OZ Minerals Limited

Mineral Resources and Ore Reserves Explanatory Notes

As at 30 June 2011

PROMINENT HILL MINERAL RESOURCE STATEMENT - 30 JUNE 2011

Cu Mineral Resource

	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (Moz)	Ag (Moz)
Malu Open Pit[1] 0.3% Cu cut-off	Measured	21.1	1.67	0.5	4.0	353	0.4	2.7
	Indicated	22.3	1.38	0.5	3.6	308	0.4	2.6
	Inferred	0.7	0.91	0.2	2.2	7	0.0	0.1
	Total	**44.1**	**1.51**	**0.5**	**3.8**	**668**	**0.7**	**5.3**
Malu Underground[2] 0.5% Cu cut-off	Measured	1.0	2.13	0.6	4.5	21	0.0	0.1
	Indicated	49.5	1.28	0.6	3.0	633	0.9	4.8
	Inferred	52.7	1.05	0.6	2.8	553	1.0	4.7
	Total	**103.3**	**1.17**	**0.6**	**2.9**	**1,208**	**1.9**	**9.6**
Kalaya Underground[3] 0.5% Cu cut-off	Measured	0.0	0.00	0.0	0.0	-	0.0	0.0
	Indicated	0.0	0.00	0.0	0.0	-	0.0	0.0
	Inferred	51.7	0.98	0.4	1.8	507	0.7	3.0
	Total	**51.7**	**0.98**	**0.4**	**1.8**	**507**	**0.7**	**3.0**
Ankata Underground[4] 0.5% Cu cut-off	Measured	0.0	0.00	0.0	0.0	-	0.0	0.0
	Indicated	6.7	2.25	0.5	3.3	151	0.1	0.7
	Inferred	6.6	1.16	0.1	2.7	77	0.0	0.6
	Total	**13.3**	**1.71**	**0.3**	**3.0**	**228**	**0.1**	**1.3**
Surface Stocks	Measured	2.6	1.09	0.4	3.0	28	0.0	0.2
Total	**Measured**	**25**	**1.63**	**0.5**	**3.9**	402	0.4	3.1
	Indicated	**78.5**	**1.39**	**0.6**	**3.2**	1,093	1.4	8.1
	Inferred	**111.7**	**1.02**	**0.5**	**2.3**	1,144	1.7	8.4
	Total	**214.9**	**1.23**	**0.5**	**2.8**	**2,638**	**3.5**	**19.5**

Au Mineral Resource

	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (Moz)	Ag (Moz)
Malu Open Pit[1] 0.5 g/t Au cut-off Below 0.3% Cu	Measured	3.8	0.06	1.4	1.2	2	0.2	0.1
	Indicated	6.7	0.06	1.2	1.1	4	0.3	0.2
	Inferred	0.3	0.02	0.6	0.6	0	0.0	0.0
	Total	**10.8**	**0.06**	**1.2**	**1.2**	**6**	**0.4**	**0.4**
Malu Underground[2] 1.0 g/t Au cut-off Below 0.5% Cu	Measured	0.2	0.13	1.6	0.7	0	0.0	0.0
	Indicated	12.2	0.07	1.8	1.0	9	0.7	0.4
	Inferred	10.6	0.08	1.4	1.0	8	0.5	0.3
	Total	**23.1**	**0.07**	**1.6**	**1.0**	**17**	**1.2**	**0.7**
Kalaya Underground[3] 1.0 g/t Au cut-off Below 0.5% Cu	Measured	0.0	0.00	0.0	0.0	0	0.0	0.0
	Indicated	0.0	0.00	0.0	0.0	0	0.0	0.0
	Inferred	16.9	0.04	1.7	0.6	8	0.9	0.3
	Total	**16.9**	**0.04**	**1.7**	**0.6**	**8**	**0.9**	**0.3**
Ankata Underground[4] 1.0 g/t Au cut-off Below 0.5% Cu	Measured	0.0	0.00	0.0	0.0	0	0.0	0.0
	Indicated	0.0	0.00	0.0	0.0	0	0.0	0.0
	Inferred	0.0	0.00	0.0	0.0	0	0.0	0.0
	Total	**0.0**	**0.00**	**0.0**	**0.0**	**0**	**0.0**	**0.0**
Surface Stocks	Measured	7.0	0.13	0.9	2.3	9	0.2	0.5
Total	**Measured**	**11.0**	**0.10**	**1.1**	**1.9**	11	0.4	0.7
	Indicated	**18.9**	**0.07**	**1.6**	**1.1**	13	1.0	0.6
	Inferred	**27.8**	**0.06**	**1.6**	**0.7**	16	1.4	0.7
	Total	**57.8**	**0.07**	**1.5**	**1.1**	**40**	**2.8**	**2.0**

1. Within Ore Reserves final pit design.
2. Outside of Ore Reserves final pit design and east of 55300mE.
3. Outside of Ore Reserves final pit design and west of 55300mE (excluding Ankata Resource).
4. Ankata Resource.

