

OZ MINERALS SUSTAINABILITY REPORT 2010

OZ MINERALS LIMITED
ABN 40 005 482 824

Future
focused

OZ MINERALS

OUR SUSTAINABILITY REPORT 2010

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OUR SUSTAINABILITY REPORT 2010

ABOUT THIS REPORT

Welcome to the OZ Minerals Sustainability Report for 2010. This report details our economic, social and environmental performance and our approach to responsible corporate governance.

Caring for our people, our neighbours and the environment is central to the way we do business. OZ Minerals is committed to achieving Zero Harm by Choice, which requires us to embed a culture that ensures that the management of safety, health environment and community comes naturally to our workforce and is a foremost consideration in every decision we make.

Our key sustainability objectives are to:

- Protect the safety, health and wellbeing of our employees and contractors.
- Minimise the impact of our activities on the environment.
- Ensure that the communities in which we operate receive real benefit from our activities.
- Embrace and deliver on our core values of respect, integrity, action and results.

We see this report as an opportunity to demonstrate our commitment to transparent and accountable reporting of our sustainability challenges and our progress in managing them.

Report scope, boundary and data collection

This report details OZ Minerals' sustainability performance for the year to 31 December 2010. We produce a sustainability report annually, with our previous sustainability report addressing the 2009 calendar year. 2010 marks the first full year of production for Prominent Hill.

This report covers the Prominent Hill copper-gold operation in South Australia and our exploration interests in Australia and Cambodia. Our office in Melbourne and support offices in Australia and Cambodia are included in relation to energy use, greenhouse gases and employee data only.

We report both employee and contractor data in relation to our safety performance. In our people section, data relates to permanent OZ Minerals employees only, unless specified.

Data was collected using a combination of interviews and written questionnaires based largely on the Global Reporting Initiative (GRI) G3 protocols, including the latest version of the Mining and Metals Sector Supplement. OZ Minerals measures greenhouse gas emissions using the Australian Government National Greenhouse and Energy Reporting (Measurement) Amendment Determination 2008 as amended in 2010. All monetary amounts in this document are in Australian dollars unless otherwise stated.



The Prominent Hill operation at night

Information contained in the performance summary table, safety performance and greenhouse gas sections of this report have been externally verified. An independent third party check has been conducted on the GRI table and the GRI application level.

Our readers

While we have attempted to make this report as broadly relevant as possible, we recognise this report may not meet the needs of all of OZ Minerals' stakeholders. We believe this report may be of most interest to shareholders, the financial community, governments, non-government organisations and academics. We communicate our economic, social and environmental performance with employees and local communities on an ongoing basis through the engagement mechanisms outlined in the stakeholder engagement section of this report. Our submission to the Carbon Disclosure Project detailing our greenhouse gas emissions is available for public viewing on the Carbon Disclosure website, www.cdproject.net. If you require more information, please contact us at info@ozminerals.com.

MATERIALITY

Our Sustainability Report focuses on issues that we consider to be of material significance to our sustainability performance. We have determined these material sustainability issues by considering a range of internal and external influences.

We have referred to the Global Reporting Initiative (GRI) G3 Reporting Guidelines as the main framework for our report preparation. We have focused on the core indicators and have reported against supplementary indicators that are of particular relevance to our business. Where possible, we have incorporated indicators from the Mining and Mineral's Industry Supplement. The complete list of indicators against which we have reported can be found in the GRI content index.

Our sustainability policy outlines our position on the sustainability issues relevant to our business. This report addresses all areas covered by our policy and our annual strategy development process and is in accordance with our values and code of conduct.

We collect external feedback through a consultation and feedback process conducted with interested stakeholders at our major operational site, Prominent Hill as well as in Cambodia and other exploration areas and surrounding communities. Other means include media monitoring and through our Annual General Meetings. We hold regular government and investor meetings and receive feedback from institutional broker reports and retail shareholders.

Internal processes are used to detail and communicate sustainability related issues to the Sustainability Committee of the Board, detailed in Board papers. A sustainability incident tracking and management system is used and surveys are distributed to key operational areas to collect supplementary sustainability related information that may be of interest to our stakeholders.

A variety of methods are used to gather feedback from communities around Prominent Hill. An on-site communications register is used to document external communication and is used to determine site materiality. OZ Minerals representatives regularly attend council meetings at Coober Pedy, the town closest to Prominent Hill, as well as a yearly meeting at the nearby town of William Creek. Our Environmental Superintendent for Prominent Hill is part of the South Australian Arid Lands Natural Resources Management Board for the Kingoonya district, which meets four times a year.

Report content is determined through feedback mechanisms detailed above. Issues are then listed and assessed against the GRI Accountability's five part materiality test. An internal group with specialists representing different stakeholders is used to evaluate whether items should be included in the report by ranking items as high or low interest to stakeholders.

Key material sections of this report have been externally verified.

CEO LETTER



Terry Burgess

Our sustainability report is presented as part of our annual report suite and is focused on health, safety, environment, community and other social impacts of our business.

This has been a very pleasing year, with the first full year of operations for our Prominent Hill copper-gold mine. In 2010, OZ Minerals reported a net profit after tax of \$586.9 million. Through the payment of dividends and, if approved by shareholders a capital return, we will return over \$600 million to shareholders in the twelve month period to June 2011, with approximately \$1 billion still available to continue to grow the company into the future.

We have been able to share much of our success with our stakeholders, including our shareholders, employees, the state of South Australia, our remote neighbours and regional towns.

OZ Minerals now has a workforce of approximately 1,000, including employees and contractors, with 800 based at Prominent Hill. The balance of our workforce is based in our Melbourne and Adelaide offices and at our international exploration projects.

We have a deliberate strategy to develop a diverse workforce and have continued to focus on providing employment opportunities to local and indigenous Australians. At Prominent Hill, 80 percent of our workforce is from South Australia. As a result of our most recent indigenous employment training program, eight trainees from the Anangu Pitjantjatjara Yankunytjatjara (APY) lands gained full-time employment at Prominent Hill in 2010. Over the past years, 51 local and indigenous trainees have gained employment at Prominent Hill through this program. Our next indigenous employment program will focus on ensuring indigenous people are developed for supervisory positions.

Another part of our diversity strategy is ensuring that we continue to encourage women to join our workforce and rise to senior roles within our organisation. Compared to the average rates of representation of women in mining, OZ Minerals has a larger proportion of women in our workforce and we see the benefits in continuing this trend. Our first female board director was elected in 2010 and we have targets to have at least 25 percent of women in each of our job bands by the end of June 2011.

Around 20 local businesses now work at Prominent Hill. They range from local plumbing services, concrete services to fencing contractors. Our kitchens also try to use local produce where possible, bread comes from the local bakery in Coober Pedy and we have recently commenced the purchase of lamb from neighbouring 'Billa Kalina' pastoral station. In 2010 we spent approximately \$12 million in the Coober Pedy and local region and another \$7 million in the Upper Spencer Gulf and a further \$80 million over the rest of South Australia. Adding to these figures would be the very significant amounts our contractors spend in the region.

Addressing our other sustainability impacts, we have continued to report our greenhouse gas emissions through this report and the Carbon Disclosure Project. We also participate in the Australian Government's Energy Efficiency Opportunities program. Most of our emissions are generated at Prominent Hill from electricity consumed from the grid to run our processing plant. The Australian Government has announced that they will introduce a carbon tax, but as yet the detail of this scheme has not been released for consultation. We welcome initiatives that will lead to generation of energy with lower emissions; however, we are keen to ensure that any initiatives do not leave our products trade exposed or Australian products disadvantaged.

My only major disappointment for 2010 was in the area of safety. As detailed in the safety section of this report, both our injury frequency and lost time injury rates increased from 2009. We measure safety performance across both our employee and contractor groups and this is an area that receives a lot of my personal attention and is the most important area where I am looking for improvement.

A major program to assist in improving safety performance was launched during the year. The program commenced with a diagnostic benchmarking survey which compared OZ Minerals against organisations with superior safety performance. The results highlight key areas for improvement for everyone working at OZ Minerals and a program is currently being put in place to focus on these opportunities.

I would like to take the opportunity to thank all our stakeholders for their support in 2010 and I look forward to working together in future years.

I welcome any feedback on this report so that we can continue to improve both our reporting and our sustainability performance.

Terry Burgess

Managing Director and
Chief Executive Officer

COMMITMENTS 2011

OZ Minerals' Sustainability Commitments for 2011 include targets and initiatives that represent or will result in a significant improvement in sustainability performance. We will measure our performance against the following commitments in future reports:

Safety and health

- No fatalities, serious permanent disabling or lost time injuries.
- Implement actions arising from safety culture diagnostic survey.
- Reduction in Total Recordable Injury Frequency Rate (TRIFR) to 13.

Our people

- Achieve a minimum of 25 percent female participation rate in each of our six job bands. Participation based on merit.
- Achieve a minimum of one indigenous employee in a supervisor role. Role awarded based on merit.

Environment

- No incidents with major environmental impact.
- Compliance with licence conditions.
- Demonstrate implementation of energy efficiency initiatives.
- Waste recycling program implemented at Prominent Hill.

Socio-economic contributions

- Create further opportunities for indigenous businesses at Prominent Hill.
- Continue to invest in training for local people.

Community relations

- No incidents with major impact on local communities.
- Complete baseline community survey for Prominent Hill.

Corporate governance and management systems

- Complete review and update of OZ Minerals Sustainability Standards.
- Audit Prominent Hill against the OZ Minerals Sustainability Standards.

Our Sustainability Report 2010**Commitments 2011 continued****Performance Summary 2010**

Our 2010 commitments and our performance against these commitments are outlined below.

● achieved ● in progress ● not achieved

Commitment detail	Performance 2010	Progress
Corporate governance and management systems		
Audit Prominent Hill against the OZ Minerals Sustainability Standards.	Audit completed in April.	●
Launch an improved incident and action tracking system across the business.	Incident and action tracking system in place at Prominent Hill, Group offices and Exploration Australia. Roll out commenced in Cambodia.	●
Leading indicators to be reviewed and modified to support our Zero Harm by Choice commitment.	Leading indicators are in place across the business.	●
Socio-economic contributions		
Create further opportunities for local and indigenous businesses at Prominent Hill.	A local business opportunity was completed in 2010. Significant work progressed on a contracting opportunity for a local indigenous business, although this was not yet finalised by year end.	●
Continue to invest in pre-employment training for local people.	The sixth pre-employment training program was successfully conducted with eight graduates.	●
Our people		
Develop close relations with the contractors that work on our sites in relation to our sustainability objectives.	Contractors were engaged through many forums including a safety culture assessment.	●
Develop an OZ Minerals employee attraction and retention strategy.	Strategy complete and operating effectively.	●
Continue to promote a diverse workforce.	Women in mining initiatives were completed. The sixth pre-employment training program was conducted.	●
Safety and health		
No fatalities, serious permanently disabling or lost time injuries.	There were no fatalities or serious permanently disabling injuries in 2010. However, 12 lost time injuries occurred at our operations in 2010.	●
25 percent improvement in Total Recordable Injury Frequency Rate (TRIFR) (from 12.36 in 2009 to 9.27 by end of 2010).	The Total Recordable Injury Frequency Rate was 21.75 at end of 2010.	●
Conduct a pilot cognitive behavioural based safety program in 2010.	Pilot completed in April 2010. Safety Culture Diagnostic Survey conducted in November/December 2010.	●
Community relations		
No incidents with major impact on local communities.	No major community incidents were reported.	●
Establish a community investment strategy for OZ Minerals.	The OZ Minerals Community Investment and Sponsorship Guideline was developed.	●
Environment		
No incidents with major environmental impact.	No major environmental incidents were reported.	●
No non-compliances with licence conditions.	No non-compliances reported.	●
Complete water, energy and waste management plans to include baseline data and efficiency programs.	The waste management plan was updated to include baseline data and efficiency options. Energy baseline data was established however the management plan is yet to be updated. Water baseline data is still being investigated.	●

COMPANY OVERVIEW

OZ Minerals is an Australian based mining company with a focus on copper.

Our primary asset is the Prominent Hill copper-gold mine in northern South Australia. Prominent Hill is an open pit mine with a new underground section in development.

OZ Minerals' strong balance sheet, extensive exploration tenements surrounding Prominent Hill and an experienced team of professionals sees the Company well positioned for growth through a strategy of acquisition and discovery.

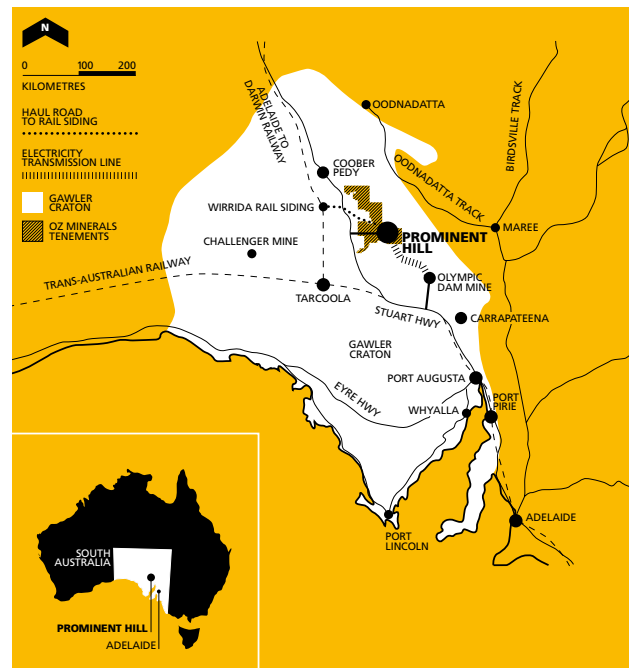
OZ Minerals is aiming to acquire further copper assets which meet our stated criteria. The Company is investing significantly in exploration with a clear focus on identifying further copper deposits in our extensive tenement area surrounding Prominent Hill.

To build a pipeline of opportunities which can deliver superior returns we have exploration programs in Cambodia, Chile and Mexico. We also have holdings in other resource companies.

Prominent Hill

Location	Located 650 kilometres north-west of Adelaide and 130 kilometres south-east of the town of Coober Pedy in the Gawler Craton of South Australia.
Product	Copper-gold concentrate
Mining method	Open pit
Processing method	Conventional crushing, grinding and flotation
2010 Production	112,171 tonnes copper and 196,400 ounces gold
Reserves*	75Mt @ 1.21% Cu, 0.67g/t Au (905kt Cu, 1.6Moz Au)
Resources*	285Mt @ 0.90% Cu, 0.8g/t Au (2,542kt Cu, 7.2Moz of Au)
Sales	Prominent Hill concentrates directly reach our customers in Europe and Asia via the Adelaide to Darwin railway followed by shipping from the Port of Darwin. Concentrates are also transported by road to local customers. In 2010, some trial shipments were conducted through the Port of Adelaide.

