



# 2017 Fourth Quarter Report Presentation

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17 JANUARY 2018



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All figures are expressed in Australian dollars unless stated otherwise.

This presentation should be read in conjunction with the Quarterly Report released today.

# Compliance Statements

## Prominent Hill Production Targets Cautionary Statement

Production Targets for the Prominent Hill Underground only are based on:

Proved Ore Reserve 44%  
Probable Ore Reserve 47%  
Measured Mineral Resource 1%  
Indicated Mineral Resource 3%  
Inferred Mineral Resource 5%

Production Targets for the entire Prominent Hill asset are based on:

Proved Ore Reserve 47%  
Probable Ore Reserve 45%  
Measured Mineral Resource 1%  
Indicated Mineral Resource 2%  
Inferred Mineral Resource 5%

The modifying factors used in the estimation of the Ore Reserve were also applied to the Mineral Resources in the generation of the production target. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production targets will be realised.

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

## Prominent Hill Resources and Reserves

The information on Prominent Hill Mineral Resources and Ore Reserves in this presentation is extracted from the document entitled "Prominent Hill 2017 Mineral Resource and Ore Reserve Statement and Explanatory Notes" which is annexed to the ASX Release entitled "Prominent Hill underground Reserve growth continues, mine life extended to 2029" released on 21 November 2017 and available at [www.ozminerals.com/media/asx](http://www.ozminerals.com/media/asx). 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 or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

# Compliance Statements

## **Carrapateena Production Targets Cautionary Statement**

Production targets for Carrapateena are based on:

Probable Ore Reserves:	94%
Inferred Mineral Resources:	6%

There is a low level of geological confidence associated with Inferred Mineral Resources. There is no certainty that further exploration work and studies will result in the determination of Inferred Mineral Resources or that the production targets will be realised.

The Ore Reserve and Mineral Resource estimates underpinning the production targets were prepared by a Competent Person in accordance with the JORC Code 2012. The material assumptions used in the estimation of the production targets and associated financial information referred to in this presentation can be found in the Carrapateena Feasibility Study Update released on 24 August 2017, the Restated 2016 Carrapateena Mineral Resource Statement as at 18 November 2016 released on 9 December 2016, and the Carrapateena Ore Reserve Statement as at 4 August 2017 released on 24 August 2017.

## **Carrapateena Resources and Reserves**

The information on the 134 Mt Carrapateena Mineral Resource in this presentation is extracted from the document entitled "Carrapateena Project Mineral Resource Statement and Explanatory Notes as at 18 November 2016" released on 9 December 2016 and available at [www.ozminerals.com/media/asx](http://www.ozminerals.com/media/asx). 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.

The information on Carrapateena Ore Reserves in this presentation is extracted from the document entitled "Carrapateena Project Ore Reserve Statement and Explanatory Notes as at 4 August 2017" released on 24 August 2017 and available at [www.ozminerals.com/media/asx](http://www.ozminerals.com/media/asx). 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.



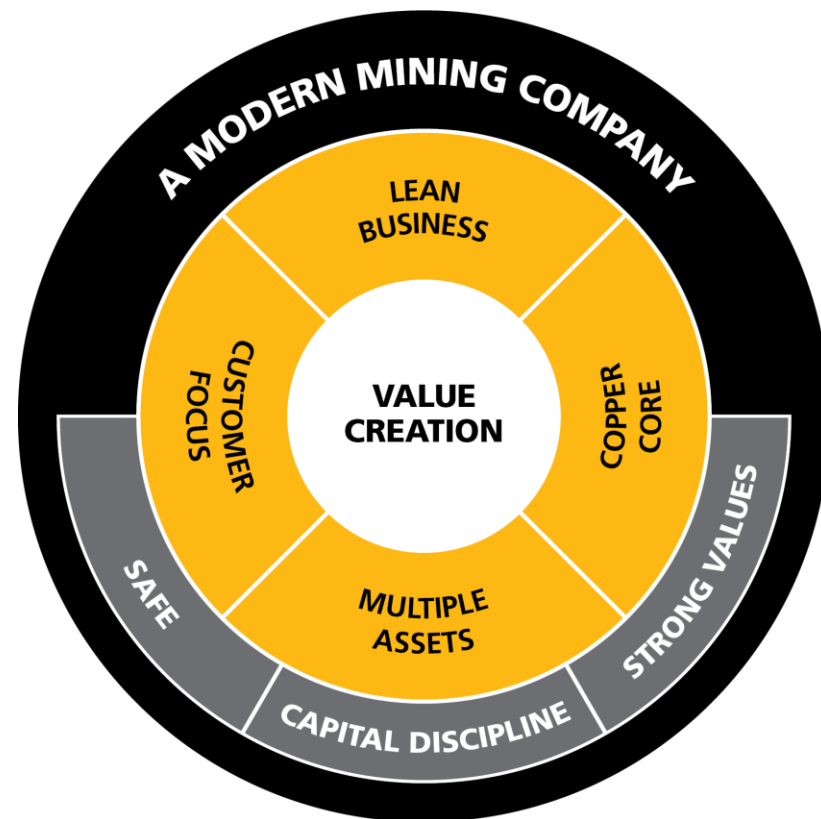
# Delivering on our growth strategy

## How we will work

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

## What we will focus on

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



# Company Snapshot

Operations, projects and a growing pipeline of opportunities

PROMINENT HILL	CARRAPATEENA	WEST MUSGRAVE	GROWTH GAWLER CRATON	GROWTH PIPELINE
<b>OPERATING MINE</b>  <b>OP AND UG MINING</b>  <b>STRONG CASH GENERATION</b>  <b>BOTTOM QUARTILE COSTS</b>  <b>ROM STOCK UNWIND 2018-2023</b>  <b>RESOURCE TO RESERVE CONVERSION</b>  <b>LONG LIFE</b>	<b>MINE IN CONSTRUCTION</b>  <b>LOW RISK JURISDICTION</b>  <b>20 YEAR UG MINE LIFE</b>  <b>BOTTOM QUARTILE COSTS</b>  <b>RAPID PAYBACK</b>  <b>EXPANSION OPTIONALITY</b>	<b>PROJECT IN PRE-FEASIBILITY STUDY</b>  <b>ESTABLISHED RESOURCE</b>  <b>OPEN PITTABLE</b>  <b>LOW STRIP RATIO</b>  <b>REGIONAL EXPLORATION OPPORTUNITIES</b>	<b>KHAMSIN</b>  <b>FREMANTLE DOCTOR</b>  <del><b>INTERCEPT HILL</b></del>  <div><b>PUNT HILL</b></div>  <b>MOUNT WOODS</b>	<b>ELOISE</b>  <b>COOMPANA</b>  <b>ALVITO (PORTUGAL)</b>  <b>OAXACA (MEXICO)</b>  <b>M &amp; A</b>
<b>STRATEGIC OPERATIONAL PROJECTS: 1. CONCENTRATE TREATMENT PLANT 2. POWER</b>				

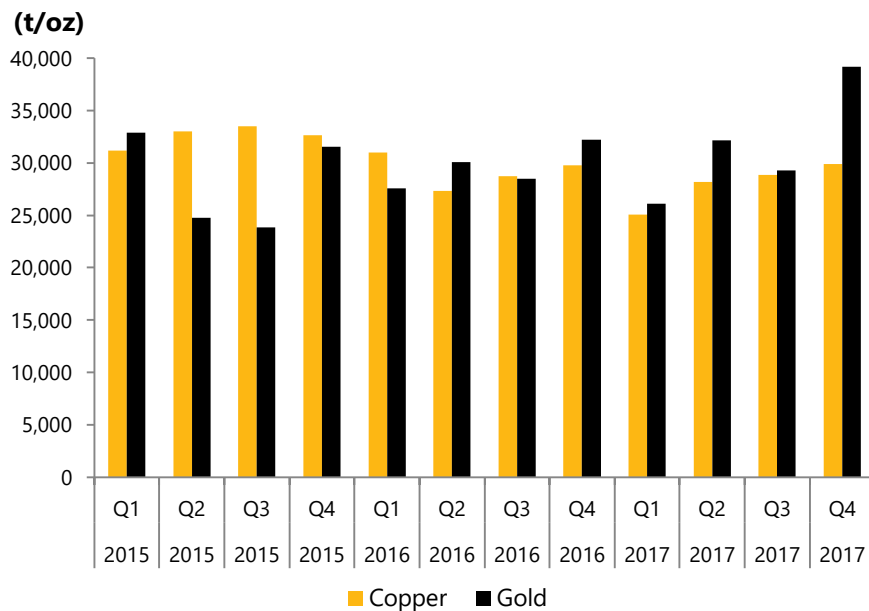
# Summary

ITEM	Q3	Q4	FY 2017
Contained Copper produced (t)	28,880	29,886	112,008
Contained Gold produced (oz)	29,264	39,178	126,713
All-In Sustaining Cost US c/lb	136	96	120
C1 cost US c/lb	91	63	83

● Favourable to annual guidance

● Unfavourable to annual guidance

## CONTAINED COPPER AND GOLD PRODUCED



## 2017 GUIDANCE ACHIEVED OR EXCEEDED

- / Copper guidance achieved for third consecutive year
- / Gold guidance exceeded for 2017 and up 34% on prior quarter
- / 2017 AISC of US 120 c/lb and C1 cost of US 83 c/lb at bottom of guidance range
- / Unaudited 2017 net revenue circa \$1,020 million with gold representing circa 20 per cent
- / Cash lifts to \$729 million (unaudited) from \$639 million in prior quarter after investment into Carrapateena (\$69 million) and ore inventory (\$11 million)
- / Prominent Hill mine life extended to 2029 following 18% growth in underground Ore Reserve
- / Carrapateena construction progressing on schedule and budget
- / West Musgrave in Pre-Feasibility Study with upside opportunities identified

## UPCOMING ACTIVITY

- / 2018 and 2019 copper production guidance lifted
- / Expected activity during Q1 2018:
  - / Carrapateena Mining Lease approval
  - / Carrapateena construction ramp-up
  - / Power strategy update
  - / PH open pit closure
  - / Drilling: Khamsin, Fremantle Doctor, Alvito, Eloise

