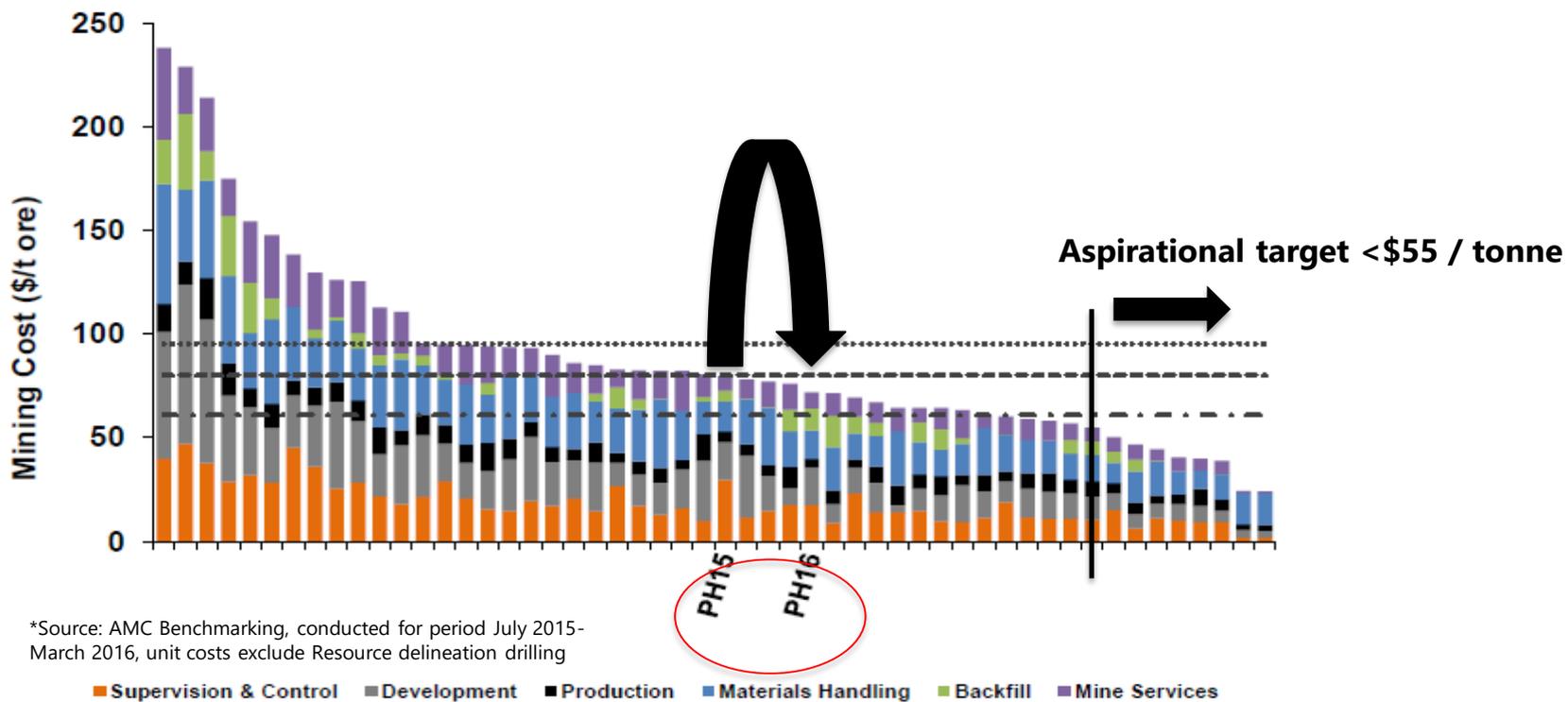
# Improving Underground Performance

## Moving into the Bottom Half of the Unit Cost Curve

For personal use only

/ ~10% reduction unit cost\* in nine months:

- Improved production efficiencies
- Cost reductions
- Increasing production profile

