THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document, which comprises a prospectus (the "Prospectus") relating to Kazakhmys PLC (the "Company") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under Section 73A of the Financial Services and Markets Act 2000 (as amended) ("FSMA"), has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Kazakhmys Shares are currently listed on the premium segment of the Official List maintained by the FCA and traded on the London Stock Exchange's main market for listed securities. In addition, Kazakhmys Shares are listed on the Kazakhstan Stock Exchange and are the subject of a secondary listing on the Hong Kong Stock Exchange.

Kazakhmys PLC

(incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05180783)

This Prospectus is being made available in connection with the ENRC Takeover Offer by Eurasian Resources. Further details of the ENRC Takeover Offer are set out in the Eurasian Resources Offer Document published by Eurasian Resources dated 7 August 2013.

You should read the whole of this document and any documents incorporated herein by reference. In particular, your attention is drawn to the section of this document headed "Risk Factors".

Investors should only rely on the information contained in this document and any documents incorporated herein by reference. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. The Company will comply with its obligations to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority, but assumes no further obligation to publish additional information.

The contents of this document and the information incorporated herein by reference should not be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for advice.

Neither Eurasian Resources nor any of its shareholders or affiliates nor any of their respective directors accept any responsibility whatsoever for the contents of this Prospectus. Eurasian Resources and each of its shareholders and affiliates and each of their respective directors accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they may otherwise have in respect of this Prospectus or any such statement(s) and no representation or warranty, express or implied, is made by Eurasian Resources or any of its shareholders or affiliates or any of their respective directors as to the accuracy, completeness or sufficiency of the information set out in this Prospectus.

The section headed "Important Information" contains important information which you should read.

Dated: 7 August 2013

TABLE OF CONTENTS

SUMMARY INFORMATION

Section A—Introduction and warnings

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A to E (A.1 to E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

Annexes and Element		**Disclosure requirement**
A.1	**Introduction and warnings**	*This summary must be read as an introduction to this Prospectus. Any decision to invest in Kazakhmys Shares should be based on consideration of this Prospectus as a whole. Civil liability attaches to the persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in Kazakhmys Shares. Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the Member States, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.*
A.2	**Subsequent resale of securities or final placement of securities through financial intermediaries**	Not applicable. The Company has not given its consent to the use of the Prospectus for subsequent resale or final placement of Kazakhmys Shares by financial intermediaries.

Section B—Company and any guarantor

Annex and Element		**Disclosure requirement**
B.1	**Legal and commercial name**	Kazakhmys PLC
B.2	**Domicile and legal form of the Company**	The Company is a public limited company, incorporated in England and Wales, with its registered office situated in the United Kingdom. The Company operates under the Companies Act 2006.
B.3	**Operations and principal activities**	The Company is the holding company of the Group. The principal activities of the Group are the production of copper and other metals as by-products, including gold, zinc and silver, and power generation.

		The Group is structured around its main business activities: mining and power generation, and is organised into two business divisions: Kazakhmys Mining and Kazakhmys Power. The business is supported by corporate functions in London and Almaty, which are responsible for the Group's strategy, cash and capital management, development and other core functions. Kazakhmys Mining incorporates the Group's mining, concentrating, smelting and auxiliary operations in Kazakhstan and the sales operation in the United Kingdom. The key products are copper cathode and rod, zinc in concentrate, silver granule and bar along with gold bar and doré, which are sold to customers in Europe, the CIS, China and other countries in Asia. Kazakhmys Power includes the Group's three captive power stations and Ekibastuz GRES-1, in which Kazakhmys has a 50 per cent. interest. The captive power stations mainly support the Group's operations. The electricity generated by Ekibastuz GRES-1 is sold to third parties predominantly based in Kazakhstan, with the remaining output exported to Russia. As at the date of the Prospectus, Kazakhmys holds approximately 26 per cent. of the issued ordinary share capital of ENRC, but the business of ENRC and financial performance of this investment is not controlled by the Group.
B.4a	**Significant recent trends**	The Company has identified the following significant recent trends affecting the Group and the industries in which it operates. ***Operations*** Kazakhmys Mining's copper cathode and by-product production volumes at the end of June 2013 remained in line to meet guidance provided for 2013. Copper product sales volumes were above production volumes over the same period due to a reduction in finished goods inventory. ***Commodities*** The prices for copper, zinc, gold and silver started 2013 strongly, before declining in March and during the second quarter of 2013. The fall in prices for the four metals has been driven by a number of macroeconomic factors, including lower than expected economic growth expectations for China and the United States. The copper price has also been impacted by a trend of rising copper exchange inventories and the expectation of growing supply. ***Power*** According to Kazakhstan Electricity Grid Operating Company, in the first half of 2013, demand for electricity in Kazakhstan has been below levels seen in the comparative period in the prior year, driven by lower levels of commercial demand. In addition, according to Kazakhstan Electricity Grid Operating Company, no major additional generation capacity is expected to be available in Kazakhstan in 2013. Consistent with the lower levels of commercial

		demand, generation volumes in the first half of 2013 in Kazakhstan were below the comparative period in the prior year. To encourage investment in the power sector, the Government of Kazakhstan introduced a tariff regime in 2009 under which a ceiling tariff was set for each group of generators from 2009 to 2015, subject to minimum levels of capital investment being met. The ceiling tariff approved by the Ministry of Industry and New Technologies for Ekibastuz GRES-1 rose to 7.30 KZT/kWh from 1 January 2013.
B.5	**Group description**	The Company is the holding company of the Group. The principal subsidiaries of the Group are:

Subsidiary	Principal Activity	Operating Division	Country of Incorporation	Equity Interest at 31 December 2012
Kazakhmys Corporation LLC	Copper mining and concentrating	Kazakhmys Mining	Kazakhstan	99.9(1)
Kazakhmys Smelting LLC	Copper refining and smelting	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Aktogay LLP	Copper mine development	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Bozshakol LLP	Copper mine development	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Projects BV	Project development company	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Energy LLP	Electricity generation	Kazakhmys Power	Kazakhstan	100.0(1)
Kazakhmys Sales Limited	Sales and logistics	Kazakhmys Mining	United Kingdom	100.0
Dank LLP	Gold mining and processing and copper processing	Kazakhmys Mining	Kazakhstan	100.0(1)
Andas Altyn LLP	Gold mining and processing	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Gold Kyrgyzstan LLP	Copper/gold mine development	Kazakhmys Mining	Kyrgyzstan	100.0(1)
Ekibastuz GRES-1 LLP	Electric power generation	Kazakhmys Power	Kazakhstan	50.0(1)
Kazakhmys Finance PLC	Group financing	N/A	United Kingdom	100.0
Kazakhmys Services Limited	Management and services company	N/A	United Kingdom	100.0
Kazakhmys Investments Limited	Holding company	N/A	United Kingdom	100.0
MKM Mansfelder Kupfer und Messing GmbH	Copper processing	MKM	Germany	100.0(1)(2)

		Notes: (1) Indirectly held by the Company. (2) As at 31 December 2012, MKM was classified as held for sale. The sale was completed on 28 May 2013.
B.6	**Major shareholders**	As at the Latest Practicable Date, the interests (all of which are beneficial unless otherwise stated) of the Directors or senior management, their immediate families and (so far as is known to them or could with reasonable diligence be ascertained by them) persons connected (within the meaning of Section 252 of the Companies Act) with the Directors or senior management in the issued ordinary share capital of the Company, including: (i) those arising pursuant to transactions notified to the Company pursuant to DTR3.1.2R; or (ii) those of persons connected with the Directors or senior management, which would, if such connected person were a Director or senior management, be required to be disclosed under (i) above, are set out in the following table:

	As at the Latest Practicable Date	
Name	**Number of Kazakhmys Shares**	**Percentage of issued ordinary share capital**
Vladimir Kim[(1)]	149,306,795	27.89
Oleg Novachuk[(2)]	34,923,423	6.52
Eduard Ogay[(3)]	3,834,427	0.72
Michael Lynch-Bell	7,000	<0.01
Simon Heale	5,000	<0.01
Lord Renwick of Clifton, KCMG	4,000	<0.01
Philip Aiken AM	4,000	<0.01
Charles Watson	3,624	<0.01
Clinton Dines	3,000	<0.01
Daulet Yergozhin	—	—
Andrew Southam[(4)]	321	<0.01
Total	188,091,590	35.13

Notes:

(1) Vladimir Kim has pledged 90,805,063 Kazakhmys Shares (out of the total of 149,306,795 Kazakhmys Shares) but has retained the voting rights in respect of such pledged Kazakhmys Shares.

(2) Oleg Novachuk has pledged 34,923,423 Kazakhmys Shares but has retained the voting rights in respect of such pledged Kazakhmys Shares.

(3) Eduard Ogay has pledged 3,834,427 Kazakhmys Shares but has retained the voting rights in respect of such pledged Kazakhmys Shares.

(4) Kazakhmys Shares acquired due to participation in the UK Share Incentive Plan 2010.

Other than the interests of Directors and senior management disclosed above, so far as it has been made known to the Company, the following persons held directly or indirectly 3 per cent. or more of the Company's voting rights as at the Latest Practicable Date:

Kazakhmys Shareholder	Number of Kazakhmys Shares (As at the Latest Practicable Date)	Percentage of voting rights (As at the Latest Practicable Date)
Eurasian Resources Group B.V.	139,162,843	26.57
Cuprum Holding Limited(1)	135,944,325	25.96
Harper Finance Limited(2)	29,706,901	5.67
UBS AG London Branch	15,736,408	3.01
Total	320,550,477	61.21

Notes:

(1) Vladimir Kim holds a 100 per cent. interest in Cuprum Holding Limited and this is included in the disclosure of Directors' interests above.

(2) Oleg Novachuk holds a 100 per cent. interest in Harper Finance Limited and this is included in the disclosure of Directors' interests above.

None of the major shareholders in the Company has or will have different voting rights attached to the shares they hold in the Company. The Company is not aware of any person or persons who directly, indirectly, jointly or severally exercise or could exercise control over the Company.

B.7 **Key financial information**

The following selected historical key financial information has been extracted without material adjustment from the audited financial statements for the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010.

	2012	2011	2010
	($ million unless otherwise stated)		
Continuing operations			
Revenues	3,353	3,563	3,237
Operating costs (excluding the non-cash component of the disability benefits obligation, depreciation, depletion, amortisation, MET and special items)	(2,226)	(1,791)	(1,529)
EBITDA from subsidiaries (excluding special items)	1,127	1,772	1,708
EBITDA from joint venture (excluding special items)	189	154	86
Segmental EBITDA (excluding special items) from continuing operations	1,316	1,926	1,794
Less: interest and taxes of joint venture	(29)	(26)	(28)
Special items:			
Less: additional disability benefits obligation charge	—	(146)	—
Less: impairment charge against property, plant and equipment	(110)	(11)	(13)
Less: impairment (charge)/reversal against mining assets	(82)	7	—
Less: major social projects	—	—	(130)
Add: provisions released against inventories	—	19	18
Less: loss on disposal of subsidiary	(8)	—	—
Less: MET	(260)	(280)	(236)
Less: non-cash component of the disability benefits obligation	(149)	—	—
Less: depreciation, depletion and amortisation	(310)	(264)	(268)
Operating Profit	368	1,225	1,137

	2012	2011	2010
	($ million unless otherwise stated)		
Results from associate	(2,481)	466	522
Share of (losses)/profits from associate	(258)	466	522
Less: impairment charge against investment in associate	(2,223)	—	—
(Loss)/profit before finance items and taxation	(2,113)	1,691	1,659
Net finance expenses	(91)	(68)	(67)
(Loss)/profit before taxation	(2,204)	1,623	1,592
Income tax expense	(86)	(221)	(203)
(Loss)/profit for the year from continuing operations	(2,290)	1,402	1,389
Discontinued operations			
Profit/(loss) for the year from discontinued operations	20	(472)	61
(Loss)/profit for the year	(2,270)	930	1,450
Non-controlling interests	(1)	—	—
(Loss)/profit attributable to equity holders of the Company	(2,271)	930	1,450
EPS—basic and diluted ($)			
From continuing operations	(4.37)	2.63	2.60
From discontinued operations	0.04	(0.88)	0.11
	(4.33)	1.75	2.71
EPS based on underlying profit ($)			
From continuing operations	0.85	2.76	2.59
From discontinued operations	0.09	0.04	0.20
	0.94	2.80	2.79

The following is a summary of significant changes to Kazakhmys' financial condition and operating results during the period covered by the historical financial information (the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010).

The Group's operating profit increased from U.S.$1,137 million for the financial year ended 31 December 2010 to U.S.$1,225 million for the financial year ended 31 December 2011, then decreased to U.S.$368 million for the financial year ended 31 December 2012.

The overall decrease in operating profit during this period was in part caused by an increase in operating costs. In the financial year ended 31 December 2011, production costs, excluding depreciation, depletion, amortisation, MET and special items, rose 18 per cent. from the financial year ended 31 December 2010, impacted by input prices, labour rates and the effect of declining grades, which led to higher ore volumes and lower recovery rates. In the financial year ended 31 December 2012, a combination of salary inflation, higher transportation costs and greater volumes of material processed resulted in cash operating costs rising by 26 per cent. in the mining division.

In addition, the Group's share of profits from ENRC decreased during the period covered by the historical financial information: from U.S.$522 million, net of tax, for the financial year ended 31 December 2010 to U.S.$466 million, net of tax, for the financial year ended 31 December 2011. In the financial year ended

		31 December 2012 the Group's share of earnings in ENRC fell further, to a loss of U.S.$258 million, based on the unaudited results of ENRC for the year, which were published on 20 March 2013. The Group also recognised an impairment charge for the financial year ended 31 December 2012 against the investment in ENRC of U.S.$2,223 million. Since 31 December 2012, there has been no significant change in the financial or trading position of the Group, with the exception of: • the Group taking action to cut costs and review discretionary capital expenditure in order to improve the operating cash flow of the business, in light of the decline in the price of commodities produced by the Group, and the anticipated future spend on the Group's major growth projects. The Group intends to undertake a review of its operations and costs structure, including a reassessment of the Group's integrated model with a focus on profitable production rather than volume target; • the current reassessment of the disability benefits obligation following the assumption by the Group of previously insured liabilities arising from the financial difficulties of the entities providing the insurance, and also an increase in the number of claimants, will result in an additional charge to the Group's income statement and an increase in the employee benefits obligation recognised on the Group's balance sheet; • an increase in net debt for the Group's continuing subsidiary businesses to U.S.$1,158 million as at 31 May 2013, from U.S.$707 million as at 31 December 2012, as the Group continued to develop the Aktogay and Bozshakol projects. The gross debt was U.S.$2,943 million as at 31 May 2013, an increase of U.S.$475 million from the position as at 31 December 2012, following additional drawdowns under the existing finance facilities; • a move from a net funds position, on a 100 per cent. basis as at 31 December 2012, of U.S.$10 million to a net debt position of U.S.$36 million as at 31 May 2013 of the joint venture investment in Ekibastuz GRES-1; • the disposal of MKM for €42 million, which was completed on 28 May 2013; and • a fall in the market value of the Group's holding in ENRC from U.S.$1,546 million as at 31 December 2012, based on a share price of 284 pence, to U.S.$1,218 million as at 31 May 2013, based on a share price of 240 pence, and a market value of U.S.$1,151 million, based on a share price of 225 pence as at the Latest Practicable Date.
B.8	**Key pro forma financial information**	On a pro forma basis and assuming the Transaction had taken place on 31 December 2012, the Group would have had net assets of approximately U.S.$5,113 million.

		The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the Group's actual financial position or results.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecast has been included in this Prospectus.
B.10	**A description of the nature of any qualifications in the audit report on the historical financial information**	Not applicable. There are no qualifications to the audit report on the historical financial information.
B.11	**Explanation if there is insufficient working capital**	Not applicable. In the opinion of the Company, after taking into account the net proceeds receivable by the Company pursuant to the Transaction, existing available facilities and existing cash resources, the working capital available to the Group is sufficient for the Group's present requirements, that is for at least the next 12 months following the date of publication of this document.

Section C—Shares

Annexes and Element		**Disclosure requirement**
C.1	**Type and class of securities**	The Kazakhmys Consideration Shares are ordinary shares of £0.20 each in the capital of the Company. The Kazakhmys Consideration Shares are in registered form and capable of being held in both certificated and uncertificated form. The Kazakhmys Consideration Shares have ISIN Number GB00B0HZPV38.
C.2	**Currency of the securities**	The Kazakhmys Consideration Shares are denominated in pounds sterling.
C.3	**Issued share capital**	The issued and fully paid share capital of the Company as at the Latest Practicable Date was as follows: **Class of shares** / **Nominal Value** / **Number** / **Amount** Ordinary shares .... / £0.20 / 535,420,180 / £107,084,036
C.4	**Description of the rights attaching to the securities**	The rights attaching to the Kazakhmys Consideration Shares will, following the Transaction, rank *pari passu* in all respects with the Kazakhmys Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company. The rights attaching to the Kazakhmys Shares are defined in the Company's Articles of Association. ***Voting rights*** Members may attend any general meeting of the Company. On a show of hands, every member (or his representative) who is present in person or by proxy has one vote on each resolution and on a poll every member (or his representative) who is present in person or by proxy shall have one vote on each resolution for each share of which he/she is the holder.

		As a result of changes introduced by the Companies Act to allow multiple proxies appointed by a single member to vote on a show of hands, all substantive resolutions at general meetings will normally be put to a poll vote. Employees who participate in the Company's Share Incentive Plans (the "SIP") and hold shares in the SIP trusts provide directions to the trustee to vote on their behalf by way of a form of direction. The Company is not aware of any agreements between shareholders that may result in restrictions on voting rights. ***Dividend rights*** Kazakhmys Shareholders may by ordinary resolution declare dividends, but the amount of the dividend may not exceed the amount recommended by the Board. If cheques, warrants or orders for dividends sent by the Company to a shareholder are returned to the Company or left uncashed on two consecutive occasions (or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose), the Company shall not be obliged to send any dividends due to that shareholder until he notifies the Company of an address to be used for the purpose. All dividends unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company. ***Liquidation*** In the event of liquidation, a liquidator may, subject to special resolution, divide the assets of the Company among the shareholders. ***Redemption*** The Company may purchase its own shares, subject to the provisions of the Companies Act.
C.5	**Restrictions on the free transferability of the Kazakhmys Shares**	There are no restrictions on the transfer of shares other than a discretionary right of the Board to refuse to register a transfer in specific situations. Transfers of uncertificated shares must be carried out using CREST and the Board can refuse a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of shares.
C.6	**Admission**	Not applicable. The Kazakhmys Consideration Shares are already listed on the Official List and traded on the London Stock Exchange and therefore no application will be made to the FCA for the Kazakhmys Consideration Shares to be admitted to the premium listing segment of the Official List of the

		FCA and to the London Stock Exchange for the Kazakhmys Consideration Shares to be admitted to the trading on the London Stock Exchange's main market for listed securities.
C.7	**Dividends and dividend policy**	The policy established at the time of listing on the Official List and admission to trading of Kazakhmys Shares on the London Stock Exchange in 2005 was for the Company to maintain a dividend policy which took into account the profitability of the business and underlying growth in earnings of the Group, as well as its cash flows and growth requirements. The Directors would also ensure that dividend cover is prudently maintained. Interim and final dividends will be paid in the approximate proportions of one-third and two-thirds of the total annual dividend, respectively. Share buybacks and special dividends have been used in addition to the ordinary dividend to return surplus funds to shareholders. The Directors recommended a final dividend for 2012 of 8.0 U.S. cents per share, which together with the interim ordinary dividend of 3.0 U.S. cents per share, gave a total full year dividend of 11.0 U.S. cents per share (2011: 28.0 U.S. cents per share), based on the earnings for 2012. The final dividend, declared by the Board, was approved by Kazakhmys Shareholders at the 2013 Annual General Meeting held on 17 May 2013 and was paid on 21 May 2013.

Section D—Risks

Annexes Element		**Disclosure requirement**
D.1	**Key information on the key risks that are specific to the Company or its industry**	***Risks relating to the Group's operations*** • The Group's financial performance is highly dependent upon the price of copper, and also dependent on the price of silver, gold and zinc. These prices have historically been subject to wide fluctuations and are affected by numerous factors beyond the Group's control. Even in the event that the copper prices were to increase sharply, there is a risk that consumers will reduce their volume of consumption and/or seek alternative products or commodities to use as a substitute for copper. Any reduced consumption or request for alternative products by the Group's customers could adversely affect the Group's business, financial condition and results of operations. • The Group's exposure to the Chinese and the European markets may negatively impact the Group's results in the event of a slowdown in Chinese demand and/or a further economic recession in certain countries in Europe. If economic and regulatory conditions do not continue to improve in China and the economy does not stabilise across Europe, these conditions

		could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects. • The business of mining, smelting and refining metals involves a number of risks and hazards, including a significant risk of disruption. Such operational risks could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. • Mining is a hazardous industry and failure to adopt and embed health and safety management systems could result in harm to employees as well as fines and penalties and damage to its reputation. Steps are being taken with the objective of reducing fatalities to zero, but there is no guarantee that these steps will be successful. Health and safety incidents, a violation of health and safety requirements and the occurrence of accidents could disrupt the Group's operations and increase operating costs. • The Group's business requires substantial capital expenditure. The Group has funding in place for its committed capital expenditure for the next 12 months. However, due to the high volatility and severe liquidity disruptions in international credit markets, the Group's ability to obtain adequate funding in the future may be limited and the Group may be unable to satisfactorily fund the relevant projects beyond its current committed capital expenditure for the next 12 months. In addition, if the Transaction does not complete, the Group will not receive the cash proceeds due to it, which the Group intends to use partly for repayment of debt. Without the proceeds of the Transaction, it is possible that the Group may breach certain covenants resulting in events of default, which may, in turn, result in the Group no longer having funding in place for its committed capital expenditure. However, even without the proceeds of the Transaction, the Group has a range of options and mitigation actions available to deal with a potential covenant breach. Furthermore, projects may require greater investment than currently expected or suffer delays or interruptions. In addition, the Group's plans or projects may not achieve the intended economic results or commercial viability. • The Group relies on its access to specialised mining equipment and the transmission of power for a portion of its operations, for which there are limited third party suppliers. In addition, the Group depends upon its key senior management and personnel. Equipment shortages, power supply disruption or loss of key personnel may impede the Group's ability to operate its business optimally and could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

		• Many of the Group's employees are represented by labour unions under various collective labour agreements. In several towns where it operates, the Group is the only significant employer. As a result, the Group's ability to release or restructure its workforce in response to changes in market conditions may be limited. A work slowdown, a work stoppage or a strike may occur prior to or upon the expiration of current labour agreements. In addition, the Group is obliged to maintain certain social programmes and projects for the benefit of local communities. These obligations may increase or become more burdensome in the future and may have a negative impact on the Group's profitability. • The Group's ore reserves and mineral resources are estimated in accordance with the criteria of the JORC Code. Reserve and resource estimates involve expressions of judgement and the accuracy of these estimates may be affected by many factors, including quality of the results of exploration drilling and analysis of mineral samples, as well as the procedures adopted by and the experience of the person making the estimates. The volume and grade of the ore that the Group recovers and its rate of production may not conform to current expectations. • Compliance with environmental laws and regulations requires ongoing expenditure and considerable capital commitments from the Group (including uncertain future capital requirements), and non-compliance may subject the Group to significant penalties, including the suspension or revocation of its subsoil use rights. • As the Group's existing reserves are depleted over time, the acquisition of new interests will be important to expand the Group's reserves base. The Group has expanded through both the development and the acquisition of new facilities, and the Group expects to continue to do so in the future. The Group may not continue to identify suitable acquisitions and strategic investment opportunities and any business acquired may not prove to be profitable. Any failures to identify and execute future acquisitions successfully could adversely impact the Group's growth strategy. • The Group is exposed to liquidity risks, including the risk that borrowing facilities may not be available to meet cash requirements, and the risk that financial assets may not readily be converted into cash without the loss of value, and the risk that U.S. LIBOR rates rise, raising the interest cost on the Group's borrowings. Failure to manage financing risks could have a material impact on the Group's cash flows, earnings and financial position as well as reducing funds available for working capital, capital expenditure, acquisitions, dividends and other general corporate purposes.

