



24 January 2019

**KAZ MINERALS GROUP PRODUCTION REPORT FOR TWELVE MONTHS
 AND THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

- **Full year copper production¹ increased by 14% to 294.7 kt (FY 2017: 258.5 kt)**
 - Copper production¹ at upper end of 270-300 kt guidance, mainly due to strong performance from Aktogay
 - Q4 copper production¹ of 77.9 kt (Q3 2018: 77.2 kt), driven by Bozshakol and Aktogay
 - Full year gold production² of 183.4 koz, above guidance range of 160-175 koz (2017: 178.7 koz)
- **Bozshakol**
 - Copper production² increased by 6% to 26.6 kt in Q4 (Q3 2018: 25.2 kt) due to higher grades and recoveries
 - Full year copper output of 101.6 kt (2017: 101.3 kt), in upper half of guidance range of 95-105 kt
 - Q4 gold production² of 34.1 koz, 9% above previous quarter due to improved recoveries and favourable grades
 - Full year gold output of 127.8 koz, ahead of 115-125 koz guidance
- **Aktogay**
 - Q4 copper production¹ increased by 3% to 36.0 kt (Q3 2018: 34.9 kt) supported by strong average sulphide grade of 0.63%
 - Full year copper production¹ of 131.4 kt (2017: 90.2 kt), exceeded guidance of 110-130 kt
 - Oxide production of 6.8 kt in Q4 and 25.7 kt for the full year, above 20-25 kt guidance
- **East Region and Bozymchak**
 - Q4 copper production² 11% lower at 15.3 kt (Q3 2018: 17.1 kt) after stockpiled ore was processed in Q3
 - Full year copper production² of 61.7 kt (2017: 67.0 kt) against full year guidance of approximately 65 kt
 - Strong full year gold (55.0 koz) and silver (2,356 koz) production², 10% and 18% ahead of guidance, respectively
 - Low grades continue to impact zinc production as indicated in Q3 production report, with full year output of 49.7 kt, below original guidance of c.60 kt

Group production summary³		12m	12m	Q4	Q3	Q4
		2018	2017	2018	2018	2017
Copper production ¹	kt	294.7	258.5	77.9	77.2	65.2
Bozshakol	kt	101.6	101.3	26.6	25.2	22.5
Aktogay	kt	131.4	90.2	36.0	34.9	26.0
East Region & Bozymchak	kt	61.7	67.0	15.3	17.1	16.7
Zinc in concentrate	kt	49.7	57.6	11.4	13.4	11.8
Gold production ²	koz	183.4	178.7	48.4	45.2	40.9
Silver production ²	koz	3,511	3,506	933	941	798

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

² Payable metal in concentrate.

³ See appendix for metal production by asset.

Andrew Southam, Chief Executive Officer, said: “KAZ Minerals’ operating assets have delivered another strong year in 2018, with a 14% increase in copper production to 295 kt. Approximately 45% of the Group’s copper production came from the Aktogay mine, commissioned in 2017, which ramped up to produce 131.4 kt of copper, an increase of 46% compared to the prior year. I am particularly proud that 2018 marks the tenth consecutive year in which the Group has achieved its annual copper production guidance, a period which includes the successful ramp up of our two major growth projects in Kazakhstan, Bozshakol and Aktogay.”

For further information please contact:

KAZ Minerals PLC

Chris Bucknall	Investor Relations, London	Tel: +44 20 7901 7882
Anna Mallere	Investor Relations, London	Tel: +44 20 7901 7814
Maksut Zhapabayev	Corporate Communications, Almaty	Tel: +7 727 244 03 53

Brunswick Group

Carole Cable, Charlie Pretzlik	Tel: +44 20 7404 5959
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REGISTERED OFFICE

6th Floor, Cardinal Place, 100 Victoria Street, London SW1E 5JL, United Kingdom.

NOTES TO EDITORS

KAZ Minerals PLC is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan, Kyrgyzstan and Russia. 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 2018, total copper production was 295 kt with by-products of 50 kt of zinc in concentrate, 183 koz of gold and 3,511 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 38 years at an average copper grade of 0.35%. The mine and processing facilities commenced output in 2016 and 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 27 years (including the expansion project) 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.