Summary

The Prominent Hill June 2011 Global Mineral Resource has been estimated to be 214.9Mt of copper-gold mineralisation grading 1.23% Cu, 0.5g/t Au and 2.8g/t Ag and 57.8Mt of gold-only mineralisation grading 1.5g/t Au and 1.1g/t Ag.

There has been an increase in ore tonnes and copper metal in the June 2011 Copper-Gold Mineral Resource since the previous estimate in June 2010. This is due to the addition of the Kalaya Resource as a result of new surface drilling. This addition in resource has offset mining depletion within the Malu pit and a reduction in tonnes in the Malu Underground Resource as a result of an increase in cut-off grade for material that was previously classified as 'Near Surface'. The Gold-Only Mineral Resource has decreased as a result of additional surface drilling in the Kalaya Resource (previously referred in part as the Munda Zone), changing the cut-off grade for material that was previously classified as 'Near Surface' and mining depletion within the Malu pit.

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, Carrapateena, Moonta and a number of other smaller copper-gold deposits (e.g. Acropolis, Wirrda 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.

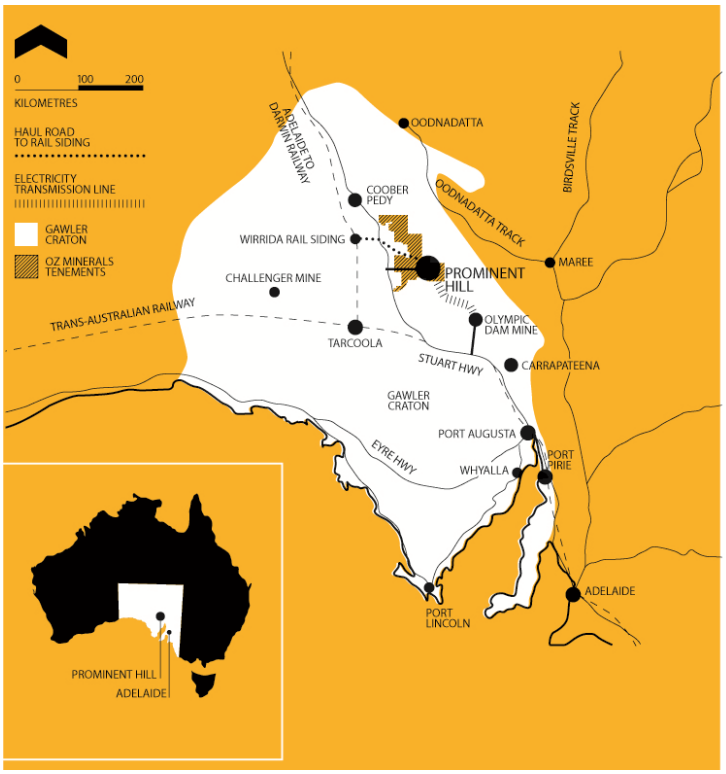

Figure 1. Prominent Hill Project Area, South Australia

Changes from the June 2010 Mineral Resource

The Copper-Gold Mineral Resource at Prominent Hill has increased by 14.7Mt (7%) and contained copper metal has increased by 165.2Kt (7%) from the June 2010 estimate. The increase is attributable to surface drilling within the Kalaya Resource that has allowed the definition of an Inferred Resource of 51.7Mt at 0.98% copper. 17.5Mt of copper ore within the Kalaya Resource had previously been included in the Malu Underground Resource prior to the boundary being defined at 55300mE.

The 2010 Copper-Gold Mineral Resource had material classified as 'Near Surface' Resource (above 480m below surface). Mining studies have shown that this material is more likely to be mined from underground. The cut-off grade for this material was increased from 0.3% to 0.5% copper resulting in a reduction of 9.7Mt at 0.37% copper.

