18 February 2021

The Manager, Companies
Australian Securities Exchange
Companies Announcement Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

OZ Minerals 2020 Annual and Sustainability Report

OZ Minerals today announced its results for the full year ended 31 December 2020. Attached is the Appendix 4E and 2020 Annual and Sustainability Report including:

- Directors' Report
- Remuneration Overview and Report
- FY20 Financial Report
- Sustainability Report

Sincerely,

Michelle Pole
Company Secretary and Senior Legal Counsel

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

RESULTS FOR ANNOUNCEMENT TO THE MARKET

We have provided this results announcement to the market in accordance with Australian Securities Exchange (ASX) Listing Rule 4.2A and Appendix 4E for the Consolidated Entity (OZ Minerals) comprising OZ Minerals Limited (OZ Minerals Limited or the 'Company') and its controlled entities for the year ending 31 December 2020 (financial year) compared to the year ended 31 December 2019 (comparative period).

Consolidated results, commentary on results and outlook

	31 December 2020 $m	31 December 2019 $m	Movement $m	Movement %
Net Revenue	1,342.0	1,107.0	235.0	21.2
Profit after tax attributable to OZ Minerals Limited equity holders	212.6	163.9	48.7	29.7

The commentary on the consolidated results and outlook, including changes in the state of affairs and likely developments of the Consolidated Entity, is set out in pages 8-23 and within the financial review section of the Directors' Report in pages 36-39.

Net tangible assets per share

	31 December 2020 $ per share	31 December 2019 $ per share
Net tangible assets per share*	7.43	8.66

*Right-of-Use assets are considered intangible assets and excluded from total assets for the net tangible assets calculation.

In accordance with Chapter 19 of the ASX Listing Rules, net tangible assets per share represents the total assets less intangible assets, less liabilities ranking ahead of, or equally with, ordinary share capital and divided by the number of ordinary shares on issue at the end of the year.

Dividends

Since the end of the financial year, on 18 February 2021 the Board of Directors resolved to pay a fully-franked dividend of 17 cents per share, to be paid on 26 March 2021. The record date for entitlement to this dividend is 12 March 2021.

OZ Minerals offers a Dividend Reinvestment Plan (DRP) and eligible shareholders may participate in the DRP in respect of all or part of their shareholding. A discount of 1.5 per cent will apply to this allocation and there is no limit on the number of participating shares. Shares will be allocated to shareholders under the DRP for the 2020 final dividend at an amount equal to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of five trading days commencing on 11 March 2021. The last date for receipt of election notices for the DRP is 15 March 2021.

The financial impact of the dividend amounting to $56.4 million has not been recognised in the Consolidated Financial Statements for the year ended 31 December 2020 and will be recognised in subsequent consolidated financial statements.

Dividends announced or paid since 1 January 2019

Record date	Payment date	Fully franked cents per share	Total dividends $m	Dividend reinvestment plan
12 March 2021	26 March 2021	17	56.4	Yes
18 September 2020	5 October 2020	8	26.0	Yes
12 March 2020	26 March 2020	15	48.6	No
3 September 2019	17 September 2019	8	25.9	No
12 March 2019	26 March 2019	15	48.4	No

Independent auditor's report

The above announcement of the results to the market is based upon the Consolidated Financial Statements and we have included the Independent Auditor's Report to OZ Minerals Limited members in the OZ Minerals' 2020 Annual and Sustainability Report.

OZ MINERALS

2020

OZ MINERALS ANNUAL AND SUSTAINABILITY REPORT

Tjunguringanyi

Tjunguringanyi (working together) is how the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) and OZ Minerals Prominent Hill Mine work together. It is centred around our collectively agreed values of:

- Nintiringanyi (Learn from each other)
- Kunpun (Sustainability/Strong)
- Ngapartji-Ngapartiji (Reciprocity)
- Kulini (Listening)

Cautionary statement

This report contains forward-looking statements that relate to our activities, plans and objectives. Actual results may significantly differ from these statements, depending on a variety of factors. The term 'material topic' is used for voluntary sustainability reporting to describe topics that could affect our sustainability performance. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and circumstances that will occur in the future and may be outside OZ Minerals' control. Given these risks and uncertainties, undue reliance should not be placed on forward looking statements.

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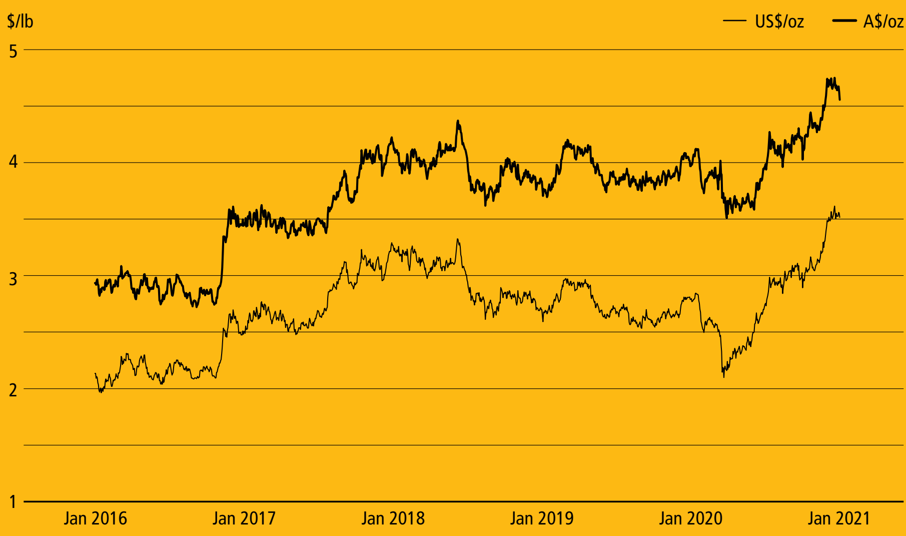
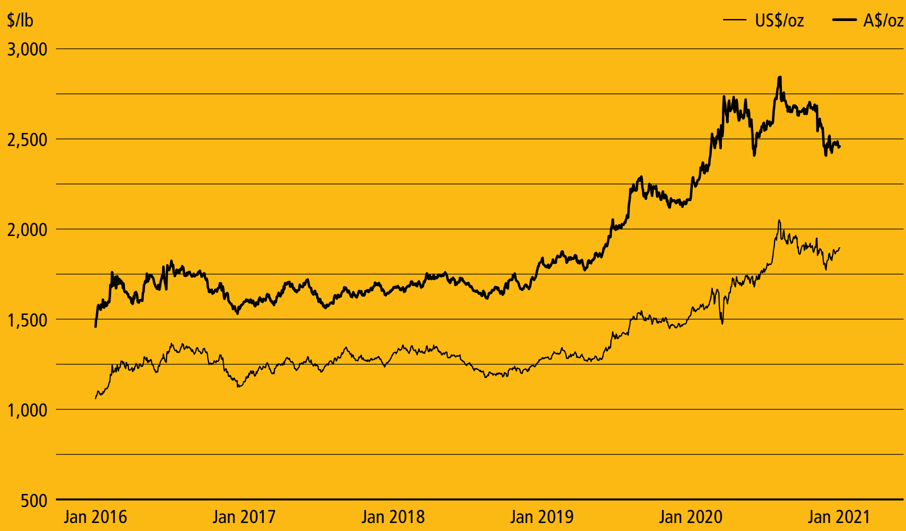
2020 SNAPSHOT

Copper Pricing



Gold Pricing



Full Year Financial Results Summary

	2020 $m	2019 $m
Group revenue	1,342.0	1,107.0
EBITDA	606.3	462.4
Net depreciation	(283.4)	(228.9)
EBIT	322.9	233.5
Net finance expense	(27.1)	(4.9)
Income tax (expense)	(83.2)	(64.7)
NPAT	212.6	163.9
Dividends per share (cents)	25	23

Tonnes of copper produced:

97,620

Ounces of gold produced:

257,987

All Assets

● **Prominent Hill**
- Underground operations
- Copper concentrate (containing gold and silver)
- Shaft Expansion Study underway

● **Carrapateena Province**
- Ramp up to 4.25 Mtpa run rate completed in December 2020
- Copper concentrate (containing gold and silver)
- Carrapateena Block Cave Expansion approved

● **Carajás Province**
- Hub and spoke approach using established Antas mine processing facilities
- New satellite underground mine, Pedra Branca, in construction
- Potential satellites in Clovis and Santa Lúcia
- Potential additional hub at Pantera

◆ **Musgrave Province**
- West Musgrave copper–nickel project in advanced study phase
- Acquired JV partner, Cassini Resources Limited, in October 2020

◆ **Gurupi Province**
- CentroGold project to become Gurupi Hub

▲ **Coompana**
- With Mithril Resources Limited
- Targeting copper–nickel magmatic sulphide mineralisation

▲ **Eloise**
- Exploration joint venture with Minotaur Exploration in Queensland

▲ **Jericho**
- Exploration joint venture with Minotaur Exploration in Queensland

▲ **Breena Plains**
- Exploration join venture with Minotaur Exploration in Queensland

▲ **Lannavaara**
- With private explorer Mineral Prospektering i Sverige in the Norrbotten district of northern Sweden

▲ **Red Metal multi-site exploration alliance**
- Yarrie for copper–gold in Western Australia
- Gulf for copper–gold in Queensland
- Lawn Hill for zinc–lead –silver in Queensland
- Three Ways for zinc–lead –silver in Queensland
- Mount Skipper for zinc–lead –silver–copper in Queensland

▲ **Painirova**
- With Mineral Prospektering i Sverige in northern Sweden

▲ **Paraiso**
- With Peruvian company Inversiones Mineras La Chalina S.A.C.
- Targeting iron–oxide–copper–gold (IOCG) deposits in the Arequipa district of southern coastal Peru

MESSAGE FROM THE CHAIRMAN AND CEO

DEAR SHAREHOLDERS,

2020 was a year that has impacted all of us in different ways. At OZ Minerals, we applied ourselves to challenges that emerged, to protect our people, deliver our plans, and harness disruption to accelerate our strategic aspirations.

Our culture enabled us to quickly adapt to remote working and a volatile environment. Our devolved operating model meant our mine sites were able to rapidly respond to the changing COVID-19 restrictions, and the commitment of our people helped us deliver ahead of initial operational targets and to advance our strong pipeline of growth opportunities.

We improved our overall safety performance with a Total Recordable Injury Frequency Rate (TRIFR) of 5.29 compared with 6.27 in 2019 and lifted our focus on, and commitment to, mental health.

The Total Recordable Injury Frequency (TRIF) reporting methodology was updated in August 2020 and all data reported from 1 January 2020 was retrospectively adjusted to align with the updated methodology. The change (see page 83) takes into consideration our move to more flexible work.

GROWTH ENABLED BY CULTURE

In the Prominent Hill Province, the Prominent Hill mine cemented its position as a low-cost reliable operation while demonstrating the potential to increase underground production and extend mine life by accessing deeper ore with a shaft haulage system. With sustainable annualised rates at or above 4 million tonnes per annum (Mtpa) during the year, future decline development spend was brought forward to increase mining rates to between 4 Mtpa and 5 Mtpa from 2022. Accelerating the decline development to the bottom of the known resource will enable us to mine simultaneously from the current and deeper levels.

In the Carrapateena Province, the new Carrapateena mine ramped up to its 4.25 Mtpa run rate and the sub-level cave is performing to plan. The Carrapateena Expansion progressed to the next study phase, following the release of a study update showing the potential value uplift of converting the bottom half of the sub-level cave to a block cave, forming the basis of a multi-generational mining province. In early 2021, the Board approved the block cave expansion and early works are scheduled to begin in Q4 2021.

In the Musgrave Province, the West Musgrave Project increased in value over the course of the year. A pre-feasibility study (PFS) update released in December 2020 presents a larger 12 Mtpa mine (previously 10 Mtpa) while maintaining the same 26-year mine life and powered by 70–80 per cent renewable energy.

We acquired our project joint venture partner, Cassini Resources, which provides us with flexibility regarding future development and funding options.

Exploration activities around the world were on hold for most of the year but resumed in the latter months within a COVID-19-safe framework.

The Brazil team continued to operate while managing a much higher concentration of COVID-19 cases than had occurred in Australia. Their robust processes limited cases on site to low numbers at any one time and their test, trace and isolate regimes prevented widespread infection. The Carajás Hub is now taking shape with Pedra Branca ore being trucked to the Carajás East processing hub. In the Gurupi Province, we made progress, though not as much as we would have liked, towards removing the injunction on the CentroGold Project.

Our strong operational and financial performance allowed for continued investment in growth activities, $74.6 million in dividends paid to shareholders, and we ended the year with a net cash balance of $31.7 million. The Board has declared a total, fully franked dividend for 2020 of 25 cents per share, made up of a half year payment of 8 cents per share and an end-of-year payment of 17 cents. 2020 earnings per share totalled 65.2 cents.

Culturally and strategically, we advanced our Strategic Aspirations including:

- Flexible work with work life plans that allowed our people to organise their work around their life.
- Zero Scope 1 emissions, zero net waste and minimising water use.
- Being Agile by implementing *The OZWay* of operating, ensuring we can adapt quickly to future changes.
- Making innovation easier where our people are encouraged to develop ideas and collaborate with others outside the industry and with the crowd.
- Being data driven, where we gather and use data and create insights into our business for faster, better, and more creative decision making, and to reduce manual processes.

STAKEHOLDER VALUE CREATION

We further hardwired value creation for our Stakeholders into our governance framework and developed a set of metrics which will have the dual purpose of being a performance assessment tool and focusing our work and behaviour. The Stakeholder Value Creation Metrics support the achievement of our Purpose, '*Going beyond what's possible to make lives better*'. The Metrics are published in the Strategy section of this report (page 8) and are referenced frequently in the Sustainability section.

Our Strategy is centred on value creation for our five Stakeholder groups – employees, communities, governments, suppliers and shareholders – and stakeholder value creation requires performance across multiple dimensions.

Similarly, the challenges associated with sustainable development are also multifaceted, involving economic, social, and environmental considerations.

In this respect we created a Stakeholder Support Fund to help build resilience for our Stakeholders in a COVID-19 environment. It will continue into 2021. We made strong progress on implementing our roadmap for reporting integrated climate risks and climate-related disclosures in line with the Task Force on Climate-related Financial Disclosures framework. We also issued our Modern Slavery Statement (ozminerals.com/sustainability/modernslavery) in support of addressing a global issue.

For OZ Minerals, Partnering is a strategic enabler for cross-sector and multi-disciplinary value creation. This will help us gain a greater understanding of our context, gain more exposure to diversity of thought, and better appreciate what constitutes value for our Stakeholders.

LOOKING AHEAD

Much of the world moved into recession in 2020, induced by COVID-19. Many countries provided support to their people and their economies during 2020. It is not known what the full effect will be on the individual and world economies when this support is withdrawn. However, as countries emerge from the pandemic, a period of growth is expected. The consensus is that the focus on decarbonisation and reducing the environmental footprint of business will continue, and likely accelerate.

In this regard, as a producer of copper, an important mineral in the renewables industry, we are well placed to take advantage of potential growth in demand. We remain confident about the long-term fundamentals of copper. It has seen price growth over the course of 2020 reflecting supply issues during the year and also potential future demand growth, with both copper and nickel being key elements for the transition to fossil-free electric energy production.

2021 will see OZ Minerals moving into our next phase of growth. We have a range of greenfield and brownfield options in the mature mining regions of Australia and Brazil, and our strong balance sheet provides financial flexibility for growth opportunities.

The focus is on safe operational delivery at our assets, on advancing the project studies at Prominent Hill, Carrapateena and West Musgrave, and developing out the Carajás Hub strategy in Brazil. We'll also be continuing our exploration activities where possible.

We are proud of the achievements of our team in 2020, and we have exciting opportunities ahead of us including the further development of our Modern Mining Company culture.

We thank our people for their dedication and energy in delivering results within an extremely difficult environment. We greatly appreciate the ongoing support of our Stakeholders.

Finally, we thank you, our shareholders, for your continued support, trust and confidence.

Rebecca McGrath
Chairman

18 February 2021

Andrew Cole
Managing Director and CEO

18 February 2021

2020 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- $1,342 million revenue
- $212.6 million statutory net profit after tax
- $31.7 million net cash balance
- 65.2 cents earnings per share
- Total dividends for 2020: 25 cents per share fully franked
- Sixth successive year copper production and cost guidance met at Prominent Hill
- Prominent Hill Expansion Study progressed to next milestone
- Carrapateena ramped up to 4.25 Mtpa production
- West Musgrave value and scale uplift in PFS Update
- Development of the Carajás East Hub in Brazil
- International earn-ins – Sweden and Peru

STRATEGY

Creating value for all our Stakeholders – shareholders, employees, communities, governments, and suppliers – is at the heart of our Strategy. This concept of value creation has been embedded into our governance systems through our process standards and how we assess risk. It drives us to deliver on our Purpose of '*Going beyond what's possible to make lives better*'.

OUR STRATEGY

Every year, we review our Strategy to ensure it continues to enable us to create stakeholder value and be a modern mining company. Our Strategy focuses on HOW we deliver, and two important elements are:

- Our Purpose – *Going beyond what's possible to make lives better* which was developed in consultation with our people.
- *The OZWay* – a simple model that explains how all the parts of OZ Minerals fit together.

STRATEGIC ASPIRATIONS AND ACCELERATION PRIORITIES

This year, we focused on describing OZ Minerals' Strategic Aspirations. These Strategic Aspirations challenge our people to realise our full competitive advantage in an ever-changing world. Together, our Strategy and its embedded Strategic Aspirations, support achieving our Purpose which is a collective vision for the business to work towards.

These Strategic Aspirations align with the Strategy elements. These aspirational statements guide our planning and our work. They give people permission to stretch their thinking and experiment. As we work to deliver the Strategic Aspirations, we expect to see value created for our five Stakeholder groups.

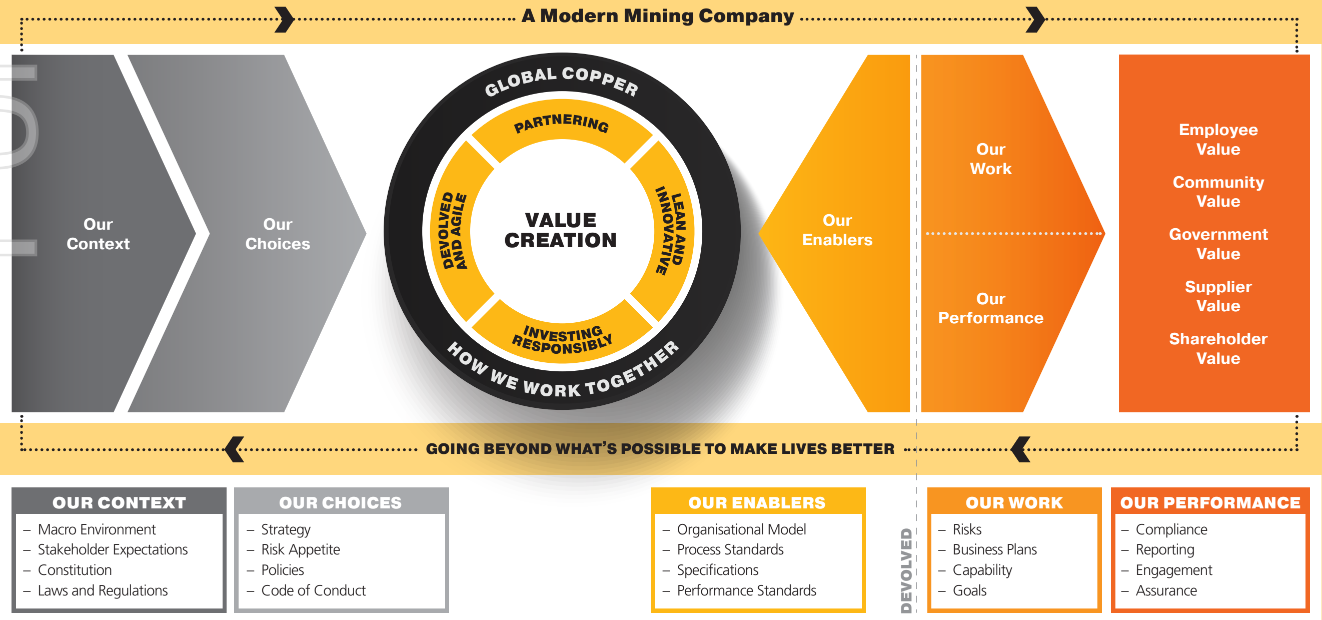
During the depths of COVID-19 we established a project, Project Beyond, to ensure we emerged from the pandemic stronger and closer to achieving our Strategic Aspirations. Over 450 ideas were gathered from across our business which were combined with external multi-sector benchmarking. These were then refined and distilled into our Acceleration Priorities.

These Acceleration Priorities will help modernise how we work, fast-track our ethical and sustainable aspirations and refine and prioritise the fundamentals of our business. They are short to medium-term priorities that we would have done eventually but have chosen to accelerate now.

The Priorities include:

- normalising and systemising flexible and remote work for our people
- moving to the use of agile work methodologies
- removing bureaucracy so innovation can occur more freely
- accelerating the implementation of a whole-of-value chain, real time, data-driven decision-making tool set
- greater inclusion of our external stakeholders in our design teams and decision-making processes.

THE OZWAY



OUR STRATEGIC ASPIRATIONS AND ACCELERATION PRIORITIES HELP FOCUS OUR WORK ON THREE OR FOUR HIGH-IMPACT ACTIVITIES UNDER EACH ELEMENT OF OUR STRATEGY.

Strategic Aspirations

Partnering

/ Our business model empowers Assets to optimise for their local conditions.

/ We deliver the activities along our value chain to enable our local Stakeholder aspirations for generations to come.

/ We work closely with our Stakeholders to create mutual value by building each others' capability and capacity.

Global copper

/ We responsibly produce clean value-adding products in partnership with our customers in a transparent manner.

Lean and innovative

/ We strive to minimise water use and add value when we do.

/ We will emit zero Scope 1 emissions and strive to systematically reduce Scope 2 and 3 emissions across our value chain.

/ We consume and produce in a way that generates zero net waste and creates value for stakeholders.

/ We use data and technology for tactical decision making, repetitive work and to improve safety, allowing our people to focus on complex and innovative thinking.

/ Our simplified systems and processes are a competitive advantage.

Devolved and agile

/ We work with the best talent and capability no matter where it resides, driving an outcome-based organisation.

/ Our Assets are brought to full value early through a rapid approach to our project pipeline and provide optimal value for stakeholders.

/ Our Assets are scalable and adaptive.

/ We are a low bureaucracy organisation structured around the work to be done rather than traditional concepts of roles, to enable rapid decision-making free from traditional hierarchy.

How we work together

/ We are a virtual organisation bound by our Purpose and Aspirations, not by geography or physical infrastructure.

/ We challenge all assumptions about how and where work needs to be done and what's possible.

/ We deliberately weave personal and professional growth into our everyday work, enabling people to do the best work of their lives.

Investing responsibly

/ Our Partnering and diversified ownership models create shared responsibility across all Stakeholders.

/ We attract investment due to how we operate, our strong financial returns and our top quartile shareholder returns.

Acceleration priorities support the Strategic Aspirations

Acceleration Priorities

Flexible workforce

/ work life plans

/ remote working where possible

/ remote operations centres

Accelerate organic growth pipeline including

/ bring forward Prominent Hill decline

/ update CentroGold PFS

/ resume exploration and resource drilling

Agile

/ project management

/ mindset

Ethical and sustainable

/ reduce high-emissions energy use

/ baseline Scope 3 emissions

/ concentrate traceability

Innovation

/ making it easier to bring forward and develop ideas

Data

/ greater use of data to make faster, better decisions

Partnering for mutual value and better outcomes

STAKEHOLDER VALUE CREATION METRICS

We also developed a set of Stakeholder Value Creation Metrics during the year that provides a tangible assessment of how and where we create value. Reporting on these Metrics is aligned with the different elements of *The OZWay*. It also flows through to our Purpose, further embedding a focus on value creation into what we do.

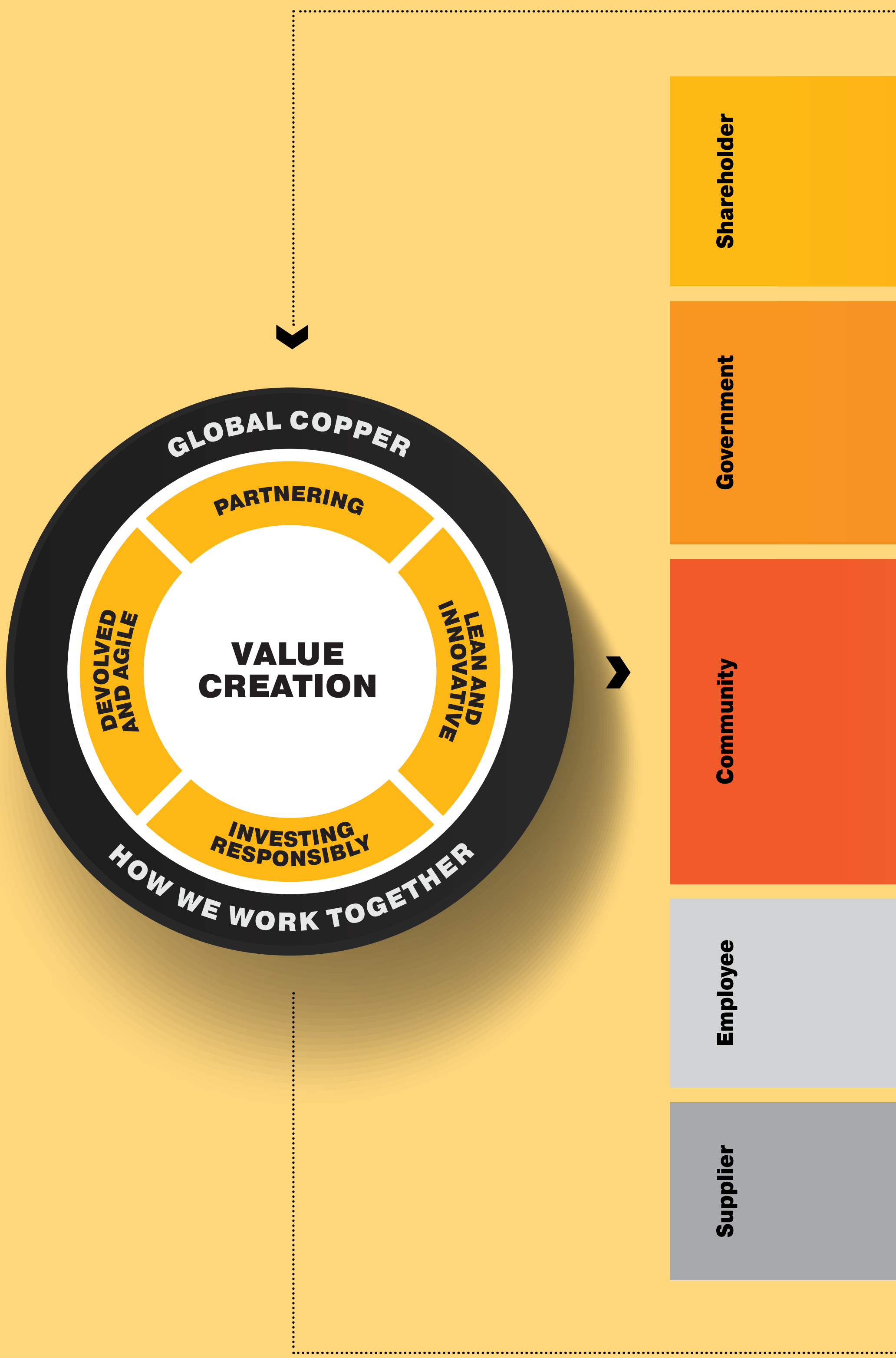
Our Stakeholder Value Creation Metrics consider:

- what constitutes value from our Stakeholders' perspectives
- the data we currently collect
- how *The OZWay* applies
- our Strategy, Aspirations and Priorities
- our Purpose.

We have referenced our Stakeholder Value Creation Metrics throughout this year's Annual and Sustainability Report, in particular, within our Sustainability Report (page 70). The Metrics harness data we already collect as part of our operations, and presents them in a way that allows for clear, consolidated tracking of progress against each metric.

In articulating our Stakeholder Value Creation Metrics, we can demonstrate whether we are creating value for our Stakeholders and the Metrics will drive behavior within the Company. They support our Policies and achievement of our Strategic Aspirations and Acceleration Priorities.

STAKEHOLDER VALUE CREATION METRICS



Going beyond what's possible to make lives better

Shareholder Value

Share price and dividends	Grow share price: measured relative to peer group / sustainable dividend (TSR)
Reserve growth	Grow OZL's Copper Reserves: measured relative to OZL's Reserve at the end of previous year
All-In Sustaining Costs (AISC)	Bottom half of cost curve: measured relative to global copper producers
Governance	Board effectiveness: Compliance with ASX's corporate governance principles and recommendations

Government Value

Employment by jurisdiction	Workforce – local / state / out of state / Land Connected and Indigenous Peoples
Taxes and royalties	Income tax expense / royalties (total and jurisdictions)
Capital investment	Capital investment
Emissions and energy	Scope 1 & 2 emissions intensity (tCO_2-e per t Cu Eq) / Scope 1 & 2 absolute emissions / net energy intensity (per t Cu Eq) and renewable energy percentage
Local content	Value spent with local suppliers through supply chains

Community Value

Community engagement	Number and average duration for resolution of concerns, complaints and grievances
Cultural heritage	Unauthorised cultural heritage breaches / significant environmental and social incidents
Social contribution	Quantity and case studies
Partnering	Partnering case studies
Human rights	*Modern Slavery Act* action plan Implementation and number of incidents
Water	Water consumed (per t Cu Eq) / water withdrawal in areas of extreme water stress (%)
Waste	Non-mineral waste produced (per t Cu Eq)
Land and biodiversity	Area (ha) disturbed in high biodiversity conservation areas

Employee Value

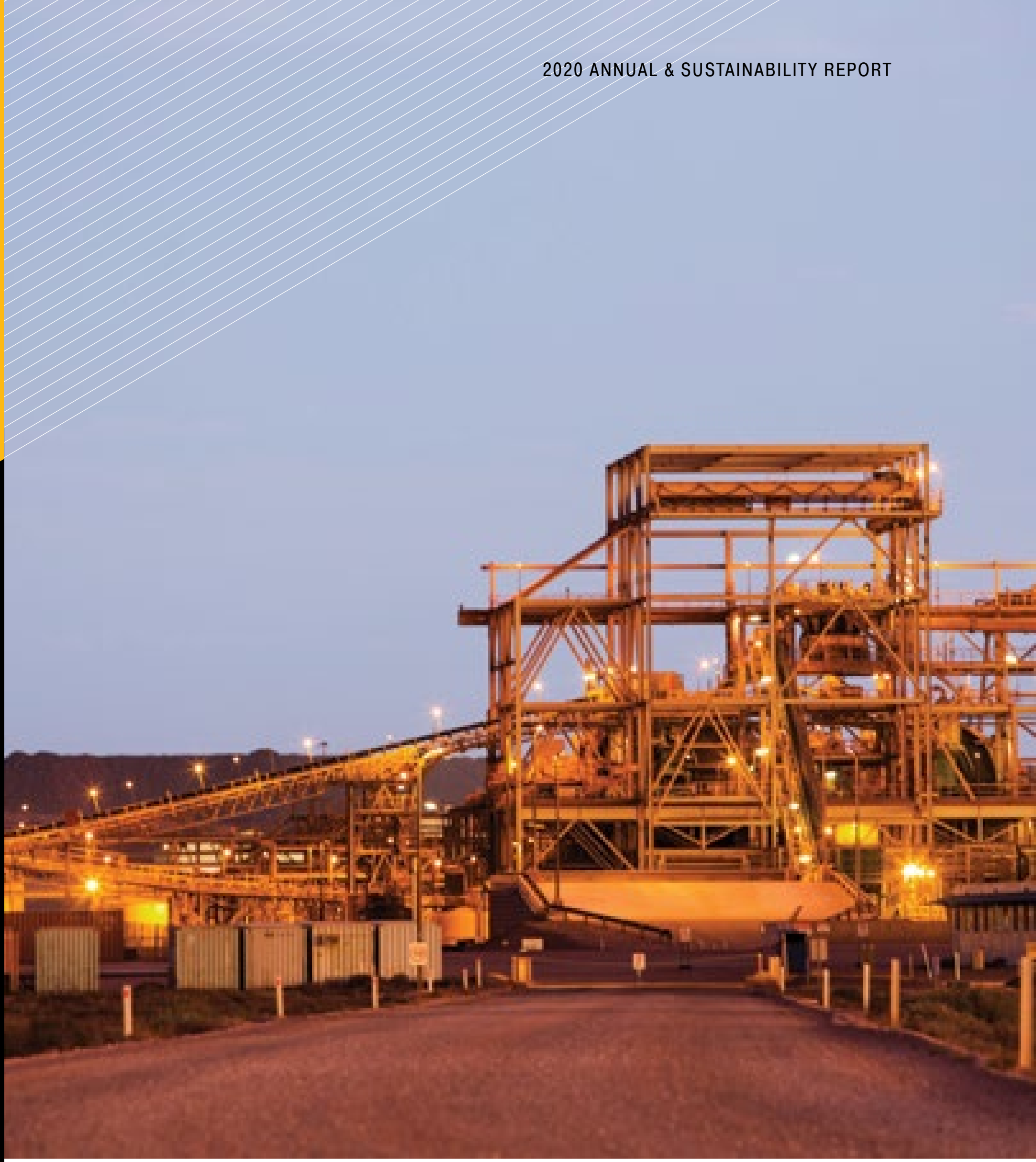
Inclusion	Inclusion maturity upward trend
Diversity	Diversity of thought and demographic
Safety performance	Total Recordable Injury Frequency Rate (TRIFR) and zero fatalities
Workforce engagement	Employee Survey Results above industry benchmark

Supplier Value

Net Promoter Score (NPS)	Net Promoter Score (NPS) survey
On time payment	Proportion (number and value) of invoices paid on time within payment terms (7, 14, 30, 60 and >60 days of invoice date)
Supplier Value by jurisdiction	OZ Minerals expenditure by number of suppliers and value spent with them by postcode

A Modern Mining Company

PROMINENT HILL



The Prominent Hill mine has met or exceeded copper guidance for six consecutive years. The positive findings of the Prominent Hill Expansion Study increase confidence in Prominent Hill's longevity and ongoing performance.

OVERVIEW

- Location: 650 km north-west of Adelaide, 130 km south-east of Coober Pedy
- Product: Copper concentrate (containing gold and silver)
- Mining method: Underground mine
- Processing method: Conventional crushing, grinding and flotation
- Mineral Resources: 150 Mt at 0.9% copper and 0.7g/t gold[(a)]
- Ore Reserves: 56 Mt at 0.9% copper and 0.7g/t gold[(a)]

(a) Please refer to the Mineral Resources and Ore Reserves section (page 120) for full disclosure.

Prominent Hill is a well established underground copper, gold and silver mine located 650 km north-west of Adelaide in South Australia. Prominent Hill is currently operating in the lowest cost quartile globally and has delivered on its annual production guidance for the past six years.

In 2018, the mine converted from open pit to underground-only operations and ramped up to 4 Mtpa in 2020. Plans to increase production to between 4 and 5 Mtpa by 2022 were announced in August 2020 by accelerating the decline development towards the bottom of the known reserve to begin mining simultaneously from the current and deeper levels. Work started on the accelerated development activities in September 2020.

A study is progressing into expanding the operation further by accessing deeper inferred resources via a vertical hoisting shaft. A study update released in November 2020 showed that converting from truck haulage to a vertical shaft would lower the operational risks and costs of mining at depth, be NPV and cashflow positive compared to the current truck haulage mining operation and create a platform to potentially mine deeper mineral resource yet to be converted to reserve.

The positive economics supported continued investment in the expansion study with further infill drilling to be undertaken to increase resource confidence, and to provide the basis for a final investment decision expected in mid 2021.

In 2020 Prominent Hill again met its copper production guidance. It also met its increased gold production targets, and its lower C1 cost targets, both of which were improved mid-COVID-19. In 2020, the team achieved a negative C1 cost performance of 54.0 c/lb and All-In Sustaining Costs (AISC) of 14.7 c/lb assisted by higher gold production and higher gold by-product credits.

Importantly, we continued to focus on how we can improve safety, health and wellbeing outcomes. The TRIFR of 5.63 was lower at Prominent Hill than last year (8.45). Safety continues to be a focus for the team into 2021.

During the challenging COVID-19-affected environment of 2020, we:

- introduced annual programs to support health and wellbeing, including mental health first aid training to raise awareness and reduce the stigma associated with mental health issues
- partnered with our Employee Assistance Program provider to introduce Yarning Circles to provide Indigenous team members additional access to peer support during the height of COVID-19
- partnered with Inventium to implement their Workday Reinvention Program for our workforce, particularly those who were transitioning to remote work
- implemented the Keil Centre Resilience Program, which helped us understand and apply effective coping strategies that build personal resilience.

HIGHLIGHTS FOR 2020

- We delivered the targeted 4 Mtpa mining rate and accelerated decline development to support increased mining rates to 4-5 Mtpa from 2022 while maintaining mine life.
- We doubled the size of our underground resource drilling fleet and completed 15 km of drilling, with results indicating a continuation of the Malu and Kalaya mineralisation.
- We delivered an update on the Prominent Hill Expansion Study with works expected to continue in 2021 with a view of a mid-2021 investment decision. We began Stage 2 drilling of the Mount Woods Unearthed Challenge targets, drawn from some of the more unconventional approaches from the 2019 Explorer Challenge.
- We safely and successfully completed construction of a new 270 km transmission line to Prominent Hill via Carrapateena to enable energy self-sufficiency for current operations and all contemplated expansion options from previous reliance on Olympic Dam's power line.
- We commissioned and successfully ramped up the Malu Paste Plant to nameplate capacity, to enable underground performance.
- We transitioned mining into the eastern lenses of the Malu underground deposit and opened additional mining fronts.
- We upgraded the remote surface telemetry systems for the underground mining fleet, with associated productivity increases.

TRANSFORMING FOR THE FUTURE

The new 270 km transmission line to Prominent Hill via Carrapateena was commissioned during the year. It provides reliable, secure and affordable power transmission for OZ Minerals' South Australian mining assets. The new transmission line will also support our future expansion aspirations and will be available for third party use.

The update on our Prominent Hill Expansion Study demonstrated that the installation of a vertical hoisting shaft to replace truck haulage is technically and economically feasible, and has the potential to reshape our future. The shaft would have lower material handling costs, a higher mine production rate and enable development of the deeper zones of the known resource and potential extensions.

Our understanding of the orebody and the mining methods to be used, means we are well positioned to de-risk development options for this potential expansion.

OUR FOCUS IN 2021 IS TO:

- embed our refreshed Critical Risk Management Safety Program
- ramp up underground mining rates to 4-5 Mtpa
- complete the Prominent Hill Expansion Study
- continue the conversion of our inferred resources to indicated or measured
- maintain strong operating discipline to reliably deliver results in the bottom half of the cost curve
- accelerate our drive to embed the strong and successful culture of Prominent Hill in all our community and supplier partnerships
- engage stakeholders in the Prominent Hill Expansion and our vision for the Asset, and seek their active participation to support them.

CLOSING THE LOOP ON FOOD WASTE – PROMINENT HILL

For the last two years, we have used the BioBin© waste management system to capture food waste from the camp mess and kitchen. Instead of going to landfill, this waste is processed to become mulch and potting mix.

This year, we were able to close the loop and used this potting mix in a series of wicking beds that have been installed along one of the camp's main walkways. The plants for the wicking bed were selected in consultation with science students from the Coober Pedy Area School, who chose local plants with medicinal or bush food uses. Information plaques have been designed by the students and installed to provide some local traditional knowledge to camp users.

CARRAPATEENA

Carrapateena is a 4.25 Mtpa underground sub-level cave mine, with an estimated mine life of 20 years. Carrapateena is located in a region highly prospective for additional resources, with known mineralisation at nearby Khamsin.

OVERVIEW

- Location: 250 km south-east of Prominent Hill, 160 km north of the regional centre of Port Augusta, in South Australia
- Product: Copper concentrate (containing gold and silver)
- Mine life: ~20 years
- Mining method: Underground – sub-level caving
- Processing method: Conventional crushing, grinding and flotation
- Mineral Resources: 950 Mt at 0.57% copper and 0.25g/t gold[a]
- Ore Reserves: 220 Mt at 1.1% copper and 0.45g/t gold[a]

(a) Please refer to the Mineral Resources and Ore Reserves section (page 120) for full disclosure.

Carrapateena is located in the highly prospective Gawler Craton in South Australia, approximately 250 km from the Prominent Hill mine. It is an iron–oxide–copper–gold (IOCG) underground mine that first produced concentrate in December 2019 and has since ramped up to the designed steady state production rate of 4.25 Mtpa.

Carrapateena was officially opened in 2020 by South Australian Premier, Steven Marshall, and the Minister for Energy and Mining, Dan van Holst Pellekaan. A small number of stakeholders joined the ceremony onsite and a much larger group of stakeholders joined in real time online, as COVID-19 travel and physical distancing restrictions were in place.

The biggest mining project in South Australia in the last decade, Carrapateena produced 27,632 tonnes of copper and 53,089 ounces of gold during the year and met copper and gold production and cost guidance for 2020.

In 2020, Carrapateena achieved a C1 cost performance of 77.8 c/lb and AISC of 122.0 c/lb in its ramp up year.

We continue to focus on ensuring the safety and wellbeing of our people on site through training and hazard management. Through this work we have reduced the site's TRIFR from 7.24 in 2019 to 6.67 in 2020.

CARRAPATEENA BLOCK CAVE EXPANSION

We completed the Carrapateena Block Cave Expansion PFS in 2020, and it demonstrated that converting the lower portion of the current sub-level cave to a series of block caves could significantly increase value, ore reserves and mine life.

This expansion would unlock Carrapateena's potential to be a multi-generational, lowest quartile cash cost producing province, bringing long-term value to our Stakeholders. Stage 1 of the Block Cave Expansion Feasibility Study is underway and is expected to be completed in late 2021.

LIFE OF PROVINCE PLAN

We also released the Carrapateena Life of Province Plan Scoping Study during the year, which considered the future potential of resource extensions, satellite deposits and exploration targets, including Carrapateena, Fremantle Doctor, The Saddle, and Khamsin; known collectively as the Carrapateena Province.

The Life of Province Plan Scoping Study showed that Block Cave 1 and Block Cave 2 unlock the broader Carrapateena Province potential, including realisation of lower grade resources around Carrapateena and at Fremantle Doctor. The Life of Province Plan is a material opportunity to further unlock the Carrapateena Province for many decades after Block Cave 2 and provide the region with the potential for a multi-generational mine.

HIGHLIGHTS FOR 2020

- We achieved mine nameplate run rate six months earlier than planned and the cave continued to propagate as planned into the Upper Whyalla Sandstone.
- We released the Carrapateena Block Cave Expansion PFS and the Life of Province Scoping Study, showing that the block cave expansion will unlock the potential of the broader Carrapateena Province.
- We successfully completed the first major mill shutdown and relining without incident or injury and ahead of schedule.
- We completed the cleaner circuit project and are awaiting final tie-ins.
- We commissioned the Jameson Cell steelwork, which will increase concentrate grade and quality.
- We commissioned the underground crusher and materials handling system and both are operating to design expectations.
- We began early works on the Western Access Road, following pastoralist and Traditional Owner consultation. Our land-connected stakeholders played an integral role in determining the best alignment for a safe, all-weather, fit-for-purpose road that will reduce pastoral interactions and avoid cultural heritage sites.

We withdrew from the Maslins JV with Investigator Resources during the year, as the project failed to intersect any significant mineralisation. The Maslins prospect was located on the Stuart Shelf approximately 55 km south of Carrapateena.

OUR FOCUS IN 2021 IS TO:

- continue Carrapateena expansion studies and update the Life of Province Plan, furthering our province approach
- begin Carrapateena Block Cave early works in Q4
- continue construction of the Western Access Road
- complete and commission the tailings pump upgrade project. This will provide critical duty/standby functionality of the tails disposal system and increase pumping capacity to support milling rates up to 5 Mtpa
- continue to improve and optimise the processing plant to increase throughput and recoveries
- continue to improve our understanding of the orebody, with drilling programs scheduled to update the ore reserves
- explore additional revenue stream opportunities through ongoing studies, to extract maximum value from all metals and minerals in the ore body
- start construction of phase two of the materials handling system and underground mining infrastructure
- prepare for the second lift of our tailings storage facility
- explore opportunities for automation and electrification of mining equipment.

HYBRID ENERGY PLANT

Mining consumes lots of energy, so variability, uncertainty and complexity of energy supply needs to be well managed. Our hybrid energy plant is a unique facility located at Carrapateena that is designed to host experiments on how various equipment and energy technologies interact on an operating mine site.

Our hybrid energy plant serves as a 'living lab' to attract global organisations into South Australia, who wish to test their research at an operational mine. The ability to do this work remotely also makes the option more accessible to collaborators from across the globe.

The hybrid energy plant's initial setup includes solar PV, battery storage, diesel generation and a micro-grid controller. Additional generation and demand can be integrated for testing.

ENERGY AND MINING COLLABORATION

In 2018, OZ Minerals established the Energy and Mining Collaboration (EMC) by bringing together a group of individuals interested in the challenge of maximising the use of renewable energy on a mine site. Members of the initiative included Adelaide University, CSIRO, the Department for Energy and Mining, the Rocky Mountain Institute, SunSHIFT and the Tonsley Innovation Precinct. Together, this group has an extended global reach in terms of understanding current and future trends in low emissions technologies.

The purpose of the collaboration was to understand how a diverse group of people could work together to approach this challenge. We know that to achieve real breakthroughs, we need to think about, and design mines, very differently and collaborate widely.

The group was able to work together to understand and highlight the challenges and opportunities of multi-stakeholder collaborations. Open and honest conversations enabled members to gain valuable insights into the benefits of this way of working, with new relationships created and several spin-off opportunities being explored. This way of working has been recognised by other groups as being valuable and we are currently exploring this approach with METSIgnited to facilitate supplier clusters.

Importantly, what we have learnt through this collaboration has been instrumental to the development of frameworks and establishment of the new OZ Minerals discovery-driven-incubator called Think and Act Differently. The EMC will continue to contribute to a low emission future through the Energy and Emissions accelerator program of the incubator.

WEST MUSGRAVE

OZ Minerals is aiming to establish the West Musgrave Project as a scalable, low cost, long life, open pit mining operation.

OVERVIEW

- Location: Western Australia, near the South Australia and Northern Territory border
- Product: Copper and nickel
- Status: In advanced study phase with final investment decision expected in 2022
- Province exploration program: One Tree Hill prospect and the Succoth deposit

The West Musgrave Project is a major copper–nickel sulphide deposit located in the Musgrave Province of Western Australia, approximately 1,300 km north-east of Perth. It includes the Nebo-Babel copper–nickel and Succoth copper deposits and is currently at advanced study stage.

OZ Minerals now owns 100 per cent of the West Musgrave Project after the successful friendly acquisition of former joint venture partner, Cassini Resources, in October 2020. The acquisition gives us more flexibility around future development and funding options.

A LOW CARBON, LONG LIFE, LOW COST MINE

During the year, we advanced the project significantly, producing a PFS in February 2020 and an updated PFS in December 2020. Both studies were based on a long-life, large scale open cut mine producing separate nickel and copper sulphide concentrates. In the updated PFS, the processing plant throughput was increased from 10 Mtpa to 12 Mtpa over the same 26 years, which resulted in an improvement to key project metrics with a net present value now at ~$1 billion and a life of mine undiscounted cashflow in excess of $4 billion. This project has the potential to be the first development opportunity within the broader Musgrave Province, which includes several additional, highly prospective opportunities.

West Musgrave is a greenfield site, where the existing infrastructure is only sufficient for exploration and field work.

Additional infrastructure will be required to support future mining activities and we included the following in our PFS:

- design and costing of site access
- site development and major civil infrastructure
- an aerodrome
- 450 person village
- a hybrid solar–wind–diesel battery solution
- water supply, control systems, onsite services
- a full suite of facilities to enable efficient construction, mining and ore processing.

To protect the health and welfare of our remote community during the early COVID-19 period and following subsequent restrictions to Ngaanyatjarra Lands imposed by the Western Australian Government, we paused work at the site in early 2020.

We only resumed activities on site when restrictions eased, and after the Traditional Owners, stakeholders and our team agreed it was safe to return. This return to site enabled us to consult with the Ngaanyatjarra people on our Environmental Protection Authority (EPA) Part IV referral and include their feedback in the submission.

This submission to the EPA represents the first primary approval to be sought from the Western Australian Government. In addition, planning and discussions with the Ngaanyatjarra Group are ongoing with a view to developing a mining agreement and progress to the next study phase.

HIGHLIGHTS FOR 2020

- We acquired Cassini Resources.
- We released the West Musgrave PFS that demonstrated a long life ~26-year open pit copper and nickel sulphide mine with bottom quartile cash costs and an average concentrate production of 28,000 tonnes per annum copper and 22,000 tonnes per annum nickel.
- We released a PFS update which saw the processing plant increase throughput to 12 Mtpa and improvements to key project metrics while maintaining the 26-year mine life.
- We further investigated our innovative off-grid renewable power and processing solutions, underpinned by up to 80 per cent renewable electricity generation from solar and wind.
- We sought to crowdsource new solutions, systems and approaches to accelerate how West Musgrave may become a 100 per cent renewable-powered mine. The Capture the Spark challenge helped us identify potential partners and pathways.
- We received stakeholders' endorsement of our EPA Part IV submission.

OUR FOCUS IN 2021 IS TO:

- gain EPA Part IV and Part V approval
- progress the project to the next study stage
- negotiate a mining agreement with the Ngaanyatjarra Group
- trial a fit-for-purpose power generation solution and, if successful, incorporate it into the West Musgrave Project plan.

CAPTURE THE SPARK CHALLENGE

This year we partnered with Unearthed, an energy and resources open innovation platform, to create the Capture the Spark challenge – where the largest community of startups, developers and data scientists helped to fast track our plans for a 100 per cent renewable powered West Musgrave Project.

The project already has strong sustainability credentials. The copper and nickel to be mined is critical to the low-carbon economy and the project has some 70–80 per cent of power generated through renewable sources including solar and wind.

149 participants from 25 countries participated in the challenge, and we received a total of 31 submissions! We're now bringing these ideas to life in partnership with the winning companies and co-creating a fit-for-purpose solution. This will be trialled at an OZ Minerals site where, if successful, it will be incorporated within the West Musgrave Project plan.

CARAJÁS

ANTAS OVERVIEW

- Location: Carajás Province in the state of Pará in northern Brazil, 25 km south-east of Parauapebas
- Product: Copper concentrate (containing gold)
- Mining method: Open pit, drill and blast
- Processing method: Ore sorting, conventional crushing, grinding, flotation and filtration
- Mineral resources: 1.9 Mt at 0.7% copper and 0.2 g/t gold[(a)]
- Ore reserve: 0.6 Mt at 0.9% copper and 0.4 g/t gold[(a)]

PEDRA BRANCA OVERVIEW

- Location: Carajás Province in the state of Pará, northern Brazil, ~100 km south of Parauapebas and 30 km east of Canaã
- Project: High grade copper–gold underground mine
- Status: Construction phase, first development ore and concentrate parcel delivered
- Proposed method: Underground open-stoping

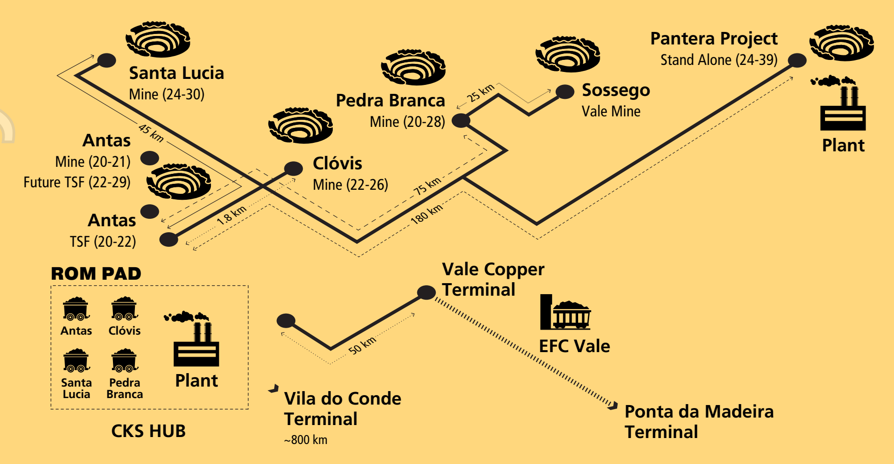
(a) Please refer to the Mineral Resources and Ore Reserves section (page 120) for full disclosure.

The Carajás region, in the State of Pará in Brazil, is host to a number of large copper–gold mines, and is one of the world's premier IOCG mineral provinces.

We are pursuing a hub approach to our activities in the Carajás whereby a number of relatively modest satellite mines produce ore which is then trucked to a central processing site. The first Hub is at Carajás East, where the open pit mine at Antas is drawing to the end of its life and the existing processing plant will continue to be used to process ore from new satellite mines. The first new satellite mine is the underground mine at Pedra Branca that is under construction, with first development ore produced in mid-2020.

Potential additional high-grade copper–gold satellite mines are being explored at Santa Lúcia and Clovis. A second potential hub has been identified at Pantera, which is another of our projects in the west of the Carajás.

Santa Lúcia is one of two earn-in agreements we have with Vale S.A. for exploration projects in Carajás East. Santa Lúcia is approximately 40 km trucking distance from Antas; and the less advanced but highly prospective Circular North which is proximate to Antas.



