



25 April 2019

**KAZ MINERALS GROUP PRODUCTION REPORT
 FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

- **Highlights**
 - Copper production¹ of 70.0 kt (Q4 2018: 77.9 kt), 4% above prior year comparative period (Q1 2018: 67.3 kt) and on track to achieve 2019 guidance of c.300 kt
 - Higher copper output expected in remaining nine months of 2019 due to Bozshakol grade profile and increased processing at the Nikolayevsky and Bozshakol clay concentrators
 - Bozshakol and Aktogay sulphide concentrators achieved design ore throughput over the quarter
- **Aktogay**
 - Record quarterly copper production¹ of 36.7 kt (Q4 2018: 36.0 kt)
 - Sulphide ore throughput of 6,440 kt (Q4 2018: 5,512 kt) and increased copper recovery offset lower sulphide grade and seasonal variation in oxide production
 - On track to achieve full year copper production¹ guidance for 2019 of 130-140 kt
- **Bozshakol**
 - Copper production² of 23.8 kt (Q4 2018: 26.6 kt) as higher sulphide throughput of 6,315 kt (Q4 2018: 6,148 kt) was offset by mining of lower grade areas and clay plant downtime
 - Average copper grade in Q1 of 0.44%, full year 2019 average expected to be similar to the 0.48% grade processed in 2018 supporting full year copper guidance of 105-115 kt
 - Gold production² of 30.0 koz (Q4 2018: 34.1 koz) following reduced clay ore processing in Q1, on track for full year guidance of 130-140 koz
- **East Region and Bozymchak**
 - Copper production² of 9.5 kt (Q4 2018: 15.3 kt) and zinc in concentrate output of 6.2 kt (Q4 2018: 11.4 kt), mainly due to lower processing volumes, as ore was stockpiled at Nikolayevsky for processing over the remainder of 2019
 - Gold production of 12.5 koz (Q4 2018: 14.0 koz), as lower East Region processing volumes were partially offset by increased output from the Bozymchak mine in Kyrgyzstan of 10.6 koz (Q4 2018: 9.6 koz)
 - Zinc in concentrate output in 2019 expected to be below guidance of c.50 kt, following low production in Q1
 - Full year production guidance maintained for copper, gold and silver with higher output expected in remaining three quarters of 2019

Group production summary³		Q1	Q4	Q1
		2019	2018	2018
Copper production¹	kt	70.0	77.9	67.3
Aktogay	kt	36.7	36.0	26.4
Bozshakol	kt	23.8	26.6	26.9
East Region & Bozymchak	kt	9.5	15.3	14.0
Zinc in concentrate	kt	6.2	11.4	14.2
Gold production ²	koz	43.4	48.4	49.9
Silver production ²	koz	626	933	852

¹ Payable metal in concentrate and copper cathode from Aktogay oxide ore.

² Payable metal in concentrate.

³ See appendix for metal production by asset.

Andrew Southam, Chief Executive Officer, said: "The Aktogay and Bozshakol sulphide plants performed well during the winter period, with both achieving design ore throughput in the first quarter. Record processing volumes and increased

recovery rates at Aktogay resulted in copper production of 37 kt, offsetting lower average grades and seasonal variation in oxide production. Higher output from Bozshakol and the East Region is expected over the remaining nine months of the year with the Group to deliver full year copper production of circa 300 kt.”

For further information please contact:

KAZ Minerals PLC

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

Brunswick Group

Carole Cable, Charlie Pretzlik	Tel: +44 20 7404 5959
--------------------------------	------------------------------

REGISTERED OFFICE

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

NOTES TO EDITORS

KAZ Minerals PLC is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan, Kyrgyzstan and Russia. It operates the Bozshakol and Aktogay open pit copper mines in the Pavlodar and East Region of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2018, total copper production was 295 kt with by-products of 50 kt of zinc in concentrate, 183 koz of gold and 3,511 koz of silver.

The Group’s new operations at Bozshakol and Aktogay have delivered one of the highest growth rates in the industry and transformed KAZ Minerals into a company dominated by world class, open pit copper mines.

Bozshakol is a first quartile asset on the global cost curve with an annual ore processing capacity of 30 million tonnes and a remaining mine life of 38 years at an average copper grade of 0.37%. The mine and processing facilities commenced output in 2016 and will produce an average of 100 kt of copper cathode equivalent and 120 koz of gold in concentrate per year over the first 10 years of operations.

