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## **AKTOGAY PROJECT UPDATE**

KAZ Minerals PLC (“KAZ Minerals” or “the Group”) announces that the testing and commissioning of the main Aktogay sulphide concentrator has commenced today. Production of saleable copper concentrate from sulphide ore is expected by the end of the first quarter of 2017. Production guidance for Aktogay in 2017 will be announced with the Group’s full year results on 23 February 2017.

The Aktogay project budget has been reviewed and reduced by \$100 million to \$2,100 million. The saving has been achieved through faster than anticipated progress in construction of the concentrator, a partial release of contingency and from the continued benefit of a local supplier strategy and sustained weak tenge.

The timing of the remaining capital payments has been updated, with certain payments previously expected in late 2016 now anticipated in early 2017 and \$70 million relating to the expansion of oxide ore heap leach cells deferred to 2018.

The resulting capital expenditure profile for the project is expected to be approximately \$100 million in H2 2016, \$240 million in 2017 and \$370 million in 2018. The \$370 million guidance for 2018 includes \$300 million of payments relating to work in 2016 and 2017 that was deferred under an agreement with the principal construction contractor in November 2015.

Oleg Novachuk, Chief Executive, said: “We are happy to be able to announce the start of commissioning activities at the Aktogay sulphide concentrator and a further reduction of \$100 million in the project budget. We are now focused on ramping up production at Aktogay and Bozshakol to deliver industry-leading copper production growth.”

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## 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. It operates four mines and three concentrators in the East Region of Kazakhstan, the Bozymchak copper-gold mine in Kyrgyzstan, the Bozshakol open pit copper mine in the Pavlodar region of Kazakhstan and the Aktogay open pit copper mine in the East Region of Kazakhstan. In 2015, total copper cathode output from the East Region and Bozymchak was 81 kt with by-products of 94 kt of zinc in concentrate, 3,135 koz of silver and 35 koz of gold bar.

The Group’s major growth projects at Bozshakol and Aktogay are expected to deliver one of the highest growth rates in the industry and transform KAZ Minerals into a company dominated by world class, open pit copper mines.

Bozshakol is a first quartile asset on the global cost curve and will have an annual ore processing capacity of 30 million tonnes when fully ramped up, with a mine life of 40 years at a copper grade of 0.36%. The mine and processing facilities will produce 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 mine life of more than 50 years and average copper grades of 0.37% (oxide) and 0.33% (sulphide). Aktogay commenced production of copper cathode from oxide ore in December 2015, and the production of copper in concentrate from sulphide ore is expected to begin by the end of the first quarter of 2017. The sulphide concentrator will have an annual ore processing capacity of 25 million tonnes when fully ramped up. Aktogay is competitively positioned on the global cost curve and will produce an average of 90 kt of copper cathode equivalent from sulphide ore and 15 kt of copper cathode from oxide ore per year over the first 10 years of operations.

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.

This announcement contains inside information.