

The background of the slide is a photograph of a large open-pit mine. A yellow and blue geometric logo, consisting of two overlapping triangles, is positioned in the upper left. A large yellow dump truck with the number 105 on its side is driving on a dirt road in the foreground. The mine's terraced walls are visible in the background under a blue sky with clouds.

# KAZ

MINERALS

## 2019 Half Year Results

15 August 2019



# IMPORTANT NOTICE

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All financial definitions can be found in the glossary to the half-yearly results 2019 press release.

# AGENDA

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- |                         |                |     |
|-------------------------|----------------|-----|
| 1. H1 2019 highlights   | Andrew Southam | CEO |
| 2. Review of operations | Andrew Southam | CEO |
| 3. Financial update     | John Hadfield  | CFO |
| 4. Growth projects      | Andrew Southam | CEO |

# 1. H1 2019 highlights

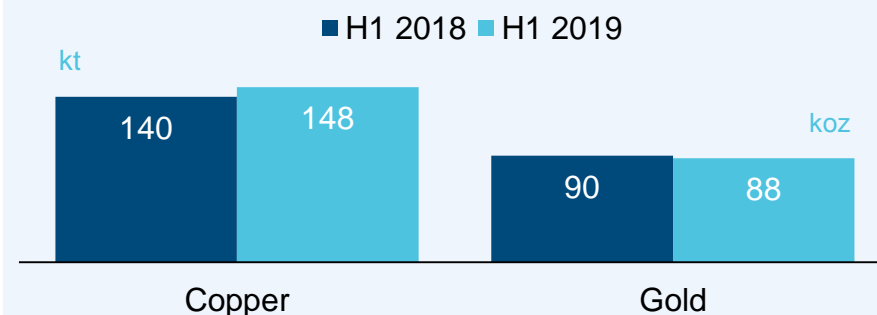
**Andrew Southam**  
CHIEF EXECUTIVE OFFICER

# H1 2019 RESULTS HIGHLIGHTS

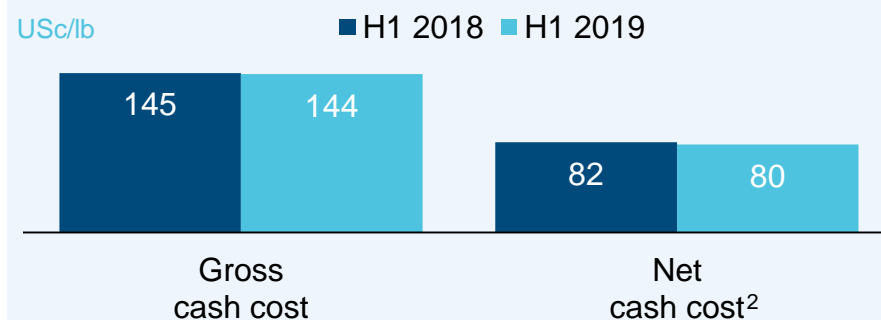


- ▶ Continued growth in copper production<sup>1</sup>, +6%
- ▶ Maintained low cost position, 80 USc/lb<sup>2</sup>
- ▶ Volume growth partially offset 11% reduction in copper prices in H1 2019:
  - Revenues \$1,052 million (H1 2018: \$1,098 million)
  - EBITDA<sup>3</sup> \$620 million (H1 2018: \$690 million)
- ▶ Group continues to develop its growth pipeline:
  - Aktogay expansion project progressed, \$223 million invested in H1 2019
  - Completed acquisition of Baimskaya, one of the world's largest undeveloped copper deposits
- ▶ Interim dividend of 4.0 US cents declared

## 6% copper production<sup>1</sup> growth



## Low unit costs maintained



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

2. Cash operating costs, plus TC/RC on concentrate sales, less by-product revenues, divided by copper sales volume.

3. EBITDA excludes MET, royalties and special items.

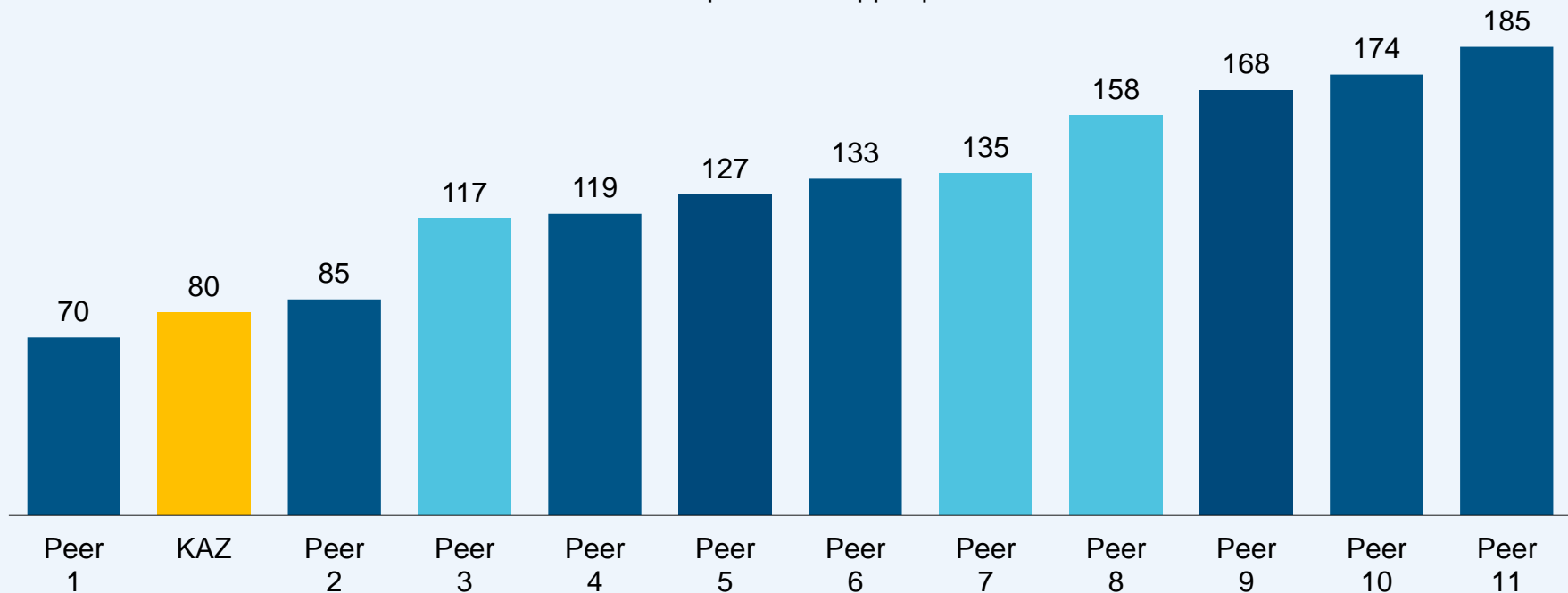
# INDUSTRY LEADING COST POSITION



## Net cash cost

USc/lb<sup>1</sup>

■ Diversified peer ■ Copper peer



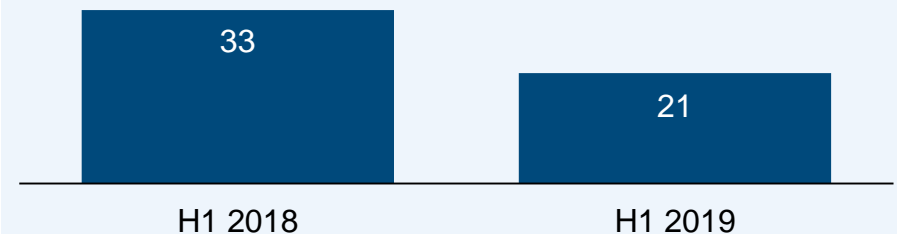
1. Source: Company data, most recently reported financial period.

# HEALTH AND SAFETY

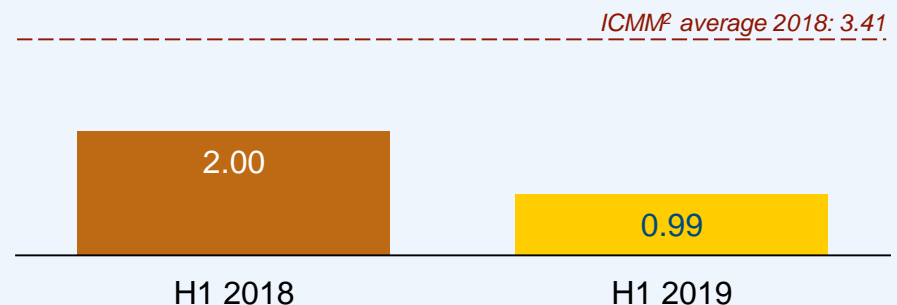
- ▶ Two fatalities in July 2019 at East Region underground mines
  - Maintained zero fatalities track record at all open pit operations
- ▶ Material reduction in injury rate indicates general improvement in workplace safety
- ▶ “Goal Zero” initiative launched in H1 2019
  - Group-wide programme to achieve zero fatal incidents and lost time injuries



## Total Recordable Injuries



## Total Recordable Injury Frequency Rate<sup>1</sup>



1. Total Recordable Injury Frequency Rate or TRIFR is the number of Recordable Injuries occurring per million hours worked.  
2. International Council on Mining and Metals.

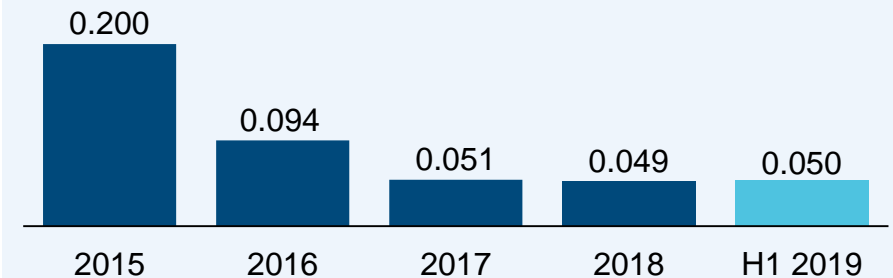
# IMPROVED ENVIRONMENTAL PERFORMANCE



- ▶ Ramp up of new open pit assets has significantly reduced the Group's CO<sub>2</sub> emissions intensity
- ▶ Consumption of fresh water is declining as the quantity reclaimed from tailings increases
  - KAZ Minerals does not operate in water stressed areas
- ▶ CO<sub>2</sub> intensity is set to improve further:
  - Aktogay II will generate economies of scale
  - Large scale Baimskaya project will draw power from carbon free sources

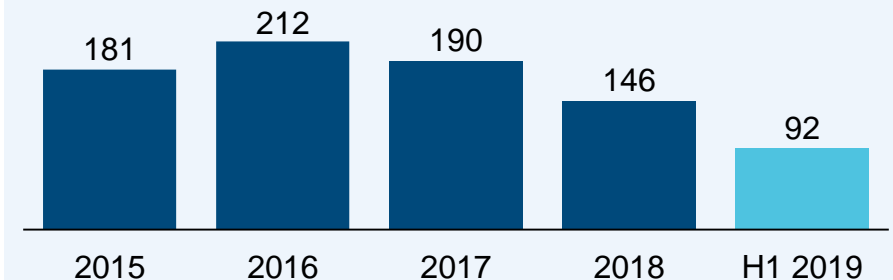
## CO<sub>2</sub>

*Emissions per unit of ore processed (kt)*



## Water

*Withdrawal per unit of copper produced (megalitres/kt)*





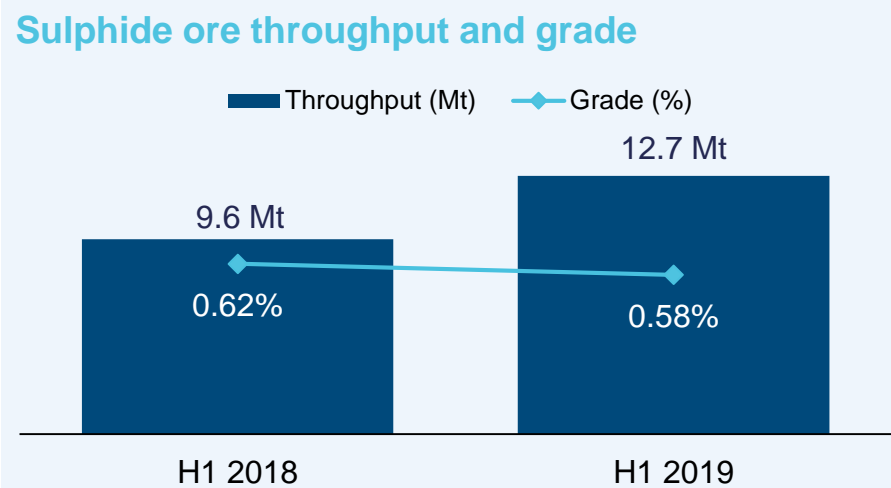
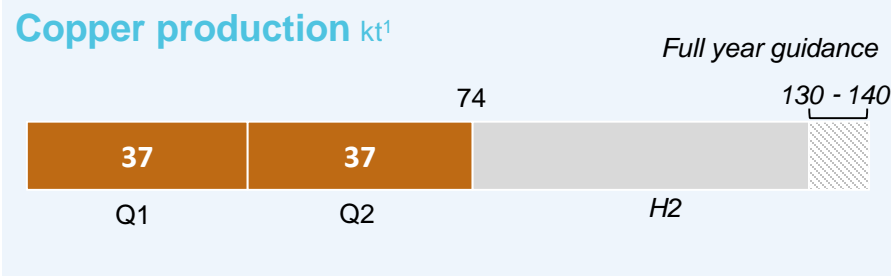
## **2. Review of operations**