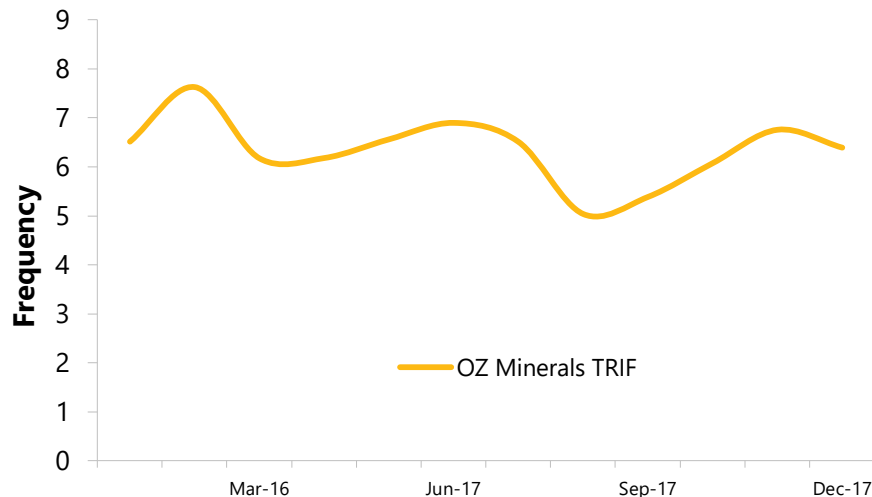


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# Social Performance

## SAFETY

- / Q4 TRIF at 6.39; a 19% increase on Q3 (5.39)
- / Rise in TRIF driven by an increased number of low severity sprain / strain injuries during the quarter
- / Increased utilisation of bio-mechanical assessments in the workplace to identify risk factors
- / Safety programs at Prominent Hill through 2017 saw a 41% drop in asset level TRIF, primarily through improved underground operations



## OUR PEOPLE

- / New appointments for Carrapateena project, further building sub-level caving experience
- / Commencement of senior leadership roles
  - / CFO Warrick Ranson and CCO Mark Irwin

## EXTERNAL STAKEHOLDERS

- / Ongoing financial supporter of the Royal Flying Doctor Service (RFDS) in 2017
- / Continued engagement with local communities and businesses where OZ Minerals operate:
  - / Pastoralists, traditional owners and local businesses contracted for Carrapateena fencing, earthworks, village commissioning and water carting services
  - / Kokatha Mining Services Water truck in operation
  - / Key participant in Kokatha-led Employment Stakeholders Group
  - / Partnering Management Committee established and meeting quarterly
  - / Continued use of ICN portal, connecting local suppliers to Carrapateena's supply chain and providing access to Lead Contractor EOIs

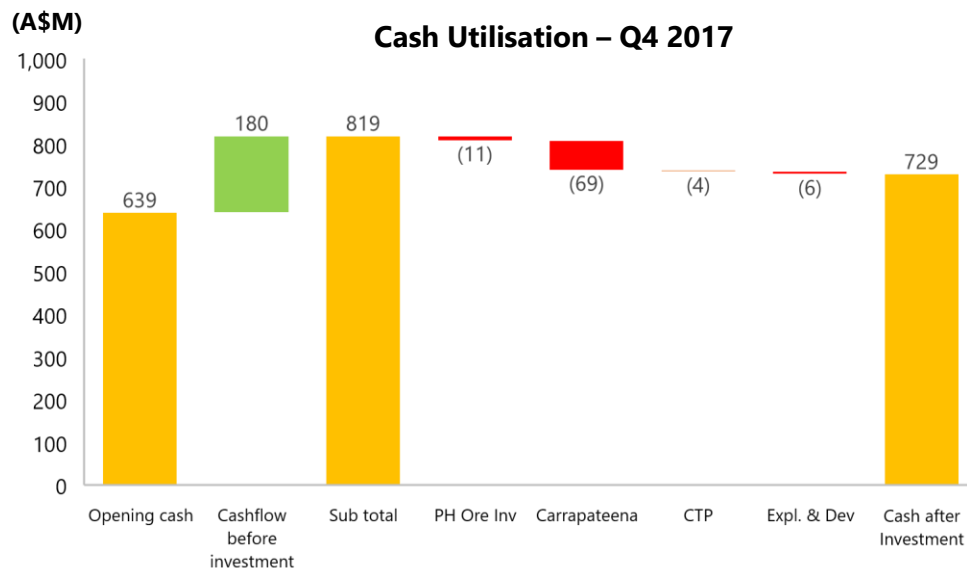


# Cash Generation

## WORKING CAPITAL MOVEMENTS - QUARTER

A\$M	Sep 17*	Dec 17*	Change
Trade receivables	127	122	(5)
Concentrate (at cost)**	55	51	(4)
Trade payables	(75)	(94)	(19)
Ore inventory**	633	676	43
<b>Working Capital</b>	<b>740</b>	<b>755</b>	<b>15</b>
<b>Cash balance</b>	<b>639</b>	<b>729</b>	<b>90</b>

\* Balances unaudited \*\* Includes non-cash depreciation and NRV adjustment



## CASH GROWTH FOLLOWING INVESTMENT

- 2017 unaudited net revenue circa \$1,020 million with gold representing circa 20%
- Cash balance of \$729 million (unaudited) at 31 December with no debt
- Trade payables higher in December due to Carrapateena construction activity
- Q4 Carrapateena project cash investment of \$69 million (plus \$15 million in payables)
- Q4 Prominent Hill ore inventory cash investment of \$11 million (plus \$32 million non-cash)
- Gold hedge increased by 12 koz in Q4 bringing total hedge (commencing Q3 2018) to 267 koz at an average price of A\$1,736/oz

## UPCOMING ACTIVITY

- Ramp up in capital expenditure at Carrapateena
- Open pit mining to cease after Q1 2018:
  - Stockpile processing will maintain plant at full capacity to mid-2023 with open pit related costs already incurred

# Prominent Hill

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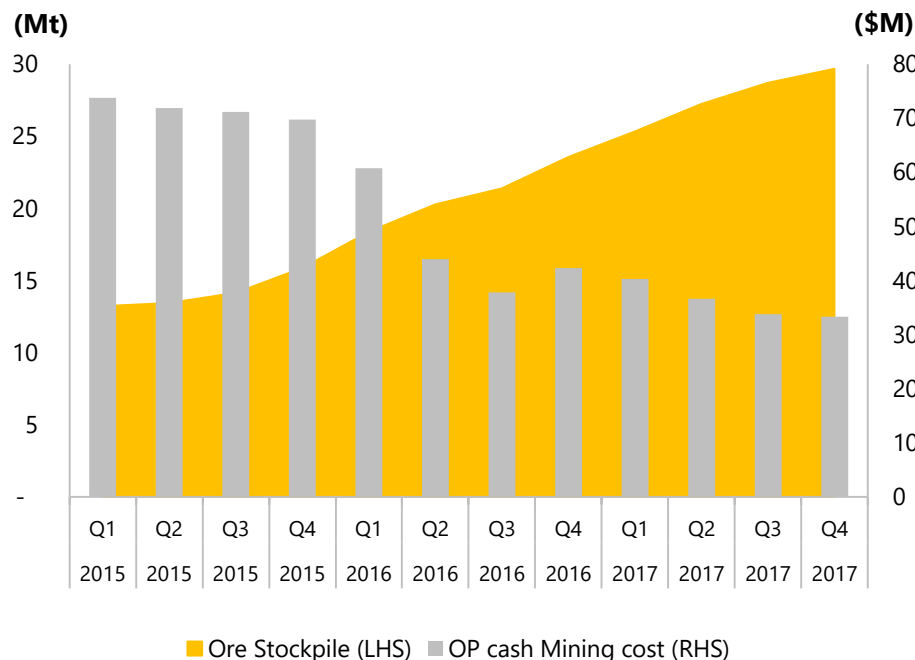


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# Open Pit Performance

ITEM	Q3	Q4
Open Pit ore mined (Mt)	3.3	2.9
Open Pit waste mined (Mt)	1.2	1.0

## OP CASH MINING COST vs. ORE STOCKPILED



## OPEN PIT PERFORMANCE

- Top end of total material movement guidance achieved
- 2017 open pit unit mining cost of \$7.16 within lowered guidance range of \$7.00 - \$7.25 on accelerated mine plan
- Progressive mine rehabilitation continues:
  - North Dump rock armouring 100% complete
  - South Dump rock armouring 97% complete
- Demobilisation activity continues with equipment removal from site during the quarter:
  - 1 x 996 excavator and 7 x 793 trucks

## UPCOMING ACTIVITY

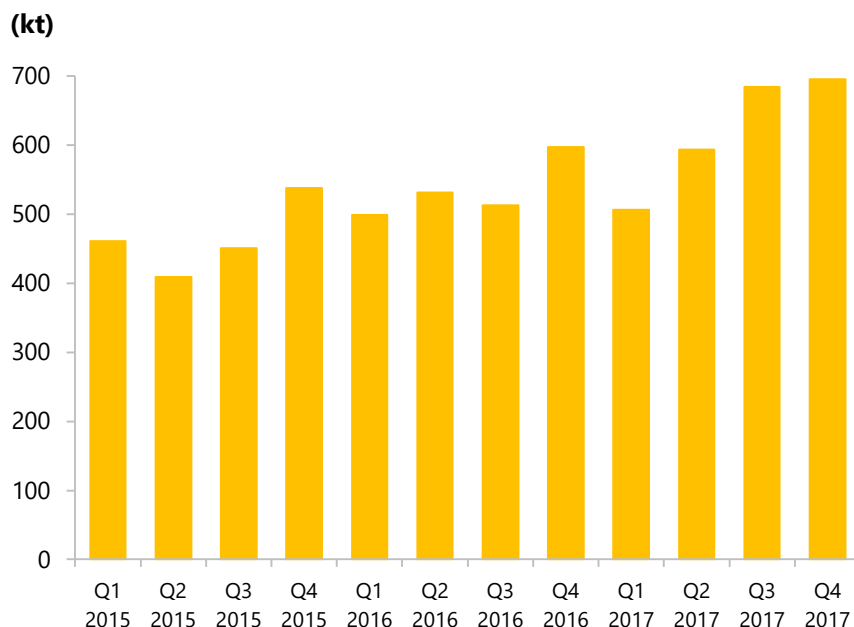
- Final pit production and set-up for post OP mining activity:
  - Dewatering
  - Underground haulage access
  - Closure activities

# Underground Performance

ITEM	Q3		Q4	
Underground ore mined (kt)	<div><div></div></div>	684	<div><div></div></div>	695

