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26 January 2017

## **KAZ MINERALS GROUP PRODUCTION REPORT FOR 12 MONTHS AND THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

- **Full year copper guidance met and by-product guidance exceeded in 2016**
- **Copper cathode equivalent production<sup>1</sup> of 140 kt (guidance 135-145 kt)**
  - Copper output growth of 73% year-on-year (FY 2015: 81 kt)
  - New projects Bozshakol and Aktogay contributed 63 kt of new copper cathode equivalent production in 2016
  - Q4 copper cathode equivalent production of 43 kt (Q3 2016: 45 kt)
- **Bozshakol copper cathode equivalent output of 20 kt in Q4 (Q3 2016: 17 kt)**
  - Ramp up on track, ore throughput averaged above 75% in Q4
  - 50 kt of copper in concentrate and 45 kt copper cathode equivalent output in 2016
- **Aktogay oxide Q4 output of 6 kt, full year copper cathode output of 18 kt**
  - 6 kt of copper cathode output in Q4 2016 (Q3 2016: 7 kt), despite colder weather
  - Testing in progress at main sulphide concentrator, first copper production expected in Q1 2017
- **East Region and Bozymchak Q4 copper cathode equivalent output of 17 kt (Q3 2016: 21 kt)**
  - Q3 output benefited from a release of work in progress
- **By-product output exceeds full year guidance ranges**
  - Stronger than anticipated by-product grades in the East Region in Q4 2016
  - Bozymchak operated at design capacity throughout 2016
  - Bozshakol 2016 gold bar equivalent output of 60 koz supported by elevated gold grades

<sup>1</sup> The Group's finished goods "equivalent" production includes both finished metals produced and the finished metal equivalent of concentrate sold in the period.

Oleg Novachuk, Chief Executive, said: "I am pleased that we have achieved our copper and by-product guidance for 2016, a 73% increase in copper output on the prior year, as we successfully ramped up Bozshakol and the Aktogay oxide plant. Operating costs at Bozshakol have temporarily benefited from lower than anticipated maintenance requirements during the ramp up period, and full year gross cash costs are expected to be in the region of 20% below the bottom of the previously guided range of 140-160 US\$/lb. Our growth will continue in 2017 as Bozshakol reaches capacity and we commence production from sulphide ore at Aktogay."

**For further information please contact:**

### **KAZ Minerals PLC**

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### **NOTES TO EDITORS**

**KAZ Minerals PLC** (“KAZ Minerals” or “the Group”) is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan. It operates three mines and three concentrators in the East Region of Kazakhstan, the Bozymchak copper-gold mine in Kyrgyzstan, the Bozshakol open pit copper mine in the Pavlodar region of Kazakhstan and the Aktogay open pit copper mine in the East Region of Kazakhstan. In 2016, total copper cathode equivalent output was 140 kt with by-products of 75 kt of zinc in concentrate, 120 koz of gold bar equivalent and 3,103 koz of silver bar equivalent.

The Group’s major growth projects at Bozshakol and Aktogay are expected to deliver one of the highest growth rates in the industry and transform KAZ Minerals into a company dominated by world class, open pit copper mines.

Bozshakol is a first quartile asset on the global cost curve and will have an annual ore processing capacity of 30 million tonnes when fully ramped up, with a mine life of 40 years at a copper grade of 0.36%. The mine and processing facilities will produce 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 mine life of more than 50 years and average copper grades of 0.37% (oxide) and 0.33% (sulphide). Aktogay commenced production of copper cathode from oxide ore in December 2015 and copper in concentrate production from sulphide ore is expected to begin in the first quarter of 2017. The sulphide concentrator will have an annual ore processing capacity of 25 million tonnes when fully ramped up. Aktogay is competitively positioned on the global cost curve and will produce an average of 90 kt of copper cathode equivalent from sulphide ore and 15 kt of copper cathode from oxide ore per year over the first 10 years of operations.

KAZ Minerals is listed on the London Stock Exchange, the Kazakhstan Stock Exchange and the Hong Kong Stock Exchange and employs around 13,000 people, principally in Kazakhstan.

This announcement contains inside information.

