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## REPORT ON PAYMENTS TO GOVERNMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019.

### 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 (\$110,000) 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 2019, payments to governments under the Regulations amounted to \$325.8 million.

US\$'000	Corporate income taxes	Mineral Extraction Tax and royalties <sup>(1)</sup>	Withholding tax	Signature bonus	Licence fee <sup>(2)</sup>	Infrastructure and social payments <sup>(3)</sup>	Total
<b>KAZAKHSTAN</b>							
Artemyevsky - license	-	14,116	-	-	-	-	14,116
Irtysky - license	-	7,853	-	-	-	-	7,853
Orlovsky - license	-	17,676	-	-	-	-	17,676
Legal entity	16,582	-	-	-	-	3,618	20,200
<b>Total East Region</b>	<b>16,582</b>	<b>39,645</b>	-	-	-	<b>3,618</b>	<b>59,845</b>
Aktogay licence and legal entity	30,245	90,115	9,847	-	1,011	11,887	143,105
Bozshakol licence and legal entity	20,376	71,029	12,551	-	133	5,657	109,746
Koksay licence and legal entity	-	-	-	-	-	-	-
Other legal entities	1,252	-	-	-	-	-	1,252
	<b>68,455</b>	<b>200,789</b>	<b>22,398</b>	-	<b>1,144</b>	<b>21,162</b>	<b>313,948</b>
<b>RECIPIENT</b>							
State Revenue Committee	68,455	200,789	22,398	-	133	3,608	295,383
Local government	-	-	-	-	1,011	17,554	18,565
	<b>68,455</b>	<b>200,789</b>	<b>22,398</b>	-	<b>1,144</b>	<b>21,162</b>	<b>313,948</b>
<b>KYRGYZSTAN</b>							
Bozymchak licence and legal entity	-	<b>8,444</b>	<b>2,703</b>	-	-	<b>171</b>	<b>11,318</b>
<b>RECIPIENT</b>							
State Tax Administration (central government)	-	5,852	2,703	-	-	-	8,555
Local government	-	2,592	-	-	-	171	2,763
	-	<b>8,444</b>	<b>2,703</b>	-	-	<b>171</b>	<b>11,318</b>
<b>RUSSIA</b>							
Baimskaya licence and legal entity	-	-	-	-	-	<b>548</b>	<b>548</b>
<b>RECIPIENT</b>							
Federal Tax Service	-	-	-	-	-	-	-
Local government	-	-	-	-	-	548	548
	-	-	-	-	-	<b>548</b>	<b>548</b>
<b>UNITED KINGDOM</b>							
Legal entity paid to HMRC	-	-	-	-	-	-	-
<b>Total Payments to Governments</b>	<b>68,455</b>	<b>209,233</b>	<b>25,101</b>	-	<b>1,144</b>	<b>21,881</b>	<b>325,814</b>

- (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. Mineral Extraction Tax includes taxes paid on water extraction.
- (2) Payments made as required under subsoil use license.
- (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** is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan, Russia and Kyrgyzstan. It operates the Aktogay and Bozshakol open pit copper mines in the East Region and Pavlodar region of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2019, total copper production was 311 kt with by-products of 201 koz of gold, 3,382 koz of silver and 38 kt of zinc in concentrate. The Group acquired the Baimskaya project in the Chukotka region of Russia in January 2019, 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 Group's new operations at Aktogay and Bozshakol have delivered industry leading production growth and transformed KAZ Minerals into a company dominated by world class, open pit copper mines.

Aktogay is a large scale, open pit mine similar to Bozshakol, with a remaining mine life of around 25 years (including the expansion project) at an average copper grade of 0.35% (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 100 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 2024.

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 c.40 years at an average copper grade of 0.36%. 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.

The Peschanka deposit within the Baimskaya licence area in Russia 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. 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 construction is around \$7 billion, with c.10% to be incurred after the commencement of production. The detailed parameters of the project are to be confirmed on completion of the feasibility study by the end of 2020. 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 16,000 people, principally in Kazakhstan.