



OZ Minerals Limited

Ore Reserves

Explanatory Notes

as at 30 June 2008

3 PROMINENT HILL ORE RESERVES STATEMENT – 30 JUNE 2008

3.1 Introduction

The Prominent Hill June 2008 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 June 2008 Ore Reserves Estimate updates the estimate made in June 2007. The first production of concentrate is due in January 2009.

During late 2007 and 2008 drilling to enhance and increase the Resource has largely focussed on areas outside the open pit, with some drilling near the base of the open pit upgrading 2007 Resources from Indicated to Measured and from Inferred to Indicated. As a result, there are only small changes in the Open Pit Ore Reserves Estimate for June 2007. These are due to minor changes in the classification and quantification of Mineral Resources within the open pit and to revised economic parameters.

The Resource model upon which the June 2008 Ore Reserve is based uses the geological database as at 6 August, 2008. The geological model extends 2000m along strike east to west, and covers the 300-400m width of the mineralized horizons to a depth of 1300m

The June 2008 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.

3.2 Results

The Ore Reserve is reported within the current final open pit design (S4_D3) prepared during 2007, and confirmed during the 2008 Reserve update. Table 7 summarises the Prominent Hill Ore Reserve.

Table 7 Prominent Hill Ore Reserves, June 2008

Classification	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Au (koz)	Ag (koz)
Proved	45.6	1.55	0.52	3.67	706	755	5,380
Probable	26.8	0.89	0.77	2.49	238	667	2,145
Total	72.4	1.31	0.61	3.23	945	1,422	7,525

Compared to the 2007 Ore Reserves, copper Ore Reserves have increased from 883 kt contained copper to 945 kt contained copper. Gold Ore Reserves have increased from 1294 koz contained gold to 1422 koz contained gold. Proved Ore Reserves have increased from 35.7 Mt of ore to 45.6 Mt of ore.

3.3 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 David Goodchild. David Goodchild is 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. He has given his consent for the inclusion of the material in the form and context in which it appears.

3.4 Key points relating to the Prominent Hill June 2008 Ore Reserves Estimate

3.4.1 Metal Prices

The Ore Reserve estimate uses metal prices of US\$2.20/lb (US\$4850/t) for copper, US\$700/oz for gold and US\$11.00/oz for silver and an exchange rate of A\$1.00 = US\$0.75.

3.4.2 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 Reserve has been derived from the Measured Mineral Resource and all Probable Ore Reserve has been derived from the Indicated Mineral Resource.

3.4.3 Resource Estimate

The Competent Persons for the Mineral Resource Estimate are Patrick Say and Jared Broome of Oz Minerals Ltd.

The Resource model is based on the geological database as at 6 August 2008, the geological interpretation and solid modelling of the geology by Patrick Say of Oz Minerals Limited. Block model construction and grade estimation were undertaken by Patrick Say and Jared Broome of Oz Minerals Limited using Vulcan™ software.

The geological model extends 2000m along strike East to West and covers the 300-400m width of the mineralized horizons to a depth of 1300m.

Sample data was composited to five (5) metre intervals and flagged by the domains defined in the geological interpretation. 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.

Bulk Density factors were assigned for each domain using a polynomial regression based on Fe assay data and bulk density measurements undertaken on all sampled ore. The average bulk density of the haematitic host breccias is estimated to be 3.38.

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

3.4.4 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 Nett Smelter Return (NSR) or mine gate value, the cut-off grade used for the Ore Reserve Estimate is A\$13.85/t.

3.4.5 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 mining and recovery parameters are those used in the Ore Reserve Estimate of 2007 and reflect industry practices. The average dilution is 5% and the mining recovery is 98.5%.

3.4.6 Metallurgical Factors and Assumptions

The Ore Reserve Estimate is based on an 8 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 63% and 86%.

3.4.7 Marketing Terms

The Ore Reserve Estimate uses Oz Minerals forecasts for overland and sea transport, smelter deductions, and treatment and refining charges. The smelter charges used in the estimate are US\$80/t of concentrate. The refining charges used in the estimate are US\$0.08/lb of copper and US\$6.00/ounce of gold.