**Andrew Southam**  
CHIEF EXECUTIVE OFFICER

# AKTOGAY THROUGHPUT INCREASED 33%



- ▶ Record H1 copper production<sup>1</sup> of 74.1 kt (H1 2018: 60.5 kt)
- ▶ Operated at design capacity throughout first half
- ▶ 33% growth in ore throughput compared to H1 2018
- ▶ Recovery rate increased to 89% (H1 2018: 86%)
- ▶ Oxide cathode production 11.8 kt (H1 2018: 11.5 kt)
- ▶ 2019 copper production<sup>1</sup> guidance maintained at 130-140 kt
- ▶ Net cash cost 96 USc/lb (H1 2018: 107 USc/lb)



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

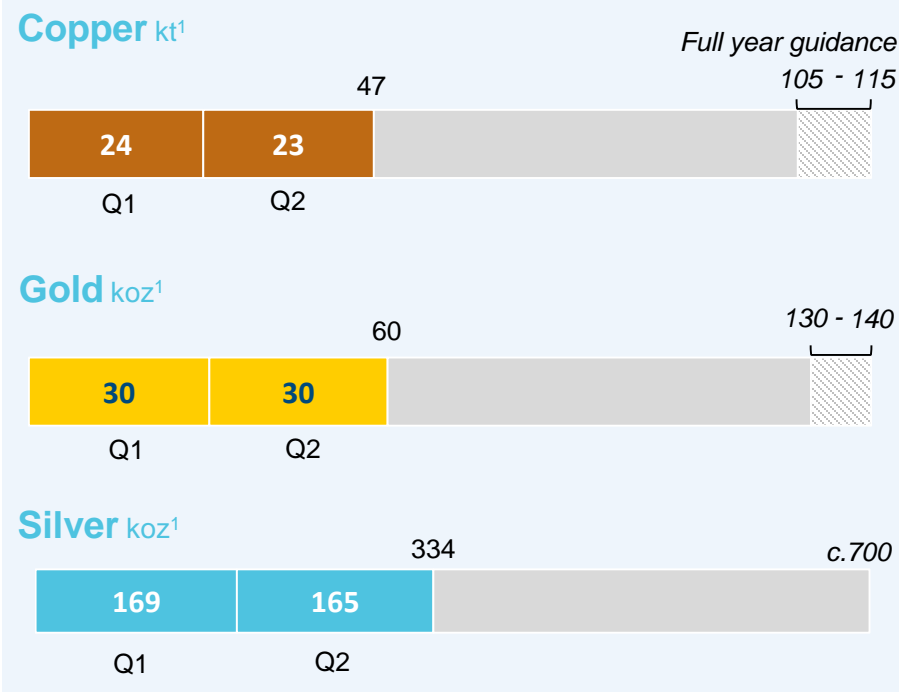
*Aktogay open pit  
June 2019*



# BOZSHAKOL SULPHIDE PLANT OPERATED AT DESIGN CAPACITY



- ▶ Copper production<sup>1</sup> of 47.1 kt (H1 2018: 49.8 kt)
- ▶ Sulphide plant operated at design capacity in first half
- ▶ Clay plant upgrade works completed in May, exceeded design capacity in June after restart
- ▶ Average copper grade 0.45% (H1 2018: 0.49%), grade increase expected in H2 2019
- ▶ On track to achieve full year guidance due to higher average grade and contribution from clay plant in second half
- ▶ Net cash cost 42 US\$/lb (H1 2018: 55 US\$/lb)



1. Payable metal in concentrate.



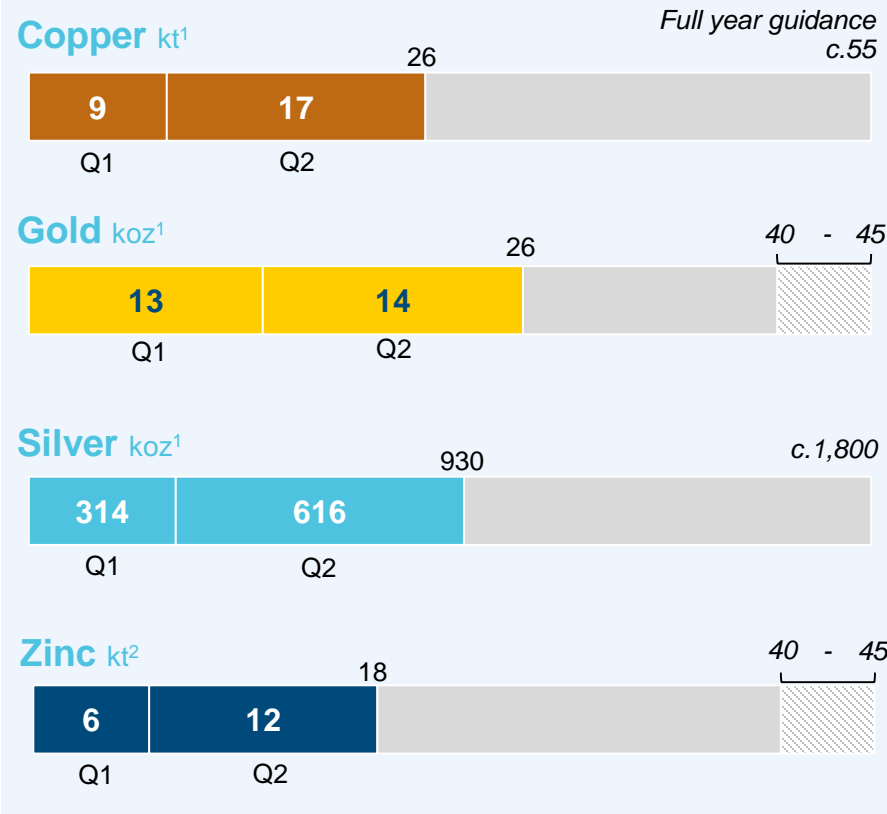
*Bozshakol open pit  
July 2019*



# EAST REGION AND BOZYMCHAK

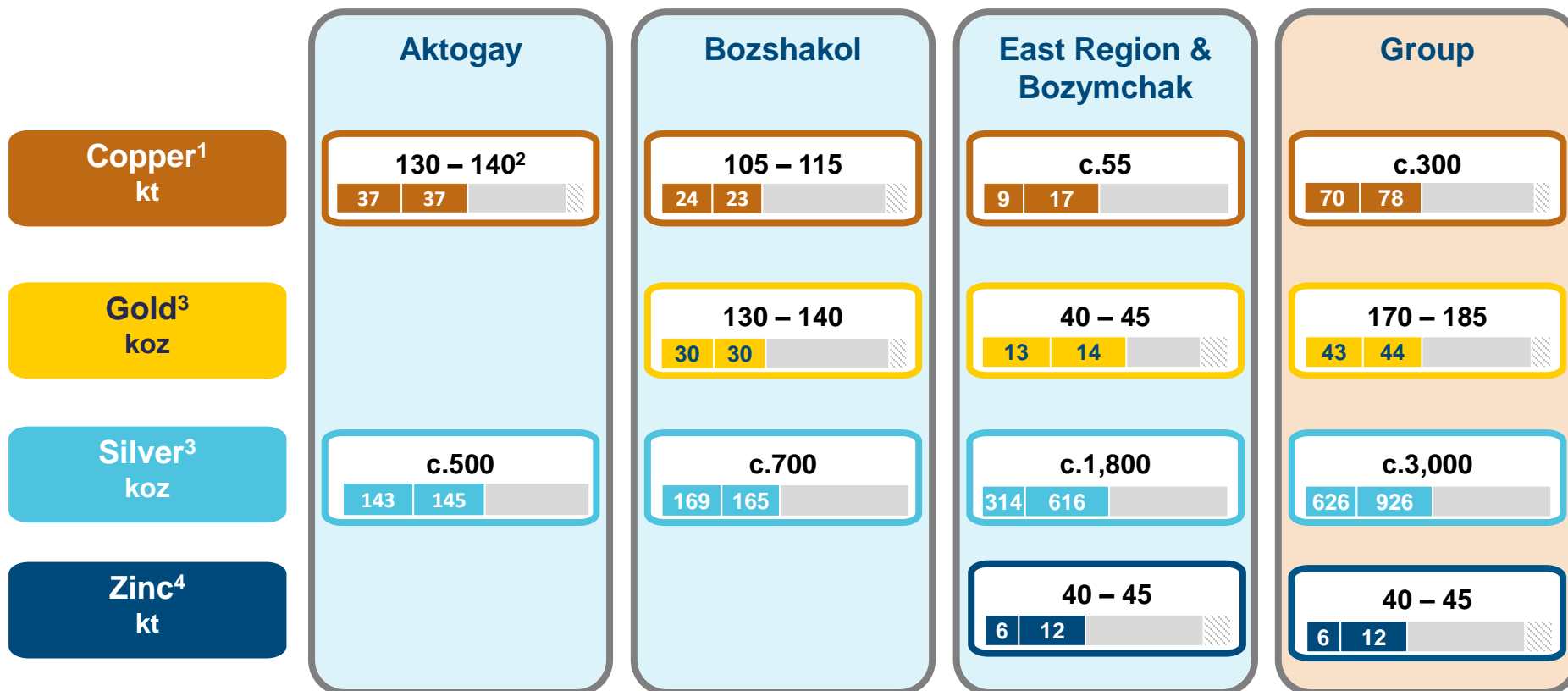


- ▶ Output higher in second quarter due to restart of Nikolayevsky concentrator from April
- ▶ Copper production<sup>1</sup> on track to achieve full year guidance
- ▶ Strong gold production<sup>1</sup> driven by better than expected gold grade at Bozymchak
  - Well positioned to achieve top end of full year guidance of 40-45 koz
- ▶ Zinc in concentrate production impacted by lower grades
  - Full year guidance now set at 40-45 kt
  - Output expected to remain variable due to grade fluctuation and challenging geological conditions
- ▶ Net cash cost 103 US\$/lb (H1 2018: 77 US\$/lb)



1. Payable metal in concentrate.  
2. Zinc in concentrate.

# 2019 GROUP PRODUCTION GUIDANCE



1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Range includes c.25 kt of cathode production from oxide ore.
3. Payable metal in concentrate.
4. Zinc in concentrate.

