

3 March 2023

Scheme Booklet registered by ASIC

OZ Minerals refers to its announcement on 2 March 2023 in relation to:

- the proposed scheme of arrangement under which BHP Lonsdale Investments Pty Ltd, a wholly owned subsidiary of BHP Group Limited, has agreed to acquire 100% of the shares in OZ Minerals ("Scheme"); and
- the orders made by the Federal Court of Australia that OZ Minerals convene a meeting of OZ Minerals shareholders to consider and vote on the Scheme ("Scheme Meeting") and approving the distribution of an explanatory statement providing information about the Scheme and the Notice of Scheme Meeting ("Scheme Booklet") to OZ Minerals shareholders.

Scheme Booklet

OZ Minerals is pleased to confirm that the Australian Securities and Investments Commission ("ASIC") has today registered the Scheme Booklet. A copy of the Scheme Booklet is attached to this announcement (including the independent expert's report from Grant Samuel & Associates Pty Limited ("Independent Expert") ("Independent Expert's Report") and will also be made available for viewing and downloading at <https://events.miraqle.com/ozl-scheme/>.

For details of how you will receive your Scheme Booklet, please refer to OZ Minerals' announcement made on 2 March 2023.

OZ Minerals shareholders should carefully read the Scheme Booklet in its entirety, including the materials accompanying it, before deciding whether to vote in favour of the Scheme. If after reading the Scheme Booklet you have any questions about the Scheme or the Scheme Booklet, please contact the OZ Minerals Shareholder Information Line on 1300 306 089 (within Australia) or +61 1300 306 089 (outside Australia) between 8.30am and 7.30pm (Melbourne time) Monday to Friday, excluding public holidays.

Independent Expert's Report and Directors' recommendation

The Scheme Booklet includes a copy of the Independent Expert's Report. The Independent Expert has concluded the Scheme is fair and reasonable and in the best interests of OZ Minerals shareholders, in the absence of a Superior Proposal (as defined in the Scheme Implementation Deed OZ Minerals released to the ASX on 22 December 2022).

The Directors of OZ Minerals unanimously recommend that OZ Minerals shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals shareholders. Subject to those same qualifications, each member of the OZ Minerals Board intends to

vote, or cause to be voted, all OZ Minerals shares in which they have a relevant interest in favour of the Scheme.

Scheme Meeting

The Scheme Meeting will be held at 10.00am (Adelaide time) / 10.30am (Melbourne time) on Thursday, 13 April 2023 at 2 Hamra Drive, Adelaide Airport, Adelaide, South Australia, Australia and online at <https://meetings.linkgroup.com/ozlscheme23>.

OZ Minerals shareholders who participate in the Scheme Meeting via the online platform will be able to listen to the Scheme Meeting, cast a vote online and ask questions.

All registered OZ Minerals shareholders as at 7.00pm (Melbourne time) on Tuesday, 11 April 2023 will be eligible to vote at the Scheme Meeting.

All OZ Minerals shareholders are encouraged to vote either by completing and returning the proxy form or alternatively by attending the Scheme Meeting in person, attending online or by proxy, attorney or corporate representative. The Scheme Booklet provides information on how to lodge your proxy form (if applicable).

This announcement is authorised for market release by OZ Minerals' Board.

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SCHEME BOOKLET

In relation to the proposed acquisition of OZ Minerals Limited (ACN 005 482 824) (**OZ Minerals**)
by BHP Lonsdale Investments Pty Ltd (ACN 004 346 972) (**BHP**), a wholly owned subsidiary
of BHP Group Limited (ACN 004 028 077)

VOTE IN FAVOUR

The OZ Minerals directors unanimously recommend that you vote in favour of the Scheme Resolution,
subject to the Independent Expert continuing to conclude that the Scheme is in the best interests
of OZ Minerals Shareholders and there being no superior proposal

This is an important document and requires your immediate attention.

You should read it in its entirety before deciding whether or not to vote in favour of the Scheme Resolution.

If you are in any doubt about how to deal with this document,
you should contact your broker or financial, tax or legal adviser immediately.

Legal Adviser



Financial Advisers



MACQUARIE

Greenhill

If you have any questions in relation to this Scheme Booklet or the Scheme, you should call the OZ Minerals Shareholder Information Line on 1300 306 089 (within Australia) or +61 1300 306 089 (outside Australia) any time between 8.30am and 7.30pm on Monday to Friday (excluding public holidays).

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Important Notices

GENERAL

Nature of this document

This Scheme Booklet is important and requires your immediate attention. You should read it carefully and in its entirety before deciding how to vote at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

This Scheme Booklet explains the terms of the proposed acquisition of all OZ Minerals Shares by BHP, by way of a company scheme of arrangement between OZ Minerals and OZ Minerals Shareholders under Part 5.1 of the Corporations Act. A copy of the Scheme is set out in Appendix C to this Scheme Booklet.

This Scheme Booklet also details how the Scheme will be considered and implemented if all the Conditions to the Scheme are satisfied or, if permitted, waived. It is not a disclosure document required by Chapter 6D or Part 7.9 of the Corporations Act.

If you have sold all your OZ Minerals Shares, please disregard this Scheme Booklet.

Investment decisions

The information in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet has been prepared without reference to the investment objectives, financial situation or particular needs of any OZ Minerals Shareholder or any other person. This Scheme Booklet should not be relied on as the sole basis for any investment decision. Independent legal, financial and tax advice should be sought before making any investment decision in relation to your OZ Minerals Shares.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to give OZ Minerals Shareholders the information required to make an informed decision about whether to vote in favour of the Scheme Resolution. This Scheme Booklet also provides information as is prescribed by law or is otherwise material to the decisions of OZ Minerals Shareholders as to whether to vote in favour of the Scheme Resolution.

Voting will take place at the Scheme Meeting to be held at 10.00am (Adelaide time) / 10.30am (Melbourne time) on 13 April 2023 at 2 Hamra Drive, Adelaide Airport, Adelaide, South Australia, Australia and online at <https://meetings.linkgroup.com/ozlscheme23>. You should read this Scheme Booklet in full before deciding how to vote on the Scheme Resolution.

The Scheme has advantages, disadvantages and risks which may affect OZ Minerals Shareholders in different ways depending on their individual circumstances. You should seek professional advice on your circumstances, as appropriate.

Preparation of and responsibility for this Scheme Booklet

OZ Minerals has been solely responsible for preparing the OZ Minerals Information. The information concerning OZ Minerals and the intentions, views and opinions of OZ Minerals and the OZ Minerals Directors contained in this Scheme Booklet has been prepared by OZ Minerals and is the responsibility of OZ Minerals.

BHP, its Related Bodies Corporate and their respective directors, officers, employees and advisers have not verified any OZ Minerals Information and do not assume any responsibility for its accuracy or completeness.

BHP has been solely responsible for preparing the BHP Information. The information concerning BHP and the intentions, views and opinions of BHP contained in this Scheme Booklet, has been prepared by BHP and is the responsibility of BHP. OZ Minerals, its Related Bodies Corporate and their respective directors, officers, employees and advisers have not verified any BHP Information and do not assume any responsibility for its accuracy or completeness.

The Independent Expert has prepared the Independent Expert's Report and takes responsibility for that report. The Independent Technical Specialist has prepared the Independent Technical Specialist's Report included in the Independent Expert's Report and takes responsibility for that report. OZ Minerals, BHP, and their respective Related Bodies Corporate and their respective directors, officers, employees and advisers do not take any responsibility for the Independent Expert's Report or the Independent Technical Specialist's Report, except in the case of OZ Minerals in relation to the information which it has provided to the Independent Expert. The Independent Expert's Report (including the Independent Technical Specialist's Report) is set out in Appendix B to this Scheme Booklet.

Regulatory information and role of ASIC and ASX

This document is the explanatory statement for the proposed scheme of arrangement between OZ Minerals and Scheme Shareholders for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included at Appendix C to this Scheme Booklet.

This Scheme Booklet will assist you in making an informed decision about how to vote and contains important information, including the reasons to vote in favour of, or against, the Scheme (refer to Section 3) and certain risks related to the Scheme (refer to Section 9).

A copy of this Scheme Booklet (including the Independent Expert's Report) has been lodged with, and registered by, ASIC as required by section 412(6) of the Corporations Act on 3 March 2023. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act.

ASIC has also been requested to provide a statement in accordance with section 411(17) (b) of the Corporations Act that ASIC has no objection to the Scheme. If ASIC provides that statement, then the statement will be produced to the Court at the Second Court Hearing. Neither ASIC nor any of its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to the ASX. Neither the ASX nor any of its officers take any responsibility for the contents of this Scheme Booklet.

Important Notice associated with Court order under section 411(1) of the Corporations Act

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and directed that this Scheme Booklet accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how OZ Minerals Shareholders should vote in respect of the Scheme Resolution (which OZ Minerals Shareholders must reach their own decisions on); or
- has prepared, or is responsible for the content of, this Scheme Booklet; or
- has approved or will approve the terms of the Scheme.

Scheme Meeting Notice

The Notice of Scheme Meeting is set out at Appendix A.

The purpose of the Scheme Meeting is to consider and, if thought fit, agree to the Scheme (with or without any modifications or conditions as are thought fit by the Court) to be made between OZ Minerals and OZ Minerals Shareholders and to consider and, if thought fit, pass the Scheme Resolution by the Requisite Majority.

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the Corporations Act) which, together with the Notice of the Scheme Meeting, forms part of this Scheme Booklet.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme, following the vote in respect of the Scheme at the Scheme Meeting. The date of the Second Court Hearing to approve the Scheme is expected to be 17 April 2023. The hearing will be at 9.30am at the Melbourne registry of the Federal Court of Australia (305 William Street, Melbourne, Victoria, 3000).

Any OZ Minerals Shareholder may appear and be heard at the Second Court Hearing and may oppose the approval of the Scheme. If you wish to appear in this manner, you must file with the Court and serve on OZ Minerals a notice of appearance, in the prescribed form, together with any affidavit you wish to rely on. The notice of appearance and affidavit must be served on OZ Minerals at its address for service at least one day before the Second Court Date.

The address for service for OZ Minerals is: c/- OZ Minerals Limited, 2 Hamra Drive, Adelaide Airport, South Australia 5950, Australia (Attention: Company Secretary) (Email: Julie.Athanasoff@ozminerals.com).

Note to OZ Minerals Shareholders in foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. OZ Minerals disclaims all liabilities to such persons.

Important Notices

OZ Minerals Shareholders who are resident outside of Australia, or who are nominees, trustees or custodians for beneficial holders resident outside Australia, are encouraged to seek independent advice as to how they should proceed (including specific taxation advice in relation to the Australian and overseas tax implications of their participation in the Scheme).

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. The financial information included in this Scheme Booklet is based on financial statements that have been prepared in accordance with Australian equivalents to International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside Australia.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements.

The forward-looking statements in this Scheme Booklet are not based on historical facts, but rather reflect the current views of OZ Minerals or, in relation to the BHP Information, BHP, held only as at the date of this Scheme Booklet concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipated”, “intending”, “foreseeing”, “likely”, “should”, “planned”, “may”, “estimated”, “potential”, or other similar words and phrases. Similarly, statements that describe OZ Minerals or BHP’s objectives, plans, goals, intentions or expectations are or may be forward-looking statements. The statements in this Scheme Booklet about the impact that the Scheme may have on the results of OZ Minerals’ operations, and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

Any forward-looking statements included in this Scheme Booklet and made by OZ Minerals or BHP have been made on reasonable grounds and reflect the present intentions of the relevant party as at the date of this Scheme Booklet, and may be subject to change. Although OZ Minerals and BHP believe that the views reflected by them in any forward-looking statements in this Scheme Booklet (as relevant) have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause OZ Minerals’ or the BHP Group’s (as relevant) actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. OZ Minerals Shareholders should note that the historical financial performance of OZ Minerals is no assurance of the future financial performance of OZ Minerals (whether or not the Scheme is implemented). OZ Minerals Shareholders should carefully review all of the information included in this Scheme Booklet.

The forward-looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet. None of OZ Minerals, BHP or any of their respective directors, officers, employees and advisers give any representation, warranty, assurance or guarantee to OZ Minerals Shareholders that any forward-looking statements will actually occur or be achieved. OZ Minerals Shareholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law or the ASX Listing Rules, OZ Minerals and BHP do not give any undertaking to update or revise any forward-looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Presentation of financial information

Section 7.10 contains financial information relating to OZ Minerals for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

The financial information in Section 7.10 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only. The information has been extracted from the audited financial reports of OZ Minerals for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Privacy and personal information

OZ Minerals and BHP may need to collect personal information in connection with the Scheme.

The personal information may include the names, contact details and details of holdings of OZ Minerals Shareholders, together with contact details of individuals appointed as proxies, attorneys or corporate representatives for the purposes of the Scheme Meeting. Personal information is held on the public register in accordance with Chapter 2C of the Corporations Act. The primary purpose of the collection of personal information is to assist OZ Minerals to conduct the Scheme Meeting and implement the Scheme. The information may be disclosed to OZ Minerals, BHP and their respective Related Bodies Corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to effect the Scheme.

OZ Minerals Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them. OZ Minerals Shareholders may contact the Registry if they wish to exercise such rights.

If the information outlined above is not collected, OZ Minerals may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme. OZ Minerals Shareholders who appoint an individual as their proxy, attorney or corporate representative to vote at the Scheme Meeting should inform that individual of the matters outlined above.

External websites

Content on the websites of OZ Minerals and BHP does not form part of this Scheme Booklet, unless expressly stated otherwise. Accordingly, OZ Minerals Shareholders should not rely on any such content in making their decision as to whether to vote in favour of the Scheme Resolution.

Interpretation

Capitalised terms used in this Scheme Booklet are defined in the Glossary in Section 12. Some of the documents reproduced in the Appendices to this Scheme Booklet have their own defined terms, which are sometimes different from those in the Glossary in Section 12.

Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available at the last practicable date prior to finalisation of this Scheme Booklet. All numbers are rounded, unless otherwise indicated.

The financial amounts in this Scheme Booklet are expressed in Australian currency, unless stated otherwise. A reference to dollars, \$, A\$ or cents is to Australian currency, unless otherwise stated. All times referred to in this Scheme Booklet are references to times in Melbourne, Victoria, Australia, unless stated otherwise.

Supplementary information

OZ Minerals will issue supplementary information to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Effective Date:

- a material statement in this Scheme Booklet is or becomes false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to consultation with BHP and the obtaining of any relevant approvals, OZ Minerals may circulate and publish any supplementary document by:

- making an announcement to the ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally or accessible throughout Australia;
- by email for OZ Minerals Shareholders who have elected to receive communications electronically, or posting the supplementary document to OZ Minerals Shareholders at their registered address as shown in the Share Register; or
- posting a statement on OZ Minerals’ website <https://www.ozminerals.com/en/news>,

as OZ Minerals, in its absolute discretion, considers appropriate.

Date

This Scheme Booklet is dated 3 March 2023.

1 Chairman's letter



Rebecca McGrath Chairman

3 March 2023

Dear OZ Minerals Shareholders

On behalf of the OZ Minerals Board, I provide you with this Scheme Booklet, which contains important information for your consideration about the proposed acquisition of OZ Minerals by BHP Lonsdale Investments Pty Ltd (**BHP**), a wholly owned subsidiary of BHP Group Limited.

This Scheme Booklet will assist you in making an informed decision about how to vote and contains important information, including the reasons to vote in favour of, or against, the Scheme (refer to Section 3) and certain risks related to holding OZ Minerals Shares, and the Scheme (refer to Section 9).

Your OZ Minerals Directors unanimously recommend that OZ Minerals Shareholders vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals shareholders.¹

BACKGROUND

On 18 November 2022, OZ Minerals announced that it had received a Revised Proposal from BHP to acquire all of the shares in OZ Minerals for \$28.25 per OZ Minerals Share in cash via a scheme of arrangement. BHP stated in the Revised Proposal that this offer price represented the “best and final” price it was willing to offer in the absence of a competing proposal.

The Revised Proposal followed a period of engagement between BHP and OZ Minerals in the weeks preceding the Revised Proposal. Earlier in the year on 5 August 2022 BHP had made the Initial Proposal of \$25.00 per share.

After carefully assessing the Revised Proposal, the OZ Minerals Board granted BHP the opportunity to conduct due diligence for four weeks on an exclusive basis (with exclusivity subsequently extended by a week) and to work cooperatively towards entry into a scheme implementation deed with BHP reflecting the terms of the Revised Proposal. On 22 December 2022, OZ Minerals and BHP entered into the Scheme Implementation Deed.

The Scheme is subject to customary conditions, including approval by OZ Minerals Shareholders and the Federal Court of Australia, as well as regulatory approvals which are summarised in Section 11.6.1.

SCHEME CONSIDERATION

The terms of the proposed Scheme provide that OZ Minerals Shareholders will receive from BHP \$28.25 per OZ Minerals Share held on the Scheme Record Date, less the amount of the Special Dividend that may be declared and paid by OZ Minerals on or before the Implementation Date. As noted in OZ Minerals' results announcement on 22 February 2023, the OZ Minerals Board intends to declare a fully franked Special Dividend of \$1.75 per OZ Minerals Share before the Scheme Meeting, such Special Dividend being conditional on the Scheme becoming Effective and payable on the Implementation Date.

Assuming the Special Dividend is declared and paid, this means that on the Implementation Date:

- > BHP will pay \$26.50 per OZ Minerals Share as the Scheme Consideration; and
- > OZ Minerals will pay \$1.75 per OZ Minerals Share as a fully franked Special Dividend,

for each OZ Minerals Share held at the Scheme Record Date (which is expected to be 24 April 2023) and the Special Dividend Record Date (which is expected to be 21 April 2023), respectively, which together equal Total Cash Consideration of \$28.25 per OZ Minerals Share.

Please note that, if the Scheme is implemented and the Special Dividend is declared and paid, you will only receive the Total Cash Consideration for each of your OZ Minerals Shares provided that you hold all of those shares on both the Special Dividend Record Date and the Scheme Record Date. If you become an OZ Minerals Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend and you may receive less than the Total Cash Consideration of \$28.25 per OZ Minerals Share. Similarly, if you sell your OZ Minerals Shares prior to the Scheme Record Date you will not receive the Scheme Consideration.

Certain OZ Minerals Shareholders may be able to realise the benefit of \$0.75 franking credits per OZ Minerals Share that will be attached to the fully franked Special Dividend (refer to Section 10). The franking credits you may be able to utilise from the Special Dividend will depend in part on your own personal circumstances in respect of which we encourage you to seek independent legal and taxation advice.

1. In considering this recommendation of the OZ Minerals Board, OZ Minerals Shareholders should have regard to OZ Minerals' Chief Executive Officer and Managing Director's economic interest in the outcome of the acquisition of OZ Minerals under the Scheme. Information about this interest is set out at Section 7.14 of this Scheme Booklet.

1 Chairman's letter

Further, in assessing the value to them of any Special Dividend, OZ Minerals Shareholders should seek professional taxation advice as to whether or not the receipt of any Special Dividend and any entitlement to a tax offset in respect to the franking credits attached to any Special Dividend is beneficial to them in their own individual circumstances (refer to Section 10). The payment of the Special Dividend is subject to the Scheme becoming Effective, so it will not be paid if the Scheme does not become Effective.

The Total Cash Consideration of \$28.25 per OZ Minerals Share represents an attractive premium of:

- > 49.3% to the price at the close of trading of OZ Minerals Shares on 5 August 2022 of \$18.92 (being the last trading day prior to the announcement of the Initial Proposal);
- > 59.8% to OZ Minerals Shares' undisturbed 30-day volume weighted average price of \$17.67 per share as at 5 August 2022;
- > 46.0% to OZ Minerals Shares' undisturbed 60-day volume weighted average price of \$19.35 per share as at 5 August 2022; and
- > 13.0% compared to the Initial Proposal of \$25.00 per share.

OZ Minerals' share price has a close correlation to the spot copper price. The spot copper price has increased by approximately 16% in Australian dollar terms in the period from 5 August 2022 (being the last trading day prior to the announcement of the Initial Proposal) to 27 February 2023 (being the last practicable trading day prior to the finalisation of this Scheme Booklet). Accordingly, absent the Scheme, the OZ Minerals share price could be higher than at the time of the Initial Proposal in which case the Total Cash Consideration of \$28.25 would represent a lower premium than stated above. OZ Minerals Shareholders should also have regard to the section entitled *"The Scheme consideration provides OZ Minerals shareholders with a significant premium for control, but this premium needs to be considered in light of prevailing copper prices"* on page 9 of the summary letter attached to the Independent Expert's Report, and section 6.3.2 on page 113 of the Independent Expert's Report in relation to the premium.

The Total Cash Consideration of \$28.25 per OZ Minerals Share implies a fully diluted market capitalisation for OZ Minerals of approximately \$9.5 billion and an enterprise value of approximately \$9.8 billion.²

INDEPENDENT EXPERT'S REPORT

OZ Minerals has appointed Grant Samuel as the Independent Expert. **The Independent Expert has concluded that the Scheme is fair and reasonable and therefore is in the best interests of OZ Minerals Shareholders in the absence of a Superior Proposal.** The Independent Expert has assessed the full underlying value of OZ Minerals at between \$27.37 and \$30.47 per OZ Minerals Share. The Total Cash Consideration of \$28.25 per OZ Minerals Share is within this valuation range.

The Independent Expert's Report is included as Appendix B to this Scheme Booklet. You are encouraged to read the Independent Expert's Report in its entirety.

OZ MINERALS DIRECTORS' RECOMMENDATION

The OZ Minerals Directors have carefully considered the Revised Proposal from BHP and unanimously recommend that you vote in favour of the Scheme Resolution in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of OZ Minerals Shareholders. Subject to those same qualifications, each member of the OZ Minerals Board intends to vote, or cause to be voted, all OZ Minerals Shares in which they have a Relevant Interest in favour of the Scheme.

In reaching the unanimous decision to recommend the Scheme to OZ Minerals Shareholders, subject to the qualifications described above, the OZ Minerals Directors considered various alternatives to maximise value, including assessment of standalone value creation opportunities. After considering these alternatives, the OZ Minerals Directors formed the view that, on balance, the combination of value and certainty offered by the Total Cash Consideration is likely to deliver a superior outcome for OZ Minerals Shareholders now compared to what would otherwise be available, on a future risk adjusted basis, if OZ Minerals continued to operate as a standalone entity.

Reasons to vote in favour of the Scheme Resolution are set out in detail in Section 3.2. There are also reasons why you may choose to vote against the Scheme Resolution which are set out in Section 3.3. Certain risks related to holding OZ Minerals Shares, and the Scheme are set out in Section 9. The OZ Minerals Directors unanimously believe that the benefits of the Scheme outweigh its potential disadvantages and risks.

The interests held in OZ Minerals and the benefits of the Scheme being implemented for OZ Minerals' CEO and Managing Director, Andrew Cole, and the other OZ Minerals Directors are disclosed in Section 7.14. The OZ Minerals Board has exercised its discretion for all of Mr Cole's outstanding 143,905 OZ Minerals Performance Rights to vest, subject to the Scheme becoming Effective, and Mr Cole will receive a cash payment that is equal to the Total Cash Consideration for each OZ Minerals Performance Right held (being approximately \$4.065 million in aggregate). In addition, if the Scheme becomes Effective Mr Cole will not be issued OZ Minerals Performance Rights under the 2023 LTI offer or under the deferred equity component of his 2022 STI award (which would ordinarily comprise 30% of the STI award), but instead will be paid \$1,869,525 in lieu of the issue of OZ Minerals Performance Rights and Mr Cole will receive a cash payment of \$3,704 for 9,971 OZ Minerals Performance Rights granted to Mr Cole under the deferred equity component of his 2021 STI award being a dividend equivalent amount to reflect the grossed up dividend payments made by OZ Minerals in 2022.

If the Scheme does not proceed, the OZ Minerals Performance Rights held by Mr Cole will remain on issue and will vest subject to the existing vesting conditions and the 2023 Long Term Incentive and Short Term Incentive cash awards issued to Mr Cole will not be paid early. Mr Cole did not vote on the board resolutions in relation to the above matters given his interest in the subject matter of those board resolutions. OZ Minerals Shareholders should have regard to these interests when considering how to vote on the Scheme, including Mr Cole's recommendation on the Scheme which appears throughout this Scheme Booklet.

2. Based on OZ Minerals' fully diluted shares on issue of 337,719,454 (inclusive of 2,203,488 OZ Minerals Performance Rights) as at the last practicable date prior to finalisation of this Scheme Booklet, and net debt of \$254 million as at 31 December 2022. Net debt includes cash and cash equivalents of \$137 million, current borrowings of \$375 million, and noncurrent loans and borrowings of \$16 million and is exclusive of lease liabilities as at 31 December 2022.

1 Chairman's letter

The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole's role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole's views in relation to the Scheme.

HOW TO VOTE

The Scheme can only be implemented if it is approved by the Requisite Majority at the Scheme Meeting being by:

- > a majority in number (i.e. more than 50% unless the court orders otherwise) of OZ Minerals Shareholders present and voting at the Scheme Meeting (whether in person, attending online, by proxy, by attorney or in the case of corporate OZ Minerals Shareholders by a corporate representative); and
 - > at least 75% of the total number of votes cast on the Scheme Resolution,
- and if it is subsequently approved by the Court at the Second Court Hearing.

The Scheme is also subject to a number of other Conditions (for more information about these other Conditions please see Section 11.6.1 of this Scheme Booklet).

Your vote is important in determining whether or not the Scheme proceeds. You may vote on the Scheme Resolution by attending the Scheme Meeting in person or online, or by appointing a proxy, attorney or body corporate representative to attend the Scheme Meeting and vote on your behalf. If you do not wish to or are unable to attend the Scheme Meeting in person or online, I encourage you to vote on the Scheme Resolution by completing the personalised proxy form accompanying this Scheme Booklet and returning it to the Registry so that it is received no later than 10.00am (Adelaide time) / 10.30am (Melbourne time) on 11 April 2023.

The Scheme Meeting is scheduled to be held at 10.00am (Adelaide time) / 10.30am (Melbourne time) on 13 April 2023 at 2 Hamra Drive, Adelaide Airport, Adelaide, South Australia and online at <https://meetings.linkgroup.com/ozlscheme23>. OZ Minerals Shareholders, authorised proxies, attorneys and corporate representatives will be able to watch, ask questions and vote on the Scheme Resolution during the virtual meeting, as will those attending the meeting in person. Please monitor OZ Minerals' website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

The Scheme will only be implemented if the Scheme Resolution is approved by the Requisite Majority of OZ Minerals Shareholders at the Scheme Meeting. Therefore, if you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution at the Scheme Meeting.

TAXATION CONSIDERATIONS OF THE SCHEME

General information about the potential Australian tax consequences of the Scheme is set out in Section 10 of this Scheme Booklet. However, as that information is general in nature and as each OZ Minerals Shareholder's circumstances will vary, each OZ Minerals Shareholder should obtain professional tax advice that is relevant to their particular circumstances. OZ Minerals Shareholders who are foreign residents should note in particular the potential application of the foreign resident capital gains withholding tax described in more detail in Section 10.

FURTHER INFORMATION

This Scheme Booklet sets out important information relating to the Scheme, including the reasons for your OZ Minerals Directors' recommendation and the Independent Expert's Report. It also sets out some reasons why you may wish to vote against the Scheme Resolution.

I encourage you to read this Scheme Booklet carefully and in its entirety. You should also seek independent legal, financial, tax or other professional advice before making an investment decision in relation to your OZ Minerals Shares.

If you have any questions regarding the Scheme or this Scheme Booklet you should contact the OZ Minerals Shareholder Information Line on 1300 306 089 (within Australia) or +61 1300 306 089 (outside Australia) any time between 8.30am and 7.30pm (Melbourne time) on Monday to Friday (excluding public holidays).

On behalf of the OZ Minerals Board, I thank you for your ongoing support. I look forward to your participation at the Scheme Meeting and encourage you to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders.

Yours sincerely,



Rebecca McGrath

Chairman

OZ Minerals Limited

2 Key Dates

Event	Date and Time
Date of this Scheme Booklet	Friday, 3 March 2023
First Court Date The date on which the Court made orders convening the Scheme Meeting	4.00pm on Thursday, 2 March 2023
Last date for proxy forms Last date for proxy forms or powers of attorney to be received by the Registry for the Scheme Meeting	10.00am (Adelaide time) / 10.30am (Melbourne time) on Tuesday, 11 April 2023
Eligibility to vote Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm on Tuesday, 11 April 2023
Scheme Meeting	Meeting to be held at 10.00am (Adelaide time) / 10.30am (Melbourne time) on Thursday, 13 April 2023

If the Scheme Resolution is approved by OZ Minerals Shareholders at the Scheme Meeting:

Second Court Date OZ Minerals to apply for Court orders approving the Scheme	9.30am on Monday, 17 April 2023
Effective Date > Court orders to be lodged with ASIC, announced on the ASX > Trading in OZ Minerals Shares on the ASX to be suspended from close of trading	Tuesday, 18 April 2023
Special Dividend Record Date Record date to determine entitlements to the Special Dividend	Friday, 21 April 2023
Scheme Record Date Record date to determine entitlements to Scheme Consideration	Monday, 24 April 2023
Implementation Date Scheme Consideration and Special Dividend to be paid to Scheme Shareholders on the Implementation Date	Tuesday, 2 May 2023

Please note that all of the above times and dates are indicative only and subject to change. All references to times above are to Melbourne time unless otherwise specified. OZ Minerals may vary any or all of these dates and times and will provide reasonable notice of any such variation. In particular, the date of the Scheme Meeting may be postponed or adjourned if satisfaction of a Condition is delayed. Any changes will be announced by OZ Minerals to the ASX.

3 Key considerations relevant to your vote

The Scheme has a number of advantages and disadvantages that may affect OZ Minerals Shareholders in different ways depending on their individual circumstances. OZ Minerals Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 3.2 provides a summary of the reasons why your OZ Minerals Directors unanimously recommend that OZ Minerals Shareholders vote in favour of the Scheme Resolution.³ Section 3.2 should be read in conjunction with Section 3.3, which sets out reasons why OZ Minerals Shareholders may wish to vote against the Scheme Resolution. You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting. While your OZ Minerals Directors acknowledge the reasons to vote against the Scheme Resolution, they believe the advantages of the Scheme outweigh the disadvantages.

3.1 SUMMARY OF REASONS WHY YOU MIGHT VOTE FOR OR AGAINST THE SCHEME RESOLUTION

Reasons to vote in favour of the Scheme Resolution

✓	Your OZ Minerals Directors unanimously recommend that you vote in favour of the Scheme Resolution subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal
✓	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore is in the best interests of OZ Minerals Shareholders in the absence of a Superior Proposal
✓	The Total Cash Consideration represents an attractive premium for your OZ Minerals Shares ⁴
✓	The all cash consideration provides OZ Minerals Shareholders with certainty of value
✓	OZ Minerals' share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal
✓	If the Scheme is not approved, OZ Minerals will require further funding to progress its development projects and growth opportunities. Such further capital funding may not be available on satisfactory terms or at all, or may be dilutive to existing OZ Minerals Shareholders
✓	No Superior Proposal has emerged as at the date of this Scheme Booklet
✓	No brokerage will be payable by you for the transfer of your OZ Minerals Shares under the Scheme

Reasons to vote against the Scheme Resolution

✗	You may disagree with your OZ Minerals Directors' unanimous recommendation and/or the conclusion of the Independent Expert's Report
✗	You may prefer to participate in the future financial performance of the OZ Minerals business
✗	You may wish to maintain your current investment in OZ Minerals due to its investment characteristics and risk profile
✗	You may consider that there is the potential for a Superior Proposal to emerge
✗	The tax implications of the Scheme may not be suitable to your financial circumstances or position

3. You should note when considering this recommendation that, if the Scheme becomes Effective, OZ Minerals' Managing Director and Chief Executive Officer, Andrew Cole, will receive a cash payment of approximately \$6 million in relation to his entitlements under OZ Minerals' incentive plans. Please see Section 7.14 for more information. The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole's role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole's views in relation to the Scheme.

4. OZ Minerals' share price has a close correlation to the spot copper price. The spot copper price has increased by approximately 16% in Australian dollar terms in the period from 5 August 2022 (being the last trading day prior to the announcement of the Initial Proposal) to 27 February 2023 (being the last practicable trading day prior to the finalisation of this Scheme Booklet). Accordingly, absent the Scheme, the OZ Minerals share price could be higher than at the time of the Initial Proposal in which case the Total Cash Consideration of \$28.25 would represent a lower premium than stated above. OZ Minerals Shareholders should also have regard to the section entitled "The Scheme consideration provides OZ Minerals shareholders with a significant premium for control, but this premium needs to be considered in light of prevailing copper prices" on page 9 of the summary letter attached to the Independent Expert's Report, and section 6.3.2 on page 113 of the Independent Expert's Report in relation to the premium.

3 Key considerations relevant to your vote

3.2 REASONS TO VOTE IN FAVOUR OF THE SCHEME RESOLUTION

3.2.1 Your OZ Minerals Directors unanimously recommend that you vote in favour of the Scheme Resolution subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal

Your OZ Minerals Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal.⁵

In reaching their unanimous recommendation, your OZ Minerals Directors have assessed the Scheme having regard to the reasons to vote in favour of, or against, the Scheme, as set out in this Scheme Booklet. The Directors believe the Scheme Consideration proposed under the Scheme is attractive, and fairly recognises the value of both OZ Minerals' existing business and its growth opportunities. In addition, the Scheme provides certain cash proceeds in the near term which may not be achieved if the Scheme does not proceed.

Subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal, each of the OZ Minerals Directors intends to vote or cause to be voted all OZ Minerals Shares in which they have a Relevant Interest in favour of the Scheme Resolution. The interests of OZ Minerals Directors are set out in Section 7.14.

3.2.2 The Independent Expert has concluded that the Scheme is fair and reasonable and therefore is in the best interests of OZ Minerals Shareholders in the absence of a Superior Proposal

OZ Minerals appointed Grant Samuel to prepare an Independent Expert's Report, setting out its opinion as to whether the Scheme is in the best interests of OZ Minerals Shareholders. OZ Minerals also appointed the Independent Technical Specialist to prepare the Independent Technical Specialist's Report contained in the Independent Expert's Report.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore is in the best interests of OZ Minerals Shareholders in the absence of a Superior Proposal. The Independent Expert has assessed the full underlying value of OZ Minerals at between \$27.37 and \$30.47 per OZ Minerals Share. The Total Cash Consideration of \$28.25 per OZ Minerals Share is within this valuation range.

The Independent Expert's Report is included as Appendix B of this Scheme Booklet and your OZ Minerals Directors encourage you to read this report in full.

3.2.3 The Total Cash Consideration represents an attractive premium for your OZ Minerals Shares

If the Special Dividend is declared and the Scheme is Effective, OZ Minerals Shareholders that hold OZ Minerals Shares on the Special Dividend Record Date and the Scheme Record Date will be paid the Total Cash Consideration of \$28.25 per OZ Minerals Share, comprising:

- > the Scheme Consideration, which will be \$26.50 for each OZ Minerals Share they hold on the Scheme Record Date; and
- > a fully franked Special Dividend of \$1.75 for each OZ Minerals Share they hold on the Special Dividend Record Date.

If the Special Dividend is declared and paid, the Special Dividend would have \$0.75 of franking credits attached for shareholders eligible to use them. The payment of the Special Dividend will be conditional on the Scheme becoming Effective. Accordingly, if the Scheme does not become Effective then the Special Dividend will not be paid.

Please note that, if the Special Dividend is declared and the Scheme is implemented, you will only receive the Total Cash Consideration for each of your OZ Minerals Shares provided that you hold all of those shares on both the Special Dividend Record Date and the Scheme Record Date. If you become an OZ Minerals Shareholder after the Special Dividend Record Date, you will not receive the Special Dividend and you may receive less than the Total Cash Consideration of \$28.25 per OZ Minerals Share. Similarly, if you sell your OZ Minerals Shares prior to the Scheme Record Date you will not receive the Scheme Consideration.

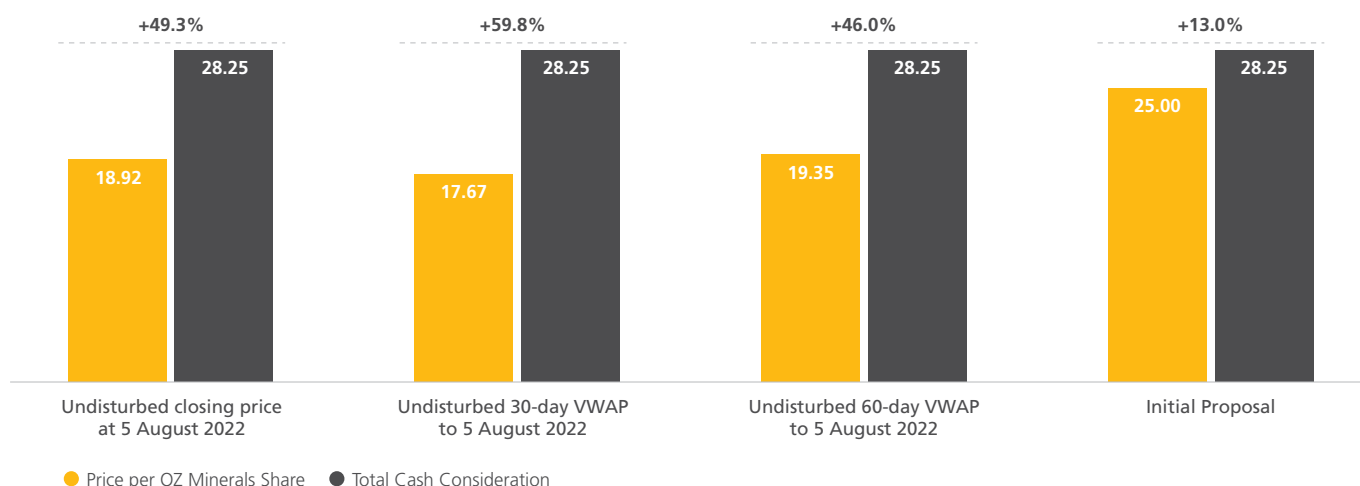
5. You should note when considering this recommendation that, if the Scheme becomes Effective, OZ Minerals' Managing Director and Chief Executive Officer, Andrew Cole, will receive a cash payment of approximately \$6 million in relation to his entitlements under OZ Minerals' incentive plans. Please see Section 7.14 for more information. The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole's role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole's views in relation to the Scheme.

3 Key considerations relevant to your vote

3.2.3 The Total Cash Consideration represents an attractive premium for your OZ Minerals Shares *continued*

The Total Cash Consideration represents an attractive premium of:

- > 49.3% to the price at the close of trading of OZ Minerals Shares on 5 August 2022 of \$18.92 (being the last trading day prior to the announcement of the Initial Proposal);
 - > 59.8% to OZ Minerals Shares' undisturbed 30-day volume weighted average price of \$17.67 per share as at 5 August 2022;
 - > 46.0% to OZ Minerals Shares' undisturbed 60-day volume weighted average price of \$19.35 per share as at 5 August 2022; and
 - > 13.0% to the Initial Proposal of \$25.00 per share,
- as shown in the chart below:



OZ Minerals' share price has a close correlation to the spot copper price. The spot copper price has increased by approximately 16% in Australian dollar terms in the period from 5 August 2022 (being the last trading day prior to the announcement of the Initial Proposal) to 27 February 2023 (being the last practicable trading day prior to the finalisation of this Scheme Booklet). Accordingly, absent the Scheme, the OZ Minerals share price could be higher than at the time of the Initial Proposal in which case the Total Cash Consideration of \$28.25 would represent a lower premium than stated above. OZ Minerals Shareholders should also have regard to the section entitled *"The Scheme consideration provides OZ Minerals shareholders with a significant premium for control, but this premium needs to be considered in light of prevailing copper prices"* on page 9 of the summary letter attached to the Independent Expert's Report, and section 6.3.2 on page 113 of the Independent Expert's Report in relation to the premium.

Certain OZ Minerals Shareholders may be able to realise the benefit of \$0.75 franking credits per OZ Minerals Share that will be attached to the fully franked Special Dividend (refer to Section 10).

3.2.4 The all cash consideration provides OZ Minerals Shareholders with certainty of value

The offer from BHP is a 100% cash offer. This provides a high degree of certainty of value and timing.

In contrast, if the Scheme does not proceed, the amount which OZ Minerals Shareholders will be able to realise for their investment in OZ Minerals Shares will be uncertain. The Scheme removes this uncertainty for OZ Minerals Shareholders. For details of the risks relating to remaining an OZ Minerals Shareholder, see Sections 9.2, 9.2.13 and 9.4.

3.2.5 OZ Minerals' share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal

On the last trading day prior to the announcement of the Initial Proposal, being 5 August 2022, OZ Minerals' share price was \$18.92.

If the Scheme is not implemented, OZ Minerals Shares will continue to trade on the ASX and will continue to be subject to market volatility and risk. This includes exposure to general securities market movements, the impact of general domestic and global economic conditions, commodity prices and the demand for listed securities. As such, if the Scheme does not proceed, depending on the circumstances and a range of factors, the price at which OZ Minerals Shares trade may fall, potentially to a price that is below its recent trading price (and the Total Cash Consideration).

3.2.6 If the Scheme is not implemented, OZ Minerals will require further funding to progress its development projects and growth opportunities. Such further capital funding may not be available on satisfactory terms or at all, or may be dilutive to existing OZ Minerals Shareholders

If the Scheme is not implemented, execution of OZ Minerals' growth initiatives will require additional capital to be raised for current and new development projects (including, but not limited to West Musgrave and Kalkaroo) and growth opportunities, and to repay or refinance debt as it falls due. If the Scheme is not implemented, there is also no certainty that OZ Minerals will be able to access additional funding on satisfactory terms (or at all) or to progress a potential strategic alliance for West Musgrave on acceptable terms.

If additional funding is raised through the issue of equity securities, the capital raising may also be dilutive to OZ Minerals Shareholders (if OZ Minerals determines that a pro rata entitlement offer is not the most appropriate method of equity fundraising or you elect not to participate in such entitlement offer) and such securities may, subject to any requisite shareholder approval, have rights, preferences or privileges senior to those currently holding OZ Minerals Shares.

3 Key considerations relevant to your vote

3.2.7 No Superior Proposal has emerged as at the date of this Scheme Booklet

Since the announcement of the Initial Proposal on 8 August 2022 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the OZ Minerals Directors are not aware of any Superior Proposal that is likely to emerge.

3.2.8 No brokerage will be payable by you for the transfer of your OZ Minerals Shares under the Scheme

You will not incur any brokerage on the transfer of your OZ Minerals Shares to BHP under the Scheme. Brokerage may be incurred if you transfer your OZ Minerals Shares other than under the Scheme.

3.3 REASONS TO VOTE AGAINST THE SCHEME RESOLUTION

Your OZ Minerals Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders.⁶ In addition, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Scheme Shareholders, in the absence of a Superior Proposal. However, there may be reasons which lead you to consider voting against the Scheme, including those set out below.

3.3.1 You may disagree with your OZ Minerals Directors' unanimous recommendation and/or the conclusion in the Independent Expert's Report

Despite the recommendation of your OZ Minerals Directors and the conclusion of the Independent Expert that the Scheme is fair and reasonable and therefore is in the best interests of OZ Minerals Shareholders in the absence of a Superior Proposal, you may disagree and believe that the Scheme is not in the best interests of OZ Minerals Shareholders or not in your best interests.

You may consider that the outlook for copper prices, foreign exchange rates and other relevant macroeconomic factors is particularly positive and those factors, together with the future performance of OZ Minerals' asset portfolio, may lead to greater returns for OZ Minerals Shareholders in the medium to long term compared to receiving Total Cash Consideration of \$28.25 per OZ Minerals Share under the Scheme. As such, you may consider that the Scheme is not in your best interests. Any potential upside in these macroeconomic factors should be weighed against the risks of an ongoing investment in OZ Minerals (see Section 9 for risk factors).

In their determination to unanimously recommend the Scheme, the OZ Minerals Directors considered their views on both short and long term copper market forecasts. Over the period 5 August 2022 (being the last trading day prior to the announcement of the Initial Proposal) to 27 February 2023 (being the last practicable trading day prior to the finalisation of this Scheme Booklet) the spot copper price in Australian dollar terms has increased by 16%. In forming its opinion that the Scheme is fair and reasonable and is in the best interests of OZ Minerals Shareholders in the absence of a superior proposal, the Independent Expert considered a range of forecasts for key macroeconomic assumptions, including commodity prices. For further detail on the Independent Expert's approach to these assumptions, see section 5.3.1 of the Independent Expert's Report. The Independent Expert also considered the impact of changes in these assumptions on its valuation of OZ Minerals in section 5.3.6 of the Independent Expert's Report.

3.3.2 You may prefer to participate in the future financial performance of the OZ Minerals business

If the Scheme is implemented, you will cease to be an OZ Minerals Shareholder and will lose the ability to participate in any potential upside that may result from maintaining your investment in OZ Minerals.

This means that you will not participate in the future financial performance and potential growth of OZ Minerals and will not retain exposure to the value that could be created by OZ Minerals for OZ Minerals Shareholders in the future.

You may prefer to retain exposure to the potential greenfield and brownfield developments within the OZ Minerals portfolio over the long term, notwithstanding the risks and challenges involved in advancing these projects (as set out in Section 9 of this Scheme Booklet). It should be noted that the potential for any future upside in returns must be weighed against the risks in an ongoing investment in OZ Minerals (see Section 9 for risk factors). There is no guarantee as to OZ Minerals' future performance, as is the case with all investments in listed equities.

3.3.3 You may wish to maintain your direct investment in OZ Minerals due to its investment characteristics and risk profile

You may prefer to keep your OZ Minerals Shares to maintain your investment in a public company with OZ Minerals' specific characteristics, including but not limited to risk, return and liquidity characteristics. You may also consider that it would be difficult to identify and invest in alternative investments that have a similar profile to that of OZ Minerals.

3.3.4 You may consider that there is the potential for a Superior Proposal to emerge

You may believe that there is potential for a Superior Proposal to be made. This may include a takeover offer or alternative transaction proposal which would deliver a total consideration to OZ Minerals Shareholders in excess of the Total Cash Consideration.

However, as at the date of this Scheme Booklet, no Superior Proposal has emerged and the OZ Minerals Directors are not aware of any Superior Proposal that is likely to emerge.

3.3.5 The tax implications of the Scheme may not be suitable to your financial circumstances or position

If the Scheme is implemented, there may be tax consequences for you as an OZ Minerals Shareholder, some of which may be adverse. Further detail regarding the potential Australian tax implications of the Scheme is contained in Section 10.

All OZ Minerals Shareholders are advised to seek independent professional advice about their particular circumstances including, for non-resident OZ Minerals Shareholders, foreign tax consequences.

6. You should note when considering this recommendation that, if the Scheme becomes Effective, OZ Minerals' Managing Director and Chief Executive Officer, Andrew Cole, will receive a cash payment of approximately \$6 million in relation to his entitlements under OZ Minerals' incentive plans. Please see Section 7.14 for more information. The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole's role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole's views in relation to the Scheme.

4 Frequently asked questions

Question	Answer
Background information	
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are an OZ Minerals Shareholder and you are being asked to vote on the Scheme Resolution. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme Resolution at the Scheme Meeting. If you have sold all of your OZ Minerals Shares, please disregard this Scheme Booklet.
What is the Scheme?	A scheme of arrangement is a statutory procedure that is commonly used to enable one entity to acquire another entity. The Scheme is a scheme of arrangement between OZ Minerals and the Scheme Shareholders under which BHP would acquire all of the OZ Minerals Shares in exchange for the Scheme Consideration.
What needs to occur in order for the Scheme to go ahead?	In order for the Scheme to go ahead, the Requisite Majority of OZ Minerals Shareholders need to vote in favour of the Scheme Resolution at the Scheme Meeting, and all of the Conditions (as described at Section 11.6.1) must be satisfied or waived, including the Court approving the Scheme at the Second Court Hearing.
Do the OZ Minerals Directors recommend the Scheme?	Your OZ Minerals Directors unanimously recommend that OZ Minerals Shareholders vote in favour of the Scheme Resolution subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal.⁷ The reasons for this recommendation, and other matters that you may wish to take into consideration, are set out in the “Reasons to vote in favour of the Scheme Resolution” in Section 3.2 of this Scheme Booklet. Your OZ Minerals Directors recommend that, before voting on the Scheme Resolution, all OZ Minerals Shareholders: > carefully read the contents of this Scheme Booklet (including the Independent Expert’s Report); > obtain advice from appropriate legal, financial and tax professionals with regards to how the Scheme might impact them; and > consider their own preferences, personal and financial circumstances. In considering this recommendation of the OZ Minerals Board, OZ Minerals Shareholders should have regard to OZ Minerals Chief Executive Officer and Managing Director’s economic interest in the outcome of the acquisition of OZ Minerals under the Scheme. This information is set out at Section 7.14 of this Scheme Booklet.
What are the intentions of the OZ Minerals Directors?	Each OZ Minerals Director intends to vote or cause to be voted all the OZ Minerals Shares in which they have a Relevant Interest in favour of the Scheme Resolution subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal. Details of each OZ Minerals Director’s holding of OZ Minerals Shares are set out in Section 7.14.
What are the reasons to vote in favour of the Scheme Resolution?	The reasons to vote in favour of the Scheme Resolution are set out in the “Reasons to vote in favour of the Scheme Resolution” in Section 3.2 of this Scheme Booklet. Certain risks related to holding OZ Minerals Shares, and the Scheme are set out in Section 9. The OZ Minerals Directors unanimously believe that the benefits of the Scheme outweigh its potential disadvantages and risks.
What is the conclusion of the Independent Expert?	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore is in the best interests of OZ Minerals Shareholders in the absence of a Superior Proposal.
What if the Independent Expert changes its opinion?	If the Independent Expert changes its opinion, this will be announced to the ASX and the OZ Minerals Directors will carefully consider the Independent Expert’s revised opinion and advise you of their recommendation. The OZ Minerals Directors may withdraw or change their recommendation and may terminate the Scheme Implementation Deed on or before 8.00am on the Second Court Date without paying the Break Fee to BHP if the Independent Expert concludes that the Scheme is no longer in the best interests of OZ Minerals Shareholders (other than as a result of a Superior Proposal).
What happens if a Superior Proposal is received?	OZ Minerals Shareholders should note that OZ Minerals has agreed to certain exclusivity and break fee arrangements in favour of BHP, which are summarised in Section 11.6 of this Scheme Booklet. If a Superior Proposal emerges, the OZ Minerals Directors will reconsider their recommendation in respect of the Scheme. If any OZ Minerals Director publicly withdraws or changes his or her recommendation that OZ Minerals Shareholders vote in favour of the Scheme Resolution or publicly recommends a Competing Proposal, BHP may terminate the Scheme Implementation Deed before 8.00am on the Second Court Date. OZ Minerals may also be obliged to pay BHP the Break Fee of \$95,000,000 in these circumstances.
What are the prospects of receiving a Superior Proposal?	Since the announcement of the Initial Proposal on 8 August 2022 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the OZ Minerals Directors are not aware of any Superior Proposal that is likely to emerge.

7. You should note when considering this recommendation that, if the Scheme becomes Effective, OZ Minerals’ Managing Director and Chief Executive Officer, Andrew Cole, will receive a cash payment of approximately \$6 million in relation to his entitlements under OZ Minerals’ incentive plans. Please see Section 7.14 for more information. The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole’s role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole’s views in relation to the Scheme.

4 Frequently asked questions

Question	Answer
Total Cash Consideration	
What is the Total Cash Consideration to each OZ Minerals Shareholder?	Before the Scheme Meeting, the OZ Minerals Board intends to declare the Special Dividend, being a fully franked cash dividend of \$1.75 per OZ Minerals Share held on the Special Dividend Record Date which is expected to be paid on the Implementation Date, subject to the Scheme becoming Effective. If the Scheme is implemented, and assuming the Special Dividend is declared and paid, OZ Minerals Shareholders that hold OZ Minerals Shares on the Special Dividend Record Date and the Scheme Record Date will receive up to the Total Cash Consideration of \$28.25 per OZ Minerals Share they hold, comprising: > the Scheme Consideration, which will be \$26.50 for each OZ Minerals Share they hold on the Scheme Record Date (expected to be 24 April 2023); and > a fully franked Special Dividend of \$1.75 for each OZ Minerals Share they hold on the Special Dividend Record Date (expected to be 21 April 2023). The Total Cash Consideration will be \$28.25 per OZ Minerals Share regardless of the amount of any Special Dividend. This is because the Scheme Consideration you receive from BHP will be \$28.25 less the cash amount of any Special Dividend you receive from OZ Minerals. Certain OZ Minerals Shareholders may be able to realise the benefit of \$0.75 franking credits per OZ Minerals Share that will be attached to the fully franked Special Dividend (refer to Section 10). The franking credits you may be able to utilise from the Special Dividend will depend in part on your own personal circumstances in respect of which we encourage you to seek independent legal and taxation advice. The payment of the Special Dividend is subject to the Scheme becoming Effective, so it will not be paid if the Scheme does not become Effective. As noted in Section 6.6 of this Scheme Booklet, OZ Minerals Shareholders will not receive the Scheme Consideration or the Special Dividend if the Scheme is not implemented.
What is the premium of the Total Cash Consideration to OZ Minerals' Share price?	The Total Cash Consideration represents an attractive premium of: > 49.3% to the close of trading of OZ Minerals Shares on 5 August 2022 of \$18.92 per share (being the last trading day prior to the announcement of the Initial Proposal); > 59.8% to OZ Minerals Shares' undisturbed 30-day volume weighted average price of \$17.67 per share as at 5 August 2022; > 46.0% to OZ Minerals Shares' undisturbed 60-day volume weighted average price of \$19.35 per share as at 5 August 2022; and > a 13.0% premium compared to the Initial Proposal of \$25.00 per share. OZ Minerals' share price has a close correlation to the spot copper price. The spot copper price has increased by approximately 16% in Australian dollar terms in the period from 5 August 2022 (being the last trading day prior to the announcement of the Initial Proposal) to 27 February 2023 (being the last practicable trading day prior to the finalisation of this Scheme Booklet). Accordingly, absent the Scheme, the OZ Minerals share price could be higher than at the time of the Initial Proposal in which case the Total Cash Consideration of \$28.25 would represent a lower premium than stated above. OZ Minerals Shareholders should also have regard to the section entitled <i>"The Scheme consideration provides OZ Minerals shareholders with a significant premium for control, but this premium needs to be considered in light of prevailing copper prices"</i> on page 9 of the summary letter attached to the Independent Expert's Report, and section 6.3.2 on page 113 of the Independent Expert's Report in relation to the premium. The Total Cash Consideration of \$28.25 per OZ Minerals Shares implies a fully diluted market capitalisation for OZ Minerals of \$9.5 billion and an enterprise value of approximately \$9.8 billion.⁸
Who is entitled to participate in the Scheme?	Persons who hold OZ Minerals Shares on the Scheme Record Date will participate in the Scheme and, if the Scheme is implemented, those persons will receive the Scheme Consideration in respect of each OZ Minerals Share they hold on the Scheme Record Date.
If I am entitled to participate in the Scheme, when will I be paid the Scheme Consideration?	If the Scheme becomes Effective, OZ Minerals Shareholders on the Share Register on the Scheme Record Date will be paid the Scheme Consideration on the Implementation Date.
Will I be paid any further distributions from OZ Minerals if the Scheme becomes Effective?	The Scheme will only become Effective if the Scheme Resolution is approved by the Requisite Majority at the Scheme Meeting, and then by the Court at the Second Court Hearing. If the Special Dividend is declared, then if the Scheme becomes Effective and you are registered as an OZ Minerals Shareholder on the Special Dividend Record Date you will be paid the Special Dividend of \$1.75 per OZ Minerals Share. After that, you will not receive any further distributions from OZ Minerals.

8. Based on OZ Minerals' fully diluted shares on issue of 337,719,454 (inclusive of 2,203,488 OZ Minerals Performance Rights) as at the last practicable date prior to finalisation of this Scheme Booklet, and net debt of \$254 million as at 31 December 2022. Net debt includes cash and cash equivalents of \$137 million, current borrowings of \$375 million, and non-current loans and borrowings of \$16 million and is exclusive of lease liabilities as at 31 December 2022.

4 Frequently asked questions

Question	Answer
Total Cash Consideration <i>continued</i>	
What is the Special Dividend?	The Special Dividend is the amount of \$1.75 per OZ Minerals Share that the OZ Minerals Board intends to declare before the Scheme Meeting (conditional on the Scheme becoming Effective). If declared, the Special Dividend will be paid on the Implementation Date, to those OZ Minerals Shareholders on the Share Register on the Special Dividend Record Date. The Special Dividend will be conditional upon the Scheme becoming Effective and so will not be paid if the Scheme does not become Effective.
Am I eligible to be paid the Special Dividend?	Yes, provided that: > the OZ Minerals Board declares the Special Dividend. The OZ Minerals Directors intend for this to occur prior to the Scheme Meeting; > the Scheme becomes Effective; and > you are registered as an OZ Minerals Shareholder on the Special Dividend Record Date. If the Scheme does not become Effective, you will not be paid the Special Dividend.
Will the Special Dividend be franked?	OZ Minerals intends that the Special Dividend (if declared) will be fully franked.
Will I get the benefit of franking credits attached to the Special Dividend?	Certain OZ Minerals Shareholders may be able to realise the benefit of \$0.75 franking credits per OZ Minerals Share that will be attached to the fully franked Special Dividend. OZ Minerals Shareholders may be entitled to a tax offset equal to the franking credits attached to the fully franked Special Dividend (refer to Section 10). The benefit of any franking credits attached to the Special Dividend will in part depend on your own personal circumstances. The OZ Minerals Directors encourage you to seek independent legal and taxation advice around the franking credits and the fully franked Special Dividend.
When will I be paid the Special Dividend?	If the Scheme becomes Effective, the Special Dividend will be paid to OZ Minerals Shareholders on the Implementation Date in the same way and in the same currency that you have elected to receive distributions from OZ Minerals. In respect of each OZ Minerals Share held by that OZ Minerals Shareholder on the Special Dividend Record Date. The payment of Special Dividend will be conditional on the Scheme becoming Effective. If the Scheme does not become Effective, the Special Dividend will not be paid to OZ Minerals Shareholders. If the Scheme does not become Effective, there will be no certainty as to the timing and quantum of any future dividends. The OZ Minerals Board will continue to consider the payment of dividends in light of the funding needs of OZ Minerals at the relevant time, its current policy of paying sustainable dividends from pre-growth cash flow, OZ Minerals' near term identified capital investment opportunities and the need to maintain a strong balance sheet.
What is the status of the Class Ruling?	OZ Minerals has applied for a Class Ruling from the ATO on behalf of OZ Minerals Shareholders on certain matters. The ATO has not issued the Class Ruling requested as at the date of the Scheme Booklet. When OZ Minerals receives a draft of the ATO Class Ruling, OZ Minerals Shareholders will be informed through an announcement on the ASX. The final ATO Class Ruling will not be issued until after the Implementation Date for the Scheme. Further information is provided at Section 10 of this Scheme Booklet.
How will OZ Minerals fund the Special Dividend (if declared)?	OZ Minerals will draw down on its existing debt facilities to fund the payment of the Special Dividend. This facility was initially intended to be used solely for the development of the West Musgrave Project, however, the lenders under that facility have agreed for it to be used to fund the Special Dividend subject to the existing terms and conditions of the facility and the Scheme becoming Effective.
What are the tax implications of the Scheme?	The tax implications of the Scheme will depend on each OZ Minerals Shareholder's personal circumstances. General information about the potential Australian tax consequences of the Scheme is set out in Section 10 of this Scheme Booklet. However, as that information is general in nature and as each OZ Minerals Shareholder's circumstances will vary, each OZ Minerals Shareholder should obtain professional tax advice that is relevant to their particular circumstances.
Will brokerage be payable if the Scheme is implemented?	Brokerage will not be payable if the Scheme is implemented and your OZ Minerals Shares are acquired by BHP.
Can I sell my OZ Minerals Shares now?	You can sell your OZ Minerals Shares on-market at any time before the close of trading on the ASX on the Effective Date. However, if you do so you will receive the prevailing on-market price set at the time of sale which may not be the same price as the Total Cash Consideration. OZ Minerals intends to apply to the ASX for OZ Minerals Shares to be suspended from official quotation on the ASX from close of trading on the Effective Date. Accordingly, you will not be able to sell your OZ Minerals Shares on-market after that time. It is possible that brokerage may be incurred if you transfer your OZ Minerals Shares other than under the Scheme.

4 Frequently asked questions

Question	Answer
Scheme Meeting and voting considerations	
When and where will the Scheme Meeting be held?	Location: 2 Hamra Drive, Adelaide Airport, South Australia, Australia and online via https://meetings.linkgroup.com/ozlscheme23 Date: 13 April 2023 Time: 10.00am (Adelaide time) / 10.30am (Melbourne time)
What is the purpose of the Scheme Meeting?	To provide OZ Minerals Shareholders an opportunity to consider the Scheme and an opportunity to vote on the Scheme Resolution in respect of the Scheme.
What are OZ Minerals Shareholders being asked to vote on at the Scheme Meeting?	At the Scheme Meeting, OZ Minerals Shareholders will be asked to vote on the Scheme Resolution, being a resolution to approve the Scheme.
Am I entitled to vote at the Scheme Meeting?	If you are registered as an OZ Minerals Shareholder on the Share Register at 7.00pm on 11 April 2023, you will be entitled to vote at the Scheme Meeting.
Can I still vote if I can't attend the Scheme Meeting in person?	If you are unable to attend the Scheme Meeting in person or would prefer to attend online, you can vote on the Scheme Resolution by attending the meeting online via https://meetings.linkgroup.com/ozlscheme23. Alternatively, you may wish to appoint a proxy, attorney or corporate representative (if applicable) to attend (in person or online) and vote at the Scheme Meeting on your behalf. You may lodge your proxy online by logging into https://investorcentre.linkgroup.com using the holding details as shown on the proxy form. Once logged in, select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).
What choices do I have as an OZ Minerals Shareholder?	As an OZ Minerals Shareholder, you have the following choices in relation to the Scheme: > vote in favour of the Scheme Resolution at the Scheme Meeting; > vote against the Scheme Resolution at the Scheme Meeting; > sell your OZ Minerals Shares on the ASX; or > do nothing. For more information on your choices as an OZ Minerals Shareholder, please see Section 6.4.
What is the 'Requisite Majority' threshold for the Scheme?	In order for the Scheme Resolution to be approved at the Scheme Meeting: > unless the Court orders otherwise, the Scheme Resolution must be passed by a majority in number (i.e. more than 50%) of OZ Minerals Shareholders present and voting at the Scheme Meeting (whether attending in person, attending online, by proxy, by attorney or by a corporate representative); and > at least 75% of the total number of votes cast at the Scheme Meeting must be cast in favour of the Scheme Resolution.
Is voting compulsory?	Voting is not compulsory. However, the Scheme can only proceed if approved by the Requisite Majority at the Scheme Meeting (and then approved by the Court), so voting is important and the OZ Minerals Directors encourage you to vote.
What happens if I do not vote or I do not vote in favour of the Scheme Resolution?	You will be bound by the result of the vote whether or not you were present at the Scheme Meeting, whether or not you voted on the Scheme Resolution or whether or not you voted in favour or against of the Scheme Resolution.
When will I know the voting result? (i.e. when will I know whether the Scheme Resolution was passed at the Scheme Meeting?)	The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX once available. Announcements released on the ASX are accessible online at (www.asx.com.au).

4 Frequently asked questions

Question	Answer
Other steps after the Scheme Meeting	
What happens after the Scheme Meeting?	If the Scheme is approved by the Requisite Majority at the Scheme Meeting, Court approval of the Scheme will then need to be obtained. If the Scheme is not approved at the Scheme Meeting, it will likely not be implemented.
Are there any Conditions that must be satisfied or waived in order for the Scheme to be implemented?	Yes. The Conditions which remain outstanding as at the date of this Scheme Booklet are summarised in Section 11.6.1. As at the date of this Scheme Booklet, the Brazil competition approval condition has been satisfied, and the OZ Minerals Directors are not aware of any reason why those other Conditions should not be satisfied.
What happens if these Conditions are not satisfied or the Scheme Implementation Deed is terminated?	If the Conditions are not satisfied or waived (as applicable) or the Scheme Implementation Deed is terminated, then the Scheme will not be implemented and, as set out in Section 7.11.1: > you will retain your OZ Minerals Shares and they will not be acquired by BHP; > you will not receive the Scheme Consideration; > you will not receive the Special Dividend; > OZ Minerals will continue to operate as a standalone entity listed on the ASX; and > if no Superior Proposal is received by the OZ Minerals Board, then the OZ Minerals Share price may fall.
What happens if the Scheme becomes Effective?	If the Scheme becomes Effective and you remain an OZ Minerals Shareholder as at the Scheme Record Date, all of your OZ Minerals Shares will be transferred to BHP under the Scheme. If the Special Dividend is declared and the Scheme becomes Effective, then on the Implementation Date (which is also expected to be the Special Dividend Payment Date), OZ Minerals Shareholders will receive Total Cash Consideration of \$28.25 per OZ Minerals Share provided that they held their OZ Minerals Shares on both the Special Dividend Record Date (expected to be 21 April 2023) and the Scheme Record Date (expected to be 24 April 2023).
Can the Scheme be terminated?	The Scheme Implementation Deed may be terminated in certain circumstances, details of which are summarised in Section 11.6.1. If the Scheme Implementation Deed is terminated, the Scheme will not be implemented.
Key parties involved in the Transaction	
Who is BHP?	BHP is a wholly owned subsidiary of BHP Group Limited, a leading global resources business with a market capitalisation of approximately \$226 billion as at the last practicable date prior to finalisation of this Scheme Booklet. For further information on the BHP Group, please refer to Section 8 of this Scheme Booklet.
What are BHP's intentions if the Scheme is implemented?	For information on the BHP Group's intentions regarding OZ Minerals if the Scheme is implemented, please refer to Section 8 of this Scheme Booklet.
How is BHP funding the Scheme Consideration?	BHP intends to fund payment of the Aggregate Scheme Consideration using a combination of existing cash reserves of the BHP Group and the proceeds of a debt facility described in Section 8.5 of this Scheme Booklet. The total amount available to BHP under these arrangements exceeds the expected Aggregate Scheme Consideration. Further detail regarding how BHP is funding the Scheme Consideration is contained at Section 8.5 of this Scheme Booklet.
Other	
What can I do if I oppose the Scheme?	If you, as an OZ Minerals Shareholder, are opposed to the Scheme, you have the option to: > call the OZ Minerals Shareholder Information Line on 1300 306 089 (within Australia) or +61 1300 306 089 (outside Australia) between 8.30am and 7.30pm on Monday to Friday (excluding public holidays) and obtain further information; > attend the Scheme Meeting either in person or online, or by proxy (or by corporate representative, if applicable) and vote against the Scheme Resolution; and/or > if OZ Minerals Shareholders pass the Scheme Resolution at the Scheme Meeting, to appear and be heard at the Second Court Hearing to oppose the approval of the Scheme at that hearing (please see the "Important Notices" Section of this Scheme Booklet for further details under the heading "Notice of Second Court Hearing").
Where can I obtain further information?	If you have any questions about the Scheme or you would like additional copies of this Scheme Booklet, please contact the OZ Minerals Shareholder Information Line on 1300 306 089 (within Australia) or 1300 306 089 (outside Australia) between 8.30am and 7.30pm Monday to Friday (excluding public holidays). For information about your individual financial or tax circumstances please consult your financial, legal, tax or other professional adviser.

5 How to vote

5.1 WHO IS ENTITLED TO VOTE AT THE SCHEME MEETING?

If you are registered on the Share Register as an OZ Minerals Shareholder at 7.00pm on 11 April 2023, then you will be entitled to attend and vote at the Scheme Meeting. Voting is not compulsory.

5.2 JOINT HOLDERS

In the case of OZ Minerals Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one OZ Minerals Shareholder votes in respect of jointly held OZ Minerals Shares, only the vote of the OZ Minerals Shareholder whose name appears first in the Share Register will be counted.

5.3 YOUR VOTE IS IMPORTANT

In order for the Scheme to be implemented, the Scheme Resolution must be approved by the Requisite Majority of OZ Minerals Shareholders at the Scheme Meeting. For this reason, the OZ Minerals Directors unanimously recommend that you vote in favour of the Scheme Resolution subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal.⁹

OZ Minerals Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting, or will not have access to a device and the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by no later than 10.00am (Adelaide time) / 10.30am (Melbourne time) on 11 April 2023. This can be done by completing and submitting a proxy form in accordance with the instructions on that form or lodge your proxy form online at the Registry's website (<https://www.linkmarketservices.com.au>) in accordance with the instructions given there.

5.4 LOCATION AND DETAILS OF SCHEME MEETING

The details of the Scheme Meeting are as follows:

Location: 2 Hamra Drive, Adelaide Airport, Adelaide, South Australia and online via <https://meetings.linkgroup.com/ozlscheme23>

Date: 13 April 2023

Time: 10.00am (Adelaide time) / 10.30am (Melbourne time)

5.5 NOTICE OF SCHEME MEETING

The Notice of Scheme Meeting is set out at Appendix A to this Scheme Booklet.

5.6 VOTING IN PERSON, BY ATTORNEY OR CORPORATE REPRESENTATIVE

If you wish to vote in person, you must attend the Scheme Meeting.

If you cannot attend the Scheme Meeting in person, you may vote by proxy or attend online (see Sections 5.7 and 5.8).

You may appoint an attorney to attend and vote at the Scheme Meeting on your behalf and such attorney can either attend in person at the Scheme Meeting or attend the Scheme Meeting via the online platform. You may do so by providing a duly executed power of attorney to the Registry. Powers of attorney must be received by no later than 10.00am (Adelaide time) / 10.30am (Melbourne time) on 11 April 2023.

A validly appointed attorney wishing to attend and vote at the Scheme Meeting via the online platform will require the appointing OZ Minerals Shareholder's name and postcode and the Security Reference Number (SRN)/Holder Identification Number (HIN) of the shareholding in order to access the online platform. A validly appointed attorney wishing to attend and vote at the Scheme Meeting in person will need to register their attendance and identify themselves as an attorney on the day of the Scheme Meeting in person at the registration desk. Your appointment of an attorney does not preclude you from attending in person or online and voting at the Scheme Meeting.

A body corporate that is an OZ Minerals Shareholder may appoint an individual to act as its corporate representative and should bring to the Scheme Meeting a 'Certificate of Appointment of Corporate Representative' as evidence of his or her appointment, including any authority under which it is signed. The appointment must be in accordance with section 250D of the Corporations Act.

A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting via the online platform will require the appointing OZ Minerals Shareholder's name, the SRN/HIN of the shareholding, proxy code and postcode or country of residence (if outside Australia) in order to access the online platform.

9. You should note when considering this recommendation that, if the Scheme becomes Effective, OZ Minerals' Managing Director and Chief Executive Officer, Andrew Cole, will receive a cash payment of approximately \$6 million in relation to his entitlements under OZ Minerals' incentive plans. Please see Section 7.14 for more information. The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole's role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole's views in relation to the Scheme.

5 How to vote

5.7 VOTING VIA ONLINE ATTENDANCE

OZ Minerals Shareholders or their validly appointed proxies, attorneys and corporate representatives can attend and vote at the Scheme Meeting via OZ Mineral's online meeting platform at <https://meetings.linkgroup.com/ozlscheme23>.

The online platform may be accessed via a computer or mobile or tablet device with internet access. The online platform will allow OZ Minerals Shareholders and their authorised proxies, attorneys and corporate representatives to watch the Scheme Meeting live, cast an online vote and ask questions online. If dialled in using a telephone, OZ Minerals Shareholders will also be able to ask a question via telephone.

If you are not attending in person, you may ask questions in two ways:

- > by submitting a written question on the online platform; or
- > by asking an oral question. If you would like to ask an oral question, you will need to register for a unique PIN. To obtain your unique PIN, please contact Link Market Services on +61 1800 990 363.

To attend and vote online, OZ Minerals Shareholders will need their Security Reference Number (SRN) or Holder Identification Number (HIN) and their postcode or country of residence (if outside Australia). Proxyholders will be emailed their proxy code by the OZ Minerals Share Registry 24 hours before the commencement of the meeting.

Participants will be able to log in to the online platform 30 minutes before the start of the Scheme Meeting. It is recommended that participants log in at least 15 minutes before the scheduled start time for the Scheme Meeting. The Hybrid Scheme Meeting Online Guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site. The Hybrid Scheme Meeting Online Guide can be found in Appendix E of the Scheme Booklet.

Please monitor OZ Minerals' website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

5.8 VOTING BY PROXY

If you wish to appoint a proxy to attend (in person or online) and vote at the Scheme Meeting on your behalf, please complete and sign the personalised proxy form accompanying this Scheme Booklet in accordance with the instructions set out on the proxy form or lodge your proxy form online at the Registry's website (<https://www.linkmarketservices.com.au>) in accordance with the instructions given there. You may complete the proxy form in favour of the Chairman of the Scheme Meeting or appoint up to two proxies to attend and vote on your behalf at the Scheme Meeting.

**TO BE VALID, PROXY FORMS FOR THE SCHEME MEETING MUST BE RECEIVED BY THE REGISTRY
BY NO LATER THAN 10.00AM (ADELAIDE TIME) / 10.30AM (MELBOURNE TIME) ON 11 APRIL 2023.**

Proxy forms, duly completed in accordance with the instructions set out on the proxy form, may be returned to the Registry in one of the following ways:

- > online at <https://www.linkmarketservices.com.au> (to use the online voting facility, OZ Minerals Shareholders will need their shareholder reference number (SRN) or holder identification number (HIN) and control number as shown on the front of the proxy form);
- > by post in the reply-paid envelope provided to OZ Minerals Limited C/- Link Market Services Limited, Locked Bag A14 Sydney South NSW 1235 Australia;
- > by hand delivery during business hours (Monday to Friday (excluding public holidays), 9.00am to 5.00pm) to the Registry at Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150; or
- > by fax to the Registry +61 2 9287 0309 (both within and outside Australia).

6 Overview of the Scheme

6.1 BACKGROUND

On 8 August 2022, OZ Minerals announced receipt of an unsolicited Initial Proposal from BHP of \$25.00 per OZ Minerals Share. At the time, your OZ Minerals Directors rejected the proposal on the basis of their assessment that the Initial Proposal undervalued OZ Minerals. On 16 November 2022, following a period of engagement over the preceding weeks, BHP submitted the Revised Proposal to OZ Minerals.

BHP stated that its Revised Proposal price of \$28.25 per OZ Minerals Share represented the “best and final” price it was willing to offer under the Revised Proposal, in the absence of a competing proposal.

On 22 December 2022, OZ Minerals announced that it had signed the Scheme Implementation Deed with BHP. In accordance with the terms of the Scheme, BHP will acquire all OZ Minerals Shares on issue by way of the Scheme.

If the Scheme is approved by OZ Minerals Shareholders at the Scheme Meeting by the Requisite Majority and by the Court, and if all Conditions for the Scheme are satisfied or waived (as applicable), OZ Minerals will become a wholly owned subsidiary of BHP and will be delisted from the ASX. If the Scheme is not approved, the Scheme will not be implemented and OZ Minerals will continue as a standalone entity listed on the ASX.

6.2 WHAT IS THE SCHEME?

A scheme of arrangement is a statutory procedure that is commonly used to enable one entity to acquire another entity. The Scheme is a scheme of arrangement between OZ Minerals and the Scheme Shareholders under which BHP would acquire all of the OZ Minerals Shares in exchange for the Scheme Consideration.

The Scheme must be approved by the Requisite Majority of OZ Minerals Shareholders, being a majority in number of OZ Minerals Shareholders that vote on the Scheme Resolution (whether in person, online, by proxy, by attorney or OZ Minerals Shareholders by a corporate representative) and that represent at least 75% of the total number of votes cast on the Scheme Resolution. The Scheme must also be approved by the Court at the Second Court Hearing.

The Scheme will become binding on OZ Minerals and OZ Minerals Shareholders only if the Conditions to the Scheme, set out in Section 11.6.1, are satisfied or waived (as applicable).

6.3 OZ MINERALS DIRECTORS’ UNANIMOUS RECOMMENDATION

The OZ Minerals Directors unanimously recommend that OZ Minerals Shareholders vote in favour of the Scheme Resolution, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal.¹⁰ The OZ Minerals Directors may withdraw or change their recommendation in circumstances where OZ Minerals receives a Superior Proposal and OZ Minerals has complied with the exclusivity arrangements that are summarised in Section 11.6, or the Independent Expert concludes that the Scheme is not or is no longer in the best interests of OZ Minerals Shareholders.

In making this recommendation, the OZ Minerals Directors have considered the advantages and disadvantages of the Scheme, including the information set out in:

- > Section 3 (Key considerations relevant to your vote);
- > Section 6.8 (If the Scheme does not become Effective);
- > Section 9.2 (Specific risks associated with your investment in OZ Minerals);
- > Section 9.4 (Risks and implications for OZ Minerals and OZ Minerals Shareholders if the Scheme is not implemented); and
- > Appendix B (Independent Expert’s Report).

In considering whether to vote in favour of the Scheme Resolution, your OZ Minerals Directors encourage you to:

- > carefully read this Scheme Booklet (including the Independent Expert’s Report);
- > consider the choices available to you as outlined in Section 6.4;
- > have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- > obtain legal advice from your lawyer on the Scheme and the implications of the Scheme becoming Effective;
- > obtain financial advice from your broker or financial adviser on the Scheme; and
- > obtain tax advice on the implications of the Scheme becoming Effective.

The interests of each OZ Minerals Director are set out in Section 7.14.

10. You should note when considering this recommendation that, if the Scheme becomes Effective, OZ Minerals’ Managing Director and Chief Executive Officer, Andrew Cole, will receive a cash payment of approximately \$6 million in relation to his entitlements under OZ Minerals’ incentive plans. Please see Section 7.14 for more information. The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole’s role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole’s views in relation to the Scheme.

6 Overview of the Scheme

6.4 YOUR CHOICES AS AN OZ MINERALS SHAREHOLDER

As an OZ Minerals Shareholder, you have the following four options in relation to your OZ Minerals Shares:

6.4.1 Vote in favour of the Scheme Resolution at the Scheme Meeting

Your OZ Minerals Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OZ Minerals Shareholders and there being no Superior Proposal.¹¹ The reasons for your OZ Minerals Directors' unanimous recommendation are set out in the "Reasons to vote in favour of the Scheme Resolution" at Section 3.2.

Also, the Independent Expert has concluded that the Scheme is fair and reasonable and therefore is in the best interests of OZ Minerals Shareholders in the absence of a Superior Proposal.

6.4.2 Vote against the Scheme Resolution at the Scheme Meeting

If, despite the OZ Minerals Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may choose to vote against the Scheme Resolution.

However, if the Scheme Resolution is approved by the Requisite Majority at the Scheme Meeting and the Scheme is implemented, your OZ Minerals Shares will be transferred to BHP and you will receive the Total Cash Consideration for each OZ Minerals Share you hold on both the Special Dividend Record Date and the Scheme Record Date, whether or not you attended the Scheme Meeting, whether or not you voted, or whether you voted against the Scheme Resolution.

6.4.3 Sell your OZ Minerals Shares on the ASX

You can sell your OZ Minerals Shares on the ASX at any time before the cessation of trading of OZ Minerals Shares on the ASX. If you sell your OZ Minerals Shares on the ASX, you may incur brokerage or other costs. If the Scheme becomes Effective, trading in OZ Minerals Shares on the ASX is expected to cease at the close of trading on the ASX on the day on which the Scheme becomes Effective.

6.4.4 Do nothing

If, despite the OZ Minerals Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the Conditions to the Scheme are satisfied or waived (as applicable), the Scheme will bind all OZ Minerals Shareholders whether or not they voted or voted against the Scheme Resolution.

Your vote is important. If the Scheme Resolution is not approved by the Requisite Majority of OZ Minerals Shareholders, you will not be entitled to receive the Total Cash Consideration.

6.4.5 The Scheme may be implemented even if you vote against the Scheme Resolution or do not vote at all

You should be aware that if you do not vote, or if you vote against the Scheme Resolution, the Scheme may still be implemented if it is approved by the Requisite Majority and by the Court, and if the other Conditions are satisfied or waived (as applicable). If this occurs, your OZ Minerals Shares will be transferred to BHP and, provided you hold your OZ Minerals Shares on both the Special Dividend Record Date and Scheme Record Date, you will receive the Total Cash Consideration even though you did not vote on, or voted against, the Scheme Resolution.

6.5 IF THE SCHEME BECOMES EFFECTIVE

If the Scheme becomes Effective and you remain an OZ Minerals Shareholder as at the Scheme Record Date, each of your OZ Minerals Shares will be acquired by BHP on the Implementation Date, even if you do not attend the Scheme Meeting, do not vote on the Scheme Resolution or if you vote against the Scheme Resolution at the Scheme Meeting.

6.6 SCHEME CONSIDERATION

The terms of the proposed Scheme provide that OZ Minerals Shareholders will receive from BHP \$28.25 per OZ Minerals Share held on the Scheme Record Date less the amount of any Special Dividend.

As noted in OZ Minerals' results announcement on 22 February 2023, before the Scheme Meeting, the OZ Minerals Board intends to declare a fully franked Special Dividend of \$1.75 per OZ Minerals Share is expected to be paid on the Implementation Date. This means that if the Scheme becomes Effective and the Special Dividend is declared, OZ Minerals Shareholders will be paid the Total Cash Consideration of \$28.25 per OZ Minerals Share they hold, comprising:

- > the Scheme Consideration, to be paid by BHP, which will be \$26.50 for each OZ Minerals Share they hold on the Scheme Record Date; and
- > a fully franked Special Dividend of \$1.75, for each OZ Minerals Share they hold on the Special Dividend Record Date.

Assuming the Special Dividend is paid, the maximum aggregate amount of the Special Dividend will be \$590,508,348.50 assuming there are 337,433,342 OZ Minerals Shares on issue on the Special Dividend Record Date.¹²

11. You should note when considering this recommendation that, if the Scheme becomes Effective, OZ Minerals' Managing Director and Chief Executive Officer, Andrew Cole, will receive a cash payment of approximately \$6 million in relation to his entitlements under OZ Minerals' incentive plans. Please see Section 7.14 for more information. The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole's role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole's views in relation to the Scheme.

12. This is the sum of 335,515,966 (being the number of OZ Minerals Shares on issue as at the date of this Scheme Booklet) and 1,917,376 (being the new OZ Minerals Shares expected to be issued on vesting of OZ Minerals Performance Rights if the Scheme becomes Effective (see section 7.15 and 7.16)).

6 Overview of the Scheme

6.6 SCHEME CONSIDERATION *continued*

The Special Dividend (if declared) will be conditional on the Scheme becoming Effective. If the Scheme does not become Effective, the Special Dividend will not be paid to OZ Minerals Shareholders. In this respect, there will be no certainty as to the timing and quantum of any future dividends. The OZ Minerals Board will continue to consider the payment of dividends in light of the funding needs of OZ Minerals at the relevant time, its current policy of paying sustainable dividends from pre-growth cash flow, OZ Minerals' near term identified capital investment opportunities, and the need to maintain a strong balance sheet.

6.6.1 Funding of Scheme Consideration

A summary of how BHP intends to fund the Aggregate Scheme Consideration is set out in Section 8.5.

6.6.2 Eligibility to receive the Scheme Consideration

It is important to note that you will only be paid the Scheme Consideration if you are a Scheme Shareholder. You will be a Scheme Shareholder if you hold OZ Minerals Shares at the Scheme Record Date (which is 7.00pm on the fifth Business Day after the Effective Date, or such other time and date as BHP and OZ Minerals agree in writing). The Scheme Record Date is currently expected to be 24 April 2023.

6.6.3 Funding of Special Dividend

OZ Minerals will draw down on its existing debt facility to fund the payment of the Special Dividend. This facility was initially intended to assist with the development of the West Musgrave Project, however, the lenders under that facility have agreed for it to be used to fund the Special Dividend subject to the existing terms and conditions of the facility and the Scheme becoming Effective.

6.6.4 Eligibility to receive the Special Dividend

It is important to note that you will only receive the Special Dividend if you hold OZ Minerals Shares at the Special Dividend Record Date (which is currently intended to be 7.00pm on the third Business Day after the Effective Date, or such other time and date as BHP and OZ Minerals agree in writing). The Special Dividend will not be paid if the Scheme does not become Effective. The Special Dividend Record Date is currently expected to be 21 April 2023.

6.6.5 Mechanisms for payment of Scheme Consideration and Special Dividend

The Scheme Consideration will be paid by either:

- > making a payment in AUD to your nominated bank account detailed in the Share Register as at the Scheme Record Date; or
- > sending a cheque in AUD for the Scheme Consideration that you are entitled to receive under the Scheme to your address shown in the Share Register as at the Scheme Record Date.

The Special Dividend (if applicable) will be paid in the same currency and in the same way that you have elected to receive distributions from OZ Minerals. OZ Minerals Shareholders are encouraged to elect to receive their Scheme Consideration and Special Dividend entitlements via electronic funds transfer.

If you have not previously notified the Registry of your nominated bank account or you would like to change your existing nominated bank account, you should contact the Registry on 1300 306 089 (within Australia) or +61 1300 306 089 (outside Australia) between 8.30am and 7.30pm on Monday to Friday (excluding public holidays) before the Scheme Record Date.

If a Scheme Shareholder has not nominated a bank account and their whereabouts are unknown as at the Record Date, the Scheme Consideration will be paid into a separate bank account and held by OZ Minerals until claimed or applied under laws dealing with unclaimed money. If you wish to confirm your current address details with the Registry, you may do so using the contact details above.

6.7 KEY STEPS IN THE SCHEME

6.7.1 Preliminary steps

OZ Minerals and BHP entered into the Scheme Implementation Deed on 22 December 2022, under which OZ Minerals agreed to, among other things, propose the Scheme.

BHP has executed the Deed Poll, under which BHP agrees to, subject to the Scheme becoming Effective, provide the Scheme Consideration to which each Scheme Shareholder is entitled under the terms of the Scheme.

A copy of the proposed Scheme is set out in Appendix C to this Scheme Booklet. A copy of the Deed Poll is set out in Appendix D to this Scheme Booklet.

6.7.2 Scheme Meeting

In accordance with an order of the Court made on 2 March 2023, a meeting of OZ Minerals Shareholders will be held on 13 April 2023 at 2 Hamra Drive, Adelaide Airport, Adelaide, South Australia, Australia and online at <https://meetings.linkgroup.com/ozlscheme23> for the purposes of approving the Scheme Resolution. The Notice of Scheme Meeting, which sets out the Scheme Resolution, is provided in Appendix A to this Scheme Booklet.

Each OZ Minerals Shareholder who is registered on the Share Register at 7.00pm on 11 April 2023 is entitled to attend (in person or online) and vote at the Scheme Meeting.

Instructions on how to attend and vote at the Scheme Meeting in person or online, or to appoint a proxy to attend and vote on your behalf, are set out in Section 5.

6 Overview of the Scheme

6.7.3 Scheme Resolution at the Scheme Meeting

At the Scheme Meeting, the Scheme Resolution will be considered and voted upon by eligible OZ Minerals Shareholders.

6.7.4 Scheme Resolution approval requirements

At the Scheme Meeting, the Scheme Resolution must be approved by the Requisite Majority, being:

- > a majority in number (i.e., more than 50%) of OZ Minerals Shareholders present and voting at the Scheme Meeting (whether in person, online, by proxy, by attorney or OZ Minerals Shareholders by a corporate representative); and
- > at least 75% of the total number of votes cast on the Scheme Resolution.

6.7.5 Second Court Hearing

After the Scheme Meeting, OZ Minerals will apply to the Court for orders approving the Scheme, if:

- > the Scheme Resolution is approved by the Requisite Majority of OZ Minerals Shareholders; and
- > all Conditions (other than the Condition relating to Court approval) have been or can be satisfied or waived (as applicable).

The Second Court Hearing is expected to take place at 9.30am on 17 April 2023. Any OZ Minerals Shareholder has a right to appear at the Second Court Hearing.

6.7.6 Effective Date

If, at the Second Court Hearing, the Court makes an order approving the Scheme under section 411(4)(b) of the Corporations Act, OZ Minerals will lodge with ASIC an office copy of the Court orders approving the Scheme under section 411(10) of the Corporations Act. It is anticipated that the Court orders will be lodged with ASIC the day after the Second Court Hearing. Once such Court orders are lodged with ASIC, the Scheme will become "Effective". This means that the Scheme will be binding on OZ Minerals and each OZ Minerals Shareholder. BHP will be bound to pay the Aggregate Scheme Consideration in accordance with the Deed Poll.

On the Effective Date, OZ Minerals will notify the ASX that the Scheme has become Effective. OZ Minerals will then lodge with the ASX a copy of the Court orders approving the Scheme. Trading in OZ Minerals Shares on the ASX will be suspended from close of trading on the Effective Date. The Effective Date is expected to be 18 April 2023.

Once the Scheme becomes Effective:

- > BHP is bound to pay the Aggregate Scheme Consideration on the Implementation Date;
- > each Scheme Shareholder, without the need for any further action, irrevocably appoints OZ Minerals as its attorney and agent for the purposes of enforcing the Deed Poll against BHP (see Section 6.7.12 for more information); and
- > subject to payment of the Aggregate Scheme Consideration by BHP as referred to in Section 6.7.12 below, OZ Minerals will become bound to take the steps required for BHP to become the holder of all OZ Minerals Shares.

6.7.7 Special Dividend Record Date

Those OZ Minerals Shareholders on the Share Register on the Special Dividend Record Date, currently anticipated to be 7.00pm on 21 April 2023 (the third Business Day after the Effective Date), will be entitled to receive the Special Dividend in respect of the OZ Minerals Shares they hold on that date. Further information on the payment of the Special Dividend is provided in Section 6.7.12 below.

6.7.8 Scheme Record Date

Those OZ Minerals Shareholders on the Share Register on the Scheme Record Date, currently anticipated to be 7.00pm on 24 April 2023 (the fifth Business Day after the Effective Date), will be entitled to receive the Scheme Consideration in respect of the OZ Minerals Shares they hold on that date. Further information on the payment of the Scheme Consideration is provided in Section 6.7.12 below.

6.7.9 Dealings in OZ Minerals Shares on, or prior to, the Special Dividend Record Date or Scheme Record Date

To determine OZ Minerals Shareholders' entitlements to the Special Dividend and Scheme Consideration (i.e., an OZ Minerals Shareholder on the Special Dividend Record Date and Scheme Record Date), dealings in OZ Minerals Shares will only be recognised if:

- > in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Share Register as a holder of the relevant OZ Minerals Shares at or before the Special Dividend Record Date or Scheme Record Date (as applicable); and
- > in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Scheme Record Date at the place where the Share Register is kept (in which case, OZ Minerals must register such transfers or transmission applications at or before the Special Dividend Record Date or Scheme Record Date (as applicable)).

For the purposes of determining entitlements under the Scheme or to the Special Dividend, OZ Minerals will not accept for registration or recognise any transfer or transmission applications regarding OZ Minerals Shares that are not in a registrable form or are received after the Special Dividend Record Date or Scheme Record Date (as applicable).

6.7.10 Dealings in OZ Minerals Shares after the Special Dividend Record Date or Scheme Record Date

For the purposes of determining entitlements to the Special Dividend and Scheme Consideration, OZ Minerals will maintain the Share Register in accordance with the terms of the Scheme and the Scheme Implementation Deed until:

- > the Special Dividend (if declared) has been paid to eligible OZ Minerals Shareholders;
- > the Scheme Consideration has been paid to Scheme Shareholders; and
- > the name and address of BHP has been entered in the Share Register as the holder of all the OZ Minerals Shares.

6 Overview of the Scheme

6.7.10 Dealings in OZ Minerals Shares after the Special Dividend Record Date or Scheme Record Date *continued*

The Share Register in this form will solely determine entitlements to the Special Dividend and Scheme Consideration on the relevant record date. After the Scheme Record Date:

- > all statements of holding for Scheme Shares will cease to have any effect as documents relating to title in respect of such OZ Minerals Shares; and
- > each entry in the Share Register will cease to have effect, other than as evidence of entitlement to the Special Dividend (in respect of the OZ Minerals Shares as at the Special Dividend Record Date if applicable) and the Scheme Consideration (in respect of the Scheme Shares) relating to that entry.

6.7.11 Implementation Date

If the Scheme becomes Effective and the Special Dividend has been declared, Scheme Shareholders will receive the Special Dividend (in respect of Scheme Shares they held on the Special Dividend Record Date) and their Scheme Consideration on the Implementation Date (currently anticipated to be 2 May 2023). Immediately after the Scheme Consideration is paid to Scheme Shareholders, all OZ Minerals Shares will be transferred to BHP.

6.7.12 Deed Poll

BHP has executed the Deed Poll, pursuant to which BHP has undertaken to provide the Scheme Consideration to each Scheme Shareholder under the Scheme, subject to the Scheme becoming Effective.

Under the Scheme, each Scheme Shareholder irrevocably appoints OZ Minerals and each of its Directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purposes of:

- > enforcing the Deed Poll against BHP; and
- > executing any document or doing any other act necessary, desirable or expedient to give full effect to the Scheme and the transactions contemplated by it.

This includes executing a proper instrument of transfer in respect of a Scheme Shareholders' Scheme Shares.

The following steps will occur in relation to the payment of the Aggregate Scheme Consideration by BHP:

- > **BHP deposits the Aggregate Scheme Consideration:** before 12 noon on the Business Day immediately before the Implementation Date, BHP is required to pay the Aggregate Scheme Consideration, in cleared funds, into a trust account operated by OZ Minerals for the benefit of the Scheme Shareholders.
- > **OZ Minerals pays Scheme Shareholders and transfers of all OZ Minerals Shares to BHP:** subject to payment of the Aggregate Scheme Consideration by BHP as referred to in paragraph (a) above, on the Implementation Date:
 - OZ Minerals will pay (or procure the payment) to each Scheme Shareholder the proportion of the Aggregate Scheme Consideration attributable to that Scheme Shareholder based on the number of Scheme Shares held by that Scheme Shareholder as at the Scheme Record Date;
 - OZ Minerals will transfer all OZ Minerals Shares to BHP; and
 - OZ Minerals will then enter the name of BHP in the Share Register in respect of all OZ Minerals Shares.

A copy of the Deed Poll is set out in Appendix D to this Scheme Booklet.

6.8 IF THE SCHEME DOES NOT BECOME EFFECTIVE

If the Scheme does not become Effective by the End Date, either OZ Minerals or BHP is able to terminate the Scheme Implementation Deed. If the Scheme Implementation Deed is terminated, the Scheme will not be implemented and the Special Dividend will not be paid.

6.9 WARRANTIES BY OZ MINERALS SHAREHOLDERS

Under the Scheme, each Scheme Shareholder is taken to have warranted to BHP, and appointed and authorised OZ Minerals as its attorney and agent to warrant to BHP, that:

- > all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under the Scheme will, at the time of transfer to BHP, be fully paid and free from all:
 - mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - restrictions on transfer of any kind;
- > they have full power and capacity to transfer their Scheme Shares to BHP together with any rights attaching to those Scheme Shares;
- > all of their Scheme Shares which are transferred to BHP under the Scheme are fully paid; and
- > as at the Scheme Record Date, they have no existing right to be issued any other Scheme Shares, any other form of OZ Minerals Shares, options exercisable into OZ Minerals Shares, OZ Minerals convertible notes or any other OZ Minerals securities.

6.10 DELISTING OF OZ MINERALS

If the Scheme becomes Effective, on or after the Implementation Date, OZ Minerals will apply for termination of the official quotation of OZ Minerals Shares on the ASX and for OZ Minerals to be removed from the official list of the ASX.

7 Information about OZ Minerals

7.1 INTRODUCTION

The information contained in this Section 7 has been prepared by OZ Minerals. The information concerning OZ Minerals, and the intentions, views and opinions contained in this Section 7 is the responsibility of OZ Minerals. Additional information is included in the Independent Expert's Report attached in Appendix B.

7.2 OVERVIEW OF OZ MINERALS

Founded in 2008 through a merger of two Australian mining businesses (Oxiana Limited and Zinifex Limited), OZ Minerals is a South Australian headquartered ASX-listed modern minerals focused mining company with a portfolio of operating, development and exploration stage projects located primarily across Australia and Brazil.

Since its genesis, OZ Minerals has grown to become the largest, by market capitalisation and copper equivalent production, copper-focused company listed on the ASX. OZ Minerals operates the Prominent Hill and Carrapateena copper-gold mines in South Australia and the Pedra Branca copper mine in the Carajás East province in Brazil. Towards the end of 2022, OZ Minerals commenced development of the West Musgrave copper-nickel project in Western Australia. It also owns the CentroGold project in the Gurupi province, in the state of Maranhão in Brazil, and holds an option to purchase the Kalkaroo copper project in the Curnamaona Province in South Australia from Havilah Resources. OZ Minerals also continues to progress exploration activity with its partners in Australia, Brazil and Sweden, and is in the process of withdrawing from its interests in Peru.

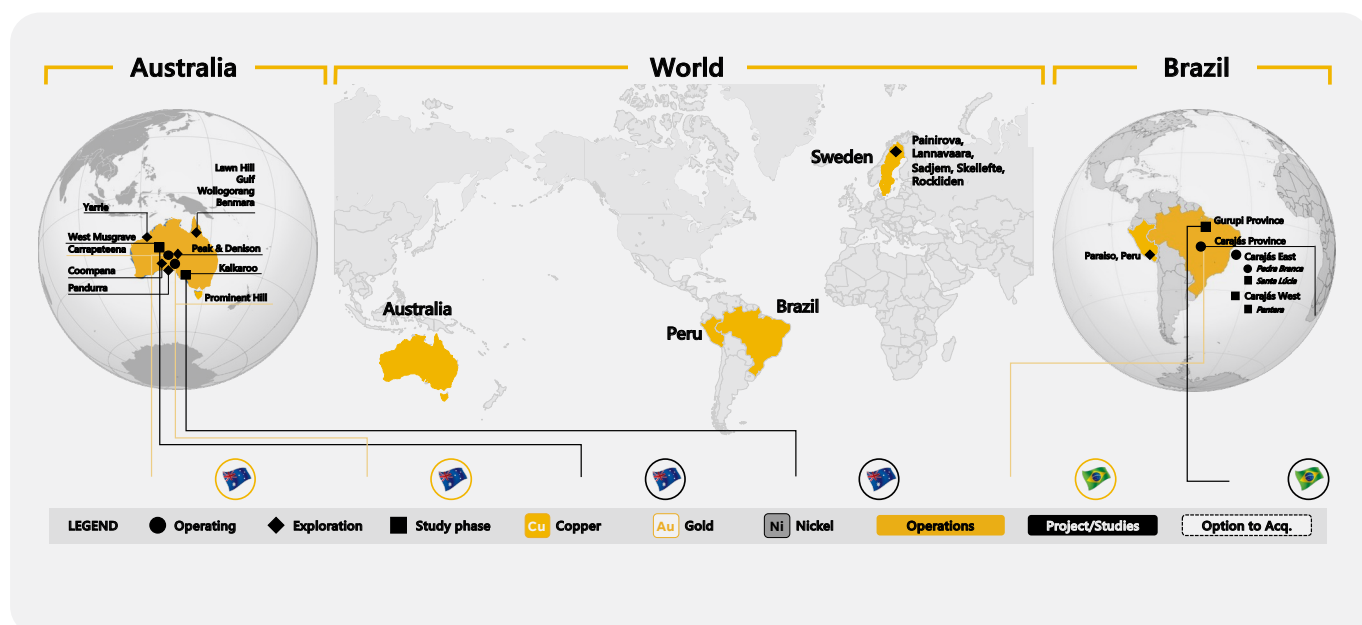
In 2022, OZ Minerals produced 124,065 tonnes of copper and 211,147 ounces of gold at a C1 cost of US\$130.0 c/lb and AISC of US\$189.7 c/lb.

Table 1: OZ Minerals' historical production and FY2023 guidance

Metal production & costs	Units	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022 actual	FY2023 guidance ¹³
Total copper	Tonnes	30,322	27,423	30,012	36,307	124,065	120,000-143,000
Total gold	Ounces	48,773	51,184	56,334	54,856	211,147	191,000-213,000
All-in sustaining Costs	US c/lb	174.4	210.0	190.4	186.7	189.7	187-207
C1 cash costs	US c/lb	118.1	142.8	129.5	130.5	130.0	133-153

OZ Minerals' key operations and assets are each outlined in further detail below:

Figure 1: Overview of OZ Minerals' portfolio



13. An average AUD/USD exchange rate of 0.72 has been used in converting AUD costs to USD and assumed gold price of USD1,750/oz for C1 and AISC guidance.

7 Information about OZ Minerals

7.3 OZ MINERALS' STRATEGY

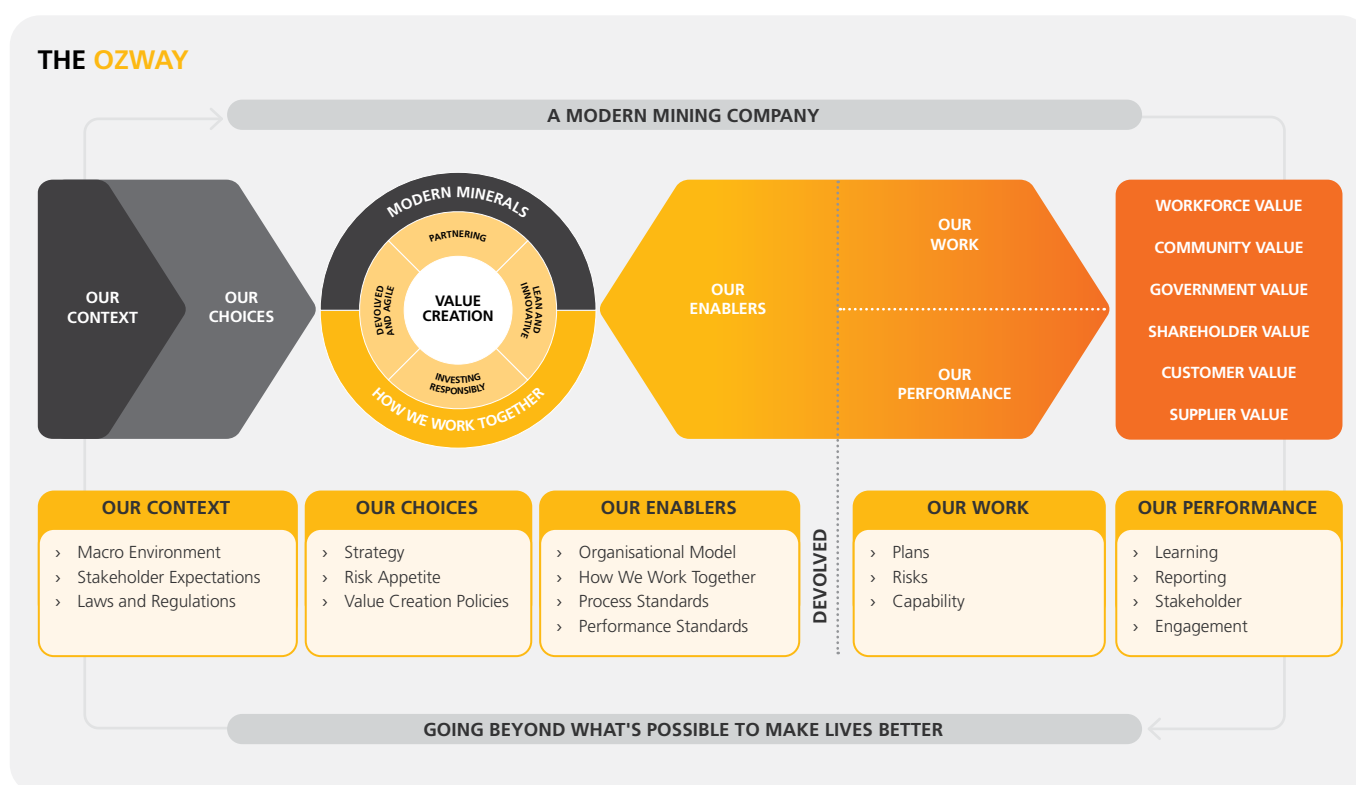
OZ Minerals' strategy is to develop a portfolio of long life, low-cost assets targeting modern minerals in safe and stable countries. The strategy is enabled by a culture of agility, collaboration and innovation. OZ Minerals seeks to create value for all stakeholders (shareholders, suppliers, workforce, communities, customers and governments). This approach defines its relationships with groups such as traditional landowners and local communities and is a key strategic and operational imperative.

7.3.1 The OZWay

The OZWay explains how all the parts of OZ Minerals fit together, with each part designed to help OZ Minerals make value accretive decisions and deliver on its strategic aspirations. It encapsulates a purpose-driven organisation that at its core aims to help people be the best they can be and create value for the six stakeholder groups mentioned above, as it works to achieve OZ Minerals' purpose of 'Going beyond what's possible to make lives better'.

OZ Minerals has created its culture based on "The OZWay" and uses a set of principles and behaviours in relation to "how we work together" as the anchor to being a modern mining company. Together, they cement a culture and purpose as to how the work is delivered. The "How We Work Together" principles encompass innovating, including, collaborating, planning, delivering and integrity. Operating in a devolved model, combined with our 'how we work together' principles, helps to align OZ Minerals' workforce and culture.

Figure 2: The OZWay



7 Information about OZ Minerals

7.3.2 Strategic Aspirations

OZ Minerals' strategy comprises elements and strategic aspirations that OZ Minerals strives to achieve for its stakeholders. OZ Minerals' strategic aspirations are just that, "aspirational". They outline an ambitious and motivational picture of the future.

Figure 3: OZ Minerals' Strategic Aspirations



7 Information about OZ Minerals

7.4 OZ MINERALS' KEY ASSETS AND OPERATIONS

7.4.1 Prominent Hill (100% owned by OZ Minerals)

Prominent Hill is an underground copper, gold and silver mine located 650km north-west of Adelaide in the Gawler Craton in South Australia which commenced production in 2009. The asset was first developed as an open pit mining operation, mining first ore in October 2007 and shipping its first concentrate in April 2009.

The Gawler Craton covers approximately 600,000km² of South Australia and hosts Olympic Dam, Prominent Hill, Carrapateena, and other smaller and sub-economic copper-gold deposits. Copper-gold-silver mineralisation at Prominent Hill is mostly hosted within hematite-matrix breccia. Mining activities are now principally underground via sub-level open stoping.

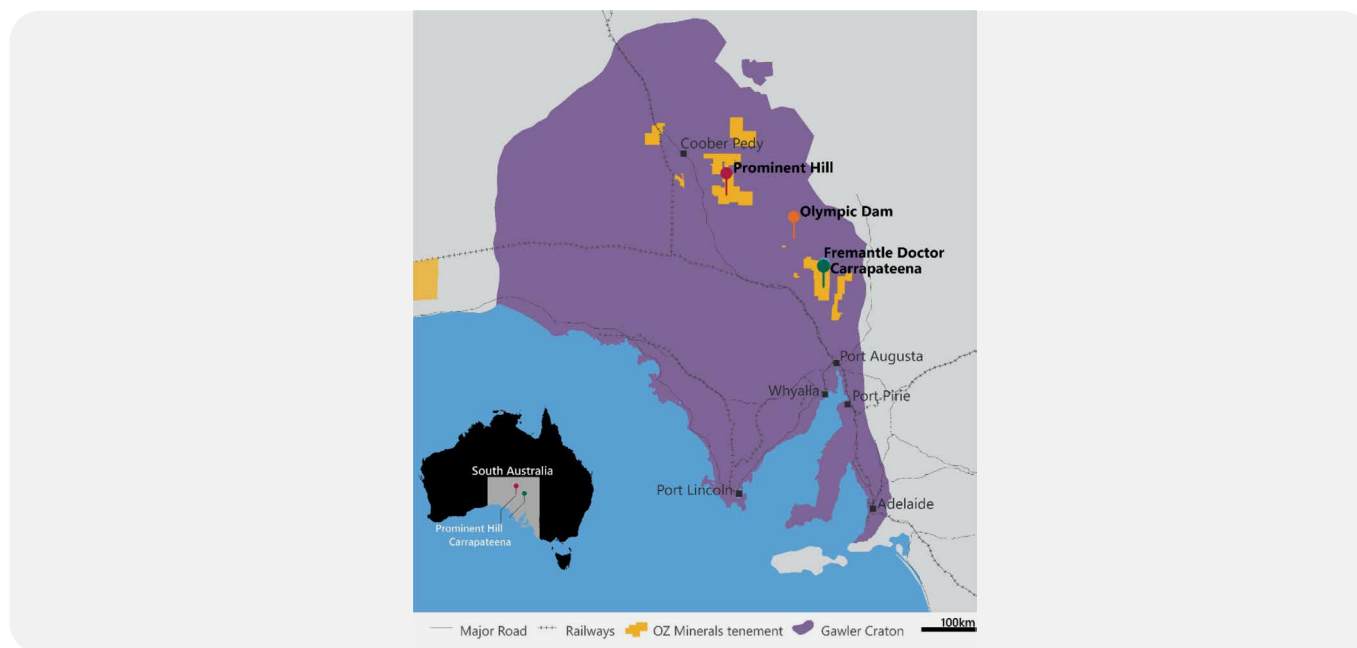
In 2022, Prominent Hill produced 55,547 tonnes of copper and 124,843 ounces of gold at a C1 cost of US129.1c/lb and AISC of US204.0c/lb. Prominent Hill's guidance for 2023 is 46,000-56,000 tonnes of copper and 105,000-115,000 ounces of gold at a C1 cost of US170-185c/lb and AISC of US240-260c/lb.

Table 2: Prominent Hill key highlights

Overview

Location	650km north-west of Adelaide, 130km south-east of Coober Pedy
Product	Copper concentrate (containing gold and silver)
Mining method	Underground mining – sub-level open stoping
Processing method	Conventional crushing, grinding and flotation
Mineral Resource (including surface stocks)	180Mt at 0.9% copper and 0.8g/t gold
Ore Reserve (including surface stocks)	68Mt at 0.9% copper and 0.6g/t gold

Figure 4: Prominent Hill mine location, South Australia



a) Prominent Hill Wira Shaft

In August 2021, the OZ Minerals Board approved a final investment decision to undertake a \$600 million mine shaft development. Prominent Hill's current mine life is forecast to be at least to 2038, with shaft capacity designed to 6.5Mtpa. The initial pre-sink of the Wira shaft was completed in December 2022. Development work for the Wira expansion is expected to be complete by 2025 in line with the depletion of available stockpiled open cut ore, however smaller near-surface deposits are expected to provide supplemental mill feed to enable a higher milling rate. The installation of a hoisting shaft provides access to underground resources previously considered uneconomic (under current haulage methods) and may enable OZ Minerals to explore further potential nearby prospects.

Collectively, development of the Wira shaft mine is currently expected to result in increased underground mining rates, lower operating costs and a lower emissions intensity.

7 Information about OZ Minerals

7.4.1 Prominent Hill (100% owned by OZ Minerals) *continued*

b) Prominent Hill FY22 production

Table 3: Prominent Hill 2022 production and FY2023 guidance

Metal production & costs	Units	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022 actual	FY2023 guidance ¹⁴
Total copper	Tonnes	11,928	13,468	12,420	17,731	55,547	46,000-56,000
Total gold	Ounces	26,129	33,040	35,943	29,730	124,843	105,000-115,000
All-In Sustaining Costs	US c/lb	204.5	192.1	207.0	210.7	204.0	240-260
C1 cash costs	US c/lb	138.4	107.2	119.7	146.0	129.1	170-185

7.4.2 Carrapateena (100% owned by OZ Minerals)

Carrapateena is an iron-oxide-copper-gold underground mine and is located approximately 250km south-east of Prominent Hill and 160km north of Port Augusta. Underground mining at Carrapateena is by sub-level caving with the operation producing first concentrate in December 2019. It has since ramped up to a production rate of 4.25Mtpa, with production commencing from the eighth sub-level cave level during the December quarter 2022, and a new regrind mill commissioned.

At the end of December 2022, the operation confirmed that the cave had subsided through to surface.

Projects are underway at the mine and processing plant to support an increase in sub-level cave production rates from 2024. To facilitate the higher production rates, a second underground crusher is currently being installed, for commissioning at the end of 2023.

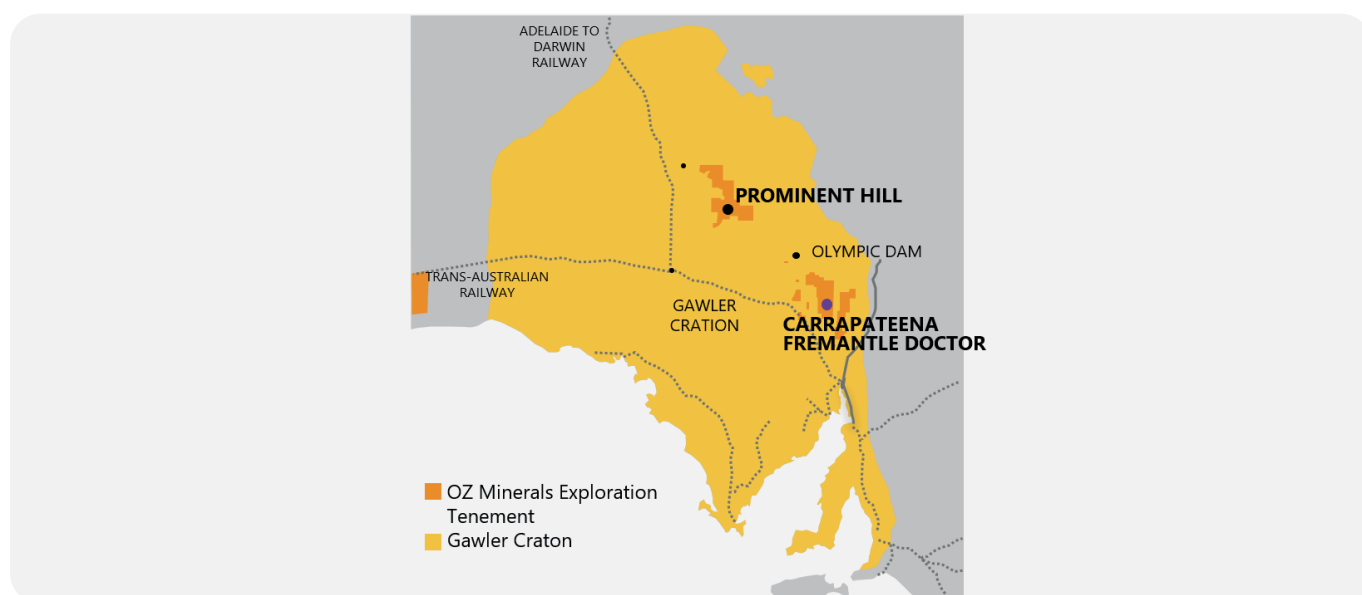
In 2022, Carrapateena produced 57,139 tonnes of copper and 77,630 ounces of gold at a C1 cost of US117.4c/lb and AISC of US158.1c/lb. Carrapateena's guidance for 2023 is 61,000-71,000 tonnes of copper and 75,000-85,000 ounces of gold at a C1 cost of US105-120c/lb and AISC of US140-160c/lb.

Table 4: Carrapateena key highlights

Overview

Location	250km south-east of Prominent Hill, 160km north of Port Augusta
Product	Copper concentrate (containing gold and silver)
Mine life	~25 years
Mining method	Underground – sub-level caving and block caving
Processing method	Conventional crushing, grinding and flotation
Mineral Resource	900Mt at 0.56% copper and 0.24g/t gold
Ore Reserve	190Mt at 1.1% copper and 0.42g/t gold

Figure 5: Carrapateena Province copper resource deposits



14. An average AUD/USD exchange rate of 0.72 has been used in converting AUD costs to USD and assumed gold price of USD1,750/oz for C1 and AISC guidance.

7 Information about OZ Minerals

7.4.2 Carrapateena (100% owned by OZ Minerals) *continued*

a) Carrapateena Block Cave Expansion

In January 2021, the OZ Minerals Board approved conversion of the lower portion of the Carrapateena sub-level cave to a series of block caves, extending mine life (from 20 years to 25 years), increasing ore production (up to a potential 12Mtpa) and potentially unlocking further value (including reducing the unit cost profile). Decline development is now underway.

The Carrapateena Block Cave Expansion is an incremental staged increase to the sub-level cave base case involving construction of a block cave mine 500 metres below the sub-level cave and the expansion of processing capacity up to 12 Mtpa. Infrastructure at Carrapateena has been constructed for the existing sub-level cave base case and provides a foundation for the Carrapateena expansion.

This first stage expansion is expected to lower the capital hurdle and operating cost of future resource development and enables the potential for staged development into additional lower grade block caves, such as BC2. The BC1 and BC2 caves form the basis of the previously announced Carrapateena Block Cave Expansion PFS.

Over the period 2023 – 2025, \$670 million of project capital is expected to be spent on block cave works, comprising part of the estimated \$1.25 billion in project capital identified in the Block Cave Expansion Pre-Feasibility Study in June 2020. Mining operating costs for the block caves will be significantly lower than the sublevel cave base case and underpin Carrapateena's potential to be a lowest quartile cost producer of copper globally.

Table 5: Carrapateena expansion Pre-Feasibility Study highlights

Overview	Sub-Level Cave	BC1	BC2
Production period	2023-2025	2026-2037	2038-2045
Decision milestone	2017	2021	~2036
Avg copper produced (ktpa)	~70	~110-120	~45-55
Avg gold produced (koz)	100	~110-120	~45
C1 cash cost (US\$/lb)	100	~45-55	~1.20-1.40
AISC (US\$/lb)	130	~75-85	~1.60-1.80

b) Carrapateena FY22 production

Table 6: Carrapateena 2022 production and FY2023 guidance

Metal production & costs	Units	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022 actual	FY2023 guidance ¹⁵
Total copper	Tonnes	16,146	11,316	14,412	15,266	57,139	61,000-71,000
Total gold	Ounces	21,007	16,123	17,932	22,567	77,630	75,000-85,000
All-in sustaining costs	US c/lb	130.9	211.2	163.1	142.8	158.1	140-160
C1 cash costs	US c/lb	91.8	167.7	127.7	97.5	117.4	105-120

7.4.3 West Musgrave (100% owned by OZ Minerals)

The West Musgrave Project is a greenfield copper and nickel project located in the West Musgrave Ranges of Western Australia, approximately 1,300km northeast of Perth and 1,400km north-west of Adelaide, near the intersection of the borders of Western Australia, South Australia and Northern Territory.

In 2014, Cassini Resources Limited acquired West Musgrave and undertook an extensive drilling and study program, completing a scoping study in 2015. In 2016, OZ Minerals entered into a joint venture agreement with Cassini Resources Limited and a further scoping study was completed by the joint venture in late 2017, followed by a PFS in 2020. With OZ Minerals' acquisition of Cassini Resources Limited in October 2020, OZ Minerals became the 100% owner of the West Musgrave Project.

On 23 September 2022, OZ Minerals made a positive Final Investment Decision on West Musgrave, supported by the completion of a Feasibility Study.

15. An average AUD/USD exchange rate of 0.72 has been used in converting AUD costs to USD and assumed gold price of USD1,750/oz for C1 and AISC guidance.

7 Information about OZ Minerals

7.4.3 West Musgrave (100% owned by OZ Minerals) *continued*

Construction commenced in the December quarter 2022, and the project is currently targeting first concentrate in the second half of 2025. Annual production is anticipated to be approximately 28ktpa of contained nickel and 35ktpa of contained copper over 24 years (and approximately 35ktpa of contained nickel and 41ktpa of contained copper over the first five years of operations). The OZ Minerals Board considers that the West Musgrave Project has an attractive nickel cost profile, given its significant copper by-product credits and is expected to have a low-emissions profile, as nearly 80%¹⁶ of its energy requirements will be supplied by off-grid, hybrid renewable generation sources.

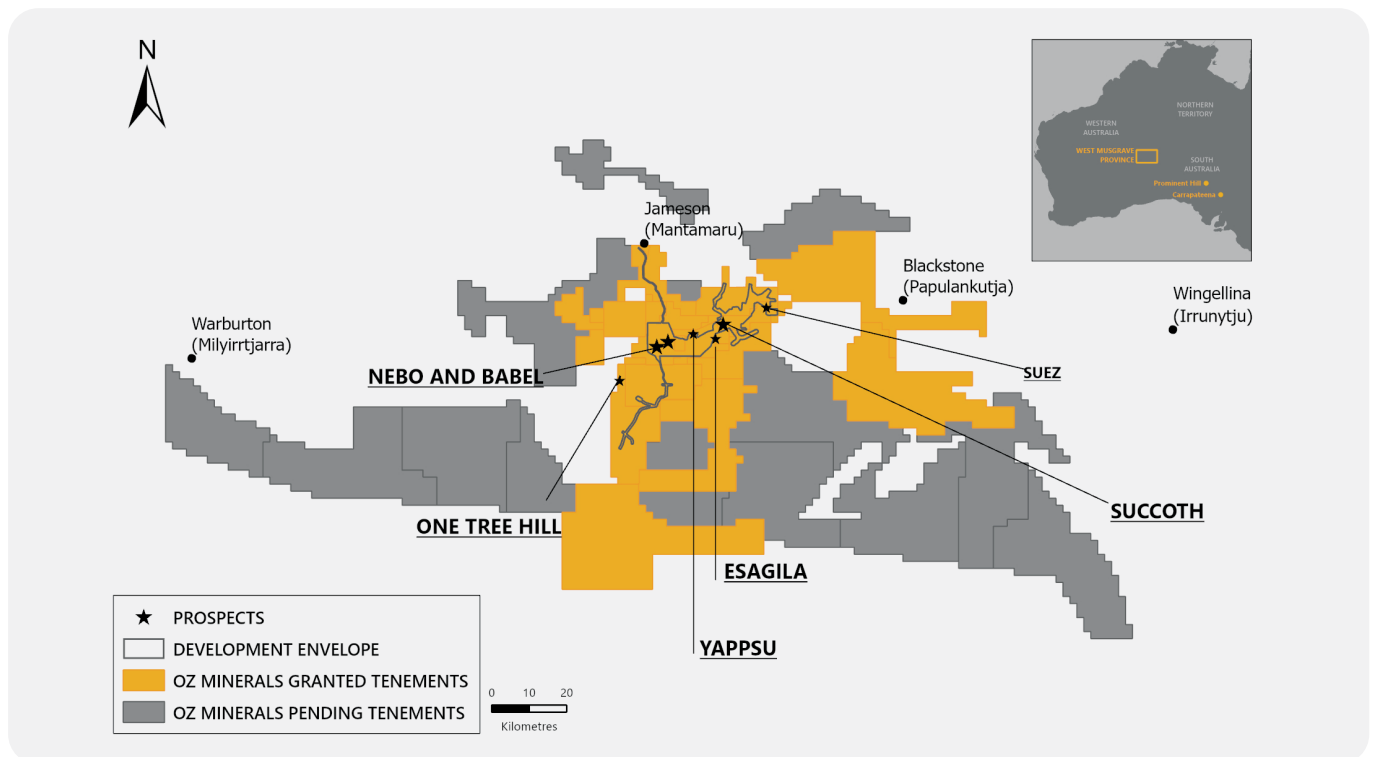
In the Scheme Implementation Deed OZ Minerals and BHP have agreed that certain contractual and other matters with respect to the West Musgrave Project are subject to consultation and approval by BHP. If the Scheme is implemented, the timing for deliveries of these items may change.

Table 7: West Musgrave key highlights

Overview

Location	Musgrave Province, Western Australia
Product	Copper and nickel
Status	FID announced on 23 September 2022,
Operation life	~24 years
Mining method	Open pit
Processing method	Crushing, vertical roller mill, flotation producing separate nickel and copper concentrates
Mineral Resource	390Mt at 0.33% copper and 0.30% nickel
Ore Reserve	270Mt at 0.34% copper and 0.31% nickel

Figure 6: West Musgrave Project Location



16. ~80% renewable energy penetration relates to power generation. Does not include mining fleet.

7 Information about OZ Minerals

7.4.3 West Musgrave (100% owned by OZ Minerals) *continued*

Table 8: Key metrics from the Feasibility Study

Key Financial and Production Metrics	Unit	Feasibility Study adjusted for Living Hub design and construct model and construct model ^{17,18,19,20,21}
Processing capacity	Mtpa	12 → 13.5
Operating life	Years	~24
Mineral Resource	Mt %	390 0.33% Cu and 0.30% Ni
Ore Reserve	Mt %	270 0.34% Cu and 0.31% Ni
Copper recovery/nickel recovery	%	~77%/~69%
Average Ni production	ktpa	~35 (Yr1–Yr5) ~27 (Yr6–LOM)
Average Cu production	ktpa	~41 (Yr1–Yr5) ~33 (Yr6–LOM)
Operating cost (including mining costs)	\$/t ore	~33
C1 cost payable Cu (net of full by-product credits)	US\$/lb	(~1.30)
C1 cost payable Ni (net of full by-product credits)	US\$/lb	(1.30) – 0.20
Pre-production capital (excluding study)	\$m (real) \$m (nominal)	~1,700 ~1,800

a) MHP Study

In November 2022, OZ Minerals provided a Mixed Hydroxide Precipitate (MHP) study update, demonstrating the technical viability of downstream processing for West Musgrave nickel concentrate. The West Musgrave base case assumes concentrate production only.

b) Succoth Copper Deposit

Potential growth of the Musgrave Province may be available through the Succoth deposit and other exploration targets. Succoth is a near surface copper deposit which has a current Mineral Resource of 156Mt at 0.6% copper. The timing for the mining of Succoth would either be as part of a site expansion or at the end of mine life. Other known exploration targets include One Tree Hill, Yappsu and Esagila as well as exploration tenements with potential to contain additional mineralisation.

c) West Musgrave Funding

OZ Minerals finalised a \$1.2 billion syndicated 18-month loan facility in October 2022 to support development of the West Musgrave Project. OZ Minerals' approach as a standalone entity to the funding of the development is intended to enable OZ Minerals to continue to fund its current sequencing of brownfields expansions through operating cashflow while providing flexibility for the development of the West Musgrave Project. Should OZ Minerals remain as a standalone entity the intention is to replace the loan facility in 2023 with adequate committed long term capital.

As announced to the ASX on 23 September 2022, following significant in-bound interest, OZ Minerals also commenced a process to explore the potential to sell down a minority interest in the West Musgrave Project to a strategic partner as part of a strategic alliance. While the Scheme Implementation Deed does not prevent OZ Minerals from progressing discussions with potential partners, it does restrict OZ Minerals from entering into any binding agreements for a sale of an interest in the West Musgrave Project. As at 27 February 2023 (being the last practicable trading day prior to finalisation of this Scheme Booklet), OZ Minerals has not received any binding proposal in relation to West Musgrave. Refer also to Section 9.2 in relation to risks associated with development funding and the West Musgrave strategic partnering process.

17. Production targets must be read in conjunction with the Production Targets Statement in Section 11.5.

18. Production and operating metrics taken from the West Musgrave Feasibility Study (see OZ Minerals' ASX release, "Green Light for West Musgrave Project" dated 23 September 2022), updated for the change to the Living Hub to a design and construct model announced in OZ Minerals' 2022 Full Year Financial Results ASX release on 22 February 2023.

19. All project values in real terms as at 1 January 2022 unless stated otherwise.

20. Assumes a third-party power purchase agreement and a lease agreement for the mining fleet. In its 2022 Full Year Financial Results Release, OZ Minerals advised the project's Living Hub would now be delivered under a design and construct model, increasing the total project capital by ~\$110 million over the initial feasibility study estimate.

21. Ranges based on West Musgrave base case and CRU copper long term upside price case.

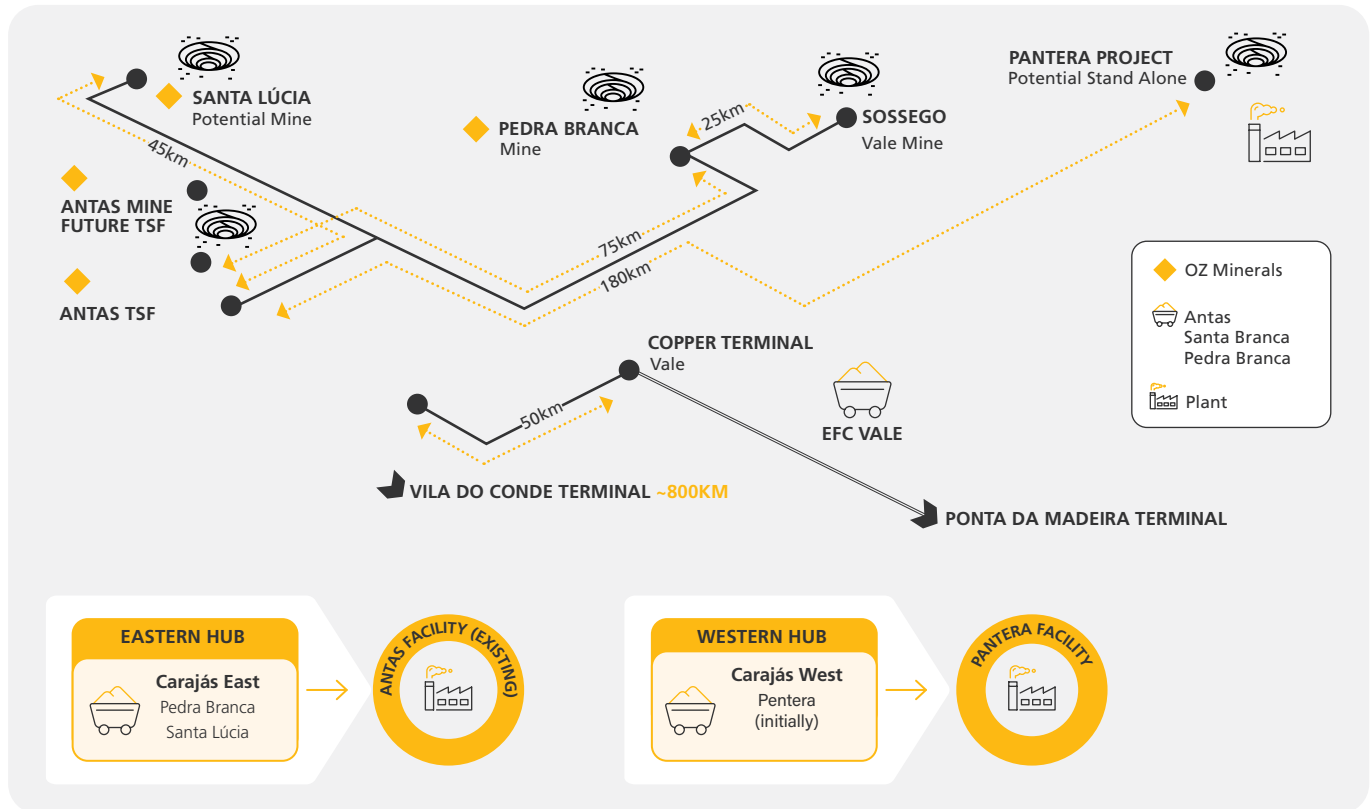
7 Information about OZ Minerals

7.4.4 Carajás (100% owned by OZ Minerals)

The Carajás Province in Northern Brazil hosts a significant number of undeveloped copper-gold deposits. OZ Minerals is pursuing a staged, low risk and modest-capital hub approach in the Carajás, where each hub would process ore from several nearby satellite mines.

OZ Minerals' assets in the Carajás Province were acquired as part of its acquisition of Avanco Resources Limited in June 2018, establishing a platform of growth for OZ Minerals in the region with access to a number of small and high grade copper and gold projects, with exploration tenements across more than 1,800km² in the province.

Figure 7: Carajás Province strategy



a) Carajás East

OZ Minerals' strategy at Carajás East is to leverage the depleted Antas copper-gold mine's existing processing infrastructure to establish a hub operation. Antas' existing processing facilities are now used to process ore from Pedra Branca, after initially processing ore from the Antas North mine (which ceased mining in June 2021). The depleted Antas North open pit has been repurposed as a tailings storage facility. The intention is to continue using the existing infrastructure to process ore mined from Pedra Branca as well as other potential satellite deposits, including the Santa Lúcia deposit.

Pedra Branca

OZ Minerals achieved a significant milestone with the commencement of underground mining at Pedra Branca in August 2021, the first of the intended satellite mines. The asset comprises an underground copper and gold mine. At capacity, Pedra Branca is expected to produce approximately 1Mtpa of ore over a mine life of 8 years. During the June quarter 2022, Pedra Branca ramped-up to full production.

In 2022, Carajás East produced 11,378 tonnes of copper and 8,674 ounces of gold at a C1 cost of US197.1c/lb and AISC of US279.5c/lb. Carajás East guidance for 2023 is 13,000-16,000 tonnes of copper and 11,000-13,000 ounces of gold at a C1 cost of US140-160c/lb and AISC of US205-230c/lb.

7 Information about OZ Minerals

7.4.4 Carajás (100% owned by OZ Minerals) *continued*

Table 9: Pedra Branca key highlights

Overview

Status	Construction complete, delivering processing production ore to Antas
Product	High grade copper–gold
Mining rate	Ore production of 1.0Mtpa
Mine life	8 years
Location	Municipality of Água Azul do Norte, Pará, Brazil
Mining method	Underground sub-level stoping
Processing method	Conventional crushing, grinding and flotation
Mineral Resource	18Mt at 1.6% copper and 0.41g/t gold
Ore Reserve	4Mt at 2.0% copper and 0.53g/t gold

Santa Lúcia²²

Santa Lúcia, is a high-grade copper-gold mineral deposit with the potential to increase production and extend the life of the Carajás East asset.

OZ Minerals is working towards an updated Mineral Resources estimate for Santa Lúcia and an accelerated plan to progress a feasibility study and final investment decision by 2024, with commissioning in 2025.

b) Carajás West

OZ Minerals is investigating the establishment of a second hub in Carajás West to realise further value from the broader Carajás Province. Carajás West captures the Pantera project, a high-grade copper-gold IOCG deposit located approximately 110km west of the Pedra Branca mine. In November 2019, OZ Minerals acquired a 100% interest in the project and has subsequently been undertaken a delineation drilling program while it focuses on ensuring the success of Carajás East.

Table 10: Carajás West key highlights

Overview

Status	Study phase
Proposed products	Copper-gold ore
Location	In the municipality of Ourilândia do Norte, Pará, Brazil, 180km west of Pedra Branca
Proposed mining method	Open Pit
Mineral Resource	20Mt at 1.2% copper and 0.2g/t gold

c) FY22 Production

Table 11: Carajás historical production and FY2023 guidance

Metal production & costs	Units	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022 actual	FY2023 guidance ²³
Total copper	Tonnes	2,248	2,639	3,181	3,310	11,378	13,000-16,000
Total gold	Ounces	1,637	2,020	2,458	2,558	8,674	11,000-13,000
All-In sustaining costs	US c/lb	328.1	296.8	249.3	261.6	279.5	205-230
C1 cash costs	US c/lb	199.2	217.5	176.2	199.4	197.1	140-160

22. The Santa Lúcia project is 100% owned by Vale and the Brazil National Economic Development Bank (BNDES) holds a right to participate in up to 50% of the economic results of the project. OZ Minerals' option to purchase the project from Vale was exercised in January 2023 and discussions with the BNDES are progressing.

23. An average AUD/USD exchange rate of 0.72 has been used in converting AUD costs to USD and assumed gold price of USD1,750/oz for C1 and AISC guidance.

7 Information about OZ Minerals

7.4.5 Gurupi (100% owned by OZ Minerals)

The Gurupi Province is located in the state of Maranhão, Brazil. With the adjacent Jiboia properties in Pará, OZ Minerals has 2,300km² of mineral tenements along an 85km strike length within the Gurupi greenstone belt.

a) CentroGold Project

The CentroGold Project in the Gurupi Province is a proposed open pit gold mining operation, comprising two deposits - Blanket and Contact. Additionally, once developed, CentroGold would be well placed to service nearby deposits such as Chega Tudo and Mandiocal, should they prove viable.

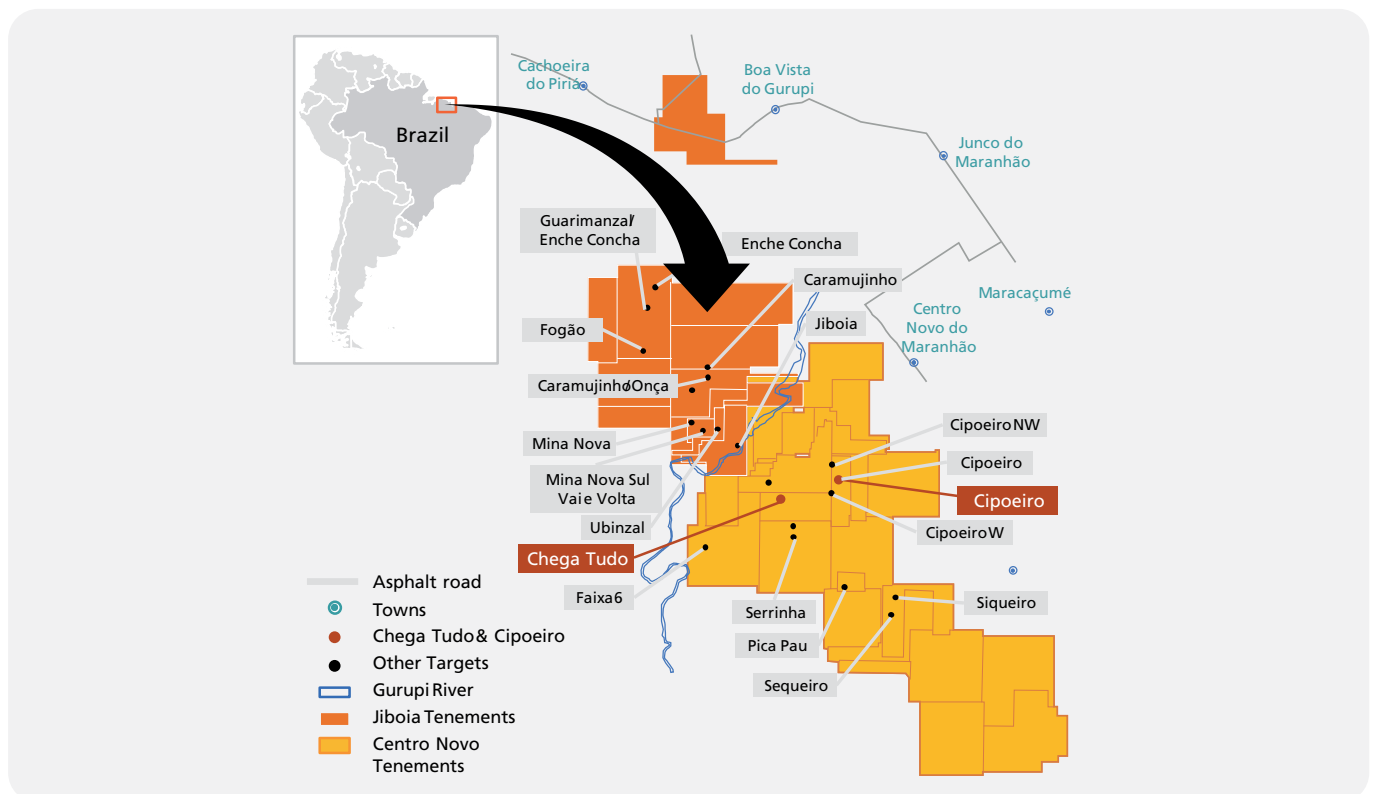
OZ Minerals is intending to commence a feasibility study for the CentroGold Project once a historical court injunction, in existence when OZ Minerals acquired Avanco Resources Limited, is removed. OZ Minerals has since undergone an extensive negotiation and agreement process enabling final negotiations on a Land Use Agreement to be progressed and the project to be developed once the injunction is lifted (the timing of which cannot be guaranteed). In December 2022, the National Institute of Colonization and Agrarian Reform approved the land use concession agreement required for progressing the court injunction removal.

Table 12: CentroGold key highlights

Overview

Status	Awaiting injunction removal to progress feasibility study
Location	Gurupi Province, Maranhão, Brazil
Product	Gold
Estimated annual production	100,000oz – 120,000oz pa
Mineral Resource	28Mt @ 1.9g/t Au
Ore Reserves	20Mt @ 1.7g/t Au

Figure 8: Location of CentroGold Project



7 Information about OZ Minerals

7.4.5 Gurupi (100% owned by OZ Minerals) *continued*

Table 13: Key outcomes from CentroGold PFS

Project highlights	Unit	PFS
Life of Mine (LOM)	Years	7
Production life	Years	10
Annual throughput	Mtpa	2.5
Inventory	Mt (% category)	23.6 (85% Probable, 15% Inferred)
Average annual gold production (LOM)	oz p.a	100,000 – 120,000
Average annual gold production (first 6-years)	oz p.a	145,000 – 165,000
Average annual gold production (first 2-years)	oz p.a	190,000 – 210,000
LOM gold production	Moz	~1.1
All-in-sustaining cost (AISC)	US\$/oz	~640
Capital costs	US\$ million	~155
Development period	Months	18

b) Additional exploration targets

Chega Tudo & Mandiocai

Chega Tudo and Mandiocai are adjacent gold deposits, as is Jiboia. They are not currently included in the CentroGold Mineral Resource but may represent growth opportunities that could be serviced via CentroGold.

7.4.6 Kalkaroo Option and Strategic Alliance with Havilah Resources

Kalkaroo is a study stage copper project in South Australia, currently owned 100% by Havilah Resources Limited. Havilah Resources Limited published a PFS for the project in 2019, featuring a Mineral Resource estimate of 245Mt @ 0.45% Cu and 0.41g/t Au and Ore Reserve of 100Mt @ 0.47% Cu and 0.44g/t Au.

On 17 May 2022, OZ Minerals announced it had entered into a conditional binding terms sheet to acquire an option to purchase 100% of Kalkaroo for \$205 million. Under the option, OZ Minerals' subsidiary (OZ Exploration) can study Kalkaroo for up to 18 months to evaluate the potential of the project. The option period may be extended in certain circumstances, provided the option period does not exceed 30 months. On 31 August 2022, Havilah Resources Limited shareholders approved the grant of an option to OZ Minerals. During the third and fourth quarters in 2022, study, site works and exploration drilling commenced.

OZ Exploration may elect to not exercise the Kalkaroo option at any time during the option period provided 5,000 metres have been drilled or a shortfall payment is paid to Havilah Resources Limited. If OZ Exploration purchases the project, the asset sale agreement includes a deferred contingent consideration of \$65 million, upon a 30% uplift in Kalkaroo's Measured and Indicated Resource estimate as well as a further contingent payment in each year of production linked to the copper price, up to a maximum cumulative amount of \$135 million (indexed annually by the Consumer Price Index).

Additionally, under a strategic alliance with Havilah Resources Limited, OZ Exploration will pay Havilah Resources Limited \$1 million per month during the alliance period (up to a maximum of \$18 million), with 50% of the payments directed towards Havilah Resources Limited identifying and advancing nearby exploration opportunities in the Curnamona Province in South Australia.

7 Information about OZ Minerals

7.4.6 Kalkaroo Option and Strategic Alliance with Havilah Resources *continued*

Table 14: Kalkaroo key highlights (Havilah Resources metrics)

Overview

Location	North-eastern South Australia, near Broken Hill
Option	OZ Minerals may decide to exercise the option to acquire Kalkaroo within an 18-month study period
Status	Project study, including drilling campaigns and core scanning, underway
Exploration potential	Priority targets identified and drilling commenced in Q4 2022
Production	30ktpa copper, 72kozpa gold
Mining method	Open pit
Mineral Resource	245Mt at 0.45% copper and 0.41g/t gold
Ore Reserve	100Mt at 0.47% copper and 0.44g/t gold
Operating life	14 years
Pre-production capital	\$332 million
C1 operating cost (copper payable)	US\$167c/lb

a) Mineral Resource and Ore Reserve ²⁴

Table 15: Kalkaroo Mineral Resource as at 31 July 2022 (Havilah Resources metrics)

Mineral Resource Classification	Resource Category	Tonnes Mt	Cu %	Co %	Au g/t	Cu metal kt	Co metal kt	Au metal koz
Measured	Oxide Gold Cap	12.0	—	—	0.82	—	—	—
Indicated	Oxide Gold Cap	7.0	—	—	0.62	—	—	—
Inferred	Oxide Gold Cap	2.7	—	—	0.68	—	—	—
Total	Oxide Gold Cap	21.7	—	—	0.74	—	—	515
Measured	Sulphide Cu-Au	85.6	0.57	—	0.42	—	—	—
Indicated	Sulphide Cu-Au	27.9	0.49	—	0.36	—	—	—
Inferred	Sulphide Cu-Au	110.3	0.43	—	0.32	—	—	—
Total	Sulphide Cu-Au	223.8	0.49	—	0.36	1,097	—	2,590
Total Kalkaroo		245.5				1,097	—	3,105
Inferred	Cobalt sulphide ²⁵	193.0	—	0.012	—	—	23	—

Table 16: Kalkaroo Ore Reserve as at 31 July 2022 (Havilah Resources metrics)

Ore Reserve Classification	Tonnes Mt	Cu %	Au g/t	Cu metal kt	Au metal koz
Proved	90.2	0.48	0.44	430	1,282
Probable	9.9	0.45	0.39	44	125
Total	100.1	0.47	0.44	474	1,407

24. Figures are rounded. Kalkaroo Resource and Reserve metrics taken from Havilah Resources' ASX release, "Kalkaroo Copper-Gold Project Update" dated 17 May 2021.

25. The Kalkaroo cobalt Inferred Mineral Resource is not added to the total tonnage.

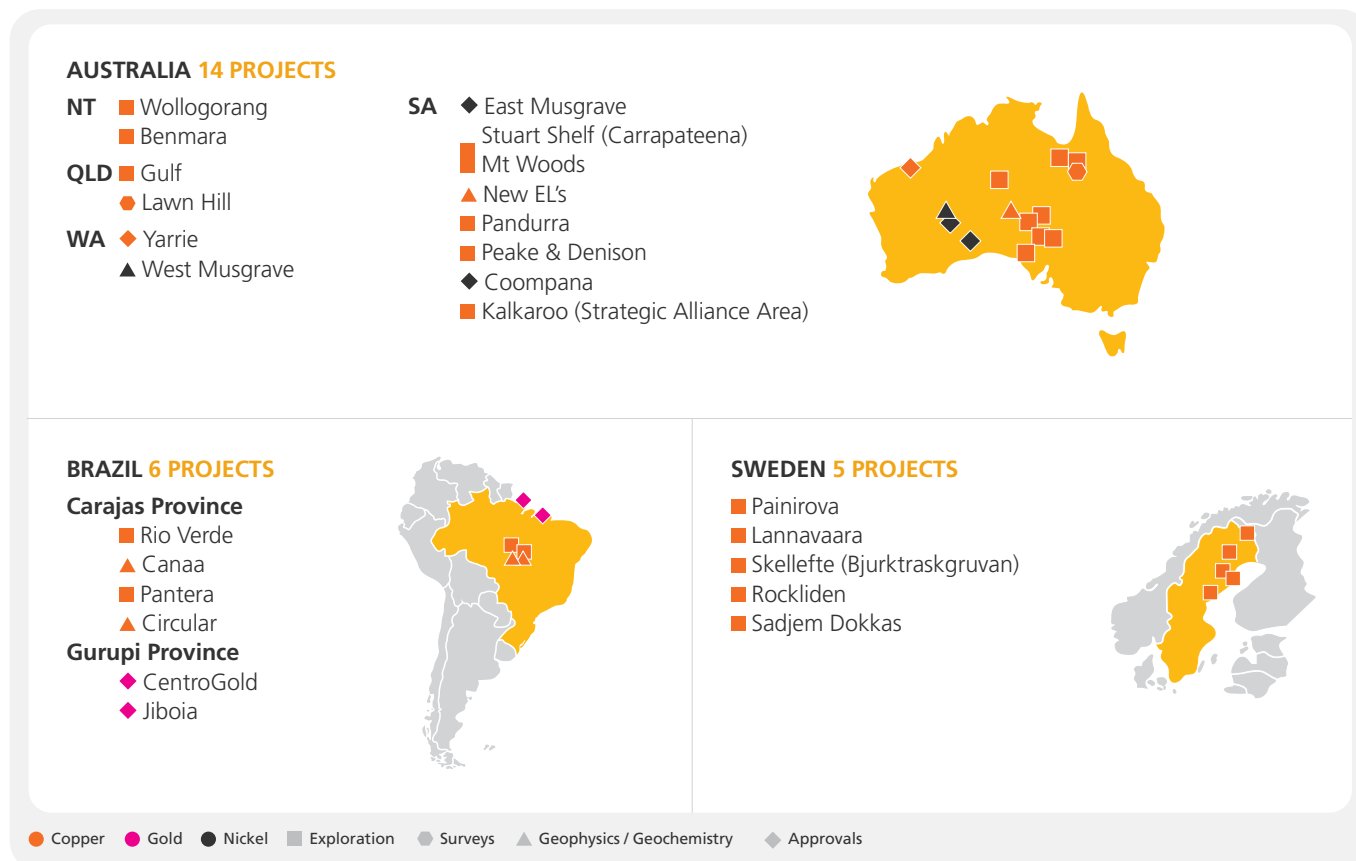
7 Information about OZ Minerals

7.4.7 Exploration

OZ Minerals' exploration portfolio consists of both brownfield and greenfield exploration across locations in Australia, Brazil and Sweden (as outlined in Figure 9 below). OZ Minerals is in the process of withdrawing from its interests in Peru.

OZ Minerals' greenfield exploration activities are generally complemented by alliances (e.g. exploration earn-in agreements) and select direct investments in explorers (e.g. direct equity investment in ASX-listed junior explorer, Carnaby Resources Limited). Prospects range from geological survey mapping through to defined drilling programs.

Figure 9: Global exploration portfolio



7 Information about OZ Minerals

7.4.8 Resource & Reserve^{26,27}

Table 17: Mineral Resource

Mineral Resources ²⁸	Measured				Indicated				Inferred				Total							
Copper	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	CuEq %	Cu %	Au g/t	Ag g/t	Cu kt	Au koz	Ag Moz
Prominent Hill underground	49	1.2	0.6	3.0	51	0.9	0.9	2.5	66	0.8	0.9	2.3	170	1.4	0.9	0.8	2.5	1,600	4,300	14
Prominent Hill surface stocks	0.35	0.7	0.5	2.0	—	—	—	—	—	—	—	—	0.35	1.0	0.7	0.5	2.0	2.3	5.4	0.02
Carrapateena	140	1.1	0.43	4.1	470	0.61	0.26	2.7	300	0.26	0.13	1.8	900	—	0.56	0.24	2.6	5,100	7,000	76
Fremantle Doctor	—	—	—	—	—	—	—	—	100	0.51	0.33	1.2	100	—	0.51	0.33	1.2	520	1,100	4.0
Succoth	—	—	—	—	—	—	—	—	156	0.60	—	—	156	—	0.60	—	—	943	—	—
Antas North	—	—	—	—	0.4	0.8	0.2	—	1.0	0.4	0.1	—	1.3	—	0.5	0.1	—	6.2	6.0	—
Pedra Branca	1.9	1.6	0.48	—	8.7	1.7	0.44	—	7.3	1.4	0.36	—	18	—	1.6	0.41	—	280	240	—
Santa Lúcia ²⁹	—	—	—	—	0.91	6.1	0.97	9.2	4.9	1.3	0.24	3.9	5.8	—	2.1	0.35	4.8	120	66	0.89
Pantera	—	—	—	—	13	1.3	0.2	—	7.1	1.1	0.2	—	20	—	1.2	0.2	—	250	110	—
Total	190	1.1	0.5	3.7	540	0.7	0.3	2.6	650	0.5	0.2	1.3	1,400	—	0.6	0.3	2.1	8,800	13,000	94
Gold	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	CuEq %	Cu %	Au g/t	Ag g/t	Cu kt	Au koz	Ag Moz
Prominent Hill surface stocks	—	—	—	—	8.8	0.1	0.5	0.4	—	—	—	—	8.8	—	0.1	0.5	0.4	11	150	0.12
CentroGold	—	—	—	—	21	—	1.9	—	7.3	—	1.8	—	28	—	—	1.9	—	—	1,700	—
Chega Tudo	—	—	—	—	8.2	—	1.6	—	3.1	—	1.5	—	11.3	—	—	1.6	—	—	577	—
Total	—	—	—	—	38	0.03	1.5	0.1	10	—	1.7	—	48	—	0.02	1.6	0.1	11	2,400	0.12
Nickel	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	CuEq %	Cu %	Au g/t	Ag g/t	Cu kt	Au koz	Ag Moz
Babel	91	0.31	0.36	0.06	190	0.28	0.31	0.05	58	0.32	0.35	0.06	340	—	0.30	0.33	0.06	1,000	1,100	0.6
Nebo	—	—	—	—	49	0.34	0.32	0.04	1.1	0.35	0.38	0.05	50	—	0.34	0.32	0.04	170	160	0.1
Total	91	0.31	0.36	0.06	240	0.29	0.31	0.05	59	0.32	0.35	0.06	390	—	0.30	0.33	0.06	1,200	1,300	0.7

Table 18: Ore Reserve³⁰

Ore Reserves	Proved				Probable				Total							
Copper	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	CuEq %	Cu %	Au g/t	Ag g/t	Cu kt	Au koz	Ag Moz
Prominent Hill Underground	29	1.2	0.6	2.9	30	0.9	0.7	2.4	59	1.4	1.0	0.7	2.6	590	1,230	5.0
Prominent Hill surface stocks	0.35	0.7	0.5	2.0	—	—	—	—	0.35	1.0	0.7	0.5	2.0	2.3	5.4	0.02
Carrapateena	—	—	—	—	190	1.1	0.42	4.3	190	—	1.1	0.42	4.3	2,000	2,600	27
Pedra Branca	0.94	1.8	0.51	—	3.1	2.1	0.53	—	4.0	—	2.0	0.53	—	80	69	—
Total	30	1.2	0.6	2.8	230	1.0	0.5	4.0	260	—	1.1	0.5	3.8	2,700	3,900	32
Gold	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	CuEq %	Cu %	Au g/t	Ag g/t	Cu kt	Au koz	Ag Moz
Prominent Hill surface stocks	—	—	—	—	8.8	0.1	0.5	0.4	8.8	—	0.1	0.5	0.4	11	150	0.12
CentroGold	—	—	—	—	20	—	1.7	—	20	—	—	1.7	—	—	1,100	—
Total	—	—	—	—	28	0.04	1.3	0.2	31	—	0.04	1.3	0.1	11	1,200	0.12
Nickel	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	Cu %	Au g/t	Ag g/t	Tonnes Mt	CuEq %	Cu %	Au g/t	Ag g/t	Cu kt	Au koz	Ag Moz
Babel	—	—	—	—	236	0.30	0.34	0.06	236	—	0.30	0.34	0.06	705	791	0.5
Nebo	—	—	—	—	36	0.37	0.35	0.04	36	—	0.37	0.35	0.04	132	125	0.05
Total	—	—	—	—	270	0.31	0.34	0.06	270	—	0.31	0.34	0.06	840	920	0.5

26. See Section 11.4 for the Competent Persons Statements and other disclosures required under the JORC Code and the ASX Listing Rules in respect of all Mineral Resource and Ore Reserve data contained in this Scheme Booklet.

27. Mineral Resource and Ore Reserve figures reported from OZ Minerals' 2022 annual summary update. See OZ Minerals' ASX release, "Annual Mineral Resource and Ore Reserve update demonstrates portfolio of long-life assets" dated 21 December 2022.

28. Mineral Resources are inclusive of Ore Reserves.

29. The Santa Lúcia project is 100% owned by Vale and the Brazil National Economic Development Bank (BNDES) holds a right to participate in up to 50% of the economic results of the project. OZ Minerals' option to purchase the project from Vale was exercised in January 2023 and discussions with the BNDES are progressing.

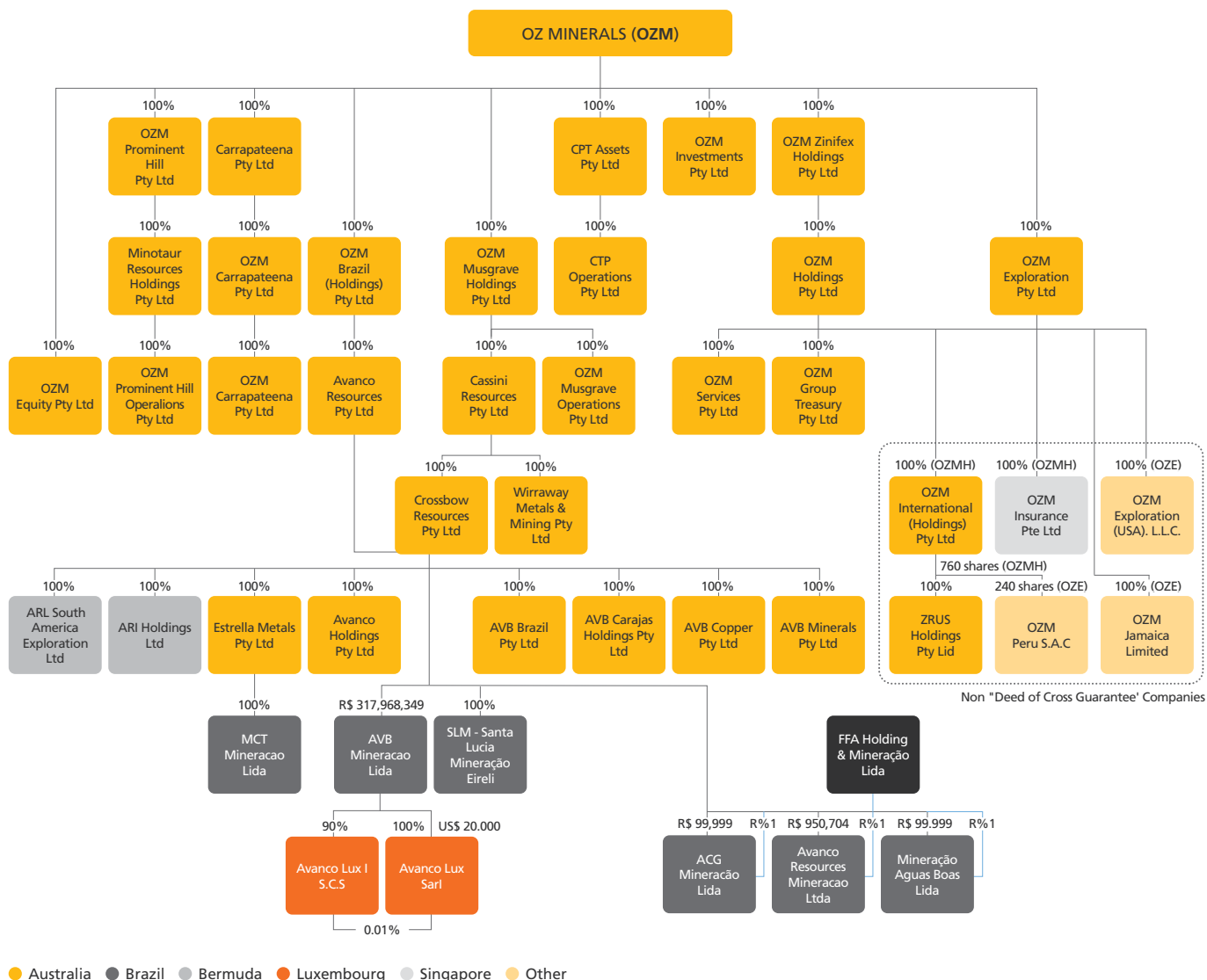
30. Mineral Resource and Ore Reserve figures reported from OZ Minerals' 2022 annual summary update. See OZ Minerals' ASX release, "Annual Mineral Resource and Ore Reserve update demonstrates portfolio of long-life assets" dated 21 December 2022.

7 Information about OZ Minerals

7.5 OZ MINERALS STRUCTURE

OZ Minerals and existing wholly owned and/or controlled entities in the OZ Minerals Group are set out below.

Figure 10: OZ Minerals corporate structure and ownership interest



7.6 OZ MINERALS BOARD AND SENIOR MANAGEMENT

7.6.1 OZ Minerals Board

As at the date of this Scheme Booklet, the OZ Minerals Board comprises:

Name	Position
Rebecca McGrath	Chairman
Andrew Cole	Managing Director and Chief Executive Officer
Tonianne Dwyer	Independent Non-Executive Director
Peter Wasow	Independent Non-Executive Director
Charles Sartain	Independent Non-Executive Director
Richard Seville	Independent Non-Executive Director
Dr Sarah Ryan	Independent Non-Executive Director

7 Information about OZ Minerals

7.6.2 Senior management

As at the date of this Scheme Booklet, the senior management team of OZ Minerals comprises

Name	Position
Andrew Cole	Managing Director and Chief Executive Officer
Warrick Ranson	Chief Financial Officer
Kerrina Chadwick	Corporate Affairs Executive Lead
Fiona Blakely	People Executive Lead
Matt Reed	Operations Executive Lead
Claire Parkinson	Integration Executive Lead
Michelle Ash	Technology Executive Lead
Bryan Quinn	Strategy & Growth Executive Lead
Debbie Morrow	Projects Executive Lead

7.7 OZ MINERALS CAPITAL STRUCTURE

7.7.1 OZ Minerals Shares on issue

As at 27 February 2023, being the last practicable trading day prior to finalisation of this Scheme Booklet, there were 335,515,966 OZ Minerals Shares on issue.

7.7.2 OZ Minerals Performance Rights

As at 27 February 2023, being the last practicable trading day prior to finalisation of this Scheme Booklet, OZ Minerals had 2,203,488 OZ Minerals Performance Rights on issue.

Additional detail regarding the treatment of OZ Minerals Performance Rights if the Scheme is implemented is set out in Section 7.16.

7.8 HISTORICAL PRICE OF OZ MINERALS SHARES

OZ Minerals Shares are listed on the ASX under the trading symbol "OZL".

The closing price of OZ Minerals Shares on the ASX on 5 August 2022 (the last trading day prior to the announcement of the Initial Proposal) was \$18.92. The closing price for OZ Minerals Shares on the ASX on 27 February 2023 (being the last practicable trading day prior to finalisation of this Scheme Booklet) was \$27.98.

During the three months ending 27 February 2023 (being the last practicable trading day prior to finalisation of this Scheme Booklet):

- > the highest recorded daily closing price for OZ Minerals Shares was \$28.02 on 23 February 2023; and
- > the lowest recorded daily closing price for OZ Minerals Shares was \$27.25 on 16 December 2023.

The chart below shows price performance of OZ Minerals Shares since 27 April 2020.

Figure 11: OZ Minerals' share price performance since 2020 as at 27 February 2023



7 Information about OZ Minerals

7.9 OZ MINERALS SUBSTANTIAL SHAREHOLDERS

Based on publicly available information, as at 27 February 2023 (being the last practicable trading day prior to finalisation of this Scheme Booklet), OZ Minerals had received notifications from the following substantial Shareholders in accordance with section 671B of the Corporations Act:

Name	Number of OZ Minerals Shares	Percentage of OZ Minerals Shares on issue
State Street Corporation and subsidiaries	22,052,927	6.57%
BlackRock Group	17,003,397	5.07%

7.10 FINANCIAL INFORMATION

This Section 7.10 contains audited financial information relating to OZ Minerals for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

The financial information in this Section 7.10 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only.

Further detail about OZ Minerals' financial performance can be found in the financial statements for the financial year ended 31 December 2022. Copies of OZ Minerals' financial reports for the financial year ended 31 December 2020, financial year ended 31 December 2021 and financial year ended 31 December 2022 can be obtained, free of charge, from the ASX's website (www.asx.com.au), OZ Minerals' website (<https://www.ozminerals.com/en/investing-in-us/asx-releases>) or by calling the OZ Minerals Shareholder Information Line on 1300 306 089 (within Australia) or +61 1300 306 089 (outside Australia) any time between 8.30am and 7.30pm (Melbourne time) on Monday to Friday (excluding public holidays).

7.10.1 Basis of preparation

The historical financial information of OZ Minerals presented in this Scheme Booklet is in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. OZ Minerals considers that, for the purposes of this Scheme Booklet, the historical financial information is in a form sufficient to inform OZ Minerals Shareholders of the recent past financial performance of OZ Minerals and is available in full in OZ Minerals' annual financial reports, available on its website. The historical financial information of OZ Minerals has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards. The historical financial information in this Scheme Booklet is presented on a standalone basis and accordingly does not reflect any impact of the Scheme.

7 Information about OZ Minerals

7.10.2 Consolidated Statement of Profit or Loss

The following table presents the historical consolidated statement of profit or loss and other comprehensive income for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

	2022 \$m	2021 \$m	2020 \$m
Revenue	1,920.8	2,095.8	1,342.0
Other income	—	1.0	0.3
Mining	(657.1)	(516.3)	(421.6)
Processing	(306.1)	(281.0)	(215.5)
Freight	(100.8)	(80.4)	(50.5)
Site administration	(149.2)	(115.9)	(113.5)
Royalties	(75.4)	(93.6)	(67.7)
Inventory movement	(66.8)	(110.0)	(18.9)
Corporate administration	(78.4)	(61.7)	(56.0)
Exploration and corporate development	(143.3)	(56.3)	(50.6)
Other	—	—	(4.4)
Foreign exchange gain/(loss)	1.9	14.1	(20.7)
Profit before interest and income tax	345.6	795.7	322.9
Finance income	1.7	0.5	0.4
Finance expense	(37.1)	(39.6)	(27.5)
Profit before income tax	310.2	756.6	295.8
Income tax	(102.9)	(225.9)	(83.2)
Profit for the year attributable to equity holders of OZ Minerals Limited	207.3	530.7	212.6
Other comprehensive gain/(loss)			
<i>Items that will not be reclassified subsequently to future Income Statements</i>			
Change in fair value of investments in equity securities, net of tax	(2.3)	7.4	3.9
<i>Items that may be reclassified subsequently to future Income Statements</i>			
Cash flow hedges changes in fair value	—	1.6	(40.8)
Cash flow hedges reclassified to profit and loss	—	23.8	64.9
Foreign operations – foreign currency translation differences	30.7	22.2	(36.1)
Other comprehensive loss for the year, net of tax	28.4	55.0	(8.1)
Total comprehensive income for the year attributable to equity holders of OZ Minerals Limited	235.7	585.7	204.5
	2022 cents	2021 cents	2020 cents
Basic earnings per share	62.0	159.6	65.2
Diluted earnings per share	61.7	158.5	64.7

7 Information about OZ Minerals

7.10.3 Consolidated Statement of Financial Position

The following table presents the historical consolidated statement of financial position as at 31 December 2020, 31 December 2021 and 31 December 2022.

