

**OZ Minerals Limited**

**Mineral Resources and Ore  
Reserves Explanatory Notes**

**As at 30 June 2010**

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**PROMINENT HILL MINERAL RESOURCE STATEMENT - 30 JUNE 2010**

**Cu Mineral Resource**

	<b>Category</b>	<b>Tonnes (Mt)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Cu (kt)</b>	<b>Au (Moz)</b>	<b>Ag (Moz)</b>
<b>Malu Deposit<sup>1</sup></b> 0.3% Cu cut-off	Measured	27.3	1.71	0.5	3.7	466	0.5	3.3
	Indicated	22.8	1.38	0.5	3.5	315	0.4	2.6
	Inferred	0.6	0.84	0.2	2.2	5	0.0	0.0
	<b>Total</b>	<b>50.7</b>	<b>1.55</b>	<b>0.5</b>	<b>3.6</b>	<b>786</b>	<b>0.8</b>	<b>5.9</b>
<b>Near Surface<sup>2</sup></b> (Up to 480m depth) 0.3% Cu cut-off	Measured	1.4	1.70	0.5	3.8	24	0.0	0.2
	Indicated	15.6	1.18	0.5	3.0	183	0.2	1.5
	Inferred	27.8	0.76	0.2	2.1	211	0.2	1.8
	<b>Total</b>	<b>44.8</b>	<b>0.93</b>	<b>0.3</b>	<b>2.4</b>	<b>418</b>	<b>0.4</b>	<b>3.5</b>
<b>Underground<sup>3</sup></b> 0.5% Cu cut-off	Measured	-	-	-	-	-	-	-
	Indicated	36.8	1.25	0.6	2.9	460	0.7	3.4
	Inferred	55.0	1.05	0.6	2.9	579	1.0	5.1
	<b>Total</b>	<b>91.8</b>	<b>1.13</b>	<b>0.6</b>	<b>2.9</b>	<b>1,039</b>	<b>1.7</b>	<b>8.5</b>
<b>Ankata Deposit<sup>4</sup></b> 0.5% Cu cut-off	Measured	-	-	-	-	-	-	-
	Indicated	6.3	2.33	0.5	3.5	146	0.1	0.7
	Inferred	4.2	1.36	0.1	3.0	58	0.0	0.4
	<b>Total</b>	<b>10.5</b>	<b>1.94</b>	<b>0.3</b>	<b>3.3</b>	<b>204</b>	<b>0.1</b>	<b>1.1</b>
<b>Surface Stocks</b>	Measured	2.47	1.04	0.4	2.7	26	0.0	0.2
<b>Total</b>	<b>Measured</b>	<b>31.2</b>	<b>1.65</b>	<b>0.5</b>	<b>3.6</b>	<b>516</b>	<b>0.5</b>	<b>3.6</b>
	<b>Indicated</b>	<b>81.5</b>	<b>1.36</b>	<b>0.5</b>	<b>3.1</b>	<b>1,104</b>	<b>1.4</b>	<b>8.2</b>
	<b>Inferred</b>	<b>87.7</b>	<b>0.97</b>	<b>0.4</b>	<b>2.6</b>	<b>853</b>	<b>1.2</b>	<b>7.4</b>
	<b>Total</b>	<b>200.3</b>	<b>1.23</b>	<b>0.5</b>	<b>3.0</b>	<b>2,473</b>	<b>3.1</b>	<b>19.3</b>

**Au Mineral Resource**

	<b>Category</b>	<b>Tonnes (Mt)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Cu (kt)</b>	<b>Au (Moz)</b>	<b>Ag (Moz)</b>
<b>Malu Deposit<sup>1</sup></b> 0.5 g/t Au cut-off Below 0.3% Cu	Measured	4.7	0.05	1.3	1.2	3	0.2	0.2
	Indicated	7.8	0.05	1.1	1.1	4	0.3	0.3
	Inferred	0.1	0.01	0.6	0.6	0	0.0	0.0
	<b>Total</b>	<b>12.6</b>	<b>0.05</b>	<b>1.2</b>	<b>1.1</b>	<b>7</b>	<b>0.5</b>	<b>0.5</b>
<b>Near Surface<sup>2</sup></b> (Up to 480m depth) 0.5 g/t Au cut-off Below 0.3% Cu	Measured	0.2	0.09	1.5	0.8	0	0.0	0.0
	Indicated	5.1	0.06	1.4	0.9	3	0.2	0.2
	Inferred	31.3	0.05	1.6	0.6	16	1.6	0.6
	<b>Total</b>	<b>36.6</b>	<b>0.05</b>	<b>1.5</b>	<b>0.7</b>	<b>20</b>	<b>1.8</b>	<b>0.8</b>
<b>Underground<sup>3</sup></b> 1.0 g/t Au cut-off Below 0.5% Cu	Measured	-	-	-	-	-	-	-
	Indicated	9.4	0.06	1.7	1.0	6	0.5	0.3
	Inferred	21.9	0.14	1.5	1.1	31	1.1	0.8
	<b>Total</b>	<b>31.3</b>	<b>0.12</b>	<b>1.6</b>	<b>1.1</b>	<b>37</b>	<b>1.6</b>	<b>1.1</b>
<b>Surface Stocks</b>	Measured	4.58	0.13	1.3	2.5	6	0.2	0.4
<b>Total</b>	<b>Measured</b>	<b>9.5</b>	<b>0.09</b>	<b>1.3</b>	<b>1.8</b>	<b>9</b>	<b>0.4</b>	<b>0.5</b>
	<b>Indicated</b>	<b>22.4</b>	<b>0.06</b>	<b>1.4</b>	<b>1.0</b>	<b>13</b>	<b>1.0</b>	<b>0.7</b>
	<b>Inferred</b>	<b>53.3</b>	<b>0.09</b>	<b>1.5</b>	<b>0.8</b>	<b>47</b>	<b>2.6</b>	<b>1.4</b>
	<b>Total</b>	<b>85.2</b>	<b>0.08</b>	<b>1.5</b>	<b>1.0</b>	<b>69</b>	<b>4.1</b>	<b>2.7</b>