The Malu Pit Resource was reduced by 6.5Mt at 1.78% copper as a result of mining depletion for the 12 months until 30th June 2011. The Ankata Resource increased by 2.8Mt (27%) for 24Kt (12%) as a result of additional surface drilling. No ore mining occurred from the Ankata Resource during the reporting period.

The Gold-Only Mineral Resource estimate for Prominent Hill represents a 27.4Mt (32%) decrease in tonnes and 1.3Moz (32%) decrease in contained gold metal from the June 2010 estimate. A substantial portion of this decrease (0.9Moz) can be attributed to additional surface drilling and subsequent re-interpretation of the Munda Zone. This resulted in a reduction of the Munda Zone's up-dip extent and the transfer of metal down-dip, to the overlapping copper-gold Kalaya Zone. The remaining 0.4Moz reduction in gold metal is due to mining depletion and an increase in cut-off grade to 1.0g/t gold (previously 0.5g/t) for material that was previously classified as 'Near Surface'.

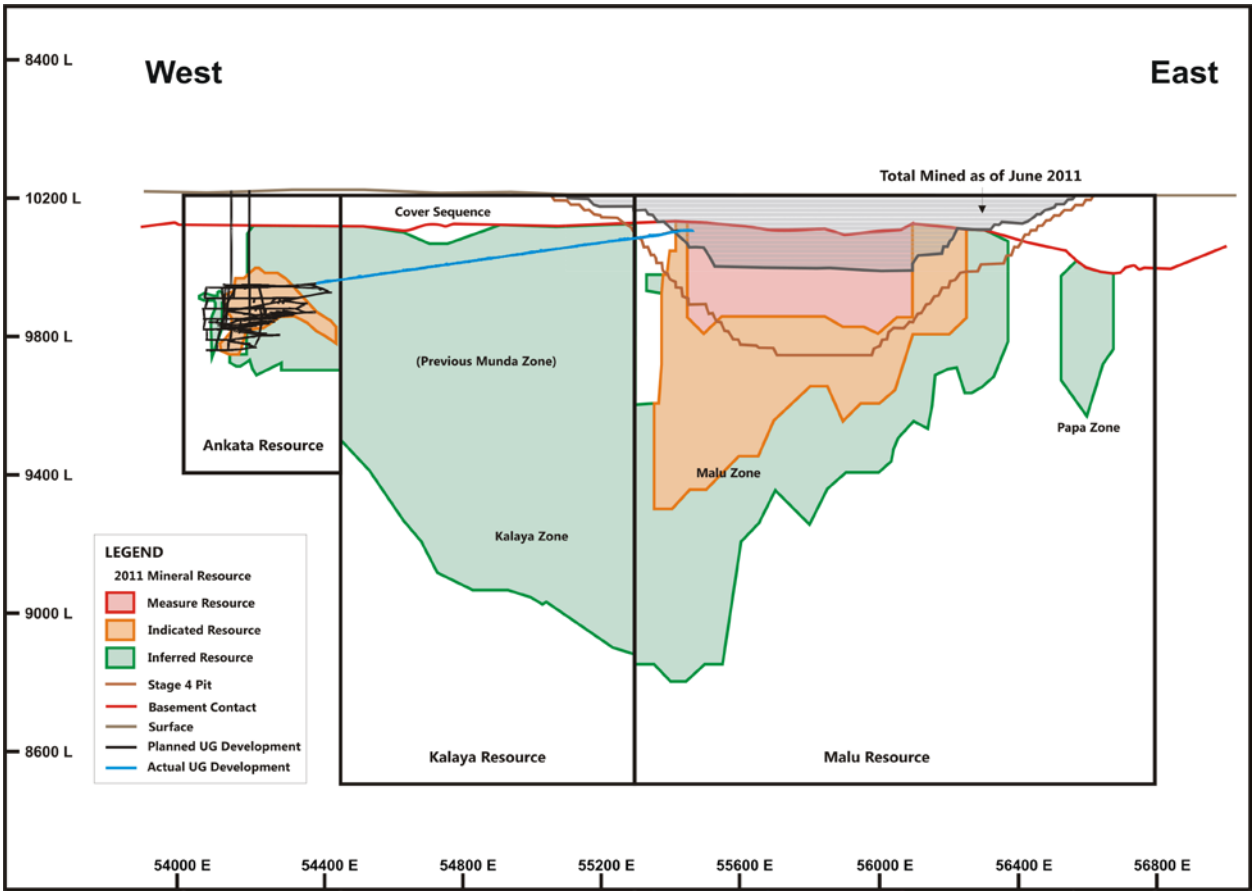

Figure 2. Long projection of Prominent Hill showing the 2011 Mineral Resources.