	2022 \$m	2021 \$m	2020 \$m
Current assets			
Cash and cash equivalents	136.7	215.4	131.7
Trade receivables	296.0	236.5	160.3
Other receivables	27.8	20.7	13.5
Tax receivables	56.6	—	—
Inventories	289.2	279.3	252.1
Prepayments	31.2	19.1	11.7
Total current assets	837.5	771.0	569.3
Non-current assets			
Deferred tax assets	7.4	7.4	7.0
Inventories	69.9	129.4	266.6
Exploration assets	58.9	288.6	215.8
Property, plant and equipment	4,339.2	3,350.2	2,913.5
Right-of-use assets	739.8	733.6	750.1
Other assets	17.8	16.7	33.7
Total non-current assets	5,233.0	4,525.9	4,186.7
Total assets	6,070.5	5,296.9	4,756.0
Current liabilities			
Trade payables and accruals	326.9	232.1	190.1
Other payables	17.2	9.9	7.6
Current tax provision	—	55.0	19.7
Employee benefits	29.2	26.0	21.7
Derivative financial instruments	—	—	36.3
Borrowings	375.0	—	100.0
Lease liabilities	97.2	80.5	71.5
Total current liabilities	845.5	403.5	446.9
Non-current liabilities			
Deferred tax liabilities	504.2	356.4	288.5
Employee benefits	5.0	4.4	3.2
Provisions	130.2	139.5	121.7
Loans and borrowings	15.6	—	—
Lease liabilities	657.4	663.4	684.3
Total non-current liabilities	1,312.4	1,163.7	1,097.7
Total liabilities	2,157.9	1,567.2	1,544.6
Net assets	3,912.6	3,729.7	3,211.4
Equity			
Issued capital	2,408.7	2,400.3	2,371.4
Cash flow hedge reserve	—	—	(25.4)
Retained earnings	1,459.3	1,315.5	873.7
Foreign currency translation reserve	44.6	13.9	(8.3)
Total equity attributable to equity holders of OZ Minerals Limited	3,912.6	3,729.7	3,211.4

7 Information about OZ Minerals

7.10.4 Consolidated Statement of Cash Flows

The following table presents the historical consolidated statement of cash flows for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

	2022 \$m	2021 \$m	2020 \$m
Cash flows from operation activities			
Receipts from customers	1,906.9	2,042.8	1,253.0
Payments to suppliers and employees	(1,052.8)	(830.0)	(589.2)
Payments for exploration and evaluation	(102.9)	(56.3)	(47.1)
Income tax paid	(68.2)	(145.6)	(43.8)
Financing costs	(37.1)	(40.4)	(23.0)
Interest received	1.7	0.5	0.5
Net cash inflows from operation activities	647.6	971.0	550.4
Cash flows from investing activities			
Payments for property, plant and equipment	(849.8)	(571.8)	(545.9)
Net proceeds from sale of pre commissioning concentrates	—	—	43.0
Payments for exploration assets	(92.2)	(72.4)	(17.3)
Proceeds from/(payment for) equity investments	(9.0)	14.0	—
Net cash outflows from investing activities	(951.0)	(630.2)	(520.2)
Cash flows from financing activities			
Dividends paid to shareholders	(78.6)	(80.8)	(73.2)
Proceeds from loans and borrowings	840.6	200.0	225.0
Payments for loans and borrowings	(450.0)	(300.0)	(125.0)
Lease payments	(87.5)	(76.0)	(55.2)
Net cash inflows/(outflows) from financing activities	224.5	(256.8)	(28.4)
Net increase/(decrease) in cash held	(78.9)	84.0	1.8
Cash and cash equivalents at beginning of the year	215.4	131.7	134.0
Effects of exchange rate changes on foreign currency denominated cash balances	0.2	(0.3)	(4.1)
Cash and cash equivalents at the end of the year	136.7	215.4	131.7

7.11 OZ MINERALS DIRECTORS' INTENTIONS

The Corporations Regulations require a statement by the OZ Minerals Directors of their intentions regarding OZ Minerals' business. If the Total Cash Consideration is paid to Scheme Shareholders, OZ Minerals will procure that any OZ Minerals Director nominated by BHP to resign from the OZ Minerals Board will resign and BHP will have 100% ownership and control of OZ Minerals. The current intentions of BHP with respect to these matters are set out in Section 8.7.

If the Scheme is not implemented, the OZ Minerals Directors intend to continue to operate OZ Minerals in the ordinary course of business and for OZ Minerals to remain listed on the ASX.

7.11.1 What if the Scheme is not implemented?

If the Scheme is not implemented, OZ Minerals will continue to operate on a standalone basis and maintain its ASX listing. As such, OZ Minerals will remain listed on the ASX and you will retain your OZ Minerals Shares. While it is not possible to predict the future performance of OZ Minerals, in deciding whether or not to vote in favour of the Scheme Resolution, you should have regard to the prospects of OZ Minerals on a standalone basis (that is, if the Scheme is not implemented) and the risks relating to OZ Minerals' business (refer to Sections 9.2 and 9.4 for a summary of those risks).

Some possible implications of the Scheme not being implemented are:

- > OZ Minerals Shareholders will retain their OZ Minerals Shares and they will not be acquired by BHP;
- > OZ Minerals Shareholders will not receive the Scheme Consideration or the Special Dividend;
- > OZ Minerals will, in the absence of another proposal, continue to operate as a standalone company listed on the ASX and, as such, OZ Minerals Shareholders will be exposed to the risks relating to OZ Minerals' business (refer to Sections 9.2 and 9.4 for a summary of those risks); and
- > if no Superior Proposal is received by the OZ Minerals Board, then the OZ Minerals Share price may fall.

7 Information about OZ Minerals

7.11.1 What if the Scheme is not implemented? *continued*

OZ Minerals estimates that, if the Scheme is not implemented, OZ Minerals will be required to pay one-off Transaction Costs of approximately \$23 million (excluding GST and disbursements and any Break Fee that may be payable to BHP). This includes the following amounts:

- > fees and expenses paid or payable to OZ Minerals' professional advisers (including its financial, legal, accounting and tax advisers) of approximately \$18 million (excluding GST);
- > fees paid or payable to the Independent Expert and the Independent Technical Specialist of \$3 million in aggregate (excluding GST); and
- > Registry costs, fees and expenses associated with the Court proceedings, costs relating to design, printing and dispatch of this Scheme Booklet, expenses associated with convening and holding the Scheme Meeting, fees related to proxy solicitation services, and other general and administrative expenses in connection with the Scheme, of approximately \$2 million in aggregate (excluding GST).

The payment of these Transaction Costs would adversely affect the cash balance of OZ Minerals.

7.11.2 Strategy and intentions for OZ Minerals if the Scheme is not implemented

If the Scheme is not implemented, OZ Minerals' strategy, as outlined in Section 7.3, will remain unchanged. The OZ Minerals Board plans to continue with the business, financial, and operating plans established prior to the date of the Scheme Implementation Deed. These plans are centred on a strategy of growth through copper and nickel production at Prominent Hill, Carrapateena and West Musgrave. OZ Minerals will also aim to continue its operations and copper development projects in Brazil, including ongoing exploration.

If the Scheme is not implemented, execution of OZ Minerals' growth initiatives will require additional capital to be raised for current and new development projects (including, but not limited to West Musgrave and Kalkaroo) and growth opportunities, and to repay or refinance debt as it falls due, as outlined in Sections 3.2.6 and 9.2.5. If the Scheme is not implemented, OZ Minerals intends to continue assessing options for a potential strategic alliance for West Musgrave.

If additional funding is raised through the issue of equity securities, the capital raising may be dilutive to OZ Minerals Shareholders (if OZ Minerals determines that a pro rata entitlement offer is not the most appropriate method of equity fundraising or you elect not to participate in such entitlement offer) and such securities may, subject to any requisite shareholder approval, have rights, preferences or privileges senior to those currently holding OZ Minerals Shares.

There is no certainty that OZ Minerals will be able to access additional funding on satisfactory terms (or at all) or to progress a potential strategic alliance for West Musgrave, as outlined in Section 9.2.4.

7.12 No material changes in OZ Minerals' financial position since 31 December 2022

To the knowledge of the OZ Minerals Directors, other than accumulation of profits in the ordinary course of business, the financial position of OZ Minerals has not changed materially since 31 December 2022, being the date of the last balance sheet prepared before this Scheme Booklet was sent to OZ Minerals Shareholders in accordance with the Corporations Act.

7.13 Publicly available information on OZ Minerals

As an ASX listed company and a "disclosing entity" under the Corporations Act, OZ Minerals is subject to regular reporting and disclosure obligations. Among other things, these obligations require OZ Minerals to announce price sensitive information to the ASX as soon as OZ Minerals becomes aware of the information, subject to some exceptions.

Pursuant to the Corporations Act, OZ Minerals is required to prepare and lodge with ASIC and the ASX both annual and half-year financial statements accompanied by a statement and report from the OZ Minerals Directors and an audit or review report respectively.

Copies of the documents filed with the ASX may be obtained from the ASX's website (www.asx.com.au) and OZ Minerals' website (<https://www.ozminerals.com/en/investing-in-us/asx-releases>). Copies of the documents lodged with ASIC in relation to OZ Minerals may be obtained from, or inspected at, an ASIC office.

7 Information about OZ Minerals

7.14 INTERESTS OF OZ MINERALS DIRECTORS IN OZ MINERALS

OZ Minerals Director	Position	Relevant Interest in OZ Minerals Shares	OZ Minerals Performance Rights	Relevant Interest in OZ Minerals (as a percentage of all OZ Minerals Shares on a fully diluted basis)
Rebecca McGrath	Non-Executive Director, Non-Executive Chairman	56,292	—	0.017%
Andrew Cole	Chief Executive Officer, Managing Director	917,736	143,905 OZ Minerals Performance Rights	0.272%
Tonianne Dwyer	Non-Executive Director	19,900	—	0.006%
Peter Wasow	Non-Executive Director	20,000	—	0.006%
Charles Sartain	Non-Executive Director	80,000	—	0.024%
Richard Phillip Seville	Non-Executive Director	16,750	—	0.005%
Sarah Elizabeth Ryan	Non-Executive Director	8,500	—	0.003%

No OZ Minerals Director acquired or disposed of a Relevant Interest in any OZ Minerals Shares in the four-month period ending on the last practicable trading day prior to finalisation of this Scheme Booklet.

The OZ Minerals Board has exercised its discretion for all of Mr Cole's outstanding 143,905 OZ Minerals Performance Rights to vest, subject to the Scheme becoming Effective, and Mr Cole will receive a cash payment that is equal to the Total Cash Consideration for each OZ Minerals Performance Right held (being approximately \$4.065 million in aggregate). In addition, if the Scheme becomes Effective Mr Cole will not be issued OZ Minerals Performance Rights under the 2023 LTI offer or under the deferred equity component of his 2022 STI award (which would ordinarily comprise 30% of the STI award), but will instead be paid \$1,869,525 in lieu of the issue of OZ Minerals Performance Rights and Mr Cole will receive a cash payment of \$3,704 for 9,971 Performance Rights granted to Mr Cole under the deferred equity component of his 2021 STI award being a dividend equivalent amount to reflect the grossed up value of dividend payments made by OZ Minerals in 2022. Mr Cole will also be entitled to redundancy payments in accordance with his employment contract with OZ Minerals (if he does not accept another role with BHP following the Scheme becoming Effective).

If the Scheme does not become Effective, the OZ Minerals Performance Rights held by Mr Cole will remain on issue and will vest according to the existing vesting conditions. Similarly cash awards for 2023 LTI and STI would not be paid early but would remain on foot. Mr Cole did not vote on the resolutions of the OZ Minerals Board in relation to these matters given his interest in the subject matter of the resolutions. OZ Minerals Shareholders should have regard to these interests when considering how to vote on the Scheme, including Mr Cole's recommendation on the Scheme, which appears throughout this Scheme Booklet.

The OZ Minerals Board, and Mr Cole, consider that notwithstanding these arrangements, it is appropriate for Mr Cole to make a recommendation on the Scheme given Mr Cole's role in the operation and management of OZ Minerals and that OZ Minerals Shareholders would wish to know Mr Cole's views in relation to the Scheme.

In the absence of a Superior Proposal, and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of OZ Minerals Shareholders, each OZ Minerals Director intends to vote, or cause to be voted, all OZ Minerals Shares in which they have a Relevant Interest in favour of the Scheme Resolution.

No OZ Minerals Director has any other interest, whether as a director, member or creditor of OZ Minerals or otherwise, which is material to the Scheme, other than in their capacity as a holder of OZ Minerals Shares or OZ Minerals Performance Rights.

7.15 INTERESTS OF OZ MINERALS DIRECTORS IN BHP OR BHP GROUP LIMITED

OZ Minerals Director	Position	Relevant Interest in BHP or BHP Group Limited shares
Rebecca McGrath	Non-Executive Director, Non-Executive Chairman	Nil
Andrew Cole	Chief Executive Officer, Managing Director	1,702 shares in BHP Group Limited
Tonianne Dwyer	Non-Executive Director	Nil
Peter Wasow	Non-Executive Director	4,434 shares in BHP Group Limited
Charles Sartain	Non-Executive Director	Nil
Richard Phillip Seville	Non-Executive Director	Nil
Sarah Elizabeth Ryan	Non-Executive Director	Nil

No director of OZ Minerals has an interest in any contract or agreement entered into by BHP or any member of the BHP Group.

7 Information about OZ Minerals

7.16 OZ MINERALS INCENTIVE ARRANGEMENTS

7.16.1 Structure of equity arrangements

OZ Minerals currently operates the OZ Minerals Omnibus Incentive Plan Rules (**Incentive Rules**). A number of OZ Minerals Performance Rights have been issued or granted under the Incentive Rules, namely under the: 2021 Long Term Incentive (**LTI**) offer, 2022 LTI offer, 2023 LTI offer, 2021 Short Term Incentive (**STI**) offer, 2022 STI offer, 2021 Performance Rights (**PR**) offer and 2022 PR offer (collectively, the **Incentive Offers**).

As at 27 February 2023 (being the last practicable trading day prior to finalisation of this Scheme Booklet), the following OZ Minerals Performance Rights were on issue under the Incentive Offers:

Plan year	STI offer	LTI offer	PR offer
2021	54,476	294,308	379,964
2022	39,608	313,421	371,092
2023	—	284,757	465,862
Totals	94,084	892,486	1,216,918

7.16.2 Treatment of OZ Minerals Performance Rights

a) OZ Minerals Performance Rights generally

The OZ Minerals Board has exercised its discretion such that all unvested OZ Minerals Performance Rights (other than the OZ Minerals Performance Rights granted under the 2023 LTI offer which will be dealt with as set out below) will vest and one OZ Minerals Share for each OZ Minerals Performance Right will be issued to the holders of the OZ Minerals Performance Rights, subject to the Scheme becoming Effective.

If there are any restrictions on the transfer of OZ Minerals Shares that have been or will be issued on vesting of the OZ Minerals Performance Rights, those restrictions will be lifted so that the OZ Minerals Shares may be transferred to BHP under the Scheme. The OZ Minerals Shares will otherwise become Scheme Shares, and the holders will receive both the Scheme Consideration and the Special Dividend on the Implementation Date.

b) 2023 LTI offer

The only exception to the above treatment is in relation to the 284,757 OZ Minerals Performance Rights granted under the 2023 LTI offer to certain executives. All of these OZ Minerals Performance Rights will lapse on the Effective Date, subject to the Scheme becoming Effective and, in consideration for this, BHP has agreed to pay the relevant executives a cash amount equivalent to \$28.25 per lapsed OZ Minerals Performance Right, if the relevant holder:

- > remains employed in the OZ Minerals/BHP group for at least 3 months from the Implementation Date; or
- > is made redundant by OZ Minerals/BHP.

c) Effect on OZ Minerals' capital structure

These arrangements mean that, if the Scheme becomes Effective, at the Implementation Date OZ Minerals will have no OZ Minerals Performance Rights on issue and the number of OZ Minerals Shares on issue is expected to be 337,433,342.³¹

7.17 BENEFITS AND AGREEMENTS

7.17.1 Other payments

The 2023 short term incentives for eligible executives will be prorated for the period from 1 January 2023 to the Effective Date and paid in cash by OZ Minerals on the Effective Date. In addition, eligible executives will receive a cash payment in respect of the Performance Rights granted to them under the deferred equity component of their 2021 STI awards being a dividend equivalent amount to reflect grossed up dividend payments made by OZ Minerals in 2022.

No payment or other benefit is proposed to be made or given to a director, secretary or executive officer of OZ Minerals or any member of the OZ Minerals Group as compensation for loss of, or as consideration for or in connection with their retirement from, office in OZ Minerals or any member of OZ Minerals Group as a result of the Scheme (other than in the event of redundancy in accordance with existing employment terms). Other than any payments or benefits disclosed in the table in Section 7.14, Section 7.16 or this Section 7.17, no payment or other benefit is proposed to be made or given to a director of OZ Minerals as a result of the Scheme.

7.18 OZ MINERALS LITIGATION

At the date of this Scheme Booklet, to the best knowledge of the OZ Minerals Directors and senior management, OZ Minerals is not involved in any litigation or dispute which is material in the context of OZ Minerals and its subsidiaries taken as a whole that is not otherwise disclosed in this Scheme Booklet.

31. This is the sum of 335,515,966 (being the number of OZ Minerals Shares on issue as at the date of this Scheme Booklet) and 1,917,376 (being the new OZ Minerals Shares expected to be issued on vesting of OZ Minerals Performance Rights if the Scheme becomes Effective (see section 7.15 and 7.16)).

8 Information about BHP

8.1 INTRODUCTION

The information in this Section 8 of the Scheme Booklet has been prepared by BHP and forms part of the BHP Information. The information concerning the BHP Group and the intentions, views and opinions contained in this Section are the responsibility of BHP. OZ Minerals and OZ Minerals' directors and officers do not assume any responsibility for the accuracy or completeness of this information.

8.2 OVERVIEW OF THE BHP GROUP

8.2.1 Overview

BHP Group Limited (ASX code: BHP) is the parent company of the BHP Group, a leading global resources business with a market capitalisation of approximately \$226 billion as at the last practicable date prior to finalisation of this Scheme Booklet. BHP Group's operations are focused on the discovery, development, production and marketing of iron ore, copper, metallurgical coal, nickel and potash.

The BHP Group is headquartered in Melbourne, Australia, with approximately 80,000 employees and contractors worldwide. BHP Group Limited is registered in Australia with its registered office at 171 Collins Street, Melbourne, Victoria 3000, Australia.

Full details of the BHP Group are contained in BHP Group Limited's 2022 Annual Report released on 6 September 2022.

It is proposed that, BHP Lonsdale Investments Pty Ltd, a wholly owned subsidiary of BHP Group Limited, will acquire all of the OZ Minerals Shares under the Scheme. BHP Lonsdale Investments Pty Ltd is defined as "BHP" in this Scheme Booklet.

8.2.2 Overview of the BHP Group's principal activities

The BHP Group's principal activities consist of the following:

a) Minerals Australia

The BHP Group's Minerals Australia asset group includes operated assets in South Australia, Western Australia, Queensland and New South Wales, focused on the following:

i) Iron ore

Western Australia Iron Ore (**WAIO**) (BHP Group ownership: 65-85%) is an integrated system of four processing hubs and five open-cut mines in the Pilbara region of northern Western Australia, connected by more than 1,000 kilometres of rail infrastructure and port facilities.

ii) Copper

Located in South Australia, Olympic Dam (BHP Group ownership: 100%) is one of the world's most significant deposits of copper, gold, silver and uranium. It comprises underground and surface operations, and is a fully integrated processing facility from ore to metal.

iii) Metallurgical coal

BHP Mitsubishi Alliance (BMA) (BHP Group ownership: 50%) operates seven metallurgical coal mines - Goonyella Riverside, Broadmeadow, Daunia, Peak Downs, Saraji, Blackwater and Caval Ridge in the Bowen Basin, Queensland. With the exception of the Broadmeadow underground longwall operation, BMA's mines are open cut. A small proportion of BMA's production is sold as energy coal.

iv) Energy coal

New South Wales Energy Coal (**NSWEC**) (BHP Group ownership: 100%) comprises the Mt Arthur Coal open-cut energy coal mine in the Hunter Valley. It has access to infrastructure in the Hunter Region, including a multi-user rail network and coal loading terminal access at the Port of Newcastle through Newcastle Coal Infrastructure Group (BHP Group ownership: 28%) and Port Waratah Coal Services. On 16 June 2022, it was announced that NSWEC would be retained within the BHP Group portfolio, and that the BHP Group would seek the relevant approvals to continue mining beyond its current mining consent that expires in the 2026 calendar year and proceed with a managed process to cease mining at the asset by the end of the 2030 financial year.

v) Nickel

Nickel West (BHP Group ownership: 100%) is a fully integrated nickel business located in Western Australia, with three streams of concentrate. It comprises open-cut and underground mines, concentrators, a smelter and refinery. Nickel West owns the majority of tenements of known resource in the Agnew-Wiluna basin in Western Australia.

b) Minerals Americas

The BHP Group's Minerals Americas asset group includes projects, operated assets and non-operated joint ventures in Canada, Chile, Peru, the United States and Brazil.

The BHP Group-operated copper assets in the Americas, Escondida (BHP Group ownership: 57.5%) and Pampa Norte (BHP Group ownership: 100%), are open-cut mines that produce copper concentrate and copper cathodes.

The non-operated assets in the Minerals Americas portfolio are open-cut mines that produce copper (Antamina: BHP Group ownership: 33.75%) and iron ore (Samarco: BHP Group ownership: 50%).

The BHP Group has a 45% interest in the Resolution Copper Project in the United States and a 100% interest in the Jansen Potash Project in Canada.

The commodities produced by the BHP Group's Minerals Americas assets are transported to port by pipeline, rail or road and exported to customers around the world.

8 Information about BHP

8.2.2 Overview of the BHP Group's principal activities *continued*

c) Exploration

The BHP Group's exploration program is focused on copper and nickel. BHP Group looks to identify and gain access to new search spaces to test targets capable of delivering high-quality, Tier 1 deposits, and maintain research and technology activities aligned with the BHP Group's exploration strategy.

8.3 BHP GROUP LIMITED DIRECTORS AND MANAGEMENT

8.3.1 BHP Group Limited directors

The following persons are directors of BHP Group Limited as at the date of this Scheme Booklet.

Name	Position
Ken MacKenzie	Chair and Independent Non-Executive Director
Mike Henry	Chief Executive Officer and Non-Independent Director
Terry Bowen	Independent Non-Executive Director
Xiaoqun Clever	Independent Non-Executive Director
Ian Cockerill	Independent Non-Executive Director
Gary Goldberg	Independent Non-Executive Director
Michelle Hinchliffe	Independent Non-Executive Director
Christine O'Reilly	Independent Non-Executive Director
Catherine Tanna	Independent Non-Executive Director
Dion Weisler	Independent Non-Executive Director

Profiles of BHP Group Limited's directors are available on BHP Group Limited's website at <https://www.bhp.com/about/board-and-management>

8.3.2 BHP Group Executive Leadership Team

As at the date of this Scheme Booklet, the executive leadership team of BHP Group Limited comprises:

Name	Position
Mike Henry	Chief Executive Officer
Edgar Basto	Chief Operating Officer
Caroline Cox	Chief Legal, Governance and External Affairs Officer
David Lamont	Chief Financial Officer
Vandita Pant	Chief Commercial Officer
Geraldine Slattery	President Australia
Laura Tyler	Chief Technical Officer
Ragnar Udd	President Americas
Johan van Jaarsveld	Chief Development Officer
Jad Vodopija	Chief People Officer

Profiles of BHP Group Limited's executive leadership team are available on BHP Group Limited's website at <https://www.bhp.com/about/board-and-management>.

8 Information about BHP

8.4 OVERVIEW OF BHP

BHP is a wholly owned subsidiary of BHP Group Limited, which was incorporated in Australia on 11 November 1955. The immediate holding company of BHP is BHP Group Limited.

BHP holds the BHP Group's investments in the Nickel West business, the Olympic Dam business and a number of other investments.

As at the date of this Scheme Booklet, the directors of BHP are:

Name	Position
Bradford Smith	Director
Emma Stone	Director
Vasundhara Vasundhara	Director

8.5 FUNDING ARRANGEMENTS FOR THE TOTAL CASH CONSIDERATION

8.5.1 Maximum cash consideration

If the Scheme becomes Effective, Scheme Shareholders will receive \$28.25 for each OZ Minerals Share they hold as at the Scheme Record Date. Such amount will be reduced by the amount of the Special Dividend paid by OZ Minerals on or before the Implementation Date.

OZ Minerals has announced that, subject to the Scheme becoming Effective, it intends to pay a Special Dividend of \$1.75 for each OZ Minerals Share to registered holders of OZ Minerals Shares on the Special Dividend Record Date. Therefore, OZ Minerals Shareholders registered as holders of OZ Minerals Shares on both the Special Dividend Record Date and the Scheme Record Date, will receive (on the Implementation Date) the Scheme Consideration of \$26.50 from BHP and a Special Dividend of \$1.75 from OZ Minerals, for Total Cash Consideration of \$28.25 per OZ Minerals Share.

The maximum amount of cash payable by BHP in connection with the Scheme will be approximately \$9.532 billion, which is based on 337,433,342 OZ Minerals Shares being on issue at the Scheme Record Date.³² If the Scheme becomes Effective, BHP will pay the Scheme Consideration in cash, in accordance with the Scheme and the Deed Poll.

BHP intends to fund payment of the Aggregate Scheme Consideration using a combination of existing cash reserves of the BHP Group and the proceeds of a debt facility described below. The total amount available to BHP under these arrangements exceeds the maximum aggregate amount of cash payable on implementation of the Scheme.

The Scheme is not subject to any financing condition.

8.5.2 Intragroup funding

BHP Group Limited has entered into a deed poll (**BHP Intragroup Deed Poll**) under which BHP Group Limited has unconditionally and irrevocably undertaken to BHP to make available and pay, or procure the payment of, such amounts to BHP which, in aggregate, are equal to the Aggregate Scheme Consideration and all costs associated with the Scheme. BHP's rights to receive payments under the BHP Intragroup Deed Poll are not subject to any conditions and the funds will be provided by BHP Group Limited to BHP in whatever form and manner BHP requires.

8.5.3 Overview of BHP's funding arrangements

The cash required by BHP Group Limited to discharge its obligations to BHP pursuant to the BHP Intragroup Deed Poll referred to in Section 8.5.2 to fund the Aggregate Scheme Consideration and all costs associated with the Scheme will be sourced from a combination of:

- > BHP Group Limited's existing cash reserves and cash equivalents (**BHP Cash Reserves**). As at 31 December 2022, the BHP Cash Reserves totalled US\$9.6 billion (approximately \$14.2 billion);³³ and
- > the proceeds of a new loan facility (**BHP Transaction Facility**) to be provided to BHP as described in further detail in Section 8.5.4 below.

32. This is the sum of 335,515,966 (being the number of OZ Minerals Shares on issue as at the date of this Scheme Booklet) and 1,917,376 (being the new OZ Minerals Shares expected to be issued on vesting of OZ Minerals Performance Rights if the Scheme becomes Effective (see section 7.15 and 7.16).

33. The approximate Australian dollar figure was calculated using an exchange rate of 1 Australian dollar (A\$) = 0.68 United States Dollar (US\$).

8 Information about BHP

8.5.4 Facilities

BHP has entered into a syndicated facility agreement dated 8 February 2023 (**BHP Facility Agreement**) between, among others, BHP as borrower and Citibank, N.A. and Citicorp North America, Inc. as the initial lenders (**Initial BHP Lenders**), under which the Initial BHP Lenders have agreed to provide a new term loan facility totalling US\$5.0 billion.

The BHP Transaction Facility is intended to be syndicated by the Initial BHP Lenders to additional banks (together the **BHP Transaction Facility Lender(s)**).

Drawing under the BHP Facility Agreement is subject to customary certain funds terms and conditions precedent (including that the Scheme has become Effective).

As at the date of this Scheme Booklet, BHP Group Limited is not aware of:

- > any circumstances which would prevent the satisfaction of the conditions precedent to drawing the BHP Transaction Facility, and is confident that they will be satisfied in time to allow, if necessary, payment in full of any debt funded component of the aggregate Scheme Consideration as and when due under the terms of the Scheme; or
- > any circumstances which would make it unlawful for the BHP Transaction Facility Lenders to provide the BHP Transaction Facility.

At the time funds are required by BHP, BHP Group Limited may elect to source a portion of those funds from the BHP Cash Reserves in lieu of drawing under the BHP Transaction Facility. If BHP sources funds from the BHP Transaction Facility, this will not restrict or delay the performance of BHP's obligations under the Scheme.

8.5.5 Provision of Scheme Consideration

On the basis of the arrangements described in this Section 8.5, BHP believes it has a reasonable basis for forming the view, and it holds the view, that it will have sufficient funds available to pay the Aggregate Scheme Consideration under the Scheme.

8.6 RATIONALE FOR BHP'S PROPOSED ACQUISITION OF OZ MINERALS

The proposed acquisition of OZ Minerals is consistent with BHP's strategy to deliver long-term value and returns to its shareholders through owning a portfolio of world class assets with exposure to future facing commodities that benefit from the global mega-trends of decarbonisation and electrification.

As detailed in Sections 8.1 and 8.2 above, the BHP Group has a long history of successful large-scale investments in significant assets within Australia and across the globe. BHP believes that the combination of BHP and OZ Minerals' assets, skills and technical expertise provides a unique opportunity, not available under separate ownership, to create a copper basin in South Australia which could unlock potential operational synergies due to the proximity of OZ Minerals' Carrapateena and Prominent Hill operations with BHP's existing Olympic Dam asset and Oak Dam development resources.

BHP believes that the BHP Group's expertise, strong balance sheet, capital discipline and commitment to sustainable development can be applied to grow OZ Minerals' businesses for the long-term benefit of local communities, customers, workforce, traditional owners of the land on which it operates, other stakeholders, and the broader economy.

8.7 THE BHP GROUP'S INTENTIONS IF THE SCHEME IS IMPLEMENTED

This Section 8.7 sets out the BHP Group's present intentions in relation to the continuation of the business of OZ Minerals, any major changes to be made to the business of OZ Minerals, including any redeployment of the fixed assets of OZ Minerals, and the future employment of the present employees of OZ Minerals, if the Scheme is implemented. BHP has the same intentions as the BHP Group in relation to these matters.

The statements set out in this Section are statements of present intention only and have been formed on the basis of facts and information concerning OZ Minerals (including certain non-public information made available by OZ Minerals to the BHP Group prior to the entry into the Scheme Implementation Deed) and the general business environment which is known to the BHP Group at the time of preparation of this Section of the Scheme Booklet.

If the Scheme is approved and implemented, the BHP Group will conduct a review of OZ Minerals' operations, assets, structure and personnel. Final decisions on these matters will only be made by the BHP Group in light of all material facts and circumstances at the relevant time following completion of the review. Accordingly, statements set out in this Section may change as new information becomes available or as circumstances change, and the statements in this Section should be read in that context.

8.7.1 Shares

If the Scheme is approved and implemented, BHP will become the holder of all OZ Minerals Shares and OZ Minerals will become a wholly owned subsidiary of BHP and the BHP Group.

8.7.2 ASX listing

If the Scheme is approved and implemented, BHP intends to arrange for OZ Minerals to apply for OZ Minerals to be removed from the official list of the ASX with effect on or around the Business Day immediately following the Implementation Date.

8.7.3 Head office

If the Scheme is approved and implemented, the BHP Group intends to increase its already sizeable corporate presence in Adelaide to accommodate the increased importance of the region within the BHP Group portfolio.

8 Information about BHP

8.7.4 Directors

If the Scheme is approved and implemented, subject to the Corporations Act and OZ Minerals' constitution, the BHP Group intends to replace all members of the OZ Minerals Board, and the directors of any company in respect of which OZ Minerals has nominee directors, with nominees of the BHP Group, although BHP and BHP Group Limited reserve the right to allow individual directors of OZ Minerals to remain in office. The BHP Group has not made any decision as to who would be nominated for appointment to the OZ Minerals Board.

8.7.5 Operations and assets

As noted above, if the Scheme is approved and implemented, the BHP Group will conduct a review of the OZ Minerals Group's global portfolio of operations and assets which will inform its integration approach.

8.7.6 Employees

The BHP Group recognises that the OZ Minerals employees are an integral part, and key to the success, of OZ Minerals' business and operations. If the Scheme is approved and implemented, the BHP Group will, as part of its review noted above, evaluate the future operation and management requirements of OZ Minerals. The BHP Group intends to retain the employment of the vast majority of OZ Minerals' employees.

8.7.7 Changes to OZ Minerals' constitution

If the Scheme is implemented, BHP intends to replace OZ Minerals' constitution with a constitution on terms which are appropriate for an Australian proprietary company limited by shares. This is consistent with the intention that OZ Minerals Shares will no longer be publicly listed and OZ Minerals will be converted into a proprietary company limited by shares following implementation of the Scheme.

8.7.8 Intentions generally

Except for the changes and intentions set out in this Section, and subject to the completion of the review of OZ Minerals' operations noted above, following implementation of the Scheme the BHP Group intends, based on the information presently known to it:

- > to integrate the business of OZ Minerals with the broader business of the BHP Group;
- > not to make any major changes to the business of OZ Minerals or the deployment of OZ Minerals' assets; and
- > to retain the employment of the vast majority of OZ Minerals' employees.

8.8 THE BHP GROUP'S INTERESTS IN OZ MINERALS SHARES

As at the date of this Scheme Booklet, the BHP Group does not have a Relevant Interest in, have the power to control voting rights attached to, or the power to dispose of, any OZ Minerals Shares.

BHP currently holds an economic interest in OZ Minerals of approximately 4.5% via a total return cash settled equity swap which relates to 15,063,526 OZ Minerals Shares (**Swap**). The Swap is still outstanding for the full quantum. Being a cash settled instrument, the Swap does not provide BHP with the right to require physical settlement of the Swap. As at the date of this Scheme Booklet, BHP has not entered into any agreement, arrangement or understanding with the Swap counterparty or any other person in relation to physical settlement of the Swap.

8.9 NO DEALING IN OZ MINERALS SHARES IN THE PREVIOUS FOUR MONTHS

Except for the consideration to be provided under the Scheme, during the period of 4 months before the date of this Scheme Booklet, neither BHP nor any of its Associates have provided or agreed to provide consideration for any OZ Minerals Shares under a purchase or agreement.

8.10 BENEFITS TO HOLDERS OF OZ MINERALS SHARES

Neither BHP nor any of its Associates has given or offered to give or agreed to give a benefit to another person that was likely to induce the other person, or an Associate of that person to:

- > vote in favour of the Scheme; or
- > dispose of OZ Minerals Shares,

during the period of four months ending on the date of this Scheme Booklet and which was not offered to all other OZ Minerals Shareholders except as set out in Sections 7.16 and 7.17.

8.11 NO BENEFITS TO CURRENT OZ MINERALS OFFICERS

Neither BHP nor any of its Associates will be making any payment or giving any benefit to any current officers of OZ Minerals or any of OZ Minerals' subsidiaries as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices dependent on the Scheme being implemented, except as set out in Section 7.17.

8.12 NO OTHER MATERIAL INFORMATION

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any director of the BHP Group, at the date of this Scheme Booklet, which has not previously been disclosed to OZ Minerals Shareholders.

9 Risk factors

The OZ Minerals Board considers that it is appropriate for OZ Minerals Shareholders, in considering the Scheme, to be aware there are a number of risks which could materially and adversely affect the future operating and financial performance, and value, of OZ Minerals.

This Section 9 outlines:

- > general risk factors;
- > specific risk factors for the OZ Minerals business;
- > unknown risks; and
- > some of the implications if the Scheme is or is not implemented.

The exploration, development and mining of natural resources are activities which are speculative in nature and are subject to risks. This Section 9 is a summary only and does not purport to list every risk that may be associated with an investment in OZ Minerals now or in the future.

If the Scheme is implemented, you will cease to be an OZ Minerals Shareholder and will also no longer be exposed to the risks set out below. If the Scheme is not implemented, you will continue to hold your OZ Minerals Shares and continue to be exposed to risks associated with that investment and the risks set out below (among others).

You should carefully consider the risks discussed in this Section 9, as well as the other information contained in this Scheme Booklet, before voting on the Scheme Resolution. Section 9 is general in nature only and does not take into account your individual objectives, financial situation, tax position or particular needs.

9.1 GENERAL RISKS

The market price of OZ Minerals Shares may be influenced by a number of factors, including:

- > changes in investor sentiment and overall performance of the Australian and international securities markets;
- > changes, positive or negative, in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, employment, credit markets, commodity prices, demand and supply of commodities (including changes in demand associated with decarbonisation and electrification), consumer confidence and demand, housing prices and turnover and other industry specific factors;
- > changes in government fiscal, monetary, taxation, employment and regulatory policies;
- > uncertainty around the likelihood, timing, franking or quantum of future dividends;
- > failure to make or integrate any future acquisitions or business combinations (including the realisation of synergies), significant one-time write-offs or restructuring charges, and unanticipated costs and liabilities;
- > changes in laws and regulations including accounting and financial reporting standards;
- > government intervention in export and import markets, including sanction controls and import duties; and
- > weather conditions, natural disasters, terrorism and international conflicts.

In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital outlays, adversely affecting OZ Minerals' earnings and competitive position in the future and, potentially, its financial position.

9.2 SPECIFIC RISKS ASSOCIATED WITH YOUR INVESTMENT IN OZ MINERALS

There are a range of business-specific risks associated with your current investment in OZ Minerals Shares, as set out below. You will continue to be exposed to these risks if the Scheme does not proceed and you retain your investment in OZ Minerals Shares. While OZ Minerals has in place an appropriate risk management framework to help manage these risks, there is no guarantee that OZ Minerals will be able to mitigate its risks completely. Furthermore, certain aspects of these risks (or OZ Minerals' ability to respond to and manage them) may be partly or wholly outside of OZ Minerals' control.

As part of the assessment and reporting of risks to the OZ Minerals Board, senior management undertakes a regular review of OZ Minerals' risks. Material risks are subsequently managed in the context of supporting the successful delivery of OZ Minerals' strategy and business plan and OZ Minerals uses its risk management framework to plan and prioritise work and support key decision making at all levels.

9.2.1 Exploration and development risk

The exploration for, and development of, mineral deposits involves risk. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterised by a number of risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, may be insufficient in quantity and quality to return expected profits from production.

The marketability of minerals acquired or discovered by OZ Minerals may be affected by numerous factors that are beyond the control of OZ Minerals and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of processing facilities, mineral or chemical element markets and processing equipment. It can also be affected by other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and chemical elements, and environmental protection.

9 Risk factors

9.2.1 Exploration and development risk *continued*

The combination of these factors may result in OZ Minerals not receiving an adequate return on investment capital. Whether a mineral deposit, or a proposed expansion (as is the case with Carrapateena sub-level cave and block cave, and the Wira Shaft expansion at Prominent Hill), will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices (which fluctuate widely), and government regulations, including, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. There are also a number of risks and uncertainties with development projects including escalation to operating or capital costs, slippage in the development or pre-production schedule as a result of delays in obtaining, or a failure to obtain or maintain necessary government permits or approvals, shortages of or delays in the procurement of materials, or other items necessary for ongoing development, or delays in the negotiation of key contracts.

The combination of these factors may result in OZ Minerals expending resources (financial and otherwise) on an asset without receiving an expected return. OZ Minerals has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, OZ Minerals may experience delays or increased costs in developing its properties. Further risks in relation to West Musgrave's development are further outlined in Section 9.2.3.

9.2.2 Operating risks

The ability of OZ Minerals to meet operating (including production targets) and capital expenditure estimates cannot be assured. These uncertainties may be more pronounced over a longer period. OZ Minerals' assets and mining operations are subject to uncertainty with respect to (among other things) ore tonnes, grade, metallurgical recovery and impurities, ground conditions, operational environment, funding for development, availability of power supply, regulatory changes, accidents, contractual risks and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, cyclones, storms, floods, bushfires or other natural disasters, or outbreaks, continuations or escalations of disease (including pandemics).

Costs of production and/or capital costs may be affected by a variety of factors, including changing waste-to-ore ratios, geotechnical issues, unforeseen difficulties associated with power supply, water supply and infrastructure, ore grade, metallurgy, labour availability and costs, changes to applicable laws and regulations, general inflationary pressures and currency exchange rates. OZ Minerals' deposits, particularly at Carrapateena, contain naturally occurring impurities, including uranium. Uranium levels in copper concentrates may increase cost and complexity of treatment, particularly if concentrate blending is required. OZ Minerals' revenue could also be adversely impacted by increased prices for diesel, reagents and other supply chain factors, commodities, increased cost of labour, and other input costs such as electricity pricing, which remains volatile. These circumstances could result in OZ Minerals not realising its operational or development plans, or in such plans costing more than expected, or taking longer to realise than expected. Any of these outcomes could have an adverse effect on OZ Minerals' financial and operational performance.

There are numerous occupational health and safety risks associated with mining processes such as travel to and from remote operations, the operation of heavy and complex machinery in challenging geographic locations and exposure to hazardous substances. These hazards may cause personal injury and/or loss of life to OZ Minerals employees, contractors, suppliers, customers or other third parties, damage to property and contamination of the environment, which may result in the suspension of operations and the imposition of civil or criminal penalties, including fines, expenses for remediation and claims brought by governmental entities or third parties, as well as reputational damage.

OZ Minerals' supply chain or operations may be interrupted or delayed, including as a result of periods of diplomatic disruption to international trade, adverse weather conditions (such as rain, floods and other environmental challenges), natural disasters, industrial action by or unavailability of employees or contractors, government imposed restrictions including in relation to access to ports and other transport facilities, delays caused by COVID-19 or in obtaining equipment and supplies and the failure, breakdown or unavailability of equipment and/or processing infrastructure (particularly where equipment or mines are located in remote areas with limited infrastructure support). If operations are interrupted or suspended for a prolonged period as a result of any such events, OZ Minerals' supply and customer relationships may be damaged, and revenues could be adversely affected.

Under Western Australian, South Australian and Commonwealth legislation, OZ Minerals may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within its tenements, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on its tenements.

The existence of the Crown Reserves may in the future require additional approvals or plans to be implemented by OZ Minerals in order to progress with exploration and development activities on the Tenements.

Any delays in respect of conflicting third-party rights entering into applicable agreements, obtaining necessary consents, or compensation obligations, may adversely impact OZ Minerals' ability to carry out exploration or mining activities within the affected areas. In addition, any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, OZ Minerals may lose its rights to exclusive use of, and access to any, or all, of its tenements.

9 Risk factors

9.2.2 Operating risks *continued*

OZ Minerals utilises technology throughout its business activities. While there can be no assurances, OZ Minerals has the potential to take advantage of the pace of technological change, potentially enabling OZ Minerals to:

- > operate and adapt faster;
- > create greater value faster for OZ Minerals' stakeholders; and
- > build a culture and workforce that is adaptive, innovative and able to continually use emerging technology to improve what OZ Minerals does and how it works.

OZ Minerals' technology focus and innovative approach includes health and safety, decarbonisation and electrification, process and decision intelligence, automation and ways of working. OZ Minerals' unique innovation approach is aimed at attracting the best expertise inside and outside the industry sector to find new and efficient ways to solve complex challenges while maximising value creation. However, there can be no assurance that OZ Minerals will be able to continue to attract or retain capable staff to drive innovation.

The impact of cyber security incidents on privacy has been widely publicised through incidents involving large corporate organisations. The exposure of personal data leads to malicious activities such as extortion, targeted phishing and identity theft. The increasing rate of technology advancement and dependency on it, as well as greater accessibility, has resulted in greater actual and potential negative impacts on organisations and individuals. The growing volume and sophistication of cyber threats, both locally and globally, is increasing the likelihood of compromised data.

The regulatory landscape continues to evolve, placing further obligations on organisations. More control is also being given to individuals and increasing the penalty regime for organisations who experience security breaches.

OZ Minerals recognises that its increasing use of technology (including in relation to its operations) is an immediate threat that can result in potential operational safety, reputation and financial harm if things go wrong, either due to malicious intent or by accident. OZ Minerals continually monitors for cyber threats and has taken significant steps to elevate its control strategies and ensure they remain effective.

9.2.3 West Musgrave development risks

OZ Minerals' future operational and financial performance is in part dependent on the successful development of West Musgrave, the Carrapateena Block Cave Expansion and Prominent Hill Wira mine shaft development. In addition to the general risks to development mentioned in Section 9.2.1 and 9.2.2, there are a number of risks and uncertainties that are associated with the development of West Musgrave, including:

- > escalating operating or capital costs. The potential outcome of the Scheme has created a level of contracting uncertainty with suppliers which may cause unexpected delays in supply and commissioning should the Scheme not proceed;
- > future capital requirements exceeding that forecast in OZ Minerals' budget and life of mine plans from time to time. While OZ Minerals has completed a feasibility study in respect of West Musgrave (as announced to the ASX on 23 September 2022), there can be no guarantee that West Musgrave will be successfully developed and brought into production as assumed or within the estimated parameters in the feasibility study;
- > slippage in the development or pre-production schedule as a result of delays in obtaining, or a failure to obtain or maintain necessary government permits or approvals, shortages of or delays in the procurement of materials, or other items necessary for ongoing development or delays in the negotiation of key contracts;
- > West Musgrave is expected to use two vertical roller mills in the comminution circuit, which is a relatively novel application for this type of processing plant in hard rock processing. The application of vertical roller mills has been peer-reviewed for West Musgrave by independent experts and been subject to pilot test work campaigns. However, failure of the vertical roller mills to operate as contemplated at a commercial scale will impact West Musgrave's economics as assumed in the feasibility study;
- > West Musgrave will operate on an off-grid hybrid power system. The system will be equipped with a battery energy storage system to ensure stability and diesel generators as backup power. However, being in a remote location, the power supply may be vulnerable to disruptions due to natural disasters or other unexpected events; and
- > logistics and supply chain stability present a threat to West Musgrave given the remote nature of the project, road conditions and the importance of road safety. The Australian Federal Government and West Australian State Government have jointly committed to seal the Great Central Road with a target completion date of 2030. The sealing of the Great Central Road is expected to contribute to a safer and more cost effective operation for the West Musgrave Project.

If any of these risks and uncertainties materialise, they could result in OZ Minerals not realising its development plans for West Musgrave, or such plans generating less revenue than expected, costing more than expected or taking longer to realise than expected. These risks similarly apply to OZ Minerals' study outcomes announced in relation to West Musgrave MHP, released to the ASX on 14 November 2022. Any of these outcomes could have an adverse effect on OZ Minerals' financial and operating performance. No assurance can be given that the operating metrics, capital cost and development timeline estimate for the development of West Musgrave will ultimately be achieved.

9 Risk factors

9.2.4 West Musgrave partnering risk

As announced to the ASX on 23 September 2022, OZ Minerals is exploring potential strategic partnerships in relation to West Musgrave. While the Scheme Implementation Deed does not prevent OZ Minerals from progressing discussions with parties who have expressed interest in West Musgrave, OZ Minerals is not permitted to enter into any binding agreements for a sale of an interest in West Musgrave. If the Scheme is not implemented, there can be no certainty that OZ Minerals will be successful in reengaging with or attracting new interested parties, or enter into a binding partnering agreement in relation to West Musgrave on acceptable terms. As at the last practicable date prior to finalisation of this Scheme Booklet, OZ Minerals has not received any binding proposal in relation to West Musgrave. In relation to any potential binding partnering agreement entered into for West Musgrave, there is a risk that the partner is unable to perform its obligations in relation to any partnering agreement entered into. Alternatively, a decision not to proceed with a strategic partnership may result in delays to the funding and development timeline of West Musgrave.

9.2.5 Financing risk

OZ Minerals' continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise additional funds: (i) for new projects (including, but not limited to West Musgrave and Kalkaroo); (ii) for its existing operations (including brownfield expansion projects); and (iii) to repay or refinance debts (including in relation to West Musgrave) as they fall due. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to OZ Minerals or OZ Minerals Shareholders.

If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to OZ Minerals Shareholders (if OZ Minerals determines that a pro rata entitlement offer is not the most appropriate method of equity fundraising or shareholders elect not to participate in such an offer) and such securities may, subject to any requisite shareholder approval, have rights, preferences or privileges senior to OZ Minerals Shares currently on issue. While OZ Minerals will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period without shareholder approval (other than where exceptions apply), OZ Minerals Shareholders at the time may be diluted as a result of such issues of OZ Minerals Shares.

If sufficient funds are not available from either debt or equity markets to satisfy OZ Minerals' short, medium or long term capital requirements when required this may adversely impact OZ Minerals' operations, growth plans, financial performance and financial position.

OZ Minerals has existing debt facilities, including a \$1.2 billion syndicated 18-month loan facility to support development of the West Musgrave Project. Should OZ Minerals remain as a standalone entity, OZ Minerals will likely need to renegotiate or refinance the terms of these debt facilities or may seek further facilities or replacement facilities with alternative financiers to satisfy its capital requirements. The terms on which debt financiers are willing to offer finance may vary from time to time depending on macroeconomic conditions, the performance of OZ Minerals and an assessment of the risks and intended use of funds. Debt finance, if available on terms acceptable to OZ Minerals, may involve restrictions on financing and operating activities. Refer to Section 7.10.3 for OZ Minerals most recent statement of financial position.

9.2.6 Geological and geotechnical risk

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when developing and mining Ore Reserves, such as unusual or unexpected geological conditions, pit wall slips and failures, rock bursts, seismicity and cave-ins. Geotechnical risk is particularly relevant to Carrapateena which is transitioning from a sub-level caving operation to a block caving operation. Unforeseen geological and geotechnical difficulties could impact production and/or require additional operating or capital expenditure to rectify problems and in doing so may adversely impact OZ Minerals' operations, financial performance and financial position.

9.2.7 Licences, permits and approvals risks

Companies engaged in the development and operation of mines and related facilities are subject to increased costs, and delays in production and other schedules as a result of the need to comply with applicable environmental and planning laws, regulations and permitting requirements. There can be no assurance that approvals and permits required to commence construction, development or operation of the OZ Minerals' exploration and development prospects and projects will be obtained. Additional permits, studies and approvals will need to be obtained or completed prior to operation of OZ Minerals' exploration and development projects. These may include the requirement for environmental impact studies to be conducted before permits can be obtained. There can be no assurance that OZ Minerals will be able to obtain or maintain all necessary licences, approvals and permits that may be required to commence construction, development or operation of its projects promptly to avoid delays in production and other schedules or on terms which enable operations to be conducted at economically justifiable costs. In particular, access to the Woomera prohibited area at Prominent Hill is secured through a deed of access with the Australian Department of Defence. While agreements are in place, there can be no assurance this will remain the case in the future or that or interruption to production will not occur.

No assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail OZ Minerals' activities and ultimate development or operation of its exploration and development projects.

9 Risk factors

9.2.8 Country risk, laws and regulations

OZ Minerals' operations could be adversely affected by government actions, political instability or trade restrictions involving countries in which it has operational exposures, investment or exploration interests, or into which it makes sales. These circumstances include, but are not limited to, the introduction of, amendment to or changes in the interpretation of legislation, guidelines and regulations in relation to mining and resources exploration and production, industrial materials processing, taxation, the environment, carbon emissions, competition policy, export and import duties, tariffs, quotas, bans or restrictions (including import limits on impurities such as uranium and fluorine), which may impact the range of smelters able to process OZ Minerals' concentrates, as well as an inability to ensure the security of its assets and people. Such actions could impact land access, the granting of licences and permits, the approval of project developments and ancillary infrastructure requirements, the sale of products, the supply of materials, and the cost of compliance. Any such government action may require increased capital commitments in order to ensure compliance or could delay or even prevent certain operation/activities of OZ Minerals. Such actions may adversely impact OZ Minerals' operations, financial performance and financial position.

The CentroGold Project was granted environmental and construction licences through its previous owners, which were subsequently suspended by a court injunction due to administrative oversights in the licencing process. OZ Minerals is working alongside the regulatory authorities and the local community, seeking the earliest possible resolution, albeit no resolution can be guaranteed, nor can the timing of any such resolution. Having considered the applicable legislation, the status of negotiations with local regulators and judicial precedents together with its external advisors, OZ Minerals considers that it is likely that the injunction will be removed in future periods. In the event the injunction is not removed in line with OZ Minerals' expectations, absent any other factors, a downward adjustment to the carrying value of the Centro Gold Project in OZ Minerals' financial statements may be required in future periods.

In 2011, OZ Minerals self-reported to the Australian Federal Police (**AFP**) that employees of Oxiana (Cambodia) Limited, a former foreign subsidiary of Oxiana Limited that later became a part of the OZ Minerals Group, may have provided benefits to foreign officials to obtain mining rights in Cambodia contrary to applicable law. As OZ Minerals has previously disclosed, the matter has been subject to an AFP investigation. The Commonwealth Director of Public Prosecutions has informed OZ Minerals that it determined not to commence a prosecution against OZ Minerals in relation to the matter. Proceeds of crime associated with the matter remain under consideration by the AFP. Noting that none of the current OZ Minerals executive team were employed by OZ Minerals or subsidiaries at the time of the alleged misconduct, OZ Minerals has taken significant steps, including significant employee training, to avoid any further incidence of similar kinds of conduct and to otherwise ensure compliance with applicable laws. Notwithstanding this, the final outcome of the AFP investigation on the Cambodia matters or any future incidence of similar matters may result in OZ Minerals bearing costs and adversely affect OZ Minerals' reputation.

In addition, OZ Minerals and its business could be exposed to the risk of terrorism, civil unrest, nationalisation, renegotiation or nullification of existing contracts, leases, permits or other agreements, changes in laws and policy (including changes in exchange control policies regulating the repatriation of earnings or capital out of the relevant jurisdiction) and governmental reviews and investigations (including historical tax audits), as well as other unforeseeable risks in the jurisdictions in which it operates that could have an adverse impact upon the profitability of an operation.

9.2.9 Native Title and Aboriginal heritage

The *Native Title Act 1993* (Cth) (**NTA**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. Separate legislation in each State and Territory of Australia (and at a Commonwealth level) also governs the protection of Aboriginal heritage and regulates proposed impacts of development where site avoidance will not be possible. Native title and associated Aboriginal heritage matters may impact on OZ Minerals' operations and future plans (legally, and from a social licence to operate/external affairs perspective).

A "valid" exploration or mining tenement from a native title perspective (i.e., a tenement that, where applicable, has been granted in compliance with the relevant requirements of the NTA) prevails over native title to the extent of any inconsistency for the duration of the title. In essence, while native title can co-exist with a valid exploration or mining tenement, the exploration or mining tenement holder may exercise their legal rights in priority to the traditional owners exercising their native title rights and interests.

There might be current or future circumstances where the validity of OZ Minerals' tenure (from a native title perspective) is challenged in the context of native title claims proceedings. These factors may adversely impact OZ Minerals' business, results of operations, financial condition and prospects.

There may be circumstances in which OZ Minerals might be found liable to pay native title compensation in relation to its tenure and/or operations thereon (including compensation for past native title impacts before the relevant tenure was acquired by OZ Minerals, where tenure is acquired from a third party and OZ Minerals was not the original grantee). No assurance can be given that OZ Minerals will be successful in defending any compensation claims or mitigating any native title compensation awards.

There may be Aboriginal heritage in or near the vicinity of OZ Minerals' current, planned, proposed or future operations. Impacting Aboriginal heritage is usually a criminal offence carrying significant penalties. Even when (where applicable) regulatory approvals are obtained that permit impacts on heritage, proceeding with operations in that situation can still carry significant reputational risk that may impact a proponent's or OZ Minerals' social licence to operate.

Heritage legislation and policy across Australia, at both a Commonwealth and State/Territory level, is also the subject of ongoing and proposed reforms exposing projects to additional risk. These factors may adversely impact OZ Minerals' business, results of operations, financial condition and prospects.

9 Risk factors

9.2.10 Environmental risk

OZ Minerals and its contracting parties' performance may directly, indirectly or cumulatively adversely impact the social, economic and cultural values of stakeholders and communities. OZ Minerals' current and proposed operations and activities are subject to environmental laws and regulations in the areas in which OZ Minerals operates. As with all mining operations and exploration projects, OZ Minerals' activities may impact the environment or cause exposure to hazardous materials. Exploration and production can affect the environment and result in costs being incurred for environmental risk management, rehabilitation and damage control. OZ Minerals' aims to conduct its operations and activities in accordance with the highest standard of environmental obligation, including compliance with all applicable environmental laws and regulations.

Events, such as unpredictable rainfall or bushfires, may impact on OZ Minerals' ongoing compliance with environmental laws and regulations. Significant liabilities could be imposed on OZ Minerals for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. OZ Minerals also relies on the availability of water for mineral processing. A deficiency in the water balance and quality may adversely impact throughput rates, metal recovery, tailings management and reputation generally.

Approvals are required for mining, land clearing, ground disturbing activities and other environmental impacts. Delays in obtaining and/or retaining such approvals may result in the delay or other impact to anticipated exploration programmes or mining activities.

Environmental conditions may be attached to mining tenements, and a failure to comply with these conditions may lead to forfeiture of the relevant tenements. OZ Minerals is also unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase OZ Minerals' cost of doing business or affect its operations and activities in any manner, including in respect of climate change and greenhouse gas emissions. Moreover, there is no guarantee that OZ Minerals will be able to meet its targets under its proposed decarbonisation roadmap. OZ Minerals may also be subject to claims due to environmental damage arising out of current or former activities at sites that OZ Minerals owns or operates. This could have an adverse effect on OZ Minerals' financial and operational performance.

9.2.11 Estimate risk in Mineral Resources and Ore Reserves

OZ Minerals' JORC Mineral Resources and Ore Reserves for its existing projects are expressions of judgement based on industry practice, experience and knowledge, and are estimates only. Estimates of Mineral Resources and Ore Reserves are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated Mineral Resources and Ore Reserves are accurate or that the indicated level of copper, nickel, gold or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Estimates that are valid when made may change significantly when new information becomes available. Actual mineralisation or geological conditions may be different from those predicted.

No assurance can be given that any or all of OZ Minerals' Mineral Resources constitute or will be converted into Ore Reserves. Actual Mineral Resources and Ore Reserves may differ from those estimated, which may adversely impact OZ Minerals' operations, financial performance and financial position.

Various factors, such as commodity price fluctuations as well as increased production costs, may render a part of the OZ Minerals' Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render such Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated Ore Reserves may have to be recalculated based on actual production experience.

9.2.12 Replacement of Mineral Resources and Ore Reserves and exploration activity

OZ Minerals will need to eventually replace Ore Reserves depleted by production to maintain production levels over the long term. Ore Reserves can be replaced through further drilling to identify extensions, locating new deposits or making acquisitions. There is a risk that depletion of Ore Reserves will not be offset by discoveries or acquisitions, or that divestitures of assets will lead to a lower Ore Reserves base. OZ Minerals' Ore Reserves base may decline if Ore Reserves are mined without adequate replacement.

Whether a Mineral Resource is commercially viable depends on several factors, including the particular attributes of the deposit, such as size, grade, quality and proximity to infrastructure, commodity prices, government regulation, obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities, land tenure, land use, and environmental protection. There is no certainty that the expenditures made by OZ Minerals towards the search for and evaluation of mineral deposits will ultimately result in discoveries of commercial quantities of Mineral Resources.

Exploration on existing tenements may be unsuccessful, which could reduce the value of those tenements, diminish the cash reserves of OZ Minerals and risk relinquishment of the exploration and mining tenements. Exploration is inherently speculative. OZ Minerals' exploration philosophy relies on working with joint venture partners to both access and manage exploration. However there is no guarantee that these partners have the right technical and operating capability to safely, environmentally and efficiently deliver the agreed exploration programs. There is also no assurance exploration activity will lead to discovery of recoverable resources, and if resources are identified, there is no guarantee those resources can be economically exploited.

Other factors such as adverse weather events (including, for example, rainfall, bushfires and cyclones), operational and technical difficulties, industrial and environmental accidents, lack of access to key infrastructure and changes to government policy or legislation (among other factors) may preclude OZ Minerals from successfully mining and exploring discovered resources.

9 Risk factors

9.2.13 Commodity market cycle

OZ Minerals' value is also dependent on the long-term price of copper, gold and nickel. Sustained low prices will reduce the profit and cashflow that is currently expected to be generated from the portfolio and possibly result in impairment to the value of assets and/or reduce existing Ore Reserves and Mineral Resources.

OZ Minerals' revenues are derived primarily from the sale of copper concentrate, which also contains a substantial quantity of gold and some silver. Revenue is expected to include a significant nickel component when West Musgrave commences production. The price that OZ Minerals obtains for copper concentrate is influenced by copper and gold global market prices. Commodity prices fluctuate and are affected by factors beyond the control of OZ Minerals including the status of and outlook for inflation, interest rates, currency exchange and supply and demand factors.

The price of copper and commodities more broadly, generally speaking, is volatile and subject to a variety of factors including global supply and demand, utilisation rates at existing production facilities worldwide, the level of competition between producers, technological advancements in the production of copper, end-uses of copper, currency exchange rates, general economic conditions, regulatory changes, and other factors.

9.2.14 Workforce supply and labour market risk

Macroeconomic conditions caused by COVID-19 have forced a new and accelerated approach to workforce management. There are more open roles in major developed economies than there are people looking for work, providing leverage for the workforce for the first time in many decades. This leverage is enabling the workforce to exercise choices in several areas.

Retaining and recruiting qualified personnel is critical to OZ Minerals' success. Competition for suitably qualified personnel, including contractors, is very strong and OZ Minerals, as with other entities in the mining industry, may be exposed to challenges associated with attracting and retaining appropriately qualified personnel. If OZ Minerals cannot attract, motivate and retain suitably qualified personnel, and if those personnel do not operate effectively, it may adversely impact OZ Minerals' current exploration, development and production operations, as well as its future growth plans.

OZ Minerals considers that its recruiting and retention of staff to date is in part due to OZ Minerals' ability to create and sustain a culture based on "The OZWay" and its principles in relation to OZ Minerals', "how we work together" framework (as outlined in Section 7.3). OZ Minerals' future success in recruiting and retaining staff will in part depend on its ability to maintain and develop this culture as it grows and as the senior management team evolves over time.

In addition, some of the employees at OZ Minerals' assets are represented by labour unions under various collective labour agreements. OZ Minerals (or its relevant joint venture partners) may not be able to satisfactorily renegotiate collective labour agreements when they expire and may face higher wages and changes in benefits. Existing labour agreements may also not prevent strikes or work stoppages in the future, and any strike or other work stoppage may adversely impact OZ Minerals' operations and financial results.

Operating models have adapted to manage activities in a more agile way, increasing flexibility and evolving application of OZ Minerals' "fly-in, fly-out" labour pool. A lack of cross-border workers has been exacerbated by higher turnover and a net loss of industry knowledge, requiring the industry to pivot to distributed responsibility and leadership across almost all roles while positioning it as an attractive sector for the next generation of workers. Societal risks and mental health are similar factors. Attracting top talent for the future will require further focus on a diverse, inclusive and continuous improvement culture.

9.2.15 Exchange rate fluctuations

OZ Minerals is exposed to foreign currency risk arising from assets and liabilities that arise in currencies other than the Australian dollar (primarily USD and Brazilian Real).

OZ Minerals' revenue is priced in USD, while the majority of its expenses are denominated in Australian dollars. This exposes OZ Minerals to the fluctuations and volatility of the rate of exchange between these currencies as determined by international currency markets.

Movements in foreign exchange rates cannot be predicted reliably. OZ Minerals does not normally hedge foreign currency risk, and there can be no assurance that it will hedge exchange rate risk in the future. An adverse movement in a relevant exchange rate (i.e., an increase in the Australian dollar relative to a foreign currency) may have an adverse impact on OZ Minerals' future reported financial performance by reducing reported sales, profitability, cash flows and financial position.

9.2.16 Material contracts

The ability of OZ Minerals to operate its business will depend on the performance of the counterparties under various agreements it has entered into or may enter into in the future. In the operation of its business, OZ Minerals has material contracts with third parties in the provision of services, including electricity transmission and energy supply to assets, workforce supply, specialist skills, underground mining services for mine ore production and mine development, provision of run of mine management services, shaft sinking, site services, minerals processing, mineral exploration and exploitation, concentrate sales, water supply and diesel fuel supply.

If any counterparties do not meet their obligations under the respective agreements, this may impact on OZ Minerals' business and financial returns.

The potential outcome of the Scheme has also created a level of contracting uncertainty with suppliers which may cause unexpected delays in supply should the Scheme not proceed.

In 2022, OZ Minerals generated the majority of its revenue (92%) from three customers. If one or more of the contracts with these customers was to be terminated, OZ Minerals would need to find other customers to acquire its concentrate. There is no guarantee that OZ Minerals would be able to enter into new contracts in relation to its concentrate, or that any such contract would be on the same terms as those with OZ Minerals' existing customers.

9 Risk factors

9.2.17 Litigation risk

OZ Minerals is subject to litigation risks. All industries, including the minerals exploration and production industry, are subject to legal claims, with and without merit. Defence and settlement costs associated with legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which OZ Minerals is or may become subject could have a material effect on its financial position, results of operations or OZ Minerals' activities.

As at the date of this Scheme Booklet, to the best knowledge of the OZ Minerals Directors and senior management, OZ Minerals is not involved in any litigation or dispute which is material in the context of OZ Minerals and its subsidiaries taken as a whole that is not otherwise disclosed in this Scheme Booklet.

9.2.18 COVID-19 risk

The events relating to COVID-19 have caused, and continue to cause, significant market volatility, including in the mining industry, global capital markets, and on commodity prices and foreign exchange rates. While there has been significant economic recovery, there is continued uncertainty as to the further impact of COVID-19, including in relation to governmental action, vaccine hesitancy and efficacy, work stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian and global economy and share markets. This has had, and may continue to have, a significant impact on the industry dynamics to which OZ Minerals is subject and the macroeconomic environment in which it operates.

Future outbreaks of COVID-19 could result in OZ Minerals' operations being temporarily suspended or otherwise temporarily disrupted, which may have an adverse impact on OZ Minerals' operations as well as adverse implications on OZ Minerals' future cash flows, profitability, and financial condition.

The long-term impacts from COVID-19 or other pandemics or diseases on general economic or industry conditions are still uncertain and may adversely impact the financial and operational performance of OZ Minerals.

9.2.19 Insurance risk

OZ Minerals may not carry insurance to cover all of the risks associated with its business, either because insurance coverage is restricted or prohibitively expensive. OZ Minerals endeavours to maintain insurance within a range of coverage consistent with industry practice in order to cover certain risks associated with OZ Minerals' business. However, in certain circumstances OZ Minerals' insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance may adversely impact OZ Minerals' business, financial condition and results.

Insurance of risks associated with minerals exploration and production is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where OZ Minerals considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage which is in accordance with industry practice.

OZ Minerals uses reasonable endeavours to insure against the risks it considers appropriate for OZ Minerals' needs and circumstances. However, no assurance can be given that OZ Minerals will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

9.2.20 Power

The availability of energy resources such as grid power, diesel, gas and other fossil fuels may materially impact the operations and financial position of OZ Minerals. In particular, Carrapateena's and Prominent Hill's power requirements are supplied via the Davenport Substation. Any disruption to the availability of the substation, or transmission lines, could materially disrupt the Carrapateena and Prominent Hill operations and adversely impact OZ Minerals' business, results of operations, financial condition and prospects in the absence of an alternative power supply source.

9.2.21 Water risk

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact access to water and therefore the operations, financial performance and financial position of OZ Minerals. There is no guarantee that there will be sufficient future water supply to support OZ Minerals' future water demands in relation to its sites and operations, and this could adversely affect production and OZ Minerals' ability to develop or expand projects and operations in the future. In addition, there can be no assurance that OZ Minerals will be able to obtain alternative water sources of adequate quality on commercially reasonable terms or at all in the event of prolonged drought conditions.

9.2.22 Closure and rehabilitation risk

At the completion of each of its mining operations, OZ Minerals is required to rehabilitate and otherwise close that operation in accordance with relevant laws and an approved plan. There is a risk that the cost of, or time taken to, rehabilitate or otherwise close any mining operation may be more expensive or take longer than originally planned with a consequential effect on OZ Minerals' operational and financial performance.

9.2.23 Climate change risk

The physical and non-physical impacts of climate change may affect OZ Minerals' assets, its productivity, the markets in which it sells its products, and the communities in which OZ Minerals operates. Risks related to the physical impacts of climate change include acute risks resulting from increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns. Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower-carbon economy. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact costs and operational efficiency.

9 Risk factors

9.2.23 Climate change risk *continued*

Climate change threats and emission reduction have continued to increase in materiality within the sector. Consideration towards climate change and emissions reductions have been integrated into OZ Minerals' Strategic Aspirations, one of which is to produce products that are high purity, support a decarbonising world, have a zero-carbon footprint and are traceable from mine to end user. OZ Minerals also published a decarbonisation roadmap in February 2022, which sets targets for reducing its emissions over time. There can be no assurances that these aspirations and targets can be achieved, respectively.

OZ Minerals is exposed to some climate related risks within its assets, such as a risk to delivery of plans, including against OZ Minerals' stakeholder value creation metrics. The physical impacts of climate change continue to manifest rapidly in the form of extreme weather events such as increasing temperatures, increasing rainfall and flooding. The occurrence of such events could have an adverse effect on the operations of the OZ Minerals business.

9.2.24 Force majeure events

Events may occur within or outside Australia and Brazil that may adversely impact OZ Minerals' business, financial condition. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease (including pandemics) or other natural or man-made events or occurrences that can have an adverse effect on the demand for OZ Minerals' products and its ability to operate its assets or may otherwise adversely impact the OZ Minerals' operations, financial performance and financial position. OZ Minerals only has a limited ability to insure against some of these risks.

9.3 UNKNOWN RISKS

Additional risks, uncertainties and opportunities not currently known to OZ Minerals may also have a material adverse effect on OZ Minerals' financial and operational performance. The information set out in this Section 9 does not purport to be, nor should it be construed as representing, an exhaustive list of all the risks affecting OZ Minerals, its business or an investment in OZ Minerals Shares.

9.4 RISKS AND IMPLICATIONS FOR OZ MINERALS AND OZ MINERALS SHAREHOLDERS IF THE SCHEME IS NOT IMPLEMENTED

9.4.1 OZ Minerals Shareholders will not receive the Scheme Consideration or the Special Dividend

If the Scheme is not implemented, OZ Minerals Shareholders will retain their OZ Minerals Shares and will not receive the Scheme Consideration or the Special Dividend. OZ Minerals will remain listed on the ASX as a standalone entity and the current OZ Minerals Board and OZ Minerals' senior management team will continue to operate OZ Minerals' business. In these circumstances, OZ Minerals Shareholders will continue to be subject to all risks currently associated with an investment in OZ Minerals (and to which OZ Minerals Shareholders are necessarily already exposed to set as out in Section 9.1).

If the Scheme is not implemented, there will be no certainty as to the timing and quantum of any future dividends. The OZ Minerals Board will continue to consider the payment of dividends in light of the funding needs of OZ Minerals at the relevant time, its current policy of paying sustainable dividends from pre-growth cash flow, OZ Minerals' near term identified capital investment opportunities and the need to maintain a strong balance sheet. If the Scheme is not implemented, the price of OZ Minerals Shares may fall below its recent trading price, in the absence of a Superior Proposal.

If the Scheme is not implemented and no Superior Proposal emerges, it is possible that the trading price of OZ Minerals Shares will fall below current levels, to the extent that the market price reflects an assumption that the Scheme will be implemented and/or that a Superior Proposal might emerge (although this is difficult to predict with any degree of certainty).

Refer to Section 3.2.5 and Section 7.8 for a discussion of the recent trading history of OZ Minerals Shares and possible implications for OZ Minerals Shareholders.

9.4.2 Risks for OZ Minerals as a standalone entity

If the Scheme is not implemented, and no Superior Proposal emerges, the OZ Minerals Board intends to continue with its existing strategy. OZ Minerals will continue as a standalone entity listed on the ASX. There is no certainty that all of the Board or senior management would remain with the OZ Minerals Group should it continue on this basis.

There are a number of risks, including those of the nature of risks outlined in Sections 9.1, 9.2 and 11.3.2, that may affect OZ Minerals' performance and operations more broadly.

9.4.3 Transaction costs already incurred

As detailed in Section 11.3.2, OZ Minerals estimates that it will incur costs of approximately \$23 million in connection to the Scheme, which will be payable by OZ Minerals regardless of whether or not the Scheme is implemented. This includes financial advisory, legal, accounting, Independent Expert, Independent Technical Specialist, tax and administrative fees, Scheme Booklet and printing, share registry and other expenses.

9.4.4 Funding risk

If the Scheme is not implemented, implementation of OZ Minerals' growth initiatives will require additional capital to be raised for current and new development projects (including, but not limited to West Musgrave and Kalkaroo) and growth opportunities, and to repay or refinance debt as it falls due. There is also no certainty that OZ Minerals will be able to access additional funding on satisfactory terms (or at all) or to progress a potential strategic alliance for West Musgrave on acceptable terms.

If additional funding is raised through the issue of equity securities, the capital raising may also be dilutive to OZ Minerals Shareholders (if OZ Minerals determines that a pro rata entitlement offer is not the most appropriate method of equity fundraising or you elect not to participate in such entitlement offer) and such securities may, subject to any requisite shareholder approval, have rights, preferences or privileges senior to those currently holding OZ Minerals Shares.

10 Tax implications for OZ Minerals Shareholders

10.1 INTRODUCTION

This Section 10 is a general outline of the key Australian income tax, goods and services tax (**GST**) and stamp duty consequences for certain OZ Minerals Shareholders that may arise as a result of the disposal of their OZ Minerals Shares under the Scheme (assuming the Scheme becomes Effective). The tax consequences for each OZ Minerals Shareholder will vary depending on their specific profile, characteristics and circumstances. Accordingly, OZ Minerals Shareholders should obtain professional tax advice having regard to their own particular circumstances.

This outline is relevant to OZ Minerals Shareholders who are individuals, companies (other than life insurance companies), trusts and complying superannuation entities that hold their OZ Minerals Shares on capital account for Australian tax purposes. This outline does not apply to all OZ Minerals Shareholders, such as OZ Minerals Shareholders who:

- > are entitled to receive the Special Dividend but dispose of their OZ Minerals Shares prior to the Scheme Record Date such that they are not entitled to receive the Scheme Consideration;
- > are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their OZ Minerals Shares;
- > are subject to special tax rules applicable to certain classes of entities such as tax-exempt organisations, insurance companies, superannuation funds with accounts in a tax-free pension phase or dealers in securities;
- > hold their OZ Minerals Shares on revenue account or as trading stock (which will generally be the case if they are a bank, insurance company or carry on a business of share trading);
- > are temporary residents of Australia for Australian tax purposes;
- > change their tax residence while holding OZ Minerals Shares;
- > are non-resident for Australian tax purposes and who currently hold, or have at any time held, OZ Minerals Shares through a permanent establishment in Australia;
- > acquired their OZ Minerals Shares, or any rights in relation to the OZ Minerals Shares, pursuant to an employee share or option plan;
- > are under a legal disability;
- > obtained roll-over relief in connection with the acquisition of their OZ Minerals Shares;
- > are taken to have acquired their OZ Minerals Shares before 20 September 1985; or
- > are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in relation to their OZ Minerals Shares.

This outline is based on Australian tax laws and administrative practices of the ATO as at the date of this Scheme Booklet (to the extent that those practices are publicly known). However, it is general in nature and is not intended to be a complete description of all tax implications that might apply to the particular circumstances of an OZ Minerals Shareholder. Other than as expressly discussed, this outline does not take into account or anticipate changes in Australian tax laws or future judicial or administrative interpretations of those tax laws after the date of this Scheme Booklet. This outline also does not take into account the tax laws of any country other than Australia.

10.2 DISPOSAL OF OZ MINERALS SHARES

10.2.1 Residents of Australia

This Section 10.2.1 applies to OZ Minerals Shareholders who are residents of Australia for Australian tax purposes.

a) CGT event

Under the Scheme, OZ Minerals Shareholders will transfer their OZ Minerals Shares to BHP. This will result in a disposal of the OZ Minerals Shares, which will trigger a capital gains tax (**CGT**) event A1 for Australian tax purposes. The CGT event will happen on the date on which the transfer of OZ Minerals Shares occurs, which will be on the Implementation Date.

b) Calculation of capital gain or loss

OZ Minerals Shareholders should make a capital gain from the disposal of their OZ Minerals Shares to the extent that the capital proceeds received exceed the cost base of their OZ Minerals Shares.

Conversely, OZ Minerals Shareholders should make a capital loss from the disposal of their OZ Minerals Shares to the extent that the capital proceeds received are less than the reduced cost base of their OZ Minerals Shares. A capital loss may be used to offset a capital gain made in the same income year or may be carried forward to offset a capital gain made in future income years, subject to the satisfaction of certain loss recoupment tests. Capital losses cannot reduce or offset other income or non-capital gains.

Any resulting net capital gain after the application of any available capital losses and any available CGT discount (refer below) should be included in an OZ Minerals Shareholder's assessable income and subject to Australian income tax at the applicable tax rate.

10 Tax implications for OZ Minerals Shareholders

10.2.1 Residents of Australia *continued*

c) Capital proceeds

The capital proceeds received by OZ Minerals Shareholders for the disposal of their OZ Minerals Shares to BHP under the Scheme should be the Scheme Consideration which will be \$28.25 per OZ Minerals Share less the amount of any Special Dividend declared and paid by OZ Minerals on or before the Implementation Date. If the full amount of the Special Dividend is paid to OZ Minerals Shareholders, the capital proceeds will be \$26.50 per OZ Minerals Share.

However, in the final Class Ruling (as referred to in Section 10.4), the Commissioner may adopt a contrary view in relation to the Special Dividend and include the Special Dividend in the capital proceeds. In the event that the Commissioner determines that the Special Dividend forms part of the capital proceeds for the disposal of OZ Minerals Shares, OZ Minerals Shareholders will need to take this into account in calculating any capital gain or loss made. To the extent the Special Dividend is otherwise included in their assessable income, the anti-overlap provisions should apply such that any capital gain made by an OZ Minerals Shareholder would be reduced by the amount of the Special Dividend received. In the event that the Special Dividend is included in capital proceeds, and an OZ Minerals Shareholder made a capital loss, the capital loss would be reduced by the amount of the Special Dividend received.

d) Cost base and reduced cost base

The cost base of an OZ Minerals Shareholder's OZ Minerals Shares will generally include the amount of money paid, or the value of any property given, in respect of the acquisition of the shares plus certain non-deductible incidental costs (such as brokerage fees) relating to the acquisition, holding and disposal of the OZ Minerals Shares. The cost base may have been impacted by previous corporate actions such as a return of capital or share consolidation previously undertaken by OZ Minerals.

The reduced cost base of the OZ Minerals Shares would usually be determined in a similar, but not identical, manner.

e) CGT discount

OZ Minerals Shareholders that are individuals, complying superannuation entities or trusts that have held their OZ Minerals Shares for at least 12 months (disregarding the date of acquisition and the date of disposal) may be entitled to apply the CGT discount to reduce the amount of a capital gain resulting from the disposal of their OZ Minerals Shares (after being reduced by any current year capital losses and prior year capital losses). The CGT discount rate for individuals and trustees is 50% and the CGT discount rate for complying superannuation entities is 33⅓%. The CGT discount is not available to OZ Minerals Shareholders that are companies or trusts that are taxed like companies. In addition, the Federal Government has announced that the tax law will be amended with retrospective effect from 1 July 2020 so that trusts that are managed investment trusts and attribution managed investment trusts will be prevented from applying the CGT discount at the trust level (however, the discount may still be available to beneficiaries).

The availability of the CGT discount to beneficiaries of the trusts will depend on the tax profile of the beneficiaries. Trustees should seek their own advice on how the CGT discount provisions will apply to them and beneficiaries.

f) CGT withholding

BHP may require certain OZ Minerals Shareholders to undertake certain actions to prevent BHP withholding an amount of tax from the Scheme Consideration. These requirements are described in further detail under the heading "CGT withholding" in Section 10.2.2 below.

10 Tax implications for OZ Minerals Shareholders

10.2.2 Non-residents of Australia

This Section 10.2.2 applies to OZ Minerals Shareholders who are not residents of Australia for Australian tax purposes and who have not held their OZ Minerals Shares at any time in carrying on business through a permanent establishment in Australia at the relevant times.

a) Capital gains tax

OZ Minerals Shareholders who are non-residents at the Implementation Date and who have not held their OZ Minerals Shares at any time in carrying on business through a permanent establishment in Australia should only be subject to the CGT rules if the shares are 'indirect Australian real property interests'.

OZ Minerals Shares may be characterised as "indirect Australian real property interests" if both of the following requirements are satisfied:

- > the OZ Minerals Shareholder and its "associates" hold a combined interest of at least 10% in OZ Minerals either at the time the OZ Minerals Shares are disposed of (or are taken to have been disposed of) or for at least 12 months during the 24 months before the OZ Minerals Shares are disposed of (for CGT purposes); and
- > at the time the OZ Minerals Shares are disposed of, more than 50% of the value of OZ Minerals' assets is attributable to direct or indirect interests in "taxable Australian real property", being Australian real property (including leases of Australian land) or Australian mining, quarrying or prospecting rights over minerals, petroleum or quarrying materials situated in Australia.

The OZ Minerals Directors are of the view that, as at the date of this Scheme Booklet, more than 50% of the market value of OZ Minerals' assets is attributable to direct or indirect interests in taxable Australian real property. However, OZ Minerals' Share Register indicates that no non-resident OZ Minerals Shareholder (together with its associates) holds a combined interest of 10% or more in OZ Minerals Shares on issue (at the time of disposal or throughout a 12-month period during the two years before disposal), but OZ Minerals Shareholders should confirm this having regard to their own circumstances. Nonetheless, some OZ Minerals Shareholders may be subject to foreign resident CGT withholding, as described below.

The CGT discount is generally not available to non-resident OZ Minerals Shareholders, but may be available in part to those non-resident OZ Minerals Shareholders who acquired, or are taken to have acquired, their OZ Minerals Shares before 9 May 2012.

b) CGT withholding

Broadly, where a non-resident disposes of an asset that is an "indirect Australian real property interest" (discussed above), the purchaser may be required to withhold an amount equal to 12.5% of the first element of the cost base of the asset to the purchaser (which would usually equal the total consideration paid to acquire the asset).

BHP, in co-operation with OZ Minerals, may clarify the status of particular OZ Minerals Shareholders in a process that BHP has agreed with the ATO and require these OZ Minerals Shareholders to provide BHP with either:

- > a declaration that they are an Australian tax resident or that their OZL Shares are not an "indirect Australian real property interest" (**Declaration Form**); or
- > a notice of variation granted by the ATO varying the amount or rate of tax to be withheld (**Variation Notice**)

These OZ Minerals Shareholders must return their signed Declaration Form or a Variation Notice at least 5 Business Days prior to the Implementation Date.

If BHP has requested that an OZ Minerals Shareholder provide such a Variation Notice or Declaration Form and they do not do so by at least 5 Business Days prior to the Implementation Date:

- > BHP may withhold up to 12.5% of the Scheme Consideration payable to the OZ Minerals Shareholder; and
- > BHP will remit to the ATO the amounts deducted from the Scheme Consideration.

If an OZ Minerals Shareholder provides a Variation Notice that does not reduce the withholding to nil, BHP will withhold in accordance with that notice.

In either case, the amount payable to the OZ Minerals Shareholder will not be increased to reflect the deduction and the actual amount paid to the OZ Minerals Shareholder will be taken to be in full and final satisfaction of the amounts owing to it.

OZ Minerals Shareholders who have an amount withheld should generally be entitled to a credit for the amount withheld upon lodging an Australian income tax return.

Non-resident OZ Minerals Shareholders may be taxed in their country of residence on gains made as a result of the Scheme.

10 Tax implications for OZ Minerals Shareholders

10.3 SPECIAL DIVIDEND

10.3.1 Residents

OZ Minerals Shareholders who are Australian residents are required to include the Special Dividend and the attached franking credits in their assessable income. Generally, a corresponding tax offset may be available to the OZ Minerals Shareholder provided they are “qualified persons” in relation to the Special Dividend (refer below). OZ Minerals Shareholders that are individuals or complying superannuation entities may be entitled to a refund of excess franking credits where the tax offset exceeds their tax liability for the income year. OZ Minerals Shareholders that are companies will not be entitled to a refund of any excess tax offset but may convert any excess tax offset to a carry forward tax loss instead. Further, corporate shareholders should be entitled to a credit in their own franking accounts equivalent to the franking credit attached to the Special Dividend received. This will allow the corporate shareholder to pass on the benefit of the franking credits to its own shareholder(s) on the payment of the Special Dividend.

For an Australian resident OZ Minerals Shareholder to be considered a “qualified person”, they must have held their OZ Minerals Shares at risk for a continuous 45-day period within the qualification period (excluding the dates of acquisition and disposal of their OZ Minerals Shares). The qualification period starts 45 days before the ex-dividend date of the Special Dividend and ends the day before the Scheme Record Date (that is from 8 March 2023 to 23 April 2023, inclusive).

Where an OZ Minerals Shareholder is not a “qualified person”, the OZ Minerals Shareholder will not be required to include the amount of the franking credits in their assessable income and will not be entitled to a corresponding Australian tax offset.

10.3.2 Non-residents

The fully franked Special Dividend should be non-assessable, non-exempt income for non-resident OZ Minerals Shareholders (other than those who receive the Special Dividend in carrying on business in Australia at or through a permanent establishment in Australia) and therefore not included in their assessable income. OZ Minerals Shareholders that are non-residents should not be liable for Australian dividend withholding tax in respect of the Special Dividend.

10.4 ATO CLASS RULING

OZ Minerals has applied for a Class Ruling from the ATO on behalf of OZ Minerals Shareholders on certain matters discussed in this Section 10.4, including:

- > whether OZ Minerals Shareholders are “qualified persons” and are entitled to franking credits and can claim an associated tax offset in respect of the Special Dividend; and
- > whether the ATO will decide to deny the imputation benefit received by OZ Minerals Shareholders pursuant to the franking credit streaming or other anti-avoidance provisions including recently proposed legislation that, if enacted, could affect the ability to frank the Special Dividend.

The ATO has not issued the Class Ruling requested as at the date of the Scheme Booklet. When OZ Minerals receives a draft of the ATO Class Ruling, OZ Minerals Shareholders will be informed through an announcement on the ASX. The final ATO Class Ruling will not be issued until after the Implementation Date for the Scheme.

The Class Ruling will be available on the ATO website at www.ato.gov.au.

It is anticipated that the ATO's views to be expressed in the Class Ruling will be generally consistent with the income tax information in this outline. However, it is possible that the ATO may reach different conclusions in the final Class Ruling. Accordingly, it is important that this outline be read on the understanding that it is likely the ATO will issue the final ruling after the Implementation Date for the Scheme.

10.5 GST

OZ Minerals Shareholders should not be liable to GST in respect of a disposal of their OZ Minerals Shares under the Scheme.

OZ Minerals Shareholders may be charged GST on costs (such as adviser fees relating to their participation in the Schemes) that relate to the Scheme. OZ Minerals Shareholders may be entitled to input tax credits or reduced input tax credits for such costs but should seek independent advice in relation to their own specific circumstances.

10.6 Stamp Duty

No stamp duty should be payable by an OZ Minerals Shareholder in respect of a disposal of their OZ Minerals Shares under the Scheme.

This Section 11 sets out the statutory information required under section 412(1) of the Corporations Act and Part 3 of Schedule 8 of the Corporations Regulations, but only to the extent that this information is not otherwise disclosed in other sections of this Scheme Booklet. This Section 11 also includes additional information that the OZ Minerals Directors consider may be material to a decision on how to vote on the Scheme Resolution, but only to the extent that such information is not otherwise disclosed in other Sections of this Scheme Booklet.

An electronic version of this Scheme Booklet, including the Independent Expert's Report and the Scheme Implementation Deed, are available for viewing and downloading online at OZ Minerals' website (<https://www.ozminerals.com/en/investing-in-us/asx-releases>).

11.1 ASIC RELIEF

Section 250N of the Corporations Act requires OZ Minerals to hold its AGM for the financial year ended 31 December 2022 by 31 May 2023.

OZ Minerals applied to ASIC under section 250P of the Corporations Act to extend the period within which it would otherwise be required to hold its AGM for the financial year ended 31 December 2022. OZ Minerals has applied for relief to hold its AGM on a date no later than 31 July 2023. Based on the currently anticipated Scheme timetable, the Scheme is proposed to be implemented on 2 May 2023, after which no AGM would be required under Section 250N(4) of the Corporations Act.

ASIC has provided a decision in principle to grant this relief.

11.2 CONSENTS AND DISCLOSURES

The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:

- > Macquarie Capital, as financial adviser to OZ Minerals in relation to the Scheme;
- > Greenhill & Co, as financial adviser to OZ Minerals;
- > Link Market Services, as the manager of the Share Register; and
- > Gilbert + Tobin, as legal adviser to OZ Minerals in relation to the Scheme.

The Independent Expert and the Independent Technical Specialist have given and have not withdrawn their consent to be named in this Scheme Booklet and to the inclusion of the Independent Expert's Report (including the Independent Technical Specialist's Report) in Appendix B to this Scheme Booklet and to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.

BHP and BHP Group Limited have given and has not withdrawn their consent to be named in this Scheme Booklet and in relation to the inclusion of the BHP Information in this Scheme Booklet in the form and context in which that information is included.

Each person named in this Section 11.2:

- > has not authorised or caused the issue of this Scheme Booklet;
- > does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section 11.2; and
- > to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section 11.2.

11.3 OTHER INFORMATION MATERIAL TO THE MAKING OF A DECISION IN RELATION TO THE SCHEME

11.3.1 Other material information

Other than as contained or referred to in this Scheme Booklet, including the Independent Expert's Report and the information that is contained in the Appendices to this Scheme Booklet, so far as the OZ Minerals Directors are aware, there is no information material to the making of a decision by OZ Minerals Shareholders in relation to the Scheme, being information that is within the knowledge of any OZ Minerals Director, as at the last practicable date prior to finalisation of this Scheme Booklet, which has not been previously disclosed to OZ Minerals Shareholders.

11.3.2 Fees and expenses

If the Scheme is implemented, OZ Minerals expects to pay (in aggregate) approximately \$42 million (excluding GST and disbursements) in Transaction Costs.

In aggregate, if the Scheme is not implemented, OZ Minerals expects to pay approximately \$23 million (excluding GST and disbursements) in Transaction Costs, excluding any Break Fee that may be payable to BHP.

11 Additional information

11.4 MINERAL RESOURCES AND RESERVES

The Mineral Resources and Ore Reserves in this Scheme Booklet is extracted from the following documents and available at www.ozminerals.com/en/investing-in-us/resources-reserves:

- > Company: OZ Minerals 2022 “Annual Mineral Resource and Ore Reserve Update demonstrates portfolio of long-life assets” released on 21 December 2022;
- > Prominent Hill: Prominent Hill Mineral Resource and Ore Reserve Statement and Explanatory Notes as at 30 June 2022 released on 21 December 2022;
- > Carrapateena: Carrapateena Mineral Resource and Ore Reserve Statement and Explanatory Notes as at 30 June 2022 released on 21 December 2022;
- > West Musgrave: West Musgrave Project Nebo-Babel Deposits 2022 Mineral Resource and Ore Reserve Statement and Explanatory notes as at 23 September 2022 released on 23 September 2022;
- > Fremantle Doctor: Fremantle Doctor 2022 Mineral Resources Statement and Explanatory Notes as at 30 June 2022 released on 21 December 2022;
- > Pedra Branca: Pedra Branca Mineral Resource and Ore Reserve Statement and Explanatory Notes as at 30 June 2022, released on 21 December 2022;
- > CentroGold: CentroGold Project Combined ‘Blanket’ and ‘Contact’ Mineral Resource as at 06 May 2019 and Ore Reserve as at 24 June 2019 Statement and Explanatory Notes, released on 11 July 2019;
- > Santa Lúcia: Santa Lúcia Mineral Resource Statement and Explanatory Notes as at 1 July 2021, released on 24 September 2021; and
- > Pantera: Pantera Mineral Resource Statement and Explanatory Notes as at 1 October 2022 released on 21 December 2022.

OZ Minerals 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. 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.

11.5 PRODUCTION TARGETS STATEMENT

Each of the production targets referred to in this Scheme Booklet were initially reported in the following market announcements:

- > Carrapateena: ASX announcement headed “Carrapateena Expansion creates significant value uplift and unlocks long-life mining province” dated 23 June 2020;
- > Prominent Hill: ASX announcement headed “Green Light for Prominent Hill Wira Shaft Mine Expansion” dated 18 August 2021;
- > West Musgrave: ASX announcement headed “Green light for West Musgrave Project” dated 23 September 2022;
- > Carajás East: ASX announcement headed “Carajás Hub strategy gains pace” dated 28 November 2019; and
- > CentroGold: ASX announcement headed “Gurupi province potential strengthened on CentroGold Pre-Feasibility Study” dated 11 July 2019.

11.6 SUMMARY OF SCHEME IMPLEMENTATION DEED

OZ Minerals and BHP entered into the Scheme Implementation Deed on 22 December 2022. The Scheme Implementation Deed sets out the steps required to be taken by OZ Minerals and BHP to implement the Scheme. A copy of the Scheme Implementation Deed is available on the ASX and on OZ Minerals’ website (<https://www.ozminerals.com/en/investing-in-us/asx-releases>).

11 Additional information

The key terms of the Scheme Implementation Deed are summarised below.

11.6.1 Conditions Precedent

The Scheme is subject to a number of Conditions Precedent below:

No.	Condition Precedent
1	Regulatory Approvals: Before 5.00pm on the Business Day before the Second Court Date: a) Brazil competition approval: BHP has received clearance by the Brazil Administrative Council for Economic Defense in respect of the Transaction either unconditionally or on conditions (including any undertakings) that are acceptable to BHP and OZ Minerals (each acting reasonably); b) Vietnam competition approval: BHP and OZ Minerals have received clearance (whether by expiry of the relevant review period or express confirmation) from the Vietnam Competition and Consumer Authority (or any other entity assuming responsibility for merger clearance under the Vietnam Competition Law 2018) in respect of the Transaction, either unconditionally or on conditions (including any undertakings) that are acceptable to BHP and OZ Minerals (each acting reasonably); and c) Other regulatory approvals: all other approvals of a Government Agency which BHP and OZ Minerals agree in writing are necessary or desirable to implement the Scheme are obtained and those approvals are not subject to conditions that are unacceptable to BHP and have not been withdrawn or revoked.
2	Independent Expert: The Independent Expert concludes in the Independent Expert's Report that the Scheme is in the best interests of OZ Minerals Shareholders (and does not change that conclusion).
3	Court approval: The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
4	ASIC and ASX: Before 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which BHP and OZ Minerals agree in writing are reasonably necessary or desirable to implement the Scheme, and those consents, approvals or other acts have not been withdrawn or revoked at that time.
5	OZ Minerals Shareholder approval: OZ Minerals Shareholders approve the Scheme at the Scheme Meeting by the Requisite Majority under section 411(4)(a) of the Corporations Act.
6	No restraints: No Court or Government Agency has issued an order, injunction, decree or ruling restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and such order, ruling or other action is in effect as at 8.00am on the Second Court Date.
7	No Prescribed Occurrence: No Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
8	No Material Adverse Change: No Material Adverse Change occurs, is announced or becomes known to BHP between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

The 'Court approval' and 'OZL Shareholder approval' Conditions described above cannot be waived.

The 'Regulatory Approvals', 'ASIC and ASX' and 'No restraints' Conditions described above are for the benefit of OZ Minerals and BHP and may only be waived by written agreement between OZ Minerals and BHP.

The 'Independent Expert' Condition described above is for the sole benefit of OZ Minerals and may only be waived by OZ Minerals in writing.

The 'No Prescribed Occurrence' and 'No Material Adverse Change' Conditions described above are for the sole benefit of BHP and may only be waived by BHP in writing.

If the Conditions relating to Regulatory Approvals are not satisfied or waived by the date of the Scheme Meeting, it is expected that the OZ Minerals Board will delay the Scheme Meeting until such time as those Conditions are satisfied or waived.

If there is a breach or non-fulfilment of a Condition that has not been waived by the date or time specified for satisfaction of the Condition or a Condition becomes incapable of satisfaction and the breach or non-fulfilment has not been waived, or the Scheme has not become Effective by the End Date then OZ Minerals and BHP must consult in good faith to determine whether they can reach an agreement to extend the time for satisfaction of the Condition, change the appropriate Court date or for the transaction to proceed by alternate means. If OZ Minerals and BHP have not reached agreement within 5 Business Days (or any shorter period ending at 5.00pm on the day before the earlier of the End Date and the Second Court Date) then either party may terminate the Scheme Implementation Deed by giving written notice to the other party. A party may only exercise this right to terminate if the circumstances did not arise due to a material breach of the Scheme Implementation Deed by that party or a deliberate act or omission of that party, and in relation to the 'Regulatory Approvals' Condition that act or omission had a material impact on the relevant Regulatory Approval not being obtained.

As at the date of this Scheme Booklet, the Brazil competition approval condition has been satisfied, and the OZ Minerals Directors are not aware of any reason why the other Conditions should not be satisfied.

11 Additional information

11.6.2 OZ Minerals Board recommendation

OZ Minerals must use its best endeavours to procure that each OZ Minerals Director recommends to OZ Minerals Shareholders that they vote in favour of the resolution to approve the Scheme and announces their intention to cause any OZ Minerals Shares in which they have a Relevant Interest to be voted in favour of the resolution approving the Scheme.

These recommendations and voting intentions must not be publicly changed, withdrawn or modified unless a Superior Proposal emerges or the Independent Expert concludes that the Scheme is no longer in the best interests of OZ Minerals Shareholders.

11.6.3 'No shop' obligation

OZ Minerals has agreed that during the Exclusivity Period that OZ Minerals and its representatives must not directly or indirectly:

- > solicit, encourage, initiate or invite enquiries, expressions of interest, offers, discussions or negotiations; or
- > communicate any intention to do any of these things,

with a view to obtaining any offer, proposal or expression of interest in relation to a Competing Proposal.

11.6.4 'No talk' obligation

Subject to the exceptions set out below in Section 11.6.6, during the Exclusivity Period OZ Minerals must ensure that neither it nor its representatives directly or indirectly:

- > negotiates or enters into negotiations or discussions; or
- > participates in negotiations or discussions with any other person,

regarding a Competing Proposal or any inquiry, expression of interest, offer, proposal or discussion by any person in relation to any agreement, understanding or arrangement that could be reasonably expected to lead to a Competing Proposal even if that person's Competing Proposal was not directly or indirectly solicited, invited or initiated by OZ Minerals or its Representatives or the person has publicly announced the Competing Proposal.

11.6.5 'No due diligence' obligation

Subject to the exceptions set out below in Section 11.6.6, during the Exclusivity Period OZ Minerals must ensure that neither it nor its representatives in relation to a Competing Proposal directly or indirectly:

- > permits any person other than BHP or any of its representatives to undertake due diligence investigations in respect of OZ Minerals, its Related Bodies Corporate or any of their business and operations; or
- > makes available to any person other than BHP or any of its representatives or permits any such person to receive any non-public information relating to OZ Minerals Group or its business,

in connection with the person formulating, developing or finalising a Competing Proposal or assisting to do any of those things, or the person otherwise acquiring an interest in OZ Minerals that could result in the proposed Scheme not being capable of implementation.

11.6.6 Exceptions to the due diligence information and no-talk obligations

The due diligence information and no-talk obligations do not apply to the extent that they restrict OZ Minerals or the OZ Minerals Board from taking or refusing to take any action with respect to a genuine Competing Proposal that did not result, directly or indirectly, from a material breach of the no-talk, no-shop and no due diligence obligations provided the OZ Minerals Board has determined in good faith after:

- > consultation with its financial advisers, that the Competing Proposal is, or could reasonably be expected to become, a Superior Proposal; and
- > receiving written legal advice from its external legal advisers experienced in transactions of this nature that failing to respond to such a genuine Competing Proposal would (or may be reasonably likely to) constitute a breach of the OZ Minerals Board's fiduciary or statutory obligations.

11.6.7 Notification obligation

During the Exclusivity Period OZ Minerals has agreed to as soon as reasonably practicable (and in any event within 2 Business Days) notify BHP in writing if OZ Minerals or any of its representatives:

- > receives or becomes aware of any approach or proposal with respect to any Competing Proposal; or
- > receives or becomes aware of any request for information or provides any information to any person relating to OZ Minerals or its business or operations in connection with a suspected, current or future Competing Proposal.

Such notice must include: the material terms and conditions of the Competing Proposal (but not the identity of the person making the Competing Proposal), including but not limited to price, form of consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing and conditions, to the extent known by OZ Minerals.

In addition, OZ Minerals is required to keep BHP reasonably informed on a prompt basis of any material developments, discussions or negotiations regarding any Competing Proposal regardless of whether it has been notified to BHP in accordance with the obligations described above.

11 Additional information

11.6.8 Matching right

During the Exclusivity Period OZ Minerals must:

- > use all reasonable endeavours to procure that the OZ Minerals Board does not change its recommendation in favour of the Scheme to publicly recommend an actual, proposed or potential Competing Proposal (or recommend against the Scheme); and
- > not enter into any legally binding agreement, arrangement or understanding to undertake an actual, proposed or potential Competing Proposal,

unless:

- > the OZ Minerals Board has determined, acting in good faith, and in order to satisfy what the OZ Minerals Board considers to be its statutory or fiduciary duties (having received written advice from its external legal advisers), that the Competing Proposal is, or following the taking of reasonable steps would likely be, a Superior Proposal (having consulted with its financial adviser);
- > OZ Minerals has provided BHP with the material terms and conditions of the Competing Proposal to the extent known by OZ Minerals; and
- > within 4 Business Days of receiving notice from OZ Minerals, BHP does not make an irrevocable written offer to OZ Minerals in respect of the improvement to the Scheme Consideration that the OZ Minerals Board determines, acting in good faith and after consultation with its financial adviser, would produce an equivalent or superior outcome for OZ Minerals Shareholders as compared to the outcome that would be produced by the Competing Proposal.

OZ Minerals has agreed that each successive material modification to the terms of any Competing Proposal will constitute a new Competing Proposal and, accordingly, will comply with its obligations outlined above in respect of any new Competing Proposal.

11.6.9 Break Fee (payable by OZ Minerals)

OZ Minerals has agreed to pay a Break Fee to BHP in the following circumstances:

- > **Recommendation of OZ Minerals Directors:** before the Effective Date, an OZ Minerals Director changes, withdraws or adversely modifies his or her recommendation that OZ Minerals Shareholders vote in favour of the Scheme Resolution, or publicly recommends a Competing Proposal (except where the Independent Expert concludes that the Scheme is not or is no longer in the best interests of OZ Minerals Shareholders, other than where such a conclusion is a result of a Competing Proposal that has been proposed or announced or OZ Minerals has validly terminated the Scheme Implementation Deed).
- > **Material breach by OZ Minerals:** BHP terminates the Scheme Implementation Deed due to a material breach of the Scheme Implementation Deed by OZ Minerals which is not remedied within 10 Business Days of BHP giving OZ Minerals notice.
- > **Entry into a Competing Proposal:** before termination of the Scheme Implementation Deed, OZ Minerals enters into a definitive agreement to undertake or implement a Competing Proposal.
- > **Third Party acquisition:** at any time before termination of the Scheme Implementation Deed, OZ Minerals enters into any agreement with a Third Party in respect of a Competing Proposal under which that Third Party and OZ Minerals agree to undertake or give effect to such Competing Proposal.

The Break Fee is the maximum aggregate amount which OZ Minerals may be required to pay for breach of the Scheme Implementation Deed.

11.6.10 Reverse Break Fee (payable by BHP)

BHP must pay the Reverse Break Fee to OZ Minerals if OZ Minerals terminates the Scheme Implementation Deed because of a material breach of the Scheme Implementation Deed by BHP and such breach has not been remedied within 10 Business Days of OZ Minerals giving BHP notice. The Reverse Break Fee is also payable if any of the regulatory approval Conditions become incapable of being satisfied.

The Reverse Break Fee is the maximum aggregate amount which BHP may be required to pay for breach of the Scheme Implementation Deed.

11.6.11 Termination rights

The Scheme Implementation Deed may be terminated before 8.00am on the Second Court Date in certain circumstances. These circumstances are summarised below.

a) Termination by BHP:

- > if any OZ Minerals Director fails to recommend, or withdraws, publicly changes or modifies his or her recommendation that OZ Minerals Shareholders vote in favour of the Scheme Resolution;
- > if any OZ Minerals Director makes a public statement indicating that they no longer recommend the Scheme or publicly recommend another transaction (including any Competing Proposal);
- > if a person other than BHP or its Associates acquires a Relevant Interest in more than 20% of the OZ Minerals Shares; or
- > the OZ Minerals Board determines that a Competing Proposal that was not solicited, invited, encouraged or initiated in breach of the exclusivity provisions is a Superior Proposal, or a member of the OZ Minerals Group enters into a definitive agreement to undertake or implement a Competing Proposal.

11 Additional information

b) Termination by OZ Minerals:

- > if any OZ Minerals Director withdraws or changes their recommendation in circumstances where:
 - OZ Minerals receives a Superior Proposal; and
 - the OZ Minerals Board has received written legal advice from OZ Minerals' external legal adviser that failing to publicly change, withdraw or modify their recommendation or voting intention would (or would be reasonably likely to) constitute a breach of the OZ Minerals Board's fiduciary or statutory duties; and
 - OZ Minerals has complied with the matching right arrangements that are summarised in Section 11.6.8 above; or
- > the Independent Expert concludes that the Scheme is not or is no longer in the best interests of OZ Minerals Shareholders.

c) Termination by either OZ Minerals or BHP:

- > if the Scheme has not become Effective on or before the End Date;
- > if the other party materially breaches the Scheme Implementation Deed and the breach is not remedied within 10 Business Days of written notice being provided by the terminating party to the breaching party;
- > a Condition has not been satisfied or waived (as applicable) by the relevant date and OZ Minerals and BHP are unable to agree on an alternative course of action within 5 Business Days or by any shorter period ending at 5.00pm on the day before the Second Court Date; or
- > if the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, in circumstances where:
 - the parties agree not to appeal; or
 - an independent senior counsel of the Victorian bar (agreed by the parties) advises that, in their opinion, an appeal would have no reasonable prospect of success.

If the Scheme Implementation Deed is terminated, the Scheme will not proceed.

12 Glossary

AFP has the meaning given in Section 9.2.8.

Ag means silver.

Aggregate Scheme Consideration means the Scheme Consideration multiplied by the total number of Scheme Shares.

AISC means all-in sustaining costs.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it.

ASX Listing Rules means the official listing rules of the ASX.

ATO means the Australian Taxation Office.

Au means gold.

AUD means Australian dollars.

BC1 means block cave 1 at OZ Minerals' Carrapateena site.

BC2 means block cave 2 at OZ Minerals' Carrapateena site.

BHP means BHP Lonsdale Investments Pty Ltd (ACN 004 346 972).

BHP Board means the board of directors of BHP.

BHP Cash Reserves has the meaning given in Section 8.5.2.

BHP Facility Agreement has the meaning given in Section 8.5.4.

BHP Group means BHP Group Limited and each of its subsidiaries (including BHP).

BHP Group Limited means BHP Group Limited (ACN 004 028 077).

BHP Information means:

- a) the information contained in Section 8;
- b) the answer to the questions "Who is BHP?", "What are BHP's intentions if the Scheme is implemented?" and "How is BHP funding the Scheme Consideration?" in Section 4; and
- c) the information in relation to BHP contained in the Section titled "Forward-looking statements" on page 2 of this Scheme Booklet.

BHP Group Limited means BHP Group Limited (ACN 004 028 077).

BHP Intragroup Deed Poll has the meaning given in Section 8.5.2.

BHP Transaction Facility has the meaning given in Section 8.5.3.

BHP Transaction Facility Lender(s) has the meaning given in Section 8.5.4.

BHP Warranties means the representations and warranties of BHP set out in Schedule 3 of the Scheme Implementation Deed.

BMA means BHP Mitsubishi Alliance.

Break Fee means \$95,000,000 being approximately 1% of the Aggregate Scheme Consideration payable to all Scheme Shareholders (excluding GST).

Business Day has the meaning given in the ASX Listing Rules.

C1 means C1 cash cost.

CentroGold means CentroGold Project.

CGT means capital gains tax.

Competing Proposal means any expression of interest, proposal, offer, transaction, agreement or arrangement which, if entered into or completed substantially in accordance with its terms, would result in any Third Party (either alone or together with one or more Third Parties):

- a) acquiring Voting Power in OZ Minerals of more than 20% or otherwise acquiring:
 - i) a Relevant Interest in;
 - ii) a legal, beneficial or economic interest in; or
 - iii) control of,more than 20% of the OZ Minerals Shares (including through one or more derivative contracts, an equity swap, contract for difference or similar transaction or arrangement);
- b) acquiring Control of or merging with OZ Minerals;
- c) acquiring, becoming the holder of or having a right to acquire all or substantially all of the property or the material assets of the OZ Minerals Group taken as a whole, or otherwise acquiring a legal or economic interest in such property or assets; or
- d) entering into any agreement, arrangement or understanding requiring OZ Minerals to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of a takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, assignment of assets or liabilities, joint venture, dual listed company structure (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

12 Glossary

Condition means each condition set out in clause 3.1 of the Scheme Implementation Deed as summarised in Section 11.6.1 of this Scheme Booklet.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia (sitting in Melbourne) or such other court of competent jurisdiction under the Corporations Act agreed to in writing by OZ Minerals and BHP.

Cu means copper.

CuEq means copper equivalent.

Declaration Notice has the meaning given in Section 10.2.2.

Deed Poll means the deed poll to be entered into by BHP as set out in Appendix D to this Scheme Booklet.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 31 August 2023 or such later date as BHP and OZ Minerals agree in writing.

Exclusivity Period means the period from 22 December 2022, being the date of the Scheme Implementation Deed, until the earlier of:

- a) the termination of the Scheme Implementation Deed in accordance with clause 11 of the Scheme Implementation Deed; and
- b) the End Date.

FID means Final Investment Decision.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act directing OZ Minerals to convene the Scheme Meeting is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **First Court Hearing**.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel).

g/t means grams per tonne.

Havilah has the meaning given in Section 7.4.6.

HIN has the meaning given in Section 5.6.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other day as BHP and OZ Minerals agree in writing.

Initial Proposal means the conditional, non-binding and indicative proposal from BHP to acquire all shares in OZ Minerals for \$25.00 per share in cash via a scheme of arrangement received by OZ Minerals on 5 August 2022.

Incentive Rules has the meaning given in Section 7.16.

Incentive Offer has the meaning given in Section 7.16.

Independent Expert or **Grant Samuel** means Grant Samuel & Associates Pty Limited (ACN 050 036 372).

Independent Expert's Report means the report prepared and issued by the Independent Expert in connection with the Scheme in the form of Appendix B to this Scheme Booklet.

Independent Technical Specialist means AMC Consultants Pty Ltd.

Independent Technical Specialist's Report means the report of the Independent Technical Specialist prepared for inclusion in the Independent Expert's Report.

Indicated Mineral Resource has the meaning given to that term in the JORC Code.

Inferred Mineral Resource has the meaning given to that term in the JORC Code.

IOCG means iron oxide copper gold.

ITAA 1936 means the *Income Tax Assessment Act 1936* (Cth).

ITAA 1997 means the *Income Tax Assessment Act 1997* (Cth).

JORC means Joint Ore Reserves Committee.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012.

koz means thousand ounces.

kt means thousand tonnes.

LOM means life of mine.

LTI means Long Term Incentive.

12 Glossary

Macquarie Capital means Macquarie Capital (Australia) Limited (ACN 123 199 548).

Material Adverse Change means a Specified Event which (either individually or when aggregated with other Specified Events) has resulted in, or is reasonably likely to result in the value of the consolidated net assets of the OZ Minerals Group, taken as a whole (and net of all insurance proceeds), being reduced by \$600,000,000 or more, provided that any matter, event or circumstance shall be disregarded if:

- a) it is required or permitted by the Scheme Implementation Deed or the Scheme or transactions contemplated by either;
- b) it is fairly disclosed in the disclosure materials or the disclosure letter between OZ Minerals and BHP dated 22 December 2022;
- c) it is fairly disclosed in any documents lodged with the ASX or ASIC by or on behalf of OZ Minerals, no later than 20 December 2022;
- d) it is within the actual knowledge of BHP or any of its Related Bodies Corporate as at the date of the Scheme Implementation Deed;
- e) it is approved, consented to or requested by BHP or any of its Related Bodies Corporate in writing;
- f) it relates to payment of any Transaction costs and expenses incurred by OZ Minerals, including all fees payable to external advisers of OZ Minerals; or
- g) it results or arises from or in connection with:
 - i) any actual or proposed change in any law, regulation or policy, or in any accounting principle or standard, or in the interpretation of any of the foregoing;
 - ii) general economic or political conditions or changes in any such conditions (including disruptions to, or fluctuations in, financial markets, or changes in interest rates, foreign currency exchange rates or commodity prices);
 - iii) any act of terrorism, war (whether or not declared) natural disaster or the like; or
 - iv) the announcement of, or the entry into or performance of, the Scheme Implementation Deed or the Scheme or the transactions contemplated by either.

Measured Mineral Resource has the meaning given to that term in the JORC Code.

Mineral Resource has the meaning given to that term in the JORC Code.

MHP means mixed hydroxide precipitate.

Moz means million ounces.

Mt means million tonnes.

Mtpa means million tonnes per-annum.

Ni means nickel.

Notice of Scheme Meeting means the notice of meeting in respect of the Scheme as set out in Appendix A to this Scheme Booklet.

NSWEC means New South Wales Energy Coal.

Ore Reserve has the meaning given to that term in the JORC Code.

OZ Exploration means OZ Exploration Pty Ltd (ACN 137 626 914).

OZ Minerals means OZ Minerals Limited (ACN 005 482 824).

OZ Minerals Board or **OZ Minerals Directors** means the board of directors of OZ Minerals.

OZ Minerals Director or **Director** means a director of OZ Minerals.

OZ Minerals Group means, collectively, OZ Minerals and its Related Bodies.

OZ Minerals Information means all information in this Scheme Booklet other than the BHP Information and the Independent Expert's Report.

OZ Minerals Performance Rights means the performance rights exercisable into OZ Minerals Shares issued pursuant to the Incentive Offers.

OZ Minerals Share means a fully paid ordinary share in the capital of OZ Minerals.

OZ Minerals Shareholder means a person who is registered in the Share Register as a holder OZ Minerals Share(s).

OZ Minerals Warranties means the representations and warranties of OZ Minerals set out in Schedule 2 of the Scheme Implementation Deed.

PFS means pre-feasibility study.

PFSU means pre-feasibility study update.

ppm means parts per million.

PR has the meaning given in Section 7.16.

12 Glossary

Prescribed Occurrence means any of the following:

- a) OZ Minerals converting all or any of its shares into a larger or smaller number of shares;
 - b) OZ Minerals resolving to reduce its share capital in any way or resolves to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;
 - c) OZ Minerals:
 - i) entering into a buy-back agreement; or
 - ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
 - d) a member of the OZ Minerals Group issuing shares, or granting a performance right or an option over its shares, or agreeing to make such an issue or grant such a performance right or an option other than:
 - i) on vesting or exercise of, or in respect of, an OZ Minerals Performance Right existing as at the date of the Scheme Implementation Deed; or
 - ii) to a member of the OZ Minerals Group;
 - e) any member of the OZ Minerals Group issuing, or agreeing to issue, securities convertible into shares or debt securities other than where the securities are issued, or agreed to be issued, to a member of the OZ Minerals Group;
 - f) OZ Minerals declaring, paying or distributing any distribution, bonus or other share of its profits or assets, whether by way of dividend, capital reduction or otherwise and whether in cash or in specie, other than the Special Dividend (which, for the avoidance of doubt, must not exceed \$1.75 in aggregate per OZ Minerals Share);
 - g) a member of the OZ Minerals Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the OZ Minerals Group's business or property;
 - h) a member of the OZ Minerals Group granting, or agreeing to grant, a security interest over the whole, or a substantial part, of the OZ Minerals Group's business or property;
 - i) any member of the OZ Minerals Group:
 - i) enters into any offtake agreement(s) with a term extending beyond 31 December 2023 (including any right or option to extend);
 - ii) amends or otherwise agrees to extend an existing offtake agreement to operate beyond 31 December 2023; or
 - iii) terminates or amends in a material manner any existing offtake agreement;
 - j) any member of the OZ Minerals Group:
 - i) sells or disposes of, or grants a material right or economic interest in, or enters into or announces any agreement for the sale or disposal of, or grant of a material right or economic interest in, all or any part of the OZ Minerals Group's interest in the West Musgrave Project; or
 - ii) enters into or announces a binding agreement in relation to any strategic alliance, partnership, joint venture or equivalent arrangement with any Third Party in respect of all or any part of the OZ Minerals Group's interest in the West Musgrave Project, including, without limitation, under an offtake, streaming, royalty or similar arrangement;
 - k) a member of the OZ Minerals Group resolving that it be wound up;
 - l) a liquidator or provisional liquidator of a member of the OZ Minerals Group being appointed;
 - m) a court making an order for the winding up of a member of the OZ Minerals Group;
 - n) an administrator of a member of the OZ Minerals Group being appointed under the Corporations Act;
 - o) a member of the OZ Minerals Group executing a deed of company arrangement; or
 - p) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the OZ Minerals Group's business or property,
- but does not include any occurrence:
- q) required or permitted by the Scheme Implementation Deed or the Scheme or transactions contemplated by either;
 - r) the issue of certain OZ Minerals Performance Rights;
 - s) fairly disclosed in the disclosure materials or disclosure letter;
 - t) fairly disclosed in any documents lodged with the ASX or ASIC by or on behalf of OZ Minerals, no later than 20 December 2022.
- This paragraph (t) and paragraph (s) do not permit OZ Minerals to enter into any binding agreements for a sale of an interest in the West Musgrave Project (or subsidiaries owning the assets relating to such project) or the sale, disposal, grant of a right, or other grant of an economic interest in the West Musgrave Project (including, without limitation, under an offtake, streaming, royalty or similar arrangement);
- u) within the actual knowledge of BHP or any of its Related Bodies Corporate as at the date of the Scheme Implementation Deed; or
 - v) approved, consented to or requested by BHP or any of its Related Bodies Corporate.

Probable Ore Reserve has the meaning given to that term in the JORC Code.

Proved Ore Reserve has the meaning given to that term in the JORC Code.

Registry or **Link Market Services** means Link Market Services Pty Ltd (ACN 083 214 537).

12 Glossary

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Requisite Majority means:

- a) a majority in number (i.e. more than 50%) of OZ Minerals Shareholders present and voting at the Scheme Meeting (whether in person, attending online, by proxy, by attorney or in the case of corporate OZ Minerals Shareholders by a corporate representative); and
- b) at least 75% of the total number of votes cast on the Scheme Resolution.

Reverse Break Fee means \$95,000,000 being approximately 1% of the Aggregate Scheme Consideration payable to all Scheme Shareholders (excluding GST).

Revised Proposal means the conditional, non-binding and indicative proposal from BHP to acquire all of the shares in OZ Minerals for \$28.25 per Share in cash via a scheme of arrangement received by OZ Minerals announced on 18 November 2022.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between OZ Minerals and the Scheme Shareholders, in the form of Appendix C to this Scheme Booklet or such other form as agreed in writing between BHP and OZ Minerals.

Scheme Booklet means this explanatory statement in respect of the Scheme and prepared by OZ Minerals in accordance with section 412 of the Corporations Act.

Scheme Consideration means \$28.25 per OZ Minerals Share held on the Scheme Record Date, less the amount of the Special Dividend that may be declared and paid by OZ Minerals on or before the Implementation Date.

Scheme Implementation Deed means the scheme implementation deed entered into by OZ Minerals and BHP on 22 December 2022.

Scheme Meeting means the meeting of OZ Minerals Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any adjournment or postponement of that meeting.

Scheme Record Date means 7.00pm on the fifth Business Day after the Effective Date, or such other time and date as BHP and OZ Minerals agree in writing.

Scheme Resolution means the resolution set out in the Notice of Scheme Meeting in Appendix A to this Scheme Booklet to agree to the terms of the Scheme.

Scheme Share means an OZ Minerals Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means an OZ Minerals Shareholder as at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **Second Court Hearing**.

Share Register means the register of OZ Minerals Shareholders maintained in accordance with the Corporations Act.

Special Dividend means a fully franked cash dividend of \$1.75 for each OZ Minerals Share held on the Special Dividend Record Date that OZ Minerals intends to declare before the Scheme Meeting and pay on or before the Implementation Date, subject to the Scheme becoming Effective.

Special Dividend Payment Date means the date on which the Special Dividend is paid to OZ Minerals Shareholders who are entitled to the Special Dividend, which is currently intended to be the Implementation Date.

Special Dividend Record Date means 7.00pm on the third Business Day after the Effective Date of the Scheme, or such other time as BHP and OZ Minerals agree in writing.

Specified Event means a matter, event or circumstance that:

- a) occurs or is likely to occur after the date of the Scheme Implementation Deed; or
- b) occurred before the date of the Scheme Implementation Deed but is only announced or publicly disclosed after the date of the Scheme Implementation Deed.

SRN has the meaning given in Section 5.6.

STI means Short Term Incentive.

12 Glossary

Superior Proposal means a bona fide Competing Proposal which the OZ Minerals Board, acting in good faith and in order to satisfy what the OZ Minerals Board considers to be its fiduciary or statutory duties, and after having obtained advice from its legal and financial Advisers, determines:

- a) is reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal, including its conditions, the identity and the financial condition of the person making such proposal and all relevant legal, regulatory and financial matters; and
- b) would, if completed substantially in accordance with its terms, be of a higher value and more favourable to OZ Minerals Shareholders than the latest proposal provided by BHP to OZ Minerals, considering all relevant aspects of the Competing Proposal.

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Third Party means a person other than OZ Minerals, BHP and their respective Associates.

Total Cash Consideration means cash payments equal to \$28.25 per OZ Minerals Share comprising:

- a) the Scheme Consideration, payable by BHP; and
- b) the Special Dividend, payable by OZ Minerals.

Transaction means the acquisition of OZ Minerals by BHP by means of the Scheme.

Transaction Costs means costs and expenses incurred by OZ Minerals in connection with the Scheme, being fees payable to external advisers of OZ Minerals, the Independent Expert and costs such as retention payments, share registry, printing, postage and meeting costs involved in implementing the Scheme (but excluding costs relating to a directors' and officers' run-off insurance policy as contemplated by clause 6.11 of the Scheme Implementation Deed and excluding certain payments to employees and officers of OZ Minerals such as those referred to in Section 7.11.1).

USD means United States dollars.

Variation Notice has the meaning given in Section 10.2.2.

Voting Power has the meaning given in section 610 of the Corporations Act.

WAIO means Western Australia Iron Ore.

West Musgrave or **West Musgrave Project** means the OZ Minerals Group's greenfield copper and nickel project located in the West Musgrave Mineral Province of central Western Australia.

Appendix A Notice of Scheme Meeting

OZ MINERALS LIMITED SCHEME MEETING

OZ Minerals Limited (ACN 005 482 824) (**OZ Minerals**)

Notice is hereby given that, by an order of the Federal Court of Australia (**Court**) made on 2 March 2023 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of the holders of fully paid ordinary shares in OZ Minerals will be held at 10.00am (Adelaide time) / 10.30am (Melbourne time) on 13 April 2023 at 2 Hamra Drive, Adelaide Airport, South Australia, Australia and using the online platform provided by Link Market Services at <https://meetings.linkgroup.com/ozlscheme23> (**Scheme Meeting**).

OZ Minerals shareholders who are unable to, or do not wish to, participate in the Scheme Meeting, or will not have access to a device and the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by no later than 10.00am (Adelaide time) / 10.30am (Melbourne time) on 11 April 2023. This can be done by completing and submitting a proxy form in accordance with the instructions on that form or lodge your proxy form online at the Registry's website (<https://www.linkmarketservices.com.au>) in accordance with the instructions given there.

Business of the meeting

The purpose of the meeting is to consider and, if thought fit, agree to a scheme of arrangement proposed to be entered into between OZ Minerals and OZ Minerals Shareholders (with or without alterations or conditions as approved by the Court to which OZ Minerals and BHP Lonsdale Investments Pty Limited agree in writing).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Scheme Resolution

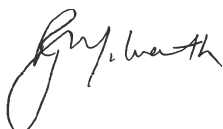
To consider and, if thought fit, pass the following resolution (the **Scheme Resolution**)

"That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed to be entered into between OZ Minerals Limited and the holders of its fully paid ordinary shares, as contained and more particularly described in the Scheme Booklet, of which the notice convening this meeting forms part, is approved (with or without alterations or conditions as approved by the Court to which OZ Minerals Limited and BHP Lonsdale Investments Pty Limited agree in writing) and, subject to approval of the Scheme by the Court, the OZ Minerals Board is authorised to implement the Scheme with any such alterations or conditions."

Chairman

The Court has directed that Rebecca McGrath is to act as chairman of the meeting (and that, if she is unable or unwilling to attend, Andrew Cole is to act as chairman of the Scheme Meeting).

By Order of the Court and the OZ Minerals Board



Rebecca McGrath

Chairman

OZ Minerals Limited

3 March 2023

Appendix A Notice of Scheme Meeting

EXPLANATORY NOTES

This Notice of Scheme Meeting should be read in conjunction with the Scheme Booklet of which the notice forms part.

Unless the context requires otherwise, terms used in the notice has the meanings given in Section 12 of the Scheme Booklet.

Requisite Majority

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- > a majority in number (i.e. more than 50%) of OZ Minerals Shareholders present and voting (whether in person, online, by proxy, by attorney or, in the case of corporate OZ Minerals Shareholders, by a corporate representative) at the Scheme Meeting; and
- > at least 75% of the total number of votes cast on the Scheme Resolution.

Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, the time for determining eligibility to vote at the Scheme Meeting is 7.00pm (Melbourne time) on 11 April 2023. Only those OZ Minerals Shareholders entered on the Share Register at that time will be entitled to attend and vote at the Scheme Meeting.

How to vote

If you are eligible to vote at the Scheme Meeting, you may:

- > attend and vote in person at the Scheme Meeting;
- > attend and vote online via <https://meetings.linkgroup.com/ozlscheme23>;
- > appoint one or two proxies to attend and vote at the Scheme Meeting on your behalf;
- > appoint an attorney to attend and vote at the Scheme Meeting on your behalf; or
- > if you are a body corporate, appoint a corporate representative to attend and vote at the Scheme Meeting on your behalf.

If you hold OZ Minerals Shares jointly with one or more other persons, only one of you may vote. If more than one OZ Minerals Shareholder votes in respect of jointly held OZ Minerals Shares, only the vote of the OZ Minerals Shareholder whose name appears first in the Share Register will be counted.

Voting will be conducted by poll.

Voting in person

To vote in person, you must attend the Scheme Meeting on the date and at the place set out in the Notice of Scheme Meeting.

Attending and voting online

OZ Minerals Shareholders or their validly appointed proxies, attorneys and corporate representatives can attend and vote at the Scheme Meeting via OZ Minerals' online meeting platform at <https://meetings.linkgroup.com/ozlscheme23>.

The online platform may be accessed via a computer or mobile or tablet device with internet access. The online platform will allow OZ Minerals Shareholders and their authorised proxies, attorneys and corporate representatives to watch the Scheme Meeting live, cast an online vote and ask questions online. If dialled in, OZ Minerals Shareholders will also be able to ask a question via telephone.

If you are not attending in person, you may ask questions in two ways:

- > by submitting a written question on the online platform; or
- > by asking an oral question. If you would like to ask an oral question, you will need to register for a unique PIN. To obtain your unique PIN, please contact Link Market Services on +61 1800 990 363.

To attend and vote online, OZ Minerals Shareholders will need their Security Reference Number (SRN) or Holder Identification Number (HIN) and their postcode or country of residence (if outside Australia). Proxyholders will be emailed their proxy code by the OZ Minerals Share Registry 24 hours before the commencement of the meeting.

Participants will be able to log in to the online platform 30 minutes before the start of the Scheme Meeting. It is recommended that participants log in at least 15 minutes before the scheduled start time for the Scheme Meeting. The Hybrid Scheme Meeting Online Guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site. The Hybrid Scheme Meeting Online Guide can be found in Annexure E of the Scheme Booklet.

Please monitor OZ Minerals' website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

More information about how to use the online platform (including how to vote and submit questions online during the Scheme Meeting) is available in the Hybrid Scheme Meeting Online Guide, which can be found in Annexure E of the Scheme Booklet. If you intend to use the online platform, then before the Scheme Meeting we recommend that you ensure the online platform works on your device.

Appendix A Notice of Scheme Meeting

Voting by proxy

You may appoint one or two proxies to attend and vote at the Scheme Meeting on your behalf.

The proxy form is enclosed with the Scheme Booklet. A proxy does not need to hold OZ Minerals Shares. If you do not instruct your proxy how to vote, your proxy may vote as he or she sees fit at the Scheme Meeting.

If you appoint two proxies, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes. Please refer to the enclosed proxy form for instructions on completion and lodgement.

Proxy forms must be received by the Registry by no later than 10.00am (Adelaide time) / 10.30am (Melbourne time) on 11 April 2023.

If the Scheme Meeting is adjourned, proxy forms must be received by the Registry at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting.

You must deliver the signed and completed proxy form in one of the following ways:

- > online at <https://www.linkmarketservices.com.au> (to use the online voting facility, OZ Minerals Shareholders will need their shareholder reference number (SRN) or holder identification number (HIN) and control number as shown on the front of the proxy form);
- > by post in the reply-paid envelope provided to OZ Minerals Limited C/- Link Market Services Limited, Locked Bag A14 Sydney South NSW 1235 Australia;
- > by hand delivery during business hours (Monday to Friday (excluding public holidays), 9.00am to 5.00pm) to the Registry at Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150; or
- > by fax to the Registry +61 2 9287 0309 (both within and outside Australia).

If a proxy form is completed under power of attorney or other authority, the original or a certified copy of the power of attorney or other authority must accompany the completed proxy form unless the power of attorney or other authority has previously been given to the Registry.

If you return your proxy form:

- > without identifying a proxy on it, you will be taken to have appointed the chairman of the Scheme Meeting as your proxy to vote on your behalf; or
- > with a proxy identified on it but your proxy does not attend the Scheme Meeting, the chairman of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.
- > The chairman of the Scheme Meeting intends to vote all valid undirected proxies which appoint (or are taken to appoint) the chairman in favour of the Scheme Resolution.

The appointment of a proxy does not preclude you from attending the Scheme Meeting in person or online, revoking the proxy and voting at the meeting.

Voting by power of attorney

You may appoint an attorney to attend and vote at the Scheme Meeting on your behalf and such attorney can either attend in person at the Scheme Meeting or attend the Scheme Meeting via the online platform.

Powers of attorney must be received by the Registry by no later than 10.00am (Adelaide time) / 10.30am (Melbourne time) on 11 April 2023. Persons attending the Scheme Meeting as an attorney should bring with them the original or a certified copy of the duly executed power of attorney under which they have been authorised to attend and vote at the Scheme Meeting.

The appointment of an attorney does not preclude you from attending the Scheme Meeting in person or online and voting at the meeting.

A validly appointed attorney wishing to attend and vote at the Scheme Meeting (in person or online) will need to register their attendance and identify themselves as an attorney on the day of the Scheme Meeting (in person or online) at the registration desk.

A validly appointed attorney wishing to attend and vote at the Scheme Meeting via the online platform will require the appointing OZ Minerals Shareholder's name and postcode and the SRN/HIN of the shareholding in order to access the online platform.

Voting by corporate representative (in the case of a body corporate)

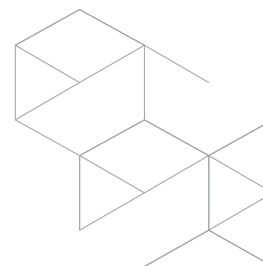
If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must be in accordance with section 250D of the Corporations Act. The representative must bring the 'Certificate of Appointment of Corporate Representative' as evidence of his or her appointment to the Scheme Meeting, including any authority under which it is signed, their name and address and the identity of their appointer.

A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting via the online platform will require the appointing OZ Minerals Shareholder's name, the SRN/HIN of the shareholding, proxy code and postcode or country of residence (if outside Australia) in order to access the online platform.

Court approval

If the Scheme Resolution is approved at the Scheme Meeting by the Requisite Majority and the other Conditions are satisfied or waived in accordance with the Scheme Implementation Deed, OZ Minerals intends to apply to the Court on 17 April 2023 for approval of the Scheme.

GRANT SAMUEL



2 March 2023

The Directors
OZ Minerals Limited
2 Hamra Drive
Adelaide Airport SA 5950

Dear Directors

BHP Offer

1 Introduction

On 22 December 2022, OZ Minerals Limited ("OZ Minerals") announced that it had entered into a scheme implementation deed with BHP Lonsdale Investments Pty Ltd ("BHP"), a wholly owned subsidiary of BHP Group Limited ("BHP Group"), under which BHP agreed to acquire all of the shares in OZ Minerals by way of a scheme of arrangement ("Scheme"). The total cash consideration under the Scheme is \$28.25 per share, less the cash amount of any dividend paid by OZ Minerals on or prior to implementation of the Scheme.

On 22 February 2023, in conjunction with the release of its CY22 financial results, OZ Minerals announced that, prior to the Scheme meeting, the OZ Minerals Board intends to declare a fully franked special dividend of \$1.75 per share. Payment of this special dividend will be conditional on the Scheme becoming effective. Consequently, on the Scheme implementation date (which is expected to be 2 May 2023), OZ Minerals shareholders will receive the fully franked special dividend of \$1.75 per share (from OZ Minerals) and the Scheme consideration of \$26.50 per share (from BHP).

The Scheme followed an unsolicited, conditional and non-binding indicative proposal from BHP Group to acquire all of the shares in OZ Minerals for \$25.00 per share on 5 August 2022 ("Initial Proposal") and a revised conditional, non-binding and indicative proposal from BHP Group to acquire all of the shares in OZ Minerals for \$28.25 per share on 18 November 2022 ("Revised Proposal"). Following receipt of the Revised Proposal, the OZ Minerals Board agreed to grant BHP Group the opportunity to conduct due diligence on an exclusive basis.

The Scheme is subject to a number of conditions which are set out in Section 11.7.1 of the Scheme Booklet to be sent by OZ Minerals to its shareholders ("Scheme Booklet"). Other elements of the scheme implementation deed include customary exclusivity obligations provided by OZ Minerals in favour of BHP, the potential payment in certain circumstances of a break fee of \$95 million by either OZ Minerals or BHP and an obligation for OZ Minerals to ensure that no performance rights are in existence on the Scheme record date.

The OZ Minerals Board has unanimously recommended that shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of OZ Minerals shareholders. Subject to the same qualifications, each OZ Minerals director intends to vote, or cause to be voted, all shares held or controlled by them in favour of the Scheme.

The directors of OZ Minerals have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Scheme is in the best interests of OZ Minerals shareholders. A copy of the report (including this letter) will accompany the Scheme Booklet to be sent to shareholders by OZ Minerals. This letter contains a summary of Grant Samuel's opinion and main conclusions.

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2 Opinion

Grant Samuel has concluded that the Scheme is fair and reasonable. Accordingly, in Grant Samuel's opinion, the Scheme is in the best interests of OZ Minerals shareholders in the absence of a superior proposal.

3 Key Conclusions

- **The value of OZ Minerals is fundamentally driven by assumptions as to long run commodity prices and exchange rates**

The critical determinants in the valuation of a mining company such as OZ Minerals are the assumptions adopted in relation to long term future commodity prices and, to a lesser extent, exchange rates (A\$/US\$). In determining those assumptions, the valuer is not so much predicting the future path of prices (and exchange rates) as seeking to utilise assumptions that are in line with those that real world buyers of such assets would adopt.

A starting point is to consider:

- current and recent market prices; and
- forecasts by a range of parties including industry research houses, equity analysts and economists.

However:

- commodity prices are inherently volatile and price forecasts are fraught with uncertainty. Forecasts typically fall in a relatively wide range and often lag movements in market prices by several months;
- it is important not to place excessive weight on current/recent prices which can be heavily influenced by temporary factors as opposed to long run fundamentals. Commodity prices ebb and flow with day to day physical supply and demand. For example, the current copper price probably reflects low inventories, the production issues in Peru and Chile and, potentially, speculative trading activity. These factors will eventually play out and prices should revert (even if slowly) to a level reflecting the fundamentals of underlying demand, supply and marginal cost;
- current prices for copper and nickel are at close to record highs and are well above those generally prevailing over most of the previous five years. While there are clearly emerging powerful demand drivers, if sustained, high prices can be expected to elicit a range of market responses including increased production, substitution and technical innovation, that will tend to dampen future prices;
- while the direction of demand drivers such as electrification and decarbonisation is clear, the degree, and more particularly, the timing of changes in demand is very unclear; and
- corporates (and other investors) making real world decisions to acquire assets will typically have relatively conservative views on long run prices, certainly when compared to pundits and commentators.

Grant Samuel has adopted long run real price assumptions for copper and nickel which, while below current market prices, are in some respects relatively high. It is quite possible that Grant Samuel's price assumptions may exceed price scenarios that many acquirers would adopt. However, if the offer is fair on this basis then lower price scenarios would only reinforce that conclusion.

Forecasting exchange rates is equally challenging. Grant Samuel has adopted a long term A\$/US\$ exchange rate in line with the current rate, which is consistent with expectations that both interests rates and inflation rates will be broadly consistent between the United States and Australia.



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Of course, there is no “right” answer and there is a wide range of plausible assumptions that could reasonably be adopted. Some shareholders may believe long term commodity prices above those adopted by Grant Samuel (or a lower A\$/US\$ exchange rate) will be sustained in future in which case NPV outputs would be higher. In this context, it would take a relatively small change to certain base assumptions to result in movements that might seem to cause the low end of the valuation range to be above the offer price (circa 3%) and a different view as to the merits of the offer.

However, it is important to recognise that:

- long term price assumptions are more complicated than just extrapolating current market prices;
 - while a shareholder might have a view as to these long term assumptions, the critical factor for Grant Samuel's assessment is the assumptions arm's length acquirers would use; and
 - individual assumptions should not be considered in isolation. The valuation range is an overall judgement that reflects a number of different inputs and scenarios as well as alternative metrics and evidence (e.g. offers for an asset). Changing a single assumption may not necessarily change the selected valuation range or result in a different view as to the merits of the offer.
- **The equity in OZ Minerals has been valued in the range \$9.2-10.3 billion, which corresponds to a value of \$27.37-30.47 per share**

The valuation is summarised below:

OZ MINERALS - VALUATION SUMMARY

	FULL REPORT SECTION REFERENCE	VALUATION RANGE			
		US\$ MILLIONS ¹		\$ MILLIONS	
		LOW	HIGH	LOW	HIGH
Prominent Hill	5.3.2	1,800	2,000	2,571	2,857
Carrapateena	5.3.3	3,400	3,700	4,857	5,286
West Musgrave	5.3.4	1,150	1,300	1,643	1,857
Carajás East	5.3.5	290	340	414	486
Exploration and development	5.5			97	134
Corporate costs (net of savings)	5.6			(105)	(110)
Other assets and liabilities	5.7			14	24
Enterprise value				9,491	10,534
Net borrowings at 31 December 2022	5.8			(254)	(254)
Value of equity				9,237	10,280
Fully diluted shares on issue (millions)	3.6			337.4	337.4
Value per share				\$27.37	\$30.47

The valuation represents the estimated full underlying value of OZ Minerals assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, OZ Minerals shares would be expected to trade on the Australian Securities Exchange in the absence of a takeover offer. Shares in a listed company normally trade at a discount of 15-25% to the underlying value of the company as a whole (but this discount does not always apply).

The principal approach to valuing OZ Minerals' mineral assets was by discounted cash flow (“DCF”) analysis, with multiples analysis (earnings, mineral resources and ore reserves²) used as a cross check.

¹ Each of OZ Minerals' mineral assets has been valued in US\$ and converted to A\$ at an exchange rate of US\$1 = A\$0.70.

² The reporting of mineral resources and ore reserves is defined under the JORC Code. For the purposes of this report, “resources” and “mineral resources” are used interchangeably (and likewise, “reserves” and “ore reserves”). Metal-equivalent resource and reserve multiples have been calculated on a CuEq basis (or, in select instances, NiEq basis). See Section 5.4 of the full report for more detail.



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DCF values for the operating assets (Prominent Hill, Carrapateena and Carajás East) and the West Musgrave advanced development project were estimated based on production scenarios developed in conjunction with, and reflecting the technical judgements of, the independent technical specialist, AMC Consultants Pty Ltd ("AMC"). Technical valuation assumptions (e.g. production and processing rates, metal grades and recovery rates, and operating and capital costs) for each scenario were assessed by AMC. Grant Samuel then developed financial models and applied economic assumptions including commodity prices, exchange rates and discount rates to each scenario. The DCF analysis takes into account cash flows from 1 January 2023.

Based on the outcomes of the DCF analysis, Grant Samuel has selected a valuation range for each mineral asset that it considers appropriate. This selection is a subjective weighting taking into account a range of factors including confidence levels attached to each scenario and other relevant risk factors including, for example, the early development status of West Musgrave.

The valuation excludes synergies that are unique to BHP Group. However, it does include synergies that any acquirer of OZ Minerals would be able to achieve (e.g. savings of listed company costs and other corporate overheads). These savings have been included in the negative valuation range attributed to corporate costs.

AMC prepared valuations of OZ Minerals' exploration and development assets for which it was not appropriate to prepare cash flow based valuations. The AMC valuation of these assets is set out in full in AMC's detailed report, which is included as Appendix 5 to the full report. The value of remnant mineral resources and exploration located at existing operations (i.e. Carrapateena, West Musgrave and Carajás East)³ has been included in the value of those operations in the table above. The value attributed to exploration and development only includes assets at other locations.

Other assets and liabilities are the market value of listed equity securities and a value for the option over Kalkaroo, from which other liabilities have been deducted.

The valuation assumes an exchange rate of A\$1=US\$0.70 reflecting the rate at or around 31 January 2023. A single rate was adopted to avoid complications with the analysis and excessive valuation range width. Exchange rates are volatile and will continue to move until the shareholder vote. To the extent a range reflecting recent spot trading was considered an appropriate way to deal with the volatility, Grant Samuel believes the adopted rate of A\$1=US\$0.70 would fall within such a range and, accordingly, the lower end of the valuation range would not increase.

- **The multiples implied by the overall valuation of OZ Minerals are blended multiples that reflect the nature and relative size of its mineral assets**

The earnings multiples implied by Grant Samuel's valuation of OZ Minerals are summarised below:

OZ MINERALS – IMPLIED VALUATION PARAMETERS

	VARIABLE	RANGE OF PARAMETERS	
		LOW	HIGH
CuEq Resources and Reserves			
Resources (US\$/tonne)	17.6Mt	378	419
Reserves (US\$/tonne)	8.0Mt	835	926
EBITDA			
CY22 (actual) (times)	\$692.7 million	13.7	15.2
CY23 (average broker forecast ⁴) (times)	\$863.6 million	11.0	12.2

³ There are no remnant mineral resources at Prominent Hill.

⁴ While OZ Minerals has provided guidance for CY23, the directors of OZ Minerals have decided not to include the CY23 Plan in the Scheme Booklet and therefore this information has not been disclosed in this report. Accordingly, the implied forecast multiples are based on the average of brokers' forecasts for OZ Minerals (see Appendix 3 for details). These average forecasts are sufficiently close to OZ Minerals' CY23 Plan to be useful for analytical purposes.



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The overall multiples are weighted towards the valuations of Carrapateena and Prominent Hill but incorporate the value of West Musgrave, which is not insignificant (17-18% of enterprise value) and will grow as it is developed.

The implied earnings multiples are relatively high but reflect expectations of material increases in earnings in the medium term:

- the growth projects underway at Prominent Hill (mine shaft expansion) and Carrapateena (block cave expansion) are expected to result in very substantial increases in production capacity (and therefore earnings) from current levels; and
- West Musgrave is currently under development and is not expected to contribute to earnings until CY25.

The relatively modest group CuEq resource and reserve multiples reflect:

- the valuation takes into account the significant short term capital expenditure (almost US\$3 billion in total) required for the mine expansions at Prominent Hill and Carrapateena as well as the development of West Musgrave;
 - the large share of group's CuEq resources and reserves contributed by West Musgrave while its valuation takes into account the substantial capital expenditure required to bring the project into production and the development risks; and
 - the considerable mineral resources at Prominent Hill and West Musgrave that are not included in current mine plans (and are therefore not explicitly incorporated into the DCF analysis and contribute little to the valuation of OZ Minerals).
- **The majority of OZ Minerals' value is in its Prominent Hill and Carrapateena mineral assets, which have been valued at US\$1.8-2.0 billion and US\$3.4-3.7 billion respectively**

The key assumptions adopted in the DCF analysis include:

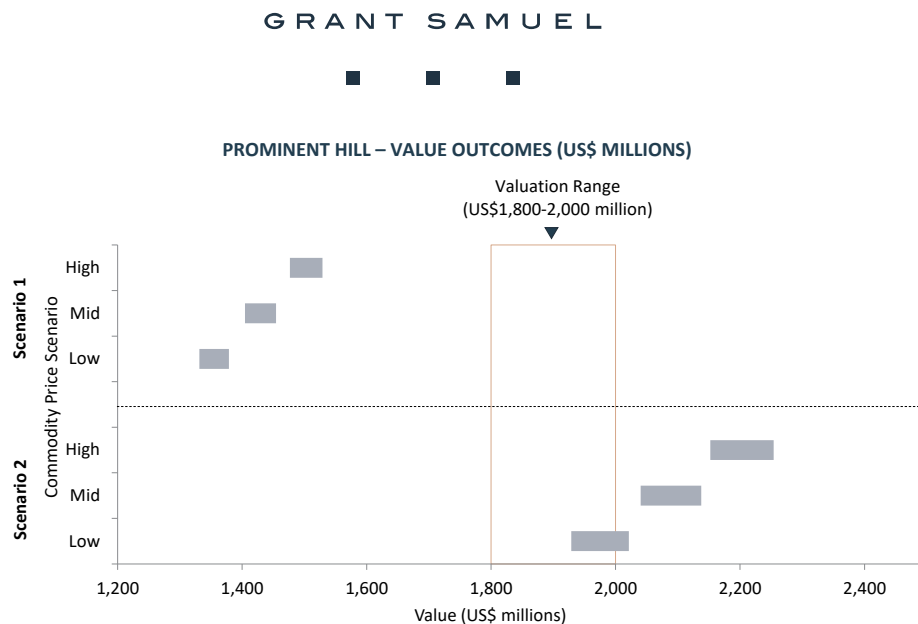
- long term real copper prices of US\$8,500-9,000/t and real gold prices of US\$1,900-1,950/oz;
- a long term US\$ inflation rate of 2.5%;
- operating costs that have been estimated by AMC and take into account recent increases due to inflationary pressures;
- an exchange rate of A\$1 = US\$0.70; and
- discount rates of 9.5-10% (which imply a real discount rate of approximately 6.8-7.3%).

Two valuation scenarios were developed for each of Prominent Hill and Carrapateena. For Prominent Hill, Scenario 1 assumes the mining and treatment of 91Mt of ore over the life of the mine to produce a total of 725kt of copper in concentrate. Expansion capital expenditure of approximately US\$320 million is incurred over the first three years for the new mine shaft infrastructure. Scenario 2 is an upside case where the mine life is extended by seven years as an additional 65Mt of ore is mined from new deposits such as Papa and Walawaru and new mining areas in Malu to produce an additional 506kt of copper in concentrate and an additional US\$380 million in capital expenditure is incurred over the life of the mine.

The value outcomes and the valuation range selected by Grant Samuel are depicted diagrammatically below:

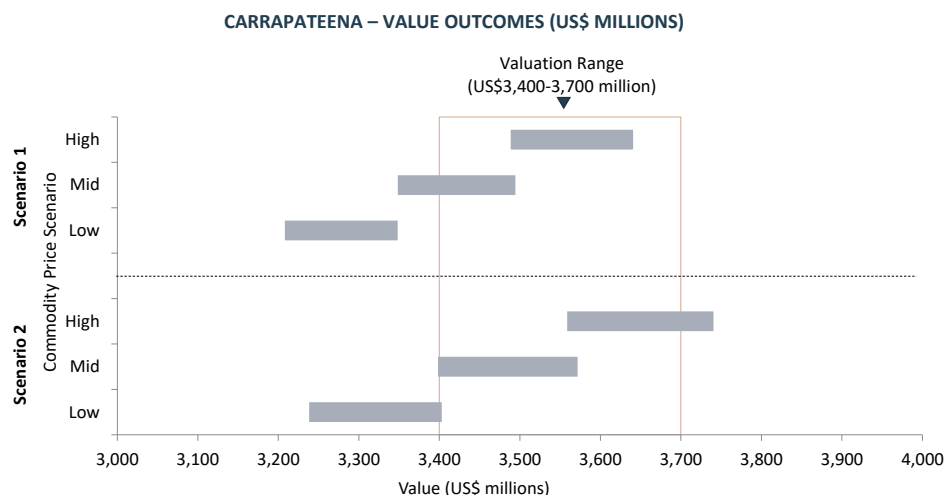


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For Carrapateena, Scenario 1 assumes the mining and treatment of 193Mt over the life of the mine to produce 1,768kt of copper in concentrate. Expansion capital expenditure of approximately US\$1,300 million is incurred over the first five years for the new block cave and associated infrastructure and a further US\$130 million to develop the second block cave in CY36-CY37. Scenario 2 incorporates the development of block cave south, block cave northeast and Fremantle Doctor, resulting in a 13 year extension to mine life and the mining of an additional 180Mt of ore (none of which is currently recognised as ore reserves) to produce an additional 740kt of copper in concentrate. These extension projects are assumed to require incremental capital expenditure of approximately US\$130 million in CY38-CY39 and over US\$1,000 million between CY41 and CY44.

The value outcomes (including the value attributed by AMC to the remnant mineral resource and adjacent exploration targets such as the Saddle and Khamsin deposits) and the valuation range selected by Grant Samuel are depicted diagrammatically below:



The valuation ranges for Prominent Hill and Carrapateena imply the following multiples of resources and reserves (at 31 December 2022):

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AUSTRALIAN COPPER ASSETS – IMPLIED VALUATION PARAMETERS

	VARIABLE (CuEq, MT)	IMPLIED MULTIPLE (US\$/TONNE)	
		LOW	HIGH
PROMINENT HILL			
CuEq resources	2.6	698	775
CuEq reserves	0.9	1,964	2,182
CARRAPATEENA			
CuEq resources	7.5	452	492
CuEq reserves	2.6	1,300	1,415
COMBINED			
CuEq resources	10.1	515	564
CuEq reserves	3.5	1,473	1,614

The implied CuEq resource and reserve multiples for Prominent Hill and Carrapateena (combined) are above the implied transaction multiples for most other international copper assets, at the top end of resource multiples and well above the reserve multiples of listed copper companies. In Grant Samuel's view, these relatively high multiples are justified given the specific attributes of OZ Minerals' Australian copper assets, particularly their low production costs, low jurisdictional risk locations and significant growth options. They are, however, well below recent Australian transactions involving the CSA (Cobar) and Ernest Henry mines owned by Glencore. The discount reflects, in part, different cut-off grades and the significant short term capital expenditure for Prominent Hill and Carrapateena (>US\$1.5 billion).

The CuEq resource and reserve multiples of Carrapateena are lower than those of Prominent Hill. In some respects, Carrapateena has attractive features that would suggest a premium to Prominent Hill (operating scale and higher copper grades). On the other hand, the valuation scenarios for Carrapateena include a much smaller proportion of total mineral resources and Carrapateena has significant upfront capital expenditure and faces complex challenges in developing the block cave. Grant Samuel considers the multiples for Prominent Hill and Carrapateena to be a reasonable balancing of all of these factors.

- **The valuation range of US\$1.15-1.30 billion attributed to West Musgrave includes a subjective judgement to reflect development risk and also takes into account recent non-binding indicative proposals to acquire an interest in West Musgrave**

For the purposes of its DCF analysis for West Musgrave, Grant Samuel has adopted long term real nickel prices of US\$20,000-22,000/t and other assumptions consistent with its valuations of Prominent Hill and Carrapateena.

Two valuation scenarios were developed for West Musgrave. Scenario 1 is broadly in line with the West Musgrave feasibility study published in September 2022 although it reflects certain changes to operating costs (particularly due to the impact of inflation on labour and equipment costs) and operational ramp-up. The initial capital investment to develop and commission the mine is US\$1,180 million between CY23 and CY25. Over the life of the mine, 317Mt of ore is mined and treated to produce 657kt of nickel. Scenario 2 includes expansionary investments for a new MHP plant (US\$250 million in CY25 and CY26) and a third vertical roller mill and additional flotation capacity (US\$175 million in CY30 and CY31). Over the life of the mine, ore mined and treated remains broadly consistent with Scenario 1. However, production is accelerated (with mining operations concluding one year earlier and plant operations concluding four years earlier) and the higher value MHP product results in improved metal recoverability and payable metal, for an increase to nickel production to approximately 670kt.

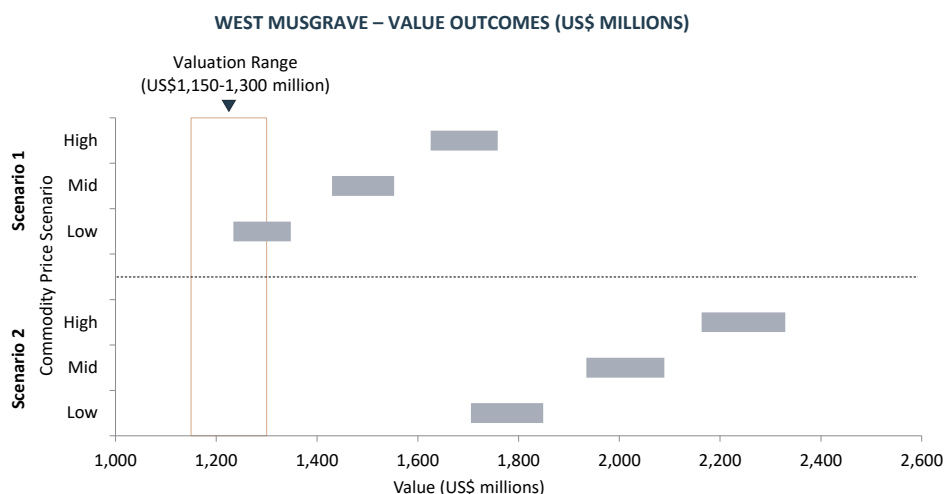


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The value outcomes (including the value attributed by AMC to the remnant mineral resource and adjacent exploration targets including Succoth, One Tree Hill, Yappsu, Babylon, Suez and Esagila) and the valuation range selected by Grant Samuel are depicted diagrammatically below:



The valuation range is at the bottom end of the calculated NPVs. In Grant Samuel's view this is appropriate. The calculated NPVs make no adjustment for the early development status of West Musgrave. However, the reality is that project construction is still in very early stages and the project remains exposed to a wide variety of development risks. In particular, potential acquirers would be unlikely to attribute significant value to the potential to extend the operations beyond the life of mine contemplated in the feasibility study. Grant Samuel's valuation range is supported by non-binding indicative offers made by various third parties to acquire a non-controlling interest in West Musgrave.

- **The Scheme is fair and reasonable. Accordingly, the Scheme is in the best interests of OZ Minerals shareholders, in the absence of a superior proposal**

Grant Samuel has estimated the full underlying value in OZ Minerals to be in the range \$9.2-10.3 billion, which corresponds to \$27.37-30.47 per share⁵.

The valuation incorporates the significant growth potential of OZ Minerals' assets. At the same time, it is important to recognise that there is substantial risk associated with the successful execution of these growth plans and that potential value (particularly for assets such as West Musgrave which is yet to be developed) is not the same as the price that an arm's length acquirer would pay for the assets today.

The Scheme consideration of \$28.25 per share falls within the valuation range of \$27.37-30.47. Accordingly, the Scheme is fair. The bottom of the valuation range represents the relevant threshold for fairness. Any price above \$27.37 is, by definition, fair and it is irrelevant where in the range an offer falls.

As the Scheme is fair, it is also reasonable and is therefore in the best interests of OZ Minerals shareholders in the absence of a superior proposal.

⁵ On a cum dividend basis (i.e. prior to the \$1.75 per share special dividend that is to be paid on implementation of the Scheme).

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- **The value attributed to OZ Minerals does not incorporate the significant synergies and other benefits that BHP Group expects to generate from the acquisition of OZ Minerals**

Grant Samuel's valuation includes an allowance for synergies (cost savings) that could be achieved by any acquirer of OZ Minerals (primarily corporate overheads). However, "fair value" does not include the synergies that are unique to one particular party only (i.e. in this case BHP Group) and it is therefore not appropriate to include synergies uniquely available to BHP Group in the valuation of OZ Minerals.

In any event, BHP Group has not disclosed any detail on the quantum of the synergies that it expects from acquiring OZ Minerals but has referenced that creation of a South Australian copper basin could unlock potential operational synergies due to the proximity of OZ Minerals' Carrapateena and Prominent Hill operations to BHP Group's existing Olympic Dam asset and Oak Dam development resource. Operational synergies would also be expected in Western Australia from the combination of BHP Group's Nickel West operation with OZ Minerals' West Musgrave development. Brokers have differing views on the specific operational synergies (in addition to corporate overhead savings) but have generally focused on sharing infrastructure, logistics savings, blending opportunities and smelter throughput efficiencies.

In the absence of detailed information from BHP Group, these possible benefits are largely speculative and highly uncertain as to quantum. Nevertheless, some brokers have made estimates of the expected synergies. They fall in a broad range with NPVs of \$1.1-2.6 billion (\$3.26-7.72 per share)⁶, but any such estimates need to be treated with caution.

- **The Scheme consideration provides OZ Minerals shareholders with a significant premium for control, but this premium needs to be considered in light of prevailing copper prices**

The Scheme consideration of \$28.25 per share represents a 44-61% premium to the VWAP of OZ Minerals shares over various periods in the three months prior to announcement of the Initial Proposal:

OZ MINERALS – PREMIUM OVER PRE-ANNOUNCEMENT PRICES

PERIOD	OZ MINERALS PRICE/VWAP	PREMIUM
Closing price on 5 August 2022	\$18.92	49%
1 week prior to 5 August 2022 – VWAP	\$18.63	52%
1 month prior to 5 August 2022 – VWAP	\$17.53	61%
3 months prior to 5 August 2022 – VWAP	\$19.56	44%
6 months prior to 5 August 2022 - VWAP	\$22.10	28%
12 months prior to 5 August 2022 -VWAP	\$23.18	22%

The premiums up to three months prior to announcement of the Initial Proposal are materially above the level of premiums typically associated with takeovers in Australia (of 20-35%).

However, when considering the extent of the premium, shareholders should take the following factors into account:

- the close correlation of the OZ Minerals share price to the copper price (see Section 3.7 of the full report). There was a large drop in the copper price over the period from mid-April 2022 to mid-July 2022 (from around US\$10,000/t to US\$7,000/t) as a result of which the OZ Minerals share price fell from around \$27 to around \$16. OZ Minerals received the Initial Proposal shortly thereafter (on 8 August 2022). The copper price has subsequently recovered and had stabilised

⁶ The bottom and top ends of the range are based on estimates by Broker 8 and Broker 7 respectively, as presented in Appendix 3.

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at around US\$8,500/t by the end of December 2022. It has traded in excess of US\$9,000/t for most of January 2023.

Similarly, comparable companies are currently trading at prices materially higher than those prevailing in early August 2022. The median increase in the share prices of relevant copper producers from early August 2022 to January 2023 was 48%.

While it is impossible to be precise, these two factors indicate that the OZ Minerals share price in the absence of the Scheme would almost certainly be higher than in the period prior to the Initial Proposal. Based on current copper prices, a hypothetical OZ Minerals share price well in excess of \$20.00 (cum dividend) would not be unreasonable. On this basis, the Scheme consideration of \$28.25 (cum dividend) would represent a relatively modest effective premium, possibly lower than the level of premiums typically associated with takeovers in Australia. However, it would be expected that the premium would be lower in a high copper price environment, just as it was higher in the low copper price environment that prevailed at the time of the Initial Proposal; and

- since announcement of receipt of the Initial Proposal, OZ Minerals' shares have not traded at prices in excess of the Scheme consideration of \$28.25 per share⁷. In fact, they have traded above the Scheme consideration of \$28.25 per share only once in the last decade (for approximately four weeks between December 2021 and January 2022), reaching an all time high of \$29.75. However, share prices at this level need to be considered in the context of a copper price that was close to its all time high of more than US\$10,000/tonne at that time.
- **While it is conceivable that a third party could make a higher offer for OZ Minerals, it is unlikely in the circumstances**

It is conceivable that a third party could make a higher offer for OZ Minerals:

- OZ Minerals owns an attractive portfolio of high quality copper and nickel assets with strong long term growth potential predominantly located in low risk jurisdictions; and
- there are no structural impediments to an alternative acquirer:
 - there is no shareholder with a relevant interest in more than 10% of OZ Minerals' shares. There are only two substantial shareholders, both passive investment companies with a 5-7% interest. BHP Group has an economic interest in OZ Minerals shares of less than 5% (via derivative instruments). This interest is not of a sufficient size to deter a competing proposal;
 - there are a number of potential alternative acquirers of OZ Minerals, none of which would be likely to be blocked from acquiring OZ Minerals on competition grounds (although there may be national security concerns for certain alternative acquirers in relation to Prominent Hill); and
 - while OZ Minerals has agreed to customary exclusivity provisions, there is a fiduciary carve out. BHP Group's right to match any competing proposal and the \$95 million break fee (approximately 28 cents per share) may deter some parties but would not necessarily stop a determined bidder.

There has been ample time since announcement of the Initial Proposal on 8 August 2022 for a third party to come forward with a competing proposal and no such proposal has been received by OZ Minerals. Nor have there been any informal expressions of interest.

⁷ On 17 January 2023, the OZ Minerals share price reached an intra-day high of \$28.71, but this was a single trade for a small parcel of 238 OZ Minerals shares. The next highest intra-day trading price on the day was \$27.93.

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However, this outcome may reflect the practical impediments presented by BHP Group's "firepower" and the substantial unique synergies that it expects to generate from the acquisition of OZ Minerals, which may discourage a third party from making a competing proposal.

The meeting at which OZ Minerals shareholders will vote on the Scheme is scheduled for 13 April 2023. If no competing proposal eventuates prior to the Scheme meeting, it would be imprudent for shareholders to vote against the Scheme in anticipation of a higher offer from BHP Group or a third party. In particular, BHP Group has stated that the Scheme consideration of \$28.25 per share represents the best and final price it is willing to offer, in the absence of a competing proposal.

4 Other Matters

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual OZ Minerals shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by OZ Minerals in relation to the Scheme.

Grant Samuel has not been engaged to provide a recommendation to shareholders in relation to the Scheme, the responsibility for which lies with the directors of OZ Minerals. In any event, the decision whether to vote for or against the Scheme is a matter for individual shareholders, based on their own views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

Grant Samuel has prepared a Financial Services Guide as required by the *Corporations Act 2001* (Cth). The Financial Services Guide is included at the beginning of the full report.

This letter is a summary of Grant Samuel's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary.

The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully

GRANT SAMUEL & ASSOCIATES PTY LIMITED

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FINANCIAL SERVICES GUIDE
AND
INDEPENDENT EXPERT'S REPORT
IN RELATION TO THE PROPOSAL BY
BHP LONSDALE INVESTMENTS PTY LTD,
A WHOLLY OWNED SUBSIDIARY OF BHP GROUP LIMITED

GRANT SAMUEL & ASSOCIATES PTY LIMITED
ABN 28 050 036 372

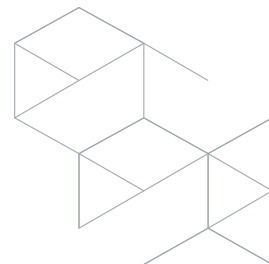
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FINANCIAL SERVICES GUIDE



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"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with OZ Minerals or BHP Group or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.

Grant Samuel was retained by BHP Group to prepare an independent expert's report dated 8 December 2021 on the proposed unification of BHP Group's dual listed company structure. Grant Samuel does not consider this previous assignment capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.

Grant Samuel had no part in the formulation of the Scheme. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of \$1.95 million for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Scheme. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011."

Grant Samuel has internal complaints-handling mechanisms and is a member of the Australian Financial Complaints Authority, No. 11929. If you have any concerns regarding the OZ Minerals Report, please contact the Compliance Officer in writing at Level 19, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000. If you are not satisfied with how we respond, you may contact the Australian Financial Complaints Authority at GPO Box 3 Melbourne VIC 3001 or 1800 931 678. This service is provided free of charge.

Grant Samuel holds professional indemnity insurance which satisfies the compensation requirements of the Corporations Act.

Grant Samuel is only responsible for the OZ Minerals Report and this FSG. Complaints or questions about the Disclosure Document should not be directed to Grant Samuel which is not responsible for that document. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.

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Technical terms and other abbreviations used in this report (including the summary letter, the full report and the appendices) have the meanings set out in the Glossary of Technical Terms included as Appendix 1 to this report.

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1 Details of the Scheme

On 22 December 2022, OZ Minerals Limited ("OZ Minerals") announced that it had entered into a scheme implementation deed with BHP Lonsdale Investments Pty Ltd ("BHP"), a wholly owned subsidiary of BHP Group Limited ("BHP Group"), under which BHP agreed to acquire all of the shares in OZ Minerals by way of a scheme of arrangement ("Scheme"). The total cash consideration under the Scheme is \$28.25 per share, less the cash amount of any dividend paid by OZ Minerals on or prior to implementation of the Scheme.

On 22 February 2023, in conjunction with the release of its CY22 financial results, OZ Minerals announced that, prior to the Scheme meeting, the OZ Minerals Board intends to declare a fully franked special dividend of \$1.75 per share. Payment of this special dividend will be conditional on the Scheme becoming effective. Consequently, on the Scheme implementation date (which is expected to be 2 May 2023), OZ Minerals shareholders will receive the fully franked special dividend of \$1.75 per share (from OZ Minerals) and the Scheme consideration of \$26.50 per share (from BHP).

Entry into the scheme implementation deed followed OZ Minerals' announcements:

- on 8 August 2022, that it had received an unsolicited, conditional and non-binding indicative proposal from BHP Group on 5 August 2022 to acquire all of the shares in OZ Minerals for \$25.00 per share in cash by way of a scheme of arrangement ("Initial Proposal"). The OZ Minerals Board unanimously determined that the Initial Proposal significantly undervalued OZ Minerals and, as such, was not in the best interests of shareholders;
- on 18 November 2022, that it had received a revised conditional, non-binding and indicative proposal from BHP Group to acquire all of the shares in OZ Minerals for \$28.25 per share in cash by way of a scheme of arrangement ("Revised Proposal"). The OZ Minerals Board granted BHP the opportunity to conduct due diligence for four weeks on an exclusive basis and to work cooperatively towards entering into a scheme implementation deed with BHP; and
- on 20 December 2022, that BHP Group had completed its due diligence investigations and was willing to proceed with the Revised Proposal and that the exclusivity period with BHP had been extended for an additional week to allow for finalisation and agreement of the scheme implementation deed with BHP.

The Scheme is subject to a number of conditions which are set out in Section 11.6.1 of the Scheme Booklet to be sent by OZ Minerals to its shareholders ("Scheme Booklet") including approval by OZ Minerals' shareholders under Section 411 of the *Corporations Act 2001* (Cth) ("Corporations Act") ("Section 411") and other regulatory approvals. Other elements of the scheme implementation deed include the following:

- OZ Minerals is subject to customary exclusivity obligations, including "no shop", "no talk" and "no due diligence" restrictions (subject to customary fiduciary exceptions). OZ Minerals also has notification obligations in relation to competing proposals and BHP has a matching right in respect of any superior proposal received by OZ Minerals. These provisions apply from 22 December 2022 to the earlier of termination of the scheme implementation deed and 31 August 2023 (or such later date as agreed between OZ Minerals and BHP in writing);
- a break fee of \$95 million may be payable by OZ Minerals or BHP in certain circumstances; and
- OZ Minerals must ensure that no performance rights are in existence on the Scheme record date. The OZ Minerals Board must exercise its discretion to accelerate the vesting of all outstanding performance rights and/or make cash equivalent or substitute payments¹.

¹ Vesting of performance rights does not apply to those issued to executives as long term incentives for the period commencing 1 January 2023, which will lapse on the effective date of the Scheme and BHP will pay relevant executives an amount subject to certain retention criteria.



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The OZ Minerals Board has unanimously recommended that shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of OZ Minerals shareholders. Subject to the same qualifications, each OZ Minerals director intends to vote, or cause to be voted, all shares in which they have a relevant interest in favour of the Scheme.



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2 Scope of the Report

2.1 Purpose of the Report

Under Section 411 the Scheme must be approved by a majority in number (i.e. more than 50%) of each class of shareholders present and voting (either in person or by proxy) at the meeting, representing at least 75% of the votes cast on the resolution. If approved by OZ Minerals shareholders, the Scheme will then be subject to approval by the Federal Court of Australia.

Part 3 of Schedule 8 to the Corporations Regulations prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to Section 411. Part 3 of Schedule 8 requires an independent expert's report in relation to a scheme of arrangement to be prepared when a party to a scheme of arrangement has a prescribed shareholding in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether the scheme of arrangement is in the best interests of shareholders subject to the scheme and must state reasons for that opinion.

