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2019 Half Year Financial Results

Presentation

28 AUGUST 2019



A modern
mining company

Disclaimer

Forward Looking Statements

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Underlying EBITDA and Underlying NPAT are included in the Review of consolidated financial results and operations and Note 1 Operating Segments, which form part of the Financial Report.

All figures are expressed in Australian dollars unless stated otherwise.

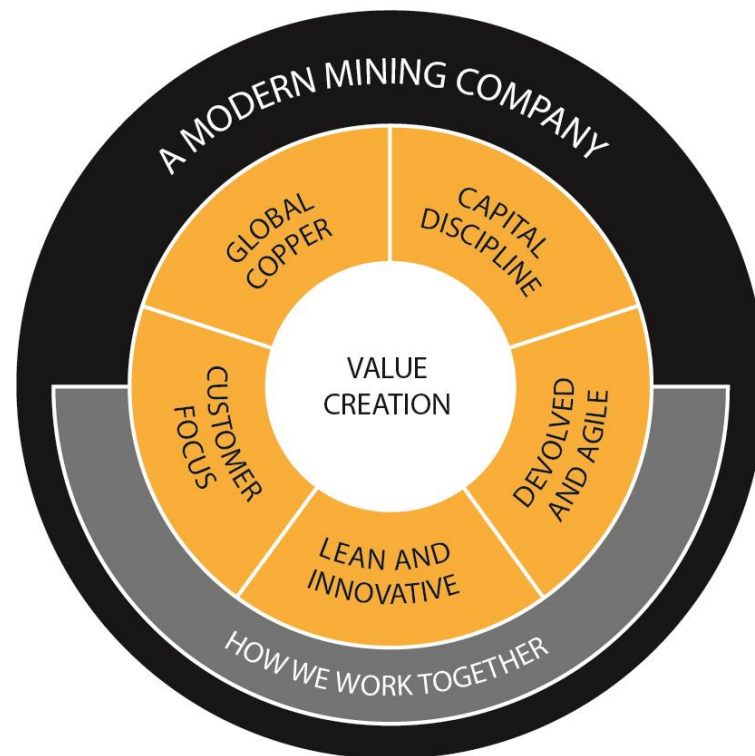
This presentation should be read in conjunction with the 2019 Half Year Financial Results released today.

2019 Highlights

Strong cash generation supports growth investment across the business

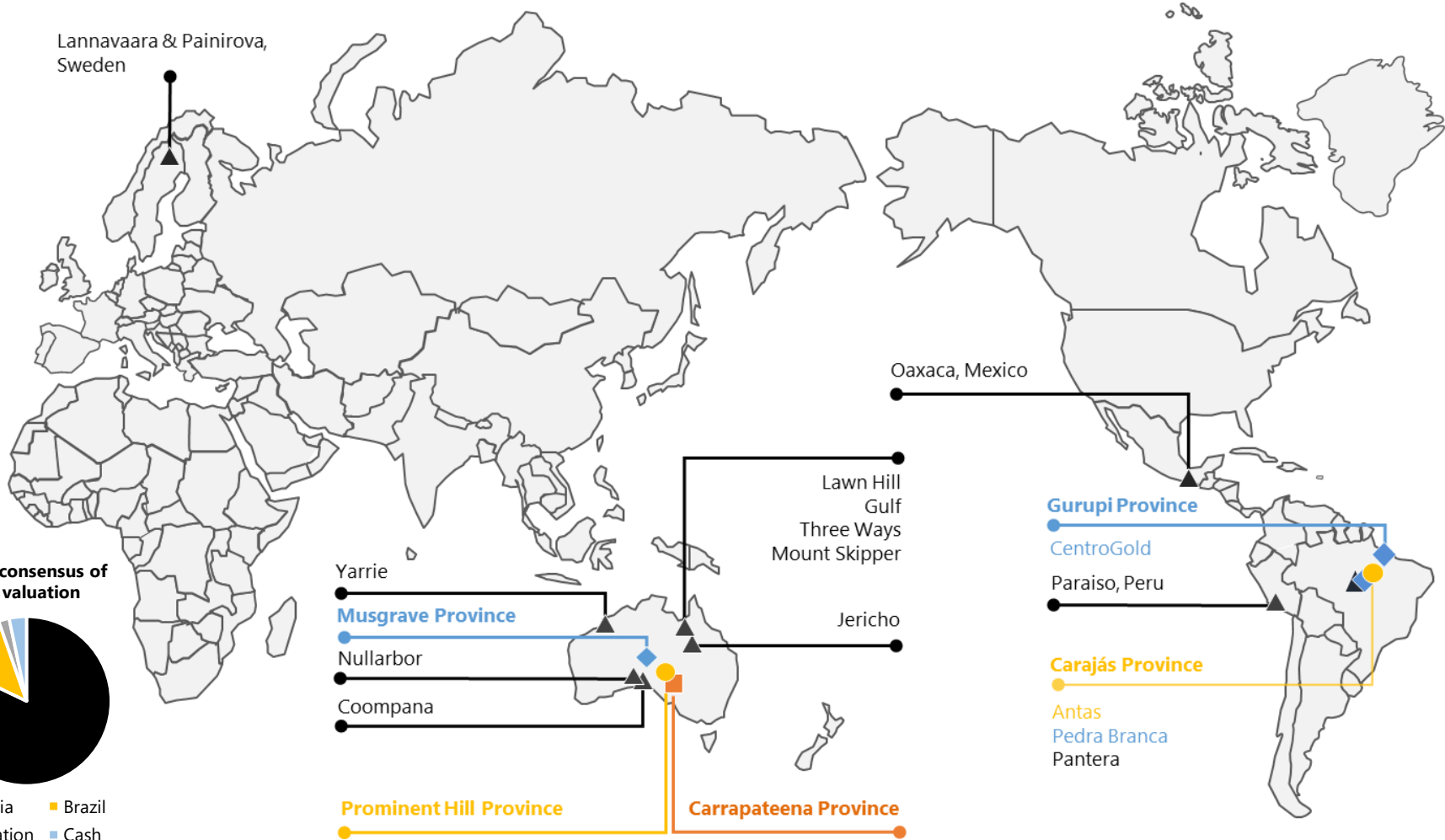
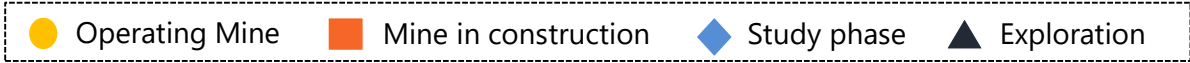
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- / Net Profit After Tax (NPAT) of \$44 million reflects shipment timing and increased growth investment
- / Market dynamics favouring strong Q3 shipping schedule; all 2019 production tonnes committed
- / Solid cash generation funding progressive transition to multiple operations
- / Fully franked interim dividend of 8 cents per share declared
- / Carrapateena on schedule for first concentrate production in November with over 100kt of development ore stockpiled; expansion studies progressing
- / West Musgrave project evaluating multiple potential value-add opportunities; PFS completion and maiden Ore Reserve expected early 2020
- / Low risk, modest capital hub strategy developed for Carajás and Gurupi provinces
- / Exploration growth pipeline expands with new earn-in agreements in the Carrapateena province and Sweden and a new joint venture created for the Jericho project in Queensland

