A clear direction
now and for the future
OZ Minerals is an Australian mining company focused on copper.

The Prominent Hill copper-gold mine in South Australia is our primary asset. Prominent Hill is an open pit mine, with a new underground mine under development.

OZ Minerals’ strong balance sheet and experienced team of professionals is positioning the Company for growth.

Discovery, with a clear focus on identifying further copper deposits in the large tenement holding surrounding Prominent Hill, is a high priority.

Growth through acquisition of copper assets that meet our stated criteria completes our growth strategy.
Excellent performance demonstrated at Prominent Hill copper-gold mine, with production of 112,171 tonnes of copper and 196,400 ounces of gold produced in 2010.

Commencement of development of the Ankata underground mine – where high grade ore will contribute an average of 25,000 tonnes of copper and 12,000 ounces of gold each year – maintaining current Prominent Hill production rates for the Malu open pit.

C1 cash costs at Prominent Hill within the lowest quartile of global copper producers.

Record copper and gold prices, along with strong production, contributing to strong net profit after tax from continuing operations of $539.3 million for 2010.

Active exploration program focused on Prominent Hill.
New projects in Australia, Cambodia, Mexico and Chile.

Total dividend in respect of 2010 earnings of seven cents per share ($223 million), equivalent to 56 percent of profits from normal operations.

Capital management strategy announced comprising a proposed 12 cents per share capital return and share consolidation to be approved by shareholders, followed by a $200 million on-market share buyback.

### FULL YEAR FINANCIAL RESULTS SUMMARY FOR CONTINUING OPERATIONS

<table>
<thead>
<tr>
<th>ASM</th>
<th>2010</th>
<th>2009*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,129.2</td>
<td>609.4</td>
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<tr>
<td>Cost of goods sold</td>
<td>(338.3)</td>
<td>(209.6)</td>
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<tr>
<td>Net foreign exchange losses</td>
<td>(89.6)</td>
<td>(113.0)</td>
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<tr>
<td>Exploration expense</td>
<td>(50.2)</td>
<td>(19.0)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(54.9)</td>
<td>(45.9)</td>
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<tr>
<td>EBITDA</td>
<td>596.2</td>
<td>221.9</td>
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<tr>
<td>Depreciation and amortisation</td>
<td>(152.6)</td>
<td>(85.7)</td>
</tr>
<tr>
<td>Net impairment reversal</td>
<td>190.4</td>
<td>–</td>
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<tr>
<td>EBIT</td>
<td>634.0</td>
<td>136.2</td>
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<td>Net financing income/ (expenses)</td>
<td>27.6</td>
<td>(88.3)</td>
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<td>Income tax expense</td>
<td>(122.3)</td>
<td>(16.6)</td>
</tr>
<tr>
<td>NPAT from continuing operations</td>
<td>539.3</td>
<td>31.3</td>
</tr>
</tbody>
</table>

* 2009: eight months of Prominent Hill operations
14.6% increase in copper prices in 2010

19.3% increase in gold prices in 2010

$1.13b in revenue

43% growth in share price in 2010

COPPER PRICE

GOLD PRICE

2010 COPPER AND GOLD THROUGHPUT AT PROMINENT HILL

REVENUE BY PRODUCT TYPE FROM PROMINENT HILL

SHARE PRICE RELATIVE TO ASX 200

Source: Bloomberg

Source: ASX Limited

* Rebased to 100
Prominent Hill performed very well in its first full year of operations. We have achieved high levels of production, maintained good cost control and enjoyed a period of record prices for copper and gold.
Dear Shareholder,

I am pleased to report to shareholders after my first year as Chairman of OZ Minerals. It has been a most satisfactory year for a company with strength in its assets and operational capacity at Prominent Hill, in its financial health, in its very able team of people and in its growth prospects.

The Board is well satisfied with the Company’s progress on all fronts, apart from the last year’s safety performance. As a company and as a Board we have no higher priority than ensuring that every person who works for us returns home safely after their daily shift. You will see analysis of our safety performance in this document. Safety is a key performance indicator and our major focus is to improve our safety performance.

Our operation at Prominent Hill performed very well in its first full year of operations. We have achieved high levels of production, maintained good cost control and enjoyed a period of record prices for copper and gold. All of this has resulted in an outstanding financial result for the 2010 year.

The Board resolved in February to pay a further dividend of four cents per share (unfranked), taking the annual dividend paid to seven cents in respect of 2010 earnings. The Board has also resolved, in light of the very strong balance sheet and level of cash reserves, to recommend a capital return of twelve cents per share – approximately $390 million.