Although there is no requirement in the present circumstances for an independent expert's report pursuant to the Corporations Act or the Australian Securities Exchange ("ASX") Listing Rules, the directors of OZ Minerals have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Scheme is in the best interests of OZ Minerals shareholders and to state reasons for that opinion. A copy of the report will accompany the Scheme Booklet to be sent to shareholders by OZ Minerals.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual OZ Minerals shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by OZ Minerals in relation to the Scheme.

Voting for or against the Scheme is a matter for individual shareholders based on their views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

2.2 Basis of Evaluation

There is no legal definition of the expression "in the best interests". However, the Australian Securities & Investments Commission ("ASIC") has issued Regulatory Guide 111 ("RG111") which establishes guidelines in respect of independent expert's reports. RG111 differentiates between the analysis required for control transactions and other transactions. In the context of control transactions (whether by takeover bid, by scheme of arrangement, by the issue of securities or by selective capital reduction or buyback), the expert is required to distinguish between "fair" and "reasonable". A proposal that was "fair and reasonable" or "not fair but reasonable" would be in the best interests of shareholders (being the opinion required under Part 3 of Schedule 8). For most other transactions the expert is to weigh up the advantages and disadvantages of the proposal for shareholders. If the advantages outweigh the disadvantages, a proposal would be in the best interests of shareholders.

The Scheme is economically the same as a takeover offer. Accordingly, Grant Samuel has evaluated the Scheme as a control transaction and formed a judgement as to whether the proposal is "fair and reasonable".



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Fairness involves a comparison of the offer price with the value that may be attributed to the securities that are the subject of the offer based on the value of the underlying businesses and assets. For this comparison, value is determined assuming 100% ownership of the target and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Reasonableness involves an analysis of other factors that shareholders might consider prior to accepting an offer such as:

- the offeror's existing shareholding;
- other significant shareholdings;
- the probability of an alternative offer; and
- the liquidity of the market for the target company's shares.

An offer could be considered "reasonable" if there were valid reasons to accept the offer notwithstanding that it was not "fair".

Fairness is a more demanding criteria. A "fair" offer will always be "reasonable" but a "reasonable" offer will not necessarily be "fair". A fair offer is one that reflects the full market value of a company's businesses and assets. An offer that is in excess of the pre-bid market prices but less than full value will not be fair but may be reasonable if shareholders are otherwise unlikely in the foreseeable future to realise an amount for their shares in excess of the offer price. This is commonly the case where the bidder already controls the target company. In that situation the minority shareholders have little prospect of receiving full value from a third party offeror unless the controlling shareholder is prepared to sell its controlling shareholding.

Grant Samuel has determined whether or not the Scheme is fair by comparing the estimated underlying valuation range of OZ Minerals with the offer price. The Scheme will be fair if it falls within the estimated underlying valuation range. In considering whether the Scheme is reasonable, the factors that have been considered include:

- the existing shareholding structure of OZ Minerals;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of OZ Minerals shares in the absence of the Scheme; and
- other advantages and disadvantages for OZ Minerals shareholders of approving the Scheme.

2.3 Sources of Information

The following information was utilised and relied upon, without independent verification, in preparing this report:

Publicly Available Information

- the Scheme Booklet (including earlier drafts);
- annual reports of OZ Minerals for CY19, CY20 and CY21;
- financial results of OZ Minerals for CY22;
- press releases, public announcements, media and analyst presentation material and other public filings by OZ Minerals including information available on its website;
- brokers' reports and recent press articles on OZ Minerals and the copper, nickel and gold sectors;



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- sharemarket data and related information (including public releases) on Australian and international listed companies engaged in the copper, nickel or gold sectors and on acquisitions of companies and businesses in these sectors; and
- industry statistics and commodity price forecasts published by research houses.

Non Public Information provided by OZ Minerals

- life of mine plans for Prominent Hill, Carrapateena, West Musgrave and Carajás East;
- feasibility study for West Musgrave;
- corporate models for OZ Minerals;
- studies and technical information relating to OZ Minerals' assets;
- management reports and strategy documents;
- 2023 Business Plan ("CY23 Plan") prepared by OZ Minerals management; and
- other confidential documents, board papers, presentations and working papers.

In preparing this report, representatives of Grant Samuel visited Prominent Hill and Carrapateena. Grant Samuel has also held discussions with, and obtained information from, senior management of OZ Minerals and its advisers.

2.4 Limitations and Reliance on Information

Grant Samuel believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process employed and the conclusions reached. Any attempt to do so could lead to undue emphasis on a particular factor or analysis. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

Grant Samuel's opinion is based on economic, sharemarket, business trading, financial and other conditions and expectations prevailing at the date of this report. These conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, the opinion could be different in these changed circumstances.

This report is also based upon financial and other information provided by OZ Minerals and its advisers. Grant Samuel has considered and relied upon this information. OZ Minerals has represented in writing to Grant Samuel that to its knowledge the information provided by it was then, and is now, complete and not incorrect or misleading in any material respect. Grant Samuel has no reason to believe that any material facts have been withheld.

The information provided to Grant Samuel has been evaluated through analysis, inquiry and review to the extent that it considers necessary or appropriate for the purposes of forming an opinion as to whether the Scheme is in the best interests of OZ Minerals shareholders. However, Grant Samuel does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose. While Grant Samuel has made what it considers to be appropriate inquiries for the purposes of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to, for example, prospectuses or profit forecasts, is beyond the scope of an independent expert. Grant Samuel is not in a position, nor is it practicable to undertake its own "due diligence" investigation of the kind undertaken by accountants, lawyers and other advisers.

Accordingly, this report and the opinions expressed in it should be considered more in the nature of an overall review of the anticipated commercial and financial implications rather than a comprehensive audit or investigation of detailed matters.



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An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of OZ Minerals. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years (except where noted).

AMC Consultants Pty Ltd ("AMC") was appointed as technical specialist to review the operations and exploration assets of OZ Minerals for Grant Samuel. The information provided to Grant Samuel and AMC included geological data, mine development plans, operating models and feasibility studies for OZ Minerals' key assets. OZ Minerals is responsible for the information contained in the mine development plans, forecasts and feasibility studies (the "forward looking information"). Grant Samuel and AMC have considered and, to the extent deemed appropriate, relied on this information for the purpose of their analysis.

AMC conducted a detailed review of the significant assumptions and technical factors underlying the forward looking information provided by OZ Minerals to AMC and Grant Samuel. This process included reviews of the basis on which mineral resources and ore reserves² have been estimated, development plans and production profiles, expected future operating, capital and rehabilitation costs, likely future copper, nickel, gold and silver recovery rates, potential for the conversion of resources to reserves and the potential to mine mineralisation not currently in reserves (reserve extensions), environmental factors and such other reviews as AMC deemed appropriate. Having regard to these reviews, AMC made its own independent judgements regarding the technical assumptions that can reasonably be adopted for the purpose of the valuation of OZ Minerals' assets ("technical valuation assumptions"). AMC also prepared valuations of OZ Minerals' exploration interests. The report prepared by AMC is attached to and forms part of this report (see Appendix 5).

On the basis of the information provided to Grant Samuel and AMC, and the review conducted by Grant Samuel and AMC of this information, Grant Samuel and AMC have concluded that the forward looking information was generally prepared appropriately and accurately based on the information available to management at the time and within the practical constraints and limitations of the forward looking information. Grant Samuel and AMC have concluded that the forward looking information does not reflect any material bias, either positive or negative. Grant Samuel has no reason to believe otherwise. Where AMC or Grant Samuel believed the OZ Minerals forward looking production profiles or costs were not appropriate then the production profiles or costs were modified by AMC. However, the achievability of the forward looking information is not warranted or guaranteed by Grant Samuel. Future profits and cash flows are inherently uncertain. They are predictions by management of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of the company or its management. Actual results may be significantly more or less favourable. Moreover, the forward looking information provided by OZ Minerals was not originally generated for, and may not be appropriate in the context of, a valuation of the assets of OZ Minerals.

As part of its analysis, Grant Samuel has developed cash flow models on the basis of the technical valuation assumptions deemed appropriate by AMC. Grant Samuel has reviewed the sensitivity of net present values ("NPV") calculated from these cash flow models to changes in key variables. The analysis isolates a limited number of assumptions and shows the impact of the expressed variations to those assumptions. No opinion is expressed as to the probability or otherwise of those expressed variations occurring. Actual

² The reporting of mineral resources and ore reserves is defined under the JORC Code. For the purposes of this report, "resources" and "mineral resources" are used interchangeably (and likewise, "reserves" and "ore reserves").

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variations may be greater or less than those modelled. In addition to not representing best and worst outcomes, the sensitivity analysis does not, and does not purport to, show the impact of all possible variations to the business model. The actual performance of the business may be negatively or positively impacted by a range of factors including, but not limited to:

- variations to the assumptions other than those considered in the sensitivity analysis;
- greater or lesser variations to the assumptions considered in the sensitivity analysis than those modelled; and
- combinations of different variations to a number of different assumptions that may produce outcomes different to the combinations modelled.

In forming its opinion, Grant Samuel has also assumed that:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the assessments by OZ Minerals and its advisers with regard to legal, regulatory, tax and accounting matters relating to the Scheme are accurate and complete;
- the information set out in the Scheme Booklet sent by OZ Minerals to its shareholders is complete, accurate and fairly presented in all material respects;
- the publicly available information relied on by Grant Samuel in its analysis was accurate and not misleading;
- the Scheme will be implemented in accordance with its terms; and
- the legal mechanisms to implement the Scheme are correct and will be effective.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue.



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3 Profile of OZ Minerals

3.1 Overview

Background

OZ Minerals was formed in July 2008 following the merger of Zinifex Limited ("Zinifex") and Oxiana Limited ("Oxiana"). Zinifex was an Australian zinc mining and exploration company. Its operating assets were the Century zinc mine in Queensland and the Rosebery zinc-lead mine in Tasmania and it also had development projects and exploration interests in Australia, Canada, China, Mexico, Sweden and Tunisia. Oxiana was an Australian mining and exploration company that owned and operated the Sepon copper/gold mine in Laos and the Golden Grove base and precious metals mine in Western Australia. At the time of the merger, Oxiana's Prominent Hill copper-gold project in South Australia was under construction (with production expected to commence in the fourth quarter of 2008) and Oxiana had announced the decision to develop the Martabe gold project in Indonesia. The merger created Australia's third largest diversified mining company by market capitalisation and the world's second largest zinc producer as well as a significant producer of copper, lead, gold and silver.

Following the merger, OZ Minerals faced a substantial decline in copper and zinc prices and a sharp contraction in the availability of credit, at the same time that it was constructing and commissioning the Prominent Hill mine, constructing the Martabe project and undertaking a substantial waste removal program at the Century mine. After being unable to negotiate the refinance of certain of its debt facilities that were due for renewal in November 2008, OZ Minerals' shares were placed in a trading halt as it pursued a number of activities to secure its financial position.

In February 2009, OZ Minerals announced a cash takeover offer from China Minmetals Non-ferrous Metals Co., Ltd ("Minmetals"), but the Australian Government determined that, pursuant to the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the takeover offer could not be approved if it included Prominent Hill (given its proximity to the Woomera defence facility). OZ Minerals subsequently reached agreement for the sale of various assets to Minmetals for US\$1,386 million³ (including its interests in the Century, Rosebery, Sepon and Golden Grove mines, early stage development projects in Canada and various exploration tenements). OZ Minerals retained the Prominent Hill mine, investments in a number of listed companies and certain gold exploration interests in Cambodia and Thailand. OZ Minerals also entered into an agreement to sell the Martabe project to China Sci-Tech Holdings Limited for US\$211 million. Following completion of these transactions, OZ Minerals repaid all of its bank debt facilities and had a cash balance in excess of US\$575 million.

Over the following decade, OZ Minerals' strategy aimed to build a portfolio with multiple mining assets focussed in the copper sector and a pipeline of opportunities. In particular:

- OZ Minerals acquired the Carrapateena copper-gold project in South Australia for US\$250 million in May 2011 (with further payments of up to US\$75 million to be made upon commercial production being reached). Pre-feasibility studies were completed in August 2014 and November 2016, Board approval was received for construction of the mine in August 2017 and construction was completed and the first concentrate was produced in December 2019;
- OZ Minerals entered into a joint venture with ASX listed Cassini Resources Limited ("Cassini") in August 2016 under which OZ Minerals could earn a 70% interest in the West Musgrave copper-nickel project in Western Australia by sole funding a minimum of \$36 million on development and exploration expenditure (achieved in April 2019). A pre-feasibility study was completed in February 2020. In October 2020, OZ Minerals completed the acquisition of Cassini, taking its ownership of the

³ An increase of US\$180 million on the original offer price of US\$1,206 million following the receipt by OZ Minerals of competing recapitalisation proposals.

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West Musgrave project to 100%. Final investment approval for development of the West Musgrave project was received from the OZ Minerals Board in September 2022;

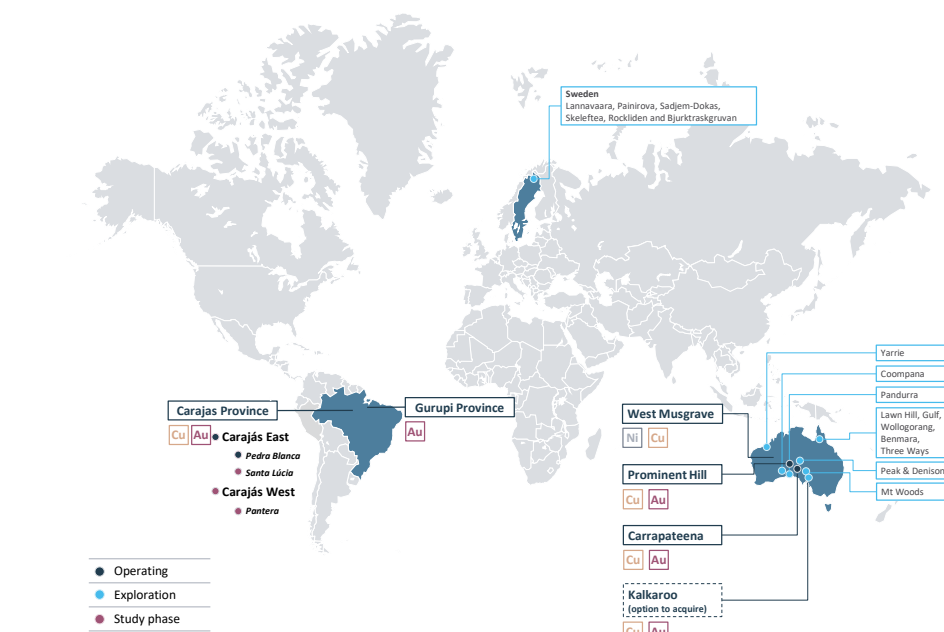
- OZ Minerals successfully completed a \$430 million cash and scrip takeover of Avanco Resources Limited ("Avanco") in July 2018. Avanco was an ASX listed Brazilian copper-gold mining company that owned:
 - the second largest land holding (~1,800km²) in the Carajás province (including the Antas mine and the Pedra Branca project and an option to acquire the Pantera project); and
 - CentroGold, an open pit gold project comprising ~1,370km² of tenements in the Gurupi gold province; and
- in August 2022, the shareholders of ASX listed Havilah Resources Limited ("Havilah") approved the grant of an 18 month option for OZ Minerals to acquire the Kalkaroo project in South Australia (extended by an additional two months as of 25 January 2023), for \$205 million and a strategic alliance between OZ Minerals and Havilah. The Kalkaroo project is at the pre-feasibility stage and is potentially one of Australia's largest undeveloped open pit copper-gold deposits.

Mineral Assets

OZ Minerals is the largest copper focussed company listed on the ASX, with a market capitalisation of \$6.3 billion (prior to receipt of the Initial Proposal). OZ Minerals operates the Prominent Hill and Carrapateena copper-gold mines in South Australia and the Pedra Branca copper mine in the Carajás East province in Brazil. It also owns the CentroGold project in the Gurupi province in Brazil. OZ Minerals has commenced development of the West Musgrave copper-nickel project in Western Australia and continues to progress exploration activity with its partners in Australia, Brazil and Sweden, including an option to acquire the Kalkaroo copper-gold project in South Australia.

The following map shows the location of OZ Minerals' mineral assets:

OZ MINERALS – LOCATION OF MINERAL ASSETS



Source: OZ Minerals

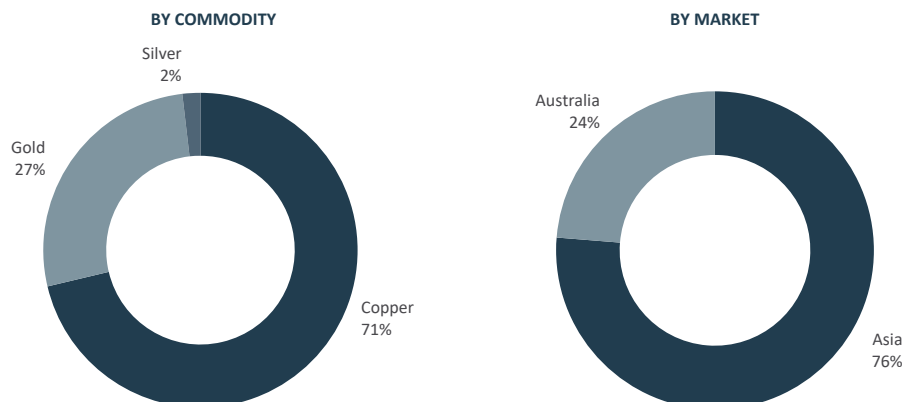
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While OZ Minerals is a copper focussed company, it also produces gold and silver as by-products. These commodities are primarily sold into Asian markets:

OZ MINERALS – CONTRIBUTION TO CY22 NET REVENUE



Source: OZ Minerals

Copper concentrates produced by OZ Minerals are sold into domestic and international markets, particularly to copper smelters across Asia. Due to the high copper content of OZ Minerals' concentrates particularly from Prominent Hill and the low level of impurities (albeit with some deleterious materials) in the concentrates from both Prominent Hill and Carrapateena, OZ Minerals' production is highly attractive to buyers because of its ability to be used effectively in blending, optimising smelter feed. While individual contract terms and durations vary, the majority of contracts are for around 3-5 years and can include options for extensions. In CY22, the top three customers represented 92% of net revenue (93% in CY21).

Resources and Reserves

OZ Minerals' reported mineral resources and ore reserves are summarised below:

OZ MINERALS – REPORTED RESOURCES AND RESERVES^{4,5}

	TOTAL RESOURCES			TOTAL RESERVES		
	COPPER (KT)	GOLD (KOZ)	NICKEL (KT)	COPPER (KT)	GOLD (KOZ)	NICKEL (KT)
AUSTRALIA						
Prominent Hill	1,600	4,500	-	610	1,400	-
Carrapateena	5,620	8,100	-	2,000	2,600	-
West Musgrave	2,243	-	1,200	920	-	840
Total Australia	9,463	12,600	1,200	3,530	4,000	840
BRAZIL						
Carajás East	427	330	-	190	133	-
Carajás West	250	110	-	-	-	-
Gurupi Province	-	2,277	-	-	1,100	-
Total Brazil	677	2,717	-	190	1,233	-
Total OZ Minerals	10,140	15,317	1,200	3,720	5,233	840

Source: OZ Minerals and Grant Samuel analysis

⁴ Mineral resources are inclusive of mineral reserves. Numbers may not add up due to rounding and are reported on a 100% basis.

⁵ Reserve and resource statements for each of OZ Minerals' assets are based on the latest reported dates. With the exception of West Musgrave (23 September 2022) and Pantera (1 October 2022), all resource and reserve statements are based on 30 June 2022 reported figures. Not adjusted for depletion.



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The majority of OZ Minerals' mineral resources and ore reserves are attributable to the Prominent Hill and Carrapateena copper-gold projects, with more modest contributions from OZ Minerals' Brazilian operations. West Musgrave is the company's first major nickel development.

Strategic Positioning

OZ Minerals' mission is to produce "modern minerals" from a portfolio of long life, low cost mines located in safe and stable countries. The corporate philosophy underpinning this mission has two core elements:

- OZ Minerals seeks to create value for all stakeholders (shareholders, suppliers, employees, communities, customers and governments), believing that only when it creates value for all of its stakeholders will it be successful and sustainable. In particular, this approach defines its relationships with the traditional landowners and is a key differentiator for OZ Minerals; and
- a "bias for action" with a focus on agility and speed of execution and an acceptance that while there is inevitably an increase in risk, this can be mitigated through rigorous planning and management, systematisation of operational disciplines and collaboration.

These two elements are mutually reinforcing. For example, the positive relationships with traditional owners have enabled projects to be advanced more rapidly than otherwise. In turn, this creates benefits for all stakeholders by bringing forward value creation which enhances the relationships.

Key policies and practices in achieving these objectives include:

- a decentralised business model. Each significant mine site has its own finance, human resources, health and safety (within group standards) and traditional owner relationship management capability. Site managers are also responsible for all brownfield developments. OZ Minerals believes that the devolved authority and accountability under this model are fundamental to both stakeholder relationships and the speed of execution and outweigh any incremental operating costs;
- a commitment to sustainability. OZ Minerals has a Decarbonisation Roadmap to achieve a 50% reduction in scope 1 emissions by 2027, net zero scope 1 and scope 2 emissions by 2030 and to systematically reduce scope 3 emissions. All new assets or acquisitions are required to have a Decarbonisation Plan to reach at least net zero scope 1 and scope 2 emissions as part of a final investment decision; and
- accountability. OZ Minerals publishes annual stakeholder value creation metrics to measure and report its performance on how it is creating value for stakeholders.

Further details on OZ Minerals' strategy and its aspirations are set out in Section 7.3 of the Scheme Booklet.



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3.2 Financial Performance

Historical Financial Performance

The historical financial performance of OZ Minerals for CY19 to CY22 is summarised below:

OZ MINERALS – FINANCIAL PERFORMANCE (\$ MILLIONS)

	CY19 ACTUAL	CY20 ACTUAL	CY21 ACTUAL	CY22 ACTUAL
Copper produced (t)	109,289	97,620	125,486	124,065
Copper sold (t)	111,342	95,305	125,348	122,398
Gold produced (oz)	128,874	257,987	237,263	211,147
Gold sold (oz)	131,656	239,003	250,513	210,273
C1 cost (US cents/lb) ⁶	66.9	(3.5)	64.2	130.0
AISC (US cents/lb) ⁶	111.0	56.9	134.3	187.9
Net revenue⁷	1,107.0	1,342.0	2,095.8	1,920.8
Operating EBITDA	499.0	650.2	1,195.5	754.4
Unallocated corporate costs	(36.6)	(43.9)	(33.1)	(61.7)
EBITDA	462.4	606.3	1,162.4	692.7
Net depreciation ⁸	(228.9)	(283.4)	(366.7)	(347.1)
EBIT	233.5	322.9	795.7	345.6
Net finance costs ⁹	(4.9)	(27.1)	(39.1)	(35.4)
Income tax expense	(64.7)	(83.2)	(225.9)	(102.9)
NPAT attributable to OZ Minerals shareholders	163.9	212.6	530.7	207.3
STATISTICS				
Basic earnings per share	50.7c	65.2c	159.6c	62.0c
Dividends per share	23c	25c	34c	8c ¹⁰
Dividend payout ratio	45%	39%	21%	13% ¹⁰
Amount of dividend franked	100%	100%	100%	100%
Net revenue growth	-1%	+21%	+56%	-8%
EBITDA growth	-14%	+31%	+92%	-40%
EBIT growth	-25%	+38%	+146%	-57%
EBITDA margin	42%	45%	55%	36%
EBIT margin	21%	24%	38%	18%
Effective tax rate	28%	28%	30%	33%

Source: OZ Minerals and Grant Samuel analysis

OZ Minerals reported substantial growth in revenue and earnings over the period from CY19 to CY21 primarily due to the:

⁶ C1 costs and AISC are both industry accepted measures of the operating cost of producing a unit of metal. C1 cost is defined as the cash cost per unit of extracting and processing the metal product (i.e. copper) to a condition in which it may be delivered to customers net of any by-product credits from the concentrates sold. AISC is viewed as the "true" cost of mining and includes C1 costs as well as any other non-discretionary sustaining costs (e.g. corporate overheads and ongoing maintenance costs).

⁷ OZ Minerals' sale of concentrate incurs customary treatment and refining charges and other commercial costs consistent with industry practice. These items are a deduction from the value of metal contained within the concentrate and are accordingly recognised as a deduction in calculating net revenue.

⁸ Net depreciation includes depreciation of property, plant and equipment, depreciation of AASB16 leases and capitalised depreciation into inventory.

⁹ Net finance costs include interest expense on AASB16 leases.

¹⁰ The CY22 dividend of 8 cents per share represents the interim dividend paid in September 2022. OZ Minerals has not declared a final dividend for CY22. The proposed special dividend of \$1.75 per share has been excluded from this table as it forms part of the overall Scheme consideration.

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- commissioning and ramp up of Carrapateena (which produced its first saleable concentrate in December 2019 and completed its ramp up to full production of 4.25Mtpa of ore mined by November 2020, six months earlier than originally anticipated). CY20 was Carrapateena's first full year of production; and
- substantial increase in the copper price over CY20 and the very high copper price during all of CY21.

There was a slight decline in net revenue in CY19 reflecting a combination of lower copper and gold sales, a higher gold price, realised losses on gold hedges and lower treatment costs and refining charges. The greater reduction in earnings resulted from an increase in freight and site administration costs from a full year of operating the Antas mine (acquired in July 2018), higher exploration expense (at Carrapateena and in Brazil) and higher corporate development and other corporate costs.

Despite a decline in copper volumes in CY20, net revenue increased by 21% on the back of significantly higher gold volumes and gold prices, as well as an increasing copper price. EBITDA increased by 31%, with the increase in production costs (from the commencement of production and the ramp up at Carrapateena and a higher proportion of underground ore at Prominent Hill) and higher corporate costs more than offset by reduced exploration and corporate development activity in response to COVID-19 restrictions and a write-up in the net realisable value of inventory due to higher gold price assumptions.

The substantial growth in revenue (56% growth) and EBITDA (92% growth) in CY21 was driven by a combination of higher commodity prices (\$471.8 million impact) and sales volumes (\$291.7 million impact) particularly for copper, offset in part by an increase in production costs (volume and non-volume related, across mining, processing and freight) as well as inventory net realisable value write downs. The high copper prices translated to considerably higher margins, with the EBITDA margin increasing from 42-45% in CY19 and CY20 to 55% in CY21. Margins were also supported by higher net by-product credits from gold (which saw contained metal in concentrate increase over a period of rising gold prices) mitigating some of the cost pressures from higher energy costs and mine development expense. The positive effect of higher gold credits was particularly significant in CY20 as OZ Minerals' C1 cash costs per unit of copper turned negative during the year.

CY22 was a more challenging year, with revenue and earnings in the first half affected by extended COVID-19 related absenteeism, one-off weather and equipment interruptions as well as productivity impacts. Sale volumes and copper prices were also lower than in CY21 and earnings were reduced by higher production costs (due to the issues in the first half as well as general inflationary pressures, particularly higher prices for consumables such as electricity, and additional labour and equipment needed for production optimisation) and exploration expenditure (including payments relating to the Carajás Hub, the ramping up of activity following an easing of COVID-19 restrictions to some tenements and expenditure on Kalkaroo following the Havilah transaction).

Under OZ Minerals' decentralised business model, approximately \$30 million of corporate costs were allocated to OZ Minerals' business operations in CY22¹¹. Unallocated corporate costs represent OZ Minerals' group office (which includes all corporate expenses that cannot be directly attributed to the operation of OZ Minerals' business operations) and treasury activities. Unallocated corporate costs increased substantially in CY22 mainly due to the general market increase in insurance premiums and costs related to the Initial Proposal, the Revised Proposal and the Scheme.

Net depreciation increased over the period from CY19 to CY21 as a result of the ramp up of Carrapateena (part year of depreciation in CY20 and first full year of depreciation in CY21). In CY21 there was also a substantial increase in depreciation of right-of-use assets as a result of new Prominent Hill underground services and power infrastructure contracts entered into during CY20. Net depreciation was lower in CY22 reflecting reduced production at Prominent Hill, offset in part by increased depreciation in the Carajás.

¹¹ \$11.2 million to Prominent Hill, \$14.1 million to Carrapateena and \$4.7 million to Carajás.

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In CY19 and CY20, OZ Minerals' effective tax rate was 28%. It increased to 30% in CY21 and 33% in CY22 due to lower utilisation of previously unrecognised tax losses (CY21 and CY22) and higher non-deductible expenses (CY22).

OZ Minerals' capital management framework includes paying sustainable dividends from pre-growth cash flow, after taking into consideration short term identified capital investment opportunities and maintaining a strong balance sheet. This framework has resulted in a steady increase in dividends, from 23 cents per share in CY19 to 34 cents per share in CY21. The CY21 dividend included a special dividend of 8 cents per share paid in September 2021 following the significant uplift in first half of CY21 profit prior to the next growth phase. The CY22 dividend of 8 cents per share excludes the special dividend of \$1.75 that the OZ Minerals Board intends to declare prior to the Scheme meeting.

Outlook

OZ Minerals has not publicly released earnings forecasts for CY23. However, in conjunction with the release of its 2022 Fourth Quarter Report on 30 January 2023 and its CY22 financial results on 22 February 2023, OZ Minerals provided the following CY23 guidance:

- 120,000-143,000 t of copper production;
- 191,000-213,000 oz of gold production;
- C1 costs of 133-153 US cents/lb;
- AISC of 187-207 US cents/lb;
- \$92-121 million of sustaining capital expenditure;
- \$1,216-1,391 million of growth capital expenditure (including \$625-725 million at West Musgrave);
- \$20-30 million of exploration expenditure;
- \$90-100 million of project studies to next stage gate expenditure (of which ~70% is expected to be expensed in CY23); and
- net depreciation of \$330-380 million.

OZ Minerals does not provide guidance in relation to net revenue or earnings. In the absence of publicly released detailed earnings forecasts for CY23, Grant Samuel has considered brokers' forecasts for OZ Minerals (see Appendix 3). While these forecasts are sensitive to assumptions as to future commodity prices and exchange rates, they provide an indication of the expected future financial performance of OZ Minerals:

OZ MINERALS – FORECAST FINANCIAL PERFORMANCE (\$ MILLIONS)

	CY22 ACTUAL	CY23 BROKER CONSENSUS (AVERAGE)
Net revenue	1,920.8	2,137.3
EBITDA	692.7	863.6

Source: Grant Samuel analysis (see Appendix 3)

The CY23 guidance provided by OZ Minerals underlies the CY23 Plan which is consistent with the average consensus brokers' forecasts shown above.

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3.3 Financial Position

The financial position of OZ Minerals at 31 December 2022 is summarised below:

OZ MINERALS – FINANCIAL POSITION (\$ MILLIONS)

	AT 31 DECEMBER 2022 ACTUAL
Trade receivables and prepayments	327.2
Inventories (current)	289.2
Trade payables and accruals	(326.9)
Net working capital	289.5
Property, plant and equipment (net)	4,339.2
Right-of-use assets	739.8
Exploration assets	58.9
Inventories (non-current)	69.9
Deferred tax liabilities (net)	(496.8)
Provisions	(164.4)
Other assets and liabilities (net)	85.0
Total capital employed	4,921.1
Cash and cash equivalents	136.7
Borrowings	(390.6)
Net borrowings (excluding lease liabilities)	253.9
Lease liabilities	(754.6)
Net borrowings (including lease liabilities)	(1,008.5)
Equity attributable to OZ Minerals shareholders	3,912.6
STATISTICS	
Shares on issue at period end (million)	334.9
Net assets per share	\$11.68
Gearing ¹²	6.1%

Source: OZ Minerals and Grant Samuel analysis

Due to the capital intensive nature of OZ Minerals' operations, the majority of its capital is deployed in long term fixed assets and liabilities, including:

- property, plant and equipment, which represents just under 90% of total capital employed. These assets primarily represent OZ Minerals' investment in mine properties and development and associated plant and equipment¹³;
- right-of-use assets, which are primarily powerline infrastructure as well as mining equipment leases included in mining service contracts and office space;
- exploration assets, which represent capitalised exploration and evaluation expenditure (which is expected to be recouped through successful development of the area of interest) or acquired exploration assets; and
- provisions for mine rehabilitation, restoration and dismantling obligations (measured at the present value of the best estimate of the expenditure required to settle the present obligation at 31 December 2022)¹⁴.

¹² Gearing is calculated as net borrowing (excluding leases) divided by (net borrowings (excluding leases) plus net assets).

¹³ Property, plant and equipment also includes mineral rights of approximately \$360 million (net of foreign currency exchange differences and before taxes) which is attributable to the Gurupi province. Mineral rights are reclassified as mine property and development once mine development commences.

¹⁴ Provisions in the financial position table also include employee benefits although these represent only around 20% of total provisions.

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OZ Minerals' borrowings consist of two bank debt facilities:

OZ MINERALS – NET BORROWINGS AT 31 DECEMBER 2022 (\$ MILLIONS)

FACILITY	FACILITY SIZE	AMOUNT DRAWN	TERM/MATURITY
Revolving debt facility	700.0	(375.0)	May 2027
Syndicated term loan facility	1,200.0	(15.6)	April 2024
Total borrowings	1,900.0	(390.6)	
Cash and cash equivalents		136.7	
Net borrowings (excluding lease liabilities)		(253.9)	

Source: OZ Minerals

The \$700 million revolving debt facility is a corporate debt facility used for working capital purposes (increased from \$483 million in May 2022).

Capitalised borrowing costs associated with the revolving debt facility of around \$3.7 million are recorded as prepayments in OZ Minerals' balance sheet (and are amortised over the five year term of the facility).

OZ Minerals entered into a new \$1.2 billion, 18 month syndicated term loan facility in October 2022 to support the development of West Musgrave. The syndicated debt facility allowed OZ Minerals to commence development of the project while determining the final funding mix, which may come from a range of sources (including existing debt facilities, long term infrastructure leases and the potential to sell a minority interest in the project to a strategic partner as part of a strategic alliance). Peak funding for West Musgrave is not expected to occur until 2024.

Other assets and liabilities include investments in listed equity securities which at 31 December 2022 had a market value of \$5.4 million. OZ Minerals has confirmed that there are no other material non-trading assets or liabilities on the balance sheet at 31 December 2022.

OZ Minerals does not make use of derivative financial instruments to hedge foreign exchange risks arising from normal operations and has a current policy of not hedging its commodity exposure. In particular, OZ Minerals:

- aims to realise average copper prices which are materially consistent with the prevailing average market prices for the same period, managing uneven exposure to price by managing shipment schedules; and
- settled all residual gold forward contracts during CY21.

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3.4 Cash Flow

OZ Minerals' cash flow for CY19 to CY22 is summarised below:

OZ MINERALS – CASH FLOW (\$ MILLIONS)

	CY19 ACTUAL	CY20 ACTUAL	CY21 ACTUAL	CY22 ACTUAL
EBITDA	462.4	606.3	1,162.4	692.7
Changes in working capital and other adjustments	88.3	10.4	(5.9)	58.5
Income tax paid	(44.1)	(43.8)	(145.6)	(68.2)
Net financing costs	4.0	(22.5)	(39.9)	(35.4)
Operating cash flow	510.6	550.4	971.0	647.6
Capital expenditure (net)	(737.7)	(545.9)	(571.8)	(849.8)
Payments for exploration assets	(26.2)	(17.3)	(72.4)	(92.2)
Dividends paid	(74.3)	(73.2)	(80.8)	(78.6)
Lease payments	(47.3)	(55.2)	(76.0)	(87.5)
Other	-	43.0	14.0	(9.0)
Net cash generated/(used)	(374.9)	(98.2)	184.0	(469.5)
<i>Net cash/(borrowings) (excluding lease liabilities) – opening</i>	<i>505.1</i>	<i>134.0</i>	<i>31.7</i>	<i>215.4</i>
<i>Foreign exchange impact¹⁵</i>	<i>3.8</i>	<i>(4.1)</i>	<i>(0.3)</i>	<i>0.2</i>
<i>Net cash/(borrowings) (excluding lease liabilities) – closing</i>	<i>134.0</i>	<i>31.7</i>	<i>215.4</i>	<i>(253.9)</i>

Source: OZ Minerals and Grant Samuel analysis

Sustaining capital expenditure (i.e. capital expenditure required to maintain existing activities) has been relatively modest over the past four years, although it has increased from around 6% of total capital expenditure in CY19 and CY20 (\$32-46 million per annum) to 14-15% of total capital expenditure in CY21 and CY22 (\$82-127 million) following the commissioning of Carrapateena in December 2019. Consequently, OZ Minerals' strong operating cash flows have been more than sufficient to meet sustaining capital expenditure and lease payments.

Over the past four years, operating cash flows after sustaining capital expenditure and lease payments, along with OZ Minerals' existing cash balances have largely been reinvested into growth projects predominantly at Carrapateena (construction), Prominent Hill (mine development), the West Musgrave project and, to a lesser extent, at the Carajás East Hub. The substantial increase in capital expenditure in CY22 was attributable to investments in the expansion projects at Carrapateena (block cave declines) and Prominent Hill (shaft mine) and the commencement of development at West Musgrave. Relatively small amounts have been invested in exploration, although this expenditure has increased in CY21 and CY22 following the completion of construction at Carrapateena and as OZ Minerals commenced its next growth phase.

Dividends paid have remained reasonably consistent despite the increase in dividends per share over the period, due to the timing of dividend payments and participation by shareholders in OZ Minerals' dividend reinvestment plan. The increase in dividends paid in CY21 was related to the special dividend paid during that calendar year.

Other cash receipts represent net proceeds from the sale of pre-commissioning concentrates from Carrapateena (in CY20) and proceeds from the sale of or payments for equity investments (in CY21 and CY22).

OZ Minerals had a net cash position (before leases) from CY19 to CY21, with depletion of cash in CY19 and CY20 reversed by the very strong operating cash flows generated in CY21. A return to a more normal level

¹⁵ Effects of foreign exchange rate changes on foreign currency denominated cash balances.

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of operating cash flow in CY22, along with the increased investment in growth capital expenditure, has resulted in OZ Minerals having a net borrowings position at 31 December 2022.

3.5 Taxation Position

Under the Australian tax consolidation regime, OZ Minerals and its wholly owned Australian resident entities have elected to be taxed as a single entity.

At 31 December 2022, OZ Minerals had carried forward unrestricted income tax losses of \$8.8 million (tax effected) and carried forward restricted income tax losses of \$184.3 million (tax effected), of which \$66.7 million (tax effected) were recognised in the balance sheet. Restricted income tax losses are subject to an available fraction which limits the amount of loss utilisation each year. OZ Minerals expects to utilise these restricted income tax losses over the next 5-6 years (subject to future commodity prices and OZ Minerals' underlying financial performance at the time). In addition, OZ Minerals had carried forward Australian capital losses of \$648.2 million (tax effected).

At 31 December 2022, OZ Minerals had a franking account balance of \$316.3 million. This balance is prior to a \$47.3 million tax receivable following finalisation of OZ Minerals' December 2021 income tax liability and an assessment of its eligibility for a deduction under the temporary full expensing provisions announced in the 2021 Federal Budget. Receipt of this tax receivable will result in a corresponding reduction to the franking account balance.

3.6 Capital Structure and Ownership

Capital Structure

As at the last practicable trading day prior to finalisation of the Scheme Booklet, OZ Minerals has the following securities on issue (see Section 7.7 of the Scheme Booklet):

- 335,515,966 ordinary shares; and
- 2,203,488 performance rights.

OZ Minerals operates a number of incentive arrangements (which are governed by the OZ Minerals Omnibus Incentive Plan Rules), under which a number of performance rights have been issued or granted under one of three categories, including:

- long term incentive offers, under which key executives are granted performance rights. Performance rights have no dividend entitlements or voting rights. However, each performance right entitles the participant to receive one OZ Minerals ordinary share at a future time for nil consideration subject to achievement of performance hurdles, a three year vesting period and, post vesting, are subject to an additional two year holding lock period. In the event of a change of control, the OZ Minerals Board has the discretion to determine that vesting of all or some of the performance rights should be accelerated;
- short term incentive offers, under which key executives may be entitled to a payment based on performance against corporate and individual targets. The payment is structured as a mix of 70% cash and 30% performance rights, with a subsequent two year service period; and
- general performance rights offers, under which permanent employees receive performance rights which are subject to a two year performance and service period.

Under the Scheme, vesting of performance rights does not apply to those issued to executives as long term incentives for the period commencing 1 January 2023, which will lapse on the effective date of the Scheme and BHP will pay relevant executives an amount subject to certain retention criteria. Accordingly, the number of shares on issue on the effective date is expected to be 337,433,342.



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OZ Minerals also operates a dividend reinvestment plan which enables eligible shareholders to reinvest some or all of their dividends in new ordinary shares at a discount determined by the OZ Minerals Board. The plan operated for the CY20 interim dividend and the CY21 dividends but was suspended for the CY22 interim dividend.

Ownership

OZ Minerals has more than 43,000 registered shareholders. The ten largest registered shareholders represent approximately 80% of the ordinary shares on issue and are principally institutional nominee companies. In contrast, the top ten beneficial shareholders represent around 26% of ordinary shares on issue. OZ Minerals has a significant retail investor base with the vast majority of registered shareholders classified as retail although this represents less than 20% of shares on issue.

OZ Minerals has received notices from the following substantial shareholders:

OZ MINERALS – SUBSTANTIAL SHAREHOLDERS

SHAREHOLDER	DATE	NUMBER OF SHARES	PERCENTAGE ¹⁶
State Street Corporation	25 January 2023	22,052,927	6.59%
BlackRock Group	31 January 2023	17,003,397	5.07%

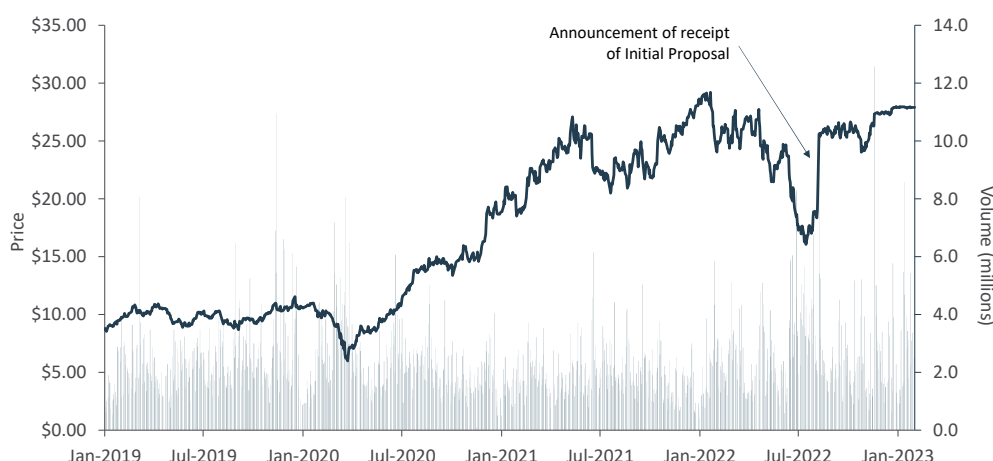
Source: IRESS

3.7 Share Price Performance

Share Price History

The following graph illustrates the movement in the OZ Minerals share price and its trading volumes since 1 January 2019:

OZ MINERALS – SHARE PRICE AND TRADING VOLUME
1 JANUARY 2019 TO 31 JANUARY 2023



Source: IRESS

The volatility in OZ Minerals' share price largely reflects its correlation to the copper price. After trading in a relatively tight range around \$10 throughout CY19, OZ Minerals' shares fell to around \$6 in March 2020 (when the emerging COVID-19 pandemic caused a significant drop in global equity markets). It then

¹⁶ Based on shares on issue at date of notice.

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steadily increased over an extended period to reach a high of \$27.15 in May 2021, largely on the back of strong copper prices and increased production coming on stream. Over the following six months, the share price demonstrated a degree of volatility, but eventually continued its upward trajectory, reaching an all time high of \$29.75 on 13 January 2022 (coinciding with a peak in copper prices). The OZ Minerals share price then declined over the period from March to mid-July 2022 (reflecting a sharp decline in the copper price), reaching a 21 month low of \$15.82 on 15 July 2022 before starting to reverse this trend just prior to announcement of the receipt of the Initial Proposal (as copper prices steadied).

The OZ Minerals share price closed at \$18.92 on 5 August 2022, the last trading day prior to the announcement of receipt of the Initial Proposal. Since announcement of the Initial Proposal (and up to 31 January 2023), OZ Minerals shares have traded in the range \$23.82-28.71, and at a VWAP of \$26.59. This relatively wide post announcement trading range reflects trading in the range:

- \$23.82-27.07 (and a VWAP of \$25.60) from 8 August 2022 to 15 November 2022, the last trading day prior to announcement of receipt of the Revised Proposal;
- \$27.15-28.71 (and VWAP of \$27.67) following announcement of receipt of the Revised Proposal; and;
- \$27.69-28.71 (and a VWAP of \$27.91) following announcement of the Scheme on 22 December 2022.

Liquidity

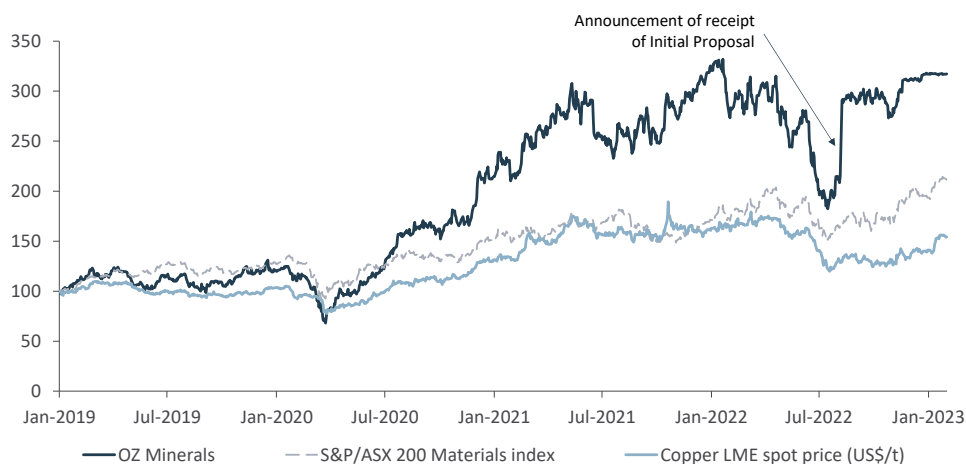
OZ Minerals is a liquid stock with high trading volumes. Average weekly volume over the 12 months prior to announcement of the Initial Proposal represented approximately 3% of average shares on issue or annual turnover of around 173% of total average issued shares. Spikes in trading volumes have generally coincided with significant company announcements (such as announcement of the Carrapateena block cave expansion scoping study in March 2019, updated mineral resource and ore reserve statements in November 2019 and the Prominent Hill expansion study update and promising exploration results in August 2021) or changes in substantial shareholdings.

Relative Performance

The chart below shows the relative performance of OZ Minerals shares against the S&P/ASX 200 Materials index and copper spot prices on the LME from 1 January 2019 (i.e. all rebased to 100 on the same scale):

OZ MINERALS VS S&P/ASX 200 MATERIALS INDEX VS LME COPPER SPOT PRICE

1 JANUARY 2019 TO 31 JANUARY 2023



Source: IRESS and Bloomberg



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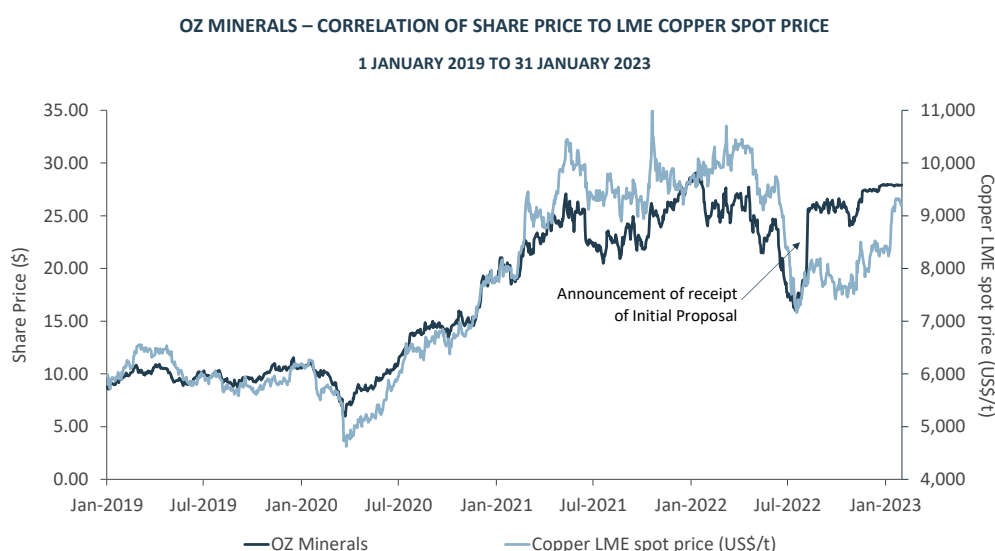


Although there has historically been a close correlation between OZ Minerals' share price and the LME copper spot price, around mid-to late 2020, OZ Minerals' share price considerably outperformed movements in the LME copper spot price. While the LME copper spot price increased by approximately 33% from around US\$6,000/t to as high as almost US\$8,000/t over this period, the OZ Minerals share price more than doubled.

Similarly, there was a substantial decline in the LME copper spot price from early March to mid July 2022 (falling 33% from a high of US\$10,674/t to a low of US\$7,170/t) but an even greater fall in the OZ Minerals share price of over 45%.

However, these accentuated movements largely reflect the impact of operating leverage on the OZ Minerals' share price at a time of significant increase (or decrease) in the LME copper spot price. A given percentage increase in the LME copper spot price has a significantly greater percentage impact on OZ Minerals' earnings which translates into a greater change in its share price.

The chart below shows the relationship between the OZ Minerals share price and the LME copper spot prices with the scales adjusted¹⁷ to neutralise this issue:



Source: IRESS and Bloomberg

This analysis demonstrates that there has in fact been a very tight correlation over the past four years until announcement of the Initial Proposal (even though the OZ Minerals share price would also have been impacted by events such as the ramp up of Carrapateena). However, it should be noted that the OZ Minerals share price did not directly track the copper price at the extremes (high and low). While this analysis is based on a US\$ copper LME spot price, a similar level of correlation is evident when the copper LME spot price is converted to A\$, albeit there is even less direct tracking of the OZ Minerals share price and the copper LME spot price at extremely high copper prices.

¹⁷ The OZ Minerals share price is on a scale from \$0 to \$35 whereas the LME copper spot price is on a scale from US\$4,000/t to US\$12,000/t.

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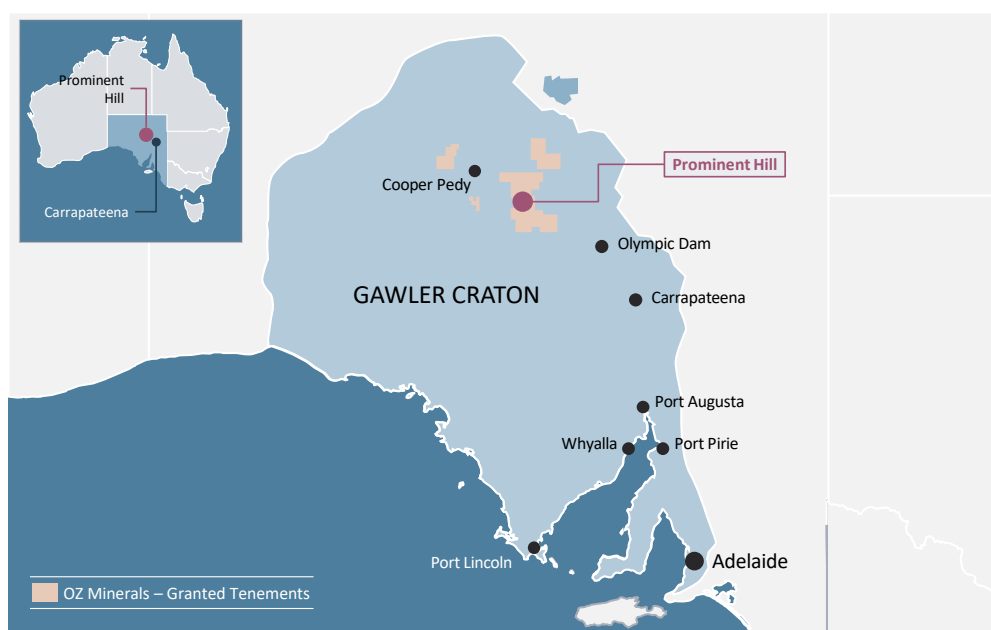
4 Profile of OZ Minerals Assets

4.1 Prominent Hill

Overview

The Prominent Hill mine is the fifth largest copper mine in Australia (based on CY22 copper concentrate production). It is located 650km north-west of Adelaide and 130km south-east of Coober Pedy in the Gawler Craton of South Australia. The following map shows the location of the Prominent Hill mine:

PROMINENT HILL – MINE LOCATION



Source: OZ Minerals

Mineralisation was first discovered at Prominent Hill by Minotaur Resources Limited in 2001. Oxiana acquired an initial 35% interest in the project, subsequently increasing to 65%, by funding exploration and pre-feasibility and feasibility studies. In 2005, Oxiana acquired the remaining interest in the project.

Prominent Hill was initially developed as an open pit mining operation and produced first ore in October 2007 (with first concentrate shipped in April 2009). Mining from the Prominent Hill open pit continued for ten years (through to 2018), with the final pit sitting at approximately 1,500m long and 1,200m wide and an ultimate depth of nearly 500m. The discovery of mineralisation beneath the open pit mine allowed OZ Minerals to extend Prominent Hill's mine life by mining ore underground through the development of the Ankata underground mine which produced first ore in 2012. As the original open pit mine was drawing to completion, OZ Minerals announced a revised mine plan in November 2016 that would build a ROM stockpile through 2018, which would then be progressively processed and wound down between 2018 and 2023.

Today, Prominent Hill is principally an underground mining operation that produces approximately 4Mtpa of ore. The mine is operated on a fly-in/fly-out roster by a third party mining contractor (Byrnes Australia Pty Limited ("Byrnescut")). Mining is undertaken through sublevel open stoping, with mined stopes backfilled with paste. The mined ore is transported by truck to the surface gyratory crusher, before being

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fed into a conventional grinding and flotation processing plant. The current ore feed is sourced from ongoing underground mining operations as well as a predominantly gold-only surface stockpile from the prior open pit mining operations. The resultant concentrate is containerised and delivered via truck to the Port of Adelaide, where it is loaded onto vessels for export to smelters across Asia and Europe (although some of the concentrate is transported by rail to the Mt Isa smelter).

In August 2021, the OZ Minerals Board approved the final investment decision to undertake the \$600 million Wira shaft mine expansion which will extend Prominent Hill's mine life to at least 2038 and increase production rates to 6Mtpa of milled ore (with shaft capacity upgraded to 6.5Mtpa following further project optimisation works and analysis to determine if the upgraded capacity can be fully utilised)¹⁸. Development work for the expansion is expected to be complete by 2025. OZ Minerals continues to explore additional opportunities to extend the Prominent Hill mine life through ongoing drilling programs especially across a number of brownfield exploration targets.

Based on CRU's analysis, Prominent Hill currently has a ranking towards the top of the second quartile of the global copper cost curve (based on AISC). OZ Minerals anticipates that this position will be substantially improved following the completion of the mine expansion project (specifically the installation of the new Wira shaft).

Geology and Mineralisation

The Prominent Hill deposit is located in the Gawler Craton, which covers approximately 600,000km² of South Australia and hosts other copper mining operations (e.g. Olympic Dam and Carrapateena) that also exploit iron oxide copper-gold ("IOCG") deposits. The deposit sits in the Mount Woods Inlier, in the north-eastern portion of the Archaean to Mesoproterozoic Gawler Craton.

The deposit is mainly hosted within hematite-matrix breccia, which contains copper, gold and silver mineralisation as well as fragments of sandstone, siltstone, dolostone and mafic to intermediate volcanic rocks. Copper mineralisation occurs as disseminations of copper sulphides such as chalcocite, bornite and chalcopyrite. Gold mineralisation commonly coincides with copper mineralisation but may also occur independently in gold-only zones of mineralisation.

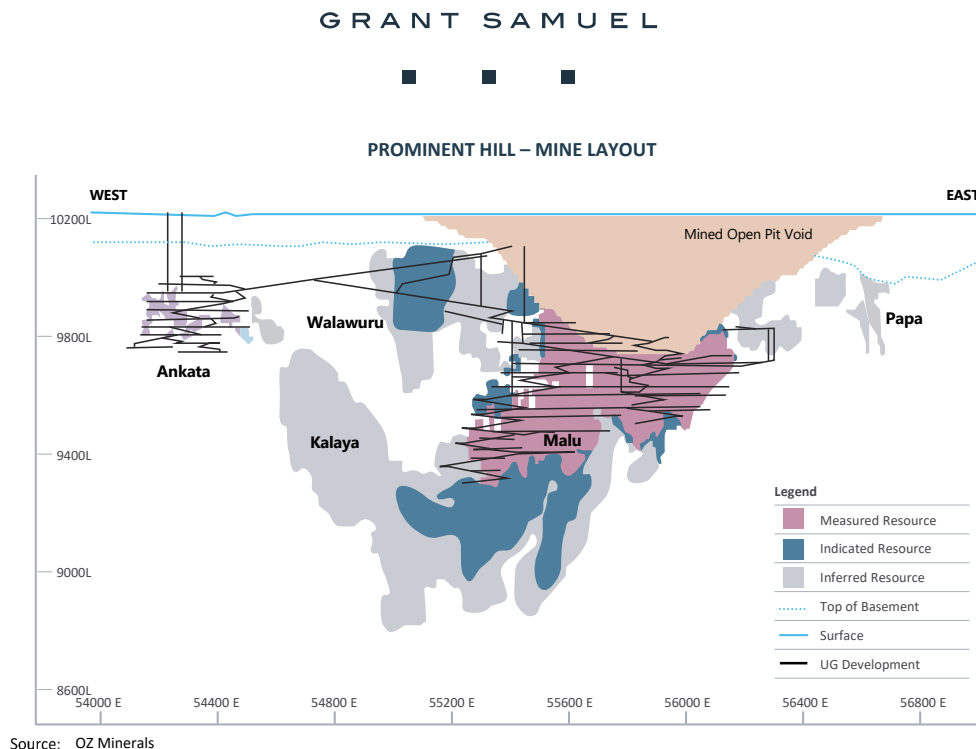
The deposit is located across five main zones:

- Malu, the main mineralised corridor that plunges down from the base of the open pit. Mineralisation that occurred closer to the surface has already been depleted by open pit operations earlier in Prominent Hill's mine life;
- Ankata, an independent zone of mineralisation to the west of Malu relatively close to the surface;
- Kalaya, a zone of mineralisation at depth and directly to the west of Malu;
- Papa, a north-westerly striking envelope of mineralisation that lies approximately 250m to the east of the open pit; and
- Walawaru, a thin, tabular zone of mineralisation along a steeply north dipping fault controlled zone on the western side of the open pit.

The locations of each of the deposits is illustrated in the image below:

¹⁸ Processing capacity is defined as the amount of ROM ore that can be milled (i.e. crushed and processed) in any given year. ROM ore is typically in the form of raw mined ore that has relatively low grades of copper. In contrast, copper production refers to the amount of copper metal contained in the final copper concentrate produced at each of the mine sites. Copper concentrates typically contain anywhere between 20-40% of copper metal.

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Mining

Underground mining at Prominent Hill is by sublevel stoping methods with current mining focused in the upper region of Malu. The Wira shaft mine expansion will unlock new areas of the deposit (i.e. the deep western area of Malu and Kalaya) that extend beyond 1,000m below the surface and sit outside the perimeters of the existing operations. The expansion is expected to increase mining rates and copper production and extend Prominent Hill's mine life by at least three years (to 2038). Mining in this new area will involve:

- sublevel open stoping with paste backfill;
- the development of ore passes with truck loading chutes on a dedicated trucking horizon;
- truck haulage of ore from the ore base to the underground crushing and shaft infrastructure;
- primary underground crushing;
- lifting of the crushed ore to the surface via the new vertical hoisting shaft; and
- carrying crushed ore to the existing processing plant via a surface overland conveyor.

As well as increasing mining rates, the expansion is expected to result in lower operating costs and lower emissions intensity. Mining of the ore will progress via a top-down and bottom-up sequence, allowing for multiple production fronts to run in parallel. The establishment of a new material handling system and ore passes (i.e. chutes to feed into the crusher) is expected to reduce truck utilisation (from around 20 under the current operation to five following the expansion) and diesel fuel consumption while improving productivity, notwithstanding a progressive reduction in stope size at depths. The shaft operation is expected to commence in 2025 (around the same time the stockpiled material from the original open pit is fully depleted).

To address the higher occurrences of deleterious materials (which may otherwise attract penalties from buyers if reflected in copper concentrates at levels exceeding specified thresholds), OZ Minerals expected to undertake a combination of ore blending, concentrate blending and additional flotation treatment.

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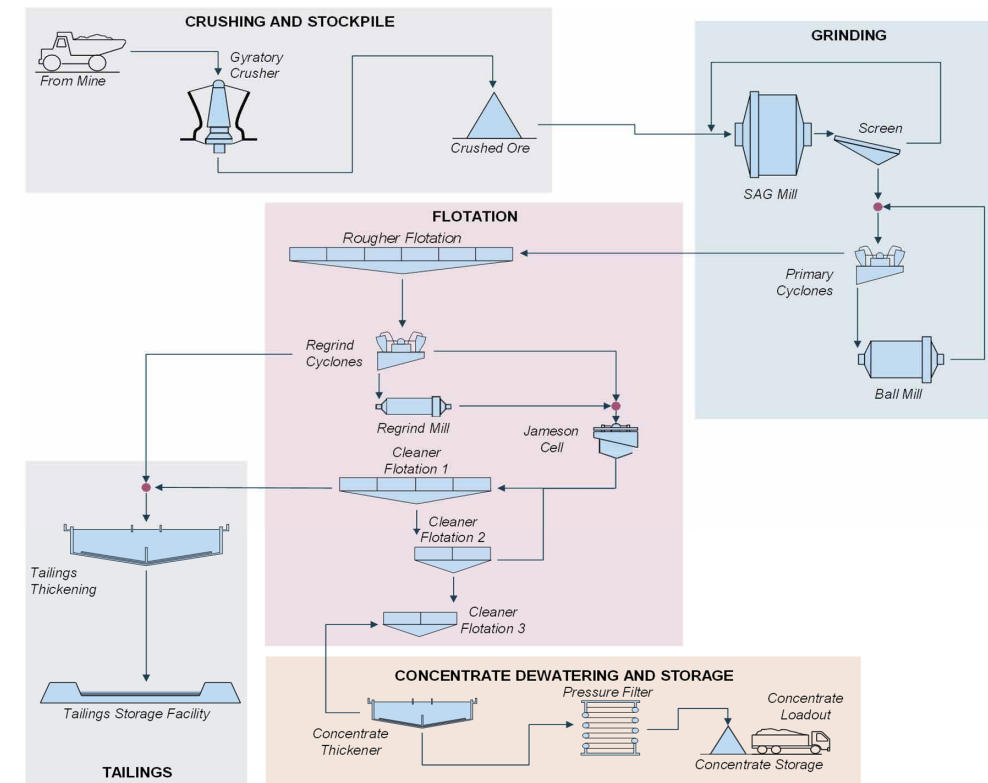
Operation of mining at Prominent Hill is shared between OZ Minerals and Byrnecut. Under this arrangement, OZ Minerals is responsible for vehicle and equipment leasing and Byrnecut is responsible for mine development, mine production (i.e. drilling, charging, bogging, trucking) and mine support (i.e. mobile maintenance, logistics). OZ Minerals also employs other mining contractors including Thiess Pty Limited (for management of open pit operations and stockpile rehandling), Boart Longyear Group Limited (for diamond drilling) and RaiseBore Australia Pty Limited (for raise boring drilling).

Processing

Prominent Hill operates a conventional crushing, grinding and flotation processing plant that broadly involves the following steps:

- primary crushing, which occurs on surface through a gyratory crusher;
- grinding, by a SAG mill and ball mill in series;
- rougher flotation and regrinding, by an IsaMill which is a high efficiency fine grinding mill to free contaminants and deleterious materials;
- flotation (which comprises four stage cleaning process) and Jameson Cell processing (where 70% of the rougher concentrate is subject to high intensity cleaning to minimise impurities from deleterious materials); and
- concentrate thickening, which involves dewatering and filtering to produce the final copper concentrate for sale.

PROMINENT HILL – ILLUSTRATIVE PROCESSING PLANT FLOWSHEET



Source: OZ Minerals

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The processing plant was originally constructed to a nameplate capacity of 8Mtpa (although actual throughput has consistently been higher) and was initially expected to be reconfigured to allow for a step down in throughput to 3.5-4.0Mtpa by 2023 to match the lower ore production rate following completion of open pit mining at Malu and the processing of open pit stockpiles. Since the initial reconfiguration was not completed, the mine expansion will not require any additional processing capacity with latent capacity expected to be unlocked as existing stockpiles are depleted. Instead, the plant will continue to have a capacity of up to 8Mtpa (albeit with milled feed throughput constrained by mine productivity, particularly given the Wira shaft throughput capacity of 6.5Mtpa) and primary crushing will occur underground at a gyratory crusher with the resultant crushed ore to be hoisted via the shaft to the surface for further treatment. To meet the higher plant feed capacity, production is expected to be complemented by production from new mining areas and exploration targets such as Papa and Walawura.

Tailings are pumped to an onsite tailings storage facility with a storage capacity of 155Mt. Additional tailings disposal capacity would need to be constructed as part of the mine expansion via progressive dam wall lifts.

Following the expansion, the Prominent Hill processing facility will produce approximately 100ktpa of copper-gold concentrate, grading an average of around 40-50% copper.

Resources and Reserves

Prominent Hill reported mineral resources are summarised below:

PROMINENT HILL – MINERAL RESOURCES AT 30 JUNE 2022⁴

	MEASURED				INDICATED				INFERRED				TOTAL			
	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (kt)	Au (koz)	Ag (Moz)
Underground	49	1.2	0.6	3	51	0.9	0.9	2.5	66	0.8	0.9	2.3	170	1,600	4,300	14
Surface stockpile (Copper)	0	0.7	0.5	2	-	-	-	-	-	-	-	-	0.35	2	5	0
Surface stockpile (Gold)	-	-	-	-	6	0.1	0.6	0.4	-	-	-	-	6.2	7	120	0
Surface stockpile (Marginal)	-	-	-	-	3	0.2	0.3	0.5	-	-	-	-	2.6	4	29	0
Total													180	1,600	4,500	14

Source: OZ Minerals and Grant Samuel analysis

Prominent Hill reported ore reserves are summarised below:

PROMINENT HILL – ORE RESERVES AT 30 JUNE 2022⁴

	PROVED				PROBABLE				TOTAL			
	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (kt)	Au (koz)	Ag (Moz)
Underground	29	1.2	0.6	2.9	30	0.9	0.7	2.4	59	590	1,230	5
Surface stockpile (Copper)	0	0.7	0.5	2.0	-	-	-	-	0.35	2	5	0
Surface stockpile (Gold)	-	-	-	-	6	0.1	0.6	0.4	6.2	7	120	0
Surface stockpile (Marginal)	-	-	-	-	3	0.2	0.3	0.5	2.6	4	29	0
Total									68	610	1,400	5

Source: OZ Minerals and Grant Samuel analysis

The majority of Prominent Hill's mineral resources and ore reserves are located in the underground deposits (i.e. Malu and Kalaya). Mineral resources at Prominent Hill's underground deposits are estimated on the basis of a cut-off grade of \$48/t net smelter return, reflecting the estimated revenue from the

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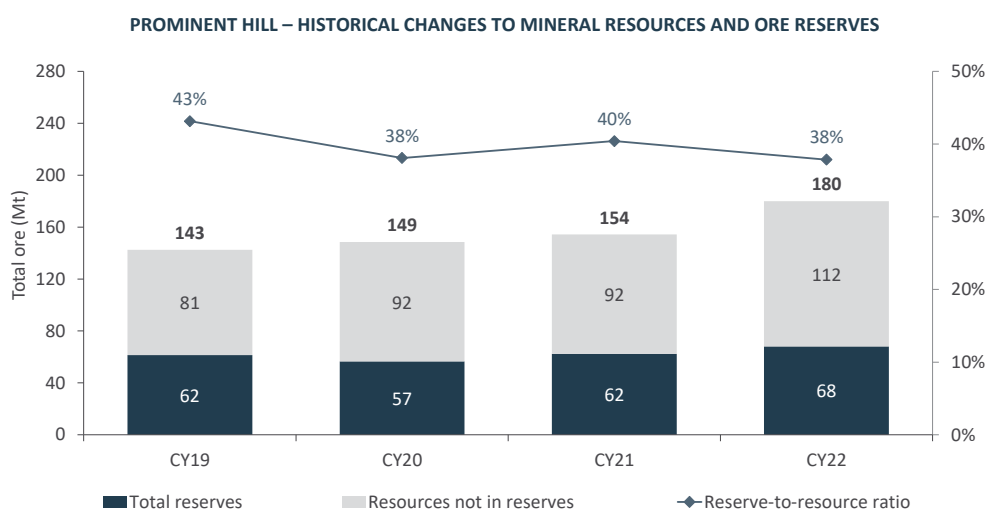


copper, gold and silver metals, by-product offsets and breakeven costs (including sustaining capital and underground development capital). Ore reserves are estimated using higher cut-off grades in the range \$54-68/t, depending on the orebody.

Near-surface mineral resources and ore reserves have largely been depleted following the completion of mining at the Malu open pit mine in 2018. Remaining surface stockpiles are generally lower grade than the underground ore and comprise a copper stockpile and a gold-only stockpile. Due to the lower rehandling and processing costs involved, the surface stocks have a substantially lower cut-off grade of \$17/t net smelter return. Based on current life of mine plans, the stockpiles will continue to be used as a blend (with the underground ore) and are expected to be depleted by 2025.

No mineral resources have been declared for the Papa and Walawaru exploration targets.

The following charts shows movements in total mineral resources and ore reserves at Prominent Hill in recent years:



Source: OZ Minerals and Grant Samuel analysis

The underground ore reserve base at Prominent Hill has consistently grown as OZ Minerals has incrementally undertaken targeted drilling and testing around the existing deposit. Since 2012, the reserve base has grown by approximately six times, replenishing any depletion of ore that has been mined.

These trends have been sustained over the last four years, as reserves have remained largely steady at around 60Mt since the end of 2019. Over this period, the delineation of additional reserves and resources has generally offset or exceeded depletion through mining and processing of surface stockpiles. In 2020 and 2021, drilling activity (particularly in the expansion area) and refinement of the copper cut-off grades have resulted in newly recognised resources and reserves. In 2022, the increase in ore reserves was primarily due to the reduction of the copper cut-off grade to reflect the higher copper price assumption (i.e. US\$3.40/lb) used in the net smelter return calculations.

Operating Performance

Overall, Prominent Hill has delivered steady and predictable copper production, having met production guidance in almost all of the past ten years. The operating performance of Prominent Hill for CY19 to CY22 is summarised below:



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PROMINENT HILL - OPERATING PERFORMANCE

	CY19 ACTUAL	CY20 ACTUAL	CY21 ACTUAL	CY22 ACTUAL
<i>Mined ore</i>				
Total ore mined (t)	3,365,932	3,889,896	4,147,028	4,267,627
Total ore milled (t)	9,807,885	8,937,256	9,204,310	8,919,994
Copper grade (%)	1.3	0.8	0.8	0.7
Gold grade (g/t)	0.54	0.89	0.66	0.60
Silver grade (g/t)	2.85	1.92	1.90	1.84
<i>Contained metal in concentrate</i>				
Copper (t)	102,479	61,375	62,927	55,547
Gold (oz)	122,703	198,586	141,676	124,843
Silver (oz)	630,421	421,050	411,257	373,107
<i>Cost metrics (US cents/lb)</i>				
C1 cost ⁶	55.8	(54.0)	49.1	129.1
AISC ⁶	98.9	14.7	131.9	204.0

Source: OZ Minerals and Grant Samuel analysis

Between CY19 and CY21, Prominent Hill's underground mining operations consistently delivered increases in ore production rates due to improving mining performance and the opening of additional mining fronts (e.g. remnant ore near the bottom of the Malu open pit). Ore treatment rates remain well above ore production rates due to the processing of surface stockpile ore. Approximately 4-5Mt of surface stockpile ore is processed per year although this is expected to gradually decline as the stockpile is depleted. Despite the consistent ore milling rates, copper concentrate production declined in CY20 as more ore was processed from the gold-only stockpile (which had lower grades of copper).

Production was impacted in CY22 by COVID-19 related operator absences, unplanned absenteeism and equipment availability but recovered to nameplate run-rates towards the end of the year to be 3% higher than CY21 as production was supported by the continued processing of surface stockpile ore and recovered in the latter part of the year.

However, total contained copper and contained gold production still declined by 25% and 18% from the prior year, respectively, as milled grades declined over the year.

Cost metrics are measured on a per pound of copper metal basis, which excludes the volumes of by-products such as gold and silver but accounts for these recoveries as a by-product credit (i.e. negative costs) instead. Over the past four years, cash costs have faced rising pressures due to mine development expenses but these have been largely offset by higher net by-product credits from gold (reflecting increased gold in concentrate grades and rising gold prices). These by-product credits were the primary driver of the significant decline in costs per unit in CY20, which resulted in negative C1 costs for the year. Unit costs increased as a result of lower production rates in CY22.

4.2 Carrapateena

Overview

The Carrapateena mine is one of the largest copper mines in Australia and, in CY22, overtook Prominent Hill as the fourth largest copper mine in the country (based on CY22 copper concentrate production). Carrapateena is located approximately 250km south-east of Prominent Hill and 160km north of Port Augusta in the Gawler Craton in South Australia. The following map shows the location of the Carrapateena mine:

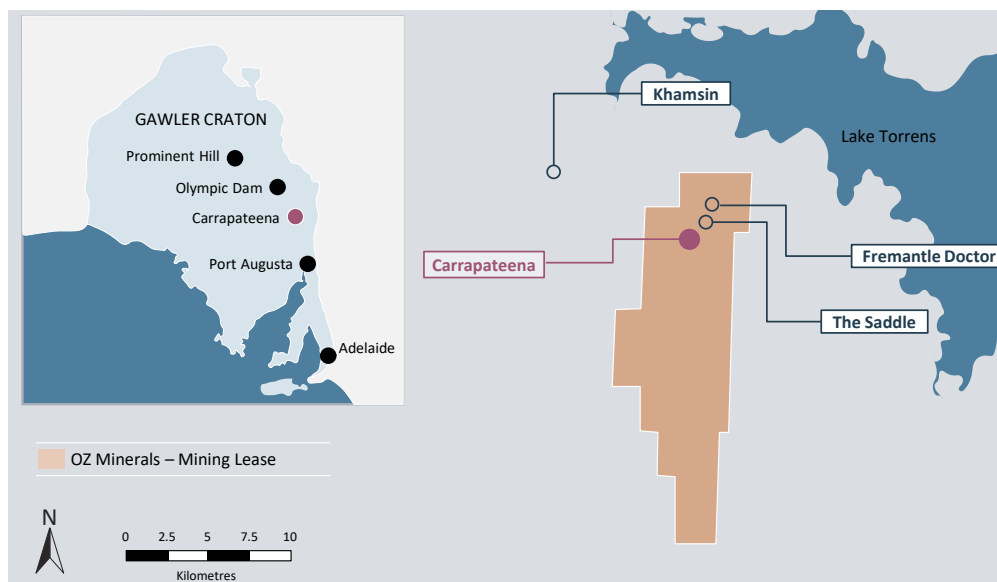


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CARRAPATEENA – MINE LOCATION



Source: OZ Minerals

Carrapateena is the second major greenfield project that OZ Minerals has developed. The deposit was originally discovered in 2005 by Rudy Gomez of RMG Services, which entered into a joint venture with Teck Resources Limited to progress drilling activities across four exploration licences (which collectively span 1,070km²). In 2011, OZ Minerals acquired a 100% interest in the project and accelerated the development of the project, meeting major milestones including:

- recognising a maiden resource for the project (2011);
- completing a pre-feasibility study on a potential standalone block cave mining operation (2014);
- launching a scoping study to assess alternative development options (including block caving) before selecting a preferred development concept based on a 2.8Mtpa sublevel caving operation (2015);
- expanding the scope for pre-feasibility and feasibility studies to 4.0Mtpa sublevel caving operation following additional optimisation work on the mine plan (2016); and
- finalising the feasibility study and approving the \$900+ million development of the mine with a planned production capacity of 4.25Mtpa (2017); and
- commencing mining operations (2019).

All mining at Carrapateena is underground, undertaken by sublevel caving. Byrnes is the primary mining operator and responsible for the day-to-day operations of the mine. A new underground gyratory crusher is currently being installed at the mid-level of the mine. Crushed ore is conveyed to the surface to be processed via conventional surface grinding and flotation methods. Copper concentrate is transported by road to a concentrate storage facility at the Port of Whyalla prior to delivery to various domestic and international copper smelters.

In March 2019, OZ Minerals announced the potential to convert the lower portion of the Carrapateena sublevel cave to a series of block caves beginning in 2026. The pre-feasibility study announced in June 2020 confirmed this potential, highlighting that the new block caves would extend mine life (from 20 years to 25 years), increase ore production (up to 12Mtpa) and unlock value for the company (including reducing its

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unit cost profile). Following further studies, the block cave expansion was approved by the board of OZ Minerals in early 2021 and decline development is now underway. An additional (i.e. third) underground crusher will need to be installed to facilitate the higher production rates.

Based on CRU's analysis, Carrapateena is currently amongst the lowest cost copper producers globally, ranking towards the bottom of the first quartile of the global copper cost curve (based on AISC). OZ Minerals expects this position to improve once the second crusher is commissioned (in 2023) and to improve further once the block cave has been commissioned (expected to be in 2026, with full ramp up by 2028).

Geology and Mineralisation

The Carrapateena deposit is located on the eastern edge of the Gawler Craton. Similar to Olympic Dam and Prominent Hill, it is an IOCG deposit hosted within a brecciated granite complex that sits approximately 470m below the surface (below layers of sedimentary rock such as sandstone and shale).

The deposit occurs as a bornite pod surrounded by a chalcopyrite shell, with bornite being a distinctly higher grade zone of mineralisation. The shell extends approximately 1,000m deep (meaning that the bottom of the orebody sits approximately 1,500m below the surface). Gold mineralisation is also present, but the grains are generally very small and occur only in select areas of the orebody. However, occurrences of deleterious materials are expected to be higher than at Prominent Hill and are expected to increase with depth.

Other brownfield exploration targets surrounding the Carrapateena deposit also exhibit evidence of mineralisation. The Fremantle Doctor deposit is located 2.4km northeast of the Carrapateena deposit and sits within the existing mining lease. Mineralisation in this deposit is broadly similar to Carrapateena and ranges from bornite and chalcopyrite-rich occurrences to finely disseminated occurrences of chalcopyrite. Other targets such as the Saddle and Khamsin require further drilling and testing to better define the mineralisation.

Mining

CURRENT OPERATIONS

Carrapateena currently operates as an underground sublevel cave operation. Sublevel caving is a large scale mining method suitable for large, steeply dipping orebodies and a rock mass that can fracture under controlled conditions. Mining starts at the top of the orebody and progresses downwards. The orebody is accessed by a primary decline (for personnel and equipment) and a secondary decline (for material handling).

Extracting ore by sublevel caving involves a series of steps, including:

- level development, to excavate individual sublevels within the orebody (providing access to areas for drilling and blasting) and create access routes within the underground mine (to support the movement of mining equipment). Levels are established every 25m and production drives are driven on 15m centres;
- drilling and blasting, to "release" the ore from the orebody by blasting blind up-holes in retreat sequence and allowing the ground above to collapse and cave in;
- bogging, to recover the ore. The mine adopts multiple level draw strategies where two to four production levels are active at any given time; and
- crushing, with the recovered ore hauled by truck to one of three underground gyratory crushers before being transported to the surface stockpile by conveyor.



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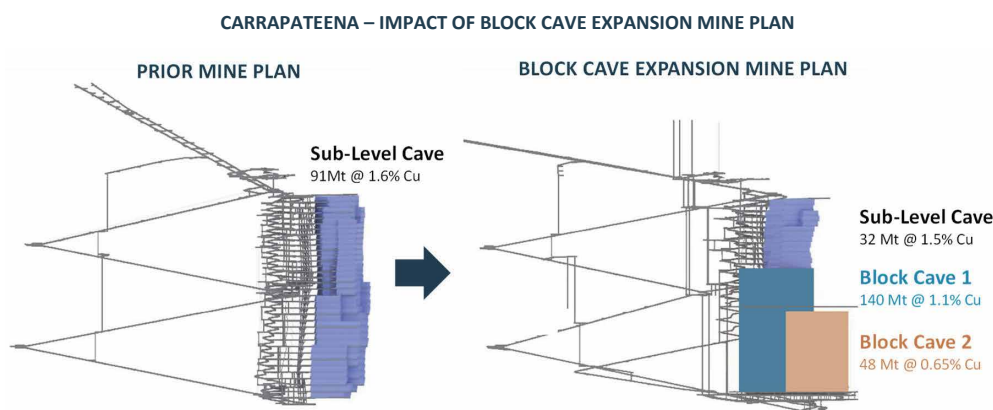
The current mine design allows for a production rate of 4.25Mtpa over a 20 year mine life (based on a continuing sublevel caving operation).

Mining operations at Carrapateena are primarily outsourced to third parties, including Byrnegut (responsible for mine development, mine production and support) and other contractors (providing specialist services such as raiseboring).

BLOCK CAVE EXPANSION

Transitioning from a sublevel caving method to a block cave mining method would allow OZ Minerals to target the higher grade ore at the top of the orebody via the sub level cave (mining from the top down) and the higher grade material from the bottom of the resource via the block cave (mining from the bottom up), thereby prioritising these areas over the lower grade central section of the orebody.

The current and potential mine plans are depicted below:



Source: OZ Minerals

As a consequence, the sublevel cave will be reduced to 13 mine levels (instead of the 33 levels originally contemplated in the feasibility study). Sublevel cave mining will conclude by 2025 and production will ramp up in the two separate block caves as follows:

- block cave 1, which would be operational between 2026 and 2037 at a mining rate of 12Mtpa and from which approximately 110-120ktpa of contained copper and 110-120koz of contained gold per annum would be recovered; and
- block cave 2, adjacent to block cave 1, which would be operational between 2038 and 2045 at a production rate of 8Mtpa and from which approximately 45-55ktpa of contained copper and 45koz of contained gold per annum would be recovered.

Due to the nature of the two different mining methods (with one top-down and the other bottom-up), the block cave can be constructed without impacting operations at the sublevel cave and can also leverage existing underground infrastructure.

Other potential block cave extensions include block cave south (directly abutting block caves 1 and 2 but at slightly higher elevations) and block cave northeast, both of which have broadly similar material and mineralisation to block cave 2.

Processing

Carrapateena operates a conventional crushing, grinding and flotation processing plant that has a nameplate feed capacity of 4.25Mtpa (although actual throughput may be higher). Due to the similarities



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between the ore types at Carrapateena and Prominent Hill, the Carrapateena processing plant has adopted an industry standard flowsheet almost identical to the one at Prominent Hill.

The primary difference between the two processing flowsheets is that all feed ore undergoes concentrate upgrading and removal of deleterious materials with a Jameson Cell prior to cleaning to address the higher occurrence of contaminants in the Carrapateena ore. Utilising a full scale Jameson Cell (which has a greater froth washing capacity) improves contaminant rejection in the final concentrates.

The final copper concentrate product has copper grades of 30-40% and contains gold and silver by-products. Due to the focus on removal of deleterious materials, the copper concentrate has fewer impurities than that produced at Prominent Hill (although the impurities are expected to increase over the life of mine as the ore is extracted from deeper areas of the orebody).

To support the increased ore throughput following the commencement of block caving, the processing plant will be expanded to include a parallel processing plant comprising a dual vertical roller mill, rougher flotation and a three-stage cleaning process. The tailings storage facility will also be expanded (over two stages) to allow for the higher mine (and waste) throughput.

Resources and Reserves

Carrapateena reported mineral resources are summarised below:

CARRAPATEENA – MINERAL RESOURCES AT 30 JUNE 2022⁴

	MEASURED				INDICATED				INFERRED				TOTAL			
	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (kt)	Au (koz)	Ag (Moz)
Carrapateena	140	1.1	0.43	4.1	470	0.6	0.26	2.7	300	0.26	0.13	1.8	900	5,100	7,000	76
Fremantle Doctor	-	-	-	-	-	-	-	-	100	0.51	0.33	1.2	100	520	1,100	4
Total													1,000	5,620	8,100	80

Source: OZ Minerals and Grant Samuel analysis

Carrapateena reported ore reserves are summarised below:

CARRAPATEENA – ORE RESERVES AT 30 JUNE 2022⁴

	PROVED				PROBABLE				TOTAL			
	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (kt)	Au (koz)	Ag (Moz)
Carrapateena	-	-	-	-	190	1.1	0.42	4.3	190	2,000	2,600	27
Fremantle Doctor	-	-	-	-	-	-	-	-	-	-	-	-
Total									190	2,000	2,600	27

Source: OZ Minerals and Grant Samuel analysis

The Carrapateena deposit hosts essentially all of the project's reserves and resources, with minor resources reported for the Fremantle Doctor deposit. The reserve estimates have been categorised into three zones reflecting the separate mining areas following the block cave expansion:

- sublevel cave zone, which represents approximately 15% of total reserves and has the highest copper grade of the three zones;
- block cave 1, which is the largest zone of mineralisation with around 65% of total reserves and consequently contains the greatest amounts of copper, gold and silver metal; and
- block cave 2, which represents approximately 20% of reserves but hosts the lowest grades of copper and gold mineralisation (and therefore constitutes less than 15% of total copper metal).



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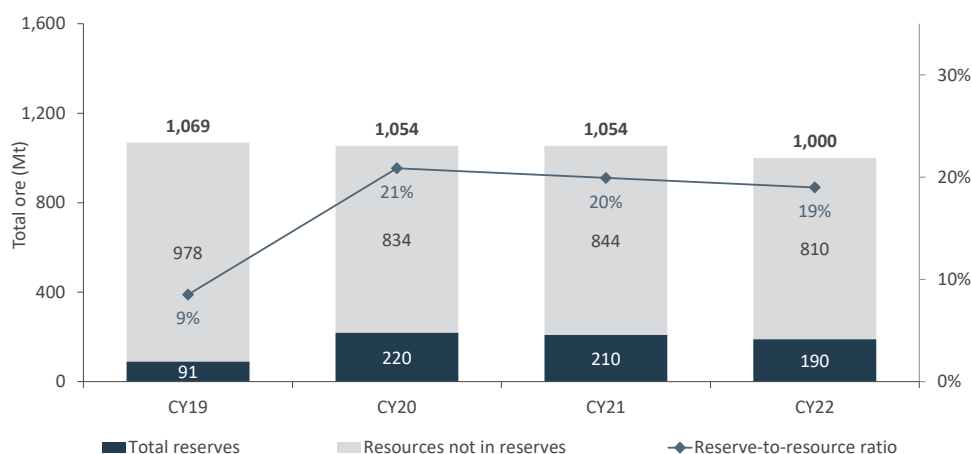


Mineral resources are estimated on the basis of a cut-off grade of \$25/t net smelter return. This establishes a depth cut-off of 1,500m below the surface which is the lowest level that can be reasonably extracted by block caving given OZ Minerals' current understanding of the rock mass and stress.

A maiden mineral resource of 104Mt of inferred resource for Fremantle Doctor was announced in November 2018, which has since been updated in June 2022. No mineral resources have been declared for the Saddle and Khamsin targets.

Since CY19, total mineral resources at Carrapateena have remained largely unchanged. The conversion of mineral resources to ore reserves in CY20 was primarily due to advancing the block cave expansion studies. The following chart shows movements in total mineral resources and ore reserves at Carrapateena in recent years:

CARRAPATEENA – HISTORICAL CHANGES TO MINERAL RESOURCES AND ORE RESERVES



Source: OZ Minerals and Grant Samuel analysis

Operating Performance

The operating performance of Carrapateena for CY19 to CY22 is summarised below:

CARRAPATEENA – OPERATING PERFORMANCE

	CY19 ACTUAL	CY20 ACTUAL	CY21 ACTUAL	CY22 ACTUAL
<i>Mined ore</i>				
Total ore mined (t)		2,691,000	4,709,908	3,695,409
Total ore milled (t)		2,931,268	4,623,555	4,298,156
Copper grade (%)		1.0	1.3	1.4
Gold grade (g/t)		0.70	0.72	0.66
Silver grade (g/t)		7.20	9.04	8.38
<i>Contained metal in concentrate</i>				
Copper (t)		27,632	55,262	57,139
Gold (oz)		53,089	89,778	77,630
Silver (oz)		474,849	955,553	901,608
<i>Cost metrics (US cents/lb)</i>				
C1 cost ⁵		77.8	64.6	117.4
AISC ⁶		122.0	109.7	158.1

Source: OZ Minerals and Grant Samuel analysis



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Following the commencement of operations in early CY20, production was ramped up at Carrapateena over the following eleven months with nameplate production capacity of 4.25Mtpa achieved by the end of the year. At the time, activities were occurring across four separate levels, with ore extraction occurring across three levels and development occurring in the fourth. Due to the nature of sublevel cave mining, the initial years of mining have focused on the shallowest part of the orebody (closest to surface), which contains the areas of highest grades. Moreover, past production has prioritised the maximisation of mill capacity and cave development. As a consequence, copper grades of the milled ore feed have generally been above 1.0% in the first three years of operations (and closer to 1.5% in CY22).

Like Prominent Hill, Carrapateena faced production issues in CY22 due to worker absenteeism and equipment availability (in particular parts replacements), but was also affected by adverse weather and belt damage to the underground material handling system. These issues collectively constrained mine productivity for the year and, as a result, mine production and ore milled were 22% and 7% below CY21 levels (although contained copper produced for CY22 remained largely in line with CY21 due to higher mined copper grades).

As a result, unit costs increased sharply in CY22, with the adverse impact of lower throughput (i.e. fixed costs being absorbed over lower production volumes) and repairs and maintenance costs more than offsetting by-product credits. The future block caving operation is expected to materially reduce operating costs (including unit costs due to the step change in mining throughput rates) and will underpin Carrapateena's position as one of the lowest cost producers of copper globally.

4.3 West Musgrave

Overview

The West Musgrave project is located approximately 30km south of the town of Jameson, near the intersection of the borders of Western Australia, South Australia and the Northern Territory. It is the first major mining development in the remote Ngaanyatjarra Aboriginal Lands.

The following map shows the location of West Musgrave and its key mining and exploration tenements:

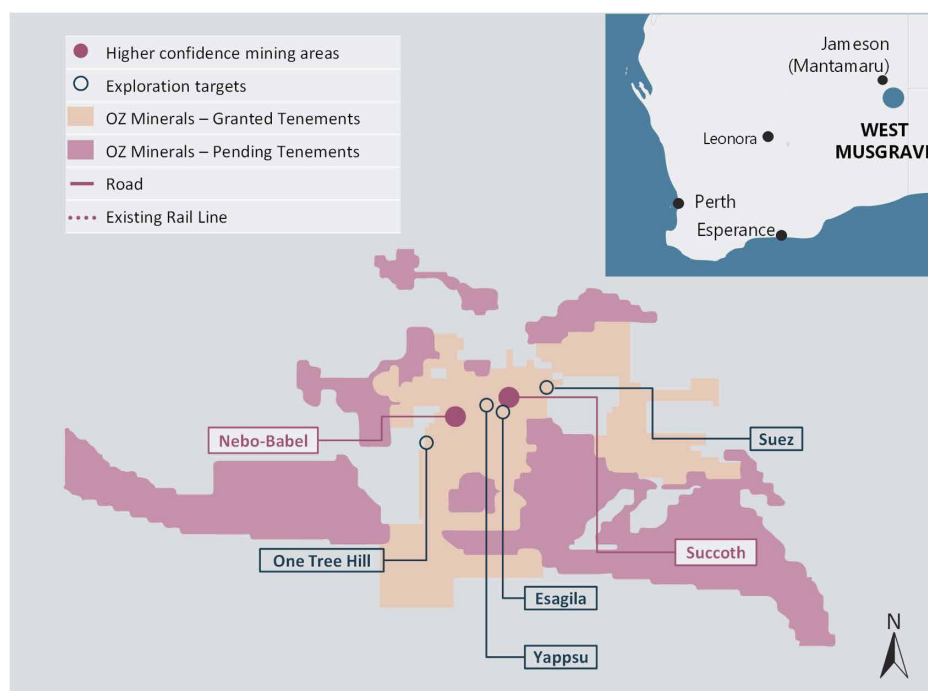


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WEST MUSGRAVE – ILLUSTRATIVE MAP OF PROJECT AREA



Source: OZ Minerals

Exploration of the project area was commenced in the mid-1990s by Western Mining Corporation (which was acquired by BHP Group in 2005). The Nebo-Babel nickel and copper sulphide deposits were discovered in 2000 and the Succoth copper deposit was discovered in 2009. Despite the size and grades of the deposits, BHP Group decided not to develop the project. In 2014, BHP Group sold its entire interest in the project to Cassini (for a nominal upfront consideration and deferred contingent consideration comprising a milestone payment payable on first anniversary of production and a net smelter return royalty on future production¹⁹) and Cassini further progressed exploration activities, in-fill drilling and geological studies on the project area.

In August 2016, OZ Minerals entered into a joint venture agreement with Cassini to accelerate the development of the project. Under the agreement, OZ Minerals earned the right to acquire up to a 70% interest in the project by funding at least \$36 million of staged development and exploration expenditure (which OZ Minerals fully satisfied in April 2019). Further studies, including a scoping study and a pre-feasibility study, reaffirmed the attractive economics and long mine life of the project. In September 2020, OZ Minerals acquired Cassini and the remaining interest in the West Musgrave project that it did not already own to maximise its flexibility in relation to future funding and development options.

Over the next two years, OZ Minerals completed a pre-feasibility study update, secured all requisite approvals (e.g. state regulatory approvals, land access agreements with traditional owners of the land, etc.) and finalised the feasibility study in relation to the Babel and Nebo deposits. In September 2022, OZ Minerals announced that it had received final investment approval from the Board to develop the West Musgrave project.

¹⁹ Following BHP Group's demerger of South32 Limited ("South32"), the counterparty to these payments have transferred to the South32 entity.

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The project has several attractive features, including its:

- scale and long operating life, with first concentrate targeted in the second half of 2025. Annual production is expected to be approximately 28ktpa of contained nickel and 35ktpa of contained copper over 24 years (and approximately 35ktpa of contained nickel and 41ktpa of contained copper over the first five years of operations);
- attractive cost profile, given its estimated position in the first quartile for 2026 nickel production cost curves (based on cash costs, excluding royalties);
- access to supporting infrastructure, including upgraded roads from the project site to Leonora (via the town of Jameson), from which concentrate will be transported by rail to the port of Esperance for export;
- low-emissions profile, as approximately 85% of energy generated on-site is expected to be from renewable sources (excluding the mining fleet); and
- future growth opportunities, particularly through regional exploration targets (e.g. Succoth, One Tree Hill, Yappsu, Babylon, Suez and Esagila) as well as downstream processing opportunities (e.g. MHP, a high grade nickel intermediate product).

Total direct capital expenditure is estimated to be approximately \$1.7 billion. OZ Minerals has publicly stated its intention to consider strategic options to sell down a portion of its interest in the West Musgrave project.

OZ Minerals is partnering with third party contractors to develop the West Musgrave project. The processing plant will be delivered by GR Engineering Services while the vertical roller mills will be provided by LOESCHE GmbH. Mine pre-strip will be undertaken by OZ Minerals' owner-operator workforce and is expected to begin in late 2024 with the processing plant expected to be commissioned the following year.

Geology and Mineralisation

The Nebo-Babel deposits are hosted by a sub-horizontal mafic intrusion that extends approximately 5km. The two deposits are located approximately 1.5km apart and are separated by the Jameson Fault, which is a steeply dipping fault line that runs from north to south, with Babel to the west of the fault and Nebo to the east:

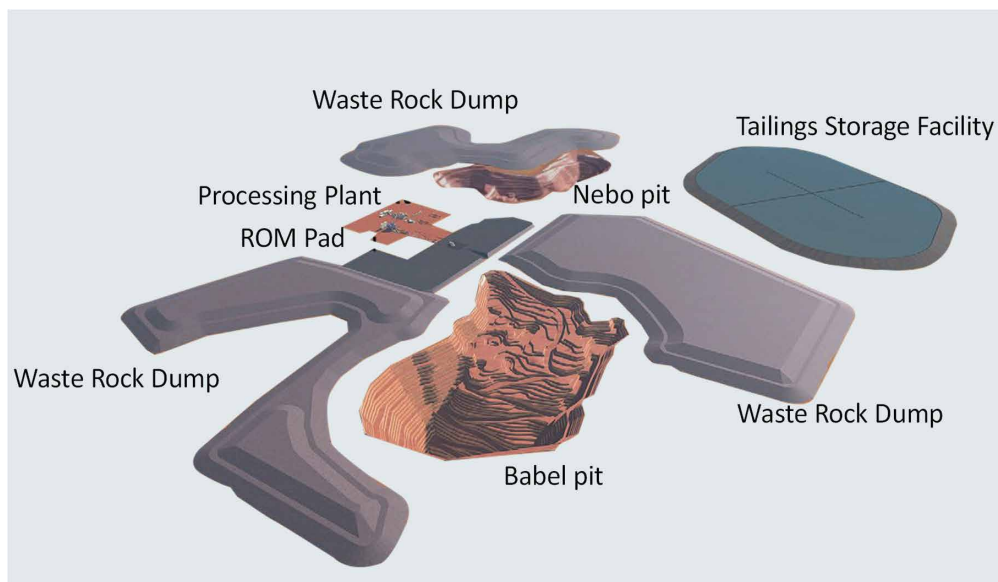


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WEST MUSGRAVE – ILLUSTRATIVE LAYOUT OF MINE SITE



Source: OZ Minerals

Both deposits are flat dipping shallow orebodies that contain mineralisation close to the surface.

Mining

Due to the shallow orebodies, the Nebo-Babel deposits are mined via open pit methods using conventional drill, blast, load and haul (although some areas of the deposit may be extracted by free dig). The deposits have an estimated life of mine strip ratio of 2.8, which is relatively low compared to other open pit nickel mines.

The mine will use an autonomous fleet expected to comprise up to 25 haul trucks, each of which can carry 220 tonnes, and will be managed by an owner-operator workforce. Mine planning has been optimised to align the feed grade with the throughput capacity at West Musgrave's processing facility (see below). The first year of mining will focus solely on Babel, which has higher mineral grade and shallower near-surface mineralisation. Mining at Nebo is expected to commence in the second year of operations. Under the current mine plan, the Nebo pit void will be converted for tailings disposal following completion of mining activities within the pit.

Processing

CORE PROCESSING OPERATIONS

The West Musgrave processing plant will feature innovative technologies (i.e. vertical roller mills) that are widely used in other industrial applications (e.g. cement and coal) but remain in the early stages of adoption for hard rock mining operations (which typically rely on traditional ball charge grinding methods). Compared to traditional methods, vertical roller mills offer lower energy intensity and improved operational flexibility for production to ramp up (or down) as required.

The new processing plant will have an optimal run-rate capacity of 12Mtpa of ROM ore but will be capable of ramping up to 13.5Mtpa. The treatment process will broadly be as follows:

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- primary and secondary crushing, where ore is crushed first by a gyratory crusher and then by a cone crusher to provide a consistent feed grade to the vertical roller mills;
- milling, which is undertaken by two vertical roller mills that will operate in parallel (each with a grinding capacity of 6.75Mtpa) to produce a bulk rougher concentrate;
- bulk rougher flotation, which further “cleanses” the bulk rougher concentrate by isolating it from “gangue” or tailings, which will be sent to the tailings dam;
- regrinding, which will reduce the particle size of the bulk rougher concentrate by way of milling and cyclone separation;
- two stages of bulk cleaning, under which the regrind discharge will undergo treatment to produce target bulk concentrate grades by separating the product from gangue and other tailings; and
- separation, which will use elevated pH plus aeration to separate the nickel concentrate (which depresses) from the copper concentrate (which floats). Both concentrate products should generally have low impurities and the copper concentrate will also include minor gold and silver by-products.

Tailings from the processing plant will be piped to a tailings storage facility located at the south end of the Nebo pit. The Nebo pit void will also be converted into additional tailings disposal capacity once mining is completed.

Nickel and copper concentrates will be transported by road trains along the Great Central Road to Leonora (approximately 850km of road transport), followed by rail transport to the port of Esperance where it will be loaded onto vessels for export to overseas customers (e.g. nickel and copper smelters in Asia and Europe). The Great Central Road is predominantly an unsealed gravel highway but the federal and state governments have committed funding to enable the road to be sealed by 2030.

DOWNSTREAM PROCESSING OPPORTUNITY

OZ Minerals is also exploring the potential to further process nickel concentrate (10-13% contained nickel) into a higher grade nickel product, nickel mixed hydroxide precipitate or MHP, which has approximately 48% contained nickel. Initial studies suggest a range of benefits including:

- lower transport costs (due to substantially lower volumes of finished product);
- improved payable factor for contained metal;
- improved product traceability; and
- improved attractiveness of the product to the battery value chain.

The process is also expected to produce additional copper by-products (through the filtering and washing of copper sulphide concentrate) as well as cobalt and palladium by-products.

If OZ Minerals were to proceed with the opportunity, it would only be constructed after the mine began production and would require additional capital investment of approximately \$325 million (including \$17 million of pre-development study costs). Before it could reach a final investment decision, OZ Minerals would need to complete a feasibility study and re-engage with the Nganyatjarra community to seek variations to its existing regulatory approvals.



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Resources and Reserves

West Musgrave reported mineral resources are summarised below:

WEST MUSGRAVE – MINERAL RESOURCES AT 23 SEPTEMBER 2022⁴

	MEASURED			INDICATED			INFERRED			TOTAL		
	Mt	Ni (%)	Cu (%)	Mt	Ni (%)	Cu (%)	Mt	Ni (%)	Cu (%)	Mt	Ni (kt)	Cu (kt)
Babel	91	0.31	0.36	190	0.28	0.31	58	0.32	0.35	340	1,000	1,100
Nebo	-	-	-	49	0.34	0.32	1	0.35	0.38	50	170	160
Nickel only	91	0.31	0.36	240	0.29	0.31	59	0.32	0.35	390	1,200	1,300
Succoth	-	-	-	-	-	-	156	-	0.60	156	-	943
Total										546	1,200	2,203

Source: OZ Minerals and Grant Samuel analysis

West Musgrave reported ore reserves are summarised below:

WEST MUSGRAVE – ORE RESERVES AT 23 SEPTEMBER 2022⁴

	PROVED			PROBABLE			TOTAL		
	Mt	Ni (%)	Cu (%)	Mt	Ni (%)	Cu (%)	Mt	Ni (kt)	Cu (kt)
Babel	-	-	-	236	0.30	0.34	236	705	791
Nebo	-	-	-	36	0.37	0.35	36	132	125
Nickel only	-	-	-	270	0.31	0.34	270	840	920
Succoth	-	-	-	-	-	-	-	-	-
Total							270	840	920

Source: OZ Minerals and Grant Samuel analysis

The mineral resources at Babel and Nebo broadly have a 1:1 copper-to-nickel ratio. The estimates are based on a cut-off grade of \$13/t net smelter return and are further constrained by optimised pit shells (approximate boundaries of the mine plan) which are based on a cut-off grade of \$21/t net smelter return. The cut-off grades reflect the:

- estimated breakeven cost, particularly with regard to production, processing and rehandling costs and include assumptions in relation to metal recoveries, royalties, payable factors, transport and penalties; and
- potential higher prices for nickel in the future (by applying a metal price multiplier of 1.2 times to reflect the expectation of higher future prices).

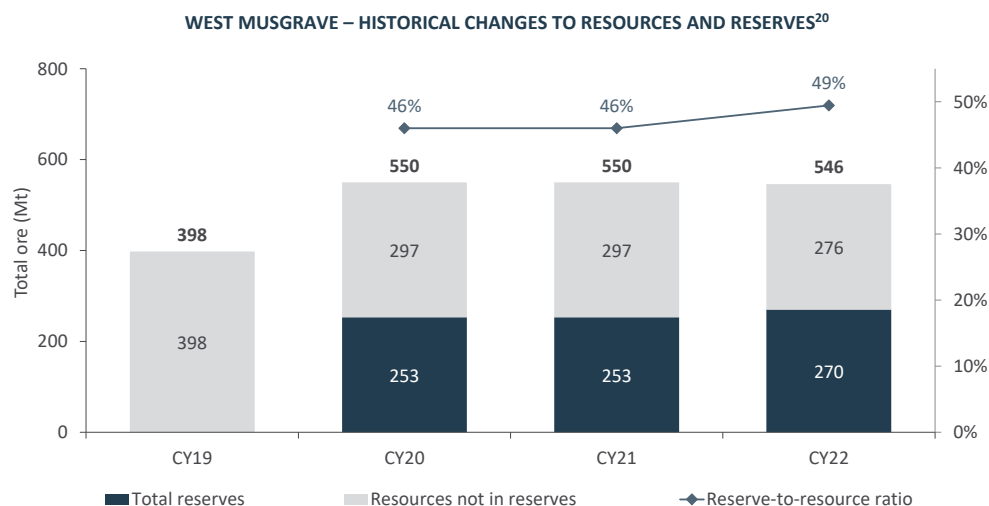
In contrast, the other potential extensions to the project (e.g. Succoth, One Tree Hill, Yappsu and Esagila) are primarily copper deposits (closer to a 10:1 copper-to-nickel ratio). With the exception of Succoth, no mineral resources have been declared for these prospects. However, these prospects are expected to have lower economic hurdles to meet the resource and reserve classifications as existing site infrastructure at West Musgrave should reduce the upfront capital requirements to economically extract and process these deposits.

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The following chart shows the movements in total resources and reserves at West Musgrave since CY19:



Source: OZ Minerals and Grant Samuel analysis

The majority of the movement in total resources and reserves at West Musgrave in recent years is attributable to changes in the resource estimates at the Babel and Nebo deposits. Drilling, metallurgical tests and studies over CY19 provided further confidence in the project and resulted in an increase in resources and the declaration of reserves in CY20.

4.4 Carajás East

Overview

The Carajás province in northern Brazil is a premier mineral region and contains some of the largest known concentrations of IOCG deposits.

OZ Minerals first entered the Brazilian market in 2018 when it completed the acquisition of Avanco, which owned a number of small and high grade copper and gold projects and exploration tenements across more than 1,800km² in the Carajás province. The following map illustrates OZ Minerals' assets across the Carajás province:

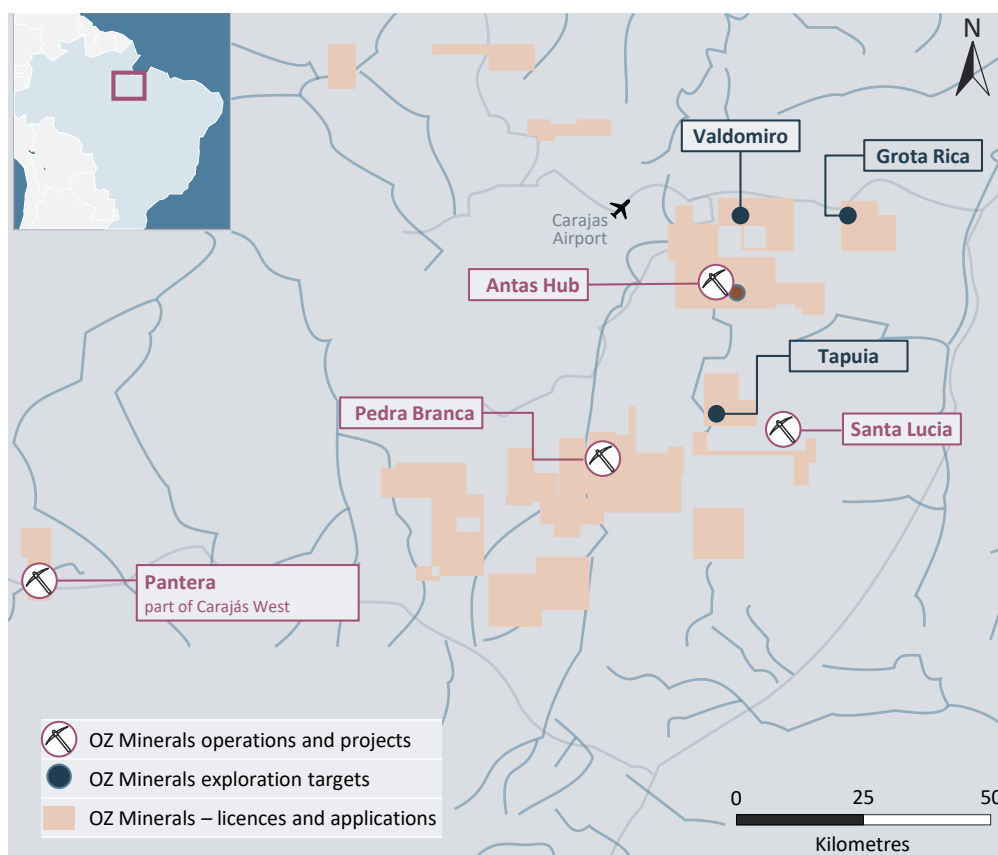
²⁰ Resources and reserves are presented on a 100% basis. OZ Minerals held 70% of West Musgrave on 31 December 2019.

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CARAJÁS – ILLUSTRATIVE MAP OF KEY ASSETS



Source: OZ Minerals and Grant Samuel analysis

OZ Minerals is pursuing a hub-and-spoke strategy for its Brazilian operations in which a single processing facility (i.e. the “hub”) will serve multiple small-to-medium sized copper and gold mines (i.e. the “spokes”). Carajás East is the first of these hub-and-spoke models and consists of:

- the Antas processing facility, which is the centrepiece of OZ Minerals’ hub strategy in the Carajás East region. Antas is a conventional crush-grind-flotation plant with an ore processing capacity of approximately 800ktpa of ROM ore;
- Pedra Branca, which is OZ Minerals’ first satellite mine in the Carajás East Hub and commenced production in August 2021. The asset comprises an underground copper and gold mine and administrative support facilities. At capacity, Pedra Branca is expected to produce approximately 1Mtpa of ore over a mine life of eight years; and
- Antas North, which was previously OZ Minerals’ sole producing mine in the Carajás East Hub but ceased mining operations in June 2021. The former open pit mine is currently being used as a tailings storage facility for the Antas processing facility.

The development of the Carajás Hub strategy is supported by a strategic alliance with the Brazilian mining company Vale S.A. (“Vale”), one of the world’s largest mining companies. Entered into in November 2019, the strategic alliance gives OZ Minerals access to Vale’s logistics network and provides growth options through the following arrangements:

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- a concentrate sales agreement, under which OZ Minerals will sell copper concentrate produced in the Carajás province to Vale to leverage the logistics and scale advantages of Vale's existing supply chain network in the region (although this agreement is currently suspended);
- an ore supply option, under which OZ Minerals has the option to sell ore from its Pedra Branca mine to Vale's Sossego mine. The option can be exercised at any point at least 12 months prior to the commencement of production at Santa Lúcia; and
- acquisition options, particularly over the Santa Lúcia project (exercised in January 2023, refer below) and Circular North copper deposit, which provide OZ Minerals with additional avenues for advancing its hub strategy in the region²¹.

On 30 January 2023, OZ Minerals announced that it had notified Vale of its intention to exercise its option to purchase the Santa Lúcia project. Payment of the option exercise price of US\$25.3 million is due following the achievement of certain internal project milestones:

- one third immediately after OZ Minerals has obtained the preliminary environmental licence (forecast to be in December 2023);
- one third on issue of the mining permit (forecast to be in June 2024); and
- one third on OZ Minerals bringing the mine into production (forecast to be November 2024).

Following exercise of the option, the Brazil National Economic Development Bank retains a 50% participation right in Santa Lúcia's profits. OZ Minerals has engaged with the Brazil National Economic Development Bank in relation to acquiring this 50% participation right but has not yet reached an agreement at the date of this report.

Santa Lúcia is a high-grade copper-gold mineral deposit located approximately 45km from the Antas processing facility and is OZ Minerals' most advanced development project in the Carajás East region. OZ Minerals is currently undertaking a pre-feasibility study to assess the development of Santa Lúcia into a new open pit mine that would become a new "spoke" for the Carajás East Hub. Based on the latest update in fourth quarter production report, the pre-feasibility study is well advanced. Prior to reaching final investment decision, further feasibility studies, licencing (e.g construction and operation licences), mobilisation and early works will be required. Based on current estimates, final investment decision is expected to be reached by 2024, with commissioning and ramp-up in 2025.

Other early stage exploration prospects (i.e. Canaa, Rio Verde, Grota Rica, Tapuia and Valdomiro) are located within trucking distance of the Carajás East Hub. Drilling and geophysical surveys continue to progress for these prospects.

Geology and Mineralisation

The mineral deposits in the Carajás province are typically either large scale but with lower grades (i.e. less than 1% contained copper) or smaller but with higher grades (i.e. greater than 1% contained copper). OZ Minerals' portfolio of mining leases (e.g. Pedra Branca) and exploration prospects are focused on the latter. These deposits typically occur within the Itacaiúnas Supergroup geological unit, which hosts most of the major IOCG deposits in the Carajás province.

The Pedra Branca deposit comprises two zones of mineralisation (the east zone and the west zone) hosted in gneiss and granitic units. The contact between the two rock units hosts a steeply dipping "shear zone" which generally defines the distribution of the copper mineralisation in the deposit with higher grades particularly along the east zone.

²¹ Exercising the options enables OZ Minerals to acquire the assets at prices that are contingent on the CuEq measured and indicated mineral resources and requires OZ Minerals to pay an ongoing royalty to Vale defined as 3% of net smelter return for production tonnage beyond the measured and indicated mineral resources used for the purposes of calculating the acquisition prices.

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The Santa Lúcia deposit exhibits similar mineralisation characteristics and presents as either zones of highly dense occurrences of chalcopyrite or more disseminated veins of mineralisation. The mineralogical characteristics of the ROM ore from these areas are similar to other IOCG deposits in the Carajás province and primarily comprise chalcopyrite (i.e. a copper iron sulphide mineral) and gold.

Mining

Pedra Branca's underground mining operation is focused on the east zone of the deposit. Due to the quality of the rock masses in the footwall and hanging wall, mining is conducted via long hole mining methods with sublevel layouts (i.e. sublevel stoping). Development and stope drilling are carried out by long hole drill and blast. Blasted ore is reclaimed by a combination of manual and remote controlled load, haul and dump machines and the ore is trucked to the surface by articulated dump trucks. Pre-concentration tailings and development waste rock are used as backfill.

Santa Lúcia is expected to be an open pit mining operation, which will involve approximately six months of mine development (e.g. pre-strip) and stockpiling before operations can commence.

Processing

ROM ore from Pedra Branca is initially processed on-site through the pre-concentration sorting facility (comprising a vibrating feeder and jaw crusher) to sort the raw ore and raise the average grade of the ore. This sorting process reduces the total ore tonnage that needs to be transported, reducing transport costs as well as the environmental and social impacts associated with trucking and tailings facilities.

The ore is hauled by truck to the Antas processing facility, where it is fed into the processing circuit to undergo a conventional crushing, grinding and flotation process. In contrast to OZ Minerals' Australian copper operations, the Antas processing facility relies solely on ball mills for grinding.

The Antas processing facility produces a single copper-gold concentrate, which is expected to have average grades of around 28% copper over Pedra Branca's mine life. Ore from new satellite mines such as Santa Lúcia is expected also to be processed at the Antas processing facility although additional investment may be required to expand the capacity of the processing facility (e.g. an expansion of the Antas processing plant from 0.8Mtpa to 2.0Mtpa may be warranted to support the higher volumes from Santa Lúcia). The copper concentrate is currently sold under a third party agreement.

Resources and Reserves

The Carajás East deposits are generally characterised as high grade and smaller in scale (at least relative to other IOCG deposits in the region). The largest of OZ Minerals' deposits is Pedra Branca, which represents the majority of its resources and all of its ore reserves in the Carajás East region. Mineral resources at Pedra Branca have copper grades of approximately 1.5% while its mineral reserves have a copper grade closer to 2.0%.

In 2022, OZ Minerals undertook an accelerated exploration program at the Santa Lúcia area, including soil sampling and ground geophysical surveys aiming to identify new potential areas within the tenement and along its extension, and it intends to commence initial drill testing in 2023. Approximately \$27 million of exploration and evaluation costs have been incurred to date in relation to Santa Lúcia (including US\$15 million paid to Vale over 24 months from November 2019 for the Santa Lúcia option).

Antas North contains nominal amounts of resources peripheral to the exhausted pit as either in situ rock or mineralised stockpiles but at lower grades than either Pedra Branca or Santa Lúcia.

Carajás East reported resources are summarised below:



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CARAJÁS EAST – RESOURCES AT 30 JUNE 2022⁴

	MEASURED				INDICATED				INFERRED				TOTAL			
	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (kt)	Au (koz)	Ag (Moz)
Antas North	-	-	-	-	0.4	0.8	0.20	-	1.0	0.4	0.10	-	1.3	6.2	6.0	-
Pedra Branca	1.9	1.6	0.48	-	8.7	1.7	0.44	-	7.3	1.4	0.36	-	18.0	280.0	240.0	-
Santa Lúcia	-	-	-	-	0.9	6.1	0.97	9.2	4.9	1.3	0.24	3.9	5.8	120.0	66.0	0.89
Total													25.1	406.2	312.0	0.89

Source: OZ Minerals and Grant Samuel analysis

Carajás East reported reserves are summarised below:

CARAJÁS EAST – RESERVES AT 30 JUNE 2022⁴

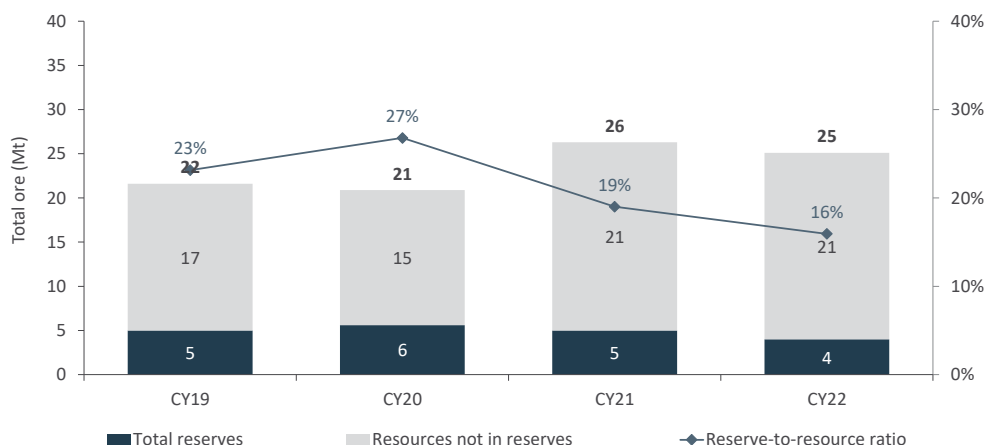
	PROVED				PROBABLE				TOTAL			
	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (kt)	Au (koz)	Ag (Moz)
Antas North	-	-	-	-	-	-	-	-	-	-	-	-
Pedra Branca	0.94	1.8	0.51	-	3.1	2.1	0.53	-	4.0	80	69	-
Santa Lúcia	-	-	-	-	-	-	-	-	-	-	-	-
Total									4.0	80	69	-

Source: OZ Minerals and Grant Samuel analysis

Resources are estimated on the basis of a cut-off grade of US\$52/t net smelter return for Pedra Branca and a copper cut-off grade of 0.3% for Santa Lúcia and Antas North. No resources have been declared for the Canaa, Rio, Valdomiro, Grota Rica and Tapuia prospects. Ore reserve net smelter royalty cut-off grades at Pedra Branca were US\$62/t on the two uppermost mining panels and US\$68/t on all remaining panels. As at 31 December 2022, no ore reserves were recognised at Santa Lúcia.

Resources at Carajás East have increased over the past four years due to the recognition of a maiden mineral resource at Santa Lúcia in CY21 (which also reduced the reserve-to-resource ratio:

CARAJÁS EAST – HISTORICAL CHANGES TO RESOURCES AND RESERVES²²



Source: OZ Minerals and Grant Samuel analysis

²² OZ Minerals completed the acquisition of Avanco on 8 August 2018 and subsequently commenced a review of the mineral resources and reserves. The results of the review were announced on 11 July 2019. As a result, no resources and reserves were recognised by OZ Minerals for the year ending 31 December 2018.

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Operating Performance

The operating performance of Carajás East for CY19 to CY22 is summarised below:

CARAJÁS EAST - OPERATING PERFORMANCE

	CY19 ACTUAL	CY20 ACTUAL	CY21 ACTUAL	CY22 ACTUAL
<i>Ore production</i>				
Total ore mined (t)	468,732	766,320	506,689	686,068
Total ore milled (t)	773,602	781,012	732,049	746,292
Copper grade (%)	0.9	1.1	1.1	1.6
Gold grade (g/t)	0.29	0.30	0.31	0.47
<i>Contained metal in concentrate</i>				
Copper (t)	6,810	8,613	7,298	11,378
Gold (oz)	6,171	6,312	5,809	8,674
<i>Cost metrics (US cents per lb)</i>				
C1 cost ⁶	235.0	95.4	192.5	197.1
AISC ⁶	294.6	149.4	343.6	279.5

Source: OZ Minerals and Grant Samuel analysis

Over the past four years, total ore milled has generally exceeded total ore mined due to the depletion of the ore stockpiles from the Antas North mine. Treatment rates have generally been consistent at around 750-780Mtpa (slightly below the nameplate capacity of the Antas processing facility) with the decline in CY21 primarily attributable to the changeover between Antas North (which completed mining operations in June 2021) and Pedra Branca (which commenced commercial mining production in August 2021), as well as the ongoing decline in grades and recovery rates at Antas North over the final years of its operation. Following the ramp-up of operations at Pedra Branca (and the ability to consistently produce ore from multiple stopes), increased grade and recoveries contributed to higher copper and gold production in CY22.

The lower cash costs in CY20 were primarily attributable to the higher copper grades (which contributed to increased copper production) and favourable exchange rate movements. However, cash costs increased in CY21 and CY22, reflecting the impact of COVID-19 related disruptions and delays in equipment availability.

4.5 Exploration and Other Development Activities

Overview

OZ Minerals' exploration program consists of both brownfield and greenfield exploration. Brownfield exploration is focused on identifying new resources at or near existing mines. Greenfield exploration is progressing across several locations in Australia, Brazil and Sweden²³.

OZ Minerals' exploration activities are complemented by alliances (e.g. exploration earn-in agreements) with explorers. In select circumstances, OZ Minerals may also invest directly in explorers (e.g. its equity investment in ASX listed junior explorer, Carnaby Resources Limited ("Carnaby")). Partnerships with junior explorers are typically entered into on the basis of their ground position (i.e. existing mineralisation), discovery track record and technical ability. In CY22, OZ Minerals incurred \$103.0 million in exploration and evaluation expenditure²⁴.

OZ Minerals' exploration activities in various countries are discussed below.

²³ OZ Minerals has advised Grant Samuel that it no longer has an active exploration interest in Peru and is in the process of exiting its exploration partnership in the country.

²⁴ Includes approximately \$45 million in acquisition and milestone payments in relation to the Carajás hub.

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Australia

OZ Minerals' exploration activities in Australia are primarily via joint ventures or farm-in agreements:

AUSTRALIA – SUMMARY OF EXPLORATION TARGETS

PROJECT NAME	STATE	DESCRIPTION
<i>WHOLLY OWNED BY OZ MINERALS</i>		
Coompana	South Australia	Exploration tenements cover more than 6,000km² and are targeted for magmatic nickel-copper deposits
Coober Pedy	South Australia	Three exploration licences covering approximately 1,590km²
Mt Woods	South Australia	Potential additional resource to support future production at Prominent Hill
Stuart Shelf	South Australia	13 exploration licences surrounding Carrapateena mining operation - Covers approximately 3,700km²
<i>PARTNERSHIPS AND OTHER AGREEMENTS</i>		
Benmara	Northern Territory	- Exploration alliance with Red Metal Limited ("Red Metal") that provides OZ Minerals the option to fund several proof-of-concept work programs on a number of Red Metal's early stage projects - Targeting copper deposits, with drilling planned for CY23 subject to approvals
East Musgrave	Western Australia	- Joint venture with Woomera Exploration Limited - Targets magmatic copper-nickel sulphide systems
Gulf	Queensland	- Exploration alliance with Red Metal (see above) - Located north of the Ernest Henry copper mine - Proof-of-concept drill tests on copper-gold IOCG targets underway
Kalkaroo²⁵	South Australia	- Strategic alliance with Havilah to evaluate the potential of the copper project over a period of 18 months and the option to acquire 100% of the project (refer below for additional details) - Exploration targets are in proximity to the Kalkaroo copper-gold-cobalt deposit within Havilah's 100% owned exploration licence that surrounds the deposit - The Kalkaroo project is currently at pre-feasibility stage and has a mineral resource estimate of 245Mt at 0.45% copper and 0.39g/t gold (and a reserve estimate of 100Mt at 0.47% copper and 0.44g/t gold) - Exploration drilling program commenced in November 2022
Lawn Hill	Queensland	- Exploration alliance with Red Metal (see above) - Zinc-lead-silver exploration targets - Initial surveys completed
Peake & Denison	South Australia	- Farm-in joint venture agreement with Minotaur Exploration Limited (\$10 million to earn a 70% interest in the project) 2,500km² of contiguous tenure targeting large IOCG deposits along the edge of the Gawler Craton (which hosts other major copper mines such as Olympic Dam, Prominent Hill and Carrapateena) - CY22 drill testing encountered copper mineralisation at Mawson and Willis targets with further testing planned at Willis
Pandurra	South Australia	- Partnership with Black Tiger Resources Pty Limited - Targeting IOCG mineralisation - Located 150km south-west of Carrapateena
Three Ways	Queensland	- Exploration alliance with Red Metal (see above) - Copper-cobalt and zinc-lead-silver targets north of the Ernest Henry copper mine
Wollogorang	Northern Territory	- Farm-in joint venture with Resolution Minerals Limited (\$4.9 million over five years to earn a 51% interest in the project and the opportunity to increase its interest to 75% by sole funding the project to deliver a positive final investment decision to mine) - Targets sediment hosted copper deposits in the McArthur Basin
Yarrie	Western Australia	- Exploration alliance with Red Metal (see above) - Copper-gold and copper-cobalt targets - Airborne survey completed with additional drill testing scheduled for CY23

Source: OZ Minerals and Grant Samuel analysis

No resources have been recognised by OZ Minerals for these exploration targets at the date of this report.

²⁵ OZ Minerals does not own an interest in the Kalkaroo project. No resources or reserves have been recognised by OZ Minerals.

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OZ Minerals entered into a strategic alliance with Havilah in August 2022 to evaluate the potential of the Kalkaroo copper-gold-cobalt project over a period of 18 months (to February 2024) and was granted an option to acquire 100% of the project for a cash payment of \$205 million (and contingent consideration of up to a maximum of \$200 million²⁶ subject to the satisfaction of relevant milestones).

Under the strategic alliance, OZ Minerals will pay Havilah \$1 million per month during the 18 month option and alliance period. OZ Minerals has indicated that it expects to spend up to \$76 million during the option and alliance period to undertake studies and exploration activities on the project.

In January 2023, Havilah announced that it had agreed to an extension of the strategic alliance and the option exercise period to May 2024 due to unavoidable force majeure event delays to commencement of the work program.

Carajás West (Brazil)

The Carajás West Hub features the Pantera project, which is a high grade, copper-gold IOCG deposit located in the Brazilian state of Para (approximately 110km west of the Pedra Branca mine). The exploration licence covers an area of 9,700 hectares and is located close to existing infrastructure, including a sealed national highway immediately south of the project and the mining towns of Tucumá and Ourilândia do Norte.

In November 2019, OZ Minerals exercised its option to purchase 100% of the Pantera project. This option had been acquired as part of OZ Minerals' acquisition of Avanco. Under the option agreement, OZ Minerals is required to pay:

- an acquisition price to Vale (as the original owner of the project that sold the option to Avanco in early 2018) that will comprise annual payments calculated as:
 - US\$0.04/lb of contained copper on agreed Australasian Joint Ore Reserves Committee ("JORC") compliant measured and indicated resources hosted within the historical mineralised zone (as identified by Vale); and
 - US\$0.06/lb of contained copper on any mineral resource identified beyond 400,000 tonnes.
- In CY22, OZ Minerals recognised \$20.3 million in acquisition payments in relation to the option agreement with Vale (under which an option exercise payment of US\$15.5 million is due in annual instalments with the first payment of US\$3 million commencing in January 2022 and remaining deferred payments due over the next three years);
- a 1.0% net smelter return royalty on production from resources outside the reference zone; and
- a 1.5% royalty on gross revenue to the Brazil National Economic Development Bank.

Recent estimates indicate that the Pantera project holds approximately 20Mt of resource at 1.2% copper (equivalent to 250kt of contained copper) and 0.2g/t gold (equivalent to 110koz of contained gold). The estimates were based on a copper mineral cut-off grade of 0.25%, as copper (as opposed to gold) is expected to have the larger revenue potential and consequently would be the main influencer of grade control and plant feed considerations. No ore reserves have been recognised at this stage.

OZ Minerals recently completed a scoping study to investigate the possibility of developing the Pantera project as an open pit mine that will be supported by new onsite processing infrastructure to underpin a second hub in the Carajás province (otherwise known as Carajás West). In accordance with the strategic alliance with Vale, copper concentrate produced at the Carajás West Hub would also be sold to Vale. As next steps, further studies (e.g. pre-feasibility study and feasibility study) and licencing (e.g. environmental, installation and operating) are required prior to final investment decision.

²⁶ \$65 million on a 30% uplift in Kalkaroo's measured and indicated resource estimate and a copper price linked royalty in each year of production capped at \$135 million.

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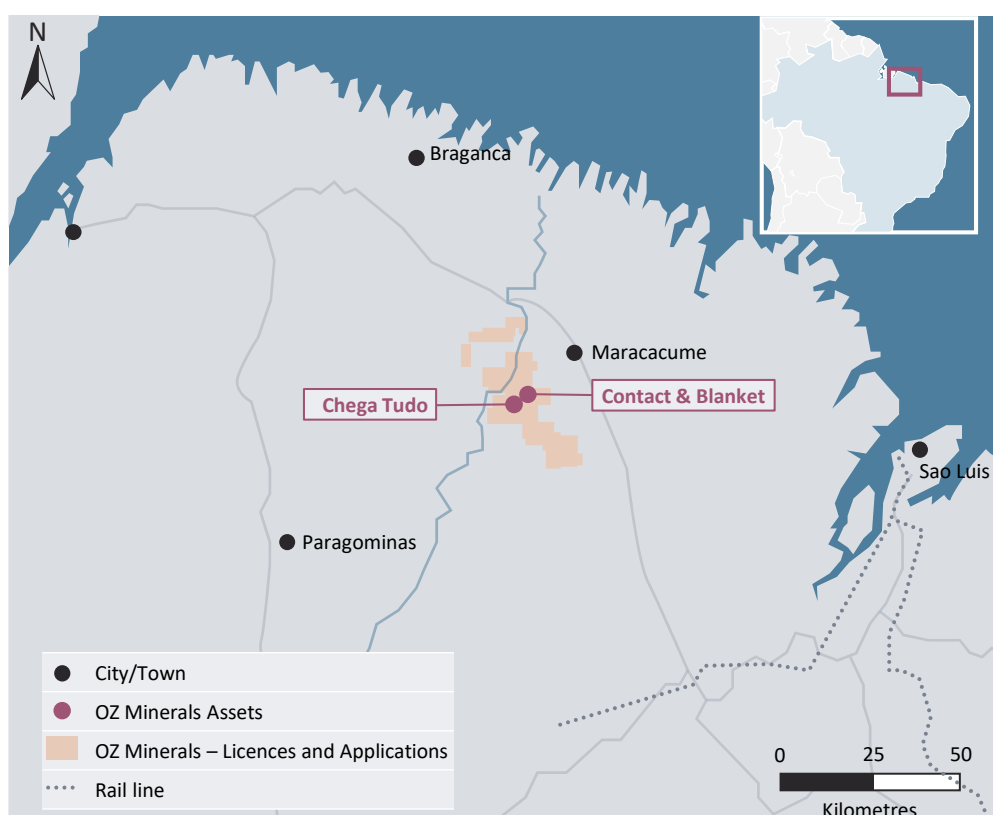
Gurupi Province (Brazil)

OVERVIEW

The Gurupi province is located in the state of Maranhão in northern Brazil, adjacent to the state of Pará (approximately 600km from the Carajás East Hub). OZ Minerals holds the rights to 2,300km² of mineral tenements in the Gurupi province that cover 85km of strike length of a greenstone belt (i.e. ancient volcanos that are typically targeted by explorers for their high levels of mineralisation).

The following map illustrates OZ Minerals' exploration interests across the Gurupi province:

GURUPI – ILLUSTRATIVE MAP OF KEY ASSETS



Source: OZ Minerals

CentroGold is the most advanced of OZ Minerals' projects in the area and covers less than 3% of its total tenements. The project features two gold deposits in Cipoeiro (the higher grade Blanket deposit and the Contact deposit) that are separated by a central fault. The most recent pre-feasibility study prepared by OZ Minerals in 2019 focused on mining the two deposits and constructing a processing plant to form a new hub for the Gurupi province. Initial studies suggest that the resources at the two deposits can support an open pit mine producing an average of 100-120koz of gold per annum for at least seven years.

Other exploration targets that could be serviced by the Gurupi Hub include:

- Chega Tudo and Mandiocall, which are high grade gold deposits located approximately 8km west of Cipoeiro; and

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- Jiboia, which is located north of CentroGold and has a recently built base camp from which OZ Minerals conducts geological mapping and sampling.

OZ Minerals is awaiting the removal of a federal court injunction before it commences a feasibility study on the CentroGold project. The court injunction was placed in 2013 and suspended the previously issued environmental and construction licences granted to the previous project owners. OZ Minerals is working with the regulatory authorities and the local community to achieve the earliest possible resolution.

If approved, the CentroGold project is estimated to require approximately US\$155 million in upfront capital investment and a development period of approximately 18 months.

GEOLOGY AND MINERALISATION

Gold mineralisation within the CentroGold project sits within a northwest to southeast trending shear zone that is continuous over 120km and reaches 30km in width in certain areas. Mineralisation in the project area generally occurs in two zones — Contact and Blanket. The mineralisation at the Contact deposit is sub-vertical with flatter lying high grade zones hosted in rafts of sediment within the host rock. In contrast, the Blanket deposit is shallow dipping (at approximately 20-30 degrees) with medium grade gold mineralisation.

MINING AND PROCESSING

Based on the 2019 pre-feasibility study for the CentroGold project, mining would be undertaken by open pit mining methods (i.e. traditional drill and blast, excavator and truck operation). The two orebodies would be mined simultaneously, with low grade ore set aside to be stockpiled and reclaimed for processing at the end of the mine life.

The process flowsheet considers primary, secondary and tertiary crushing, ball milling, gravity concentration in the ball milling circuit, flotation and electrowinning and smelting to produce gold bullion. The plant is expected to have an annual capacity of 2.5Mtpa, producing approximately 1.1Moz of gold over the mine life.

RESOURCES AND RESERVES

Gurupi is OZ Minerals' largest gold-only deposit. Gurupi reported mineral resources are summarised below:

GURUPI – MINERAL RESOURCES AT 30 JUNE 2022⁴

	MEASURED				INDICATED				INFERRED				TOTAL			
	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (kt)	Au (koz)	Ag (Moz)
CentroGold	-	-	-	-	21	-	1.9	-	7	-	1.8	-	28	-	1,700	-
Chega Tudo	-	-	-	-	8	-	1.6	-	3	-	1.5	-	11	-	577	-
Total					29		3.5		10		3.3		39	-	2,277	-

Source: OZ Minerals and Grant Samuel analysis

Gurupi reported ore reserves are summarised below:

GURUPI – ORE RESERVES AT 30 JUNE 2022⁴

	PROVED				PROBABLE				TOTAL			
	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Mt	Cu (kt)	Au (koz)	Ag (Moz)
CentroGold	-	-	-	-	20	-	1.7	-	20	-	1,100	-
Chega Tudo	-	-	-	-	-	-	-	-	-	-	-	-
Total					20		1.7		20	-	1,100	-

Source: OZ Minerals and Grant Samuel analysis



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Europe

OZ Minerals has partnered with Swedish private explorer Mineral Prospektering i Sverige AB ("MPS") to explore in Sweden. The exploration licences cover areas in Lannavaara, Painirova, Sadjem-Dokas, Skeleftea, Rockliden and Bjurktraskgruvan. The projects generally cover areas along Sweden's copper mining belt and in areas with potential IOCG mineralisation.



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5 Valuation of OZ Minerals

5.1 Summary

Grant Samuel has valued the equity in OZ Minerals in the range \$9.2-10.3 billion which corresponds to a value of \$27.37-30.47 per share. The valuation is summarised below:

OZ MINERALS - VALUATION SUMMARY (\$ MILLIONS)

	REPORT SECTION REFERENCE	VALUATION RANGE	
		LOW	HIGH
Prominent Hill	5.3.2	2,571	2,857
Carrapateena	5.3.3	4,857	5,286
West Musgrave	5.3.4	1,643	1,857
Carajás East	5.3.5	414	486
Exploration and development	5.5	97	134
Corporate costs (net of savings)	5.6	(105)	(110)
Other assets and liabilities	5.7	14	24
Enterprise value		9,491	10,534
Net borrowings at 31 December 2022	5.8	(254)	(254)
Value of equity		9,237	10,280
Fully diluted shares on issue (millions)	3.6	337.4	337.4
Value per share		\$27.37	\$30.47

The valuation represents the estimated full underlying value of OZ Minerals assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect OZ Minerals shares to trade on the ASX in the absence of a takeover offer. Shares in a listed company normally trade at a discount of 15-25% to the underlying value of the company as a whole (although this discount does not always apply).

The principal approach to valuing OZ Minerals' mineral assets was by discounted cash flow ("DCF") analysis, with multiples analysis (earnings, mineral resources and ore reserves) used as a cross check. DCF values for the operating assets (Prominent Hill, Carrapateena and Carajás East) and the West Musgrave advanced development project were estimated based on production scenarios developed in conjunction with, and reflecting the technical judgements of, the independent technical specialist, AMC. For the purposes of the DCF analysis, two production scenarios were developed for each mineral asset. Technical valuation assumptions (e.g. production and processing rates, metal grades and recovery rates, and operating and capital costs) for each scenario were reviewed in detail, and estimated, by AMC. The DCF models take into account cash flows from 1 January 2023.

The valuation of OZ Minerals is fundamentally dependent on Grant Samuel's judgements as to key assumptions adopted for valuation purposes, including as to appropriate commodity prices (principally for copper and nickel) and the A\$/US\$ exchange rate. Copper and nickel prices are at historically high levels²⁷. OZ Minerals' earnings and share price performance over the past three years have highlighted the extent to which its financial performance and share prices are correlated with copper prices. With the advent of the West Musgrave project, its share price is arguably also affected by nickel prices and likely to be more so in the future. The valuation of OZ Minerals was prepared in this context, noting that the value of OZ Minerals' assets is highly sensitive to relatively small changes in assumptions as to future copper and nickel prices as

²⁷ Nickel prices reached over US\$100,000/tonne in March 2022. However, this price was the result of market failure and underlying trades were cancelled by the LME.



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well as exchange rates. As a result, a wide range of values could reasonably be estimated and valuations of such assets is inevitably highly subjective.

The valuation excludes synergies that are unique to BHP Group. However, it does include synergies that any acquirer of OZ Minerals would be able to achieve (e.g. savings in listed company costs and other corporate overheads). These savings have been included in the negative valuation range attributed to corporate costs.

AMC prepared valuations of OZ Minerals' exploration and development assets for which it was not appropriate to prepare cash flow based valuations. These include:

- early stage development assets (e.g. Pantera) which are greenfield in nature and for which production schedules cannot be reliably produced at this stage;
- assets that do not have the necessary regulatory approvals for mining and consequently do not have an established path to development (e.g. CentroGold and surrounding assets in the Gurupi province);
- greenfield exploration assets particularly in Australia, Brazil and Sweden. This excludes the market value of any direct investments OZ Minerals has in any listed equity securities (e.g. Carnaby) which have been separately valued; and
- remnant mineral resources and ore reserves and brownfield exploration targets not mined as part of the mine plans for each of OZ Minerals' producing copper and nickel assets.

The AMC valuation of these assets is summarised below and is set out in full in AMC's detailed report, which is included as Appendix 5 to this report. The value of remnant mineral resources and exploration projects (or targets) located at existing operations (i.e. Carrapateena, West Musgrave and Carajás East)²⁸ has been included in the value of those operations in the table above. The value attributed to exploration and development includes only assets at other locations.

Other assets include the market value of listed equity securities (e.g. Carnaby) and a value for the option over Kalkaroo, from which other liabilities have been deducted.

Grant Samuel's valuation of OZ Minerals implies the following valuation parameters:

OZ MINERALS – IMPLIED VALUATION PARAMETERS

	VARIABLE	RANGE OF PARAMETERS	
		LOW	HIGH
CuEq Resources and Reserves ⁵			
Resources (US\$/tonne)	17.6Mt	378	419
Reserves (US\$/tonne)	8.0Mt	835	926
EBITDA			
CY22 (actual) (times)	\$692.7 million	13.7	15.2
CY23 (average broker forecast ²⁹) (times)	\$863.6 million	11.0	12.2

The overall multiples are blended multiples for OZ Minerals' mineral assets that reflect the nature (e.g. operating assets vs those under development) and the relative size of each of the mineral assets. The overall multiples are weighted towards the valuations of Carrapateena and Prominent Hill but incorporate the value of West Musgrave, which is not insignificant (17-18% of enterprise value) and will grow as it is developed.

²⁸ There are no remnant mineral resources at Prominent Hill.

²⁹ While OZ Minerals has provided guidance for CY23, the directors of OZ Minerals have decided not to include the CY23 Plan in the Scheme Booklet and therefore this information has not been disclosed in this report. Accordingly, the implied multiples are based on the average of brokers' forecasts for OZ Minerals (see Appendix 3 for details). These average forecasts are sufficiently close to OZ Minerals' CY23 Plan to be useful for analytical purposes.

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The implied earnings multiples are relatively high but reflect expectations of material increases in earnings in the medium term attributable to:

- the growth projects underway at:
 - Prominent Hill, where the mine shaft expansion is expected to result in a 45% increase in annual ore production capacity from current levels (to 6.5Mtpa);
 - Carrapateena, where the block cave expansion is expected to result in a 140% increase in annual ore production capacity from current levels (to 12Mtpa); and
 - Carajás East, particularly from potential mine life extension opportunities such as Santa Lúcia which is expected to double the total ore reserves processed at the Antas plant.

Completion of these growth projects is expected to result in very substantial increases in production capacity and therefore earnings from current levels; and

- new developments, including West Musgrave which is currently under construction and is not expected to contribute to earnings until CY25. Once operational in CY25, West Musgrave is expected to become one of the largest and lowest-cost nickel mines in the world.

On the other hand, the implied CuEq resource and reserve multiples are relatively modest (compared to the EBITDA multiples) due to the following factors:

- there are considerable resources at Prominent Hill and West Musgrave that are not included in current mine plans (and are therefore not explicitly incorporated into the DCF analysis and contribute little to the valuation of OZ Minerals). For example, the production scenarios for West Musgrave exclude the mining of any ore from the Succoth deposit (which accounts for nearly 30% of the project's total mineral resources). These remnant mineral resources contribute little to the valuation of OZ Minerals;
- the valuation takes into account the significant short term capital expenditure (almost US\$3 billion in total) required for the mine expansions at Prominent Hill (Wira mine shaft expansion) and Carrapateena (block cave expansion) as well as the development of West Musgrave; and
- West Musgrave contributes a large share of group's CuEq resources and reserves (i.e. approximately 20% and 35%, respectively) but its valuation takes into account the development risks as well as the capital expenditure.

5.2 Valuation Approach

Methodologies

Grant Samuel's valuation of OZ Minerals has been assessed by aggregating the estimated market values of each of its mineral and other assets and deducting net external borrowings and corporate costs. The valuation of OZ Minerals' mineral assets has been estimated on the basis of fair market value, defined as the maximum price that could be realised in an open market over a reasonable period of time given current market conditions and currently available information, assuming that potential buyers have full information. Other assets have been valued on the basis of the net realisable value of those assets.

There are four primary valuation methodologies that are commonly used for valuing operating businesses:

- discounting of projected cash flows;
- multiples of earnings or cash flows;
- industry rules of thumb (e.g. dollars per unit of resource, reserve or production); and
- estimation of the aggregate proceeds from an orderly realisation of assets.



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Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved.

Grant Samuel's primary approach to the valuation of OZ Minerals' mineral assets has involved the application of the DCF methodology. The DCF methodology involves the calculation of NPV by discounting expected future cash flows. Projected cash flows are discounted to a present value using discount rates that take into account the time value of money and risks associated with the cash flows. The DCF methodology is particularly appropriate for assets such as mineral assets where reserves are depleted over time and where significant capital expenditure is required. It is the primary method of valuation in the mining industry. Early stage greenfield assets that are still in initial stages of scoping studies (e.g. Pantera) have not been valued under a DCF methodology as production schedules cannot be reliably produced at this stage.

OZ Minerals' mineral assets are primarily copper or nickel producing (or soon to be producing)³⁰ assets. Consequently, the majority of its expected cash flows will be derived from copper or nickel related activities, with gold cash flows generated only as a by-product credit to mining costs for these primary metals. While gold mining companies and pure gold assets commonly trade at values that imply very low discount rates, and there may be theoretical arguments to suggest that the gold related cash flows of OZ Minerals could be valued using lower discount rates than would apply to copper or nickel related cash flow streams there is no evidence that, in practice, acquirers or investors would notionally separate out a gold related cash flow stream and value it differently, or impute a premium to mines with non-trivial gold cash credits.

DCF values for the operating assets (Prominent Hill, Carrapateena and Carajás East) and for West Musgrave were estimated based on valuation scenarios developed in conjunction with AMC.

Grant Samuel developed cash flow models for each of the key mineral assets of OZ Minerals. These cash flow models were derived from operating models developed by AMC based on life of mine plans provided by OZ Minerals. AMC reviewed each of the technical assumptions in the operating models, including those regarding reserve estimates, production profiles, operating costs, capital costs, rehabilitation costs and the potential for reserve extensions and applied their judgements on the expected recoverability from these reserves and resources. Grant Samuel determined the economic and financial assumptions used in the cash flow models. The balance sheet for OZ Minerals at 31 December 2022 has been taken as the starting point for the valuation of OZ Minerals and the cash flow models. Non trading assets and liabilities at that date have been recorded as adjustments to the valuation of OZ Minerals' mineral projects. The NPV of each mineral asset has been calculated on an ungeared after tax basis at 1 January 2023.

Alternative valuation methodologies have been considered as secondary evidence of the value of OZ Minerals' key mineral assets. In particular, the estimates of value have been reviewed in terms of earnings multiples as well as reserve and resource multiples relative to comparable listed companies and comparable transactions. These alternative approaches to valuation are useful in determining the reasonableness of a DCF valuation since the DCF valuation is typically highly sensitive to some of the key assumptions adopted (e.g. commodity prices and exchange rates).

However, reliance on these alternative valuation methodologies should be treated with particular caution³¹. While industry "rules of thumb" such as reserve and resource multiples are commonly referenced by market commentators in the valuation of mineral assets, these multiples have significant shortcomings (see Section 5.3.6 below) that mean that they are not a reliable basis for determining value.

³⁰ Once development of the West Musgrave mine is completed and production commences (expected in the second half of 2025), expected future cash flows from West Musgrave will be derived from the production and sale of nickel and copper products.

³¹ Source: CSA Global, The Use and Abuse of Metal Equivalents, 2019.

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At best they provide “comfort” that values are in the right “ballpark” (or require investigation to explain any variation).

Price-to-net asset value multiples are also commonly used in the resources industry. However, it is inherently dependent on a DCF calculation (i.e. the net asset value) to determine whether the price paid (i.e. either the implied enterprise value of a transaction or the implied enterprise value of a listed company given its current market capitalisation) exceeds or falls below the value of the business estimated on a NPV basis. In the context of its application in this report, it would effectively be taking the average of the market's views on value and relying on that reference point to guide the independent expert's own assessment of value. In Grant Samuel's view, this approach may serve practical purposes in other applications but not in an independent expert's report.

General Considerations

The valuation of OZ Minerals' mineral assets represents Grant Samuel's overall judgements as to value. They do not rely on any one particular scenario or set of economic assumptions. The valuations have been determined having regard to the sensitivity of DCF analysis to a range of technical and economic assumptions. They incorporate Grant Samuel's judgement as to the impact on value of factors such as location (and therefore exposure to sovereign risk), development status, resource and reserve upside and optionality to the extent not reflected in the DCF analysis. Where appropriate, the valuations also take into account direct market based evidence (e.g. multiples) as to the value of broadly comparable projects.

The valuations are based on a number of important assumptions, including assumptions regarding future commodity prices and the A\$/US\$ exchange rate. Commodity prices, exchange rates and expectations regarding future operating parameters can change significantly over short periods of time. Such changes can have significant impacts on underlying value. The valuations also reflect the technical judgements of AMC regarding the prospects for each of the operations of OZ Minerals. Accordingly, while the values estimated are believed to be appropriate for the purpose of assessing the Scheme, they may not be appropriate for other purposes or in the context of changed economic circumstances or different operational prospects for OZ Minerals' mineral assets.

Moreover, mine planning and design is fundamentally guided by long term views on the same important assumptions such as commodity prices, which can impact the optimisation of pit shell designs and consequently the “scope” of the orebody that will be mined. However, in practice, the exercise of mine planning and design can be resource and time intensive. While commodity prices may fluctuate in the short term, mines will typically follow (to a large extent) the existing mine plan and either absorb the profit hit to short term commodity price downturns in prices or benefit from higher commodity price environment. In some instances, production can perhaps slow down or mining in certain areas can be deferred, but in aggregate, the mine plan remains broadly unchanged. A significant refresh of the mine plan typically only happens when there is a significant change to the mining method (e.g. from sub level caving to block caving as with in Carrapateena) or dramatic changes to the commodity price outlook that demands a fundamental reassessment.

In the case of OZ Minerals, AMC has reviewed the current mine plans of the company and assessed two production cases for each mineral asset based on the identified mineral resources and ore reserves of the company. While the commodity price assumptions are higher than the prevailing commodity prices when the mine plans were set, these are not expected to result in an immediate redesign of the mine plan (i.e. by way of expanding the scope of the AMC production cases). Accordingly, the production cases do not contemplate further additions of new mineral resources that “become available” to be mined under the commodity price assumptions used in the value analysis.

Many of the assumptions underpinning the valuation (e.g. commodity prices, exchange rates) could plausibly fall in relatively wide ranges (certainly wider than those adopted in the valuation analysis). However that would result in valuation ranges that were so wide as to be of little value to shareholders in



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making a decision about the Scheme. Accordingly, Grant Samuel has utilised narrower ranges for its assumptions.

Resources Projects and Optionality

The conventional DCF methodology implicitly assumes that the rate of output from a mining operation is pre-determined. This methodology ignores the value inherent in management's ability to vary production and other operating parameters in reaction to changes in commodity prices or other circumstances. Management may change the rate of production of a mine, close or re-open the mine or in certain circumstances even abandon it. Accordingly, a mine may be regarded as an option (or series of options) over the resources it contains.

The value of management flexibility is illustrated by the example of a marginal mine, where the marginal cash production cost is equal to expected revenue. Application of the conventional DCF methodology would result in the estimate of a zero value for the mine. In reality, however, the mine will have some value, because management is able to reduce or cease production if marginal revenue falls below the marginal cash cost of production and to resume or increase production if commodity prices rise.

Similarly, the designs and long term development alternatives for many mines allow management to change operating plans in the light of future commodity prices and operating costs and variations in the orebody. Life of mine plans frequently involve mining marginal ore, making additional cut backs or making other operational decisions at some point in the future. However, management is commonly not required to commit to such decisions at the commencement of the mining project. Firm commitments are only required much later in the project, at which time management will be able to make decisions on the basis of the commodity prices, known geology and other circumstances then prevailing. The mining operations as they relate to (for example) the mining of marginal ore or a final cut back may be thought of as a series of call options exercisable at the marginal mining costs to be incurred at the time. These options represent additional value not captured by the conventional DCF methodology.

An alternative perspective is that management flexibility results in changes in commodity prices having an asymmetric impact on the value of a mining operation. If commodity prices rise unexpectedly, the mine will earn greater revenue (and may be able to mine additional mineralisation not originally scheduled for production). If commodity prices fall unexpectedly, production will be curtailed or, in the worst case, stopped. The mine will not continue, in the long term, to be operated at a cash operating loss. By contrast, deterministic valuation models implicitly assume that there is some possibility of the mine operating on a long term basis at a cash operating loss, in the same way that it implicitly assumes that the mine may earn "super profits" as a result of a persistent increase in commodity prices.

Grant Samuel is aware of valuation methodologies which attempt to incorporate the option value associated with management flexibility, using a combination of conventional DCF analysis and option theory. However, the application of these methodologies is impractical in the context of the complex and unpredictable nature of mining operations. In making judgments on value, Grant Samuel has given general consideration as to the characteristics of the various mining operations and the value of management flexibility or underlying option value implicit in those characteristics.

OZ Minerals' major assets (i.e. Prominent Hill and Carrapateena) are established, long life highly profitable mines at the low end of the cost curve that arguably should have ample opportunity (over time) to continue to explore, identify new mineralisation, exploit new technologies and potentially mine mineralisation that is not currently profitable. The DCF analysis includes potential upside scenarios that consider the potential value from this optionality.



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Valuation of Synergies

Fair value excludes synergies that are specific to any one particular buyer. In the case of BHP Group, the acquisition of OZ Minerals is widely expected to deliver significant synergies and other benefits such as operational synergies in South Australia (i.e. between BHP Group's Olympic Dam copper mine and the adjacent Prominent Hill and Carrapateena copper mines held by OZ Minerals) and in Western Australia (i.e. between BHP Group's Nickel West asset and West Musgrave). These synergies are unique to BHP Group as no other commodity producer has overlapping operating footprints for the same commodities within the same regions. In theory, there is no commercial imperative for BHP Group to share any (let alone all) of these unique synergies with any other party by offering a higher consideration to acquire OZ Minerals except to the extent any of the synergies are also available to other potential buyers.

The valuation does, however, include synergies that any acquirer of OZ Minerals would be able to achieve (e.g. savings on listed company costs and other corporate overheads). At a minimum, any potential acquirer would need to offer a price for OZ Minerals that contemplates the value of these synergies to be competitive with any other buyer. These savings have been included in the negative value attributed to corporate costs.

Cum Dividend Valuation

The valuation is on a cum dividend basis to align it with the aggregate Scheme consideration of \$28.25 per share (i.e. the valuation is before payment of the special dividend of \$1.75 per share).

Currency

Each of OZ Minerals' mineral assets has been valued in US\$ as benchmark prices for commodities are denominated in US\$ and the revenue from OZ Minerals' Australian and Brazilian assets is generated in US\$. The respective costs for each asset (e.g. direct mining costs, processing costs, general and administrative costs, etc.) are initially denominated in local currency and have been converted into US\$. The value is then translated into A\$ at the prevailing spot rate.

5.3 DCF Valuation of Mineral Assets

5.3.1 Key Assumptions

There are a number of economic and financial assumptions that apply across the valuation of OZ Minerals' mineral assets:

Valuation Date

OZ Minerals has been valued at 31 December 2022 and the DCF analysis has been prepared from 1 January 2023. The primary reference point for the valuation is OZ Minerals' balance sheet at 31 December 2022. While adjustments have been made for relevant subsequent events (e.g. one-off settlement payments), no adjustments have been made for movements in other balance sheet items.

Commodity Prices

Grant Samuel has considered the following sources in determining its commodity price assumptions for the DCF analysis:

- Consensus Economics, a monthly publication of economic and commodity forecasts that canvasses a number of investment banks, brokers and economists to consolidate consensus projections on a range of economic indicators, including commodity prices;



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- specialist commodity market analysts that provide in-depth coverage of a wide range of commodities including copper and nickel, although the projections were prepared some months ago (i.e. October 2022 for CRU Group and October 2022 for Wood Mackenzie); and
- its own research on the underlying supply-demand dynamics of the relevant commodity markets (see Appendix 2 for an overview of demand, supply and price dynamics and other relevant issues).

Estimating the future trajectory of commodity prices and the long term sustainable price of any commodity is fraught with uncertainty:

- commodity prices are inherently volatile. For example, the copper price doubled in 2020 and 2021 but then fell by 33% later in 2021. Commodity prices are impacted by short term fluctuations in the day to day physical supply/demand balance (and inventories) as well as speculative trading activity. In the longer term, prices can be expected to reflect the fundamentals of underlying supply, demand and marginal costs;
- the underlying drivers of commodity prices are multifaceted, complex and difficult to predict;
- while some long term trends may be clear (e.g. electrification and energy transition), the timing or pace of change is less definitive and can materially impact prices. For example, a slower energy transition than expected should ease supply constraints and prices (for relevant commodities) whereas a faster energy transition should amplify current supply constraints and prices; and
- increasing demand does not automatically result in higher prices over the long term. High prices (at least if sustained for some time) will generally elicit a number of market responses that typically lead (even if over time) to a moderation of prices including:
 - more supply with new mines opening as development is accelerated, existing mines revisiting their mine plans to take advantage of higher prices and, in some cases, previously economically marginal mines that were not profitable under less buoyant price environments re-opening;
 - increased recycling;
 - substitution, as industrial or manufacturing processes source alternative inputs that offer a similar combination of characteristics and chemical properties at potentially a lower cost; and
 - a push for technical innovation, to improve efficiencies of existing products and processes to “do more with less” with a constrained resource.

At the same time, these changes typically take some years to occur.

Accordingly, forecasts of commodity prices by industry research houses, equity analysts, economists and others tend to fall in a very wide range. There is typically no tight consensus.

Moreover:

- a number of forecasters present “base” and “upside” cases that are materially different;
- available forecasts lag current market trading, often by some months; and
- there is no one source that is regarded as “superior” to the rest.

In any event, the commodity price assumptions for valuation purposes are not predictions of future prices but rather are intended to reflect the pricing assumptions real world acquirers of the assets (i.e. other industry participants) would utilise in determining the price that they are prepared to pay.

COPPER PRICES

Grant Samuel has assumed two price scenarios (all \$ on a real basis):



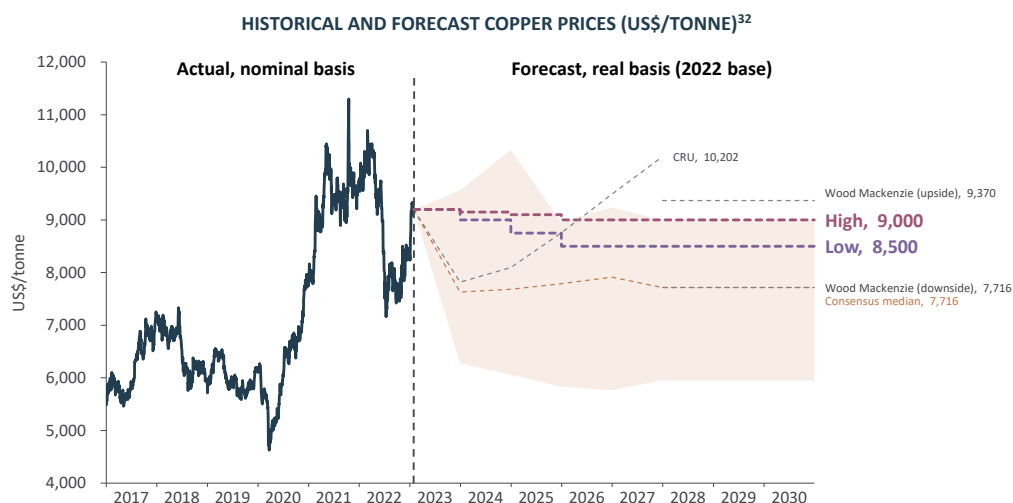
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- the Low Case assumes a copper price of US\$9,200/t in CY23, stepping down to US\$8,500/t by CY26 and remaining flat thereafter; and
- the High Case assumes a copper price of US\$9,200/t in CY23, stepping down to US\$9,000/t by CY26 and remaining flat thereafter.

The long term assumption compared to other forecasts and historical copper prices (in nominal terms) is shown below:



Source: Bloomberg, Consensus Economics, CRU "Copper Market Outlook" (October 2022) and Wood Mackenzie "Net zero scenario to require 9.7 Mt of new copper supply over next decade" (October 2022).

The range of copper price projections by investment banks, brokers, economists and commodity analysts sits across a very wide range. Some commodity analysts assume long-term copper prices to exceed US\$10,500/t by 2030 and continue rising in the following years until the current supply-demand imbalances are adequately addressed.

The Grant Samuel price assumption is towards the top end of the market forecasts but it must be recognised that a number of them were published prior to the 10% surge in copper prices in January 2023 and even before the 10% rise in the last two months of 2022.

Other considerations that Grant Samuel took into account in determining these assumptions included the following:

- the copper price on 31 January 2023 was approximately US\$9,200/t. It has risen by nearly 20% in the three months since 1 November 2022 due to a number of factors including:
 - continued signs of strong long term demand from electrification and energy transition;
 - temporary production concerns in Peru (civil unrest) and Chile (forecast 6% decline in 2023), two of the largest producing nations;
 - a very low level of copper inventories (i.e. particularly at commodity exchanges including the LME, SHFE and COMEX) which have fallen consistently since 2018; and
 - anticipated boost in demand following the re-opening of the Chinese economy;

³² CRU's latest available price projections are only prepared through 2027 on a real basis. CRU does not indicate whether price scenario represents an upside scenario or base case. The most recent available long term forecast (March 2022) shows a base case of US\$3.58/lb (approximately US\$7,900/t) and an upside case of US\$4.38/lb (approximately US\$9,650/t).

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- some market commentary notes that current trading activity reflects a reasonably high level of speculative trading; and
- the current copper price is close to all time highs. The price has only exceeded US\$10,000/t twice in the past (in 2011-12 and in 2021-22) and then only for brief periods of times.

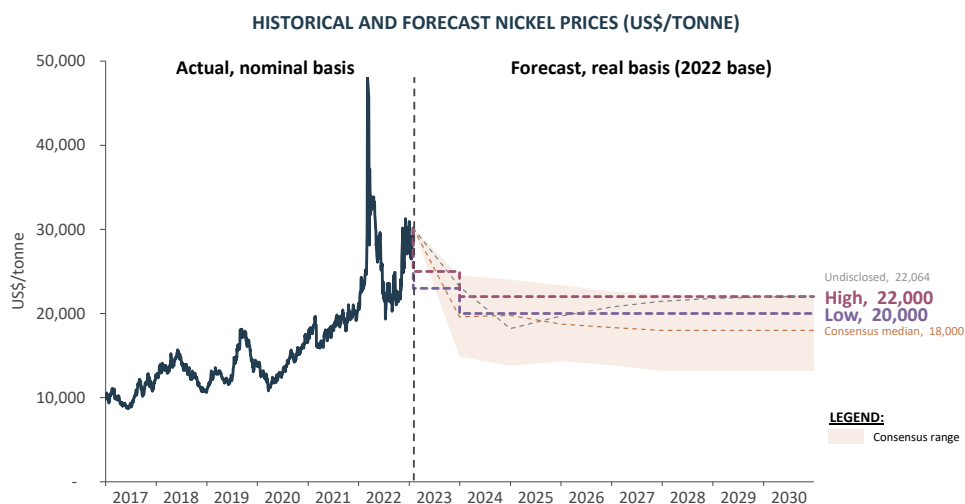
Grant Samuel believes that long term prices of US\$8,500-9,000/t are a reasonable basis for valuation purposes.

NICKEL PRICES

Grant Samuel has assumed two price scenarios (all \$ on a real basis):

- the Low Case assumes a nickel price of US\$23,000/t in CY23 and then a long term price of US\$20,000/t from CY24 onwards; and
- the High Case assumes a nickel price of US\$25,000/t in CY23 and then a long term price of US\$22,000/t from CY24 onwards.

The long term assumption compared to historical nickel prices (in nominal terms) is shown below:



Source: Bloomberg, Consensus Economics, Grant Samuel analysis

Other commodity analysts also assume long-term nickel prices broadly in line with the consensus (i.e. at around US\$18,500/t by 2030).

The robust demand outlook particularly for class 1 nickel over the next decade is clear. The increasing electrification of power sources and the increasing penetration of electric vehicles are key demand drivers that are expected to underpin the demand for class 1 nickel. On the other hand, the supply outlook for class 1 nickel is challenged. Large scale, high quality nickel orebodies (particularly sulphide ores) in favourable mining jurisdictions continue to be depleted. At the same time, there are a number of other factors that also need to be taken into account:

- the class 1 nickel price on the LME at 31 January 2023 was approximately US\$30,150/t. In a similar manner to copper, it has risen by nearly 30% since 1 November 2022. The nickel price generally fluctuated between US\$10,000/t and US\$15,000/t over the five years up to late 2021. It steadily increased to around US\$20,000/t in the period up to the market failure in early 2022 as surging



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battery demand became a major driver (and commercial inventories declined). The current price represents a significant premium to these prices;

- there are substantial concerns about the reliability of the prices on the LME (and other exchanges) following the market failure in 2022 (which was precipitated by the actions of only three or four parties). Alternative market indices are available but either lack the track record (e.g. Global Commodities Holdings' new physical nickel trading platform) or face similar liquidity constraints (i.e. SHFE) to provide reliable benchmarks for nickel prices;
- the reduced trading volumes that have resulted from these concerns have caused continued volatility in nickel prices. In particular, it is argued that trading has become dominated by speculators and that the price has become detached from "real world" supply and demand dynamics for nickel. Some commentators have pointed to the market price of NPI (equivalent to class 1 prices of circa US\$20,000/t^{33,34}) as being more representative and a more robust indicator of nickel prices (albeit that in batteries or certain grades of stainless steel, as a class 2 product, NPI has limited applications);
- there are various risks to demand and other mitigants that may impact pricing in the longer term including:
 - alternatives to battery technologies such lithium ion phosphate batteries, which do not utilise nickel (or cobalt). The impetus for these alternatives becomes greater if nickel (and other) prices remain elevated;
 - there is potential to convert NPI to class 1 nickel (albeit with significant capital cost requirements and dependence on complex and energy intensive technologies³⁵). Class 2 nickel from lower grade ore (laterites) is plentiful;
 - notwithstanding the nickel ore export ban in Indonesia (the largest producer of nickel in the world), a number of HPAL plants are expected to be commissioned over the next few years and should contribute to an increasing supply base for nickel (notwithstanding the technical risks); and
 - any moderation of energy prices in the medium term would have an impact on the cost curve of all nickel smelters which could be expected to flow through to nickel prices; and
- higher prices typically lead to a supply response (which consequently should push prices lower). Marginal mines with high operating or capital costs may become economically feasible at higher price points which in turn should introduce new nickel supply into the market (albeit not instantaneously) and reduce the current imbalances between supply and demand.

In summary, Grant Samuel does not believe that an acquirer of OZ Minerals' assets would assume a long term nickel price at current LME market levels. Accordingly, price assumptions below current market levels but still at a premium over the price levels that prevailed prior to the market failure in 2022 have been adopted.

