



**KAZ**  
MINERALS

**INVESTOR PRESENTATION**  
October 2020

# IMPORTANT NOTICE

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All financial definitions can be found in the glossary to the KAZ Minerals PLC half-yearly report for the period ended 30 June 2020.

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# **1. Introduction to KAZ Minerals**

# LOW COST COPPER PRODUCER



- ✓ Large scale automated processing
- ✓ Low strip ratios
- ✓ Low power costs
- ✓ Water availability
- ✓ Skilled labour
- ✓ Transport infrastructure - rail access to China via land border

# OPERATING ASSETS OVERVIEW

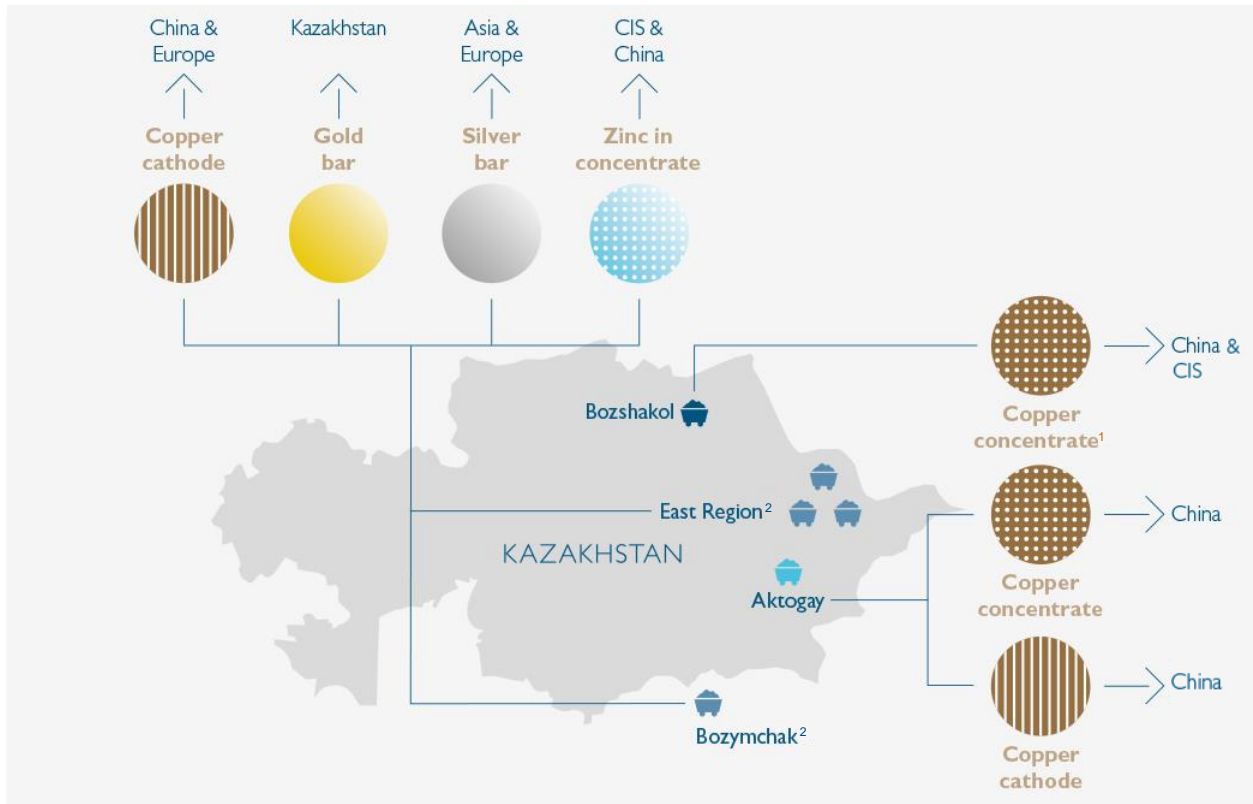


	Aktogay	Bozshakol	East Region & Bozymchak	Group
<b>Copper<sup>1</sup></b> kt, 2019	146	110	55	311
<b>Gold<sup>2</sup></b> koz, 2019	2	145	54	201
<b>Net cash cost<sup>3</sup></b> USc/lb, 2019	98	31	104	77
<b>EBITDA<sup>4</sup></b> \$ million, 2019	564	585	230	1,355

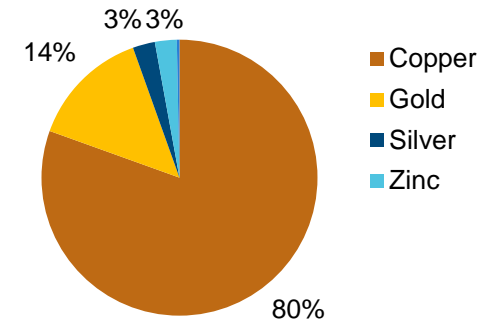
Notes:

1. Copper production, defined as payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Gold production, defined as payable metal in concentrate.
3. Cash operating costs, plus TC/RC on concentrate sales, less by-product revenues, divided by copper sales volume.
4. Excluding MET, royalties and special items.

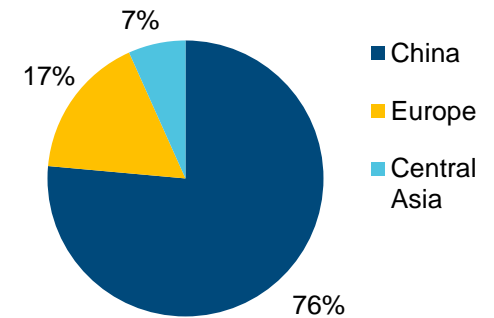
# PRODUCTS AND MARKETS



## 2019 revenues by product



## 2019 revenues by destination



### Notes:

1. Contains by-products of gold and silver in concentrate.
2. Copper cathode, gold bar and silver bar are produced under a tolling agreement with the Balkhash smelter.

# AKTOGAY



- ▶ Large scale, low cost open copper pit mine in East Region, Kazakhstan
- ▶ 25 Mtpa sulphide ore processing capacity, doubling to 50 Mtpa in 2021
- ▶ 2019 production<sup>1</sup> 146 kt of copper (including 23 kt from oxide)
- ▶ 2019 net cash cost 98 USc/lb (2018: 103 USc/lb)
- ▶ Mine life of around 25 years
- ▶ 2019 revenues \$863 million (2018: \$775 million), EBITDA \$564 million (2018: \$530 million)



*Aktogay open pit*

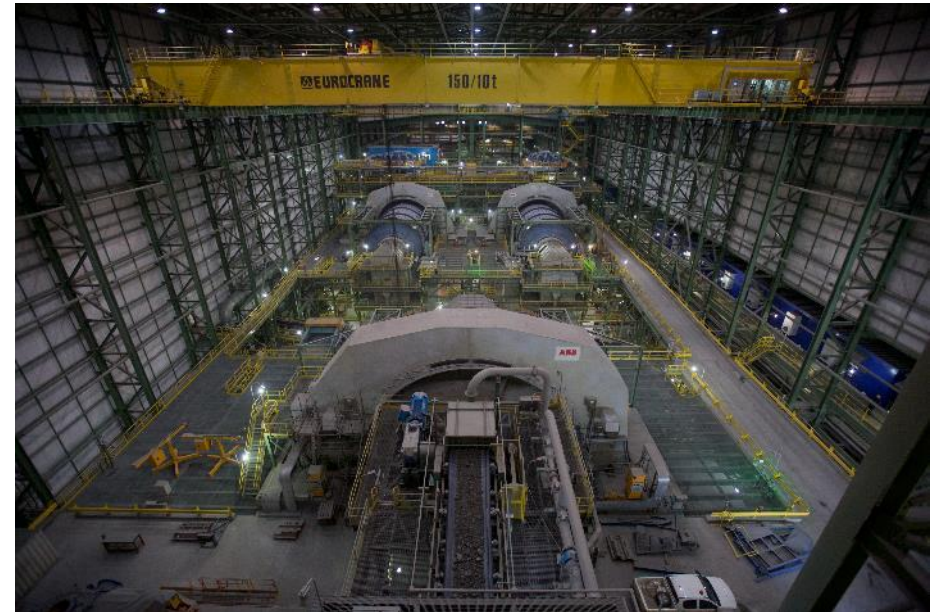
Notes:

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

# BOZSHAKOL



- ▶ Large scale, low cost open pit copper mine in Pavlodar region, Kazakhstan
- ▶ 30 Mtpa ore processing capacity
- ▶ 2019 production<sup>1</sup> 110 kt of copper and 145 koz of gold
- ▶ 2019 net cash cost 31 USc/lb (2018: 58 USc/lb)
- ▶ Mine life of c.40 years
- ▶ 2019 revenues \$851 million (2018: \$756 million), EBITDA \$585 million (2018: \$520 million)



*Bozshakol sulphide concentrator*

Notes:

1. Payable metal in concentrate.



# EAST REGION AND BOZYMCHAK

- ▶ Three underground mines in East Region of Kazakhstan and one open pit copper-gold mine in Kyrgyzstan
- ▶ 4 Mtpa processed in 3 concentrators
- ▶ 2019 production 55 kt of copper<sup>1</sup>, 54 koz of gold<sup>1</sup>, 2,024 of koz silver<sup>1</sup>, 38 kt of zinc<sup>2</sup>
- ▶ 2019 net cash cost 104 USc/lb (2018: 94 USc/lb)
- ▶ Mine lives c.5-15 years
- ▶ 2019 revenues \$552 million (2018: \$631 million), EBITDA \$230 million (2018: \$284 million)



*East Region, Artemyevsy underground mine*

Notes:

