



27 April 2017

## **KAZ MINERALS GROUP PRODUCTION REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017 AND INTERIM MANAGEMENT STATEMENT**

- Copper production<sup>1</sup> increased by 16% to 52 kt in Q1 2017 (Q4 2016: 45 kt) as new mines ramp up
- On track to meet 2017 production guidance for all metals
- **Bozshakol**
  - 23 kt copper production<sup>2</sup> (Q4 2016: 21 kt)
  - Sulphide plant completed planned maintenance in January, higher throughput in March
  - Clay plant ramping up in line with expectations, processed 495 kt of ore in Q1
- **Aktogay**
  - Sulphide concentrator commenced output in mid-February, 7 kt copper production<sup>2</sup> in Q1
  - Copper in concentrate output benefitted from high grade in transitional zone
  - SX/EW cathode output of 5 kt (Q4 2016: 6 kt), seasonal impact of cold weather
- **East Region and Bozymchak**
  - Copper production<sup>2</sup> of 17 kt (Q4 2016: 18 kt)
  - Volumes supported by processing of stockpiled ore from Yubileyno-Snegirikhinsky mine
  - By-product output on track for full year guidance
- **Financial update**
  - Net debt of \$2,550 million at 31 March 2017, \$1,098 million of funds available
  - Q1 financial position supported by limited project spend and refund of project VAT
  - 2017 project expenditure guidance for Aktogay reduced from \$265 million to less than \$200 million, due to commissioning efficiencies and operating synergies with Bozshakol

<sup>1</sup> Payable metal in concentrate and copper cathode from Aktogay oxide ore.

<sup>2</sup> Payable metal in concentrate.

Oleg Novachuk, Chief Executive, said: "I am pleased to report continued progress in the ramp up of our new mines, including an excellent first quarter of production from sulphide operations at Aktogay. The Aktogay concentrator commenced output in mid-February and has produced 7 kt of copper. KAZ Minerals is delivering industry-leading production growth as promised to the market and was amongst the lowest cost copper producers globally in 2016."

For further information please contact:

### **KAZ Minerals PLC**

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Chris Bucknall	Investor Relations, London	<b>Tel: +44 20 7901 7882</b>
Anna Mallere	Investor Relations, London	<b>Tel: +44 20 7901 7814</b>
Maksut Zhapabayev	Corporate Communications, Almaty	<b>Tel: +7 727 244 03 53</b>

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### **Instinctif Partners**

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David Simonson	<b>Tel: +44 20 7457 2020</b>
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### REGISTERED OFFICE

6th Floor, Cardinal Place, 100 Victoria Street, London SW1E 5JL, United Kingdom.

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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 commenced in February 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

		Q1 2017	Q4 2016	Q1 2016
Ore extraction	kt	16,884	13,258	10,605
Ore processed	kt	7,700	5,971	1,518
Average copper grade processed	%	0.80	0.81	1.67
Ore to leach pads	kt	4,213	3,247	4,360
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>52.1</b>	<b>44.9</b>	<b>22.7</b>
Bozshakol	kt	22.9	21.2	1.0
Aktogay sulphide	kt	7.2	-	-
Aktogay oxide	kt	4.7	6.1	1.5
East Region & Bozymchak	kt	17.3	17.6	20.2
Zinc in concentrate	kt	15.5	19.2	19.9
Gold production <sup>2</sup>	koz	42.5	42.0	17.7
Silver production <sup>2</sup>	koz	757	985	706

<sup>1</sup> Payable metal in concentrate and copper cathode from Aktogay oxide ore.

<sup>2</sup> Payable metal in concentrate.

From 2017, the Group is reporting "copper production", calculated as payable metal in concentrate produced and the copper cathode from Aktogay oxide ore. "Gold production" and "silver production" have also been introduced in 2017 and are calculated as the payable metal in concentrate produced. Comparative figures have been presented on the same basis.

Copper production increased by 16% to 52.1 kt from the prior quarter, driven by the successful commissioning of the Aktogay sulphide concentrator, which contributed 7.2 kt in Q1 2017, as well as the continuing ramp up of Bozshakol. The contributions from Bozshakol and Aktogay have resulted in a 130% increase in copper production versus the prior year period.