GOLD PRICES

Gold prices have generally fluctuated between US\$1,600/oz and US\$2,000/oz during 2022 rising to approximately US\$1,900/oz towards the end of the year and into 2023. The price at 31 January 2023 was approximately US\$1,930/oz. Gold is a financial asset whose price is not determined by supply, demand, inventory levels or marginal cost. As such, its price is more akin to an exchange rate and accordingly, a long-term real price in line with the current market (i.e. the spot price) has been assumed.

³³ Source: Argus Media, Viewpoint: LME nickel grapples with identity crisis, December 2022

³⁴ Source: Financial Times, Traders warn LME nickel benchmark disconnected from global market, December 2022

³⁵ Source: Sherritt International Corporation, *Does Matte Matter? Is nickel pig iron the answer to EV battery demand?* September 2021



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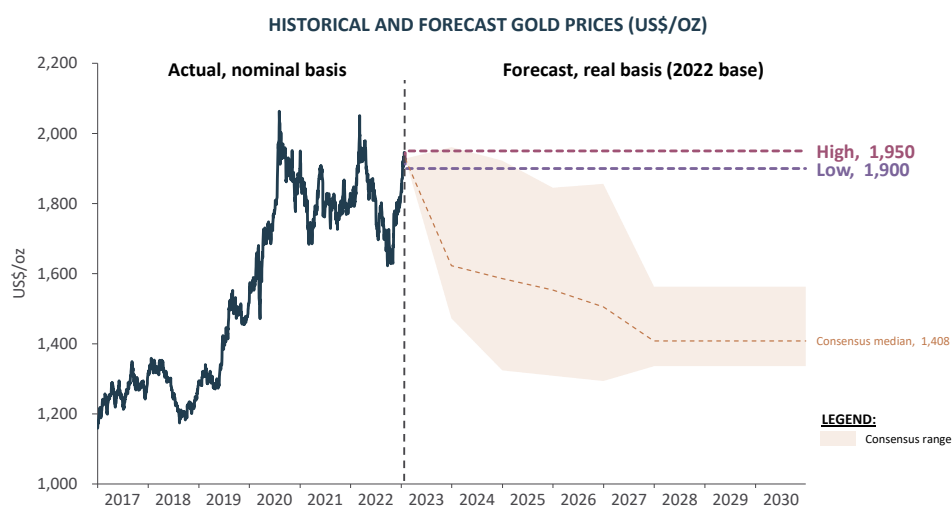
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Grant Samuel has assumed two price scenarios (all \$ on a real basis):

- the Low Case assumes a gold price of US\$1,900/oz; and
- the High Case assumes a gold price of US\$1,950/oz.

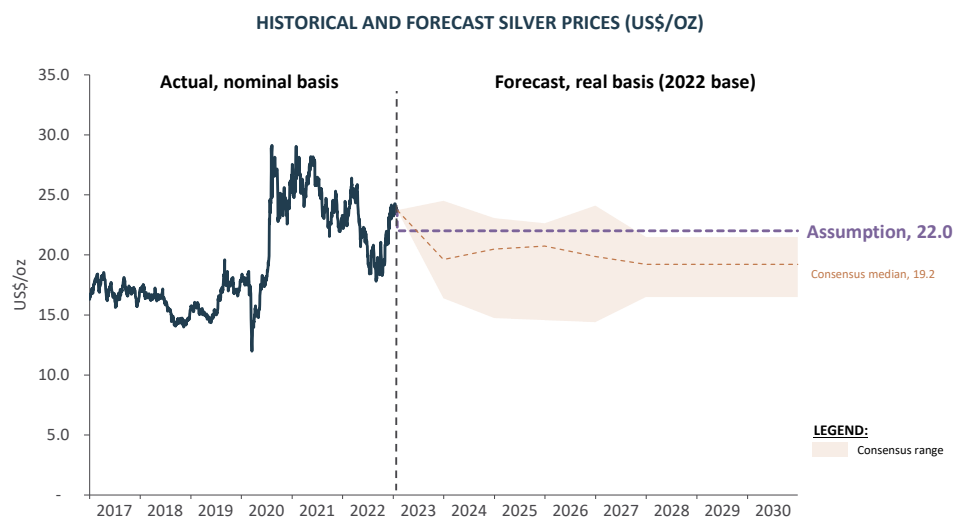
The long term gold price assumption compared to historical gold prices (in nominal terms) is shown below:



Source: Bloomberg, Consensus Economics, Grant Samuel analysis

SILVER PRICES

Grant Samuel has assumed a silver price of US\$22/oz (on a real basis). The long term assumption compared to historical silver prices (in nominal terms) is shown below:



Source: Bloomberg, Consensus Economics, Grant Samuel analysis

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Inflation

The valuation model is in nominal dollars (as is the discount rate). Accordingly, an inflation factor has been applied to all forecast dollar values (including commodity prices and costs).

Grant Samuel has assumed a US\$ inflation rate of 4.0% in CY23, which steps down to 2.5% by CY25. While the long term rate is above the United States Federal Reserve's target of 2%:

- it is consistent with the 10 year inflation rate implied by the pricing of US inflation adjusted treasury bonds; and
- it is not unreasonable to assume that with the inflation "genie" now out of the bottle it will be challenging to return to the lows of the pre pandemic era, particularly as household expenditure continues to move towards services over goods and wages inflation (which has been largely absent for the last decade) works its way into the system.

OZ Minerals' costs in Australia are assumed to grow at 5% in CY23 stepping down to the same long term rate (2.5%) thereafter. Australian 10 year bond rates are substantially the same as those in the United States (0.2% differential) as are the implied inflation rates from inflation adjusted bonds.

Exchange Rates

Grant Samuel has assumed a flat nominal exchange rate for the duration of the valuation models of A\$1.00 = US\$0.70 consistent with the current spot exchange rate. This rate has been used to translate the US\$ asset values and future operating costs and capital expenditure for the Australian assets of OZ Minerals.

While exchange rates have fluctuated in recent months, there is an argument that a range of exchange rates could have been adopted (of say between US\$0.67-0.70). However, this would only add another dimension to the valuation and result in a very wide range of potential value outcomes, neither of which would be substantially helpful in evaluating the Scheme. In any event, to the extent a shareholder considers a range of exchange rates to be appropriate, the selected exchange rate (i.e. A\$1.00 = US\$0.70) would likely be within that range.

Forward exchange rates show the exchange rate declining to under A\$1=US\$0.60 for contracts beyond twenty years. While these are market based rates subject to interest rate arbitrage, Grant Samuel believes that investors and acquirers are more likely to adopt a flat exchange rate based on the current spot rate for cash flow forecasting purposes. The reasons include:

- it is more consistent with the long term trading range of the A\$/US\$. The exchange rate has only fallen below A\$=US\$0.60 on rare occasions;
- forward rates have consistently proven to be poor predictors of actual exchange rate movements; and
- the assumption of a flat nominal exchange rate is consistent with the assumption of a 2.5% inflation rate in the longer term for both the United States and Australia, and broadly consistent with the similar long term bond yields currently prevailing in the United States and Australia. In the current volatile interest rate environment, it would be unwise to place too much weight on what are very minor differences.

Tax Depreciation

Tax depreciation schedules have been determined on the basis of tax written down values for various asset categories. Accumulated carry forward expenditures deductible for tax purposes have been allowed for in the financial models.



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Discount Rates

Projected cash flows have been discounted to present values at nominal discount rates in the range 9.5-10.0%. These rates represent estimates of the systematic riskiness of the assets, determined by estimating the rates of return required by marginal investors in copper and nickel assets. The rates are estimates of weighted average costs of capital and have been applied to expected future ungeared after tax US\$ cash flows. The basis for the selection of the discount rates is set out in Appendix 4.

These discount rates imply real rates of approximately 6.8%-7.3% (assuming a 2.5% inflation rate). Some may consider these rates as high but:

- the discount rates reflects the clear market evidence of relatively high betas for copper producers (in many cases above the 1.1-1.2 assumed albeit this may reflect their location in arguably riskier jurisdictions). Only the large diversified miners such as BHP Group and Rio Tinto consistently record betas of 1.0 or below; and
- real rates of return for equity investments need to reflect the improving real returns on bonds which have been negative in recent years.

Other

Other operational and specific assumptions used in the DCF models are set out in the relevant valuation sections.

5.3.2 Prominent Hill

Summary

Grant Samuel has valued Prominent Hill in the range US\$1,800-2,000 million which equates to \$2,571-2,857 million (at an exchange rate of US\$0.70 = A\$1).

The valuation incorporates the value of OZ Minerals' interest in Prominent Hill and surrounding mineral resources and exploration targets (e.g. Papa and Walawaru).

Scenarios and Assumptions

The valuation of Prominent Hill's core operations is based on production scenarios developed by AMC. The valuation assumptions are summarised below (all costs are presented in real CY22 US dollars).

SCENARIO 1

Scenario 1 assumes the following:

- total ore production of 91Mt over the life of mine, comprising:
 - 7Mt of surface stockpile reclamation, which is predominantly a gold-only stockpile. The stockpile is assumed to be depleted by CY24; and
 - 84Mt of underground mining across multiple mining zones including Malu, Kalaya and Ankata. Approximately 67% of ore mined will be from ore reserves and the remainder from mineral resources. Production from these areas remains between 5-6Mtpa over the mine life before winding down and ceasing production in CY37.

While the mineral grades in the first two years of production are impacted by the contribution from the gold-only stockpile, copper grades from underground mining remain broadly consistent over the mine life (ranging from 0.9% to 1.1%) while gold grades improve towards the end of the mine life;



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- ore milled exceeds ore production in CY23 and CY24 (due to the processing of surface stockpiles) before stepping down to equal ore production in each year (at around 5-6Mtpa, slightly below the mine shaft capacity of 6.5Mtpa). Recovery rates for copper and gold remain stable over the life of mine at around 89% and 72%, respectively.

As a result, contained metal production is broadly stable for copper (at around 50ktpa) and for gold (at around 80-100koz per annum between CY24 and CY31 before stepping up to approximately 110-120koz per annum in the final years of production). Silver by-products are also produced at Prominent Hill, but account for only 1% of revenue each year;
- cash costs (prior to by-product credits) of approximately US\$46/t of milled ore over the project life, reflecting:
 - higher unit costs in CY23 and CY24 as a result of the increase in electricity costs as OZ Minerals rolls off its fixed price power contracts. The impact of these higher power costs is assumed to subside by CY25 as OZ Minerals enters into new longer term power arrangements; and
 - the improved productivity from the mine shaft expansion (relative to a truck haulage-only operation);
- carbon permit costs for scope 1 and scope 2 emissions commencing at US\$28/t of CO₂ in CY23 (equivalent to A\$40/t) and escalating at 3% per annum. Carbon permit costs become payable from CY30 onwards and are approximately US\$2 million per annum;
- other costs including state royalties (approximately 5% of revenue), treatment and refinery charges, penalties, corporate cost allocations and cash rehabilitation costs (assumed to be US\$62 million, all of which is incurred at the end of the mine life);
- total capital expenditure of approximately US\$780 million over the life of the mine and comprises:
 - mine shaft expansion capital spend (approximately US\$320 million remaining spend), which is incurred in the first three years and comprises installation of the new shaft infrastructure and capitalised development costs); and
 - recurring sustaining capital expenditure of approximately US\$30 million per annum over the project life (or US\$40 million over the next ten years), which declines over the life of mine as the majority of the capitalised development spend is incurred in earlier years; and
- income tax rate of 30% (the Australian corporate tax rate), net of any remaining tax losses.

SCENARIO 2

Scenario 2 is based on Scenario 1, but represents an upside case where:

- the mine life is extended by 7 years as an additional 65Mt of ore is mined from new deposits such as Papa and Walawaru (collectively accounting for 16Mt of additional ore) as well as new mining areas in Malu (e.g. Malu eastern deep and Malu extension). None of the incremental ore mined includes recognised ore reserves (and as a result, less than 40% of ore mined will be from ore reserves) and some of the incremental resource (particularly those at Papa and Walawaru) are dependent on exploration success for future new additions to mineral resource; and
- ore production and mill feed rates ramp up to 8.5Mtpa by CY28 and are sustained at that level until CY34 before mining rates progressively decline (and ultimately cease operations in CY44). Cash costs are marginally higher than in Scenario 1, increasing to US\$47/t of milled ore over the project life reflecting the higher trucking costs to haul the ore to surface to supplement production through the Wira shaft offset by improved fixed cost absorption rates from the larger scale of the mine.



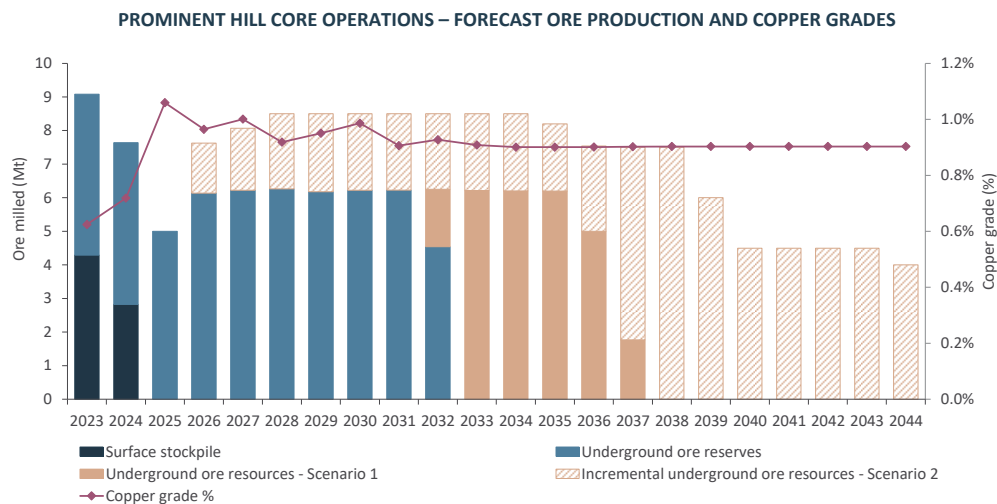
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An incremental US\$380 million in capital expenditures over the life of mine (spread over twenty years) will be required to access the mineral resource due to additional development works.

The following chart shows the ore volumes assumed to be produced from Prominent Hill as well as the corresponding average copper grades from the mined ore in each year (incremental ore volumes from Scenario 2 are represented by hatched shading with solid lines):



Source: AMC analysis

Outputs and Valuation

The following table summarises the projected production and costs for the two scenarios:

PROMINENT HILL CORE OPERATIONS – MODEL PARAMETERS

	UNIT	CY23	CY24	CY25	CY26	CY27	LIFE OF MINE
Scenario 1							
Ore milled	mt	9.1	7.6	5.0	6.1	6.2	90.6
Copper grade	%	0.62%	0.72%	1.06%	0.98%	1.03%	0.90%
Gold grade	g/t	0.56	0.58	0.59	0.63	0.58	0.70
Contained metal in concentrates							
Copper	kt	49	48	47	53	56	725
Gold	koz	122	109	66	87	81	1,468
Cash costs (real CY22 basis) ³⁶	US\$/tonne ore	43	51	68	48	48	46
Capital expenditure (real CY22 basis)	US\$millions	218	217	76	38	43	778

³⁶ Cash cost is defined as the cash cost per unit of extracting and processing the metal product (i.e. copper) to a condition in which it may be delivered to customers (e.g. mining, processing and general and administrative overhead costs). Unlike C1 costs, no by-product credits have been deducted in the calculation of cash costs.

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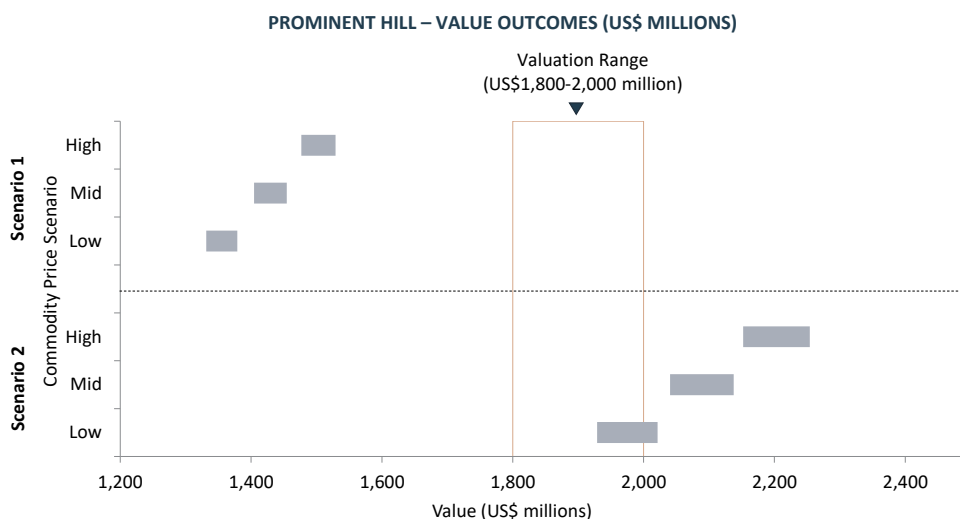
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PROMINENT HILL CORE OPERATIONS – MODEL PARAMETERS (CONTINUED)

	UNIT	CY23	CY24	CY25	CY26	CY27	LIFE OF MINE
Scenario 2							
Ore milled	mt	9.1	7.6	5.0	7.6	8.1	155.6
Copper grade	%	0.62%	0.72%	1.06%	0.96%	1.00%	0.90%
Gold grade	g/t	0.56	0.58	0.59	0.67	0.65	0.77
Contained metal in concentrates							
Copper	kt	49	48	47	65	71	1,231
Gold	koz	122	109	69	119	121	2,783
Cash costs ³⁶ (real CY22 basis)	US\$/tonne ore	43	51	68	50	51	47
Capital expenditure (real CY22 basis)	US\$millions	230	238	102	66	97	1,158

The following chart summarises the NPV outcomes for Prominent Hill:



Grant Samuel's valuation range of US\$1,800-2,000 million takes into account the calculated values set out above and, in addition, reflects the following factors:

- Prominent Hill has been in operation for over 12 years and has demonstrated a track record of strong operating performance, particularly its ability to consistently meet production guidance, having met production guidance in almost all of the past ten years;
- capital estimates for large scale expansion projects such as the Wira shaft mine expansion project is inherently exposed to project risks (e.g. budget, timing, etc.). The DCF analysis is based on AMC's review of the capital cost estimates and reflects some risk adjustments (e.g. higher contingencies) to account for these issues;
- the overall valuation assessment ultimately represents a judgement regarding OZ Minerals' ability to continue to replace resources and perhaps more importantly, convert mineral resources to ore reserves at Prominent Hill. The geological characteristics and nuances of Prominent Hill are relatively well tested and well understood. Over the past ten years, Prominent Hill has demonstrated a track record of reserve replacement, resulting in an increase in ore reserves by more than six times since CY12 (net of ore production). At the end of CY22, substantial mineral resources remain outside reserve (more than 100Mt) with essentially all resources located within the existing mine. Based on AMC's judgement, there is a high confidence that approximately 25% of the mineral resource will be



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converted to ore reserves (per Scenario 1) although there is arguably greater risk in the resource considered in Scenario 2 given its reliance on a higher level of resource conversion and exploration success (e.g. for deposits such as Papa and Walawaru which do not yet have any recognised mineral resource);

- the primary risk to Scenario 2 is consistently meeting the 8.5Mtpa ore production assumption. There are several reasons that achieving this throughput is challenging such as:
 - constraints in handling capacity. The mine shaft expansion will lift production capacity to only 6.5Mtpa. Any additional ore produced beyond that level will need to be trucked, which will contribute to higher levels of traffic congestion, more ventilation infrastructure and a requirement to install the necessary equipment and infrastructure in time to meet the higher production rates;
 - dependence on new mining areas. Ramping up to these production levels will require mining to occur on multiple fronts in parallel (to a greater extent than in Prominent Hill's prior experience) and will involve a higher level of complexity in mine planning; and
 - reliance on exploration success. A large share of the incremental ore resource mined in Scenario 2 will be from areas where no mineral resource has been declared to date (e.g. Papa and Walawuru). The mine plan in Scenario 2 assumes that Prominent Hill continues to be successful in identifying new mineral resources and then converting it to future ore reserves. In addition, the increased reliance on a truck haulage fleet means that more of these new resources (and future mining areas) need to be closer to surface to alleviate some of the trucking issues noted above.

Meeting these operating assumptions is achievable but ambitious; and

- on the other hand, a nontrivial share of Prominent Hill's revenue is derived from gold revenue (including from the gold-only surface stockpile which arguably is exposed to lower operating risks than other ore inventory that has yet to be mined) which has a lower systematic risk than other minerals.

Taking these factors into consideration, Grant Samuel has selected a valuation range for Prominent Hill that overlaps with the bottom end of Scenario 2 reflecting the overall confidence in the resource and mining performance but allowing for risks relating to the sustainable production level.

5.3.3 Carrapateena

Summary

Grant Samuel has valued Carrapateena in the range US\$3,400-3,700 million which equates to \$4,857-5,286 million (at an exchange rate of US\$0.70 = A\$1).

Scenarios and Assumptions

The valuation of Carrapateena's core operations is based on production scenarios developed by AMC. The valuation assumptions are summarised below (all costs are presented in real CY22 US dollars).

SCENARIO 1

Scenario 1 assumes that Carrapateena fully transitions from a sublevel caving method to a block cave mining method in CY28 and includes the following assumptions:

- total ore production of 193Mt over the life of mine, comprising:



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- 25Mt of ore mined from the sublevel cave from CY23 through to CY28. Production will remain at current run rates of around 5Mtpa in CY23 and CY24 before progressively stepping down over the next four years as production from the block cave ramps up;
- 130Mt of ore mined from block cave 1 from CY25 to CY40. Production remains between 1 and 3Mtpa for the first four years of production before ramping up to reach 12Mtpa by CY31, in line with the commissioning of the additional parallel processing plant. Production rates remain at 12Mtpa through to CY36 before gradually stepping down over the final four years of production; and
- 38Mt of ore mined from block cave 2 from CY37 to CY44. Production peaks at 8Mtpa in CY41 and CY42 before gradually winding down prior to ceasing of operations in CY44.

Copper and gold grades progressively decline as production migrates from the higher grade zones in the sublevel cave and bottom end of block cave 1 to lower grade zones towards the middle of the orebody and into block cave 2;

- ore milled equals ore production in each year and steps up to 12Mtpa by CY31 as the additional parallel processing plant ramps up to nameplate capacity. Recovery rates for copper and gold are broadly consistent with Prominent Hill but are assumed to decline towards the end of the mine life as the mill feed migrates towards ore from lower grade areas of the deposit.

As a result of the ramping up (and down) of production as well as declining recovery rates, contained metal production can be generally categorised into three distinct phases:

- from CY23 to CY28 (primarily output from sublevel caving), 65ktpa of copper and 2.5 million oz of gold per annum in concentrate;
- from CY29 to CY36 (primarily output from block cave 1), 120ktpa of copper and 3.6 million oz of gold per annum in concentrate; and
- from CY37 to CY44 (primarily output from block cave 2), 50ktpa of copper and 1.6 million oz of gold per annum in concentrate.

Additional silver by-products are also produced at Carrapateena, but account for only 2% of revenue each year;

- state royalties of approximately 5% of revenue, subject to a discounted rate of around 2% through to CY24 (available only for the first five years of production);
- cash costs (prior to by-product credits) of approximately US\$27/t of milled ore over the project life, reflecting:
 - higher unit costs in CY23 and CY24 as a result of the increase in electricity costs as OZ Minerals rolls off its fixed price power contracts. The impact of these higher power costs is assumed to subside by CY25 as OZ Minerals enters into new longer term power arrangements;
 - improved unit cost rates following the commissioning of the second crusher in CY23;
 - transition to the block cave sequences in CY28, which materially reduces operating costs (as well as unit costs due to the step change in mining throughput rates); and
 - increase in mining costs as production transitions to block cave 2 in CY37 reflecting additional material handling costs as the mined ore will need to be transported over a larger distance to the underground crusher;
- carbon permit costs for scope 1 and scope 2 emissions commencing at US\$28/t of CO₂ in CY23 (equivalent to A\$40/t) and escalating at 3% per annum. Carbon permit costs become payable from CY30 onwards and are approximately US\$2-3 million per annum;



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- other costs including treatment and refinery charges, penalties (e.g. deleterious materials), corporate cost allocations and approximately US\$130 million in cash rehabilitation costs, the majority of which is occurred at the end of the mine life in CY44 (including US\$25 million at the end of block cave 1 operations);
- total capital expenditure of approximately US\$1,820 million over the project life, comprising:
 - approximately US\$1,300 million in growth investments to be incurred in the first five years through to CY27 (approximately 70% of total spend) to develop the new block cave and construct associated infrastructure (e.g. parallel processing plant, additional tailings storage facility);
 - approximately US\$130 million in additional growth capital to develop block cave 2 (in CY36-CY37); and
 - sustaining capital expenditure of approximately US\$20 million per year; and
- income tax rate of 30% (the Australian corporate tax rate).

SCENARIO 2

Scenario 2 incorporates the development of block cave south and block cave northeast and Fremantle Doctor as life extension projects to Carrapateena. Developing these new mining areas requires significant incremental capital expenditure between CY38 and CY44. This has been estimated having regard to the metrics for expenditure in block cave 1 and block cave 2 and adjusted for the different characteristics.

A total of 373Mt of ore is produced over the life of the project (an increase of 180Mt over Scenario 1, none of which are recognised as ore reserves) and extend Carrapateena's mine life by an additional 13 years (through to CY57). Ore grades are broadly similar to block cave 2 (which exhibits the lowest ore grades amongst the three mining areas considered in Scenario 1), thereby resulting in lower life of mine copper and gold grades than in Scenario 1. The new mining areas produce approximately 740kt of contained copper and 940koz of contained gold in the saleable copper concentrate (or a run-rate of approximately 50ktpa copper and 60koz of gold per annum). Carrapateena is decommissioned over the period from CY53 to CY59 at a total cost of approximately US\$130 million.

Cash costs per tonne of mined ore over the project life are lower than in Scenario 1 as the incremental ore will be mined via block cave mining methods (which incur lower unit costs of production) than sublevel cave mining methods (which is generally more costly and represents a larger share of Scenario 1 production).

The following chart shows the ore volumes assumed to be produced from Carrapateena as well as the corresponding average copper grades from the mined ore in each year (incremental ore volumes from Scenario 2 are represented by hatched shading with solid lines):

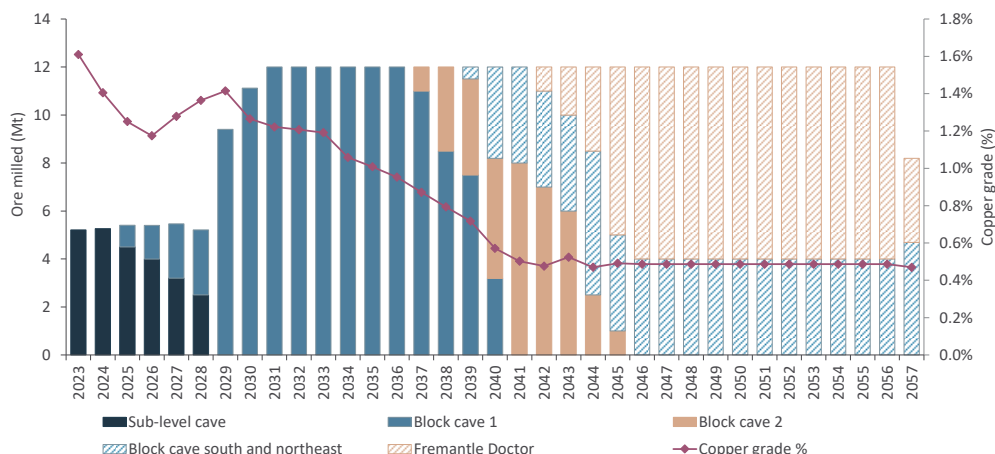


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CARRAPATEENA CORE OPERATIONS – FORECAST ORE PRODUCTION AND COPPER GRADES



Source: AMC analysis

Outputs and Valuation

The following table summarises the projected production and costs for the two scenarios:

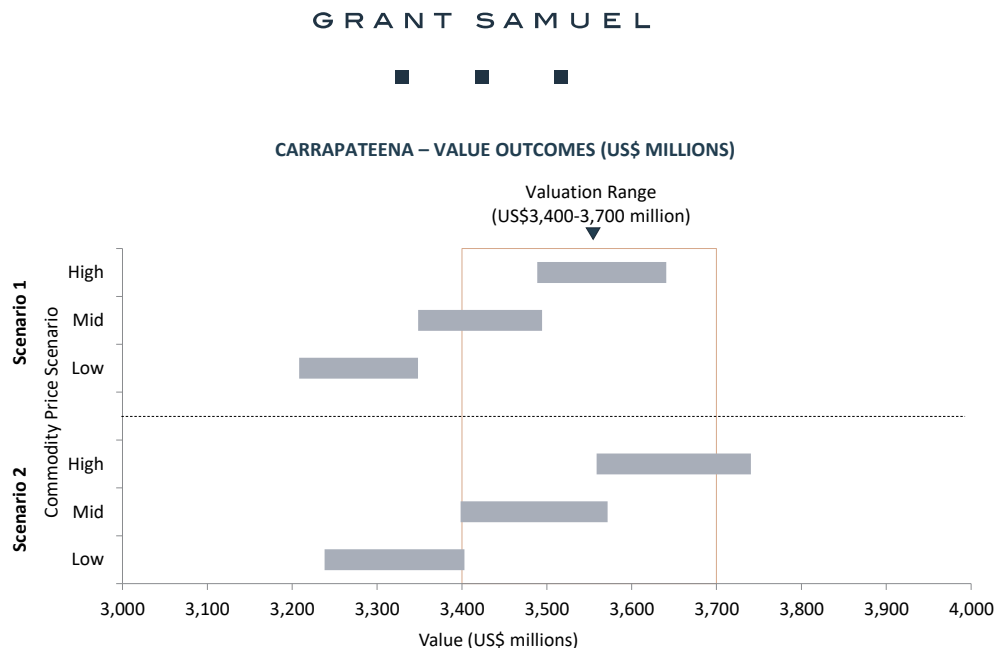
CARRAPATEENA CORE OPERATIONS – MODEL PARAMETERS

	UNIT	CY23	CY24	CY25	CY26	CY27	LIFE OF MINE
Scenario 1							
Ore milled	mt	5.2	5.3	5.4	5.4	5.5	192.7
Copper grade	%	1.61%	1.41%	1.25%	1.17%	1.28%	1.02%
Gold grade	g/t	0.72	0.70	0.61	0.59	0.57	0.42
Contained metal in concentrates							
Copper	kt	76	68	62	58	63	1,768
Gold	koz	96	95	85	82	68	1,829
Cash costs (real CY22 basis)	US\$/tonne ore	62	56	48	48	45	27
Capital expenditure (real CY22 basis)	US\$ millions	90	185	445	516	143	1,818
Scenario 2							
Ore milled	mt	5.2	5.3	5.4	5.4	5.5	372.7
Copper grade	%	1.61%	1.41%	1.25%	1.17%	1.28%	0.76%
Gold grade	g/t	0.72	0.70	0.61	0.59	0.57	0.35
Contained metal in concentrates							
Copper	kt	76	68	62	58	63	2,508
Gold	koz	96	95	85	82	68	2,768
Cash costs (real CY22 basis)	US\$/tonne ore	62	56	48	48	45	23
Capital expenditure (real CY22 basis)	US\$ millions	90	185	445	516	143	3,243

The following chart aggregates the NPV outcomes for Carrapateena together with the value attributed by AMC to any remnant resource and adjacent exploration targets such as the Saddle and Khamsin targets (a total of US\$88 million for Scenario 1 and a total of US\$60 million Scenario 2). The value of the remnant resource is partly driven by the remaining amount of mineral resource at the end of Carrapateena's mine life. Accordingly, an upside production scenario (i.e. Scenario 2) results in less remaining resource and a lower attributed value (and vice versa):



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Grant Samuel's valuation range of US\$3,400-3,700 million takes into account the value outcomes set out above and reflects the different risks in mining the ore between the two production scenarios:

- Scenario 1 assumes that only the identified ore reserves in the existing sublevel cave, block cave 1 and block cave 2 are mined. The mineralisation in these reserves is arguably subject to a less estimation uncertainty given the scrutiny and testing required to recognise the reserves and establish plausible operating parameters of extracting the ore. Accordingly, the top end of the valuation range sits slightly above the top end of the range of value outcomes for Scenario 1; whereas
- Scenario 2 assumes that an additional 180Mt (or approximately 20% of mineral resources not recognised as ore reserves) is mined. The majority of these incremental resources in Scenario 2 is currently classified as inferred resources, reflecting a higher level of estimation uncertainty ascribed to the mineralisation in these resources.

Unlike Prominent Hill, Carrapateena has a limited track record of resource conversion as it was only commissioned in CY19. While a maiden resource was declared for Fremantle Doctor (all inferred) in CY18 and has been updated since, no ore reserves have been declared yet. Accordingly, the top end of the value outcomes for Scenario 2 sits above the top end of the valuation range to reflect this uncertainty.

In any event, the incremental NPV arising from the potential life extensions contemplated in Scenario 2 at this stage reflect the:

- lower ore grades at the new deposits (i.e. Fremantle Doctor, block cave south and block cave northeast);
- significant upfront capital requirements to develop new block caves; and
- higher operating costs, particularly at Fremantle Doctor which is located 2.8km northeast of the main Carrapateena deposit and would require additional ore handling costs.

Further testing and geological studies would be required to identify any optimisation opportunities that would enhance value. As mining of these new areas are still more than twenty years away, these studies are still at a very preliminary stage. While these new areas may (or may not) ultimately be more valuable in the future, further work will need to be completed to improve the confidence in these estimates. As a result, there is a large overlap in the value outcomes for Scenarios 1 and 2.

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On the other hand, the following factors are important considerations in selecting the valuation range:

- block caving is inherently a technically complex mining method. A number of operating assumptions can only be ascertained once mine development is sufficiently advanced or, at times, once production is already on foot. This includes risks around:
 - fragmentation, which may result in higher coarseness in the ROM ore and cause increased crushing and processing time both of which contribute to higher production costs (and potentially impede Carrapateena's ability to meet the 12Mtpa production rate); and
 - recoverability of material, particularly as the walls of the block caves narrow as mining progresses upwards across the orebody.

While the mine plan includes (in AMC's view) a moderate level of contingency for a project of this nature, the contingency may not sufficiently cover all geological and execution risks; and

- similar to Prominent Hill, Carrapateena derives a nontrivial share its revenue from gold which has a lower systematic risk.

Balancing all of the above factors, Grant Samuel has selected a valuation range for Carrapateena (inclusive of the value of remnant mineral resources and exploration) of US\$3,400-3,700 million. Given the high degree of overlap between the value outcomes for Scenario 1 and Scenario 2, the selected valuation range covers most of the cases. It is weighted towards the higher end to reflect the inherent optionality with a long life, low cost mine to undertake further exploration to develop additional resources.

5.3.4 West Musgrave

Summary

Grant Samuel has attributed a value in the range US\$1,150-1,300 million (equivalent to \$1,643-1,857 million at an exchange rate of A\$1 = US\$0.70) to West Musgrave.

Scenarios and Assumptions

The valuation of West Musgrave's core operations is based on production scenarios developed by AMC. The valuation assumptions are summarised below (all costs are presented in real CY22 US dollars).

SCENARIO 1

Scenario 1 is broadly in line with the West Musgrave feasibility study published in September 2022 although it reflects certain changes to operating costs (particularly due to the impact of inflation on labour and equipment costs) and operational ramp-up. In particular, Scenario 1 assumes the following:

- production from West Musgrave commences in CY25 and ramps up to its 13.5mtpa nameplate processing capacity over five years and remains at that level over the project life. Total milled ore production over the life of the project is 317Mt through to CY49, recovering approximately 66% and 71% of nickel metal and copper metal (of which 74% and 97% is payable) in nickel concentrate (approximately 13% nickel content) and copper concentrate (approximately 31% copper content), respectively.

Contained metal production includes:

- 30 ktpa of nickel and 40 ktpa of copper in concentrate over the first five years of production (or through to CY35);
- 24 ktpa of nickel and 34 ktpa of copper in concentrate over the remainder of the project; and



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- other metal by-products such as silver, cobalt and palladium which collectively comprise approximately 5% of revenue per annum.

Despite stable ore mill rates over the life of the project, average metal grades in the concentrate is expected to gradually decline as head grades for nickel and copper decline when higher grade mineralisation areas at Babel are depleted and mining begins at Nebo in the second year of operations;

- cash royalties of approximately 7% over the life of the project, accounting for state royalties and native title royalties as well as deferred consideration payments to South32 (i.e. life of mine net smelter return royalty);
- cash costs (prior to by-product credits) of approximately US\$24/t of milled ore over the project life. Mining and processing costs comprise the majority of cash costs, with logistics costs representing approximately 20% of the total. Due to the relatively balanced commodity exposure at West Musgrave (between nickel and copper), actual C1 cash costs and AISC is expected to be negative over the life of mine due to relatively high by-product credits;
- carbon permit costs for emissions over the emissions cap (net of credits) under the project's environmental approval, commencing at US\$28/t of CO₂ in CY23 (equivalent to A\$40/t) and escalating at 3% per annum. Carbon permit costs become payable in CY36 once existing carbon credits are fully utilised but will be mitigated by a reduction in West Musgrave's emissions profile following its transition to an electric haulage fleet in CY39;
- production milestone payment of \$10 million to South32, payable in CY26 (or 12 months after commencement of production);
- other costs including treatment and refinery charges, corporate cost allocations and cash rehabilitation costs (estimated to be around US\$104 million, all of which is incurred after the end of the mine life in CY49);
- total capital expenditure of approximately US\$1,600 million over the life of the project, primarily in relation to:
 - initial capital investment of approximately US\$1,180 million between CY23 and CY25 to develop and commission West Musgrave. Approximately half of the initial investments are in relation to constructing the processing plant (e.g. direct construction costs, earthworks and engineering and procurement costs) and the remainder are primarily accounted for by mine infrastructure (e.g. utilities, camp, tailing storage facility, etc.); and
 - sustaining capital expenditures of approximately US\$20 million per annum to support recurring maintenance requirements and fleet replacements (including the CY39 upgrade to an electric haulage fleet).

All capitalised investments are depreciated over the project life of 25 years, with the outstanding balance fully written off at the end of West Musgrave's operating life; and

- income tax rate of 30% (the Australian corporate tax rate), net of any applicable tax losses.

SCENARIO 2

Scenario 2 represents an upside case over Scenario 1 and includes expansionary investments in relation to:

- a new MHP plant at a total capital cost of approximately US\$225 million incurred in CY25 and CY26. First production is expected in CY27, resulting in an improvement in metal recoveries (from 66% to 68% for nickel and from 71% to 73% for copper) and a significant increase in payable nickel (from 74% to 83%); and



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- a third vertical roller mill and additional flotation capacity at a total capital cost of approximately US\$140 million in CY30 and CY31. The processing plant's nameplate capacity steps up to 16.5Mtpa by the end of CY31 (from 13.5Mtpa in Scenario 1).

Over the life of mine, total ore production and milled ore remains broadly consistent with Scenario 1 (at 317Mt of ore produced and milled or around 85% of total mineral resources at Nebo-Babel). However, production will be accelerated (with mining operations concluding one year earlier and plant operations concluding four years earlier) and the higher grade MHP product (48% nickel compared to 10-13% for nickel concentrate) results in improved metal recoverability and payable metal. As a result, contained metal production is expected to increase to:

- 32 ktpa of nickel and 42 ktpa of copper over the first ten years of production; and
- 32 ktpa of nickel and 44 ktpa of copper over the remainder of the project life.

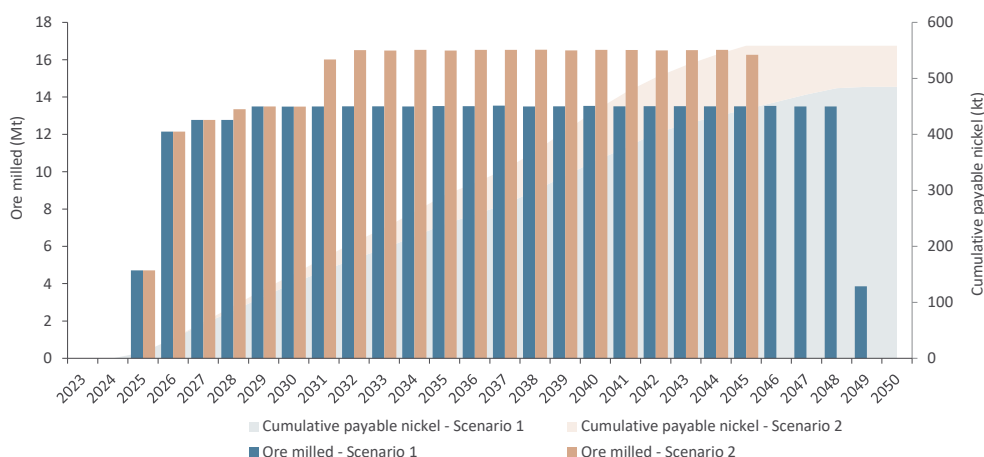
The MHP process also improves the payable factors for other by-product metals such as copper (through the filtering and washing of copper sulphide concentrate), cobalt and palladium, which collectively comprise approximately 7% of revenue over the project life.

The increase in processing costs is expected to be partly offset by the higher production rates (and improved fixed cost absorption rates) and lower logistics costs (following a circa 65% mass reduction of the non-valuable component of the final concentrate product). As a result, life of mine cash costs increase to US\$25/t (approximately 7% higher than in Scenario 1).

Consistent with Scenario 1, Succoth is not included in the mine plan as all of its mineral resource is categorised as inferred and there is insufficient certainty on the recoverability of the resource (see Appendix 5).

The following chart shows the ore volumes assumed to be produced from West Musgrave in each year as well as the corresponding cumulative payable nickel product over the life of mine (both Scenario 1 and Scenario 2 assume the same amount of ore mined but at different production and recoverability rates):

WEST MUSGRAVE CORE OPERATIONS – FORECAST ORE PRODUCTION AND CUMULATIVE PAYABLE NICKEL



Source: AMC analysis



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Outputs and Valuation

The following table summarises the projected production and costs for the two scenarios:

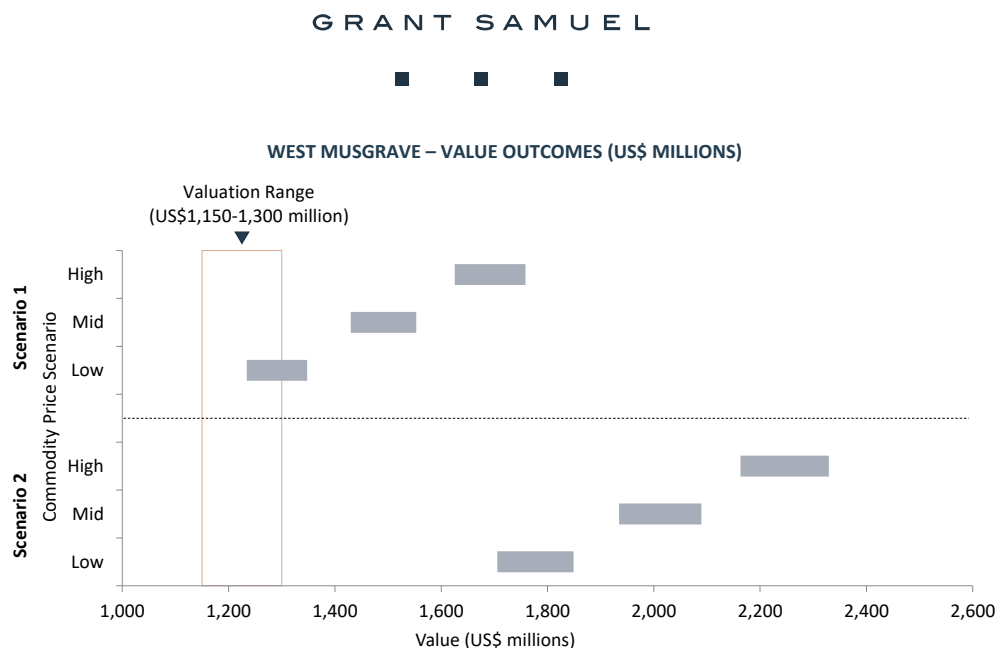
WEST MUSGRAVE CORE OPERATIONS – MODEL PARAMETERS

	UNIT	CY25	CY26	CY27	CY28	CY29	LIFE OF MINE
Scenario 1							
Ore milled	mt	4.7	12.1	12.8	12.8	13.5	316.3
Nickel grade	%	0.47%	0.40%	0.42%	0.35%	0.38%	0.31%
Copper grade	%	0.53%	0.47%	0.42%	0.38%	0.37%	0.34%
Payable metal							
Nickel	%	73.8%	73.8%	73.7%	73.8%	73.8%	73.9%
Copper	%	96.5%	96.6%	96.6%	96.6%	96.6%	96.5%
Contained metal in concentrates							
Nickel	kt	15	33	36	31	35	657
Copper	kt	21	49	46	42	43	919
Cash costs (real CY22 basis)	US\$/tonne ore	52	33	32	32	30	24
Capital expenditure (real CY22 basis)	US\$ millions	180	31	20	12	7	1,616
Scenario 2							
Ore milled	mt	4.7	12.1	12.8	13.3	13.5	316.9
Nickel grade	%	0.47%	0.40%	0.42%	0.35%	0.38%	0.31%
Copper grade	%	0.53%	0.47%	0.42%	0.38%	0.37%	0.34%
Payable metal							
Nickel	%	73.8%	73.8%	81.7%	88.3%	84.7%	83.7%
Copper	%	96.5%	96.6%	96.7%	96.7%	96.7%	96.6%
Contained metal in concentrates							
Nickel	kt	15	33	36	33	35	670
Copper	kt	22	49	44	43	42	908
Cash costs (real CY22 basis)	US\$/tonne ore	53	33	34	33	33	25
Capital expenditure (real CY22 basis)	US\$ millions	255	182	20	12	20	1,960

The following chart aggregates the NPV outcomes for West Musgrave together with the value attributed by AMC to any remnant resource and exploration targets including Succoth, One Tree Hill, Yappsu, Babylon, Suez and Esagila (a total of US\$22 million for both Scenario 1 and Scenario 2). As both Scenario 1 and Scenario 2 contemplate the same amounts of ore to be mined from the Nebo and Babel deposits, the value of these additional resources is the same in both scenarios:



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Grant Samuel's valuation range of US\$1,150-1,300 million primarily sits below the range of value outcomes for both Scenario 1 and Scenario 2 (albeit only partly overlapping with the bottom end of value outcomes for Scenario 1). This judgement largely reflects the fact that West Musgrave is still in the early stages of development and is not a producing mine with a history of production and continued resource definition. As such, there are substantially higher risks than with either Prominent Hill or Carrapateena. In Grant Samuel's view an acquirer would not attribute the full value to West Musgrave at its current stage of development. Some of the specific risks include:

- project construction risk (e.g. timing and budget estimates). While the feasibility study was prepared only recently (in CY22) and includes a \$190 million contingency allowance (approximately 13% of estimated costs, of which half was absorbed by the insourcing of the workforce accommodation infrastructure, albeit this will have an offsetting cost saving in operating costs), rising labour and equipment cost pressures have negatively impacted a number of large scale construction projects over the past year and the West Musgrave project will undoubtedly be exposed to similar risks. Any cost overruns beyond the contingency allowances or construction delays (while unknown at this stage) will have a direct impact on the value outcomes;
- production and cost risks. Notwithstanding the extensive studies (e.g. geological drilling, mine planning, process flowsheet design, metallurgy testing, etc.) that have been undertaken to prepare the detailed mine plan and feasibility study, the reality is that West Musgrave remains under construction with no track record of operating history. There are a number of key assumptions (e.g. production levels, operating costs) that remain to be tested under actual production conditions and some others (e.g. geological characteristics) that will only be ascertained with greater certainty once production commences. The DCF analysis contains a certain set of operating parameters that are implicitly assumed to occur as intended, based on the information available at this stage. These parameters may (and will likely) change as production commences and may result in less favourable (or potentially more favourable) outcomes for West Musgrave;
- technical risks. Vertical roller mills have limited precedence for processing hard rocks such as nickel. While there are clear benefits to using this innovative technology (e.g. lower energy intensity and improved operational flexibility), there remains an element of technical risk and execution risk in deploying this new processing technology at scale (and expanding it even further with a third parallel vertical roller mill in Scenario 2); and

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- upside execution risks. The potential value upside opportunities in Scenario 2 are subject to a level of execution risk and uncertainty that are even higher than the risks present in Scenario 1. For example:
 - the MHP project is still subject to final investment approval. While initial studies and pilot tests have confirmed the technical and commercial opportunity of producing MHP nickel products at West Musgrave, the feasibility study remains in progress and no final investment decision has been made at this stage. The MHP project also requires a series of variations to regulatory approvals and will need to be integrated into the planned mine infrastructure (e.g. power, water supply, tailings, accommodation, etc.) for West Musgrave (which will be operational at the time of construction of the MHP infrastructure).
- Moreover, once operational, the MHP project will be subject to ramp-up risks. While the technology is not new and has been used across the nickel industry, recent MHP developments by other industry peers have illustrated the technical challenges in operational ramp-up and consistently meeting nameplate capacity (e.g. Vale's Long Harbour nickel processing plant); and
- mining rates will also need to be increased to meet the higher mill feed capacity from the additional vertical roller mill and flotation facility. Consistently meeting these elevated mining rates (around 16.5Mtpa) arguably becomes an ambitious task when considering only the ore inventory from the Nebo and Babel deposits (notwithstanding the large stockpiles expected from the initial years of production to support the higher processing rates).

Grant Samuel also took into account the range of non-binding indicative proposals to acquire a non-controlling interest in West Musgrave in late CY22. Since the sale process was paused in late CY22 (due to the current Scheme), there have been no material changes to West Musgrave's construction progress or financial projections. If anything, copper and nickel prices have moved upwards (by nearly 20% for both commodities) since the sale process was suspended. In Grant Samuel's view, the non-binding indicative proposals are still useful benchmarks for third-party, arms' length values for West Musgrave.

The selected valuation range reflects an uplift in value of over five times the implied enterprise value of West Musgrave when OZ Minerals acquired Cassini (and consequently the remaining 30% interest in the project that it did not already own) in 2020³⁷. The significant uplift in value reflects the material progress made to the project since the acquisition, including the receipt of all requisite regulatory approvals, finalisation of the feasibility study, security of full funding support (including a \$1.2 billion syndicated term loan facility) and the final investment decision by the OZ Minerals Board.

Taking all of these factors into account, Grant Samuel considers the valuation range of US\$1,150-1,300 million reflects a reasonable balancing of the potential and risks of West Musgrave (inclusive of the value of remnant mineral resources).

5.3.5 Carajás East

Summary

Grant Samuel has valued OZ Minerals' interests in the Carajás East province in the range US\$290-340 million which is equivalent to \$414-486 million (at an exchange rate of US\$0.70 = A\$1).

The valuation includes the Antas processing facility and the Pedra Branca and Santa Lúcia deposits. It takes into account OZ Minerals' exercise of the option to purchase 100% of the Santa Lúcia project from Vale in January 2023. The Brazil National Economic Development Bank has the right to participate in 50% of Santa Lúcia's profits. OZ Minerals is negotiating to acquire its right (giving OZ Minerals 100% of Santa Lúcia) but

³⁷ The enterprise value of Cassini has been calculated based on 6.5 million OZ Minerals shares issued at a price of \$10.40 (closing price at 19 June 2020, the day before announcement of the transaction) and net debt of \$4.5 million.

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no agreement has been reached. Accordingly, only 50% of the value of Santa Lúcia has been included in the value analysis (although the operating assumptions have been prepared on a 100% basis).

Scenarios and Assumptions

The valuation is based on scenarios developed by AMC for the individual assets of Carajás East. All operating costs and capital expenditures are denominated in Brazilian real and have been converted to US\$ at an exchange rate of BRL1 = US\$0.19. The valuation assumptions are summarised below (all costs are presented in real CY22 US dollars).

SCENARIO 1

Scenario 1 assumes that the Pedra Branca mine continues to operate for the remainder of its mine life and the Santa Lúcia project is developed and commissioned.

It is premised on the following operating assumptions (all on a 100% basis):

- total ore production of 8.2Mt over the period CY23 to CY28. Ore production is based on the reported reserves and the mining of additional mineral resource for:
 - Pedra Branca, which continues to produce 0.8Mtpa of ore through to CY27 before gradually declining and ceasing operations by CY29; and
 - Santa Lúcia, which is assumed to be commissioned in CY24 and produce 1Mtpa of ore through to CY28 when mining operations cease.

All production ore is transported (via road train) from the mine sites to the Antas processing facility;

- total ore milled at average grades of 2.35% copper and 0.52 g/t of contained gold, reflecting the improved mix of higher grade ore from the Santa Lúcia deposit. Mill rates are assumed to increase from approximately 750-800ktpa in CY23 and CY24 to over 1,600ktpa by the following year after the completion of the plant expansion (although further work is being undertaken to consider higher mill feed rates of up to 2Mtpa);
- cash royalties of approximately 5% of revenue, reflecting the blend of various state and federal royalty obligations and other streaming royalties (e.g. landowners) that Pedra Branca and Santa Lúcia are subject to. Pedra Branca is subject to higher royalties on its copper and gold revenue and, as a consequence, average cash royalties are expected to decline in CY25 as Santa Lúcia ramps up production;
- cash costs of approximately US\$65/t. Logistics costs are higher than OZ Minerals' other operating assets and comprise between 35% and 40% of cash costs, reflecting the haulage requirements (from mine site to processing facility) as well as the ongoing costs of the logistics arrangement with Vale;
- no carbon permit costs as OZ Minerals' policy for offsets commences in CY30 (well after the conclusion of mining operations at Carajás East);
- other costs including treatment and refinery charges, corporate cost allocations and cash rehabilitation costs (estimated to be around US\$54 million, the majority of which is incurred towards the end of the mine life);
- capital expenditures of approximately US\$162 million over the life of the project, of which approximately 75% is attributable to the Santa Lúcia project (i.e. final acquisition consideration to Vale and initial development capital). The majority of these costs are incurred between CY23 and CY25 to develop the new mine and expand the capacity of the Antas processing plant (to meet the higher ore feed from Pedra Branca and Santa Lúcia);



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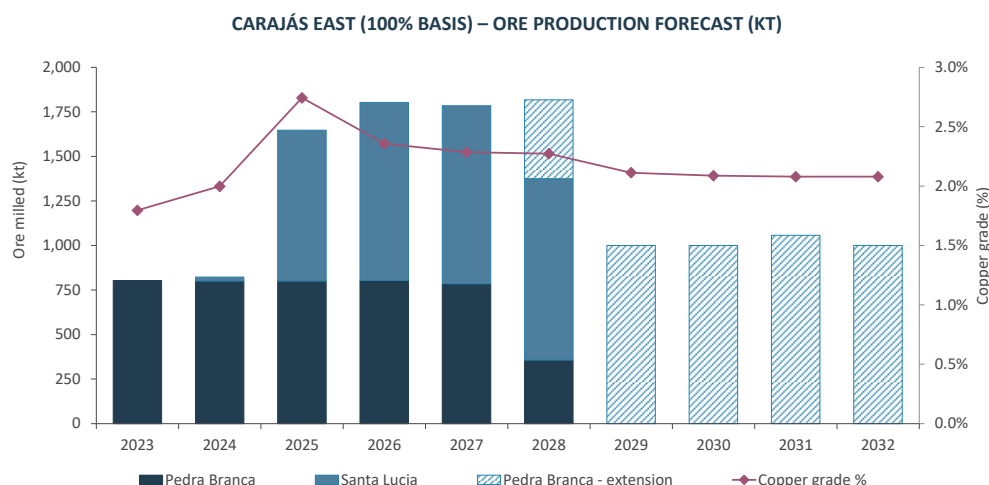
- corporate income taxes (25% income tax rate) are netted against a tax incentive granted by the Superintendence for the development of the Amazonia ("SUDAM") that provides a 75% reduction to the corporate income tax payable over the project life;
- social contribution payments of approximately 9% of taxable income (incremental to corporate income taxes); and
- inflation rates in line with US\$ inflation assumptions (see Section 5.3.1). While local inflation rates in Brazil are expected to be materially higher than in the United States, in theory, any difference in inflation rates would be expected to be offset by a decline in the exchange rate (thereby resulting in negligible differences in cash flows and, ultimately, value).

SCENARIO 2

Scenario 2 is substantially similar to Scenario 1, save for an assumed increase in ore production from the Pedra Branca inferred resource (additional 3.5Mt in ore mined from the east zone, or a total of 11.8Mt of ore mined over the life of mine) which extends the mine life for an additional five years through to CY33. All ore will continue to be hauled from the mine sites to the Antas processing plant. Total ore milled over the life of mine is around 11.8Mt at average grades of 2.21% copper and 0.53 g/t of contained gold (which results in an increase of 58kt contained copper and 45koz contained gold produced over the life of mine).

As the incremental production compared to Scenario 1 will be attributable to ore production from Pedra Branca, cash royalties are expected to increase to approximately 7% of gross revenue by CY28. Cash costs in recovering the additional ore are expected to be approximately 10% higher for the additional ore (partly due to the lower grade of the incremental ore), resulting in cash costs increasing slightly to approximately US\$67/t over the project life. Total capital costs over the life of the project are US\$179 million (approximately 10% higher than Scenario 1), reflecting the additional underground mine development required to recover the incremental ore at Pedra Branca.

The following chart shows an aggregated production profile for Scenarios 1 and 2 for Carajás East (incremental ore volumes from Scenario 2 are represented by hatched shading with solid lines):



Source: AMC analysis



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Outputs and Valuation

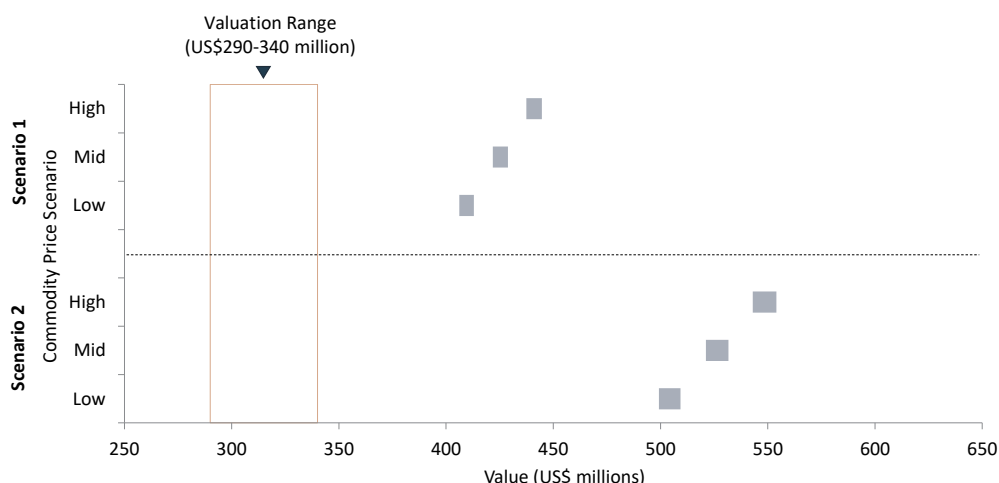
The following table summarises the projected production and costs for the two scenarios:

CARAJÁS EAST (100% BASIS) – MODEL PARAMETERS

	UNIT	CY23	CY24	CY25	CY26	CY27	LIFE OF MINE
Scenario 1							
Ore milled	kt	752	786	1,610	1,763	1,763	8,283
Copper grade	%	1.80%	2.00%	2.75%	2.36%	2.29%	2.35%
Gold grade	g/t	0.53	0.55	0.61	0.47	0.50	0.52
Contained metal in concentrates							
Copper	Kt	13	15	42	40	38	184
Gold	koz	10	10	24	20	21	103
Cash costs (real CY22 basis)	US\$/tonne ore	78	88	71	63	59	65
Capital expenditure (real CY22 basis)	US\$ millions	62	74	19	4	2	162
Scenario 2							
Ore milled	kt	752	823	1,646	1,803	1,784	11,682
Copper grade	%	2.00%	2.02%	2.32%	2.35%	2.35%	2.21%
Gold grade	g/t	0.55	0.55	0.52	0.51	0.51	0.53
Contained metal in concentrates							
Copper	kt	14	16	36	40	39	242
Gold	koz	10	11	20	22	22	149
Cash costs (real CY22 basis)	US\$/tonne ore	80	86	65	61	59	67
Capital expenditure (real CY22 basis)	US\$ millions	62	74	18	4	2	179

The following chart aggregates the NPV outcomes for Carajás East together with the value attributed by AMC to any remnant resource (e.g. Pedra Branca west) and exploration targets (e.g. Canaa, Rio, Valdomiro, Grota Rica and Tapuia prospects). The total value attributed by AMC to these remnant mineral resources and exploration targets is US\$6 million for Scenario 1 and US\$1 million for Scenario 2:

CARAJÁS EAST – VALUE OUTCOMES (US\$ MILLIONS)



The value outcomes illustrated above are based on the same discount rate range (i.e. 9.5-10.0%) as the Australian mineral assets. However, this arguably overstates the value of Carajás East as the following factors that are not fully captured in the cash flows:



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- sovereign risk associated with investments in Brazil; and
- development risk, particularly for Santa Lúcia, which is yet to receive final investment decision and is still pending the finalisation of its pre-feasibility study.

There are several factors that would suggest that the sovereign risk associated with investments in Brazil is higher than in Australia:

- it has a sub-investment grade credit rating (rated Ba2, BB+ and BB+ by Moody's Investor Services, S&P Global Ratings and Fitch Ratings, respectively) unlike Australia which has a AAA credit rating across all three rating agencies;
- long term Brazilian government bond yields are substantially higher (closer to 6% for ten year US\$ denominated bonds) than the yields observed for comparable United States and Australian Government bonds (3-4% for ten year bonds);
- recent surveys on mining and exploration companies indicate that Brazil consistently ranks well below key Australian mining jurisdictions (e.g. South Australia and Western Australia) in terms of investment attractiveness, policy perception and best practices for mineral potential³⁸; and
- the challenges of the regulatory framework in Brazil, as observed by OZ Minerals' predecessors in the Gurupi Province where the federal court suspended the previously issued environmental and construction licences granted to the previous project owners of CentroGold.

On the other hand, there are other factors that suggest that these risks may be mitigated or perhaps would have a muted impact on the value of OZ Minerals' mineral assets in the country:

- Brazil remains a major mining jurisdiction particularly for iron ore. Large copper miners including Vale, Lundin Mining and Ero Copper have extensive operations in the country;
- Brazil has been one of the largest beneficiaries of foreign direct investment, consistently ranking in the top ten countries in terms of net inflows over the last ten years³⁹; and
- the assets have a relatively short economic life.

While it is common practice to allow for certain classes of specific risk (particularly sovereign and other country specific risks) by adjusting the discount rate applied to forecast cash flows by a so-called country risk premium, in the case of Carajás East, adding a country risk premium to the discount rate is unlikely to materially impact values due to the short mine lives for the asset. A subjective adjustment to the value outcomes reconciled to other valuation benchmarks such as earnings or resource and reserve multiples would arguably be more meaningful.

In addition, a large share of value is attributable to the upside potential from Santa Lúcia, which remains in the early development stages and inherently exposed to development and construction risk. While the pre-feasibility study remains in progress and suggests promising potential at the mine, further studies and approvals are required to confirm the economic feasibility of the project with final investment decision not due until CY24. At this stage, there is no certainty that the project will proceed. To account for this project risk, a subjective adjustment to the range of value outcomes (incremental to the country risk) for Santa Lúcia is also warranted.

Accordingly, Grant Samuel's valuation range of US\$290-340 million (inclusive of the value of remnant mineral resources and exploration targets) includes a subjective value adjustment to reflect these risks.

³⁸ Source: Fraser Institute, Annual Survey of Mining Companies 2021.

³⁹ Source: The World Bank, 2021.

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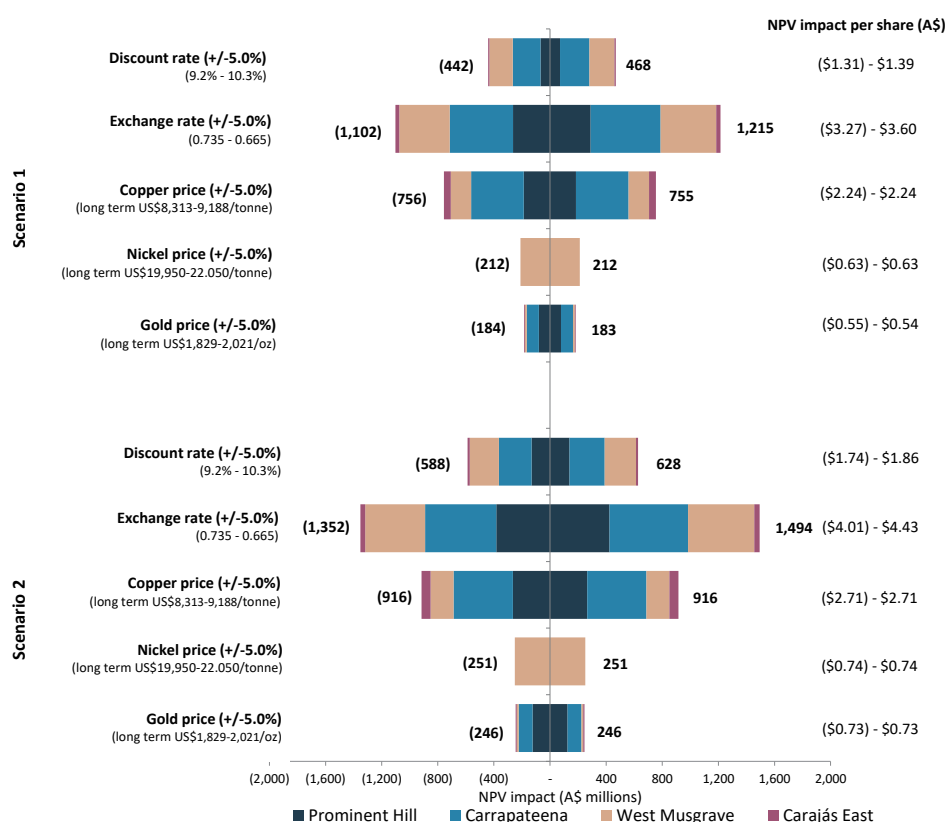


5.3.6 Sensitivity Analysis

The DCF valuations of each of OZ Minerals' mineral assets is subject to a number of key valuation assumptions that can have a material impact on value. The analysis in Sections 5.3.2 to 5.3.5 shows the impact of differences in some of these assumptions (commodity prices, production and discount rate).

However, to provide further guidance as to the sensitivity of the value outcomes for each of the mineral assets, the following table sets out the corresponding impact on OZ Minerals' NPV per share (assuming a midpoint WACC of 9.75% and the Mid Case commodity scenario) for 5% changes in key parameters:

SENSITIVITY ANALYSIS – IMPACT ON NPV (\$ MILLIONS)



The change in NPV per share does not necessarily represent a change, if any, in the value per share estimated by Grant Samuel as the selected valuation range is not directly linked to any particular scenario but instead is based on an overall and subjective judgement based on different NPV outcomes (particularly across both Scenario 1 and 2) and market evidence (e.g. third-party, arms' length offers).

In relation to the table above:

- exchange rates are one of the largest drivers of value as essentially all of OZ Minerals' revenue is denominated in US dollars (e.g. copper concentrates and, in future years, nickel concentrates). The sensitivity analysis incorporates resultant value impact on the translation of A\$ costs into US\$ as well as the translation of US\$ values into A\$. However, the NPV impact may be overstated to the extent that a portion of OZ Minerals' capital spend and operating costs originated in US dollars (e.g. equipment and fuel);

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- value outcomes for each of OZ Minerals' assets are highly sensitive to changes in commodity prices, but principally copper (including West Musgrave which is expected to derive a large share of revenue from copper concentrate and copper by-products);
- changes in nickel prices only impact the value of West Musgrave (as the other mineral assets have no exposure to nickel); and
- gold prices have a non-trivial impact on value as they are the largest source of by-product credits in Prominent Hill and Carrapateena (albeit to a lesser extent in West Musgrave and Carajás East).

5.4 Valuation Cross Check of Mineral Assets

5.4.1 Overview

An alternative to DCF valuation involves the consideration of earnings and other multiples that buyers have been willing to pay for similar businesses or mineral assets in the recent past and multiples at which shares in comparable listed companies trade on share markets. This analysis will not always lead to an obvious conclusion of an appropriate range of multiples as there will often be a wide spread of multiples.

This issue is particularly relevant for the resources sector as the implied multiples for individual mining companies and mineral assets are impacted by a range of issues including:

- different metal types within the ore;
- metal grades and recovery rates;
- different processing requirements that may be involved for each type of metal (e.g. some metals are only valuable if sold as a separate concentrate);
- expected mine life;
- annual production capacity;
- expansion opportunities (particularly in the short term) and exploration activities (e.g. scope of drilling and testing and identification of mineral resources);
- economics of the mine plan (i.e. mining methods, unit costs) which influences the cut-off grades;
- downstream processing costs;
- sustaining capital expenditures and any future major project costs;
- quality of product (e.g. concentrate grades and impact of penalties); and
- jurisdiction and geographic risks.

A common "fix" for the first two of these issues is to calculate the metal equivalent of the resources and reserves, under which the different metals within the resource are converted into the grade of the major metal (in OZ Minerals' case, copper) to simplify the presentation of the multiple. While this approach has some merit (e.g. simple presentation of many economic grades of different metals in the terms of a single equivalent), it also makes a number of (arguably erroneous) assumptions that further detract from the reliability of the analysis including:

- mineral cut-off grades for the primary commodity is the relevant cut-off for all minerals in the deposit;
- all minerals are 100% recoverable;
- all minerals are 100% payable factors;
- production rates for each mineral/commodity are consistent over the life of mine (thereby minimising any fluctuations from the time value of money);



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- production and processing costs for all minerals are equivalent; and
- individual commodity prices are based on spot prices and remain unchanged over the life of mine.

Reserve and resource multiples can also be skewed by the amount of exploration and testing work completed as the identified reserves and resources are a reflection of only the work to date. Each operation will have a different reserve conversion strategy for booking resources and reserves. Some may do a full analysis at the outset while others may defer until necessary. For example:

- operators of some deposits with well known geological characteristics that have a track record of production may only pursue additional reserve conversion or resource drilling and studies to “replenish” ore reserves that have been consumed in production (thereby not necessarily increasing the total size of the resource base). These deposits would arguably have “understated” mineral resource and ore reserve statements as the scope of the testing was limited to only what was needed; whereas
- operators of other deposits may conduct a more comprehensive study to maximise the identification of mineral resources (and ore reserves in the event they intend to mine the deposit) to help assess the scale and value potential of the deposit. These deposits would arguably have “fully baked” mineral resource and ore reserve statements as the intent was to identify as much potential resource is available in the target areas.

In addition, reserve and resource multiples are fundamentally impacted by the extent of future capital expenditure costs. Obviously, there is a difference between a fully developed and a yet to be developed asset (i.e. a project) but there can also be complications where a mining operation is about to undertake a major expansion project. It is extremely difficult (if not practically impossible) to make adjustments for these differences from publicly available data.

Nevertheless, the market evidence can still be useful in providing benchmarks that supplement other measures and in understanding the issues that may impact value. As such, it is necessary to consider the particular attributes of the business operation being valued (relative to its peers), the transaction rationale as well as the prevailing regulatory framework and economic conditions and under which the business operates. A careful assessment of these different attributes can be helpful in establishing “bookends” within which implied valuation multiples can be considered reasonable and used to help guide the boundaries (in respect of implied multiples) of the value analysis.

OZ Minerals owns a portfolio of three operating copper mines in South Australia and Brazil and is developing a new, large scale nickel mine in Western Australia. Accordingly, Grant Samuel's has considered transactions and listed companies primarily involved in the production of copper and/or nickel in Australia and in selected other mining jurisdictions, where appropriate.

In particular, Grant Samuel has:

- separated the analysis of multiples into copper producers and nickel producers to better reflect the different supply-demand environments, growth prospects and risks for each commodity class; and
- calculated EBITDA multiples and contained metal (i.e. copper or nickel) reserve and resource multiples (for ease of reference, these are simply referred to as reserve and resource multiples) for comparable transactions and comparable listed companies. Other than price-to-net asset value multiples, these multiples are generally viewed as the most common valuation metrics for mineral assets that primarily produce copper and nickel.



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5.4.2 Transaction Evidence

Copper Producers

Grant Samuel's research has identified a limited subset of transactions involving Australian copper producers in recent years for which meaningful valuation parameters can be calculated. Other than Glencore's divestment of the CSA (Cobar) underground mine ("CSA") and the Ernest Henry underground mine, there have been no other large scale copper transactions in the last five years. Washington H. Soul Pattison and Company Limited's ("WHSP") sale of Round Oak Minerals Pty Limited ("Round Oak") is substantially smaller in scale (e.g. circa US\$170 million implied enterprise value) but is one of the most recent transactions and has been included in the analysis.

As a consequence, Grant Samuel has also considered transactions in the past five years involving:

- copper producing assets in leading mining jurisdictions, including the United States, Peru and Chile as well as other relevant jurisdictions such as Brazil (where OZ Minerals operates) and Spain (where one of the few ASX listed copper producers recently completed a major acquisition);
- large scale copper assets in regions that are subject to higher levels of sovereign risk, such as the Grasberg mine in Indonesia and the Oyu Tolgoi mine in Mongolia; and
- minority interests for large scale copper developments in premier mining jurisdictions for which the investment decision and construction were dependent on securing a new funding partner (which was secured through the transaction).

In considering the transaction evidence, it should be noted that:

- with the exception of the OZ Minerals' acquisition of Avanco, Mitsubishi Corporation's acquisition of a 21.9% interest in the Quellaveco copper project and Sumitomo Metal Mining Co., Ltd. and Sumitomo Corporation's (collectively "Sumitomo") acquisition of a 30% interest in the Quebrada Blanca copper project, all of the copper transactions occurred after the introduction of AASB16 (or equivalent) and therefore earnings, and the implied EBITDA multiples, are on a post AASB16 basis;
- meaningful forecast earnings multiples have not been able to be calculated as most of the target companies and assets were either privately held or individual divisions of large, listed entities; and
- while the majority of transactions involving copper producers were for controlling interests in the target company, a number of recent transactions involved the acquisition of only a minority interest in the target. Transactions involving minority interests are typically excluded from transaction evidence due to the lack of a full "control" premium being incorporated in the sale prices of these interests. However, market evidence suggests that even minority interests in joint ventures in the resources sector can still attract close to pro rata of 100% value particularly when demand for the asset is high (e.g. scarce asset) or when the buyer can retain the sales and marketing rights to the joint venture's production. Due to the "scarcity" value attributed to these assets (evidenced by the limited number of transactions involving major developments comparable in scale to Quellaveco or Quebrada Blanca), Grant Samuel has considered these transactions in the analysis of market valuation parameters.

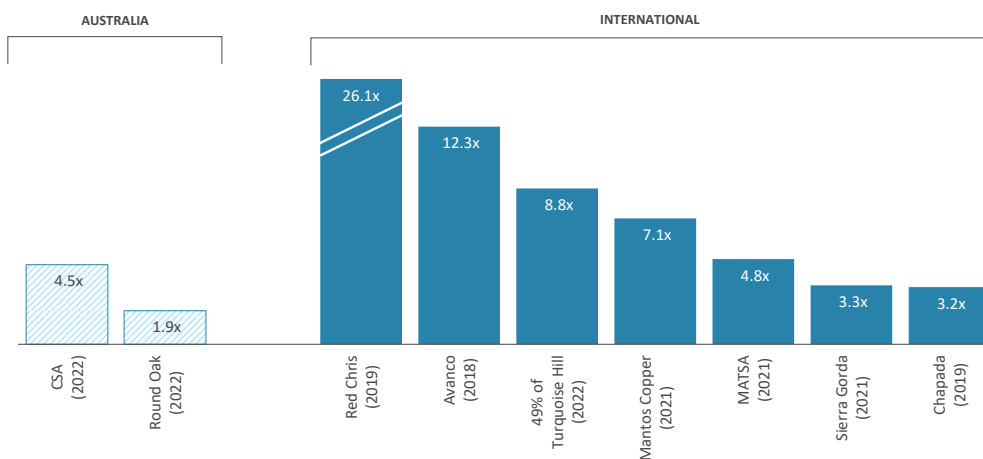
The following charts summarise the historical EBITDA and forecast (represented by hatched shading with solid lines) EBITDA multiples as well as the CuEq reserve and CuEq resource multiples for transactions involving copper assets:

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RELEVANT COMPARABLE TRANSACTIONS – COPPER ASSETS

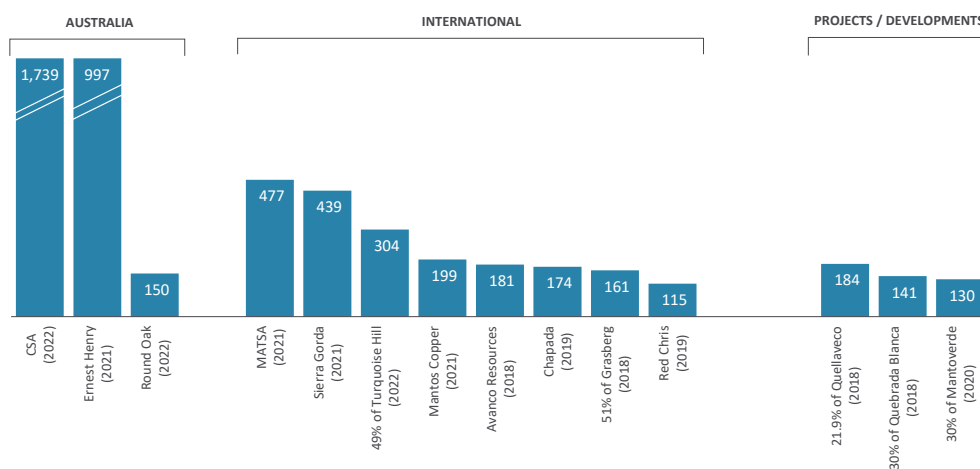
HISTORICAL AND FORECAST EBITDA MULTIPLES



Source: Grant Samuel analysis^{40,41}

RELEVANT COMPARABLE TRANSACTIONS – COPPER ASSETS

COPPER-EQUIVALENT RESOURCE MULTIPLES (US\$/TONNE)



Source: Grant Samuel analysis^{40,41}

⁴⁰ Grant Samuel analysis based on data obtained from IRESS, S&P Global Market Intelligence, company announcements and transaction documentation.

⁴¹ Historical multiples are generally based on the most recent publicly available full financial year earnings prior to the transaction announcement date. Where this financial information is not available, earnings for the last twelve month period have been used.

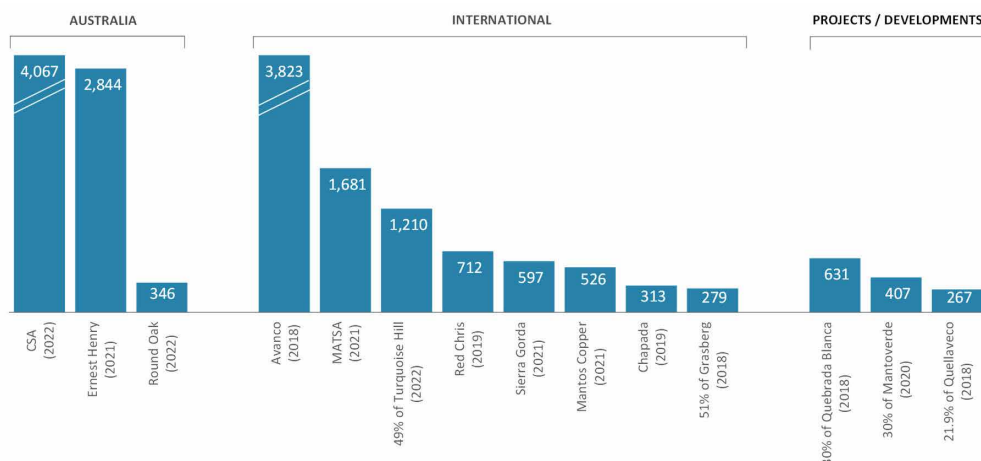
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RELEVANT COMPARABLE TRANSACTIONS – COPPER ASSETS

COPPER-EQUIVALENT RESERVE MULTIPLES (US\$/TONNE)



Source: Grant Samuel analysis^{40,41}

The market evidence demonstrates that it is extremely difficult to determine a reliable range of earnings or resource multiples for copper assets. In particular:

- historical and forecast EBITDA multiples range between 2 and 12 times (excluding the outlier at 26 times), albeit with some more consistency around 3-5 times;
- CuEq resource multiples range between US\$130/t and 1,740/t, although the transactions involving two large scale Australian copper assets (i.e. CSA and Ernest Henry) appear to be significant outliers as most transactions occurred well below US\$500/t; and
- CuEq reserve multiples range between US\$270/t and 4,070/t, although most transactions occurred between US\$300/t and US\$700/t.

Some of the EBITDA multiples stand in contrast to the observed resource or reserve multiples, making judgements even more difficult. In some cases, high (or low) resource or reserve multiples are consistent with a high (or low) EBITDA multiple. In other cases, the market evidence appears to contradict itself (e.g. high EBITDA multiples corresponding with low resource or reserve multiples). It is important to review the transaction evidence as a whole and not rely on either the EBITDA multiples or the resource or reserve multiples in isolation.

EARNINGS MULTIPLES

Excluding outliers, the majority of copper transactions have generally occurred at around 3-5 times EBITDA. However, there are several transactions well outside this range:

- at the higher end (above five times), there are assets with significant growth potential. The current earnings profiles for these assets arguably do not reflect their full earnings potential and therefore result in higher EBITDA multiples than their peers (although the corresponding reserve and resource multiples would likely be towards the bottom half of the group). Growth can come from:
 - mine expansion. The acquisition by Rio Tinto Group ("Rio Tinto"), as the 50.1% controlling shareholder in Turquoise Hill, of the remaining interest in Turquoise Hill Resources Limited ("Turquoise Hill") that it did not already own reflects the material future earnings upside from the Oyu Tolgoi copper mine (in which Turquoise Hill holds a 66% interest and the Mongolian

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Government owns the remainder). The new underground mining development at Oyu Tolgoi is expected to increase contained copper production rates from around 160 ktpa to more than 500 ktpa by CY28;

- reserve conversion. The high EBITDA multiples implied by OZ Minerals' acquisition of Avanco reflected the value that was attributed to its portfolio of copper deposits near the existing Antas processing facility (e.g. Pedra Branca and Pantera). As the OZ Minerals Chief Executive Officer noted at the time, "we are not interested in Avanco for the copper they are producing today, we are interested in Avanco for the copper they could produce with the resources they have got and the exploration upside in that district"⁴²; and
 - operating synergies. The merger between Capstone Copper Corporation ("Capstone") and Mantos Copper SpA ("Mantos Copper") reflected the future value upside from the mine expansion in the Mantoverde processing facility (that will increase contained copper production rates from 37ktpa to 120ktpa by CY24) and potential synergies from processing the ore from Capstone's nearby Santo Domingo copper deposit (fully permitted and shovel ready) through the expanded processing facility; and
 - unique technical capabilities. Newcrest Mining Limited's ("Newcrest") acquisition of a 70% interest in the Red Chris copper-gold mine reflected Newcrest's unique technical expertise in block caving operations which was expected to help unlock value from the next stage of the mine's expansion; and
- at the low end, the assets that have short remaining mine lives and target a relatively small proportion of remaining mineral resources and ore reserves. The very low historical EBITDA multiple (as well as reserve and resource multiples) for Round Oak reflects the depletion of reserves at its two primary assets – the Jaguar copper and zinc mine (four years) and Mt Colin copper mine (two years) as well as the remaining unmined resource (the majority of which resides in the Stockman project which is still subject to further studies and had not reached a final investment decision at the time).

RESOURCE AND RESERVE MULTIPLES

On the other hand, reserve and resource multiples vary across a much wider range and, to the extent information is available, should also be considered in the context of its implied EBITDA multiples.

The most recent and relevant transactions involving large scale copper mines in Australia have occurred at much higher multiples than the other transactions in the sector reflecting their:

- scale and long operating lives;
- mine extension opportunities;
- supportive regulatory environment (i.e. well-defined tax and royalty regime and well-established mining and permitting framework);
- predictable legal jurisdictions with a stable economy and available access to skilled workforce;
- scarcity value; and
- strategic value, especially as these mines would attract more management time and resources as part of a smaller portfolio than as part of a large diversified miner.

⁴² Australian Financial Review, OZ Minerals edging towards control of Avanco, 7 June 2018.

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Both CSA and Ernest Henry were previously owned by Glencore, one of the largest copper producers in the world. The divestments⁴³ marked the internationally diversified miner's exit from its Australian copper operations (which comprised only 1% of its copper portfolio's ore reserves but were large scale operations in their own right, each accounting for approximately 7% of contained copper production across Australia in 2021).

The large premium for the CSA mine reflects the scarcity of high-grade reserves (at well over 5% CuEq grades) and significant mineral resource upside. Over the past ten years, CSA has demonstrated a track record of reserve and resource replacement and has progressively increased its total reserve base (while maintaining its resource base). CSA's resource cut-off grade of 2.5% is well above the reserve grades for almost all underground copper mines in Australia (e.g. the mineral resources at Prominent Hill and Carrapateena have copper grades of less than 1%) meaning that lowering the cut-off grade could potentially add material production and mine life to CSA.

Similarly, the transaction for the Ernest Henry underground mine in Queensland also occurred at a large premium. Ernest Henry was sold to Evolution Mining Limited ("Evolution") after nearly six years of joint ownership through a complex structure between the two parties⁴⁴. The transaction consolidated the mine under Evolution's ownership and reflected the strategic value of the asset to the company. Under the original structure, Glencore was responsible for operating the asset and establishing the mine plan (albeit as one of many mineral assets in its diversified portfolio). Following completion of the acquisition, Ernest Henry became one of the largest mineral assets in Evolution's portfolio and one where management has signalled a clear intention to dedicate a large share of financial resources. As a first step to maximising Ernest Henry's value, Evolution committed to further progress drilling and testing to extend the copper-gold footprint of the mine and undertake a pre-feasibility study to extend the life of mine by at least five years (beyond the current estimate of around nine years).

The offshore transactions that also occurred at relatively high reserve and resource multiples reflected similar traits to the Australian transactions, including high mineral grades and strategic value to the acquirer. For example:

- Sandfire Resources Ltd's ("Sandfire") 2021 acquisition of Minas de Aguas Teñidas ("MATSA") was widely viewed by the market to represent "full value" for the high grade copper mine in Spain. Despite some concerns on the metallurgy and concentrate quality (e.g. variable recoveries of copper, zinc and lead in the ore), the price likely represented Sandfire's pressing need to bridge a potential gap in production and earnings between the shutdown of the DeGrussa copper-gold mine (set to cease operations in 2021) and the commissioning of the Motheo project (not until at least 2023); and
- OZ Minerals' acquisition of Avanco involved establishing a strategic foothold in Brazil, particularly in an area that exhibited similar mineralisation characteristics as OZ Minerals' Australian assets. While the resource multiple is broadly in line with other transactions, the extremely high reserve multiple reflects the low reserve-to-resource ratio (5%) as mining operations at the time were solely focused on the Antas mine. Adding Pedra Branca's mineral resource in the east zone (the area currently being mined) to the ore reserve calculation, results in an adjusted reserve multiple of approximately US\$720/t, albeit still at the top end of the peer group (reflecting its strategic value to OZ Minerals)⁴⁵.

⁴³ At time of this report, Glencore's sale of CSA has not completed. On 30 January 2023, Metals Acquisition Corporation (the special purpose acquisition vehicle acquirer of CSA) was reported in the market to raise an additional US\$125 million in equity capital to fund the acquisition of CSA.

⁴⁴ In November 2016, Evolution originally acquired an economic interest in Ernest Henry via a joint venture that delivered 100% of gold production and 30% of copper and silver production within an agreed life of mine area. Under the agreement, Evolution was responsible for 30% of the operating costs and capital of the operation. Outside the agreed life of mine area, Evolution had a 49% interest in copper, gold and silver production and was responsible for 49% of the operating and capital costs.

⁴⁵ At the time of the Avanco transaction, approximately 17.7Mt of resources were recognised at the Pedra Branca deposit, of which nearly 60% were at the east zone (or more than 67% of contained copper).



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The transactions that occurred at a discount to the rest of the peer group generally faced a range of specific issues that may have deterred buyers from paying a higher price including:

- track record of poor operating performance;
- low mineral grades;
- motivation of sellers; and
- the combination of a low remaining mine and extraction of a relatively small proportion of remaining resources and reserves (as demonstrated by the Round Oak acquisition).

Lundin Mining Corporation's ("Lundin") acquisition of the Chapada copper-gold mine in Brazil also reflects the impact of low and declining mineral grades (from more than 0.4% at inception in 2007 to just 0.25% copper grades remaining in the mineral reserves) on value despite its scale, long mine life (around 28 years) and competitive cost profile. The relatively low resource and reserve multiples (and historical EBITDA multiple) also likely reflected Yamana Gold Inc.'s motivations to divest the asset to reduce net debt.

Geopolitical and sovereign risks can also constrain value and in certain cases, have turned project owners into "forced" sellers of their asset (usually to the government or its affiliates). The Grasberg mine was jointly owned by Freeport McMoRan ("Freeport"), Rio Tinto and the Indonesia Government (through its state-owned enterprise, PT Indonesia Asahan Aluminium ("Inalum")). The transaction cemented Inalum as the new controlling shareholder in the mine (with approximately 51% ownership) as Freeport relinquished control and Rio Tinto exited the joint venture. Despite the scale and high quality reserves, the relatively low reserve and resource multiples reflect the challenges faced by the operators in the region. For years, operations at the mine were impacted by export bans and changes to the royalty and tax regime (especially as the mine's tailings were disposed into nearby rivers). These disputes escalated in 2017 as the Indonesian Government implemented another round of export bans on Grasberg's copper concentrate exports and revoked its existing mining permit. The transaction was part of a long-term agreement under which Freeport made concessions to secure an extension to its mining permit, including divesting its controlling interest in the mine, building a new smelter, reducing tailings and paying new taxes and royalties; and

The implied multiples for other transactions that were in the "middle of the pack" also reflected a range of specific issues. For example, Rio Tinto's acquisition of the remaining interest in Turquoise Hill that it did not own was designed to simplify the ownership and funding structure of the Oyu Tolgoi mine. Despite its scale, high mineral grades and the strong prevailing copper price environment at the time, reserve and resource multiples for Oyu Tolgoi are markedly lower than other large scale copper transactions in 2021 and 2022 (albeit above most other transactions) although its high EBITDA multiple reflects the significant expansion plans for the asset. These relatively low reserve and resource multiples reflect the challenges in securing the Mongolian Government's approval for a major mine expansion including:

- requirement to fully fund the project expansion costs but not enjoy full economic rights to its future cash flows as the Mongolian Government retains the remaining 34% interest in Oyu Tolgoi but has no funding obligations for its expansion;
- the waiver of a US\$2.4 billion loan to the Mongolian government (which represented the government's share of the development costs for Oyu Tolgoi's initial operations); and
- a restriction on debt funding for the mine expansion (which at the time required at least US\$3.6 billion to complete), meaning that any incremental capital would have to be equity funded by Turquoise Hill and its shareholders (which may result in the dilution of some shareholdings).

In addition, the complexity of the Oyu Tolgoi expansion project contributed to significant cost overruns and delays (both of which were catalysts for the changes sought by the Mongolian Government).

Transactions involving copper development projects also occurred at the low end of the range due to their inherent construction and development risks (e.g. cost overruns, delays, geological/technical complexity).



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However, these are still useful benchmarks in assessing a “floor” for the valuation multiples for operating assets. The transactions were often used to reduce funding risk for the project proponent (i.e. by way of introducing new funding partners or offtake parties) and, as a result, typically involved sales of minority interests in the asset. In recent years, these transactions include:

- the acquisition of a 30% interest in the Quebrada Blanca Phase 2 (“QB2”) project in Chile by Sumitomo. The implied reserve and resource multiples for QB2 were higher than the other copper developments due to its scale, high mineral grades and ability to leverage existing infrastructure at its existing phase one mine operations (e.g. existing assets, workforce, local stakeholder knowledge and elimination of pre-stripping requirements);
- the acquisition of a 21.9% interest in the Quellaveco project in Peru by Mitsubishi Corporation, bringing its total interest up to 40%. Despite its comparable size to Quebrada Blanca, the lower reserve and resource multiples likely reflect its lower copper grades and higher capital investment (more than US\$5 billion) to develop the greenfield project; and
- the acquisition of a 30% interest in the Mantoverde expansion project in Chile (previously wholly owned by Mantos Copper) by Mitsubishi Materials Corporation to provide additional funding flexibility to complete the development of the new concentrator and tailings dam.

Nickel Producers

Over the past decade, the nickel market in Australia experienced a significant upheaval across the industry as persistently weak nickel prices between 2010 and 2015 triggered a wave of consolidation. A large number of transactions occurred during this period although most involved non-producing mines that had been placed under care and maintenance due to their uncompetitive cost profile and subscale operations. This includes the acquisitions of the Avebury mine (in 2016 and in 2022), the Lanfranchi nickel project (in 2018 and the subsequent sale of a 50% interest in 2021) and the Long nickel mine (in 2019).

The upheaval across the industry also provided a catalyst for diversified mining companies such as IGO Limited (“IGO”) to consolidate larger and profitable nickel mines as well as other industry participants (e.g. OZ Minerals) to acquire nickel projects (noting that these projects have a substantially different risk profile from operating mines in relation to regulatory approvals and permitting, funding and construction). These transactions typically involved larger scale nickel assets or developments that are arguably more comparable with West Musgrave and have been considered in the transaction evidence for nickel producers.

In considering the transaction evidence, it should be noted that:

- with the exception of IGO’s merger with Sirius Resources Limited (“Sirius”), all nickel transactions occurred after the introduction of AASB16 (or equivalent) and are therefore on a post AASB16 basis. However, given that Sirius was still under construction there is no EBITDA multiple for that transaction;
- with the exception of IGO’s proposed takeover of Panoramic Resources Limited (“Panoramic”) (which was subsequently withdrawn), all transactions have been completed. The proposed takeover for Panoramic has been illustrated with no fill and dotted red borders in the charts below; and
- with the exception of IGO’s acquisition of Western Areas Limited (“Western Areas”), all control transactions predominantly involved scrip consideration which arguably may impact the “premium for control” an acquirer would typically pay in a change of control transaction; and
- similar to copper transactions, the “scarcity” of available nickel assets and accompanying sales and marketing rights can be quite valuable for buyers and mean that minority interests in joint ventures in the resources sector can still attract close to pro rata of 100% value. While POSCO’s acquisition of a

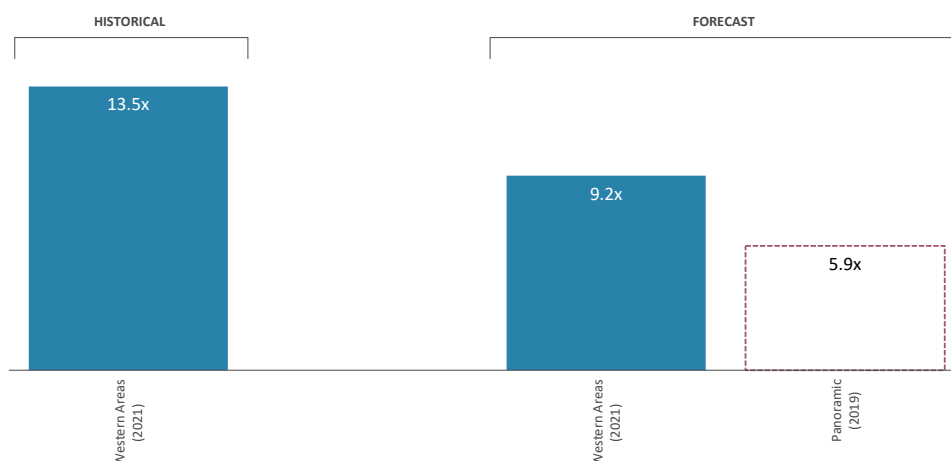
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30% interest in the Ravensthorpe nickel mine does not meet the definition of a “control” transaction, this transaction has still been considered in the analysis of market valuation parameters.

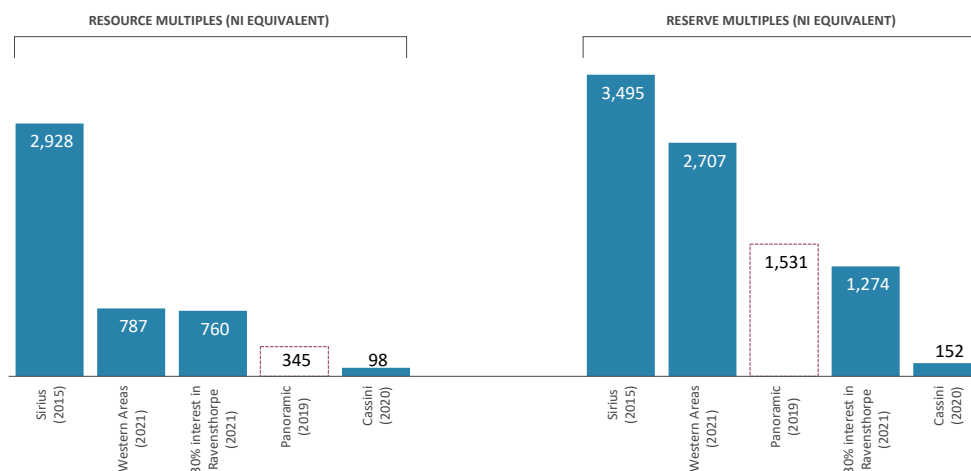
The following charts summarise the historical EBITDA multiples as well as the NiEq reserve and NiEq resource multiples for transactions involving nickel assets:

RELEVANT COMPARABLE TRANSACTIONS – NICKEL ASSETS
HISTORICAL AND FORECAST EBITDA MULTIPLES



Source: Grant Samuel analysis^{40,41}

RELEVANT COMPARABLE TRANSACTIONS – NICKEL ASSETS
NICKEL-EQUIVALENT RESOURCE AND RESERVE MULTIPLES (US\$/TONNE)



Source: Grant Samuel analysis^{40,41}

The nickel transactions have occurred across a very wide range of parameters that provides no useful guidance. The implied multiples reflect the individual characteristics of the assets and, to a certain extent, the scarcity of high quality nickel assets in the market and the limited universe of potential buyers with the scale and balance sheet to integrate such assets. In recent years, IGO has been the most active buyer of Australian nickel assets as it executed its strategy to build a diversified mining company. In particular, it has been involved in the:

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- merger with Sirius, which wholly owned the Nova-Bollinger nickel-copper development. The very high multiples reflected the strategic importance for the acquisition as IGO was facing a fast declining production and earnings profile from its existing portfolio of assets. Declining grades at the Tropicana gold mine translated to lower recoveries. Depletion of reserves at the Jaguar zinc-copper mine meant that earnings were to drop further. The acquisition of a fully funded and permitted nickel development with limited jurisdictional risk (i.e. also located in Western Australia) was an opportunity for IGO to bridge its earnings gap as Nova-Bollinger was expected to produce first ore within two years of the acquisition. The high multiples also reflected Nova-Bollinger's competitive cost profile (expected to be ranked 12th in the world) which is underpinned by its high mineral grades, ore body shape and orientation, geotechnical conditions and scale;
- proposed takeover of Panoramic. The relatively low multiples reflect the substantially smaller scale of Panoramic's operations. The Savannah nickel mine has a nameplate capacity of approximately 7ktpa of contained nickel and was still in the process of ramping up following a temporary shutdown in 2020 (and was only recommissioned in 2018 after being placed under care and maintenance by its previous owners in 2009). IGO withdrew its takeover offer following Panoramic's revised production guidance at Savannah and expected funding gap to meet short-term working capital needs; and
- acquisition of Western Areas, which consolidated IGO's position in the Western Australian nickel market. The high multiples reflecting its diversified portfolio of assets and short term pathway to growth as the development of the new Cosmos nickel hub (comprising three separate high grade deposits) is nearing completion and expected to produce first concentrate within two years. In addition, the reserve multiples appear to be substantially higher due to its low reserve-to-resource conversion ratio (approximately 30%) relative to other transactions (generally above 60%) as its primary operating asset (i.e. Forrestania) is nearing the end of its mine life.

The other acquisitions were also driven by strategic reasons but occurred towards the lower end of the range for a variety of factors. This includes:

- POSCO's acquisition of a 30% interest in Ravensthorpe reflected the strategic importance of securing long-term nickel supply (in the form of an MHP offtake agreement) during a period of rising supply-demand imbalances but the acquisition price was likely impacted by the low nickel grades for the deposit (laterite ore) and its history of operational challenges (it was placed under care and maintenance from 2017 to 2020) and was still in the midst of a ramp-up in production. The high financial gearing (close to 50%) and Ravensthorpe's history of negative earnings may have also impacted the transaction price; and
- OZ Minerals' acquisition of Cassini, consolidating its interest in West Musgrave from 70% to 100%. The very low transaction multiples for Cassini reflect the early stage of development of the West Musgrave project and the lack of regulatory approvals and funding certainty (especially while it was partly owned by Cassini, a mineral explorer with limited balance sheet capacity). The acquisition consolidated ownership of the project under OZ Minerals and allowed it to maximise its flexibility with future funding and development options.

5.4.3 Sharemarket Evidence

Copper Producers

The majority of the largest producing mines around the world are either held by diversified mining companies (e.g. BHP Group, Glencore and Anglo American) or by state-owned corporations (e.g. Chile's Codelco). However, there remains a number of medium-to-large sized copper producers that are listed on the ASX and in international stock exchanges. Most of these listed comparable companies also have diversified interests in other commodities but derive the majority of their income from their copper operations.



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Grant Samuel has considered but excluded from its analysis:

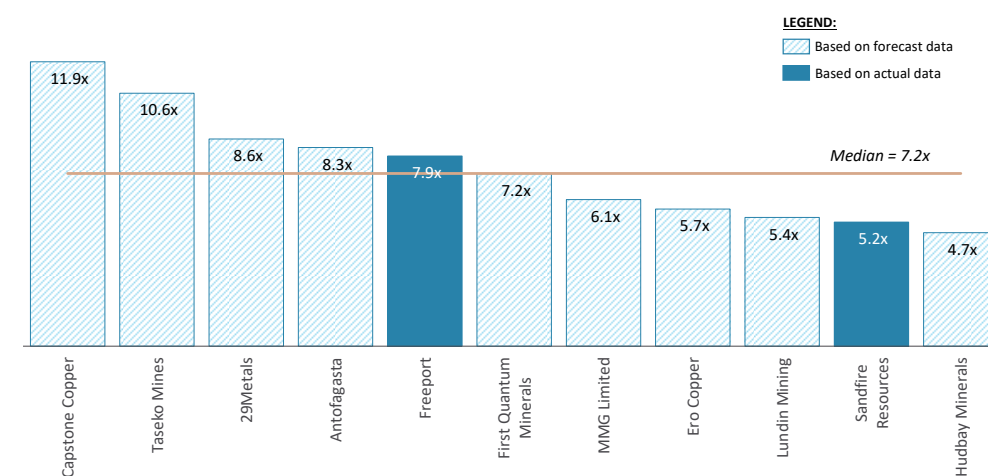
- diversified mining companies, which typically have established, large scale copper operations and are generally considered the largest copper producers in the world (e.g. BHP Group, Glencore, Teck Resources, Vale and Anglo American) but derive a majority of their earnings from other commodities;
- downstream copper producers, including those primarily engaged in smelting or refining of copper (e.g. Southern Copper Corporation, Jiangxi Copper Company Limited, Zijin Mining Group Company Limited and Boliden AB); and
- copper producers that primarily operate in markets outside leading mining jurisdictions (e.g. Central Asia Metals plc and KGHM Polska Miedz S.A. ("KGHM")⁴⁶).

With the exception of Sandfire, each of the comparable trading companies has a 31 December year end. At the date of this report, a number of listed comparable companies have not published their CY22 results. As a result, the 2022 EBITDA multiples comprise a mix of actual historical results and consensus broker forecasts (forecast 2022 EBITDA multiples are represented by hatched shading with solid lines). The financial data has not been adjusted to align the year end for each company.

The following charts set out the 2022 and 2023 EBITDA multiples as well as the CuEq reserve and resource multiples for these listed companies based on share prices at 31 January 2023:

RELEVANT COMPARABLE LISTED COMPANIES – COPPER PRODUCERS

2022 EBITDA MULTIPLES



Source: Grant Samuel analysis^{40,41}

⁴⁶ While KGHM holds a 55% interest in Sierra Gorda, the Chilean asset has historically accounted for 10-15% of group revenue.

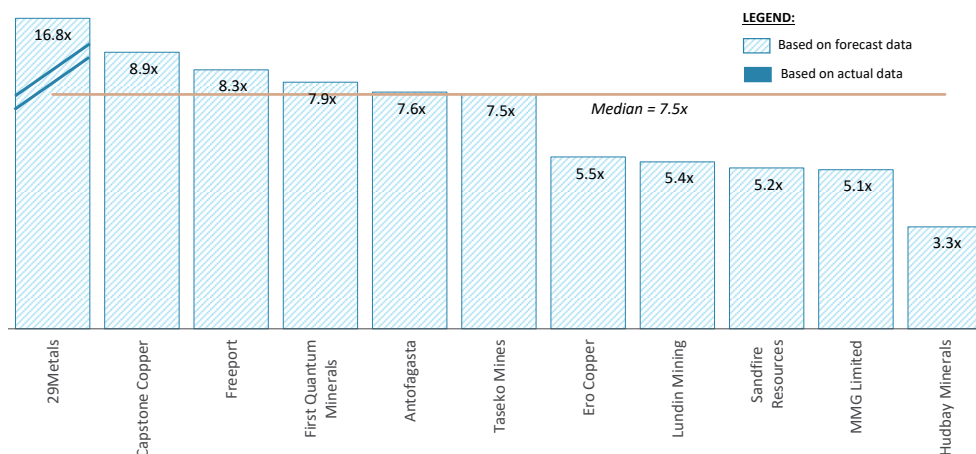
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RELEVANT COMPARABLE LISTED COMPANIES – COPPER PRODUCERS

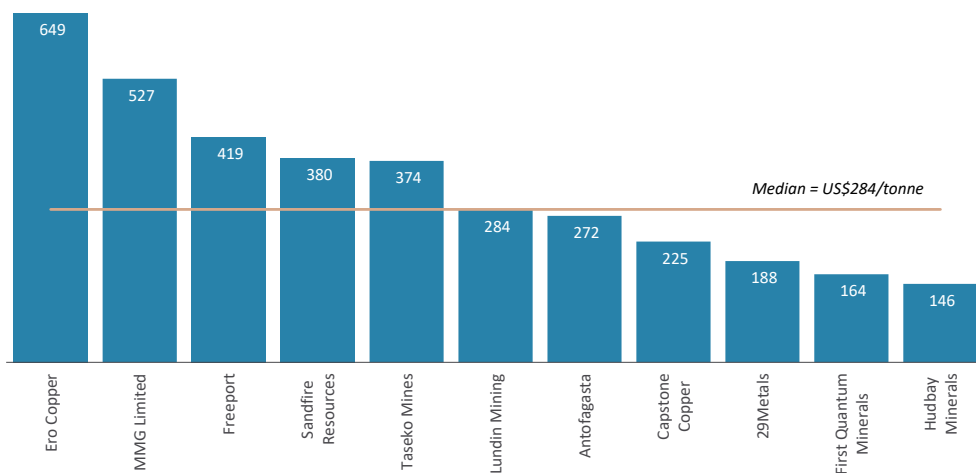
2023 FORECAST EBITDA MULTIPLES



Source: Grant Samuel analysis^{40,41}

RELEVANT COMPARABLE LISTED COMPANIES – COPPER PRODUCERS

COPPER-EQUIVALENT RESOURCE MULTIPLES (US\$/TONNE)⁴⁷



Source: Grant Samuel analysis^{40,41}

⁴⁷ CuEq resource and reserve multiples for Taseko Mines Limited ("Taseko") have been adjusted to exclude the Florence deposit, which is an undeveloped project but comprises nearly 80% of total mineral resources and ore reserves of the group. The unadjusted CuEq resource and reserve multiples for Taseko are US\$42/t and US\$70/t, respectively.

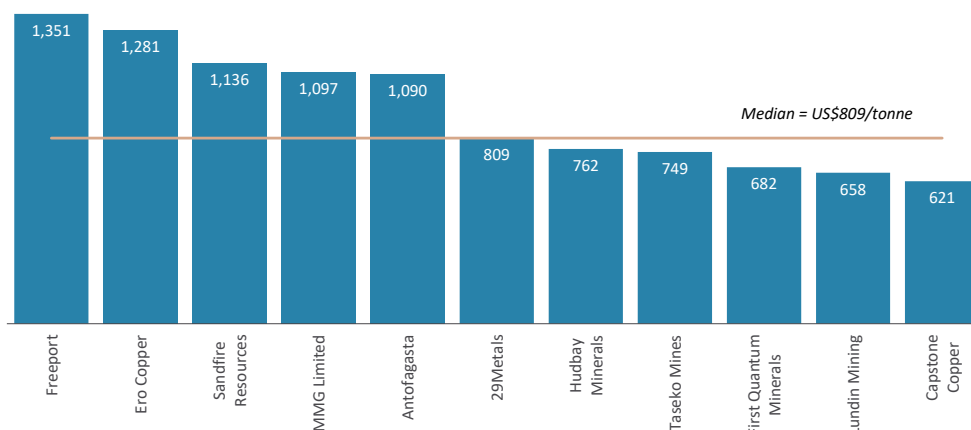
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RELEVANT COMPARABLE LISTED COMPANIES – COPPER PRODUCERS

COPPER-EQUIVALENT RESERVE MULTIPLES (US\$/TONNE)⁴⁷



Source: Grant Samuel analysis^{40,41}

The implied multiples for comparable companies (excluding outliers) are generally higher than (if not at least in line with) the multiples for comparable transactions involving copper producers. In theory, implied multiples for listed companies should be at a discount to the implied multiples seen in control transactions for comparable companies (due to the premium for control). This discrepancy is likely caused by the investment characteristics of listed producers including:

- portfolio value. While the majority of the identified copper transactions involved single assets, all of the listed copper producers have more than one producing asset. A portfolio offers diversification benefits that better insulate the listed companies from operating risks (and in some instances, sovereign risks) that may arise from individual assets;
- growth opportunities. While most listed companies have a pipeline of investment options (e.g. greenfield developments and mine expansions), mines involved in single asset transactions are generally limited to incremental improvements to or expansions of to their current footprint; and
- prevailing market environment, particularly the robust market conditions over the last six months during which copper prices have risen towards record highs. Median forecast EBITDA multiples for listed copper producers rose by nearly 60% during the year (up to circa six times forecast EBITDA). In contrast, only three identified copper transactions (i.e. Turquoise Hill, Round Oak and CSA) occurred in 2022.

Notwithstanding the consistent premium over the comparable transaction multiples, identifying applicable parameters from the sharemarket evidence is difficult. Implied multiples for listed copper producers sit across a very wide range, albeit in two broad groups (excluding outliers):

- around 7-9 times 2022 and 2023 EBITDA; and
- around 5-6 times 2022 and 2023 EBITDA.

Similar to the transaction evidence, the analysis is made even more difficult by the relativity of EBITDA multiples against the reserve and resource multiples. High EBITDA multiples may at times correspond with low implied resource and reserve multiples (and vice versa). In these circumstances, it is difficult to isolate any outliers from the rest of the peer group.



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The largest copper producers (i.e. Freeport, Antofagasta plc ("Antofagasta") and First Quantum Minerals Limited ("First Quantum")) are generally trading at similar multiples of around 8 times 2023 EBITDA and towards the upper end of the range of EBITDA multiples (albeit at a much wider range of reserve and resource multiples). The three producers share a number of attractive features such as:

- scale, all three producers are substantially larger than any of the other listed peers (each with market capitalisations well over US\$15 billion);
- established long-life mines, including some of the largest copper mines in the world (e.g. Freeport's Grasberg mine, Antofagasta's Los Pelambres mine and First Quantum's Cobre Panama mine); and
- diversification across a number of operating mines and, in the case of Freeport and First Quantum, different commodities and geographies.

However, these features are partly offset by low mineral grades (CuEq ore reserve grades of around 0.3-0.7%, compared to a median of around 1.0% for the other listed peers) and unique factors impacting each company including sovereign risk (as demonstrated by Freeport and, more recently, by First Quantum which was ordered by the Commerce and Industry Ministry of Panama to halt production at the Cobre Panama mine) and high production costs (particularly for Antofagasta which continues to be impacted by one of the longest droughts in Chile that has led to additional investments in critical infrastructure such as a desalination plant and water pipelines).

MMG Limited ("MMG") is also a large copper producer with an enterprise value of approximately US\$10 billion but its limited free float (circa 33%) is likely impacting its implied multiples (particularly EBITDA multiples, which are at a discount to the other three larger peers). While MMG has certain attractive characteristics (e.g. 70% interest in Las Bambas, one of the largest copper mines in the world, and a diversified portfolio), its implied multiples are likely also weighed by its significantly higher financial risk profile given its high gearing (close to 70% net gearing).

For the remaining copper producers, clarity of growth strategy appears to be a key driver for supporting higher EBITDA multiples (albeit resulting in lower resource and reserve multiples as the mineral resource and ore reserves would have been identified well ahead of the project delivering value). Given the often stringent permitting regimes and substantial funding requirements to develop new projects, attaining a well defined path to growth can be challenging for copper producers.

29Metals trades towards the middle-to-upper end of the EBITDA multiple range, reflecting its expected value upside from improving mineralisation grades as it progresses through the higher grade areas of the mine plans in the Capricorn and Golden Grove mines and the longer term mine life extension opportunities from developing new mining fronts at Golden Grove (e.g. Gossan Valley and Cervantes extension). However, 2023 EBITDA multiples are higher than 2022 EBITDA multiples due to the weaker production guidance for the coming year to accommodate the tailings storage facility upgrades at Capricorn Copper and mining deferrals at Golden Grove caused by labour market issues in 2021 and 2022.

Similarly, Capstone also trades towards the higher end of 2022 EBITDA multiples (and middle of the range of 2023 EBITDA multiples) due to the short term expected completion of the Mantoverde processing facility expansion as well as the potential synergies from the nearby Santo Domingo copper deposit (which can be processed through Mantoverde).

On the other hand, the listed companies that generally trade towards the middle or the bottom half of the range face either:

- limited growth prospects, as demonstrated by Hudbay Minerals Inc. ("Hudbay Minerals") which has faced ongoing challenges in developing two of its largest copper projects in Arizona, United States. The Rosemont Project (which was halted on environmental grounds in 2019) and the Copper World Project (which continues to be assessed but has been delayed and reduced in scope to accommodate existing permits) have both repeatedly faced regulatory hurdles;



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- low mineral grades, such as for Lundin, which has very low CuEq grades of around 0.2%, substantially lower than any other peer except Taseko (which has relatively higher multiples despite its low mineral grades given the upside potential from the Florence project);
- lack of diversification, as demonstrated by Ero Copper Corporation's ("Ero Copper") high commodity concentration in copper (approximately 90% of revenue and 95% of CuEq reserves) and geographic concentration (solely within Brazil) compared to its other peers; and
- major transitions, including Sandfire which has shut down its flagship DeGrussa copper asset in Australia (previously one of the highest grade underground copper mines in the world) and is shifting its focus to the recently acquired offshore assets in Spain (MATSA) and in Botswana (Motheo project).

CuEq resources and reserves multiples vary across a very wide range and, as discussed earlier in this section, it can be difficult to identify any useful patterns in isolation. For example, copper producers at the bottom end of the range of CuEq resource and reserve multiples demonstrate either:

- an attractive growth outlook (as evidenced by their high EBITDA multiples) but large execution risks (e.g project development). These producers have typically recognised the resource and reserves in their target developments but their share price may not be fully reflective of the project value given the remaining risks. This group includes 29Metals and Capstone; or
- a challenged outlook (as evidenced by their low EBITDA multiples) with no clear path to earnings growth. As discussed above, Hudbay has faced repeated regulatory hurdles with no obvious means of realising full value for its resource base. Similarly, Taseko (unadjusted⁴⁷) and Lundin face declining mineral grades and consequently rising earnings pressures.

Nickel Producers

There is a very limited number of listed nickel producers. The majority of producing nickel mines in Australia are owned by diversified miners such as BHP Group (Mount Keith mine and Leinster mine), Glencore (Murrin mine), IGO (Nova-Bollinger mine), First Quantum Minerals (Ravensthorpe mine). There are only two nickel-focused producers listed on the ASX, including Panoramic Resources Limited ("Panoramic") and Mincor Resources NL ("Mincor").

The ASX also hosts a wider group of listed entities that operate in the nickel market in Australia. However, the business models (and value drivers) of these entities are not comparable to OZ Minerals' nickel business and therefore these entities have been excluded from the analysis. These include diversified miners (IGO), integrated nickel producers (Nickel Industries Limited), junior explorers (Poseidon Nickel Limited and Chalice Mining Limited) and offshore nickel developers (Talon Metals Corporation and Centaurus Metals Limited).

Most international nickel producers operate integrated models. With the exception of PT Vale Indonesia Tbk ("PT Vale Indonesia"), Grant Samuel has not identified any other international nickel producers that primarily focus on nickel ore mining (and not in downstream operations such as smelting or refining of nickel metal, both of which involve very different value drivers and have been excluded).

Other than PT Vale (which has a 31 December year end), both Panoramic and Mincor have a 30 June year end. The financial data has not been adjusted to align the year end for each company. The following charts set out the historical and forecast EBITDA multiples as well as the NiEq reserve and resource multiples for these listed companies based on share prices at 31 January 2023:



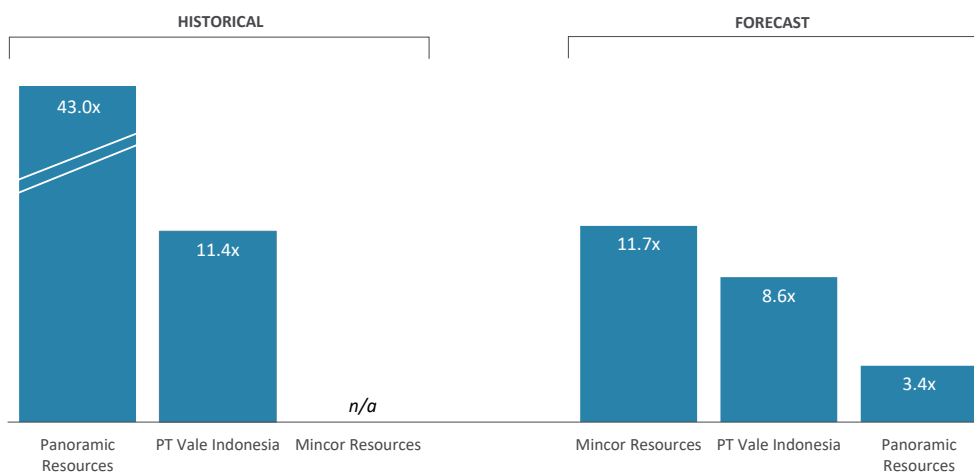
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RELEVANT COMPARABLE LISTED COMPANIES – NICKEL PRODUCERS

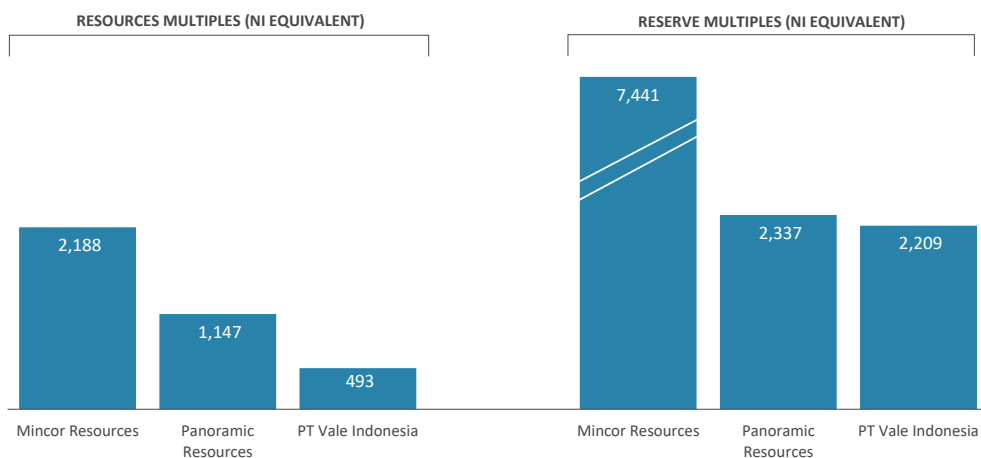
HISTORICAL AND FORECAST EBITDA MULTIPLES



Source: Grant Samuel analysis^{40,41}

RELEVANT COMPARABLE LISTED COMPANIES – NICKEL PRODUCERS

NICKEL-EQUIVALENT RESOURCE AND RESERVE MULTIPLES (US\$ BASIS)



Source: Grant Samuel analysis^{40,41}

Due to the limited market evidence and the wide range of multiples, it is extremely difficult (and perhaps impossible) to draw any meaningful conclusions or observations from the implied multiples of listed nickel producers. The analysis is further complicated by Panoramic and Mincor, both of which have high asset concentration and ramp up risks that have contributed to significant levels of volatility in earnings in recent years (in contrast to PT Vale Indonesia, which is significantly larger, more diversified and has an established track record of operations).

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5.4.4 Analysis and Commentary

OZ Minerals

Grant Samuel's valuation of OZ Minerals implies the following EBITDA multiples:

OZ MINERALS – IMPLIED VALUATION PARAMETERS

	VARIABLE (\$ MILLIONS)	IMPLIED MULTIPLE	
		LOW	HIGH
Valuation range (\$ millions)	--	9,491	10,534
EBITDA			
CY22 (actual) (times)	\$692.7 million	13.7	15.2
CY23 (average broker forecast ²⁹) (times)	\$863.6 million	11.0	12.2

The implied EBITDA multiples are blended multiples for OZ Minerals' mineral assets and the relative size of each of the mineral assets. The implied overall EBITDA multiples are weighted towards the valuations of Carrapateena and Prominent Hill but incorporate the growth potential of West Musgrave which has yet to generate any earnings but is expected to be a significant contributor to earnings once developed.

The high CY22 EBITDA multiples are a result of the operational challenges faced by the company over the past year (e.g. extended COVID-19 absenteeism, one-off weather and equipment interruptions as well as productivity impacts). However, even the CY23 EBITDA multiples are relatively high having regard to market evidence, particularly the listed sharemarket comparable companies (as the majority of the transaction evidence involved single asset transactions only) even after accounting for a hypothetical premium for control.

In Grant Samuel's view, this premium is justified due to:

- the potential earnings growth for each of OZ Minerals' key assets, namely:
 - Prominent Hill, where the mine shaft expansion is expected to result in a 45% increase in annual ore production capacity from current levels (to 6.5Mtpa);
 - Carrapateena, where the block cave expansion is expected to result in a 140% increase in annual ore production capacity from current levels (to 12Mtpa); and
 - West Musgrave, as it is developed and becomes operational in CY25, becoming one of the largest and low-cost nickel mines in the world. Approximately 17-18% of OZ Minerals' value is attributable to this greenfield project (which, once fully ramped in CY26 can be capable of contributing approximately 40% of group EBITDA).

Completion of these growth projects is expected to result in very substantial increases in production capacity and therefore earnings from current levels;

- the portfolio value of its multiple mineral asset holdings that collectively provide OZ Minerals with:
 - commodity diversification, through substantial exposures in copper, nickel and gold; and
 - exposure to high quality, safe and stable jurisdictions, particularly in Australia; and
- the long remaining operating lives of each of OZ Minerals' key assets.

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Australian Copper Assets

The valuations of Prominent Hill and Carrapateena imply the following valuation parameters:

AUSTRALIAN COPPER ASSETS – IMPLIED VALUATION PARAMETERS

	VARIABLE (CuEq, MT)	IMPLIED MULTIPLE (US\$/TONNE)	
		LOW	HIGH
Prominent Hill (US\$ millions)	--	1,800	2,000
Carrapateena (US\$ millions)	--	3,400	3,700
Australian copper assets (US\$ millions)	--	5,200	5,700
Reserves and Resources⁵			
PROMINENT HILL			
CuEq resources	2.6	698	775
CuEq reserves	0.9	1,964	2,182
CARRAPATEENA			
CuEq resources	7.5	452	492
CuEq reserves	2.6	1,300	1,415
COMBINED			
CuEq resources	10.1	515	564
CuEq reserves	3.5	1,473	1,614

The implied CuEq resource and reserve multiples for Prominent Hill and Carrapateena (combined) are:

- above the implied multiples for most other international copper assets (albeit closer to Sandfire's acquisition of MATSA which occurred at US\$477/t of CuEq resources and US\$1,681/t of CuEq reserves); and
- at the top end of listed company resource multiples as well as above all listed producers in terms of reserve multiples.

The relativity between the implied multiples for OZ Minerals' Australian copper assets and the transaction evidence is justified based on its:

- scale and long remaining mine life;
- relatively high copper grades (just under 1.0%), which is higher than the majority of copper assets that were involved in recent transactions;
- short term value upside potential from the mine shaft expansion and block cave expansion, which will result in a significant increase in annual ore production capacity (albeit at a substantial capital cost); and
- supportive and well established regulatory environment. Australia is generally regarded as one of the prominent mining regions in the world.

However, they are at a significant discount to recent transactions involving large scale and long life copper assets in Australia such as Ernest Henry mine and CSA mine (both of which occurred at well above US\$950/t of CuEq resources and US\$2,800/t of CuEq reserves). The relative discount to the CSA mine and Ernest Henry mine is likely to be due to:

- the extremely high copper grades for CSA including the very high resource cut-off grade of 2.5% (which is well above even the reserve grades for nearly all underground copper mines in Australia). A reduction in the cut-off grades would likely result in a substantial increase in mineral resource and ore reserve balances (thereby reducing the implied multiples for the transaction); and

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- the strategic rationale underpinning the acquisition of Ernest Henry, which originally had a remaining mine life of four years. The acquisition price likely included a premium for the strategic importance of the asset to Evolution (particularly given its existing economic interest in the mine) and its plans to extend the mine life beyond the original scope contemplated by the previous owners.

Moreover, the significant short term capital requirements to fund the mine expansion plans at Prominent Hill (Wira mine shaft expansion) and Carrapateena (block cave expansion) are likely to cause their implied CuEq resource and reserve multiples to be lower than they otherwise would have been as “steady-state” mining operations. By way of example (albeit a very crude one), excluding the total US\$1.6 billion in short term growth capital requirements across both mineral assets would contribute to an uplift of approximately US\$160/t in the combined CuEq resource multiples (to US\$675-725/t) and approximately US\$460/t in CuEq reserve multiples (to US\$1,950-2,100/t).

With regard to the relativity between the two copper assets, the EBITDA multiples implied by Grant Samuel's valuation of Carrapateena are higher than those for Prominent Hill, reflecting the higher future earnings step-up and value upside attributable to the block cave expansion at Carrapateena (increase of approximately 140% in annual ore production rates) compared to the mine shaft expansion at Prominent Hill (increase of nearly 45% in annual ore production rates). While it might be argued that a higher premium would be warranted to account for this step-up in earnings, Carrapateena faces a sharper decline in copper grades over its project life (from 1.6% to 0.4%) than Prominent Hill (consistently around 0.9%), thereby offsetting the gains from incremental ore production.

The CuEq resource and reserve multiples of Carrapateena are lower than those of Prominent Hill. In some respects, Carrapateena has attractive features that would suggest a premium to Prominent Hill:

- operating scale (following the completion of the block cave expansion); and
- higher copper grades (especially in the initial years of production).

On the other hand:

- the production plans for Prominent Hill assumes that a large share of the mineral resources (approximately 50% and 85% in Scenario 1 and Scenario 2, respectively) will be mined over the project life. While the mine plans include a large amount of mineral resources not yet recognised as ore reserves, Prominent Hill has a proven track record of reserve conversion. On the other hand, the mine plans for Carrapateena include a much smaller proportion of mineral resources (i.e. only 19% and 37% of mineral resources in Scenario 1 and Scenario 2, respectively);
- significant upfront capital expenditure is required to develop the block cave. Carrapateena is expected to incur at least US\$1,300 million over the next five years as part of the block cave expansion (compared to approximately US\$320 million remaining for Prominent Hill's mine shaft expansion). The majority of the capital has not been incurred yet; and
- there are a number of complex challenges in developing a block cave, which tends to require unique technical expertise (as demonstrated by other recent transactions such as Newcrest's acquisition of a 70% interest in the Red Chris mine).

Taking all of these factors into consideration, Grant Samuel considers the multiples for Prominent Hill and Carrapateena to be a reasonable balancing of these factors.



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West Musgrave

The valuation range for West Musgrave implies the following valuation parameters:

WEST MUSGRAVE – IMPLIED VALUATION PARAMETERS

	VARIABLE (NiEq, MT)	IMPLIED MULTIPLE (US\$/TONNE)	
		LOW	HIGH
Valuation range (US\$ millions)	--	1,150	1,300
Reserves and Resources⁵			
NiEq resources	1.9	600	678
NiEq reserves	1.2	995	1,125

In Grant Samuel's view, the implied multiples are reasonable although there is limited recent comparable transaction evidence available particularly for nickel developments of the size and scale of West Musgrave.

While OZ Minerals' acquisition of Cassini (US\$98/t of NiEq resource and US\$152/t of NiEq reserves) would arguably be the most relevant market benchmark in the valuation of West Musgrave, the project at the time still faced substantial hurdles at the time in relation to regulatory approvals, further studies/testing, funding support and lack of a final investment decision. At best, the Cassini transaction can serve as a "floor" for the valuation range of West Musgrave.

On the other hand, IGO's acquisition of Sirius involved the acquisition of Nova-Bollinger, a fully funded and permitted nickel development located in Western Australia that is comparable in scale to West Musgrave. Notwithstanding the number of similarities to West Musgrave, the transaction occurred at much higher multiples for a number of reasons:

- nearly all of declared mineral resource was in ore reserves, indicating that the majority of its resource have a higher probability of being economically extracted; and
- the expected mine plan was fully scoped to take advantage of its resource endowment. Essentially all declared mineral resource and ore reserves are assumed to be mined, thereby contributing to a high reserve and resource multiple.

More recent transaction activity involved established nickel producers such as Western Areas and Ravensthorpe or operationally challenged nickel producers such as Panoramic (which arguably is less relevant in view of the substantially smaller scale and the recurring challenges faced by the Savannah nickel mine). Given the remaining construction risk faced by West Musgrave as well as its lack of an operating track record, it is reasonable that the implied valuation multiples for West Musgrave sit below the multiples implied by the Western Areas acquisition (US\$787/t NiEq resource and US\$2,707/t NiEq reserve) and the sale of a minority interest in Ravensthorpe (US\$760/t NiEq resource and US\$1,274/t NiEq reserve).

Carajás East

The valuation range of Carajás East implies the following valuation parameters:

CARAJÁS EAST – IMPLIED VALUATION PARAMETERS

	VARIABLE (CuEq, MT)	IMPLIED MULTIPLE (US\$/TONNE)	
		LOW	HIGH
Valuation range (US\$ millions)	--	290	340
Reserves and Resources⁵			
CuEq resources ⁴⁸	0.4	715	838
CuEq reserves ⁴⁸	0.1	3,070	3,599

⁴⁸ Adjusted to reflect OZ Minerals' 50% interest in Santa Lúcia. .

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The multiples are higher than the implied valuation multiples for Carrapateena and Prominent Hill. While the combination of its smaller scale and higher operating cost profile would suggest that a discount would be warranted, these factors are offset by the combination of a short remaining mine life for Carajás East and the expectation of mining a large proportion of ore reserves during that period. Moreover, Carajás East also has substantially higher copper grades (more than 2.0% compared to around 1.0% for the two Australian copper assets) and benefits from a favourable tax regime in Brazil (lower effective tax rate, net of SUDAM tax incentives).

The multiples are also higher than the acquisition price that OZ Minerals paid Vale for its 50% interest in the Santa Lúcia project (i.e. US\$0.14/lb of CuEq measured and indicated resources or approximately US\$308/t⁴⁹). The premium reflects the value of developed assets (Pedra Branca) and the benefit of existing processing infrastructure (Antas).

In addition, analysis of the price paid by OZ Minerals for Avanco in 2018 is also supportive of Grant Samuel's valuation range despite the different market conditions and different scope of mineral assets (e.g. CentroGold and an option to acquire Pantera, both of which are considered separately in Grant Samuel's valuation). The increase in the multiples implied by Grant Samuel's valuation range relative to the adjusted reserve and resource multiples for Avanco reflects the improved copper market conditions, value uplift from a longer mine life (from around two years to well over six years), increased diversification of mining operations (i.e. from one mine to two mines) and continued execution of the hub and spoke strategy by OZ Minerals.

5.5 Exploration and Development Assets

Grant Samuel has attributed value to OZ Minerals' unallocated exploration and development assets of \$97-134 million, based on the values recommended by AMC (see Section 7 of the AMC report at Appendix 5). Grant Samuel has adopted AMC's valuation range and allocated the exploration assets to the business units as summarised below:

OZ MINERALS – EXPLORATION AND DEVELOPMENT ASSETS

	REPORT SECTION REFERENCE	AMC SELECTED VALUATION RANGE (A\$M)	
		LOW	HIGH
Prominent Hill	4.1	--	--
Carrapateena	4.2	126	85
West Musgrave	4.3	32	32
Carajás East	4.4	8	2
Value of exploration and development assets (allocated)		166	119
CentroGold	Appendix 5	35	72
Pantera	Appendix 5	10	
Australia exploration tenements	Appendix 5	35	
Brazil exploration tenements	Appendix 5	17	
Value of exploration and development assets (unallocated)⁵⁰		97	134

The majority of the exploration and development value has been allocated to OZ Minerals' existing operational and advanced development assets. This includes:

- Carrapateena, which comprises the remnant resource that sits outside the scope of the sublevel caving and block caving mining operations (e.g. block cave 1, block cave 2, block cave south and block cave northeast as well as Fremantle Doctor) considered in the DCF analysis;

⁴⁹ Excludes any ongoing royalties. Including the royalties would increase the effective value per tonne.

⁵⁰ AMC's valuation of OZ Minerals' mineral resources outside the production cases and exploration values are based on a range of low and high values as well as a preferred value that sits within the valuation range. Unless described otherwise, the values in the table are based on AMC's preferred values for the mineral resources.

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- West Musgrave, which comprises the remnant resource in the Nebo-Babel deposit as well as the Succoth inferred mineral resource (which primarily comprises copper mineralisation); and
- Carajás East, which primarily comprises remnant resources in the Pedra Branca west zone (as both Scenario 1 and Scenario 2 of the DCF analysis considered mining operations only in the higher grade east zone). No further value has been attributed to the remnant resource at Santa Lúcia.

No value has been attributed to the remnant resources or exploration targets at Prominent Hill as the DCF analysis (i.e. Scenario 2) considers the potential value from extracting nearly all of the declared mineral resource on the site.

The value of the remnant resource is partly driven by the remaining amount of mineral resource at the end of a project's mine life. Accordingly, the high end of the valuation range represents the value of the remnant resource in upside production scenario (i.e. Scenario 2) which would result in less remaining resource and a lower attributed value than in Scenario 1 (which is represented by the low end of the valuation range).

The remaining unallocated value of exploration tenements comprise OZ Minerals' exploration tenements across Australia and Brazil, including:

- Pantera, which remains in early project phases to assess the potential of developing a new mine and facility that will form OZ Minerals' primary hub Carajás West region. While a scoping study was completed in late 2022, there remains uncertainties around the operating parameters and capital estimates that underpin the production case. Further studies (e.g. pre-feasibility study and feasibility study) are still required to firm up the production cases and securing requisite approvals and licencing (e.g. environmental, installation and operating) are still required prior to a final investment decision on the project. Accordingly, the value of Pantera (based on AMC's "yardstick" approach) reflects the early stage nature of the asset; and
- CentroGold, which has gold reserves of 1,100koz (initially declared in 2019) and could be valued using the DCF methodology based on the ore reserve and mineral resource estimates and the 2019 pre-feasibility study. A DCF analysis would yield NPVs in excess of US\$350 million and a higher value if the gold futures methodology was applied.

However, it would then be necessary to discount any such values for:

- development risk. OZ Minerals has not yet produced a feasibility study and any project would have the inherent risks attached to factors such as the potential for delays, construction cost, operating costs, production levels; and
- sovereign risk attached to investments in Brazil (see Section 5.3.5).

Moreover, it is necessary to take into account the current injunction against the development of the project which was issued in 2013 to the project's prior proponents. Construction cannot commence until the injunction is lifted and local housing is relocated to satisfy the requirements for the environmental licence over the project area. OZ Minerals has been working with regulatory authorities and the local community since the acquisition of CentroGold (as part of the Avanco acquisition) in 2018 to remove the injunction. However, it remains in place as at the date of this report.

This risk is fundamental but is unable to be quantified. There is no reliable basis for assessing the probability of various outcomes and it is essentially binary in nature ("go/no go"). One possible (worst case) outcome is that the project may never be developed. The value in this scenario would arguably be negligible.

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Accordingly, an NPV based value would be extremely difficult, if not impossible, to assess with any useful degree of reliability. Nevertheless, it is necessary to reflect the reality of the current situation in the valuation.

In these circumstances, an alternative methodology to reflect these risks is to value the asset as an exploration project using a “yardstick” approval. AMC has valued Centro Gold on this basis at \$35-72 million.

AMC's value range is above the original acquisition consideration that Avanco paid to acquire a 100% interest in the CentroGold project in September 2017 (i.e. \$9 million) which undoubtedly reflected the regulatory uncertainty in the transaction price. The higher value range attributed by AMC reflects the recognition of maiden ore reserves, development advances (e.g. a scoping study in 2018 and a pre-feasibility study in 2019) and some progress in community engagement.

If the injunction is lifted, the value could be materially higher (albeit still with development and sovereign risk to be taken into account). However, at this stage, the value should reflect the regulatory uncertainties that continue to persist.

Accordingly, the value attributed to OZ Minerals' exploration and development assets is \$97-134 million.

No value has been attributed to:

- the exploration tenements for which OZ Minerals is a party to farm-in agreements but has not met the minimum expenditure requirements at the date of this report. This includes the exploration targets in Sweden as well as a number of prospects in Australia; and
- the Kalkaroo copper-gold project, as OZ Minerals has not exercised the option to acquire the project from Havilah and therefore has no direct interest in the project. The value of the option has been treated separately (see Section 5.7).

5.6 Corporate Costs

OZ Minerals' corporate costs comprise a mix of allocated corporate costs (i.e. on-site support functions) and unallocated corporate costs (i.e. head office costs not allocated to individual mine sites).

Allocated Corporate Costs

OZ Minerals' allocated corporate costs are in relation to the individual mine site shared service functions (e.g. finance, human resources, health and safety and traditional owner relationship management). In OZ Minerals' view, these allocated corporate costs are key enablers of its decentralised business model and ability to execute its strategy.

While any acquirer of OZ Minerals could arguably reduce a large proportion of the mine site corporate costs if it elects to do so, in Grant Samuel's view, it involves a decision to change the business model which has far reaching consequences. Reducing these costs could potentially impair the ability of OZ Minerals (or the individual mines) to execute its growth strategy particularly given the heavy involvement of extensive stakeholder engagement with regulators, local communities and traditional owners. The impaired ability could have a material impact on the individual values of the mineral assets. Accordingly, no savings have been assumed for the allocated corporate costs.

Unallocated Corporate Costs

OZ Minerals' CY23 unallocated corporate costs are forecast to be around \$50 million per annum. These corporate overheads represent the costs of managing OZ Minerals including costs associated with:

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- the senior executive team (i.e. Chief Executive Officer, Chief Financial Officer, company secretarial and legal, planning and development, strategy and portfolio management, operational oversight, corporate affairs, treasury, tax, etc.);
- being a publicly listed company including directors' fees and expenses, annual reports and shareholder communications, share registry and listing fees); and
- certain group shared services (such as human resources, information technology etc.) not fully recharged to the business operations during the year.

Unallocated Corporate Costs for Valuation Purposes

Any acquirer of OZ Minerals would be able to save the costs associated with being a listed company. Furthermore, an acquirer of OZ Minerals which has an existing presence in Australia would be able to eliminate many of the costs associated with the OZ Minerals executive office as they would already have comparable capabilities in place. Based on discussions with OZ Minerals' management, Grant Samuel has assumed that approximately 80% of unallocated corporate costs would be saved. The balance (i.e. circa \$10 million per annum) can also be thought of as the incremental overheads that an acquirer would incur.

In addition, OZ Minerals has unallocated corporate capital expenditure in relation to capitalised IT spend and system development (e.g. corporate human resources and finance systems). Since 2019, total corporate capital expenditures have averaged approximately \$10 million per annum. In Grant Samuel's view, any acquirer of OZ Minerals would likely have its own overarching IT system within which OZ Minerals (as the acquisition target) would be integrated. Grant Samuel has assumed that all unallocated corporate capital expenditure would be saved.

The residual head office costs of \$10 million per annum (i.e. costs remaining after the savings available to the acquirer) have been valued using DCF analysis, resulting in an NPV range of \$(90)-(95) million (or an EBITDA multiple of around 9.0-9.5 times). Realising the cost synergies is expected to involve certain one-off implementation costs (e.g. redundancies and restructuring costs). Grant Samuel has estimated these one-off implementation costs to be approximately \$15 million (after tax). Accordingly, the value attributed to corporate costs is \$(105)-(110) million.

5.7 Other Assets and Liabilities

OZ Minerals' other assets and liabilities have been valued in the range \$14-24 million and include:

- an option value for the Kalkaroo project. In August 2022, OZ Minerals entered into an agreement with Havilah in relation to the Kalkaroo project. It agreed to spend \$18 million over 18 months advancing the exploration and development of the asset. In return, it received an option to acquire 100% of the Kalkaroo project for \$205 million (exercisable at the end of the expenditure period).

The valuation of this asset is challenging:

- Kalkaroo is large and very promising copper project located in an attractive jurisdiction (South Australia) with 246Mt of total mineral resources that contain more than 1Mt of copper and 3,000koz of gold (of which nearly half is recognised as ore reserves). OZ Minerals is hopeful that it could turn out to be similar to Carrapateena or West Musgrave where "unloved" projects were able to be transformed into very valuable projects;
- when Havilah sought shareholder approval to enter the agreement with OZ Minerals, the independent expert valued Kalkaroo at \$400-480 million using DCF methodology. However, this value appears to be an unrisks value that does not take into account development and other risks; and



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- based on Havilah's current market capitalisation of approximately \$100 million, the market is attributing a less than 50% chance of OZ Minerals exercising the option (taking into account Havilah's other mineral assets).

OZ Minerals' arrangements with Havilah have an intrinsic option value. It is reasonable to assume that at the time of entering into the agreement with Havilah, OZ Minerals believed that it was worth paying \$18 million (before tax) to acquire the option. At the date of this report, there is still approximately \$14 million (before tax) to be paid under the agreement so it could be argued that the option is worth at least that amount. There is no additional information that has been obtained by OZ Minerals on the asset that could assist in valuing the option at this point in time (a review is anticipated in the next few months). However, copper prices are currently well above the levels prevailing at the time of entry into the agreement (i.e. August 2022).

There is no scientific way of valuing the option but Grant Samuel's view is that a valuation range of \$10-20 million (in addition to the \$14 million of outstanding committed payments) would be reasonable;

- the market value of OZ Minerals' investments in listed companies. At 31 December 2022, OZ Minerals held a 4.0% interest in Carnaby as well as interests in other listed exploration companies such as Andromeda Metals Limited and AIC Mines Limited; and
- a settlement payment in relation to an Australian Federal Police investigation into OZ Minerals' former Cambodian operations.

OZ Minerals has a number of other assets and liabilities on its balance sheet that have not been included in other assets and liabilities for the following reasons:

- provisions for mine rehabilitation, restoration and dismantling obligations have been included in the cash flow models for the DCF analysis for each respective mineral asset; and
- tax losses (particularly those that arose following the acquisition of Cassini and the merger between Oxiana and Zinifex) have been included in the cash flow models for the DCF analysis of West Musgrave and Prominent Hill, respectively.

OZ Minerals also has a number of off-balance sheet items that have not been included in other assets and liabilities for the following reasons:

- deferred consideration payments in relation to West Musgrave (including a production milestone payment of \$10 million and a net smelter royalty) that have specifically been included in the cash flow model used for the DCF analysis;
- contingent payments in relation to West Musgrave which become payable if OZ Minerals sells 30% or more of the West Musgrave (or a nickel stream from the project) as this remains fully within OZ Minerals' control; and
- potential acquisition option payments in relation to the Circular North copper deposit in Brazil as OZ Minerals is not obligated to exercise the option.

5.8 Net Borrowings

OZ Minerals' net borrowings for valuation purposes are \$254 million. This amount represents OZ Minerals' net borrowings (excluding leases) at 31 December 2022. Lease payments have been excluded from net borrowings as they are included in the cash flows used in the DCF analysis (including any extensions as equipment is renewed or replaced).



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No adjustment has been made for:

- capitalised borrowings costs as these have been recorded as a prepayment in OZ Minerals' balance sheet (and not a deduction from net borrowings); and
- the special dividend of \$1.75 per share as the valuation of OZ Minerals has been prepared on a "cum dividend" basis (i.e. before payment of the dividend).

5.9 Franking Credits

Under Australia's dividend imputation system, domestic equity investors receive a taxation credit (franking credit) for tax paid by a company. The franking credit attaches to any dividends paid by a company and the franking credit offsets personal tax for Australian investors. To the extent that personal tax has been fully offset the individual will receive a refund of the balance of the franking credit. Franking credits therefore have value to the recipient.

However, in Grant Samuel's opinion, while acquirers are attracted by franking credits there is no clear evidence that they will actually pay extra for a company with them (at any rate the sharemarket evidence used by Grant Samuel in valuing OZ Minerals' assets will already reflect the value impact of the existence of franking credits). Further, franking credits are not an asset of the company in the sense that they can be readily realised for a cash sum that is capable of being received by all shareholders. The value of franking credits can only be realised by shareholders themselves when they receive distributions. Importantly, the value of franking credits is dependent on the tax position of each individual shareholder. To some shareholders (e.g. overseas shareholders) they may have very little or no value. Similarly, if they are attached to a distribution which would otherwise take the form of a capital gain taxed at concessional rates there may be minimal net benefit (in fact, there may be some categories of shareholders who are worse off in this situation such as shareholders with a capital loss on disposal of the shares).

Accordingly, while franking credits may have value to some shareholders they do not affect the underlying value of the company itself. No value has therefore been attributed to OZ Minerals' accumulated franking credit position in the context of the value of OZ Minerals as a whole.

In any event, following payment of the special dividend of \$1.75 per share, OZ Minerals will have minimal franking credits available.

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6 Evaluation of the Scheme

6.1 Summary of Opinion

Grant Samuel has concluded that the Scheme is fair and reasonable. Accordingly, in Grant Samuel's opinion, the Scheme is in the best interests of OZ Minerals shareholders in the absence of a superior proposal.

6.2 Fairness

Grant Samuel has estimated the full underlying value in OZ Minerals to be in the range \$9.2-10.3 billion, which corresponds to \$27.37-30.47 per share⁵¹.

The valuation range of \$27.37-30.47 per share includes a premium for control and exceeds the price at which, based on current market conditions, Grant Samuel would expect OZ Minerals shares to trade on the ASX in the absence of a change of control proposal (or speculation as to such a proposal).

The value is the aggregate value of the underlying value of OZ Minerals' mineral assets together with the realisable value of non-trading assets less external borrowings and any non-trading liabilities. The value of the mineral assets was estimated having regard to DCF analysis, with multiples of earnings, resources and reserves used as a cross check. The valuation is set out in Section 5 of this report.

The valuation reflects the particular attributes of OZ Minerals including:

- its diversified portfolio (across copper, nickel and gold) of high quality (long life, low cost and relatively high grade) mineral assets primarily located in safe and stable jurisdictions (particularly Australia);
- the strong long term outlook for copper and nickel markets due to global electrification and accelerating decarbonisation;
- the growth plans for each of OZ Minerals' assets, including the Prominent Hill mine shaft expansion, the Carrapateena block cave expansion and the development of West Musgrave, which is expected to be one of the largest and low-cost nickel mines in the world; and
- additional potential to extend mine life at existing sites and the broader exploration pipeline.

The growth potential is incorporated by:

- utilising two production scenarios, the higher of which includes the mining of inferred resources not yet included in the mine plan;
- including values for remnant resources;
- considering DCF values for projects that have only just commenced construction (e.g. West Musgrave) and even where the final investment decision has not yet been made (e.g. Santa Lúcia); and
- including values for exploration assets that have had limited work undertaken.

At the same time, it is important to recognise that potential value is not the same as the price that an arm's length acquirer would pay for the assets today. Accordingly:

- the selected values represent a subjective weighting of both the "base scenario" and "upside case";
- projects such as West Musgrave and Santa Lúcia need to be "risked" to account for their greater inherent uncertainties; and

⁵¹ On a cum dividend basis (i.e. prior to the \$1.75 per share special dividend that is to be paid on implementation of the Scheme).

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- some other ore bodies that could be developed in the longer term but are at this stage little more than concepts have not been included in the DCF analysis (but have been valued as exploration assets).

The Scheme consideration of \$28.25 per share falls within the valuation range of \$27.37-30.47. Accordingly, the Scheme is fair. The bottom of the valuation range represents the relevant threshold for fairness. Any price above \$27.37 is, by definition, fair and it is irrelevant where in the range an offer falls.

Grant Samuel's valuation includes an allowance for synergies (cost savings) that could be achieved by any acquirer of OZ Minerals (primarily corporate overheads). However, "fair value" does not include the synergies that are unique to one particular party only (i.e. in this case BHP Group) and it is therefore not appropriate to include synergies uniquely available to BHP Group in the valuation of OZ Minerals.

6.3 Reasonableness

As the Scheme is fair, it is also reasonable. In any event, there are a number of other factors that support the reasonableness of the Scheme and which OZ Minerals shareholders should consider in determining whether or not to vote for or against the Scheme. These factors are set out in the following sections.

6.3.1 Synergies Unique to BHP Group

BHP Group has not disclosed any detail on the quantum of the synergies that it expects from acquiring OZ Minerals but has referenced that creation of a South Australian copper basin could unlock potential operational synergies due to the proximity of OZ Minerals' Carrapateena and Prominent Hill operations to BHP Group's existing Olympic Dam asset and Oak Dam development resource. Operational synergies would also be expected in Western Australia from the combination of BHP Group's Nickel West operation with OZ Minerals' West Musgrave development. Brokers and analysts have differing views on the specific operational synergies (in addition to corporate overhead savings) but have generally focused on:

- for South Australian copper:
 - sharing infrastructure;
 - logistics savings;
 - blending opportunities (with Olympic Dam's high sulphur content output); and
 - smelter throughput efficiencies (potentially justifying a second smelter at Olympic Dam); and
- for Western Australian nickel:
 - logistics savings; and
 - throughput efficiencies for BHP Group's Nickel West smelter (particularly as existing supply from IGO could be diverted to its own contemplated facility).

In the absence of detailed information from BHP Group, these possible benefits are largely speculative and highly uncertain as to quantum. Nevertheless, some brokers have made estimates of the expected synergies. They fall in a broad range with NPVs of \$1.1-2.6 billion (\$3.26-7.72 per share)⁵², but any such estimates need to be treated with caution.

6.3.2 Premium for Control

The Scheme consideration of \$28.25 per share represents a 44-61% premium to the VWAP of OZ Minerals shares over various periods in the three months prior to announcement of the Initial Proposal. The premium is lower (22-28%) when compared to prices in the six to 12 months prior to announcement:

⁵² The bottom and top ends of the range are based on estimates by Broker 8 and Broker 7, respectively, as presented in Appendix 3.

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OZ MINERALS – PREMIUM OVER PRE-ANNOUNCEMENT PRICES

PERIOD	OZ MINERALS PRICE/VWAP	PREMIUM
Closing price on 5 August 2022	\$18.92	49%
1 week prior to 5 August 2022 – VWAP	\$18.63	52%
1 month prior to 5 August 2022 – VWAP	\$17.53	61%
3 months prior to 5 August 2022 – VWAP	\$19.56	44%
6 months prior to 5 August 2022 – VWAP	\$22.10	28%
12 months prior to 5 August 2022 – VWAP	\$23.18	22%

The premiums up to three months prior to announcement of the Initial Proposal are materially above the level of premiums typically associated with takeovers in Australia (of 20-35%). However, it is important to recognise that premiums for control:

- are an outcome not a determinant of value; and
- vary widely depending on individual circumstances of the target. The premiums in a substantial proportion of transactions actually fall outside (either above or below) the 20-35% range.

When considering the extent of the premium, shareholders should take the following factors into account:

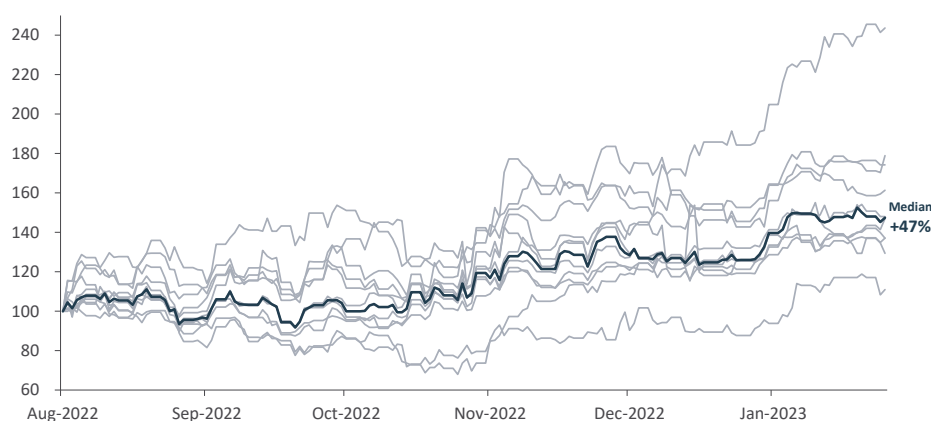
- the close correlation of the OZ Minerals share price to the copper price (see Section 3.7). There was a large drop in the copper price over the period from mid-April 2022 to mid-July 2022 (from around US\$10,000/t to US\$7,000/t) as a result of which the OZ Minerals share price fell from around \$27 to around \$16. OZ Minerals received the Initial Proposal shortly thereafter (on 8 August 2022). The copper price has subsequently recovered and had stabilised at around US\$8,500/t by the end of December 2022. It has traded in excess of US\$9,000/t for most of January 2023.

Similarly, comparable companies are currently trading at prices materially higher than those prevailing in early August 2022. With the exception of MMG and 29Metals, the share prices of all relevant copper producers are trading at least 35% higher since early August 2022.

The relative share price performance (indexed to 100 in August 2022) is illustrated below:

RELEVANT COMPARABLE LISTED COMPANIES⁵³ – COPPER PRODUCERS

HISTORICAL SHARE PRICE PERFORMANCE, INDEXED TO 100 (AUGUST 2022 TO JANUARY 2023)



Source: S&P Global Market Intelligence and Grant Samuel analysis

⁵³ The copper producers included in the chart are the same as those set out in the copper producers sharemarket evidence in Section 5.4.3 of this report.

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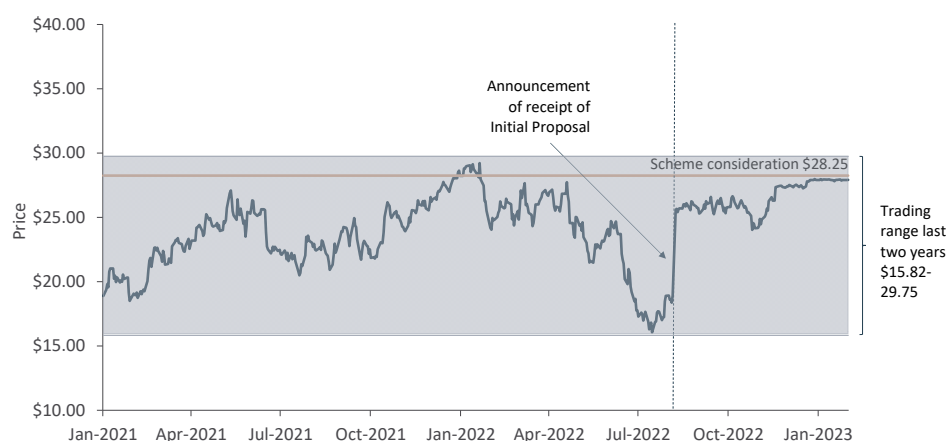
While it is impossible to be precise, these two factors indicate that the OZ Minerals share price in the absence of the Scheme would almost certainly be higher than in the period prior to the Initial Proposal. Based on current copper prices, a hypothetical OZ Minerals share price well in excess of \$20.00 (cum dividend) would not be unreasonable. On this basis, the Scheme consideration of \$28.25 (cum dividend) would represent a relatively modest effective premium, possibly lower than the level of premiums typically associated with takeovers in Australia. However, it would be expected that the premium would be lower in a high copper price environment, just as it is higher in the low copper price environment that prevailed at the time of the Initial Proposal; and

- since announcement of receipt of the Initial Proposal, OZ Minerals' shares have not closed at prices in excess of the Scheme consideration of \$28.25 per share⁵⁴.

In fact, they have traded above the Scheme consideration of \$28.25 per share only once in the last decade (for approximately four weeks between December 2021 and January 2022), reaching an all time high of \$29.75. However, share prices at this level need to be considered in the context of a copper price of more than US\$10,000/t at that time:

OZ MINERALS – CLOSING SHARE PRICE RELATIVE TO SCHEME CONSIDERATION

JANUARY 2021 TO JANUARY 2023



Source: IRESS and Grant Samuel analysis

6.3.3 Share Trading in the Absence of the Scheme

In the absence of the Scheme or a similar transaction, shareholders could only realise their investment by selling on market at a price which does not include any premium for control and would incur transaction costs (e.g. brokerage). It is likely that, under current market conditions (and current commodity prices) and in the absence of the Scheme or a similar transaction (or speculation as to one), OZ Minerals shares would trade at prices below \$28.25 (cum dividend). However, given the correlation to the copper price (see the discussion above), it is likely that OZ Minerals shares would trade at prices in excess of those prior to announcement of the Initial Proposal (of \$16-19).

⁵⁴ On 17 January 2023, the OZ Minerals share price reached an intra-day high of \$28.71, but this was a single trade for a small parcel of 238 OZ Minerals shares. The next highest intra-day trading price on the day was \$27.93.

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6.3.4 Alternatives

In deciding whether to vote in favour or against the Scheme, shareholders need to have regard to the alternatives that are realistically available to them.

It is conceivable that a third party could make a higher offer for OZ Minerals:

- OZ Minerals owns an attractive portfolio of high quality copper and nickel assets with strong long term growth potential predominantly located in low risk jurisdictions; and
- there are no structural impediments to an alternative acquirer:
 - there is no shareholder with a relevant interest in more than 10% of OZ Minerals' shares. There are only two substantial shareholders, both passive investment companies with a 5-7% interest. BHP Group has an economic interest in OZ Minerals of less than 5% (via derivative instruments). This interest is not of a sufficient size to deter a competing proposal;
 - there are a number of potential alternative acquirers of OZ Minerals, none of which would be likely to be blocked from acquiring OZ Minerals on competition grounds (although there may be national security concerns for certain alternative acquirers in relation to Prominent Hill); and
 - while OZ Minerals has agreed to customary exclusivity provisions, there is a fiduciary carve out and OZ Minerals can respond to unsolicited proposals from other parties (subject to a notification obligation).

BHP's right to match any competing proposal and the \$95 million break fee (approximately 28 cents per share) may deter some parties, but would not necessarily stop a determined bidder.

There has been ample time since announcement of the Initial Proposal on 8 August 2022 for a third party to come forward with a competing proposal and no such proposal has been received by OZ Minerals. Nor have there been any informal expressions of interest.

However, this outcome may reflect the practical impediments presented by BHP Group's "firepower" and the substantial unique synergies that it expects to generate from the acquisition of OZ Minerals, which may discourage a third party from making a competing proposal (as they assume they would always be outbid in the end).

The meeting at which OZ Minerals shareholders will vote on the Scheme is scheduled for 13 April 2023. If no competing proposal eventuates prior to the Scheme meeting, it would be imprudent for shareholders to vote against the Scheme in anticipation of a higher offer from BHP or a third party. In particular, BHP has stated that the Scheme consideration of \$28.25 per share represents the best and final price it is willing to offer, in the absence of a competing proposal.

6.3.5 Other Matters

Taxation Consequences

If the Scheme is implemented, shareholders will be treated as having disposed of their OZ Minerals shares for tax purposes. A capital gain or loss may arise on disposal depending on the cost base for the OZ Minerals shares, the length of time held, whether the shares are held on capital or revenue account and whether the shareholder is an Australian resident for tax purposes.

Details of the Australian taxation consequences for OZ Minerals shareholders who hold their shares on capital account are set out in Section 10 of the Scheme Booklet. In particular, shareholders should note that capital gains tax rollover relief is not available under the Scheme if a gain would otherwise have been made. However, the cash consideration will be available to meet any capital gains tax liability.

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Shareholders should consult their own professional adviser in relation to the taxation consequences of the Scheme.

Transaction Costs

If the Scheme is not approved by shareholders or otherwise not implemented, it is estimated that OZ Minerals will meet costs (including legal and other adviser's fees as well as printing and mailing costs) of approximately \$23 million (7 cents per share). In certain circumstances, OZ Minerals will also be liable to pay BHP a \$95 million break fee. If the Scheme is implemented, all transaction costs will effectively be borne by BHP.

Special Dividend

The total cash consideration of \$28.25 per share includes a special dividend of \$1.75 per share, which is expected to be fully franked.

In Grant Samuel's opinion, it is not appropriate for the assessment of the Scheme to either:

- factor into the value of OZ Minerals the value of accumulated franking credits; or
- include in the value of the consideration the value of the credits attached to the special dividend.

The reasons are manifold (see Section 5.9) but not the least of these is that the franking credits do not have value to a company per se but only have value to the shareholders of a company (when attached to dividends) and the value of those credits to each shareholder varies depending on their individual circumstances. Nevertheless, it needs to be recognised that, where part of a takeover offer comprises a franked dividend, some shareholders may realise additional value from the franking credits (i.e. they are better off in after tax terms than they would have been had the same amount been paid as part of the acquisition price and been received as a capital gain).

6.4 Shareholder Decision

Grant Samuel has been engaged to prepare an independent expert's report setting out whether in its opinion the Scheme is in the best interests of shareholders and to state reasons for that opinion. Grant Samuel has not been engaged to provide a recommendation to shareholders in relation to the Scheme, the responsibility for which lies with the directors of OZ Minerals.

In any event, the decision whether to vote for or against the Scheme is a matter for individual shareholders based on each shareholder's views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder. If in any doubt as to the action they should take in relation to the Scheme, shareholders should consult their own professional adviser.

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7 Qualifications, Declarations and Consents

7.1 Qualifications

The Grant Samuel group of companies provide corporate advisory services in relation to mergers and acquisitions, capital raisings, debt raisings, corporate restructurings and financial matters generally. The primary activity of Grant Samuel & Associates Pty Limited is the preparation of corporate and business valuations and the provision of independent expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 580 public independent expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Stephen Wilson MCom (Hons) CA SF Fin and Jaye Gardner BCom LLB (Hons) CA SF Fin GAICD. Each has a significant number of years of experience in relevant corporate advisory matters. Shaun Yu BBA CFA and Mitchell Skene BEng (Hons) BCom assisted in the preparation of the report. Each of the above persons is a representative of Grant Samuel pursuant to its Australian Financial Services Licence under Part 7.6 of the Corporations Act.

7.2 Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to whether the Scheme is in the best interests of shareholders. Grant Samuel expressly disclaims any liability to any OZ Minerals shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Grant Samuel has had no involvement in the preparation of the Scheme Booklet issued by OZ Minerals and has not verified or approved any of the contents of the Scheme Booklet. Grant Samuel does not accept any responsibility for the contents of the Scheme Booklet (except for this report).

Grant Samuel has had no involvement in OZ Minerals' due diligence investigation in relation to the Scheme Booklet and does not accept any responsibility for the completeness or reliability of the process which is the responsibility of OZ Minerals.

7.3 Independence

Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with OZ Minerals or BHP Group or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.

Grant Samuel was retained by BHP Group to prepare an independent expert's report dated 8 December 2021 on the proposed unification of BHP Group's dual listed company structure. Grant Samuel does not consider this previous assignment capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.

Grant Samuel had no part in the formulation of the Scheme. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of \$1.95 million for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Scheme. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011.



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7.4 Declarations

OZ Minerals has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report (excluding any consequential, special or other indirect damages). This indemnity will not apply in respect of the proportion of any liability found by a court to have been caused by conduct involving negligence, wilful misconduct, recklessness, fraud or material breach of engagement by Grant Samuel. OZ Minerals has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Any claims by OZ Minerals are limited to an amount equal to the fees paid to Grant Samuel. Where Grant Samuel or its employees and officers are found to have been negligent, reckless, engaged in wilful misconduct or fraud or materially breached its engagement, Grant Samuel shall bear the proportion of such costs caused by its action.

Advance drafts of this report were provided to OZ Minerals and its advisers. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. Subsequent to the issue of the draft there were changes to the valuation to correct a misinterpretation of AMC's exploration values, ownership arrangements in relation to Carajás East and an amendment to the number of shares on issue. The result was minor changes in the values per share (i.e. an increase of \$0.06 per share on the low end and a reduction of \$0.03 per share on the high end).

7.5 Consents

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Scheme Booklet to be sent to shareholders of OZ Minerals. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

7.6 Other

The accompanying letter dated 2 March 2023 and the Appendices form part of this report.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is set out at the beginning of this report.