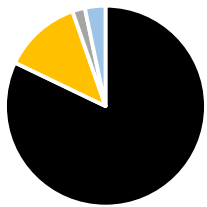


Company Snapshot

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Broker consensus of OZL valuation



- Australia
- Brazil
- Exploration
- Cash



H1 2019 Performance

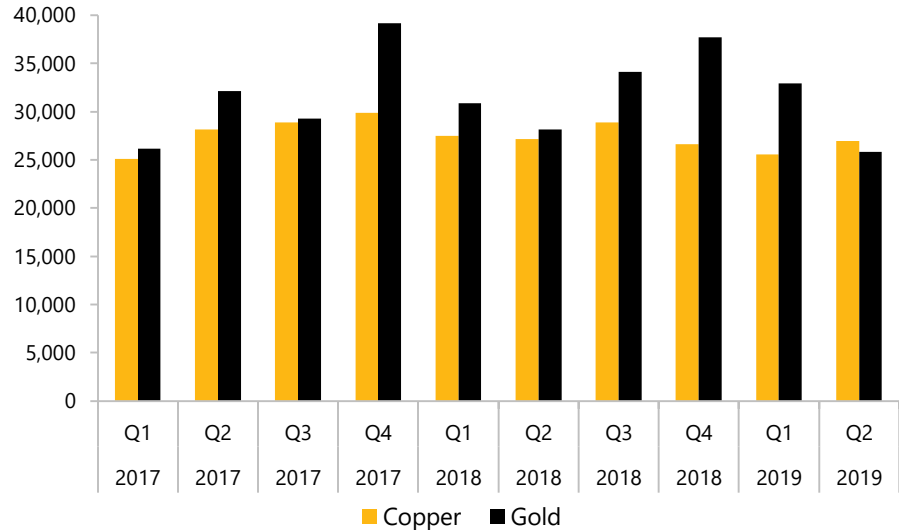
Strong production and bottom quartile costs

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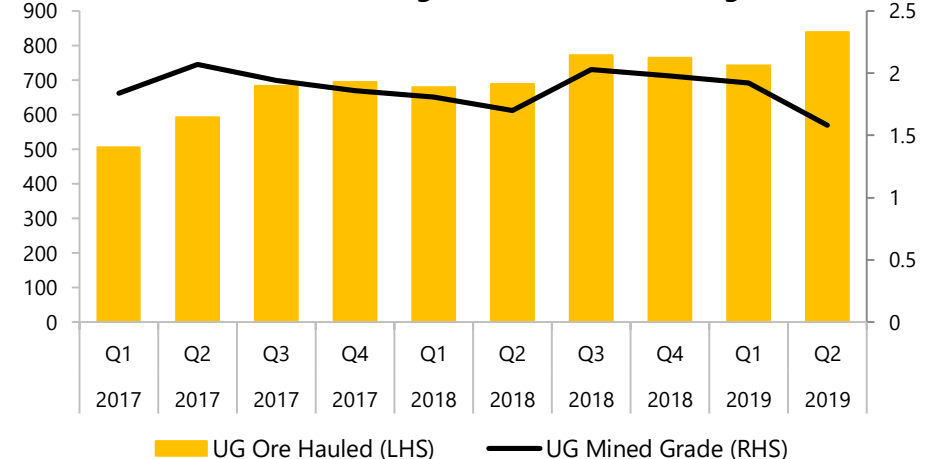
Prominent Hill