In January 2019, the Group acquired the Baimskaya copper project in the Chukotka region of Russia. Baimskaya is one of the world's most significant undeveloped copper assets with the potential to become a large scale, low cost, open pit copper mine. The Peschanka deposit within the Baimskaya licence area has JORC resources of 9.5 Mt of copper at an average grade of 0.43% and 16.5 Moz of gold at an average grade of 0.23 g/t. Average annual production over the first ten years of operations is expected to be 250 kt copper and 400 koz gold, or 330 kt Copper Equivalent Production, with a mine life of approximately 25 years and first quartile operating costs. The project is located in a region identified by the Russian Government as strategically important for economic development and will benefit from the construction of state-funded power and transport infrastructure and the provision of tax incentives. The estimated capital budget for the construction of the project is \$5.5 billion. The Group expects the project to generate a significant NPV uplift and an attractive IRR at analyst consensus copper prices. The development of Baimskaya will enable the Group to continue its high growth trajectory, adding a large-scale, long-life asset to the Group's portfolio.

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

		12m 2018	12m 2017	Q4 2018	Q3 2018	Q4 2017
Ore extraction	kt	30,722	34,612	7,484	7,732	5,952
Sulphide	kt	23,980	19,540	6,304	6,406	5,078
Clay	kt	6,742	15,072	1,180	1,326	874
Ore processed	kt	28,454	24,558	7,471	7,553	6,060
Copper						
Average copper grade processed	%	0.48	0.53	0.47	0.46	0.50
Copper recovery rate	%	78.7	81.4	79.9	75.9	78.2
Copper in concentrate	kt	106.4	106.0	27.8	26.5	23.5
Copper production¹	kt	101.6	101.3	26.6	25.2	22.5
Gold						
Average gold grade processed	g/t	0.26	0.28	0.25	0.25	0.26
Gold recovery rate	%	58.6	57.9	61.3	54.3	58.8
Gold in concentrate	koz	136.7	127.2	36.5	33.5	29.8
Gold production¹	koz	127.8	119.0	34.1	31.4	27.9
Silver production¹	koz	666	687	172	154	170

¹ Payable metal in concentrate.

Ore extraction in Q4 of 7,484 kt was 3% below the previous quarter (Q3 2018: 7,732 kt) but remains in line with the rate required to supply the concentrators when operating at 100% of design throughput capacity (30 Mtpa).

Total ore processing volumes of 7,471 kt in Q4 were in line with the previous quarter (Q3 2018: 7,553 kt), with ore throughput at design capacity over the second half of 2018. The average grade of copper in ore processed in Q4 increased to 0.47% (Q3 2018: 0.46%), supported by copper grades in clay ore of 0.53% and an average grade in the main sulphide concentrator of 0.45%. Copper recovery rates in both the main plant and the clay plant increased during the quarter to an average of 79.9% (Q3 2017: 75.9%). Copper production increased by 6% to 26.6 kt in Q4 (Q3 2018: 25.2 kt) due to the higher grades and recovery rates.

Gold production also increased to 34.1 koz, 9% higher than the previous quarter as the average grade of gold in ore processed was maintained at 0.25 g/t and recovery rates improved.

In the 12 months to 31 December 2018, ore extraction at Bozshakol was 11% lower than in 2017 due to the planned reduction in the volume of clay ore extracted, which reduced by 55% to 6,742 kt (2017: 15,072 kt). Clay ore processing volumes of 4,750 kt were closer to the quantity of clay ore extracted in 2018 compared to 2017, as the volume of pre-stripping and stockpiling reduced.

Processing volumes of 28,454 kt were 16% higher (2017: 24,558 kt) reflecting the ramp up of both concentrators during the year. As guided, the average copper grade in sulphide ore processed reduced in 2018, to 0.47% from 0.52% in 2017. The average copper grade in sulphide ore in 2019 is expected to be similar to 2018.

Full year copper production at Bozshakol of 101.6 kt (2017: 101.3 kt) was in the upper half of the guidance range of 95-105 kt. Gold production of 127.8 koz (2017: 119.0 koz) was ahead of guidance of 115-125 koz, supported by continued high grades. Silver production of 666 koz (2017: 687 koz) was 33% ahead of guidance of c. 500 koz.

