



# 2021 First Quarter Report

Presentation

22 APRIL 2021



A modern  
mining company

# Disclaimer

## Forward Looking Statements

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All figures are expressed in Australian dollars unless stated otherwise.

This presentation should be read in conjunction with the Quarterly Report released today.

**This announcement is authorised for market release by OZ Minerals’ Managing Director and CEO, Andrew Cole.**

OZ Minerals Registered Office: 2 Hamra Drive, Adelaide Airport, South Australia, 5950, Australia

# Compliance Statements

## Production Targets Cautionary Statement

Each of the Production Targets referred to in this presentation were initially reported in the following market announcements:

- / Carrapateena ASX announcement headed "[Carrapateena Expansion creates significant value uplift and unlocks long-life mining province](#)" dated 23 June 2020
- / Prominent Hill ASX announcement headed "[Resources updates strengthen Australian copper assets](#)" (Life of Mine Production Target) and "[OZ Minerals to invest \\$47 million to progress Prominent Hill shaft expansion study](#)" (Expansion Study Production Target) both dated 16 November 2020
- / West Musgrave ASX announcement headed "[West Musgrave value and scale uplift in Pre-Feasibility Study Update](#)" dated 09 December 2020
- / Carajás East ASX announcement headed "[Carajás Hub strategy gains pace](#)" dated 28 November 2019
- / CentroGold ASX announcement headed "[Gurupi province potential strengthened on CentroGold Pre-Feasibility Study](#)" dated 11 July 2019

OZ Minerals confirms that all the material assumptions underpinning each of the Production Targets cited in the initial announcement listed above continue to apply and have not materially changed.

The Cu equivalent Production Targets referred to in this presentation are based on the applicable Cu and Au Production Targets referred to in the market announcements cited above.

## Resource and Reserves

The Mineral Resources and Ore Reserves in this presentation is extracted from the following documents and available at [www.ozminerals.com/operations/resources-reserves](http://www.ozminerals.com/operations/resources-reserves):

- / Carrapateena Carrapateena 2020 Mineral Resources and Ore Reserves Statement and Explanatory Notes as at 30 June 2020 released on 16 November 2020
- / Prominent Hill Prominent Hill 2020 Mineral Resources and Ore Reserves Statement and Explanatory Notes as at 30 June 2020 released on 16 November 2020
- / West Musgrave West Musgrave Project Nebo-Babel Deposits 2020 Mineral Resource and Ore Reserve Statement and Explanatory notes as at 9 December 2020 released on 9 December 2020
- / Pedra Branca Pedra Branca 2019 Mineral Resource Statement and Explanatory Notes as at 25 March 2019 and 2019 Ore Reserve Statement and Explanatory Notes as at 15 November 2019, released 28 November 2019
- / CentroGold CentroGold Project Combined 'Blanket' and 'Contact' Mineral Resource as at 06 May 2019 and Ore Reserve as at 24 June 2019 Statement and Explanatory Notes, released 11 July 2019

OZ Minerals 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. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Copper Equivalent Assumptions

The copper equivalent tonnes was calculated with the following formula based on assumed recoveries for the relevant assets:

- / Carrapateena Copper Equivalent tonnes = (Cu recovered) + ((Au recovered x Au US\$/oz) / (2204 \* Cu US\$/lb))
- / Prominent Hill Copper Equivalent tonnes = (mined tonnes x Cu % x Cu Rec) + (((mined tonnes x Au g/t x Au Rec)/31.1) x Au US\$/oz / AUD-US Exchange) / (2204 \* Cu US\$/lb / AUD-US Exchange)
- / West Musgrave Copper Equivalent tonnes = (Cu recovered) + (Ni recovered x Ni US\$/lb / Cu US\$/lb)
- / Assumed prices: Cu US\$2.91/lb; Au US\$1,246/oz; Ni US\$7.60/lb, AUD/USD 0.67
- / Assumed Recoveries: Prominent Hill Cu 86.3%, Au 73.1%

OZ Minerals' opinion is that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

# 2021 Q1 Highlights

Creating Value for all Stakeholders



**Shareholder  
Value**



**Government  
Value**



**Community  
Value**



**Employee  
Value**



**Supplier  
Value**

**Strong operational performance with group production guidance on track**

**Growth projects advancing at Prominent Hill, Carrapateena, West Musgrave & Brazil**

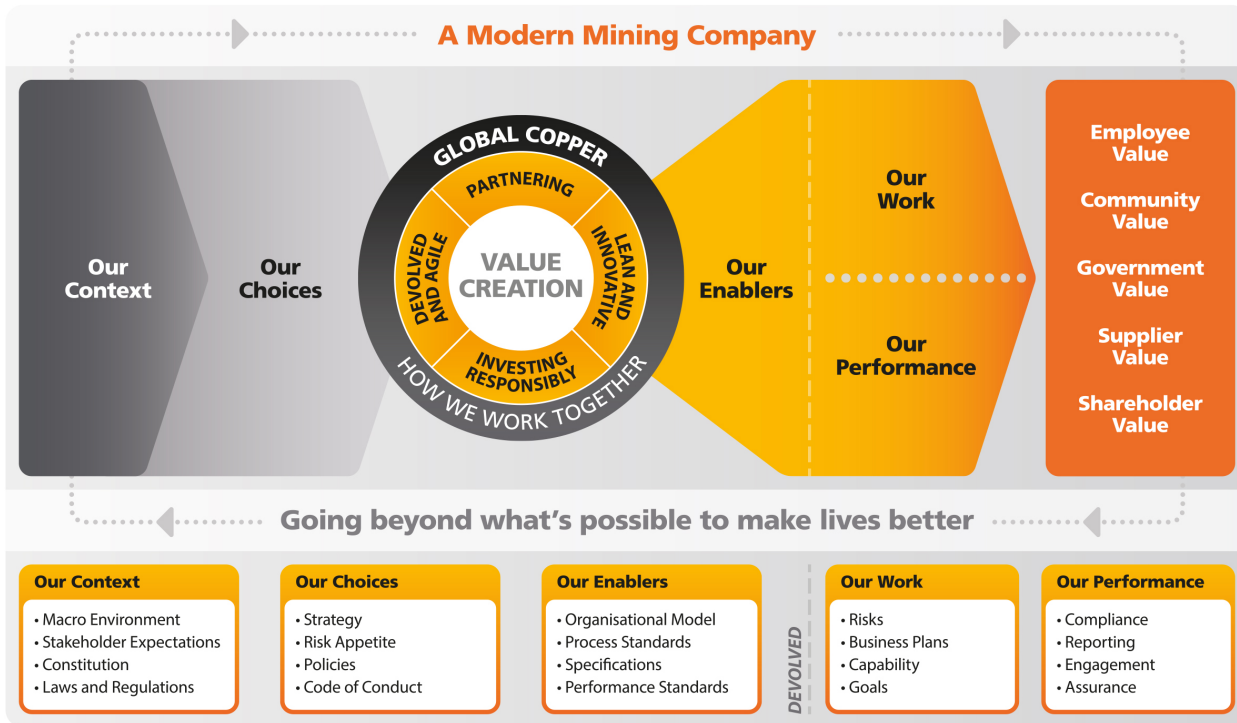
**OZWay embedding sustainability through stakeholder value creation**