Total ore extraction of 16.9 million tonnes represents an increase of 27% and 59% versus the previous quarter and prior year period respectively, providing feed to the Bozshakol and Aktogay processing plants.

Ore processed increased by 29% in Q1 2017 compared to the previous quarter and was significantly above the prior year period as the Bozshakol and Aktogay sulphide concentrators raised throughput. Of the 16.9 million tonnes of ore extracted, 7.7 million tonnes of ore was processed at concentrators, 4.2 million tonnes of oxide ore was placed on leach pads at Aktogay and 5.1 million tonnes of clay ore was stockpiled at Bozshakol. The average copper grade processed at concentrators of 0.80% was lower than the 1.67% grade in Q1 2016 when the majority of the Group's copper production consisted of output from the higher grade underground mines in the East Region.

Zinc in concentrate output reduced by 19% from Q4 2016 to Q1 2017 due to a temporarily lower zinc grade at Artemyevsky. Zinc in concentrate production declined by 22% compared to the prior year period, also due to the mine closure and a lower grade of zinc in ore processed at Orlovsky.

Gold production was stable at 42.5 koz compared to 42.0 koz in the previous quarter, as a 2.0 koz increase in output from Bozshakol was offset by declining production from the East Region. The 27.3 koz increase in contribution from Bozshakol led to significantly higher gold production compared to Q1 2016.

Silver output decreased by 23% to 757 koz in Q1 2017 compared to the previous quarter mainly due to lower East Region grades, but increased by 7% compared to Q1 2016 as increased production from Bozshakol more than offset lower output in the East Region.

		Q1 2017	Q4 2016	Q1 2016
<b>Ore extraction</b>	<b>kt</b>	<b>9,904</b>	<b>8,790</b>	<b>5,009</b>
Sulphide	kt	4,255	4,493	1,554
Clay	kt	5,649	4,297	3,455
<b>Ore processed</b>	<b>kt</b>	<b>5,060</b>	<b>4,916</b>	<b>301</b>
<b>Copper</b>				
Average copper grade processed	%	0.57	0.57	0.50
Copper in ore processed	kt	28.6	28.1	1.5
Copper recovery rate	%	83.7	79.0	71.3
Copper in concentrate	kt	24.0	22.2	1.1
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>22.9</b>	<b>21.2</b>	<b>1.0</b>
<b>Gold</b>				
Average gold grade processed	g/t	0.33	0.31	0.30
Gold recovery rate	%	57.6	57.1	46.7
Gold in concentrate	koz	30.5	28.4	1.3
<b>Gold production<sup>1</sup></b>	<b>koz</b>	<b>28.5</b>	<b>26.5</b>	<b>1.2</b>
<b>Silver production<sup>1</sup></b>	<b>koz</b>	<b>161</b>	<b>146</b>	<b>7</b>

<sup>1</sup> Payable metal in concentrate.

Ore extraction increased in the quarter by 13% to 9.9 million tonnes, compared to 8.8 million tonnes in Q4 2016, to develop the pit and support the ramp up of the sulphide concentrator and clay plant. The rate of ore extraction has approximately doubled since Q1 2016 (5.0 million tonnes) when the sulphide plant began commissioning.

During Q1 2017 a total of 5.1 million tonnes of ore was processed (Q4 2016: 4.9 million tonnes), with the majority passing through the main sulphide concentrator. The average grade of ore processed was stable at 0.57% (Q4 2016: 0.57%), in line with expectations and ahead of the 0.50% material processed in Q1 2016 during initial commissioning. The sulphide concentrator underwent a scheduled shutdown for a re-lining of the SAG mill and had minor stoppages for maintenance in January and February. Throughput levels at the concentrator have subsequently increased in March.

Ore processed in the quarter includes 495 kt at a grade of 0.68% handled by the clay plant, which commenced commissioning at the end of September 2016. Extraction of clay ore in Q1 2017 was 5.6 million tonnes, the majority of which was stockpiled.

Copper production increased from 21.2 kt in Q4 2016 to 22.9 kt in Q1 2017 including a 2.4 kt contribution from the clay plant. Output from the main sulphide concentrator was lower than Q4 2016 due to the maintenance activities described above. Bozshakol is on target to achieve its guided level of copper production in 2017 of 95-110 kt.