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

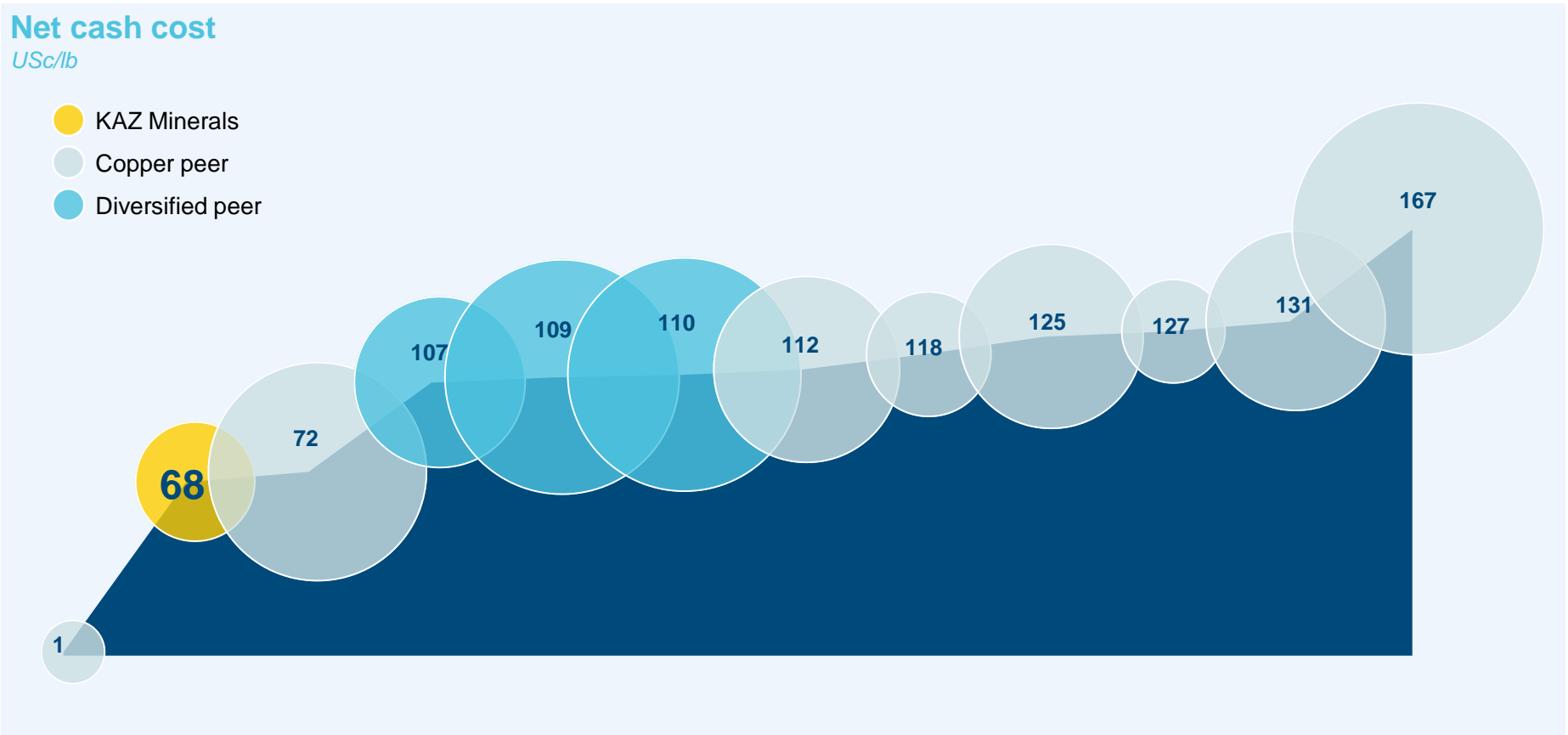
# LOW COST POSITION MAINTAINED



## Net cash cost

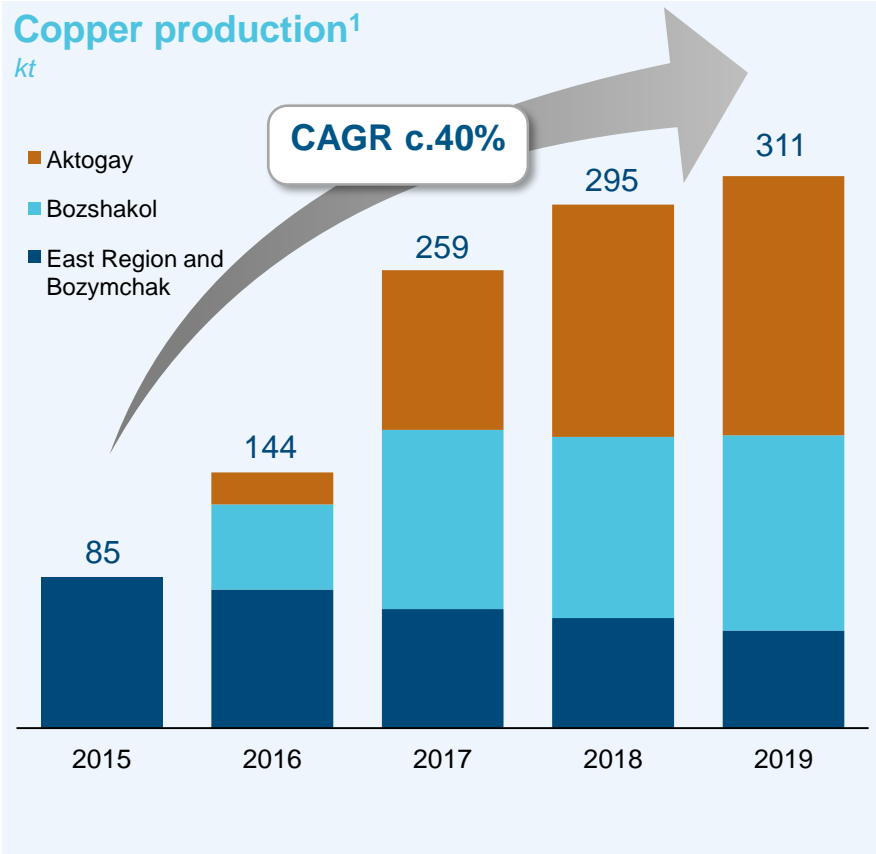
USc/lb

- KAZ Minerals
- Copper peer
- Diversified peer



Notes:  
Size of circle indicates annual copper production volumes.  
Source: Company data, most recently reported financial period.

# TRACK RECORD OF DELIVERING GROWTH

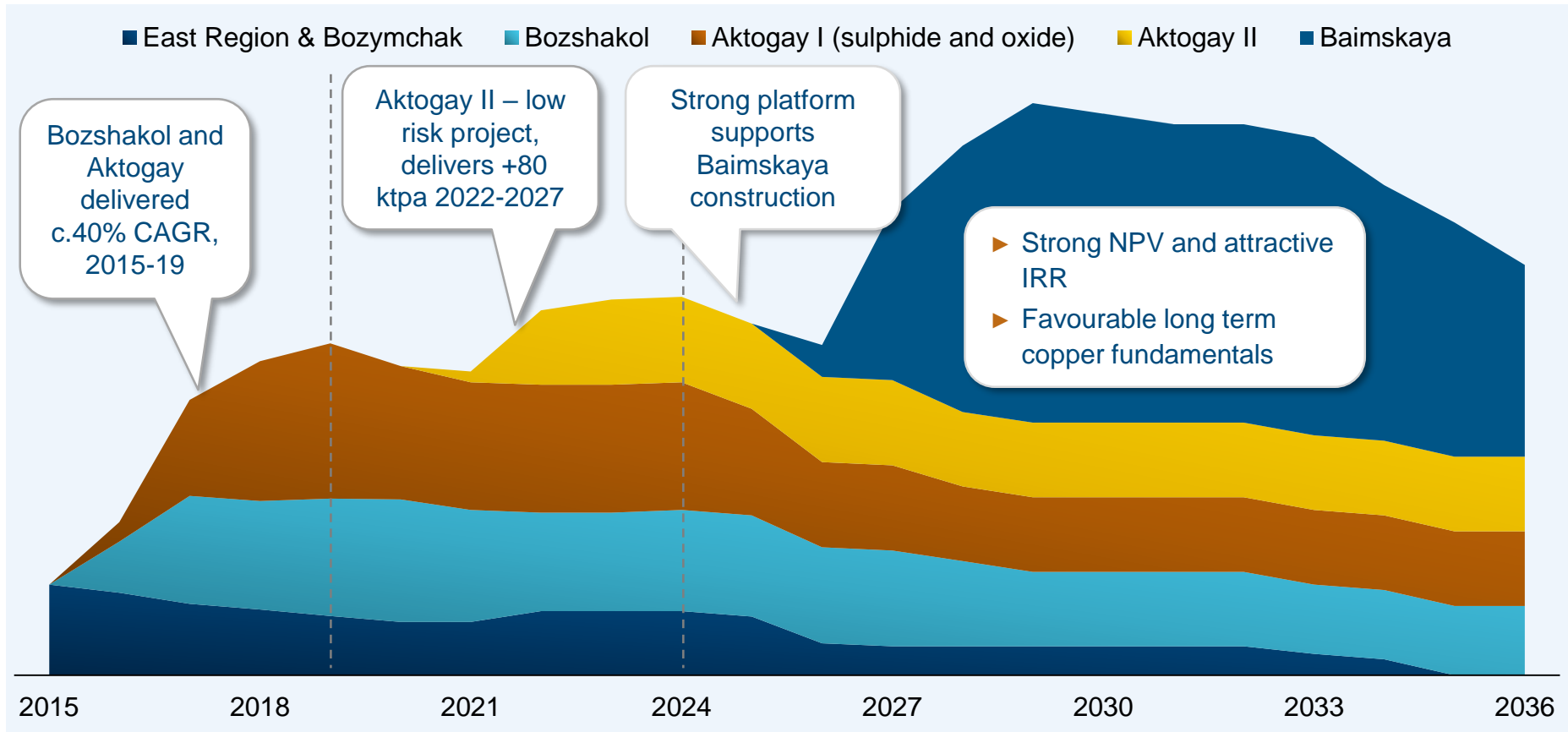


- ▶ Since its formation in 2014, KAZ Minerals has focused on the construction of large scale copper mining projects in the CIS region
- ▶ The Group seeks to invest in value-accretive growth projects with low capital intensity and a high rate of return on investment
- ▶ The completion and ramp up of the Bozshakol and Aktogay projects has delivered a c.40% CAGR in copper production over the period 2015-19
- ▶ Successfully applied modern technology to develop copper deposits, building a portfolio of highly profitable mines with low operating costs

**Notes:**

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

# NEAR AND LONG TERM GROWTH



Notes:  
 Indicative production schedule, not to scale. Assumes 100% ownership, first production from Baimskaya in 2026 and ramp up from 2027. Actual construction timetable and production profile to be determined during feasibility study. <sup>11</sup>

# COVID-19 RESPONSE

- ▶ Infection control measures introduced early in the outbreak
- ▶ Aktogay and Bozshakol site access closed from 22 March until the end of May, extended rotations
- ▶ New testing, isolation and shift patterns mitigate risk
- ▶ \$15 million of Covid-19 related costs incurred to sustain operations in the first half
- ▶ Increased stocking of critical spares and consumables



*On-site PCR testing facility, Aktogay*

## **The Group delivered for its stakeholders:**

- ✓ Prioritised welfare of employees and contractors
- ✓ Headcount and salaries maintained
- ✓ All operations sustained output, paid tax and royalties of \$82 million
- ✓ \$5 million of support for vulnerable communities
- ✓ Fulfilled all contractual obligations to customers
- ✓ Paid final dividend of 8 USc per share on 22 May

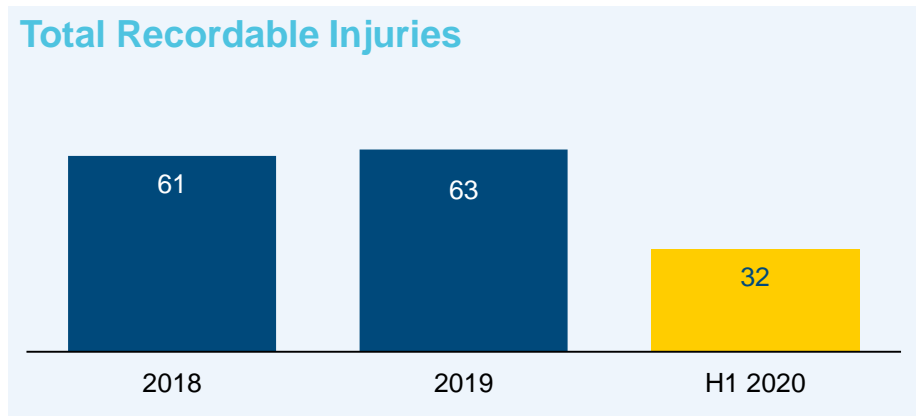
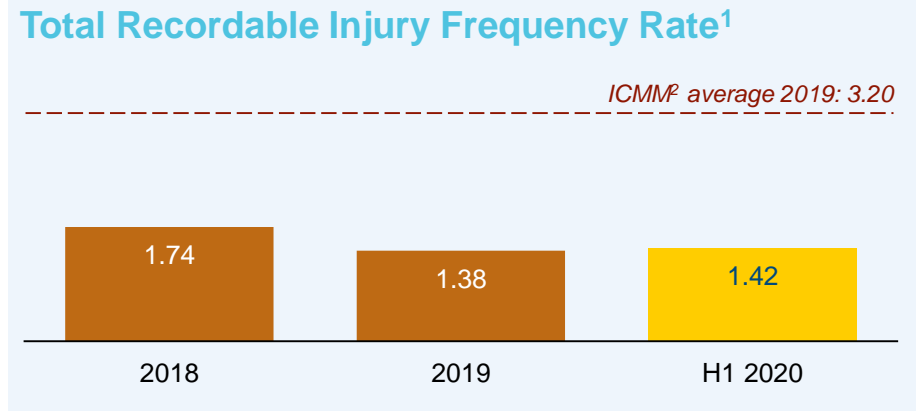


## 2. Review of operations

# SAFETY AND HEALTH



- ▶ Three fatalities at East Region underground mines in 2020 year to date (YTD 2019: 2)
- ▶ The Group believes all fatalities are avoidable and is committed to implementing the necessary cultural change to eliminate them
- ▶ Underground safety improvements have reduced severity of rock fall incidents - no fatalities
- ▶ Ongoing initiatives include pre-shift medical checks, blasting safety, workplace supervision and individual risk assessments
- ▶ Covid-19 became a major workplace safety and health challenge in H1, comprehensive measures were taken to protect staff



Notes:

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.

# AKTOGAY ON TRACK FOR UPPER END OF GUIDANCE RANGE

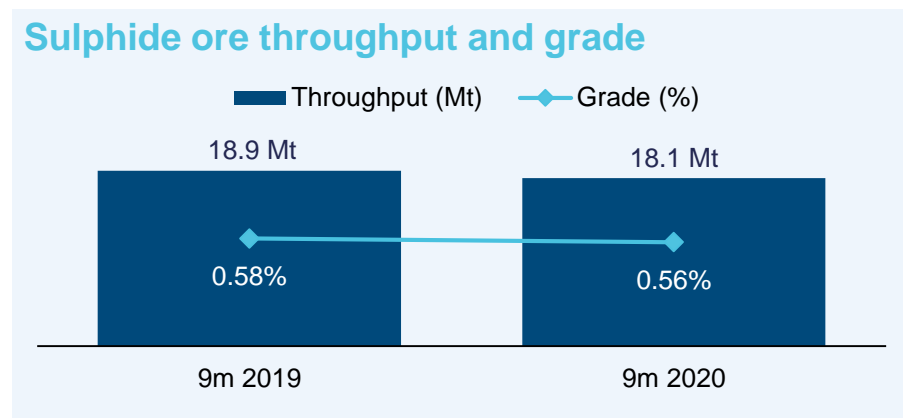
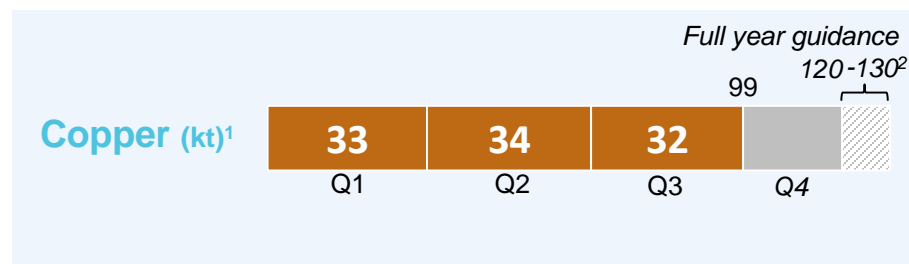


## ► Q3 2020:

- 7.7 Mt sulphide ore extracted (Q2 2020: 7.1 Mt), c.2 Mt of lower grade ore stockpiled for future processing
- 5.7 Mt sulphide ore processed, copper grade 0.56% (Q2 2020: 6.3 Mt, grade 0.55%)
- 1.4 Mt oxide ore to leach pads, grade 0.32% (Q2 2020: 36 kt, grade 0.19%), focused on the re-irrigation of previously extracted material
  - Oxide mining recommenced in Q3 after temporary suspension in Q2
- Copper production<sup>1</sup> 31.7 kt, as scheduled maintenance reduced throughput
  - Sulphide 26.5 kt (Q2 2020: 28.9 kt)
  - Oxide 5.2 kt (Q2 2020: 5.4 kt)

## ► Q4 output expected to be lower than Q3 due to lower sulphide grades

## ► On target to achieve upper end of full year guidance range of 120-130 kt<sup>2</sup>, assuming no impact from Covid-19 in Q4



### Notes:

1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Range includes c.20 kt of cathode production from oxide ore.



