

A modern mining company



18 August 2021

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

Dear Sir/Madam,

OZ Minerals 2021 Half Year Financial Results

OZ Minerals today announced its results for the half year ended 30 June 2021. Attached is the 2021 Half Year Financial Results including:

- Appendix 4D
- Directors' Report
- Financial Statements

Sincerely,

A handwritten signature in black ink, appearing to read 'Julie Athanasoff'.

Julie Athanasoff

Group Manager Legal and Joint Company Secretary

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 result announcement to the market in accordance with Australian Securities Exchange (ASX) Listing Rule 4.2A and Appendix 4D for the Consolidated Entity (OZ Minerals) comprising OZ Minerals Limited (OZ Minerals Limited or the 'Company') and its controlled entities for the period ending 30 June 2021 (Half-year) compared to the period ended 30 June 2020 (comparative period).

Consolidated results, commentary on results and outlook

	30 June 2021 \$m	30 June 2020 \$m	Movement \$m	Movement %
Revenue	986.1	575.7	410.4	71.3
Profit after tax attributable to OZ Minerals Limited equity holders	268.6	79.8	188.8	236.6

Commentary on the consolidated results and outlook, including changes in the state of affairs and likely developments of the Consolidated Entity, is set out within the Review of Results and Operations section of the Directors' Report (pp. 3-9).

Net tangible assets per share

	30 June 2021 \$ per share	30 June 2020 \$ per share
Net tangible assets per share	8.24	8.49

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 Half-year.

Dividends

Since the end of the Half-year, on 18 August 2021 the Board of Directors has resolved to pay a fully franked combined dividend of 16 cents for the Half-year 2021 which includes an interim dividend of 8 cents per share and a special dividend of 8 cents per share. The dividend will be paid on 7 September 2021. The record date for entitlement to this dividend is 24 August 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 with no limit on the number of participating shares. Shareholders who participate will be allocated shares under the DRP for the dividend at a discount of 1.5 per cent 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 23 August 2021. The last date for receipt of election notices for the DRP is 25 August 2021. The Company is likely to issue new shares on-market during this period to satisfy its expected obligations under the DRP.

The financial impact of the dividend amounting to \$53.3 million has not been recognised in the Consolidated Financial Statements for the Half-year ended 30 June 2021 and will be recognised in subsequent Consolidated Financial Statements.

Dividends announced or paid since 1 January 2020

Record date	Payment date	Fully franked cents per share	Total dividends \$m	Dividend reinvestment plan
24 August 2021	7 September 2021	16	53.3	Yes
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

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 Review Report to OZ Minerals Limited members in OZ Minerals' 2021 Half-Year Financial Report.

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**OZ MINERALS
HALF-YEAR
FINANCIAL
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)

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DIRECTORS' REPORT

The directors present their report for the Consolidated Entity (OZ Minerals) for the financial period from 1 January 2021 to 30 June 2021 ('Half-year') together with the Consolidated Financial Statements. OZ Minerals Limited (the Company) is a company limited by shares that is incorporated and domiciled in Australia.

DIRECTORS

The directors of the Company during the Half-year ended 30 June 2021 and up to the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

- / Rebecca McGrath (Non-executive Director and Chairman)
- / Andrew Cole (Managing Director and CEO)
- / Tonianne Dwyer
- / Sarah Ryan (appointed 17 May 2021)
- / Charles Sartain
- / Richard Seville
- / Peter Wasow

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the Half-year were the mining and processing of ore containing copper, gold and silver; sale 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.

DIVIDENDS

The details relating to dividends announced or paid since 1 January 2020 are set out below:

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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 with no limit on the number of participating shares. Shareholders who participate will be allocated shares under the DRP for the dividend at a discount of 1.5 per cent 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 23 August 2021. The last date for receipt of election notices for the DRP is 25 August 2021. The Company is likely to issue new shares on-market during this period to satisfy its expected obligations under the DRP.

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 off 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.

REVIEW OF RESULTS AND OPERATIONS

The Review of Results and Operations is set out on pages 3–9 and forms part of the Directors' Report.

MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR

The Half-year performance, combined with robust market conditions and strong operating cashflow, informed the Board's decision to pay a fully franked combined dividend of 16 cents for the Half-year 2021 which includes an interim dividend of 8 cents per share and a special dividend of 8 cents per share. The dividend will be paid on 7 September 2021. The record date for entitlement to this dividend is 24 August 2021 and the record date for participating in the dividend reinvestment plan is 25 August 2021.

The financial impact of the dividend amounting to \$53.3 million has not been recognised in the Consolidated Half-year Financial Statements for the Half-year ended 30 June 2021, and will be recognised in subsequent Consolidated Financial Statements.

The Board made a final investment decision to proceed with the circa \$600 million hoisting shaft expansion at Prominent Hill which will extend mine life to 2036 at 6 million tonnes per annum and provide future optionality for the further development of the province.

There have been no other events that have occurred subsequent to the reporting date that have significantly affected or may significantly affect the Consolidated Entity's operations or results in future years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 10, and forms part of the Directors' Report for the Half-year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.



Rebecca McGrath

Chairman

18 August 2021



Andrew Cole

Managing Director and CEO

18 August 2021

REVIEW OF RESULTS AND OPERATIONS

OVERVIEW

OZ Minerals Limited is a copper-focused international mining company based in South Australia. We are listed on the Australian Securities Exchange and pursue a growth strategy centred on creating value for our five stakeholder groups - employees, shareholders, communities, governments, and suppliers.

We operate the Prominent Hill and Carrapateena copper-gold underground mines located in the prospective Gawler Craton in South Australia and are progressing the West Musgrave copper-nickel project in Western Australia. We also operate the Carajás East hub in Brazil, which includes the Antas processing facility processing ore from the Antas Open Pit (completed in June 2021) and the Pedra Branca underground mine (under development).

We own the CentroGold gold project in the Gurupi Province in Brazil and continue to progress exploration activity with our partners in Australia, Brazil and Sweden providing us with a pipeline of additional potential growth.

Our quality assets, along with organic growth opportunities and consistent operating performance enable us to pursue our strategy. We maintain a strong balance sheet to support our strategy and, by safely and consistently meeting operational targets and working ethically and sustainably, we aim to achieve consistent top quartile returns and pay sustainable dividends.

REVIEW OF RESULTS AND OPERATIONS

Prominent Hill Province

Prominent Hill is a copper-gold mine located in South Australia, 130 km south-east of Coober Pedy. Prominent Hill continues to deliver consistent and reliable results. The Board's approval of the construction of a hoisting shaft at Prominent Hill will extend mine life to 2036 at 6 million tonnes per annum and provide further optionality for the development of the province.

Prominent Hill delivered strong copper and gold production at low cash costs for the Half-year, driven by its reliable operating discipline. Operational highlights for Prominent Hill in the Half-year include:

- ✓ Copper production of 32,110 tonnes and gold production of 70,654 ounces.
- ✓ Hauling 2.2 million tonnes of underground ore.
- ✓ All-In Sustaining Costs (AISC) of US 134.1c/lb.
- ✓ C1 costs of US 56.7c/lb, retaining its position as a first quartile copper cost producer.

The Prominent Hill underground mine sustained annualised ore production rates of over 4Mtpa during the Half-year. The accelerated decline development reached the bottom of the current Life-of-Mine level and lateral development has commenced which will enable simultaneous top down and bottom up mining, increasing mining rates from 2022.

