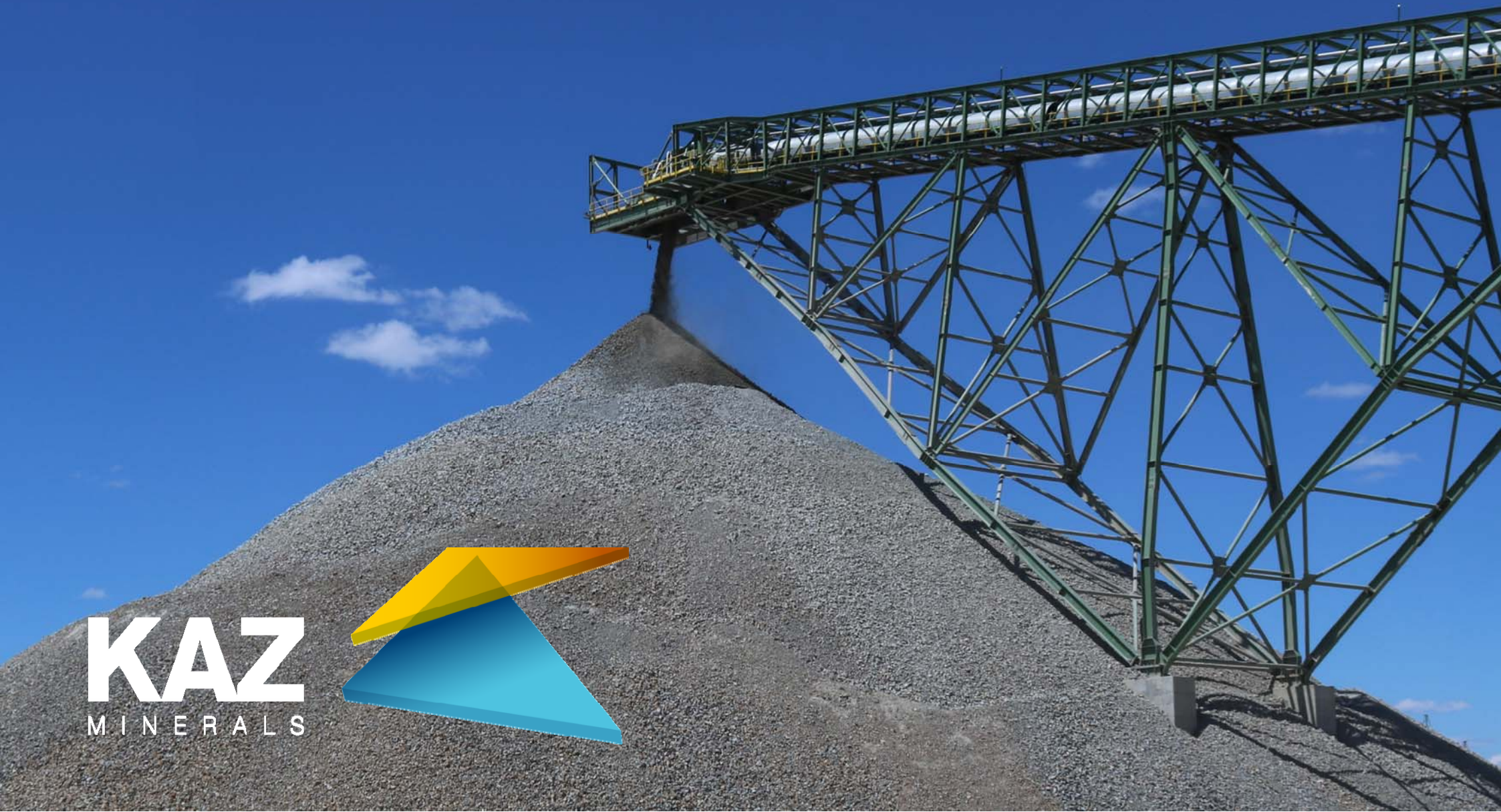
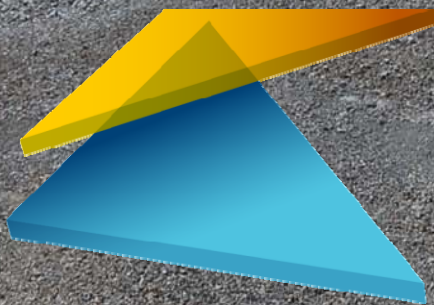


# 2017 Half Year Results

17 August 2017

**KAZ**  
MINERALS



# IMPORTANT NOTICE

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All financial definitions can be found in the Half-Yearly Results 2017 press release. See glossary for definitions.

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# AGENDA

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1. H1 2017 highlights
2. Operations review
  - Aktogay
  - Bozshakol
  - East Region and Bozymchak
3. Financial update
4. Achieving our potential

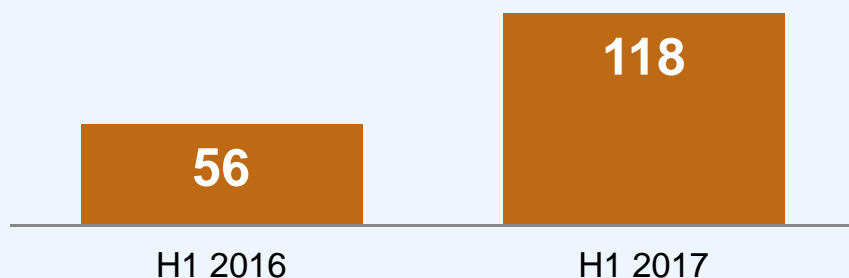
# 1. H1 2017 highlights

**OLEG NOVACHUK**  
CHIEF EXECUTIVE OFFICER

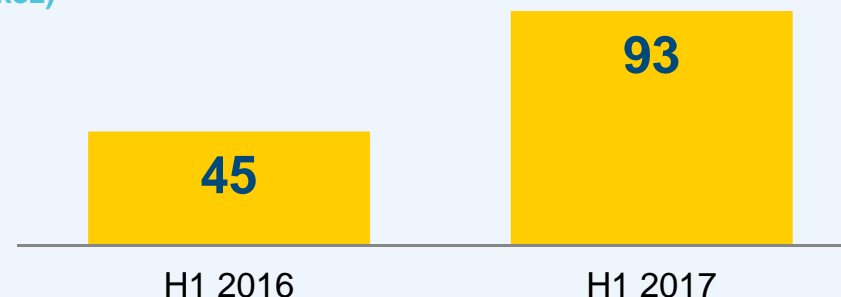
# H1 2017 HIGHLIGHTS



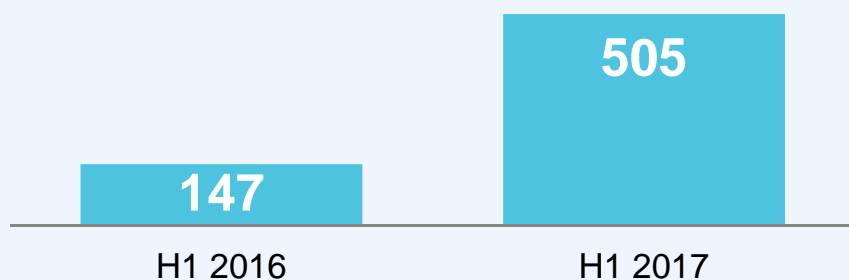
**Copper production**  
(kt)<sup>1</sup>



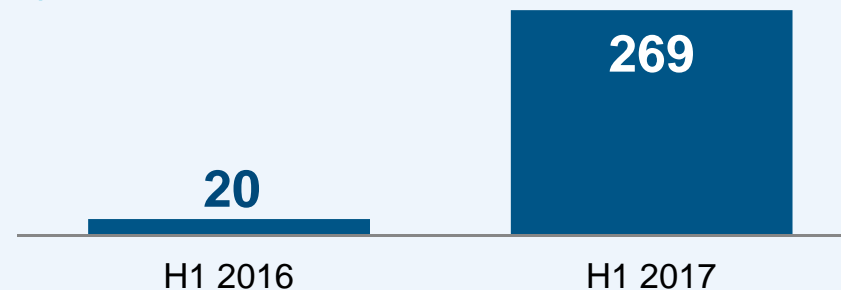
**Gold production**  
(koz)<sup>1</sup>



**Gross EBITDA**  
(\$m)<sup>2</sup>



**Free Cash Flow (before interest)**  
(\$m)<sup>3</sup>



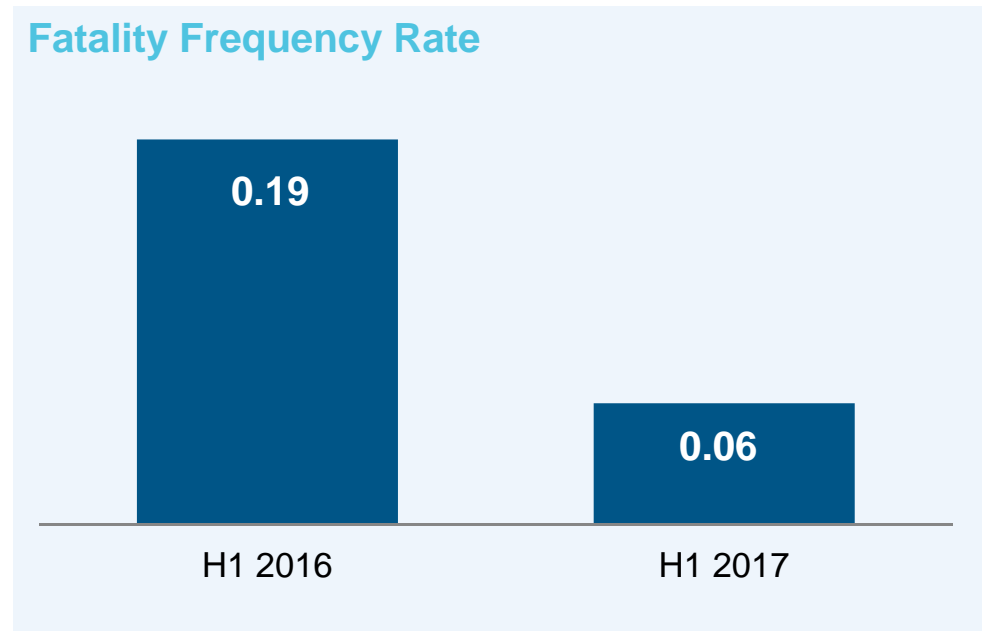
Notes:

1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Gross EBITDA (excluding MET, royalties and special items) includes all operations, including the period prior to commercial production.
3. Net cash flow from operating activities before capital expenditure and non-current VAT associated with expansionary and new projects less sustaining capital expenditure.

# HEALTH AND SAFETY



- ▶ One fatality in 2017 YTD, rock fall incident at the Irtyshtsky mine
  - Long term reduction in fatalities continues
  - Fatality frequency rate of 0.06 is the lowest ever recorded by the Group
  - Zero fatalities at Bozshakol, Aktogay and Bozymchak since operations commenced
- ▶ Total recordable injuries reduced from 29 in H1 2016 to 28 in H1 2017
- ▶ Current priorities:
  - Audits of health and safety standards
  - New 'permit to work' procedures
  - Personal protective equipment standardisation