Assessment and Reporting Criteria

The following table provides a summary of important criteria related to the assessment and reporting of the Malu, Ankata and Kalaya Mineral Resource.

Criteria	Status
Sampling Techniques and Data	
Drilling techniques	• Diamond (NQ2) standard tube drilling and reverse circulation (RC) was used for geological interpretation.
Drill sample recovery	• Core recovery was good with 93% recovered for the Main Resource • Core recovery was 98% for the Ankata Resource
Logging	• Core was geologically and geotechnically logged onto portable computers. • Core was photographed prior to geological logging and sampling. • All core is stored at the Prominent Hill core facility.
Sub-sampling techniques and sample preparation	• Core is orientated along the bottom of hole and then half-core samples are taken using a diamond core saw. • Nominal sample length is 1m. • Sample interval density was measured using "Archimedes Principle". • Samples were dried, crushed and pulverised to a nominal 90% passing -75 microns.
Quality of assay data and laboratory tests	• The 2004-10 Cu grades were determined by modified aqua-regia/perchloric acid digest ICPOES determination (AMDEL Adelaide ore-grade Cu method) • The 2004-10 Au grades were determined by 40g Fire Assay AAS (at AMDEL Adelaide). • 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. • 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.
Verification of sampling and assaying	• 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. • Three pairs of twinned holes were drilled in the Main Resource and their results are detailed in the BFS. • No twinned holes have been drilled in the Ankata Resource.
Location of Data points	• All diamond drill holes were surveyed and recorded in the PH-MST GBIS™ database. • 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. • MGA coordinates were converted to local mine grid for Mineral Resource estimation. • 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. • A majority of holes drilled pre Oct 2007 were surveyed using a Gyro. • 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. • All drill holes post Oct 2007 were surveyed using a North Seeking Gyro (NSG) or a Humphries Gyro.
Data spacing and distribution (Malu Resource)	• Drilling has been conducted on nominal north-south 50m sections with 25m infill sections within some areas of the open pit. • 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. • Within the deeper copper-gold mineralisation, holes are drilled approximately 100-200m apart on section. • 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. • There are 14 vertical holes and 42 holes drilled oblique to the drill sections. • Drilling is predominantly concentrated between 53800E and 56700E and between 10210RL and 8700RL
Data spacing and distribution (Ankata Resource)	• Drilling has been completed on nominal north-south 50m sections and in-filled to 25m sections in the main mineralised zone. • 20 holes have been drilled from west to east on 25m spacing. • The majority of drilling was angled at approximately 60 degrees to the south, whilst the series of 20 west to east holes were angled at approximately 58 degrees to the east. • Drilling is concentrated between 53750mE to 54500mE, 11500mN to 12200mN, and 10210mRL and 9600mRL.
Data spacing and distribution (Kalaya Resource)	• Drilling has been completed on north-south sections at a nominal 100m - 200m spacing. • The majority of drilling was angled at approximately 60^{o} - 70^{o} to the south, whilst limited holes were drilled to the north. • Limited parent holes contained multiple wedge 'daughter' holes. • Drilling is concentrated between 54500mE - 55300mE, 11500mN - 12600mN, and 10210mRL - 9600mRL.
Orientation of data in relation to geological structure	• The majority of drilling has been completed on nominal north-south sections which are orthogonal to the strike of the orebody. • There is no expected bias due to the continuity of the orebody along strike. • The intersection angle is between 30 and 50 degrees through the haematite breccia bodies.

