



30 January 2020

**KAZ MINERALS GROUP PRODUCTION REPORT FOR TWELVE MONTHS
 AND THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

- **2019 copper production¹ increased by 6% to 311.4 kt (FY 2018: 294.7 kt)**
 - Full year copper production¹ above guidance of c.300 kt, owing to outperformance at Aktogay
 - Bozshakol and Aktogay sulphide concentrators both operated at design ore throughput capacity in 2019
 - Q4 copper production¹ of 80.9 kt (Q3 2019: 82.9 kt) with strong output from all divisions
 - Full year gold production² rose by 10% to 201.5 koz (FY 2018: 183.4 koz) due to high grades at Bozshakol and Bozymchak
- **Aktogay**
 - Full year copper production¹ of 145.7 kt (FY 2018: 131.4 kt) exceeded guidance of 130-140 kt
 - Higher than expected ore throughput in Q4 of 6,378 kt (Q3 2019: 6,119 kt), as mill relining planned in the quarter was rescheduled to January 2020
 - Q4 copper production¹ reduced to 34.3 kt (Q3 2019: 37.3 kt), due to seasonal impact on oxide volumes and lower grades
- **Bozshakol**
 - Full year copper production² rose by 8% to 110.2 kt (FY 2018: 101.6 kt), in line with guidance of 105-115 kt
 - Copper production² in Q4 of 31.0 kt (Q3 2019: 32.1 kt), as higher grades offset by scheduled maintenance
 - Gold production² in 2019 of 144.8 koz (FY 2018: 127.8 koz) was above guidance of 130-140 koz due to sustained high grades
- **East Region and Bozymchak**
 - Full year copper production² of 55.5 kt (FY 2018: 61.7 kt), in line with guidance of c.55 kt
 - Q4 copper production² increased by 16% to 15.6 kt (Q3 2019: 13.5 kt) due to processing of stockpiled ore and higher average copper grade
 - 2019 gold and silver production² both exceeded full year guidance, with output of 53.7 koz (FY 2018: 55.0 koz) and 2,024 koz (FY 2018: 2,356 koz) respectively
 - Zinc in concentrate production of 38.3 kt (FY 2018: 49.7 kt), below guidance of 40-45 kt due to difficult geological conditions restricting mining to low grade areas

Group production summary ³		12m		Q4	Q3	Q4
		2019	2018	2019	2019	2018
Copper production¹	kt	311.4	294.7	80.9	82.9	77.9
Aktogay	kt	145.7	131.4	34.3	37.3	36.0
Bozshakol	kt	110.2	101.6	31.0	32.1	26.6
East Region & Bozymchak	kt	55.5	61.7	15.6	13.5	15.3
Gold production ²	koz	201.5	183.4	55.3	58.5	48.4
Silver production ²	koz	3,382	3,511	886	944	933
Zinc in concentrate	kt	38.3	49.7	9.4	10.5	11.4

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 delivered strong operational results in the fourth quarter as our large scale, open pit assets in Kazakhstan achieved record levels of production. The main sulphide concentrators at both Bozshakol and Aktogay operated at design ore throughput in 2019 and full year copper and gold production were ahead of guidance, at 311 kt and 201 koz respectively. The Group continues to combine output growth with low unit costs and the expansion project at Aktogay will contribute additional volumes when completed in 2021."

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
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REGISTERED OFFICE

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

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 2019, total copper production was 311 kt with by-products of 38 kt of zinc in concentrate, 201 koz of gold and 3,382 koz of silver. The Group acquired the Baimskaya project in the Chukotka region of Russia in January 2019, 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 c.40 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 around 25 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 100 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 2024.

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 15,000 people, principally in Kazakhstan.