1. Within Ore Reserves final pit design.
2. Above 480m depth outside of Ore Reserves final pit design (excluding the Ankata Deposit).
3. Below 480m depth (excluding the Ankata Deposit).
4. Ankata deposit.

## Summary

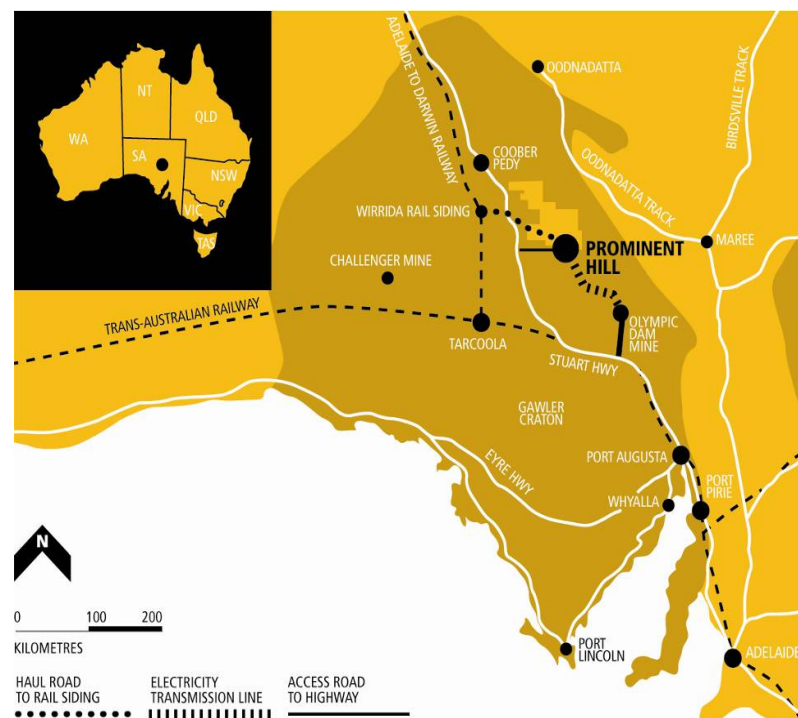
The Prominent Hill June 2010 Mineral Resource has been estimated to be 200.3Mt of copper-gold mineralisation grading 1.23% Cu, 0.5g/t Au and 3.0g/t Ag and 85.2Mt of gold-only mineralisation grading 1.5g/t Au and 1.0g/t Ag.

Since June 2009 the Global Copper Mineral Resource has decreased minimally as a review and lowering of the copper cut-off grade for the underground resource has offset mining depletion and a decrease in the Ankata Copper Mineral Resource as a result of an extensive drilling campaign and subsequent re-modelling. The Global Gold Mineral Resource has increased with mining depletion being offset by a re-interpretation of the gold only zones based on continuous data collection and drilling.

## Setting

The Prominent Hill iron-oxide copper gold (IOCG) deposit is located in the Mount Woods Inlier, in the north-eastern portion of the Archaean to Mesoproterozoic Gawler Craton, South Australia. The Gawler Craton covers approximately 600,000 square kilometres of South Australia. Outcrop is sparse and most of the current understanding of the geology of the Gawler Craton is derived from exploration drilling and geophysical datasets. The Gawler Craton hosts the Olympic Dam, Prominent Hill, Moonta and a number of other smaller and sub-economic copper-gold deposits (e.g. Acropolis, Wirrida Well). Most of these deposits are genetically related to the Gawler Range Volcanic (GRV) – Hiltaba magmatic event which affected the central and eastern portions of the Gawler Craton around 1600-1580Ma. Copper-gold-silver (-U-REE) mineralisation at Prominent Hill is hosted within haematitic breccias of felsic volcanic, sandstone, shale, and dolomite.

The Ankata Mineral Resource, part of the Prominent Hill deposit, sits approximately 900m west of the Malu Deposit that hosts the Prominent Hill open pit.



**Figure 1. Prominent Hill Project Area, South Australia**

### Changes from the June 2009 Mineral Resource

The Mineral Resource (copper-gold ore) estimate for Prominent Hill represents a 10.6Mt (5%) increase in tonnes and 23Kt (1%) decrease in contained copper metal from the June 2009 estimate. The increase in tonnes is a result of lowering the copper cut-off grade for the underground resource from 0.8% to 0.5%. The decrease in contained copper metal is mainly due to mining depletion and a decrease in the Mineral Resource Estimate for the Antaka deposit. The reduction in the Antaka Resource Estimate (41kt) is a result of the remodelling of the Antaka deposit following an extensive drilling campaign in 2010.

The Mineral Resource (gold-only ore) estimate for Prominent Hill represents a 6.4Mt (8%) increase in tonnes and 0.7Moz (20%) increase in contained gold metal from the June 2009 estimate. This increase was due to continuing information sourced from grade control drilling and pit mapping and minor resource extension drilling.

