

# QUARTERLY REPORT

FOR THE THREE MONTHS  
ENDED 31 MARCH 2013



## PROMINENT HILL CONTAINED METAL PRODUCTION

MARCH 2013  
QUARTER

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TOTAL COPPER (TONNES)	20,474
TOTAL GOLD (OUNCES)	31,790
C1 CASH COSTS(US cents/lb)	185.0*

### EXECUTIVE SUMMARY

Production from Prominent Hill during the quarter of 20,474 tonnes of copper and 31,790 ounces of gold was slightly above expectations for the quarter, with scheduled production weighted towards the second half of 2013.

These production levels were achieved despite further slippage in the overburden material in the south wall of the Malu open pit at Prominent Hill. The slip has temporarily limited access to a section of the 'Stage 3' mining area and remedial work is underway to restore access to this area. This is planned to be completed in August.

Production for 2013 is now expected to be in the range of 82,000 tonnes copper to 88,000 tonnes copper. Gold production guidance of 130,000 ounces to 150,000 ounces is unchanged.

'C1' costs were higher than the previous quarter at US185c/lb\* mainly due to the lower metal produced, as previously foreshadowed. This also reflects the application of the revised interpretation of the IFRIC 20 accounting standard for deferred waste.

The work to progress development of an underground mine beneath the Malu open pit continued with the decline accessing the resource for testing and results confirming the higher grade interpreted mineralisation positions.

Good progress is being made on the Carrapateena project in the areas of exploration, permitting and studies, seeing the project remain firmly on track to reach a decision to mine in mid-2015.

The pre-feasibility study for the project officially commenced and specific mine design contracts have been awarded to highly experienced block-caving and sub-level open stoping specialists.

Drilling at the Khamsin prospect, a copper discovery announced in the previous quarter, returned further significant widths of 'Carrapateena-style' mineralisation.

A handwritten signature in black ink, appearing to read 'Terry Burgess'.

Terry Burgess  
Managing Director and Chief Executive Officer  
22 April 2013

\*Calculated applying revised interpretation of IFRIC 20 Accounting Standard see page 3 and accompanying presentation for details.

## **OZ MINERALS QUARTERLY ACTIVITIES TO 31 MARCH 2013**

### **SAFETY**

OZ Minerals' safety performance in 2013 continued the improvement that has been seen since 2010 and we continue to implement our safety improvement strategy.

The total recordable injury frequency rate per one million hours reduced from 10.49 in 2012 to 8.83 at the end of Q1 2013. The lost time injury frequency rate however has increased slightly from 1.46 to 1.91 predominantly as a result of strain-type injuries.

### **OPERATIONS**

#### **PROMINENT HILL**

Production for the quarter was 20,474 tonnes of copper and 31,790 ounces of gold which was slightly above planned levels for the quarter but, as foreshadowed, was lower than previous quarters' results.

Further movement in the overburden material in the south wall of the pit occurred during the quarter which limited safe access to a section of about 35,000 square metres in the Stage 3 floor of the pit.

A geotechnical review of the south wall and development of a remediation plan indicates that re-access into this section of Stage 3 should be achieved in August. As a result of the restricted access for this period, copper production for 2013 is now expected to be in the range of 82,000 to 88,000 tonnes.

For mining and operating statistics please refer to table 1 on page 7 of this report.

#### **South wall overburden slip**

During the first quarter, a slip in a section of the overburden at the top of the south wall of the Malu pit occurred. This movement was predicted in advance by monitoring equipment installed around the pit and as such there was no risk to people or plant. This was associated with the movement of the unstable area further to the east that was reported in the Q4 2012 Quarterly Report.

Slippages have been experienced in this wall at Prominent Hill since the commencement of mining, with remedial work undertaken as appropriate. This recent slip has been caused by local ground water propagating a shear in the 'Bulldog' shale units in the overburden.

There has been no movement in the south wall in the horizons below this shale unit or in the highly competent basement units which host the orebody and make up the majority of the pit.