		• In light of the sensitivity of Kazakhmys' profits and cash flows to adverse movements in the price of the Group's key commodities, which include copper, silver, gold and zinc, without the proceeds of the Transaction, it is possible that the Group may breach the net debt/EBITDA covenant in certain of the Group's finance facilities when it is tested during the next 12 months. However, even without the proceeds of the Transaction, the Group has a range of such options and mitigating actions available to deal with a potential covenant breach. In addition, the Group might seek to agree with its current lenders that the relevant covenants be relaxed or that any breach of such covenants be waived. ***Risks relating to operating in Kazakhstan and other emerging markets*** • The Group could face enhanced risk and uncertainty upon a change in government or a change in the political climate in Kazakhstan and the other emerging markets in which it operates. The laws and regulations of Kazakhstan are developing and uncertain, the change of which could require the Group to make substantial expenditures or subject the Group to material liabilities or other sanctions. Regulators have substantial discretion in the application, interpretation and enforcement of these laws and regulations and any non-compliance could lead to severe consequences, such as termination of the subsoil use rights. • All subsoil reserves belong to the State. Resource extraction operations in Kazakhstan are subject to significant laws and regulations concerning, among other things, the issuance and renewal of contracts and licences. Any violation of Kazakhstan law or non-compliance with the requirements of the subsoil use contracts may result in fines and litigation, and the suspension of operations or revocation of permits or licences. • The taxation system in Kazakhstan and the interpretation and application of tax laws and regulations are evolving. The uncertainty of interpretation, application and the evolution of tax laws could create the risk of additional and substantial tax payments with respect to the Group's operations and investment in Kazakhstan. ***Risks relating to the Group's structure*** • Vladimir Kim, Oleg Novachuk and Eduard Ogay, who are Directors, together hold 35.91 per cent. of the total voting share capital of the Company and are able to exercise significant influence over the Group and, should the Transaction complete, their voting interest could increase, further increasing their ability to exercise significant influence. As a result, investors may not be able to influence the outcome of important decisions in the future.

		• Eurasian Resources is a significant Kazakhmys Shareholder, whose interests may differ from those of other Kazakhmys Shareholders and may be able to exercise influence over the Group's operations and business strategy through its voting power at Kazakhmys Shareholders' meetings or the Government's representative on the Board. If the Transaction completes, Eurasian Resources' interest in the total voting share capital in the Company will be substantially reduced (the amount of such reduction depending on the number of ENRC Shareholders who accept the ENRC Takeover Offer), and it is expected that the Government of Kazakhstan will no longer have a representative on the Board. • The Group holds approximately 26 per cent. of the issued ordinary share capital of ENRC, which represents, and if the Transaction is unsuccessful, will continue to represent, a significant proportion of the Company's market capitalisation and profits. However, if the Transaction completes, the Group will no longer have an interest in ENRC and the Group's profits and market capitalisation may be significantly reduced in the absence of the contributions derived from its shareholding in ENRC. The Group does not have operational or managerial control over ENRC and if the Transaction is unsuccessful and the Group retains its investment in ENRC, decisions made by the board of ENRC could have a material impact on the reported earnings of Kazakhmys. Changes in market or macroeconomic conditions could also impact the cash flows and the valuation of Kazakhmys' investment in ENRC. • The Group faces risks relating to assets controlled by joint ventures and third parties. The partner may have business interests inconsistent with those of the Group and may exercise its right to block certain actions and take actions which are inconsistent with the Group's policies or standards. Management of the Group's non-controlled assets may not comply with the Group's management and operating standards, controls and procedures (including health, safety, and environmental regulations), which could lead to higher costs, delayed transport times and reduced production and adversely impact the Group's business, results of operations and reputation. ***Risks relating to the Transaction*** • Completion of the Transaction is subject to the satisfaction (or waiver, where applicable) of the Conditions, including the antitrust and regulatory clearances in respect of the ENRC Takeover Offer. There is no guarantee that these (or any other) Conditions will be satisfied (or waived, if applicable). In the event that any Condition is not satisfied or waived, the Transaction will not proceed.

		• If the Transaction does not complete, the Group will not receive the cash proceeds due to it for the disposal of the ENRC Target Shares and may have difficulty realising the entirety of its stake in ENRC in the near future on the same or better terms as those offered pursuant to the ENRC Takeover Offer. • If the ENRC Takeover Offer is unsuccessful, there may be disruption to ENRC, including its management and employees, which may have a negative effect on the performance of ENRC. In addition, there may be continued negative publicity relating to ENRC. If either of these circumstances materialise, and the Transaction does not complete, there may be a further reduction in the market value of the ENRC Target Shares and/or reduced contributions to the Group's profits and market capitalisation derived from its shareholding in ENRC. • The Board believes that the terms of the ENRC Takeover Offer may not reflect the full fundamental value of the ENRC Target Shares and that, if the Transaction completes, the value of the ENRC Shares disposed of by the Group pursuant to the ENRC Takeover Offer may rise above the approximated price ascribed to each ENRC Share under the terms of the ENRC Takeover Offer. Therefore, in accepting the ENRC Takeover Offer, there is a risk that the Group may not be realising the maximum possible value for the ENRC Target Shares. • Unless the Irrevocable Undertaking lapses in accordance with its terms, in the event that a higher competing offer is made by a third party for the ENRC Target Shares, the Group would be unable to accept any such higher competing offer and therefore in such circumstances, the Group may not realise a higher value for the ENRC Target Shares.
D.3	**Key information on the key risks that are specific to the Kazakhmys Shares**	• The market price of the Kazakhmys Shares may rise or fall depending upon a range of factors and stock market conditions, which are unrelated to the Company's future financial performance. • Future share issues by Kazakhmys and/or sales by Kazakhmys Shareholders could lower the market price of the Kazakhmys Shares and adversely affect Kazakhmys' ability to raise capital in the future. Further share issues could dilute the interests of Kazakhmys Shareholders. • As a company listed on the Official List and traded on the Main Market of the London Stock Exchange and also listed on the Hong Kong Stock Exchange and the Kazakhstan Stock Exchange, the Company is subject to United Kingdom, Hong Kong and Kazakh laws, regulations and policies.

Section E—Offer

Annexes and Element		Disclosure requirement
E.1	**Net proceeds and expenses of the offer**	If the Group accepts the ENRC Takeover Offer, the Group will be entitled to receive approximately U.S.$887 million and 77,041,147 Kazakhmys Shares in return for its ENRC Shares. The Kazakhmys Shares received by the Group will be cancelled. The total costs and expenses payable by the Company in connection with the Transaction are estimated to amount to approximately U.S.$12 million (exclusive applicable VAT).
E.2a	**Reasons for the offer and use of proceeds**	This Prospectus is being made available in connection with the ENRC Takeover Offer by Eurasian Resources, a company formed at the direction of the Consortium, to acquire the entire issued and to be issued ordinary share capital of ENRC not already held by Eurasian Resources. Under the ENRC Takeover Offer, Eurasian Resources is offering U.S.$2.65 and approximately 0.23 Kazakhmys Shares for each ENRC Share. Therefore, the Kazakhmys Consideration Shares will be offered by Eurasian Resources to the Relevant ENRC Shareholders as partial consideration for their ENRC Shares. Due to the prohibition in the Companies Act on a company acquiring its own shares for non-cash consideration and in order to enable the Group to receive the same economic terms as the Relevant ENRC Shareholders, the Group has the right to receive an additional amount of cash consideration under the ENRC Takeover Offer (instead of the Kazakhmys Shares it would otherwise be entitled to) and has entered into a conditional agreement with Eurasian Resources to use the right to receive part of that additional amount of cash consideration to repurchase 77,041,147 Kazakhmys Shares from Eurasian Resources. The balance of the additional cash consideration, being an amount equal to the stamp duty payable on the 77,041,147 Kazakhmys Shares repurchased, will be paid by Eurasian Resources to Kazakhmys which Kazakhmys will then use to pay the stamp duty on the Share Repurchase (putting Kazakhmys in the same position as the Relevant ENRC Shareholders). Pursuant to the Transaction, the Group will receive cash proceeds of approximately U.S.$875 million (net of expenses) which the Directors intend to use as follows, in order of priority: • approximately U.S.$600 million will be used for the repayment of debt and to reduce future borrowing requirements; and • the balance of approximately U.S.$275 million will be used for general corporate purposes which may include expenditure on discretionary capital projects and supporting the Group's working capital.

E.3	**Terms and conditions of the offer**	Under the ENRC Takeover Offer, Eurasian Resources is offering U.S.$2.65 and approximately 0.23 Kazakhmys Shares for each ENRC Share. The ENRC Takeover Offer will be on the terms and subject to the Conditions, which are market standard conditions commonly included in public mergers and acquisition transactions, including (among others): • Eurasian Resources having received valid acceptances of the ENRC Takeover Offer in respect of ENRC Shares which, together with any ENRC Shares held by Eurasian Resources, constitute not less than 75 per cent. of the voting rights in ENRC. This Condition will be satisfied upon the Group validly accepting the ENRC Takeover Offer; and • satisfaction of antitrust Conditions in relation to COMESA Member States, Kazakhstan, Russia, South Africa, Ukraine and the United States.
E.4	**Material interests to the offer**	Eurasian Resources, a company formed at the direction of the Consortium, currently owns 139,162,843 ordinary shares in the Company (representing approximately 26.6 per cent. of the total voting share capital). The Government is a member of the Consortium and has had a representative on the Board since November 2008. During the normal course of business, the Group conducts transactions with entities controlled by the Government, which include the U.S.$2.7 billion financing line with Samruk-Kazyna and CDB, the Ekibastuz GRES-1 joint venture with Samruk-Kazyna and the subsoil use contracts and exploration rights granted by MINT.
E.5	**Selling shareholder and lock-ups**	Eurasian Resources owns 139,162,843 Kazakhmys Shares. The Kazakhmys Consideration Shares are being offered by Eurasian Resources to the Relevant ENRC Shareholders as partial consideration for their ENRC Shares. No lock-up arrangements with respect to Kazakhmys Shares are being entered into in connection with the ENRC Takeover Offer.
E.6	**Dilution resulting from the offer**	Not applicable. There is no dilution since the Company is not issuing any new Kazakhmys Shares nor any other securities in connection with the ENRC Takeover Offer.
E.7	**Estimated expenses charged to the investor**	Not applicable. Investors will not be charged expenses by the Company or Eurasian Resources.

RISK FACTORS

Any investment in Kazakhmys Shares is subject to a number of risks. Prior to investing in Kazakhmys Shares, prospective investors should consider carefully the factors and risks associated with any investment in Kazakhmys Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below, which the Directors believe represent the material risks currently known to the Group. Prospective investors should note that the risks relating to the Group, its industry and Kazakhmys Shares summarised in the section of this document headed "Summary Information" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in Kazakhmys Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary Information", but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in Kazakhmys Shares. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, prospects, results of operations and financial position and, if any such risk should occur, the price of Kazakhmys Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in Kazakhmys Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

The order in which the following risk factors are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on the Group's business, results of operations, financial condition and prospects, or the market price of Kazakhmys Shares.

No statement contained in the risk factors outlined in this section is intended to qualify the statement made as to the sufficiency of working capital set out in paragraph 19 of Part VII: "Additional Information".

Risks Relating to the Group's Operations

The Group's financial performance is highly dependent upon the price of copper, and also dependent on the price of silver, gold and zinc.

The Group's financial performance is highly dependent on the market price of copper (which accounted for 68 per cent. of its revenue from continuing operations in 2012) and, to a lesser extent, silver (which accounted for 12 per cent. of its revenue from continuing operations in 2012), gold (which accounted for 10 per cent. of its revenue from continuing operations in 2012) and zinc (which accounted for 5 per cent. of its revenue from continuing operations in 2012). These prices have historically been subject to wide fluctuations and are affected by numerous factors beyond the Group's control, including international economic and political conditions, levels of supply and demand, the availability and costs of substitutes, inventory levels maintained by producers and others, and actions of participants in the commodities markets. To a lesser extent, the market prices of copper, silver, gold and zinc are also subject to the effects of inventory carrying costs and currency exchange rates. The average LME copper price as reported by Bloomberg was U.S.$/t 7,543 in the first half of 2013, U.S.$/t 7,949 in 2012, U.S.$/t 8,811 in 2011 and U.S.$/t 7,539 in 2010. The average LBMA silver price as reported by Bloomberg was U.S.$/oz 26.63 in the first half of 2013, U.S.$/oz 31.15 in 2012, U.S.$/oz 35.15 in 2011 and U.S.$/oz 20.14 in 2010. The average LBMA gold price as reported by Bloomberg was U.S.$/oz 1,523 in the first half of 2013, U.S.$/oz 1,669 in 2012, U.S.$/oz 1,571 in 2011 and U.S.$/oz 1,224 in 2010. The average LME zinc price as reported by Bloomberg was U.S.$/t 1,937 in the first half of 2013, U.S.$/t 1,946 in 2012, U.S.$/t 2,191 in 2011 and U.S.$/t 2,159 in 2010.

In addition, the market prices of copper, silver, gold or zinc have been subject to rapid short-term changes. For example, the high LME copper spot price (LMCADY) as reported by Bloomberg in 2012 was U.S.$/t 8,738, whereas the low LME copper spot price (LMCADY) as reported by Bloomberg in 2012 was U.S.$/t 7,283.

Even in the event that copper prices were to increase sharply, there is a risk that consumers will reduce their volume of consumption and/or seek alternative products or commodities to use as a substitute for copper. Any reduced consumption or request for alternative products by the Group's customers could adversely affect the Group's business, financial condition and results of operations.

Indirectly, if the Transaction does not complete, the Group's financial performance is also dependent on the price of alumina, aluminium, iron ore, ferrochrome and other ferroalloys, which are subject to fluctuations, as a consequence of the Group's shareholding in ENRC. If the Transaction completes, the Group's business will be less diversified and its financial performance will depend to a greater extent on the market prices of copper, silver, gold and zinc.

The Group's exposure to the Chinese and the European markets may negatively impact the Group's results in the event of a slowdown in Chinese demand and/or a further economic recession in certain countries in Europe.

A decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on the business, results of operations or earnings of the Group.

The Chinese market has become a significant source of global growth for basic commodities, suppliers, customers, production and financing. China is the world's main growth driver for copper consumption and accounted for 41 per cent. of the total copper consumption in 2012. In 2012, approximately 53 per cent. of the Group's sales were derived from China, an increase from approximately 46 per cent. in 2011. The proportion of the Group's sales derived from China may rise in the future. The significant slowdown in the global economy as a whole in 2008, and the consequent impact on the growth of the Chinese economy, brought about a decrease in demand for the Group's products. This reduction in demand created downward pressure on sales prices in 2008, 2009 and 2010. During 2011, strong demand from China led to an increase in prices over those of 2010. Following negative sentiment over the outlook for economic growth, the copper price declined in 2012.

Moreover, in response to its increased demand for commodities, China may increasingly seek strategic self-sufficiency in key commodities, including investments in existing businesses or new developments in other countries. A significant amount of the Group's project financing is provided by Chinese institutions. If the growth of the Chinese economy was to slow down further, or if China's financial or strategic policies were to change, the Group may be unable to access continued or additional Chinese funding.

Furthermore, in view of the economic difficulties and the unsteady recovery seen in certain economies of Europe, it is possible that these conditions could trigger another period of slow demand for copper and other metals in Europe. Given the persisting uncertainty about a global economic recovery, the Eurozone crisis and concerns about credit risk (including that of sovereigns), forward planning is difficult. In addition, changing production levels in response to current price levels or estimates of future price levels imposes costs, and, if mistimed, could adversely affect the results of operations or financial condition of the Group.

If economic and regulatory conditions do not continue to improve in China and the economy does not stabilise across Europe, these conditions could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The business of mining, smelting and refining metals involves a number of risks and hazards, including a significant risk of disruption.

The business of mining, smelting and refining metals involves a number of risks and hazards, including industrial accidents, labour disputes, unusual or unexpected geological conditions, mine collapses, fires, explosions, equipment failure, delays in supplies and loss of key inputs, including electricity, water and coal, changes in the regulatory environment, environmental hazards, and weather and other natural phenomena such as earthquakes and floods. Such occurrences could result in material damage to, or the destruction of, mineral properties or production facilities, human exposure to pollution, personal injury or death, environmental and natural resource damage, delays in mining, monetary losses and possible legal liability, any of which could negatively affect the Group's results of operations. The Group may experience material mine or plant shutdowns or periods of reduced production as a result of any of the above factors. As mining and smelting activities have been in progress in areas where Kazakhmys has had operations since early in the 20th century, Kazakhmys may have more exposure to such risk than newer mining and smelting operations.

Any production disruption may have a negative effect on the Group's financial performance, including revenue, profitability and cash flows, and may require the Group to make large capital expenditures. In addition to the revenue losses, longer-term business disruption could result in a loss of customers and reputational damage. These operational risks could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

A violation of health and safety requirements and the occurrence of accidents could disrupt the Group's operations and increase operating costs.

Mining is a hazardous industry and failure to adopt and embed health and safety management systems could result in harm to Kazakhmys' employees as well as fines and penalties and damage to its reputation.

In 2012, Kazakhmys experienced 19 work related fatalities, compared to 24 in 2011. Steps are being taken with the objective of reducing the fatality rate to zero, but there is no guarantee that these steps will be successful. If Kazakhmys was unable to reduce its fatality rate and maintain that reduction, the Group's reputation could be damaged or the Group may be subject to increased regulatory oversight. Regardless of Kazakhmys' success in reducing accidents and fatalities, mining accidents unrelated to the Group may result in greater scrutiny of the industry as a whole, greater regulatory oversight and tightening of health, safety and environmental laws, any of which could increase the costs of the Group's operations.

Furthermore, over the past few years, the amount of money per individual claim that Kazakhmys has paid each year as compensation for accidents and fatalities has increased. The nature of the Group's operations creates a risk of accidents and fatalities among its workforce, and the Group may be required to pay compensation or suspend operations as a result of past or future accidents or fatalities.

Health and safety incidents, a violation of health and safety laws or failure to comply with the instructions of the relevant health and safety authorities could lead to, among other things, payment of compensation, a temporary shutdown of all, or a portion of, the Group's mines and processing facilities and the imposition of costly compliance procedures, which could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's business requires substantial capital expenditure, the Group may be unable to adequately fund expansion plans or complete the relevant projects on schedule and within budget and the Group's plans or projects may not achieve the intended economic results or commercial viability.

The Group's mining, smelting and refining operations are capital-intensive and the development and exploitation of copper reserves and the acquisition of machinery and equipment require substantial capital expenditure. The Group must continue to invest capital to maintain or to increase the amount of reserves that it exploits and the amount of metal that it produces. The Group has a number of short- to medium-term mining projects, as well as plans for its existing operations, which involve significant capital expenditure. The Group has funding in place for its committed capital expenditure for the next 12 months, including capital expenditure on the major growth projects. For example, Bozshakol, one of the Group's major growth projects, has a capital cost of U.S.$1.9 billion, which is being funded from a U.S.$2.7 billion facility provided by CDB and Samruk-Kazyna. Aktogay, the other major growth project, has a capital cost of U.S.$2 billion, which is being primarily funded from a U.S.$1.5 billion financing facility from CDB, with the balance being funded by cash available to the Group. International credit markets have experienced, and may continue to experience, high volatility and severe liquidity disruptions stemming from the follow-on effects of the economic slowdown. These and other related events have had a significant impact on the global capital markets, and the reduced liquidity in the global capital markets could limit the Group's ability to obtain adequate funding in the future. In addition, if the Transaction does not complete, the Group will not receive the cash proceeds due to it for the disposal of the ENRC Target Shares which the Group intends to use partly for repayment of debt and the Group may have difficulty realising the entirety of its stake in ENRC in the near future on the same or better terms as those offered pursuant to the ENRC Takeover Offer. Accordingly, the Group may be unable to satisfactorily fund the in-progress or deferred investments from its operations or external financing sources beyond its current committed capital expenditure for the next 12 months, in which case the Group may not be able to complete its growth projects.

In light of the sensitivity of Kazakhmys' profits and cash flows to adverse movements in the price of the Group's key commodities, which include copper, silver, gold and zinc, without the proceeds of the Transaction, it is possible that the Group may breach the net debt/EBITDA covenant in certain of the Group's finance facilities when it is tested during the next 12 months. A breach of any of the Group's covenants could result in events of default which would cause the Group's borrowings to become repayable which may, in turn, result in the Group no longer having funding in place for its committed capital expenditure. The Group notes that commodity prices have been volatile in recent weeks and, in the case of copper, prices have fallen some 5 per cent. since the beginning of June 2013. The Group believes that if commodity prices were to remain at the current depressed levels through the next 12 months, there would be a realistic possibility of such a breach, due to the combination of reduced profitability and increased net debt which would arise from such a circumstance, although it may be that this could be avoided through the early application of certain mitigating actions by the Group. Even without the proceeds of the Transaction, the Group has a range of such options and mitigating actions available to deal with a potential covenant breach. Such actions would be likely to include reducing further the Group's cost base, reducing sustaining capital expenditure, conserving cash through stricter working capital management and asset disposals (for instance the ENRC Target Shares and the Group's interest in Ekibastuz GRES-1). In addition, the Group might seek to agree with its current lenders that the relevant covenants be relaxed or that any breach of such covenants be waived.