GRANT SAMUEL & ASSOCIATES PTY LIMITED

2 March 2023

Grant Samuel & Associates

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G R A N T S A M U E L



APPENDIX 1

GLOSSARY OF TECHNICAL TERMS

The following terms used in this report (including the summary letter, the full report and the appendices) have the meanings set out below:

OZ MINERALS – GLOSSARY OF TECHNICAL TERMS

ABBREVIATION	DEFINITION
A\$ or \$	Australian dollars
AISC	the cost of sustaining current mining operations and comprises the C1 cost (direct cash cost) plus corporate costs, reclamation costs, exploration and study costs, sustaining capital exploration/development and sustaining capital expenditure
C1 cost	net direct cash cost incurred at each processing stage (including mining, site processing, treatment, refining and transport) less net by-product credits (if any)
COMEX	Commodity Exchange Division of the New York Mercantile Exchange
CuEq	copper-equivalent
CYXX	calendar year end 31 December 20XX (i.e. CY22 is the year ended 31 December 2022)
DCF	discounted cash flow
EBITDA	earnings before net finance costs, income tax expense and net depreciation.
EBIT	earnings before net finance costs and income tax expense
g/t	grams per tonne
HPAL	high pressure acid leaching
IOCG	iron ore copper gold ore
JORC	Australasian Joint Ore Reserves Committee
km	kilometres
km ²	square kilometres
koz	thousand ounces
kt	thousand tonnes
ktpa	kilotonnes (thousand tonnes) per annum
lb	pound
LME	London Metal Exchange
m	metres
MHP	mixed hydroxide precipitate
Moz	million ounces
Mt	million tonnes
Mtpa	million tonnes per annum
NiEq	nickel equivalent
NPAT	net profit after tax
NPI	nickel pig iron
NPV	net present value
oz	troy ounce
ROM	run of mine
SAG	semi-autogenous grinding
SHFE	Shanghai Futures Exchange
t	tonne
US\$ or US dollars	United States dollars
VWAP	volume weighted average price



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APPENDIX 2

COPPER, NICKEL AND GOLD MARKETS

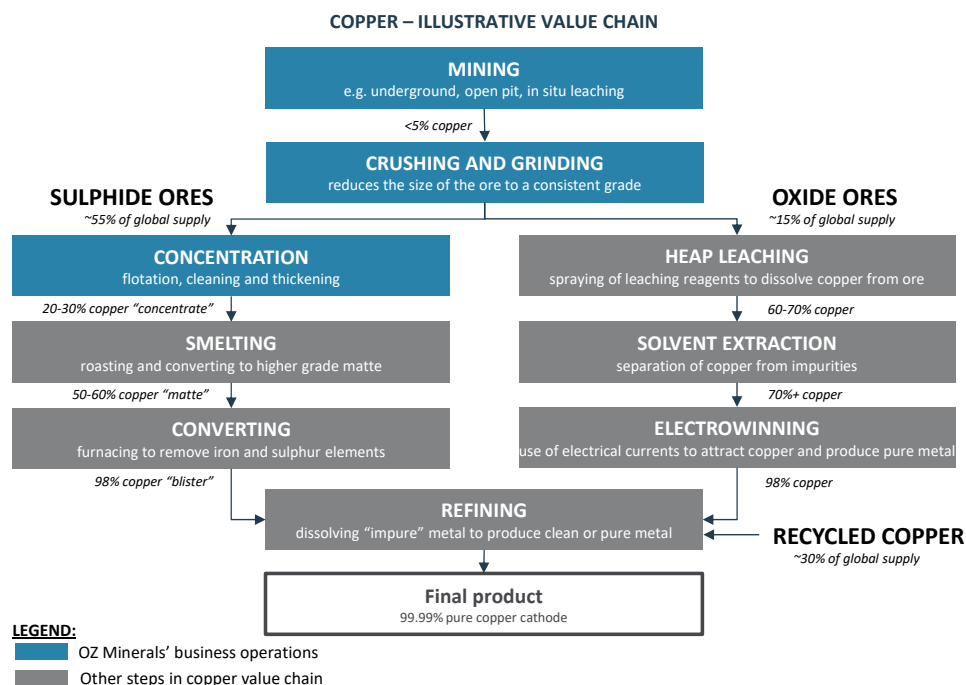
1 Copper

1.1 Background

Copper is valued for its electrical and thermal conductive properties, its durability and its strength. It occurs naturally in a variety of geological environments with the largest economic concentrations found in porphyry rock in which copper metal is more or less uniformly scattered throughout the rock. The copper minerals are generally found as either:

- copper oxides, which are more abundant near the surface but generally considered to be lower grade ore due to the lower concentration of copper. These ores typically are extracted by open pit mining; or
- copper sulphides, which are found deeper in the earth's surface and typically have higher copper grades. These include bornite and chalcocite as well as secondary sulphides such as chalcopyrite (which have lower copper grades). Depending on the ore depth and surrounding geology, copper sulphide ores can be extracted through either open pit mining or underground mining.

Notwithstanding the differences in copper grades between different types of ore, the orebodies usually contain a percentage of copper that is generally less than 5% copper. As such, copper ore typically undergoes several stages of processing to recover pure copper metal:



Source: Grant Samuel analysis

Copper cathodes are shipped to mills and foundries where they are cast into wire rod (for wires), billets (to make tubs, rods and bars stock), cakes (for plate, sheets and foil) or ingots (for alloying or casting) which



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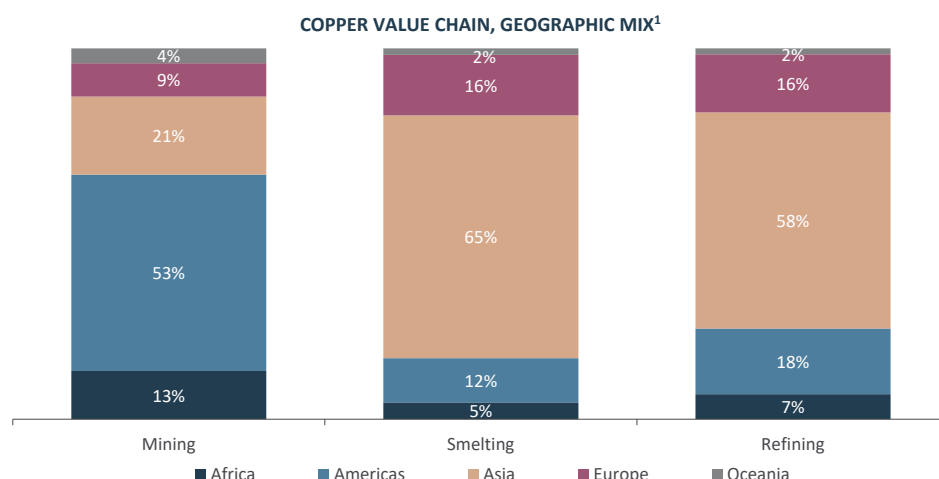


are then used as inputs for the final manufacture of copper-containing finished goods. Copper-based goods can be used in a wide range of applications including:

- electrical products and equipment (approximately 32% of consumption), which is the largest consumer of copper and used in the production of semiconductors, electric vehicle batteries and other batteries. Copper is valued particularly for its malleability, ductility and efficiency in transferring electricity at room temperature;
- building and construction (approximately 28% of consumption), which is the second largest consumer of copper. Copper is commonly used in plumbing, electrical wiring, water piping, roofing and a wide range of applications;
- industrial machinery and equipment (approximately 12% of consumption), as an alloying element (given its durability, machinability and ease of casting with precision and tolerance) to produce gears, bearings and turbine blades;
- transportation (approximately 12% of consumption), particularly across the aerospace industry (as a copper alloy), railway industry (for electrification of switchgears and motor windings) and automotive industry (for wiring); and
- infrastructure (approximately 16% of consumption), including cables, transistors and inverters (which are used in the electricity transmission and distribution network infrastructure).

1.2 The Copper Market

Copper is a globally traded commodity. The value chain for copper is dispersed across several geographies, which often means that upstream copper production capacity may exceed downstream production capacity within individual countries (which in turn requires downstream producers to import the raw materials required to meet their production needs):



Source: International Copper Study Group, The World Copper Factbook 2022

Major product categories of copper that are traded in the global market include:

- copper concentrates;
- copper blisters (i.e. outputs from smelting and converting);

¹ Includes 100% of copper mine production (i.e. oxides and sulphides). Mining and smelting includes all copper concentrate production and heap leaching outputs. Refining includes all refined copper metals product that undergo either traditional refinery methods (i.e. from copper concentrates to smelted matte products) or electrowinning.



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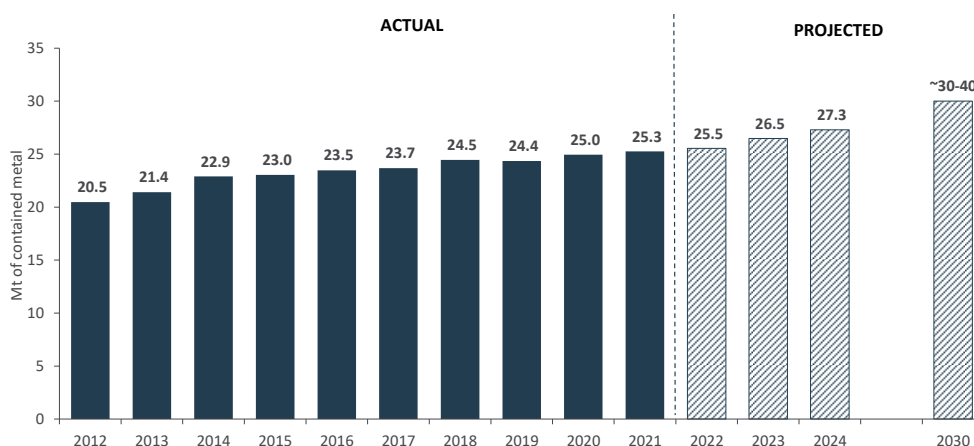
- copper cathodes and ingots (i.e. refined copper); and
- copper scrap and other copper-containing alloys.

ROM production is not as readily traded as the other product categories as it is typically first processed on site to produce copper concentrates (or further refinement and processing if it was extracted via heap leaching methods) to reduce transport costs and minimise variability in product quality (e.g. copper grades).

Demand

Demand for copper has historically been correlated with population growth and industrial development, especially with building and construction activity. Over the last decade, demand for copper was primarily fuelled by the urbanisation and economic growth in China which saw annual consumption increase by nearly 5 Mtpa to over 13.5 Mtpa in 2021:

HISTORICAL AND PROJECTED REFINED COPPER DEMAND (IN CONTAINED METAL)



Source: International Copper Study Group, The World Copper Factbook 2022; S&P Global, The Future of Copper, 2022

In 2021, China comprised the largest share of the market, representing over 55% of global demand for refined copper in 2021. Developed industrial countries including United States (7%), Germany (4%), Japan (4%) and South Korea (2%) comprise the remainder of the five largest consumers of copper² (collectively comprising approximately 73% of global demand). With the exception of the United States (which has its own domestic supply of copper), these large producers are also the most active importers of copper ores and concentrate in the world³.

The demand outlook for copper remains positive. Long term demand projections by market analysts vary across a wide range, but most commentators project copper demand to grow by an average of between 2% and 5% per annum through 2030. While the continued urbanisation of developing countries will continue to be a driver of demand, the key contributors to growth over the next three decades primarily relate to the energy transition (particularly due to copper's role as the "metal of electrification"⁴), including:

- increasing adoption of electric vehicles, which contain up to four times more copper than internal combustion vehicles and are expected to account for more than 60% of new vehicle sales by 2030⁵;

² Source: Bloomberg

³ Source: International Copper Study Group, The World Copper Factbook 2022

⁴ Source: S&P Global, The Future of Copper, 2022

⁵ Source: International Energy Agency, Technology and innovation pathways for zero-carbon-ready buildings by 2030, September 2022



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- increasing penetration of renewable energy technologies (e.g. wind power), which are estimated to require 4-6 times more copper than fossil fuel or nuclear energy sources due to the higher wiring and cabling requirements (as well as larger number of smaller generation units); and
- new energy transmission grid infrastructure, which is reliant on copper for wiring, transformers and motors. New renewable energy assets will need to be connected to the rest of the grid.

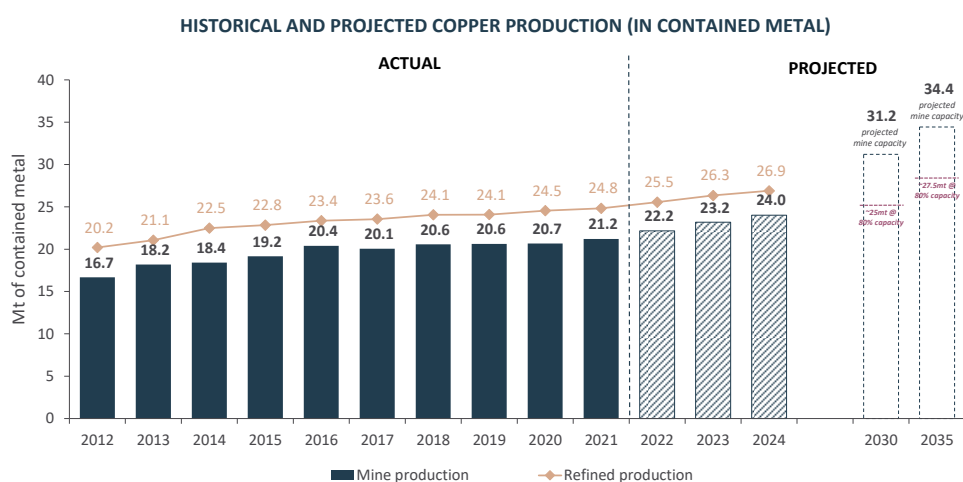
While the exact pace of the energy transition remains uncertain and there is some near-term economic and geopolitical uncertainty, long term demand for copper is underpinned by global climate ambitions over the next two decades that would lead to a material increase in copper consumption. Alternatives such as aluminium are sometimes used as substitutes for certain applications, but there are technical limits (e.g. conductivity, energy efficiency, corrosion resistance) that cap their efficiency and ability to adequately replicate copper's properties.

Supply

Mine production (either through the production of copper concentrates for smelting or through heap leaching and electrowinning techniques) is the primary source of copper supply. The largest producers include countries in developed mining jurisdictions such as Chile and Peru (which collectively accounted for more than 35% of global mine production) as well as countries that have historically faced higher sovereign risks (e.g. China, Democratic Republic of Congo, Russia and Zambia).

Most of the largest producers are either globally integrated commodity producers (e.g. BHP, Glencore) or state-owned corporations (Chile's Codelco). Pure-play copper producers are generally smaller in scale than these large producers but nevertheless often diversified across different geographies.

In 2021, global mine production capacity was approximately 26 Mtpa (operating at approximately 80-85% of capacity). Copper mine production has grown by an average of only 2.7% per annum over the last ten years reflecting the combined impact of a stagnant copper price environment (which discouraged new investments in mines and ore processing facilities) and declining ore grades. However, supply growth is expected to accelerate over the next three to five years (to approximately 4% per annum) as the improved price environment in recent years has incentivised investments in new capacity (both new projects and expansion of existing operations):



Source: International Copper Study Group, The World Copper Factbook 2022

According to the International Copper Study Group, total mine capacity is expected to reach more than 31 Mtpa by 2026 before reverting to historical growth rates of closer to 2.5% per annum as new supply

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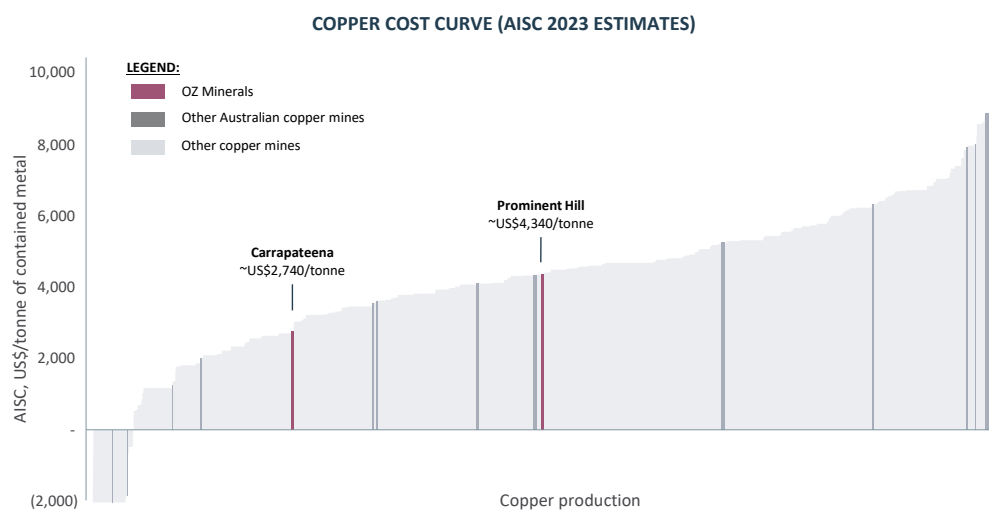
(whether greenfield or capacity expansions) is offset by the natural loss of production from mine depletion and declining ore grades.

However, development of new copper supply is challenging and will require significant investment to meet the supply estimates set out above. The outlook is particularly difficult for the production of copper concentrates, which represents approximately 80% of total production (excluding recycled scrap). Production is expected to peak by 2025 and decline unless new projects are identified and accelerated for development⁶.

Developing new copper supply is subject to a number of constraints including:

- declining ore grades, as global copper resources continue to be depleted. Average mined copper grades have declined by over 40% over the last three decades;
- scarcity of new copper projects of scale (especially in developed copper mining jurisdictions such as the United States and Chile);
- protracted development timelines, as increasing social and regulatory risks often lead to delays in receipt of project permits; and
- jurisdiction risks, particularly in relation to changes in tax and investment regimes and potential risks of resource nationalism. Some of the largest producers and resources are located in “risky” countries.

Moreover, the ability to bring new supply to the market is inherently dependent on individual mine economics which are impacted by the operating costs (e.g. mining costs, processing costs), capital requirements and copper price dynamics. In other words, the outlook for copper prices needs to remain sufficiently robust to incentivise newer (and arguably more marginal) mines to be developed. The global copper cost curve is illustrated below:



Source: CRU

Alternatively, increasing the capacity utilisation of existing copper mines has its merits but is unlikely to be a long-lasting solution for supply. Historically, global capacity utilisation averaged between 80% and 85%, reflecting the cyclical movements in copper prices that work as an incentive for production. When prices are low, high cost and marginal operations may be idled (leaving unused mine capacity). In contrast, when

⁶ Source: S&P Market Intelligence

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prices are high, mine operators are incentivised to “sweat” even their marginal assets. Under this scenario, prices have to remain persistently high for these marginal assets to be an ongoing source of supply.

Another source of secondary supply is by recycling scrap, which accounts for approximately 30% of supply. While this is an invaluable source of supply for copper, there are also a number of practical disadvantages to recycling copper including the heterogenous nature of scrap (in terms of size, shape and quality), processing costs and, in some cases, import restrictions (which inhibit movement of scrap).

Taking these factors into consideration, it is unclear how long term supply of copper will meet the growing demands on the metal. Without a clear path forward for new supply, the growth in demand is expected to contribute to a persistent supply-demand deficit in the copper market.

Prices

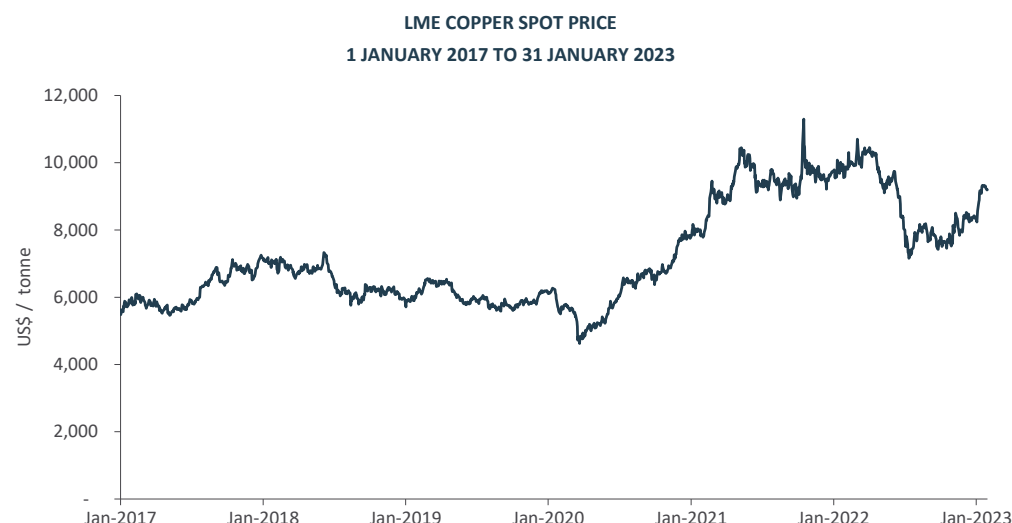
Trading of copper is facilitated by commodity exchanges such as the LME, COMEX and SHFE which help integrate the global market by facilitating price transparency and providing a platform for trading of futures and options contracts so users can hedge against future price movements.

Due to the wide range of copper product categories that are actively traded in the market, most products are priced against the 99.99% pure copper cathodes that are quoted on the exchanges. These benchmark copper prices include LME Copper, SHFE Copper and COMEX Copper (although the LME captures the largest share of transactions and is widely accepted as the global benchmark).

Prices for copper concentrate are calculated with reference to one of these benchmarks but adjusted for:

- metal content, to reflect the amount of copper metal recoverable from the concentrate;
- payable metal, to reflect the anticipated “margin” retained by the buyer;
- treatment and refinery charges, as the copper concentrate will still need to undergo further treatment before it can be sold as a refined metal product; and
- penalties, which reflect the presence of impurities (e.g. contaminants) in the concentrate that are harmful to the treatment and refinery processes.

The historical spot LME Copper prices since January 2017 are illustrated below:



Source: Bloomberg



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Due to copper's wide range of applications in cyclically advanced sectors (e.g. construction, electronics), its price movements have generally been considered a leading indicator for economic activity. Between 2017 and 2019, copper prices traded across a range of US\$5,750/t to \$7,500/t (but mostly in the US\$6,000-7,000/t range) with a slight downwards trend, reflecting the concerns of economic slowdown amidst rising geopolitical tensions (e.g. unresolved Brexit negotiations, US-Russia tensions and US-China trade war). The COVID-19 pandemic triggered a global slowdown in economic activity which led to a decline in copper prices (falling as low as US\$4,630/t in March 2020).

However, copper prices staged a strong rebound over the next two years. Rising energy input costs pushed prices upwards. Global economies reopened and the subsequent economic rebound and shift in consumer demand for electronic products (including electric vehicles) further strained tightening supplies. Moreover, operating disruptions in some of the largest copper producing regions in South America have contributed to record low commercial inventories. Limited investments in new capacity in the preceding years exacerbated these pressures. Collectively, these factors pushed copper prices to a record high of US\$10,674/t in March 2022.

Over the next six months, copper prices fell by approximately 33% to a low of US\$7,170/t as macroeconomic factors (e.g. rising inflation and a swift shift to tighter monetary policy by central banks across the world) and geopolitical tensions (e.g. Russia-Ukraine war) led to rising market concerns. The slow and uncertain recovery of the Chinese economy (as the largest consumer of copper) has also weighed on copper prices. However, over the last two months of 2022, the price has stabilised at around US\$8,500/t and increased above US\$9,000/t in early 2023 (closing at US\$9,200/t at the end of January) following the increasing optimism in relation to the reopening (and rebound) of the Chinese economy.

2 Nickel

2.1 Background

Nickel is valued for its formability, weldability, ductility and corrosion resistance, all of which make it an efficient alloying element. It is the fifth most common element on earth with approximately 300 million tonnes of contained metal identified in deposits across the world. Concentrations of nickel occur in:

- laterite ores (approximately 65% of resources), which have lower nickel grades, higher moisture content and a wider range of contaminants. Laterites are typically found closer to the surface and can be extracted from open pit mines. Laterites are typically found in Indonesia, Philippines and New Caledonia; and
- sulphide ores (approximately 35% of resources), which are high grade ores found deeper within the earth's surface. Sulphide ores are typically more expensive to mine but are cheaper to process due to lower contaminants and higher occurrence of mineral by-products (e.g. gold, silver, cobalt). Sulphides are typically found in South Africa, Russia, Canada and Australia.

Raw nickel ore occurs naturally in low grades and consequently undergoes a range of processing methods to convert it into higher grade nickel products for "first use" applications⁷ and, in turn, end use applications:

⁷ "First use" of nickel is defined as the conversion of nickel products into intermediate products, which form the basis for nickel-containing end-use products. These "first uses" include stainless steel, alloys and plating, as well as batteries.

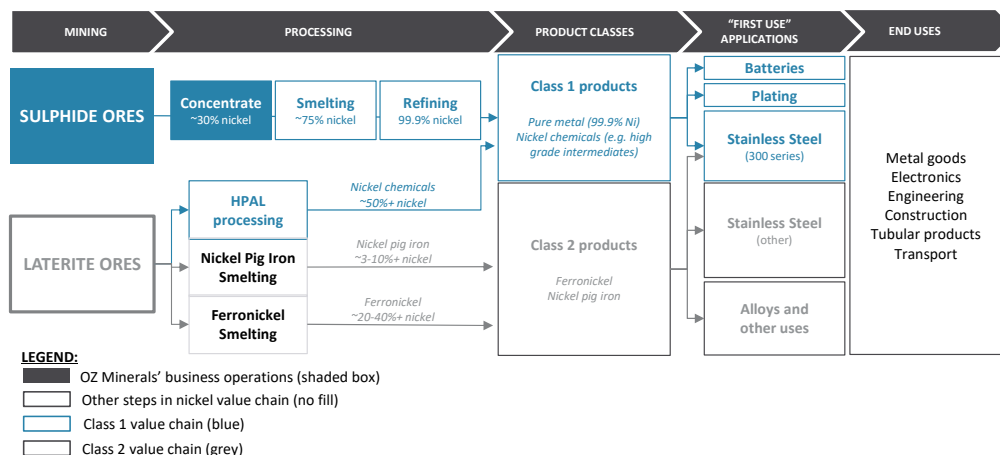


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NICKEL – SIMPLIFIED VALUE CHAIN



Source: Grant Samuel analysis

Unlike copper (wherein the finished product has to be in 99.99% grades to be commercially useful), finished nickel products can be processed to different grades that are categorised as either:

- class 1, higher purity nickel products (more than 99.8% contained nickel) that can be used in any end market application; or
- class 2, lower purity nickel products which have a more limited range of applications than class 1 nickel products but are commonly used as alloys.

Processing requirements differ depending on the desired product class and the type of ore. For example, producing class 1 products involves different processing requirements for laterite ores (which rely on HPAL, a complex and highly energy intensive process or on other conversion processes to upgrade nickel pig-iron ("NPI") to matte) and sulphides (which rely on conventional smelting and refining methods). These differences impact the attractiveness of each type of ore to produce each product. In recent years, nearly 70% of class 1 nickel production has been derived from sulphide ores due to the high capital and operating costs of HPAL to produce class 1 nickel from laterite ores.

Intermediate nickel products are also commonly used in the production of finished products. These could take a range of forms including concentrates, metals, mattes, MHP and other lower grade intermediates (e.g. NPI and ferronickel).

The class of nickel products influences its range of "first use" applications. For example, the battery industry can only use class 1 nickel products due to their higher grade and quality than class 2 products (which in turn impacts the quality and performance of the batteries). Similarly, while stainless steel accounts for approximately 70% of "first use" applications, around half of its production (i.e. the 300 series stainless steel range) is largely dependent on class 1 nickel products. On the other hand, class 2 nickel products have a narrower range of applications but are mostly widely used in stainless steel and alloys.

The composition of finished nickel products is illustrated below:

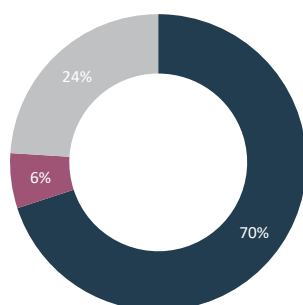
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CURRENT COMPOSITION OF FINISHED NICKEL PRODUCTS

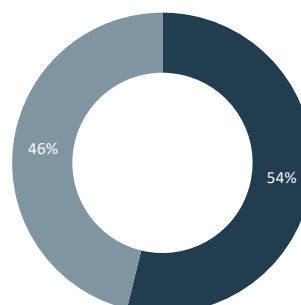
BY "FIRST USE" APPLICATION⁸



■ Stainless steel ■ Batteries ■ Alloys and other applications

Source: Nickel Institute

BY CLASS⁹



■ Class 2 ■ Class 1

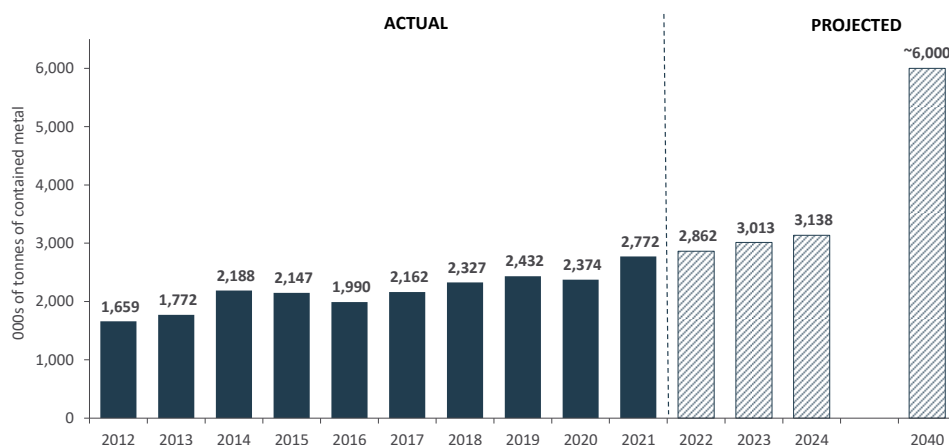
2.2 The Nickel Market

Similar to copper, nickel is a globally traded commodity albeit on a smaller scale.

Demand

Demand for nickel has historically been correlated with industrial development. Since 2012, nickel consumption has grown by an average of 6% per annum, outpacing growth in copper consumption over the same period largely due to a rebound from a significant cutback in nickel demand following the global financial crisis (unlike copper which saw a less pronounced reduction). Growth in nickel demand over the past ten years was largely driven by stainless steel which is expected to remain the primary application for nickel:

HISTORICAL AND PROJECTED NICKEL CONSUMPTION (IN CONTAINED METAL)



Source: Australian Government Department of Industry, Science and Resources; Wood Mackenzie

However, demand for nickel products has become increasingly segmented into two separate categories (each with their own drivers):

⁸ Source: International Nickel Study Group, The World Nickel Factbook 2021.

⁹ Source: McKinsey & Company, How clean can the nickel industry become, September 2020.

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- class 1 nickel products, which will be the key driver for future demand growth for nickel (particularly over the next two decades) and is expected to be increasingly driven by adoption of battery technologies especially in electric vehicles; and
- class 2 nickel products, which will continue to account for a large share of demand but grow at a moderately lower pace (consistent with rates of economic expansion and industrialisation).

The high energy density of nickel (which contributes to improved electric vehicle driving range and charging speeds) relative to other chemicals makes it a highly attractive ingredient in battery technologies and has been the primary reason for its accelerating adoption in batteries in recent years. The highest grade nickel battery technology (which contains greater than 80% nickel in the cathode) currently comprises only 8% of batteries but some estimates suggest that this could rise to nearly 50% by 2030¹⁰ (in a market that is expected to have significantly higher penetration of electric vehicles than current levels). Based on estimates by Goldman Sachs, batteries are projected to generate up to 1.5Mtpa of nickel demand and account for approximately 32% of global nickel demand by 2030 (from around 6% today), growing at an average of 6% per annum¹¹. Recent studies by Wood Mackenzie support the robust outlook for nickel, with projections indicating that battery use is expected to grow to 40% of global nickel demand by 2040¹², pushing global nickel demand to around six million tonnes a year (growing at an average of 4% per annum to more than double current levels).

However, consumption of nickel (particularly in batteries) will likely be balanced against the availability and costs of its raw materials (in this case, the price of nickel and other battery metals). Non nickel based battery technologies are also available and currently comprise around 20% of the total battery market. However, these technologies generally historically support lower energy densities than nickel battery technologies and are predominantly used in select markets such as China. In recent years, buoyant nickel prices (as well as cobalt, as another battery metal) have encouraged battery producers to consider other more affordable options. For example, one of the largest electric vehicle manufacturers, Tesla, Inc., has increasingly moved towards using more lithium iron phosphate battery packs in 2022 due to its affordability and improving energy density.

Nevertheless, it is clear that the demand outlook for nickel is robust. While market commentators have varying views on the pace and scale of the transition, the overall sentiment is generally consistent in that demand for nickel (particularly class 1 nickel products) will be markedly higher than in the past.

Supply

Mined nickel accounts for nearly all nickel produced each year. A large proportion of ore production is controlled by globally integrated commodity producers. In 2020, the top 10 producers accounted for around 35% of global production¹³. These include diversified miners such as Norilsk Nickel Gmk Oao, Vale, Glencore and BHP. Their operations are primarily centred across six countries which accounted for approximately 70-80% of global production (led by Indonesia with 35%):

¹⁰ Source: Nickel Institute, Nickel – Energising Batteries, 2021.

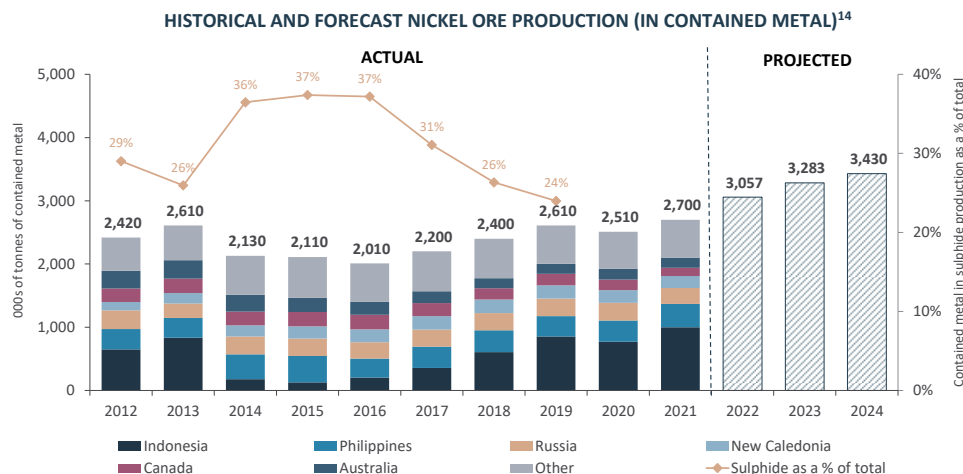
¹¹ Source: Goldman Sachs, Nickel's class divide, April 2022.

¹² Source: Wood Mackenzie, Nickel and Copper: Building Blocks for a Greener Future, April 2022.

¹³ Source: Miningintelligence, 2020

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Source: United States Geological Survey; Australian Government Department of Industry, Science and Resources

Year to year movements in global nickel production has primarily been attributable to Indonesia, which saw production decline to just 130kt in 2015 following nickel ore export bans (which squeezed margins and capacity out of the market) but the country has since been the largest driver of global growth after the bans were lifted in 2017 and new capacity was commissioned. In recent years, significant investments in developing new laterite ore projects and HPAL processing plants have unlocked new supply in the country.

As a result of growing production levels from laterite-rich countries such as Indonesia, Philippines and New Caledonia, the percentage contribution from sulphides has declined markedly since 2014. Moreover, this growing reliance on laterites has been accentuated by the decline in discovery of new sulphide deposits in traditional mining districts (such as Australia and Canada) which has led to the continued depletion of existing deposits and exploration for sulphides in more challenging jurisdictions such as in Africa and the subarctic.

In the last twelve months, global nickel supply has tightened substantially. Rapidly rising energy costs caused temporary closures of smelting and refining capacity across Europe. The temporary ban of delivery of Russian nickel to LME warehouses in the United Kingdom reduced the flow of supplies from one of the world's largest producers. Moreover, a rapid rise in industrial demand (particularly for electric vehicles) coupled with the impact of COVID-19 restrictions on production led to the depletion of existing inventories of the hard metal. Refined nickel metal inventory at the LME declined to record lows. These conditions are expected to prevail for at least the next 1-2 years. Other commercial exchanges such as the SHFE may offer an alternative source of liquidity (and supply) but have historically comprised a very small share of the overall market (i.e. less than 10% of total inventories over the last five years¹⁵).

Over the longer term, the supply deficits are expected to unwind (at least partially) as new sources of supply (e.g. new HPAL capacity) are commissioned. However, bringing new nickel supply (especially for class 1 products) to the market will continue to be challenging. Greenfield nickel projects can take 8-10 years to move from exploration through to production. Access to sulphide reserves in less "risky" mining jurisdictions continues to decline. Long term supply growth would become increasingly reliant on laterite ores and further reinforce the reliance on new HPAL capacity (which are expensive to build and have historically faced construction delays and budget overruns due to the complexity of operations). The

¹⁴ No data available on the split between laterite and sulphide production for 2020 and 2021 although the rising share of production from laterite-rich nations such as Indonesia, Philippines and New Caledonia would suggest that the contribution of sulphides to overall supply is likely to decline or remain flat, at best.

¹⁵ Source: Bloomberg

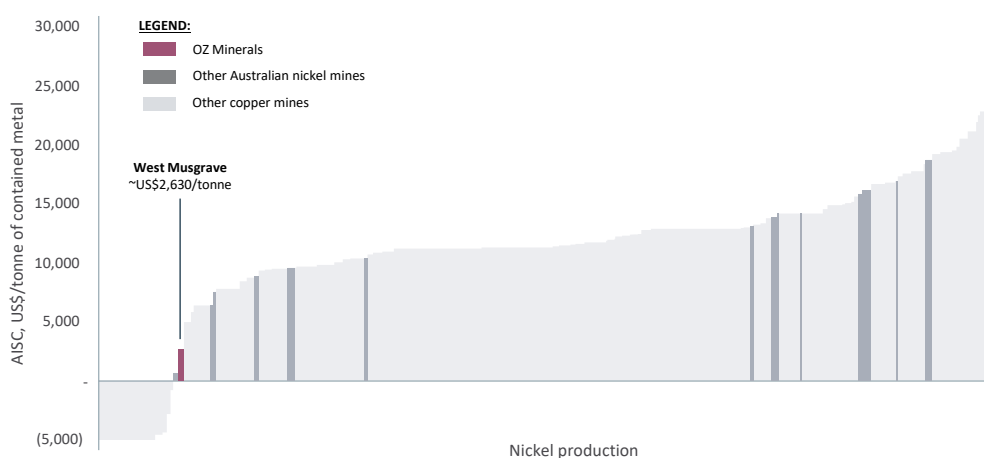
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energy intensity and impact of tailings on adjacent communities and ecosystems raise environmental, social and governance risk considerations for producers. While recycling from scrap is a secondary source of nickel and expected to provide some relief to current supply constraints, it is mainly used in stainless steel production and has limited application for class 1 product uses.

Unlike copper, the expected forward cost curve (based on 2026 estimates) for nickel is noticeably “flatter” and spread across a tighter range. Projected costs for nearly all nickel mine are well below recent spot prices for nickel. Australian nickel mines are generally evenly spread across the curve, with West Musgrave sitting at the top end of the cost curve (amongst the top 15 lowest cost mines):

NICKEL COST CURVE (AISC 2026 ESTIMATES)



Source: CRU

In broad terms, there are some similarities between the copper and nickel markets. The demand outlooks for both commodities are robust, yet the supply outlooks appear constrained if not challenged. In many respects, these supply challenges appear to be significantly more acute for the nickel industry due to the bifurcation of end use markets for class 1 and class 2 products. While new supply is currently in development and expected to be commissioned in the coming years, the speed and scale at which new nickel supply can be developed remains unclear and, at this stage, likely insufficient to meet the future demand requirements.

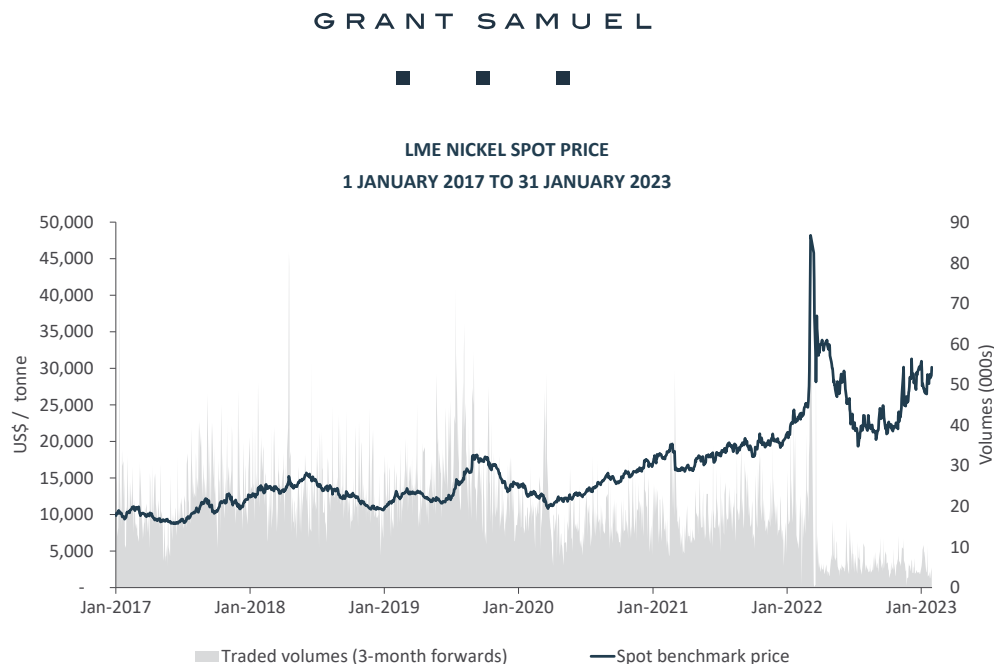
Prices

The most widely referenced benchmark price for nickel is LME Nickel. Only class 1 nickel products (i.e. refined metal products such as cathodes, pellets, briquettes and rounds) are accepted by the exchange. Similar to copper concentrates, nickel concentrates are typically priced with reference to LME Nickel but adjusted for payable metal content, treatment and refinery charges and penalties.

LME Nickel comprises spot, forward and futures contracts that are traded on the LME. The different contract structures provide traders with market liquidity to hedge prices of physical nickel deliveries, invest directly in the hard metal or speculate on price movements.

The historical spot LME Nickel prices since January 2017 are illustrated below:

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Source: Bloomberg

The key drivers behind movements in nickel prices has been tightening supply and, more recently, lack of liquidity. Since bottoming at a record low of US\$7,595/t in early 2016, benchmark nickel prices rose steadily over the next five years (albeit with periodic ebbs and flows) on the back of rising demand for class 1 nickel (including for use in battery) and the declining inventory levels of the hard metal. Nickel prices peaked momentarily in 2019 as a result of growing concerns on a potential supply shortfall following Indonesian export bans of nickel ore but concerns subsided as the prices retreated over the next year through the onset of COVID-19. The global economic recovery from COVID-19 in the latter half of 2020 and throughout 2021 continued to push prices higher and nickel prices closed above US\$20,750/t at the end of 2021.

In 2022, nickel prices faced an unprecedented level of volatility. Continued depletion of global inventories and supply uncertainty (and subsequent economic sanctions) arising from the Russia-Ukraine war led to a sharp increase in prices in February and March. These issues were exacerbated by the LME's one week suspension of trading (as prices doubled to well over US\$100,000/t as a result of a short squeeze on a large nickel trader) and cancellation of more than eight hours of trades. Since resuming trading, the LME instituted daily price movement caps. Trading volumes have been markedly lower and, as a consequence, thinner trading levels have continued to accentuate market moves over the remainder of the year albeit broadly within a range of US\$20,000/t to US\$25,000/t (and even higher in December 2022 across a range of US\$25,000/t to US\$30,000/t, closing at approximately US\$30,150/t at the end of January 2023).

In response to the reduced liquidity in the LME nickel market, Global Commodities Holdings Limited announced that its plans to launch a new physical nickel trading platform that can offer an alternative to the LME. The company already offers a physical coal trading platform and is owned by several larger diversified miners such as Glencore, Anglo American, BHP and Rio Tinto (all of which also have interests in the nickel market). The new trading platform is expected to be launched in early 2023.

3 Gold

3.1 Background

Gold is a precious metal that is valued for its beauty and considered a store of value or symbol of wealth and status in many cultures. Despite its malleability and electrical and thermal conductive properties, gold

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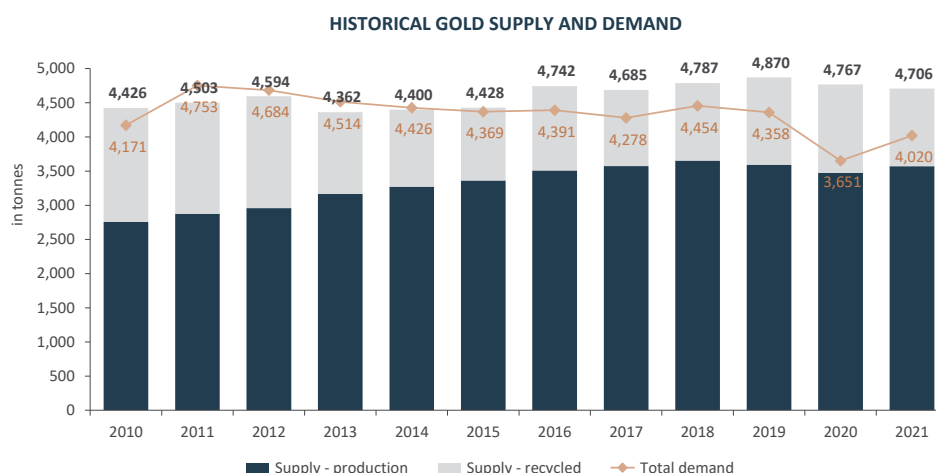
is more commonly used for non-industrial applications such as in jewellery (around 56% of applications) or for financial purposes (around 33% of applications¹⁶) where gold is treated as a store of wealth (despite not generating any income).

Unlike copper or nickel, gold mineralisation does not occur across large orebodies and is instead typically found in smaller concentrations. Gold also often occurs in copper and lead deposits in much smaller quantities but is readily recovered as a by-product in the refining of these metals. Moreover, gold production is highly fragmented and is led by global producers such as Newmont Corporation and Barrick Gold Corporation but more generally comprises smaller gold producers.

3.2 The Gold Market

Gold is also a globally traded commodity and can be traded either over-the-counter (i.e. bilateral agreements) or on an exchange (i.e. regulated platforms). More than 90% of transactions occur in either the London over-the-counter market, the US futures market or the Shanghai Gold Exchange. The majority of transactions on these exchanges are settled in cash (with no handling of physical gold bars or coins).

Over the past ten years, the supply of gold has outpaced demand:



Source: World Gold Council

However, gold prices have not moved in lockstep with the changes in supply-demand deficits (or in this case, surpluses). Instead gold prices have historically been driven by financial investors (including through the significant inflows into gold-based exchange traded fund products in recent years), particularly in periods of market uncertainty or turmoil, with gold widely viewed as a “safe haven” and as an effective hedge against currency depreciation, inflation and other market risks.

The historical spot gold prices since January 2017 are illustrated below and show a generally upward progression (albeit not during 2022):

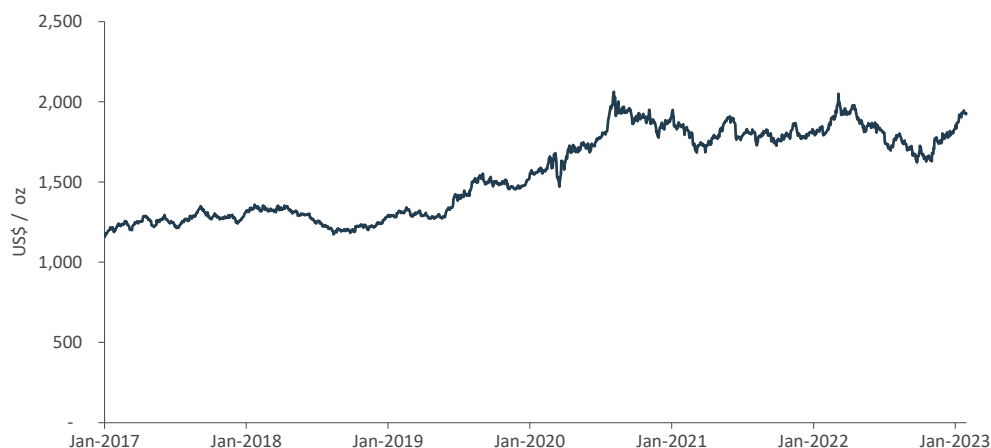
¹⁶ Source: World Gold Council.

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BENCHMARK SPOT GOLD PRICE
1 JANUARY 2017 TO 31 JANUARY 2023



Source: Bloomberg

While gold prices remained largely within a close range of US\$1,200-1,400/oz between 2017 and 2018, emerging risks from unresolved Brexit negotiations, US-Russia diplomatic tensions and ongoing US-China trade war fuelled the increase in gold prices which ended 2019 at just over US\$1,500/oz. Despite being a non income producing asset class, gold prices were largely resilient over this period due to declining interest rates (which meant that the opportunity cost of holding a non income producing asset such as gold was less pronounced). Gold prices increased further following the spread of the COVID-19 pandemic as demand for “safe haven” products such as gold spiked following the unprecedented levels of monetary stimulus undertaken by central banks across the world.

However, recent movements in the gold price appear to reflect changing attitudes to its role as an effective hedge against inflation and economic uncertainty. While gold prices briefly reached a record high of more than US\$2,000/oz in early 2022 following the start of the Russia-Ukraine War, the gold price has drifted down to a range of US\$1,700-1,900/oz later in the year. Since the beginning of 2023, gold prices have continued to trend upwards, surpassing US\$1,900/oz reflecting the persisting inflationary pressures and economic and geopolitical uncertainty. This delicate balance in gold prices in recent months may also reflect the rising interest rate environment which has reduced the attractiveness of hold non income producing assets such as gold.



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APPENDIX 3

BROKER CONSENSUS FORECASTS

OZ Minerals has not publicly released earnings forecasts for CY23. Accordingly, the prospective multiples implied by the valuation of OZ Minerals in the Grant Samuel report are based on average broker forecasts. These average forecasts are sufficiently close to OZ Minerals CY23 Plan to be useful for analytical purposes.

Set out below is a summary of forecasts prepared by brokers that follow OZ Minerals in the Australian stockmarket:

OZ MINERALS – BROKER FORECASTS (\$ MILLIONS)

BROKER	DATE	CY23 NET REVENUE	CY23 EBITDA
Broker 1	29-Jan-23	2,140.0	767.0
Broker 2	30-Jan-23	2,188.0	846.0
Broker 3	30-Jan-23	2,010.0	690.0
Broker 4	30-Jan-23	2,391.8	1,241.8
Broker 5	30-Jan-23	2,000.0	714.0
Broker 6	30-Jan-23	1,756.7	608.9
Broker 7	30-Jan-23	2,358.0	1,165.0
Broker 8	31-Jan-23	2,306.0	1,014.0
Broker 9	31-Jan-23	2,085.0	726.0
<i>Minimum</i>		<i>1,756.7</i>	<i>608.9</i>
<i>Maximum</i>		<i>2,391.8</i>	<i>1,241.8</i>
<i>Average</i>		<i>2,137.3</i>	<i>863.6</i>

Source: Brokers' reports, Grant Samuel analysis

When reviewing this data the following should be noted:

- the forecasts presented above represent the latest available broker forecasts for OZ Minerals;
- the brokers presented are those who have published research on OZ Minerals following the release of OZ Minerals' fourth quarter report 2022 on 30 January 2023;
- Grant Samuel is aware of nine other brokers that follow OZ Minerals. These brokers have not released any research on OZ Minerals that includes earnings forecasts subsequent to the release of OZ Minerals' fourth quarter report 2022 on 30 January 2023; and
- as far as is possible to identify from a review of the brokers' reports, Grant Samuel believes that the earnings forecasts have been prepared on a consistent basis and do not incorporate any one-off adjustments or non-recurring items.



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APPENDIX 4

SELECTION OF DISCOUNT RATE

1 Overview

A discount rate range of 9.5-10.0% has been selected as appropriate to apply to the forecast nominal ungeared after tax US\$ denominated cash flows for OZ Minerals' mineral assets.

The cash flows of OZ Minerals' mineral assets have been denominated in US\$ and discounted on the basis of rates appropriate for international capital markets. Given that many of the potential acquirers of the mineral assets of OZ Minerals are international mining companies (or in the case of West Musgrave, arguably international automotive manufacturers seeking a foothold in upstream production of battery metals), the assets are likely to be priced on the basis of costs of capital established in international capital markets.

Selection of the appropriate discount rate to apply to the forecast cash flows of any business enterprise or mineral asset is fundamentally a matter of judgement. The valuation of an asset or business involves estimating the discount rates that may be utilised by potential acquirers of that asset in assessing the net present value of expected future cash flows. There is a body of theory which can be used to support that judgement. However, a mechanistic application of formulae derived from that theory can obscure the reality that there is no "correct" discount rate. Despite the widespread acceptance and application of various theoretical models, it is Grant Samuel's experience that many companies rely on less sophisticated approaches. Businesses and investors often use relatively arbitrary "hurdle rates" which do not vary significantly from investment to investment or change significantly over time despite movements in interest rates. Valuation is an estimate of what real world buyers and sellers of assets would pay and must therefore reflect parameters that will be applied in practice even if they are not theoretically correct. Grant Samuel considers the rates adopted to be reasonable discount rates that acquirers would use in irrespective of the outcome of any particular model.

The discount rate selected represents an estimate of the weighted average cost of capital ("WACC") appropriate for these businesses based on a weighted average of the cost of the two primary funding sources, equity and debt. This is the relevant rate to apply to ungeared cash flows. There are three main elements to the determination of an appropriate WACC:

- cost of equity;
- cost of debt; and
- debt/equity mix.

The cost of equity has initially been derived, in the first instance, from application of the capital asset pricing model ("CAPM") methodology. The CAPM is probably the most widely accepted and used methodology for determining the cost of equity capital. There are more sophisticated multivariate models which utilise additional risk factors but these models have not achieved any significant degree of usage or acceptance in practice. However, the cost of equity is not a precise or provable number nor can it be estimated with any degree of reliability. The cost of equity capital is not directly observable and models such as the CAPM do no more than infer it from other data using one particular theory about the way in which security prices behave. The usefulness of any estimate therefore depends on the efficacy of the theory and the robustness of the data but the available tools such as CAPM involve:

- a model that has questionable empirical validity;
- simplifying assumptions and approximations;
- the use of historical data as a proxy for estimates of forward looking parameters;



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- data of dubious statistical reliability; and
- unresolved issues (such as the impact of dividend imputation).

The cost of debt represents an estimate of the expected future returns required by debt providers to each business over the period of the cash flows but, even for something as relatively straightforward as interest rates, there are measurement issues and judgements to be made. The cost of debt has been determined by reference to the pricing implied by the debt markets in Australia and the United States. The cost of debt represents an estimate of the expected future returns required by debt providers. In determining the appropriate cost of debt over the period of the cash flows, regard was had to debt ratings of comparable companies.

Selection of an appropriate debt/equity mix is a matter of judgement. The debt/equity mix represents an appropriate level of gearing, stated in market value terms, for the assets over the forecast period. The relevant proportions of debt and equity have been determined having regard to the financial gearing of comparable companies and judgements as to the appropriate level of gearing considering the nature and quality of the cash flows.

In summary, it is important not to over-engineer the process or to credit the output of models with a precision they do not warrant. It is easy to be captured by the accumulation of data and its apparent sophistication. A mechanistic application of formulae derived from theory can obscure the reality that any output from cost of capital models should be treated as a broad guide rather than an absolute truth.

The following sections set out the basis for Grant Samuel's determination of the discount rates for OZ Minerals together with a discussion of the factors that limit the accuracy and reliability of the estimates.

2 Definition and Limitations of the CAPM and WACC

The CAPM provides a theoretical basis for determining a discount rate that reflects the returns required by diversified investors in the equity of the company (which is one component of the total capital funding structure). CAPM is based on the assumption that investors require a premium for investing in equities rather than in risk free investments (such as Australia Government Bonds and United States Treasury Bonds). The premium is commonly known as the market risk premium and notionally represents the premium required to compensate for investment in the equity market in general.

The risks relating to a company or business can be divided into specific risks and systematic risks. Specific risks are risks that are specific to a particular company or business and are unrelated to movements in equity markets generally. While specific risks will result in actual returns varying from expected returns, it is assumed that diversified investors require no additional returns to compensate for specific risk, because the net effect of specific risks across a diversified portfolio will, on average, be zero. Portfolio investors can diversify away all specific risk.

However, investors cannot diversify away the systematic risk of a particular investment or business operation. Systematic risk is the risk that the return from an investment or business operation will vary with the market return in general. If the return on an investment was expected to be completely correlated with the return from the market, then the return required on the investment would be equal to the return required from the market (i.e. the risk free rate plus the market risk premium).

Systematic risk is affected by the following factors:

- financial leverage: additional debt will increase the impact of changes in returns on underlying assets and therefore increase systematic risk;
- cyclicity of revenue: projects and companies with cyclical revenues will generally be subject to greater systematic risk than those with non-cyclical revenues; and



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- operating leverage: projects and companies with greater proportions of fixed costs in their cost structure will generally be subject to more systematic risk than those with lesser proportions of fixed costs.

CAPM postulates that the return required on an investment or asset can be estimated by applying to the market risk premium a measure of systematic risk described as the beta factor. The beta for an investment reflects the covariance of the return from that investment with the return from the market as a whole. Covariance is a measure of relative volatility and correlation. The beta of an investment represents its systematic risk only. It is not a measure of the total risk of a particular investment. An investment with a beta of more than one is riskier than the market as a whole and an investment with a beta of less than one is less risky. The discount rate appropriate for an investment which involves zero systematic risk would be equal to the risk free rate.

The formula for deriving the cost of equity using CAPM is as follows:

$$Re = Rf + Beta (Rm - Rf)$$

Where:

- Re = the cost of equity capital;
- Rf = the risk free rate;
- Beta = the beta factor;
- Rm = the expected market return; and
- Rm - Rf = the market risk premium.

The beta for a company or business operation is normally estimated by observing the historical relationship between returns from the company or comparable companies and returns from the market in general. The market risk premium is estimated by reference to the actual long run premium earned on equity investments by comparison with the return on risk free investments.

The formula conventionally used to calculate a WACC under a "classical tax system"¹ is as follows:

$$WACC = (Re \times E/V) + (Rd \times (1-t) \times D/V)$$

Where:

- E/V = the proportion of equity to total value (where V = D + E);
- D/V = the proportion of debt to total value;
- Re = the cost of equity capital;
- Rd = the cost of debt capital; and
- t = the corporate tax rate

The models, while simple, are based on a sophisticated and rigorous theoretical analysis. Nevertheless, application of the theory is not straightforward and the discount rate calculated should be treated as no more than a general guide. The reliability of any estimate derived from the model is limited. Some of the issues are discussed below.

Overall Validity of the Model

The CAPM has been subject to intense criticism over many years with numerous empirical studies demonstrating that it does not accurately portray movements in individual share prices and has limited explanatory power. There are also competing formulations (such as the Sharpe-Lintner, Black, Brennan-Lally, Officer or Monkhouse) which can give different results.

¹ A tax system not featuring dividend imputation or other variants such as advance corporation tax (i.e. dividends are paid out of after tax income and are subject to full tax in the hands of investors).



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In addition:

- the CAPM is a single period model rather than one developed specifically for valuing long term cash flows. It has been adapted to a multi-period model (usually annually) to calculate the value of long term cash flows. Theoretically, the analysis should use a forecast of each of the parameters for each period in question (annual is no more correct than any other period) but, typically, a long term average is assumed for the sake of practicality;
- the CAPM assumes investors are diversified and therefore are not (and should not be) concerned with the specific risk of a particular investment. Behavioural economics suggests while this may be theoretically sensible, it doesn't actually reflect how investors behave or how they price risk; and
- it ignores all investor taxes, which may or may not have an impact in the real world. Even where models do attempt to reflect taxation effects, adjustments are usually based on assumed averages which may not be accurate or appropriate given the diversity of individual tax positions.

Risk Free Rate

Theoretically, the risk free rate used should be an estimate of the risk free rate in each future period (i.e. the one year spot rate in that year if annual cash flows are used). There is no official "risk free" rate but, in developed economies such as Australia and the United States, rates on government securities are typically used as an acceptable substitute. In practice, the long term government bond rate is used as the most practical estimate (even though rates for individual years could be interpolated). However, it should be recognised that the yield to maturity of a long term bond is only an average rate and where the yield curve is strongly positive (i.e. longer term rates are significantly above short term rates) the adoption of a single long term bond rate has the effect of reducing the net present value where the major positive cash flows are in the initial years. The long term bond rate is therefore only an approximation.

The ten year bond rate is a widely used and accepted benchmark for the risk free rate. Where the forecast period exceeds ten years, an issue arises as to the appropriate bond to use. While longer term bond rates are available, the ten year bond market is the deepest long term bond market in Australia and is a widely used and recognised benchmark. There is a limited market for bonds of more than ten years although the Australian government has recently issued 30 year bonds in volume. In the United States, there are deeper markets for longer term bonds. The 30 year bond rate would be a better benchmark for long term cash flows. However, long term rates accentuate the distortions of the yield curve on cash flows in early years. In any event, a single long term bond rate matching the term of the cash flows is no more theoretically correct than using a ten year rate. More importantly, the ten year rate is the standard benchmark used in practice.

Where cash flows are less than ten years in duration the opposite issue arises. An argument could be made that shorter term bond rates should be used in determining the discount rate for these assets. While Grant Samuel believes this is a legitimate argument, an adjustment may give a misleading impression of precision for the whole methodology.

In practice, Grant Samuel believes acquirers would use a common rate. The ten year bond rate can be regarded as an acceptable standard risk free rate for medium to long term cash flows, particularly given its wide use.

Market Risk Premium

The market risk premium ($R_m - R_f$) represents the "extra" return that investors require to invest in equity securities as a whole over risk free investments. This is an "ex-ante" concept. It is the expected premium and, as such, it is not an observable phenomenon. There is no generally accepted approach to estimating a forward looking market risk premium and attempts to develop one (e.g. through surveys) have yielded unreliable and highly variable results. Accordingly, the historical premium is used as the best available proxy measure. The premium earned historically by equity investments is usually calculated over a time



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period of many years, typically at least 30 years. This long time frame is used on the basis that short term rates of return are highly volatile and that a long term average return would be a fair indication of what most rational investors would expect to earn in the future from an investment in equities with a five to ten year time frame.

In the absence of controls over capital flows, differences in taxation and other regulatory and institutional differences, it is reasonable to assume that the market risk premium should be approximately equal across markets which exhibit similar risk characteristics after adjusting for the effects of expected inflation differentials. Accordingly, it is reasonable to assume similar market risk premiums for first world countries enjoying political economic stability, such as Australia, New Zealand, the United States, Japan, the United Kingdom and various western European countries.

In the United States, it is generally postulated that the historical premium is in the range of 4-6% but there are widely varying assessments (from 3% to 9%). For example, Damodaran's latest estimate (1 January 2023) is 5.1%².

Australian studies have been more limited and mainly derive from the Officer Study³ which was based on data for the period 1883 to 1987 (prior to the introduction of dividend imputation in Australia) and indicated that the long run average premium was in the order of 8% using an arithmetic average but subject to significant statistical error. More recently, the Officer Study data has been updated to 2017⁴ with the long term average declining to around 6.5%. Due to concerns about the earlier market data, emphasis is now placed on the average risk premium since 1958, which is estimated to be 6.0% ignoring the impact of imputation (where imputation credits are valued at 100% the market risk premium over the same period is 6.9%).

However, even the measurement or use of long term historical returns is subject to considerable debate:

- there are multiple different outcomes for the historical market risk premium depending on time period, basis (over long term bonds or shorter term bills), method (arithmetic or geometric averages) and estimation approach;
- the measures of historical returns typically have extremely high statistical error measures. For a, say, 6% average measured premium the "true" figure will typically lie in a range of 2-10% at a 95% confidence level;
- the methodology is inflexible and tends to fail when market conditions change materially. Market volatility is the reality of financial markets. Clearly, in the immediate aftermath of the global financial crisis (which commenced in late 2007), investors' perceptions of risk and the pricing of that risk rose significantly and rapidly. This can be demonstrated by the observable data from the pricing of lowly rated corporate bonds (which sit on the risk spectrum between risk free assets and equities) over this period. Yields to maturity rose dramatically in 2008 and 2009. However, long term average historical data will not flex to reflect these changes – an average of, say, 50 years of data will not move much even with 2-3 years of "new" data;
- the longer the period of measurement (and therefore the greater the "robustness" of the average) the more likely it is to reflect economic and market circumstances that have little resemblance to the present (is it really likely that investor returns prior to World War II are relevant to the kinds of returns investors expect today?); and

² Source: Damodaran Online. Available online at stern.nyu.edu. Published by Aswath Damodaran, a professor at the Stern School of Business at NYU.

³ R.R. Officer in Ball, R., Brown, P., Finn, F. J. & Officer, R. R., "Share Market and Portfolio Theory: Readings and Australian Evidence" (second edition), University of Queensland Press, 1989 ("Officer Study").

⁴ S. Bishop, A. Carlton and T. Pan, "Market Risk Premium: Australian Evidence", Research Paper prepared for the Chartered Accountants Australia and New Zealand Business Valuation Specialists Conference, August 2018, Department of Applied Finance, Macquarie University. This paper is based on earlier work by J.C. Handley in 2012 and T. Brailsford, J.C. Handley and K. Maheswaran in 2008.

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- the historical data also contains a logical contradiction – when the equity return required by investors is lower than the returns implied by market prices, investors respond by bidding the price of equities higher. A rising market translates to a higher measured historical risk premium, contrary to the lower return expectations driving the upwards movement in prices.

Beta Factor

The beta factor is a measure of the expected covariance (i.e. volatility and correlation of returns) between the return on an investment and the return from the market as a whole. The expected beta factor cannot be observed. The conventional practice is to calculate an historical beta from past share price data and use it as a proxy for the future but it must be recognised that:

- the expected beta is not necessarily the same as the historical beta. A company's relative risk does change over time and measured historical betas can often reflect structural changes in an industry or in the company over the time period rather than its inherent correlation to the market;
- the starting point is normally to measure the historical correlation of a company's share price against its local market index. However:
- the composition of indices varies substantially between markets. For example, the Australian index is dominated by banks and resources compared to other markets; and
- where a company is extensively traded by global investors it can be argued that the regression against an index such as the Morgan Stanley Capital International Developed World Index ("MSCI"), an international equities market index that is widely used as a proxy for the global stockmarket as a whole, is more relevant but it:
 - depends on who the "price setting" investors are;
 - can give materially different results to measures based on the local index; and
 - raises a related issue as to whether a global risk premium is also appropriate and, if so, what that global premium is;
- the appropriate beta is the beta of the company being valued rather than the beta of the acquirer (which may be in a different business with different risks). Betas for the particular subject company may be utilised but these are seldom regarded as reliable enough (and may not be available if the company is not listed). Accordingly, it is common practice to utilise betas for comparable companies and sector averages (particularly as those may be more reliable). However, none of these other companies is likely to be exactly comparable to the subject entity (e.g. it may operate in other jurisdictions with different economic drivers, regulatory regimes and benchmark index composition). In any event, the comparable company data seldom yields a tight and consistent range from which a precise estimate can be derived;
- there are very significant measurement issues with betas which mean that only limited reliance should be placed on such statistics. There is no "correct" beta and it is naïve to believe that it can be accurately determined. For example:
 - over the last four years OZ Minerals' beta as measured by the Securities Industry Research Centre of Asia-Pacific (Rozetta Institute Ltd ("Rozetta")) has varied between 0.59 and 1.66 and was measured at 1.55 at 30 September 2022 (in all cases excluding March 2020). However, this could be broadly categorised into two periods:
 - between December 2018 and March 2020, during which beta observations were consistently below 1.0, or ranging between 0.59 and 0.93; and
 - between June 2020 and September 2022, during which beta observations began trending upwards above 1.0 (likely due to strong commodity prices which outpaced overall market earnings growth) and ranged between 1.11 and 1.66.



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Over the entire four-year historical period (effectively covering eight years of data), the median beta to 30 September 2022 was 1.16;

- the standard error of Rozetta's estimate of OZ Minerals's beta has generally been in the order of:
 - around 0.4 to 0.5 between December 2018 and March 2020; and
 - around 0.32 between June 2020 and September 2022.

This means that, even at a 68% confidence level, the true beta is somewhere in the range of 0.82 to 1.48 (and for 95% confidence is between 0.50 and 1.80); and

- Rozetta's latest estimate of 1.55 (excluding March 2020⁵) compares to 0.46 measured by MSCI Barra Inc. ("Barra") and around 0.93-1.28 measured by Bloomberg; and
- estimates of "predicted" betas made by providers such as Barra can be significantly different to the historically calculated beta. In the case of OZ Minerals, its predicted beta is around 1.13-1.17 compared to its historical beta (as measured by Barra) of 0.46.

Debt/Equity Mix

The relevant measure of the debt/equity mix is based on market values (not book values). As beta is normally considered in the context of comparable companies as well as the subject company, the debt/equity mix should involve similar analysis. Accordingly, the relevant proportions of debt and equity are usually determined having regard to the financial gearing of the subject company, comparable companies and the industry in general as well as assessments of the appropriate level of gearing taking into account the nature and quality of the cash flow stream. However:

- a simple debt/equity mix is usually used for practicality but it represents a simplification of what are usually much more complex financial structures (e.g. hybrids, convertibles and lease obligations);
- a constant degree of leverage is typically assumed but this is seldom the case in practice;
- the debt/equity mix (measured over the same period as the historical beta is measured) can be volatile over time at an individual company level. Averages across time may give a more meaningful guide but in some circumstances this may not be appropriate;
- there is often a wide diversity of debt/equity ratios across companies in an industry. Moreover, there is often inconsistency between gearing ratios and betas (e.g. those with higher gearing may exhibit lower betas than their peers); and
- the measured beta factors for listed companies are "equity" betas and reflect the financial leverage of the individual companies. It is possible to unleverage beta factors to derive asset betas and releverage betas to reflect a more appropriate or comparable financial structure. In Grant Samuel's view, this technique is subject to considerable estimation error. Deleveraging and releveraging betas exacerbates the estimation errors in the original beta calculation and gives a misleading impression as to the precision of the methodology. Indeed, there are competing deleveraging formulae which give different results. Deleveraging and releveraging is also commonly calculated based on debt levels at a single point in time. This is incorrect as it is leverage over the same period in which the beta was measured that is relevant (although this can be difficult to estimate accurately given that data points may be, at best, quarterly). Recent advice to the Australian Energy Regulator ("AER") stated that leverage adjustments were a "worthless pursuit of spurious precision" and recommended a raw estimate of the industry beta (if gearing is similar)⁶.

⁵ Rozetta estimates that exclude return observations for the single month of March 2020, which experienced the second largest negative values for the entire market of any month since January 1974.

⁶ G. Partington and S. Satchell, "Issues in releveraging beta and testing for structural breaks", September 2017.

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Corporate Tax

The WACC calculation generally assumes a constant rate of corporate tax, typically the standard corporate rate. However, the tax position of many corporates, particularly multinationals, is usually much more complex and can change significantly over time.

Dividend Imputation

The conventional WACC formula set out above was formulated under a “classical” tax system. The CAPM model is constructed to derive returns to investors after corporate taxes but before personal taxes. Under a classical tax system, interest expense is deductible to a company but dividends are not. Investors are also taxed on dividends received.

Under Australia’s dividend imputation system, domestic equity investors receive a taxation credit (franking credit) for any tax paid by a company. The franking credit attaches to any dividends paid out by a company and the franking credit offsets personal tax. To the extent the investor can utilise the franking credit to offset personal tax, then the corporate tax is not a real impost. It is best considered as a withholding tax for personal taxes. It can therefore be argued that the benefit of dividend imputation should be incorporated into any analysis of value.

There is no generally accepted method of allowing for dividend imputation. In fact, there is considerable debate within the academic and financial communities as to the appropriate adjustment or even whether any adjustment is required at all. Some suggest that it is appropriate to discount pre-tax cash flows, with an increase in the discount rate to “gross up” the market risk premium for the benefit of imputation credits that are on average received by shareholders. On this basis, the discount rate might increase by approximately 2% but it would be applied to pre-tax cash flows. However, not all of the necessary conditions for this approach exist in practice:

- not all shareholders can use franking credits. In particular, foreign investors gain no benefit from franking credits (except in relation to withholding taxes in some cases⁷). If foreign investors are the marginal price setters in the Australian market there should be no adjustment for dividend imputation;
- not all franking credits are distributed to shareholders; and
- capital gains tax operates on a different basis to income tax. Investors with high marginal personal tax rates will prefer cash to be retained and returns to be generated by way of a capital gain.

Others have proposed a different approach involving an adjustment to the cost of equity by a factor reflecting the effective use or value of franking credits (i.e. allowing for the proportion of taxed income paid out as dividends and the utilisation by investors). The proponents of this approach have in the past suggested a factor in the range 40-65% as representing the appropriate adjustment (gamma)⁸ although more recent commentary suggests a lower level (circa 25%). The gamma can be applied to the cost of capital or, alternatively, the tax charge in the forecast cash flows can be decreased to incorporate the expected value of franking credits distributed (the usual approach by regulators).

In Grant Samuel’s opinion, it is not appropriate to allow for dividend imputation for business valuation purposes:

⁷ Withholding tax on unfranked distributions will generally apply to portfolio investors in listed Australian entities but foreign companies (depending on their jurisdiction) are generally not subject to withholding tax on unfranked dividends of wholly owned Australian subsidiaries.

⁸ Under this construct the cost of equity is scaled by gamma (“δ”) (i.e. $Adjusted\ Re = Re \times \delta / (1 - \delta)$). Assuming the standard Australian corporate tax rate of 30% and $\delta = 0.5$, Re is multiplied by 0.82 (i.e. 0.70 divided by 0.85).

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- the underlying concept of gamma is flawed. The gamma is meant to represent some kind of complex market weighted average but the value of franking credits is essentially binary. They have 100% value to some (or many) domestic investors and 0% to foreign investors⁷. There is nobody to whom franking credits have a value equal to, say, 50% of their face value (i.e. there is no spectrum of outcomes to determine a meaningful “weighted average”);
- there is no direct evidence that imputation credits are factored into market prices of listed companies or the prices paid in acquisitions. The primary “proof” appears to be based on dividend drop off studies but these face serious questions as to reliability of data and the interpretation of the outcome never mind that it does not address risk and other issues associated with the ability to use them over the longer term; and
- it is not consistent with what is happening in real world markets. The adoption of a gamma factor (of, say, 0.5) must, by definition, mean that companies in the Australian market are valued such that:
 - domestic investors (who can use 100% of imputation credits) earn a higher return than their cost of capital; and
 - offshore investors earn less than their required return.

As such there should be no offshore investors in Australia (unless they have a lower cost of capital than domestic investors through some other means). It would also suggest that overseas acquirers of businesses in Australia would not be able to compete effectively with local acquirers. Rather, the evidence demonstrates that:

- marginal sharemarket prices are not set using any value for gamma; but that
- domestic investors enjoy a higher after tax return than comparably taxed offshore investors.

In summary, it is clear that dividend imputation affects returns to investors. However, the evidence gathered to date does not demonstrate or prove that franking credits are factored into the market price of listed companies or the prices paid in acquisitions. While acquirers are undoubtedly attracted by franking credits there is no clear evidence that they will actually pay extra for them or build it into values based on long term cash flows.

In any event, many of the likely purchasers for high quality resource assets such as OZ Minerals are offshore entities who will not place any value on franking credits (except possibly in relation to withholding tax savings).

Specific Risk (Including Sovereign Risk)

The CAPM/WACC discount rate is designed to be applied to “expected cash flows” which are effectively a weighted average of the likely scenarios. The theoretical underpinning of CAPM is that there is no need/requirement to recognise specific (unsystematic) risks. To the extent that a business faces particular risks, this specific risk should be dealt with by adjusting the cash flow scenarios. This avoids the need to make arbitrary adjustments to the discount rate which can dramatically affect estimated values, particularly when the cash flows are of extended duration or much of the business value reflects future growth in cash flows. In addition, risk adjusting the cash flows requires a more disciplined analysis of the risks that the valuer is trying to reflect in the valuation.

However, it is nevertheless common in practice to allow for certain classes of specific risk by adjusting the discount rate although it must be recognised that such adjustments compromise the theoretical integrity of the methodology. Moreover, there is little evidentiary base for measuring determining the size of any adjustments.

Sovereign or country risk premiums is one type of specific adjustment. It recognises that there is additional uncertainty associated with investments in developing markets such as political instability, economic risks

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(e.g. higher inflation), operating challenges (e.g. logistics, workforce), currency fluctuations, national debt crises and government regulation (e.g. expropriation, currency controls, fiscal regime changes).

However:

- it must be recognised that any such adjustments compromise the theoretical integrity of the CAPM methodology;
- there are arguments that no adjustment is necessary as the risks can be eliminated through diversification;
- there is no consensus as to the best approach or methodology for estimating country risk premiums. Suggestions include government bond spreads, credit default spreads, country credit ratings and relative volatility of equity market returns. Each approach has its limitations. There are widely referenced calculations such as those by Aswath Damodaran, but these have been subject to strident criticism (although it is one of the few easily accessible databases⁹);
- with a simple risk premium, the impact varies dependent on the duration of the cash flows (i.e. the impact on value is less for short term cash flows) albeit this is also an element of the risk exposure; and
- the effective exposure to country risks fundamentally depends on the nature of the business. A retailer or domestic manufacturer is entirely exposed to the domestic economy (and to currency risks for key inputs). This exposure is entirely different to that of a mining company producing commodities for export that are traded in US\$. A single country premium takes no account of these differences.

Accordingly, it is generally preferable where practical to deal with sovereign risk by either adjusting the cash flows or risking the NPV output rather than adopting a country risk premium (even though the economic effect may be similar). While this approach is essentially judgemental, with little evidential basis, the particular risks faced can at least be identified and articulated.

3 Calculation of WACC

3.1 Cost of Equity Capital

Risk Free Rate

Grant Samuel has adopted a risk free rate of 3.5%. The risk free rate approximates the yield to maturity on ten year United States Treasury Bonds in January 2023.

Market Risk Premium

Grant Samuel has consistently adopted a market risk premium of 6% and believes that this continues to be a reasonable estimate. It:

- is not statistically significantly different to the premium suggested by long term historical data;
- is similar to that used by a wide variety of analysts and practitioners as well as regulators (typically in the range 5-7%); and
- makes no explicit allowance for the impact of Australia's dividend imputation system.

While the cash flows are denominated in US\$, OZ Minerals is an ASX listed entity so Australian parameters are arguably of greater relevance.

⁹ Source: Damodaran, Aswath, *Country Risk: Determinants, Measures and Implications - The 2022 Edition*. Available online at stern.nyu.edu. Published by Aswath Damodaran, a professor at the Stern School of Business at NYU.

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Beta Factor

Grant Samuel has adopted a beta factor in the range 1.1-1.2 for the purposes of valuing OZ Minerals' mineral assets. While this might seem relatively high, it reflects the preponderance of the market evidence.

The historical beta factors for a range of copper and nickel producing companies as well as diversified global commodity producers have been considered in determining an appropriate beta. They have been calculated on two bases – relative to each company's home exchange index and relative to an international index (the aggregated world market for Barra and the MSCI for Bloomberg).

In Grant Samuel's view, betas estimated by reference to an international index are generally more relevant than those estimated relative to the local index, because they represent a better measure of investing in the resources sector (especially in the context of measuring systematic risk added to the portfolio of a diversified international investor such as a diversified mining company).

A summary of betas for selected comparable listed companies is set out in the table below:

EQUITY BETA FACTORS FOR SELECTED LISTED COPPER AND NICKEL PRODUCERS

	MARKET CAPITAL- SATION ¹⁰ (US\$ MILLIONS)	BARRA			ROZETTA ¹¹	BLOOMBERG ¹²			
		HISTORI- CAL ¹³	PREDICTED ¹⁴			MONTHLY (4 YEARS)		WEEKLY (2 YEARS)	
			LOCAL BETA	GLOBAL BETA		LOCAL INDEX	MSCI ¹⁵	LOCAL INDEX	MSCI
OZ Minerals	4,249	0.46	1.17	1.13	1.55	1.10	1.09	1.18	0.86
COPPER PRODUCERS									
Freeport-McMoRan	63,777	2.01	1.36	1.59		1.71	1.86	1.27	1.48
Antofagasta	21,039	1.14	1.27	1.35		1.08	0.96	1.18	0.89
First Quantum	15,913	1.82	1.62	1.79		1.67	1.58	2.12	1.36
Lundin Mining	5,820	1.42	1.44	1.55		1.49	1.31	1.44	0.89
Capstone Copper	3,386	1.95	1.69	1.92		2.05	1.38	2.19	1.24
MMG Limited	2,788	0.34	1.05	0.97		1.60	1.84	1.37	0.88
Sandfire Resources	1,957	1.33	1.44	1.61	1.49	1.26	1.28	1.52	1.07
Hudbay Minerals	1,518	1.73	1.60	1.76		1.64	1.62	1.95	1.09
Ero Copper	1,493	1.53	1.45	1.60		1.76	1.63	1.69	1.14
29Metals	665	0.97	1.37	1.48	--	1.19	0.81	1.48	0.87
Taseko Mines	509	1.91	1.66	1.86		1.72	1.59	1.94	1.19
Median		1.53	1.44	1.60		1.64	1.58	1.52	1.09
NICKEL PRODUCERS									
PT Vale Indonesia	4,905	0.46	1.12	0.85		1.58	0.99	1.17	0.67
Mincor Resources	574	0.97	1.32	1.42	1.48	1.03	0.88	1.50	0.70
Panoramic Resources	260	0.55	1.37	1.50	1.63	1.27	0.99	1.45	0.89
Median		0.55	1.32	1.42		1.27	0.99	1.45	0.70

Source: Rozetta, Barra, Bloomberg

¹⁰ Based on share prices as at 31 January 2023, except OZ Minerals which is based on its share price as at 5 August 2022 (being the day prior to the announcement of the Initial Proposal).

¹¹ The Australian beta factors calculated by Rozetta as at 30 September 2022 over a period of 48 months using ordinary least squares regression or the Scholes-Williams technique where the stock is thinly traded.

¹² Bloomberg betas have been calculated up to 31 January 2023. Grant Samuel understands that betas estimated by Bloomberg are not calculated strictly in conformity with accepted theoretical approaches to the estimation of betas (i.e. they are based on regressing total returns rather than the excess return over the risk free rate). However, in Grant Samuel's view the Bloomberg beta estimates can still provide a useful insight into the systematic risks associated with companies and industries. The figures used are the Bloomberg "adjusted" betas.

¹³ Historical beta factors calculated by Barra as at 31 December 2022 over a period of 60 months using ordinary least squares regression

¹⁴ Barra predicted beta is a "fundamental" beta based on a multi-factor model, which regresses historical company returns against the returns of a market index using company-risk and industry-risk factors, re-estimated on a monthly basis, within the regression equation.

¹⁵ MSCI is calculated using local currency so that there is no impact of currency changes in the performance of the index.

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EQUITY BETA FACTORS FOR SELECTED LISTED COPPER AND NICKEL PRODUCERS (CONTINUED)

	MARKET CAPITAL- SATION ¹⁰ (US\$ MILLIONS)	BARRA			ROZETTA ¹¹	BLOOMBERG ¹²			
		HISTORI- CAL ¹³	PREDICTED ¹⁴			MONTHLY (4 YEARS)		WEEKLY (2 YEARS)	
			LOCAL BETA	GLOBAL BETA		LOCAL INDEX	MSCI ¹⁵	LOCAL INDEX	MSCI
DIVERSIFIED MINING									
BHP	176,289	0.53	1.20	1.09	0.82	0.91	0.89	1.04	0.51
Rio Tinto	130,304	0.46	1.15	1.07	0.69	0.91	0.66	0.93	0.62
Glencore	84,521	0.71	1.17	1.12		1.62	1.22	1.13	0.65
Vale	84,336	0.87	1.11	1.09		1.01	1.12	0.78	0.88
Anglo American	51,845	1.18	1.32	1.40		1.49	1.14	1.55	0.97
Teck Resources	22,112	1.15	1.29	1.33		1.10	1.22	0.80	0.90
South32	14,596	0.78	1.27	1.29	1.29	1.10	0.97	1.30	0.78
Median		0.78	1.20	1.12		1.10	1.12	1.04	0.78
KEY OBSERVATIONS									
Minimum		0.34	1.05	0.85	0.69	0.91	0.66	0.78	0.51
Maximum		2.01	1.69	1.92	1.63	2.05	1.86	2.19	1.48
Median		1.14	1.32	1.42	1.49	1.49	1.22	1.44	0.89

Source: Rozetta, Barra, Bloomberg

OZ Minerals' measured historical beta factors from a range of sources (excluding Barra) are mostly between 0.9 and 1.6 (predominantly in the range 1.1-1.2) and lower than other copper producers but higher than diversified mining companies.

In aggregate, the observed betas across the industry show mixed results:

- individual company betas:
 - fall in a very wide range, from 0.34 up to 2.19;
 - vary significantly depending on whether the local or world market index is utilised (e.g. Capstone Copper and Hudbay Minerals vary by up to 0.9); and
 - vary materially, depending on the data measurement source (Rozetta, Bloomberg or Barra);
- the two year betas are all broadly higher than the four year betas. This may reflect the strong copper prices in recent years and deleveraging by commodity producers (both copper pure-plays and diversified miners). The longer term measures may be more reflective of the true risks of the industry;
- none of the other companies are directly comparable to OZ Minerals, which is largely focused on two large scale and long-life copper mining operations in Australia and on one major scale greenfield nickel project in Australia. The identified peers have very different risk profiles (e.g. geographic, scale, mine life) from OZ Minerals. It is difficult (and potentially incorrect) to place too much reliance on the beta observations of the peer group in determining the appropriate beta for OZ Minerals' mineral assets;
- Rozetta's observed beta for the entire metals and mining industry is 1.06 but this is heavily influenced by the large diversified miners; and
- gearing levels vary significantly but this is not always consistent with beta factors. OZ Minerals has lower gearing levels than the majority of its copper producing peers which has likely contributed to a lower observed beta for OZ Minerals over the periods assessed. On the other hand, its gearing levels are broadly aligned with the large diversified miners but its higher observed betas likely reflect its smaller scale and lack of diversification.



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In any event, the appropriate beta factor is the expected beta but conventional practice is to use historical beta as a proxy for the future. However, historical beta is not the same as expected beta and relative risk does change over time. Barra does attempt to calculate “fundamental” or predicted betas based on a multifactor regression model. Overall, Barra’s predicted betas are lower than the historical betas, although this is not always the case. It is arguable that more weight should be placed on these predicted betas as they are designed to be reflective of the future.

In summary, the evidence does not provide a clear outcome. To some extent, observed betas are impacted by the point in the commodity cycle (especially for copper which is widely considered a leading economic indicator) and the strength in commodity prices (which can also be amplified by diverging trends in supply and demand). However, it does suggest that observed betas in recent years have trended upwards over prior levels and may be indicative of the current point in the commodity cycle.

At the same time, most large diversified mining companies have historical betas closer to (and at times below) 1.0. Intuitively, this would make sense given their global operations and scale (in most cases) as well as their diversified commodity profiles which insulate these producers from one-off impacts from any one of their operations. OZ Minerals does not have the same scale or diversity.

Taking all of these factors into account as well as the nature of OZ Minerals’ mineral assets and the expected profile of an acquirer in OZ Minerals, Grant Samuel believes that a beta in the range 1.1-1.2 is a reasonable estimate of the appropriate beta.

In Grant Samuel’s view, the data is not sufficiently robust to draw a reasonable distinction between betas for copper assets and nickel assets.

Calculation

Using the assumptions set out above, the cost of equity capital for OZ Minerals can be calculated as follows

OZ MINERALS - COST OF EQUITY CAPITAL

	LOW	HIGH
Formula	$Re = Rf + Beta (Rm - Rf)$	
Outcome	$= 3.5\% + (1.1 \times 6.0\%)$ = 10.1%	$= 3.5\% + (1.2 \times 6.0\%)$ = 10.7%

3.2 Cost of Debt

A cost of debt of 6.0%-6.25%, which implies a margin of 250-275 basis points over the risk free rate, has been assumed. This margin reflects:

- Grant Samuel’s understanding of current market margins that OZ Minerals is achieving (on average across a range of markets and maturities) and:
 - is broadly consistent with margins achieved by other copper and base metal producers (noting that the margins achieved by other peers may reflect the prevailing market conditions at the time as well as differences in business risks, financial risks and earnings profiles);
 - accounts for the different credit profiles of OZ Minerals’ peer group, including:
 - copper producers, which are largely either unrated or sub-investment grade (with the exception of Freeport and Antofagasta); and
 - diversified miners, which all have investment grade credit ratings;
 - allows for the margin between government bonds (i.e. the risk-free rate) and lending benchmarks (i.e. interbank lending/swap rates, currently around 40-50 basis points in Australia); and
 - allows for debt issuance costs;



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- current spreads for Australian BBB bonds over Australian Government bonds of similar tenor as published by the Reserve Bank of Australia (31 December 2022):
 - 244 basis points for 5 years (or an average of around 230 basis points over the last twelve months); and
 - 208 basis points for 3 years (or an average of 195 basis points over the last twelve months); and
- the cost of liquidity. OZ Minerals is carrying cash of over \$135 million and undrawn facilities of over \$1,500 million (albeit the majority of which is from an 18-month syndicated term loan facility to fund West Musgrave project capital and therefore a relatively more constrained source of funds than the corporate revolver) both of which incur a cost (that is attributable to net borrowings). This liquidity cost is an inherent cost of financing the business.

3.3 Debt/Equity Mix

In determining an appropriate debt/equity mix, regard was had to gearing levels of OZ Minerals and the peer group companies used in the beta analysis. Gearing levels (based on market values) for these companies for the past five years are set out below:

GEARING LEVELS FOR SEELCTED LISTED COPPER AND NICKEL PRODUCERS

	NET DEBT/(NET DEBT + MARKET CAPITALISATION) ¹⁶							
	FINANCIAL YEAR ENDED					CURRENT ¹⁷	4 YEAR AVERAGE	5 YEAR AVERAGE
	HISTORICAL 5	HISTORICAL 4	HISTORICAL 3	HISTORICAL 2	HISTORICAL 1			
OZ Minerals	(36%)	(22%)	1%	10%	5%	10%	(1%)	(8%)
COPPER PRODUCERS								
Freeport-McMoRan	24%	32%	30%	14%	3%	4%	20%	20%
Antofagasta	3%	6%	4%	0%	(3%)	2%	2%	2%
First Quantum	40%	57%	56%	42%	31%	29%	47%	45%
Lundin Mining	(30%)	(36%)	1%	1%	(11%)	(3%)	(11%)	(15%)
Capstone Copper	25%	46%	42%	15%	(16%)	11%	22%	22%
MMG Limited	68%	68%	76%	67%	65%	66%	69%	69%
Sandfire Resources	(29%)	(49%)	(81%)	(86%)	22%	15%	(48%)	(45%)
Hudbay Minerals	23%	30%	38%	29%	34%	39%	33%	31%
Ero Copper	16%	18%	8%	7%	(5%)	4%	7%	9%
29Metals	---	---	---	---	2%	0%	2%	2%
Taseko Mines	27%	67%	67%	37%	28%	38%	50%	45%
Median	24%	31%	34%	15%	3%	11%	20%	20%
NICKEL PRODUCERS								
PT Vale Indonesia	(8%)	(13%)	(10%)	(12%)	(18%)	(14%)	(14%)	(12%)
Mincor Resources	(20%)	(30%)	(21%)	(14%)	(7%)	(7%)	(18%)	(18%)
Panoramic Resources	(9%)	17%	(17%)	(6%)	12%	13%	2%	(1%)
Median	(9%)	(13%)	(17%)	(12%)	(7%)	(7%)	(14%)	(12%)

Source: Company Reports, IRESS, S&P Global Market Intelligence, Bloomberg, Grant Samuel analysis

¹⁶ Net debt is inclusive of lease liabilities.

¹⁷ Current gearing levels are based on the most recent balance sheet information and on sharemarket prices as at 31 January 2023, except OZ Minerals which is based on its share price as at 5 August 2022 (being the day prior to the announcement of the Initial Proposal). With the exception of Sandfire, Mincor, Panoramic, BHP and South32, all other listed companies have a financial year end date of 31 December, meaning that 2022 financial results and balance sheet information may not have been available at the time of this report. As a result, the historical periods to calculate gearing begins on the most recent full financial year results (i.e. year ended 31 December 2021) for these companies.

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GEARING LEVELS FOR SEELCTED LISTED COPPER AND NICKEL PRODUCERS (CONTINUED)

	NET DEBT/(NET DEBT + MARKET CAPITALISATION)							
	FINANCIAL YEAR ENDED					CURRENT ¹⁸	4 YEAR AVERAGE	5 YEAR AVERAGE
	HISTORICAL 5	HISTORICAL 4	HISTORICAL 3	HISTORICAL 2	HISTORICAL 1			
DIVERSIFIED MINING								
BHP	9%	7%	12%	4%	0%	0%	6%	6%
Rio Tinto	4%	(1%)	3%	1%	(2%)	(1%)	0%	1%
Glencore	30%	39%	46%	46%	32%	25%	41%	39%
Vale	24%	17%	14%	7%	8%	11%	11%	14%
Anglo American	14%	8%	11%	13%	7%	7%	10%	11%
Teck Resources	22%	18%	27%	38%	29%	20%	28%	27%
South32	(18%)	(5%)	(5%)	(4%)	(4%)	(4%)	(4%)	(7%)
Median	14%	8%	12%	7%	7%	7%	10%	11%
KEY OBSERVATIONS								
<i>Minimum</i>	(30%)	(49%)	(81%)	(86%)	(18%)	(14%)	(48%)	(45%)
<i>Maximum</i>	68%	68%	76%	67%	65%	66%	69%	69%
Median	15%	17%	11%	7%	3%	7%	7%	9%

Source: Company Reports, IRESS, S&P Global Market Intelligence, Bloomberg, Grant Samuel analysis

OZ Minerals' historical gearing predominantly ranged between (or close to) 0% to 10%, with the larger fluctuations in gearing attributable to major capital expenditure programs and movements in copper prices. This level of gearing:

- is bookended:
 - at the top end by copper producers, which have the highest level of gearing amongst the peer group. However, the leverage levels have consistently declined over the last five years as copper prices have increased and generated cash inflows for these producers; and
 - at the bottom end by nickel producers, which have more conservative gearing profiles and consistently maintained net cash balances over the last five years likely reflecting their smaller scale and lack of diversification (i.e. higher reliance on individual operating mines);
- broadly in line with large diversified miners, which have historically maintained gearing levels of around 5-15%; and
- is below OZ Minerals' peak funding levels. Looking forward, OZ Minerals expects to draw on its syndicated term loan facility to develop West Musgrave and reach peak funding in 2024. However, a sell down of a partial interest in the project would mitigate its funding requirements.

Having regard to the above, the debt/equity mix has been assumed to be 10% debt and 90% equity. This is regarded as being broadly consistent with a beta factor of 1.1-1.2.

3.4 Calculated WACC

On the basis of the parameters outlined above and assuming a corporate tax rate of 30%¹⁹, the nominal WACC for OZ Minerals is calculated to be in the range 9.5-10.1%:

¹⁸ Current gearing levels are based on the most recent balance sheet information and on sharemarket prices as at 31 January 2023. With the exception of Sandfire, Mincor, Panoramic, BHP and South32, all other listed companies have a financial year end date of 31 December, meaning that 2022 balance sheet information may not have been available at the time of this report. As a result, the historical periods to calculate gearing begins on the most recent balance sheet information for these companies. Gearing levels for OZ Minerals are based on its share price as at 5 August 2022 (being the day prior to the announcement of the Initial Proposal).

¹⁹ The corporate tax rate is 30% in Australia and 15% in Brazil. The appropriate tax rate should be a blend of the tax rates in which the assets are located. However, as the assumed gearing level is relatively low, a higher or lower tax rate has minimal impact on the calculated WACC. In any event, OZ Minerals does not utilise any debt against its Brazilian assets.

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GRANT SAMUEL



OZ MINERALS - CALCULATED WACC

	LOW	HIGH
Formula	$= (Re \times E/V) + (Rd \times (1-t) \times D/V)$	
Outcome	$= (10.1\% \times 90\%) + (6.0\% \times (1-30\%) \times 10\%)$ $= 9.1\% + 0.4\%$ $= 9.5\%$	$= (10.7\% \times 90\%) + (6.25\% \times (1-30\%) \times 10\%)$ $= 9.6\% + 0.4\%$ $= 10.1\%$

4 Selection of Discount Rate

4.1 Australian Assets

Grant Samuel considers a discount rate within the WACC range of 9.5-10.0% to be appropriate for discounting the US\$ denominated cash flows of OZ Minerals' Australian assets. This rate reflects the calculations in Section 3 above as well as the following factors:

- while strict application of the CAPM using prevailing parameters has had a number of shortcomings over the past several years (particularly due to the extremely low government bond rates), these issues have become less of a concern in the current market environment as government bond rates have rebounded and returned to close to long term historical levels. In Grant Samuel's view, the discount rates produced by CAPM (using current market parameters) now appear to broadly be in accordance with the levels at which investors would set their expected returns;
- measurement of the risk premium is open to debate, even at the best of times. Most practitioners opt for using a "stable" risk premium and around 6% is a relatively common benchmark. However, equity markets are inherently volatile, and the "true" risk premium rises and falls. There was considerable press and other comment that the risk premium went up at the height of the COVID-19 pandemic in March 2020 but the subsequent strong recovery on global equity markets suggests much of this additional risk may have dissipated. At the same time, there could be arguments made that the risk premium has increased amidst the elevated levels of market volatility (arising from inflationary pressures, macroeconomic uncertainty and geopolitical tensions). Overall, there is not a strong case for moving from the standard 6%, particularly now that bond rates have shifted back closer to historical norms; and
- analysis of research reports on OZ Minerals indicates that brokers are currently adopting a WACC in a relatively wide range of 7-11% with a median of 9.0% (although the majority of the WACC observations are within a narrower range of between 8-10%). While these discount rates have generally been applied by brokers on A\$ denominated cash flows, in Grant Samuel's view, there is not a material difference between an A\$ based and a US\$ based discount rate in the current market environment.

4.2 Brazilian Assets

The Brazilian assets owned by OZ Minerals are also being valued in US\$. Nevertheless, there is a question of how (and to what extent) the elevated risks of investment in Brazil should be dealt with.

For the purposes of this report, Grant Samuel's approach is to account for these risks by subjectively discounting the NPV outputs that have been calculated using the same discount rate as adopted for the Australian assets (i.e. 9.5%-10.0%). In making the judgement as to the level of discount for sovereign risk, Grant Samuel has considered the particular risks to which the assets are subject. These include fiscal uncertainty, regulatory approvals (including consents and currency or export controls) and operational

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risks. On the other hand, exchange rate downside risks (i.e. depreciation of the Brazilian Real) are not a risk factor in so far as the result would be a reduction in US\$ operating costs.

The lower corporate tax rate in Brazil (25%, inclusive of the surcharge on annual taxable income in excess of 240,000 Brazilian reals) has not been reflected because it is inconsequential (with gearing of 10%) and, in any event, all debt is drawn in Australia.

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APPENDIX 5
TECHNICAL SPECIALIST REPORT BY
AMC CONSULTANTS PTY LTD

Appendix B Independent Expert's Report

AMC Consultants Pty Ltd

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Report

OZ Minerals - Independent Technical Specialist's Report Grant Samuel & Associates Pty Ltd

AMC Project 222112
2 March 2023

Unearth a smarter way

OZ Minerals - Independent Technical Specialist's Report

Grant Samuel & Associates Pty Ltd

222112

2 March 2023

The Directors
Grant Samuel & Associates Pty Ltd
Level 19, Governor Macquarie Tower, 1 Farrer Place
Sydney NSW 2000 Australia

Dear Sirs

OZ Minerals Limited Independent Technical Specialist's Report

OZ Minerals Limited (OZ Minerals) advised in its ASX Release dated 18 November 2022 that it had received a proposal from BHP Group Limited (BHP Group) to acquire all shares in OZ Minerals for A\$28.25 per share in cash via a scheme of arrangement.

On 22 December 2022, OZ Minerals announced that it had entered into a scheme implementation deed with BHP Lonsdale Investments Pty Ltd (BHP Lonsdale), a wholly owned subsidiary of BHP Group, under which BHP Lonsdale agreed to acquire all of the shares in OZ Minerals by way of a scheme of arrangement (Proposed Acquisition).

Grant Samuel & Associates Pty Ltd (Grant Samuel) advised AMC Consultants Pty Ltd (AMC) that:

- OZ Minerals had engaged Grant Samuel to prepare an independent expert's report (IER) in relation to the Proposed Acquisition.
- Grant Samuel required technical advice in relation to its preparation of the IER and an independent technical specialist's report (ITSR) to accompany the IER.

Accordingly, OZ Minerals engaged AMC to provide technical advice to Grant Samuel and prepare the ITSR concerning the mineral assets of OZ Minerals (Mineral Assets).

As instructed by Grant Samuel, the scope of ITSR consists of:

- AMC's description of the Mineral Assets.
- AMC's review of OZ Minerals' estimates of Mineral Resources and Ore Reserves.
- AMC's review of the estimates of production profiles, capital expenditure, and operating costs for significant producing and development Mineral Assets for which life-of-mine plans are provided by OZ Minerals.
- AMC's production and development scenarios for the purposes of financial modelling by Grant Samuel of each of the Mineral Assets noting that:
 - the scenarios vary depending upon the specific issues relating to each asset and may be based on extensions to current estimates of Mineral Resources and Ore Reserves and/or the potential for variations in future production rates.
 - AMC and Grant Samuel worked together to jointly specify and define the scenarios for each relevant asset.
- AMC's valuations of OZ Minerals' Mineral Resources not included in the life-of-mine plans provided by OZ Minerals, and OZ Minerals' exploration properties and other early-stage development assets for which life-of-mine plans have not been provided by OZ Minerals.
- The valuation date is 31 December 2022.

The ITSR is attached to this letter.

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OZ Minerals - Independent Technical Specialist's Report

Grant Samuel & Associates Pty Ltd

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Mineral Assets

Key components of the Mineral Assets are:

- Carrapateena - operation:
 - Located in central South Australia (SA).
 - Operating underground (sub-level caving) copper-gold-silver mine, with an ore processing facility producing concentrates.
 - Block caving is planned.
- Prominent Hill - operation:
 - Located in SA, north-west of Carrapateena.
 - Operating underground (sub-level open stoping with cemented fill) copper-gold-silver mine, with an ore processing facility producing concentrates.
- West Musgrave Ranges – project:
 - Feasibility study summary results publicly announced (September 2022).
 - Located in Western Australia (WA) near the intersection of the borders between WA, SA, and the Northern Territory.
 - Estimates of Mineral Resources and Ore Reserves have been publicly reported.
 - Open-pit mining is planned.
 - Nickel, copper-cobalt-palladium concentrate production is planned.
- Carajás East – operation:
 - Located in the state of Pará, northern Brazil.
 - Pedra Branca operating underground copper-gold mine, Saint Lúcia project with an ore processing facility producing concentrates at Antas.
- Carajás West (Pantera) – project:
 - Located in the state of Pará, northern Brazil.
 - Scoping study completed for the Pantera open pit project.
 - Copper-gold open pit and stand-alone processing facility being evaluated.
- CentroGold – project:
 - Located in the state of Maranhão, northern Brazil.
 - Pre-feasibility study with Ore Reserve estimate reported in 2019 being updated in 2022 for Cipoeiro deposits. Mineral Resource reported and being updated for Chega Tudo deposit.

Also known as the Gurupi deposits.

Other projects are at various stages of exploration and evaluation and located in:

- Australia.
- Brazil.
- Sweden.

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AMC's engagement

In providing technical advice to Grant Samuel and preparing the ITSR, AMC:

- Has taken instruction from and reported to Grant Samuel.
- Has been provided with technical information by OZ Minerals for the purposes of the assignment.
- Has limited its review of operating costs to site-based costs.
- Has not reviewed State or third-party royalties, taxes, concentrate transport charges, smelting and refining charges.
- Has been indemnified by OZ Minerals against actions arising from the assignment:
 - Other than those arising from actions taken or omitted to be taken by AMC illegally, in bad faith, or resulting from gross negligence, recklessness, fraud or material breach of the engagement as agreed.
 - As a result of use by AMC of information provided by the OZ Minerals or its representatives that is false, misleading, or incomplete in a material respect.
- Is being paid a fee by OZ Minerals according to its normal per diem rates which is not contingent on the outcome of the Proposed Acquisition.

VALMIN Code

AMC has prepared the ITSR as a Specialist in accordance with the VALMIN Code¹.

JORC Code

In this letter and the ITSR attached to this letter, AMC's use of the terms Mineral Resources and Ore Reserves are in accordance with the JORC Code².

ASIC Regulatory Guides

AMC has prepared the ITSR in compliance with the requirements of the Australian Securities & Investments Commission (ASIC) Regulatory Guide 111 (Content of expert reports) and Regulatory Guide 112 (Independence of experts).

AMC's independence

AMC has undertaken several technical consulting assignments on some components of the Mineral Assets for OZ Minerals or related companies. In all the assignments, AMC acts as an independent party and has no pecuniary interest in the performance of the Mineral Assets or the outcome of the Proposed Acquisition.

¹ Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, The VALMIN Code 2005 Edition, Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral industry Consultants Association with the participation of the Australian Securities and Investment Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Association of Australia and representatives from the Australian finance sector.

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition. Effective 20 December 2012 and mandatory from 1 December 2013. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC Code).

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AMC's consulting assignments for OZ Minerals can be described as:

- Geotechnical assessments and reviews.
- Benchmarking of operational costs and performance.
- Mining aspects of a study for the CentroGold project.
- Technical reviews of certain estimates of Mineral Resources and Ore Reserves.
- Review and design of underground backfill and related hazard assessments.

AMC's assessment is that the CentroGold project is not material to the value of OZ Minerals. Nonetheless, AMC engaged a mining consultant external to AMC to independently review AMC's work on that project (the mining aspects of the CentroGold project as referred to above). AMC elected to take this action as a conservative measure in the interests of precluding any potential perception of self-assessment via the obtaining of a 'second opinion', even though AMC's work on the project is as an independent consultant. The results of that review are presented in the CentroGold project section on the ITSR.

For all its consulting assignments, AMC is paid a fee according to its normal per diem rates and is reimbursed for out-of-pocket expenses related to the assignments.

Neither AMC nor the contributors to the ITSR have any interest, direct or indirect, in OZ Minerals, its subsidiaries or associated companies that could be reasonably construed to affect their independence. AMC will not receive benefits other than the fee paid to AMC in connection with preparation of the ITSR. That fee paid to AMC is not dependent on the contents of the ITSR. Therefore, AMC does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion as presented in the ITSR.

AMC does not, nor do its directors or employees, have any other business relationship with OZ Minerals or related companies other than the carrying out of individual consulting assignments as engaged. AMC has had no part in formulation of the Proposed Acquisition or its outcome.

Based on the above, AMC concludes that it is independent.

AMC's sources of information and site visits

Principal items of information provided by OZ Minerals to AMC and considered by AMC in the preparation of the ITSR are listed in Appendix C of the ITSR. That list is not exhaustive.

Additionally, AMC visited the Mineral Assets' key operations:

- Prominent Hill 19 December 2022.
- Carrapateena 20 December 2022.

Although the West Musgrave Project is key component of the Mineral Assets in terms of value, AMC considered that a site visit was not warranted for the purposes of preparing the ITSR because:

- There were no developments or no activities on site at the time of preparing the ITSR that would, in AMC's opinion, be likely to reveal information that could impact the AMC production cases or AMC's assessments of the risks or opportunities for the project.
- There was sufficient current information available to allow an informed evaluation to be made without an inspection in the form of photos of drill core, exploration reports, maps, and aerial photos and discussions off-site with OZ Minerals' management and technical who have been on the working project.
- Through its work on operations and projects that are reasonably similar to the West Musgrave Project in combination with the information provided to AMC as referred to above, AMC is sufficiently familiar with the geological, environmental, and project development settings of the West Musgrave Project without a site visit.

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AMC did not visit the Australian exploration projects that are not part of the Carrapateena or Prominent Hill operations, or the Brazilian operation or projects, or the Swedish exploration projects on the basis that they were not material to the overall value of OZ Minerals relative to the value of Carrapateena, Prominent Hill, and the West Musgrave Project.

For the purposes of preparing the ITSR, AMC reviewed material technical reports and management information and held discussions with management and technical staff of OZ Minerals.

AMC did not audit the information provided to it but aimed to satisfy itself that all that information was prepared in accordance with proper industry standards and is based on data that AMC considers to be of acceptable quality and reliability. Where AMC has not been so satisfied, AMC has included comment in the ITSR and made appropriate modifications in the AMC production cases provided to Grant Samuel and described in the ITSR.

In correspondence relating to AMC's commission by OZ Minerals to prepare the ITSR, OZ Minerals agreed to comply with those obligations of the commissioning entity under the VALMIN Code including that to the best of its knowledge and understanding, complete, accurate and true disclosure of all relevant material information would be made. OZ Minerals has represented in writing that to the best of its knowledge, it has provided AMC with all material information relevant to its Mineral Assets as described in the ITSR.

In preparing the ITSR, AMC has relied on information provided by OZ Minerals, and AMC has no reason to believe that information is materially misleading or incomplete or contains any material errors.

OZ Minerals, through its acceptance of AMC's proposal to prepare the ITSR, agreed to release and indemnify AMC for any loss or damage howsoever arising from AMC's reliance on any information provided by OZ Minerals in connection with the ITSR that is materially inaccurate or incomplete.

OZ Minerals was provided with a draft of the ITSR to enable correction of any factual errors and notation of any material omissions. The views, statements, opinions, and conclusions expressed by AMC in the ITSR are based on the assumption that all data provided to it by OZ Minerals are complete, factual, and correct to the best of OZ Minerals' knowledge.

The ITSR and the conclusions in it are effective at 31 January 2023. Those conclusions may change in the future with changes in relevant metal prices, further exploration, and other technical developments regarding the Mineral Assets, and the market for mineral assets.

AMC production cases

OZ Minerals provided AMC with life-of-mine (LOM) business cases (OZ Minerals Business Cases) for the following six components of the Mineral Assets (Key Mineral Assets):

- 1 Carrapateena.
- 2 Prominent Hill.
- 3 West Musgrave Project.
- 4 Carajás East.
- 5 Carajás West (Pantera).
- 6 CentroGold.

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OZ Minerals refers to the OZ Minerals Business Cases as its Conservative Case and its Upside Case and, in summary, describes them as:

- **Conservative Case** – A Conservative Case is based on internal company life-of-mine plans, with some adjustments made over time. Such a case is referred to in the ITSR as an OZ Conservative Case.
- **Upside Case** – In addition to a Conservative Case, an Upside Case includes other internal company planning projects that are not in Board-approved business plans. Such a case is referred to in the ITSR as an OZ Upside Case.

Based on the OZ Minerals Business Cases, AMC prepared two LOM schedules of physical production (tonnes, grades, and metallurgical recoveries) and capital expenditure and operating cost projections (AMC production cases) for Carrapateena, Prominent Hill, West Musgrave Project, and Carajás East where AMC considered there is a reasonable basis to do so. AMC then provided those AMC production cases to Grant Samuel for its financial modelling and consideration of value of the Key Mineral Assets.

However, Carajás West (Pantera) is at the stage of a scoping study and CentroGold is subject to an injunction as referred to in the ITSR. Although OZ Minerals provided AMC with OZ Minerals Business Cases for these two Key Mineral Assets, AMC, in conjunction with Grant Samuel, considered that there was not a reasonable basis for preparation of AMC production cases for these assets. Therefore, AMC valued these assets as Mineral Resources within exploration properties using methods commonly accepted in the industry for independent valuations of exploration properties.

For the Key Mineral Assets for which AMC prepared two production cases, AMC considered that those cases constitute a reasonable range of technical inputs for use by Grant Samuel in its financial modelling and valuation of those Key Mineral Assets. That range does not represent the absolute bounds of possible or likely outcomes because actual production and costs will naturally be dependent on further mineral exploration, technical developments and economic factors that impact the Key Mineral Assets. Those developments and factors could, in turn, result in LOM schedules and costs that lie outside the range represented by the two AMC production cases.

However, based on AMC's experience in the industry, combined with its assessment of the technical attributes and prospectivity of the Key Mineral Assets, AMC considers that the range represented by the two AMC production cases provides what a willing and knowledgeable buyer and a willing and knowledgeable seller might reasonably use in valuing the Key Mineral Assets.

Accordingly, the two AMC production cases can be generally described as:

- **AMC Production Case 1.** An AMC Production Case 1 is typically based on estimates of Ore Reserves and that part of Mineral Resources from which AMC had confidence of an extension to the mine life based on Ore Reserves only. Where such extensions are included, they are scheduled as late in the mine life as is practicable.
- **AMC Production Case 2.** An AMC Production Case 2 typically has mining and processing inventories additional to those of the corresponding AMC Production Case 1 which are included where AMC considered there is a reasonable basis for those additional inventories and, consequently, an extension to the mine life, or an increase in the production rate. Such additional inventories could, in AMC's opinion, reasonably be expected to be sourced, with further mineral exploration and related assessments from existing Mineral Resources or from exploration targets. Where such additions are included, they are scheduled as late in the mine life as is practicable. It should be noted that such additions are of a lesser confidence level, that is, they entail higher risk than that which applies to the basis of AMC Production Case 1. Accordingly, realisation of an AMC Production Case 2 requires continued success in mineral exploration, resource definition drilling, and conversion to Ore Reserves, or an increase in production rate as a result of additional capital expenditure or technical developments. In AMC's experience and opinion, a willing and knowledgeable buyer and a

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willing and knowledgeable seller would consider the risk associated with realising an AMC Production Case 2 in their valuations of the Key Mineral Assets.

Notwithstanding that an AMC Production Case 2 inherently involves higher risk than an AMC Production Case 1, AMC believes that both AMC production cases are based on reasonable grounds. Those grounds for each of the Key Mineral Assets are presented in the relevant sections of the ITSR.

The AMC production cases were provided to Grant Samuel electronically in Excel format.

AMC valuation of exploration assets

AMC has provided Grant Samuel with valuations of Mineral Resources not included in the AMC production cases and the exploration assets of OZ Minerals that are located remote from their operations and projects under development. AMC has not visited the exploration assets.

For exploration assets, it is not possible to project cash flows and/or production estimates with sufficient confidence to rely on discounted cash flow methodology. AMC therefore has considered other methods to value the exploration assets. These methods are commonly used in Australia to value exploration projects and are discussed in the ITSR.

The VALMIN Code defines a Technical Value as an assessment of future net economic benefit and a Fair Market Value as one which adds to or subtracts from a Technical Value a premium or discount relating to market, strategic or other considerations. AMC's values of exploration assets are Fair Market Values. Some of the exploration valuation methods result in a Technical Value, but AMC does not believe it appropriate at this time to apply a premium or discount to assets such as these to obtain Fair Market Value.

Tenure

OZ Minerals provided AMC with a recent independent report on the standing of its material tenements which was prepared as part of its legal due diligence processes. AMC has prepared the ITSR on the basis that the material tenements are in good standing.

Qualifications

AMC is a firm of mineral industry consultants whose activities include the preparation of due diligence reports and reviews on mining and exploration projects for equity and debt funding and for public reports.

The contributors to the ITSR are listed in Appendix B.

Format of the ITSR

The ITSR attached to this letter is in the form of:

- 1 Carrapateena.
- 2 Prominent Hill.
- 3 West Musgrave Project.
- 4 Carajás East Province.
- 5 Carajás West Province.
- 6 CentroGold.
- 7 Valuation of exploration properties.

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In the ITSR:

- The valuation date is 31 December 2022.
- Monetary figures are expressed in 2022 Australian Dollars (A\$) or United States Dollars (US\$) or Brazilian Real (R\$) unless otherwise noted.
- Some cost data for the Brazilian assets was presented in US\$ and was converted to R\$ using a rate of R\$5.26: US\$1.00.
- Costs are presented on a real, cash cost basis unless otherwise specified.
- Production and costs are presented on a calendar (January to December) basis unless otherwise specified.
- Abbreviations are defined and a glossary of terms used are presented in Appendix A.
- A list of contributors to the ITSR is presented in Appendix B.
- A list of key reference material is presented in Appendix C.
- A list of material tenements is presented in Appendix D.

Fees

OZ Minerals will pay AMC a professional fee of approximately A\$750,000 according to AMC's normal per diem rates for the preparation of the ITSR, including reimbursement of out-of-pocket expenses. The fee or its payment is not contingent upon the content of the ITSR or the outcome of the Proposed Acquisition, and AMC will not receive any other benefit for the preparation of the ITSR.

Consent

The ITSR has been provided to Grant Samuel for the purposes of forming its opinion as to whether the Proposed Acquisition is in the best interests of the OZ Minerals shareholders. AMC has given its consent for the ITSR to be appended to Grant Samuel's IER and to be included in the scheme documents and has not withdrawn that consent before their lodgement with the Australian Securities & Investments Commission. Neither this letter of the ITSR nor any part of them may be used for any other purpose without written consent.

The signatories to this letter and, accordingly, the ITSR attached to this letter are corporate members of the AusIMM and bound by its Code of Ethics.

Yours faithfully



D Varcoe
F AusIMM
Principal Mining Engineer



L Gillett
F AusIMM
Principal Mining Engineer

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Quality control

The signing of this statement confirms this report has been prepared and checked in accordance with the AMC Peer Review Process.

Project Manager


The signatory has given permission to use their signature in this AMC document
David Varcoe

2 March 2023

Date

Peer Reviewer


The signatory has given permission to use their signature in this AMC document
Lawrie Gillett

2 March 2023

Date

Author

Refer to Appendix B for additional authors

2 March 2023

Date

Important information about this report

Confidentiality

This document and its contents are confidential and may not be disclosed, copied, quoted or published unless AMC Consultants Pty Ltd (AMC) has given its prior written consent.

No liability

AMC accepts no liability for any loss or damage arising as a result of any person other than the named client acting in reliance on any information, opinion or advice contained in this document.

Reliance

This document may not be relied upon by any person other than the client, its officers and employees.

Information

AMC accepts no liability and gives no warranty as to the accuracy or completeness of information provided to it by or on behalf of the client or its representatives and takes no account of matters that existed when the document was transmitted to the client but which were not known to AMC until subsequently.

Precedence

This document supersedes any prior documents (whether interim or otherwise) dealing with any matter that is the subject of this document.

Recommendations

AMC accepts no liability for any matters arising if any recommendations contained in this document are not carried out, or are partially carried out, without further advice being obtained from AMC.

Outstanding fees

No person (including the client) is entitled to use or rely on this document and its contents at any time if any fees (or reimbursement of expenses) due to AMC by its client are outstanding. In those circumstances, AMC may require the return of all copies of this document.

Public reporting requirements

If a Client wishes to publish a Mineral Resource or Ore / Mineral Reserve estimate prepared by AMC, it must first obtain the Competent / Qualified Person's written consent, not only to the estimate being published but also to the form and context of the published statement. The published statement must include a statement that the Competent / Qualified Person's written consent has been obtained.

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Appendices

Appendix A Abbreviations and Glossary of Terms

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Appendix D Exploration and mining tenements

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1 Carrapateena

1.1 Location and background

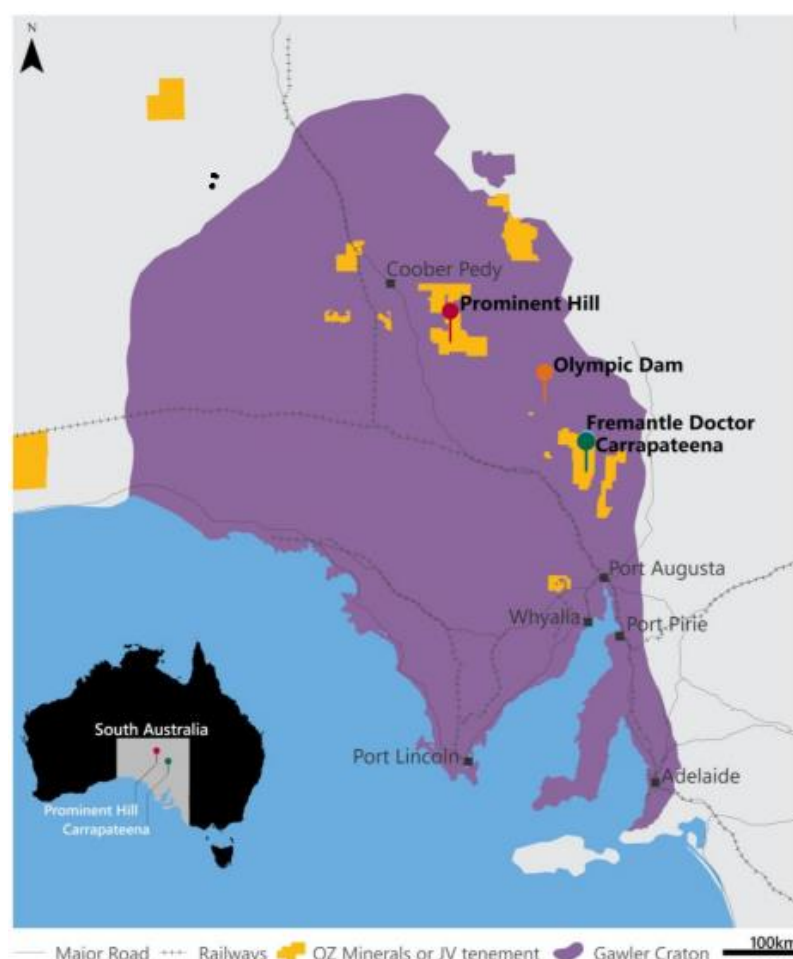
1.1.1 Location

The Carrapateena operation is located approximately 420 km north of Adelaide and approximately 160 km north of Port Augusta in South Australia. Road access to the operation is via the Highway linking Adelaide with Alice Springs and Darwin in the Northern Territory. A 55 km access road constructed by OZ Minerals (the Western Access Road) connects the mine to the Highway. Use of the access road is managed by OZ Minerals.

Fremantle Doctor comprises a Mineral Resource that is in its early stage of resource development. Fremantle Doctor is located approximately 2.4 km north-east of Carrapateena. Fremantle Doctor is a consideration in the AMC production cases for Carrapateena.

The locations of the Carrapateena and Prominent Hill mines are shown in Figure 1.1

Figure 1.1 Location of Carrapateena and Prominent Hill



Source: OZ Minerals MRE and ORE Statement 2022

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1.1.2 Background

Operations at Carrapateena include an underground mine currently using a sub-level caving (SLC) mining method and an ore processing plant producing a gold-rich copper concentrate. A block caving (BC) mining method is proposed for the lower part of the deposit below the SLC mining area.

Concentrate for the most part is transported by road to a concentrate storage facility at Whyalla prior to shipping to various domestic and international copper smelters.

The operational workforce commutes to the mine by air from Adelaide and Port Augusta airports. Various commute cycles are used to enable operations to be carried out on a twenty-four-hour basis, 365 days per year.

1.1.3 Tenement holdings

The Carrapateena deposit is located on Mineral Lease 6471. This lease has an approved Program for Environmental Protection and Rehabilitation (PEPR) as required under the South Australian Government Mining Act 1971 and is in good standing.

A summary of the tenements covering the Carrapateena operation is shown in Table 1.1. The locations of the tenements are shown in Figure 1.2.

Table 1.1 Carrapateena tenements

Tenement	Tenement Number	Tenement Grant Date	Tenement Expiry Date	Status of Currency
Carrapateena Mining Lease	ML 6471	3 January 2018	2 January 2039	Current
Airstrip, workers accommodation village, access road and ancillary infrastructure	MPL149	5 July 2017	4 July 2038	Current
Western infrastructure corridor I	MPL 152	3 January 2018	2 January 2039	Current
Eastern Radial Wellfield	MPL 153	3 January 2018	2 January 2039	Current
Southern access road and radial wellfield	MPL154	3 January 2018	2 January 2039	Current
Northern wellfield	MPL 156	11 December 2018	2 January 2039	Current

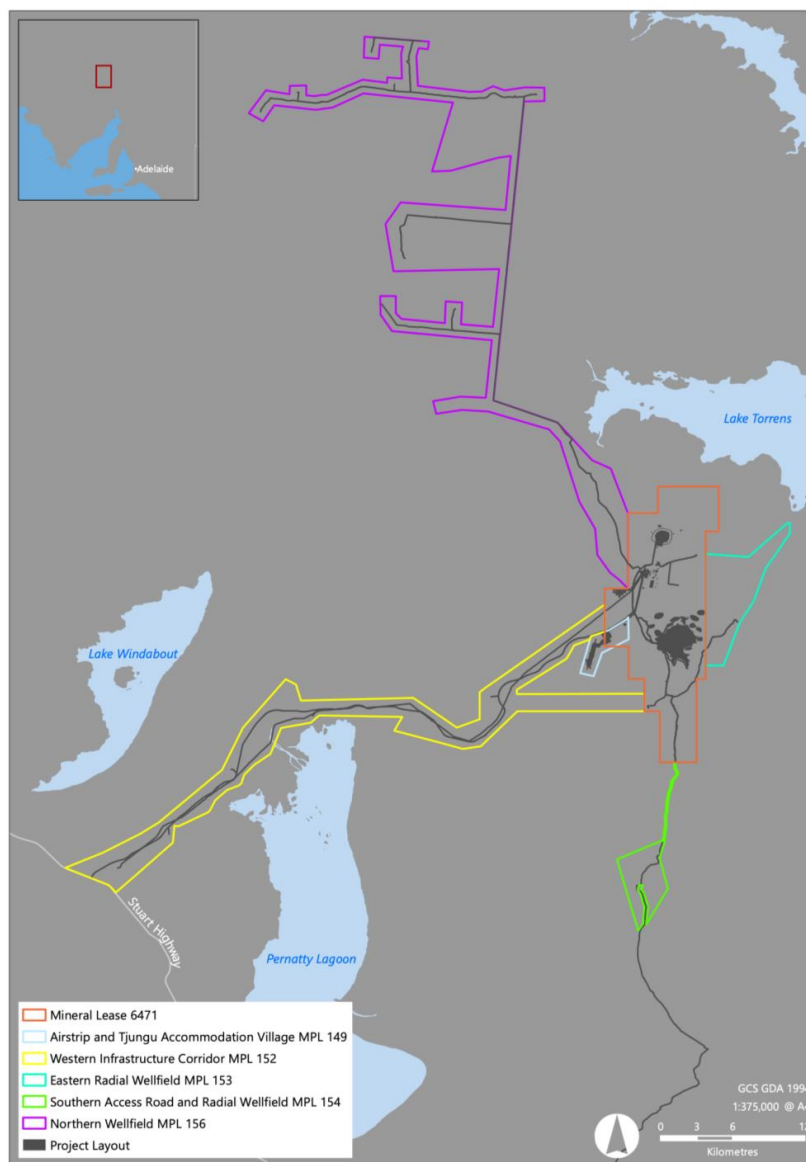
Source: Carrapateena Operation PEPR Compliance Report 2021.

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Figure 1.2 Location of Carrapateena tenements



Source: Carrapateena Block Cave Expansion Feasibility Study Stage 1 and LOMP

1.1.4 Operational history

The Carrapateena deposit was discovered in 2005 by RMG Services Pty Ltd. The approximate lateral extent of the mineralised zone was defined by drilling carried out during 2006 to 2008 by a joint venture between RMG Services Pty Ltd and Teck Cominco Australia Pty Ltd (Teck). The project was acquired by OZ Minerals in 2011. Following acquisition, OZ Minerals carried out further exploration and evaluation of the project.

In 2016, OZ Minerals signed a partnering agreement with the Kokatha Aboriginal Corporation, the traditional owners the area and in 2017 early works on the project commenced including mining of the access decline to the deposit.

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In 2018, following completion of feasibility studies and project approvals, construction of the project commenced. First saleable concentrate from the operation was produced in December 2019 and ramp-up to the planned annualised production rate of 4.25 Mtpa was achieved in 2020.

Mining and ore processing have continued essentially as planned since 2020 with development of the cave zone above SLC mining area reaching surface in December 2022.

The production history of the Carrapateena operation over the past three years is summarised in Table 1.2.

Table 1.2 Carrapateena production history

Year	Units	2020	2021	2022 ¹
Ore mined	Mt	2.69	4.71	3.43
Copper grade	%	0.99	1.31	1.43
Gold grade	g/t	0.68	0.72	0.65
Ore milled	Mt	2.93	4.61	3.50
Copper feed grade	%	1.03	1.29	1.44
Gold feed grade	g/t	0.70	0.72	0.65
Copper recovery	%	91.2	92.5	93.1
Gold recovery	%	80.9	84.3	85.4
Concentrate produced (dry)	kt	72.1	136.7	116.4
Copper in concentrate	kt	27.6	55.3	46.8
Gold in concentrate	koz	53.1	89.8	62.1

Source: Various OZ Minerals public documents and company advice

Notes: ¹ ten months to October 2022

Mine production and mill processing tonnages have been lower than planned for the 2022 year to October due to significant downtime resulting from two major failures on the decline conveyor belts and restricted SLC production to manage the caving process and associated air gap. Ore grades have been lower than planned mainly due to development waste mined being incorporated into the ore stream to the mill and hence diluting the grade.

1.2 Site visit

During AMC's site visit, key aspects of the operation were inspected including the underground workings, the processing plant, the core handling and storage area, and the tailings storage facility (TSF). Discussions were also held with senior members of the Carrapateena operating team.

1.3 Geology and Mineral Resources

1.3.1 Geology

The Carrapateena Breccia Complex is located within the Olympic copper-gold (Cu-Au) Province on the eastern edge of the Gawler Craton, which covers approximately 600,000 square kilometres of South Australia. It is hosted within the basement granite and is unconformably overlain by approximately 480 m of Neoproterozoic sediments. Mineralization and alteration are in the form of that seen at other large South Australian iron oxide copper-gold (IOCG) deposits including Prominent Hill and Olympic Dam.

The basement Breccia Complex is an iron oxide matrix, hematite and chlorite altered granite breccia within the weakly foliated Donington Suite granitoids. These have been intruded by porphyritic rhyodacite units, and chloritic, sericite altered microdolerites.

Mineralization is associated with a large regional alteration system within the Donington Suite granitoids that is also associated with Khamsin and Fremantle Doctor. The copper-gold

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mineralization is hosted in hematite breccias comprising clasts of granitoids, mafic dykes and calcareous veining. The main alteration assemblages at Carrapateena are hematite, chlorite, sericite, and carbonate.

Mineralization is controlled by structures, coincident with sub-horizontal and shallowly dipping veins, that are masked by hydrothermal brecciation, iron alteration and mineralization events. The deposit is interpreted to have formed as a magmatic hydrothermal injection breccia from a magmatic source. Explosive venting and subsequent collapse resulted in the formation of Carrapateena.

The Neoproterozoic sediments comprise flat lying siliclastic and chemical sediments of the Stuart Shelf. These comprise near surface Arcoona quartzite, the Corraberra sandstone, and laminated oxidised siltstones. These transition with depth to the laminated siltstones of the Woomera shale, with the bedded Whyalla sandstone, with dolomitic horizons and a basal conglomerate in palaeotopographic lows towards the bottom of the sequence.

1.3.2 Mineral Resources and estimation

The current Carrapateena Mineral Resource estimate (MRE) provided by OZ Minerals is as at June 2022, and reported in the Carrapateena MRE and ORE Statement 2022. Additional information is sourced by AMC from the Carrapateena 2022 MRE Draft Report. That report is still in draft.

The Carrapateena Mineral Resource estimate prepared in 2022 includes 78 new diamond drillholes (DD) for 39,681 m of drillcore, mostly drilled from underground. The total drilling for the 2022 Carrapateena Mineral Resource estimate is approximately 205,000 m.

The cut-off grade (CoG) for the Carrapateena Mineral Resource estimate is a wireframe shape determined as having reasonable prospects of eventual economic extraction (RPEEE) as described in the JORC Code. The boundary of the RPEEE wireframe shape (RP Shape) is determined by applying a A\$25/t net smelter return (NSR)³. The base of the Mineral Resource estimate shape applied is 3,600 m reduced-level (RL).

The Carrapateena Mineral Resource as reported by OZ Minerals is summarized in Table 1.3.

Table 1.3 Carrapateena Mineral Resource estimate as at 30 June 2022 within a A\$25/t NSR cut-off envelope

Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (Moz)
Measured	140	1.1	0.43	4.1	1,500	1,900	18
Indicated	470	0.61	0.26	2.7	2,800	3,900	40
Inferred	300	0.26	0.13	1.8	800	1,300	18
Total	900	0.56	0.24	2.6	5,100	7,000	76

Notes:

- The values in the table are subject to rounding.
- This Mineral Resource estimate does not account for mining recovery or mining dilution.
- The use of a cut-off to generate a contiguous envelope required by block caving results in some blocks below cut-off being included in the Mineral Resources, as exemplified by the Inferred Resources, of which 66% of the tonnage is below the cut-off.
- Mineral Resources are inclusive of the Ore Reserves.

³ NSR is defined as the net value A\$ value per tonne of ore after consideration of all costs (mining, process, general and administration, product delivery), metallurgical recoveries, sustaining capital, concentrate metal payabilities and treatment charges, transport costs and royalties.

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The Fremantle Doctor Mineral Resource estimate is reported with a cut-off of 0.4% copper as summarized in Table 1.4.

Table 1.4 Fremantle Doctor Mineral Resource estimate as at 30 June 2022 within a A\$25/t NSR cut-off envelope

Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (Moz)
Measured	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-
Inferred	100	0.51	0.33	1.2	520	1,100	4.0
Total	100	0.51	0.33	1.2	520	1,100	4.0

Notes:

- The values in the table are subject to rounding.
- The Mineral Resource does not account for mining recovery or mining dilution.
- The use of a cut-off to generate a contiguous envelope required by block caving results in some blocks below cut-off being included in the Mineral Resources, as exemplified by the Inferred Resources, of which 23% of the tonnage is below the cut-off. This below cut-off material contributes 11% of Cu metal, 9% of Au metal and 14 %of AG metal.
- The NSR/t has used Carrapateena metallurgical assumptions as these are seen by OZ Minerals as mineralogically similar to Fremantle Doctor. Sensitivity to Cu recovery, Au recovery, and Cu metal in concentrate on NSR/t has been conducted to ensure this approach is robust to variability in metallurgical assumptions.

The processes used by OZ Minerals to estimate Mineral Resources at Carrapateena and Fremantle Doctor are similar. The description outlined below focuses on Carrapateena with material exceptions at Fremantle Doctor also provided.

1.3.3 Data collection

All drillholes prior to 2019 were drilled from surface. Drilling between 2019 and 2022 includes both surface and underground drillholes at Carrapateena. Drillholes in the database are DD, although reverse circulation (RC) or rotary-mud pre-collars are drilled in the cover sequence. Core diameter includes PQ, HQ, and NQ. Drilling for OZ Minerals was undertaken by recognized drilling contractors.

OZ Minerals surface drillholes and wedges are all angled to intersect the mineralization where practical. Recent drilling underground is near horizontal. The drill-hole-to-target orientation and density of drilling are reasonable for the style of mineralization.

Over 99% core recovery is achieved in the breccia complex. Drilling is logged and orientation is collected where possible. PQ, HQ and NQ core is cut in half or quarters for sampling. Samples are typically collected on one metre intervals.

Recognized commercial testing laboratories are used for assaying samples using industry-accepted assay methods with acceptable detection limits.

The sample preparation and analytical methods used for core samples have been similar for all drilling. Copper grade is determined using modified aqua regia digest or multi-acid digest with ICP-OES finish. Gold grade for OZ Minerals samples is determined using 40 g fire assay with atomic absorption spectrum (AAS) finish. Earlier assaying methods are similar. The differences in assay methods or laboratories were reviewed by OZ Minerals. Minor differences in the accuracy and precision of data between the laboratories identified is not considered by OZ Minerals to be significant, and the data can be combined. The differences are not considered by AMC to be material.

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Drillhole collar positions are surveyed using a Differential Global Positioning System (DGPS). Downhole surveys are performed at reasonable intervals with appropriate equipment. OZ Minerals has a downhole survey calibration cradle for checking accuracy of survey tools.

AMC considers for the depths of the drillholes and the accuracy of downhole measurement that minor errors in drill collar locations will not be material for the Carrapateena Mineral Resource estimate.

1.3.4 Bulk density

Bulk density determinations used the water immersion method (air-dried core sample weighed on a tray in air and in water). OZ Minerals calibrates the scales using known metal weights. The bulk density determination process is of a high standard and is supported by internal calibration practices.

1.3.5 Data management

Historically, the data was a complicated collection of different methods and testing laboratories each judged at the time to be the most representative. OZ Minerals reviewed the data and chose to only use the data from two primary commercially recognized laboratories.

In 2017, a new database was built with data migrated into a Geobank table structure with Geobank front end interface. In 2020, a series of data validations and framework update was completed by OZ Minerals' database administrators with third-party support.

During the site visit AMC observed that the core handling and storage facility was well kept and equipped. No core preparation, logging or sampling was being conducted during the site visit, and therefore the procedures were not able to be observed. However, the method of sample selection and preparation for assay, as documented and described to AMC, are rigorous and consistent with industry standards.

1.3.6 Data management processing and checks

OZ Minerals has:

- Automated processes for inputting data from sampling and logging into the database.
- Drilling methods that are standard across the mining industry.
- A long-term relationship with one laboratory, some inter-laboratory checks, and an understanding of the historical data.
- Checked historic drill collar locations.
- Calibration checks within the bulk density measurements.

1.3.7 Data quality assurance and quality control (QA/QC)

Monitoring of assay quality control has been in place since the early Teck drilling. OZ Minerals has maintained QA/QC practices since acquiring the asset.

Assay QA/QC protocols are in place that included certified reference material, blanks, field duplicates, pulp duplicates and coarse duplicate assays. QA/QC submission rates are lower than ideal. Results of the available QA/QC data suggests anomalies within the most recent data are addressed or are not considered material to the Carrapateena Mineral Resource estimate.

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1.3.8 Carrapateena Mineral Resource estimation process

Three types of domains are modelled using geology and geochemistry. These are:

- Lithology (LITH) domains of basic rock types.
- Mineralization (MINZ) domains derived from lithology domains and modified for leach zones and different copper sulphide mineralogy.
- Fluorine (FLUOR) domains to accommodate fluorine's bimodal population in the estimations.

Basement domain wireframes are constructed using Leapfrog software. Control lines are used to manipulate implicit interpretation. Domain wireframes are constructed by creating the implicitly modelled variable DOMAIN based on the LITH, MINZ, and FLUOR domain codes. Each volume created is exported to Vulcan.

Carrapateena downhole composite length is four metres in the copper and gold domains. The sample length for most raw data is one metre. The composite length is based on previous studies to assess different composite lengths. Four metres was selected in 2015 from OZ Minerals' studies and from the influence of one domain being only four metres wide, and four metres continues to be used.

For the Carrapateena Mineral Resource estimate, the variography is analysed using Supervisor software to assess continuity orientations for the estimate and replaced all previous analysis. The analysis is undertaken on all interpreted basement domains using the four metre composite data and the MINZ, LITH, or FLUOR.

Data is transformed when appropriate using Normal Scores, and back transformed. Semi-variogram values are normalised. Variogram model axis directions are determined by OZ Minerals considering the dominant grade continuity and visual assessment. However, visual assessment is limited due to the spatial distribution. The Carrapateena 2022 MRE Draft Report reports that experimental variograms commonly reflected downhole orientation rather than any other direction of mineralization trend. To overcome this, OZ Minerals selected the axis directions based on a compromise between visual assessment of the grade continuity and the overall shape of the domain. For simplicity, the same axis directions are used in a domain for each variable estimated.

AMC considers the method and outcomes of the variography to be to industry-accepted standard.

Top-capping is applied to the composited data for copper, gold, silver, and fluorine. Based on assessment of the log-probability plots and histograms. Grades are not cut below the 97th percentile.

Quantitative Kriging Neighbourhood Analysis (QNKA) is used to determine minimum and maximum sample numbers, block sizes, and searches. The QNKA is based on the data in four of the 20 MINZ domains 412, 413, 513, and 600.

The dimensions of the parent blocks within the 17 of the 20 domains are 20 mX × 20 mY × 20 mZ. The exceptions are domains 412 and 512 with blocks 10 mX × 10 mY × 10 mZ, and 40 mX × 40 mY × 40 mZ in the granite. Sub-blocking is to 5 m × 5 m × 5 m.

Drill spacing is variable; less than 30 m × 30 m up to 30 m × 50 m. AMC considers the block size to be appropriate for the drill spacing, while accommodating the geometry of each domain.

The estimation is run in three passes with the first two passes using ordinary kriging (OK). Search dimensions and specified limits on composites are used in the first and second pass. The median grade is applied as the third pass to un-estimated blocks.

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Domain perimeters are used as hard boundaries to confine the estimation search within the mineralized domain. Soft boundaries are used for bulk density due to continuity of rock types beyond the defined mineralized zones.

AMC considers that the estimation approach used is reasonable.

1.3.9 Fremantle Doctor Mineral Resource estimate process

Domain definition used a combination of assay data and geology, taking into consideration the characteristics of the breccia, the mineralogy of copper and iron, and the copper and iron grades as there are differences in copper grade statistics between lithological domains.

The downhole composite length is one metre which is the same as the sample length for most sample intervals. No top capping has been applied to the data.

Variographic analysis used Supervisor software. The block model is interpolated using OK interpolation method. The estimation was run for copper, gold and silver grades, as well as fluorine, iron and uranium. Bulk density is also modelled using ID2. The dimensions of the blocks within the domains are 20 mX × 20 mY × 20 mZ and 40 mX × 40 mY × 40 mZ in the granite.

AMC considers that the estimation approach used is reasonable.

1.3.10 Grade Validation

OZ Minerals checks data when it is imported into Vulcan as being from the correct database and that the data is plausible. Composites are visually reviewed in 3D to confirm domains are assigned correctly. This included computational checks to confirm calculations are correct. Codes and composites are checked against domain boundaries and compositing.

OZ Minerals undertakes estimation validation of the block model estimate. This includes:

- Visual validation of block grades against drill holes.
- Statistical comparisons between grade and block data.
- Swath plots of drillhole data and block models.
- Comparison with the previous estimation.

The Carrapateena Q2 Reconciliation memo describes the reconciliation of the calculated plant feed by the Geology department against the total reconciled plant feed by the Metallurgy department 2 showed for the total reconciled plant feed for the quarter t to be 5% higher than the calculated plant feed tonnage, 4% lower for copper grade and 5% above the model for gold grade. The higher gold content is considered by OZ Minerals to be due to the poor boundary definition in the upper parts of the orebody with early mining. Gold production grade was 23% above the block model grade in 2021. The effect of early mining on gold grade on the reconciliation is expected by OZ Minerals to continue to diminish further with time.

1.3.11 Cut-off grade

A NSR dollar of A\$25/t is applied to define a mineable envelope within the mineralization, conditional on RL. The NSR calculation considers handling and refining costs, moisture content, commodity prices, penalties, royalties, metallurgical recoveries, and exchange rates. The NSR envelope is a mineable shape with internal blocks below the NSR cut-off included to maintain continuity of the shape.

At Fremantle Doctor, the value of A\$25/t was used by OZ Minerals to cover expected mining, processing and site G&A costs, while still maintaining acceptable continuity of mineralisation above cut-off. As such, A\$25/t is applied to define a mineable envelope for Fremantle Doctor.

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AMC considers that A\$25/t NSR for block caving appears reasonable and is sufficient for a Carrapateena Mineral Resource estimate.

1.3.12 Classification criteria

The Carrapateena Mineral Resource estimate is classified and reported as Measured, Indicated, and Inferred in accordance with the JORC Code based on:

- The quality of the data.
- Drill density.
- Continuity of geology and grade.
- Reconciliation against production data.

AMC considers the approach to the Carrapateena Mineral Resource estimate classification to be reasonable.

1.3.13 Mineral Resource estimate reporting

The Carrapateena Mineral Resource estimate is reported within a A\$25/t NSR envelope which is generated in 2D horizontally between 4,600 mRL and 3,600 mRL. The shape outline is intended to reflect a block cave mining shape to support the RPEEE.

The Fremantle Doctor Mineral Resource estimate is reported within a A\$25/t NSR envelope. As such, the Mineral Resource estimates carries internal waste.

1.3.14 Estimation summary

AMC makes the following observations:

- Surface drilling is widely spaced at depth. Understanding of the deposit has improved with exposures in underground development and horizontal drilling. Defining the vertical boundaries with precision is difficult with vertical drillholes.
- The interpretation and domaining is based on geology and grade.
- Grade estimation uses internationally recognized processes.
- There is a reliance on the domain's median grade being representative of grade for the third pass block grade allocation. Generally, this is a very small proportion of the blocks, particularly in the mineralized domains and the median grade is very close to the domain's mean grade.

1.3.15 AMC estimation validation

AMC has independently interrogated the block model estimations as a global confirmation of grade for Carrapateena and Fremantle Doctor using data and parameters supplied by OZ Minerals. This was undertaken using Datamine software. AMC closely replicated the Mineral Resource estimates as reported by OZ Minerals, allowing for rounding by OZ Minerals and the use of different software packages.

AMC viewed the drillholes against the block model and satisfied itself that the distribution of geology and grade is well represented by the block model. AMC also compared the results for each Domain separately and satisfied itself that these are appropriately reported as well.

Swath plots of drillhole composites plotted against block model grades were reviewed by AMC and confirmed that the model correlates with the input data in location and scale.

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1.3.16 Conclusions

AMC's conclusions for the Mineral Resource estimates are:

- AMC considers that the Carrapateena and Fremantle Doctor Mineral Resource estimate classifications, given the complexity of the geology and the drillhole data densities, are reasonable.
- The estimates are appropriately classified as Measured, Indicated, and Inferred Resources in accordance with the JORC Code. AMC broadly concurs with the Carrapateena and Fremantle Doctor Mineral Resource estimate classification.
- AMC has used the block models provided by OZ Minerals to AMC to confirm that the tonnage, grades, and classifications reported in the Mineral Resource estimates can be reproduced. AMC confirmed this to be the case.

The Carrapateena Mineral Resource estimate and the Fremantle Doctor Mineral Resource estimates are appropriate to be used as the basis for Ore Reserve estimation.

1.3.17 Exploration and resource potential

The primary source of exploration potential at Carrapateena is at depth below the current Carrapateena Mineral Resource estimate. The current Carrapateena Mineral Resource estimate is reported above 3,600 mRL. Drilling information confirms mineralization below this depth to 3,500 mRL. Drilling below this depth is challenging due to the orientation and depth. Grade intercepts in drillholes are identified to approximately 3,000 mRL. Available drillhole data between 3,000 mRL and 3,500 mRL suggests there is limited continuity of grade at depth.

There is limited potential for lateral extent of the Carrapateena Mineral Resource estimate due to geological controls. Carrapateena Mineral Resource estimates identified in the walls of the final block cave shape will be sterilized from later extraction due to the proposed mining method.

Fremantle Doctor is an Inferred Mineral Resource and requires additional drilling.

1.4 Geotechnical investigations

Geotechnical investigations for Carrapateena include characterization of the rock mass based on diamond drill data gathered during drilling campaigns undertaken by OZ Minerals, including re-logging of core photos. More than 40 km of core logging has been used for assessing Rock Mass Rating (RMR) and Mining Rock Mass Rating (MRMR) for the different lithologies. The data collection included joint set orientation for different rock types and laboratory test results.

AMC did not have access to the reports that compile and analyse the data from logging and laboratory test results or the reports about the numerical models used in stability analyses. AMC has, however, reviewed summaries of the geotechnical work done. Based in those reports, AMC concludes that enough data from logging and test results is available to characterise the different lithologies from a geotechnical point of view and later used in different analysis and modelling. In AMC's opinion, the level of geotechnical data collected, and the analysis carried out is adequate for a feasibility study.

Based on the geotechnical studies undertaken, Carrapateena management has established ground support procedures for the current underground excavations, which AMC considers appropriate.

Both the SLC and block caving mining methods require the strata overlying the mining area to progressively collapse, or cave into the void created by the removal of ore. It is critical in both methods that this process is monitored and managed to avoid development of significant voids over the mining area, which can create an airblast hazard. Carrapateena has established a comprehensive airblast hazard management protocol and to date has successfully monitored and managed the caving process in respect of the SLC.

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The area undercut by the SLC and block caving methods must have sufficient size (footprint) to enable the overlying rock to cave naturally. In the case of the SLC, caving to surface has been assisted by weakening parts of the overlying rock mass using a hydrofracking technique.

In the case of the block cave below the SLC, empirical and numerical analysis indicates that a footprint with Hydraulic Radius (HR) of 40 m and span a of 160 m will be required. The planned footprint is large enough to initiate caving (HR of 65 m and minimum span 300 m).

A numerical model was used to identify stress levels, the degree of deformation to be expected, and the types of rock support measures required on the block cave extraction level and the associated development. This work has identified that high levels of deformation can be expected on parts of the extraction level. AMC notes that the models have not been calibrated against actual behaviour and therefore the results should be considered relative indicators of geotechnical performance.

Fragmentation analysis has been carried out using scanline mapping data from within the orebody and geotechnical data relating to discontinuity geometry and other rock properties. The analysis used a block cave software package (BCF) to estimate the primary and secondary fragmentation, and the respective percentage of rock fragments having a volume greater than 2 m³ reporting to drawpoints. Estimates were made for three geotechnical domains within the planned cave zone.

A summary of the modelled fragmentation results is included in Table 1.5.

Table 1.5 Modelled percent greater than 2 m³ size fraction

Fragmentation Domain	Percent Greater Than 2 m ³ Size Fraction (%)						
	Mean Primary Fragmentation	Mean Secondary Fragmentation At Draw Height					
		50 m	150 m	250 m	350 m	450 m	550 m
HGBA	37	28	16	11	8	7	5
HGRX	38	25	12	8	5	3	3
Granite	11	2.1	<1	<1	0	0	0

Source: Carrapateena Block Cave Expansion Feasibility Study Stage 1.

The upper, mean, and lower quartile results from the modelling indicates a wide range of possible fragmentation distributions reporting to drawpoints.

The estimated fragmentation distribution of the granite domain is similar to other successful block cave operations. However, the HGRX and HGBA domains are significantly coarser and unless precondition is carried out in these domains draw point hang-ups and significant production delays can be expected.

OZ Minerals has considered mine design layouts to minimise seismic hazards and potential rockburst events. The potential for rockburst events in potentially high-risk zones was assessed considering low and base rock mass properties. AMC agrees with the procedure of comparing designs to minimise risk of rockburst and seismicity.

Carrapateena has established operating procedures for mitigating hazards associated with inrushes of fine dry material or mud into the working areas. This is a particular hazard in caving mines if a large volume of water can enter the cave zone. Although large volumes of water are not present at Carrapateena, AMC considers that the precautions being taken are prudent.

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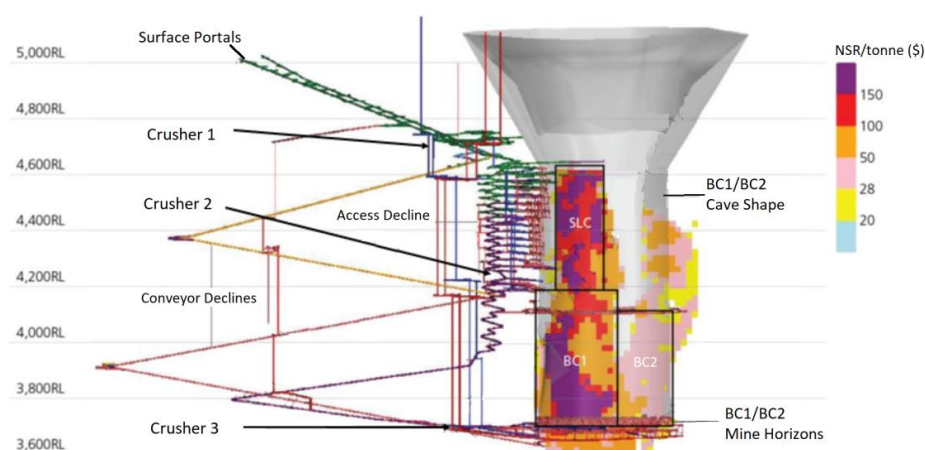
1.5 Mining Operations and Ore Reserves

1.5.1 Current mining operations

The underground mine is accessed from surface via two declines; a main access decline suitable for use by large underground mining equipment, and a decline equipped with an ore conveying system.

OZ Minerals plan to use the SLC mining method down to the 4,155 mRL (approximately 940 m below surface). Two adjacent block caves, Block Cave 1 (BC1) and Block Cave 2 (BC2) are planned below the SLC area. The planned extraction level for BC1 is on 3,680 mRL (approximately 1,420 m below surface). It is planned to mine BC2 after BC1. Figure 1.3 shows a schematic of the current and planned underground workings.

Figure 1.3 Proposed mine design for Carrapateena



Source: OZ Minerals, 2020 Carrapateena Ore Reserve Statement modified by AMC.

The SLC mining method used at Carrapateena is similar to the methods used at other Australian SLC mines such as the Ernest Henry mine in north-west Queensland. The rock mass quality is good, and conditions are mostly dry. SLC crosscuts are spaced at 15 m centres, are mined 5 m high by 5 m wide and supported using suitable rock bolts, fibrecrete and, where necessary, cable bolts. Ore is drilled and blasted using a standardised development layout and standard drill and blast patterns which are conducive to a highly productive mining operation.

The materials handling system installed as part of the initial underground development includes a crusher (Crusher 1) installed near the top of the SLC mining area. Ore is trucked from the SLC levels via the main access decline to Crusher 1. Crushed ore is transferred from the crusher via an apron feeder and a tramp metal removal system to the main conveyor belt for transfer to surface. The conveyor discharges to the run-of-mine stockpile ahead of the processing plant.

Construction activity is currently underway to extend the materials handling system by installing Crusher 2 at the base of the planned SLC mining area. Ore from Crusher 2 will be fed to a conveyor system connecting to the existing conveyor to surface. When the extended materials handling system is commissioned, ore from each SLC mining level will be transferred using load-haul-dump units (LHDs) to an ore collection level via ore passes. Ore will be collected by LHDs from the base of each ore pass and transferred to Crusher 2. OZ Minerals envisage that the extension of the materials handling system will be commissioned by the end of 2023.

Extending the materials handling system will significantly reduce the number of haul trucks, and the associated operating cost, of transferring ore from the SLC levels to Crusher 1.

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Commissioning of the extended materials handling system should enable production to be increased to circa 4.7 to 5.0 Mtpa.

Apart from the operation and maintenance of the materials handling system and other fixed infrastructure, ore production, development mining, and associated mining services are carried out by Byrnegut Mining Pty Ltd (Byrnegut), a specialist underground mining contractor. A 10-year alliance-style mining services contract with Byrnegut commenced in March 2021.

1.5.2 Future mine expansion

OZ Minerals is progressing a feasibility study⁴ (the Block Cave Expansion Study) for mining BC1 and BC2. The study envisages increasing the annual production rate from the Carrapateena operation to 12 Mt in stages as shown in Table 1.6.

Table 1.6 Materials handling system parameters by stage

Parameter	Stage 1 (complete)	Stage 2 (in progress)	Stage 3 (not started)
Mining method	SLC	SLC	Block cave
Annual production (dry)	4.3 Mtpa	6.0 Mtpa	12 Mtpa
Underground crushing	Crusher 1	Crusher 2	Crusher 3
Haulage to surface	Single conveyor	Multiple conveyor lifts	Multiple conveyor lifts
Haulage system utilization of total time	70%	70%	85%

Key milestones in the planned development schedule for the block cave expansion are as follows:

- Scheduled decline start date: November 2021.
- First undercut firing: July 2025.
- First drawbell fired: March 2026.
- Crusher 3 complete: April 2026.
- Process plan expansion complete: September 2027.
- Last BC1 drawbell fired: December 2027.

Early work has commenced on developing the access declines to Crusher 3 and the BC1 extraction level. Start of January 2023 face position is at 4130 mRL.

A key requirement for mining BC1 and BC2 will be to extend the access declines, the materials handling system, and the ventilation infrastructure to below the block cave extraction level. It is proposed to mine the access and materials handling declines in parallel at a gradient of 1:6.

The materials handling system for BC1 and BC2 envisages the direct transfer of ore from drawpoints to the crusher tipple using 21 tonne capacity LHDs. A 4-way tipping arrangement is planned enabling multiple LHDs to operate efficiently on the level.

Ore will be tipped to a surge bin with an apron feeder below feeding a jaw-gyratory crusher (Crusher 3). Below the crusher, a surge bin and apron feeder will feed ore to a tramp metal removal system before the ore is fed to the main decline conveying system. Two 1,050 mm wide main conveyor belts in series will feed ore to the conveyors from Crusher 2. In total, five conveyors in series will convey ore to surface. The overall design capacity of the materials handling system is 12 Mtpa, averaging 32,900 tpd and an instantaneous capacity of 1,850 tph. An overall system utilisation of 85%⁵ is assumed, which AMC considers to be reasonable.

⁴ October 2021, OZ Minerals, Carrapateena Block Cave Expansion Feasibility Study Stage 1.

⁵ Defined as a percentage of total time (24 hours by 365 days per year)

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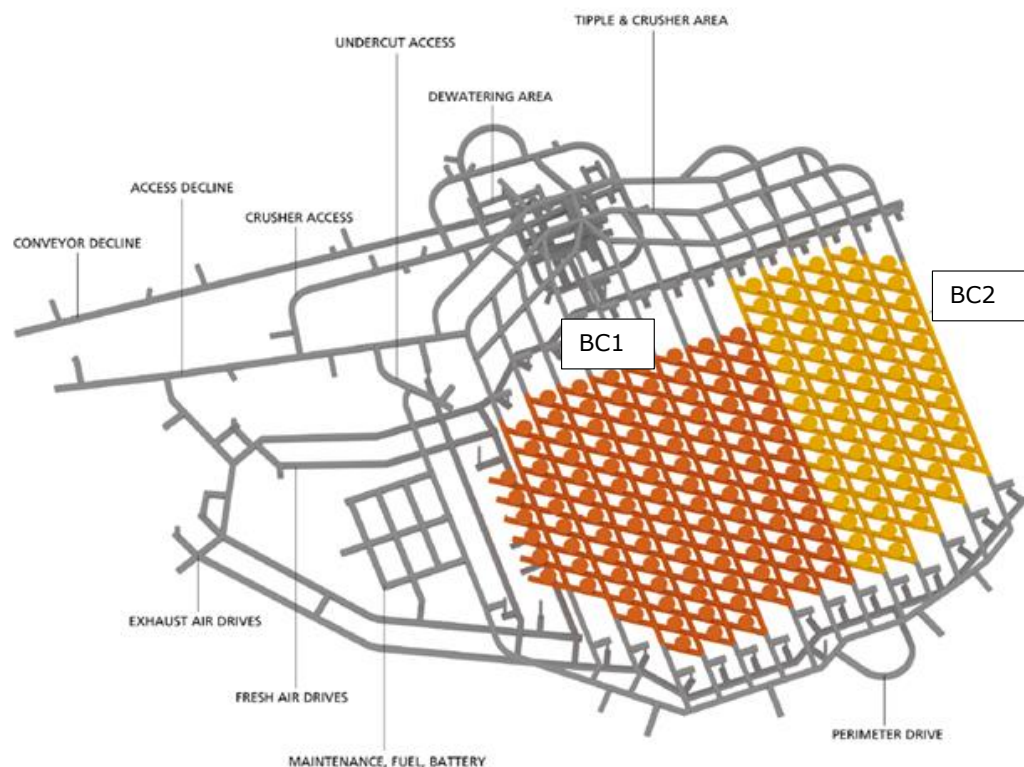
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Four new 4.7 m diameter ventilation raises to surface each developed in four segments are planned: two for intake air and two for return air. An expansion of the existing refrigeration plant from 9 MW to 18 MW is planned with bulk air coolers to be installed on top of the intake raises. Maximum virgin rock temperature at the BC1 extraction level is anticipated to be 66 °C. Exhaust fans will be installed at the top of the return air raises. A ventilation-on-demand system is planned to maximise the effectiveness of the ventilation system.

The block caving method proposed for BC1 and BC2 is comparable to other existing block caving operations (for example, Cadia, El Teniente, and 33et Tolgoi). The design requires development of an undercut level, an extraction level, and the associated access, ventilation, and ore handling excavations. BC1 will require construction of 196 draw points, an additional 146 draw points are proposed for BC2. The proposed layout for BC1 and BC2 is shown in Figure 1.4.

Figure 1.4 Proposed block cave layout of BC1 and BC2



Source: Carrapateena Block Cave Expansion, Feasibility Study Stage 1.

A critical aspect of the successful extraction of BC1 and BC2 will be the requirement for the caving process to extend vertically upwards from the draw point footprint. A feature of caving operations with similar footprint shapes to BC1 is for the column of caved ore to narrow as it extends upwards. To assist in achieving vertical cave propagation, a rock preconditioning programme is proposed. A preconditioning and monitoring level is planned at 4,175 mRL. Vertical holes are to be drilled from the level to enable a hydrofracturing programme to condition rock overlying the footprint. Once this programme is finished, cave monitoring instrumentation systems will be installed in these holes.

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Factors impacting the way the cave will propagate include the footprint shape, the presence of major faults and structures, the principal stress direction, and the rock mass strength. The effect of pre-conditioning is to generally weaken the rock mass, particularly in areas where the cave column is likely to narrow or overhang. The undercutting direction and draw management strategies can help manage the caving process.

In AMC's opinion, the proposed design and cave management strategies for BC1 and BC2 are reasonable. However, there remains a risk that vertical caving will not occur and that overhangs will develop in both BC1 and BC2. When modelling production from BC1 and BC2, caps have been applied to the maximum tonnage to be drawn from each drawpoint to account for the ore lost in possible overhangs. In AMC's opinion, this simplistic approach may be insufficient to fully account for ore loss.

1.5.3 Ore Reserves and estimation process

The Carrapateena Ore Reserve estimate (ORE) as at 30 June 2022 is shown in Table 1.7.

Table 1.7 Carrapateena Ore Reserve estimate as at 30 June 2022

Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (Moz)
Proved	-	-	-	-	-	-	-
Probable – SLC	27	1.4	0.71	7.0	380	600	6.0
Probable – BC1	130	1.1	0.43	4.4	1,400	1,800	18
Probable – BC2	38	0.57	0.21	2.2	220	260	2.7
Total	190	1.1	0.42	4.3	2,000	2,600	27

Source: Carrapateena MRE and ORE Statement 2022.

Notes:

- The values in the table are subject to rounding.
- The Ore Reserves are included in the Mineral Resource estimate.
- Shut-off values vary by mining block in the SLC, with A\$90/tonne used for the top 5 operating levels, reducing to A\$65/tonne for the remainder. The shut-off value for BC1 is A\$30/tonne. The shut-off for BC2 is A\$34/tonne.
- Dilution within the Ore Reserve is incurred due to the nature of the mining method and is included in the Ore Reserves estimate. Dilution totals 24Mt grading 0.19% Cu, 0.14g/t Au, 1.7g/t Ag and originates from Inferred Resources, Unclassified material, and 760kt of mined waste.
- The SLC, BC1, and BC2 Ore Reserves are supported by the 2020 Carrapateena Pre-Feasibility Study.
- At the time of publication, the Competent Person has a reasonable basis for the publishing of this Ore Reserve estimate, in that the Block Cave Pre-Feasibility Study has been completed and is being progressed to a Feasibility Study. The economic viability of the Block Cave option is based on a staged schedule which includes the SLC, BC1 and BC2. Changes to the decision date to proceed with the block cave, or changes to the SLC cave mining strategy will impact on the ratio of SLC and block cave material in the total estimate, but not materially impact on the total Ore Reserve estimate. The economic viability of BC1 and BC2 reduces with time, and a decision to change the mining plan later than 1 January 2023 impacts the economics of the block cave mining option.

The Carrapateena Ore Reserve estimate comprises three separate mining areas of the same deposit: the SLC area, BC1, and BC2. The relative positions of the three areas are shown in Figure 1.5.

The Carrapateena Ore Reserve is based on the Mineral Resource model used to estimate the Carrapateena Mineral Resource and accounts for the expected recovery and dilution of the portion of the Mineral Resource planned to be mined. The portion of the Carrapateena Mineral Resource converted to the Carrapateena Ore Reserve includes both Measured and Indicated Resource. Some Inferred Resource is also unavoidably included because of the non-selective nature of the caving methods. Because of this and of the uncertainty of the caving process, a Probable Ore Reserve classification has been applied to the entire Ore Reserve.

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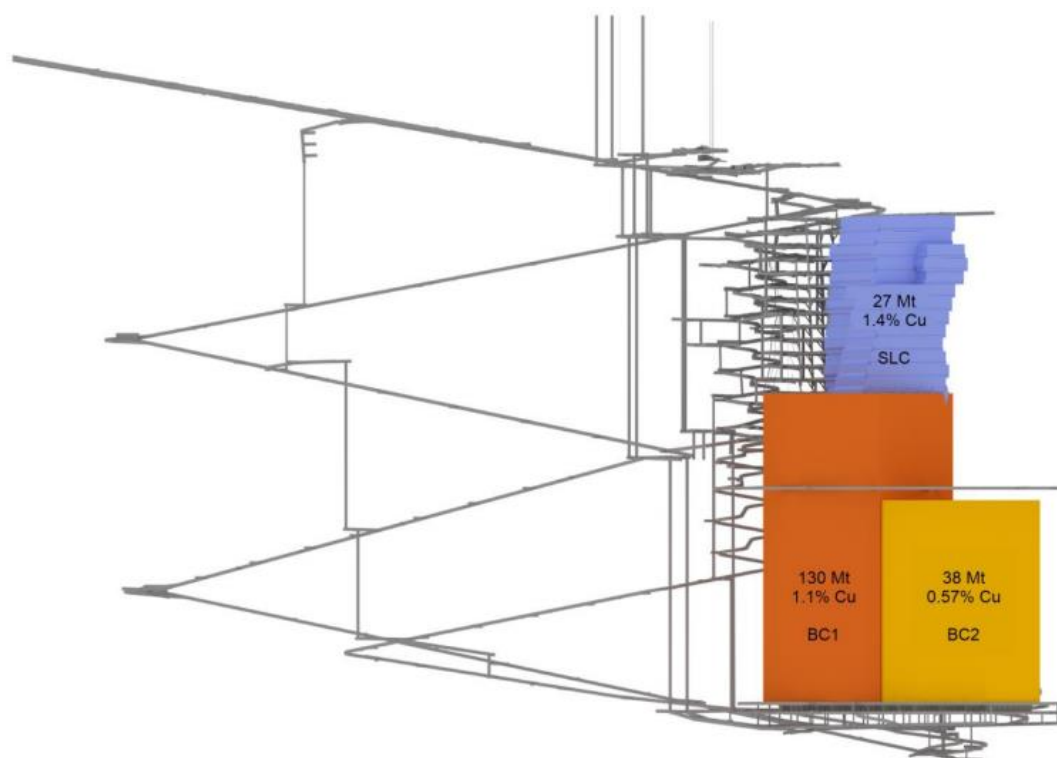
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Although the material handling system at Carrapateena can separately convey ore and waste from the mine, the process is difficult to manage efficiently, and some development waste enters the ore stream. The Ore Reserve estimate takes this into account.

The SLC portion of the Carrapateena Ore Reserve has been estimated using an industry-recognized computer code (Power Geotechnical Cellular Automata (PGCA)) which considers the different rock properties and expected ore flow characteristics of the broken rock comprising the deposit and the overlying strata.

The BC1 and BC2 portions of the Ore Reserves have been estimated using PCBC proprietary software for block cave scheduling licensed by Dassault Systemes. Inputs to the PCBC model are based on experience from existing caving operations.

Figure 1.5 Carrapateena SLC, BC1, and BC2 mining areas



Source: Carrapateena MRE and ORE Statement 2022

The Carrapateena Ore Reserves have been prepared by a Competent Person as required by the JORC Code. In AMC's opinion, the Ore Reserves have been prepared and reported in accordance with the Code.

1.5.4 Resource development and future mining concepts

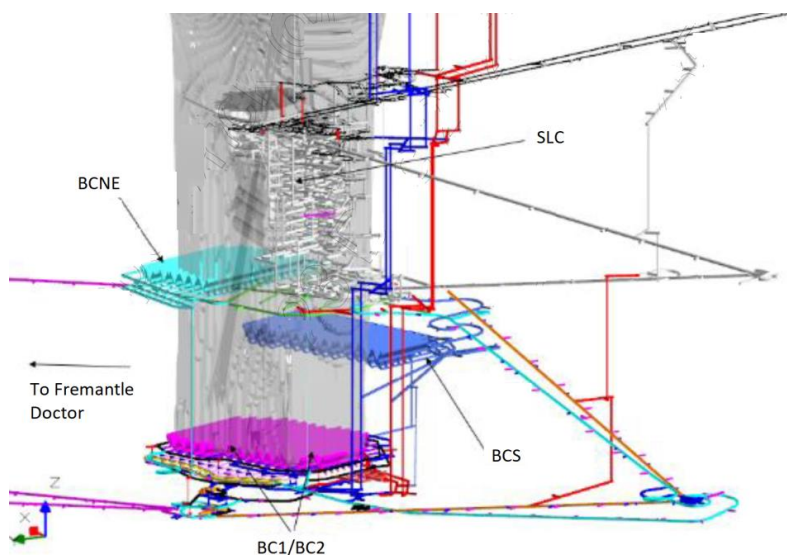
OZ Minerals has developed concepts for mining Carrapateena Mineral Resources that have not been included in the June 2022 Ore Reserve estimate. These concepts include the development of two block caves abutting BC1; Block Cave South (BCS), and Block Cave North-East (BCNE). The extraction levels for these blocks are above the BC1 extraction level. The possible location of the extraction levels for these blocks is shown in Table 1.6.