*Aktogay heap leach cells  
August 2020*



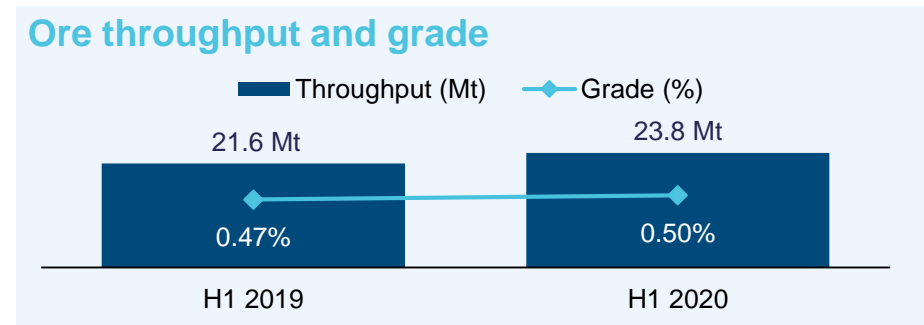
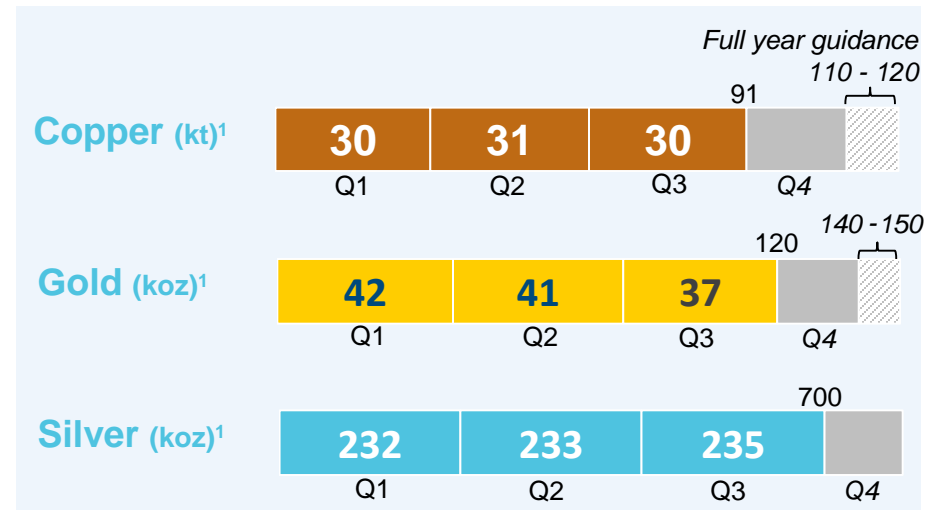
*Aktogay pit  
August 2020*



# BOZSHAKOL ON TRACK FOR COPPER AND UPPER END OF GOLD GUIDANCE



- ▶ Q3 2020:
  - Ore processing increased by 7% to 8.1 Mt (Q2 2020: 7.6 Mt), due to higher ore throughput at both concentrators
  - Copper grade temporarily reduced to 0.49% (Q2 2020: 0.53%), due to mining at deeper horizons, in line with mine plan
  - Copper production 30.3 kt, as higher ore throughput was offset by lower copper grades and recoveries
  - Gold production reduced by 10% to 37.0 koz, as expected due to lower gold grade 0.25 g/t (Q2 2020: 0.29 g/t) and recoveries
- ▶ Q4 ore throughput expected to be lower due to deferred maintenance
- ▶ Copper production<sup>1</sup> on track to achieve full year guidance of 110-120 kt
- ▶ Gold production<sup>1</sup> on track for upper end of full year guidance of 140-150 koz
- ▶ Silver production<sup>1</sup> expected to exceed full year guidance of c.700 koz by up to 20%



Notes:  
1. Payable metal in concentrate.

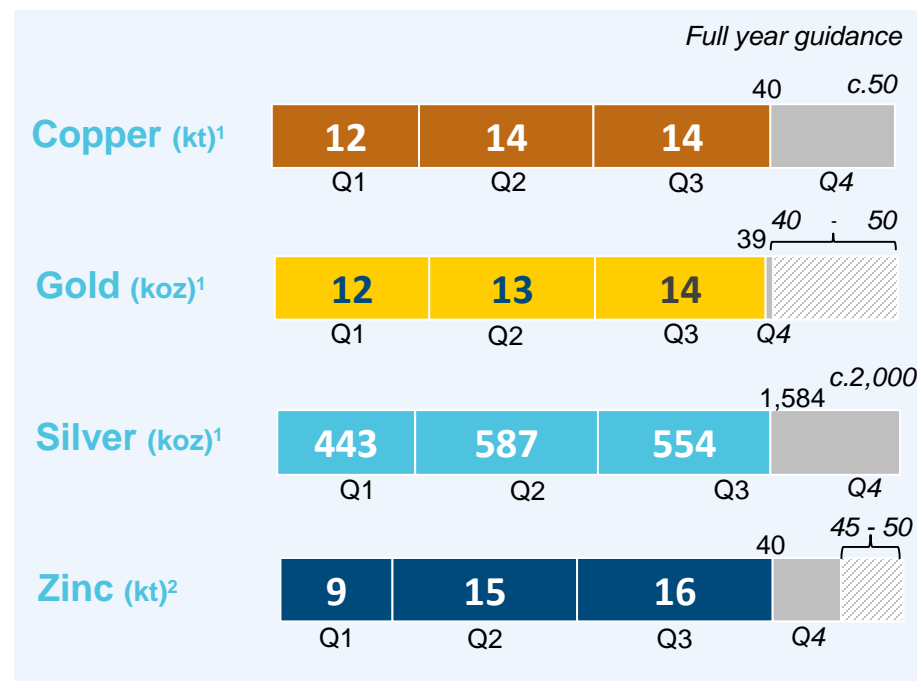
*Bozshakol pit  
August 2020*



# EAST REGION AND BOZYMCHAK ON TRACK ACHIEVE OR EXCEED GUIDANCE

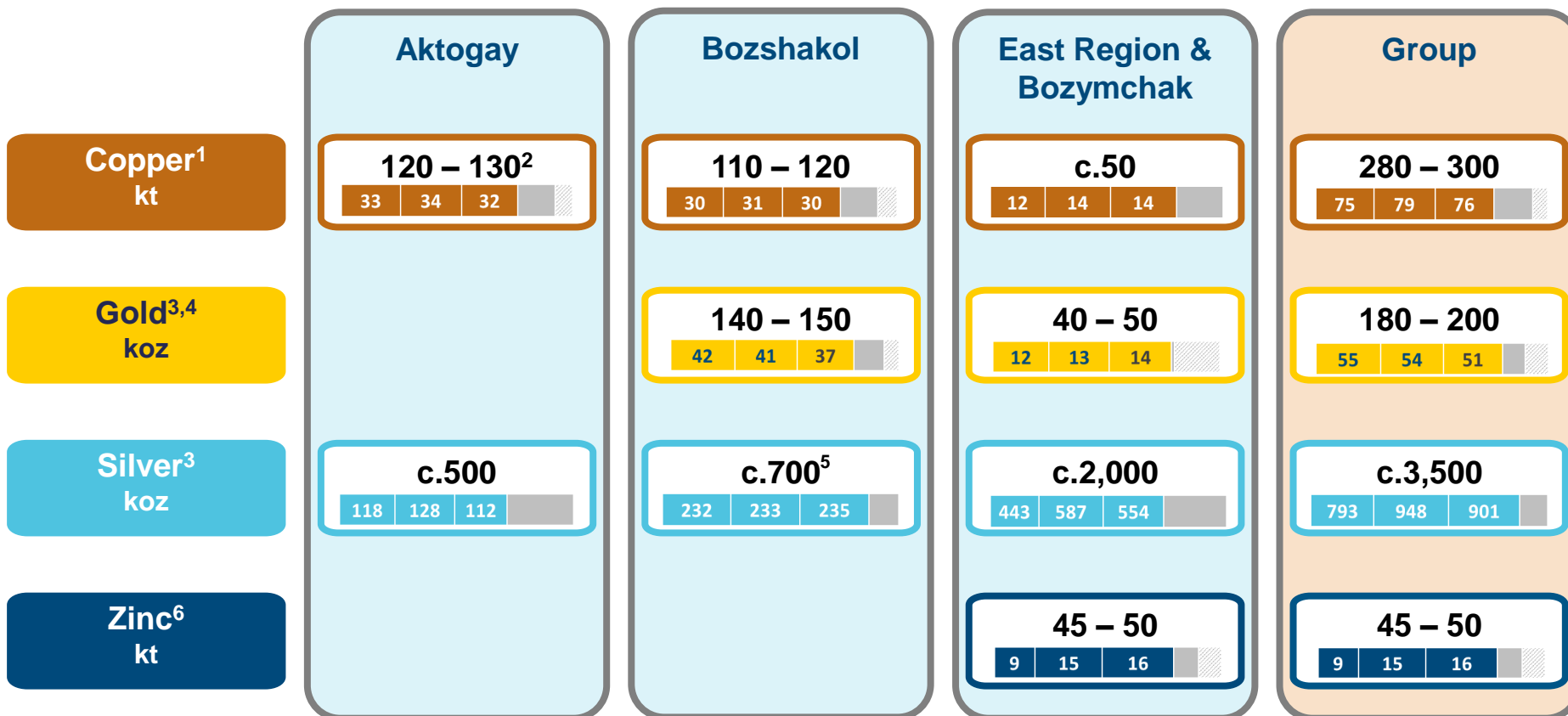


- ▶ Q3 2020:
  - 1 Mt ore processed, copper grade 1.73% (Q2 2020: 1 Mt, grade 1.70%)
  - Copper production<sup>1</sup> increased to 14.2 kt, mainly due to higher average grades at Orlovsky (Q2 2020: 14.0 kt)
  - Gold production<sup>1</sup> increased by 3% to 13.7 koz driven by strong Bozymchak production from high grades and processing volumes (Q2 2020: 13.3 koz)
  - Strong zinc<sup>2</sup> production benefiting from higher grades
  
- ▶ On track to achieve full year copper production<sup>1</sup> target of around 50 kt
  - Gold production<sup>1</sup> could exceed full year guidance of 40-50 koz
  - Silver production<sup>1</sup> guidance increased to c.2,000 koz
  - Zinc production<sup>2</sup> guidance increased to 45-50 kt



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

# COPPER AND GOLD TRACKING TOWARDS UPPER END OF GUIDANCE



Notes:

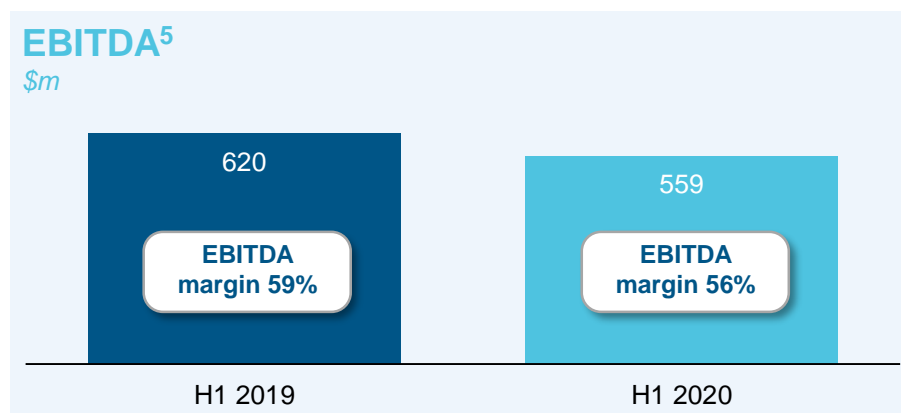
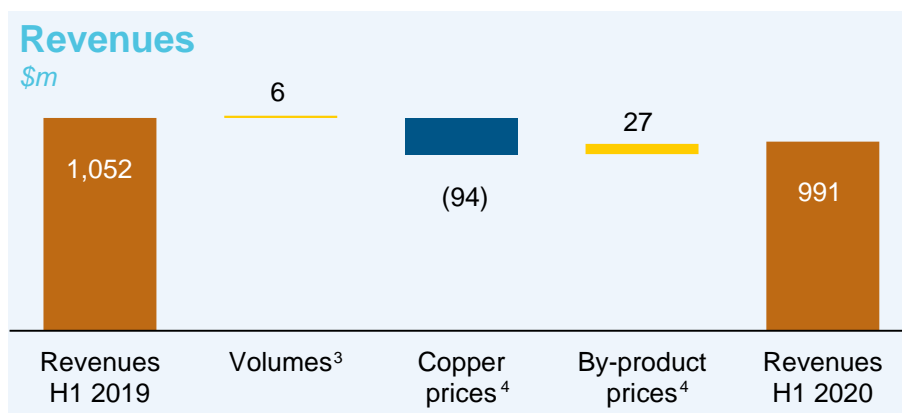
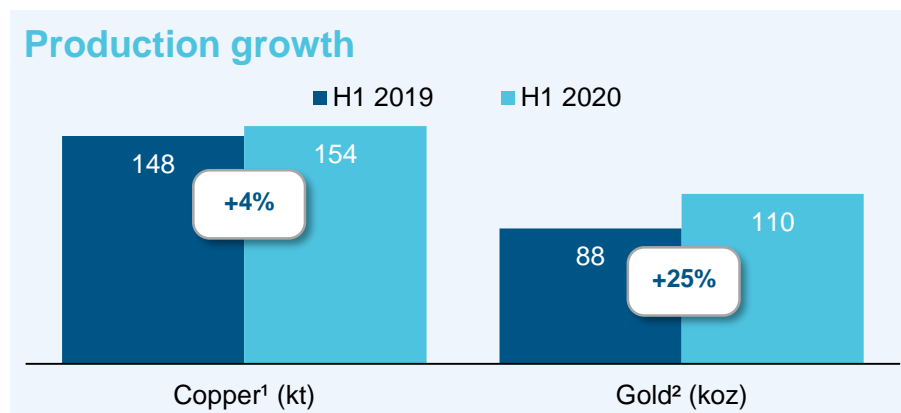
1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Range includes c.20 kt of cathode production from oxide ore.
3. Payable metal in concentrate.
4. Minimal volume of gold recovered from Aktogay material. Q1 2020 includes 0.6 koz production.
5. Silver production expected to exceed full year guidance of c.700 koz by up to 20%.
6. Zinc in concentrate.