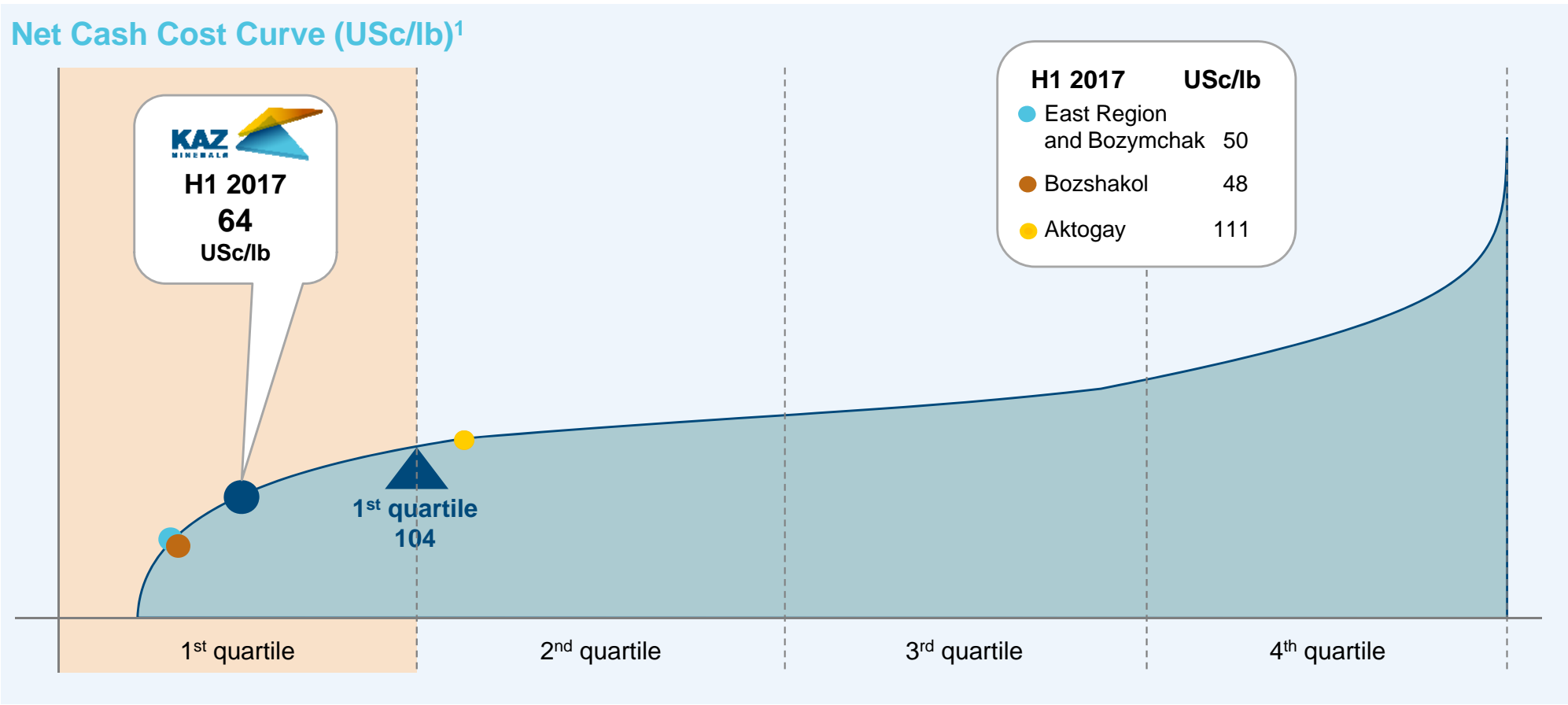




# LOW COST POSITION MAINTAINED



Net Cash Cost Curve (USc/lb)<sup>1</sup>



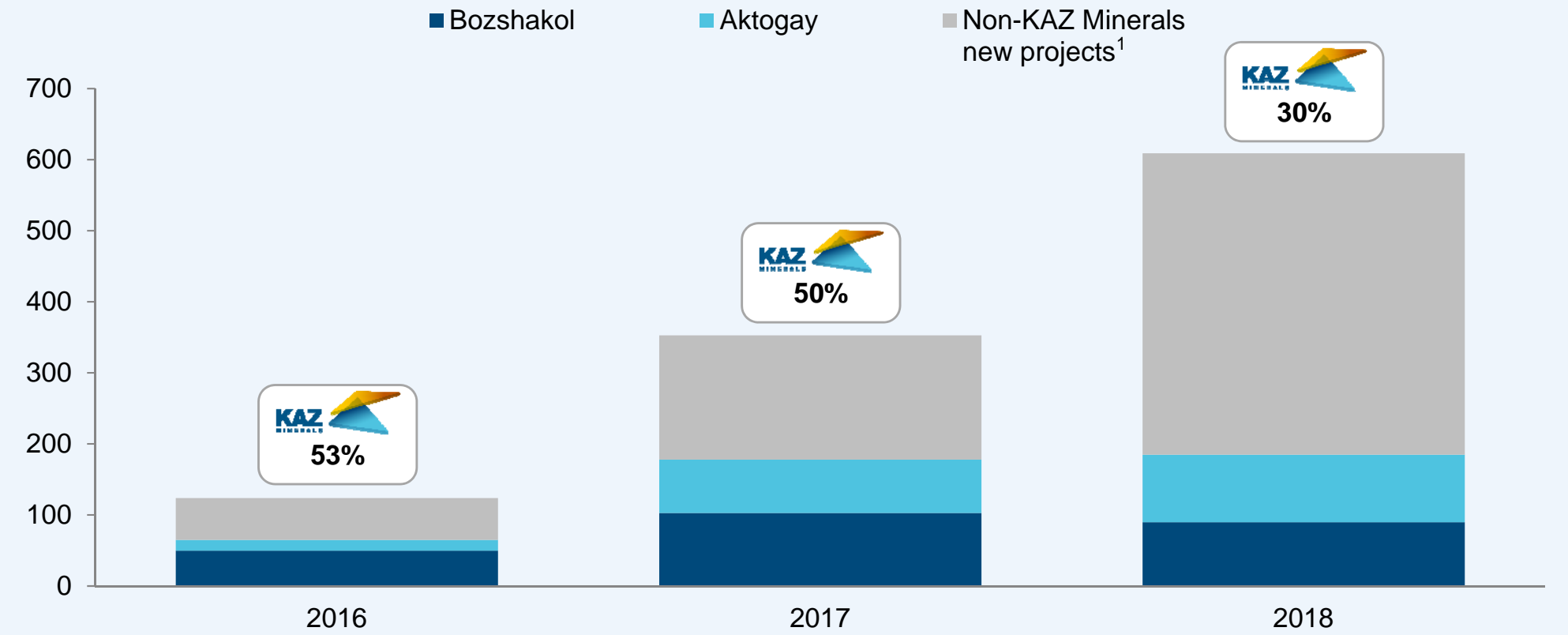
Notes:

1. Conceptual representation as at 30 June 2017, not to scale.

# DELIVERING GLOBALLY SIGNIFICANT NEW PRODUCTION



Global supply from new copper projects – initial production 2016 or later (kt)



Source Wood Mackenzie Global copper long-term outlook Q2 2017. 2017 and 2018 KAZ Minerals output as presented by Wood Mackenzie.

1. Non-Kaz Minerals new projects consists of greenfield and brownfield projects. Greenfield projects consists of: Kamoya, Kolwezi, Dabaoshan, Pulang, Qulong, Shaxi, Xiongkun, Ta Phoi, Antas, Cobre Panama, Magistral, San Nicolas Tails, Deflector, Nova Bollinger, Thalanga, Altay Polimetally, Bystrinskoe, Soremi SX/EW, Kazandol SX/EW, Kolwezi SX/EW; Brownfield projects consists of: Kinsenda, Mopani Deeps, Metalkol SX/EW, Lepadaungtaung SX/EW, Capricorn Copper. Oyu Tolgoi expansion and Chuquicamata Underground scheduled to commence production in 2019 (based on Wood Mackenzie estimates) and thus are not included in the above.



## 2. Aktogay update

**OLEG NOVACHUK**  
CHIEF EXECUTIVE OFFICER

# AKTOGAY PROGRESSING WELL

- ▶ Aktogay produced 33 kt copper in H1 2017
  - 10 kt oxide
  - 23 kt sulphide
- ▶ Ramp up of sulphide concentrator progressing well, achieved 47% of design throughput in Q2
- ▶ High grade supergene ore supported output
  - Copper grade of 0.75% in the first half
  - Grade expected to reduce in remainder of 2017
- ▶ Bottom of full year copper guidance range increased, now 70-85 kt
  - c.20 kt oxide
  - 50-65 kt sulphide



*Aktogay open pit*



*Aktogay open pit  
July 2017*



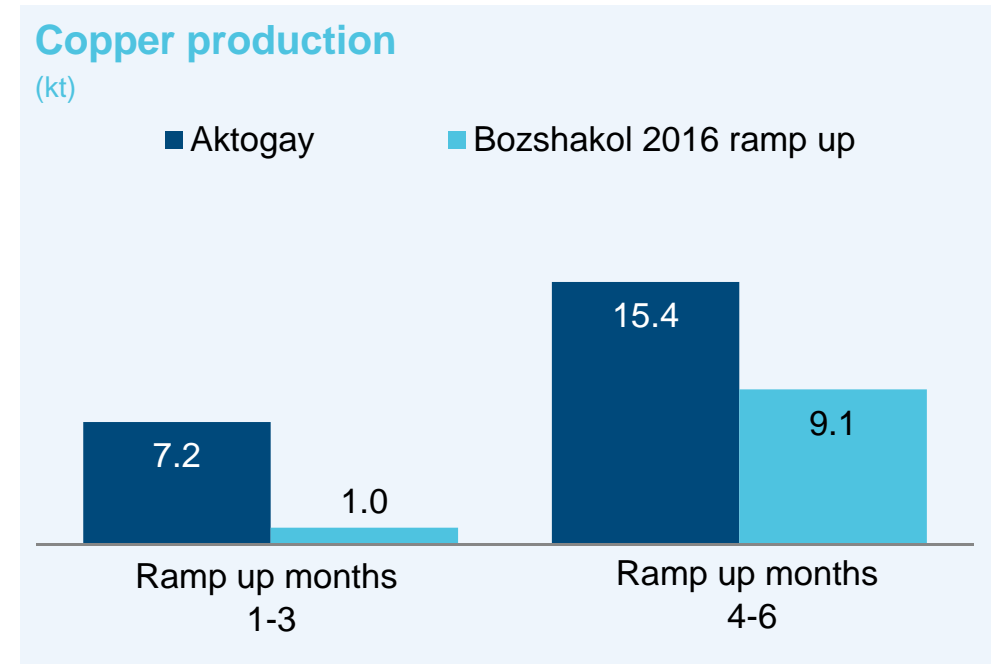
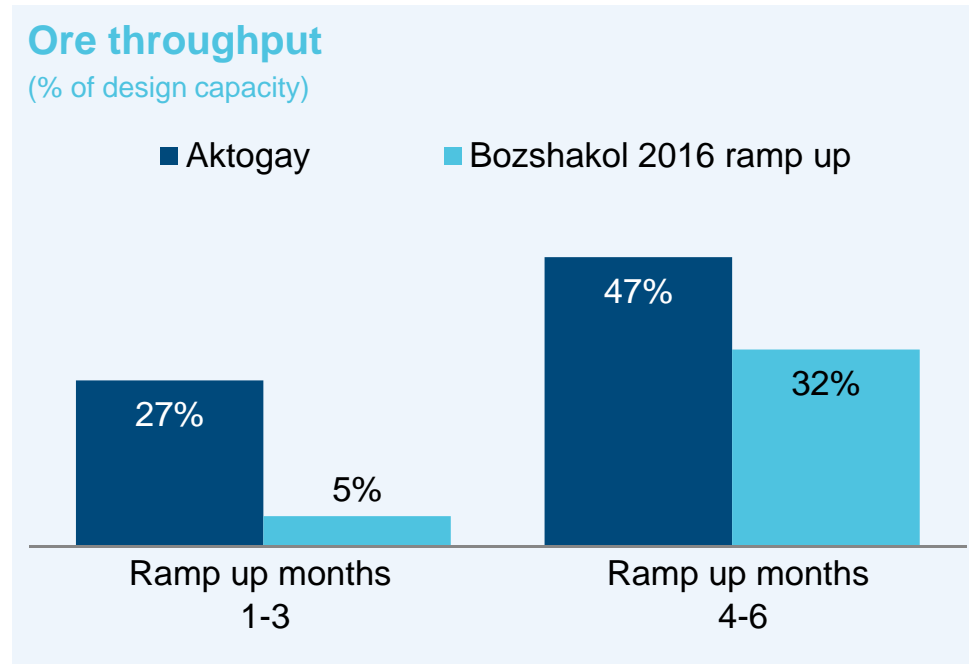
*Aktogay sulphide concentrator*



# AKTOGAY SULPHIDE RAMP UP COMPARISON



## Aktogay commissioning team has benefited from lessons learnt at Bozshakol



▶ The Aktogay concentrator ramp up in H1 2017 has proceeded faster than the ramp up of Bozshakol, one year ago

▶ High grade sulphide material (0.75%) has supported copper production at Aktogay

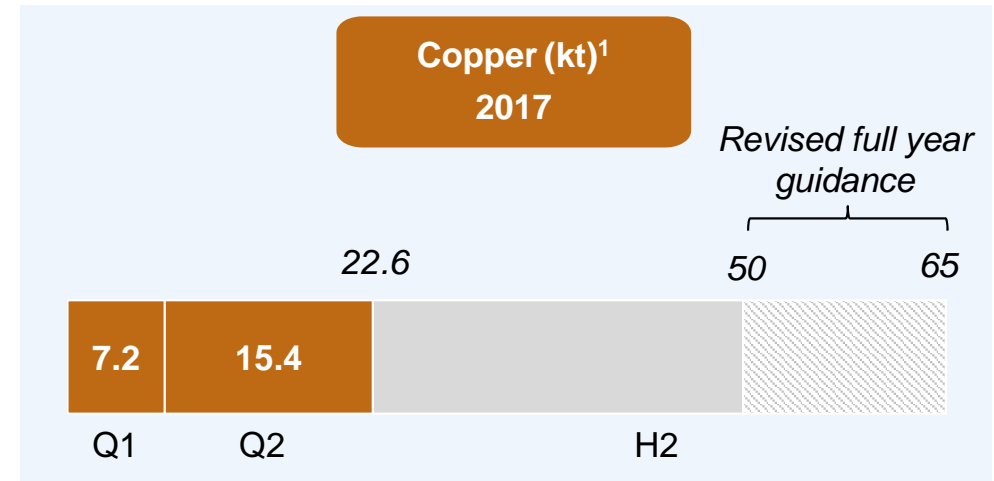
*Aktogay flotation cell  
July 2017*



# AKTOGAY SULPHIDE TARGETS



- ▶ On track to declare sulphide operations commercial in the second half of 2017
- ▶ Well placed to achieve full year sulphide guidance, bottom of range increased, now 50-65 kt
- ▶ Expect to reach design capacity during 2018



Notes:  
1. Payable metal in concentrate.