Aktogay is a large scale, open pit mine similar to Bozshakol, with a remaining mine life of 27 years (including the expansion project) at an average copper grade of 0.36% (oxide) and 0.33% (sulphide). Aktogay commenced production of copper cathode from oxide ore in December 2015 and copper in concentrate from sulphide ore in February 2017. The operating sulphide concentrator has an annual ore processing capacity of 25 million tonnes and the sulphide processing capacity will be doubled to 50 million tonnes with the addition of a second concentrator by the end of 2021. Aktogay is competitively positioned on the global cost curve and will produce an average of 90 kt of copper per year from sulphide ore until 2021, increasing to 170 kt per year from 2022 to 2027, after the second concentrator commences operations. Copper production from oxide ore will be in the region of 20 kt per annum until 2025.

In January 2019, the Group acquired the Baimskaya copper project in the Chukotka region of Russia. Baimskaya is one of the world’s most significant undeveloped copper assets with the potential to become a large scale, low cost, open pit copper mine. The Peschanka deposit within the Baimskaya licence area has JORC resources of 9.5 Mt of copper at an average grade of 0.43% and 16.5 Moz of gold at an average grade of 0.23 g/t. Average annual production over the first ten years of operations is expected to be 250 kt copper and 400 koz gold, or 330 kt Copper Equivalent Production, with a mine life of approximately 25 years and first quartile operating costs. The project is located in a region identified by the Russian Government as strategically important for economic development and will benefit from the construction of state-funded power and transport infrastructure and the provision of tax incentives. The estimated capital budget for the construction of the project is \$5.5 billion. The Group expects the project to generate a significant NPV uplift and an attractive IRR at analyst consensus copper prices. The development of Baimskaya will enable the Group to continue its high growth trajectory, adding a large-scale, long-life asset to the Group’s portfolio.

KAZ Minerals is listed on the London Stock Exchange and the Kazakhstan Stock Exchange and employs around 14,000 people, principally in Kazakhstan.

		Q1 2019	Q4 2018	Q1 2018
Ore extraction	kt	11,017	11,195	8,474
Oxide	kt	3,180	3,146	4,359
Sulphide	kt	7,837	8,049	4,115
Oxide				
Oxide ore to leach pads	kt	3,180	3,146	4,359
Grade	%	0.28	0.37	0.30
Copper cathode	kt	5.7	6.8	5.3
Sulphide				
Sulphide ore processed	kt	6,440	5,512	4,059
Average grade processed	%	0.57	0.63	0.62
Recovery rate	%	88.8	87.6	87.6
Copper in concentrate	kt	32.4	30.5	22.1
Copper production¹	kt	31.0	29.2	21.1
Total copper production	kt	36.7	36.0	26.4
Gold production ^{1, 2}	koz	0.9	0.3	0.3
Silver production ¹	koz	143	130	95

¹ Payable metal in concentrate.

² Minimal volume recovered from Aktogay material.

Ore extraction reduced by 2% to 11,017 kt (Q4 2018: 11,195 kt) but mining of sulphide ore exceeded the quantity required for processing as preparatory stripping works continued from Q4 2018 to prepare the pit for the Aktogay expansion project. Ore extraction was 30% higher than the prior year comparative period (Q1 2018: 8,474 kt), when the sulphide concentrator was ramping up.

The average grade of sulphide ore processed in Q1 reduced as expected to 0.57% (Q4 2018: 0.63%), although copper recovery rates were improved by further optimisation of the re-grind circuit, to 88.8% (Q4 2018: 87.6%). Processing volumes increased by 17% compared to the previous quarter, to 6,440 kt (Q4 2018: 5,512 kt), with the plant operating at design ore throughput capacity. The increase in processing volumes and recovery rates resulted in a 6% increase in copper production from sulphide ore to 31.0 kt (Q4 2018: 29.2 kt). Sulphide copper production was 47% higher than the prior year comparative period (Q1 2018: 21.1 kt).

As expected during the colder winter period, copper cathode production from the heap leaching of oxide ore reduced to 5.7 kt from 6.8 kt in the previous quarter. Cathode production was 8% higher than the 5.3 kt produced in Q1 2018, when output was impacted by exceptionally cold weather conditions.

Total copper production of 36.7 kt (Q4 2018: 36.0 kt) is the highest quarterly production achieved since the commencement of operations at Aktogay in December 2015 and 39% higher than the prior year comparative period. Over the remaining nine months of 2019 two scheduled mill relinings are due to take place and processing grades will continue to decline from current levels, with Aktogay on track to achieve its full year guided production range of 130-140 kt.

