

31 August 2022

Havilah shareholders approve Kalkaroo Option

- Havilah Resources shareholders approve the grant of the option for OZ Minerals to acquire the Kalkaroo project
- Kalkaroo is at pre-feasibility study stage and is potentially one of Australia's largest undeveloped open pit copper-gold deposits
- Havilah PFS demonstrated potential 30ktpa copper and 72koz gold over initial 15-year mine life¹
- OZ Minerals to commence optimisation study prior to considering whether to exercise the Kalkaroo option
- Potential for a scalable, low-cost, long-life asset in South Australia with province potential

OZ Minerals (ASX: OZL) today announced that Havilah Resources Limited (ASX: HAV) shareholders voted to grant OZ Minerals the option to purchase the Kalkaroo copper project in the Curnamona Province in South Australia².

OZ Minerals Managing Director and Chief Executive Officer, Andrew Cole, sahnid.

"The Kalkaroo project provides the opportunity to add one of Australia's largest undeveloped copper-gold deposits to our organic growth pipeline, complementing existing expansions at Prominent Hill and Carrapateena, and the greenfield West Musgrave Project to be considered for final investment decision later this year.

"Since the proposed transaction was announced in May 2022 our project team has been planning work programs, engaging with suppliers, and working closely with the Havilah team to enable the study to commence immediately upon Havilah shareholder approval.

"The study, to be conducted over the 18-month option period, will focus on opportunities to identify additional value by assessing a range of modern mining opportunities, innovation, processing improvements and local infrastructure that reduce project costs and improve productivity.

"The aim of the study is to improve our understanding and confidence in the project, and it will include an infill drilling program to confirm the current Mineral Resource estimate, prior to making a decision

¹ Released by Havilah to the ASX: 30 January 2018 and 7 March 2018

² See ASX Release entitled "OZ Minerals announces option to acquire Kalkaroo copper project in South Australia" dated 17 May 2022

whether to exercise the option to acquire 100% of the Kalkaroo project. If the option is exercised, timing for development of the project would remain at OZ Minerals' discretion. This enables progressive capitalising of internal project development skills which follows on from the success achieved to date with Carrapateena and opportunities with West Musgrave.

"The agreement with Havilah provides flexibility to study the Kalkaroo project at a low cost, while retaining the optionality to acquire 100% of the project for a fixed acquisition price together with any deferred contingent consideration.

"If the study can demonstrate value creation for our stakeholders the fixed component of the acquisition price ensures OZ Minerals captures additional value identified through the study and provides Havilah shareholders with price certainty, while the deferred contingent consideration rewards Havilah for future value enhancing milestones."

Project Overview

OZ Minerals will undertake a study program to inform the decision for exercising the option to acquire the Kalkaroo project. The study workstream will focus on opportunities to identify additional value, gain an improved knowledge of regional exploration for provincial potential and draw on OZ Minerals Think & Act Differently (TAD) incubator to test innovative ideas.

Study approach

The study will prioritise work on a value and risks basis with the work scope including:

- Resource drilling and geotechnical verification
- Reducing mining cost through modern mining
- Ore Sorting
- Metallurgical test work
- Alternate product studies
- Modular and used plant solutions and capital partnership studies
- Investigate threat mitigation (pit slopes, mining cost, resource confidence)
- Infrastructure review including power study

The study will utilise OZ Minerals Think & Act Differently incubator to test newly identified ideas and study hypotheses including core scanning and digital resource development as well as rapidly testing different concepts of operations to help inform the study. For information on TAD please follow the [link](#).

Curnamona Province Strategic Alliance - Regional exploration for province potential

Regional exploration aims to identify additional resources in the Curnamona Province proximal to Kalkaroo to improve understanding of the province opportunity and its potential development.

Transaction overview

The Kalkaroo project consists of a Mineral Resource estimate of 245Mt @ 0.45% Cu and 0.39g/t Au³ announced by Havilah in 2018.

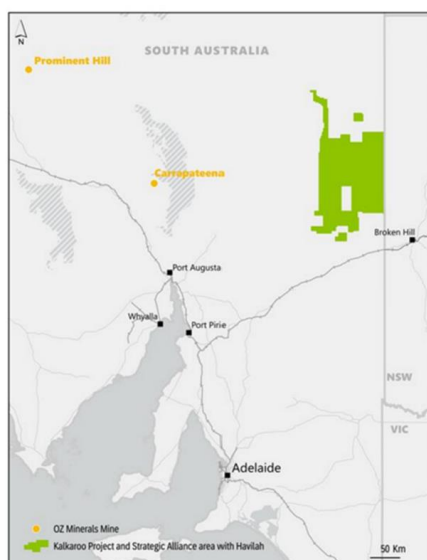
³ Released by Havilah to the ASX: 30 January 2018 and 7 March 2018, includes the 21.7Mt Oxide Gold Resource

OZ Minerals will now commence a study of up to 18 months to evaluate the potential of the Kalkaroo project and the option to acquire 100 per cent of the Kalkaroo project for a purchase price of \$205 million.

OZ Minerals may elect to not exercise the Kalkaroo option at any time during the option period provided 5,000 metres have been drilled or a shortfall payment (metres not drilled multiplied by \$400) is paid to Havilah. Should OZ Minerals purchase the project the agreement provides a deferred contingent consideration of \$65 million, upon a 30% uplift in Kalkaroo's Measured and Indicated Resource estimate as well as a copper price linked contingent payment in each year of production up to a maximum cumulative amount of \$135 million (which will be indexed annually by the Consumer Price Index).

Under the Strategic Alliance, OZ Minerals will pay Havilah \$1 million per month during the alliance period (up to a maximum of \$18 million), with 50 per cent of the payments directed towards Havilah identifying and advancing nearby exploration opportunities within the Area of Interest tenements in the Curnamona Province.

OZ Minerals will have certain rights to accelerate exploration in discoveries of copper dominant mineralisation in the alliance area and to participate in developing any related projects.



Kalkaroo Project and Strategic Alliance area including Havilah Area of Interest tenements in green

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

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