*As at 9 November 2010. (See OZ Minerals ASX Release 09/11/2010 for full statement of Mineral Resources and Ore Reserves.)



Looking out over the Prominent Hill operation

Our Sustainability Report 2010**Company Overview** continued**Exploration**

In the Prominent Hill region, OZ Minerals has 4,000 km² of tenements in its own right and access to 3,000 km² of tenements through the joint venture with IMX (OZ Minerals 51 percent). The priority is exploration to identify further Prominent Hill-style deposits.

OZ Minerals commenced exploration in Cambodia in 2006. The most advanced area is the Okvau project in Mondulkiri Province.

Equity interests

OZ Minerals has strategic interests in a number of listed resource companies including Sandfire Resources, Toro Energy, IMX and Minotaur Exploration. Further information on our equity investments can be found on the OZ Minerals website www.ozminerals.com.

Industry associations

Aboriginal Enterprises in Mining, Exploration and Energy (AEMEE)
 Australian Indigenous Minority Supplier Council (AIMSC)
 Asialink
 Australasian Institute of Geoscientists (AIG)
 Australian Investor Relations Association
 The Australian Business Association of Cambodia
 Australian Institute of Geoscientists
 Australian Institute of Mining and Metallurgy (AusIMM)
 The Australian Mines and Metals Association
 Business Council of Australia
 The Cambodian Association for Mining and Exploration Companies
 The Cambodian Federation of Employers and Business Associations
 Copper Development Centre, Australia
 Geological Society of Australia (GSA)
 Minerals Council of Australia
 Resources and Engineering Skills Association (RESA)
 Society of Economic Geologists (SEG)
 South Australian Chamber of Mines and Energy (SACOME)

Awards

During the reporting period, OZ Minerals received recognition for a variety of achievements and innovations.

Award	Awarded By
Training Initiative Award	South Australian Government Employment Training Awards
Employment and Inclusion of Indigenous Australians	Diversity@Work Small to Medium Organisation Award
South Australian Exporter of the Year Award, Minerals and Energy	South Australian Export Awards



Net Balance Management Group Pty Ltd
 ABN 50 121 706 081
 Level 4, 460 Bourke Street
 Melbourne VIC 3000 Australia
 T +61 3 8641 6400
 F +61 3 9600 1295
 E info@netbalance.com
 W netbalance.com

INDEPENDENT VERIFICATION STATEMENT

To the Board of Directors, Management and Stakeholders of OZ Minerals Limited:

OZ Minerals Limited (OZ Minerals) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent verification of the information presented within the 2010 Sustainability Report. The Sustainability Report presents a summary of OZ Minerals' non-financial performance over the period 1 January to 31 December 2010.

OZ Minerals was responsible for the preparation of the Sustainability Report and this verification statement represents Net Balance's independent opinion on the reliability of information presented within the Report. Net Balance's responsibility as an independent verification provider is to the Board of Directors and management of OZ Minerals alone and in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

Verification Objective

The objective of the verification process is to provide OZ Minerals and its stakeholders with an independent opinion on the accuracy of the information presented within the Sustainability Report. This was achieved by reviewing the accuracy and quality of disclosed sustainability performance information and the underlying systems, processes, information and data used to support the sustainability performance disclosures presented.

Verification Level, Criteria and Limitations

The level of verification provided is moderate as defined by the methodology described in this verification statement. The verification process covered the following disclosures within the report:

- KPIs outlined in the 2010 Performance Summary table.
- Safety & Health performance data.
- Greenhouse & Energy performance data.

In reviewing OZ Minerals disclosures, Net Balance considered the following criteria:

- Requirements of the ISO 14064 standards and National Greenhouse and Energy Reporting (NGER) Legislation.
- The Global Reporting Initiative's (GRI) Principles of Quality.

Verification Methodology

The verification process was undertaken in February and March 2011 and involved:

- A review of the 2010 Performance Summary, Greenhouse & Energy and Safety & Health sections of the report for any anomalies, particularly in relation to significant claims as well as trends in data.
- A review of OZ Minerals' key systems and processes used for managing and reporting sustainability performance information.
- A review of the accuracy and source of information presented in the report through examination of 60 selected sustainability performance disclosures.

- A series of interviews with key personnel responsible for collating and writing various components of the report in order to substantiate the veracity of selected claims.
- Collecting and evaluating evidence to support the verification work undertaken.
- A Global Reporting Initiative (GRI) G3 Application Level Assessment.

Independence and Credentials

Net Balance was not responsible for preparation of any part of the OZ Minerals' Sustainability Report. Net Balance confirms that we are not aware of any issue that could impair our objectivity in relation to this verification engagement.

The verification engagement was carried out by a team of professionals with expertise in environmental, social and economic performance measurement, and led by a Lead Sustainability Assurance Practitioner (Lead CSAP) accredited by the International Register of Certified Auditors (IRCA UK).

Reliability of Performance Information

Based on the verification procedures undertaken, the following represents Net Balance's opinion:

- The findings of the verification engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information.
- The level of accuracy of sustainability performance information was found to be within acceptable limits.
- Data trails selected were generally identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.
- The sustainability performance disclosures reviewed during this engagement appropriately reflect performance achieved during the period.
- The GRI application level check classified the Report as Level B+.

Findings

Overall, it is Net Balance's opinion that the disclosures covered by this engagement are fair and accurate and that they form a reliable account of OZ Minerals' sustainability performance during the reporting period.

On behalf of the verification team
 28 March 2011
 Melbourne, Australia

Terence Jeyaretnam, FIEAust
 Director, Net Balance & Lead CSAP (IRCA UK)

VALUES AND GOVERNANCE

VALUES AND ETHICS

Our core values of respect, integrity, action and results form the basis of our commitment to sustainability.

Respect

- For the safety of everybody in our business
- For each other as individuals
- For communities, cultures and for diversity
- For all our stakeholders
- For the environment

Integrity

- Honest, courageous and open in our communication
- Honouring commitments
- Consistently behaving in line with our values
- High standards of business ethics

Action

- Being bold, decisive and agile
- Being rigorous, responsible and accountable
- Continually improving
- Innovating to add value

Results

- Delivering on goals and objectives
- Meeting or exceeding expectations
- Aspiring for excellence
- Creating sustainable value
- Never compromising on safety and health

We have developed codes and policies to help employees understand what is expected of them. These include the OZ Minerals Code of Conduct, Whistleblower Policy, Securities Trading Policy, Continuous Disclosure Policy, Shareholder Communication Policy, and Risk Management Policy. These are made available to the OZ Minerals workforce via the intranet and are also available on the OZ Minerals website.

The Code of Conduct describes standards for appropriate ethical and professional behaviour for all directors, employees and contractors working for OZ Minerals. The Code provides policy on conflicts of interest, bribery and corruption, consumer and personal privacy and anticompetitive behaviour. Breaches of the Code are taken seriously by OZ Minerals and may be reported with the support of the Whistleblower Policy.

OZ Minerals is committed to ensuring concerns regarding illegal conduct or malpractice can be raised in good faith without being subject to victimisation, harassment or discriminatory treatment, and to have such concerns properly investigated. The Whistleblower Policy provides a mechanism by which all employees can confidentially report improper or illegal conduct without fear or discrimination.

To safeguard against insider trading, OZ Minerals' Securities Trading Policy prohibits directors and employees from trading the Company's securities if they are aware of any information that would be expected to have a material effect on the price of Company securities. The policy also establishes 'black out periods', during which directors and employees must not trade OZ Minerals securities.

The Continuous Disclosure Policy outlines OZ Minerals' procedure to comply with its continuous disclosure obligations under the listing rules of the Australian Securities Exchange (ASX) and the Corporations Act.

Shareholder communications will at all times be governed by OZ Minerals' obligations under the Corporations Act in particular, the continuous disclosure provisions and ASX Listing Rules. This policy outlines OZ Minerals' commitment to provide timely, accurate and compliant information to shareholders about OZ Minerals to enable them to exercise their rights as shareholders in an informed manner. The purpose of this Policy is to promote effective communication with shareholders by providing them with access to the latest information about OZ Minerals and to make it easier to participate in General Meetings.

OZ Minerals is committed to the effective management of risk which is central to our continued growth and success. Our aim is for risk management to become embedded into all our business systems, mining operations and exploration activities.

CORPORATE GOVERNANCE

OZ Minerals' approach to corporate governance is to have a set of values and behaviours that ensure transparency and fair dealing and protect stakeholder interests.

The Board is committed to following the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations). The Board and management regularly reviews the Company's policies and practices to ensure that the Company continues to maintain and improve the OZ Minerals Governance Management Standard.

The specific aspects that support the implementation of this approach are described in our Annual Report in accordance with the ASX Recommendations. Details of the main policies of corporate governance adopted by OZ Minerals that are referred to in this report and the Annual Report are also available on the Company's website www.ozminerals.com.

STRUCTURE AND RESPONSIBILITIES

The following diagrams illustrate OZ Minerals organisational structure and key responsibilities for sustainability performance within all levels of the business.

OZ Minerals' organisational and management structure



OZ Mineral's sustainability governance



*Safety, Health, Environment and Community

Board and committees

Responsibility for our strategic approach to sustainability lies with the OZ Minerals Board. The Board strives to ensure that it is comprised of strongly performing individuals of utmost integrity whose complementary skills, experience, qualifications and personal characteristics are suited to OZ Minerals' needs.

OZ Minerals' Constitution provides for a minimum of three and a maximum of 15 directors. At the close of 2010 there were seven directors. Three new directors were appointed during 2010, two directors retired in April and Non-executive Director Michael Eager passed away in October. Apart from the CEO, all directors are independent non-executives.

To facilitate the execution of its responsibilities, the Board's Committees provide a forum for a more detailed analysis of key issues. The current Board committees are the Audit Committee, Sustainability Committee and the Nomination and Remuneration Committee.

The Sustainability Committee's role is to assist the Board in the effective discharge of its responsibilities in relation to safety, health, environmental and community issues across the Company and the oversight of risks relating to these issues.

A profile of each Director, including their skills, experience, relevant expertise and special responsibilities is available in our 2010 Annual Report.

Senior management

Responsibility for OZ Minerals' business processes and sustainability performance lies with the CEO, Terry Burgess, supported by the executive management team. The CEO's performance is measured against detailed key performance indicators (KPIs) relating to values and governance, economic and sustainability performance. This forms the basis of remuneration and short-term incentives (STIs).

These KPIs cascade through to all of the CEO's direct reports, whose performance is measured against KPIs relating to economic and sustainability performance within their particular area of responsibility.

Special responsibilities lie with the Executive Committee. All OZ Minerals' general managers are accountable for values and governance, economic and sustainability performance within their particular area of responsibility.

In 2010, changes were made to the senior corporate management structure of OZ Minerals. The Head of Sustainability and Risk Management now reports directly to the CEO.

SUSTAINABILITY POLICY

The OZ Minerals Sustainability Policy details our commitments to sustainability management and responsible corporate governance. The Sustainability Policy was reviewed during 2010 to ensure that it continues to be relevant to the sustainability approach and focus of OZ Minerals.

The policy is supported by our core values – respect, integrity, action, results – which underpin the behaviour of all OZ Minerals employees and contractors. More detailed requirements are outlined in our Sustainability Management Standards. The policy describes our commitment to Zero Harm by Choice, which requires us to embed a culture that ensures that the management of safety, health, environment and community comes naturally to our workforce and is a foremost consideration in every decision we make.

To achieve Zero Harm by Choice, we have established the following sustainability objectives:

- Protect the health, safety and wellbeing of our employees and contractors.
- Minimise impact on the environment.
- Ensure that the communities in which we operate receive real benefit from our activities.
- Embrace and deliver on our core values of respect, integrity, action and results.

For a copy of the OZ Minerals Sustainability Policy, please refer to our website www.ozminerals.com.

SUSTAINABILITY MANAGEMENT STANDARDS

The OZ Minerals Sustainability Management Standards are a comprehensive set of standards for the management of the safety, health, environmental and social aspects of our business. These standards apply to all phases of mine life and are subject to periodic review to ensure they continue to meet the needs of our Company, are aligned to relevant legislation and reflect industry best practice standards.

OZ Minerals Sustainability Standards are divided into four sections:

Integrated Management System Standards – overall management framework

- IMS-01 Program commitment and leadership
- IMS-02 Planning and decision making
- IMS-03 Risk and opportunity management
- IMS-04 Document control and records management
- IMS-05 Legal and other requirements
- IMS-06 Organisation and responsibility
- IMS-07 Training competency and awareness
- IMS-08 Internal communications and reporting
- IMS-09 External stakeholder engagement and reporting
- IMS-10 Incident reporting and investigation
- IMS-11 Emergency preparedness and response
- IMS-12 Standard operating procedures
- IMS-13 Inspections
- IMS-14 Monitoring and measurement
- IMS-15 Audits and assessments
- IMS-16 Corrective and preventative action
- IMS-17 Change management
- IMS-18 Contractor selection and management
- IMS-19 Behaviour and observation
- IMS-20 Management review

Safety and Health Standards – standards for the management of safety, health and security risks

- OHS-01 Occupational health and hygiene
- OHS-02 Surface ground control
- OHS-03 Underground ground control
- OHS-04 Surface fire prevention
- OHS-05 Underground fire prevention
- OHS-06 Remote control equipment
- OHS-07 Energy isolation
- OHS-08 Vehicle mobile equipment traffic management
- OHS-09 Electrical safety
- OHS-10 Work permit systems
- OHS-11 Machine guarding and conveyors
- OHS-12 Explosives
- OHS-14 Working at heights
- OHS-15 Pressurised systems
- OHS-16 Cranes and lifting equipment
- OHS-17 Medical programs
- OHS-18 Hazardous materials
- OHS-19 Aviation management
- OHS-20 Security services management
- OHS-21 Lightning hazard management

Environment Standards – standards for the management of environmental risks

- ENV-01 Air quality management
- ENV-02 Biodiversity management
- ENV-03 Chemical management
- ENV-04 Cyanide management
- ENV-05 Heap leach facilities management
- ENV-06 Hydrocarbon management
- ENV-07 Mercury management
- ENV-08 Rehabilitation and closure planning
- ENV-09 Tailings management
- ENV-10 Waste management
- ENV-11 Waste rock management
- ENV-12 Water management
- ENV-13 Energy and greenhouse gas management

Social Standards – standards for the management of social risks

- SOC-01 Management of heritage sites
- SOC-02 Land access and acquisition
- SOC-03 Local community investment
- SOC-04 Media relations
- SOC-05 Cultural awareness
- SOC-06 Government relations
- SOC-07 Social impact assessments
- SOC-08 Human rights awareness
- SOC-09 Local employment and business support
- SOC-11 Closure
- SOC-12 Resettlement and or displacement of peoples

COMPLIANCE

OZ Minerals regards compliance with all relevant regulations and legislation as the minimum performance standard for all operations and activities. No fines or non-monetary sanctions were imposed during the reporting period. For more information on compliance issues, including our actions to address impacts and prevent recurrence, see the environmental performance and social performance sections of this report.