During the quarter, 2.1 kt of copper in concentrate was sent for toll processing at the Balkhash smelter in Kazakhstan to take advantage of available smelting capacity on attractive commercial terms.

Gold output increased by 8% to 28.5 kt compared to the previous quarter due to higher processing volumes, higher grades and an improving recovery rate. The gold grade is expected to decline from current levels later in 2017. Bozshakol is on track to achieve its guided level of gold production in 2017 of 85-110 koz. Silver production increased by 10% compared to Q4 2016, to 161 koz.

		Q1 2017	Q4 2016	Q1 2016
<b>Oxide</b>				
Ore extraction	kt	4,213	3,247	4,360
Grade	%	0.44	0.43	0.38
<b>Copper cathode</b>	<b>kt</b>	<b>4.7</b>	<b>6.1</b>	<b>1.5</b>
<b>Sulphide</b>				
Ore extraction	kt	1,806	97	-
<b>Ore processed</b>	<b>kt</b>	<b>1,637</b>	-	-
Average copper grade processed	%	0.80	-	-
Copper in ore processed	kt	13.0	-	-
Recovery rate	%	57.7	-	-
Copper in concentrate	kt	7.5	-	-
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>7.2</b>	-	-
<b>Total copper production</b>	<b>kt</b>	<b>11.9</b>	<b>6.1</b>	<b>1.5</b>

<sup>1</sup> Payable metal in concentrate.

Oxide ore mined and placed on leach pads increased by 30% to 4.2 million tonnes compared to Q4 2016. Copper cathode output from the SX/EW facility reduced in the quarter to 4.7 kt due to seasonal fluctuations caused by cold weather, but was significantly above Q1 2016 when the plant was in commissioning. Production from oxide ore at Aktogay is on track to achieve guidance of around 20 kt of copper cathode in 2017, with higher production expected during the warmer months of the year.

The mining of material quantities of sulphide ore commenced in Q1 2017, in line with the commissioning of the main sulphide concentrator, with 1.8 million tonnes mined and 1.6 million tonnes processed at a copper grade of 0.80%. Grades in the initial layer of sulphide ore are elevated due to the leaching of copper from oxide ore into sulphide ore (supergene sulphide enrichment) and are expected to reduce from these levels over the remainder of the year. No significant issues have been encountered during commissioning to date.

During the quarter, 2.5 kt of copper in concentrate produced at Aktogay was sent for toll processing at the Balkhash smelter in Kazakhstan to take advantage of available smelting capacity on attractive commercial terms. Further material from Aktogay may be sent to Balkhash for processing in 2017 depending on available capacity.

Copper production from sulphide ore at Aktogay is on track to achieve guidance of 45-65 kt for 2017 with total copper production of 65-85 kt including oxide operations.

## EAST REGION & BOZYMCHAK

### Copper

		Q1 2017	Q4 2016	Q1 2016
<b>Ore extraction</b>	<b>kt</b>	<b>961</b>	<b>1,124</b>	<b>1,236</b>
<b>Ore processed</b>	<b>kt</b>	<b>1,003</b>	<b>1,055</b>	<b>1,217</b>
Orlovsky concentrator	kt	276	290	343
	grade (%)	3.87	3.88	3.48
Nikolayevsky concentrator	kt	319	362	434
	grade (%)	1.52	1.31	1.60
Belousovsky concentrator	kt	155	160	173
	grade (%)	1.50	1.52	1.55
Bozymchak concentrator	kt	253	243	267
	grade (%)	0.90	0.88	0.86
<b>Average grade processed</b>	<b>%</b>	<b>2.01</b>	<b>1.95</b>	<b>1.96</b>
<b>Average recovery rate</b>	<b>%</b>	<b>91.0</b>	<b>90.3</b>	<b>89.3</b>
<b>Copper in concentrate</b>	<b>kt</b>	<b>18.3</b>	<b>18.6</b>	<b>21.3</b>
Orlovsky concentrator	kt	9.8	10.4	10.7
Nikolayevsky concentrator	kt	4.4	4.2	6.2
Belousovsky concentrator	kt	2.1	2.1	2.3
Bozymchak concentrator	kt	2.0	1.9	2.1
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>17.3</b>	<b>17.6</b>	<b>20.2</b>

<sup>1</sup> Payable metal in concentrate.