Over a three week period, around 500,000 bcm of overburden, predominantly shale and silt, rilled down into a limited area representing about 20 percent of the total Stage 3 mining area. This restricted access to this specific area, but mining continued elsewhere in Stage 3. It also saw longer haul distances for a period, but improved access routes were established by late March. By quarter end all the rilled material from the floor of the pit had been cleared to the waste dumps.

The program to prevent ongoing de-stabilisation of the shale horizon has been expanded with the installation of a network of upstream drains and pumps to reduce residual pore pressures, with improvements already being seen.

The work to unload approximately 2-3 million bcm of the overburden at the top of the south wall to remediate the slip has commenced. This work will cost approximately \$15-20 million, with the cost capitalised as deferred waste, and is planned to be completed in August, when full mining access to Stage 3 will be restored.

#### **Production and cost guidance**

As the reduced access to Stage 3 is likely to reduce ore mining and hence production for this period, production guidance has been modified as follows:

- 82,000-88,000 tonnes of copper  
*Previously 90,000 tonnes to 95,000 tonnes*
- 130,000-150,000 ounces gold (unchanged)

C1 Cash cost guidance is modified to US\$165-180c/lb, *previously US\$150-165c/lb.*

Costs are expected to increase due to the lower expected copper production (+9 cents), application of a lower conservative consensus gold price (+16 cents), application of a higher consensus A\$/US\$ exchange rate (+4 cents) and the impact of the new IFRIC 20 accounting standard (-18 cents) and Q1 actuals (+2 cents). The C1 cash cost guidance is now based on different assumptions and is therefore not strictly comparable with previous guidance.

Further details can be found on pages 8-11 of the accompanying presentation.

The south wall overburden slip is not anticipated to impact the 2014 mine plan.

### **Mining Malu open pit**

Total material mined for the quarter was 18.3Mt with 16.0Mt of waste and 2.3Mt of ore.

Ore mining was higher than planned for the quarter. The copper grade mined, at 0.67%, was lower than previous periods. Waste mining was 20 percent lower than the previous quarter.

The amount of waste to be mined decreases significantly each year for the remaining life of the open pit, significantly improving its forecast net cash generation over future years. A slide illustrating the declining strip ratio can be found on page 13 of the accompanying presentation.

### **Ankata**

Mining underground at Prominent Hill continues to progress well. There was no impact to underground mining operations as a result of the open pit operation.

During the quarter, mining of the Audrey stope was completed.

With the mine now operating at full capacity, ore mined was up 45 percent on the previous quarter at 290kt with copper grades averaging 1.95%.

The Irene and Charlotte stopes were producing during the quarter and the Violet stope is to be mined next. There were 92,000 tonnes of drilled stocks available for blasting at the end of the quarter. Mine development progressed well during the quarter with approximately 1 million tonnes of stope material now available for production drilling over the coming months.

See slide 15 and 16 in the accompanying presentation for detail.

The access portal to the underground decline is being relocated towards the west wall of the Malu open pit to reduce interaction with the south wall.

### **Processing**

For the first quarter, 2.4Mt of ore was milled – an annualised rate of 9.6Mtpa. Recovery remained good despite treating the lower head grade of 0.99% copper.

### **Costs**

C1 costs have been reported with the mandatory application of a revised accounting interpretation for deferred stripping (IFRIC 20). An explanation of the impact of applying the revised interpretation is provided on pages 8 to 10 of the accompanying presentation.

C1 cash costs of production for the quarter, calculated by applying IFRIC 20, were US\$185c/lb. Compared to the previous quarter, this increase is largely due to lower payable metal production, which in turn was due to lower head grades from the open pit, along with higher

open pit mining costs due to reduced productivity related to the south wall. This was partially offset by lower unit costs from the Ankata mine, and a reduction of 12c/lb due to application of IFRIC 20. The IFRIC 20 reduction in C1 (and in Cost of Goods Sold) is largely offset by a higher depreciation expense of the deferred waste asset.

OZ Minerals has made and will continue to make efforts to reduce expenditure and improve cost efficiency and productivity across its business and particularly in operations. This has been more successful since postponement of the Olympic Dam Expansion and is discussed in the accompanying presentation on page 12.