The Board has also decided to return up to a further $200 million to shareholders through buying back our shares on-market over a period of twelve months. The Company also proposes to consolidate its shares on a one for ten basis to bring the number of shares on issue more in line with that of its peers.

The Company’s strategy remains to add to its expansion through the acquisition of new copper assets where value can be identified. In the 2010 year, we have analysed many potential investment opportunities, but few have met our strict value criteria. We finalised a joint venture with IMX Resources, acquired a stake in Sandfire Resources and, since the balance date, announced an agreement to acquire the Carrapateena project in South Australia. These developments add to our pipeline of growth options. We also remain committed to optimising our assets at Prominent Hill, to developing the near mine area and to continuing to aggressively explore for other new deposits in the region.

The Company’s financial position after the capital management program and acquisitions to date remains very strong. We expect to have a cash base of approximately $750 million following capital returns and the acquisition of Carrapateena, with continuing strong operating cash flows and no debt.

We continue to succeed in our relationships with our stakeholders. We value these partnerships and view them as long-term investments, be they with our own people, our contractors, governments, local communities, investors or media.

Last year, the Company’s longest serving Director, Mike Eager, passed away. Mike was an invaluable member of the Board and was a highly respected mining industry professional, who made notable contributions to the mining industry over his 40 year career. The Company was fortunate to have his guidance and advice over a period of more than ten years.

During the year, we welcomed two new non-executive directors, Charles Lenegan and Rebecca McGrath. Charles was a former Managing Director of Rio Tinto Australia and Rebecca is currently Chief Financial Officer of BP Australia.

I would like to thank my Board colleagues for their support and contribution over the past year, and the Board wishes to record its thanks for the efforts of all people in OZ Minerals in their contribution to the Company’s sound performance.

I also thank shareholders for their continuing support for the Company.

Neil Hamilton
Chairman
25 March 2011
Dear Shareholder,

I am delighted to present a report to shareholders outlining such a pleasing performance.

Excellent production, high commodity prices and costs in the lowest quartile have contributed to our favourable results. Overall net profit after tax of $539.3 million from continuing operations was an outstanding result. This came from revenue of $1,128.4 million from Prominent Hill.

2010 was our first full year of operations, with an impressive performance from our Prominent Hill operation. At 112,171 tonnes of copper for the year and 196,400 ounces of gold, our production was better than our expectations this time last year.

Strong copper production resulted from higher throughput and recoveries, and strong gold production was due to our ability to process higher than expected quantities of gold-only ore. Both the mine and the plant performed well. During 2010, we operated the plant on average at over 19 percent above nameplate capacity.

We were also very pleased that we have been able to keep our costs at a very competitive level. In terms of cost, Prominent Hill is in the lowest quartile of producers. Mining costs have remained steady and cash costs have benefited from high gold recoveries and a stronger gold price providing significant by-product credits.

OZ Minerals is clearly in two very strong commodities – copper and gold. Both metals saw record prices during December 2010, with copper at US$4.42 per pound and gold at US$1,425 per ounce.

Commentators predict that strong demand, especially from China, looks likely to continue and we see limited new copper resources in development and head grades of current global operations in decline. We believe that the copper and gold production we achieved at Prominent Hill in 2010 is sustainable and therefore we are forecasting similar levels for five plus years.

To continue to achieve these steady levels of production, higher-grade copper ore from Ankata, our new underground development, will augment lower copper ore grades from the Malu open pit in the coming years. Ankata is a high-grade resource 800 metres from Malu. The decline to access the resource is currently under development with 550 metres reached by 15 March 2011. We expect to produce the first ore from stopes by the first quarter of 2012, with full production expected by the third quarter of 2012.
We revisited and reconfirmed our strategy in 2010 and are confident we are on the right track.

Our strategy
Underpinning our strategy is the principle of Zero Harm. Our focus on copper has not changed and maximising production at Prominent Hill is our first priority. Investing in exploration and building a project pipeline is key to our future growth. Disciplined capital management is integral to our strategy.

Maximising production at Prominent Hill is an essential pillar of the OZ Minerals strategy. We revisited and reconfirmed our strategy in 2010 and are confident we are on the right track.

Underpinning our strategy is the principle of Zero Harm. My only major disappointment for 2010 was in the area of safety. As detailed in the safety section on page 18 of this report, both our injury frequency and lost time injury rates increased from 2009. We measure safety performance across both our employee and contractor groups, and this is the area that receives a lot of my personal attention and is the area where I am looking for most improvement.