## GROUP PRODUCTION SUMMARY

|  |     | 12m<br>2016 | 12m<br>2015 | Q4<br>2016 | Q3<br>2016 | Q4<br>2015 |
|--|-----|-------------|-------------|------------|------------|------------|
| Ore extraction                         | kt  | 49,022      | 14,537      | 13,258     | 13,665     | 8,040      |
| Average copper grade                   | %   | 0.66        | 1.10        | 0.67       | 0.67       | 0.88       |
| Copper in ore mined                    | kt  | 324.2       | 160.3       | 88.6       | 91.0       | 70.7       |
| Copper in concentrate                  | kt  | 131.3       | 89.4        | 40.8       | 37.2       | 23.0       |
| Copper cathode equivalent <sup>1</sup> | kt  | 140.3       | 81.1        | 43.2       | 44.5       | 22.7       |
| Bozshakol                              | kt  | 44.8        | -           | 20.1       | 16.9       | -          |
| Aktogay                                | kt  | 18.1        | 0.4         | 6.1        | 6.6        | 0.4        |
| East Region & Bozymchak                | kt  | 77.4        | 80.7        | 17.0       | 21.0       | 22.3       |
| Zinc in concentrate                    | kt  | 75.4        | 94.3        | 19.2       | 16.6       | 21.0       |
| Gold bar equivalent <sup>1</sup>       | koz | 119.7       | 34.6        | 39.7       | 40.9       | 6.4        |
| Silver bar equivalent <sup>1</sup>     | koz | 3,103       | 3,135       | 867        | 806        | 686        |

<sup>1</sup> Includes finished metals produced and the finished metal equivalent of concentrate sold in the period.

Copper cathode equivalent output in the fourth quarter of 43.2 kt resulted in full year production of 140.3 kt, in line with guidance of 135-145 kt and representing a 73% increase from 2015. The production growth from 2015 reflects the ramp up of the sulphide concentrator at Bozshakol which added 44.8 kt of new copper cathode equivalent in 2016 and the oxide operations at Aktogay which contributed 18.1 kt of cathode.

Total ore extraction in 2016 grew to 49.0 million tonnes from 14.5 million tonnes in 2015, as mining operations at Aktogay and Bozshakol stepped up to support processing activities at both sites. The average copper grade reduced in 2016 compared to 2015, reflecting the incremental ore extraction from the new lower grade open pit mines at Bozshakol and Aktogay.

In Q4 2016, copper cathode equivalent production decreased by 1.3 kt or 3% compared to Q3 2016, despite higher underlying copper in concentrate output, as the East Region's Q3 figures benefited from a release of work in progress at the Balkhash smelter. Copper output also decreased by 0.5 kt at the Aktogay oxide operations in Q4, as expected during the winter period. The combined 4.5 kt reduction in output from the East Region, Bozymchak and Aktogay mines was partially offset by continued progress in the ramp up of Bozshakol, where copper cathode equivalent production increased by 3.2 kt or 19% compared to Q3 2016.

Ore extraction reduced by 407 kt in Q4 versus Q3 2016 due to planned lower extraction at Aktogay in line with heap leaching requirements, with the Group copper grade remaining stable at 0.67%.

Following strong by-product output in Q4 2016, in particular as the Artemyevsky mine reported higher than anticipated by-product content and Yubileyno-Snegirikhinsky continued mining until the end of December, the Group's zinc, gold and silver output in 2016 met or exceeded the top end of the Group's guidance ranges for the year.

The Yubileyno-Snegirikhinsky mine ceased operations at the end of 2016, having contributed production of 5.5 kt of copper in concentrate, 0.8 koz of gold in concentrate, 53.0 koz of silver in concentrate and 0.5 kt of zinc in concentrate during the year.

## Mining

|                                       |     | 12m<br>2016 | 12m<br>2015 | Q4<br>2016 | Q3<br>2016 | Q4<br>2015 |
|---------------------------------------|-----|-------------|-------------|------------|------------|------------|
| Ore extraction                        | kt  | 28,272      | 7,099       | 8,790      | 8,466      | 6,070      |
| Average copper grade                  | %   | 0.58        | 0.69        | 0.58       | 0.62       | 0.69       |
| Copper in ore mined                   | kt  | 164.6       | 48.7        | 51.0       | 52.1       | 41.8       |
| Average gold grade                    | g/t | 0.30        | 0.31        | 0.29       | 0.32       | 0.32       |
| Gold in ore mined                     | koz | 270.1       | 70.0        | 81.5       | 88.1       | 62.8       |
| Average silver grade                  | g/t | 1.5         | 2.1         | 1.4        | 1.5        | 2.0        |
| Silver in ore mined                   | koz | 1,361       | 469         | 388        | 405        | 381        |
| Average molybdenum grade <sup>1</sup> | %   | 0.005       | 0.005       | 0.005      | 0.005      | 0.005      |
| Molybdenum in ore mined <sup>1</sup>  | t   | 714         | 25          | 246        | 210        | 25         |

<sup>1</sup> Molybdenum mined in sulphide ore. Production of molybdenum concentrate has not yet commenced.

