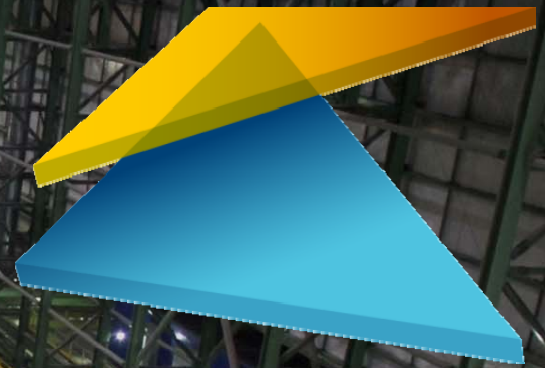




**KAZ**  
MINERALS



**2016 Full Year Results**  
**23 February 2017**

# IMPORTANT NOTICE

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# AGENDA

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- |   |                |     |
|---|----------------|-----|
| 1. Review of 2016   | Oleg Novachuk  | CEO |
| 2. Operations review<br>Bozshakol<br>Aktogay<br>East Region and Bozymchak | Oleg Novachuk  | CEO |
| 3. Financial update   | Andrew Southam | CFO |
| 4. Achieving our potential  | Oleg Novachuk  | CEO |
-

# 1. Review of 2016

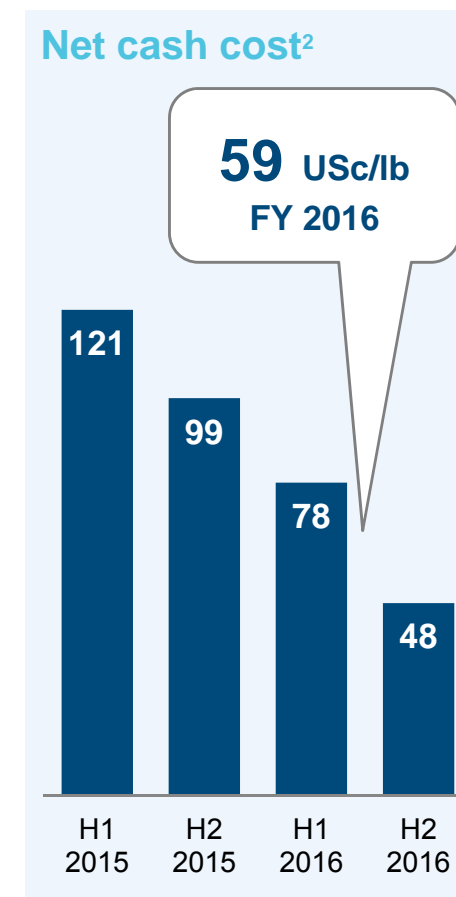
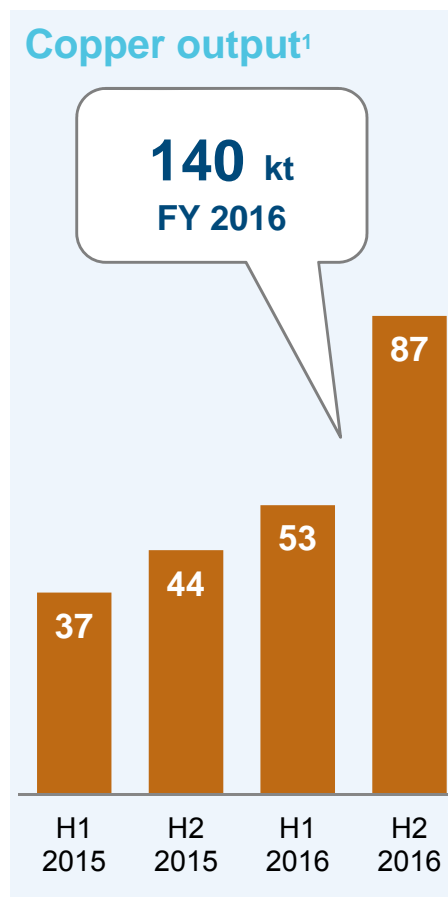
OLEG NOVACHUK

CHIEF EXECUTIVE OFFICER

# 2016 HIGHLIGHTS



- ▶ 73% increase in full year copper output<sup>1</sup> to 140 kt (2015: 81 kt)
- ▶ 59 USc/lb net cash costs<sup>2</sup> (2015: 109 USc/lb)
- ▶ Gross EBITDA<sup>3</sup> \$492 million (2015: \$208 million)
  - EBITDA<sup>3</sup> \$351 million (2015: \$202 million)
- ▶ Major projects operational and ramping up
  - Bozshakol declared commercial in October 2016
  - Aktogay sulphide commissioning began December 2016, first copper February 2017
- ▶ Improved liquidity position
  - \$350 million of new credit facilities obtained in December 2016
  - \$200 million capex reduction at Aktogay



**Notes:**

1. Copper cathode equivalent production.
2. Includes operations for the full year, including the period prior to commercial production. Group net cash cost for 2015 reflects East Region and Bozymchak only.
3. EBITDA (excluding MET, royalties and special items). Gross EBITDA includes all operations for the full year, including the period prior to commercial production.

# HEALTH AND SAFETY

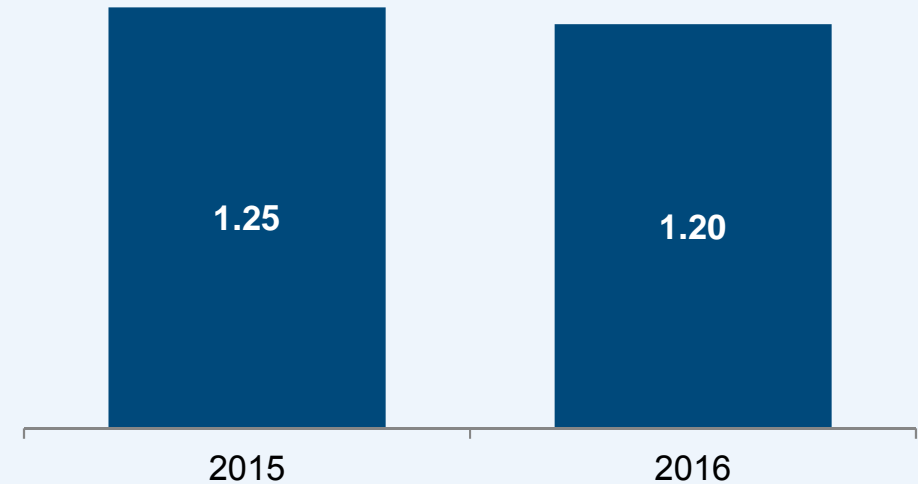


- ▶ Four incidents resulted in six fatalities (2015: 3 fatalities)
- ▶ Overall fatalities have significantly reduced since 2010
- ▶ Zero fatalities at Bozshakol, Aktogay and Bozymchak operations since commencement of production
- ▶ Total Recordable Injury Frequency Rate<sup>1</sup> reduced to 1.20 (2015: 1.25)

## Improving our performance

- ▶ Enhanced safety standards implementation
- ▶ Occupational health improvements
- ▶ Target zero fatalities at operations and reduced injury rates

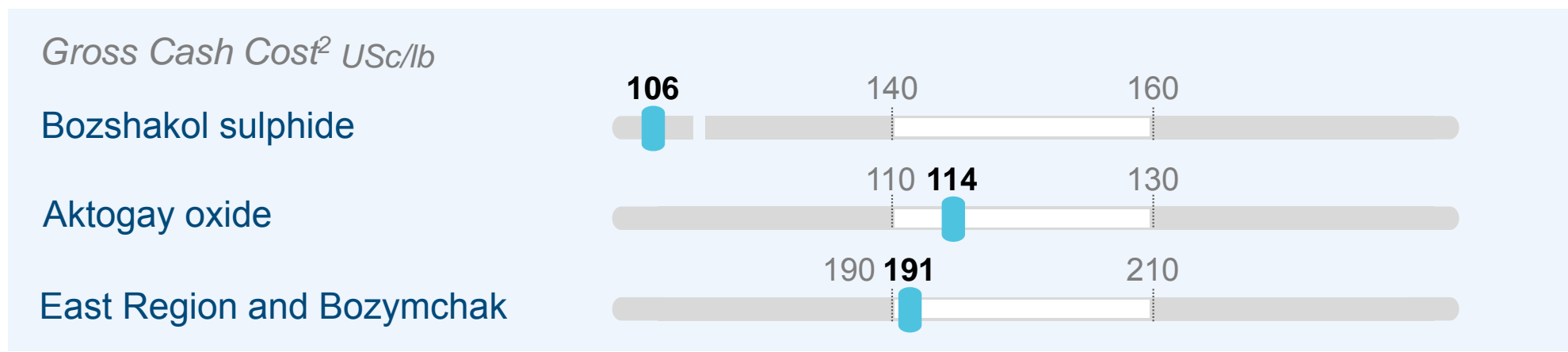
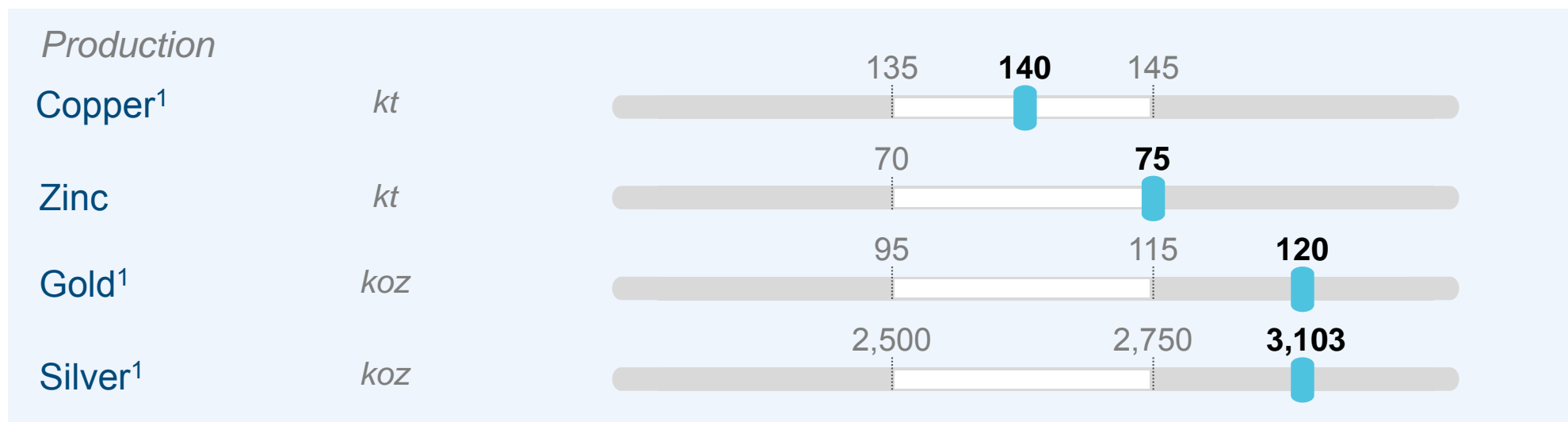
Total Recordable Injury Frequency Rate<sup>1</sup>



Notes:

1. Total Recordable Injury Frequency Rate or TRIFR is the number of Recordable Injuries occurring per million hours worked.