- ✓ Copper and gold guidance on track for 2019
 - ✓ Copper production 52,534 tonnes
 - ✓ Gold production 58,757 ounces
- ✓ Bottom quartile costs
 - ✓ All-in sustaining cost of US 99c/lb
 - ✓ C1 cost of US 58c/lb
- ✓ Strong cash generation driven by improved underground mining performance and open pit stockpile processing
- ✓ Gold ore processing trial demonstrated improvements in expected recoveries; analysis of stockpile sequencing underway
- ✓ Underground expansion Haulage Feasibility Study nearing completion; ~9 kilometres of expansion study diamond drilling completed

(t/oz) Prominent Hill contained copper and gold produced



(kt) Prominent Hill underground ore hauled and grade



H1 2019 Performance

Sales deferral driving lower comparable metrics

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H1 2019 financial performance:

- / Revenue of \$419 million
- / Underlying EBITDA of \$163 million
- / Underlying NPAT of \$44 million
- / Underlying EPS of 14 cps

Lower comparable metrics versus H1 2018 driven by:

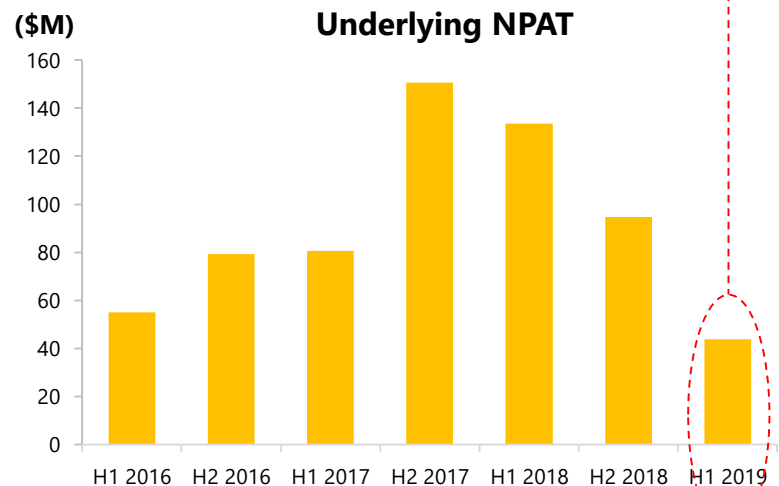
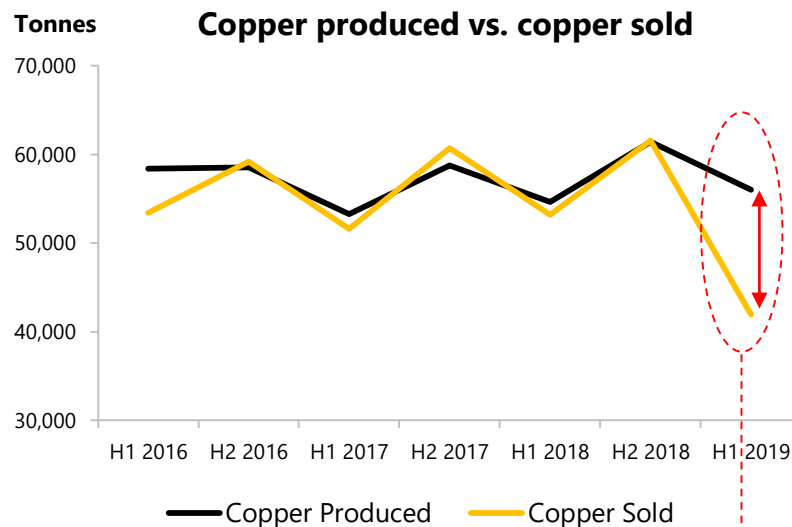
- / Shipment timing
- / Increased growth investment
- / Inclusion of higher cost Antas production
- / Sale of lower grade concentrate produced in late 2018

Market dynamics favour strong Q3 shipping schedule

- / All 2019 production tonnes committed for the year with smelter demand rebounding
- / Concentrate grades expected to remain higher through 2019 following lower grade production in Q4 2018

Prominent Hill underlying EBITDA margins broadly in line with H1 2018 at a robust 57%

Fully franked interim dividend of 8 cents per share to be paid in September 2019



Income Statement

A\$M **Jun-18** **Jun-19**

Revenue	530	419
Cost of goods sold	(224)	(195)
Net foreign exchange gain/(loss)	2	(2)
Exploration, studies and drilling	(20)	(37)
Head office costs	(12)	(19)
Other net benefit/(expense)	14	(3)
Underlying EBITDA	290	163
Net Depreciation	(104)	(89)
Underlying EBIT	186	74
Tax, net interest	(52)	(30)
Underlying NPAT	134	44