### **3. Financial update**

**John Hadfield**

CHIEF FINANCIAL OFFICER



# FINANCIAL UPDATE



\$m (unless otherwise stated)	H1 2019	H1 2018
Revenues	1,052	1,098
EBITDA <sup>1</sup>	620	690
<i>Margin (%)</i>	<i>59</i>	<i>63</i>
Net cash cost (USc/lb) <sup>2</sup>	80	82
Free Cash Flow <sup>3</sup>	182	308
Basic EPS – based on Underlying Profit (\$) <sup>4</sup>	0.48	0.62
Net debt	(2,560)	(2,052)

- ▶ Production-driven 3% increase in copper sales volumes, partially offset 11% lower LME price
- ▶ EBITDA \$620 million, 59% margin
- ▶ Industry leading first quartile net cash cost<sup>2</sup> of 80 USc/lb (H1 2018: 82 USc/lb)
- ▶ Net debt increased to \$2,560 million as cash flow from operations was offset by capital investment at Aktogay and the acquisition of Baimskaya
- ▶ New \$600 million debt facility signed with DBK to finance Aktogay expansion
- ▶ Interim dividend of 4.0 US cents per share declared

1. Excluding MET, royalties and special items.

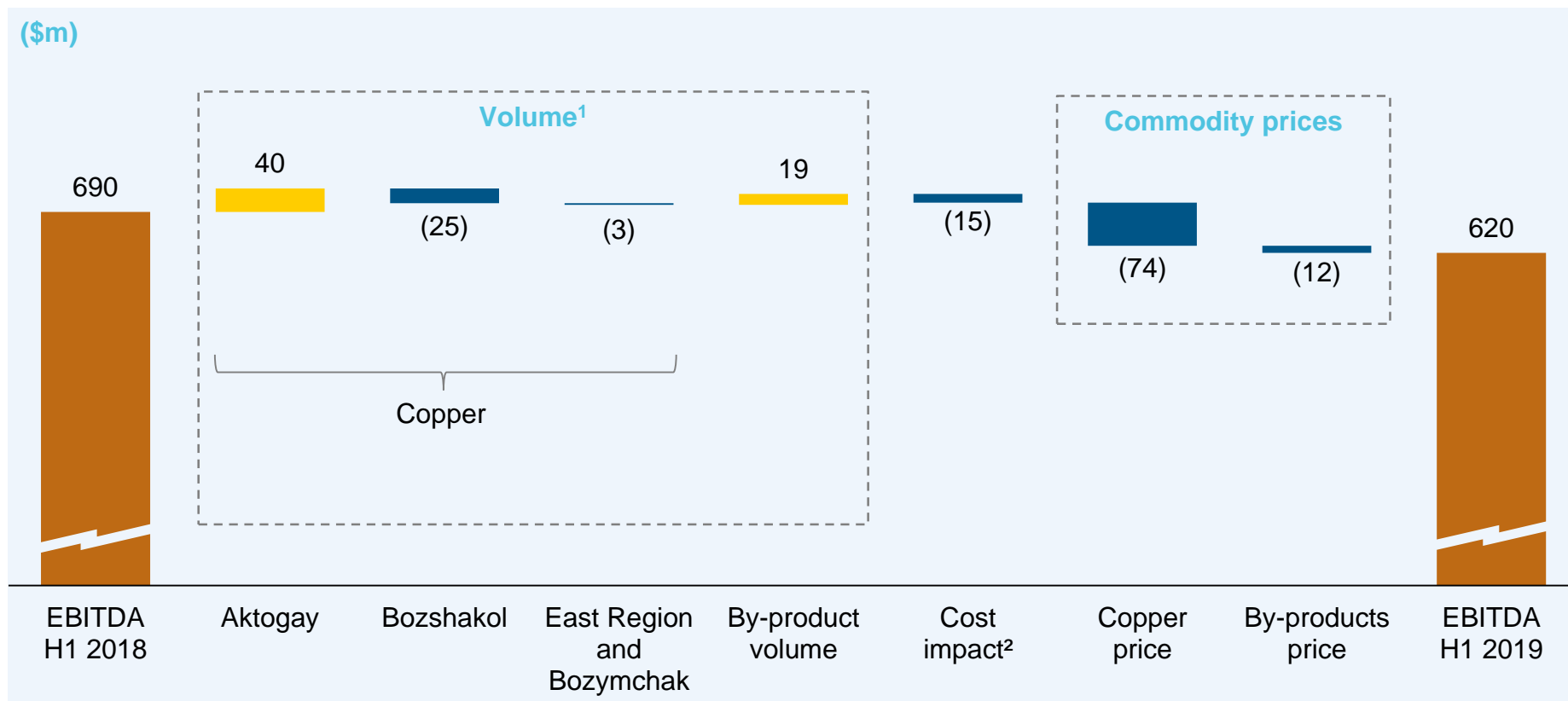
2. Cash operating costs, plus TC/RC on concentrate sales, less by-product revenues, divided by copper sales volume.

3. Net cash flow from operating activities before capital expenditure and VAT associated with the major growth projects, less sustaining capital expenditure.

4. Basic EPS based on Underlying Profit excluding special items.

# EBITDA RECONCILIATION

Increased copper and gold sales volumes partially offset the reduction in commodity prices

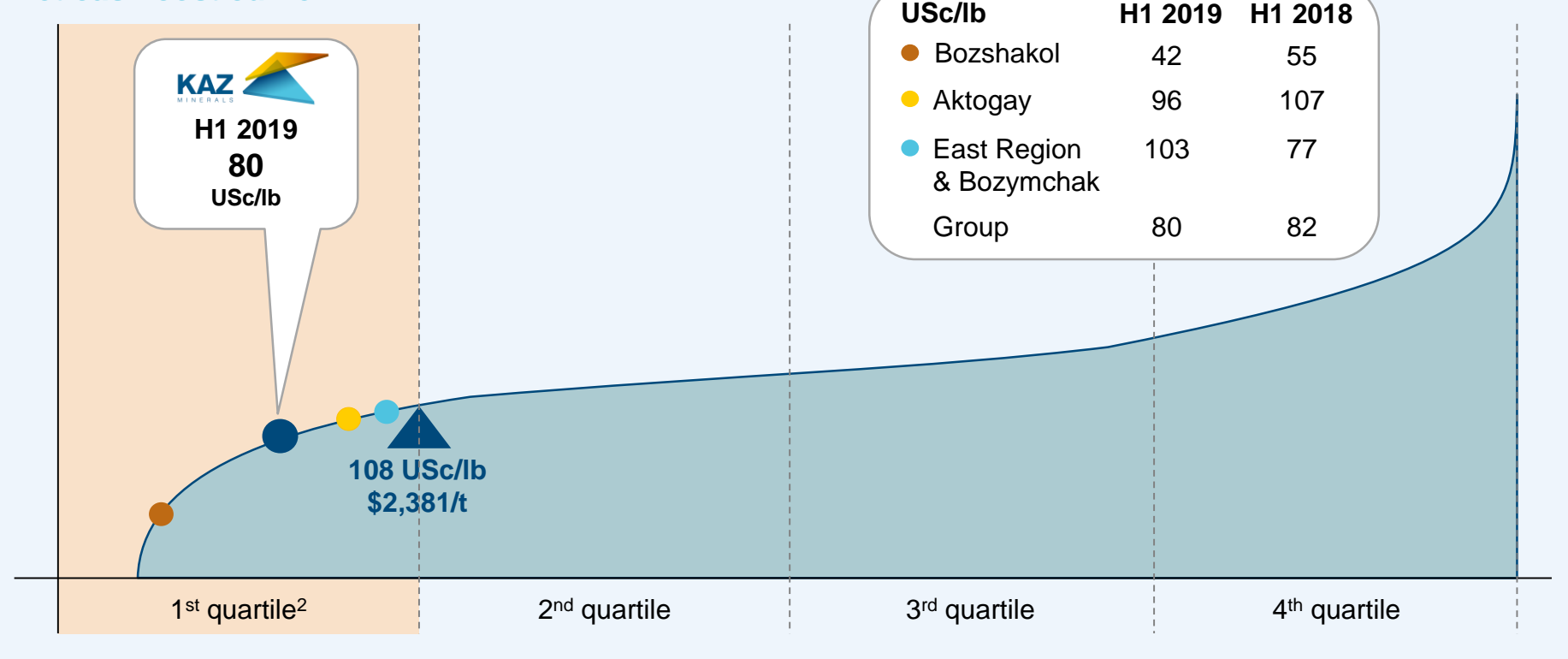


1. Change in sales volumes at current year margin.

2. Net change in cash costs per tonne.

# ALL ASSETS IN FIRST QUARTILE

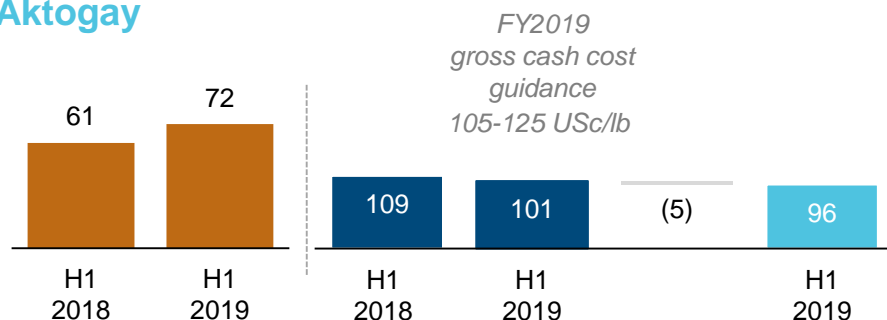
## Net cash cost curve<sup>1</sup>



1. Conceptual representation as at 30 June 2019, not to scale.
2. Wood Mackenzie first quartile cut off 108 USc/lb, 30 June 2019.

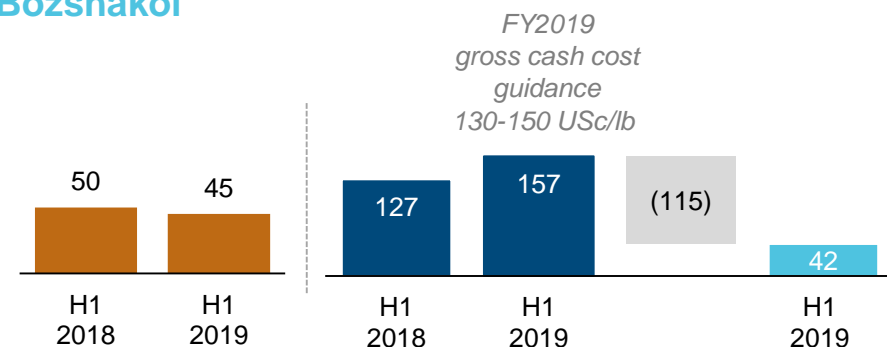
# OPERATING COST DETAIL

## Aktogay



- ▶ Volume-driven decrease in gross cash costs to 101 US\$/lb
- ▶ Additional maintenance shutdowns planned, costs expected to move into guidance range in H2 2019

## Bozshakol



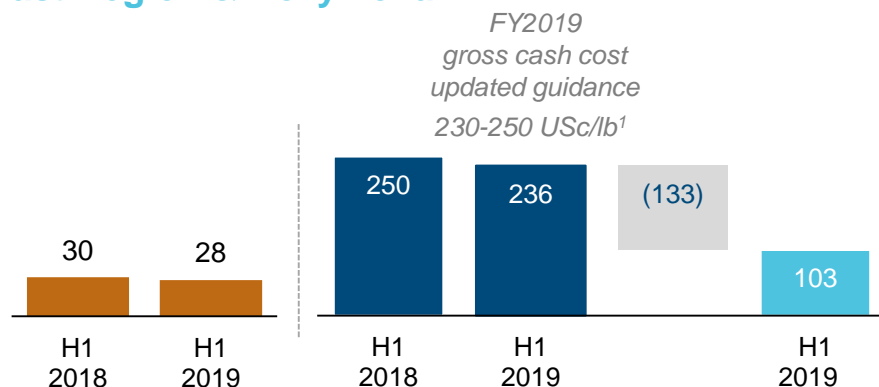
- ▶ Net cash cost of 42 US\$/lb includes 21 US\$/lb by-product credit from 26 koz gold inventory sale
- ▶ Gross cash cost of 157 US\$/lb includes 13 US\$/lb costs associated with inventory sale
- ▶ H2 2019 gross cash cost expected to trend lower due to higher grades and increased contribution from clay plant

■ Copper sales volumes (kt) ■ Gross cash cost (US\$/lb) ■ By-product credit (US\$/lb) ■ Net cash cost (US\$/lb)



