



26 October 2017

## **KAZ MINERALS GROUP PRODUCTION REPORT FOR NINE MONTHS AND THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 AND INTERIM MANAGEMENT STATEMENT**

- **Operational highlights**
  - Copper production<sup>1</sup> increased by 14% to 75 kt in Q3 (Q2 2017: 66 kt) as Aktogay ramps up
  - Full year copper production<sup>1</sup> guidance increased to 250-270 kt
  - Gold production guidance raised to 160-180 koz
- **Bozshakol approaching design capacity**
  - Copper production<sup>2</sup> of 27 kt in Q3 (Q2 2017: 29 kt)
    - Sulphide plant operated at 100% of design throughput in August (Q3 2017: 93%)
    - Q3 copper output impacted by expected reduction in copper grade
  - Clay plant achieved 81% of design throughput in Q3 (Q2 2017: 69%)
  - Gold guidance for 2017 raised to 110-120 koz, following strong year to date output
- **Aktogay copper guidance increased to 85-95 kt**
  - Copper production<sup>1</sup> of 31 kt in Q3 (Q2 2017: 21 kt)
  - Sulphide copper production<sup>2</sup> was 23 kt in Q3 (Q2: 15 kt) and operations declared commercial from October
  - Oxide copper cathode production of 8 kt in Q3 (Q2 2017: 6 kt)
- **East Region and Bozymchak**
  - Q3 2017 copper production<sup>2</sup> of 17 kt (Q2 2017: 16 kt), on track for full year guidance of around 65 kt
  - High zinc grade areas in East Region not yet accessed, full year zinc guidance revised to 60-65 kt
  - On track for top end of gold guidance range of 50-60 koz and silver guidance increased to 2,600-2,850 koz
- **Financial update**
  - Net debt of \$2,220 million at 30 September 2017 (30 June 2017: \$2,442 million)
  - \$1,684 million of available liquidity including cash and cash equivalents of \$1,352 million and \$332 million of undrawn facilities
  - \$74 million of VAT refunds in relation to project capital expenditure received in Q3

<sup>1</sup> Payable metal in concentrate and copper cathode from Aktogay oxide ore.

<sup>2</sup> Payable metal in concentrate.

Oleg Novachuk, Chief Executive, said: "Following another strong quarter from our new sulphide operations at Aktogay we have raised the Group's copper production guidance for 2017 to 250-270 kt. Aktogay's sulphide concentrator reached commercial levels of production at the end of Q3 and we expect to reach full capacity during 2018. At Bozshakol, the main concentrator operated at 100% of design throughput in August. KAZ Minerals is rapidly improving its gearing metrics as we deliver against our operational targets in an improving market for copper."

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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 the Bozshakol and Aktogay open pit copper mines in the Pavlodar and East regions of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2016, total copper cathode equivalent output was 140 kt with by-products of 75 kt of zinc in concentrate, 120 koz of gold bar equivalent and 3,103 koz of silver bar equivalent.

The Group's new operations at Bozshakol and Aktogay are delivering one of the highest growth rates in the industry and transforming 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 and a mine life of 40 years at a copper grade of 0.36%. 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 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 copper in concentrate production from sulphide ore commenced in February 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 around 20 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.

## GROUP PRODUCTION SUMMARY

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
Ore extraction	kt	51,380	35,764	16,959	17,537	13,665
Ore processed	kt	30,254	9,717	12,025	10,529	4,969
Average copper grade processed	%	0.73	1.07	0.68	0.73	0.88
Ore to leach pads	kt	10,867	12,742	2,570	4,084	4,063
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>193.3</b>	<b>98.6</b>	<b>75.3</b>	<b>65.9</b>	<b>42.3</b>
Bozshakol	kt	78.8	26.8	26.8	29.1	16.7
Aktogay sulphide	kt	45.8	-	23.2	15.4	-
Aktogay oxide	kt	18.4	12.0	8.0	5.7	6.6
East Region & Bozymchak	kt	50.3	59.8	17.3	15.7	19.0
Zinc in concentrate	kt	45.8	56.2	13.5	16.8	16.6
Gold production <sup>2</sup>	koz	137.8	85.7	44.8	50.4	40.6
Silver production <sup>2</sup>	koz	2,708	2,299	952	961	739

<sup>1</sup> Payable metal in concentrate and copper cathode from Aktogay oxide ore.

<sup>2</sup> Payable metal in concentrate.

Copper production increased by 14% to 75.3 kt in Q3 from 65.9 kt in Q2 2017, as the Aktogay sulphide concentrator continued its successful ramp up, supported by seasonally higher output from the oxide operations. Copper production also increased in the East Region and Bozymchak by 1.6 kt compared to the previous quarter as ore stockpiled in Q2 was processed. In the nine months to 30 September 2017, copper production almost doubled to 193.3 kt from 98.6 kt in the prior year period due to the contribution from sulphide operations at Bozshakol and Aktogay. Following a strong performance from the Aktogay sulphide concentrator in the year to date, supported by a higher than anticipated copper grade, Group copper production guidance has been raised to 250-270 kt.

Ore extraction in Q3 reduced by 3% to 17.0 million tonnes from 17.5 million tonnes in the previous quarter mainly due to reduced mining of oxide ore at Aktogay, partially offset by the increased extraction of sulphide ore. Ore extraction in the nine months to 30 September 2017 was 44% higher than the prior year period, reflecting the increased mining activity at Bozshakol and Aktogay.

