

AKTOGAY EXPANSION

Analyst presentation

21 December 2017



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

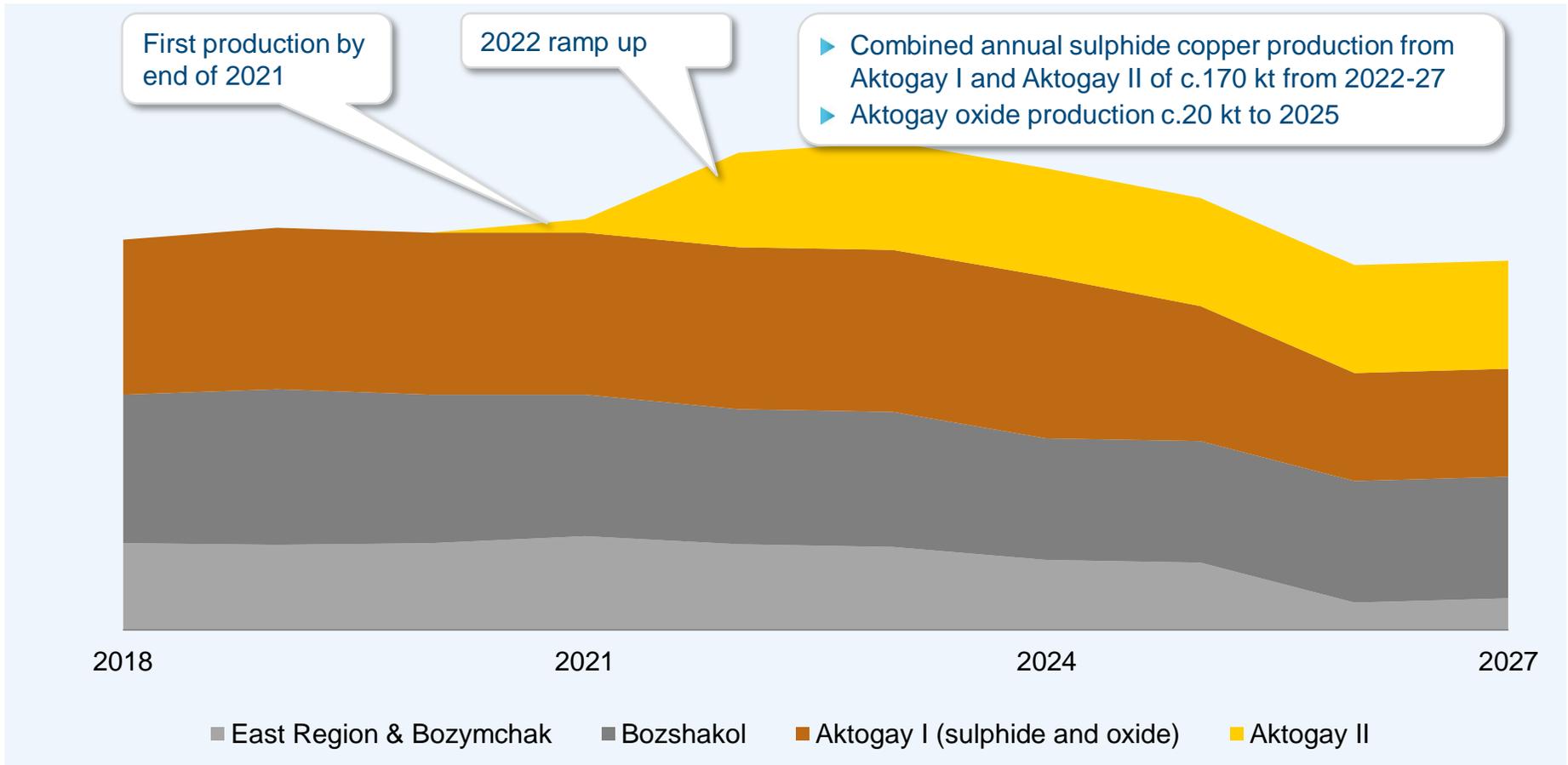
EXPANSION PROJECT OVERVIEW

- ▶ The Board of KAZ Minerals has approved a project to double sulphide processing capacity at Aktogay from 25 Mt to 50 Mt per annum
 - First production in H2 2021, ramp up in 2022
 - Adds c.80 kt of annual copper production from 2022-27
 - Adds c.60 kt of annual copper production from 2028 onwards
- ▶ Capital budget \$1.2 billion
- ▶ Low risk brownfield expansion of an existing asset
- ▶ Duplicate of existing sulphide plants at Bozshakol and Aktogay
- ▶ To be implemented by the KAZ Minerals projects division which delivered Bozshakol and the original Aktogay project



