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## Drilling Commences at Nickel Prospect in Western Australia

- OZ Minerals' joint venture partner Toro Energy has commenced drilling for nickel in Western Australia
- Exploration covers two tenements located within 60km of Australia's largest nickel mine
- All five of OZ Minerals' exploration joint ventures now underway

OZ Minerals' joint venture partner Toro Energy Limited (**ASX: TOE**) has today commenced drilling at the Yandal One Nickel Prospect in Western Australia near one of Australia's largest nickel sulphide deposits, the Mount Keith mine 60 kilometres to the west.

The low-cost exploration program is being undertaken to explore for nickel sulphides on two tenements located near Toro's Lake Maitland uranium deposit.

**OZ Minerals' CEO Andrew Cole commented:** "The commencement of drilling today means all five of the joint ventures we have put in place in just over a year are actively underway.

In the case of Toro this is again a high potential, low cost exploration program with both parties having a clear focus on what they want to achieve within set time frames.

As we continue to build our exploration pipeline we are looking to work with partners who share a lean management philosophy to get drilling and exploration projects from conception to commencement quickly."

### **Background:**

Prior to Toro Energy purchasing the Lake Maitland Uranium Project, delisted goldminer Dominion Mining drilled three shallow holes that had significant nickel intercepts at the bottom of the cores. Nickel grades of up to 0.45% average over five metres were returned from end of hole shallow rotary air blast (RAB) drilling. No further exploration was carried out.

OZ Minerals will spend an initial A\$0.5 million in the first 12 months with an option to invest a further A\$1.5 million within the first three years for a 51 percent interest in the non-uranium rights (subject

to conditions precedent being met). The company could take its total interest to 70 percent by spending another A\$3 million within three years of earning its 51 percent interest.

Toro Energy's ASX release can be viewed at: [www.toroenergy.com.au](http://www.toroenergy.com.au). For further information on the project please see OZ Minerals' ASX announcement of December 11<sup>th</sup> 2015.

### **Approach to joint ventures**

In just over a year OZ Minerals has put in place five separate exploration joint venture partnerships with highly regarded explorers. These provide OZ Minerals with exploration expertise in specific geologies or locations. Our JV partners in turn access capital to undertake drilling programs. OZ Minerals typically works with its joint venture 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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