OVERVIEW OF CARAJÁS PROVINCE HUBS AND ACTUAL AND POTENTIAL SATELLITE MINES

The Carajás East Hub produced 8,613 tonnes of copper and 6,312 ounces of gold to meet its annual production guidance in 2020.

The Carajás East Hub achieved a C1 cost performance of 95.4 c/lb and AISC of 149.4 c/lb.

At Pedra Branca, milestones were met with first developmental ore processed into concentrate at the Carajás East Hub and concentrate delivered for export using Vale's logistics network to realise operational and cost efficiencies.

Ore sorting equipment was installed and commissioned at Antas during the year to determine the optimal mass versus grade ratio for the sorter and for processing. This equipment will relocate to Pedra Branca once trials are complete.

Our Brazilian operations have not experienced major disruptions due to COVID-19.

We implemented many response measures to protect the health and wellbeing of our people. All non-essential frontline teams began working from home while social distancing, and health screening and fever monitoring programs were implemented for incoming site teams. We developed processes for contact and environment tracing as well as testing, self-isolation and quarantine systems and shifted the focus of our Health and Wellbeing program to COVID-19 related issues, including mental health.

Through our Stakeholder Support Program, we also funded a robust program to support the communities where we operate in Brazil which were impacted by the pandemic.

Resource drilling programs began later in the year at Pantera and Santa Lúcia after careful planning so that we could safely operate in a COVID-19 environment. Encouraging early results were seen from drilling at both Paes Carvalho and Santa Lúcia. We also signed a joint venture-type asset agreement with Vale and developed a go-forward plan to progress various government interactions.

Decline development and the implementation of facilities at Pedra Branca commenced, resulting in a significant increase in the number of employees and contractors. A corresponding increase was reflected in the TRIFR at Carajás of 4.08, which is higher than the previous year (1.34).

HIGHLIGHTS FOR 2020

- We implemented a COVID-19 management plan to minimise the risk to our people, visitors, sites and broader community.
- The Carajás Hub at Antas received its first developmental ore from Pedra Branca for processing.
- We began the first phase of the strategic Vale–OZ Minerals Cooperation Agreement.
- We installed and commissioned ore sorting equipment at Antas and trials began to help determine the optimal mass versus grade ratio.
- We conducted resource drilling programs at Pantera and Santa Lúcia, with encouraging results from Santa Lúcia.
- We completed eight diamond drill holes (~900 m) south of the Antas mine at the Paes Carvalho prospect. Results included a 15 m zone of strongly altered volcanics hosting chalcopyrite and pyrrhotite.
- We received geophysical results from Estrella and numerous prospects within the Paes Carvalho prospect.

OUR FOCUS IN 2021 IS TO:

- complete construction and operational ramp up at Pedra Branca
- continue to develop the Carajás East Hub using the Antas processing plant
- begin the resource definition drill program at the Clovis deposit
- maintain processing plant performance at Antas
- begin preparations to use the de-commissioned Antas pit as a tailings storage facility.

SUPPORTING OUR COMMUNITIES

COVID-19

We are active members of the communities in which we operate, including the cities of Água Azul do Norte, Canaã dos Carajás, Curionópolis, Ourilândia do Norte and Parauapebas.

At the start of the pandemic, we supported these communities with materials and equipment and assembled over 7,000 rapid tests. We also donated medicine as well as personal protection equipment, hygiene and cleaning items to our communities.

Education

In partnership with the professional training school Senai, we held courses for the Professional Qualification Program, which has been running since 2017, and trained 40 people in the Curionópolis municipality.

57 people also received their certificates of completion for the Project Development and Fundraising Course, which took place from September to November this year. The Course is a joint initiative of OZ Minerals and the municipality of Água Azul do Norte, in the state of Pará and is aimed at providing continuous and free training for people working in the social, sports, education, tourism and culture sectors. In addition, we are working towards offering training in mine mechanics and operation at Vila Canadá in Água Azul do Norte.

GURUPI

CENTROGOLD OVERVIEW

- Location: Gurupi region, in the state of Maranhão in northern Brazil, between the cities of Belém and São Luis and close to existing infrastructure including sealed roads, power, water and skilled labour
- Status: Awaiting injunction removal to begin feasibility study
- Project: Open pit gold project
- Proposed method: Open pit mine, flotation and carbon-in-leach processing plant
- Mineral Resource: 28 Mt at 1.9 g/t gold (excludes Chega Tudo deposit)[a]
- Ore Reserve: 20 Mt at 1.7 g/t gold[a]
- Mine life: ~10 years
- Estimated annual production: 100,000–120,000 oz gold[a]

(a) Please refer to the Mineral Resources and Ore Reserves section (page 120) for full disclosure.

The Gurupi Province is in the state of Maranhão in northern Brazil, between the cities of Belém and São Luis. Our CentroGold project is located in this province, close to existing infrastructure. It is one of the largest undeveloped gold projects in Brazil, with three main deposits: Blanket; Contact; and Chega Tudo.

The surrounding CentroGold area is considered to host exciting exploration potential. Interpretation of a vast database of historical information, including geophysical, soil geochemistry and drilling also suggests potential associated with the proximal Cipoeiro deposit and eight other known targets including Mandiocal, Sequeiro (CentroGold Project) and Mina Nova, Vai-e-Volta and Caramujinho (Jibóia Project).

CENTROGOLD

CentroGold's PFS indicated that a circa 10-year operation could be developed for low capital investment with industry bottom half operating costs. Gold production was estimated at 190,000–210,000 ounces per year for the first two years and 100,000–120,000 ounces per year on average for the life of the mine.

CentroGold has the potential to become a Gurupi processing hub, servicing nearby deposits such as Chega Tudo and Mandiocal, should future drilling and studies prove them viable.

This year we continued our focus on working to lift the historical injunction placed on developing the CentroGold project. A Federal Court judge granted the injunction in 2013 against the then tenement holder citing irregularities in the grant of the environmental licence.

We have been working to gain approval for the CentroGold development and relocation plan through ongoing discussions with INCRA (the Colonization and Rural Reform Institute) Brazilia after the local INCRA provided their support last year. Central INCRA approval has now been granted enabling the development and relocation plan to be submitted to the Brazilian Courts to enable them to lift the injunction on the project.

In parallel to this process, we have worked to gain approval for the CentroGold environmental update studies with SEMA-MA (the Environmental State Agency of the Maranhão state).

COVID-19 constraints have slowed progress in both areas throughout the year, as the regulator suspended its administrative activities for 60 days in response to the pandemic. Planning and preparatory work continued so the application could progress when the regulator resumed administrative activities.

We are currently updating the CentroGold Pre-Feasibility Resource, Reserve and Study to include all previous drilling. Once complete, the next phase of study for the CentroGold project and further regional exploration are anticipated to begin when the injunction over the project is removed.

HIGHLIGHTS FOR 2020

- We developed and ran a successful COVID-19 management and control plan.
- INCRA's technical team issued a report recommending that authorisation to re-establish our environmental license be granted.
- INCRA Brazilia granted their approval for the relocation plan.
- We progressed updating environmental studies in line with the new project design.
- We conducted trenching and sampling of six targets at Sequeiro, Faixa and other targets in Jiboia.
- We mapped, sampled and augured numerous early stage prospects throughout the region.

OUR FOCUS IN 2021 IS TO:

- continue efforts to lift the judicial injunction following INCRA approval of the relocation plan in December 2020
- complete environmental update studies and relocation plan studies
- achieve grant of the installation licensing
- implement the relocation plan
- continue our regional exploration program
- begin an expanded drilling program over the CentroGold project and ranked exploration targets
- update the Mineral Resource and Ore Reserve to support the Definitive Feasibility Study metrics
- progress the next study phase of the project.

EXPLORATION AND GROWTH

We are a growth-oriented company and exploration is central to our growth strategy. Exploration projects allow us to advance our strong pipeline of opportunities and are key to creating value for our Stakeholders.

We hold many exploration projects at different stages of maturity, which gives us options for how we grow, with capital being allocated to the most value-accretive projects assessed across our five stakeholder pillars. We have a mix of different projects like the more mature opportunities from the Carrapateena and Prominent Hill expansion projects and longer-dated, lower maturity ones at a more exploratory stage such as Pantera and Paraiso.

We have multiple exploration earn-in agreements in place with highly respected explorers who offer exploration expertise in specific geologies or locations, as well as our own exploration programs. In turn, our exploration partners gain access to capital from us and our more agile approach to decision making and execution, to support drilling and development programs. We typically work with our partners to oversee projects, in particular, the technical program and stakeholder engagement, while they manage on the ground activities.

COVID-19 saw us temporarily restrict exploration drilling in 2020 to protect the health of our people and communities. Much of our exploration work is undertaken in regional and remote communities, who are among the most vulnerable. When conditions eased, we progressively started exploration drilling under strict safety management plans and in accordance with the restrictions of the different jurisdictions.

During the year we entered into two new earn-in agreements.

We withdrew from the Maslins joint venture with Investigator Resources in South Australia, where the stage one drill program on the Maslins prospect, located on the Stuart Shelf approximately 55 km south of Carrapateena, was completed. We also withdrew from the Nullabor project within our multi-site exploration alliance with Red Metal Limited after drilling failed to find evidence of IOCG mineralisation.

EXPLORATION PORTFOLIO

Mt Woods

Continuing to push the boundaries of exploration the company completed five holes during the year, for ~2,000 m, testing some of the unconventional targets generated by the Unearthed Challenge. Targeting methodologies included using geophysical software associated with the oil and gas industry, data science near miss algorithms and 3D seismic interpretations. Information generated in this phase of drilling will be utilised to generate/validate drill targets for the 2021 field program.

Eloise joint venture with Minotaur Exploration

In December 2015, we entered into a binding Heads of Agreement with Minotaur Exploration for the Eloise Project, located near Cloncurry, Queensland.

The Cloncurry Mineral District contains strong mineral endowment in a variety of commodities, including copper–gold (Ernest Henry, Eloise, Osborne and Mount Elliot/Swan deposits) and zinc–lead–silver (Cannington, Pegmont). The geology of the tenements indicates excellent prospectivity for high-grade Eloise-style copper–gold and Cannington-style zinc–lead–silver deposits.

Minotaur Exploration collected electromagnetic (EM) data at Eloise and identified two significant anomalies, named Little Foot and Big Foot. The prospects are located along strike of previously identified copper and gold mineralisation at the Electra and Iris prospects. The Seer, Little Foot, and Big Foot targets were tested and minor intervals of visible sulphide mineralisation were encountered on all prospects.

Jericho joint venture with Minotaur Exploration

We have an 80 per cent beneficial interest in the Jericho project undertaken with Minotaur Exploration. The 2020 field program began with a ground electromagnetic survey focused on targets north-east of the Iris/Electra prospects. More than 28 line kilometres of data were acquired over 10 lines (on 400 m and 800 m apart) before the program was suspended due to COVID-19.

Minotaur Exploration published the maiden resource for the Jericho project early in July. However, we have determined the present resource is not viable as a standalone underground mining operation. Exploration efforts will now focus on other high priority targets within the tenure.

Multi-site exploration alliance with Red Metal Limited

This alliance gives OZ Minerals a two-year option to fund a series of mutually agreed, proof-of-concept work programs on Red Metal's early-stage projects, which include:

- Yarrie for copper–gold and copper–cobalt in Western Australia
- Gulf for copper–gold in Queensland
- Three Ways for zinc–lead–silver in Queensland
- Lawn Hill for zinc–lead–silver in Queensland
- Mount Skipper for zinc–lead–silver–copper in Queensland.

Red Metal Exploration Alliance completed drilling of one hole at the Mt Skipper project and two holes at the Three Ways project. Mt Skipper returned no visually significant intersections and minor vein-hosted and disseminated chalcopyrite was encountered at Three Ways. Drill rigs have demobilised from both projects and magnetotelluric (MT) surveying is currently underway at Lawn Hill.

One diamond drill hole (666.3 m) was completed on the Nullarbor Plain. No evidence of an IOCG mineralising system was detected and we subsequently withdrew from the agreement.

Lannavaara with Mineral Prospektering i Sverige AB

We entered into an agreement in 2018 with private explorer Mineral Prospektering i Sverige (MPS) to explore for IOCG mineralisation in the Norrbotten district of northern Sweden.

Historic exploration on the leases by previous explorers intersected a copper and zinc skarn system on the Huornaisenvuoma prospect in the south-west of the license and they also defined two small magnetite-hosted iron occurrences, Kevus and Teltaja. Subsequent gravity and EM surveying by the Swedish Geologic Survey (SGU) revealed a continuous, 3.8 km long, untested gravity anomaly between Kevus and Teltaja with a coincident EM response.

Late in the quarter Mineral Prospektering i Sverige commenced a winter drilling program at the Lannavarra project in Sweden. Two holes were completed for 315 m before breaking for the festive period and drilling recommenced in early January 2021.

Painirova project with Mineral Prospektering i Sverige AB

Painirova is located between the Mertainen iron–oxide–apatite deposit and the active Leveäniemi mine at Svappavaara in Sweden's most prolific mining belt. On the back of airborne electromagnetic (AEM) data collected over the tenement (2019) we elected to proceed with the project into 2020 and have committed to drilling a number of high ranked targets.

Paraiso with private Peruvian company Inversiones Mineras La Chalina S.A.C.

We entered into an earn-in agreement in 2018 with private Peruvian company Inversiones Mineras La Chalina S.A.C. to explore for IOCG deposits in the Arequipa district of southern coastal Peru. At the Esmeralda target zone, surface copper oxide mineralisation has been traced over a strike length of 400 m. At the Casper target a 400 m by 300 m copper-in-soil anomaly has been outlined by previous explorers. Neither target has been drill-tested. The initial work program is planned to include geological mapping, rock chip and soil sampling, ground geophysics and an airborne magnetic survey.

Brazil – Carajás Exploration

We have an extensive portfolio of exploration projects centred around our operating copper mines, Antas and Pedra Branca. Although the field program in Brazil was significantly impacted by the COVID-19 pandemic, 17 holes were completed during the year. The exploration team successfully completed drill programs on the Gueroba, Tapuia, Campo Grande and the Canaã West targets. Encouraging results were returned from both Gueroba and Canaã West, areas identified for further work.

Brazil – Pantera

Pantera is a high-grade copper–gold exploration project covering approximately 100 km^2 in the western part of the Carajás. Drilling, with more than 4,200 m completed, was undertaken in 2020 with the aim of identifying a maiden JORC Mineral Resource.

Brazil – Santa Lúcia

The Santa Lúcia project is a small high grade copper–gold deposit located south of the Antas mine in the Carajás. Acquired from Vale in 2019, the project team has focused on infilling the existing drilling and has completed over 40 holes for more than 5,700 m. The team is working towards delivering a maiden resource estimate in 2021.

THE POWER OF THE CROWD

We believe that great innovations can be unleashed when industries and people come together and collaborate. Crowdsourcing and collaboration are great ways for us to build business capability and challenge the status quo while working to solve some of our most complex problems in exploration and growth.

We have applied this to our exploration approaches, starting with the Explorer Challenge in 2018. In 2020, we took this approach further, to expand our exploration toolkit.

Drillanthropy

Drillanthropy is an initiative aimed at science-driven exploration across South Australia more broadly. Drillanthropy provides funding for tenement holders to drill test artificial intelligence and machine learning generated targets and models on their tenements. With a successful discovery, tenement holders could secure a partnership with us.

Data-driven exploration models have been multiplying across South Australia as a direct result of the Explorer Challenge, the SA Government's Gawler Challenge, and renewed interest in machine learning across the mining industry.

Drillanthropy is our way of connecting these new ideas to the funding needed to test them.

Copa de Cobre

Our Copa de Cobre Challenge sought to define new search spaces for copper exploration in Peru by generating a data-driven domain map of Peru using satellite data, and supplements our existing exploration strategy in-country.

A significant amount of country-scale satellite data was collected and made publicly available. Participants in the Copa de Cobre Challenge then used the data and applied machine learning to generate feature maps that highlight geological patterns, which could then be used for exploration and identifying new regions in Peru that potentially host copper deposits. This challenge was truly global with winners of the Challenge coming from France, South Korea, USA, Brazil, and Russia.

GOVERNANCE

Our governance framework, supported by a healthy corporate culture, helps us to deliver on our Strategy and enables us to control risks and assure compliance.

MANAGEMENT STRUCTURE

Our management structure, *The OZWay*, our Value Creation Policies and Stakeholder Value Creation Metrics, together with our Global Performance and Process Standards, provide clear accountabilities, lean business processes and focused reporting to enable our activities to be carried out in accordance with our risk appetite and Strategy and are conducted in an integrated financially, environmentally and socially responsible way.

Our Board has adopted the recommended corporate governance practices set out in the ASX Corporate Governance Council Principles and Recommendations. We have reviewed our governance practices against the fourth edition of the ASX Recommendations which commenced on 1 January 2020 and our current practices align with the recommendations.

Our Board oversees the management of the Company. Our Board has adopted a Board Charter that sets out its roles and responsibilities, including setting the Company's goals and objectives, reviewing and monitoring the Company's material risks and its system of internal compliance and controls, setting an appropriate corporate governance framework, and determining broad policy issues for the Company. Our Board also ensures that specific authority and responsibilities have been delegated to the Company's CEO and that the overall Strategy is aimed at delivering value for our five Stakeholder groups – shareholders, employees, communities, governments and suppliers.

Our Board currently comprises six directors – one executive director and five Non-executive Directors. The executive director is Managing Director and Chief Executive Officer, Andrew Cole. Our Board has a unitary structure.

All Non-executive Directors, including the Chairman, are independent. The proportion of women on our Board is 33 per cent.

Three standing committees assist our Board to discharge its responsibilities:

Audit Committee – assists the Board with oversight of the risks insofar as they relate to financial, reporting and audit matters, including monitoring whether Management is communicating the importance of internal control and management of risk throughout the organisation and therefore establishing an appropriate 'control culture'.

People & Remuneration Committee – assists the Board in the effective discharge of its responsibilities as they relate to people and remuneration including oversight of risk related to people performance management, company culture, succession planning, capacity and capability, and diversity and inclusion.

Sustainability Committee – assists the Board in the effective discharge of its responsibilities as they relate to sustainability primarily in the areas of safety, health, environment and community and oversight of the risks relating to those issues. This includes threats and opportunities associated with climate change, cultural heritage, human rights including modern slavery, sovereign jurisdictions, compliance with legislation, regulation, and any litigation activities.

MANAGEMENT TEAM

Management is responsible for implementing management systems across the business.

They are also responsible for assuring the application and effectiveness of these systems through OZ Minerals' four lines of defence Audit and Assurance Governance Framework. Training and competency are part of the continuous improvement process and are detailed in the Global Performance Standards.

MANAGEMENT STRUCTURE

Board of Directors

Rebecca McGrath
Chairman and Independent Non-executive Director

Andrew Cole
Managing Director and Chief Executive Officer

Charles Sartain
Independent Non-executive Director

Peter Wasow
Independent Non-executive Director

Tonianne Dwyer
Independent Non-executive Director

Richard Seville
Independent Non-executive Director

Board Committees

Audit Committee

People & Remuneration Committee

Sustainability Committee

Executive Leadership Team

Andrew Cole
Managing Director and Chief Executive Officer

Warrick Ranson
Chief Financial Officer

Mark Irwin
Chief Commercial Officer

Kerrina Chadwick
Chief Corporate Affairs Officer

Tania Davey
Chief Transformation Officer

Fiona Blakely
Chief People Officer

Myles Johnston
General Manager Carrapateena

Gabrielle Iwanow
General Manager Prominent Hill

Steven McClare[a]
Acting Chief Australian Operations

Carlos Gonzalez
Chief Executive Brazil

Jeã Silva[b]
General Manager Carajás

Asset and Corporate Function Leads

Employees

SUPPORTING DOCUMENTS
ozminerals.com/about/corporate-governance/

- Corporate Governance Statement
- Value Creation Policies and supporting Stakeholder Value Creation Metrics, Global Performance and Process Standards
- Board and Committee Charters
- Company Constitution
- Code of Conduct

(a) Steven McClare was Chief Technical Officer from 12 February 2020 until 1 December 2020 and continues as Acting Australian Chief Operations Officer from 1 December 2020.

(b) Jeã Silva commenced as a member of the Executive Leadership Team on 1 December 2020.

GOVERNANCE FRAMEWORK

Our governance framework enables lean business processes that drive clear accountabilities and create room for innovation. It is explained through *The OZWay*. *The OZWay* model includes our Purpose, desire to be a modern mining company and Strategy to create value for our Stakeholders.

OUR CONTEXT

As a modern mining company, with a focus on global copper, we are agile to the changes in our macro environment and we listen and act on our stakeholder expectations. All corporate and asset documents comply with the laws and regulations of the jurisdiction in which each Asset operates.

OUR CHOICES

We have a global devolved operating model, ensuring our Assets are autonomous and accountable. We focus on what matters, and set processes that create value, embrace the global devolved model and provide clarity for Assets, partners, suppliers and employees of OZ Minerals.

Our How We Work Together (HWWT) Principles and underpinning behaviours are embedded in our everyday activities, core systems and processes and enable growth, innovation and collaboration. The HWWT Principles drive transparency and fair dealing and propagate a culture of performance and devolved accountability – this allows us to deliver on our Strategy.

Our *Code of Conduct* outlines what is expected of everyone who works at OZ Minerals. It is designed to ensure that everything we do at OZ Minerals creates value for our Stakeholders and business is conducted with honesty and integrity so we can achieve our Purpose of *'going beyond what's possible to make lives better'*. It addresses issues such as conflicts of interest, gifts, entertainment and hospitality, anti-bribery and corruption, professional behaviour and fair dealing, and speaking up.

We are determined to create shared value for all our Stakeholders, which is at the heart of our Strategy. We have five Value Creation Policies which are designed to provide a clear representation of our intent and make it transparent to our Stakeholders to enable them to hold us to account. Our Value Creation Policies, along with our Securities Trading, Continuous Disclosure, Anti-Bribery & Corruption, Inclusion & Diversity and Speak Up materials are publicly available.

OUR ENABLERS

Underpinning our Policies are our Global Performance Standards. The Global Performance Standards are grouped into four categories – safety, environment, health and wellbeing, and social performance. They set out the minimum mandatory control requirements and accountabilities to manage risks, comply with the law, design operating systems with devolved accountability and provide criteria for measuring value creation performance.

The Global Performance Standards are used to audit Asset performance and set the minimum standards for any new Assets. They are provided to contractors and partners to outline what we expect when working at an OZ Minerals Asset. These documents are designed so that Assets, contractors or partners can use or develop their own business standards and processes to meet our Standards, in keeping with our lean, global devolved business model.

Our Global Process Standards and associated Specifications enable us to work effectively within this model by defining the accountabilities and authorities of our Board, CEO, Executive Leads and Leads of the Corporate Functions and Assets relating to key business processes and management activities that are unique to us. The Global Process Standards are internal documents.

OUR PERFORMANCE

Internal and external audits

Risk management, audit and assurance underpin the Global Process and Performance Standards as critical elements of our Audit and Assurance Governance Framework.

We conduct regular audits and assurance reviews commensurate with our risk profile as part of our Four Lines of Defence approach to systematically and objectively verify our compliance with Global Performance and Process Standard accountabilities and legal requirements. We apply learnings from audit and assurance reviews to continuously improve our safety, health and wellbeing, along with our environmental and social performance.

Company Constitution / Code of Conduct / Board Charter

Audit Committee Charter

People & Remuneration Committee Charter

Sustainability Committee Charter

Policies and public materials

Value Creation Policies

We are determined to build value for our Stakeholders. Our five Value Creation Policies, which are outlined below, set out our overarching intent and enable our specific Stakeholders to hold us to account.

Employee Value Creation Policy

To provide a safe work environment that empowers people to have a positive impact and allows them to grow and prosper. Our focus is on ensuring our people enjoy coming to work, are engaged, valued and inspired to grow and contribute to OZ Minerals and greater society through exceptional leadership.

Shareholder Value Creation Policy

To meet or exceed shareholder expectations while being recognised as an ethical, well-governed and socially responsible company.

Supplier Value Creation Policy

To align with suppliers in a way that builds trust-based, collaborative and sustainable relationships and partnering focused on the betterment of both organisations, the industry and the broader community.

Government Value Creation Policy

To build trust with government through ethical behaviour, environmental stewardship, social responsibility, and by creating sustainable economic value, whilst maintaining broad political support for the ongoing development of our portfolio.

Community Value Creation Policy

To align with communities in a way that builds trust-based, collaborative and sustainable partnerships focused on the betterment of OZ Minerals, our host communities and community members living in regions in which our sites are located, the industry and broader society.

Continuous Disclosure

To ensure timely and accurate information is provided equally to all shareholders and market participants, consistent with our commitment to continuous disclosure obligations.

Securities Trading

To set out the processes that our employees, directors, consultants and contractors must adhere to when trading in securities of the Company.

Anti-bribery and Corruption

To ensure directors, officers and employees understand, observe and comply with anti-bribery and anti-corruption laws and regulations, and our HWWT principles.

Speak Up

To encourage people to speak up if they become aware of potential misconduct and ensure that business is conducted honestly, with integrity, and in accordance with our HWWT principles, *Code of Conduct* and standards of expected behaviour.

Global Performance Standards

Global Process Standards

Specifications

Asset and Corporate Function level documents

DIRECTORS' REPORT

The directors present their report for the Consolidated Entity (OZ Minerals) for the financial year ending 31 December 2020 ('the year') together with the Consolidated Financial Statements for the year. OZ Minerals Limited (OZ Minerals or the 'Company') is a Company limited by shares that is incorporated and domiciled in Australia.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year were the mining and processing of ore containing copper, gold and silver; sales of concentrate; undertaking exploration activities and the development of mining projects. For additional information on the activities of the Consolidated Entity, refer to the Review of Results and Operations section in the Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

- Carrapateena is an underground copper mine in South Australia which has a long mine life and growth prospects. OZ Minerals produced first saleable concentrate at the end of the prior year at the Carrapateena copper–gold mine which ramped up to full capacity by the end of 2020.
- The Pedra Branca mine is an underground copper mine which is part of the Carajás East Hub in Brazil. Construction of the Pedra Branca mine progressed during the year and was commissioned in November 2020.
- The Group acquired the residual 30 per cent interest in the West Musgrave Project through the acquisition of Cassini Resources Limited consolidating OZ Minerals' ownership of West Musgrave to 100 per cent providing full optionality in determining its development.
- The Company also increased its debt facility during the year providing added liquidity amidst COVID-19 uncertainties. The changes in the state of affairs of the Consolidated Entity are discussed on pages 8 to 23.

DIVIDENDS

The details relating to dividends announced or paid since 1 January 2019 are set out below:

Record date	Date of payment	Fully franked cents per share	Total dividends $m	DRP
12 March 2021	26 March 2021	17	56.4	Yes
17 September 2020	5 October 2020	8	26.0	Yes
12 March 2020	26 March 2020	15	48.6	No
3 September 2019	17 September 2019	8	25.9	No
12 March 2019	26 March 2019	15	48.4	No

DIRECTORS AND OFFICERS

OZ Minerals' directors and officers for the financial year ending 31 December 2020 and up to the date of this report are included in the table below.

Position	Experience and expertise	OZ Minerals specific responsibilities during 2020	Other directorships at currently listed entities	Previous directorships at listed entities (within the last three years)
Current directors				
Rebecca McGrath Independent Non-executive Chairman Appointed as a Non-executive Director on 9 November 2010 and Chairman on 24 May 2017 *BTP (Hons), MA (App.Sci) FAICD*	Ms McGrath is an internationally experienced business leader, director and chairman. Ms McGrath's executive career included 23 years with BP Plc. She held a range of senior executive and group executive roles in Australia, Europe and the UK, including Chief Financial Officer, Chief Operating Officer and Executive Management Board member Australia and New Zealand. Ms McGrath is currently a Non-executive Director of Investa Commercial Property Fund Holdings and Investa Wholesale Funds Management Ltd. Ms McGrath is the President of the Australian Institute of Company Directors' Victorian Division and a member of the National board as the Victorian Division director. Ms McGrath is Chairman of Scania Australia (a subsidiary of Scania AB of Sweden) and a Director of not-for-profit organisation Kilfinan Australia.	/ Chairman of the Board / Member of the People & Remuneration Committee	/ Non-executive Director of Goodman Group since April 2012 / Non-executive Director of Macquarie Group and Macquarie Bank since January 2021	/ Non-executive Director of Incitec Pivot Limited from September 2011 to December 2020
Andrew Cole Managing Director and Chief Executive Officer Appointed on 3 December 2014 *BAppSc (Hons) in Geophysics, MAICD*	Mr Cole has over 28 years' experience in exploration and operations in the resources industry. Following exploration geoscientist roles in Australia, Canada, USA and Mexico with Rio Tinto Exploration (CRA and Kennecott), Mr Cole spent 10 years in mine development and mine operations with Rio Tinto in Australia, China, Canada and the UK. During his career at Rio Tinto, Mr Cole held various senior and leadership positions, including General Manager Operations of the Clermont Region Operations, including the Blair Athol Mine and Clermont Mine, Chief Executive Officer of Chinalco Rio Tinto Exploration and Chief Operating Officer of Rio Tinto Iron and Titanium.	/ Managing Director and Chief Executive Officer / Member of the Sustainability Committee	/ None	/ Non-executive Chairman of Avanco Resources Limited from 13 June 2018 to 11 July 2018
Tonianne Dwyer Independent Non-executive Director Appointed on 22 March 2017 *BJuris (Hons), LLB (Hons), MAICD*	Ms Dwyer is an independent Non-executive public company Director. Ms Dwyer spent over 20 years in investment banking and real estate fund management and was a Director of Investment Banking at Societe Generale/Hambros Bank advising on mergers and acquisitions, restructuring and refinancing. Ms Dwyer was Head of Fund Management at the LSE listed property company, Quintain Estates and Development plc and was later appointed to the Board as an Executive Director. Ms Dwyer is a graduate member of the Australian Institute of Company Directors and is also the Deputy Chancellor of the Senate of the University of Queensland. Ms Dwyer is also a Director of Chief Executive Women and Sir John Monash Foundation.	/ Chairman of the People & Remuneration Committee / Member of the Audit Committee	/ Non-executive Director of DEXUS Property Group since August 2011 / Non-executive Director of Metcash Limited since June 2014 / Non-executive Director of ALS Limited since July 2016	/ None
Charles Sartain Independent Non-executive Director Appointed on 1 August 2018 *BEng (Hons), Fellow (Australasian Institute of Mining and Metallurgy), Fellow (The Academy of Technological Sciences and Engineering)*	Mr Sartain has more than 30 years' international mining experience. He was Chief Executive Officer of Xstrata's global copper business for nine years from 2004. Prior to that, he held senior executive positions in Latin America and Australia including General Manager and President of Minera Alumbrera Ltd in Argentina, General Manager of Ernest Henry copper–gold mine and General Manager of Ravenswood Gold Mines in Queensland. Mr Sartain is Chairman of the Advisory Board of the Sustainable Minerals Institute at the University of Queensland and Chairman of the Board of Wesley Medical Research. Mr Sartain was also the Chairman of the International Copper Association, a member of the Department of Foreign Affairs and Trade's Council on Australian Latin American Relations, a member of the Senate of the University of Queensland and a local Councillor of the Dairymple Shire Council in Queensland.	/ Chairman of the Sustainability Committee / Member of the Audit Committee	/ Non-executive Director of ALS Limited since February 2015	/ Non-executive Director of Austin Engineering Limited from April 2015 to April 2018 / Non-executive Director of Goldcorp Inc from January 2017 to April 2019 / Non-executive Director of Newmont Corporation from April 2019 to April 2020
Richard Seville Independent Non-executive Director Appointed on 1 November 2019 *BSc (Hons) Mining Geology, MEngSc Rock Engineering, MAusIMM, ARSM*	Mr Seville has over 35 years' experience in the resources sector including 25 years as either Managing Director or Executive Director of various ASX, TSX or AIM listed companies. Mr Seville was Orocobre's Managing Director and CEO for 12 years before stepping down in January 2019. He remains on the Board as a Non-executive Director. Mr Seville is a mining geologist and geotechnical engineer, graduating from the Imperial College London and James Cook University in North Queensland. He holds a Bachelor of Science degree with Honours in Mining Geology and a Master of Engineering Science in Rock Engineering. In June 2019, Mr Seville was appointed Chairperson of Agrimin Limited.	/ Member of the Audit Committee / Member of the Sustainability Committee	/ Non-executive Director of Orocobre Limited since January 2019 / Non-executive Chairman of Agrimin Limited since August 2019	/ Managing Director and Chief Executive Officer of Orocobre Limited from April 2007 to January 2019 / Non-executive Director of Advantage Lithium from February 2017 to April 2020

Position	Experience and expertise	OZ Minerals specific responsibilities during 2020	Other directorships at currently listed entities	Previous directorships at listed entities (within the last three years)
Peter Wasow Independent Non-executive Director Appointed on 1 November 2017 *B. Comm, GradDip (Management), Fellow (CPA Australia)*	Mr Wasow has extensive experience in the resources sector as both a Senior Executive and Director. He formerly held the position of CEO & Managing Director of Alumina Limited, an ASX 100 Company, and before that Executive Vice President and Chief Financial Officer, Santos Limited and in a 20 year plus career at BHP he held senior positions including Vice President, Finance and other senior roles in Petroleum, Services, Corporate, Steel and Minerals. Mr Wasow is currently a Non-executive Director of APA Group. Mr Wasow was previously the senior independent Director of the privately held GHD Group, Non-executive Director of Alcoa of Australia Limited, AWA Brazil Limitada, AWAC LLC and Non-executive Director of ASX-listed Alumina from 2011 to 2013 and executive director from 2014 to 2017. Mr Wasow has also been a member of the Business Council of Australia, and director of the International Aluminium Institute and APPEA.	/ Chairman of the Audit Committee / Member of the People & Remuneration Committee	/ Non-executive Director of APA Group since March 2018	

Position	Experience and OZ Minerals specific responsibilities during 2020
Officers	
Michelle Pole Company Secretary & Senior Legal Counsel Appointed on 13 December 2017 *LLB, GDLP, GAICD*	Ms Pole is OZ Minerals' Company Secretary and Senior Legal Counsel. Ms Pole spent a large portion of her career in a leading national law firm before moving in-house to the mineral resources sector. Ms Pole has particular experience in commercial transactions, corporate advisory and regulatory compliance with the ASX, ASIC and other regulatory bodies. As well as holding a Bachelor of Laws from The University of Adelaide and a Graduate Diploma in Legal Practice, Ms Pole is also a graduate member of the Australian Institute of Company Directors and Certificated Member of the Governance Institute of Australia.

MEETING ATTENDANCE

ATTENDANCE AT OZ MINERALS LIMITED BOARD AND COMMITTEE MEETINGS (1 JANUARY 2020 TO 31 DECEMBER 2020)

	Board meetings		Board committee meetings					
			Audit		People & Remuneration		Sustainability	
	A	B	A	B	A	B	A	B
Director								
Rebecca McGrath	20	20	–	–	5	5	–	–
Andrew Cole	20	20	–	–	–	–	4	4
Tonianne Dwyer	20	20	6	6	5	5	–	–
Charles Sartain	20	20	6	6	–	–	4	4
Richard Seville	20	20	6	6	–	–	4	4
Peter Wasow	20	20	6	6	5	5	–	–

Note: Managing Director and CEO and Non-executive Directors who are not Board Committee members also participated in scheduled Board Committee meetings throughout the year.
A = the number of meetings attended during the time the director held office.
B = the number of meetings held during the time the director held office.

DIRECTORS' INTERESTS

DIRECTORS' INTERESTS IN THE ORDINARY SHARES OF OZ MINERALS LIMITED

Director	Shares number
Rebecca McGrath	52,292
Andrew Cole	477,546
Tonianne Dwyer	19,900
Charles Sartain	80,000
Richard Seville	11,580
Peter Wasow	20,000
Total	661,318

ENVIRONMENTAL REGULATION

OZ Minerals and its activities in Australia, Brazil and other international locations are subject to strict environmental regulations. OZ Minerals' Prominent Hill, Carrapateena and Carajás operations, along with its exploration and concentrate shipping activities, operate under various licences and permits under state, federal and territory laws in Australia, Brazil and other overseas jurisdictions.

OZ Minerals regularly monitors its compliance with licenses and permits in various ways, including through its own environmental audits as well as those conducted by regulatory authorities and other third parties. OZ Minerals uses a documented process to classify and report any exceedance of a licence or permit condition as well as any incident reportable to the relevant authorities. All instances of reportable environmental non-compliance and significant incidents are reviewed by the Executive Leadership Team and the Sustainability Committee of the Board as a part of this process. A formal report is also prepared to identify the factors that contributed to the incident or non-compliance and the actions taken to prevent any reoccurrence.

During the year, OZ Minerals submitted its energy and emissions report to the Clean Energy Regulator in accordance with the *National Greenhouse and Energy Reporting Act 2007 (NGER Act)*. KPMG provided reasonable assurance over OZ Minerals' energy and emissions report.

KPMG has also provided limited assurance over selected metrics and disclosures in this document against the requirements of the Global Reporting Initiative Standards. KPMG's assurance report is available on pages 118 and 119.

The Company has not incurred any significant liabilities under any environmental legislation during the financial year.

INSURANCE AND INDEMNITY

During the financial year, OZ Minerals Limited paid premiums with respect to a contract insuring its directors, officers and related bodies corporate against certain liabilities incurred while acting in that capacity. The insurance contract prohibits disclosure of the liability's nature and the amount of the insurance premium.

The Company's Constitution also allows OZ Minerals to provide an indemnity, to the extent permitted by law, to officers of the Company or its related bodies corporate in relation to liability incurred by an officer when acting in that capacity on behalf of the Company or a related body corporate.

The Consolidated Entity has granted indemnities under deeds of indemnity with current and former Executive and Non-executive Directors, current and former officers, the former General Counsel (Special Projects), the former Group Treasurers and each employee who was a director or officer of a controlled entity of the Consolidated Entity, or an associate of the Consolidated Entity, to conform with Rule 10.2 of the Constitution.

Each deed of indemnity indemnifies the relevant director, officer or employee to the fullest extent permitted by law for liabilities incurred while acting as an officer of OZ Minerals, its related bodies corporate and any associated entity, where such an office is or was held at the request of the Company. The Consolidated Entity has a policy that it will, as a general rule, support and hold harmless an employee who, while acting in good faith, incurs personal liability to others as a result of working for the Consolidated Entity.

No indemnity has been granted to any auditor of the Consolidated Entity in their capacity as auditor of the Consolidated Entity.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

At the date of this report there are no leave applications or proceedings brought in respect of or on behalf of the Consolidated Entity under section 237 of the *Corporations Act 2001*.

AUDIT AND NON-AUDIT SERVICES

KPMG continues in office in accordance with the *Corporations Act 2001*. A copy of the lead auditor's independence declaration is set out on page 127 as required under section 307C of the *Corporations Act 2001* and this forms part of the Directors' Report.

OZ Minerals Limited, with the approval of the Audit Committee, may decide to employ the external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important and where these services do not impair the external auditor's independence.

AMOUNTS PAID OR PAYABLE TO THE EXTERNAL AUDITOR (KPMG) AND ITS NETWORK FIRMS FOR AUDIT AND NON-AUDIT SERVICES

Audit and review services	
Audit and review of financial statements – Group	525,000
Total fee for audit and review services	525,000
Assurance services	
Sustainability Report & NGERS assurance	82,900
Other assurance services	2,500
Total fee for audit, review and assurance services	610,400
Other services	
Taxation advice and tax compliance services	20,500
Other services	5,000
Total fee for other services	25,500
Total fees	635,900

In addition to the amounts disclosed above, Cassini Resources Pty Ltd incurred $216,816 in relation to the tax compliance and advisory services provided by KMPG prior to the acquisition by OZ Minerals.

Following the Audit Committee's consideration of KPMG providing non-audit services and its subsequent recommendation to the Board, the Board is satisfied that provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the non-audit services provided by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* because:

- all non-audit services were reviewed by the Audit Committee to ensure they did not impact the integrity and objectivity of the external auditor; and
- none of the services undermined the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants. These include reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for OZ Minerals Limited or its controlled entities, acting as advocate for the Company or jointly sharing economic risk and rewards.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, the Board resolved on 18 February 2021 to pay a fully-franked dividend of 17 cents per share. The record date for entitlement to this dividend is 12 March 2021.

OZ Minerals offers a Dividend Reinvestment Plan (DRP) and eligible shareholders may participate in the DRP in respect of all or part of their shareholding. A discount of 1.5 per cent will apply to this allocation and there is no limit on the number of participating shares. Shares will be allocated to shareholders under the DRP for the 2020 final dividend at an amount equal to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of five trading days commencing on 11 March 2021. The last date for receipt of election notices for the DRP is 15 March 2021.

The financial impact of the dividend amounting to $56.4 million has not been recognised in the Consolidated Financial Statements for the year ended 31 December 2020 and will be recognised in subsequent consolidated financial statements.

Subsequent to 31 December 2020, the Board of Directors approved the Block Cave Expansion, which will unlock Carrapateena's potential to be a multi-generational, lowest quartile cash cost producing province, bringing long term value to our Stakeholders. The Board of Directors has also resolved to pay a final dividend for the 2020 financial year, as discussed in Note 4. There were no other events that occurred subsequent to the reporting date which have significantly affected or may significantly affect the Consolidated Entity's operations or results in future years.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports). Amounts in the financial statements and Directors' Report have been rounded in accordance with the instrument to the nearest million dollars to one decimal place, or in certain cases, to the nearest dollar. All amounts are in Australian dollars unless otherwise stated.

OPERATING AND FINANCIAL REVIEW

Our operations are reviewed on pages 12 to 23 and the Financial Review (page 36 to 39) forms part of the Directors' Report.

REMUNERATION REPORT

The Remuneration Report which has been audited by KPMG is set out on pages 56 to 69 and forms part of the Directors' Report.

BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

The Operating Review on pages 12 to 23 and the Financial Review on pages 36 to 39 of this document sets out information on OZ Minerals' business strategies and prospects for future financial years. Information in the Operating Review and the Financial Review is provided to enable shareholders to make an informed assessment about the business strategies and prospects for future financial years of OZ Minerals. Information that could give rise to likely material detriment to OZ Minerals, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage, has not been included. Other than the information set out in the Operating Review and the Financial Review, information about other likely developments in OZ Minerals' operations and the expected results of these operations in future financial years has not be included.

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and has practices in place to ensure they meet the interests of shareholders.

The Company complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (the ASX Principles).

OZ Minerals' Corporate Governance Statement, which summarises the Company's corporate governance practices and incorporates the disclosures required by the ASX Principles, can be viewed at ozminerals.com/about/corporate-governance/corporate-governance-statement.

Signed in accordance with a resolution of the directors.

Rebecca McGrath
Chairman

18 February 2021

Andrew Cole
Managing Director and CEO

18 February 2021

FINANCIAL REVIEW

OZ Minerals' net profit after tax (NPAT) for the year was $212.6 million compared to $163.9 million for 2019, assisted by higher gold volumes accompanied by a stronger gold price. While the volume of copper sold was lower following depletion of the high-grade copper ore stockpiles at Prominent Hill, the addition of Carrapateena in its first year of operation, offset some of this reduction and contributed to the full year result.

While the fundamentals for copper remain solid, the COVID-19 pandemic induced economic uncertainty through the year, initially impacting price adversely before recovering towards the end of the year. The ensuing economic uncertainty drove a surge in demand for gold, beneficially impacting its price in a volatile market.

OZ Minerals' customers continued to operate during the year with minimal interruption and movement of concentrates remained unhindered. With limited exposure to the Chinese market, no disruptions were experienced as a result of current trade tensions between Australia and China.

The Company's margin for earnings before interest, tax, depreciation and amortisation (EBITDA) remained robust at 45 per cent (2019: 42 per cent).

Prominent Hill once again delivered a reliable production and cash cost performance, as underground mining rates stepped up and higher-grade underground ore was supplemented with open pit ore stockpiles. The operation also benefitted from a positive reconciliation of stockpiled gold ore grades and better than expected metal recovery.

At the Carrapateena mine, performance of the processing plant and underground mine exceeded original construction expectations and ramped up to full production within 12 months of commissioning. Expansion studies beyond the initial sub-level cave progressed during the year, culminating in the Board providing its approval, following the end of the year, to proceed with the next stage for developing the larger resource at Carrapateena.

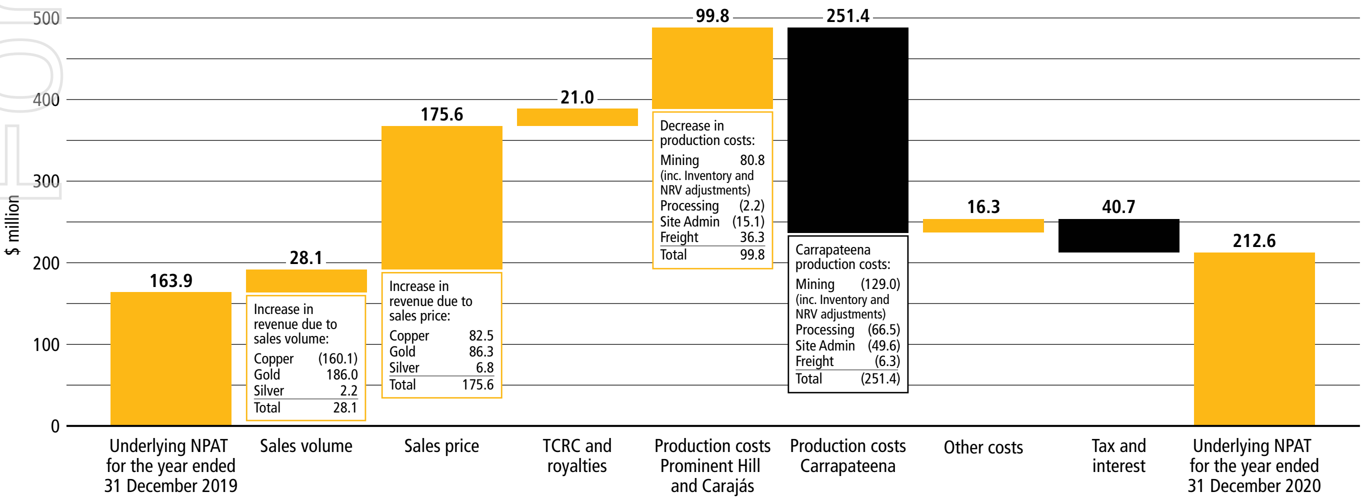
The Antas mine in the Carajás Hub continued production through the year as it approaches end of mine life, while the Pedra Branca mine transitioned to operational status in the fourth quarter of the year as it reached the primary orebody.

Exploration and corporate development expenditure decreased following the decision to conserve cash in response to the COVID-19 pandemic and access to exploration sites was restricted. Nevertheless, significant milestones were achieved with the completion of the West Musgrave PFS in February, the Carrapateena Expansion Pre-feasibility and Carrapateena Province Scoping studies in June and the West Musgrave PFS Update in December. In the second half of the year, OZ Minerals consolidated its ownership of the West Musgrave Project through the acquisition of Cassini Resources Limited and now fully owns the project.

OZ Minerals extended its revolving debt facility to circa $480 million in response to COVID-19 uncertainty, providing sufficient liquidity headroom for the business to continue operating and against which the balance drawn down at the end of the year was $100.0 million.

As a result of strong operating cashflows in the second quarter, the Company concluded the year with a pre-debt cash balance of $131.7 million. During the year ongoing investments were made at Carrapateena, Prominent Hill underground and Pedra Branca, along with tax payments to the government and dividend payments to shareholders.

VARIANCE ANALYSIS – UNDERLYING NET PROFIT AFTER TAX, 31 DECEMBER 2020 COMPARED TO 31 DECEMBER 2019



OZ Minerals' financial results are reported under International Financial Reporting Standards (IFRS). This Annual and Sustainability Report includes certain non-IFRS measures including Underlying EBITDA and Underlying NPAT. These measures are presented to enable understanding of the underlying performance of the Consolidated Entity. Non-IFRS measures have not been subject to audit. Underlying EBITDA and Underlying NPAT are included in Note 1 Operating Segments, which form part of the Consolidated Financial Statements.

REVENUE

Gross revenue of $1,377.8 million was higher than the previous year by $203.8 million, mainly due to a higher volume of gold sales, which more than offset a reduction in copper sales during the year. The volume of contained copper sold during the year was circa 19,000 tonnes lower while contained gold sold was circa 101,000 ounces higher. The realised $A copper price was 11 per cent higher than in the comparative period while the net $A gold price was 20 per cent higher. Revenue includes $92.7 million in realised losses on gold hedges. The net proceeds from the sale of concentrate attributable to ore mined during development of the underground mine at Carrapateena of $37.2 million and Pedra Branca of $5.8 million was recorded as a reduction against the previously capitalised costs of developing each mine and not recognised in revenue.

REALISATION COSTS

Treatment charges and refining costs (TCRCs) were $31.1 million lower as a result of improved trading terms and lower refining charges in the global market.

Royalty expense increased by $10.1 million due to the increase in net revenue, partially offset by a lower state royalty rate applicable to Carrapateena for the first five years.

PRODUCTION COSTS

Total production costs of concentrate sold were $151.6 million higher than the comparative period mainly due to the inclusion of Carrapateena which added $251.4 million to production costs following first saleable concentrate production towards the end of 2019. This was partially offset by a reduction of $99.8 million predominantly at Prominent Hill.

Lower processing volumes year on year contributed to production costs for Prominent Hill being $73.3 million lower than the comparative period, despite offsets from a higher proportion of underground ore and an increase in power infrastructure costs following the activation of the new power line in the last quarter of the year. While continued processing of open pit ore stockpiles to supplement high grade underground ore contributed to a lower cash cost outcome for the mine, the cost of ore inventories processed from stockpiles was included within total production costs.

During the year, costs attributable to the processing of ore extracted during the development of the Carrapateena and Pedra Branca mines were capitalised. Following the commencement of operations, production costs were subsequently recognised within the Income Statement.

At the Carajás Hub, following completion of the open pit cutback in 2019, mining costs reduced significantly resulting in production costs being lower by $15.5 million. Costs relating to the Pedra Branca project were capitalised through until the end of October in line with its development schedule.

A positive net realisable value (NRV) adjustment of $66.5 million was recognised in relation to inventory, which also included a write down of obsolescent stores and ore. This compared to an NRV write up of $27.8 million in the comparative period. The write up of NRV during the year was mainly due to assumed gold price and earlier anticipated processing of ore stockpiles.

EXPLORATION AND CORPORATE DEVELOPMENT EXPENDITURE

Exploration and corporate development expenditure of $50.5 million was incurred during the year to progress the Carrapateena expansion study; drilling and development studies in the Carajás and Gurupi provinces; and other exploration earn-in arrangements in the growth pipeline. Key spend areas included:

- Carrapateena expansion $16.9 million
- Carajás and Gurupi study costs and exploration $9.9 million
- other exploration and development expenditure $23.7 million.

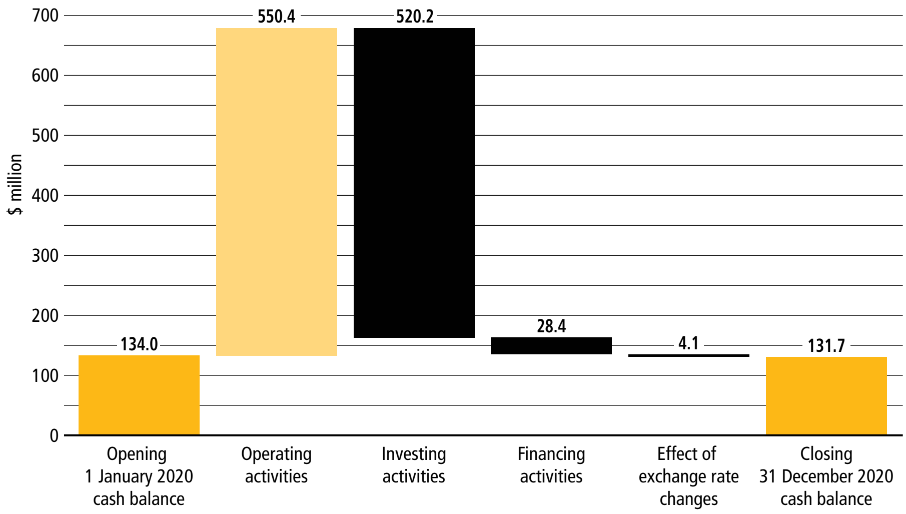
OTHER EXPENDITURE

Corporate general and administration costs of $56.0 million were largely related to direct corporate activities. The increase of $5.8 million over the comparative period was mainly due to an increase in depreciation and amortisation following a review of information technology assets which have a relatively shorter useful life. A provision for potential one-off legal costs was also recorded.

The income tax expense of $83.2 million was $18.5 million higher than the previous year as a result of the higher profit and partly offset by the benefit of restricted prior year tax losses recognised during the year.

Finance expense of $27.1 million was $22.2 million higher than the previous year with debt facility charges and lease finance expenses also being recognised under AASB 16 Leases.

CASH BALANCE AND CASH FLOW



OPERATING CASH FLOWS

Operating cash flows of $550.4 million for the year were $39.8 million higher than in 2019 mainly due to higher receipts from customers from higher revenues and lower payments for exploration and corporate development activities. Customer receipts during the year were higher by $113.1 million with higher gold volumes and price driving revenue. Payments to suppliers and employees were $589.2 million for the year, $96.5 million higher than in 2019 with the inclusion of operating costs relating to Carrapateena production. Payments for exploration and corporate development expenditure decreased by $49.4 million reflecting the impact of reduced activity following access restrictions due to the COVID-19 pandemic. PAYG tax payments of $43.8 million were in line with the previous year.

Financing costs included in operating cashflow increased during the year by $20.7 million because of debt servicing facility commitment fees and interest charges which were incurred following the extension of the revolving debt facility and draw down of debt during the year.