Copper production in the East Region and Bozymchak was stable at 17.3 kt (Q4 2016: 17.6 kt). Whilst mining activity at Yubileyno-Snegirikhinsky ceased at the end of 2016, 80 kt of stockpiled ore from the mine was processed in Q1 2017 and a further 131 kt is available for processing in Q2 2017. There was a 5% reduction in ore processed in Q1 2017 compared to Q4 2016, offset by a higher average copper grade and concentrator recoveries of 91.0% (Q4 2016: 90.3%).

Copper production was 14% lower compared to Q1 2016 as the prior year period benefited from a full seven day week of operations at the Orlovsky mine (reduced to six days from the second half of 2016 for ventilation maintenance works) and the operation of the Yubileyno-Snegirikhinsky mine prior to its closure at the end of 2016.

The East Region and Bozymchak are on track to achieve 2017 copper production guidance of around 65 kt.

## EAST REGION & BOZYMCHAK

### By-products

		Q1 2017	Q4 2016	Q1 2016
<b>Zinc</b>				
Zinc bearing ore processed	kt	750	812	950
Average grade processed	%	2.89	3.21	2.97
Average recovery rate	%	71.8	73.4	70.5
<b>Zinc in concentrate</b>	<b>kt</b>	<b>15.5</b>	<b>19.2</b>	<b>19.9</b>
<b>Gold</b>				
Gold bearing ore processed	kt	1,003	1,055	1,217
Average grade processed	g/t	0.78	0.83	0.81
Average recovery rate	%	59.2	58.4	55.5
Gold in concentrate	koz	14.9	16.5	17.5
<b>Gold production<sup>1</sup></b>	<b>koz</b>	<b>14.0</b>	<b>15.5</b>	<b>16.5</b>
<b>Silver</b>				
Silver bearing ore processed	kt	1,003	1,055	1,217
Average grade processed	g/t	31.6	41.9	36.4
Average recovery rate	%	64.2	64.8	53.9
Silver in concentrate	koz	655	922	768
<b>Silver production<sup>1</sup></b>	<b>koz</b>	<b>596</b>	<b>839</b>	<b>699</b>

<sup>1</sup> Payable metal in concentrate.

Production of all by-products reduced versus the comparative periods as a result of the closure of the Yubileyno-Snegirikhinsky mine at the end of 2016 and a six day week at Orlovsky due to ongoing ventilation works. In Q1 2017, by product output was also temporarily reduced as the Nikolayevsky concentrator processed lower grade material.

Zinc in concentrate output declined by 19% from Q4 2016 to Q1 2017 and by 22% compared to the prior year period. In addition to the reduction in zinc containing ore volumes described above, in Q1 2017 lower grade zinc material was processed at Nikolayevsky, also adversely impacting recovery rates.

Gold production from the East Region and Bozymchak reduced by 10% in Q1 2017 compared to Q4 2016 as a lower gold grade in ore was processed. Gold production was 15% lower than Q1 2016 as the prior year period benefitted from higher ore throughput and grades.

Silver output of 596 koz was 29% and 15% lower than Q4 2016 and Q1 2016 respectively, due to lower silver grades at each of the three East Region concentrators. Both comparative periods benefitted from the mining of temporarily elevated silver grade areas.

## INTERIM MANAGEMENT STATEMENT

### Financial performance

#### Sales Volumes

The following table sets out the sales volumes of the Group's major products and includes pre-commercial sales volumes.

		Q1 2017	Q1 2016
Copper cathode	kt	26.6	22.9
Copper in concentrate <sup>1</sup>	kt	23.9	1.2
Zinc in concentrate	kt	15.8	18.5
Gold bar	koz	14.9	8.0
Gold in concentrate <sup>1</sup>	koz	24.0	5.0
Silver bar	koz	907	562
Silver in concentrate <sup>1</sup>	koz	190	33

<sup>1</sup> Shown as payable metal in concentrate.