Ore processed increased to 12.0 million tonnes in Q3 from 10.5 million tonnes in the previous quarter, as the Aktogay concentrator raised throughput volumes. In the nine months to 30 September 2017 processing volumes rose by over three times compared to the prior year period, due to the higher volumes processed at Bozshakol and the start-up of the Aktogay sulphide concentrator.

The average grade of copper ore processed in Q3 reduced to 0.68% from 0.73% in the prior quarter as grades at Bozshakol and Aktogay were slightly lower, in particular as a reduced proportion of high grade supergene enriched ore was processed at Aktogay, as expected. Processing feed grades of 0.73% in the nine months to 30 September 2017 compare to 1.07% in the prior year period, when a greater proportion of ore processed by the Group was accounted for by the higher grade underground mines in the East Region.

Lower zinc grades in the East Region resulted in a 20% reduction in output compared to the previous quarter, to 13.5 kt. Zinc output in the nine months to 30 September was 19% lower than in the prior year period due to the closure of the Yubileyno-Snegirikhinsky mine and the temporary adoption of a six day week at the Orlovsky mine for maintenance works. At the Artemyevsky mine, extraction has not moved to higher grade zinc areas as planned in the second half of 2017 and accordingly guidance for zinc output in 2017 is revised to 60-65 kt.

As anticipated, gold output in Q3 was 11% lower compared to the previous quarter, with gold grades at Bozshakol reducing from the temporarily elevated levels in the first half of the year. Silver production was in line with the previous quarter.

Gold production for the first nine months of 2017 was 61% higher than the prior year period, and silver production was 18% higher, due to increased production at Bozshakol. Strong gold and silver output in the year to date results in increased Group guidance for 2017, to 160-180 koz of gold production and 3,450-3,700 koz of silver production.

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
<b>Ore extraction</b>	<b>kt</b>	<b>28,660</b>	<b>19,482</b>	<b>9,234</b>	<b>9,522</b>	<b>8,466</b>
Sulphide	kt	14,462	8,894	5,429	4,778	4,325
Clay	kt	14,198	10,588	3,805	4,744	4,141
<b>Ore processed</b>	<b>kt</b>	<b>18,498</b>	<b>6,152</b>	<b>6,808</b>	<b>6,630</b>	<b>3,862</b>
<b>Copper</b>						
Average copper grade processed	%	0.54	0.56	0.51	0.56	0.56
Copper in ore processed	kt	100.1	34.4	34.5	37.0	21.6
Copper recovery rate	%	82.4	81.5	81.3	82.4	80.9
Copper in concentrate	kt	82.5	28.1	28.1	30.4	17.5
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>78.8</b>	<b>26.8</b>	<b>26.8</b>	<b>29.1</b>	<b>16.7</b>
<b>Gold</b>						
Average gold grade processed	g/t	0.28	0.34	0.25	0.29	0.37
Gold recovery rate	%	57.6	59.0	55.5	59.3	58.3
Gold in concentrate	koz	97.4	39.6	30.2	36.7	26.6
<b>Gold production<sup>1</sup></b>	<b>koz</b>	<b>91.1</b>	<b>37.7</b>	<b>28.2</b>	<b>34.4</b>	<b>25.4</b>
<b>Silver production<sup>1</sup></b>	<b>koz</b>	<b>517</b>	<b>158</b>	<b>156</b>	<b>200</b>	<b>100</b>

<sup>1</sup> Payable metal in concentrate.

Ore extraction at Bozshakol reduced slightly compared to the previous quarter but continued to be ahead of the rate required to feed the sulphide and clay ore concentrators, with 9.2 million tonnes of ore extracted and 6.8 million tonnes processed in the period. Ore extraction of 28.7 million tonnes in the first nine months of 2017 was 47% higher than the 19.5 million tonnes mined in the prior year period, when the sulphide plant first commenced production.

The quantity of ore processed increased at both concentrators quarter on quarter. The sulphide plant operated at 93% of ore throughput capacity over the quarter and achieved 100% of design capacity in the month of August. The clay plant continued its successful ramp up, reaching 81% of design throughput in Q3 (Q2 2017: 69%). In the first nine months of 2017, ore processed was three times higher than the prior year period, when the ramp up of the sulphide plant commenced.

Copper production reduced slightly in Q3 to 26.8 kt, from 29.1 kt in the previous quarter, as a lower copper grade was only partially offset by the increase in volume processed. The average grade processed in Q3 was 9% lower at 0.51% (Q2 2017: 0.56%) and was 0.49% in the main sulphide plant (Q2 2017: 0.54%). Average recovery rates reduced slightly to 81.3%, partly reflecting the higher proportion of volumes attributable to clay operations, which recorded a recovery rate of 71.3%. Copper production in the nine months to 30 September 2017 was 78.8 kt, almost three times higher than the prior year period, in line with the increase in ore processed.

Gold and silver production in Q3 2017 reduced by 18% and 22% respectively versus Q2, mainly due to a reduction in grades, following temporarily elevated levels in the first half of the year. The gold recovery rate reduced to 55.5%, partly reflecting the lower recoveries from the clay plant during ramp up. Gold production in the nine months to 30 September 2017 was 2.4 times higher than the prior year period when the sulphide concentrator was in the first year of its ramp up.

