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25 July 2019

KAZ MINERALS GROUP PRODUCTION REPORT FOR SIX MONTHS AND THE SECOND QUARTER ENDED 30 JUNE 2019

Highlights

- H1 2019 copper production¹ rose 6% to 147.6 kt (H1 2018: 139.6 kt)
- Increased concentrator availability led to quarterly copper output¹ of 77.6 kt (Q1 2019: 70.0 kt)
- On track to achieve full year copper production¹ guidance of c.300 kt

Aktogay

- Copper production¹ in first half 22% higher at 74.1 kt (H1 2018: 60.5 kt)
- Record copper production¹ in Q2 of 37.4 kt (Q1 2019: 36.7 kt) due to sustained high sulphide throughput and grades, and seasonally stronger oxide production
- Production in H2 will be impacted by scheduled maintenance, full year copper production¹ guidance maintained at 130-140 kt

Bozshakol

- H1 2019 copper production² of 47.1 kt (H1 2018: 49.8 kt) as higher recoveries and throughput in main sulphide plant offset lower average grade and clay plant upgrade works
- Higher grades and increased processing of clay ore expected in the second half
- Copper and gold guidance maintained at 105-115 kt and 130-140 koz

• East Region and Bozymchak

- Copper production² in H1 2019 of 26.4 kt (H1 2018: 29.3 kt), with Q2 output increasing to 16.9 kt (Q1 2019: 9.5 kt) following the restart of the Nikolayevsky concentrator
- Copper, gold and silver guidance maintained
- Zinc in concentrate output of 12.2 kt (Q1 2019: 6.2 kt), full year guidance revised to 40-45 kt

Group production summary ³		6m 2019	6m 2018	Q2 2019	Q1 2019	Q2 2018
Copper production ¹	kt	147.6	139.6	77.6	70.0	72.3
Aktogay	kt	74.1	60.5	37.4	36.7	34.1
Bozshakol	kt	47.1	49.8	23.3	23.8	22.9
East Region & Bozymchak	kt	26.4	29.3	16.9	9.5	15.3
Zinc in concentrate	kt	18.4	24.9	12.2	6.2	10.7
Gold production ²	koz	87.7	89.8	44.3	43.4	39.9
Silver production ²	koz	1,552	1,637	926	626	785

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: "KAZ Minerals' second quarter copper production rose 11% to 78 kt due to increased concentrator availability and efficient operations across the Group's mines. Aktogay achieved record copper production of over 37 kt in the quarter and at Bozshakol the clay plant returned to full capacity, with the Group well positioned to achieve its 2019 copper guidance of c.300 kt."

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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, Russia and Kyrgyzstan. 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. In January 2019, the Group acquired the Baimskaya project in the Chukotka region of Russia, 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 Group's new operations at Bozshakol and Aktogay have delivered industry-leading production growth 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.

The Peschanka deposit within the Baimskaya licence area in Russia 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 construction is \$5.5 billion and the project is currently at feasibility study stage. 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.

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		6m	6m	Q2	Q1	Q
		2019	2018	2019	2019	201
Ore extraction	kt	24,216	19,125	13,199	11,017	10,65
Oxide	kt	8,193	8,835	5,013	3,180	4,47
Sulphide	kt	16,023	10,290	8,186	7,837	6,17
Oxide						
Oxide ore to leach pads	kt	8,193	8,835	5,013	3,180	4,47
Grade	%	0.32	0.31	0.34	0.28	0.3
Copper cathode	kt	11.8	11.5	6.1	5.7	6.
Sulphide						
Sulphide ore processed	kt	12,733	9,585	6,293	6,440	5,52
Average grade processed	%	0.58	0.62	0.59	0.57	0.6
Recovery rate	%	88.8	86.4	88.8	88.8	85.
Copper in concentrate	kt	65.2	51.3	32.8	32.4	29.
Copper production ¹	kt	62.3	49.0	31.3	31.0	27.
Total copper production	kt	74.1	60.5	37.4	36.7	34.
Gold production ^{1, 2}	koz	1.7	0.3	0.8	0.9	
Silver production ¹	koz	288	215	145	143	12

² Minimal volume recovered from Aktogay material.