The processing plant continues to operate at a rate of over 8Mtpa, processing underground ore supplemented by residual low grade ore from stockpiles generated from the exhausted open pit. These stockpiles are expected to be depleted by 2024 at which time the operation will source its ore feed solely from the underground, reducing total mill throughput at that time.

The potential to expand and extend the life of the mine through the installation of an electric hoisting shaft has been the subject of an extensive study and resource drilling to increase geological confidence. The study outcomes have provided the Board with the confidence to make a final investment decision to proceed with the expansion, creating further value for our stakeholders.

Carrapateena Province

Carrapateena is a copper–gold mine 160 km north of Port Augusta and 415 km from the Prominent Hill mine. The mine has ramped up to its initial production capacity of circa 4.25Mtpa with over 2.1 million tonnes of ore produced during the Half-year. Early this year the Board approved the Carrapateena Block Cave Expansion, which replaces the lower portion of the current sub level cave footprint with block cave mining to increase mine production to a proposed ~12Mtpa. The Half-year included:

- ✓ Copper production of 23,982 tonnes and gold production of 39,647 ounces.
- ✓ Board approval of the Block Cave Expansion.
- ✓ Successful commissioning of second Jameson flotation cell.
- ✓ The transition to new underground mining contractor.

Production at Carrapateena progressed to the fourth production level with all drives on the level now in production. Underground development has focused on mine supporting infrastructure development over further lateral development to ensure sustainable and reliable production at Carrapateena.

The processing plant has been performing as designed, with strong copper and gold recoveries and successful completion of the first major scheduled shutdown in the first quarter. The second Jameson Cell contributed to improvements to metallurgical recoveries and was commissioned early in the year, supported by a modified cleaner circuit which was optimised during the second quarter.

The Block Cave Expansion was advanced with acceleration of underground decline development activities and commencement of operational readiness planning. Work on the Western Access road was also progressed and is expected to be completed by the end of the year, enabling better site access and logistics as concentrate volumes increase.

Musgrave Province

OZ Minerals owns the West Musgrave copper-nickel project, which is Australia's largest undeveloped copper-nickel mine. The project is located in the Musgrave Province of Western Australia and includes the Nebo-Babel nickel-copper and Succoth copper deposits.

The West Musgrave pre-feasibility study update released in December demonstrated a long life ~26-year open pit copper and nickel sulphide mine with bottom quartile cash costs and average annual production of ~32,000 tonnes of copper and ~26,000 tonnes of nickel in concentrate.

The next stage of study progressed during the Half-year and included further drilling activity at Nebo-Babel aimed at increasing the understanding of the ore bodies and an assessment of the province approach for the project. Progress was also made on government approvals and land access agreements during the Half-year. The Studies are progressing with an investment decision on track for 2022.

Carajás Province

The Carajás hub is a processing hub located in the state of Pará, in northern Brazil. It consists of the Antas open pit copper–gold mine (completed in June 2021), the Pedra Branca project which is at an advanced stage of development, and other mining projects which are at different stages of maturity. Development ore from the Pedra Branca mine is trucked for processing to the Carajás Hub.

Achievements during the Half-year included:

- ✓ Copper production of 3,431 tonnes and gold production of 2,724 ounces.
- ✓ Installation of initial ventilation infrastructure at Pedra Branca.
- ✓ Resource drilling activity at Santa Lucia.

The impact of the escalating COVID-19 pandemic was felt in the Carajás during the period with a significant number of the workforce impacted. Sadly, we lost two of our employees to the virus which they contracted while undertaking personal travel. At Pedra Branca, the disruptions caused by the pandemic resulted in delays in progressing development works and low availability of equipment. This has resulted in lower higher grade development tonnes than expected and accordingly annual metal production guidance has been revised.

On ground exploration activity recommenced in country during the Half-year. A drilling program at Santa Lucia was completed in the first quarter of the year with studies progressing.

Gurupi Province

CentroGold is a gold project within the highly prospective Gurupi greenstone belt in the state of Maranhão in northern Brazil, between the cities of Belém and São Luis. It is close to existing infrastructure, including power and water, as well as the supply of labour.

The CentroGold Pre-Feasibility Study released in July 2019, confirmed the robustness of a minimum 10-year open pit mining operation producing a life of mine average 100koz – 120koz of gold per annum. CentroGold is expected to become a Gurupi processing hub as part of a low risk, modest capital, provincial hub strategy with significant exploration potential remaining, including the nearby Jiboia tenement.

Work during the Half-year included updating the Pre Feasibility Study (expected to be completed in the third quarter) and ongoing efforts to remove the historical injunction over the site albeit progress was also impacted by COVID restrictions.

Global Exploration and Growth

During the half year, exploratory drilling and assessment activity progressed at a number of early stage exploration projects with our partners across multiple jurisdictions. This included projects in Sweden, Australia, Brazil and Peru. During the period, the company also entered into its first agreement generated by its Drilanthropy initiative, aimed at targeting data science driven exploration in South Australia.

Stakeholder Value Creation

In partnership with the South Australian Government, OZ Minerals has jointly sponsored the establishment of the Arkani Ngura Innovation and Technology Centre. The Centre will be set up over the next three years in parallel with the depletion of the Ankarta orebody, with the aim of being fully self-sustaining by 2024.

During the Half-year, OZ Minerals continued to help build resilience for our stakeholders and enhance community wellbeing in a COVID impacted environment through a number of activities. In Brazil this included the donation of hygiene and rapid test kits and medicines to the Health Departments of local municipalities. In Australia, the Company supported Foodbank, Treasury Boxes, and the Smith Family as part of its community contribution. Corporate governance training for the Antakirinja Matu-Yankunytjatara Aboriginal Corporation and Kokatha Aboriginal Corporation was also funded.

The safety and wellbeing of our people and other stakeholders has been at the forefront of OZ Minerals' response to the evolving COVID-19 pandemic. To date the greatest impact has been on our Carajás operations in Brazil. The team has worked hard to minimise infection at our sites and for the most part cases have remained in the single digits. Employees and their families in Brazil were supported with hygiene kits and personal protective equipment. More recently, there has pleasingly been an extended period where there have been no cases amongst our workforce at our Carajás sites.

No significant mine site disruption was experienced during the Half-year at Prominent Hill or Carrapateena. To ensure ongoing employee safety and continued operations, extensive preventative and contingency measures remain in place across all our operations.

The operating and global environment continues to remain volatile and the potential disruption to our customers' ability to continue operations, our supply chains, and government restrictions all have the potential to adversely impact future results of the Group. Any resultant adverse impacts on commodity prices and foreign exchange assumptions also have the potential to impact the Group's future financial results and prospects.

REVIEW OF CONSOLIDATED FINANCIAL RESULTS AND OPERATIONS

Financial review

OZ Minerals' Net Profit After Tax (NPAT) for the Half-year was \$268.6 million compared to \$79.8 million for the same period in 2020 as a result of higher volumes sold accompanied by a stronger copper price. The Carrapateena mine operating at full design capacity was a key contributor to the strong result while Prominent Hill continued its consistent performance. The copper price appreciated strongly during the Half-year amid growing expectations of a global economic rebound, the general demand growth for copper, and a number of supply disruptions. The lower demand for gold from central banks, jewellery manufacturers and a change in the global risk appetite saw a softening of the gold price during the period. The company's operating margin for earnings before interest, tax, depreciation and amortisation (EBITDA) was a strong 57 per cent.

