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REPORT ON PAYMENTS TO GOVERNMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

KAZ Minerals PLC (“KAZ Minerals” or “the Group”) today provides information in accordance with DTR4.3A and The Reports on Payments to Governments Regulations 2014 (the “Regulations”) in respect of payments made by the Group for the year ended 31 December 2018.

Payments to Governments

The table below represents the Group’s consolidated report on payments made to governments under the Regulations. The table includes all payments made in excess of £86,000 (\$114,000) for activities related to the exploration, prospection, discovery, development and extraction of minerals by project, government type and country, rounded to the nearest thousand US Dollars. Where the payment relates to activities that are reportable under the Regulations, as well as to activities which are not reportable, the payment has been included in its entirety if it is not possible to disaggregate it.

For the year ended 31 December 2018, payments to governments under the Regulations amounted to \$314.5 million.

US\$'000	Corporate income taxes	Mineral Extraction Tax and Royalties ⁽¹⁾	Withholding tax	Signature bonus	Licence fee ⁽²⁾	Infrastructure and social payments ⁽³⁾	Total
KAZAKHSTAN							
Artemyevsky licence	-	12,584	-	-	-	-	12,584
Irtysky licence	-	7,552	-	-	359	-	7,911
Orlovsky licence	-	25,520	-	-	-	-	25,520
Yubileyno-Snegirikhinsky licence	-	-	-	-	145	-	145
Legal entity	36,684	-	-	-	-	3,258	39,942
Total East Region	36,684	45,656	-	-	504	3,258	86,102
Aktogay licence and legal entity	11,636	69,451	16,378	-	1,011	1,961	100,437
Bozshakol licence and legal entity	2,206	84,385	24,720	-	148	4,171	115,630
Koksay licence and legal entity	-	-	-	-	-	-	-
Other legal entities	556	-	-	-	-	-	556
	51,082	199,492	41,098	-	1,663	9,390	302,725
RECIPIENT							
State Revenue Committee	51,082	199,492	41,098	-	652	-	292,324
Local government	-	-	-	-	1,011	9,390	10,401
	51,082	199,492	41,098	-	1,663	9,390	302,725
KYRGYZSTAN							
Bozymchak licence and legal entity	-	8,690	-	-	-	-	8,690
RECIPIENT							
State Tax Administration (central government)	-	5,766	-	-	-	-	5,766
Local government	-	2,924	-	-	-	-	2,924
	-	8,690	-	-	-	-	8,690
UNITED KINGDOM							
Legal entity paid to HMRC	3,098	-	-	-	-	-	3,098
Total Payments to Governments	54,180	208,182	41,098	-	1,663	9,390	314,513

- (1) The Mineral Extraction Tax is payable in Kazakhstan on the value of the mineral resources extracted based on the average price of the minerals on the London Metal Exchange or at the London Bullion Market Association. Royalties are paid by Bozymchak on sold metal.
- (2) Payments made as required under subsoil use licence.
- (3) Infrastructure and social payments represent payments made to bodies, associations, trusts, state-owned enterprises and other public interest groups located in the regions in which the Group operates. These payments include the transfer of assets at their book value, which the Group regards as social payments because they benefit the local communities.

A copy of this report can be found on the Company's website at: <https://www.kazminerals.com/investors/news/>

For further information please contact:

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NOTES TO EDITORS

KAZ Minerals PLC is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan, Kyrgyzstan and Russia. It operates the Bozshakol and Aktogay open pit copper mines in the Pavlodar and East Region of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2018, total copper production was 295 kt with by-products of 50 kt of zinc in concentrate, 183 koz of gold and 3,511 koz of silver.

The Group's new operations at Bozshakol and Aktogay have delivered one of the highest growth rates in the industry and transformed KAZ Minerals into a company dominated by world class, open pit copper mines.

Bozshakol is a first quartile asset on the global cost curve with an annual ore processing capacity of 30 million tonnes and a remaining mine life of 38 years at an average copper grade of 0.37%. The mine and processing facilities commenced output in 2016 and will produce an average of 100 kt of copper cathode equivalent and 120 koz of gold in concentrate per year over the first 10 years of operations.

Aktogay is a large scale, open pit mine similar to Bozshakol, with a remaining mine life of 27 years (including the expansion project) at an average copper grade of 0.36% (oxide) and 0.33% (sulphide). Aktogay commenced production of copper cathode from oxide ore in December 2015 and copper in concentrate from sulphide ore in February 2017. The operating sulphide concentrator has an annual ore processing capacity of 25 million tonnes and the sulphide processing capacity will be doubled to 50 million tonnes with the addition of a second concentrator by the end of 2021. Aktogay is competitively positioned on the global cost curve and will produce an average of 90 kt of copper per year from sulphide ore until 2021, increasing to 170 kt per year from 2022 to 2027, after the second concentrator commences operations. Copper production from oxide ore will be in the region of 20 kt per annum until 2025.

In January 2019, the Group acquired the Baimskaya copper project in the Chukotka region of Russia. Baimskaya is one of the world's most significant undeveloped copper assets with the potential to become a large scale, low cost, open pit copper mine. The Peschanka deposit within the Baimskaya licence area has JORC resources of 9.5 Mt of copper at an average grade of 0.43% and 16.5 Moz of gold at an average grade of 0.23 g/t. Average annual production over the first ten years of operations is expected to be 250 kt copper and 400 koz gold, or 330 kt Copper Equivalent Production, with a mine life of approximately 25 years and first quartile operating costs. The project is located in a region identified by the Russian Government as strategically important for economic development and will benefit from the construction of state-funded power and transport infrastructure and the provision of tax incentives. The estimated capital budget for the construction of the project is \$5.5 billion. The Group expects the project to generate a significant NPV uplift and an

attractive IRR at analyst consensus copper prices. The development of Baimskaya will enable the Group to continue its high growth trajectory, adding a large-scale, long-life asset to the Group's portfolio.

KAZ Minerals is listed on the London Stock Exchange and the Kazakhstan Stock Exchange and employs around 14,000 people, principally in Kazakhstan.