

12 April 2019

Resource confidence increases for Nebo-Babel deposits at West Musgrave

- Infill drilling program increases confidence in Nebo-Babel Resource; ~53km infill program conducted during 2018
- Inferred Resource conversion results in a 26% increase in Indicated Resources to 141 million tonnes
- Indicated Resource now represents 59% of total Nebo-Babel resources; infill drilling ongoing
- Resource update to inform mine design optimisation
- Completion of current phase of work expected late Q2/early Q3 with update to be released Q3

Following a 53km infill drilling program during 2018 to increase resource confidence, OZ Minerals has released an updated Mineral Resource estimate as at 12 April 2019 for the Nebo-Babel deposits at the West Musgrave Project, a joint venture with Cassini Resources Limited (ASX:CZI).

Confidence in the Resource has increased through conversion from the lower, Inferred category to the higher, Indicated category. Inferred Resource conversion has resulted in a 26 per cent increase in Indicated Resources to 141 million tonnes. Indicated Resources now comprise 59 per cent of the total Nebo-Babel Resource.

While overall tonnes have decreased by 15 per cent due to the reporting of the Resource within a defined, "reasonable prospects" pit shell for each deposit, our confidence in the eventual economic extraction of the Resource has grown as the previous Mineral Resource was only constrained by a Relative Level (RL) restriction. In addition, based on recent metallurgical studies, the Resource no longer includes oxide mineralisation which was previously reported together with sulphide mineralisation in the Further Scoping Study (FSS) released in November 2017¹.

¹ See announcement titled "West Musgrave project to progress to Pre-Feasibility Study" released on 14 November 2017 and available at www.ozminerals.com/media/west-musgrave-project-to-progress-to-pre-feasibility-study/

The updated resource will inform the mine design optimisation that is occurring as part of the study work currently underway with a study update expected to be released in Q3 this year.

The estimated Mineral Resource for the Nebo-Babel deposits is shown in the table below. The Mineral Resource estimate has been reported in accordance with the 2012 edition of the JORC Code.

Category*	Deposit	Tonnes	Ni	Cu	Au	Co	Pd	Pt	Ni metal	Cu metal
		(Mt)	(%)	(%)	ppm	ppm	ppm	ppm	(kt)	(kt)
Indicated	Babel	108	0.33	0.38	0.06	120	0.10	0.09	357	408
	Nebo	33	0.45	0.40	0.05	180	0.09	0.07	146	129
	Sub-total	141	0.36	0.38	0.06	134	0.10	0.08	503	537
Inferred	Babel	96	0.34	0.38	0.07	120	0.11	0.09	327	364
	Nebo	2	0.36	0.39	0.04	170	0.08	0.07	7	7
	Sub-total	98	0.34	0.38	0.06	121	0.11	0.09	334	371
Ind + Inf	Babel	204	0.34	0.38	0.06	120	0.10	0.09	685	772
	Nebo	34	0.44	0.40	0.04	179	0.09	0.07	153	136
Total		238	0.35	0.38	0.06	129	0.10	0.09	838	908

Table subject to rounding errors.

* Mineral Resources reported within a A\$24 NSR pit shell and at 0.25% Ni Cut-off. Refer to the Mineral Resource Statement and Explanatory Notes and Table 1 for full details.

The Mineral Resource has been reported above a cut-off grade of 0.25% Ni based on results of the FSS released in November 2017². Mineral Resources have been constrained within pit shells generated using a cut-off net smelter return ("NSR") of A\$24/t based on the FSS and ongoing study assumptions, utilising a 1.2 times multiplier of OZ Minerals' accepted long term metal prices. Details are outlined in the accompanying Mineral Resource Statement and Explanatory Notes. Apart from the pit shell constraint, all other assumptions remain as per the FSS.

Confidence in the resources has increased at Nebo-Babel with the reclassification of approximately 29Mt of Mineral Resource to 'Indicated' from 'Inferred' following a 53km drill program (primarily infill), conducted from April to December 2018, as displayed in Figure 1 below.

² See announcement titled "West Musgrave project to progress to Pre-Feasibility Study" released on 14 November 2017 and available at www.ozminerals.com/media/west-musgrave-project-to-progress-to-pre-feasibility-study/