● Favourable to annual guidance    ● Unfavourable to annual guidance

## UNDERGROUND ORE HAULED



## UNDERGROUND PERFORMANCE

- / Underground mine contributed 695kt of ore at 1.86% copper
- / Production and unit cost guidance achieved
- / Record ore tonnes hauled in Q4 with ramp-up on track for 3.5 – 4.0Mt<sup>1</sup> production in 2019
- / Malu pump station commissioning underway
- / Planning / design / execution for 3<sup>rd</sup> and 4<sup>th</sup> access declines into bottom of pit underway:
  - / Limited development required (~330m and ~315m each)
  - / Enables 3<sup>rd</sup> independently ventilated and accessible mining area

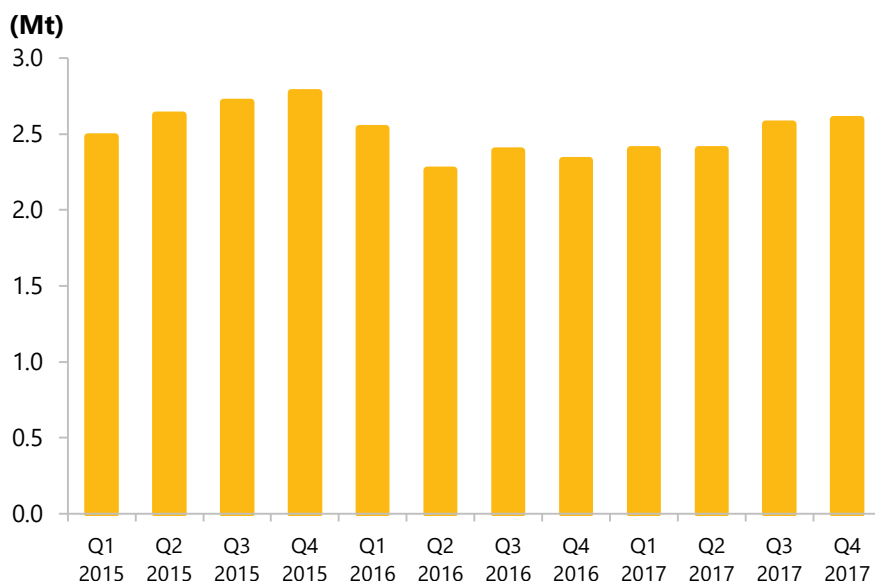
## UPCOMING ACTIVITY

- / 3<sup>rd</sup> access decline construction underway with completion due in April, immediately post pit closure
- / Stockpile run-of-mine and production ore rehandle contract tender process and execution

# Processing Plant Performance

ITEM	Q3	Q4
Ore milled (Mt)	2.6	2.6
Copper recovery (%)	88	88
Gold recovery (%)	69	75

## MILL THROUGHPUT



## CONCENTRATOR PERFORMANCE

- / Copper metal in concentrate guidance achieved, gold metal in concentrate guidance exceeded
- / Tonnes milled for the quarter in-line with Q3 despite two separate production interruptions (~37 hours) due to planned ElectraNet transmission network maintenance
- / High Q4 gold production driven by higher feed grade and recovery
  - / ~5% of feed was high grade gold ore in Q4
- / Operational improvements undertaken in H2 enabled increased runtime at maximum plant throughput
- / Record annual plant availability and equal record plant utilisation achieved in 2017
- / TSF lift completed on time and under budget

## UPCOMING ACTIVITY

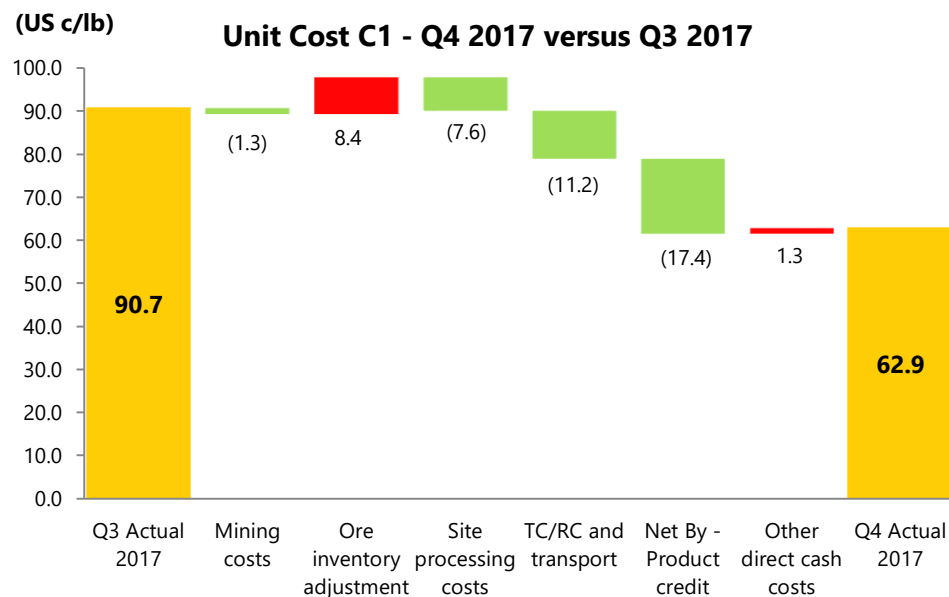
- / Processing plant technology vision and roadmap development

# Cost Performance

ITEM		Q3	Q4	FY 2017
All-In Sustaining Cost US c/lb	●	136	96	120
C1 costs US c/lb	●	91	63	83
Open Pit unit costs \$/t	●	7.45	8.41	7.16
Underground unit costs \$/t	●	45	49	53

● Favourable to annual guidance    ● Unfavourable to annual guidance

## C1 COST ANALYSIS



## COST PERFORMANCE

- / Q4 All-In Sustaining Cost of US 95.8c/lb
- / Q4 C1 costs of US 62.9c/lb
- / Q4 C1 cost lower due to higher by-product credits (more gold produced) and lower TC/RC and Transport costs in the quarter
- / Q4 AISC lower with less capitalised underground development and lower capital expenditure
- / Q4 open pit unit mining costs of \$8.41/t higher than Q3 as volumes continue to decrease with upcoming open pit closure
- / Q4 underground operating unit costs of \$49/t higher than Q3 with less capital development and more stope filling completed

## UPCOMING ACTIVITY

- / Open pit unit mining costs expected to be elevated in Q1 2018 with finalisation of mining activity



# Carrapateena

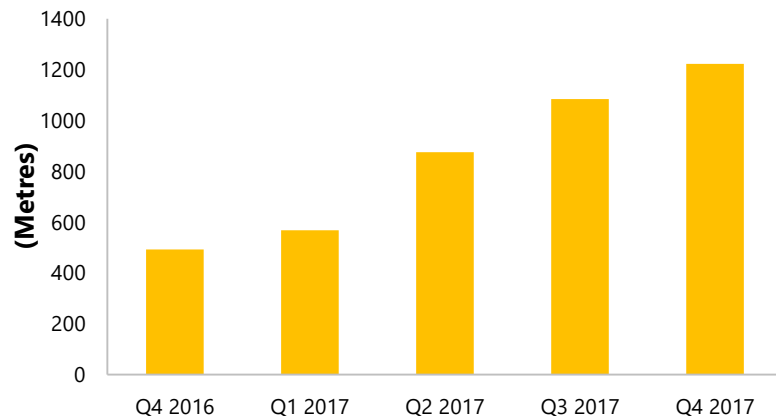
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# Underground Development

## QUARTERLY DECLINE ADVANCE



## TJATI DECLINE



## PROGRESS DURING QUARTER

- / Continued improvement in development rates since inception:
  - / Increased focus on cycle times and eliminating variance and downtime
  - / Increased availability of critical equipment
  - / Full time on-site management coverage
  - / Increasing personnel on site
  - / Improved underground ventilation
- / All planned geotechnical drilling for future ventilation shafts completed
- / Total decline development on track at 4,240 metres (2,037 metres to face of Tjati decline); vertical depth 289 metres
- / All key underground milestones progressing to plan

## UPCOMING ACTIVITY

- / Mining Lease approval process continues with grant expected in Q1 2018
- / Underground contract tender for phase two of development and operations ongoing

# Infrastructure Development

## VILLAGE SITE PREPARATION



## WATER EXPLORATION



## PROGRESS DURING QUARTER

- / Construction contracts for airstrip, process plant and non-process infrastructure executed, representing 40% of capital spend locked-in to lump sum contracts
- / Airstrip construction commenced in December
- / Stage one of Tjungu village installation progressing with arrival of all phase one units to site and installation underway
- / Accommodation village and airstrip construction on track for completion in Q2 2018
- / Further near mine water drilling in Radial Wellfield completed as planned

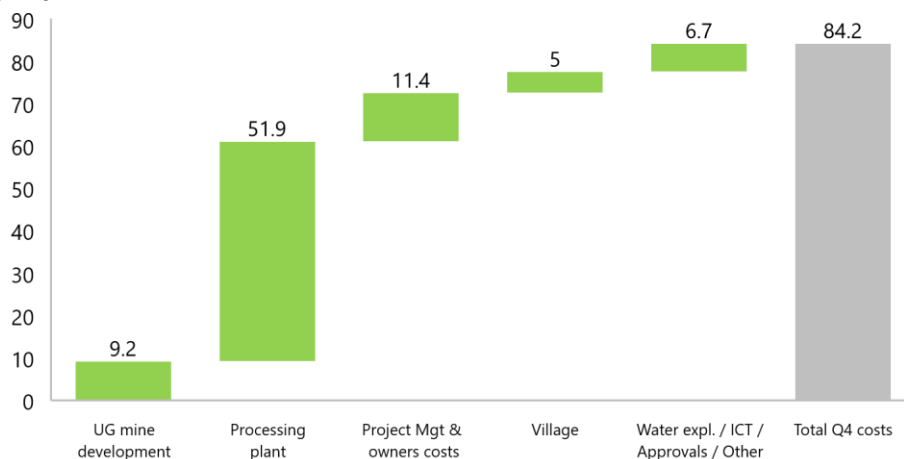
## UPCOMING ACTIVITY

- / Stage one of the Tjungu village to be commissioned late February
- / Radial (near mine) Wellfield to be commissioned
- / Improvements to the South Gap / Pernatty Road accessing site