Shipment timing and lower net commodity prices partially offset by lower realisation costs

Lower volume of sales, partially offset by inclusion of Antas

Investment into Carajás, Gurupi and Carrapateena provinces, exploration earn-ins and corporate development

Inclusion of Brazil, additional organisational capability including commercial and governance resourcing

Tax expense lower with lower profit and recognition of restricted tax losses; Brazil pipeline development costs not attributable

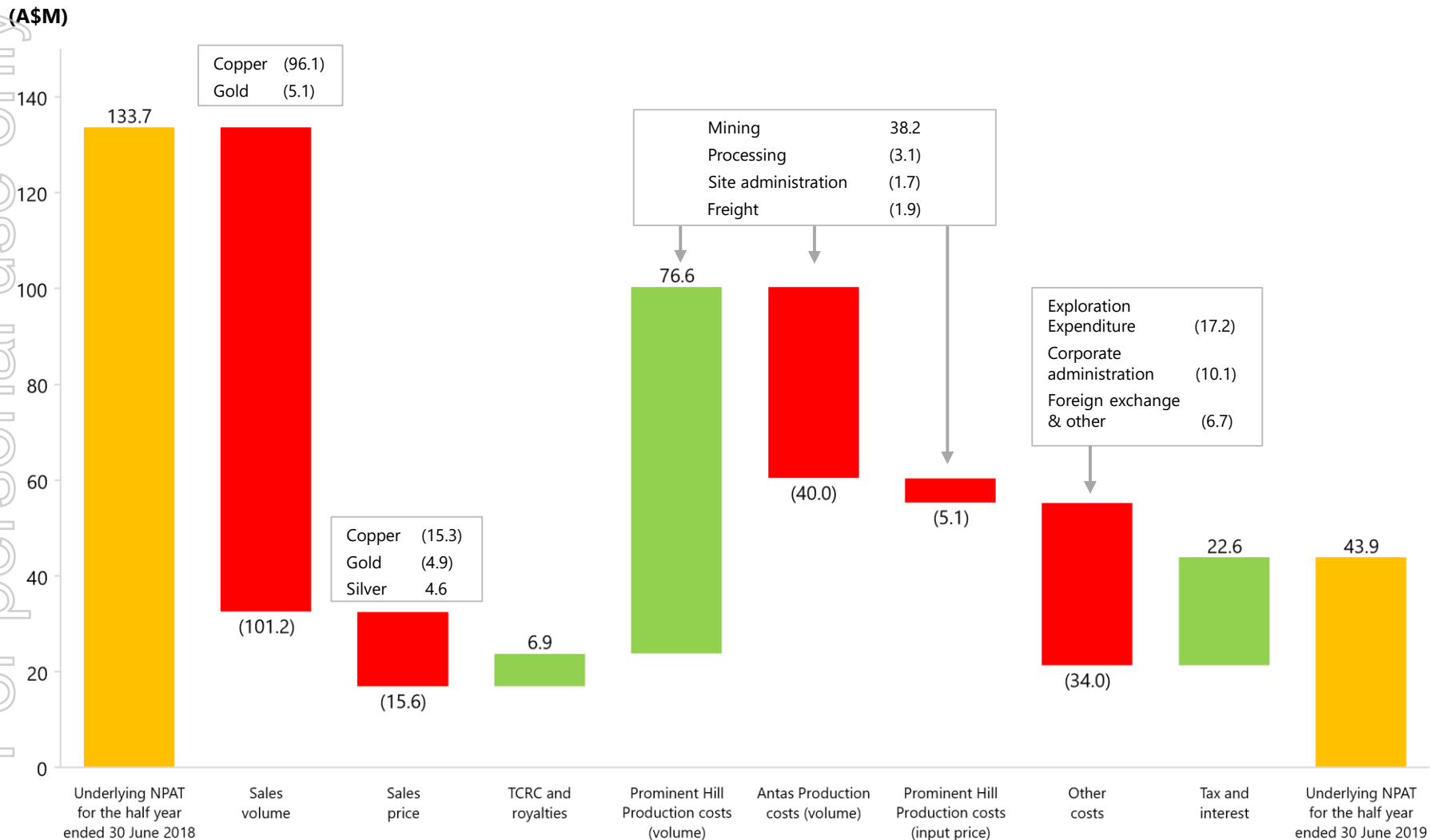
Guidance allocations for 2019:

- / Exploration spend of \$30-\$35 million to be fully expensed
- / Revised project studies and drilling commitments spend of \$90-\$95 million may increase up to \$120 million should project expenditure be incurred that is yet to be approved. It is expected ~60% of project studies and drilling expenditure will be expensed in the current year.
- / Net depreciation guidance lowered to \$195 million – \$205 million (from \$225 – 235 million) principally reflecting the Brazil hub processing strategy and the adoption of AASB16 for deemed leases