Estimating and Reporting of Mineral Resources	
Database integrity	• The Prominent Hill database is a SQL system. • Data is logged directly into the database utilising wireless transfer protocols on 'Toughbook' Portable computers. • 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.
Geological interpretation	• 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). • The ore system is built on regional E-W, NW and NE-trending mineralising structural 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). • The geology at Prominent Hill is categorised into the following lithologies and structural zones from north to south: – Skarn-granitoid package: a deeper, older package of deformed metasediment intruded by high-level granitoids and intensely metasomatised during the mineralising event. – 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. – Volcano-sedimentary package – Variably haematite-silica altered units (dolomite, limestone, shale, sandstone, greywacke and mafic to intermediate volcanics.) – 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 Main Resource. – Several mafic dykes which are variably sericite altered appear to post-date the mineralisation and strike +/- 30^{o} 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. – Several late stage dolerite dykes cross-cut the orebody and are thought to represent Gairdner Dyke Swarm equivalents (ca. 800Ma).
Dimensions	• 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. The Kalaya mineralisation is considered a lateral extension to the Malu resource with a variable plunge component. • The dip of the mineralisation is sub-vertical to steep northerly.

	• 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. • 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. • Known zones of mineralisation extend from 54050E to 56700E, 11800N to 12800N and 10210RL and 8700RL
Estimation and Modelling Techniques (Malu Resource)	• The cut-off date for inclusion of drill hole data in the resource modelling was 30th June 2011. • Polygons were created based on geological interpretation and copper grade (generally 0.3% Cu cut-off) on various width sections depending on drill spacing. • Triangulated interpretations have been domained into the following constrained fault and breccia bodies: – Hanging Wall Fault Zone – Prominent Hill Shear Zone – Prominent Hill Shear Zone Offshoot – BD1 – BD2 – BD3 – BD4 – BD5 – BG1 – BG2 – BG3 – 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 44 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 45th 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 5mE by 5mN by 3.0mRL. • 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. • Up to three estimation passes with increasing search neighbourhood sizes were run for all domains (Pass1 – 75 by 75 by 20m radii, Pass 2- 150 by 150 by 20m radii, Pass 3 – 300 by 300 by 100m radii). • 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. • 5m assay composites were used. • Estimation applied composite length weighting. • Log probability plots were used to determine top cut values
Estimation and Modelling Techniques (Ankata Resource)	• The cut-off date for inclusion of drill hole data in the resource modelling was 30th June 2011. • Polygons were created based on geological interpretation and copper grade on various width sections depending on drill spacing. • Major geological domains were interpreted using structural analysis and lithological logging with the assistance of geochemical data. • A low grade copper shell was created based on a cut –off of 0.3% Cu. • 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. • Copper mineralisation domains within the lower volcanics were constructed using a 0.3% Cu cut off. • A priority system of domains was set up to account for overlapping mineralisation, • The block model was constructed with parent blocks of 12mE by 12mN by 6mRL., with subcelling permitted down to 3mN by 3mE by 2mRL • Variography was applied to the composite database to determine search ellipse size and orientations. • Ordinary Kriging (OK) was used to estimate Cu, Au, Ag, U, Fe, Ba, S, Si and F grades separately. • 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. • Up to three estimation passes with increasing search neighbourhood size were run for all domains. • Sub cells were assigned parent cell grades.

	• A quantitative kriging neighbourhood analysis has been completed previously to assess the most appropriate combination of variables and parameters for the main Ankata Deposit domains. • Domains that constitute the Indicated Resource used search ellipses that are: (Pass 1 – 75m by 55m by 30m radii, Pass 2- 110m by 80m by 40m radii, Pass 3 – 150m by 110m by 55m radii). A minimum of 4 -8 and maximum of 32 – 40 composites were used per estimate (domain dependant). • 1m assay composites were used. • Estimation applied composite length weighting. • Log probability plots were used to determine top cut values • Inverse distance squared or Ordinary Kriging was used for Inferred domains.
Estimation and Modelling Techniques (Kalaya Resource)	• The cut-off date for inclusion of drill hole data in the resource modelling was 30th June 2011. • Polygons were created based on geological interpretation, copper or gold grade (dependent upon domain type) on various width sections depending on drill spacing. • Major geological domains were interpreted using structural analysis and lithological logging with the assistance of geochemical data. • A copper shell was created based on a cut –off of 0.5% Cu. • A gold shell was created based on a cut-off of 0.5g/t Au. • A priority system of domains was set up to account for overlapping mineralisation, • The block model was constructed with parent blocks of 25mE by 15mN by 25mRL with subcelling permitted down to 5mN by 3mE by 5mRL • Search ellipse size was based upon drill hole spacing and limited variography, with orientations guided by domain characteristics. • Inverse Distance (ID) was used for new / substantially updated domains 460, 461, 843, 845 and 846 to estimate Cu, Au, Ag, U, Fe, Ba, S, Si and F grades separately. • Ordinary Kriging (OK) or Inverse Distance (ID) was used to estimate Cu, Au, Ag, U, Fe, Ba, S, Si and F grades separately for all other domains, with parameters applied from previous Malu or Ankata estimates. • Up to three estimation passes with increasing search neighbourhood size were run for all domains. • Sub cells were assigned parent cell grades. • Domains that constitute the Inferred Resource used various sized search ellipses with a maximum: (Pass 1 – 130m by 130m by 42m radii, Pass 2- 260m by 260m by 130m radii, Pass 3 – 300m by 300m by 100m radii). Limited domains had three passes. • A varying minimum of 4 -8 and maximum of 32 -40 composites were used per estimate, dependent upon individual domain / pass estimation parameters. • 1m assay composites were used. • Estimation applied composite length weighting. • Log probability plots were used to determine top cut values.
Moisture	• Tonnes have been calculated on a dry basis.
Cut-off parameters	• Copper and Gold Mineral Resources have been reported above different cut-offs according to the mining domain.