# Cost Performance

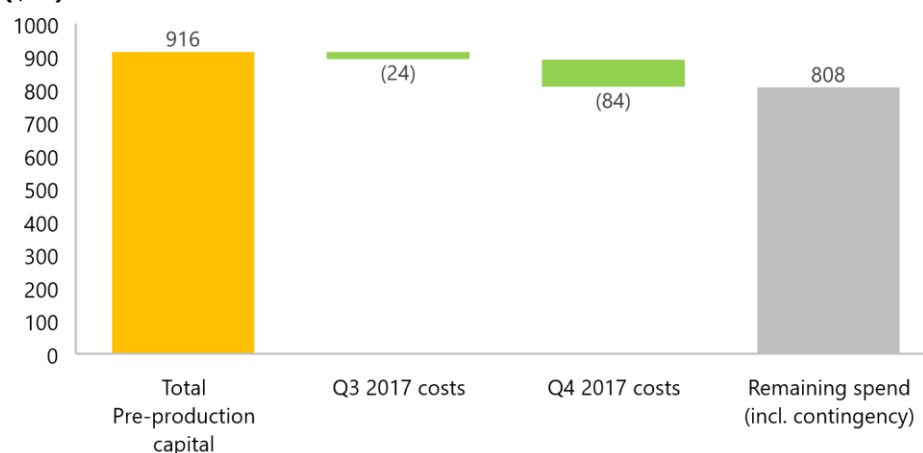
## Q4 PRE-PRODUCTION CAPITAL EXPENDITURE

(\$M)



## TOTAL PRE-PRODUCTION CAPITAL EXPENDITURE

(\$M)



## COSTS INCURRED DURING QUARTER

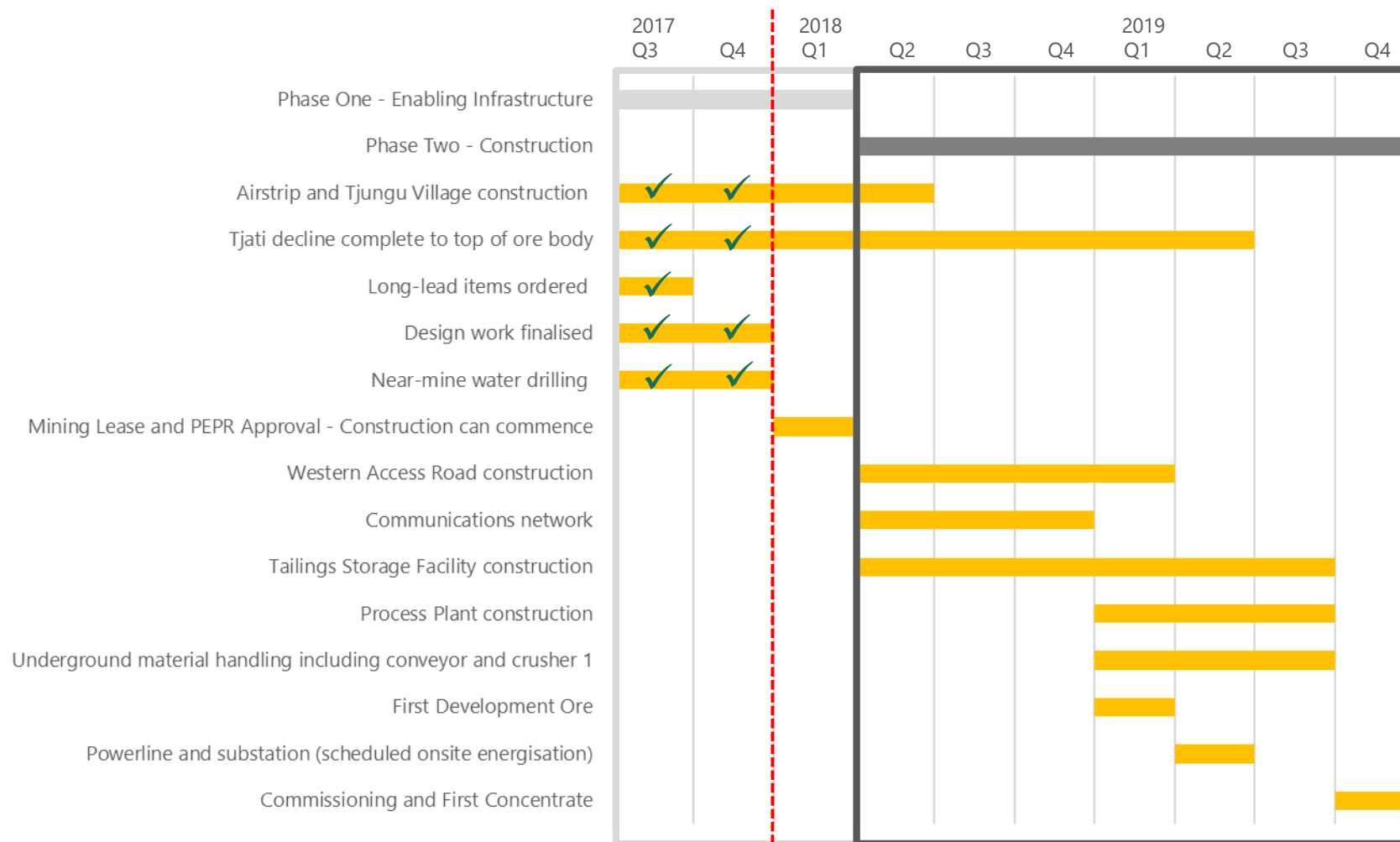
- / Phase one of the project has continued on time and budget
- / \$84 million investment into Carrapateena during the quarter
  - / \$9.2 million – Underground mine development
  - / \$51.9 million – Processing plant
  - / \$11.4 million – Project management and owners costs
  - / \$5.0 million – Village
  - / \$6.7 million – Water exploration / ICT / Approvals / Other
- / \$69 million cash spend during Q4

## UPCOMING ACTIVITY

- / Continuation of village and airstrip construction
- / Continuation of underground development
- / Long lead item procurement for processing plant
- / Continuation of Northern Wellfield water exploration

# Project Schedule

## Two phases



Proceeding to schedule / completed



Behind schedule

# West Musgrave

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# West Musgrave Pre-Feasibility Study

## LOCATION MAP



## NEBO LANDSCAPE



## PREFEASIBILITY STUDY UNDERWAY

- / Project investment of \$20-\$30 million guided for 2018 will reach 51% earn-in to the project for OZ Minerals
- / Scoping study demonstrated investable base case for Nebo-Babel with significant upside potential
- / PFS to focus on:
  - / Improving metallurgical recoveries
  - / Lower cost non-process infrastructure
  - / Resource conversion to extend mine life within current pre-production capital profile
- / OZ Minerals to manage Pre-Feasibility Study
- / Exploration to focus on regional potential including One Tree Hill prospect and Succoth copper deposit

## UPCOMING ACTIVITY

- / Tender process for circa 35km of diamond and RC drilling and metallurgical test work
- / Stakeholder engagement on PFS activities
- / Nebo-Babel camp upgrade
- / Field activities to commence in Q2

# Strategic Projects

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# Strategic Projects Update

## CTP PILOT PLANT



## CONCENTRATE TREATMENT PLANT

- / Successful pilot plant campaign completed in December
- / Engineering consultants confirmed for final study phase
- / Trade-off studies complete: Port Augusta location selected to progress studies through 2018
- / 2018 CTP related spend guided up to \$12 million
- / Key focus on improving capital and operating costs
- / Final investment decision by end 2018

## POWER STRATEGY

- / Power strategy assessing a range of long-term alternate supply options for OZ Minerals assets
- / Solutions will ensure security of power supply, reduction in line losses and enable mine plan execution at Prominent Hill and expansion optionality at Carrapateena
- / Market update to be provided in Q1 2018

# Exploration and Growth

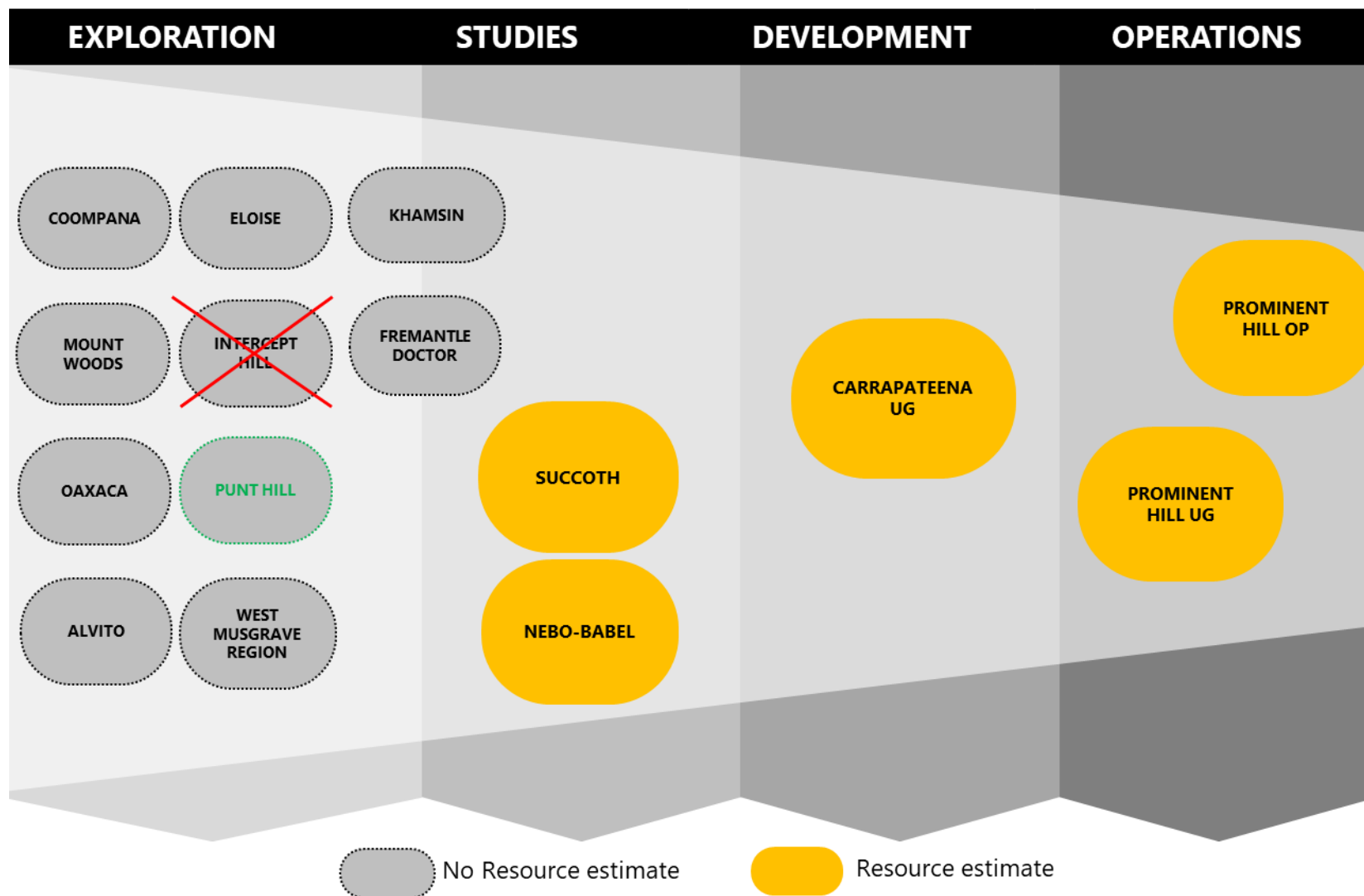
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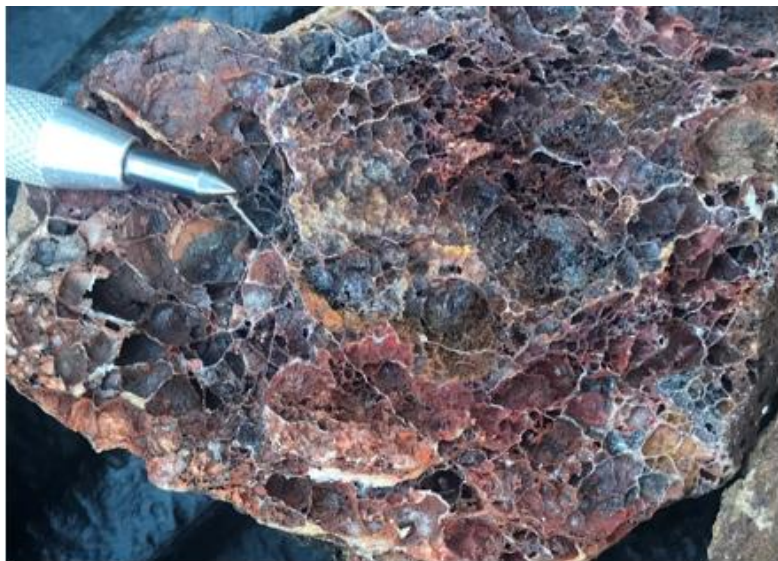
# Exploration