A major program to assist in improving safety performance was launched during the year. The program commenced with a diagnostic benchmarking survey, which compared OZ Minerals against organisations with superior safety performance. The results highlight key areas for improvement for everyone working at OZ Minerals and a program is currently being put in place to focus on these opportunities.

Disciplined capital management is also integral to our strategy, with a focus on distributing cash flows and capital that are surplus to the immediate needs of the business. We were pleased to be able to announce a range of capital management initiatives as outlined by the Chairman in this report. If approved at the AGM, total distributions to shareholders will have been more than $600 million in the twelve months to 30 June 2011.

The rest of our strategy, which includes investing in exploration and building a project pipeline, continues to be focused around copper.

Our first priority for exploration is the area around Prominent Hill. There is no doubt that a discovery at Prominent Hill would add more value than anything else we could do. We have a systematic and disciplined approach to exploration, with ten drill rigs now on site at Prominent Hill, and on the joint venture ground with IMX Resources. This intensive exploration campaign during 2011, with a budget of $70 million, is sizable by any measure.

In 2010, we also continued to conduct exploration in Cambodia and commenced exploration in Mexico, Chile and Cobar in Australia.

After returning cash, we have sufficient funds, with approximately $750 million in cash available, after taking into account the purchase of the Carrapateena project, to add more copper assets to our portfolio. We will continue to review opportunities and have looked at projects at all stages to build that growth capability.

An example of this is the Carrapateena project, one of the largest undeveloped copper projects in Australia. This investment is consistent with our strategy, being copper with appropriate production potential in a favourable jurisdiction. The project represents a significant long-term option for OZ Minerals, not just over the Carrapateena deposit, but on the exploration potential of the region.

In 2010, changes were made to the senior executive management structure of OZ Minerals. Our highly skilled smaller executive management team is fit for purpose and focused on pursuing our strategy for growth. Prominent Hill has a strong operational team, with all senior operational roles now filled by highly experienced professionals.

I would like to take this opportunity to thank all of our employees and contractors for their contribution.

As shareholders, I would like to thank you for your ongoing support for OZ Minerals.

Terry Burgess
Managing Director and Chief Executive Officer
25 March 2011
An asset that performs
Operational performance at Prominent Hill has been excellent. 2010 was the first full year of production, and the mine and plant performed above expectations.

Prominent Hill is located in South Australia, 650 kilometres north west of Adelaide and 130 kilometres south east of the town of Coober Pedy. Copper and gold in concentrates are produced from the Prominent Hill operation, which comprises an open pit, grinding circuit and flotation plant, with a new underground mine currently under development. It is a fly-in fly-out site, with an airfield and a village to accommodate more than 1,000 people. Plant operations began in February 2009 followed by a successful ramp-up period. In 2010, the plant operated well above nameplate specifications.

Prominent Hill concentrates are the highest grade copper concentrates traded on the open market, with copper grades of around 50 percent. Prominent Hill concentrates are transported via the Adelaide to Darwin railway, which is approximately 120 kilometres from the mine site. The concentrates are shipped from the Port of Darwin, with a very competitive shipping time of around two weeks to most Asian ports.

**OVERVIEW**

- **PRODUCT**
  Copper concentrate (containing gold and silver)

- **MINING METHOD**
  Open pit

- **PROCESSING METHOD**
  Conventional crushing, grinding and flotation

- **2010 PRODUCTION**
  112,171 tonnes contained copper
  196,400 ounces contained gold

- **PRODUCTION GUIDANCE – NEXT FIVE + YEARS**
  100,000 – 110,000 tonnes copper
  185,000 – 205,000 ounces gold

- **RESOURCES**
  Copper gold
  200.3Mt @ 1.23% copper, 0.5g/t gold (2.5Mt Cu, 3.1Moz Au)
  Gold only
  85.2Mt @ 0.08% Cu, 1.5g/t Au (0.07Mt Cu, 4.1Moz Au)

- **RESERVES**
  75Mt @ 1.21% copper, 0.67g/t gold (0.9Mt copper, 1.6Moz Au)

- **SALES**
  Prominent Hill concentrates travel to customers via the Adelaide to Darwin railway to the Port of Darwin and then via ship to Asia and Europe. Concentrates are also transported by road to local customers

- **WORKFORCE**
  Approximately 800 (including staff and contractors)
The operation’s performance was excellent in 2010. Copper production for the year was 112,171 tonnes, which was above initial expectations. Gold production at 196,400 ounces was more than double the original forecast.