Underlying NPAT: H1 2019 vs. H1 2018

NPAT includes additional growth investment expensed

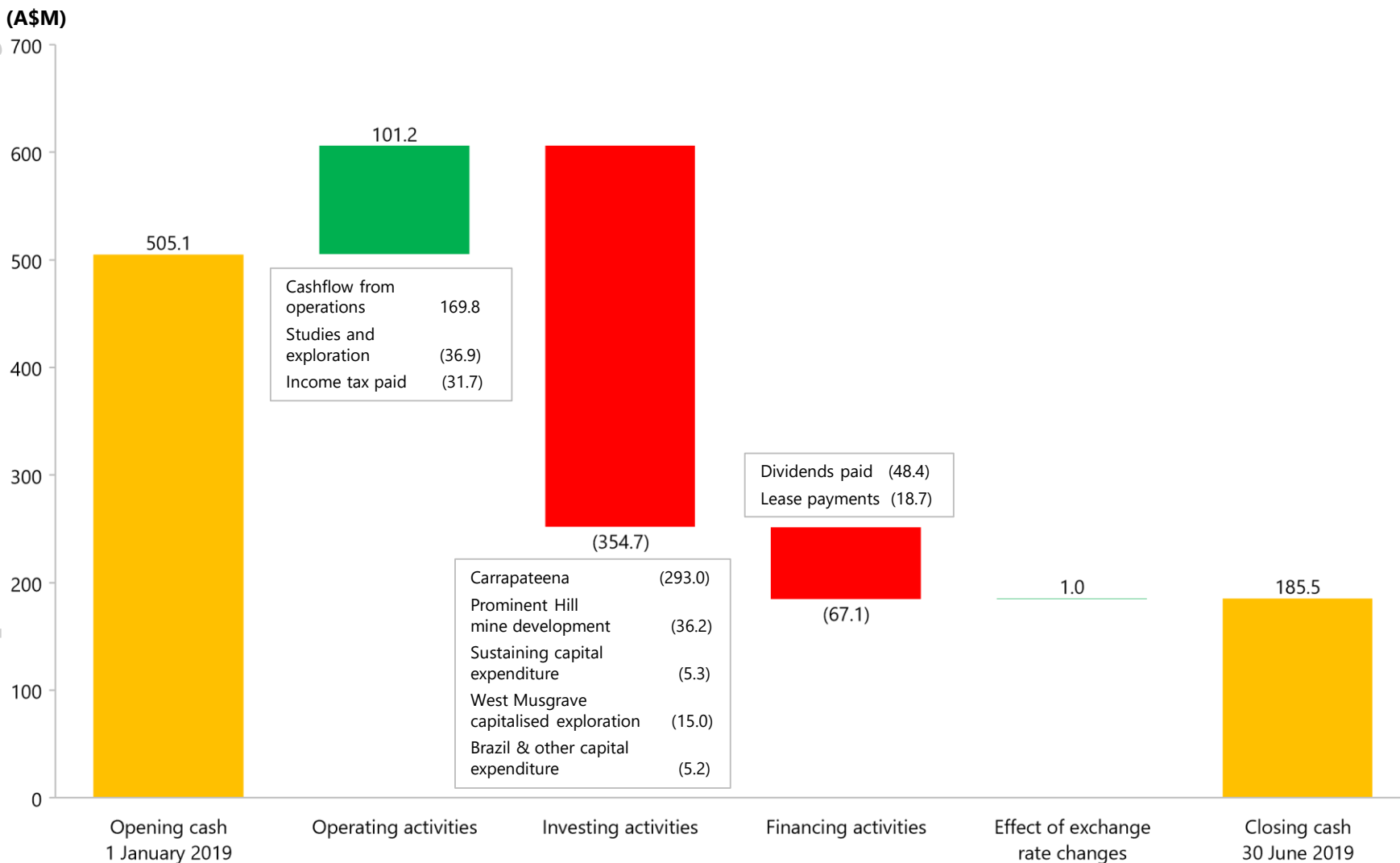
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Cash Utilisation H1 2019

Investing in the business and rewarding shareholders

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Balance Sheet

A\$M	Dec-18	Jun-19	
Assets			
Cash	505	186	Carrapateena development capex and investment into growth pipeline, shareholder returns
Receivables	71	91	Increase in trade receivables due to timing of shipments late in June
Inventories	678	672	Lower ore stockpiles offset by increase in concentrate inventory
Property plant & equipment	2,000	2,290	Increase in PP&E with capex at Carrapateena and Prominent Hill underground, partially offset by depreciation
Right-of-Use assets	-	117	Recognition of right of use asset with implementation of AASB 16 Lease standard
Other assets	189	196	Creditors lower due to timing of payments
Total Assets	3,443	3,552	Recognition of lease liability (\$123 million) with implementation of AASB 16 Lease standard
Liabilities			
Creditors	152	135	
Tax liabilities	265	263	
Loans and borrowings	-	127	
Provisions	77	78	
Other liabilities	34	59	
Total Liabilities	528	662	
Net Assets	2,915	2,890	