Ore extraction increased by 27% to 24,216 kt in H1 2019 (H1 2018: 19,125 kt) as higher quantities of sulphide ore were extracted to feed the main concentrator and mine development works were carried out in preparation for the Aktogay expansion project. Oxide ore extraction of 8,193 kt was 7% lower than the prior year comparative period but remained at the required level to supply the SX/EW processing facility. Total ore extraction in Q2 2019 was 20% higher than Q1 2019 with both oxide and sulphide mined ore volumes increasing.

The average copper grade of sulphide ore processed in H1 2019 reduced to 0.58% from 0.62% in H1 2018, in line with the mine plan. The average copper grade increased to 0.59% in Q2 2019 from 0.57% in Q1, supporting higher sulphide copper production in the quarter.

Copper production from sulphide ore increased by 27% to 62.3 kt in H1 2019 (H1 2018: 49.0 kt) mainly due to a 33% increase in processing volumes, with the sulphide concentrator operating at high levels of ore throughput during the period. Copper production in Q2 increased to 31.3 kt (Q1 2019: 31.0 kt) as higher average copper grades more than offset the reduction in ore processed following the scheduled relining of the SAG mill.

Copper cathode production from oxide ore of 11.8 kt was 3% higher than the prior year comparative period (H1 2018: 11.5 kt) as the SX/EW plant achieved incremental efficiency gains in the electrolysis and automated stripping processes. Cathode output increased to 6.1 kt in Q2 2019 from 5.7 kt in the previous quarter following higher ambient temperatures in spring.

Aktogay set new copper production records in both Q2 (37.4 kt) and H1 2019 (74.1 kt). First half output was 22% higher than the prior year comparative period (H1 2018: 60.5 kt) due to higher sulphide processing volumes and a strong recovery rate of 88.8%, as the main concentrator operated close to design capacity throughout the period. Full year copper production guidance is maintained at 130-140 kt, as output in H2 will be impacted by scheduled maintenance.

Silver production ¹	koz	334	340	. 1	165	169	157
· · · ·							
Gold production ¹	koz	59.6	62.3		29.6	30.0	26.3
Gold in concentrate	koz	63.7	66.7		31.6	32.1	28.2
Gold recovery rate	%	59.7	59.5		60.6	59.0	55.8
Average gold grade processed	g/t	0.25	0.26		0.25	0.25	0.23
Gold							
Copper production ¹	kt	47.1	49.8	-	23.3	23.8	22.9
Copper in concentrate	kt	49.3	52.1		24.3	25.0	23.9
Copper recovery rate	%	82.8	79.5		82.6	83.0	77.4
Average copper grade processed	%	0.45	0.49		0.46	0.44	0.46
Copper							
		10,240	10,100		0,100	0,010	0,100
Ore processed	kt	13,248	13,430	-	6,438	6,810	6,756
Clay	kt	6,056	4,236	-	2,995	3,061	1,981
Sulphide	kt	11,446	11,270		5,613	5,833	5,389
Ore extraction	kt	17,502	15,506		8,608	8,894	7,370
		2019	2018		2019	2019	2018
		6m	6m		Q2	Q1	Q2

Ore extraction in H1 2019 of 17,502 kt was 13% higher than the prior year comparative period (H1 2018: 15,506 kt) due to the stripping of additional volumes of clay ore. Mining volumes were similar in Q2 2019 compared to Q1.

Processing volumes in H1 2019 of 13,248 kt were 1% below the prior year comparative period (H1 2018: 13,430 kt) as higher ore throughput at the sulphide concentrator was offset by lower volumes at the clay plant, resulting from a three month suspension for upgrade works to the process water and reclaim systems, which were completed in May.

A scheduled SAG mill relining in the main concentrator was successfully completed in Q2 and was the main driver of the 11% reduction in sulphide ore processing volumes in the quarter to 5,647 kt (Q1 2019: 6,315 kt). The clay plant was restarted on 12 May, processing 791 kt during the quarter (Q1 2019: 495 kt) including 479 kt in June 2019.