INVESTING CASH FLOWS

Net investing cash flows of $520.2 million were attributable to development costs at Carrapateena, property, plant, equipment and mine development at Prominent Hill and the Carajás, and study costs associated with the West Musgrave Project. These cashflows were partially offset by net proceeds from the sale of concentrate attributable to ore mined during the development of Carrapateena and Pedra Branca. The payments incurred related to:

- capitalised Carrapateena development costs of $392.6 million, including net proceeds from the sale of concentrate of $37.2 million
- Prominent Hill mine development costs $43.3 million
- site sustaining capital expenditure $31.9 million
- Carajás capital expenditure $32.6 million including Pedra Branca mine development expenditure of $22.2 million and net proceeds from sale of concentrate of $5.8 million
- West Musgrave capitalised exploration and evaluation costs $16.2 million
- other capital expenditure $3.6 million.

FINANCING ACTIVITIES

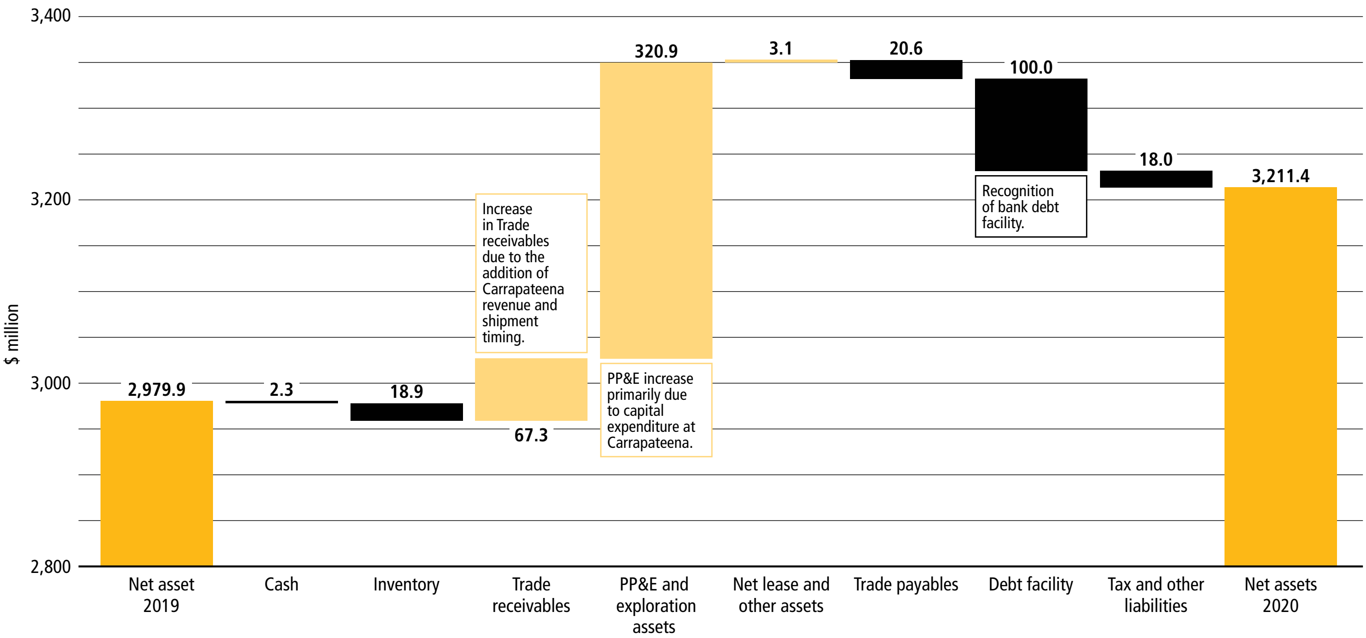
Cash outflows relating to financing activities were $28.4 million comprising $73.2 million in dividend payments to shareholders, $55.2 million in payments to suppliers classified as lease payments under AASB 16 Leases and a $100.0 million net drawdown of the debt facility.

Since the end of the year, the Board has resolved to pay a final dividend for the 2020 financial year amounting to $56.4 million. This final dividend will be fully franked for Australian tax purposes and eligible for the dividend reinvestment plan.

BALANCE SHEET

The total equity of the Company increased by $231.5 million to $3,211.4 million. The increase resulted mainly from the year's NPAT of $212.6 million and share capital issued to acquire the residual interest in the West Musgrave Project from the shareholders of Cassini Resources Limited. Movement in gold derivative contracts of $24.1 million, partially offset by returns to shareholders in the form of dividends amounting to $74.6 million and a decline in foreign currency translation reserve of $37.4 million, reduced total equity. The movement in the net assets of the Group since 31 December 2019 is provided below.

BALANCE SHEET



At the end of the year, the Company held a cash balance of $131.7 million and a debt balance of $100.0 million on its credit revolver. The increased debt facility of circa $480.0 million provided added liquidity and flexibility during COVID-19 as well as enabled the continued execution of the Company's growth Strategy.

The reduction in the cash balance was a result of operating cash flows being offset by ongoing investment in Carrapateena, Prominent Hill, West Musgrave, and general Property Plant and Equipment (PP&E), as well as the payment of dividends. Inventories of $518.7 million at the end of the year had reduced by $18.9 million since 1 January 2020. As open pit ore from stockpiles were consumed in the production of concentrate, the associated costs were recognised in the income statement within inventory adjustments.

The net NRV adjustment of $66.5 million increased the value of the remaining inventory.

Trade receivables increased due to the timing of shipments, with shipments for all three operations occurring in the second half of December.

PP&E and exploration assets increased during the year mainly due to capital expenditure at Carrapateena; the acquisition of the remaining 30 per cent interest in the West Musgrave Project; capitalisation of underground development expenditure at Prominent Hill; capitalised West Musgrave exploration and study costs; and general sustaining capital expenditure. This was partially offset by depreciation and net proceeds received from the sale of concentrate attributable to ore mined during the initial development of both the Carrapateena and Pedra Branca mines.

Additional right-of-use (ROU) lease assets and liabilities were recognised during the year associated with the extended Prominent Hill mining services contract and the power infrastructure contract. The amounts are included as part of Borrowings on the balance sheet.

OZ MINERALS RISK MANAGEMENT

OZ Minerals' operating performance and financial results are subject to a wide range of risks. These risks comprise financial, market, political, social, operational, and environmental factors which create both threats and opportunities for the Company.

The Company manages current and emerging risks as an integrated part of its operating environment to minimise adverse impacts and maximise beneficial outcomes. Through its risk management framework, emphasis is placed on risk-aware decision-making practices to deliver OZ Minerals' Strategy, contributing to the achievement of value creation for its five Stakeholder pillars.

Risk management accountability and oversight is a central part of the OZ Minerals' governance framework. The Board, its Committees and the Executive leadership provide oversight and monitoring of risk management process and practice. Collectively, they are responsible for ensuring the Company maintains an effective risk management standard and internal control environment, with risks assessed according to the potential impact on each stakeholder pillar. OZ Minerals' corporate governance structure and communication channels enable timely responses to current and emerging risks.

RISK MANAGEMENT OVERSIGHT AND GOVERNANCE

Board

The Board sets the Company's risk appetite and oversees the management framework and effectiveness of the systems of internal control and risk management. It also reviews and monitors the material risks of the Company.

Reporting of material risks to the Board includes an overview of Company risks, a summary of key changes to the risk profile, critical control updates, and the actions implemented to reduce the level of uncertainty and improve the manageability of risks. The Board requires the CEO and Executive leadership to implement a system of controls for identifying, assessing, managing, and reporting risks in line with the risk management framework.

Board Committees

The Audit, Sustainability, and People & Remuneration Committees review risk management reports covering risks, controls, and actions to manage risks to the business within their respective remits.

The Audit Committee assists the Board in the effective discharge of its responsibilities in relation to financial reporting, audit, disclosure processes, internal financial controls, cyber and digital risk, funding and financial risk management (including internal and external audit functions).

The Sustainability Committee assists the Board in the effective discharge of its responsibilities in relation to safety, health, environment, and community (SHE&C), and oversight of the risks relating to those matters. This includes risks relating to climate change, cultural heritage, human rights including modern slavery, sovereign jurisdictions, compliance with legislation, regulation, and any litigation activities.

The People & Remuneration Committee assists the Board in discharging its responsibilities in relation to people and remuneration including oversight of risks related to people performance management, Company culture, succession planning, capacity and capability, and inclusion and diversity.

The Board retains direct accountability and oversight of all material risks including those outside the Board Committees' remits. These include risks relating to mergers and acquisitions, the Company's growth Strategy, sovereign uncertainty, Mineral Resource and Ore Reserve estimates, macro-economic and market-related risks.

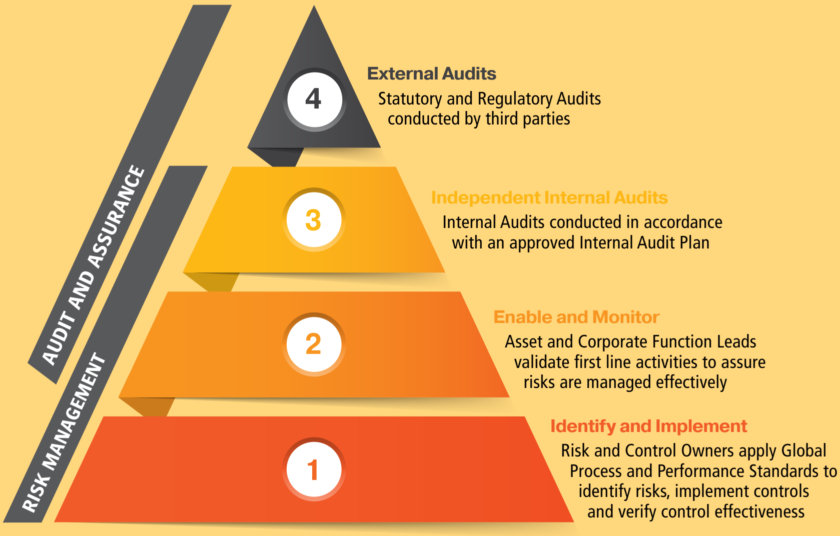
Executive Leadership

The Executive Leadership Team (ELT) is responsible for the effective implementation of the risk management framework and system of control for identifying, assessing, managing, and reporting risk across the Company. The ELT reviews, and the CEO approves, the risk profile for the organisation and ensures Assets and Corporate Functions embed risk management process and practice into everyday business systems and processes.

Corporate Risk Function

The Corporate Risk Function supports and coordinates the implementation of the risk management framework, ensures risk management is embedded into core business processes, and builds risk management capability and a risk-aware culture across the business. The Corporate Risk Function oversees OZ Minerals' Risk Management Framework and develops, governs, supports, and reports on the effective implementation of risk management to the ELT, the Board, and its Committees.

OZ Minerals operates a four-level line of defense risk management governance model:



The first line of defence – Identify and Implement

Global Process Standards define the approval escalations between the Board, CEO, Assets and Corporate Functions based on risk. The Risk Management Process Standard outlines the mandated process for escalation and the roles of organisational authority levels in risk reduction. Risk responsibility for identifying, assessing, managing, and reporting resides with all employees who are responsible for considering risks when making key decisions, implementing controls and monitoring risks during their activities.

The second line of defence – Enable and Monitor

The senior leadership of the Assets and Corporate Functions ensure compliance with the minimum controls in OZ Minerals' Global Performance and Process Standards and provide subject matter expertise and insights to support the delivery of the standards.

The third line of defence – Independent Internal Audits

All Global Process and Performance Standards are subject to the Audit and Assurance Process Standard, where compliance against the Standard and opportunities for improvement are monitored by the Corporate Audit Function in addition to the self-assurance activities undertaken by the Assets and Corporate Functions themselves. The Internal Audit and Assurance Function provides independent assurance over the governance, compliance and internal control system and processes across the business.

The fourth line of defence – External Audits

External Audit provides an independent assurance that the internal control system is adequate, and that OZ Minerals' operations comply with the minimum requirements of relevant regulatory, legislative, and associated standards.

Managing risk

Our risk framework commits us to managing risks in a proactive and effective manner.

Effective risk management requires the identification and assessment of the risks that matter most in achieving the Company's strategic objectives, so resources can be prioritised in the most efficient and effective way.

Material risks are managed in the context of supporting the successful delivery of OZ Minerals' Strategy. Risks are initially assessed to determine their Highest Credible Impact (HCI) without critical controls, through the lens of OZ Minerals' Stakeholder Value Creation, using Impact Assessment criteria. The effectiveness of current critical controls – to prevent threats, enable opportunities and respond to HCIs – are assessed to determine the Current Residual Risk Rating.

Where controls for a risk are assessed as requiring improvement, management plans are developed and implemented to improve those controls and to ultimately achieve a Target Residual Risk Rating – moving the risk to a 'Well Controlled' status. Current material risks are required to be reviewed every six months at a minimum to determine whether our exposure to the risk continues to remain within our risk appetite.

Our process for identifying, assessing, managing, and reporting material risks is designed to manage opportunities that facilitate or exceed, and threats that may hinder, the achievement of the Company's Strategy and, where appropriate, to accept a degree of risk to create value for key stakeholders. We have an enterprise-wide digital risk management information system where all material risks, controls and actions are documented and kept current for managing and reporting purposes.

The Board and Committees review and consider the Company's risk profile, including strategic, operational, new, and emerging risks based on the monthly, quarterly, and annual material risk reports. The reports include an overview of the risk profile, summary of material changes to the profile, key risks in focus, and updates on emerging Company and sector risk themes.

The ELT reviews, and the CEO approves, new (or changes to) material risks, a process facilitated by the enterprise-wide digital risk management information system. On a regular basis, members of the ELT deep dive into selected topical material risks with risk owners to validate the adequacy of critical controls and to continue elevating our risk maturity journey.

Emerging risks and uncertainties

There remain significant implications for the Company that arise from periodic and sometimes ever-growing geopolitical tensions impacting market sentiment. Examples include rising trade tensions between nations, geopolitical friction, and the potential for the COVID-19 pandemic to slow global growth and impact demand for our products. Additionally, there is a continuing focus on resource nationalism. This has the potential to adversely affect Company earnings and value creation for other stakeholders.

During the year, we again saw a rise in societal expectations regarding the potential impact of the mining sector, including our business, on the local economy, communities, and environment. There has also been an increase in focus by investment firms on environmental, social and governance (ESG) issues when reviewing their investment criteria. Risk management, including on ESG issues, has formed part of our governance framework, strategic thinking, and investment decision criteria throughout the year. We continue to enhance our monitoring and management of greenhouse gas (GHG) emissions, water and land use, waste, and rehabilitation.

Risk movements

Changes in geopolitics, macroeconomics, the impact of COVID-19, an enhanced ESG focus, and the continued evolution of our risk management processes themselves have changed our material risks since 2019.

In particular, we continue to consider the implications of the COVID-19 pandemic on our business, including assessing its potential short and long-term effect on the Company's risk profile, heightening a number of the risks listed on the following pages. These include supply-chain interruptions, mobility, workforce flexibility, the commodity market cycle, resource nationalism, trade flow impacts, and the resilience of global financial markets to support recovery outcomes. Each of these could materially affect our communities, suppliers, shareholders, governments, and employees, impacting our ability to create value.

Company risk categories and material risks

The allocation of our material risks against the Company's primary risk categories is shown in the table on the following page, with further analysis described in the subsequent risk descriptions.

In identifying our material risks, we have considered the likelihood and potential impact of the related events. Key changes to our inherent material risks, primarily due to the external environment and ongoing global political instability, are presented within the table. Changes are determined based on the inherent risks before the application of controls and response plans to reflect these uncertainties. Company strategic controls and actions to prevent, reduce, or mitigate downside risk events and increase the likelihood of opportunities being realised are provided against each risk item.

CHANGES TO OUR MATERIAL RISKS IN FY2020

- No material movements
- Increased threat
- Increased opportunity
- Removed/managed threat
- Decreased threat

Detailed information for risks in **bold** is provided in the section below, either at risk category level where consolidation is deemed appropriate or at the individual risk level.

Company Material Risk Categories	Company Material Risks (Threat and Opportunity focused)				
Strategy	**Merger, acquisition and divestment**	**Expansion, project execution and delivery**	**Innovation and Strategy**	Single material operating asset	
Climate change and environment	**Climate change and emissions**	**Closure and rehabilitation**	Water and waste management	Biodiversity management	
Community and human rights	**Social performance**	**Cultural heritage sites**	Human rights, ethics and security		
Governance and stakeholder relations	**Geopolitics and trade protectionism**	**Regulatory, regulation and compliance**	Resource nationalism		
Production and operations	**Geotechnical**	**Third party performance**	**Asset infrastructure integrity**	Operational productivity	
Commercial and market	**Commodity market cycle**	**Inbound supply chain**	**Product transportation**	**Concentrate quality**	**Electricity supply**
Financial	**Liquidity**	**Balance sheet**			
Exploration and resource	**Exploration and joint-venture performance**	**Mineral reserve reporting**	**Mineral resource estimation**		
People and culture	**Culture and performance**	**Attract and retain key talent**	Inclusion and diversity	Capability and capacity	
Health and safety	**Occupational and process health and safety**	**Tailings storage facilities**	Aviation	Mental and physical health	
Technology	**Cybersecurity and data security**	ICT/OT system Services			

Key Risks	Potential Impacts	Strategic Controls and Responses	FY2020 Trend Analysis
Strategy			
Merger, acquisition, and divestment *Threat:* Ability to create value for key stakeholders by successfully executing mergers, acquisitions and divestments may vary and could result in value destruction by realising less than the fair value for divestment or paying more than fair value for acquisitions. *Opportunity:* Ability to successfully acquire and integrate businesses on favourable terms provides sustainable future cash flow and future growth optionality.	/ Stakeholder support and relations / Company reputation / Liquidity and financial performance / Growth	/ A robust framework to deliver value through mergers, acquisitions and divestments. / Mergers, Acquisitions and Divestments Process Standard. / Third party due diligence and assurance review processes where necessary. / Segregated approach to identification and subsequent review of potential transactions and projects to ensure appropriate governance is applied over the assessment of financial risk and returns. / Post investment reviews and key learnings embedded into future initiatives.	There are no changes identified that are expected to materially change OZ Minerals' exposure in this area.
Project development, execution, and delivery *Threat:* The Company's ability to deliver projects successfully and safely may vary due to changes in technical requirements, or through commercial or economic assumptions proving inaccurate through the execution phase. *Opportunity:* An ability to develop projects safely, on time, and within budget enhances the Company's reputation, demonstrate social performance, stakeholder confidence, and increases cash flow and returns to all stakeholders.	/ Growth, liquidity, and asset value / Stakeholder support and relations / Company reputation / Financial and operational performance / Employee health and safety	/ Maintain internal management team and skillsets. / Internal and independent external review of the engineering, technical, and financial scope definitions, and other assumptions. / Third-party due diligence and assurance as part of its engagement. / Project approval, monitoring and progress status evaluation are performed in line with OZ Minerals' project governance framework through the Global Process and Performance Standards. / Maintain strong focus on contractor management. / Project optimisation and acceleration management strategies.	The Carrapateena project was successfully delivered and ramped-up ahead of schedule despite the challenges of the COVID-19 pandemic.
Innovation and Strategy delivery acceleration *Opportunity:* The ability to establish aspirations that seek to identify ways to accelerate the delivery of Company strategic objectives and stretch the Company to realise full competitive advantage from its Strategy elements.	/ Financial and operational performance / Company reputation / Stakeholder support and relations / Liquidity, growth, and asset value	/ Maintain internal management team and skillsets. / Project Beyond established as a dedicated project to drive acceleration through prioritisation, stretch and challenge of ideas gathered from across the Company. / Risk-based Company Strategy review and integrated decision making. / Innovation and Change Process Standard ensures a process for advancing and embracing change and works proactively to evolve, create, and transform through idea generation, creating value. / Leverage internal and external partners to enable value creation and broad collaboration to adopt successful ideas.	Global disruption due to the COVID-19 pandemic presented an opportunity to identify ways to accelerate our strategic objectives and be a Modern Mining Company.
Climate Change and Environment			
Climate change and emissions *Threat:* The ability to prepare for and manage potential physical impacts (acute and chronic) such as increased extreme weather events and transition impacts including increased regulation, market shifts or changes to technology and energy sources. *Opportunity:* Climate change has the potential to be a catalyst for growth in low-carbon industries and technologies that require copper, resulting in upward pressure on copper prices. Less emissions-intensive product can increase demand and access to new markets.	/ Capital and Operating costs / Financial and operational performance / Stakeholder support / Company reputation	/ Focusing on reducing operational emissions by investing in low emission technologies and incorporating emissions into commercial decisions whilst working collaboratively with others to identify improvements. Partnering with suppliers and contractors to reduce emissions across the value chain. / Enhancing our resilience to physical climate impacts by assessing asset operational resilience. We consider climate risks over the life of our operations; from the way we design and develop new projects through to closure and beyond. / Reducing the energy and water intensity of our operations, developing innovative practices in relation to chemical processing and increasing efficiency of transportation and processing activities.	Regulatory, community and investor standards and expectations in relation to climate change continue to increase including greater scrutiny of resilience to potential physical impacts of climate change and expectations for companies to reduce emissions in line with global efforts.

Key Risks	Potential Impacts	Strategic Controls and Responses	FY2020 Trend Analysis
Environment, closure, and rehabilitation *Threat:* Ability to close operations and rehabilitate affected areas at the conclusion of mining and processing activities in line with regulatory requirements. Failure to manage our environmental, closure, rehabilitation, biodiversity, and water risks could have a significant impact on our performance and relationships with stakeholders. *Opportunity:* Excellent performance on mine closure, rehabilitation and legacy management of closed sites can enhance OZ Minerals' reputation and enable the Company to gain and maintain access to land, resources, a skilled workforce, and external funding.	/ Social performance and stakeholder value / Operational and financial performance / Stakeholder support and relations / Company reputation / License to operate and growth / Government and environment	/ Operational monitoring program including groundwater, cultural heritage sites and flora and fauna habitats. / Complying with the South Australian Government's Program for Environmental Protection and Rehabilitation (PEPR) to address mine closure requirements in line with the Department for Energy and Mining. / Complying with the Brazil National Mining Agency, and the Environmental Agency of Para State (SEMAS) regulations to address mine closure requirements. / Independent review of mine closure estimates. / Estimates of mine closure costs are reflected in accordance with AASB 137 Provisions, Contingent Liabilities, and Contingent Assets as provisions in the financial statements. / Report annually environmental performance on emissions and energy, water and land use and rehabilitation.	There are no changes identified for these risks that are expected to materially change OZ Minerals' level of exposure.
Community and Human Rights			
Social performance and cultural heritage sites *Threat:* The Company or its partners performance may directly, indirectly or cumulatively adversely impact the social, economic, and cultural values of stakeholders and communities. This can affect our relationships with, or be viewed negatively by, our key Stakeholders. *Opportunity:* superior social performance Ability to partner with key Stakeholders to co-develop specific and fit for purpose processes based on Free, Prior and Informed Consent that drives value creation for both the business and communities.	/ Stable and secure land tenure / Stakeholder support and Company reputation / Future project approvals and growth strategy / Regulatory compliance	/ Social Performance Standards which set out the minimum standards for Assets. / Cultural Heritage management plans are co-designed and endorsed by both organisations. / Management Plans are prepared by or in consultation with a trained, qualified, and experienced person with the relevant knowledge and technical skills to identify and address the relevant threats associated with the activity. / Cultural Heritage Management – define and assign accountabilities, including executive signoff, to ensure no unauthorised disturbance occurs. / Local level Agreements are developed and operated in line with the principles of Free, Prior, and Informed Consent. / Partnering Agreements with Land Connected and Indigenous Peoples. / Cultural Heritage surveys undertaken prior to any land disturbance activities. / Cross cultural awareness and training is provided to key employees. / Geographic Information System heritage database. / Supplier and partners flow down provisions and due diligence processes. / Department of Defence Deed and arrangements.	Significant external attention drawn to cultural heritage management and practices. The COVID-19 pandemic has increased exposure and impacts associated with pre-existing factors that affect communities and society such as inadequate community services and community health and safety.

Key

- No material movements
- Increased threat
- Increased opportunity
- Removed/managed threat
- Decreased threat

Key Risks	Potential Impacts	Strategic Controls and Responses	FY2020 Trend Analysis
Governance and Relations			
Geopolitical stability *Threat:* Political uncertainty, trade protectionism, increase in stakeholder expectations, and changes in relations between countries in which we operate, or where our customers or supplies operate, can impact our ability to access resources and markets needed to achieve our Strategy.	⁄ Potential impact of the supply, demand and price of our products and therefore financial performance ⁄ Inbound and outbound supply chain disruption ⁄ Inability to access resources and markets	⁄ Diversified customers and markets to reduce exposure to geopolitical and macroeconomics shifts. ⁄ De-risk key supply chains through local and global diversification. ⁄ Actively monitor geopolitical and macroeconomics developments and trends. ⁄ Regularly assess our ability to access customers and suppliers. ⁄ Monitor the socio-political environment in which we operate and the stakeholders that influence that environment.	The trend has increased due to changes in relationships and increased strategic competition at international level, a decline in multilateralism, market volatility and geopolitical tensions.
Regulatory, regulation & compliance *Threat:* The Company's activities by employees, directors or partners could result in actual or perceived breaches of legal, regulatory, ethical, or human rights compliance obligations or inappropriate business conduct. *Opportunity:* Complying with laws and regulations and maintaining a high ethical and social performance standard enables OZ Minerals to gain and maintain access to resources, expand provinces, investment opportunities and create value for our Stakeholders.	⁄ Group reputation ⁄ Future financial performance ⁄ Stakeholder support	⁄ Governance framework provides minimum requirements to comply with laws and legislation. ⁄ Modern slavery, anti-bribery and corruption, continuous disclosure, *and Code of Conduct* training and awareness. ⁄ Contractor due diligence. ⁄ OZ Minerals employees, contractors, and partners operate in compliance with the HWWT Principles, Policies, Global Process and Performance Standards. ⁄ Track and monitor key changes to legislation and regulations and respond to new requirements. ⁄ Whistleblower process standard and reporting services, supported by incident reporting and investigation.	There are no changes identified that are expected to materially change OZ Minerals' level of exposure.
Production and Operations			
Geotechnical and underground wall stability *Threat:* The underground mining operations are subject to geotechnical uncertainty, adverse ground conditions, decline/mine collapse, cave-ins, rock falls, fire, and uncontrolled explosion incidents.	⁄ Employees and family members ⁄ Communities ⁄ Government and environment ⁄ Group reputation ⁄ Financial Performance and Asset value ⁄ Suppliers and customers	⁄ Trigger action response plans to maintain the stability of the underground and open pit walls. ⁄ Geotechnical monitoring and inspection programs. ⁄ Periodic Independent geotechnical review and assurance. ⁄ Emergency response plans and underground emergency facilities. ⁄ Trained, skilled and experienced personnel. ⁄ Regular inspection, reviews and monitoring of the underground and ground conditions.	The exposure increased due to underground mining operations ramp-up, but internal controls have been implemented to mitigate the risk.
Production and Operations			
Third Party Performance *Threat:* Contractors, suppliers, and strategic partnerships play a significant role in delivering the Company's growth, production, cash and market positioning and a failure to perform under existing contracts or obligations may lead to adverse impacts. *Opportunity:* A strategic partnership offers opportunities to access resources, increase stakeholder support and reduce operational risks.	⁄ Employees and their family members ⁄ Operational and financial performance ⁄ Group, partners, and supplier reputation ⁄ Stakeholder support and relations	⁄ Partner, contractor and supplier due diligence, selection criteria and partnering framework. ⁄ Collaborative and integrated partnership with key contractors and partners. ⁄ Competitive procurement processes and embedded performance structures in contracts that delivers the highest value for Stakeholders. ⁄ Governance framework, performance standards and HWWT principles for assets, partners, or contractors. ⁄ Regular performance reviews against plans and implementation of improvement actions and opportunities. ⁄ Periodic global supply chain review.	There are no changes identified that are expected to materially change OZ Minerals' level of exposure.
Commercial and Market			
Commodity Market Cycle *Opportunity:* An increase in demand for emission free energy, commodity prices and/or favourable foreign exchange rate movements generates positive cash flow and strengthens the Company's liquidity position, enabling the Company to pursue value creation growth options and/or increase Stakeholder support. *Threat:* Commodity prices are driven by global market demand and supply. A decrease in commodity prices will reduce cash flow, profitability, and impact directly or indirectly on all Stakeholders.	⁄ Cash flow, profitability, and liquidity ⁄ Access to capital ⁄ Investment and/or growth opportunities ⁄ Group reputation ⁄ Stakeholder support and relations	⁄ Diversified customers and markets. ⁄ Group liquidity and credit management strategy. ⁄ Actively monitor, markets and macroeconomics developments and trends to inform our forecasting assumptions.	The increasing demand for emission-free energy may increase the demand for copper.

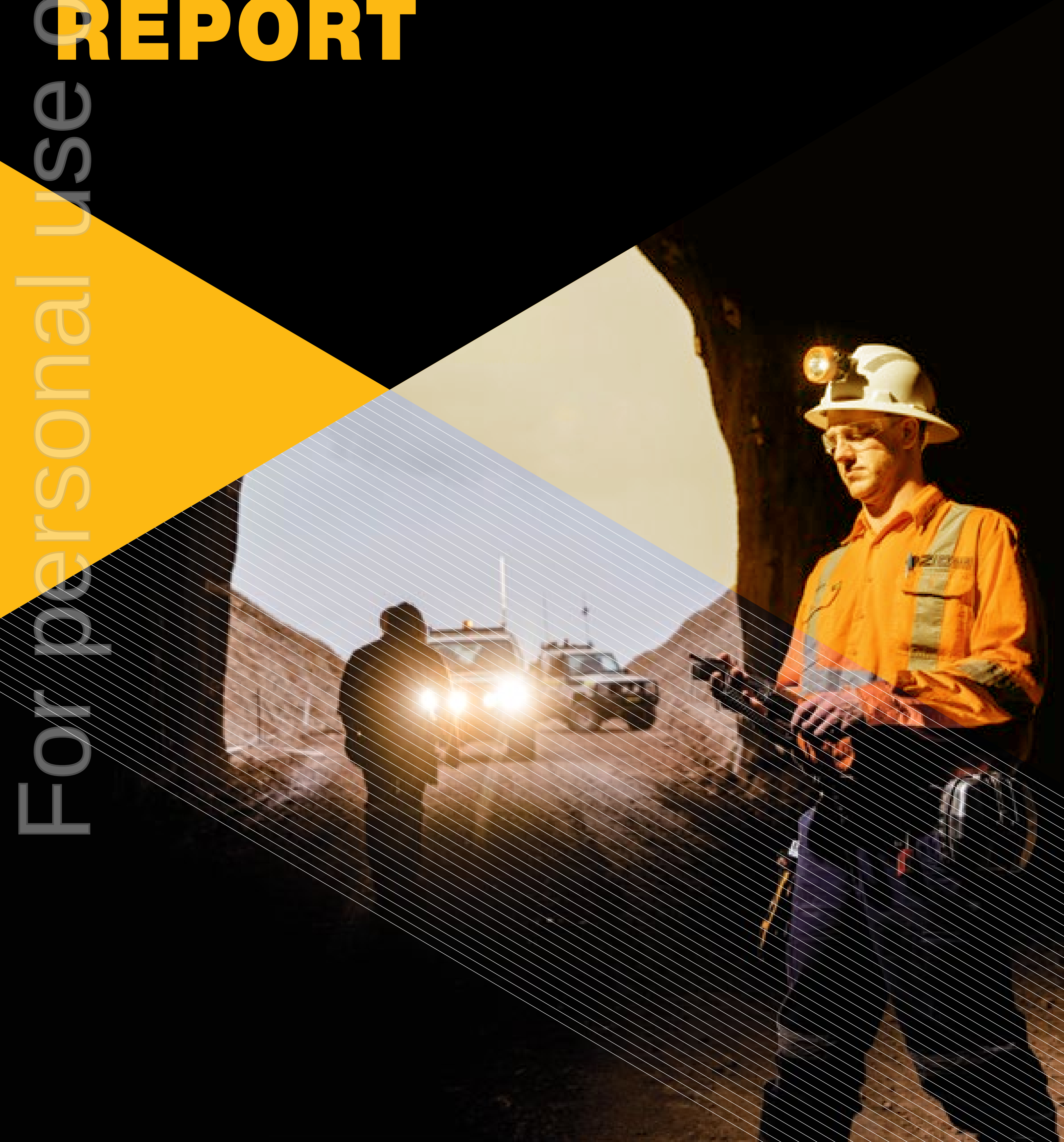
Key Risks	Potential Impacts	Strategic Controls and Responses	FY2020 Trend Analysis
Supply chain and concentrate quality *Threat:* A global economic slowdown, change in policy, supply chain disruption, trade, and port restrictions, concentrate grade, and impurities could result in a slowdown in demand for our products and reduced earnings and cash flow.	/ Liquidity and financial performance / Operational performance / Stakeholder support / Company reputation / Partner relations / Employees	/ Customised solutions developed in partnership with customers which matches smelter demand, concentrate grade and timing, along with a range of controls to manage impurity levels. / Ore and concentrate blending and additional flotation treatment in the processing plant. / Diversified customer portfolio to mitigate against the risk of regulatory changes to importation requirements. / Monitor market conditions and regulatory changes. / Maintain technology 'know-how' in relation to concentrate treatment plant technology.	Geopolitical and macroeconomic developments and impacts from the COVID-19 pandemic increased commodity price uncertainty and supply chain disruption.
Security of electricity supply *Threat:* A significant electricity supply failure can lead to operational and commercial disruption, health and safety incidents and environmental damage.	/ Operational and Financial performance / Health and safety and environment / Stakeholder support and relations / Company and partner reputation	/ South Australia energy strategy for Gawler Craton aligned with business strategy and demand. This is focused on four key elements: distribution, generation, procurement, and demand management. / Electricity supply contract management including both securing and extending distribution options.	The Hill to Hill power project was energised in October 2020, securing and extending distribution options within the South Australian operating region.
Financial			
Balance sheet and liquidity *Threat:* The Company's ability to refinance and attract sufficient new capital to fund current and future operations and growth through an economic downturn could be compromised by a weak balance sheet. *Opportunity:* Strong internal capital management and favourable market conditions could increase liquidity, balance sheet strength, and allow the Group to pursue investment growth opportunities, pay debts and/or increase total shareholder returns.	/ Future financial performance / Solvency and liquidity / Group reputation	/ Manage debt maturities to spread repayment and minimise refinancing risk. / Credit exposure management to ensure the Group capital structure is not compromised if a finance counterparty fails to perform its financial obligation. / Clear business strategy, capital discipline, and a conservative capital structure encourage lenders and shareholders to continue investing in the business and to attract new capital on attractive terms and at competitive pricing.	The Company strengthened its Balance Sheet, refinanced and increased its debt facility and implemented further liquidity measures to mitigate the potential for adverse changes and optimise opportunities from the macroeconomic cycle.
Exploration and Resource			
Exploration, Resource and Ore Reserves *Threat:* The threat that new information on resource and reserves come to light means that the economic viability of some Ore Reserves and mine plans may be estimated downwards. Also, the inability to discover new resources or projects could undermine the future growth pipeline. *Opportunity:* The discovery of a new viable orebody can significantly improve future growth options. In addition, the economic viability of some Ore Reserves and mine plans can be restated upwards.	/ Future financial operational performance / Group reputation	/ Comply with Joint Ore Reserves Committee (JORC) guidelines and in some instances verification by independent mining experts. / Retain skilled and experienced exploration and evaluation personnel. / Review of estimates by a committee of peers to challenge the applied assumptions. / Production plan based on published reserves and resources. / Develop, leverage, and manage third party partnership and utilise new technologies where appropriate for exploration and evaluation of reserves/resources.	The current operating environment caused by COVID-19 has affected the ability to undertake field-based exploration activities. The potential Prominent Hill underground expansion may provide an opportunity.

Key

No material movements
Increased threat
Increased opportunity
Removed/managed threat
Decreased threat

Key Risks	Potential Impacts	Strategic Controls and Responses	FY2020 Trend Analysis
People and Culture			
Culture excellence *Opportunity:* The ability to maintain the systems, symbols and behaviours that drive an agile, innovative, and inclusive culture that embraces diversity of thought. **Attracting and retaining talent and capability** *Threat:* The inability to attract and retain the best talent to deliver the Company Strategy.	/ Operational performance / Financial performance / Stakeholder support and relations / Corporate knowledge and experience / Company reputation	/ A strategic workforce planning approach across all operations to identify and manage current and future workforce requirements. / An inclusive culture that enables both cognitive and demographic diversity and the innovation that comes with it. / A strong and purpose-driven Employee Value Proposition to attract and retain the best. / Agile performance management processes that promote a culture of continuous development. / Professional and leadership development to enable our people to do the best work of their careers. / Modern, flexible working arrangements that reflect the future nature of work and promote wellbeing. / Regular employee engagement pulse checks and an ongoing focus on culture.	The Company's cultural excellence increased as it continued to embed the HWWT principles that drive an agile, innovative, and inclusive culture and enable diversity of thought.
Health and Safety			
Health and Safety *Threat:* Occupational, process, aviation, heavy and light vehicle interactions and other operational risks including an underground explosion or fire, geotechnical failure or underground hazardous environment pose significant health and safety risks to employees, partners, and community including loss of life. *Opportunity:* Consistently exceeding or meeting our health and safety commitments can enhance the Company's reputation and working relations across all our Stakeholders and contributes to sustainable growth.	/ Health and safety / Social performance / Group reputation / Future financial performance / Stakeholder support	/ Partnering with contractors and actively building a shared health and safety culture. / Focus on elimination of drivers of health and safety incidents through implementation of a program to verify key controls. / Regularly review and audit health and safety processes to improve control effectiveness. / Fostering a culture of reporting, investigating, and sharing learnings from health and safety incidents. / Monitoring weekly health and safety performance. / Maintaining clear company performance standards, including health, safety, and aviation. / Complying with applicable local laws and regulations on health and safety.	Notwithstanding our efforts and the efforts of local and national governments where we operate, the COVID-19 pandemic has impacted some local communities, increasing the risk to the health, safety, and wellbeing of our workforce.
Tailings Storage Facilities (TSF) and Assets' infrastructure integrity *Threat:* The collapse of a TSF or other critical infrastructure has the potential for creating an extreme impact to all Stakeholders and to the sustainability of the Asset.	/ Employees and family members / Communities and license to operate / Government and environment / Group reputation / Financial Performance and Asset value / Suppliers and customers	/ Designing, constructing, maintaining, and monitoring TSF and critical infrastructure and equipment. / Independent TSF audits, reviews and inspection against standards and the Australian National Committee of Large Dams (ANCOLD) guidelines. / Periodic reviews of and revisions to management plans and TSF manuals against operating specifications and applicable standards/codes or guidelines. / Critical infrastructure and equipment maintenance strategies and programs. / Skilled and experienced personnel.	There are no changes identified that are expected to materially change OZ Minerals' level of exposure.
Technology			
Cyber security and data governance *Threat:* Ability to access, manage and maintain systems and respond to major incidents including data loss, cyber security attacks or breaches to information system or data privacy.	/ Stakeholder support and relations / Operational or commercial disruption / Disclosure of commercial or personal information / Corruption or loss of system data / Health and safety incidents caused by system failure / Loss of broader community confidence / Financial losses / Group reputational damage	/ ICT data security Process Standard. / Cyber security awareness and training program. / Security assessment and monitoring. / Crisis management plans and response. / Physical and system access controls. / Business continuity and disaster recovery plans.	The Group's exposure to cybersecurity-related events increased in FY 2020 and is expected to increase further, primarily due to our growing reliance on technology and the increasing sophistication and frequency of external cyber-attacks.

REMUNERATION OVERVIEW AND REPORT



LETTER FROM THE CHAIRMAN OF THE PEOPLE AND REMUNERATION COMMITTEE

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to provide you with the 2020 Remuneration Report for OZ Minerals.

We are proud of the Company's exceptional performance in 2020 with strong financial, operational and strategic outcomes notwithstanding the unprecedented challenges that the COVID-19 pandemic presented. Highlights include:

/ our agile, innovative and collaborative culture enabling us to quickly adapt to remote and new ways of working to ensure that our people, contractors, suppliers and the communities in which we work were safe whilst continuing to deliver on challenging operational budgets and strategic plans

/ Prominent Hill meeting production targets and the underground mine demonstrating a 4 Mtpa run rate, whilst reducing unit costs from $95/t to $85/t; with an expansion study demonstrating the viability of a shaft haulage system to access deeper ore enabling an increase in underground production and an extended mine life

/ Carrapateena meeting production targets and safely completing the successful ramp up to its 4.25 Mtpa run rate ahead of plan and without compromise to the sub-level cave performance; and a PFS demonstrating a material value uplift through a block cave expansion which will increase production to 12 Mtpa and significantly extend mine life

/ acquisition of our West Musgrave Joint Venture partner, Cassini, and a 25 per cent increase in NPV of the West Musgrave Project to circa $1.0 billion, reflecting a PFS update which indicates a 12 Mtpa mine versus previous projections of 10 Mtpa whilst maintaining the same mine life

/ first ore trucked from Pedra Branca to the Carajás East Hub and maintaining continuity of operations in Brazil whilst managing the high concentration of COVID-19; encouraging early drilling results received at Paes Carvalho and Santa Lúcia

/ completion of the 270 km power transmission line to Prominent Hill via Carrapateena providing sufficient power for all new future regional expansions

/ exceeding original budget expectations for metal production and group financial results (after adjustment for currency and metal prices), with a strong net profit after tax result of $212.6 million.

The value created for Shareholders in 2020 included an annual share price increase of 79 per cent and dividends of 25 cents per share.

REMUNERATION OUTCOMES IN 2020

We believe the remuneration outcomes for 2020 are a good reflection of the Company performance and are aligned with the experience of shareholders.

Key remuneration outcomes for 2020:

/ Executives' salaries were increased as communicated in last year's report, in line with our remuneration philosophy and supported by market data.

/ Strong performance outlined above and in the Annual and Sustainability Report resulted in a Corporate Performance score of 4.2 out of 5. The details can be found in Section 3.2 (Table 6).

/ Strong corporate and individual performances resulted in the award to the CEO, Andrew Cole, of 88.3 per cent of his maximum short term incentive (STI) opportunity; to the CFO, Warrick Ranson, of 88.0 per cent; and to CCO, Mark Irwin, of 87.3 per cent. 30 per cent of the STI will be paid in performance rights vesting after two years. STI outcomes are calculated after adjusting, where relevant, for the impact of changes in metal prices and currencies so that Executives do not receive windfall gains or losses for market related movements. Details can be found in Section 3.2 (Table 7).

/ The 2018 long term incentive (LTI) plan vested at 100 per cent in December 2020 following strong relative performance of the Company and strong absolute share price performance over the three year performance period. This resulted in the vesting of 130,285 performance rights for Andrew Cole; 51,300 for Warrick Ranson; and 51,300 for Mark Irwin. Details can be found in Section 3.3 (Table 10).

STAKEHOLDER VALUE CREATION

Our focus on value creation across all five Stakeholder groups – shareholders, government, communities, employees and suppliers – is a key differentiator for OZ Minerals and has been at the core of our Strategy since 2015. It is described more fully in the Governance section. We believe that we cannot create sustainable value for shareholders unless we also deliver accretive value for our other Stakeholders concurrently and in a complementary way.

We create financial value for shareholders by building the current and future income streams of the Company. We generate current income through the cost-efficient production and sale of concentrate from our operating mines. We build longer term value through creation of sustainable future income streams through the identification of additional resources at our current operations and in new projects, by developing deliverable plans for their profitable extraction and ultimately by their successful delivery and commissioning.

At the same time, we create value for our other Stakeholders in various complementary ways, for example, by reducing our environmental impact; by working respectfully with traditional owners of the lands on which we operate to protect their heritage and achieve their ambitions for their communities; by creating local employment opportunities; using local suppliers; and supporting our employees in their leadership development and work-life plans.

For 2021 we will further embed our focus on Stakeholder Value Creation in the way we set our key performance indicators (KPIs) for STI awards for senior executives. We will move from KPIs to Stakeholder Value Creation Metrics and hold ourselves accountable for their achievement. Whilst not all the metrics will be financial in nature, all ultimately impact our financial performance. We will provide further transparency with our goals and our performance against those goals in our 2021 Remuneration Report.

REMUNERATION CHANGES FOR 2021

Other than the evolution of the approach to the measurement of performance for STI purposes outlined above, no changes are proposed to the remuneration framework for Executives in 2021. The Committee will continue to monitor whether the changes made in previous years are creating value and driving the right performance and cultural outcomes ahead of any further amendments.

Following a benchmarking review of executive salaries against our stated remuneration positioning, the Board resolved:

- to increase the fixed remuneration of CEO, Andrew Cole, from $900,000 to $1,000,000 to bring him in line with peers of local and international mining companies of similar scale and complexity
- to increase the fixed remuneration of the CFO, Warrick Ranson, from $579,000 to $610,000 and of the CCO, Mark Irwin, from $559,000[(a)] to $600,000; both increases reflecting the critical role they play in value creation for the Company and their depth of expertise and talent at this important time in the Company's growth.

Further, in accordance with our remuneration framework in 2021, key management personnel (KMP) will be issued performance rights under a 2021–23 LTI scheme.

As foreshadowed in our Remuneration Report last year, during the year, we undertook an independent review of Board fees. Following that review the Board determined that Board Chairman fees and Directors fees, which have not been increased since 2018, will be increased by 9 per cent and 5 per cent respectively. People and Sustainability Committee Fees will increase by 5 per cent with no adjustment to Audit Committee fees. Changes to Board Fees and KMP remuneration took effect from 1 January 2021.

The LTI scheme rules require the comparator group used to calculate the relative total shareholder return (TSR) to be reviewed annually for relevance. Following the review, two companies (Taseko Mines Limited and Central Asia Metals Plc) will be removed from the comparator group for the 2021–23 LTI scheme and replaced with one new company (Nickel Mines) taking the total comparator group to 14 companies.

Finally, with effect from the 2019 LTI scheme and as previously advised, AISCs will form part of the measure for determining the vesting of LTI rights. Following a review of data providers, it has been decided to utilise the global rankings measured by CRU as the basis for determining relative performance. CRU's global copper mine database and their ranking methodology is considered a more comprehensive and aligned measure.

Whilst a challenging year in many respects, we are pleased that our commitment to value creation yielded strong returns for shareholders and other Stakeholders. We remain committed to the remuneration framework, believing that it is working in the interests of the Company and shareholders. It is driving performance and behaviors that we are proud of and creating value in both the short and long term.

Thank you for your ongoing support of OZ Minerals.

Tonianne Dwyer
Chairman
People & Remuneration Committee

18 February 2021

(a) Mr Irwin had a fixed remuneration review to $579,000 in September 2020

Note: Letter from the Chairman of People & Remuneration Committee is unaudited.

REMUNERATION OVERVIEW

REMUNERATION TO EXECUTIVE KEY MANAGEMENT PERSONNEL IN 2020

Full details of the audited cost to the Company of Executive KMP remuneration, calculated in accordance with the accounting standards and the *Corporations Act 2001*, are available in Table 12 of the Remuneration Report (page 67).

The table below (unaudited) which includes details of remuneration actually delivered to Executive KMP in 2020, has been prepared to be transparent with our shareholders regarding remuneration outcomes.

The uplift in the KMP remuneration received in 2020 is predominantly driven by the value of shares that vested through the 2018 Long Term Incentive Scheme. This outcome reflected the strong performance of the Company and the doubling of the share price over the three year period. Shareholders who were invested with the Company over that period have experienced the same share price growth.

		Cash salary	Paid short term incentives[a]	Vesting long term incentives[b]	Contributed super-annuation[c]	Total remuneration
		$	$	$	$	$
Andrew Cole	2020	878,652	834,435	2,429,197	21,348	4,163,632
Managing Director and CEO	2019	829,233	621,688	1,453,605	20,767	2,925,293
Warrick Ranson	2020	557,652	356,664	956,496	21,348	1,892,160
Chief Financial Officer	2019	544,233	318,378	122,345	20,767	1,005,723
Mark Irwin	2020	544,319	353,625	956,496	21,348	1,875,788
Chief Commercial Officer	2019	501,002	284,830	122,345	20,767	928,944

(a) This amount represents 70 per cent of total STI which was paid in cash for 2020. In addition, 30 per cent of total STI will be granted in performance rights, which vest after 2 years provided certain conditions are satisfied (refer Section 3.2). 18,029 performance rights will be awarded to Andrew Cole, 7,706 to Warrick Ranson and 7,641 to Mark Irwin.

(b) The value of the long term incentives which vested during the year is calculated by multiplying the number of performance rights vested by the volume weighted average price (VWAP) of $18.64 over the period 2 December to 31 December 2020. On 31 December 2020, the 2018 LTI plan vested resulting in the award of 130,285 shares to Andrew Cole (see Section 3.3) and 51,300 shares to each of Warrick Ranson and Mark Irwin. The performance rights were awarded on the basis of a VWAP (5 trade days from 2 to 8 January 2018) share price of $9.21. The VWAP 20 trade days from 2 to 31 December 2020 at vesting of $18.64 demonstrates an increase of 102.4 per cent over the 3 year vesting period.

(c) Represents direct contributions to superannuation funds based on quarterly contribution limits under Super Guarantee Charge regulations. Amounts greater than the maximum superannuation level have been included in cash salary.


MICHAEL
TUCKWELL

REMUNERATION REPORT

The Directors of OZ Minerals Limited present the Remuneration Report for the Company and the Consolidated Entity for the year ended 31 December 2020. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001*.

1.0 KEY MANAGEMENT PERSONNEL

The Consolidated Entity's KMP during 2020 are listed in Table 1 and consist of the Non-executive Directors (NED) and Executive KMP who are accountable for planning, directing and controlling the affairs of the Company and its controlled entities.

TABLE 1 – KMP DURING ALL OF 2020

	Position
Executive KMP	
Andrew Cole	Managing Director and CEO
Warrick Ranson	Chief Financial Officer
Mark Irwin	Chief Commercial Officer
Non-executive Directors	
Rebecca McGrath	Independent Chairman
Charles Sartain	Independent NED
Peter Wasow	Independent NED
Richard Seville	Independent NED
Tonianne Dwyer	Independent NED

2.0 REMUNERATION STRATEGY

2.1 Remuneration Philosophy

OZ Minerals seeks to attract and retain high performing Executives and incentivise them to outperform. Our approach to remuneration is to provide Executives with a market competitive fixed remuneration and to reward outperformance through performance-linked, 'at risk' remuneration. Accordingly, we seek to position the fixed remuneration of our Executives at around the market median of relevant benchmarks, with the opportunity to earn upper quartile total remuneration for delivering outperformance.

2.2 Remuneration Principles

The remuneration principles (Table 2) demonstrate the links between remuneration and business strategies and their impact on OZ Minerals' actual remuneration arrangements. The overriding business objective is to build value for all our Stakeholders with 'Creating Shared Value' at the heart of the OZ Minerals Strategy.

TABLE 2 – REMUNERATION PRINCIPLES

Business needs and market alignment	OZ Minerals' remuneration framework is focused on achieving our corporate objectives. Remuneration is set with regard to market practices and structured so that outcomes are aligned with stakeholder value creation.
Simplicity and equity	OZ Minerals' remuneration philosophy, principles and framework are simple to understand, communicate and implement, and are equitable across the Company and its diverse workforce.
Performance and reward linkages	A well-designed remuneration framework supports and drives Company and team performance and encourages the demonstration of desired behaviours. Performance measures and targets are few in number, outcome-focused and customised at an individual level to maximise performance, accountability and reward linkages.
Market positioning and remuneration mix	Fixed remuneration is set at a competitive level and positioned to take into account the challenges of attracting and retaining high performers in business critical roles, particularly in the mining industry. The 'at-risk' components of remuneration are based on challenging goals designed to incentivise Executives to achieve business critical objectives and create stakeholder value including shareholder returns. A substantial portion of remuneration is paid in equity and 'locked in' to encourage focus on long term outcomes.
Talent management	Remuneration framework is tightly linked with our performance and talent management frameworks to reward and recognise employees who achieve their role accountabilities and to engage future leaders.
Governance, transparency and communication with shareholders	OZ Minerals is committed to developing and maintaining remuneration practices that promote the creation of shared value for Stakeholders. We openly communicate these practices to shareholders and other relevant Stakeholders, and will always be within legal, regulatory and industry requirements. The Board has absolute discretion to develop, implement and review all aspects of remuneration.

2.3 Remuneration framework

The OZ Minerals Remuneration Framework aims to attract great people to deliver the OZ Minerals Strategy, offering a fixed and variable (at-risk) pay that incentivises both short term and long term performance.

Element	Structure	Performance Measures	Link to delivery of corporate Strategy
Total Fixed Remuneration (TFR)	Base cash salary and superannuation.	TFR is determined based on factors including external market benchmarking, relativity to peers and individual performance.	Fixed remuneration is set at a competitive level and positioned at market median to take into account the challenges of attracting and retaining high performers in business critical roles.
Short Term Incentive (STI)	Mix of 70 per cent cash and 30 per cent performance rights, with a two-year vesting period.	STI is determined based on performance against challenging, clearly defined and measurable corporate and individual targets.	The short term 'at-risk' component of remuneration is focused on incentivising Executives to achieve business critical objectives and demonstrate OZ Minerals' desired ways of working.
Long Term Incentive (LTI)	Performance rights with a three-year vesting period subject to an additional two-year holding lock period.	LTI is assessed against TSR 70 per cent and AISC 30 per cent.	The long term 'at-risk' component of remuneration rewards the delivery of shareholder returns and a sustainable business whilst encouraging decision making aligned to long term shareholder value creation.
Minimum Shareholding Requirements (MSR)	All Executives are expected to accumulate and hold a minimum level of vested shares in OZ Minerals over a reasonable period. There are different shareholding requirements for each level of management, which are expressed as a percentage of their TFR.		This requirement increases the sense of ownership of the Company amongst our Executives and enhances the degree to which our reward arrangements align the interests of our Executives.