*Aktogay SAG mill  
July 2017*

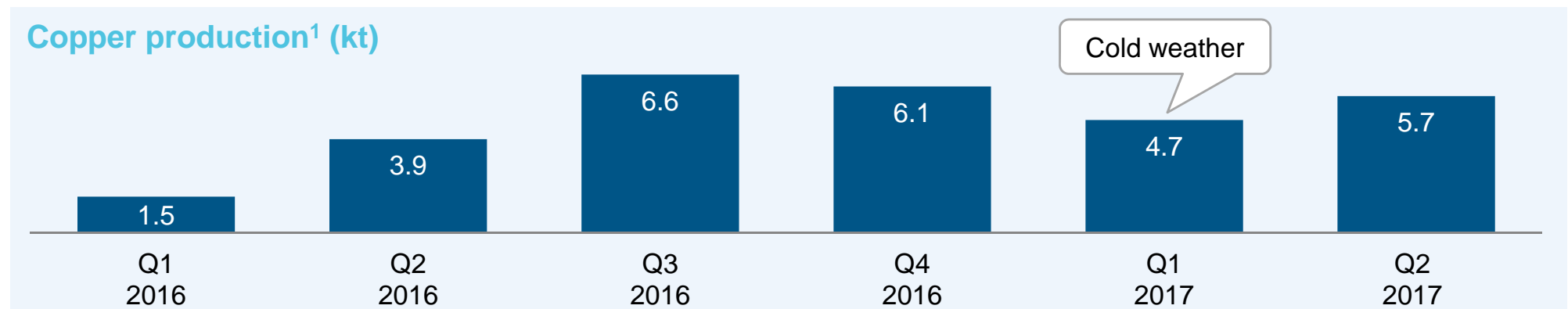
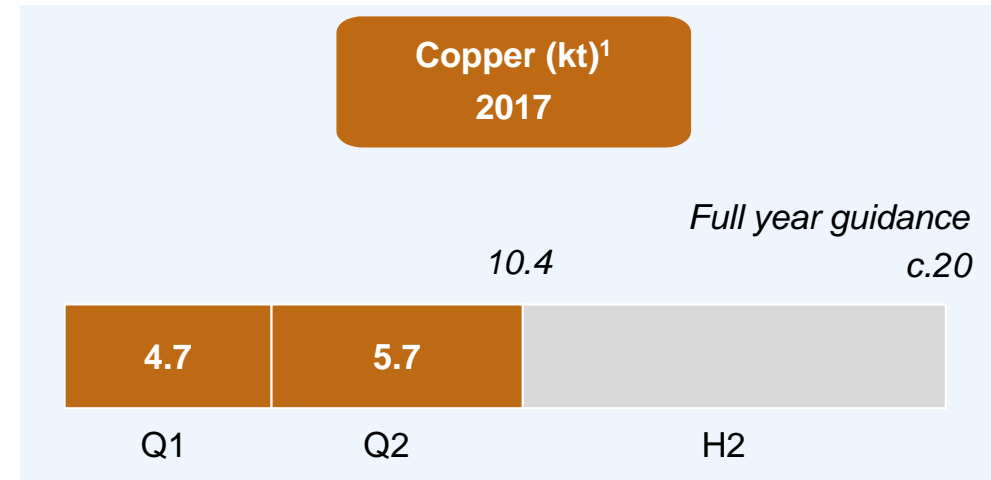




# AKTOGAY OXIDE UPDATE



- ▶ 8.3 Mt oxide ore placed on leach pads in H1 2017, grade 0.42%
- ▶ 10.4 kt copper cathode produced (H1 2016: 5.4 kt)
- ▶ Ramped up and on track to achieve full year guidance



Notes:  
1. Copper cathode production.



*Aktogay copper cathode*

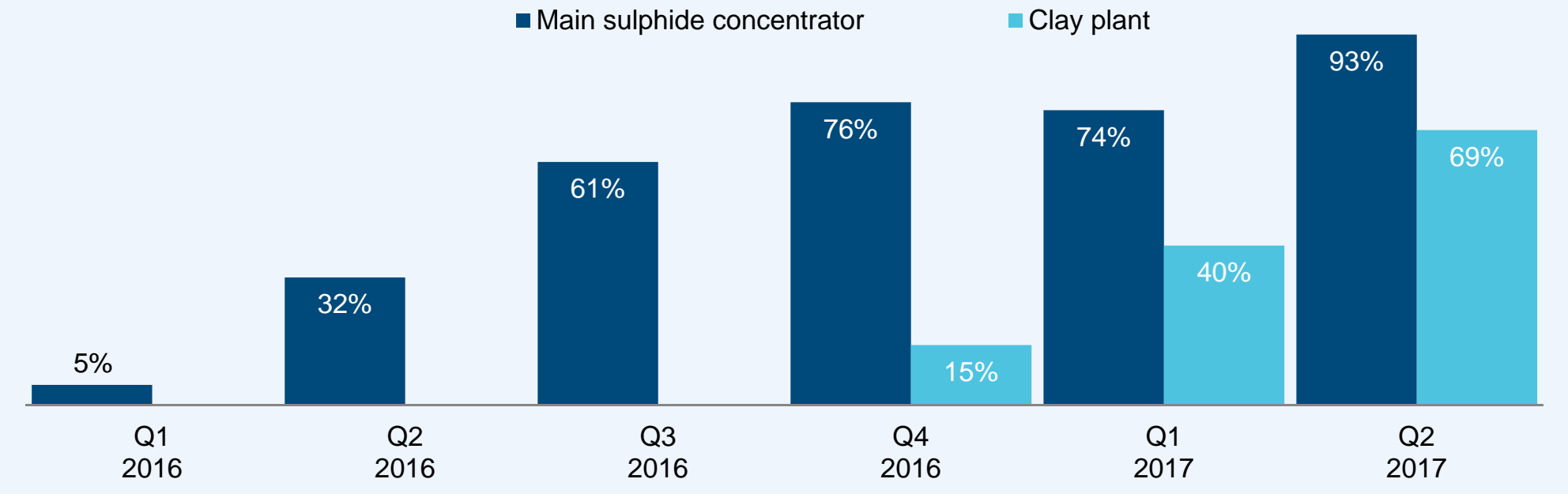
## 2. Bozshakol update

**OLEG NOVACHUK**  
CHIEF EXECUTIVE OFFICER

# BOZSHAKOL IN FINAL STAGES OF RAMP UP



Ore throughput  
(% of design capacity)



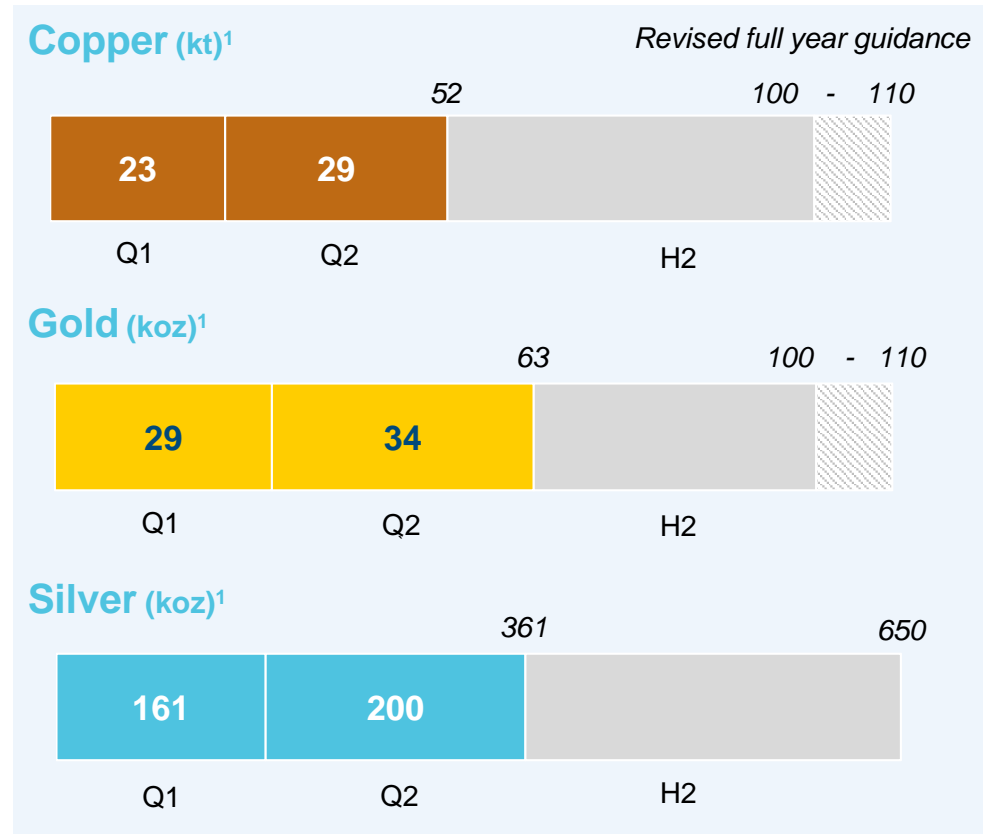
► Expect to achieve 100% of design capacity during H2 2017



# BOZSHAKOL 2017 PRODUCTION GUIDANCE



- ▶ On track to achieve full year copper<sup>1</sup> guidance, bottom of range increased, now 100-110 kt (previously 95-110 kt)
- ▶ Following strong output in the first half, bottom of gold<sup>1</sup> guidance range increased, now 100-110 koz (previously 85-110 koz)
- ▶ Gold grade in second half expected to reduce from current elevated level of 0.31 g/t
- ▶ Silver<sup>1</sup> guidance increased to c.650 koz from c.500 koz



Notes:

1. Payable metal in concentrate.



*Bozshakol open pit  
July 2017*





# CONCENTRATE SALES



- ▶ High demand from China-based smelters for Bozshakol and Aktogay concentrate
  - Average copper grade 23%, no arsenic, high in sulphur
- ▶ Average delivery time of 2 days from Aktogay and 5 days from Bozshakol to Chinese border
- ▶ TC/RCs based on benchmark



*KAZ Minerals copper concentrate*

|                                 | Realised price <sup>1</sup><br>H1 2017 | LME/LBMA price<br>H1 2017 |
|---------------------------------|--|---------------------------|
| <b>Copper</b><br>in concentrate | \$5,238 /t                             | \$5,748 /t                |
| <b>Gold</b><br>in concentrate   | \$1,265 /oz                            | \$1,238 /oz               |
| <b>Silver</b><br>in concentrate | \$16.9 /oz                             | \$17.3 /oz                |

Notes:  
 1. Realised price is based on LME price minus a deduction for TC/RCs. The realised prices for the products sold after TC/RCs will differ from the average LME/LBMA prices during the period due to sales not being made evenly over the period.