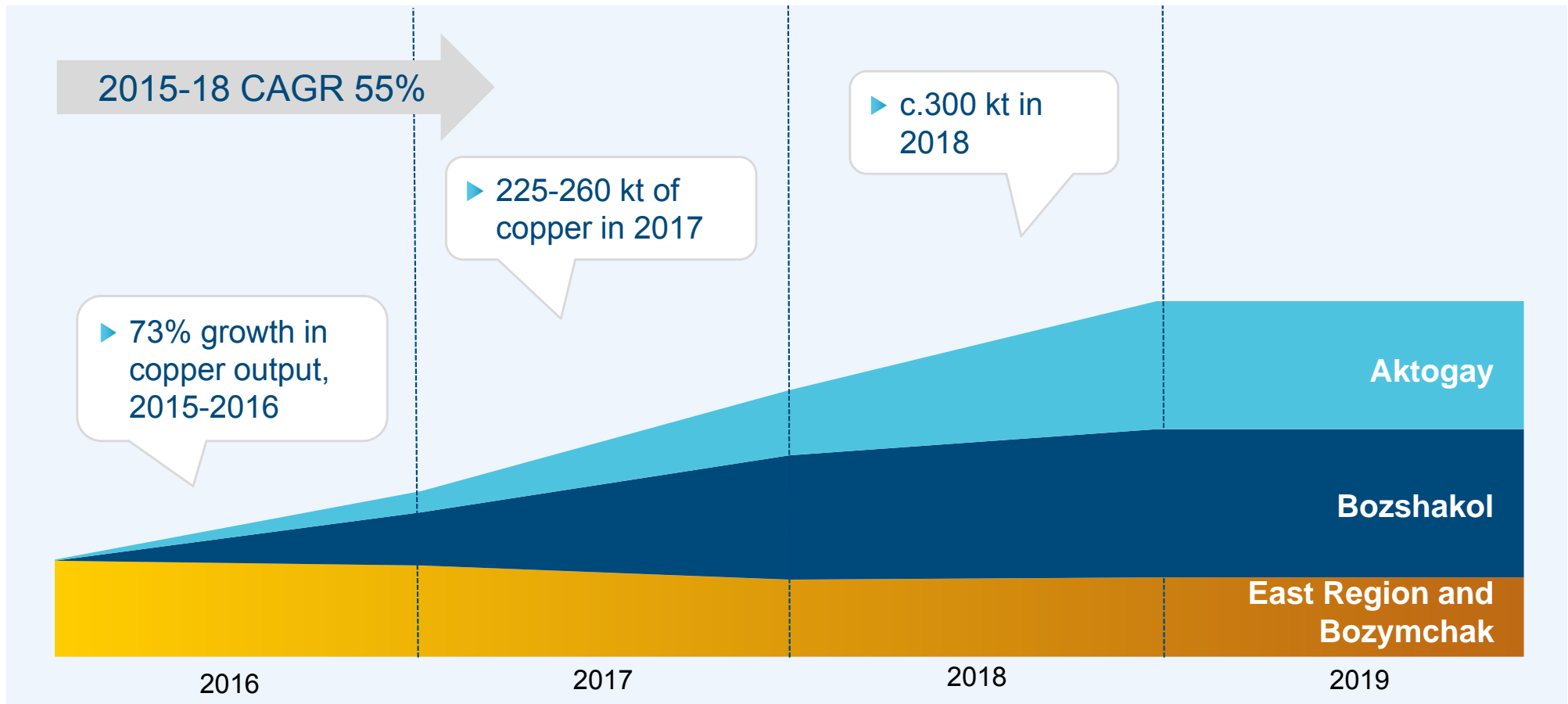
# DELIVERING AGAINST OUR TARGETS



Notes:

1. Includes finished goods produced and payable metal in concentrate sold.
2. Includes operations for the full year, including the period prior to commercial production.

# CONTINUED GROWTH AHEAD

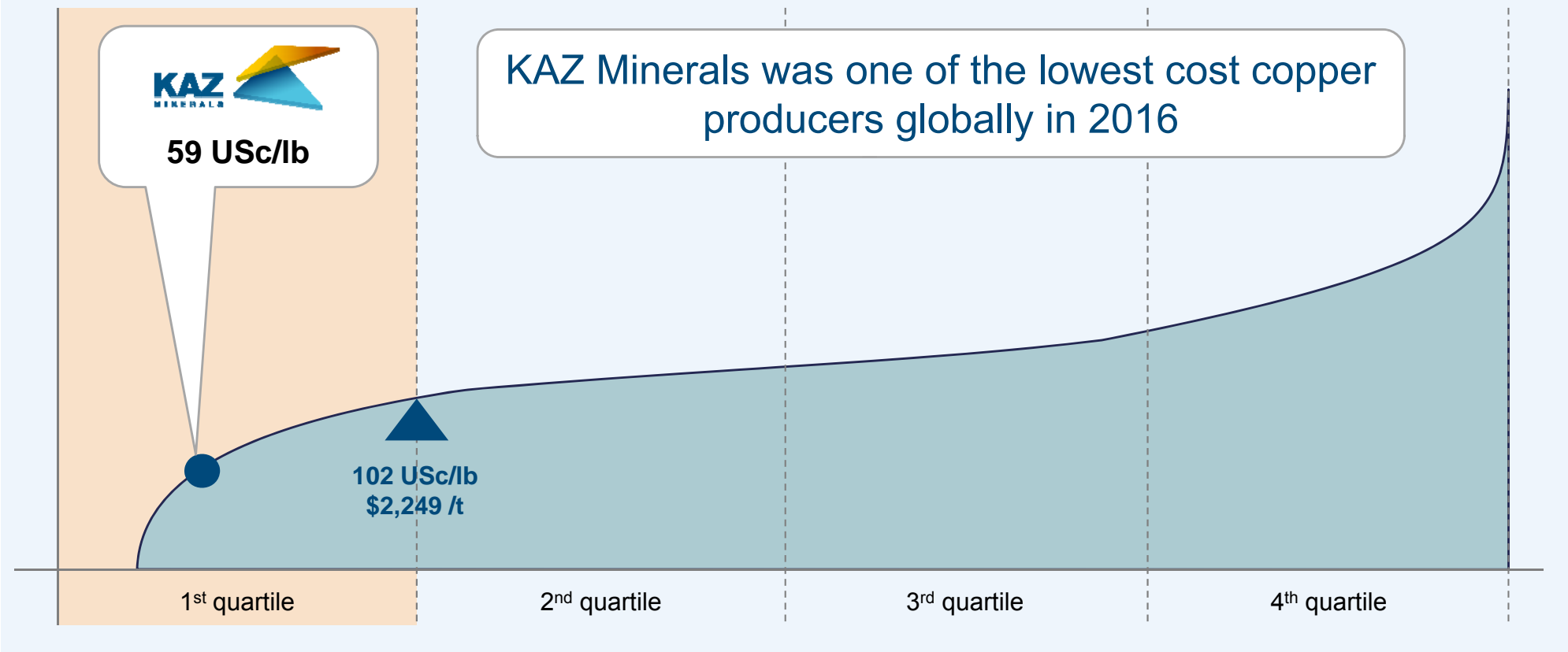




# LOW COST PRODUCER



Net Cash Cost Curve<sup>1</sup>



Notes:

1. Conceptual representation as at 31 December 2016, not to scale.

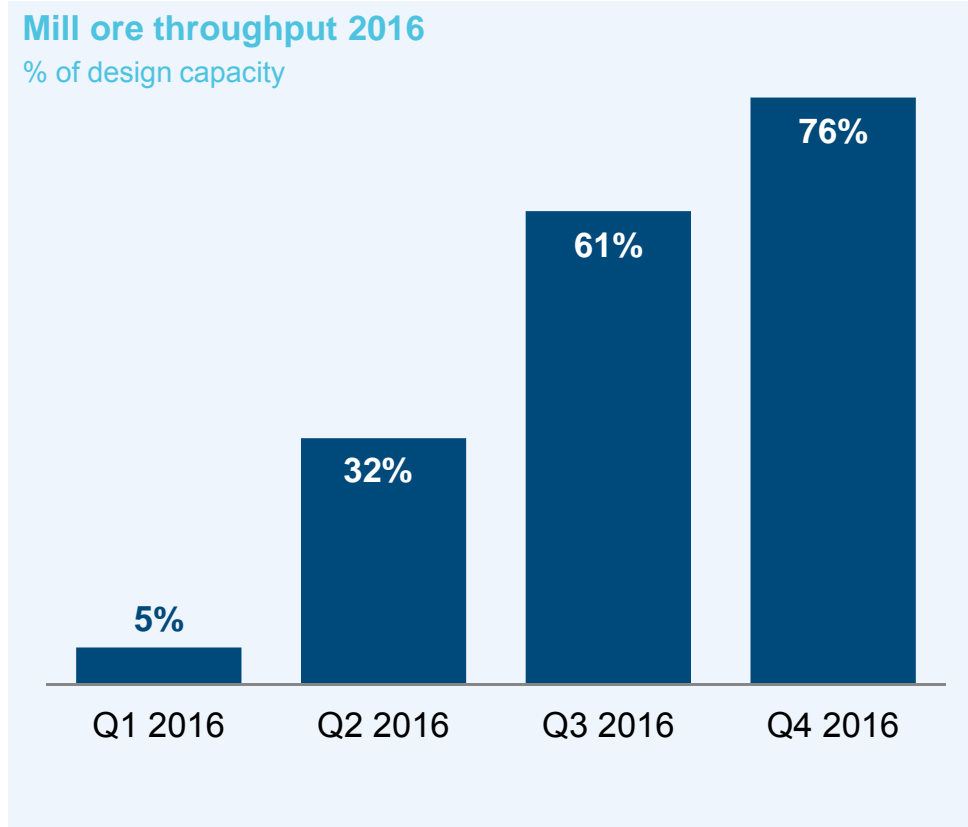


## **2. Operations review - Bozshakol**

# BOZSHAKOL SULPHIDE CONCENTRATOR RAMP UP



- ▶ First production in February 2016
  - 45 kt copper cathode equivalent and 60 koz gold bar equivalent produced in 2016
  - 286 koz of silver bar equivalent in 2016, payable grade achieved in ramp up
- ▶ Ramp up on track, throughput level above 75% in Q4 2016
  - Declared commercial on 27 October 2016



# BOZSHAKOL CLAY PLANT COMMISSIONING

- ▶ 5 Mt per year clay plant
- ▶ Produced 0.2 kt of copper in concentrate during initial testing in Q4 2016
- ▶ The first saleable material has been shipped to customers in 2017
- ▶ As at 31 December 2016, 21 Mt of clay ore with an average copper grade of 0.63% has been extracted and stockpiled



*Bozshakol clay plant*

# BOZSHAKOL 2017 GUIDANCE



- ▶ Bozshakol team focused on continuous operations and raising output to design capacity
- ▶ Flotation process will be optimised in 2017 to increase recoveries and output
- ▶ Full capacity is expected to be achieved in H2 2017
- ▶ Gold grade in 2016 averaged 0.30 g/t but is expected to reduce in 2017

<b>Copper<sup>1</sup></b>	<b>95 – 110 kt</b>
<b>Gold<sup>1</sup></b>	<b>85 – 110 koz</b>
<b>Silver<sup>1</sup></b>	<b>c.500 koz</b>

Notes:

1. Payable metal in concentrate and finished metal produced.



## **2. Operations review - Aktogay**

# AKTOGAY SULPHIDE CONCENTRATOR COMMISSIONING



- ▶ Commissioning started ahead of schedule in December 2016
- ▶ First saleable copper concentrate produced in February 2017
- ▶ Project budget was reduced by \$200 million in 2016, to \$2.1 billion
  - Release of contingency
  - Efficiency gains from Bozshakol construction process and local supplier strategy



*Aktogay sulphide concentrator*

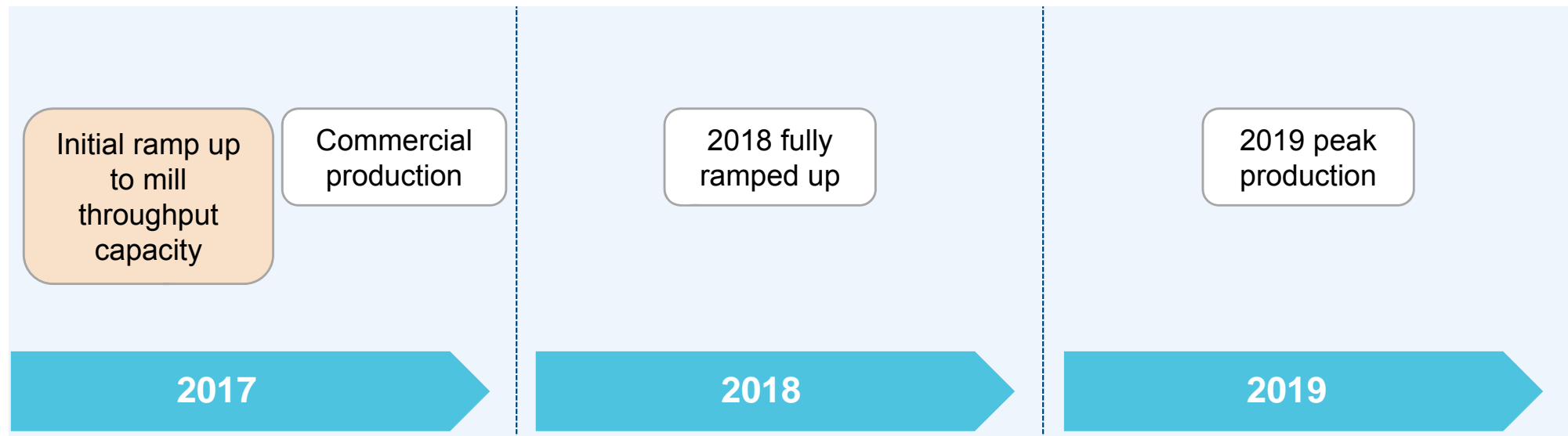
# AKTOGAY SULPHIDE CONCENTRATOR RAMP UP



- ▶ Commissioning is progressing well
- ▶ Ramp up to benefit from the experience gained at Bozshakol
- ▶ Expect to declare the project commercial in H2 2017

Copper 2017<sup>1</sup>

45 – 65 kt



Notes:

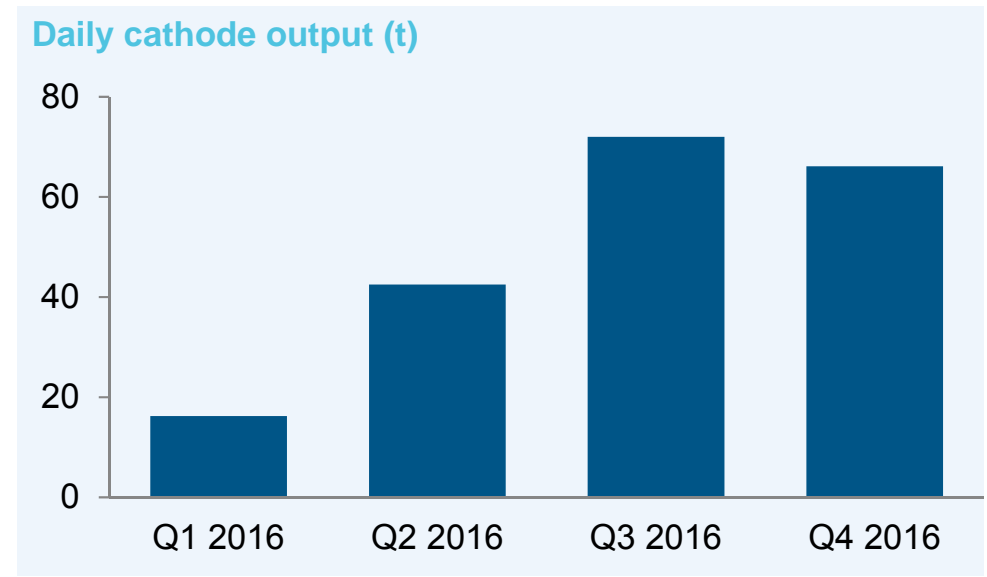
1. Payable metal in concentrate and finished metal produced.



# AKTOGAY OXIDE



- ▶ Commenced SX/EW production in December 2015, declared commercial in July 2016
- ▶ 18 kt of copper cathode produced in 2016, ahead of guidance of 15 kt
- ▶ Oxide facilities now fully ramped up and expected to deliver around 20 kt copper cathode in 2017
- ▶ In line with expectations, output will be lower in winter (November – February) due to reduced temperatures



Notes:  
1. Copper cathode production.



## **2. Operations review - East Region and Bozymchak**

# EAST REGION AND BOZYMCHAK



## 2016 highlights

- ▶ 2016 copper and by-product output in line with or ahead of guidance
- ▶ Orlovsky mine six-day week from H2 2016
- ▶ Artemyevsky II initial mine development works in 2016, majority of expenditure from 2019
- ▶ Yubileyno-Snegirikhinsky mine fully depleted, ceased operations in December 2016

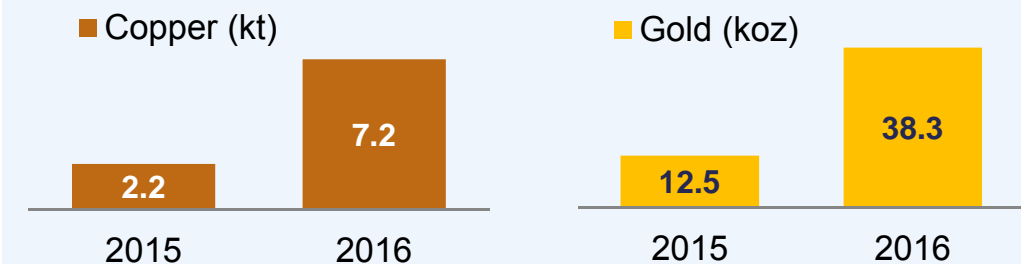
## Production guidance 2017

Copper <sup>1</sup>	c. 65 kt
Zinc in concentrate	70 – 75 kt
Gold <sup>1</sup>	50 – 60 koz
Silver <sup>1</sup>	2,250 – 2,500 koz

## Bozymchak fully ramped up

- ▶ Operated at design capacity throughout 2016
- ▶ Zero work-related fatalities since production commenced

## Bozymchak production



Notes:

1. Finished metal produced and payable metal in concentrate.

# 2017 GROUP PRODUCTION GUIDANCE SUMMARY



	East Region & Bozymchak	Bozshakol	Aktogay	Group
Copper <sup>1</sup>	c. 65 kt	95 – 110 kt	65 <sup>2</sup> – 85 <sup>2</sup> kt	225 – 260 kt
Zinc in concentrate	70 – 75 kt			70 – 75 kt
Gold <sup>1</sup>	50 – 60 koz	85 – 110 koz		135 – 170 koz
Silver <sup>1</sup>	2,250 – 2,500 koz	c. 500 koz		2,750 – 3,000 koz

Notes:

1. Payable metal in concentrate and finished metal produced.
2. Includes around 20 kt of cathode production from oxide ore.

