

Solo power as OZ forges ahead

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RESOURCES

OZ Minerals says it is pushing ahead with its planned Carrapateena copper mine in South Australia, despite having to raise power cost assumptions and work on developing its own power security strategy.

But it is looking further afield for growth, with chief executive Andrew Cole revealing OZ is studying a copper and nickel mine in Western Australia that could be as big as its flagship Prominent Hill copper and goldmine.

The Adelaide-based miner, which moved from Melbourne in 2015, yesterday delivered a full-year profit of \$107.8 million, down from \$130.2m the year before because of lower production, including from November's statewide South Australian blackout, and a one-off charge for a legal issue.

A final dividend of 14c per share was paid, the highest in five



Source: Bloomberg

years, bringing the full-year dividend to 20c, fully franked.

The company's cash, which will help develop the Carrapateena project where approval is targeted this year, rose 19 per cent to \$656m.

Mr Cole, who has overseen a doubling of the OZ share price in the past year, said the company was working on securing its own energy supply in light of South Australian outages last year,

which cost the company \$15m.

"We are working on a power strategy that looks forward for decades," he said, adding that details were not ready to be revealed.

"We have to take ownership of the power situation and not leave it to others to fix, but having said that, we want to see the state government and federal government work together to come up with a set of solutions to benefit South Australia and all of Australia."

OZ is also studying the West Musgrave copper and nickel project in Western Australia, owned by junior explorer Cassini Resources.

It has committed to an initial \$3m scoping study on the Nebo-Babel prospect, after which OZ has the option of a 70 per cent stake for another \$33m.

Mr Cole said the project could be as big as Prominent Hill.

Yesterday, on a down day for resources, OZ shares fell 33c, or 3.3 per cent, giving the company a market value of \$2.88 billion.