**AUD and gold price impact on unit cost**

# A Modern Mining Company Strategy

Purpose driven organisation creating value for stakeholders enabled by culture

## The **OZ**Way



# Company Snapshot

## Why OZL

**Purpose-driven organisation creating value for stakeholders enabled by company culture**

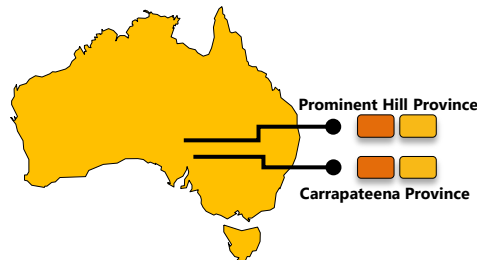
**Copper focused, long life, low operating cost assets**

**Organic pipeline offers long term growth potential**

**Development execution, consistent operational performance, balance sheet & management team**

## Operations

**Australia: Long life and low operating cost assets**



**Brazil: Pursuing hub approach in premier IOCG mineral province**



## Organic Growth Pipeline

### Development or Study

West Musgrave Province



Prominent Hill Shaft Expansion



Carrapateena Block Cave Expansion



Carajás East Province (Pedra Branca, Santa Lucia)



Carajás West Province (Pantera)



Gurupi Province (CentroGold)



Copper

Gold

Nickel

### Global Exploration – 16 projects

Australia

Brazil

Sweden

Peru



A modern mining company



# Company Snapshot & Organic Growth Pipeline

## Carrapateena Province

**Mine Type:** Cu/Au SLC transitioning to BC

**Processing:** 4.25Mtpa

**Mine Life:** 2045

**Guidance:**

**2021 Production:** 55-65kt Cu & 75-85koz Au

**2021 AISC:** US 80-90 c/lb

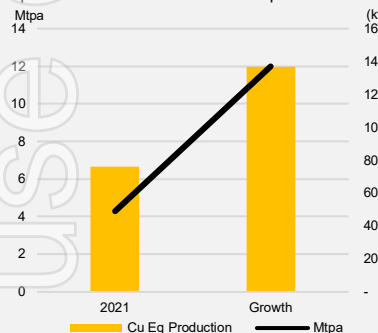
**MROR:**

**Reserves:** 220Mt @ 1.1% Cu, 0.7 g/t Au

**Resources:** 950Mt @ 0.57% Cu, 0.25 g/t Au

**Key Growth Projects:**

- SLC optimisation to increase production rates to circa 4.7 to 5Mtpa from 2023
- BC early works to begin in Q4 2021 to increase production rates to circa 12Mtpa from 2028



## Prominent Hill Province

**Mine Type:** Cu/Au open stoping

**Processing:** ~10Mtpa

**Mine Life:** 2030

**Guidance:**

**2021 Production:** 55-65kt Cu & 107-117koz Au

**2021 AISC:** US 175-195 c/lb

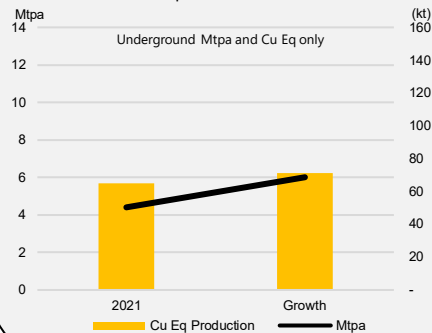
**MROR:**

**Reserves:** 56Mt @ 0.9% Cu, 0.7 g/t Au

**Resources:** 150Mt @ 0.9% Cu, 0.7 g/t Au

**Key Growth Projects:**

- Decline development to allow bottom-up stoping sequence enabling 5Mtpa from 2022
- Shaft Expansion Study to enable 6Mtpa from 2025 to be completed in Q3 2021



## West Musgrave Province

**Mine Type:** Cu/Ni open Pit

**Processing:** 12Mtpa

**Mine Life:** 26 years

**PFSU Production pa:** 32kt Cu & 26kt Ni

**PFSU C1 Cost:** Cu US (90) c/lb (net of Ni by product)

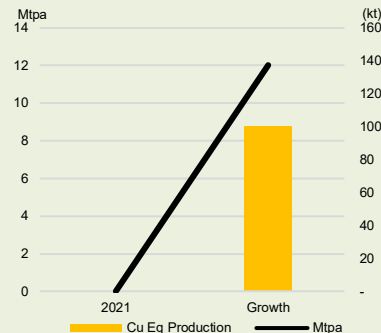
**MROR:**

**Reserves:** 253Mt @ 0.35% Cu, 0.32% Ni

**Resources:** 390Mt @ 0.34% Cu, 0.31% Ni

**Key Growth Projects:**

- Study progressing with investment decision in 2022



## Brazil

### Carajás East Province

**Mine Type:** Cu/Au open stoping

**Processing:** 0.8Mtpa

**Mine Life:** 7 years

**Guidance:**

**2021 Production:** 10-15kt Cu & 8-13koz Au

**2021 AISC:** US 190-200 c/lb

**MROR:**

**Reserves:** 5Mt @ 2.1% Cu, 0.5 g/t Au

**Resources:** 19Mt @ 1.6% Cu, 0.4 g/t Au

**Key Growth Projects:**

- Ramping up Pedra Branca underground mine during 2021
- Resource drilling at Santa Lucia and exploration of potential satellite targets