Aktogay sulphide concentrator no. 1

DELIVERS GROWTH FROM 2021¹



Notes:
1. Indicative and not to scale

KEY PROJECT STATISTICS



Aktogay sulphide I

- ▶ 5.4 Mt of contained Cu and 112 kt of Mo, 0.2 strip ratio¹
- ▶ 25 Mt annual sulphide ore processing capacity
- ▶ Mine life of over 50 years
- ▶ Average annual copper production of 90 kt, 2018-27
- ▶ Project development cost \$2.0 billion²

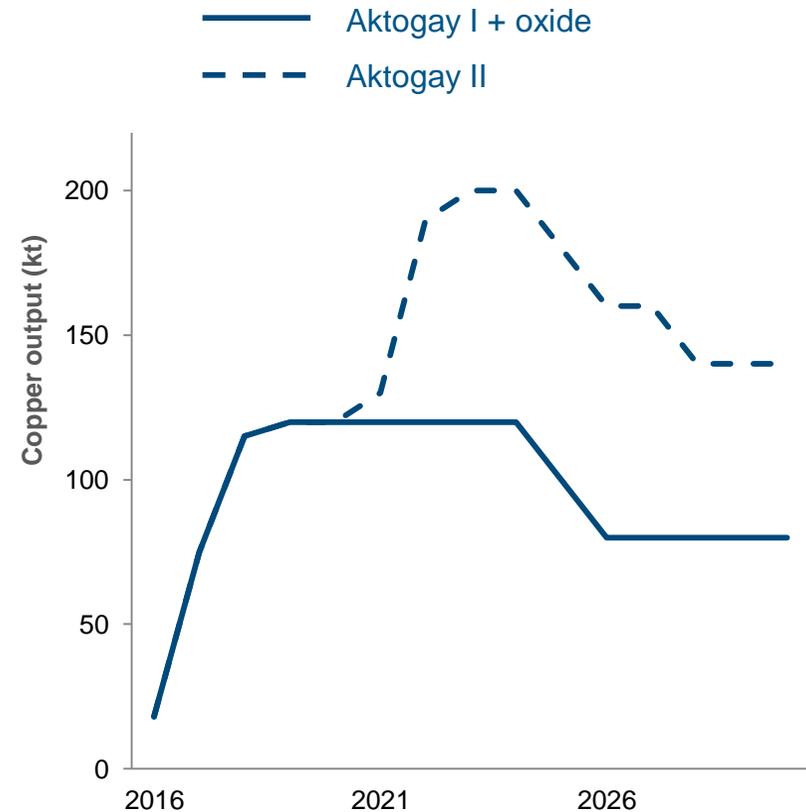
Aktogay sulphide II

- ▶ Additional 25 Mt sulphide ore processing capacity
- ▶ Reduces mine life to 28 years
- ▶ Increases sulphide copper production to c.170 kt, 2022-27
– c.130 kt annual production from 2028 onwards
- ▶ Project development cost \$1.2 billion, 2018-21

Aktogay oxide

- ▶ Oxide production c.20 kt, 8 year resource life to 2025

Revised copper production profile³



Notes:

1. Sulphide resource only
2. Aktogay capital expenditure including sulphide and oxide
3. Indicative

PROVEN PROJECT DEVELOPMENT CAPABILITY



- ▶ KAZ Minerals has successfully developed two large scale open pit copper mines simultaneously:
 - Construction of Bozshakol completed in December 2015
 - Aktogay sulphide I construction completed in December 2016
- ▶ Construction will be managed by the KAZ Minerals projects division, drawing on the experience and knowledge gained in delivering the original projects