	• Within the planned open pit mining domain 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. • Within the Malu, Ankata and Kalaya underground domains the 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.
Mining factors or assumptions	• The upper-central portion of the mineral resource is currently being mined as an open pit operation. • 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
Metallurgical factors or assumptions	• Metallurgical characteristics within the total copper and gold resources respectively are considered to be comparable with areas studied as part of the BFS.
Bulk density	• All sampled core and more than 20% of all other core has been measured for density. • The method used the entire air-dried core sample weighed in air and water, which was used to estimate the density. • 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. • Historically density values have also been estimated by ordinary kriging and are comparable locally and globally with the regression analysis method. • Several waste domains with low iron values were assigned the average domain density.
Classification	• 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. • Measured resources have an average drill-hole spacing of 30 by 30 metres. • Indicated resources have an average drill-hole spacing of 50 by 50 metres, and • Inferred resources have an average spacing of up to 75 by 75 metres in all areas except the Kalaya Zone which has a drill-hole spacing of up to 100 by 200 metres.
Audits or Reviews	• Internal peer reviews were undertaken. • An external review of the 2011 Mineral Resource was conducted by AMC Consultants in November 2011. • External reviews have been conducted by AMC Consultants and Behre Dolbear Australia since 2006.

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 John Penhall and Bruce Whittaker under the guidance of Jim Hodgkison. John Penhall, Bruce Whittaker and Jim Hodgkison are full time employees of OZ Minerals Limited and 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

MALU OPEN PIT ORE RESERVE STATEMENT - 30 June 2011

Introduction

The Malu Open Pit June 2011 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 2011 Ore Reserves Estimate updates the estimate made in June 2010. For the year ending 30 June 2011, 9.9 million tonnes of copper and gold ores were processed for 117kt contained copper and 246koz of contained gold. Reserves reduced less than depletion due to the positive reconciliation of estimated Reserves to ore mined and due to higher commodity prices being used for the estimation of Reserves.

The June 2011 Reserves and Resources are based on the geological block model[1] finalised in August 2011. 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 2010 to June 2011 had a material influence on this Ore Reserve estimate.

The June 2011 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 2011 geological block model since June 2010 include re-interpretation of the geology in some areas based on mining experience, reconciliation of the resource model to ore production and grade control and changes to some estimation parameters based on a geostatistical review.

Economic Parameters

The 2011 Ore Reserve is based on the life-of-mine (LOM) commodity prices and exchange rate shown in Table 1. Treatment and refining costs are based on annual benchmark rates and are negotiated with individual customers; as such they are commercial in confidence. Other parameters used include transport costs which are also negotiated with individual suppliers and as such are commercial in confidence.

Table 1 Prominent Hill Economic Parameters

Parameter	Units	LOM
Copper	US $ / lb	2.75
Gold	US $ / oz	1200
Silver	US $ / oz	17.60
Exchange Rate	AUD / USD	0.80

[1] Vulcan™ file - ph_june11_c_for_budget.bmf

Results

The Ore Reserves summarised in Table 2 are reported within the current final open pit design[2] using the June 2011 end of month surveyed pit.