Total copper sales were 50.5 kt, more than double the 24.1 kt sold in Q1 2016. Copper cathode sales increased by 16% compared to the prior year period, reflecting the contribution from the Aktogay oxide plant, partly offset by lower production from the East Region. Copper in concentrate sales volumes increased to 23.9 kt, with sales of 18.3 kt from the Bozshakol sulphide plant and 4.3 kt from the Aktogay sulphide plant. In Q1 2017, copper in concentrate containing 2.0 kt of payable metal was dispatched from Bozshakol for processing at the Balkhash smelter of which 0.8 kt was recognised in cathode sales in the quarter. 2.4 kt of payable metal was dispatched from Aktogay to Balkhash and remained unsold in the quarter.

Net revenues prior to the achievement of commercial production from the Aktogay sulphide plant are recognised as a deduction from fixed assets.

Zinc in concentrate sales from the East Region decreased by 15% (2.7 kt) in line with lower ore mined and processed at the East Region operations.

The increase in gold sales volumes is due to the contribution from Bozshakol and a small release of gold inventory at the Balkhash smelter.

The increase in silver bar and concentrate sales volumes is attributed to the contribution of concentrate volumes from the Bozshakol operations and from the release of East Region and Bozymchak material at the Balkhash smelter.



## INTERIM MANAGEMENT STATEMENT

### Financial performance

#### Commodity Prices

The following table sets out the average realised prices for the Group's major products including pre-commercial sales from the Aktogay sulphide project for the current period and for the Aktogay oxide and Bozshakol sulphide projects in the comparative prior period:

		Q1 2017	Q1 2016
Copper cathode	\$/tonne	5,895	4,649
Copper in concentrate	\$/tonne	5,468	3,489
Zinc in concentrate	\$/tonne	2,024	828
Gold bar	\$/tr.oz	1,218	1,173
Gold in concentrate	\$/tr.oz	1,101	1,080
Silver bar	\$/tr.oz	17.6	14.7
Silver in concentrate	\$/tr.oz	16.8	13.7

The following table sets out the average LME/LBMA prices:

		Q1 2017	Q1 2016
Copper	\$/tonne	5,834	4,672
Zinc	\$/tonne	2,781	1,679
Gold	\$/tr.oz	1,219	1,183
Silver	\$/tr.oz	17.4	14.9

The realised prices for the products sold will differ from the average LME/LBMA prices during the quarter due to sales not being made evenly over the period. Premiums or discounts to metal exchange prices negotiated with customers also impact average realised prices. The copper, zinc, gold and silver in concentrate realised prices are below their respective LME and LBMA average prices due to the deduction of treatment and refining charges from the revenue derived from the sale of the product.

Most of the Group's sales agreements are based on provisional pricing with the final pricing usually determined by the average market price of the respective metal in the month (for silver), the month following (for copper cathode and zinc concentrate) or the second month following (for copper concentrate) dispatch to the customer. The volume of goods sold under quotational pricing has significantly increased due to concentrate sales terms and the increase in copper and zinc prices in Q1 2017 has resulted in positive provisional pricing adjustments being recognised in the quarter in respect of copper and zinc concentrate sales made in 2016 and early 2017, raising the reported realised prices. At 31 March 2017, the Group's provisionally priced volumes and their respective average provisional prices were:

	Q1 2017		
		Volumes	Provisional price
Copper cathode	kt	4.5	\$/tonne 5,973
Copper in concentrate	kt	17.3	\$/tonne 5,269
Zinc in concentrate	kt	2.0	\$/tonne 1,757
Gold	koz	26.5	\$/tr.oz 1,220
Silver	koz	130	\$/tr.oz 17

## INTERIM MANAGEMENT STATEMENT

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### Financial performance

#### Commodity Hedging

At 31 March 2017, there were no commodity hedges in place.

#### Exchange Rates

The KZT/\$ exchange rate at 31 March 2017 was KZT/\$ 314.79 compared to KZT/\$ 333.29 at 31 December 2016. The average exchange rate for Q1 2017 was KZT/\$ 322.46, compared to an average rate of KZT/\$ 356.62 in Q1 2016.