Furthermore, the Group's growth projects may require greater investment than currently expected or suffer delays or interruptions, which could cause cost overruns. Any such delay, interruption or cost overruns in implementing the Group's planned capital investments could result in the Group failing to complete the projects and a reduction in future production volumes, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, projects may not prove to be commercially viable upon completion. Whether a mineral deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, commodity prices and government regulation. The Group's current intention to develop mines is based on economic, geological, engineering, environmental and mine planning evaluations. If the Group is unable to develop its growth projects into commercial working mines, its business, financial condition and results of operations will be materially and adversely affected.

The Group relies on third parties for equipment, materials and supplies, as well as power transmission, and may face equipment shortages, delays, increased costs or production disruption.

Shortages of, and cost pressures on, equipment, materials and supplies provided by third parties that are critical to the Group's existing operations and planned developments may occur. The ability of the Group to operate its business depends in part on its access to specialised mining equipment, produced by a limited number of suppliers. The Group faces competition from other companies for this equipment, and there can be no certainty that the necessary equipment will be available to the Group at an economical cost or without significant delay.

Kazakhmys has also engaged outsourcing companies to manage certain Group assets, principally engaged in the transportation of production materials by road and rail. Additionally, the Group relies on a third party, KEGOC, for the transmission of power for a portion of its operations, and any supply interruptions could result in production disruption. If the Group was unable to purchase additional or improved equipment, or if power supply interruptions were to disrupt production, it could impede its ability to operate its business optimally and could materially and adversely affect the Group's business, financial condition, results of operations and prospects. Outsourcing companies may take actions which are inconsistent with the Group's objectives or operating procedures, including the failure to adequately maintain Kazakhmys' assets.

The Group depends on its key personnel. If the Group is unable to attract and retain key personnel, its business may be harmed.

The Group's business depends in significant part upon the contributions of a number of the Group's key senior management and personnel. There can be no certainty that the services of its key personnel will continue to be available to the Group. Factors critical to retaining the Group's present staff and attracting additional highly qualified personnel include the Group's ability to provide these individuals with competitive compensation arrangements. If the Group is not successful in retaining or attracting highly qualified individuals in key management positions, its business may be harmed. The Group does not currently maintain "key person" insurance.

The Group relies significantly on its skilled and unskilled workforce. In particular, the Group relies on skilled in-house personnel to perform a majority of the Group's complex repairs due in part to a lack of qualified external service providers. There is a strong demand for skilled personnel and contractors across a range of disciplines. An inability of the Group to attract and retain such personnel may adversely impact the Group's ability to adequately resource development projects and fill roles and vacancies in existing operations. The Group faces significant competition from other companies in and outside of Kazakhstan (particularly, natural resource companies) for its skilled and unskilled labour force. Ongoing competition for personnel (including skilled personnel) and the Group's mining licence obligations in Kazakhstan to hire local employees could result in additional increases in labour costs or an inability to recruit or retain necessary personnel, each of which could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's business may be affected by slowdowns, stoppages and other disruptions due to labour-related developments and community relations.

Many of Kazakhmys' approximately 58,000 employees are members of a labour union, including Trade Union Kazakhmys Corporation and Trade Union Dank LLC. Although management believes its present labour relations in Kazakhstan and Kyrgyzstan are good, there can be no assurance that a work slowdown, a work stoppage or a strike will not occur prior to or upon the expiration of the current labour agreements, and management is unable to estimate the effect of any such work slowdown, stoppage or strike on the Group's production levels. In several of the towns where it operates, Kazakhmys is a major employer, and reducing employment levels would be unpopular. As a result of Kazakh labour law and collective bargaining agreements into which Kazakhmys has entered with labour unions, the Group's ability to release or restructure its workforce in response to changes in market conditions may be limited in instances where it is the only significant employer in a town or region. In addition, in the past, there have been some incidents of labour unrest, including strikes in Kazakhstan.

The inflexibility to restructure its labour force in response to changes in market conditions, work slowdowns, stoppages or other labour-related developments could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The volume and grade of the ore that the Group recovers and its rate of production may not conform to current expectations.

The Group's ore reserves and mineral resources are estimated in accordance with the criteria of the JORC Code. Reserve and resource estimates involve expressions of judgement based on various factors such as knowledge, experience and industry practice, and the accuracy of these estimates may be affected by many factors, including quality of the results of exploration drilling and analysis of mineral samples, as well as the procedures adopted by and the experience of the person making the estimates. In respect of these estimates, no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that mineral reserves can be mined or processed profitably. Actual reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger-scale tests under on-site conditions or during production. Should the Group encounter mineralisation different from that predicted by past drilling, sampling and similar examination, mineral resource and/or reserve estimates may have to be adjusted downward. This downward adjustment could materially affect the Group's development and mining plans, which could materially and adversely affect the Group's business and results of operations.

Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's reserves uneconomic to exploit and may result in revision of its reserve estimates from time to time. Furthermore, there can be no guarantee that an identified reserve or resource will continue to qualify as a commercially mine-able deposit that can be economically exploited over the medium to long term. Production of mineral resources can be affected by such factors as permit-related regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated ore reserves and mineral resources disclosed in this Prospectus should not be interpreted as an assurance of the commercial viability, potential or profitability of any future operations, and the Group's historical production levels may not be representative of its future production levels. If the Group's actual mineral reserves and resources or rate of production are less than current estimates, then the Group could experience a material adverse effect on its business, financial condition, results of operations or prospects.

The Group's future performance depends on the results of current and future innovation, resource development and exploration.

As the Group's existing reserves are depleted over time, converting resources into reserves and the acquisition of new interests will be important both to replace such depleted reserves and to expand the Group's reserves base. There can be no guarantee that its acquisition and development activities will continue to meet with success.

Minerals exploration is highly speculative in nature, involves many risks and is frequently unsuccessful. Once mineralisation is discovered, it may take a number of years to complete the geological surveys to assess whether production is possible and, even if production is possible, the economic feasibility of production may change during that time. Substantial expenditures are required to identify and delineate ore reserves through geological surveying and trenching and drilling, to determine metallurgical processes to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. As a result of the foregoing uncertainties, no assurance can be given that the Group's development activities will result in the expansion or replacement of current production with new proved and probable ore reserves. The failure of such development activities could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's operations are located in remote areas, and the Group's product delivery relies on the Kazakh, Russian and Chinese national rail systems, as well as the Russian port of Novorossiysk.

The Group's operations depend in part on the Kazakh, Russian and Chinese national rail systems, as well as the Russian port of Novorossiysk. The Group operates several separate facilities in central, eastern and north-eastern Kazakhstan. These regions are sparsely populated and difficult to reach from outside Kazakhstan. Accordingly, to reach customers, the Group's products must be transported over long distances, both within Kazakhstan and through Russia or China. Additionally, raw materials from some mines must be transported by rail and trucks to processing facilities.

The Group depends on the Kazakh, Russian and Chinese national rail systems and on its own track, which the Group owns and maintains. While the Group has generally had access to sufficient railway capacity to transport its products in the past, no assurance can be given that this access will continue in the future. Delay in transporting the Group's products as a result of insufficient railway capacity, border control delays or severe adverse weather conditions could have a material adverse effect on the result of its operations.

The Group also depends on access to the Russian port of Novorossiysk on the Black Sea. The regulation of and overall cost of using the port are outside the Group's control and changes to the accessibility and fees charged to access the port and of sea transportation generally could affect the Group's ability to supply its products to its customers and thus adversely affect its business and results of operations.

Additionally, both Kazakhstan's and Russia's physical infrastructure have in some cases suffered from a lack of funding and maintenance. As China's economy continues to develop, there will continue to be increasing demand for the country's transport capacity. The deterioration of Kazakhstan's or Russia's physical infrastructure and the increasing demand for railway capacity in China could disrupt the transportation of goods and supplies, add costs to doing business in Kazakhstan and Russia and interrupt business operations, which could have a material adverse effect on the Group's business. If an accident or other event disrupted these transportation services, it could temporarily impair the Group's ability to supply its products to its customers.

Delays in the delivery of the Group's products could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

An increase in the Group's production and operating costs could reduce its profitability.

Changes in the Group's production and operating costs have an impact on its profitability. Its main production and operating costs are raw materials, mining equipment and supplies, repairs, transportation, fuel costs, salaries and overheads. Changes in costs of the Group's mining and processing operations can occur as a result of unforeseen events, and could result in changes in profitability or reserve estimates. Commodities price fluctuations can also have an impact on industry demand for labour, equipment and supplies. Many of these changes may be beyond the Group's control, such as transportation costs and wages. Coupled with a decline in grades at the Group's mature mines, inflation in employee costs, mining equipment and supplies increase operating and capital costs and could affect the viability of certain mines, impact the Group's operational and financial performance and result in changes to reserve estimates.

The Group's product and equipment deliveries rely on the Kazakhstan, Russia and China national rail systems, and they all exercise significant control over their rail systems and rail tariffs. The Kazakh national rail system is a monopoly, and the rail tariffs it sets must be approved by the Natural Monopolies Agency. The Russian and Kazakh national rail systems are undergoing fundamental reorganisations and the long-term effect this will have on rail tariffs and services is uncertain. Similarly, the Chinese rail system is a state-owned monopoly responsible for setting prices. Rail tariffs have increased in recent years generally and there can be no assurance that such tariffs will remain stable in the future.

The Government has increased the minimum national wage levels substantially in recent years. In addition to the minimum wage, companies working in specific industries (e.g. power sector, oil and gas, coal and mining) must set their workers' wages at a certain multiple of the minimum national wage level. Although the average wage the Group pays to workers is above the minimum (including the increased minimums for workers in specific industries), further increases in the Kazakh minimum wage or other pressure for salary increases could result in higher labour costs for the Group.

The Group's financial performance is also dependent upon the electricity tariffs it is able to charge. In Kazakhstan, where the majority of the Group's electricity is sold, the Government sets an electricity tariff ceiling, and although the Government has raised the ceiling for each of the years 2009 to 2015, there is no guarantee that Kazakhmys Power's rate of recovery under the tariff ceiling will provide sufficient income to cover the Group's costs. Kazakhmys Power also exports electricity to Russia, and the prices that can be charged are influenced by numerous factors beyond the Group's control, including international economic and political conditions, levels of supply and demand and the availability and costs of substitutes. In addition, although Kazakhmys currently generates almost all of its electricity in its own facilities, if fuel prices or other costs associated with mining the coal required to generate its power supply increase, its production costs may also increase.

Increases in the Group's production costs could also have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Compliance with environmental laws and regulations requires ongoing expenditure and considerable capital commitments from the Group (including uncertain future capital requirements), and non-compliance may subject the Group to significant penalties, including the suspension or revocation of its subsoil use rights.

The Group is required to obtain environmental permits as well as various approvals by the environmental protection authorities to conduct some of its operations. Government authorities and the courts enforce compliance with the terms and conditions of these permits. Violations may result in civil or criminal penalties, the curtailment or cessation of operations, orders to pay substantial compensation, orders to remedy the effects of such violations and/or orders to take preventative steps against possible future violations. In certain situations, the issuing authority may modify, renew or revoke the permits.

As a condition to its subsoil use contracts and licences in Kazakhstan, the Group must set aside at least 0.1 per cent. of annual mining operating expenses in Kazakhstan for the eventual rehabilitation of its mines (other than coal mines), and at least 1 per cent. of annual sales revenue derived from its coal mines for the rehabilitation of such mines. These amounts may be insufficient, however, to meet the actual rehabilitation expenses for which the Group may be responsible under its subsoil use contracts and licences.

Kazakhstan is a signatory to the Kyoto Protocol. The Kyoto Protocol's objective is to limit or capture emissions of greenhouse gases. Having ratified the Kyoto Protocol on 26 March 2009, the Government may enact new environmental requirements to address carbon emissions, which could oblige the Group to incur significant capital expenditures and pay emission fees or levies. Currently, the Ministry of Environment Protection of Kazakhstan is defining policy that may have a significant impact on the Group's business in both the short and the long term. In particular, the Government's target of reducing emissions under the Kyoto Protocol by 15 per cent. by 2020, as compared with 1990 levels, was announced in November 2012. The Government of Kazakhstan is currently developing a national greenhouse gas (GHG) emissions trading scheme. In May 2012, the Ministry of Environment Protection of Kazakhstan approved the GHG trading framework. In 2013, a carbon quota is expected to be allocated to all industrial companies with annual carbon dioxide equivalent emissions in excess of 20,000 tonnes. 2013 will be considered a test year, with full trading scheduled to begin in 2014.

The Group may not be able to satisfy any of its remediation, rehabilitation and other obligations under environmental laws and regulations, which could result in financial or other penalties and/or the suspension or loss of the Group's subsoil use contracts. To the extent that these fines are material, the Group's cash flows may be insufficient to meet the Group's obligations. In addition, the Group may fail to complete on schedule programmes and projects intended to meet its environmental obligations and emissions reduction targets. The occurrence of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group has a small number of customers who purchase the bulk of its copper cathode.

In 2012, four customers, three of which are collectively under common control, within the Kazakhmys Mining segment represented 37 per cent. of total Group revenue for the year from continuing operations. The total revenue from these customers was $1,245 million. In Europe, the Group has contracted to sell a total of up to 48 kt of copper cathode in 2013 to a small number of customers, the largest two of which have contracted to purchase 24 kt and 18 kt of copper cathode, respectively, in 2013. If, in the future, any of the Group's key customers fails to meet its contractual obligations, or encounters financial difficulty, or otherwise discontinues or reduces the level of its purchases from the Group, then the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

A significant proportion of the Group's revenues are derived from ore mined in two regions and copper production at only two facilities.

A significant proportion of the Group's revenues are derived from ore mined at the Zhezkazgan and East Regions. In 2012, approximately 76 per cent. of the Group's copper metal in ore mined was mined at the Zhezkazgan and East Regions. Moreover, a significant proportion of the Group's revenues are derived from copper produced at two facilities, one at the Zhezkazgan Region and one at the Central Region. For example, in 2012, 38 per cent. of the Group's copper cathode and all of the Group's copper rod were produced at the Zhezkazgan Region. The remaining 62 per cent. of copper cathode was produced at the Central Region.

If mining operations across the Zhezkazgan and East Regions or smelting and refining operations in either of the Zhezkazgan Region or the Central Region were materially reduced, interrupted or curtailed, there could be a material adverse effect on the Group's business.

The Group faces competition from other mining companies.

The Group faces competition from other mining companies and producers or fabricators of metal and metal products around the world. Although the Group is a lower-cost copper producer in the mining industry and continues to focus on reducing costs, there can be no assurance that competition from low-cost or other producers will not have a material adverse effect on its business, financial condition, results of operations or prospects. Additionally, the world mining industry has experienced significant consolidation in recent years, including consolidation among some of the Group's main competitors. As a result, an increased percentage of copper production is produced by companies that also produce other products and are, consequently, more diversified. There can be no assurance that current or further consolidation in the industry will not have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

If the Group fails to consummate or integrate acquisitions successfully, the Group's rate of expansion could slow and the Group's results of operations or financial condition could suffer.

The Group has expanded operations in Kazakhstan significantly through both the development and the acquisition of new facilities, and the Group expects to continue to do so in the future. The Group intends to pursue a strategy of identifying and acquiring businesses with a view to expanding its operating businesses. These acquisitions could be funded by cash flow from operations, new debt or equity financing, or other means, and have the potential to raise the potential leverage of the business. There can be no assurance that the Group will continue to identify suitable acquisitions and strategic investment opportunities or that any business acquired will prove to be profitable at all, or as profitable as the copper mining business. The Group may face competition in acquiring additional mining properties, and many of its competitors may have greater financial resources than the Group. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on the Group's financial condition, diversion of management's attention, failure to retain key personnel, risks associated with unanticipated events or liabilities and difficulties in the assimilation of the operations. Any failures to identify and execute future acquisitions successfully could adversely impact the Group's growth strategy and could thus have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to liquidity risks.

The Group is exposed to liquidity risks, including the risk that borrowing facilities may not be available to meet cash requirements, the risk that financial assets may not readily be converted into cash without the loss of value and the risk that U.S. LIBOR rates rise, raising the interest cost on the Group's borrowings. The Group uses liquid cash investments of varying maturities, credit facilities and longer term debt instruments. In the event that bank term deposits in Kazakhstan need to be liquidated at short notice in advance of their contracted maturity date (with the exception of liquidation fund deposits held for mine restoration purposes in accordance with subsoil agreements), the terms of these investments permit their immediate conversion into cash and, in some instances, the forfeiture of interest accrued to the date of liquidation. As at 31 May 2013, the Group had U.S.$750 million of undrawn finance under the U.S.$1.0 billion pre-export finance facility and U.S.$100 million of undrawn revolving credit facility available. As at 31 May 2013, the Group had gross borrowings of U.S.$2,943 million, principally under CDB and Samruk-Kazyna financing line and the pre-export finance facility, the interest payable on which are determined as U.S. LIBOR plus a margin.

In light of the sensitivity of Kazakhmys' profits and cash flows to adverse movements in the price of the Group's key commodities, which include copper, silver, gold and zinc, without the proceeds of the Transaction, it is possible that the Group may breach the net debt/EBITDA covenant in certain of the Group's finance facilities when it is tested during the next 12 months. The Group notes that commodity prices have been volatile in recent weeks and, in the case of copper, prices have fallen some 5 per cent. since the beginning of June 2013. The Group believes that if commodity prices were to remain at the current depressed levels through the next 12 months, there would be a realistic possibility of such a breach, due to the combination of reduced profitability and increased net debt which would arise from such a circumstance, although it may be that this could be avoided through the early application of certain mitigating actions by the Group. Even without the proceeds of the Transaction, the Group has a range of such options and mitigating actions available to deal with a potential covenant breach. Such actions would be likely to include reducing further the Group's cost base, reducing sustaining capital expenditure, conserving cash through stricter working capital management and asset disposals (for instance the ENRC Target Shares and the Group's interest in Ekibastuz GRES-1). In addition, the Group might seek to agree with its current lenders that the relevant covenants be relaxed or that any breach of such covenants be waived.

Failure to manage financing risks could have a material impact on the Group's cash flows, earnings and financial position as well as reducing the funds available to the Group for working capital, capital expenditure, acquisitions, dividends and other general corporate purposes.

If the Transaction completes, then the Group will receive cash proceeds of approximately U.S.$875 million (net of expenses) which will strengthen the Group's financial position. If the Transaction does not complete, the Group will not receive the cash proceeds due to it for the disposal of the ENRC Target Shares and may have difficulty realising the entirety of its stake in ENRC in the near future on the same or better terms as those offered pursuant to the ENRC Takeover Offer. Accordingly, the Group's business, financial condition and results of operations may be materially and adversely affected.

Fluctuations in currencies may adversely affect the Group's financial condition and results of operations.

The Group principally produces copper, along with by-products such as silver, gold and zinc, the prices of which are typically quoted in U.S. dollars, while a substantial portion of the Group's costs are incurred in Tenge. If the Tenge was to strengthen against the U.S. dollar, this could have a material adverse effect on the Group's financial condition, results of operations and prospects.

The results of the Group's operating subsidiaries are reported in the relevant local currencies, such as the Tenge, while the Group's consolidated results are reported in U.S. dollars. The results of the Group's operations are translated into U.S. dollars at the applicable currency exchange rate for inclusion in the Group's consolidated historical financial information. The exchange rates between such local currencies and the U.S. dollar have historically fluctuated, and the translation effect of such fluctuations may have a material adverse effect on both Group members' individual, and the Group's consolidated, results of operations or financial condition. In addition, assets held in non-local currencies may create losses in the event of a revaluation, and vice versa for a devaluation.

Members of the Group may engage in hedging activities from time to time that would expose the Group to losses should markets move against the Group's hedged position.

The Group is exposed to the effect of changes in commodity prices (in particular, to the price of copper), changes in exchange rates (in particular, to the Tenge against the U.S. dollar) and changes in interest rates. The Group does not generally enter into hedging positions in respect of its exposure to foreign currency risk. From time to time, acquisitions and capital investments may expose the Group to movements in other currencies and the Group will consider hedging such exposures on a case by case basis. In the future, from time to time, members of the Group may engage in hedging activities in order to moderate the effects of changes in commodity prices, foreign exchange rates or interest rates. If the Group does engage in such hedging activities, they may expose the Group to risks, including the risk that markets move against the Group's hedged positions and the risk of default by its counterparty. There can be no assurance that, if the Group engages in hedging activity, it will be adequately protected by hedging arrangements from future changes in commodity prices, exchange rates or interest rates. Additionally, any hedging activity that the Group may engage in could limit the Group's opportunity to profit from higher market prices, thus reducing the Group's potential revenue and profit, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group does not insure against certain risks, and its insurance coverage may be insufficient to cover losses.

The Group's operational processes and locations may be subject to operational accidents and unexpected natural catastrophes that include earthquakes and flooding. Kazakh law requires companies to insure only against certain limited risks, and the Group's Kazakhstan subsidiaries maintain only limited freight insurance, the statutory minimum level of accidental death insurance, collective employee health insurance, third party liability insurance for damages resulting from ownership and use of dangerous objects, ecological insurance, certain project insurance, certain construction insurance and automobile liability insurance. In addition, the Group's Kazakhstan subsidiaries also maintain a combined property damage and business interruption catastrophic insurance programme to mitigate the impact of certain business interruption risks occurring at its significant metal processing and electricity generation facilities.

The Group has funds on deposit and credit facilities to cover potential insurance contingencies. Given the size of its operations and the extent of its facilities and equipment, there can be no assurance that these funds on deposit and credit facilities would be available or adequate should one or more events for which the Group is not insured occur, and the insufficiency or unavailability of such funds or facilities could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks Relating to Operating in Kazakhstan and other Emerging Markets

The Group is exposed to the general risks associated with operating in emerging markets.

Emerging markets in which the Group operates and does business, including Kazakhstan, Kyrgyzstan, Russia and China, are generally subject to greater risks, including legal, regulatory, economic and political risks, than more developed markets.

Emerging economies are generally subject to rapid change, and the information set out in this Prospectus may quickly become outdated. Accordingly, investors should exercise particular care in evaluating the risks involved and should consider whether, in light of these risks, investing in the shares of a company whose assets and operations are based in an emerging market is appropriate. Investment in a company whose assets and operations are located in an emerging market is generally suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Investors are urged to consult with their own legal and financial advisers before making an investment in the Kazakhmys Shares.