Ore output continued to increase at Bozshakol during Q4 2016 to support the ramp up of operations. The average copper grade of 0.58% was below the previous quarter (0.62%) as lower grade clay areas were mined for processing during the commissioning phase of the clay plant, which began on 29 September 2016. Total ore mined in Q4 of 8,790 kt consisted of 4,493 kt of sulphide ore with a grade of 0.58% and 4,297 kt of clay ore also with a grade of 0.58%. As at 31 December 2016, a total of 21,266 kt of clay ore was stockpiled at Bozshakol with an average copper grade of 0.63%.

Ore extraction in 2016 rose to 28.3 million tonnes from 7.1 million tonnes in 2015, and copper in ore mined to 164.6 kt from 48.7 kt, as mining operations commenced at Bozshakol in May 2015 and increased in 2016 to support the ramp up of the sulphide concentrator. The pace of mining activity is now approaching the level required to supply the maximum ore processing capacity at Bozshakol of 30 million tonnes per annum.

The grade of gold remained high at 0.29 g/t in Q4 2016 compared to the measured and indicated resource grade of 0.14 g/t, supporting gold production at Bozshakol in 2016.

## Processing

|  |            | 12m<br>2016  | 12m<br>2015 | Q4<br>2016   | Q3<br>2016   | Q4<br>2015 |
|--|------------|--------------|-------------|--------------|--------------|------------|
| Copper in concentrate                        | kt         | 50.3         | -           | 22.2         | 17.5         | -          |
| <b>Copper cathode equivalent<sup>1</sup></b> | <b>kt</b>  | <b>44.8</b>  | -           | <b>20.1</b>  | <b>16.9</b>  | -          |
| Gold in concentrate                          | koz        | 68.0         | -           | 28.4         | 26.6         | -          |
| <b>Gold bar equivalent<sup>1</sup></b>       | <b>koz</b> | <b>59.6</b>  | -           | <b>25.6</b>  | <b>24.9</b>  | -          |
| Silver in concentrate                        | koz        | 338.0        | -           | 162.3        | 110.8        | -          |
| <b>Silver bar equivalent<sup>1</sup></b>     | <b>koz</b> | <b>285.8</b> | -           | <b>139.3</b> | <b>102.6</b> | -          |

<sup>1</sup> The finished metal equivalent of concentrate sold in the period.

The Bozshakol sulphide concentrator produced 22.2 kt of copper in concentrate in Q4, a 27% increase compared to the previous quarter. Average mill throughput in Q4 was over 75%, with higher levels achieved in October followed by reduced throughput in November due to shutdowns for planned commissioning activities. Total production from the main sulphide concentrator in 2016 was 50.1 kt of copper in concentrate and 44.8 kt of copper cathode equivalent, in line with the bottom end of the full year guidance range of 45-55 kt.

Gold in concentrate output increased by 1.8 koz or 7% quarter on quarter as the higher quantity of ore processed was partially offset by a slightly lower ore grade feed. Bozshakol produced 59.6 koz of gold bar equivalent in 2016, at the top end of full year production guidance of 50-60 koz.

Silver in concentrate production increased by 51.5 koz or 46% in Q4 compared to Q3 2016, with silver bar equivalent output also increasing by 36.7 koz or 36% to 139.3 koz.

On 29 September 2016 commissioning works commenced at the Bozshakol clay plant, with 0.2 kt of copper in concentrate produced during initial testing in Q4. The clay plant will continue its ramp up in 2017.

Subject to smelting capacity availability at Balkhash in 2017, a small quantity of concentrate produced at Bozshakol may be sent for toll processing in Kazakhstan on the same terms as East Region material, with the Group benefiting from savings on transport and logistics costs when compared to concentrate sales to China.

As previously announced, the project was declared commercial in October 2016. In the pre-commercial period from January to October, Bozshakol produced 31.1 kt of copper cathode equivalent, 42.9 koz of gold bar equivalent and 188 koz of silver bar equivalent.

## Mining and processing

|                       |           | 12m<br>2016 | 12m<br>2015 | Q4<br>2016 | Q3<br>2016 | Q4<br>2015 |
|-----------------------|-----------|-------------|-------------|------------|------------|------------|
| Ore extraction        | kt        | 16,086      | 3,003       | 3,344      | 4,063      | 878        |
| Copper grade          | %         | 0.41        | 0.37        | 0.43       | 0.38       | 0.36       |
| Copper in ore mined   | kt        | 65.7        | 11.0        | 14.5       | 15.5       | 3.1        |
| <b>Copper cathode</b> | <b>kt</b> | <b>18.1</b> | <b>0.4</b>  | <b>6.1</b> | <b>6.6</b> | <b>0.4</b> |

Aktogay ore output reduced by 719 kt or 18% in Q4 as lower volumes of ore were required to supply the oxide heap leach pads and as mining activities were focused on exposing sulphide material. A small volume of sulphide ore (97 kt) was mined in December, with significant sulphide material now exposed and ready to supply the concentrator. 3,247 kt of oxide ore with a copper grade of 0.43% was mined in Q4 compared to 4,063 kt in Q3 at a grade of 0.38%.

