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OZ Minerals to explore for VHMS deposits in Southern Mexico

- OZ Minerals to target VHMS systems in Southern Mexico
- Low cost high impact exploration set to commence in the first half of 2017
- Exploration earn-in agreement with Acapulco Gold Corp

OZ Minerals has entered into a new exploration earn-in agreement targeting three newly identified, high-base metal prospects in Oaxaca, Southern Mexico. OZ Minerals will partner with Acapulco Gold Corp, a private exploration company based in Canada with significant experience and a discovery track record in Mexico.

OZ Minerals' CEO Andrew Cole commented: "The sites we are targeting have potential for shallow, high-value per tonne, volcanic-hosted massive sulphide (VHMS) deposits. VHMS deposits are significant contributors to the global production of copper, zinc, lead and silver.

Although there are positive geological indicators, the sites have not had modern mining exploration techniques undertaken. They are however, located near excellent road and port infrastructure."

OZ Minerals will make a first year, in-ground expenditure of US\$450,000 on detailed geological mapping, geochemistry, and geophysics. Exploration will commence immediately and drilling is expected to commence in the second half of 2017.

The expenditure is within the \$10 - \$15 million 2017 exploration expenditure guidance already provided.

A geological overview of each site as is follows:

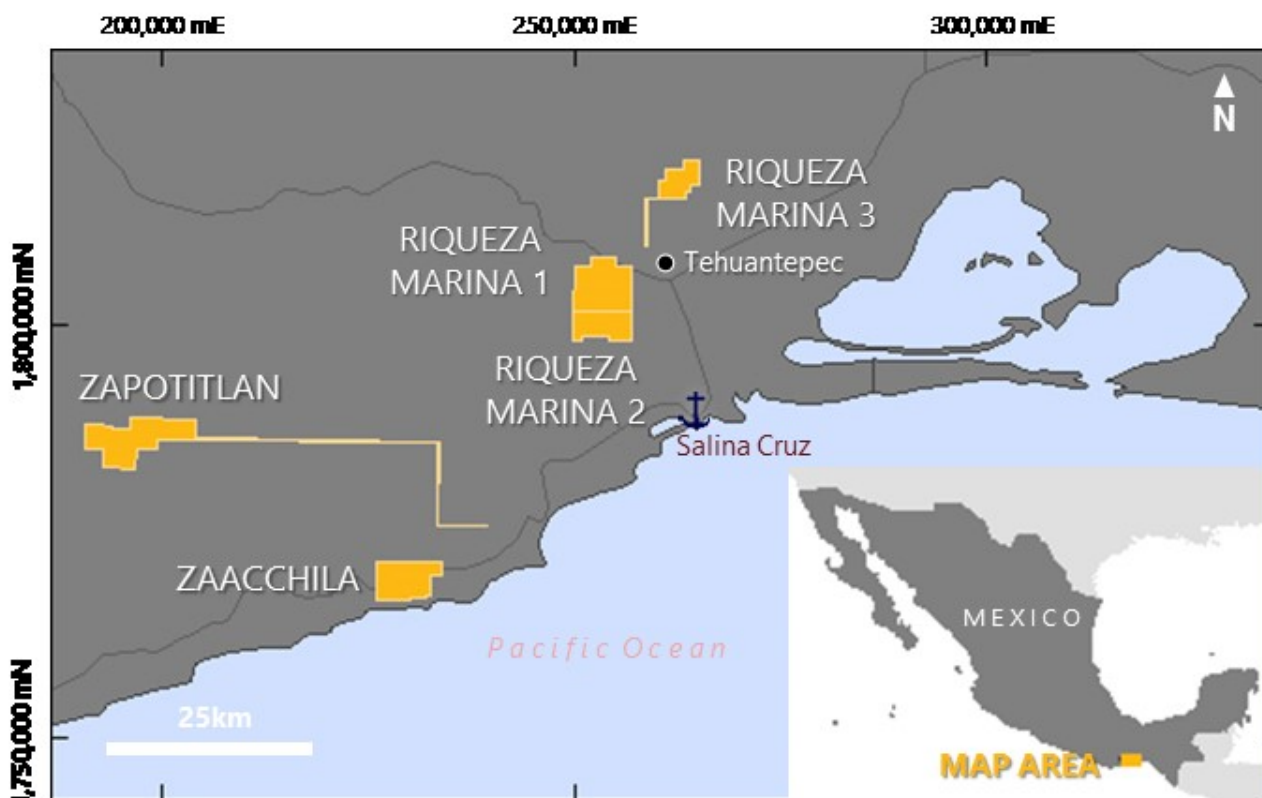
Zaachila Project - contains outcrops of massive silica-iron exhalite and pillow basalt, typical of many VHMS deposits. Historical sampling work indicates highly anomalous geochemical values for copper, gold, silver, barium and iron.

Riqueza Marina Project - a suite of bimodal volcanic rocks, including an interpreted felsic dome, contain outcropping silica-iron exhalite. Limited historical surface geochemistry has returned anomalous copper, zinc, gold, barium, manganese and iron.

Zapotitlán Project - an early-stage exploration project where reconnaissance mapping has outlined a magnetite and copper-bearing alteration zone of approximately 700 metres by 300 metres.

Under the terms of the earn-in, OZ Minerals can earn up to a 78% stake in the properties by spending US\$6.8m over six years.

Project location



Approach to joint ventures

Over the last 18 months OZ Minerals has put in place eight separate exploration earn-in agreements with highly regarded explorers. These provide OZ Minerals with exploration expertise in specific geologies and locations. Our earn-in partners in turn access capital to undertake drilling programs. OZ Minerals typically works with its earn-in partners to oversee projects while they manage on the ground activities. OZ Minerals' growth strategy involves building a pipeline of opportunities and rigorously progressing these. In line with our capital discipline strategy, if at any time it is determined that a project does not have the potential to generate substantial value, OZ Minerals will cease expenditure and withdraw from the arrangement.

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