The average grade of copper processed in H1 2019 reduced as expected under the mine plan to 0.45%, from 0.49% in the prior year comparative period. The reduction in average grade was offset by an increase in the recovery rate in the sulphide plant, to 85.3% from 83.5% in H1 2018. In the second quarter of 2019, grades increased to 0.46% (Q1 2019: 0.44%). Processing grades at Bozshakol are expected to increase further in the second half of 2019 with the average copper grade for the full year forecast to be close to the 2018 level of 0.48%.

Copper production in H1 2019 reduced by 5% to 47.1 kt (H1 2018: 49.8 kt) due to lower grades and reduced throughput during the closure of the clay plant. Copper production of 23.3 kt in Q2 2019 was 2% below the previous quarter (Q1 2019: 23.8 kt) due to the volume impact of the SAG mill relining of the sulphide concentrator.

Forecast higher grades and the operation of the clay plant over the remainder of the year are expected to result in production weighted towards the second half of 2019. Full year guidance for copper production is maintained at 105-115 kt.

Gold production reduced by 4% to 59.6 koz in H1 2019 (H1 2018: 62.3 koz) in line with lower processing volumes and grades. Gold output was 1% lower in Q2 2019 compared to Q1 mainly due to the lower processing volumes resulting from the SAG mill relining. Gold production is expected to increase alongside copper production in the second half of the year and remains on track for full year guidance of 130-140 koz.

First half silver production of 334 koz was in line with the prior year comparative period (H1 2018: 340 koz) and Q2 production of 165 koz was in line with the previous quarter (Q1 2019: 169 koz). Silver output is on track to achieve full year guidance of c.700 koz.

		6m	6m		Q2	Q1	Q2
		2019	2018		2019	2019	2018
Ore extraction	kt	1,942	1,954	_	995	947	995
Ore processed	kt	1,793	1,886		1,168	625	952
Copper							
Average grade processed	%	1.72	1.84		1.68	1.79	1.90
Orlovsky concentrator	%	3.10	3.21		3.17	3.04	3.25
Nikolayevsky concentrator	%	1.52	1.53		1.52	-	1.67
Belousovsky concentrator	%	1.31	1.49		1.31	1.30	1.49
Bozymchak concentrator	%	0.82	0.86		0.83	0.82	0.86
Average recovery rate	%	90.5	89.1		91.0	89.6	89.6
East Region	%	91.1	89.1		91.5	90.3	89.8
Bozymchak	%	87.1	89.0		87.5	86.7	88.1
Copper in concentrate	kt	28.0	31.0		18.0	10.0	16.3
Orlovsky concentrator	kt	13.9	16.0		7.1	6.8	8.1
Nikolayevsky concentrator	kt	7.3	7.7		7.3	-	4.9
Belousovsky concentrator	kt	3.1	3.4		1.7	1.4	1.3
Bozymchak concentrator	kt	3.7	3.9		1.9	1.8	2.0
Copper production ¹	kt	26.4	29.3		16.9	9.5	15.3
East Region	kt	22.9	25.6		15.1	7.8	13.4
Bozymchak	kt	3.5	3.7		1.8	1.7	1.9
Zinc in concentrate	kt	18.4	24.9		12.2	6.2	10.7
Gold production ¹	koz	26.4	27.2		13.9	12.5	13.6
Silver production ¹	koz	930	1,082		616	314	508

Ore extraction volumes in H1 2019 of 1,942 kt were in line with the prior year comparative period (H1 2018: 1,954 kt) with volumes increasing by 5% in Q2 2019 compared to Q1, following higher extraction at the Artemyevsky mine.

Ore processing volumes in H1 2019 were 1,793 kt, below the prior year comparative period (H1 2018: 1,886 kt) due to lower ore extraction at Orlovsky and the planned idling of the Nikolayevsky concentrator for the duration of the first quarter in 2019. The Nikolayevsky concentrator resumed operations at the beginning of April and processed 514 kt of ore including material from Artemyevsky that was stockpiled in Q1 2019. Across the East Region and Bozymchak, the average copper grade processed in H1 2019 reduced to 1.72% (H1 2018: 1.84%) mainly due to lower grades at Orlovsky and Belousovsky. The average copper grade also reduced in Q2 2019 compared to the previous quarter due to the effect of restarting the Nikolayevsky concentrator, which processed below average grade ore of 1.52%.

