

# Copper miner has capital confidence

VALERINA CHANGARATHIL



OZ Minerals managing director Andrew Cole said the team had delivered a “solid production quarter”.

A STRONGER than expected first half has given SA copper-gold miner OZ Minerals the confidence to bring forward \$45m to spend on projects at its Carrapateena mine by December.

Carrapateena produced 7170 tonnes of copper and 14,423 ounces of gold during the June quarter leading to full year guidance now raised to 25,000 – 30,000 tonnes of copper (from 20,000 – 25,000 tonnes) and 45,000 – 50,000 ounces of gold (from 35,000–40,000 ounces).

“The ramp-up at Carrapateena has continued to exceed expectations,” the company told investors.

“This strong performance has provided the confidence to release ~\$45m of the ~\$150m deferred expenditure announced in March that will benefit production beyond 2020.”

The company said it will maintain full flexibility to again restrict this spend should it be required in this dynamic operating environment and will continue to assess future cash requirements against this backdrop.

At Prominent Hill, copper production came in at 15,065 tonnes and 52,725 ounces of gold during the quarter.

Gold production guidance has been raised to 175,000–190,000 ounces (from 165,000–185,000 ounces) as a result of higher ore grades and recoveries, with copper production guidance steady at 55,000–65,000 tonnes.

OZ Minerals has maintained a “liquidity buffer” with \$15m in cash at the end of June and an existing \$480m revolving credit facility in place.

Managing director Andrew Cole said the team had delivered a “solid production quarter” despite the health and operational challenges imposed by COVID-19.

“We are in a good position compared to some other businesses despite some steep challenges.

“Using technology and leveraging virtual environments, we have enabled remote working for 300 of our employees who would previously have been on the mine sites.”

The group still has about 500 workers at Prominent Hill and about 300 at Carrapateena.

“But there are tight safety controls in place to make sure there is no room for complacency in guarding against coronavirus,” Mr Cole said.

There were no cases of coronavirus at its sites in SA, but a number of its team members in Brazil have contracted it and are recovering at home.

However, development of its Carajas Hub in Brazil is progressing well with the first Pedra Branca run of mine ore on schedule to be trucked to the processing hub at Antas in the third quarter.

“The uncertain operating environment resulting from COVID-19 continues to present both opportunities and threats and maintaining our focus on operational performance will allow a response to the most value accretive options,” Mr Cole said.