The availability of credit to entities operating within emerging markets is significantly influenced by levels of investor confidence in these markets and, as such, any factors that impact market confidence, for example a decrease in credit ratings or state or central bank intervention, in one market could affect the price or availability of funding for entities within any of these markets. The international capital markets are susceptible to periods of volatility, leading to reduced liquidity and/or restricted access to financing for certain market participants. Companies with significant assets and operations in countries in emerging markets may be particularly susceptible to reductions in the availability of credit or increased financing costs, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group could face enhanced risk and uncertainty upon a change in government or a change in the political climate in Kazakhstan and the other emerging markets in which it operates.

The Group and members of its Board have had, and continue to have, a good working relationship with the Government of Kazakhstan, including President Nazarbayev, who was first elected in 1991 and was re-elected in April 2011. The Group could face enhanced risk and uncertainty upon a change in government or a change in the political climate. For example, a new government with whom the Group may not have as strong a working relationship may be more likely to seek to re-nationalise the Group's assets, terminate the Group's subsoil contracts and attempt to re-open or challenge the tax, legal or other arrangements affecting the Group's operations, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

These risks are most relevant in relation to Kazakhstan, in which the Group's principal operations are conducted, but are also relevant to the Group's sales in Russia, China and the other emerging market countries in which the Group does business.

The Group is largely dependent on the economic and political conditions prevailing in Kazakhstan.

Most of the Group's operations are conducted, and a substantial part of its assets are located, in Kazakhstan. Kazakhstan became an independent sovereign state in 1991 as a result of the dissolution of the former Soviet Union. Since then, Kazakhstan has experienced significant change as it emerged from a centrally controlled command economy to a market-oriented economy. The transition was initially marked by political uncertainty and tension, a recessionary economy marked by high inflation, instability of the local currency and rapid, but incomplete, changes in the legal environment.

Since 1992, Kazakhstan has actively pursued a programme of economic reform designed to establish a free market economy through privatisation of government-owned enterprises and deregulation and is more advanced in this respect than some other countries of the former Soviet Union. However, as with any transition economy, there can be no assurance that such reforms and other reforms described elsewhere in this Prospectus will continue or that such reforms will achieve all or any of their intended aims.

Kazakhstan depends on neighbouring states for access to world markets for a number of its major exports, including copper, oil, natural gas, steel, uranium, ferroalloys, iron ore, aluminium, coal, lead, zinc and wheat. Thus, Kazakhstan is dependent upon good relations with its neighbours to ensure its ability to export. Should access to these export routes be materially impaired, this could adversely impact the economy of Kazakhstan. Moreover, adverse economic factors in regional markets may adversely impact Kazakhstan's economy.

Factors outside Kazakhstan have also had an impact on Kazakhstan's economy, specifically in the finance and banking sector. For example, in February 2009, S&P downgraded the credit ratings of five of Kazakhstan's largest commercial banks, while Moody's downgraded the bank financial strength ratings of six banks. The rating agencies have stated that these downgrades are the consequence of the increasingly negative impact of the global economic crisis on the Kazakh economy and its financial institutions and, specifically, mounting asset quality and liquidity problems and the inability of Kazakhstan banks to refinance their large foreign wholesale debt, in large part because of the devaluation of the Tenge in February 2009. Several commercial banks in Kazakhstan have experienced difficulty in refinancing maturing international debt and, as a result, have sought short-term funding from the NBK and substantially curtailed the making of new loans. Pursuant to the terms of financial stability legislation adopted by the Government in February 2009, two of Kazakhstan's largest banks, BTA Bank JSC and Alliance Bank JSC, were effectively nationalised by the Government in the wake of the new fiscal stability legislation. The housing and construction industries and small and medium sized enterprises have been particularly affected while larger companies, subsoil use companies and State-owned companies have continued to have access to offshore funding, albeit on a more limited basis and on less favourable terms. A downgrade of Kazakhstan's sovereign credit rating and liquidity problems in Kazakhstan's economy could adversely affect its economic development, which could, in turn, materially and adversely affect the Group's business, prospects, financial condition, cash flows or results of operations.

The Group operates in jurisdictions in which rules regulating corruption are difficult to enforce.

The Group's business involves jurisdictions in which rules regulating corruption are difficult to enforce. In addition, the Group is subject to the UK Bribery Act, which establishes criminal offences of bribing another person, being bribed, bribery of foreign officials and the failure of a commercial organisation to prevent bribery. The Group has established a number of policies and procedures to prevent the involvement of individuals or group entities in bribery. However, there can be no assurance that such policies and procedures will adequately protect it against fraudulent or corrupt activities (including breaches of applicable anti-corruption legislation), and such activities could have an adverse effect on the Group's business, reputation, results of operations, financial condition and/or prospects.

Regional instability could potentially have a material adverse effect on the Group's operations in Kazakhstan.

Since the break-up of the Soviet Union, a number of former Soviet republics have experienced periods of political instability, civil unrest, military action or incidents of violence. Kazakhstan has not experienced any such unrest and, to date, this regional instability has not affected Kazakhstan or the Group's operations in Kazakhstan. Social unrest in Kyrgyzstan, however, prompted delays in early construction work and delivery of the processing plant at the Bozymchak site, and there is a risk that future political instability, civil unrest, continued violence in the region or the challenge or revocation of the subsoil use licence could potentially have an adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group must invest in extensive social programmes for the benefit of local communities.

As a condition of certain of its subsoil use licences and contracts, the Group is obliged to maintain certain social programmes and projects for the benefit of local communities. The Group also voluntarily funds certain social programmes. Pursuant to a combination of both obligatory and voluntary contributions, the Group incurred costs of approximately U.S.$52 million in 2012 and U.S.$78 million in 2011 to fund medical, cultural, recuperational and rehabilitation facilities, nursery schools, community centres, athletic facilities, housing and infrastructure in the areas in which it has operations. The Group also has an obligation under its subsoil use licences and contracts to invest in training the local workforce. These obligations and discretionary contributions may increase or become more burdensome in the future and may have a negative impact on the Group's profitability.

The laws and regulations of Kazakhstan are developing and uncertain, the change of which could require the Group to make substantial expenditures or subject the Group to material liabilities or other sanctions.

The laws and regulations of Kazakhstan relating to foreign investment, subsoil use, licensing, companies, customs, currency, capital markets, environmental protection, pensions, insurance, banking, taxation and competition are still developing and are uncertain. Any change in Kazakhstan law could result in increased compliance costs. Moreover, many such laws provide regulators and officials with substantial discretion in their application, interpretation and enforcement.

In Kazakhstan, all subsoil reserves belong to the State. Subsoil use rights are not granted in perpetuity, and any renewal must be agreed before the expiration of the relevant contract or licence. The rights that the State has granted to the Group are not granted in perpetuity, and some of the Group's subsoil use contracts are due to expire within the next decade. The 2010 Subsoil Law states that either the Ministry of Oil and Gas or the Ministry of Industry and New Technologies (each a Competent Body) are entitled to unilaterally terminate a subsoil use contract in case of more than two violations of contractual obligations or obligations set out in project documents, and the termination provisions contained in the 2010 Subsoil Law are not qualified by the gravity of the breach in question. Hence, a minor breach could conceivably lead to severe consequences, such as termination of the subsoil use rights, and, as the 2010 Subsoil Law is relatively new, there are few precedents that would make the consequences of a breach more predictable. For example, non-compliance with a work programme may lead to termination of the relevant subsoil use contract at the discretion of the Competent Body.

Subsoil use laws and regulations in Kazakhstan impose a very broad range of continuing obligations and restrictions on the Group and require the Group to incur significant capital expenditure and compliance costs. These significant expenditures and costs are incurred on an ongoing basis. The relevant laws and regulations are often unclear and vague with regards to the extent of the obligations and restrictions that are relevant to the Group. In addition, the Kazakhstan regulatory authorities exercise considerable discretion in the interpretation and enforcement of these laws and regulations, at times in a manner that is inconsistent with the relevant legislation and previous practice.

As a result, the Competent Bodies routinely approach subsoil users in Kazakhstan, including members of the Group, in connection with various alleged breaches of the applicable laws and regulations. As mentioned above, in the absence of a materiality qualification under the relevant laws and regulations, such breaches could conceivably lead to severe consequences, such as termination of the subsoil use rights. The Group works closely together with the Competent Bodies on an ongoing basis in order to satisfy their requirements to the maximum extent practically possible.

The Group is required to obtain, on an ongoing basis, all permits as are required by the laws of Kazakhstan. Failure to obtain any such permits could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and the price of the Company's shares. Given Kazakhstan's legislative, judicial and administrative history, it is not possible to predict the effect of current and future legislation on the Group's business. The ongoing rights of the Group under its subsoil use contracts and licences and other agreements may be susceptible to revision or cancellation, and legal redress in relation to such revocation or cancellation may be uncertain. Any changes to the rights of the Group under its subsoil use contracts and licences (and any other relevant legislative changes) or increased compliance costs could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and the price of the Company's shares.

The limited experience and perceived lack of independence of Kazakhstan's judiciary, the difficulty of enforcing court decisions and governmental discretion in enforcing claims could prevent the Group or holders of the Company's shares from obtaining effective redress in a court proceeding.

The independence of the judicial system and its immunity from economic, political and nationalistic influences in Kazakhstan cannot be guaranteed. The judicial system may be understaffed and underfunded. Not all Kazakhstan legislation and court decisions are readily available to the public or organised in a manner that facilitates understanding. Court orders are not always enforced or followed by law enforcement agencies. All of these shortcomings may affect the ability of the Group or holders of the Company's shares to obtain effective legal redress in Kazakhstan courts. Further, these uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and the price of the Company's shares.

Resource extraction operations in Kazakhstan are subject to significant laws and regulations concerning, among other things, the issuance and renewal of contracts and licences.

Kazakhstan regulatory authorities exercise considerable discretion in the interpretation and enforcement of local laws and regulations. At times, authorities use this discretion to enforce rights in a manner that is inconsistent with the relevant legislation, particularly with respect to licence issuance, renewal and compliance. Requirements imposed by regulatory authorities may be costly and time-consuming and may result in delays in the commencement or continuation of production operations. Any violation of Kazakhstan law may result in the suspension of operations or revocation of permits or licences.

The licensing process is also influenced by outside commentary and political pressure. A competing applicant for a subsoil use contract or licence may bring a direct claim against the issuing authority if the applicant believes that the contract or licence was issued in violation of applicable law or regulation. If successful, such proceedings and claims may result in the revocation or invalidation of the contract or licence, the refusal to issue or renew a contract or licence or the issuance or renewal of a contract or licence in an untimely fashion or with conditions that impair the Group's ability to conduct its operations profitably.

Regulatory authorities may impose more onerous requirements and obligations than those currently in effect. Although the Group is unable to predict the costs of compliance with such amended laws, regulations and permits, the costs could be substantial and could materially and adversely affect the Group's business, financial condition, results of operations and prospects and the price of the Company's shares.

Title or lease rights to the Group's immovable property, including land and/or production facilities, may be challenged.

Title or lease rights in some former Soviet republics have been subject to legal challenge. Title or lease rights to the Group's immovable properties, including land and/or production facilities, may be challenged, which may prevent or severely curtail the Group's use of the affected properties. Some of the properties the Group has acquired may be subject to prior claims or unregistered agreements, and title may be affected by undetected defects. There can be no assurance that title or lease rights to some of the Group's properties will not be challenged or impugned.

Certain of the Group's assets were acquired through privatisation. Privatisations in some former Soviet republics have been subject to political controversy and legal challenge. If privatisations in Kazakhstan were successfully challenged, the Group could be at risk of losing its ownership interest in its properties, including land and/or production facilities. Any such challenges to title over the Group's assets could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Transfer of subsoil use rights may be subject to the State's priority right and consent requirements.

Under Article 12 of the 2010 Subsoil Law, Kazakhstan has a pre-emptive right to purchase certain subsoil rights or direct or indirect interests in legal entities having subsoil rights which are offered for sale. This pre-emptive right permits Kazakhstan to purchase any such subsoil use rights or equity interests being sold on terms no less favourable than those offered to other purchasers.

In addition to the above pre-emptive right, under Article 36 of the existing Subsoil Law, a transfer of subsoil use rights, including transfer of shares in a legal entity with such subsoil use rights, requires the obtaining of a preliminary consent of the Competent Body. The relevant government authority may arguably terminate a subsoil use contract if a transaction takes place in violation of these provisions of the law.

If a transaction takes place in violation of the consent requirement, the transaction is considered void from the date of its execution. It is unclear whether the right of pre-emption can be exercised on transfers that have occurred without notice to the relevant authority and whether such prior transactions can be unwound. There can be no guarantee that the Group's interpretation of the State's priority right in the context of past transfers will be upheld.

Non-compliance with Kazakhstan Local Content Requirements may adversely affect the Group's subsoil use operations.

In 2009, the Competent Body requested subsoil users to amend their subsoil use contracts to specify a percentage ratio between Kazakhstan and foreign goods and services acquired by subsoil users and the percentage of Kazakhstan employees which the subsoil users will employ. The volume of goods and services produced or acquired from Kazakhstan individuals or entities and the percentage of Kazakhstan employees employed by a subsoil user are referred to as the Local Content Requirements.

The 2010 Subsoil Law states that a subsoil user and its subcontractors must procure goods, work and services from Kazakhstan producers if such goods comply with requirements of Kazakhstan technical regulations, and if such work and services comply with standards, price and quality parameters of similar work and services provided by non-residents. Subsoil users are required to procure goods, work and services in accordance with the special rules approved by the Government, which establish specific requirements for such items as tender procedures and content of supply agreements.

The 2010 Subsoil Law requires subsoil users to give preference to Kazakhstan personnel during the performance of subsoil use operations. In addition, subsoil users must finance training and re-training of Kazakhstan citizens that are engaged in operations under a subsoil use contract. Also, a subsoil user is required to notionally reduce the price offered by a Kazakhstan producer by 20 per cent., provided that its goods, work and services meet the tender requirements and Kazakhstan technical regulations.

The 2010 Subsoil Law imposes certain filing and reporting obligations on subsoil users with respect to compliance with the Kazakhstan content requirements. Subsoil users must file annual programmes for acquisition of goods, work and services for the forthcoming year, report on purchased goods, work and services on a quarterly basis, and report on the performance of obligations related to Kazakhstan content in personnel.

The 2010 Subsoil Law also requires subsoil users to procure goods, work and services for subsoil use operations in accordance with a procurement procedure established by the Government. Unlike the 1996 Subsoil Law, the 2010 Subsoil Law envisages strict liability for a failure to comply with the procurement requirements. Expenditures made by a subsoil user that fail to comply with the procurement requirements shall not be considered expenditures made in fulfilment of the subsoil user's contractual obligations under their subsoil use contract. As a result, a subsoil user whose purchases are made contrary to the procurement requirements may be viewed as breaching its contractual obligations, which may lead to unilateral termination of a subsoil use contract pursuant to the procedures set out in Kazakhstan legislation.

Some of the Group's deposits are deposits of strategic significance under the 2010 Subsoil Law and under certain circumstances subsoil use contracts related to those deposits may be subject to termination.

Several deposits operated by the Group in Kazakhstan (including Bozshakol, Aktogay and Aidarly copper deposits) are included in the List of Strategic Deposits approved by the Government. If the actions of the subsoil user have caused significant change to the economic interests of Kazakhstan threatening national security, subsoil use contracts relating to such strategic deposits can be unilaterally terminated by the Competent Body if: (i) within two months of a notification by the Competent Body to amend the contract the subsoil user does not agree to negotiate the amendments; (ii) within four months of a subsoil user agreeing to conduct negotiations to amend the contract the parties have not reached an agreement on the amendments; or (iii) within six months of an agreement on restoration of economic interests of Kazakhstan being reached, the parties have not executed the amendments to the contract. Furthermore, at the initiative of the Government, the Competent Body has the right to repudiate a subsoil use contract unilaterally, with two months' notice, if the actions of the subsoil user have caused significant change to the economic interests of Kazakhstan threatening national security.

Some members of the Group are included in the Government's Register of Natural Monopolies or in the State Register of Entities Occupying Dominant or Monopoly Position. As such, the business of the Group will be subject to compliance with additional regulations and restrictions, which may increase the Group's cost of conducting business.

Three Group members (Kazakhmys Corporation, Kazakhmys Energy LLP and Zhezkazgan REK JSC) are included in the Register of Natural Monopolies (Kazakhmys Corporation is included in the national Register of Natural Monopolies, while Kazakhmys Energy LLP and Zhezkazgan REK JSC are included in the regional Register of Natural Monopolies). According to the RK Law On Natural Monopolies and Regulated Markets, dated 9 July 1998, "natural monopoly" is defined as a market condition where creation of competitive conditions to meet a demand for certain services is impossible or economically inexpedient due to technical peculiarities of production and supply of such services. The inclusion in or exclusion from the Register of Natural Monopolies of an entity that conducts natural monopoly activities is carried out on the basis of conclusions of the respective territorial departments of the Natural Monopolies Agency on commodity market conditions.

Ekibastuz GRES-1 and Kazakhmys Corporation are included in the State Register of Entities Occupying Dominant or Monopoly Position for the wholesale realisation of electric power (Ekibastuz GRES-1) and heat and electric power production, transmission, distribution, supply, water supply by distribution facilities, irrigation, access railways services and sewage disposal (Kazakhmys Corporation) in the relevant regions. Kazakhmys Energy LLP is included in the regional monopoly register for heat production and distribution, heat supply, electricity distribution, sewerage and water system services.

The Natural Monopolies Agency and the Agency for the Protection of Competition (Antimonopoly Agency) has authority to reconsider the status of each company on the basis of the results of the ongoing analysis and monitoring of the respective commodity markets. Any member of the Group which is included in the Register of Natural Monopolies or the State Register of Entities Occupying Dominant or Monopoly Position is subject to a number of applicable regulations and restrictions, including price regulation, the need to obtain approval for certain transactions and activities, restrictions on entering into certain transactions and carrying out certain activities and the need to procure goods and services by means of a tender. The cost of compliance with such additional regulatory burdens and the restrictions imposed by the natural monopoly laws and regulations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and the price of the Company's shares.

The taxation system in Kazakhstan and the interpretation and application of tax laws and regulations are evolving, which significantly increases the risks with respect to the Group's operations and investment in Kazakhstan.

Because tax legislation in Kazakhstan has been in effect for only a relatively short time, tax risks in Kazakhstan are substantially higher than the tax risks in countries with more developed tax systems. Kazakhstan tax laws are not always clearly determinable and have not always been applied in a consistent manner. In addition, the tax laws continue to evolve. The uncertain application and evolution of tax laws create the risk of additional and substantial tax payments by the Group, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and the price of the Company's shares. Such uncertainties may, in particular, relate to the valuation of the taxable base for Excess Profits Tax purposes and the application of transfer pricing policies.

Since January 2001, Kazakh transfer pricing rules have required tax authorities to make transfer pricing adjustments in a wide range of situations involving cross-border transactions, most typically among related parties. The Group's historical trading relationships could fall within these transfer pricing rules. Even among parties that are not related, prices may still be subject to adjustment if they deviate from market prices, and an adjustment of prices undertaken by tax authorities may result in an increase in the amount of tax and other mandatory payments that become payable. Due to the ambiguities in the legislation and the uncertainties in its interpretation, the relevant tax and customs authorities may challenge the Group's prices and propose adjustments. If substantial transfer pricing adjustments were upheld by the relevant Kazakh authorities or courts and implemented, the Group's financial condition could be adversely affected.

Tax regulation and compliance is subject to review and investigation by authorities who may impose severe fines, penalties and interest charges. The tax authorities have a right to impose additional tax assessments for five years after the end of the relevant fiscal period. With respect to subsoil users, tax authorities have the power to revise amounts of excess profit and other taxes and payments calculated on the basis of an internal norm of profitability and an internal norm of profit or income index throughout the duration of their contracts and up to five years after their expiry.

Kazakhstan has enacted a currency control law that may affect the Group's foreign currency dealings.

In July 2009, the President of Kazakhstan implemented various amendments to Kazakhstan's currency control legislation. The amendments empower the President, by special action and under circumstances when the economic stability of Kazakhstan is threatened, to introduce a special currency regime that would (i) require the compulsory sale of foreign currency received by Kazakh residents; (ii) require the placement of a certain portion of funds resulting from currency transactions into a non-interest-bearing deposit account in an authorised bank or the NBK; (iii) restrict the use of accounts in foreign banks; (iv) limit the volumes, amounts and currency of settlements under currency transactions; and (v) require a special permit from the NBK for conducting currency transactions. Moreover, the President may impose other requirements and restrictions on currency transactions when the economic stability of Kazakhstan is threatened. Notwithstanding the broad powers granted by the new currency regime, in order for Kazakhstan to remain in compliance with its membership obligations under the Charter of the IMF, the new currency regime cannot restrict residents from repaying foreign currency-denominated loans. It is unclear how this new currency regime will ultimately impact the Group, but it could place significant restrictions on the Group's foreign currency dealings, which, in turn, could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Exchange rate policy could have an adverse impact on the Group and Kazakhstan's public finances and economy.

The Tenge is convertible for current account transactions, although it is not a fully convertible currency for capital account transactions outside Kazakhstan. In 1999, the Government of Kazakhstan and the NBK announced that the Tenge would be allowed to float freely at market rates. Following a currency devaluation in February 2009, the NBK returned to a "managed float" exchange rate regime and maintained an exchange rate corridor of KZT 150 per U.S. dollar plus or minus 3 per cent. In 2010, the official corridor was widened to KZT 127.5 to 165 to the U.S. dollar. In early 2011, the NBK cancelled the corridor and announced a return to a managed floating exchange rate regime.

As at 31 December 2012, 2011 and 2010, the official KZT/U.S.$ exchange rate reported by the NBK was KZT 149.11 per U.S.$1.00, KZT 146.62 per U.S.$1.00 and KZT 147.35 per U.S.$1.00, respectively. On 4 February 2009, the NBK devalued the Tenge by 18 per cent. to KZT 143.98 per U.S.$1.00. This devaluation was due in part to pressure on the balance of payments of Kazakhstan as a result of a decline in commodity prices (in particular oil and gas) in the international markets. Devaluation of the Tenge was also intended to enhance export competitiveness of Kazakh goods. From 31 December 2010 to 31 December 2012, the Tenge depreciated against the U.S. dollar by 1.57 per cent.

The Group cannot ensure the accuracy of official statistics and other data in this Prospectus published by Kazakh authorities.

Official statistics and other data published by Kazakh authorities may not be as complete or reliable as those of more developed countries. Official statistics and other data may also be produced on different bases from those used in more developed countries. The Group has not independently verified such official statistics and other data and any discussion of matters relating to Kazakhstan in this Prospectus is, therefore, subject to uncertainty due to questions regarding the completeness or reliability of such information. Specifically, investors should be aware that certain statistical information and other data contained in this Prospectus has been extracted from official Government sources and was not prepared in connection with the preparation of this Prospectus.