Better than expected gold ore grades within the open pit ore stockpiles, along with better recovery, has contributed to strong gold production to date and was instrumental in increasing guidance for the full year. The underground mining operation at Prominent Hill, operating at planned capacity through the full Half-year, also directly benefitted unit costs.

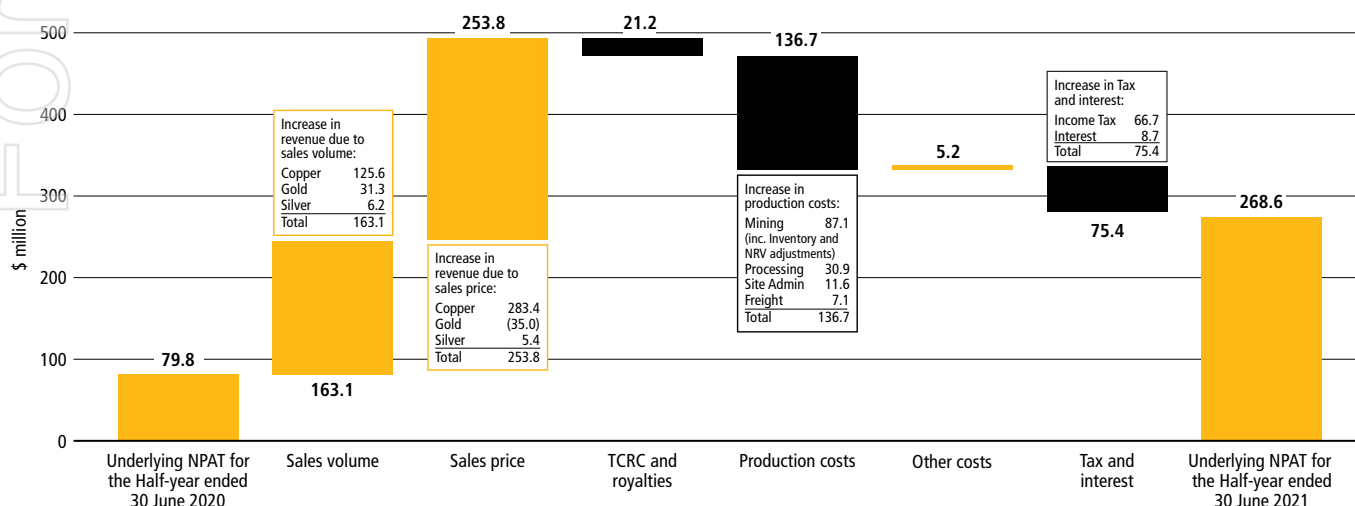
The Carrapateena mine also operated at its planned capacity, delivering a strong production and cost result for the Half-year. The strong performance of the processing plant continued and the asset successfully undertook its first major maintenance shutdown during the period. A strong recovery of metal was observed during the period and contributed to an increase in gold production for the Half.

The West Musgrave studies progressed during the Half-year with a final investment decision expected to be made in 2022. The Antas open pit was completed in early June and the Pedra Branca development progressed with ore production from stopes expected in Q3. Development ore from the Pedra Branca mine is being trucked to the Carajás East hub for processing.

Exploration and corporate development activities resumed and were mainly focussed on Santa Lucia and expanding the growth pipeline of projects. As a result of strong operating cashflows during the Half-year, the \$100.0 million debt drawn against the revolving debt facility was fully repaid. The undrawn \$480.0 million debt facility continues to provide sufficient liquidity headroom for the Group.

During the Half-year, ongoing investments were made at Carrapateena, Prominent Hill underground and Pedra Branca, along with tax payments and dividends to shareholders.

VARIANCE ANALYSIS – UNDERLYING NET PROFIT AFTER TAX, 30 JUNE 2021 COMPARED TO 30 JUNE 2020



OZ Minerals financial results are reported under International Financial Reporting Standards (IFRS). This Half-year Report and Results for Announcement to the Market include certain non-IFRS measures including Underlying EBITDA and Underlying NPAT. These measures are presented to enable an 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 One Operating Segments, which forms part of the Consolidated Financial Statements.

Revenue

Gross revenue for the Half-year (before Treatment charges and refining costs) was \$1,009.1 million, \$416.9 million higher than the comparative period mainly due to the higher volume and price of copper. Contained copper and gold sold during the Half-year was higher than the comparative period by circa 14,000 tonnes and 11,000 ounces respectively. The average \$A copper price was 61 per cent higher than the comparative period, while the net \$A gold price was 13 per cent lower. A hedging loss amounting to \$34.0 million was also recognised within Gross Revenue.

Realisation costs

Treatment charges and refining costs (TCRCs) were \$6.5 million higher because of higher volume of concentrate sold during the Half-year. Royalty expense increased by \$14.7 million from the higher revenue.

Production costs

Total production costs of concentrate sold were \$136.7 million higher than the comparative period mainly due to production activity at Carrapateena which had only commenced processing development ore during the previous comparative period.

Production costs for Prominent Hill were \$16.9 million higher than the comparative period mainly due to the increased proportion of underground ore processed during the Half-year. While continued processing of open pit ore stockpiles to supplement higher grade underground ore contributed to a lower cash cost outcome for the mine, the cost of ore inventories processed from stockpiles during the Half-year was included within total production costs.

Production costs for Carrapateena were \$111.4 million higher than the comparative period as the mine achieved full production rates during the Half-year, while it only processed development ore in the previous comparative period. During the previous period, costs attributable to the processing of ore extracted during the development of the Carrapateena mine were also capitalised.

At the Carajás hub, production costs were higher by \$8.4 million as result of an increased proportion of underground ore from Pedra Branca.

A net realisable value (NRV) write up of \$18.0 million was recognised in relation to inventory. As a result, all inventory is now held at cost. The write up of NRV during the Half-year was mainly due to an increase in gold price assumptions and the timing of ore processing.

Exploration and corporate development expenditure of \$24.0 million was incurred during the Half-year to progress drilling and development studies in the Gurupi and Carajás provinces; together with other exploration earn-in arrangements in the growth pipeline. Key spend areas comprised:

- ✓ Brazil study costs and exploration \$7.8 million
- ✓ Other exploration and development expenditure \$13.2 million.

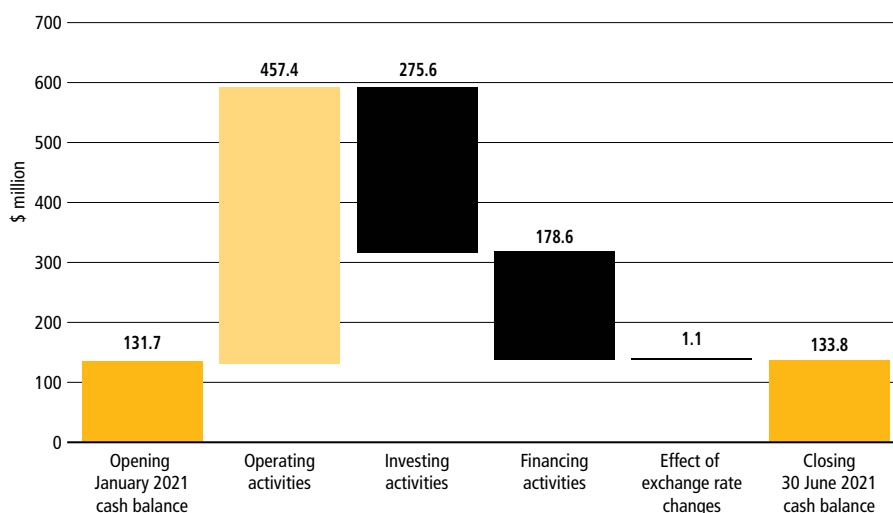
Other expenditure

Corporate general and administration costs of \$25.6 million were largely related to direct corporate activities. The decrease of \$7.0 million over the comparative period was the result of a higher depreciation and amortisation of information technology assets in the previous period.