Strong copper production resulted from higher plant throughput and recoveries, and strong gold production was due to our improved ability to process gold-only ore together with higher than expected quantities of gold-only ore being mined.

Approximately ten million tonnes of ore and 53 million tonnes of waste were mined in 2010. During the second half of 2010, an additional open pit mining fleet, including an excavator and associated trucks, was introduced to increase operational flexibility. This has enabled an increase in ore supply to the mill and expedites mining of the overburden from upper levels of the mine.

High precision GPS was installed on mobile equipment in the open pit, which is expected to lead to productivity improvements through increased accuracy of excavation. Geotechnical studies have enhanced our understanding of the stability of the open pit wall and we saw improvement in this area.

The processing plant performed particularly well, with a total of ten million tonnes of ore milled during the year, which was over 19 percent above nameplate capacity.

Improving the efficiency of the operation is a continuing priority at Prominent Hill, and several successful margin improvement projects were conducted through the year, including enhancements to the tailings thickener and water pumping systems. Enhanced maintenance practices have also enabled us to increase plant running time. These projects have resulted in the plant continuing to perform well over the year.

Prominent Hill has world competitive costs of production; with a C1 cash cost of US$46.4c/lb, the operation is in the first quartile of producers. A good understanding of our operation has resulted in total mining costs remaining well controlled. Cash costs have benefited from high gold production, which together with a stronger gold price provided significant by-product credits. This more than offset the effects of a strong Australian dollar. In 2011, it is expected that C1 cash costs will be less than US$60c/lb, depending on the performance of the gold price and the Australian dollar.

Current copper and gold production levels will be maintained for five plus years, with contribution of the underground mine and good performance of the plant.
Ankata is the local indigenous word for dragon lizard and refers to our new underground development at Prominent Hill. The area was originally known as the Western Copper Zone.

The underground phase will enable us to continue to maximise the value we extract from Prominent Hill. Ankata is a high-grade resource located 800 metres away from the Malu open pit.

The higher grade ore from the underground is expected to contribute an average of 25,000 tonnes of copper and 12,000 ounces of gold production each year for five years. This will allow the operation to maintain levels of production around those currently being achieved.

Mining of the underground will be via sub-level open stoping techniques. The ore has similar metallurgical characteristics to that in the open pit and the material can be blended with the open pit feed for processing.

The Ankata mineralisation was discovered in 2007, when drilling was carried out on the ‘Western Gravity Ridge’. The Ankata deposit was then defined through a series of exploration programs completed in early 2010 with the feasibility study completed in June 2010.

Final Board approval to proceed with the development was granted in July 2010 and Byrnecut Mining was selected as the underground mining contractor.

The Ankata portal was accessed in November 2010 and 550 metres of the decline had been developed by 15 March 2011. The project remains on schedule to produce first ore from stoping by the first quarter of 2012 and full production is scheduled for the third quarter of 2012.

In 2011, exploration from underground is anticipated to commence, with a focus on the Munda and Kalaya zones, in which there is only very limited information from surface drilling programs.
Exploring with intent
OZ Minerals has both a near mine and a regional exploration program. The near mine exploration program is focused on areas close to the Prominent Hill open pit now known as the Malu deposit. The objective of this program is to find additional ore in the immediate vicinity of the existing operations to extend the life of Prominent Hill.

In 2010, further near mine drilling revealed some promising results from a new copper zone known as Kalaya, together with new copper intersections within the Munda zone and near the Papa zone. We will conduct further drill testing of the Munda and Kalaya zones from the underground decline, from mid 2011.

Work on these areas will continue in 2011, with a view to ascertaining the economic potential for mining.

The Prominent Hill regional exploration program is being conducted over an area totalling more than 7,000 km². This area comprises 4,000 km² of 100 percent owned tenements and a further adjoining 3,000 km² through our joint venture with IMX Resources. Extensive geophysical surveys have been conducted in the OZ Minerals tenements, including gravity and magnetics. In 2010, 40 drill holes and a total of 36,000 metres were drilled.

There is strong evidence to suggest that Prominent Hill style mineralisation is present in the area, as evidenced by several mineralised intersections; for example, Neptune with eleven metres at 1.2 percent copper and Halifax Hill with 97 metres at 0.19 percent copper, including eleven metres of 0.46 percent copper.

