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## **KOKSAY PROJECT INVESTMENT BY NFC**

KAZ Minerals PLC ("KAZ Minerals" or the "Group") announces an agreement to invest \$70 million into the Group's Koksay project by China Nonferrous Metal Industry's Foreign Engineering and Construction Company Ltd ("Non Ferrous China" or "NFC"). Following the \$70 million investment, which is subject to certain conditions precedent including regulatory approvals in Kazakhstan and China, NFC will hold a 19.4% stake in the Koksay project.

Koksay is a potential open pit copper mine development project in Kazakhstan, located around 230 kilometres from Almaty. The deposit has a mineral resource<sup>1</sup> of 736 Mt at an average copper grade of 0.42%, with contained copper of 3.1 Mt.

The \$70 million to be invested into the project entity by NFC will be ring-fenced for the development of Koksay, including a feasibility study which will determine the detailed design for mining and processing operations and the associated capital budget. The Board will review the results of the feasibility study to assess how and when to proceed with the project.

Oleg Novachuk, Chair, said: "We are pleased to welcome NFC as a partner in the Koksay project. We worked successfully with NFC in the construction of Bozshakol and Aktogay and we are looking forward to developing our relationship further as we assess this opportunity in Kazakhstan."

<sup>1</sup> Measured, indicated and inferred resources at 31 December 2017.

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### **NOTES TO EDITORS**

**KAZ Minerals PLC** is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan. 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 2017, total copper production was 259 kt with by-products of 58 kt of zinc in concentrate, 179 koz of gold and 3,506 koz of silver.

The Group's new operations at Bozshakol and Aktogay have delivered one of the highest growth rates in the industry 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 39 years at an average copper grade of 0.35%. The mine and processing facilities 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 28 years 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 90 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 2025.

KAZ Minerals is listed on the London Stock Exchange, the Kazakhstan Stock Exchange and the Hong Kong Stock Exchange and employs around 13,000 people, principally in Kazakhstan.

**China Nonferrous Metal Industry's Foreign Engineering and Construction Company Ltd ("Non Ferrous China" or "NFC")** is a state-controlled listed company on the Shenzhen Stock Exchange involved in international project contracting and nonferrous metal resource development. NFC was the first Chinese company to invest in nonferrous metal mining assets outside China, with business operations in more than 20 countries including a number of nonferrous metal mines both inside and outside China.

This announcement contains inside information.