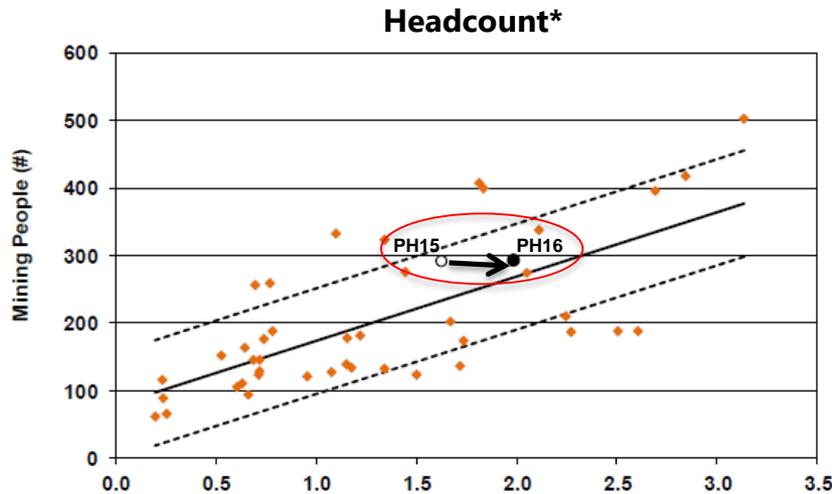


# Underground Performance

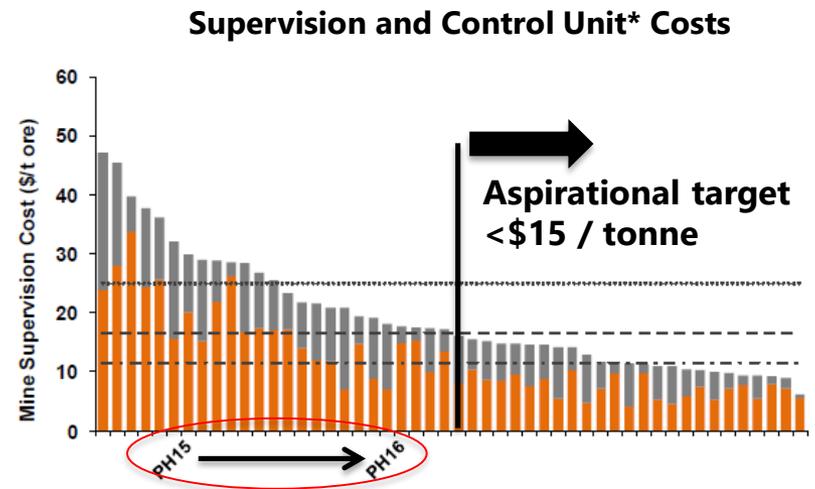
## Productivity Improvements – Supervision and Control Unit Costs

- / AMC bench marking completed May 2016
- / Reduced Unit Costs
  - Disciplined operating approach to headcount during ongoing ramp up
  - Reduced requirement for grade control drilling
  - Increased ore tonnage mined

For personal use only



\*Source: AMC Benchmarking, conducted for period July 2015-March 2016



\*Source: AMC Benchmarking, conducted for period July 2015-March 2016

# Underground Performance

## Productivity Improvements – Development

For personal use only

- / Step change increase in operating hours with resultant increase in metres per jumbo drill per annum (+~23%)
- / Below industry average for development unit costs for the drive size
- / Ground support change is leading industry, a demonstrated commitment to safety
- / Increase in development costs (+~10%) due to ground support and proportion of decline development
- / Opportunity – Jumbo availability, ground support cost reductions

### Development Cycle Improvements

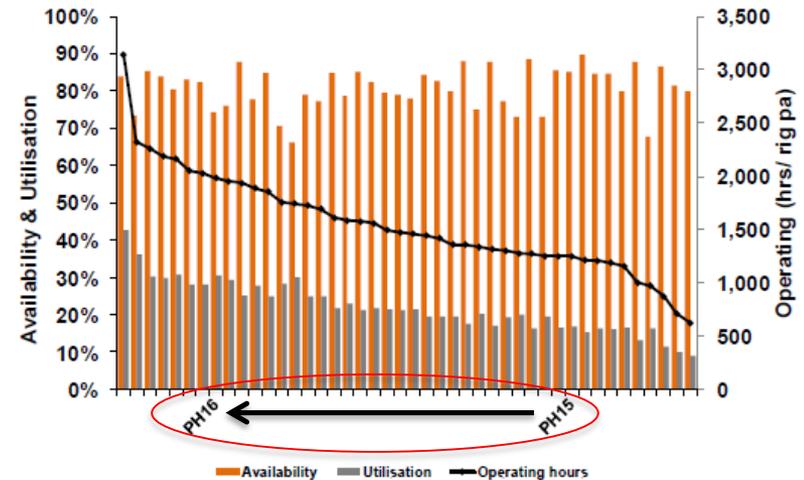
#### Underway

#### Planned

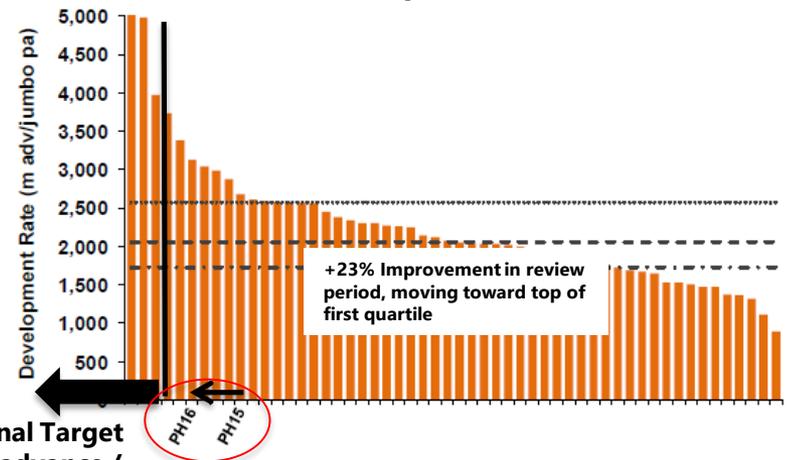
- / Alternative Rockbolt
- / Hydroscaing
- / Cable bolt with 3<sup>rd</sup> production rig