We are focused on accelerating exploration drilling on our tenements and currently have ten drill rigs on site; six focused on regional targets and four in near mine areas, with one of these drill rigs allocated to the joint venture with IMX.

In 2010, $40 million was spent on near mine and regional exploration, including work on the IMX joint venture tenements. We plan to spend $70 million in these areas in 2011.

A discovery on exploration ground close to Prominent Hill would be one of the best ways to add value to our business and we are actively pursuing such a discovery.
1/ **Australia/Carrapateena**

In March 2011, OZ Minerals announced an agreement to purchase the Carrapateena copper-gold project in South Australia. Carrapateena is one of the largest undeveloped copper projects in Australia, with the potential to produce between 50,000 and 150,000 tonnes of copper per annum. The first priority will be further drilling to allow estimation of Mineral Resources. The project will represent a significant long-term option for OZ Minerals, not just over the Carrapateena deposit, but on the exploration potential of the region.

2/ **Cambodia/Okvau**

OZ Minerals has been exploring in Cambodia since 2006 and has four exploration tenements in the province of Mondulkiri.

In March 2010, an initial Inferred Mineral Resource of 8.1 million tonnes at 2.3g/t gold for 605,000 ounces of contained gold (at a 0.5g/t cut-off) was announced for the Okvau prospect. The Resource was based on 10,559 metres of drilling undertaken since mid-2006.

In the second half of 2010, regional reconnaissance on a series of other prospects near the Okvau Resource did not identify any immediate additions to this Resource.

3/ **Australia/Cobar**

OZ Minerals has exploration licences covering 3,436 km² of prospective geology in the Cobar region of New South Wales. Exploration is targeting Cobar-style copper and polymetallic mineralisation. In 2010, drill ready targets were defined, and drilling commenced late in the year and will continue throughout 2011.

4/ **Chile/Pichasca**

In 2010, OZ Minerals signed an option-to-purchase agreement on the Pichasca project, located in Region IV, central Chile. This project is targeting porphyry copper-gold mineralisation and in 2010, targets were successfully defined. Drilling commenced in early 2011.

5/ **Mexico/San Eduardo**

In 2010, OZ Minerals formed a joint venture with Azure Minerals over the San Eduardo property in Mexico. The San Eduardo project is a ‘greenfield’ exploration property covering over 200 km² in Senora State. The project area is considered prospective for the discovery of porphyry copper deposits. Targets have been defined and drilling commenced in 2011.

**Equity investments**

OZ Minerals has strategic interests in a number of listed resource companies including 18.9 percent of Sandfire Resources and 42.5 percent of Toro Energy. Further information on our equity investments can be found on the OZ Minerals website [www.ozminerals.com](http://www.ozminerals.com).

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**Beyond Prominent Hill**

Through exploration programs, OZ Minerals is building a pipeline of opportunities to deliver superior returns.
RESOURCES

Prominent Hill Copper Mineral Resource as at 30 June 2010

<table>
<thead>
<tr>
<th></th>
<th>Tonnes (Mt)</th>
<th>Cu (%)</th>
<th>Au (g/t)</th>
<th>Ag (g/t)</th>
<th>Contained Cu (kt)</th>
<th>Contained Au (Moz)</th>
<th>Contained Ag (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>31.2</td>
<td>1.65</td>
<td>0.5</td>
<td>3.6</td>
<td>516</td>
<td>0.5</td>
<td>3.6</td>
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<tr>
<td>Indicated</td>
<td>81.5</td>
<td>1.36</td>
<td>0.5</td>
<td>3.1</td>
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<tr>
<td>Inferred</td>
<td>87.7</td>
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<td>853</td>
<td>1.2</td>
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<tr>
<td>Total</td>
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<td>1.23</td>
<td>0.5</td>
<td>3.0</td>
<td>2,473</td>
<td>3.1</td>
<td>19.3</td>
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</table>

Prominent Hill Gold Mineral Resource as at 30 June 2010

<table>
<thead>
<tr>
<th></th>
<th>Tonnes (Mt)</th>
<th>Cu (%)</th>
<th>Au (g/t)</th>
<th>Ag (g/t)</th>
<th>Contained Cu (kt)</th>
<th>Contained Au (Moz)</th>
<th>Contained Ag (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>9.5</td>
<td>0.09</td>
<td>1.3</td>
<td>1.8</td>
<td>9</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Indicated</td>
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<td>0.06</td>
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<td>1.0</td>
<td>13</td>
<td>1.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Inferred</td>
<td>53.3</td>
<td>0.09</td>
<td>1.5</td>
<td>0.8</td>
<td>47</td>
<td>2.6</td>
<td>1.4</td>
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<tr>
<td>Total</td>
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<td>1.5</td>
<td>1.0</td>
<td>69</td>
<td>4.1</td>
<td>2.7</td>
</tr>
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</table>