2.4 Review of Executive KMP remuneration

Executive KMP remuneration levels are reviewed annually by the Board with help from the People & Remuneration Committee and external remuneration consultants, as required. The review ensures that Executive KMP remuneration remains consistent with the Company's remuneration framework and guiding principles, and considers:

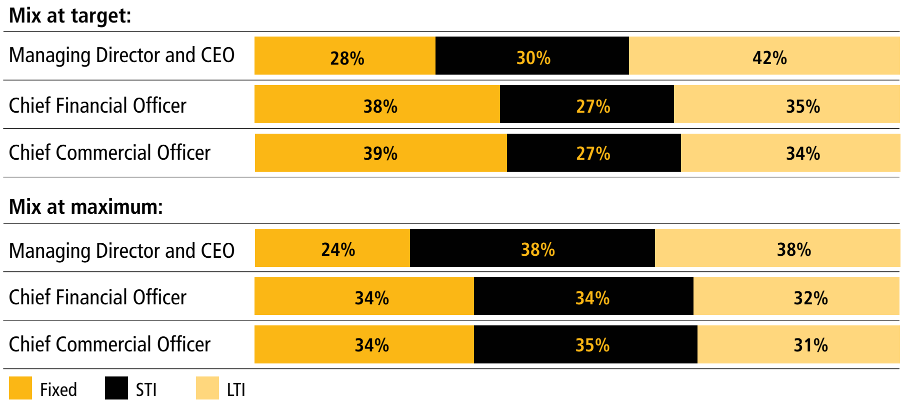
- the Company's remuneration philosophy
- relevant market benchmarks using salary survey data from the Australian and Brazilian industrial and resources sectors
- the skills and experience required of each role in order to grade positions accurately and attract high calibre people
- individual performance against role expectations, set objectives, leadership behaviors and development plans
- Company Strategy, business plans and budgets.

2.5 Executive KMP remuneration components

2.5.1 Remuneration mix

The mix of fixed and at-risk remuneration varies depending on the role and grading of Executives as well as the performance of the Company and individual Executives. More senior positions have a greater proportion of at-risk remuneration. If 'at target' and 'at maximum' at-risk remuneration is earned, the ratios of fixed to at-risk remuneration for KMP would be as follows.

2020 EXECUTIVE KMP REMUNERATION MIX[a]



(a) Service and performance conditions apply to STI and LTI.

2.5.2 Total fixed remuneration (TFR)

What is included in total fixed remuneration?	An Executive KMP's total fixed remuneration comprises salary and certain other benefits (including statutory superannuation contributions) that may be taken in an agreed form, such as cash, leased motor vehicles and additional superannuation, provided that no extra cost is incurred by the Company for these benefits.
When and how is fixed remuneration reviewed?	Fixed remuneration is reviewed annually. Any adjustments to the fixed remuneration for the Managing Director and CEO and other Executive KMP must be approved by the Board after recommendations from the People & Remuneration Committee. During the year, we updated the market benchmarking of executive remuneration conducted last year, mindful of the need to continue to retain our key employees in a competitive market as the Company grows. The benchmarking demonstrated that our fixed remuneration was, in most cases, in line with our preferred positioning, toward the 50th percentile.
Changes from last year?	No changes to our approach to determine fixed remuneration were implemented in 2020 and none are proposed for 2021. We will continue to review our executive remuneration levels annually to ensure pay levels remain competitive to attract, motivate and retain the best talent for OZ Minerals.

2.5.3 Short term incentive (STI)

Why does the Board think an STI plan is appropriate?	Variable performance-based remuneration strengthens the link between pay and performance. The purpose of this plan is to make a large proportion of the total reward package subject to meeting various targets linked to OZ Minerals' business objectives. The use of variable performance-based remuneration avoids much higher levels of fixed remuneration and is designed to focus and motivate employees to achieve outcomes which deliver the Company's Strategy. A reward structure that provides variable performance-based remuneration is also a necessary component of a competitive remuneration package in the Australian and global marketplace for executives.
What are the performance conditions?	The performance conditions that determined STI outcomes in 2020 were: (a) Company KPIs, (b) Individual KPIs and (c) HWWT principles. The Company KPIs in 2020 determined 80 per cent of the STI award for the Managing Director and CEO with individual KPIs determining the balance of 20 per cent. The Company KPIs determined 50 per cent of the STI award for the remaining KMP with the balance determined by attainment of individual KPIs (25 per cent) and the demonstration of behaviors exemplifying the Company's HWWT principles (25 per cent).

TABLE 3.1 – KEY PERFORMANCE INDICATORS IN 2020 THAT APPLIED TO MANAGING DIRECTOR AND CEO

	Description	% Weighting STI
Company KPIs		**80**
Operational and financial	EBITDA, metal recoveries, capital allocation	32
Strategy and growth	Increase in total base case values, increase in total growth case value, GHG reduction strategies, embed *The OZWay*	32
Sustainability	Safety improvement, culture, leadership effectiveness	16
Individual KPIs		**10**
Lean and Innovative	Implement agreed actions from 2019 Board Review to improve overall Board-Management effectiveness and overall Company governance	2.5
HWWT	Focus on Capability and Capacity and continue to embed HWWT in the Company	5
Devolve and Agile	Lead the embedding of *The OZWay*, Purpose, Standards and Risk system across the Company including Brazil	2.5
HWWT		**10**
The How We Work Together principles are the same for all Executive KMP and they are based on the following elements:	⁄ Thinking and acting differently ⁄ Building a culture of respect that enables our people to succeed ⁄ Focusing on partnerships and collaboration, not hierarchy ⁄ Delivering superior results through effective planning and agile deployment ⁄ Doing what we say we will do and taking action ⁄ Acting with integrity and engaging with our Stakeholders.	10
Total		**100**

TABLE 3.2 – KEY PERFORMANCE INDICATORS IN 2020 THAT APPLIED TO OTHER EXECUTIVE KMP

	Description		% Weighting STI
	CFO	**CCO**	
Company KPIs			**50**
Operational and financial	EBITDA, metal recoveries, capital allocation.		20
Strategy and growth	Increase in total base case value, increase in total growth case value, GHG reduction strategies, embed *The OZWay*.		20
Sustainability	Safety improvement, culture, leadership effectiveness.		10
Individual KPIs			**25**
Operational and financial	Deliver the 2020 Plan and Budget as per plan, secure an effective power contract for the Australian Assets, evolve our capital allocation and investment framework, establish a platform for supporting appropriate levels of further growth.	Deliver the 2020 Plan and Budget as per plan, manage exploration to budget, and drive delivery of Carrapateena expansion and West Musgrave Feasibility Study projects.	10
Strategy and growth	Contribute to TSR performance through activities such as the enhancement of our Strategy; driving blue sky thinking; proactive investor engagement; and the implementation of rolling forecasts.	Improve value of Carrapateena expansion and West Musgrave studies, improve exploration efficiency, and develop and implement revised exploration strategy.	11.25
Sustainability	Safety improvement, culture, leadership effectiveness	Safety improvement, culture, leadership effectiveness.	3.75
HWWT			**25**
The How We Work Together principles are the same for all Executive KMP and they are based on the following elements:	/ Thinking and acting differently / Building a culture of respect that enables our people to succeed / Focusing on partnerships and collaboration, not hierarchy / Delivering superior results through effective planning and agile deployment / Doing what we say we will do and taking action / Acting with integrity and engaging with our Stakeholders.		25
Total			**100**

Is there an overriding financial performance condition or other condition?

Yes. The availability of the STI pool is at the discretion of the Board, which takes into account the interests of the Company and shareholders. The Board can choose not to pay or reduce the amount of the STI otherwise payable.

How is the STI structured to reward exceptional performance?

The STI plan is designed to reward Executive KMP at any point in between threshold and maximum performance levels.

- *Threshold performance* represents the minimum level of performance required for an STI award to be paid.
- *Target performance* represents the achievement of planned or budgeted performance, set at a challenging level.
- *Maximum performance* represents outstanding performance, set at a stretch level.

What is the value of the STI opportunity?

TABLE 3.3 – THE TARGET AND MAXIMUM STI REWARD OPPORTUNITY FOR EXECUTIVE KMP IN 2020

Executive KMP	STI at target as % of TFR	Maximum STI as % of TFR	STI at target Value $	Maximum STI Value $
Andrew Cole	105	150	945,000	1,350,000
Warrick Ranson	70	100	405,300	579,000
Mark Irwin	70	100	405,300	579,000

How is STI assessed?

The Managing Director and CEO assesses the performance of each Executive KMP throughout the year for achievement against their personal performance targets and objectives, to arrive at a summary assessment at year end for discussion with the People & Remuneration Committee and the Board. The Board also reviews the performance assessment of all other Executives who report directly to the Managing Director and CEO, with a view to understanding, endorsing and/or discussing individual circumstances, performance, leadership behaviours and future development. The People & Remuneration Committee and the Board assess the performance of the Managing Director and CEO against the performance targets and objectives set for that year.

The Board considers the method of assessing STI as described above to be appropriate as the Managing Director and CEO has oversight of his direct reports and the day-to-day functioning of the Company, whilst the Board and People & Remuneration Committee have overall responsibility for determining whether Executive KMP have met the performance targets and objectives set for that year.

What happens to STI awards when an Executive ceases employment?	If an Executive leaves OZ Minerals then the Good Leaver rules may apply (subject to the Executive's contract) and, if the requirements are met, the STI may be granted on a pro rata basis in relation to the period of service completed. If an Executive leaves as a Good Leaver, performance rights unvested remain on foot to vest in the normal course.
How is the STI settled?	70 per cent of STI is paid in cash and 30 per cent of STI awarded in performance rights which vest, subject to fulfillment of conditions, two years after award.
Have the arrangements changed from last year?	No.

2.5.4 Long term incentive (LTI)

Why does the Board consider an LTI plan to be appropriate?	The Board believes that an LTI plan can: / focus and motivate Executives to achieve longer term outperformance outcomes / ensure that business decisions and strategic planning take into account the Company's long term performance / be consistent with contemporary remuneration governance standards and guidelines / be consistent and competitive with current practices of comparable companies / create an immediate ownership mindset among the Executives, aligning them with shareholders by linking a substantial portion of their potential total reward to OZ Minerals' shareholder returns.
How is the award delivered?	The LTI is granted using performance rights under the OZ Minerals LTI Plan (detailed below). The performance rights have a three-year performance period. Post vesting they are subject to a two-year holding lock period.
Was a grant made in 2020?	A grant was made to all continuing participants in the LTI plan (Table 10, page 66), including the Managing Director and CEO. Using a face value approach, the number of performance rights granted to each Executive was calculated as their LTI dollar opportunity divided by the adjusted twenty-day volume weighted average price (VWAP) of OZ Minerals as at the start of the performance period of $10.52. The performance period for the 2020 LTI grant is 1 January 2020 to 31 December 2022.
What was the value of the 2020 grant for Executive KMP?	TABLE 3.4 – THE LTI GRANT TO EXECUTIVE KMP IN 2020

Executive KMP	2020 LTI grant as % of TFR	2020 LTI grant allocation value $	2020 LTI grant number of rights
Andrew Cole	150	1,350,000	128,287
Warrick Ranson	90	521,100	49,519
Mark Irwin	90	503,100	47,808

What are the performance conditions?

The two performance conditions, referred to as the vesting conditions are: (a) OZ Minerals meeting the LTI performance conditions; and (b) the Executive KMP meeting the service condition.

Performance conditions

The LTI plan performance conditions for 2020 are the same from 2019 and are as follows:

1. Total shareholder return (TSR)

Relative TSR is the primary LTI performance hurdle measured against a comparator group. The Board considers TSR to be an appropriate performance measure because it ensures that a proportion of each participant's remuneration is linked to Value Creation and that participants only receive a benefit where there is a corresponding direct benefit to our shareholders as reflected in the relative share price.

TSR reflects benefits received by shareholders through share price growth and dividend yield and it is the most widely used long term incentive measure in Australia. The Company employs an independent organisation to calculate the TSR ranking to ensure an objective assessment of the relative TSR comparison. Performance rights in respect to this hurdle will vest in accordance with the following table.

TABLE 3.5 – PERFORMANCE RIGHTS VESTING ACCORDING TO TOTAL SHAREHOLDER RETURN

TSR of OZ Minerals relative to TSRs of constituents of the nominated peer group	Proportion of performance rights that vest
Below 50th percentile	Nil
50th percentile	50%
Between 50th percentile and 75th percentile	Straight line vesting between 50% and 100%
75th percentile or above	100%

The TSR performance hurdle accounts for 70 per cent of the LTI award. Grants in 2018 and 2019 were subject to the same conditions set out in the table above.

2. All-In Sustaining Costs (AISC)

AISC is an industry accepted measure of the total operating cost of producing a unit of metal.

Comparative data will be sourced from CRU's global copper mine database. The annual AISC performance will be recalculated across the full three-year period (total three-year absolute costs divided by total three-year copper metal production). The comparison will be to the average published AISC benchmark across that same period.

Performance in relation to this hurdle will be measured over the three-year performance period and will vest in accordance with the following table.

TABLE 3.6 – PERFORMANCE RIGHTS VESTING ACCORDING TO ALL-IN SUSTAINING COSTS

TSR of OZ Minerals AISC over the performance period	Proportion of performance rights that vest
Above 50th percentile	Nil
50th percentile	50%
Between 50th percentile and 25th percentile (Lowest cost)	Straight line vesting between 50% and 100%
25th percentile or below	100%

The AISC hurdle accounts for 30 per cent of the LTI award. Prior to 2019, 30 per cent of the LTI award was subject to absolute share price growth over the performance period. Growth of 20 per cent or greater results in 100 per cent vesting. No rights vest at less than 20 per cent.

Service condition

In general, if executives cease employment as a 'good leaver' prior to vesting of their rights at the end of the performance period, a pro rata portion of their rights, having regard to the portion of the performance period that has elapsed, will continue on foot and be subject to their original terms as though they had not ceased employment. Any remaining rights will lapse immediately. Their shares still subject to a holding lock, will continue on foot and be subject to their original terms as though they had not ceased employment.

Why were the performance conditions chosen?

It is standard market practice to link individual Executive performance (including mandatory service periods) and Company performance to the vesting of performance rights. The conditions link Executives' retention and performance directly to rewards, but only where shareholder returns are realised. The focus on employee-held equity is also part of a deliberate policy to strengthen engagement and direct personal interest to achieve returns for shareholders.

What is the comparator group?

The comparator companies selected for the 2020 LTI plan are considered to be alternative investment vehicles for local and global investors. They are impacted by commodity prices and cyclical factors in a similar way to OZ Minerals. The Comparator group is reviewed annually for market changes.

TABLE 3.7 – 2020 LONG TERM INCENTIVE PLAN COMPARATOR COMPANIES

Comparator company	Exchange	ASX/ticker code
HudBay Minerals Inc.	TSX	HBM
KAZ Minerals Plc	LSE	KAZ
Lundin Mining Corporation	TSX	LUN
Sandfire Resources NL	ASX	SFR
Taseko Mines Limited	TSX	TKO
Independence Group	ASX	IGO
First Quantum Minerals	TSX	FM
Antofagasta Plc	LSE	ANTO
Freeport McMoran	NYSE	FCX
Central Asia Metals Plc	AIM	CAML
Jiangxi Copper Company	SHH	600362
KGHM Polska	WSE	KGH
Zijin Mining Group	SHH	601899
Ero Copper Corp	TOR	ERO
Boliden AB	STO	BOL

What happens to performance rights granted under the LTI plan when an Executive ceases employment?

If the Executive's employment is terminated for cause, all unvested performance rights will lapse unless the Board determines otherwise. In all other circumstances, unless the Board determines otherwise, a pro rata portion of the Executive's performance rights, calculated by reference to the portion of the performance period that has elapsed, will remain on foot. If and when these performance rights vest, shares will be allocated (or a cash equivalent amount will be paid) in accordance with OZ Minerals' Equity Incentive Plan Rules and any other conditions of grant.

What happens in the event of a change of control?

In the event of a takeover or change of control at OZ Minerals, the Board has the discretion to determine that the vesting of all or some of the performance rights should be accelerated. If a change of control occurs before the Board has exercised its discretion, a pro rata portion of the performance rights will vest, calculated on the portion of the relevant performance period that has elapsed up to the change of control. The Board retains discretion to determine if the remaining performance rights will vest or lapse.

Is there any ability for the Company to 'clawback' LTI awards?

In the event of fraud, dishonesty, gross misconduct or material misstatement of the financial statements, the Board may make a determination that could include the lapsing of unvested performance rights, the forfeiture of shares allocated on vesting of performance rights, and/or repayment of any cash payment or dividends to ensure that no unfair benefit was obtained.

The Board can also adjust awards granted under the STI or LTI plans in the event that there is a catastrophic safety, environmental, or other event, in which an adjustment is warranted.

Does the Company have a policy in relation to margin loans and hedging at risk remuneration?

Under the Company's Securities Trading requirements, all Executives, directors and officers are prohibited from entering into financing arrangements where the monies owed to the lender are secured against a mortgage over OZ Minerals' shares.

The Company's Securities Trading Policy also prohibits Executives and employees from entering into any hedging arrangement over unvested securities issued pursuant to any share scheme, performance rights plan or option plan.

Have the arrangements changed from last year?

No.

2.5.5 Minimum shareholding requirement

All Executives and certain senior management are expected to accumulate and hold a minimum level of vested shares in OZ Minerals over a reasonable period. Table 3.8 shows the extent of compliance.

TABLE 3.8 – MINIMUM SHAREHOLDING REQUIREMENTS FOR KMP IN 2020[a]

Executive KMP	Shareholding requirement (% TFR)	Shareholding (% TFR)[b]
Andrew Cole	100	1,328
Warrick Ranson	50	247
Mark Irwin	50	246

(a) Information at 31 December 2020 based on share price at that date. With expected levels of vesting of the deferred equity element of the STI and LTI, it is anticipated that all Executive KMP should meet their minimum shareholding requirement within the required timeframe.

(b) Includes shares owned and vested and exercisable performance rights and performance rights awarded where vesting is only contingent on a service condition being satisfied.

2.6 Remuneration consultants

The Board of Directors and the People & Remuneration Committee seek and consider advice from independent remuneration consultants to ensure that they have all of the relevant information at their disposal to determine Executive KMP remuneration. Remuneration consultant engagement is governed by internal protocols that set the parameters around the interaction between management and consultants to minimise the risk of any undue influence and ensure compliance with the *Corporations Act 2001*.

Protocols

Under the protocols adopted by the Board and the People & Remuneration Committee:

- remuneration consultants are engaged by and report directly to the Board or the People & Remuneration Committee
- the Committee must, in deciding whether to approve the engagement, have regard to any potential conflicts of interest including factors that may influence independence such as previous and future work performed by the Committee and any relationships that exist between any Executive KMP and the consultant
- communication between the remuneration consultants and Executive KMP is restricted to minimise the risk of undue influence on the remuneration consultant
- where the consultant is also engaged to perform work that does not involve the provision of a remuneration recommendation, prior approval of the Board or People & Remuneration Committee must be obtained in certain circumstances where the consultant continues to be engaged to provide remuneration recommendations.

The Board and the People & Remuneration Committee use remuneration consultants' advice and recommendations from time to time. The Board makes its decisions after it considers the issues and the advice from the People & Remuneration Committee and consultants.

During 2020, EY was engaged to undertake market benchmarking for the CEO's remuneration and Guerdon Associates to undertake the market benchmarking for the NEDs. Their analysis was considered by the People & Remuneration Committee and the Board in forming their views on remuneration matters. The work completed did not constitute a remuneration recommendation in accordance with the *Corporations Act 2001*. The fees for work conducted was respectively $10,000 and $26,542 (excluding GST).

3.0 COMPANY PERFORMANCE AND REMUNERATION OUTCOMES

3.1 Company performance

We present a summary of OZ Minerals' business performance as measured by a range of financial and other indicators.

TABLE 4 – COMPANY PERFORMANCE[a]

Measure	2020	2019	2018	2017	2016
Underlying EBITDA – $ million	606.3	462.4	540.4	539.4	373.8
Net profit after income tax – $ million	212.6	163.9	222.4	231.1	107.8
Net cash inflow from operating activities – $ million	550.4	510.6	449.6	342.9	324.1
Basic earnings per share – cents	65.2	50.7	71.5	77.4	35.7
Share price at end of year – $	18.9	10.6	8.8	9.2	7.9
Dividend per share – cents	23.0	23	23	20	20
Total Shareholder Return – %[b]	78.9	26.2	5.1	7.6	111.2
Relative Total Shareholder Return – Quartile[c]	Q1	Q1	Q1/Q2[f]	Q1	Q1
All-In Sustaining Cost – 'USc/lb'[d]	56.9	111.0	117.7	119.9	N/A[g]
All-In Sustaining Cost – Quartile[e]	Q1	Q1	Q1	Q1	N/A[g]

(a) Refer to the Financial Review section (page 36) in the Directors' Report for a commentary on the consolidated results, including underlying performance of the Consolidated Entity.

(b) Absolute TSR in the year.

(c) Quartile position TSR in relevant comparator group for the three-year performance period ending in that year.

(d) Absolute AISC in the year.

(e) Quartile position AISC in the year as determined by data sourced from CRU.

(f) Reflects the quartile position for 2015 LTI (Q1) and 2016 LTI (Q2) plans.

(g) AISC data was not tracked in 2016.

TABLE 5 – AT RISK REMUNERATION PERFORMANCE

Measure	2020 %	2019 %	2018 %	2017 %	2016 %
STI[a]	88.0	76.6	83.5	83.5	88.0
LTI[b]	100.0	100.0	94.2[c]	100.0	100.0

(a) % of available STI achieved based on Company scorecard results not individual KMP performance.
(b) % LTI plan vested.
(c) % reflects vesting of 2015 LTI (100%) and 2016 LTI (88.3%) plans.

3.2 Company performance and STI outcomes for 2020

The Board assessed the Company's performance in 2020 against the enterprise level KPIs and assessed performance at 4.2 out of 5. Key deliverables in 2020:

- 2020 production and costs achieved on guidance that was upgraded during the year – copper guidance met for a sixth successive year.
- Carrapateena ramp-up to 4.25 Mtpa completed within 12 months, ~6 months earlier than originally planned; Carrapateena Block Cave Expansion proceeding.
- Prominent Hill now sustaining annualised mining rates above 4 Mtpa.
- Strong growth pipeline advances with Prominent Hill Expansion Study Update and West Musgrave in the next study phase.
- Carajás East Hub progressing with Pedra Branca supplementing Antas ore supply.
- Further evolved OZ Minerals' way of working, *The OZWay*, our culture and embedding of stakeholder value creation.
- FY revenue of $1.3 billion with a closing net cash position of $32 million (unaudited) after growth investments.
- Annual Company TRIF of 5.29 compared with 6.27 in 2019.

TABLE 6 – 2020 SUMMARY COMPANY KPI PERFORMANCE

					Performance not achieved 0%	Threshold Performance 50%	Target Performance 70%		Maximum Performance 100%
Measure	**Weighting**	**Link to Strategy**	**Target KPI**	**Outcome**	**1**	**2**	**3**	**4**	**5**
Financial	40%	Lean & Innovative	EBITDA as per plan[a]	Exceeded					
			Metal volumes[b]	Exceeded					
		Investing Responsibly	Capital allocation	Exceeded					
Strategy & Growth	40%	Value Creation	Increase in total base case value[c]	Exceeded					
		Global Copper	Increase in total growth case value	Exceeded					
		Investing Responsibly	GHG reduction strategies	Exceeded					
		Devolved & Agile	Embed *The OZWay*	Exceeded					
Sustainability	20%	How We Work Together	Reduced TRIFR[d]	Exceeded					
			Improved cultural measures	Exceeded					
			Uplift in people and leadership development	Exceeded					
	100%	Company KPI Performance		**Exceeded**					

(a) EBITDA of $606 million exceeded the Plan EBITDA target, after flexing for commodity price and exchange, of $557 million (9 per cent above the target).
(b) Metal volumes: Prominent Hill achieved full year underground production of 3.9 Mt ore whilst reducing unit costs and Carrapateena achieved its full year production of 2.93 Mt with a strong ramp up performance to 4.25 Mtpa from initial production early in the year. We assess this on CuEq basis. The criteria was 'produce Plan volumes and achieve Carrapateena ramp up' – which we exceeded.
(c) Value creation in base and growth cases delivered across the business included: Prominent Hill commenced uplifting production from a 4 Mtpa Base Case to 4–5 Mtpa by 2022 through study for shaft haulage; Carrapateena has delivered an extremely strong, world-leading ramp-up and building long term value through expansion study which will expand production through a block cave to 12 Mtpa; Pedra Branca decline progressed and first ore processed; and West Musgrave uplifted project value with the acquisition of Cassini Resources and an update of its initial study results which saw an uplift in NPV to $1.0 billion. The market reflected the increase in value of the assets of the business through an increase in the share price over the year.
(d) The initial TRIF target of 5.50 improved 3.8 per cent, achieving a final TRIF of 5.29 on a rolling 12 month basis.

TABLE 7 – STI AWARD PERCENTAGE FOR EXECUTIVE KMP

In accordance with the procedure set out in Section 2.5.3, an assessment was undertaken of the performance of each of the eligible Executive KMP against their 2020 KPIs. Individual KPIs reflect strategic business objectives and deliverables in an individual's area of direct accountability and leadership of operational, financial, strategic and sustainability initiatives across their teams and the Company as a whole (Table 3.1, page 59 and Table 3.2, page 60).

Executive KMP	Company KPI performance[(a)] as per cent of maximum performance %	Individual KPI performance as per cent of maximum performance %	Overall performance outcome as per cent of maximum performance %
Current			
Andrew Cole	88.0	89.7	88.3
Warrick Ranson	88.0	88.0	88.0
Mark Irwin	88.0	86.5	87.3

(a) Andrew Cole's STI composition is 80 per cent Company and 20 per cent Individual. Remaining KMP are 50 per cent Company, 25 per cent Individual and 25 per cent HWWT.

TABLE 8 – STI PAYMENTS TO EXECUTIVE KMP IN 2020

Name	Payment $	Maximum potential value of payment[(a)] $	Per cent of maximum grant awarded %	Per cent of maximum grant forfeited %	Cash Payment (70%) $	Performance Rights granted (30%) $
Andrew Cole	1,192,050	1,350,000	88.3	11.7	834,435	357,615
Warrick Ranson	509,520	579,000	88.0	12.0	356,664	152,856
Mark Irwin	505,178	579,000	87.3	12.7	353,625	151,553

(a) The minimum potential value of the payments was nil. The maximum potential value of payment represents the achievement of stretch target.

TABLE 9 – 30 PER CENT STI AWARDS ON FOOT

	Year	STI $	Performance Rights[(a)]	Service period	Expiry date	Vesting outcome
Current						
Andrew Cole	2020	357,615	18,029	01/01/2020 – 31/12/2022	15/02/23	To be determined
	2019	266,437	25,327	01/01/2019 – 31/12/2021	15/02/22	To be determined
Warrick Ranson	2020	152,856	7,706	01/01/2020 – 31/12/2022	15/02/23	To be determined
	2019	136,447	12,970	01/01/2019 – 31/12/2021	15/02/22	To be determined
Mark Irwin	2020	151,553	7,641	01/01/2020 – 31/12/2022	15/02/23	To be determined
	2019	122,070	11,604	01/01/2019 – 31/12/2021	15/02/22	To be determined

(a) The number of rights were calculated by dividing 30 per cent of STI by $19.84 being the VWAP over the period 2 January to 30 January 2021.

3.3 LTI performance and outcomes

Performance rights granted under the OZ Minerals LTI Plan are granted for no consideration. Performance rights carry no dividend or voting rights. One ordinary share in the Company will be allocated on vesting of a performance right. The vesting conditions for grants before 2019 are the relative TSR performance consistent with the details in Table 3.5 and absolute share price growth of the Company over the relevant performance period as detailed beneath Table 3.6. For 2018 LTI the TSR was assessed independently at 92.3 per cent and absolute share price had an increase of 121.01 per cent, resulting in full vesting of the Plan. For grants from 2019 onwards the vesting conditions are the relative TSR and AISC performance. In general, if executives cease employment as a 'good leaver' prior to vesting of their rights at the end of the performance period, a pro rata portion of their rights, having regard to the portion of the performance period that has elapsed, will continue on foot and be subject to their original terms as though they had not ceased employment. Any remaining rights will lapse immediately. Their shares still subject to a holding lock, will continue on foot and be subject to their original terms as though they had not ceased employment. Details of the prior awards for relevant Executive KMP are set out in the Remuneration Report for the year in which they were granted.

Details of the performance rights held by Executive KMP that vested or lapsed during the year are set out in Table 17. Additional details are set out in Note 13 to the Financial Statements.

The LTI awards history are detailed below:

TABLE 10 – LTI AWARDS

	Grant date	Rights	Maximum value of grant[(a)] $	Weighted average fair value[(b)] $	Performance period	Expiry date[(d)]	Vesting outcome
Current							
Andrew Cole	17 April 2020	128,287	2,532,385	6.73	1/01/2020 – 31/12/2022	15/02/23	To be determined
	29 May 2019	138,270	1,595,636	6.92	1/01/2019 – 31/12/2021	15/02/22	To be determined
	24 April 2018	130,285	1,390,141	5.87	1/01/2018 – 31/12/2020	15/02/21	100% vested
	24 July 2017	135,446	1,353,106	4.29	1/01/2017 – 31/12/2019	15/02/20	100% vested
Warrick Ranson	24 February 2020	49,519	977,505	6.71	1/01/2020 – 31/12/2022	15/02/23	To be determined
	29 May 2019	55,145	636,373	6.92	1/01/2019 – 31/12/2021	15/02/22	To be determined
	13 March 2018	11,400(c)	121,638	8.81	1/01/2018 – 31/12/2019	15/02/20	100% vested
	6 February 2018	51,300	547,371	6.03	1/01/2018 – 31/12/2020	15/02/21	100% vested
Mark Irwin	24 February 2020	47,808	943,730	6.71	1/01/2020 – 31/12/2022	15/02/23	To be determined
	29 May 2019	53,193	613,847	6.92	1/01/2019 – 31/12/2021	15/02/22	To be determined
	13 March 2018	11,400[(c)]	121,638	8.81	1/01/2018 – 31/12/2019	15/02/20	100% vested
	6 February 2018	51,300	547,371	6.03	1/01/2018 – 31/12/2020	15/02/21	100% vested

(a) The minimum value of each grant is nil. The maximum value of grant is calculated by applying the highest price of OZ Minerals' shares during the year to the rights issued during the year.

(b) The weighted average fair values were calculated proportional to the fair value of each hurdle in the plan. In accordance with the requirements of applicable Accounting Standards, remuneration includes a proportion of the notional value of performance rights as compensation granted or outstanding during the year. The notional value of performance rights granted as compensation is determined as at the grant date and progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executives may in fact receive. The values were calculated by an external third party based on a Monte-Carlo simulation model.

(c) Performance rights granted under the 2018 alignment plan were a one off allocation for retention purposes.

(d) Expiry date does not consider holding lock periods.

4.0 EXECUTIVE KMP EMPLOYMENT ARRANGEMENTS

Remuneration arrangements for Executive KMP are formalised in executive service agreements. Each agreement provides for the payment of fixed remuneration, performance-related cash bonuses under the STI plan, other benefits, and participation in the Company's LTI plan.

TABLE 11 – EXECUTIVE KMP KEY PROVISIONS

Name	Term of contract	2020 TFR $	Notice period	Termination benefit
Current				
Andrew Cole	Permanent – ongoing until notice has been given by either party.	900,000	/ Twelve months' notice by the Company. / Six months' notice by Andrew Cole. / Company may elect to make payment in lieu of notice. / No notice period required for termination by Company for cause.	Twelve months fixed remuneration in the case of termination by the Company.
Warrick Ranson	Permanent – ongoing until notice has been given by either party.	579,000	/ Three months' notice by either party. Company may elect to make payment in lieu of notice. / No notice required for termination by Company for cause.	Nine months fixed remuneration in the case of termination by the Company.
Mark Irwin	Permanent – ongoing until notice has been given by either party.	579,000	/ Three months' notice by either party. Company may elect to make payment in lieu of notice. / No notice required for termination by Company for cause.	Nine months fixed remuneration in the case of termination by the Company.

5.0 Executive KMP remuneration

TABLE 12 – TOTAL REWARDS TO EXECUTIVE KMP

		Short term benefits				Long term benefits				
		Salary, fees and allowances $	Accrued annual leave[(a)] $	Super-annuation[(b)] $	Short term incentive (Cash Payment) $	Other long term benefits[(c)] $	Value of performance rights[(d)] $	Value of performance rights (STI deferred)[(e)] $	Total remuneration $	Performance related %
Current										
Andrew Cole	2020	878,652	16,674	21,348	834,435	40,369	892,270	208,017	2,858,417	67.7
Managing Director and CEO	2019	829,233	21,224	20,767	621,688	36,175	825,368	88,812	2,443,267	62.9
Warrick Ranson	2020	557,652	18,628	21,348	356,664	14,155	345,295	96,434	1,410,176	56.6
Chief Financial Officer	2019	544,233	41,799	20,767	318,378	9,339	289,250	45,482	1,269,248	51.5
Mark Irwin	2020	544,319	5,822	21,348	353,625	11,556	336,948	91,208	1,364,826	57.3
Chief Commercial Officer	2019	501,002	3,307	20,767	284,830	6,076	285,022	40,690	1,141,694	53.5

(a) Annual leave has been separately categorised and is measured on an accrual basis and reflects the movement in the accrual over the 12 month period. Any reduction in accrued annual leave reflects more leave taken/cashed out than that which accrued in the period.

(b) Represents direct contributions to superannuation funds. Amounts greater than the maximum superannuation level have been paid and included in cash salary.

(c) Represents the net accrual movement for Long Service Leave (LSL) over the 12 month period which will only be paid if Executive KMP meets the required service conditions.

(d) The fair values were calculated as at the grant dates. In accordance with the requirements of applicable Accounting Standards, remuneration includes a proportion of the notional value of equity rights compensation granted as LTI and STI or outstanding during the year. The notional value of equity rights granted as compensation which do not vest during the reporting period is determined as at the grant date and progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executives may in fact receive. The values were calculated by an external third party based on a Monte Carlo simulation model.

(e) The fair value of the deferred STI is recognised proportionally over the period the Executive is required to provide service.

6.0 NON-EXECUTIVE DIRECTOR REMUNERATION

6.1 Non-executive Director remuneration policy

NED remuneration is reviewed annually by the Board. NEDs receive a fixed remuneration consisting of a base fee and additional fees for committee roles.

Consistent with best practice, NEDs do not receive any form of equity incentive entitlement, bonuses, options, other incentive payments or retirement benefits. As approved at the OZ Minerals General Meeting on 18 July 2008, the maximum fees payable per annum are $2,700,000 in total.

TABLE 13 – DETAILS OF NED REMUNERATION WITH EFFECT FROM SEPTEMBER 2018

Fees	Chairman $ per annum	Member $ per annum
Board base fee	328,921	126,330
Audit	43,056	21,528
Sustainability	26,910	13,455
People & Remuneration	26,910	13,455

All Directors (including the Chairman) are entitled to superannuation contributions (or cash in lieu thereof) equal to 9.5 per cent calculated on base Board and Committee fees listed in Table 13, and are entitled to be reimbursed for travel and other expenses properly incurred by them in attending any meeting or otherwise in connection with the business or affairs of the Company, in accordance with the Company's constitution. The Chairman of the Board does not receive additional fees for being a member of any Board committee.

6.2 Total fees paid to NEDs

In 2020, NEDs received $1,119,758 (2019: 1,017,201) in total fees, compared to the maximum approved fees payable of $2,700,000.

TABLE 14 – TOTAL REMUNERATION PAID TO NEDS

		Board fees and cash benefits $	Committee $	Superannuation Fees[a] $	Total fixed remuneration $
Current					
Rebecca McGrath	2020	360,168	–	–	360,168
Chairman	2019	339,444	–	20,724	360,168
Charles Sartain	2020	126,330	48,438	16,603	191,371
Non-executive Director	2019	126,330	48,438	16,603	191,371
Peter Wasow	2020	129,330	57,853	13,027	200,210
Non-executive Director	2019	126,330	56,511	17,370	200,211
Richard Seville	2020	126,330	34,983	15,325	176,638
Non-executive Director	2019	21,054	5,830	2,554	29,438
Tonianne Dwyer	2020	126,330	48,438	16,603	191,371
Non-executive Director	2019	126,330	48,438	16,603	191,371
Total	2020	868,488	189,712	61,558	1,119,758
	2019[b]	739,488	159,217	73,854	972,559

(a) Represents direct contributions to superannuation funds based on quarterly contribution limits under Super Guarantee Charge regulations. Amounts greater than the maximum superannuation level have been paid and included in cash salary. Rebecca McGrath and Peter Wasow have Superannuation Guarantee Employer Shortfall Exemption Certificates in place to reduce their superannuation liabilities with OZ Minerals.

(b) Total for 2019 reflects only the remuneration of 2020 NED Board members only.

6.3 Minimum shareholding requirements NED

NEDs are required to accumulate and maintain a holding in OZ Minerals' shares that is equivalent to at least 100 per cent of the NED base fee (calculated on the purchase price of shares) within five years from the date of appointment as a director or appointment as Chair.

TABLE 15 – MINIMUM SHAREHOLDING REQUIREMENTS NED IN 2020[A]

NED	Current shareholding requirement % Annual Base Fees	Shareholding % Annual Fees[b]	Deadline
Rebecca McGrath	100	104	24/05/22
Charles Sartain	100	504	01/08/23
Peter Wasow	100	137	01/11/22
Richard Seville	100	74	31/10/24
Tonianne Dwyer	100	118	22/03/22

(a) Information at 31 December 2020.

(b) Calculated as amounts paid per share divided by the directors' annual fees.

7.0 EQUITY INSTRUMENT DISCLOSURE RELATING TO KMP

The movement in the number of shares held by each KMP during the year is set out below:

TABLE 16 – NEDs AND KMP SHAREHOLDINGS

	Balance at 1 January 2020 or date becoming KMP	Shares acquired on exercise of rights	Net other movements	Balance at 31 December 2020 or date ceasing to be KMP
Non-executive Directors				
Current				
Rebecca McGrath	42,835	–	9,457	52,292
Charles Sartain	70,000	–	10,000	80,000
Peter Wasow	14,000	–	6,000	20,000
Richard Seville	–	–	11,580	11,580
Tonianne Dwyer	15,000	–	4,900	19,900
Executive KMP				
Current				
Andrew Cole	342,100	135,446	–	477,546
Warrick Ranson	–	11,400	–	11,400
Mark Irwin	1,000	11,400	–	12,400
Total	484,935	158,246	41,937	685,118

TABLE 17 – KMP PERFORMANCE RIGHTS HOLDINGS

	Balance at 1 January 2020	Granted as remuneration[a] $	Value of rights granted[b] $	Vested	Exercised	Value of rights vested[c] $	Balance at 31 December 2020	Vested and exercisable[d]
Current								
Andrew Cole	404,001	153,606	1,033,768	130,285	135,466	2,429,197	422,161	130,285
Warrick Ranson	117,845	62,485	419,274	51,300	11,400	956,496	168,930	51,300
Mark Irwin	115,893	59,408	398,628	51,300	11,400	956,496	163,901	51,300
Total	637,739	275,499	1,851,670	232,885	158,246	4,342,189	745,992	232,885

(a) Does not included performance rights from the 2020 STI that will be granted. Table 9 contains details of rights granted subsequent to year end.

(b) The fair value of the performance rights granted to Mr Cole on 17 April 2020 was calculated on the grant date as $6.73 and to other KMP on 24 February 2020 was calculated $6.71. Subject to the achievement of relevant performance conditions, these rights would be expected to vest on 31 December 2022.

(c) Value of rights vested calculated as number of rights vested times VWAP over the period 2 December to 31 December 2020.

(d) Rights vested and exercisable are considered in the Balance at 31 December 2020. They represent rights which vested on 31 December 2020 for which shares are issued in early 2021.

8.0 OTHER TRANSACTIONS WITH EXECUTIVE KMP OR NEDS

There were no loans made to Executive KMP, NEDs or their related parties during the year. There were no other transactions between the Company and any Executive KMP, NED or their related parties other than those within the normal employee, customer or supplier relationship on terms no more favorable than arm's length.

SUSTAINABILITY REPORT

THEME

The sustainability section of this report is presented around the theme of Creating Value for our Stakeholders. Creating Value has long been at the centre of OZ Minerals' Strategy. However, this year we have developed a set of Stakeholder Value Creation Metrics to enable assessment of our performance. The Metrics provide transparency for our Stakeholders as to what we are measuring and how we are performing. They set the priorities and drive performance and behaviour within the Company.

FORMAT

We have been reporting on our sustainability performance since 2008. In 2016, we began publishing our sustainability performance in a combined Annual and Sustainability Report to demonstrate the interconnectivity and interdependency of sustainability with company performance. It also enables us to integrate, across the whole report, the concept of creating value for our Stakeholders – shareholders, communities, suppliers, governments, and employees – which is at the centre of our Strategy.

Examples of this in practice are embedded throughout the report to reflect the integration of sustainability into our Assets and corporate functions, which we do through *The OZWay*, a simple model that explains how all the parts of OZ Minerals fit together.

ORGANISATIONAL SCOPE AND BOUNDARY

We disclose sustainability data in accordance with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard. Supporting documents that form part of our sustainability disclosures are available on our website. We have also developed our 2020 Sustainability Report Navigator Tool (ozminerals.com/sustainability) to make specific information more accessible via our website.

Our 2020 Sustainability Report covers the performance of our Australian Assets: Prominent Hill, Carrapateena and West Musgrave and our Brazilian Assets in the Carajás Province. These are facilities over which OZ Minerals had or gained operational control[a] during the 2020 calendar year. Joint ventures which we do not operate are excluded.

STAKEHOLDER ALIGNMENT WITH SUSTAINABILITY PERFORMANCE ELEMENTS

As creating value for our Stakeholders is at the centre of our Strategy, our 2020 Sustainability Report shows how the elements of sustainability align with our Stakeholders. This year, we have also illustrated our alignment with select United Nations Sustainable Development Goals (SDGs) and discuss how our Company Strategic Aspirations align with specific SDGs.

ASSURANCE

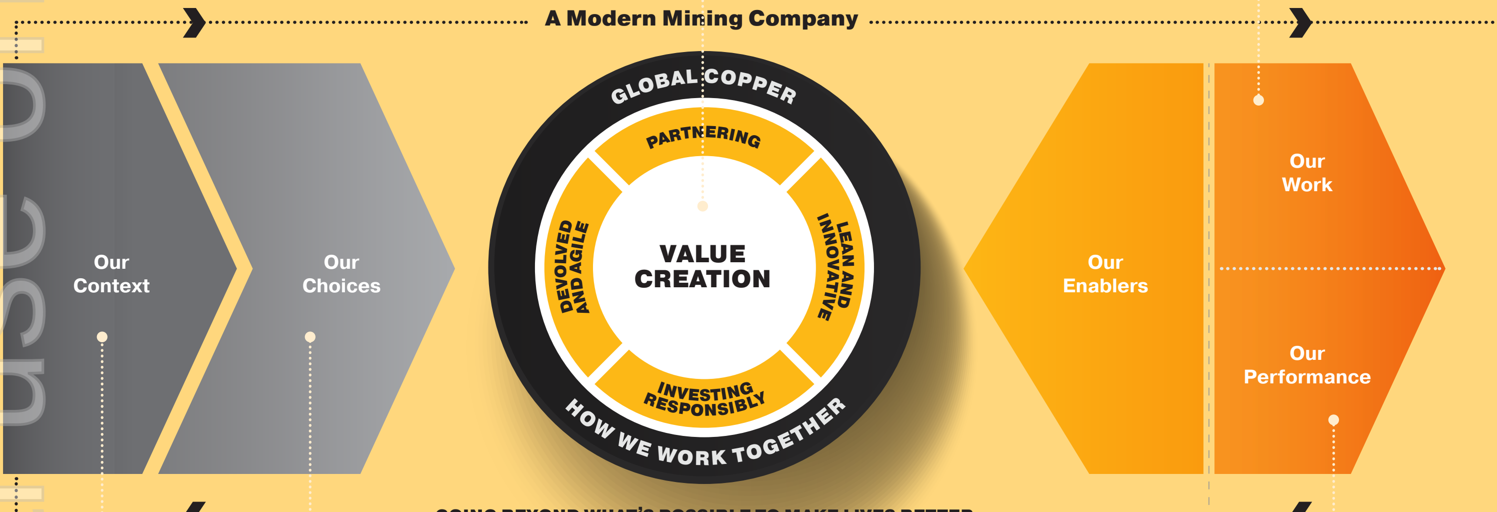
OZ Minerals engaged KPMG to undertake Reasonable Assurance over our energy and emissions data for our Australian assets and Limited Assurance over selected information in this report. The full details of the process, scope of assurance and outcome are detailed in KPMG's assurance statement on page 118-119.

(a) As defined by the Australian Clean Energy Regulator

STRATEGIC ENABLERS p. 98

CASE STUDIES p. 83-111

RISK p. 40



OUR CONTEXT
- Macro Environment
- Stakeholder Expectations
- Constitution
- Laws and Regulations

OUR CHOICES
- Strategy
- Risk Appetite
- Policies
- Code of Conduct

OUR ENABLERS
- Organisational Model
- Process Standards
- Specifications
- Performance Standards

DEVOLVED

OUR WORK
- Risks
- Business Plans
- Capability
- Goals

MATERIALITY p. 78

EXTERNAL STANDARDS p. 81

ASSURANCE p. 118-119

GOVERNANCE p. 24

SUSTAINABLE DEVELOPMENT GOALS p. 79

Strategic Aspirations mapped to Strategy

Identifying the opportunities to accelerate

Partnering
- Our business model empowers Assets to optimise for their local conditions.
- We deliver the activities along our value chain to enable our local Stakeholder aspirations for generations to come.
- We work closely with our Stakeholders to create mutual value by building each others' capability and capacity.

Global copper
- We responsibly produce clean value-adding products in partnership with our customers in a transparent manner.

Lean and innovative
- We strive to minimise water use and add value when we do.
- We will emit zero Scope 1 emissions and strive to systematically reduce Scope 2 and 3 emissions across our value chain.
- We consume and produce in a way that generates zero net waste and creates value for stakeholders.
- We use data and technology for tactical decision making, repetitive work and to improve safety, allowing our people to focus on complex and innovative thinking.
- Our simplified systems and processes are a competitive advantage.

Devolved and agile
- We work with the best talent and capability no matter where it resides, driving an outcome-based organisation.
- Our Assets are brought to full value early through a rapid approach to our project pipeline and provide optimal value for stakeholders.
- Our Assets are scalable and adaptive.
- We are a low bureaucracy organisation structured around the work to be done rather than traditional concepts of roles, to enable rapid decision-making free from traditional hierarchy.

How we work together
- We are a virtual organisation bound by our Purpose and Aspirations, not by geography or physical infrastructure.
- We challenge all assumptions about how and where work needs to be done and what's possible.
- We deliberately weave personal and professional growth into our everyday work, enabling people to do the best work of their lives.

Investing responsibly
- Our Partnering and diversified ownership models create shared responsibility across all Stakeholders.
- We attract investment due to how we operate, our strong financial returns and our top quartile shareholder returns.

Strategy

The Strategy, Business Plan and Policies and Standards which are reviewed and set on an annual basis.

Employee Value
Community Value
Government Value
Supplier Value
Shareholder Value

OUR PERFORMANCE
- Compliance
- Reporting
- Engagement
- Assurance

STAKEHOLDER VALUE CREATION METRICS
p. 77

Going beyond what's possible to make lives better

VALUE CREATION

Stakeholder	Metric	Measure
Shareholder	Share price and dividends	Grow share price: measured relative to peer group / sustainable dividend (TSR)
	Reserve growth	Grow OZL's Copper Reserves: measured relative to OZL's Reserve at the end of previous year
	All-In Sustaining Costs (AISC)	Bottom half of cost curve: measured relative to global copper producers
	Governance	Board effectiveness: Compliance with ASX's corporate governance principles and recommendations
Government	Employment by jurisdiction	Workforce – local / state / out of state / Land Connected and Indigenous Peoples
	Taxes and royalties	Income tax expense / royalties (total and jurisdictions)
	Capital investment	Capital investment
	Emissions and energy	Scope 1 & 2 emissions intensity (tCO_2-e per t Cu Eq) / Scope 1 & 2 absolute emissions / net energy intensity (per t Cu Eq) and renewable energy percentage
	Local content	Value spent with local suppliers through supply chains
Community	Community engagement	Number and average duration for resolution of concerns, complaints and grievances
	Cultural heritage	Unauthorised cultural heritage breaches / significant environmental and social incidents
	Social contribution	Quantity and case studies
	Partnering	Partnering case studies
	Human rights	*Modern Slavery Act* action plan Implementation and number of incidents
	Water	Water consumed (per t Cu Eq) / water withdrawal in areas of extreme water stress (%)
	Waste	Non-mineral waste produced (per t Cu Eq)
	Land and biodiversity	Area (ha) disturbed in high biodiversity conservation areas
Employee	Inclusion	Inclusion maturity upward trend
	Diversity	Diversity of thought and demographic
	Safety performance	Total Recordable Injury Frequency Rate (TRIFR) and zero fatalities
	Workforce engagement	Employee Survey Results above industry benchmark
Supplier	Net Promoter Score (NPS)	Net Promoter Score (NPS) survey
	On time payment	Proportion (number and value) of invoices paid on time within payment terms (7, 14, 30, 60 and >60 days of invoice date)
	Supplier Value by jurisdiction	OZ Minerals expenditure by number of suppliers and value spent with them by postcode

Shareholder Value
Government Value
Community Value
Employee Value
Supplier Value

A Modern Mining Company

Compliance

The Board and management review compliance with the Performance Standards throughout the year and Significant Incidents are reviewed by the Executive Leadership Team with material incidents elevated to the Board Sustainability Committee.

Our Performance

SAFETY PERFORMANCE
p. 82

SOCIAL PERFORMANCE
p. 96

ENVIRONMENTAL PERFORMANCE
p. 86

HEALTH AND WELLBEING PERFORMANCE
p. 106

Accountability

Operating Assets are accountable for delivering the sustainability elements. At a corporate level, we drive and monitor our approach and outcomes through Our Work.

MANAGING SUSTAINABILITY AT OZ MINERALS

The OZWay is a simple model that explains how all the parts of OZ Minerals fit together. The OZWay defines how Sustainability is managed within OZ Minerals global devolved model.

STAKEHOLDER VALUE CREATION METRICS

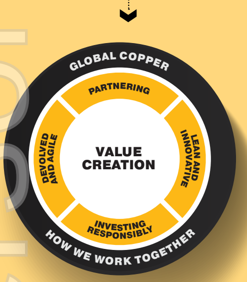
The Stakeholder Value Creation Metrics were developed during 2020. The Metrics provide the reader, including our Stakeholders, with transparency on how we are creating value for our five Stakeholder Groups – employees, community, shareholders, government and suppliers – and the progress we are making.

Stakeholder value creation is at the centre of our Strategy. Over the past two years, we have been embedding and systematising Stakeholder value creation into our governance processes so it is always part of how and what we do, and is not dependent on human drivers. For example, our Risk Specification impact table is structured around an assessment of the level of impact on each of our five Stakeholders.

In developing the Stakeholder Value Creation Metrics, we provide transparency on our performance, and they also form the basis of our Company goals; thereby driving performance and behaviour in support of Stakeholder value creation within the Company. An assessment of performance against the Metrics shows where we are performing well and where we have scope for improvement. Our performance should be considered over time and in the context of the accompanying commentary, which we will publish annually.

It is only when we are creating value for all our Stakeholders that we will have a successful company delivering against our sustainability strategy and achieving our Purpose, *'Going beyond what's possible to make lives better'*.

