International Mine Management 2016

Thinking and acting differently – does success depend on it?

Brisbane, Australia

Tuesday 23 August 2016
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All figures are expressed in Australian dollars unless stated otherwise.
Compliance statements

Carrapateena Production Targets Cautionary Statement

Production targets for Carrapateena are based on:

Indicated: 99%
Inferred: 1%

There is a low level of geological confidence associated with inferred mineral resources. There is no certainty that further exploration work and studies will result in the determination of indicated mineral resource or that the production target will be realised.

The Carrapateena Mineral Resource estimate announced on 6 October 2015 underpins the production target. The Mineral Resource Estimate underpinning the production target was prepared by a Competent Person in accordance with the JORC Code 2012. The production target and financial information in this release are based on a scoping study. The scoping study referred to in this announcement is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the scoping study will be realised.

The information in this presentation that relates to the scoping study detailed within the ‘Carrapateena: a clear and compelling path to value’ announcement released to the market on 26 February 2016 and is available at http://www.ozminerals.com/uploads/media/ASX_Carrapateena_release_and_presentation.pdf. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the findings of the Competent Person (Stuart Masters) are presented have not been materially modified from the original market announcement.

Carrapateena Mineral Resource estimates

The information in this presentation that refers to the Mineral Resource estimate for Carrapateena as at November 2013 is extracted from the announcement entitled ‘Annual Carrapateena Resource Update 2013’ released on 28 November 2013 available at http://www.ozminerals.com/media/annual-carrapateena-resource-update-2013. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the findings of the Competent Person (Stuart Masters) are presented have not been materially modified from the original market announcement.

The information in this presentation that relates to the High Grade Carrapateena Mineral Resource estimate is extracted from the announcement entitled ‘Carrapateena Update’ released to the market on 6 October 2015 and available at http://www.ozminerals.com/Media/docs/151006-Carrapateena-High-Grade--Explanatory-notes-1503c513-d142-485c-8a51-52b3c24ad7bc-0.pdf. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the findings of the Competent Person (Stuart Masters) are presented have not been materially modified from the original market announcement.
OZ Minerals

Company overview

**Value creation**
Customer focus, copper core, lean business

**Cash Balance**
A$564 million
Strong cash flow
Debt free

**Market Capitalisation**
~ A$2.1 billion

**Growth**
Ambitious and disciplined internal and external growth strategy

**Prominent Hill**
UG excellence
Life extension via Resource to Reserve conversion

**Carrapateena**
4 Mtpa mine over 20+ years
High return, low cost optionality to expand
OZ Minerals has a clear long term growth strategy. Its execution has been our primary focus.

Having a vision for what you want is not enough...Vision without execution is hallucination.

Thomas A Edison
Volatile short-term sentiment can be overwhelming

OZ Minerals seizes opportunity; leverages uncertainty
Sentiment often impacts long-term decision making

But these decisions depend on long-term fundamentals

Source: Wood Mackenzie (April 2016)
Focusing on fundamentals is essential to what we do. Predicting the future is fraught with danger – be prepared for the best and the worst.

**Highly probable copper mine projects include:** Chuquicamata Underground, Kinsenda, Oyu Tolgoi Expansion, Toquepala 60-125kt/d Exp, Toromocho Expansion, Palabora Lift 2, Kilembe, Sierrita Restart, Mopani Deeps, Nova Bollinger, Antas, Dabaoshan, Xiongcun, Aktogay, Altay Polimetally, Cobre Panama (Petaquilla), Bystrinskoe, Oxidos Encuentro SxEw, Kipoi SxEw Expansion, Metalkol SxEw, Lepadaungtaung SxEw

*Source: Wood Mackenzie*
$120bn copper market increasingly being driven by technology
Copper fundamentals are driven by new and old world consumption

By 2022 electric cars will cost the same as their counterparts

As vehicle technology evolves, more copper wiring is needed

Source: Bloomberg

Source: Visual Capitalist, U.S. global investors
Asset quality allows solid margins in bull and bear markets

Doing things differently to ensure substantial and long-term cash flow
The pedigree of the SA Gawler Craton is second to none

We are leveraging a significant resource base and land position in SA

- South Australia is a favourable mining jurisdiction
- Holds 14% of the world’s copper and 68% of Australia’s
- Gawler Craton contains one of the world’s largest ore bodies at Olympic Dam and other significant deposits, including Prominent Hill
- Supportive State Government
- Strong community support
- Prominent Hill is well located with respect to road and rail, power and water
- Export route to Asian and European markets via Adelaide
Creating long term optionality is necessary
Getting the basics right and building options is important