The remodelling of the Antaka deposit has allowed 60% of the Resource to now be classified as Indicated whereas it was classified as Inferred in 2009. There was only minor resource drilling undertaken elsewhere at Prominent Hill and Resource classification was largely unchanged.

### Changes from the May 2010 Ankata Mineral Resource

There has only been a minor change in the current Ankata Mineral Resource when compared to the May 2010 Resource Estimate due to the inclusion of minor infill drilling carried out subsequent to this estimate.

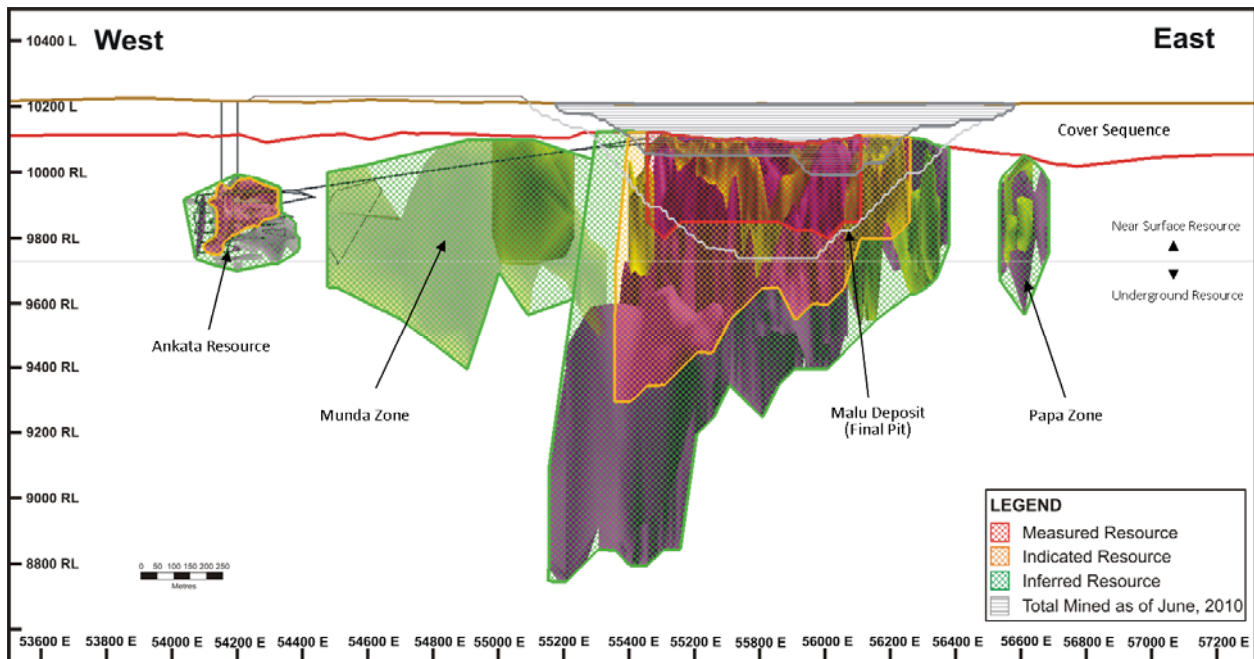


Figure 2. Long projection of Prominent Hill showing the 2010 Mineral Resources.

**Assessment and Reporting Criteria**

The following table provides a summary of important criteria related to the assessment and reporting of the Prominent Hill Copper/Gold resource (The Main Resource is the total resource excluding the Ankata Resource).

Criteria	Status
<b>Sampling Techniques and Data</b>	
Drilling techniques	<ul style="list-style-type: none"> <li>• Diamond (NQ2) standard tube drilling and reverse circulation (RC) was used for geological interpretation.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• Core recovery was good with 93% recovered for the Malu Deposit.</li> <li>• Core recovery was 98% for the Ankata Resource.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• Core was geologically and geotechnically logged onto portable computers.</li> <li>• Core was photographed prior to geological logging and sampling.</li> <li>• All core is stored at the Prominent Hill core facility.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• Core is orientated along the bottom of hole and then half-core samples are taken using a diamond core saw.</li> <li>• Nominal sample length is 1m.</li> <li>• Sample interval density was measured using "Archimedes Principle".</li> <li>• Samples were dried, crushed and pulverised to a nominal 90% passing -75 microns.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The 2004-10 Cu grades were determined by modified aqua-regia/perchloric acid digest ICPOES determination (AMDEL Adelaide ore-grade Cu method).</li> <li>• The 2004-10 Au grades were determined by 40g Fire Assay AAS (at AMDEL Adelaide).</li> <li>• Prior to 2004, the AMDEL ore-grade Cu method was adopted for assays greater than 1%Cu in the initial HF/mixed-acid digest ICPOES assay results.</li> <li>• Assay data quality was determined through submission of field and laboratory standards, blanks and repeats which were inserted at a nominal rate of 1 each per 25 drill samples.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• Umpire laboratory checks were completed during the Bankable Feasibility Study (BFS) and no issues were identified that would prevent the unreserved classification of the Cu and Au Mineral Resources.</li> <li>• Three pairs of twinned holes were drilled in the Main Resource and their results are detailed in the BFS.</li> <li>• No twinned holes have been drilled in the Ankata Resource.</li> </ul>
Location of Data points	<ul style="list-style-type: none"> <li>• All diamond drillholes were surveyed and recorded in the PH-MST GBIS™ database.</li> <li>• Most drill-hole collar coordinates were surveyed in MGA94_53 using differential GPS (DGPS), however holes drilled prior to 2006 were surveyed using tape and compass or GPS.</li> <li>• MGA coordinates were converted to local mine grid for Mineral Resource estimation.</li> <li>• All drill-holes have magnetic down-hole surveys taken at 30m intervals using either a single or multi-shot down-hole camera. An azimuth adjustment of +6.3° degrees was applied for the conversion to local mine grid for all magnetic surveys.</li> </ul>