Copper production of 26.4 kt in H1 was 10% below the prior year comparative period, however output in Q2 2019 increased significantly to 16.9 kt following the restart of Nikolayevsky. With all concentrators now operating, the East Region and Bozymchak is on track to achieve full year copper production guidance of c.55 kt in 2019.

Zinc in concentrate output of 18.4 kt in H1 2019 was 26% below H1 2018 as a result of lower than expected grades at Orlovsky and Belousovsky. Zinc production recovered in Q2 2019, almost doubling from 6.2 kt to 12.2 kt after the restart of operations at the Nikolayevsky concentrator in April. Following the performance in the first half, the Group is updating its full year zinc in concentrate guidance to 40-45 kt for 2019.

Gold production in H1 2019 was 26.4 koz (H1 2018: 27.2 koz). Gold output increased to 13.9 koz in Q2 from 12.5 koz in Q1 2019, with the majority of gold produced by the Bozymchak mine in Kyrgyzstan (10.2 koz). Gold production from the East Region and Bozymchak is well positioned to achieve the top end of full year guidance of 40-45 koz.

Silver production in H1 2019 was 930 koz (H1 2018: 1,082 koz), in line with guidance of c.1,800 koz for the full year. Silver output increased significantly in Q2 2019 to 616 koz (Q1 2019: 314 koz) due to the processing of stockpiled ore at Nikolayevsky, following its restart in the second quarter.

6m)19 7.6 4.1 7.1 2.9 3.5 8.4 8.4 7.7 1.7	6m 2018 139.6 60.5 49.8 25.6 3.7 24.9 24.9 89.8		Q2 2019 77.6 37.4 23.3 15.1 1.8 12.2 12.2 44.3	Q1 2019 70.0 36.7 23.8 7.8 1.7 6.2 6.2 43.4	Q2 2018 72.3 34.1 22.9 13.4 1.9 10.7 10.7 39.9
7.6 4.1 7.1 2.9 3.5 8.4 7.7	139.6 60.5 49.8 25.6 3.7 24.9 24.9 89.8		77.6 37.4 23.3 15.1 1.8 12.2 12.2	70.0 36.7 23.8 7.8 1.7 6.2 6.2	72.3 34.1 22.9 13.4 1.9 10.7
4.1 7.1 2.9 3.5 8.4 8.4 7.7	60.5 49.8 25.6 3.7 24.9 24.9 89.8		37.4 23.3 15.1 1.8 12.2 12.2	36.7 23.8 7.8 1.7 6.2 6.2	34.1 22.9 13.4 1.9 10.7 10.7
7.1 2.9 3.5 8.4 8.4 7.7	49.8 25.6 3.7 24.9 24.9 89.8		23.3 15.1 1.8 12.2 12.2	23.8 7.8 1.7 6.2 6.2	22.9 13.4 1.9 10.7 10.7
2.9 3.5 8.4 8.4 7.7	25.6 3.7 24.9 24.9 89.8		15.1 1.8 12.2 12.2	7.8 1.7 6.2 6.2	13.4 1.9 10.7 10.7
3.5 8.4 8.4 7.7	3.7 24.9 24.9 89.8		1.8 12.2 12.2	1.7 6.2 6.2	1.9 10.7 10.7
8.4 8.4 7.7	24.9 24.9 89.8		12.2 12.2	6.2 6.2	10.7 10.7
8.4 7.7	24.9 89.8		12.2	6.2	10.7
7.7	89.8				
_			44.3	43.4	39.9
17	0.0				
	0.3		0.8	0.9	-
9.6	62.3		29.6	30.0	26.3
5.6	7.1		3.7	1.9	3.3
0.8	20.1		10.2	10.6	10.3
52	1,637		926	626	785
288	215		145	143	120
334	340		165	169	157
'96	963		548	248	447
3/	119		68	66	61
	552 288 334 796	5521,637288215334340796963	5521,637288215334340796963	552 1,637 926 288 215 145 334 340 165 796 963 548	552 1,637 926 626 288 215 145 143 334 340 165 169 796 963 548 248