## **3. Financial update**

**ANDREW SOUTHAM**

CHIEF FINANCIAL OFFICER

# FINANCIAL UPDATE



\$m (unless otherwise stated)	2016	2015
Gross Revenues <sup>1</sup>	969	677
Gross EBITDA <sup>1,2</sup>	492	208
<i>Margin</i>	51%	31%
Revenue	766	665
EBITDA <sup>2</sup>	351	202
Net cash cost (USc/lb) <sup>3</sup>	59	109
Free Cash Flow (before interest paid)	119	2
EPS <sup>4</sup> (\$)	0.40	(0.02)
Net Debt	(2,669)	(2,253)

- ▶ Production growth from major projects drives increased revenues, earnings and cash flow
- ▶ Gross EBITDA \$492 million
  - Includes pre-commercial EBITDA from Bozshakol (\$137 million) and Aktogay oxide (\$4 million)
- ▶ Free cash flow before interest paid of \$119 million, supported by cash flow from new projects
- ▶ Net debt \$2,669 million with \$1.1 billion of available liquidity

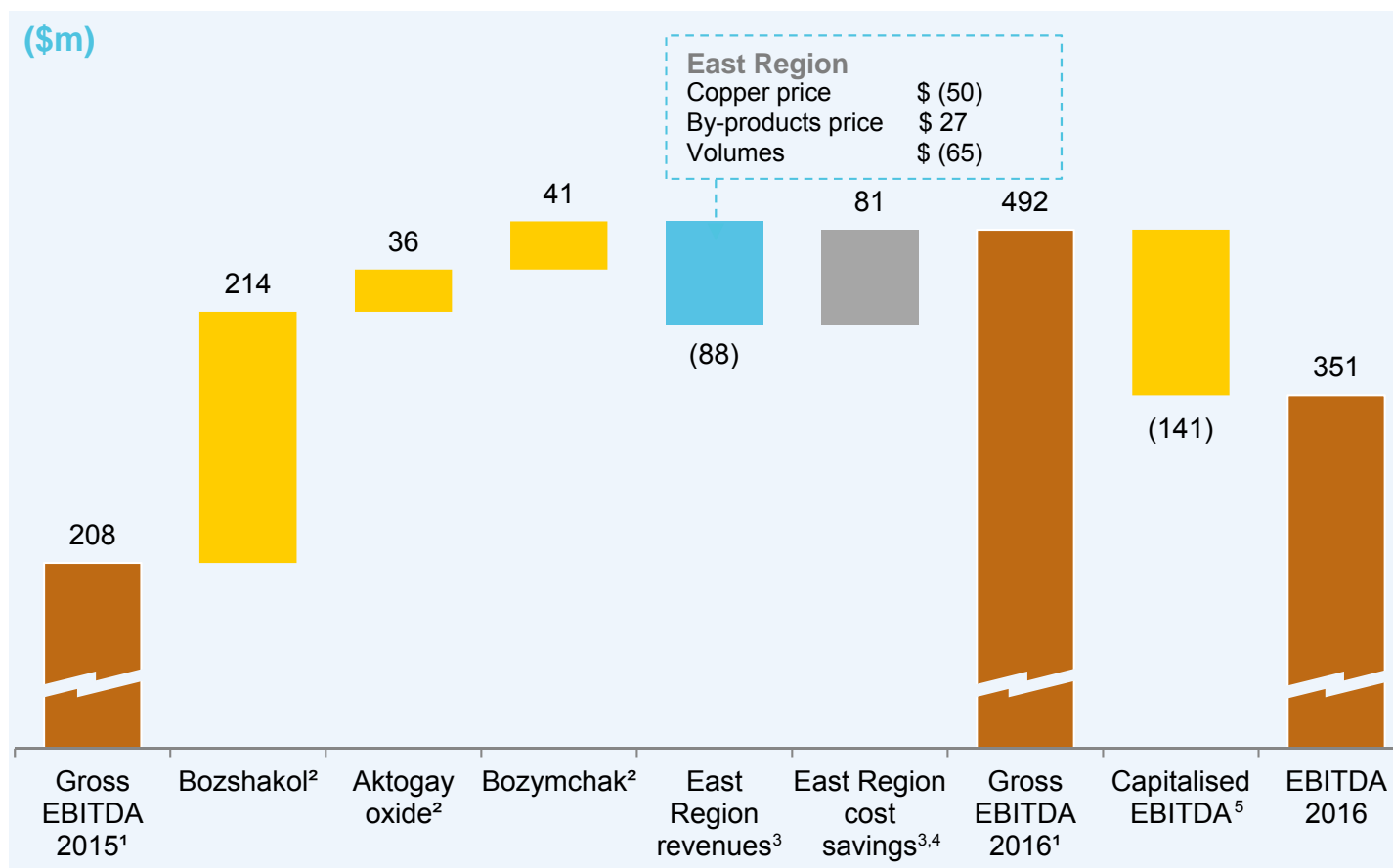
## Notes:

1. Includes all operations for the full year including periods prior to commercial production.
2. EBITDA (excluding MET, royalties and special items).
3. Cash operating costs, including pre-commercial production costs, excluding purchased cathode, less by-product Gross Revenues, divided by the volume of own copper cathode equivalent sales.
4. EPS based on Underlying Profit/(Loss) excluding special items.

# GROSS EBITDA RECONCILIATION



## Volume growth and strong cost performance delivering higher EBITDA

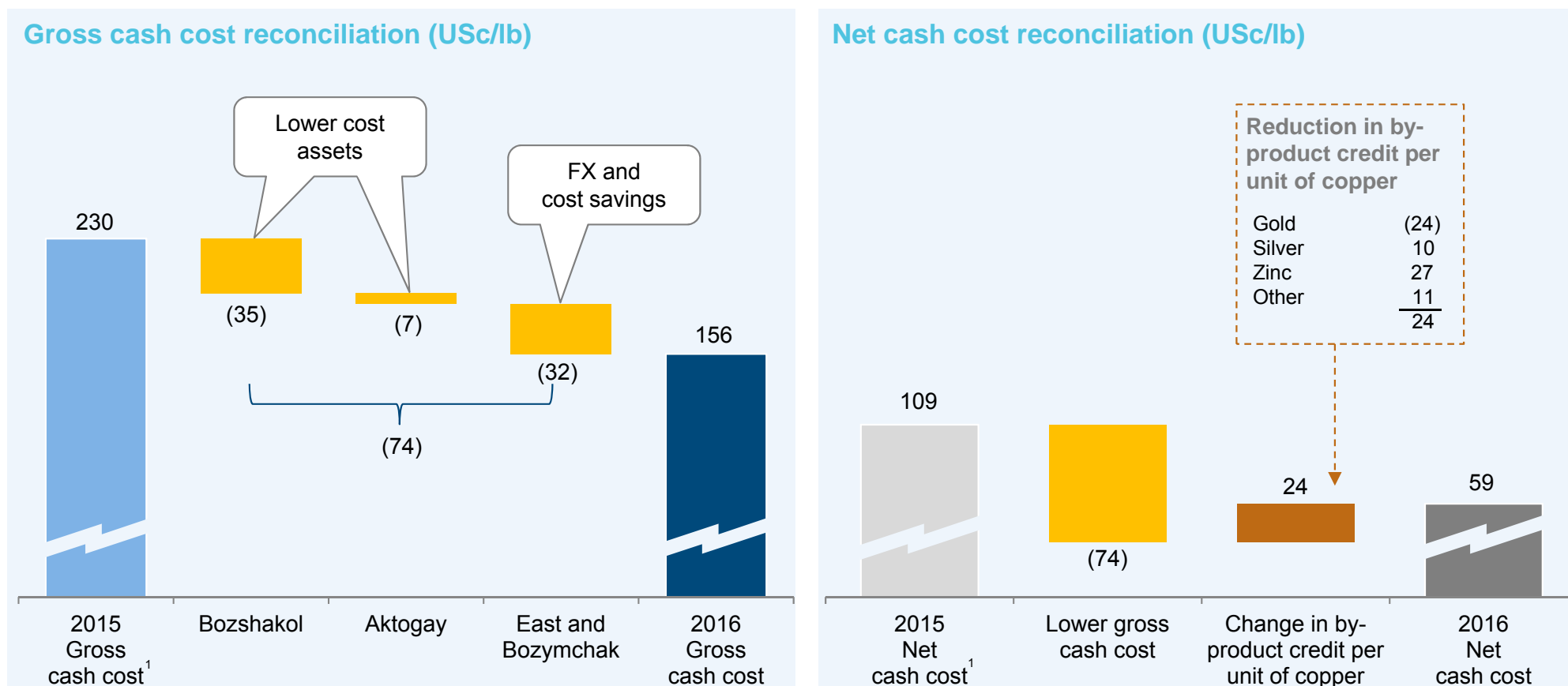


- ▶ 12% lower copper price
- ▶ 73% increase in copper production volumes
  - Contribution from major projects
  - Successful optimisation of Bozymchak
- ▶ East Region cost savings offset lower revenues
- ▶ Lower costs
  - Tenge devaluation
  - Supplier negotiations
  - Limited inflation in 2016

**Notes:**

1. Includes operations for the full year, including the period prior to commercial production.
2. Represents change in Gross EBITDA from 2015 to 2016.
3. Excludes \$28 million of revenues and costs relating to the purchase and sale of cathode (5 kt) in 2015 to compensate for variances in monthly cathode output.
4. Includes East Region (\$80 million) and Corporate services (\$1 million).
5. 2016 revenues and costs capitalised during pre-commercial production period at Bozshakol (\$137 million) and Aktogay (\$4 million).