As foreshadowed, C1 costs were expected to be higher in the first half of the year. However, in terms of unit costs, this has been impacted by lower total movement from the open pit as noted above which also resulted in lower equipment utilisation and longer haulage distances. Resumption of full access to Stage 3 and further efforts to improve equipment efficiency should see material movement return to expected levels.

Total costs for Ankata underground were high for the quarter, reflecting the higher tonnage of ore mined, but on a unit cost basis were satisfactory.

## **MINE DEVELOPMENT**

### **PROMINENT HILL EXTENSION PROJECT**

#### **Malu underground project**

Work in the quarter included continued development of the Malu underground access declines and infrastructure and underground resource drilling.

The original Malu Footwall Decline reached end of design (1266m) with mine development then proceeding with the Hanging wall Decline (191m total advance to date), which allows access to the northern side of the proposed stopes and further resource definition.

This development will also enable the future development of initial production levels and subsequent pre-production activities, to enable stoping in 2014, following successful delineation of viable mining areas.

As drilling sites developed, additional drill rigs were utilised and 12 holes were collared with 3,783 metres completed during the first quarter. The current phase of drilling from the footwall is designed to delineate the upper boundaries of the mineralisation and test higher grade copper zones in the Prominent Hill Shear Zone, a major mineralised body in the open pit which continues into the proposed underground mining area. Initial

results returned to date have broadly confirmed the current mineralisation interpretation. Analytical results include:

Hole location	From (metres)	Interval (metres)	Copper %	Gold g/t
PH13GC5779	148	18	1.1	0.6
PH13GC5779	236.1	9.6	3.3	0.4
PH13GC5779	249.5	13.5	4.3	0.2
PH13GC5800	143	24.5	1.6	0.3
PH13GC5800	240	7.8	2.0	0.4
PH13GC5800	265	12	0.9	0.3
PH13GC5800	392	4	1.4	0.0
PH13GC5800	399	10	1.4	0.3
PH13GC5818	144.2	14	1.3	0.6
PH13GC5818^	238.3	13.7	2.7	0.5
PH13GC5818^	254.3	10.4	5.6	0.2
PH13GC5835	235	3	2.6	0.6
PH13GC5835	249	8	4.3	0.3
PH13GC5836	153.2	6.8	2.8	0.6
PH13GC5836	162	7	1.3	0.6
PH13GC5836	278.4	4.5	4.8	0.3
PH13GC5836	432	7	2.0	0.1
PH13RD5837	120	18	1.3	0.4
PH13RD5837^	140.2	27.8	1.3	0.1
PH13RD5837^	227	9	3.7	0.2
PH13RD5837^	254	5.2	2.6	0.4
PH13GC5846	261.4	10.3	6.6	0.2

Intercepts are length weighted down-hole, >0.5% Cu with <2m down-hole of internal dilution, widths reported may not reflect true widths, please refer to the Prominent Hill 2012 Mineral Resource Explanatory notes for further explanation on quality assurance.

^Intercepts inside final Malu Open Pit design.

### Prominent Hill extension project

A separate study is underway to assess the value of potentially mining deeper levels of the Prominent Hill Mineral Resource (Malu Deeps and Kalaya). A high level conceptual study is investigating potential scenarios which utilise current Prominent Hill capital assets with additional underground mining resources with the overall objective of maximising value.

Completion of this initial study by mid-2013 will provide strategic direction for a full Scoping Study, centred on the most favourable outcomes.

## EXPLORATION

### CARRAPATEENA

Options for the viable development of the Carrapateena copper project continue to be a major focus. The project has progressed to the pre-feasibility study phase with the overall objective to reach a decision to mine point in 2015, and to consider all options available for OZ Minerals to maximise the benefit of this asset for shareholders.

### Pre-feasibility study

The pre-feasibility study team has been established comprising a study manager with a small group of key discipline engineers supported by a project controls and contracts team. Environment, community and permitting aspects of the project are provided by the wider OZ Minerals team.

A contract to manage the pre-feasibility study was awarded to AECOM Australia, which is supported by specialist sub-consultants Lycopodium.