	<ul style="list-style-type: none"> <li>• A majority of holes drilled pre Oct 2007 were surveyed using a Gyro.</li> <li>• An assessment of 30 drill-hole traces defined by both North Seeking Gyro and reliable multi-shot data showed separations of less than 10m at the end of hole locations. The NSG data also showed that, apart from the Cadna-owie sand unit in the cover sequence, holes are generally predictable in the degree and direction of deviation.</li> <li>• All drillholes post Oct 2007 were surveyed using a North Seeking Gyro (NSG) or a Humphries Gyro.</li> </ul>
Data spacing and distribution (Malu Deposit)	<ul style="list-style-type: none"> <li>• Drilling has been conducted on nominal north-south 50m sections with 25m infill sections within some areas of the open pit.</li> <li>• Within the upper copper-gold mineralisation, holes are drilled approximately 50m apart on section; the eastern gold dominant mineralisation has been drilled at approximately 25m horizontal separation on section.</li> <li>• Within the deeper copper-gold and Munda mineralisation, holes are drilled approximately 100-200m apart on section.</li> <li>• The majority of upper holes are angled at approximately 60 degrees to the south, whilst deeper holes are angled at approximately 60 degrees to the north.</li> <li>• There are 14 vertical holes and 42 holes drilled oblique to the drill sections.</li> <li>• Drilling is predominantly concentrated between 53800E and 56700E and between 10210RL and 8700RL.</li> </ul>
Data spacing and distribution (Ankata Resource)	<ul style="list-style-type: none"> <li>• Drilling has been completed on nominal north-south 50m sections and in-filled to 25m sections in the main mineralised zone.</li> <li>• 12 holes have been drilled from west to east on 25m spacing.</li> <li>• The majority of drilling was angled at approximately 60 degrees to the south, whilst the series of 12 west to east holes were angled at approximately 58 degrees to the east.</li> <li>• Drilling is concentrated between 53700mE to 54500mE, 11500mN to 12200mN, and 10210mRL and 9600mRL.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• The majority of drilling has been completed on nominal north-south sections which are orthogonal to the strike of the orebody.</li> <li>• There is no expected bias due to the continuity of the orebody along strike.</li> <li>• The intersection angle is between 30 and 50 degrees through the haematite breccia bodies.</li> </ul>
<b>Estimating and Reporting of Mineral Resources</b>	
Database integrity	<ul style="list-style-type: none"> <li>• The Prominent Hill database is a SQL system.</li> <li>• Data is logged directly into the database utilising wireless transfer protocols on 'Toughbook' Portable computers.</li> <li>• Validation checks are written into the SQL database and these are activated via database and user triggers to ensure the data is correct with respect to fundamental quality issues.</li> </ul>
Geological interpretation	<ul style="list-style-type: none"> <li>• The mineralisation at Prominent Hill forms part of a large regional alteration system. Interpretation and geochronological analysis of drill samples from Prominent Hill and surrounding prospects suggests a genesis related to the Gawler Range Volcanic / Hiltaba volcano-plutonic event (ca. 1585Ma).</li> <li>• The ore system is built on regional E-W, NW and NE-trending mineralising structural</li> </ul>

	<p>channels which carried copper and gold bearing hydrothermal fluids. Copper-gold mineralisation is hosted by haematite-matrix breccias, which have undergone extensive near-surface sericite alteration and silica hydrothermal overprinting (hydrolytic alteration).</p> <ul style="list-style-type: none"> <li>• The geology at Prominent Hill is categorised into the following lithologies and structural zones from north to south: <ul style="list-style-type: none"> <li>– Skarn-granitoid package: a deeper, older package of deformed metasediment intruded by high-level granitoids and intensely metasomatised during the mineralising event.</li> <li>– Hanging-wall fault zone (HWFZ); representing the northern extent of the main copper and gold mineralisation, containing chloritic fault breccias, graphitic shear zones, skarn, granitoid and dolomite in an east-west trending zone of 10-20 metres true thickness. It separates the skarn-granitoid package from the volcano-sedimentary sequence and is the fault set along which juxtaposition of the two, through reverse fault (N-block up) movement, occurred.</li> <li>– Volcano-sedimentary package – Variably haematite-silica altered units (dolomite, limestone, shale, sandstone, greywacke and mafic to intermediate volcanics.)</li> <li>– Copper-gold mineralisation occurs in domains of haematite-matrix breccia within the volcano-sedimentary package. The Ankata Deposit represents a structurally complex western extension of the Malu Deposit.</li> <li>– Several mafic dykes which are variably sericite altered appear to post-date the mineralisation and strike +/- 30° about north. The mafic dykes which are believed to be Mesoproterozoic in age are less than 1m wide and can be traced for several 100 metres.</li> <li>– Several late stage dolerite dykes cross-cut the orebody and are thought to represent Gairdner Dyke Swarm equivalents (ca. 800Ma).</li> </ul> </li> </ul>
Dimensions	<ul style="list-style-type: none"> <li>• Mineralisation zones are tabular and sub-parallel to the lithostratigraphic architecture in the west and are pipe-like and plunge steeply WNW to NW in the east. The deposit is thought to have formed in a north-dipping reverse fault system between ENE and WNW trending faults and shear zones, with breccias forming in zones of maximum dilation.</li> <li>• The dip of the mineralisation is sub-vertical to steep northerly.</li> <li>• The breccia hosted mineralisation zones within the Ankata Deposit generally strikes east-west however becomes north-south striking in the west due to a major structural displacement. This structure hosts a graphitic mineralised body, striking north-south, and is steeply dipping.</li> <li>• The main mineralised body of the Ankata deposit is variously dipping due to its complex shape. The strike extent of known mineralisation is approximately 300 m east-west and north-south and extends from approximately 235–500 m below surface. Mineralisation remains open along strike to the east.</li> <li>• Known zones of mineralisation extend from 54075E to 56700E, 11800N to 12800N and 10210RL and 8700RL.</li> </ul>
Estimation and Modelling Techniques (Malu Deposit)	<ul style="list-style-type: none"> <li>• The cut-off date for inclusion of drillhole data in the resource modelling was 30th June 2010.</li> <li>• Polygons were created based on geological interpretation and copper grade (generally 0.3% Cu cut-off) on various width sections depending on drill spacing.</li> </ul>