Going beyond what's possible to make lives better



Shareholder	Share price and dividends	Grow share price: measured relative to peer group / sustainable dividend (TSR)
	Reserve growth	Grow OZL's Copper Reserves: measured relative to OZL's Reserve at the end of previous year
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	Governance	Board effectiveness: Compliance with ASX's corporate governance principles and recommendations
Government	Employment by jurisdiction	Workforce – local / state / out of state / Land Connected and Indigenous Peoples
	Taxes and royalties	Income tax expense / royalties (total and jurisdictions)
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	Supplier Value by jurisdiction	OZ Minerals expenditure by number of suppliers and value spent with them by postcode

A Modern Mining Company

2020 PERFORMANCE RATING CRITERIA

- Positive Performance
- Positive progress
- Further focus required
- Not yet assessed

	Stakeholder Value Creation Metric	Performance criteria	Page no.
Share price and dividends	Grow share price: measured relative to peer group	Relative to peers over three year period	p. 61, 63, 66
	Sustainable dividend: measured relative to OZL's dividend track record	Relative to prior year dividend	p. 4, 6
Bottom half of cost curve	Measured relative to global copper producers	Relative to industry cost curve	p. 61, 63, 66
Reserve growth	Grow OZL's Copper reserves: measured relative to OZL's reserve at the end of previous year	Relative to prior year	p. 121
Governance	Compliance with ASX's corporate governance principles and recommendations	Relative to Stakeholder expectations and governance disclosures	p. 34
Employment by jurisdiction	Workforce – local / state / out of state / Land Connected and Indigenous Peoples	Relative to context and Stakeholder expectations	p. 104, 107
Tax and royalties	Income tax expense / royalties (total and Jurisdictions)	Relative to NPAT and Revenue	p. 104, 115
Capital Investment	Capital Investment	Relative to content spend and Stakeholder expectations	p. 38, 134
Emissions	Scope 1 & 2 emissions per tCO_2-e per t Cu Eq / Scope 1 & 2 absolute emissions	Relative to our Strategic Aspirations and TFCD Roadmap	p. 87, 112
Energy	Renewable energy percentage	Relative to our Strategic Aspirations and TFCD Roadmap	p. 87
	Net energy intensity per t Cu eq	Relative to our Strategic Aspirations and TFCD Roadmap	p. 87
Local content	Value spent with local suppliers through supply chains	Relative to context, spend and Stakeholder expectations	p. 104
Working with Stakeholders	Number and average duration for resolution of concerns, complaints and grievances	Relative to our Context and Stakeholder expectations	p. 97
	Partnering Case Studies	Relative to our Context and Stakeholder expectations	p. 98, 99
Community engagement	Social contribution (quantitative and qualitative)	Relative to our Context and Stakeholder expectations	p. 102
Human rights	Modern Slavery Act Roadmap implementation and Number of incidents	Relative to our Strategic Aspirations and Modern Slavery Roadmap	p. 101
Cultural heritage	Unauthorised cultural heritage breaches / significant environmental and social incidents	Relative to our Stakeholder expectations	p. 100
Water	Water consumed per t Cu Eq / water withdrawal in areas of extreme water stress (%)	Relative to our Context, Strategic Aspirations and Stakeholder Expectations	p. 91, 113
Waste	Non-mineral waste produced per t Cu Eq	Relative to our Context, Strategic Aspirations and Stakeholder Expectations	p. 92, 114
Land and biodiversity	Area (ha) disturbed in high value biodiversity areas	Relative to our Context, Strategic Aspirations and Stakeholder Expectations	p. 93, 114
Safety performance	Total Recordable Injury Frequency Rate (TRIFR)	Relative to our Strategic Aspirations and YOY Performance	p. 83, 112
	Zero fatalities	Annual Performance relative to zero	p. 84, 112
Workforce engagement	Employee Survey Results above industry benchmark	Relative to our Strategic Aspirations and Stakeholder expectations	p. 107
Inclusion	Inclusion maturity upward trend	Relative to Peers	p. 109
Diversity	Diversity of thought and demographic	Relative to Peers and our Strategic Aspirations	p. 109
Net Promoter Score (NPS)	Will conduct first survey in 2021	Relative to our Context and Stakeholder expectations	
On time payment	The proportion by number and value of invoices paid on time within payment terms	Relative to Stakeholder expectations and Compliance level	p. 102
Supplier Value by jurisdiction	OZ Minerals local, state, national, international and total spend	Relative to our Context and Stakeholder expectations	p. 102, 115

MATERIALITY ASSESSMENT

Our annual materiality assessment identifies the topics most important to our Stakeholders and our Performance. Outcomes of the materiality assessment allow us to better understand our context and inform the choices that drive delivery of our Strategy.

We assess the importance of sustainability topics using two criteria: importance to our Stakeholders and importance to our business in terms of growth, economic and social impact. Material topics are discussed in this report and in the risk section of the Annual Report (page 40). Further information on sustainability is available on the OZ Minerals website (ozminerals.com/sustainability).

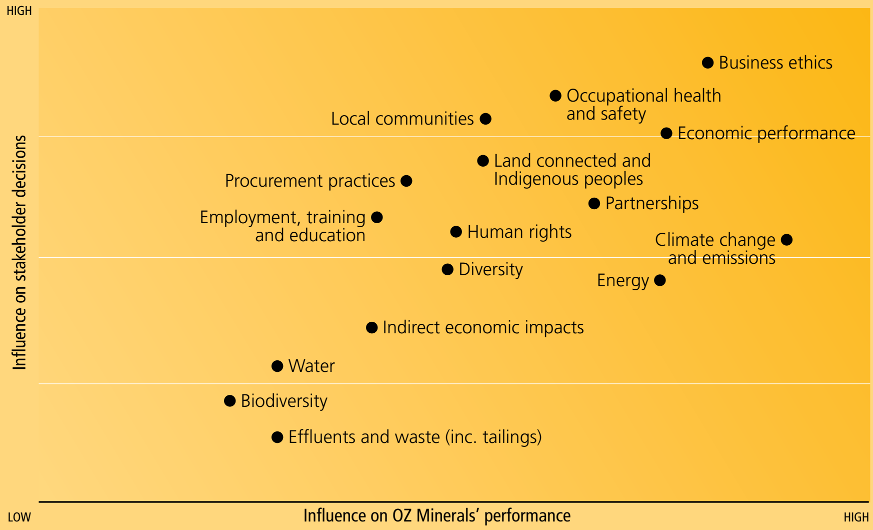
UNDERSTANDING OUR STAKEHOLDERS' INTERESTS: METHODOLOGY

We use a wide range of inputs to develop our assessment of what is material. These inputs include consultation with stakeholders, surveys of stakeholders, market intelligence, developments in operating jurisdictions, material Company risks, and internal reviews, including feedback from the Sustainability Committee.

This year, 113 responses to our stakeholder survey were received from Australia and Brazil and across all five Stakeholder groups. The survey asked respondents what level of value each material topic had on their decisions to invest, take a job or partner with us, as well as the impact of our performance across the topics on them. The results of the survey are supplemented with analysis of media reports featuring OZ Minerals, which include the material topics. The survey and media analyses are further supplemented by analysis of industry trends among the material topics, for which we use industry risk reports, peer sustainability reporting and broader internationally recognised risk and sustainability insights, including the World Economic Forum's Global Risk Report and the United Nations Sustainable Development Agenda.

In 2020, 16 material topics were identified from the above process to reflect the different operating contexts of our Assets as a global business. We recognise that some topics are related. However, to better understand materiality, we have intentionally separated some topics as individually material in our assessment. For example, energy, waste and water are linked to climate change which is discussed in detail from page 87 and cultural heritage, human rights and Land Connected and Indigenous Peoples are linked to our Social Performance (page 96).

OZ MINERALS 2020 MATERIALITY MATRIX



United Nations Sustainable Development Goals

The United Nations SDGs help us better understand the contexts in which we operate and where to focus our influence and impact based on our activities. As outlined in Table 1 below, we have identified a subset of the SDGs material to our Australian and Brazilian operations. At a company level, our Strategic Aspirations and Material Risks illustrate how OZ Minerals contributes to specific SDGs, consistent with delivering our Purpose of *'Going beyond what's possible to make lives better'*.

SUSTAINABLE DEVELOPMENT GOALS

TABLE 1 – SDGs OZ MINERALS CAN INFLUENCE

SDG	Material sustainability topics	OZ Minerals Material Risks	Our Strategic Aspirations
8 DECENT WORK AND ECONOMIC GROWTH	⁄ Economic performance ⁄ Local communities ⁄ Business ethics ⁄ Procurement practices ⁄ Indirect economic impacts ⁄ Employment, training and education ⁄ Occupational health and safety	⁄ Attract and retain key talent ⁄ Mental and physical health	⁄ We work with the best talent and capability no matter where it resides, driving an outcome-based organisation. ⁄ We are a low bureaucracy organisation structured around the work to be done rather than the traditional concepts of roles, to enable rapid decision-making free from hierarchy. ⁄ Our systems and processes are a competitive advantage. ⁄ We attract investment due to how we operate, our strong financial returns and our top quartile shareholder returns. ⁄ We deliberately weave personal and professional growth into our everyday work, enabling people to do the best work of their lives.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	⁄ Energy ⁄ Climate change and emissions ⁄ Local communities	⁄ Operational productivity	⁄ Our assets are brought to full value early through a rapid approach to our project pipeline and provide optimal value for Stakeholders. ⁄ Our Assets are scalable and adaptive. ⁄ We use data and technology for tactical decision making, repetitive work and to improve safety, allowing our people to focus on complex and innovative thinking. ⁄ We challenge all assumptions about how and where work needs to be done and what's possible. ⁄ We are a virtual organisation, bound by our Purpose and Aspirations, not by geography or physical infrastructure.
10 REDUCED INEQUALITIES	⁄ Land Connected and Indigenous Peoples ⁄ Local communities ⁄ Indirect economic impacts	⁄ Social Performance ⁄ Diversity & Inclusion ⁄ Attract & retain key talent ⁄ Mental & physical health	⁄ Our business model empowers Assets to optimise for their local conditions.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	⁄ Water ⁄ Biodiversity ⁄ Effluents and waste ⁄ Climate change and emissions ⁄ Land Connected and Indigenous Peoples	⁄ Water management ⁄ Closure & Rehabilitation ⁄ Tailings Storage Facilities	⁄ We deliver the activities along our value chain to enable our local Stakeholder aspirations for generations to come. ⁄ We responsibly produce clean value-adding products in partnership with our customers in a transparent manner. ⁄ We consume and produce in a way that generates zero net waste and creates value for Stakeholders.
13 CLIMATE ACTION	⁄ Climate change and emissions ⁄ Energy ⁄ Water ⁄ Effluents and waste	⁄ Climate change and emissions	⁄ We will emit zero scope 1 emissions and strive to systematically reduce Scope 2 and 3 emissions across our value chain. ⁄ We have a positive impact on water, striving to minimise water usage and add value with what we consume.
15 LIFE ON LAND	⁄ Biodiversity ⁄ Land Connected and Indigenous Peoples ⁄ Local communities ⁄ Effluents and waste	⁄ Biodiversity management ⁄ Cultural heritage sites ⁄ Land access	⁄ We work closely with our Stakeholders to create mutual value by building each other's capability and capacity. ⁄ Our partnering and diversified ownership models creates shared responsibility across Stakeholders.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	⁄ Business ethics ⁄ Occupational health and safety ⁄ Local communities ⁄ Land Connected and Indigenous Peoples ⁄ Diversity	⁄ Human rights, ethics and security	⁄ We work closely with our Stakeholders to create mutual value by building each other's capability and capacity. ⁄ Our systems and processes are a competitive advantage.
17 PARTNERSHIPS FOR THE GOALS	⁄ Partnerships ⁄ Local communities ⁄ Business ethics	⁄ Closure & Rehabilitation ⁄ Social performance ⁄ Operational productivity ⁄ Cultural heritage sites	⁄ We work closely with our Stakeholders to create mutual value by building each other's capability and capacity. ⁄ Our partnering and diversified ownership models creates shared responsibility across Stakeholders.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

How we engage with our Stakeholder groups informs our choices and how we create value. Every Stakeholder and context is unique, so we engage and interact in multiple ways as outlined in Table 2 below.

TABLE 2: OZ MINERALS STAKEHOLDER ENGAGEMENT

Stakeholder group	About the Stakeholder	How we engage
Shareholders		
Shareholders	Retail and institutional shareholders.	Annual General Meeting, strategy sessions, Annual and Sustainability Reports, Quarterly Reports and webcasts, website (where all releases and other information on OZ Minerals is maintained and regularly updated), investor meetings and conference presentations, and direct phone contact with investor relations, presentations at industry conferences, briefings and site visits, investor presentations.
Lenders and investment community	Lenders, mainstream brokers, financial analysts and fund managers, sustainability and ethical investment analysts, retail investment advisers, existing and potential shareholders, both domestically and internationally.	Annual General Meeting, Annual and Sustainability Reports, Quarterly Reports and webcasts, ASX releases, website, direct phone contact with investor relations, presentations at industry conferences, briefings and site visits, investor presentations.
Customers	Smelters, refiners and downstream copper product fabricators around the globe. With a key interest in product quality and a greater awareness of global labour issues, human rights and downstream product safety due to the nature of their business.	Regular formal and informal communication with marketing department employees. Personal visits by marketing department, executive management and process management employees. Site visits to customer plants and customer representatives encouraged to visit OZ Minerals' operations. Production of parcels as per customer specifications.
Governments		
Governments	Local, state and national regulators and government agencies	Regular, formal and informal communications with corporate and operational senior management and employees through site visits, meetings, events and reporting. OZ Minerals does not make political donations.
Communities		
Local community	Individuals and groups local to our operations, including landowners, traditional owners, development groups, local businesses, and councils.	Location-specific community relations personnel, community meetings, formal and informal communications, as well as social media.
Non-government organisations	Local, regional and international environmental, human rights, development, corporate social responsibility and sustainability organisations.	Liaise directly with corporate and operational management, environment and community relations departments on specific issues. Annual and Sustainability Reports and media releases.
Media	Print, radio, television and online platforms.	Dedicated media relations function. Regular engagement with business and regional media through teleconferences, regular one-on-one discussions, interviews, ASX releases, media releases and site visits.
Employees		
Employees	Employees in Australia are predominantly South Australian based, fly-in fly-out employees covered by collective bargaining agreements. Key topics for employees include occupational health and safety, employment, inclusion and diversity, training and education, and personal wellbeing.	Regular communication with employees through presentations and discussions, the intranet, internal social media, email alerts, hard copy newsletters, noticeboard items, regular live interactive broadcasts from the CEO and Brazil Chief Executive, regular electronic newsletter from the CEO. Refer to the safety, and health and wellbeing section for information about our safety programs.
Suppliers		
Suppliers	From local businesses to large international organisations	Regular meetings with commercial and operational employees.
Industry associations	Mining and metals industry	Representatives on boards and committees, engagement on specific projects. OZ Minerals is a member of the South Australian Chamber of Mines and Energy (SACOME) and Association of Mineral Exploration Companies (AMEC).
Other mining companies and academia	Other mining companies, mining regulators, industry associations, minerals industry academics, and industry alliances.	Papers and presentations given by executives at various industry-related conferences. Location-specific industry meetings, informal communication and working groups.

EXTERNAL RECOGNITION, VOLUNTARY COMMITMENTS AND EXTERNAL BENCHMARKING

MACQUARIE ESG RANKING

In November 2020, OZ Minerals was ranked in the second quintile (20-40) by Macquarie's ESG ratings of ASX100 Companies. The 2020 disclosures of 237 Australian-listed companies were assessed, representing 94 per cent of the ASX300 b y market capitalisation.

GLOBAL REPORTING INITIATIVE

GRI is an independent international organisation which has established the leading international framework and standards for sustainability reporting. OZ Minerals prepared the Sustainability section of the 2020 Annual and Sustainability Report in accordance with the GRI Standards Core and voluntary disclosures.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

The Sustainability Accounting Standards Board (SASB) is an independent 501(c)(3) non-profit organization. SASB's mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. See the navigator tool on our website for performance against SASB.

AUSTRALIAN COUNCIL OF SUPERANNUATION INVESTORS (ACSI)

OZ Minerals 2019 ESG Disclosures were assessed as 'Detailed' by the Australian Council of Superannuation Investors.

MEMBER OF THE INTERNATIONAL COPPER ASSOCIATION AUSTRALIA

OZ Minerals is a member of the International Copper Association Australia, the peak body for the copper industry in Australia whose core work is sustainable development. The benefits of copper range widely; from renewable energy and energy access to climate-change mitigation and adaptation. Many global trends driving the sustainable-development agenda rely on copper and its unique properties.

WORK180 ENDORSED EMPLOYER

OZ Minerals is a Work180 Endorsed Employer. WORK180 Endorsed Employers are recognised globally as organisations that are diverse, inclusive and support women in the workplace.

2020 SOUTH AUSTRALIAN DEPARTMENT OF MINING AND ENERGY AWARDS FOR EXCEPTIONAL PERFORMANCE

Winner Resources Sector Industry and Collaboration Award for 'The Hybrid Energy Plant: A South Australian Test Site For Innovative Mining And Energy Collaboration'

Winner Energy and Resources Community Award: with the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation for 'Tjunguringanyi Working Together'

Commendation Inclusion & Wellbeing Award: Beyond COVID-19: Accelerating Inclusive Cultures

Young Achiever – Joint Winner: Jane Brunton

SUPPORTING DOCUMENTS:

2020 SUSTAINABILITY REPORT NAVIGATOR TOOL
ozminerals.com/sustainability

SAFETY PERFORMANCE

High standards of leadership in the area of Safety for all Stakeholders.

Our target is to achieve an injury and occupational disease-free workplace by ensuring hazards are identified and managed at source.

We understand mining activities can impact people's safety. As leaders, we actively care for everybody involved in our operations and supporting services. We're committed to identifying, evaluating and managing all the associated threats for actual and potential adverse impacts as far as is reasonably practicable.

We combine safety leadership with our governance framework, including the safety category of our Global Performance Standard which enable us to effectively manage material sustainability risks that are common across OZ Minerals. They set out for our workforce our minimum mandatory control requirements.

SUPPORTING DOCUMENTS:

STAKEHOLDER VALUE CREATION POLICY
ozminerals.com/uploads/docs/191024_OZL_Value_Creation_Policies.pdf

GLOBAL PERFORMANCE STANDARDS
ozminerals.com/uploads/docs/OZ_Minerals_Global_Performance_Standards.pdf

PERFORMANCE DATA SAFETY DATA TABLE
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2020 SUSTAINABILITY REPORT NAVIGATOR TOOL
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OUR CHOICES:

Strategic Aspirations

- Our Assets are scalable and adaptive.
- We are a low bureaucracy organisation structured around the work to be done rather than traditional concepts of roles, to enable rapid decision-making free from traditional hierarchy.
- We use data and technology for tactical decision making, repetitive work and to improve safety, allowing our people to focus on complex and innovative thinking.

Material Topics

- Occupational Health and Safety, p. 83, 84
- Employment, training and education, p. 85
- Effluents and waste (including Tailings), p. 92

Our Performance: Stakeholder Value Creation Metrics

- Total Recordable Injury Frequency Rate (TRIFR), p. 83
- Zero fatalities, p. 84

Case Studies:

- Insights Hub, p. 83
- Prominent Hill Underground Mining Services Alliance, p. 84
- Crisis Management Team (CRT), p. 85
- Pedra Branca Underground Mine Development, p. 85

SAFETY CULTURE AND LEADERSHIP

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SAFETY ASSURANCE
p. 118

*2019 Safety Reporting Data did not include Brazil data.

Stakeholder Value Creation Metric: Total Recordable Injury Frequency Rate (TRIFR)

In 2020, the TRIFR rate of 5.29 per million hours worked represented an improvement of 30 per cent from the previous year's TRIFR of 7.52.*

We have set a TRIFR target of 4.90 (including Brazil) for 2021.

All safety incidents are thoroughly investigated, we share what we have learned, and we implement corrective actions. Safety data is collected for the entire workforce (employees, contractors, visitors working on our sites) and weekly reports are made to management, including the Managing Director and Chief Executive Officer, through our real time Insights Hub. Our performance is monitored by our Executive Leadership Team. We conduct annual internal audits against select company processes and standards, and external assurance as part of the annual Sustainability Reporting process. The number of recordable workplace injuries in many of our departments has reduced as a result of active engagement from our senior leadership, and activities focused on identifying and eliminating the causes of incidents. The outcomes of investigations into significant incidents and incident trends are comprehensively reviewed by the Board's Sustainability Committee to confirm that we learn from incidents, that there is a focus on compliance with approved processes, and that we implement additional controls where necessary.

Safety statistics are calculated per one million working hours and inclusive of our Prominent Hill and Carrapateena mines in Australia, our Antas and Pedra Branca Brazilian operations, as well as facilities under OZ Minerals' operational control, including the West Musgrave Project, exploration sites and our corporate offices.

We continually monitor key indicators to track workplace incidents and injuries. Our governance framework includes the Learning Through Incidents Process Standard, which sets out the process for identifying, elevating and reporting incidents, including safety-related incidents. The Risk Management Process Standard, and its supporting Specification, is a critical Process Standard. Its five Stakeholder Pillars (shareholders, communities, suppliers, governments, and employees) Risk Specification Table supports the Learning Through Incidents Process Standard. Incidents and near misses are internally rated against potential or actual consequence and likelihood and assessed for their impact on our Stakeholders. This helps us identify significant incidents that warrant in-depth review and analysis. All actual and potential significant safety incidents are thoroughly investigated using the Incident–Cause–Analysis Method (ICAM). Significant incidents are those deemed to have a high potential or actual serious consequence for our Stakeholders and include all recordable incidents and disabling injuries.

2020 Safety Assurance Process update

To reflect our *Employee Value Creation policy*, OZ Minerals' TRIF reporting methodology was updated in August 2020 to include, where an incident is required to be reported, the associated work hours (Exposure Hours) in the TRIF rate calculation. All data reported from 1 January 2020 was retrospectively adjusted to align with the updated methodology. Incidents and Exposure Hours associated with remote work in line with the Company's move to more flexible work (i.e. working from home) and OZ Minerals-controlled business travel are now both included in the TRIF rate calculation.

Case Study: Insights Hub

An OZ Minerals Strategic Aspiration is that *We use data and technology for tactical decision making, repetitive work and to improve safety, allowing our people to focus on complex and innovative thinking*. To inform our safety choices and proactively identify material trends in 2020, OZ Minerals developed an 'Insights Hub' that brings key datasets from all assets into a single platform to help us optimise data-based decision making. These data have the ability to provide rigorous scenario analysis to inform data-driven decisions for all elements of our Assets.

CONTRACTOR MANAGEMENT

Stakeholder Value Creation Metric: Zero fatalities

In 2020 there were no fatalities within our direct and contractor workforces.

Our projects are delivered in collaboration with contractors and suppliers, as we rely in part on their capabilities in the management of our operations. All contract partners must meet OZ Minerals' Global Performance Standards and our Global Process Standards define the requirements and practices for working with contractors and suppliers. Major contractors are contractually obliged to comply with our Code of Conduct, relevant Value Creation Policies, standards and local level agreements. Contractors must respect our HWWT Principles and exhibit behaviour that ensures workforce safety. All contractors are subject to a pre-qualification process and are comprehensively evaluated against criteria including safety, health, environment and community aspects as well as risk management, internal auditing processes and employee management. Minimum criteria (safety, social and environment) and performance criteria (including operating performance and site management) are developed and applied to our contracts.

Case Study: Prominent Hill Underground Mining Services Contract

In 2020, the Prominent Hill Underground Mining Services Contract was awarded to Byrnecut Mining Services under an alliance contract model. A partnering approach was taken to inform the development and co-management of the Alliance. The Alliance model provides a platform and process for value creation, by structuring collaboration between the project teams to deliver alignment on measurement, and to set the priorities to drive performance and the behaviors within the Asset to optimise safety, production, environment and social performance.

SAFETY PROGRAMS

We are committed to protecting the safety of our employees, suppliers and communities. We actively collaborate with all Stakeholders to prevent work-related injuries, incidents and illnesses. In 2020, in response to our changing context due to COVID-19, and flexible work, we introduced a number of initiatives to mature our safety culture with a focus on safety and wellbeing programs. Leadership plays an important part in our safety culture through demonstrating and promoting safety in our workplaces. All our employees and the employees of our contract partners are empowered to cease operations if necessary, to ensure the safety of the workforce.
We are committed to preventing work-related injuries and illnesses. Our key safety programs, such as the critical risk assurance program, are underpinned by internal auditing of compliance against our Global Performance Standards and identifying opportunities for continuous improvement through our risk management Process Standard that is centred around impacts on our Stakeholders.

Effective safety management means we:

- take a risk-based approach to decision making based on impacts to OZ Minerals and our Stakeholders
- provide a safe working environment with supportive processes and systems
- empower our workforce to raise safety issues before there is potential for an incident
- thoroughly investigate incidents when they occur
- implement controls to reduce the likelihood of recurring incidents using sound risk management practices.

TRAINING AND EMERGENCY PREPAREDNESS

We continuously explore and adopt methods to ensure we grow the capability of our leaders and employees. Our Crisis Management Plan outlines the roles, responsibilities and processes that our corporate Crisis Management Team (CMT) would follow during a crisis event. We define a crisis as an event that seriously threatens people, operations, assets, the environment or our long term prospects and reputation. Our Assets have specific emergency management plans that outline the response in the event of an onsite emergency. We conduct scenario training with the operating Assets' management teams and the corporate CMT. We hold regular emergency exercises, both desktop and practical, to test our emergency preparedness.

Case Study: Crisis Management Team

At the onset of the COVID-19 pandemic, OZ Minerals activated our CMT in accordance with our Crisis Management Plan. The CMT is chaired by the CEO and includes representatives from operations, legal, commercial, safety, environment, community, communications and government relations. The CMT met multiple times per week over the course of the pandemic to evaluate the public health risk and coordinate our response in line with government restrictions in Australia and Brazil. Our sites quickly reduced onsite workforce to critical roles only, minimising the movement of people to and from the sites and within the community. Each site established disease transmission prevention protocols including travel pre-approvals, health screening, physical distancing, single-serve food, and onsite testing capabilities to minimise the risk to those remaining on site.

Case Study: Pedra Branca Underground Mine Development

The Pedra Branca mine under construction is one of the only underground mines in the Carajás region of northern Brazil. In 2020, new Refuge Chamber Technology was installed that contains the ability to monitor occupants within the chamber closely during an emergency on site. When activated, the cameras send a live, recorded stream of both the interior and exterior of the refuge chamber.

ENVIRONMENTAL PERFORMANCE

Minimising our impact and caring for the natural environment.

We understand that how we manage our impact on the natural environment can directly, indirectly, or cumulatively impact our Stakeholders, in particular the values and livelihoods of our host communities and Land Connected and Indigenous Peoples. In 2020, we increased our focus on climate change and emissions, with significant progress made on implementing the Task Force on Climate-related Financial Disclosures (TCFD) framework. We have also increased our efforts regarding management of tailings storage facilities, in line with developments in industry standards and Stakeholder expectations. Reducing our emissions, water usage and waste generation to optimise our assets and reduce our impacts on Stakeholders are key areas for OZ Minerals that are supported by our Strategic Aspirations.

SUPPORTING DOCUMENTS:

PERFORMANCE STANDARDS
ozminerals.com/uploads/docs/OZ_Minerals_Global_Performance_Standards.pdf

2020 SUSTAINABILITY REPORT NAVIGATOR TOOL
ozminerals.com/sustainability

ENVIRONMENTAL ASSURANCE
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ENVIRONMENTAL PERFORMANCE DATA TABLE
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OUR CHOICES:

Strategic Aspirations

- We strive to minimise water use and add value when we do.
- We will emit zero Scope 1 emissions and strive to systemically reduce Scope 2 and 3 emissions across our value chain.
- We consume and produce in a way that generates zero net waste and creates value for Stakeholders.

Material Topics

- Tailings Storage Facilities (TSF), p. 92
- Climate change and emissions, p. 87-88
- Water, p. 91
- Biodiversity, p. 93

Our Performance: Stakeholder Value Creation Metrics

- Scope 1 & 2 emissions intensity (tCO_2-e per t Cu Eq), p. 87
- Scope 1 & 2 absolute emissions, p. 87
- Net energy intensity (per t Cu Eq), p. 87
- Water consumed (per t Cu Eq) / water withdrawal in areas of extreme water stress (%), p. 92
- Non-mineral waste produced (per t Cu Eq), p. 92
- Area (ha) disturbed in high biodiversity conservation areas, p. 93
- Renewable energy percentage, p. 87

Case Studies:

- Capture the Spark, p. 17
- Australia's first battery powered vehicle for underground explosive charging, p. 90

CLIMATE CHANGE, ENERGY USE AND GREENHOUSE GAS EMISSIONS

PROGRESS AGAINST OUR TCFD ACTION PLAN

Stakeholder Value Creation Metric: Scope 1 & 2 absolute emissions

There was a slight decrease in Scope 1 emissions (~1,800 tCO_2-e) at our Australian assets and a small increase in Scope 2 emissions (~11,500 tCO_2-e). Our overall Scope 1 and 2 emissions footprint is higher in 2020 as we have included emissions from our Brazilian assets for the first time.

Overview

We are a copper-core modern mining company providing a metal that is central to the transition to a low carbon economy. Where practicable, we use underground mining methods at our Assets which are currently less emissions intensive than open pit operations and provide a wider range of opportunities for emissions reduction. We seek to conduct our activities socially, ethically and in an environmentally responsible manner. Our operating assets in South Australia are connected to a grid that is forecast to reach 100 per cent net renewable energy by 2030 (currently circa 56 per cent). Electricity used by our Brazilian Assets is already over 80 per cent renewable. Our West Musgrave Project maintains an ongoing commitment to an off-grid renewable power solution with a future focus on developing a roadmap to 100 per cent renewable electricity generation and reducing dependency on fossil fuels.

In 2020, we continued our focus on incorporating climate change opportunities and threats into our Strategy and business planning. We released 18 Strategic Aspirations which include emitting zero Scope 1 emissions and systematically reducing Scope 2 and 3 emissions. These Strategic Aspirations are supported by our Acceleration Priorities. In this year's Annual and Sustainability Report, we released our Stakeholder Value Creation Metrics – which include energy and emissions – to illustrate our performance against our Strategy.

We continued to deliver against our TCFD Action Plan, building on commitments made in 2019 to implement the framework. As outlined in the Action Plan, implementing the TCFD framework is a multi-year process. The following sections outline our progress against the TCFD categories in 2020.

Stakeholder Value Creation Metric: Net energy intensity (per t Cu Eq)

Energy intensity is similar across our assets, ranging from 16 to 18 GJ per t Cu Eq. Our overall group energy intensity is 16.8 GJ per t Cu Eq.

Stakeholder Value Creation Metric: Scope 1 & 2 emissions intensity

Combined Scope 1 and 2 emissions intensity is fairly consistent across our assets, ranging from 1.4 tCO_2-e per t Cu Eq to 1.7 tCO_2-e per t Cu Eq.

Stakeholder Value Creation Metric: Renewable energy percentage

Our Assets are in jurisdictions with high renewable penetration, particularly in Brazil where over 80 per cent of grid electricity is renewable. Our South Australian assets operate on 57 per cent renewable energy.

TCFD disclosures

Governance

The Board Sustainability Committee, which met quarterly in 2020, maintains oversight of material sustainability risks (both opportunities and threats), including climate change. The Committee also supports the Board by maintaining oversight of strategy, governance and compliance relating to sustainability matters. In addition, the Committee monitors trends and developments in legislation and regulation (refer to Governance Section of the Annual and Sustainability Report, page 26).

Management implements OZ Minerals' Governance structure and Risk Management Framework, which encompasses opportunities and threats associated with climate change. To further support management's role in assessing and managing climate-related risks, a 'deep dive' was undertaken in 2020 with the Executive Leadership Team, led by the Group Manager Government Relations & Climate. The deep dive was designed to build understanding of physical and transition risks, and the context in which these are managed for OZ Minerals' global business. Senior management also participated in a series of dedicated asset and project climate-related opportunity and threat workshops (see Strategy and Risk Management below).

Strategy

The global energy system is shifting as the world decarbonises. Copper is an essential enabler of this transition as a core component of electric mobility and renewable energy, as well as the networks which connect them. As a modern mining company with a copper focus, we provide this critical element of the low carbon transition. Our Stakeholders are increasingly focused on sustainable production of copper and we are well placed to continue to meet these expectations.

In 2020, OZ Minerals released our Strategic Aspirations and Acceleration Priorities. Climate change issues served as a key input in this process, resulting in our Aspirations *to emit zero scope 1 emissions and strive to systematically reduce scope 2 and 3 emissions across our value chain, strive to minimise water use and adding value when we do and consume and produce in a way that generates zero net waste and creates value for Stakeholders*. These Aspirations are supported by Acceleration Priorities including reducing high-emissions energy use and baselining our Scope 3 emissions.

CLIMATE-RELATED OPPORTUNITIES AND THREATS

As outlined in the Risk Management section of our TCFD disclosures, dedicated workshops were conducted with our Australian assets and projects to assess climate-related opportunities and threats in line with OZ Minerals' Risk Management Framework. Assets and projects have developed specific controls and actions to progress the opportunities and manage the threats to suit their context, in line with the devolved operating model and Risk Management Framework.

SCENARIO ANALYSIS

In 2020, we began scenario analysis with our Australian Assets, Prominent Hill and Carrapateena, to conduct assessments of physical climate-related risks. Assessments were based on a high-warming climate change scenario consistent with ~4°C above pre-industrial levels by 2100, with a ~2°C warming scenario used to test sensitivity.

Specifically, climate change scenarios were developed using several inputs:

- Intergovernmental Panel on Climate Change (IPCC) Assessment Report 5 (AR5) Representative Concentration Pathways (RCPs) as a basis. In particular RCP 8.5 and RCP 4.5.
- The CSIRO's Australian Climate Futures tool was used to project changes in climate variables (e.g. temperature, rainfall, extreme rainfall, solar radiation, etc.) at a scale relevant to OZ Minerals' Australian assets.
- The results of the Climate Futures Tool were further supplemented with projections from the SA Climate Ready project, which provides dynamically downscaled climate projections for South Australia across six regions. Projections for the SA Arid Lands and Alinytjara Wilurara and Northern and Yorke regions are relevant to OZ Minerals.

Given the limited divergence between climate change scenarios over the next 10–20 years, timeframes were not limited to current life of mine, but more appropriately reflective of life of province.

OPPORTUNITIES – REDUCING GREENHOUSE GAS EMISSIONS (TRANSITION)

Opportunities to reduce GHG emissions identified by OZ Minerals' Assets and Projects included:

- examining options to increasingly electrify vehicle fleet over time, particularly diesel-powered haulage (Scope 1)
- engaging with logistics partners to reduce transport emissions (Scope 3)
- Considering shifting demand peaks for energy-intensive plant and equipment to times of high renewable penetration (Scope 2)
- implementing new and different processing techniques to reduce mill energy consumption
- implementing Ventilation-On-Demand projects which reduce energy consumption from underground ventilation systems (Scope 2)
- considering greater renewable energy procurement (Scope 2)
- evaluating onsite renewable energy options, particularly for site villages (Scope 2)
- improving data collection processes and analytics to monitor and identify opportunities for improvement.

THREATS – IMPACTS OF CLIMATE CHANGE (PHYSICAL)

Scenario analysis revealed extreme summer temperatures and intense-rainfall events to be the key potential climate-related physical impacts for Prominent Hill and Carrapateena. These impacts are managed as components of broader extreme weather threats by our Assets which maintain a suite of controls to reduce the impact. The threat of extreme weather was rated as Material for the Company according to the Risk Management Specification. Consistent with our risk management processes, re-assessments are undertaken on a regular basis to capture changes in operations and climate over time.

The potential impacts and mitigating controls for extreme heat and intense rainfall events include:

Extreme heat

- Potential impacts: Employee safety (heat exposure), plant and equipment operation, power supply reliability, potential flight payload restrictions.
- Mitigating controls: Working in thermal conditions health and safety protocols, increased cooling capacity for underground ventilation, Trigger-Action-Response-Plans (TARPs) and design specifications and standards to include predicted temperature increases.

Intense rainfall events

- Potential impacts: Site access for supplies and shipment of product, direct impacts to infrastructure and operations, increased infrastructure maintenance requirements.
- Mitigating controls: Reviewing road design specifications and maintenance arrangements to consider future extreme rainfall predictions, review of site drainage infrastructure, review supply chain inventory management considering potential for disruptions, consideration of potential extreme rainfall events in TARPs.

Risk Management

Climate change has been identified as a strategic risk (both opportunities and threats) by OZ Minerals since 2017. In 2020, a series of dedicated workshops with operational personnel and senior management were conducted with OZ Minerals Australian Assets and projects to Assess climate-related opportunities and threats in line with OZ Minerals' Risk Management Specification. In 2021, this work will be undertaken across all OZ Minerals' Assets and projects.

Risk assessment workshops provided a platform to build understanding of climate-related risk in the context of the individual Assets. Threat workshops utilised scenario analysis based on IPCC AR5 (refer to Strategy section of our TCFD disclosures), while opportunity workshops focused on identifying greenhouse gas reduction initiatives to support OZ Minerals' Strategic Aspirations.

Consistent with OZ Minerals' Risk Management Specification, climate-related risks (opportunities and threats) are captured in Asset and project risk registers. Controls and actions are captured against each risk, with regular review of progress. Risks are also reviewed regularly.

As part of a review of OZ Minerals' suite of Global Performance Standards in 2020, several Environment Performance Standards were updated to include considerations relating to assessment and management of climate-related threats and opportunities. Our Global Performance Standards enable us to effectively manage the material threats and opportunities that are common across OZ Minerals. The Standards apply to our employees, directors, officers, contractors, consultants, and any other party when undertaking work for or on behalf of OZ Minerals.

Metrics and Targets

In 2020, we released our Stakeholder Value Creation Metrics which illustrate how we create value for our Stakeholders in line with our Strategy, building on our existing disclosures. We established a broader suite of metrics on which our Assets report monthly, including metrics associated with climate-related issues. These metrics complement our Strategic Aspirations and Acceleration Priorities released in 2020. As outlined in the Strategy section of our TCFD disclosures, our Strategic Aspirations and Priorities include emitting zero Scope 1 emissions, striving to systematically reduce Scope 2 and 3 emissions across our value chain, minimising water use and consuming and producing in a way that generates zero net waste.

OUR TCFD ACTION PLAN

TCFD category and recommended disclosures	2020 commitments Enhancing our approach	2020 actions	2021 actions Defining our performance	>2022 Maturing our approach
Governance				
a) Board's oversight of climate-related risks and opportunities b) Management's role in assessing and managing climate-related risks and opportunities	⁄ Further build capability across business to implement TCFD via *The OZWay* ⁄ Gap analysis of climate risk management into governance practices (Policies, Global Performance and Process Standards)	⁄ Climate opportunity and threat workshops with Assets/Projects, SME input on risk assessments, Scope 3 Framework developed ⁄ Global Performance Standards reviewed and updated to include aspects of climate risk	⁄ Bi-annual review of climate-related control actions ⁄ Continue to build employee capability regarding climate-related risk ⁄ Further build internal capability, including Scope 3 emissions	⁄ Review governance approach to climate-related threats and opportunities ⁄ Review climate-related roles and responsibilities
Strategy				
a) Climate-related opportunities and threats the organisation has identified over short, medium, and long term b) Impact of climate-related risks and opportunities on business strategy and financial planning c) Resilience of organisation's strategy, including to a 2°C or lower scenario	⁄ Begin asset scenario analysis ⁄ Consult with key Stakeholders and undertake peer and market benchmarking ⁄ Further explore strategic partnering opportunities ⁄ Introduce climate adaptation to Transformation function ⁄ Integrate climate risk, including carbon pricing into investment decisions and project evaluations	⁄ Climate-risk (threat and opportunity) workshops conducted with Assets/Projects using physical climate scenarios ⁄ Engagement with analysts and peer benchmarking of climate change risk management approaches ⁄ Exploration of partnering opportunities to reduce Scope 1 and 3 emissions ⁄ Benchmarking of key metrics and disclosure standards (Metrics Project) ⁄ Emissions reduction Strategic Aspirations and Acceleration Priorities ⁄ Carbon pricing increasingly used and included in 2021 business planning	⁄ Conduct further physical and transition climate-related opportunity and threat assessment using scenario analysis, incorporating assets and corporate functions. Consider outcomes as part of annual strategy reviews ⁄ Implement priority control actions ⁄ Further refine internal decision-making tools (e.g. carbon pricing) ⁄ Undertake transition risk assessment using scenarios aligned to Paris Agreement goals ⁄ Consider approaches for financial analysis and disclosure ⁄ Enhance suite of GHG reduction tools	⁄ Consider material climate-related threats and opportunities in Asset planning ⁄ Enhance suite of internal decision-making tools
Risk management				
a) Process for identifying and assessing climate-related risks and opportunities b) Process for managing climate-related risks and opportunities c) How climate-related risk management is integrated into overall risk management	⁄ Review current climate-related risks	⁄ Review and assessment of extreme weather (physical) risks at Australian assets ⁄ Review and assessment of GHG reduction opportunities at Assets and Projects ⁄ Capability building with Brazil team ⁄ Review of Corporate GHG emissions risks	⁄ Ensure climate-related opportunity and threat control ownership is clearly defined ⁄ Support risk owners to manage climate-related opportunities and threats ⁄ Review and update physical climate risk assessments	⁄ Further refine approach to climate-related risk management
Metrics and targets				
a) Metrics used to assess climate-related risks and opportunities in line with Strategy and risk management processes b) Scope 1 and 2 GHG emissions, and if appropriate, Scope 3 c) Targets used to manage climate-related risks and opportunities and performance against targets	⁄ Consider appropriate metrics ⁄ Establish quarterly reporting by Assets of key metrics	⁄ Benchmarking of disclosure frameworks, standards and peers' approaches ⁄ Engagement with ESG analysts re disclosures ⁄ Establishment of internal monthly Asset metrics reporting framework ⁄ Development of Stakeholder Value Creation Metrics	⁄ Develop plan for public reporting on financial related disclosure of climate related risk ⁄ Integrate performance reporting into disclosures (annual, quarterly, monthly, website) ⁄ Support delivery of Asset/Project GHG reduction opportunities ⁄ Baseline Scope 3 emissions ⁄ Report against Stakeholder Value Creation Metrics	⁄ Continue to report on material metrics ⁄ Report performance against Strategic Aspiratons and goals ⁄ Leverage Stakeholder Value Creation Metrics to embed performance

Case Study: Australia's first battery powered vehicle for underground explosive charging

As part of realising our Strategic Aspirations, Carrapateena is committed to investigating various technologies and strategies to reduce GHG emissions at site. This commitment has seen the Asset trial a variety of electric vehicles in 2020, one of which is the Charmec MC 605 VE SmartDrive. It is Australia's first battery-powered zero emissions vehicle for underground explosive charging. This has complemented the ongoing Zero Automotive partnership that is developing the ZED70 Ti electric light vehicle. The new, street-legal ZED70 Ti includes a specifically selected Li-Ion battery chemistry, battery housing, control systems and charging capability to endure the hyper saline underground environment at Carrapateena.

WATER

* Water stress as defined by the World Resources Institute Aqueduct Water Risk Atlas.

Stakeholder Value Creation Metric: Water consumed per tonne copper equivalent

In 2020, our Australian assets consumed between 0.06 and 0.08 ML per t Cu Eq. Carrapateena recycled 59 per cent of water, while Prominent Hill recycled 22 per cent.

Water is an essential component for our operations and a resource our Stakeholders rely on. Each of our assets and the context in which they operate is unique. As such, they independently monitor and work to optimise the net water consumed per equivalent copper tonne, conscious of the need to protect life on land and to responsibly consume a critical and potentially shared resource. We recognise the need to manage our use of water and have incorporated this in our Strategic Aspiration to strive to minimise water use and add value when we do.

Our Australian assets, Prominent Hill and Carrapateena, are located in arid areas and are dependent on groundwater to sustain operations. Groundwater wellfields at Prominent Hill are located on nearby pastoral stations, where pastoralists draw water from shallower or discrete aquifers in the majority of cases. Carrapateena utilises hypersaline water that is not suitable for pastoral activities.

This hypersaline water is processed via a reverse osmosis water treatment plant to provide potable water. The Carrapateena Tjungu Camp provides treated greywater suitable for livestock consumption to the local pastoralist to add value to the pastoral operations.

Our water monitoring program involves measuring and monitoring water levels and quality in previously agreed pastoral wells, as well as conducting sediment monitoring, including metal concentrations and acidity, to detect any potential changes in downstream surface water quality.

Our Carajás Hub Assets in Brazil are situated in a region with a high annual rainfall of over 1,800 mm. Our Antas mine in the Carajás manages a Water Resources Management Program which aims to monitor and evaluate surface and groundwater.

Stakeholder Value Creation Metric: Water withdrawal in areas of extreme water stress (%)

*No OZ Minerals assets withdraw water in areas of extreme water stress.**

AIR QUALITY

Dust is among the largest air quality emissions from the majority of our operations, generated by stockpiling materials and vehicles moving over unsealed surfaces. All assets monitor and manage air quality via an Air Quality Management Plan as per the Air Emissions Performance Standard. As our operations transition to underground, our dust impacts have reduced. Control measures to reduce the amount of dust we generate include active dust suppression on roads, speed restrictions, and regular road maintenance. Sampling verifies that our air quality management has effectively mitigated adverse impacts on workers, the community and the environment at Prominent Hill, Carrapateena and Carajás Province. There are no ozone-depleting substances, persistent organic pollutants or stack emissions produced at these Assets. Air quality is also affected by sulphur and nitrogen oxides that are generated by burning fuels. Gases like carbon monoxide and oxides of nitrogen are generated during blasting.

WASTE AND TAILINGS

Stakeholder Value Creation Metric: Non-mineral waste produced per tonne of copper equivalent

Non-mineral waste intensity across our assets ranges from 0.02 t per t of Cu Eq to above 0.1 t per t Cu Eq. Generally waste intensity is higher at newly constructed assets as more materials are utilised in bringing the operation to production.

OZ Minerals has active tailings facilities at Prominent Hill and Carrapateena in Australia, and at the site of the Antas mine in the Carajás East Hub in Brazil. The Carajás East Hub also processes ore from the Pedra Branca satellite mine. In line with our Global Performance Standards, in 2020 all tailings facilities underwent inspections by independent geotechnical engineering specialists with experience in the design, operation and auditing of tailings dams. The results of inspections were reported to the Board Sustainability Committee.

Prominent Hill has one Tailings Storage Facility (TSF) located within the Integrated Waste Landform (IWL) which includes the Waste Rock Dump (WRD). As an IWL, the TSF is surrounded by a wide buttress of mine waste forming the Southern WRD within which a clay-lined perimeter embankment is constructed. The TSF is constructed with the downstream construction method.

Carrapateena ramped up to reach a mine production rate of 4.25 Mtpa during November 2020, following achievement of the milling nameplate rate in March 2020. The Carrapateena Mine Stage 1 TSF is a cross valley starter embankment. The initial lift (Stage 2) has been constructed using a downstream raise methodology with similar construction materials to the starter embankment. Subsequent raises (Stages 3-6) will be constructed using an upstream raise methodology using consolidated tailings with waste rock armouring of the downstream faces.

The Antas mine TSF embankment has been raised only once using the downstream construction method.

Our Tailings Global Performance Standard applies across the Company and sets out our approach to managing tailings within the TSFs. The Standard is written to ensure TSFs are designed, constructed and managed to provide for the safe, long term impoundment of mine tailings and residues to prevent uncontrolled releases and seepage to groundwater. We conduct groundwater sampling to monitor parameters such as depth to water, salinity, pH, and metal concentrations as part of our tailings management. OZ Minerals' Australian TSFs have been designed, constructed and operated in accordance with ANCOLD (Australian National Committee on Large Dams) requirements. In Brazil, quality assurance and monitoring activities are undertaken as normal course of business with bi-monthly reporting provided to the Mines Department (ANM).

We are currently completing reviews of our Tailings Global Performance Standard and are considering the recently-published *Global Industry Standard on Tailings Management* as part of that review.

No potential acid-forming (PAF) material was mined at Prominent Hill or Carrapateena over the reporting period, with the Assets producing 3,483,354 tonnes and 1,574,528 tonnes of waste rock, respectively. Most of the waste rock generated is placed in rock dumps, with a proportion of non-acid forming (NAF) rock used to construct mine infrastructure, such as the TSF and roads. When PAF rock is encountered, it is encapsulated in designated PAF cells within the waste landform. These PAF cells are then encapsulated within NAF rock using physical control measures to prevent surface water runoff and subsequent environmental impacts.

Case Study: Commissioning of Prominent Hill Malu Paste Plant

The management of mine tailings has been associated with significant safety incidents globally impacting stakeholders. In 2020, Prominent Hill commissioned the Malu paste plant to utilise this waste stream as a valuable resource to support the mining process by using it in underground mining areas that require backfilling. This utilisation of tailings as a substitute has reduced reliance on the Prominent Hill TSF, reducing risks for all stakeholders associated with storage, management, closure and licensing.

LAND AND BIODIVERSITY

Stakeholder Value Creation Metric: Area (ha) disturbed in high biodiversity conservation areas

No land was disturbed in high biodiversity conservation areas at our Assets during 2020.

OZ Minerals has established and continues to manage Significant Environmental Benefit (SEB) offset areas at our Prominent Hill and Carrapateena mines. The SEB offset areas support habitat by managing threatening processes during operations and restoration of selected onsite areas cleared to enable mining activities. Flora and fauna monitoring of the SEB offset area at Prominent Hill has been continuously undertaken since 2006 and has identified the presence of three threatened species; the nationally threatened Plains mouse and Thick-billed grasswren (eastern subspecies), both listed as vulnerable under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), and the Chestnut-breasted whiteface listed as rare under the *National Parks and Wildlife Act 1972 (SA)*. All three species are also listed in the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species. At Carrapateena, the nationally threatened Plains Mouse occurs within the project area, while a further three species listed under the *National Parks and Wildlife Act 1972 (SA)* have been identified as occurring within or in proximity to the project, including the plant species *Frankenia subteres* (rare), the Perigrine falcon (rare) and the Australian bustard (vulnerable). Two environmental offset areas are established to support the Carrapateena mine. In the Carajás region, our teams have cultivated a nursery to support the maintenance of local biodiversity and revegetate disturbed areas.

Case Study: Plains Mouse Motion Capture

In 2020, OZ Minerals Carrapateena established a low impact, year-round surveillance for the nationally protected species, the Plains mouse. The project is a partnership between OZ Minerals, engineering consultancy Jacobs and our pastoralist neighbours at South Gap Pastoral Station. Camera traps were set up at eight locations in the Northern SEB offset.

Each location featured a night-active motion sensor camera and a bait to attract the Plains mouse and any other small marsupials or larger mammals. The aim of this first phase was to gain a greater understanding of the gilgai habitat while also gathering data on Plains mouse populations in the area. This project involved a high level of collaboration with ecologists and landowners and will provide a greater understanding of Plains mouse distribution in a broader regional sense. The OZ Minerals detection methodology, which aligns to objectives within the National Recovery Plan, has been revised to provide a more accurate understanding of population response dynamics following large rain events which are the catalyst for boom cycles.

REHABILITATION AND CLOSURE

The potential social and environmental impacts of mine closure are considered throughout mine life through regular engagement with Stakeholders. To further understand these impacts and identify new opportunities, OZ Minerals joined the Cooperative Research Centre for Transformations in Mining Economies (CRC TiME) in 2020. CRC TiME brings together over 70 leading mining and mining service companies, regional development organisations, State and Commonwealth governments and research partners. This unique coalition brings scale and coordinated investment into innovative research that addresses the complex challenges associated with mine closure and relinquishment.

OZ Minerals' South Australian operations have documents and programs detailing closure, including the Supporting Works Plan and the Programs for Environment Protection and Rehabilitation (PEPRs). The Supporting Works Plan is reviewed annually to ensure closure assumptions are in line with current operational activities.

The documents include rehabilitation and closure completion criteria to achieve post-mining designated land use and to minimise environmental liabilities. Closure planning is updated throughout the mine's operational life to identify and reduce risks and unknowns over time. As part of this process, estimated costs of rehabilitating, decommissioning, and restoring the areas disturbed during the operation of the mine are evaluated and provided for, and progressive rehabilitation is undertaken where possible. At Prominent Hill, a mature mine, rock armouring of the North Waste Rock Dump has been completed and the rock armouring of the South Waste Rock Dump is nearing completion. Rock armouring of the TSF is 85 per cent complete. Stakeholder engagement on mine closure occurs throughout a mine's life. The potential social and environmental impacts of mine closure are considered in our conversations with all stakeholders. We support community initiatives and sustainable local businesses as a part of our community engagement program.

Case Study: Cooperative Research Centres (CRC) Transformation in Mining Economies (TiME) Collaboration

A Life of Mine plan for resource extraction can effectively integrate progressive closure and rehabilitation into mine development, expansion and operation while retaining the opportunity to create a 'second life' for assets. OZ Minerals is partnering with Cooperative Research Centres for Transformation in Mining Economies (CRC TiME) which brings together over 70 partners across all stakeholder groups to help inform our closure and rehabilitation planning and processes. In December 2020, OZ Minerals in conjunction with CRC-TiME, Adelaide University, University of South Australia and the University of Western Australia held workshops to collaborate on opportunities to build these concepts into the scopes for the Prominent Hill Expansion (PHOX) study and Carrapateena Expansion (CarraX) study.

SOCIAL PERFORMANCE

OUR CONTEXT:

Understanding the needs and interests of our Stakeholders informs our Choices and how we can create value. We understand that every stakeholder, context and host community is unique. Our Risk Management Specification considers opportunities and threats and focuses our decisions on the impact of our actions on our Stakeholders. Our Global Performance Standards set out our minimum mandatory control requirements, encourage co-development with Land Connected and Indigenous Peoples and other Stakeholders. They also provide processes to ensure all decisions are underpinned by Free Prior and Informed Consent (FPIC).

SUPPORTING DOCUMENTS:

PERFORMANCE STANDARDS
ozminerals.com/uploads/docs/OZ_Minerals_Global_Performance_Standards.pdf

VALUE CREATION POLICY
ozminerals.com/uploads/docs/191024_OZL_Value_Creation_Policies.pdf

OZ MINERALS SPONSORSHIPS
ozminerals.com/sustainability/sponsorship/

VOICE TREATY TRUTH STATEMENT
ozminerals.com/sustainability/voice-treaty-truth/

MODERN SLAVERY ACT STATEMENT
ozminerals.com/sustainability/modernslavery

OUR CHOICES:

Strategic Aspirations

- Our business model empowers assets to optimise for their local conditions.
- We deliver the activities along our value chain to enable our local Stakeholder aspirations for generations to come.
- We work closely with our Stakeholders to create mutual value by building each other's capability and capacity.
- Our Assets are brought to full value early through a rapid approach to our project pipeline and provide optimal value for Stakeholders.

Material topics

- Land Connected and Indigenous Peoples (including Cultural Heritage), p. 98, 100
- Climate change and emissions, p. 87
- Procurement Practices and business ethics, p. 104
- Human rights, p. 101
- Partnerships and Social performance, p. 98
- Water, biodiversity and energy, p. 87, 91, 93
- Economic performance, p. 102
- Employment, Training and Education, p. 109

Our Performance: Stakeholder Value Creation Metrics

- Workforce – local / state / out of state / Land Connected and Indigenous Peoples, p. 117
- Local employment and value spent with local suppliers, p. 114
- Average duration for resolution of concerns, complaints and grievances, p. 97
- Unauthorised cultural heritage breaches / significant environmental and social incidents, p. 100
- Social contribution – quantity and case studies, p. 103
- Partnering case studies, p. 98
- Modern Slavery Act implementation and Number of incidents, p. 101

WORKING WITH STAKEHOLDERS

Stakeholder Value Creation Metric: Number and average duration for resolution of concerns, complaints and grievances

We recorded two complaints in our Stakeholder Management System for 2020. The average resolution time was 7 days.