The quantity of copper in ore mined reduced slightly due to the lower level of ore extracted in Q4 compared to Q3 2016, falling by 1 kt or 6% to 14.5 kt.

In the prior year, mining activities were focused on preparatory works and obtaining the initial oxide ore for placement on the leach pads. Mining activities stepped up in 2016 to support processing, with 16.1 million tonnes of ore extracted in 2016, compared to 3.0 million tonnes in 2015.

Copper cathode production from oxide ore in Q4 reduced compared to Q3 due to seasonally lower temperatures, falling by 0.5 kt or 8% to 6.1 kt. The successful ramp up of the leaching and SX/EW operations during 2016 resulted in full year output of 18.1 kt for 2016.

The Aktogay sulphide concentrator commenced commissioning on 6 December 2016 and is currently undergoing testing. The first production of saleable copper concentrate is expected in Q1 2017.

## EAST REGION & BOZYMCHAK

### Copper mining

|                            |           | 12m<br>2016  | 12m<br>2015  | Q4<br>2016   | Q3<br>2016   | Q4<br>2015   |
|----------------------------|-----------|--------------|--------------|--------------|--------------|--------------|
| <b>Ore extraction</b>      | <b>kt</b> | <b>4,664</b> | <b>4,435</b> | <b>1,124</b> | <b>1,136</b> | <b>1,092</b> |
| Orlovsky                   | kt        | 1,260        | 1,417        | 287          | 294          | 355          |
|                            | %         | 3.67         | 3.69         | 3.89         | 3.87         | 4.20         |
| Artemyevsky                | kt        | 1,309        | 1,289        | 323          | 340          | 316          |
|                            | %         | 1.48         | 1.62         | 1.34         | 1.47         | 1.43         |
| Irtyshtsky                 | kt        | 632          | 655          | 159          | 157          | 166          |
|                            | %         | 1.54         | 1.67         | 1.52         | 1.59         | 1.64         |
| Yubileyno-Snegirikhinsky   | kt        | 528          | 625          | 136          | 129          | 142          |
|                            | %         | 1.98         | 1.94         | 2.44         | 2.05         | 1.83         |
| Bozymchak                  | kt        | 935          | 449          | 219          | 216          | 113          |
|                            | %         | 0.86         | 0.97         | 0.86         | 0.87         | 0.98         |
| <b>Average grade</b>       | <b>%</b>  | <b>2.01</b>  | <b>2.27</b>  | <b>2.06</b>  | <b>2.06</b>  | <b>2.36</b>  |
| <b>Copper in ore mined</b> | <b>kt</b> | <b>93.9</b>  | <b>100.6</b> | <b>23.1</b>  | <b>23.4</b>  | <b>25.8</b>  |

Ore extraction in the East Region and Bozymchak in Q4 2016 was in line with the previous quarter. In 2016 ore output increased compared to 2015 as Bozymchak operated at full capacity throughout the year, more than offsetting lower output from the East Region mines.

Copper in ore mined in Q4 was stable compared to Q3 2016, with the lower grade at Artemyevsky offset by an increase in copper content at Yubileyno-Snegirikhinsky. Copper in ore mined decreased in 2016 by 6.7 kt or 7% compared to the prior year, due to lower copper grades at all mines other than Yubileyno-Snegirikhinsky and reduced ore output from Orlovsky.

At the Orlovsky mine the introduction of a six day week in the second half of the year to allow for essential maintenance work to a ventilation shaft resulted in a 157 kt or 11% decrease in ore extraction to 1,260 kt for the full year. The works will continue in 2017 and into 2018.

The Yubileyno-Snegirikhinsky mine was expected to cease operations in the second half of 2016 and mining activities ended in December 2016 with all mineral reserves fully exploited after 15 years. Ore stockpiled at the site will be processed in the first half of 2017. 118 employees have either been redeployed within the Group or accepted redundancy, whilst 40 employees will remain on site to supervise the process of decommissioning and rehabilitation.