## 3. H1 2020 Results

# H1 2020 RESULTS HIGHLIGHTS



- ▶ Copper production<sup>1</sup> +4%, gold production<sup>2</sup> +25%
  - No material disruption from Covid-19 in first half
  - Copper and gold sales of 147 kt and 99 koz, lower than production due to timing of shipments
- ▶ Revenues of \$991 million (H1 2019: \$1,052 million)
- ▶ EBITDA<sup>5</sup> of \$559 million (H1 2019: \$620 million)



Notes:

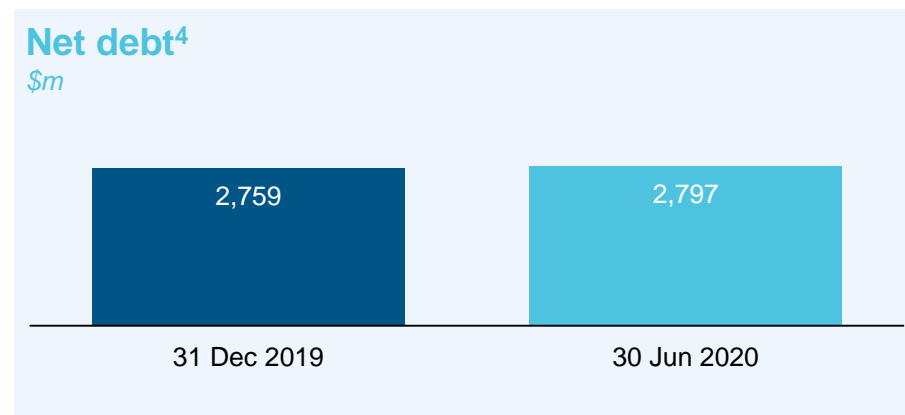
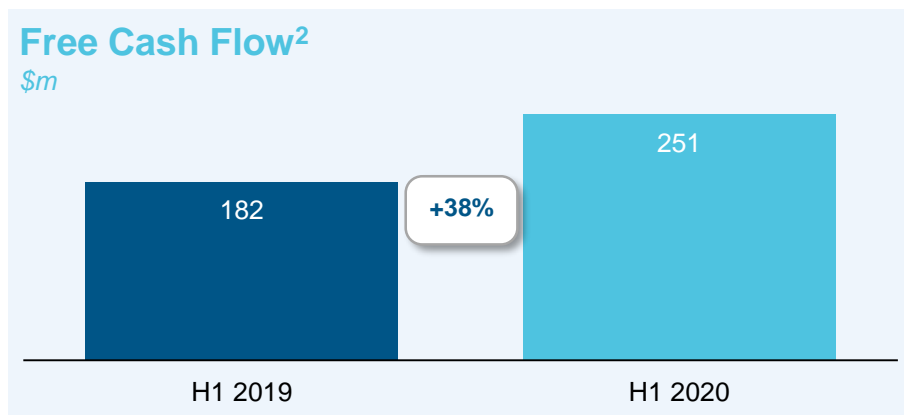
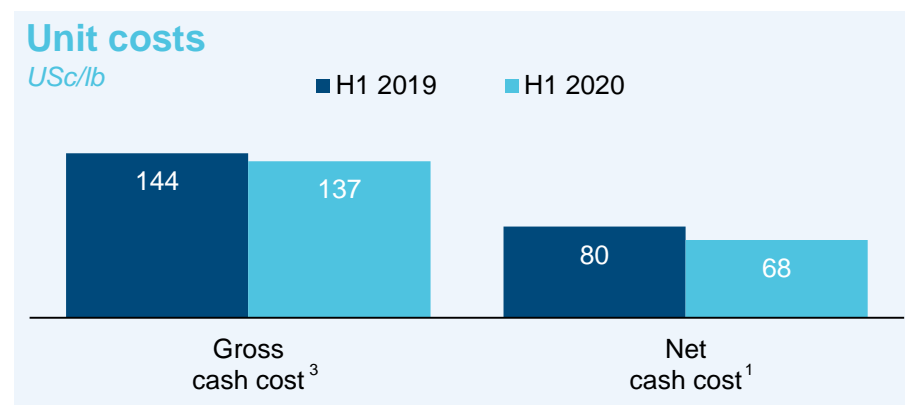
1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Payable metal in concentrate.
3. Change in sales volumes at current period realised prices.
4. Change in realised prices applied to prior year comparative period sales volumes.
5. Excluding MET and royalties.



# H1 2020 RESULTS HIGHLIGHTS (CONT'D)



- ▶ Low cost position maintained – net cash cost<sup>1</sup> 68 USc/lb (H1 2019: 80 USc/lb)
- ▶ Strong cash flow generation – Free Cash Flow<sup>2</sup> +38% to \$251 million (H1 2019: \$182 million)
- ▶ Interim dividend of 4.0 USc per share declared
- ▶ Continued progress on growth projects



**Notes:**

1. Cash operating costs, plus TC/RC on concentrate sales, less by-product revenues, divided by copper sales volume.
2. Net cash flow from operating activities before capital expenditure and VAT associated with major growth projects, less sustaining capital expenditure.
3. Cash operating costs, plus TC/RC on concentrate sales, divided by copper sales volume.
4. The excess of borrowings over cash and cash equivalents and current investments.

# FINANCIAL UPDATE



<i>\$m (unless otherwise stated)</i>	H1 2020	H1 2019
Revenues	991	1,052
EBITDA <sup>1</sup>	559	620
<i>Margin (%)</i>	56	59
Net cash cost (USc/lb) <sup>2</sup>	68	80
Free Cash Flow <sup>3</sup>	251	182
Ordinary EPS - Basic (\$)	0.42	0.48
Net debt <sup>4</sup>	(2,797)	(2,560)

- ▶ 11% lower LME copper price partially offset by 2% increase in copper sales and higher gold revenues
- ▶ EBITDA<sup>1</sup> \$559 million, 56% margin
- ▶ First quartile net cash cost<sup>2</sup> of 68 USc/lb (H1 2019: 80 USc/lb)
- ▶ Free Cash Flow<sup>3</sup> of \$251 million, \$69 million higher despite weaker copper price
- ▶ Net debt decreased to \$2,654 million at 30 September 2020 from \$2,797 million at 30 June 2020
- ▶ \$1.0 billion PXF facility signed on 28 January 2020 and drawn in Q1
- ▶ Interim dividend of 4.0 US cents per share declared

## Notes:

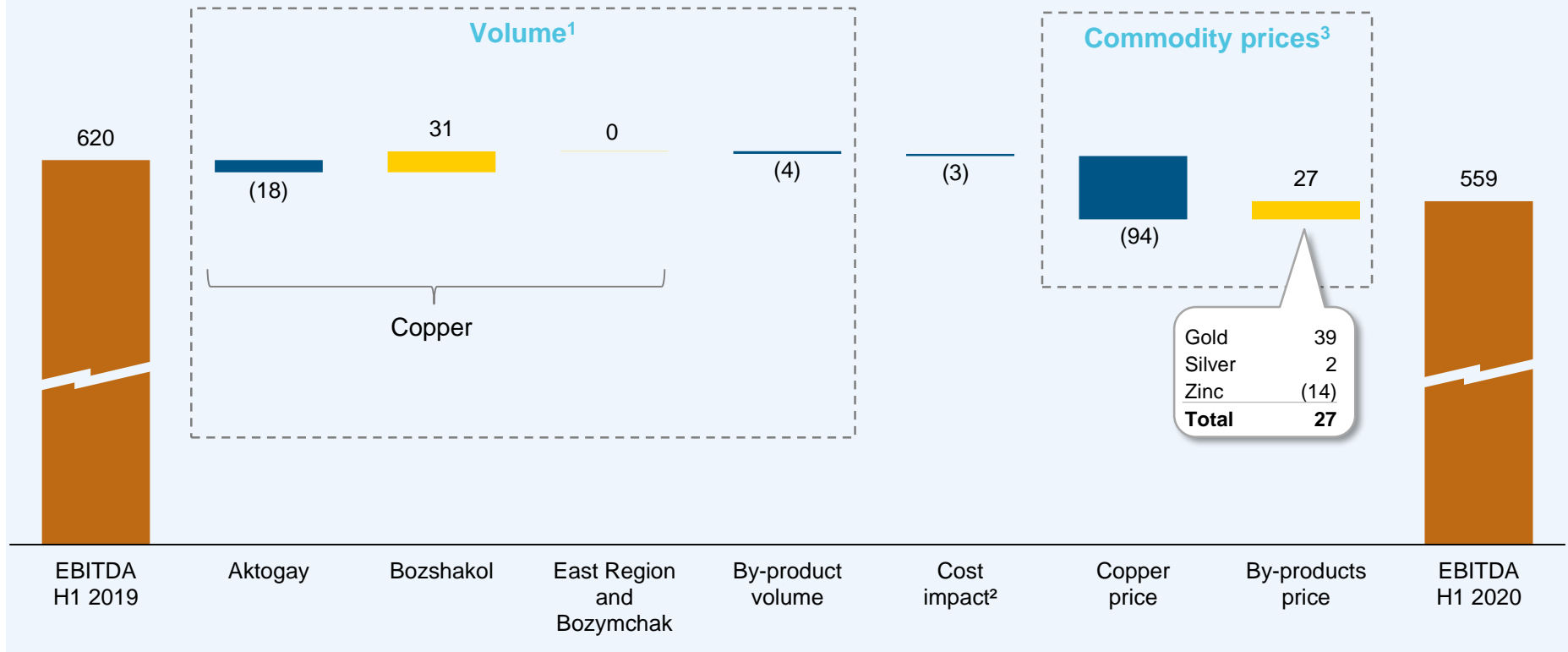
1. Excluding MET and royalties.
2. Cash operating costs, plus TC/RC on concentrate sales, less by-product revenues, divided by copper sales volume.
3. Net cash flow from operating activities before capital expenditure and VAT associated with major growth projects, less sustaining capital expenditure.
4. The excess of borrowings over cash and cash equivalents and current investments.

# EBITDA RECONCILIATION



## Lower copper prices offset by increased copper sales and higher gold price

\$m



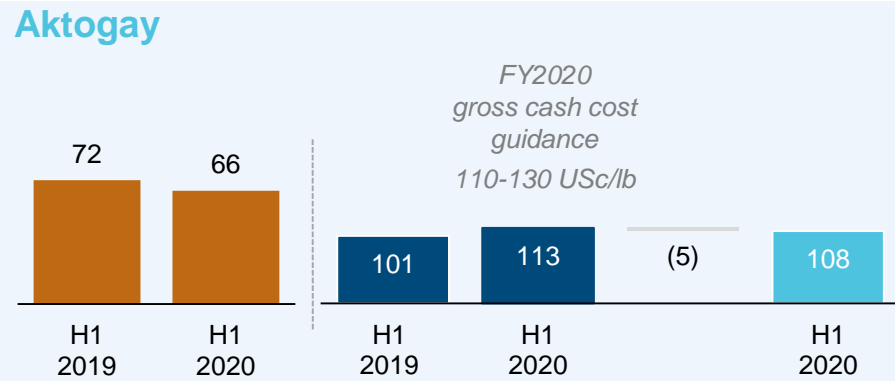
**Notes:**

1. Change in sales volumes at current period margin.
2. Change in operating costs applied to prior year comparative period sales volumes plus change in corporate and project costs.
3. Change in realised prices applied to prior year comparative period sales volumes.