Bozshakol's Q4 production will be impacted by a maintenance shut down scheduled to take place in November, however it remains on track for 2017 copper production within the guidance range of 100-110 kt. Despite lower gold grades anticipated in Q4 2017, gold production is expected to be 10 koz higher than previously guided, at 110-120 koz.

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
<b>Ore extraction</b>	<b>kt</b>	<b>19,778</b>	<b>12,742</b>	<b>6,756</b>	<b>7,003</b>	<b>4,063</b>
Oxide	kt	10,867	12,742	2,570	4,084	4,063
Sulphide	kt	8,911	-	4,186	2,919	-
<b>Oxide</b>						
Oxide ore to leach pads	kt	10,867	12,742	2,570	4,084	4,063
Grade	%	0.38	0.40	0.27	0.39	0.38
<b>Copper cathode</b>	<b>kt</b>	<b>18.4</b>	<b>12.0</b>	<b>8.0</b>	<b>5.7</b>	<b>6.6</b>
<b>Sulphide</b>						
Sulphide ore processed	kt	8,676	-	4,102	2,937	-
Average grade processed	%	0.70	-	0.65	0.72	-
Recovery rate	%	78.7	-	90.7	76.5	-
Copper in concentrate	kt	48.0	-	24.3	16.2	-
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>45.8</b>	<b>-</b>	<b>23.2</b>	<b>15.4</b>	<b>-</b>
<b>Total copper production</b>	<b>kt</b>	<b>64.2</b>	<b>12.0</b>	<b>31.2</b>	<b>21.1</b>	<b>6.6</b>

<sup>1</sup> Payable metal in concentrate.

Sulphide ore extraction at Aktogay rose by 43% in Q3 to 4.2 million tonnes, compared to 2.9 million tonnes in the previous quarter, to feed the ramp up of the sulphide concentrator. Oxide ore extraction reduced to 2.6 million tonnes (Q2 2017: 4.1 million tonnes), in line with requirements, as the oxide leach pads were adequately supplied in prior periods. The copper grade of oxide ore placed on leach pads in the quarter reduced to 0.27% (Q2 2017: 0.39%) due to the planned mining of lower grade sections. Total ore extraction in the nine months to 30 September 2017 was 55% higher than the prior year period, reflecting the commencement of sulphide ore mining in 2017.

Copper cathode production at the SX/EW plant increased to 8.0 kt (Q2 2017: 5.7 kt) due to higher ambient temperatures in the summer period and efficiencies in the SX/EW process, with improved equipment availability rates and high levels of copper in solution. Cathode production in the nine months to 30 September 2017 was 18.4 kt (nine months to 30 September 2016: 12.0 kt). Q4 oxide production will be impacted by colder conditions, with full year production expected to be up to 25 kt.

The sulphide concentrator commenced production in February 2017 and following a successful ramp up during the quarter, was declared commercial at the start of October 2017. Ore processed was 66% of design capacity over Q3 2017, 40% above the previous quarter. A scheduled shut down for maintenance including the replacement of mill linings was successfully completed in September 2017.

Copper production from sulphide ore increased by 51% to 23.2 kt in Q3 2017 as the increase in ore throughput was partially offset by an expected reduction in the copper grade. The grade of copper in sulphide ore processed reduced to 0.65% in Q3 from 0.72% in the previous quarter, when copper volumes benefited from a higher proportion of material from a layer of supergene enriched material at the top of the ore body.

With higher oxide production of up to 25 kt expected for the full year, and following good progress in the ramp up of the sulphide plant, overall copper production guidance for Aktogay in 2017 is increased to 85-95 kt.

## EAST REGION & BOZYMCHAK

### Copper

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
<b>Ore extraction</b>	<b>kt</b>	<b>2,942</b>	<b>3,540</b>	<b>969</b>	<b>1,012</b>	<b>1,136</b>
<b>Ore processed</b>	<b>kt</b>	<b>3,080</b>	<b>3,565</b>	<b>1,115</b>	<b>962</b>	<b>1,107</b>
Orlovsky concentrator	kt	795	972	249	270	290
	grade (%)	3.69	3.59	3.63	3.57	3.81
Nikolayevsky concentrator	kt	1,045	1,311	451	275	403
	grade (%)	1.50	1.56	1.50	1.47	1.54
Belousovsky concentrator	kt	476	491	159	162	155
	grade (%)	1.55	1.55	1.51	1.62	1.59
Bozymchak concentrator	kt	764	791	256	255	259
	grade (%)	0.89	0.88	0.89	0.89	0.92
<b>Average grade processed</b>	<b>%</b>	<b>1.92</b>	<b>1.96</b>	<b>1.84</b>	<b>1.93</b>	<b>1.99</b>
<b>Average recovery rate</b>	<b>%</b>	<b>89.9</b>	<b>89.3</b>	<b>89.4</b>	<b>89.2</b>	<b>89.4</b>
<b>Copper in concentrate</b>	<b>kt</b>	<b>53.2</b>	<b>62.4</b>	<b>18.3</b>	<b>16.6</b>	<b>19.7</b>
Orlovsky concentrator	kt	26.7	31.3	8.2	8.7	9.9
Nikolayevsky concentrator	kt	14.1	18.3	6.1	3.6	5.6
Belousovsky concentrator	kt	6.4	6.5	2.0	2.3	2.1
Bozymchak concentrator	kt	6.0	6.3	2.0	2.0	2.1
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>50.3</b>	<b>59.8</b>	<b>17.3</b>	<b>15.7</b>	<b>19.0</b>

<sup>1</sup> Payable metal in concentrate.