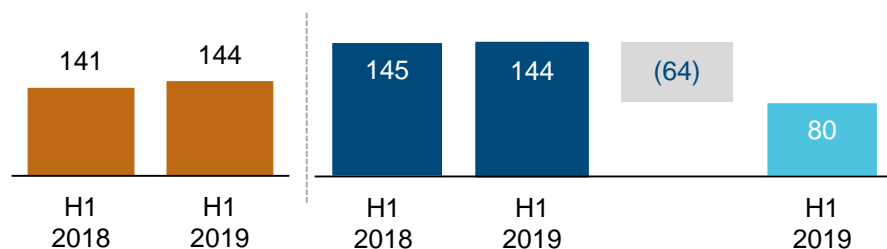
# OPERATING COST DETAIL (CONT'D)

## East Region & Bozymchak



- ▶ Cost reduction initiatives and weaker tenge delivered lower gross cash costs in H1 2019
- ▶ Full year gross cash cost guidance reduced by 30 USc/lb to 230-250 USc/lb
- ▶ Net cash cost increase in H1 2019 (H1 2018: 77 USc/lb) mainly due to lower zinc volumes, which are guided to increase in H2 2019

## Group

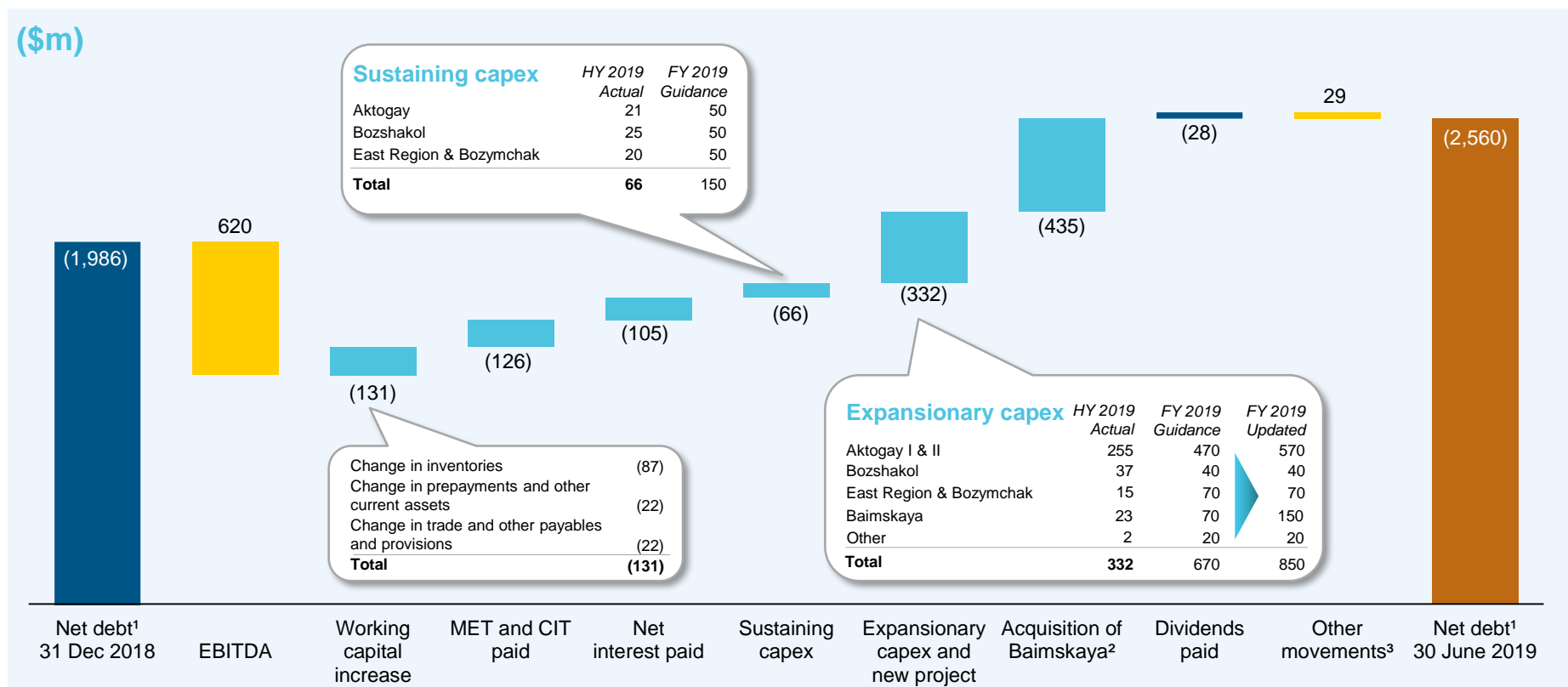


- ▶ Gross cash cost in line with prior year period
- ▶ Net cash cost amongst the lowest of copper producers globally

■ Copper sales volumes (kt) ■ Gross cash cost (USc/lb) ■ By-product credit (USc/lb) ■ Net cash cost (USc/lb)

1. Gross cash cost guidance reduced to 230-250 USc/lb from previous guidance of 260-280 USc/lb.

# MOVEMENT IN GROUP NET DEBT



1. The excess of borrowings over cash and cash equivalents and current investments.

2. Net of \$1 million cash acquired.

3. Includes \$45 million receipt in respect of NFC's equity investment in Koksay, VAT associated with major growth projects, foreign exchange and other movements.

# 2019 FINANCIAL GUIDANCE



Gross cash cost (USc/lb)		Sustaining capex (\$ million)		Expansionary capex (\$ million)		
Aktogay	105-125	Aktogay <sup>1</sup>	50	Aktogay I & II <sup>2</sup>	▲ 100	570
Bozshakol	130-150	Bozshakol <sup>1</sup>	50	Bozshakol <sup>3</sup>		40
East Region & Bozymchak	▼ 30 230-250	East Region & Bozymchak <sup>1</sup>	50	East Region & Bozymchak <sup>4</sup>		70
		<hr/> Group	150	Baimskaya <sup>5</sup>	▲ 80	150
				Other		20
				<hr/> Group		850

1. Includes \$10 million of sustaining capital expenditure deferred from 2018.

2. Includes \$500 million for Aktogay II and \$70 million for Aktogay I, of which \$50 million was carried over from 2018, mainly for final stage of heap leach cells..

3. Bozshakol final retention payments to contractors of c.\$40 million carried over from 2018 and settled in H1 2019.

4. Principally Artemyevsky underground mine extension, includes \$10 million carried over from 2018.

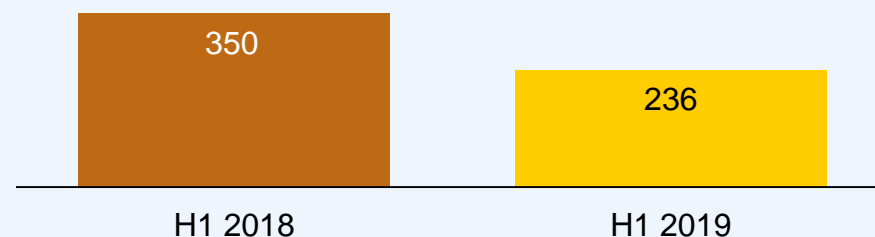
5. Includes \$70 million for feasibility study and \$80 million for pioneer works in H2 2019.

# CAPITAL ALLOCATED TO GROWTH

- ▶ Group continues to invest in value-accretive growth in copper
- ▶ \$436 million cash consideration paid for Baimskaya
- ▶ \$332 million invested into growth projects, primarily Aktogay (\$255 million)
- ▶ New \$600 million DBK facility signed, \$120 million drawn at 30 June 2019 and \$480 million to be drawn 2019-20
- ▶ Cash and cash equivalents of \$739 million
- ▶ Gross debt reduced to \$3,299 million with scheduled capital repayments of \$272 million made in H1 2019

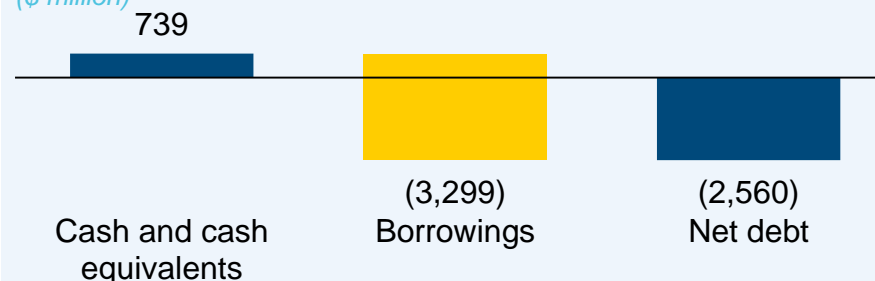
## Net cash flows from operating activities

(\$ million)



## Net debt as at 30 June 2019

(\$ million)







## **4. Aktogay expansion project**

**Andrew Southam**  
CHIEF EXECUTIVE OFFICER

# LOW RISK NEAR TERM GROWTH

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- ▶ Aktogay II is a \$1.2 billion project approved in December 2017 to double sulphide processing capacity from 25 to 50 Mtpa
- ▶ Low risk project, benefits from existing site infrastructure and identical concentrator design to Aktogay I and Bozshakol
- ▶ First production expected in 2021, ramp up in 2022
- ▶ Adds c.80 kt of annual copper production from 2022-27 and c.60 kt from 2028 onwards
- ▶ Net cash cost guidance 100-120 USc/lb<sup>1</sup>
- ▶ Accelerated processing reduces mine life from 56 to 27 years



*Aktogay expansion project, June 2019*

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1. Net cash cost guidance in USc/lb for the period 2022-27 in 2017 US dollar terms.

# AKTOGAY II ON SCHEDULE

## H1 2019 key milestones

- ▶ Grinding and flotation foundations ✓
- ▶ Progress concentrator structural steel ✓
- ▶ Commence mining fleet commissioning ✓
- ▶ Commence crusher foundations ✓

## Other major project milestones

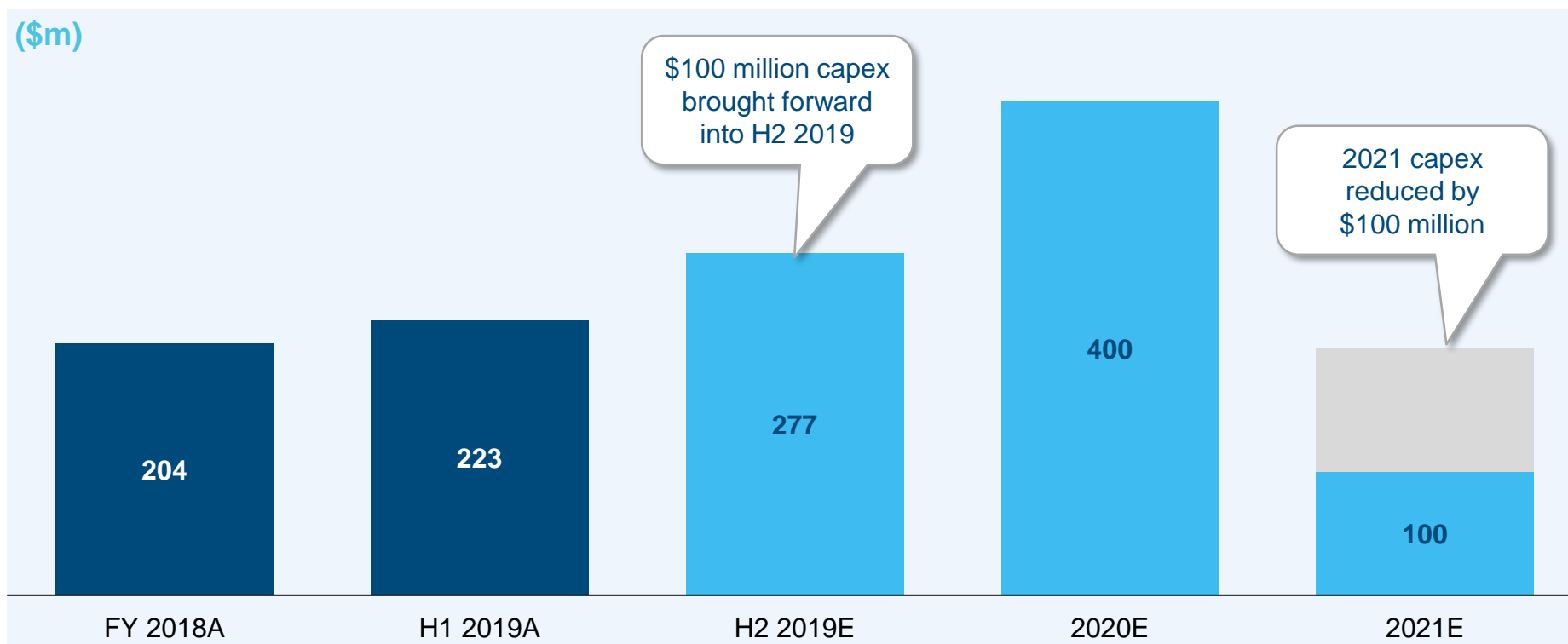
- |  |                                    |
|--|------------------------------------|
| ▶ Permanent camp upgrade and mine maintenance facilities | <b>Status:</b><br><i>Commenced</i> |
| ▶ Overland conveyor                                      | <i>Commenced</i>                   |
| ▶ Enclose concentrator building                          | <i>Q4 2019</i>                     |
| ▶ Complete mill installation                             | <i>2020</i>                        |
| ▶ First ore processed                                    | <i>2021</i>                        |