## Copper processing

|  |           | 12m<br>2016 | 12m<br>2015 | Q4<br>2016  | Q3<br>2016  | Q4<br>2015  |
|--|-----------|-------------|-------------|-------------|-------------|-------------|
| <b>Copper in concentrate</b>                 | <b>kt</b> | <b>81.0</b> | <b>89.4</b> | <b>18.6</b> | <b>19.7</b> | <b>23.0</b> |
| Orlovsky concentrator                        | kt        | 41.7        | 47.2        | 10.4        | 9.9         | 13.5        |
| Nikolayevsky concentrator                    | kt        | 22.5        | 29.0        | 4.2         | 5.6         | 5.9         |
| Belousovsky concentrator                     | kt        | 8.6         | 10.1        | 2.1         | 2.1         | 2.6         |
| Bozymchak concentrator                       | kt        | 8.2         | 3.1         | 1.9         | 2.1         | 1.0         |
| <b>Copper cathode equivalent<sup>1</sup></b> | <b>kt</b> | <b>77.4</b> | <b>80.7</b> | <b>17.0</b> | <b>21.0</b> | <b>22.3</b> |

<sup>1</sup> Includes finished metal produced and the finished metal equivalent of concentrate sold in the period.

Copper in concentrate output reduced in Q4 2016 by 1.1 kt or 6% compared to Q3 due to lower grades and restricted ore deliveries to the Nikolayevsky concentrator due to poor weather conditions and road repairs, partially offset by higher production from Orlovsky.

In 2016 copper in concentrate declined by 8.4 kt or 9% compared to the prior year as reduced output from the two largest concentrators, Orlovsky and Nikolayevsky, more than offset higher production from the optimised Bozymchak. Orlovsky processed a lower quantity of ore as the mine moved to a six day week in the second half of the year, whilst a lower copper grade from Artemyevsky reduced the feed grade at the Nikolayevsky concentrator.

Copper cathode equivalent output in Q4 decreased by 4 kt or 19% compared to Q3 2016 as the previous quarter benefited from a large release of work in progress at the Balkhash smelter and due to 1.1 kt lower copper in concentrate production.

2016 copper cathode equivalent production reduced by 3.3 kt or 4% year on year, mainly due to the lower copper in concentrate output. Maintenance work at the Balkhash smelter in Q4 2016 resulted in some work in progress being carried forward into 2017.

Full year copper cathode equivalent production of 77.4 kt includes 0.9 kt recognised following the sale of copper concentrate produced at Bozymchak in 2015 to a third party processor in Q1 2016 and 1.7 kt of material that was sold as copper concentrate from the East Region to a third party processor in China in the second half of 2016. Limited volumes of East Region concentrate may continue to be sold to China in 2017.



## EAST REGION & BOZYMCHAK

### Zinc

|                        |    | 12m<br>2016 | 12m<br>2015 | Q4<br>2016 | Q3<br>2016 | Q4<br>2015 |
|------------------------|----|-------------|-------------|------------|------------|------------|
| Zinc bearing ore mined | kt | 3,729       | 3,986       | 905        | 920        | 979        |
| Grade                  | %  | 2.98        | 3.23        | 3.38       | 2.75       | 3.09       |
| Zinc in ore mined      | kt | 111.3       | 128.9       | 30.6       | 25.3       | 30.2       |
| Zinc in concentrate    | kt | 75.4        | 94.3        | 19.2       | 16.6       | 21.0       |

Zinc in ore mined increased by 5.3 kt or 21% in Q4 compared to Q3 2016 due to higher zinc grades across all East Region mines (3.38% from 2.75% in Q3). The zinc grade at the Yubileyno-Snegirikhinsky mine was 3.93% in its last quarter of operations, compared to 1.22% in the previous quarter.

Zinc in concentrate output increased by 2.6 kt or 16% in Q4 2016 versus the previous quarter, driven by the higher grades, but fell by 18.9 kt or 20% in 2016 compared to the prior year as the volume of ore mined and grade in the East Region reduced in line with expectations.

Full year zinc in ore mined reduced by 17.6 kt or 14% as both ore output and grade were lower year on year. The largest zinc producing mine, Orlovsky, moved to a six day week in the second half of the year for maintenance works and the zinc grade in the second largest mine, Artemyevsky, reduced to 2.10% from 2.96% in 2015.

### Gold

|                                  |     | 12m<br>2016 | 12m<br>2015 | Q4<br>2016 | Q3<br>2016 | Q4<br>2015 |
|----------------------------------|-----|-------------|-------------|------------|------------|------------|
| Gold bearing ore mined           | kt  | 4,664       | 4,435       | 1,124      | 1,136      | 1,092      |
| Grade                            | g/t | 0.74        | 0.75        | 0.72       | 0.68       | 0.73       |
| Gold in ore mined                | koz | 111.2       | 106.6       | 26.1       | 25.0       | 25.7       |
| Gold in concentrate              | koz | 67.6        | 42.1        | 16.5       | 16.3       | 11.5       |
| Gold bar equivalent <sup>1</sup> | koz | 60.1        | 34.6        | 14.1       | 16.0       | 6.4        |

<sup>1</sup> Includes finished metal produced and the finished metal equivalent of concentrate sold in the period.