Ore extraction in the East Region and Bozymchak was 4% lower in Q3 compared to the previous quarter, although the quantity of ore processed increased by 16% due to the processing of stockpiled material at the Nikolayevsky concentrator from the Artemyevsky mine. In the nine months to 30 September 2017, ore extraction was 17% lower and ore processed was 14% lower than in the prior year period due to the closure of the Yubileyno-Snegirikhinsky mine at the end of 2016 and the adoption of a six day week at the Orlovsky mine for ventilation works from the second half of 2016.

Due to the processing of stockpiled ore from the Artemyevsky mine, volumes at the Nikolayevsky concentrator increased by 64% to 451 kt in Q3 compared to Q2 2017 whilst volumes at the other three concentrators were similar to the previous quarter. The average copper grade processed reduced slightly from 1.93% in Q2 2017 to 1.84% in Q3, mainly due to the increased volumes of lower grade ore processed at the Nikolayevsky concentrator.

The average grade of copper in ore processed in the nine months to 30 September 2017 reduced slightly to 1.92% due to lower volumes from the copper rich Orlovsky mine, where a six day week was adopted from the second half of 2016, leading to an 18% reduction in processing volumes.

Copper production increased by 10% to 17.3 kt in Q3 compared to the previous quarter, reflecting the additional volumes processed at Nikolayevsky. Copper production for the first nine months of 2017 of 50.3 kt was 16% lower than the prior year period due to the closure of the Yubileyno-Snegirikhinsky mine and lower output at Orlovsky.

Copper production in the East Region and Bozymchak is on track to meet the 2017 full year guidance of around 65 kt.

## EAST REGION & BOZYMCHAK

### By-products

		9m	9m	Q3	Q2	Q3
		2017	2016	2017	2017	2016
<b>Zinc</b>						
Zinc bearing ore processed	kt	2,316	2,774	859	707	848
Average grade processed	%	2.82	2.87	2.40	3.27	2.82
Average recovery rate	%	70.0	70.6	65.3	72.7	69.5
<b>Zinc in concentrate</b>	<b>kt</b>	<b>45.8</b>	<b>56.2</b>	<b>13.5</b>	<b>16.8</b>	<b>16.6</b>
<b>Gold</b>						
Gold bearing ore processed	kt	3,080	3,565	1,115	962	1,107
Average grade processed	g/t	0.80	0.81	0.77	0.87	0.80
Average recovery rate	%	61.4	55.4	62.6	62.3	57.2
Gold in concentrate	koz	48.8	51.1	17.2	16.7	16.3
<b>Gold production<sup>1</sup></b>	<b>koz</b>	<b>45.9</b>	<b>48.0</b>	<b>16.2</b>	<b>15.7</b>	<b>15.2</b>
<b>Silver</b>						
Silver bearing ore processed	kt	3,080	3,565	1,115	962	1,107
Average grade processed	g/t	35.5	36.3	34.9	40.3	34.2
Average recovery rate	%	62.5	55.3	63.1	60.5	55.9
Silver in concentrate	koz	2,198	2,302	789	754	680
<b>Silver production<sup>1</sup></b>	<b>koz</b>	<b>2,000</b>	<b>2,141</b>	<b>718</b>	<b>686</b>	<b>639</b>

<sup>1</sup> Payable metal in concentrate.

While zinc bearing ore processing volumes increased in Q3 2017 compared to the previous quarter, zinc in concentrate production of 13.5 kt was 20% lower due to delayed access to higher zinc grade areas at Artemyevsky. The zinc grade processed at Orlovsky also reduced to 3.01% in Q3 from 3.76% in Q2 2017. In the nine months to 30 September 2017 zinc in concentrate production reduced by 19% compared to the prior year period, mainly due to lower output from the Orlovsky mine. Following the delayed access to higher zinc grade areas at Artemyevsky in Q3, guidance for zinc output in 2017 has been revised to 60-65 kt.

Gold production in Q3 increased by 3% from the previous quarter as higher processing volumes offset a lower average gold grade of 0.77 g/t (Q2 2017: 0.87 g/t). Gold production in the first nine months of 2017 was 4% below the prior year period as a result of lower output from Orlovsky and the closure of the Yubileyno-Snegirikhinsky mine, offset by an increased average recovery rate of 61% (nine months to 30 September 2016: 55%).

Silver production increased by 5% in Q3 compared to Q2 2017 due to higher recovery rates, but decreased by 7% in the nine months to 30 September 2017 compared to the prior year period due to the closure of the Yubileyno-Snegirikhinsky mine and reduced output from Orlovsky.

Strong production in the year to date is expected to result in gold output from the East Region and Bozymchak being towards the upper end of the 50-60 koz range for 2017 and silver guidance is increased to 2,600-2,850 koz.



## INTERIM MANAGEMENT STATEMENT

### Financial performance

#### Sales Volumes

The following table sets out the sales volumes of the Group's major products and includes pre-commercial sales volumes.