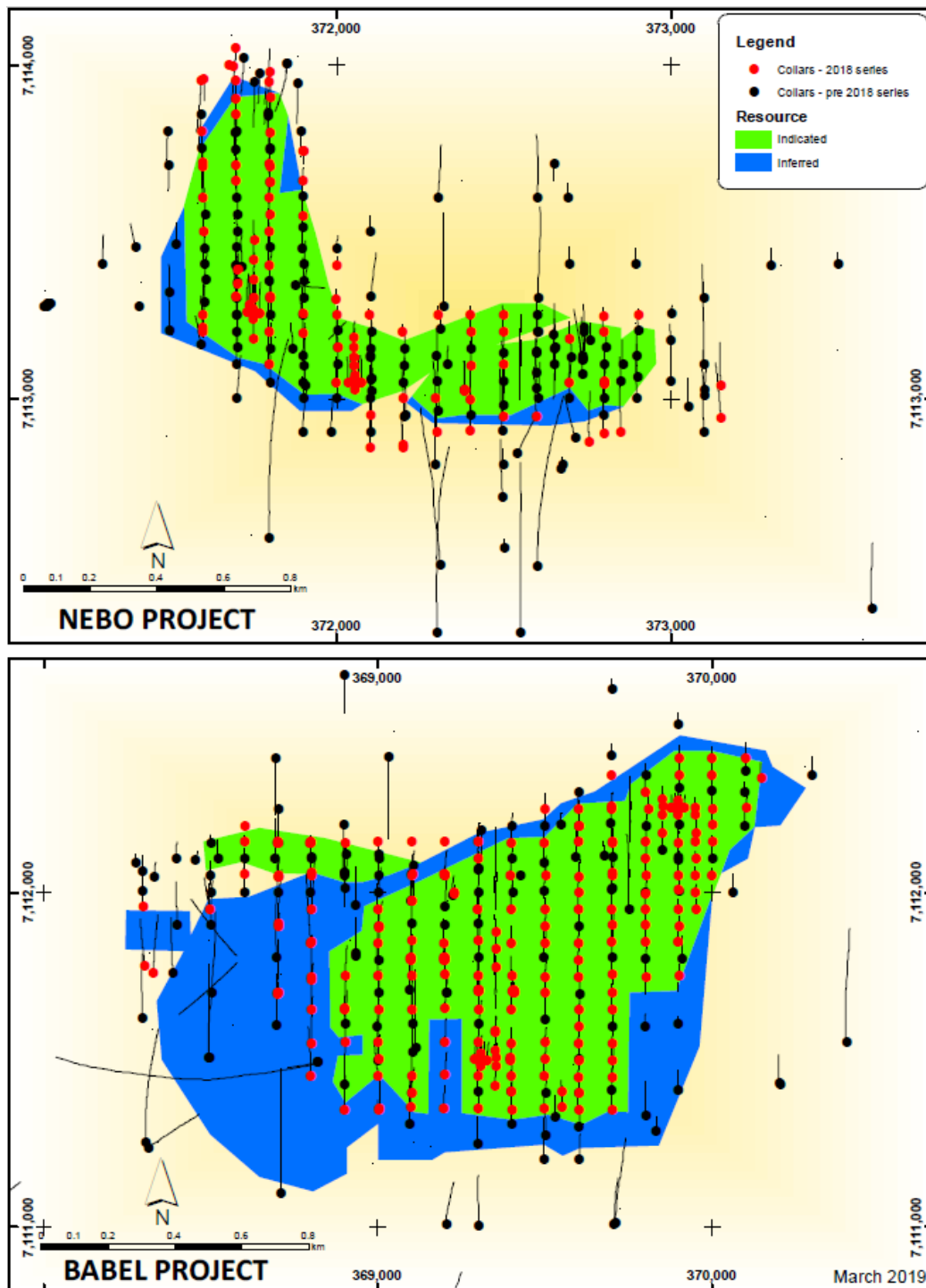


Figure 1: 2018 Drilling overlaid on 2019 Mineral Resource Classification

The 2018 drilling has significantly increased the amount of Indicated Mineral Resources at Babel from 73.9Mt in 2017 to 108Mt in 2019. Indicated Resources at Nebo have remained relatively unchanged from 2017 to 2019 however strategic drilling, including two areas of close spaced drilling, have increased geological understanding of the deposit. Drilling is continuing at both Nebo and Babel, including resource infill and resource extension. Drilling of other targets in the area including Succoth and One Tree Hill are part of a separate exploration drilling program being conducted and managed by Cassini under the joint venture arrangements.

The resource estimate will inform the current phase of work which is due for completion at the end of Q2/early Q3, with an update to be provided in Q3.

The current phase of work is focused on determining the optimal mining cut-off grade and plant throughput, mine design, mining operations optimisation, process plant flowsheet selection and investigation of off-grid renewable power solutions. Many options are being considered as part of the study program. Importantly the team is working in collaboration with the local community to co-design elements of the project to maximise community value where possible. A recent community consultation workshop on site was well supported with 150 members of the community attending to learn more about the project and discuss their aspirations.

OZ Minerals Chief Commercial Officer, Mark Irwin, said "This is another positive step towards realising the considerable potential of the Musgrave Province. Infill and extension drilling is continuing for the Nebo-Babel deposits and the uplift in resource confidence resulting from the 2018 drilling program will feed into our ongoing mine design optimisation. Our confidence in the project continues to build and we remain focused on our goal of maximising project value."

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