The income tax expense of \$98.9 million was \$66.7 million higher than the previous year as a result of the higher profit, partially offset by the benefit of prior tax losses recognised during the Half-year.

CASH FLOW ANALYSIS

CASH BALANCE AND CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2021



Operating cash flows

Operating cash flows of \$457.4 million for the Half-year were \$306.7 million higher than in the comparative period mainly due to higher receipts from customers. Higher revenues were partially offset by higher payments to suppliers with the Carrapateena mine now operating to planned capacity during the full Half-year.

Customer receipts during the Half-year were higher by \$400.7 million as a result of higher copper volumes and price driving revenue. Payments to suppliers and employees were also higher with Carrapateena operating at nameplate capacity.

Payments for exploration and corporate development decreased by \$1.0 million, reflecting the timing of payments. PAYG tax payments were higher than the comparative period due to the higher income and a final tax payment in relation to the 2020 year.

Financing costs included in operating cashflow increased during the Half-year by \$7.2 million with payments made to power infrastructure service providers classified as lease interest following the application of AASB 16 Leases.

Investing cash flows

Net investing cash flows of \$275.6 million were attributable to mine development costs at Carrapateena; general property, plant, equipment and mine development at Prominent Hill and Carajás East; and exploration costs associated with the West Musgrave project.

The payments incurred related to:

- ✓ Capitalised Carrapateena development costs of \$111.2 million, including expansion studies expenditure
- ✓ Prominent Hill mine development costs \$39.0 million
- ✓ Sustaining capital expenditure \$70.1 million
- ✓ Carajás East capital expenditure \$23.5 million
- ✓ West Musgrave capitalised exploration and evaluation costs \$28.8 million
- ✓ Other capital expenditure \$3.0 million.

Financing activities

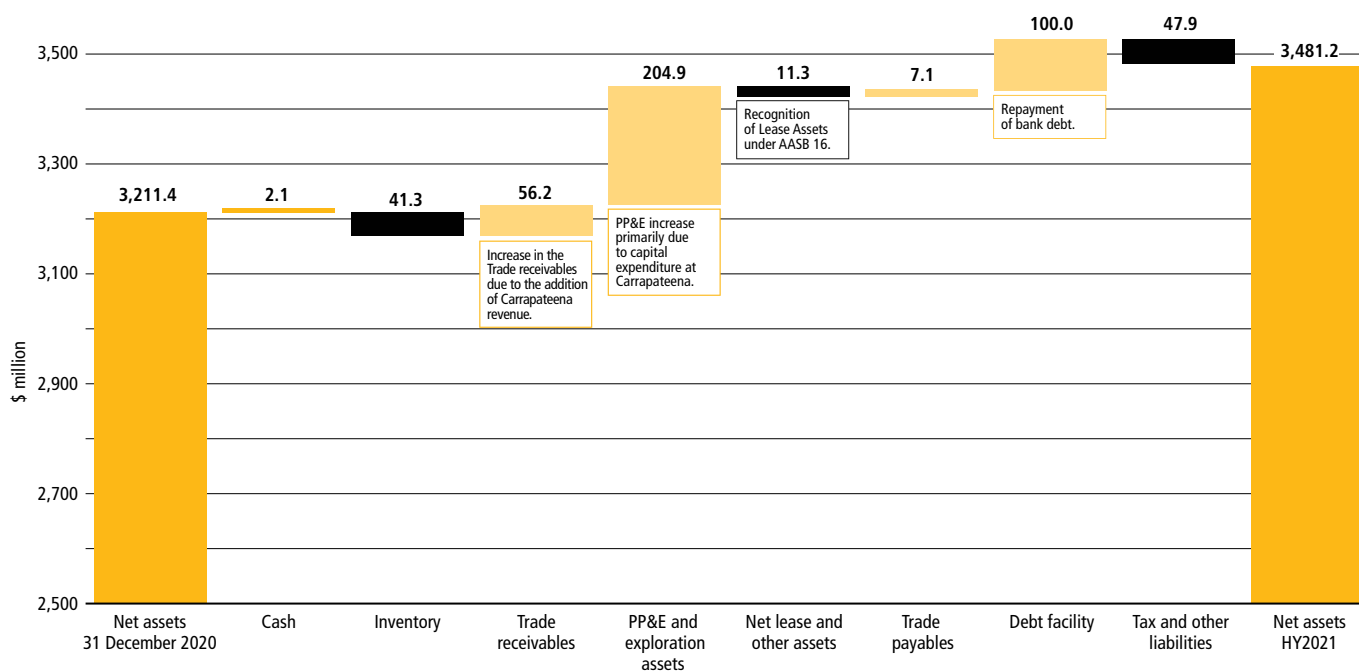
Net cash inflows relating to financing activities were \$178.6 million comprising \$42.4 million in dividend payments to shareholders; \$36.2 million in payments to suppliers now classified as lease payments following the application of AASB 16 Leases; and a \$100.0 million net repayment of the company's debt facility. Since the end of the Half-year, the Board of Directors has resolved to pay an interim dividend and a special dividend for the 2021 financial year amounting to \$53.3 million. This interim dividend will be fully franked for Australian tax purposes.

BALANCE SHEET

The total equity of the Company increased by \$269.8 million to \$3,481.2 million. The increase was mainly the result of the net profit performance for the Half-year of \$268.6 million, partially offset by returns to shareholders in the form of dividends amounting to \$56.4 million, together with the movement in gold derivative contracts of \$25.4 million (net of tax).

The movement in the net assets of the Company since 31 December 2020 is provided below.

BALANCE SHEET



The Company ended the Half-year with a cash balance of \$133.8 million after repaying the \$100.0 million corporate debt balance existing at the end of 2020. The revolving debt facility of circa \$480.0 million continues to provide liquidity and flexibility to execute the company's strategy.

During the Half-year, strong operating cash flows from ramped up production from Carrapateena, sustained production from Prominent Hill and higher copper prices were used to pay down drawn debt; dividends to shareholders; and investments in Carrapateena, West Musgrave, and Property Plant and Equipment (PP&E).

Inventories at 30 June 2021 were \$477.4 million. During the Half-year, open pit ore from stockpiles was consumed in the production of concentrate and the costs were recognised in the Income Statement within inventory adjustments. The NRV adjustment of \$18.0 million increased the value of remaining inventory. Trade receivables increased due to the addition of Carrapateena at its planned capacity and the general timing of shipments.

PP&E and Exploration assets increased during the Half-year mainly due to capital expenditure at Carrapateena, continuing capitalisation of underground development at Prominent Hill, capitalised West Musgrave exploration and study costs, and general sustaining capital expenditure. Right of Use assets and associated lease liabilities were recognised during the Half-year in relation to the new Carrapateena mining services contract.



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 review of OZ Minerals Limited for the Half-year ended 30 June 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A small, stylized KPMG logo.