		9m 2017	9m 2016
Copper cathode	kt	85.4	68.2
Copper in concentrate <sup>1</sup>	kt	107.8	27.1
Zinc in concentrate	kt	45.4	56.3
Gold bar	koz	43.1	41.0
Gold in concentrate <sup>1</sup>	koz	84.1	39.0
Silver bar	koz	2,158	2,118
Silver in concentrate <sup>1</sup>	koz	578	204

<sup>1</sup> Shown as payable metal in concentrate.

Copper sales totalled 193.2 kt in the nine months to 30 September 2017, an increase of 97.9 kt over the prior year period as the Bozshakol sulphide plant approached its design capacity and the Aktogay sulphide plant achieved commercial production. Copper cathode sales increased by 25% compared to the prior year period due to higher output from the Aktogay oxide plant and from toll processing of copper in concentrate from Bozshakol (9.1 kt) and Aktogay sulphide (7.7 kt) at the Balkhash smelter. These increases were partly offset by lower cathode sales from the East Region and Bozymchak operations in line with lower production. Copper in concentrate sales increased to 107.8 kt, comprised of 70.2 kt from Bozshakol, 35.9 kt from the Aktogay sulphide plant, and 1.8 kt from the East Region and Bozymchak.

Zinc in concentrate sales in the nine months to 30 September 2017 were 19% below the prior year period reflecting lower production.

Gold sales of 127.1 koz in the nine months to 30 September 2017 represent an increase of 47.1 koz from the prior year period when the sulphide concentrator was in the first year of its ramp up. The increased sales reflect higher output from Bozshakol sulphide as it approached design capacity in the current year and higher volumes from East Region and Bozymchak following a release of work-in-progress in 2017 from the Balkhash smelter. Gold bar sales were lower than production in the current year period due to the timing of sales to the National Bank of Kazakhstan.

Silver sales of 2,736 koz in the first nine months of the year were 414 koz higher compared to the prior year period due to increased production from Bozshakol. Silver bar sales were 14% higher than production in the period due to a reduction in finished goods inventory.

The Aktogay sulphide plant has been declared commercial from 1 October 2017, from which date all revenues and operating costs are recorded in the income statement.



## INTERIM MANAGEMENT STATEMENT

### Financial performance

#### Commodity Prices

The following table sets out the average realised prices for the Group's major products including pre-commercial sales from the Aktogay sulphide project for the current period and for the Aktogay oxide and Bozshakol sulphide projects in the comparative prior period:

		9m 2017	9m 2016
Copper cathode	\$/tonne	6,020	4,743
Copper in concentrate <sup>1</sup>	\$/tonne	5,525	4,095
Zinc in concentrate <sup>1</sup>	\$/tonne	1,923	1,131
Gold bar	\$/tr.oz	1,260	1,271
Gold in concentrate <sup>1</sup>	\$/tr.oz	1,278	1,313
Silver bar	\$/tr.oz	17	17
Silver in concentrate <sup>1</sup>	\$/tr.oz	16	19

<sup>1</sup> The realised price for metal in concentrate is shown after the deduction of any applicable treatment and refining costs.

The following table sets out the average LME/LBMA prices:

		9m 2017	9m 2016
Copper	\$/tonne	5,953	4,725
Zinc	\$/tonne	2,783	1,955
Gold	\$/tr.oz	1,261	1,260
Silver	\$/tr.oz	17	17

The realised prices for the products sold will differ from the average LME/LBMA prices during the period due to sales not being made evenly over the period. Premiums or discounts to metal exchange prices negotiated with customers also impact average realised prices.

Most of the Group's sales agreements are based on provisional pricing with the final pricing usually determined by the average market price of the respective metal in the month (for silver), the month following (for copper cathode and zinc concentrate) or the second month following (for copper concentrate including by-products) dispatch to the customer. The volume of goods sold under quotational pricing has significantly increased due to higher concentrate sales volumes while the increase in copper and zinc prices has resulted in positive provisional pricing adjustments being recognised in the period in respect of copper and zinc concentrate sales made in late 2016, raising the reported realised prices. At 30 September 2017, the Group's provisionally priced volumes and their respective average provisional prices were:

	Q3 2017			
	Volumes		Provisional price	
Copper cathode	kt	2.8	\$/tonne	6,508
Copper in concentrate	kt	31.0	\$/tonne	5,788
Zinc in concentrate	kt	5.2	\$/tonne	1,867
Gold	koz	23.7	\$/tr.oz	1,287
Silver	koz	90	\$/tr.oz	17

#### Commodity Hedging

At 30 September 2017, there were no commodity hedges in place.

#### Exchange Rates

The KZT/\$ exchange rate at 30 September 2017 was KZT/\$ 341.19 compared to KZT/\$ 321.46 at 30 June 2017. The average exchange rate for the first nine months of 2017 was KZT/\$ 323.20, compared to an average rate of KZT/\$ 344.57 for the same period last year.