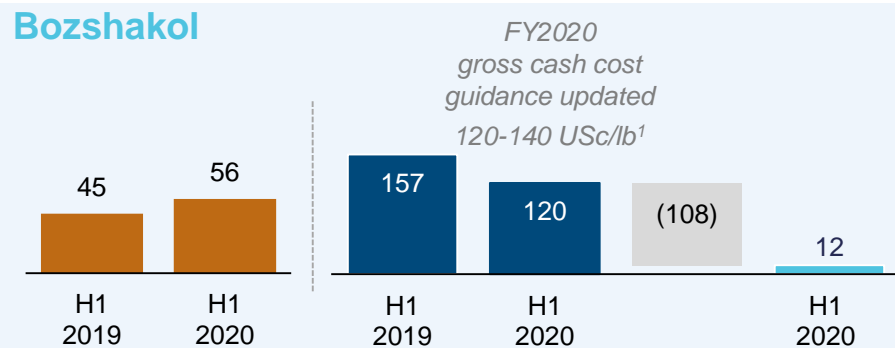
# OPERATING COST DETAIL



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



- ▶ Increase in gross cash costs due to expected lower sales volumes
- ▶ Cost increases offset by weaker tenge and deferral of non-essential maintenance



- ▶ Gross cash cost of 120 USc/lb was 24% lower than 157 USc/lb in H1 2019
- ▶ Driven by higher sales, weaker tenge and additional costs incurred in H1 2019 from sale of gold inventory
- ▶ Gross cash cost guidance lowered by 10 USc/lb to 120-140 USc/lb after strong H1 performance

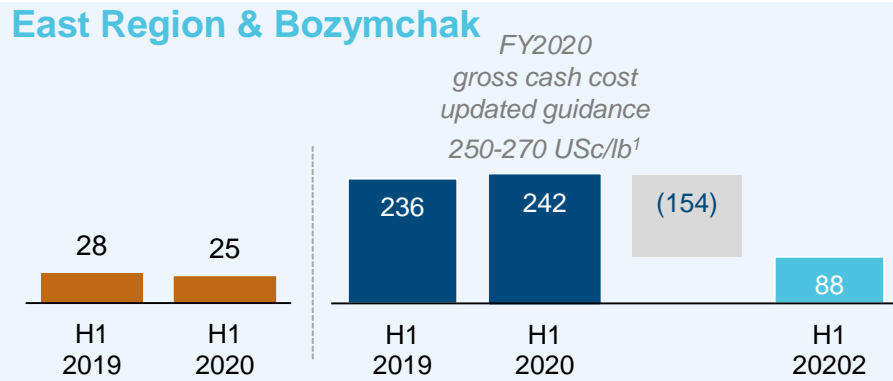
**Notes:**

1. Gross cash cost guidance reduced to 120-140 USc/lb from previous guidance of 130-150 USc/lb.

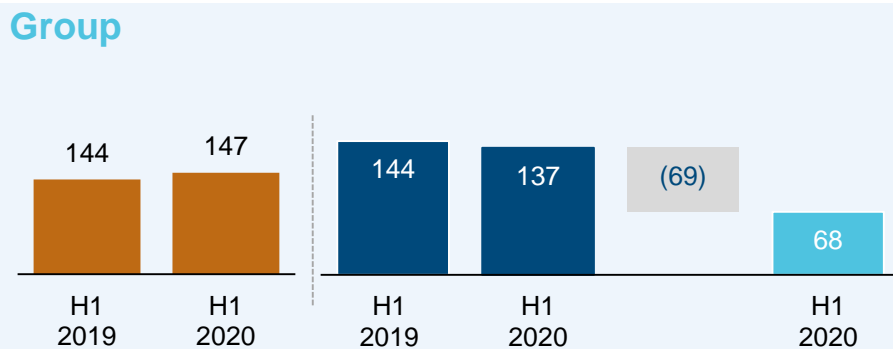
# OPERATING COST DETAIL (CONT'D)



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



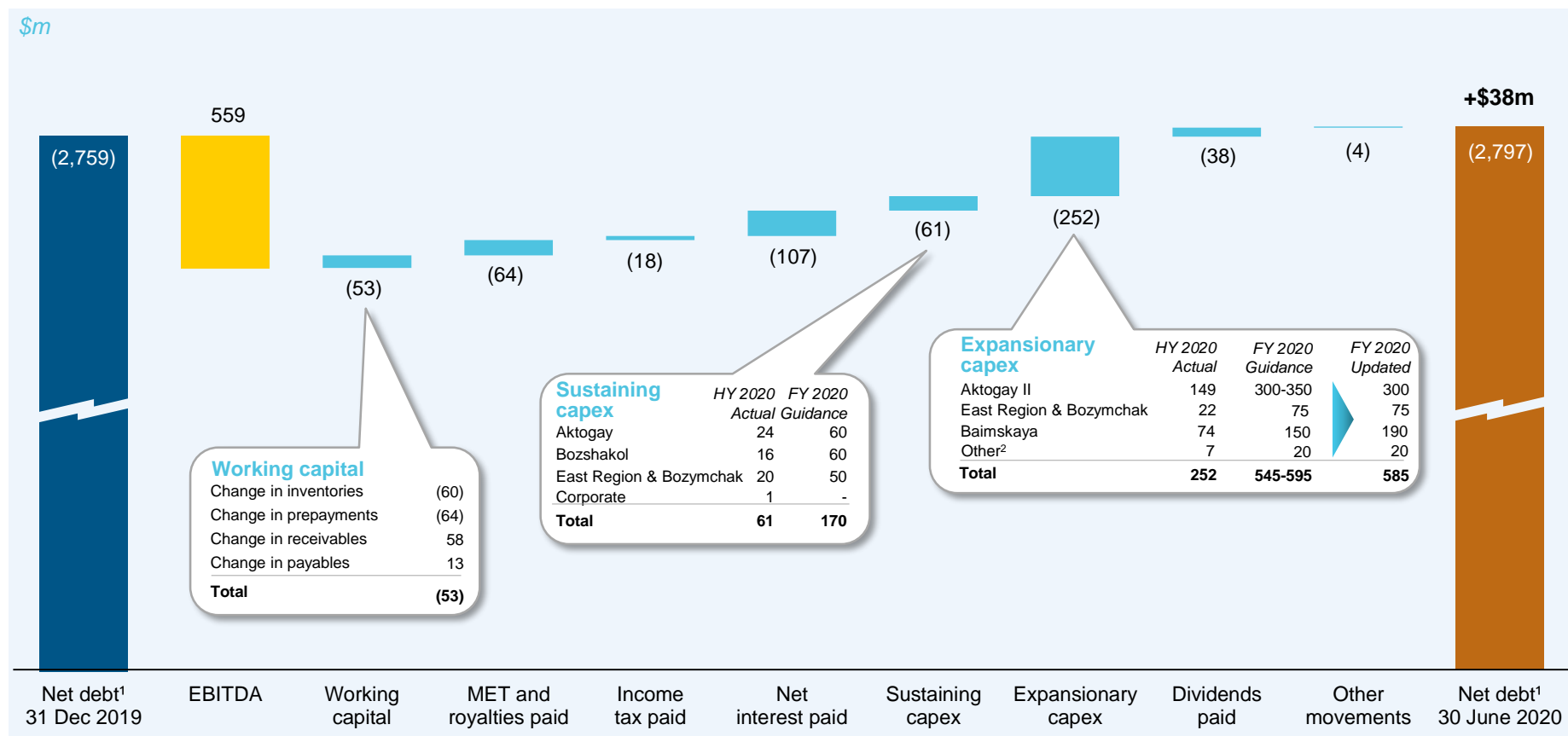
- ▶ Volume driven increase in gross cash costs to 242 USc/lb, partially offset by weaker tenge
- ▶ Net cash cost reduced to 88 USc/lb (H1 2019: 103 USc/lb), mainly due to higher gold price
- ▶ Gross cash cost guidance lowered by 10 USc/lb to 250-270 USc/lb after strong H1 performance
- ▶ Group's first quartile net cash cost maintained



**Notes:**

1. Gross cash cost guidance reduced to 250-270 USc/lb from previous guidance of 260-280 USc/lb.

# MOVEMENT IN GROUP NET DEBT



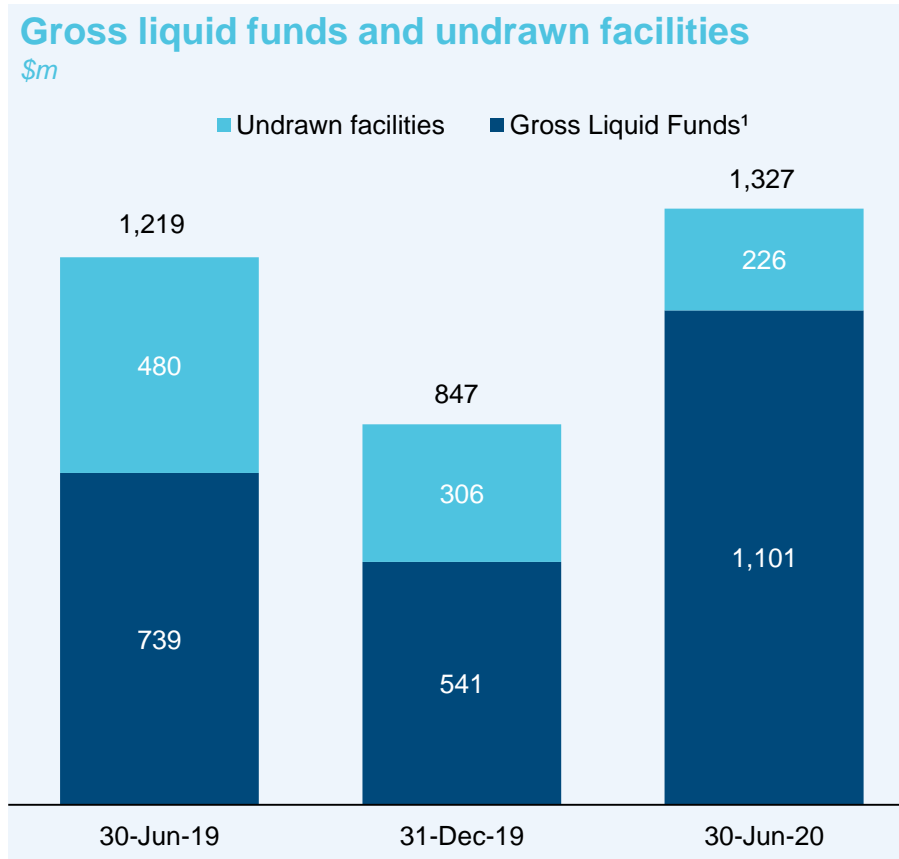
## Notes:

1. The excess of borrowings over cash and cash equivalents and current investments.
2. H1 2020 includes \$2 million for Koksay and \$5 million for initial Aktogay project dump leach expansion. FY 2020 guidance includes \$10 million for Koksay and \$10 million for initial Aktogay project dump leach expansion.

# STRONG LIQUIDITY POSITION



- ▶ \$1.0 billion PXF refinancing in January 2020 resulted in net increase in liquidity of \$700 million
  - Repayments under the new facility commence January 2021
  - \$ LIBOR + 2.50%, variable range 2.25% to 3.50%
  - Initial final maturity in December 2024, with extension options to December 2025 or December 2026
- ▶ Gross liquid funds<sup>1</sup> and undrawn facilities increased to \$1.3 billion at 30 June 2020
  - Undrawn facilities include \$200 million from the DBK Aktogay II facility and \$26 million from the CAT facility



Notes:

1. Includes cash and cash equivalents and current investments.

# 2020 FINANCIAL GUIDANCE



Gross cash cost <i>USc/lb</i>		Sustaining capex <i>\$m</i>		Expansionary capex <i>\$m</i>		
Aktogay	110-130	Aktogay	60	Aktogay II	Previous guidance 300-350	300
Bozshakol	-10 120-140	Bozshakol	60	East Region & Bozymchak <sup>1</sup>		75
East Region & Bozymchak	-10 250-270	East Region & Bozymchak	50	Baimskaya <sup>2</sup>	150	+40 190
				Other <sup>3</sup>		20
		<b>Group</b>	<b>170</b>	<b>Group</b>	545-595	<b>585</b>

## Notes:

1. Includes \$60 million for Artemyevsky underground mine extension and \$15 million for Bozymchak underground extension.
2. Additional \$40 million approved in H2 2020 for detailed engineering.
3. Includes Koksay and initial Aktogay project dump leach expansion, c.\$10 million each.



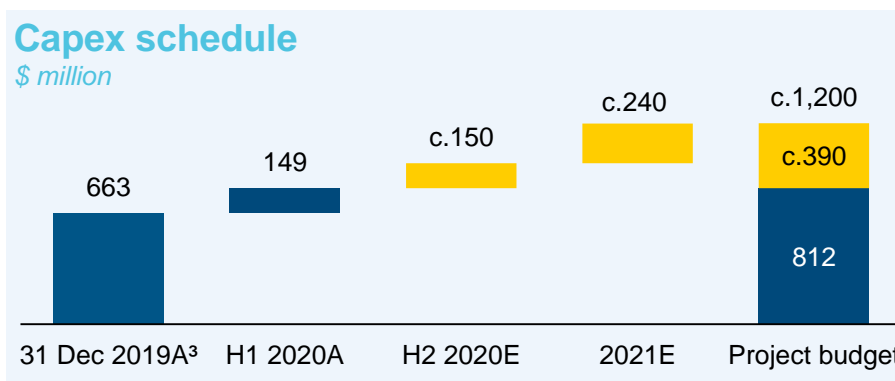
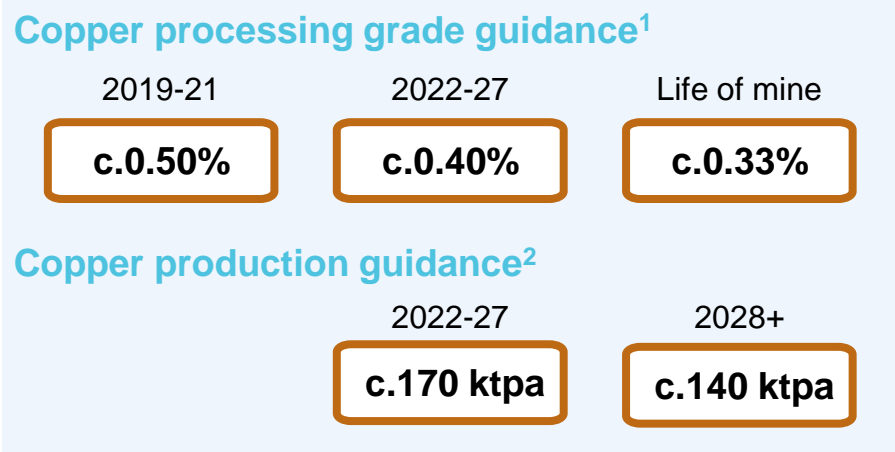


## 4. Aktogay expansion project

# AKTOGAY II BUDGET UNCHANGED



- ▶ Low risk expansion project will double sulphide ore capacity from 25 to 50 Mtpa
- ▶ Adds c.80 kt of annual copper production from 2022-27 and c.60 kt from 2028 onwards
- ▶ Project update issued on 30 April:
  - Reviewed construction progress to date and impact of Covid-19 on contractor access and supply chain
  - On track for completion in 2021 as previously guided, expect to commence production in late 2021
- ▶ 2020 capital expenditure guidance reduced to c.\$300 million from \$300-350 million previously
  - Total project budget unchanged, c.\$1.2 billion



Notes:

1. Combined guidance for Aktogay I and II sulphide grades.
2. Payable copper production from sulphide ore for Aktogay I and II combined. Excludes copper cathode production from oxide ore, which is expected to be in the region of 20 kt per annum until 2024.
3. \$663 million includes \$204 million relating to 31 Dec 2018.