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Figure 1.6 Possible location of BCS and BCNE extraction levels



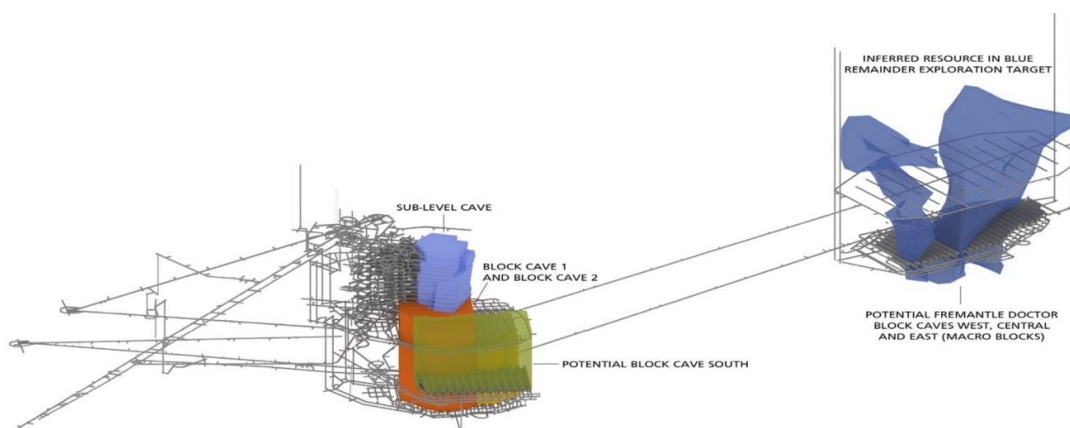
Source: Carrapateena Block Cave Expansion and LOPP (Life of Province Plan)

Fremantle Doctor is 2 km from the Carrapateena underground operation and could potentially be connected by a conveyor and access crosscut from the BC1 infrastructure. Very limited investigation and study work has been carried out on the Fremantle Doctor deposit. However, OZ Minerals envisage that the deposit could be mined using block caving. The development concept for the Fremantle Doctor deposit is shown in Figure 1.7.

No Mineral Resource estimate has been prepared for the Khasmin and the Saddle deposits which are located approximately 20 km north-west of Carrapateena. These deposits would require an independent decline access from surface and a materials handling system. Ore from these deposits could potentially be transferred to the mineral processing plant at Carrapateena.

Carrapateena Deeps would sit below proposed BC1 and BC2 extraction level. Developing a further block cave below BC1 and BC2 would face significant challenges from increased stress levels and virgin rock temperatures.

Figure 1.7 Development concept for the Fremantle Doctor deposit



Source: Carrapateena Block Cave Expansion Study and LOPP

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1.6 Mineral processing

1.6.1 Processing plant description

The Carrapateena ore processing plant uses a conventional milling and flotation circuit to produce a copper-gold concentrate which is treated off-site.

Crushed ore from the run-of-mine stockpile is fed to a semi-autogenous grinding (SAG) mill via two reclaim feeders. After grinding to a designed nominal P_{80} size of 75 μm , slurry is then floated through conventional tank cell roughers. The rougher concentrate is then reground using two parallel high-intensity grinding (HIG) mills, nominally producing a 20 μm product. The reground concentrate is then upgraded using a Jameson Cell to produce a final concentrate. The Jameson Cell tail is further cleaned using three stages of conventional tank cell cleaners, in combination with a second Jameson Cell which also produces final concentrate. The final concentrate is thickened, filtered, and stockpiled before being stored in rotainers for load-out. A rotainer is a shipping container with modified top panel such that retractable doors can open and close to ensure minimal dust losses during transportation.

A schematic of the ore processing flowsheet is shown in Figure 1.8.

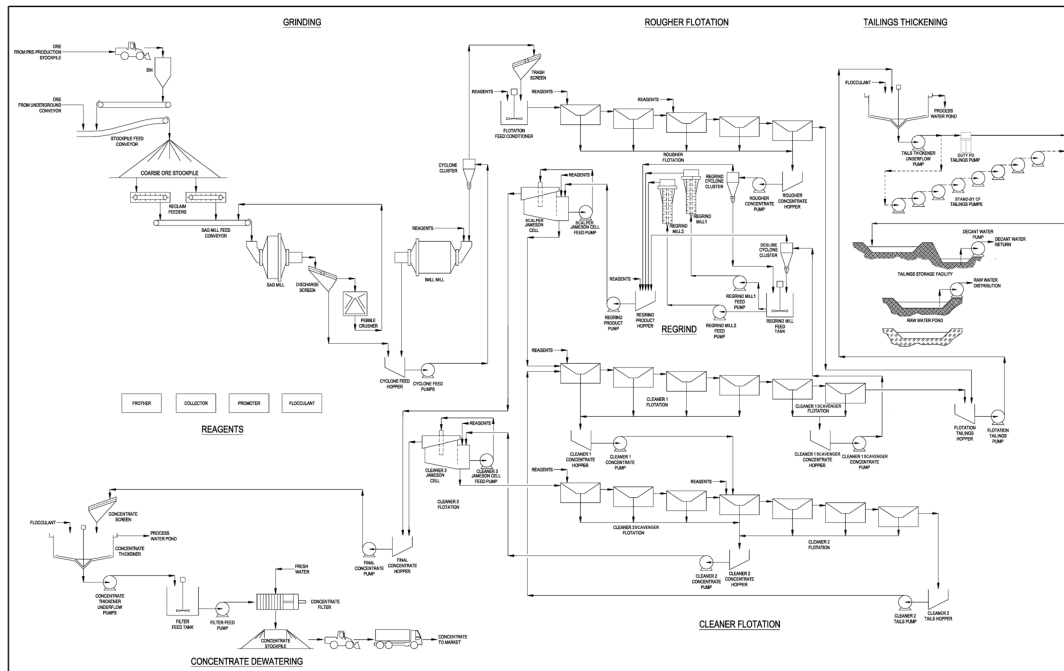
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Figure 1.8 Carrapateena ore processing flowsheet



Source: OZ Minerals, 05.08.11 Carra Plant flowsheet_20221301

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A summary of the major ore processing equipment is:

- An 8.5 m diameter by 4.57 m SAG mill with a single 7 MW drive motor.
- An 8.7 m diameter by 10.97 m overflow ball mill with dual pinion 9.5 MW variable speed drive.
- A 150 tph pebble crusher, with an 80 mm feed and a P₈₀ discharge of 13 to 15 mm.
- A regrind mill with a 1.6 MW motor, producing a product P₈₀ of 15 to 20 µm.
- Five 130 m³ rougher cells.
- Cleaner cells include a Jameson Cell, five 50m³ cells, and seven 20 m³ cells.
- A 15 m diameter concentrate thickener and a 27 m diameter tailings thickener.
- A vertical 32 plate press concentrate filter expandable to 40 plates.
- Reagent storage shed, loading, and blending facility.

The processing plant was designed to grind at a rate of 500 tph (4.25 Mtpa). This throughput has been exceeded since commissioning to an average of around 580 tph, but higher rates have been achieved for extended periods of time. The increased throughput has increased the primary grind size to nominally 90 µm, and new equipment has been installed to achieve the required concentrate grade and copper recovery. This includes the installation of a second regrind mill and installation of a second Jameson Cell to assist the conventional tank cell cleaners. Installation of a Hydrofloat Cell (Eriez) to increase overall copper recovery by selectively targeting coarse composites in the final tailings stream is planned.

The current processing bottleneck is the ability to pump higher tailings quantities to the TSF through the existing line and pumping system (located approximately 6 km from the processing plant).

To date there has been minimal equipment failures, with the exception of the tailings pumps. The grinding mills were all installed correctly with the only issue to date being minor gearbox issues that resulted in minimal downtime. Structurally, there have been no issues and concentrator foundations have proved sound.

Engineering workshops are well equipped with overhead cranes. Maintenance and shutdown planning is performed by a dedicated group to ensure minimal downtime.

It is noted that the bore water supplied to the process plant is hypersaline and the Carrapateena operating team has procedures in place to monitor corrosion in critical areas. To date, no significant signs of corrosion have been detected despite the harsh water quality.

1.6.2 Metal recovery and concentrate grade

In 2022, copper recovery to concentrate averaging 93.1% at a copper concentrate grade of 40.2%. Gold recovery to concentrate averaged 85.4%, at a gold in concentrate grade of 16.6 g/t. Silver flotation recovery to concentrate averaging 78.0% at a silver in concentrate grade of 201g/t Ag.

Ore mineralogy has remained consistent to date consequently, there has not been any need to change the processing methodology. OZ Minerals anticipate that future changes to plant feed grade will occur but no significant changes in ore hardness are envisaged.

AMC expects future long-term copper recovery to average 89 to 90% with gold recovery of 80% until 2028 where expectations are lowered to 69% in line with a drop in gold head grade.

1.6.3 Concentrate transport and marketing

Transport of concentrate from site is through a contract with Qube Bulk Pty Ltd for road haulage services to the port at Whyalla. Rotainers are used to transport concentrate and are stored until

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loading of the ship. Carrapateena has recently purchased an additional 600 rotainers to handle future increases in concentrate production.

Each retainer is subsampled to obtain an individual assay, as well as being checked to ensure its radioactive content is within guideline limits. The assay is used for metallurgical accounting purposes and loading of ships, however payments for concentrate are based on assays from the destination port.

1.6.4 Tailings storage

The TSF is a cross-valley embankment design with the embankment to be raised in stages. The facility has a planned capacity of 145 Mt of tailings.

Stage 1 involved an 18 m high embankment constructed as a rockfill/earth fill embankment dam which includes a geosynthetic sealing system. This embankment at the discharge end of the TSF is the only section that is covered with a membrane.

Stage 2, which was finished recently, increased the dam wall up to 31 m. This stage was achieved using mine waste that had been cleaned with magnets and screening. The plan is to eventually use beached tailings adjacent to the embankment with further increases in dam heights. As part of Stage 2, significant additions were made including concrete baffling, below surface piping, and a weir system to allow for drainage to the downstream decant pond. Higher than average rainfall during mid-2022 did not affect the dam structure nor the run-off.

Stage 3 is planned to be completed by mid-2023. Discharging into the TSF will continue upstream, well away from the discharge end embankment such that it will be beaching from the western side as planned.

Tailings slurry is thickened to around 64% solids and disposal is with a standard deposition method around the perimeter, allowing the solids to beach. A supernatant pond has been included and water from this pond is discharged to the decant dam via an inclined gravity decant system. The decant dam was included to assist with water management and is located downstream of the TSF. Most of the water in the decant dam is recycled to the concentrator.

An independent specialist consultant coordinates an extensive monitoring programme and in September 2022 summarized the dam as "being run as it should be and the TSF construction was suitable for the intended purpose.". An independent review was performed by a separate specialist consultant and found no major issues.

One area of seepage has been detected recently (in December 2022) from the newly constructed embankment and has been inspected by an independent specialist consultant. The recommendation has been to continue to monitor, however the seepage is expected to settle within a short period of time.

Plans are in place for the eventual closure and decommissioning of the TSF which include covering and vegetation to beached parts of the dam, as well as removal of decant dams which will require a further study at the time.

1.6.5 Future ore processing plans

Investigations to increase throughput to 12 Mtpa are underway. Scenarios being considered involve the construction of a second plant, processing around 3.5 Mtpa, to run in parallel with the existing processing plant, which may be modified to increase throughput to 8.5 Mtpa.

Processing plant debottlenecking work has been ongoing throughout 2022. An international engineering group has submitted reports to OZ Minerals (in 2022) outlining future scenarios for increasing throughput to 850 tph (7 Mtpa) and 1,050 tph (8.5 Mtpa). The requirements would include:

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- Installing a second pebble crusher.
- Increasing the SAG mill ball charge to 18%, media top size to 105 mm, and increasing the mill speed. These changes result in an increase in power to 6,500 kW.
- Increasing SAG mill density by 4.5% up to 78%.
- Modifying the lifter design and inner grates.
- Increase the size of the hydrocyclone pack and cyclone dimensions.
- Increase ball mill ball charge and ball size to increase ball mill power to 9,120 kW.

Sufficient bore-water located around the mine lease has been identified. Pumping from bore-fields is instantaneous and programme to increase the number of bore-holes drilled has been ongoing throughout 2022 and will continue. As well as this, significant efforts to recycle as much of the TSF water, via a return decant pond is already being utilized.

Power requirements have already been allowed for and the substations are rated to take the required increase in power.

Long-term, other technologies are being assessed:

- A different flotation technique in which foam particles are introduced into the slurry mixtures. Plans to have a piloting programme on-site in 2023 are well advanced.
- BIOX (bio-oxidative leaching) plant options for low grade run-of mine (ROM) stocks to leach copper and/or gold/uranium/cobalt are being considered and a study is underway.
- Other technologies tested but proven inadequate were ore sorting for upgrading purposes and heap leach of low-grade ore.

1.7 Site infrastructure and services

1.7.1 Power supply

Power is sourced from a 132 kV transmission line from the existing South Australian electricity network at Mount Gunson. The current 55 MW consumption will increase to 141 MW to meet requirements of the block cave expansion. A minor upgrade to the transmission system will be required to meet the increased demand.

1.7.2 Water supply

Water for the operation is sourced from the Radial Wellfield located to the south of Carrapateena and the Northern Wellfield.

1.7.3 Other infrastructure

Other infrastructure facilities also include a 1.6 km sealed airstrip and a 550-person accommodation village. Construction of a further 400 rooms has commenced to provide additional accommodation for the expansion construction workforce.

1.8 Environmental, Social, and Permitting

1.8.1 Environmental and Regulatory approvals background

In South Australia the key environmental approval for a mining operation is the granting of the tenure and associated conditions for the Mining Lease (ML), Miscellaneous Purposes license (MPL), Extractive Mineral Lease (EML) and the supporting Program for Environmental Protection and Rehabilitation (PEPR) under the *Mining Act 1971*.

The ML, MPL and EML conditions of approval are supported by the more detailed PEPR, which provides details of the approved mining plan, environmental impacts and risks, mitigation and management measures and monitoring to demonstrate compliance with the environmental outcomes.

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Mining companies must submit an Annual Compliance Report which provides details of the monitoring undertaken throughout the year and compliance with lease and license conditions and with the PEPR.

The regulator for the *Mining Act 1971* is the Department for Energy and Mining (DEM).

1.8.2 Current Primary Approvals

The current PEPR for Carrapateena was approved on 12 November 2020. The PEPR (MPEPR2019/026) covers the tenements ML6471, MPL149, MPL152, MPL153, MPL154 and MPL156.

Table 1.8 outlines the current primary approvals for the operation and the expiry date.

Table 1.8 Primary Approvals

Regulatory Authority	Details of Approval	Expiry Date
Commonwealth Government Department of Climate Change, Energy, the Environment and Water	CA-APR-NOT-1008 Approval of a controlled action Ref. 2017/7895	Expires on 31 December 2056
Department of Health and Wellbeing	Wastewater treatment plant licenses: - 2013-04020 - WWI-10557 - WWI-10185	For the life of the system
Environment Protection Authority	CA-ENV-LIC-1001 license to undertake prescribed activities (license 50463)	Expires 30 April 2023
Department of Environment, Water and Natural Resources	Agreement to supply Recycled Wastewater to Pernatty Station	For the life of the operation
Kokatha Aboriginal Corporation	Native Title Mining Agreement between OZ Minerals Carrapateena Pty Ltd and Kokatha Aboriginal Corporation	Active for the life of the Carrapateena Operation
Department for Energy and Mining	Mining Lease ML6471 Southern Access Road and Radial Wellfield MPL154 Airstrip, Accommodation Village, Access Road and Ancillary Infrastructure MPL 149 Western Infrastructure Corridor MPL152 Eastern Radial Wellfield MPL153 Northern Wellfield MPL156 Extractive Minerals Areas EML6234, EML6236, EML6242, EML6278-EML6296, EML6299-EML6301	02/01/2039 02/01/2039 04/07/2038 02/01/2039 02/01/2039 02/01/2039
Environment Protection Authority	license to carry out mining or mineral processing (license 51113). Category IV Mineral Processing with radioactive by products- <i>Radiation Protection and Control Act 1982</i>	31/03/2023 (Note licenses are renewed annually)
Pastoral Access and Compensation Agreements	Agreements with Pernatty, Arcoona, Bosworth and Oakden Hills.	Active for the life of operation

The PEPR provides approval for mining using SLC and sub-level open stoping techniques for an ore extraction rate on average of 4.25 Mtpa over the life-of-mine (20-year mine life). The PEPR approval is for the TSF up to Stage 4 (wall height 40 m, capacity 44 Mm³, beach area 380 ha, 20 years operation).

The PEPR includes power supply via a 132 kV, 55 MW high voltage connection to SA grid at Mt Gunson and 1 MW solar farm to meet power demand of up to 410 GWh per annum. Water requirements are up to 12.9 ML/d sourced from the Radial and Northern wellfields. Groundwater extraction rates in 2021 were 7.5 ML/d (note this does not include mine dewatering volumes).

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There are also 'alternatives' provided in the PEPR which are identified as potential options in the future, but these are subject to further studies, impact assessment and PEPR approval, including:

- Extensions of mine life (up to 27+ years) and mining rate (up to 4.8 Mtpa).
- The TSF up to Stage 6 (wall height 46 m, capacity 72 Mm³, beach area 510 ha, 34 years operational life at 4.3 Mtpa).
- Establishment of the concentrate treatment plant on-site at Carrapateena and associated neutralisation plant and evaporation ponds. The two evaporation ponds of 53 ha and 70 ha, respectively, constructed for the management of treated (pH 4.5) barren liquor from the plant. These would be high density polyethylene lined and would have waste rock embankments similar in design to those of the TSF Stage 1 and Stage 2 embankments, fitted with engineered spillways to avoid overtopping.
- Sub-level open stoping of the Fremantle Doctor (located to the north-east of Carrapateena) and Saddle prospects (located between Fremantle Doctor and Carrapateena). These two deposits are within ML 6471.
- Alternative installation of onsite electricity generation in the form of renewable energy.

The PEPR does not provide approval for the block cave expansion.

If the block cave expansion and Stage 6 TSF are to proceed, then OZ Minerals will require further design and impact assessment to support the PEPR Review (update). The decision to proceed with an alternative will also need to be supported by further design and effects / impact assessment, where relevant. Coupled with this will be a review of the site significant environmental benefit (SEB) provision and closure liability to reflect changes.

The Khamsin deposit is located to the north west of the Carrapateena deposit, outside ML 6471. There are no current approvals in place for mining this deposit.

Compliance and Regulatory Reporting

A self-assessment of compliance is prepared by OZ Minerals within an Annual Compliance Report which is submitted to DEM outlining monitoring and compliance with the ML and MPL conditions and the PEPR. The following summary is provided for compliance reporting:

- **Annual Compliance Report period January 2021 to December 2021.** There were three non-compliances recorded against the Outcome Measurement Criteria (OMC) and Leading Indicators. There were five environmental incidents (spills) which triggered a regulatory reporting condition (OMC – LS1) resulting in two non-compliances reported against an environmental outcome. There were no non-compliances to the lease conditions.
- **Annual Compliance Report period January 2020 to December 2020.** No non-compliances were recorded against the OMC and Leading Indicators (LI). One spill triggered regulatory reporting under OMC – LS1, pertaining to a failed gasket at production well NT-5 within the Northern Wellfield.
- **Annual Compliance Report period January 2019 to December 2019.** Two non-compliances were recorded against the OMC and Leading Indicators (LI). Four environmental incidents (spills) triggered regulatory reporting condition OMC – LS1. The non-compliances related to spills and fauna mortality due to entrapment in water storage ponds.
- **Annual Compliance Report period January 2018 to December 2018.** One non-compliance was recorded (relating to a storm causing damage and spillage to a bulk diesel storage tank). Three additional environmental incidents triggered regulatory reporting condition (sediment release due to evaporation pond overtopping, pipeline failure resulting in bore water discharge to the environment and overtopping of chemicals onto the ground adjacent)

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The EPBC Act (Commonwealth) conditions of approval (2017/7895) require that OZ Minerals submit an Annual Compliance Report. The EPBC Act approval conditions relate to Matters of National Environmental Significance and include Plains Rat habitat, securing offsets relating to the Plains Rat, Night Parrot surveys, *Frankenia plicata* surveys and annual reporting. The Compliance Report (2021) stated that there have been no non-compliances with the EPBC Act 2017/7895 conditions of approval or with commitments described in the relevant plans.

ML 6471 conditions require that TSF design and construction is reviewed by an independent third party. The Annual Compliance Reports state that ATC Williams has undertaken several independent reviews of the TSF in compliance with the ML conditions since commencement.

Groundwater monitoring wells (TSFMB1d, TSFMB3d and TSFMB4d) were installed in May 2019 to monitor tailings seepage into the Tent Hill Aquifer with baseline data collected during the period September 2019 and throughout 2020. Monitoring during 2021 had indicated that arsenic concentrations had exceeded the baseline range at all wells while iron and aluminium exceedances of the baseline occurred at two wells and an exceedance of strontium was observed at one well. OZ Minerals has not provided any explanation for these exceedances. It is AMC's view that the cause of the exceedance is most likely to be the result of natural variances as the monitoring wells screen the Tent Hill aquifer at depths of between 84 and 150 m below ground level. A longer period of baseline monitoring would likely have identified this natural variance.

Standing water levels in these three bores declined over the monitoring period whereas groundwater modelling had predicted standing water levels to increase due to mounding. OZ Minerals believe that the cause of the decline in standing water level is due to the influence of the mining activities.

The Carrapateena mine is not within a Prescribed Wells Area and subsequently does not require a license to extract groundwater. The regulation of groundwater extraction is done under the PEPR. Assessment of compliance against the OMC is undertaken in the Annual Compliance Report.

Carrapateena operation operates two wellfields (Radial Wellfield and Northern Wellfield) and the miscellaneous production bores. During the 2021 reporting period 7.5 ML/day was abstracted from the three sources. The PEPR estimated that operational water demand of up to 12.9 ML/day would be required with this water being sourced from the Radial and Northern wellfields. Groundwater modelling undertaken during the project approvals indicated that the maximum groundwater extraction from identified sources of 14.5 ML/day. OZ Minerals has identified that insufficient water availability, quality and continuity is a risk to current operations that requires significant improvement. Several actions have been developed to address this risk which involve a combination of improvements in monitoring, reliability, further exploration to identify additional groundwater resources and studies on other opportunities to source water or technological changes to reduce the operations water demand.

Relationship with Regulator

Since the initial project development, the operation has had a strong focus on maintaining a strong relationship with the South Australian government and in particular DEM. No evidence was sighted in the review of documentation would indicate that OZ Minerals does not have a positive relationship with the regulator.

1.8.3 Environmental and social assessments and control and management measures

The PEPR was developed based on the original Mining Lease Proposal and MPL Proposals (application for tenure) which contained detailed Environmental and Social Impact Assessments (ESIA) including specialist studies for baseline assessments, modelling for predictive analysis of potential impacts and stakeholder engagement. The application for the tenements followed the appropriate guideline at the time under the *Mining Act 1971*.

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ML 6471 was approved in January 2018 and the PEPR approved in March 2018. The MPLs for ancillary infrastructure (borefields, haul roads and transmission lines) were approved throughout 2017 and 2018. The PEPR has been updated once to include changes to the operation. There has also been 11 Program Notifications (minor changes to the project) submitted and these are also captured in the current PEPR.

The PEPR was developed in accordance with the appropriate requirements at the time; the Ministerial Determination 006 (DSD, 2015). It is not yet updated to align with the newer regulatory regime (e.g., *Mining Regulations 2020*), Terms of Reference (TOR) 005, '*Terms of reference Metallic and industrial mineral PEPRs*' (December 2020) and Ministerial Guideline (MG) 2b '*Preparing a PEPR Metallic and industrial minerals*' (December 2020).

The Description of Mining Operations provided within the PEPR has been supported by appropriate environmental and social impact assessments. The stakeholder consultation is summarised in the PEPR and any additional consultation is summarised in Annual Compliance Reports.

The control and management measures were developed following an ESIA. Potential impact events are identified, and a commitment to an environmental outcome is provided. Each environmental outcome has control and management strategies listed to reduce the potential impact.

The Ministerial Guideline (MG) 2b '*Preparing a PEPR Metallic and industrial minerals*' (December 2020) requires that an assessment is undertaken to highlight any uncertainties or assumptions relating to the control strategies. Most of the impact events stated there were no significant uncertainties, sensitivities or assumptions identified.

Compliance with each environmental outcome is demonstrated by a detailed descriptive OMC, which outlines what will be measured, method of measurement, location, frequency and the control or baseline data to compare it against. This is reported in the Annual Compliance Report.

Control and management measures have been assessed by DEM (and other regulatory agencies) and are considered suitable to meet Government policies, guidelines, and industry best practice documents. The strategies being implemented onsite are appropriate to lower the potential impact on the environment.

There have been some non-compliances provided in the 2019 to 2022 Annual Compliance Reports which relate to failure of control and management strategies. Commitments have been provided by OZ Minerals to address these inadequacies and prevent the incidents from occurring again in the future.

1.8.4 Future Approvals

The proposed block cave expansion would be undertaken on existing tenements and the appropriate approval pathway is via the *Mining Act 1971*. A PEPR Review would be required, which is an update to the PEPR to provide details of the changes to the operation and the environmental impact assessment to support the changes. Stakeholder engagement is required, provision of SEB for vegetation clearance outside the approved area and studies to support the rehabilitation and closure plan. Referral of the block cave expansion under EPBC Act would also be required should any Matters of National Environmental Significance be triggered.

OZ Minerals plan to carry out a PEPR Review for the block cave expansion in 2024.

The block cave expansion will involve additional surface area disturbance due to an increase in the cave subsidence area from mining BC1 and BC2. Further increases in the areas of disturbance would occur should BCS, BCNE, and the Fremantle Doctor deposit be mined. An increased area of disturbance will also be required for the expanded ore processing facility.

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The minor upgrade to the power supply transmission system is expected to occur within the current MPL 152 and details would need to be provided in a PEPR Review.

The two credible methods for tailings management in the Block Cave Expansion Study, includes dry stacking (filtered tailings) and high density thickening prior to disposal. Both options would be within the location of the current TSF, with the ultimate footprint for high density thickened tailings 760 ha, and dry stacking filtered tailings 720 ha. The TSF designs and assessment of potential environmental impacts will need to be provided in the PEPR Review.

Offsets for new disturbance required for the block cave expansion, surface infrastructure, increased TSF footprint and block cave surface subsidence will need to be provided within the PEPR Review and Native Vegetation Management Plan.

The PEPR Review will require information for the closure design for the block cave expansion, including any new closure plans due to changes to the TSF design and surface infrastructure.

A PEPR Review is also likely to be required to align with the new *Mining Regulations 2020*, Terms of Reference (TOR) 005, '*Terms of reference Metallic and industrial mineral PEPRs*' (December 2020) and Ministerial Guideline (MG) 2b '*Preparing a PEPR Metallic and industrial minerals*' (December 2020). The precursor guideline is quite similar, but the new TOR005 requires more information relating to an operations closure strategy.

Water Supply

The Block Cave Expansion Study states that the block cave expansion would need 12-18 ML/day depending on the use of high density thickened tailings (12-18 ML/d) or dry stack tailings (12-14 ML/d). The Study reports the available groundwater yield from current wells at 11.2 ML/day and identified (indicated) water yield from exploration wells at 6.2 ML/day, a total of 17.4 ML/day.

Long-term regional water supply is estimated at 16.1 ML/day (including developed and identified (indicated) wells), or 10.1 ML/day from developed wells.

The lower end of the water demand for the block cave expansion (12-14 ML/d) based on dry stacked tailings, where water recovery is high (~80%). If thickened tails are proposed, then water demand is higher (12-18 ML/d). The current wells do not have capacity to supply this demand, and even with the additional identified well targets, the maximum yield (17.4 ML/day) is marginal to support the higher end demand of 18 ML/day.

Given the reduced long-term forecast groundwater yield and increased demand required to support the 12 Mtpa case, a desktop assessment⁶) OZ Minerals undertook a study of additional water exploration targets, which confirmed that there is opportunity to expand the Northern Wellfield to increase water security. The assessment identified 38 exploration targets for groundwater. The majority of these are not located on MPL tenements. Additional wellfields will require application for MPLs and supporting environmental impact assessment, groundwater modelling and stakeholder engagement.

Water saving opportunities considered by OZ Minerals⁷ include tailings filtration, reduce losses by covering ponds, and using covers for stockpiles rather than water for dust suppression.

⁶ Carrapateena Mine Expansion – Water Supply Contingency Desktop Assessment CA-5100-ENG-REP-1026

⁷ Block Cave Expansion and LoPP Opportunity and Threat Study (CX-PRM-REP-0003)

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AMC notes that a separate project is occurring through the Department of Water – Northern Water Supply (NWS⁸) Project which potentially could provide water for the Carrapateena operation. The NWS is a proposed coastal desalination plant and a 450 km water pipeline to the far north of South Australia. The NWS Project began environmental studies in March 2022 as part of narrowing a site for further detailed investigation.

1.8.5 SEB offsets

The *Native Vegetation Act 1991* (and regulations) is administered by the Native Vegetation Council (NVC) and provides incentives and assistance to landowners in relation to the preservation and enhancement of native vegetation and regulates the clearance of native vegetation. SEB offsets are required for native vegetation clearance on a ML. SEB can be paid to NVC to offset clearance, or by provision of an offset site.

The project approval (2020) included the requirement for OZ Minerals to provide a SEB offset for native vegetation clearance.

The Native Vegetation Management Plan (within the PEPR) outlines the clearance and SEB for the operation. The approved clearance is 983.93 ha of vegetation, with the SEB of 7,919.44 ha for an on-ground offset or payment of A\$950,333 payment to NVC. OZ Minerals seeks to offset the clearance through staged purchase of credits from Witchelina Station (a conservation property leased and operated by the Nature Foundation SA (NFSA) – an NVC accredited third-party SEB provider.

The SEB offset for the operation as per the current PEPR project description has been provided/paid (Annual Compliance Report, 2021). The agreement for the provision of the SEB credits ownership being transferred from NFSA to OZ Minerals has not been sighted by AMC.

1.8.6 Greenhouse gas emissions and renewable energy targets

OZ Minerals reports its Scope 1 and Scope 2 emissions for Carrapateena under the broad corporate reporting structures.

In the 2021 Sustainability Report, OZ Minerals disclosed it had committed A\$140 million for investment to extend the electric materials handling system (conveyor system) at Carrapateena.

1.8.7 Cultural Heritage

The PEPR references that management of cultural heritage will be via the Cultural Heritage Management Plan (CHMP). The operation has developed a Cultural Heritage Strategy with the CHMP providing the detail regarding how the strategy is implemented. The CHMP contains management plans and procedures for managing all aspects of cultural heritage from exploration to closure. Several area specific CHMPs have been prepared to address specific areas i.e., TSF, western infrastructure corridor, and the radial wellfield pipeline.

From review of the PEPR and Annual Compliance Reports it appears that OZ Minerals are proactive in engaging with Kokatha People and are seeking to work in partnership. A system of auditing and regular monitoring of heritage sites is currently being developed. It is proposed that this tool will be used by Kokatha People and OZ Minerals in a joint inspection programme.

No material issues regarding cultural heritage were identified.

1.8.8 Stakeholder Engagement

The operation has land access agreements are in place for the following pastoral leases:

⁸ <https://www.northernwatersupply.sa.gov.au>

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- Pernatty Pastoral Lease.
- Arcoona Pastoral Lease.
- Bosworth Pastoral Lease.
- Oakden Hills Pastoral Lease.

All agreements expire upon relinquishment of the mining tenement.

OZ Minerals has established relationships within the community and its stakeholders with no evidence that material stakeholder issues are present.

1.8.9 Rehabilitation and Closure Planning

The ML conditions and the PEPR are the regulatory documents relating to rehabilitation and closure. The PEPR outlines the post mining land use, closure strategy, maintenance and monitoring, care and maintenance plan and the closure liability estimate. The closure liability estimate is calculated using the DEM calculator (rehabilitation liability estimation calculation) which considers the cost of a third party to undertake rehabilitation and closure of the site in the event of the Tenement Holder defaulting. The closure liability estimate is secured by DEM as a bond.

Closure Plan

The PEPR provides a description of the rehabilitation and closure of the site, which are the formal closure commitments made to DEM. There are some uncertainties identified by OZ Minerals in the closure plan and a commitment is provided in the PEPR future work plan to undertake further studies to firm up the assumptions underpinning the closure plan.

The closure plan in the PEPR does not include the block cave expansion. As part of the expansion approval a closure plan and closure cost estimate for all new features would need to be submitted in the PEPR.

The PEPR and the Closure Plan (CA-ENV-PLN-1010) provides the following closure domains and commitments:

- **Pit Voids.** SLC subsidence zones will remain as a potential zone of geotechnical instability with a hypersaline pit lake likely to develop above the main orebody in the longer term. An abandonment bund will be constructed around the subsidence zone. Mine area borrow pits will be rehabilitated and revegetated.
- **Underground Workings.** Measures to restrict access to ventilation shafts and access decline portals will be put in place. The access decline, conveyor decline, and the ventilation raises will not be backfilled at closure, however, access would be closed through cemented rockfill plugs and concrete/steel capping structures. The former portal area will be covered with a shallow 1 m high mound of waste rock to allow for settlement. The ventilation raises will be capped with a purpose-built steel and concrete cap structure that would prevent access and eliminate the potential for fretting.
- **Infrastructure.** Surface infrastructure will be decommissioned and removed. The conveyor and steel work outside the mine portal, and from the first 50 m of the conveyor decline, will be removed from site. Electricity infrastructure (transmission lines, conductors, towers and access roads) will be removed. The two accommodation villages would be removed and the airstrip rehabilitated. All surface infrastructure associated with the water supply system (wells, pipelines, staging tanks) would be removed. Below-ground infrastructure would be retained (abandoned in situ). Landfill surface infrastructure, including fences, gates and unused stockpiles would be removed.
- **Hardstand Areas and Stockpiles.** Hardstand areas such as laydowns and other cleared areas will be reshaped and ripped to promote natural recruitment of chenopod shrubland vegetation.

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- **Roads and Corridors.** Access roads will be rehabilitated to a landscape function equivalent to the pre-mining landscape function (pastoral use and/or landscape functions equivalent to the surrounding landscape).
- **Water Management Facilities.** All surface infrastructure associated with the water supply system (wells, pipelines, staging tanks, turkey's nests) will be removed. All wells will be decommissioned in accordance with National and DEW guidance on decommissioning wells, unless otherwise requested by a third party. Below ground infrastructure will be retained (abandoned in situ).
- **Exploration.** All exploration disturbances areas and surface drill sites will be rehabilitated.
- **Processing Plant.** The plant site will be decommissioned and demolished and/or removed. Buildings, services, and surface facilities will be removed from site. Concrete footings or other buried structures deeper than 1 m will be abandoned in situ. The area will be reshaped and ripped or scarified to reduce compaction and to achieve a landscape function equivalent to that of the function measured at nearby (undisturbed) analogue sites.
- **TSF.** The TSF is proposed not to be capped but will be left to consolidate and dry. Placement of topsoil and revegetation will not be undertaken on the TSF surface or embankment. This closure concept is listed as an 'uncertainty' and requires future work to demonstrate the effectiveness of the closure plan to DEM.

There has been some rehabilitation done on site in the area of the western access road.

Closure Cost Estimates

The closure cost estimate for the bond in the PEPR is A\$56.2M. An OZ Minerals cost estimate dated 7 January 2022 estimates the closure cost at A\$65.2M for the December 2021 LOM plan, with the current bond held by DEM at A\$57.4M. However, no formal documentation by DEM was sighted. The TSF component of the bond estimate is A\$7.3M in the PEPR, which does not include a TSF cover. This closure concept is listed as an 'uncertainty' and requires future work to demonstrate the effectiveness of the closure plan to the DEM. Cost estimates by OZ Minerals has highlighted a store and release cover would increase closure cost by A\$14.7M.

The block cave expansion will require an updated closure cost estimate and an increase in the bond. A closure liability estimate of A\$77.8M was provided within the Block Cave Expansion and LoPP Opportunity and Threat Study (CX-PRM-REP-0003) with high-level details of the closure strategy.

1.8.10 Conclusions

This review has considered any material social and environmental factors that may impact operations and production including the current status of environmental approvals, land access agreements and tenure or any significant or material environmental risks or non-compliances.

The majority of the material environmental and social issues have been identified and included in the approval instruments and associated planned management activities and there are no significant barriers to undertaking operations.

For the block cave expansion, a PEPR Review (major approval) will be needed to address the potential environmental and social impacts from the expansion.

Risks

The following risks have been identified as part of the Review:

- There is a potential risk that the results of the tailings dust threshold lift-off study and landform evolution modelling show that a TSF cover is required for closure. There is potentially a lack of cover material on site and a source for borrow material would be required from elsewhere on site.

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- There are risks associated with the water security and availability. Additional options for water supply are being progressed with 38 drilling targets proposed to firm up supply and water saving opportunities are also being considered.
- There is a potential stakeholder perceived impact to nearby Lake Torrens due to the block cave expansion. This would need to be managed by appropriate stakeholder engagement.

Opportunity

OZ Minerals has maintained a good relationship with stakeholders and DEM which may aid in future prospects and mining approvals.

1.9 Costs

1.9.1 Operating costs

Historical operating costs for the Carrapateena operation are summarised in Table 1.9. Unit costs for mining, processing, and general and administration (G&A) are shown in Table 1.10

Table 1.9 Historical operating costs – Carrapateena

Operating Costs	Units	2020	2021	2022 ¹
Mining	A\$M	219	248	249
Processing	A\$M	67	91	87
G&A	A\$M	32	32	36
Concentrate transport	A\$M	8	29	33
TCs/RCs and Penalties	A\$M	10	19	22

Source: Various OZ Minerals public documents and company advice.

Notes:

- ¹ 2022 costs to October 2022.
- Numbers include rounding adjustments.

Table 1.10 Historical unit operating costs – Carrapateena

Activity	Units	2020	2021	2022 ¹
Mining	A\$/t ore mined	82	53	73
Processing	A\$/t ore milled	25	19	25
G&A	A\$/t ore mined	12	7	10

Notes: ¹2022 costs are to October 2022.

Costs in 2020 reflect a production build up period. In 2021 stable production was achieved resulting in a reduction in unit costs. Between January and October 2022, operations have been adversely impacted by two major failures on the decline conveyor belts and restricted SLC production to manage the caving process.

OZ Minerals anticipates a progressive reduction in unit mining costs as production increases from the SLC and when Crusher 2 and the associated materials handling system is commissioned. Further decreases are anticipated as block caving production commences and the ore processing rate is increased to 12 Mtpa.

AMC believes that it is reasonable for unit production costs to decrease in the long run, but based on actual performance to date, and that OZ Minerals now anticipates a significant increase in power prices AMC believes that costs will be higher in the short term than previously anticipated by OZ Minerals.

The estimated total unit operating cost, (mining, processing, G&A, and sustaining capital) when all production is sourced from BC1 has been estimated by OZ Minerals at approximately A\$22/t ore mined. AMC notes that the Block Cave Expansion Study estimated the total unit cost at

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A\$30/t of ore mined. AMC considers this estimate reasonable and similar to AMC's benchmark data.

1.9.2 Capital expenditure

Significant capital is required to finance the develop of BC1 and BC2 and to increase the production rate to 12 Mtpa. In June 2020, OZ Minerals reported the results of a prefeasibility study on the Carrapateena block cave expansion. The prefeasibility study indicated the capital cost of the expansion at between A\$1.2B and A\$1.3B.

Following completion of the pre-feasibility study OZ Minerals has completed the Block Cave Expansion Study and continues to refine the design and prepare preliminary cost estimates of the block cave expansion project.

In addition to capital expenditure required for the block cave expansion, sustaining capital is required to maintain the ongoing productive capacity of the operation. The sustaining capital expenditure has been estimated by OZ Minerals at approximately A\$25M per year. In AMC's opinion, this is a reasonable estimate.

1.10 AMC production cases

OZ Minerals has provided AMC with two life-of-mine production and cost schedules together with supporting information for the Carrapateena operation: the OZ Conservative Case and the OZ Upside Case. The schedules have a reasonable level of detail for the 2023 to 2026 planning interval, with a lower level of detail for subsequent years.

Based on the information provided by OZ Minerals, observations made during AMC's site visit and discussions with OZ Minerals personnel, AMC has developed two production cases: the AMC Production Case 1 and the AMC Production Case 2 for use by Grant Samuel in valuing the Carrapateena Mineral Asset. Key aspects of the AMC production cases can be described as follows.

1.10.1 AMC Production Case 1

AMC Production Case 1 is based on the OZ Conservative Case. AMC has made the following key adjustments which are based on reasonable grounds:

- The mine production schedule from January 2023 onwards for the SLC and BC1 has been adjusted so that the total tonnage and contained metal mined is matched to the June 2022 Ore Reserve estimate after allowing for the estimated depletion of the Ore Reserve between 30 June 2022 and 1 January 2023. The production schedule by year has been guided by the OZ Conservative Case model, as far as it is reasonable to do so.
- The mill feed schedule has been matched to the mine production schedule in each year.
- No material change has been made to recovery of copper and gold to concentrate in the ore processing plant, or to the percentage of payable metal in concentrate.
- Off-site costs (freight, shipping, and port) have been estimated by AMC using the unit costs for these activities provided by OZ Minerals multiplied by the concentrate production in each year derived from AMC's adjusted mill feed schedule.
- AMC has estimated the treatment and refining costs in the same manner as the off-site costs.
- Operating costs are estimated based on the AMC adjusted production rates multiplied by unit costs that AMC believes will be incurred by the operation. This includes adjustments to the mining and processing costs based on historical performance, the planned changes in mining methods, materials handling methods, and the increases in mining and processing rates over time. AMC has also reflected the impact of an increase in power prices that were not anticipated in OZ Minerals life-of-mine production and cost schedules. AMC has anticipated that power cost will return to more normal levels in 2025. For longer-

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term mine production, costs have been based on AMC's benchmark operating costs for block caving operations with similar production rates.

- AMC has adjusted the growth capital required for the block cave expansion provided in the OZ Minerals Conservative Case to reflect AMC's expectation of the costs to carry out the block cave expansion. AMC's expectation is based on the results of the Block Cave Expansion Study, and on other work carried out by OZ Minerals since the 2020 prefeasibility study, including preparation of preliminary costs updates. An allowance has also been included for the construction of the BC2 extraction level. The allowance is based on the number of drawpoints currently planned by OZ Minerals multiplied by AMC's estimate of a typical extraction level construction cost per drawpoint.

A summary of AMC Production Case 1 is included Table 1.11 and Table 1.12 and in Figure 1.9.

Table 1.11 AMC Production Case 1 – Carrapateena production schedule

Estimate	Units	2023	2024	2025	2026	2027	2028 to 2037	2038 to 2047	2048 to 2057	Total
Underground material mined	Mt	5.2	5.3	5.4	5.4	5.5	110	56	–	193
Copper grade	%	1.61	1.41	1.25	1.17	1.28	1.14	0.65	–	1.02
Gold grade	g/t	0.72	0.70	0.61	0.59	0.57	0.44	0.28	–	0.42
Ore milled	Mt	5.2	5.3	5.4	5.4	5.5	110	56	–	193
Copper feed grade	%	1.61	1.41	1.25	1.17	1.28	1.14	0.65	–	1.02
Gold feed grade	g/t	0.72	0.70	0.61	0.59	0.57	44.37	28.16	–	0.42
Copper recovery	%	91	92	91	92	90	90	87	–	90
Gold recovery	%	80	81	81	80	68	70	61	–	70
Concentrate produced	kt	204	213	213	205	215	4,442	1,323	–	6,816
Copper in concentrate	kt	76	68	62	58	63	1,124	318	–	1,768
Gold in concentrate	koz	96	95	85	82	68	1,089	313	–	1,829
Payable copper	kt	74	66	60	56	61	1,085	307	–	1,708
Payable gold	koz	93	92	82	78	65	1,034	295	–	1,739

Notes:

- The values in the table are subject to rounding.
- Concentrate produced is in dry metric tonnes.

Table 1.12 AMC Production Case 1 – Carrapateena cost schedule

Cost estimate	Units	2023	2024	2025	2026	2027	2028 to 2037	2038 to 2047	2048 to 2057	Total
Operating Costs										
Mining	A\$M	281	256	216	216	191	978	450	–	2,588
Processing	A\$M	95	95	88	88	88	1,348	980	–	2,785
G&A	A\$M	37	37	37	37	37	487	350	–	1,022
Concentrate transport	A\$M	47	36	32	30	32	657	196	–	1,029
TCs/RCs and penalties	A\$M	56	56	54	52	53	989	241	–	1,502
Other expenditure										
Growth capital	A\$M	101	245	623	711	170	183	–	–	2,034
Sustaining capital	A\$M	27	20	13	26	34	316	129	–	564
Rehabilitation	A\$M	–	–	–	–	–	–	183	–	183

Notes:

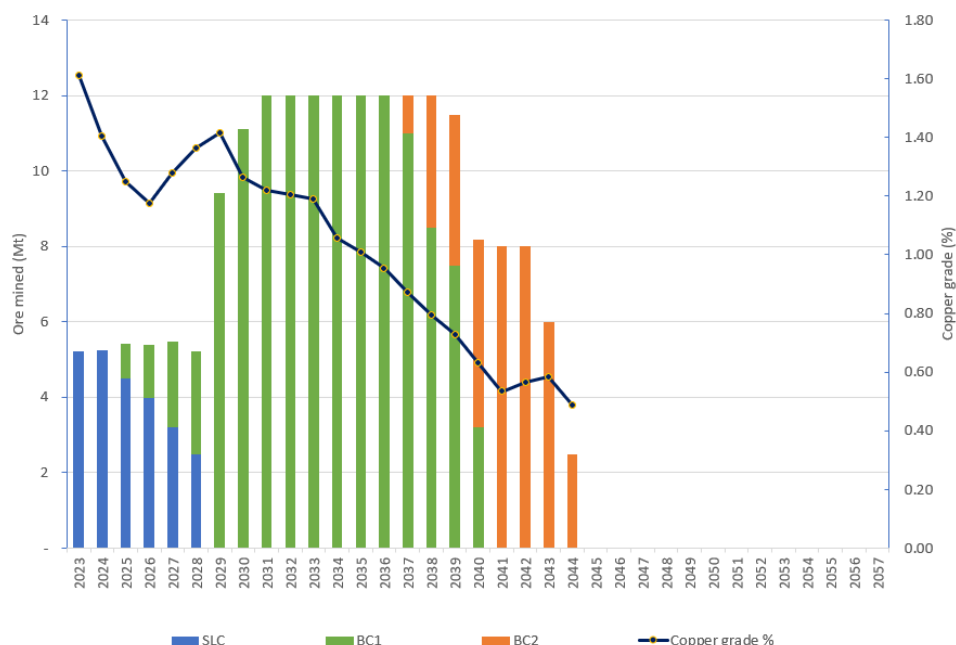
- The values in the table are subject to rounding.

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Figure 1.9 AMC Production Case 1 – Carrapateena production and grade profile



1.10.2 AMC Production Case 2

AMC Production Case 2 is based on the AMC Production Case 1 with the following adjustments:

- In addition to mining the SLC, BC1, and BC2, AMC has assumed that BC South and BC North-East will be mined, these areas are within the Carrapateena Mineral Resource. AMC has estimated that the tonnage produced from each of these blocks will be the same as that for BC2. The grade of the material mined has been based on the residual grade of the Mineral Resource estimate after removing the Ore Reserve. AMC notes that neither Block Cave South nor Block Cave North-East are included in the June 2022 Ore Reserve.
- AMC has also assumed that the Fremantle Doctor Inferred Mineral Resource will be mined and that the tonnage and grade produced will be equivalent to the June 2022 Fremantle Doctor Inferred Mineral Resource.
- AMC has estimated operating costs for AMC Production Case 2 in a similar manner to those for AMC Production Case 1. Additional adjustments have been made to the cost of mining BC South, BC North-East, and Fremantle Doctor to allow for the additional ore handling costs associated with the location of these deposits.
- In AMC Production Case 2, AMC has included capital expenditure, additional to that in Case 1, to reflect the capital expenditure required to develop BC South, BC North-East, and Fremantle Doctor.
- Both the OZ Conservative Case and the OZ Upside Case include a rehabilitation cost of A\$183M. This estimate significantly exceeds the closure cost estimated for the bond in the PEPR and reflects uncertainty in the closure cost resulting from the planned increased mining activity and possible changes to final closure requirements. Considering the uncertainty of the estimate and that the costs will be incurred at the end of the mine life AMC has adopted a rehabilitation cost of A\$183M in both AMC Production Case 1 and AMC Production Case 2.

A summary of AMC Production Case 2 is included Table 1.13 and Table 1.14 and in Figure 1.10.

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Table 1.13 AMC Production Case 2 – Carrapateena production schedule

Estimate	Units	2023	2024	2025	2026	2027	2028 to 2037	2038 to 2047	2048 to 2057	Total
Underground material mined	Mt	5.2	5.3	5.4	5.4	5.5	110	120	116	373
Copper grade	%	1.61	1.41	1.25	1.17	1.28	1.14	0.55	0.49	0.76
Gold grade	g/t	0.72	0.70	0.61	0.59	0.57	0.44	0.26	0.28	0.35
Ore milled	Mt	5.2	5.3	5.4	5.4	5.5	110	120	116	373
Copper feed grade	%	1.61	1.41	1.25	1.17	1.28	1.14	0.55	0.49	0.76
Gold feed grade	g/t	0.72	0.70	0.61	0.59	0.57	0.44	0.26	0.28	0.35
Copper recovery	%	91	92	91	92	90	90	86	86	88
Gold recovery	%	80	81	81	80	68	70	61	60	64
Concentrate produced	Kt	204	213	213	205	215	4,442	2,385	2,021	9,899
Copper in concentrate	kt	76	68	62	58	63	1,124	572	485	2,508
Gold in concentrate	koz	96	95	85	82	68	1,089	621	631	2,768
Payable copper	kt	74	66	60	56	61	1,085	553	469	2,423
Payable gold	koz	93	92	82	78	65	1,034	585	593	2,622

Notes:

- The values in the table are subject to rounding.
- Concentrate produced is in dry metric tonnes.

Table 1.14 AMC Production Case 2 – Carrapateena cost¹ schedule

Cost estimate	Units	2023	2024	2025	2026	2027	2028 to 2037	2038 to 2047	2048 to 2057	Total
Operating Costs										
Mining	A\$M	281	256	216	216	191	978	1,092	1,162	4,392
Processing	A\$M	95	95	88	88	88	1,348	1,400	1,400	4,605
G&A	A\$M	37	37	37	37	37	487	530	550	1,752
Concentrate transport	A\$M	47	36	32	30	32	657	353	299	1,484
TCs/RCs and Penalties	A\$M	56	56	54	52	53	989	435	369	2,065
Other expenditure										
Growth capital	A\$M	101	245	623	711	170	183	1,632	-	3,665
Sustaining capital	A\$M	27	20	13	26	34	316	292	240	967
Rehabilitation ²	A\$M	-	-	-	-	-	-	-	36	183

Notes:

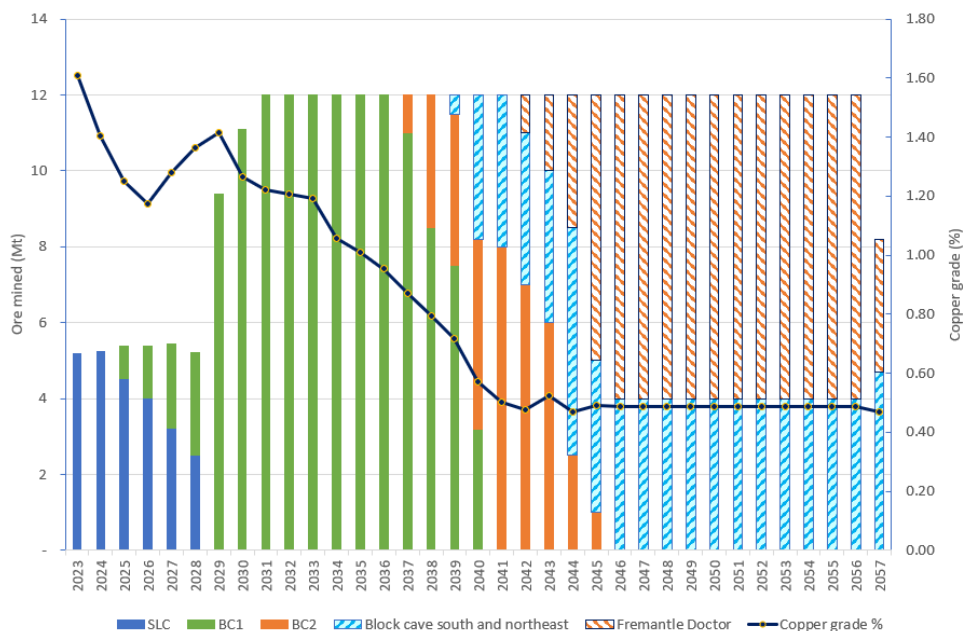
- ¹ The values in the table are subject to rounding.
- ² Rehabilitation expenditure extends past 2057.

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Figure 1.10 AMC Production Case 2 – Carrapateena production and grade profile



1.11 Key risks and opportunities

The following sections presents the risks identified by AMC for the Carrapateena operation.

1.11.1 Risks

Early dilution entry to the SLC

There is a risk that fine diluting material from the unmineralized sediments (the Lower Whyalla and Woomera Shale) overlying the SLC will enter the SLC draw zones more rapidly than anticipated in the PGCA modelling process used to estimate the SLC Ore Reserve. This will adversely impact the grade of material mined from the SLC area. Well-planned and controlled draw strategies from the SLC can reduce this risk. However, uncertainty associated with rock flow with in the SLC draw zone will remain.

Block cave fragmentation

There is a risk that course fragmentation during the early production years of BC1 and BC2 will delay the production build-up and restrict the achievement of the planned 12 Mtpa production rate. The planned hydrofracking programme will reduce this risk, however, geotechnical investigations to date indicate very coarse fragmentation compared to other block caving operations. Further investigations and analysis may provide a better understanding of this risk.

Poor cave propagation

In AMC's opinion, there is a high risk that the cave zone for BC1 will narrow as it extends, and that when breakthrough occurs to the mined out SLC levels above, fine material from the SLC cave zone will enter the BC1 cave column which will restrict caving of overhanging material. The effect of this will be to limit the ore tonnage that is ultimately able to be recovered from BC1. It is likely that a similar effect will occur in BC2 where the cave zone connects to the BC1 cave zone which will allow fine material to potentially prevent vertical caving of BC2. The planned hydrofracking programme and careful, well-controlled draw control will help manage but not eliminate this risk.

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Seismic events

The potential exists for mining-induced seismic events to occur and disrupt production in any block caving operation in competent rock types similar to those at Carrapateena. Careful analysis and stress modelling can identify areas where potentially hazardous events could occur. Rock support designs for excavations deemed high risk can be installed, hydrofracking to break and weaken the rock in a controlled manner can also be used. Despite this, the potential will remain for production delays from mining-induced seismic events.

Delays to the development of Stage 3

The development of Stage 3 is a complex activity that will be carried out in a producing mine. Delays to the development of the declines, BC1 infrastructure including the ventilation raises, and to the materials handling system construction work is possible. AMC notes, however, that Carrapateena is successfully carrying out construction work associated with Stage 2 (the establishment of Crusher 2 and the associated materials handling system). This provides some comfort regarding the ability to successfully establish Stage 3. However, Stage 3 is significantly more complex and in AMC's opinion, delays should not be unexpected.

Air blast and inrush events

All caving operations in rock types similar to Carrapateena can experience air blast and inrush events. Carrapateena has established procedures for managing these risks in respect of the SLC, and these have been effective to date, although some production delays have been necessary to manage the air blast risk relating to the development of the cave to surface. In AMC's opinion, it is probable that some delays will occur with the establishment of the cave for BC1 and BC2.

Major failure of the equipment

Significant disruptions to production could occur in the event of a major failure of key components of the underground materials handling system or the processing plant. Following damage that occurred to the underground conveyor in 2022, the Carrapateena operating team has developed procedures to reduce the risk of future damage and to speed up the repair time should damage occur. Standardised conveyor belt sizes, drive motors, and gearboxes are also planned for the extensions of the materials handling system.

In the processing plant, the risk of failure of the SAG mill girth gear (or drive train) or of the SAG mill shell are considered by AMC to be low.

Operating costs exceeding current estimates

Significant changes in the mining and ore processing activities, and the annual production rates are planned for Carrapateena. This creates difficulty in estimating future operating costs, which cannot be simply extrapolated from historical costs. The cost estimates provided to AMC by OZ Minerals are a mixture of budgeted costs in respect of 2022 extended to 2023, and estimates developed from operating experience and benchmark estimates from existing block caving operations. In AMC's opinion, future operating costs have been underestimated by OZ Minerals because of recent inflationary effects, and the inherent difficulty in estimating future costs when significant changes to mining and processing activities are planned. Despite the adjustments made in the AMC production cases, there remains significant uncertainty with respect to operating cost projections.

Capital expenditure exceeding current estimates

The capital estimate for the block cave expansion have been prepared by OZ Minerals with the assistance of experienced project engineers and managers using well recognized cost estimation standards. However, as with most large complex projects there is a risk that cost overruns and schedule delays will occur.

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1.11.2 Opportunities

The opportunities at Carrapateena are reflected to a large degree in AMC Production Case 2. The potential exists for the further conversion of Mineral Resources to Ore Reserves, resulting in the extension of the life of the Carrapateena operation. The ability to economically develop these Mineral Resources in uncertain and significant further exploration and evaluation will be required.

AMC does not see any reasonable potential to increase mine production rates above the 12 Mtpa rate envisaged in the OZ Minerals Business Cases or in the AMC production cases.

OZ Minerals has a proactive and constructive attitude towards improving operations using developing technologies and the encouragement of innovative and flexible thinking. This provides the opportunity to predict and manage challenges, and to take full advantage of future opportunities that may be identified by OZ Minerals.

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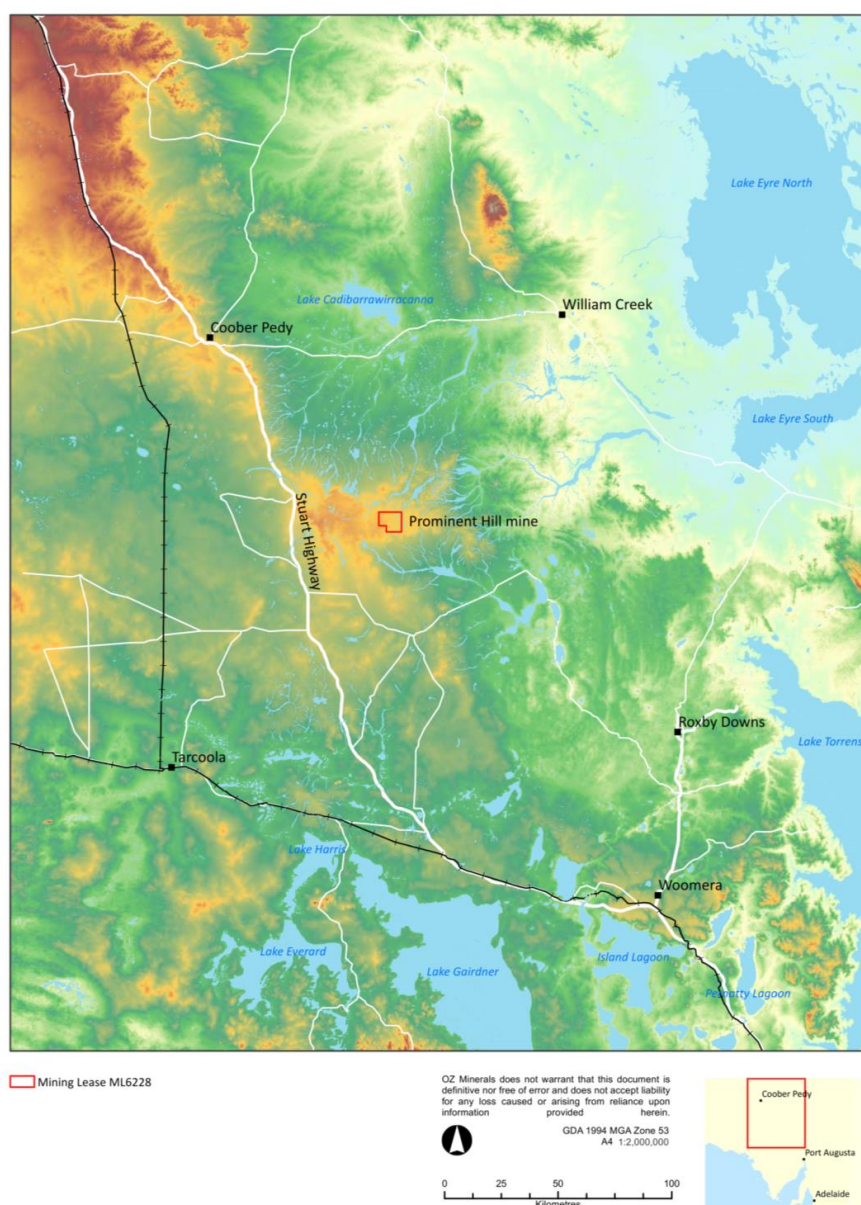
2 Prominent Hill

2.1 Location and background

2.1.1 Location

Prominent Hill is located approximately 650 km north-west of Adelaide and approximately 130 km south-east of the town of Coober Pedy in South Australia. Road access to the operation is via the Stuart Highway linking Adelaide with Alice Springs and Darwin in the Northern Territory. An 80 km access road connects the mine to the highway. The location of the Prominent Hill mine is shown in Figure 2.1.

Figure 2.1 Location of Prominent Hill



Source: Prominent Hill PEPR, 2022.

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2.1.2 Background

Operations at Prominent Hill started with the development of an open pit. The pit is now complete and apart from some remaining ore stockpiles all mining now takes place using underground mining methods. Ore is processed on site to produce a gold rich copper concentrate which is transported 120 km by road to the Wirrida siding on the Adelaide–Darwin rail corridor, where it is railed to Port Adelaide.

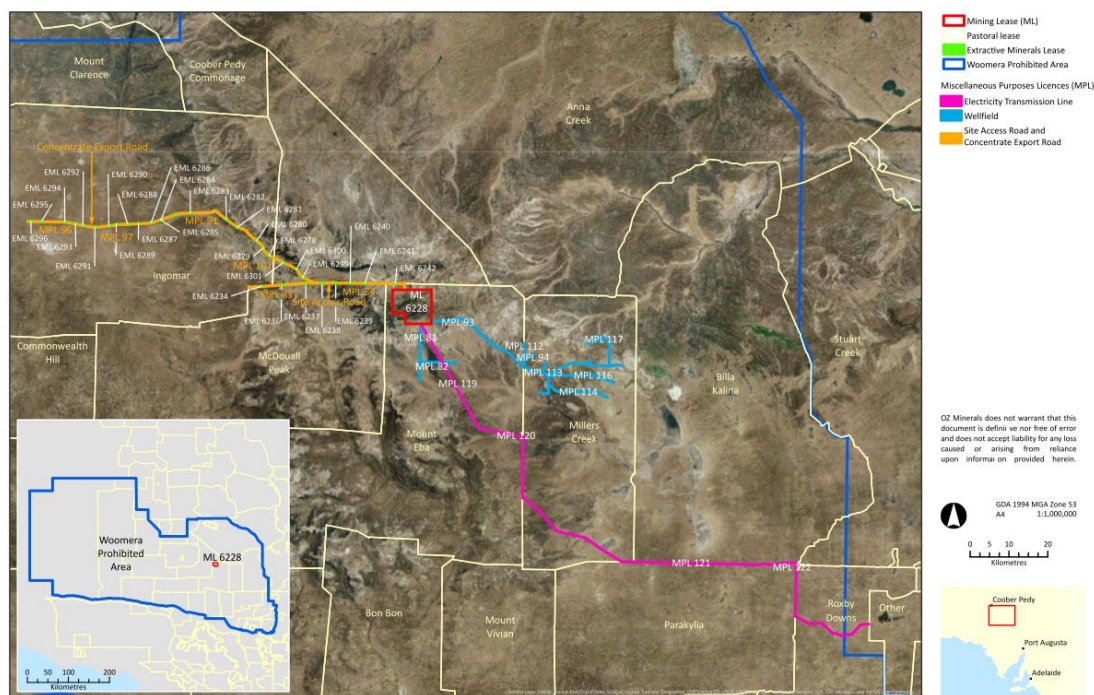
The operational workforce commute to the mine by air from Adelaide and Port Augusta airports. Various commute cycles are used to enable operations to be carried out on a twenty-four-hour basis, 365 days per year.

2.1.3 Tenement holdings

The Prominent Hill deposit is located on Mineral Lease ML 6228. This lease has an approved PEPR as required under the South Australian Government Mining Act 1971 and is in good standing.

A summary of the existing mineral tenements covering the Prominent Hill operation is shown in Appendix D. The location of the tenements is shown in Figure 2.2.

Figure 2.2 Mining Lease Boundary and Associated Tenements



Source: Prominent Hill PEPR, 2022

2.1.4 Operational history

Prominent Hill (the Malu deposit) was discovered in 2001 by Minotaur Resources Ltd. A decision to develop the mine was made in 2006 and open pit mining and processing of the Malu deposit commenced in 2009.

In 2012, underground mining commenced at the Ankata deposit accessed from the Malu open pit, followed in 2015 by underground mining at the Malu deposit.

Appendix B Independent Expert's Report

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In 2018, the Malu open pit closed after more than 100 Mt of ore had been mined over a 10-year period.

In 2019, production from the underground was increased to 4.0 Mtpa and the Prominent Hill Expansion Study⁹ commenced. In 2021, OZ Minerals approved the expansion of the mine to 6.0 Mtpa involving construction of an ore hoisting shaft (the Wira Shaft) and associated underground infrastructure.

The production history of the Prominent Hill operation over the past three years is summarised in Table 2.1.

Table 2.1 Prominent Hill production history

Year	Units	2020	2021	2022 ¹
Underground ore mined	Mt	3.890	4.147	3.130
Copper grade	%	1.39%	1.47%	1.15%
Gold grade	g/t	0.56	0.56	0.60
Open pit stocks	Mt	5.047	5.057	4.387
Copper grade	%	0.36%	0.26%	0.34%
Gold grade	g/t	1.15	0.74	0.61
Material Processed	Mt	8.937	9.204	7.517
Copper feed grade	%	0.81%	0.81%	0.68%
Gold feed grade	g/t	0.89	0.66	0.61
Copper recovery	%	85%	85%	84%
Gold recovery	%	78%	72%	71%
Concentrate produced (dry)	kt	124	126	102
Copper in concentrate	kt	61	63	43
Gold in concentrate	koz	199	142	104

Source: Various OZ Minerals public documents and company advice.

Note ¹ Ten months to October 2022.

2.2 Site visit

During AMC's site visit, key aspects of the operation were inspected including the surface infrastructure, the ore processing plant, the core handling and storage area, and the TSF. Discussions were also held with senior members of the Prominent Hill operating team.

2.3 Geology and Mineral Resources

2.3.1 Geology

The Gawler Craton covers approximately 600,000 square kilometres of South Australia. There is sparse outcrop, and the geological understanding is based on exploration drilling and geophysical data. The Gawler Craton hosts the Olympic Dam, Prominent Hill, Carrapateena, Moonta, and other smaller copper-gold deposits. Most of these deposits are genetically related to the Gawler Range Volcanic (GRV)-Hiltaba magmatic event which is present over the central and eastern Gawler Craton. The Hiltaba-aged mafic intrusives and iron oxide copper gold (IOCG) alteration systems can have a spatial relationship as the low-grade IOCG system is found on the margins of a large gravity-magnetic anomaly that is interpreted as a Hiltaba-aged layered mafic complex.

⁹ OZ Minerals, January 2021, Prominent Hill Expansion Project Study Report, PH-0000-MGT-REP-0002.

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The Mount Woods Inlier forms a discrete crustal block within the Gawler Craton. The central and northern parts of the Mount Woods inlier comprise upper amphibolite to granulite facies metamorphic rocks including iron formation, felsic gneiss and schist, and calc-silicate. There is evidence of later metasomatism and hydrothermal alteration related to magmatic activity of the GRV-Hiltaba event. Around Prominent Hill, Proterozoic rocks are thought to be of greenschist facies metamorphism. The host rocks at Prominent Hill show little evidence of metamorphism except for clasts of schist and/or gneiss in hydrothermal breccias.

Mineralization is related to a large system of regional alteration. Copper mineralization is mainly hosted within hematite breccia as chalcopryrite, bornite, and chalcocite. It also occurs within dolomite, chlorite breccias, footwall volcanics, and contacts. Gold occurs with copper in hematite breccias or as gold only zones within breccias or dolomite.

2.3.2 Mineral Resources and estimation

The Prominent Hill Mineral Resource estimate provided by OZ Minerals for this review is reported in the Prominent Hill MRE and ORE Statement 2022. Additional information is sourced by AMC from the Prominent Hill 2019 MRE Draft Report, and Optiro Prominent Hill Report.

The Prominent Hill Mineral Resource estimate incorporates new drilling data that includes 188 new and infill DD and a cut-off grade based on an updated copper price. Processes used are otherwise similar to those reported in the Prominent Hill 2019 MRE Draft Report. Table 2.2 summarizes the Prominent Hill Mineral Resource estimate as at 30 June 2022.

The Prominent Hill Mineral Resource estimate is reported by application of a cut-off based on a NSR that incorporates mining and metallurgical recovery parameters, and site operating costs. These are used to create stope optimized shapes that are manually adjusted to create an outline for reporting.

Table 2.2 Prominent Hill Mineral Resource estimate as at 30 June 2022

Mineral Resource	Category	Tonnes (Mt)	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (Moz)
Underground A\$48/t cut-off envelope	Measured	49	1.6	1.2	0.6	3.0	580	930	4.7
	Indicated	51	1.4	0.9	0.9	2.5	440	1,500	4.1
	Inferred	66	1.4	0.8	0.9	2.3	560	1,900	4.8
	Subtotal	170	1.4	0.9	0.8	2.5	1,600	4,300	14
Surface stocks¹									
Copper	Measured	0.35	1.0	0.7	0.5	2.0	2.3	5.4	0.02
Gold	Indicated	6.2	0.5	0.1	0.6	0.4	6.7	120	0.07
Marginal	Indicated	2.6	0.4	0.2	0.3	0.5	4.1	29	0.05
	Subtotal	9.2	0.5	0.1	0.3	0.5	4.1	29	0.05
Totals	Measured	49	1.6	1.2	0.6	3.0	590	940	4.7
	Indicated	60	1.3	0.7	0.8	2.2	450	1,600	4.2
	Inferred	66	1.4	0.8	0.9	2.3	560	1,900	4.8
	Total	180	1.4	0.9	0.8	2.4	1,600	4,500	14

Notes:

¹A\$48/t cut-off envelope.

- Surface stockpile cut-off is A\$17/t NSR which covers rehandle and processing costs.
- The values in the table are subject to rounding.
- This Mineral Resource does not account for mining recovery or mining dilution.
- Mineral Resources are inclusive of the Ore Reserves.

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2.3.3 Data collection

As at 30 June 2022, a total of 2,949 DD and 80 RC drillholes are drilled into Prominent Hill. OZ Minerals excludes 199 holes from the database for the Mineral Resource estimate due to data integrity issues.

Drill holes are orientated to intersect the mineralization as close to perpendicular as practical. The drill-hole-to-target orientation and density of drilling are reasonable for the style of mineralization and mining method.

Hole collars are surveyed using a differential GPS or total stations. Downhole surveys are performed using various recognized single or multi-shot instruments.

Drill core is geologically logged, and geotechnical parameters recorded. Drill core is sawn in half, or whole core for narrow core size, and samples taken at nominal one metre lengths. Over appropriate geological intervals. Samples for laboratory testing are assayed by recognized laboratories.

2.3.4 Bulk density

Core pieces for bulk density determinations are taken at regular intervals within both mineralised and non-mineralised zones, and values determined using an industry-standard water immersion technique. AMC notes that core is solid and not porous, and that the frequency of bulk density samples is high. In AMC's opinion, the bulk density data is of reasonable quality.

2.3.5 Data management

Data is entered electronically, and validation checks are in place. All drill hole logging data, including historical data, is kept in an electronic database with a back-up system. The database is reviewed manually to check for errors against the original field information and laboratory files. Appropriate data management processing and checks are in place.

During the site visit, AMC inspected the core handling and storage facility which was well-kept and equipped. No core preparation, logging or sampling was being conducted during the site visit, and therefore the procedures were not able to be observed. However, the method of sample selection and preparation for assay, as documented and described to AMC, are rigorous and consistent with industry standards.

2.3.6 QA/QC

QA/QC checks are carried out as part of the standard laboratory procedures.

In AMC's opinion, sample preparation and assaying procedures have been applied that are well suited to the nature of the mineralization. Both primary and umpire assaying are conducted using recognized commercial laboratories. Samples and assay results are managed for both security and high confidence, and a range of industry-standard QA/QC procedures have been implemented to ensure high levels of accuracy and precision.

AMC considers the confidence in the sample data in general to be high and of suitable quality for use in the grade estimation.

OZ Minerals has also undertaken a significant number of internal data validation processes and external QA/QC audits to support the data used in the estimations. These results have not been seen.

2.3.7 Prominent Hill Mineral Resource estimate process

Geological interpretations are developed into three-dimensional wireframes for the Prominent Hill Mineral Resource estimate based on assay data, logging data and mine exposures.

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Mineralised envelopes are developed for copper and gold and used to constrain the grade estimations. Copper estimation domains are above 0.1% copper. Gold domains are greater than 0.1 g/t Au. OZ Minerals applied a set of guidelines for consistently extrapolating interpretation strings.

Malu samples are not composited. This is to avoid smoothing of sample grades due to the compositing process. Most sample lengths are one metre or close to one metre. To mitigate short sample length, kriging weights are additionally weighted by sample lengths. AMC considers that if most samples are approximately one metre length, compositing to one metre would be reasonable with limited smoothing and mitigate the need for using kriging weights. However, AMC considers the method used is also reasonable.

Ankata downhole composite length was one metre with separate composite files created in the copper and gold domain, which is the same as the sample length for most samples.

Estimation and search parameters and grade capping are determined from variography developed and modelled using Supervisor software. Variogram models and ellipsoid parameters are considered by AMC to be suitable when compared against the interpreted domain solids.

Malu was estimated using OK as Zone A with close space drilling, Zone B with wide spaced drilling, and waste domains. Ankata was estimated using inverse distance squared (ID2). Domains are given an order of priority with copper domains overprinting gold domains. Malu gold, silver, and copper grades and bulk density are estimated. The dimensions of the blocks within each zone at depends on the density of drilling as follows. Blocks are discretised:

- Ankata: 5 mX by 5 mY by 5 mZ.
- Malu Zone A: 10 mX × 5 mY × 12 mZ.
- Malu Zone B: 20 mX × 10 mY × 24 mZ.
- Malu waste domains: 40 mX × 20 mY × 48 mZ.

The grades estimated included copper, gold, and silver and a suite of secondary elements. These elements are estimated into the block models using OK and the parameters derived from studies of variography. Domain perimeters are used as hard boundaries with a few exceptions. Octant searches and minimum sample numbers are applied to control data searches.

AMC considers that the estimation approach used is reasonable.

2.3.8 Grade estimation validation

OZ Minerals undertakes estimation validation of their block model estimate. These include:

- Visual validation of block grades against drill holes.
- Statistical comparisons between raw, capped, and block data.
- Swath plots of drillhole data and block models.
- Reconciliation of production for the year to June 2022.
- Comparison with the previous estimation.

Prominent Hill 2019 MRE Draft Report and Prominent Hill MRE and ORE Statement 2022 report assessment of the outputs, visual assessment, and validation plots from the block model against the equivalent composited drill hole data all indicate generally good conformance, validating the block models as being representative.

2.3.9 Cut-off grade

The JORC Code requires reasonable prospects for economic extraction to be considered. At Malu, OZ Minerals used Deswik stope optimization (DSO) and a A\$48/t NSR value within minable dimensions to define an envelope for reporting purposes. A grade shell is used at Ankata.

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Estimated block grades that are below the NSR cut-off are included in the Mineral Resource because they provide continuity to the DSO shape. Other blocks above the NSR are omitted by the DSO process. The NSR calculation considers revenue from metals, site operating and sustaining capital expenditure, and metallurgical recoveries.

AMC considers that A\$48/t NSR appears reasonable and is sufficient for the Prominent Hill Mineral Resource estimate.

2.3.10 Post-processing

Post-processing is applied to the block models by OZ Minerals to code different estimation passes, assign values or grades conditionally or to un-estimated cells, convert units, assign metallurgical codes, bulk density, and NSR values.

Caution should be used assigning the median grade of a domain to un-estimated blocks in the domain. This assumes that all the volume within a domain is mineralized. However, some blocks will be some distance from drill holes and naturally of low confidence. There is potential to create metal in these low confidence areas that might be picked up by later processes such as stope optimizations. It is noted that these blocks are classified such that they are not reported in the Ore Reserve.

2.3.11 Classification criteria

The Prominent Hill Mineral Resource estimate is classified as Measured, Indicated, and Inferred Resources in accordance with the JORC Code based on drill density, geological confidence and grade continuity.

2.3.12 Reporting

The Prominent Hill Mineral Resource estimate is reported within a A\$48/t NSR cut-off envelope. The Prominent Hill Mineral Resource estimate carries internal waste.

2.3.13 Estimation summary

AMC makes the following observations:

- The geological interpretation and domaining is appropriate and the grade estimation uses internationally recognized processes.
- Block sizes vary between domains. Some block sizes are small. Each cell is flagged based on the model and domain it belongs to. It is then labelled with the search pass in which the grade was estimated.
- The outline for reporting the Prominent Hill Mineral Resource estimate is derived from a stope optimization process. The outcome of this is used as guidance to manually generate the outline for reporting. The cut-off NSR is not used directly to report the Prominent Hill Mineral Resource estimate. Rather, it helps guide the stope optimization.
- Un-estimated cells are assigned the median grade of the domain. The justification for this is to assist the stope optimization process and implies there is confidence of mineralization within the entirety of each domain.

2.3.14 Reconciliation

The June 2021 Prominent Hill Mineral Resource estimate was reconciled by OZ Minerals against the six months mill tonnes to December 2021. Grades from grab samples are 9% lower for copper and 17% lower for gold than predicted by the underground block model. The same bias was not reported in the mill received grades. This absence of a bias, and the work on grab sample bias undertaken by OZ Minerals, suggest that sampling error and bias particle size distribution of the grab samples to be the likely issue. As such, AMC considers the reconciliation using grab samples in not sound.

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2.3.15 AMC Estimation validation

AMC has independently interrogated the block model estimation as a global confirmation of grade for the Prominent Hill Mineral Resource estimate using data and parameters supplied by OZ Minerals. This was completed in the Datamine software. The interrogation is very similar to the reported Prominent Hill Mineral Resource estimate allowing for rounding by OZ Minerals and the use of different software packages.

AMC viewed the drillholes against the block model and satisfied itself that the distribution of geology and grade is well represented by the block model. AMC also compared the results for some domains and satisfied itself that these are appropriately reported as well.

Swath plots of drillhole composites plotted against block model grades were reviewed and confirmed the model correlates with the input data in location and appropriate grade allowing for smoothing.

AMC reviewed the documented post-estimation processes applied to the block model and a sample of the Vulcan scripts used to perform these processes. AMC considers the manipulations to reclassify or reflag the parameters in the estimated blocks to be reasonable and appropriate.

AMC is comfortable with the modelling approach and understands there are multiple steps for the reported values to be achieved. The overarching rationale and logic of the processes is understood.

The Prominent Hill Mineral Resource estimate is appropriate to be used as the basis for Ore Reserve estimation.

2.3.16 Exploration and resource potential

OZ Minerals has identified multiple sites with resource potential at Prominent Hill. The largest of these is the down-plunge extension of Malu, the main mineralised corridor. Targets here include two shoots of the Malu Deeps West extension as shown in Figure 2.3, below Malu and Kalaya. One drillhole at depth identifies approximately 33 m true thickness at 0.9% Cu and 1.0 g/t Au. Infill drilling is required to confirm continuity between this and the main mineralisation of Malu.

Malu Eastern Deeps extension is approximately 350 m east of the main mineralized Malu ore zone. Several drillholes into Malu Deeps east extension identified mineralization for additional investigation as shown in Figure 2.3.

Walawuru is a thin tabular zone on the western side of the open pit that has been drilled, with potential for additional Mineral Resources. Papa has been drilled, defining a small area of mineralisation to the east of the open pit. Recent drilling here resulted in a reduced size of the mineralized zone but improved the definition.

There is potential for additional resources at Kalaya, directly west of Malu, shown as the Inferred Resource west of the shaft in Figure 2.3. Recent drilling from surface also indicated further potential as an upper Kalaya extension (not shown).

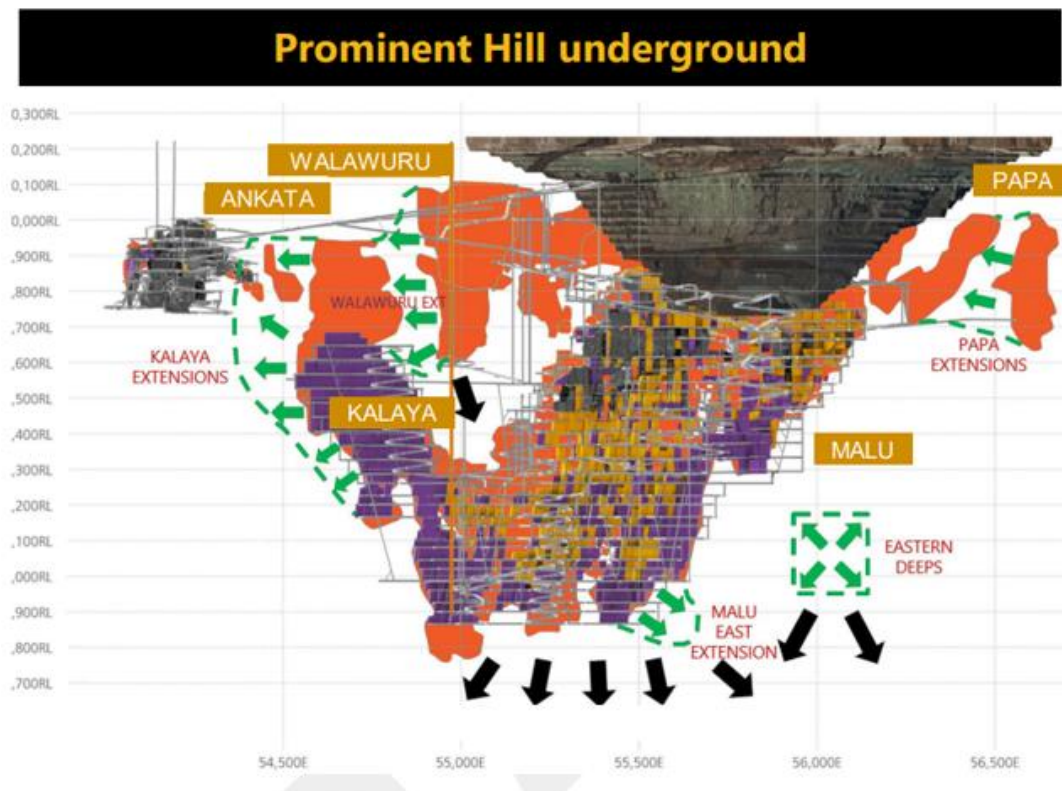
Ankata is a separate zone west of Malu with potential for extension. Immediately below this is the Dacite Contact zone, structurally associated with the hematite breccia. Early drillhole suggest potential mineralisation.

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Figure 2.3 Long section showing Prominent Hill exploration targets



Source: OZ Minerals, ASX Release Strategy, Aspirations and Province Potential Presentation August 2022

2.4 Geotechnical Investigations

The results of AMC's review of reports that contain or refer to geotechnical data and analyses regarding stability of excavations associated to the Ankata and Malu underground operation and Malu pit at Prominent Hill operation are presented as follows.

The geotechnical investigations for Prominent Hill include characterization of the rock mass based on laboratory test results for the different rock types in the mine. The information has been collected for the last six years and is complemented with underground mapping and geotechnical core logging, done on a regular basis, to generate rock mass classification.

The geotechnical model is updated in a regular basis as new data is available by the Senior Geotechnical Engineer and Database Administrator. The geotechnical block model created contains values of Q, rock quality designation, and RMR.

Geology and structural geology models are used for geotechnical design.

Multiple in situ stress measurements done on site indicates the mine is in a moderate stress environment with the ratio horizontal to vertical stress in the range 1.0 to 1.5 depending on orientation.

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Life-of-mine geotechnical modelling is conducted bi-annually and is mainly associated with the control of stress to prevent premature failure of excavations and reduce seismicity.

Ground support design is determined using a combination of kinematic wedge analysis, empirical design and predicted deformation using 2D and 3D stress modelling. The selection of support elements (e.g., bolt type, shotcrete and mesh) accounts for design life of the excavation, use of the excavation, exposure of time/frequency of personnel or critical infrastructure.

The engineering design justification for all ground support specified is completed and a summary is stored within site servers.

Stope design starts with a stope mining sequence based on geotechnical risks and recommendations of life-of-mine geotechnical modelling. The stope schedule is designed to avoid stress related deterioration, dilution and mining induced seismicity.

All stopes are reconciled monthly to determine areas of overbreak and underbreak. This information is used in geotechnical reviews to refine geotechnical practices and the design of ground support.

The Wira Shaft location has been chosen as compromise between distance from the underground mine workings at depth and the mined out open pit to ensure stability of the Wira Shaft over the long term. Geotechnical modelling of the long-term stability of the open pit was carried out to assist this choice. Factor of safety of the pit wall close to the shaft is larger than 2.0 with a marginal factor of safety for deflection in the range 1.0 to 1.2 indicating that, locally at the base of the cover sequence, a realignment of still work may be required. The shaft support in that area may require rehabilitation. A shaft geotechnical hole drilled to 1,500 m confirmed the suitability of the preferred shaft location.

2.5 Mining Operations and Ore Reserves

2.5.1 Mine Layout

The surface layout of the Prominent Hill operation is shown in Figure 2.4.

Figure 2.5 shows the current extent of underground workings. The Malu area is the main underground working area. Mining at the Ankata deposit is almost complete.

The main underground workings at Prominent Hill are accessed from two portals near the base of the open pit. An access decline in the upper part of the pit wall provides access the Ankata deposit and to the Malu workings.

All ore and waste from the underground mine are trucked via the declines to temporary stockpiles in the base of the open pit using articulated underground haul trucks. Waste is backfilled into the base of the pit while ore is loaded to large open pit trucks and hauled to the run-of-mine stockpile area near the surface primary crusher.

The large run-of mine stockpile area, previously used by the open pit operation, currently holds remnant stockpiles of open pit ore. This material is currently blended with the ore from underground prior to being fed to the primary crusher.

Intake ventilation is via the declines and intake ventilation raises (shown in blue). Air is exhausted via return air raises (shown in red).

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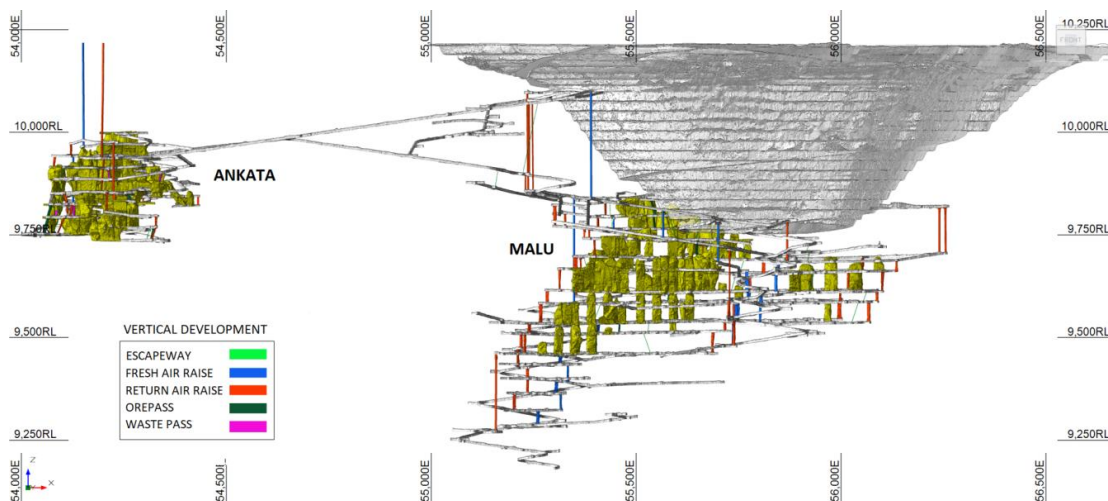
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Figure 2.4 Surface layout of the Prominent Hill operation



Source: OZ Minerals, March 2022, Prominent Hill Risk Valuation.

Figure 2.5 Prominent Hill underground workings at December 2022 (section looking North)



Source: Developed by AMC from file 2022 PH as built Deswik.dcf, provided by OZ Minerals

2.5.2 Mining methods

The main mining method used at Prominent Hill is sublevel open stoping with cemented paste backfill made with tailings from the processing plant. Some waste rock from underground development is also used for backfill. The stoping sequence is based on geotechnical modelling and is a trade-off between stope stability and productivity. The performance of stopes since mining commenced has been generally good with limited stope wall or pastefill failures.

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Sublevel spacing is typically 30 m and stopes generally have a strike length of 20 m. Stope widths vary depending on the width of the orebody. Multiple stopes are mined across the orebody in wide zones to manage individual stope stability. Stopes are mined over multiple sublevels where practical. Individual stopes contain approximately 100 kt of ore up to a maximum of 250 kt. As the depth of mining increases, stress levels will increase, and the sizes of stopes are planned to be reduced.

On each sublevel, a primary/secondary stoping sequence is generally used with primary stopes mined first followed by the intervening secondary stopes. An overall bottom-up extraction sequence is currently used with stopes on the lowest accessible sublevel mined first followed by overlying stopes. No crown pillar is left between the lower and upper stopes.

In deeper parts of the deposit a combination of bottom-up and top-down sequences are proposed. The top-down sequence requires that pillars of high strength pastefill be established at the bottom of each stope to enable the stope below to be safely extracted. Mining of stopes underneath pastefill stopes has been done successfully at many underground mining operations. Below 1,000 m depth, it is proposed to transition the current primary secondary stoping sequence to a continuous extraction sequence to control dilution and maximise ore recovery.

Development excavations are typically mined 5 m wide by 5 m high but with larger sizes in declines and main access ways. Ground support consists of resin bolts, fibrecrete and where required mesh and cable bolts for long-life excavations. Split sets and mesh and where necessary fibrecrete is used for short term operating development.

Ore is extracted from stopes using high capacity LHDs and loaded directly to trucks or occasionally to short ore passes. Ore from the bottom of the passes is loaded to trucks by LHDs. Tele-remote operation of LHD's is used for 60-70% of all stoping ore production.

Ore production, development mining, and associated mining services are carried out by Byrnecut in an alliance-style mining services contract with OZ Minerals.

2.5.3 Mining infrastructure

Ventilation

Surface mounted exhaust fans are fitted to the existing return air raises. There are two main circuits. The Ankata area has 450 m³/s capacity. The Malu exhaust system has 1,300 m³/s capacity.

The geothermal gradient at the Prominent hill mine is typical for an IOCG deposit in the region and refrigeration of intake air will be required for mining the deeper parts of the deposit. A temporary refrigeration plant with a cooling capacity of 3.5 MW is currently used to feed chilled air to the existing intake raise for the Malu deposit.

Pastefill plants

There are two surface pastefill plants at Prominent Hill, a plant with a capacity of 100 m³/hr built to service the Ankata mining area and the newer Malu plant with a capacity of 220 m³/hr). Tailings from the process plant are deslimed by cyclone classification to produce material suitable for pastefill once binder and cement are added. Pastefill is delivered underground by gravity via vertical boreholes then distributed by horizontal pipe runs.

Mine dewatering

Water is collected in the mine in sumps and directed to two pump stations, one in Ankata and one in Malu (9,826 RL) with combined capacity to pump 108 L/s to surface. Present output ranges from 25 to 50 L/s.

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Emergency egress

The multiple declines combined with raises equipped with ladderways provide emergency egress from the mine working.

2.5.4 Future mine expansion

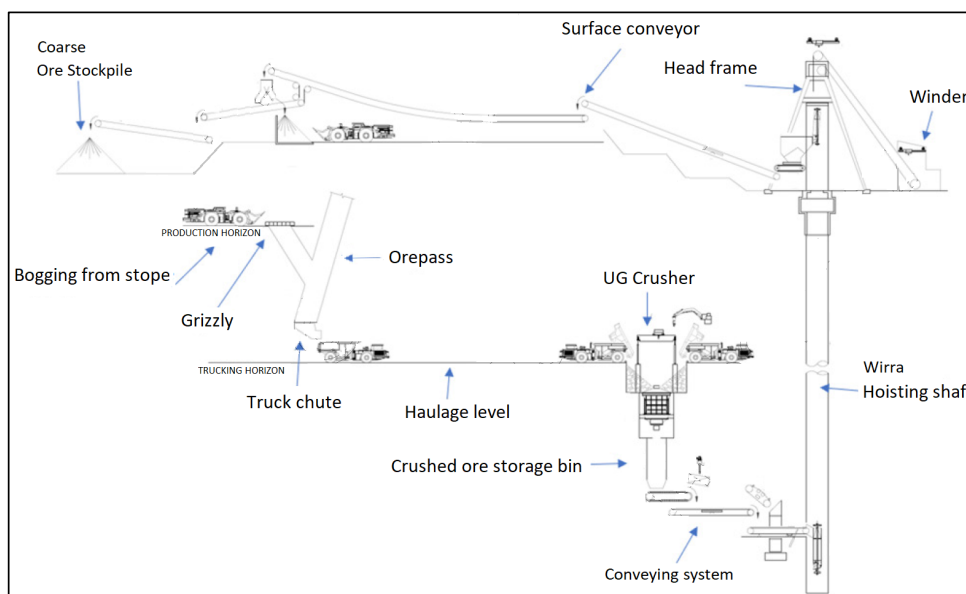
Prominent Hill has one of the highest underground trucking rates in Australia and elsewhere. The Prominent Hill Expansion (PHOX) project is intended to enable the production rate to be increased to 6.0 Mtpa and for mining costs to be reduced by removing the need to truck ore to surface.

Construction of the Wira Shaft has commenced with the initial pre-sink section complete at a depth of 93 m below surface. The headframe to be used for shaft sinking and eventual production is being erected. Other underground development activities that form part of the PHOX project have also commenced.

The Wira Shaft is 7.5 m diameter and is planned to be sunk from surface to a depth of 1,329 m. A three-stage strip and line sinking technique is planned. The planned hoisting arrangement is for two rope guided skips hoisted by a multi-rope friction winder. No cage for personnel and materials movement is included in the design, however the shaft will provide an emergency egress system from the deeper parts of the mine. Ore will be loaded to skips from a single skip loading station using a slewing conveyor.

Once the shaft and the PHOX materials handling system is complete, Ore will be transferred from stopes to ore passes and then via trucks or LHDs to an underground gyratory crusher. Ore from the crusher will be fed to the shaft skip loading system via a crushed ore storage bin, and a tramp metal removal system. A flow sheet showing the proposed PHOX project ore handling system is shown in Figure 2.6.

Figure 2.6 Prominent Hill PHOX project material handling system



Source: OZ Minerals, January 2021, PHOX_Study_Report FINAL.

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In addition to the installation of the shaft and the associated materials handling system, new intake and return air ventilation shafts will be constructed to extend the ventilation system to the planned depth of the mine. The existing temporary cooling plant will be replaced by two 9 MW refrigeration installations (one delivering air to the existing Ankata intake raise and one to the Wira Shaft). Two new underground primary fan stations each with a capacity of 350 m³/s at 3.5 kPa will be installed to increase the total Malu system capacity to 2,000 m³/s.

An increase in total annual paste plant capacity 0.6 Mm³ is planned by expanding the Ankata paste plant. The underground paste reticulation system will be progressively extended as required.

A daisy chained pump systems is planned to be used to pump water from the deeper mine workings up to the existing dewatering system. OZ Minerals envisage that the mine will become dryer at depth.

2.5.5 Ore Reserves and estimation process

The Prominent Hill Ore Reserve estimate as at 30 June 2022 are shown in Table 2.3. The location of the Ore Reserve relative to the current mine working is shown in Figure 2.7.

Table 2.3 Prominent Hill Ore Reserve estimate as at 30 June 2022

Estimate	Category	Tonnes (Mt)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (Moz)
Underground	Proved	29	1.5	1.2	0.6	2.9	340	520	2.7
	Probable	30	1.3	0.9	0.7	2.4	250	710	2.3
	Subtotal	59	1.4	1.0	0.7	2.6	590	1,234	5.0
Surface stocks copper	Proved	0.35	1.0	0.7	0.5	2.0	2.3	5.4	0.02
Surface stocks gold	Probable	6.2	0.5	0.1	0.6	0.4	6.7	120	0.07
Surface stocks Marginal	Probable	2.6	0.4	0.2	0.3	0.5	4.1	29	0.05
Stockpiles	Subtotal	9.2	0.5	0.1	0.5	0.5	13	150	0.14
Total	Proved	29	1.5	1.2	0.6	2.9	340	530	2.7
	Probable	39	1.1	0.7	0.7	1.9	270	850	2.4
	Total	68	1.3	0.9	0.6	2.3	610	1,400	5.1

Source: Prominent Hill MRE and ORE Statement 2022.

Notes:

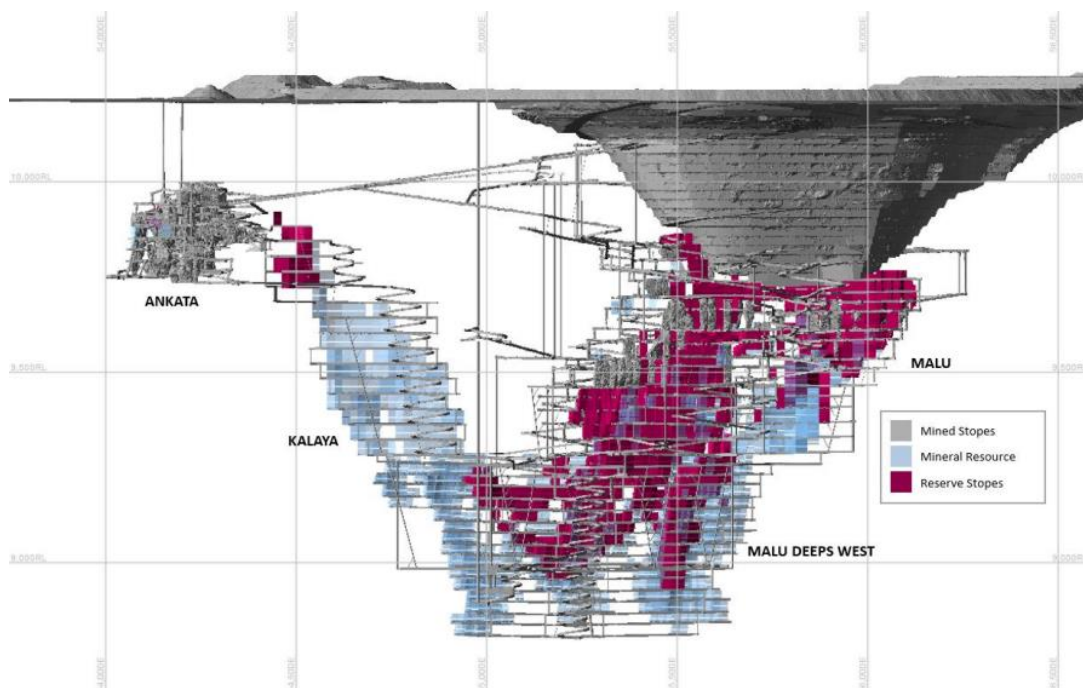
- Copper equivalent (CuEq %) calculation can be found under "Cut-off parameters" in OZ Minerals, ASX Release, Prominent Hill Mineral Resource and Ore Reserve Statement as at 30 June 2022, JORC Code Table 1 documentation.
- The surface Stockpile cut-off is A\$17/t NSR which covers rehandle and processing cost.
- The values in the table are subject to rounding.
- Mineral Resource are reported inclusive of Ore Reserves.

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Figure 2.7 Location of the Prominent Hill Ore Reserve relative to existing mine workings



Source: OZ Minerals, Prominent Hill Mineral Resource and Ore Reserve Statement as at June 2022

The Prominent Hill Ore Reserves are based on the Mineral Resource model used to estimate the Prominent Hill Mineral Resource and accounts for the expected recovery and dilution of the portion of the Mineral Resource planned to be mined.

The Prominent Hill Ore Reserves are based on the current mining practices and have been estimated by constructing three-dimensional stope and development designs and superimposing them on the block model used to estimate the Prominent Hill Mineral Resource. A minimum stoping width of 5 m was applied the stope designs. Modifying factors based on historical data were applied to the Mineral Resources within the designs.

The NSR values assigned to blocks in the Mineral Resource model were used to establish cut-off values for stope design. The cut-off values used depended on the mining areas in which each stope was located and the planned material handling method.

Each stope design was evaluated against the estimated breakeven cost of mining in their respective areas. Only stopes with a total NSR value greater than the breakeven cost and comprising at least 60% Measured and Indicated Resource were included in the Ore Reserve estimate.

The cut-off values used for stope design and the estimated breakeven cost of mining in the different areas of the mine are shown in Table 2.4.

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Table 2.4 Design cut-off NSR values and the breakeven mining cost

Orebody	Design NSR Cut-off (\$/t)	Breakeven Cost (\$/t)	Materials Handling Method
Ankata	65	63	Truck
Malu	75	68	Truck and shaft
Malu Deep West	70	54	Shaft
Kalaya	70	54	Shaft

Source: Prominent Hill MRE and ORE Statement 2022

In addition to ore from stopes, material from development which satisfied a development cut-off grade was added to the Ore Reserve. The total Prominent Hill Ore Reserve estimate was then evaluated to assess its overall economic viability.

The Prominent Hill Ore Reserve estimate has been prepared by a Competent Person, as defined by the JORC Code. AMC notes that the stope design process used results in the inclusion of some Inferred Mineral Resources in the Ore Reserve. However, AMC considers that the process used is both practical and reasonable and is unlikely to adversely impact confidence in the estimate. In AMC's opinion, the Prominent Hill June 2022 Ore Reserve has been prepared and reported in accordance with the JORC Code.

2.5.6 Resource development and future mining concepts

Prominent Hill has significant Mineral Resources that have yet to be converted to Ore Reserves. Exploration drilling has also identified several exploration targets as indicated in Figure 2.3.

The Prominent Hill management team has development concepts for exploiting the Mineral Resources and exploration targets that could extend the mine life and possibly enable an increase in the production rate above the 6.5 Mtpa capacity of the Wira Shaft. Production exceeding the capacity of the shaft would be trucked out of the mine via the existing portals.

In AMC's opinion, there is high potential to convert some of the existing Mineral Resources to Ore Reserves with further drilling, stope design and evaluation. There is also reasonable potential for further drilling to upgrade some exploration targets to Mineral Resources and subsequently to Ore Reserves.

There is potential to exceed the 6.5 Mtpa production rate, but this would likely require additional ore to be identified close to surface such as in the Walawuru and Papa areas rather than the deeper Malu East and Malu deeps areas.

In AMC's opinion, it is more likely that significant successful conversion of Mineral Resources and exploration targets to Ore Reserves will result in an increase in the life of the mine rather than increases in the production rate, although some increase is possible.

2.6 Mineral processing

The ore processing plant at Prominent Hill uses a conventional flotation circuit to produce a copper-gold concentrate which is treated off-site. The concentrator has a nameplate capacity of 10 Mtpa, milling to a nominal P₈₀ grind size of 75 µm, and has been operational since the start of open pit operation. The mill feed rate is planned to reduce in future to match production from the underground mine when the existing surface open pit stockpiles are depleted.

2.6.1 Processing methods

Ore from the underground mine is currently blended with stockpiled ore on the run-of-mine ore pad to manage the feed grade and the uranium and fluorine levels. Blended ore is delivered to the primary gyratory crusher using a front-end loader. Crushed ore then conveyed to a coarse ore stockpile. Ore from the stockpile is reclaimed and fed to the milling circuit, which comprises a SAG mill and ball mill operating in closed circuit with a hydrocyclone cluster.

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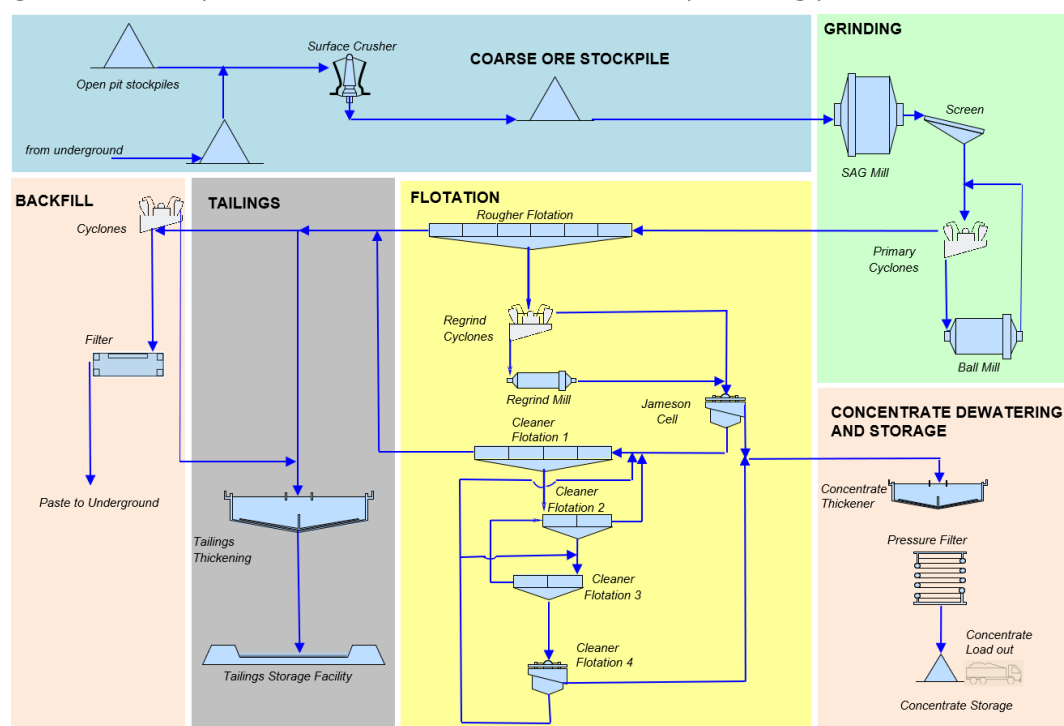
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The flotation circuit consists of rougher flotation, regrind circuit, scalper flotation cells, and four-stage cleaner cells. The final concentrate is made up of the scalper Jameson Cell concentrate and the fourth cleaner concentrate. Tails from the first stage cleaner cells are in a closed circuit and returns to float feed.

A simplified flowsheet of the Prominent Hill ore processing plant is shown in Figure 2.8.

Figure 2.8 Simplified flowsheet of the Prominent Hill ore processing plant



Source: OZ Minerals, 05.08.12 PH_Complete Flowsheet_currentv2_.ppt.

The major items of equipment in the processing plant are as follows:

- Primary gyratory crusher (60 x 89 inch).
- A 10.4 m diameter SAG mill, powered by twin 6 MW motors.
- A 7.3 m diameter by 10.4 m ball mill powered by twin 6 MW motors.
- A regrind IsaMill, grinding to a P_{80} of 15 μm to 20 μm , at a rate of 138 tph at 25% solids.
- A 23 m diameter high-rate concentrate thickener.
- A 45 m diameter high-rate tailings thickener.
- Paste plants that thicken around 20% of tailings for use as backfill,
- A Larox concentrate filter, reagent storage shed with blending and load-out facility.

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2.6.2 Future plant modification for reduced ore throughput

Following depletion of the open pit stockpiles, processing plant throughput will reduce from its design capacity of 10 Mtpa to 6.5 Mtpa. This will inevitably lead to a surplus of some processing equipment. Trade-off studies have been carried out to assess the impact of the reduced feed rate and to identify cost saving. Changes to optimise the plant at the reduced throughput have been investigated and the following modifications have been proposed:

- Modifications to the crushing and reclaim methods relating to the PHOX project.
- Modifications to the existing milling circuit, with the SAG mill and a ball mill operating in closed circuit with a cyclone cluster to achieve a primary grind size P_{80} of 75 μm and rougher feed density of 30%w/w solids.
- Modifications to existing rougher flotation cells with upgrades to pumps, piping and froth crowders.
- Operating the regrind mill at a specific energy of 28 kWh/t to grind rougher concentrate from a P_{80} of 75 μm to a P_{80} of 15 μm .
- Dewatering copper concentrate using the existing concentrate thickener, filter feed tanks and feed box to achieve a slurry density of 69% solids (w/w).
- Using the existing tailings to thicken and the tailings pumped to TSF to a slurry density of 64% solids (w/w).

2.6.3 Metal recovery and concentrate grade

The performance of the ore processing plant for the year to October 2022 is summarised as follows:

- Copper recovery to concentrate averaged 83%, at an average copper concentrate grade of 44.2%.
- Gold recovery averaged 85%, at a gold in concentrate grade of 32.2 ppm.
- Silver recovery averaged 74%.

AMC expects that copper recovery will increase over time from around 86% in 2023 to 90% by 2029. Concentrate grade in 2023 is expected to be around 50% and is expected to continue at this level. AMC considers the recovery increase challenging but reasonable considering the lower plant throughput, higher residence time in the flotation circuits, and the ability to focus on maximising copper recovery.

AMC expects that gold recovery will reduce from current levels to around 72% as the surface stockpiles, which contains gold rich ore, are depleted

2.6.4 Concentrate transport and marketing

Transport of concentrate from site is through a contract with Qube Bulk Pty Ltd for road haulage services to the Wirrida siding. Each concentrate container is subsampled to obtain an individual assay, as well as being checked to ensure its radioactive content is within guideline limits.

Two different buyers take concentrate based on its uranium content. Two levels of uranium content are considered: Less than 150 ppm, and between 150 ppm to 300 ppm. The other penalty element of most concern is fluorine which must be less than 1,500 ppm.

2.6.5 Tailings storage

The TSF is located within the southern waste rock dump and is an integrated waste landform that allows continued downstream embankment to be built. Tailings are discharged to the TSF using sub-aerial spigot discharge points, spaced 108 m apart around the perimeter, with a total of 50 spigots available. An allowance has been made within each 108 m segment to install additional spigots if required. The spigots comprise T-piece valves that connect to a discharge

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pipe, that in turn is inserted into a slotted pipe that acts as a diffuser. The diffuser is on a geotextile matt to reduce erosion and spray back that can occur during windy conditions.

A submersible pump is located within a slotted decant tower in the centre of the TSF. The decant tower is surrounded by rock to provide some filtration to the return water pumped back to the process plant. A series of wells have also been installed along the decant tower access causeway.

Samples of ground water are collected quarterly from monitoring bores to assess the concentrations of dissolved metal ions, pH, and salinity. No changes to the concentrations of copper and sodium over the past twelve months have been detected.

In March of 2022 an independent specialist consultant undertook inspections of the TSF and reported no damage to the embankment, the spigot discharge system, and the lining. No leakage spots were detected. The freeboard capacity remains well above guideline requirements, despite higher-than-average rainfall during 2022.

A reassessment of the TSF consequence category was made in 2022 and recommended that the consequence category be changed from 'High C' to 'Low C' in accordance with proper standards. This was done based on alignment with the Global Industry Standard on Tailings Management. The assessment concluded that all failure modes that could result in catastrophic release of tailings are 'non-credible' and therefore the population risk can be considered zero.

With the planned mine production rates, it is envisaged that the existing Stage 5 embankment will have the capacity to store tailings the end of 2024. Design of Stage 6 is well advanced and expected to accommodate tailings produced until 2031, further increases in capacity are possible. With the planned reduced ore processing rate, and the increased demand for pastefill there will be an opportunity to reduce the size of the pumps delivering tailings to the TSF.

2.7 Site infrastructure and services

2.7.1 Power

Until 2020, power to Prominent Hill mine was supplied via a single 132 kV line (160 km in length from the BHP-owned Olympic Dam West substation. Olympic Dam is connected to the ElectraNet-owned transmission network at Davenport substation via a single 260 km long, 275 kV line.

In October 2020, the mine was connected to a newly constructed 132 kV transmission line from Mt Gunson South via a connection point on the OZ Minerals-owned 132 kV line. The new line was built and is owned and operated by ElectraNet. The new line eliminated electricity supply uncertainty, albeit at increased cost to the Prominent Hill operation.

To ensure the stability of the power supply and to allow for the increased load of the Wira Shaft, an additional four capacitor banks will be installed at the main substation as part of the PHOX project.

An emergency diesel power station at the Prominent Hill site can maintain emergency power to the accommodation camp and critical facilities at the mine and plant site if required.

2.7.2 Water

Site water is supplied mainly from wellfields, supplemented with water reclaimed from the TSF and with a contribution from mine dewatering. Water demand is expected to reduce from the current level of about 18 ML/d to approximately 13 ML/d in line with the planned reduction in the mining and ore processing rate.

Water from the wellfields is pumped via pipelines to a raw water dam at the mine site. OZ Minerals envisage that an updated operating philosophy will be required for the wellfields in

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response to the reduced demand. At present, around 20% of water demand is recycled from the TSF, however programmes are ongoing to increase this amount.

2.7.3 Workforce accommodation

Workforce commute and accommodation facilities include a 1.6 km sealed airstrip which has been in use since construction phases. Workers are accommodated at a 700-person accommodation village. No future increase in the capacity of the accommodation village is envisaged.

2.8 Environmental, social, and permitting

2.8.1 Current primary approvals

The PEPR for the Prominent Hill Project was approved in January 2022. The PEPR (MPEPR 2022/137) covers the following tenements:

- Prominent Hill Mining Lease (ML) 6228.
- Site access road (Miscellaneous Purpose license (MPL) 83-84).
- Concentrate export road (MPL 91, 96, 97 and 101).
- Virgo Borefield (MPL 81-82).
- Aries Borefield (MPL 93-94 and 112-117).
- Electricity transmission line (MPL 119-122).
- Extractive minerals area (Extractive Mineral Lease (EML) 6234, 6236-6242, 6278-6296 and 6299-6301).

Table 2.5 outlines the current primary approvals for the operation and the expiry date.

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Table 2.5 Primary Approvals

Regulatory Authority	Details of Approval	Expiry Date
Department of Health and Aging	Waste water treatment plant (WCX No. 2559)	Valid for life of the system
Department of Environment and Water	Water license 396811 (Aries Borefield) Water license 396809 (Mt Sandy Bore / Coal Pit)	30/6/2042
Environment Protection Authority	Registration of Premises in which unsealed radioactive substances are kept or handled (license 50668, Certificates 20020, 20021, 20024, 20025, 20027, 20028, 20029, 20030, 20031, 20032, 21414, 22115, 22632, 22633, 22634, 24325, 24326). license to possess a radiation source (license 50668)	30/04/2023 (Note licenses are renewed annually)
Environment Protection Authority	license No. 22764 license to conduct prescribed activities – Mineral Works, Wastewater Treatment Works, Waste or Recycling Depot, Concrete Batching Works, Desalination Plant	31/10/2023
Department of Defence	Deed of Agreement – Woomera Protected Area (site is within the Green Zone which is for infrequent Defence access – up to 56 days exclusive Defence access) At least six months' notice of exclusion is given for holders of mining tenure.	5/07/2027
Department for Energy and Mining	Mining Lease ML6228 Site Access Road MPL83, MPL 84 Concentrate Export Road MPL91, MPL96, MPL97, MPL101 Borefield (Virgo) MPL81, MPL82 Borefield (Aries) MPL93, MPL94, MPL112-117 Electricity Line MPL119-122 Extractive Minerals Areas EML6234, EML6236, EML6242, EML6278-EML6296, EML6299-EML6301	1/08/2041
Department of Environment and Water	Water effective activity – Water Permit to Drill	Expires upon relinquishment of mining tenement and closure of boreholes
Department of Agriculture, Water and Environment	<i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act) Controlled Action EPBC 2005/2040	Expires upon relinquishment of mining tenement
Antakirinja Land Management Corporation	Mining Native Title Agreement	Expires upon relinquishment of mining tenement
Department of Infrastructure and Transport	Stuart Highway – Underpass Access Deed of Agreement. Note	Expires 17 January 2023 ¹

Notes: ¹ OZ Minerals has been in contact with Department of Infrastructure and Transport who have advised OZ Minerals that they will engage the Crown Solicitors Office to issue the Commissioner of Highway with an updated Deed.

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The approved PEPR contains the description of the PHOX operations and the changes required for water supply, power, processing and TSF capacity. AMC notes the following relating to the current primary approvals relating to PHOX:

- **Power supply.** The PEPR describes the need for the additional four capacitor banks to be installed and that electrical energy use will increase to 460 GWh per year (from 370 GWh per year) on commissioning of the Wira Shaft.
- **Water supply.** Prominent Hill Expansion Groundwater Modelling (EMM, 2021) was undertaken to support the PEPR update for the expansion. The report considered the potential drawdown from mining and from water abstraction from the Aries borefield for water supply. The Aries borefield is currently the only borefield in use for mine water supply. Since 2009, the monthly average pumping rate in the Aries borefield has ranged from 16 to 19 ML/d. Prominent Hill has a license (Water license 396811) to abstract 26.6 megalitres per day (ML/d) of groundwater from the Boorthanna Formation. PHOX will involve an extended mine life which will prolong the demand from the Aries borefield. The EMM (2021) report focussed on the potential impacts of the PHOX groundwater drawdown and TSF seepage on the surrounding area. The report did not model the availability of water supply within the aquifer to support the PHOX and extended LOM. The modelling considered four scenarios with the maximum case being PHOX 20 ML/d from 2021 through end 2038. The PHOX mine scenario is predicted to result in only minor additional drawdown and mounding impacts, when compared to the predicted effects of the life-of-mine scenario (and previous modelling predictions). The approved PEPR includes ~13 ML/d from wellfields for PHOX. Groundwater modelling of PHOX predicted only minor additional water drawdown and mounding impacts when compared to the previous modelling (i.e., without PHOX).
- **TSF capacity.** The PHOX extension of mine life will result in an additional 68 Mt of tailings to be stored in the TSF. Stage 5 TSF lift has sufficient storage for anticipated tailings production until 2024. The PEPR provides the information to support Stage 6 and 7 lifts of the TSF to provide capacity until 2036.
- **PAF material.** PHOX will encounter additional PAF material (3,000 m³). This will be trucked and end tipped into the TSF, then encapsulated by tailings submersion as outlined in the PEPR.
- **EPBC Act:** The Project was referred under the EPBC Act on 17 March 2005 and declared a controlled action under sections 18 and 18A (listed threatened species and communities) of the act on 20 April 2005. The PHOX Project is not likely to trigger any additional requirements under the EPBC Act due to no additional surface disturbance required outside the approved ML and MPLs.

Compliance and Regulatory Reporting

The Prominent Hill operations maintain a compliance register detailing all licenses, with the exception of the Waste Water Treatment, Woomera Protected Area Deed of Agreement and Antakrinja Mining Native Title Agreement.

A self-assessment of compliance is prepared by OZ Minerals within an Annual Compliance Report which is submitted to DEM outlining monitoring and compliance with the ML, MPL and EML conditions and the PEPR. The most recent reports for 2019, 2020, 2021 and 2022 stated that the Prominent Hill operation was compliant with all conditions during the reporting periods.

The 2021 Annual Compliance Report highlighted some elevated metals recorded in the sediments of Warriner Creek. However, this did not result in a non-compliance with the OMC. Further investigations were undertaken to understand the cause of the elevated metal, which concluded was related to the abandonment bund on the eastern side of the pit located at the head of the Warriner Creek system. This bund was primarily constructed with waste rock material. Metal concentrations beyond 1 km from the abandonment bund are consistent with the wider landscape and the risk to aquatic fauna was deemed to be acceptable.

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Annual Compliance Report records from 2019 to 2022 demonstrate no breaches of the Woomera Prohibited Area deed with DoD.

The Water licenses require annual compliance reports to be submitted to the Department for Environment and Water (DEW). The compliance reports for 2022 for Water Resources Works Approval (WRWA) 396907 and Water license 396811 and the WRWA 396904 and the related Water license 396809 report stated that there were no non-compliances.

The Water license (No. 396811 dated 14 October 2022) has a water entitlement of 9,709,000 KL per annum (comprising 9,359,000 KL for mining and 350,000 KL of camp). Water license (396809) allows for 365,000 KL per annum of water extraction for haul road maintenance. Extraction is from two locations, Mt Sandy production well and the Ingomar Coal Pit.

Total abstraction for Water license 396809 for the period June 2021 to July 2022 was reported at 91.7 ML (2022 Compliance Report WL 396809). Total abstraction for Water license 396811 for the period 1 July 2021 to 30 June 2022 was reported at 5,741 ML (2022 Compliance Report WL 396811). The total abstraction is within the license limits.

Note that the Water license has a clause which enables the Minister to vary the license conditions yearly. This indicates there is potential for a change in water take.

The 2022 Annual Compliance Report stated that a preliminary gap analysis has been conducted on compliance with GISTM. OZ Minerals expect to be compliant in 2024-2025.

Relationship with Regulator

Since the initial project development, the operation has had a strong focus on maintaining a strong relationship with the South Australian government and in particular DEM. No evidence was sighted in the review of documentation would indicate that OZ Minerals does not have a positive relationship with the regulator.

2.8.2 Future approvals

The approved PEPR provides details for PHOX and therefore the appropriate primary approval is in place. There are no potential delays relating to approvals for PHOX for PEPR approval. The approved TSF has capacity for PHOX, tailings geochemistry is expected to remain similar for PHOX, water drawdown for PHOX has been modelled and the findings are in the PEPR and SEB offsets are addressed in the PEPR.

If the proposed mine closure plan changes relating to the justification for not constructing a TSF cover then this would require a PEPR update (additional approval).

The current EMLs are mostly exhausted and extraction is complete. The tenements have not been relinquished as there could be a need for the sites in the future. If there is not adequate borrow material in the current EMLs, additional sources may need to be found and new EML tenements applied for.

2.8.3 Environmental and social assessments and control and management measures

The PEPR was based on the original Mining Lease and MPL Proposals (application for tenure) which contained detailed ESIA's, including specialist studies for baseline assessments, modelling for predictive analysis of potential impacts and stakeholder engagement. The application for the tenements followed the appropriate guideline at the time under the *Mining Act 1971*.

ML 6228 was approved on 2 August 2006 and the Mining and Rehabilitation Program (MARF) approved soon after. The MPLs for ancillary infrastructure (borefields, haul roads and transmission lines) and EMLs were approved throughout 2006 and 2008. The MARF was transitioned to a PEPR as required by the SA Government in 2015. The PEPR has been updated

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six times to include changes to the operation (including PHOX) and to align with the regulatory regime (e.g., *Mining Regulations 2020*). There has been seven Program Notifications (minor changes to the project) approved and these are captured in the current PEPR.

The PEPR (2022) was developed in accordance with the Terms of Reference (TOR) 005, '*Terms of reference Metallic and industrial mineral PEPRs*' (December 2020) and Ministerial Guideline (MG) 2b '*Preparing a PEPR Metallic and industrial minerals*' (December 2020).

The Description of Mining Operations provided within the PEPR was supported by appropriate ESIAs. The stakeholder consultation is summarised in the PEPR and any additional consultation is summarised in Annual Compliance Reports.

The control and management measures were developed following an ESIA. Potential impacts are identified, and a commitment to an environmental outcome is provided. Each environmental outcome has control and management strategies listed to reduce the potential impact.

TOR005 requires that an assessment is undertaken to highlight any uncertainties or assumptions relating to the control strategies. Each of the operational control strategies are ranked as having 'low' uncertainty (i.e., there is confidence that the control strategy will work as it should).

The compliance with each environmental outcome is demonstrated by OZ Minerals by a detailed descriptive OMC. This is reported in the Annual Compliance Report.

The Project's control and management measures were assessed by regulatory agencies and considered suitable to meet Government policies, guidelines and industry best practice documents. The strategies being implemented onsite are appropriate to lower the potential impact on the environment. This is demonstrated by the Annual Compliance Reports which have not reported any non-compliances against the environmental outcomes or tenement conditions (from 2019 to 2022).

2.8.4 SEB offsets

The project approval (2006) included the requirement to provide a SEB offset for native vegetation clearance. In 2006, OZ Minerals committed to establishing and managing a parcel of land (including a portion of the Mt Eba Pastoral Lease) and undisturbed areas within ML6228. The area is approximately 12,415 ha minus project related disturbances (Figure 2.9). Management measures undertaken for this offset area include installation of stock-proof fencing, removal of livestock and management of introduced species.

OZ Minerals has a legislative requirement under the approved PEPR to conduct environmental monitoring on ML 6228, within the surrounding SEB offset area and at several weed sites along main access routes to assess potential impacts of the mine on the abundance and diversity of native flora and fauna. The Annual Compliance Reports document the vegetation monitoring required under the PEPR (and Native Vegetation Management Plan).

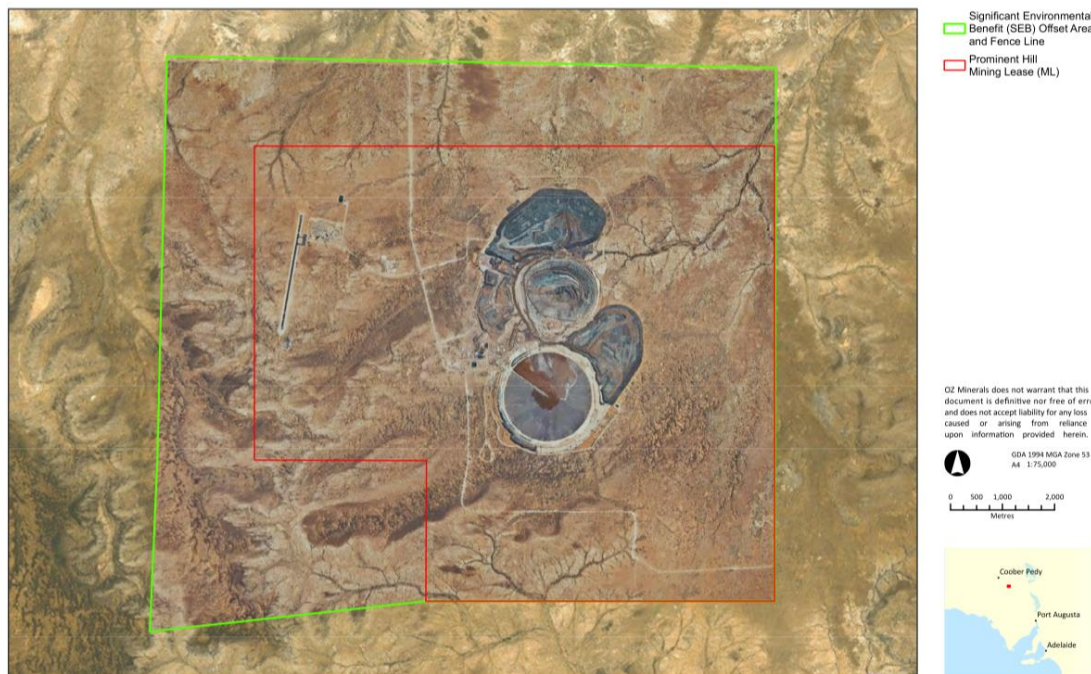
SEB Offset Area Stage 2 Management Plan (PH-ENV-REP-0005) was submitted and approved in 2022. The PEPR includes approval for a 4.0 ha area which is associated with native vegetation clearance near the Northern WRD relating to the refrigeration plant and pipes for PHOX. This additional clearance is offset using SEB credits which OZ Minerals hold (due to an additional payment into the Native Vegetation Fund). OZ Minerals has a balance of 28.5 ha of SEB credit remaining for future Project related clearances.

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Figure 2.9 SEB Offset Area surrounding the Mining Lease



2.8.5 Greenhouse Gas Emissions and Renewable Energy Targets

OZ Minerals reports its greenhouse gas emissions and energy use through its Sustainability Report, and the National Greenhouse Gas and Energy Reporting (NGER) function to the Clean Energy Regulator and National Pollutant Inventory (NPI), reporting to the SA EPA.

Under its Decarbonisation Roadmap, OZ Minerals is aiming to reduce Scope 1 emissions by 50% by 2027, relative to the FY2021 baseline. This will be achieved via electrification of transportation and trialling zero emissions operational equipment. OZ Minerals is also trialling other emission reduction technology initiatives, such as hydrogen and battery-powered heavy haulage.

Between 2020 and 2021, Scope 1 and Scope 2 absolute emissions increased and are expected to increase as assets come online, ramp up or expand, however intensity should decrease to meet the corporation-wide Decarbonisation Roadmap.

Currently, renewable energy supplies 57% of the energy for all their South Australian assets, per 2021 Sustainability Report.

Regarding Prominent Hill, OZ Minerals has committed investment of A\$275 million towards an electric hoisting Wira Shaft, significantly reducing Scope 1 intensity in future years.

Scope 1 emissions intensity for current operations is at 0.47 tCO₂e, and is expected to decrease to 0.28 tCO₂e under the PHOX. Scope 1 emissions are likely to reduce by approximately 20,000 tCO₂e with the introduction of the Wira Shaft and electric haulage. Overall, Prominent Hill operations should experience a reduction of Scope 1 emissions by 56%, and Scope 1 and Scope 2 emissions by 30% by 2035.

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2.8.6 Cultural Heritage

A draft Cultural Heritage Management Plan (date unknown) has been developed which sets out key responsibilities and activities associated with cultural heritage management. From review of documents (e.g., draft Cultural Heritage Management Plan, Annual Compliance Reports) it is apparent that OZ Minerals are proactive in engaging with Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) and are seeking to work in partnership. A register of cultural heritage sites is maintained with most sites inspected quarterly and sites along the transmission line annually. Cultural heritage surveys are undertaken in conjunction with AMYAC.

No material issues with regard to cultural heritage were identified.

2.8.7 Stakeholder Engagement

The operation has land access agreements in place for the following pastoral leases:

- Millers Creek Pastoral Lease Holder (2315).
- McDoual Peak Pastoral Lease Holder (2341).
- Billa Kalina Pastoral Lease Holder (2415).
- Parakylia Pastoral Lease Holder (2197).
- Mount Eba Pastoral Lease Holder (2197).
- Ingomar Pastoral Lease Holder (2153, 2339, 2527).

All agreements expire upon relinquishment of the mining tenement.

OZ Minerals has established the Tjunguringanyi Steering Committee which met three times over the period July 2021 to June 2022 to discuss the operation of the mining agreement with AMYAC.

OZ Minerals is involved in sponsorship and support for several community organisations including Port Augusta Secondary School, Coober Pedy Area School, William Creek Gymkhana, Coober Pedy Opal Festival and Coober Pedy Breakaways Marathon.

OZ Minerals has established relationships within the community and its stakeholders with no evidence that material stakeholder issues are present.

2.8.8 Rehabilitation and Closure Planning

Closure Plan

The closure plan includes PHOX and infrastructure relating to the Wira Shaft. There are some uncertainties identified by OZ Minerals in the closure plan and a commitment is provided in the PEPR future work plan to undertake further studies to firm up the assumptions.

Uncertainties relating to the closure strategy relate to refining the closure strategy (stability, revegetation and cover design) for the IWL and TSF. The Annual Compliance Reports (2019, 2020, 2021) and the PEPR report that additional studies will be undertaken as part of the forward works plan for the TSF relating to dustability and radiological assessment. Studies are also planned for the confirmation of the long-term stability of the IWL to determine if a design with no vegetation is suitable (current design assumes no vegetation).

Key components of the closure plan (within the PEPR) include:

- After consolidation and dewatering, a layer of approximately 1-2 m of NAF rock would be placed on the TSF surface for erosion resistance and surface water management. No placement of topsoil or regeneration is proposed. TSF embankments will be progressively rock armoured.
- Numerical groundwater modelling of the IWL indicates that the open pit will act as a localised groundwater sink post closure.

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- PHOX will encounter PAF material (3,000 m³) which will be trucked and end tipped into the TSF, then encapsulated by tailings submersion.
- The WRD structures will contain encapsulated PAF material within NAF material to minimise generation of acid mine draining. The WRDs are rock armoured with durable NAF material.
- ROM pad and surface infrastructure (including Wira Shaft) will be removed. Contaminated material will go into the TSF.
- Open pit void will have an abandonment bund. A pit lake is unlikely to form as rainfall and inflow from groundwater is insufficient to overcome evaporation.
- Underground facilities will be progressively filled throughout mine operations with paste mix of cement and tailings for long term stability. Declines will be plugged, access will be restricted from shafts, ventilation shafts. Surface infrastructure will be removed, including infrastructure in the Mine Infrastructure Area and the village.
- Borefield infrastructure, electricity transmission line and concentrate export road infrastructure will be removed unless agreed with the landholder and regulators.

The PEPR states that further investigations will be done to reduce uncertainty with the closure strategy (IWL and TSF cover design). The forward work plan summary of the PEPR identifies that a Closure Risk Assessment will be undertaken, and a Closure Execution Plan (CEP) developed.

Closure Cost Estimates

The closure cost (29 Jul 2020) provided in the rehabilitation liability estimation calculator was A\$87.8M. The approved PEPR (January 2022) contains a closure cost of A\$80.0M. This reduction in costs appears to relate to the WRD (possibly due to active rehabilitation occurring on the landforms). The cost for the TSF rehabilitation and closure is A\$11.0M. This includes hauling, dumping, and landform development of a 1 m thick cover of NAF rock, plus surface drainage on the TSF surface.

Regardless of this discrepancy, the closure cost (and therefore bond required to be held by DEM) is quoted in the DEM letter (11 March 2022; Doc ID: 2022D029410) as being A\$87.8M.

The current bond held by DEM for the Project, is A\$29.250M. The DEM *Bond and security policy* requires that the bond is held for 100% of the estimated rehabilitation liability. However, DEM is currently trialling a new system as part of a review of the bond and security framework where selected mining companies (such as OZ Minerals) are able to supply a portion of the required bond. This review is outlined in the DEM letter (11 March 2022) and it is uncertain whether DEM will request the full bond of A\$87.8M, as it is dependent upon the DEM review.

2.8.9 Conclusions

This review has considered material social and environmental factors that may impact operation and production including the current status of environmental approvals, land access agreements and tenure or any significant or material environmental risks or non-compliances.

The majority of the material environmental and social issues have been identified and included in the approval instruments and associated planned management activities and there are no significant barriers to undertaking the operation and PHOX as planned.

Risks

The following risks have been identified as part of the review:

- The DoD Deed of Agreement for operations in the Woomera Protected Area expires on 5/07/2027. The conditions of the new Deed may be more onerous.
- Traditional owners can review compensation agreements annually. Risk that compensation could increase indefinitely.

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- The EMM (2021) report did not model the availability of water supply or reliability of supply within the Aries borefield to support the PHOX and extended LOM.
- There is uncertainty relating to the TSF closure cover design. If the strategy changes to not include a TSF cover, an alternate strategy may need to be developed to avoid deposition of contaminated material into the TSF and PAF from PHOX.
- It is uncertain whether DEM will request the full bond of A\$87.8M.

Opportunity

OZ Minerals has maintained a good relationship with stakeholders and DEM which may aid in future prospects and mining approvals for the Project.

2.9 Costs

2.9.1 Operating costs

Historical operating costs for the Prominent Hill operation are summarised in Table 2.6.

Table 2.6 Historical operating costs - Prominent Hill

Operating Costs	Units	2020	2021	2022 ²
Mining	A\$M	201	211	228
Processing	A\$M	99	82	80
G&A (incl. lease adjustment)	A\$M	42	73	65
Concentrate Transport	A\$M	35	39	50
TCs/RCs and Penalties	A\$M	26	28	22

Source: OZ Minerals, File 05.08.07 PH2020-2022 STATS and C1 data.

Notes:

- Mining costs exclude capitalised underground mining costs.
- Year 2022 costs are up to October 2022.
- Numbers include rounding adjustments.

Historical unit operating costs for mining, processing, and general and administration (G&A) costs are shown in Table 2.7.

Table 2.7 Historical unit operating costs - Prominent Hill

Activity	Units	2020	2021	2022 ¹
Mining	A\$/t mined	52	51	73
Processing	A\$/t milled	11	9	11
G&A	A\$/t milled	5	8	9

Source: Prepared by AMC from file 05.08.07 PH2020-2022 STATS and C1 data

Notes: ¹2022 costs are to October 2022.

No open-pit mining has taken place over the past three years, although open pit ore has been recovered from surface stockpiles at relatively low cost. The historical mining costs principally reflect the cost of underground mining using a large and expensive trucking fleet. Commissioning the PHOX Project materials handling system will significantly reduce underground mining costs and enable production to be increased.

Processing costs reflect the costs of processing both surface stocks and underground ore. When the surface stocks are depleted, the ore processing rate will reduce by approximately 50% resulting in a reduction in total processing costs but an increase in unit costs.

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G&A costs are likely to be more stable than mining and processing costs but will vary with the changes in mining, processing, and PHOX project activity. On completion of the PHOX project, a more stable operating period may enable G&A costs to be reduced.

OZ Minerals estimates that total (mining, processing, and G&A) costs will remain similar to the current levels until 2025, following which they are anticipated to reduce to between A\$59/t and A\$62/t mined. In AMC's opinion, these forecast estimates are challenging particularly in the short-term where an increase in power prices is expected, but in the longer term are not unreasonable.

2.9.2 Capital expenditure

The PHOX project commenced in mid-2021 with an estimated project cost of A\$597M. OZ Minerals project control systems monitor project expenditure and update the forecast total cost on an ongoing basis. OZ Minerals has reported that the forecast completion of the ramp-up to nameplate production from the PHOX project is now expected in the second half of 2025.

In addition to capital expenditure required for the PHOX project, significant sustaining capital is required by the underground operation to extend the depth of the access declines, ventilation shafts, and other infrastructure. The average sustaining capital expenditure over the next 10 years has been estimated by OZ Minerals at approximately A\$57M per year. AMC considers this a reasonable estimate.

2.10 AMC production cases

OZ Minerals has provided AMC with two life-of-mine production and cost schedules together with supporting information for the Prominent Hill operation: the OZ Conservative Case and the OZ Upside Case. The schedules have a reasonable level of detail for the 2023 to 2026 planning interval, with a lower level of detail for subsequent years.

Based on the information provided, observations made during AMC's site visit and discussions with OZ Minerals personnel, AMC has developed two production cases: AMC Production Case 1 and AMC Production Case 2 for use by Grant Samuel in valuing the Prominent Hill Mineral Asset. Key aspects of the AMC production cases can be described as follows.

2.10.1 AMC Production Case 1

The AMC Production Case 1 is based on the OZ Conservative Case, with the following key adjustments which are based on reasonable grounds:

- AMC adjusted the total material mined such that it is equivalent to the June 2022 Ore Reserve (less the estimated depletion by mining since June 2022) plus 25 Mt of material arising from the future conversion of Mineral Resources to Ore Reserves. The additional tonnage and its contained metal represent the conversion of approximately 25% of the Underground Mineral Resource less the Underground Ore Reserve. The key differences in total material mined between the AMC Production Case 1 and the OZ Conservative Case are summarised in Table 2.8

Table 2.8 Prominent Hill production inventory compared to OZ Conservative Case

Case	Tonnes (Mt)	Cu (%)	Cu (g/t)	Cu (kt)	Au (koz)
AMC Production Case 1	90.6	0.90	0.70	814	63.4
OZ Conservative Case	89.6	0.98	0.72	880	64.1

- No material change was made to the annual production schedule except in year 2025 where AMC has reduced the rate to reflect a delay in the full commissioning of the shaft and associated materials handling system.

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- No material changes were made to recovery of copper and gold to concentrate in the ore processing plant, or to the percentage of payable metal in concentrate.
- Off-site costs (freight, shipping, and port) have been estimated by AMC using the unit costs for these activities provided by OZ Minerals multiplied by the concentrate production in each year derived from AMC's adjusted mill feed schedule.
- AMC estimated concentrate treatment and refining costs in the same manner as the off-site costs.
- Minor adjustments were made to mining and milling costs to reflect the adjustments to the schedules provided by OZ Minerals. Adjustments were made to the G&A costs based on AMC's review of the supporting information and AMC's expectation that not all the future savings envisaged by OZ Minerals will be realised. AMC has also reflected the impact of an increase in power prices that were not anticipated in its life-of-mine production and cost schedules. AMC has anticipated that power costs will return to more normal levels in 2025.
- AMC has adjusted the Growth Capital to reflect AMC's expectation of the cost to complete the project. AMC's expectation is based on recent ongoing updates of actual expenditure and preliminary forecasts of remaining expenditure required to complete the project as prepared by OZ Minerals.
- AMC has adjusted the rehabilitation costs of A\$71M provided by OZ Minerals to A\$88M as estimated in the DEM rehabilitation liability estimation calculator.

A summary of AMC Production Case 1 is presented in Table 2.9, Table 2.10, and in Figure 2.10.

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Table 2.9 AMC Production Case 1 - Prominent Hill production schedule

Estimate	Units	2023	2024	2025	2026	2027	2028 to 2037	2038 to 2047	Total
Underground material mined	Mt	4.8	4.8	5.0	6.1	6.2	57	-	83
Copper grade	%	1.06	1.06	1.06	0.98	1.03	0.93	-	0.96
Gold grade	g/t	0.65	0.65	0.59	0.63	0.58	0.77	-	0.72
Ore stocks recovered	Mt	4.3	2.8	0.0	0.0	0.0	0.00	0.00	7.1
Copper grade	%	0.14	0.14	0	0	0	0	0	0.14
Gold grade	g/t	0.46	0.46	0	0	0	0	0	0.46
Ore milled	Mt	9.1	7.6	5.0	6.1	6.2	57	0	91
Copper feed grade	%	0.62	0.72	1.06	0.98	1.03	0.93	0.00	0.90
Gold feed grade	g/t	0.56	0.58	0.59	0.63	0.58	0.77	0.00	0.70
Copper recovery	%	86	87	89	88	88	90	0	89
Gold recovery	%	74	77	70	71	70	72	0	72
Concentrate produced	kt	96	93	92	107	114	921	0	1,422
Copper in concentrate	kt	49	48	47	53	56	473	0	725
Gold in concentrate	koz	122	109	66	87	81	1,003	0	1,468
Payable copper	kt	47	46	46	51	55	460	0	705
Payable gold	koz	118	105	64	84	78	963	0	1,411

Notes:

- Concentrate produced is dry metric tonne.
- Values in the table are subject to rounding.

Table 2.10 AMC Production Case 1 - Prominent Hill cost schedule

Cost estimate	Units	2023	2024	2025	2026	2027	2028 to 2037	2038 to 2047	Total
Operating costs									
Mining	A\$M	373	371	353	273	278	2,322	-	3,970
Processing	A\$M	126	128	77	90	90	774	-	1,284
G&A	A\$M	27	26	22	15	15	136	-	242
Concentrate transport	A\$M	35	34	34	39	42	338	-	522
TCs/RCs and Penalties	A\$M	38	33	35	40	41	346	-	531
Other expenditure									
Growth capital	A\$M	208	198	45	6	-	-	-	458
Sustaining capital	A\$M	103	111	64	48	61	266	-	654
Rehabilitation	A\$M	-	-	-	-	-	26	62	88

Notes:

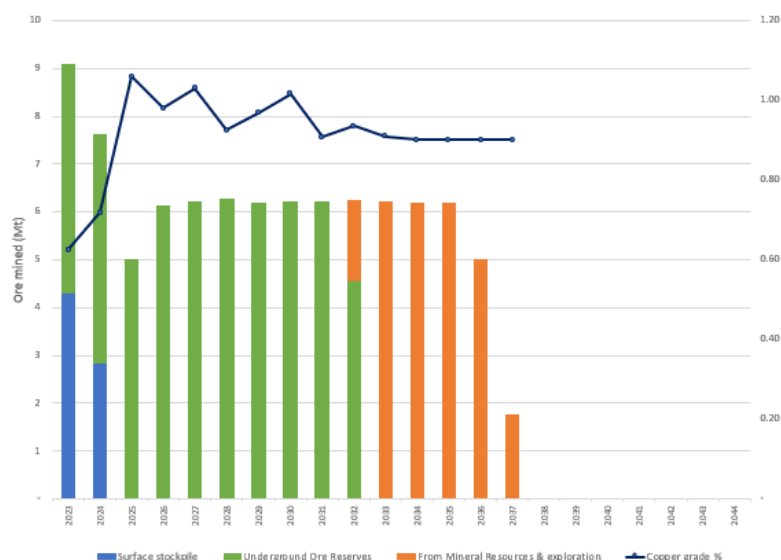
- Values in the table are subject to rounding.

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Figure 2.10 AMC Production Case 1 - Prominent Hill production and grade profile



2.10.2 AMC Production Case 2

The AMC Production Case 2 is based the OZ Upside Case with the following adjustments which are based on reasonable grounds:

- AMC adjusted the total material mined such that it is equivalent to the June 2022 Ore Reserve (less depletion by mining since June 2022) plus 92 Mt of material arising from the future conversion of Mineral Resources to Ore Reserves and AMC's expectation that ongoing exploration drilling will identify additional Mineral Resources suitable in part for conversion to an Ore Reserve. The additional tonnage and its contained metal are equivalent to the conversion of approximately 85% of the current underground Mineral Resource less the underground Ore Reserve. Mineral Resources and exploration targets are scheduled after Ore Reserves in the AMC Production Case 2. The key differences in total material mined between the AMC Production Case 2 and the OZ Upside Case are summarised as shown in Table 2.11.

Table 2.11 Prominent Hill production inventory compared to OZ Upside Case

Case	Tonnes (Mt)	Cu (%)	Au (g/t)	Cu (kt)	Au (koz)
AMC Production Case 2	156	0.90	0.77	1,401	3,851
OZ Upside Case	159	0.98	0.64	1,552	3,254

- The production schedule provided by OZ Minerals envisages the annual ore production rate increasing to 8.9 Mtpa in 2029 by supplementing the ore hoisted by the shaft currently under construction with truck haulage to surface through declines. AMC has adjusted the maximum production rate to 8.5 Mtpa based on its expectation that the maximum tonnage produced will be limited by the ability of OZ Minerals to convert Mineral Resources and exploration success to Ore Reserves.
- No material change has been made to recovery of copper and gold to concentrate in the ore processing plant, or to the percentage of payable metal in concentrate.
- Off-site costs (freight, shipping, and port) have been estimated by AMC using the unit costs for these activities provided by OZ Minerals multiplied by the concentrate production in each year derived from AMC's adjusted mill feed schedule.

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- AMC has estimated concentrate treatment and refining costs in the same manner as the off-site costs.
- AMC has adjusted the growth capital for AMC Production Case 2 in the same was as in AMC Production Case 1.
-
- AMC has adjusted the mining cost to reflect AMC's expectation that the cost of trucking ore to surface to supplement production through the Wira Shaft will cause mining costs to be higher than anticipated by OZ Minerals. Minor adjustments to mining and milling costs have been made to reflect the adjustments to the production schedule provided by OZ Minerals. AMC has adjusted G&A costs based on AMC's review of the supporting information and AMC's expectation the not all the future savings envisaged by OZ Minerals will be realised. AMC has reflected the impact of an increase in power prices in a similar manner to AMC Production Case 1.
- AMC has adjusted the rehabilitation costs of A\$72M provided by OZ Minerals to A\$88M as estimated in the DEM rehabilitation liability estimation calculator. AMC does not believe that there will be a material change in rehabilitation costs between AMC Production Case 1 and AMC Production Case 2.

A summary of AMC Production Case 2 is presented in Table 2.12, Table 2.13, and Figure 2.11.

Table 2.12 AMC Production Case 2 - Prominent Hill production schedule

Estimate	Units	2023	2024	2025	2026	2027	2028 to 2037	2038 to 2047	Total
Underground material mined	Mt	4.8	4.8	5.0	7.6	8.1	83	36	149
Copper grade	%	1.06	1.06	1.06	0.96	1.00	0.92	0.90	0.94
Gold grade	g/t	0.65	0.65	0.59	0.67	0.65	0.80	0.87	0.78
Ore stocks recovered	Mt	4.3	2.8	0.0	0.0	0.0	0.0	0.0	7.1
Copper grade	%	0.14	0.14	0	0	0	0	0	0.14
Gold grade	g/t	0.46	0.46	0	0	0	0	0	0.46
Ore milled	Mt	9.1	7.6	5.0	7.6	8.1	83	36	156
Copper feed grade	%	0.62	0.72	1.06	0.96	1.00	0.92	0.90	0.90
Gold feed grade	g/t	0.56	0.58	0.59	0.67	0.65	0.80	0.87	0.77
Copper recovery	%	86	87	88	88	88	88	88	88
Gold recovery	%	74	77	72	72	72	72	72	72
Concentrate produced	kt	95	93	91	127	139	1,314	553	2,413
Copper in concentrate	kt	49	48	47	65	71	670	282	1,231
Gold in concentrate	koz	122	109	69	119	121	1,531	712	2,783
Payable copper	kt	47	46	45	63	69	652	274	1,197
Payable gold	koz	118	105	66	114	116	1,470	684	2,673

Notes:

- Concentrate produced is dry metric tonne.
- Values in the table are subject to rounding.

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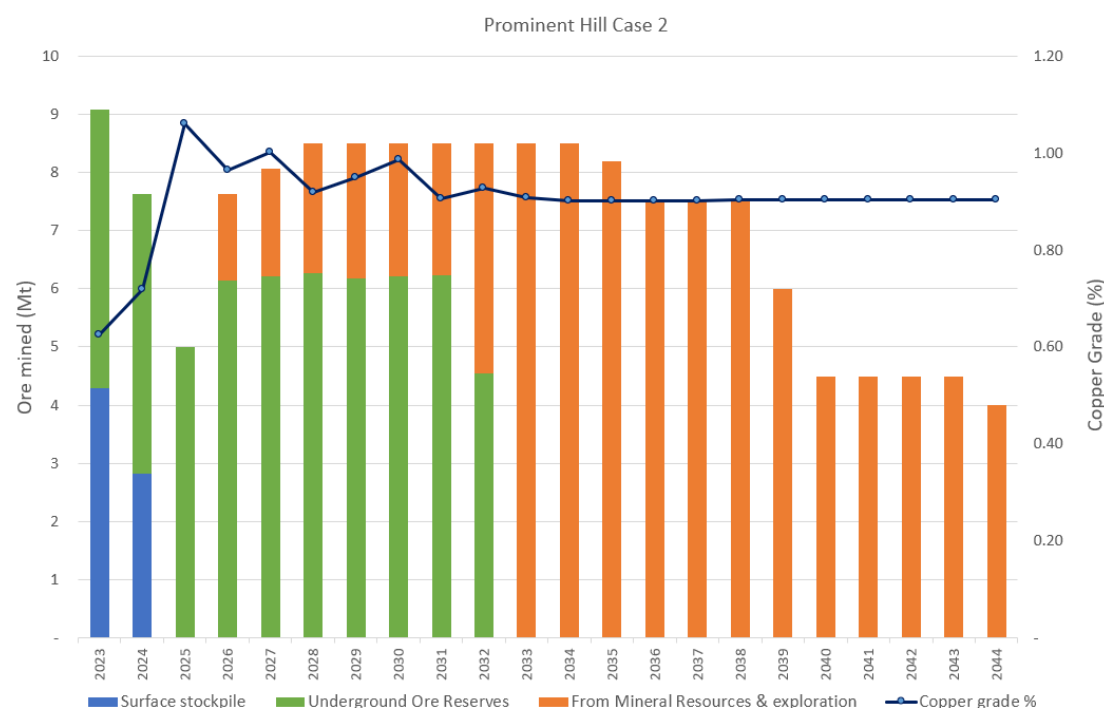
Table 2.13 AMC Production Case 2 - Prominent Hill cost schedule

Cost estimate	Units	2023	2024	2025	2026	2027	2028 to 2037	2038 to 2047	Total
Operating costs									
Mining	A\$M	373	371	353	372	398	3,876	1,281	7,023
Processing	A\$M	126	128	77	112	116	1,159	485	2,202
G&A	A\$M	27	26	22	17	17	168	99	376
Concentrate transport	A\$M	35	34	34	47	51	483	203	886
TCs/RCs and penalties	A\$M	38	33	34	48	51	490	194	888
Other expenditure									
Growth capital	A\$M	208	198	45	6	-	-	-	458
Sustaining capital	A\$M	120	142	100	88	138	570	38	1,196
Rehabilitation	A\$M	-	-	-	-	-	-	88	88

Notes:

- Concentrate produced is dry metric tonne.
- Values in the table are subject to rounding.

Figure 2.11 AMC Production Case 2 - Prominent Hill production and grade profile



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2.11 Key risks and opportunities

2.11.1 Risks

The following sections presents the key risks identified by AMC for the Prominent Hill operation.

Delays to the completion of the PHOX project

The PHOX project has experienced some implementation delays to date, further delays are possible. The shaft sinking process and development of the underground materials handling system required complex interaction between construction activities and ore production. Competing priorities regarding to the allocation of mining resources, and to the movement of ore and construction material through the access declines create a particular risk. In AMC's opinion, further delays to the PHOX project should not be unexpected.

Major failure of the equipment

Following completion of the PHOX project, disruptions to production could occur in the event of a major failure of key components of the material handling system or of the ore processing plant. Both the materials handling system and the ore processing plant use components commonly used in the mining industry that have a history of reliable performance. In AMC's opinion, the risk of significant disruption to production resulting from major equipment failures is no greater than that of other similar underground mining operations.

Capital expenditure exceeding current estimates

In AMC's opinion, there is a risk that further cost increases could occur. However, AMC notes that OZ Minerals has engaged experienced project engineers, and an experienced mining and shaft sinking contractor to implement the project that will help mitigate the risk of significant cost overruns.

Operating costs exceeding current estimates

Apart from a delay in achieving the full operating cost benefits of the PHOX project because of the forecast project delay, future operating cost estimates by OZ Minerals reflect the expected variation in costs that will result from the planned operational changes associated with the project. AMC believe that the forecast long-term operating cost estimate is reasonable but there remains a moderate risk that operating costs will exceed OZ Minerals forecast.

Failure to identify additional Ore Reserves

Although there is high potential the convert some of the existing Mineral Resources to Ore Reserves, and reasonable potential for further drilling to upgrade some exploration targets to Ore Reserves, there is no certainty that this will occur to the degree envisaged in the AMC production cases, particularly in AMC Production Case 2.

Failure to achieve an 8.5 Mtpa production rate

AMC Production Case 2 requires that enough ore is identified in the Walawuru, Papa, and other areas close to surface to enable ore to be trucked out of the mine to achieve, in conjunction with production from the Wira Shaft, a production rate of 8.5 Mtpa, There is significant uncertainty that enough such ore will be identified, and that it will be justified to incur the high costs associated with trucking to surface to achieve the increased production rate.

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2.11.2 Opportunities

The potential exists for the further conversion of Mineral Resources to Ore Reserves, and for exploration activity to identify Mineral Resources that could potentially be converted to Ore Reserves. This opportunity is reflected to a large degree in The OZ Upside Case and in AMC Production Case 2. AMC notes that the ability to economically develop these Mineral Resources in uncertain and significant further exploration and evaluation will be required.

OZ Minerals has a proactive and constructive attitude towards improving operations using developing technologies and to the encouragement of innovative and flexible thinking. This provides the opportunity to predict and manage challenges, and to take full advantage of future opportunities that may be identified by OZ Minerals.

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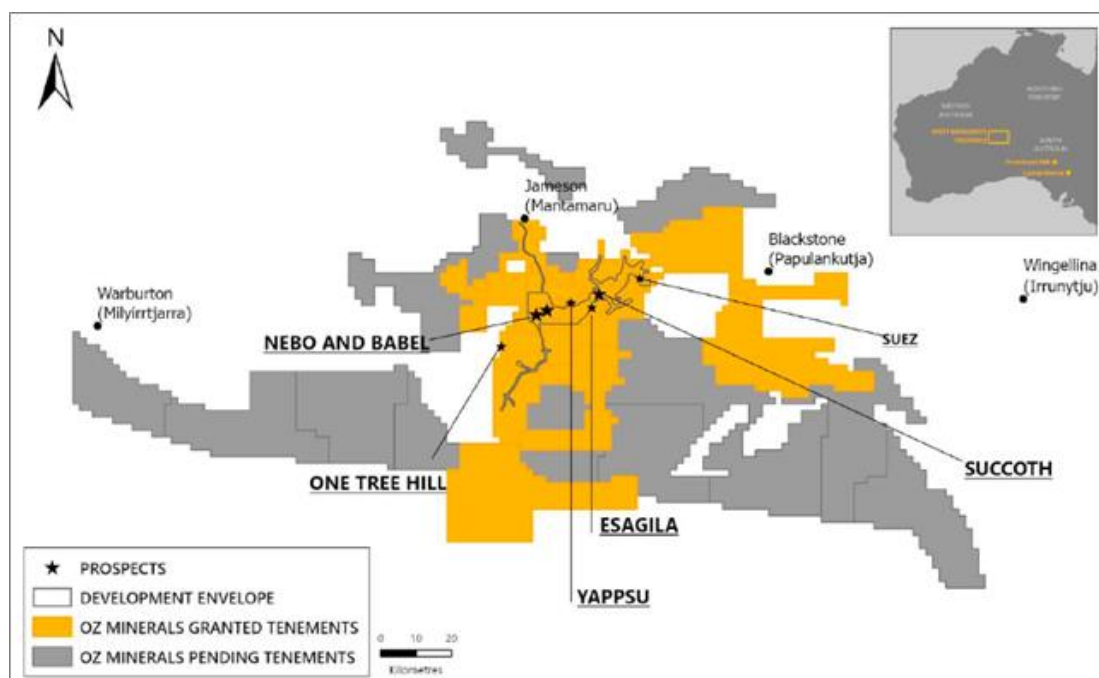
3 West Musgrave Project

3.1 Location and background

3.1.1 Location

The West Musgrave Project (WMP) is located approximately 1,300 km north-east of Perth and 1,400 km north-west of Adelaide (refer Figure 3.1) near the intersection of the borders between Western Australia, South Australia, and the Northern Territory. Road access to the project is via the Northern Access Road, a dedicated route that constructed by the OZ Minerals that will traverse approximately 30 km from the WMP mineral processing plant to the Papulankutja Road intersection.

Figure 3.1 Location of the West Musgrave Project



Source: West Musgrave Feasibility Study

The WMP consists of significant greenfield copper and nickel projects; Nebo, Babel, and Succoth. The planned mining operation initially focussed on the Nebo and Babel deposits is proposed to be owner-operator with an Autonomous Haulage System (AHS) mining fleet from day one.

Concentrate will be transported by road along the Great Central Road to a central hub at Leonora, followed by rail transport to Esperance for bulk shipping to various domestic and international nickel and copper smelters.

3.1.2 Background

WMC Resources Limited (WMC) identified the western part of the Musgrave Province as an area prospective for nickel and copper mineralization in 1995 and access to the Nebo and Babel areas was secured in 1998. Regional exploration programmes including airborne geophysics, surface geochemical sampling, regional mapping and ground electromagnetic surveys identified the Nebo and Babel targets. The first drill holes testing the Nebo and Babel targets were completed in April and May 2000. The drillholes contained significant nickel-copper sulphide mineralization. Continued drilling by WMC in 2001 and 2002 delineated substantial bodies of nickel-copper

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mineralization. In 2005, WMC was taken over by BHP Billiton Limited (BHP). BHP continued low levels of exploration with infill drilling at 200 m by 200 m spacing across both deposits.

Cassini Resources Limited (Cassini) acquired the WMP tenements in 2014 and continued drilling at Nebo and Babel deposits. Cassini reported Mineral Resource estimates in February 2015.

OZ Minerals signed an earn-in and joint venture agreement with Cassini in October 2016. OZ Minerals acquired Cassini through an on-market scheme of arrangement in October 2020, consolidating OZ Minerals ownership of the WMP to 100%.

OZ Minerals has continued investigation of the Nebo-Babel deposit including extensive DD and RC drilling and a feasibility study. BHP discovered the Succoth copper deposit 13 km north-east of the Nebo-Babel nickel copper deposits in 2010, and Cassini reported a Mineral Resource for the Succoth deposit in 2015. There has been no mining activity at Nebo-Babel or Succoth.

3.1.3 Tenement holdings

The WMP tenure comprises various mining leases, exploration licenses and miscellaneous licenses. Currently, granted tenure is held by Wirraway Metals and Mining Pty Ltd and OZ Minerals Musgrave Operations Pty Ltd.

A summary of tenements covering the WMP is shown in Table 3.1. The location of the tenements is shown in Figure 3.2.

Table 3.1 West Musgrave Project tenements

Tenement Number	Area (ha)	Tenement Grant Date	Tenement Expiry Date	Status of Currency
M 69/149	11,465	4 July 2022	3 July 2043	Current
M 69/75	1,000	30 November 2001	29 November 2043	Current
L 69/42	13,541	24 July 2019	23 July 2040	Current
L 69/44	1,467	8 May 2019	7 May 2040	Current
L 69/45	76,634	8 May 2019	7 May 2040	Current
L 69/56	1,635	TBA	TBA	Under Application
L 69/57	7,284	TBA	TBA	Under Application

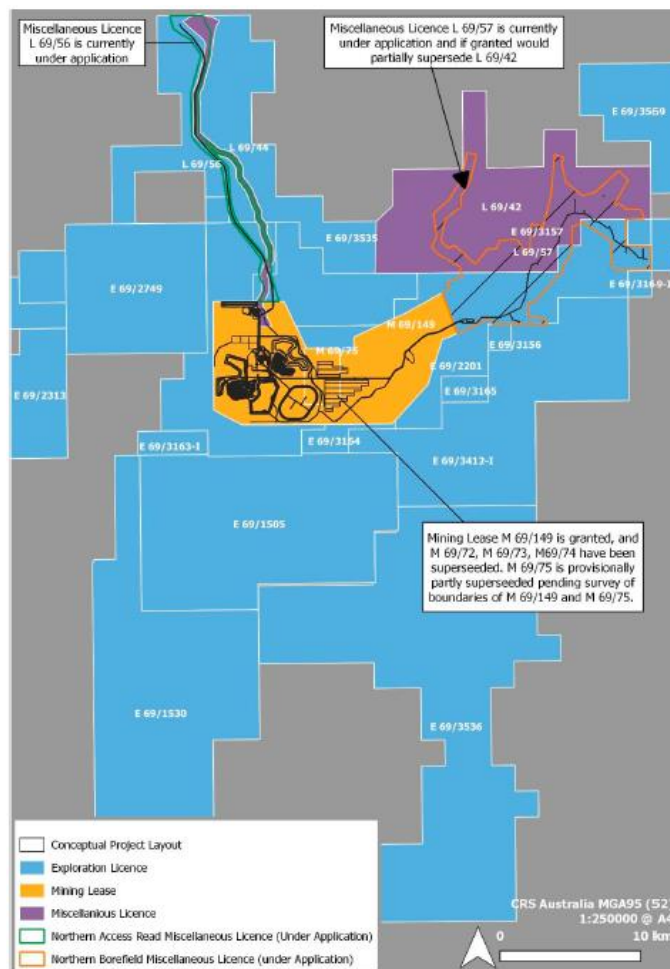
Source: West Musgrave Feasibility Study

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Figure 3.2 Location of West Musgrave Project tenements



Source: West Musgrave Feasibility Study

3.2 Site visit

At the time of preparation of this report, no active exploration was being conducted on the Nebo-Babel or Succoth deposits. Surface geological exposure is very limited. AMC concluded that a site inspection of the Nebo-Babel and Succoth project areas was unlikely to reveal information or data that was material to this report, and that there is sufficient current information available to allow an informed evaluation to be made without a site inspection.

3.3 Nebo-Babel Geology and Mineral Resources

3.3.1 Geology

The Nebo-Babel nickel-copper deposits lie within the western part of the Musgrave Province in eastern Western Australia which is an early Mesoproterozoic to Neoproterozoic belt bound by Mesoproterozoic to Neoproterozoic basins. The province is approximately 800 km long and 350 km wide lying at the convergence of Australian Proterozoic structural trends formed by amalgamation of the North-west and South Australian cratons.

A-type granites of Pitjantjatjara Supersuite account for a significant part of the exposed Musgrave Province. A high-temperature metamorphic event and the granite intrusion are

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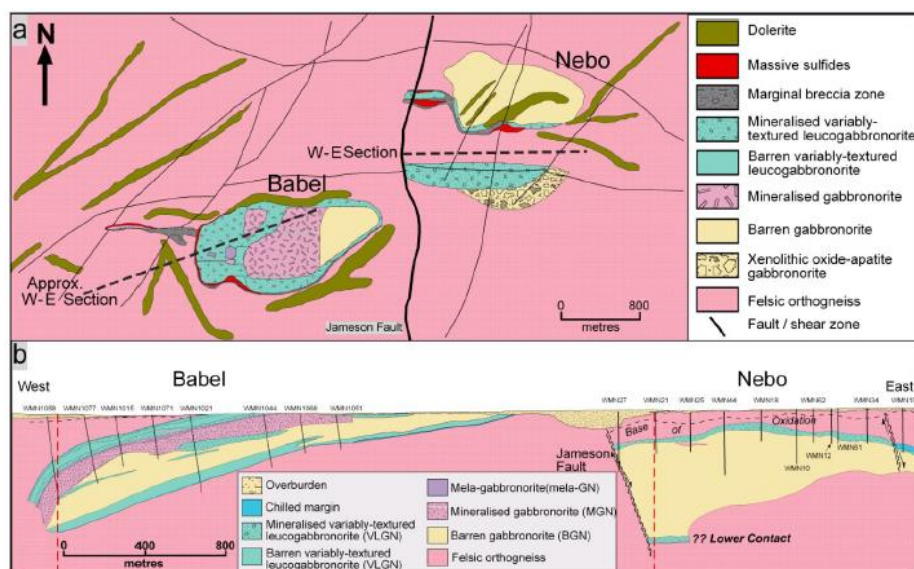
together called the Musgrave Orogeny. Subsequently extensive mafic to ultramafic intrusions of the Giles Complex and volcanic rocks of the Bentley Supergroup were emplaced. The major Giles Complex intrusions have an east to south-east trending axis. There were several generations of mafic dykes and deformation events. Multiple periods of deformation have affected the Musgrave Province since the emplacement of the Giles Complex including the Petermann and Alice Springs Orogenies.

The Nebo-Babel deposits are hosted by a sub-horizontal tube-shaped mafic intrusion which is classified as a gabbronorite. The mafic intrusion has a known extent of 5 km in an east to west direction and dip of 15° to the south and at Babel a plunge of less than 10° to the south-west. Nebo and Babel are separated by the steeply-dipping north to south trending Jameson Fault. Babel lies to the west of the fault and Nebo to the east.

The Nebo and Babel intrusions are interpreted to have been formed by at least three distinct magma pulses: the chilled margins and marginal microgabbro, the mineralized gabbronorite, and the barren gabbronorite.

Figure 3.3 shows a geological plan of the Nebo and Babel areas and geological long sections.

Figure 3.3 Nebo-Babel geological plan (a) and geological long sections (b)



Source: OZ Minerals MRE and ORE Statement 2022

Nickel and copper mineralization at both deposits occurs predominantly as disseminated gabbronorite-hosted sulphides. The main host units of disseminated sulphides are fine-grained mineralized gabbronorite and the upper unit of variably-textured gabbronorite. There is no apparent stratigraphic or strike-related nickel and copper grade variation within or between the different units. The disseminated sulphides occur as bleb-like aggregates or as sulphide blebs and consist of pyrrhotite, pentlandite, chalcopyrite, and pyrite.

