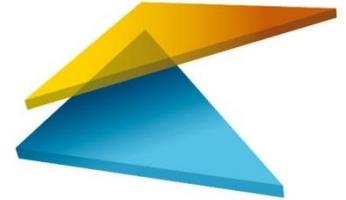


KAZ
MINERALS



Recommended 640p cash offer
to KAZ Minerals shareholders

28 October 2020

IMPORTANT NOTICE



DISCLAIMER

Please refer to the firm offer announcement published by KAZ Minerals on 28 October 2020 pursuant to Rule 2.7 of the UK City Code on Takeovers and Mergers (the "2.7 Announcement") for full details of the Acquisition. This presentation is for information purposes only and is not intended to, and does not, constitute or form part of any offer to sell or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document), which together with the associated forms of proxy will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any acceptance or other response to the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document).

This presentation contains statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of KAZ Minerals about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this presentation include statements relating to the expected effects of the Acquisition on Nova and KAZ Minerals (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "strategy", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Nova and KAZ Minerals believe that the expectations reflected in such forward-looking statements are reasonable, Nova and KAZ Minerals can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

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In this presentation, unless otherwise defined, capitalised terms shall have the meanings given to them in 2.7 Announcement.

SUMMARY



Offer	<ul style="list-style-type: none">- Nova Resources B.V. (“Nova”) has today announced a firm intention to make an offer of 640 pence per share in cash for the entire issued and to be issued share capital of KAZ Minerals- Nova is an entity owned and controlled by Vladimir Kim and Oleg Novachuk, who are respectively a Non-Executive Director and the Chair of KAZ Minerals (“the Group”) and collectively own or control a 39.4% stake in the Group
Recommendation	<p>“The Independent Committee of KAZ Minerals intends to unanimously recommend the Acquisition to KAZ Minerals Shareholders as it represents an opportunity to realise their investment at a premium in cash in the near term” <i>Michael Lynch-Bell, Senior Independent Director and Chair of the Independent Committee</i></p>
Consideration	<p>640 pence per share represents a 5-year TSR of 484%, and:</p> <ul style="list-style-type: none">- a 25% premium to the Closing Price of 512.4p on 2 October 2020, the last Business Day prior to agreement having been reached with the Independent Committee- a 12% premium to the Closing Price on 27 October 2020, the last Business Day prior to this announcement- a 27% premium to the VWAP of 506 pence per share for the six months ended 27 October 2020
Conditions	<ul style="list-style-type: none">- Acquisition will be effected by way of a Scheme of Arrangement, which requires the approval of a simple majority of voting shareholders holding 75% in value of shares voted, excluding shares owned or controlled by Vladimir Kim and Oleg Novachuk- Satisfaction of certain Regulatory Conditions- The sanction of the Scheme by the Court
Timetable	<ul style="list-style-type: none">- The Court Meeting and the KAZ Minerals General Meeting will be held in December 2020 or early January 2021- Completion expected in H1 2021

RECOMMENDED CASH OFFER 640p



- ▶ Nova has today announced a firm intention to make an offer of 640 pence per share in cash (“the Acquisition”) for the entire issued and to be issued share capital of KAZ Minerals
- ▶ Nova is an entity owned and controlled by Vladimir Kim and Oleg Novachuk, who are respectively a Non-Executive Director and the Chair of KAZ Minerals
- ▶ The owners of Nova already collectively own or control a 39.4% stake in the Group
- ▶ The Acquisition is being recommended to shareholders by an Independent Committee of the KAZ Minerals Board, formed for the purposes of considering the Acquisition
- ▶ The Acquisition is expected to be effected by way of a Scheme of Arrangement (“the Scheme”):
 - Independent shareholders will have the opportunity to vote to approve the Scheme, which requires the approval of a simple majority of voting shareholders holding 75% in value of shares voted
 - The owners of Nova will not vote on the Scheme

“Following extensive negotiations, the Independent Committee of KAZ Minerals intends to unanimously recommend the Acquisition to KAZ Minerals Shareholders as it represents an opportunity to realise their investment at a premium in cash in the near term. We believe the offer provides a fair value for KAZ Minerals' operating assets and development portfolio, and crystallises a value for Baimskaya that reflects the Independent Committee's view of the increasing risks in this project.”

Michael Lynch-Bell, Senior Independent Director and Chair of the Independent Committee

BACKGROUND TO NOVA'S OFFER



- ▶ Nova believes that KAZ Minerals' decision to dedicate efforts to a capital intensive strategy focused on long term growth remains the optimal long term strategic path for KAZ Minerals
- ▶ Nova has the appetite for the risk involved in this strategy, which necessarily entails a number of years of heavy capital investment with diminished prospects for a reliable dividend
- ▶ Nova accepts those diminished prospects, but recognises this may be misaligned with the preference of many investors in the mining sector for a greater proportion of capital to be allocated to dividends rather than re-investment into long term growth
- ▶ Nova has concluded that KAZ Minerals' long term development of Baimskaya would be best undertaken away from public markets as a private company

Nova is offering KAZ Minerals Shareholders an opportunity to crystallise the value of their investment in KAZ Minerals Shares in cash at a premium to recent trading levels

REASONS FOR THE RECOMMENDATION



- ▶ KAZ Minerals' proven ability to develop a portfolio of world-class assets has created significant value, with the Group's operations at Aktogay and Bozshakol delivering low cost, industry leading production growth
- ▶ Over the past five years, KAZ Minerals' production has risen from 85 kt of copper in 2015 to 311 kt in 2019 and has been consistently amongst the lowest cost copper miners globally with a 2019 net cash cost of 77 cents per pound
- ▶ The Group's 5 year TSR measured to the Offer Price is 484%, compared to a return over the same period of 11% for the FTSE 350 and 119% for FTSE 350 Mining

640 pence per share represents a:

- 5 year TSR of **484%**
- **25%** premium to the Closing Price of 512.4p on 2 October 2020, the last Business Day prior to agreement having been reached with the Independent Committee
- **12%** premium to the Closing Price on 27 October 2020, the last Business Day prior to this announcement
- **27%** premium to the VWAP of 506 pence per share for the six months ended 27 October 2020

The Independent Committee believes that the Acquisition provides a fair value for KAZ Minerals' operating assets and development portfolio in Kazakhstan and Kyrgyzstan, and crystallises a value for Baimskaya that reflects increasing risks in this project

TIMETABLE AND PROCESS



- ▶ The Acquisition is subject to antitrust and regulatory approvals and completion is expected to take place in the first half of 2021
- ▶ The Acquisition will be on the terms and subject to the Conditions and further terms set out in Appendix 1 to the announcement released on 28 October, and to be set out in full in the Scheme Document
- ▶ The Conditions include:
 - approvals of KAZ Minerals Shareholders at the KAZ Minerals Meetings
 - satisfaction of certain Regulatory Conditions¹
 - the sanction of the Scheme by the Court
- ▶ It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and KAZ Minerals General Meeting, together with the associated forms of proxy, will be posted to KAZ Minerals Shareholders in due course
- ▶ The Court Meeting and the KAZ Minerals General Meeting will be held in December 2020 or early January 2021

The Independent Committee of KAZ Minerals intends to unanimously recommend the Acquisition to KAZ Minerals Shareholders as it represents an opportunity to realise their investment at a premium in cash in the near term

Michael Lynch-Bell, Senior Independent Director and Chair of the Independent Committee

1. Antitrust and/or regulatory approval is required in the following jurisdictions: PRC, Russian Federation, Turkey, Kazakhstan, Kyrgyz Republic



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