- / Independent firing
- / Surface support type
- / Development waste backfill

**Jumbo Drill Operating Hours\***



**Annual Metres per Jumbo Drill\***



**Aspirational Target  
> 3,600m advance /  
Jumbo pa**

\*Source: AMC Benchmarking, conducted for period July 2015-March 2016



A modern mining company

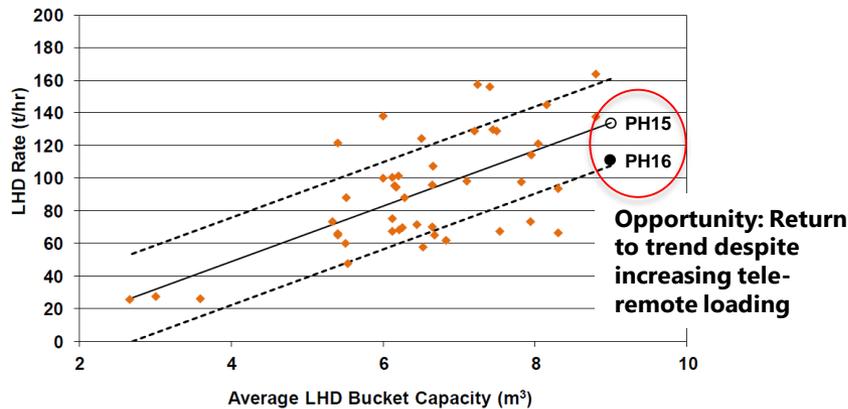
# Underground Performance

## Productivity Improvements – Production

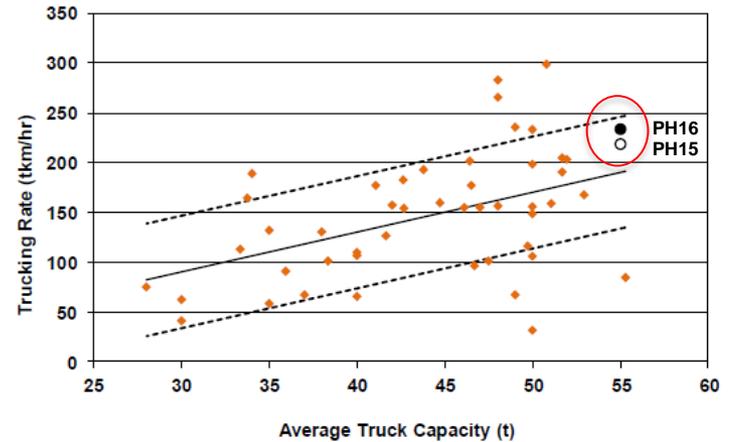
For personal use only

- / 1<sup>ST</sup> quartile operating hours - production drills, loading, trucking
- / 1<sup>ST</sup> quartile unit costs – mine services, maintenance, trucking, loading
- / Amongst lowest unit costs for production in AMC database
- / Opportunities – loader availability, loader productivity

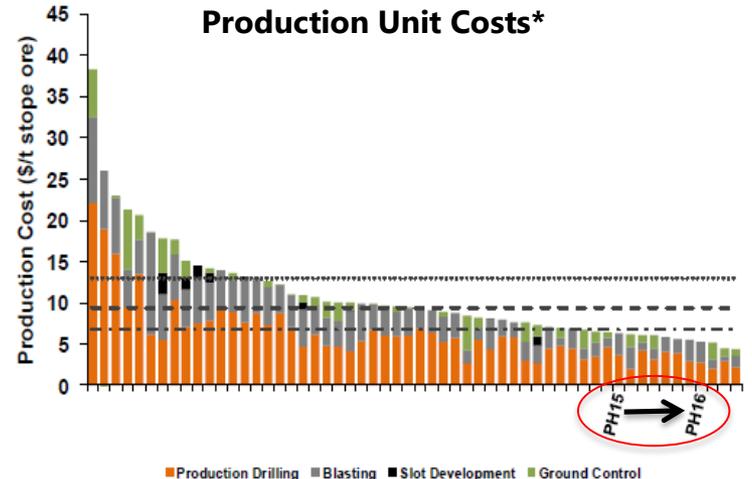
**Production Loader Productivity\***



**Truck Productivities\***



**Production Unit Costs\***



\*Source: AMC Benchmarking, conducted for period July 2015- March 2016

# Guidance

Guidance	2016	2017	2018	2019
<b>PROMINENT HILL:</b>				
Copper production <sup>4</sup>	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 <sup>5</sup>	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			
<b>OTHER:</b>				
Exploration	\$10 - \$15 million			

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

<sup>4, 5</sup> These production targets must be read in conjunction with the production cautionary statement on slide 3