- Triangulated interpretations have been domained into the following constrained fault and breccia bodies:
  - HWFZ
  - PHSZ
  - BD1
  - BD2
  - BD3
  - BD4
  - BD5
  - BG1
  - BG2
  - BG3
  - MUNDA-Au
  - Northern Cu
  - PAPA Cu
  
- Internal waste domains >5m wide and are shown to be continuous for more than 50m have been domained separately. Prior to 2009, these internal waste zones were not domained separately.
- Gold dominant domains have been built into or partially within the above breccia bodies.
- In addition to these mineralised breccia domains, lithological domains, (+/- Cu/Au mineralisation), have also been constructed. These include: greywacke-sandstone (GWK-SST), DOLOMITE, SHALE, SKARN, MSED, quartz-microdiorite (QMDT) and andesite (ANDES-1, -2 and -3).
- Late stage, unmineralised dolerite dykes have been domained as DOLERITE
- Mineralisation domains (copper species) are incorporated into the resource estimation and provide further controls on grade interpolation. Mineralisation domains within the breccias were modelled as either chalcocite-bornite (CCBN), pyrite-bornite (PYBN), bornite-chalcopyrite (BNCP) or chalcopyrite-pyrite (CP). The copper species are based on visual estimates from logging and Cu:S ratios. Copper species are incorporated into the resource estimate as either wireframes based on copper speciation which overprint the geological domains or domaining methods used since the BFS which were based largely on copper species bound by geological domains.
- A priority system of 48 domains was set up to account for overlapping mineralisation, intrusive rock shapes and cover sequence lithologies.
- Priority numbers ranged from 50 (lowest priority), to 910 (highest priority). A 49th code of 950 was assigned to all blocks above the surface within air.
- The entire block model was constructed with parent blocks of 25mE by 25mN by 12mRL with sub-block dimensions of 2.5mE by 2.5mN by 2.0mRL.
- Ordinary kriging (OK) to the parent block size was used to separately estimate Cu, Au, Ag, U, Fe, Ba, S, Si, and F grades as well as density within most domains.
- Several domains that did not produce well structured directional variograms were estimated using inverse distance squared with an octant based search limiting the maximum number of composites per octant to 4. The de-clustered mean domain grade was adopted where blocks were not estimated by OK or octant based searches.

	<ul style="list-style-type: none"> <li>• Up to three estimation passes with increasing search neighbourhood size were run for all domains (Pass1 – 75 by 75 by 20m, Pass 2- 150 by 150 by 20m, Pass 3 – 300 by 300 by 100m).</li> <li>• A minimum of 8 and maximum of 32 composites (pass 1 and Pass 2) and a minimum of 4 and maximum of 32 (pass 3) were used per estimate.</li> <li>• 5m assay composites were used.</li> <li>• Estimation applied composite length weighting.</li> <li>• Log probability plots were used to determine top cut values.</li> </ul>
<p>Estimation and Modelling Techniques (Ankata Resource)</p>	<ul style="list-style-type: none"> <li>• The cut-off date for inclusion of drillhole data in the resource modelling was 30th June 2010.</li> <li>• Polygons were created based on geological interpretation and copper grade on various width sections depending on drill spacing.</li> <li>• Major geological domains were interpreted using structural analysis and lithological logging with the assistance of geochemical data.</li> <li>• A low grade copper shell was created based on a cut –off of 0.3% Cu.</li> <li>• A higher grade copper shell was constructed, based on a 1.0% Cu cut-off, to domain a continuous high grade core of the mineralised breccia.</li> <li>• Copper mineralisation domains within the lower volcanics were constructed using a 0.3% Cu cut off.</li> <li>• The block model was constructed with parent blocks of 12mE by 12mN by 6mRL, with subcelling permitted down to 3mN by 3mE by 2mRL.</li> <li>• Variography was applied to the composite database to determine search ellipse size and orientations.</li> <li>• Ordinary kriging (OK) was used to estimate Cu, Au, Ag, U, Fe, Ba, S, Si and F grades separately.</li> <li>• Variography from the 761 mineralised domains in Area 1 and Area 2 (west and east of 54200mE respectively) was applied to the 760-762 domains in the respective Areas.</li> <li>• Up to three estimation passes with increasing search neighbourhood size were run for all domains.</li> <li>• Sub cells were assigned parent cell grades.</li> <li>• A quantitative kriging neighbourhood analysis was undertaken to assess the most appropriate combination of variables and parameters for the main Ankata Deposit domains.</li> <li>• Domains that constitute the Indicated Resource used search ellipses that are: (Pass 1 – 75m by 55m by 30m, Pass 2- 110m by 80m by 40m, Pass 3 – 150m by 110m by 55m). A minimum of 4 and maximum of 32 composites were used per estimate</li> <li>• 1m assay composites were used.</li> <li>• Estimation applied composite length weighting.</li> <li>• Log probability plots were used to determine top cut values.</li> <li>• Inverse distance squared was used as the estimation method for all Inferred domains.</li> </ul>
<p>Moisture</p>	<ul style="list-style-type: none"> <li>• Tonnes have been calculated on a dry basis.</li> </ul>
<p>Cut-off parameters</p>	<ul style="list-style-type: none"> <li>• Copper and Gold Mineral Resources have been reported above different cut-offs according to the mining domain.</li> </ul>