Pipeline continues to evolve





# Oaxaca Project



## OVERVIEW

- / Targeting Copper / Zinc VHMS systems with Acapulco Gold
- / Salina Cruz port, Oaxaca, Southern Mexico
- / OZ Minerals can earn up to 78% by spending US\$6.8 million over six years

## PROGRESS TO DATE

- / Community granted access at Zaachila enabling groundwork to commence
- / Mapping and geochemical sampling at Riqueza Marina and Zaachila
- / Riqueza Marina gossan significantly extended; surface expression now exceeds 300m in strike length
- / Surface copper mineralisation discovered during reconnaissance mapping at Zaachila

## UPCOMING ACTIVITY

- / Land access, geological mapping and geochemical sampling to continue
- / EIA and drill permitting



# Alvito Project



## OVERVIEW

- / Exploring for IOCG mineralisation with Avrupa Minerals
- / 60km southeast of Lisbon, Portugal
- / OZ Minerals can earn up to 75% by spending A\$4 million over 2.5 years
- / Strong mining culture and supportive community with easily accessible terrain for exploration activities
- / On ground activities to be undertaken by Avrupa Minerals with oversight by OZ Minerals

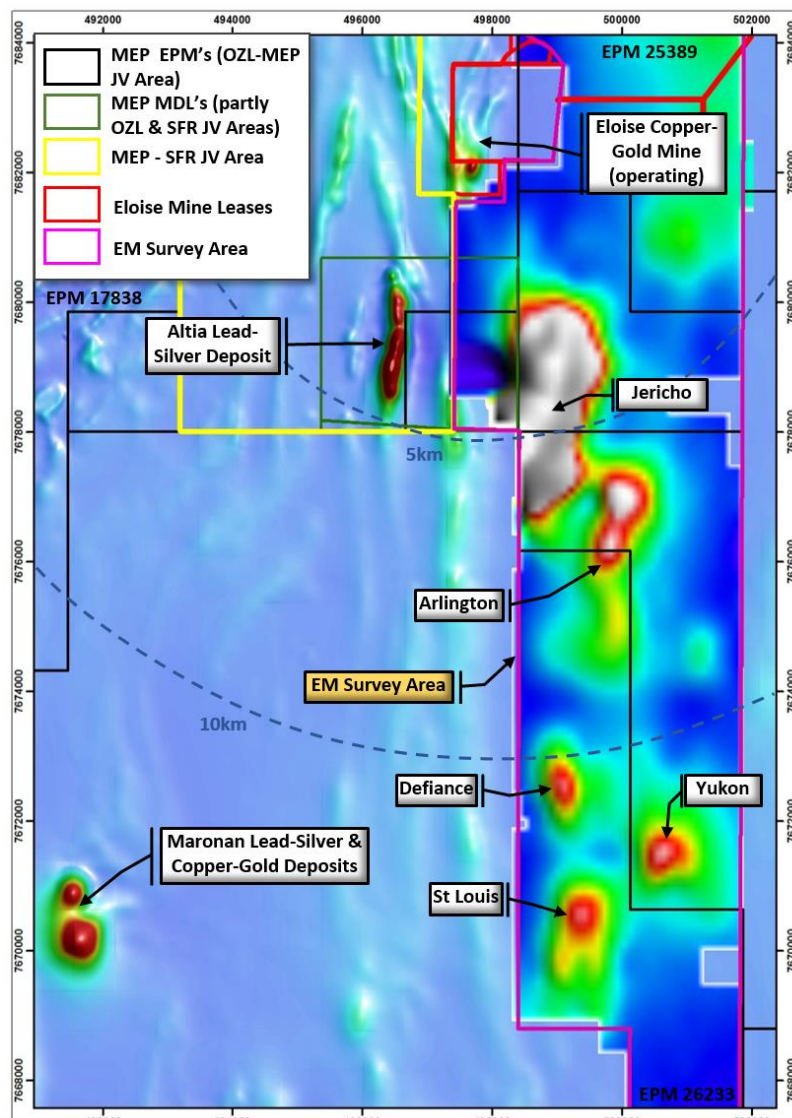
## PROGRESS TO DATE

- / 19<sup>th</sup> century mine workings discovered with vein and breccia hosted chalcopyrite sulphide mineralisation
- / Target scale mapping and geological interpretation completed
- / Land access for drilling priority targets secured

## UPCOMING ACTIVITY

- / Geological mapping, data compilation and integration, target generation and land access
- / Targets to be drilled in Q1 / Q2 2018

# Eloise Project



## OVERVIEW

- Targeting Eloise style massive sulphides with Minotaur Exploration
- 60km southeast of Cloncurry, Queensland
- OZ Minerals can earn up to 70% by spending \$10 million over six years

## PROGRESS TO DATE

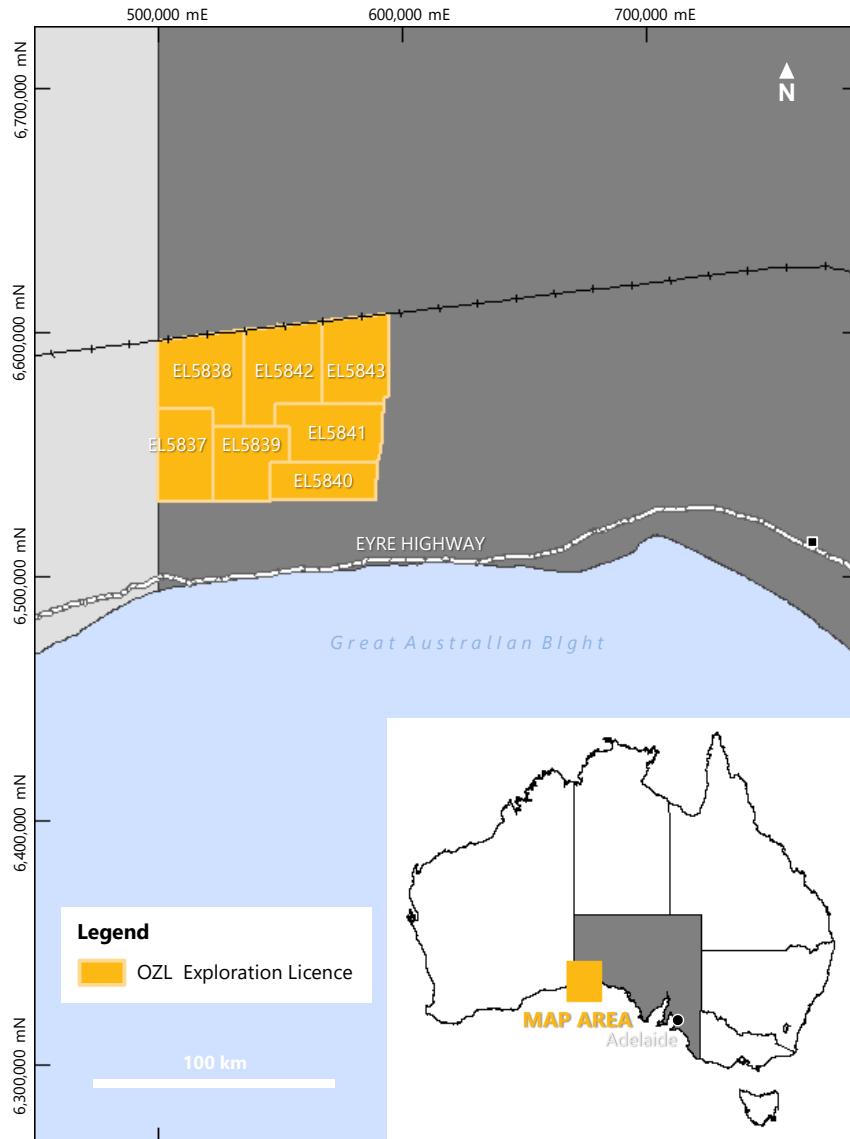
- Eight holes completed on the Jericho target, with all holes intersecting copper
- Conductors J1 and J2 host copper / gold mineralisation with the best results including<sup>1</sup>:
  - EL17D06 27m @ 2.42% copper and 0.71g/t gold from 435m including 6m @ 4.23% Cu and 0.42 g/t Au from 440m, and 9m @ 3.83% Cu and 1.73g/t Au from 453m

## UPCOMING ACTIVITY

- Data compilation and interpretation
- Drilling expected to recommence after wet season (Q1 / Q2 2018)