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Finance

Delivering on capital management strategy

/ Cash balance and strong expected cash flows continue to support growth investment and allow for shareholder returns

/ Carrapateena project fully funded from cash balance and operating cash flows

/ Fully franked interim dividend of 8 cents per share declared

/ Record date 3 September

/ Payment date 17 September

Gold hedging

/ Gold forward contracts for 200,069 ounces were outstanding at 30 June with an average strike price of A\$1,746 per ounce

/ Lower proportion of gold sales hedged through 2020 and 2021

Total Shareholder Returns

Value focused
AISC in bottom half of cost curve
Asset return on capital employed

Sustainable allocation of pre-growth cashflows prioritised to shareholders

Compelling growth
Capital management
Further returns to shareholders

Cash allocation

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Growth pipeline

Building optionality

- / Explorer Challenge competition identifies new Mount Woods drill targets
- / Earn-in agreement entered at the Maslins prospect ~50km south of the Carrapateena project
- / Drilling commenced on the Clovis target; to be followed by drilling on the Paulinho, Capivara and Aguas Boa N prospects
- / Jiboia tenement purchase consolidates Gurupi greenstone belt, bringing province to 2,300km² along 85 km of strike length
- / Multi-site exploration greenfield discovery alliance entered, targeting base metals mineralisation in WA and QLD
- / New Jericho joint venture established in QLD; beneficial interest increased to 80%
- / Second earn-in agreement signed in Sweden on the Painirova project

	EXPLORATION	STUDIES	DEVELOPMENT	OPERATIONS
PROMINENT HILL PROVINCE	MT WOODS	UNDERGROUND EXPANSION STUDY HAULAGE STUDY FS		PROMINENT HILL UG + STOCKPILES
CARRAPATEENA PROVINCE	MASLINS PUNT HILL CARRA REGIONAL	KHAMSIN THE SADDLE SS FREMANTLE DOCTOR SS CARRAPATEENA BC PFS	CARRAPATEENA SLC	
CEBRASE PROVINCE	ESTRELLA SUL CLOVIS PAULINHO CAPIVARA AGUAS BOA N MARQUES SUL CANAA WEST	PANTERA	PEDRA BRANCA UG FS	ANTAS OP
GURUPI PROVINCE	SEQUEIRO PICA PAU JIBOIA	CENTROGOLD OP		
MARICAVAE PROVINCE	ONE TREE HILL YAPPSU	SUCCOTH NEBO-BABEL OP PFS		
OTHER REGIONS	OAXACA PARAISO PAINIROVA LANNAVARRA YARRIE GULF THREE WAYS LAWN HILL JERICO COOMPANA NULLARBOR MOUNT SKIPPER			

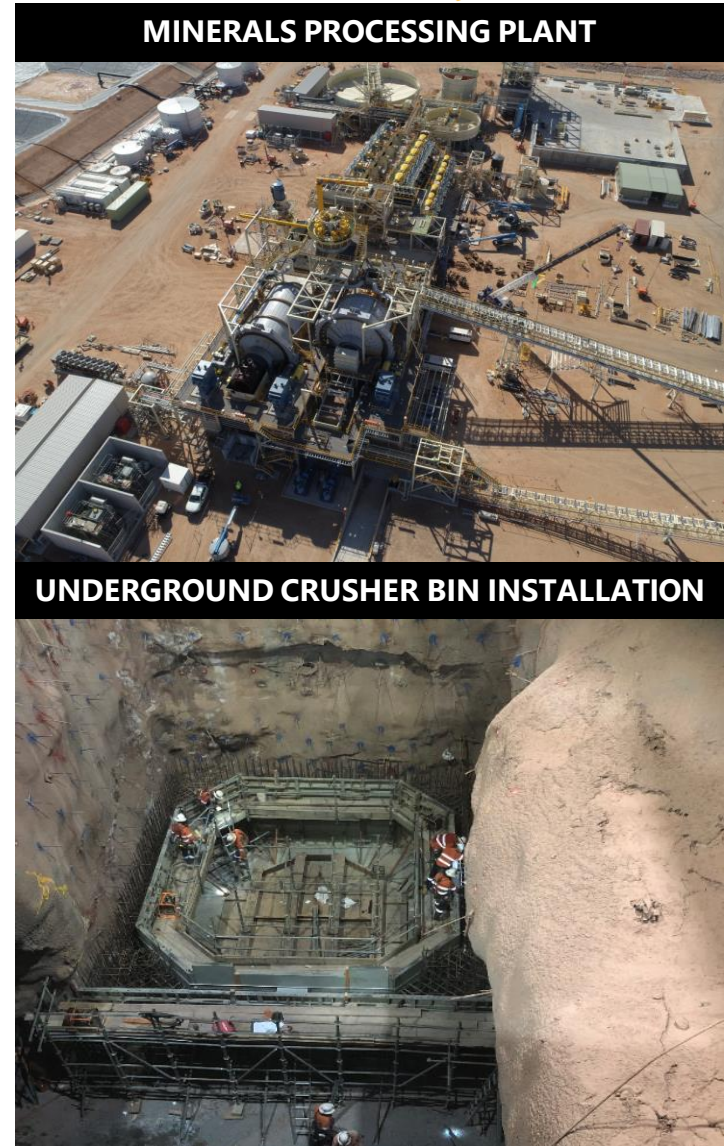
FS: Feasibility Study
 PFS: Pre-Feasibility Study
 SS: Scoping Study