Gold bearing ore output in Q4 2016 of 1,124 kt was stable compared to the previous quarter. However, the average gold grade increased from 0.68 g/t in Q3 to 0.72 g/t in Q4 due to an almost doubling of gold content at Artemyevsky, from 0.27 g/t to 0.50 g/t, as mining moved through a by-product rich area. Gold in concentrate output was stable from Q3 into Q4 2016, increasing by 1% to 16.5 koz.

Gold bar equivalent output in Q4 of 14.1 koz represented a decrease of 1.9 koz or 12% compared to Q3, due to a small build up of work in progress at the Balkhash smelter whereas Q3 2016 had benefited from a release of work in progress.

In 2016 gold bearing ore output increased by 229 kt or 5% compared to 2015, to 4,664 kt. The ramp up of mining at Bozymchak added 486 kt of additional gold bearing ore, more than offsetting the reduction in output in the East Region. The gold grade in 2016 was stable compared to 2015, but gold in concentrate output increased significantly, by 25.5 koz or 61%, reflecting the operation of the Bozymchak concentrator at its design capacity throughout 2016. Gold bar equivalent output for the full year consequently increased by 25.5 kt or 74% to 60.1 koz, ahead of full year guidance of 45-55 koz.

## Silver

|                                    |     | 12m<br>2016 | 12m<br>2015 | Q4<br>2016 | Q3<br>2016 | Q4<br>2015 |
|------------------------------------|-----|-------------|-------------|------------|------------|------------|
| Silver bearing ore mined           | kt  | 4,664       | 4,435       | 1,124      | 1,136      | 1,092      |
| Grade                              | g/t | 37.8        | 43.3        | 41.0       | 34.2       | 41.6       |
| Silver in ore mined                | koz | 5,660       | 6,168       | 1,483      | 1,248      | 1,460      |
| Silver in concentrate              | koz | 3,224       | 3,229       | 922        | 680        | 801        |
| Silver bar equivalent <sup>1</sup> | koz | 2,817       | 3,135       | 728        | 703        | 686        |

<sup>1</sup> Includes finished metal produced and the finished metal equivalent of concentrate sold in the period.

Silver grades increased in Q4 2016 to 41.0 g/t from 34.2 g/t in Q3 as Artemyevsky benefited from the mining of a by-product rich area, with silver content rising from 24.6 g/t in Q3 to 56.1 g/t in Q4 2016. Higher grades drove growth in silver in ore mined of 235 koz, a 19% increase on Q3 2016. Silver in concentrate production benefited from the increase in silver in ore mined, but silver bar equivalent output only increased by 4% to 728 koz in Q4 due to a build up of work in progress at the Balkhash precious metal smelter, compared to a release of work in progress in Q3 2016.

Silver in ore mined reduced by 8% in 2016 compared to 2015, but silver in concentrate production remained stable as concentrator recovery rates improved. Silver bar equivalent output in 2016 of 2,817 koz represents a decrease of 10% compared to the prior year, but exceeded guidance for the East Region and Bozymchak of 2,250-2,500 koz. Silver grades were expected to fall in the East Region mines in 2016, but were stronger than anticipated at Artemyevsky and Irtyshsky (which also assisted concentrator recovery rates) and the Yubileyno-Snegirikhinsky mine was able to sustain operations until December 2016, when mining operations ceased.