		12m 2018	12m 2017	Q4 2018	Q3 2018	Q4 2017
Ore extraction	kt	41,911	26,248	11,195	11,591	6,470
Oxide	kt	16,104	13,040	3,146	4,123	2,173
Sulphide	kt	25,807	13,208	8,049	7,468	4,297
Oxide						
Oxide ore to leach pads	kt	16,104	13,040	3,146	4,123	2,173
Grade	%	0.33	0.36	0.37	0.35	0.29
Copper cathode	kt	25.7	25.1	6.8	7.4	6.7
Sulphide						
Sulphide ore processed	kt	20,766	12,941	5,512	5,669	4,265
Average grade processed	%	0.61	0.66	0.63	0.58	0.58
Recovery rate	%	86.8	79.6	87.6	86.9	81.6
Copper in concentrate	kt	110.6	68.2	30.5	28.8	20.2
Copper production¹	kt	105.7	65.1	29.2	27.5	19.3
Total copper production	kt	131.4	90.2	36.0	34.9	26.0
Gold production ^{1, 2}	koz	0.6	0.8	0.3	-	-
Silver production ¹	koz	489	270	130	144	79

¹ Payable metal in concentrate.

² Minimal volume recovered from Aktogay material.

Ore extraction at Aktogay of 11,195 kt in Q4 (Q3 2018:11,591 kt) exceeded the requirements of the sulphide concentrator and oxide heap leaching operations, as preparatory stripping works were undertaken to enable the expansion of mining volumes to feed the second concentrator from 2021. A total of 5.2 Mt of lower grade sulphide ore was extracted and stockpiled during 2018.

Ore processing throughput during Q4 in the sulphide plant was maintained at 5,512 kt (Q3 2018: 5,669 kt) despite a scheduled shut-down for mill relining during the period. An increase in the average grade of ore processed to 0.63% (Q3 2018: 0.58%) was the main driver of a 6% increase in sulphide copper production in the quarter, to 29.2 kt (Q3 2018: 27.5 kt).

Copper cathode production from oxide ore reduced, as expected, during the seasonally colder fourth quarter to 6.8 kt (Q3 2018: 7.4 kt) and was in line with the prior year comparative period (Q4 2017: 6.7 kt).

Full year ore extraction and processing volumes were significantly higher than 2017 due to the ramp up of operations at the sulphide plant during the year, with total ore extraction increasing by 60% to 41,911 kt (2017: 26,248 kt) and sulphide ore throughput increasing by 60% to 20,766 kt (2017: 12,941 kt).

The average copper grade in sulphide ore processed in 2018 reduced by 8% to 0.61% (2017: 0.66%), although it remains at elevated levels compared to the life of mine grade, due to the persistence of supergene enriched ore. Average copper grades are expected to continue to reduce towards the sulphide resource grade of 0.33% over the first ten years of operations. The copper recovery rate from sulphide ore in 2018 improved to 86.8%, compared to 79.6% in 2017 when the plant was in the early stages of ramp up.

Copper production from sulphide ore of 105.7 kt and copper cathode output from the heap leaching operations of 25.7 kt resulted in total copper production of 131.4 kt, slightly above the 2018 guidance range of 110-130 kt.

		12m 2018	12m 2017	Q4 2018	Q3 2018	Q4 2017
Ore extraction	kt	3,892	3,919	963	975	977
Ore processed	kt	4,030	4,172	982	1,162	1,092
Copper						
Average grade processed	%	1.81	1.89	1.83	1.73	1.80
Orlovsky concentrator	%	3.24	3.60	3.36	3.18	3.32
Nikolayevsky concentrator	%	1.53	1.49	1.56	1.50	1.46
Belousovsky concentrator	%	1.41	1.54	1.31	1.36	1.51
Bozymchak concentrator	%	0.86	0.89	0.85	0.87	0.88
Average recovery rate	%	89.7	90.0	90.2	90.5	90.1
East Region	%	90.0	90.1	90.6	90.9	90.3
Bozymchak	%	88.1	89.0	87.5	87.0	88.1
Copper in concentrate	kt	65.3	71.0	16.2	18.1	17.8
Orlovsky concentrator	kt	31.5	34.9	8.0	7.5	8.2
Nikolayevsky concentrator	kt	19.6	19.6	4.6	7.3	5.5
Belousovsky concentrator	kt	6.6	8.5	1.8	1.4	2.1
Bozymchak concentrator	kt	7.6	8.0	1.8	1.9	2.0
Copper production¹	kt	61.7	67.0	15.3	17.1	16.7
East Region	kt	54.5	59.5	13.6	15.3	14.9
Bozymchak	kt	7.2	7.5	1.7	1.8	1.8
Zinc in concentrate	kt	49.7	57.6	11.4	13.4	11.8
Gold production ¹	koz	55.0	58.9	14.0	13.8	13.0
Silver production ¹	koz	2,356	2,549	631	643	549

¹ Payable metal in concentrate.