## INTERIM MANAGEMENT STATEMENT

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### Net debt and cash position

Net debt decreased to \$2,550 million at 31 March 2017 from \$2,669 million at 31 December 2016. Total cash and cash equivalents at 31 March 2017 amounted to \$1,098 million, largely unchanged from the \$1,108 million at 31 December 2016. Of these funds, \$152 million is reserved for the development of Aktogay under the CDB Aktogay facilities.

As previously announced, the Group received \$166 million in VAT refunds related to the Bozshakol and Aktogay construction projects, partly offset by interest payments of \$91 million under the Group debt facilities. In addition, mineral extraction tax and royalty payments of \$53 million and income tax payments of \$12 million were made during the quarter.

At 31 March 2017, gross debt (before amortised fees) was \$3,686 million compared to \$3,817 million at 31 December 2016, following the scheduled repayments on the CDB Bozshakol/Bozymchak facilities of \$91 million, the PXF facility of \$35 million and the CDB Aktogay CNY facility of \$5 million. Of the gross debt (before amortised fees) at 31 March 2017, \$1,631 million related to the CDB Bozshakol/Bozymchak facilities, \$1,468 million to the CDB Aktogay facilities, \$300 million to the Development Bank of Kazakhstan (DBK) facility, \$247 million to the PXF facility and \$40 million to the revolving credit facility with Caterpillar Financial Services (UK) Limited. At 31 March 2017, the Group's debt facilities were all fully drawn.

### Capital expenditure

The project spend in 2017 for Aktogay is now expected to be less than \$200 million, below the \$265 million previously guided for the year. Project costs have been revised downwards following a review of the status of commissioning, which has progressed well. Aktogay's project spend has also benefitted from a shared critical spares strategy with the Bozshakol operations. Capital expenditure guidance for Aktogay in 2018 remains unchanged at \$370 million.

## APPENDIX – GROUP PRODUCTION SUMMARY

### Copper mining & processing

		Q1 2017	Q4 2016	Q1 2016
<b>Ore extraction</b>	<b>kt</b>	<b>16,884</b>	<b>13,258</b>	<b>10,605</b>
Bozshakol	kt	9,904	8,790	5,009
Aktogay	kt	6,019	3,344	4,360
East Region	kt	726	905	952
Bozymchak	kt	235	219	284
<b>Average grade mined</b>	<b>%</b>	<b>0.66</b>	<b>0.67</b>	<b>0.65</b>
<b>Copper in ore mined</b>	<b>kt</b>	<b>111.0</b>	<b>88.6</b>	<b>68.7</b>
<b>Ore processed</b>	<b>kt</b>	<b>7,700</b>	<b>5,971</b>	<b>1,518</b>
Bozshakol	kt	5,060	4,916	301
Aktogay (sulphide)	kt	1,637	-	-
East Region	kt	750	812	950
Bozymchak	kt	253	243	267
<b>Average grade processed</b>	<b>%</b>	<b>0.80</b>	<b>0.81</b>	<b>1.67</b>
Bozshakol	%	0.57	0.57	0.50
Aktogay (sulphide)	%	0.80	-	-
East Region	%	2.38	2.27	2.27
Bozymchak	%	0.90	0.88	0.86
<b>Copper in ore processed</b>	<b>kt</b>	<b>61.8</b>	<b>48.7</b>	<b>25.4</b>
Bozshakol	kt	28.6	28.1	1.5
Aktogay (sulphide)	kt	13.0	-	-
East Region	kt	17.9	18.5	21.6
Bozymchak	kt	2.3	2.1	2.3
<b>Average recovery rate</b>	<b>%</b>	<b>80.6</b>	<b>83.8</b>	<b>88.2</b>
Bozshakol	%	83.7	79.0	71.3
Aktogay (sulphide)	%	57.7	-	-
East Region	%	91.2	90.4	89.0
Bozymchak	%	89.6	89.7	91.6
Aktogay oxide ore to leach pads	kt	4,213	3,247	4,360
Grade	%	0.44	0.43	0.38