KPMG

A handwritten signature in black ink, appearing to read 'Chris Sargent'.

Chris Sargent
Partner

Melbourne
18 August 2021

CONSOLIDATED HALF-YEAR STATEMENT OF COMPREHENSIVE INCOME

For the Half-year ended 30 June 2021	Notes	30 June 2021 \$m	30 June 2020 \$m
Revenue	1	986.1	575.7
Mining		(243.9)	(195.5)
Processing		(128.0)	(97.1)
Freight		(30.7)	(23.6)
Site administration		(58.8)	(47.2)
Royalties		(44.4)	(29.7)
Inventory movement		(41.3)	(2.6)
Corporate administration		(25.6)	(32.6)
Exploration and corporate development		(24.0)	(25.0)
Foreign exchange gain/(loss)		(1.4)	1.4
Profit before interest and income tax		388.0	123.8
Finance income		0.3	0.4
Finance expense		(20.8)	(12.2)
Profit before income tax		367.5	112.0
Income tax	3	(98.9)	(32.2)
Profit for the Half-year attributable to equity holders of OZ Minerals Limited		268.6	79.8
Other comprehensive gain/(loss)			
Items that will not be reclassified subsequently to the Income Statements			
Change in fair value of investments in equity securities, net of tax		1.9	0.4
Items that may be reclassified subsequently to future to Income Statements			
Cash flow hedges change in fair value		1.6	(43.2)
Cash flow hedges reclassified to profit and loss		23.8	28.6
Foreign operations – foreign currency translation differences		10.1	6.7
Other comprehensive gain/(loss) for the Half-year, net of tax		37.4	(7.5)
Total comprehensive income for the Half-year attributable to equity holders of OZ Minerals Limited		306.0	72.3
		cents	cents
Basic and diluted earnings per share	2	80.9	24.6

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

CONSOLIDATED HALF-YEAR STATEMENT OF CHANGE IN EQUITY

For the Half-year ended 30 June 2021	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 2021		2,371.4	873.7	(25.4)	(8.3)	3,211.4
Total comprehensive income for the Half-year						
Profit for the Half-year		–	268.6	–	–	268.6
Other comprehensive income		–	1.9	25.4	10.1	37.4
Total comprehensive income for the Half-year		–	270.5	25.4	10.1	306.0
Transactions with owners, recorded directly in equity						
Dividends	4	14.0	(56.4)	–	–	(42.4)
Share-based payments, net of income tax		–	6.2	–	–	6.2
Total transactions with owners		14.0	(50.2)	–	–	(36.2)
Balance as at 30 June 2021		2,385.4	1,094.0	–	1.8	3,481.2

For the Half-year ended 30 June 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 Half-year						
Profit for the Half-year		–	79.8	–	–	79.8
Other comprehensive (loss)/income		–	0.4	(14.6)	6.7	(7.5)
Total comprehensive (loss)/income for the Half-year		–	80.2	(14.6)	6.7	72.3
Transactions with owners, recorded directly in equity						
Dividends	4	–	(48.6)	–	–	(48.6)
Share-based payments, net of income tax		–	4.2	–	–	4.2
Total transactions with owners		–	(44.4)	–	–	(44.4)
Balance as at 30 June 2020		2,280.4	757.0	(64.1)	34.5	3,007.8

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

CONSOLIDATED HALF-YEAR BALANCE SHEET

At 30 June 2021	Notes	30 June 2021 \$m	31 December 2020 \$m
Current assets			
Cash and cash equivalents		133.8	131.7
Trade receivables		214.6	160.3
Inventories	5	269.5	252.1
Prepayments		9.0	11.7
Other receivables		15.4	13.5
Total current assets		642.3	569.3
Non-current assets			
Deferred tax assets	3	3.6	7.0
Inventories	5	207.9	266.6
Exploration assets	7	243.4	215.8
Property, plant and equipment	6	3,090.8	2,913.5
Right-of-use assets	8	743.0	750.1
Other assets		31.4	33.7
Total non-current assets		4,320.1	4,186.7
Total assets		4,962.4	4,756.0
Current liabilities			
Trade payables and accruals		182.7	190.1
Other payables		7.6	7.3
Current tax provision		57.8	19.7
Employee benefits		24.9	21.7
Provisions		0.2	0.3
Derivative financial instruments		16.2	36.3
Loans and borrowings	12	62.9	171.5
Total current liabilities		352.3	446.9
Non-current liabilities			
Deferred tax liabilities	3	313.7	288.5
Employee benefits		3.2	3.2
Provisions		123.3	121.7
Loans and borrowings	12	688.7	684.3
Total non-current liabilities		1,128.9	1,097.7
Total liabilities		1,481.2	1,544.6
Net assets		3,481.2	3,211.4
Equity			
Issued capital	10	2,385.4	2,371.4
Cash flow hedge reserve		–	(25.4)
Retained earnings		1,094.0	873.7
Foreign currency translation reserve		1.8	(8.3)
Total equity attributable to equity holders of OZ Minerals Limited		3,481.2	3,211.4

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

CONSOLIDATED HALF-YEAR STATEMENT OF CASH FLOWS

For the Half-year ended 30 June 2021	Notes	30 June 2021 \$m	30 June 2020 \$m
Cash flows from operating activities			
Receipts from customers		927.7	527.0
Payments to suppliers and employees		(381.2)	(319.1)
Payments for exploration and evaluation		(20.7)	(21.7)
Income tax paid		(49.3)	(23.7)
Financing costs		(19.4)	(12.2)
Interest received		0.3	0.4
Net cash inflows from operating activities		457.4	150.7
Cash flows from investing activities			
Net proceeds from sale of pre commissioning Carrapateena concentrates		–	37.2
Payment for property, plant and equipment		(246.8)	(227.4)
Payment for exploration assets		(28.8)	(8.9)
Net cash outflows from investing activities		(275.6)	(199.1)
Cash flows from financing activities			
Dividends paid to shareholders	4	(42.4)	(48.6)
Proceeds from borrowings	12	125.0	150.0
Repayment of borrowings	12	(225.0)	(50.0)
Payment of Lease liability	12	(36.2)	(26.9)
Net cash inflows/(outflows) from financing activities		(178.6)	24.5
Net decrease in cash held		3.2	(23.9)
Cash and cash equivalents as at 1 January		131.7	134.0
Effects of exchange rate changes on foreign currency denominated cash balances		(1.1)	4.4
Cash and cash equivalents at the end of the Half-year		133.8	114.5

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 publicly traded on the Australian Securities Exchange. OZ Minerals' registered office is located at 2 Hamra Drive, Adelaide Airport, South Australia 5950, Australia.

The Consolidated Half-year Financial Statements of OZ Minerals Limited and its controlled entities for the Half-year ended 30 June 2021:

- ✓ are prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 also ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*
- ✓ are presented in Australian dollars which is also the functional currency of the Company. The controlled entities of the Company have the functional currency of Australian dollars and US dollars
- ✓ 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 Half-year Financial Statements do not include all of the information required for a full annual financial report and should be read in conjunction with the Annual Report of the Consolidated Entity for the year ended 31 December 2020 and any public announcements made by OZ Minerals Limited during the Half-year financial reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Consolidated Half-year Financial Statements were authorised for issue by the Directors on 18 August 2021.

The Annual Report of OZ Minerals for the year ended 31 December 2020 is available upon request from the Company's registered office or at the Company's website at www.ozminerals.com.