### Carajás West Province

**Key Growth Projects:**

- Resource drilling at Pantera for potential processing hub

### Gurupi Province

**Mine Type:** Au open pit

**Processing:** 2.5Mtpa

**Mine Life:** 10 years

**PFS Production pa:** 100-120koz

**PFS AISC:** US\$ 640 oz

**MROR:**

**Reserves:** 20Mt @ 1.7 g/t Au

**Resources:** 28Mt @ 1.9 g/t Au

**Key Growth Projects:**

- Update Mineral Resource and Ore Reserve to support study update

# Stakeholder Value Creation

Creating a sustainable and successful company

Going beyond what's possible to make lives better



<b>Shareholder</b>	<ul style="list-style-type: none"> <li>Share price and dividends ✓ Grow share price: measured relative to peer group / sustainable dividend (TSR)</li> <li>Reserve growth ✓ Grow OZL's Copper Reserves: measured relative to OZL's Reserve at the end of previous year</li> <li>All-In Sustaining Costs (AISC) ✓ Bottom half of cost curve: measured relative to global copper producers</li> <li>Governance ✓ Board effectiveness: Compliance with ASX's corporate governance principles and recommendations</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>Employment by jurisdiction ✓ Workforce – local / state / out of state / Land Connected and Indigenous Peoples</li> <li>Taxes and royalties ✓ Income tax expense / royalties (total and jurisdictions)</li> <li>Capital investment ✓ Capital investment</li> <li>Emissions and energy ✓ Scope 1 &amp; 2 emissions intensity (tCO<sub>2</sub>-e per t Cu Eq) / Scope 1 &amp; 2 absolute emissions / net energy intensity (per t Cu Eq) and renewable energy percentage</li> <li>Local content ✓ Value spent with local suppliers through supply chains</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Community engagement ✓ Number and average duration for resolution of concerns, complaints and grievances</li> <li>Cultural heritage ✓ Unauthorised cultural heritage breaches / significant environmental and social incidents</li> <li>Social contribution ✓ Quantity and case studies</li> <li>Partnering ✓ Partnering case studies</li> <li>Human rights ✓ Modern Slavery Act action plan Implementation and number of incidents</li> <li>Water ✓ Water consumed (per t Cu Eq) / water withdrawal in areas of extreme water stress (%)</li> <li>Waste ✓ Non-mineral waste produced (per t Cu Eq)</li> <li>Land and biodiversity ✓ Area (ha) disturbed in high biodiversity conservation areas</li> </ul>
<b>Employee</b>	<ul style="list-style-type: none"> <li>Inclusion ✓ Inclusion maturity upward trend</li> <li>Diversity ✓ Diversity of thought and demographic</li> <li>Safety performance ✓ Total Recordable Injury Frequency Rate (TRIFR) and zero fatalities</li> <li>Workforce engagement ✓ Employee Survey Results above industry benchmark</li> </ul>
<b>Supplier</b>	<ul style="list-style-type: none"> <li>Net Promoter Score (NPS) ✓ Net Promoter Score (NPS) survey</li> <li>On time payment ✓ Proportion (number and value) of invoices paid on time within payment terms (7, 14, 30, 60 and &gt;60 days of invoice date)</li> <li>Supplier Value by jurisdiction ✓ OZ Minerals expenditure by number of suppliers and value spent with them by postcode</li> </ul>

**Shareholder Value**

**Government Value**

**Community Value**

**Employee Value**

**Supplier Value**

## 2021 Q1 Highlights

- Stakeholder value creation metrics released provide transparency on creating value for all five stakeholder groups
- Sustainability the OZWay virtual session held for shareholders
- Environmental Protection Authority site visits incorporating meetings with Traditional Owners at West Musgrave
- Simplifying employee remuneration framework for non-executives by removing short-term incentive and increasing base pay to support culture of trust and openness to learning and development



# Q1 Activity Summary

## METAL PRODUCTION & COSTS

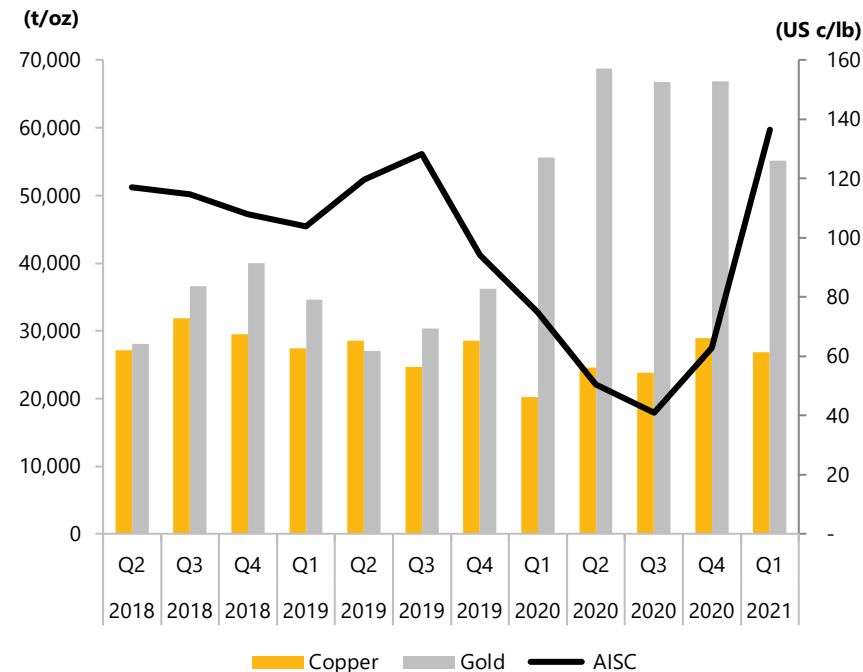
OZL Metal Production & Costs	Units	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	FY 2021 Guidance*
<b>Total Copper</b>	Tonnes	20,231	24,577	23,873	28,939	26,842	120,000-145,000
<b>Total Gold</b>	Ounces	55,606	68,740	66,746	66,895	55,150	190,000-215,000
<b>All-in Sustaining Costs</b>	US cents/lb	74.9	50.5	40.9	62.7	136.5	130-145
<b>C1 Cash Costs</b>	US cents/lb	8.8	(5.4)	(24.4)	6.4	63.3	70-80

● Favourable to annual guidance ● Unfavourable to annual guidance

\* 2021 guidance metrics updated with Q1 report

- Group production guidance on track
- Costs well controlled, although AISC and C1 unit costs impacted by stronger Australian dollar, lower gold prices and planned lower gold production
- Prominent Hill records its highest quarterly underground material movement to date
- Optimisation continues at Carrapateena with enhanced processing performance

## CONTAINED COPPER AND GOLD PRODUCED AND AISC



# Capital Management

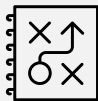
## Our Context

Capital allocation is driven by strategy and influenced by global and regional trends

**Megatrends & Macroeconomics**

**Responsible production**

**Strategy**



**Clean copper focused**  
(27kt Cu Q1)

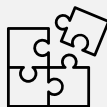
**By-product revenue**  
(31% of net revenue Q1)

## Our Work

Processes ensure capital allocation balances growth, value, portfolio impact and risk

**Balance Sheet strength**

**Capital Allocation Framework**



**Low jurisdictional risk**  
(93% of production in Aus)

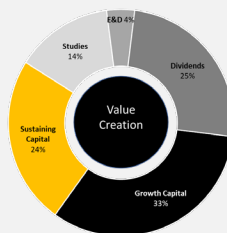
**Conservative gearing**  
(Leverage at 0.2x EBITDA<sup>1</sup>)

**First half portfolio**  
(AISC of 137c/lb Q1)

## Our Choices

Investing in value accretive growth, creating a Modern Mining Company, and rewarding shareholders along the way

Capital Allocation YTD Q1



- > Value creation
- > Independent review
- > Portfolio assessment

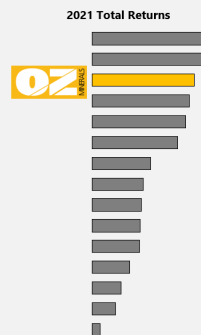
**Investment in Growth**  
(\$82m Q1)