# GROUP CASH COST RECONCILIATION



**Notes:**

1. 2015 gross and net cash costs are from the East Region and Bozymchak operations.



# BOZSHAKOL AND AKTOGAY COST GUIDANCE



## **Bozshakol**

*Sulphide and clay, 2017*

**125-145 USc/lb**

*Gross cash cost*

- ▶ 2016 costs benefited from:
  - Low maintenance costs – full maintenance schedule starts in 2017
  - Short haul journeys, soft ore and high grades
  - Benefit of KZT devaluation, with power costs constant in tenge terms 2015-16
- ▶ Costs expected to normalise in 2017
- ▶ Clay plant impact
- ▶ First quartile net cash costs

## **Aktogay**

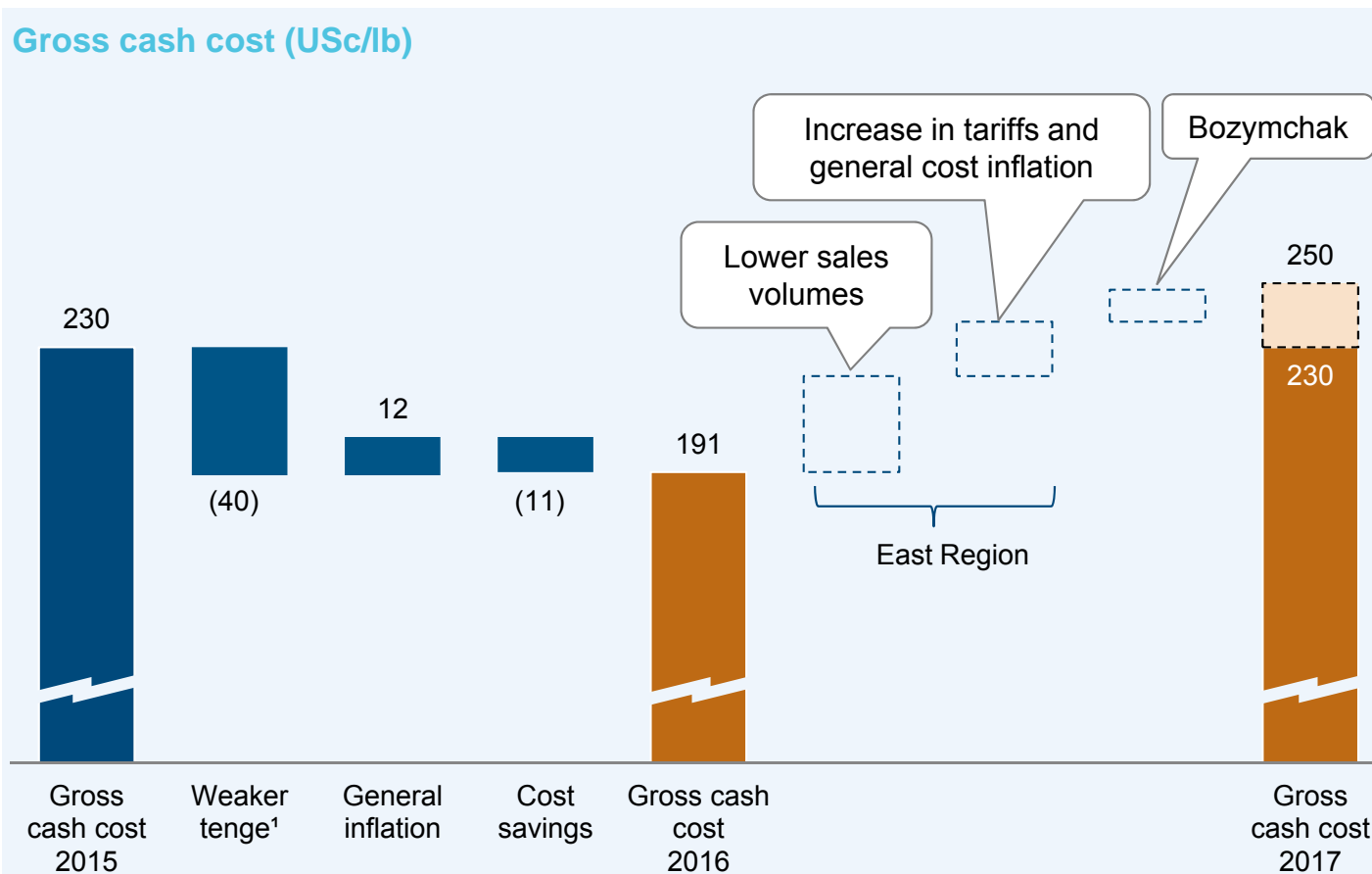
*Sulphide and oxide, 2017*

**125-145 USc/lb**

*Gross and net cash cost*

- ▶ 2016 cash cost of 114 USc/lb related to oxide operations only
- ▶ First year of sulphide production
- ▶ Third year of mining operations (mining commenced May 2015)
- ▶ No material molybdenum by-product credit expected in 2017
- ▶ Competitively positioned on the global cost curve

# EAST REGION AND BOZYMCHAK COST GUIDANCE



- ▶ Copper production expected to decrease by c.15%
  - Closure of Yubileyno-Snegirikhinsky
  - Orlovsky mine six day rota
- ▶ Full year impact of inflation to East Region operations and increased maintenance at Bozymchak
- ▶ By-product output to remain broadly stable 2016-17
  - East Region and Bozymchak expected to retain first quartile net cash cost position in 2017<sup>2</sup>

**Notes:**

1. The average exchange rate changed from 222 KZT/\$ during 2015 to 342 KZT/\$ during 2016.
2. Estimate including gross cash cost guidance and by-products revenues at current prices.

# FINANCING OUR GROWTH

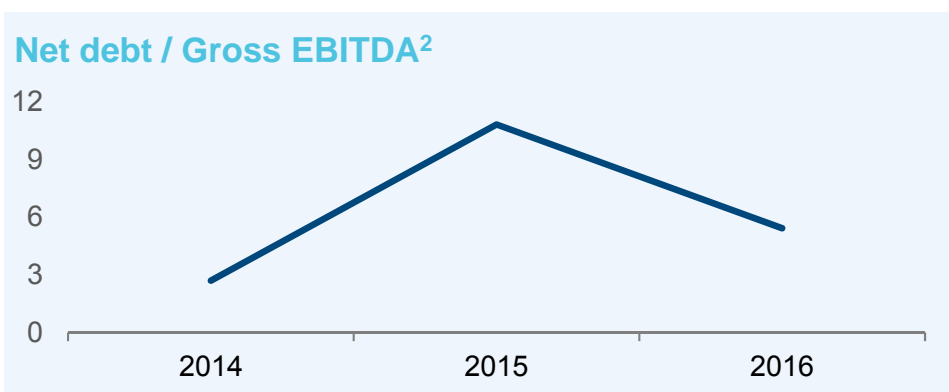
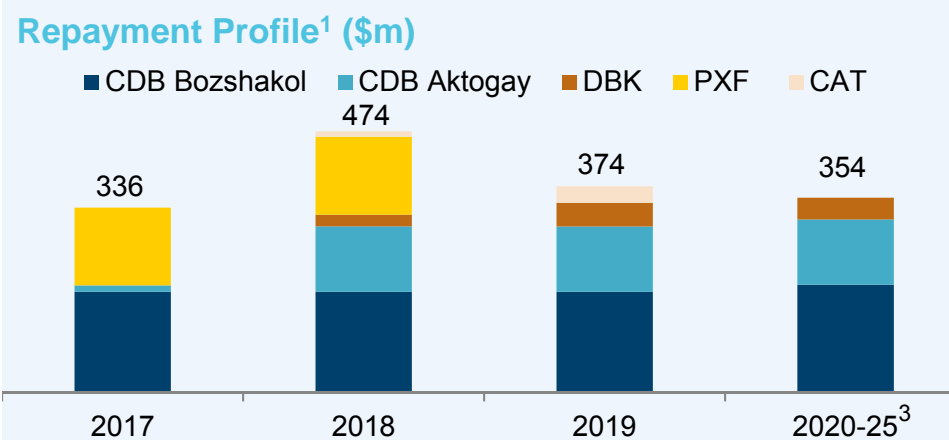


## Funding in 2016

- ▶ \$1.1 billion of available liquidity
- ▶ \$200 million reduction to Aktogay capex budget
- ▶ New \$300 million DBK facility, \$50 million increase to PXF facility
- ▶ Strong track record of raising finance and strong support from existing lending group

## Looking forward

- ▶ Gearing metrics set to improve further
- ▶ Refinance of PXF facility scheduled for H1 2017



**Notes:**

1. Based on drawn debt facilities at 31 December 2016.
2. EBITDA (excluding MET, royalties and special items). Includes all operations for the full year, including the period prior to commercial production.
3. Average debt repayments per annum.