Ore extraction in Q4 was broadly in line with the previous quarter at 963 kt (Q3 2018: 975 kt). Ore processing volumes of 982 kt in Q4 reduced by 15% compared to Q3 2018, due to the processing in Q3 of stockpiled ore mined in the first half of 2018 at Artemyevsky.

The average copper grade of ore processed in Q4 increased to 1.83% as a result of higher grades at Orlovsky. Recovery rates in the East Region concentrators remained at 90.6%, in line with prior periods. The increase in average grade partially offset the 15% reduction in processing volumes, resulting in an 11% reduction in copper production to 15.3 kt (Q3 2018: 17.1 kt).

Gold and silver output in Q4 was broadly in line with the previous quarter, but zinc in concentrate production reduced by 15% to 11.4 kt (Q3 2018: 13.4 kt), mainly resulting from lower zinc grades processed at Orlovsky of 2.94% (Q3 2018: 3.26%) and a lower processing volume at the Nikolayevsky concentrator.

In the 12 months to 31 December 2018 ore extraction volumes were in line with 2017, whilst the volume of ore processed reduced by 3% from 4,172 kt to 4,030 kt due to the processing of stockpiled ore from the closed Yubileyno-Snegirikhinsky mine in 2017. The average grade of copper in ore processed decreased to 1.81% (2017: 1.89%), mainly due to lower grades at Orlovsky in 2018. The reduced processing volumes and lower average copper grade resulted in full year copper production of 61.7 kt (2017: 67.0 kt), 5% below full year guidance of approximately 65 kt.

Full year zinc in concentrate output of 49.7 kt was 17% below full year guidance of approximately 60 kt, as indicated in the Group's third quarter production report. Zinc production in 2018 has been impacted by lower than expected zinc grades at the Artemyevsky mine, where extraction is focused on accessing a second ore body as part of the Artemyevsky mine extension project and the prioritisation of the production of copper.

Full year gold and silver production both exceeded guidance, with gold output of 55.0 koz, 10% above the top end of the guidance range of 45-50 koz and silver production of 2,356 koz, 18% ahead of guidance of around 2,000 koz. The majority of outperformance in gold production was driven by the Bozymchak mine in Kyrgyzstan, where the average gold grade was 1.55 g/t (2017: 1.64 g/t), average recovery rates improved to 84.6% (2017: 82.4%) and ore processing was maintained at 1,002 kt (2017: 1,009 kt), delivering full year gold output of 39.7 koz (2017: 41.3 koz).

APPENDIX – METAL PRODUCTION

		12m 2018	12m 2017	Q4 2018	Q3 2018	Q4 2017
Copper production¹	kt	294.7	258.5	77.9	77.2	65.2
Bozshakol	kt	101.6	101.3	26.6	25.2	22.5
Aktogay	kt	131.4	90.2	36.0	34.9	26.0
East Region	kt	54.5	59.5	13.6	15.3	14.9
Bozymchak	kt	7.2	7.5	1.7	1.8	1.8
Zinc in concentrate	kt	49.7	57.6	11.4	13.4	11.8
East Region	kt	49.7	57.6	11.4	13.4	11.8
Gold production²	koz	183.4	178.7	48.4	45.2	40.9
Bozshakol	koz	127.8	119.0	34.1	31.4	27.9
Aktogay	koz	0.6	0.8	0.3	-	-
East Region	koz	15.3	17.6	4.4	3.8	3.6
Bozymchak	koz	39.7	41.3	9.6	10.0	9.4
Silver production²	koz	3,511	3,506	933	941	798
Bozshakol	koz	666	687	172	154	170
Aktogay	koz	489	270	130	144	79
East Region	koz	2,114	2,300	569	582	493
Bozymchak	koz	242	249	62	61	56

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

² Payable metal in concentrate.