## APPENDIX – GROUP PRODUCTION SUMMARY

### Copper production

		Q1 2017	Q4 2016	Q1 2016
<b>Bozshakol</b>				
Copper concentrate	kt	107.2	97.1	6.6
Copper in concentrate	kt	24.0	22.2	1.1
<b>Aktogay sulphide</b>				
Copper concentrate	kt	27.5	-	-
Copper in concentrate	kt	7.5	-	-
<b>East Region</b>				
Copper concentrate	kt	80.4	86.3	102.4
Copper in concentrate	kt	16.3	16.7	19.2
<b>Bozymchak</b>				
Copper concentrate	kt	8.6	8.2	8.2
Copper in concentrate	kt	2.0	1.9	2.1
<b>Total copper concentrate</b>	<b>kt</b>	<b>223.7</b>	<b>191.6</b>	<b>117.2</b>
<b>Total copper in concentrate</b>	<b>kt</b>	<b>49.8</b>	<b>40.8</b>	<b>22.4</b>
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>52.1</b>	<b>44.9</b>	<b>22.7</b>
Bozshakol	kt	22.9	21.2	1.0
Aktogay sulphide	kt	7.2	-	-
Aktogay oxide	kt	4.7	6.1	1.5
East Region	kt	15.4	15.8	18.2
Bozymchak	kt	1.9	1.8	2.0
<b>Copper cathodes</b>	<b>kt</b>	<b>25.6</b>	<b>22.9</b>	<b>20.3</b>
Bozshakol (toll processed)	kt	0.9	-	-
Aktogay sulphide (toll processed)	kt	0.5	-	-
Aktogay oxide	kt	4.7	6.1	1.5
East Region (toll processed)	kt	17.2	15.5	18.1
Bozymchak (toll processed)	kt	2.3	1.3	0.7

<sup>1</sup> Payable metal in concentrate and copper cathode from Aktogay oxide ore.

## APPENDIX – GROUP PRODUCTION SUMMARY

### Zinc

		Q1 2017	Q4 2016	Q1 2016
<b>Zinc bearing ore mined</b>	<b>kt</b>	<b>726</b>	<b>905</b>	<b>952</b>
Orlovsky	kt	275	287	342
Artemyevsky	kt	294	323	319
Irtysky	kt	157	159	159
Yubileyno-Snegirikhinsky	kt	-	136	132
<b>Zinc bearing ore processed</b>	<b>kt</b>	<b>750</b>	<b>812</b>	<b>950</b>
Orlovsky concentrator	kt	276	290	343
	grade (%)	3.99	4.38	4.79
Nikolayevsky concentrator	kt	319	362	434
	grade (%)	1.78	2.20	1.53
Belousovsky concentrator	kt	155	160	173
	grade (%)	3.20	3.37	2.97
<b>Average grade processed</b>	<b>%</b>	<b>2.89</b>	<b>3.21</b>	<b>2.97</b>
<b>Zinc metal in ore processed</b>	<b>kt</b>	<b>21.7</b>	<b>26.1</b>	<b>28.3</b>
Orlovsky concentrator	kt	11.0	12.7	16.5
Nikolayevsky concentrator	kt	5.7	8.0	6.7
Belousovsky concentrator	kt	5.0	5.4	5.1
<b>Average recovery rate</b>	<b>%</b>	<b>71.8</b>	<b>73.4</b>	<b>70.5</b>
Orlovsky concentrator	%	72.6	72.4	72.2
Nikolayevsky concentrator	%	71.0	76.9	67.6
Belousovsky concentrator	%	70.6	70.8	68.8
<b>Zinc in concentrate</b>	<b>kt</b>	<b>15.5</b>	<b>19.2</b>	<b>19.9</b>
Orlovsky concentrator	kt	8.0	9.2	11.9
Nikolayevsky concentrator	kt	4.0	6.1	4.5
Belousovsky concentrator	kt	3.5	3.9	3.5