Okvau Gold Mineral Resource Summary

<table>
<thead>
<tr>
<th>Mineral Resource Category</th>
<th>Reporting Lower Cut (Au ppm)</th>
<th>Tonnes (Mt)</th>
<th>Au (Ounces)</th>
<th>Contained Ounces</th>
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</thead>
<tbody>
<tr>
<td>Inferred</td>
<td>0.5</td>
<td>8.1</td>
<td>2.3</td>
<td>605,000</td>
</tr>
<tr>
<td>Inferred</td>
<td>1.0</td>
<td>6.5</td>
<td>2.7</td>
<td>570,000</td>
</tr>
</tbody>
</table>

1. The information set out in this table that relates to Mineral Resources is a summary of the information relating to Mineral Resources set out in the “Mineral Resources and Ore Reserves Explanatory Notes as at 30 June 2010” that was first released in the announcement to the Australian Securities Exchange on 9 November 2010 and available at www.ozminerals.com/Operations/Resources–Reserves.html, which was based on information compiled by Mr. Jim Hodgkinson MAusIMM, who is a full-time employee of OZ Minerals.

2. Mr Hodgkinson has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code 2004 Edition).

3. The information set out in the table above that relates to Inferred Mineral Resources is a summary of the information relating to Inferred Mineral Resources set out in the ‘Okvau Resource Statement March 2010’ that was summarised in the announcement released to the ASX on 18 March 2010 (and available at www.ozminerals.com/Operations/Resources–Reserves.html), which was based on information compiled by Mr. Duncan Hackman of Hackman & Associates Pty. Ltd, who is a member of the Australian Institute of Geoscientists. Mr. Hackman has sufficient experience 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 ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code 2004 Edition). Mr. Hackman consented to the Inferred Mineral Resource figures released in the ‘Okvau Resource Statement March 2010’ of the matters based on his information in the form and context in which it appears in that statement.

RESERVES

Prominent Hill Ore Reserves as at 30 June 2010

<table>
<thead>
<tr>
<th></th>
<th>Tonnes (Mt)</th>
<th>Cu (%)</th>
<th>Au (g/t)</th>
<th>Ag (g/t)</th>
<th>Contained Cu (kt)</th>
<th>Contained Au (Koz)</th>
<th>Contained Ag (Koz)</th>
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<tbody>
<tr>
<td>Proved</td>
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<td>0.69</td>
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<td>879</td>
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<tr>
<td>Probable</td>
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<td>1.26</td>
<td>0.64</td>
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<td>716</td>
<td>3,371</td>
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<tr>
<td>Total</td>
<td>74.5</td>
<td>1.21</td>
<td>0.67</td>
<td>3.08</td>
<td>905</td>
<td>1,595</td>
<td>7,375</td>
</tr>
</tbody>
</table>

The information set out in this table that relates to Ore Reserves is a summary of the information relating to Ore Reserves set out in the “Mineral Resources and Ore Reserves Explanatory Notes as at 30 June 2010” (that was first released in the announcement to the Australian Securities Exchange on 9 November 2010 and available at www.ozminerals.com/Operations/Resources–Reserves.html), which was based on information compiled by Mr. David Goodchild MAusIMM, who is a full-time employee of OZ Minerals and by Ben Wilson while he was an employee of OZ Minerals. Mr. Goodchild and Mr. Wilson have sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code 2004 Edition). Mr. Goodchild and Mr. Wilson consented to the inclusion in the ‘Mineral Resources and Ore Reserves Explanatory Notes as at 30 June 2010’ of the matters based on his information in the form and context in which it appears in that statement.
Future focused
The OZ Minerals Sustainability Policy is supported by our core values – respect, integrity, action, results – which underpin the behaviour of all OZ Minerals employees and contractors who work on our sites.

We are committed to achieving Zero Harm by Choice, which requires us to embed a culture that ensures the management of safety, health, environment and community comes naturally to our workforce and is a foremost consideration in every decision we make. Zero Harm by Choice requires OZ Minerals to adopt targets of zero for health, safety, environmental and community incidents.