		12m 2019	12m 2018	Q4 2019	Q3 2019	Q4 2018
Ore extraction	kt	55,134	41,911	16,035	14,883	11,195
Oxide	kt	19,403	16,104	5,598	5,612	3,146
Sulphide	kt	35,731	25,807	10,437	9,271	8,049
Oxide						
Oxide ore to leach pads	kt	19,284	16,104	5,480	5,612	3,146
Grade	%	0.32	0.33	0.29	0.34	0.37
Copper cathode	kt	22.7	25.7	4.2	6.7	6.8
Sulphide						
Sulphide ore processed	kt	25,230	20,766	6,378	6,119	5,512
Average grade processed	%	0.58	0.61	0.57	0.60	0.63
Recovery rate	%	88.0	86.8	87.0	87.4	87.6
Copper in concentrate	kt	128.8	110.6	31.6	32.0	30.5
Copper production¹	kt	123.0	105.7	30.1	30.6	29.2
Total copper production	kt	145.7	131.4	34.3	37.3	36.0
Gold production ^{1, 2}	koz	3.0	0.6	0.6	0.7	0.3
Silver production ¹	koz	555	489	139	128	130

¹ Payable metal in concentrate.

² Minimal volume recovered from Aktogay material.

Ore extraction in Q4 increased to 16,035 kt (Q3 2019: 14,883 kt), as additional quantities of low grade sulphide ore were mined and stockpiled to access high grade areas for processing in the quarter.

Q4 sulphide ore processing volumes increased to 6,378 kt (Q3 2019: 6,119 kt), as mill maintenance scheduled to take place in the fourth quarter was deferred to January 2020. The average grade of sulphide ore processed in Q4 reduced to 0.57% (Q3 2019: 0.60%). Copper production from sulphide ore reduced by 2% to 30.1 kt in the quarter (Q3 2019: 30.6 kt) as the reduction in grade was partially offset by the higher processing volumes.

Copper cathode production from oxide ore reduced to 4.2 kt in Q4 from 6.7 kt in Q3 2019, due to seasonal temperature variation and a lower average copper grade. The first oxide ore was placed on the recently constructed second stage of the heap leach pads during the quarter.

Ore extraction in the year increased by 32% to 55,134 kt (FY 2018: 41,911 kt), exceeding processing volumes due to development works undertaken ahead of the Aktogay expansion project and the stockpiling of low grade material to access high grade ore for processing in 2019.

Full year sulphide processing volumes increased by 21% to 25,230 kt (FY 2018: 20,766 kt) as the sulphide concentrator operated at design ore throughput capacity over the year. The average copper grade processed in 2019 reduced, as expected, to 0.58% (FY 2018: 0.61%) but remained at elevated levels compared to the copper resource grade of 0.33%.

Full year copper production from sulphide ore of 123.0 kt was 16% higher than the 105.7 kt produced in 2018, mainly due to the 21% increase in ore throughput. Copper cathode output from oxide ore in 2019 reduced by 12% to 22.7 kt from 25.7 kt in the prior year but was above the long term guidance level of c.20 ktpa until 2024.

Aktogay achieved record total copper production of 145.7 kt in 2019, above full year guidance of 130-140 kt and an 11% increase compared to 2018. The high levels of output achieved were due to a combination of good grades, consistent ore throughput and the deferral of mill maintenance from Q4 2019 to January 2020. As previously guided, sulphide processing grades are expected to reduce towards the life of mine grade over the first ten years of operations and the average grade expected during the period 2019-2021 is c.0.50%.

		12m 2019	12m 2018	Q4 2019	Q3 2019	Q4 2018
Ore extraction	kt	35,693	30,722	9,059	9,132	7,484
Sulphide	kt	24,797	23,980	6,855	6,496	6,304
Clay	kt	10,896	6,742	2,204	2,636	1,180
Ore processed	kt	29,470	28,454	7,844	8,378	7,471
Copper						
Average copper grade processed	%	0.48	0.48	0.52	0.50	0.47
Copper recovery rate	%	81.1	78.7	79.3	80.4	79.9
Copper in concentrate	kt	115.4	106.4	32.5	33.6	27.8
Copper production¹	kt	110.2	101.6	31.0	32.1	26.6
Gold						
Average gold grade processed	g/t	0.27	0.26	0.30	0.28	0.25
Gold recovery rate	%	60.3	58.6	60.0	61.2	61.3
Gold in concentrate	koz	154.9	136.7	44.7	46.5	36.5
Gold production¹	koz	144.8	127.8	41.8	43.4	34.1
Silver production¹	koz	803	666	236	233	172

¹ Payable metal in concentrate.