Nickel and copper mineralization also occurs as massive and breccia sulphides predominantly at Nebo that are a comparatively minor component the overall sulphide inventory. Breccia sulphides at Nebo form lenses up to 27 m thick. Local breccia sulphide lenses are found along the northern contact at Babel up to 18 m thick. Massive and breccia sulphides mainly occur within the marginal breccia zone close to or along the upper contact with the country rock and along the northern contact of the intrusion. Breccia sulphides predominately consist of xenoliths in a massive-sulphide matrix. Massive sulphides have the highest platinum group metals (grades).

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In most shallow intersections, supergene alteration has modified the primary sulphide assemblages. In these areas, pentlandite is variably altered to secondary violarite and pyrrhotite is variably altered to secondary pyrite.

Weathering and oxidation are defined in four zones: oxide zone, pyrite/vioarite zone, transition zone, and primary zone. Geochemical determination of supergene zones is difficult for nickel minerals. Polished section mineralogy is used to assign samples to one of the supergene alteration zones. The process is conducted on every second to third drillhole. At both Nebo and Babel there are significant variations in the depths of each supergene zone. Identifying the supergene boundaries is important for geometallurgical reasons, as metal recoveries are affected by the mineralogy.

3.3.2 Mineral Resources

The Mineral Resource estimates reported by OZ Minerals at 21 December 2022 (OZ Minerals MRE and ORE Statement 2022) are listed in Table 3.2 The Mineral Resource estimates were reported above a net smelter return (NSR) cut-off of A\$13/t within a notional constraining shell using an NSR of A\$21/t to establish JORC Code requirement of a Mineral Resource requiring reasonable prospects of eventual economic extraction. The Mineral Resource estimates were prepared by OZ Minerals. Mineral Resources are reported inclusive of Ore Reserves.

Table 3.2 Nebo and Babel Mineral Resources at 21 December 2022

Category	Tonnage (Mt)	Ni (%)	Cu (%)	Au (g/t)	Ag (ppm)	Co (ppm)	Pd (ppm)	Pt (ppm)	Ni metal (kt)	Cu metal (kt)
Babel										
Measured	91	0.31	0.36	0.06	1.1	120	0.09	0.08	280	320
Indicated	190	0.28	0.31	0.05	0.92	110	0.09	0.08	55	610
Inferred	58	0.32	0.35	0.06	0.35	120	0.10	0.08	190	210
Subtotal	340	0.30	0.33	0.06	0.86	110	0.09	0.08	1,000	1,100
Nebo										
Indicated	49	0.34	0.32	0.04	0.78	130	0.08	0.06	170	160
Inferred	1.1	0.35	0.38	0.05	0.60	140	0.08	0.07	3.9	4.3
Subtotal	50	0.34	0.32	0.04	0.78	130	0.08	0.06	170	160
Total	390	0.30	0.33	0.06	0.85	120	0.08	0.08	1,200	1,300

3.3.3 Data collection

The grid system for the WMP is the Universal Transverse Mercator system using the mapping grid MGA_GDA95, Zone 52.

Drilling on the Nebo and Babel deposits commenced in 2000 and was first undertaken by WMC and then by BHP until 2012. Cassini commenced drilling in 2014. Under the earn-in and joint venture agreement between Cassini and OZ Minerals, on site activities including drilling were managed by the joint venture. After the OZ Minerals acquisition of Cassini, and all exploration activities have been managed by OZ Minerals. The latest drilling for the Mineral Resource estimate was completed in 2021.

Drilling for Mineral Resource estimation consists of diamond drilling (DD) and RC drilling. At Nebo, DD accounts for 32% of the drilling comprising PQ, HQ3, and NQ2 diameter core. At Babel, DD accounts for 17% of the drilling. RC drilling uses a greater than 140 mm diameter face sampling drill bit. Drillholes used for the Mineral Resource estimate consist of:

- Nebo: 301 RC drillholes for 47,189 m drilled. 301 RC drillholes for 47,189 m drilled
78 DD drillholes for 22,047 m drilled.

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- Babel: 695 RC drillholes for 111,462 m drilled. 695 RC drillholes for 111,462 m drilled
139 DD drillholes for 36,042 m drilled.

Drillholes are collared on north to south sections with dips of generally 60° towards north at Nebo and 70° towards north at Babel to optimally intersect the mineralized zones. Several east to west and south drillholes have been drilled. Most drilling is drilled on 50 m sections with 50 m drillhole spacing on section. A small area has been drilled so that a drillhole is drilled in the middle of a 50 m by 50 m square pattern resulting in approximately 37.5 m drillhole spacing. At Babel, approximately 25% of the deposit is drilled to that pattern with the rest drilled on 100 m-spaced sections with 50 m-spaced drillholes.

Prior to 2014, drillhole collars were surveyed by differential GPS. Drillhole collars for 2014 to 2019 and 2021 drilling were surveyed using real-time kinematic GPS.

From 2000 to 2002, down-hole surveys were conducted with a single-shot downhole camera but these surveys were unreliable due to magnetic minerals. WMC resurveyed accessible drillholes using a gyroscope in 2002. Since 2002, down-hole surveys were completed using various forms of gyroscopic downhole survey instrument with a north-seeking gyroscope used to establish starting azimuth and dip.

RC and DD logging by WMC used WMC logging codes in conjunction with a rock identification and classification code which was modified by BHP in 2010. Cassini drillholes were logged directly onto field laptops at the drill rig or core yard using logging templates and logging codes. OZ Minerals logging is directly into Toughbooks at the drill rig or core yard using logging templates and OZ Minerals standardised logging codes. Logging recorded lithology, mineralization, structure, weathering, colour, and other relevant features. Magnetic susceptibility was recorded. Cassini and OZ Minerals drill core was digitally photographed before being cut and sampled.

RC drillholes were sampled over 1 m or 2 m intervals using an on-rig cyclone and splitter designed to capture a 3 kg sample. All RC samples were logged for lithological, mineralogical, and other attributes. Very few RC samples were taken wet.

DD core was sampled on geological intervals (0.05 m to 2 m) and half-core samples routinely taken. Quarter-core samples were used as field duplicates.

Of the 37 pre-2014 DD drillholes with recorded core recoveries, recoveries averaged >95%. For drilling post-2014, DD core recoveries were recorded as >95%. There is no significant relationship between sample recovery and grade.

RC and DD samples for all drilling were prepared at the Bureau Veritas laboratory in Perth. Procedures followed accepted industry practice of oven drying at 80°, crush to <3 mm and pulverizing the entire sample to a standard of 90% passing 75 µm.

For 2014 to 2017 drilling, analyses were conducted using a combination of fusion XRF¹⁰ for whole rock analyses, four acid digest with ICP-AES¹¹ and ICP-MS¹² (Co, Cu, Zn, Ni, As, Nb, and Y), and fire assay with ICP-MS finish (Pt, Pd, and Au).

For 2018 and 2019 drilling, XRF was used for Co, Cu, Zn, Ni, As, Nb, and Y as well as whole rock analyses. For 2021 drilling, XRF was used for these elements and whole rock analyses and fire assay with ICP-MS finish for Pt, Pd, and Au.

¹⁰ X-ray fluorescence

¹¹ Inductively coupled plasma atomic emission spectroscopy

¹² Inductively coupled plasma mass spectrometry

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Data was available for 14,696 density determinations (4,084 at Nebo and 10,612 at Babel) using the water immersion method from dried drill core. A strong, positive correlation between density and Fe_2O_3 grade was identified in mineralization domains. A linear regression was calculated and used to calculate proxy density values in based on the Fe_2O_3 value.

Cassini, BHP, and OZ Minerals drilling was supported by QA/QC procedures consisting of:

- Certified reference materials (CRMs).
- Blanks.
- Field duplicates.
- Umpire laboratory samples.

The rate of insertion of CRMs and blanks averaged 1:20. For Cassini drilling, field duplicates for RC and DD drillholes were inserted at a rate of 1:50. For OZ Minerals drilling, field duplicates were inserted at a rate of 1:20.

Documentation of QA/QC results from all generations of drilling reported acceptable QA/QC results with assay accuracy and laboratory precision within acceptable limits.

In 2015, 2019, and 2022, a total of 900 assay pulps were submitted to ALS Global laboratory as umpire assay checks. In general, the results showed no bias and an excellent correlation with only minor outliers for nickel and copper.

3.3.4 Nebo-Babel Mineral Resource estimation

The Mineral Resource model is based on interpretation of a lithological model, mineralization domains and weathering domains.

Lithological domains cover the basic rock units and are based on RC and DD whole-rock analyses in addition to geological logs to discriminate different lithological units. The lithology domains are used to assign density and metallurgy recovery codes.

Mineralization is directly associated with the brecciated contact of the gabbro-norite with the orthogneiss host rock. Nickel and copper display a moderate to strong one to one correlation and grade shells were interpreted within the lithological framework for grade estimation. Assay statistics indicated that a nominal 0.1% Ni grade threshold was appropriate. At Nebo, a distinct high-grade domain was also interpreted based on a 0.6% Ni threshold. The nickel grade domains were applied in estimation of Ni, Cu, Co, Pt, Pd, Au, Ag, As, Pb, Zn, S, Al_2O_3 , Fe_2O_3 , CaO, MgO, and density.

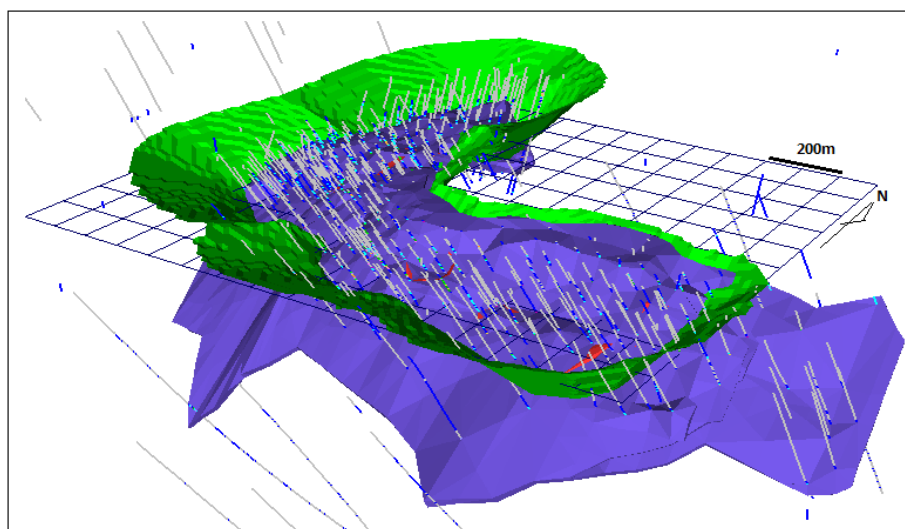
Figure 3.4 shows the main Nebo mineralization domain, notional constraining shell, and drillholes in an oblique view looking north-west.

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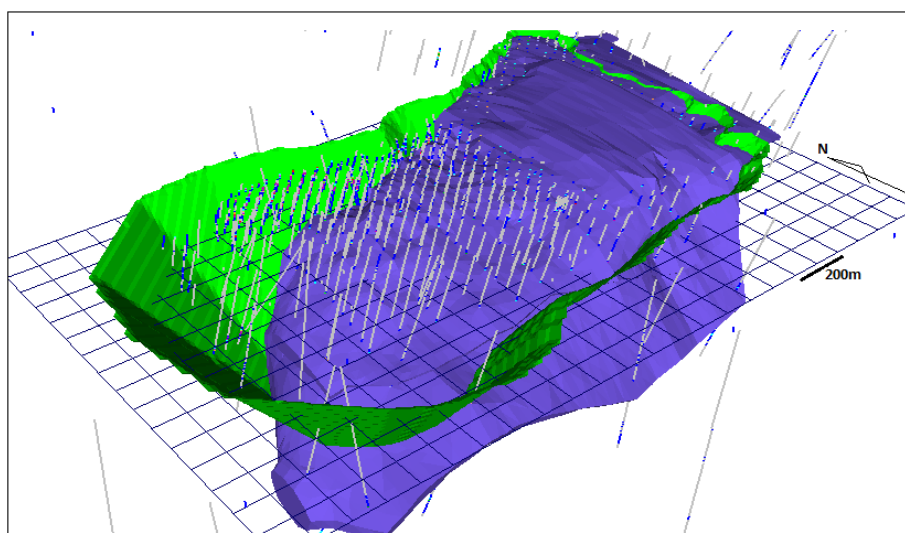
Figure 3.4 Nebo mineralization domain, notional constraining shell, and drillholes (oblique view looking north-west)



Source: Prepared by AMC from data provided by OZ Minerals

Figure 3.5 shows the main Babel mineralization domain, notional constraining shell and drillholes in an oblique view looking north-east.

Figure 3.5 Babel mineralization domain, notional constraining shell, and drillholes (oblique view looking north-east)



Source: Prepared by AMC from data provided by OZ Minerals

Weathering domains were used to distinguish variations in weathering and oxidation for the estimation of sulphur grade and assigning metallurgy codes.

Grade estimation was carried using OK into a block model using assays composited to 2 m intervals. The block model parent cell dimensions were 25 mE by 25 mN by 5 mRL which represents approximately half the drillhole spacing in line with accepted practice.

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Composite statistics were assessed for each variable in each domain to assess the influence of outlier values. Grade caps were applied to most variables in most domains to limit the influence of outlier values. In the main Nebo mineralization domain, a search restriction was applied on high grade composites rather than a grade cap (using a 0.65 % Ni threshold) so that the high-grade composites were used within a limited distance from the composite, and beyond that distance the grade was capped.

Variograms were calculated and modelled for all estimated variables using to provide estimation parameters for OK grade estimation. Nugget effects were modelled from down-hole variograms. Nugget effects for Ni grades are approximately 25% of the total variance at Nebo and 20% at Babel and short first-structure ranges suggest a high level of short-range variability.

The primary search ellipse used for Nebo estimation was 55 mE by 55 mN by 15 mRL and for Babel 50 mE by 50 mN by 15 mRL. The search ellipses were expanded in second and third pass to ensure complete estimation of all blocks in the model. A minimum of 12 and maximum of 16 composites were allowed for estimation in the first a second estimation pass in mineralization domains and three and 12 in the third pass. A maximum of four composites was allowed from any one drillhole.

To adjust for changes in orientation of the mineralization domains, dynamic anisotropy was applied, where the orientation of the search ellipse varies locally with the trend of the domain.

Density was estimated in mineralization domains using OK estimation of the proxy density values based on regression with Fe₂O₃ values. For all other domains, density values were assigned based on the means of density determinations.

The block model was validated by visual and statistical comparison of model grades and informing data and by graphical representation of model and data grade trends in swath plots.

The Babel Mineral Resource estimate was classified as Measured, Indicated, and Inferred Mineral Resource in line with the JORC Code. The Nebo Mineral Resource estimate was classified as Indicated and Inferred Mineral Resource, also in line with the JORC Code. The classifications considered confidence in geological continuity, and the quality of the estimate as indicated by drillhole spacing, relative kriging efficiency, slope of regression, the pass used for successful estimation, and the distance to informing composites.

The Mineral Resource estimate is reported above an NSR cut-off of A\$13/t within a notional constraining shell using an NSR of A\$21/t to establish JORC Code requirement of a Mineral Resource requiring reasonable prospects of eventual economic extraction. Mineral Resources are reported inclusive of Ore Reserves.

3.3.5 AMC comments on the Mineral Resource estimate.

Drilling, sampling, assaying and other acquisition of other data used for estimation of the Mineral Resource have been collected following accepted industry practice and established protocols. Assay data used for grade estimation is supported by QA/QC procedures that follow accepted industry practice.

The Mineral Resource estimate is based on a geological interpretation that reflects the geological control on grade distribution.

The Nebo and Babel 2022 Mineral Resource estimates followed accepted industry practice and are appropriately classified as Measured, Indicated, and Inferred Mineral Resource in accordance with the JORC Code.

Swath plots of drillhole composites plotted against block model grades were reviewed and confirmed the model correlates with the input data in location and scale.

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AMC confirmed reporting of the Mineral Resource estimate within the notional constraining shell.

The Mineral Resources estimate is appropriate to be used as the basis for Ore Reserve estimation.

3.4 Succoth Geology and Mineral Resource

The Succoth copper deposit forms part of the WMP. It is located approximately 13 km north-east of the Nebo-Babel nickel copper deposits.

The Succoth copper deposit was discovered by BHP in 2010 following airborne gravity and with fixed and moving loop ground electromagnetic surveys. Diamond drilling of anomalies in 2010 revealed significant intervals of disseminated to blebby copper-iron sulphides hosted in mafic rocks.

Cassini re-evaluated the geology of Succoth and surrounding prospects using existing diamond drillholes and chemical data. In December 2015, Cassini reported an Inferred Mineral Resource incorporating the results of historical drilling and data from Cassini's 2014 and 2015 field programmes.

OZ Minerals has continued investigation of the Succoth deposit including extensive diamond drilling. As at 21 December 2022, OZ Minerals has not reported an updated Mineral Resource estimate and the 2015 Mineral Resource estimate prepared for Cassini remains as the public statement of Succoth Mineral Resource by OZ Minerals.

No mining has been carried out at Succoth and no Ore Reserves have been reported by OZ Minerals.

The Mineral Resource estimate reported by OZ Minerals at 21 December 2022 is listed in Table 3.3. The Mineral Resource estimate was prepared for Cassini by mineral industry consultant CSA Global (CSA) in December 2015. The Mineral Resource estimate was reported above a cut-off grade of 0.3% Cu. No notional constraining shell has been applied to reporting the Mineral Resource.

Table 3.3 Succoth Mineral Resource at 21 December 2022

Category	Tonnes (Mt)	Cu (%)	Cu metal (kt)
Inferred	156	0.60	943

Source: OZ Minerals MRE and ORE Statement 2022

3.4.1 Geology

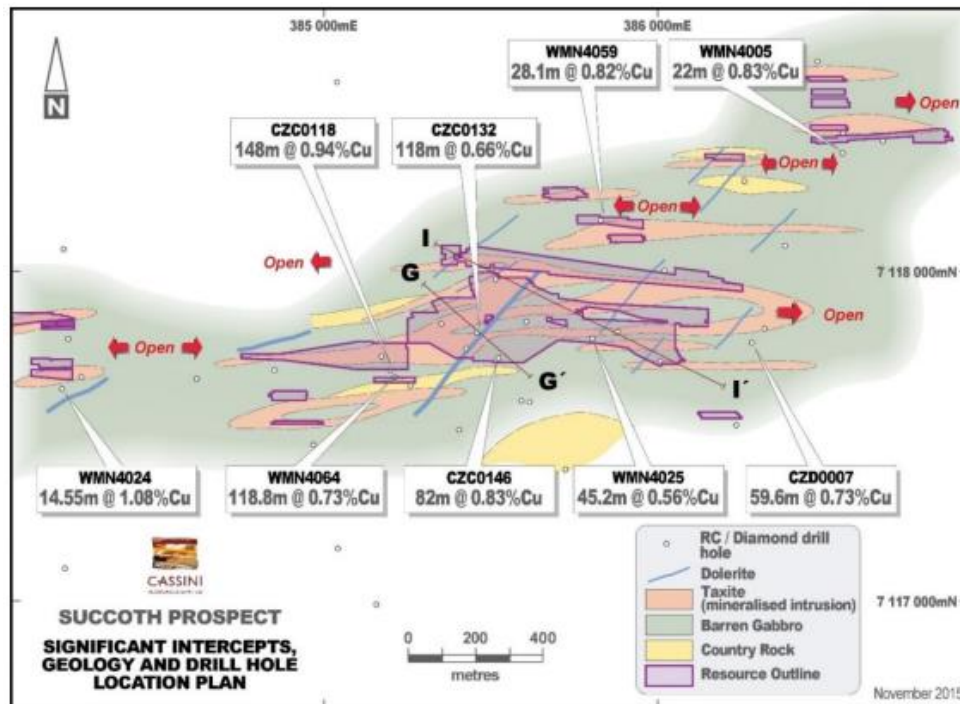
The Succoth copper deposit is associated with mafic intrusions of the Giles Complex hosted by a deformed metamorphosed mafic intrusive body classified as a gabbro-norite-taxite emplaced into Proterozoic mafic intrusives. The mineralized intrusion has an extent of 2.7 km and trends in a south-westerly direction. The geological interpretation applied to the 2015 Mineral Resource estimate indicates a sub-vertical to steep dip to the south. Figure 3.6 shows an interpreted geological plan with drillhole intercepts and Mineral Resource limits.

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Figure 3.6 Succoth interpreted geological plan with drillhole intercepts and Mineral Resource limits



Source: Cassini Mineral Resource report referenced by OZ Minerals MRE and ORE Statement 2022

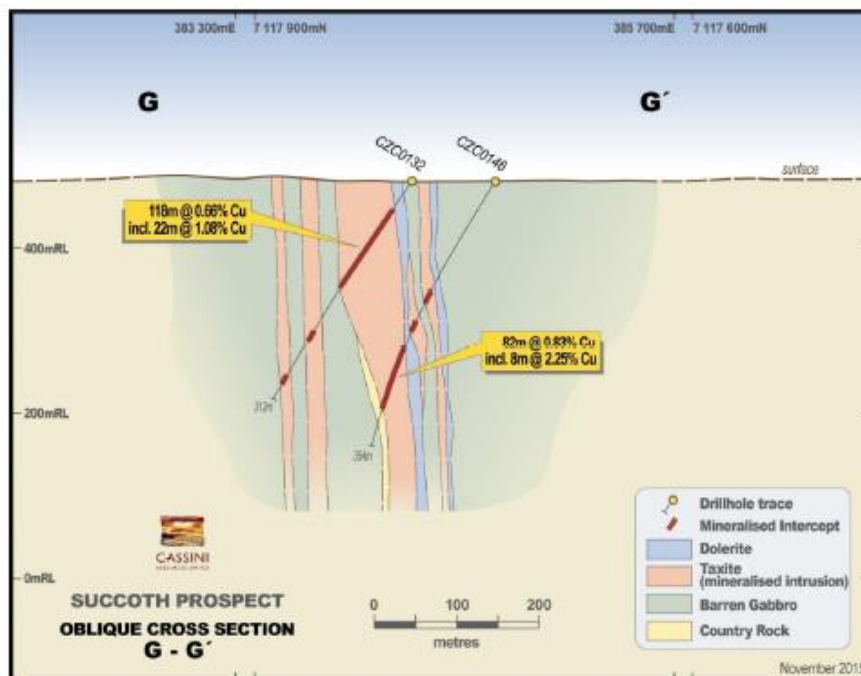
Figure 3.7 shows an interpreted geological section oriented from north-west to south-east.

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Figure 3.7 Oblique section through the Succoth deposit showing geological interpretation



Source: Cassini Mineral Resource report referenced by OZ Minerals MRE and ORE Statement 2022

Sulphide mineralization is dominated by disseminated sulphides and minor matrix-textured and massive sulphides. Disseminated sulphide mineralization within the mineralized intrusion is copper-rich with minor nickel. Chalcopyrite is the most abundant copper sulphide mineral and typically occurs as blebs or intergrowths with pyrite and pyrrhotite. Matrix-textured sulphide mineralization is hosted primarily by gabbro and consist predominantly of pyrrhotite intergrown with coarse, anhedral chalcopyrite.

Massive sulphide is a very minor component of the Succoth mineralization and can be chalcopyrite or pyrrhotite-rich and occur as breccia-fill in dolerite or gabbro.

There is limited supergene enrichment or lateral dispersion of copper associated with the weathering profile. Oxide zone copper mineralization is typically represented by chrysocolla on joint planes. The oxide zone typically occurs between 30 m and 40m depth.

3.4.2 Data collection

Drillhole data used for the Mineral Resource estimate was completed by BHP and Cassini between 2007 and 2015. Fifty-five DD drillholes for 25,336 m and 15 RC drillholes for 3,803 m were drilled. Air core drilling had also been completed by BHP during exploration, but this drilling was not used in the Mineral Resource estimate.

Drillholes were collared on variable section spacing of 200 m with drillhole spacing on section of 50 m to 100 m. Drillholes were generally oriented towards grid north-west between 60° and 70° dip to intersect the mineralization at a high angle for sample quality.

Drillhole collars were surveyed using handheld GPS. Cassini drillholes were downhole surveyed using a gyroscopic tool, with measurements approximately every 15 m downhole. BHP drillholes were surveyed downhole by single shot downhole camera with selected drill holes surveyed by

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a north-seeking gyroscope. The reliability of BHP's historical downhole surveys was considered by CSA to be poor.

RC drillholes were drilled with a minimum of 140 mm diameter face sampling hammer with samples collected over 1 m or 2 m intervals using a cone or a riffle splitter designed to capture a 3 kg to 4 kg sample. All RC samples were logged for lithological, mineralogical, and other attributes.

DD core was logged for lithological, mineralogical, structural, geotechnical, and other attributes. Diamond drilling included PQ3, HQ2, and NQ2 core sizes. Core was sampled on geological intervals (0.05 m to 2 m). Sample recovery for RC and DD drilling exceeded 95%.

Cassini RC samples were prepared at Bureau Veritas laboratory in Perth. Procedures followed accepted industry practice of oven drying and pulverizing the entire sample to a standard of 90% passing 75 µm. Cassini DD core was dried, crushed and the entire sample pulverized.

BHP sample preparation was carried out at the Ultra Trace Laboratories in Perth following the same procedures.

Analyses were conducted using a combination of fusion XRF¹³ for whole rock analyses, four acid digest with ICP-AES¹⁴ (Co, Cu, Zn, Ni, As, Nb, and Y), and fire assay with ICP-MS¹⁵ finish (Pt, Pd, and Au).

A total of 262 density determinations were carried out on drill core from one Cassini drillhole mainly of fresh rock using the weight-in-air/weight-in-water method. Density determinations from BHP drilling were not available for the Mineral Resource estimate.

Cassini and BHP drilling was supported by QA/QC procedures consisting of:

- CRMs.
- Blanks.
- Field duplicates.

Insertion of QA/QC samples averaged 1:16 with an increased rate in mineralized zones. Results highlight that sample assay values are accurate. Laboratory QA/QC included repeats, duplicate samples, standards, and blanks. Results indicate that assay accuracy and laboratory precision were within acceptable limits although Cassini reported minor evidence for assay bias and contamination in historic results. CSA concluded that a minor issue with historic assaying posed only a minor risk to the confidence level of the Mineral Resource estimate.

3.4.3 Succoth Mineral Resource estimate process

The Mineral Resource estimate is based on an interpretation of a series of copper mineralization zones nominally at a 0.2% Cu grade threshold. The zones are narrow and elongate oriented east to west with six main zones and 23 minor zones. The mineralization zones dip sub-vertically or very steeply to the south (Figure 3.8). Six dolerite dykes were also interpreted.

¹³ X-ray fluorescence

¹⁴ Inductively coupled plasma atomic emission spectroscopy

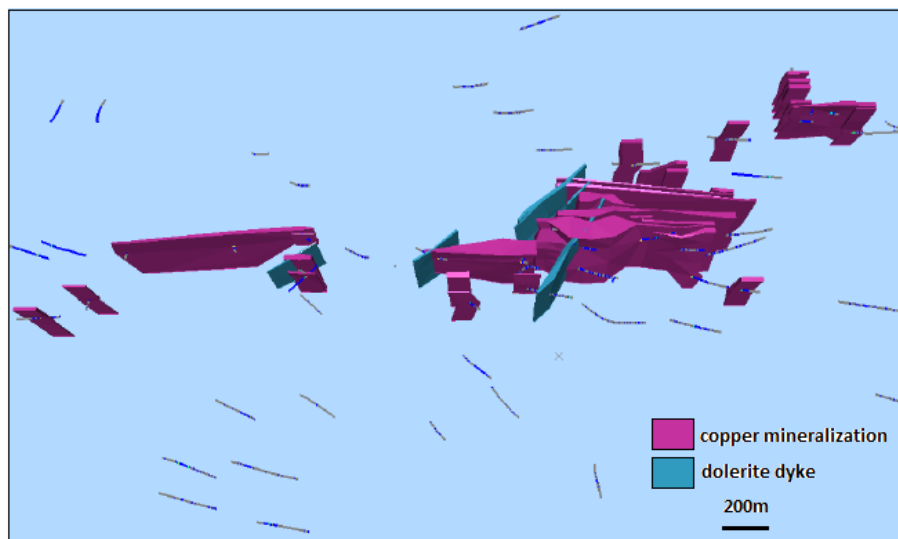
¹⁵ Inductively coupled plasma mass spectrometry

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Figure 3.8 Succoth mineralization domains



Source: Cassini Mineral Resource report referenced by OZ Minerals MRE and ORE Statement 2022

Regolith and base of complete oxidation boundaries were interpreted.

Grade estimation was carried using OK into a block model using assays composited to 2 m intervals. The block model parent cell dimensions were 50 mE by 20 mN by 50 mRL. An assessment of assay data identified that isolated high grades were associated with very short sample lengths and compositing would allow for the outliers with no further grade capping.

Variograms were calculated and modelled for copper composites to provide estimation parameters for OK grade estimation. A minimum of eight and maximum of 16 composites were allowed for estimation with a maximum of four composites from any one drillhole. A search ellipse of 200 mE by 10 mN by 200 mRL was applied. Grades were estimated for Cu, Pt, Pd, Au, and Ni all using the copper variogram model for estimation.

A density of 3.2 t/m³ was applied to the mineralization in the fresh rock and 3.0 t/m³ outside the mineralization based on the means of density determinations. In the oxide weathering domain, a density 2.55 t/m³ was applied and a density of 2.1 t/m³ was applied to the regolith.

The model was validated by visual and statistical comparison of model grades and informing data and by graphical representation of model and data grade trends in swath plots.

The Mineral Resource estimate was classified as Inferred Mineral Resource in line with the JORC Code. Geological continuity is inferred based upon geological logging of wide-spaced drillholes. Density determinations were only available from a single DD drillhole. Grade estimation relies on wide-spaced drillhole data.

The Mineral Resource is reported at a cut-off grade of 0.3% Cu. A notional reporting shell was not applied for Mineral Resource reporting.

3.4.4 AMC comments on Mineral Resource estimate

Drilling, sampling, assaying and other acquisition of other data used for estimation of the Mineral resource have been collected following accepted industry practice and established protocols. Assay data used for grade estimation is supported by QA/QC procedures that follow accepted industry practice.

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The 2015 Mineral Resource estimate followed accepted industry practice is appropriately classified as Inferred Mineral Resource in accordance with the JORC Code.

The Mineral Resource estimate is based on a geological interpretation that reflected the geological control on grade distribution as it was understood with the data available at that time.

Drilling by OZ Minerals subsequent to the 2015 Mineral Resource estimate may have an impact on geological interpretation and grade estimation.

AMC confirmed reporting of the Mineral Resource estimate at the nominated cut-off grade.

3.4.5 Exploration and resource potential

The mineralization potential in the areas immediately surrounding Nebo and Babel deposits is tested by existing drilling. In other areas on the WMP tenements, a copper Inferred Mineral Resource has been reported for the Succoth deposit. BHP's exploration identified nickel-copper sulphide mineralisation at the Yappsu prospect and copper sulphide mineralisation at Esagila but Mineral Resources have not been reported.

Drilling by OZ Minerals subsequent to the Succoth 2015 Mineral Resource estimate may have an impact on geological interpretation, grade estimation, and the Mineral Resource estimate.

3.5 Mining operations and Ore Reserves

3.5.1 Mine geotechnical

AMC has reviewed the 2022 feasibility level geotechnical assessment and design of the Babel and Nebo open pits and the geotechnical pre-feasibility and preliminary design for the Succoth open pit. Both studies were carried out by Red Rock Geotechnical Pty Ltd (RRG).

The following information provided by OZ Minerals forms the basis for the review:

- Nebo and Babel:
 - RRG 2022, West Musgrave BFS Geotechnical Slope Design Report prepared for OZ Minerals Ltd, Report no. FMG01-128-REP-01, 6 April 2022. (RRG 2022a).
 - PSM, 2022, Geotechnical Peer Review – West Musgrave BFS Geotechnical Slope Design, Report and presentation prepared for OZ Minerals Ltd, Report no. PSM4678-004L, 20 July 2022. (PSM 2022).
 - OZ Minerals West Musgrave Feasibility Study, WM-0000-PRM-REP-0006, November 2022 (West Musgrave Feasibility Study).
 - OZ Minerals, West Musgrave Project Geology, Mineralisation, Structure, Supergene Alteration and Hydrology Presentation. 1 December 2022. (West Musgrave Project Geology).
- Succoth:
 - Succoth PFS Level Slope Design Study – preliminary slope design recommendations, Report prepared for OZ Minerals Ltd, Report no. OZM01-01-LET-234_Rev0, 15 November 2022. (RRG 2022b).

Nebo and Babel

The discussion of the geological model in the Red Rock report RRG (2022a) is very brief and does not provide sufficient information to develop a solid conceptual understanding of the deposit geology or structural model. There is no spatial representation of the geological or lithological model provided, yet the lithological model provides the basis for the geotechnical model. There is a lack of factual data provided regarding the location, thickness, and material characteristics of the paleochannel. Based on the information provided in RRG 2022a the drilling used to provide the geotechnical data for this BFS does not appear to intersect the paleochannel, that is said to intersect the western area of the Nebo pit. AMC recommends establishing/confirming how the

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paleochannel interacts with the proposed pit walls to ensure rock mass characterisation, laboratory testing and resulting material properties are confirmed to represent paleochannel material.

RRG 2022a provides limited discussion on the presence of any significant structures (faults or shears) across the Babel or Nebo deposits and indicate that there is limited data regarding the presence of any major structures. However, information included in the PSM Peer Review of RRG 2022a indicate that there could be a number of major structures intersecting the proposed pits). AMC recommend further work be completed to define any geotechnically significant faults or shear zones and understand their location, orientations, and geotechnical characteristics to ensure their influence is captured in geotechnical slope design.

AMC does not consider that the structural interpretation and analysis completed by RRG meets FS standard. AMC agrees with the findings presented in PSM 2022 regarding the quality of structural data and interpretation. To achieve FS standard AMC recommends that the structural analysis process followed by PSM for the Babel deposit, be undertake for Nebo to define structural domains. All pit slope designs should then be re-evaluated based on the results of this comprehensive structural analysis.

Overall AMC considers the data collection methodologies, including volume of data, undertaken by RRG to be appropriate for a FS with exception of the Nebo pit which has limited drillhole coverage across the upper pit walls, and in the western area where the paleochannel is said to intercept the pit.

AMC has reservations about the kinematic analysis used to develop the batter-berm design which ultimately controls the overall slope design. It would be expected, at a FS level, where kinematic failure (that is, Planar, wedge, toppling, etc) is considered a risk, that the kinematically feasible joint sets and various structural domains would be analysed in more detail to understand the true probability of failure. However, this has not been performed by RRG who have only focused on planar sliding failure, using an unreferenced analysis method, and considering all recorded structures rather than kinematically feasible prominent joint sets. The planar analysis approach used is unfamiliar to AMC and does not consider it to be an industry standard approach. Combined with the lack of confidence in the structural data, AMC has reservations about this approach to achieve a feasibility level of confidence in the slope design.

Insufficient hydrogeological data was collected at Nebo, as such there is a lack of confidence in drawdown profiles predicted for Nebo and ability to dewater the paleochannel commensurate with the rate of mining. Given this uncertainty it is important that a worst-case dewatering profile be considered to understand the impact of dewatering on slope stability. It is not clear this sensitivity analysis has been completed, or if the analysed drawdown profile is considered worst-case.

Considering these primary concerns, AMC suggests that there is some risk with slope designs provided by RRG. These concerns may have the following implications on slope design:

- The lack of definition of paleochannel location, thickness, and level of geotechnical understanding of the paleochannel that is known to intersect the Nebo pit could necessitate modification of the recommended pit slope design in the weathered material, requiring potentially flatter batter face and inter-ramp slopes angles in the weathered/oxide zone, or increased depth of weathered/oxide zone in western pit sectors.
- The lack of detail in kinematic analysis, including low confidence in structural data and no definition of structural domains or kinematically feasible joint sets, could potentially result in a reduction in batter face angles in certain sectors of the pits.
- AMC notes that Babel pit is proposed to be developed in 6 stages and the Nebo pit in 3 stages, therefore deferring but not mitigating the risks described with slope design. On that basis AMC did not elect to modify the mining inventory when it developed its production cases.

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Succoth

The basis of the AMC geotechnical review of the Succoth deposit is the report RRG 2022b.

Given this preliminary document and the on-going nature of the Succoth PFS, there is limited information to review. The focus on kinematic assessment to develop preliminary pit design is considered reasonable, and based on the information regarding structures, the slope design seems reasonable for this preliminary level of slope design.

As discussed regarding Babel and Nebo, AMC has some reservations about the kinematic analysis approach used for a FS level of study. As such, AMC recommends that to achieve subsequent levels of study for Succoth, accurate capture of structural data from geotechnical logging, a detailed structural analysis which defines any structural domains and the defect sets, should be used to undertake a detailed kinematic analysis for the evaluation of batter-berm scale slope stability.

AMC also recommends that the conceptual geological and hydrogeological model is considered in detail and rock mass characterisation be completed to understand the rock mass behaviour. Limit equilibrium analysis considering both circular and non-circular failure should be performed to assess overall slope angles and heights.

3.5.2 Pit optimization

AMC reviewed the West Musgrave Feasibility Study and has used that information to develop this section of the ITSr. An updated Mineral Resource model and estimate were developed in 2021 for the project comprising of 390 Mt with a grade of 0.30% Ni and 0.33% Cu. The Mineral Resource was modified to account for ore loss and dilution by block regularisation to a larger size of 10 m x 10 m x 5 m. This is an industry standard approach and AMC considers it to have been appropriately undertaken. Overall ore loss and dilution was estimated to be 9.1% and 5.3% respectively.

Pit optimizations were undertaken using a Lerchs-Grossmann methodology in Vulcan software. Vulcan scripts were used to calculate the value of individual blocks incorporating revenue, recovery, and cost drivers. The key input parameters for pit optimization are shown in Table 3.4, and an NSR cut-off grade of A\$21/t was applied to classify material as ore. There are two ore types at the WMP, pyrite-violarite (PV) and non-pyrite-violarite (non-PV). PV ore is noted to attract a coating on mineralization that results in lower metallurgical recoveries.

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Table 3.4 West Musgrave Project pit optimization input parameters

Revenue, TCs/RCs, Logistics, Royalties, and Selling Costs	Unit	Value	
Metal price			
Nickel	US\$/lb	7.60	
Copper	US\$/lb	2.91	
Cobalt	US\$/lb	19.70	
Palladium	US\$/oz	1,083	
Platinum	US\$/oz	1,020	
Gold	US\$/oz	1,438	
Silver	US\$/oz	18.60	
Foreign exchange rate	A\$:US\$	0.73	
Mining cost			
Mining cost	A\$/t	3.10	
Hydrology parameters & Dewatering Management Plan/Cost	A\$/t	0.03	
Diesel Price (delivered to site & post-rebate)	A\$/l	0.69	
Royalties		Ni Conc	Cu Conc
Government royalties - Ni, Co, Pd, Pt, Au, Ag	%	2.50	2.50
Government royalty - Cu	%	2.50	5.00
Native title royalties	%	7.50	7.50
South 32 NSR royalties	%	2.00	2.00
Metal payability		Ni Conc	Cu Conc
Nickel	%	73.00	0.00
Copper	%	36.30	96.50
Cobalt	%	25.00	0.00
Palladium	%	45.00	0.00
Platinum	%	0.00	0.00
Gold	%	0.00	94.00
Silver	%	0.00	0.00
TCs/RCs – Ni (International)	A\$/t conc (wet)	305.52	
TCs/RCs – Ni (Domestic)	A\$/t conc (wet)	160.35	
TCs/RCs – Cu (International)	A\$/t conc (wet)	274.73	
Metal recovery – nickel concentrate		Ni	Cu
Non-PV ore			
For Ni% ≥ 0.25	(%)	75.60	14.10
For 0.20≤ Ni% <0.25	(%)	59.50	14.84
For 0.15≤ Ni% <0.19	(%)	49.50	16.60
PV ore			
For Ni% ≥ 0.25	(%)	33.67	12.72
For 0.20≤ Ni% <0.25	(%)	27.82	15.13
For 0.15≤ Ni% <0.19	(%)	21.32	16.95
Metal recovery – copper concentrate		Ni	Cu
Non-PV ore			
For Ni% ≥ 0.25	(%)	0.00	79.40
For 0.20≤ Ni% <0.25	(%)	0.00	71.52
For 0.15≤ Ni% <0.19	(%)	0.00	63.52
PV ore			
For Ni% ≥ 0.25	(%)	0.00	71.30
For 0.20≤ Ni% <0.25	(%)	0.00	66.60
For 0.15≤ Ni% <0.19	(%)	0.00	59.08

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Revenue, TCs/RCs, Logistics, Royalties, and Selling Costs	Unit	Value
Cut-off grade		
Processing cost	A\$/t ore	11.09
Corporate overheads	A\$/t ore	0.74
Mine Rehabilitation Fund	A\$/t ore	0.06
Increased cut-off	A\$/t ore	8.00
ROM Rehandle cost	A\$/t ore	1.60
Applied cut-off (NSR)	A\$/t ore	21

Source: 20220601_FID_Inputs_UpdateRampUp.xlsx.

Pit optimization scenarios were run separately for the Nebo and Babel deposits including and excluding Inferred Mineral Resources. The pit optimization process generates a series of nested pit shells at varying revenue factors, in small increments, where the maximum undiscounted cashflow is reached at a revenue factor (RF) of 1.00.

OZ Minerals used the pit optimizations including Inferred Mineral Resources as the basis for final pit design work. Smaller pit designs were developed to report the Ore Reserve inventory. The RF 0.94 pit shell for the Babel pit and the RF 0.95 pit shell for the Nebo pit were selected as the final pit limits, noting a flattening of the undiscounted cashflow curve at higher revenue factors, where the extra mining inventory contributed little value. Inclusion of inferred Mineral Resource in the pit designs and therefore the OZ Business cases adds some risk to the project. AMC notes that the majority of the inferred Mineral Resource is in the Babel pit. Otherwise, the process followed is standard industry practice and AMC considers this approach to be reasonable.

Detailed pit optimization outputs for the Nebo and Babel pits are shown in Table 3.5 and Table 3.6 respectively. Pit tonnage versus cashflow curves for the Nebo and Babel pits are shown in Figure 3.9 and Figure 3.10 respectively.

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Table 3.5 Nebo pit optimization results – MII

Pit Shell	Revenue Factor	Base Shell Data					Value					
		Total Ore			Total Waste Tonnes	Total Rock Tonnes	Strip Ratio	Unit Mining Cost	Unit Processing Cost	Recovered Ni	Recovered Cu	Undiscounted Cashflow
		Tonnes (Mt)	Insitu Ni (%)	Insitu Cu (%)								
					(Mt)	(Mt)	(W:O)	(\$/t rock)	(\$/t ore)	(kt)	(kt)	(\$M)
61	0.80	23.5	0.42	0.39	113.0	136.5	4.8	2.67	13.49	58	77	570
62	0.81	24.0	0.42	0.38	115.7	139.7	4.8	2.67	13.49	59	78	574
63	0.82	24.2	0.42	0.38	117.0	141.2	4.8	2.67	13.49	59	78	575
64	0.83	24.3	0.42	0.38	117.4	141.7	4.8	2.67	13.49	59	79	576
65	0.84	24.5	0.42	0.38	118.4	142.8	4.8	2.67	13.49	60	79	577
66	0.85	24.9	0.41	0.38	120.0	144.9	4.8	2.67	13.49	60	80	579
67	0.86	25.1	0.41	0.38	121.1	146.2	4.8	2.67	13.49	60	81	580
68	0.87	32.1	0.39	0.36	167.8	199.9	5.2	2.68	13.49	72	99	619
69	0.88	32.4	0.38	0.36	169.5	201.9	5.2	2.68	13.49	73	100	620
70	0.89	32.8	0.38	0.36	171.9	204.7	5.2	2.68	13.49	73	101	622
71	0.90	32.9	0.38	0.36	172.6	205.6	5.2	2.68	13.49	74	101	622
72	0.91	33.2	0.38	0.36	174.1	207.3	5.3	2.68	13.49	74	102	623
73	0.92	33.6	0.38	0.36	176.7	210.3	5.3	2.68	13.49	75	103	625
74	0.93	33.8	0.38	0.36	177.9	211.7	5.3	2.68	13.49	75	103	625
75	0.94	34.1	0.38	0.36	179.1	213.2	5.3	2.68	13.49	75	104	626
76	0.95	34.2	0.38	0.36	180.3	214.5	5.3	2.68	13.49	76	104	626
77	0.96	34.3	0.38	0.36	180.7	215.0	5.3	2.68	13.49	76	104	626
78	0.97	34.3	0.38	0.36	181.2	215.5	5.3	2.68	13.49	76	104	626
79	0.98	34.8	0.38	0.36	183.9	218.7	5.3	2.68	13.49	76	105	627
80	0.99	34.9	0.38	0.36	184.5	219.4	5.3	2.68	13.49	77	106	627
81	1.00	34.9	0.38	0.36	184.8	219.8	5.3	2.68	13.49	77	106	627
82	1.10	35.6	0.38	0.36	190.4	226.0	5.3	2.68	13.49	78	107	625
83	1.20	37.5	0.38	0.35	209.6	247.0	5.6	2.69	13.49	81	112	613
84	1.30	38.6	0.38	0.35	219.9	258.5	5.7	2.69	13.49	82	114	604
85	1.40	39.4	0.38	0.35	229.7	269.1	5.8	2.69	13.49	84	116	593
86	1.50	40.3	0.38	0.35	240.6	281.0	6.0	2.70	13.49	85	118	579
87	1.60	40.8	0.38	0.34	246.4	287.1	6.1	2.70	13.49	86	119	571
88	1.70	41.9	0.38	0.34	261.7	303.7	6.3	2.70	13.49	88	121	547
89	1.80	42.9	0.38	0.34	275.6	318.5	6.4	2.71	13.49	89	123	523
90	1.90	43.2	0.38	0.34	281.1	324.3	6.5	2.71	13.49	89	124	513
91	2.00	43.9	0.38	0.34	292.0	335.9	6.7	2.71	13.49	90	125	493

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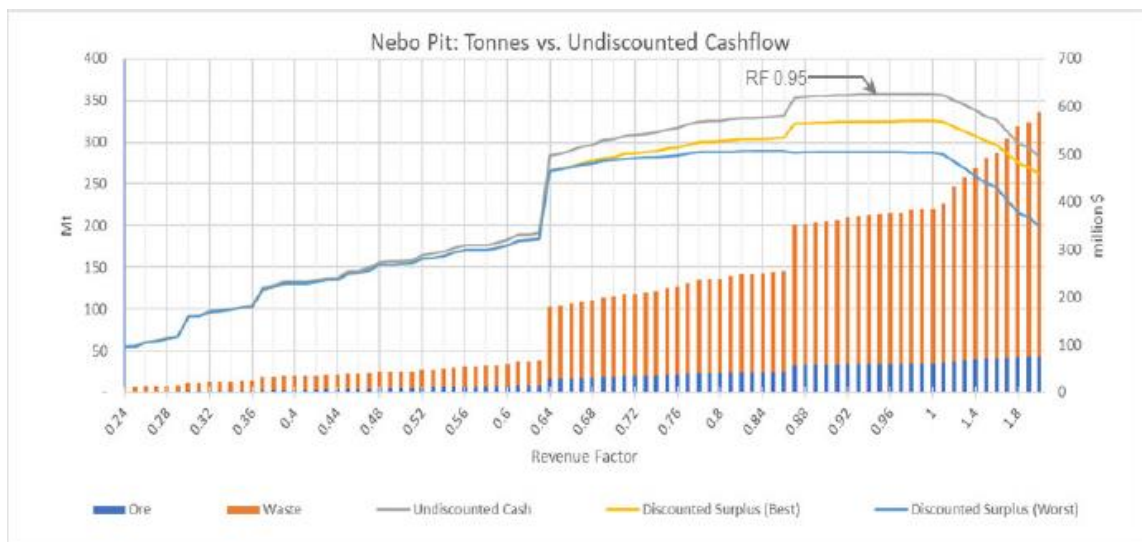
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Figure 3.9 Nebo pit shell tonnage versus cashflow curve



Source: West Musgrave Feasibility Study

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Table 3.6 Babel pit optimization results – MII

Pit Shell	Revenue Factor	Base Shell Data						Value				
		Total Ore			Total Waste Tonnes	Total Rock Tonnes	Strip Ratio	Unit Mining Cost	Unit Processing Cost	Recovered Ni	Recovered Cu	Undiscounted Cashflow
		Tonnes (Mt)	Insitu Ni (%)	Insitu Cu (%)	(Mt)	(Mt)	(W:O)	(\$/t rock)	(\$/t ore)	(kt)	(kt)	(\$M)
61	0.80	250.1	0.31	0.35	640.1	890.3	2.6	2.78	13.49	520	757	6,151
62	0.81	250.9	0.31	0.35	644.3	895.2	2.6	2.79	13.49	522	759	6,157
63	0.82	251.2	0.31	0.35	647.0	898.2	2.6	2.79	13.49	522	761	6,160
64	0.83	251.6	0.31	0.35	648.6	900.1	2.6	2.79	13.49	523	761	6,162
65	0.84	252.1	0.31	0.35	652.5	904.5	2.6	2.79	13.49	524	763	6,166
66	0.85	252.8	0.31	0.35	656.8	909.6	2.6	2.79	13.49	525	765	6,170
67	0.86	255.0	0.31	0.35	672.9	927.9	2.6	2.79	13.49	529	771	6,184
68	0.87	255.5	0.31	0.35	675.8	931.3	2.7	2.79	13.49	530	772	6,187
69	0.88	258.4	0.31	0.35	701.1	959.6	2.7	2.80	13.49	536	781	6,205
70	0.89	258.9	0.31	0.35	704.6	963.5	2.7	2.80	13.49	537	783	6,207
71	0.90	259.8	0.31	0.35	711.3	971.2	2.7	2.80	13.49	539	785	6,212
72	0.91	260.2	0.31	0.35	713.2	973.4	2.7	2.80	13.49	539	786	6,213
73	0.92	261.3	0.31	0.35	721.8	983.1	2.8	2.80	13.49	542	789	6,217
74	0.93	261.6	0.31	0.35	724.3	985.9	2.8	2.80	13.49	542	790	6,218
75	0.94	262.4	0.31	0.35	732.8	995.3	2.8	2.80	13.49	544	793	6,220
76	0.95	262.6	0.31	0.35	733.5	996.0	2.8	2.80	13.49	544	793	6,221
77	0.96	263.3	0.31	0.35	739.1	1,002.4	2.8	2.80	13.49	545	795	6,222
78	0.97	264.1	0.31	0.35	746.2	1,010.2	2.8	2.80	13.49	547	797	6,223
79	0.98	264.2	0.31	0.35	747.0	1,011.2	2.8	2.80	13.49	547	798	6,223
80	0.99	265.3	0.31	0.35	755.3	1,020.6	2.9	2.81	13.49	549	800	6,224
81	1.00	269.6	0.31	0.35	795.6	1,065.2	3.0	2.82	13.49	557	813	6,224
82	1.10	277.0	0.31	0.35	870.7	1,147.7	3.1	2.83	13.49	572	834	6,208
83	1.20	283.1	0.31	0.35	946.3	1,229.4	3.3	2.85	13.49	585	853	6,171
84	1.30	290.0	0.31	0.35	1039.9	1,329.9	3.6	2.86	13.49	598	873	6,093
85	1.40	291.5	0.31	0.35	1065.0	1,356.5	3.7	2.86	13.49	601	878	6,066
86	1.50	294.2	0.31	0.35	1110.5	1,404.7	3.8	2.87	13.49	607	886	6,010
87	1.60	295.7	0.31	0.35	1139.4	1,435.1	3.9	2.87	13.49	610	891	5,969
88	1.70	297.5	0.31	0.35	1175.8	1,473.3	4.0	2.88	13.49	614	896	5,914
89	1.80	299.8	0.31	0.35	1221.4	1,521.1	4.1	2.88	13.49	618	903	5,838
90	1.90	300.9	0.31	0.35	1245.5	1,546.3	4.1	2.89	13.49	620	906	5,795
91	2.00	302.2	0.31	0.35	1274.8	1,577.0	4.2	2.89	13.49	623	910	5,739

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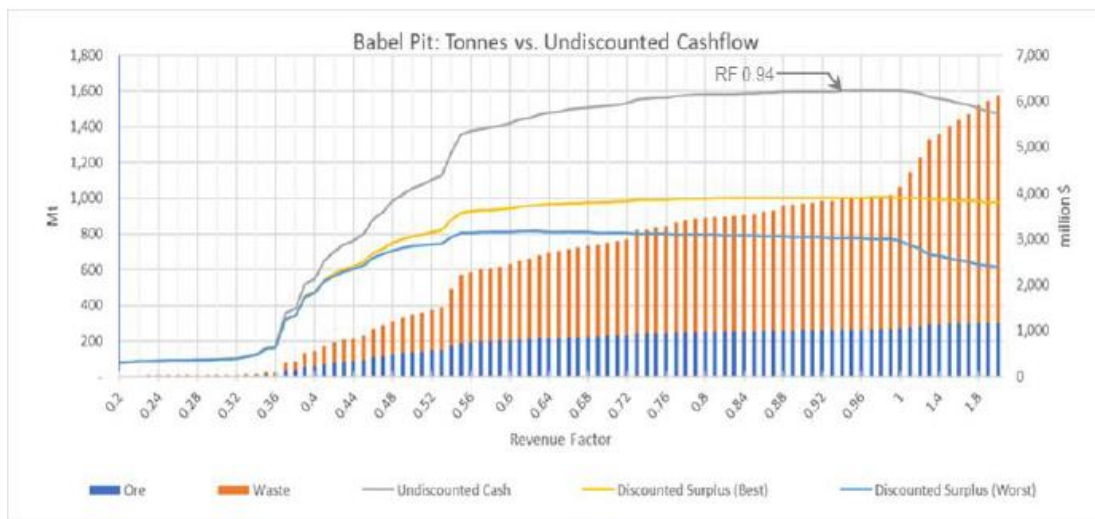
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Figure 3.10 Babel pit shell tonnage versus cashflow



Source: West Musgrave Feasibility Study

A comparison of the combined pit design to pit shell is presented in Table 3.7. In AMC's opinion, the pit design is appropriately developed using standard industry practice.

Table 3.7 Combined Nebo and Babel pit design inventory compared to the pit shells (including contained Inferred Mineral Resource)

Metric	Optimized Shell	Pit Design	Difference
Nebo Pit			
Plant feed (Mt)	34.2	36.8	7.6%
Waste (Mt)	180.3	185.8	3.1%
Babel Pit			
Plant feed (Mt)	262.4	280.1	6.7%
Waste (Mt)	732.8	712.0	-2.8%
Total Plant feed (Mt)	323.7	316.9	-2.1%
Total Waste (Mt)	885.9	897.7	1.3%
Total Rock (Mt)	1,210	1,215	0.4%
Grade Ni %	0.31%	0.31%	-
Grade Cu %	0.34%	0.34%	-

Source: West Musgrave Feasibility Study. Plant feed is sourced from the diluted mining model.

AMC evaluated the pit designs using the diluted mining model and confirmed the pit inventory using an NSR cut-off of A\$21/t.

3.5.3 Mine design

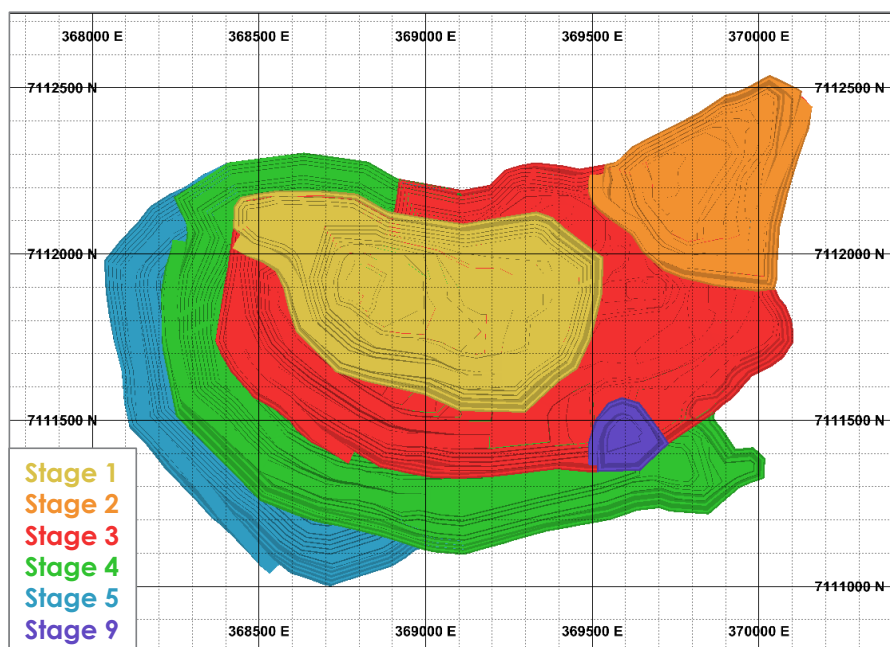
OZ Minerals proposes to develop 5 interim pit stages followed by the final pit for Babel as shown in Figure 3.11 for the life-of-mine. Each pit stage has independent ramp access, with the pit exits located within close proximity to waste dump entries to minimize waste haulage distances. Additional considerations for the Babel pit design includes avoidance of archaeological sites and maximizing in-pit waste dumping capacity to minimize the mining footprint and optimize waste haulage.

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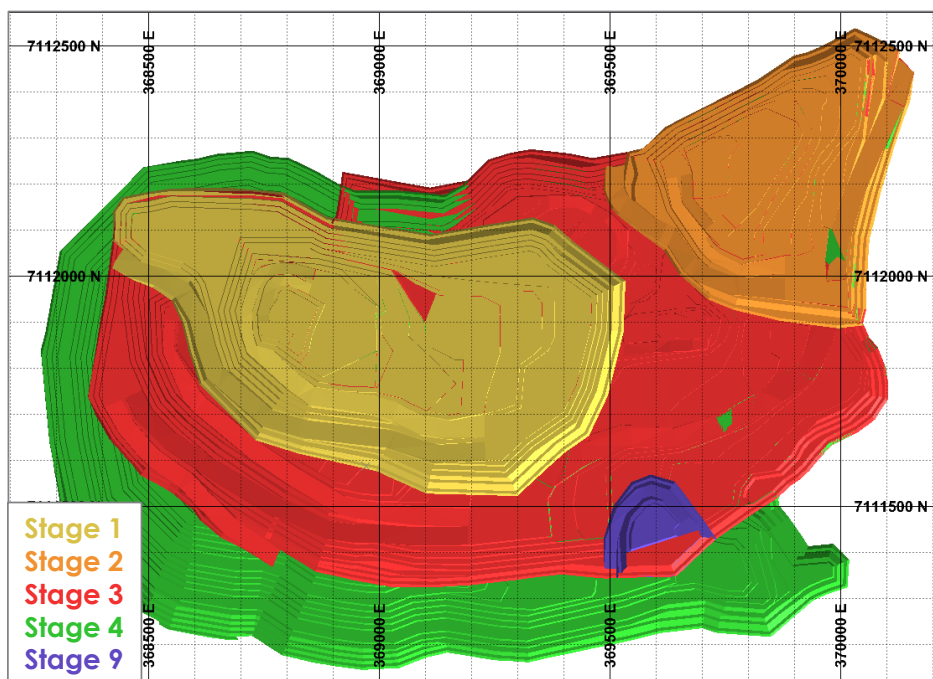
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Figure 3.11 Babel FS pit designs



A separate set of pit designs were developed as the basis for the Babel Ore Reserve estimate, based on Measured and Indicated Mineral Resources only, as shown in Figure 3.12.

Figure 3.12 Babel Ore Reserve pit design



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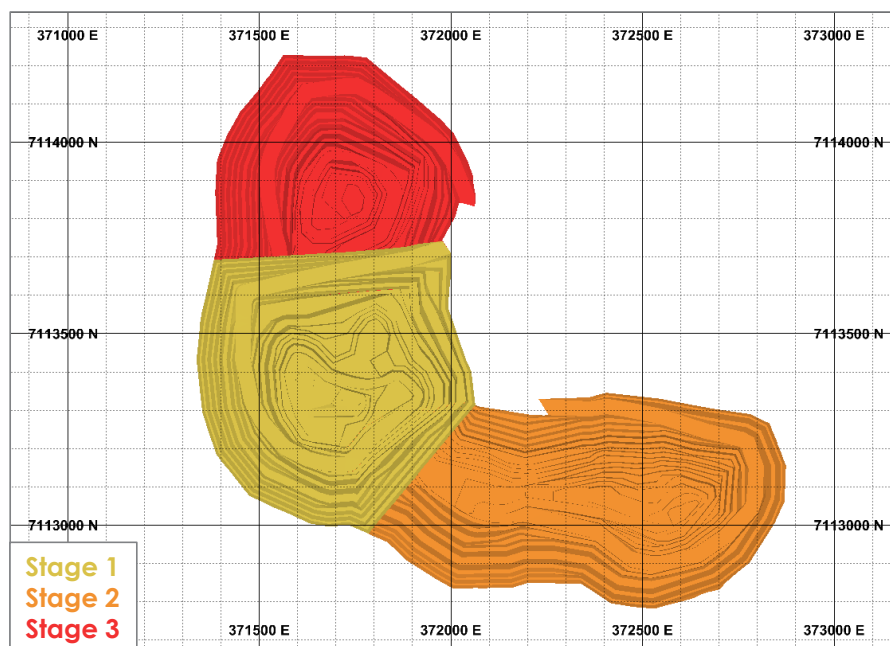
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OZ Minerals proposes to develop 2 interim pit stages followed by the final pit for Nebo, as shown in Figure 3.13. Each pit stage has independent ramp access to the bottom of earlier stages to enable continuous dewatering. Additionally, the Nebo pit void is proposed to be used as in-pit tailings storage to reduce the size of the TSF.

Figure 3.13 Nebo FS pit designs



The proposed site layout for WMP is shown in Figure 3.14Figure 3.14.

Figure 3.14 West Musgrave Project mining layout



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3.5.4 Ore Reserves and estimation process

The September 2022 Ore Reserve estimate supersedes the December 2020 estimates released on 9 December 2020. The Ore Reserve estimates have been reported in accordance with the JORC Code. The Ore Reserve estimate for the WMP as at 23 September 2022 is summarized in Table 3.8 and is reported between the final open pit designs for Nebo and Babel and the original topography.

Table 3.8 West Musgrave Project Ore Reserve estimate as at 23 September 2022

Deposit	Category	Tonnes (Mt)	Ni (%)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	Pd (ppm)	Pt (ppm)	Ni (kt)	Cu (kt)
Nebo	Probable	36	0.37	0.35	0.04	0.8	140	0.08	0.10	132	125
Babel	Probable	236	0.30	0.34	0.06	1.0	110	0.09	0.10	705	791
Total	Probable	270	0.31	0.34	0.06	1.0	120	0.09	0.10	840	920

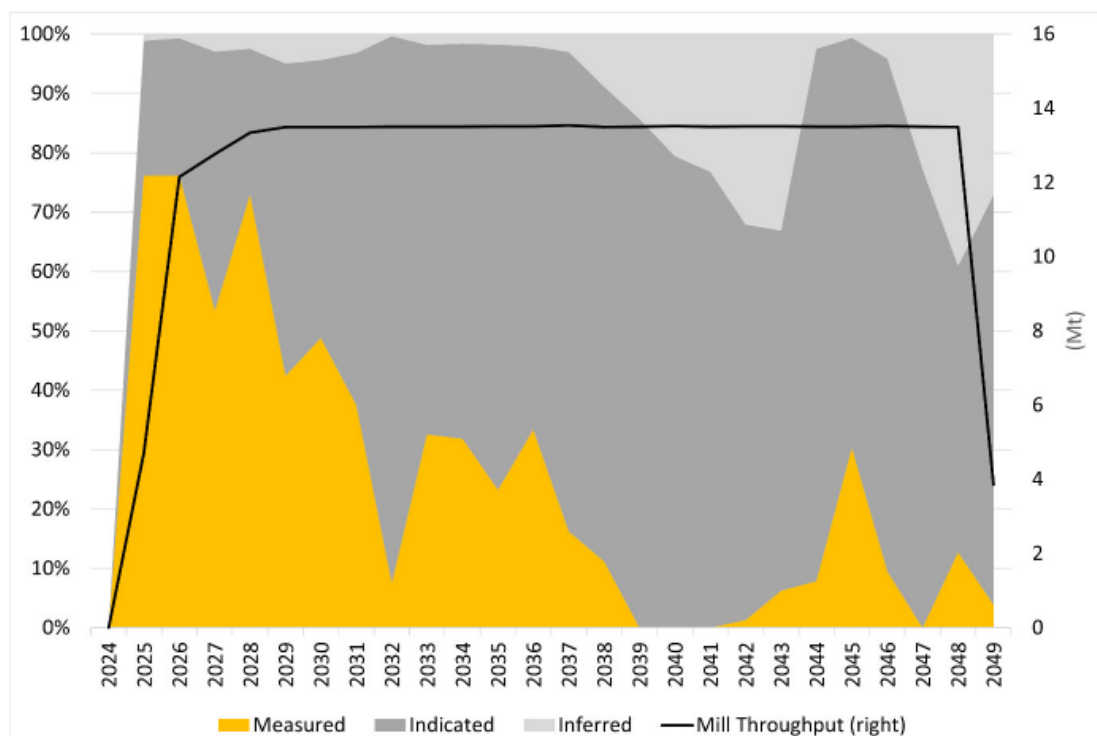
Source: OZ Minerals MRE and ORE Statement 2022.

Notes:

- NSR cut-off A\$21/t ore.
- The values in the table are subject to rounding.

Relative to the September 2022 Ore Reserve, the feasibility study and OZ Conservative Case schedules includes an additional 47 Mt of Inferred Mineral Resource grading 0.31% Ni and 0.36% Cu. This additional inventory is primarily Inferred Mineral Resource within the pit designs and is predominantly mined towards the end of the mine plan, as shown in Figure 3.15.

Figure 3.15 West Musgrave Project production target and material classification



Source: West Musgrave Feasibility Study

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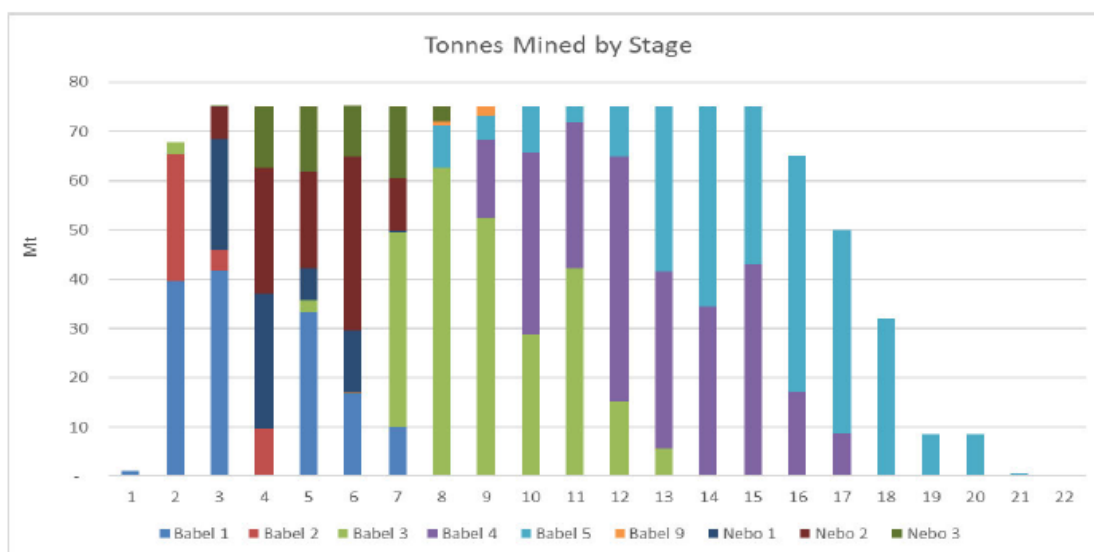
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Mine scheduling for the WMP was undertaken using Maptek Evolution Strategic Scheduler. The mining schedule is based on staged development of the Nebo and Babel open pits, with a focus on the first stage of Babel for delivery of ore for commissioning of the processing plant.

The schedule achieves 13.5 Mtpa of ore feed to the processing plant for the life of the operation. To maintain ore feed to the processing plant, a peak material movement rate of 75 Mtpa is required, as shown in Figure 3.16. The vertical rate of advance was limited to a maximum of eight 10 m benches per annum.

Figure 3.16 Material movement by pit stage



Source: OZ Minerals, West Musgrave Feasibility Study

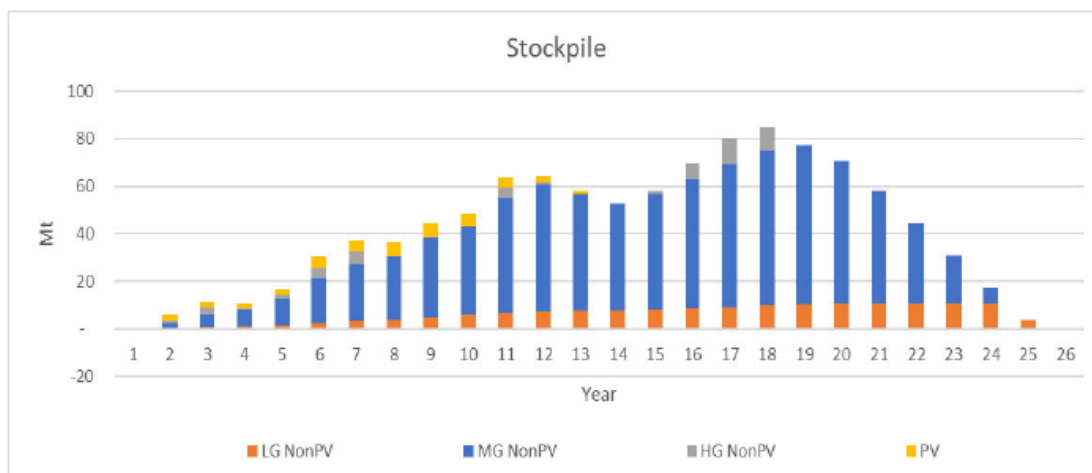
The planned mine life of the WMP is 21 years, with the mining operation finishing 5 years prior to the processing operation. Substantial ore stockpiles are built-up over the mining operation, with a peak stockpile balance of approximately 84 Mt in 2041, as shown in Figure 3.17. The production schedule described in the West Musgrave Feasibility Study aligns with the OZ Conservative Production Case, a modified schedule is presented for the OZ Upside Case although based on the same inventory.

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Figure 3.17 Stockpile balance



Source: West Musgrave Feasibility Study

3.5.5 Resource development and future mining concepts

The Succoth Mineral Resource has not been included in the existing mine plans for the WMP. The large copper resource is currently under review by OZ Minerals and may be added to the project mining inventory subject to successful ongoing studies.

3.6 Mineral processing

AMC has reviewed the 2022 West Musgrave Feasibility Study to assess the metallurgical test work and selection and design of the proposed processing plant.

The main value minerals are pentlandite and chalcopyrite with associated iron sulphides (pyrrhotite and pyrite) within the primary zone. There is a small proportion of the orebody where all primary nickel and iron sulphides are altered to secondary violarite and pyrite (Pyrite-violarite zone) and chalcopyrite may be unaltered or altered to chalcocite, digenite and covellite. Intermediate to these zones is a transition zone with variable alteration of pentlandite to secondary violarite and of pyrrhotite to violarite-greigite.

The sulphide minerals are amenable to recovery by flotation.

Life-of-mine feed grades of 0.31% Ni and 0.34% Cu are low when compared with other similar operations and test work estimates LOM recoveries of 69% Ni and 77% Cu.

3.6.1 Processing methods

The flowsheet consists of primary and secondary crushing, dry grinding using a vertical roller mill (VRM), bulk flotation of a copper nickel sulphide concentrate, regrinding of bulk concentrate, two stages of cleaning to reject pyrite and pyrrhotite, separation of copper and nickel sulphides by high pH flotation, followed by filtration to produce copper and nickel concentrates.

The comminution circuit for an operation of this scale (12 Mtpa) would traditionally consist of primary crushing, SAG milling, ball milling and pebble crushing to produce a product suitable for flotation. OZ Minerals has introduced vertical roller mills in a secondary crushing, vertical roller mill configuration to replace the SAG/Ball/Pebble combination. The dry grinding process is extensively used in the grinding of industrial minerals including cement plant feeds, slags, coal. The ground product is stockpiled in silos and reclaimed for feeding to the flotation circuit.

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OZ Minerals states that the introduction has several advantages for the operation, including:

- Reduced power consumption of approximately 20% when compared with a conventional comminution circuit.
- No requirement to replace grinding media (steel balls used in SAG and ball mills)
- Increased flotation recovery performance due to less dissolution of iron species from grinding media and iron minerals in the flotation feed pulp.
- Can be ramped up and down to match the availability of renewable energy.

AMC notes that this comminution circuit design separates grinding from flotation. This enables the high energy consuming grinding process to take advantage of available low-cost power to increase production and stockpile it for later use. When unit energy costs are higher, grinding can be reduced without impacting the consistent feed rate required for flotation.

The comminution performance of the VRM has been tested in three pilot plant trials by Loesche detailed in Project No 13303 Grinding Test Report and independently reviewed in report SimSAGE eReport – Loesche VRM March 2020 Pilot Plant Testing 13May2020.

The flotation circuit flowsheet is common in international nickel-copper operations and widely used in Canada. The Bulk flotation circuit utilises conventional tank cells and Jameson cells and an IsaMill M10000 for regrinding of bulk concentrate. The copper-nickel separation circuit consists of Jameson cells. The separation circuit deports the copper sulphides to the concentrate stream and the nickel to the tails stream. The separated streams are thickened using high rate thickeners and then filtered in vertical plate and frame filters. Filtered concentrates are discharged to respective storage facilities in preparation for loading and transport.

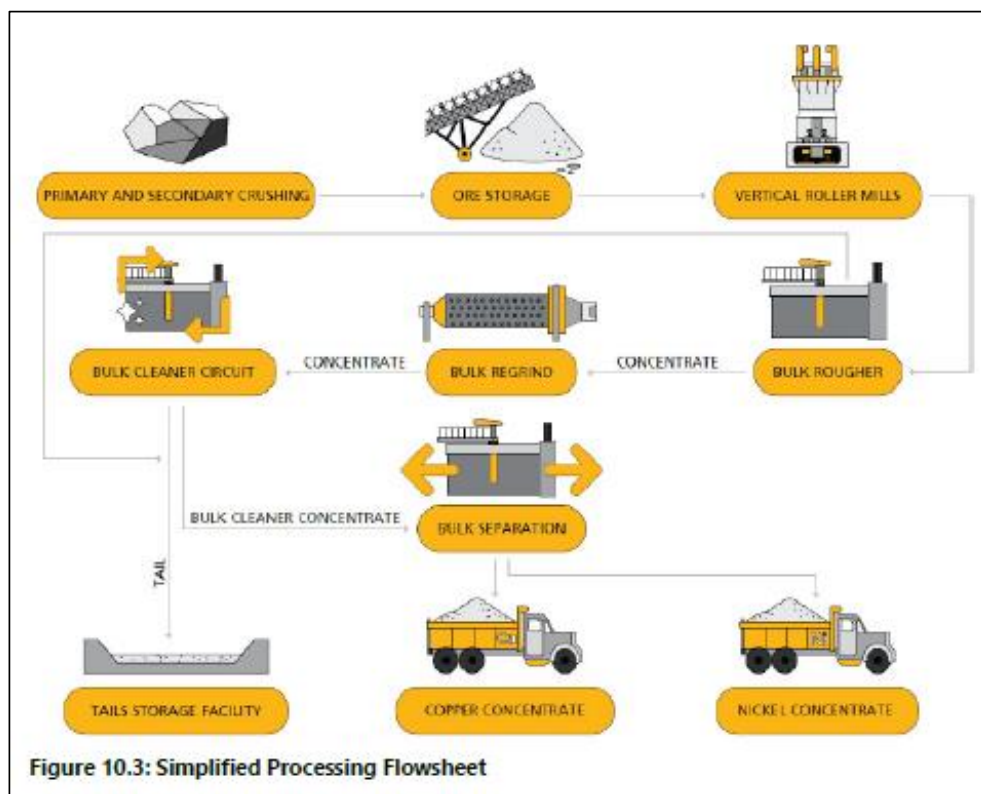
A high-level flowsheet is in Figure 3.18.

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Figure 3.18 WMP process plant flowsheet



Source: West Musgrave Feasibility Study

3.6.2 Concentrate quality

The process plant is designed to produce nickel concentrate with 13.1% Ni content, and copper concentrate with 31.3% Cu. Design concentrate grades are in Table 3.9

Table 3.9 Nickel and Copper concentrate grades

Concentrate	%Ni	%Cu	Au g/t	Ag g/t	Pd g/t	Pt g/t	%MgO	%S
Nickel	13.1	1.07	0.27	-	1.3	0.535	3.4	24.5
Copper	0.6	31.3	1.225	48	1.605	0.636	0.44	33.0

Nickel concentrate has low MgO content and is an attractive feed for smelters due to the higher Fe:MgO ratio which enables easier control of slag viscosity in the furnace.

Copper concentrate has a high copper content and is attractive for blending with lower grade feeds to maintain desired copper grades in the smelting process.

Both concentrates have low deleterious element content and should not attract penalties from smelters.

Nickel concentrate has low contents of Au, Pd and Pt but is likely to be payable only for Pd.

Copper concentrate has higher content of Au, Ag, Pd and Pt and may attract payables for Au, Ag and Pd.

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3.6.3 Concentrate transport and marketing

The concentrate will be trucked approximately 850 km from the WMP to Leonora in purpose-built containers on super quad road trains via the Great Central Road. The containers are then transitioned to rail and the concentrate is dispatched to Esperance Port, as shown in Figure 3.19. Empty containers will be loaded onto trucks and returned to site.

Figure 3.19 Proposed West Musgrave Project concentrate logistics route to port



Source: West Musgrave Feasibility Study

3.6.4 Tailings storage

The TSF consists of an initial starter embankment, followed by upstream raises and is located to the south-east of the proposed Babel pit and to the south of the proposed Nebo pit.

3.6.5 Future ore processing plans

OZ Minerals plans to increase ore throughput from 12Mtpa to 13.5Mtpa (12.5%) within the first 5 years of operation. The increase will be achieved by:

- Increasing plant throughput from 1500tph to 1620tph (8%), and
- Improving availability of the process plant from 91% to 95% (4%).

OZ Minerals has obtained a performance guarantee from Loesche for the VRM throughput from 750tph to 810tph.

AMC has compared the availability target of 95% with benchmark data for similar operations and confirmed that 95% availability is achievable.

OZ Minerals has considered the installation of a third VRM and additional flotation capacity to increase process plant throughput to 16Mtpa.

OZ Minerals has conducted a West Musgrave Mixed Hydroxide Precipitate (MHP) Study to assess the technical and economic values of adding a hydrometallurgical process plant to process the nickel concentrate to a mixed nickel-cobalt hydroxide and produce a CuS by-product. The Hazen

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Pilot Plant Report states an overall copper recovery to CuS product as 85.3%Cu. This recovery is reflected in AMC Production Case 2.

The study commenced with bench scale metallurgical test work and concluded with a pilot plant program that has established performance under continuous operating conditions, and provided data for process design. A flowsheet has been designed and capital expenditure and operating cost estimates prepared.

3.7 Site infrastructure and services

3.7.1 Power

The WMP operation will be powered via an off-grid hybrid power system which comprises of renewable power generation via wind and solar, supported by a Battery Energy Storage System, and a series of diesel generators. Approximately 55 MW of electricity will be procured under a Power Purchase Agreement with an Independent Power Producer.

3.7.2 Water

Water for the WMP will be sourced from local paleochannels, OZ Minerals is proposing to develop a dewatering borefield at Nebo and a northern borefield, approximately 15 to 30 km north-east of the processing plant. Groundwater drilling and modelling completed to date demonstrate a water supply of 7.5 GL/a, which is sufficient to supply the mining and processing operations.

3.8 Environmental, social, and permitting.

3.8.1 Environmental and regulatory approvals

AMC notes that the OZ Minerals process aligns with the environmental and social requirements of the Australian Government and the processes required to obtain approvals and the International Standard ISO14001 for Environmental Management Systems.

3.8.2 Current approvals

The WMP currently has granted Mining Lease M69/149 and Miscellaneous license L69/44 as well as a number of exploration licenses. These two tenements cover the majority of the Project area (power supply, mine dewatering, stockpiles, open pits, processing facility, waste landforms, etc on M69/144) and the access road into the Project from the north (L69/44). Two additional tenements L69/56 and L69/57 are under. AMC notes OZ Minerals plans to amend the Mining Proposal, Mine Closure Plan and Ministerial Statement to include these tenements when granted.

The WMP is located within the Ngaanyatjarra lands on Class A Reserve No. 17614 (for the Use and Benefit of Aboriginal Inhabitants). The nearest towns include the Indigenous Communities of Jameson (Mantamaru) 26 km north, Blackstone (Papulankutja) 50 km east, and Warburton (Milyirtjarra) 110 km west. The WMP is located on granted Mining Lease M69/149 and Miscellaneous license L69/44.

The WMP has received project approvals allowing for construction to commence in the near future. The Project is planned under a staged approach, with the first phase of ore extraction and processing scheduled for late 2024. The Project has received Final Investment Decision from the Board of OZ Minerals, and once complete, will be one of the world's largest off-grid hybrid powered mining projects.

The WMP has environmental approval under both *Environmental Protection Act 1986* (WA) (the EP Act) and state mining legislation. The Project was approved under Ministerial Statement No. 1188 in April 2022 (MS 1188). The MS 1188 includes conditions relating to the protection of Aboriginal Heritage, flora, fauna and also some conditions relating to environmental matters such as groundwater abstraction and greenhouse gas emissions. AMC notes some amendments to the MS 1188 will be required to account for changes to the Project footprint. However, these

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changes appear to be well planned and in hand according to the recent approvals status update document (OZ Minerals, 2022 West Musgrave Approvals Status).

WMP has received approval under the Mining Act 1979 (WA) for the Mining Proposal with document Reg ID 103201 in August 2022. The total approved envelope for the disturbance at the WMP is 3,712 ha. This disturbance is subject to the conditions of MS 1188, and therefore the WMP does not require a Native Vegetation Clearing Permit to support the works described. The Mining Proposal includes design considerations and parameters for proposed and current works, and addresses key potential risk areas and mitigations, as well as information on monitoring, rehabilitation, and closure requirements.

The WMP has a Works Approval (W6597/2021/1 granted on 20 July 2022 and amended in Nov 2022) over tenements M69/149, L69/56 and L69/57 to allow for construction and commissioning of infrastructure and associated work; however, operation of the facility will require submission and approval of construction documents, and the grant of a Prescribed Premise license under Part V of the EP Act before operations can commence.

AMC notes Works Approval includes approval for works on L69/56-57, which are not granted, and W579/2021/1 does not include dewatering/ groundwater abstraction, which will be required to allow for dust suppression during construction and mining.

There are currently two groundwater related licenses allocated to WMP under the *Rights in Water and Irrigation Act 1914* (WA) – a 26D license to Construct or Alter Well (CAW207479(1)); and a 5C license to Abstract Water (GWL207745(1)). AMC notes that M69/149 is not listed on either license, which makes the licenses invalid. Amendments are required, to address this matter.

Table 3.10 Outlines the current primary approvals for the operation and the expiry date.

Table 3.10 Primary approvals

Regulatory Authority	Details of Approval	Expiry Date
EPA	Describes the conditions applicable to the WMP under the EP Act Part IV.	20/04/2027
DMIRS	Describes the activities permitted under the Mining Act.	11/08/2022
DWER	Describes the conditions applicable to the WMP under the EP Act Part V.	19/07/2030
DWER	Construct as many wells as required.	02/06/2023
DWER	Abstraction of up to 7,500,000 kL per annum	28/08/2032
DMIRS	Fuel Storage of up to 325kL of combustible liquids (diesel).	18/03/2025

3.8.3 Future approvals

AMC notes that amendments to the WMP Mining Proposal approval (Reg ID 103201) are required, as some aspects are proposed to occur on tenure not included within the currently approved Mining Proposal. AMC notes OZ Minerals is aware of these requirements and appears to have them well in hand (OZ Minerals, 2022 West Musgrave Approvals Status).

Others permits and approvals may be required for mine dewatering activities, building permits and other local government approvals for construction, and amendment to the Mining Proposal upon the grant of L69/56 and L69/57 (northern access corridor and borefield). AMC notes a Native Vegetation Clearing Permit is not required as this was addressed under MS 1188.

3.8.4 Environmental and social assessments

As the WMP was granted approval for its' Mining Proposal, AMC notes the status of the background environmental and social studies are presumed to be of sufficient standard. Some documents (for example those submitted through the EPA referral and assessment process and made accessible via the EPA portal) are publicly available.

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AMC also notes that an Environmental and Community Management System for managing the potential impacts from the WMP is proposed in section 10.3 of the Mining Proposal approved under Reg ID 103201 (OZ Minerals, 2022 West Musgrave Mining Proposal) and notes it will be based on the AS/NZ ISO 14004:2004 Environmental Management System Standards as the internationally accepted model.

The WMP proposes three WRDs – Babel North (351 ha), Babel South (341 ha) and Nebo (28 ha) – for a total of 1,461 Mt of waste rock to be permanently stored on M69/149. The WRDs will be approximately 60 m high for the Babel area and 30 m high for Nebo (OZ Minerals, 2022 West Musgrave Mining Proposal). Inert (Non-Acid Forming, NAF; non-dispersive) waste rock will also be used in construction of the TSF and construction of the ROM, and also for closure of the TSF, and abandonment bunds (OZ Minerals, 2022 West Musgrave Mining Proposal). Additionally, the Mining Proposal proposes the backfill (or partial backfill) of the Babel (and possibly also the Nebo) open pit using part of this mine waste.

Both static and kinetic waste rock characterisation testing has been undertaken for the Project and approximately 5% of the total waste rock will be Potentially Acid Forming material (PAF) which will be encapsulated within the cells with the landforms. AMC considers that the proposed basis of design for the containment of the PAF material in the landforms is good environmental practice in keeping with the standards expected of a project of this scale.

The TSF at the WMP will be considered a Category 1, High Hazard TSF according to DMP guidelines and a High C category in terms of the ANCOLD (2019) guidelines (WSP Golder Associates, 2022 West Musgrave TSF Design). Embankments would be raised in the upstream direction (OZ Minerals, 2022 West Musgrave Mining Proposal). AMC notes the TSF has been approved as per the description in the Mining Proposal and Works Approval documents. However, OZ Minerals plans to revise the TSF design to a more oval shape (OZ Minerals, 2022 West Musgrave Approvals Status), which had not yet been granted.

The WMP is in the Nullarbor surface catchment area and does not intersect with any Proclaimed Surface Water Areas. The catchment topography of the Disturbance Envelope is characterised by low relief, poorly defined surface water catchments and disconnected ephemeral drainage lines. The Project area does not have defined watercourses, ephemeral streams or discernible drainage channels. The presence of clay pans and calcrete with a predominantly flat surface, means that sheet flow is the dominant form of runoff following significant rainfall events. Surface water flooding protection, erosion protection, and storm water management are required within the WMP site to protect the mine pits, TSF, WRDs and other areas such as the airstrip, village and ROM pad (West Musgrave Mining Proposal).

No surface water related beneficial uses have been identified within the WMP area (OZ Minerals, 2022 West Musgrave Mining Proposal).

Numerous flora and fauna surveys have been undertaken in the area since 2005, at both the broad and detailed scale. A total of 390 vascular plant taxa, representative of 166 genera and 50 families, were recorded within the flora survey area (West Musgrave Mining Proposal). No Threatened flora, as listed under the EPBC Act or Biodiversity Conservation Act, 2016 (WA) (BC Act), were recorded during the flora surveys. Eleven DBCA Priority taxa were recorded within the flora survey area, eight of which were recorded within the Disturbance Envelope (OZ Minerals, 2022 West Musgrave Mining Proposal).

Eleven fauna habitats were identified in the fauna survey area. The overall vertebrate faunal assemblage was observed to be largely intact except for species that are extinct or greatly reduced in their distribution in the Bioregions (West Musgrave Mining Proposal). Fifteen species of significant fauna were identified.

Short Range Endemic (SRE) fauna species surveys yielded 3,209 invertebrate specimens from SRE groups, with a total of 55 different taxa. The poor state of knowledge about invertebrate

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fauna in and around the survey area resulted in the majority of species interpreted as new species. All these species were recorded from habitats that were also observed near the survey area, suggesting they may not be restricted to the survey area (West Musgrave Mining Proposal).

Subterranean fauna surveys identified 27 stygofauna species and 10 troglodfauna species, only two of which are known from areas outside the survey area (two species of stygofauna) (West Musgrave Mining Proposal).

3.8.5 Greenhouse gas emissions

A Greenhouse Gas Management Plan (dated Oct 2021) was developed, and conditions associated with GHG emissions and management requirements are included in MS 1188. The risk assessment completed for the WMP has identified GHG emissions as a Medium level risk and has committed to *"Develop a roadmap to net zero emissions by 2050 in-line with OZ Minerals' climate change statement and Western Australia's Greenhouse Gas Emissions Policy for Major Projects"* (West Musgrave Mining Proposal).

AMC notes OZ Minerals plans to mitigate emissions by utilising wind turbine generators, bifacial solar PV arrays and battery Energy Storage System and implementation of a Greenhouse Gas Management Plan. AMC also notes, MS 1188 Conditions 5-1 limits the emissions from the Project during certain stages of the Project, to ultimately achieve net-zero emissions from July 2038.

3.8.6 Cultural heritage

The WMP is located within Class A Reserve 17614 and the project is entirely within the Ngaanyatjarra Lands of central Western Australia, home to approximately 1,600 Ngaanyatjarra Aboriginal People (West Musgrave Mining Proposal).

The Ngaanyatjarra Council Aboriginal Corporation (Ngaanyatjarra Council; NgC) administers these leases and OZ Minerals continues consultations with the Ngaanyatjarra Council and Traditional Owners and has recently (September 2022) signed a Mining Agreement to satisfy the Aboriginal Lands Trust (West Musgrave Mining Proposal).

The WMP is located wholly within the Yarnangu Ngaanyatjarraku Parna (Aboriginal Corporation) Native Title Determination (WCD2005/002). An Indigenous Land Use Agreement (ILUA) has previously been negotiated and granted between the Ngaanyatjarra Council and OZ Minerals (West Musgrave Mining Proposal).

Several surveys and reports into Aboriginal Heritage significance assessed potential impacts to cultural matters. Brooks (Jan 2021) notes that changes for the Ngaanyatjarra People from outside sources is comparatively 'low impact' compared to many other parts of Australia and has resulted in the retention of strong cultural connections and the maintenance of many traditional practices including ceremony, lore, hunting and traditional land management practices.

The Australian Bureau of Statistics (ABS) analysis of socio-economic indexes shows the West Musgrave Region, including the Ngaanyatjarra Lands, in the lowest quintile for socio-economic disadvantage. Within the EPA Referral Document (OZ Minerals, 2021 West Musgrave EPA Section 38), OZ Minerals recognizes that development of the WMP could be transformational for the community and provide opportunities to improve these disadvantage indexes. As such, engagement with the Ngaanyatjarra People and Ngaanyatjarra Council has been critical in the development of this proposal (OZ Minerals, 2021 West Musgrave EPA Section 38).

AMC notes the level of engagement with Traditional Owners to understand potential community impacts is significant and well advanced.

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3.8.7 Stakeholder engagement

With respect to general stakeholder engagement, AMC also notes these aspects of the WMP are well advanced and OZ Minerals developed a Stakeholder Engagement Plan based on the outputs of a collaboration between OZ Minerals, subject matter experts and members of the Ngaanyatjarra Council (West Musgrave Mining Proposal).

Engagement with government and special interest groups focused on regulatory departments, government advisory bodies, Aboriginal policy advisors, local government, and others with a specific interest in the West Musgrave region.

3.8.8 Rehabilitation and closure planning

Closure plan

The Mine Closure Plan V1 R2 (OZ Minerals, 2022 West Musgrave Mine Closure Plan) was included with the Mining Proposal approved under Reg ID 103201 as Appendix L1, and describes the baseline data, proposed rehabilitation and closure works associated with the WMP, as well as some information on post closure monitoring and closure commitments. The MCP was accepted by DMIRS on 11 August 2022 as part of the Mining Proposal Reg ID 103201, with a number of requirements to be addressed in future versions.

Closure cost estimate

A review of the Rev M Closure Cost Estimate (OZ Minerals, 2022 West Musgrave Closure Cost Estimate) for the WMP indicates a total Closure Cost Estimate (CCE) liability of approximately A\$142.8M. Approximately A\$61M of these costs are attributed to decommissioning, closure and rehabilitation of the TSF and processing facility; approximately A\$44M is allocated to closure of the pit and surface mining areas and approximately A\$10M to the power supply area. The remaining costs are allocated to other infrastructure, for example, the airfield, accommodation facilities, etc. AMC notes that while the closure plan does not include the information associated with closure of the borefield and northern access roads (tenure yet to be granted and approved), OZ Minerals has included these costs in the total estimate for closure liability.

3.8.9 Significant or material environmental risks

Three impact events were assessed as having a High inherent risk. Following the application of avoidance and mitigations measures, one risk remained with a residual risk assessed as potentially High (OZ Minerals, 2021 West Musgrave EPA Section 38), '*potential impacts to holistic cultural amenity*' which forms part of Social Surroundings Environmental Factor.

AMC notes the EPA considers the proposed mitigation and management measures and recommended conditions for impacts to social surroundings are likely to be consistent with the EPA's objectives (EPA, 2022), therefore while this risk remains high, it can be managed to as low as reasonably practicable.

AMC further notes that the other potential risk areas relate to typical risks for a mine of this scale and the mitigation measures committed to by OZ Minerals to reduce the potential impact of these three inherent risks are well documented and appear appropriate.

3.9 Costs

3.9.1 Operating costs

The estimated unit operating costs for the WMP are summarized in Table 3.11.

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Table 3.11 Operating cost estimate

Operating Cost Estimate	A\$/t ore
Mining	10.30
Processing plant	13.60
G&A	3.00
Sustaining capital	6.70
Total	33.60

Source: West Musgrave Feasibility Study

The mining operating costs were developed assuming a conventional drill, blast, load and haul operation. The mining operation will be owner-operator with mining equipment procured via leasing arrangements. The mining fleet is planned to be autonomous from day one, utilizing both autonomous haul trucks and drill rigs. A summary of the primary mining equipment is shown in Table 3.12.

Table 3.12 Mining equipment summary

Equipment Type	Quantity (max)	Primary Function
Backhoe excavator, 600t class	3	Loading ore and waste
Excavator, 140t class	1	Scaling or walls, pit sumps, and other pit services
Truck, 220t class	24	Hauling ore and waste to stockpiles and crusher
Truck, 220t class	2	ROM stockpile rehandle
Drill, 165-229mm diameter blasthole	5	Drilling of production holes
Drill, 102-165mm diameter pre-split	4	Drilling of pre-split, grade control and depressurization holes

Source: West Musgrave Feasibility Study

3.9.2 Capital expenditure

The capital expenditure estimate for the WMP shown in Table 3.13 was compiled by OZ Minerals. All major equipment and bulk materials were quoted directly for the project. The cost estimate has a base date of Q3 2022 and an allowance of A\$193M for contingencies. OZ Minerals reported a minor increase in capital expenditure for the site accommodation in the December 2022 Quarterly Report. The increase is not considered by AMC to be material to the value of the WMP.

Table 3.13 Capital expenditure estimate

Work Breakdown Structure Description	Total Cost (A\$M)
Surface mining	53.7
Mining infrastructure	3.1
Minerals processing	518.7
Onsite infrastructure and utilities	167.8
Regional infrastructure and utilities	43.1
Temporary infrastructure	12.9
Common costs and services	369.1
Owner's costs	217.3
Subtotal base estimate	1,439.6
Contingency	193.0
Escalation	101.4
Total capital expenditure	1,734.0

Source: West Musgrave Feasibility Study

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3.10 AMC production cases

3.10.1 AMC Production Case 1

AMC Production Case 1 is based on the OZ Conservative Case for the WMP. Plant feed is sourced from the proposed Babel and Nebo open pits to be developed from 2025. The OZ Base Case inventory for Babel is 280.1 Mt at 0.30% Ni and 0.34% Cu and 36.8 Mt at 0.37% Ni and 0.35% Cu for Nebo.

Relative to the September 2022 Ore Reserve, the mine plan includes an additional 47 Mt of plant feed at 0.31% Ni and 0.36% Cu. This additional inventory is primarily Inferred Mineral Resource contained within the planned open pits and is predominantly mined towards the end of the mine plan. AMC considers it is reasonable to include this additional Mineral Resource in the production case. Process plant feed is shown to ramp up to 13.5Mtpa. The AMC Production Case 1 is summarised in Table 3.14 and Table 3.15.

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Table 3.14 AMC Production Case 1 – West Musgrave Project production schedule

Physical Measure	Unit	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Ore Mined	kt	316,665	10,533	17,336	12,448	19,009	27,234	20,399	12,866	21,576	17,346	28,574	14,168	7,209	8,549
Plant Feed	kt	316,325	4,710	12,145	12,765	12,765	13,492	13,488	13,496	13,501	13,499	13,497	13,514	13,508	13,543
Copper Mill Grade	%	0.34	0.53	0.47	0.42	0.38	0.37	0.37	0.34	0.35	0.33	0.35	0.34	0.30	0.30
Nickel Mill Grade	%	0.31	0.47	0.40	0.42	0.35	0.38	0.34	0.32	0.31	0.29	0.32	0.33	0.28	0.27
Copper Plant Recovery	%	72	72	74	74	74	74	74	73	74	72	74	74	71	71
Nickel Plant Recovery	%	67	67	69	67	69	69	70	68	69	65	69	67	61	64
Copper Production	kt	776	18	42	39	36	37	37	34	34	32	34	34	29	29
Nickel Production	kt	657	15	33	36	31	35	33	30	28	26	29	30	23	24
Copper by product	kt	143	3	7	7	7	7	7	6	6	6	6	6	5	5
Physical Measure	Unit	Total	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Ore Mined	kt	316,665	18,397	25,555	24,002	17,752	6,112	7,140	461	0	0	0	0	0	0
Plant Feed	kt	316,325	13,495	13,499	13,522	13,499	13,507	13,509	13,498	13,501	13,522	13,497	13,493	3,858	0
Copper Mill Grade	%	0.34	0.37	0.40	0.39	0.36	0.39	0.29	0.25	0.25	0.26	0.27	0.26	0.24	0
Nickel Mill Grade	%	0.31	0.34	0.35	0.36	0.32	0.35	0.25	0.23	0.23	0.23	0.23	0.21	0.19	0
Copper Plant Recovery	%	72	75	75	75	75	75	70	67	67	67	67	63	59	0
Nickel Plant Recovery	%	67	74	74	74	74	74	64	59	58	58	58	53	48	0
Copper Production	kt	776	37	40	40	36	39	28	23	23	23	24	22	5	0
Nickel Production	kt	657	34	35	36	32	35	22	18	18	18	18	15	4	0
Copper by product	kt	143	7	7	7	6	7	5	5	5	5	5	5	1	0

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Adjustments made to the OZ Conservative Case:

- AMC reduced the copper recovery by .
- AMC reduced the nickel recovery by .
- AMC increased the mining operating costs..
- Reduced the plant throughput in 2028 to reflect a lower ramp up.

Table 3.15 AMC Production Case 1 – West Musgrave Project cost schedule

Cost estimate	Units	2023	2024	2025	2026	2027	2028	2029	2030	2031 to 2040	2041 to 2055	Total
Operating costs												
Mining	A\$m	-	-	178	251	256	266	268	233	1,904	490	3,845
Processing	A\$m	-	-	122	206	207	208	209	210	2,102	1,545	4,811
Concentrate transport	A\$m	-	-	52	113	115	103	106	98	906	614	2,106
TCs/RCs and Penalties	A\$m	-	-	16	37	37	35	35	34	321	215	730
Other expenditure												
Growth capital	A\$m	703	730	200	-	-	-	-	-	-	-	1,633
Sustaining capital	A\$m	-	-	57	44	29	17	10	16	356	146	676
Rehabilitation	A\$m	-	-	-	-	-	-	-	-	-	149	149

3.10.2 AMC Production Case 2

AMC Production Case 2 is based on the OZ Upside Case for the WMP. Processing plant feed is sourced from the proposed Babel open pit and Nebo open pit to be developed from 2025. A MHP circuit is added to the flowsheet from 2027 and a third VRM is added in 2030, increasing plant throughput. Appropriate capital expenditure is estimated in the OZ Upside Case for the plant enhancements.

The AMC Production Case 2 is summarized in Table 3.16 and Table 3.17.

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Table 3.16 AMC Production Case 2 – West Musgrave Project production schedule

Physical Measure	Unit	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Feed material Mined	kt	316,665	10,533	17,336	12,448	19,009	27,234	20,399	14,779	22,203	14,471	20,762	22,482
Plant Feed	kt	316,905	4,710	12,145	12,765	13,345	13,492	13,488	16,012	16,512	16,489	16,523	16,496
Copper Mill Grade	%	0.34	0.53	0.47	0.42	0.38	0.37	0.37	0.34	0.33	0.32	0.33	0.34
Nickel Mill Grade	%	0.31	0.47	0.40	0.42	0.35	0.38	0.34	0.32	0.29	0.28	0.30	0.32
Copper Plant Recovery	%	73	72	74	74	74	74	74	73	74	72	74	74
Nickel Plant Recovery	%	68	67	69	67	69	69	70	68	69	65	69	67
Copper Production	kt	786	18	42	39	37	37	37	39	40	38	40	41
Nickel Production	kt	670	14.7	33	36	33	35	33	35	33	30	34	36
Copper by product	kt	122	3.4	7.7	4.8	5.7	5.4	5.7	5.9	6.2	6.2	6.1	5.9
Physical Measure	Unit	Total	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Feed material Mined	kt	316,665	6,456	10,339	16,688	22,452	22,369	20,985	10,830	4,890	0	0	0
Plant Feed	kt	316,905	16,521	16,524	16,534	16,503	16,526	16,518	16,504	16,512	16,523	16,264	0
Copper Mill Grade	%	0.34	0.28	0.29	0.35	0.40	0.39	0.36	0.30	0.27	0.27	0.25	0
Nickel Mill Grade	%	0.31	0.25	0.27	0.32	0.37	0.36	0.32	0.26	0.24	0.23	0.20	0
Copper Plant Recovery	%	73	71	71	75	75	75	75	75	70	67	67	0
Nickel Plant Recovery	%	68	61	64	74	74	74	74	74	64	59	58	0
Copper Production	kt	786	33	34	43	49	49	44	36	32	30	27	0
Nickel Production	kt	670	25	28	39	45	44	39	31	26	22	19	0
Copper by product	kt	122	5.6	5.9	6.1	6.3	6.3	6.1	5.9	5.6	5.5	5.5	-

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Table 3.17 AMC Production Case 2 – West Musgrave Project cost

Cost estimate	Units	2023	2024	2025	2026	2027	2028	2029	2030	2031 to 2040	2041 to 2055	Total
Operating costs												
Mining	A\$M	-	-	178	251	256	266	268	233	1,904	408	3,763
Processing	A\$M	-	-	127	210	277	297	299	300	3,185	1,494	6,189
Concentrate transport	A\$M	-	-	52	113	91	73	76	69	779	308	1,561
TCs/RCs and Penalties	A\$M	-	-	16	37	39	38	38	38	413	111	730
Other expenditure												
Growth capital	A\$M	703	730	200	-	-	-	-	-	-	-	1,633
Sustaining capital	A\$M	-	-	164	260	28	17	28	74	514	82	1,167
Rehabilitation	A\$M	-	-	-	-	-	-	-	-	-	149	149

The OZ Upside Case presented a longer mine life for the WMP due to the inclusion of inventory from the Succoth Mineral Resource. However, AMC considered there were not reasonable grounds to use that in a production case. Therefore, in the AMC Production Case 2, the same open pit inventories for Babel and Nebo as presented in AMC Production Case 1 are used. The same recovery and mining operating cost adjustments made in AMC Production Case 1 were applied to AMC Production Case 2.

3.11 Key risks and opportunities

3.11.1 Risks

Although the capital expenditure estimate is recent and includes contingency there is risk of further increase in capital estimates under the current climate (2023) where labour shortages and price inflation are evident.

Operating costs could be higher than estimated even though AMC inflated mining operating costs.

Mineral Resources and Ore Reserves are estimates predicting a certain outcome of tonnes and grades over the LOM, there is always inherent risk in these estimates.

VRM technology is used infrequently in base metal process plants. Operating experience is limited, and potential operational problems may result in loss of production. Additional plant feed is proposed to be drawn from long term stockpiles rather than rely on a higher mining rate.

The proposed MHP hydrometallurgical processing plant utilises known technology but remains a complex operating environment. There is a risk that design production may not be achieved in the design ramp up period or for life-of-mine.

3.11.2 Opportunities

Mining of the Succoth deposit has the potential to extend the mine life from a large Mineral Resource not included in the AMC production cases. Processing of the Succoth material requires a modified flowsheet which will add additional copper production. The modifications required are well understood technically and can be readily incorporated to the existing flowsheet.

Additional Mineral Resources and Ore Reserves may be developed from regional exploration targets.

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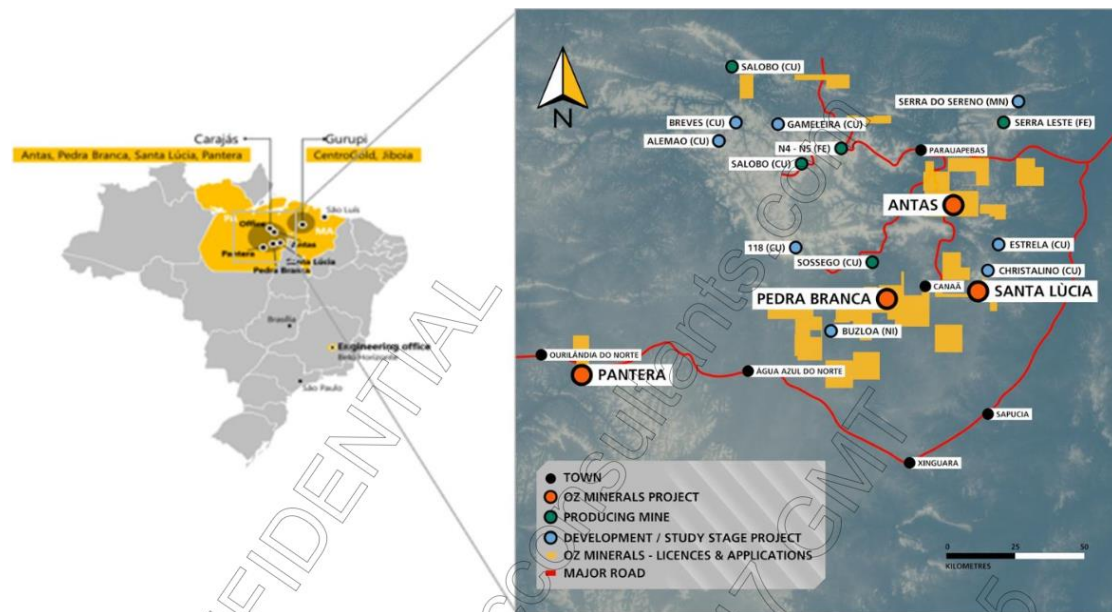
4 Carajás East Province

4.1 Location and background

4.1.1 Location

The Carajás East province hosts OZ Minerals' Pedra Branca and Santa Lúcia projects, and the Antas processing facility. The province is located in the southern part of the Carajás iron oxide copper gold mineral province within the state of Pará, Brazil, as shown in Figure 4.1.

Figure 4.1 Location of Carajás East province



Source: Santa Lúcia Scoping Study 2021

4.1.2 Tenement holdings

The Carajás East tenure comprises various exploration licenses, applications, and bids. Currently, granted tenure is held by AVB Mineração ITda, Avanco Resources Mineração Ltda, Vale S A, Noranda Exploração Mineral Ltda, Xstrata Brasil Exploração Mineral Ltda, Codelco Do Brasil Mineração Ltda or Vale Dourado Mineração Ltda. A summary of tenements covering the Carajás East is shown in Table 4.1. AMC notes that the tenement hosting Santa Lúcia is not explicit. A summary of material Carajás tenements is presented in Table 4.1.

Table 4.1 Carajás East tenements

Tenement Number	Area (ha)	Tenement Grant Date	Tenement Expiry Date	Status of Currency*
853.714/1993	7,290.00	9/09/2014	-	Mining Concession
850.777/1990	9,671.00	-	-	Exploitation License*
850/318/2000	3,195.00	30/09/2021	-	Mining Concession
813.684/1969	98,910.42	6/09/1974	-	Mining Concession

Source 05.14.01.47 Carajas Exploration Licenses Summary.xlsx

*850.777/1990 also covers the Pantera deposit under application.

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4.1.3 Operations and project history

The Pedra Branca project was acquired by Avanco Resources Limited (Avanco) from Xstrata in February 2012. In July 2015 the Mineral Resource estimate was developed internally for Pedra Branca West, and as an update to the June 2013 Mineral Resource estimate.

In March 2018, OZ Minerals announce its bid to take over a majority share of Avanco. This process was concluded in August 2018 following the compulsory acquisition of the less than 10% remaining shares, giving OZ Minerals 100% ownership of Avanco and its projects.

Ore from the Pedra Branca satellite mine is transported to the Antas processing plant which has a throughput capacity of approximately 1.8 Mtpa. Pedra Branca which is reported by OZ Minerals as the first underground mine in Carajás commenced development in 2021 and was ramped-up in 2022 and is in operation. The Antas open pit was completed in 2021 with all ore mined being processed in that year.

The Santa Lúcia project is 100% owned by Vale, the Brazil National Development Bank (BNDES) holds an option to participate in 50% of the project profit. OZ Minerals has an option to purchase the Vale equity and is currently negotiating terms with BNDES, these negotiations continuing in December 2022. The AMC assessment and AMC production cases are developed based on 100% of the Santa Lúcia deposit. In addition, an agreement is required to be reached with local land owners to permit development of the project. The draft pre-feasibility study for the Santa Lúcia satellite open pit mine was prepared in Q4 2022 by OZ Minerals. The study describes an open pit operation with ore to be transported to the Antas processing plant. Negotiations are in progress to determine next steps for advancement of the project.

Pedra Branca has a short production history which is presented in Table 4.2.

Table 4.2 Pedra Branca historical production

Year	Units	2021	2022
Ore mined	kt	232	686
Copper grade	%	1.50	1.68
Gold grade	g/t	0.51	0.45
Ore milled Pedra Branca	kt	NA	746
Copper feed grade	%	NA	1.62
Gold feed grade	g/t	NA	0.47
Copper recovery	%	NA	93.9
Gold recovery	%	NA	77.1
Total ore milled Antas plant	kt	732 ¹	557
Plant Concentrate produced (dry)	kt	28.3	45.1
Copper in concentrate	kt	7.3	11.4
Gold in concentrate	koz	5.8	8.7
Mining cost	\$/t ore	19.77	24.79
Processing cost	\$/t ore	13.60	14.35

Source: Various OZ Minerals public documents and company advice.

Note: ¹2021 plant production includes Antas mined ore.

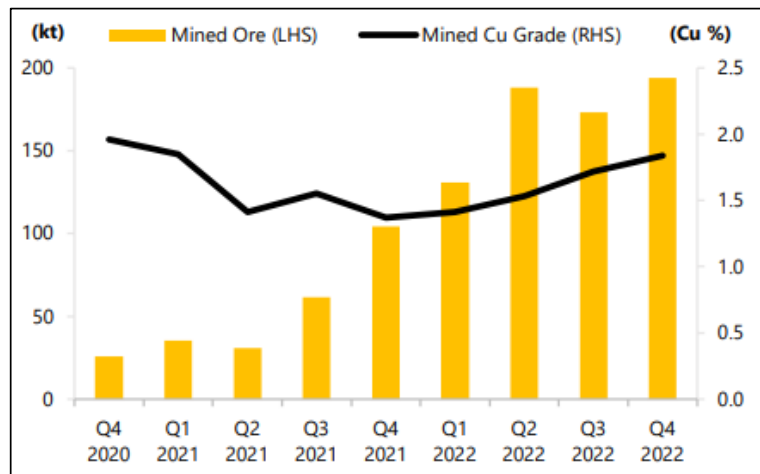
The Pedra Branca ramp up profile is presented in Figure 4.2. This chart demonstrates continued ramp-up achieving nearly full production (circa 800ktpa) in the second half of 2022.

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Figure 4.2 Pedra Branca production ramp up



Source: OZ Minerals December 2022 Quarterly report.

4.2 Geology and Mineral Resources

4.2.1 Pedra Branca

4.2.1.1 Geology

Mineralization at Pedra Branca occurs as two main zones. These are Pedra Branca East and Pedra Branca West. A regional north-west to south-east striking fault is evident passing between the East and West zones.

Pedra Branca East is characterised by a cluster of structures that relate to foliation. These dip approximately 80 degrees towards 170. The orientation of the mineralization is considered by OZ Minerals to be broadly parallel to this orientation. Orthogonal to this is a set of veins and joints.

Mineralization occurs in a number of parallel zones. The high-grade mineralization is present in the hangingwall (HW) zone. It is characterised by semi massive to disseminated chalcopyrite, pyrrhotite mineralization, with sharp grade and density changes at the geological boundaries. The high-grade in the footwall (FW) occurs as either is a semi-massive chalcopyrite, pyrrhotite and pyrite, or a disseminated to semi-massive chalcopyrite, pyrrhotite and pyrite with wide grade high-grade intercepts. The FW and HW high-grade areas are separated by internal dilution and lower grade zones, semi-massive to disseminated chalcopyrite, pyrrhotite, and pyrite with some internal lower grade zones.

Pedra Branca West is similar to Pedra Branca East in style, however, the mineralization has been folded giving rise to a greater spread in the orientation of structures. The orientation of the fold axis is 40 degrees towards 085.

The main zone of mineralization in Pedra Branca West is the medium-grade zone. This provides the most economic interest. This is a moderate to heavily disseminated chalcopyrite, pyrrhotite and pyrite, with some irregularities in its shape. There is also a lower grade zone that encompasses the medium-grade.

Both Pedra Branca East and West are overlain with a weathered saprolite zone.

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4.2.1.2 Mineral Resources

The Pedra Branca Mineral Resource estimate as at 30 June 2022 is summarized Table 4.3 using a cut-off of US\$52/t NSR.

Table 4.3 Pedra Branca Mineral Resources estimate as at 30 June 2022 at a cut-off of US\$52/t NSR

Mineral Resource	Classification	Tonnes (Mt)	Cu (%)	Au (g/t)	Cu (kt)	Au (koz)
Pedra Branca East	Measured	1.9	1.6	0.48	31	29
	Indicated	6.4	1.8	0.48	120	98
	Inferred	5.2	1.5	0.37	76	62
	Subtotal	13	1.7	0.44	220	190
Pedra Branca West	Indicated	2.2	1.3	0.34	30	24
	Inferred	2.2	1.1	0.34	24	24
	Subtotal	4.4	1.1	0.34	54	48
Total Pedra Branca	Measured	1.9	1.6	0.48	31	29
	Indicated	8.7	1.7	0.44	150	120
	Inferred	7.3	1.4	0.36	100	86
Total	Total	18	1.6	0.41	280	240

Source: Pedra Branca MRE and ORE Statement 2022

4.2.1.3 Data collection

As at 30 June 2022, a total of 170 holes, for 56,923 m total length are in the database as having been drilled into the project. All holes are drilled from surface and are DD. RC pre-collars are used in some holes. Core diameter includes HQ through the saprolite and NQ. Prior to OZ Minerals, early drilling was performed by Avanco Resources Ltd (Avanco) and Xstrata PLC (Xstrata).

Drilling at Pedra Branca is predominantly vertically or steeply dipping and spaced horizontally from 50 m x 50 m up to 100 m x 100 m at the deeper levels. The drill-hole-to-target orientation and density of drilling are reasonable for the style of mineralization and mining method.

Assaying for all drilling uses industry accepted methods with acceptable detection limits at internationally recognized assay laboratories.

Collar positions are surveyed. The method is not recorded. Eastings and Northings are typically to one decimal place at best. A comparison with topographic surveys by OZ Minerals showed discrepancies in elevation are nominal.

Downhole survey methods are not all recorded. Azimuths for Avanco drilling are reported as 180 degrees or 360 degrees. AMC interprets this to imply design azimuths have been used in the database. This will give rise to deviation from true location. In some drillholes the offset error could be in the order of metres.

AMC considers for the depths of the drillholes and the accuracy of downhole measurement that minor errors in drill collar locations or downhole survey will not be material for the Pedra Branca Mineral Resource estimate. AMC recommends first principles validation of the downhole survey data be performed to determine the true azimuth of holes using the design surveys. Where drillholes are accessible and open additional surveys might be considered.

Bulk density determinations are carried out internally except for Avanco who submitted samples to third party laboratories for analysis. The method used is the water immersion method. Xstrata used reference samples to assess the precision and performed repeat analysis on these samples.

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AMC considers the bulk density determination process is of a good standard and is supported by internal calibration practices.

Drillhole logging data was captured on paper and entered into an Access database. Data is reviewed using a range of software. Data is imported into Vulcan software for the estimation. Validation checks and edits are performed. However, additional data checks are required as is industry-accepted standard. AMC acknowledges this may be difficult with some of the historic data.

OZ Minerals has:

- Automated and reviewed the accuracy of data transfer from sampling and logging in the database.
- Drilling methods that are standard across the mining industry.
- A long-term relationship with two laboratories and an understanding of the historical data.
- Calibration checks within the bulk density measurements.

Assay QA/QC protocols are in place that included certified reference material, blanks, field duplicates and pulp duplicate assays. Not all QA/QC submission rates are recorded. Submissions for blanks, duplicates or certified reference material (standards) recorded for Avanco samples average 1 in 28, 1 in 36, and 1 in 27 respectively. Submission rates should typically be 5%, or 1 in 20, for each QA/QC protocol.

Results of the available QA/QC data suggests anomalies within the data are either not present, have been addressed or are not considered material to the Mineral Resource estimation.

Blank sample submission indicates limited contamination of samples during the subsampling process. However, OZ Minerals suggests there is an inconsistency that should be investigated.

AMC recognizes that there are legacy issues in the data OZ Minerals acquired with the project. The quality of the QA/QC data is not fully understood by OZ Minerals. It is therefore reasonable that while there does not appear to be any erroneous results, the Mineral Resource estimate has been classified considering this and other factors.

4.2.1.4 Mineral Resource estimation

OZ Minerals uses a natural cut-off grade of 0.2% copper for domain interpretations that are developed into three-dimensional wireframes for the Mineral Resource estimation based on drillholes data.

Pedra Branca downhole composite length is one metre in the domains. The variography for the interpreted domains is investigated to assess continuity orientations. Top-capping is applied to the data.

Grade in the block model is interpolated using the OK interpolation method. The dimensions of the blocks within the domains are 10 mX × 5 mY × 10 mZ with sub-blocking to 1.25 m × 0.625 m × 1.25 m in Pedra Branca East and to 1.25 m × 0.625 m × 1.25 m in Pedra Branca West. OZ Minerals recognizes that the block size is small for the drill spacing but selected these to honour domain boundaries. AMC considers the block size is small for the drillhole spacing but recognizes the trade-off due to the domain sizes.

The estimation is run in three passes in each domain. Domain perimeters are used as hard boundaries. Un-estimated blocks are assigned the median composite grade.

AMC considers the estimation approach used is reasonable.

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OZ Minerals performs a number of validations including validations of input data, domain wireframes, visual validation of search ellipsoids, confirm domain variables are correctly assigned.

After the interpolation, blocks are checked that all variables have populated all blocks. Blocks are visually checked against drillhole data. Composites and other estimation parameters are checked as appropriately assigned.

Block grades are visually checked. OZ Minerals has generated a series of swath plots for both Pedra Branca East and Pedra Branca West to validate the model grades.

AMC considers the validation processes to be comprehensive and appropriate.

The Mineral Resource is reported at a US\$52/t NSR cut off. In deriving this value, OZ Minerals considered metal pricing and the potential mining method based on a Deswik stope optimization with specified stope and pillar dimensions and dilution factors. Revenue from copper and gold, both operating and sustaining costs, and metallurgical recoveries are also considered.

The cut-off is based on a copper price of US\$4.136/lb, gold price of US\$1,650/oz, and respective copper and gold recoveries of 95% and 72.5%.

AMC considers the approach to derivation of the cut-off is reasonable.

The Pedra Branca Mineral Resource estimate is classified as Measured, Indicated, and Inferred in accordance with the JORC Code based on drill spacing, search pass number, and geological and grade continuity.

4.2.1.5 Summary and conclusions

AMC makes the following observations:

- The geological interpretation and domaining is appropriate for the estimation.
- Grade estimation uses internationally recognized processes.
- The shape of continuous mineralization and quantity of tonnes reported is sensitive to the outline generated from the NSR value and therefore the method by which the NSR is calculated.
- There is a reliance on the domain's mean grade being representative of grade for the block grade allocation of un-estimated blocks. This should be assessed as to whether this process is creating metal by allocation of grade above expectation in those locations.

Using data and parameters supplied by OZ Minerals, AMC has visually compared the block model against the composite drilling and has independently interrogated the block model estimations as a global confirmation of the Pedra Branca Mineral Resource estimate. This was completed in the Datamine software.

The interrogation to replicate the reported Pedra Branca Mineral Resource estimate is very similar allowing for rounding by OZ Minerals and the use of different software packages.

AMC viewed the drillholes against the block model and satisfied itself that the distribution of geology and grade is well represented by the block model. Swath plots of drillhole composites plotted against block model grades are reviewed with no issues identified.

AMC concludes that the Pedra Branca Mineral Resource estimate is appropriately classified as Measured, Indicated and Inferred Resources in accordance with the JORC Code. AMC broadly concurs with the Pedra Branca Mineral Resource classification.

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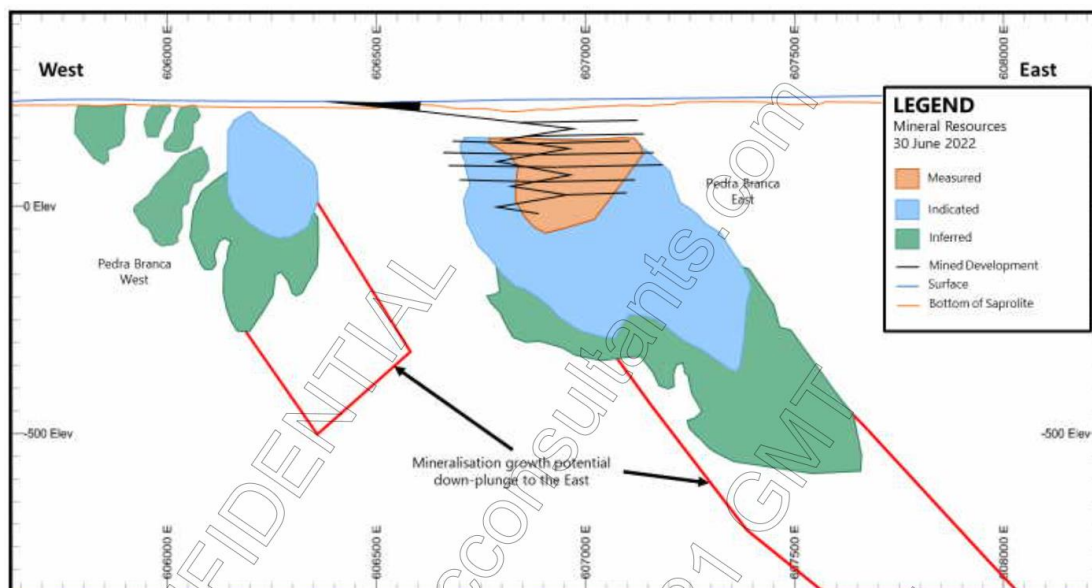
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4.2.1.6 Exploration and resource potential

Pedra Branca East and Pedra Branca West are both open at depth, down plunge to the east as shown in Table 4.2. There is limited data available to support other mineralization targets associated with Pedra Branca.

Figure 4.3 Pedra Branca exploration potential



Source: Pedra Branca MRE and ORE Statement 2022

4.2.2 Santa Lúcia

4.2.2.1 Geology

Mineralization at Santa Lúcia occurs within a meta volcanic sequence related to an alkali granite intrusion. This granitoid is strongly foliated and hydrothermally altered, is bounded by parallel foliated schists, and is intruded by parallel pegmatites and quartz veins.

Country rocks to the granitoid are generally folded, banded iron formations. Near Santa Lúcia, the granitoid displays intense brittle ductile deformation, with foliation and breccia zones. Erratic concentrations of massive chalcocite with bornite are related to weathering processes, mainly in the transition zone.

There is evidence of intense ductile-brittle deformation, generating the foliation in some lithologies. Brittle deformation is also evident in the deposit, with brittle fracture systems, quartz veinlets and pegmatite dykes. Pegmatites occur as narrow lenses, NW-SE trending and are associated with the mineralization formation. The general structure is NW-SE trending, in the region of the Carajás Fault. However, EW and NE-SW orientations also occur.

Copper occurs in zones of massive sulphide comprising chalcopyrite and pyrite, or chalcopyrite and pyrrhotite. Or it occurs as stockwork zones of quartz/sulphide veins and stringers.

4.2.2.2 Mineral Resources

The Santa Lúcia Mineral Resource estimate using a cut-off of 0.3% Cu is summarized in Table 4.4.

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Table 4.4 Santa Lúcia Mineral Resources estimate as at July 2021 (CoG 0.3%Cu)

Category	Tonnes (Mt)	Cu (%)	Au (%)	Cu (kt)	Au (koz)
Indicated	0.9	6.1	0.97	55	28
Inferred	4.9	1.3	0.24	65	37
Total	5.8	2.1	0.35	120	66

Source: Santa Lúcia MRE Statement 2021

4.2.2.3 Data collection

As at 30 June 2021, a total of 95 holes, for 16,996 m total length are in the Santa Lúcia database. All holes are drilled from surface and are all HQ or NQ DD. Drilling is predominantly vertically or steeply dipping. The drillhole-to-target orientation and density of drilling are reasonable for the style of mineralization.

Drill core is logged and sampled. Structural data was collected using a downhole IQLogger system. Drill core samples are 1 m or 2 m in length and cut in half for sampling.

Recognized laboratories are used for assaying generally applying industry recognized methods. AMC notes the that samples are pulverised to 95% passing 106 µm. Typically, in industry this is 90% passing 75µm. In this case a larger 150 g to 250 g subsample is collected from the 750 g to 1,000 g sample.

Copper grade is determined using four acid digest with atomic absorption spectrum (AAS) finish. Gold grade is determined using 30 g or 50 g fire assay with AAS finish. Minimum detection limits are appropriate.

AMC considers the steps taken to validate collar and survey data and the frequency and equipment used indicate survey practices are sound.

Bulk density determinations are carried out on diamond drill core samples. The method used is the Archimedes water immersion method (core sample weighed in air and in water) at an internal laboratory or third-party laboratory.

AMC considers the bulk density determination process use an appropriate method and is supported by internal calibration practices.

Data prior to 2019 was provided to OZ Minerals by Vale S.A. (Vale). Data from 2020 and 2021 was generated by OZ Minerals.

Logging data is captured using Excel and stored in a database using the Datamine Geological Data Management System (GDMS) and backed up. Data is reviewed and validated in GDMS by the database administrator. Validation checks and edits are carried out on the data.

OZ Minerals has:

- Reviewed the data tables in the database.
- Used drilling methods that are standard across the mining industry.
- Consistent assay processes and an understanding of the historical data.
- Completed calibration checks within the bulk density measurements.

Assay QA/QC protocols in place that include certified reference material, blanks, field duplicates and pulp duplicate assays. It is known that Vale's QA/QC submission rates were insufficient, however, approximately 70% of the drilling by number of drillholes and therefore a significant amount of the QA/QC data represents the OZ Minerals' drilling. Results of the available QA/QC data suggests anomalies within the data are either not present or were identified and explanation

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provided. Bias identified is not considered by OZ Minerals as material to the Mineral Resource estimation.

OZ Minerals QA/QC requires additional frequency of blank, CRMs, pulp, coarse and field duplicate submission to meet the expected industry minimum of 1:20 or 5%.

4.2.2.4 Mineral Resource estimation

Three main domains defined by structural interpretation are the East, West and South domains. These are split into lenses based on natural cut-off grades from log probability plots and visual assessment. Domains were developed into three-dimensional wireframes for the Santa Lúcia Mineral Resource estimate.

The downhole composite length is one metre in the domains. The bulk density for each cell is determined using regression curves to derive an equation for bulk density based on copper and iron content. The 50th percentile is used where regression did not apply.

The variography for the interpreted domains is investigated to assess continuity orientations using Supervisor software. AMC considers the method of assessing the variography to be consistent industry-accepted practices. The orientations of the search ellipses are appropriate for the orientations of mineralised domains.

Top-capping is applied to the data following assessment of histograms and log probability plots to identify outliers in the data. AMC considers the process for determining the top-caps, and management of high-grades to be appropriate and within industry accepted practices.

Grade in the block model is interpolated using both the OK and ID2 methods for reporting and validation purposes. For the reported estimate, copper, gold, iron and density are estimated using OK in the East and West domains. ID2 is used for all other elements. In the South, density is estimated with OK, and all elements use ID2 due to limited data. The OK method is also applied to the background domains.

QKNA is used on copper composites to determine an appropriate block size and search neighbourhood. The dimensions of the blocks within the domains are 20 mX × 20 mY × 20 mZ with sub-blocking to 1.25 m × 1.25 m × 1.25 m to accommodate domain boundaries. AMC considers the parent block size is suitable for the drill spacing.

AMC considers that the estimation approach used is reasonable.

OZ Minerals performs a comprehensive series of visual, graphical and statistical checks with no material issues identified.

The cut-off grade applied is selected based on a review of conceptual mining, haulage and processing costs and metallurgical recovery results, as well as copper and gold prices. This is considered by the Competent Person to meet the requirement of RPEEE.

The Santa Lúcia Mineral Resource estimate is classified as Indicated and Inferred in accordance with the JORC Code using resource classification wireframes based on drill spacing, search pass number, data quality, geological and grade continuities, grade continuity. Wireframes are generated for Santa Lúcia defining the Indicated and Inferred classifications.

The Santa Lúcia Mineral Resource estimate is reported based on a 0.3% copper cut-off grade within wireframes generated by OZ Minerals that define the classification criteria of Class 2 or Class 3 in the block model as Indicated and Inferred respectively.

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4.2.2.5 Summary and conclusions

AMC makes the following observations:

- The geological interpretation and domaining is appropriate for the estimation.
- Grade estimation uses industry-accepted processes.
- There is a reliance on the domain's mean grade being representative of grade for the block grade allocation of un-estimated blocks. This should be assessed as to whether this process is creating metal by allocation of grade above expectation in those locations.
- Consideration of and reporting of all relevant inputs into the classification criteria requires review and assessment.

Using data and parameters supplied by OZ Minerals, AMC has visually compared the block model against the composite drilling and has independently interrogated the block model estimations as a global confirmation of tonnage and grade for the Santa Lúcia Mineral Resource estimate. AMC reports tonnage and grade almost identical. This was completed in the Datamine software.

AMC is comfortable with the modelling approach being used. The overarching rationale for the processes is understood, and appropriate validations are performed.

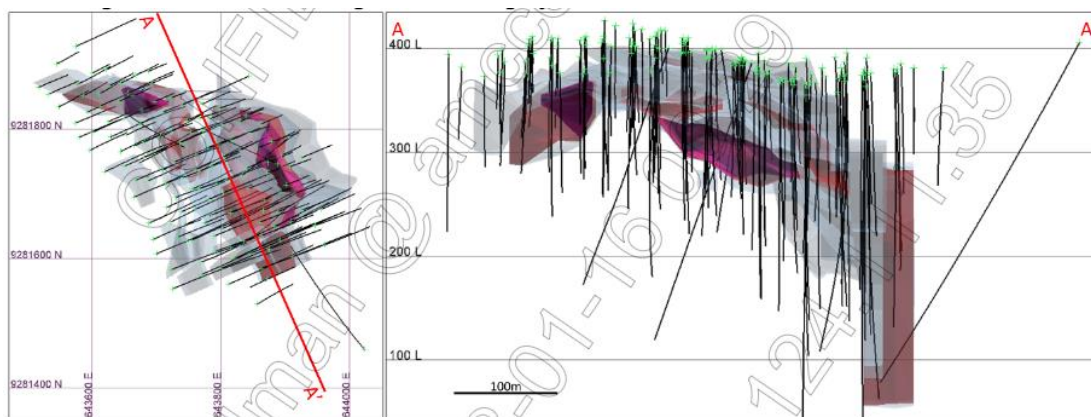
Statistical comparisons between the drillholes and the block model shows the block model to replicate mean grades of the capped drilling data within the zone used for reporting the Mineral Resource.

AMC considers that the Santa Lúcia Mineral Resource estimate is reasonable and the estimate is appropriately classified as Measured, Indicated, and Inferred Resources in accordance with the JORC Code. AMC broadly concurs with the Santa Lúcia Mineral Resource estimate classification.

4.2.2.6 Exploration and resource potential

Santa Lúcia show some potential being open at depth, down plunge to the south of the south domain as shown in Figure 4.4. There is limited data available to support other mineralization targets associated with Santa Lúcia.

Figure 4.4 Santa Lúcia exploration potential in plan view (left) and oblique long section AA'



Source: Santa Lúcia MRE Statement 2021

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4.3 Mining Operations and Ore Reserves - Pedra Branca

4.3.1 Mine layout

Pedra Branca is a shaftless underground operation. Mineralization starts 10 m below surface. Access to the workings from surface is via a service decline (5.5 mW x 5.5 mH) developed from a box cut.

All stoping and development ore and waste is hauled up the service decline by mining trucks. Mucking bays in ramp and footwall drives are located every 150 m to 200 m.

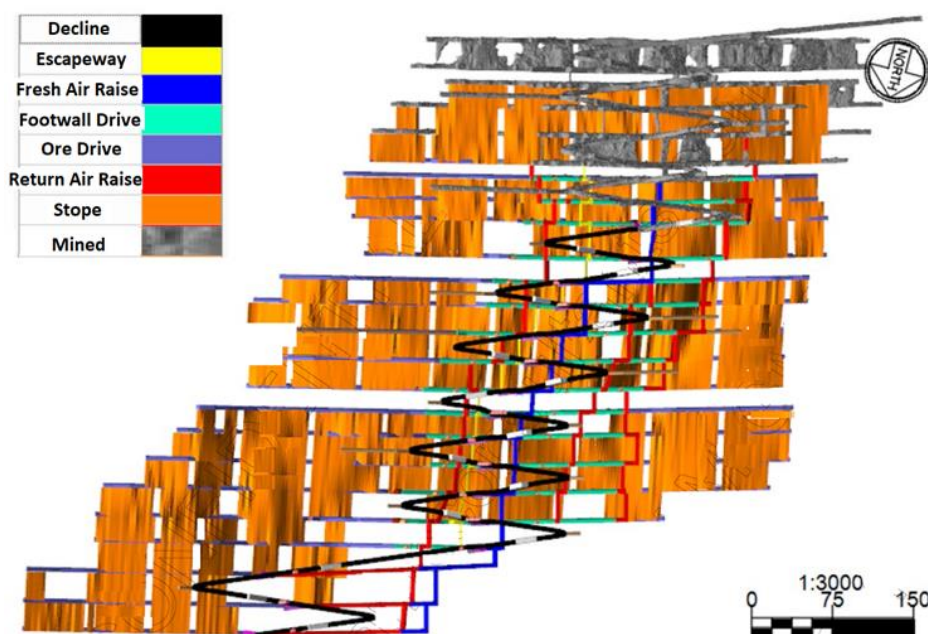
Primary Ventilation Fresh air of the mine consists of three fresh intakes (the service decline, a 4.1 m diameter intake raise and an intake/escapeway of 1.5 m diameter). There is a total of two exhaust raises that connect to surface and each are fitted with two 450HP centrifugal exhaust fans in parallel. The fresh and return systems are extended level by level using 4 m x 4 m vertical winzes as mining continues.

4.3.2 Mining methods

The mining method is longitudinal benching with rib pillars. Mining commences at the base of a panel and progresses laterally and upwards in a bottom-up sequence. Horizontal sill pillars are left between panels for geotechnical stability. Production drill rigs use 89 mm diameter downholes.

Stopes are backfilled with mine development waste. This material is backloaded by the mine trucks and tipped into mined out voids using tele-remote operated LHD's. It is anticipated once the 925 level has been mined, the available onsite waste will be exhausted, and suitable waste will need to be brought in from the exhausted Antas mine. This will be done as a backhaul of the trucks carrying ore to the Antas mill, to minimise costs. The current life-of-mine design is presented in Figure 4.5. At present, only the Eastern lode is mined.

Figure 4.5 Life-of-mine design (30 June 2022 mining extent shown)



Source: Pedra Branca MRE and ORE Statement 2022.

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Mine services such as power, mine water and communications are extended down from surface in a corridor adjacent to the decline. Escapeways are mined to provide a secondary means of egress. Refuge chambers are also installed underground for use in an emergency.

Ground support for development is in-cycle bolting and welded mesh. Shotcrete is used where required for long term infrastructure development.

AMC considers that the general design and layout of underground development to be suitable for the method. The compliment of mining fleet proposed for peak mining rate is presented in Table 4.5.

Table 4.5 Underground mining equipment fleet (peak mining rate)

Unit Type	Development Jumbos	Longhole Production Rigs	LHD (15t)	Trucks (Ore + Backfill 45t)	Working Platforms (IT)	Grader	Rock Bolter	Shotcrete Mixer with Pump	Light Vehicles	Misc
#	3	3	4	8	6	1	1	1	30	5

Source: Pedra Branca PFS 2019

Grade control definition is done by a combination of underground diamond drilling (25 m by 25 m centres), development mapping and sampling.

OZ Minerals provides all the main technical and engineering capabilities (mine planning, geology, geotechnical, survey etc) for the operation.

All underground mining is presently completed by an underground mining contractor.

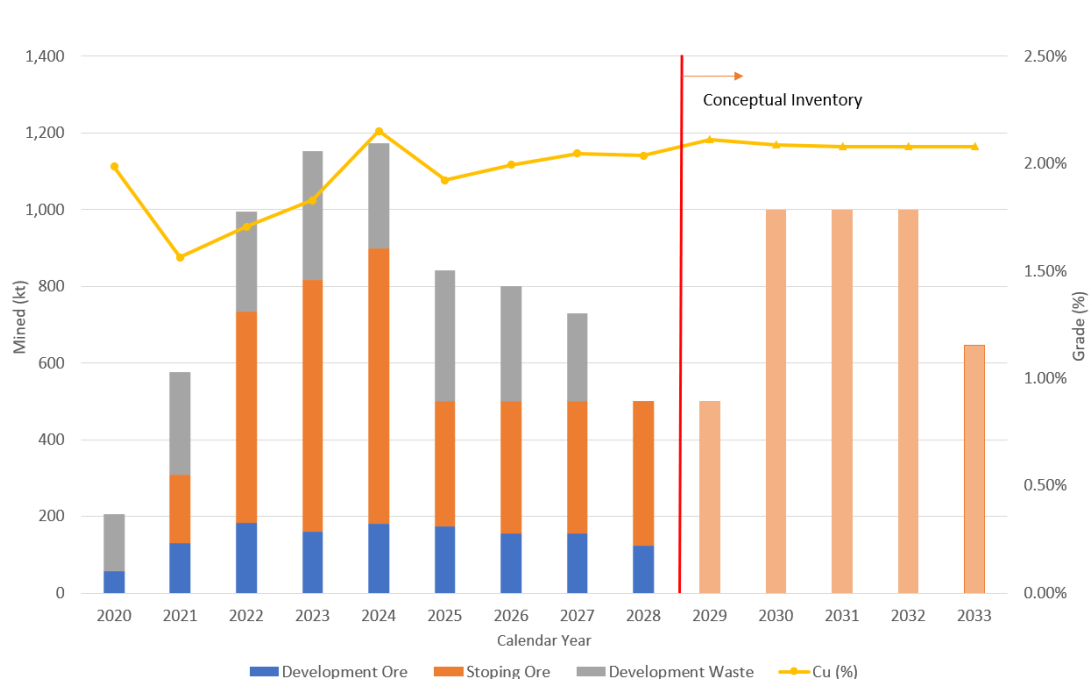
The life-of-mine mining schedule for Pedra Branca is presented in Figure 4.6. From 2023 to 2028 the schedule is based on Ore Reserves. From 2029, the schedule shows conceptual tonnage, that is, it is assumed that either more inventory below the Eastern lode is converted into Ore Reserve or that part of the Western lode is mined.

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Figure 4.6 Life-of-mine schedule



Source: Carajas_Hub_Valuation_model_Conservative.xls

4.3.3 Mine geotechnical

AMC's geotechnical review is based on the Pedra Branca PFS 2019.

While technical information included in this report is too limited to make an appropriate assessment at this time, based on the information provided and the likely complexity of the project, AMC considers that the study is likely to meet PFS level. While AMC understands that the Pedra Branca mine has been operating this past year, no information around the geotechnical performance of the mine has been provided for review.

- No information has been provided regarding the drillhole density for which Q' parameters were collected. Therefore, AMC cannot determine whether the level of data confidence is at PFS level.
- AMC considers that the sublevel long hole open stoping mining method selected is appropriate given the expected rock mass conditions described in OZ Minerals (2019).
- Considering that high induced stresses are expected at the project, the sequence proposed for the lower two panels is not likely to adequately manage the stresses. A chevron or continuous mining front sequence should be considered.
- The stope spans of 30 m high by 70 m long are very large. The condition of the rockmass in the hangingwall and footwall will need to be very good for these stope spans to remain stable. AMC cannot comment on the appropriateness of these spans at this time because rock mass classification data was not presented in the report.
- AMC considers that the development ground support assessment appears to be reasonable given the information provided. However, clarification on the rock mass conditions that will be encountered in development is required. AMC expects that a wedge analysis would have been conducted at PFS level.
- AMC considers that the intersection ground support assessment approach is likely conservative, and that the assessment should have been based on a wedge analysis.

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- The support assumptions for the crown and sill pillars (top cut stopes) appear to be appropriate, however, the method used to determine the support is not stated.
- Clarification is required on the rib pillar width (both 6 m and 7 m are stated in the report). AMC considers that a pillar width ratio would be more appropriate for design than a fixed width, given the variable orebody width of up to 20 m.
- The stand-off distance of the decline from the stopes of 50 m is considered to be conservative and there is likely to be upside pending results from the numerical modelling.

4.3.4 Ore Reserves and estimation process

The Ore Reserve estimate for Pedra Branca is present in Table 4.6. Presently, only Pedra Branca East Mineral Resource is used to derive the Ore Reserve.

Table 4.6 Ore Reserve Estimate at a US\$62/t NSR above Level 925 and US\$68/t NSR below Level 925 at 30 June 2022.

Category (Units)	Tonnes (Mt)	Cu (%)	Au (g/t)	Cu (kt)	Au (koz)
Proved	0.94	1.8	0.51	16	15
Probable	3.1	2.1	0.53	64	53
Total	4.0	2.0	0.52	80	69

Source: Pedra Branca MRE and ORE Statement 2022

The stoping inventory for the Ore Reserve was created using an implementation of the Mining Stope Optimiser algorithm within Deswik CAD software. A summary of the parameters used in presented in Table 4.7.

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Table 4.7 Underground stope optimization and financial parameters used to generate NSR values

Parameter	Unit	Value
Level (Height) V	m	30 m Fixed
Section (Length)	m	10 m Fixed
Stope Width	m	2 m minimum, 20 m maximum
Stope Rib Pillars	m	8m minimum
Minimum wall angle	m	35 degrees
ELOS (Equivalent Length of Slough)	m	0.5 m near and 0.5 m far
Development Dilution	%	15
Exchange Rate	R\$:US\$	5.48
Copper metal price	US\$/t	7,960
Au metal price	US\$/troy oz	1,550
Cu Recovery	%	For Cu% ≤ 2.6%, Cu Recovery = $11.427 \cdot \ln(\text{Cu}\%) + 83.814$ For Cu% > 2.6%, Cu Recovery = 95%
Au Recovery	%	For Cu% ≤ 2.6%, Au Recovery = $-4.3188 \cdot (\text{Cu}\% \cdot \text{Cu}\%) + (26.276 \cdot \text{Cu}\%) + 33.33$ For Cu% > 2.6%, Au Recovery = 72.5%
Copper Royalty (% of NSR.)	%	State & Federal royalty: 2.0 Landowner royalty: 1.0 Investor royalty: 2.0
Gold Royalty (% of NSR)	%	State & Federal royalty: 1.5 Landowner royalty: 1.0 Investor royalty: 25.0
CoG Stoping NSR (above 925mRL)	US\$/t	62
CoG Stoping NSR (below 925mRL)	US\$/t	68
CoG Development	US\$/t	52

Source: Pedra Branca MRE and ORE Statement 2022 and Pedra Branca PFS 2019.

Planned dilution for stopes is estimated by expanding the planned stope walls out 0.5m. This results in an average of 11% total stope dilution. For production area development in mineralization, a flat 15% value is assumed for dilution at zero grade. The estimate mining recovery is 90% to account for the rib pillars and other ore losses. OZ Minerals has not completed mining reconciliation studies to date and AMC recommends that this be done on an ongoing basis as stopes are completed.

A minimum 50% combined tonnage of Measured and Indicated Mineral Resources is required for a stope shape to be included in the Ore Reserve. This value is directly reflective of the pre concentration process by which valuable mineralisation can be separated from waste with the ore sorter before being sent to the mill.

The production since mining began at the project has been 0.6 Mt of ore averaging 1.54% and 0.46 g/t Au.

In AMC's opinion, the schedule peaking at 800 ktpa ore mined, and overall mining strategy are feasible. The mine planning work is sufficient to support the estimation of the Pedra Branca Ore Reserve, with potential to extend the mine life based on conversion of Mineral Resources to mining inventory.

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4.4 Mining Operations -Santa Lúcia

Information contained in the following section for Santa Lucia is based on a draft PFS which has not been finalised.

4.4.1 Mining methods

The draft PFS describes a modest open pit project containing 3.6 Mt of plant feed and 11Mt of waste. The project will be mined over a four-year period from 2024 by contract mining.

Ore will be hauled 70 km to the existing Antas processing plant.

4.4.2 Mine geotechnical

AMC's geotechnical review of the Santa Lúcia Project is based on the draft Santa Lúcia PFS. Limited technical details are provided in the geotechnical chapter (section 8.1) of the PFS report. It is assumed that full details of geotechnical characterisation and assessment are included in separate reports that are mentioned in the PFS report (that is, NAVARRO, LUIS GEOLOGIA E SERVIÇOS EIRELI, 2022; Geotechnical Stability Analysis OP Santa Lúcia', October 2022); however, these reports have not been provided to AMC for review.

Geotechnical characterisation and assessment are based on ten oriented geotechnical diamond drillholes. Geotechnical logging was completed by trained individuals and sufficient data was collected to determine RMR and Q rock mass classification values. Laboratory testing was completed on 61 samples across representative lithology units (approximately 5 tests per unit), including UCS, tensile and triaxial testing. Logging and laboratory data generally indicate good quality rock masses and rock strengths, commensurate with the geological setting. Generally, AMC considers the type and volume of data used is appropriate for a PFS level study.

The Santa Lúcia mineralisation is hosted by a meta volcanic sequence composed by acid volcanic interpreted to be related to an alkali granite intrusion. Generally, this lithology is strongly foliated with a north-west strike, and both contains and is bounded by foliation parallel schists. The rocks are extensively hydrothermally altered, with a related microcline sericite, biotite overprint. Lithologies outside of this unit are generally folded, banded iron formations. The host rock is also intruded by several parallel pegmatites and quartz veins. The presence of foliation has potential impact on slope design.

Definition of the geotechnical domains is primarily based on rock mass classification data (RMR and Q), not lithology or structural controls. Rock mass quality ranges from very poor to very good ground based on average RMR and Q values. Different weathering horizons have been identified (saprolite and transition), but no information regarding typical depths is given.

A structural analysis has been performed and said to identify two major joint sets plus foliation. However, the stereonet plots appear to indicate up to six prominent joint sets plus foliation. The foliation has a dip ranging from 50 – 90°, dipping to the SSW. No structural domains have been defined. Based on the information provided in the PFS report, it doesn't appear that a kinematic analysis considering these identified structural sets has been undertaken. AMC considers that a kinematic analysis is a crucial component of a geotechnical PFS for the design of batter/berm configurations, particularly where high rock mass strengths indicate a low risk of rock mass failure in the fresh rock and where stability will most likely be structurally controlled.

Limit equilibrium and numerical modelling (section 9.6 in PFS) was used to assess overall slope stability and returned very high factors of safety, confirming the low risk of failure through the rock mass. The material properties used in the overall slope analysis suggest that no phreatic surface has been included in the modelling, despite the presence of water bearing structures (section 8.2.2 of PFS).

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The proposed slope designs for different geotechnical domains are shown in Figure 4.4. No details or explanation of the analyses used to determine these design parameters has been provided in the PFS. Without any explanation or justification, but considering the rock mass characterisation provided, AMC generally considers that these designs may be appropriate for the saprolite, transition and hangingwall zones. However, given the presence of foliation dipping 50-90° out of the footwall, the proposed batter face angles (BFA) for the fresh footwall zone pose a high risk of planar failure for the north-east footwall pit slope.

Given the generally good quality rock mass and high rock strengths evident at Santa Lúcia, there is low risk of rock mass failure and stability will be structurally controlled. Detailed kinematic assessment (that is, Swedge and RocPlane) must be completed to confirm adequate stability. AMC also recommends performing an anisotropic limit equilibrium assessment to assess the impact of the dominate foliation on stability of the north-east wall (footwall). Without a detailed kinematic analysis, AMC considers that the work would not meet appropriate standards of a PFS level study.

Figure 4.7 Slope design for Santa Lúcia

MINE DESIGN								
Santa Lucia								
OVERALL SLOPES								
SLOPE HEIGHT	40	10				110	110	
RAMP WIDTH	15					15	15	
# OF RAMPS	1					3	2	
BERM WIDTH	10	10	10	5	10	7	7	7
BENCH HEIGHT between berms	10	10	10	10	15	15	20	20
BFA	60	70	70	75	70	75	75	80
CALCULATION								
#BENCHES	4.0					5.5	5.5	
	Saprolite	Transition	Footwall Fresh Rock Poor	Hanging wall Fresh Rock Poor	Footwall Fresh Rock Fair	Hanging wall Fresh Rock Fair	Footwall Fresh Good Rock	Hanging wall Fresh Good Rock
OVERALL ANGLE	30.43						46.07	53.67

4.4.3 Mine planning process

An updated Mineral Resource model and estimate were developed in 2022 for the project comprising 5.3Mt of Mineral Resource with a grade of 2.7% Cu and 0.5 g/t Au. The Mineral Resource was modified to account for mining loss and dilution by block regularisation to a larger size of 5m x 5m x 5m. This is an industry standard approach and AMC considers it to have been appropriately undertaken. Dilution was estimated at 10% and ore loss at 3.8% (Santa Lucia_Reblocking.pdf).

Pit optimizations were completed using a Lerchs-Grossmann methodology in Datamine software. Key inputs appear reasonable and include a copper price of US\$7,500/t and gold price of US\$1,450/oz, refer to Table 4.8.

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Table 4.8 Pit optimization input parameters

Revenue, TCs/RCs, Logistics, Royalties, and Selling Costs	Unit	Value
Cu price	US\$/t	7,500
Au price	US\$/oz	1,450
Concentrate grade (%)	%	28.00
Payable Cu	%	96.50
Payable Au	%	90.00
TC – Cu	US\$/t conc	80
RC – Cu	US c/lb conc	8
RC – Au	US\$/oz	5
Concentrate Inland Transport to port	US\$/t conc (dry)	178.47
Concentrate Port Freight	US\$/t conc (wet)	6.15
Ocean Freight Cost	US\$/t conc (wet)	105
Cu Recovery (%)	%	90
Au Recovery (%)	%	68
Drill – Ore	US\$/t	0.76
Drill – Waste	US\$/t	0.42
Blast – Ore	US\$/t	0.68
Blast – Waste	US\$/t	0.45
Load & Haul – Ore	US\$/t	1.98
Load & Haul & Dump – Waste	US\$/t	2.05
Grade Control	US\$/t	0.31
Mine to Antas Haulage	US\$/t	10.07
Processing costs	US\$/t	12.98
G&A	US\$/t	2.47
Sustaining Capital	US\$/t	1.50
Slope Angle – Oxide Rock	degrees	30.43
Slope Angle – Fresh Rock – Footwall	degrees	46.07
Slope Angle – Fresh Rock – Hangingwall	degrees	53.67
Mining cost	US\$/t	2.40 -3.42
CoG NSR	US\$/t	27.02
Mine to Antas Haulage	US\$/t	10.07

Source: 220920_Santa Lucia_Mine Planning_v4.xlsx

The pit optimization process generates a series of pit shells with different discounted values. OZ Minerals followed standard practice in developing the pit shells and selected a shell near the peak of the discounted value range. This is standard industry practice. Using this shell (No 40) a pit design was developed and compared to shell 40. The comparison of the pit design to shell are presented in Table 4.9. In AMC's opinion, the pit design is appropriately developed using standard industry practice.

Table 4.9 Pit design inventory compared to the pit shell

Metric	Optimized Shell	Pit Design	Difference
Mineralized material (Mt)	3.8	3.6	-5.0%
Waste (Mt)	11.5	10.7	-7.1%
Total Rock (Mt)	15.3	14.3	-6.5%
Grade Cu %	2.99%	2.95%	-

Source: 220920_Santa Lucia_Mine Planning_v4.xlsx

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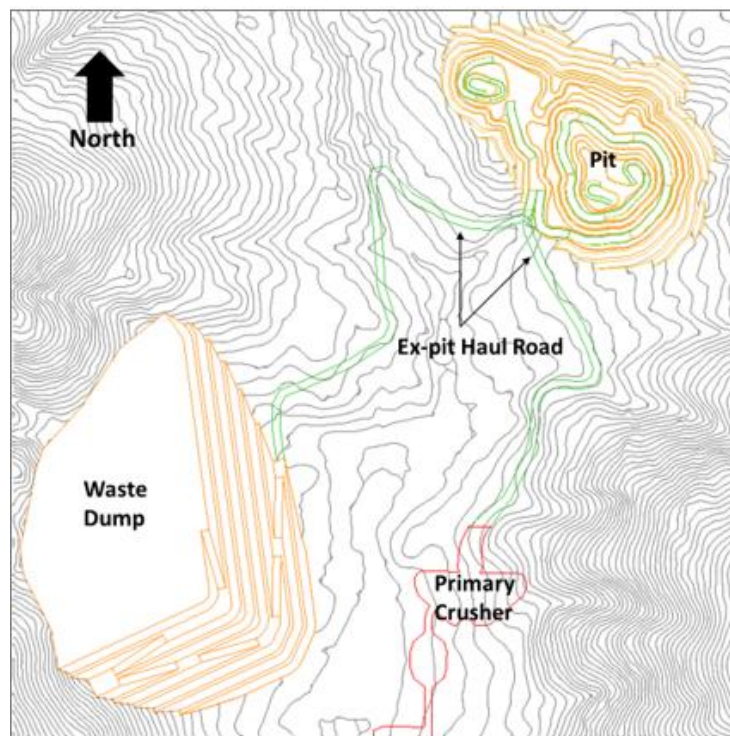
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AMC evaluated the pit design using the diluted mining model and confirmed the pit inventory using a cut-off NSR of US\$27.02/t.

OZ Minerals proposes to develop 3 interim pit stages followed by the final pit. The mine schedule is based on this strategy. In AMC's opinion, this is an appropriate strategy. The pit design and site layout are presented in Figure 4.8.

Figure 4.8 Santa Lúcia pit layout



Source: 220920_Santa Lucia_Mine Planning_v4.xlsx

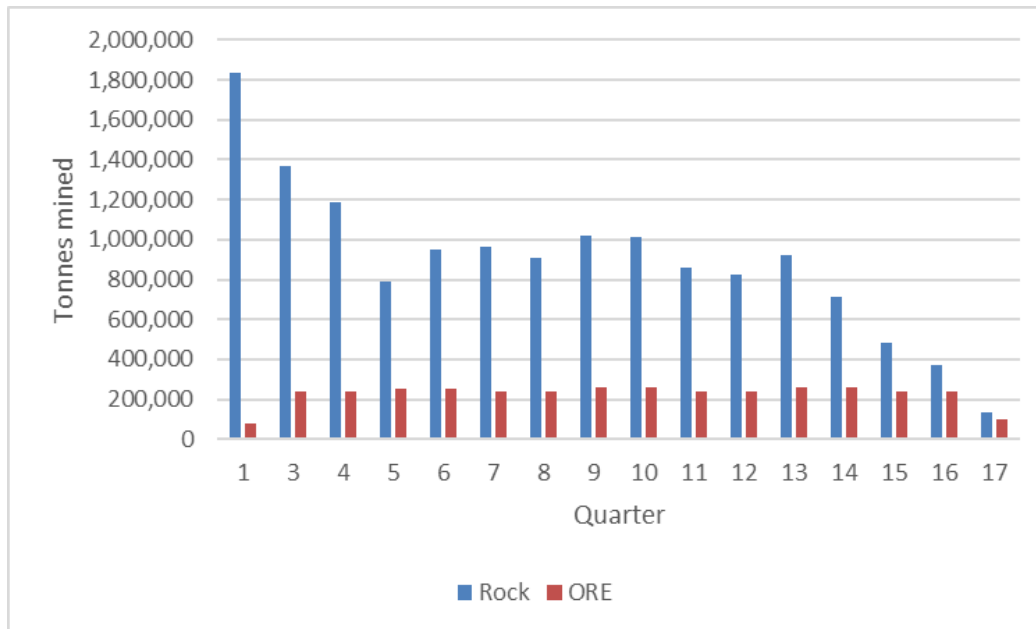
The mining schedule is presented in Figure 4.9. The mining and development rates of approximately 1 Mt per quarter appear to be reasonable. Quarter 1 includes a pre-strip allowance.

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Figure 4.9 Santa Lúcia mine production schedule



In AMC's opinion, the mine layout, schedule and overall mining strategy are feasible. The mine planning work is incomplete and therefore the Ore Reserves are not yet formally estimated, however, in AMC's opinion, there is sufficient work undertaken to support the OZ Conservative Case production schedule.

4.5 Mineral processing

4.5.1 Processing methods

The Antas processing plant was commissioned in 2016 to treat ore from the Antas open pit mine. Following completion of the Antas mine, the Antas plant has been used to process ore from Pedra Branca and is viewed as part of a "regional hub" to treat ore from the Santa Lúcia project and potentially other nearby sources. Nominal capacity of the Antas plant is 0.76 Mtpa.

The Antas flowsheet consists of the following basic circuits:

- Three-stage crushing circuit – to reduce run-of-mine ore to ball mill feed size.
- Ore sorter – to remove a waste stream prior to the grinding circuit.
- Ball mill grinding circuit – to produce a size distribution suitable for froth flotation.
- Rougher-cleaner flotation – to produce Cu-Au concentrate.
- Concentrate thickening and filtration – to produce concentrate suitable for shipment by road transport.
- TSF – to store flotation tailings and reclaim decanted water for reuse in the plant.

Figure 4.10 shows the general flowsheet arrangement of the proposed Santa Lúcia plant which is similar to the Antas plant.

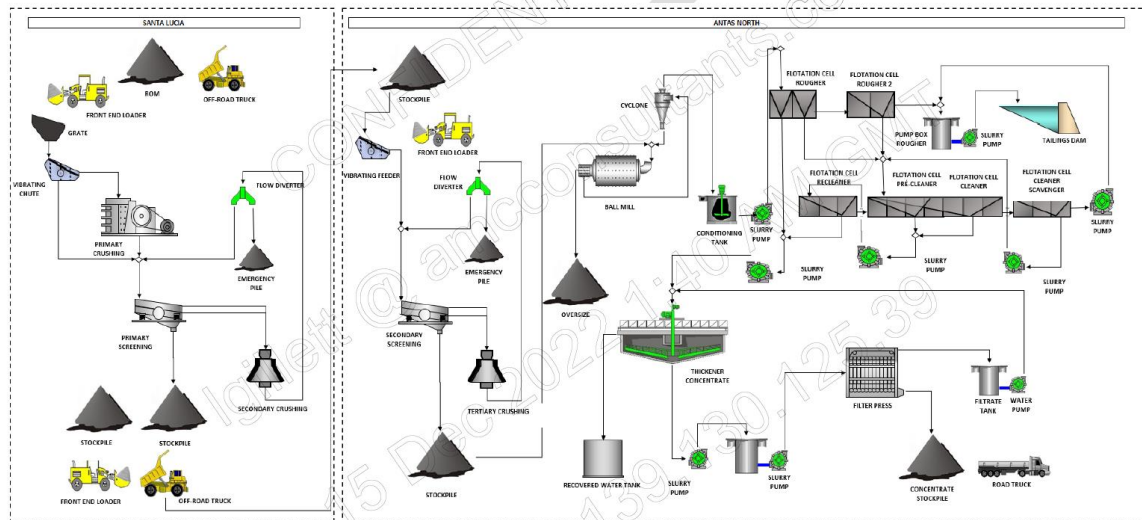
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Figure 4.10 Santa Lúcia project – proposed plant flowsheet



Source: Santa Lúcia PFS ASX release (Draft)

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A recent full-plant operational survey of processing of Pedra Branca ore at the Antas plant produced indicative metallurgical performance data as shown in Table 4.10. A mass pull of 5.1% produced 27.1% copper concentrate with a copper recovery of 96.1%.

Table 4.10 Steady-state operational survey – Pedra Branca ore at Antas plant

Stream	Mass Recovery (%)	Copper Grade (%)	Copper Recovery (%)	Gold Grade (g/t)	Gold Recovery (%)
Flotation Feed	100	1.445	100	0.379	100
Rougher 1 Concentrate	4.1	28.81	82.5	4.861	53.0
Rougher 1 Tailings	95.9	0.26	17.5	0.186	47.0
Rougher 2 Concentrate	2.1	9.66	13.8	4.126	22.5
Rougher 2 Tailings	93.8	0.06	3.8	0.099	24.6
Precleaner/Cleaner Concentrate	9.0	3.71	23.2	2.190	52.3
Precleaner/Cleaner Tailings	5.6	1.16	4.5	1.034	15.3
Scavenger Concentrate	4.5	1.39	4.4	1.240	14.9
Scavenger Tailings	1.1	0.22	0.2	0.170	0.5
Recleaner Concentrate	1.0	20.10	13.6	8.502	22.0
Recleaner Tailings	8.1	1.73	9.6	1.1421	30.2
Final Concentrate	5.1	27.14	96.1	5.558	75.0
Final Tailings	94.9	0.06	3.9	0.100	25.0

4.5.2 Concentrate quality, transport and marketing

Concentrate grades are nominally greater than 26% copper and greater than 5 g/t Au as shown in Table 4.10. Deleterious elements of concern to smelters and refineries, such as arsenic are generally low and below actionable limits. Zinc, lead, and nickel are present and may cause penalties.

Concentrate is transported from site by truck. Marketing of concentrate is a centralised function conducted by OZ Minerals.

4.5.3 Tailings storage

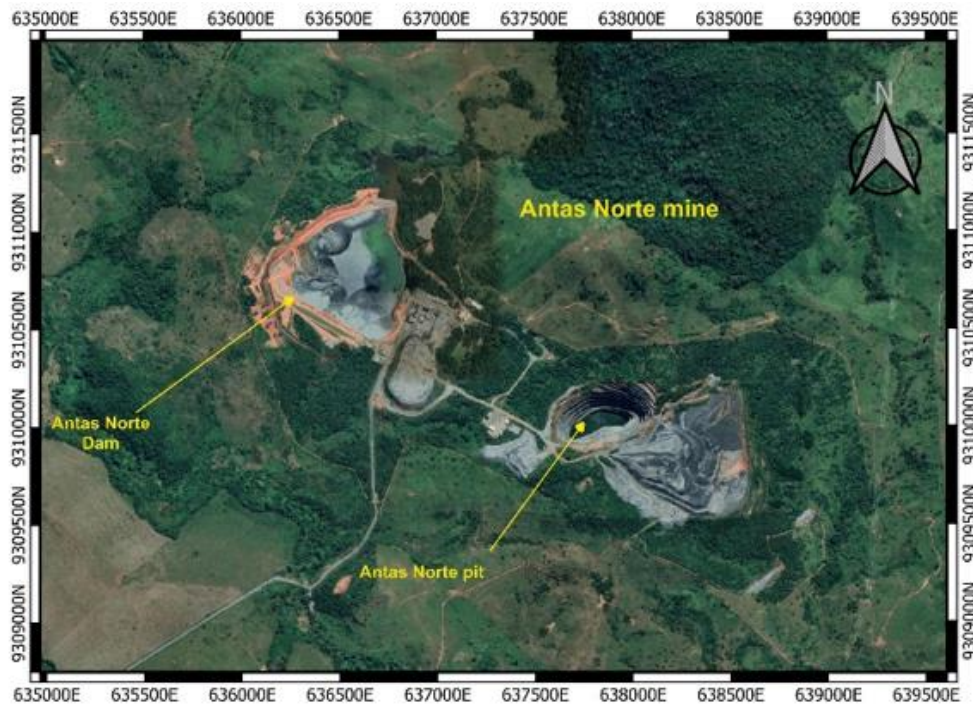
Tailings from processing of Pedra Branca ore are currently being placed in the completed Antas North open pit. It is intended to also place tailings from the Santa Lúcia plant in the Antas North open pit. Available volume for tailings storage is 6.11 Mm³. Projected total volume of tailings to be stored is 5.43 Mm³ as described in the OZ Conservative Case but would be inadequate for the OZ Upside Case. Additional capacity may be available at the original Antas North tailings facility. Refer to Figure 4.9.

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Figure 4.11 Atas North tailings storage options



Source: Draft Santa Lúcia PFS.

4.5.4 Future ore processing plans

The new Santa Lúcia plant will have a throughput capacity of 1.24 Mtpa, lifting the overall capacity of the Carajás East processing hub to 2.0 Mtpa. The Santa Lúcia project is intended to deliver 1.0 Mtpa of ore from 2025 additional to the 0.8 to 1.0 Mtpa provided by the Pedra Branca mine.

Table 4.11 Shows results of locked testing of Pedra Branca, Santa Lúcia, blended ore compared to a steady-state survey conducted in the Atas plant while processing Pedra Branca ore.

Table 4.11 Locked cycle testing and Atas plant survey – copper metallurgy results

Sample	Stream	Antas Industrial Plant			Locked Cycle Tests (LTC)		
		Mass Recovery (%)	Copper Grade (%)	Copper Recovery (%)	Mass Recovery (%)	Copper Grade (%)	Copper Recovery (%)
Pedra Branca	Feed	–	1.44	–	–	2.36	–
	Final concentrate	5.1	27.1	96.1	6.6	30.1	84.2
	Final tailings	94.9	0.059	3.9	93.4	0.399	15.8
Santa Lúcia	Feed	–	–	–	–	2.32	–
	Final concentrate	–	–	–	7.8	28.6	95.6
	Final tailings	–	–	–	92.2	0.110	4.4
Blend 50/50	Feed	–	–	–	–	2.41	–
	Final concentrate	–	–	–	7.4	39.6	90.8
	Final tailings	–	–	–	92.6	0.239	9.2

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4.6 Site infrastructure and services

The Santa Lúcia site is located 70 km south of the existing Antas North processing complex. New facilities will be required at the Santa Lúcia site where the primary and secondary crushing circuits are located.

4.6.1 Santa Lúcia

The Santa Lúcia project makes provision for creation of a fully developed industrial area including site levelling, paving, fencing and signage, and rainwater drainage.