## 2. East Region and Bozymchak

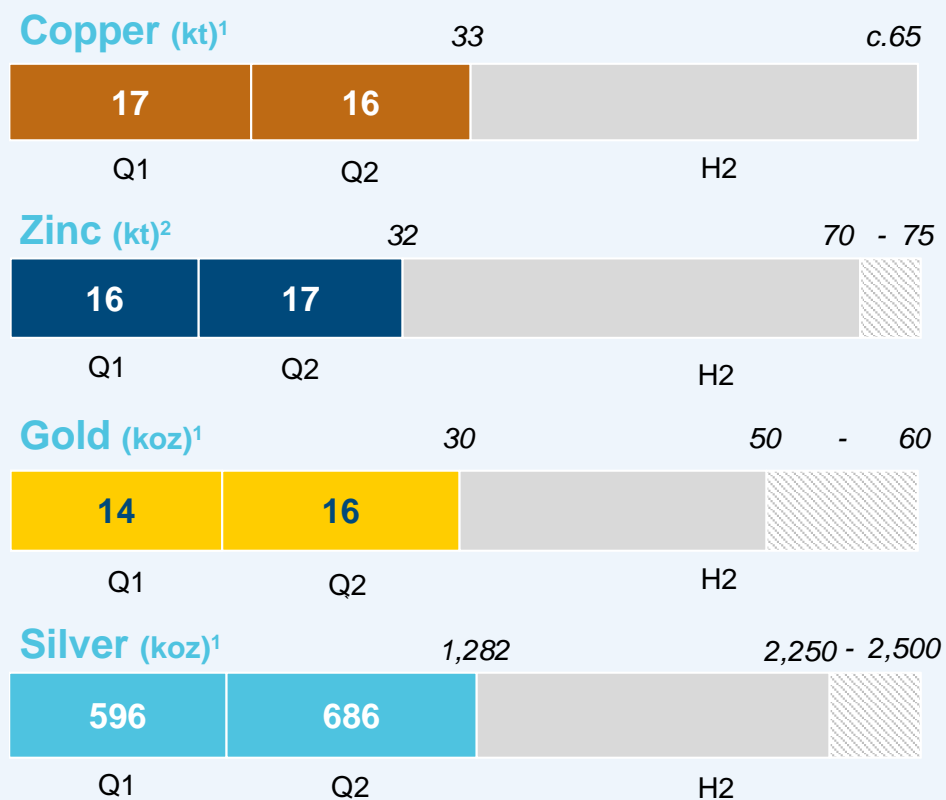
**OLEG NOVACHUK**  
CHIEF EXECUTIVE OFFICER

# EAST REGION AND BOZYMCHAK



- ▶ Copper production of 33 kt, 19% lower than H1 2016
  - Yubileyno-Snegirikhinsky mine closure, December 2016
  - Orlovsky mine ventilation maintenance, six day week from H2 2016
  
- ▶ Bozymchak operated at design capacity throughout H1 2017
  
- ▶ On track to achieve copper production target
  - Gold and silver production expected to be towards the upper end of the guidance
  - Zinc target dependent on confirmation of higher grades in H2 2017

## H1 2017 production vs 2017 guidance



Notes:

1. Payable metal in concentrate.
2. Zinc in concentrate.

# GROUP PRODUCTION GUIDANCE UPDATE



|                                   | H1 2017 | Previous FY guidance       | Revised FY guidance              |   |
|-----------------------------------|---------|----------------------------|----------------------------------|---|
| <b>Copper<sup>1</sup><br/>kt</b>  | 118     | 225 – 260                  | <b>235 – 260</b>                 | ▶ Lower end of copper guidance range increased due to strong Bozshakol and Aktogay production |
| <b>Zinc in concentrate<br/>kt</b> | 32      | 70 – 75                    | <b>70 – 75</b>                   | ▶ Zinc guidance unchanged   |
| <b>Gold<sup>1</sup><br/>koz</b>   | 93      | 135 – 170                  | <b>150 – 170</b>                 | ▶ Bottom of gold range increased following higher grades at Bozshakol                         |
| <b>Silver<sup>1</sup><br/>koz</b> | 1,756   | 2,750 – 3,000 <sup>2</sup> | <b>3,100 – 3,350<sup>2</sup></b> | ▶ Silver guidance increased to reflect Bozshakol and Aktogay contribution                     |

Notes:

1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Minimal volume of silver recovered from Aktogay material. Q1 2017 restated to include 38 koz production.

## 3. Financial update

**ANDREW SOUTHAM**  
CHIEF FINANCIAL OFFICER

# FINANCIAL UPDATE



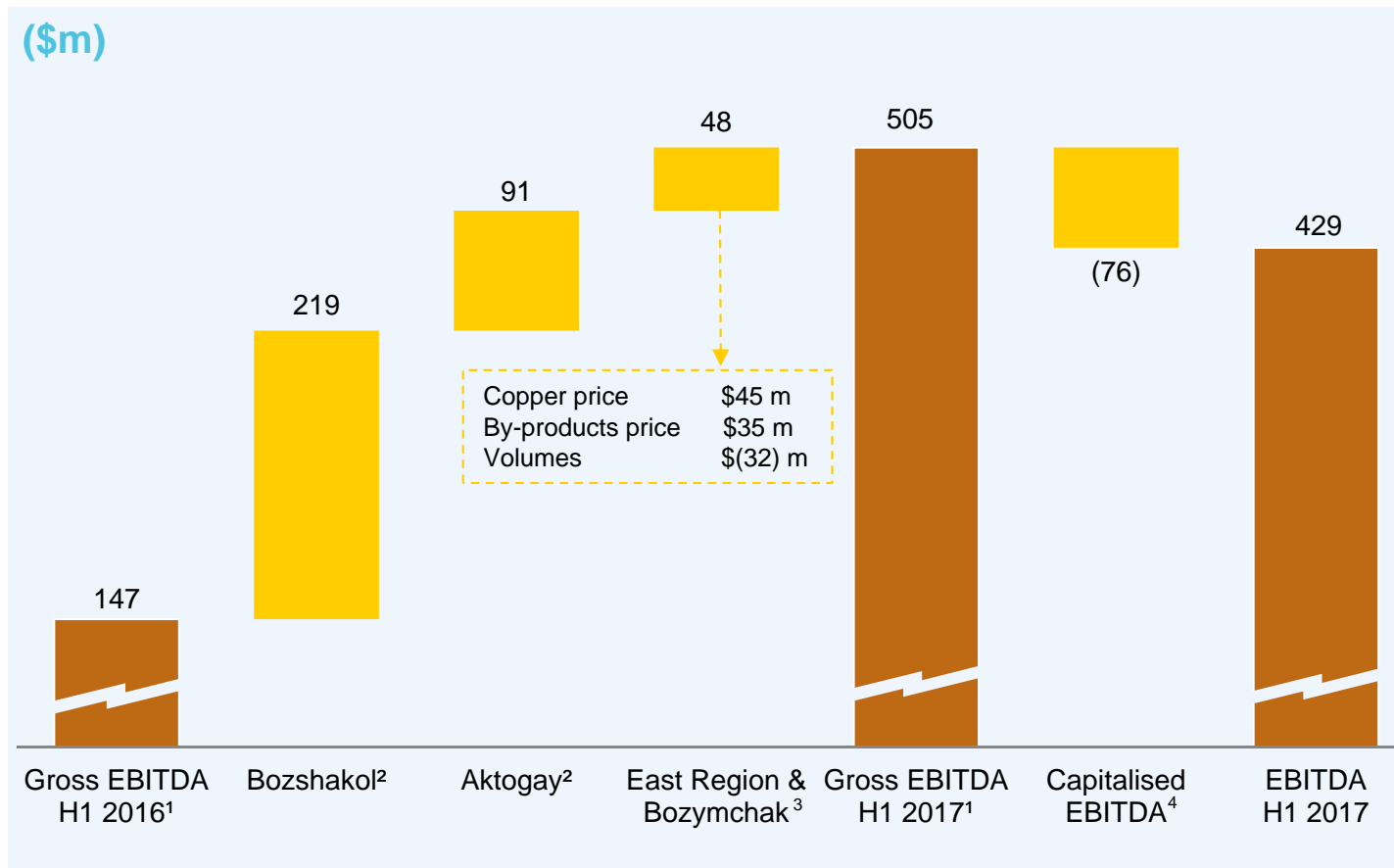
| \$m (unless otherwise stated)                      | H1 2017 | H1 2016 |
|--|---------|---------|
| Gross Revenues <sup>1</sup>                        | 837     | 363     |
| Gross EBITDA <sup>2</sup>                          | 505     | 147     |
| <i>Margin</i>                                      | 60%     | 40%     |
| Revenues   | 721     | 302     |
| EBITDA <sup>3</sup>                                | 429     | 115     |
| Net cash cost (USc/lb) <sup>4</sup>                | 64      | 78      |
| Free Cash Flow (before interest paid)              | 269     | 20      |
| EPS – based on Underlying Profit (\$) <sup>5</sup> | 0.44    | 0.17    |
| Net Debt   | (2,442) | (2,531) |

- ▶ Volume growth and improved commodity prices result in higher revenues, earnings and cash flow
- ▶ Gross EBITDA \$505 million driven by increased revenues and low costs
- ▶ Group net cash cost 64 USc/lb, amongst lowest globally
- ▶ Free Cash Flow before interest of \$269 million supported by cash flow from new operations
- ▶ Net debt \$2,442 million at 30 June 2017, with \$1,563 million of available liquidity

## Notes:

1. Includes all operations, including period prior to commercial production.
2. Gross EBITDA (excluding MET, royalties and special items) includes all operations, including the period prior to commercial production.
3. EBITDA (excluding MET, royalties and special items).
4. Cash operating costs, including pre-commercial production costs, less by-product Gross Revenues, divided by copper sales volumes.
5. EPS based on Underlying Profit excluding special items.

# GROSS EBITDA RECONCILIATION

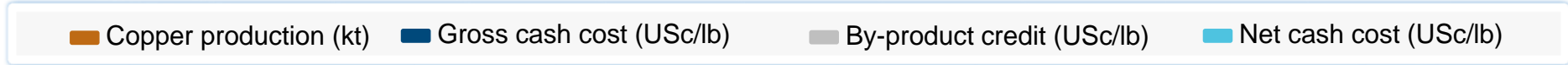


- ▶ 244% increase in Gross EBITDA:
  - Higher volumes from lower cost operations
  - Favourable commodity prices
- ▶ East Region and Bozymchak EBITDA increased as reduction in sales volumes more than offset by higher commodity prices
- ▶ Lower costs partially offset by a slightly stronger tenge

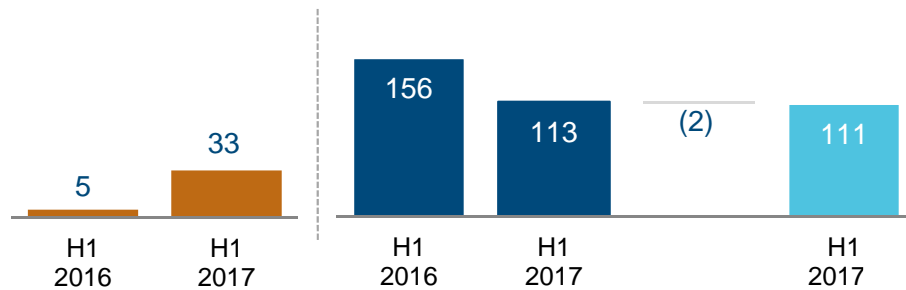
Notes:

1. Includes operations for the full year, including the period prior to commercial production.
2. Represents change in Gross EBITDA from H1 2016 to H1 2017.
3. Includes Corporate services saving of \$2 million.
4. H1 2017 EBITDA capitalised during pre-commercial production at Aktogay (\$64 million) and Bozshakol (\$12 million).

# HIGH GROWTH, LOW COST

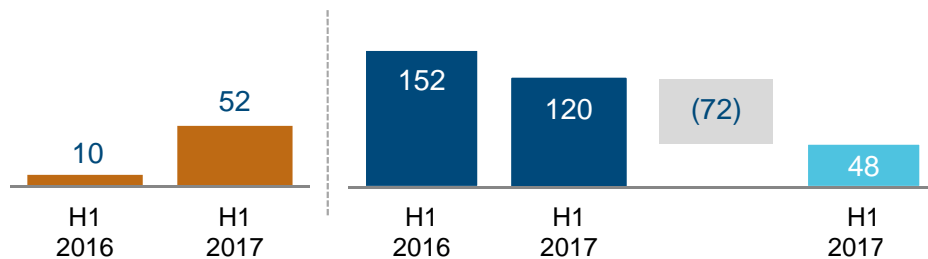


## Aktogay



- ▶ Gross cash cost reduced in H1 2017 due to increased oxide production and commencement of sulphide operations
- ▶ H1 2017 costs benefited from higher than anticipated copper grade
- ▶ Low strip ratio supports competitive gross cash cost positioning

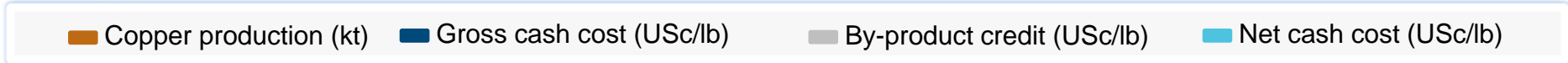
## Bozshakol



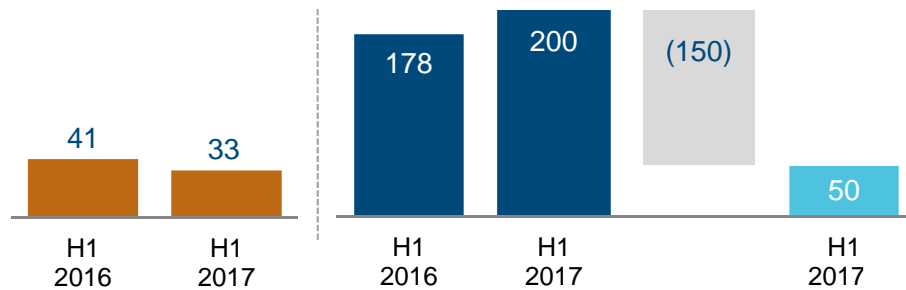
- ▶ Volume growth in H1 2017 drove lower unit costs, partially offset by increased maintenance
- ▶ Strong gold credits resulted in low net cash cost



