

# **INVITATION FOR EXPRESSIONS OF INTEREST (EOI)**

Concentrate Logistics – Road Haulage
Contract Ref: PH-PLO-EOI-507

**OZ MINERALS PROMINENT HILL OPERATION PTY LTD** (ABN 63 091 546 691)

(OZ Minerals)



### **Prominent Hill – Plant Operations**

#### 1 Introduction

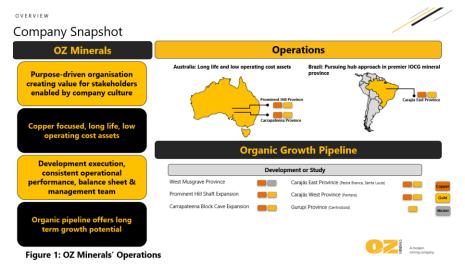
OZ Minerals Prominent Hill Operations Pty Ltd (OZ Minerals) is seeking expressions of interest from companies with the capability and capacity to provide Concentrate Logistics services at its mine site in South Australia.

#### 1.1 OZ Minerals Overview

OZ Minerals is a copper-focused international company based in South Australia. Listed on the Australian Securities Exchange (ASX100), it has a growth strategy that is focused on creating value for all stakeholders. To ensure success, the OZ Minerals strategy is to have a copper core with multiple assets, LEAN business principles and a customer focus. It has a strong commitment to safety; capital discipline and its values underpin everything it does.

OZ Minerals is a Modern Mining Company that adapts to an everchanging environment, harnessing the innovative ideas of its people and collaborating to leverage the experience of those around them. As Australia's third largest copper producer, with quality assets, a healthy cash balance and no debt,

OZ Minerals is ideally positioned for global growth. OZ Minerals owns and operates the copper-gold mine at Prominent Hill and Carrapateena. Both Mines are in South Australia.



It is important for OZ Minerals to be a welcome member of the community and it actively seeks opportunities to contribute to society in positive ways. OZ Minerals values its social licence to operate and energetically works to maintain it through its daily behaviour and conduct.

OZ Minerals believes that what it does, how it does it and working together is an important part of value creation. To be successful for its stakeholders, OZ Minerals is: Thinking and acting differently

- Building a culture of respect that enables its people to succeed
- Focusing on partnerships and collaboration, not hierarchy
- Delivering superior results through effective planning and agile deployment
- Doing what it says it will do and taking action
- Acting with **integrity** and engaging with its stakeholders

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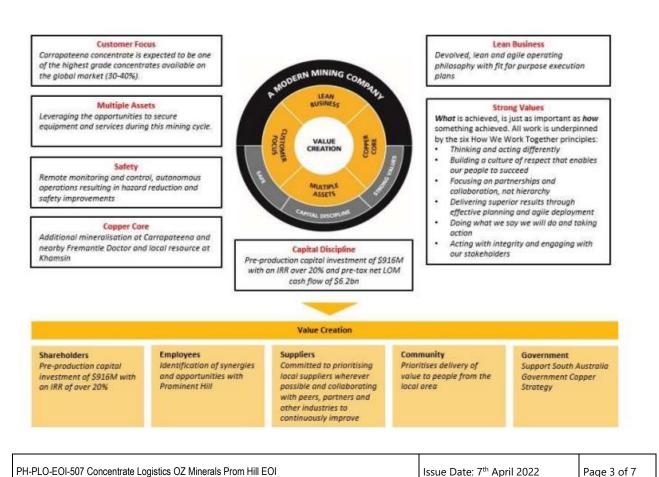


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## 1.2 OZ Minerals Strategic Aspirations

Our Prominent Hill mine is consistent with, and supports the strategic direction of, OZ Minerals as 'A Modern Mining Company' (as shown in Figure 2), including:

- A focus on operational excellence and adaptability through innovation and a lean & agile operating philosophy.
- An operation that is integrated into and prioritises the Upper Spencer Gulf, Outback Communities and South Australia, ensuring value creation for local communities and greater workforce certainty.
- Incorporation of latest proven technologies to permit remote monitoring and control, autonomous operations and the new possibilities for risk reduction, safety improvement, process optimisation and equipment utilisation that will come from the next wave of technology.
- Latest technology to enable efficient development and operations of the resource to maximise benefits to all stakeholders.
- Collaboration internally across business units and externally with our peers, partners and other industries to allow a learning and continuously improving operation.
- Fit for purpose execution, delivery, and operational strategies with a considered allocation of risk.
- Leveraging opportunities to secure people, equipment, and services during the current mining cycle.





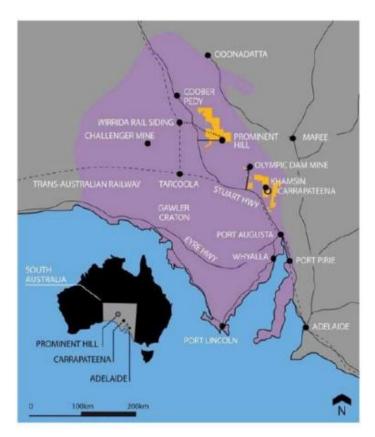
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#### 1.3 Prominent Hill Overview

The Prominent Hill gold and copper mine is 650km north-west of Adelaide, about 130km from Coober Pedy in the Gawler Craton. Operating a copper gold mine in South Australia, currently producing in the lowest cost quartile globally and delivering on its annual production guidance for the past five years. Mining operations commenced in 2006 when pre-strip for the open pit began. Open pit ore processing started in 2009 and in 2018 the site converted to an underground-only operation ramping up to a 4 million tonnes per annum (Mtpa) run rate in 2020. Further plans to increase production to between 4 and 5 MTPA by 2022 were announced in August 2020.