## INTERIM MANAGEMENT STATEMENT

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### Net debt and cash position

Net debt decreased to \$2,220 million at 30 September 2017 from \$2,442 million at 30 June 2017 due to strong operating cash flows and the receipt of \$74 million project VAT related to Bozshakol and Aktogay, partly offset by interest paid of \$92 million under the Group debt facilities. Mineral extraction tax and royalty payments of \$35 million and income tax payments of \$22 million were made during the quarter. Expansionary capex at Bozshakol and Aktogay was limited as final retention payments have been postponed and may be deferred further into 2018. In addition, there have been no payments at Aktogay to purchase rather than lease rail wagons, as it has now been determined that these are not required. Total cash and cash equivalents at 30 September 2017 amounted to \$1,352 million, an increase from \$1,223 million at 30 June 2017.

At 30 September 2017, gross debt (before amortised fees) was \$3,606 million compared to \$3,700 million at 30 June 2017, following the scheduled repayments on the CDB Bozshakol/Bozymchak facilities of \$91 million and the CDB Aktogay CNY facility of \$6 million. Of the gross debt (before amortised fees) at 30 September 2017, \$1,540 million related to the CDB Bozshakol/Bozymchak facilities, \$1,466 million to the CDB Aktogay facilities, \$300 million to the Development Bank of Kazakhstan (DBK) facility and \$300 million to the PXF facility.

## APPENDIX – GROUP PRODUCTION SUMMARY

### Copper mining & processing

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
<b>Ore extraction</b>	<b>kt</b>	<b>51,380</b>	<b>35,764</b>	<b>16,959</b>	<b>17,537</b>	<b>13,665</b>
Bozshakol	kt	28,660	19,482	9,234	9,522	8,466
Aktogay	kt	19,778	12,742	6,756	7,003	4,063
East Region	kt	2,246	2,824	743	777	920
Bozymchak	kt	696	716	226	235	216
<b>Average grade mined</b>	<b>%</b>	<b>0.62</b>	<b>0.66</b>	<b>0.59</b>	<b>0.61</b>	<b>0.67</b>
<b>Copper in ore mined</b>	<b>kt</b>	<b>318.3</b>	<b>235.6</b>	<b>99.6</b>	<b>107.7</b>	<b>91.0</b>
<b>Ore processed</b>	<b>kt</b>	<b>30,254</b>	<b>9,717</b>	<b>12,025</b>	<b>10,529</b>	<b>4,969</b>
Bozshakol	kt	18,498	6,152	6,808	6,630	3,862
Aktogay (sulphide)	kt	8,676	-	4,102	2,937	-
East Region	kt	2,316	2,774	859	707	848
Bozymchak	kt	764	791	256	255	259
<b>Average grade processed</b>	<b>%</b>	<b>0.73</b>	<b>1.07</b>	<b>0.68</b>	<b>0.73</b>	<b>0.88</b>
Bozshakol	%	0.54	0.56	0.51	0.56	0.56
Aktogay (sulphide)	%	0.70	-	0.65	0.72	-
East Region	%	2.26	2.27	2.12	2.31	2.32
Bozymchak	%	0.89	0.88	0.89	0.89	0.92
<b>Copper in ore processed</b>	<b>kt</b>	<b>220.3</b>	<b>104.3</b>	<b>81.8</b>	<b>76.7</b>	<b>43.6</b>
Bozshakol	kt	100.1	34.4	34.5	37.0	21.6
Aktogay (sulphide)	kt	61.0	-	26.8	21.2	-
East Region	kt	52.4	62.9	18.2	16.3	19.6
Bozymchak	kt	6.8	7.0	2.3	2.2	2.4
<b>Average recovery rate</b>	<b>%</b>	<b>83.4</b>	<b>86.7</b>	<b>86.4</b>	<b>82.4</b>	<b>85.2</b>
Bozshakol	%	82.4	81.5	81.3	82.4	80.9
Aktogay (sulphide)	%	78.7	-	90.7	76.5	-
East Region	%	90.0	89.2	89.4	89.3	89.3
Bozymchak	%	89.3	90.9	89.6	88.6	90.6
<b>Aktogay oxide ore to leach pads</b>	<b>kt</b>	<b>10,867</b>	<b>12,742</b>	<b>2,570</b>	<b>4,084</b>	<b>4,063</b>
Grade	%	0.38	0.40	0.27	0.39	0.38

## APPENDIX – GROUP PRODUCTION SUMMARY

### Copper production

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
<b>Bozshakol</b>						
Copper concentrate	kt	370.8	117.3	127.1	136.5	72.1
Copper in concentrate	kt	82.5	28.1	28.1	30.4	17.5
<b>Aktogay Sulphide</b>						
Copper concentrate	kt	202.7	-	108.2	67.0	-
Copper in concentrate	kt	48.0	-	24.3	16.2	-
<b>East Region</b>						
Copper concentrate	kt	225.4	280.1	76.0	69.0	84.5
Copper in concentrate	kt	47.2	56.1	16.3	14.6	17.6
<b>Bozymchak</b>						
Copper concentrate	kt	25.6	25.7	8.6	8.4	9.0
Copper in concentrate	kt	6.0	6.3	2.0	2.0	2.1
<b>Total copper concentrate</b>	<b>kt</b>	<b>824.5</b>	<b>423.1</b>	<b>319.9</b>	<b>280.9</b>	<b>165.6</b>
<b>Total copper in concentrate</b>	<b>kt</b>	<b>183.7</b>	<b>90.5</b>	<b>70.7</b>	<b>63.2</b>	<b>37.2</b>
<b>Copper production<sup>1</sup></b>	<b>kt</b>	<b>193.3</b>	<b>98.6</b>	<b>75.3</b>	<b>65.9</b>	<b>42.3</b>
Bozshakol	kt	78.8	26.8	26.8	29.1	16.7
Aktogay sulphide	kt	45.8	-	23.2	15.4	-
Aktogay oxide	kt	18.4	12.0	8.0	5.7	6.6
East Region	kt	44.6	53.7	15.4	13.8	16.9
Bozymchak	kt	5.7	6.1	1.9	1.9	2.1
<b>Copper cathodes</b>	<b>kt</b>	<b>85.8</b>	<b>70.0</b>	<b>31.4</b>	<b>28.8</b>	<b>26.1</b>
Bozshakol (toll processed)	kt	9.3	-	4.7	3.7	-
Aktogay sulphide (toll processed)	kt	8.9	-	4.8	3.6	-
Aktogay oxide	kt	18.4	12.0	8.0	5.7	6.6
East Region (toll processed)	kt	42.6	53.0	11.4	14.0	17.4
Bozymchak (toll processed)	kt	6.6	5.0	2.5	1.8	2.1