Ore extraction of 9,059 kt in Q4 was in line with the previous quarter (Q3 2019: 9,132 kt). Clay ore extraction of 2,204 kt (Q3 2019: 2,636 kt) remained ahead of the rate required to supply the 5 Mtpa clay plant, resulting in the stockpiling of 698 kt of clay ore for future processing.

Ore processing volumes in Q4 reduced, as expected, to 7,844 kt (Q3 2019: 8,378 kt) due to the scheduled mill relining at the sulphide plant which was completed in October.

The average copper grade processed in Q4 increased to 0.52% (Q3 2019: 0.50%) resulting in an average grade for the full year of 0.48%, as guided, consistent with the 2018 grade of 0.48%. Copper production reduced to 31.0 kt in Q4 (Q3 2019: 32.1 kt) as the higher average grade was offset by the mill relining.

Gold production decreased to 41.8 koz in Q4 (Q3 2019: 43.4 koz) in line with the lower volume of ore processed.

Ore extraction in 2019 increased to 35,693 kt (FY 2018: 30,722 kt) mainly due to the stripping of additional clay ore which was stockpiled during the year. During 2020 it is expected that the amount of clay ore processed from stockpiles will exceed mined volumes.

Full year ore processing volumes were 29,470 kt (FY 2018: 28,454 kt), slightly below the design ore throughput for Bozshakol of 30 Mtpa. In the first half of 2019 the clay plant was closed for over three months during upgrade works to the process water and reclaim systems, following which it performed well, processing over 3 Mt of material in the second half.

Full year copper production of 110.2 kt was at the mid-point of guidance of 105-115 kt and 8% higher than the prior year (FY 2018: 101.6 kt).

2019 gold production of 144.8 koz was 13% above the prior year (FY 2018: 127.8 koz) and ahead of guidance of 130-140 koz, supported by higher than expected average gold grades and improved recovery rates.

Silver full year output of 803 koz was ahead of guidance of c. 700 koz and 21% higher than the prior year (FY 2018: 666 koz).

		12m 2019	12m 2018	Q4 2019	Q3 2019	Q4 2018
Ore extraction	kt	3,879	3,892	958	979	963
Ore processed	kt	3,791	4,030	1,016	982	982
Copper						
Average grade processed	%	1.71	1.81	1.78	1.62	1.83
Orlovsky concentrator	%	3.05	3.24	3.34	2.64	3.36
Nikolayevsky concentrator	%	1.54	1.53	1.51	1.64	1.56
Belousovsky concentrator	%	1.38	1.41	1.55	1.46	1.31
Bozymchak concentrator	%	0.82	0.86	0.79	0.83	0.85
Average recovery rate	%	90.4	89.7	90.9	89.6	90.2
East Region	%	90.8	90.0	91.2	89.8	90.6
Bozymchak	%	87.7	88.1	88.4	88.4	87.5
Copper in concentrate	kt	58.7	65.3	16.4	14.3	16.2
Orlovsky concentrator	kt	26.8	31.5	7.6	5.3	8.0
Nikolayevsky concentrator	kt	18.7	19.6	6.5	4.9	4.6
Belousovsky concentrator	kt	5.9	6.6	0.6	2.2	1.8
Bozymchak concentrator	kt	7.3	7.6	1.7	1.9	1.8
Copper production¹	kt	55.5	61.7	15.6	13.5	15.3
East Region	kt	48.5	54.5	13.9	11.7	13.6
Bozymchak	kt	7.0	7.2	1.7	1.8	1.7
Gold production ¹	koz	53.7	55.0	12.9	14.4	14.0
Silver production ¹	koz	2,024	2,356	511	583	631
Zinc in concentrate	kt	38.3	49.7	9.4	10.5	11.4

¹ Payable metal in concentrate.

Ore extraction decreased to 958 kt in Q4 (Q3 2019: 979 kt), mainly due to reduced ore from the Artemyevsky mine.

Processing volumes in Q4 of 1,016 kt (Q3 2019: 982 kt) exceeded extraction volumes, as stockpiled ore was processed at the Nikolayevsky concentrator. The planned closure of the Belousovsky concentrator occurred on 25 October 2019. Ore extracted from the Irtysky mine was subsequently transported to the Nikolayevsky concentrator for processing, making more efficient use of its available capacity. Consequently, processing volumes at Nikolayevsky in Q4 increased to 474 kt (Q3 2019: 319 kt).