RISK MANAGEMENT

OZ Minerals is exposed to numerous risks across its business, most of which are common to the mining industry. The Company's commitment and approach to managing these risks is outlined in the Company's Risk Management Policy and is available on our website.

The Company's Risk Management Policy is aligned to the ISO Standard 31000 for risk management and is used as a common methodology to identify, assess, evaluate, treat, monitor and communicate risks for all aspects of OZ Minerals. A risk register is produced and the Executive Committee reviews the risks and the status of the action items identified to mitigate risks each quarter.

Both the Sustainability Committee and Audit Committee assist the Board in monitoring the Company's risks. The Sustainability Committee monitors the Company's non-financial risks as they relate to the environment, health, safety or community.

The Audit Committee reviews and assesses the adequacy of the Company's internal control and financial management systems and accounting and business policies. The Audit Committee is given further assurance on the Company's financial management systems through the Company's internal audit function.

Senior management are responsible for risk management in their respective areas of accountability. They ensure that procedures exist to monitor risks and, through observation and audit, gain confidence that effective controls are implemented and consistently applied.

The OZ Minerals Risk and Opportunity Management Standard provides a common framework for systematic management of risks and opportunities to OZ Minerals in all areas, including health, safety, environment and community relations. The standard applies to all managed facilities (including contractor activities) and addresses the risk management process, including risk assessment and risk mitigation/control, action planning, training, audits and reviews.

AUDITS

OZ Minerals conducts regular audits to systematically and objectively verify conformance with Sustainability Management Standards and legal requirements, as well as to provide recommendations to improve safety, health, environment and social performance. The Audit and Assessment Management Standard addresses process requirements for internal and external auditing and assessment, including planning, training, methodology, schedules, follow-up and close-out of audit and assessment findings.

In 2010, an external review of compliance with standards was carried out at Prominent Hill. These standards set out the management of safety and health, environmental and social aspects of the business. The review concluded that OZ Minerals has the components of an integrated management system in place, as well as highlighting opportunities for continuous improvement of its operations. Action plans have been developed to address improvement opportunities.

Furthermore in 2010, OZ Minerals completed its second report under the National Greenhouse and Energy Reporting Act 2007 (NGER). Prior to the submission of the report, a comprehensive independent external audit was conducted on the processes that OZ Minerals has developed to meet the requirements of the NGER Act.

TRANSPORT OF PROMINENT HILL CONCENTRATES

Copper-gold concentrates produced at Prominent Hill are transported in kibbles, a bin-like container covered with a tarpaulin. Concentrates are transported via the Adelaide to Darwin railway and the Port of Darwin to international customers. Concentrates are also transported by road direct to domestic customers. After leaving the process plant, the most significant hazard is a loss in the form of spillage or dust.

The Australian Dangerous Goods Code (ADG) and the International Maritime Safety Bulk Code (IMSBC) are the key regulations covering the transport of bulk products in Australia and internationally. Following recent changes to these codes, all copper concentrates were designated a Class 9 UN3077 'Environmentally Hazardous Substance' and a 'Miscellaneous Dangerous Good' for the purpose of marine transport. This classification requires certain provisions, including placarding, labelling, licensing, as well as the use of rigid containers with lids and the containment of fugitive dust emissions from transport from the mine site into the hold of the vessel.

Prominent Hill has an exemption in place with SafeWork SA, which was recently extended to the end of 2011 allowing it to transport copper concentrate while it does not fully conform with the requirements under the ADG7 legislation. All road and rail transport is conducted by approved carriers with appropriate equipment, licensing and documented contingency plans in place in the unlikely event of spillage.

Prominent Hill ore and concentrate contain low levels of uranium. Radiation levels are below regulatory limits. Levels are monitored under a radiation management plan to ensure there is no risk to the workforce or the public at any stage of the production or transport process.

There were no reported incidents of non-compliance with regulations or voluntary codes related to the safety and health impacts of our products, information and labelling, breaches of customer privacy, losses of customer data or marketing communications during the reporting period.

All sale contracts for OZ Minerals' products contain agreed levels of chemical specifications, including maximum limitations for any potential deleterious elements that may be contained in or derived from the ore or production processes. Monitoring and testing regimes are maintained to ensure adherence to all of these contractual commitments. This process of consultation and contracting assists prevention of issues in downstream smelting or refining of OZ Minerals' products.

All customers and transport providers are supplied with a Material Safety Data Sheet that describes safety, health or environmental hazards associated with our product.



Loading kibbles onto a road train

On 21 April 2010, a Pollution Abatement Notice (PAN) was issued by the Northern Territory Department of Natural Resources, Environment, the Arts and Sport (NRETAS) stating that the Waste Management and Pollution Control Act may have been breached at the East Arm Wharf, at Darwin, during loading of copper concentrate. OZ Minerals continues to communicate with NRETAS and the Darwin Port Corporation (DPC) in relation to the PAN and understands the investigation is ongoing. OZ Minerals meets quarterly to discuss environmental strategies and management plans that affect all users of the wharf as part of our active involvement in the Darwin Port Bulk Users Environmental Advisory Group (BUEAG). We are a founding participant of BUEAG, which consists of all mineral exporters at East Arm Wharf and is chaired by the Darwin Port Corporation.

The Environmental Management Plan for the operations at the storage and ship loading facility at the East Arm Wharf is also being reviewed by all stakeholders, including NRETAS, the Northern Territory Environment Protection Authority (EPA) and the port operator, the DPC.

CLOSURE PLANNING

Closure planning is a consideration during all stages of operations. It is OZ Minerals' intention that through careful and proactive planning the social and environmental impacts of eventual mine closure are mitigated. Our Sustainability Management Closure Standard aims to ensure that the potential closure and post-closure risks and opportunities are effectively identified and managed throughout the mining life cycle.

The potential impacts of closure are an ongoing consideration in our engagement with governments and local communities and our support for community development activities, including development of local businesses not related to mining activities.

The Prominent Hill operation has developed a Life of Mine Working Closure Plan and Mining and Rehabilitation Program (MARF), which outlines closure planning for the site. The Closure Plan is reviewed annually and independently audited every second year in accordance with internal accounting policy.

Provisions are made for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during the mine's operations. Further details on provisions including labour transitions, amount and type of financial provision and stakeholder engagement processes are available in the 2010 Annual Report.

ECONOMIC PERFORMANCE

OPERATING AND FINANCIAL PERFORMANCE

OZ Minerals recorded an excellent performance in 2010 at Prominent Hill. Net profit after tax for the consolidated entity was \$586.9 million. This was represented by net profit after tax of \$539.3 million from the continuing operations, which includes the reversal of an impairment of Prominent Hill assets recognised at 30 June 2010 of \$141.1 million after tax, and a net gain after tax of \$47.6 million from working capital and tax adjustments in relation to assets sold in 2009.

Based on this sound and consistent performance, the Company announced a total unfranked dividend of seven cents per share, with three cents per share paid in September 2010 and 4 cents per share to be paid in March 2011. These dividends amounted to \$223.1 million in aggregate, and represents 56 percent of net profit after tax from normal operations in line with OZ Minerals' policy.

Copper production for the year was 112,171 tonnes of metal contained in concentrate, which exceeded annual guidance of 100,000 to 110,000 tonnes. This guidance level for total copper production is expected to be maintained for the current remaining life of the Malu open pit, as Malu production will be supplemented by production from the new Ankata underground mine.

Gold production in concentrate was also strong with 196,400 ounces compared to an annual guidance of over 185,000 ounces. Gold production benefited from favourable gold grades in ore mined and greater volumes of gold ore processed than initially planned. Total gold production is expected to continue between 185,000 to 205,000 ounces for the current remaining life of the Malu open pit as treatment of gold only ore and recoveries are maintained at levels achieved in 2010.

OZ Minerals held a cash balance of \$1,334.2 million at the end of 2010, an increase of \$258.0 million from 31 December 2009.

Consolidated results

Consolidated Entry Results	12 months ended 31 December 2010	12 Months ended 31 December 2009	Movement \$m	Movement %
Revenue from continuing operations – \$m	1,128.4	608.5	519.9	85.4
Revenue from discontinued operations – \$m	–	764.9	(764.9)	(100)
Consolidated revenue	1,128.4	1,373.4	(245)	(17.8)
Profit/(loss) after tax attributable to equity holders of OZ Minerals Limited – \$m	586.9	(517.3)	1,104.2	<(100)
Net tangible assets per share – cents	101.6	82.2		

HIGHLIGHTS

- Revenue of \$1,128.4 million and net profit after tax of \$586.9 million for the year.
- Unfranked dividend of three cents per share paid in September 2010.
- A further unfranked dividend of four cents per share paid on 9 March 2011.
- Copper and gold production exceeded annual guidance.
- Globally competitive C1 cash cost of production of US46.4 cents per pound.
- Ankata mine being developed with decline and ventilation shafts advancing.
- Extensive exploration drilling programs progressing with ten drill rigs at Prominent Hill.
- Interest of 18.9 percent in Sandfire Resources NL; value of investment doubled.
- Cash balance of \$1,334.2 million at end of 2010.
- OZ Minerals debt free following conversion of convertible bonds in November 2010.
- Impairment reversal of \$141.1 million after tax recognised at 30 June 2010.

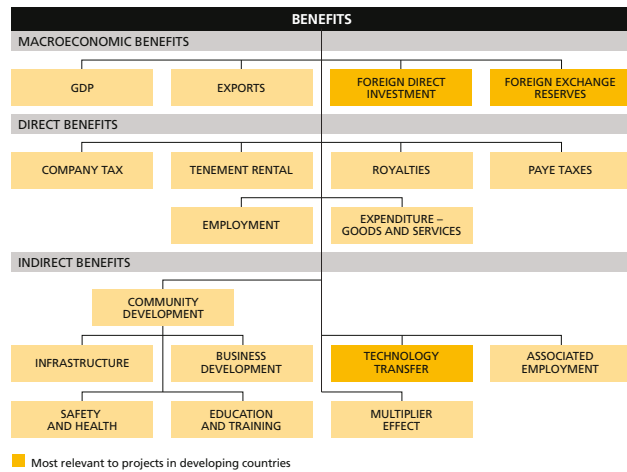


View from a truck at Prominent Hill

SOCIO-ECONOMIC CONTRIBUTIONS

OZ Minerals makes significant contributions to local, regional and national economies directly through the payment of taxes and royalties to governments and payments to our workforce and suppliers. Our operations also add significant value through indirect employment and investments in community development initiatives and programs. The benefits from investments made by OZ Minerals include improvements in infrastructure, health, safety awareness, education and training and local business development. These direct and indirect benefits are illustrated in the OZ Minerals Benefits Model below.

OZ Minerals benefits model



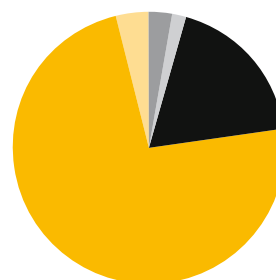
CONTRIBUTIONS TO LOCAL ECONOMIES

OZ Minerals actively seeks to provide employment and business opportunities for people from local communities including indigenous people. This investment aims to generate long-term and sustainable benefits for the local region. The term local is defined as the areas close to the operation from which employees and suppliers may be drawn.

Total significant financial assistance received from the Australian Government was \$371,121 for tax relief credits and \$44,955 for employment incentive payments.

OZ Minerals operations preferentially purchase goods and services locally wherever feasible. Our Prominent Hill operation made significant contributions to local and regional economies through payments to suppliers and contractors during the 2010 reporting period, with over \$12 million spent locally, over \$7.5 million regionally and approximately \$80 million within the state or province. The breakdown of 2010 expenditure by origin is provided in the chart below. For more information on local employment, local businesses, community investment and training, see the people section of this report.

Breakdown of 2010 Expenditure By Origin



- Local SA suppliers A\$12.5m
- Regional SA suppliers A\$7.5m
- Other SA suppliers A\$80m
- National A\$323m
- International A\$16m
- Total A\$439m**

Economic Performance

Contributions to Local Economies continued

ECONOMIC VALUE GENERATED AND DISTRIBUTED for year ended 31 December 2010 (for continuing operations)

Region	Revenue, other income and financing income A\$m (b)	Operating expenses A\$m (c)	Employee benefit expenses A\$m (d)	Payments to providers of capital		Payments to the government			Economic value retained A\$m
				Shareholders A\$m (e)	Providers of funds A\$m (f)	Income taxes paid A\$m (g)	Royalties A\$m (h)	Community investments A\$m (i)	
South Australia ^(a)	1,128.9	(359.8)	(32.0)	–	(0.8)	–	(16.1)	(1.5)	718.7
Victoria ^(a)	36.6	(93.9)	(18.6)	(93.6)	(7.9)	–	0.0	0.0	(177.4)
Total Australia	1,165.5	(453.7)	(50.6)	(93.6)	(8.7)	–	(16.1)	(1.5)	541.3
Cambodia	–	(7.5)	(1.8)	–	–	–	–	(0.05)	(9.3)
Other	–	(1.8)	(0.1)	–	–	–	–	–	(1.9)
Total Overseas	–	(9.2)	(1.9)	–	–	–	0.0	(0.05)	(11.2)
Total OZ Minerals	1,165.5	(462.9)	(52.5)	(93.6)	(8.7)	–	(16.1)	(1.6)	530.2

Notes

(a) Amounts are divided into the regions identified below based on where the segment is located (i.e. Prominent Hill is located in South Australia). The regions include the following entities:

Victoria	All Corporate Office entities
South Australia	Prominent Hill Mine

The entities located outside Australia are not defined as operating segments of OZ Minerals.

(b) Revenue includes sales adjusted for discounts, treatment charges, refining and distribution costs, other income and financing income as disclosed in the income statement in the OZ Minerals audited financial statements for the year ended 31 December 2010, as reconciled below

	\$m
Revenue	1,128.4
Other income	0.8
Financing income	36.3
Total	1,165.5

(c) Operating expenses include changes in inventories, raw materials, consumables and other direct costs, contracting and consulting expenses, freight expenses and other expenses as disclosed in the income statement of the OZ Minerals audited financial statements for the year ended 31 December 2010.