# AKTOGAY II - PROJECT SCHEDULE AND PROGRESS

## 2020 YTD key milestones

- ▶ SAG and Ball Mills set on bearings
- ▶ 220 kV power line and substation
- ▶ Phase 1 of permanent camp (50%)
- ▶ H1 2020 mining equipment deliveries

## Completed



## Ongoing

- ▶ Crusher and conveyors
- ▶ Gearless Mill Drive (“GMD”) installations
- ▶ Flotation cells
- ▶ Tailings thickeners
- ▶ Phase 2 of permanent camp

## Schedule

- ▶ First ore processed by end of 2021



*Ball mill 1 GMD installation, August 2020*

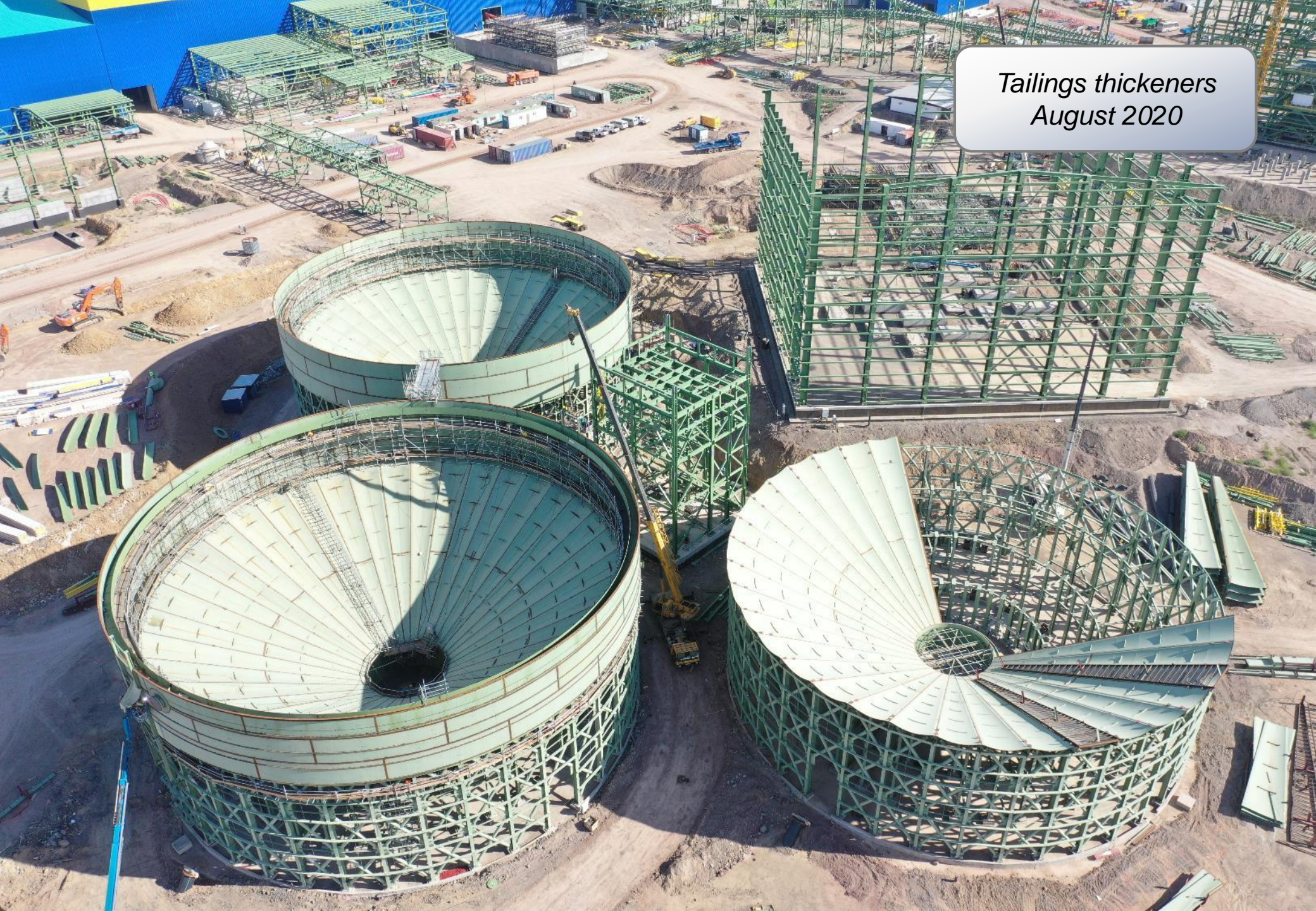
*Concentrator building  
August 2020*



*SAG and Ball mills  
August 2020*



*Tailings thickeners  
August 2020*



*New permanent camp  
August 2020*



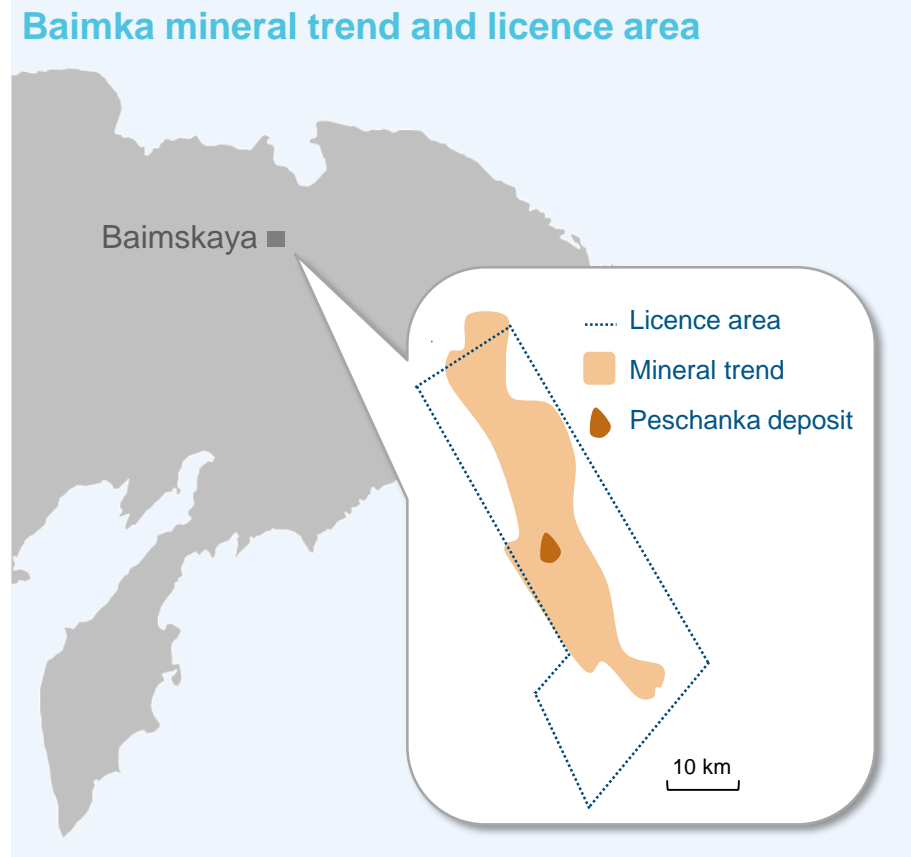


## **5. Baimskaya copper project**



# BAIMSKAYA PROJECT OVERVIEW

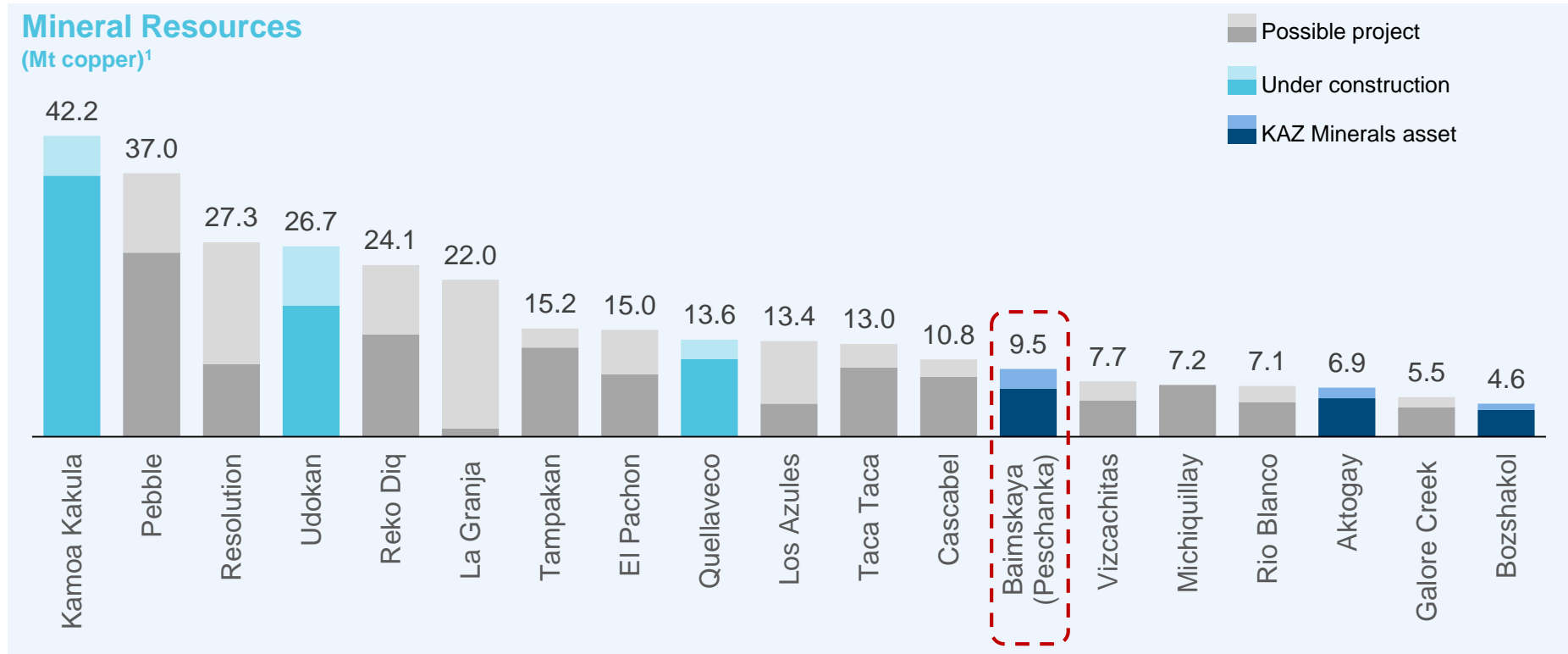
- ▶ Baimskaya is one of the world's largest undeveloped copper resources, with the potential to be a large scale, low cost open pit copper mine
- ▶ The Group acquired the Baimskaya copper project for \$900 million in cash and shares in January 2019
  - \$675 million Initial Consideration plus Deferred Consideration of \$225 million
- ▶ Estimated capex budget of around \$7 billion<sup>1</sup>, with c.10% expected to be incurred after first production
- ▶ 70 Mtpa ore processing capacity
- ▶ Potential for resource expansion in c.1,300 sq. km licence area



Notes:

1. In nominal terms based on 100% share of development capital expenditure, subject to confirmation in further feasibility study.

# GLOBALY SIGNIFICANT COPPER RESOURCE



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

**Notes:**

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

# BAIMSKAYA UPDATE

- ▶ Project update issued on 5 June 2020:
  - Potential increase in Mineral Resources<sup>1</sup>
  - Processing capacity increased from 60 to 70 Mtpa
  - Two lines to be ramped up in consecutive phases 12 to 18 months apart, reducing peak funding
  - Estimated capital budget around \$7 billion<sup>2</sup>
  - c.10% of capex to be incurred after first production
- ▶ Work ongoing with Russian government on details of infrastructure required for operational phase
  - Assessing proposal for new port and LNG power plant at Cape Nagloynyn, at southern end of Chaunskaya Bay
- ▶ Bankable Feasibility Study expected by end of 2020



Notes:

1. See page 47 for further details of Mineral Resources.
2. In nominal terms based on 100% share of development capital expenditure, subject to confirmation in further study work.