The average copper grade of ore processed in Q4 increased to 1.78% due to the mining of higher grade zones at Orlovsky, where the copper content averaged 3.34% (Q3 2019: 2.64%). Q4 copper production increased by 16% to 15.6 kt (Q3 2019: 13.5 kt), mainly due to higher throughput at Nikolayevsky and higher grades at Orlovsky.

Full year ore extraction of 3,879 kt was in line with the prior year (FY 2018: 3,892 kt). Full year processing volumes in 2019 decreased to 3,791 kt (FY 2018: 4,030 kt), as 2018 benefited from additional processing of stockpiled ore.

The average copper grade processed in 2019 decreased to 1.71% (FY 2018: 1.81%) primarily due to lower grades at Orlovsky, where difficult geological conditions prevented access to higher grade zones.

Full year copper production of 55.5 kt was in line with guidance of c.55 kt but was 10% lower than the previous year (FY 2018: 61.7 kt) due to lower grades and processing of stockpiled ore in 2018. At Artemyevsky, grades and processing volumes will remain at around current levels until extraction commences from the second ore body which is expected from 2022. Production from Orlovsky over the remaining life of the mine is expected to be at or below current output, as mining takes place in deeper horizons and more challenging geological conditions.

Gold production decreased slightly in Q4 to 12.9 koz (Q3 2019: 14.4 koz), but full year output of 53.7 koz was above guidance of 40-45 koz, as indicated in the Group's Q3 2019 production report. Gold output was supported by higher than expected grades at the Bozymchak mine in Kyrgyzstan.

Silver output of 511 koz was 12% below the previous quarter (Q3 2019: 583 koz). Full year silver production of 2,024 koz (FY 2018: 2,356 koz) exceeded guidance of around 1,800 koz.

Zinc in concentrate production reduced in Q4 to 9.4 kt (Q3 2019: 10.5 kt) as the average grade of ore mined at Artemyevsky in the transition zone between ore bodies remained below the life of mine grade. Full year zinc in concentrate production of 38.3 kt was below guidance of 40-45 kt, with the largest reduction at the Orlovsky mine which produced 11.6 kt in 2019 compared to 24.8 kt in the previous year. Zinc in concentrate output is similarly impacted by the factors affecting copper production at Orlovsky and Artemyevsky.

APPENDIX – METAL PRODUCTION

		12m 2019	12m 2018	Q4 2019	Q3 2019	Q4 2018
Copper production¹	kt	311.4	294.7	80.9	82.9	77.9
Aktogay	kt	145.7	131.4	34.3	37.3	36.0
Bozshakol	kt	110.2	101.6	31.0	32.1	26.6
East Region	kt	48.5	54.5	13.9	11.7	13.6
Bozymchak	kt	7.0	7.2	1.7	1.8	1.7
Gold production²	koz	201.5	183.4	55.3	58.5	48.4
Aktogay	koz	3.0	0.6	0.6	0.7	0.3
Bozshakol	koz	144.8	127.8	41.8	43.4	34.1
East Region	koz	12.9	15.3	3.5	3.8	4.4
Bozymchak	koz	40.8	39.7	9.4	10.6	9.6
Silver production²	koz	3,382	3,511	886	944	933
Aktogay	koz	555	489	139	128	130
Bozshakol	koz	803	666	236	233	172
East Region	koz	1,761	2,114	451	514	569
Bozymchak	koz	263	242	60	69	62
Zinc in concentrate	kt	38.3	49.7	9.4	10.5	11.4
East Region	kt	38.3	49.7	9.4	10.5	11.4
Molybdenum in concentrate	t	258	149	158	51	-
Aktogay	t	142	-	128	14	-
Bozshakol	t	116	149	30	37	-

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

² Payable metal in concentrate.