Risks Relating to the Group's Structure

Certain Kazakhmys Shareholders exercise significant influence over the Group and, as a result, investors may not be able to influence the outcome of important decisions in the future.

The Kazakhmys Concert Party beneficially owns approximately 35.91 per cent. of the total voting share capital of the Company. As a result, the Kazakhmys Concert Party is able to exercise significant influence over all matters requiring shareholder approval, including the election of Directors and significant corporate transactions. Should the Transaction complete, the Kazakhmys Shares vest to the maximum possible extent under the LTIP Awards and the Company use its buyback authority granted at the 2013 Annual General Meeting in full, the Kazakhmys Concert Party could increase its holding from approximately 35.91 per cent. to approximately 47.86 per cent. of the total voting share capital of the Company, further increasing its ability to exercise significant influence over such matters. The Company has a Relationship Agreement with Cuprum Holding Limited and its principal beneficial owner, Vladimir Kim, who is a Director, to ensure that the Group is capable of carrying on its business independently and to ensure that transactions and relationships between the Group and Vladimir Kim are at arm's length and on normal commercial terms and that control is not abused. The Relationship Agreement continues so long as Kazakhmys Shares are listed on the Official List of the Financial Conduct Authority and traded on the London Stock Exchange. The Relationship Agreement will terminate if Cuprum Holding Limited or Vladimir Kim ceases to control a shareholding of at least 10 per cent. in the Company. Oleg Novachuk, who was originally party to the Relationship Agreement, ceased to be bound by the terms of the Relationship Agreement on 2 April 2007 when his shareholding in the Company fell below 10 per cent. Eduard Ogay's shareholding in the Company has always been below 10 per cent. and therefore he has never been subject to the Relationship Agreement.

The concentration of ownership may also have the effect of delaying or deterring a change in control of the Group, could deprive Kazakhmys Shareholders of an opportunity to receive a premium for their Kazakhmys Shares as part of a sale of the Group and might affect the market price and liquidity of Kazakhmys Shares.

Eurasian Resources is a significant Kazakhmys Shareholder, whose interests may differ from those of other Kazakhmys Shareholders.

Eurasian Resources currently owns approximately 26.6 per cent. of the total voting share capital of the Company and the Government of Kazakhstan has had a representative on the Board since November 2008. If the Transaction completes, Eurasian Resources' interest in the total voting share capital of the Company will be substantially reduced (the amount of such reduction depending on the number of ENRC Shareholders who accept the ENRC Takeover Offer), and it is expected that the Government of Kazakhstan will no longer have a representative on the Board.

However, if the Transaction is unsuccessful, Eurasian Resources or the Government of Kazakhstan, as the case may be, being a significant shareholder in the Group, may, through its voting power at Kazakhmys Shareholders' meetings and through the Government's representative on the Board, be able to exercise its influence over the Group's operations and business strategy, such as matters related to the composition of the Board, the amount and timing of dividends and other distributions, its overall strategic and investment decisions, the issuance of securities and adjustment to the Group's capital structure, and other corporate actions requiring approval of Kazakhmys Shareholders, including any merger, consolidation or sale of assets of the Group, or any other change of control event that may benefit or affect other Kazakhmys Shareholders generally.

The interests of Eurasian Resources or the Government of Kazakhstan, as the case may be, may conflict with the interests of the Group and the interests of its public shareholders, and Eurasian Resources may take actions, including exercising its influence over the Group as a significant shareholder, that favour itself instead of the interests of the Group or its public shareholders. If this occurs, it may have an adverse effect on the Group's operations and profitability and/or the interests of its public shareholders.

The Group does not have operational or managerial control over ENRC, which represents a significant proportion of the Group's market capitalisation.

The Group holds approximately 26 per cent. of the issued ordinary share capital of ENRC, which represents approximately 54 per cent. of the Company's market capitalisation as at the Latest Practicable Date. As such, ENRC is equity accounted as an associate of Kazakhmys in the consolidated historical financial information and, therefore, ENRC contributes significantly, and may continue to contribute in the future if the Transaction is unsuccessful, to the profits of Kazakhmys and toward its market capitalisation. Similarly, if the Transaction completes, the Group will no longer hold an interest in ENRC and the Group's profits and market capitalisation may be significantly reduced in the absence of the contributions derived from its shareholding in ENRC.

Kazakhmys does not have any directors on the board of ENRC. Although the Group is able to exert significant influence over ENRC through a degree of negative control which allows it to block certain decisions by the board of ENRC, the Directors believe that the Group's interest in the share capital and the absence of any directors on ENRC's board means that the Group does not have the ability to control actions that require a majority shareholder approval. Furthermore, if the Transaction is unsuccessful and Kazakhmys retains its investment in ENRC, Kazakhmys may not have the ability to prevent ENRC from engaging in activities or pursuing strategic objectives that may conflict with the interests or overall strategic objectives of the Group and decisions made by the board of ENRC could have a material impact on the reported earnings of Kazakhmys. Moreover, changes in market or macroeconomic conditions could impact the cash flows and the valuation of Kazakhmys' investment in ENRC. Additionally, as a result of Kazakhmys' shareholding in ENRC, any negative publicity relating to ENRC may have a material adverse effect on Kazakhmys' investment in ENRC and, whether or not the Transaction completes, Kazakhmys' reputation.

The Group faces risks relating to assets controlled by joint ventures and third parties.

In 2010, the Group entered into a joint venture arrangement with Samruk-Kazyna in respect of the ownership and management of the Ekibastuz GRES-1 power station. The Group's partner in the Ekibastuz GRES-1 joint venture may have business interests inconsistent with those of the Group and may exercise its right to block certain actions. The partner may take actions which are inconsistent with the Group's policies or standards. Moreover, under the terms of the joint venture, management of Ekibastuz GRES-1 is alternated every five years between Kazakhmys and its partner, Samruk-Kazyna. Kazakhmys may have limited control over the operations of the power station during the period of Samruk-Kazyna's management. The transition of management at the end of each five-year term may also present operational challenges.

Additionally, some of the Group's assets, including much of the Group's transportation infrastructure, are managed by third parties. Management of the Group's non-controlled assets may not comply with the Group's management and operating standards, controls and procedures (including health, safety and environmental regulations). Failure to adopt equivalent standards, controls and procedures for these assets could lead to higher costs, delayed transport times and reduced production and adversely impact the Group's business, results of operations and reputation.

Because the Company is primarily a holding company, its ability to pay dividends depends upon the ability of its subsidiaries to pay dividends and to advance funds.

Because the Company conducts business primarily through Kazakhmys Corporation and other subsidiaries, its ability to pay dividends to Kazakhmys Shareholders depends on the earnings and cash flow of Kazakhmys Corporation and the Company's other subsidiaries and their ability to pay the Company dividends and to advance funds to it. Other contractual and legal restrictions applicable to the Company's subsidiaries could also limit its ability to obtain cash from them. Its rights to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including any trade creditors and preferred shareholders.

Risks Relating to the Kazakhmys Shares

Future share market conditions may change.

There are risks involved with any investment in listed shares. The market price of the Kazakhmys Shares may rise or fall depending upon a range of factors and stock market conditions which are unrelated to the Company's future financial performance. Movements on international stock markets, local interest rates and exchange rates, domestic and international economic and political conditions, as well as government, taxation and other policy changes, may affect the stock market. As the Company is a listed company on the Official List and traded on the London Stock Exchange and also listed on the Hong Kong Stock Exchange and the Kazakhstan Stock Exchange, the Kazakhmys Share price will also be subject to numerous influences that impact the price of the Kazakhmys Shares listed on the London Stock Exchange, the Hong Kong Stock Exchange and the Kazakhstan Stock Exchange, including broad trends in the share market and the share prices of individual companies or sectors.

Future share issues by Kazakhmys and/or sales by Kazakhmys Shareholders could lower the market price of the Kazakhmys Shares and adversely affect Kazakhmys' ability to raise capital in the future. Further share issues could dilute the interests of Kazakhmys Shareholders.

Future issuances or sales, or perceived possible issuances or sales, of substantial amounts of the Kazakhmys Shares in the public market could materially and adversely affect the prevailing market price of the Kazakhmys Shares and the Company's ability to raise capital in the future.

The market price of the Kazakhmys Shares could decline as a result of future sales of substantial amounts of the Kazakhmys Shares or other securities relating to the Kazakhmys Shares in the public market, including sales by the major Kazakhmys Shareholders, or the issuance of new Kazakhmys Shares by the Company, or the perception that such sales or issuances may occur. Future sales, or perceived possible sales, of substantial amounts of the Kazakhmys Shares could also materially and adversely affect the Company's ability to raise capital in the future at a time and at a price favourable to the Company, and Kazakhmys Shareholders may experience dilution in their holdings upon issuance or sale of additional Kazakhmys Shares or other securities in the future.

As a company listed on the Official List and traded on the Main Market of the London Stock Exchange and also listed on the Hong Kong Stock Exchange and the Kazakhstan Stock Exchange, Kazakhmys is subject to United Kingdom, Hong Kong and Kazakh laws, regulations and policies.

Hong Kong and Kazakh laws, regulations and policies may differ in some respects from comparable laws, regulations and policies in the United Kingdom. The differences in compliance requirements may subject Kazakhmys to additional regulatory burdens. Kazakhmys has been granted a number of waivers and exemptions from certain Hong Kong and Kazakh laws and regulations.

In the event of any conflict between the applicable laws regulations and policies in the United Kingdom and those in Hong Kong or Kazakhstan, or if any of Kazakhmys' waivers or exemptions were to be revoked, Kazakhmys would have to comply with the more onerous rules and may incur additional costs and require additional resources.

Adverse media, speculation, claims and other public statements could adversely affect the value of the Kazakhmys Shares.

The media and others may make speculations, claims or other public statements on matters relating to the Group's major shareholders and beneficial owners and members of its management. Such negative publicity could distract management from their day-to-day management responsibilities and could have a materially adverse effect on the Group and/or the trading price of the Kazakhmys Shares. In addition, as a result of Kazakhmys' investment in ENRC, any negative publicity relating to ENRC, including, for example, the Serious Fraud Office investigation announced by ENRC on 25 April 2013, may have a material adverse effect on Kazakhmys and its reputation. Such reputational damage may prevail whether or not the Transaction completes.

Risks Relating to the Transaction

Completion of the Transaction is subject to a number of conditions.

Completion of the Transaction is subject to the satisfaction (or waiver, where applicable) of the Conditions, which are market standard conditions commonly included in public mergers and acquisitions transaction, including the antitrust and regulatory clearances in respect of the ENRC Takeover Offer. There is no guarantee that these (or any other) Conditions will be satisfied (or waived, if applicable). In the event that any Condition is not satisfied or waived, the Transaction will not proceed.

The Group may not realise the perceived benefits of the Transaction if it does not complete.

The Board is of the opinion that the Transaction is in the best interests of Kazakhmys Shareholders as a whole and that it currently provides the best opportunity to realise value for the ENRC Target Shares. If the Transaction does not complete, the Group will not receive the net cash proceeds due to it for the disposal of the ENRC Target Shares and may have difficulty realising the entirety of its stake in ENRC in the near future on the same or better terms as those offered pursuant to the ENRC Takeover Offer.

Potential further reduction in the value of the ENRC Target Shares.

If the ENRC Takeover Offer is unsuccessful, there may be disruption to ENRC, including its management and employees, which may have a negative effect on the performance of ENRC. In addition, there may be continued negative publicity relating to ENRC. If either of these circumstances materialises, and the Transaction does not complete, there may be a further reduction in the market value of the ENRC Target Shares and/or reduced contributions to the Group's profits and market capitalisation derived from its shareholding in ENRC.

Potential increase in the value of the ENRC Target Shares following completion of the Transaction.

The Board believes that the terms of the ENRC Takeover Offer may not reflect the full fundamental value of the ENRC Target Shares and that, if the Transaction completes, the value of the ENRC Shares disposed of by the Group pursuant to the ENRC Takeover Offer may rise above the approximated price ascribed to each ENRC Share under the terms of the ENRC Takeover Offer. Therefore, in accepting the ENRC Takeover Offer, there is a risk that the Group may not be realising the maximum possible value for the ENRC Target Shares.

The Group may be unable to accept any higher competing offer for the ENRC Target Shares.

Unless the Irrevocable Undertaking lapses in accordance with its terms, in the event that a higher competing offer is made by a third party for the ENRC Target Shares, the Group would be unable to accept any such higher competing offer and therefore in such circumstances the Group may not realise a higher value for the ENRC Target Shares.

INFORMATION RELATING TO ENRC TAKEOVER OFFER

Information relating to the ENRC Takeover Offer

Under the ENRC Takeover Offer, Eurasian Resources, a company formed at the direction of the Consortium for the purposes of the ENRC Takeover Offer, is offering U.S.$2.65 in cash plus approximately 0.23 Kazakhmys Shares for each ENRC Share. Eurasian Resources owns 139,162,843 Kazakhmys Shares (representing approximately 26.6 per cent. of the total voting share capital of Kazakhmys), which it will offer as partial consideration under the ENRC Takeover Offer. Kazakhmys is not issuing any new Kazakhmys Shares in connection with the ENRC Takeover Offer. As a result of Kazakhmys Shares being used as partial consideration, the Panel has ruled that the Company should be treated as a party to the ENRC Takeover Offer for the purposes of the Takeover Code. This Prospectus is being made available in connection with the ENRC Takeover Offer.

The Government of Kazakhstan, a member of the Consortium, has had a representative on the Board since November 2008. In addition, during the normal course of business, the Group conducts transactions or has relationships with entities controlled by the Government, which include the U.S.$2.7 billion financing line with Samruk-Kazyna (a wholly-owned subsidiary of the Government) and the China Development Bank, the Ekibastuz GRES-1 joint venture with Samruk-Kazyna and the subsoil use contracts and exploration rights granted by MINT. Save as described in the foregoing, there has been no other material relationship between the Government and the Company within the last three years.

The Group currently owns 334,824,860 ENRC Shares (representing approximately 26 per cent. of the issued ordinary share capital of ENRC). Consequently, if the Group accepts the ENRC Takeover Offer, the Group will be entitled to receive approximately U.S.$887 million and 77,041,147 Kazakhmys Shares in return for its ENRC Shares. The Kazakhmys Shares received by the Group will be cancelled.

Under the Companies Act, a company cannot acquire its own shares for non-cash consideration and therefore the Group cannot directly receive Kazakhmys Shares as partial consideration for its ENRC Shares under the ENRC Takeover Offer in the same way as the Relevant ENRC Shareholders. As a result, in order to enable the Group to receive the same economic terms as the Relevant ENRC Shareholders under the ENRC Takeover Offer and to comply with the Companies Act, the Group has the right to receive an additional amount of cash consideration under the ENRC Takeover Offer (instead of the Kazakhmys Shares it would otherwise be entitled to) and has entered into a conditional agreement with Eurasian Resources to use the right to receive part of that additional amount of cash consideration to repurchase 77,041,147 Kazakhmys Shares from Eurasian Resources. The balance of the additional cash consideration, being an amount equal to the stamp duty payable on the 77,041,147 Kazakhmys Shares repurchased, will be paid by Eurasian Resources to Kazakhmys which Kazakhmys will then use to pay the stamp duty on the Share Repurchase (putting Kazakhmys in the same position as the Relevant ENRC Shareholders). The Share Repurchase will be effected immediately following payment of the consideration to the Relevant ENRC Shareholders by Eurasian Resources under the ENRC Takeover Offer. Following the Share Repurchase, the Group will have received U.S.$2.65 in cash and approximately 0.23 Kazakhmys Shares for every ENRC Share it owns.

The terms of the Share Repurchase are set out in the Share Repurchase Agreement. In accordance with the Companies Act, the terms of the Share Repurchase were approved at the General Meeting. Upon completion of the Share Repurchase, the Kazakhmys Repurchase Shares will be cancelled by the Company.

Financial effects of the Transaction and use of proceeds

In 2012 the Group received dividends of U.S.$59 million from ENRC, representing the 2011 final dividend and the 2012 interim dividend. ENRC was equity accounted as an associate of Kazakhmys in the Group's audited consolidated financial statements. The dividends received from ENRC of U.S.$59 million during 2012 (2011: U.S.$113 million) were not recognised in the Group's audited consolidated income statement for the year ended 31 December 2012, but were instead netted off against the carrying value of the investment in associate in the Group's audited consolidated balance sheet as at 31 December 2012, in accordance with equity accounting principles. The Group's investment in associate as reported in its audited consolidated balance sheet as at 31 December 2012 was U.S.$2,027 million.

The share of earnings from ENRC recognised in the Group's audited consolidated income statement for the year ended 31 December 2012, net of tax, was a loss of U.S.$258 million based on the unaudited results of ENRC for the year which were published on 20 March 2013. The share of earnings from ENRC fell following lower commodity prices for ENRC's major product lines in the year and impairment charges recognised by ENRC of U.S.$1,216 million to reflect the recoverable amount of certain of their assets. In addition, in 2012, the Group also recognised an impairment charge against the investment in ENRC of U.S.$2,223 million. The share of profits from ENRC recognised in the Group's audited consolidated income statement for the year ended 31 December 2011 was U.S.$466 million and for the year ended 31 December 2010 was U.S.$522 million.

The Transaction is expected to be dilutive to the earnings of the Group in the next full financial year.[1] Investors should read the whole of this Prospectus and should not rely solely on the summarised financial information above.

Other than the Group's shareholding in ENRC, there are no material relationships between the Group and ENRC. Following the Transaction, the Group will no longer have an interest in ENRC and ENRC will no longer be treated as an associate of Kazakhmys and equity accounted for in the Group's consolidated financial statements.

A pro forma statement of net assets for the Group is provided in Part V: "Unaudited Pro Forma Financial Information" and has been prepared to illustrate the effect of the Transaction on the net assets of the Group as if the Transaction had taken place on 31 December 2012. The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the Group's actual financial position or results.

Pursuant to the Transaction, the Group will receive cash proceeds of approximately U.S.$875 million (net of expenses), which the Directors intend to use as follows, in order of priority:

- approximately U.S.$600 million will be used for the repayment of debt and to reduce future borrowing requirements; and
- the balance of approximately U.S.$275 million will be used for general corporate purposes, which may include expenditure on discretionary capital projects and supporting the Group's working capital.

The total costs and expenses payable by the Company in connection with the Transaction are estimated to amount to approximately U.S.$12 million (excluding applicable VAT).

Terms and Conditions of the ENRC Takeover Offer

Under the ENRC Takeover Offer, Eurasian Resources is offering U.S.$2.65 and approximately 0.23 Kazakhmys Shares for each ENRC Share. The ENRC Takeover Offer is on the terms and subject to the Conditions set out in Part IX: "Conditions and Further Terms of the ENRC Takeover Offer" and (in respect of the ENRC Shareholders who hold ENRC Shares in certificated form) the Form of Acceptance, which are market standard conditions commonly included in public mergers and acquisition transactions and include (among others):

- Eurasian Resources having received valid acceptances of the ENRC Takeover Offer in respect of ENRC Shares which, together with any ENRC Shares held by Eurasian Resources, constitute not less than 75 per cent. of the voting rights in ENRC. This Condition will be satisfied upon the Group validly accepting the ENRC Takeover Offer; and

[1] This statement is not intended to be a profit forecast nor should it be interpreted to mean that the future earnings per share of Kazakhmys PLC will necessarily match, be lower than or exceed the historical earnings per share of Kazakhmys PLC.

- satisfaction of antitrust Conditions in COMESA Member States, Kazakhstan, Russia, South Africa, Ukraine and the United States.

Indicative timetable of the ENRC Takeover Offer

The dates and times given in the table below in connection with the ENRC Takeover Offer are indicative only and are subject to change. All references to time and dates in the table below are to London times and dates.

Day 21: First Closing Date	1.00 p.m. on 28 August 2013
Day 60: Last date on which the ENRC Takeover Offer can become or be declared unconditional as to acceptances	6 October 2013
Day 81: Last date on which ENRC Takeover Offer can be declared unconditional in all respects	27 October 2013

Information on ENRC

See the section headed "Other Business and Investments—ENRC" in Part I: "Information on the Group" for information on ENRC.

IMPORTANT INFORMATION

General

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

The contents of the Company's website (www.kazakhmys.com) do not form part of this Prospectus and prospective investors should not rely on them. Furthermore, the Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, or the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the ENRC Takeover Offer or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Section 87G of FSMA and PR 3.4.1 of the Prospectus Rules, neither the publication of this Prospectus nor any subscription or sale of Kazakhmys Shares made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

Notice to Kazakhmys Shareholders and potential investors

United States

This document does not constitute or form part of any offer or invitation to sell or issue, or the solicitation to purchase or subscribe for, Kazakhmys Shares in any jurisdiction. Kazakhmys Shares have not been, and will not be, registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, Kazakhmys Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the U.S. Securities Act or an exemption therefrom.

None of the securities referred to in this Prospectus have been approved or disapproved by the SEC, any state securities commission in the United States or any other U.S. regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The distribution of this document into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, this document should not be distributed in, forwarded to or transmitted in or into the United States or any Kazakhmys Consideration Shares Restricted Jurisdiction.

Other jurisdictions

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy any Kazakhmys Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or which would impose any unfulfilled registration, publication or approval requirements on the Company. No action has been taken nor will be taken in any jurisdiction by the Company that would permit a public offering of Kazakhmys Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action of that purpose is required. The Company does not accept any responsibility for any violation of any restrictions by any other person.

Kazakhmys Shares have not been and will not be registered or qualified by a prospectus under applicable securities laws of any jurisdiction other than the United Kingdom. Accordingly, Kazakhmys Shares may not be offered, sold, reoffered, resold, pledged or otherwise transferred in or into any jurisdiction where such an offer or sale would violate the relevant securities laws of such jurisdiction.

None of the Company and its respective representatives is making any representation to any offeree or purchaser of Kazakhmys Shares offered hereby regarding the legality of investment by such offeree or purchaser under appropriate investment or similar laws. Each prospective investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of purchase of or subscription for Kazakhmys Shares.

Presentation of financial information and non-financial operating data

Historical financial information

The historical financial information relating to Kazakhmys in this Prospectus has been derived from its audited consolidated financial statements as at and for the years ended 31 December 2012, 31 December 2011 and 31 December 2010, prepared in accordance with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and as adopted for use in the EU. The basis of preparation is further explained in Part IV: "Historical Financial Information". The historical financial information of the Group for the years ended 31 December 2012, 31 December 2011 and 31 December 2010 in this Prospectus, which are incorporated by reference, as described in the section headed "Information Incorporated by Reference" has been prepared in accordance with the requirements of the Prospectus Directive Regulation, the Listing Rules and the IFRS.