# HIGH GROWTH, LOW COST

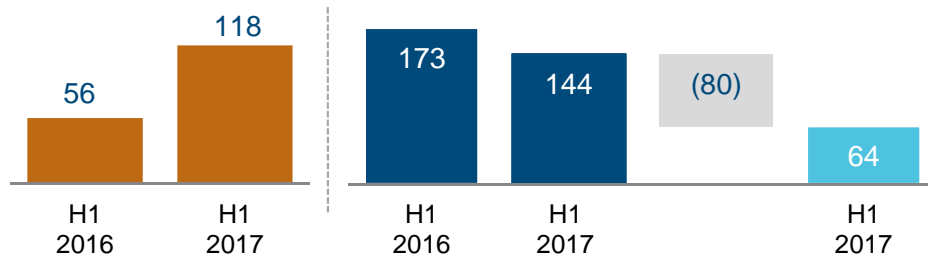


## East Region and Bozymchak



- ▶ H1 2017 costs above prior year period due to lower production but below guidance due to muted domestic inflation and sales from inventory
- ▶ By-product credits result in competitive first quartile cost positioning

## Group

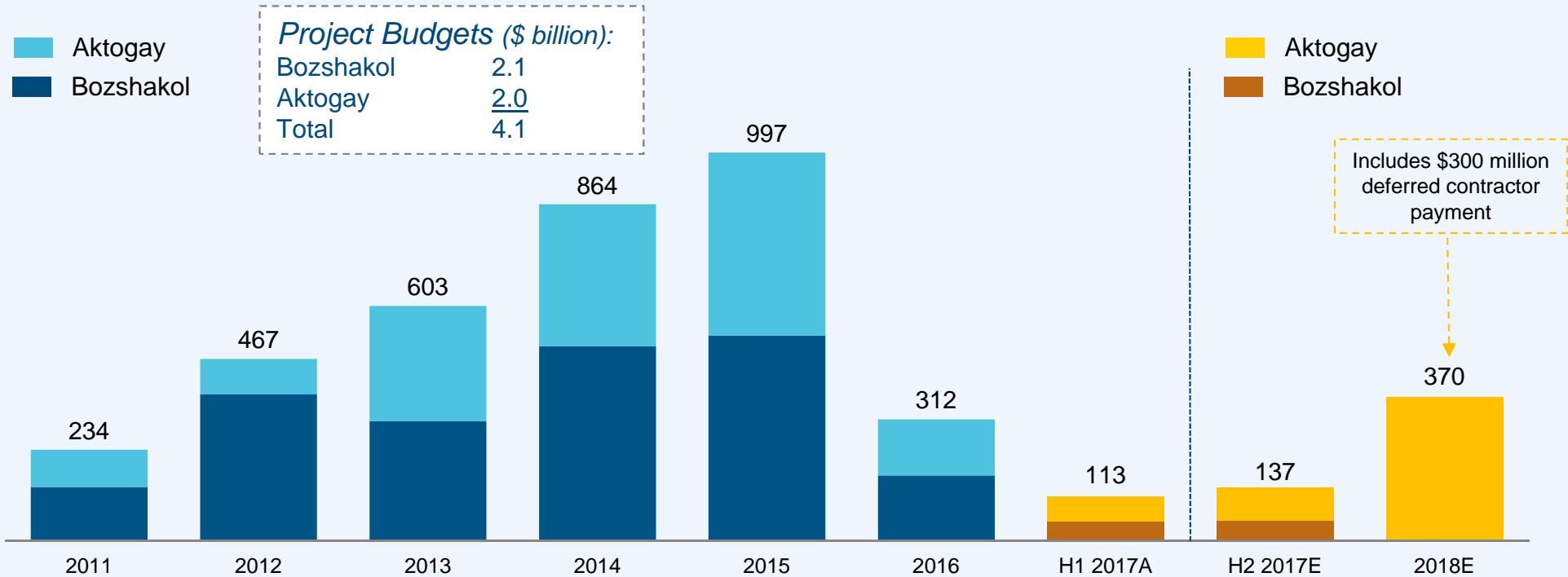


- ▶ Gross cash cost reduced in H1 2017 as 67% of copper sales were from the new open pit operations
- ▶ Net cash cost amongst the lowest copper producers globally

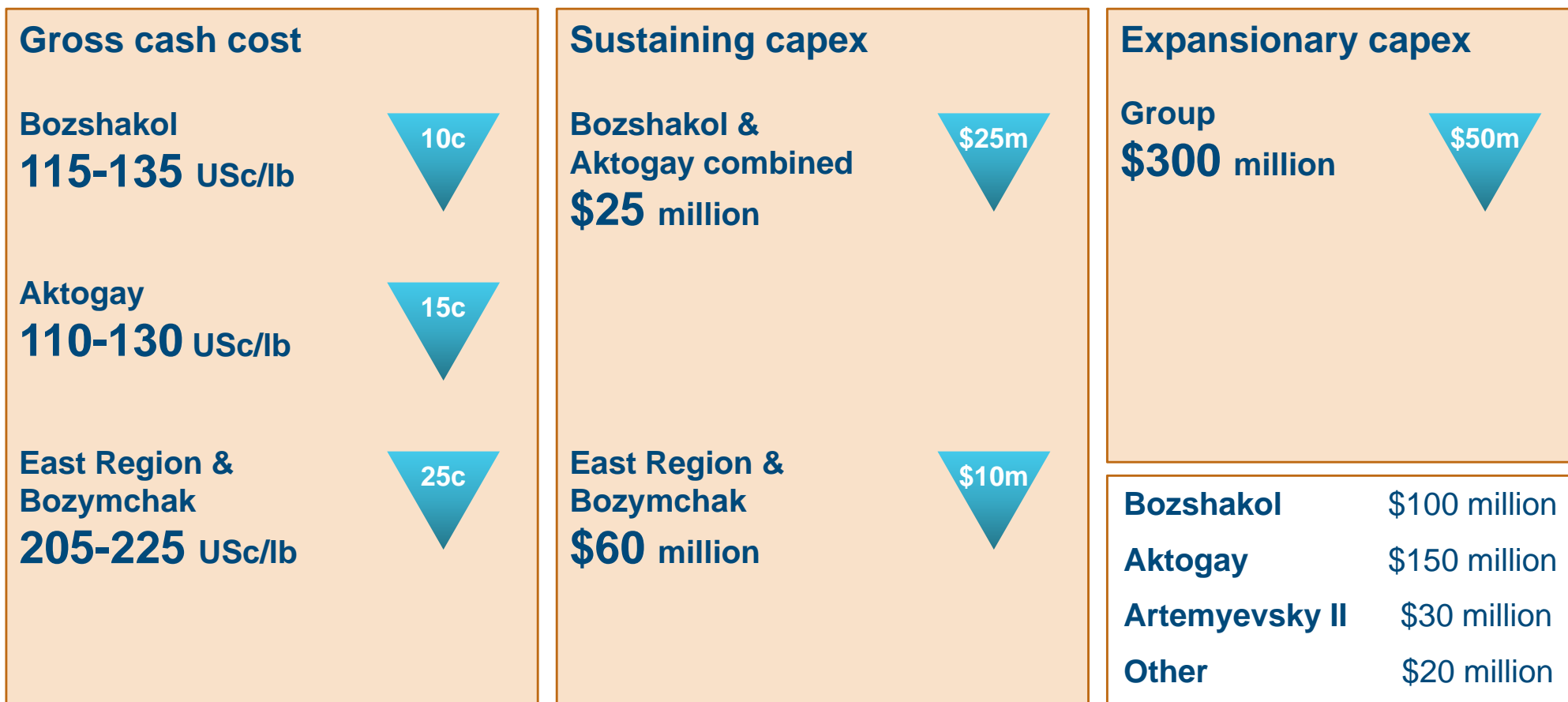
# MAJOR PROJECTS CAPEX



Major growth projects capex (\$m)



# 2017 FINANCIAL GUIDANCE



# PXF AMENDED AND EXTENDED



- ▶ Amendment and restatement signed on 8 June 2017, increased to \$600 million
- ▶ Monthly principal repayments from July 2018, final maturity extended to June 2021
- ▶ Variable margin, from \$ LIBOR +3.0% to 4.5%, based on net debt/EBITDA ratio
- ▶ Enlarged syndicate of 12 banks – 8 existing lenders plus 4 new banks
- ▶ \$224 million drawn under the existing facility as at 31 May 2017, increased to \$300 million under the new facility as at 30 June 2017

## Debt facilities summary

|                             | CDB Bozshakol & Bozymchak         | CDB Aktogay                       | DBK Aktogay                     | CAT facility    | PXF facility                      |
|-----------------------------|-----------------------------------|-----------------------------------|---------------------------------|-----------------|-----------------------------------|
| Maturity                    | 2025                              | 2029                              | 2025                            | 2019            | 2021                              |
| Covenants                   | Balance sheet covenants only      |                                   |                                 | Net debt/EBITDA |                                   |
| Balance <sup>1</sup><br>\$m | Fully drawn<br>1,631 <sup>2</sup> | Fully drawn<br>1,470 <sup>2</sup> | Fully drawn<br>300 <sup>2</sup> | 40<br>available | 300<br>drawn,<br>300<br>available |

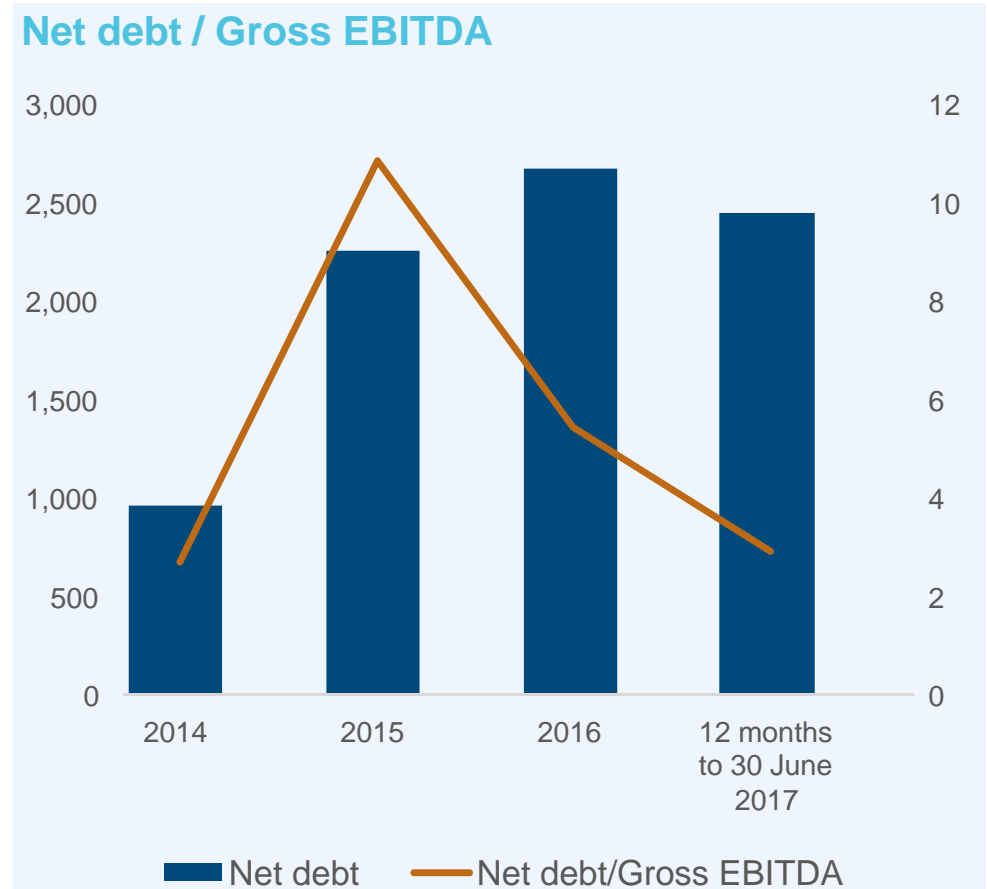
### Notes:

1. Based on drawn debt facilities as drawn at 30 June 2017.
2. Excludes unamortised arrangement fees.

# FINANCIAL POSITION STRENGTHENING



- ▶ Gross EBITDA of \$505 million, increased by 244% (H1 2017: \$147 million)
- ▶ Net debt decreased to \$2,442 million at 30 June 2017, from \$2,669 million at 31 Dec 2016
- ▶ \$1,563 million of available liquidity as at 30 June 2017
- ▶ KAZ Minerals' gearing metrics improving rapidly