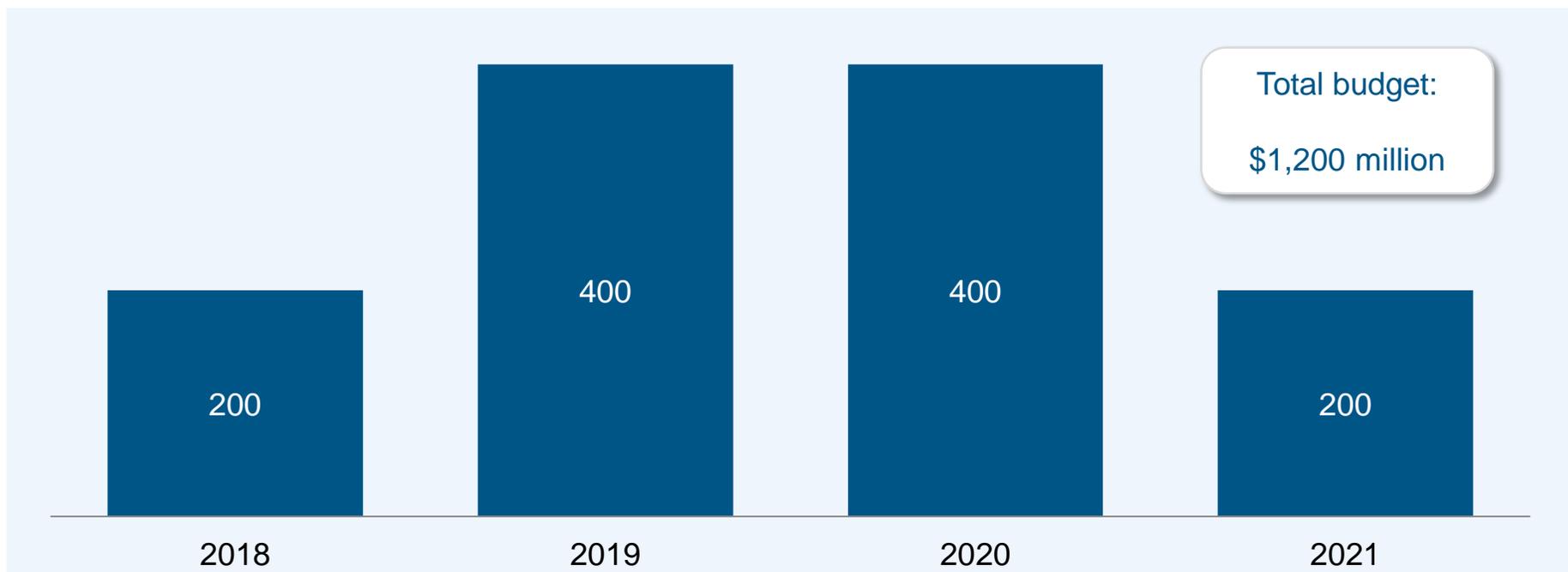


Bozshakol concentrator construction, 2014

CAPITAL EXPENDITURE PROFILE



Aktogay expansion project capital expenditure (\$m)



OPERATING COSTS AND SUSTAINING CAPEX



- ▶ Net cash costs to 2027 expected to be maintained at 100-120 USc/lb¹
 - Operating cost efficiencies from larger scale mining operations offset the effect of accelerated grade decline as processing volumes are brought forward
- ▶ Sustaining capital expenditure estimated to increase from \$30-\$40 million to \$50-\$60 million per annum from 2022

Copper processing grade profile²

9 months to 30 Sep 2017, supergene enriched	0.70%
2017 – 2021 Aktogay I	c.0.50%
2022 – 2027 Aktogay I and Aktogay II	c.0.40%
Life of mine sulphide resource grade	0.34%

Notes:

1. 2017 US dollar terms
2. Sulphide ore

FOCUSED ON RETURN ON INVESTMENT

- ▶ The Group regularly evaluates brownfield and greenfield growth opportunities
- ▶ Expansion of Aktogay sulphide profitably increases production from a known long-life asset
- ▶ Project expected to generate a return in excess of cost of capital (at analyst consensus copper price)
- ▶ Engineering will be a duplication of two successful producing assets
- ▶ Proven project delivery capability



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