# CAPITAL INVESTED IN MAJOR PROJECTS

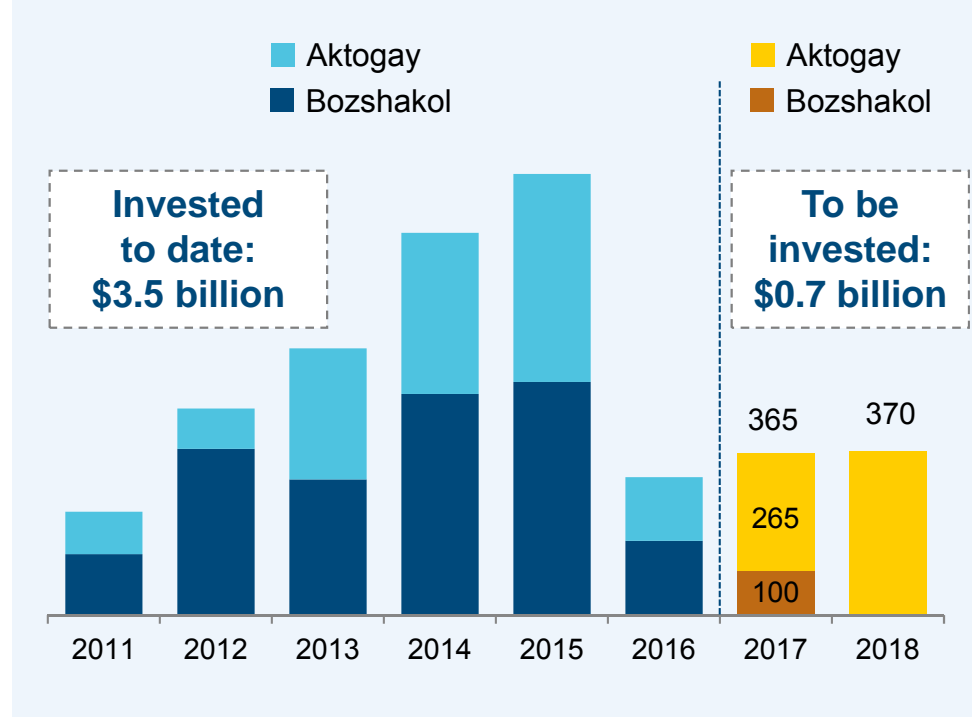


- ▶ Projects now complete and ramping up
- ▶ \$3.5 billion invested to date, \$0.7 billion remaining
- ▶ Final Bozshakol payments of \$100 million, mainly contractual retention payments

## Aktogay capex updates in 2016

- ▶ Project cost reduced by \$200 million to \$2.1 billion
- ▶ Final construction, first fill, mining fleet and rolling stock are expected in 2017
- ▶ Total payments of \$370 million in 2018:
  - \$300 million deferred agreement with NFC
  - \$70 million expansion of oxide ore heap leach cells

Major growth projects capex (\$m)



## 2017 FINANCIAL GUIDANCE



Gross cash cost	Sustaining capex	Expansionary capex								
<p>Bozshakol <b>125-145</b> USc/lb</p> <p>Aktogay <b>125-145</b> USc/lb</p> <p>East Region &amp; Bozymchak <b>230-250</b> USc/lb</p>	<p>Bozshakol <b>\$30</b> million</p> <p>Aktogay <b>\$20</b> million</p> <p>East Region &amp; Bozymchak <b>\$70</b> million</p>	<p>Group <b>\$415</b> million</p>								
	<p>▶ East Region includes optimisation projects of \$15 million deferred from 2016</p>	<table> <tr> <td><b>Bozshakol</b></td> <td>\$100 million</td> </tr> <tr> <td><b>Aktogay</b></td> <td>\$265 million</td> </tr> <tr> <td><b>Artemyevsky II</b></td> <td>\$30 million</td> </tr> <tr> <td><b>Other</b></td> <td>\$20 million</td> </tr> </table>	<b>Bozshakol</b>	\$100 million	<b>Aktogay</b>	\$265 million	<b>Artemyevsky II</b>	\$30 million	<b>Other</b>	\$20 million
<b>Bozshakol</b>	\$100 million									
<b>Aktogay</b>	\$265 million									
<b>Artemyevsky II</b>	\$30 million									
<b>Other</b>	\$20 million									

## 4. Achieving our potential

OLEG NOVACHUK

CHIEF EXECUTIVE OFFICER

# FROM PROMISE TO PERFORMANCE

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**“We are no longer talking about promises for the future – we are delivering today”**

- ▶ Both major growth projects completed and in production
- ▶ One of the lowest cost copper producers globally in 2016
- ▶ High growth to continue in 2017 and 2018 as projects ramp up



# APPENDIX



# SUMMARY INCOME STATEMENT



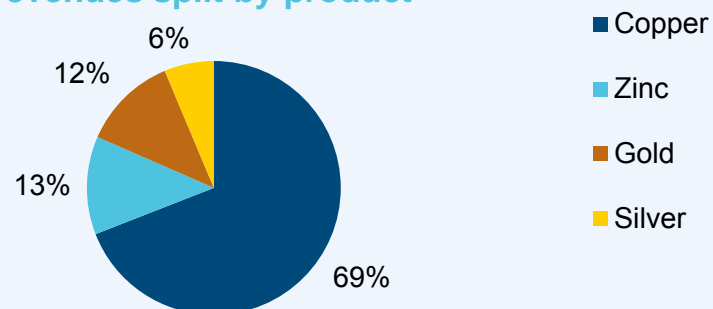
## Key Line Items

\$m (unless otherwise stated)	2016	2015
<b>Revenues<sup>1</sup></b>	<b>766</b>	<b>665</b>
Cost of sales	(413)	(429)
Gross profit	353	236
<b>Operating profit</b>	<b>218</b>	<b>90</b>
Net finance income/(costs)	2	(78)
<b>Profit before taxation</b>	<b>220</b>	<b>12</b>
Income tax expense	(43)	(24)
<b>Profit/(loss) for the year</b>	<b>177</b>	<b>(12)</b>
<b>EPS based on Underlying Profit/(Loss) (\$)</b>	<b>0.40</b>	<b>(0.02)</b>

## Reconciliation of Underlying Profit/(Loss)

\$m	2016	2015
<b>Net profit/(loss) attributable to equity shareholders of the Company</b>	<b>177</b>	<b>(12)</b>
Impairment charges	3	12
Loss on disposal of assets	-	2
NFC deferral benefit	-	(16)
Taxation effect of special items	-	4
<b>Total Underlying Profit/(Loss)</b>	<b>180</b>	<b>(10)</b>

## 2016 revenues split by product<sup>1</sup>



### Notes:

1. Excludes pre-commercial production revenues: 2016 \$203 million (Bozshakol \$187 million, Aktogay oxide \$16 million), 2015 \$12 million (Bozymchak).

# REVENUES AND SALES VOLUMES (COMMERCIAL PRODUCTION ONLY)



## Revenues<sup>1</sup>

\$m	2016	2015
Copper cathode <sup>2</sup>	441	459
Copper in concentrate	85	-
Zinc in concentrate	95	102
Gold bar	69	35
Gold in concentrate	23	-
Silver bar	46	46
Silver in concentrate	1	-
Other	6	23
<b>Total revenues</b>	<b>766</b>	<b>665</b>

## Average realised prices

	2016	2015
Copper cathode (\$/t)	4,904	5,515
Copper in concentrate (\$/t) <sup>3</sup>	5,210	-
Zinc in concentrate (\$/t)	1,271	1,061
Gold bar (\$/oz)	1,249	1,185
Gold in concentrate (\$/oz) <sup>3</sup>	1,068	-
Silver bar (\$/oz)	17.2	15.5
Silver in concentrate (\$/oz) <sup>3</sup>	14.3	-

## Sales Volumes<sup>1</sup>

kt (unless otherwise stated)	2016	2015
Copper cathode <sup>2</sup>	90	83
Copper in concentrate <sup>3</sup>	16	-
Zinc in concentrate	75	96
Gold bar (koz)	55	29
Gold in concentrate (koz) <sup>3</sup>	22	-
Silver bar (koz)	2,679	3,015
Silver in concentrate (koz) <sup>3</sup>	158	-

## LME and LBMA Prices

	2016	2015
Copper (\$/t)	4,860	5,495
Zinc (\$/t)	2,095	1,928
Gold (\$/oz)	1,251	1,160
Silver (\$/oz)	17.1	15.7

### Notes:

1. Excludes pre-commercial activities, therefore excludes Bozshakol sulphide prior to 27 October 2016, Aktogay oxide prior to 1 July 2016 and Bozymchak prior to 1 July 2015.
2. 2015 includes \$28 million of revenue from the sale of 5 kt of externally purchased cathode to compensate for variances in monthly cathode output.
3. Payable metal in concentrate sold during the period of commercial production after the deduction of processing charges. In respect of the Bozshakol material sold, a provisional pricing credit for copper was recognised due to an increase in the price from the forward copper price at 27 October 2016 and provisional pricing debits for gold and silver were recognised due to decreases in prices from the forward gold and silver prices at 27 October 2016.

# GROSS REVENUES AND SALES VOLUMES



## Revenues<sup>1</sup>

\$m	2016	2015
Copper cathode <sup>2</sup>	457	465
Copper in concentrate	212	-
Zinc in concentrate	95	102
Gold bar	69	41
Gold in concentrate	79	-
Silver bar	46	46
Silver in concentrate	5	-
Other <sup>3</sup>	6	23
<b>Total revenues</b>	<b>969</b>	<b>677</b>

## Average realised prices

	2016	2015
Copper cathode (\$/t)	4,898	5,523
Copper in concentrate (\$/t)	4,483	-
Zinc in concentrate (\$/t)	1,271	1,061
Gold bar (\$/oz)	1,249	1,186
Gold in concentrate (\$/oz) <sup>3</sup>	1,222	-
Silver bar (\$/oz)	17.2	15.5
Silver in concentrate (\$/oz) <sup>3</sup>	17.2	-

## Sales Volumes<sup>1</sup>

kt (unless otherwise stated)	2016	2015
Copper cathode <sup>2</sup>	93	84
Copper in concentrate <sup>3</sup>	48	-
Zinc in concentrate	75	96
Gold bar (koz)	55	35
Gold in concentrate (koz) <sup>3</sup>	65	-
Silver bar (koz)	2,679	3,048
Silver in concentrate (koz) <sup>3</sup>	347	-

## LME and LBMA Prices

	2016	2015
Copper (\$/t)	4,860	5,495
Zinc (\$/t)	2,095	1,928
Gold (\$/oz)	1,251	1,160
Silver (\$/oz)	17.1	15.7