We seek to build and maintain strong, transparent, supportive relationships with all Stakeholders. We operate in host and local communities based on the principles of quality contact, and procedural and distributional fairness. Our Assets have Stakeholder engagement programs based on sustained, ethical and context specific engagement processes with regulatory bodies, suppliers, government agencies, communities, Land Connected and Indigenous Peoples on which we may have a direct, indirect or a cumulative impact.

We understand our activities will have an impact and each host community has unique knowledges, experiences, histories and values. Our approach is to work collaboratively to identify shared aspirations and benefit from our activities. Working this way ensures collaboration, input and co-design from local Stakeholders and provides the opportunity for us to understand the environmental, social and economic implications of our work, and minimise adverse impacts. We also engage with key special interest groups and stakeholders who may potentially be affected by Asset activities to better understand stakeholder values and potential impacts. We provide accurate and fit-for-purpose information in a timely manner and anticipate, and proactively address, community and stakeholder issues and concerns as part of the engagement process. Our Global Performance Standards require culture and context specific mechanisms to be in place, to capture feedback, concerns, complaints and grievances so they are promptly and appropriately addressed. Our Asset local level agreements contain no clauses restricting Stakeholders' rights or ability to escalate concerns. Our Asset general managers have structured and direct relationships with Land Connected and Indigenous Stakeholders. Each Assets' community relations function monitors and reviews major communication and consultation activities to assess their effectiveness and promote internal and external stakeholder feedback.

Case Study: Stakeholder Engagement

How we engage and maintain our stakeholder relationships is important to us. In 2020, OZ Minerals hosted visitors to our Prominent Hill site from the Woomera Prohibited Area (WPA) Advisory Board. The WPA Advisory Board provides guidance around coexistence arrangements in the WPA and is supported by the relevant Commonwealth and South Australian Government agencies.

PARTNERING AS A STRATEGIC ENABLER

LAND CONNECTED AND INDIGENOUS PEOPLES

VOICE, TREATY, TRUTH
ozminerals.com/sustainability/voice-treaty-truth/

Stakeholder Value Creation Metric: Partnering Case Studies

Enabled by Partnering, in 2020, we continued to co-develop and pursue value creation with our Stakeholders.

- *Antakirinja Matu-Yankunytjatjara Aboriginal Corporation 'Tjunguringanyi', p. 99*
- *Kokatha Aboriginal Corporation, p. 100*
- *Prominent Hill Underground Mining Alliance, p. 84*
- *Global Maintenance Upper Spencer Gulf, p. 104*
- *Capture the Spark, p. 17*

Partnering has been an element of OZ Minerals' Strategy since 2019. We believe Partnering provides us a process by which we can collaborate and draw upon expanded skills and competencies for mutual benefit enabling us to create value in different contexts with diverse Stakeholders.

In 2020, developing a partnering framework for application across the Company was identified as an Acceleration Priority. The focus on partnering follows successful partnerships established with Traditional Owner groups at Prominent hill and Carrapateena, and the partnership with Global Maintenance Upper Spencer Gulf (the local industry body).

As each community and Asset is unique, a comprehensive understanding of the history, knowledge systems, world views, values, beliefs and experiences of host communities is required to underpin ethical, respectful, inclusive and effective engagement. At our Prominent Hill and Carrapateena Assets, the general managers have a direct, structured, regular and sustained liaison with Traditional Owners. Our current Brazilian Assets' workforces reside locally and are not located in areas occupied by Land Connected and Indigenous Peoples. The requirements regarding engagement with Land Connected and Indigenous Peoples are set out in the OZ Minerals Land Access, Acquisition and Resettlement Global Performance Standard. In line with the Standard, each asset must operate in accordance with the principles of the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP).

In Australia, we recognise and respect the unbroken cultural connection and cultural authority of Aboriginal and Torres Strait Islander Peoples. Our value creation and partnering approach is based on our ability to ensure all decisions are underpinned by FPIC, equity, transparency, reciprocity, and respect. Partnering has provided us with a process to collectively build sustained mutual respect and knowledge to deliver genuine partnerships with our Traditional Owners. Partnering has enabled relationships underpinned by trust, transparency, ethical listening, respect and integrity. It allows us to build a common understanding and language, identify opportunities and continually learn from each other to work towards shared goals.

Voice, Treaty, Truth

We recognise Aboriginal and Torres Strait Islander Peoples as the first people of Australia and the importance to all of us for their voice to be heard. We support efforts being made to achieve this next step in National Recognition. In support of the principles of Voice, Treaty and Truth, we undertake to continue working with our Traditional Owner partners in the spirit of shared value and mutual obligation to create sustainable benefits by leveraging, developing and building on our shared aspirations, while protecting and respecting country and culture.

Our commitment is enshrined in our partnering agreements that inform the management of our production Asset specific Native Title Mining Agreements.

- Kokatha Aboriginal Corporation and Carrapateena Mine – Nganampa palyanku kanyintjaku 'Keeping the future good for all of us'.
- Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) and Prominent Hill Mine – Tjunguringanyi – tjaku 'Coming together'.
- Our West Musgrave Project is in the process of developing our relationship with the Yarnagu People of the Ngaanyatjarra Lands.

RECONCILIATION ACTION PLAN (RAP)

The nature of our business and industry enables us to have direct and long-standing relationships with Traditional Owners (Land Connected and Indigenous Peoples). After extensive consultation with our Traditional Owners, it was their view that our Partnering Agreements superseded a collective company RAP.

Case Study: Tjunguringanyi (working together) Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) and OZ Minerals

Prominent Hill's Native Title Mining Agreement (NTMA) was established with the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) in 2006. Since then, the goals and aspirations of AMYAC and OZ Minerals have evolved significantly. This passage of time prompted a re-examination of our Agreement in early 2019 to ensure it is fully realising the mutual benefits of mining through collective commitment and investment. A three day 'health check' workshop was held to share lessons from the past, our mutual aspirations, and agree on how to best achieve our goals.

The process that emerged from the health check was Tjunguringanyi or 'Working Together'. The health check workshop was attended by the AMYAC Board, senior community members and OZ Minerals' CEO and executive team members.

We have now developed a shared vision and values that have become the benchmark for how we work together. They shape our expectations for how we operate at Prominent Hill and promote a diverse and inclusive workplace for AMYAC workers and Indigenous employees more broadly.

Tjunguringanyi has enabled an increase in Indigenous employment at Prominent Hill, from five per cent in 2018 to more than 9 per cent in December 2020.

The shared values of Tjunguringanyi are:

- Kulini – listening to each other
- Ngarpartji Ngarpartji – reciprocity
- Kunpun – sustainability
- Nintiringanyi – making informed decisions.

Tjunguringanyi is centred around our collectively agreed values illustrated in the graphic above, and functions with structured meetings held quarterly with the leaders of each organisation. This process has contributed to a much deeper understanding of each organisation's values and of the impacts of our actions. Open honest and transparent dialogue has challenged assumptions and broken barriers that have been critical in maintaining and enhancing how we work together during the disruption of COVID-19.

In 2020 the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) and OZ Minerals were jointly recognised and received the Premiers Award for Energy and Mining for Community – See short video youtube.com/watch?v=tdSTiV-pll4

CULTURAL HERITAGE

Stakeholder Value Creation Metric: Unauthorised cultural heritage breaches/significant environmental and social incidents

In 2020, we did not record any unauthorised cultural heritage breaches or significant social or environmental incidents at our operations

We recognise that cultural heritage is the endowment that each generation receives and passes on. We understand the fundamental role the respect and preservation of culture and heritage plays in how we partner with Land Connected and Indigenous Peoples in Australia and globally. We understand that in many contexts, the land and natural resources with which we interact are tied to the Land Connected Peoples' culture and can be the basis of all social identity and development.

When developing local level agreements to enable resource extraction, we consider that protecting and managing cultural heritage assets jointly with communities contributes to the quality of our relationships and is a foundation for creating value for all stakeholders.

Our Cultural Heritage Global Performance Standard requires all Assets to work with Land Connected and Indigenous Peoples to proactively respect and protect heritage. At all stages of our project development lifecycle, we seek to collaborate and partner with Land Connected and Indigenous Peoples to co-develop the Asset footprint and fit for purpose cultural heritage management plans and awareness training. Cross-cultural awareness training programs are offered to all contractors and employees. The training includes raising awareness on heritage and artefact finds and the protocols for working in areas of cultural significance.

Case Study: Partnering on Cultural Heritage Management for Carrapateena Project Development

OZ Minerals and the Kokatha Aboriginal Corporation (KAC) partnered to inform the development of the Carrapateena mine. Since 2016, extensive cultural heritage survey works have been completed to define the location and construction methodology of the project infrastructure including but not limited to the Tjungu village and airstrip, bore fields, processing infrastructure, Tailings Storage Facility, communications infrastructure, electricity infrastructure and access roads. To enable this extensive development of the Carrapateena Project, teams and representatives from the Kokatha Aboriginal Corporation established a cultural heritage services business that completed over 210 days of cultural heritage surveys, equating to over 17,800 hours of field work.

This early engagement and collaborative fieldwork enabled Stakeholder values to inform the design of the project and was enshrined in the Partnering Agreement, Nganampa palyanku kanyintjaku 'Keeping the future good for all of us'. This Partnering orientation to project development created value for all stakeholders by embedding the joint values of both organisations to ensure all decisions were based on FPIC.

During construction of the Carrapateena mine, Kokatha Aboriginal Corporation cultural heritage monitors were on site for over 418 days pre-pegging work areas prior to land disturbance activities and monitoring land disturbance works.

This collaboration with the Kokatha Aboriginal Corporation and the Carrapateena Project team enabled the completion of construction on schedule with no cultural heritage breaches and no unauthorised land disturbance activities. During the project duration, over 26,000 hours of field work was completed with no lost time injuries.

HUMAN RIGHTS

PERFORMANCE STANDARDS
ozminerals.com/uploads/docs/OZ_Minerals_Global_Performance_Standards.pdf

Stakeholder Value Creation Metric: Number of human rights incidents

In 2020, we did not identify any Human Rights incidents or instances of Modern Slavery in our operations or supply chains.

Our Human Rights Global Performance Standard is guided by international guidelines, including the UN Guiding Principles on Business and Human Rights, United Nations Universal Declaration on Human Rights, Voluntary Principles on Security and Human Rights (VP), International Labour Organisations (ILO) Conventions and the International Council on Mining and Metals (ICMM) Principles.

We further reinforce our expectations of employees, contractors and suppliers through our *Code of Conduct* and Stakeholder Value Creation Polices. We have a variety of programs to promote compliance and ethical business. Asset induction training raises awareness of human rights responsibilities with senior management, employees, contractors (particularly security personnel), and other Stakeholders in the Asset's sphere of influence. Maintaining and improving our systems and processes helps to minimise the risk of human rights abuses in our operations or in our supply chain (Modern Slavery).

Case Study: CentroGold Training in Human Rights

In 2020 all employees and contractors of the CentroGold project received Human Rights and Ethics training on the UN Voluntary Principles and Human Rights on Security, and *Code of Conduct*.

MODERN SLAVERY

MODERN SLAVERY ACT STATEMENT
ozminerals.com/sustainability/modernslavery

Stakeholder Value Creation Metric: Modern Slavery Act implementation

In 2020, we undertook the pre-work required in order to release in conjunction with this report our first Modern Slavery Statement (February 2021) as part of how we protect and manage human rights in our Assets and supply chains.

We seek to address the risk of Modern Slavery in our operations and supply chains and comply with the *Modern Slavery Act 2018* (Cth). Our people are our best defence in identifying and helping us to address any instances of modern slavery. It is therefore critical they understand what modern slavery is and how to detect it. We also want them to understand how our modern slavery risk management fits into our broader risk management activities. We use a variety of different forums and tools to raise this awareness. For example, our online modern slavery training includes defining what Modern Slavery is, what our responsibilities are and how to identify instances of modern slavery.

We continue to work with our supply chains to meet the new reporting obligations.

ANTI-BRIBERY AND CORRUPTION

The OZ Minerals public and internal facing Anti-Bribery and Corruption material was updated in 2020. OZ Minerals has public-facing speak-up material, which is supported by an internal 'Speak Up' Global Process Standard, to provide people with pathways and options to elevate concerns about ethical and appropriate behaviour.

ECONOMIC PERFORMANCE AND SOCIO-ECONOMIC CONTRIBUTIONS

Stakeholder Value Creation Metric: Social contribution – quantity and case studies

Our total economic contribution for 2020 was more than $1.39 billion and included:

- *more than $79.2 million in wages and benefits in Australia and Brazil*
- *payments to Suppliers of over $1.13 billion*
- *$74.6 million in dividends to shareholders*
- *$57.8 million in royalties and $48.3 million in taxes*
- *$2.3 million in social contributions including ongoing partnerships, bushfire relief and through our COVID-19 Stakeholder Support Program.*

Operating a sustainable and successful company allows us to create economic value for our Stakeholders.

We make significant contributions to local, regional and national economies directly through the payment of taxes and royalties, income taxes, social investment, payment of dividends, and payments to our workforce and suppliers.

Prominent Hill and Carrapateena significantly contribute to local and regional economies. Operationally, significant value is generated through employment both directly and through our contracting partners, and investments in community development initiatives and programs. The direct benefits of our investments include improved infrastructure, health, safety awareness, education and training, and local business development. The vast majority of the Carajás workforce are from the local community. More details are available in the Financial Report (page 36) and in the socioeconomic performance tables of this section of the report (page 112-117).

Stakeholder Value Creation Metric: On Time Payment

By number – 15,325 paid on time, by value – $A 426,337,697 paid on time (36%)

Stakeholder Value Metric: Supplier value ($A) by jurisdiction

Local – $20,865,381 over 83 suppliers, State – $282,708,135 over 746 suppliers, National – $853,685,412 over 937 suppliers, International – $51,674,579 over 140 suppliers, total spend $1,208,933,507 over 1,411 suppliers

Case Study: COVID-19 Stakeholder Support Program

The COVID-19 pandemic has had an immense global impact. To support our Stakeholders in building capability and resilience, and to protect and enhance our communities' health and wellbeing, OZ Minerals established a $4 million Stakeholder Support Program. The COVID-19 Stakeholder Support Program is designed to support our Stakeholders to build resilience and protect and enhance community wellbeing throughout the COVID-19 period and to support their sustainability post COVID-19. The Program is continuing into 2021.

The Program has been designed to actively respond to material local needs to identify support opportunities, so our resources and contributions are aligned with, and amplify, existing COVID-19 programs and initiatives.

In Brazil support has included:

- local hygiene awareness campaigns
- Personal Protective Equipment (PPE) for local health care workers, employees and their families
- testing kits for the local municipalities.

In Australia support has included:

- funds for the South Australian local industry association, Global Maintenance Upper Spencer Gulf, to increase member marketing capability and grow their businesses
- Kokatha Aboriginal Corporation support for food for people unable to return to their lands due to restrictions on movement
- funds for a health coordinator for the Ngaanyatjarra Council in Western Australia.

COMMUNITY INVESTMENT AND SPONSORSHIP

In 2020, we contributed to a range of local and regional programs. In addition to funding, our employees and contract partners provided in-kind assistance by donating time, expertise and resources for community events and initiatives. We supported locally-organised initiatives that provide long term benefits to our host communities and are aligned with the communities' wishes. Our sponsorships and community investment initiatives strive to support organisations or projects to achieve sustainable outcomes. In 2020, we contributed $1.9 million in sponsorships and donations. Our social contribution program, Educating the Next Generation, provides ongoing support to the Clontarf Foundation which encourages Aboriginal boys to remain in secondary school through sport and to The Smith Family to provide educational support to girls predominantly in the areas near our South Australian Assets. We also provide ongoing support to the Royal Flying Doctor Service, which in turn provides medical assistance to our remote mine sites and the surrounding remote communities. In early 2020, we donated to the Country Fire Service and the Nature Foundation following the bushfires in South Australia. At the onset of the COVID-19 pandemic, we established a Stakeholder Support Fund which provided over $1.1 million in funds to support communities and organisations in the areas where we operate in Australia and Brazil. Direct donations are complemented by in-kind contributions and employee volunteering.

Case Study: Royal Flying Doctor Service

OZ Minerals has continued our partnership with RFDS — OZ Minerals is committed to promoting a culture that ensures communities close to our operations benefit from our presence.

In developing sponsorships and community investment initiatives, we try to avoid creating dependency; rather support organisations or projects to achieve self-sustaining outcomes.

Case Study: Brazil COVID-19 Response

As the world comes together to combat the COVID-19 pandemic, supported by the OZ Minerals COVID-19 Stakeholder Support Program, the OZ Minerals Brazil team has been working with employees, suppliers and host communities in the donation of COVID-19 tests, PPE, hygiene kits and medicine to local communities.

TAX TRANSPARENCY

The Board of Taxation's voluntary Tax Transparency Code (TTC) was endorsed by the Australian Government in 2016 and is designed to encourage greater transparency within the corporate sector of its compliance with Australian tax laws. OZ Minerals supports the initiative to ensure Australian businesses and subsidiaries of multinational companies operating in Australia pay tax on their Australian profits, as required under Australian tax law. OZ Minerals formally registered with the Board of Taxation's TTC in 2020 and provides the following information in accordance with the TTC:

Tax governance

The objectives of OZ Minerals' tax risk management include the prevention of disputes with tax authorities leading to adverse reputational consequence; compliance with regulatory requirements; and maximising shareholder value. OZ Minerals seeks to adopt a low tax risk position to ensure potential impacts are maintained at insignificant levels for tax exposures across our global business. While OZ Minerals is entitled to certain tax concessions in the ordinary course of our business, we have no appetite to seek concessions that are motivated by the avoidance of tax.

Australian tax-related contribution summary

A summary of OZ Minerals' 2020 employee and tax related contributions to State and Federal tax authorities is provided in the performance data tables on page 115-116.

LOCAL ENTERPRISE AND PROCUREMENT

Stakeholder Value Creation Metric: Supplier value by jurisdiction – local, state, national, international, total

We seek to create enduring and sustainable value for our host communities, states and territories associated with our assets and seek to employ local people and engage local suppliers where possible. We preferentially purchase goods and services locally, within the region or within the state where we operate. National or international procurement is only considered when local procurement is not available or not competitive. We also help local businesses understand our pre-qualification processes and procurement standards. Local, Land Connected and Indigenous Peoples are encouraged to apply for positions and tender for business opportunities with our Assets.

OZ Minerals directly procured the following:

- $20.7 million locally (Upper Spencer Gulf)
- $276.7 million South Australia
- $1.071 billion Australia
- $51.7 million internationally (inc. Brazil)
- $1.135 billion total.

These figures do not include wages and salaries paid to major contractors or expenditure by contractors in the local region. Our greatest supply impact is through contract mining and other services. The largest material inputs include diesel fuel, explosives, grinding media used in the processing plant, and cement used in the underground mine. These materials are sourced from large, reputable organisations with operations in Australia and Brazil.

Stakeholder Value Creation Metric: Value spent with local suppliers through supply chains

Case Study: Local content and supplier capability

Since 2016, OZ Minerals has been partnering with Global Maintenance Upper Spencer Gulf (GMUSG) to co-design and facilitate local supplier capability services. During this period, GMUSG has supported contractors at Carrapateena to procure $268 million of goods and services from South Australia, of which at least $44.3 million was from and the Upper Spencer Gulf Region. In 2018, this partnership was expanded to support our Prominent Hill mine and development of the Hill to Hill (H2H) power transmission line construction.

In 2020, in response to COVID-19 restrictions, GMUSG and OZ Minerals partnered as part of our COVID-19 Stakeholder Support Program to enable local business and community continuity, resilience and adaptation following the disruption of lockdowns and restrictions. The Program has helped to deliver an intensive service for small and medium enterprises across the Upper Spencer Gulf who do not have the documentation to best place them to win bids through online and competitive channels. It has increased the confidence of businesses to promote their capabilities, as well as compete and win work within and beyond their region. This reflects OZ Minerals' commitment to developing more resilient and adaptive businesses who continue to employ and support local communities.

HEALTH AND WELLBEING

OUR CONTEXT:

The criticality of health and wellbeing were elevated for our people and their family and friends during COVID-19. Mental as well as physical health was a high priority as our people adjusted to changes in work rosters, working from home and the effects of restrictions on social interaction, movement and travel.

Activities that enhanced wellbeing included the requirement for our people to develop work–life plans, enabling them to build their work around their life with flexible working arrangements encouraged.

Other activities include:

- Progressing initiatives to increase the diversity of people within the organisation.
- Supporting the employment of local and Aboriginal people.
- Approaches that improve gender pay equity and representation.
- Targeted training programs to increase participation and retention of people of diverse backgrounds.

OUR CHOICES:

Strategic Aspirations

- We work with the best talent and capability no matter where it resides, driving an outcome-based organisation.
- We deliberately weave personal and professional growth into our everyday work, enabling people to do the best work of their lives.
- We are a virtual organisation, bound by our Purpose and Aspirations, not by geography or physical infrastructure.
- We challenge all assumptions about how and where work needs to be done and what's possible.

Material topics

- Performance, capability & culture, p. 6
- Inclusion and diversity, p. 109
- Attract and retain talent, p. 108, 110
- Mental and physical health, p. 107

Our Performance: Stakeholder Value Creation Metrics

- Inclusion maturity above industry benchmark
- Engagement (Peakon) Survey Results above industry benchmark

SUPPORTING DOCUMENTS:

PERFORMANCE STANDARDS
ozminerals.com/uploads/docs/OZ_Minerals_Global_Performance_Standards.pdf

VALUE CREATION POLICY
ozminerals.com/uploads/docs/191024_OZL_Value_Creation_Policies.pdf

HEALTH AND WELLBEING PROGRAMS

Stakeholder Value Creation Metric: Engagement Survey Results above industry benchmark

In 2020, OZ Minerals' engagement survey score was 8.2, placing us in the top five per cent of the industry (energy and utilities).

Our people's health and wellbeing is important to us. People with a strong sense of wellbeing are more engaged at work and are better participants in their communities and families. In 2020, we implemented a number of programs to promote and support physical, mental, social and emotional health and wellbeing. We also actively promoted flexible working arrangements for our people, allowing them to work in ways that support their commitments outside of work. Our fitness-for-work program includes a wide range of activities and education in fatigue management, employee assistance programs, role-based assessments, fitness, and drug and alcohol programs. We provide our people with the necessary education and information to self-manage their fitness-for-work.

We value the continued development of an inclusive culture where people can openly talk about mental health. Mental health was a core focus in 2020 within the COVID-19 environment with dedicated programs at all of our Assets and our corporate office in Adelaide. OZ Minerals continues to offer an employee assistance program (EAP) with free, professional, and confidential counselling to all employees, contractors and their immediate family members. The EAP is provided through a leading global health and wellness company and provides access to a network of accredited counsellors and psychologists that can support with both work and personal issues. Our people also have access to corporate health plans and income protection.

Case Study: Inclusion and Wellbeing

OZ Minerals has continued our cultural journey to become a modern mining company. Integral for us to build this culture was a sustainably inclusive environment. Our focus on inclusion and diversity drives systemic, long term change focused on shifting mindsets, systems and symbols rather than only targeting diversity. This gave rise to the development of activities aimed at deeply embedding inclusion and diversity into how we work so the inclusive environment created is unaffected by natural attrition of people, and is an ingrained part of the Company.

Key activities include:

- our inclusive, bottom-up approach in evolving our HWWT behavioural framework that intentionally integrates and calls out inclusive behaviours
- company-wide, immersive HWWT training focused on building an inclusive culture
- measuring and tracking inclusion maturity
- leveraging learnings from COVID-19 to accelerate flexible working so our jobs are more accessible
- delivering annual mental and physical wellbeing programs
- bi-monthly anonymous employee engagement surveys, and subsequent quarterly updates to the ELT. During COVID-19 for example, we were able to track our people's wellbeing and mental health through our existing engagement survey and respond to a number of concerns raised.

In 2020, each of the Assets has implemented programs to support mental health and inclusion. This has included 'Yarning Circles' at Prominent Hill for Aboriginal employees; the Women's working group and support networks at Carrapateena; transitioning participants in pre-employment and apprenticeship programs at Carrapateena focused on supporting young women and young Indigenous people; the completion of a mentoring pilot program; and providing education and support regarding mental health.

BUSINESS ETHICS AND ETHICAL CONDUCT TRAINING

CODE OF CONDUCT
ozminerals.com/uploads/docs/201113_OZ_Minerals_Code_of_Conduct.pdf

The *Code of Conduct* is our highest order of corporate governance and outlines the importance of – and our commitment to – maintaining an open working environment so our employees and contractors can report instances of unethical, unlawful or undesirable conduct without fear of intimidation or reprisal. We have appointed STOPline as the disclosure line to report unacceptable conduct confidentially and anonymously under the 'Speak Up' (Whistleblower) Global Process Standard. STOPline ensures best practice and the highest level of independence, as well as impartiality and confidentiality in the receipt and management of concerns relating to unacceptable conduct.

STOPline offers a simple and highly confidential solution to the difficult issues of ethics, compliance, risk management and corporate governance. Our mandatory online training courses reinforce our *Code of Conduct* and the information in our policies. We provide training and education on key legal and ethical risk areas. Our employees enrol in online learning courses that include our equal employment opportunity program and ethics and conduct program, as well as an anti-harassment and bullying program. Each program includes awareness training based on site-specific needs. Our interactive online induction program further reinforces our *Code of Conduct*, policies and performance standards.

TRAINING AND DEVELOPMENT

We are committed to ensuring our employees have access to career development while working at OZ Minerals. It is a requirement for each employee to have a development plan in place to support their career aspirations. This year, employees across the company undertook secondments to different areas of the business, participated in mentoring and coaching programs and attended formal training and conferences. Secondments between Brazil and Australia were curtailed due to COVID-19 restrictions, but technical engagement continued using virtual meetings.

Our Leadership Development Programs focus on developing exceptional leaders who are inclusive, collaborative and innovative. Our HWWT principles and behaviours provide the foundation for how we conduct our activities. This year our workforce undertook a total of 36,032 hours of training across Prominent Hill, Carrapateena, West Musgrave, the Corporate office and the Carajás Hub, an average of 12 hours per person. Training across the company spans inductions, safety, business ethics, role specific, technical, and compliance training, designed to lift the capability of our workforce.

Case Study: Exceptional Leaders Program

The program's multi-dimensional learning approach involves a four-month, iterative cycle of learning, application, and reflection so our leaders learn to:

- deliver value through thinking and acting differently
- support the building of an inclusive, psychologically safe culture at OZ Minerals
- lead complex change and establish resilience in periods of uncertainty
- grow new perspectives and a greater ability to work across difference
- improve decision making skills and fight ambiguity with agility
- improve contextual thinking and increase cognitive habits of examining behavioural root causes outside of people and within the OZ Minerals context.

Case Study: Adam Freeling

Chemical Engineering Student Adam Freeling had the opportunity to present his Honours research, supported by OZ Minerals, at the University of Adelaide mini-Ingenuity forum. Adam's project in partnership with Hai Huy Vo Ho unlocks value by reducing electricity usage in copper extraction during periods of higher power prices.

INCLUSION AND DIVERSITY

Stakeholder Value Creation Metric: Inclusion maturity above industry benchmark

In 2020 OZ Minerals recorded an inclusion maturity score of 8.2.

We are committed to developing an inclusive culture where people are treated fairly and respectfully, where they feel valued and have a sense of belonging. This includes creating a psychologically safe work environment that empowers each person to contribute and express their ideas. We focus on, and continue to support, diversity for under-represented groups and provide equal access and opportunity for all people regardless of age, gender, race, national or ethnic origin, cultural background, experience, social group, marital status, religion, language, political beliefs, sexual orientation or physical ability.

Several strategies are in place to increase the level of inclusion, demographic diversity and diversity of thought. The participation of women, Indigenous Peoples and a multi-generational workforce continues to be measured. Women make up 23 per cent of the workforce directly employed by OZ Minerals, with the Board and ELT both having more than 30 per cent female representation. There are approximately 155 Aboriginal people working at Prominent Hill and Carrapateena (as employees and contractors) – representing 9 per cent of our Australian workforce. Equal remuneration is offered for all our employees, reflective of the type of job, years of experience and the period for which employees have held their position. Annual reviews are conducted to provide assurance that our employees' remuneration remains equitable and in line with market trends.

Case Study: Inclusion and Diversity

This year, we saw a strong uplift in our capability to measure inclusion and diversity, through the creation of dashboards and live reporting. We ran a series of workshops embedding our company culture, of which inclusion is a key pillar.

We implemented leadership programs focused on equipping our leaders with the skills to be more inclusive and continued to explore how we can support under-represented groups, with pre-employment and apprenticeship programs in place focused on increasing gender and Indigenous representation.

A women's network and support group was established at our Carrapateena mine, focused on improving working conditions and creating a network of support for women at site. We also continued our partnership with Work180, focusing on how we can better recruit and support women.

Pleasingly, we also introduced new leave entitlements, effective from 1 January 2021 that support men to take more time off to step into caring roles (as an extension of secondary carers' leave); extend primary carers' leave to also apply in the event of a stillbirth; introduce paid superannuation while women are on unpaid maternity leave; and incorporate the option to swap public holidays and purchase additional leave.

Case Study: Gabrielle Iwanow, winner of Telstra Business Women's Awards

In 2020, Gabrielle Iwanow, General Manager Prominent Hill, was recognised by the Telstra Business awards in the Medium and Large Business Award. Gabrielle is a member of the OZ Minerals ELT, and looks after the mining operations, processing and all associated infrastructure at site.

Case Study: Flexible Workforce / Work life Plan

We aspire to:

- be a virtual organisation, bound by our Purpose and Strategic Aspirations, not by geography or physical infrastructure
- challenge all assumptions about how and where work needs to be done and what's possible
- work with the best talent and capability no matter where it resides, driving an outcome-based organisation.

In working towards achieving these aspirations, we introduced work–life plans to break the traditional assumption (and even expectation) that all Fly In Fly Out (FIFO) jobs in mining need to be solely based onsite in a remote location for however long a single swing might be.

The introduction of work–life plans demonstrates a rethink of assumptions around when, where, and how work is done. Inextricably, it also encompasses a rethink of who the work can be done by. We're at the start of the journey with the implementation of work–life plans, with 96 per cent of our people currently having one in place.

We are also navigating what a work–life plan looks like for our people who need to be onsite to complete their work. These roles are being re-conceptualised, challenging norms and assumptions around rosters, shift start and finish times, through to the development of remote operating centres.

We've introduced additional flexibility into our FIFO roles with a 100 per cent remote work model (working from home or off-site), 100 per cent site-based model, or a hybrid model (remote and onsite combination). Including the option of working flexibly into traditionally site-based roles has made these jobs more accessible to a wider and more diverse talent pool, increasing the quality of applicants.

The work–life plans are a symbol of trust and empowerment for our people. The plans must be personalised and developed in consultation with the person's manager, and the business does not dictate that one-size-fits-all so they can be easily tailored to suit individual needs. The plans are also reviewed regularly and on an as-needs basis to make sure they still suit each person's circumstance, in recognition that our lives change and each person's situation is different.

In 2021, we will continue supporting flexible and remote working through the development of remote operating centres and transforming our offices into collaborative spaces that foster connection, inclusion, and innovation.

SUSTAINABILITY REPORTING DATA

SAFETY

SAFETY PERFORMANCE

	2020	2019	2018	2017	2016
Employee fatalities	0	0	0	0	0
Contractor fatalities	0	1	0	0	0
TRIFR (employees and contractors)	5.29	7.52	7.24	6.39	6.80
LTIFR (employees and contractors)	1.32	1.54	0.93	0.36	1.07
Significant safety incidents[a]	39	38	63	65	71

(a) As defined by OZ Minerals internal classification.

ENVIRONMENT

ENERGY (1 JULY, 2019 – 30 JUNE, 2020)

Energy consumption (GJ)	Energy consumed	Energy produced	Energy consumed (net)
Prominent Hill	1,891,457	519	1,890,938
Carrapateena	795,042	37,115	757,927
Antas	188,129	57	188,072
Pedra Branca	22,543	0	22,543
West Musgrave*	12,493	0	12,493
Group office	690	0	690
Total	2,910,354	37,691	2,872,663

EMISSIONS (1 JULY, 2019 – 30 JUNE, 2020)

Emissions	2019-20	2018-19	2017-18	2016-17	2015-16
Greehouse gas emissions Scope 1 (t CO_2-e)[a]	85,555	77,271	85,258	105,648	142,669
Greehouse gas emissions Scope 2 (t CO_2-e)[b]	192,334	176,627	167,980	177,306	190,825
Total of Scope 1 and Scope 2 (t CO_2-e)	277,889	253,898	253,238	282,954	333,494
Sulphur hexaflouride SF^6 (t CO_2-e)	16	16	11	11	11
Oxides of nitrogen N_2O (t)	699	783	632	342	994
Sulphur dioxide (t)	0.47	0.5	0.5	1.3	0.9
Total volatile organic compounds (VOC) (t)	50	52	35	108	52
Particulate matter <10um (t)	2,771	2,316	2,180	3,310	4,488

* West Musgrave: due to COVID-19 restrictions the West Musgrave Project site was in care and maintenance for the majority of 2020. The West Musgrave Project Transitioned to OZ Minerals Operational Control on 1 January 2020.

(a) Scope 1 refers to emissions produced directly by operation, primarily resulting from combustion of various fuels and includes CO_2-equivalent values for GHGs such as CH_4, N_20 and SF^6.

(b) Scope 2 refers to indirect emissions resulting from the import of electricity from external parties; commonly the electricity grid.

Note: The reporting period is July 2019 to June 2020 for all Assets. The energy and emissions boundary is based on operational control as defined by the *National Greenhouse and Energy Reporting (NGER) Act 2007*. The applied global warming potential (GWP) rates and emissions factors are based on the NGER Act (2007) and the National Pollutant Inventory.

Note: N_20, Sulphur dioxide, VOC, PM10 are not inclusive of Brazil.

WATER WITHDRAWAL (ML)^

Water withdrawal	Surface water (inclusive of rainwater)	Groundwater (mine dewatering)	Groundwater (wellfield)	Municipal water supply	Total recycled	Total recycled %	Total withdrawal from areas of extreme water stress* %
Prominent Hill	0	466	4,991	0.0	1,199	22	0
Carrapateena	0	624	1,463	9.0	1,236	59	0
West Musgrave	0	0	0	0.3	0	0	0
Total	10	1,090	6,454	9.3	2,435	32	0

* Water stress as defined by the World Resources Institute Aqueduct Water Risk Atlas

^ Exclusive of Brazil data

WATER DISCHARGE

Water discharge (ML)	Subsurface	Surface	Sewers	Land (dust suppression)	Land	Treatment facilities	Groundwater
Prominent Hill	0	0	0	34	0	0	0
Carrapateena	0	0	0	225	384	2	0
Antas	0	0	0	61	0	1	0
Pedra Branca	0	0	0	50	0	0	0
West Musgrave*	0	0	0	0	0	0	0
Total	0	0	0	370	384	3	0

WASTE

Mineral waste	Overburden & waste rock (t)	Material moved (t)	Total ore mined (t)	Liquid fossil fuels (kL)	Lubricants (kL)	Explosives (t)
Prominent Hill	3,483,354	7,373,251	3,889,897	15,471,490	553.9	1,947.5
Carrapateena	1,574,528	4,265,528	2,691,000	12,251	363.6	2,270.0
Antas	1,779,000	2,519,090	740,608	918	48.6	1,096.0
Pedra Branca	147,199	205,125	57,926	680	44.3	238.9
West Musgrave*	0	0	0	0	0	0
Total	6,983,205	14,362,411	7,379,724	15,485,338	1,010.4	5,552.4

NON-MINERAL WASTE

Non-mineral waste	Solid recycled (t)	Liquid recycled (l)	Landfill (t)	Incineration (t)	On-site storage (t)	Hazardous transported (t)
Prominent Hill	1,763.3	38,460.0	537.6	297.6	0	71.4
Carrapateena	210.0	109,700.0	1,198.7	0	0	217.8
Antas	156.3	0	630.3	0	0	274.4
Pedra Branca	29.6	0	123.6	0	0	111.4
West Musgrave*	0	0	9.0	0	0	0
Total	2,159.2	148,160.0	2,499.2	297.6	0	675.0

REHABILITATION AND CLOSURE

Land management (ha)	Total landholding	Mine footprint	Land disturbed^	Land rehabilitated^	Land disturbed in high biodiversity value areas
Prominent Hill	11,401	2,039.0	6.2	0.6	0
Carrapateena	44,144	1,860.4	766.2	0.0	0
Antas	7,291	132.3	0.0	0.0	0
Pedra Branca	509	30.4	29.8	0.0	0
West Musgrave*	245,406	0.0	10.0	0.0	0
Total	308,751	4,062.1	812.2	0.6	0

^ During 2020 Calendar Year

* West Musgrave: due to COVID-19 restrictions the West Musgrave Project site was in care and maintenance for the majority of 2020.

ENVIRONMENTAL COMPLIANCE (TOTAL)

Total volume of significant spills (L)	0
Monetary value of significant fines ($A)	0
Number of significant environmental incidents	0

SOCIAL

SOCIAL COMPLIANCE (TOTAL)

Number of Cultural Heritage Breaches	0
Number of unauthorised land disturbances	0

SOCIOECONOMIC CONTRIBUTION

$millions	Revenues	Operations	Employees	Payments to providers of capital		Payments to government		Economic value retained
Region	Revenue, other income and financing income	Operating expenses	Employee benefit expenses	Dividend payments to shareholders	Providers of funds	Income taxes expense	Royalties	
South Australia	1,263.4	(789.4)	(117.8)	(74.6)	(12.0)	(79.5)	(62.1)	128.0
Brazil	79.3	(56.8)	(3.2)	0.0	0.0	(3.7)	(5.6)	10.0
Total OZ Minerals	1,342.7	(846.2)	(121.0)	(74.6)	(12.0)	(83.2)	(67.7)	138.0

OVERVIEW REVENUES

Categories	$A millions
Revenue	1,342.0
Other income	0.3
Financing income	0.4
Total	1,342.7

OVERVIEW COMMUNITY INVESTMENT

Categories (Including COVID-19)	$A
Community appeal	309,811
Education	546,769
Health	1,360,843
Industry	126,800
Political donations	–
Total	2,344,223

OVERVIEW OPERATING EXPENSES

Categories	$A millions
Changes in inventories	(18.9)
Raw materials	–
Exploration and evaluation	(50.6)
Freight expenses	(50.5)
Net foreign exchange	(20.7)
Other expenses	(705.5)
Total	(846.2)

PROCUREMENT[(a)]

Region	$A millions
South Australia – Local	20.7
South Australia – Total	276.7
Australia – Total	1,071.4
Brazil – Local	3.6
Brazil – Total	8.4
International – Total	51.7
Total	1,131.5

(a) Direct OZ Minerals procurement.

TAX

Australian tax-related contribution summary	$A millions
Corporate income tax[a]	42.3
Government royalties	57.8
State payroll tax and other	6.0
Total	106.1
Employee PAYG	34.1

(a) Corporate Income Tax represents cash outflows in 2020 in relation to the following:
- / income tax receipt for December 2019 totalling net $0.8 million ($7.9 million instalment offset by $8.7 million refund)
- / monthly PAYG instalments paid relating to the 2020 income year totalling $43.1 million.

Reconciliation of accounting profit to income tax expense	$A millions
Accounting profit before income tax expense	295.8
Tax at Australian tax rate of 30%	(88.7)
Variation in overseas tax	2.9
Non-deductible expenditure	(6.8)
Revision for prior periods	(0.3)
Recognition of previously unrecognised tax losses	14.3
R&D tax benefit	0.4
Other	(4.0)
Derecognition of overseas losses	(1.0)
Income tax expense	(83.2)

Global and Australian effective tax rate	Global (AUD $millions)	Australia ($A millions)
Accounting (loss)/profit before income tax expense	295.8	286.7
Income tax expense	(83.2)	(79.6)
Effective tax rate	28.1%	27.8%

Reconciliation to income tax payable	31 December 2020 ($A millions)
Profit before income tax expense	286.7
Permanent differences	18.4
Temporary differences	
Difference in accounting and tax depreciation	(52.2)
Provisions and accruals	29.4
Derivatives	(12.5)
Exploration deductions	(19.4)
Leases	1.6
Other	(6.8)
Taxable income before utilisation of carried forward restricted tax losses	245.2
Utilisation of carried forward restricted tax losses	(29.9)
Taxable income after utilisation of carried forward losses	215.3
Australian income tax payable	64.6
Utilisation of R&D offsets	(1.9)
PAYG instalments for December 2020	(43.1)
Net income tax payable post PAYG instalments	19.6

* Figures exclude all foreign jurisdictions due to resulting tax losses in those jurisdictions. Amounts reflect current tax payable in Australia only for the December 2020 income year.

INTERNATIONAL RELATED PARTY DEALINGS

In addition to the above disclosures, the TTC also requires disclosure of international related party dealings. For the year ended 31 December 2020, OZ Minerals had immaterial dealings with international related parties in Brazil and Peru, limited to the following:

- the provision of technical services (Brazil and Peru)
- intercompany loans to fund exploration and feasibility studies (Brazil and Peru).

HEALTH AND WELLBEING

DIVERSITY

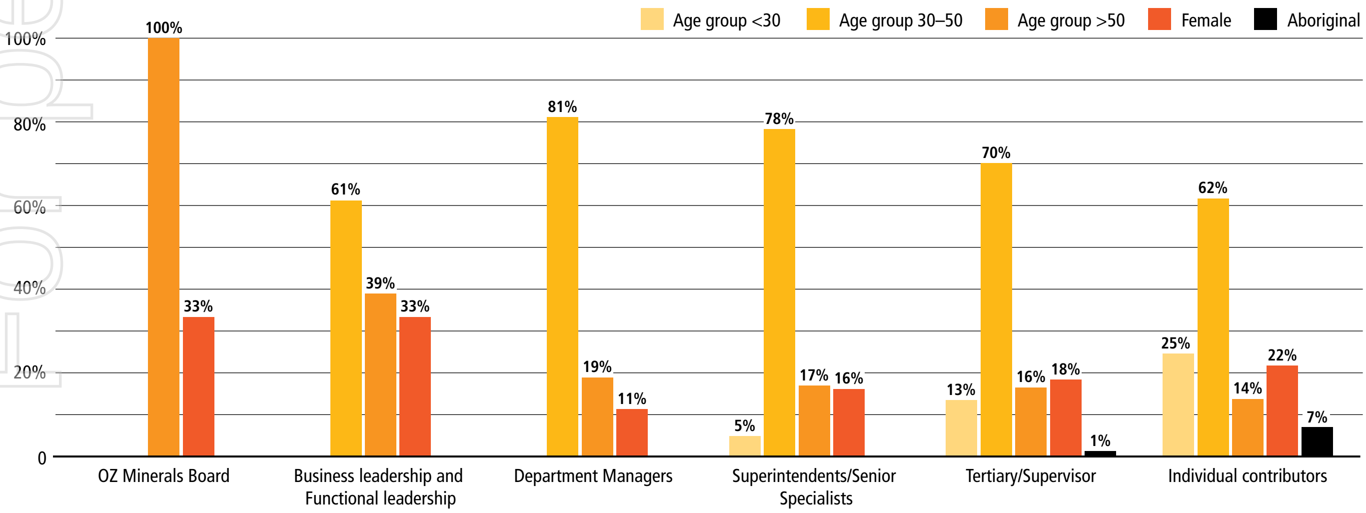
Profile 2020	Full time		Part time		Fixed term		Casual		Employees	Contractors			Workforce	Aboriginal	Local	State Based	Interstate
	M	F	M	F	M	F	M	F	Total	M	F	Total	Total	Total	Total	Total	Total
Australia – Corporate	61	30	1	2	8	4	1	1	108	5	7	12	120	0	N/A	106	14
Australia – Prominent Hill	164	36	0	0	11	5	0	1	217	1,023	165	1,188	1,405	109	163	1,199	206
Australia – Carrapateena	198	38	0	0	11	3	4	0	254	352	64	416	670	46	72	485	185
Australia – West Musgrave	13	0	0	2	5	0	0	0	20	2	1	3	23	0	1	15	8
Brazil – Antas	119	21	0	0	0	0	0	0	140	257	17	274	414	0	111	414	0
Brazil – Pedra Branca	85	20	0	0	0	0	0	0	105	333	58	391	496	0	44	496	0
Total	640	145	1	4	35	12	5	2	844	1,972	312	2,284	3,128	155	155	2,715	413

New employees 2020	Age group <36		Age group 36–55		Age group >55		Total
	M	F	M	F	M	F	
Australia	37	17	33	10	2	1	100
Brazil	42	17	31	4	4	0	98

Turnover 2020	Age group <36 %		Age group 36–55 %		Age group >55 %		Total %	Voluntary turnover %
	M	F	M	F	M	F		
Australia	4.6	4.7	7.0	21.1	5.6	22.8	7.3	4.3
Brazil	0.1	0.2	0.2	0	0	0.0	14.3	9.8

Training Hours (2020)	Hours
Total	36,032
Individual average training hour provided by OZ Minerals (total workforce)	12

COMBINED EMPLOYEE DIVERSITY AT OZ MINERALS



AUSTRALIA

Employee diversity at OZ Minerals	Business leadership and Functional leadership	Department Managers	Superintendents/ Senior Specialists	Tertiary/Supervisor	Individual contributors
Under 30 years old	0	0	6	21	71
30-50 years old	9	38	91	90	174
Over 50 years old	6	7	18	26	42
Female	6	6	19	28	63
Aboriginal	0	0	0	2	22

BRAZIL

Employee diversity at OZ Minerals	Business leadership and Functional leadership	Department Managers	Superintendents/ Senior Specialists	Tertiary/Supervisor	Individual contributors
Under 30 years old	0	0	0	1	6
30-50 years old	2	5	6	25	19
Over 50 years old	1	3	3	1	1
Female	0	0	1	2	5

TOTAL

Employee diversity at OZ Minerals	OZ Minerals Board	Business leadership and Functional leadership	Department Managers	Superintendents/ Senior Specialists	Tertiary/ Supervisor	Individual contributors
Under 30 years old	0	0	0	6	22	77
30-50 years old	0	11	43	97	115	193
Over 50 years old	6	7	10	21	27	43
Female	2	6	6	20	30	68
Aboriginal	0	0	0	0	2	22
Residing in State	2	15	45	115	137	287

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF OZ MINERALS LTD

KPMG

CONCLUSION

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Selected Sustainability Information, which has been prepared by OZ Minerals Limited in accordance with the Global Reporting Initiative (GRI) Standards, the Recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and Oz Minerals Limited specific definitions outlined in the 2020 Sustainability Report on pages 70 to 117 of the Oz Minerals Limited Annual and Sustainability Report for the year ended 31 December 2020.

Information Subject to Assurance

The Selected Sustainability Information, as presented in the 2020 Sustainability Report on pages 70 to 117 of the OZ Minerals Ltd (the "Company") Annual and Sustainability Report 2020 for the year ended 31 December 2020 (the "Sustainability Report") and available on the Company website, comprised the following:

Selected Sustainability Information	Value assured
Fatalities	0
Total Recordable Injury Frequency Rate (TRIFR)	5.29
Lost Time Injury Frequency Rate (LTIFR)	1.32
Greenhouse gas emissions Scope 1 (t CO_2-e) July 2019 – June 2020	85,555
Greenhouse gas emissions Scope 2 (t CO_2-e) July 2019 – June 2020	192,334
Energy consumed (GJ) July 2019 – June 2020	2,910,354
Energy produced (GJ) July 2019 – June 2020	37,691
Total water withdrawal – sum of Groundwater (mine dewatering) and Groundwater (wellfield) (ML)	7,544
TCFD disclosures, strategy, risk management and the metrics and targets sections of the Sustainability Report presented on pages 87-89	Not applicable

Criteria Used as the Basis of Reporting

The criteria used in relation to the Selected Sustainability Information are the GRI Standards published by the GRI, Recommendations of the TCFD and Company specific definitions outlined in the Sustainability Report.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3410 Assurance Engagements on Greenhouse Gas Statements (the Standards). In accordance with the Standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Selected Sustainability Information, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant OZ Minerals Ltd personnel to understand the internal controls, governance structure and reporting process of the Selected Sustainability Information;
- reviews of relevant documentation;
- analytical procedures over the Selected Sustainability Information;
- remote discussions with Corporate Head Office (Adelaide), Prominent Hill, Carrapateena and Brazil Assets;
- walkthroughs of the Selected Sustainability Information to source documentation;
- agreeing the Selected Sustainability Information included in the Sustainability Report to relevant underlying sources on a sample basis;
- an assessment that the Selected Sustainability Information indicators reported were in accordance with the criteria used as the basis of reporting; and
- reviewing the OZ Minerals Annual and Sustainability Report 2020 in its entirety to ensure it is consistent with our overall knowledge of the Company.

KPMG

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of OZ Minerals Limited.

Use of this Assurance Report

This report has been prepared for the Directors of OZ Minerals Limited for the purpose of providing an assurance conclusion on the Selected Sustainability Information and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of OZ Minerals Limited, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet the needs of intended users, being OZ Minerals Limited and their stakeholders;
- preparing and presenting the information subject to assurance in accordance with the criteria. This includes disclosing the criteria, including any significant inherent limitations;
- establishing internal controls that enable the preparation and presentation of the information subject to assurance that is free from material misstatement, whether due to fraud or error;
- advising us of any known and/or contentious issues relating to the information subject to assurance; and
- maintaining integrity of the website.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Selected Sustainability Information for the year ended 31 December 2020, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG

KPMG

Julia Bilyanska

Julia Bilyanska
Director

18 February 2021

MINERAL RESOURCES AND ORE RESERVES

MINERAL RESOURCES AND ORE RESERVES

OZ Minerals updates its Mineral Resources and Ore Reserves estimates at 30 June each year, or as necessitated by material changes to projects.

In 2020, estimated Ore Reserves increased from approximately 175 Mt to 550 Mt primarily from the inclusion of Ore Reserves from the West Musgrave Province and the change of the assumed mining method at Carrapateena from sub-level caving to block caving. Total estimated Mineral Resources increased in 2020 from approximately 1,600 Mt to 1,800 Mt, mostly due to a changed cut-off grade for the West Musgrave Project.

The information in this section is drawn from the following releases:

Deposit	Release date
Prominent Hill Mineral Resource and Ore Reserve Statement and Explanatory Notes as at 30 June 2020	16-Nov-20
2020 Carrapateena Mineral Resources and Ore Reserves Statement and Explanatory Notes as at 30 June 2020	16-Nov-20
Fremantle Doctor Mineral Resource Statement and Explanatory Notes as at 12 November 2018	12-Nov-18
Maiden Succoth Resource Estimate (asx.com.au/asxpdf/20151207/pdf/433lsh4dgb91rs.pdf)	7-Dec-15
Maiden Jericho Resource and Cloncurry exploration update (asx.com.au/asxpdf/20200716/pdf/44kkzdc6ljty34.pdf)	16-Jul-20
West Musgrave Project Nebo-Babel Deposits Mineral Resource Statement and Explanatory Notes as at 9 December 2020	9-Dec-20
Antas North Mineral Resource and Ore Reserve Statement and Explanatory Notes as at 30 June 2020	16-Nov-20
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	28-Nov-19
CentroGold Mineral Resource Estimate and Ore Reserve Statement as at 6 May 2019 and 24 June 2019	11-Jul-19
CentroGold Resources Increase 45% and Exceeds 1.8 Million Ounces	13-Nov-17

Note: All Mineral Resources and Ore Reserves are estimates. The OZ Minerals Mineral Resources and Ore Reserves statements and their accompanying explanatory notes can be viewed in full at: ozminerals.com/operations/resources-reserves/

SUMMARY OF SIGNIFICANT CHANGES SINCE 2019

Prominent Hill

Prominent Hill estimated Mineral Resource tonnes increased by 8 per cent mostly due to a change in cut-off grade and the inclusion of marginal grade stockpiles, offset by mining and stockpile depletion.

Prominent Hill estimated Underground Ore Reserve tonnes decreased by 3 per cent mostly due to mining depletion.

Carrapateena

In 2020 a PFS was completed on an expansion of the Carrapateena Asset and the study identified that it was economically and technically viable to convert from a sub-level caving method to a block cave mining methodology, resulting in an increase of estimated Ore Reserves of 91 Mt to 220 Mt.

West Musgrave Project

In December 2020 an update to the PFS resulted in an improvement to key project metrics relative to the PFS release on 12 February 2020, with an increase of Ore Reserve of 15 per cent, which remained at a Probable Ore Reserve classification exclusively. A reduction in operating costs subsequent to an increase in processing throughput was the ultimate driver for this change.

Carajás Province

An Ore Reserve estimate for Antas North was declared in 2020.

Mining at Antas North will cease in early 2021, while the Carajás Hub will continue to process ore from Pedra Branca.

Others

There have been no changes to the Mineral Resource estimates of Fremantle Doctor, Succoth, Pedra Branca, Cipoeiro or Chega Tudo throughout 2020.