		Q1 2019	Q4 2018	Q1 2018
Ore extraction	kt	8,894	7,484	8,136
Sulphide	kt	5,833	6,304	5,881
Clay	kt	3,061	1,180	2,255
Ore processed	kt	6,810	7,471	6,674
Copper				
Average copper grade processed	%	0.44	0.47	0.52
Copper recovery rate	%	83.0	79.9	81.4
Copper in concentrate	kt	25.0	27.8	28.2
Copper production¹	kt	23.8	26.6	26.9
Gold				
Average gold grade processed	g/t	0.25	0.25	0.29
Gold recovery rate	%	59.0	61.3	62.5
Gold in concentrate	koz	32.1	36.5	38.5
Gold production¹	koz	30.0	34.1	36.0
Silver production¹	koz	169	172	183

¹ Payable metal in concentrate.

Ore extraction increased by 19% to 8,894 kt (Q4 2018: 7,484 kt), due to the higher quantity of clay material extracted and stockpiled to gain access to sulphide ore. Increased clay mining volumes also resulted in a 9% increase in ore extraction compared to the prior year comparative period (Q1 2018: 8,136 kt).

Bozshakol's main sulphide concentrator operated at design ore throughput levels, with volumes increasing to 6,315 kt (Q4 2018: 6,148 kt) including some stockpiled material. Overall processing volumes reduced to 6,810 kt (Q4 2018: 7,471 kt) following the suspension of the clay plant during an upgrade to the process water and reclaim systems, as previously announced. The works will reduce water consumption levels significantly and clay plant operations are expected to recommence shortly. Overall processing volumes were 2% higher than the prior year comparative period (Q1 2018: 6,674 kt) as higher volumes at the main sulphide plant offset the suspension of the clay plant.

The average grade of ore processed in Q1 of 0.44% was below the average copper grade guided for 2019, which will be similar to the grade processed in 2018 (0.48%). Higher copper grades are scheduled to be mined and processed in the remaining nine months of the year, resulting in increased output in subsequent quarters.

The increase in the copper recovery rate to 83.0% from 79.9% in the previous quarter is mainly due to reduced processing at the clay plant, where design recovery rates are lower than the main sulphide plant.

Copper production decreased to 23.8 kt (Q4 2018: 26.6 kt) but is expected to increase in the remaining three quarters of 2019 due to higher grades and the recommencement of clay ore processing. Copper guidance for the full year is maintained at 105-115 kt.

Gold production of 30.0 koz (Q4 2018: 34.1 koz) was impacted by the suspension of the clay plant, whilst the average gold grade in the main sulphide plant was in line with the previous quarter. Gold production was 17% lower than the prior year comparative period (Q1 2018: 36.0 koz), mainly due to the higher gold grade processed in Q1 2018.

Silver production of 169 koz was in line with the previous quarter (Q4 2018: 172 koz). Production guidance for gold and silver from Bozshakol in 2019 is maintained at 130-140 koz and c.700 koz, respectively.

		Q1 2019	Q4 2018	Q1 2018
Ore extraction	kt	947	963	959
Ore processed	kt	625	982	934
Copper				
Average grade processed	%	1.79	1.83	1.79
Orlovsky concentrator	%	3.04	3.36	3.17
Nikolayevsky concentrator	%	-	1.56	1.35
Belousovsky concentrator	%	1.30	1.31	1.50
Bozymchak concentrator	%	0.82	0.85	0.86
Average recovery rate	%	89.6	90.2	88.5
East Region	%	90.3	90.6	88.3
Bozymchak	%	86.7	87.5	89.9
Copper in concentrate	kt	10.0	16.2	14.7
Orlovsky concentrator	kt	6.8	8.0	7.9
Nikolayevsky concentrator	kt	-	4.6	2.8
Belousovsky concentrator	kt	1.4	1.8	2.1
Bozymchak concentrator	kt	1.8	1.8	1.9
Copper production¹	kt	9.5	15.3	14.0
East Region	kt	7.8	13.6	12.2
Bozymchak	kt	1.7	1.7	1.8
Zinc in concentrate	kt	6.2	11.4	14.2
Gold production ¹	koz	12.5	14.0	13.6
Silver production ¹	koz	314	631	574

¹ Payable metal in concentrate.