	\$m
Changes inventories	46.9
Raw materials	(277.4)
Exploration and evaluation	(50.2)
Freight expenses	(39.2)
Net foreign exchange losses	(89.6)
Other expenses*	(54.9)
Total	(464.4)

*Included in other expenses are land taxes of \$524,000 for Prominent Hill, US\$26,000 for Cambodia and statutory licence fees of \$45,000 to the Cambodian Ministry of Industry, Mines and Metals.

(d) Employee benefit expenses of \$52.5 million are as per the consolidated income statement of the OZ Minerals audited financial statements for the year ended 31 December 2010.

(e) Payments to shareholders related to dividend payments of three cents per share. Additionally, a further dividend of four cents per share amounting to \$129.5 million has been announced and was paid on 9 March 2011.

(f) Payments to providers of funds related to financing expenses of \$8.7 million as per the income statement in the OZ Minerals audited financial statements for the year ended 31 December 2010.

(g) OZ Minerals recouped tax losses in 2010.

(h) Royalty expense of \$16.1 million is per the income statement in the OZ Minerals audited financial statements for the year ended 31 December 2010.

(i) Community investments of \$1.6 million include voluntary contributions, sponsorships, donations, education and training.

SOCIAL

OUR PEOPLE



Attending a safety briefing

OZ Minerals recognises that the capability, satisfaction and overall engagement of our people are most important to a prosperous mining and exploration company.

This year, the demand for skilled labour in the mining industry continued to grow. There has been an increase in the number of mining jobs advertised across Australia, which has contributed to heightened competition for talent in the sector. OZ Minerals has embarked on a range of initiatives to ensure continued attraction and retention of a skilled workforce.

Employing locally and developing people from outside the industry has been a key initiative. We have continued to have ongoing success with our locally targeted pre-employment training program. This year, eight indigenous trainees graduated from the program and as a result became full-time employees at Prominent Hill. This success was recently recognised with OZ Minerals winning the Diversity@Work Small to Medium Organisation Award for 'Employment and Inclusion of Indigenous Australians'.

At the close of 2010, OZ Minerals had a workforce, including contractors, of approximately 1,000 with approximately 800 people being based at Prominent Hill. OZ Minerals directly employs approximately 360 employees, with most of the workforce located at Prominent Hill. We have a corporate office in Melbourne, an administration office in Adelaide and an exploration division in Cambodia.

Workforce profile and diversity

OZ Minerals continues to drive a deliberate strategy to promote a diverse workforce. Women comprise approximately 22 percent of the workforce directly employed by OZ Minerals and represent approximately 17 percent of employees at the Prominent Hill mine site. This compares favourably to the Australian industry average of 7.1 percent female representation across the mining industry (ABS, 2010*). Indigenous employees currently comprise approximately ten percent of the OZ Minerals workforce at the Prominent Hill operation.

The Australian Securities Exchange (ASX) announced this year that publicly listed companies will need to develop – and start reporting on – a diversity employment policy that includes measurable objectives on gender. OZ Minerals continues a strong commitment to increasing the representation of women within the business and specifically the positions that lead to key decision-making roles within the business.

Our June 2011 target to achieve 25 percent representation of women within each job band is stipulated within our Diversity Policy. Already this year we have made progress towards this target. Our first female board member was appointed in November, and within the top three tiers within the organisation we have 20–25 percent female representation.

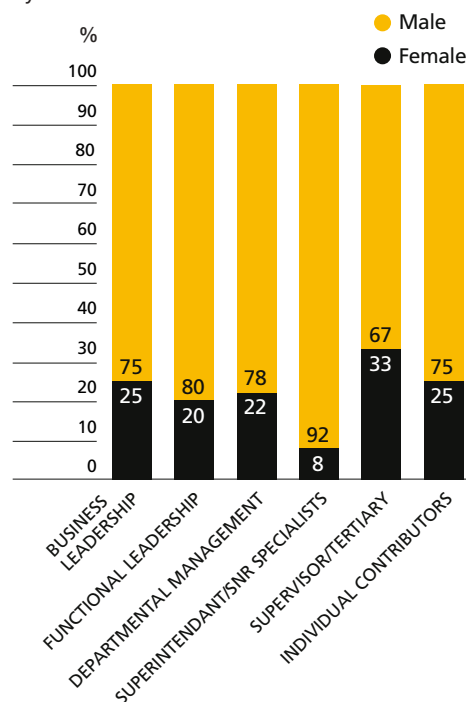
We currently have lower female representation in our middle management group, with women representing approximately eight percent of our supervisor and senior specialist roles. We aim to establish specific initiatives to grow female representation within this group.

OZ Minerals is a member of the Minerals Council of Australia and the Council has commissioned a study into gender initiatives across the mining industry. This study is due to be released in mid 2011 and may provide further insights to assist us in increasing female representation.

*Australian Bureau of Statistics 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly.

Breakdown of Workforce Profile

By Gender



Social

Our People continued

CASE STUDY



Celebrating the completion of a Pre-Employment Training Program

Pre-Employment Training Program

OZ Minerals invests in its local community by providing training and employment opportunities through innovative programs. The pre-employment training program allows local indigenous and non-indigenous people who have not worked within the mining industry to gain a qualification, work experience and ultimately employment at our mine site. To date, there have been six pre-employment programs successfully run since 2006.

Prominent Hill is located on the traditional lands of the Antakarinjamatū–yankunytjatjara people. The majority of trainees who undertook the 2009 pre-employment program were from the Antakarinja community, predominantly located in Coober Pedy and Port Augusta. This year, the opportunity to attend the program was extended to the Yankunytjatjara people who are located mainly in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands. This venture was particularly significant as OZ Minerals is the first company to guarantee the APY community an employment outcome upon successful completion of training.

Training covers general topics, including occupational health and safety, computer skills and first aid, as well as more specific training such as light vehicle operation and working at heights. To supplement this learning, students travelled to Prominent Hill and participated in work experience. Each program is tailored to the specific needs of the participants. For example, in some cases more time is allocated to developing basic literacy and numeracy skills.

Students graduated this year with a nationally accredited Certificate I in Resources and Infrastructure and Certificate II in Metalliferous Mining and Operations (Open Cut). All eight graduates were offered full-time employment as trainees at the Prominent Hill mine site.

To enable trainees to continue to be successful in their employment, each trainee is enrolled in a training course for an additional six month period. Further, our on-site Indigenous Access Officer and external mentoring support are available and accessible should trainees require further assistance or support.

In 2011, we will shift the focus of our pre-employment training program to bring in local and indigenous people to the workforce at a more senior level. We have recognised that there is a gap in the opportunities being provided for local and indigenous people. We believe that the more advanced program will enable people that have previously had some employment the opportunity to develop a career and progress through the organisation to more senior levels. Some existing employees who joined through the entry level initiatives will also be targeted for advanced training. We expect that further entry level programs will be conducted in future years.

A Mining Technicians Certificate III course is currently being developed in conjunction with external training providers, Job Services Australia, and our own Human Resources department. Our pre-employment program was also developed through a similar partnership of government and non-government providers and this was critical to the success of the program. As with the entry level pre-employment training program, all successful graduates will be guaranteed an employment outcome.

Mentoring, used to support indigenous employees and contractors, both in the workplace as well as in their local communities, has been a significant contributor to the ongoing retention of these employees.

Mentors provide an opportunity for employees to ask questions, seek advice and general assistance. Where an employee may need a facilitator, mentors act as a liaison providing feedback to supervisors about emerging issues so that difficulties can be addressed in a timely manner. OZ Minerals also employs a full-time Indigenous Liaison Officer, who is also accessible as an employee advocate and mentor.

Social**Our People** continued**Cross cultural awareness**

As part of our commitment to diversity, OZ Minerals hosts a two-day cross-cultural awareness program, which is for all employees and contractors working at Prominent Hill. This program is key to fostering an understanding across the business of indigenous culture and encouraging collaborative working relationships. This year, nine cross-cultural awareness courses were conducted at Prominent Hill.

Attraction, retention and engagement

OZ Minerals understands that the attraction, retention and engagement of our employees are key elements to a successful company.

OZ Minerals recruitment needs continued at a high level throughout the year. With the commencement of the underground mine development, over 100 new roles have been created.

With the new underground development complementing our existing open pit mining operation, there are prospects for employees to gain exposure to a different style of mining, thereby providing new development opportunities.

We continue to maintain relationships with tertiary institutions, particularly in South Australia, to attract the best and brightest young people into the business. This year, we employed six graduates and have taken on eight students for vacation work over the summer period.

We recognise individual performance and offer services and benefits which contribute to the overall satisfaction and engagement of our employees. These include market competitive remuneration, performance related bonuses, short-term incentives, salary sacrifice superannuation, novated leases, paid parental leave and family site visits. Permanent full-time and part-time employees are eligible for these benefits. We offer our employees the possibility of flexible working hours, part-time work, annual leave at half pay (i.e. double the amount of leave), paid parental leave, carer's leave, job sharing and telecommuting.

Exit interview data provides an understanding of the reasons people have left OZ Minerals and this information has helped target our retention initiatives. The Company is now focusing on career development and have consolidated development plans, identified gaps in capability and are building programs to address these needs.

OZ Minerals Turnover Rate

	%
By Gender	
Female	3.29
Male	15.07
Total	18.36
Indigenous vs Non-Indigenous	
Indigenous	1.64
Non-Indigenous	16.72
Total	18.36
Planned* vs Unplanned	
Planned	4.66
Unplanned	13.70
Total	18.36

*Planned refers to redundancies and terminations

CASE STUDY

Children in their Personal Protective Equipment (PPE)

Family Days

In 2010, Prominent Hill hosted two family days. The first was held in September, where guests were able to tour the processing plant and pit, as well as have the opportunity to use some of the recreational facilities at the Prominent Hill village.

For Christmas 2010, over 120 family members travelled to Prominent Hill. Air charters flew family members from Adelaide and Port Augusta on Christmas Eve and a number drove from nearby communities. As the Prominent Hill mine continues to operate over the Christmas period, we give our workforce the opportunity to invite family members to join them and spend Christmas together. Entertainment was provided with a performance troupe brought in to Prominent Hill for the occasion. Other activities included special dinners on Christmas Eve and Christmas Day and face painting on the Prominent Hill fire engine.

Social**Our People continued****Training and development**

The safety and development of all our employees is a priority. This year, 884 training sessions were run with 6,298 participants, totalling 25,300 hours of training (excluding off-site training events). The majority of these sessions involved compliance and technical training and included our contractor workforce.

OZ Minerals utilises a mixed method approach to learning, involving workshops, coaching, facilitated career development discussions and online learning. Online training is used at Prominent Hill for a range of technical training, theory assessments, as well as area inductions. In 2010, an e-learning hub was established at Prominent Hill to enhance accessibility to online learning.

Our performance review process aims to ensure that all employees receive at least one performance review a year. The performance management framework directly links employee's key performance indicators back to the business strategy.

Development plans provide employees with the opportunity to set personal development goals and outline career aspirations. This is important from not only a career management perspective, but also for succession planning.

New development programs are being launched in 2011, starting with a program aimed at corporate roles followed by an entry-level supervisor leadership program.

Study assistance and study leave are also available to OZ Minerals employees interested in undertaking a qualification to further their career.

In 2010, OZ Minerals won the Training Initiative Award at the South Australian Training Awards for our success with the sixth Pre-Employment Training Program. The South Australian Training Awards are the peak State awards for vocational education and training (VET), recognising innovation and excellence in the training sector.

Labour relations and human rights

OZ Minerals is pleased with its record in labour relations and continually strives to maintain harmonious relations with all employees and contractors. Our labour relations are guided by the intent of relevant employment legislation.

OZ Minerals has established employee and contractor forums to facilitate effective communication and has developed strong relationships with relevant unions and external parties. In 2010, there were no cases of industrial unrest, strikes or lockouts.

We have a mix of collective and individual employment arrangements. As outlined in our Harassment, Discrimination and Bullying Policy, whatever the nature of these arrangements, we recognise the right of our employees to freely associate and join trade unions. In 2010, approximately half of our workforce was covered by a collective agreement.

We seek to provide opportunity and equality to all employees and foster and maintain a work environment that is free from harassment and unlawful discrimination. Our process for reporting of discrimination is outlined in our Harassment, Discrimination and Bullying Policy.

Our OZ Minerals Human Rights Management Standard ensures that OZ Minerals managed facilities have processes for raising human rights awareness, including identification of human rights issues and impacts. OZ Minerals values are aligned with the United Nations Universal Declaration of Human Rights. We are committed to understanding, upholding and promoting fundamental human rights within our sphere of influence.

OZ Minerals does not employ forced, bonded or child labour and supports the elimination of forced and compulsory labour. Operations apply a minimum age requirement of 18 for full-time work and 16 for part-time or casual work, with the exception in cases of apprentices or trainees under regulated training schemes. Human rights training is included in the inductions of our security team contracted to our Cambodian operations.

Employee communication and feedback

To ensure we continue to align our people initiatives with the needs and expectations of our workforce, we maintain communication through a variety of methods. Post-recruitment surveys, exit questionnaires and interviews, training feedback and regular consultation with staff are just a few of the methods we use to seek feedback.

In the last quarter of 2010, a safety culture survey was conducted across our workforce (both employees and contractors) to measure the culture and climate characteristics predictive of safety performance. We had outstanding participation in this survey, with a completion rate of 90 percent. The survey has enabled us to benchmark and identify aspects of our culture that are at variance to organisations with excellent safety performance. A case study in the safety section contains further information on this initiative.

Both formal and informal communication channels are utilised to engage with employees. Initiatives include newsletters, informal presentations and an 'Ask the CEO' feedback opportunity in the CEO's weekly email to all employees.

CASE STUDY**Promoting Careers in Mining in Remote Communities**

Discovering what minerals are and where they come from, exploring the many uses of natural resources, unearthing career opportunities in a vibrant and exciting industry – these were just a handful of the challenges presented to primary and secondary students in remote South Australian schools as part of a careers in mining educational program.

The 2010 program was a joint initiative between OZ Minerals and the South Australian Chamber of Mines and Energy (SACOME).

The program was welcomed by the Coober Pedy Area School, Mintabie Area School, Oodnadatta Indigenous School and Marree Indigenous School.

The aim of the program was to showcase new possibilities to children in remote communities and nurture a new wave of passionate geologists, mining engineers, technicians and trades people.

The next phase in the program will be school visits to Prominent Hill.

SAFETY AND HEALTH



The Prominent Hill processing plant

Safety and health strategy

As outlined in our Sustainability Policy, it is our objective to protect the health, safety and wellbeing of our employees and contractors and to never compromise on these objectives. OZ Minerals is committed to achieving Zero Harm by Choice, which requires us to embed a culture that ensures the management of safety, health, environment and community comes naturally to our workforce and is a foremost consideration in every decision we make. Zero Harm requires OZ Minerals to adopt targets of zero for injuries and incidents.