2020

Mineral Resources	Measured				Indicated				Inferred				Total						
	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Cu	Au	Ag
	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	kt	koz	Moz
Copper																			
Prominent Hill underground	46	1.3	0.6	3	23	0.8	1.1	2	59	1.0	0.7	2	130	1.1	0.8	3	1,400	3,100	10
Prominent Hill surface stocks	3.6	0.4	0.3	1	–	–	–	–	–	–	–	–	3.6	0.4	0.3	1	15	38	0.2
Carrapateena	130	0.96	0.42	3.6	500	0.62	0.26	2.9	330	0.32	0.16	2.0	950	0.57	0.25	2.7	5,400	7,600	82
Fremantle Doctor	–	–	–	–	–	–	–	–	104	0.7	0.5	3	104	0.7	0.5	3	800	2,000	10
Succoth	–	–	–	–	–	–	–	–	156	0.60	–	–	156	0.60	–	–	943	–	–
Jericho	–	–	–	–	–	–	–	–	9.1	1.4	0.3	1.6	9.1	1.4	0.3	1.6	130	88	0.5
Antas North	0.2	1.1	0.5	–	0.8	0.9	0.3	–	0.9	0.4	0.1	–	1.9	0.7	0.2	–	12	15	–
Pedra Branca	2.3	1.6	0.5	–	11	1.6	0.4	–	4.8	1.5	0.4	–	19	1.6	0.4	–	300	270	–
Total	180	1.0	0.5	3	530	0.7	0.3	3	660	0.5	0.3	2	1,400	0.6	0.3	2	8,900	14,000	100
Gold																			
Prominent Hill surface stocks	15	0.1	0.6	0.5	–	–	–	–	–	–	–	–	15	0.1	0.6	0.5	18	310	0.2
CentroGold	–	–	–	–	21	–	1.9	–	7.3	–	1.8	–	28	–	1.9	–	–	1,700	–
Chega Tudo	–	–	–	–	8.2	–	1.6	–	3.1	–	1.5	–	11.3	–	1.6	–	–	577	–
Total	15	0.1	0.6	0.5	29	–	1.8	–	10	–	1.7	–	55	0.03	1.5	0.1	18	2,600	0.2
Nickel																			
	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Ni	Cu	Au
	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	kt	kt	Moz
Babel	–	–	–	–	260	0.30	0.34	0.06	79	0.32	0.37	0.06	340	0.31	0.35	0.06	1,000	1,200	0.7
Nebo	–	–	–	–	52	0.36	0.32	0.04	2.3	0.32	0.33	0.04	54	0.36	0.32	0.04	190	170	0.1
Total	–	–	–	–	310	0.31	0.34	0.06	82	0.32	0.37	0.06	390	0.31	0.34	0.06	1,200	1,300	0.7

Ore Reserves	Proved				Probable				Total						
	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Cu	Au	Ag
	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	kt	koz	Moz
Copper															
Prominent Hill underground	29	1.3	0.6	3	9	0.8	1	3	38	1.2	0.7	3	440	840	4
Prominent Hill surface stocks	3.6	0.4	0.3	2	–	–	–	–	3.6	0.4	0.3	2	15	38	0.2
Carrapateena	–	–	–	–	220	1.1	0.45	4.4	220	1.1	0.45	4.4	2,300	3,100	31
Antas North	0.2	1.0	0.4	–	0.4	0.9	0.4	–	0.6	0.9	0.4	–	5.9	8.6	-
Pedra Branca	1.1	1.9	0.6	–	3.9	2.1	0.5	–	5	2.1	0.5	–	104	89	–
Total	33	1.2	0.6	3	230	1.1	0.5	4	260	1.1	0.5	4	2,900	4,100	35
Gold															
Prominent Hill surface stocks	13	0.1	0.7	0.5	2.2	0.2	0.3	0.6	15	0.1	0.6	0.5	18	310	0.2
CentroGold	–	–	–	–	20	–	1.7	–	20	–	1.7	–	–	1,100	–
Total	13	0.1	0.7	0.5	22	0.02	1.5	0.06	35	0.05	1.2	0.2	18	1,400	0.2
Nickel															
	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Ni	Cu	Au
	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	kt	kt	Moz
Babel	–	–	–	–	220	0.31	0.35	0.06	220	0.31	0.35	0.06	680	770	0.4
Nebo	–	–	–	–	33	0.41	0.36	0.04	33	0.41	0.36	0.04	140	120	0.05
Total	–	–	–	–	253	0.32	0.35	0.06	253	0.32	0.35	0.06	820	890	0.5

Table subject to rounding errors. OZ Minerals has 80 per cent ownership of the Jericho JV, however is reported on a 100 per cent basis

2019

Mineral Resources	Measured				Indicated				Inferred				Total						
	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Cu	Au	Ag
	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	kt	koz	Moz
Copper																			
Prominent Hill underground	52	1.3	0.6	3	21	0.9	0.9	3	48	1.0	0.7	2	120	1.1	0.7	3	1,300	2,700	11
Prominent Hill surface stocks	7.5	0.6	0.4	2	–	–	–	–	–	–	–	–	7.5	0.6	0.4	2	48	92	1
Carrapateena	137	0.84	0.38	3	484	0.66	0.28	3.3	345	0.26	0.13	1.7	965	0.54	0.24	2.7	5,200	7,400	83
Fremantle Doctor	–	–	–	–	–	–	–	–	104	0.7	0.5	3	104	0.7	0.5	3	800	2,400	9
Succoth	–	–	–	–	–	–	–	–	160	0.6	–	–	160	0.6	–	–	–	–	–
Antas North	0.28	0.9	0.2	–	1.7	1.1	0.3	–	0.64	1.4	0.5		2.6	1.2	0.4	–	30	29	–
Pedra Branca	2.3	1.6	0.48	–	11	1.6	0.44	–	4.8	1.5	0.44		19	1.6	0.44	–	–	–	–
Total	200	1.0	0.43	2.9	520	0.7	0.31	3.2	660	0.5	0.24	1.5	1,400	0.6	0.29	2.3	8,600	13,000	100
Gold																			
Prominent Hill surface stocks	15	0.10	0.80	2	–	–	–	–	–	–	–	–	15	0.1	0.8	2	17	380	1
CentroGold	–	–	–	–	21	–	1.9	–	7.3	–	1.8	–	28	–	1.9	–	–	1,700	–
Chega Tudo	–	–	–	–	8.2	–	1.6	–	3.1	–	1.5	–	11.3	–	1.6	–	–	577	–
Total	15	0.11	0.78	2	29	–	1.8	–	10	–	1.7	–	54	–	1.5	0.8	17	2,600	1
Nickel																			
	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Ni	Cu	Au
	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	kt	kt	Moz
Babel	–	–	–	–	108	0.33	0.38	0.06	96	0.34	0.38	0.07	204	0.34	0.38	0.06	680	770	0.4
Nebo	–	–	–	–	33	0.45	0.40	0.05	1.9	0.36	0.39	0.04	34	0.44	0.40	0.04	150	140	0.05
Total	–	–	–	–	141	0.36	0.38	0.06	98	0.34	0.38	0.06	238	0.35	0.38	0.06	840	910	0.5

Ore Reserves	Proved				Probable				Total						
	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Cu	Au	Ag
	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	kt	koz	Moz
Copper															
Prominent Hill underground	30	1.3	0.6	3	8.9	1.0	0.9	3	39	1.3	0.60	3	490	770	4
Prominent Hill surface stocks	7.5	0.6	0.4	2	–	–	–	–	7.5	0.6	0.40	2	48	92	1
Carrapateena	–	–	–	–	91	1.6	0.67	7.6	91	1.6	0.67	7.6	1,500	1,900	22
Pedra Branca	1.1	1.9	0.6	–	3.9	2.1	0.5	–	5.0	2.1	0.5	–	104	89	–
Total	38	1.2	0.5	3	100	1.6	0.7	6.9	140	1.5	0.60	6	2,100	2,900	27
Gold															
Prominent Hill surface stocks	15	0.1	0.8	2	–	–	–	–	15	0.10	0.8	2	17	380	1
CentroGold	–	–	–	–	20	–	1.7	–	20	–	1.7	–	–	1,100	–
Total	15	0.1	0.8	2	20	–	1.7	–	35	0.05	1.3	1	17	1,400	1

Table subject to rounding errors.

MATERIAL CHANGES IN THE MINERAL RESOURCES AND ORE RESERVES ESTIMATES

OZ Minerals is not aware of anything that materially affects the information contained in any of the above listed estimates since they were last reported, except for depletion due to mining. Depletion since the Ore Reserves were last reported to 31 December 2020 is outlined below.

Asset	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)
Prominent Hill	4.6	0.8	0.9	2
Carrapateena	1.8	1.1	0.7	7
Antas North	0.3	1.0	0.3	–

COMPETENT PERSONS' STATEMENTS

The information in this report that relates to the Mineral Resources and Ore Reserves listed in the table below is based on, and fairly represents, information and supporting documentation prepared by the relevant Competent Person whose name appears in the same row. Each has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code (2012). As a whole, the Mineral Resources and Ore Reserves Statement in this report has been approved by each person named in the table below. Each person is a member of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists or other Recognised Professional Organisation, and consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Competent Persons may be shareholders in OZ Minerals Limited. OZ Minerals' employees are entitled to participate in the OZ Minerals Performance Rights Plan and may participate in an incentive scheme in which replacement of mining depletion is one of the performance indicators.

Asset	Estimate	Name	Employer	Professional Organisation	Membership Number
Prominent Hill	Mineral Resource	Bruce Whittaker	OZ Minerals full time employee	AusIMM	222853
Prominent Hill	Ore Reserve	Tom Murdock	OZ Minerals full time employee	AusIMM	304944
Carrapateena	Mineral Resource	Shaun Light	OZ Minerals full time employee	AusIMM	316591
Carrapateena	Ore Reserve	Rodney Hocking	OZ Minerals full time employee	AusIMM	317073
Fremantle Doctor	Mineral Resource	Heather Pearce	Former OZ Minerals full time employee	AusIMM	109714
Antas North	Mineral Resource	Colin Lollo	OZ Minerals full time employee	AusIMM	225331
Antas North	Ore Reserve	Ruy Lacourt	Re Metallica Associates Consultant	SME	4172669RM
Pedra Branca	Mineral Resource	Colin Lollo	OZ Minerals full time employee	AusIMM	225331
Pedra Branca	Ore Reserve	Ruy Lacourt	Re Metallica Associates Consultant	SME	4172669RM
CentroGold	Mineral Resource	Aaron Green	CSA Global Pty Ltd full time employee	AIG	1719
CentroGold	Ore Reserve	Adriano Carneiro	AMBA Geology and Mining Consulting full time employee	AusIMM	319595
Chega Tudo	Mineral Resource	Aaron Green	CSA Global Pty Ltd full time employee	AIG	1719
Succoth	Mineral Resource	Aaron Green	CSA Global Pty Ltd full time employee	AIG	1719
Jericho	Mineral Resource	Phillippa Ormond	OZ Minerals full time employee	AusIMM	226746
Nebo-Babel	Mineral Resource	Phillippa Ormond	OZ Minerals full time employee	AusIMM	226746
Nebo-Babel	Ore Reserve	Yohanes Sitorus	OZ Minerals full time employee	AusIMM	317702

GOVERNANCE ARRANGEMENTS

OZ Minerals has established Mineral Resources and Ore Reserves estimation processes, which set company-wide consistency, rigour and discipline in the preparation and reporting of Mineral Resources and Ore Reserves in accordance with industry best practice.

Updates to Mineral Resources and Ore Reserves estimates compiled during 2020 were completed in accordance with the OZ Minerals guiding principles, suitably modified to meet current company structures, delegated authorities and estimate requirements.

These included:

- reporting in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition)
- suitably qualified and experienced Competent Persons
- all Mineral Resources and Ore Reserves estimates being subject to independent review by suitably qualified practitioners, inclusive of the Competent Persons
- review by the Mineral Resources and Ore Reserves Team
- Board approval of the Mineral Resources and Ore Reserves estimates prior to release to the market.

FINANCIAL REPORT

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of OZ Minerals Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit of OZ Minerals Limited for the financial year ended 31 December 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul Cenko
Partner

18 February 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2020 $m	2019 $m
Revenue	1	1,342.0	1,107.0
Other income		0.3	0.2
Mining		(421.6)	(251.5)
Processing		(215.5)	(146.8)
Freight		(50.5)	(80.5)
Site administration		(113.5)	(48.8)
Royalties		(67.7)	(57.6)
Inventory movement		(18.9)	(140.8)
Corporate administration		(56.0)	(50.2)
Exploration and corporate development		(50.6)	(93.9)
Other		(4.4)	(4.5)
Foreign exchange (loss)/gain		(20.7)	0.9
Profit before interest and income tax		322.9	233.5
Finance income		0.4	5.1
Finance expense		(27.5)	(10.0)
Profit before income tax		295.8	228.6
Income tax	3	(83.2)	(64.7)
Profit for the year attributable to equity holders of OZ Minerals Limited		212.6	163.9
Other comprehensive gain/(loss)			
Items that will not be reclassified subsequently to future Income Statements			
Change in fair value of investments in equity securities, net of tax		3.9	(7.6)
Items that may be reclassified subsequently to future Income Statements			
Cash flow hedges change in fair value		(40.8)	(52.0)
Cash flow hedges reclassified to profit and loss		64.9	23.9
Foreign operations – foreign currency translation differences		(36.1)	8.9
Other comprehensive loss for the year, net of tax		(8.1)	(26.8)
Total comprehensive income for the year attributable to equity holders of OZ Minerals Limited		204.5	137.1
		cents	**cents**
Basic and diluted earnings per share	2	65.2	50.7

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020	Notes	Issued capital	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total equity
		$m	$m	$m	$m	$m
Balance as at 1 January 2020		2,280.4	721.2	(49.5)	27.8	2,979.9
Total comprehensive income for the year						
Profit for the year		–	212.6	–	–	212.6
Other comprehensive loss		–	3.9	24.1	(36.1)	(8.1)
Total comprehensive income for the year		–	216.5	24.1	(36.1)	204.5
Transactions with owners, recorded directly in equity						
Shares issued – acquisition of Cassini Resources Limited	8	89.6	–	–	–	89.6
Dividends	4	1.4	(74.6)	–	–	(73.2)
Share-based payment transactions, net of income tax	13	–	10.6	–	–	10.6
Total transactions with owners		91.0	(64.0)	–	–	27.0
Balance as at 31 December 2020		2,371.4	873.7	(25.4)	(8.3)	3,211.4

For the year ended 31 December 2019	Notes	Issued capital	Retained earnings	Cash flow hedge reserve	Treasury shares	Foreign currency translation reserve	Total equity
		$m	$m	$m	$m	$m	$m
Balance as at 1 January 2019		2,280.4	638.5	(21.4)	(1.2)	18.9	2,915.2
Effect of transition to AASB 16 Leases		–	(6.1)	–	–	–	(6.1)
Adjusted opening balance		2,280.4	632.4	(21.4)	(1.2)	18.9	2,909.1
Total comprehensive income for the year							
Profit for the year		–	163.9	–	–	–	163.9
Other comprehensive loss		–	(7.6)	(28.1)	–	8.9	(26.8)
Total comprehensive income for the year		–	156.3	(28.1)	–	8.9	137.1
Transactions with owners, recorded directly in equity							
Dividends	4	–	(74.3)	–	–	–	(74.3)
Share-based payment transactions, net of income tax	13	–	8.0	–	–	–	8.0
Issue of treasury shares		–	(1.2)	–	1.2	–	–
Total transactions with owners		–	(67.5)	–	1.2	–	(66.3)
Balance as at 31 December 2019		2,280.4	721.2	(49.5)	–	27.8	2,979.9

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

CONSOLIDATED BALANCE SHEET

At 31 December	Notes	2020	2019
		$m	$m
Current assets			
Cash and cash equivalents		131.7	134.0
Trade receivables		160.3	83.1
Inventories	5	252.1	238.3
Prepayments		11.7	7.7
Other receivables		13.5	23.4
Total current assets		569.3	486.5
Non-current assets			
Deferred tax assets	3	7.0	7.1
Inventories	5	266.6	299.3
Exploration assets	8	215.8	112.1
Property, plant and equipment	7	2,913.5	2,696.3
Right-of-use assets	9	750.1	176.1
Other assets		33.7	36.6
Total non-current assets		4,186.7	3,327.5
Total assets		4,756.0	3,814.0
Current liabilities			
Trade payables and accruals		190.1	168.6
Other payables		7.3	8.2
Current tax provision		19.7	5.6
Employee benefits		21.7	14.5
Provisions	10	0.3	1.0
Derivative financial instruments	14	36.3	60.4
Loans and borrowings	14	171.5	37.8
Total current liabilities		446.9	296.1
Non-current liabilities			
Deferred tax liabilities	3	288.5	270.1
Employee benefits		3.2	1.7
Provisions	10	121.7	97.4
Derivative financial instruments	14	–	22.7
Loans and borrowings	14	684.3	146.1
Total non-current liabilities		1,097.7	538.0
Total liabilities		1,544.6	834.1
Net assets		3,211.4	2,979.9
Equity			
Issued capital	12	2,371.4	2,280.4
Cash flow hedge reserve		(25.4)	(49.5)
Retained earnings		873.7	721.2
Foreign currency translation reserve		(8.3)	27.8
Total equity attributable to equity holders of OZ Minerals Limited		3,211.4	2,979.9

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December	Notes	2020	2019
		$m	$m
Cash flows from operating activities			
Receipts from customers		1,253.0	1,139.9
Payments to suppliers and employees		(589.2)	(492.7)
Payments for exploration and evaluation		(47.1)	(96.5)
Income tax paid		(43.8)	(44.1)
Financing costs		(23.0)	(2.3)
Interest received		0.5	6.3
Net cash inflows from operating activities	6	550.4	510.6
Cash flows from investing activities			
Payments for property, plant and equipment		(545.9)	(737.7)
Net proceeds from sale of pre commissioning concentrates		43.0	–
Payments for exploration assets		(17.3)	(26.2)
Net cash outflows from investing activities		(520.2)	(763.9)
Cash flows from financing activities			
Dividends paid to shareholders	4	(73.2)	(74.3)
Proceeds from loans and borrowings	14	225.0	–
Payments for loans and borrowings	14	(125.0)	–
Lease payments	14	(55.2)	(47.3)
Net cash outflows from financing activities		(28.4)	(121.6)
Net increase/(decrease) in cash held		1.8	(374.9)
Cash and cash equivalents at beginning of the year		134.0	505.1
Effects of exchange rate changes on foreign currency denominated cash balances		(4.1)	3.8
Cash and cash equivalents at the end of the year		131.7	134.0

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

The principal business activities of OZ Minerals Limited (OZ Minerals or the Company) and its controlled entities (collectively the 'Consolidated Entity' or the 'Group') were the mining and processing of ore containing copper, gold and silver; undertaking exploration activities; and the development of mining projects.

The Company is incorporated and domiciled in Australia and limited by shares which are traded on the Australian Securities Exchange. OZ Minerals' registered office is located at 2 Hamra Drive, Adelaide Airport, South Australia 5950, Australia.

The Consolidated Financial Statements of OZ Minerals Limited and its controlled entities for the year ended 31 December 2020:

- are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) and the *Corporations Act 2001* and comply with International Financial Reporting Standards (IFRS)
- are presented in Australian dollars which is also the functional currency of its major operations. The controlled entities of the Company have the functional currency of Australian dollars and US dollars. The financial statements of the Company include consolidation of its subsidiaries referred to in Note 17
- have amounts rounded off to within the nearest million dollars to one decimal place unless otherwise stated, in accordance with Instrument 2016/191, issued by the Australian Securities and Investments Commission.

The Consolidated Financial Statements have been prepared on a going concern basis and under the historical cost convention, except for the following items which are measured at fair value, or otherwise, in accordance with the provisions of applicable accounting standards:

- financial instruments, including trade receivables
- derivative financial instruments
- items of inventory and property, plant and equipment which have been written down in accordance with applicable accounting standards.

Significant judgement has been applied for the commissioning of mine development projects during the year (see Note 7):

- the Carrapateena mine commissioned on 1 January 2020
- the Carrapateena processing plant and infrastructure commissioned on 1 March 2020
- the Pedra Branca mine commissioned on 1 November 2020.

Subsequent to commissioning, revenue and associated costs of production of operating each project are recognised in the Consolidated Statement of Comprehensive Income and depreciation of assets is commenced.

The COVID-19 pandemic impacted OZ Minerals' stakeholders including its customers, suppliers and employees as measures were taken by governments both locally and overseas to manage the pandemic. The pandemic did not materially impact the financial results of OZ Minerals during the year except for minor expenditure incurred to support our stakeholders and to keep operating our Assets with the restrictions imposed on the movement of people. The going concern assumption remains appropriate and while asset recoverability was not adversely impacted, future long term impacts of the pandemic on commodity prices, foreign exchange rates, the well-being of people and material movements remain uncertain and could have adverse impacts in future financial reporting periods.

Subsequent to 31 December 2020, the Board of Directors approved the Block Cave Expansion, which will unlock Carrapateena's potential to be a multi-generational, lowest quartile cash cost producing province, bringing long term value to our Stakeholders. The Board of Directors has also resolved to pay a final dividend for the 2020 financial year, as discussed in Note 4. There were no other events that occurred subsequent to the reporting date which have significantly affected or may significantly affect the Consolidated Entity's operations or results in future years.

GROUP PERFORMANCE

1. OPERATING SEGMENTS

Segment	Principal activities
Prominent Hill	Mining and processing underground ore containing copper, gold and silver along with residual lower grade open pit ore from stockpiles. The Prominent Hill mine is located in the Gawler Craton of South Australia. The Prominent Hill mine generates revenue from the sale of concentrate containing copper, gold and silver to customers in Asia, Europe and Australia.
Carrapateena	Mining and processing underground ore containing copper, gold and silver. The Carrapateena mine which is located in the Gawler Craton of South Australia was constructed during 2019. The Carrapateena mine generates revenue from the sale of concentrate containing copper, gold and silver to customers in Asia, Europe and Australia.
Carajás	Mining and processing ore containing copper and gold from the Antas open pit mine and the underground Pedra Branca Mine in the Carajás Hub in Brazil. The Carajás Hub generates revenue from the sale of concentrate containing copper and gold to customers in Europe and Asia.
Exploration & development	Exploration and evaluation activities associated with other projects, including exploration arrangements with Minotaur Exploration Ltd, Mithril Resources, Red Metal, Mineral Prospektering i Sverige, Inversiones Mineras La Chalina S.A.C. and corporate development activities. During the year, OZ Minerals acquired the residual 30 per cent interest in the West Musgrave project providing OZ Minerals with a 100 per cent interest in the West Musgrave project. Further details are set out in Note 8. The Company undertakes its own exploration on tenements around existing operating and development Assets, including at the CentroGold project in the Gurupi province in Brazil.
Corporate (corporate activities)	Other corporate activities include the Consolidated Entity's group office (which includes all corporate expenses that cannot be directly attributed to the operation of the Consolidated Entity's operating segments), and treasury activities.

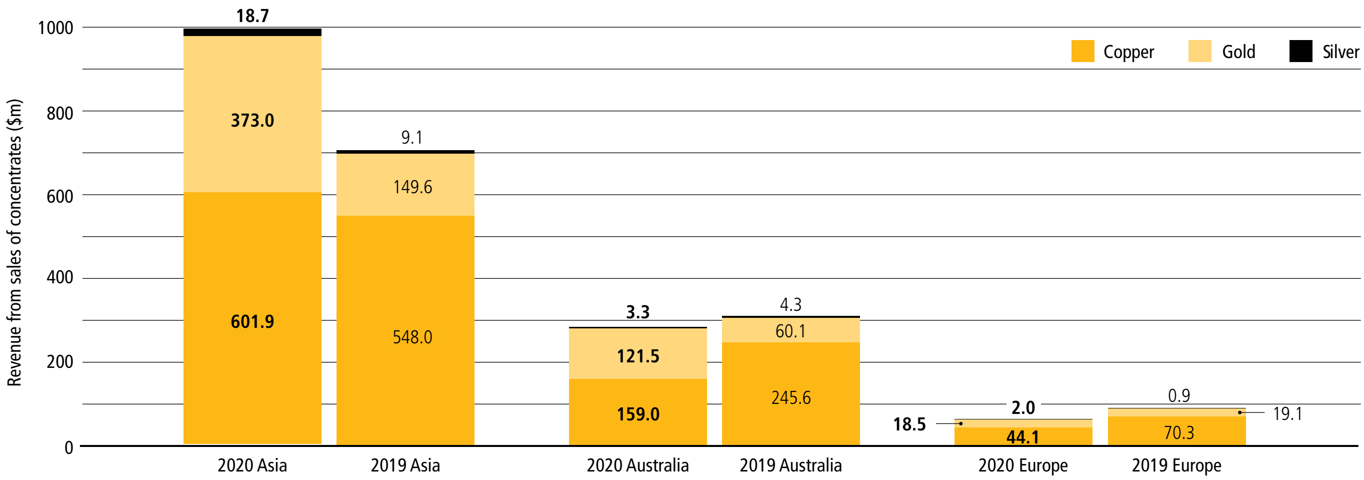
Recognition and measurement of revenue

The Consolidated Entity generates sales revenue primarily from the transfer of concentrate to buyers and in some cases, based on the commercial terms of the contract, delivering it to customers. The performance obligation to transfer concentrate and delivery arises as and when a shipment is agreed with customers against ongoing short and long term supply contracts. Revenue is allocated between the performance obligations and recognised as each performance obligation is met, which for the primary obligation occurs when the concentrate is delivered to a vessel or location and for the secondary obligation, if applicable, when the concentrate is delivered to the customer's location. Revenue arising from the secondary obligation is immaterial to the Group and aggregated with the primary obligation for disclosure purposes. The Group's sale of concentrate incurs customary treatment and refining charges and other commercial costs consistent with industry practice. These items are a deduction from the value of metal contained within the concentrate and accordingly are recognised as a deduction from revenue.

As is industry practice, the Consolidated Entity typically makes sales whereby the final sales price for the primary performance obligation is determined based on the market price prevailing at a date in the future, typically three months. Revenue for the primary performance obligation is measured based on the fair value of the consideration specified in a contract with the customer at the time of settling the performance obligation and is determined by reference to forward market prices. Provisional pricing adjustments, which occur between the fair value at the time of settling the primary performance obligation and the final price, are also recorded within revenue.

Gains and losses on hedge instruments related to sales contracts are recorded in revenue when the associated instrument matures.

NET REVENUE BY METAL BY GEOGRAPHICAL REGION



Revenue information presented is based on the location of the customers' operations. Three major customers (2019: three customers) who individually accounted for more than 10 per cent of total revenue contributed approximately 78 per cent of total revenue (2019: 81 per cent). Included within net revenue from customers in Asia was $152.2 million (2019: $105.1 million) attributable to customers in China.

NET REVENUE BY METAL

	Prominent Hill	Carrapateena	Carajás	Total
	$m	$m	$m	$m
2020				
Copper	541.3	199.1	64.6	805.0
Gold	396.5	102.4	14.1	513.0
Silver	12.3	11.1	0.6	24.0
Total	950.1	312.6	79.3	1,342.0
2019				
Copper	808.6	–	55.3	863.9
Gold	218.1	–	10.7	228.8
Silver	14.1	–	0.2	14.3
Total	1,040.8	–	66.2	1,107.0

Note: Prominent Hill gold revenue is presented net of realised losses on gold derivatives $92.7 million (2019: $23.9 million).

SEGMENTAL FINANCIAL INFORMATION

	Prominent Hill	Carrapateena	Carajás	Exploration & development	Corporate	Consolidated
	$m	$m	$m	$m	$m	$m
31 December 2020						
Revenue	950.1	312.6	79.3	–	–	1,342.0
Cost of goods sold[a]	(458.6)	(159.6)	(46.5)	–	–	(664.7)
Underlying EBITDA[c]	535.7	126.3	26.3	(38.1)	(43.9)	606.3
Net depreciation and amortisation	(182.5)	(67.0)	(13.2)	–	(20.7)	(283.4)
Capital expenditure	127.0	278.3*	35.5*	–	0.1	440.9
Property, plant & equipment	751.8	1,608.7	208.2	317.2	27.6	2,913.5
31 December 2019						
Revenue	1,040.8	–	66.2	–	–	1,107.0
Cost of goods sold[b]	(481.4)	–	(50.1)	–	–	(531.5)
Underlying EBITDA[c]	587.4	(21.1)	5.0	(72.3)	(36.6)	462.4
Net depreciation and amortisation	(207.2)	–	(9.4)	–	(12.3)	(228.9)
Capital expenditure	105.8	596.5	9.9	–	24.1	736.3
Property, plant & equipment	717.8	1,385.0	219.9	332.0	41.6	2,696.3

* Capital expenditure is net of proceeds from sale of concentrate produced from ore mined during the development of the Carrapateena ($37.2 million) and Pedra Branca mines ($5.8 million).

(a) Cost of goods sold does not include net depreciation and amortisation, net realisable value (NRV) adjustments of $66.5 million of Prominent Hill ore, and corporate cost allocations (Prominent Hill $11.3 million, Carrapateena $7.8 million and Brazil $1.8 million).

(b) Cost of goods sold does not include net depreciation and amortisation, net realisable value adjustments (Prominent Hill $38.3 million increase, Brazil $10 million decrease) and corporate cost allocations (Prominent Hill $8.2 million, Brazil $2.5 million).

(c) OZ Minerals financial results are reported under IFRS. This Report and Results for Announcement to the Market include certain non-IFRS measures including underlying Earnings before interest tax, depreciation and amortisation (EBITDA). These measures are presented to enable an understanding of the underlying performance of the Consolidated Entity and are consistent with the information the Consolidated Entity's chief operating decision makers use to assess the underlying performance of the business and make resource allocations.

There were no non-underlying items recorded during the year (2019: none).

RECONCILIATION OF CONSOLIDATED UNDERLYING EBITDA TO PROFIT AFTER TAX

At 31 December	2020	2019
	$m	$m
Underlying EBITDA(d)	606.3	462.4
Depreciation	(229.9)	(114.9)
Other assets amortisation	(6.5)	(6.5)
Capitalised depreciation unwind	(47.0)	(107.5)
Earnings before finance income and tax	322.9	233.5
Net finance expense	(27.1)	(4.9)
Profit before tax	295.8	228.6
Tax expense	(83.2)	(64.7)
Profit for the year attributable to equity holders of OZ Minerals Limited	212.6	163.9

(d) Underlying EBITDA includes net realisable value adjustments for Prominent Hill comprising a $66.5 million increase (FY 2019: $28.3 million). It also includes corporate and exploration expense of $112.7 million (FY 2019: $140.0 million), Other income $0.3 million (FY 2019: $0.2 million), Other expense $4.4 million (FY 2019: $4.5 million) and foreign exchange loss of $20.7 million (FY 2019: $0.9 million gain), which resulted from the movement in AUD:USD and BRL:USD currency exchange rates on translation of foreign currency transactions and foreign currency denominated financial assets and liabilities.

NET DEPRECIATION AND AMORTISATION EXPENSE FOR THE YEAR

At 31 December	2020	2019
	$m	$m
Mining	140.6	72.5
Processing	42.0	26.0
Site and corporate administration	53.8	22.9
Capitalised depreciation unwind	47.0	107.5
Total depreciation and amortisation expense	283.4	228.9

2. EARNINGS PER SHARE

	2020	2019
Basic and diluted earnings per share – cents	65.2	50.7
Inputs used in calculating basic and diluted earnings per share		
Profit after tax – $ millions	212.6	163.9
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	325,971,255	323,431,247

Basic earnings per share is calculated by dividing the profit attributable to equity holders of OZ Minerals Limited, by the weighted average number of ordinary shares outstanding during the financial year. The weighted average is determined by the total number of shares on issue less treasury shares held by the Company throughout the period.

Diluted earnings per share adjusts the amounts used in the determination of basic earnings per share to take into account dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

3. INCOME TAX

Income tax expense comprises current and deferred tax of the Consolidated Entity. Current and deferred tax expenses are recognised in other comprehensive income or directly in equity as is appropriate.

Recoverability of Deferred Tax Assets

The Consolidated Entity is subject to income taxes in Australia and of the jurisdictions where it has foreign operations. Significant judgement is required in the application of income tax legislation to determine the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain and for which provisions are based on estimated amounts probable of being accepted by the relevant tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provision in the period in which the determination is made.

Assumptions about the generation of future taxable profits influence the ability of the Consolidated Entity to recognise (or continue to recognise) deferred tax assets. Taxable profit estimates are based on estimated future production and sales volumes, commodity prices, foreign exchange rates, operating costs, restoration costs and capital expenditure. A change in these assumptions may impact the amount of deferred tax assets recognised in the balance sheet in future periods.

Group taxation

The Consolidated Entity's principal operations are located in Australia and Brazil. Income tax expense, current tax and deferred tax balances have been determined based on the tax laws and tax rates applicable in the relevant jurisdiction.

OZ Minerals Limited and its wholly owned Australian-controlled entities are part of a tax consolidated group. OZ Minerals Limited is the head company of the Australian tax consolidated group. No foreign operating affiliates are consolidated for tax purposes.

INCOME TAX EXPENSE IN THE INCOME STATEMENT

	2020	2019
	$m	$m
Current income tax expense	(57.3)	(54.6)
Deferred income tax expense	(25.9)	(10.1)
Income tax expense	(83.2)	(64.7)

RECONCILIATION OF INCOME TAX EXPENSE TO PRE-TAX PROFIT

	2020	2019
	$m	$m
Profit before income tax	295.8	228.6
Income tax expense at the Australian tax rate of 30%	(88.7)	(68.6)
Adjustments:		
Variation in overseas tax	2.9	0.1
Non-deductible expenditure	(6.8)	(14.1)
Revision for prior periods	(0.3)	1.5
Recognition of previously unrecognised tax losses	14.3	17.8
R&D tax benefit	0.4	–
Other	(4.0)	–
Derecognition of overseas losses	(1.0)	(1.4)
Income tax expense	(83.2)	(64.7)

Unrecognised tax losses

A review of unrecognised tax losses was undertaken during the year and additional restricted tax losses of $14.3 million tax effected (2019: $17.8 million) were recognised on the balance sheet. Restricted tax losses are subject to an available fraction, which limits the amount of loss utilisation each year. During the financial year, $8.3 million tax losses (tax effected) were transferred to the Australian tax consolidated group upon acquisition of Cassini Resources Limited. Australian restricted tax losses of $146.9 million tax effected (2019: $152.9 million) remain unrecognised at 31 December 2020, inclusive of the Cassini Resources Limited transferred losses. Capital losses of $595.9 million tax effected (2019: $595.0 million tax effected) remain unrecognised at 31 December 2020.

Deferred tax assets and liabilities

The movement in the Consolidated Entity's recognised deferred tax balances are as follows:

	31 December 2018	Recognised in income statement	Recognised in equity	31 December 2019	Recognised in income statement	Recognised in equity	31 December 2020
	$m	$m	$m	$m	$m	$m	$m
Deferred tax assets							
Unrestricted tax losses	–	4.7	–	4.7	(4.3)	–	0.4
Restricted tax losses	34.1	10.3	–	44.4	6.6	–	51.0
Lease liability	–	39.8	15.4	55.2	171.5	–	226.7
Provisions and accruals	14.2	1.5	–	15.7	13.6	(0.4)	28.9
Derivative financial instruments	4.6	9.0	11.3	24.9	(3.8)	(10.3)	10.8
Other	8.1	0.2	–	8.3	(3.9)	–	4.4
Total deferred tax assets	61.0	65.5	26.7	153.2	179.7	(10.7)	322.2
Set-off against deferred tax liabilities	(58.5)	(60.9)	(26.7)	(146.1)	(179.4)	10.3	(315.2)
Net deferred tax assets	2.5	4.6	–	7.1	0.3	(0.4)	7.0

	31 December 2018	Recognised in income statement	Recognised in equity	31 December 2019	Recognised in income statement	Recognised in equity	31 December 2020
	$m	$m	$m	$m	$m	$m	$m
Deferred tax liabilities							
Inventories	(4.8)	0.2	–	(4.6)	(0.4)	–	(5.0)
Exploration assets	(4.8)	(8.7)	(0.2)	(13.7)	(5.8)	2.3	(17.2)
Property plant and equipment	(309.6)	(26.2)	(4.4)	(340.2)	(28.3)	15.8	(352.7)
Right-of-use assets	–	(41.1)	(12.9)	(54.0)	(171.0)	–	(225.0)
Provisions and accruals	(3.9)	0.2	–	(3.7)	(0.1)	–	(3.8)
Total deferred tax liabilities	(323.1)	(75.6)	(17.5)	(416.2)	(205.6)	18.1	(603.7)
Set-off against deferred tax assets	58.5	60.9	26.7	146.1	179.4	(10.3)	315.2
Net deferred tax liabilities	(264.6)	(14.7)	9.2	(270.1)	(26.2)	7.8	(288.5)

Recognition and measurement of income taxes

Current tax

The tax payable is based on taxable profit for the year, using rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax

Deferred tax assets and liabilities are not recognised for temporary differences arising from investments in subsidiaries where the Consolidated Entity is able to control the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available to utilise them.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted based on estimates of future taxable income and/or capital gains against which the deferred tax asset could be utilised.

Deferred tax assets and liabilities are measured at the tax rates applicable to each jurisdiction which are expected to apply in the period when the assets are realised, or liabilities discharged. They are offset where they relate to the same tax authority and there is a legally enforceable right to offset.

4. DIVIDENDS

Since the end of the financial year, the Board of Directors resolved on 18 February 2021 to pay a fully-franked dividend of 17 cents per share. The record date for entitlement to this dividend is 12 March 2021.

OZ Minerals offers a Dividend Reinvestment Plan (DRP) and eligible shareholders may participate in the DRP in respect of all or part of their shareholding. A discount of 1.5 per cent will apply to this allocation and there is no limit on the number of participating shares. Shares will be allocated to shareholders under the DRP for the 2020 final dividend at an amount equal to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of five trading days commencing on 11 March 2021. The last date for receipt of election notices for the DRP is 15 March 2021.

The financial impact of the dividend amounting to $56.4 million has not been recognised in the Consolidated Financial Statements for the year ended 31 December 2020 and will be recognised in subsequent consolidated financial statements.

The details in relation to dividends announced or paid since 1 January 2019 are set out below:

Record date	Date of payment	Fully franked	Total dividends	Dividend reinvestment plan
		cents per share	$m	
12 March 2021	26 March 2021	17	56.4	Yes
18 September 2020	5 October 2020	8	26.0	Yes
12 March 2020	26 March 2020	15	48.6	No
3 September 2019	17 September 2019	8	25.9	No
12 March 2019	26 March 2019	15	48.4	No

5. INVENTORIES

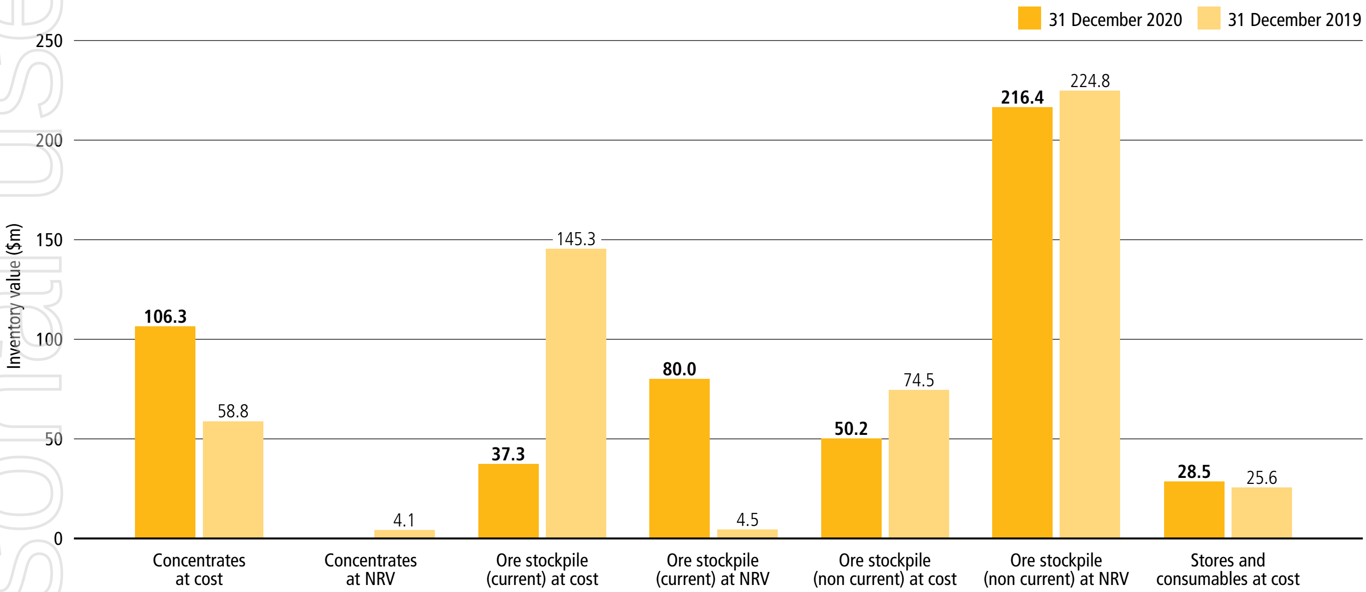
Net Realisable Value of Inventories

Inventories are recognised at the lower of cost and net realisable value (NRV).

NRV of ore is based on the estimated amount expected to be received when the ore is processed and sold, less incremental costs to convert the ore to concentrate and selling costs. The calculation of NRV for stockpiles involves significant judgements and estimates in relation to future ore blend rates, timing of processing, processing costs, commodity prices, foreign exchange rates, discount rates and the ultimate timing of sale of concentrates produced.

A change in any of these critical assumptions will alter the estimated NRV and may therefore impact the carrying value of inventories positively or negatively.

INVENTORIES



	2020	2019
	$m	$m
Concentrates – at cost	106.3	58.8
Concentrates – at net realisable value	–	4.1
Ore stockpile – at cost	37.3	145.3
Ore stockpile – at net realisable value	80.0	4.5
Stores and consumables – at cost	28.5	25.6
Inventories – current	252.1	238.3
Ore stockpile – non-current at cost	50.2	74.5
Ore stockpile – non-current at net realisable value	216.4	224.8
Inventories – non-current	266.6	299.3
Total inventories	518.7	537.6

An assessment of the NRV of ore stockpiles resulted in a net adjustment to increase the value of inventory by $66.5 million in 2020 (2019: $28.3 million). This increased the total ore stockpiles held at NRV to $296.4 million. The increase is mainly a reversal of previous net realisable value write downs due to price assumptions partially offset by an ore inventory adjustment of $14.4 million following the reassessment of the low grade gold ore stockpile quantities at Prominent Hill.

Recognition and measurement of inventories

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs comprise direct materials, labour and a proportion of overhead expenditure directly related to the production of inventories. Expenditure directly related to the production of inventories includes processing costs; transportation costs to the point of sale; and depreciation of plant, equipment, mining property; and development assets, the latter of which includes deferred stripping assets and mine rehabilitation costs incurred in the mining process.

Inventories expected to be processed or sold within 12 months after the balance date are classified as current assets and all other inventories are classified as non-current.

6. OPERATING CASH FLOWS

The Consolidated Entity's operating cash flow reconciled to profit after tax is as follows.

	2020	2019
	$m	$m
Profit after tax for the year	212.6	163.9
Adjustments for:		
Depreciation and amortisation	184.6	98.1
Lease amortisation	51.8	23.3
Foreign exchange loss/(gains) on cash balances	4.1	(3.8)
Share based payments	9.8	8.0
Other items	(2.1)	0.4
Change in assets and liabilities:		
Trade and other receivables	(67.3)	(13.4)
Prepayments & other assets	(7.7)	19.1
Inventories	18.9	140.8
Trade and other payables	69.8	26.3
Provision for employee benefits	8.7	2.0
Other provisions	0.3	4.0
Derivative financial instruments	34.3	30.5
Net current and deferred tax liability	32.6	11.4
Net cash inflow from operating activities	550.4	510.6

Recognition and measurement of cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents comprise short term and highly liquid cash deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand, at call deposits and cash equivalents.

7. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Mine property and development	Freehold land and buildings	Mineral rights	Capital work in progress	Total
	$m	$m	$m	$m	$m	$m
31 December 2020						
At cost	2,113.7	2,770.5	247.6	317.2	182.3	5,631.3
Accumulated depreciation and impairment losses	(1,030.0)	(1,529.0)	(158.8)	–	–	(2,717.8)
Closing carrying amount	1,083.7	1,241.5	88.8	317.2	182.3	2,913.5
Reconciliation of carrying amounts						
Opening carrying amount at 1 January 2020	739.1	710.4	102.4	479.6	664.8	2,696.3
Additions and transfers	459.5	636.1[(a)]	0.3	(129.5)	(482.5)	483.9
Pre-commissioning adjustment[(b)]	(21.6)	(20.0)	(1.4)	–	–	(43.0)
Depreciation	(90.6)	(73.7)	(12.5)	–	–	(176.8)
Foreign currency exchange differences	(2.7)	(11.3)	–	(32.9)	–	(46.9)
Closing carrying amount at 31 December 2020	1,083.7	1,241.5	88.8	317.2	182.3	2,913.5
31 December 2019						
At cost	1,679.0	2,165.8	248.7	479.6	664.8	5,237.9
Accumulated depreciation and impairment losses	(939.9)	(1,455.4)	(146.3)	–	–	(2,541.6)
Closing carrying amount	739.1	710.4	102.4	479.6	664.8	2,696.3
Reconciliation of carrying amounts						
Opening carrying amount at 1 January 2019	360.2	316.5	56.1	474.4	792.3	1,999.5
Additions and transfers	425.5	424.6	59.2	–	(127.5)	781.8
Depreciation	(47.5)	(31.0)	(13.1)	–	–	(91.6)
Foreign currency exchange differences	0.9	0.3	0.2	5.2	–	6.6
Closing carrying amount at 31 December 2019	739.1	710.4	102.4	479.6	664.8	2,696.3

Depreciation for the year of $176.8 million (2019: $91.6 million) increased primarily due to the commencement of depreciation of the Carrapateena operations during 2020, following commissioning.

The mineral rights balance at 31 December 2020 of $317.2 million (net of foreign currency exchange differences) is attributable to the Gurupi province (2019: $332.0 million). Mineral rights of $129.5 million attributable to the Carajás province have been reclassified to mine development assets upon development of the Pedra Branca mine.

(a) During the year OZ Minerals paid US$50 million (A$62.2 million) upon meeting the production milestone of copper, gold or silver under the original acquisition agreement of Carrapateena. This amount has been included within Mine Property and Development in accordance with the Group's accounting policy. The Group did not reach the milestone of production of rare earths, iron or any other commodity which requires a milestone payment of US$25 million.

(b) Pre commissioning adjustment relates to Carrapateena and Pedra Branca mine pre production revenue of $37.2 million and $5.8 million respectively.

Recognition and measurement of property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing assets into use.

Expenditure associated with mining that relates to developing access to new sections of an ore body is capitalised as a mine development asset and depreciated on a units of production basis as ore is extracted. When ore extraction and mine development occur concurrently expenditure is allocated between the cost of ore extraction (inventory) and mine development on the basis of the proportion of underlying activity; typically meters advanced or material moved.

Mineral rights comprise identifiable mineral resources and ore reserves which are acquired as part of a business combination and are recognised at fair value at date of acquisition. Mineral rights are subsequently reclassified as mine property and development once mine development commences.

Mine property and development assets include costs transferred from exploration and evaluation assets and mineral rights once technical feasibility and commercial viability of an area of interest are demonstrated. After transfer, all subsequent expenditures to develop the mine to the production phase and which are considered to benefit mining operations in future periods are capitalised.

The proceeds from the sale of any concentrate produced from ore extracted and processed as part of the development of the asset prior to it being deemed ready for use are deducted from the cost of the asset, less any further processing and selling costs incurred.

The present value of the expected cost of decommissioning, rehabilitation, restoration and dismantling of assets after its use is included in the cost of the respective asset if the recognition criteria for a provision is met including revision to the expected cost.

Property, plant and equipment is tested for impairment when there is an indication of impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. An impairment loss is recognised for the amount by which the asset or cash generating unit (CGU) carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value, less the cost to dispose and its value in use. Assets that have been impaired are reviewed for possible reversal of impairment at each reporting date.

Value in use is the net amount expected to be recovered through cash flows arising from the continued use and subsequent disposal of an asset (or group of assets). In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

The asset's fair value less costs to dispose is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties, less the estimated costs of disposal.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant who would use the asset in its highest and best use.

Mineral Resource and Ore Reserve Estimates

The estimated quantities of mineral resource and ore reserve estimates are based upon interpretations of geological and geophysical models and require assumptions to be made regarding exchange rates, commodity prices, future capital requirements and future operating performance.

Changes in reported mineral resource and ore reserve estimates can impact the carrying value of property, plant and equipment, including deferred mining expenditure; capitalised exploration; provisions for mine rehabilitation; restoration and dismantling obligations; and recognition of deferred tax assets as well as the amount of depreciation charged to the income statement.

Changes in the carrying value of the assets may arise principally through changes in the income that can be economically generated from each project. Changes in depreciation expense may arise through a change in the units of ore available for extraction over which property, plant and equipment is depreciated.

Recoverability of Assets

Cash generating units are tested for impairment when there is an indication that the CGU may be impaired. Examples of impairment indicators include the Group's net assets exceeding its market capitalisation, unfavourable fluctuations in commodity prices and foreign exchange rates, or a decline in the CGU's operating performance.

The Consolidated Entity undertook a review of the Prominent Hill, Carrapateena, Carajás and Gurupi CGU's to determine whether there was any indication that these CGU's had suffered an impairment loss. The Consolidated Entity concluded that there were no such indicators that the CGUs were impaired at the reporting date.

When the Group reviewed impairment indicators, consideration was also given for negative trends in the significant judgements and assumptions that may impact the CGU's valuation in future periods, including:

- expected future cash flows based on a range of factors including Board-approved internal budgets and forecasts which reflect expectations of resources and reserves; mine plans; short and long term commodity prices and foreign exchange rates; and operating and capital costs
- the value of mineral resources not modelled in Board-approved budgets, based on the use of an appropriate resource valuation multiple to the contained copper equivalent within the resources applicable to the CGU
- the discount rate applied to the cash flows which reflects current market conditions.

In addition, the Consolidated Entity monitors impairment indicators by considering the impact of the above judgements and assumptions on the valuation of CGUs through periodic updates to its business valuation models.

Such assumptions are subject to variation as a result of changes in future economic and operational conditions. Consequently, the carrying value of the Consolidated Entity's CGUs may differ in future years if assumptions made do not eventuate and actual outcomes are less favourable than present assumptions.

Depreciation methods adopted by the Consolidated Entity

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

Depreciation of assets commences when the assets are ready for their intended use. The depreciation of mine property and development commences when the mine is commissioned or deemed ready for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate. Where depreciation rates are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate, with the change accounted for as a change in accounting estimate.

8. EXPLORATION ASSETS

Carrying Value of Capitalised Exploration Expenditure

The accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In the event future economic benefits are unlikely or a reasonable assessment of the existence or otherwise of economic reserves is not possible, an impairment test may be required which may result in an adjustment to the carrying value of capitalised exploration expenditure.

The ultimate recoupment of costs capitalised for exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of the respective area of interest.

On 5 October 2020, OZ Minerals acquired the residual 30 per cent interest in the West Musgrave Project thereby consolidating its ownership of the project to 100 per cent. The purchase was effected by acquiring Cassini Resources Limited (Cassini) under a Scheme of Arrangement which included a pre-acquisition spinoff and capital return by Cassini. OZ Minerals issued 6,446,511 shares on 5 October 2020 to shareholders of Cassini, valuing the purchase at $89.6 million. The Company also incurred $9.4 million in transaction costs directly attributable to the purchase which were capitalised resulting in the total cost of acquisition of $99.0 million.

The Scheme of Arrangement allows for contingent payments up to an aggregated cap of $20 million, which are payable in two scenarios:

- $10 million (or pro-rata) if OZ Minerals sells 30 per cent or more of the West Musgrave project where the implied sale value for 30 per cent of the project exceeds $76 million and $10 million (or pro-rata) calculated at 20 per cent of the value exceeding the implied value.
- $10 million if OZ Minerals sells 30 per cent or more of the nickel stream to a mining company which produces, sells or markets base metals.

The Company also inherited a deferred payment of:

- a production milestone payment of $10 million, payable 12 months after commencement of production from the West Musgrave Project.
- a 2 per cent net smelter royalty payable from future production from the tenements within the West Musgrave and Yarawindah Project.

The Contingent Payment and Deferred Payments are not recognised as liabilities as their payment remains wholly within the control of the Group.

EXPLORATION ASSETS

	2020	2019
	$m	$m
Opening balance at 1 January	112.1	78.1
Additions during the year[(a)]	110.8	26.2
Transferred from other assets	–	6.9
Foreign currency exchange difference	(7.1)	0.9
Closing balance 31 December	215.8	112.1

(a) Additions during 2020 include acquisition of the 30 per cent interest in West Musgrave Project amounting to $99.0 million.

Recognition and measurement of exploration expenditure

Exploration and evaluation expenditure is recognised in the Income Statement as incurred, unless it is expected to be recouped through successful development and exploitation of the area of interest; or alternatively by its sale, in which case it is recognised as an asset on an area of interest basis; or the exploration asset is acquired via an asset purchase or a business combination.

Exploration and evaluation assets are classified as tangible according to the nature of the assets. Exploration and evaluation assets are not depreciated and are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. A CGU is not larger than the area of interest. Once the technical feasibility and commercial viability of the extraction of mineral reserves in an area of interest are demonstrated, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine property and development assets within property, plant and equipment.

From time to time the Consolidated Entity enters into arrangements which enable it to secure the opportunity to explore and potentially earn the right to mineralisation if discovered on underlying exploration tenements held by other entities (earn-in arrangements). Under these agreements, OZ Minerals does not assume any liabilities or hold any rights to other assets that the holder of the tenement may possess. Expenditure is accounted for under OZ Minerals accounting policy for exploration and evaluation expenditure.