	<ul style="list-style-type: none"> <li>• Within the planned open pit mining domain and other areas down to 480m below surface the Copper Mineral Resources have been reported above a 0.3% Cu block grade cut-off and the Gold Mineral Resources have been reported above a 0.5g/t Au cut-off for blocks that are below 0.3% Cu. which is comparable to current mining practice.</li> <li>• The Underground domain is located below 480m depth. Copper Mineral Resources are reported above a 0.5% Cu block grade cut-off, and Gold Mineral Resources have been reported above a 1.0g/t Au block grade cut-off for blocks below 0.5% Cu.</li> <li>• The Ankata Mineral Resources are reported above a 0.5% Cu block grade cut-off.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li>• The upper-central portion of the mineral resource is currently being mined as an open pit operation.</li> <li>• Underground mining feasibility studies have been undertaken on Mineral Resources outside the planned open pit area and the Ankata Deposit, where underground mining will commence in 2011.</li> </ul>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <li>• Metallurgical characteristics within the total copper and gold resources respectively are considered to be comparable with areas studied as part of the BFS.</li> </ul>
Bulk density	<ul style="list-style-type: none"> <li>• All sampled core and more than 20% of all other core has been measured for density.</li> <li>• The method used the entire air-dried core sample weighed in air and water, which was used to estimate the density.</li> <li>• Regression analysis of iron assays and density was applied to estimate the density of blocks given the Ordinary Kriged iron value. Where blocks were not estimated for iron, the average density for the domain was assigned.</li> <li>• Historically density values have also been estimated by ordinary kriging and are comparable locally and globally with the regression analysis method.</li> <li>• Several waste domains with low iron values were assigned the average domain density.</li> </ul>
Classification	<ul style="list-style-type: none"> <li>• Mineral Resources have been classified on the basis of geological confidence. In general the geological confidence of the Prominent Hill mineralisation is a function of data spacing and interpretation, and has also been examined using estimation pass, kriging variance, efficiency and slope of regression.</li> <li>• Measured resources have an average drill-hole spacing of 30 by 30 metres.</li> <li>• Indicated resources have an average drill-hole spacing of 50 by 50 metres, and</li> <li>• Inferred resources have an average spacing of up to 100 by 200 metres in all areas except the Munda Zone which has a drill-hole spacing of up to 200 by 200 metres.</li> </ul>
Audits or Reviews	<ul style="list-style-type: none"> <li>• Internal peer reviews were undertaken.</li> <li>• An external review of the 2009 Mineral Resource was conducted by AMC Consultants in October 2009.</li> <li>• Behre Dolbear Australia conducted a review of the estimated Mineral Resources for June 2008.</li> <li>• A review of sampling techniques and data was undertaken during the 2006 feasibility study.</li> </ul>

**Competent Person Statement**

This Mineral Resource Statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

The information in this report that relates to Mineral Resources is based on information compiled by Mark Burdett under the guidance of Jim Hodgkison. Mark Burdett and Jim Hodgkison are full time employees of OZ Minerals Limited and both are members of the Australasian Institute of Mining and Metallurgy (AusIMM).

Jim Hodgkison has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Jim Hodgkison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Jim Hodgkison B. App. Sc. (Geol) (Hons), MBA in Technology Management, MAusIMM has over 20 years experience as a geologist in mining and exploration which includes over 10 years in iron-oxide copper gold (IOCG) deposits and resource estimation of base and precious metal deposits.

**Jim Hodgkison**

Geology Manager  
OZ Minerals - Prominent Hill

## Prominent Hill Ore Reserves Statement, 30 June 2010

### Introduction

The Prominent Hill June 2010 Ore Reserves are derived from the copper-gold and gold-only Mineral Resources for the Prominent Hill deposit located 150km south-east of Coober Pedy, South Australia.

The 2010 Ore Reserves Estimate updates the estimate made in June 2009. For the year ending 30 June 2010, 8.6 million tonnes of copper and gold ores were processed.