Non-IFRS financial information

In this Prospectus, certain financial measures are presented that are not specifically defined under the IFRS, including EBITDA, Group EBITDA and Segmental EBITDA and certain other measures described in Part IV: "Historical Financial Information".

EBITDA consists of earnings before interest, taxation, the non-cash component of the disability benefits obligations, depreciation, depletion, amortisation and mineral extraction tax.

Group EBITDA consists of earnings before interest, taxation, the non-cash component of the disability benefits obligations, depreciation, depletion, amortisation and mineral extraction tax, adjusted for special items and including the share of EBITDA of the joint venture and associate.

Segmental EBITDA consists of earnings before interest, taxation, the non-cash component of the disability benefits obligations, depreciation, depletion, amortisation and mineral extraction tax from the Group's operating segments, including the share of EBITDA of the joint venture but excluding the share of EBITDA of the associate.

Special items consists of those items which are non-recurring or variable in nature and which do not impact the underlying trading performance of the business. Special items are set out in note 5 to the financial statements of the 2012 Annual Report and Accounts, which are incorporated by reference, as described in the section headed "Information Incorporated by Reference".

Non-financial operating data

The non-financial operating data included in this Prospectus has been extracted without material adjustment from the Production Report for six months and Q2 2013, the Production Report for Q1 2013 and IMS, the 2012 Annual Report and Accounts, the 2011 Annual Report and Accounts and the 2010 Annual Report and Accounts.

Pro forma financial information

In this Prospectus, any reference to "pro forma" financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in Part V: "Unaudited Pro Forma Financial Information". The unaudited pro forma financial information contained in Part V: "Unaudited Pro Forma Financial

Information" has been prepared on the basis of notes set out therein to illustrate the effect on the net assets of the Group as if the Transaction had been completed on 31 December 2012.

The unaudited pro forma financial information has been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results. Future results of operations may differ materially from those presented in the combined financial information due to various factors.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "U.S. dollars", "dollars", "$", "U.S.$" or "cents" are to the lawful currency of the United States. All references to the "Euro", "EUR", "euro" or "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references to "sterling", "pounds sterling", " "£", "p" or "pence" are to the lawful currency of the United Kingdom. All references to "Tenge" or "KZT" are to the official currency of Kazakhstan.

The Company prepares its financial statements in U.S. dollars and all financial information contained in this Prospectus has been expressed in U.S. dollars. In addition, all financial information has been rounded to the nearest million dollars ($ million), except when otherwise indicated.

The basis of translation of foreign currency for the purpose of inclusion of the financial information is described on page 102 of the 2012 Annual Report and Accounts, which is incorporated by reference, as described in the section headed "Information Incorporated by Reference". Information derived from such financial information set out elsewhere in this document has been translated on the same basis.

Rounding

Percentages and certain amounts included in this Prospectus have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

Credit ratings

Credit ratings included or referred to in this Prospectus have been issued by Moody's and Standard & Poor's, each of which is established in the EU. On 31 October 2011, both Moody's and Standard & Poor's were registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Presentation of reserves and resources information

Reserves and resources information contained in this Prospectus and incorporated by reference into this Prospectus has been compiled in accordance with internationally recognised mineral standards (including the JORC Code) based on information compiled by Competent Persons (as defined by the JORC Code).

Mineral resources are based on mineral occurrences quantified on the basis of geological data and an assumed cut-off grade, and are divided into "measured", "indicated" and "inferred" categories, reflecting decreasing confidence in geological and/or grade continuity. No allowances are included for dilution and losses during mining, but the reporting of resource estimates carries the implication that there are reasonable prospects for eventual economic exploitation. Measured and indicated resources may therefore be viewed as the estimation stage prior to the application of more stringent economic criteria for the reserve definition, such as a rigorously defined cut-off grade and mine design outlines, along with allowances for dilution and losses during mining. It is common practice, for example, for companies to include in the resources category material with a reasonable expectation of being converted into reserves but for which either the detailed mine planning work has not been undertaken or for which an improvement in economic conditions or exploitation efficiencies would be required to enable the company to exploit the resources economically. An inferred resource is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. This categorisation is inferred from geological evidence and assumed, but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, which may be limited or of uncertain quality and reliability. Mineral reserves are designated as "proved" and "probable", and are derived from the corresponding measured and indicated resource estimates by including allowances for dilution and losses during mining. It is an explicitly stated further requirement that other modifying economic, mining, metallurgical, marketing, legal, environmental, social and governmental factors must also be taken into account. The measured and indicated mineral resources can be reported as either being inclusive of those mineral resources modified to produce the ore reserves or additional to the ore reserves.

Further information on the estimation methods for reserves and resources may be found on page 162 of the 2012 Annual Report and Accounts, page 202 of the 2011 Annual Report and Accounts and page 171 of the 2010 Annual Report and Accounts, which are incorporated by reference, as described in the section headed "Information Incorporated by Reference".

Third Party Information

The Company confirms that all third party information contained in this Prospectus has been accurately reproduced and, as far as Kazakhmys is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Information regarding forward-looking statements

Certain information contained in or incorporated by reference into this Prospectus, including any information as to the Group's strategy, market position, plans or future financial or operating performance, constitutes, or may be deemed to constitute, "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "continue", "budget", "project", "aim", "estimate", "may", "will", "could", "should", "schedule" and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. They are based on current expectations and projections about future events, therefore known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, the factors disclosed under "Risk Factors" and elsewhere in this Prospectus, including, in conjunction with the forward-looking statements included in this Prospectus and the following statements:

- changes in political, economic, legal and social conditions in Kazakhstan, including the Government's specific policies related to subsoil use and mining industries, economic growth and foreign exchange;
- future legislation, including regulations and rules as well as changes in enforcement policies; and
- other factors beyond the Group's control.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Prospectus speak only as at the date of this Prospectus, reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity and the availability of new credit. Investors should specifically consider the factors identified in this Prospectus that could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements. Specific reference is made to the sections headed "Risk Factors", Part I: "Information on the Group" and Part III: "Operating and Financial Review".

Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules, or applicable law, the Company explicitly disclaims any intention or obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Prospectus that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of it.

Defined terms and interpretation

Certain terms used in this document are defined in the section headed "Definitions".

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Unless otherwise stated, all times and dates referred to in this document are references to London times and dates.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender and vice versa.

For the purpose of this document, "subsidiary", "subsidiary undertaking" and "undertaking" have the meanings given to them in the Companies Act.

INFORMATION INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited annual financial statements of the Company for the financial years ended 2012, 2011 and 2010, together, in each case, with the audit report thereon, which have been previously published and which have been approved by the FCA or filed with it. Copies of these documents are available for inspection in accordance with paragraph 22 of Part VII: "Additional Information".

The table below sets out the sections of these documents which are incorporated by reference into, and form part of, this document, and only the parts of the documents identified in the table below are incorporated into, and form part of, this document. The parts of these documents which are not incorporated by reference are either not relevant for the investor or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

Information incorporated by reference into this document	Reference document	Page number(s) in reference document
For the 2012 Financial Year		
Key Performance Indicators	2012 Annual Report and Accounts	14-15
Governance Framework	2012 Annual Report and Accounts	22-23, 50-63, 70
Operating Review	2012 Annual Report and Accounts	28-41
Auditors	2012 Annual Report and Accounts	59
Financial Review	2012 Annual Report and Accounts	78-88
Independent Auditor's Report	2012 Annual Report and Accounts	89
Consolidated Income Statement	2012 Annual Report and Accounts	92
Consolidated Statement of Comprehensive Income	2012 Annual Report and Accounts	93
Consolidated Balance Sheet	2012 Annual Report and Accounts	94
Consolidated Statement of Cash Flows	2012 Annual Report and Accounts	95
Consolidated Statement of Changes in Equity	2012 Annual Report and Accounts	96
Notes to the Consolidated Financial Statements	2012 Annual Report and Accounts	97-154
Mining Reserves and Resources	2012 Annual Report and Accounts	162-166
For the 2011 Financial Year		
Key Performance Indicators	2011 Annual Report and Accounts	32-33
Our Operations	2011 Annual Report and Accounts	39-57
Financial Review	2011 Annual Report and Accounts	58-75
Independent Auditor's Report	2011 Annual Report and Accounts	125
Consolidated Income Statement	2011 Annual Report and Accounts	126
Consolidated Statement of Comprehensive Income	2011 Annual Report and Accounts	127
Consolidated Balance Sheet	2011 Annual Report and Accounts	128
Company Balance Sheet	2011 Annual Report and Accounts	129
Consolidated Statement of Cash Flows	2011 Annual Report and Accounts	130
Company Statement of Cash Flows	2011 Annual Report and Accounts	131
Consolidated Statement of Changes in Equity	2011 Annual Report and Accounts	132

Information incorporated by reference into this document	Reference document	Page number(s) in reference document
Company Statement of Changes in Equity	2011 Annual Report and Accounts	133
Notes to the Consolidated Financial Statements	2011 Annual Report and Accounts	134-194
Mining Reserves and Resources	2011 Annual Report and Accounts	202-206
For the 2010 Financial Year		
Key Performance Indicators	2010 Annual Report and Accounts	10-11
Our Operations	2010 Annual Report and Accounts	16-34
Financial Review	2010 Annual Report and Accounts	48-63
Independent Auditor's Report	2010 Annual Report and Accounts	94
Consolidated Income Statement	2010 Annual Report and Accounts	96
Consolidated Statement of Comprehensive Income	2010 Annual Report and Accounts	97
Consolidated Balance Sheet	2010 Annual Report and Accounts	98
Company Balance Sheet	2010 Annual Report and Accounts	99
Consolidated Statement of Cash Flows	2010 Annual Report and Accounts	100
Company Statement of Cash Flows	2010 Annual Report and Accounts	101
Consolidated Statement of Changes in Equity	2010 Annual Report and Accounts	102
Company Statement of Changes in Equity	2010 Annual Report and Accounts	103
Notes to the Consolidated Financial Statements	2010 Annual Report and Accounts	104-163
Mining Reserves and Resources	2010 Annual Report and Accounts	171-175
Other information		
Kazakhmys Mining Production	Production Report for Q1 2013 and IMS	3-7
Kazakhmys Power Production	Production Report for Q1 2013 and IMS	8-9
Financial Performance	Production Report for Q1 2013 and IMS	10-11
Financial Position	Production Report for Q1 2013 and IMS	12
Kazakhmys Mining Production	Production Report for six months and Q2 2013	3-8
Kazakhmys Power Production	Production Report for six months and Q2 2013	9-10

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Simon Heale (Non-executive Chairman) Oleg Novachuk (Chief Executive) Eduard Ogay (Executive Director) Philip Aiken AM (Non-executive Director and Senior Independent Director) Clinton Dines (Non-executive Director) Vladimir Kim (Non-executive Director) Michael Lynch-Bell (Non-executive Director) Lord Renwick of Clifton, KCMG (Non-executive Director) Charles Watson (Non-executive Director) Daulet Yergozhin (Non-executive Director)
Company Secretary	Robert Welch
Registered and head office of the Company	Kazakhmys PLC 6th Floor Cardinal Place 100 Victoria Street London SW1E 5JL United Kingdom
English and U.S. legal advisers to the Company	Linklaters LLP One Silk Street London EC2Y 8HQ United Kingdom
Reporting accountants and auditors	KPMG Audit Plc 15 Canada Square Canary Wharf London E14 5GL United Kingdom
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom
	Computershare Hong Kong Investor Services Limited 17M Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong

PART I
INFORMATION ON THE GROUP

The following information should be read in conjunction with the information appearing elsewhere in this document, including the financial and other information in Part III: "Operating and Financial Review" and Part IV: "Historical Financial Information". The financial information in this Part I relating to the Group has been extracted without material adjustment from Part III: "Operating and Financial Review" and Part IV: "Historical Financial Information".

Overview

The Group is a large natural resources group whose primary assets are located in Kazakhstan. The Group is a fully integrated copper producer engaged in the mining, processing, smelting, refining and sale of copper products, including copper cathode and copper rod. The Group's primary holding company, Kazakhmys, has been listed on the premium listing segment of the Official List and traded on the Main Market of the London Stock Exchange since October 2005 and has had a secondary listing on the Hong Kong Stock Exchange since June 2011. The Company is also listed on the Kazakhstan Stock Exchange.

The following selected historical key financial information in relation to the Group has been extracted without material adjustment from the audited financial statements for the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010.

	2012	2011	2010
	($ million unless otherwise stated)		
Continuing operations			
Revenues	3,353	3,563	3,237
Operating costs (excluding the non-cash component of the disability benefits obligation, depreciation, depletion, amortisation, MET and special items)	(2,226)	(1,791)	(1,529)
EBITDA from subsidiaries (excluding special items)	1,127	1,772	1,708
EBITDA from joint venture (excluding special items)	189	154	86
Segmental EBITDA (excluding special items) from continuing operations	1,316	1,926	1,794
Less: interest and taxes of joint venture	(29)	(26)	(28)
Special items:			
Less: additional disability benefits obligation charge	—	(146)	—
Less: impairment charge against property, plant and equipment	(110)	(11)	(13)
Less: impairment (charge)/reversal against mining assets	(82)	7	—
Less: major social projects	—	—	(130)
Add: provisions released against inventories	—	19	18
Less: loss on disposal of subsidiary	(8)	—	—
Less: MET	(260)	(280)	(236)
Less: non-cash component of the disability benefits obligation	(149)	—	—
Less: depreciation, depletion and amortisation	(310)	(264)	(268)
Operating profit	368	1,225	1,137
Results from associate	(2,481)	466	522
Share of (losses)/profits from associate	(258)	466	522
Less: impairment charge against investment in associate	(2,223)	—	—
(Loss)/profit before finance items and taxation	(2,113)	1,691	1,659
Net finance expenses	(91)	(68)	(67)
(Loss)/profit before taxation	(2,204)	1,623	1,592
Income tax expense	(86)	(221)	(203)
(Loss)/profit for the year from continuing operations	(2,290)	1,402	1,389

	2012	2011	2010
	($ million unless otherwise stated)		
Discontinued operations			
Profit/(loss) for the year from discontinued operations	20	(472)	61
(Loss)/profit for the year	(2,270)	930	1,450
Non-controlling interests	(1)	—	—
(Loss)/profit attributable to equity holders of the Company	(2,271)	930	1,450
EPS—basic and diluted ($)			
From continuing operations	(4.37)	2.63	2.60
From discontinued operations	0.04	(0.88)	0.11
	(4.33)	1.75	2.71
EPS based on Underlying Profit ($)			
From continuing operations	0.85	2.76	2.59
From discontinued operations	0.09	0.04	0.20
	0.94	2.80	2.79

The Group is structured around its main business activities, mining and power generation, and is organised into two business divisions: Kazakhmys Mining and Kazakhmys Power. The business is supported by corporate functions in London and Almaty, which are responsible for the Group's strategy, cash and capital management, development and other core functions. The Group also owns a 26 per cent. stake in ENRC, a company listed on the premium listing segment of the Official List and traded on the Main Market of the London Stock Exchange. The market capitalisation of the Group's stake in ENRC was U.S.$1,151 million as at the Latest Practicable Date.

The following map shows the location of the Group's main operations:

Significant Trends

On 25 April 2013, the Company released the interim management statement and production report for the first quarter ended 31 March 2013 and on 25 July 2013, the Company released the production report for six months and the second quarter of 2013, which are incorporated by reference into this document. The Company has identified the following significant recent trends affecting the Group and the industries in which it operates.

Operations

Kazakhmys Mining's copper cathode and by-product production volumes at the end of June 2013 remained in line to meet guidance provided for 2013. Copper cathode and rod sales volumes were above production volumes over the same period due to a reduction in finished goods inventory.

Commodities

The prices for copper, zinc, gold and silver started 2013 strongly, before declining in March and during the second quarter of 2013. The fall in prices for the four metals has been driven by a number of macroeconomic factors, including lower than expected economic growth expectations for China and the United States. The copper price has also been impacted by a trend of rising copper exchange inventories and the expectation of growing supply.

Power

According to the Kazakhstan Electricity Grid Operating Company, in the first half of 2013, demand for electricity in Kazakhstan has been below levels seen in the comparative period in the prior year, driven by lower levels of commercial demand. In addition, according to the Kazakhstan Electricity Grid Operating Company, no major additional generation capacity is expected to be available in Kazakhstan in 2013. Consistent with the lower levels of commercial demand, generation volumes in the first half of 2013 in Kazakhstan were below the comparative period in the prior year.

To encourage investment in the power sector, the Government of Kazakhstan introduced a tariff regime in 2009 under which a ceiling tariff was set for each group of generators from 2009 to 2015, subject to minimum levels of capital investment being met. The ceiling tariff approved by the Ministry of Industry and New Technologies for Ekibastuz GRES-1 rose to 7.30 KZT/kWh from 1 January 2013.

Kazakhmys Mining

Introduction

The Mining Division incorporates the Group's mining, concentrating, smelting and auxiliary operations in Kazakhstan and the sales operations in the United Kingdom. Kazakhmys Mining is a vertically integrated copper producer and mines all the copper ore it processes and produces substantially all the copper concentrate it smelts and refines. In addition to copper, Kazakhmys Mining's ore contains other valuable metals, such as zinc, silver and gold, which are processed and sold to third parties.

The Division's key products are copper cathode and rod, zinc in concentrate and silver granule and bar and gold bar. In the future, copper concentrate may also become one of the Division's key products. The Division operates in three regional units: the Zhezkazgan Region, the Central Region and the East Region. The Zhezkazgan Region has a fully integrated facility, including mines, concentrators and smelting and refining operations. The Central Region has a fully integrated facility comprising mines, concentrators and smelting and refining operations. The East Region comprises mines and concentrators, which produce concentrate containing copper, zinc, gold and silver.

Kazakhmys Mining uses a combination of its proprietary railway network and the national railway network for the transportation of materials by rail. The Group's three coal-fired captive power stations supply the majority of the electricity used by the Mining Division.

Ore is extracted from the Mining Division's 16 mines, which include both underground and open pit operations. The ore is generally sulphidic, which is processed differently to oxide ore. After mining, the ore goes through several stages of crushing and grinding, which facilitates the separation of metals from the waste materials. The ore is transported from the mines to the concentrator facilities by rail (using a combination of the Mining Division's own railway network and the national railway network) or truck. The ground ore is separated using direct selective flotation techniques to produce copper and zinc concentrate. This separation is achieved by mixing the ground ore with water and chemical reagents, which is aerated in flotation cells. The different chemical properties of the metal particles encourage them to escape the water by attaching to the air bubbles, which rise to the surface, where they form a froth. The froth is skimmed off, and subjected to further treatment, and the concentrate is then thickened and stored, ready to be transported to the smelting and refining plants or for sale to third parties in the case of zinc concentrate.

The copper concentrate produced is transported to either the Zhezkazgan or Balkhash smelters where the material is heated and molten metal is separated from the waste slag and poured into anodes. The anodes are then sent to the electro-refinery, where anodes are suspended in solution in the tankhouse to produce copper cathode, which is the Mining Division's key product, by electrolysis. Some cathode is then processed into copper rod at the Mining Division's copper rod plant in Zhezkazgan. The residual slimes from the refinery tanks can contain gold and silver, and the slimes are transported to the precious metals refinery in Balkhash for processing into silver granule and bar and gold bar.

Zhezkazgan Region

Operations

The Zhezkazgan Region has an integrated copper cathode production facility incorporating mining, mineral processing, smelting and refining operations. The principal products produced in the Zhezkazgan Region are currently copper cathode and copper rod.

The Zhezkazgan Region includes the following principal operations:

- the underground ore mining operations (the South, Stepnoy, East, West and Zhomart mines);
- the open pit ore mining operations (collectively called the North mine);
- the mineral processing facilities (the Zhezkazgan No. 1 and No. 2 and Satpayev concentrators);
- the smelting/refining operation that produces copper cathode and silver in slimes, which are sent to Balkhash for recovery at the precious metals refinery; and
- the copper rod plant.

The Zhezkazgan Region's energy requirements are provided by the captive power stations located in Zhezkazgan and Karaganda.

Mines

The following table shows general information on the mines that belong to the Zhezkazgan Region. Some of the Zhezkazgan mines are composed of multiple pits or shafts.

Mine	Type	Estimated life of mine
		(years)
North[(1)]	Open pit	2
East	Underground	16
South	Underground	16
Stepnoy	Underground	17
West	Underground	18
Zhomart	Underground	23

Note:
(1) The open pit mines at the Zhezkazgan Region are collectively referred to as the North mine. The estimated life of mine shown above for the North mine is based on the Itauz open pit, which has a life of mine of two years.

North mine

The North mine was commissioned in the 1980s and includes 10 open pit copper deposits, which also produce silver as a by-product. The Mining Division utilises conventional shovel and truck mining at the open pit mines. Ore production during 2012 was from the Akchi Spassky, Sredny Spassky and Itauz open pits. In 2013, production is planned from the Akchi Spassky and Itauz open pits. The Itauz open pit is currently undergoing major stripping works, which are scheduled to be completed by the third quarter of 2013. The North mine currently has the capacity to produce around 2.6 Mt of ore per annum. Output is expected to decline in future years as the open pits which make up the North mine mature.

East mine

The East mine is an underground copper mine, which also produces silver as a by-product. The mine is located to the north west of Zhezkazgan and was first commissioned in the 1940s. In July 2012, due to depletion at the Annensky mine, the remaining operational sections of the Annensky mine were transferred to the East mine. A shaft from the East mine was transferred to the West mine, in order to ease capacity constraints. The East mine currently has the capacity to produce around 3.3 Mt of ore per annum. Output is expected to decline in future years as the mine matures. The estimated remaining life of the mine is 16 years.

South mine

The South mine is an underground copper mine, which also produces silver as a by-product. The mine is located to the north-west of Zhezkazgan and was first commissioned in the 1940s and has two shafts. The South mine currently has the capacity to produce around 5.2 Mt of ore per annum. Output is expected to decline in future years as the mine matures. The estimated remaining life of the mine is 16 years.

Stepnoy mine

The Stepnoy mine is an underground copper mine, which also produces silver as a by-product. The mine is located to the north-west of Zhezkazgan and was first commissioned in 2005. The ore body is steeply dipping, by Zhezkazgan standards, and is prone to higher dilution levels during mining. The Stepnoy mine currently has the capacity to produce around 3.3 Mt of ore per annum. The estimated remaining life of the mine is 17 years.

West mine

The West mine is an underground copper mine, which also produces silver as a by-product. The mine is located to the north west of Zhezkazgan and was first commissioned in the 1940s. In July 2012, due to the reorganisation of the mining operation at the East mine with the suspension of sections of the Annensky mine, a shaft from the East mine was transferred to the West mine, in order to ease capacity constraints at the East mine. The West mine currently has the capacity to produce around 3.6 Mt of ore per annum. Output is expected to decline in future years as the mine matures. The estimated remaining life of the mine is 18 years.