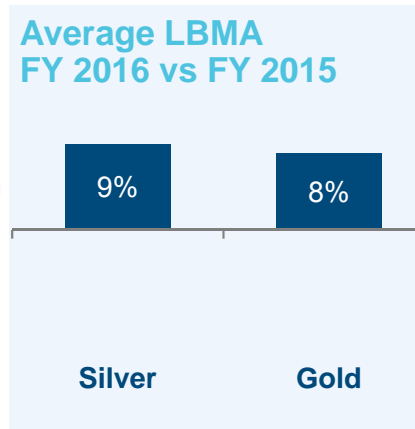
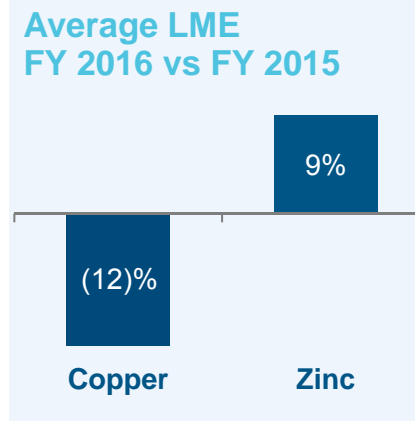
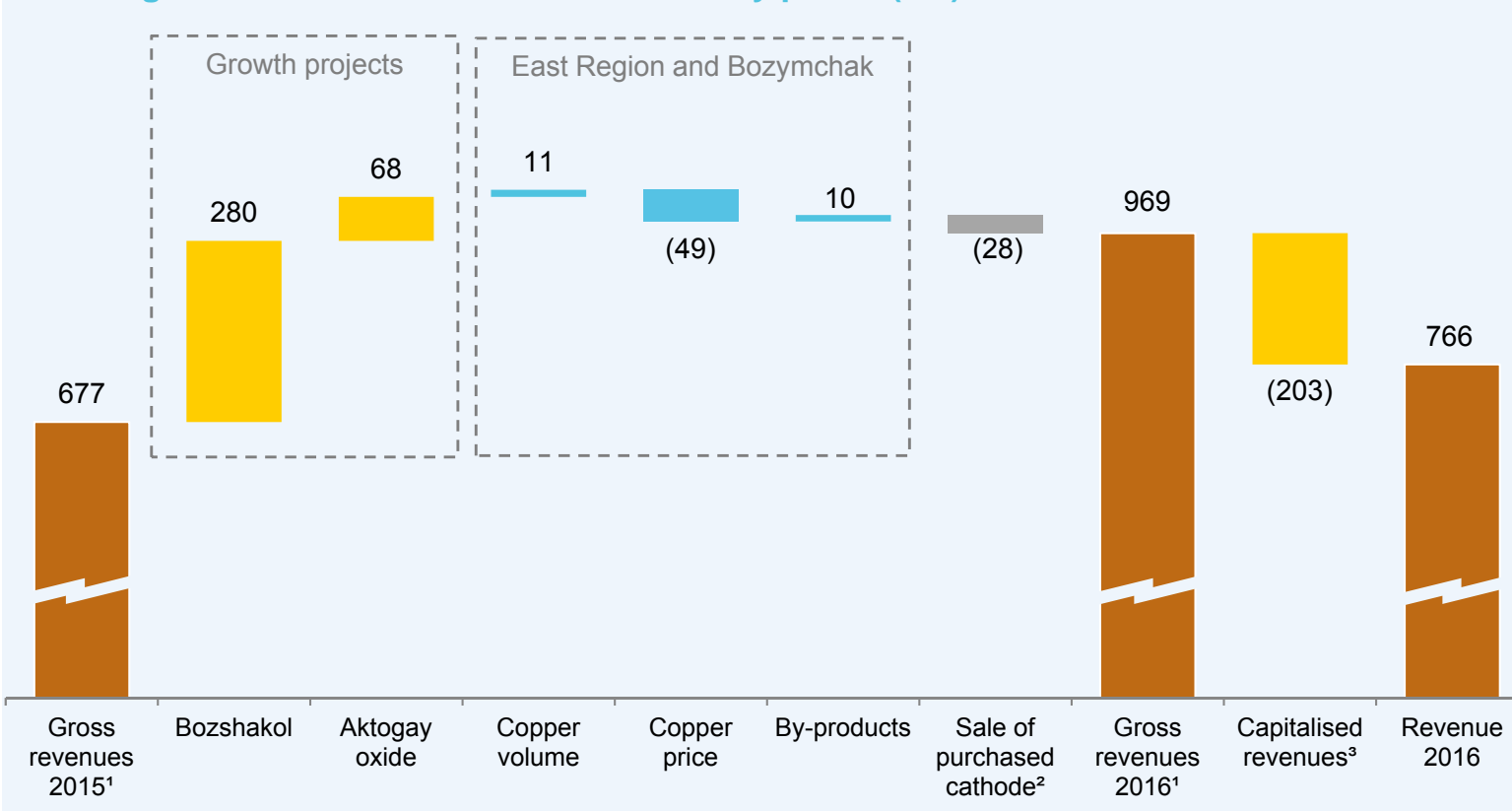
### Notes:

1. Includes pre-commercial activities, therefore includes Bozshakol and Aktogay for the full year 2016 and Bozymchak for the full year 2015.
2. 2015 includes \$28 million of revenue from the sale of 5 kt of externally purchased cathode to compensate for variances in monthly cathode output.
3. Payable metal in concentrate.

# REVENUE RECONCILIATION



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



**Notes:**

1. Includes pre-commercial production revenues: 2016 \$203 million (Bozshakol \$187 million, Aktogay oxide \$16 million), 2015 \$12 million Bozshakol.
2. 2015 revenues include \$28 million of cathode (5 kt) that was purchased and sold to compensate for variances in monthly cathode output.
3. Revenues relating to pre-commercial production activities at Bozshakol (\$187 million) and Aktogay (\$16 million) are capitalised and therefore excluded from revenues.

# CASH FLOW



(\$m)	2016	2015
<b>EBITDA<sup>1</sup></b>	<b>351</b>	<b>202</b>
Working capital movements <sup>2</sup>	(73)	(37)
Interest paid	(179)	(147)
MET and royalties paid <sup>2</sup>	(73)	(54)
Income tax paid	(39)	(40)
Foreign exchange and other movements	4	(1)
<b>Net cash flows from operating activities before other expenditure associated with major growth projects</b>	<b>(9)</b>	<b>(77)</b>
Sustaining capital expenditure	(51)	(68)
<b>Free Cash Flow</b>	<b>(60)</b>	<b>(145)</b>
Expansionary and new project capital expenditure <sup>3</sup>	(273)	(1,012)
Acquisition of mining license	-	(46)
Non-current VAT associated with major growth projects	(89)	(105)
Interest received	9	7
Proceeds from disposal of property, plant and equipment	1	7
Other	(3)	(2)
<b>Cash flow movement in net debt</b>	<b>(415)</b>	<b>(1,296)</b>

Notes:

1. EBITDA (excluding MET, royalties and special items).
2. Excludes working capital and MET movements arising from pre-commercial production activities at the Bozshakol and Aktogay operations in 2016 and Bozymchak in 2015.
3. Capital expenditure includes the capitalisation or revenues, costs and working capital outflows during the period of pre-commercial production.

# SUMMARY BALANCE SHEET



## Assets

\$m	2016	2015
Non-current assets	3,536	2,715
Gross liquid funds	1,108	1,251
Other current assets	413	192
<b>Total</b>	<b>5,057</b>	<b>4,158</b>

## Non-current assets

\$m	2016	2015
Intangible assets	8	7
Tangible assets	3,092	2,393
Other non-current assets	364	256
Deferred tax asset	72	59
<b>Total</b>	<b>3,536</b>	<b>2,715</b>

## Equity & liabilities

\$m	2016	2015
Equity	536	322
Borrowings	3,777	3,504
Other liabilities	744	332
<b>Total</b>	<b>5,057</b>	<b>4,158</b>

## Net debt

\$m	2016	2015
Gross liquid funds	1,108	1,251
Borrowings	(3,777)	(3,504)
<i>Short-term</i>	(331)	(303)
<i>Long-term</i>	(3,446)	(3,201)
<b>Total</b>	<b>(2,669)</b>	<b>(2,253)</b>

# FINANCE FACILITIES



Facility	Maturity and interest rate	Balance as at 31 December 2016 <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>\$1,703 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 payments due from March 2018; semi-annual interest payments</li> <li>▶ RMB facility - quarterly interest payments</li> </ul>	<b>\$1,456 million</b> <ul style="list-style-type: none"> <li>▶ Balance sheet covenant</li> </ul>
<b>DBK Aktogay</b>	<b>Final maturity 2025</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 4.5%</li> <li>▶ Semi-annual principal payments due from June 2018</li> <li>▶ Semi-annual interest payments (USD)</li> </ul>	<b>\$297 million</b> <ul style="list-style-type: none"> <li>▶ Balance sheet covenant</li> </ul>
<b>PXF</b>	<b>Final maturity 2018</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> <li>- currently at \$ LIBOR +4.5%</li> </ul> </li> <li>▶ Monthly interest payments</li> <li>▶ Monthly principal repayments from Jan 2016 to Dec 2018</li> </ul>	<b>\$281 million</b> <ul style="list-style-type: none"> <li>▶ \$50 million increased commitment from ING Bank N.V.</li> <li>▶ A waiver of the 31 Dec 2016 net debt/EBITDA covenant has been approved</li> <li>▶ The covenant is next due to be tested as at 30 Jun 17</li> </ul>
<b>Caterpillar RCF</b>	<b>Final maturity 2019</b> <ul style="list-style-type: none"> <li>▶ \$ LIBOR + 4.25%</li> <li>▶ Flexible interest periods, 1, 2 or 3 months</li> <li>▶ Quarterly repayments from Nov 2018 to Aug 2019</li> </ul>	<b>\$40 million</b> <ul style="list-style-type: none"> <li>▶ Financial covenants identical to PXF facility</li> <li>▶ A waiver of the 31 Dec 2016 Net debt/EBITDA covenant has been approved</li> <li>▶ Revolving facility</li> </ul>

Notes:

1. Net of amortised arrangement fees.

# GROUP CASH COST RECONCILIATION<sup>1</sup>



\$m (unless otherwise stated)	2016	2015	H2 2016	H1 2016	H2 2015	H1 2015
Copper cathode equivalent sales volumes (kt) <sup>2</sup>	141	79	87	54	43	36
Revenues	766	665	464	302	324	341
EBITDA <sup>3</sup>	(375)	(240)	(248)	(127)	(131)	(109)
Pre commercial production <sup>4</sup>	62	6	33	29	-	6
Cost of purchased copper cathode	-	(28)	-	-	(6)	(22)
TC/RCs and other adjustments	31	-	29	2	2	(2)
<b>Gross cash cost</b>	<b>484</b>	<b>403</b>	<b>278</b>	<b>206</b>	<b>189</b>	<b>214</b>
<b>Gross cash cost (USc/lb)</b>	<b>156</b>	<b>230</b>	<b>146</b>	<b>173</b>	<b>197</b>	<b>270</b>
By-product credits	(300)	(212)	(187)	(113)	(94)	(118)
Net cash costs	184	191	91	93	95	96
<b>Net cash cost (USc/lb)</b>	<b>59</b>	<b>109</b>	<b>48</b>	<b>78</b>	<b>99</b>	<b>121</b>

## Notes:

1. 2016 includes Bozshakol, Aktogay, East Region and Bozymchak. 2015 includes East Region and Bozymchak only.
2. Includes sales for the full year, including the period prior to commercial production. 2015 excludes sales of 5 kt of externally purchased material.
3. EBITDA (excludes MET and special items).
4. Cash operating costs capitalised during the periods prior to commercial production.