Safety performance

Our safety statistics include the entire OZ Minerals workforce – including all contractors operating on OZ Minerals controlled sites. At the close of 2010, our Total Recordable Injury Frequency Rate (TRIFR) per million hours worked was 21.75. This was a disappointing result, which did not compare favourably with our 2009 TRIFR of 12.36. Our 2010 Lost Time Injury Rate was 4.35, which was also unacceptably high and compared with a 2009 LTIR rate of 0.95.

Most of our workforce is based at our Prominent Hill operation, and it follows that most of the injuries relate to this site. Approximately 40 percent of our total recordable injuries were caused by muscular stress injuries. At Prominent Hill in 2010, an ergonomics specialist was available to offer advice on ways to reduce risk of muscle strain injuries.

Potential and actual Significant Safety Incidents are thoroughly investigated using the Incident Cause Analysis Method (ICAM). Significant Incident Alerts are developed and shared across OZ Minerals to ensure we learn from these events and implement additional control measures where necessary.

We monitor lead indicators as a proactive management strategy to reduce workplace hazards and injuries. Each area of the operation at Prominent Hill has its own set of lead indicators that are measured monthly and the results are distributed to all employees.

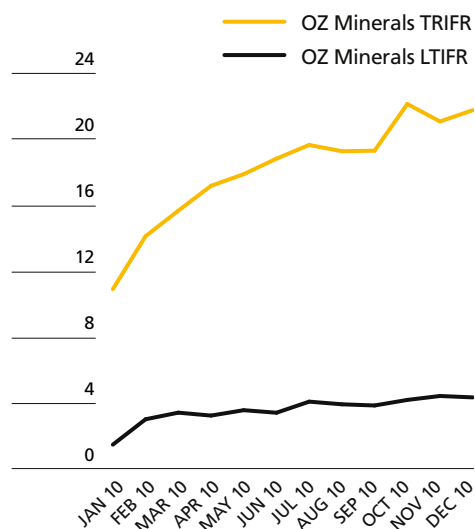
Health performance

We aim to control occupational exposures to levels that minimise occupational disease and health risk. The greatest risks to the health and wellbeing of our employees at Prominent Hill are through exposure to noise, dust and heat.

All areas of OZ Minerals utilise control measures to reduce the exposure of our workforce to occupational hazards to an acceptable level. This includes the mandatory use of Personal Protective Equipment (PPE). We conduct formal monitoring for occupational exposures, including noise, dust, silica, copper, mineral fibres, radiation and lead in every area of the operation that has a potential for exposure. We report any exceedances above regulatory limits. In 2010, we recorded 177 exceedances across the Prominent Hill operation and port facility in Darwin. The increase in the number of recorded exceedances from 2009 is due to a more detailed monitoring program. Noise and dust formed over 50 percent of the total number of exceedances for the year.

There were no cases of occupational disease at our Prominent Hill operation during 2010; however, there were 30 suspected cases of malaria at our Cambodian operation. Malaria is an endemic disease in the region where OZ Minerals is currently exploring. A high percentage of the Cambodian workforce are local people who have been exposed to malaria all their lives. If not treated properly, the disease can relapse months or years after exposure. The majority of malaria cases reported during the year were recurrences of previous infections. Malarial prevention protocols are enforced within the project areas, including the use of repellent, mosquito nets in sleeping areas and daily fumigation of campsites. Weekly safety meetings are conducted to stress the importance of malaria prevention both at work and at home.

OZ Minerals Lost Time and Total Recordable Injury Frequency Rate Twelve Month Moving Average



Social**Safety and Health** continued**Management of safety and health**

The OZ Minerals Sustainability Management Standards provide a uniform framework for managing safety and health across the Company. The health and management system is aligned with the national Occupational Health and Safety Standard AS4801.

OZ Minerals aims to ensure the management systems and procedures of contractors are consistent with our Values, Code of Conduct and Sustainability Standards. In developing a consistent and aligned approach to safety and health management, our aim is to remove duplication of effort and develop shared safety cultures.

During the year, an enhanced contractor management system was developed to align with the OZ Minerals Contractor Selection and Management Standard, which focuses on pre-qualification of contractors prior to arrival on site. This will support contractor safety management systems and compliance with our standards and assist local contractors in meeting our site requirements.

We apply a consistent safety and health risk management approach across the Company. The OZ Minerals Risk and Opportunity Management Standard outlines our risk management process:

- Facilities shall identify and prioritise risks and/or hazards and assess their risks/opportunities according to the Team Based Risk Assessment Methodology;
- Risks shall be documented in a facility risk register;
- People who facilitate risk assessments shall have risk facilitation experience;
- Hazard analysis is required when a new job, process, piece of equipment, chemical or additional exposure occurs;
- Where tasks are risk rated as high or extreme, mitigation plans shall be developed and implemented as a priority.

Safety and Health Monitoring

In 2010, an extensive noise survey was conducted throughout all areas of the Prominent Hill operation. All employees are provided with adequate hearing protection to prevent against hearing loss in areas that exceed or have the potential to exceed occupational exposure standards.

A static monitoring survey was conducted during the year in site heavy vehicles to test the performance of seals in preventing particulates from entering vehicles. The results indicated that the seals perform well, requiring no modifications or replacements and that our workforce are protected during use of these vehicles.

Biological monitoring for lead in blood and airborne inhalable lead began in 2010. A lead risk reduction program was initiated to protect the health of our laboratory employees. All outer workwear now remains on site and is washed after the completion of each shift to prevent exposure outside of work hours. There have been no exceedances of the Australian Standard for exposure levels.

During 2010, a vein of fibrous material was exposed in the open pit at Prominent Hill and was identified as antigorite, an asbestiform mineral. For management purposes it was treated as asbestos, with the most conservative national standards imposed for acceptable exposure levels. Control measures were established to reduce the exposure of our workforce. Continual monitoring indicates that the implementation of control measures have successfully suppressed airborne mineral fibres.

The Radiation Management Plan and Radioactive Waste Management Plan were updated during the year to incorporate the underground operation and were approved by the South Australian Environmental Protection Agency. No radiation monitoring results exceeded Australian Exposure Standards in 2010.

Safety Training

OZ Minerals recognises the importance of providing people with the necessary skills and tools to manage safety and health risks within their workplaces. We are continually focused on strengthening safety leadership across OZ Minerals to ensure leaders at all levels demonstrate a commitment to safety and actively follow up on safety issues. Our induction programs contain content on basic hazard identification techniques. Additional training programs on hazard identification and risk assessment are conducted at Prominent Hill throughout the year. Workplace inspections are regularly conducted by management to identify and rectify potential hazards. There was a significant shift in the reporting culture of employees during the year, resulting in a greater number of reported hazards.

A number of training programs were conducted at our Cambodian exploration site. In 2010, these included relevant topics such as defensive driving, fire extinguisher use and first aid.

CASE STUDY**Underground Training**

In order to equip the team for underground operations at Prominent Hill a team of seven personnel completed a rescue training program. This was designed to prepare the team to act in an underground emergency to a nationally recognised standard.

The program was conducted at the Mines Rescue Station at Lithgow in NSW and simulated an underground network of hazards and drives that put the team to test in various scenarios, including smoke, fire and search and rescue.

This training program will give us the capacity to support an effective response to our underground operation when it commences. As preparations continue, there will be future opportunities to further train other members of the Emergency Response Team.

Health Programs

OZ Minerals conducts a fitness-for-work program across our operations. This includes a wide range of activities and education, including fatigue management, employee assistance programs, functional assessments, access to fitness centres or activities, along with drug and alcohol programs. The intent of all these programs is to provide our people with the necessary education and information to self manage their own fitness-for-work.

At Prominent Hill, there are two health and lifestyle coordinators that run gym sessions and fitness programs. Doctors run a clinic on site once a month. A physiotherapist is available on site once a week to assess work and non-work practices.

OZ Minerals is committed to educating its people on matters relating to alcohol and drugs. This education is supported by daily alcohol and regular drug testing at the Prominent Hill operation. OZ Minerals has a zero alcohol and drug policy at all sites, including the Melbourne and Adelaide offices.

Social**Safety and Health continued**

Awareness of hydration is an ongoing high priority in summer months. Heat stress management training is provided to all persons exposed to the risk of heat stress, as defined by the OZ Minerals Heat Stress Management Procedure.

A twelve week smoking cessation program was initiated in 2010. After thorough assessment and approval by site doctor, prescription medication was used to assist employees to stop smoking. Throughout the period, employees were monitored and counselled.

Health awareness is raised through regular education programs. Topics in 2010 included diabetes and management of diabetic emergencies as well as influenza prevention.

Safety and Health Communication

Each OZ Minerals operation has a health and safety committee to ensure health and safety matters are discussed and communicated. The committees represent all sections of the workforce. The committees are made up of elected employees and nominated management representatives. Committee meetings are held regularly and are attended by contractors and OZ Minerals personnel. The committees' functions include the provision of feedback to management on safety and health leadership, hazard and risk identification, inspections, suggestions for amendments to standards and improvement issues.

Each department at Prominent Hill engages the workforce in daily Pre-start Information (PSI) meetings. These meetings provide an opportunity to discuss safety related information from the previous day, along with upcoming safety information. A daily PSI newsletter is produced detailing all hazards and events recorded in the past 24 hours. Other reports of events and hazards are generated on a daily, weekly and monthly basis.

Regular health and safety meetings are held at Prominent Hill and the Cambodian operation to discuss relevant safety and health topics, such as radiation, silica and dust, dehydration, fatigue and occupational disease risk. Issues raised from site management meetings are cascaded down to be discussed at weekly meetings and vice versa.

Additional safety and health communication processes include the generation and distribution of Significant Incidents Alerts and monthly sustainability performance reports to all personnel.

CASE STUDY**Safety Culture Assessment**

As part of our priority to improve safety performance, in the last quarter of 2010, we conducted a safety culture survey across the OZ Minerals workforce, including Prominent Hill contractors. The survey had a very strong response rate, with approximately 80 percent of the workforce completing the survey. The data is benchmarked against over 1,000 companies globally enabling us to compare our responses with companies with excellent safety performance.

The survey results highlight areas of improvement opportunities. The results will form the basis for future management actions and allow for the implementation of new strategies for improved safety management.

A key finding of the survey results is that our team members feel comfortable about talking to each other about safety issues and are not afraid to speak up if they see someone doing something that could be unsafe. We were pleased to be performing well in this, as it demonstrates a culture of approachability.

Crisis management

A crisis is defined as an event that seriously threatens OZ Minerals' people, operations, assets, environment or long-term prospects and reputation.

Our crisis management plan outlines the roles, responsibilities and processes that the corporate Crisis Management Team (CMT) would follow in the event of a crisis occurring. The team includes representatives covering operations, legal, commercial, safety, environment, community, media, investors and government relations. The plan was reviewed and updated in 2010.

A crisis simulation was conducted in 2010 with external facilitators to practise and test processes in place. The outcomes of the simulation were used to update the crisis management plan.

Emergency Response Team

The Emergency Response Team competing at the South Australian Mines Rescue Competition

The Emergency Response Team (ERT) at Prominent Hill has continued to demonstrate its ability to successfully respond to all emergency incidents. In 2010, there were 48 people in the ERT drawn from OZ Minerals' and contractors' workforce, and the team responded to 37 incidents. The involvement of the ERT greatly contributed to the successful resolution of the incidents, including stabilising and treating injured persons prior to evacuation.

The ERT members are trained to respond to injuries, fires, mass casualty, heights rescue and vehicle rescue scenarios among others. They are also able to respond to incidents in the local community as far away as Coober Pedy.

The ERT consists of two permanent Emergency Response Coordinators and a crew of 40 volunteer Emergency Service Officers that cover all shifts. The ERT members volunteer their own time for training and practice and also are on standby while they are on site.

Training has been a strong focus for the ERT in 2010 with 32 members enrolling in the nationally accredited Certificate III Mines Emergency Response and Rescue Program.

In May 2010, a team from the Prominent Hill Emergency Services competed in the inaugural South Australian Mines Rescue Competition. They endured two days of tough competition spanning fire, medical emergencies and underground search and rescue emergency scenarios. The team performed exceptionally well and were awarded 'Most Outstanding Team'.

STAKEHOLDER ENGAGEMENT

We aim to build trusting relationships by engaging clearly, openly and honestly with our host communities and other key stakeholders.

The OZ Minerals Stakeholder Engagement and Reporting Standard addresses the systematic identification of stakeholders, understanding culture interests and issues, planning for and proactively engaging stakeholders, documentation of the engagement processes and reporting on progress and status.

OZ Minerals' stakeholders include a wide range of individuals and groups that directly or indirectly support, influence or are impacted by our activities. Key stakeholders include contractors, customers, employees, financial institutions, governments, local communities, shareholders and suppliers.

The stakeholder engagement summary identifies our key stakeholders and provides an overview of their interests and concerns and how OZ Minerals engages with them.