Other Study
 No Resource estimate
 Resource estimate
 Reserve estimate

Carrapateena progress update

Project enters final stage of construction

- ✓ First saleable concentrate production expected in November; capitalisation of pre-production operating costs to cease from that point
- ✓ Growth Capital Expenditure of A\$540 - A\$570 million tracking to guidance
- ✓ First concentrate to be delivered for a capital cost of A\$920 - A\$950 million
- ✓ Underground development progressing to plan with over 16,000m completed to date; underground infrastructure construction and installation on schedule
- ✓ Ore stockpiles currently over 100,000 tonnes and expected to exceed 150,000 tonnes prior to commissioning
- ✓ Minerals processing plant and non processing infrastructure construction and procurement ~90% complete
- ✓ Power line energised into main distribution switch room
- ✓ Tailings storage facility works completed



West Musgrave pre-feasibility study

Progress update

- ✓ Detailed mine design, stockpiling strategy, operating cut-off grade and waste dump strategy completed
- ✓ PFS assessing 10 Mtpa scenario aligned to the further scoping study¹ with an extended mine life
- ✓ Alternate flotation flowsheet adopted for significantly lower costs and similar metallurgical performance
- ✓ Additional 50,000m infill drilling completed outside of April 2019 Mineral Resource update with objective of increasing proportion of Indicated Resource to underpin Ore Reserve
- ✓ Base case power reduced from 65MW to 55MW hybrid diesel-solar-wind solution with 70-80% renewable penetration
- ✓ Water resources largely de-risked
- ✓ Pilot plant completed on Loesche mill; dry grinding system successfully demonstrated 30% lower grinding power for the same capital cost as a SAG / Ball Mill circuit
- ✓ Study timeline extended for detailed evaluation of multiple potential value-add opportunities including:
 - ✓ Reduced site footprint via a Remote Operations Centre
 - ✓ Pathways to lower cost hybrid power solutions
 - ✓ Alternate processing technologies including Loesche Mill, Woodgrove Flotation Cell and Hydro-float Cell
- ✓ Pre-Feasibility Study completion and maiden Ore Reserve expected early 2020