# MINERAL RESOURCES



	Orlovsky		Irtyshtsky		Artemyevsky		Bozymchak		Bozshakol		Aktogay	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Ore output (kt)</b>	1,260	1,417	632	655	1,309	1,289	935	449	28,272	7,099	16,086	3,003
<b>Copper grade (%)</b>	3.67	3.69	1.54	1.67	1.48	1.62	0.86	0.97	0.58	0.69	0.41	0.37
<b>Gold grade (g/t)</b>	1.02	1.18	0.29	0.28	0.37	0.38	1.46	1.77	0.30	0.31	-	-
<b>Silver grade (g/t)</b>	58.0	64.4	53.6	62.2	38.9	35.1	9.5	10.0	1.5	2.1	-	-
<b>Zinc (%)</b>	4.38	4.52	3.12	3.13	2.10	2.96	-	-	-	-	-	-
<b>Mineral resources<sup>1</sup> (kt)</b>	14,404		5,283		17,501 <sup>2</sup>		16,443		923,622		1,701,236	
<b>Type of mine</b>	Underground		Underground		Underground		Open pit / underground		Open pit		Open pit	
<b>Concentrator</b>	On-site		Belousovsky		Nikolayevsky		On-site		On-site		On-site	
<b>Description</b>	Orlovsky is the largest operating mine in East Region by copper metal in ore extracted. Will operate a six-day week in 2017, due to maintenance works		Irtyshtsky has been operating since 2001		Mine with polymetallic ore, operating since 2005		Bozymchak is located in Kyrgyzstan		Bozshakol is located in the Pavlodar region. Large scale, with life of mine of more than 40 years		Aktogay is located in the East Region. Similar to Bozshakol, with life of mine of more than 50 years	

**Notes:**

1. Measured and indicated as at 31 December 2016.
2. Includes Artemyevsky II expansion.

# BOZSHAKOL PROJECT SUMMARY



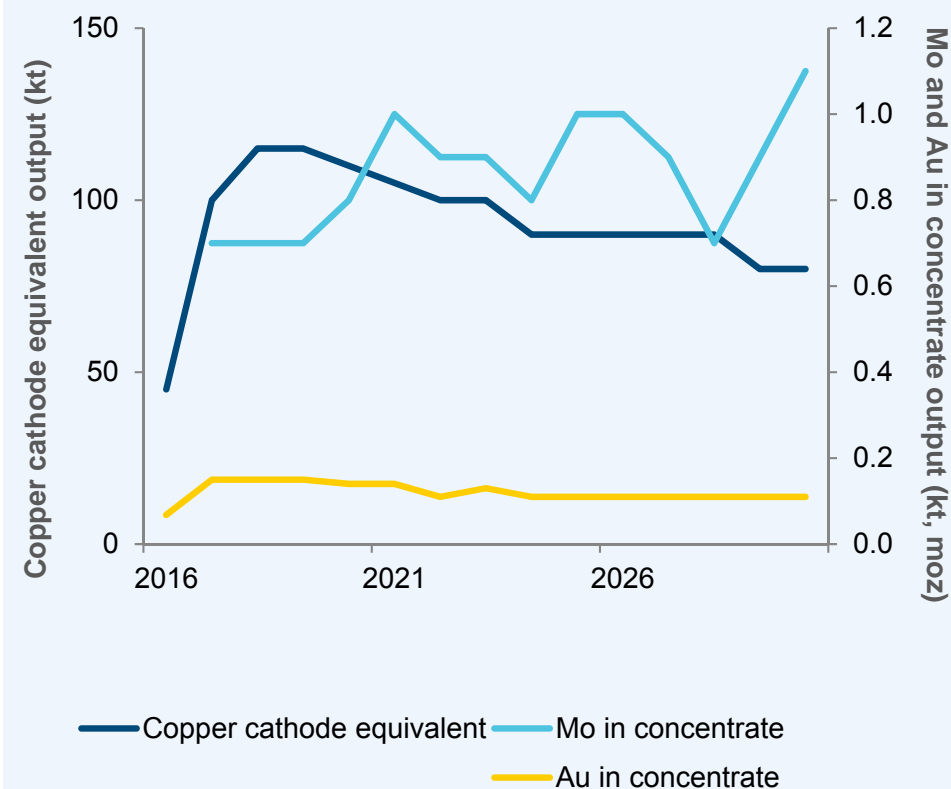
## Key Statistics

- ▶ Large scale open pit processing 30 Mt ore annually
- ▶ 4.4 Mt of contained copper at a grade of 0.36%
- ▶ By-products include gold and molybdenum
- ▶ Production life of 40 years, first 10 years annual average production:
  - 100 kt of copper cathode equivalent
  - 120 koz of gold in concentrate
- ▶ 1,500 employees at full operation
- ▶ Project development cost \$2,150 million

## Mineral Resource<sup>1</sup>

	Tonnage (Mt)	Cu grade (%)	Au grade g/t	Mo grade <sup>2</sup> (%)
Sulphide	1,128	0.35	0.1	0.005
Clay	79	0.46	0.5	-

## Production Schedule - Key Metals



### Notes:

1. Includes measured, indicated and inferred material as at 31 December 2016.
2. Molybdenum production will depend on progress in stabilising copper recoveries and the market price of molybdenum.

# AKTOGAY PROJECT SUMMARY



## Key Statistics

- ▶ Large scale open pit processing 25 Mt ore annually
- ▶ 5.8 Mt of contained copper and 115 kt of molybdenum
- ▶ Production life of over 50 years:
  - Average output of 15 kt of copper cathode equivalent p.a. from oxide ore (11 years)
  - Average output of 90 kt of copper cathode equivalent p.a. from sulphide ore in first 10 years
- ▶ 1,500 employees at full operation
- ▶ Estimated project development cost \$2,100 million

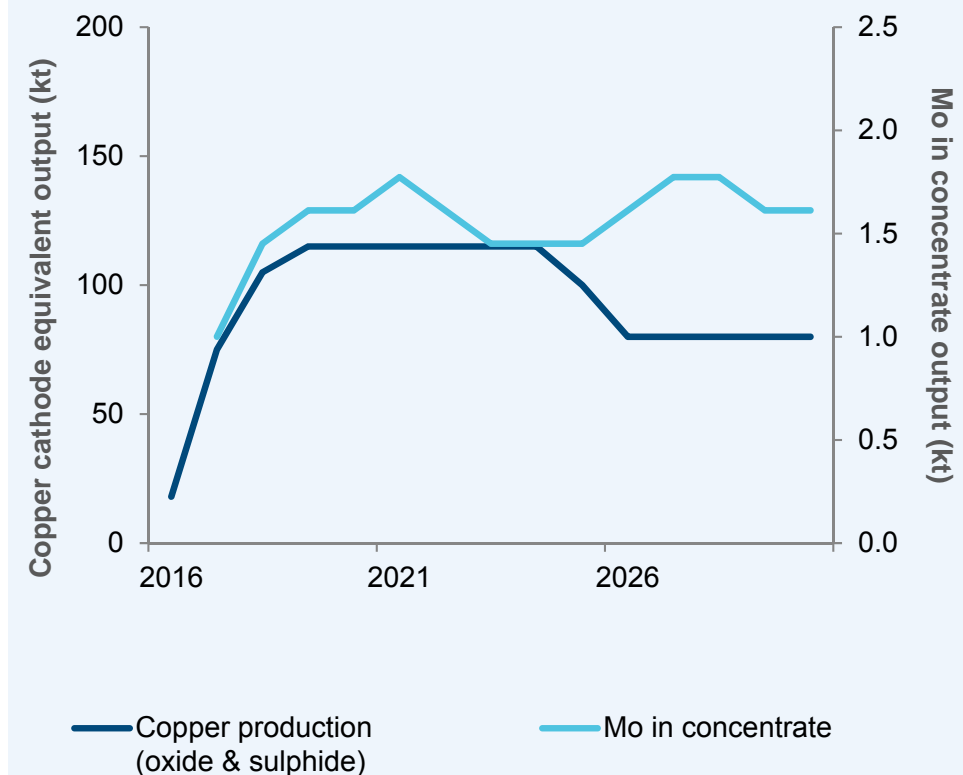
## Mineral Resource<sup>1</sup>

	Tonnage (Mt)	Cu grade (%)	Mo grade (%)
Sulphide	1,597	0.34	0.007
Oxide	104	0.36	-

Notes:

1. Includes measured and indicated resources as at 31 December 2016.

## Production Schedule - Key Metals





6th Floor, Cardinal Place  
100 Victoria Place  
London  
SW1E 5JL  
UK

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