Table 2 Malu Open Pit Ore Reserves, June 2011

Classification	Tonnes (Mt)	Cu (%)	Cu (kt)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)
Copper Ores							
Proved	25.2	1.48%	372	0.47	381	3.63	2,946
Probable	23.1	1.33%	306	0.49	364	3.44	2,558
Gold Ores							
Proved	11.5	0.10%	11	1.05	388	1.85	685
Probable	7.6	0.06%	4	1.11	271	1.10	268
All Ores							
Proved	36.7	1.05%	384	0.65	769	3.08	3,630
Probable	30.7	1.01%	311	0.64	635	2.87	2,826
Total	67.4	1.03%	694	0.65	1,404	2.98	6,456

Table 3 Malu Open Pit Ore Processed July 2010 - June 2011

Classification	Tonnes (Mt)	Cu (%)	Cu (kt)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)
Proved	9.9	1.18%	117	0.77	246	2.14	685

Table 4 Malu Open Pit Ore Reserves, June 2010

Classification	Tonnes (Mt)	Cu (%)	Cu (kt)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)
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
Total	**69.6**	**1.12%**	**781**	**0.68**	**1,518**	**3.04**	**6,799**

[2] Vulcan™ file s4_d24_v2.00t

Compared to the 2010 Ore Reserves, ore tonnes in the 2011 Ore Reserves decreased by 2.2Mt, contained copper metal decreased by 87kt and gold ounces decreased by 114koz.

Ore tonnes have not reduced as much as depletion because:

- An increase in the gold price ($810/oz in 2010, $1200/oz in 2011) led to an increase in gold ore tonnes of 6Mt.
- Tonnage call factors for copper and gold ores in the Stage 2 pit were increased in response to the reconciliation of ore mined to the 2010 Reserves.

Copper and gold metal have not reduced in line with depletion because:

- An increase in the gold price ($810/oz in 2010, $1200/oz in 2011) led to an increase in contained gold.
- Metal call factors applied to copper and gold ores in the Stage 2 pit were increased in response to the positive reconciliation of ore mined to the 2010 Reserves.

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 is based on information compiled by Justin Taylor, 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. Justin Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Justin Taylor

Principal Mining Engineer

OZ Minerals

Key points relating to the Malu Open Pit June 2011 Ore Reserves Estimate

1. Metal Prices

Economic parameters are shown in Table 1. They are based on OZ Minerals LOM Corporate Economic Assumptions[3].

2. Classification

The Ore Reserve Estimate is based on the Mineral Resource contained within the final open pit design classified as "Measured" and "Indicated" after consideration of all mining, metallurgical, social, environmental and financial aspects of the project. 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 Bruce Whittaker under the guidance of Jim Hodgkison. Bruce Whittaker 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, 2011. The geological interpretation and grade estimation were undertaken using Vulcan™ software.

The geological model extends 2,400m 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 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. 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 average specific gravity of the haematitic host breccias is estimated to be 3.2.

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, 30.5 million tonnes at 1.1% copper and 0.7 g/t gold have been mined from the open pit. During the same period 21.0 million tonnes at 1.5% copper and 0.7 g/t gold have been processed of which 18.7 million tonnes were copper ore.

Stockpiled ore at 30 June 2011 comprised 2.6 million tonnes of copper ore and 7.0 million tonnes of gold ore.

[3] OZL Commodity Price Assumptions Budget.pdf

Previous reconciliation studies between the Mineral Resource and mill production have shown that the Mineral Resource has overstated the copper metal in the upper benches of mining Stages 1 and 2 by up to 14%. The 2011 Mineral Resource shows an improvement in reconciliation with depth in Stage 2 and is providing a reasonable estimate for copper metal. The improved reconciliation is reflected in the Call Factors shown in Table 5.

5. Cut-off Grade

The cut-off grade used for the Ore Reserve Estimate 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 Net Smelter Return (NSR) or mine gate value, the cut-off grade used for the Ore Reserve Estimate is $17 / tonne.

6. Mining Factors and Assumptions

The Ore Reserve Estimate is based on conventional open pit mining operation using drilling and blasting, and large excavators loading off-highway trucks.

The final pit design is based on a Whittle™ optimised pit using the latest pit slope parameters recommended by OZ Minerals and its geotechnical consultants.

The factors used to convert Mineral Resources to Ore Reserves are tabled below. These were derived from reconciliation of the 2011 resource model to the total tonnes mined and milled to the end of June 2011.