Ore extraction volumes of 947 kt were 2% lower than the previous quarter (Q4 2018: 963 kt) and in line with the prior year comparative period.

Ore processing volumes reduced to 625 kt from 982 kt in Q4 2018, mainly due to the intentional idling of the Nikolayevsky concentrator throughout the quarter. Ore from the Artemyevsky mine continued to be mined, with 285 kt extracted (Q4 2018: 301 kt) and stockpiled for future processing at Nikolayevsky, to raise the utilisation rate and efficiency of the concentrator over the remainder of the year. The concentrator restarted in early April.

The 36% reduction in processing volumes compared to Q4 2018 was the main driver of a 38% decline in copper production to 9.5 kt (Q4 2018: 15.3 kt), with average copper grades and recovery rates remaining broadly in line with Q4 2018. Copper in concentrate production at Orlovsky of 6.8 kt (Q4 2018: 8.0 kt) was impacted by a lower average grade of 3.04% (Q4 2018: 3.36%) and a 7% reduction in processing volumes due to challenging geological conditions.

Copper production in Q1 2019 was 32% lower than Q1 2018, when the Nikolayevsky concentrator was idled for a shorter period. Copper production is expected to be weighted towards the remaining three quarters of 2019, as normal operations are resumed at the Nikolayevsky concentrator.

Zinc in concentrate output declined as a result of the lower processing volumes in Q1 and lower grades at Orlovsky, reducing by 46% to 6.2 kt (Q4 2018: 11.4 kt). Full year zinc in concentrate production is expected to be below guidance of c.50 kt, as the low output in Q1 is expected to be only partially recovered in the remainder of 2019 from increased concentrator throughput volumes.

Gold production reduced by 11% to 12.5 koz (Q4 2018: 14.0 koz), mainly due to lower processing volumes, offset by strong output from the Bozymchak mine in Kyrgyzstan of 10.6 koz (Q4 2018: 9.6 koz).

Full year production guidance is maintained for copper, gold and silver, with higher output expected in the remaining three quarters of 2019.

SALES VOLUMES, COMMODITY PRICES AND NET DEBT

Sales volumes

The following table sets out the sales volumes of the Group's major products for the first three months of 2019.

		Q1 2019	Q1 2018
Copper sales	kt	78.2	66.2
Copper cathode	kt	35.2	24.5
Copper in concentrate ¹	kt	43.0	41.7
Zinc in concentrate	kt	7.2	14.7
Gold sales ²	koz	57.3	45.1
Silver sales ²	koz	825	771

¹ Payable metal in concentrate.

² Payable metal in concentrate and toll processed metal.

Copper cathode sales volumes were significantly above the prior year comparative period as a greater proportion of concentrate from Aktogay was toll processed into cathode at the Balkhash smelter to take advantage of available capacity at favourable commercial terms. In the quarter, cathode sales volumes were above production of 30.0 kt due to the timing of shipments leading to a reduction in inventory which may partially reverse over the remainder of 2019. Copper in concentrate sales were 43.0 kt in the three months to 31 March 2019, an increase of 3% over the prior year comparative period, mainly reflecting the increased throughput and production from the Aktogay sulphide operations. Zinc in concentrate sales were 51% below Q1 2018, due to reduced East Region production. Gold sales were above the prior year comparative period and Q1 2019 production as 13 koz of gold bar produced in 2018 from Bozshakol was sold during the quarter.

Provisionally priced copper in concentrate

At 31 March 2019, the Group's provisionally priced copper in concentrate volumes were 26 kt at an average provisional price of \$5,678/t. The copper in concentrate provisional prices are below LME quoted prices due to the deduction of treatment and refining charges. For further details on the Group's provisional pricing arrangements please refer to Note 4(b) of the 2018 Annual Report and Accounts.

Commodity hedging

The Group's policy is generally not to hedge commodity prices. At 31 March 2019, there were no commodity price hedges in place.

Net debt

The payment of \$436 million of cash consideration for the acquisition of the Baimskaya copper project and capital expenditure on the Aktogay expansion project of \$92 million in the quarter resulted in an increase in net debt to \$2,487 million at 31 March 2019, from \$1,986 million at 31 December 2018. The Group also made interest payments of \$99 million and mineral extraction tax and royalty payments of \$48 million. Total cash and cash equivalents and current investments at 31 March 2019, excluding restricted cash, amounted to \$770 million with gross debt at \$3,257 million. Negotiations are continuing on a new c.\$600 million finance facility, which is expected to be completed during the first half of 2019 to support the Aktogay expansion project.