Social

Stakeholder Engagement continued

Stakeholder engagement summary

Stakeholder Group	Stakeholders	Interests and Concerns	Engagement
Business partners	Joint venture partners.	Exploration projects, business development, financial returns, growth, governance, risk management, political and socio-economic risk.	Regular update meetings with joint venture partners.
Customers	Smelters, refiners and downstream copper products fabricators.	Product quality, price, reliability of supply, timely delivery of monthly orders.	Regular formal and informal communication with Marketing Department staff. Personal visits by Marketing Department and Process Management staff. Site visits to customers' plants and customers' representatives encouraged to visit OZ Minerals' operations.
Employees	Employees.	A wide variety of interests and concerns.	Regular communication with staff through distribution of company ASX and annual reports, presentations and discussions, an intranet, email alerts, hard copy newsletters, 'noticeboard items' and a weekly email from the CEO.
Governments	Local, provincial/state and national regulators, government agencies and diplomatic corps.	Regulatory compliance, land use, environmental and social impact assessments, access permits, mining leases, licences, closure provisions and plans, product stewardship, environmental performance, community relations, socio-economic benefits.	Regular formal and informal communications with senior executives, External Relations, operational senior management and staff through site visits, meetings, events and reporting (including Annual and Sustainability Reports).
Industry associations	Mining and minerals industry, commodity specific, national and international.	Representation of industry interests.	Representative on boards and committees, engagement on specific projects.
Investment community	Mainstream brokers, financial analysts and fund managers, sustainability and ethical investment analysts, retail investment advisors, existing and potential shareholders both domestically and internationally.	Financial returns, operational and safety performance, growth, governance, risk management.	Annual General Meeting, Annual and Sustainability Reports, Quarterly Report and shareholder summary, conference calls, website where all releases and other information on the Company is maintained, Investor Relations meetings, presentations at industry conferences, investor conferences, briefings and site visits.
Local communities	Individuals and groups local to our operations – including traditional land owners, agriculturalists/pastoralists, development groups, local businesses.	Employment, business development, infrastructure, land access, cultural heritage, sponsorship and donations, environmental performance, transparency.	Location-specific Community Relations Plans, community meetings and groups, newsletters and targeted communications, Sustainability report and surveys.
Media	Print, radio, TV and interactive.	Financial and operational related queries.	Regular engagement with business and regional media through six teleconferences a year, regular ad-hoc one-on-one discussion, interviews and site visits.
Non-government organisations	Local, regional and international environmental, human rights, development, corporate social responsibility and sustainability organisations.	Governance, risk management, socio-economic contributions, human rights, environmental performance and compliance.	Liaise directly with operational management, environment and community relations departments on specific issues. Annual and Sustainability Reports, media releases, Sustainability Group and External Relations attendance at forums and policy discussions.
Shareholders	Retail and Institutional shareholders.	Financial returns, growth, governance, risk management.	Annual General Meeting, Annual and Sustainability reports, quarterly report and shareholder summary, webcast of results presentations to analysts, presentations and meetings at investor conferences, website where all releases and other information on OZ Minerals is maintained and regularly updated.
Suppliers	Local businesses to large international organisations.	Supply agreements, reliable payment processes, social and environmental requirements.	Regular meetings with commercial staff.
Other mining companies and academics	Other mining companies, mining regulators, industry associations and minerals industry academics.	Company updates, project information.	Papers and presentations given by executives at various industry related conferences.

SOCIAL PERFORMANCE

Community engagement

Our most extensive community engagement program is conducted close to the Prominent Hill operation. We also engage with interested stakeholders in relation to our Cambodian and other smaller exploration interests.

Prominent Hill is located in a very isolated area of northern South Australia. The mine is 130 kilometres away from the opal mining town of Coober Pedy, with pastoralists being the closest neighbours.

We regularly engage with the pastoralist community, particularly in regard to water use. We have a water sampling program to monitor water levels and quality in previously agreed pastoral bores on neighbouring stations. We continue to closely monitor declines in a number of bores identified to be installed in the mine water supply aquifer. Water for our Prominent Hill operation comes from the Arckaringa Basin which is separate from the Great Artesian Basin. For more information on this water resource, refer to water management in the environment section of this report.

Our Prominent Hill mine is on the traditional lands of the Antakarinja indigenous community. OZ Minerals staff regularly meet with representatives of this group in relation to the OZ Minerals funded Antakarinja Scholarship Disbursement Fund. In 2010, a focus was consultation with Anangu Pitjantjatjara Yankunytjatjara (APY) lands people in relation to employment opportunities. Further information on this program is contained in our indigenous employment case study in the Our people section of this report.

Representatives of the Prominent Hill community relations team are in regular dialogue with the Coober Pedy Council.

OZ Minerals is an active participant of two of the South Australian Arid Lands and Natural Resources Board district groups. The Board, working in partnership with local landholders, industry, government agencies and environmental and community interest groups, aims to facilitate an integrated approach to sustainable management of natural resources. In 2010, issues covered include feral animal and pest control, biodiversity initiatives, and water management.

OZ Minerals representatives regularly attend the Marla-Oodnadatta and Kingoonya district group meetings and are represented on the Board of the Kingoonya district group. These are the closest districts to the Prominent Hill operation. During the year, OZ Minerals formally presented at both these forums.

OZ Minerals runs an annual community consultation meeting at William Creek, a small town approximately 110 kilometres away from Prominent Hill. Attendees include local pastoralists, local community and other relevant government and non government representatives. These meetings give the attendees an opportunity to discuss areas of concern or common interest, and provide an opportunity for OZ Minerals to give the community an update on the Prominent Hill operation and exploration activities. At the 2010 forum, held in December, areas of interest discussed included exploration, water and employment.

As part of our exploration activities in Cambodia, we met regularly with local and national government representatives and submit monthly report updates on our progress.

Community investment, sponsorships and donations

Caring for our people, our neighbours and the environment is central to the way OZ Minerals does business. One of our primary sustainability objectives is to ensure that communities in which we operate receive real benefit from our activities.

During 2010, we reviewed our company Community Investment and Sponsorship Guidelines and published them on the OZ Minerals website. As outlined in the guidelines we support programs that provide benefits to the communities close to the areas in which we operate.

Most of our efforts have been focused on the communities close to Prominent Hill. In 2010, we continued our sponsorship of local football team the Coober Pedy Saints with a \$10,000 donation. In Coober Pedy, we also supported the Coober Pedy Gem and Trade Show, Coober Pedy Mini Gems and the Old Timers Nursing Home Auxiliary.

In 2010, we contributed \$30,000 to support community events such as rodeos and gymkhanas in the nearby towns of Oodnadatta, William Creek, Kingoonya, Coober Pedy, Marree and Glendambo, with each receiving \$5,000.

OZ Minerals has contributed \$280,000 to the Royal Flying Doctor Service (RFDS) over a four year period ending in 2011. This partnership assists the RFDS to purchase new aircraft and medical equipment. In 2010, the RFDS had twelve landings at Prominent Hill.

OZ Minerals has an advanced exploration project in the province of Mondulkiri, Cambodia. Sen Monorom is the largest town in Mondulkiri and OZ Minerals committed \$35,000 in 2010 to support the Sen Monorom Boarding school. Further information regarding our support of the Sen Monorom dormitory is detailed in the case study below. In 2010, \$25,000 was donated to the Cambodian Red Cross.

Many of OZ Minerals staff donate to programs that are important to them. In many cases, OZ Minerals matches these donations, particularly if the initiative supports an activity close to our operations.

Social

Social Performance continued

CASE STUDY



Celebrating the OZ Minerals sponsorship of the Sen Monorom Dormitory

Sen Monorom Dormitory, Cambodia

OZ Minerals has an exploration project in the Mondulakiri Province of Cambodia.

There is only one secondary school in Mondulakiri, and village children who want an education have to find accommodation near the school in the capital Sen Monorom.

The Sen Monorom boarding school dormitory currently supports 124 students who attend the school in Sen Monorom; without it, these students from the surrounding villages would not be able to continue their education.

OZ Minerals staff in both Australia and Cambodia have contributed funds to the dormitory with just over \$3,000 of company matched funds donated to the dormitory in 2010. Extending our assistance, OZ Minerals has sponsored the dormitory by providing \$35,000 to cover costs for the next year. The sponsorship is administered by Village Focus International which is a non-government humanitarian organisation working in Cambodia.

As part of this sponsorship, we are working with the dormitory to look at small ways for the facility to become more financially sustainable.

OZ Minerals has recently hired a graduate from the school.

CASE STUDY



Recipients of the OZ Minerals Copper Sculpture Award: Chris Ormerod, Rachel Young, OZ Minerals CEO and Managing Director Terry Burgess, and Maggie Savage on behalf of the Victor Harbor School

OZ Minerals Copper Sculpture Award

Two important aspects of South Australian life, 'copper' and 'the arts', have come together in the OZ Minerals Copper Sculpture Award.

In conjunction with the 2010 South Australian Living Arts (SALA) Festival, OZ Minerals launched a Copper Sculpture Award to support artists who work or would like to work in copper.

The Award program enabled South Australian artists and schools the opportunity to submit ideas and apply for assistance in obtaining copper and production costs for their proposed sculptures.

There were many entries and three category winners. Adelaide based Chris Ormerod, an artist-boilermaker, took out the metro award. Roxby Downs based jeweller and artist-boilermaker couple Rachel and Mark Young won the regional award and the schools award was won by Victor Harbor School.

Category winner Chris Ormerod describes copper as 'a beautiful material to work with'. Working with copper presents different challenges than working with stainless steel or other metals – while heat is necessary to shape the copper, too much heat causes it to become soft like toffee. Chris says it has been an amazing learning curve as he pushes the copper's capacity to its limits. While many artists often have to leave it up to fabricators to produce the final piece, Chris's technical ability allows him to have full control over every stage of his creation.

The winners of the Award have until the 2011 SALA Festival held in August in which to create their works.

Social**Social Performance continued****Local business support**

OZ Minerals supports development of local businesses directly through contracts for mine-related services, mentoring and training initiatives. Indirectly, our operations support local businesses through preferential purchase of local goods and services. An example of a key local supplier to Prominent Hill is the Coober Pedy Bakery (story below).

We ensure that our pre-selection processes in selecting local vendors are transparent, and we conduct awareness programs with small, local suppliers to highlight opportunities. These proactive steps are detailed in the OZ Minerals Local Employment and Business Support Management Standard. We regularly assess our progress in this area.

In 2010, over 20 local businesses were employed at the site, five of whom are now on permanent contract. The most recent business to tender successfully for work is a new business, which will run a bus from Coober Pedy to the mine site five days a week to cater for local people working at the mine. In addition, five businesses from Roxby Downs are engaged as required and various businesses and services are hired from regional South Australia, including the Upper Spencer Gulf.

A contract was recently awarded to an established crushing business, which has entered into a partnership with the Antakarinja people. The intended outcome of this is to assist that group with developing business skills so that at the mines' closure, the traditional owners have the skills and equipment to run their own business.

Cultural heritage and traditional rights

Prominent Hill adheres to all relevant Australian Acts and Regulations regarding local communities land and customary rights, including those of indigenous peoples. Native Title rights for the Antakarinja indigenous group were identified through the Native Title Agreement Act. Other pertinent legislation includes the Pastoral Land Act and the Mining Act. In 2010, there were no incidents or violations involving rights of indigenous people.

Any disturbances around culturally significant areas are reported internally and significant disturbances, such as unintended land clearances, are reported to the relevant authorities. In 2010, we were able to report no breaches in regard to disturbances of culturally significant areas.

An Antakarinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) ANZ Bank Trust fund has been developed to assist in the sustainable use of production payments. The trust includes an advisory council made up of representatives from the Antakarinja traditional owners.

Production payments from Prominent Hill are paid into the fund and distributed into the community in areas such as education and cultural and community development. On an annual basis, we currently disperse a scholarship payment of \$200,000 for a variety of educational expenses. This is administered by the scholarship sub-committee on which OZ Minerals is represented. We have also contributed to an Accumulation Trust of which an annual payment of \$100,000 is held in Trust for ten years. The interest component may be accessed after that period for ongoing education purposes. This is designed so the company can continue to support future generations of the AMYAC indigenous community.

CASE STUDY

Preparing lunch with bread from the Coober Pedy Crusts Outback Bakery

Coober Pedy Crusts Outback Bakery

OZ Minerals supports local businesses by deliberately sourcing products and services locally. The Crusts Outback Bakery located in Coober Pedy produces bread for the Prominent Hill workforce. Orders are taken each evening for the following day, before the bread is baked and delivered to the mine by midnight. With many hungry mouths to feed, the bakery provides OZ Minerals with around 100 loaves and 2,000 rolls every day. In addition to bread, the bakery also delivers mail and any medicine from the local pharmacy that people have ordered. Since being contracted by OZ Minerals, business has increased by 40 percent and the number of baking staff has doubled.

ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL PERFORMANCE



Sturt's Desert Pea, found at Prominent Hill

2010 saw a significantly changed natural environment at Prominent Hill, with the arid landscape experiencing higher than usual rainfall, resulting in a newly thriving landscape with an increased diversity of flora and fauna.

This year was the first full year of production at Prominent Hill, with the process of commissioning and ramp-up ongoing in 2009. Therefore, 2010 data is not comparable to data from 2009.

All environmental incidents and near misses are reported through incident reporting systems. Investigations are undertaken to determine the underlying causes in order to eliminate the potential for future failures and to apply effective controls company wide. Significant environmental incidents are defined as any occurrence that has resulted in or had the potential to cause at least moderate environmental impact.

At Prominent Hill, we reported one significant environmental incident during the reporting period. This incident was rated internally as a level three significant incident and was reported to the South Australian Environmental Protection Agency and SafeWork SA. Approximately 25 tonnes of copper concentrate was spilt on the concentrate haul road at the Prominent Hill operation, when a trailer of a road train detached and rolled over. Clean-up was supervised by environmental personnel and contaminated concentrate was returned to site. The impact to the environment was minimal. An upgrade of the road was completed to assist in preventing further environmental incidents of this nature. No further action was required. Non-compliances which result in a failure to meet legal requirements may result in fines and prosecutions. No fines or prosecutions arose from the incidents recorded during the reporting period.

OZ Minerals received a pollution abatement notice (PAN) in 2010 from the Northern Territory Department of Natural Resources, Environment, The Arts and Sport (NRETAS) in relation to the loading of its copper concentrate on ships at the Darwin Harbour. OZ Minerals continues to communicate with NRETAS and the Darwin Port Corporation in relation to the PAN. For further information, see the Transport of Prominent Hill Concentrate section in this report.

ENVIRONMENTAL PERFORMANCE SUMMARY

Indicator	Performance
Significant (Level 4) environmental incidents ¹	0
Significant (Level 3) environmental incidents ¹	1 ²
Regulatory reportable environmental incidents ³	1 ²
Significant spills or discharges ⁴	1 ²
Regulatory water discharge exceedances ⁵	0
Regulatory non-compliances	0
Fines and prosecutions – environment	0
Energy use (petajoules)	2.54
Total greenhouse gas emissions (tonnes)	297,995
Water used (megalitres)	4954.2
Water recycled (megalitres)	Water is reused within the mill, however it is not currently measurable
Water discharged (megalitres)	0
Waste rock mined (tonnes)	53,353,057
Tailings produced (tonnes)	9,316,872
Hazardous waste generated (tonnes)	403
Total land holding (hectares) ⁶	700,000
Footprint (hectares) ⁶	3,611
Land disturbance during 2010 (hectares) ⁶	400
Total land disturbance to date (hectares) ⁶	3,607
Land rehabilitated (hectares) ⁶	4

- 1 Refers to the internal OZ Minerals SHEC Consequence Severity Table for definition of level 3 and level 4 internally classified significant incidents
- 2 Refers to the same incident
- 3 Incident that, among other consequences, results in a legal requirement to report to a regulatory authority
- 4 Incidents that typically involve the loss from containment of poor quality mine water or a hazardous chemical or fuel. In the previous reporting year, we reported all spills greater than five litres. This year, we have reported 'significant' spills, defined by the OZ Minerals SHEC Consequence Severity Table as an internal rating of level 3 or above.
- 5 Exceedances of water discharge limits as defined in operating licences and permits issued by a regulatory authority
- 6 Land size is described in hectares as this section describes small parcels of land. 1 ha = 0.01 km²

ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

OZ Minerals continues to work towards effective stewardship of natural resources by minimising the environmental footprint and using energy and other raw materials efficiently. The total energy consumption for OZ Minerals during 2010 was 2.54 petajoules. Prominent Hill is our major asset and used approximately 2.53 petajoules. Diesel and purchased electricity are the dominant energy sources for Prominent Hill, contributing approximately 65 and 35 percent respectively. Other energy sources, including petrol, LPG, grease and oil, contribute less than one percent to our total energy use. Electricity for Prominent Hill is purchased from the South Australian electricity grid.