<sup>1</sup> Payable metal in concentrate and copper cathode from Aktogay oxide ore.

## APPENDIX – GROUP PRODUCTION SUMMARY

### Zinc

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
<b>Zinc bearing ore mined</b>	<b>kt</b>	<b>2,246</b>	<b>2,824</b>	<b>743</b>	<b>777</b>	<b>920</b>
Orlovsky	kt	799	973	254	270	294
Artemyevsky	kt	977	986	332	351	340
Irtyshtsky	kt	470	473	157	156	157
Yubileyno-Snegirikhinsky	kt	-	392	-	-	129
<b>Zinc bearing ore processed</b>	<b>kt</b>	<b>2,316</b>	<b>2,774</b>	<b>859</b>	<b>707</b>	<b>848</b>
Orlovsky concentrator	kt	795	972	249	270	290
	grade (%)	3.60	4.38	3.01	3.76	4.19
Nikolayevsky concentrator	kt	1,045	1,311	451	275	403
	grade (%)	1.94	1.69	1.71	2.48	1.64
Belousovsky concentrator	kt	476	491	159	162	155
	grade (%)	3.47	3.03	3.40	3.80	3.33
<b>Average grade processed</b>	<b>%</b>	<b>2.82</b>	<b>2.87</b>	<b>2.40</b>	<b>3.27</b>	<b>2.82</b>
<b>Zinc metal in ore processed</b>	<b>kt</b>	<b>65.4</b>	<b>79.7</b>	<b>20.6</b>	<b>23.1</b>	<b>23.9</b>
Orlovsky concentrator	kt	28.6	42.6	7.5	10.1	12.1
Nikolayevsky concentrator	kt	20.2	22.2	7.7	6.8	6.6
Belousovsky concentrator	kt	16.5	14.9	5.3	6.2	5.2
<b>Average recovery rate</b>	<b>%</b>	<b>70.0</b>	<b>70.6</b>	<b>65.3</b>	<b>72.7</b>	<b>69.5</b>
Orlovsky concentrator	%	66.1	71.6	52.8	69.0	69.0
Nikolayevsky concentrator	%	75.2	70.5	73.6	80.6	72.4
Belousovsky concentrator	%	70.4	67.7	70.9	69.9	67.1
<b>Zinc in concentrate</b>	<b>kt</b>	<b>45.8</b>	<b>56.2</b>	<b>13.5</b>	<b>16.8</b>	<b>16.6</b>
Orlovsky concentrator	kt	19.0	30.5	4.0	7.0	8.4
Nikolayevsky concentrator	kt	15.2	15.7	5.7	5.5	4.8
Belousovsky concentrator	kt	11.6	10.0	3.8	4.3	3.4