Our primary sustainability objective is to protect the health, safety and wellbeing of our people. We continue to work towards effective stewardship of natural resources by minimising our environmental footprint and by using energy and other raw materials efficiently. We build long-term partnerships with local communities through open and honest engagement and ensure that the communities in which we operate receive real benefit from our activities.

OZ Minerals has a deliberate strategy to promote a diverse workforce and has been successful in achieving a growing representation from women, local indigenous groups and from the local communities in which we operate. We endeavour to educate, train and equip our people to enable excellence in the management of health, safety, environmental and community aspects of our business.

Caring for our people, our neighbours and the environment is central to the way we do business.
OZ Minerals recognises that the capability, satisfaction and overall engagement of our people are most important to a prosperous mining and exploration company.

At the close of 2010, OZ Minerals had a workforce of approximately 1,000, including contractors. Of these, approximately 400 were directly employed by OZ Minerals, predominantly based at Prominent Hill. Indigenous employees form about 10 percent of the OZ Minerals workforce at the Prominent Hill operation. Women comprise approximately 22 percent of the OZ Minerals directly employed workforce, well above the Australian industry average. Our first female board member was appointed in November.

The commencement of the underground mine development has led to the creation of over 100 new roles at Prominent Hill.

We have had continued success with our pre-employment training program. This year, participants came from the Anangu Pitjantjatjara Yankunytjatjara (APY) lands and the program resulted in the eight graduates securing full-time employment at Prominent Hill. Completion of this program has enabled a total of 51 trainees to gain full time employment at Prominent Hill. This achievement was recently recognised with OZ Minerals winning the Diversity@Work Small to Medium Organisation Award for ‘Employment and Inclusion of Indigenous Australians’.

Our overall strategy for both safety and health is that of Zero Harm by Choice. As part of our priority to improve safety performance, a major program was launched across OZ Minerals during 2010. This program included a diagnostic safety culture survey, which was completed in December. The results highlight key areas for improvement, and a program is currently being put in place to focus on key findings of this survey.

At the close of 2010, our Total Recordable Injury Frequency Rate (TRIFR) per million hours worked was 21.75, a disappointing increase compared with our 2009 TRIFR of 12.36. Our 2010 Lost Time Injury Frequency Rate was 4.35, which was also high compared with our 2009 (LTIFR) rate of 0.95.

Our safety statistics include all of our people. Approximately 40 percent of our total recordable injuries were caused by muscular stress injuries. An ergonomics specialist was available at Prominent Hill to advise on ways to reduce risk of muscle strain injuries.

To ensure the health of our people and minimise occupational disease, we regularly monitor occupational exposures across our operation. We also hold regular training sessions on relevant health topics and provide medical checks for our people.

OZ Minerals’ diversity strategy
As part of our diversity strategy, we continue to encourage women to join our workforce and rise to senior roles within our organisation. We have targets to increase the percentage of women across all job bands.
One of our primary sustainability objectives is to ensure that communities in which we operate receive real benefit from our activities. We endeavour to form trusting relationships by engaging clearly, openly and honestly with our host communities.

Our most extensive community engagement initiatives are centred close to our Prominent Hill operation. Our indigenous employment program is our flagship community engagement program, and we also support several other local activities, including our continued sponsorship of the Royal Flying Doctor Service (RFDS) and local football team, the Cooper Pedy Saints.

OZ Minerals supports development of local businesses directly through contracts for mine-related services, mentoring and training initiatives. During the year, over 20 local businesses were engaged for Prominent Hill.

We also engage with interested stakeholders in relation to our Cambodian and other smaller exploration interests. OZ Minerals supports a school dormitory in Cambodia, allowing children from rural areas access to education. In 2010, we provided $35,000 to assist this important facility.

In conjunction with the 2010 South Australian Living Arts (SALA) Festival, OZ Minerals launched a Copper Sculpture Award to support local artists who work with copper, awarding the winners copper for their art and funds to cover production costs.

OZ Minerals strives to minimise its environmental footprint and use energy and other raw materials efficiently.

Our total energy consumption this year was 2.54 petajoules, while our total greenhouse gas emissions were equivalent to 297,995 tonnes of carbon dioxide. These are mainly derived from the Prominent Hill operation. This year, we continued our participation in the Carbon Disclosure Project and completed a second report under the National Greenhouse and Energy Reporting Act 2007 (NGER).

The Prominent Hill operation produced 53 million tonnes of waste rock and nine million tonnes of tailings. OZ Minerals’ total water use during the reporting period was 5,000 megalitres. Of this total, 99.9 percent was consumed at Prominent Hill and sourced entirely from groundwater bores.