**Sustainable dividends**  
(Final dividend at 17c/share)

**Project pipeline generation**  
(22 projects under expl'n or study)

## Our Performance

Maintaining a strong performance against market peers

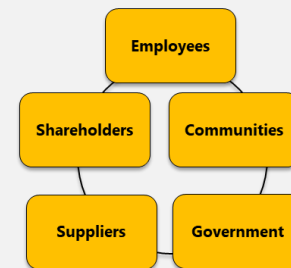


Source: Refinitiv

**Deliver to guidance**  
**Margin focus**  
**Project development & expansion**

## Our Value

We aim to create value for all our stakeholders



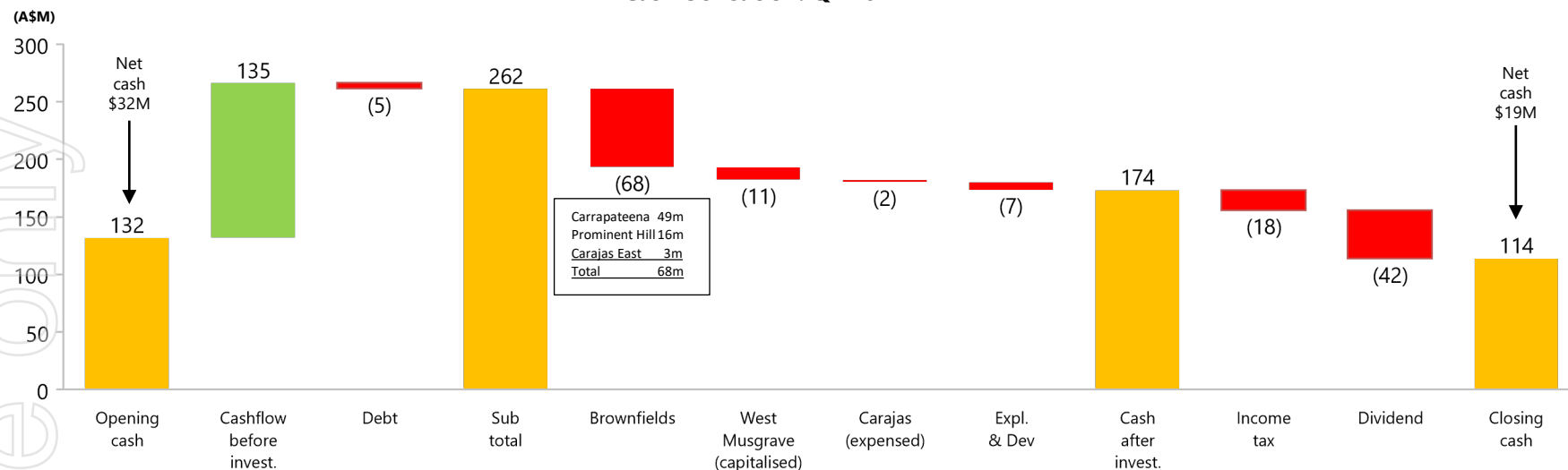
**Total Shareholder Return**  
**Regional contribution**  
**Social & environmental performance**  
**Employee satisfaction**  
**Supplier approval**

Notes: 1. As at 31 December 2020

# Cash Generation

Strong Cash position

## Cash Utilisation: Q1 2021



Cash balance \$114 million at 31 March; debt at \$95 million (\$5 million reduction) for a \$19 million net cash position

Working capital increased by \$12 million with trade receivables and ore inventory reducing being offset by reduction in trade payables and increase in concentrate inventory

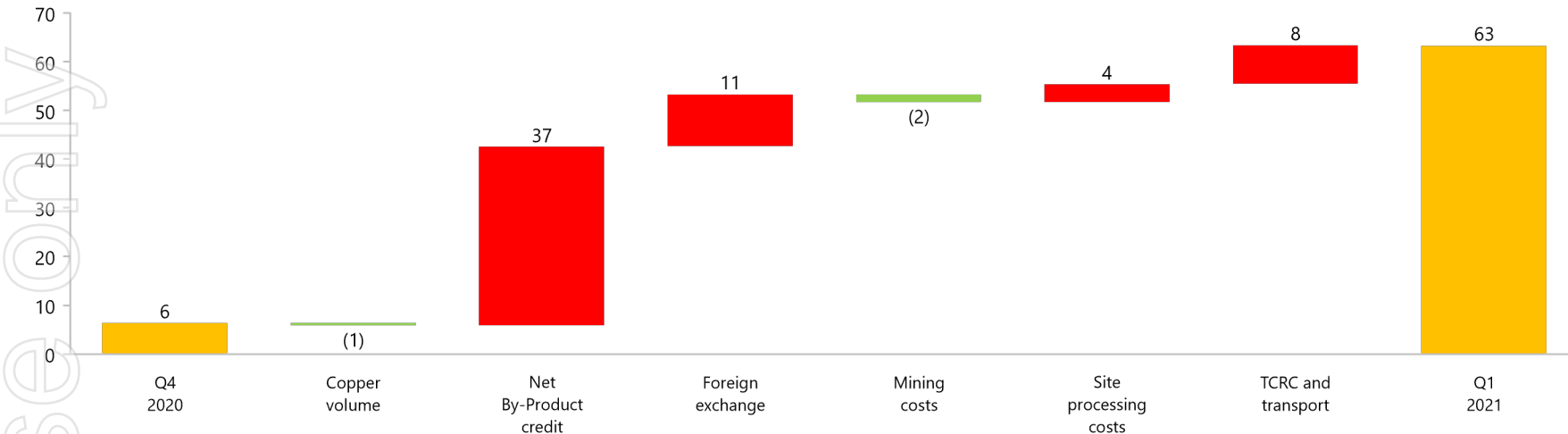
Net ore inventory reduction of \$21 million, comprising a reduction of \$27 million at Prominent Hill largely offset by a \$18 million Net Realisable Value (NRV) adjustment at Prominent Hill and \$29.6 million increase in concentrate inventory due to timing of concentrate shipments

# Cost performance

## Group C1 cash costs

### C1 Cash Costs: Q1 2021

(US c/lb)



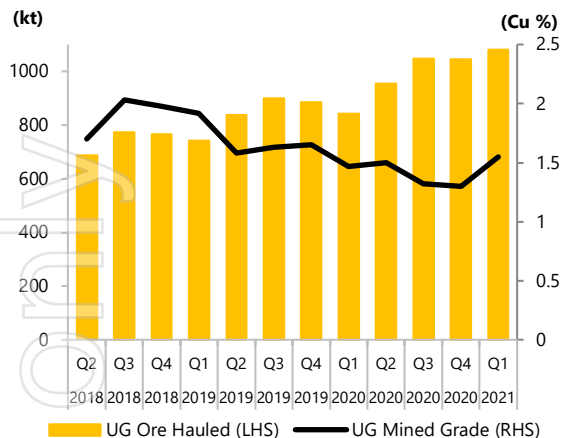
Cash costs well controlled

Unit cost impacted due to lower by-product credits with lower grade gold ore stockpiles processed at Prominent Hill and a stronger Australian dollar