Total direct and indirect energy consumption 2010 (GJ)

	Prominent Hill	Exploration ³	Group Office	TOTAL
Direct ¹	1,641,429	10,865	NA	1,652,294
Indirect ²	885,287	220	520	886,027
Total	2,526,716	11,085	520	2,538,321

- 1 Direct energy consumption – resulting from the on-site consumption of fuels
- 2 Indirect energy consumption – due to the import of electricity from external parties; commonly the electricity grid.
- 3 Exploration data includes Cobar (Australia) exploration, Cambodian exploration sites and Phnom Penh office. Exploration occurring near Prominent Hill is incorporated into Prominent Hill data.

In 2010, we generated a total of 297,995 tonnes of carbon dioxide equivalent emissions, of which 297,355 tonnes were emitted from Australian sources predominantly from our Prominent Hill operation. While the majority of our energy is sourced from diesel, most greenhouse gas emissions (approximately 62 percent) are derived from electricity use. This is due to the higher emission intensity of electricity compared with diesel.

Total direct and indirect greenhouse gas emissions 2010

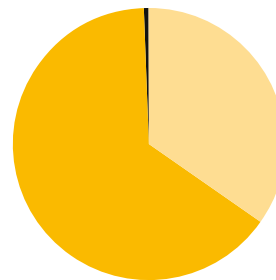
Greenhouse gas emissions (CO ₂ -e t)	Prominent Hill	Exploration ³	Group Office	TOTAL
Direct ¹ GHG Emissions	113,949	754	0	114,703
Indirect ² GHG Emissions	183,043	72	177	183,292
Total	296,992	826	177	297,995

- 1 Direct greenhouse gas emissions – resulting from the on-site consumption of fuels or where electricity is generated
- 2 Indirect greenhouse gas emissions – due to the import of electricity from external parties, such as an electricity grid.
- 3 Exploration data includes Cobar (Australia) exploration, Cambodian exploration sites and Phnom Penh office. Exploration occurring near Prominent Hill is incorporated into Prominent Hill data.

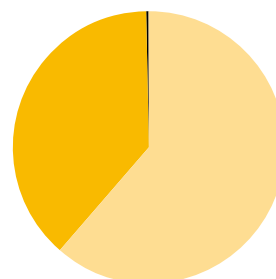
Our 2009 energy consumption and greenhouse gas data has been adjusted since the publication of the 2009 sustainability report and can be found in our Carbon Disclosure Project submission, available for public viewing at www.cdproject.net. Comparisons have not been made with the previous year's energy and greenhouse gas data as 2009 was not a full year of production for Prominent Hill.

In 2010, OZ Minerals completed its second report under the *National Greenhouse and Energy Reporting Act 2007* (NGER). We also continued our participation in the Carbon Disclosure Project and the Australian Government Energy Efficiency Opportunities (EEO) program. A requirement of the EEO program is to have two years of operational data to allow for an adequate assessment of an operations energy use. Prominent Hill's first Energy Efficiency Assessment under the EEO program will be completed by 30 June 2011. Identifying cost effective energy use savings through the EEO program will remain a key component of OZ Minerals' energy and greenhouse gas management plan.

Prominent Hill Energy Use By Source



Prominent Hill Greenhouse Gas Emissions By Source



CLIMATE CHANGE

OZ Minerals actively monitors and analyses energy consumption and greenhouse gas emissions. We have our emissions independently verified and we publicly report our greenhouse gas inventory through our annual sustainability report and the Carbon Disclosure Project.

In February 2011, the Australian Government announced intentions to introduce a carbon price in 2012, but as yet the detail of this scheme has not been released for consultation.

To assist us reduce the intensity of emissions, we would welcome a transition to a cleaner power supply; however, this transition would need to be done at a cost that is manageable and would not leave our products trade exposed.

AIR QUALITY MANAGEMENT



Monitoring air quality

Outside greenhouse gas emissions, the main emissions relevant to our operations are dust generated by stockpiling and moving materials and from vehicles driving on unsealed surfaces. Oxides of sulphur and nitrogen are generated from the burning of fuels. There are no ozone-depleting substances, persistent organic pollutants (POPs) or hazardous air pollutants (HAPs) produced at our sole operation, Prominent Hill. Air emissions by type and weight for Prominent Hill are provided in the table below.

Data has been collected for key emissions to air from stationary and mobile sources. These emissions are reported annually to the Australian Government Department of Sustainability, Environment, Water, Population and Communities National Pollutant Inventory (NPI) and are available for public viewing on the NPI website, www.npi.gov.au.

Type ¹	NOx ²	SOx ²	Volatile organic compounds (VOC) ²	Particulate matter ²	Stack and fugitive emissions ²
Tonnes	700	1	50	5435	6620

1 Data sourced from 2009–2010 NPI report

2 Calculation based on default data

WATER MANAGEMENT

Water is used in most aspects of OZ Minerals operations, including exploration, mining and processing. The efficiency of water extraction and the containment of wastewater are key aspects of operational performance.

OZ Minerals' total water use during the reporting period was slightly below 5,000 megalitres with most of this total being consumed at Prominent Hill and sourced entirely from groundwater bores.

Water is reused within several stages during processing and is eventually discharged to the tailings storage facility. No water is discharged off site. During the year, an opportunity was identified to increase water efficiency through water recycling at the Prominent Hill processing plant. Details on the project are below in the water efficiency case study.

CASE STUDY



The Prominent Hill processing plant

Water and energy efficiency at the Prominent Hill process plant

During the year, an opportunity was identified to increase water efficiency through water recycling at the Prominent Hill process plant. The process plant uses water to separate copper minerals and gold from waste products. This is the most energy- and water-intensive aspect of the operation. Once the gold and copper materials have been concentrated, the waste rock, or 'tailings', is then sent to a tailings thickener, which separates much of the water from the tailings before the tailings are sent to the tailings storage facility.

A modification was made to the tailings thickener feed well which allows more water to be recycled back to the processing stage in the mill. This has reduced water usage from an average of 525 litres per tonne milled (January to August 2010) to 482 litres per tonne milled (September to December 2010), with an average saving of 43 litres of water per tonne of ore. This equates to a saving of approximately 1,200 kilolitres of bore water per day.

By enhancing the water recovery and recycling process, production rates have increased with the same power usage. This has in turn reduced greenhouse gas emissions for the same production rate. The average of quantity of ore milled per month has risen from approximately 760,000 tonnes (January to August 2010) to approximately 865,000 tonnes (September to December 2010), an increase of 105,000 tonnes per month. Thicker tailings are also beneficial as they reduce the risk of storage facility seepage and increase the tailings storage facility bank stabilisation.

Situated in a location with a relatively low average annual rainfall of approximately 160 millimetres, the Prominent Hill site is dependent on the supply of groundwater to sustain its operation. Prominent Hill draws its water from the Boorthanna Formation geological unit of the Arkaringa Basin. This groundwater system is separated from the Great Artesian Basin aquifer system that feeds the Great Artesian Basin springs, and no influence on these springs is expected. The operation wellfield is located approximately 30 to 40 kilometres south-east of the mine and is operated under a miscellaneous purpose licence.

Prominent Hill's operational wellfields are located on nearby pastoral stations. In the majority of cases, the pastoralists draw water supplies from a different, shallower, aquifer than that used by the mine wellfield. Monitoring programs have identified that, due to faulting, the aquifer utilised by the mine is shallower at the eastern end of the wellfield. A number of stock water wells belonging to a nearby pastoralist also draw water from this area and water levels in a small number of the stock wells have fallen. We are continuing to monitor two of the affected pastoral wells using real time loggers, with the capacity to further expand this program if required. We have maintained active communication with the pastoralist throughout this process.

Water input, recycling and discharge megalitres (ML) by quality

Parameter	Prominent Hill	Exploration	Total
Water Input			
High quality ¹	0	1.9	
Low quality ²	4950	2.3	4954.2
Recycling	Not currently measurable		0
Water to TSF³	4950	–	4950
Water Discharge	0	0	0

- 1 High quality: water having less than 1,500 milligrams per litre total dissolved solids, pH between five and nine, and individual dissolved constituents at concentrations suitable for agricultural/livestock and irrigation use (based on local/ regional/ national guidelines)
- 2 Low quality: water with total dissolved solids greater than 1,500 milligrams per litre, or with dissolved constituents (metals, anions etc) greater than local guidelines for agricultural/livestock or irrigation use, or with pH less than five or pH greater than nine
- 3 Tailings Storage Facility
- 4 Exploration data includes Cobar (Australia) and Cambodian exploration sites

WASTE MANAGEMENT

Waste Rock and Tailings

Mining operations produce significant volumes of waste rock and tailings. At the Prominent Hill operation, waste is managed on site in disposal facilities in accordance with the OZ Minerals Waste Rock Management and Tailings Management Standards. These standards define the requirements for the management of waste rock and tailings to prevent environmental impacts, promote beneficial post-mining land uses and reduce post-mining rehabilitation and closure liability.

To prevent or minimise the potential environmental impacts associated with waste rock and tailings disposal, a range of strategies are implemented during project development and operations. These include:

- Geochemical characterisation of acid-generating materials, resource modelling;
- Selective handling and encapsulation of waste rock;
- Disposal of tailings into specially designed and engineered facilities;
- Linking operational planning to long-term closure management; and
- The containment and treatment of mine waters to meet regulatory discharge criteria.

Over the reporting period, Prominent Hill produced approximately 53 million tonnes of waste rock and approximately nine million tonnes of tailings. Of the total tonnage of waste rock produced in 2010, 30 percent is considered to be potentially acid forming all of which will be physically contained. Water sampling of bores surrounding the tailings storage facility is regularly monitored for acidity, as part of the acid rock drainage program. We routinely monitor radiation particles present in waste rock as well as regularly monitor downstream creeks for changes in acidity.

Most of the waste rock generated was placed in rock dumps within the mining areas with a proportion of non-acid forming rock used for the construction of mine infrastructure, such as the tailings storage facility and roads. All tailings are contained within the tailings storage facility.

Water sampling is conducted after heavy rainfall events at sites around the tailings storage facility and surrounding waste rock to ensure there is proper containment of heavy metals and acid generating tails.

Hazardous and Non-Hazardous Waste

All hazardous wastes, non-hazardous wastes and wastewater are managed in compliance with applicable laws and regulations, as well as in accordance with OZ Minerals Sustainability Standards. Prominent Hill generated 403 tonnes of hazardous waste during 2010, of which most is from waste oil.

In 2010, a vein of fibrous material was exposed in the open cut mine and was identified as antigorite, an asbestiform mineral. Discussions were held with the South Australian Environmental Protection Agency in regards to the disposal and management of the material. Any asbestiform material that is discovered is relocated, contained and encapsulated in the waste rock dump site. Any items that are associated with this material, for example clothing, gloves and respirators, are double bagged and encapsulated in the site waste dump. For information regarding the safety and health management of asbestos, please refer to the safety and health section of this report.

A total of 436 tonnes of non-hazardous waste was generated at Prominent Hill during the reporting period, comprising mainly general rubbish, which was disposed off site in approved waste management facilities.

The main types of non-hazardous waste produced at Prominent Hill includes general domestic rubbish, wood, cardboard and paper, steel, glass and aluminium. All are managed in accordance with the OZ Minerals Waste Management Standard and Prominent Hill Non-Hazardous Waste Management Plan. All glass and aluminium waste has been stored for future recycling and all scrap steel is recycled off site.

An external audit was conducted in 2010 on waste being sent to landfill from the Prominent Hill operation. The results of the audit has allowed OZ Minerals to gain a better understanding of overall processes of waste on site, identify initiatives to reduce waste to landfill, improve resource recovery and facilitate future cost analysis and policies.

LAND MANAGEMENT AND BIODIVERSITY



Water testing at Prominent Hill

Land Management

At Prominent Hill, we have a mining lease and exploration tenements. The total tenement area owned by OZ Minerals is 400,000 hectares¹, which includes a mine footprint of 3,607 hectares. In 2010, 400 hectares were disturbed for both mining and exploration purposes, while 4 hectares were rehabilitated. Unseasonable wet weather has slowed some areas of rehabilitation but has assisted growth in previously rehabilitated areas. High rainfall events at Prominent Hill during the year have enabled stream sediment and catchment sampling which will be used to detect potential mine runoff.

We have exploration tenements of approximately 350,000 hectares in Cobar, New South Wales and 95,000 hectares in Cambodia.

Biodiversity

An understanding of the potential to impact upon habitats is critical in order to manage and minimise impacts. Furthermore, there can be opportunities to contribute to the conservation of species and ecosystems. The OZ Minerals Biodiversity Management Standard requires the management of biodiversity and minimisation of adverse impacts on flora and fauna throughout the mine life cycle.

Prominent Hill

The Significant Environmental Benefit (SEB) offset area involves the ongoing protection and management of 11,000 hectares of land within the Mount Eba Pastoral Lease. Through management of the SEB offset area, OZ Minerals aims to protect and enhance habitat for the chestnut-breasted whiteface and thick-billed grasswren (eastern subspecies). The thick-billed grasswren is nationally vulnerable, while the chestnut-breasted whiteface is classified as rare within South Australia. Both of these species are listed on the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species.

After first being identified in 2006, Prominent Hill has continued to record these species in surveys. Monitoring is undertaken bi-annually to check the populations and sightings of these species are documented for spring and autumn each year. The SEB offset area will also protect a portion of Breakaway habitat.

Continuing high rainfall saw the highest abundance and diversity of floral species during the autumn period to date. Two small mammal species, the sandy inland mouse and the Spinifex hopping mouse, were recorded for the first time in the SEB offset area.

In 2010, all existing flora, fauna and SEB management plans have been amalgamated into the Biodiversity Management Plan (BMP). This will streamline our environmental management plans, giving a cohesive and coordinated approach to land management.

Cambodia exploration

OZ Minerals is currently undertaking exploration in Cambodia in the Mondulhiri Province. This area is located within the outer boundaries of the Phnom Prich Wildlife Sanctuary. A group of unlicensed miners have been working in this same region for four years. Very few of these people are from Mondulhiri Province and are regarded as 'artisanal influx'² miners as they have recently migrated to the area. Artisanal miners are usually small-scale miners that use rudimentary methods to conduct their activities.