## APPENDIX – GROUP PRODUCTION SUMMARY

### Gold

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
<b>Gold bearing ore mined</b>	<b>kt</b>	<b>31,602</b>	<b>23,022</b>	<b>10,203</b>	<b>10,534</b>	<b>9,602</b>
Bozshakol	kt	28,660	19,482	9,234	9,522	8,466
East Region	kt	2,246	2,824	743	777	920
Bozymchak	kt	696	716	226	235	216
<b>Gold bearing ore processed</b>	<b>kt</b>	<b>21,578</b>	<b>9,717</b>	<b>7,923</b>	<b>7,592</b>	<b>4,969</b>
Bozshakol	kt	18,498	6,152	6,808	6,630	3,862
	grade (g/t)	0.28	0.34	0.25	0.29	0.37
East Region	kt	2,316	2,774	859	707	848
	grade (g/t)	0.52	0.56	0.49	0.57	0.53
Bozymchak	kt	764	791	256	255	259
	grade (g/t)	1.67	1.68	1.68	1.69	1.68
<b>Average grade processed</b>	<b>g/t</b>	<b>0.35</b>	<b>0.51</b>	<b>0.32</b>	<b>0.36</b>	<b>0.46</b>
<b>Gold in ore processed</b>	<b>koz</b>	<b>248.8</b>	<b>159.5</b>	<b>81.9</b>	<b>88.8</b>	<b>74.1</b>
Bozshakol	koz	169.3	67.3	54.4	62.0	45.7
East Region	koz	38.5	49.4	13.6	12.9	14.4
Bozymchak	koz	41.0	42.8	13.9	13.9	14.0
<b>Average recovery rate</b>	<b>%</b>	<b>58.8</b>	<b>56.9</b>	<b>57.9</b>	<b>60.2</b>	<b>57.9</b>
Bozshakol	%	57.6	59.0	55.5	59.3	58.3
East Region	%	38.7	32.1	41.0	40.1	30.7
Bozymchak	%	82.8	82.2	83.8	83.1	84.5
<b>Gold in concentrate</b>	<b>koz</b>	<b>146.2</b>	<b>90.7</b>	<b>47.4</b>	<b>53.4</b>	<b>42.9</b>
Bozshakol	koz	97.4	39.6	30.2	36.7	26.6
East Region	koz	14.9	15.9	5.6	5.2	4.4
Bozymchak	koz	33.9	35.2	11.6	11.5	11.9
<b>Gold production<sup>1</sup></b>	<b>koz</b>	<b>137.8</b>	<b>85.7</b>	<b>44.8</b>	<b>50.4</b>	<b>40.6</b>
Bozshakol	koz	91.1	37.7	28.2	34.4	25.4
Aktogay (sulphide) <sup>2</sup>	koz	0.8	-	0.4	0.3	-
East Region	koz	14.0	14.9	5.2	4.9	4.1
Bozymchak	koz	31.9	33.1	11.0	10.8	11.1
<b>Gold bar produced (toll processed)</b>	<b>koz</b>	<b>52.3</b>	<b>41.0</b>	<b>23.7</b>	<b>13.6</b>	<b>15.7</b>
Bozshakol	koz	8.8	-	5.2	3.6	-
Aktogay (sulphide) <sup>2</sup>	koz	0.4	-	0.4	-	-
East Region	koz	12.7	16.8	5.7	2.4	4.7
Bozymchak	koz	30.4	24.2	12.4	7.6	11.0

<sup>1</sup> Payable metal in concentrate.

<sup>2</sup> Minimal volume recovered from Aktogay material.

## APPENDIX – GROUP PRODUCTION SUMMARY

### Silver

		9m 2017	9m 2016	Q3 2017	Q2 2017	Q3 2016
<b>Silver bearing ore mined</b>	<b>kt</b>	<b>31,602</b>	<b>23,022</b>	<b>10,203</b>	<b>10,534</b>	<b>9,602</b>
Bozshakol	kt	28,660	19,482	9,234	9,522	8,466
East Region	kt	2,246	2,824	743	777	920
Bozymchak	kt	696	716	226	235	216
<b>Silver bearing ore processed</b>	<b>kt</b>	<b>21,578</b>	<b>9,717</b>	<b>7,923</b>	<b>7,592</b>	<b>4,969</b>
Bozshakol	kt	18,498	6,152	6,808	6,630	3,862
	grade (g/t)	1.45	1.63	1.22	1.51	1.56
East Region	kt	2,316	2,774	859	707	848
	grade (g/t)	43.5	43.2	41.9	50.6	41.2
Bozymchak	kt	764	791	256	255	259
	grade (g/t)	11.4	12.1	11.3	11.8	11.2
<b>Average grade processed</b>	<b>g/t</b>	<b>6.3</b>	<b>14.4</b>	<b>6.0</b>	<b>6.4</b>	<b>8.8</b>
<b>Silver in ore processed</b>	<b>koz</b>	<b>4,380</b>	<b>4,486</b>	<b>1,518</b>	<b>1,569</b>	<b>1,410</b>
Bozshakol	koz	863	323	268	322	194
East Region	koz	3,236	3,856	1,156	1,151	1,123
Bozymchak	koz	281	307	94	96	93
<b>Average recovery rate</b>	<b>%</b>	<b>63.3</b>	<b>55.2</b>	<b>63.4</b>	<b>62.3</b>	<b>56.1</b>
Bozshakol	%	66.6	54.4	64.8	69.0	57.1
East Region	%	61.4	53.6	62.1	59.3	54.0
Bozymchak	%	75.5	76.9	75.0	75.0	78.6
<b>Silver in concentrate</b>	<b>koz</b>	<b>2,773</b>	<b>2,478</b>	<b>962</b>	<b>977</b>	<b>791</b>
Bozshakol	koz	575	176	173	223	111
East Region	koz	1,986	2,066	719	682	607
Bozymchak	koz	212	236	70	72	73
<b>Silver production<sup>1</sup></b>	<b>koz</b>	<b>2,708</b>	<b>2,299</b>	<b>952</b>	<b>961</b>	<b>739</b>
Bozshakol	koz	517	158	156	200	100
Aktogay (sulphide) <sup>2</sup>	koz	191	-	78	75	-
East Region	koz	1,807	1,921	654	621	570
Bozymchak	koz	193	220	64	65	69
<b>Silver bar produced (toll processed)</b>	<b>koz</b>	<b>1,972</b>	<b>2,031</b>	<b>602</b>	<b>585</b>	<b>676</b>
Bozshakol	koz	45	-	26	13	-
Aktogay (sulphide) <sup>2</sup>	koz	34	-	15	19	-
East Region	koz	1,688	1,872	488	485	604
Bozymchak	koz	205	159	73	68	72

<sup>1</sup> Payable metal in concentrate.

<sup>2</sup> Minimal volume recovered from Aktogay material.