Table 5 – Call Factors

Copper Ore	Tonnes	Cu Metal	Au Metal	Ag Metal
Stage 2	115%	93%	100%	100%
Stage 3	105%	100%	100%	100%
Stage 4	105%	100%	100%	100%
Gold Ore				
Stage 2	115%	100%	115%	100%
Stage 3	100%	100%	100%	100%
Stage 4	100%	100%	100%	100%

7. Metallurgical Factors and Assumptions

The Ore Reserve Estimate is based on a 9.5 Mtpa process 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.

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. These are aligned to industry standards but are commercial-in-confidence.

ANKATA UNDERGROUND ORE RESERVES STATEMENT – 30 June 2011

Introduction

The Ankata Ore Reserves are derived from the copper-gold Mineral Resources of the Ankata deposit, situated approximately 900m west of the existing Malu Open Pit. The Prominent Hill mine is located 150km south-east of Coober Pedy, South Australia.

The Ankata Reserves and Resources are based on the geological block model[4] finalised in August 2010. The geological model is specific to the Ankata deposit and extends 500m along strike, and covers the 400-500m width of the mineralised horizons to a depth of 670m. A new geological block model[5] was completed in November, 2011. A comparison of the two geological models showed no change which would materially affect the Ore Reserves hence these have not been re-estimated.

Results

The Ore Reserves summarised in Table 1 are reported within the stope and development designs completed in August 2010.

Table 1 Ankata Ore Reserve June 2011

Classification	Tonnes (Mt)	Cu (%)	Cu (kt)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)
Probable	4.9	2.52	124	0.48	76	3.64	576
Total	**4.9**	**2.52**	**124**	**0.48**	**76**	**3.64**	**576**

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 is based on information compiled by Justin Taylor, 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. Justin Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Justin Taylor

Principal Mining Engineer

OZ Minerals Limited

[4] Vulcan™ file - PH_wcz_aug10_a.bmf

[5] Vulcan™ file - ph_ankt_jul11_final2.bmf

Key points relating to the Ankata June 2011 Ore Reserves Estimate

1. Metal Prices

The Ore Reserve estimate uses US$2.75/lb for copper, US$1200/oz for gold and US$17.60/oz for silver and 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 designed stopes and development classified as "Indicated" after consideration of all mining, metallurgical, social, environmental and financial aspects of the project. All Probable Ore Reserves were derived from the Indicated Mineral Resources.

3. Resource Estimate

The Ankata Mineral Resource Estimate was compiled by John Penhall who is a full time employee of OZ Minerals Limited. The Competent Person for the Mineral Resource Estimate is Jim Hodgkison.

Jim Hodgkison is a full time employee of Oz Minerals Limited and is a Member of the Australian Institute of Geoscientists. Mr Hodgkison has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. Mr 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 Estimate classification was based on data density, data quality, confidence in the geological interpretation and confidence in the estimation method. Indicated Resources have a nominal drill-hole spacing of 25m by 25m in the most complex zones and up to 50m by 50m. Inferred Resources have an average spacing of 50m by 50m depending on geological complexity.

The Resource model is based on the geological database (SQL system) as at 30 June, 2011 and the geological interpretation and grade estimation were undertaken using Vulcan™ software. Sample data 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 all mineralisation shapes. Ordinary Kriging was used to estimate all blocks that make up the Indicated Resource and Inverse Distance squared (ID2) was used as the estimation technique when flagged data was too sparse in the peripheral mineralised zones. Due to the change in strike direction several domains where divided into north-south and east-west sub-domains to reflect the observed spatial variability. QKNA analysis was undertaken previously to assess the most appropriate combination of estimation variables.

Bulk density values were assigned to each block within each domain using a polynomial regression based on iron assay data and bulk density measurements undertaken on all sampled core.

The strike extent of the main mineralised zones is approximately 300m east-west and north-south and extends to approximately 500m below surface. Mineralisation remains open along strike to the east.

4. Cut-off Grade

The cut-off grade used for the Ore Reserve Estimate 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$73 per tonne.

5. Mining Factors and Assumptions

The 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 2. 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**

6. Metallurgical Factors and Assumptions

The Ore Reserve Estimate is based on treating the Ankata ore through the existing process plant at Prominent Hill. The Ankata Resource has similar metallurgical characteristics to those exhibited by the 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%.

7. 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. These are aligned to industry standards but are commercial in confidence.