<sup>1</sup> This information is extracted from the announcement by Minotaur Exploration Limited titled "High grade copper-gold confirmed at 'Jericho', Eloise JV, Cloncurry" released on 3 November 2017 and is available at [www.minotaurexploration.com.au/investor-information/asxannouncements](http://www.minotaurexploration.com.au/investor-information/asxannouncements). OZ Minerals is not aware of any new information or data that materially affects the information included in that announcement. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

# Coompana Project



## OVERVIEW

- / Targeting nickel – copper magmatic sulphides with Mithril Resources
- / Coompana, far south west of South Australia
- / OZ Minerals to dilute to 80% if Mithril elect to co-fund drilling program

## PROGRESS TO DATE

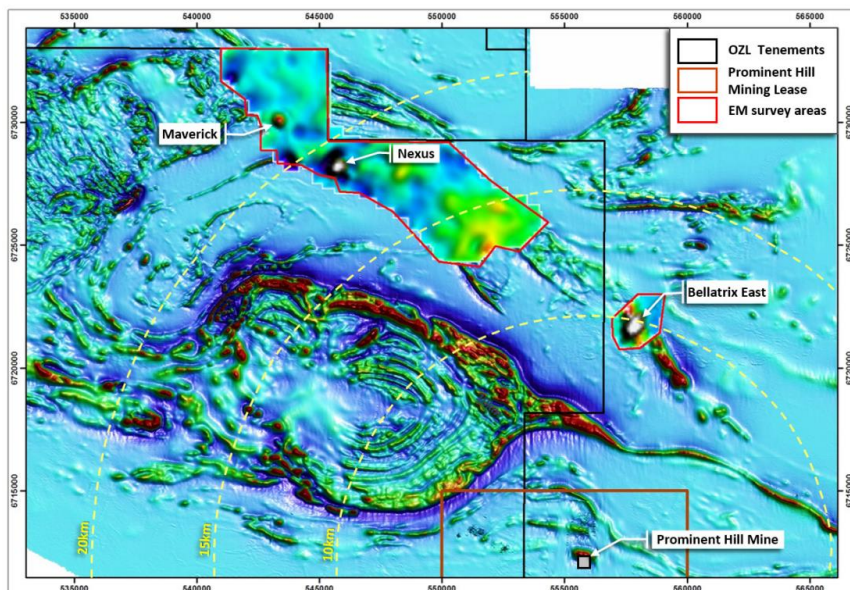
- / State government funded geophysical programs
- / DSD sponsored gravity survey complete
- / Geological Survey of South Australia (GSSA) and Geoscience Australia (GA) scientific drilling underway

## UPCOMING ACTIVITY

- / Technical data compilation
- / Meeting with Far West Aboriginal Corporation to commence land access negotiations



# Mt Woods Project



## OVERVIEW

- / ISCG and IOCG exploration with Minotaur
- / Mount Woods Inlier, host of Prominent Hill
- / Alliance formed by co-funding drilling programs on mutually agreed targets

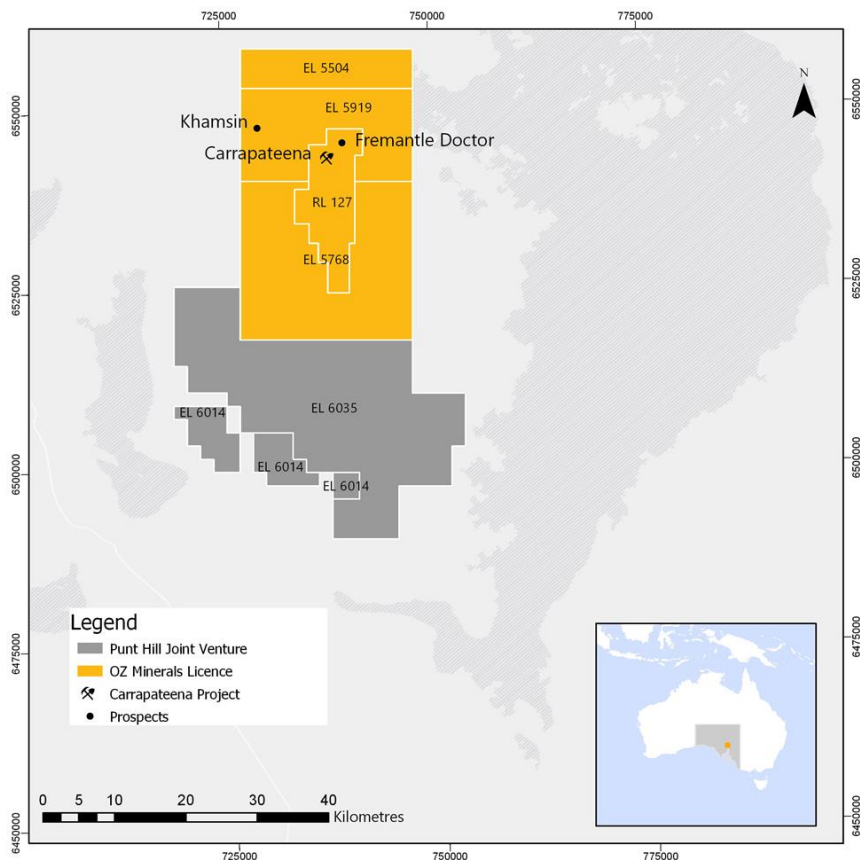
## PROGRESS TO DATE

- / Four EM targets drilled during the quarter:
- / Maverick: 35m interval of chalcopyrite mineralisation associated with pyrrhotite and magnetite alteration was intersected. This is interpreted to represent a skarn body
- / Nexus / Bellatrix East / Bellatrix East: drilling intersected mostly graphite bearing rocks with minor copper sulphides

## UPCOMING ACTIVITY

- / Data compilation and interpretation

# Punt Hill



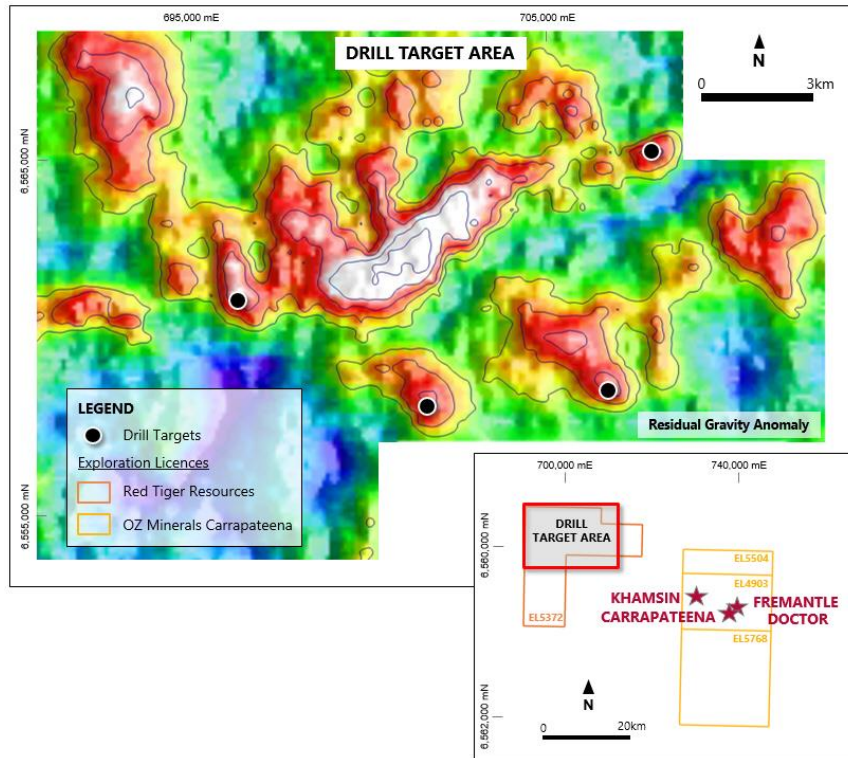
## OVERVIEW

- / Targeting IOCG mineralisation with Red Metal Limited
- / Located on the Stuart Shelf in the Gawler Craton, approximately 50km South of Carrapateena
- / OZ Minerals can earn 51% by spending \$4 million over 18 months
- / OZ Minerals can increase its ownership by a further 19% by spending \$6 million over 24 months
- / Subject to local level agreements being finalised, OZ Minerals will fund 6,000 metres of drilling to test six targets, estimated to cost \$2.4 million

## UPCOMING ACTIVITY

- / Land access discussions underway during H1 2018
- / Drilling expected in H2 2018

# Intercept Hill Project



## OVERVIEW

- / Targeting Iron Oxide Copper Gold (IOCG) mineralisation with Red Tiger Resources
- / 30km north-west of Carrapateena
- / OZ Minerals can earn up to 75% by spending \$9 million

## PROGRESS TO DATE

- / Four holes completed and no significant mineralisation returned
- / OZ Minerals withdrew from the agreement in Q4 2017



# Guidance

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# Guidance

Guidance	2018	2019
<b>PROMINENT HILL:</b>		
Copper production <sup>1</sup>	100,000 – 110,000 tonnes	95,000 – 105,000 tonnes
Gold production <sup>1</sup>	120,000 – 130,000 ounces	100,000 – 110,000 ounces
Underground ore movement	2.8 – 3.1Mt	3.5 – 4.0Mt
Underground unit mining costs <sup>2</sup>	A\$45 – A\$55/tonne	
Underground capital expenditure	A\$50 – A\$60 million (inc. development)	
Growth capital expenditure	A\$20 – A\$25 million	
Site sustaining capital expenditure	A\$10 – A\$20 million	
All-in sustaining cost <sup>3</sup>	US 120c – US 130c/lb	
C1 costs <sup>3,4</sup>	US 75c – US 85c/lb	
<b>OTHER:</b>		
Carrapateena construction capital	Circa A\$500 million	
West Musgrave PFS (including exploration)	A\$20 – A\$30 million	
Carrapateena province expansion	A\$8 – A\$10 million	
Concentrate Treatment Plant studies	Up to A\$12 million	
Exploration	A\$10 – A\$15 million	

<sup>1</sup> These production targets must be read in conjunction with the production cautionary statement on slide 3

<sup>2</sup> Underground Unit Mining Costs include geology costs and exclude underground capital expenditure