Seven underground diamond infill holes drilled at Prominent Hill in 2015/16
Drilling identified an intersection of 68.5m @ 3.2% copper
Deeper intersections including 16.7m @ 3.2% copper, 0.7g/t gold demonstrate consistency in mineralisation over a long distance
Prominent Hill resource 152Mt @ 1.2% copper and 0.6g/t gold
Aim to boost production capacity of the underground up to 4Mtpa
Extend life of mine beyond 2026
$4 million drilling program to continue in 2016

2 Full information relating to June resource delineation drilling results is set out in “OZ Minerals 2016 Analyst Visit Presentation” created on 07 June 2016 and is available at: http://www.ozminerals.com/uploads/media/OZ_Minerals_Analyst_Visit_2016_FINAL.pdf
3 Full summary of information relating to Prominent Hill Mineral Resources and Reserves is set out in the ‘Annual Resource and Reserve Update for Prominent Hill’ created on 04 November 2015 and is available at www.ozminerals.com/operations/resources--reserves.html.
Focused innovation can improve your performance
Peer comparison and evaluation valuable

- AMC benchmarking of operating performance completed May 2016
- 10% reduction unit cost* in nine months
- Benchmarking demonstrated underground mining costs in the 2nd quartile with opportunities for further reductions

*Source: AMC Benchmarking, conducted for period July 2015-March 2016, unit costs exclude Resource delineation drilling
Innovative behaviours must complement sound fundamentals

Carrapateena is a significant growth asset
Carrapateena is one of the best global development projects*
Low cost, low risk, long mine life value accretive asset

* This slide must be read in conjunction with the cautionary statements on slide 3

/ Combined Carrapateena and CTP NPV$_{9.5}$ of circa **A$800M** and IRR **24%** (at consensus pricing)

/ First 3 years production of circa 67kt Cu and 76koz Au per annum

/ LOM production of circa 53kt Cu and 53koz Au per annum

/ Pre-production CAPEX of circa **$975M** *(includes $100M contingency)*

/ C1 costs years 1 – 5 of US$0.50/lb

/ C1 costs LOM of US$0.90/lb

/ Expected payback by 2022 for the combined project (at consensus pricing)

/ At spot pricing flat for 20+ years NPV$_{9.5}$ of approx. **A$250M** and IRR of **14%**
Designed differently to incorporate scalability and flexibility

Current mining inventory is about 10% of the total 800mt
Technology and methodology enabling different variations

Sub-level caving

[Diagram of sub-level caving process]
Thinking and acting differently

Our communities
Differentiating ourselves and connecting with customers

We will continue to supply the highest Cu in concentrate % in the world

Grade (% Cu)

Comparison mines: Almalyk, Andina, Antamina, Antapaccay, Batu Hijau, Bingham Canyon, Buenavista (Cananea), Candelaria, Centinela, Cerro Verde Mill, Chuquicamata, Collahuasi, Constancia, Cuajone, Dexing, El Teniente, Erdenet, Escondida, Gay, Highland Valley Copper, Kansanshi, Koktau, La Caridad, Los Bronces, Los Pelambres, Lubin, Luita, Mina Ministro Hales, Morenci, Mount Isa Cu, Oyu Tolgoi, Polkowice, PT Freeport Indonesia, Rudna, Salobo, Sarcheshmeh, Sossego, Toquepala, Toromocho Project, Zhezkazgan

Source: Wood Mackenzie
Customers are pivotal to our strategy

Flexibility in mindset and practice is vital to ensure customer needs are met

- Diversified and expanded customer base
- OZ Minerals builds concentrate parcels customized to each customer – this is a niche and competitive advantage in the market place
- With Carrapateena and CTP, could open up additional markets
Building a pipeline of future opportunities is critical to success.

OZ Minerals has executed five exploration partnerships in 12 months.
West Musgrave ‘Cassini’ project added to the pipeline*
Largest undeveloped copper/nickel deposit in Australia

**STAGED LOW RISK EARN IN**

- Strategic deal giving access to an established project and significant portion of a new mining province
- Leveraging significant historical investment
- Initial commitment of $3 million for detailed scoping study to identify optimised pathway to commercialisation including opportunities for shared regional infrastructure
- Limited outlay within full year exploration guidance provides option on significant Resource

**TIMELINE**

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<td>Scoping Study</td>
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* For further information on this partnership please visit [http://www.ozminerals.com/uploads/media/160801_West_Musgrave.pdf](http://www.ozminerals.com/uploads/media/160801_West_Musgrave.pdf)
The world is moving quickly with new demands every day
Our people initiate, enable and lead this change – they are the key

We are becoming aware that the major questions regarding technology are not technical but human questions

Peter Drucker

Source: “Technology Management and Society” (1970), page 76
AUSIMM Conference

Is innovation an enabler to long-term success?

23 August 2016