## APPENDIX – GROUP PRODUCTION SUMMARY

### Gold

		Q1 2017	Q4 2016	Q1 2016
<b>Gold bearing ore mined</b>	<b>kt</b>	<b>10,865</b>	<b>9,914</b>	<b>6,245</b>
Bozshakol	kt	9,904	8,790	5,009
East Region	kt	726	905	952
Bozymchak	kt	235	219	284
<b>Gold bearing ore processed</b>	<b>kt</b>	<b>6,063</b>	<b>5,971</b>	<b>1,518</b>
Bozshakol	kt	5,060	4,916	301
	grade (g/t)	0.33	0.31	0.30
East Region	kt	750	812	950
	grade (g/t)	0.50	0.58	0.56
Bozymchak	kt	253	243	267
	grade (g/t)	1.63	1.66	1.69
<b>Average grade processed</b>	<b>g/t</b>	<b>0.40</b>	<b>0.41</b>	<b>0.71</b>
<b>Gold in ore processed</b>	<b>koz</b>	<b>78.1</b>	<b>77.9</b>	<b>34.4</b>
Bozshakol	koz	52.9	49.7	2.9
East Region	koz	12.0	15.3	17.1
Bozymchak	koz	13.2	12.9	14.4
<b>Average recovery rate</b>	<b>%</b>	<b>58.2</b>	<b>57.6</b>	<b>53.8</b>
Bozshakol	%	57.6	57.1	46.7
East Region	%	34.5	38.4	32.7
Bozymchak	%	81.5	82.1	82.5
<b>Gold in concentrate</b>	<b>koz</b>	<b>45.4</b>	<b>44.9</b>	<b>18.8</b>
Bozshakol	koz	30.5	28.4	1.3
East Region	koz	4.1	5.9	5.6
Bozymchak	koz	10.8	10.6	11.9
<b>Gold production<sup>1</sup></b>	<b>koz</b>	<b>42.5</b>	<b>42.0</b>	<b>17.7</b>
Bozshakol	koz	28.5	26.5	1.2
East Region	koz	3.9	5.5	5.3
Bozymchak	koz	10.1	10.0	11.2
<b>Gold bar produced (toll processed)</b>	<b>koz</b>	<b>15.0</b>	<b>14.1</b>	<b>8.0</b>
East Region	koz	4.6	4.7	6.8
Bozymchak	koz	10.4	9.4	1.2

<sup>1</sup> Payable metal in concentrate.

## APPENDIX – GROUP PRODUCTION SUMMARY

### Silver

		Q1 2017	Q4 2016	Q1 2016
<b>Silver bearing ore mined</b>	<b>kt</b>	<b>10,865</b>	<b>9,914</b>	<b>6,245</b>
Bozshakol	kt	9,904	8,790	5,009
East Region	kt	726	905	952
Bozymchak	kt	235	219	284
<b>Silver bearing ore processed</b>	<b>kt</b>	<b>6,063</b>	<b>5,971</b>	<b>1,518</b>
Bozshakol	kt	5,060	4,916	301
	grade (g/t)	1.68	1.66	1.95
East Region	kt	750	812	950
	grade (g/t)	38.5	51.5	43.2
Bozymchak	kt	253	243	267
	grade (g/t)	11.2	10.0	12.1
<b>Average grade processed</b>	<b>g/t</b>	<b>6.6</b>	<b>8.8</b>	<b>29.6</b>
<b>Silver in ore processed</b>	<b>koz</b>	<b>1,293</b>	<b>1,685</b>	<b>1,443</b>
Bozshakol	koz	273	262	19
East Region	koz	929	1,345	1,320
Bozymchak	koz	91	78	104
<b>Average recovery rate</b>	<b>%</b>	<b>64.5</b>	<b>64.3</b>	<b>53.8</b>
Bozshakol	%	65.5	61.9	43.1
East Region	%	63.0	64.1	52.2
Bozymchak	%	76.4	77.3	75.7
<b>Silver in concentrate</b>	<b>koz</b>	<b>834</b>	<b>1,084</b>	<b>776</b>
Bozshakol	koz	179	162	8
East Region	koz	585	862	689
Bozymchak	koz	70	60	79
<b>Silver production<sup>1</sup></b>	<b>koz</b>	<b>757</b>	<b>985</b>	<b>706</b>
Bozshakol	koz	161	146	7
East Region	koz	532	784	627
Bozymchak	koz	64	55	72
<b>Silver bar produced (toll processed)</b>	<b>koz</b>	<b>785</b>	<b>726</b>	<b>719</b>
Bozshakol	koz	6	-	-
East Region	koz	715	666	710
Bozymchak	koz	64	60	9

<sup>1</sup> Payable metal in concentrate.