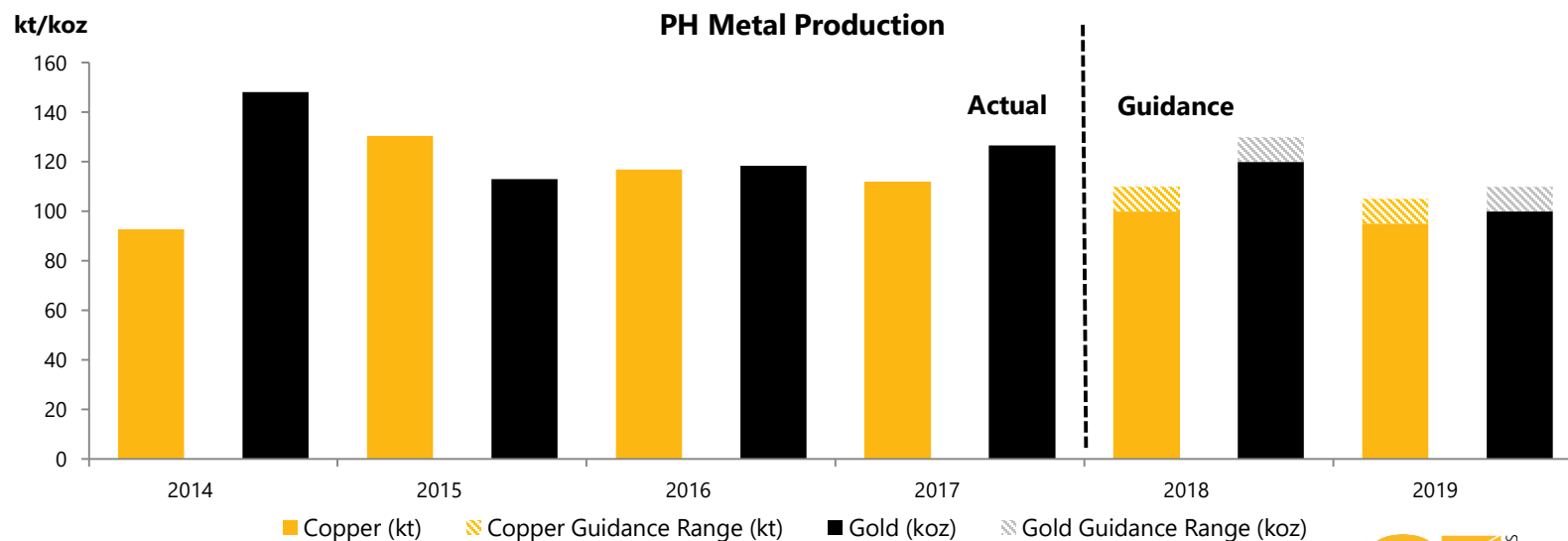
<sup>3</sup> AUD/USD of 0.76 has been used in converting A\$ costs to US\$ for C1 and AISC guidance

<sup>4</sup> From 2018, C1 costs have been calculated to align with the Wood Mackenzie methodology, which excludes inventory movements

# PH Metal Production\*

PROMINENT HILL GUIDANCE	2018	2019
<b>Copper production – NEW</b>	100,000 - 110,000 TONNES	95,000 - 105,000 TONNES
Copper production – OLD	90,000 - 100,000 TONNES	90,000 - 100,000 TONNES
<b>Gold production– NEW</b>	120,000 - 130,000 OUNCES	100,000 - 110,000 OUNCES
Gold production - OLD	120,000 - 130,000 OUNCES	120,000 - 130,000 OUNCES

- / 2018 – 2019 copper guidance increased by a total of circa 15kt
- / Gold production lowered by circa 20koz in 2019 with higher margin copper production prioritised
- / Cash realisation from stockpile processing commences Q2 2018



# Prominent Hill Operating Costs

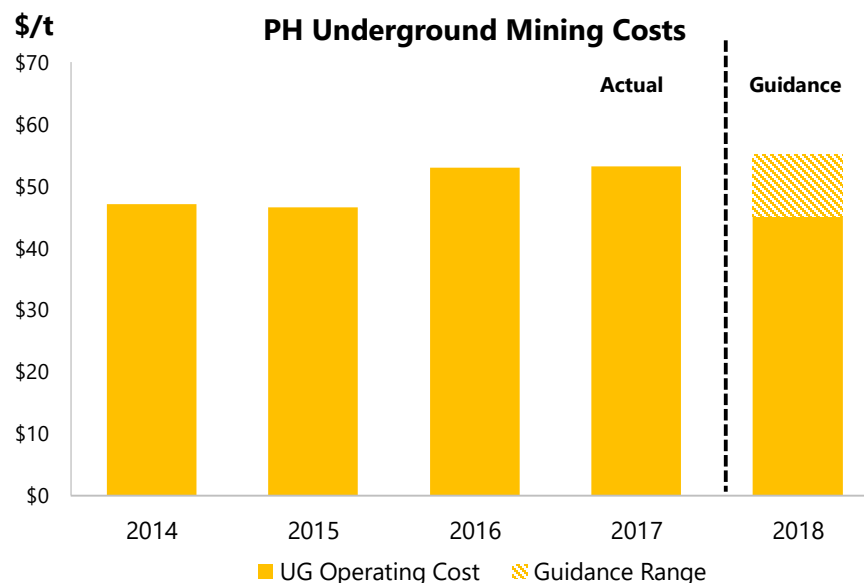
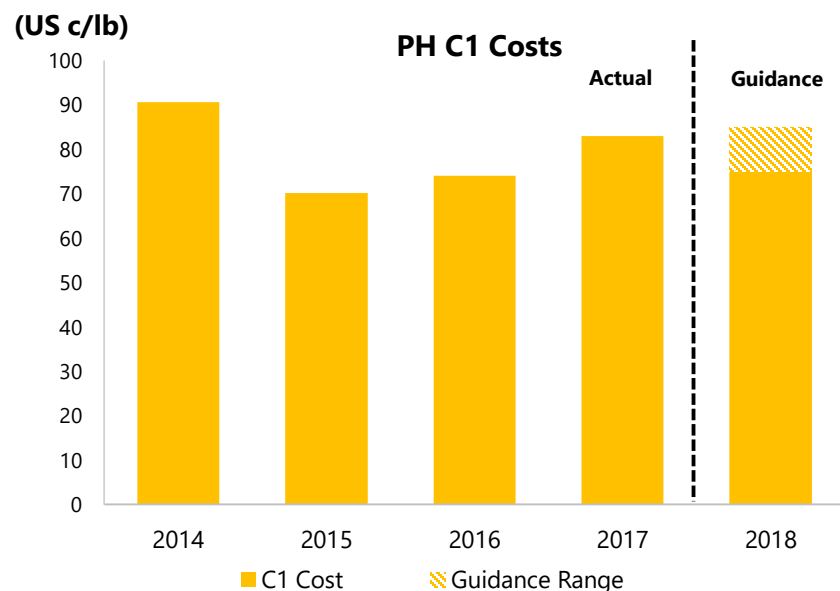
PROMINENT HILL GUIDANCE	2018
Underground unit mining costs <sup>1</sup>	A\$45 - A\$55/TONNE
All-in sustaining cost <sup>2</sup>	US 120c - US 130c/lb
C1 costs <sup>2,3</sup>	US 75c - US 85c/lb

<sup>1</sup> Underground Unit Mining Costs include geology costs and exclude underground capital expenditure.

<sup>2</sup> AUD/USD of 0.76 has been used in converting A\$ costs to US\$ for C1 and AISC guidance

<sup>3</sup> From 2018, C1 costs have been calculated to align with the Wood Mackenzie methodology, which excludes inventory movements

- / 2018 AISC guidance to remain in-line with 2017; C1 guidance lower reflecting utilisation of stockpiled ore
- / UG unit mining costs lower than 2017 on increased production
- / Prominent Hill to continue operating in the bottom quartile of the cost curve

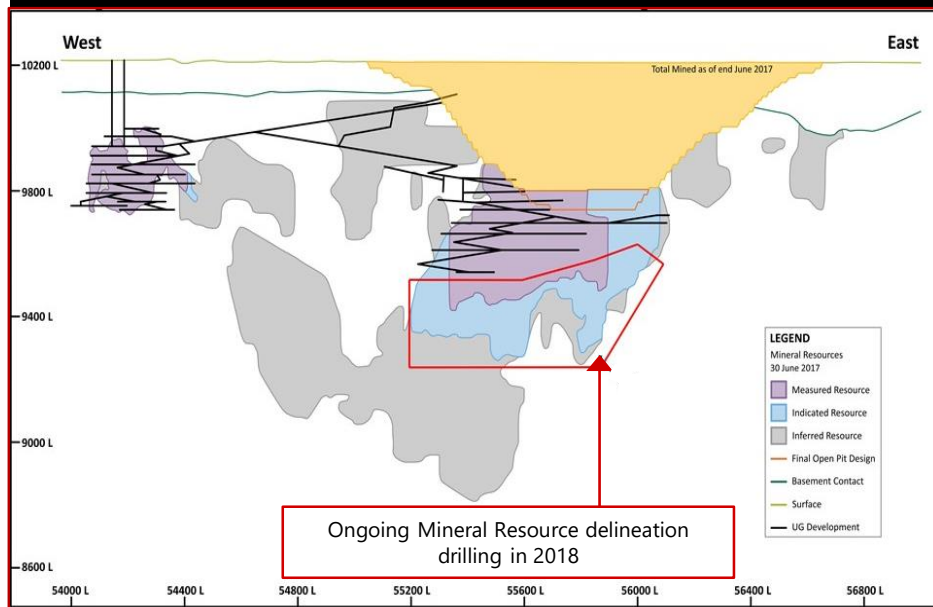


# Prominent Hill Capital Costs

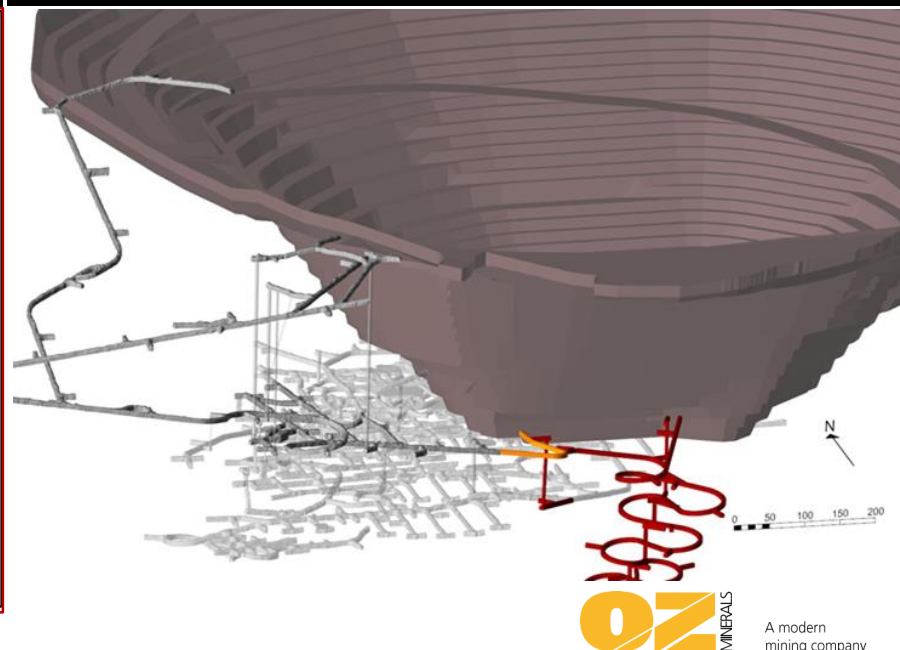
PROMINENT HILL GUIDANCE	2018
Underground capital expenditure (inc. development)	A\$50 - A\$60 MILLION
Growth capital expenditure	A\$20 - A\$25 MILLION
Site sustaining capital expenditure	A\$10 - A\$20 MILLION