The Cambodian Government indicated its desire to remove illegal mining, logging and poaching in this and other areas. Practices typically used in this type of small scale mining are dangerous and can cause significant environmental damage – cyanide is often used in an uncontrolled manner. The Government began a program to request these groups to leave the area in 2009. This was undertaken through a series of public meetings and notices. The government set three successive deadlines and by the end of 2010 most people left the area. Throughout the government's process, OZ Minerals has regularly engaged with relevant authorities and advocated that the people involved are treated with respect and dignity.

- 1 Land size is reported in hectares (ha) instead of kilometres squared (km²) as this section refers to small parcels of land. 1 ha = 0.01 km²
- 2 As defined by the International Council on Mining and Metals, www.icmm.com/library

APPENDICES

GLOBAL REPORTING INITIATIVE

● fully reported ● partially reported ● not reported ○ not applicable or material to our business

Indicator	Reporting requirement	Report location and links	Level of reporting
Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organisation (e.g. CEO, chair or equivalent senior position) about the relevance of sustainability to the organisation and its strategy.	CEO letter	●
1.2	Description of key impacts, risks, and opportunities.	CEO letter; Sustainability policy; Community engagement; Safety and health; Environmental performance	●
Organisational Profile			
2.1	Name of organisation	Company overview	●
2.2	Primary brands, products, and/or services.	Company overview	●
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	Company overview	●
2.4	Location of organisation's headquarters.	Company overview	●
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Company overview	●
2.6	Nature of ownership and legal form.	Company overview	●
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	Company overview	●
2.8	Scale of the reporting organisation, including: <ul style="list-style-type: none"> • Number of employees; • Net sales (for private sector organisations) or net revenue (for public sector organisations); • Total capitalisation broken down in terms of debt and equity (for private sector organisations); and • Quantity of products or services provided. 	Company overview; Operating and financial performance	●
2.9	Significant changes during the reporting period regarding size, structure or ownership, including: <ul style="list-style-type: none"> • The location of or changes in operations, including facility openings, closings and expansions; and • Changes in the share capital structure and other capital formation, maintenance and alteration operations (for private sector organisations). 	CEO letter; Company overview	●
2.10	Awards received in the reporting period.	CEO letter; Company overview	●
Report Parameters			
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	Our sustainability report 2010	●
3.2	Date of most recent previous report (if any).	Our sustainability report 2010	●
3.3	Reporting cycle (annual, biennial, etc.)	Our sustainability report 2010	●
3.4	Contact point for questions regarding the report or its contents.	Feedback	●
3.5	Process for defining report content, including: <ul style="list-style-type: none"> • Determining materiality; • Prioritising topics within the report; and • Identifying stakeholders the organisation expects to use the report. 	Our sustainability report 2010	●

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Indicator	Reporting requirement	Report location and links	Level of reporting
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Our sustainability report 2010	●
3.7	State any specific limitations on the scope or boundary of the report.	Our sustainability report 2010	●
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Our sustainability report 2010	●
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Our sustainability report 2010	●
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Our sustainability report 2010	●
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	Our sustainability report 2010	●
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI content index	●
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).	Our sustainability report 2010	●
Governance, Commitments and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Structure and responsibilities	●
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).	Structure and responsibilities	●
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Structure and responsibilities; Annual Report	●
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Structure and responsibilities; Annual Report	●
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements) and the organisation's performance.	Structure and responsibilities; Annual Report	●
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Annual report	●
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social topics.	Annual report	●
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	Values and governance; Sustainability policy	●
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	Structure and responsibilities; Annual Report	●
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environment and social performance.	Annual Report	●
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Not reported	●
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses.	Our sustainability report 2010	●

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Indicator	Reporting requirement	Report location and links	Level of reporting
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: <ul style="list-style-type: none"> • Has positions in governance bodies; • Participations in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views memberships as strategic. 	Industry associations	●
4.14	List of stakeholder groups engaged by the organisation.	Stakeholder engagement	●
4.15	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder engagement; Materiality	●
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder engagement; Materiality	●
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns, including through its reporting.	Stakeholder engagement	●
Performance Indicators			
Economic Performance			
	Economic Management Approach	CEO letter; Economic performance	●
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments, land use payments and Extractive Industries Transparency Initiative (ETI).	Socio-economic contributions	●
EC2	Financial implications and other risks and opportunities and other risks and opportunities for the organisation's activities due to climate change.	Energy consumption and greenhouse gas emissions	●
EC3	Coverage of the organisation's defined benefit plan obligations.	Not reported	●
EC4	Significant financial assistance received from government.	Economic performance	●
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not reported	●
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.	Contributions to local economies	●
EC7	Procedures for local hiring and proportion of senior management and workforce hired from the local community at significant locations of operation.	Workforce profile and diversity	●
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	Socio-economic contributions	●
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Socio-economic contributions	●
Environment Performance			
	Environment Management Approach	Environmental performance	●
EN1	Materials used by weight or volume.	Not reported	●
EN2	Percentage of materials used that are recycled input materials.	Not reported	●
EN3	Direct energy consumption by primary energy source.	Energy consumption and greenhouse gas emissions	●
EN4	Indirect energy consumption by primary source.	Energy consumption and greenhouse gas emissions	●
EN5	Energy saved due to conservation and efficiency improvements.	Water efficiency case study	●
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services and reductions in energy requirements as a result of these initiatives.	Not reported	●
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not reported	●

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Indicator	Reporting requirement	Report location and links	Level of reporting
EN8	Total water withdrawal by source.	Water management	●
EN9	Water sources significantly affected by withdrawal of water.	Water management	●
EN10	Percentage and total volume of water recycled and reused.	Not reported	●
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Land management; Biodiversity	●
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	Land management; Biodiversity	●
EN13	Habitats protected or restored. Report on biodiversity offsets.	Land management; Biodiversity	●
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Biodiversity	●
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria and the number (percentage) of those sites with plans in place.	Biodiversity	●
EN16	Total direct and indirect greenhouse gas emissions by weight.	Energy consumption and greenhouse gas emissions	●
EN17	Other relevant indirect greenhouse gas emissions by weight.	Energy consumption and greenhouse gas emissions	●
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Not reported	●
EN19	Emissions of ozone-depleting substances by weight.	Air quality management	●
EN20	NO _x , SO _x , and other significant air emissions by type and weight, including mobile and stationary sources.	Air quality management	●
EN21	Total water discharge by quality and destination.	Water management	●
EN22	Total weight of waste by type and disposal method. Total amounts of overburden, rock, tailings and sludges and their associated risks.	Waste management	●
EN23	Total number and volume of significant spills.	Environmental performance	●
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VII and a percentage of transported waste shipped internationally.	Not material	○
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Not material	○
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Transport of Prominent Hill concentrates	●
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not material	○
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Environmental performance	●
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce.	Not reported	●
EN30	Total environmental protection expenditures and investments by type.	Not reported	●

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Indicator	Reporting requirement	Report location and links	Level of reporting
Human Rights Performance			
	Human Rights Management Approach	Our people	●
HR1	Percentage and total numbers of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Labour relations and human rights	●
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not reported	●
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not reported	●
HR4	Total number of incidents of discrimination and actions taken.	Not reported	●
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights and how freedom of association policy is implemented.	Not reported	●
HR6	Operations identified as having significant risks for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Labour relations and human rights	●
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the eliminating of forced or compulsory labour.	Labour relations and human rights	●
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Labour relations and human rights	●
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken. Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous people's communities.	Not reported	●
Labour Performance			
	Labour Management Approach	Our people; Labour relations and human rights; Safety and health strategy	●
LA1	Total workforce by employment type, employment contract and region.	Workforce profile and diversity	●
LA2	Total number and rate of employee turnover by age group, gender and region.	Attraction, retention and engagement	●
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Attraction, retention and engagement	●
LA4	Percentage of employees covered by collective bargaining agreements.	Labour relations and human rights	●
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. Number of strikes and lock-outs exceeding one week's duration, by country.	Labour relations and human rights	●
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Safety and health communication	●
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by region.	Workforce profile and diversity; Safety performance; Health performance	●
LA8	Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.	Safety and Health	●
LA9	Health and safety topics covered in formal agreements with trade unions.	Not reported	●
LA10	Average hours of training per year per employee by employee category.	Training and development	●

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Indicator	Reporting requirement	Report location and links	Level of reporting
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Attraction, retention and engagement; Training and development	●
LA12	Percentage of employees receiving regular performance and career development reviews.	Training and development	●
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Attraction, retention and engagement	●
LA14	Ratio of basic salary of men to women by employee category.	Not reported	●
Product Responsibility Performance			
	Product Responsibility Management Approach	Transport of Prominent Hill concentrates	●
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not reported	●
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Transport of Prominent Hill concentrates; Environmental performance	●
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Transport of Prominent Hill concentrates	●
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Transport of Prominent Hill concentrates	●
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Stakeholder engagement summary	●
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	Not material	○
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.	Not material	○
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Transport of Prominent Hill concentrates	●
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Transport of Prominent Hill concentrates	●
Social Performance			
	Social Management Approach	CEO letter; Stakeholder engagement; Our people; Safety and health strategy; Community engagement	●
SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	Not reported	●
SO2	Percentage and total number of business units analysed for risks related to corruption.	Not reported	●
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Not reported	●
SO4	Actions taken in response to incidents of corruption.	Not reported	●
SO5	Public policy positions and participation in public policy development and lobbying.	Industry associations	●
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Refer to our sponsorship policy available on our website	●
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practises and their outcomes.	Not reported	●
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Compliance	●

Appendices

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Indicator	Reporting requirement	Report location and links	Level of reporting
Mining and Minerals Sector Supplement			
MM1	Identify those sites where the local economic contribution and development impact is of particular significance and interest to stakeholders (e.g. remote sites) and outline policies with respect to assessing this contribution. Relevant information includes: <ul style="list-style-type: none"> • percentage of goods, materials and services purchased locally; • percentage of workforce from local communities; • Investment in public infrastructure and its maintenance; and • Compensation payments. 	Socio-economic contributions	●
MM2	Value added disaggregated to country level.	Socio-economic contributions	●
MM3	The number/percentage of sites identified as requiring biodiversity management plans and the number/percentage of sites with plans in place. Also include criteria for deciding that a biodiversity management plan is required and the key components of a plan.	Biodiversity	●
MM4	Percentage of product(s) derived from secondary materials.	Not material	○
MM5	Describe policies for assessing the eco-efficiency and sustainability attributes of products (e.g. recyclability, material use, energy use, toxicity).	Not material	○
MM6	Describe approach to management of overburden, rock, tailings and sludges/residues including: <ul style="list-style-type: none"> • assessment of risks; • structural stability of storage facilities; • metal leaching potential; and • hazardous properties. 	Waste Management	●
MM7	Describe significant incidents affecting communities during the reporting period and grievance mechanisms used to resolve the incidents and their outcomes. The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples and their outcomes.	Community engagement	●
MM8	Describe programs in which the reporting organisation has been involved that addressed artisanal and small-scale mining (ASM) within company areas of operation. Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	Land management and biodiversity	●
MM9	Describe resettlement policies and activities. Sites where resettlements took place, the number of households resettled in each and how their livelihoods were affected in the process.	Not reported	●
MM10	Number or percentage of operations with closure plans, covering social, including labour transition, environmental and economic aspects. Describe Company policy, stakeholder engagement processes, frequency of plan review and amount and type of financial provision for closure.	Closure planning	●
MM11	Describe process for identifying local communities' land and customary rights, including those of indigenous peoples, and grievance mechanisms used to resolve any disputes.	Social performance	●
MM12	Describe approach to identifying, preparing for and responding to emergency situations affecting employees, communities or the environment. Include a description of the nature of existing skills, teams who respond to emergency situations, training, drills, review processes and community involvement.	Safety and health – emergency response team	●
MM13	Number of new cases of occupational disease by type. Describe programs to prevent occupational disease.	Health performance	●

GLOSSARY

acid rock drainage (ARD)

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 drains off. If the rock contains sulphides, oxidation processes can acidify the water. This process is known as acid rock drainage (ARD).

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 (CO₂-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 (CO₂).

footprint

The area covered 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 www.globalreporting.org.

greenhouse gases (GHG)

Gases in the earth's atmosphere that absorb and re-emit infrared radiation, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

gross domestic product (GDP)

The total market value of the goods and services produced by a country's economy during a specific period of time.

gross state product (GSP)

The total market value of the goods and services produced by a state or territory's economy during a specific period of time.

human rights

Basic standards of treatment to which all people are entitled, regardless of nationality, gender, race, economic status or religion.

IUCN Red List

The International Union for Conservation of Nature's (IUCN) Red List provides information about the characteristics, conservation status and distribution of flora and fauna species facing the risk of global extinction.

KPI

Key Performance Indicator.

kilolitre (kL)

One kilolitre is equal to one thousand litres.

Lost Time Injury Frequency Rate (LTIFR)

A Lost Time Injury is a work-related injury or illness resulting in an absence from rostered work of at least one full day or shift anytime after the day or shift on which the injury occurred. The LTIFR is the number of LTIs per million hours worked.

megalitre (ML)

One megalitre is equal to one million litres.

petajoule (PJ)

One petajoule is equal to 1,015 joules.

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

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.

FEEDBACK

OZ Minerals Limited

ABN 40 005 482 824

Head Office

Level 10, 31 Queen Street
Melbourne
Victoria 3000 Australia
Telephone: (61 3) 9288 0333
Facsimile: (61 3) 9288 0300
info@ozminerals.com

Share Registry

Link Market Services Limited
Level 1, 333 Collins Street
Melbourne
Victoria 3000 Australia
Telephone: 1300 306 089
International: (61 2) 8280 7763
Facsimile: (61 2) 9287 0303
www.linkmarketservices.com.au

Investor and Media Enquiries

Natalie Worley
Head of Investor and External Relations
Telephone: (61 3) 9288 0333
natalie.worley@ozminerals.com

Product Sales Enquiries

Russell Griffin
General Manager – Marketing and Sales
Telephone: (61 3) 9288 0333
russell.griffin@ozminerals.com

Sustainability

Tim Berry
Head of Sustainability and Risk Management
Telephone: (61 3) 9288 0333
tim.berry@ozminerals.com

Careers at OZ Minerals

careers@ozminerals.com

Annual General Meeting

Wednesday 18 May 2011 at 2.30pm (AEST)
Melbourne Exhibition Centre Auditorium
Level 2, 2 Clarendon Street, Southbank, Melbourne