TOLL PROCESSING & FINISHED METALS

		12m 2018	12m 2017	Q4 2018	Q3 2018	Q4 2017
Copper cathodes	kt	105.9	112.5	27.8	26.5	26.7
Bozshakol (toll processed)	kt	10.2	10.0	1.5	3.1	0.7
Aktogay sulphide (toll processed)	kt	5.4	9.3	2.0	0.1	0.4
Aktogay oxide	kt	25.7	25.1	6.8	7.4	6.7
East Region (toll processed)	kt	57.1	60.1	15.6	14.1	17.5
Bozymchak (toll processed)	kt	7.5	8.0	1.9	1.8	1.4
Gold bar produced (toll processed)	koz	69.1	73.1	18.7	17.6	20.8
Silver bar produced (toll processed)	koz	2,573	2,843	724	482	871

APPENDIX – EAST REGION & BOZYMCHAK

		12m 2018	12m 2017	Q4 2018	Q3 2018	Q4 2017
Ore extraction	kt	3,892	3,919	963	975	977
Orlovsky	kt	1,088	1,065	265	264	266
Artemyevsky	kt	1,238	1,305	301	329	328
Irtyshtsky	kt	629	628	157	152	158
Bozymchak	kt	937	921	240	230	225
Ore processed	kt	4,030	4,172	982	1,162	1,092
Orlovsky concentrator	kt	1,087	1,067	265	263	272
Nikolayevsky concentrator	kt	1,404	1,460	319	522	415
Belousovsky concentrator	kt	537	636	157	121	160
Bozymchak concentrator	kt	1,002	1,009	241	256	245
Zinc						
Average grade processed	%	2.42	2.65	2.33	2.18	2.19
Orlovsky concentrator	%	3.44	3.42	2.94	3.26	2.87
Nikolayevsky concentrator	%	1.22	1.76	1.45	1.38	1.31
Belousovsky concentrator	%	3.51	3.43	3.07	3.28	3.31
Average recovery rate	%	67.8	68.6	66.0	67.9	63.6
Orlovsky concentrator	%	66.4	64.5	63.7	65.6	58.7
Nikolayevsky concentrator	%	65.7	72.8	66.4	69.6	63.6
Belousovsky concentrator	%	72.4	70.6	69.4	70.1	70.9
Zinc in concentrate	kt	49.7	57.6	11.4	13.4	11.8
Orlovsky concentrator	kt	24.8	23.5	4.9	5.7	4.5
Nikolayevsky concentrator	kt	11.2	18.7	3.1	4.9	3.5
Belousovsky concentrator	kt	13.7	15.4	3.4	2.8	3.8
Gold						
Average grade processed	g/t	0.73	0.76	0.74	0.63	0.65
East Region	g/t	0.46	0.48	0.47	0.37	0.38
Bozymchak	g/t	1.55	1.64	1.59	1.53	1.58
Average recovery rate	%	61.8	61.3	63.6	62.5	61.0
East Region	%	36.3	38.4	42.3	37.2	37.2
Bozymchak	%	84.6	82.4	82.8	84.2	80.8
Gold in concentrate	koz	58.5	62.7	15.0	14.6	13.9
East Region	koz	16.3	18.7	4.8	4.0	3.8
Bozymchak	koz	42.2	44.0	10.2	10.6	10.1
Gold production¹	koz	55.0	58.9	14.0	13.8	13.0
East Region	koz	15.3	17.6	4.4	3.8	3.6
Bozymchak	koz	39.7	41.3	9.6	10.0	9.4
Silver						
Average grade processed	g/t	33.4	33.6	34.0	30.5	28.3
East Region	g/t	40.9	40.8	41.4	36.0	33.4
Bozymchak	g/t	10.7	11.2	11.4	10.8	10.4
Average recovery rate	%	59.8	62.1	64.6	62.2	60.8
East Region	%	58.3	60.9	63.5	61.0	59.4
Bozymchak	%	77.0	75.4	76.0	75.5	75.3
Silver in concentrate	koz	2,590	2,801	694	707	603
East Region	koz	2,324	2,527	626	640	541
Bozymchak	koz	266	274	68	67	62
Silver production¹	koz	2,356	2,549	631	643	549
East Region	koz	2,114	2,300	569	582	493
Bozymchak	koz	242	249	62	61	56

¹ Payable metal in concentrate.