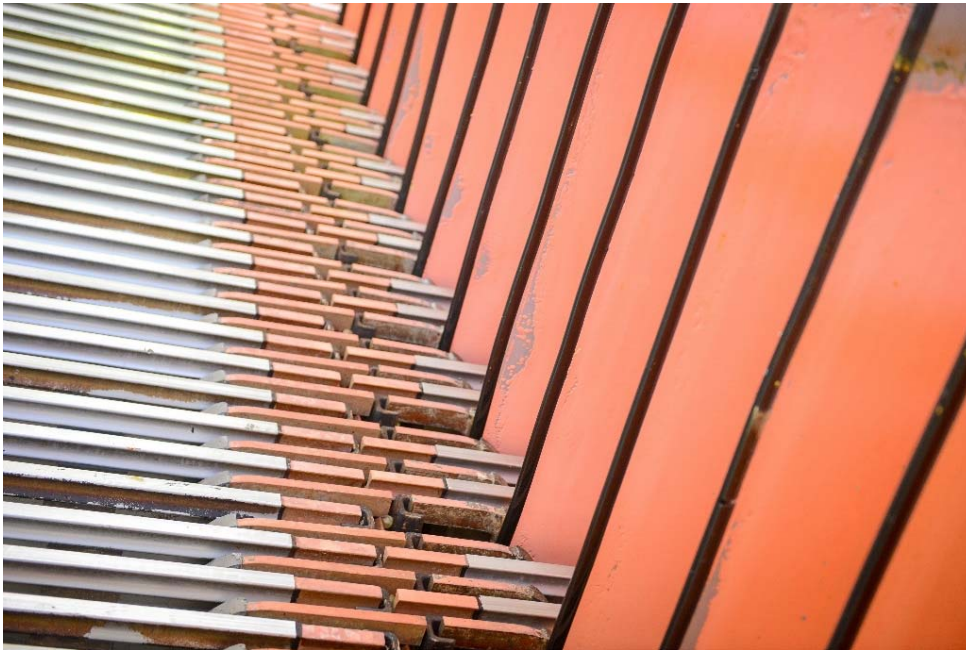


## 4. Achieving our potential

**OLEG NOVACHUK**  
CHIEF EXECUTIVE OFFICER

# ACHIEVING OUR POTENTIAL

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- ▶ High growth continuing as new mines complete ramp up
- ▶ Amongst the lowest cost copper producers globally in H1 2017, 64 USc/lb net cash cost
- ▶ Financial position materially strengthened and gearing levels reducing rapidly
- ▶ Major growth projects \$3.6 billion capex already invested
- ▶ Delivering growth into an improving market for copper



# APPENDIX



# SUMMARY INCOME STATEMENT



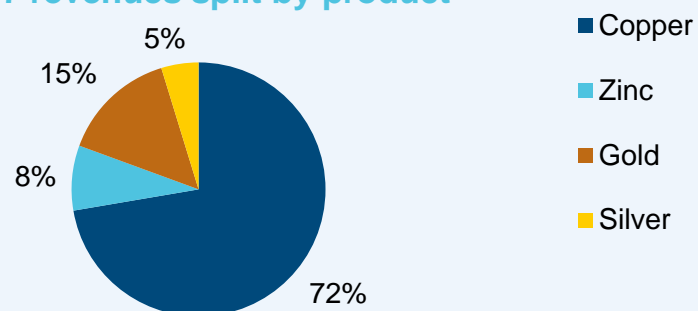
## Key line items

| \$m (unless otherwise stated)              | H1 2017     | H1 2016     |
|--|-------------|-------------|
| <b>Revenues<sup>1</sup></b>                | <b>721</b>  | <b>302</b>  |
| Cost of sales                              | (344)       | (170)       |
| Gross profit                               | 377         | 132         |
| <b>Operating profit</b>                    | <b>291</b>  | <b>68</b>   |
| Net finance income/(costs)                 | (51)        | 23          |
| <b>Profit before taxation</b>              | <b>240</b>  | <b>91</b>   |
| Income tax expense                         | (55)        | (18)        |
| <b>Profit for the year</b>                 | <b>185</b>  | <b>73</b>   |
| <b>EPS based on Underlying Profit (\$)</b> | <b>0.44</b> | <b>0.17</b> |

## Reconciliation of Underlying Profit

| \$m  | H1 2017    | H1 2016   |
|--|------------|-----------|
| <b>Net profit attributable to equity shareholders of the Company</b> | <b>185</b> | <b>73</b> |
| Special items  | 10         | 3         |
| <b>Total Underlying Profit</b>                                       | <b>195</b> | <b>76</b> |

## H1 2017 revenues split by product<sup>1</sup>



### Notes:

- Excludes pre-commercial production revenues: H1 2017 \$116 million (Bozshakol \$21 million, Aktogay sulphide \$95 million), H1 2016 \$61 million (Bozshakol \$45 million, Aktogay oxide \$16 million).

# REVENUES AND SALES VOLUMES (COMMERCIAL PRODUCTION ONLY)



## Revenues<sup>1</sup>

| \$m                   | H1 2017    | H1 2016    |
|-----------------------|------------|------------|
| Copper cathode        | 266        | 199        |
| Copper in concentrate | 251        | 3          |
| Zinc in concentrate   | 59         | 40         |
| Gold bar              | 31         | 32         |
| Gold in concentrate   | 75         | 5          |
| Silver bar            | 27         | 21         |
| Silver in concentrate | 7          | -          |
| Other                 | 5          | 2          |
| <b>Total revenues</b> | <b>721</b> | <b>302</b> |

## Average realised prices

|  | H1 2017 | H1 2016 |
|--|---------|---------|
| Copper cathode (\$/t)                      | 5,799   | 4,711   |
| Copper in concentrate (\$/t) <sup>3</sup>  | 5,251   | 3,400   |
| Zinc in concentrate (\$/t)                 | 1,850   | 1,021   |
| Gold bar (\$/oz)                           | 1,236   | 1,231   |
| Gold in concentrate (\$/oz) <sup>3</sup>   | 1,265   | 1,063   |
| Silver bar (\$/oz)                         | 17.4    | 16.1    |
| Silver in concentrate (\$/oz) <sup>3</sup> | 17.0    | -       |

## Sales volumes<sup>1</sup>

| kt (unless otherwise stated)             | H1 2017 | H1 2016 |
|--|---------|---------|
| Copper cathode                           | 46      | 42      |
| Copper in concentrate <sup>2</sup>       | 48      | 1       |
| Zinc in concentrate                      | 32      | 39      |
| Gold bar (koz)                           | 25      | 25      |
| Gold in concentrate (koz) <sup>2</sup>   | 59      | 5       |
| Silver bar (koz)                         | 1,594   | 1,309   |
| Silver in concentrate (koz) <sup>2</sup> | 361     | -       |

## LME and LBMA Prices

|                | H1 2017 | H1 2016 |
|----------------|---------|---------|
| Copper (\$/t)  | 5,748   | 4,701   |
| Zinc (\$/t)    | 2,690   | 1,799   |
| Gold (\$/oz)   | 1,238   | 1,221   |
| Silver (\$/oz) | 17.3    | 15.8    |

### Notes:

1. Excludes pre-commercial activities, revenues and volumes of Aktogay sulphide and Bozshakol clay in H1 2017 and Aktogay oxide and Bozshakol sulphide in H1 2016.
2. Payable metal in concentrate sold.
3. After the deduction of processing charges.

# GROSS REVENUES AND SALES VOLUMES



## Gross Revenues<sup>1</sup>

| \$m                   | H1 2017    | H1 2016    |
|-----------------------|------------|------------|
| Copper cathode        | 301        | 215        |
| Copper in concentrate | 331        | 35         |
| Zinc in concentrate   | 59         | 40         |
| Gold bar              | 31         | 32         |
| Gold in concentrate   | 75         | 17         |
| Silver bar            | 27         | 21         |
| Silver in concentrate | 8          | 1          |
| Other                 | 5          | 2          |
| <b>Total revenues</b> | <b>837</b> | <b>363</b> |

## Average realised prices

|  | H1 2017 | H1 2016 |
|--|---------|---------|
| Copper cathode (\$/t)                      | 5,793   | 4,714   |
| Copper in concentrate (\$/t) <sup>3</sup>  | 5,238   | 3,970   |
| Zinc in concentrate (\$/t)                 | 1,850   | 1,021   |
| Gold bar (\$/oz)                           | 1,236   | 1,231   |
| Gold in concentrate (\$/oz) <sup>3</sup>   | 1,265   | 1,239   |
| Silver bar (\$/oz)                         | 17.4    | 16.1    |
| Silver in concentrate (\$/oz) <sup>3</sup> | 16.9    | 16.5    |

## Sales volumes<sup>1</sup>

| kt (unless otherwise stated)             | H1 2017 | H1 2016 |
|--|---------|---------|
| Copper cathode                           | 52      | 46      |
| Copper in concentrate <sup>2</sup>       | 63      | 9       |
| Zinc in concentrate                      | 32      | 39      |
| Gold bar (koz)                           | 25      | 25      |
| Gold in concentrate (koz) <sup>2</sup>   | 59      | 14      |
| Silver bar (koz)                         | 1,594   | 1,309   |
| Silver in concentrate (koz) <sup>2</sup> | 449     | 74      |

## LME and LBMA Prices

|                | H1 2017 | H1 2016 |
|----------------|---------|---------|
| Copper (\$/t)  | 5,748   | 4,701   |
| Zinc (\$/t)    | 2,690   | 1,799   |
| Gold (\$/oz)   | 1,238   | 1,221   |
| Silver (\$/oz) | 17.3    | 15.8    |

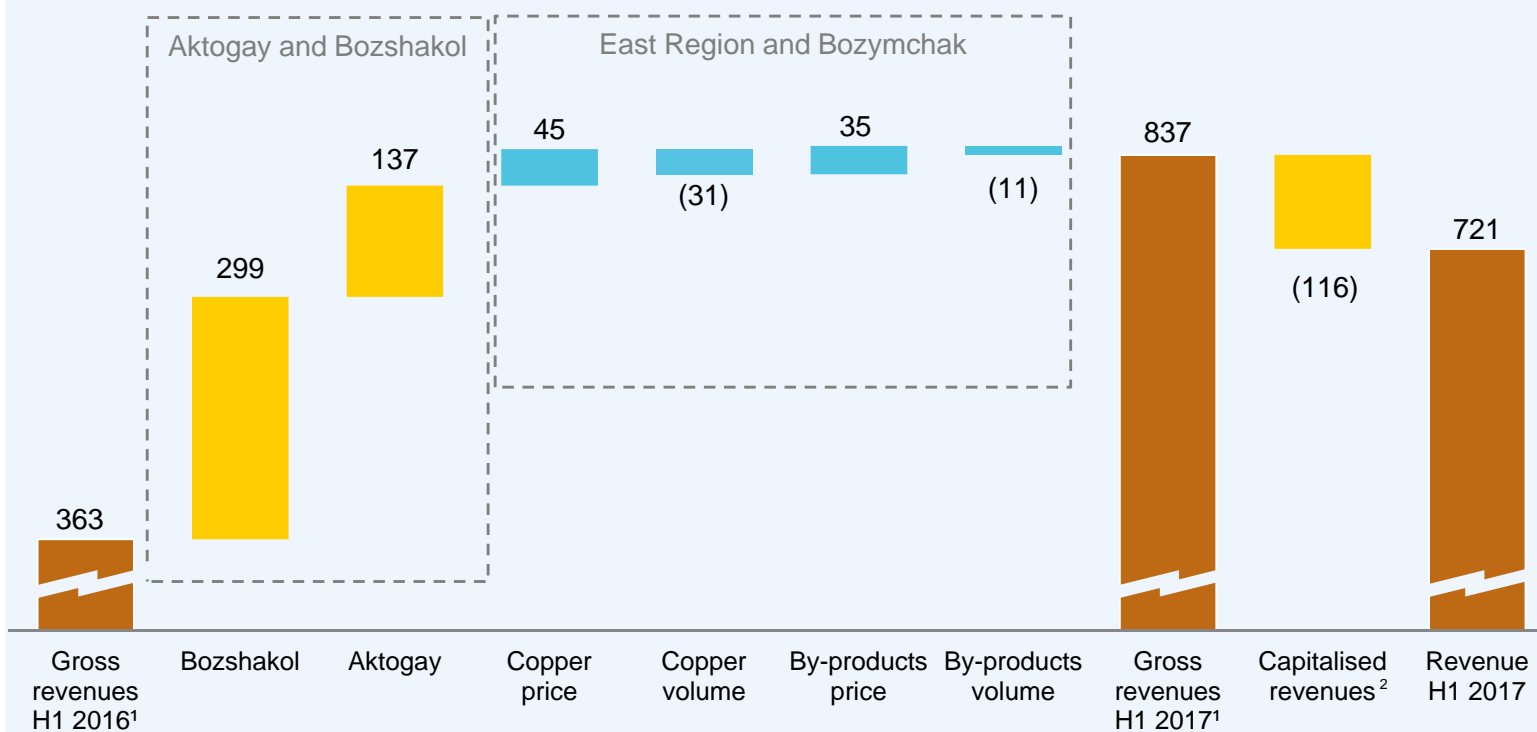
### Notes:

1. Includes pre-commercial activities, therefore includes Bozshakol and Aktogay for the full period.
2. Payable metal in concentrate sold.
3. After the deduction of processing charges.