Two pre-feasibility mine design studies have been awarded to allow specific consideration to be given to the two selected processes – block caving and sub-level open stoping. The study for the block cave option has been awarded to the Chilean company, NCL Ingenieria y Construccion, a specialised mining consultancy with extensive experience in the estimation of mineable reserves and resources, and extensive expertise in the planning and development of block cave mines in Chile and Australia. The sub-level open stoping mine study was awarded to AMC Consultants.

The pre-feasibility study is due to be completed by mid-2014.

### Permitting

OZ Minerals was granted a Retention Lease for the Carrapateena project in March. The Retention Lease will allow OZ Minerals to develop an exploration decline to access the Carrapateena orebody at depth and assist in determining the feasibility of future mining works.

A Native Title Agreement was also reached with the Kokatha Uwankara Native Title Claimant Group for the advanced exploration stage of the project. This agreement is a precursor to any agreement which would need to be reached should a decision to mine be made.

In early April OZ Minerals received notification that the Program for Environmental Protection and Rehabilitation for the Carrapateena Retention Lease stage had been approved by the SA Department of Resources and Energy.

### Exploration decline

A 6.5 kilometre long exploration decline to a depth of 1,000m below surface is planned for the next phase of assessment of the deposit. The decline will be developed using a 5.8 metre diameter tunnel boring machine which will allow progress much faster than using drill and blast. Accelerating this aspect of the program will align it with the studies and significantly accelerate the decision to mine.

The decline will initially allow access to a level 625 metres below surface to allow in-situ geotechnical

characterisation to be carried out. This will include structural mapping and validation of the geotechnical block model and in situ rock stress measurements which cannot be carried out from surface. The information will inform a critical part of the study.

The tunnel boring machine is currently being re-manufactured to the project's specification with input from a number of tunnelling experts. The machine is scheduled to be delivered to site before the end of 2013, before being reassembled and commissioned to commence development in 2014.

A process is currently underway to finalise terms with a short listed contractor to develop the decline.

#### **Carrapateena drilling**

In January, the Carrapateena Mineral Resource was increased by 43 percent (at a 0.7% copper cut-off grade) to 292Mt at 1.29% copper and 0.48g/t gold. A significant portion of the original Inferred Resource and the northern exploration target area were upgraded to Indicated Resource. Additional Inferred Resources were also outlined.

At a 0.3% copper cut-off the Mineral Resource estimate increases to 760Mt at 0.78% copper and 0.3g/t gold. The deposit remains open at depth.

Four holes for 3,682 metres were completed subsequent to the estimation of this Resource. Results from these holes support the known resource and confirm a depth extension to the resource model announced in January. Significant results included:

#### **DD12CAR106W1:**

1,077.6 metres @ 1.33% Cu and 0.44g/t Au from 781.4 metres\*including:

- 274 metres @ 1.93% Cu and 0.62g/t Au from 1,074 metres\*\*
- 163 metres @ 2.77% Cu and 0.75g/t Au from 1,364 metres\*\*
- 125 metres @ 1.55% Cu and 0.46g/t Au from 1,584 metres\*\*

#### **DD12CAR107W1:**

1,060 metres @ 0.71% Cu and 0.28g/t Au from 1,056 metres\*including:

- 237 metres @ 1.56% Cu and 0.55g/t Au from 1,397 metres\*\*

#### **DD12CAR108:**

1,865 metres @ 0.58% Cu and 0.28g/t Au from 594 metres\*including:

- 64 metres @ 1.04% Cu and 0.59g/t Au from 1,453 metres\*\*

#### **DD12CAR108W1:**

1,479 metres @ 0.64% Cu and 0.30g/t Au from 594 metres\*including:

- 130 metres @ 1.16% Cu and 0.69g/t Au from 1,117 metres\*\*

#### **DD12CAR114:**

1,456 metres @ 0.79% Cu and 0.38g/t Au from 798 metres\*including:

- 31 metres @ 1.03% Cu and 0.55g/t Au from 1,044 metres\*\*
- 54 metres @ 1.74% Cu and 0.97g/t Au from 1,082 metres\*\*
- 324 metres @ 1.43% Cu and 0.56g/t Au from 1,213 metres\*\*
- 60.2 metres @ 1.86% Cu and 0.72g/t Au from 2,135.8 metres\*\*

These results are the final results of the surface drilling campaign on the Carrapateena deposit with future drilling planned from underground.