9. RIGHT-OF-USE ASSETS

2020	Powerline infrastructure	Property	Plant & equipment	Total
	$m	$m	$m	$m
Opening balance at 1 January	–	6.2	169.9	176.1
Transfers	80.6	–	(80.6)	–
Additions to right-of-use assets	521.4	0.3	105.4	627.1
Depreciation charge for the year	(16.0)	(0.8)	(36.3)	(53.1)
Closing carrying amount at 31 December	586.0	5.7	158.4	750.1

2019	Property	Plant & equipment	Total
	$m	$m	$m
Recognised upon transition to AASB 16 at 1 January	5.1	89.2	94.3
Additions to right-of-use assets	1.8	122.3	124.1
Derecognition during the year	–	(1.6)	(1.6)
Depreciation charge for the year	(0.7)	(22.6)	(23.3)
Depreciation capitalised to capital work in progress during the year	–	(17.4)	(17.4)
Closing carrying amount at 31 December	6.2	169.9	176.1

The right-of-use (ROU) assets include office space, mining equipment leases contained in mining service contracts, and powerline infrastructure. During the year, the electricity transmission infrastructure built to transmit electricity to Carrapateena and Prominent Hill and enable further expansion was commissioned by ElectraNet. The power transmission agreement was deemed to be a lease and accordingly, a ROU asset of $521.4 million was recognised. Corresponding lease liabilities are recognised within 'Loans and borrowings' in the consolidated balance sheet (refer to Note 14).

Recognition and measurement of ROU assets

An assessment is made, at inception or when contract terms are changed, to determine whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Consolidated Entity determines the consideration attributable to the lease or a lease component within a contract on the basis of the standalone price of the assets for which a right of use is conveyed. However, for the leases of Powerline Infrastructure the Consolidated Entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee, the Consolidated Entity recognises a ROU asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Short term and low value leases are expensed in the consolidated statement of comprehensive income on a straight-line basis over the life of the lease.

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost (present value of the lease liability, deemed cost of acquiring the asset and restoration or make good cost), and subsequently at cost less any accumulated depreciation, impairment losses and adjustments for remeasurement of the lease liability. The ROU assets are depreciated over the life of the lease. The lease liability is initially measured at the present value of the lease payments expected to be paid over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The lease liability is further remeasured if the estimated future lease payments change as a result of index or rate changes, residual value guarantees or the likelihood of exercising purchase, extension or termination options.

Extension and Renewal of Lease

The Consolidated Entity has applied judgement to determine the lease term for lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the measurement of lease liabilities and ROU assets recognised.

Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group also reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the available extension options, would result in an increase in the lease liability amount of $3.7 million.

Amounts recognised in the Entity's Consolidated financial statement for the year ended 31 December 2020

	2020	2019
	$m	$m
Income statement		
Depreciation and amortisation	51.8	23.3
Lease interest (included in finance expense)	12.2	1.5
Expense relating to short term leases	0.9	0.5
Expense relating to leases of low-value assets, excluding short term	0.2	0.2
Cash flow statement		
Lease liability payments (included in cashflows from net financing activities)	55.7	43.6
Lease interest paid (included in cashflows from operating activities)	12.2	1.5
Balance sheet		
Right-of-use assets at carrying value	750.1	176.1
Addition to right-of-use assets	627.1	124.1
Lease liabilities (included in Loans and borrowings)		
Current	(71.5)	(37.8)
Non-current liabilities	(684.3)	(146.1)

The variable lease payment in relation to the ROU assets for the year was immaterial.

Short term lease commitments

At 31 December 2020, the Group has short term lease commitments of $1.7 million.

10. PROVISIONS

Mine Rehabilitation, Restoration & Dismantling Obligations

The provision for mine rehabilitation includes future cost estimates associated with reclamation, plant closures, waste site closures, monitoring, demobilisation of equipment, decontamination, water purification and permanent storage of historical residues.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of environmental legislation changes and many other factors, including future changes in technology, price increases and changes in interest rates. The calculation of these provision estimates requires assumptions to be made as to the application of environmental legislation, plant closure dates, available technologies, engineering cost estimates and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine rehabilitation, restoration and dismantling provisions.

Recognition and measurement of provisions

Provisions are measured at the present value of the best estimate of the expenditure required to settle the present obligation at balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provisions due to the passage of time is recognised in the income statement as financing expenses.

Provisions are made for the estimated cost of rehabilitation, decommissioning and restoration of areas disturbed during mining and exploration operations up to the reporting date for areas not yet rehabilitated. Provisions for mine rehabilitation are based on the current estimated cost to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated costs include the current cost of rehabilitation necessary to meet legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise. The provision is recognised as a liability, separated into current (estimated costs arising within 12 months) and non-current components based on the expected timing of these cash flows.

	2020	2019
	$m	$m
Current		
Other provisions	0.3	1.0
Total current provisions	0.3	1.0
Non-current		
Other provisions	10.5	9.6
Mine rehabilitation	111.2	87.8
Total non-current provisions	121.7	97.4
Total provisions	122.0	98.4
Aggregate		
Other provisions	10.8	10.6
Mine rehabilitation	111.2	87.8
Total provisions	122.0	98.4

Reconciliation of provisions	Mine rehabilitation provision
Opening carrying amount	87.8
Unwind of discount	2.2
Provisions increase	21.2
Closing carrying amount	111.2

11. COMMITMENTS

The Consolidated Entity has entered into various contracts with suppliers for the ongoing sustaining and growth development activities at existing mines. The total capital expenditure commitment in relation to these contracts as at 31 December 2020 was $203.0 million (2019: $707.3 million), of which $120.0 million is expected to be incurred in 2021.

CONTRIBUTED EQUITY

12. ISSUED CAPITAL

31 December	2020	2019
	$m	$m
331,293,359 shares (2019: 323,874,831 shares)	2,371.4	2,280.4

SHARE CAPITAL MOVEMENT

	Number of shares	Share capital
		$m
31 December 2020		
Opening balance at 1 January	323,874,831	2,280.4
Shares issued under employee share plans[(a)]	872,969	–
Shares issued for asset acquisition 5 October	6,446,511	89.6
Shares issued under DRP 5 October	99,048	1.4
Closing balance at 31 December	331,293,359	2,371.4
31 December 2019		
Opening balance at 1 January	322,899,831	2,280.4
Shares issued on 16 January[(a)]	975,000	–
Closing balance at 31 December	323,874,831	2,280.4

(a) The increase in equity associated with employee share plans is accounted for as set out in Note 13. Shares granted are valued on grant date and accounted under the share-based payment expense.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each holder is entitled to one vote per share.

Recognition and measurement of issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown within equity as a deduction.

Shares bought and held by the Employee Share Plan Trust to meet the Consolidated Entity's obligation to provide shares to employees in accordance with the terms of their employment contracts and employee share plans as and when they may vest, are classified as treasury shares and are presented as a deduction from total equity, until the shares are cancelled or reissued.

The Company may also issue securities as consideration for asset acquisitions in lieu of cash. The fair value of assets acquired is measured with reference to market observable prices adjusted for any matters specific to the arrangement. The value recognised as an increase in issued capital reflects the fair value of assets acquired.

13. SHARE-BASED PAYMENTS

The total expense arising from share-based payment transactions recognised during the year as part of employee benefit expenses was $10.6 million (2019: $8.0 million). A description of OZ Minerals' performance rights plans (PRP) and long term incentive plans (LTIP) is provided below.

Element	Performance rights granted under PRP	Performance rights granted under LTIP	
Performance period	2020: 1 July 2020 to 1 July 2021	2020: 1 January 2020 to 31 December 2022	
	2019: 1 July 2019 to 1 July 2020	2019: 1 January 2019 to 31 December 2021	
	2018: 1 July 2018 to 1 July 2019	2018: 1 January 2018 to 31 December 2020	
Service period	2020: 1 July 2020 to 1 July 2021	2020: 1 January 2020 to 31 December 2022	
	2019: 1 July 2019 to 1 July 2020	2019: 1 January 2019 to 31 December 2021	
	2018: 1 July 2018 to 1 July 2019	2018: 1 January 2018 to 31 December 2020	
Vesting conditions	Percentage vesting based on individual performance against Key Performance Indicators	**1. Total shareholder return (TSR)**	
		TSR performance measured Comparator Group	**Percentage of vesting**
		Less than 50th percentile	Nil
		50th percentile	50%
		Between the 50th and 75th percentile	Straight-line vesting between 50% and 100%
		75th percentile or greater	100%
		2. All-In Sustaining Costs (AISC)[(a)]	
		OZ Minerals AISC over the performance period	**Percentage of vesting**
		Above 50th percentile	Nil
		50th percentile	50%
		Between 50th percentile and 25th percentile (Lowest cost)	Straight-line vesting between 50% and 100%
		25th percentile or below	100%
Exercise price	Nil	Nil	

(a) The LTI Plan performance vesting conditions for 2018 were set on both TSR and absolute share price growth, weighted at 70 per cent and 30 per cent respectively. The 2020 and 2019 LTI Plan (applicable to 2019 and subsequent years) was set on TSR and AISC, weighted at 70 per cent and 30 per cent respectively.

The total employee benefits expense for 2020 was $121.0 million of which $10.6 million was share-based payment (2019: $81.7 million, share-based payment $8.0 million).

Performance rights granted under the PRPs or LTIPs do not include dividends or voting rights. All performance rights under current performance rights plans are automatically exercised upon vesting which is dependent upon meeting both the service condition and the performance conditions. When issued, the shares on vesting of performance rights rank equally in all respects with previously issued, fully paid ordinary shares.

The fair value of services received in return for share-based payments granted during the year is based on the fair value of the performance rights granted, measured using a binomial approximation option valuation model and Monte-Carlo simulation valuation model for performance rights plans and LTIPs respectively. The models use the following inputs:

Grant date	Fair value at grant date	Share price at grant date	Expected volatility	Expected dividends	Risk-free interest rate
	$	$	%	%	%
Performance rights granted under the LTIP					
1 January 2020					
Managing Director and CEO Tranche One (70%)	6.0	9.0	31.0	2.7	0.3
Managing Director and CEO Tranche Two (30%)	8.4	9.0	31.0	2.7	0.3
Other KMP Tranche One (70%)	5.7	9.6	29.0	2.9	0.3
Other KMP Tranche Two (30%)	9.0	9.6	29.0	2.9	0.3
1 January 2019					
Managing Director and CEO Tranche One (70%)	6.2	9.2	31.0	2.5	1.1
Managing Director and CEO Tranche Two (30%)	8.6	9.2	31.0	2.5	1.1
Other KMP Tranche One (70%)	6.2	9.2	31.0	2.5	1.1
Other KMP Tranche Two (30%)	8.6	9.2	31.0	2.5	1.1
1 January 2018					
Managing Director and CEO Tranche One (70%)	6.4	9.0	45.0	2.2	2.2
Managing Director and CEO Tranche Two (30%)	4.5	9.0	45.0	2.2	2.2
Other KMP Tranche One (70%)	6.7	8.8	45.0	2.2	2.1
Other KMP Tranche Two (30%)	4.5	8.8	45.0	2.2	2.1
Performance rights granted under the PRP					
1 July 2020	11.1	11.3	33.0	2.0	0.3
1 July 2019	9.9	10.3	28.0	2.2	1.0
1 July 2018	9.3	9.5	45.0	2.1	2.0

Performance rights

THE MOVEMENT IN THE NUMBER OF PERFORMANCE RIGHTS DURING THE YEAR

	2020	2019
	Number	Number
Opening balance	2,185,383	2,047,737
Rights granted	1,399,355	1,209,771
Rights vested	(996,820)	(955,377)
Rights forfeited	(34,204)	(116,748)
Closing balance	2,553,714	2,185,383

Recognition and measurement of share-based payments

The fair value of share-based payment transactions measured at grant date are recognised as an employee benefit expense with a corresponding increase in equity over the period during which employees become unconditionally entitled to the instruments.

If the employee does not meet a non-market condition, such as a service condition or internal KPI, any cumulative previously recognised expense is reversed.

The fair value of the share-based payment transactions granted is adjusted to reflect market vesting conditions at the time of grant and are not subsequently adjusted. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to become exercisable and are updated at each balance sheet date. The impact of the revision to original estimates for non-market conditions, if any, is recognised in the income statement with a corresponding adjustment to equity. Changes as a result of market conditions are not adjusted after the initial grant date.

RISK MANAGEMENT

14. FINANCIAL RISK MANAGEMENT

OZ Minerals' Group Treasury Function (Group Treasury) evaluates and manages financial risks for the Group in close co-operation with OZ Minerals' operating units. The Board approves principles for overall risk management as well as policies covering specific risk areas such as commodity markets, financial markets, counterparty credit risk and liquidity risk.

This note presents information about the Consolidated Entity's financial assets and liabilities, its exposure to financial risks, and its objectives, policies and processes for measuring and managing risks.

The Consolidated Entity's activities expose it primarily to the following financial risks:

- commodity prices
- foreign currency exchange rates
- counterparty credit risk
- liquidity risk
- interest rate risk.

The Consolidated Entity holds the following financial instruments

Carried at fair value using level one valuation technique (based on share prices quoted on the relevant stock exchanges)	Carried at fair value using level two valuation technique (quoted market prices of copper, gold and silver adjusted for specific settlement terms)	Carried at amortised cost
Investments in equity securities	Trade receivables Derivative financial instruments	Cash and cash equivalents[(a)] Other receivables[(a)] Trade payables[(a)] Other payables[(a)]

(a) The carrying value of each of these items approximates fair value.

Recognition and measurement

Financial assets and liabilities are recognised when the Consolidated Entity becomes party to the contractual provisions of an instrument.

Non-derivative financial assets

The Consolidated Entity classifies its financial assets as:

- financial assets at fair value through other comprehensive income
- financial assets at fair value through profit and loss
- loans and receivables at amortised cost.

Financial assets measured at amortised cost are recognised initially at fair value plus any directly attributable transaction costs.

Trade receivables, including those containing an embedded derivative, are carried at fair value.

Concentrate sales receivables are recognised in accordance with the recognition and measurement criteria disclosed in Note 1. Provisional payments in relation to trade receivables are usually due within 30 days from the date of invoice issue, with final settlement usually due within 90 days.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The Consolidated Entity de-recognises a financial asset or a part of it when, and only when, the contractual rights to the cash flows from the financial asset or part of it expires or, the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On de-recognition of a financial asset, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the income statement.

A financial asset measured at amortised cost is assessed at each reporting date as to whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. An impairment loss is recognised for any expected credit loss for the lifetime of the financial asset, accounted for at amortised cost or fair value through other comprehensive income. Credit losses are measured on the present value of all cash shortfalls between the cash flows due to the entity in accordance with the contract and the expected cash flows.

Non-derivative financial liabilities

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs. Trade and other payables represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition. Lease liabilities are recognised at net present value and reduced by the actual payment made (refer Note 9).

The Consolidated Entity de-recognises financial liabilities when its obligations are discharged, cancelled or expire. The difference between the carrying amount of the liability de-recognised and the consideration paid and payable is recognised in the income statement.

In the event that an impairment loss is reversed, the asset's carrying amount cannot exceed what the carrying amount would have been had the impairment not been recognised. The amount of reversal is recognised in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised in the income statement unless the derivative is designated as a hedging instrument in a hedge relationship.

Formal designation of the hedge and documentation of the relationship between the hedging instrument and the hedged item is finalised at the inception of the transaction.

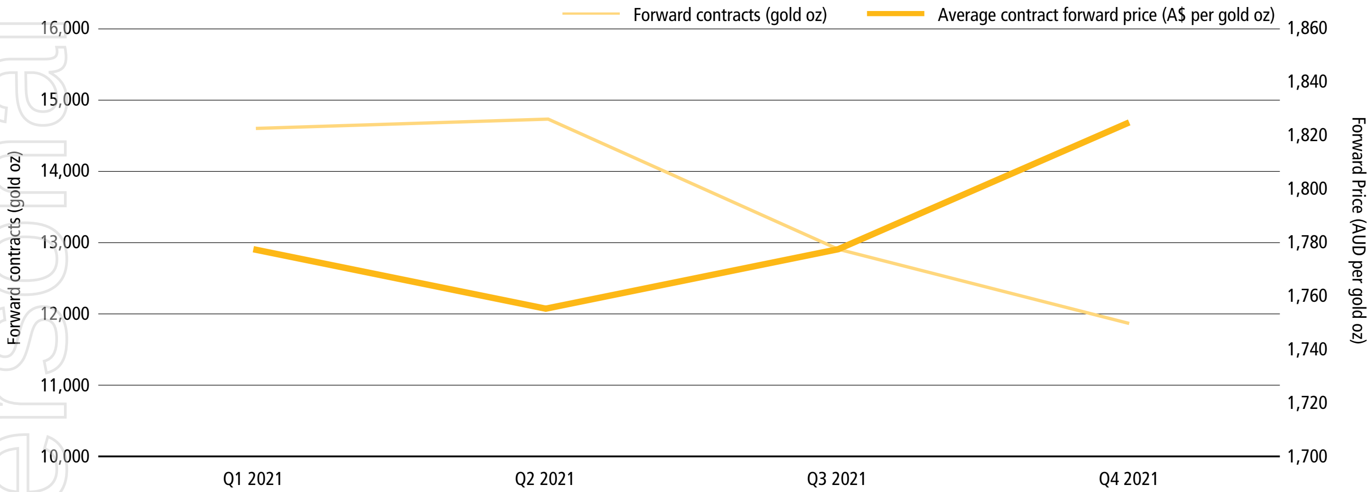
Changes in the fair value of a derivative financial instrument, which has been designated in a cashflow hedge relationship, will be recognised in other comprehensive income to the extent the hedging relationship remains effective and the underlying hedge item has not been recognised in the income statement, or will be recognised in the income statement if the hedge relationship is no longer effective or the underlying hedged item has been recognised in the income statement. Any ineffective portion of changes in the fair value of derivative financial instruments will be recognised immediately in the income statement. The amount recognised in other comprehensive income is reclassified to the income statement in the same period as the underlying item is recognised in the income statement.

Commodity price risk management and sensitivity analysis

The Consolidated Entity is exposed to commodity price volatility on the sale of metal in concentrates such as copper, gold and silver which are priced on, or benchmarked to, open market exchanges.

Gold derivative contracts

OZ Minerals had entered into gold forward contracts to fix the price in AUD of a portion of its forecast gold sales which were designated as cash flow hedges under AASB 9 and were assessed to be fully effective in managing the underlying risk. Accordingly, a fair value reduction of $68.6 million was recognised in other comprehensive loss and $92.7 million was transferred out of Cash flow hedge reserve to profit and loss during 2020. At 31 December 2020, contracts for 54,207 ounces of gold were outstanding with an average strike price of $1,782 per ounce, as reflected in the chart below:



A hedge relationship which is established at inception is assessed for effectiveness in managing the underlying risk. Where a derivative has expired or is assessed to be ineffective, all future fair value changes will be recognised in the income statement. Significant judgement is exercised regarding mine plans, sales forecasts and recoverable metal contained in mineral resources and reserves when determining a hedge relationship's effectiveness.

Commodity price sensitivity analysis

The analysis below reflects the impact of movements in copper and gold prices. Variations in silver prices have been deemed immaterial for the purpose of this analysis. In accordance with Australian Accounting Standards, the sensitivity analysis is on all financial assets and liabilities deemed material to the Consolidated Entity.

	+10% movement in copper prices	-10% movement in copper prices	+10% movement in gold prices		-10% movement in gold prices	
	Impact on income statement net of tax	Impact on income statement net of tax	Impact on income statement net of tax	Impact on other comprehensive income net of tax	Impact on income statement net of tax	Impact on other comprehensive income net of tax
2020						
Trade receivables	6.7	(6.7)	4.4	–	(4.4)	–
Gold hedges (FECs)	–	–	–	(13.3)	–	13.3
Total	6.7	(6.7)	4.4	(13.3)	(4.4)	13.3
2019						
Trade receivables	–	–	1.2	–	(1.2)	–
Gold hedges (FECs)	–	–	–	(35.5)	–	35.5
Total	–	–	1.2	(35.5)	(1.2)	35.5

A 10 per cent movement in copper and gold prices, which is based on reasonably possible changes over a financial year and reflects the variability management applies in forecasting sensitivity, results in a $6.7 million and $4.4 million after tax impact respectively in the income statement on the trade receivables balance of $160.3 million (2019: $83.1 million) and 10 per cent movement in gold prices also has a $13.3 million after tax impact on the derivative financial liability of $36.2 million (2019: $70.6 million). In accordance with accounting standards, the impact has been calculated on the outstanding balance that is subject to commodity price risk and does not include the impact of the movement in commodity prices on the total revenue for the year.

Foreign currency exchange risk management and sensitivity analysis

The Consolidated Entity is exposed to foreign currency risk arising from assets and liabilities that are held in currencies other than the Australian dollar (primarily USD and Brazilian Real).

The Group's principal operations have a functional currency of Australian dollars. An entity's functional currency is the currency of the primary economic environment in which the entity operates. Determination of an entity's functional currency requires management's judgement and considers a number of factors, including the currency that mainly influences revenue, costs of production, and competitive forces and regulations which impact on revenue. In addition, consideration must be given to the currency in which financing and operating activities are undertaken.

All exchange differences that arise on translating results and the financial position of all entities within the Consolidated Entity that have a functional currency different from the presentation currency are recognised as a separate component of equity in the Foreign Currency Translation Reserve. When a foreign operation is sold a proportionate share of such exchange differences is recognised in the Income Statement as part of the gain or loss on sale where applicable.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of financial assets and liabilities denominated in foreign currencies, are recognised in the income statement. The carrying amount of the Consolidated Entity's financial assets and financial liabilities by their currency risk exposure at the reporting date are disclosed below.

	Denominated in US$ presented in A$m	Other currencies presented in A$m	Total A$m
2020			
Cash and cash equivalents	97.5	7.8	105.3
Trade receivables	160.3	–	160.3
Trade payables	(1.6)	(6.9)	(8.5)
Total	256.2	0.9	257.1
2019			
Cash and cash equivalents	25.2	6.5	31.7
Trade receivables	82.7	–	82.7
Trade payables	(0.3)	(12.6)	(12.9)
Derivative financial instruments	(83.1)	–	(83.1)
Total	24.5	(6.1)	18.4

EXCHANGE RATES DURING THE YEAR

	Average rate		31 December spot rate	
	2020	2019	2020	2019
AUD:USD	0.6910	0.6952	0.7694	0.7006
AUD:BRL	3.5573	2.7421	3.9922	2.8239

At reporting date, if the foreign currency exchange rates strengthened/(weakened) against the functional currency by 5 per cent and all other variables were held constant, the Consolidated Entity's after tax profit would have changed by $9.0 million and there would have been no impact to the other comprehensive income (2019: $3.8 million after tax profit; $2.9 million other comprehensive income). The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the reporting date and adjusts their translation for a 5 per cent change in the foreign currency rate.

Interest rate risk management and sensitivity analysis

The Consolidated Entity drew down a maximum of $150.0 million, at any one time, of the available credit facility during the year with $100.0 million outstanding at the end of the year. The Consolidated Entity is exposed to changes in the Australian bank bill interest rate, as the interest on the drawn amount is based on the Bank Bill Swap Bid Rate (BBSY) plus a margin. Loans and borrowings also include lease liabilities recognised under AASB 16 which are subject to discounting.

At reporting date, if the Australian bank bill interest rates increased/(decreased) by 1 per cent, the Consolidated Entity's after tax profit would have not changed materially (2019: Nil). The sensitivity analysis includes impact of change in interest rates on interest bearing liabilities such as borrowings at the reporting date and excludes lease liabilities and mine rehabilitation provisions which are non-interest bearing liabilities.

Credit risk management

Credit risk refers to the risk that any counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. Counterparty credit risk arises through sales of metal in concentrate on normal terms of trade, investment of cash and derivative financial instruments.

The credit risk on cash and cash equivalents and derivative financial instruments is managed by restricting financial transactions to relationship banks which have Board-approved exposure limits and a minimum credit rating assigned by an internationally recognised credit rating agency.

Credit risk in trade receivables is managed by restricting trade credit to Board-approved exposure limits with customers that have a minimum credit rating or trade credit that is secured by a letter of credit from a bank with an acceptable credit rating.

As there are a relatively small number of transactions, they are closely monitored to ensure risk of default is kept to an acceptable level. Sales contracts generally require a provisional payment of at least 90 per cent of the estimated value of each sale either promptly after vessel loading or upon the vessel arriving at the discharge port.

Maximum exposure to credit risk for trade receivables at the reporting date by customer geographic region

	2020	2019
	$m	$m
Europe	63.7	0.2
Asia	89.7	73.5
Australia	6.9	9.4
Total	160.3	83.1

Three major customers (2019: three customers) who individually accounted for more than 10 per cent of total revenue contributed approximately 78 per cent of total revenue (2019: 81 per cent). These customers also represent 95 per cent of the trade receivables balance as at 31 December 2020 (2019: 94 per cent). There were no instances of customer default during 2020 and there are no significant receivables which are past due at the reporting date.

Liquidity risk management

Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities. OZ Minerals manages liquidity risk by conducting regular reviews of the timing of cash outflows, the maturity profiles of term deposits and maintaining committed available bank credit to ensure sufficient funds are available to meet its obligations.

The following table reflects all contractual repayments from recognised financial assets and liabilities at the reporting date, including derivative financial instruments. The market value is presented for derivative financial instruments, whereas for other obligations the respective undiscounted cash flows for the upcoming financial years are presented.

CONTRACTUAL CASHFLOWS

	Carrying amount	<1 year	1-2 years	2-5 years	>5 years	Total
2020						
Non-derivative financial instruments						
Cash and cash equivalents	131.7	131.7	–	–	–	131.7
Trade receivables	160.3	160.3	–	–	–	160.3
Other receivables	13.5	13.5	–	–	–	13.5
Trade payables	(190.1)	(190.1)	–	–	–	(190.1)
Other borrowings	(100.0)	(100.0)	–	–	–	(100.0)
Lease liabilities	(755.8)	(96.8)	(94.5)	(238.5)	(528.0)	(957.8)
Derivative financial instruments						
Derivative financial liabilities	(36.3)	(37.0)	–	–	–	(37.0)
Total	(776.7)	(118.4)	(94.5)	(238.5)	(528.0)	(979.4)
2019						
Non-derivative financial instruments						
Cash and cash equivalents	134.0	134.0	–	–	–	134.0
Trade receivables	83.1	83.1	–	–	–	83.1
Other receivables	23.4	23.4	–	–	–	23.4
Trade payables	(168.6)	(168.6)	–	–	–	(168.6)
Lease liabilities	(183.9)	(43.0)	(27.5)	(68.0)	(82.8)	(221.3)
Derivative financial instruments						
Derivative financial liabilities	(83.1)	(60.4)	(22.7)	–	–	(83.1)
Total	(195.1)	(31.5)	(50.2)	(68.0)	(82.8)	(232.5)

Loans and Borrowings

The Consolidated Entity recognised the draw-down of its revolving credit facility within Other borrowings for the year. Lease liabilities are recognised for any new ROU lease contracts as they are entered. When lease contracts are terminated or altered, the unpaid lease liability and net carrying value of ROU assets is derecognised.

	31 December 2020			31 December 2019		
	Other borrowings	Lease liabilities	Total	Other borrowings	Lease liabilities	Total
	$m	$m	$m	$m	$m	$m
Opening balance 1 January	–	183.9	183.9	–	–	–
Lease liabilities recognised on transition to AASB 16 'Leases'	–	–	–	–	105.2	105.2
Debt facility drawdown	225.0	–	225.0	3.7	–	3.7
Lease recognised during the year	–	627.1	627.1	–	124.1	124.1
Accretion of interest	–	12.2	12.2	–	1.5	1.5
Lease terminations during the year	–	–	–	–	(1.8)	(1.8)
Repayment during the year	(125.0)	(67.4)	(192.4)	(3.7)	(45.1)	(48.8)
Closing balance at 31 December	100.0	755.8	855.8	–	183.9	183.9

Other borrowings represent the drawn down balance of the revolving facility as at the reporting date. The Lease liabilities recognised during the period include arrangements identified within certain mining services supply contracts of $105.5 million, the powerline infrastructure agreement of $521.4 million, and other agreements of $0.3 million. The increase in lease liabilities corresponds to the increase in ROU assets (refer Note 9).

	2020	2019
	$m	$m
Current		
Other borrowings	100.0	–
Lease liabilities	71.5	37.8
Balance at 31 December	171.5	37.8
Non-current		
Lease liabilities	684.3	146.1
Balance at 31 December	684.3	146.1

In the first quarter of the year, in response to the COVID-19 pandemic, the Consolidated Entity increased its unsecured revolving credit facility by $183.0 million to $483.0 million (2019: $300.0 million), expiring 10 April 2023. The revolving credit facility is subject to maintaining certain financial covenant ratios. The Company was not in breach of its financial covenants as at 31 December 2020.

The Consolidated Entity entered into additional bank guarantee facilities for a total credit amount of $150.0 million. At 31 December 2020 bank guarantees totalling $438.5 million had been issued to support the Consolidated Entity's contingent obligations which primarily relate to power infrastructure agreements and mine rehabilitation obligations, both of which are recognised as a liability as set out in the respective notes.

15. CONTINGENCIES

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. Determination of contingent liabilities disclosed in the financial statements requires the exercise of significant judgement regarding the outcome of future events and the financial results of OZ Minerals in future periods may be impacted unfavourably in the event of an unfavourable outcome of a number of matters outlined in this note.

Bank guarantees

OZ Minerals Group Treasury Pty Ltd has provided certain financial bank guarantees to third parties, associated with the terms of mining leases, power infrastructure contracts, exploration licences and office leases, in respect of which the relevant entity is obliged to indemnify the bank if the guarantee is called upon. At the end of the financial year, no claims have been made under any of these guarantees. The amount of some of these guarantees may vary from time to time depending upon the requirements of the recipient. These guarantees amounted to $438.5 million as at 31 December 2020 (2019: $369.2 million) and are issued under bilateral bank facilities that are rolled forward every twelve months.

Deeds of indemnity

The Consolidated Entity has granted indemnities under deeds of indemnity with current and former executive and Non-executive Directors, current and former officers, the former General Counsel–Special Projects, former Group Treasurers and each employee who was a director or officer of a controlled entity of the Consolidated Entity, or an associate of the Consolidated Entity, in conformity with Rule 10.2 of the OZ Minerals Limited Constitution.

Each deed of indemnity indemnifies the relevant director, officer or employee to the fullest extent permitted by law for liabilities incurred while acting as an officer of OZ Minerals, its related bodies corporate and any associated entities, where such an office is or was held at the request of the Company. Under these indemnities, the Company meets the legal costs incurred by company officers in responding to investigations by regulators and may advance funds to meet defence costs in litigation, to the extent permitted by the *Corporations Act 2001* (Cth).

Warranties and indemnities

The Consolidated Entity has given certain warranties and indemnities to the purchasers of assets and businesses that have been sold. Warranties have been given in relation to various matters including the sale of assets, certain taxes and information. Indemnities have also been given by the Consolidated Entity in relation to matters including compliance with law, environmental claims, a failure to transfer or deliver all assets, and payment of taxes.

Former Cambodian operations

A minor legal provision has been raised in relation to the investigation into the Company's former Cambodian operations and the events of 2009, however the final outcome of this investigation has still not been determined.

Other

OZ Minerals Limited and its controlled entities are defendants from time to time in other legal proceedings or disputes, arising from the conduct of their business. OZ Minerals does not consider that the outcome of any of these proceedings or disputes is likely to have a material effect on the Consolidated Entity's financial position.

GROUP STRUCTURE AND OTHER INFORMATION

16. PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended 31 December 2020, the parent entity of the Consolidated Entity was OZ Minerals Limited.

	2020	2019
	$m	$m
Net provision (increase) reversal for non-recovery of loan to subsidiary	(5.6)	14.1
Dividend income	–	250.0
Net other expense	(22.4)	(10.5)
Net (loss)/profit for the year	(28.0)	253.6
Other comprehensive income/(loss)	3.9	(7.6)
Total comprehensive (loss)/income	(24.1)	246.0
Financial position of the parent entity		
Assets		
Current assets	11.5	7.1
Non-current assets	2,494.8	2,482.3
Total assets	2,506.3	2,489.4
Liabilities		
Current liabilities	40.0	22.8
Non-current liabilities	7.1	9.0
Total liabilities	47.1	31.8
Net assets	2,459.2	2,457.6
Equity		
Issued capital	2,371.4	2,280.4
Retained earnings	318.2	417.1
Accumulated losses	(230.4)	(239.9)
Total equity	2,459.2	2,457.6

OZ Minerals Limited is able to manage its net current liability position by its ability to control the timing of dividends from its subsidiaries.

Refer to Note 15 for Contingencies and Note 18 for Deed of Cross Guarantee disclosures. The parent entity's capital expenditure commitment as at 31 December 2020 was nil (2019: nil).

FRANKING ACCOUNT DETAILS

	2020	2019
	$m	$m
Franking account balance at beginning of year	184.1	171.9
Franking credits from income tax paid during the year	51.0	46.8
Franking debits from income tax refund received	(8.7)	(2.7)
Franking debits from franked dividends paid during the year	(31.9)	(31.9)
Franking account balance at end of year	194.5	184.1

17. BASIS OF CONSOLIDATION

Investments in subsidiaries

Subsidiaries are those entities over which the Consolidated Entity is capable of exerting control. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where the Consolidated Entity holds less than a majority of the voting rights, other relevant factors are considered in assessing whether power over the entity exists. Factors considered include any contractual arrangements with other vote holders, rights arising from other contractual arrangements, as well as the Consolidated Entity's voting and potential voting rights.

The Consolidated Entity reassesses whether it controls an entity if circumstances indicate that there has been a change in one of the factors which indicate control. Subsidiaries are consolidated from the date on which control is assessed to exist until the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity.

Intercompany transactions, balances and unrealised gains and losses on transactions between companies controlled by the Consolidated Entity are eliminated on consolidation.

Subsidiaries

During the year OZ Minerals Musgrave Holdings Pty Ltd (ACN: 640 209 392) and OZ Minerals Musgrave Operations Pty Ltd (ACN: 640 213 341) were incorporated as wholly owned subsidiaries on 8 April 2020. Cassini Resources Pty Ltd (ACN: 149 789 337) and its subsidiaries Crossbow Resources Pty Ltd (ACN: 161 472 788) and Wirraway Metals & Mining Pty Ltd (ACN: 142 690 346) were acquired under the Scheme of Arrangement to acquire the West Musgrave exploration and evaluation assets (refer Note 8). The above mentioned entities all have Australian dollar functional currency.

The wholly-owned controlled entities of OZ Minerals Limited are listed below:

Entity	Country of incorporation	Entity	Country of incorporation
OZ Minerals Brazil (Holdings) Pty Ltd	Australia	Avanco Lux I S.C.S	Luxembourg
Avanco Resources Pty Ltd	Australia	Carrapateena Pty Ltd	Australia
Avanco Holdings Pty Ltd	Australia	CTP Assets Pty Ltd	Australia
Estrela Metals Pty Ltd	Australia	CTP Operations Pty Ltd	Australia
AVB Copper Pty Ltd	Australia	Minotaur Resources Holdings Pty Ltd	Australia
AVB Brazil Pty Ltd	Australia	OZ Exploration Pty Ltd	Australia
AVB Carajás Holdings Pty Ltd	Australia	OZ Minerals Equity Pty Ltd	Australia
AVB Minerals Pty Ltd	Australia	OZ Minerals Group Treasury Pty Ltd	Australia
Mineração Águas Boas Ltda	Brazil	OZ Minerals Holdings Pty Ltd	Australia
AVB Mineração Ltda	Brazil	OZ Minerals Insurance Pte Ltd	Singapore
Avanco Resources Mineração Ltda	Brazil	OZ Minerals International (Holdings) Pty Ltd	Australia
SLM – Santa Lúcia Mineração Eireli	Brazil	OZ Minerals Investments Pty Ltd	Australia
MCT Mineração Ltda	Brazil	OZ Minerals Jamaica Limited	Jamaica
ACG Mineração Ltda	Brazil	OZ Minerals Prominent Hill Operations Pty Ltd	Australia
ARL South America Exploration Ltd	Bermuda	OZ Minerals Prominent Hill Pty Ltd	Australia
ARL Holdings Ltd	Bermuda	OZ Minerals Services Pty Ltd	Australia
Avanco Lux S.a.r.l.	Luxembourg	OZ Minerals Zinifex Holdings Pty Ltd	Australia
OZ Minerals Carrapateena Pty Ltd	Australia	Crossbow Resources Pty Ltd	Australia
OZM Carrapateena Pty Ltd	Australia	Wirraway Metals & Mining Pty Ltd	Australia
OZ Minerals Musgrave Holdings Pty Ltd	Australia	OZ Minerals Peru S.A.C	Peru
OZ Minerals Musgrave Operations Pty Ltd	Australia	OZ Exploration (USA) LLC	USA
Cassini Resources Pty Ltd	Australia	ZRUS Holdings Pty Ltd	Australia

18. DEED OF CROSS GUARANTEE

The Company and all its Australian domiciled subsidiaries listed in Note 17 to the Consolidated Financial Statements, except for, OZ Minerals International (Holdings) Pty Ltd and ZRUS Holdings Pty Ltd, are party to a Deed of Cross Guarantee ('Deed').

The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of the winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

During the year OZ Minerals Musgrave Holdings Pty Ltd and OZ Minerals Musgrave Operations Pty Ltd were added into the Deed of Cross Guarantee.

Set out below is the Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet of the entities within the Deed.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE ENTITIES WITHIN THE DEED OF CROSS GUARANTEE

	2020	2019
	$m	$m
Revenue	1,262.7	1,040.8
Other income	0.2	–
Mining	(394.5)	(218.2)
Processing	(203.0)	(135.0)
Freight	(43.3)	(73.9)
Site administration	(103.0)	(39.2)
Royalties	(62.1)	(57.5)
Inventory movement	(22.1)	(136.2)
Corporate administration	(54.0)	(47.2)
Exploration and corporate development	(45.0)	(55.0)
Other expenses	(4.0)	(4.5)
Foreign exchange loss	(18.4)	(1.2)
Profit before interest and income tax	313.5	272.9
Finance income	0.3	4.5
Finance expense	(26.5)	(8.4)
Profit before income tax	287.3	269.0
Income tax	(79.5)	(65.2)
Profit for the year	207.8	203.8
Other comprehensive gain/(loss)		
Items that will not be reclassified subsequently to future Income Statements		
Change in fair value of investments in equity securities, net of tax	3.9	(7.6)
Items that may be reclassified subsequently to future Income Statements		
Cash flow hedges reserve change in fair value	(40.8)	(52.0)
Cash flow hedges reclassified to profit and loss	64.9	23.9
Other comprehensive gain/(loss) for the year, net of tax	28.0	(35.7)
Total comprehensive income for the year	235.8	168.1

CONSOLIDATED BALANCE SHEET OF THE ENTITIES WITHIN THE DEED OF CROSS GUARANTEE

	2020	2019
	$m	$m
Current assets		
Cash and cash equivalents	98.2	114.2
Trade receivables	157.3	79.2
Inventories	236.4	225.8
Prepayments	8.5	4.6
Other receivables	193.6	180.8
Total current assets	694.0	604.6
Non-current assets		
Inventories	266.6	299.3
Exploration assets	144.0	33.1
Property, plant and equipment	2,392.4	2,181.2
Right-of-use assets	750.1	176.1
Investment in subsidiaries which are not party to the Deed	346.0	304.1
Other assets	32.2	30.0
Total non-current assets	3,931.3	3,023.8
Total assets	4,625.3	3,628.4
Current liabilities		
Trade payables and accruals	172.2	144.7
Other payables	3.8	2.9
Current tax provision	19.6	8.5
Employee benefits	21.1	13.3
Provisions	0.3	0.2
Derivative financial instruments	36.3	60.4
Loans and borrowings	171.5	37.8
Total current liabilities	424.8	267.8
Non-current liabilities		
Deferred tax liabilities	124.2	88.0
Employee benefits	3.2	1.7
Provisions	102.3	78.1
Derivative financial instruments	–	22.7
Loans and borrowing	684.3	146.1
Total non-current liabilities	914.0	336.6
Total liabilities	1,338.8	604.4
Net assets	3,286.5	3,024.0
Equity		
Issued capital	2,371.4	2,280.4
Cash flow hedge reserve	(25.4)	(49.4)
Retained earnings	940.5	793.0
Total equity	3,286.5	3,024.0

19. KEY MANAGEMENT PERSONNEL

Key management personnel remuneration

KMP are accountable for planning, directing and controlling the affairs of the Company and its controlled entities.

KMP remuneration for the Consolidated Entity

	2020	2019
	$	$
Short-term employee benefits	4,591,323	4,105,168
Other long term benefits	66,080	51,590
Post-employment benefits	125,602	140,028
Share-based payments	1,970,172	1,574,624
Total	6,753,177	5,871,410

Information regarding individual directors' and Executives' compensation and some equity instrument disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report.

Recognition and measurement of wages and salaries and short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid, inclusive of on-costs, when the liabilities are settled.

Recognition and measurement of other long term employee benefits

Long-term employee benefits include annual leave liabilities which are expected to be settled in the period greater than 12 months from balance date and long service leave liabilities. Other long term benefits are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high availability corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

20. RELATED PARTY TRANSACTIONS

A number of KMP, or their related parties, may hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. Where the Consolidated Entity transacts with the KMP and their related parties, the terms and conditions of these transactions are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

During the year the Group did not enter into any related party transactions (2019: None).

21. REMUNERATION OF AUDITORS

	2020	2019
	$	$
Audit and review services		
Audit and review of financial statements – Group	525,000	530,000
Audit and review of financial statements – controlled entities	–	45,000
Total fee for audit and review services	525,000	575,000
Assurance services		
Sustainability and NGERS assurance	82,900	101,400
Other assurance services	2,500	–
Total fee for audit, review and assurance services	610,400	676,400
Other services		
Taxation advice and tax compliance services	20,500	31,310
Other services	5,000	40,000
Total fee for other services	25,500	71,310
Total fees	635,900	747,710

In addition to the amounts disclosed above, Cassini Resources Pty Ltd incurred $216,816 in relation to the tax compliance and advisory services provided by KMPG prior to the acquisition by OZ Minerals.

22. NEW ACCOUNTING STANDARDS

Changes in accounting policies and mandatory standards adopted during the year

The accounting policies applied by the Consolidated Entity in these Consolidated Financial Statements are consistent with those applied by the Consolidated Entity in its Annual and Sustainability Report for the year ended 31 December 2019. A number of new standards were effective from 1 January 2020 and they did not have a material effect on the Group's financial statements for the year.

Issued Standards and Pronouncements not early adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these Consolidated Financial Statements for the year.

DIRECTORS' DECLARATION

1. In the opinion of the directors of OZ Minerals Limited (the Company):
   a) the Consolidated Financial Statements and Notes set out on pages 128 to 160 and the remuneration disclosures that are contained in the Remuneration Report on pages 50 to 69, are in accordance with the *Corporations Act 2001*, and:
      i) give a true and fair view of the financial position of the Consolidated Entity as at 31 December 2020 and of its performance for the year ended on that date; and
      ii) comply with Australian Accounting Standards and the Corporations Regulations 2001;
   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable.
2. The directors draw attention to page 132 of the Consolidated Financial Statements, which includes a statement of compliance with international financial reporting standards.
3. At the date of this declaration, there are reasonable grounds to believe that the Company, and the consolidated entities identified in Note 18, will be able to meet any liabilities to which they are, or may become subject because of the Deed of Cross Guarantee between the Company and those consolidated entities pursuant to ASIC Instrument 2016/785.
4. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2020.

Signed in accordance with a resolution of the directors.

Rebecca McGrath
Chairman
18 February 2021

Andrew Cole
Managing Director and CEO
18 February 2021

INDEPENDENT AUDITOR'S REPORT

To the shareholders of OZ Minerals Limited

Report on the audit of the Financial Report

OPINION

We have audited the Financial Report of OZ Minerals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards and the Corporations Regulations 2001*.

The Financial Report comprises:

- Consolidated balance sheet as at 31 December 2020;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The Group consists of OZ Minerals Limited (the Company) and the entities it controlled at the year end or from time to time during the financial year.

BASIS FOR OPINION

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Low Grade Gold Ore Stockpiles ($296.4m)

Refer to Note 5 to the Financial report

The key audit matter

Significant judgment is exercised by the Group in their determination of the value of low grade gold ore. The low grade gold ore will be combined with copper ore to produce concentrate. The valuation of low grade gold ore stockpiles is a key audit matter due to:

- The significant judgment required by us to assess the key assumptions used in the Group's valuation model.
- The size of low grade gold ore stockpiles as a proportion of total assets (6.2%).

The Group's valuation model estimates future proceeds expected to be derived from low grade gold ore contained in existing ore stockpiles, less selling costs and further processing costs to convert ore into concentrate.

We focused on the significant forward-looking assumptions the Group applied in their valuation model, including:

- Future metal production levels (ore blend rates), which are dependent on the volume and grade of existing low grade gold ore stockpiles.
- Future processing costs of low grade gold ore, and related selling costs.
- Future commodity prices and foreign exchange rates expected to prevail when the concentrate containing gold from existing low grade gold ore stockpiles is planned to be processed and sold.
- The timing of production, which depends on the available capacity of the processing mill.

Assumptions are forward looking and / or not based on observable data and are therefore inherently judgmental to audit.

How the matter was addressed in our audit

Our procedures included:

- We tested the Group's key controls relevant to:
  - The valuation of low grade gold ore stockpiles, including board review and approval of key assumptions used in the Group's model such as commodity prices and foreign exchange rates; and
  - The process for recording and monitoring volumes and grades of stockpiled low grade gold ore, such as the management review and approval of grades.
- We assessed the methodology applied by the Group in determining the value of low grade gold ore stockpiles against the requirements of the accounting standards.
- We attended the Group's internal stockpile survey and compared the results of the quantity surveyors to the volume of low grade gold ore stockpiles recorded in the Group's model at 31 December 2020.
- We compared grades of stockpiled low grade gold ore recorded in the model to the grades recorded in previous periods and to the Group's internal surveyor's 31 December 2020 measurement of grades.
- We assessed the scope, competence and objectivity of the Group's internal surveyors, to grade the low grade gold ore stockpiles.
- We challenged the Group's key assumptions used in the model to determine the value of low grade gold ore stockpiles by:
  - Comparing future processing costs of low grade gold ore to historical actual processing costs.
  - Assessing future selling costs against current costs, by comparing to a sample of existing customer sales contracts.
  - Assessing future commodity prices and foreign exchange rates applied by the Group against published analyst and broker data.
  - Comparing forecast production of low grade gold ore to be processed to publicly disclosed mill capacity.

OTHER INFORMATION

Other Information is financial and non-financial information in OZ Minerals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report, defined sustainability information within the Sustainability Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards and the Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf.

This description forms part of our Auditor's Report.

REPORT ON THE REMUNERATION REPORT

Opinion

In our opinion, the Remuneration Report of OZ Minerals Limited for the year ended 31 December 2020, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 50 to 69 of the Directors' Report for the year ended 31 December 2020.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Paul Cenko
Partner

18 February 2021

SHAREHOLDER INFORMATION

CAPITAL

Share capital comprised 331,763,505 fully paid ordinary shares on 8 February 2021.

SHAREHOLDER DETAILS

At 8 February 2021, OZ Minerals had 39,995 shareholders. There were 410 shareholdings with less than a marketable parcel of $500 worth of ordinary shares.

TOP 20 INVESTORS AT 8 FEBRUARY 2021

Name	Number of shares	Issued Capital %
HSBC Custody Nominees (Australia) Limited	116,347,277	35.07
J P Morgan Nominees Australia Pty Limited	49,996,511	15.07
Citicorp Nominees Pty Limited	45,174,770	13.62
National Nominees Limited	28,414,146	8.56
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	14,639,125	4.41
Citicorp Nominees Pty Limited <Colonial First State INV A/C>	6,204,127	1.87
BNP Paribas Noms Pty Ltd <DRP>	4,137,238	1.25
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	2,484,197	0.75
Romsup Pty Ltd <Romadak Super Fund A/C>	2,467,057	0.74
Pacific Custodians Pty Limited <OZL Plans Ctrl A/C>	1,541,486	0.46
BNP Paribas Noms Pty Ltd <UOB KH P/L AC UOB KH DRP>	1,303,807	0.39
HSBC Custody Nominees (Australia) Limited – Gsco Eca	976,297	0.29
Sandhurst Trustees Ltd <Harper Bernays Ltd A/C>	735,918	0.22
A & R Cole Investments Pty Ltd <Cole Family A/C>	467,546	0.14
BNP Paribas Nominees Pty Ltd HUB 24 Custodial Serv Ltd <DRP A/C>	418,210	0.13
Mirrabooka Investments Limited	412,000	0.12
AMP Life Limited	328,249	0.10
BNP Paribas Noms(NZ) Ltd <DRP>	309,953	0.09
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	286,576	0.09
Ecapital Nominees Pty Limited	285,309	0.09
Total	276,929,799	83.46

SUBSTANTIAL SHAREHOLDERS OF OZ MINERALS LIMITED AT 12 FEBRUARY 2021

There are no substantial shareholders of OZ Minerals Limited at 12 February 2021.

INVESTOR CATEGORIES AT 8 FEBRUARY 2021

Ranges	Number of investors	Number of shares	Issued capital %
1 – 1,000	29,484	10,209,676	3.08
1,001 – 5,000	8,772	19,383,899	5.84
5,001 – 10,000	1,104	7,901,026	2.38
10,001 – 100,000	589	13,333,388	4.02
100,001 and over	46	280,935,516	84.68
Total	39,995	331,763,505	100.00

VOTING RIGHTS

On a show of hands, every member present in person or by attorney or by proxy or by representative shall have one vote. Upon a poll, every member present in person or by attorney or by proxy or by representative shall have one vote for every share held by the member. Where more than one proxy, representative or attorney is appointed, none may vote on a show of hands.

OTHER SECURITIES ON ISSUE

The Company has performance rights on issue in addition to ordinary shares. The details of the securities held as at 8 February 2021 are as follows:

Class of security	Number of holders	Number of securities
Performance rights	523	2,003,157

No voting rights attach to the above securities, however, any ordinary shares that are allotted to the holders of the securities upon vesting or conversion of the above-mentioned securities will have the same voting rights as all other ordinary OZ Minerals shares.

DIVIDENDS

A fully-franked final dividend of 17 cents per share will be paid on 26 March 2021. An interim dividend of eight cents per share fully franked was paid to shareholders on 5 October 2020.

This brings the total dividend for 2020 to 25 cents per share fully franked.

Dividend Reinvestment Plan applies to dividends for 2020.

Dividend payments

Dividend payments are credited directly into any nominated bank, building society or credit union account in Australia.

ANNUAL AND SUSTAINABILITY REPORT

A full copy of the Annual and Sustainability Report is available online at ozminerals.com. If you no longer wish to receive a hard copy of the Annual and Sustainability Report, log into your shareholding or contact our share registry to update your shareholder communication instructions.

SHARE REGISTRY INFORMATION

The OZ Minerals share registry is maintained by Link Market Services Limited.

Visit Link Market Services' website linkmarketservices.com.au and access a wide variety of holding information, change your personal details and download forms. You can:

- check your current and previous holding balances
- elect to receive financial reports electronically
- update your address details
- update your bank details
- confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- check transaction and dividend history
- enter your email address
- check the share prices and graphs
- download a variety of instruction forms.

You can access this information via a security login using your Security Holder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

CONTACT INFORMATION

Shareholder enquiries about shareholding should be addressed to Link Market Services. You can contact the Company's share registry by calling (+61) 1300 306 089, local call cost within Australia. Share registry contact information can be found on the back cover of this report.

GLOSSARY

Acid rock drainage
When rock surfaces are exposed to air and rain, a reaction can occur with the elements in the rock which results in a change in the characteristics of the water that runs off. If the rock contains sulphides, oxidation processes can acidify the water. This process is known as acid rock drainage.

Biodiversity
Biodiversity is the variety of plants, animals and micro-organisms, their genetic variation and the different ecosystems of which they inhabit.

Carbon dioxide equivalent (CO_2-e)
Carbon dioxide equivalent is a standard measurement used to indicate the impact of various greenhouse gas emissions on global warming relative to the same amount of carbon dioxide (CO_2).

Copper concentrate
The Prominent Hill operation produces copper concentrate. This is a fine-grained material that contains a percentage of copper, gold and other minerals which has been concentrated to increase its copper concentration through the removal of waste materials. Copper concentrate is used by smelters to produce copper in its metal form.

Footprint
The area disturbed by OZ Minerals' operations and activities.

Global Reporting Initiative (GRI)
An international multi-stakeholder process aimed at producing and disseminating globally applicable sustainability reporting guidelines. These guidelines are for voluntary use by organisations for reporting on the economic, environmental and social dimensions of their activities, products and services. For more information, see globalreporting.org.

Greenhouse gases (GHG)
Gases in the Earth's atmosphere that absorb and re-emit infrared radiation, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride (SF_6).

Hectare (ha)
A hectare is a unit of area equal to 10,000 square metres. Usually used to measure land.

Kilolitre (kL)
One kilolitre is equal to one thousand litres.

Megalitre (ML)
One megalitre is equal to one million litres.

Significant community issues
Key concerns raised by local community stakeholders that are a result of or strongly influenced by OZ Minerals' activities within operational control.

Significant incidents
Any occurrence that has actually resulted in or had the potential to result in consequences that have a major extreme impact on safety, health, environment or the community.

Significant occupational exposures
Substances that potentially may present a significant health risk from exposure to OZ Minerals' Prominent Hill employees and similar exposure groups.

Stakeholders
Any person, group or interested party that may be impacted by OZ Minerals' operations, activities or performance.

Tailings
Finely ground materials from which valuable minerals have been largely extracted.

Tailings storage facility (TSF)
Facility designed for the storage of tailings material produced during ore processing.

Total recordable injury frequency rate (TRIFR)
TRIFR is the total number of recordable injuries per million working hours. Recordable injuries include those that result in lost time, medical treatment and restricted work injuries. First aid injuries are not included.

Waste rock
Material such as soils, barren or uneconomic mineralised rock that surrounds a mineral orebody and must be removed in order to mine the ore.

OZ MINERALS LIMITED

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