- / Underground capex – ongoing development and ramp up activity, resource development diamond drilling and execution of 3<sup>rd</sup> and 4<sup>th</sup> access declines into lower benches of the open pit
- / Growth capex – primarily new paste plant installation and reticulation

## MINERAL RESOURCE DELINEATION DRILLING



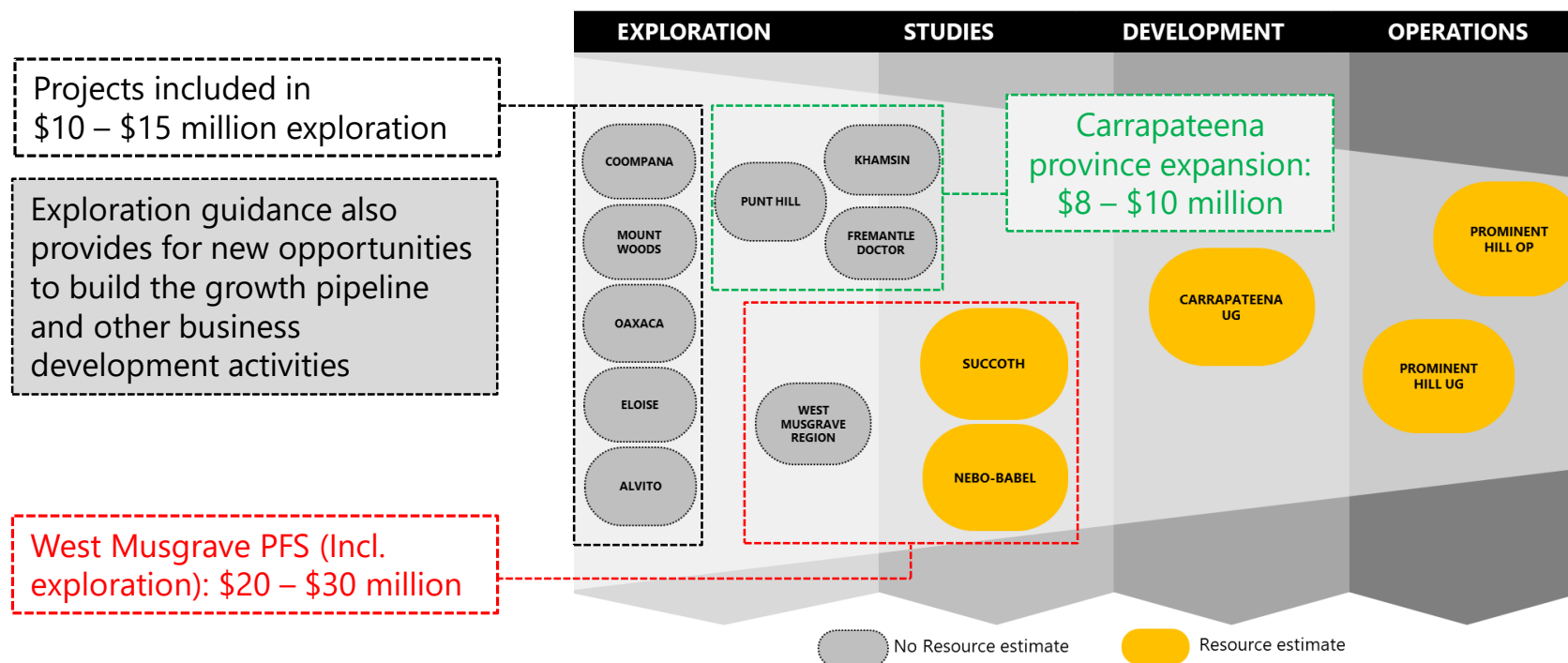
## 3<sup>RD</sup> & 4<sup>TH</sup> ACCESS DECLINES FROM BASE OF PIT



# Growth

GUIDANCE	2018
West Musgrave PFS (including exploration)	A\$20 - A\$30 MILLION
Carrapateena province expansion	A\$8 - A\$10 MILLION
Exploration	A\$10 - A\$15 MILLION

- / Earn-in approach to continue through 2018, progressing a pipeline of opportunities to leverage exploration expertise in specific geologies and locations
- / \$10 – 15 million exploration guidance excludes PH resource to reserve conversion



# Growth

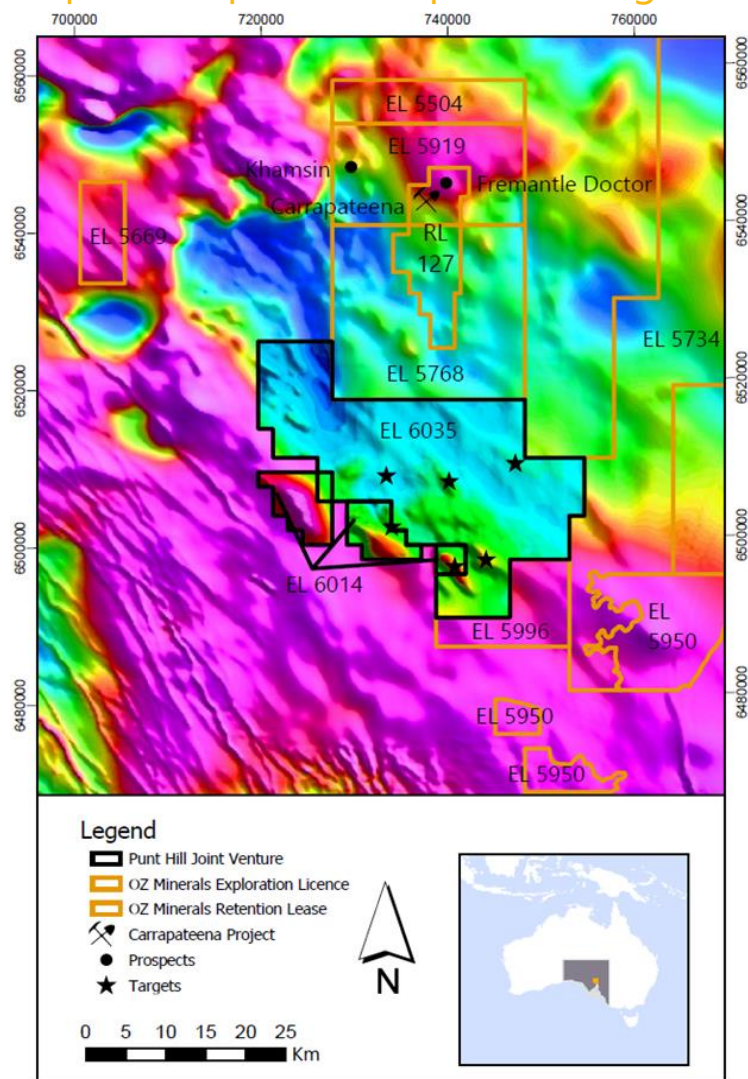
## West Musgrave

- / A\$20 – A\$30 million guidance for 2018
- / Pre-Feasibility Study will focus on addressing remaining technical threats and opportunities for project enhancements
- / Work programs during the PFS include:
  - / Further infill drilling of the mineral resource, particularly within the estimated payback period
  - / Advance metallurgical test work with a focus on material from the estimated payback period
  - / Exploration of alternative processing flowsheets to identify value-add opportunities
  - / Confirmation of groundwater resources through further exploration and pump tests
  - / Renewable energy baseline data collection
  - / Further environmental surveys for mine permitting
  - / Consultation with key stakeholder groups
- / The West Musgrave exploration program will consider numerous regional targets including the Succoth copper deposit and the One Tree Hill prospect



# Growth

## Carrapateena province - phase two growth opportunities to advance



- / A\$8 – A\$10 million guidance for 2018
- / Option assessment to exploit remainder of Carrapateena mineralised zone to be undertaken as a separate scope of work in 2018
- / Growth focus on Carrapateena province to exploit known mineralisation and consolidate wider region potential:
  - / Infill and extensional drilling at both Fremantle Doctor and Khamsin
  - / Geophysical finger printing exercise at Carrapateena
  - / Regional target assessment and testing
  - / Drill test Punt Hill IOCG targets
- / H1 2018 infill drilling (~12,000m) of Fremantle Doctor and Khamsin
- / H2 2018 regional exploration drilling (~6,000m)
- / H2 2018 Punt Hill drilling (~6,000m)



# Supplementary Slides



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# PH Depreciation and Ore Inventory Accounting

## Indicative calculation of depreciation and ore inventory capitalisation / unwind

- / Prominent Hill will continue to add to open pit ore inventory in Q1 2018, which will result in capitalisation of depreciation of open pit mining assets
- / As the ore inventory is drawn down from Q2 2018 (following open pit closure), these costs will be recognised in the income statement
- / Net depreciation recognised in the income statement remains relatively constant as Prominent Hill moves from building ore inventory to ore inventory depletion
- / Expected ranges for Prominent Hill depreciation for 2017 -2020:

Depreciation and amortisation (\$M)	2017	2018	2019	2020
Depreciation of PP&E	(320 – 330)	(115 – 120)	(95 – 100)	(95 – 100)
Capitalised depreciation into ore inventory / (unwind)	105 – 110	(90 – 95)	(105 – 110)	(90 – 95)
<b>Net depreciation in the Income statement</b>	<b>(215 – 220)</b>	<b>(205 – 215)</b>	<b>(200 – 210)</b>	<b>(185 – 195)</b>