Zhomart mine

The Zhomart mine is located 200 km south-east of Zhezkazgan. It is an underground mine using the room and pillar method of mining to exploit the Zhaman-Aybat deposit. The Zhomart mine currently has the capacity to produce 4.0 Mt of ore per annum. The estimated remaining life of the mine is 23 years. The project to develop phase 2 of the Zhaman-Aybat deposit, which would increase the ore output from the mine, was recently temporarily suspended, although some study work will continue in 2013.

Concentrators

The Mining Division has three concentrators in the Zhezkazgan Region: two in Zhezkazgan and one in Satpayev. As part of the Group's review of its asset base, operations at the Satpayev concentrator were suspended from June 2013. All of the ore from the mines in the Zhezkazgan Region is transported on the Mining Division's railway lines to the concentrators at Zhezkazgan for processing.

Concentrating consists of crushing and grinding the ore and separating copper material from waste material by flotation, resulting in a copper concentrate.

The two concentrators in Zhezkazgan have an estimated ore processing capacity of 22.1 Mt per annum. The Zhezkazgan No. 1 concentrator was commissioned in 1954 and the Zhezkazgan No. 2 concentrator was commissioned in 1963. The concentrators process ore from the East, North, South, West, Zhomart and Stepnoy mines. The copper concentrate from the Zhezkazgan No. 1 and No. 2 concentrators is pumped to the smelter for processing.

The Satpayev concentrator is located approximately 25 km from the main metallurgical complex at Zhezkazgan. It commenced operations in 1985 and has an estimated ore processing capacity of 4.0 Mt per annum. Prior to its suspension in June 2013, the Satpayev concentrator processed ore from the East mine.

Smelting/refining facilities

The Zhezkazgan smelter, which commenced operations in 1973, uses Outokumpu Oy technology and consists of two identical 27 MVA electric smelting furnaces, converters, anode furnaces and a sulphuric acid plant. Sulphur dioxide off-gases collected from the furnaces and converters are processed into sulphuric acid at the sulphuric acid facility and used internally or sold to third parties.

The Zhezkazgan Region also has an electro-refinery where anodes are suspended in solution in the tankhouse to produce copper cathode by electrolysis. The Zhezkazgan smelter/refinery has an estimated capacity of 200 kt per annum of copper cathode. In 2012, copper cathode production was 111 kt, excluding tolling, and the copper content of the copper cathodes was 99.99 per cent. The residual slimes that result from the electrowinning process contain silver and are sent to the Balkhash precious metals refinery to produce silver bar and granules.

The Zhezkazgan smelter and copper refinery can also treat concentrate from third parties to maximise throughput of the smelter and improve efficiency. This concentrate can be either purchased or treated on a tolling basis.

As part of the Group's review of its asset base, operations at the Zhezkazgan smelter may be suspended in the second half of 2013. In the event of the suspension of the Zhezkazgan smelter, copper concentrate output from the region will be sold as concentrate into China, with a limited volume processed at the Balkhash smelter utilising spare capacity.

Copper rod plant

The Zhezkazgan Region has a Southwire SCR 2000 continuous copper rod plant that began operations in 1994. The plant produces 8 mm copper rods from copper cathode and has the capacity to produce 16 mm and 18 mm copper rods should there be demand for such products. The copper rod plant, which processes copper cathode from the Zhezkazgan smelter/refinery, has an estimated capacity of 50 kt per annum, and the copper content of the copper rods produced in 2012 was 99.99 per cent. In the event that the Zhezkazgan smelter suspends operations, the copper rod plant is likely to instead process copper cathode from the Balkhash smelter.

Central Region

Operations

The Central Region comprises an integrated copper production facility incorporating mining, mineral processing, smelting and refining operations. It was created in 2011 from the combination of the Karaganda and Balkhash complexes. The principal products produced in the Central Region are copper cathode, silver granule and bar and gold bar.

The Central Region includes the following principal operations:

- the underground ore mining operations (the Shatyrkul, Sayak, and West Nurkazgan mines);
- the open pit ore mining operations (the Abyz, Akbastau and Konyrat mines);
- the mineral processing facilities (the Balkhash, Karagaily and Nurkazgan concentrators);
- the copper smelting/refining operation; and
- the precious metals refinery.

The Central Region's energy requirements are provided by the captive power stations located in Balkhash and Karaganda.

Mines

The following table shows general information on the mines in the Central Region.

Mine	Type	Estimated life of mine
		(years)
Shatyrkul	Underground	20+
Sayak[(1)]	Underground	7
West Nurkazgan	Underground	20+
Konyrat	Open pit	20+
Abyz	Open pit	14
Akbastau	Open pit	20

Note:
(1) The Sayak I and III mines include the Tastau mine.

Shatyrkul mine

The Shatyrkul mine began operations in 1999 as an open pit mine and continued until 2002, when operations moved underground. The Shatyrkul mine is located approximately 220 km north of Almaty and 500 km south-west of Balkhash. Mining is carried out by trackless equipment using the continuous retreat sub-level caving method. Ore is transported on the Mining Division's railway lines and by the national railway network to the Balkhash concentrator. The Shatyrkul mine currently has the capacity to produce around 0.6 Mt of ore per annum. The medium term project to extend operations at the Shatyrkul mine and develop the Zhaisan deposit has been temporarily suspended.

Sayak mines

The Sayak I and III mines (which includes the Tastau mine) were open pit mines that began operations in the 1970s. The mines are approximately 10 km apart and located approximately 200 km east of Balkhash. The current Sayak I and III mines are underground mines accessed by adits from the old open pit mines. Mining is carried out by trackless equipment using multi-lift room-and-pillar operations. The Sayak mines currently have the capacity to produce around 1.7 Mt of ore per annum. The estimated remaining life of the Sayak mines is around seven years. Ore is transported on the Mining Division's railway lines and by the national railway network to the Balkhash concentrator.

Konyrat mine

The Konyrat copper mine began production in 1934. The mine is an open pit copper mine located 16 km north of the town of Balkhash. Mining is conducted using a conventional shovel and truck method, and the mine is linked to the Balkhash concentrator by a railway line owned by the Mining Division and by the national railway network. Operations at the low grade Konyrat mine were suspended in November 2008, as the operations were deemed uneconomic. The mine re-opened in June 2012 and is expected to ramp up to its designed capacity of 7 Mt of ore per annum throughout 2013 and 2014. The estimated remaining life of the Konyrat mine is over 20 years.

Nurkazgan mines

The development of the Nurkazgan polymetalic field commenced in 2003. The Nurkazgan mines consist of both open pit and underground mines, and are located approximately 35 km north of Karaganda. The underground West Nurkazgan mine, which commenced operations in February 2009, supplies ore to the Nurkazgan concentrator, which commenced operations in 2008. The West Nurkazgan mine currently has the capacity to produce around 3.0 Mt of ore per annum, which is below the planned output over the longer term for the mine. The open pit North Nurkazgan mine, which contains a mixture of oxide and sulphide ore, was suspended in October 2008 due to economic reasons.

Abyz mine

The Abyz mine commenced development in 2004. The mine is a shovel and truck open pit copper-zinc-silver-gold-bearing mine located 100 km east of the town of Karkaralinsk. The ore is transported 70 km by road to the Karagaily concentrator. The mine is undergoing reconstruction works in the first quarter of 2013 to extend its operational life, with production expected to resume in the second half of 2013 after the works have been completed. The Abyz mine currently has the capacity to produce around 0.5 Mt of ore per annum, although output is expected to decline in future years as the mine matures.

Akbastau mine

The Akbastau mine is an open pit copper-zinc-silver-gold-bearing mine, which recommenced production in September 2011 after operations were suspended in 2008. The mine is located in East Kazakhstan. The ore from the mine is transported by road to the Karagaily concentrator. The open pit mine currently has the capacity to produce around 1.8 Mt of ore per annum. Output is expected to decline in future years as the mine matures. The project to develop an on-site concentrator to process ore from the mine has been temporarily suspended, although study works are in progress to assess the options to extend the operational life of the open pit mine.

Concentrators

Kazakhmys Mining operates three concentrators in the Central Region.

Balkhash concentrator

The Balkhash concentrator was commissioned in 1937 and currently has an estimated ore processing capacity of 10.8 Mt per annum, which is expected to be upgraded to 11.6 Mt per annum by the end of 2013. The Balkhash concentrator processes ore from the Konyrat, Shatyrkul and Sayak I and III mines. The copper concentrate produced by the concentrator is then transported to the Balkhash smelter for further processing.

Karagaily concentrator

The Karagaily concentrator has an estimated ore processing capacity of 1.8 Mt per annum. It processes ore from the Abyz and the Akbastau mines. The copper concentrate produced by the Karagaily concentrator is then transported to the Balkhash smelter for further processing. The zinc concentrate produced is sold to customers.

Nurkazgan concentrator

The Nurkazgan concentrator processes ore from the West Nurkazgan underground mine and, prior to its suspension, the North Nurkazgan open pit mine. Design work to improve the performance of the concentrator was conducted during 2012. The copper concentrate produced by the Nurkazgan concentrator is transported to the Balkhash smelter for further processing.

Smelting/Refining Facilities

The Balkhash smelter which is located in the Central Region was constructed in the late 1930s. It has been refurbished since its construction, including the installation of Vanyukov bath smelting technology in the 1980s, the installation of a second Vanyukov unit in 2004 and the addition of a fourth oxygen workshop in 2007. The smelter uses autogenous technology and consists of two smelting furnaces, converters and anode furnaces. A sulphuric acid plant was completed in 2008.

The Central Region also has an electro-refinery to produce copper cathode. The smelter/refinery has an estimated production capacity of 230 kt per annum of copper cathode. In 2012, copper cathode production was 183 kt, excluding production from tolling, and the copper content in the copper cathodes was 99.99 per cent. The residual slimes that result from the electrowinning process contain gold and silver. These slimes are processed at the precious metals refinery located in Balkhash to produce silver granule and bar and gold bar.

The Balkhash smelter and copper refinery treats all the copper concentrate from the Central and East Regions along with excess copper concentrate from the Zhezkazgan Region. The Balkhash smelter and copper refinery can also treat concentrate from third parties to maximise throughput of the smelter and improve concentration efficiency. This concentrate is either purchased or treated on a tolling basis.

Precious metals refinery

The precious metals refinery in Balkhash was commissioned in 1997 to recover gold and silver from the slimes. It has an estimated production capacity of 300 koz of gold and 21.7 million ounces of silver. The Balkhash precious metals refinery also treats slimes from third parties on a tolling basis. The refinery employs technology from Boliden AB of Sweden. De-copperised anode slimes are transported to the precious metals refinery from the Balkhash and Zhezkazgan copper refineries. These are pressure-leached with sulphuric acid in an autoclave and processed by a Kaldo rotary converter to produce anodes. The anodes are refined by electrolysis producing fine, 99.99 per cent. pure silver crystals, which are melted and can be sold in granular or bullion form. The anode slimes are leached of residual silver by nitric acid to recover the gold. The gold is melted, cast into anodes and electro-refined, and then melted and cast into 99.99 per cent. pure bars.

East Region

Operations

The Mining Division's mining and mineral processing operations in the East Region include the following:

- the underground ore mining operations (the Orlovsky, Irtyshsky, Yubileyno-Snegirikhinsky and Artemyevsky mines); and
- the mineral processing facilities (the Nikolayevsky, Orlovsky, Belousovsky and Berezovsky concentrators).

The copper concentrate produced in the East Region is transported on the Mining Division's own railway line and by the national railway network to the Central Region for smelting and refining. The zinc concentrate produced is sold to customers.

Mines

The following table shows general information on the operating mines in the East Region.

Mine	Type	Estimated life of mine
		(years)
Orlovsky	Underground	7
Irtyshsky	Underground	19
Yubileyno-Snegirikhinsky	Underground	1
Artemyevsky	Underground	5

Orlovsky mine

The Orlovsky mine has been in operation since 1977. The mine is an underground copper, zinc, gold and silver mine located approximately 130 km north-east of Semey. A drift and fill mining method with mechanised drift and a cemented backfill is used. The ore is processed on site at the Orlovsky concentrator. The current capacity of the mine is around 1.5 Mt of ore per annum and the mine has an estimated life of around seven years.

Irtyshsky mine

The Irtyshsky mine was recommissioned in 2001, following its acquisition in 1999 in a derelict condition. The mine is an underground copper, zinc, gold and silver mine located approximately 55 km north-west of Ust-Kamenogorsk. The mine uses the shrinkage stoping mining and pillar reclamation methods. The ore is transported on the Mining Division's own railway lines and by the national railway lines network for processing at the Berezovsky concentrator. The current capacity of the mine is around 0.6 Mt of ore per annum and the mine has an estimated life of over 10 years.

Yubileyno-Snegirikhinsky mine

The Yubileyno-Snegirikhinsky mine has been in operation since 2003. It is an underground copper, zinc, gold and silver mine located approximately 125 km north of Ust-Kamenogorsk. The sub-level caving production areas are accessed by adits with a spiral ramp connecting the levels. Mining operations at the deposit are nearing completion, with the current capacity of the mine at around 0.6 Mt of ore per annum. The ore is processed at the Belousovsky and Nikolayevsky concentrators.

Artemyevsky mine

The Artemyevsky mine began production in 2005. The mine is an underground polymetallic ore mine located approximately 280 km north-west of Ust-Kamenogorsk. The ore is processed at the Nikolayevsky concentrator and at the Zyryanovsk concentrators owned by KazZinc, a third party. The backfill concrete complex began operating at the mine in 2007 and the reconstruction work on the plant was completed in 2011. The current capacity of the mine is 1.4 Mt of ore per annum and the mine has an estimated life of around five years. A project to extend the life of the Artemyevsky mine is currently being developed.

Concentrators

The Mining Division operates four concentrators in the East Region. All are of conventional design, with crushing, grinding and flotation facilities.

Orlovsky concentrator

The Orlovsky concentrator has been in operation since 1988 and has an ore processing capacity of around 1.7 Mt per annum. It processes ore from the Orlovsky mine. The copper concentrate produced by the Orlovsky concentrator is transported via the Mining Division's own railway and the national railway network to the Balkhash smelter for further processing. The zinc concentrate produced by the concentrator is sold to customers.

Belousovsky concentrator

The Belousovsky concentrator was commissioned in 1939 and has an estimated ore processing capacity of around 0.4 Mt per annum. It processes ore from the Yubileyno-Snegirikhinsky mines and was closed from December 2008 until September 2010 while operations at the Belousovsky mine were suspended. The copper concentrate produced by the Belousovsky concentrator is transported via the Mining Division's own railway and by the national railway network to the Balkhash smelter for further processing. The zinc concentrate produced by the concentrator is sold to customers.

Berezovsky concentrator

The Berezovsky concentrator was commissioned in 1952 and has an estimated ore processing capacity of 0.5 Mt per annum. It processes ore from the Irtyshsky mine. The copper concentrate produced by the Berezovsky concentrator is transported via the national railway network to the Balkhash smelter for further processing. The zinc concentrate produced by the concentrator is sold to customers.

Nikolayevsky concentrator

The Nikolayevsky concentrator was commissioned in 1980 and is undergoing upgrade works, which are expected to increase the concentrator's ore processing capacity to 2.2 Mt per annum by the end of 2013. It processes ore from the Artemyevsky and Yubileyno-Snegirikhinsky mines. The copper concentrate produced by the Nikolayevsky concentrator is transported via the national railway to the Balkhash smelter for further processing, and the zinc concentrate produced is sold to customers.

Transport

Kazakhmys owns and maintains approximately 1,000 km of its own railways, which connect its operations with the main national rail trunk lines. In order to improve the efficiency and quality of transport services within the Group, management of the railway assets and services owned by Kazakhmys Mining have been outsourced to PTM LLP since 2007, whereby PTM LLP leases the assets from Kazakhmys and charges Kazakhmys a tariff for the transport services. Most of Kazakhmys Mining's raw materials and production are moved by rail, using the transportation services of PTM LLP and the national rail company, Kazakhstantemirzholy JSC.

Borly coal mines

The Mining Division's operations include two coal mines (Molodezhny and Kusheki). The mines produce coal to supply the captive power stations in Karaganda, Zhezkazgan and Balkhash as well as other third party customers. In 2012, the two coal mines produced approximately 7.3 Mt of coal. Coal is transported to the plants by rail, using a 130 km spur owned by the Group that runs from the mines to the national rail system.

The Molodezhny coal mine is a surface strip mine that commenced operations in 1980. It is located approximately 130 km from Karaganda. The coal is mined and loaded onto the trains on site. The mine has an estimated remaining life of just over 50 years.

The Kusheki open pit mine commenced operations in 1956 and is located approximately 50 km from Karaganda and 600 km and 430 km from Zhezkazgan and Balkhash, respectively. It is more difficult and costly to mine at Kusheki as a result of its geology and the earlier removal of more easily mined coal. The mine has an estimated remaining life of just over 30 years.

Projects

Kazakhmys Mining has a number of mining projects in Kazakhstan to provide for production replacement and growth. These projects include the development of new deposits and extensions to existing mines.

Major Projects

Bozshakol complex

The Bozshakol open pit project is located in the Pavlodar region, in Northern Kazakhstan. The Bozshakol sulphide ore deposit has a JORC resource of 1,173 Mt of ore at a copper grade of 0.35 per cent. and a production life of over 40 years, including the processing of stockpiled ore for four years. In 2011, the Board approved the development of the mine and the associated infrastructure, which is expected to cost in the region of U.S.$1.9 billion. The project will be fully funded by the U.S.$2.7 billion facility obtained in 2010 from the China Development Bank and Samruk-Kazyna. Kazakhmys commenced development on site at the Bozshakol project in 2012.

A 25 Mt per annum concentrator is being constructed on site, producing an average of 87 kt of copper in concentrate per annum until 2030, with gold, silver and molybdenum as by-products. A secondary facility, initially handling material containing clay, will operate alongside the main concentrator, processing a further 5 Mt of ore per annum and contributing 16 kt of copper in concentrate per annum until 2030. The first copper concentrate from Bozshakol is expected to be produced in 2015.

In 2013, the Group anticipates the delivery and installation of the major processing equipment. The main construction activities on the concentrator and the main mine will be conducted during 2013, ahead of the commencement of pre-production mining in 2014. Hiring and training the operational staff is underway and will be critical for successful commissioning in 2015. Bozshakol will employ around 1,500 people, with a similar number involved in the construction phase.

Aktogay complex

The Aktogay mine is a large open-cast mine in south-eastern Kazakhstan, approximately 250 km from the Kazakhstan-China border. The Aktogay copper ore deposit is the Group's second major copper project alongside Bozshakol. Following the successful completion of the project's feasibility study in the fourth quarter of 2012, the Board approved the development of the project. The deposit has a measured and indicated oxide resource of 121 Mt of ore with a 0.37 per cent. copper grade, and a sulphide resource of 1,597 Mt of ore with a 0.33 per cent. copper grade. The deposit also contains some molybdenum by-product. The project will initially develop the deposit's oxide resource, which is located above the sulphide ore body. The total construction cost of the project, which includes an open pit mine and an on-site concentrator, is estimated at U.S.$2 billion. The development will be primarily funded from the U.S.$1.5 billion project-specific financing facility signed with the China Development Bank in December 2011, with the balance of the estimated cost being funded by cash available to the Group.

Development of the sulphide plant is expected to be completed in early 2016, with the first ore being processed at the concentrator that year. Detailed engineering of the sulphide concentrator is expected to be completed by the end of 2013. Average annual output will be 72 kt of copper cathode equivalent during a mine life of over 50 years. Copper cathode equivalent production will average 104 kt for the first 10 years.

The development of Aktogay's sulphide resource will benefit from the work conducted on the Bozshakol project due to the similarities between the two large-scale, relatively low-grade, open pit mines. The project also benefits from the infrastructure which has been developed at the site with a power transmission line, railway access and camp accommodation already in place.

Aktogay will employ around 3,000 people at peak construction activity and around 1,500 people when operational. Initial earthwork on the project started in 2013 and first production is anticipated in 2016.

Mid-sized Projects

Kazakhmys Mining also has a number of mid-sized mine projects which are progressing through the project assessment stages.

Bozymchak

Bozymchak is a gold-copper deposit located in Kyrgyzstan. The development of the infrastructure required for the open pit mine to commence operation progressed during 2012. However, due to issues with local contractors and the challenges of operating in Kyrgyzstan, the installation of the processing plant and other key infrastructure ran behind schedule in the first half of 2012. In the second half of 2012, progress was made on the project with the appointment of a new contractor to complete the concreting work at the site. Infrastructure such as fuel stations, maintenance workshops and electricity, along with administration and accommodation facilities, was either close to completion or completed.

The open pit mine is planned to produce around 1 Mt of ore per annum. Bozymchak is expected to have an average annual output of 7 kt of copper in concentrate and 35 koz of gold in concentrate over the life of the mine. The first copper and gold concentrate sales from the project are now expected in the last quarter of 2013. The initial development costs, including expenditure to date, are expected to be around U.S.$350 million, which is mainly being funded by the U.S.$2.7 billion facility obtained from China Development Bank and Samruk-Kazyna.

South East and North Nurkazgan mines

The South East Nurkazgan mine development is at the scoping study stage. It will benefit from shared infrastructure with the West Nurkazgan mine, which is part of the Central Region operations. During 2012, geological studies were conducted on the deposit to improve resource estimations. Initial studies were undertaken into the processing plant, power supply and mining options for the deposit. The development has been temporarily suspended, although some study works will continue. The project to recommence operations at the open pit North Nurkazgan mine, which contains a mixture of oxide and sulphide ore, was suspended during 2013.

Other projects

Exploration and study work continues on the project to extend the operational life of the Artemyevsky mine. The Anissimov Klyuch, Shatyrkul, Zhaisan and Zhomart II development projects have been temporarily suspended, although some project study works will continue in 2013. The project to develop the Kosmurun deposit and on-site concentrator for the Akbastau and Kosmurun mines has also been suspended, although study works will continue on extending the open pit operations at the Akbastau mine.

In addition, the Group will not rule out future business opportunities, whether projects, joint ventures, disposals or acquisitions.

Sales and Marketing

Overview

Kazakhmys Mining sells a significant percentage of its copper, zinc concentrate and silver output through Kazakhmys Sales Limited. Gold bar sales to the National Bank of Kazakhstan are made by the Kazakhmys Corporation. Kazakhmys Mining is also able to treat concentrate from third parties; this concentrate is either purchased or, to a limited extent, treated on a tolling basis.