APPENDIX – METAL PRODUCTION

		Q1 2019	Q4 2018	Q1 2018
Copper production¹	kt	70.0	77.9	67.3
Aktogay	kt	36.7	36.0	26.4
Bozshakol	kt	23.8	26.6	26.9
East Region	kt	7.8	13.6	12.2
Bozymchak	kt	1.7	1.7	1.8
Zinc in concentrate	kt	6.2	11.4	14.2
East Region	kt	6.2	11.4	14.2
Gold production²	koz	43.4	48.4	49.9
Aktogay	koz	0.9	0.3	0.3
Bozshakol	koz	30.0	34.1	36.0
East Region	koz	1.9	4.4	3.8
Bozymchak	koz	10.6	9.6	9.8
Silver production²	koz	626	933	852
Aktogay	koz	143	130	95
Bozshakol	koz	169	172	183
East Region	koz	248	569	516
Bozymchak	koz	66	62	58

¹ Payable metal in concentrate and copper cathode from Aktogay oxide ore.

² Payable metal in concentrate.

TOLL PROCESSING & FINISHED METALS

		Q1 2019	Q4 2018	Q1 2018
Copper cathodes	kt	30.0	27.8	25.6
Aktogay sulphide (toll processed)	kt	9.7	2.0	2.9
Aktogay oxide	kt	5.7	6.8	5.3
Bozshakol (toll processed)	kt	2.9	1.5	2.7
East Region (toll processed)	kt	10.0	15.6	12.6
Bozymchak (toll processed)	kt	1.7	1.9	2.1
Gold bar produced (toll processed)	koz	17.1	18.7	16.0
Silver bar produced (toll processed)	koz	627	724	652

APPENDIX – EAST REGION & BOZYMCHAK

		Q1 2019	Q4 2018	Q1 2018
Ore extraction	kt	947	963	959
Orlovsky	kt	246	265	279
Artemyevsky	kt	285	301	301
Irtyshtsky	kt	151	157	158
Bozymchak	kt	265	240	221
Ore processed	kt	625	982	934
Orlovsky concentrator	kt	246	265	278
Nikolayevsky concentrator	kt	-	319	249
Belousovsky concentrator	kt	126	157	158
Bozymchak concentrator	kt	253	241	249
Zinc				
Average grade processed	%	2.47	2.33	2.95
Orlovsky concentrator	%	2.23	2.94	3.81
Nikolayevsky concentrator	%	-	1.45	1.47
Belousovsky concentrator	%	2.93	3.07	3.77
Average recovery rate	%	67.0	66.0	70.1
Orlovsky concentrator	%	64.6	63.7	69.7
Nikolayevsky concentrator	%	-	66.4	65.2
Belousovsky concentrator	%	70.5	69.4	73.8
Zinc in concentrate	kt	6.2	11.4	14.2
Orlovsky concentrator	kt	3.5	4.9	7.4
Nikolayevsky concentrator	kt	-	3.1	2.4
Belousovsky concentrator	kt	2.6	3.4	4.4
Gold				
Average grade processed	g/t	0.97	0.74	0.80
East Region	g/t	0.53	0.47	0.53
Bozymchak	g/t	1.62	1.59	1.53
Average recovery rate	%	68.1	63.6	60.2
East Region	%	31.1	42.3	34.0
Bozymchak	%	86.0	82.8	85.5
Gold in concentrate	koz	13.3	15.0	14.5
East Region	koz	2.0	4.8	4.0
Bozymchak	koz	11.3	10.2	10.5
Gold production¹	koz	12.5	14.0	13.6
East Region	koz	1.9	4.4	3.8
Bozymchak	koz	10.6	9.6	9.8
Silver				
Average grade processed	g/t	28.0	34.0	35.5
East Region	g/t	39.1	41.4	44.7
Bozymchak	g/t	11.8	11.4	10.2
Average recovery rate	%	61.2	64.6	59.2
East Region	%	58.2	63.5	57.6
Bozymchak	%	76.0	76.0	78.7
Silver in concentrate	koz	345	694	631
East Region	koz	272	626	567
Bozymchak	koz	73	68	64
Silver production¹	koz	314	631	574
East Region	koz	248	569	516
Bozymchak	koz	66	62	58

¹ Payable metal in concentrate.