The June 2010 Reserves and Resources are based on the geological block model<sup>1</sup> finalised in September 2010. The geological model extends a considerable distance along strike to the east and west of the pit, and covers the 300-400m width of the mineralized horizons to depth. No drill hole drilled during the period of July 2009 to June 2010 had a material influence on this Ore Reserve estimate.

The June 2010 Resource model uses ordinary Kriging to estimate grades into geological domains. Resources were estimated for both the copper-gold mineralisation and the gold-only mineralisation in the deposit. Changes to the 2010 geological block model since June 2009 include re-interpretation of the geology in some areas based on mining experience, more detailed modelling of gold-only ore, reconciliation of the resource model to ore production and to grade control and changes to some estimation parameters based on a geostatistical review.

### Results

The Ore Reserves summarised in Table 1 are reported within the current final open pit design<sup>2</sup> using the June 2010 end of month pit survey. These Reserves are wholly included within the Resource Estimate included in these notes.

**Table 1 Prominent Hill Ore Reserves, June 2010**

Deposit		Classification	Tonnes (Mt)	Cu (%)	Cu (kt)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)
Malu	Copper Ores	Proved	31.1	1.48	459	0.50	495	3.48	3,475
		Probable	23.0	1.35	309	0.51	379	3.46	2,551
	Gold Ores	Proved	8.8	0.10	8	1.35	383	1.87	529
		Probable	6.7	0.05	4	1.21	261	1.13	243
Malu Total		Proved	39.9	1.17	468	0.69	879	3.12	4,004
		Probable	29.7	1.05	313	0.67	640	2.93	2,795
			69.6	1.12	781	0.68	1,518	3.04	6,799
Ankata	Copper Ores	Proved	0						
		Probable	4.9	2.52	124	0.48	76	3.64	576
Total			4.9	2.52	124	0.48	76	3.64	576
Prominent Hill		Proved	39.9	1.17	468	0.69	879	3.12	4,004
		Probable	34.6	1.26	437	0.64	716	3.03	3,371
Total			74.5	1.21	905	0.67	1,595	3.08	7,375

<sup>1</sup> Vulcan™ file - ph\_june10\_d.bmf

<sup>2</sup> Vulcan™ file - s4\_d22\_5\_deg\_s.00t

**Table 2 Prominent Hill - Ore Processed July 2009 - June 2010**

<b>Classification</b>	<b>Tonnes (Mt)</b>	<b>Cu (%)</b>	<b>Cu (kt)</b>	<b>Au (g/t)</b>	<b>Au (koz)</b>	<b>Ag (g/t)</b>	<b>Ag (koz)</b>
Proved	8.6	1.67%	143	0.69	189	4.68	1,290

**Table 3 Prominent Hill Ore Reserves, June 2009**

<b>Classification</b>	<b>Tonnes (Mt)</b>	<b>Cu (%)</b>	<b>Cu (kt)</b>	<b>Au (g/t)</b>	<b>Au (koz)</b>	<b>Ag (g/t)</b>	<b>Ag (koz)</b>
Proved	46.1	1.29	597	0.57	845	3.11	4613
Probable	29.6	1.04	307	0.61	581	2.85	2714
<b>Total</b>	<b>75.7</b>	<b>1.19</b>	<b>904</b>	<b>0.59</b>	<b>1,426</b>	<b>3.01</b>	<b>7,327</b>

The depletion of copper metal in 2010 was off set by the inclusion of the Ankata underground Reserve (formerly Western Copper) following completion of the Feasibility Study on this deposit.

Improved modelling of gold in the Ore Resource model led to a significant increase in the gold Ore Reserve tonnes and gold ounces which more than offset depletion.

**Compliance with the JORC code assessment criteria**

This Ore Reserve statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

The information in this report that relates to Ore Reserves for the Malu deposit is based on information compiled by David Goodchild, a Member of the Australasian Institute of Mining and Metallurgy and an employee of OZ Minerals Ltd. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 Edition of the JORC Code. David Goodchild consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for the Ankata deposit is based on information compiled by Ben Wilson, a Member of the Australasian Institute of Mining and Metallurgy while he was an employee of OZ Minerals Ltd. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 Edition of the JORC Code. David Goodchild consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

**David Goodchild**  
Technical Services Superintendent  
OZ Minerals - Prominent Hill

**Ben Wilson**  
Senior Mining Engineer  
OZ Minerals Limited

**Key points relating to the Prominent Hill June 2010 Ore Reserves Estimate**

**1. Metal Prices**

The Ore Reserve estimate for the Malu open pit and Ankata underground uses US\$2.25/lb (US\$4960/t) for copper, US\$810/oz for gold and US\$12.50/oz for silver using an exchange rate of A\$1.00 = US\$0.80.

**2. Classification**

The Ore Reserve Estimate is based on the Mineral Resource contained within the final open pit design and designed stopes classified as "Measured" and "Indicated" after consideration of all mining, metallurgical, social, environmental and financial aspects of the operation. All Proved Ore Reserves were derived from the Measured Mineral Resources and all Probable Ore Reserves were derived from the Indicated Mineral Resources.

**3. Resource Estimate.**

The Mineral Resource Estimate was compiled by Mark Burdett under the guidance of Jim Hodgkison. Mark Burdett and Jim Hodgkison are full time employees of OZ Minerals Limited. The Competent Person for the Mineral Resource Estimate is Jim Hodgkison.

Jim Hodgkison is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. Jim Hodgkison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Resource model is based on the geological database (SQL system) as at 30 June, 2010. The geological interpretation and grade estimation were undertaken using Vulcan™ software.