TOLL PROCESSING & FINISHED METALS

		12m 2019	12m 2018	Q4 2019	Q3 2019	Q4 2018
Copper cathodes	kt	132.2	105.9	30.8	38.7	27.8
Aktogay sulphide (toll processed)	kt	39.8	5.4	7.5	12.0	2.0
Aktogay oxide	kt	22.7	25.7	4.2	6.7	6.8
Bozshakol (toll processed)	kt	10.1	10.2	1.8	3.6	1.5
East Region (toll processed)	kt	52.4	57.1	15.3	15.0	15.6
Bozymchak (toll processed)	kt	7.2	7.5	2.0	1.4	1.9
Gold bar produced (toll processed)	koz	75.6	69.1	22.7	19.1	18.7
Silver bar produced (toll processed)	koz	2,492	2,573	772	675	724

APPENDIX – EAST REGION & BOZYMCHAK

		12m 2019	12m 2018	Q4 2019	Q3 2019	Q4 2018
Ore extraction	kt	3,879	3,892	958	979	963
Orlovsky	kt	969	1,088	249	230	265
Artemyevsky	kt	1,235	1,238	299	325	301
Irtyshtsky	kt	594	629	145	149	157
Bozymchak	kt	1,081	937	265	275	240
Ore processed	kt	3,791	4,030	1,016	982	982
Orlovsky concentrator	kt	969	1,087	250	229	265
Nikolayevsky concentrator	kt	1,307	1,404	474	319	319
Belousovsky concentrator	kt	491	537	43	172	157
Bozymchak concentrator	kt	1,024	1,002	249	262	241
Gold						
Average grade processed	g/t	0.70	0.73	0.64	0.72	0.74
East Region	g/t	0.38	0.46	0.36	0.40	0.47
Bozymchak	g/t	1.57	1.55	1.49	1.60	1.59
Average recovery rate	%	66.7	61.8	65.9	67.3	63.6
East Region	%	40.2	36.3	42.4	43.3	42.3
Bozymchak	%	84.2	84.6	83.3	83.7	82.8
Gold in concentrate	koz	57.1	58.5	13.7	15.3	15.0
East Region	koz	13.6	16.3	3.7	4.0	4.8
Bozymchak	koz	43.5	42.2	10.0	11.3	10.2
Gold production¹	koz	53.7	55.0	12.9	14.4	14.0
East Region	koz	12.9	15.3	3.5	3.8	4.4
Bozymchak	koz	40.8	39.7	9.4	10.6	9.6
Silver						
Average grade processed	g/t	29.2	33.4	26.8	31.2	34.0
East Region	g/t	35.9	40.9	32.4	38.3	41.4
Bozymchak	g/t	11.2	10.7	9.7	11.7	11.4
Average recovery rate	%	62.5	59.8	64.0	65.1	64.6
East Region	%	60.7	58.3	62.0	63.7	63.5
Bozymchak	%	78.0	77.0	83.9	77.5	76.0
Silver in concentrate	koz	2,224	2,590	561	641	694
East Region	koz	1,935	2,324	496	565	626
Bozymchak	koz	288	266	65	76	68
Silver production¹	koz	2,024	2,356	511	583	631
East Region	koz	1,761	2,114	451	514	569
Bozymchak	koz	263	242	60	69	62
Zinc						
Average grade processed	%	2.06	2.42	1.84	2.22	2.33
Orlovsky concentrator	%	2.06	3.44	1.87	2.33	2.94
Nikolayevsky concentrator	%	1.61	1.22	1.67	1.41	1.45
Belousovsky concentrator	%	3.26	3.51	3.55	3.56	3.07
Average recovery rate	%	67.1	67.8	66.6	65.8	66.0
Orlovsky concentrator	%	58.4	66.4	54.4	57.1	63.7
Nikolayevsky concentrator	%	72.6	65.7	73.0	71.0	66.4
Belousovsky concentrator	%	70.8	72.4	70.6	69.5	69.4
Zinc in concentrate	kt	38.3	49.7	9.4	10.5	11.4
Orlovsky concentrator	kt	11.6	24.8	2.5	3.1	4.9
Nikolayevsky concentrator	kt	15.4	11.2	5.8	3.2	3.1
Belousovsky concentrator	kt	11.3	13.7	1.1	4.2	3.4

¹ Payable metal in concentrate.