

11 October 2018

OZ Minerals completes 51 per cent earn in for West Musgrave

- Early metallurgical testing shows improvement in copper and nickel recoveries
- Pre-Feasibility Study scheduled for completion in Q2 2019
- Infill drilling program brought forward to enhance potential Feasibility Study schedule

OZ Minerals (ASX:OZL) has completed the earn in of 51 per cent of the West Musgrave project following an investment of \$22 million. Together with joint venture partner Cassini Resources (ASX:CZI), OZ Minerals is conducting a Pre-Feasibility Study (PFS) of the West Musgrave copper nickel project, focused to date on further drilling and improving metallurgical recoveries.

OZ Minerals' CEO, Andrew Cole, said early study results had been encouraging in a number of areas including resource extension drilling and metallurgy, with good progress made in heritage clearances and community engagement.

"Our confidence in the project's potential has increased and supports reaching the 51 per cent earn-in level earlier than originally anticipated.

"Recent early metallurgical test work shows significant improvements over the results achieved during the Further Scoping Study with a material improvement in copper and nickel recoveries. On results to date, we have also seen an increase in copper concentrate grade while nickel concentrate grade remains in line with the Further Scoping Study.

"These encouraging, improvements together with results from our regional exploration drill program that intersected massive sulphides at Yappsu (located approximately six kilometres from the Nebo-Babel deposits which are the primary focus of the PFS), further support our view that West Musgrave has the potential to be an exciting new mineral province with near mine and district opportunities.

"The 2018 resource drilling program to date has also increased our confidence in the existing resource model and geological interpretation such that we now intend to bring forward the 2019 infill drilling program to commence later this year, so as to enhance the potential Feasibility Study schedule."

Cassini Resources' CEO, Richard Bevan said "With the West Musgrave project's PFS being well on track, we look forward to continuing our strong relationship with OZ Minerals as the project progresses."

The West Musgrave project is located 30 kilometres from Jameson in Western Australia near the borders of South Australia and the Northern Territory. The PFS for the project commenced in November 2017 and is scheduled for completion in Q2 2019. OZ Minerals can earn 70 per cent of the West Musgrave project by investing an additional \$14 million towards project studies and regional exploration.

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Approach to joint ventures

OZ Minerals has multiple 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 the 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.

Cassini Resources

Cassini Resources Limited (ASX: CZI) is a base and precious metals developer and explorer based in Perth. In April 2014, Cassini acquired its flagship West Musgrave Project (WMP), located in Western Australia. The Project is a new mining camp with three existing nickel and copper sulphide deposits and a number of other significant regional exploration targets already identified. The WMP is the largest undeveloped nickel-copper project in Australia.

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