## APPENDIX – GROUP PRODUCTION SUMMARY

### Copper processing

|                                    |           | 12m<br>2016  | 12m<br>2015  | Q4<br>2016   | Q3<br>2016   | Q4<br>2015   |
|------------------------------------|-----------|--------------|--------------|--------------|--------------|--------------|
| <b>East Region</b>                 |           |              |              |              |              |              |
| Copper concentrate                 | kt        | 366.4        | 441.4        | 86.3         | 84.5         | 117.3        |
| Copper in concentrate              | kt        | 72.8         | 86.3         | 16.7         | 17.6         | 22.0         |
| <b>Bozymchak</b>                   |           |              |              |              |              |              |
| Copper concentrate                 | kt        | 33.9         | 13.2         | 8.2          | 9.0          | 3.9          |
| Copper in concentrate              | kt        | 8.2          | 3.1          | 1.9          | 2.1          | 1.0          |
| <b>Bozshakol</b>                   |           |              |              |              |              |              |
| Copper concentrate                 | kt        | 214.4        | -            | 97.1         | 72.1         | -            |
| Copper in concentrate              | kt        | 50.3         | -            | 22.2         | 17.5         | -            |
| <b>Total copper concentrate</b>    | <b>kt</b> | <b>614.7</b> | <b>454.6</b> | <b>191.6</b> | <b>165.6</b> | <b>121.2</b> |
| <b>Total copper in concentrate</b> | <b>kt</b> | <b>131.3</b> | <b>89.4</b>  | <b>40.8</b>  | <b>37.2</b>  | <b>23.0</b>  |
| <b>Aktogay oxide</b>               |           |              |              |              |              |              |
| Ore to leach pads                  | kt        | 15,989       | 3,003        | 3,247        | 4,063        | 878          |
| Grade                              | %         | 0.41         | 0.37         | 0.43         | 0.38         | 0.36         |
| <b>Copper cathode</b>              | <b>kt</b> | <b>92.9</b>  | <b>81.1</b>  | <b>22.9</b>  | <b>26.1</b>  | <b>22.7</b>  |
| <b>Copper cathode equivalent</b>   | <b>kt</b> | <b>140.3</b> | <b>81.1</b>  | <b>43.2</b>  | <b>44.5</b>  | <b>22.7</b>  |
| East Region <sup>1</sup>           | kt        | 70.2         | 78.5         | 15.7         | 18.9         | 21.8         |
| Bozymchak <sup>1</sup>             | kt        | 7.2          | 2.2          | 1.3          | 2.1          | 0.5          |
| Aktogay oxide                      | kt        | 18.1         | 0.4          | 6.1          | 6.6          | 0.4          |
| Bozshakol <sup>1</sup>             | kt        | 44.8         | -            | 20.1         | 16.9         | -            |

<sup>1</sup> Includes finished metal produced and the finished metal equivalent of concentrate sold in the period.

### Zinc

|                               |                  | 12m<br>2016  | 12m<br>2015  | Q4<br>2016  | Q3<br>2016  | Q4<br>2015  |
|-------------------------------|------------------|--------------|--------------|-------------|-------------|-------------|
| <b>Zinc bearing ore mined</b> | <b>kt</b>        | <b>3,729</b> | <b>3,986</b> | <b>905</b>  | <b>920</b>  | <b>979</b>  |
| Orlovsky                      | grade (%)        | 4.38         | 4.52         | 4.39        | 4.18        | 5.03        |
| Artemyevsky                   | grade (%)        | 2.10         | 2.96         | 2.25        | 1.84        | 2.11        |
| Irtysky                       | grade (%)        | 3.12         | 3.13         | 3.39        | 3.33        | 3.06        |
| Yubileyno-Snegirikhinsky      | grade (%)        | 1.68         | 0.98         | 3.93        | 1.22        | 0.43        |
| <b>Average</b>                | <b>grade (%)</b> | <b>2.98</b>  | <b>3.23</b>  | <b>3.38</b> | <b>2.75</b> | <b>3.09</b> |
| <b>Zinc in ore mined</b>      | <b>kt</b>        | <b>111.3</b> | <b>128.9</b> | <b>30.6</b> | <b>25.3</b> | <b>30.2</b> |
| <b>Zinc in concentrate</b>    | <b>kt</b>        | <b>75.4</b>  | <b>94.3</b>  | <b>19.2</b> | <b>16.6</b> | <b>21.0</b> |