A sealed road approximately 70 km long from Santa Lúcia to Antas North will be provided by the Santa Lúcia project.

Nominal raw water demand for the site is 73 m³/h which will be provided through dewatering of the mine.

Electricity for the site will be provided by a new 34.5 kV incoming power line and sub-station. Total power demand for the site is estimated to be 2.0 MVA.

4.6.2 Antas

Infrastructure improvements to the Antas site have been planned as part of the Santa Lúcia project, including grading of the site, road paving and rainwater drainage.

Infrastructure expansions to be undertaken at Antas are as follows:

- Expansion of the raw water capture system by 420.72 m³/day.
- Pit water recovery and storage system.
- Improvements in water distribution systems.
- Improvements in compressed air system.
- Improvements in flotation air system.
- Installation of a new 138 KV power line and sub-station to provide an additional 6 MVA for the expanded plant.

4.7 Environmental, social and permitting

4.7.1 Environmental and regulatory approvals

The Brazilian mining sector is governed by the Mining Code from 1967, the Mining Regulations (which came into force in December 2017), and other regulations issued by the National Mining Agency ("ANM"). The ANM is responsible for issuing Mining Licenses and for collecting mining license fees, among other matters.

The Federal Constitution determines that the Union (the Brazilian federal state) has ownership over all mineral resources on the ground, including metallic minerals. Private parties obtain the right to explore the minerals through the granting of an authorisation by the federal government represented by the ANM. The exploitation rights over any minerals, however, are granted through a concession issued by the Ministry of Mines and Energy).

According to the Law Project reforms of 2013, there shall be only three categories of mining tenements: concessions, authorizations and permissions. Concessions shall embody both exploration and exploitation phases. Authorizations shall refer to minerals used in civil construction, mineral water, decorative stones and minerals used in the production of fertilizers, formalized through adhesion contracts with a renewable validity term of 10 years. The Law Project mentions permissions, which apply only to prospectors' cooperatives and are defined in an existing law.

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For the vast majority of minerals, the first step required to be taken is to file a request for an exploration license (requerimento de autorização de pesquisa). If the exploration license is approved, ANM will issue the exploration license (autorização de pesquisa). Under the license, the licensee will have one to three years (with the option to extend for a period of one to three years) to explore the area according to the approved plan to prove the existence of the mineral and the economic feasibility of its extraction via a final exploration report.

Once ANM has approved the final exploration report under the exploration license, the interested party needs to apply for an extraction license (concessão de lavra). This application is called the extraction request (requerimento de concessão de lavra). Once the ANM approves the application, the exploitation (mining) permit will be granted by publication in the Federal Gazette and registered with the ANM or by gazetted order of the Minister for Mines and Energy.

In the event the landowner is a third party, because the Brazilian legislation separates the underlying resource from the surface land rights, the grantee must therefore also negotiate the compensation for the occupation of the property and the damages caused to the property with the surface land rights holder.

Subsequently, a high-level review of Brazilian mining legislation describes that at minimum, the following approvals and concessions are required for Project development:

- Requerimento de autorização de pesquisa (exploration application) submitted to the ANM along with its associated 1–3-year exploration plan.
- Autorização de pesquisa (exploration permit) issued by the ANM, and on completion of exploration, a final exploration report.
- Requerimento de concessão de lavra (mining/exploitation application) submitted to the ANM and associated mining plan which includes a detailed economic viability study setting out the following:
 - A description of the operations to be undertaken.
 - Projects or drafts relating to the method of operation to be adopted and production scale, including lighting, ventilation, logistics, signage, workplace health and safety, transportation and storage of the minerals, power, water and air supplies, and hygiene measures for the mine and the mining operation.
 - Rescue and retrieval plans.
 - Plan for control of the environmental impacts in the mining operation.
 - Plan for the mine closure.
 - Installation license issued by the relevant State agency (Deffenti, 2023).

4.7.2 Current primary approvals

According to documents sighted as part of this review, OZ Minerals (or its subsidiaries) have secured the following approvals for the key Project areas.

The area is granted under National Mining Agency (ANM): nº 853.714/1993, with authorization to mine copper and gold ores, with the addition of silver. However, its current environmental license covers only copper extraction (CLAM Engenharia Meio Ambiente, 2020 Antas Plant Closure Plan). Operation License (LO) No. 10402/2017 is valid until 01/05/2021 (CLAM Engenharia Meio Ambiente, 2020 Antas Plant Closure Plan). It is unclear whether this was renewed. The Santa Lúcia deposit is situated within the limits of iron mining concession Decree 74580, DOU of 09/06/74 (Santa Lúcia Scoping Study 2021).

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The open pit at Antas is now depleted, the TSF at Antas is currently at its maximum embankment height, and tailings are being deposited into the Antas pit void. The Antas pit void has capacity for processing the existing Pedra Branca and Santa Lúcia resources (OZ Minerals, 2022 Management Presentation). Ramp up of underground mining in progress at Pedra Branca, the first underground mine in the region and drilling programmes are underway at Santa Lúcia area to further define resources and potential for satellite targets (currently in PFS) for processing at Antas.

The Antas plant is fully regularised in terms of environmental permitting, with minor amendments required for Santa Lúcia ore processing (Draft 2022 Santa Lúcia PFS Release DRAFT). AMC notes that according to the Antas Processing Plant Mine Closure Plan (CLAM Engenharia Meio Ambiente, 2020 Antas Plant Closure Plan), Operation License (LO) No. 10402/2017 is valid to 01/05/2021 and that an extension is in application (Doc AN - DECLARAÇÃO_LO_BARRAGEM_PROC.2020-23082 (1) (2).pdf), however, it is not clear whether this license has been received as a copy of the renewed license was not sighted.

AMC also notes the copy of *Alvara de Localização e Funcionamento* No.59/2022 for Antas issued by the Curionópolis Dept of Finance and Taxation has expired. It is unclear what the purpose of this authorisation is and the implications of its expiry. It was noted that a number of the documents review have sought applications for renewal or extension, however copies of these updated versions were not sighted.

Pedra Branca is located in the northern area of Exploration Permit 850.318/2000. A number of permits and approvals are noted for Pedra Branca, including groundwater licenses, preliminary licenses, installation licenses (for construction of various items of infrastructure) and magazine approval. AMC also notes some of these documents are listed as expired and updated versions or renewals were not provided for this review

The Draft Santa Lúcia PFS notes that the approvals pathway for Santa Lúcia are well understood and benefits from the existing Antas plant which is fully permitted, with only minor amendments required. The PFS further notes the Santa Lúcia has received sign off from SEMAS (State Department of Environment and Sustainability of the State of Para). This involves issuing an integrated LI and LO after the completion of an Environmental Control Report (RCA) and Environmental Control Plan (PCA). An Environmental Impact Study will be required after granting the LI/LO to gain the environmental license (LP) (Draft Santa Lúcia PFS Release DRAFT).

A copy of the Antas tenure was sighted within the Antas Agreement AVB_1º aditivo Contrato Direito Minerário Brilasa Rio Verde Project.pdf. The Pedra Branca deposit is held under license 850.318/2000, held by Vale Dourado Mineracao Ltda which is a wholly owned Brazilian subsidiary of OZ Minerals Ltd (AMC Consultants, 2019 Pedra Branca Resources Review). AMC notes according to the Pedra Branca Study Update Report (2019 Pedra Branca PFS Update), Vale Dourado has access agreements with two parties for exploration and exploitation purposes (FFA Holding E Mineracao Ltda and Mr Claudio Cesar de Freitas, executed in 2014 and 2018 respectively).

OZ Minerals exercised its option to earn-in to Santa Lúcia from Vale in January 2023 and continues discussions with the Brazil National Economic Development Bank (BNDES) which holds a right to participate in up to 50% of the economic results of the project (2021 Santa Lúcia Mineral Resource Statement).

4.7.3 Environmental and social assessments and impacts

Soils, Waste Materials Characterisation

Information on waste rock characterisation and environmental impacts associated with Antas were not available, however AMC notes, the area is likely to contain some PAF material due to the presence of sulfides/pyrite within the rock formations (as described in the Santa Lúcia Scoping Study 2021). Pedra Branca is an underground mine, and sulfide material mined from

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the operation is processed within the concentrator, while waste rock is stockpiled into an integrated waste landform adjacent to the mining operation in accordance with Brazilian environmental regulations. This landform includes containment requirements for management of contaminated waters and sediment generation (AMC Consultants, 2019 Pedra Branca Resources Review). Information on waste rock characterisation at Santa Lúcia was not available, however, AMC notes the potential for acid generating material.

Tailings Storage

The Antas TSF is at capacity and a conceptual study for decommissioning the facility is being prepared. Tailings from processing Pedra Branca are being deposited into the Antas pit void. Tailings from Santa Lúcia are proposed for deposition within the Antas pit void. The life-of-mine tailings for Pedra Branca and Santa Lúcia can be accommodated within the pit void (Santa Lúcia Scoping Study 2021).

Surface and Groundwater

Groundwater in the Pedra Branca asset comprises a free aquifer. Annual rainfall is approximately 1400 mm/year Pedra Branca PFS 2019. The OZ Minerals 2019 Pedra Branca PFS Update determined there would be no significant impacts to water resources from project implementation and noted that authorisations for use of water resources had previously been granted. The Scoping Study assumed water supply for Santa Lúcia will be from a local borefield.

Flora and Fauna

Some information describing the flora and fauna in the Pedra Branca area was presented within the mine closure plan. The Mine Closure Plan also mentions the presence of fish in the area that are of economic interest for the aquarium industry, as well as the being 248 species of reptiles and amphibians likely to be present. The Mine Closure Plan notes there are 31 species of birds listed in the Para State endangered species list, and with 186 species of bird potentially occurring in the Pedra Branca area, of which 12 are included in the endangered species list. AMC also notes the 15 species of mammals in the project area, as well as six species of bats. Santa Lúcia is mostly located on grassland resulting from agricultural clearance, with minor remnant and regrowth forest in some areas (Santa Lúcia Scoping Study 2021).

4.7.4 Greenhouse Gas Emissions

Specific Greenhouse Gas and emissions characteristics and the proposed targets or mitigations associated with Carajas East was not available.

4.7.5 Community and social impact considerations

Community and social impact information for the Antas area is only available in the context of mine closure. Within the Antas Plant Mine Closure Plan (CLAM Engenharia Meio Ambiente, 2020 Antas Plant Closure Plan), AMC notes commentary that "the main socioeconomic impacts resulting from the closure of a mine are: the loss of jobs, decrease in local economic activity, loss of municipal tax collection and, consequently, a reduction in the quality of life of the local population".

AMC notes in the Santa Lúcia Scoping Study 2021, OZ Minerals states that the focal point of community development was to strengthen the relationship of OZ Minerals with the local community.

4.7.6 Stakeholder engagement

The OZ Minerals Pedra Branca PFS refers to a Social Communication Plan to establish strategies and actions that must be implemented to build a transparent relationship and establish dialogue between the Proponent and its stakeholders directly and indirectly impacted by the project. It is unclear whether this Plan was developed. AMC notes that OZ Minerals has executed an agreement with SEMAS to expedite the permitting process for Santa Lúcia.

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4.7.7 Rehabilitation and closure planning

The Mine Closure Plan for the Antas Mine (CLAM Engenharia Meio Ambiente, 2020 Antas Mine V Closure Plan), the Mine Closure Plan for the processing plant (CLAM Engenharia Meio Ambiente, 2020 Antas Plant Closure Plan) and the Mine Closure and Rehabilitation Plan for Pedra Branca (OZ Minerals, 2022 Pedra Branca Mine Closure Plan) were available in Portuguese.

The Antas Mine and Processing Plant Rehabilitation cost (OZ Minerals, 2022 Antas Rehabilitation Cost) was estimated for rehabilitation of the mine site at approximately R\$9.1M, R\$41.6M for the processing plant (approx. USD\$ 9.3M), and R\$23.3M for Pedra Branca. No estimated closure costs for Santa Lúcia were provided, however, based on the scale of the site, AMC expects a cost of the order of USD\$5M to be appropriate, this being benchmarked against the reported closure cost for Antas above. In AMC's opinion, the estimates appear reasonable, noting that closure costs in Brazil are generally lower than an equivalent Australian operation.

4.8 Costs

4.8.1 Operating costs

Mining costs for Santa Lúcia were derived from contractor quotes. Mining costs in the OZ Minerals Business Cases are reported as US\$3.37/t material mined. This is consistent with the Draft PFS and appear reasonable for an operation of this scale. Mining costs for Pedra Branca including 2022 actuals and 2023 forecast are US\$16.6/t which is used in the AMC production cases.

Ore transport costs to the Antas plant are presented in the OZ Minerals Business Cases as US\$6/t which appears reasonable.

Santa Lúcia processing operating costs are reported as US\$9.8/t at a treatment rate of 1.24 Mtpa in the PFS.

Current Pedra Branca processing costs are reported in monthly reports at US\$9.8/t ore (2022 and 2023 average). For this ore source that appears to be a reasonable processing cost.

Concentrate logistics is reported in the PFS at US\$21/t ore based on a build-up of component costs for land and ocean transport, and treatment and refining charges. The OZ Minerals Business Cases report approximately US\$22/t which was not adjusted by AMC.

4.8.2 Capital expenditure

Capital is required for the ongoing development of the Pedra Branca mine for the acquisition and establishment of Santa Lúcia and to expand the Antas processing plant. These costs are detailed in the PFS and OZ Minerals Business Cases. AMC made adjustments to capital expenditure in the AMC production cases.

In AMC's opinion, appropriate estimates were made for sustaining and closure costs in the OZ Minerals models.

4.9 AMC production cases

4.9.1 AMC Production Case 1

AMC Production Case 1 is based on the OZ Conservative Case for Carajás East. The AMC Production Case 1 is summarized in Table 4.12. Plant feed is sourced from the operating Pedra Branca underground mine and the Santa Lúcia open pit to be developed from 2024. The OZ Conservative Case inventory for Pedra Branca is 4.3 Mt at 2.1% Cu and 0.5 g/t Au. This is consistent with the Pedra Branca Ore Reserve estimate of 4.0 Mt at 2.0% Cu and part of the Mineral Resource of 18.0 Mt at 1.6% Cu.

The inventory for Santa Lúcia is 3.9 Mt at 2.62% Cu and 0.5 g/t Au based on initial mine planning. This is a slightly higher tonnage (107%) and lower grade (95%) compared to the 2022 OZ

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Minerals internal mine planning inventory for Santa Lúcia. An Ore Reserve has not been estimated for Santa Lúcia.

AMC is satisfied that the inventories presented in the OZ Conservative Case for Carajás East based on Ore Reserves and part of the Mineral Resource estimate are representative of a conservative analysis of the projects and suitable to derive a conservative valuation of the assets.

The AMC Production Case 1 is summarised in Tables 4.12 and 4.13.

Table 4.12 AMC Production Case 1 – Carajás East production schedule

Physical Measure	Unit	Total	2023	2024	2025	2026	2027	2028
Material Mined	kt	8,234	803	823	1,647	1,803	1,784	1,374
Plant Feed	kt	8,283	752	786	1,610	1,763	1,763	1,609
Copper Mill Grade	%	2.34	1.8	2.0	2.8	2.4	2.3	2.4
Gold Mill Grade	g/t	0.52	0.53	0.55	0.61	0.47	0.50	0.47
Copper Plant Recovery	%	95	94	95	95	95	95	95
Gold Plant Recovery	%	85	85	85	85	85	85	85
Copper Production	kt	184	12.7	14.9	42.1	39.5	38.3	36.8
Gold Production	koz	103	10	10	24	20	21	18

Adjustments made to the OZ Conservative Case:

- AMC adjusted the Cu recovery to a maximum of 95% to align with those in the Draft Santa Lúcia PFS and the 2023 forecast.
- AMC adjusted the gold recovery for the Antas plant to 75%.
- AMC adjusted the Pedra Branca mining cost to US\$16.6/t ore based on the reported 2022 and forecast 2023 operating costs. This is an increase from the unit mining cost in the OZ Conservative Case model.
- Santa Lúcia open-pit mining costs are estimated at US\$3.4/t in the OZ Conservative Case model consistent with the PFS. In AMC's opinion, these costs appear reasonable.
- AMC adjusted the Pedra Branca processing cost to US\$9.8/t ore based on the reported 2022 and forecast 2023 operating costs and increased the Santa Lúcia Processing cost to US\$9.8/t based on the Draft Santa Lúcia PFS. This is an increase from the unit mining cost in the OZ Conservative Case model.
- Capital was adjusted from the OZ Conservative Case in 2023 due to roll over of the 2022 allowance to purchase the rights to Santa Lúcia as this has not occurred (via BNDES), and in 2024 (+US\$55M) for an expansion of the Antas Plant (refer Brazil Projects Stakeholder Report). The Draft Santa Lúcia PFS reports a total capital of US\$50.6M is required for Santa Lúcia site establishment and US\$65.9 M is required for the Antas plant expansion.

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Table 4.13 AMC Production Case 1 – Carajás East cost schedule

Cost Estimate	Units	2023	2024	2025	2026	2027	2028	2029	2030 to 2040	Total
Operating Costs										
Mining	R\$M	100	143	176	160	135	80	-	-	795
Processing	R\$M	83	85	136	149	147	114	-	-	715
G&A	R\$M	52	52	59	59	59	54	-	-	336
Concentrate Transport	R\$M	72	82	228	214	205	166	-	-	967
TCs/RCs and Penalties	R\$M	33	41	119	116	117	112	-	-	539
Other costs										
Growth capital	R\$M	352	426	132	10	-	-	-	-	919
Sustaining capital	R\$M	37	27	34	12	12	8	-	-	129
Rehabilitation	R\$M	2	2	2	1	13	13	8	34	77

Note: Exchange Rate R\$:US\$ 5.268:1.00, copper price US\$8,500/t, gold price US\$1,900/oz as per Grant Samuel instruction. Growth Capital includes the acquisition payments to BNDES.

4.9.2 AMC Production Case 2

AMC Production Case 2 is based on the OZ Upside Case for Carajás East. AMC Production Case 2 is summarized in Table 4.14. Processing plant feed is sourced from the operating Pedra Branca underground mine with an increased overall inventory accounting for future conversion of Mineral Resources to mining inventory (additional 3.5 Mt assumed to represent the conversion of the Petra Branca East Inferred Mineral Resource of 5.2 Mt grading 1.5% Cu and 0.37% Au. The total Pedra Branca East Mineral Resource is 13.0 Mt grading 1.5% Cu and 0.37% Au using a lower NSR cut-off of US\$52/t).

The OZ Upside Case presented a longer mine life for Santa Lúcia however, AMC considered there were not reasonable grounds to use that in a production case. Therefore, in the AMC Production Case 2, the same open pit inventory and cost structure as presented in AMC Production Case 1 are used for Santa Lúcia.

The AMC Production Case 2 is summarized in Table 4.14 and Table 4.15.

Table 4.14 AMC Production Case 2 – Carajás East production schedule

Physical Measure	Unit	Total	2023	2024	2025	2026	2027	2028	2029	2030	2031
Material Mined	kt	11,733	803	823	1,646	1,803	1,784	1,817	1,000	1,000	1,057
Plant Feed	kt	11,682	752	823	1,646	1,803	1,784	1,817	1,000	1,000	1,057
Copper Mill Grade	%	2.21	2.0	2.0	2.3	2.3	2.3	2.3	2.0	2.0	2.0
Gold Mill Grade	g/t	0.53	0.55	0.55	0.52	0.51	0.51	0.51	0.55	0.55	0.55
Copper Plant Recovery	%	94	94	94	94	94	94	94	94	94	94
Gold Plant Recovery	%	75	75	75	75	75	75	75	75	75	75
Copper Production	kt	242	14.1	15.6	35.9	39.8	39.4	40.1	18.8	18.8	19.9
Gold Production	koz	149	10	11	20	22	22	22	13	13	14

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Adjustments made to the OZ Upside Case:

- AMC adjusted the Cu recovery to a maximum of 95% to align with those in the Draft Santa Lúcia PFS and the 2023 forecast.
- AMC adjusted the Pedra Branca mining cost to US\$16.63/t ore based on the reported 2022 and forecast 2023 operating costs.
- AMC adjusted the Pedra Branca processing cost to US\$9.8/t ore based on the reported 2022 and forecast 2023 operating costs and increased the Santa Lúcia processing cost to US\$9.8/t based on the Draft Santa Lúcia PFS.
- Capital was adjusted in the same manner as for AMC Production Case 1.

Table 4.15 AMC Production Case 2 – Carajás East cost schedule

Cost estimate	Units	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032 to 2040	Total
Operating costs												
Mining	R\$M	100	143	176	160	135	136	125	125	132		1,232
Processing	R\$M	83	85	136	149	147	150	83	83	87		1,004
G&A	R\$M	52	59	59	59	59	59	59	51	51	51	559
Concentrate transport	R\$M	80	83	190	210	209	212	99	99	105		1,288
TCs/RCs and Penalties	R\$M	33	43	103	119	117	100	77	61	61		714
Other costs												
Growth capital	R\$M	352	426	133	10	-	-	-	67	-		988
Sustaining capital	R\$M	40	28	29	12	12	12	4	7	4	4	151
Rehabilitation	R\$M	2	2	2	1	1	5	6	29	2	25	77

Note: Exchange Rate R\$:US\$ 5.26:1.00, copper price US\$8,500/t, gold price US\$1,900/oz as per Grant Samuel instruction. Growth Capital includes the acquisition payments to BNDES.

4.10 Key risks and opportunities

4.10.1 Risks

The key risks identified by AMC for Carajás East are:

- The Santa Lúcia purchase is not completed in time to develop the project as forecast.
- The Antas processing plant refurbishment capital expenditure is higher than budgeted.
- Tailings capacity may be inadequate for AMC Production Case 2.
- Mineral Resources and Ore Reserves are estimates predicting a certain outcome of tonnes and grades over the LOM, there is always inherent risk in these estimates.
- AMC's Production Case 2 relies on future conversion of Mineral Resources to Ore Reserves, there is uncertainty to what degree this will occur.

4.10.2 Opportunities

At Carajás East, AMC considers that there are opportunities for:

- Additional conversion of Mineral Resources to Ore Reserves at Pedra Branca East and West.
- Additional Mineral Resources and Ore Reserves to be developed from regional exploration targets.

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5 Carajás West Province

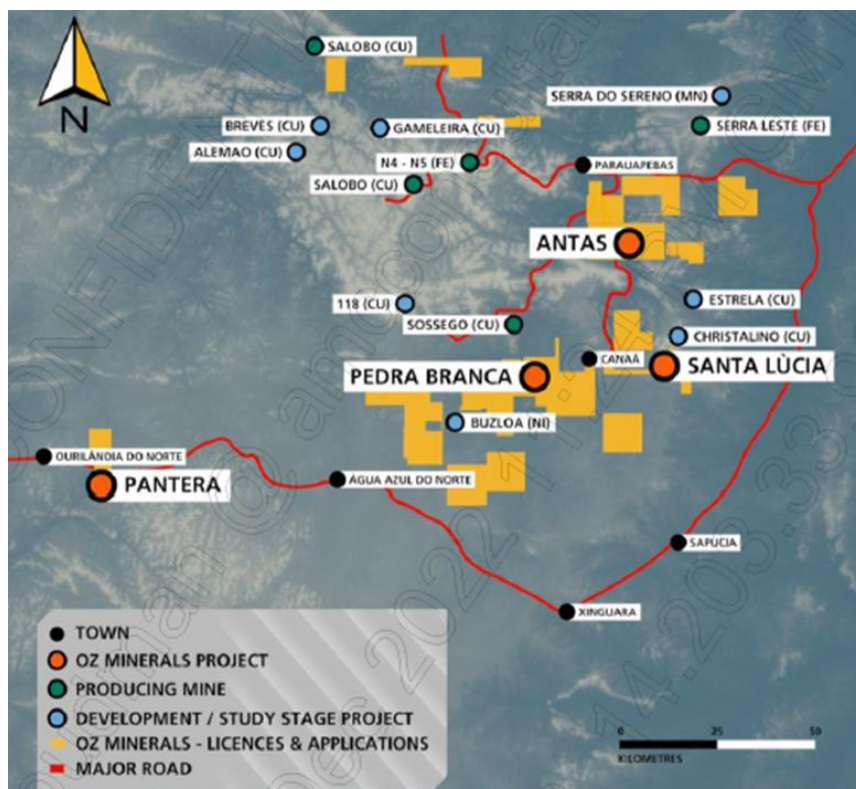
OZ Minerals has advised AMC that a scoping study (Pantera Scoping Study) for a new processing plant with a throughput capacity of 1.0 Mtpa has been completed. OZ Minerals provided AMC with a production case for Pantera indicating commencement of capital expenditure to develop the project from 2023 and mining and processing operations commencing in 2025. On the basis that the studies are at a very early stage and the Mineral Resource contains a significant amount of Inferred Resource it is not likely that project development will commence in 2023. Therefore, AMC and Grant Samuel determined not to develop production cases for Carajás West (Pantera). The Carajás West Mineral Resource is valued by market methods and reported in section 7 of this report.

5.1 Location and background

5.1.1 Location

The Carajás West province comprises the Pantera project (Pantera) and regional exploration projects. It is located in the southern part of the Carajás iron oxide copper gold (IOCG) mineral province within the state of Pará, Brazil, immediately west of the Carajás East province as shown in Figure 5.1.

Figure 5.1 Location of Pantera in the Carajás West province



Source: Pedra Branca MRE and ORE statement 2022

5.1.2 Tenement holdings

The Carajás West tenure comprises a mining concession or exploitation license (mining tenement) and a single exploration license. Currently, granted tenure is held by Avanco Recursos Mineração Ltda.

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A summary of the exploration license is shown in Table 5.1. The mine concession application is within Exploitation Lease 850.777/1990.

Table 5.1 Carajás West province tenement

Tenement Number	Area (ha)	Tenement Grant Date	Tenement Expiry Date	Status of Currency
851.711/2021	908.92	17/12/2021	1/12/2024	Exploration license
850.777/1990	9,671.00	-	-	Exploitation License and mine concession application

5.1.3 Project history

The Pantera Mineral Resource estimate was completed in Q4 2022.

OZ Minerals has advised AMC that a scoping study (Pantera Scoping Study) for a new processing plant with a throughput capacity of 1.0 Mtpa is being undertaken. OZ Minerals provided AMC with a production case for Pantera indicating commencement of capital expenditure to develop the project from 2023 and mining and processing operations commencing in 2025.

5.2 Geology and Mineral Resources

5.2.1 Geology

Mineralization at Pantera occurs within an intrusive granodioritic body that was cut by porphyritic gabbros, and diabase and diorite dykes. This deposit is hydrothermally altered, has potassic and chloritic alteration, and is considered by OZ Minerals to be typical of an IOCG deposit within the granodioritic host. The deposit is structurally controlled by both regional and local shears that are near vertical. Their orientation is an east-north-east strike that correlates with the Canaa regional shear.

Quartz diorite and dykes have intruded the granodiorite, cross-cutting and dividing the mineralization into two zones. Mineralization occurs as three styles, disseminated within mylonitic foliation, as veins and veinlet stringers and as hydrothermal breccia.

5.2.2 Mineral Resources

The Pantera Mineral Resource estimate is reported by application of a cut-off of 0.3% Cu within an optimized pit shell as at October 2022 as summarized in Table 5.2.

Table 5.2 Pantera Mineral Resources estimate as at 1 October 2022 at a cut-off of 0.3% Cu

Material Type	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Cu (kt)	Au (koz)
Fresh	Indicated	13	1.3	0.2	170	74
	Inferred	7.1	1.1	0.2	77	35
	Subtotal	20	1.2	0.2	250	110

Note: This table is subject to rounding errors
Source: Pantera MRE Statement 2022

5.2.3 Data collection

Drillholes are all NQ and HQ DD drilled from surface. Core diameter includes NQ and HQ. Drilling of the first 63 drillholes was supervised by Vale or Avanco. Drilling since 2020 of 116 drillholes was supervised by OZ Minerals. The drillhole-to-target orientation and density of drilling are reasonable for the style of mineralization and mining method. The historical Vale data provides some legacy issues for OZ Minerals, as supporting documents are unavailable.

Core recovery has a statistical mean of 97.3%. Logging data is validated by OZ Minerals' before being uploaded to the GDMS.

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OZ Minerals' drill core is cut longitudinally in half down in one metre lengths or to geological boundaries. Vale drill core was sampled on one metre or two metre intervals and quarter core was submitted for sampling.

Commercially recognized laboratories are used for routine assay. The sample preparation was at Vale's laboratory or commercial laboratories using generally recognized methods. AMC notes that the samples are pulverized to 95% passing 106 µm. Typically, this is 90% passing 75µm. There is no statement as to why non-standard pulverising is being used, if justified a statement explaining why should be reported. Assay methods and detection limits are appropriate.

A 150 g to 250 g subsample is collected from the 1,000 g pulverized sample for copper assay. Due to the variability in the size of the gold sub-samples an assessment as to whether there is potential bias between the sub-sample size ranges should be undertaken. Similarly, an assessment as to any potential for bias from the variation in copper pulverizing should be undertaken.

OZ Minerals has confirmed historic survey data. Survey was performed by an external contractor. No major issues were identified by OZ Minerals. AMC considers the steps taken to validate data and the frequency of survey indicate practices are sound.

Bulk density determinations use the Archimedes water immersion method. The bulk density determination process uses an appropriate method and is supported by repeat testing. AMC considers the process to be within industry-accepted practices.

Data prior to 2019 was provided to OZ Minerals by Vale and Avanco. Data from 2020 and 2021 was generated by OZ Minerals.

Data captured using Excel is stored in a GDMS database and reviewed and validated by the database administrator. Each table in the database is reviewed. Validation checks and edits carried out on the data include downhole surveys and assays.

AMC considers the checks of the database tables to be reasonable and having the database administrator in place to be important. Some data validation processes that might already exist are not documented, and therefore not confirmed by AMC. AMC acknowledges, this may be difficult with some of the historic data.

OZ Minerals:

- Reviews the data tables in the database.
- Utilizes drilling methods that are accepted across the mining industry.
- Utilizes reasonably consistent assay processes and considered the nature of the historical data.
- Performs repeated checks of samples' bulk density measurements.

Assay QA/QC protocols in place include certified reference material, blanks, field duplicates, crushed duplicates and pulp duplicate assays. Vale's QA/QC data is not available.

Results of the available QA/QC data suggests anomalies within the data are either not present or are identified and explanation provided or proposed. Bias identified is not considered material to the Mineral Resource estimation. The reasons for this should be explained in detail.

AMC considers OZ Minerals QA/QC requires additional frequency of blank, CRMs, pulp, coarse and field duplicate submission to meet the expected industry minimum of 1:20 or 5% for each sampling protocol.

One twin drillhole, drilled by OZ Minerals adjacent to a Vale drillhole, shows the Vale intercept to be wider and of higher grade than OZ Minerals. The reason for the variability is reported by

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OZ Minerals as not yet understood. AMC recommends further assessment, including additional twinned drillholes.

5.2.4 Mineral Resource estimation

Domain interpretations are defined by a 0.2% Cu grade break and developed into three-dimensional wireframes for the Mineral Resource estimation. AMC considers the grade boundaries and their orientations to be representative of the main mineralization orientations.

Pantera downhole composite length is one metre in the domains. AMC considers the composite process to be acceptable.

Statistics for composited grade data is assessed for each domain. This identified that minor grade capping is required. AMC recommends that statistical assessment includes comparing raw samples with composite statistics and the effects of declustering for significant changes in the means for copper or gold.

The variography for the one metre composited data in the interpreted domains is investigated to assess continuity orientations using Snowden's Supervisor software. AMC considers the method of assessing the variography to be consistent with industry-accepted practices. The use of dynamic anisotropy is appropriate for the geometry of the mineralization.

Some top capping is applied to remove a limited amount of data. OZ Minerals also use a limited high-grade search restriction to manage high-grade mineralization occurrence in the estimate. The search restriction has a radius of 25 m by 25 m by 5 m.

AMC considers the process for determining the top-caps to be appropriate and within industry accepted practices. The use of the limited radius to restrict the estimate of mineralization in high-grade zones is also reasonable.

Grade in the block model is interpolated using the OK interpolation method. The estimation is run in each domain for copper, gold and the bulk density values. QKNA is used to determine an appropriate block size. The dimensions of the blocks within the domains are 25 mX by 5 mY by 10 mZ with sub-blocking to 2.5 m by 1.0 m x 1.0 m to accommodate domain boundaries.

AMC acknowledges that the domains are narrow in the Y direction and a suitable block dimension is required. AMC recommends the block dimensions are reviewed with the justification articulated with respect to the data density, the QKNA process used and the domain widths.

The estimation is run in three passes for copper and gold, and two passes for bulk density. Domain perimeters are used as hard boundaries to confine the estimation search within the mineralized domain. The search range in easting, northing and RL is generally acceptable.

AMC considers that the estimation approach used is reasonable.

To validate the estimation of its block model OZ Minerals undertakes a comprehensive suite of validation checks to confirm the processes and outputs of the estimation.

The Pantera Mineral Resource estimate is classified as Indicated and Inferred in accordance with the JORC Code based on data quality, sample spacing and mineralization continuity. The Indicated classification required drilling with less than 50 m spacing, and excluded Vale drilling. The optimized pit shell is generated based on a copper price of US\$9,100/t and a gold price of US\$1,650/oz. The Pantera Mineral Resource estimate is reported using a cut-off of 0.25% copper within the pit shell.

The cut-off grade is determined using the same copper price. Recoveries were 95% copper and 70% gold. Mining cost used is US\$3.30/t. Processing cost is quoted as US\$15. Based on the parameters used, OZ Minerals considered that 0.25% copper is an appropriate cut-off grade to meet the requirement of RPEEE.

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AMC considers the parameters used to derive the selected cut-off grade to be reasonable.

The estimation criteria reported at Pantera is based on the 0.25% copper cut-off grade within the optimised pit shell.

5.2.5 Summary and conclusions

The geological interpretation and domaining is appropriate for the estimation. The grade estimation uses industry-accepted processes.

Using data and parameters supplied by OZ Minerals, AMC has visually compared the block model against the composite drilling and has independently interrogated the block model estimations as a global confirmation of grade for Pantera. This was completed in the Datamine software.

Manipulation and interrogation to replicate the Mineral Resource estimates reported was generally very good. AMC interrogated the Pantera estimate to produce results similar to OZ Minerals' results. AMC checks identified the mean grade of the block model data was very close to the composited data as expected.

AMC considers that the Pantera Mineral Resource estimate is appropriately classified as Indicated and Inferred Resources in accordance with the JORC Code. AMC broadly concurs with the Pantera Mineral Resource estimate classification.

5.2.6 Exploration and resource potential

There are 27 mineralized domain interpretations defined by the 0.2% Cu grade breaks that are developed into three-dimensional wireframes for the Mineral Resource estimation. The wireframe interpretations extend down-dip beyond the deepest drillhole on some sections as the mineralisation is open at depth, OZ Minerals determined high-grade zones within the domains are patchy and lacking continuity, partly due to the drill spacing. As such there were no high-grade zones interpreted by OZ Minerals.

AMC considers there is potential for mineralization at depth, however, the increasing depth and low grades might limit the economic viability of any such mineralization. AMC suggests future interpretations should consider the potential for different styles of mineralization, such as due to alteration or weathering, giving rise to different estimation domains.

AMC is not aware of drilling information beyond the known Mineral Resource.

5.3 Key risks and opportunities

5.3.1 Risks

The key risks identified by AMC for Carajás West are:

- Additional drilling does not upgrade the Mineral Resource to the Measured and Indicated categories or results in a smaller Mineral Resource estimate.
- Operating costs and capital expenditure increase over those presented in the Pantera Scoping Study.
- Pit geotechnical analysis results in flatter wall angles resulting in more mined waste or a smaller mining inventory.
- Additional studies, permitting and approvals takes longer than the current expectations.
- Mineral Resources and Ore Reserves are estimates predicting a certain outcome of tonnes and grades over the LOM, and therefore there is always inherent risk in these estimates.

5.3.2 Opportunities

At Carajás West, AMC considers that there are opportunities for the Mineral Resource for Pantera to be increased, supporting a larger, longer-life project.

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6 CentroGold

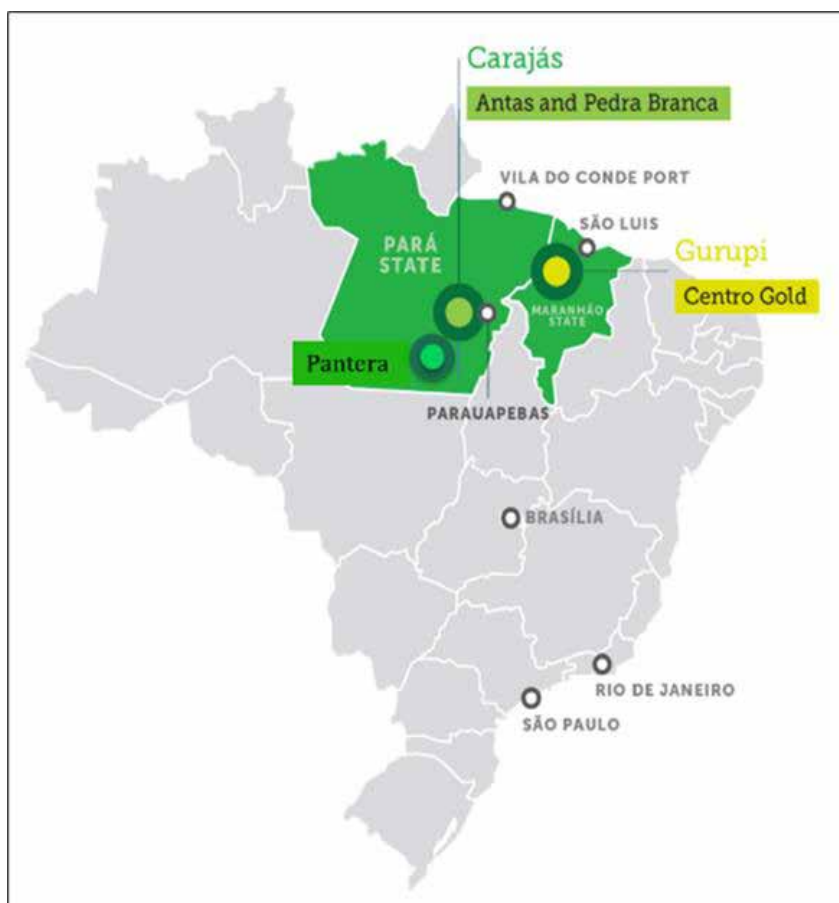
The CentroGold project has been the subject of a number of studies and Mineral Resources and Ore Reserves have been estimated, although the project remains subject to a Federal Government injunction concerning environmental permitting and village resettlement. OZ Minerals advises that there has been progress on discussions in having the injunction lifted. Given the current injunction, Grant Samuel and AMC consider that there are not reasonable grounds to develop production cases for the CentroGold project. The CentroGold Mineral Resource is valued by market methods and reported in section 7 of this report.

6.1 Location and background

6.1.1 Location

The CentroGold project is located 35 km south-west of Maracáçumé within the state of Maranhão, adjacent to the border with the state of Pará, in northern Brazil as shown in Figure 6.1. The positions within the project tenements of Cipoeiro, which hosts the Contact and Blanket Mineral Resources, and the Chega Tudo Mineral Resource are shown in Figure 6.2.

Figure 6.1 Location of the CentroGold project



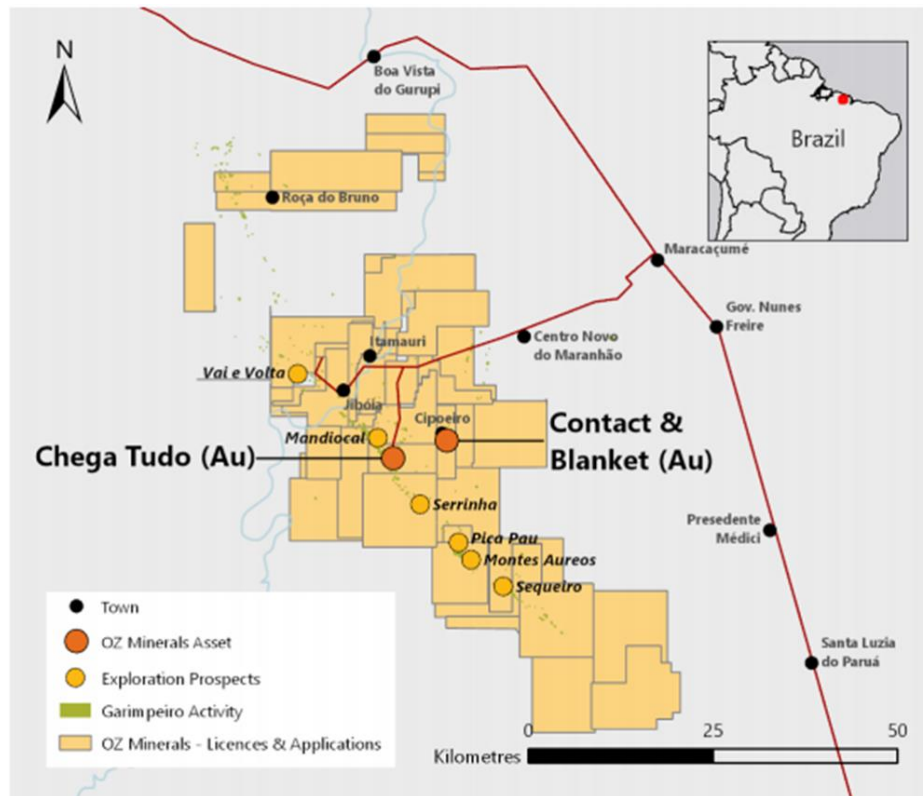
Source: CentroGold Updated PFS 2021

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Figure 6.2 Location of Chega Tudo, Contact, and Blanket deposits



Source: AMC Report CentroGold Review 13 November 2020

6.1.2 Tenement holdings

The CentroGold project tenure comprises various exploration licenses and applications for licenses. Currently, granted tenure is held by MCT Mineração Ltda (MCT) and Mineração Serras Do Oeste Ltda.

The Cipoeiro deposits are on Mining Lease applications that are pending the prerequisite issue of an Environmental License which is suspended due to an administrative oversight. MCT is in the process of addressing this. MCT has made application before the Colonization and Rural Reform Institute (INCRA) to clear the areas and gain authorisation to perform exploration and mining activities. This is not yet concluded. Legal advice to MCT is that this will be granted.

CentroGold third party gold royalties consist of:

- 1% to 2% NSR royalty on gold production covering CentroGold project payable to Jaguar Mining, upon reaching commercial production as determined by production levels.
- 1% of NSR on gold produced payable to Franco Nevada.
- 0.75% of NSR on gold produced payable to Rio Tinto.
- Federal government royalty of 1% on reported profit.

Total royalties are approximately 5% of revenue.

A summary of material tenements covering the CentroGold project is shown in Table 6.1. The location of the tenements is shown in Figure 6.2 above.

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Table 6.1 CentroGold project tenements

Tenement Number	Area (ha)	Tenement Grant Date	Tenement Expiry Date	Status of Currency
800.090/1985	3,996.96	-	-	Exploitation Application
800.180/1990	2,584.22	-	-	Exploitation Application
806.204/2004	18.35	-	-	Exploitation Application

6.1.3 Project history

The CentroGold project comprises a contiguous tenement package situated along a highly prospective 75 km greenstone trend. Artisanal mining has occurred sporadically within the Project area since the 17th century. No large-scale mining has occurred on the project.

In September 2017 Avanco Resources Limited (Avanco) acquired 100% ownership of the Project. In March 2018 OZ Minerals announce its bid to takeover of a majority share of Avanco. This process was concluded in August 2018 following the compulsory acquisition of the less than 10% remaining shares, giving OZ Minerals 100% ownership of Avanco and its projects.

6.2 Geology and Mineral Resources

6.2.1 Geology

Cipoeiro is hosted within a south-east to north-west trending shear. Between the margins of the Gurupi greenstone metamorphic belt and the São Luís Craton calc-alkaline granitoids and volcano-sedimentary rocks.

The Gurupi greenstone belt comprises a sequence of volcano-sedimentary and meta sedimentary felsic to mafic volcanics and sediments that have undergone greenschist to amphibolite facies metamorphism. The rocks are folded and predominantly schistose.

Mineralization is associated with the Tentegul shear zone, a strike-slip sinistral zone up to 30 km wide of highly strained rocks. These are predominantly metavolcanics and meta-pelites, and coarse grained tonalites that are less deformed.

The Cipoeiro deposits, Blanket and Contact, are characterised by a tonalite and fine grained arkosic arenite containing thin layers of quartz pebble conglomerate. Elsewhere, the coarse tonalite is combined with a finer grained mafic tonalite. A pervasive feldspar alteration is overprinted by a silica-sericite-chlorite alteration. Weathering extends to depths of 40 m forming saprolite and saprock.

Two main deposits of Blanket and Contact are shown in Figure 6.3. These are separated by Central Fault, that dips steeply to the south-south-west. The North fault zone dips gently to the south-south-west and truncates the Blanket deposit to the north.

Contact comprises a series of small shears and zones of alteration that intensify towards the tonalite arenite contact. Gold occurs at the contact and up to 100 m from it. Mineralization concentrated into lensoidal shapes is considered economic. These are up to 60 m thick, parallel to the contact for up to 60 m and open below 275 m depth.

Blanket, bound by the Central and North faults, is semi convex in shape with mineralization which follows a shear that cross cuts the tonalite and is associated with alteration within the tonalite. Mineralization is up to 50 m wide and has an 800 m strike length, extending to over 150 m depth from surface.

The Chega Tudo deposit lies within an elongate north-west to south-east-trending shear zone developed along the boundary between the Gurupi greenstone belt and the south-western margin of the Archaean São Luís Craton. Chega Tudo is hosted in structures associated with the

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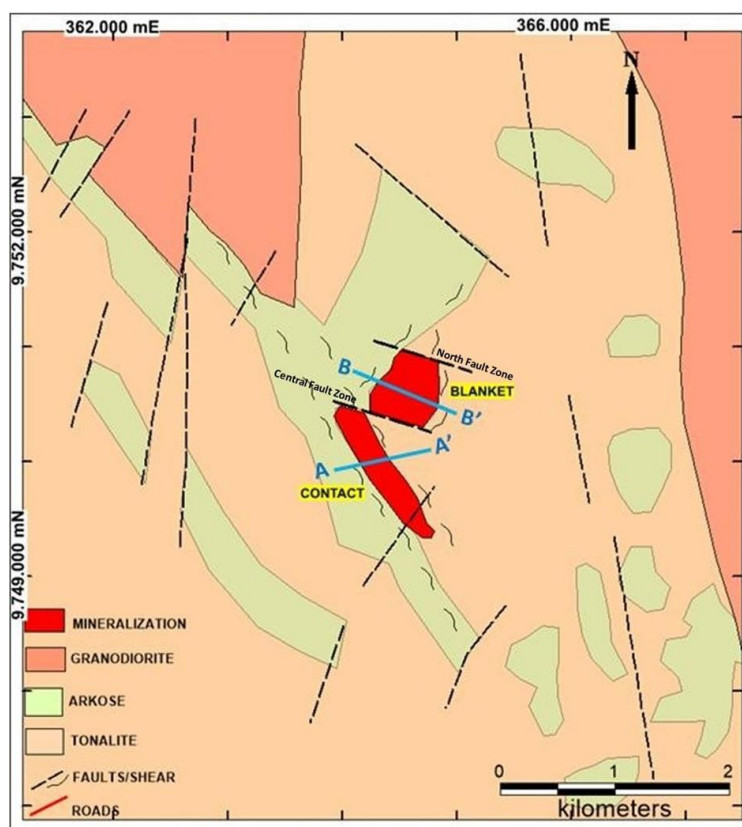
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strike-slip, sinistral Tentugal shear zone. The shear zone is continuous corridor over 120 kilometres long and up to 30 kilometres in width, with variable structural aspects developed under brittle-ductile and greenschist facies conditions.

Gold mineralization is associated with increased levels of silver and copper, and less so to sulphur, and decreases in calcium, sodium, lithium, and strontium. Mineralizing fluids are interpreted as being of metamorphic origin.

Figure 6.3 Blanket and Contact geology plan



Source: CentroGold PFS Update 2021

6.2.2 Mineral Resources

The Cipoeiro Mineral Resource estimate at a cut-off grade of 0.4 g/t Au is summarized in Table 6.2.

Table 6.2 Cipoeiro Mineral Resource estimate as at May 2019

Category Cut-off 0.4 g/t Au	Tonnes (Mt)	Au (g/t)	Au (koz)
Indicated	21	1.9	1,300
Inferred	7.3	1.8	410
Total	28	1.9	1,700

Note: This table is subject to rounding errors.

Source: CentroGold MRE and ORE Statement 2019.

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The Chega Tudo Mineral Resource estimate at a cut-off grade of 1.0 g/t Au is summarized in Table 6.3.

Table 6.3 Chega Tudo Mineral Resource estimate as at 2017

Category Cut-off 1.0 g/t Au	Tonnes (Mt)	Au (g/t)	Au (koz)
Indicated	8.2	1.6	425
Inferred	3.1	1.5	152
Total	11.3	1.6	577

Source OZ Minerals MRE and ORE Statement 2022.

6.2.3 Data collection

A total of 518 holes are drilled in the Cipoeiro area comprising 457 DD for 66,724 m, and 61 RC drillholes for 6,477 m. All holes are drilled from surface. Core diameter includes HQ and NQ.

Resource drilling at Contact is predominantly steeply dipping and spaced horizontally from 25 m x 25 m. At Blanket drill spacing is nominally 40 m x 40 m with some infill drilling. The drillhole-to-target orientation and density of drilling are reasonable for the style of mineralization.

Drilling at Chega Tudo comprising 207 NQ and HQ DD for 38,902 m, and 84 RC drillholes for 8,077 m.

Core recovery at Cipoeiro achieved an average of 95% overall. At Chega Tudo recovery is over 90% in 88% of samples. Recovery is lower in near surface saprolites. Geological data such as lithology, alteration, veining and structure is recorded. Drill core is photographed wet and dry before cutting.

DD core is typically sampled on one metre intervals with some variation to boundaries of mineralized zones. Core is cut in half lengthwise through mineralization zones. Sample intervals honoured logged contacts. Sample preparation procedures for both core and RC samples is to industry-accepted standard.

Samples are submitted to accredited independent commercial laboratories in Brazil. A recognized sample preparation and analytical method is used for gold.

Most drillhole samples are only assayed for gold. Some drillholes are assayed for a suit of up to 39 elements. Assaying for gold used a standard 50 gram fire assay with an atomic absorption spectroscopy finish. Results greater than 10g/t Au are re-assayed with a gravimetric finish.

Early collar positions were surveyed using a handheld global positioning system. Subsequently a total station and differential GPS have been used. Surface topography at Cipoeiro is surveyed using LiDar survey aircraft.

Downhole surveys are performed with an Ezi-shot or Topari downhole tool. The interval or frequency of downhole surveys is generally every three metres after the first reading. This exceeds the expected industry standard of 30 m intervals.

Bulk density is determined using the weight in air versus weight in water on core samples. This method of bulk density determination is considered appropriate.

The assigned bulk density for each block in the block model at Cipoeiro is the mean of the bulk densities that fall between the fifth and 95th percentiles for the lithology in which the block is

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located. At Chega Tudo, mean bulk density values are assigned to each unit in the block model. This is due to the low number of bulk density measurements and their low variability.

AMC recommends additional bulk density determinations using a documented and calibrated process.

There are established procedures for manually inputting data from sampling and logging into the database. Drilling methods are standard across the mining industry, including collar survey and downhole survey methods. There are appropriate sample preparation methods and industry-accepted assay methods. There is also a suitable process to determine bulk density.

AMC considers that, based on the information available, the data collection processes use industry-accepted practices.

Assay QA/QC protocols are in place that included certified reference materials, blanks, and field pulp and coarse duplicates. QA/QC submission rates for samples at Cipoeiro are about one half of the industry accepted rate of 1:20 for each sample type. Umpire samples should be collected at a rate of 1:20 for samples above the reporting cut-off grade. A limited number of twinned drillholes are drilled.

AMC understands there are historic legacies with the available data. QA/QC processes should be fully documented. AMC considers there are issues with the QA/QC that require addressing. However, the issues identified are not considered material to the Mineral Resource.

6.2.4 Mineral Resource estimation

Geological interpretations are developed into three-dimensional wireframes for the CentroGold project Mineral Resource estimates. Grade domains of possible mineralization are developed using gold grades, waste grades, lithological and assay data. These also consider the structural controls such as shear planes and axial planes of folds and minimum widths. Weathering domains are also interpreted.

At Cipoeiro, grade changes across the defined domain contacts are assessed using a contact boundary analysis that plotted grade changes across interpreted domain boundaries. This is used to validate the interpretation of the domain boundary locations based on grade. The results of this analysis support the location of grade domain boundaries selected, and the use of hard boundaries in the estimation.

A one metre composite length is used and is considered by AMC to be appropriate.

The variography for the interpreted domains is investigated using Supervisor software to assess continuity orientations. The semi-variograms developed for domains with sufficient data are applied to other domains of the same respective grade classification. Normal-scores transformation is applied to composites before the semi-variogram assessment. Downhole semi-variograms are used to develop the nugget. Ranges and orientations developed by the variography reflect the domain orientations.

AMC considers the semi-variogram approach to be reasonable.

Top-capping is applied to the data. For most domains, less than 1% to 2% of data is capped. Up to 11.1% of gold sample grades are capped in one Contact domain with a low number of samples.

AMC considers the top-cap method, and number of samples per domain to be reasonable.

Grades in the block model are interpolated using the OK interpolation method for gold. Block size is determined using QKNA to be 10 mE x 10 mN x 10 mRL with minimum sub-blocking to 1.25 m x 1.25 m x 1.25 m at Chega Tudo. This is appropriate for the drill spacing in the upper

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levels and the vertical nature of the drilling. There is no sub-blocking at Cipoeiro. Instead, a percentage is assigned to each block based on the proportion that falls within the wireframe.

At Cipoeiro the estimation is performed with four passes. Blocks not estimated after four passes have the median block grade value applied as a default. A three-pass estimation is used at Chega Tudo.

AMC considers that the estimation approach used is reasonable. However, it is more common for an estimate to be performed in three passes, rather than four passes followed by a fifth-pass allocation of grade. The reason for there being four passes is not defined.

The mean block grade within each domain is statistically checked against the mean of the declustered grade. A series of swath plots are generated to validate the model grades against the composite data. Overall, comparison in the gold plots indicate generally good conformance.

To confirm a reasonable estimation by OK, a block model is generated using ID. This model reasonably matched the OK model.

AMC considers the validation process to be adequate but could be more extensive.

The Mineral Resources are classified as Measured, Indicated and Inferred in accordance with the JORC Code based on drill spacing, the search pass and geology and grade continuity. These are used to generate resource classification wireframes. The classification is downgraded in areas where that are statistically poor, or have limited QA/QC data.

The Cipoeiro Mineral Resource is reported at a cut-off grade of 0.4 g/t Au. The Chega Tudo Mineral Resource is reported at a cut-off grade of 1.0 g/t Au. The cut-offs considered mining costs, processing costs, and metallurgical recovery from recent studies of the project.

Reporting of the CentroGold project Mineral Resource estimates has included blocks considered to have RPEEE as those that fall within optimized pit designs above a 0.4% Cu cut-off. The parameters for the pit optimization, include processing costs and geotechnical parameters to develop the optimized pits.

6.2.5 Summary and conclusions

AMC makes the following observations:

- The geological interpretation and domaining is appropriate for the estimations.
- Grade estimation uses industry accepted processes.
- There is a reliance on the domain's median grade being representative of grade in un-estimated blocks after the fourth pass block grade allocation at Cipoeiro. AMC recommends using the nearest neighbour where the estimated blocks are used in place of drillholes or grades from the inverse distance estimate as a better representation of un-estimated block grades based on adjacent data.
- The approach to developing the semi-variograms is sound.
- The allocation of bulk density in the block model is reasonable for the data available.

AMC has carried out a number of checks to validate the estimates of tonnes and grade for the Cipoeiro Mineral Resources as reported. This has been done using Datamine software and data supplied by OZ Minerals. AMC independently interrogated and confirmed the block model estimations of tonnage and grade for the Cipoeiro Mineral Resources.

AMC generated swath plots to assess the distribution of block grade versus drilling composite grades in a number of domains. The swath plots show good correlation between the gold grades within the domains where there is sufficient data.

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Statistical checks were run within the domains and the Mineral Resource outline. Results, show the model has smoothed the grades and reduced variance within the population and has increased the mean grade. With only two exceptions the mean block grades are within 1% to 12% of the composite mean grade. The larger differences are in domains that are poorly drilled and where limited number of samples are available. The percentage difference can also be sensitive to small differences at lower grades.

Mean block grades are both above and below the mean composite grade in the different domains. There is no clear trend of a positive or negative bias for the individual domains at Blanket. At Contact, it is observed that for each separate domain the mean block grade commonly exceeds the mean composite grade in the MG and HG domains. This is irrespective of the number of samples. This bias in higher grade domains should be assessed further. AMC considers this is not material for the estimates.

AMC considers that the CentroGold project Mineral Resource estimates classifications are reasonable. The estimates are appropriately classified as Measured, Indicated, and Inferred Resources in accordance with the JORC Code. On this basis, AMC broadly concurs with the Mineral Resource.

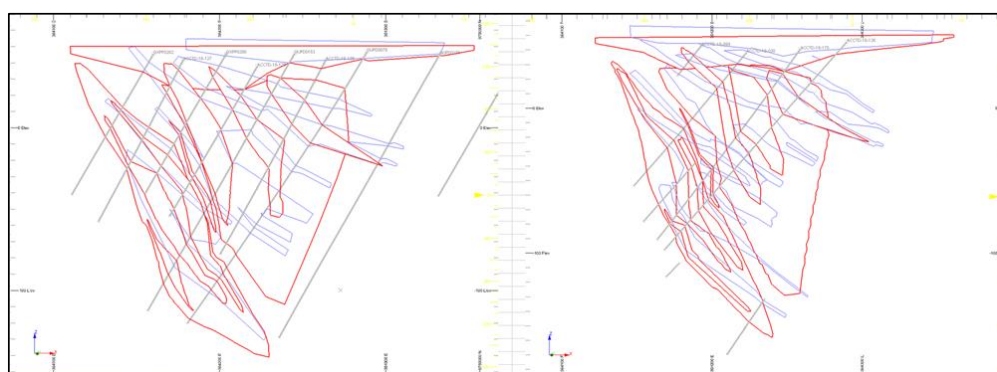
6.2.6 Exploration and resource potential

The process of defining the grade domains for the Cipoeiro Mineral Resource estimate does not clearly described what the influence of geology, alteration or structure were on defining the grade domain boundaries, and whether these zones are within, or cross, the different rock types. The lithology domains and weathering domains are described as being generated separately. Sericite alteration and silicification are reported as commonly increased where gold mineralization is present. However, how these and the structural controls define the grade domains is not clear.

As part of the evolution of the domain interpretations the benefit of additional drilling in 2019 suggested steeper dipping mineralized domains as shown in Figure 6.4. With this, there is no significant change in tonnes and grade between the two interpretations. However, the change in the dip can have significant consequences in the mine design and scheduling processes.

As such AMC considers there is potential for a clearer geological understanding, and with that potentially identifying additional exploration targets. The addition of potential resources might otherwise be limited.

Figure 6.4 Sample of domain comparison, 2019 (red) versus 2018 (blue)



Source: 720039 CentroGold Resource review_FINAL

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6.3 Key risks and opportunities

6.3.1 Risks

The key risks identified by AMC for the CentroGold project are:

- The injunction over the project is not resolved in a reasonable time frame.
- Additional drilling does not upgrade the Mineral Resource to the Measured and Indicated categories or results in a smaller Mineral Resource estimate.
- Operating costs and capital expenditure increase over those presented in the CentroGold Update PFS 2021.
- Additional studies, permitting and approvals takes longer than the current expectations.
- Mineral Resources and Ore Reserves are estimates predicting a certain outcome of tonnes and grades over the LOM, and therefore there is always inherent risk in these estimates.

6.3.2 Opportunities

At the CentroGold project, AMC considers that there are opportunities for:

- The Mineral Resource for the various components of the project to be increased, supporting a larger, longer life project.
- Exploration on regional tenements to support estimation of additional Mineral Resources.

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7 Valuation of Exploration Properties

7.1 Valuation methods – Exploration Properties

Where projections of production physicals and related costs can be reasonably determined for an operation or development project, it is accepted industry practice (refer Clause 8 of the VALMIN Code) to prepare discounted cash flow (DCF) models from which net present value (NPV) estimates can be determined for the operation or project. Accordingly, production and capital and operating cost projections have been prepared (AMC production cases) for consideration in the generation of NPVs for those operations or projects that are parts of the Mineral Assets.

The methods used for valuation of the exploration properties of OZ Minerals (Exploration Properties) are described below.

A list of exploration and mining tenements is provided in Appendix D.

Mineral Resources reported as at June or October of the 2022, depleted to December 2022, that have been excluded from the AMC production cases for the OZ Minerals operations have been valued using an exploration valuation method.

Similarly, where a project is not sufficiently advanced to provide a reasonable basis for use of the DCF method, those projects have been considered as Exploration Properties for valuation purposes. This approach has been applied to tenements without Mineral Resources.

The valuation of Exploration Properties, particularly those for which Mineral Resources have not been estimated, is carried out using several generally accepted methods, based on available data.

Due to data limitations, it has not been possible, to use more than one method for determining the valuation appropriate to that project. Values are rounded, and outliers in contributing estimates are sometimes excluded.

The methods considered in AMC Report for valuation of the Mineral Resources reported as at the relevant date, that have been excluded from the AMC production cases and Exploration Properties of OZ Minerals are as follows.

7.2 The Yardstick Value method

Rules of thumb or Yardstick Values can be used for properties where a Mineral Resource has been quantified. A value per contained metal unit (for example, tonne of copper, ounce of gold or copper equivalent) is assigned to an actual Mineral Resource or to a preliminary mineralization estimate. A high, mid, and low valuation are generally derived.

7.3 The Unit Area method

A value is determined by reference to either actual transactions for the property in question or to recent transactions for projects considered to be similar to those under review (Comparable Transaction). Comparable Transactions are converted to a value per unit area.

The preferred value for the valuation ranges presented in this report is the midpoint of the range.

7.4 Mineral Resources not included in AMC production cases

For the purposes of valuation of the Mineral Assets, most of the Mineral Resources converted to Ore Reserves have been included in AMC production cases where there is a reasonable basis to do so. For some of the cases, remnant Mineral Resources such as Inferred Resources and other mineralization have been included in the AMC production cases. Alternatively, the remnant Mineral Resources might be sterilized by the mining methods in the AMC production cases or might be small and not of material value beyond the AMC production case concerned.

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The value of Mineral Resources not included in AMC production cases has been considered by rule-of-thumb or yardstick values. A value per contained metal unit determined from comparable transactions was assigned to the contained metal in a Mineral Resource that was not included in an AMC production case. A range of yardstick values was determined to reflect the Mineral Resource classification.

To value Mineral Resources not included in AMC production cases, a search of a subscription database was completed to identify comparable transactions. In assessing the transactions, it was apparent that transactions in South America indicated similar and higher ranges of yardstick values for Mineral Resources compared with transactions in Australia. However, as detail of overseas transactions are not readily available, or are documented in foreign languages, it is not possible to research these transactions in detail. As such, AMC has adopted the Australian transactions as the comparable transaction for determining the yardstick values. In doing so, AMC considers the yardstick data available for South America, excluding outliers, is similar to the data for Australia, as provided in Table 7.1, and it is therefore reasonable to apply the Australian data to OZ Minerals' Brazilian properties.

The yardstick values used to derive the valuation of OZ Minerals' copper-based Mineral Resources outside of the AMC production cases are based on the Australian copper projects. The transactions are copper and polymetallic copper-based projects and are considered relevant to the valuation date without adjustment.

Table 7.1 Copper transactions for tenements with Mineral Resources

Date	Project / Country	Buyer	Resource (kt CuEq)	Value (A\$M)	Implied Value (A\$/t metal)
	Brazil				
13/07/2021	Maria Cecilia	Camino Minerals Corp	435	10.86	24.99
	Punitaqui Mining	Battery Mineral Resources	95	21.78	228.85
12/01/2018	El Metalurgista	Cerro de Pasco Resources	40	1.17	29.38
01/04/2019	Flor de Cobre, Elida	Element 29 Resources Inc.	385	2.93	7.60
31/05/2018	Mina Justa project	Inversiones Angelini Ltd	1299	273.97	210.93
04/02/2020	Mollacas assets	Investor group	166	1.37	8.27
07/10/2021	Brechas Vacas	Minsud Resources Corp.	119	1.01	8.48
08/02/2019	Berta	Santiago Metals Limitada	87	11.54	133.11
25/09/2019	Escalones project	Wealth Minerals Limited	2956	2.72	0.92
	Australia				
12/11/2020	Halls Creek project	Cazaly Resources Limited	216	0.50	17.97
11/07/2018	Portia/ North Portia	E B Mawson & Sons Pty Ltd	1239	13.98	78.24
01/07/2021	Tottenham project	Locksley Resources Limited	179	4.52	40.49
24/12/2020	Mallee Bull project	Peel Mining Limited	44	16.52	94.41
30/06/2021	Galwadgere project	Sky Metals Limited	91	0.77	30.01
31/07/2020	Mother Lode	Tartana Resources Limited	26	0.48	9.60
18/04/2018	Tartana project	Tartana Resources Limited	50	0.55	24.96
14/06/2017	Stockman Copper	Washington Soul Pattinson	712	32.20	45.23
24/04/2017	Barbara Copper	Washington Soul Pattinson	52	2.28	43.85
16/10/2017	Leigh Creek Copper	Strategic Minerals	37	3.03	82.11
10/02/2021	Nifty, Maroochydore	Cyprium Metals Limited	1,239	60.00	48.11
21/07/2020	Whim Creek	Anax	154	7.00	45.47
27/10/2020	ProspectOre Ltd.	Xtract Resources Plc	22	2.41	11.77

Source S&P Global

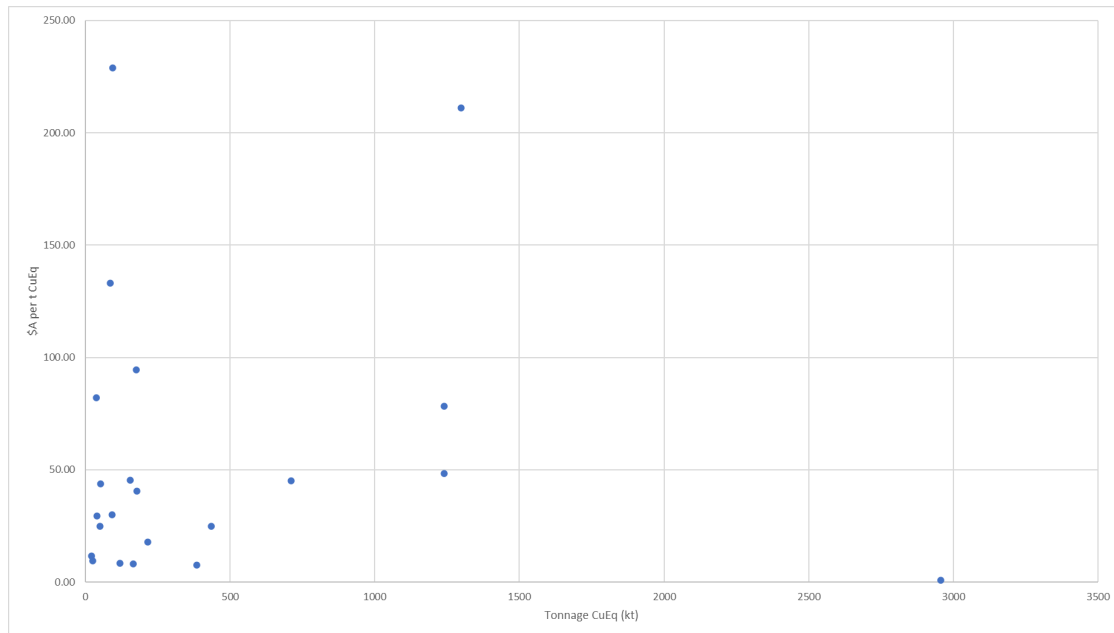
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The implied values per tonne are compared with the size of the deposits in Figure 7.1. Transactions fall within the range of A\$10 to A\$100 per tonne of contained metal. The outliers outside this range occur in Brazil and are anomalous without supporting information. The implied value does not appear to be influenced by deposit size.

Figure 7.1 Yardstick value and deposit size for copper transactions in Australia and Brazil



Source: AMC analysis of S&P global data

The Mineral Resources that are subject to the transactions vary in size, mining status and relative proportion of Measured, Indicated, and Inferred Resource. The Mineral Resource estimates to which the yardstick values will be applied are Measured, Indicated, and Inferred.

Implied values indicated by the Australian transactions, excluding the outliers, are used to assign ranges of values to be applied to Measured, Indicated, and Inferred Resources.

Figure 7.2 shows the basis of the ranges of values for Measured, Indicated, and Inferred Resources. From this data, and AMC experience, the ranges of yardstick values applied to each Mineral Resource category are:

- Measured Resource: A\$60/t CuEq to A\$100/t CuEq.
- Indicated Resource: A\$30/t CuEq to A\$60/t CuEq.
- Inferred Resource: A\$10/t CuEq to A\$30/t CuEq.

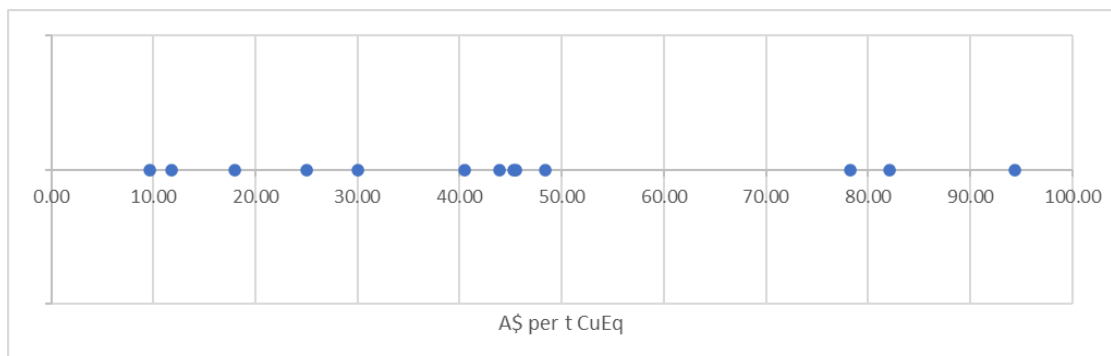
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Figure 7.2 Ranges of values assigned for Measured, Indicated, and Inferred copper resources based on Australian transactions



Source: AMC analysis of S&P global data

To value nickel Mineral Resources not included in the AMC production cases, a search of a subscription database was completed to identify comparable transactions. Only four transactions were identified incorporating nickel Mineral Resources between 2018 and 2022 that indicate a wide range of values per tonne of contained nickel metal (Table 7.2).

Table 7.2 Nickel transactions for tenements with Mineral Resources

Date	Buyer	Resource (kt nickel)	Value (A\$ million)	Implied value (A\$/t Ni metal)
28/05/2019	Auroch Minerals Limited	37.8	1.63	43
23/05/2019	Mincor Resources NL	32	3.5	109
11/03/2022	Mallee Resources Limited	264	85.9	413
31/05/2018	Black Mountain Metals LLC	95.6	15.1	158

Source: AMC analysis of S&P global data

To better reflect the value of nickel in remnant Mineral Resources, AMC considered the relative difference in metal price between nickel and copper, for which there are a significant number of transactions to indicated yardstick values. Based on Grant Samuel advised metal prices (mid-point of the range) the price per tonne for nickel was 2.4 times that for copper. Applying the price differential to yardstick values indicated for copper Mineral Resources indicates the following nickel yardstick values for nickel Mineral Resources:

- Measured Resource: A\$144/t nickel to A\$240/t nickel.
- Indicated Resource: A\$72/t nickel to A\$144/t nickel.
- Inferred Resource: A\$24/t nickel to A\$72/t nickel.

Three of the four transactions identified by AMC fall within these ranges. AMC applied the yardstick value ranges in determining a value for remnant nickel Mineral Resources.

To determine the amount of copper equivalent (CuEq) metal at each site, AMC has applied the Grant Samuel advised metal prices (mid-point of the range) to determine copper equivalent tonnes at Prominent Hill and the following equation.

- $CuEq\ t = Cu\ t + ((Au\ oz * (Au\ US\$/oz) + (Ag\ oz * (Ag\ US\$/oz)) / (2,205 * Cu\ US\$/lb))$.
- $Cu\ US\$/t = US\$8,750$.
- $Au\ US\$/oz = US\$1,925$.
- $Ag\ US\$/oz = US\22.00 .
- $A\$/US\$ = 0.70$.

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To assess the value of gold Mineral Resources at the CentroGold project, AMC performed a similar process to assess gold asset yardstick values for gold projects. The yardstick values are based on the Australian gold transactions listed in Table 7.3 for valuation of Mineral Resources outside of the AMC production cases. The transactions are gold-based projects and are considered relevant to the valuation date without adjustment. Based on AMC's assessment that the copper transactions in Brazil and Australia are similar, AMC has assumed the same similarity for gold transactions between the two countries, and uses Australian yardstick transactions here.

Table 7.3 Gold Transactions for tenements with Mineral Resources

Date	Project	Buyer	Resource (koz)	Value (A\$M)	Implied Value (A\$/oz)
31/05/2019	Bardoc project	Bardoc Gold Limited	549	0.14	0.3
24/01/2018	Bulong project	Black Cat Syndicate Limited	109	0.77	7.1
15/06/2022	Paulsens W Tanami	Black Cat Syndicate Ltd	683	46.38	67.9
10/11/2020	Trojan Slate Dam Clinker	Black Cat Syndicate Limited	115	0.49	4.3
21/06/2019	Spargos Reward project	Corona Resources Limited	18.9	0.05	2.5
15/06/2021	Grade Gnows Nest	Emu NL	13.777	3.28	238.2
13/01/2021	Yandan project	GBM Resources Limited	308	3.24	10.5
12/01/2021	Kookynie project	Genesis Minerals Limited	414	15.26	36.9
10/02/2021	Bendoc project	Gladiator Resources Limited	16	0.25	15.8
30/12/2021	Manna project	Global Lithium Resources	1096	32.58	29.7
5/11/2020	Kalpini project	Horizon Minerals Limited	255.6	2.72	10.7
28/06/2019	Mt Adrah project	Investor group	766.15	0.59	0.8
15/11/2021	Jumbuck project	Marmota Limited	319	3.04	9.5
6/01/2019	Devon mine	Matsa Resources Limited	45.5	0.10	2.2
15/01/2019	Zelica project	Matsa Resources Limited	30	0.15	4.9
24/03/2020	Clonbinane project	Mawson Resources Limited	47	0.62	13.2
1/06/2021	Malcom project	Mt Malcolm Mines NL	14.5	0.37	25.6
14/09/2018	Central Tanami project	Northern Star Resources	411.6	20.29	49.3
15/09/2021	Central Tanami project	Northern Star Resources	274.4	16.12	58.8
16/06/2021	Kurnalpi Project	Northern Star Resources	189.4	19.10	100.8
29/06/2020	Beaconsfield mine	NQ Minerals Plc	57.06	1.81	31.7
16/12/2020	Mathinna/Alborton Lefroy	Nubian Resources Ltd.	45.3	2.38	52.6
29/03/2021	Lindsays project	Nu-Fortune Gold Ltd	215.1	5.10	23.7
24/12/2020	Tuckanarra project	Odyssey Energy Limited	80.739	4.85	60.1
9/07/2019	Central Norseman project	Pantoro Limited	1745.5	54.24	31.1
25/10/2018	Jungle Well project	PVW Resources NL	17	0.01	0.6
27/05/2020	Cables and Mission	Red 5 Limited	185.527	2.25	12.1
6/04/2020	Mining Lease M37/54	Red 5 Limited	62.1	2.07	33.4
4/06/2019	Box Well and Deep South	Saracen Mineral Holdings	206.8	13.26	64.1
23/08/2021	Monument Project	SI6 Metals Limited	50	0.54	10.8
30/09/2020	Leonora tenements	Specrez Pty Ltd	104	0.19	1.8
7/12/2018	Penny West project	Spectrum Metals Limited	36	0.89	24.8
17/12/2021	Millrose project	Strickland Metals Limited	346	10.31	29.8
1/10/2020	Eureka project	Warriedar Mining	43.1	1.41	32.7
8/05/2020	Albury Heath project	Westgold Resources Limited	27	1.13	41.7

Source: AMC analysis of S&P global data

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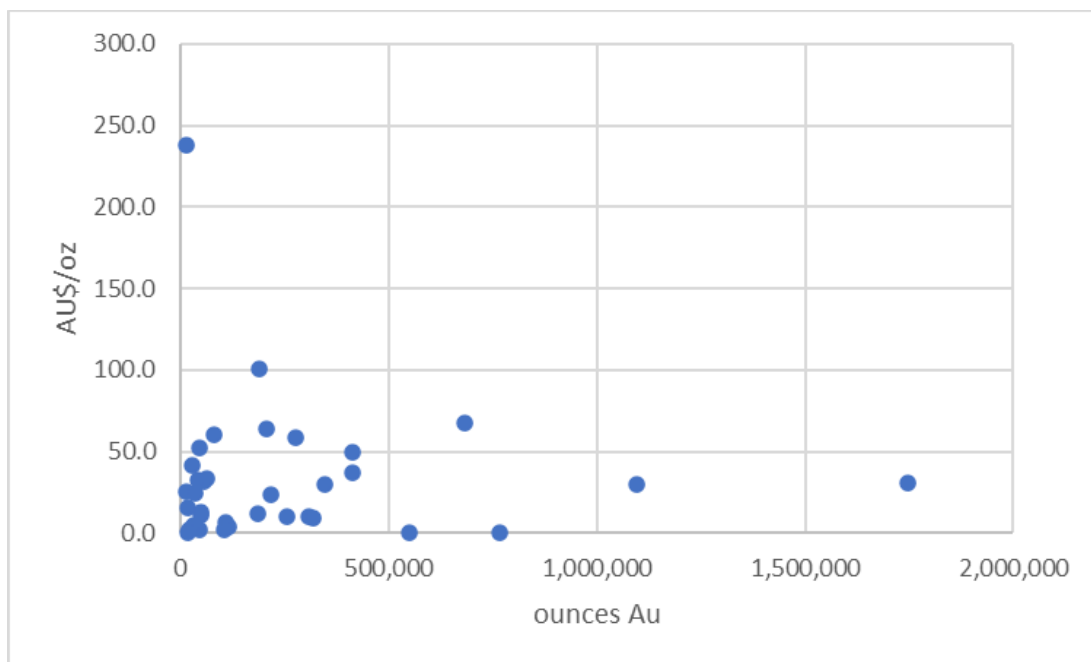
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The implied values per ounce are compared with the size of the deposits in Figure 7.3. Transactions fall within the range of A\$10 to A\$70 per ounce of contained metal, excluding outliers. The implied value does not appear to be influenced by deposit size.

Figure 7.3 Yardstick value and deposit size for gold transactions in Australia



Source: AMC analysis of S&P global data

The Mineral Resources that are subject to the transactions vary in size, mining status and relative proportion of Measured, Indicated and Inferred Resource. The Mineral Resource estimates to which the yardstick values will be applied are Measured, Indicated, and Inferred.

Implied values, excluding the outliers, are indicated by the Australian transactions to assign ranges of values to be applied to at the CentroGold project are Measured, Indicated, and Inferred Resources.

Figure 7.4 shows the basis of the ranges of values for Measured, Indicated, and Inferred Resources. From this data, and AMC experience, the ranges of yardstick values applied to each Mineral Resource category are:

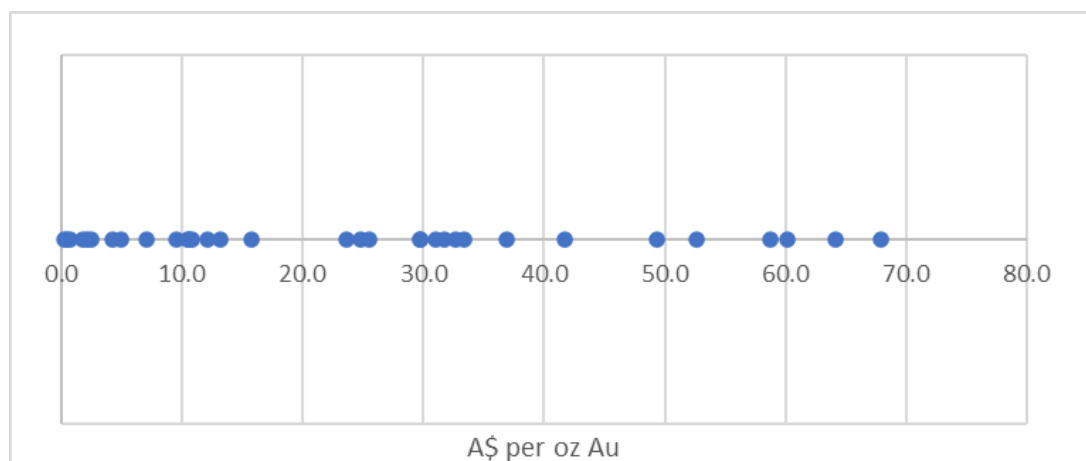
- Measured Resource: A\$35/oz to A\$70/oz.
- Indicated Resource: A\$20/oz to A\$35/oz.
- Inferred Resource: A\$1/oz to A\$20/oz.

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Figure 7.4 Ranges of values assigned for Measured, Indicated, and Inferred copper resources based on Australian transactions



Source: AMC analysis of S&P global data

7.4.1 Carrapateena

Carrapateena Mineral Resources comprises the underground resources. The Mineral Resources are reported above A\$25/t NSR. The Mineral Resources considered in the AMC Production Case 1 include the Mineral Resource incorporated in the Ore Reserves. AMC Production Case 2 includes the Mineral Resource incorporated in the Ore Reserves, plus the tonnage of block cave BC2 assumed for BC East and again for BC Northwest, and 100% of the Fremantle Doctor Mineral Resource.

For the valuation of the remnant Mineral Resource at Carrapateena for AMC Production Case 1 and AMC Production Case 2, AMC calculated the remnant Mineral Resources. AMC considered material included in an AMC production case as being sourced from the combined Measured and Indicated Mineral Resource. Any remainder is considered as being an Indicated Resource for the valuation.

AMC anticipates some of the remnant resource will be sterilised in both cases, as it will not be possible to recover resources adjacent to the block cave. AMC considers this will be approximately 50 % of the remnant resource at Carrapateena for AMC Production Case 2. This is approximately 1,750 kt Cu of primarily Inferred Resource.

The total value for the Mineral Resources at Carrapateena outside the AMC production case as determined by the yardstick method is between A\$82 million and A\$171 million for AMC Production Case 1, and between A\$56 million and A\$113 million for AMC Production Case 2.

The valuations of Carrapateena Mineral Resources outside the AMC production cases are summarized in Table 7.4.

Table 7.4 Valuation of Mineral Resources outside the Carrapateena AMC production cases

Case	Indicated Resource (kt CuEq)	Inferred Resource (kt CuEq)	Low (A\$M)	Preferred (A\$M)	High (A\$M)
Case 1	2,344	742	82	126	171
Case 2	1,779	0	56	85	113

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7.4.2 Prominent Hill

At Prominent Hill, Mineral Resources are considered in the AMC production cases. AMC Production Case 2 includes approximately 85% of the Mineral Resources outside of Ore Reserves. AMC considers that the remnant Mineral Resources will be sterilized by mining or no longer have reasonable prospects for eventual economic extraction. AMC considers that any remnants that are potentially extractable, are not material. Therefore, AMC has not attributed a value to the remnant Mineral Resource at Prominent Hill.

7.4.3 West Musgrave Project

The AMC production case for the Nebo-Babel deposit is based on Ore Reserves and Mineral Resources within a pit design. The Mineral Resource estimate for Nebo-Babel was reported above a net smelter return (NSR) cut-off of A\$13/t within a notional constraining shell established using an NSR of A\$21/t. The notional constraining shell defines a larger volume than the pit design. The AMC production case leaves remnant Mineral Resources outside the pit design that amounts to 10% of the total Mineral Resource (Table 7.5).

Table 7.5 Nebo-Babel remnant Mineral Resources

Category	Tonnage (Mt)	Ni (%)	Cu (%)	Ni metal (kt)	Cu metal (kt)
Babel					
Measured	2.8	0.24	0.25	7	7
Indicated	12	0.27	0.30	31	34
Inferred	20	0.30	0.34	59	67
Subtotal	34	0.26	0.30	97	109
Nebo					
Indicated	5.1	0.25	0.26	13	13
Inferred	0.27	0.42	0.39	1.1	1.1
Subtotal	5.3	0.26	0.27	14	14
Total				111	123

AMC has valued remnant Nebo-Babel Mineral Resources by applying yardstick values to the contained copper and nickel metal in Mineral Resources outside the pit design. The yardstick value considers the Mineral Resource classification as outlined in section 7.4 of this report. In applying the yardstick values to remnant Mineral Resources, AMC has determined a value of A\$8.1M to A\$18M with a preferred value of A\$13M.

The Succoth Inferred Mineral Resource is not considered in an AMC production case. The Mineral Resource is reported at a 0.5% Cu cut-off grade containing 945 kt of copper metal. A notional constraining shell has not been applied. AMC has valued Succoth Mineral Resource by applying yardstick values to the contained copper metal in Mineral Resources. The yardstick value considers the Mineral Resource classification as outlined in section 7.4. By applying the yardstick values to the Succoth Mineral Resource, AMC has determined a value of A\$9.4M to A\$28M with a preferred value of A\$19M.

7.4.4 Pedra Branca

The AMC production cases for Pedra Branca focus on the Measured and Indicated Mineral Resources at Pedra Branca East. In addition, there is a reported Mineral Resource for Pedra Branca West without an Ore Reserve or AMC production case. For AMC Production Case 1, there are remnant Mineral Resources at Pedra Branca East. For AMC Production Case 2, only the Mineral Resource at Pedra Branca West is considered.

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The total value for the Mineral Resources at Pedra Branca outside the AMC production cases as determined by the yardstick method is between A\$5M and A\$11M for AMC Production Case 1, and between A\$1M and A\$3M for AMC Production Case 2.

The valuations of Pedra Branca Mineral Resources outside the AMC production cases are summarized in Table 7.6.

Table 7.6 Valuation of Mineral Resources outside the Pedra Branca AMC production cases

AMC production case	Measured Resource (kt CuEq)	Indicated Resource (kt CuEq)	Inferred Resource (kt CuEq)	Low (A\$M)	Preferred (A\$M)	High (A\$M)
Case 1	17	99	117	5	8	11
Case 2	0	35	29	1	2	3

7.4.5 Santa Lúcia

The AMC production case is based on the Santa Lúcia Mineral Resource of 5.8 Mt of 2.1% Cu and 0.35 g/t gold, containing 120 kt metal. The AMC production case assumes a plant feed source containing 102 kt of Cu metal. Therefore, the AMC production case fully values Santa Lúcia Mineral Resource and no further value is attributed.

7.4.6 Carajás West/Pantera

Pantera has an Indicated and Inferred copper-gold Mineral Resources. OZ Minerals has identified a potential mining inventory, however, the level of study does not support an AMC production case. Therefore, the Mineral Resource at Pantera is considered as Carajás West.

The total value for the Mineral Resources at Pantera as determined by the yardstick method is between A\$6M and A\$14M. The valuation of Pantera Mineral Resources is summarized in Table 7.7.

Table 7.7 Valuation of Pantera Mineral Resources

Measured Resource (kt CuEq)	Indicated Resource (kt CuEq)	Inferred Resource (kt CuEq)	Low (A\$M)	Preferred (A\$M)	High (A\$M)
0	184	84	6	10	14

7.4.7 CentroGold/Gurupi

The CentroGold project is a gold project with two Mineral Resources; Cipoeiro and Chega Tudo. Cipoeiro hosts the Contact and Blanket deposits. AMC has developed AMC production cases for Cipoeiro. However, Grant Samuel has requested AMC to provide a value for all Mineral Resources at the CentroGold project. Grant Samuel states this is due to the regulatory uncertainty for this asset, and therefore there not being a reasonable basis for DCF analysis. Therefore, all Mineral Resources, including those that host Ore Reserves are considered by AMC for valuation using methods that are applicable to Exploration Properties.

The total value for the Mineral Resources at the CentroGold project is between A\$35M and A\$72M.

The valuations of the CentroGold project Mineral Resources are summarized in Table 7.8.

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Table 7.8 Valuation of Mineral Resources at the CentroGold project

Asset	Measured Resource (koz Au)	Indicated Resource (koz Au)	Inferred Resource (koz Au)	Low (A\$M)	Preferred (A\$M)	High (A\$M)
Cipoeiro	0	1,300	410	26	40	54
Chega Tudo	0	425	152	9	13	18

7.5 Exploration Properties without Mineral Resources

Mineral tenements without Mineral Resources have been valued using ranges of value per unit area (km²) derived from comparable transactions. Transactions in Australia have been considered based on the available data and the similarities seen between the Australian and Brazilian transactions of projects with Mineral Resources described above. AMC considers these to be comparable, and therefore has assumed that tenement transactions will also be similar in both countries. There will be differences from site to site within each country and between countries due to differences in influencing factors such as geology, prospectivity, and available infrastructure.

There is limited data about exploration activities for some tenements and information on defined exploration targets. As such, AMC has considered each region as a tenement package, rather than attempting to determine a combined valuation for individual tenements. AMC considers this will give a very similar total result, and any differences will not be material to the overall valuation for this report.

A number of recent transactions of tenements without Mineral Resources have been considered to determine values per unit area for exploration tenement packages that are prospective for polymetallic deposits based on copper. These are listed in Table 7.9. AMC considers that the historical transactions are still relevant to the valuation date and do not require adjustment.

Table 7.9 Transactions for tenements in Eastern Australia without Mineral Resources

Date	Project	Buyer Comparable transactions	Area (km ²)	Value (A\$M)	Implied Value (A\$/km ²)
4/09/2019	Gorge Creek JV	Traka Resources Limited	162	0.86	5,279
20/09/2019	Cashman Project	Sandfire Resources NL	248	1.97	7,960
11/10/2019	Belgravia Project	Krakatoa Resources Ltd	96	0.71	7,419
18/11/2019	E45/5572	Avira Resources Limited	135	0.25	1,852
18/12/2019	West Musgrave	Cassini Resources Limited	1,946	0.25	128
15/01/2020	E20/948	Scorpion Minerals Limited	384	0.25	651
31/01/2020	6 exploration licenses	Kincora Copper Limited	580	1.95	3,364
11/06/2020	Two EPMs	Rio Tinto Exploration	178	0.05	280
26/06/2020	New Norcia	Lachlan Star Limited	600	0.61	1,022
27/10/2020	EL5586	Rio Tinto Exploration	300	0.25	833
23/11/2020	Alford East Project	Thor Mining PLC	346	1.47	4,250
24/11/2020	E80/4990	Peakto Limited	224	0.38	1,713
15/12/2020	Highlands Copper Project	Larvotto Resources Ltd	900	0.63	694
16/02/2021	Black Range Project	Resource Base Limited	409	1.52	3,716
18/02/2021	5 exploration licenses	Odin Metals Limited	2,600	1.00	385
25/02/2021	2 EPMs	South32 Limited	137	1.00	7,299
24/03/2021	Ravenswood Project	Sunshine Gold Limited	373	0.41	1,111
22/06/2021	Russell Copper Project	Battery Minerals Limited	258	2.60	10,077
23/06/2021	Flanagans Copper-Gold	Bindi Metals Limited	188	0.45	2,394

Note: Transaction values stated are for the percent of the tenement ownership transacted. The value for 100% of the property is implied from the transaction to determine the implied value per km.

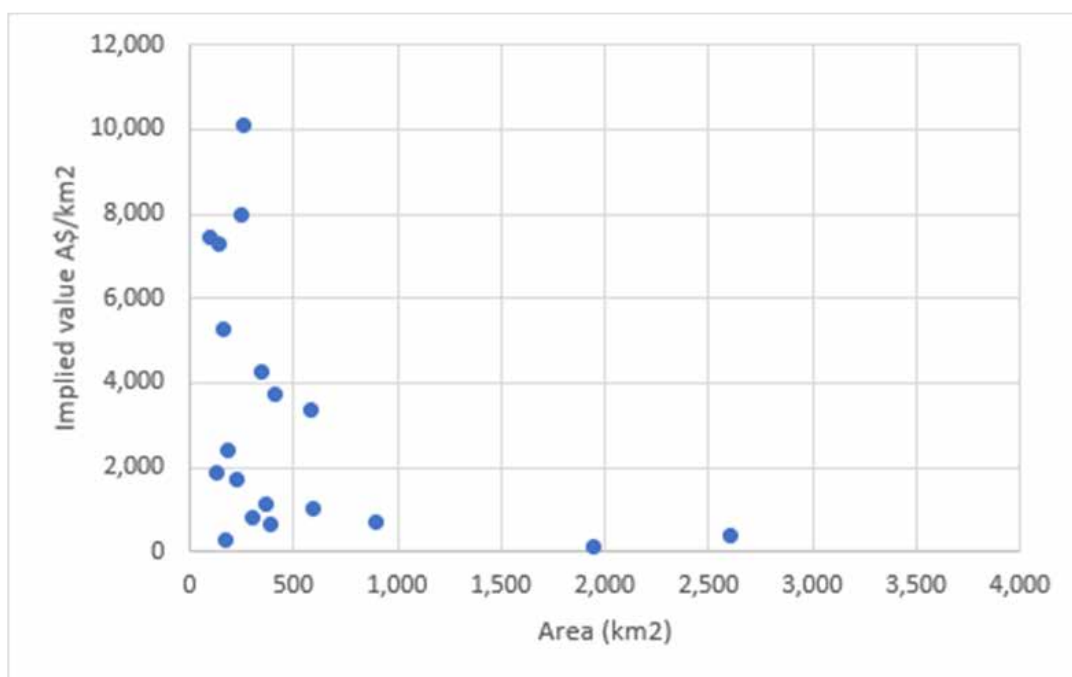
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The implied values per square kilometre are compared with the area of the tenements subject to the transaction in Figure 7.5. Outliers have been removed. There is no distinct relationship between tenement area and the Unit Area value indicated by transactions.

Figure 7.5 Comparison of Unit Area value and tenement area



The Unit Area values indicated by transactions are clustered into three groups:

- A\$100 to A\$3,000 per km².
- A\$3,000 to A\$6,000 per km².
- A\$6,000 to A\$10,000 per km².

To distinguish tenement packages that might be more prospective than others, OZ Minerals' tenements have been grouped to reflect available data, geological understanding and recognized prospectivity. Within the lower cluster, less than A\$3,000 per km², tenement packages have had limited exploration or have no established exploration potential. Tenements with early-stage exploration activity indicating further potential are at the higher end of this range.

The middle cluster is considered to show a moderate or high level of prospectivity from exploration activities and geological understanding, correlation with known mineralization styles, or assay results. These may also include targets adjacent to identified Mineral Resources, and larger tenement packages with several projects considered prospective or exploration data suggesting high prospectivity. Those tenement packages are the focus of further exploration and resource definition activity.

The third cluster is considered by AMC to be highly prospective within small exploration tenement packages.

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The exploration tenement packages cover wide areas with reasonable prospectivity. The tenements have been valued by applying the following Unit Area values to the tenement areas:

- Tenement packages of small area, and very high prospectivity: A\$8,000 to A\$10,000 per km².
- Tenement packages with identified targets, proximity to known deposits, mineralized grade intercepts and supporting geology: A\$6,000 to A\$8,000 per km².
- Tenements with identified anomalies, prospective exploration targets, supporting geology, proximity to known deposits and some supporting data: A\$3,000 to A\$6,000 per km².
- Tenements with identified anomalies or prospective exploration targets and supporting geology: A\$1,500 to A\$3,000 per km².
- Other tenements: A\$100 to A\$1,500 per km².

AMC does not attribute additional exploration value to a tenement that hosts an Ore Reserve included in an AMC production case or a Mineral Resource valued using the yardstick method, except where the Ore Reserve or Mineral Resource is hosted by a very large tenement. The overall value of the tenement is considered by AMC to be reflected in the AMC production cases or valuation of the Mineral Resource.

7.5.1 Stuart Shelf

OZ Minerals holds 13 granted exploration licenses covering an area of 3,711 km² on the Stuart Shelf in the area surrounding the Carrapateena mining operation. The exploration target is similar deposits to the Carrapateena deposit. Previous exploration activities focused on improving the understanding of Carrapateena and two satellite deposits, Khamsin (no Mineral Resource currently reported) and Fremantle Doctor (Mineral Resource reported by OZ Minerals). Recent exploration activity tested new targets with similar geophysical fingerprints to Carrapateena. In early 2022, gravity and passive seismic surveys were undertaken in the northern part of the tenements to prioritise existing targets and identify new targets. Drilling, late in 2022, was aimed at discovering standalone or high-value satellite deposits.

AMC considers the tenements to be prospective for the target mineralization style in a region of known deposits. Exploration activity is at a grass roots stage with completion of regional-scale surveys and drilling planned. AMC considers that a Unit Area value A\$1,500 to A\$3,000 per km² is appropriate indicating a valuation of the Stuart Shelf tenements at between A\$5.6M and A\$11M with a preferred value of A\$8.3M.

7.5.2 Mt Woods

OZ Minerals holds six granted exploration licenses covering an area of 4,105 km² in the Prominent Hill area. The exploration target is IOCG copper deposits of the Prominent Hill type across the southern boundary of the Mt Woods Inlier. Exploration strategy has also targeted iron sulphide copper-gold mineralization across the project's central and northern portions, which remain relatively underexplored. In 2021, a helicopter-supported airborne electromagnetic survey identified multiple targets within the central and northern regions, followed by ground electromagnetic surveys. OZ Minerals aims to drill targets in 2023.

AMC considers the tenements to be prospective for the target mineralization style in a region of known deposits. Exploration activity is at a grass roots stage with completion of regional-scale surveys. AMC considers that a Unit Area value A\$1,500 to A\$3,000 per km² is appropriate indicating a valuation of the Mt Woods tenements at between A\$6.2M and A\$12M with a preferred value of A\$9.2M.

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7.5.3 Coompana

OZ Minerals holds seven granted exploration licenses covering an area of 6,572 km². The area lies between the Gawler Craton, the Musgrave Province and Madura Province, all regions known to host economic nickel and copper mineralisation. The region is underexplored due to basin cover sediments, increasing the difficulty of testing and identifying targets.

AMC considers the tenements to be of a grass roots nature in an area of possibly prospective geology but without a significant exploration history or mineral deposits. AMC considers that a Unit Area value A\$100 to A\$1,500 per km² is appropriate indicating a valuation of the Coompana tenements at between A\$0.66M and A\$9.9M with a preferred value of A\$5.3M.

7.5.4 Coober Pedy

OZ Minerals holds three granted exploration licenses covering an area of 1,590 km² in the Coober Pedy area. AMC considers the tenements to be of a grass roots nature in an area of possibly prospective geology. AMC considers that a Unit Area value A\$100 to A\$1,500 per km² is appropriate indicating a valuation of the Coompana tenements at between A\$0.16M and A\$2.4M with a preferred value of A\$1.3M.

7.5.5 West Musgrave

WMC identified the western part of the Musgrave Province as an area prospective for nickel and copper mineralisation in 1995. Over the following years, WMC carried out regional exploration programmes including airborne geophysics, surface geochemical sampling, regional mapping and ground electromagnetic surveys that identified the Nebo and Babel targets. After BHP's takeover of WMC in 2005, exploration strategy moved to regional exploration resulting in the discovery of nickel-copper sulphide mineralisation at the Yappu prospect and copper sulphide mineralisation at Esagila and Succoth.

An Inferred Mineral Resource was reported for Succoth in 2015. OZ Minerals has continued investigation of the Succoth deposit but has not reported a revised Mineral Resource estimate. Copper and copper-sulphide mineralization has also been identified at One Tree Hill, Babylon, and Suez prospects.

OZ Minerals holds 17 granted exploration licenses covering an area of 2,811 km². The exploration licenses surround the Nebo and Babel deposits and nearby areas. OZ Minerals also hold applications for 15 exploration licenses covering an area of 6,468 m². The exploration license applications extend further from the Nebo and Babel deposits covering Musgrave Province geology.

OZ Minerals has not carried out significant active exploration in recent years. There has been no further definition of mineralization at identified prospects. Statutory expenditure commitments on granted exploration licenses total A\$2.8M. OZ Minerals exploration plan over three years consists of:

- Maintenance of tenements through expenditure on reconnaissance geophysical surveys and other exploration reconnaissance activity.
- Identify priority opportunities within existing tenements close to infrastructure under development.
- Drill test known prospects, geological targets and newly generated targets.

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AMC considers the tenements to be prospective for the target mineralization style in a region of known deposits. The proposed exploration activity is at a grass roots stage with completion of regional-scale surveys and drilling planned. AMC has considered a range of Unit Area values where:

- Exploration licenses adjacent to the Nebo and Babel deposits and those that host known copper and nickel mineralization are valued at A\$6,000 to A\$8,000 per km².
- Exploration licenses adjacent to those that host known mineralization but without identified prospects are valued at A\$3,000 to A\$6,000 per km².
- Exploration licenses at a greater distance to those that host known mineralization and without identified prospects are valued at A\$1,500 to A\$3,000 per km².
- Applications for exploration licenses are located at a greater distance again to known mineralization are valued at the lowest range of AMC's range of Unit Area values at A\$100 to A\$1,500 per km² with a discount of 50% considering the applications are yet to be granted.

Considering these ranges of valuation, AMC values the WMP exploration tenements at between A\$6.5M and A\$16M with a preferred value of A\$11M. Additional value is provided in valuation of the Succoth Mineral Resource that is not considered in the AMC production cases.

7.5.6 Carajás East and Carajás West

At Carajás East and Carajás West, OZ Minerals holds three mining concessions and one exploitation license.

There is one exploration license at Carajás West covering 9 km² and 18 granted exploration licenses covering an area of 1,034 km². Final reports have been submitted to the regulator for three exploration licenses.

There are five exploration license applications covering an area of 276 km². There is an exploitation application being prepared for 43 km². Seven exploration licenses totalling 354 km² are subject to bids and a denied application under appeal. AMC considers the granting of these tenements to be uncertain and they are not considered in the valuation.

7.5.6.1 Carajás East

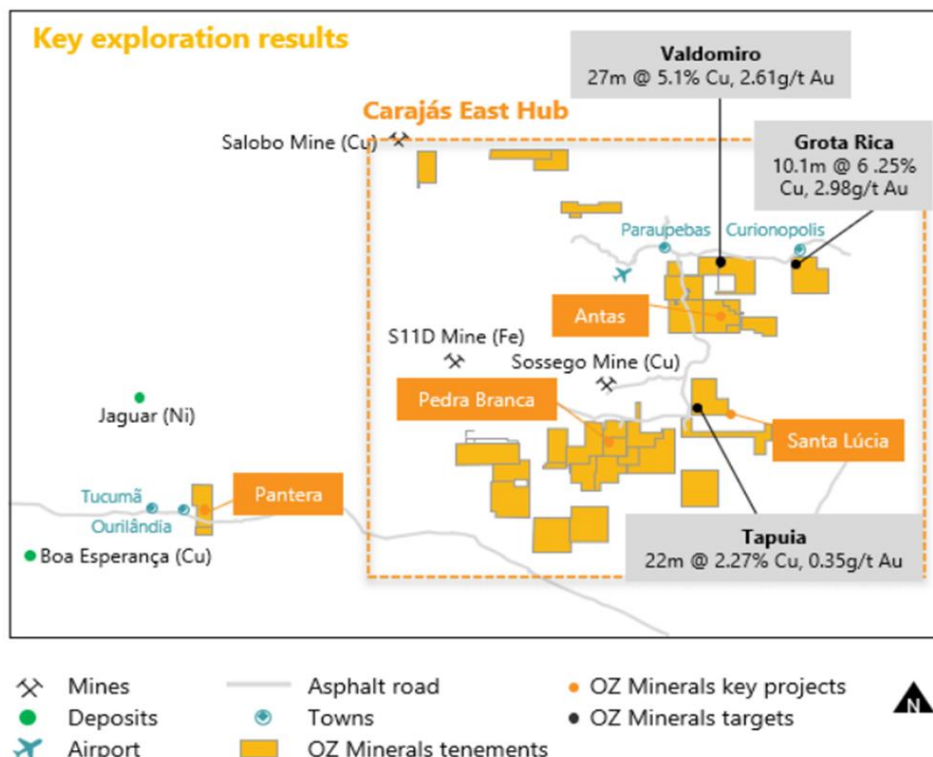
In addition to the known Mineral Resources at Pedra Branca and Santa Lúcia, Carajás East is known for the former mine at Antas and for the highly-prospective Grota Rica copper-gold project shown in Figure 7.6. There is also the Buriti prospect, a potential copper nickel target, and the Valdomiro and Tapuia copper targets.

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Figure 7.6 Location of Grota Rica Prospect at Carajás East



Source: OZ Minerals September 2022 Quarterly report

The tenements are set within the known Carajás iron oxide copper gold precinct of mining and exploration. There are several projects outside the tenements that are at development or study stage. These support the broader potential across the region.

The area of the tenement package at Carajás East, excluding tenement of known Mineral Resources and tenements being bid on, is approximately 1,310 km².

At Carajás East, AMC considers the tenement package to be highly prospective with identified targets, proximity to known deposits, mineralized grade intercepts and supporting geology. As such the Unit Area value implied is A\$6,000 to A\$8,000 per km². As such, the valuation of the exploration tenements at Carajás East is between A\$8.0M and A\$10.5M with a preferred value of A\$9.2M.

Carajás West comprises a single tenement with an area of approximately 50 km² (Figure 7.6). However, as the tenement hosts the Pantera Mineral Resource, the value of the tenement is implied to be within the valuation of the Mineral Resource. Therefore, the exploration valuation at Carajás West is zero.

7.5.6.2 Carajás West

Carajás West comprises a single tenement with an area of approximately 9 km² south of the Pantera project (Figure 7.6). AMC considers the tenement package to be prospective, however, there is limited information other than the proximity to known deposits and supporting geology. As such, the unit area value implied is A\$1,500 to A\$3,000 per km². Accordingly, the valuation of the exploration tenements at Carajás West is between A\$0.01M and A\$0.03M with a preferred value of A\$0.02M.

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7.5.7 CentroGold

OZ Minerals holds 50 tenements at CentroGold, and 30 are granted exploration licenses covering an area of 1,162 km². There are a further four exploration licenses for which final reports have been submitted, covering an area of 227 km².

There are a further nine exploration license applications covering an area of 383 km² and three exploitation applications covering an area of 66 km². Two of the exploration applications may have their areas reduced, but the full area has been considered for the valuation. Two of these exploitation applications within the CentroGold project tenement package host the Cipoeiro and Chega Tudo Mineral Resources.

Three tenement applications have been denied by the regulator and are subject to appeal. Two tenements are subject to bids. These five tenements are not attributed any value by AMC because of the uncertainty of being granted.

The area of the CentroGold project's tenement package, excluding those hosting Cipoeiro and Chega Tudo, is approximately 1,772 km². In addition to the known resources, there are several other exploration projects identified by OZ Minerals including Mandiocol, Vai e Volta, Piea Pau, Serrinha, Montes Aureos, and Sequeiro.

AMC considers the tenement package to range from grass roots exploration to being highly prospective. AMC therefore considers the tenement package to be prospective with exploration targets, supporting geology and proximity to known deposits. As such the unit area value implied is A\$3,000 to A\$6,000 per km². Therefore, the valuation of the CentroGold project's exploration tenements is between A\$5.3M and A\$10.6M with a preferred value of A\$8.0M.

7.5.8 Other exploration

In addition to exploration tenements held by directly by OZ Minerals, OZ Minerals is a party to a number of farm-in agreements in Australia and Sweden. These include:

- An alliance with Red Metal Limited for OZ Minerals to fund agreed work programmes on three early-stage projects. The alliance gives OZ Minerals the option to enter into joint venture agreements on the projects after making an initial payment and meeting minimum expenditure commitments.
- The Yarrie project is located in the Paterson Province in Western Australia targeting copper and copper-gold systems similar to the Winu and Nifty deposits. The Gulf project in north-west Queensland targeted IOCG copper-gold breccia systems in the Mount Isa inlier in north-west Queensland. The Lawn Hill project in north Queensland targeted, copper, zinc, lead, and silver near the Century zinc-lead-silver deposit.
- A farm-in agreement with Black Tiger Resources Limited to earn up to 75% interest in two exploration licenses and one application covering part of the southern margin of the Gawler Craton. The project targets IOCG mineralisation similar to Carrapateena and Prominent Hill deposits.
- A farm-in with Resolution Minerals Ltd to earn up to 75% interest in seven exploration licenses located in the McArthur Basin, Northern Territory. The exploration target is sediment-hosted copper deposits.
- A farm-in agreement with Resolution Minerals Ltd in May 2022 to earn up to 75% interest in six exploration licenses and one application located on the Barkly Tablelands in the Northern Territory. The exploration target is sediment-hosted base metal deposits.
- A farm-in with Demetallica Ltd to earn up to 70% interest in four exploration licenses in the Peak and Denison Inlier, north-east South Australia. The exploration target is IOCG deposits similar to those on the Gawler Craton.
- A series of farm-in agreements with Mineral Prospektering i Sverige in the Lannavaara, Painirova, Sadjem, and Skellefte/Rockliden project areas. The exploration targets are variously IOCG copper-gold deposits, shear-hosted copper deposits and volcanic-hosted copper, zinc, lead, silver and gold deposits.

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At the time of preparation of this report, OZ Minerals had not met minimum expenditure requirements to acquire any equity under any of the Australian or Swedish farm-in agreements. Accordingly, AMC has not assigned a value to OZ Minerals interest in any of these projects.

AMC is advised by OZ Minerals that it has not earned a material interest in certain Peru projects located in the Arequipa district of southern coastal Peru, owned and managed by Inversiones Mineras La Chalina S.A.C. As such, AMC has not considered the Peruvian assets as part of this valuation.

Table 7.10 Summary of Unit Area exploration valuations

Asset	Area (km ²)	Low (A\$M)	Preferred (A\$M)	High (A\$M)
Stuart Shelf	3,711	5.6	8.3	11
Mt Woods	4,105	6.2	9.2	12
Coompana	6,572	0.7	5.3	9.9
Coober Pedy	1,590	0.16	1.3	2.4
West Musgrave	2,811	6.5	11	16
Carajás East	1,321	8.0	9.2	10.6
Carajás West	9	0.01	0.02	0.03
CentroGold	1,772	5.3	8.0	10.6
Total	21,891	32.4	52.4	72.5

This method indicates a total Unit Area exploration value of A\$32.4M to A\$72.5M with a preferred value of A\$52.4M.

7.6 Summary valuation – Mineral Resources outside the AMC production cases and exploration tenements

The summary of AMC's valuation for OZ Minerals' Mineral Resources outside the AMC production cases, and the exploration valuations is presented in Table 7.11.

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Table 7.11 Summary valuation – Mineral Resources outside the AMC production cases and exploration tenements

Mineral Asset		Low (A\$M)	Preferred (A\$M)	High (A\$M)
Mineral Resources				
Outside AMC Production Case 1	Carrapateena	82	126	171
	Nebo-Babel	8.1	13	18
	Succoth	9.4	19	28
	Pedra Branca	5	8	11
	Pantera	6	10	14
	CentroGold	35	53	72
Total		146	229	313
Outside AMC Production Case 2	Carrapateena	56	85	113
	Nebo-Babel	8.1	13	18
	Succoth	9.4	19	28
	Pedra Branca	1	2	3
	Pantera	6	10	14
	CentroGold	35	53	72
Total		116	182	247
Exploration Tenements				
Australia		19	35	52
Brazil		13	17	21
Total		32	52	73

Appendix A Abbreviations and Glossary of Terms

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Unit	Description
/t	per tonne
<	less than
>	greater than
≤	less than or equal to
≥	greater than or equal to
C	degree Celsius
A\$	Australian dollar
A\$M	million Australian dollars
AAS	atomic absorption spectrum assay method
Ag	silver
AMC	AMC Consultants Pty Ltd
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Au	gold
BBWi	Bond Ball Mill Work Index
BC	block cave
BCWi	Bond Crusher Work Index
BHP	BHP Group Limited
BRWi	Bond Rod Mill Work Index
Co	cobalt
CoG	cut-off grade
Competent Person	person defined in the JORC Code to supervise and sign-off on a Mineral Resource or Ore Reserve estimate
CRMs	certified reference materials
Cu	copper
CuEq	copper equivalent
CY	calendar year (1 January to 31 December)
DCF	discounted cash flow
DD	diamond drilling
FA	face angle
FS	feasibility study
g	gram
G	giga (billion)
G&A	general and administration
g/t	gram per tonne
GDMS	Geological Data Management System
GPS	Global Positioning System
Grant Samuel	Grant Samuel & Associates Pty Ltd
h/a	hours per annum
ha	hectare
HG	high-grade

Unit	Description
HQ	63.5 mm diameter core
ID ²	inverse distance squared
IER	independent expert's report
ISO	International Organization for Standardization
ID2	inverse distance squared estimation method
IOCG	iron oxide copper gold deposit
IT	Information Technology
ITSR	independent technical specialist's report
JORC Code	Australasian Joint Ore Reserves Committee (JORC), Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code), 2012 edn, effective December 2012
kg	kilogram
km	kilometre
km ²	square kilometre
koz	thousands of ounces
kt	kilotonnes
ktpa	kilotonnes per annum
kV	thousand volts
kW	kilowatt
L	litre
L/s	litres per second
LG	Lerchs-Grossmann
LOM	life-of-mine
m	metre
M	mega (million)
m ²	square meter
m ³	cubic meter
mg/L	milligram per litre
mi	Hoek-Brown intact rock parameter
Mineral Asset	as defined in the VALMIN Code
Mineral Resource	as defined in the JORC Code
mm	millimetre
mm	micron
Moz	million ounces
masl	metres above sea level
MII	Measured, Indicated, and Inferred Mineral Resources
mRL	metres reduced level
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatt
MWh	megawatt-hour

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Unit	Description
NAF	non-acid-generating
Ni	nickel
NQ	47.6 mm diameter core
OK	ordinary kriging estimation method
Ore Reserve	as defined in the JORC Code
oz	Troy ounce (31.1035 g)
OZ Minerals	OZ Minerals Limited
P ₈₀	Product size at which 80% passes
PFS	pre-feasibility study
ppm	parts per million
PQ	85 mm diameter core
QA/QC	quality assurance and quality control
QKNA	Quantitative Kriging Neighbourhood Analysis
R\$	Brazilian Real
RC	reverse circulation
RF	revenue factor
RG 111	ASIC Regulatory Guide 111 – Content of expert reports
RG 112	ASIC Regulatory Guide 112 – Independence of experts
RL	reduced level
ROM	run-of-mine
RPEEE	reasonable prospects of eventual economic extraction
RQD	rock quality designation
S	sulphur
SAG	semi-autogenous grinding
S&P	
SLC	sub-level cave
SA	South Australia
t	Metric tonne
t _a	JKTech comminution parameter
tph	tonnes per hour
tpd	tonnes per day
tpa	tonnes per annum
TSF	tailings storage facility
UCS	unconfined compressive strength
US\$	United States dollar
US\$/oz	US\$ per troy ounce
US\$M	million United States dollars
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets The VALMIN Code 2015 Edition, Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and

Unit	Description
	Metallurgy, the Australian Institute of Geoscientists
w/w	weight percent
WA	Western Australia
Whittle	GEOVIA Whittle™
Whittle 4X	Whittle Four-X pit optimization software
WRS	waste rock storage

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Appendix B Contributors to the ITSR

Name	Qualifications	Affiliation	Involvement
L Gillett	BEng (Mining) DipGeosc (Mineral Economics)	AMC Principal Mining Engineer; FAusIMM	Peer review
D Varcoe	BEng (Mining)	AMC Principal Mining Engineer; FAusIMM.	Project Manager and Author
A Proudman	BAppSc (AppGeol), GradDipAppSc (AppGeol), MEngSc (Mining Geomech)	AMC Principal Consultant	Mineral Resource review, exploration valuation
D Carville	BSc Hons (Geology)	AMC Principal Consultant	Mineral Resource review, exploration valuation
D Browne	BApp.Sc Natural Resources Management	ERIAS, Principal Consultant	Environment, Social, and Governance review
J Rutter	BEnvMgmt (Hons), GradCertSc, CEnvP (IA Specialist)	ERIAS, Principal Consultant	Environment, Social and Governance review
P Greenhill	BSc Hons, PhD (Chemistry)	AMC Principal Consultant	Mineral Processing Review
Belinda Bastow	BSc Hons, PostGrad Dip(EIA), MEnvLaw	ISPL, Principal Consultant	Environment, Social and Governance review
Glen Williamson	BEng (Mining)	AMC Principal Mining Engineer; FAusIMM	Peer review
Robert Chesher	BSc Hons (Metallurgy)	AMC Principal Consultant	Mineral Processing Review
Mike Thomas	Higher National Diploma of Mining Engineering	AMC Principal Consultant. FAusIMM.	Underground Mining review
Stuart Pederick	BEng (Hons)(Mining), MPhil	AMC Principal Mining Engineer, MAusIMM	Underground Mining operations Review
Martin Liu	BEng (Mining)	AMC Senior Mining Engineer; MAusIMM	Mine Planning Review

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Appendix C References

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Carrapateena 2022 MRE Draft Report	Draft June 2022 Mineral Resource estimate report as reported in OZ Minerals' Carrapateena Deposit Mineral Resource Estimation Report as at June 30, 2022 (CA-GEO-REP-1001). This report has not been finalised.	July 2022
2020 Carrapateena Ore Reserve Statement	OZ Minerals website	
Fremantle Doctor MRE Statement 2022	2022 Fremantle Doctor 2022 Mineral Resources Statement and Explanatory Notes as at 30 June 2022	30 June 2022
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Succoth Mineral Resource	Maiden Succoth Mineral Resource Estimate. Cassini Resources Limited ASX release 7 December 2015	7 December 2015
OZ Minerals MRE and ORE Statement 2022	Annual Mineral resource and Ore Reserve Update demonstrates portfolio of long-life assets. ASX Release 21 December 2022	21 December 2022
Pantera MRE statement 2022	OZ Minerals Pantera Mineral Resource Statement and Explanatory notes as at 1 October 2022	1 October 2022
Santa Lúcia MRE Statement 2021	Santa Lúcia Mineral Resource Statement and Explanatory Notes as at 1 July 2021	1 July 2021
CentroGold MRE and ORE statement 2019	CentroGold Project Combined 'Blanket' and 'Contact' Mineral Resource as at 06 May 2019 and Ore Reserve as at 24 June 2019 Statement and Explanatory Notes	06 May 2019 24 June 2019
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Carrapateena Mine Expansion - Water Supply Contingency Desktop Assessment CA-5100-ENG-REP-1026		
OZ Minerals, 05.08.11 Carra Plant flowsheet_20221301		
Department of Water - Northern Water Supply (NWS16) Project	https://www.northernwatersupply.sa.gov.au	
2021 Sustainability Report	2021 Sustainability Report, OZ Minerals	2021
Closure Plan (CA-ENV-PLN-1010)		
OZ Minerals, 12 Oct 2022, Carrapateena Expansion and Growth, September 2022 Performance report,		2022
Prominent Hill PEPR, 2022		2022
OZ Minerals, File 05.08.07 PH 2020-2022 STATS and C1 data.		2022
OZ Minerals, January 2021, Prominent Hill Expansion Project Study Report, PH-0000-MGT-REP-0002.		2021
OZ Minerals, March 2022, Prominent Hill Risk Valuation		2022

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Reference Name	Document Name	Document Date
2022 PH as built Deswik.dcf, provided by OZ Minerals		2022
OZ Minerals, January 2021, PHOX_Study_Report FINAL		2021
OZ Minerals, 05.08.12 PH_Complete Flowsheet_currentv2_.ppt		undated
2022 Compliance Report WL 396809		2022
2019 to 2022 Annual Compliance Report		2019 - 2022
Native Vegetation Management Plan	Within Prominent Hill PEPR, 2022	2022
SEB Offset Area Stage 2 Management Plan (PH-ENV-REP-0005)		2022
Cultural Heritage Management Plan (date unknown)		unknown
DoD Deed of Agreement for operations in the Woomera Protected Area expires on 5/07/2027		
EMM (2021)	Prominent Hill Expansion Groundwater Modelling (EMM, 2021)	2021
OZ Minerals, File 05.08.07 PH2020-2022 STATS and C1 data		
OZ Minerals, November 2022, Monthly PHOX project update Last Updated 31 October 2022. (File 01.01.02.02.02.08 PHOX Project Monthly Report - Nov 2022		2022
Cassini Mineral Resource report referenced by OZ Minerals MRE and ORE Statement 2022		2022
20220601_FID_Inputs_UpdateRampUp.xlsx		2022
OZ Minerals, 2022 West Musgrave Approvals Status		2022
Works Approval (W6597/2021/1 granted on 20 July 2022 and amended in Nov 2022)		2022
West Musgrave Mining Proposal	OZ Minerals, 2022 West Musgrave Mining Proposal	2022
OZ Minerals, 2021 West Musgrave EPA Section 38	EPA Referral Document (OZ Minerals, 2021 West Musgrave EPA Section 38)	2021
OZ Minerals, 2021. Underground Ground Control Principal Hazard Management Plan. Rev-3 August 2021. PH-1000-TCS-PLN-0001		Aug 2021
Mining One, 2021. Prominent Hill Malu Pit, 3D modelling. Back analysis and preliminary forward analysis		2021
720039 CentroGold Resource review_FINAL	05.09.15.02.01.02 720039 CentroGold Resource review_FINAL	2020

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Appendix D Exploration and mining tenements

South Australian Tenements

Number	Name	Holder	Status	Grant Date	Expiry Date	Renewal Lodged	Area (km ²)	Annual Commitment (A\$)
ML 6471	Carrapateena	OZCP/OZMC	Active	3/01/2018	2/01/1939	-	-	-
ML 6228	Prominent Hill		Active			-	-	-
EL 6452	Mid Lake Torrens	OZCP/OZMC	Active	14/09/2019	13/09/2024	-	114	40,000
EL 6684	Hatch Hill	OZCP/OZMC	Active	14/02/2021	13/02/2026	-	360	55,000
EL 5919	Mid Lake Torrens	OZCP/OZMC	Active	7/01/2017	6/01/2022	3/12/2021	267	40,000
EL 5950	Lake Torrens South	OZCP/OZMC	Active	19/04/2017	18/04/2022	17/02/2022	175	40,000
EL 6068	Trimmer Inlet	OZEX	Active	29/06/2017	28/06/2022	24/05/2022	32	40,000
EL 6596	Shore Hill	OZEX	Active	13/10/2020	12/10/2025	-	912	135,000
EL 6685	Glenside	OZEX	Active	21/03/2021	20/03/2026	-	354	55,000
EL 5835	Winjabbie	OZEX	Active	1/07/2016	30/06/2027	-	72	40,000
EL 5863	Oak Dam NE	OZEX	Active	15/11/2016	14/11/2021	15/09/2021	760	115,000
EL 6025	Red Swamp	OZEX	Active	10/09/2017	9/09/2022	28/07/2022	24	40,000
EL 6466	Lake Torrens	OZEX	Active	10/12/2019	9/12/2024	-	206	40,000
EL 6527	Bowilia	OZCP	Active	12/08/2020	11/08/2025	-	44	40,000
EL 6528	Yeltacowie	OZCP	Active	30/08/2020	29/08/2025	-	391	60,000
EL 6446	Mt Hawker	OZPH	Active	9/12/2019	8/12/2024	-	411	65,000
EL 5975	The Twins	OZPH	Active	11/06/2017	10/06/2022	9/05/2022	149	40,000
EL 6135	Painted Hill	OZPH	Active	21/01/2018	20/01/2023	-	1420	220,000
EL 6149	Birthday Hill	OZPH	Active	30/04/2018	29/04/2023	-	902	135,000
EL 6611	Anna Creek	OZPH	Active	1/07/2021	30/06/2027	-	689	35,000
EL 6364	White Hill	OZPH	Active	1/07/2019	30/06/2024	-	534	80,000
EL 5837	Nullarbor 1	OZPH	Active	31/08/2016	30/08/2021	17/06/2021	848	85,000

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Number	Name	Holder	Status	Grant Date	Expiry Date	Renewal Lodged	Area (km ²)	Annual Commitment (A\$)
EL 5838	Deakin	OZPH	Active	31/08/2016	30/08/2021	17/06/2021	1150	115,000
EL 5839	Nullarbor 2	OZPH	Active	31/08/2016	30/08/2021	17/06/2021	843	85,000
EL 5840	Nullarbor 3	OZPH	Active	31/08/2016	30/08/2021	17/06/2021	664	65,000
EL 5841	Nullarbor 4	OZPH	Active	31/08/2016	30/08/2021	17/06/2021	948	95,000
EL 5842	Hughes	OZPH	Active	31/08/2016	30/08/2021	17/06/2021	1149	115,000
EL 5843	Denman	OZPH	Active	31/08/2016	30/08/2021	17/06/2021	970	100,000
EL 6496	Mabel Creek	OZPH	Active	28/07/2020	27/07/2025	-	374	20,000
EL 6622	Mount Willoughby	OZPH	Active	23/07/2021	22/07/2027	-	989	50,000
EL 6623	Ingomar	OZPH	Active	23/07/2021	22/07/2027	-	227	20,000
MPL 149	airstrip etc	OZCP/OZMC	Active	5/07/2017	2/01/2039	-	-	-
MPL 152	infrastructure	OZCP/OZMC	Active	3/01/2018	4/07/1938	-	-	-
MPL 153	wellfield	OZCP/OZMC	Active	3/01/2018	2/01/2039	-	-	-
MPL 154	road	OZCP/OZMC	Active	3/01/2018	2/01/2039	-	-	-
MPL 156	wellfield	OZCP/OZMC	Active	11/12/2018	2/01/2039	-	-	-

Notes:

- OZEX: OZ Exploration Pty Ltd
- OZPH: OZ Minerals Prominent Hill Operations Pty Ltd
- OZCP: OZ Minerals Carapateena Pty Ltd
- OZMC: OZM Carapateena Pty Ltd

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West Musgrave tenements

Number	Name	Owner	Status	Application Date	Grant Date	Expiry Date	Area (km ²)	Annual Commitment (A\$)
M69/149		OZMO	Active	30/08/2021	4/07/2022	3/07/2043	114.65	1,146,500
M69/75		WIRM	Active	5/02/2001	30/11/2001	29/11/2043	10	10,000
E69/1505	Nebo Babel	WIRM	Active	23/08/1999	20/04/2000	19/04/2023	174	174,000
E69/1530	Nebo Babel	WIRM	Pending Renewal	17/12/1999	8/09/2000	7/09/2022	210	210,000
E69/2201	Nebo Babel	WIRM	Active	23/02/2006	13/04/2007	12/04/2023	228	201,000
E69/2313	Nebo Babel	WIRM	Active	17/11/2006	13/12/2007	12/12/2023	66	70,000
E69/2749	WIRM	WIRM	Active	21/12/2009	18/02/2021	17/02/2026	90	30,000
E69/3156	WIRM	WIRM	Active	9/05/2013	22/08/2019	21/08/2024	3	10,000
E69/3157	WIRM	WIRM	Active	9/05/2013	22/08/2019	21/08/2024	33	30,000
E69/3163	Lightening Rock	WIRM	Active	9/05/2013	15/12/2014	14/12/2024	60	70,000
E69/3164	Lightening Rock	WIRM	Active	9/05/2013	14/05/2014	13/05/2024	15	50,000
E69/3165	Lightening Rock	WIRM	Active	9/05/2013	14/05/2014	13/05/2024	6	50,000
E69/3168	Lightening Rock	WIRM	Active	9/05/2013	14/05/2014	13/05/2024	3	20,000
E69/3169	Lightening Rock	WIRM	Active	9/05/2013	15/12/2014	14/12/2024	3	20,000
E69/3412	Fort Welcome	WIRM	Active	4/11/2015	1/11/2016	31/10/2026	132	52,000
E69/3490	WIRM	TRAK	Active	16/02/2017	18/02/2021	17/02/2026	600	200,000
E69/3535	Nebo Babel	WIRM	Active	19/10/2017	19/02/2019	18/02/2024	255	127,000
E69/3536	Nebo Babel	WIRM	Active	19/10/2017	1/03/2019	29/02/2024	384	192,000
E69/3569	WIRM	WIRM	Active	22/05/2018	10/09/2021	9/09/2026	549	182,000
E 69/4083	West Musgrave	OZEX	Application	1/09/2022	-	-	600	-
E 69/4084	West Musgrave	OZEX	Application	1/09/2022	-	-	600	-
E 69/4085	West Musgrave	OZEX	Application	7/09/2022	-	-	168	-
E 69/4086	West Musgrave	OZEX	Application	1/09/2022	-	-	375	-
E 69/4087	West Musgrave	OZEX	Application	1/09/2022	-	-	600	-
E 69/4088	West Musgrave	OZEX	Application	1/09/2022	-	-	600	-
E 69/4089	West Musgrave	OZEX	Application	1/09/2022	-	-	600	-

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Number	Name	Owner	Status	Application Date	Grant Date	Expiry Date	Area (km ²)	Annual Commitment (A\$)	
E 69/4090	West Musgrave	OZEX	Application	1/09/2022	-	-	-	39	-
E 69/4091	West Musgrave	OZEX	Application	1/09/2022	-	-	600	-	-
E 69/4092	West Musgrave	OZEX	Application	7/09/2022	-	-	540	-	-
E 69/4093	West Musgrave	OZEX	Application	1/09/2022	-	-	600	-	-
E 69/4094	West Musgrave	OZEX	Application	1/09/2022	-	-	600	-	-
E 69/4095	West Musgrave	OZEX	Application	1/09/2022	-	-	345	-	-
E 69/4096	West Musgrave	OZEX	Application	1/09/2022	-	-	93	-	-
E 69/4097	West Musgrave	OZEX	Application	7/09/2022	-	-	108	-	-
L69/56		OZMO	Application	20/12/2021	-	-	16.35	-	-
L69/44		OZMO	Active	9/11/2018	8/05/2019	7/05/2040	14.67	-	-
L69/42		OZMO	Active	9/11/2018	24/07/2019	23/07/2040	135.41	-	-
L69/57		OZMO	Application	20/12/2021	-	-	72.81	-	-

Notes:

- Area converted to km² at 3km² per graticular block
- WIRM: Wirraway Metals and Mining Pty Ltd
- TRAK: Traka Resources Limited
- OZEX: OZ Exploration Pty Ltd
- OZMO: OZ Minerals Musgrave Pty Ltd

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Carajas tenements

Number	Status	Grant Date	Expiry Date	Area (ha)
850.288/2014	Exploration License Extended	5/01/2022	28/12/2024	9,693.34
850.825/2005	Exploration License Extended	9/08/2021	27/09/2024	4,030.43
850.016/2013	Application for Exploration	-	-	1,184.64
850.823/2005	Final Report Presented	3/11/2017	-	8,906.53
850.552/2016	License Extension Requested	19/12/2016	-	6,546.29
850.113/2017	Antas - License Extension Requested	6/06/2017	-	2,009.29
850.952/2022	Application for Exploration	-	-	2,391.07
850.510/2009	Final Report Presented	17/01/2018	-	8,154.00
851.223/2011	Grota Verde - Exploration License Extended	18/02/2020	20/08/2024	9,000.00
850.118/1995	Exploitation Application	-	-	4,259.94
850.283/1999	Preparation for Exploitation Application	-	-	289.62
850.884/2018	Exploration License	14/03/2019	14/09/2023	4,988.62
850.922/2018	Exploration License	12/06/2019	13/12/2023	241.35
850.228/2016	Exploration License Extended	5/01/2022	45654	5,000.00
850.511/2016	Exploration License Extended	5/01/2022	45654	8,975.49
850.053/2014	Exploration License Extended	30/08/2022	45889	4,993.43
850.780/2012	Exploration License Extended	2/09/2022	45891	7,533.90
850.300/1993	Application for Exploration	-	-	10,000.00
850.181/2001	Application for Exploration	-	-	9,754.71
850.146/1995	Bid	-	-	4,980.00
300.420/2011	Bid	-	-	598.03
850.173/2002	Bid	-	-	9,992.61
850.278/2005	Final Report Presented	4/09/2014	-	1,040.13
851.067/2007	License Extension Requested	17/07/2015	-	9,859.17
850.145/1995	Exploration License Extended	24/09/2018	45012	5,024.30
854.951/1995	Bid	-	-	5,754.00
300.710/2014	Pedra Branca - Bid	-	-	3,195.07
850.892/2006	Exploration License Extended	8/03/2019	8/09/2023	7,358.83
853.714/1993	Mining Concession	9/09/2014	-	7,290.00
850.015/2013	Application for Exploration	-	-	4,346.80
853.004/1994	Bid	-	-	3,440.00
853.005/1994	Bid	-	-	3,112.00
850.777/1990	Exploitation License	-	-	9,671.00
850/318/2000	Mining Concession	30/09/2021	-	3,195.00
813.684/1969	Mining Concession	6/09/1974	-	98,910.42
851.711/2021	Exploration License	17/12/2021	1/12/2024	908.92

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CentroGold tenements

Tenement Number	Area (ha)	Tenement Grant Date	Tenement Expiry Date	Status of Currency
850.408/2018	7,088.06	20/05/2019	21/11/2023	Exploration License
806.254/2009	175.74	30/05/2019	30/11/2023	Exploration License Extended
806.205/2008	8,840.40	30/05/2019	30/11/2023	Exploration License Extended
806.023/1999	462.32	21/01/2020	23/07/2024	Exploration License Extended
806.053/2018	9,724.86	16/06/2021	18/09/2024	Exploration License
806.049/2018	9,876.41	16/06/2021	18/09/2024	Exploration License
806.050/2018	9,949.58	16/06/2021	18/09/2024	Exploration License
806.062/2019	9,520.49	16/06/2021	18/09/2024	Exploration License
806.109/2003	971.92	7/02/2022	1/02/2025	Final Report Submitted
850.061/2016	3,491.04	11/03/2022	1/03/2025	Exploration License Extended
850.650/2010	744.94	29/03/2022	20/03/2025	Exploration License Extended
850.651/2010	2,420.15	29/03/2022	20/03/2025	Exploration License Extended
850.652/2010	352.97	29/03/2022	20/03/2025	Exploration License Extended
850.864/2011	650.03	29/03/2022	20/03/2025	Exploration License Extended
806.056/2018	6,291.70	-	-	Application for Exploration
806.055/2018	8,551.00	-	-	Application for Exploration
806.052/2018	4,350.00	-	-	Application for Exploration
806.051/2018	8,705.61	-	-	Application for Exploration; denied; appeal
850.021/2012	325.91	-	-	Application for Exploration.
800.090/1985	3,996.96	-	-	Exploitation Application
800.180/1990	2,584.22	-	-	Exploitation Application
806.204/2004	18.35	-	-	Exploitation Application
806.241/2014	3,373.01	-	-	Exploration License
806.071/2001	5,291.16	-	-	Final Report Submitted
800.088/1985	10,000.00	-	-	Final Report Submitted
800.089/1985	6,389.17	-	-	Final Report Submitted
806.001/2015	2,372.15	-	-	License Extension Requested
806.308/2008	2,624.07	-	-	License Extension Requested
806.309/2008	2,806.10	-	-	License Extension Requested
806.091/2006	4,183.72	-	-	License Extension Requested
806.147/2003	2,235.38	-	-	License Extension Requested
850.950/2021	9701.70	16/11/2021	10/11/2024	Exploration License
850.956/2021	4910.15	29/11/2021	20/11/2024	Exploration License
850.953/2021	105.23	5/01/2022	28/12/2024	Exploration License
806.306/2008	5027.31	30/05/2019	30/11/2023	Exploration License Extended
806.364/2012	3151.59	-	-	License Extension Requested
850.270/2016	2676.64	-	-	License Extension Requested. Area to be reduced.
850.319/2016	5171.52	-	-	License Extension Requested. Area to be reduced.
806.362/2012	3304.37	-	-	License Extension Requested
850.272/2013	9791.28	-	-	License Extension Requested. Denied and appealed.
850.552/2015	544.98	-	-	Application for Exploration disputed.
806.320/2012	31.04	-	-	License Extension Requested
806.321/2012	25.11	-	-	License Extension Requested

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Tenement Number	Area (ha)	Tenement Grant Date	Tenement Expiry Date	Status of Currency
850.545/2004	9138.17	-	-	Bid
850.525/1990	9000.00	-	-	Bid
850.785/2012	9,26	-	-	Application for Exploration
806.363/2012	3330.52	-	-	Application for Exploration
856.082/1994	1216.99	-	-	License Extension Requested
851.196/2012	6480,78	-	-	Application for Exploration
806.319/2012	31.06	-	-	Application for Exploration

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Grant Samuel & Associates Pty Ltd

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Scheme of arrangement

OZ Minerals Limited

Each person registered as a holder of OZL Shares as at the Record Date

SYDNEY | MELBOURNE | PERTH

Appendix C Scheme of Arrangement

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Appendix C Scheme of Arrangement

Date: [•] 2023

This scheme of arrangement is made under section 411 of the Corporations Act.

Parties

- 1 **OZ Minerals Limited ACN 005 482 824** of 2 Hamra Drive, Adelaide Airport, South Australia 5950 (**OZL**)
- 2 Each OZL Shareholder registered as a holder of fully paid OZL Shares as at the Record Date (**Scheme Shareholders**)

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

A term or expression which is defined in the dictionary in Schedule 1 has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this Scheme.

2 Preliminary matters

2.1 OZL

- (a) OZL is an Australian public company limited by shares and OZL has been admitted to the official list of ASX.
- (b) As at the date of the Implementation Deed, 334,890,502 OZL Shares were on issue which are officially quoted for trading on ASX.

2.2 BHP

BHP is an Australian proprietary company limited by shares.

2.3 If Scheme becomes Effective

- (a) If this Scheme becomes Effective:
 - (i) in consideration of the transfer of the Scheme Shares to BHP, BHP must provide or procure the provision of the Scheme Consideration to OZL on behalf of the Scheme Shareholders in accordance with this Scheme and the Deed Poll; and
 - (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to BHP on the Implementation Date; and
 - (iii) OZL will enter the name of BHP in the Share Register in respect of all the Scheme Shares transferred to BHP in accordance with the terms of this Scheme.

- (b) OZL and BHP have entered into the Implementation Deed in respect of (among other things) the implementation of this Scheme.
- (c) This Scheme attributes certain actions to BHP but does not itself impose any obligations on BHP to perform those actions, as BHP is not a party to this Scheme. By executing the Deed Poll, BHP has agreed to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders subject to the terms and conditions of this Scheme.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will not become Effective until and unless the following conditions precedent are satisfied:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Implementation Deed by 8:00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll is terminated in accordance with its terms before 8:00am on the Second Court Date;
- (c) this Scheme is approved by the Court having made orders under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are accepted in writing by OZL and BHP (each acting reasonably);
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are accepted in writing by OZL and BHP (each acting reasonably) are satisfied or waived; and
- (e) the order of the Court made under section 411(4)(b) of the Corporations Act approving this Scheme becoming Effective, on or before the End Date.

3.2 Certificates

- (a) Each of OZL and BHP will provide a certificate (or such other evidence as the Court may require) to the Court at the Second Court Hearing confirming (in respect of matters within their knowledge) whether or not the conditions precedent in clauses 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived (but in the case of the condition precedent in clause 3.1(a) only in respect of those conditions in clause 3.1 of the Implementation Deed (other than the condition relating to Court approval of this Scheme) included for that party's benefit).
- (b) The certificates given by OZL and BHP under clause 3.2(a) constitute conclusive evidence that the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

3.3 End Date

Without limiting any rights under the Implementation Deed, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless BHP and OZL otherwise agree in writing (and if required, as approved by the Court).

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(e)) are satisfied, OZL must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as practicable and in any event before 5:00pm on the Business Day immediately following the day on which OZL receives an office copy of the court orders or such later date as OZL and BHP agree in writing.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective, on the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.1, 5.2(b) and 5.2(c), all of the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, must be transferred to BHP, without the need for any further act by any Scheme Shareholder (other than acts performed by OZL (or any directors, officers, or secretaries of OZL) as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (i) OZL, in its capacity as the attorney and agent of the Scheme Shareholders, duly completing and executing the Scheme Transfer on behalf of the Scheme Shareholders (as transferors), and delivering it to BHP; and
 - (ii) BHP duly executing the Scheme Transfer (as transferee), attending to the stamping of the Scheme Transfer (if required) and delivering it to OZL for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a), OZL must enter, or procure the entry of, the name of BHP in the Share Register in respect of all the Scheme Shares transferred to BHP in accordance with this Scheme.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to BHP of the Scheme Shares, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder, subject to the terms of this Scheme.

5.2 Provision of Scheme Consideration

- (a) BHP's obligation to provide the Scheme Consideration will be satisfied by BHP depositing (or procuring the deposit), in cleared funds an amount equal to the Aggregate Scheme Consideration (less the Withholding Amount as defined in paragraph (c) of this clause) into the Trust Account before 12 noon on the Business Day immediately before the Implementation Date (provided that any interest on the amount so deposited (less bank fees and other charges) (**Accrued Interest**) will accrue for the benefit of BHP), such amount to be held by OZL for the purposes of

Appendix C Scheme of Arrangement

paying the Scheme Consideration to Scheme Shareholders in accordance with clause 5.2(b).

- (b) Subject to BHP providing the Aggregate Scheme Consideration in accordance with clause 5.2(a), OZL must, on the Implementation Date and from the Trust Account, pay (or procure the payment to each Scheme Shareholder of) the proportion of the Aggregate Scheme Consideration attributable to that Scheme Shareholder based on the number of Scheme Shares held by that Scheme Shareholder as at the Record Date, which obligation will be satisfied by OZL:
- (i) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of the Registry to receive distribution payments from OZL by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount of the Aggregate Scheme Consideration in Australian currency by electronic means in accordance with that election; or
 - (ii) dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant amount of the Aggregate Scheme Consideration to the Scheme Shareholder by prepaid ordinary post (or, if the address of the Scheme Shareholder is outside Australia, by prepaid airmail post) to their Registered Address, such cheque being drawn in the name of the Scheme Shareholder (or, in the case of joint holders, in accordance with clause 5.3).
- (c) If BHP is required by section 260-5 or Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth), or section 255 of the *Income Tax Assessment Act 1936* (Cth), to pay to the Commissioner of Taxation (**Commissioner**) an amount in respect of the acquisition of Scheme Shares (the **Withholding Amount**), BHP is permitted to deduct the Withholding Amount from the Scheme Consideration otherwise payable in respect of those Scheme Shares and remit such amounts to the Commissioner. The aggregate sum payable shall not be increased to reflect the deduction of the Withholding Amount and the net sum payable to those Scheme Shareholders to whom the Withholding Amount relates to shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders.
- (d) If:
- (i) either:
 - (A) a Scheme Shareholder does not have a Registered Address; or
 - (B) OZL as the trustee for the Scheme Shareholders believes that a Scheme Shareholder is not known at the Scheme Shareholder's Registered Address,and no account has been notified in accordance with clause 5.2(b)(i) or a deposit into such an account is rejected or refunded; or
 - (ii) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.5(a),

OZL as the trustee for the Scheme Shareholders may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of OZL (**Separate Account**) to be held until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 2008* (Vic). To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 2008* (Vic).

Until such time as the amount is dealt with in accordance with the *Unclaimed Money Act 2008* (Vic), OZL must hold on trust the amount for the relevant Scheme Shareholder, but any interest or other benefit accruing from the amount will be to the benefit of BHP. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Shareholder when credited to the Separate Account or Trust Account (as applicable). OZL must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- (e) To the extent that there is a surplus in the amount held by OZL as the trustee for the Scheme Shareholders in the Trust Account, that surplus may be paid by OZL as the trustee for the Scheme Shareholders to BHP following the satisfaction of OZL's obligations as the trustee for the Scheme Shareholders under this clause 5.2.
- (f) OZL must pay any Accrued Interest to any account nominated by BHP following satisfaction of OZL's obligations under clause 5.2(b).

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Share Register as at the Record Date; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Share Register as at the Record Date.

5.4 Fractional entitlements and splitting

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.

5.5 Cancellation and re-issue of cheques

- (a) OZL may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to OZL; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to OZL (or the Registry) (which request may not be made until the date which is 5 Business Days after the Implementation Date), a cheque that was previously cancelled under clause 5.5(a) must be reissued.

5.6 Unclaimed monies

- (a) The *Unclaimed Money Act 2008* (Vic) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 2008* (Vic)).
- (b) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of BHP.

5.7 Orders of a court or Government Agency

If written notice is given to OZL (or the Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which sum would otherwise be payable to that Scheme Shareholder by OZL in accordance with this clause 5, then OZL will be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- (b) prevents OZL from making a payment to a particular Scheme Shareholder in accordance with clause 5.2(b), or such payment is otherwise prohibited by applicable law, OZL will be entitled to retain an amount, in Australian dollars, equal to the relevant amount until such time as payment in accordance with this clause 5 is permitted by that order or direction or otherwise by law,

and the payment or retention by OZL will constitute full discharge of OZL's obligations under clause 5.2(b) with respect to the amount so paid or retained until, in the case of clause 5.7(b), it is no longer required to be retained.

6 Dealings in OZL Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in OZL Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant OZL Shares at or before the Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Record Date at the place where the Share Register is kept,

and OZL must not accept for registration, nor recognise for any purpose (except a transfer to BHP pursuant to this Scheme and any subsequent transfer by BHP or its successors in title), any transfer or transmission application or other request received after the Record Date, or received prior to the Record Date but not in registrable or actionable form.

6.2 Register

OZL must register, or cause to be registered, registrable transmission applications or transfers of Scheme Shares in accordance with clause 6.1(b) at or before the Record Date, provided that nothing in this clause 6.2 requires OZL to register a transfer that would result in an OZL Shareholder holding a parcel of OZL Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).

6.3 No disposals after Record Date

If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this

Scheme, and any attempt to do so will have no legal effect and OZL will be entitled to disregard any such disposal, purported disposal or agreement.

6.4 Maintenance of Share Register

For the purpose of determining entitlements to the Scheme Consideration, OZL must maintain the Share Register in accordance with the provisions of this clause 6.4 until the Scheme Consideration has been paid to the Scheme Shareholders and BHP has been entered in the Share Register as the holder of all the Scheme Shares. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

6.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer of the Scheme Shares to BHP in accordance with this Scheme, all statements of holding or share certificates for Scheme Shares (other than statements of holding in favour of BHP or its successors in title) will cease to have effect after the Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries in respect of BHP or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the OZL Shares relating to that entry.

6.6 Details of Scheme Shareholders

As soon as practicable after the Record Date, and in any event within one Business Day after the Record Date, OZL will ensure that the details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder as shown in the Share Register as at the Record Date are available to BHP in the form BHP reasonably requires.

7 Quotation of OZL Shares

- (a) OZL will apply to ASX to suspend trading in OZL Shares with effect from the close of trading on the Effective Date.
- (b) OZL will apply:
 - (i) for termination of the official quotation of OZL Shares on the ASX; and
 - (ii) to have itself removed from the official list of ASX,in each case with effect on and from the close of trading on the trading day immediately following the Implementation Date, or such later date as may be:
 - (iii) requested by BHP, acting reasonably; and
 - (iv) permitted by ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) OZL may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which BHP has consented (such consent not to be unreasonably withheld or delayed); and
- (b) each Scheme Shareholder agrees to any such alterations or conditions to which counsel for OZL has consented.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (iii) agrees to, on the direction of BHP, destroy any share certificates relating to their Scheme Shares; and
 - (iv) acknowledges that this Scheme binds OZL and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting),
without the need for any further act by the Scheme Shareholder.
- (b) Each Scheme Shareholder is taken to have warranted to OZL and BHP, and appointed and authorised OZL as its attorney and agent to warrant to BHP, that:
 - (i) all of their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to BHP, be free from all:
 - (A) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (B) restrictions on transfer of any kind;
 - (ii) they have full power and capacity to transfer their Scheme Shares to BHP under the Scheme together with any rights and entitlements attaching to those Scheme Shares;
 - (iii) all of their Scheme Shares which are transferred to BHP under this Scheme will, on the date on which they are transferred to BHP, be fully paid; and
 - (iv) as at the Record Date, they have no existing right to be issued any other Scheme Shares, any other form of OZL Shares, options exercisable into OZL Shares, OZL convertible notes or any other OZL securities,
and OZL undertakes that it will provide such warranty to BHP as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to BHP, vest in BHP free from all:
 - (i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the

Personal Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise; and

- (ii) restrictions on transfer of any kind.
- (b) On the provision of the Scheme Consideration in the manner contemplated by clause 5, BHP will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by OZL of BHP in the Share Register as the holder of the Scheme Shares. BHP's entitlement to be registered in the Share Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.2.

8.4 Appointment of BHP as sole proxy

On the provision of the Scheme Consideration in the manner contemplated by clause 5 and until OZL registers BHP as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed BHP as attorney and agent (and directs BHP in each such capacity) to appoint any director, officer, secretary or agent nominated by BHP from time to time as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution whether in person, by proxy or by corporate representative;
- (b) must not attend or vote at any shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as BHP reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers conferred by clause 8.4(a), BHP and any director, officer, secretary or agent nominated by BHP under that clause may act in the best interests of BHP as the intended registered holder of the Scheme Shares.

8.5 Authority given to OZL

On and from the Effective Date, each Scheme Shareholder, without the need for any further act by the Scheme Shareholder, irrevocably appoints OZL and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purposes of:

- (a) enforcing the Deed Poll against BHP; and
- (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing the Scheme Transfer,

and OZL accepts such appointment. OZL, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or secretaries (jointly, severally or jointly and severally).

8.6 Binding effect of this Scheme

This Scheme binds OZL and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at

the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of OZL.

9 General

9.1 Stamp duty

BHP will:

- (a) pay all stamp duty (if any) and any related fines and penalties payable in respect of the Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with the Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each Scheme Shareholder consents to OZL doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it, whether on behalf of the Scheme Shareholders, OZL or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to OZL, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at OZL's registered office or at the office of the Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a OZL Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law and jurisdiction

- (a) This Scheme and any dispute arising out of or in connection with the subject matters of this document is governed by the laws in force in Victoria, Australia.
- (b) Each party irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of Victoria, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 9.4(b)(i).

9.5 Further action

OZL must do all things and execute all documents necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that none of OZL or BHP's respective directors, officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll when the relevant person has acted in good faith.

Schedule 1 Dictionary

1 Dictionary

Accrued Interest has the meaning given in clause 5.2(a).

Aggregate Scheme Consideration means the Scheme Consideration multiplied by the total number of Scheme Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it.

BHP means BHP Lonsdale Investments Pty Ltd (ACN 004 346 972).

Business Day has the meaning given in the official listing rules of ASX.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia (sitting in Melbourne) or such other court of competent jurisdiction under the Corporations Act as agreed in writing between OZL and BHP.

Deed Poll means the deed poll dated [•] 2023 under which, among other things, BHP covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means 31 August 2023 or such later date as OZL and BHP agree in writing.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel).

Implementation Date means the fifth Business Day after the Record Date or such other day as OZL and BHP agree in writing.

Implementation Deed means the scheme implementation deed dated 22 December 2022 between OZL and BHP relating to, among other things, the implementation of the Scheme.

Notice has the meaning given in the Implementation Deed.

Appendix C Scheme of Arrangement

OZL means OZ Minerals Limited ACN 005 482 824.

OZL Share means a fully paid ordinary share in the capital of OZL.

OZL Shareholder means each person who is registered in the Share Register as a holder of OZL Shares.

Record Date means 7:00pm on the fourth Business Day after the Effective Date of the Scheme, or such other time and date as OZL and BHP agree in writing and ASX may allow.

Registered Address means, in relation to a Scheme Shareholder, the address shown in the Share Register as at the Record Date.

Registry means Link Market Services Limited.

Scheme means this scheme of arrangement between OZL and Scheme Shareholders under which all of the Scheme Shares will be transferred to BHP under Part 5.1 of the Corporations Act, in consideration for the Scheme Consideration, subject to any alterations or conditions that are:

- (a) agreed to in writing by OZL and BHP, and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by OZL and BHP.

Scheme Consideration means, in respect of each Scheme Share, \$28.25 subject to, and as adjusted in accordance with, clause 5.1(g) of the Implementation Deed (if applicable).

Scheme Meeting means the meeting of OZL Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Share means an OZL Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means an OZL Shareholder recorded in the Share Register as at the Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving this Scheme is heard (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **Second Court Hearing**.

Separate Account has the meaning given in clause 5.2(c).

Share Register means the register of OZL Shareholders maintained in accordance with the Corporations Act.

Trust Account means an Australian dollar denominated trust account which is operated by OZL as trustee for the Scheme Shareholders.

2 Interpretation

In this Scheme, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this Scheme.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words 'include', 'including', 'such as', 'for example' and similar expressions are not words of limitation and do not limit what else might be included.
- (f) A reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this Scheme (as applicable);
 - (vi) this Scheme includes all schedules to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement (other than this Scheme) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
 - (ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and
 - (x) a monetary amount is in Australian dollars.
- (g) An agreement on the part of two or more persons binds them jointly and severally.
- (h) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.
- (i) In determining the time of day where relevant to this Scheme, the time of day is:
 - (xi) for the purposes of giving or receiving Notice, the time of day where the party receiving Notice is located; or
 - (xii) for any other purpose under this Scheme, the time of day in the place where the party required to perform an obligation is located.
- (j) No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it.



EXECUTION VERSION

Deed poll

BHP Lonsdale Investments Pty Ltd

In favour of each person registered as a holder of OZL Shares as at the Record Date

SYDNEY | MELBOURNE | PERTH

Appendix D Deed Poll

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Date: 27 February 2023

Parties

BHP Lonsdale Investments Pty Ltd ACN 004 346 972 of Level 18, 171 Collins Street, Melbourne, Victoria 3000 (**BHP**)

In favour of each person registered as a holder of OZL Shares as at the Record Date (**Scheme Shareholders**)

Background

- A OZL and BHP have entered into the Implementation Deed, under which:
- (i) OZL and BHP have agreed to implement the Scheme;
 - (ii) the effect of the Scheme will be that all Scheme Shares will be transferred to BHP; and
 - (iii) BHP has agreed to:
 - (A) enter into this deed poll; and
 - (B) pay or procure the provision of the Scheme Consideration to each Scheme Shareholder, in accordance with the Scheme.
- B BHP is entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to undertake the actions attributed to BHP under the Scheme.
-

1 Defined terms and interpretation

1.1 Defined terms

Unless the context otherwise requires:

- (a) **Implementation Deed** means the scheme implementation deed dated 22 December 2022 between OZL and BHP relating to (among other things) the implementation of the Scheme; and
- (b) terms defined in the Implementation Deed have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 2 of Schedule 1 of the Implementation Deed applies to the interpretation of this deed poll, except that references to 'this deed' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

BHP acknowledges and agrees that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with the terms of this deed poll even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints OZL and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against BHP.

2 Conditions

2.1 Conditions

This deed poll and the obligations of BHP under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

This deed poll and the obligations of BHP under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective by the End Date or any later date as the Court, with the consent of BHP and OZL may order,

unless OZL and BHP otherwise agree in writing.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2:

- (a) BHP is released from its obligations to further perform this deed poll, except those obligations under clause 6.1; and
- (b) in addition and without prejudice to any other rights, powers or remedies available to the Scheme Shareholders, each Scheme Shareholder retains the rights they have against BHP in respect of any breach of this deed poll which occurred before it was terminated.

3 BHP undertakings

Subject to clause 2, BHP undertakes in favour of each Scheme Shareholder to:

- (a) deposit or procure the deposit of the Aggregate Scheme Consideration in cleared funds into a trust account operated by OZL as trustee for the Scheme Shareholders before 12 noon on the Business Day immediately before the Implementation Date (it being noted that, in accordance with the Scheme, any interest on the amount so deposited, less bank fees and other charges, will accrue for the benefit of BHP); and
- (b) provide or procure the provision of the Scheme Consideration in accordance with the terms of the Scheme; and
- (c) undertake or procure the undertaking of all other actions attributed to it under the Scheme, as if named as a party to the Scheme,

in each case subject to and in accordance with the terms and conditions of the Scheme.

4 Warranties

BHP represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the legal right and full corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance by it of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets (or any event under any law which is analogous to, or which has a substantially similar effect to, any of the events referred to in this paragraph);
- (e) this deed poll is valid and binding on it and is enforceable against it in accordance with the terms of this deed poll; and
- (f) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) BHP has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

6 General

6.1 Stamp duty

BHP must:

- (a) pay all stamp duty (if any) and any related fines and penalties payable on or in connection with the transfer by the Scheme Shareholders of the Scheme Shares to BHP pursuant to the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 6.1(a).

6.2 Notices

- (a) Any notice or other communication to BHP in connection with this deed poll must be:
 - (i) in legible writing in English;
 - (ii) signed by the person making the communication or that person's duly authorised agent; and
 - (iii) given by hand delivery, pre-paid post or email in accordance with the details set out below:

BHP

Attention: Brendan Green and Stefanie Wilkinson

Address: Level 18, 171 Collins Street, Melbourne, Victoria 3000, Australia

Email: brendan.green@bhp.com and Stefanie.Wilkinson@bhp.com

with a copy (for information purposes only) to peter.stirling@au.kwm.com.

- (b) Subject to clause 6.2(c), any notice or other communication given in accordance with clause 6.2(a) will be taken to have been received as follows:
 - (i) if delivered by hand, on delivery;
 - (ii) if sent by pre-paid post, 2 Business Days after posting (or 5 Business Days after posting if sent from one country to another) ; and
 - (iii) if sent by email:
 - (A) when the sender receives an email from the recipient confirming receipt of the email; or
 - (B) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,whichever happens first.
- (c) Any notice or other communication that, pursuant to clause 6.2(b), would be deemed to be given:
 - (i) before 9:00am on a Business Day, it will be taken to be received at 9:00am on that Business Day; or
 - (ii) after 5:00pm on a Business Day or on a non-Business Day, it will be taken to be received at 9:00am on the next Business Day,where references to time are to time in the place the recipient is located.

6.3 Cumulative rights

The rights, powers and remedies of BHP and each Scheme Shareholder under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

6.4 Waiver

- (a) A party waives a right under this deed poll only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of:
 - (i) any right, power or remedy provided by law or under this deed poll; or
 - (ii) any right, power, authority, discretion or remedy created or arising upon default under this deed poll,by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

6.5 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by OZL in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by OZL in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event BHP must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.6 Governing law and jurisdiction

- (a) This deed poll is governed by the laws in force in Victoria, Australia.
- (b) BHP irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of Victoria, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to the Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.6(b)(i).

6.7 Assignment

- (a) The rights created by this deed poll are personal to BHP and each Scheme Shareholder, and must not be dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 6.7(a) is invalid.

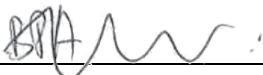
6.8 Further action

BHP must, at its own expense, promptly do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

Execution page

Executed as a deed.

Signed sealed and delivered by **BHP Lonsdale Investments Pty Ltd** by:

	
Signature of director	Signature of director /secretary
Bradford Smith	Angeli Gayfer
Name of director (print)	Name of director /secretary (print)



Hybrid Scheme Meeting Online Guide

Before you begin

Ensure your browser is compatible.
Check your current browser by going to
the website: **whatismybrowser.com**

Supported browsers are:

- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer – 11 and up
- Microsoft Edge – 92.0 and after

**To attend and vote you must have your
securityholder number and postcode.**

Appointed Proxy: Your proxy number will
be provided by Link before the meeting.

**Please make sure you have this
information before proceeding.**

Corporate Markets

Hybrid Scheme Meeting Online Guide

Step 1

Open your web browser and go to <https://meetings.linkgroup.com/ozlscheme23>

Step 2

Log in to the portal using your full name, mobile number, email address, and participant type.

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Meeting'** button.

- On the left – a live webcast of the Meeting starts automatically once the meeting has commenced. If the webcast does not start automatically please press the play button and ensure the audio on your computer or device is turned on.
- On the right – the presentation slides that will be addressed during the Meeting
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and a list of company documents to download

Note: If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

This will bring up a box which looks like this.

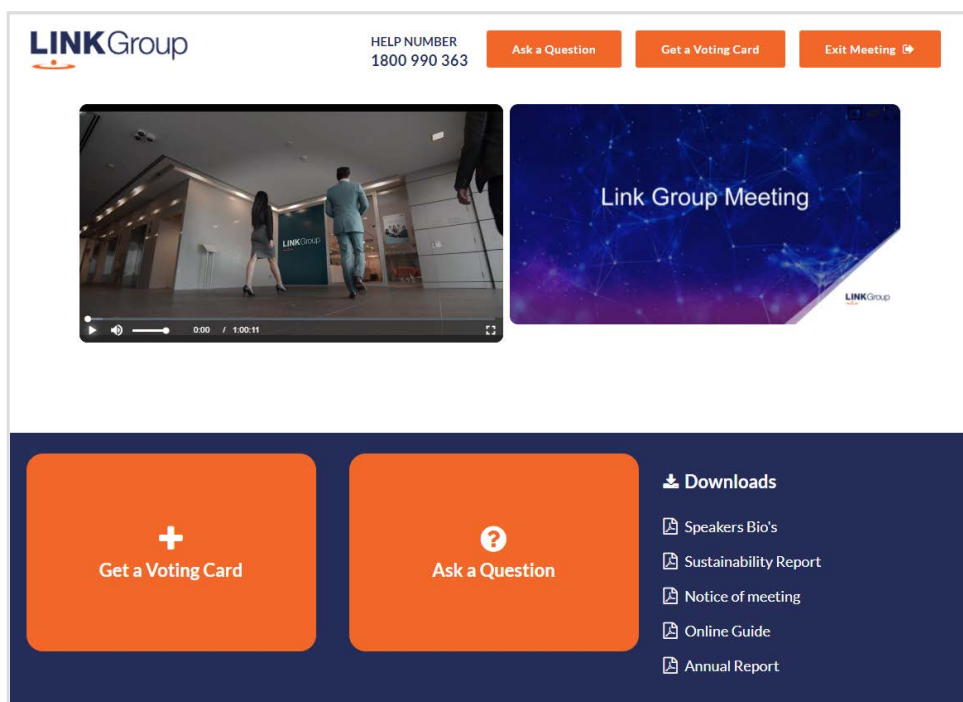
If you are an individual or joint securityholder you will need to register and provide validation by entering your securityholder number and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with all of the resolutions to be voted on by securityholders at the Meeting (as set out in the Notice of Meeting). You may need to use the scroll bar on the right hand side of the voting card to view all resolutions.

Securityholders and proxies can either submit a Full Vote or Partial Vote.

Appendix E Hybrid Scheme Meeting Online Guide



Full Votes

To submit a full vote on a resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

Partial Votes

To submit a partial vote on a resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes (for any or all) resolution/s. The total amount of votes that you are entitled to vote for will be listed under each resolution. When you enter the number of votes it will automatically tally how many votes you have left.

Note: If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolutions scroll down to the bottom of the box and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

Note: You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time. Please make any changes and submit your voting cards.

Once voting has been closed all submitted voting cards cannot be changed.

Hybrid Scheme Meeting Online Guide

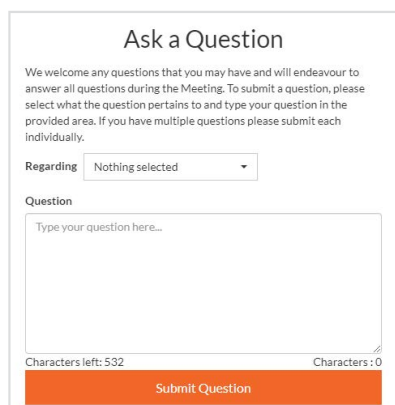
continued

2. How to ask a question

Note: Only verified Securityholders, Proxyholders and Company Representatives are eligible to ask questions.

If you have yet to obtain a voting card, you will prompted to enter your securityholder number or proxy details before you can ask a question. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

The **'Ask a Question'** box will then pop up with two sections for completion.



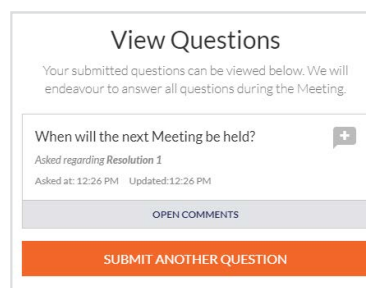
In the **'Regarding'** section click on the drop down arrow and select the category/resolution for your question.

Click in the **'Question'** section and type your question and click on 'Submit'.

A **'View Questions'** box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to exercise your right of reply, you can submit another question.

Note that not all questions are guaranteed to be answered during the Meeting, but we will do our best to address your concerns.



3. Downloads

View relevant documentation in the Downloads section.

4. Voting closing

Voting will end 5 minutes after the close of the Meeting.

At the conclusion of the Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising the remaining voting time. If you have not submitted your vote, you should do so now.

Appendix E Hybrid Scheme Meeting Online Guide

5. Phone Participation

What you will need

- a) Land line or mobile phone
- b) The name and securityholder number of your holding/s
- c) To obtain your unique PIN, please contact Link Market Services on +61 1800 990 363

Joining the Meeting via Phone

Step 1

From your land line or mobile device,
call: +61 1800 798 110 (Within Australia)
+61 2 7201 7093 (International)

Step 2

You will be greeted with a welcome message and provided with instructions on how to participate in the Meeting. Please listen to the instructions carefully.

At the end of the welcome message you will be asked to provide your PIN by the moderator. This will verify you as a securityholder and allow you to ask a question on the resolutions at the Meeting.

Step 3

Once the moderator has verified your details you will be placed into a waiting room where you will hear music playing.

Note: If your holding cannot be verified by the moderator, you will attend the Meeting as a visitor and will not be able to ask a question.

Step 4

At the commencement of the Meeting, you will be admitted to the Meeting where you will be able to listen to proceedings.

Asking a Question

Step 1

When the Chairman calls for questions or comments on each item of business, **press *1** on your keypad for the item of business that your questions or comments relates to. If at any time you no longer wish to ask a question or make a comment, you can lower your hand by **pressing *2** on your keypad.

Step 2

When it is time to ask your question or make your comment, the moderator will introduce you to the meeting. Your line will be unmuted and you will be prompted to speak. If you have also joined the Meeting online, please mute your laptop, desktop, tablet or mobile device before you speak to avoid technical difficulties for you and other shareholders.

Step 3

Your line will be muted once your question or comment has been asked / responded to.

Contact us

Australia

T +61 1800 990 363

E info@linkmarketservices.com.au

Corporate Directory

OZ Minerals Limited (ACN 005 482 824)

2 Hamra Drive, Adelaide Airport, South Australia 5950

Telephone: +61 8 8229 6600

Facsimile: +61 8 8229 6601

OZ Minerals Directors

Rebecca McGrath – Chairman

Andrew Cole – Managing Director

Tonianne Dwyer – Non-Executive Director

Peter Wasow – Non-Executive Director

Charlie Sartain – Non-Executive Director

Richard Seville – Non-Executive Director

Sarah Ryan – Non-Executive Director

Registry

Link Market Services Ltd

Tower 4, Collins Square, Level 10,

727 Collins St, Melbourne, Victoria 3000

Financial Advisers

Macquarie Capital

Level 32, 80 Collins Street

Melbourne, Victoria 3000

Greenhill & Co

Level 30, 101 Collins Street

Melbourne, Victoria 3000

Legal Adviser

Gilbert + Tobin

Level 25, 101 Collins Street

Melbourne, Victoria 3000

Independent Expert

Grant Samuel & Associates Pty Ltd

Level 19 Governor Macquarie Tower

1 Farrer Place, Sydney, New South Wales 2000

OZ Minerals Shareholder Information Line

1300 306 089 (within Australia)

+61 1300 306 089 (outside Australia)

8.30am to 7.30pm (Melbourne time)

Monday to Friday (excluding public holidays)

