

22 September 2021

West Musgrave positioning as long-life, low-cost sustainable producer

West Musgrave study - scheduled market progress update

- Final study phase progressively de-risking technical fundamentals
- Opportunities being considered to further maximise stakeholder value beyond robust base case
- Further low carbon and modern mining opportunities being evaluated for the project
- Final investment decision expected H2 2022 pending progress on value uplift options and local operating and construction environment

OZ Minerals' West Musgrave copper nickel project in Western Australia is continuing to take shape with further value uplift opportunities now being considered to leverage the global focus on acceleration towards a low carbon economy.

In providing an update on progress of the project OZ Minerals Managing Director and Chief Executive Officer, Andrew Cole, said:

"We continue to be excited by how West Musgrave could make a significant contribution to sustainable mining as a low-emissions open cut mine, producing minerals essential to a low carbon economy.

Value creating opportunities being considered

"We position ourselves as a modern mining company and opportunities to produce a green product with maximum transparency in a sustainable way need to be further explored. While the Pre-Feasibility Study Update (PFSU) in December 2020 described a robust project, we are taking the opportunity, as the study progresses, to consider opportunities to further advance our company aspirations in these areas.

"Further value opportunities being considered include:

- Increasing production above the current 12Mtpa while contemplating a third vertical roller mill that could enable further energy management and emission reductions
- Further accelerating towards our aspirations of a zero emissions mine and mining fleet

- Renewable energy power plant construction and operation ownership options
- Enabling future ways of work with additional automation, remote operations and work from home flexibility
- Examining the construction of a downstream nickel processing plant on site, and seeking interest from third parties in its potential development

Final Study Progress Update

"We are pleased with the progress made on the final study phase with many aspects of the project well advanced and technically de-risked. Overall, we continue to gain confidence in the project.

"Steady progress has been made on the government approvals with all key environmental approvals documents for the Part IV approval submitted to the WA Environment Protection Authority (EPA). The EPA visited the site for several days in early September meeting with Traditional Owners and OZ Minerals people to increase shared understanding of aspirations, requirements and expectations.

"COVID related travel restrictions and precautions have delayed progress on development of the land access agreement with the Traditional Owners. The Traditional Owners have expressed support for the project and our priority is to ensure they are fully informed, remain safe, and have a clear understanding of the impacts and opportunities the proposed mine will create; a process that we will not rush.

"Engineering design of the Mineral Processing Plant, Hybrid Renewable Power Plant, Village, Aerodrome, and Non-Processing Infrastructure continue to de-risk the project from a technical perspective. A site-wide geotechnical program is concluding with lab testing underway.

"An additional 47.5km of infill drilling has been completed, primarily targeting the payback period. Pleasingly, results have been in line with expectations, increasing our confidence in Nebo Babel orebody knowledge.

"Drilling also commenced this month at the Succoth copper deposit. Succoth has a published Inferred Mineral Resource totalling 156Mt @ 0.60% Cu¹, which was not factored into the West Musgrave PFSU and can potentially add upside in mine life or production rate to the West Musgrave Province.

"As we progress the final study phase, impacts on materials and labour availability in Western Australia, have the potential to put pressure on capital costs. We will take these impacts into consideration as we develop the project schedule and budget next year in preparation for a potential final investment decision in H2 2022."

¹ Maiden Succoth Resource Estimate released 7 December 2015 available at <https://www.asx.com.au/asxpdf/20151207/pdf/433lsh4dgb91rs.pdf>

Project Element	Status*	Comment
Community Engagement		<ul style="list-style-type: none"> Continued engagement with the Ngaanyatjarra community Joint planning with the Ngaanyatjarra Council for whole of Ngaanyatjarra community meeting is progressing.
Regulatory Approval		<ul style="list-style-type: none"> EPA Part IV public consultation closed; Responses to EPA submitted EPA Part V application submitted
Mining Agreement		<ul style="list-style-type: none"> Negotiations with the Traditional Owners progressing Agreement making timeline effected by Covid-19 related restrictions
Nebo/Babel Deposits Drilling Programme		<ul style="list-style-type: none"> 47.5km infill drilling program complete; Results in line with expectations increasing orebody confidence MROR update expected in 2022
Mine Planning		<ul style="list-style-type: none"> Final Study mine planning optimisation underway
Minerals Processing Plant design		<ul style="list-style-type: none"> Updated cost estimate in line with final Study requirements 70% process design complete Order placed for key long-lead items
Tailings Storage Facility		<ul style="list-style-type: none"> TSF design to be processed in Q4 2021
Power package design		<ul style="list-style-type: none"> Hybrid renewable power plant configuration confirmed Updated cost estimate in line with final Study requirements Commercial model under investigation
Decarbonisation & Sustainability		<ul style="list-style-type: none"> Decarbonisation roadmap underway Water and waste minimisation roadmaps underway
Village, Aerodrome Design and Non-Processing Infrastructure (NPI)		<ul style="list-style-type: none"> Aerodrome 90% design complete for aerodrome Reference design being completed for NPI Village early engagement with potential suppliers through expression of interest
Digital Design and Operational Technology		<ul style="list-style-type: none"> Automation scope under development
Future Workforce & Remote Operations		<ul style="list-style-type: none"> Design for future skills and ways of work, plus remote operations underway.
Succoth Deposit Drilling Programme		<ul style="list-style-type: none"> Cultural heritage clearance and archaeological survey complete Drilling commenced in September MROR update expected in 2022
Intermediate Nickel product Study		<ul style="list-style-type: none"> Mixed Hydroxide Precipitate (MHP) study scope developed Study budget of \$6.5m approved to progress Stage 2 study in 2021 & 2022

*The status symbols denote the Company's internal estimate of the completeness of each key element of the Study.

This announcement is authorised for market release by OZ Minerals' Managing Director and CEO, Andrew Cole.

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