*Aktogay II construction, June 2019*

# AKTOGAY II CAPEX GUIDANCE

- ▶ \$1.2 billion budget maintained
- ▶ \$100 million rephased into 2019 to further de-risk the delivery of the project







An aerial photograph of an industrial facility, likely a uranium processing plant. The image is divided into two main sections by a red dashed line. The upper section shows the 'Aktogay I existing concentrator', which includes several large blue cylindrical storage tanks and various industrial buildings. The lower section shows the 'Aktogay expansion project', which features large-scale construction of new buildings with green steel frameworks. The surrounding landscape is flat and arid, with some green vegetation in the distance. A road or railway line runs horizontally across the middle of the image, separating the existing facility from the expansion area.

Aktogay I existing  
concentrator

Aktogay expansion  
project



*Aktogay II sulphide concentrator,  
June 2019*





*Aktogay mining fleet upgrade:  
Caterpillar 793D haul truck*





## **4. Baimskaya copper project**

# ACQUIRED WORLD CLASS COPPER ASSET

- ▶ The Group acquired the Baimskaya copper project for \$900 million in cash and shares in January 2019
- ▶ The Peschanka deposit in the Baimskaya licence area is one of the top 10 largest undeveloped copper deposits in the world
  - JORC resources of 9.5 Mt of copper and 16.5 Moz of gold
- ▶ The \$5.5 billion project is expected to produce 250 kt copper and 400 koz gold annually<sup>1</sup>, commissioning in 2026
- ▶ First quartile cash cost position over the life of the mine

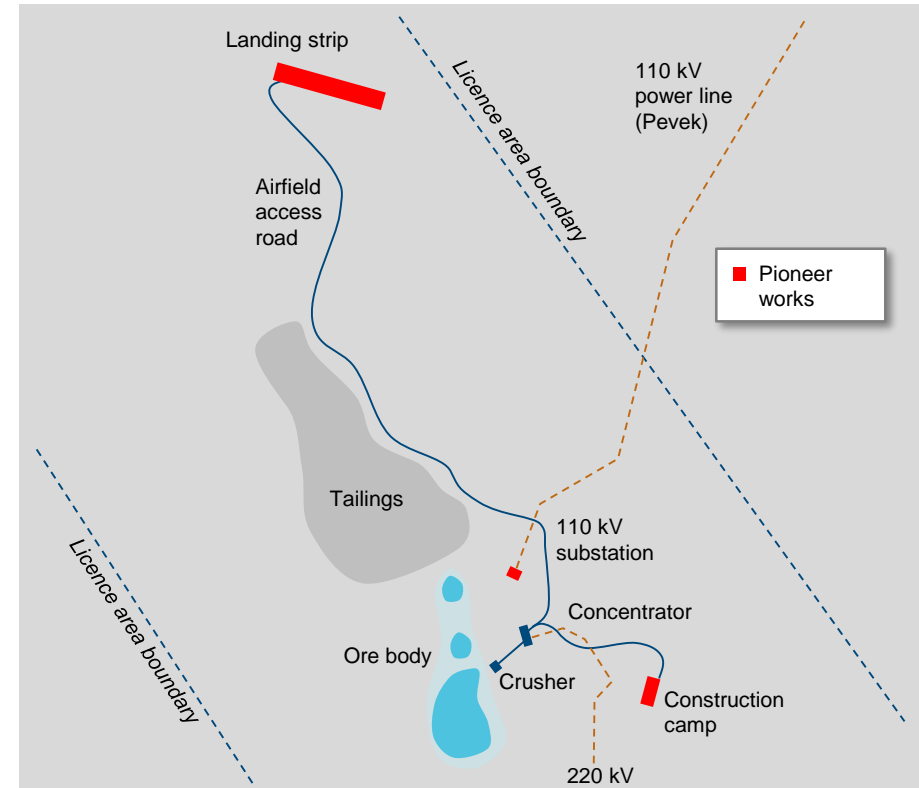


*Peschanka deposit, Baimskaya copper project*

1. Average for first ten years of operations.

# PROJECT PROGRESSING

- ▶ A bankable feasibility study is being conducted by Fluor Corporation and is due to be completed in H1 2020
- ▶ Preliminary discussions on financing continue
- ▶ Partnering options to be assessed
- ▶ Existing TASED zone expanded to include Baimskaya licence area
- ▶ \$80 million of capital expenditure approved for pioneer works in H2 2019:
  - Camp, fuel storage, landing strip and site power infrastructure
  - Total 2019 capex guidance now \$150 million, including \$70 million feasibility study costs





# INFRASTRUCTURE BEING DELIVERED

## Power

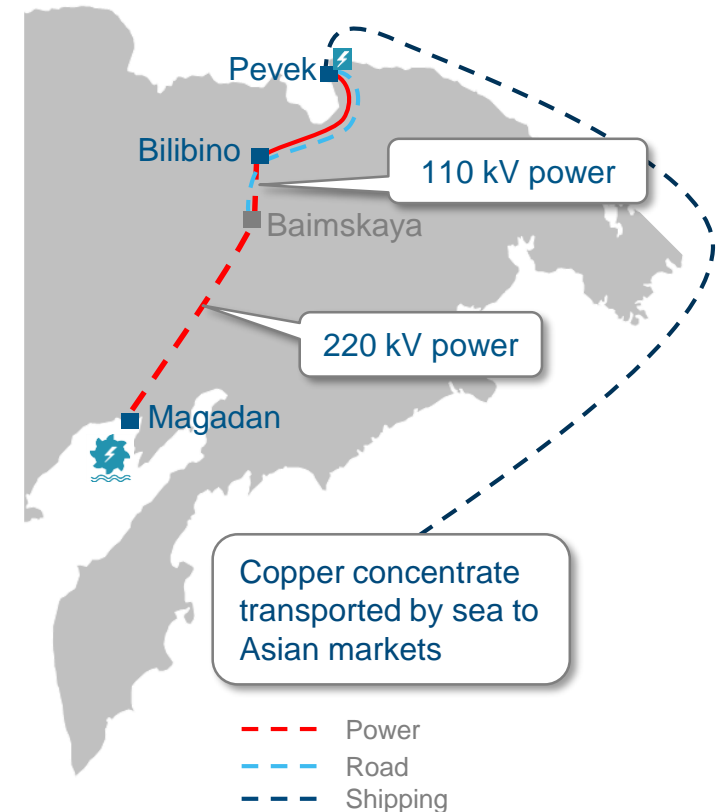
- ▶ Government funded 110 kV Bilibino-Baimskaya power line on schedule to be completed by end of 2019, 90% of pylons erected
- ▶ Floating nuclear facility 'Akademik Lomonosov' scheduled to begin transfer from Murmansk to Pevek at the end of August 2019
- ▶ 220 kV Magadan power line, state financing allocated to commence construction

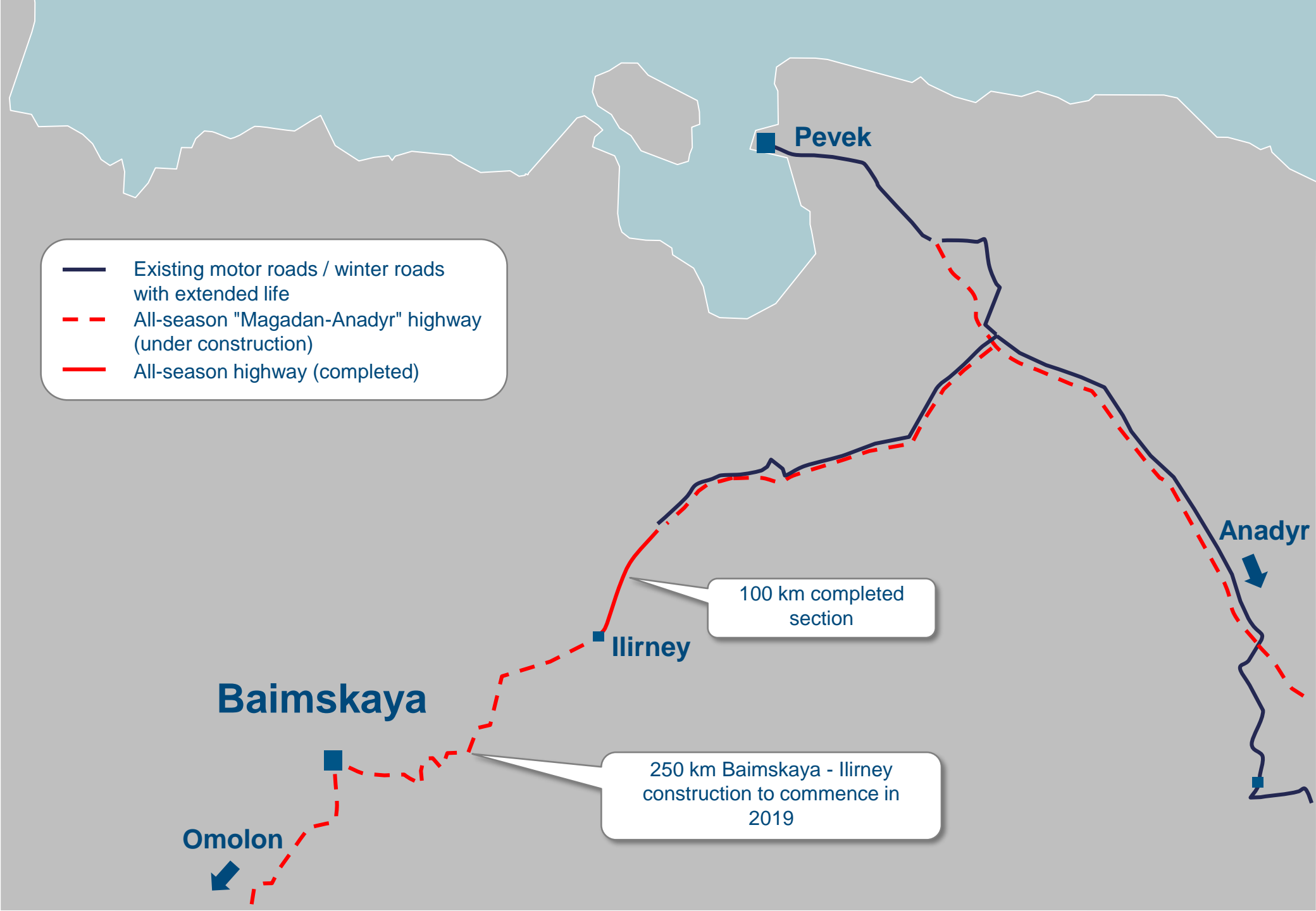
## Road

- ▶ Construction of government financed all-season Omolon-Anadyr highway progressing
- ▶ Financing allocated for 250 km section from Baimskaya to Ilirney