 1 Payable metal in concentrate and copper cathode from Aktogay oxide ore. 2 Payable metal in concentrate.

TOLL PROCESSING & FINISHED METALS

	6m	6m
	2019	2018
kt	62.7	51.6
kt	4.7	5.6
kt	20.3	3.3
kt	11.8	11.5
kt	22.1	27.4
kt	3.8	3.8
koz	33.8	32.8
koz	1,045	1,367
	kt kt kt kt kt koz	2019 kt 62.7 kt 4.7 kt 20.3 kt 11.8 kt 22.1 kt 3.8 kt 33.8

Q2	Q1	Q2
2019	2019	2018
32.7	30.0	26.0
1.8	2.9	2.9
10.6	9.7	0.4
6.1	5.7	6.2
12.1	10.0	14.8
2.1	1.7	1.7
16.7	17.1	16.8
418	627	715

		6m	6m	Q2	Q1	Q2
		2019	2018	2019	2019	2018
Ore extraction	kt	1,942	1,954	995	947	995
Orlovsky	kt	490	559	244	246	280
Artemyevsky	kt	611	608	326	285	307
Irtyshsky	kt	300	320	149	151	162
Bozymchak	kt	541	467	276	265	246
Ore processed	kt	1,793	1,886	1,168	625	952
Orlovsky concentrator	kt	490	559	244	246	281
Nikolayevsky concentrator	kt	514	563	514	-	314
Belousovsky concentrator	kt	276	259	150	126	101
Bozymchak concentrator	kt	513	505	260	253	256
Zinc						
Average grade processed	%	2.11	2.63	1.96	2.47	2.30
Orlovsky concentrator	%	2.03	3.75	1.84	2.23	3.70
Nikolayevsky concentrator	%	1.69	0.93	1.69	-	0.50
Belousovsky concentrator	%	3.03	3.87	3.11	2.93	4.04
Average recovery rate	%	68.2	68.5	68.7	67.0	66.6
Orlovsky concentrator	%	60.9	67.7	56.3	64.6	65.8
Nikolayevsky concentrator	%	73.0	59.7	73.0	-	47.0
Belousovsky concentrator	%	71.8	74.8	72.8	70.5	76.3
Zinc in concentrate	kt	18.4	24.9	12.2	6.2	10.7
Orlovsky concentrator	kt	6.0	14.2	2.5	3.5	6.8
Nikolayevsky concentrator	kt	6.4	3.2	6.4	-	0.8
Belousovsky concentrator	kt	6.0	7.5	3.4	2.6	3.1
Gold						
Average grade processed	g/t	0.73	0.79	0.60	0.97	0.78
East Region	g/t	0.39	0.52	0.33	0.53	0.50
Bozymchak	g/t	1.58	1.54	1.55	1.62	1.55
Average recovery rate	%	66.8	60.5	65.7	68.1	60.7
East Region	%	37.2	32.9	41.2	31.1	31.8
Bozymchak	%	84.9	85.7	83.9	86.0	85.9
Gold in concentrate	koz	28.1	28.9	14.8	13.3	14.4
East Region	koz	5.9	7.5	3.9	2.0	3.5
Bozymchak	koz	22.2	21.4	10.9	11.3	10.9
Gold production ¹	koz	26.4	27.2	13.9	12.5	13.6
East Region	koz	20.4 5.6	7.1	3.7	1.9	3.3
Bozymchak	koz	20.8	20.1	10.2	10.6	10.3
Dozymenak	KUZ	20.0	20.1	10.2	10.0	10.0
Silver		20 F	24.0	20.0	20 0	34.3
Average grade processed	g/t	29.5	34.9	30.2	28.0	
East Region	g/t	36.6	43.9	35.5	39.1	43.1
Bozymchak	g/t	11.8	10.3	11.7	11.8	10.5
Average recovery rate	%	60.2	56.1	59.6	61.2	53.0
East Region	%	58.1	54.2	58.1	58.2	50.8
Bozymchak	%	75.9	78.3	75.7	76.0	77.9
Silver in concentrate	koz	1,022	1,189	677	345	558
East Region	koz	875	1,058	603	272	491
Bozymchak	koz	147	131	74	73	67
Silver production ¹	koz	930	1,082	616	314	508
East Region	koz	796	963	548	248	447
Bozymchak	koz	134	119	68	66	61