LOESCHE MILL PILOT PLANT



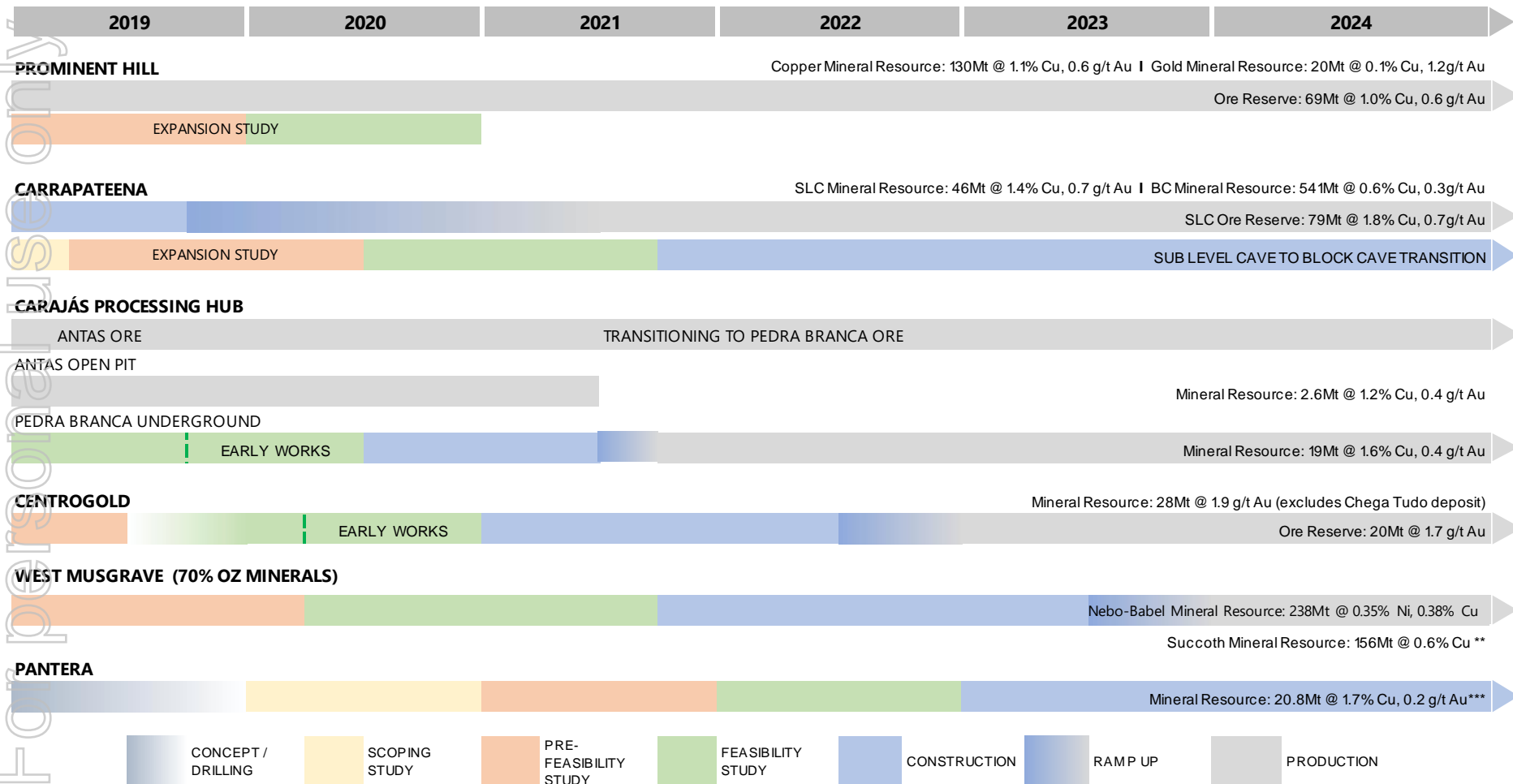
PROCESSING FACILITY AND INFRASTRUCTURE



¹ The information initially appeared in the report entitled 'West Musgrave Project to progress to Pre-Feasibility Study' which was released on 14 November 2017 and is available to view at www.ozminerals.com/media/asx. OZ Minerals confirms that all the material assumptions in the original market announcement continue to apply and have not materially changed

Asset Timeline*

Multiple projects progressing through build and study phases



* Indicative timeline assumes required study hurdles and proposed timeframes achieved.

** See Cassini Resources' ASX Release entitled "Maiden Succoth Resource Estimate" dated 7 December 2015 and available at: www.cassiniresources.com.au/investor-relations/asx-announcements

*** Refer ASX Announcement "Maiden Pantera MRE pushes Avanco's Carajás Resource Base Beyond 1 Mt of Contained Copper" released on 19 March 2018, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Pantera MRE

The MROR information on this timeline is extracted from the company's previously published MROR statements and are available at: www.ozminerals.com/operations/resources-reserves/. OZ Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or 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 Competent Person's findings are presented have not been materially modified from the original market announcement. All Mineral Resource figures are estimates.

2019 Key Milestones

Business Area	Milestone	2019			
		Q1	Q2	Q3	Q4
Prominent Hill Province	Haulage Feasibility Study				
	Updated Mineral Resource and Ore Reserve Statement				
Carrapateena Province	Province expansion Scoping Study	✓			
	First commercial concentrate production				
	Updated Mineral Resource and Ore Reserve Statement				
Carajás Province	Antas Mineral Resource and Ore Reserve update + 2019 guidance		✓		
	Pedra Branca Mineral Resource update		✓		
	Pedra Branca early works decision				
Gurupi Province	CentroGold Pre-Feasibility Study		✓		
	CentroGold Mineral Resource update				
Musgrave Province	Mineral Resource update for Nebo-Babel	✓			
	70% earn-in to project		✓		
	Pre-Feasibility Study update			✓	

✓ Milestone completed

2019 Guidance



GUIDANCE	2019			
	PROMINENT HILL	CARRAPATEENA	ANTAS	TOTAL
Copper Production (tonnes)	95,000-105,000	2,000-4,000	6,000-6,500	103,000-115,500
Gold Production (ounces)	115,000-125,000	3,000-6,000	4,200-4,600	122,200-135,600
Underground Ore Movement (Mt)	3.7-4.0			
Underground Sustaining Capital Expenditure (A\$M)	50-60			50-60
Site Sustaining Capital Expenditure (A\$M)	12-15	4-6	10-10.5	26-31.5
Growth Capital Expenditure (incl. mine development) (A\$M)	35-45	540-570 ^{3,4}		575-615
AISC (US c/lb) ²	110-120	-	330-360	125-135
C1 Costs (US c/lb) ²	65-75 ¹	-	240-280	77-88
Exploration (A\$M)				30-35
Project studies and drilling commitments to next stage gate (A\$M)				90-95⁵

¹ US dollar denominated C1 costs for Prominent Hill will benefit by US1.5c per US1c reduction in the AUD/USD exchange rate.

² AUD/USD of 0.73 has been used in converting A\$ costs to US\$ for C1 and AISC guidance.

³ Additional commissioning expenditure of A\$40-A\$45 million in 2019 will be offset on sale of concentrate from commissioning ore in Q1 2020.

⁴ Carrapateena growth capital expenditure includes pre-production capital (A\$490-A\$510 million), mine development (A\$20-A\$25 million) and underground infrastructure development (A\$30-A\$35 million).

⁵ Project studies and drilling costs of A\$90-A\$95 million reflects anticipated expenditure on Board approved studies to their next milestone. Full year guidance may increase up to \$120 million should project expenditure be incurred that is yet to be approved. It is expected ~60% of project studies and drilling expenditure will be expensed in the current year.

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