## Shipping

- ▶ Rosatom 2024 cargo target for Northern Sea Route raised to 93 Mt





## 5. Platform for growth

**Andrew Southam**  
CHIEF EXECUTIVE OFFICER

# PLATFORM FOR GROWTH

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- ▶ KAZ Minerals continues to deliver strong operational and financial results from its high quality existing assets
- ▶ Group is well equipped to navigate copper price fluctuations, with amongst the lowest operating costs of copper miners globally
- ▶ Operating cash flow and new \$600 million DBK financing supports investment in copper growth pipeline
- ▶ Near term growth from Aktogay II is low risk and is progressing on schedule and within budget
- ▶ The strengthened platform post Aktogay II start-up will support investment into the transformational Baimskaya growth project





# APPENDIX

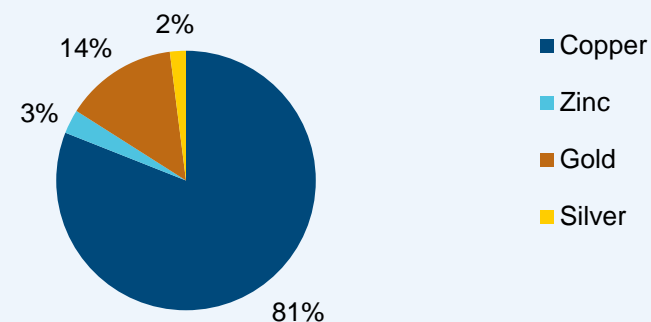
# SUMMARY INCOME STATEMENT



## Key line items

\$m (unless otherwise stated)	H1 2019	H1 2018
<b>Revenues</b>	<b>1,052</b>	<b>1,098</b>
Cost of sales	(533)	(533)
<b>Gross profit</b>	<b>519</b>	<b>565</b>
<b>Operating profit</b>	<b>410</b>	<b>464</b>
Net finance costs	(121)	(109)
<b>Profit before taxation</b>	<b>289</b>	<b>355</b>
Income tax expense	(62)	(79)
<b>Profit for the period</b>	<b>227</b>	<b>276</b>
<b>EPS based on Underlying Profit (\$) - basic</b>	<b>0.48</b>	<b>0.62</b>

## H1 2019 revenues split by product





# REVENUES AND SALES VOLUMES



## Revenues

\$m	H1 2019	H1 2018
Copper cathode	400	342
Copper in concentrate	449	560
Zinc in concentrate	31	60
Gold	73	33
Gold in concentrate	70	72
Silver	17	19
Silver in concentrate	8	7
Other	4	5
<b>Total revenues</b>	<b>1,052</b>	<b>1,098</b>

## Average realised prices

	H1 2019	H1 2018
Copper cathode (\$/t)	6,211	6,916
Copper in concentrate (\$/t) <sup>2</sup>	5,616	6,135
Zinc in concentrate (\$/t)	1,801	2,255
Gold (\$/oz)	1,305	1,314
Gold in concentrate (\$/oz) <sup>2</sup>	1,343	1,296
Silver (\$/oz)	15.1	16.6
Silver in concentrate (\$/oz) <sup>2</sup>	15.4	16.1

## Sales volumes

kt (unless otherwise stated)	H1 2019	H1 2018
Copper cathode	64	50
Copper in concentrate <sup>1</sup>	80	91
Zinc in concentrate <sup>1</sup>	17	27
Gold (koz)	56	25
Gold in concentrate (koz) <sup>1</sup>	52	56
Silver (koz)	1,124	1,116
Silver in concentrate (koz) <sup>1</sup>	495	438

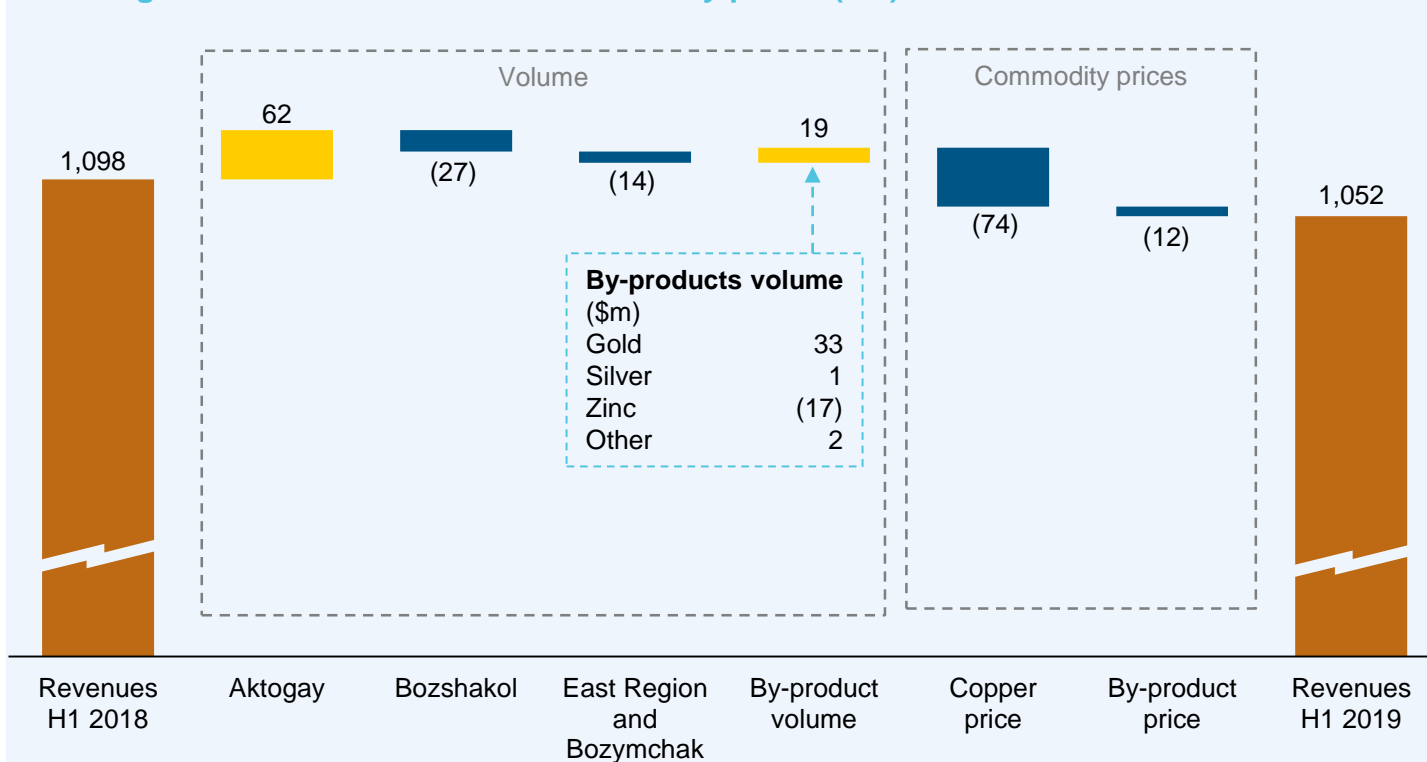
## LME and LBMA Prices

	H1 2019	H1 2018
Copper (\$/t)	6,165	6,917
Zinc (\$/t)	2,732	3,268
Gold (\$/oz)	1,307	1,318
Silver (\$/oz)	15.2	16.7

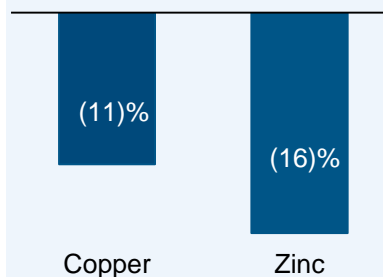
1. Payable metal in concentrate sold.
2. After the deduction of processing charges.

# REVENUE RECONCILIATION

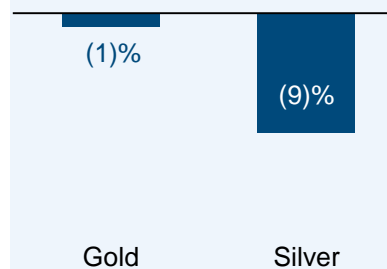
## Volume growth offsets decrease in commodity prices (\$m)



## Average LME HY 2019 vs HY 2018



## Average LBMA HY 2019 vs HY 2018



# CASH FLOW



\$m	H1 2019	H1 2018
<b>EBITDA<sup>1</sup></b>	<b>620</b>	<b>690</b>
Working capital movements	(131)	(57)
Interest paid	(117)	(112)
MET and royalties paid	(97)	(111)
Income tax paid	(29)	(60)
Foreign exchange and other movements	2	(3)
<b>Net cash flows from operating activities before capital expenditure and VAT associated with major growth projects<sup>2</sup></b>	<b>248</b>	<b>347</b>
Sustaining capital expenditure	(66)	(39)
<b>Free Cash Flow</b>	<b>182</b>	<b>308</b>
Expansionary and new project capital expenditure	(332)	(325)
Acquisition of Baimskaya copper project, net of cash acquired	(435)	-
Net VAT paid/(received) associated with major growth projects <sup>2</sup>	(12)	3
Proceeds from disposal of property, plant and equipment	1	-
Interest received	12	14
Dividends paid	(28)	-
Other investments	45	-
Other movements	(1)	(1)
<b>Cash flow movement in net debt</b>	<b>(568)</b>	<b>(1)</b>

1. EBITDA excludes MET, royalties and special items.

2. The difference between 'net cash flow from operating activities before capital expenditure and VAT associated with major growth projects' and 'net cash from operating activities' as reflected on the Group cash flow statement, is the net VAT (paid)/received on the construction of the major growth projects.

# SUMMARY BALANCE SHEET



## Assets

\$m	H1 2019	2018	H1 2018
Non-current assets	4,169	2,897	3,125
Cash and cash equivalents and current investments	739	1,469	1,653
Other current assets	786	674	670
<b>Total</b>	<b>5,694</b>	<b>5,040</b>	<b>5,448</b>

## Non-current assets

\$m	H1 2019	2018	H1 2018
Intangible assets	6	6	7
Tangible assets	3,762	2,562	2,840
Other non-current assets	355	301	216
Deferred tax asset	46	28	62
<b>Total</b>	<b>4,169</b>	<b>2,897</b>	<b>3,125</b>

## Equity & liabilities

\$m	H1 2019	2018	H1 2018
Equity	1,776	1,054	1,198
Borrowings	3,299	3,453	3,705
Other liabilities	619	533	545
<b>Total</b>	<b>5,694</b>	<b>5,040</b>	<b>5,448</b>

## Net debt

\$m	H1 2019	2018	H1 2018
Cash and cash equivalents and current investments	739	1,469	1,653
Less: restricted cash	-	(2)	-
Borrowings	(3,299)	(3,453)	(3,705)
Long-term	(2,759)	(2,914)	(3,187)
Short-term	(540)	(539)	(518)
<b>Total</b>	<b>(2,560)</b>	<b>(1,986)</b>	<b>(2,052)</b>