During this time, Prominent Hill's operations have continually evolved as we moved from an open pit mine to an underground-only operation. Today our operation involves an underground mine, conventional crushing and grinding, and a flotation processing plant.

The site is accessible directly by air and from the Stuart Highway by a 45 km all-weather road used for materials and equipment supply and concentrate haulage. Grid power is provided, and water provided from a dedicated bore field.



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### 1.4 OZ Minerals' Supplier Partnerships

OZ Minerals is committed to ethical and sustainable procurement.

#### At all times we aim to:

- Achieve the highest standard of safety and health in all activities we are engaged in.
- Respect the local communities and the environment in which we operate.
- Identify and work with best practice suppliers.
- Establish relationships that mutually benefit all parties.
- Encourage efficiency, continuous improvement and innovation among our suppliers.

Obtain goods and services from approved suppliers that meet internal and external specifications that are competitively priced

# 2 Expressions of Interest

### 2.1 The Expression of Interest (EOI) Process

The objective of the EOI process is to identify a contractor that has the suitable capacity, capability, and experience to provide the works required and can demonstrate a commitment to delivering value to OZ Minerals Prominent Hill Operation to the mutual benefit of both.

The EOI is the first stage of a multi-stage process where proponents seeking to participate in the tender process shall express its interest by submitting:

- 1) Organisation Capability Statement and additional supporting information; and
- 2) Completion of Section 4: Pre-Qualification Questionnaire with supporting evidence

OZ Minerals intends to solicit proposals for the supply of these services from a select number of suppliers through a competitive Request for Tender (RFT) process:

- It is anticipated a RFT process will commence in late April 2022; and
- It is expected the supply for these services will commence in quarter 4, 2022 under a long-term partnership agreement.



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# 3 Concentrate Logistics Services

The Concentrate Logistics services operate a road heavy haulage 24-hour operation, 365 days a year. The Product is transported in purpose built BK2 rated containers. This service is required to deliver a consistent supply of Product to the Delivery Point consistent with the Prominent Hill Mine production plan.

The Contractor shall provide the following services:

- 3) **Product Haulage:** Supply of Heavy Haulage operations to manage the container filling, loading and transport of Bulk Concentrate Product from OZ Minerals Prominent Hill site in supplied containers (BK2 Containers), by road to the Wirrida Rail Siding;
- 4) **Prominent Hill Concentrate Pad Management** services are required for the bulk concentrate product lay down and storage at the Prominent Hill processing plant located at the Mine Site
- 5) **Wirrida Rail Siding** operations as an intermodal site for the optimisation of containers to meet OZ Minerals marketing objectives for the delivery of product concentrate to OZ Minerals customers.
- 6) **Container Management** services are to be provided by the Contractor for:
  - a. Manage the transfer of containers, per distribution model option, as required; and
  - b. Conduct container serviceability inspections and rectification as directed
- 7) **Support Services** following are required to ensure OZ Minerals marketing and operations objectives are achieved.
  - a. <u>Logistics Collaborative Support Services:</u> proactively communication and collaborate OZ minerals Operations and Metallurgy department to ensure all OZ Minerals customers receive shipments of Concentrate product in full on time to the agreed product specifications.
  - b. Product Quality Testing; and
  - c. Access to <u>maintenance workshop</u> for contractor's onsite equipment.

To assist the Contractor, it is noted that the rail service will provide one delivery per week to Berth 29, Port Adelaide, pulling up to 20 wagons per service (each comprising 80 Containers) and one service per week to Tennant Creek each way (with peak capacity of up to 20 wagons per service, each way). The agreed capacity may be increased at the request of OZ Minerals given a suitable notification period and as agreed by the Contractor.

The Contractor services will include operational planning to demonstrate how the contract intends to manage production variations of Product in a range no greater than –10% to +50% (Permissible Annual Tonnage Variations).

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For each component of the delivery of these services, the Contractor will be expected to undertake a risk assessment (as applicable to their services) and provide operational procedures to demonstrate how it will manage Permissible Annual Tonnage Variations and freight tasks including surge activity in the process caused by either increased or decreased production or equipment malfunction or availability.

Five (5) year projection of Concentrate tonnage from the Prominent Hill Mine

Year	2023	2024	2025	2026	2027
Concentrate DMT	101,735	89,534	108,090	105,775	107,055
Concentrate WMT	111,900	98,500	118,900	116,400	117,800

# 3.1 Concentrate Product Specifications

The composition of the concentrate product is a Dangerous Goods Class 9 UN 3077 Haz Chem Code 2Z. Packing group 3. The Concentrate Material Properties stating the **Error! Reference source not found.** and the Material Safety Data Sheet (MSDS) are available upon request.

#### 4 Disclaimer

#### 4.1 OZ Minerals to Act at its Discretion

OZ Minerals reserves the unconditional right, at its sole discretion, to:

- a) Reject any or all suppliers from participating in the RFT process;
- b) Review, evaluate and dispose of any EOI as it sees fit; and
- c) Suspend or discontinue, temporarily or permanently, the Request for Tender process, at any time and for any reason, without being under any obligation to give reasons for undertaking any of the actions specified in paragraphs (a) to (c).