## APPENDIX – GROUP PRODUCTION SUMMARY

### Gold

|                                |                    | 12m<br>2016   | 12m<br>2015   | Q4<br>2016   | Q3<br>2016   | Q4<br>2015   |
|--------------------------------|--------------------|---------------|---------------|--------------|--------------|--------------|
| <b>Gold bearing ore mined</b>  | <b>kt</b>          | <b>32,936</b> | <b>11,534</b> | <b>9,914</b> | <b>9,602</b> | <b>7,162</b> |
| Orlovsky                       | grade (g/t)        | 1.02          | 1.18          | 0.88         | 1.05         | 1.14         |
| Artemyevsky                    | grade (g/t)        | 0.37          | 0.38          | 0.50         | 0.27         | 0.37         |
| Irtyshtsky                     | grade (g/t)        | 0.29          | 0.28          | 0.32         | 0.29         | 0.29         |
| Yubileyno-Snegirikhinsky       | grade (g/t)        | 0.27          | 0.28          | 0.32         | 0.25         | 0.19         |
| Bozymchak                      | grade (g/t)        | 1.46          | 1.77          | 1.39         | 1.37         | 1.82         |
| Bozshakol                      | grade (g/t)        | 0.30          | 0.31          | 0.29         | 0.32         | 0.32         |
| <b>Average</b>                 | <b>grade (g/t)</b> | <b>0.36</b>   | <b>0.48</b>   | <b>0.34</b>  | <b>0.37</b>  | <b>0.38</b>  |
| <b>Gold metal in ore mined</b> | <b>koz</b>         | <b>381.3</b>  | <b>176.6</b>  | <b>107.6</b> | <b>113.1</b> | <b>88.5</b>  |
| East Region                    | koz                | 67.3          | 81.1          | 16.3         | 15.4         | 19.1         |
| Bozymchak                      | koz                | 43.9          | 25.5          | 9.8          | 9.6          | 6.6          |
| Bozshakol                      | koz                | 270.1         | 70.0          | 81.5         | 88.1         | 62.8         |
| <b>Gold in concentrate</b>     | <b>koz</b>         | <b>135.6</b>  | <b>42.1</b>   | <b>44.9</b>  | <b>42.9</b>  | <b>11.5</b>  |
| East Region                    | koz                | 21.8          | 24.3          | 5.9          | 4.4          | 5.9          |
| Bozymchak                      | koz                | 45.8          | 17.8          | 10.6         | 11.9         | 5.6          |
| Bozshakol                      | koz                | 68.0          | -             | 28.4         | 26.6         | -            |
| <b>Gold bar equivalent</b>     | <b>koz</b>         | <b>119.7</b>  | <b>34.6</b>   | <b>39.7</b>  | <b>40.9</b>  | <b>6.4</b>   |
| East Region <sup>1</sup>       | koz                | 21.8          | 22.1          | 4.7          | 5.0          | 3.3          |
| Bozymchak <sup>1</sup>         | koz                | 38.3          | 12.5          | 9.4          | 11.0         | 3.1          |
| Bozshakol <sup>1</sup>         | koz                | 59.6          | -             | 25.6         | 24.9         | -            |

<sup>1</sup> Includes finished metal produced and the finished metal equivalent of concentrate sold in the period.

### Silver

|                                 |                    | 12m<br>2016   | 12m<br>2015   | Q4<br>2016   | Q3<br>2016   | Q4<br>2015   |
|---------------------------------|--------------------|---------------|---------------|--------------|--------------|--------------|
| <b>Silver bearing ore mined</b> | <b>kt</b>          | <b>32,936</b> | <b>11,534</b> | <b>9,914</b> | <b>9,602</b> | <b>7,162</b> |
| Orlovsky                        | grade (g/t)        | 58.0          | 64.4          | 45.9         | 61.9         | 62.3         |
| Artemyevsky                     | grade (g/t)        | 38.9          | 35.1          | 56.1         | 24.6         | 33.5         |
| Irtyshtsky                      | grade (g/t)        | 53.6          | 62.2          | 59.7         | 52.4         | 59.6         |
| Yubileyno-Snegirikhinsky        | grade (g/t)        | 17.5          | 16.4          | 25.3         | 16.5         | 12.3         |
| Bozymchak                       | grade (g/t)        | 9.5           | 10.0          | 8.8          | 8.8          | 9.2          |
| Bozshakol                       | grade (g/t)        | 1.5           | 2.1           | 1.4          | 1.5          | 2.0          |
| <b>Average</b>                  | <b>grade (g/t)</b> | <b>6.6</b>    | <b>17.9</b>   | <b>5.9</b>   | <b>5.4</b>   | <b>8.0</b>   |
| <b>Silver in ore mined</b>      | <b>koz</b>         | <b>7,021</b>  | <b>6,637</b>  | <b>1,871</b> | <b>1,653</b> | <b>1,841</b> |
| East Region                     | koz                | 5,376         | 6,024         | 1,421        | 1,187        | 1,427        |
| Bozymchak                       | koz                | 284           | 144           | 62           | 61           | 33           |
| Bozshakol                       | koz                | 1,361         | 469           | 388          | 405          | 381          |
| <b>Silver in concentrate</b>    | <b>koz</b>         | <b>3,562</b>  | <b>3,229</b>  | <b>1,084</b> | <b>791</b>   | <b>801</b>   |
| East Region                     | koz                | 2,928         | 3,110         | 862          | 607          | 765          |
| Bozymchak                       | koz                | 296           | 119           | 60           | 73           | 36           |
| Bozshakol                       | koz                | 338           | -             | 162          | 111          | -            |
| <b>Silver bar equivalent</b>    | <b>koz</b>         | <b>3,103</b>  | <b>3,135</b>  | <b>867</b>   | <b>806</b>   | <b>686</b>   |
| East Region <sup>1</sup>        | koz                | 2,565         | 3,052         | 668          | 629          | 665          |
| Bozymchak <sup>1</sup>          | koz                | 252           | 83            | 60           | 74           | 21           |
| Bozshakol <sup>1</sup>          | koz                | 286           | -             | 139          | 103          | -            |

<sup>1</sup> Includes finished metal produced and the finished metal equivalent of concentrate sold in the period.