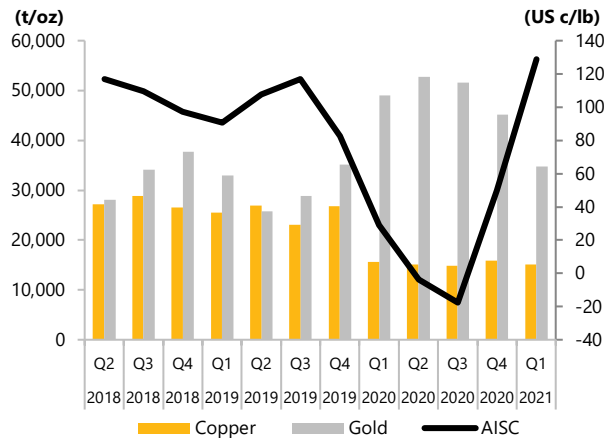
TCRC and transport costs revert to usual levels after full year freight rate credit adjustment in last quarter of 2020

# Prominent Hill

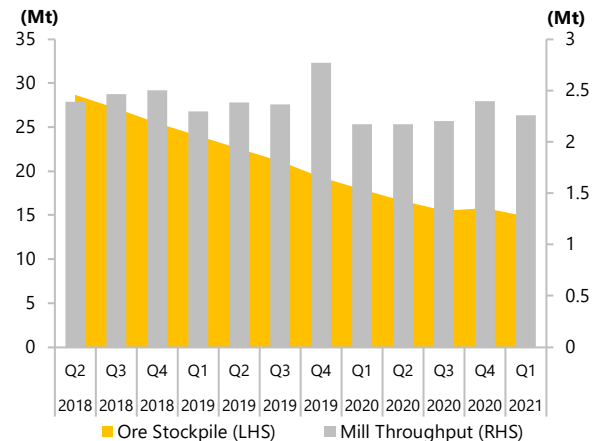
## UNDERGROUND ORE HAULED AND GRADE



## PRODUCTION & AISC



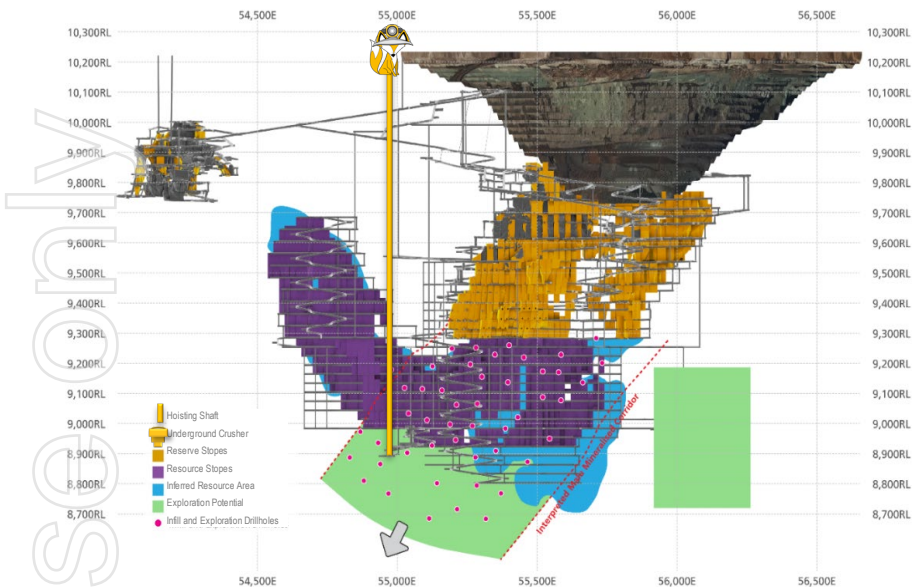
## STOCKPILES AND MILL THROUGHPUT



- / Highest quarterly underground material movement to date demonstrates sustained growth in operational performance
- / Accelerated decline development successfully reached the bottom of the current Life-of-Mine level ahead of schedule
- / Stakeholder value creation progress with increased indigenous participation and underground electric vehicle trials

# Prominent Hill Growth & Exploration

## CONCEPTUAL EXPANSION STUDY MINE LAYOUT



**\* Conceptual Prominent Hill Expansion Study Update Mine Layout in the Context of Prominent Hill Mineral Resources, Ore Reserves and Exploration Potential**

**Lateral development underway to allow bottom-up stoping sequence enabling 5Mtpa from 2022**

**Resource delineation drilling program results aligning with expectations**

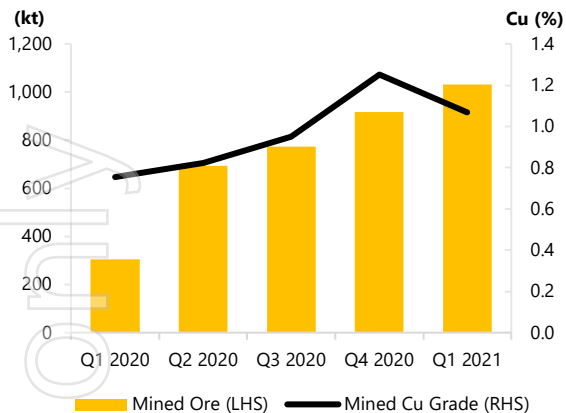
**Shaft Expansion Study to be completed in Q3'21; enables 6Mtpa from 2025**