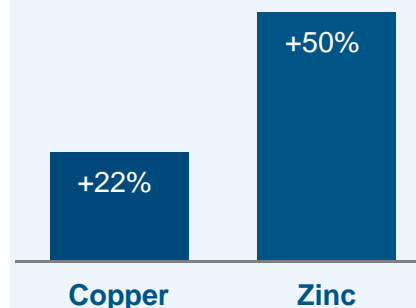
# REVENUE RECONCILIATION



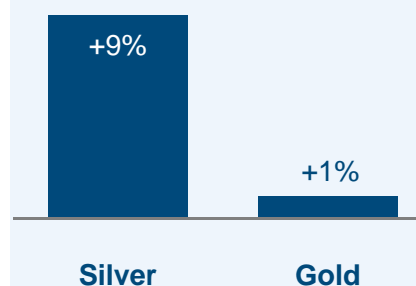
## Volume growth and favourable commodity prices (\$m)



## Average LME prices H1 2017 vs H1 2016



## Average LBMA prices H1 2017 vs HY 2016



### Notes:

- Includes pre-commercial production revenues: H1 2017 \$116 million (Bozshakol \$21 million, Aktogay \$95 million), H1 2016 \$61 million (Bozshakol \$45 million, Aktogay \$16 million).
- Revenues relating to pre-commercial production activities at Bozshakol (\$21 million) and Aktogay (\$95 million) are capitalised and therefore excluded from revenues.

# EBITDA<sup>1</sup> RECONCILIATION



## EBITDA by operating segment

| \$m  | H1 2017    | H1 2016    |
|--|------------|------------|
| Bozshakol  | 242        | 23         |
| East Region and Bozymchak                          | 180        | 134        |
| Aktogay <sup>2</sup>                               | 93         | 2          |
| Corporate services                                 | (10)       | (12)       |
| <b>Gross EBITDA<sup>3</sup></b>                    | <b>505</b> | <b>147</b> |
| Less: Capitalised pre-commercial production EBITDA | (76)       | (32)       |
| Bozshakol  | (12)       | (28)       |
| Aktogay <sup>2</sup>                               | (64)       | (4)        |
| <b>EBITDA</b>                                      | <b>429</b> | <b>115</b> |

### Notes:

1. EBITDA (excluding MET, royalties and special items).
2. Aktogay has been included as a separate segment in the current period and was reported within Mining Projects in the prior year period.
3. Gross EBITDA (excluding MET, royalties and special items) includes all operations, including the period prior to commercial production.

# CASH FLOW



| \$m  | H1 2017    | H1 2016      |
|--|------------|--------------|
| <b>EBITDA<sup>1</sup></b>  | <b>429</b> | <b>115</b>   |
| Working capital movements <sup>2</sup>   | (31)       | (34)         |
| Interest paid  | (114)      | (85)         |
| MET and royalties paid <sup>2</sup>  | (66)       | (26)         |
| Income tax paid  | (47)       | (15)         |
| Foreign exchange and other movements   | 7          | 2            |
| <b>Net cash flows from/(used in) operating activities before other expenditure and non-current VAT associated with major growth projects</b> | <b>178</b> | <b>(43)</b>  |
| Sustaining capital expenditure   | (23)       | (22)         |
| <b>Free Cash Flow</b>  | <b>155</b> | <b>(65)</b>  |
| Expansionary and new project capital expenditure <sup>3</sup>  | (85)       | (197)        |
| Non-current VAT associated with major growth projects  | 159        | (20)         |
| Proceeds from disposal of property, plant and equipment  | -          | 1            |
| Interest received  | 7          | 4            |
| Other  | (1)        | (1)          |
| <b>Cash flow movement in net debt</b>  | <b>235</b> | <b>(278)</b> |

Notes:

1. EBITDA (excluding MET, royalties and special items).
2. Excludes working capital and MET movements arising from pre-commercial production activities at the Bozshakol and Aktogay operations.
3. Capital expenditure includes the capitalisation or revenues, costs and working capital outflows during the period of pre-commercial production.

# SUMMARY BALANCE SHEET



## Assets

| \$m                  | H1 2017      | 2016         | H1 2016      |
|----------------------|--------------|--------------|--------------|
| Non-current assets   | 3,540        | 3,536        | 3,212        |
| Gross liquid funds   | 1,223        | 1,108        | 1,056        |
| Other current assets | 496          | 413          | 271          |
| <b>Total</b>         | <b>5,259</b> | <b>5,057</b> | <b>4,539</b> |

## Non-current assets

| \$m                      | H1 2017      | 2016         | H1 2016      |
|--------------------------|--------------|--------------|--------------|
| Intangible assets        | 7            | 8            | 7            |
| Tangible assets          | 3,217        | 3,092        | 2,879        |
| Other non-current assets | 242          | 364          | 260          |
| Deferred tax asset       | 74           | 72           | 66           |
| <b>Total</b>             | <b>3,540</b> | <b>3,536</b> | <b>3,212</b> |

## Equity & liabilities

| \$m               | H1 2017      | 2016         | H1 2016      |
|-------------------|--------------|--------------|--------------|
| Equity            | 840          | 536          | 384          |
| Borrowings        | 3,665        | 3,777        | 3,587        |
| Other liabilities | 754          | 744          | 568          |
| <b>Total</b>      | <b>5,259</b> | <b>5,057</b> | <b>4,539</b> |

## Net debt

| \$m                | H1 2017        | 2016           | H1 2016        |
|--------------------|----------------|----------------|----------------|
| Gross liquid funds | 1,223          | 1,108          | 1,056          |
| Borrowings         | (3,665)        | (3,777)        | (3,587)        |
| <i>Long-term</i>   | (3,399)        | (3,446)        | (3,277)        |
| <i>Short-term</i>  | (266)          | (331)          | (310)          |
| <b>Total</b>       | <b>(2,442)</b> | <b>(2,669)</b> | <b>(2,531)</b> |

# DEBT FACILITIES



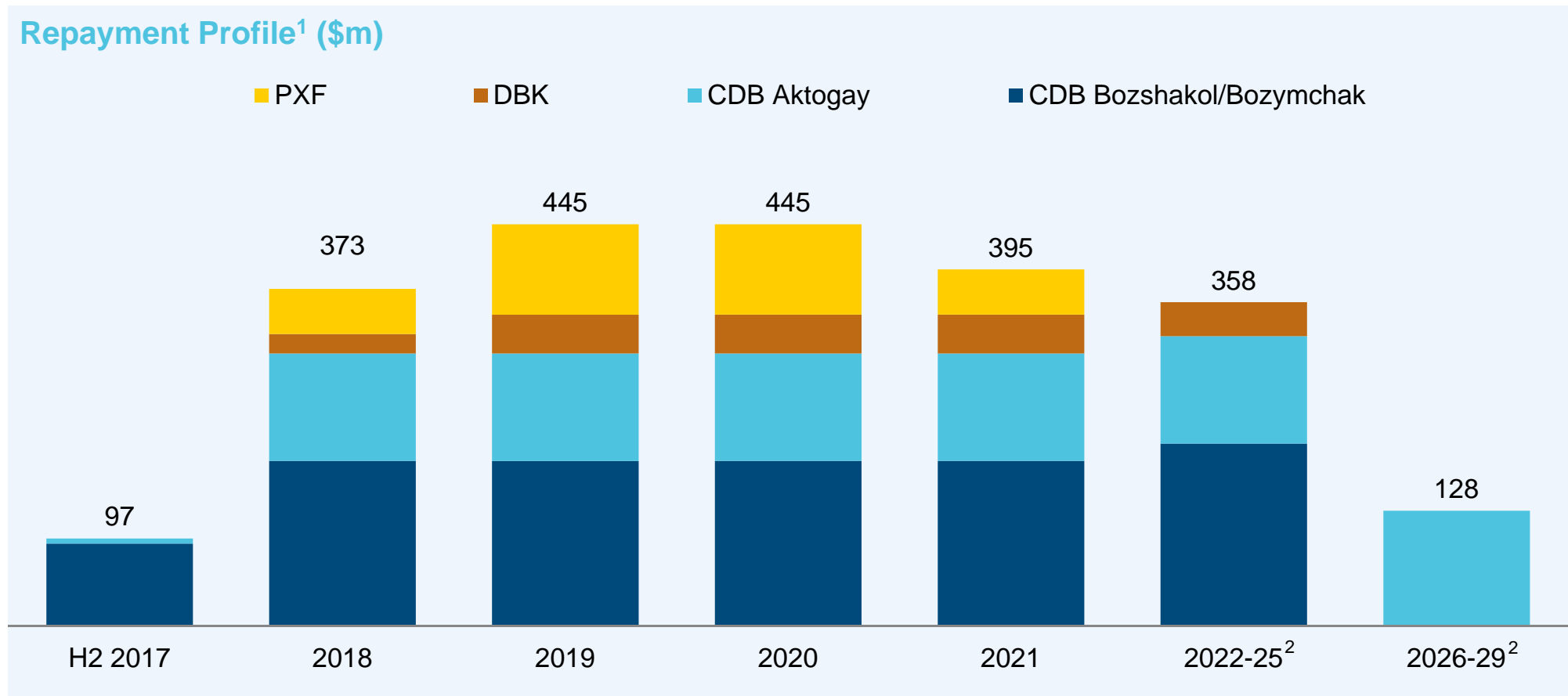
| Facility                       | Maturity and interest rate  | Balance as at 30 June 2017 <sup>1</sup>  |
|--------------------------------|---|--|
| <b>CDB Bozshakol/Bozymchak</b> | <b>Final maturity 2025</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 4.5%</li> <li>▶ Semi-annual principal and interest payments</li> </ul>   | <b>Fully drawn – \$1,631 million</b> <ul style="list-style-type: none"> <li>▶ Balance sheet covenant</li> </ul>  |
| <b>CDB Aktogay</b>             | <b>Final maturity 2029</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 4.2% (USD facility)</li> <li>▶ PBoC 5 year (RMB facility)</li> <li>▶ USD facility - semi-annual principal payments due from March 2018; semi-annual interest payments</li> <li>▶ RMB facility - quarterly interest payments</li> </ul>                         | <b>Fully drawn – \$1,470 million</b> <ul style="list-style-type: none"> <li>▶ Balance sheet covenant</li> </ul>  |
| <b>DBK Aktogay</b>             | <b>Final maturity 2025</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 4.5%</li> <li>▶ Semi-annual principal payments due from June 2018</li> <li>▶ Semi-annual interest payments (USD)</li> </ul>  | <b>Fully drawn – \$300 million</b> <ul style="list-style-type: none"> <li>▶ Balance sheet covenant</li> </ul>  |
| <b>PXF</b>                     | <b>Final maturity 2021</b> <ul style="list-style-type: none"> <li>▶ Margin based on net debt/EBITDA ratio                             <ul style="list-style-type: none"> <li>- between \$ LIBOR +3.0% to 4.5%</li> </ul> </li> <li>▶ Monthly interest payments</li> <li>▶ Monthly principal repayments from July 2018 to June 2021</li> </ul> | <b>Part drawn – \$300 million drawn</b> <ul style="list-style-type: none"> <li>▶ New \$600m PXF signed on 9 June 2017                             <ul style="list-style-type: none"> <li>- Extended final maturity by 2.5 years to June 2021</li> <li>- Monthly principal repayments from July 2018</li> </ul> </li> </ul> |
| <b>Caterpillar RCF</b>         | <b>Final maturity 2019</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR +4.25%</li> <li>▶ Flexible interest periods, 1, 2 or 3 months</li> </ul>   | <b>\$40 million facility – undrawn</b> <ul style="list-style-type: none"> <li>▶ Financial covenants identical to PXF facility</li> <li>▶ Revolving facility</li> </ul>   |

Notes:

1. Drawn amount excludes amortised net fees. Total unamortised arrangement fees \$36 million.



# DEBT REPAYMENT PROFILE



Notes:

1. Based on drawn debt facilities at 30 June 2017.
2. Average debt repayments per annum.

# GROUP CASH COST RECONCILIATION



| \$m (unless otherwise stated)          | H1 2017    | H1 2016    | 2016       | 2015 <sup>1</sup> |
|--|------------|------------|------------|-------------------|
| Copper sales (kt)                      | 115        | 54         | 141        | 79                |
| Revenues                               | 721        | 302        | 766        | 665               |
| EBITDA <sup>2</sup>                    | (439)      | (127)      | (375)      | (240)             |
| Pre-commercial production <sup>3</sup> | 40         | 29         | 62         | 6                 |
| Cost of purchased copper cathode       | -          | -          | -          | (28)              |
| TC/RCS and other adjustments           | 45         | 2          | 31         | -                 |
| <b>Gross cash cost</b>                 | <b>367</b> | <b>206</b> | <b>484</b> | <b>403</b>        |
| <b>Gross cash cost (USc/lb)</b>        | <b>144</b> | <b>173</b> | <b>156</b> | <b>230</b>        |
| By-product credits                     | (205)      | (113)      | (300)      | (212)             |
| Net cash costs                         | 162        | 93         | 184        | 191               |
| <b>Net cash cost (USc/lb)</b>          | <b>64</b>  | <b>78</b>  | <b>59</b>  | <b>109</b>        |

Notes:

1. Reflects East Region and Bozymchak operations only.
2. EBITDA (excludes MET, royalties and special items).
3. Cash operating costs capitalised during the period prior to commercial production.