# DEBT FACILITIES

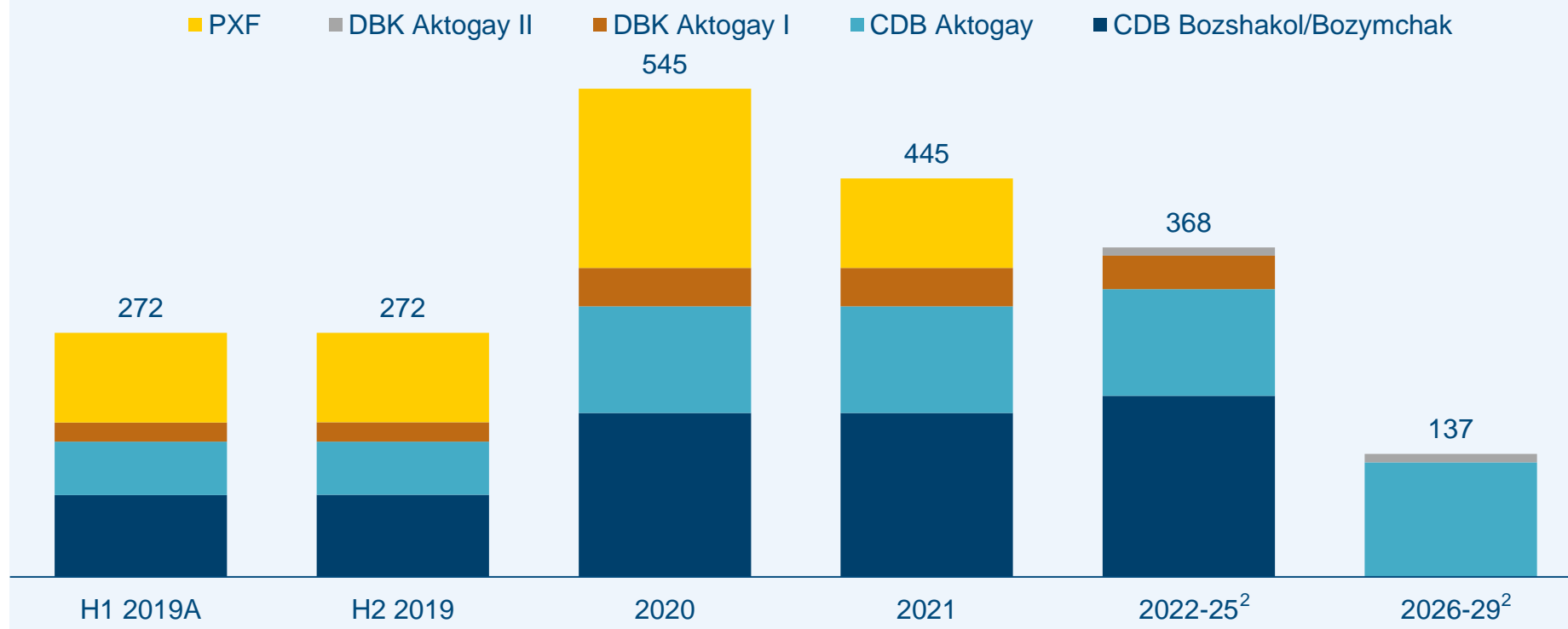


Facility	Maturity and interest rate	Balance as at 30 June 2019 <sup>1</sup>
<b>CDB Bozshakol/Bozymchak</b>	<b>Final maturity 2025</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 4.5%</li> <li>▶ Semi-annual principal and interest payments</li> </ul>	<b>Fully drawn – \$1,265 million</b> <ul style="list-style-type: none"> <li>▶ Balance sheet covenant</li> </ul>
<b>CDB Aktogay</b>	<b>Final maturity 2029</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 4.2% (USD facility)</li> <li>▶ PBoC 5 year (RMB facility)</li> <li>▶ USD facility - semi-annual principal and interest payments</li> <li>▶ RMB facility - semi-annual principal and quarterly interest payments</li> </ul>	<b>Fully drawn – \$1,284 million</b> <ul style="list-style-type: none"> <li>▶ Balance sheet covenant</li> </ul>
<b>DBK Aktogay I</b>	<b>Final maturity 2025</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 4.5%</li> <li>▶ Semi-annual principal and interest payments (USD)</li> </ul>	<b>Fully drawn – \$257 million</b> <ul style="list-style-type: none"> <li>▶ Balance sheet covenant</li> </ul>
<b>DBK Aktogay II</b>	<b>Final maturity 2034</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 3.9%</li> <li>▶ First repayment due three years after the date of first drawing</li> <li>▶ Semi-annual principal and interest payments (USD)</li> </ul>	<b>\$600 million facility - \$120 million drawn</b> <ul style="list-style-type: none"> <li>▶ New \$600 million facility signed on 14 June 2019</li> <li>▶ \$480 million expected to be drawn 2019-2020</li> <li>▶ Balance sheet covenant</li> </ul>
<b>PXF</b>	<b>Final maturity 2021</b> <ul style="list-style-type: none"> <li>▶ Margin based on net debt/EBITDA ratio                             <ul style="list-style-type: none"> <li>- between \$ LIBOR +3.0% to 4.5%</li> </ul> </li> <li>▶ Monthly interest payments and principal repayments to June 2021</li> </ul>	<b>Fully drawn – \$400 million</b> <ul style="list-style-type: none"> <li>▶ \$600m PXF signed in June 2017                             <ul style="list-style-type: none"> <li>- Extended final maturity by 2.5 years to June 2021</li> <li>- Monthly principal repayments from July 2018</li> </ul> </li> <li>▶ Income statement covenant</li> </ul>

1. Drawn amount excludes arrangement fees.

# DEBT REPAYMENT PROFILE

Repayment Profile<sup>1</sup> (\$m)



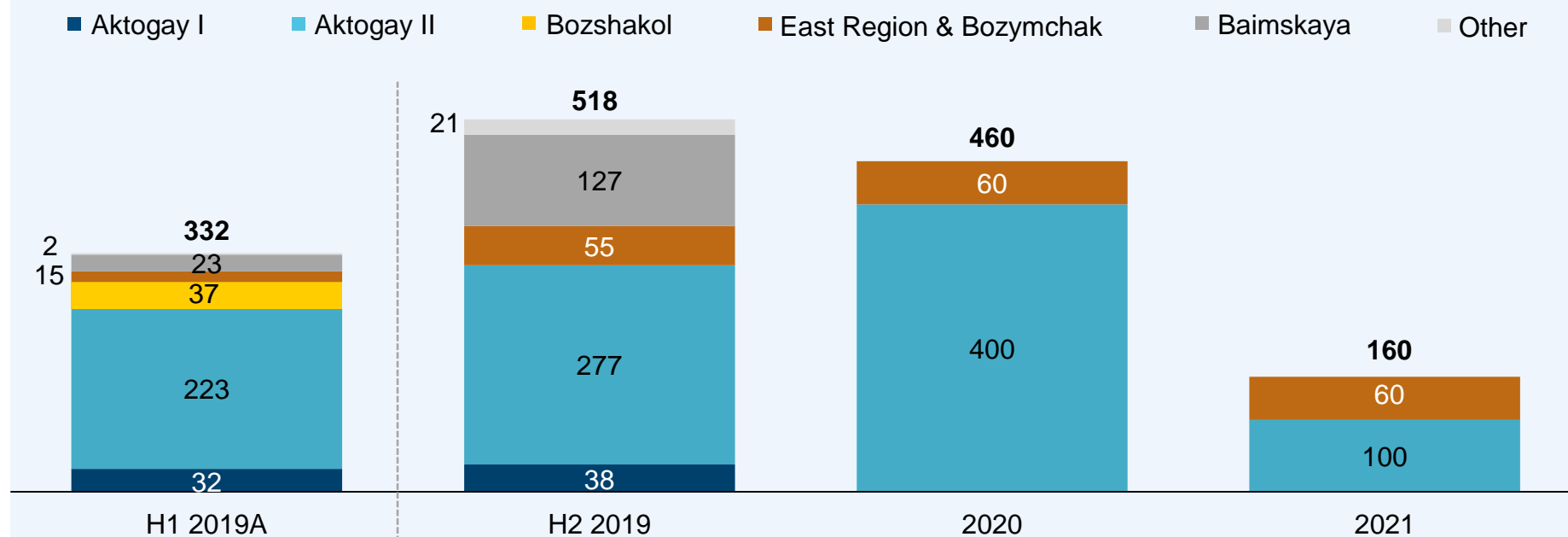
1. Based on drawn debt facilities at 30 June 2019.

2. Average debt repayments per annum.



# GUIDED CAPITAL EXPENDITURE

## Expansionary capex (\$m)<sup>1</sup>



- ▶ Baimskaya's capex guidance for 2019 increased to \$150 million, with \$80 million approved for pioneer works and on-site infrastructure in H2 2019
- ▶ Aktogay II capex rephased, with \$100 million of capital expenditure into 2019 to further de-risk the delivery of the project

1. Approved projects only. Further guidance on Baimskaya will be provided following completion of the feasibility study.

# GROUP CASH COST RECONCILIATION



\$m (unless otherwise stated)	H1 2019	H2 2018	H1 2018	H2 2017 <sup>1</sup>	H1 2017 <sup>1</sup>	2018	2017 <sup>1</sup>
Copper sales volumes (kt)	144	155	141	141	115	296	256
Revenues	1,052	1,064	1,098	942	721	2,162	1,663
EBITDA <sup>2</sup>	(620)	(620)	(690)	(609)	(429)	(1,310)	(1,038)
Pre-commercial production	-	-	-	38	40	-	78
Corporate costs and other adjustments	(20)	(13)	(15)	(15)	(10)	(28)	(25)
TC/RCs on concentrate sales	47	58	57	53	45	115	98
<b>Gross cash cost</b>	<b>459</b>	<b>489</b>	<b>450</b>	<b>409</b>	<b>367</b>	<b>939</b>	<b>776</b>
<b>Gross cash cost (USc/lb)</b>	<b>144</b>	<b>143</b>	<b>145</b>	<b>132</b>	<b>144</b>	<b>144</b>	<b>138</b>
By-product credits	(203)	(187)	(194)	(201)	(205)	(381)	(406)
Net cash costs	256	302	256	208	162	558	370
<b>Net cash cost (USc/lb)</b>	<b>80</b>	<b>88</b>	<b>82</b>	<b>67</b>	<b>64</b>	<b>85</b>	<b>66</b>

1. Includes the results of pre-commercial production.
2. EBITDA excludes MET, royalties and special items.

# AKTOGAY GUIDANCE SUMMARY



- ▶ Net cash costs to 2027 expected to be maintained at 100-120 USc/lb<sup>1</sup>
- ▶ Operating cost efficiencies from larger scale mining operations offset the effect of accelerated grade decline, as processing volumes are brought forward
- ▶ Sustaining capital expenditure estimated to increase from \$30-\$40 million to \$50-\$60 million per annum from 2022

## Copper processing grade profile<sup>2</sup>

12 months to 31 December 2018,  
supergene enriched **0.61%**

2019 – 2021  
Aktogay I **c.0.50%**

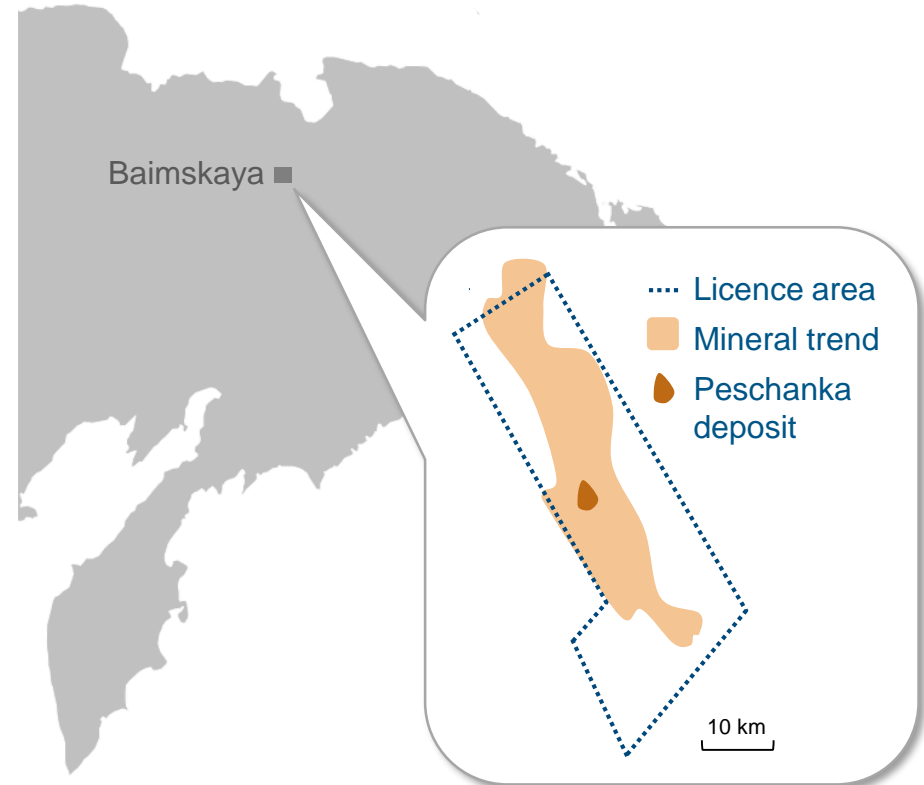
2022 – 2027  
Aktogay I and Aktogay II **c.0.40%**

Life of mine sulphide  
resource grade **0.33%**

1. 2017 US dollar terms.  
2. Sulphide ore.