Some of these results are represented in cross-section on slide 18 of the accompanying presentation.

#### **Regional exploration**

At the Khamsin prospect, 10 kilometres north-west of Carrapateena, follow-up drilling continued on this new copper discovery (DD12KMS003 returning 440.6 metres @ 0.43% copper and 0.08g/t gold from 1,005.4 metres down-hole). Two holes were completed with two holes in progress for 4,879 metres. All holes to date have intersected mineralisation and alteration consistent with a 'Carrapateena-style' IOCG deposit.

Results from the first of these follow-up holes have been returned and include:

#### **DD13KMS004W3**

632 metres @ 0.36% Cu and 0.07g/t Au from 573 metres\*and,

442 metres @ 0.49% Cu and 0.09g/t Au from 1380 metres\*\* including:

- 36.0 metres @ 1.04% Cu and 0.31g/t Au from 1030 metres\*\*
- 48.5 metres @ 1.01% Cu and 0.07g/t Au from 1,385.6 metres\*\*

A seismic survey was completed over the Carrapateena-Fremantle Doctor corridor which will enable more accurate and efficient drill targeting in this prospective area. Infill ground gravity surveys were also completed over this area.

Systematic ground gravity infill surveys and drill testing of selected regional targets are in progress within the main (838 square kilometres) part of the tenement block.

\*Length-weighted average grades calculated using a 0.1% Copper cut-off and unlimited internal dilution. All intervals are metres down hole.\*\* Length-weighted average grades calculated using a 0.7% Copper cut-off and a maximum of four metres internal dilution. All intervals are metres down hole.

## PROJECT ACQUISITION

OZ Minerals has recently signed a Heads of Agreement letter of offer to purchase the Stuart Shelf exploration project from Straits Resources. The project comprises seven exploration licenses located within close proximity of OZ Minerals 100% owned Carrapateena Licenses.

The purchase is subject to due diligence and finalisation of a Sale and Purchase Agreement. It is anticipated that the due diligence will be completed by the end of April.

## SALES & MARKETING

The shipments of concentrate during the month totalled 25,421 tonnes, containing 12,328 tonnes of copper, 19,815 ounces of gold and 105,499 ounces of silver.

A concentrate shipment brought forward into Q4 2012 reduced sales in the Q1 2013.

## CORPORATE

### ANNUAL GENERAL MEETING

OZ Minerals' Annual General Meeting will be held on Tuesday 28 May 2013 at 2.00pm (AEST), at the Melbourne Exhibition Centre Auditorium, Level 2, 2 Clarendon Street, Southbank, Melbourne.

## CORPORATE INFORMATION

### ISSUED SHARE CAPITAL AT 19 APRIL 2013

ORDINARY SHARES	303,470,022
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### SHARE PRICE ACTIVITY FOR THE MARCH QUARTER (CLOSING PRICE)

HIGH	\$7.65
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LOW	\$5.14
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LAST	\$4.81 (19 APRIL 2013)
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AVERAGE DAILY VOLUME	2.16 MILLION SHARES
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## SHARE REGISTRY