The Consolidated Half-year 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
- ✓ property, plant and equipment which has been written down in accordance with applicable accounting standards.

Subsequent to 30 June 2021, the Board of Directors has resolved to pay an interim and a special dividend for the Half-year, as discussed in Note 4.

The Board made a final investment decision to proceed with the circa \$600 million hoisting shaft expansion at Prominent Hill which will extend mine life to 2036 at 6 million tonnes per annum and provide future optionality for the further development of the province.

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.

The critical estimates and judgements are consistent with those applied by the Consolidated Entity in its Annual Report for the year ended 31 December 2020.

Whilst the fallout from the COVID-19 pandemic has increased volatility in commodity prices and foreign exchange rates, caused restrictions on the movement of people and materials, it has not adversely impacted the asset recoverability; has only marginally affected the financial results of the Carajás East segment relative to the Group results; but has further and delayed the lifting of the injunction on the Gurupi project. The pandemic continues to cause volatility in the broader business environment and restrictions on the movement of people and materials which may have potential for adverse impacts in the future.

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 became operational during 2020. The Carrapateena mine generates revenue from the sale of concentrate containing copper, gold and silver to customers in Asia, Europe and Australia.
Carajás	Ore will be mined at the Pedra Branca underground mine and processed at the processing plant located at the Antas mine site 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, Red Metal Ltd, Mineral Prospektering i Sverige, Inversiones Mineras La Chalina S.A.C. and corporate development activities. The Company undertakes its own exploration on tenements around existing operating and development Assets, including at the West Musgrave Project in Western Australia and 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.

	Prominent Hill	Carrapateena	Carajás	Exploration & development	Corporate	Consolidated
	\$m	\$m	\$m	\$m	\$m	\$m
For the Half-year ended 30 June 2021						
Revenue	512.2	420.6	53.3	–	–	986.1
Cost of goods sold ^(a)	(225.5)	(132.6)	(28.1)	–	–	(386.2)
Underlying EBITDA ^(c)	297.2	278.8	14.0	(20.2)	(8.6)	561.2
Net depreciation and amortisation	(97.6)	(56.6)	(12.2)	–	(6.8)	(173.2)
Capital expenditure	76.4	158.1	31.9	–	2.9	269.3
Property, plant & equipment	777.8	1,727.6	233.7	324.4	27.3	3,090.8
For the Half-year ended 30 June 2020						
Revenue	463.7	68.7	43.3	–	–	575.7
Cost of goods sold ^(b)	(232.4)	(50.9)	(24.3)	–	–	(307.6)
Underlying EBITDA ^(c)	262.8	5.6	17.6	(16.3)	(18.5)	251.2
Net depreciation and amortisation	(88.8)	(19.1)	(6.5)	–	(13.0)	(127.4)
Capital expenditure	44.2	83.3 [*]	14.3	9.3	9.6	160.7
Property, plant & equipment	719.8	1,443.1	214.9	354.0	41.1	2,772.9

* Capital expenditure is net of proceeds from sale of concentrate produced from ore mined during the development of the Carrapateena mine.

^(a) Cost of goods sold does not include net depreciation and amortisation, a net realisable value (NRV) adjustment of \$18.0 million (Prominent Hill) increase to the value of inventory; and corporate cost allocations (Prominent Hill \$7.5 million, Carrapateena \$5.8 million and Brazil \$2.7 million).

^(b) Cost of goods sold does not include net depreciation and amortisation, net realisable value (NRV) adjustment of \$33.8 million (Prominent Hill) increase to the value of inventory; and corporate cost allocations (Prominent Hill \$4.6 million, Carrapateena \$3.0 million and Brazil \$0.6 million).

^(c) OZ Minerals financial results are reported under International Financial Reporting Standards ('IFRS'). This Half-year Report includes 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 Half-year (2020: none).

NET REVENUE BY METAL

For the Half-year ended 30 June 2021	Prominent Hill	Carrapateena ^(a)	Carajás	Half-year to 30 June 2021
	\$m	\$m	\$m	\$m
Copper	376.0	310.7	45.8	732.5
Gold	129.6	97.5	7.1	234.2
Silver	6.6	12.4	0.4	19.4
Total Revenue	512.2	420.6	53.3	986.1
For the Half-year ended 30 June 2020	Prominent Hill	Carrapateena ^(a)	Carajás	Half-year to 30 June 2020
Copper	257.1	43.0	35.8	335.9
Gold	201.5	23.6	6.9	232.0
Silver	5.1	2.1	0.6	7.8
Total Revenue	463.7	68.7	43.3	575.7

^(a) Revenue for Carrapateena is after recognising \$37.2 million from sale of concentrate produced from pre-production ore against the previously capitalised development costs in PP&E.

Net revenue attributable to Asian, Australian and European locations was \$691.3 million, \$150.3 million and \$144.5 million respectively and is based on the location of the customer's operations during the Half-year (HY 2020: Asian and Australian locations was \$412.2 million and \$163.5 million respectively).

RECONCILIATION OF CONSOLIDATED UNDERLYING EBITDA TO PROFIT AFTER TAX

	Half-year to June 2021	Half-year to June 2020
	\$m	\$m
Underlying EBITDA ^(a)	561.2	251.2
Depreciation	(141.9)	(99.5)
Other assets amortisation	(3.3)	(3.3)
Capitalised depreciation unwind	(28.0)	(24.6)
Earnings before finance income and tax	388.0	123.8
Net finance expense	(20.5)	(11.8)
Profit before tax	367.5	112.0
Tax expense	(98.9)	(32.2)
Profit for the Half-year attributable to equity holders of OZ Minerals Limited	268.6	79.8

^(a) Underlying EBITDA includes an adjustment to increase the value of inventory by \$18.0 million with respect to low grade gold ore following an assessment of the NRV (HY 2020: \$33.8 million). It also includes corporate and exploration expense of \$56.9 million (HY 2020: \$52.0 million) and foreign exchange loss of \$1.4 million (HY 2020: \$1.4 million gain).

DEPRECIATION AND AMORTISATION FOR THE HALF-YEAR

	Half-year to June 2021	Half-year to June 2020
	\$m	\$m
Mining	80.0	59.5
Processing	32.0	15.6
Site and corporate administration	33.2	27.7
Capitalised depreciation unwind	28.0	24.6
Total depreciation and amortisation	173.2	127.4

2. EARNINGS PER SHARE

BASIC AND DILUTED EARNINGS PER SHARE – CENTS

	Half-year to June 2021	Half-year to June 2020
Basic and diluted earnings per share	80.9	24.6
Reconciliation of earnings used in calculating basic and diluted earnings per share – \$ millions		
Profit after tax	268.6	79.8
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted per share earnings	331,968,369	324,130,343

3. INCOME TAX

Income tax expense comprises current and deferred tax of the Consolidated Entity. Current and deferred tax expense is recognised in other comprehensive income or directly in equity as is appropriate.