During the year, an opportunity was identified to increase water efficiency through water recycling at the Prominent Hill processing plant. A modification was made that allows water to be recycled back to the processing stage in the plant. This has led to a saving of approximately 1,200 kilolitres of water per day and has increased production rate with the same power usage.

Coober Pedy Crusts Outback Bakery
The Crusts Outback Bakery located in Coober Pedy produces bread for the Prominent Hill workforce. Each evening around 100 loaves and 2,000 rolls are baked and delivered to the mine. Since providing bread to OZ Minerals, business has increased by 40 percent and the number of baking staff has doubled.
THE BOARD

NEIL HAMILTON

LLB
Chairman
Neil was appointed a Director of OZ Minerals in February 2010 and as Chairman of the Board in April 2010. Neil is an experienced professional company director and chairman. He has more than 26 years of experience in the legal profession and in business, with substantial experience in a number of industries, including investment/funds management, insurance, banking and resources. He is currently the chairman of Miclyn Express Offshore Limited and a director of Metcash Limited. Neil is a senior adviser to UBS.

TERRY BURGESS

BSc, FAusIMM, FIMM, ACMA, CEng
Managing Director and Chief Executive Officer
Terry joined OZ Minerals as Managing Director and Chief Executive Officer in August 2009. Terry was most recently the Head of Business Development for AngloBase, the base metals business of Anglo American plc. Prior to this, he was the Global Head of Metals and Mining at ABN AMRO. Terry was also formerly the Managing Director and CEO of Delta Gold and its successor, AurionGold. Terry's earlier experience included a number of senior roles in the resources sector, including at BHP Billiton and BHP Billiton New Zealand. Terry is currently a non-executive director of Magma Metals Limited.

PAUL DOWD

BSc (Eng)
Independent Non-executive Director
Paul is a mining engineer with a career spanning more than 40 years, primarily in the private sector, but also served in the public sector as head of the Victorian Mines and Petroleum Departments. Until 2006, Paul was Managing Director of Newmont Australia Limited and Vice President Australia and New Zealand Operations for Newmont Mining Corporation. Paul was previously chairman of Adelaide Resources Limited and non-executive director of Regis Resources Limited and Buka Gold Limited. He is currently Managing Director of Phoenix Copper Limited.

BRIAN JAMIESON

FCA
Independent Non-executive Director
Brian was Chief Executive of Minter Ellison Melbourne between 2002–2005. Prior to joining Minter Ellison, he was with KPMG for over 30 years, holding the positions of Chief Executive Officer, managing partner and chairman of KPMG Melbourne. Brian is also chairman of Mesoblast Limited (since November 2007), chairman of Sigma Pharmaceuticals Limited (since 2005) and a non-executive director of Tatts Group Limited (since 2003). Brian is a fellow of The Institute of Chartered Accountants in Australia.

CHARLES LENEGAN

BSc (Econ), AICA (UK)
Independent Non-executive Director
Charles was appointed as a Director of OZ Minerals in February 2010. Charles was a former Managing Director of Rio Tinto Australia. Charles had a distinguished 27-year career with Rio Tinto where he held various senior management positions across a range of commodities and geographies. He is also a former chairman of the Minerals Council of Australia, director of Energy Resources of Australia Limited and director of Coal & Allied Industries Limited. He is currently chairman of Rey Resources Limited (since, November 2010).

DEAN PRITCHARD

BE, FIE Aust, CP Eng, FAICD
Independent Non-executive Director
Dean is a civil engineer with over 30 years experience in the engineering and construction industry. He was Chief Executive Officer of Baulderstone Hornibrook from 1991 to 1997 and a director of Earing Energy (a non-listed entity) from 2001 to 2010. Dean is currently a non-executive director of Spotless Group Limited and OneSteel Ltd. He is also the chairman of Steel & Tube Holdings Limited, which is a New Zealand subsidiary of OneSteel Ltd.

REBECCA McGRATH

BTP (Hons), MASAC
Independent Non-executive Director
Rebecca was appointed as a Director of OZ Minerals in November 2010. Rebecca is currently Chief Financial Officer and member of BP’s executive management board for Australia and New Zealand. She was the former Vice President Operations BP Australia and Pacific and General Manager, Group Marketing Performance BP Plc (London).

Note: former OZ Minerals Chairman Barry Cusack and former Independent Non-executive Director Peter Mansell retired from the OZ Minerals Board in April 2010.
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