**Potential access to significant resource below the current mine plan**

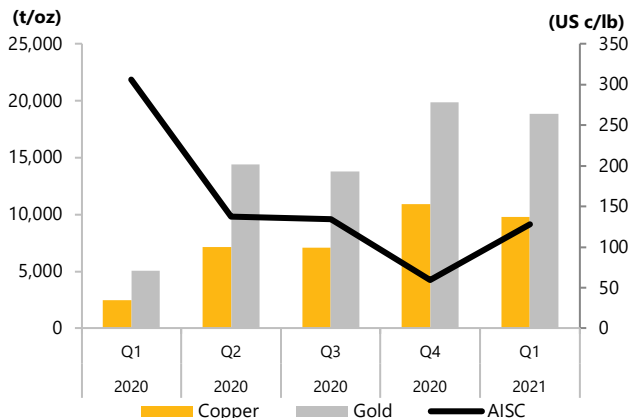


# Carrapateena

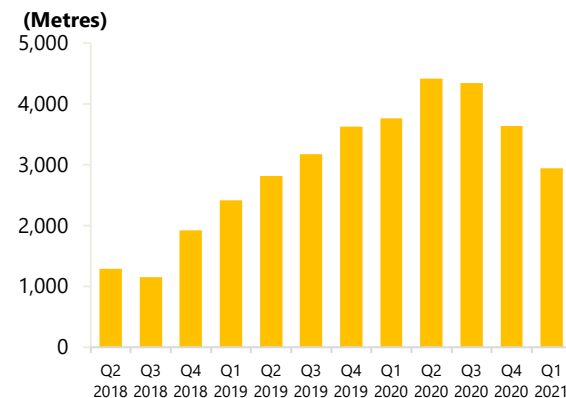
## MINED ORE HAULED AND GRADE



## PRODUCTION & AISC



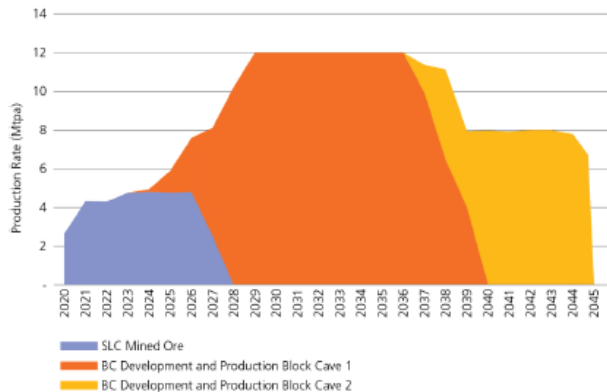
## DEVELOPMENT METRES



- Optimisation continues at Carrapateena with enhanced processing performance
- Successful transition of underground mining services contract; development metres expected to increase and return to 3500m to 4000m per quarter
- Copper production expected to increase over course of the year and remain in line with 2021 guidance
- Stakeholder value creation progress with Kokatha university scholarship awarded

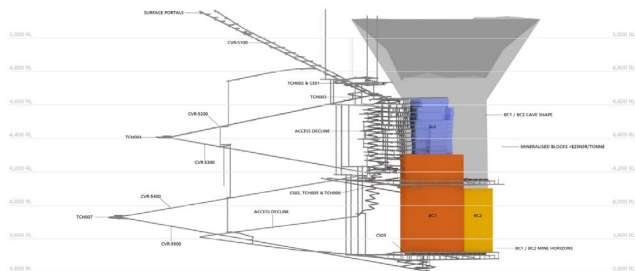
# Carrapateena Growth & Exploration

## BLOCK CAVE EXPANSION PRE-FEASIBILITY PRODUCTION PROFILE



\* Pre-Feasibility Study Indicative Sub-Level Cave to Block Cave 1 and Block Cave 2 Production Profile (Note: production profile does not include the possible ~ 6 month earlier commencement of block cave production)

## BLOCK CAVE EXPANSION PRE-FEASIBILITY STUDY LAYOUT



**Optimisation of SLC production rates to circa 4.7 to 5Mtpa from 2023**

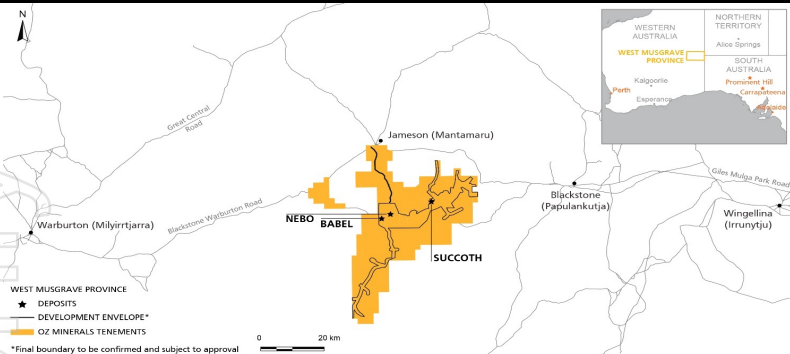
**Western Access Road accelerated**

**Block Cave early work declines to begin Q4 2021**

**Block Cave study advances**

# West Musgrave Growth & Exploration

## WEST MUSGRAVE PROJECT LOCATION & PFSU KEY METRICS\*



Key Financial and Production Metrics	Unit	PFS	PFSU
Processing capacity	Mtpa	10	12
Life of Operation	Years	~26	~26
Mineral Resource	Mt	340	390
	%	0.36% Cu and 0.33% Ni	0.34% Cu and 0.31% Ni
Ore Reserve	Mt	220	253
	%	0.36% Cu and 0.33% Ni	0.35% Cu and 0.32% Ni
Copper recovery/Nickel recovery	%WA	~78%/~69%	~77%/~69%
Average Ni Production	ktpa	~22	~26
Average Cu Production	ktpa	~28	~32
Operating Cost (including mining costs)	A\$/t ore	~34	~32
C1 cost payable Cu (net of full by-product credits)	US\$/lb	~(0.90)	~(0.90)
C1 cost payable Ni (net of full by-product credits)	US\$/lb	~1.30	~1.40
Pre-production capital (excluding study)	A\$m	~995	~1,100
Average net cash flow (post tax)	A\$m/tpa	~190	~220
Post Tax NPV	A\$m	~800	~1,000
Post Tax IRR	%	~20	~20
Project payback from decision to mine	Years	~6	~6

**Low cost, long life, open pit Cu / Ni project**

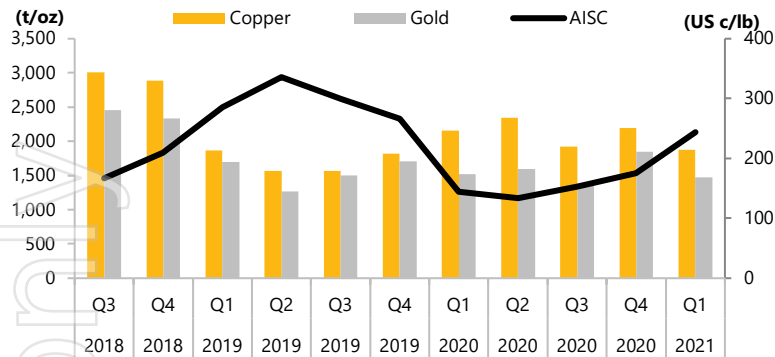
**Progressing next phase of study; Investment Decision early 2022**

**Province strategy potential with drilling program to commence Q3 2021 at Succoth deposit (Mineral Resource 156Mt @ 0.6% Cu\*\*)**

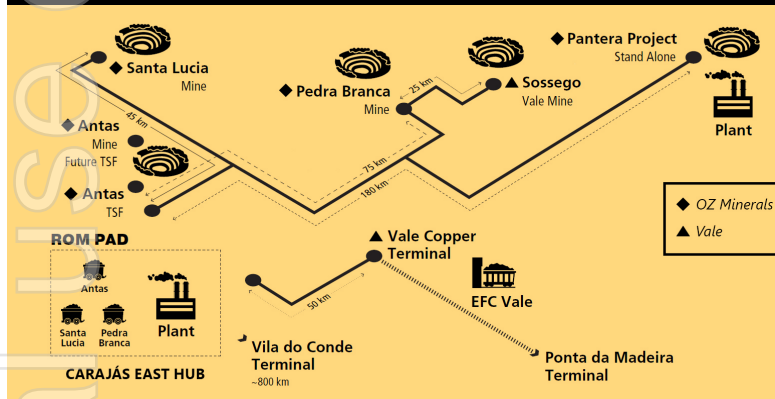
**70-80% Renewable Energy**

# Carajás and Gurupi Provinces

## CARAJÁS EAST PRODUCTION & AISC



## CARAJÁS PROVINCE HUBS AND ACTUAL AND POTENTIAL SATELLITE MINES



## OPERATIONAL DELIVERY, PROJECTS & STUDIES, EXPLORATION

### Carajás East Province

- Challenging conditions continue in Brazil as COVID-19 impacts escalate
- Stakeholder value creation progress with medical support for community
- Development progress at Pedra Branca to be impacted and may result in Carajás East not meeting annual guidance
- Central processing facility at Antas performing to expectations
- Resource drilling continued at Santa Lucia with resource and study update on track for Q2 & Q3 respectively
- Clovis drilling results unable to replicate copper grades and widths and no further work is anticipated