INCOME TAX EXPENSE IN THE INCOME STATEMENT

	Half-year to June 2021	Half-year to June 2020
	\$m	\$m
Current income tax expense	(89.0)	(17.9)
Deferred income tax expense	(9.9)	(14.3)
Income tax expense	(98.9)	(32.2)

RECONCILIATION OF INCOME TAX EXPENSE TO PRE-TAX PROFIT

	Half-year to June 2021	Half-year to June 2020
	\$m	\$m
Profit before income tax	367.5	112.0
Income tax expense at the Australian tax rate of 30 per cent	(110.3)	(33.6)
Adjustments:		
Variation in overseas tax	3.6	2.7
Non-deductible expenditure	(4.4)	(3.0)
Revision for prior periods	(0.2)	(0.2)
Recognition of previously unrecognised losses	13.1	2.3
Derecognition of overseas losses	(0.9)	(0.4)
Other	0.2	–
Income tax expense	(98.9)	(32.2)

Unrecognised tax losses

Australian restricted tax losses of \$133.8 million (31 December 2020: \$146.9 million), tax effected, remain unrecognised in the balance sheet at 30 June 2021. Australian capital losses of \$595.2 million (31 December 2020: \$595.9 million), tax effected, remain unrecognised in the balance sheet at 30 June 2021.

Deferred tax assets and liabilities

The movement in the Consolidated Entity's recognised deferred tax balances are as follows:

	31 December 2020	Recognised in income statement	Recognised in equity	30 June 2021
	\$m	\$m	\$m	\$m
Deferred tax assets				
Unrestricted losses	0.4	(0.4)	–	–
Restricted tax losses	51.0	6.0	–	57.0
Lease liability	226.7	(1.2)	–	225.5
Provisions and accruals	28.9	(1.5)	(3.4)	24.0
Derivative financial instruments	10.8	–	(10.8)	–
Other	4.4	(4.3)	–	0.1
Total deferred tax assets	322.2	(1.4)	(14.2)	306.6
Less offset against deferred tax liabilities	(315.2)	1.3	10.9	(303.0)
Net deferred tax assets	7.0	(0.1)	(3.3)	3.6
Deferred tax liabilities				
Inventories	(5.0)	0.4	–	(4.6)
Exploration assets	(17.2)	(9.1)	(0.9)	(27.2)
Property plant and equipment	(352.7)	(2.0)	(3.6)	(358.3)
Right of use assets	(225.0)	2.1	–	(222.9)
Provisions and accruals	(3.8)	0.1	–	(3.7)
Total deferred tax liabilities	(603.7)	(8.5)	(4.5)	(616.7)
Less offset against deferred tax assets	315.2	(1.3)	(10.9)	303.0
Net deferred tax liabilities	(288.5)	(9.8)	(15.4)	(313.7)

	31 December 2019	Recognised in income statement	Recognised in equity	30 June 2020
	\$m	\$m	\$m	\$m
Deferred tax assets				
Unrestricted losses	4.7	(1.6)	–	3.1
Restricted tax losses	44.4	–	–	44.4
Lease liability	55.2	(4.6)	–	50.6
Provisions and accruals	15.7	3.9	(0.6)	19.0
Derivative financial instruments	24.9	(3.8)	6.3	27.4
Other	8.3	(4.4)	–	3.9
Total deferred tax assets	153.2	(10.5)	5.7	148.4
Less offset against deferred tax liabilities	(146.1)	9.2	(6.3)	(143.2)
Net deferred tax assets	7.1	(1.3)	(0.6)	5.2
Deferred tax liabilities				
Inventories	(4.6)	(0.1)	–	(4.7)
Exploration assets	(13.7)	(2.8)	(0.6)	(17.1)
Property plant and equipment	(340.2)	(4.6)	(3.0)	(347.8)
Right of use assets	(54.0)	3.6	–	(50.4)
Provisions and accruals	(3.7)	0.1	–	(3.6)
Total deferred tax liabilities	(416.2)	(3.8)	(3.6)	(423.6)
Less offset against deferred tax assets	146.1	(9.2)	6.3	143.2
Net deferred tax liabilities	(270.1)	(13.0)	2.7	(280.4)

4. DIVIDENDS

Since the end of the Half-year, on 18 August 2021 the Board of Directors has resolved to pay a fully franked combined dividend of 16 cents for the Half-year 2021 which includes an interim dividend of 8 cents per share and a special dividend of 8 cents per share. The dividend will be paid on 7 September 2021. The record date for entitlement to this dividend is 24 August 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 with no limit on the number of participating shares. Shareholders who participate will be allocated shares under the DRP for the dividend at a discount of 1.5 per cent 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 23 August 2021. The last date for receipt of election notices for the DRP is 25 August 2021. The Company is likely to issue new shares on-market during this period to satisfy its expected obligations under the DRP.

The financial impact of the dividend amounting to \$53.3 million has not been recognised in the Consolidated Financial Statements for the Half-year ended 30 June 2021 and will be recognised in subsequent Consolidated Financial Statements.

The details in relation to dividends announced or paid since 1 January 2020 are set out below:

Record date	Date of payment	Fully franked cents per share	Total dividends \$m	Dividend reinvestment plan
24 August 2021	7 September 2021	16	53.3	Yes
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

CAPITAL EMPLOYED

5. INVENTORIES

	30 June 2021	31 December 2020
	\$m	\$m
Concentrates – at cost	92.3	106.3
Ore stockpile – at cost	144.0	37.3
Ore stockpile – at net realisable value	–	80.0
Stores and consumables – at cost	33.2	28.5
Inventories – current	269.5	252.1
Ore stockpile – non-current at cost	207.9	50.2
Ore stockpile – non-current at net realisable value	–	216.4
Inventories – non-current	207.9	266.6
Total Inventories	477.4	518.7

An assessment of the net realisable value of inventory resulted in an adjustment to increase the value of the inventory by \$18.0 million in the Half-year (30 June 2020: \$33.8 million) with all ore stockpiles reverting to cost as at 30 June 2021.

6. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Mine property and development	Freehold land and buildings	Mineral rights	Capital work in progress	30 June 2021
	\$m	\$m	\$m	\$m	\$m	Total
30 June 2021						
At cost	2,129.3	2,986.1	247.7	324.4	223.3	5,910.8
Accumulated depreciation and impairment losses	(1,073.8)	(1,582.6)	(163.6)	–	–	(2,820.0)
Closing carrying amount	1,055.5	1,403.5	84.1	324.4	223.3	3,090.8
Reconciliation of carrying amounts						
Opening carrying amount at 1 January 2021	1,083.7	1,241.5	88.8	317.2	182.3	2,913.5
Additions and transfers	14.7	213.5	0.1	–	41.0	269.3
Disposals – at cost	(0.5)	–	–	–	–	(0.5)
Accumulated depreciation on disposals	0.5	–	–	–	–	0.5
Depreciation	(44.3)	(53.6)	(4.8)	–	–	(102.7)
Foreign currency exchange differences	1.4	2.1	–	7.2	–	10.7
Closing carrying amount at 30 June 2021	1,055.5	1,403.5	84.1	324.4	223.3	3,090.8

Depreciation was \$102.7 million during the Half-year compared to \$77.3 million in the first half of 2020. Depreciation increased due to an increase in production at the Carrapateena underground operations during the Half-year.

7. EXPLORATION ASSETS

	30 June 2021
	\$m
Opening balance at 1 January 2021	215.8
Additions during the period	28.8
Transferred to exploration expense	(3.9)
Foreign currency exchange difference	2.7
Opening balance at 30 June 2021	243.4

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.