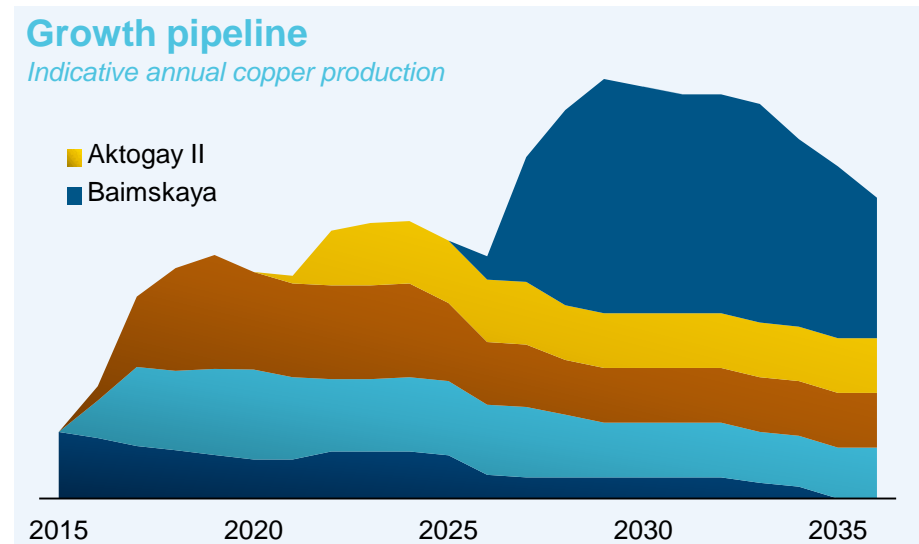


## 6. Summary and outlook

# EXCELLENT PERFORMANCE IN CHALLENGING OPERATING ENVIRONMENT



- ▶ The Group has responded comprehensively to the challenges posed by Covid-19
- ▶ Risks remain, but production guidance is maintained after strong H1 performance with copper and gold tracking towards the top end of ranges
- ▶ We have maintained our low-cost position with a net cash cost of 68 USc/lb, amongst the lowest in the industry
- ▶ Long term outlook for copper remains positive due to lack of new supply to replace declining output, Covid-19 delays may exacerbate future supply deficit
- ▶ Our consistent operational performance provides a strong platform to deliver our industry leading growth pipeline at Aktogay and Baimskaya



# APPENDIX

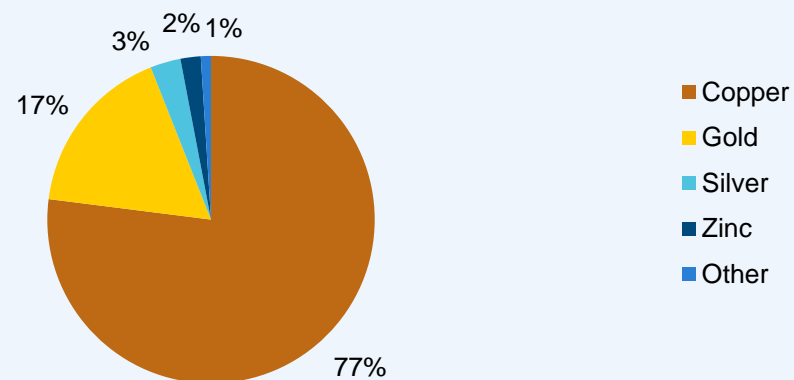
# SUMMARY INCOME STATEMENT



## Key line items

<i>\$m (unless otherwise stated)</i>	H1 2020	H1 2019
<b>Revenues</b>	<b>991</b>	<b>1,052</b>
Cost of sales	(519)	(533)
<b>Gross profit</b>	<b>472</b>	<b>519</b>
<b>Operating profit</b>	<b>357</b>	<b>410</b>
Net finance costs	(81)	(97)
Net foreign exchange loss	(27)	(24)
<b>Profit before tax</b>	<b>249</b>	<b>289</b>
Income tax expense	(52)	(62)
<b>Profit for the year</b>	<b>197</b>	<b>227</b>
<b>Ordinary EPS and EPS based on Underlying Profit (\$)</b> - basic	<b>0.42</b>	<b>0.48</b>
<b>Ordinary EPS and EPS based on Underlying Profit (\$)</b> - diluted	<b>0.40</b>	<b>0.47</b>

## H1 2020 revenues split by product



# REVENUES AND SALES VOLUMES



## Revenues

\$m	H1 2020	H1 2019
Copper cathode	360	400
Copper in concentrate	405	449
Gold	56	73
Gold in concentrate	110	70
Silver	20	17
Silver in concentrate	9	8
Zinc in concentrate	22	31
Other	9	4
<b>Total revenues</b>	<b>991</b>	<b>1,052</b>

## Average realised prices

	H1 2020	H1 2019
Copper cathode (\$/t)	5,510	6,211
Copper in concentrate (\$/t) <sup>2</sup>	4,964	5,616
Gold (\$/oz)	1,651	1,305
Gold in concentrate (\$/oz) <sup>2</sup>	1,715	1,343
Silver (\$/oz)	16.6	15.1
Silver in concentrate (\$/oz) <sup>2</sup>	16.4	15.4
Zinc in concentrate (\$/t) <sup>2</sup>	980	1,801

## Sales volumes

kt (unless otherwise stated)	H1 2020	H1 2019
Copper cathode	65	64
Copper in concentrate <sup>1</sup>	82	80
Gold (koz)	34	56
Gold in concentrate (koz) <sup>1</sup>	65	52
Silver (koz)	1,230	1,124
Silver in concentrate (koz) <sup>1</sup>	529	495
Zinc in concentrate	22	17

## LME and LBMA Prices

	H1 2020	H1 2019
Copper (\$/t)	5,516	6,165
Gold (\$/oz)	1,645	1,307
Silver (\$/oz)	16.6	15.2
Zinc (\$/t)	2,047	2,732

### Notes:

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

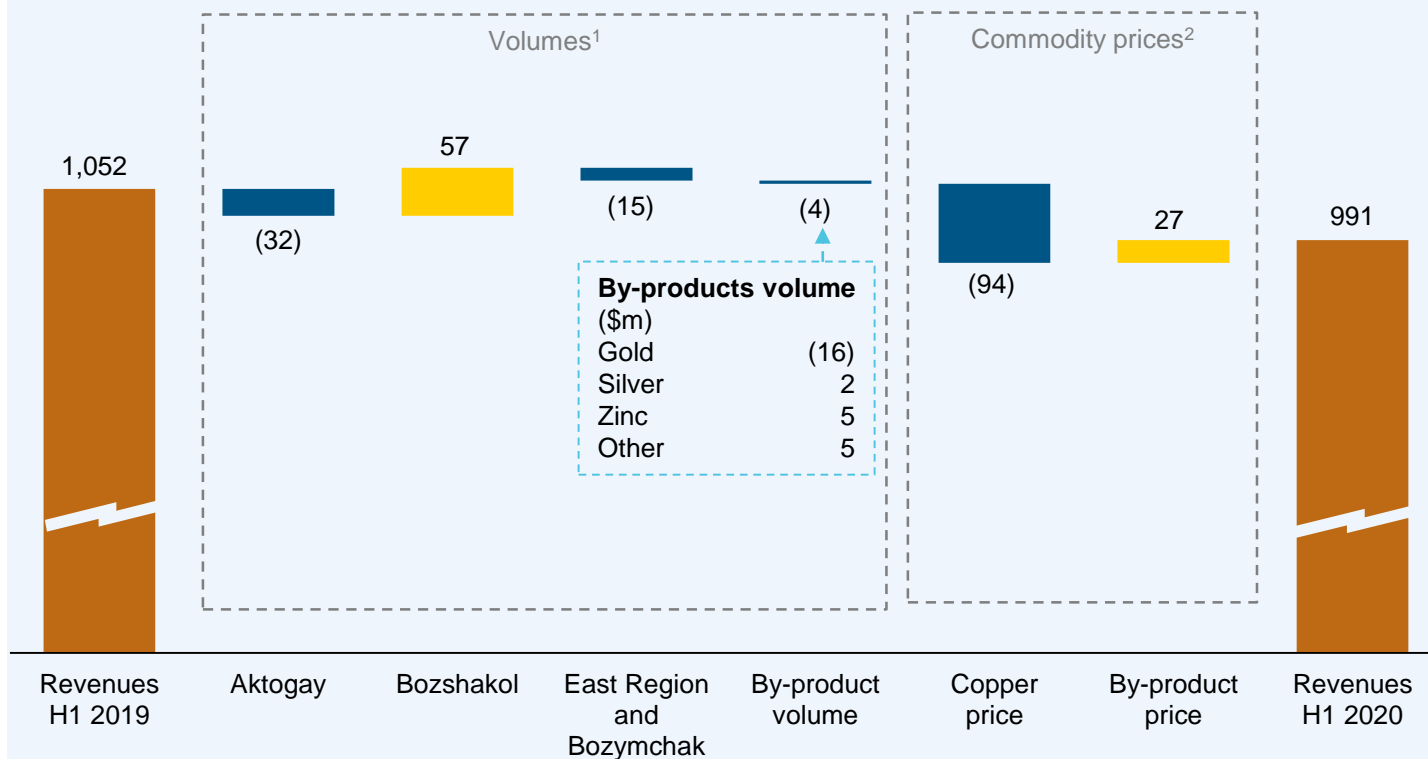


# REVENUE RECONCILIATION



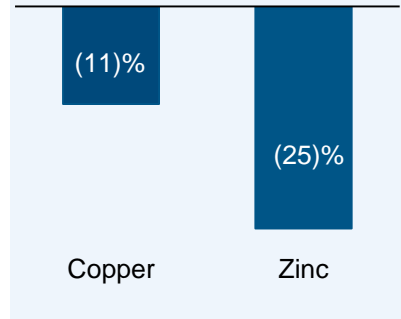
## Volume growth partially offsets decrease in commodity prices

\$m



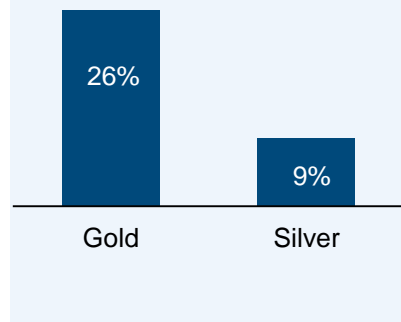
## Average LME

HY 2020 vs HY 2019



## Average LBMA

HY 2020 vs HY 2019



**Notes:**

1. Change in sales volumes at current period realised prices.
2. Change in realised prices applied to prior year comparative period sales volumes.

# CASH FLOW



\$m	H1 2020	H1 2019
<b>EBITDA<sup>1</sup></b>	<b>559</b>	<b>620</b>
Change in working capital	(53)	(131)
Interest paid	(112)	(117)
MET and royalties paid	(64)	(97)
Income tax paid	(18)	(29)
Foreign exchange and other movements	-	2
Sustaining capital expenditure	(61)	(66)
<b>Free Cash Flow</b>	<b>251</b>	<b>182</b>
Expansionary and new project capital expenditure	(252)	(332)
Acquisition of Baimskaya copper project, net of cash acquired	-	(435)
Net VAT paid associated with major growth projects	(2)	(12)
Interest received	5	12
Dividends paid	(38)	(28)
Other investments	-	45
Other movements	(1)	-
<b>Cash flow movement in net debt</b>	<b>(37)</b>	<b>(568)</b>

Notes:

1. Excluding MET and royalties.

# SUMMARY BALANCE SHEET



## Assets

\$m	H1 2020	2019	H1 2019
Non-current assets	4,556	4,596	4,169
Cash and cash equivalents and current investments	1,101	541	739
Other current assets	890	929	786
<b>Total</b>	<b>6,547</b>	<b>6,066</b>	<b>5,694</b>

## Non-current assets

\$m	H1 2020	2019	H1 2019
Intangible assets	5	5	6
Property, plant and equipment	2,726	2,756	2,380
Mining assets	1,507	1,457	1,382
Other non-current assets	276	338	355
Deferred tax asset	42	40	46
<b>Total</b>	<b>4,556</b>	<b>4,596</b>	<b>4,169</b>

## Equity & liabilities

\$m	H1 2020	2019	H1 2019
Equity	2,128	2,174	1,776
Borrowings	3,898	3,300	3,299
Other liabilities	521	592	619
<b>Total</b>	<b>6,547</b>	<b>6,066</b>	<b>5,694</b>

## Net debt

\$m	H1 2020	2019	H1 2019
Cash and cash equivalents and current investments	1,101	541	739
Borrowings	(3,898)	(3,300)	(3,299)
Long-term	(3,463)	(2,755)	(2,759)
Short-term	(435)	(545)	(540)
<b>Total</b>	<b>(2,797)</b>	<b>(2,759)</b>	<b>(2,560)</b>