### Carajás West Province

- Resource drilling continued at Pantera

### Gurupi Province

- Progress on environmental reports and preparation for village relocation

# Growth Pipeline

Operations, projects and a growing pipeline of opportunities

PROVINCE	EXPLORATION	STUDIES	DEVELOPMENT	OPERATIONS
PROMINENT HILL	MT WOODS	UNDERGROUND EXPANSION		PROMINENT HILL UG + STOCKPILES
CARRAPATEENA	KHAMSIN, THE SADDLE & CARRA REGIONAL	FREMANTLE DOCTOR BC-C, BC-E & BC-W CARRAPATEENA BC-S & STOPE CARRAPATEENA BC-1 & BC-2		CARRAPATEENA SLC
MUSGRAVE	ONE TREE HILL YAPPSU	SUCCOTH NEBO-BABEL OP		
CARAJÁS EAST	ESTRELLA SUL PAULINHO CAPIVARA AGUAS BOA N MARQUES SUL CANAA WEST PAES CARVALHO CIRCULAR NORTH GROTA VERDE	SANTA LUCIA CLOVIS		ANTAS OP PEDRA BRANCA UG
CARAJÁS WEST		PANTERA		
GURUPI	SEQUIRO PICA PAU JIBOIA	CENTROGOLD OP		
OTHER REIGONS	PARAISO PAINIROVA LANNAVARRA YARRIE GULF THREE WAYS LAWN HILL PANDURRA BREENA PLAINS ELOISE JERICHO			



No Resource estimate



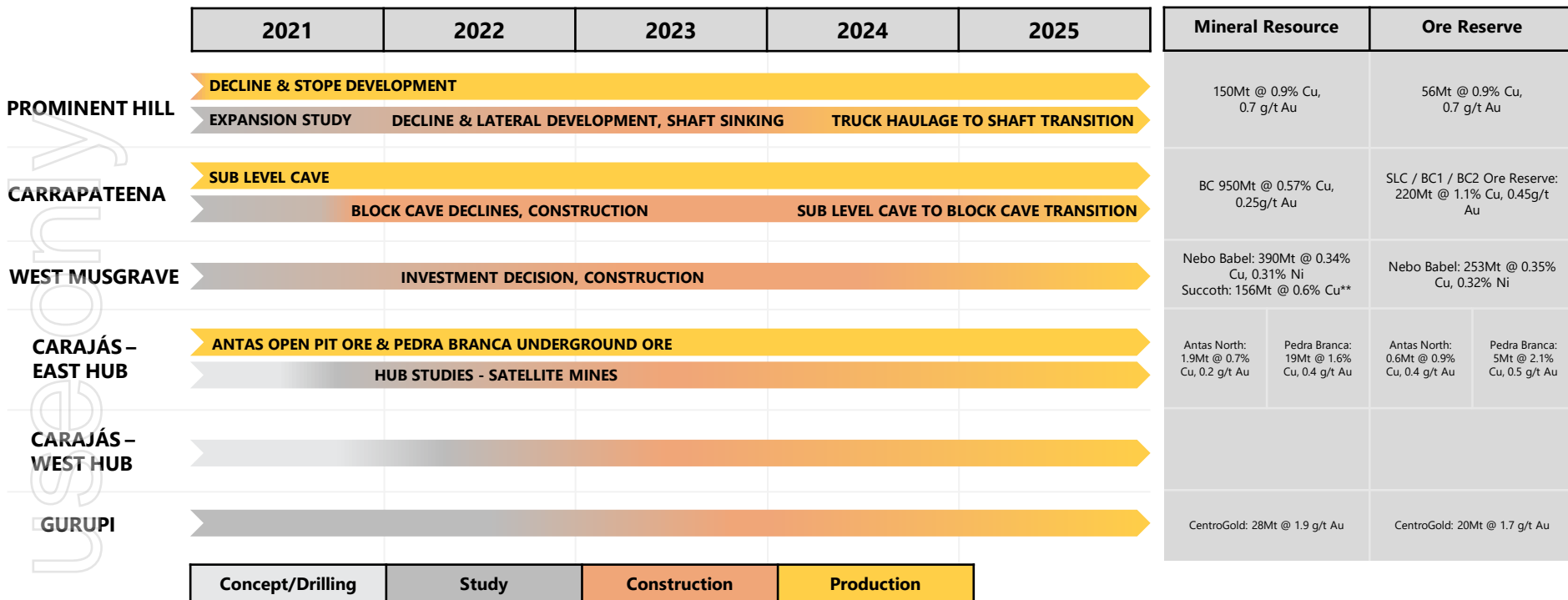
Resource estimate



Reserve estimate

# Asset Timeline\*

Multiple projects progressing through build and study phases



\* Indicative timeline assumes required study hurdles and proposed timeframes achieved.

\*\* See Cassini Resources' ASX Release entitled "Maiden Succoth Resource Estimate" dated 7 December 2015 and available at: [www2.asx.com.au/markets/trade-our-cash-market/historical-announcements](http://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements)

The MROR information on this timeline is extracted from the company's previously published MROR statements and are available at: [www.ozminerals.com/operations/resources-reserves/](http://www.ozminerals.com/operations/resources-reserves/). OZ Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. OZ Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. All Mineral Resource figures are estimates.



# 2021 Key Milestones



<b>Prominent Hill</b>	Expansion Study update and investment decision				
	Mineral Resource and Ore Reserve update				
<b>Carrapateena</b>	Block Cave Expansion commitment with early works commencement	✓			
	Block Cave Expansion declines commence				
	Mineral Resource and Ore Reserve update				
<b>West Musgrave</b>	Study update				
	Mineral Resource and Ore Reserve update				
<b>Carajás East</b>	Mineral Resource and Ore Reserve update				
	Hub study update				
<b>Carajás West</b>	Mineral Resource & Reserve update				
	Hub study update				
<b>Gurupi</b>	CentroGold injunction removal				
	CentroGold study update				
	Mineral Resource and Ore Reserve update				

