

FINANCIAL REVIEW

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HD **Big miners eye OZ Minerals \$500m site**
BY Simon Evans
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Several major global **mining** companies have already undertaken site visits at OZ Minerals' Carrapateena **copper-gold** deposit in South Australia as up to 12 different groups jostle to take a likely controlling **stake** in that project for an estimated \$500 **million**-plus.

OZ Minerals chief executive Terry Burgess said interested parties in Carrapateena were at various stages in the process but some had already been on the site as part of their due diligence.

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He said the most likely scenario was that if a major global player was ultimately chosen as the best financial option for the development of Carrapateena, it was almost certain that it would insist on a majority **stake** and control of the project.

"Whether that be 75 per cent or 51 per cent, all options are on the table," he said on Tuesday on the sidelines of a SA Resources and **Energy** Investment conference. Pockets not deep enough

Mr Burgess said he accepted that OZ would most likely have to give up control because it did not have deep enough pockets to develop the project itself. Analysts estimate that full development of Carrapateena could cost up to \$3 **billion**.

He said the aim was to have a final deal in place well before the end of calendar 2014.

"We haven't got a hard and fast timetable," he said.

Mr Burgess declined to divulge who may be among the interested parties. But more broadly, he pointed out that **Chinese** companies had spent a combined US\$17.5 **billion** on 17 different **copper** projects around the world since 2007, and there was a large appetite from **Chinese** firms for **copper** assets.

"**China** itself is clearly demonstrating that access to **copper** is vital," he said.

Carrapateena has a **copper** resource of 6.3 **million** tonnes of **copper** and was acquired by OZ for US\$250 **million** in 2011 from veteran Adelaide **mining** prospector Rudy Gomez and the Canadian **firm** Teck. It is one of the largest undeveloped **copper** deposits in Australia.

Mr Burgess said that while there was also major focus on the nearby Khamsin discovery, about 10 kilometres from Carrapateena, with a maiden resource estimate coming for that in the next few weeks, OZ had also just shifted a drill rig back to the Fremantle Doctor prospect in the area.

OZ's main asset is the Prominent Hill mine in SA. Mr Burgess said SA's geology showed it had deep but highly valuable **ore** bodies.

BHP Billiton in August 2012 put on ice a planned \$30 **billion** expansion of the Olympic Dam project at Roxby Downs in northern SA because of the cost of stripping away large amounts of overburden,

and a softening commodities outlook. It is now searching for a technological breakthrough that will provide a lower-cost option.

CO golpla : OZ Minerals Limited

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