The geological model extends 2,700m along strike East to West and covers the 300-400m width of the mineralized horizons to a depth of 1,500m.

Sample data was composited to five (5) metre intervals for the open pit Resource and flagged by the domains defined in the geological interpretation. Internal waste zones greater than 5m wide and greater than 50m in length were domained separately. Sample data for the Underground was composited to 1m intervals to reflect the original sample length and flagged by the domains defined in the geological interpretation. Internal dilution is rare within mineralisation shapes in the Ankata deposit. Ordinary Kriging was used to estimate grades within the geological domains. Resources were estimated for both the coincident copper-gold mineralisation and the contiguous gold-only mineralisation in the deposit.

Block Bulk Density factors were assigned for each domain using a polynomial regression based on iron assay data and bulk density measurements undertaken on all sampled core. Where blocks were not estimated for iron, the average density for the domain was assigned.

The Resource estimate has been classified based on data density, data quality, confidence in the geological interpretation and confidence in the estimation.

**4. Reconciliation**

Ore mining from the Prominent Hill open pit commenced in March 2008 and ore processing commenced in February 2009. Since commencement, 18.3 million tonnes at 1.2% copper and 0.8 g/t gold have been mined

from the open pit. During the same period 11.1 million tonnes at 1.7% copper and 0.6 g/t gold has been processed of which 10.3Mt was copper ore. No ore has been mined or processed from the Ankata deposit.

Stockpiled ore from the Malu deposit at 30 June 2010 comprised 3.0 million tonnes of copper ore and 4.1 million tonnes of gold ore.

A comparison of the 2010 Mineral Resource estimate for the area of the Malu deposit mined until August 2010 to grade control, mill production and ROM stocks indicated that the 2010 Resource model overstates contained copper metal in the upper benches close to the unconformity, particularly in Stage2. Once mining progressed through this upper zone the reconciliation improved with the 2010 Resource model giving a good estimate of recovered metal.

## 5. Cut-off Grade

The cut-off grade used for the Ore Reserve Estimate for the Malu open pit is the non-mining break-even grade taking into account mining recovery and dilution, metallurgical recovery, all site costs, concentrate transport costs, concentrate treatment and refinery charges, and royalties. Expressed as Nett Smelter Return (NSR) or mine gate value, the cut-off grade used for the Ore Reserve Estimate is \$15.00/t.

The cut-off grade used for the Ore Reserve Estimate for the Ankata underground is the marginal mining grade taking into account mining recovery and dilution, metallurgical recovery, proportional site costs, concentrate transport costs, concentrate treatment and refinery charges, and royalties. Expressed as Net Smelter Return (NSR) or mine gate value, the cut-off grade used for the Ore Reserve Estimate is A\$55.00/t.

## 6. Mining Factors and Assumptions

The Malu open pit Ore Reserve Estimate is based on conventional open pit mining operation using drilling and blasting, and large excavators loading off-highway trucks. The mining dilution and recovery parameters are now based on reconciliation data. The factors used to convert open pit Mineral Resources to Ore Reserves are 5% more tonnes at 5% less grade for copper ores away from the unconformity and 5% more tonnes at 14% less grade for copper ores near the unconformity. Factors used for the gold ores were 0% more tonnes at 0% less grade.

The final pit is based on a Whittle™ optimised pit using pit slope parameters based on ongoing geotechnical reviews by OZ Minerals and its geotechnical consultants.

The Ankata underground Ore Reserve Estimate is based on conventional underground sub-level open stoping (SLOS) operations using a cemented tailing fill to increase recovery and haulage with conventional underground trucks. Mining recovery has been estimated to be 96%. Edge dilution parameters for the different stoping zones used in the estimate are summarised in Table 2. In addition to the dilution parameters in Table 2, fill dilution is applied to all stopes at a rate of 4.9% of stope tonnage.

**Table 4. Ankata Edge Dilution parameters**

Stoping Zone	Percentage of Stope Tonnes (%)	Cu (%)	Au (g/t)	Ag (g/t)
CL	5.0	0.63	0.28	0.79
PO	8.8	0.81	0.48	1.38
ST	9.0	0.34	0.10	0.66

## **7. Metallurgical Factors and Assumptions**

The Ore Reserve Estimate is based on the existing processing plant producing copper-gold concentrate. Metallurgical recoveries based on the BFS test work have been applied to three copper-gold ore types and one gold-only ore type. The copper recoveries for the ore types are between 80% and 88%, and the gold recoveries for the ore types are between 65% and 86%. Processing of the copper ore types to date confirm the BFS metallurgical recoveries.

The Ankata underground Ore Reserve Estimate is based on treating the Ankata ore through the existing process plant in production at Prominent Hill. The test work and mineralogy confirmed that the Ankata Resource has similar characteristics to those exhibited by the Malu open pit ores. Metallurgical recoveries are based on the Ankata Feasibility Study test work assuming that the Ankata ore will be treated concurrently with open pit ore. The copper recovery for the Ankata ore is 88%, and the gold recovery is 70%.

## **8. Marketing Terms**

The Ore Reserve Estimate uses OZ Minerals forecasts for overland, port and sea transport, smelter deductions, and treatment and refining charges and royalties. Penalties for contaminant elements are also accounted for. The smelter Charges used are US\$75/t of concentrate. The refining charges used in the estimate are US\$0.075/lb of copper and US\$4.50/ounce of gold.