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THIS INFORMATION AND EXPLORATION RESULTS RELATING TO PROMINENT HILL HAS BEEN APPROVED FOR RELEASE IN THE FORM AND CONTEXT IN WHICH IT APPEARS BY MR COLIN LOLLO WHO IS A FULL TIME EMPLOYEE OF OZ MINERALS AND HAS SUFFICIENT EXPERIENCE WHICH IS RELEVANT TO THE STYLE OF MINERALISATION AND TYPE OF DEPOSIT UNDER CONSIDERATION AND TO THE ACTIVITY UNDERTAKEN TO QUALIFY AS A COMPETENT PERSON AS DEFINED IN THE 2004 EDITION OF THE 'AUSTRALASIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES. WITHIN THIS RELEASE ARE REFERENCES TO EXPLORATION RESULTS RELATING TO PROMINENT HILL AND CARRAPATEENA 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. THE INFORMATION IN THIS RELEASE WHICH REFERS TO CARRAPATEENA MINERAL RESOURCES IS BASED ON INFORMATION COMPILED BY STUART MASTERS WHO IS A MEMBER OF THE AUSTRALASIAN INSTITUTE OF MINING AND METALLURGY (AUSIMM) (108430). STUART 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 'AUSTRALASIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES' (JORC 2004). STUART MASTERS CONSENTS TO THE INCLUSION IN THE REPORT OF THE MATTERS BASED ON HIS INFORMATION IN THE FORM AND CONTEXT IN WHICH IT APPEARS. STUART MASTERS BSC (GEOLOGY), CFSG, HAS OVER 26 YEARS OF RELEVANT EXPERIENCE AS A GEOLOGIST INCLUDING 9 YEARS IN IRON-OXIDE-COPPER-GOLD STYLE DEPOSITS. STUART MASTERS HAS VISITED SITE ON MANY OCCASIONS SINCE OZ MINERALS ACQUIRED THE PROJECT. ALL OTHER REFERENCES TO EXPLORATION RESULTS WITHIN THIS RELEASE 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 WITHIN THIS RELEASE REFERENCES TO EXPLORATION RESULTS RELATING TO PROMINENT HILL AND CARRAPATEENA.

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## OZ MINERALS PROMINENT HILL PRODUCTION & COSTS

**TABLE 1**  
**PROMINENT HILL PRODUCTION STATISTICS**

		DEC QTR '12	MAR QTR '13
MINED (TONNES)	MALU ORE	1,972,624	2,336,953
	ANKATA ORE	199,560	289,613
	WASTE	19,709,691	15,962,835
MINED GRADE	MALU COPPER (%)	0.84	0.67
	ANKATA COPPER (%)	2.73	1.95
	GOLD (G/T)	0.57	0.67
	SILVER (G/T)	3.00	2.68
ORE MILLED	(TONNES)	2,328,597	2,355,995
MILLED GRADE	COPPER (%)	1.12	0.99
	GOLD (G/T)	0.57	0.55
	SILVER (G/T)	3.25	3.13
RECOVERY	COPPER (%)	89.1	87.8
	GOLD (%)	75.0	75.9
	SILVER (%)	75.6	76.3
COPPER CONCENTRATE PRODUCED	TONNES	45,934	42,539
CONCENTRATE GRADE	COPPER (%)	50.7	48.1
	GOLD (G/T)	21.9	23.2
	SILVER (G/T)	124.7	132.3
CONTAINED METAL IN CONCENTRATES	COPPER (TONNES)	23,296	20,474
	GOLD (OZ)	32,273	31,790
	SILVER (OZ)	184,096	180,983
TOTAL CONCENTRATE SOLD	(DM TONNES)	59,953	25,421

**Table 2**  
**OPERATING COSTS ('C1')**

<b>PROMINENT HILL COSTS (US CENTS PER LB)</b>		
	<b>DEC QTR '12*</b>	<b>MAR QTR '13**</b>
MINING COSTS	264.7	304.0
DEFERRED MINING	-103.7	-78.9
ORE INVENTORY ADJ	-2.7	-39.4
TOTAL MINING COSTS	158.3	185.7
TOTAL SITE PROCESSING COSTS	53.4	62.3
TC AND TRANSPORT	37.9	40.3
NET BY-PRODUCT CREDIT (INCL PROCESSING/TC/RC/TRANSPORT)	-118.4	-125.6
OTHER DIRECT CASH COSTS	19.7	22.3
TOTAL C1 COSTS	150.9	185.0
ROYALTIES	6.7	6.8
OTHER INDIRECT COSTS	25.8	11.5
TOTAL CASH COSTS	183.4	203.3
DD&A	88.9	132.9
OTHER NON CASH COSTS	0.5	-13.1
TOTAL PRODUCTION COSTS	272.8	323.1

\* As disclosed (excludes impact of IFRIC 20)

\*\* Includes impact of IFRIC 20