# DEBT FACILITIES

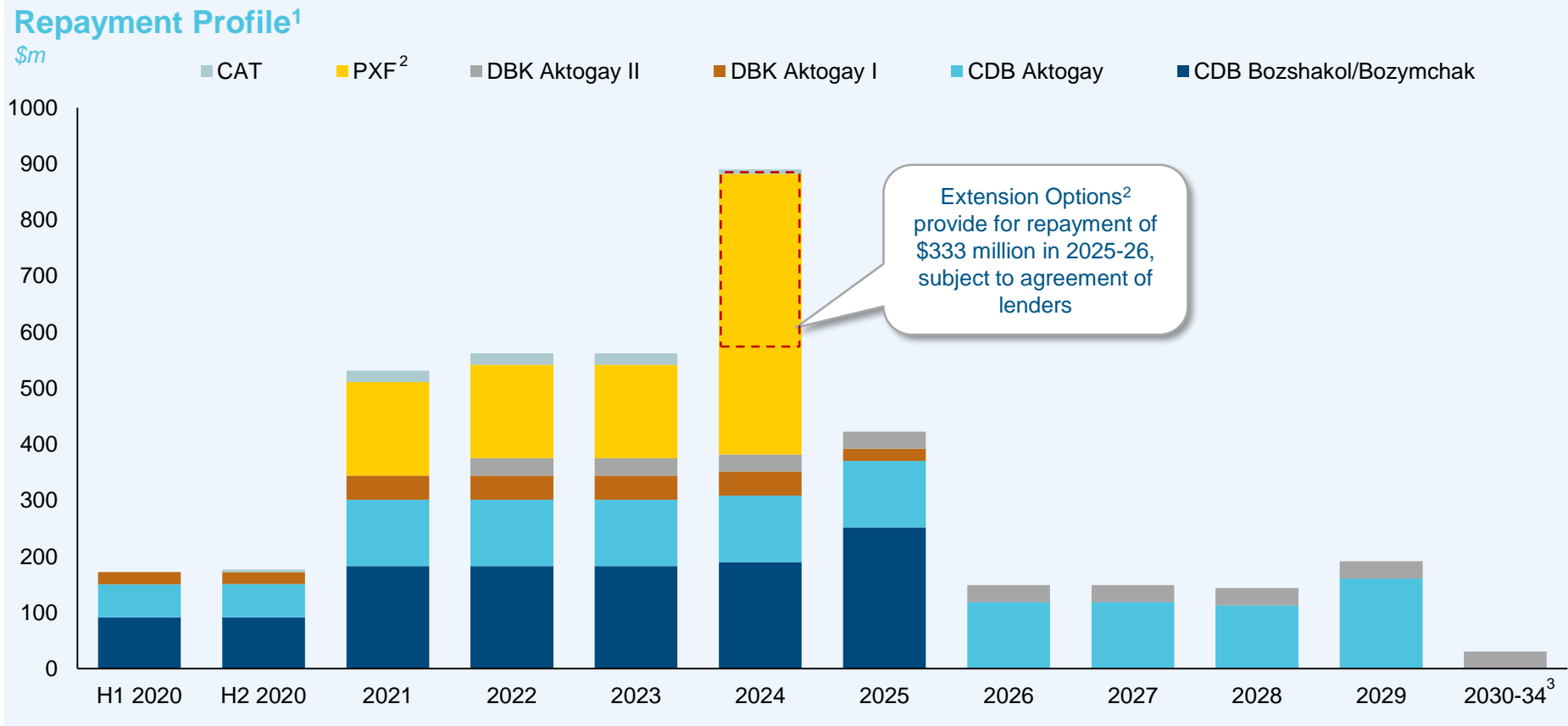


Facility	Balance <sup>1</sup> \$m, 30 June 20	Undrawn \$m	Final maturity	Interest rate	Repayment details & covenants
<b>CDB Bozshakol/ Bozymchak</b>	1,082	-	2025	▶ \$ LIBOR + 4.50%	▶ Semi-annual principal and interest payments ▶ Balance sheet covenant
<b>CDB Aktogay</b>	1,163	-	2029	▶ \$ LIBOR + 4.20% (USD facility) ▶ PBoC 5 year (CNY facility)	▶ Semi-annual principal and interest payments <sup>2</sup> ▶ Balance sheet covenant
<b>DBK Aktogay I</b>	214	-	2025	▶ \$ LIBOR + 4.50%	▶ Semi-annual principal and interest payments ▶ Balance sheet covenant
<b>DBK Aktogay II</b>	400	200 <sup>3</sup>	2034	▶ \$ LIBOR + 3.90%	▶ Repayments commence from 2022 ▶ Semi-annual principal and interest payments ▶ Balance sheet covenant
<b>PXF</b> ▶ Amended \$1 billion PXF signed on 28 Jan 2020	1,000	-	2024 <sup>4</sup>	▶ \$ LIBOR + 2.50% ▶ Variable range 2.25% to 3.50%	▶ Principal repayments commencing from January 2021 ▶ Monthly interest payments ▶ Initial final maturity in December 2024, with extension options to December 2025 or December 2026 ▶ Income statement covenant
<b>CAT</b> ▶ \$100 million facility signed on 15 Nov 2019	74	26 <sup>3</sup>	2023-26	▶ \$ LIBOR + 3.00% ▶ Variable range 3.00% to 4.50%	▶ Quarterly principal repayments from December 2020, with final maturity December 2024 ▶ Income statement covenant

## Notes:

1. Drawn amount excludes arrangement fees.
2. CNY facility interest payments are quarterly.
3. Undrawn as at 30 June 2020.
4. Extendable up to 2026.

# DEBT REPAYMENT PROFILE



**Notes:**

1. Based on facilities drawn as at 30 June 2020.
2. Extension Options are exercisable on the first and second anniversaries of signing.
3. Average debt repayment per annum.

# GROUP CASH COST RECONCILIATION



<i>\$m (unless otherwise stated)</i>	H1 2020	H2 2019	H1 2019	H2 2018	H1 2018	H2 2017 <sup>1</sup>	H1 2017 <sup>1</sup>	2019	2018	2017 <sup>1</sup>
Copper sales volumes (kt)	147	173	144	155	141	141	115	317	296	256
Revenues	991	1,214	1,052	1,064	1,098	942	721	2,266	2,162	1,663
EBITDA <sup>2</sup>	(559)	(735)	(620)	(620)	(690)	(609)	(429)	(1,355)	(1,310)	(1,038)
Pre-commercial production <sup>3</sup>	-	-	-	-	-	38	40	-	-	78
Corporate and project costs and other adjustments	(25)	(17)	(20)	(13)	(15)	(15)	(10)	(37)	(28)	(25)
TC/RCs on concentrate sales	38	57	47	58	57	53	45	104	115	98
<b>Gross cash cost</b>	<b>445</b>	<b>519</b>	<b>459</b>	<b>489</b>	<b>450</b>	<b>409</b>	<b>367</b>	<b>978</b>	<b>939</b>	<b>776</b>
<b>Gross cash cost (USc/lb)</b>	<b>137</b>	<b>136</b>	<b>144</b>	<b>143</b>	<b>145</b>	<b>132</b>	<b>144</b>	<b>140</b>	<b>144</b>	<b>138</b>
By-product credits	(226)	(239)	(203)	(187)	(194)	(201)	(205)	(442)	(381)	(406)
Net cash costs	219	280	256	302	256	208	162	536	558	370
<b>Net cash cost (USc/lb)</b>	<b>68</b>	<b>73</b>	<b>80</b>	<b>88</b>	<b>82</b>	<b>67</b>	<b>64</b>	<b>77</b>	<b>85</b>	<b>66</b>

Notes:

1. Includes the results of pre-commercial production.
2. Excluding MET and royalties.
3. Cash operating costs capitalised during pre-commercial production.

# PESCHANKA DEPOSIT MINERAL RESOURCES



		Measured	Indicated	Inferred	Total
<b>Mineral resources<sup>1</sup></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>

Notes:

1. Mineral Resource Estimate for the Peschanka deposit in the Baimskaya license area was prepared by AMC Consultants Pty Ltd with an effective date of 30 June 2016, based on copper equivalent cut-off grades of 0.2% for Measured and Indicated Resources and 0.3% for Inferred Resources.

# MINERAL RESOURCES SUMMARY - 31 DEC 2019



	Aktogay		Bozshakol		East Region & Bozymchak				Koksay	Baimskaya
	Sulphide	Oxide	Sulphide	Clay	Artemyevsky	Irtyshtsky	Orlovsky	Bozymchak		Peschanka
<b>Resources<sup>1</sup> (Mt)</b>	<b>1,557.2</b>	<b>46.4</b>	<b>879.0</b>	<b>112.9</b>	<b>21.3<sup>2</sup></b>	<b>3.2</b>	<b>10.1</b>	<b>13.6</b>	<b>587.3</b>	<b>1,428.0</b>
<b>Copper grade (%)</b>	0.33	0.35	0.36	0.43	1.96	2.25	2.88	0.78	0.43	0.47
<b>Contained copper (Mt)</b>	<b>5.1</b>	<b>0.2</b>	<b>3.2</b>	<b>0.5</b>	<b>0.4</b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>2.5</b>	<b>6.7</b>
<b>Gold grade (g/t)</b>	-	-	0.14	0.19	0.90	0.38	0.79	1.30	-	0.27
<b>Contained gold (Moz)</b>	-	-	<b>4.0</b>	<b>0.7</b>	<b>0.6</b>	-	<b>0.3</b>	<b>0.6</b>	-	<b>12.5</b>
<b>Silver grade (g/t)</b>	-	-	1.1	1.3	81	90	41	7.9	-	2.6
<b>Zinc (%)</b>	-	-	-	-	4.03	5.27	4.43	-	-	-
<b>Molybdenum grade (%)</b>	0.008	-	0.008	0.006	-	-	-	-	0.003	0.012
<b>Type of mine</b>	Open pit		Open pit		Underground	Underground	Underground	Open pit / underground	Open pit	Open pit
<b>Concentrator</b>	On-site		On-site		Nikolayevsky		On-site	On-site	On-site	On-site

## Notes:

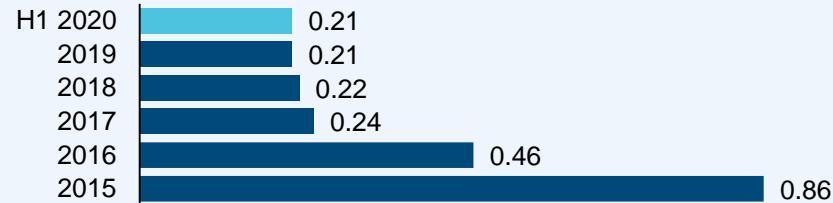
1. Measured and indicated as at 31 December 2019.
2. Includes Artemyevsky II expansion.



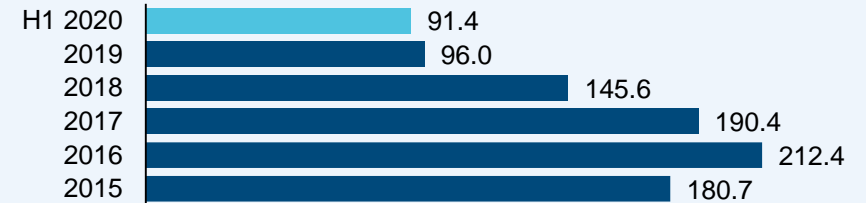
# OPERATIONAL EFFICIENCY REDUCES ENVIRONMENTAL IMPACTS



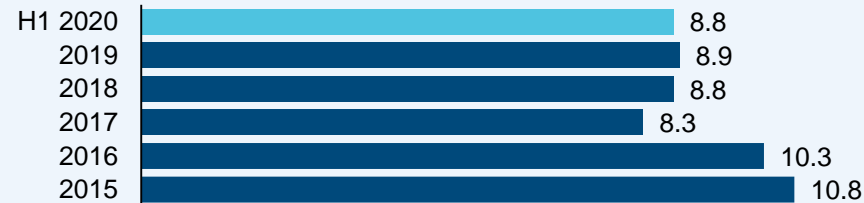
Energy consumption (TJ / kt of ore processed)



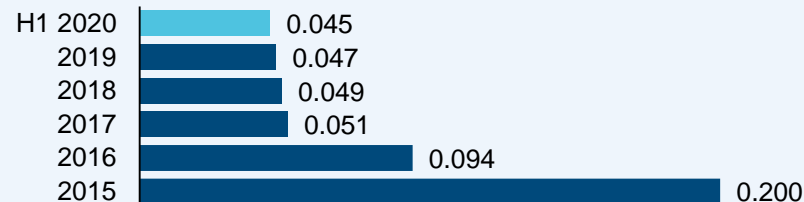
Water withdrawal per unit of copper produced (megalitres/kt)



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 <sup>1</sup>	Upstream	1980	2020 <sup>1</sup>	Active

Notes:

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

# SENIOR MANAGEMENT



## **Oleg Novachuk, Chair**

Joined the Company in 2001, former Chief Executive and was appointed Chair on 1 January 2018, with responsibility for strategy, government relations and business development.



## **Eldar Mamedov, General Director, KMM LLP**

Joined the Company in 1996, former Head of Legal and was appointed as General Director of the KMM LLP in 2014, with responsibility for government relations, legal, procurement and administration.



## **Andrew Southam, Chief Executive Officer**

Joined the Company in 2006, former Chief Financial Officer and was appointed Chief Executive Officer on 1 January 2018, with responsibility of executive management of the Group and leading the senior management team in the day to day running of the business.



## **Madina Kaparova, Group Procurement Director**

Joined the Company in 1998 and was appointed Group Procurement Director in 2016, with responsibility for development and implementation of procurement strategy.



## **John Hadfield, Chief Financial Officer**

Joined KAZ Minerals in November 2017 as Deputy Chief Financial Officer and was appointed Chief Financial Officer on 1 January 2018.



## **Sergey Leu, General Director, Bozshakol**

Joined KAZ Minerals in August 2016 as General Director of Bozshakol with responsibility for management of Bozshakol operations.



## **Mian Khalil, General Director, Projects**

Joined the Company in 2010, with responsibility for construction of major growth projects, Aktogay and Bozshakol and is currently focused on the Aktogay expansion project and Baimskaya (Peschanka) copper project in Chukotka, Russia.



## **Ilsur Dautov, General Director, East Region**

Appointed General Director of the East Region in March 2014. Responsible for the management of East Region operations.



## **Philip Welten, General Director, Aktogay**

Joined KAZ Minerals in 2018 as General Director of Aktogay, with responsibility for management of Aktogay operations.



## **Ilyas Tulekeev, General Director, Bozymchak**

Joined KAZ Minerals in 2006 and was appointed General Director of Bozymchak in 2011, with responsibility for management of Bozymchak operations.



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