# EAST REGION AND BOZYMCHAK RESOURCES SUMMARY



|   | Orlovsky  |       | Irtyshtsky                               |      | Artemyevsky                                      |       | Bozymchak                          |      |
|---|---|-------|--|------|--|-------|------------------------------------|------|
|   | 2016  | 2015  | 2016                                     | 2015 | 2016   | 2015  | 2016                               | 2015 |
| <b>Ore output (kt)</b>                    | 1,260   | 1,417 | 632                                      | 655  | 1,309  | 1,289 | 935                                | 449  |
| <b>Copper grade (%)</b>                   | 3.67  | 3.69  | 1.54                                     | 1.67 | 1.48   | 1.62  | 0.86                               | 0.97 |
| <b>Gold grade (g/t)</b>                   | 1.02  | 1.18  | 0.29                                     | 0.28 | 0.37   | 0.38  | 1.46                               | 1.77 |
| <b>Silver grade (g/t)</b>                 | 58.0  | 64.4  | 53.6                                     | 62.2 | 38.9   | 35.1  | 9.5                                | 10.0 |
| <b>Zinc (%)</b>                           | 4.38  | 4.52  | 3.12                                     | 3.13 | 2.10   | 2.96  | -                                  | -    |
| <b>Mineral resources<sup>1</sup> (kt)</b> | 14,404  |       | 5,283                                    |      | 17,501 <sup>2</sup>                              |       | 16,443 <sup>3</sup>                |      |
| <b>Type of mine</b>                       | Underground   |       | Underground                              |      | Underground                                      |       | Open pit / underground             |      |
| <b>Concentrator</b>                       | On-site   |       | Belousovsky                              |      | Nikolayevsky                                     |       | On-site                            |      |
| <b>Description</b>                        | Orlovsky is the largest mine in East Region by copper metal in ore extracted. |       | Irtyshtsky has been operating since 2001 |      | Mine with polymetallic ore, operating since 2005 |       | Bozymchak is located in Kyrgyzstan |      |

## Notes:

1. Measured and indicated as at 31 December 2016.
2. Includes Artemyevsky II expansion.
3. Includes underground extension.

# BOZSHAKOL SUMMARY



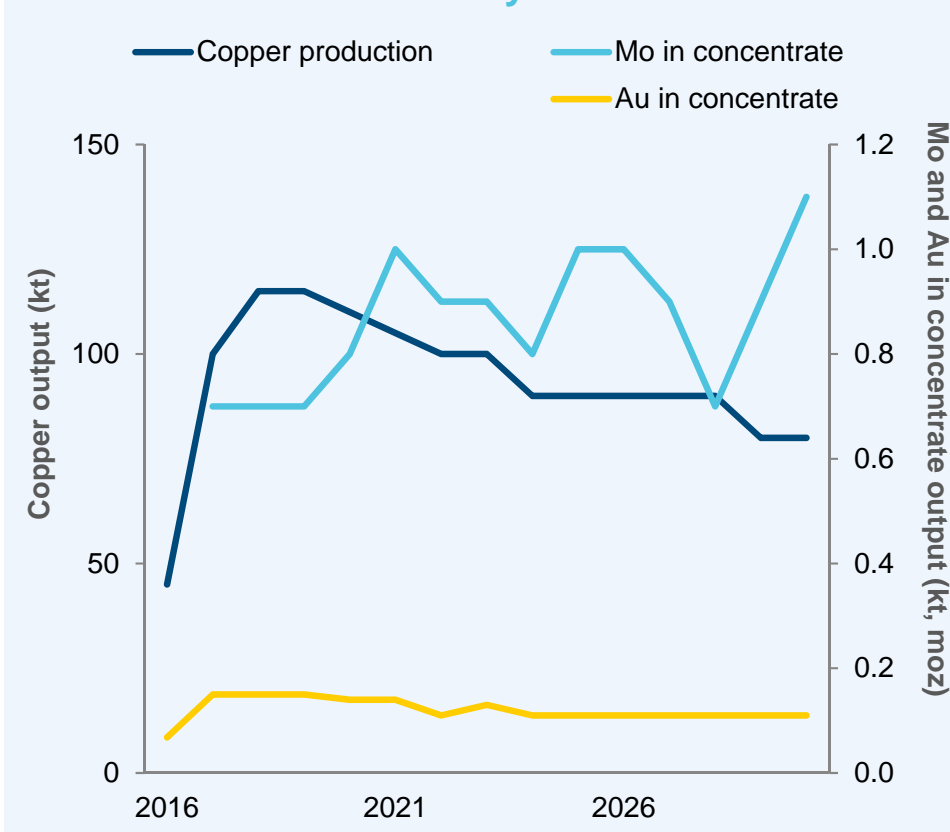
## Key Statistics

- ▶ Large scale open pit processing 30 Mt ore annually
- ▶ 4.4 Mt of contained copper at a grade of 0.36%
- ▶ 0.7 strip ratio
- ▶ By-products include gold and molybdenum
- ▶ Production life of 40 years, first 10 years annual average production:
  - 100 kt of copper cathode equivalent
  - 120 koz of gold in concentrate
- ▶ 1,500 employees at full operation
- ▶ Project development cost \$2,150 million

## Mineral Resource<sup>1</sup>

|          | Tonnage (Mt) | Cu grade (%) | Au grade g/t | Mo grade <sup>2</sup> (%) |
|----------|--------------|--------------|--------------|---------------------------|
| Sulphide | 1,128        | 0.35         | 0.1          | 0.005                     |
| Clay     | 79           | 0.46         | 0.5          | -                         |

## Production Schedule - Key Metals



### Notes:

1. Includes measured, indicated and inferred material as at 31 December 2016.
2. Molybdenum production will depend on progress in ramping up copper production and the market price of molybdenum.

# AKTOGAY SUMMARY



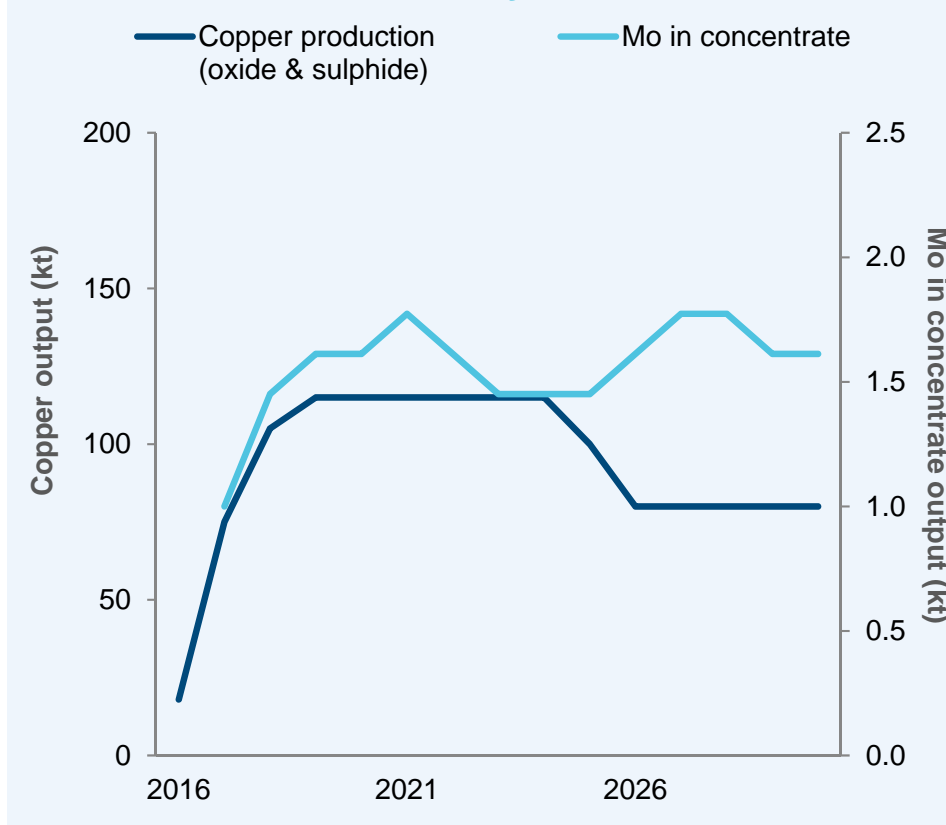
## Key Statistics

- ▶ Large scale open pit processing 25 Mt ore annually
- ▶ 5.8 Mt of contained copper and 115 kt of molybdenum
- ▶ 0.2 strip ratio
- ▶ Production life of over 50 years:
  - Average output of 20 kt of copper cathode equivalent p.a. from oxide ore (11 years)
  - Average output of 90 kt of copper cathode equivalent p.a. from sulphide ore in first 10 years
- ▶ 1,500 employees at full operation
- ▶ Estimated project development cost \$2 billion

## Mineral Resource<sup>1</sup>

|          | Tonnage (Mt) | Cu grade (%) | Mo grade <sup>2</sup> (%) |
|----------|--------------|--------------|---------------------------|
| Sulphide | 1,597        | 0.34         | 0.007                     |
| Oxide    | 104          | 0.36         | -                         |

## Production Schedule - Key Metals

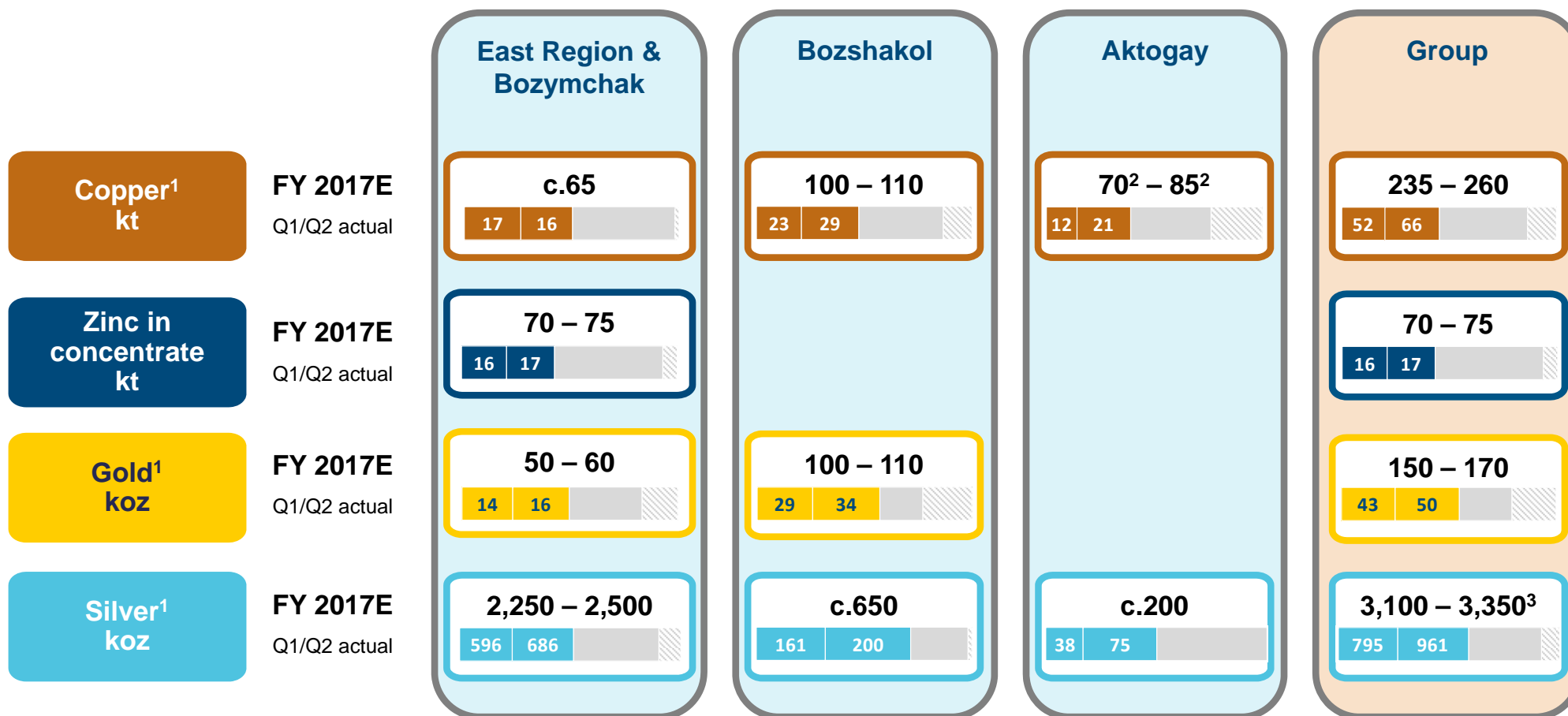


### Notes:

1. Includes measured and indicated resources as at 31 December 2016.
2. Molybdenum production will depend on progress in ramping up copper production and the market price of molybdenum.



# 2017 PRODUCTION GUIDANCE



Notes:

1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Includes around 20 kt of cathode production from oxide ore.
3. Minimal volume of silver recovered from Aktogay material. Q1 2017 restated to include 38 koz production from Aktogay.

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