# BAIMSKAYA PROJECT OVERVIEW

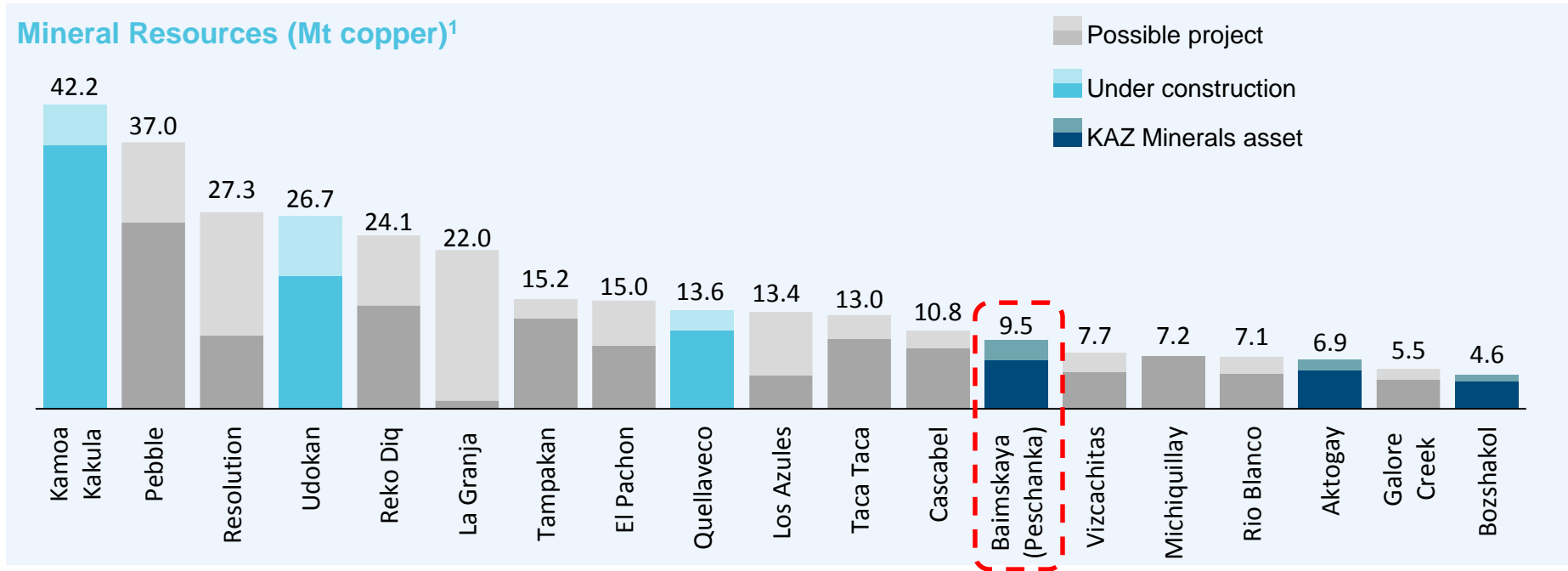
- ▶ The Group acquired the Baimskaya copper project for \$900 million in cash and shares in January 2019
  - \$675 million Initial Consideration plus Deferred Consideration of \$225 million
- ▶ Indicative \$5.5 billion nominal capex budget 2018-26<sup>1</sup>
- ▶ 60 Mtpa ore processing capacity, c.25 year mine life
- ▶ Average annual production<sup>2</sup> of 250 kt copper and 400 koz gold, copper equivalent 330 ktpa<sup>3</sup>
- ▶ First quartile net cash costs over life of mine, higher grades in first ten years of operations
- ▶ Potential for resource expansion in c.1,300 sq. km licence area



*Baimka mineral trend and licence area*

1. In nominal terms based on 100% share of development capital expenditure, subject to confirmation in feasibility study.  
2. Average for first ten years of operations, based on 100% share of production.  
3. Assuming analyst consensus long term copper price of 6,700 \$/t and gold price of 1,300 \$/oz.

# GLOBALLY SIGNIFICANT COPPER RESOURCE



- The Peschanka deposit in the Baimskaya licence area ranks in the top 10 undeveloped greenfield copper projects globally

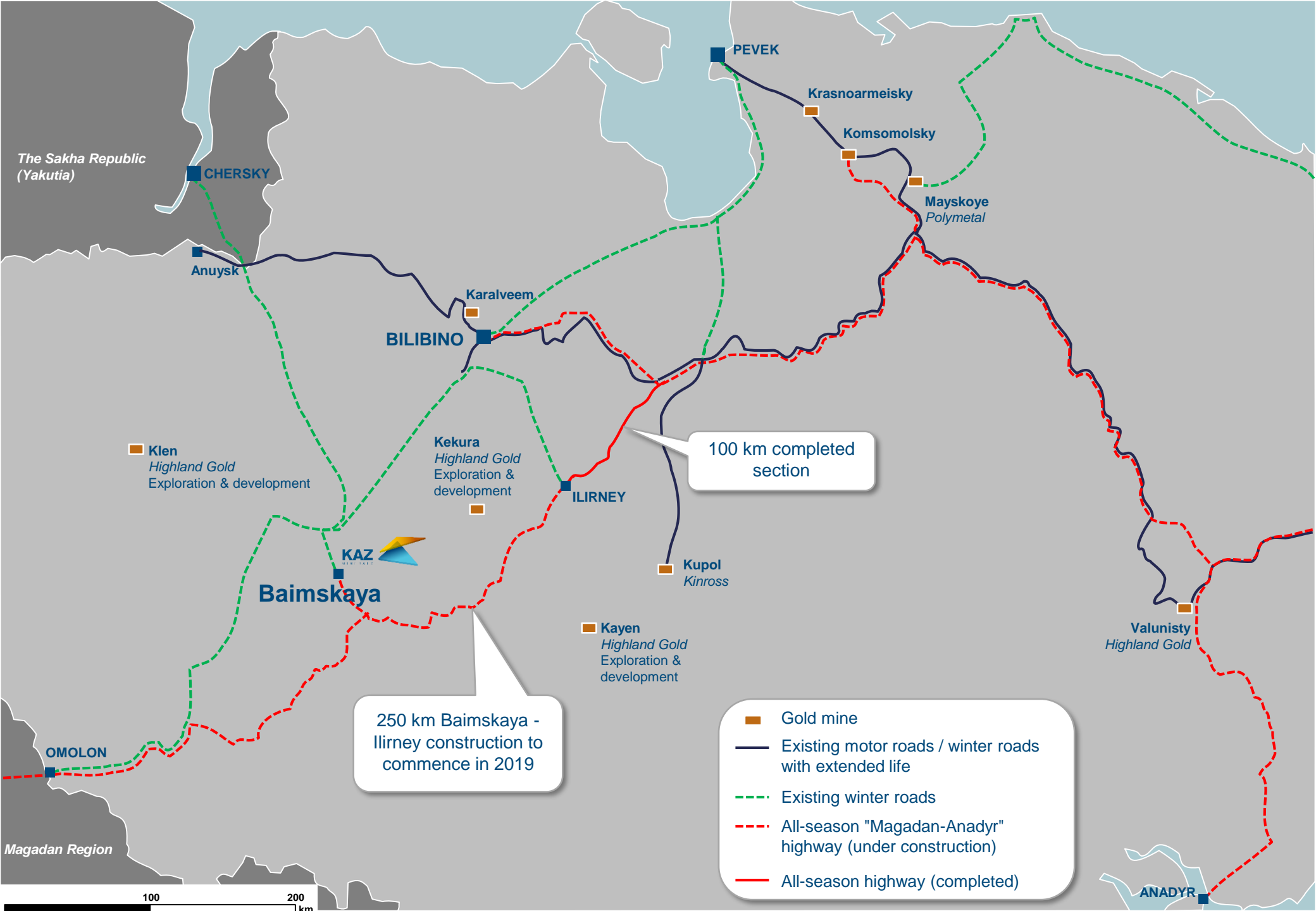
1. Source: Company data. Mineral Resources include Measured and Indicated Resources (bottom bar) and Inferred Resources (top bar).



# PESCHANKA DEPOSIT MINERAL RESOURCES



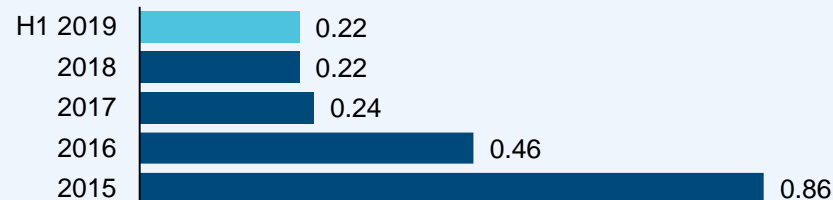
		Measured	Indicated	Inferred	Total
<b>Mineral resources</b>	<b>Mt</b>	<b>139</b>	<b>1,289</b>	<b>774</b>	<b>2,202</b>
<i>Copper grade</i>	<i>%</i>	<i>0.72</i>	<i>0.44</i>	<i>0.36</i>	<i>0.43</i>
<b>Contained copper</b>	<b>Mt</b>	<b>1.0</b>	<b>5.7</b>	<b>2.8</b>	<b>9.5</b>
<i>Gold grade</i>	<i>g/t</i>	<i>0.39</i>	<i>0.26</i>	<i>0.16</i>	<i>0.23</i>
<b>Contained gold</b>	<b>Moz</b>	<b>1.7</b>	<b>10.8</b>	<b>4.0</b>	<b>16.5</b>
<i>Silver grade</i>	<i>g/t</i>	<i>4.0</i>	<i>2.4</i>	<i>2.0</i>	<i>2.4</i>
<i>Molybdenum grade</i>	<i>ppm</i>	<i>140</i>	<i>120</i>	<i>90</i>	<i>110</i>



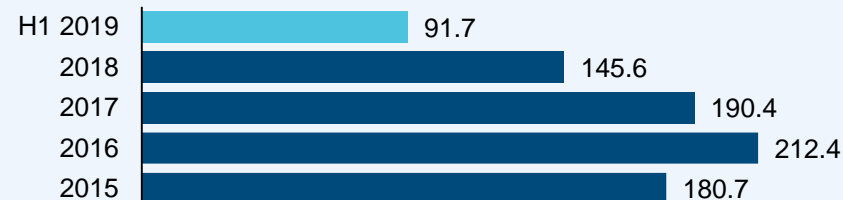
# INCREASING EFFICIENCY REDUCES ENVIRONMENTAL IMPACTS



Energy consumption (TJ / kt of ore processed)



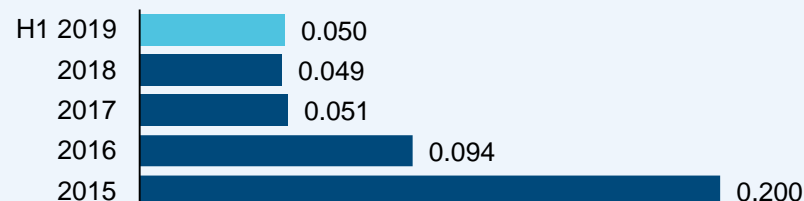
Water withdrawal per unit of copper produced (megalitres/kt)



CO<sub>2</sub> emissions per unit of copper (kt)



CO<sub>2</sub> emissions per unit of ore processed (kt)



CO<sub>2</sub> emissions per \$ million revenue (t)



# TAILINGS FACILITIES



Facility	Type	First construction	Expected closure date	Status
<b>Bozshakol</b>	Downstream	2016	2058	Active
<b>Aktogay</b>	Downstream	2017	2045	Active
<b>Bozymchak</b>	Dry stack	2014	2032	Active
<b>East Region</b>				
Zhezkentsky	Upstream	1989	2026	Active
Nikolayevsky	Upstream	1980	2020 <sup>1</sup>	Active
Belousovsky	Upstream	1949	Under review	Active

1. Artemyevsky mine transitioning in 2020 to in-pit tailings disposal in the Nikolayevsky open pit.

**KAZ**  
MINERALS



KAZ Minerals PLC  
6th Floor, Cardinal Place  
100 Victoria Street  
London  
SW1E 5JL  
UK

[www.kazminerals.com](http://www.kazminerals.com)