8. RIGHT-OF-USE ASSETS

	Powerline infrastructure	Property	Plant & equipment	30 June 2021 Total
	\$m	\$m	\$m	\$m
Opening balance at 1 January 2021	586.0	5.7	158.4	750.1
Additions to right-of-use assets	7.7	0.2	89.0	96.9
Disposal of right-of-use assets	—	—	(64.8)	(64.8)
Depreciation charge for the period	(19.3)	(0.4)	(19.5)	(39.2)
Closing carrying amount at 30 June 2021	574.4	5.5	163.1	743.0

The group de-recognised certain Right of Use Assets related to leasing of equipment associated with certain mining services contracts following the termination of agreements. The Group has entered into new mining services agreements which provide rights to use of additional equipment and accordingly new Right of Use Assets have been recognised associated with those arrangements.

9. COMMITMENTS

The Consolidated Entity has entered into various contracts with suppliers for growth and sustaining mine development at the Prominent Hill, Carrapateena and Carajás mines. The total capital expenditure commitment in relation to these contracts at 30 June 2021 was \$76.5 million (2020: \$274.4 million).

CONTRIBUTED EQUITY

10. ISSUED CAPITAL

	30 June 2021	31 December 2020
	\$m	\$m
332,388,619 shares (2020: 331,293,359 shares)	2,385.4	2,371.4

SHARE CAPITAL MOVEMENT

	Number of shares	Share capital
		\$m
Opening balance at 1 January 2021	331,293,359	2,371.4
Shares issued under employee share plan on 4 February 2021	470,146	— ^(a)
Shares issued under DRP 26 March 2021	625,114	14.0
Closing Balance at 30 June 2021	332,388,619	2,385.4

^(a) Shares issued under the employee share plan are at no cash cost. Shares granted are valued on the grant date and the related expense of the employee earning the shares is recognised as an expense progressively over the vesting period within share-based payment expenses.

11. CONTINGENCIES

There were no substantive changes in the nature and assessment of the Consolidated Entity's contingent liabilities during the Half-year ended 30 June 2021.

RISK MANAGEMENT

12. FINANCIAL ASSETS AND LIABILITIES

Gold derivative contracts

During the Half-year, the Group entered into offsetting contracts to close out all outstanding gold forward contracts for 54,207 ounces. Accordingly, a fair value adjustment of \$1.6 million (net of tax) was recognised in other comprehensive income and \$23.8 million (net of tax) was transferred out of the Cash flow hedge reserve to profit and loss during the Half-year ended 30 June 2021. The Group paid \$17.7 million towards settlement of the derivative liabilities during the Half-year.

There have been no change in the classification of financial instruments between categories in the fair value hierarchy. Investments in equity securities continue to be carried at level one based on share prices quoted on the relevant stock exchange. Trade receivables and derivatives continue to be carried at level two valuation technique using the quoted market prices for copper, gold and silver adjusted for specific settlement terms.

Loans and Borrowings

The Consolidated entity recognised the draw-down of its revolving credit facility within Other borrowings for the period. Lease liabilities are recognised for any new Right-of-Use lease contracts as they have been entered.

	Other borrowings Half-year 2021	Lease liabilities Half-year 2021	Total Half-year 2021
	\$m	\$m	\$m
Opening balance 1 January 2021	100.0	755.8	855.8
Debt facility drawdown	125.0	–	125.0
Lease recognised during the period	–	96.9	96.9
Accretion of interest	–	13.1	13.1
Lease termination during the period	–	(64.9)	(64.9)
Repayment during the period	(225.0)	(49.3)	(274.3)
Closing balance at 30 June 2021	–	751.6	751.6

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 mining services supply contracts of \$89m and other agreements of \$7.9m. Lease terminations recognised were part of terminated mining service supply contracts.

	Current	Non-Current	Total Half-year 2021
	\$m	\$m	\$m
Other borrowings	–	–	–
Lease liability	62.9	688.7	751.6
Total	62.9	688.7	751.6

The revolving credit facility of \$483 million (31 December 2020: \$483 million) expires on 10 April 2023 and is subject to maintaining certain financial covenant ratios. The Company was not in breach of its financial covenants as at 30 June 2021.

The Consolidated Entity did not enter into any new bank guarantee facilities during the Half-year. At 30 June 2021 bank guarantees totalling \$436.1 million had been issued to support the Consolidated Entity's contingent obligations.

Interest rate risk management and sensitivity analysis

The Consolidated Entity is exposed to changes in the Australian bank bill interest rate, payable on its revolving credit facility borrowings. The interest on the drawn amount is based on the Bank Bill Swap Bid Rate (BBSY) plus a margin. Loans and borrowings include lease liabilities recognised under AASB 16 which are subject to discounting.

OTHER INFORMATION

13. NEW ACCOUNTING STANDARDS

(i) Changes in accounting policies and mandatory standards adopted during the Half-year

The accounting policies applied by the Consolidated Entity in these Consolidated Half-year Financial Statements are consistent with those applied by the Consolidated Entity in its Annual Report for the year ended 31 December 2020. A number of amendments to the standards (IFRS 9, IFRS 7, IFRS 4 and IFRS 16) became effective from 1 January 2021 and did not have a material effect on the Group's financial statements.

(ii) 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 2022 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these Consolidated Half-yearly Financial Statements.

DIRECTORS' DECLARATION

1. In the opinion of the directors of OZ Minerals Limited (the Company):
- a) the Financial Statements and notes set out on pages 11–22 are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2021 and of its performance for the Half-year ended on that date; and
 - ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - 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.

Signed in accordance with a resolution of the directors.



Rebecca McGrath
Chairman
18 August 2021



Andrew Cole
Managing Director and CEO
18 August 2021

INDEPENDENT AUDITOR'S REVIEW REPORT



To the shareholders of OZ Minerals Limited

CONCLUSION

We have reviewed the accompanying **Half-year Financial Report** of OZ Minerals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of OZ Minerals Limited does not comply with the *Corporations Act 2001*, including:

- ✓ giving a true and fair view of the **Consolidated Entity's** financial position as at 30 June 2021 and of its performance for the Half-year ended on that date; and
- ✓ complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- ✓ Consolidated Half-year balance sheet as at 30 June 2021;
- ✓ Consolidated Half-year statement of comprehensive income, consolidated Half-year statement of changes in equity and consolidated Half-year statement of cash flows for the Half-year ended on that date;
- ✓ Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information; and
- ✓ The Directors' Declaration.

The **Consolidated Entity** comprises OZ Minerals Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

The **Half-year** is the 6 months ended on 30 June 2021.

BASIS FOR CONCLUSION

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Consolidated entity in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

RESPONSIBILITIES OF THE DIRECTORS FOR THE HALF-YEAR FINANCIAL REPORT

The Directors of the Company are responsible for:

- ✓ the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- ✓ such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY FOR THE REVIEW OF THE HALF-YEAR FINANCIAL REPORT

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Chris Sargent
Partner

Melbourne
18 August 2021

OZ MINERALS LIMITED

ABN 40 005 482 824

CORPORATE OFFICE

2 Hamra Drive, Adelaide Airport
South Australia 5950

Telephone: (+61 8) 8229 6600

Facsimile: (+61 8) 8229 6601

info@ozminerals.com

SHARE REGISTRY

Link Market Services Limited

Tower 4, 727 Collins Street, Docklands
Victoria 3008 Australia

Telephone: (+61) 1300 306 089

Facsimile: (+61 2) 9287 0303

linkmarketservices.com.au

INVESTOR ENQUIRIES

Travis Beinke

Group Manager Investor Relations

Telephone: (+61 8) 8229 6622

travis.beinke@ozminerals.com



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