

22 December 2016

New Heads of Agreement to target wider Carrapateena province prospects

- OZ Minerals and Red Tiger Resources to drill new copper/gold targets 30 kilometers north-west of the \$980 million proposed Carrapateena project
- Prior drilling at Intercept Hill shows similar basement rocks to Carrapateena and IOCG style mineralisation
- Review of historic data shows prospectivity potentially overlooked

OZ Minerals has entered into a Heads of Agreement with privately-owned explorer, Red Tiger Resources, to undertake an exploratory drilling program 30 kilometres north-west of its Carrapateena project.

The Intercept Hill project is targeting Iron Oxide Copper Gold (IOCG) mineralisation similar to that seen at OZ Minerals' Carrapateena copper project and existing mines in Prominent Hill and BHP Billiton's Olympic Dam.

OZ Minerals' CEO Andrew Cole commented: "With the Carrapateena copper project in its final feasibility study phase, across the wider mineral province there are additional prospects we have at Khamsin, Fremantle Doctor and now Intercept Hill. The infrastructure we are proposing to develop at Carrapateena represents the first stage of a potentially much broader regional development.

This latest drilling program is about looking at existing data differently and with a fresh set of eyes. It also sees us remain within our \$10-15 million guidance for exploration even though this is the sixth such earn-in agreement we've put in place in a little over a year," said Mr Cole.

The reprocessing of a suite of geophysical data revealed previous explorers in the region may have overlooked possible IOCG gravity anomalies. These targets will be drill tested in early 2017.

The parties have extensive experience in exploring the Gawler Craton for IOCG mineralised systems. The region contains 68 per cent of Australia's and 14 per cent of the world's known copper resources.

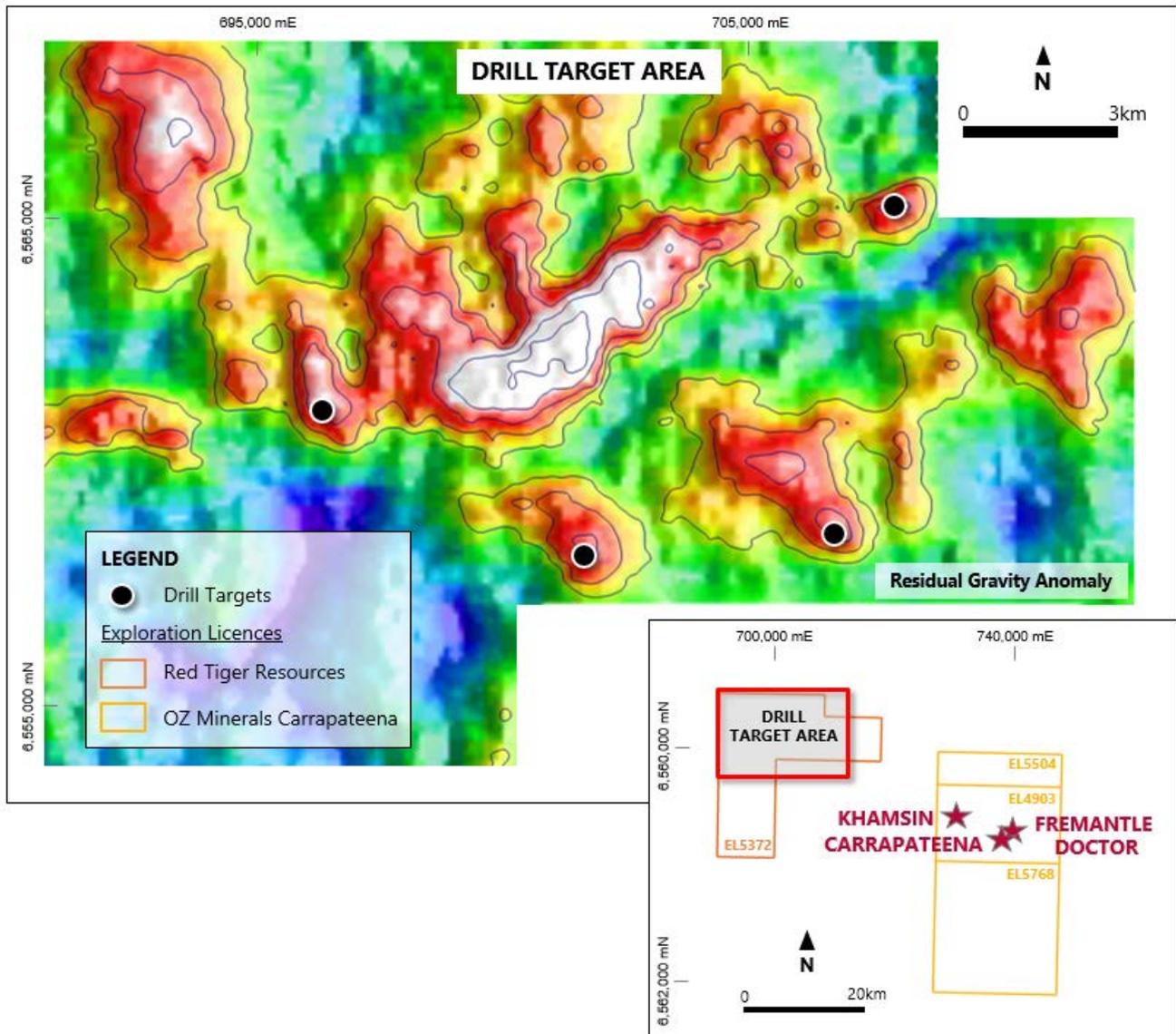
Red Tiger Resources will initially drill four holes testing four separate targets as part of 'Stage 1' with the initial funding of circa \$1.2 million provided by OZ Minerals. (see Drill Targets diagram)

OZ Minerals can elect to spend a further \$2.8 million on exploration to earn a 51 per cent interest in the tenement as part of 'Stage 2'. Upon completion of OZ Minerals' Stage 2 commitment, a Joint Venture will be formed.

OZ Minerals will have the option of funding a further \$5 million on exploration to earn an additional 24 per cent interest in the tenement, with a potential to hold a 75 per cent interest in the tenement.

Red Tiger Resources is a privately held resources explorer based in Adelaide.

Drill targets



Approach to joint ventures

Over the last 15 months OZ Minerals has put in place six separate exploration earn-in agreements with highly regarded explorers. These provide OZ Minerals with exploration expertise in specific geologies and locations. Our earn-in partners in turn access capital to undertake drilling programs. OZ Minerals typically works with its earn-in partners to oversee projects while they manage on the ground activities. OZ Minerals' growth strategy involves building a pipeline of opportunities and rigorously progressing these. In line with our capital discipline strategy, if at any time it is determined that a project does not have the potential to generate substantial value, OZ Minerals will cease expenditure and withdraw from the arrangement.

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