# Guidance

GUIDANCE	2021			
	PROMINENT HILL	CARRAPATEENA	CARAJÁS	TOTAL
Copper Production (tonnes)	55,000-65,000	55,000-65,000	10,000-15,000	<b>120,000-145,000</b>
Gold Production (ounces)	107,000-117,000	75,000-85,000	8,000-13,000	<b>190,000-215,000</b>
Underground Ore Movement (Mt)	4.3-4.6	4.0-4.6	0.4-0.6	
Sustaining Capital Expenditure (A\$M)				
- Mine Development	45-55	10-15	10-15	<b>65-85</b>
- Site	45-55	10-15	5-8	<b>60-78</b>
Growth Capital Expenditure (A\$M)				
- Mine Development	15-20	85-95	40-50	<b>140-165</b>
- Other	17-22	175-190	25-30	<b>217-242</b>
AISC (US c/lb) <sup>2</sup>	175-195 (145-165) ↑	80-90 (65-75) ↑	190-200 (185-195) ↑	<b>130-145</b> (110-125) ↑
C1 Costs (US c/lb) <sup>2</sup>	85-95 <sup>1</sup> (65-75) ↑	50-60 <sup>1</sup> (35-45) ↑	95-105 (90-100) ↑	<b>70-80</b> (55-65) ↑
Exploration (A\$M)				<b>20-25</b>
Project studies to next stage gate (A\$M)				<b>130-150<sup>3</sup></b>

Note: Changes to guidance reflect updates in the first quarter 2021 report. Figures in brackets denote previously issued guidance.

1 US dollar denominated C1 costs will benefit by US\$2.5c per US1c reduction in the AUD/USD exchange rate.

2 Average AUD/USD exchange of 0.77 has been used in converting A\$ costs to US\$ and assumed gold price of US\$1,864/oz for C1 and AISC guidance.

3 Reflects anticipated expenditure on Board approved studies to their next milestone. It is expected ~20% of expenditure will be expensed in the current year. Should the Board approve a project to proceed to a further milestone, additional funds will be incurred and guidance will be updated as required.

**Prominent Hill** gold production reflects depletion of higher grade gold stockpiles during 2020, contributing to higher AISC and C1 costs; higher capital reflects increase in underground ore movement to 4.3-4.6Mt.

**Carrapateena** growth capital investment includes capital deferred due to COVID-19, enabling capital for move above nameplate capacity from 2023 and funding for delivery and acceleration of block cave.

**Carajás** growth capital reflects advancing the Carajás Hub strategy with Pedra Branca into operations, increasing production with mining from ore stopes commencing in Q2 2021.

**Project studies** significant spend supports progress of next stage of study for growth options across Prominent Hill and Carrapateena Expansion, West Musgrave and Carajás opportunities.



# Appendix



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# Carrapateena Guidance 2021-2025

(for reference as previously guided)



2021-2025	Metric	SLC & Block Cave	Previous guidance
Average Annual Copper Production <sup>1</sup>	tonnes	70,000	70,000
Average Annual Gold Production <sup>1</sup>	ounces	85,000	85,000
Total Capital Expenditure for 5-year period			
- Block cave expansion	A\$M	750	-
- Deferred projects from 2020		50	-
- Projects & Mine Development		950	700
Average C1 Costs	US c/lb	50	50
Average AISC	US c/lb	75	75

<sup>1</sup> These production targets must be read in conjunction with the production targets cautionary statement on page 2 and 3

Following Board approval to proceed with the Block Cave Expansion and support additional funding for key SLC optimisation projects, the 2021-2025 capital spend provided in the 5-year guidance table in January 2020 now totals \$1.75 billion. The updated capital comprises:

- \$750 million for block cave works over the period (part of the estimated \$1.25 billion project capital identified in the Block Cave Expansion Pre Feasibility Study of June 2020 with balance to be spent post 2025).
- \$50 million deferred from 2020 spending postponed due to COVID.
- \$250 million which includes funding for projects in both the mine and processing plant to support the increase in SLC production rates to circa 4.7 to 5Mtpa from 2023 along with optionality to maximise SLC production and accelerate ramp up towards the Block Cave production rate of 12Mtpa. This capital includes items such as additional capacity in ventilation cooling, material handling system drive motors and tails pumps. Allowance has also been made for cost increases associated with market conditions and scope changes from the initial project plan.

Capital can be funded from operating cashflows with Carrapateena remaining net cash flow positive in 2021.

# Depreciation and Ore inventory accounting

## 2021 expectations (for reference as previously guided)

- / Prominent Hill will continue to draw down open pit ore inventory through 2021
- / Ore stockpile costs of \$110 - \$120 million (mining costs ~\$60 million and capitalised depreciation ~\$50-\$60 million) will be recognised in the income statement during 2021

### Balances at 31 December 2020 by category

31 December 2020 (\$M)	Plant & Equipment	Mine Property & Development	Freehold land and buildings	Mineral rights	Capital work in progress	Total
Property Plant & Equipment	1,083.7	1,248.0	88.8	310.7	182.3	2,913.5
Right of Use Assets						750.1
Ore Inventory						383.9

### Depreciation methods adopted

Category	Depreciation method
Freehold land	Not depreciated
Buildings and other infrastructure	Straight line over life of mine
Short term plant and equipment	Straight line over life of asset
Processing plant	Units of ore milled over mining inventory
Mine property and development	Units of ore extracted over mining inventory applicable to the development

### Expected depreciation ranges for OZ Minerals for 2021

OZ Minerals Depreciation (\$M)	2021
Depreciation of PPE	(205-215)
Depreciation of AASB16 Leases	(80-90)
Capitalised depreciation into inventory	(50-60)
<b>Net depreciation in the income statement</b>	<b>(335-365)</b>

### Expected Ore inventory adjustments for OZ Minerals for 2021

OZ Minerals Ore inventory adjustments (\$M)	2021
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Open Cut inventory drawdown \* (110-120)

\* Includes (50-60m) capitalised depreciation

# Cash Cost reconciliation to operating costs and other costs in the Income Statement

Cash costs to Costs in Income statement	Metric	Q1	Comments
<b>Total cash costs</b>	<b>US c/lb</b>	<b>93.4</b>	Per Q1 Production & Costs table
<i>Items in cash costs classified within Net revenue</i>			
By-product credits	US c/lb	185.9	Net revenue from by-products is recognised as net revenue from customers and does not form part of costs in the Income Statement
TCRCs	US c/lb	(14.1)	Treatment charges, refining costs and other commercial costs are deductions from revenue and do not form part of costs in the Income Statement
Cash costs (excluding By-product credits and TCRCs)	<b>A\$m</b>	<b>196.7</b>	
<i>Cash costs to Operating costs adjustments</i>			
AASB16 Lease adjustment	A\$m	(26.4)	Cash payments to contractors where there is an attributable equipment right are included in C1 costs but reclassified to lease amortisation and interest costs under AASB16
Inventory drawdown - ore	A\$m	15.7	Historically incurred cash costs related to stockpiled material are not included in current period C1 costs but are recognised within the Income Statement
Capitalised depreciation - ore	A\$m	2.2	Depreciation of PP&E included in value of consumed stockpiled ore
Inventory movements – concentrate	A\$m	(20.8)	Timing adjustment
NRV adjustment	A\$m	(18.1)	Value recalculation
Exploration and Corporate development	A\$m	9.8	Exploration, evaluation, M&A, Corporate development expenses which are not capable of being capitalised are included in the Income Statement