Historically, Kazakhmys Mining has been flexible as to where it sells its copper. The proximity of its operations to China and its good infrastructure links to Black Sea ports gives it access to both Chinese and European markets. Due to the Chinese market's geographical proximity and significant demand for copper products, Kazakhmys has developed a strong customer base in China. Historically, Kazakhmys has had a range of customers in Europe, consisting of both end users and major trading companies. This has allowed the Company to diversify its sales between selected customers in China and in Europe.

Sales Strategy

Principal strategy

Kazakhmys Mining has developed a sales strategy to maximise financial return and minimise its risk profile. This sales strategy focuses on three fundamental factors:

Sales stability

Allocating the majority of material to key major customers. These relationships have been developed over a number of years of trading, with agreements being based on annual and multi-year contracts.

Optimum pricing

Pricing terms are aimed to maximise the Group's profit. More favourable pricing terms can be achieved by selling to customers located close to Kazakhstan to minimise the costs of logistics and by selling to markets or destinations that have a higher relative Codelco premium.

Reducing credit and performance risk

Terms are aimed at reducing the possibility of payment or contractual default. The Group seeks to reduce the risk on payment default through safe and reliable payment methods, including, but not limited to, letters of credit, prepayment, COD and CAD. The Group seeks to reduce the risk of contractual default by focusing on sales stability and on a small number of key major customers.

Sales contracts

The Group agrees sales contracts based on the following parameters:

Annual and spot contract ratio

The Group agrees annual contracts for typically 80 to 90 per cent. of forecast production, with the balance of actual production being sold on spot contracts. This ratio is set to provide sufficient cover for production fluctuations over a year and to allow for different market conditions, such as in the situation of a seller's market, where more production will typically be sold on spot, and in the situation of a buyer's market, where more production will typically be sold using annual contracts.

Annual contract negotiations

The Group seeks to conclude annual contracts by the end of the fourth quarter of each year for sales in respect of the following calendar year.

Pricing terms

These are based on the LME and the annually declared Codelco premiums for grade A copper (regulated on the LME), adjusted for the terms of trade (including delivery costs), which vary from customer to customer.

Payment terms

For sales into the European market, the Group generally requires payment prior to release of title, COD or CAD. Sales to the CIS generally require payment prior to release of title or COD. Sales to China are typically secured by letters of credit issued by major Chinese banks.

Kazakhmys Power

Introduction

Kazakhmys Power includes the three captive heat and power stations and Ekibastuz GRES-1, in which Kazakhmys has a 50 per cent. interest. The three captive power stations principally supply heat and power to Kazakhmys Mining. In 2012, the captive power stations' net electricity generation volumes totalled 5,562 GWh, of which around 60 per cent. was used by Kazakhmys Mining and the balance was sold to external customers. In 2012, Ekibastuz GRES-1's net electricity volumes totalled 14,368 GWh and all of the power from Ekibastuz GRES-1 was sold externally.

Ekibastuz GRES-1

The Ekibastuz GRES-1 power station is a coal-fired facility located in the Pavlodar Oblast in north-eastern Kazakhstan. It is the largest power station in Kazakhstan, with a nameplate capacity of 4,000 MW. Ekibastuz GRES-1 currently has a generation capacity of 3,000 MW and a U.S.$1.0 billion modernisation programme is in progress, which will return the plant to its nameplate capacity. The programme is being funded by cash available to the Group.

This optimisation and modernisation programme continued in 2012 and technical improvements were made to increase the efficiency of the five operating units. The rehabilitation of the first dormant unit, Unit 8, commenced in 2009 and completed on time and on budget in the second half of 2012. The rehabilitation of Unit 2, which started in late 2010, continued in 2012. The rehabilitation of the unit remains on schedule to complete in late 2014. As the outlook for power in Kazakhstan remained positive in 2012, Ekibastuz GRES-1 announced that it would be proceeding with rehabilitation of the final dormant unit, Unit 1.

To improve the environmental footprint of the power station, Ekibastuz GRES-1 is implementing a programme to install electrostatic precipitators to the plant's generators to reduce ash emissions to international benchmark standards.

The modernisation programme will allow the Group to capitalise on the expected growth in electricity demand and raised tariff ceilings on domestic electricity sales in Kazakhstan through to 2015.

The tariffs the Group charges are negotiated with customers, subject to a tariff ceiling in Kazakhstan. The Government is progressively raising the maximum price that can be charged, on the condition of investment in expanding the power capacity of the power station.

Ekibastuz GRES-1 sells the majority of its production under annual contracts to its customer base of industrial users, traders and electricity wholesalers within Kazakhstan. Ekibastuz GRES-1 also exports electricity to Russia for sale.

As previously announced, Kazakhmys has held discussions with the Government of Kazakhstan regarding the disposal of its 50 per cent. holding in Ekibastuz GRES-1. Whilst no discussions are currently ongoing, Kazakhmys continues to evaluate a disposal of this holding.

Captive power stations

The Group's three captive power stations are located in Karaganda, Balkhash and Zhezkazgan and have a combined nameplate capacity of 1,025 MW and mainly support the Mining Division's operations. The captive power stations sold around 40 per cent. of the net power generated to third parties in 2012. During 2012, capital expenditure was invested for the maintenance of the existing boilers and turbines, in particular at the Balkhash and Zhezkazgan power stations, in order to sustain the heat and the power plants' existing capacity, funded by cash available to the Group.

Karaganda power station

The Karaganda power plant is located approximately 50 km to the south-west of Karaganda. The power plant is a Soviet-designed coal-fired facility and its principal equipment dates from 1962 to 1967. Coal is delivered to the site by national rail from the Borly mines. Karaganda supplies electricity to the Mining Division through the national grid on a credit system, supplementing the electricity provided by the captive power stations at the Zhezkazgan and Balkhash complexes, and enabling Kazakhmys to effectively use its own power. In 2012, the Karaganda power plant produced 4,191 GWh of electricity (excluding internal consumption), half of which was used by the Mining Division. The balance was sold to third party customers. The Karaganda power station is fuelled by Kazakhmys Mining's coal mines (see "—Borly coal mines" above).

Zhezkazgan power station

The Zhezkazgan Region has benefited from a fully operational captive power and heat station since 1959. In 2012, the Zhezkazgan power station produced 754 GWh of electricity (excluding internal consumption), meeting between 30 per cent. and 40 per cent. of the electricity requirements in the Zhezkazgan Region operations during the year. The Zhezkazgan power and heat station is fuelled by Kazakhmys Mining's coal mines (see "—Borly coal mines" above).

Balkhash power station

The Central Region has benefited from a fully operational captive power and heat station since the 1930s. In 2012, the Balkhash power station produced 617 GWh of electricity (excluding internal consumption), meeting a significant portion of the electricity needs of the Mining Division's Central Region operations during the year. The Balkhash power and heat station is fuelled by Kazakhmys Mining's coal mines (see "—Borly coal mines" above).

Other Business and Investments

MKM

MKM was acquired by the Group on 15 December 2004. MKM produces and sells copper and copper alloy semi-finished products. MKM is organised into three business units: wire products, flat products (strips, plates and sheets) and tubes and bars. Given the Group's primary geographical and strategic focus on natural resource production assets and opportunities principally within Central Asia, it was decided to dispose of MKM.

On 28 May 2013, the Group sold MKM for €42 million to a European family office. Cash consideration of €30 million has been received and the remaining €12 million is receivable on a deferred basis. MKM was sold with net debt of €128 million. The Group also received a dividend of €10 million in April 2013 from MKM.

ENRC

Since 2008, the Group has held approximately 26 per cent. in ENRC. The Group's investment in ENRC had a market value as at 31 December 2012 of U.S.$1,546 million. ENRC is equity-accounted as an associate of Kazakhmys in its consolidated financial statements. Other than Kazakhmys' shareholding in ENRC, there are no material relationships between Kazakhmys and ENRC. Following the Transaction, the Group will no longer have an interest in ENRC and ENRC will no longer be treated as an associate of Kazakhmys and equity-accounted for in Kazakhmys' consolidated financial statements.

ENRC is a large diversified natural resources group with integrated mining, processing, energy, logistical and marketing operations. The majority of its assets were acquired in the privatisation process undertaken in Kazakhstan in the mid-1990s. ENRC was formed as part of a reorganisation in 2006 to simplify the ownership structure of the assets and to consolidate them in a single group of companies. ENRC's main production assets are located in Kazakhstan.

ENRC's operations in Kazakhstan are vertically integrated with the ENRC group, comprising six key operating divisions covering ferroalloys, iron ore, alumina and aluminium, energy, logistics and other non-ferrous metals. The Other Non-ferrous Division was added in November 2009 when ENRC completed its acquisition of Central African Mining and Exploration Company PLC (CAMEC). This acquisition adds cobalt and copper to its portfolio of products and further expands ENRC's geographic focus.

- The Ferroalloys Division operates chrome ore and manganese mines along with processing plants, which produce ferroalloys.
- The Iron Ore Division mines and processes iron ore into concentrate and pellets for sale.
- The Alumina and Aluminium Division operates two bauxite mines which feed an alumina refinery and an aluminium smelter, which are supported by a captive heat and energy plant.
- The Other Non-ferrous Division includes output from the copper and cobalt ore operations predominately in the Democratic Republic of the Congo and Zambia.
- The Energy Division operates the Vostochny and Shubarkol coal mines and the Aksu coal-fired power station, making it a significant producer of electricity and coal in Kazakhstan.
- The Logistics Division provides transportation and logistics services to third parties and to ENRC's operations in Kazakhstan.

Employees

As of 30 June 2013 (the latest practicable date prior to the publication of this Prospectus for the purposes of ascertaining the number of employees), the average weekly number of employees of the Group during the first six months of 2013 was 57,676 (54,740 in Kazakhmys Mining; 2,578 in Kazakhmys Power; and 358 in Corporate Services) mainly located in Central Asia. The average weekly number of employees of the Group during each of the financial years ended 31 December 2012, 2011 and 2010 by business activity and geographical region is set out below.

Business activity	2012	2011	2010
Kazakhmys Mining	56,324	55,376	54,665
MKM(1)	1,095	1,099	1,072
Kazakhmys Power(2)	2,596	3,891	4,767
Kazakhmys Petroleum(3)	—	135	125
Corporate Services	384	318	341
Total employees	60,399	60,819	60,970

Notes:
(1) The sale of MKM was completed on 28 May 2013
(2) Kazakhmys Power includes the employees of the Group's captive power stations. The employees of the Maikuben West coal mine are only included for the period ended 17 May 2011, the date on which it was sold. Ekibastuz GRES-1 is treated as an equity accounted joint venture so its employees are not included.
(3) The employees of Kazakhmys Petroleum are only included for the period ended 23 December 2011, the date on which it was sold.

Analysed as:

Region	2012	2011	2010
Central Asia(1)	59,237	59,666	59,844
Germany(2)	1,095	1,099	1,072
UK	56	48	48
Netherlands	2	2	2
China	9	4	4

Notes:
(1) Includes Kazakhstan and Kyrgyzstan.
(2) Relates to MKM employees only. The sale of MKM was completed on 28 May 2013.

Health, Safety and Environmental Matters

The Company recognises that the health and safety of its employees and the maintenance of high environmental performance standards are major priorities. The Company and its subsidiaries develop and operate their facilities and conduct their operations materially in accordance with applicable local laws and regulations on environmental and social issues.

Health and safety standards

The Board is committed to preventing accidents that represent a risk to people, the environment and Kazakhmys' facilities. It believes all work-related accidents are preventable and that all employees have a responsibility to achieve this goal.

The Group's objective is zero fatalities. The number of fatalities in 2012 was 19, in 2011 was 24 and in 2010 was 27 (from 2011, data on fatalities includes contractor fatalities; the 2010 figure is for Kazakhmys employees only). Of the 19 fatalities in 2012, seven were due to rock fall. The cause of every fatal accident is investigated and reported to the Group Health, Safety and Environment Committee, and reviewed by the Fatal Accident Review Panel. In Kazakhstan, a Government-appointed commission also investigates all fatal accidents. The Group's Lost Time Injury Frequency Rate in 2012 was 1.78, in 2011 was 1.55 and in 2010 was 1.47.

Prior to 2004, damages were paid in respect of fatalities and other accidents. From 2005, the Civil Code requires the company to have insurance to cover the costs associated with fatalities and other accidents from 2005 onwards. During 2011, new legislation was enacted in Kazakhstan which increased the amounts payable for death and disability benefits. Under the new legislation, which applies retrospectively, the benefits payable are calculated on the basis of average salaries of employees currently in service. Prior to the change in the legislation, benefits payable were calculated on the basis of historic salaries that were increased annually by the official inflation rate prevailing in Kazakhstan. The Group also makes provisions for disability benefits beyond regulatory requirements in the collective employment agreements.

In an effort to reduce further accidents, the Group has taken the following steps: (i) in addition to the regular health and safety training required by the local authorities, the Group improved the safety awareness training programmes for new employees, site and line managers and other personnel through a Group-wide education and training scheme launched in March 2012; (ii) the Group developed 36 group health and safety standards addressing major operational health and safety risks; (iii) the Group introduced remote controlled production equipment and new technology for its operations; and (iv) the Group completed the first stage of its work with external consultants DuPont who are helping the Group to develop and implement core health and safety standards and procedures. The Group will continue to work closely with DuPont in 2013.

The Group is in the process of implementing activity-based risk analysis and work procedures, which are required as part of the health and safety laws enacted in Kazakhstan in 2009. As part of health and safety management, work-related accident statistics are recorded. These are based on Kazakh regulatory reporting requirements, which are not in line with international safety measurement definitions. The Group continues to focus on achieving an internationally recognised industry measure as a basis for comparison with its peers and to report upon in external reports. Incidents of occupational diseases affecting employees are measured across the Group, including dust-induced lung disease and vibration sickness.

The Group is required to comply with a range of health and safety laws and regulations, and it recognises that the health and safety of its employees is a major priority. The Group’s health and safety standards are reviewed on an ongoing basis and safety training is an ongoing process. In accordance with Kazakh law, the Group has developed a health and safety policy applicable to Kazakhmys’ operations and categories of activity.

Kazakhmys has developed an accident and risk analysis programme that records all incidents reported and corrective actions taken centrally. The programme is being implemented across all Group operations in 2013. The Group is introducing new technology and equipment with a view to further improving employee safety and, consequently, reducing the number of accidents.

Environmental standards

In common with other natural resources and mineral processing companies, the Group’s operations generate hazardous and non-hazardous waste, effluent and emissions into the atmosphere, water and soil.

The Group carefully manages its environmental impacts by using energy and water efficiently, by protecting biodiversity and by reducing greenhouse gas (“GHG”) emissions, waste and emissions to air. Environmental challenges associated with open pit and underground mining include pit closure plans and the water potentially impounded in the final pit. By conducting studies, carefully designing mine plans, implementing pollution control recommendations from internal and external sources, monitoring the effects of mining on mining areas and carefully designing mine closure plans, the Group seeks to minimise the impact of its activities on the environment. The Group has ISO 14001 certified environmental management systems. In addition, a number of environmental laws in Kazakhstan apply to the Group’s operations. These laws address such matters as protection of the natural environment, air and water quality and emissions standards and disposal of waste. The main environmental impacts managed by the Group are:

- Energy and emissions: The Group is a major producer and user of energy. GHG emissions are generated from burning coal to generate power and to process copper. The Group measures and reports GHG emissions, and is bringing its reporting methodology into line with international standards.

- Emissions to air: sulphur dioxide (SO_2), nitrous oxides (NOx), arsenic, ash and dust. SO_2 from copper smelting can reduce air quality and cause breathing difficulties if released. The Group has measures in place to prevent harmful emissions reaching the air at all plants.
- Water: Kazakhstan does not suffer from significant water shortages, but some areas, such as Zhezkazgan, suffer seasonal drought. Water treatment facilities are limited in remote areas and potable supplies are scarce. Large volumes of water are needed to cool plants and equipment, and in some cases water is drawn from the same supplies used by local communities. Water is recycled and reused throughout the production process as much as possible. Group operations have water management plans in place to meet the requirements of permits issued by local authorities.
- Waste: Mining operations produce waste rock, soil and tailings; power plants create solid wastes such as fly ash and slag; wastewater treatment facilities create sludge; sulphuric acid plants create slime. These wastes are carefully managed and disposed of. Tailings facilities are designed to prevent leaching into the soil and water sources.
- Biodiversity and land management: Kazakh permits and legislation require the Group to carry out environmental impact assessments before work takes place and to rehabilitate sites when they close.

Kazakhstan has adopted environmental regulations requiring industrial companies to undertake programmes to reduce, control or eliminate various types of pollution. These regulations are primarily enforced through a mechanism of payment obligations on levels of emissions and waste storage. Permits are issued annually to Kazakhmys' operational units, specifying the permissible levels of emissions and waste storage. Kazakhmys pays an annual fee for emissions and storage within these permitted levels. Emissions and storage above permitted levels give rise to additional payment obligations.

In 2012, the Group continued to prepare for the Kazakhstan GHG emissions trading scheme by developing a Group-wide energy efficiency programme. In September 2012, the Group finalised energy saving plans for the smelters and captive power plants that the scheme will impact. The Group has agreed to take part in an additional Government initiative to develop a nationwide energy efficiency plan. As part of this initiative, Kazakhmys will seek to reduce its energy use by 25 per cent. by 2020 from 2011 levels. A newly formed energy, efficiency and investment team is overseeing this effort, working with external contractors on the assessment of current energy use.

The Group actively monitors specific air emission levels, ambient air quality, quality of nearby surface water, level of contaminants in soil and the creation of solid waste. Renewal of environmental permits is subject to the submission of an annual report on pollution levels to the Kazakh environmental authorities, compliance with the permits' provisions and fulfilment of any additional payment obligations. The Kazakh environmental authorities also conduct tests to validate the Group's results.

New legislation to reduce waste and control its disposal was introduced in 2012, requiring companies to introduce 10-year management plans. In response, the Group developed guidance for its sites on implementing waste management systems. In 2013, different areas of the Group's business will introduce waste management programmes with the aim of re-using and recycling more waste, as well as disposing of it more responsibly.

Group Health, Safety and Environment Committee

The Company has established the Group Health, Safety and Environment Committee. The Group Health, Safety and Environment Committee is chaired by Charles Watson, with Clinton Dines and Simon Heale also as members. The Committee is primarily responsible for keeping under review the development and maintenance of a framework of policies and standards for identifying, assessing, managing and reporting health, safety and environmental risks and their impacts on the Group's activities.

Key roles and responsibilities of the Group Health, Safety and Environment Committee include:

- keeping under review the development and maintenance of a framework of policies and standards for managing health, safety and environmental risks and their impacts on the Group's activities;
- reviewing compliance by the Group with relevant health, safety and environmental legislation;
- monitoring and assessing the behaviour of management toward managing health, safety and environment-related risks;
- reviewing significant safety incidents and considering the key causes, consequences and actions taken by management to prevent similar incidents occurring in the future;
- making proposals to the Remuneration Committee regarding appropriate health, safety and environmental performance objectives for executive Directors and certain senior managers and, in due course, providing its assessment as to performance against such objectives;
- reviewing the findings of any internal or external reports on the Group's health, safety and environmental systems, assessing any strategies and action plans developed by management in response to issues raised and, where appropriate, making recommendations to the Board on such matters; and
- annually reviewing the Committee's own performance, constitution and terms of reference.

Operational Hazards and Insurance

The Group's operations are subject to numerous operating risks, including geological conditions, seismic activity, climatic conditions, interruptions to power supplies, environmental hazards, technical failures, fires, explosions and other accidents at a mine, processing plant or related facility. These risks and hazards could result in damage to production facilities, personal injury, fatalities, environmental damage, business interruption and possible legal liability.

Kazakh law requires mining companies to insure against certain limited risks. The Group maintains mandatory insurance policies that cover employer's liability for death or injury to workers, and liability insurance for operators of its vehicles. Kazakhmys also maintains a combined property damage and business interruption catastrophic insurance programme, which can provide protection from some of the financial impact of a major incident at the Group's main concentrating, smelting and refining facilities and power stations. The Group's insurance does not cover other potential risks associated with its operations. In particular, the Group does not carry insurance for certain types of environmental hazards, such as pollution, or other hazards as a result of the disposal of waste products.

The Group's management periodically evaluates the procurement of additional insurance cover. The Group has funds on deposit and credit facilities to cover potential insurance contingencies. Given the size of its operations and the extent of its facilities and equipment, there can be no assurance that these fund and credit facilities would be available or adequate should one or more events for which the Group is not insured occur.

The occurrence of a significant adverse event the risks of which are not fully covered by insurance could have a material adverse effect on the Group's financial condition or results of operations. Moreover, no assurance can be given that the Group will be able to maintain existing levels of insurance in the future at rates it considers reasonable.

See the section headed "Risk Factors—Risks relating to the Group's operations—The Group does not insure against certain risks, and its insurance coverage may be insufficient to cover losses".

Social and Community Programmes

Under the terms of its subsoil licences, the Group is required to provide certain social services to the communities in which its mining activities operate. These trust activities are provided by municipal authority companies under trust management agreements. The activities include heating distribution systems, road maintenance and aviation services. The purpose of these agreements is to provide public and social services without any material financial benefit for the Group. The Group also signs annual sponsorship agreements with regional authorities for specific educational, cultural, healthcare and infrastructure projects for the benefit of the local community and provides voluntary sponsorships and donations for individual requests where these fit with the Group's sponsorship policy.

The Group contributes to Kazakhstan and its communities by creating jobs, paying taxes, investing in community infrastructure, using local suppliers and assisting the development of small and medium-sized businesses in the regions. The Group respects the rights of anyone that comes into contact with its business, for instance by ensuring good working conditions and consulting with communities. The Group supports local suppliers and small and medium-sized businesses through a range of initiatives, including the annual forum "Made in KZ" and regional business associations through which local companies can find customers and revenue streams, in addition to Kazakhmys. In July 2012, the Group's efforts were recognised with a national award for local content development.

The Group is currently in the process of transferring ownership of some of the social facilities that were inherited along with the operations. The Group plans to retain assets that are core to the business, such as on-site facilities for employees. All non-core assets will be transferred to either the government or a third party, where appropriate.

PART II

DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

Directors

The following table lists the names, positions and ages of the Directors:

Name	Age	Position
Simon Heale	60	Non-executive Chairman
Oleg Novachuk	42	Chief Executive
Eduard Ogay	43	Executive Director
Philip Aiken AM	64	Non-executive Director and Senior Independent Director
Clinton Dines	55	Non-executive Director
Vladimir Kim	52	Non-executive Director
Michael Lynch-Bell	60	Non-executive Director
Lord Renwick of Clifton, KCMG	75	Non-executive Director
Charles Watson	58	Non-executive Director
Daulet Yergozhin	34	Non-executive Director

Simon Heale (Non-executive Chairman)

Simon Heale was appointed to the Board in 2007 as a non-executive Director and replaced Vladimir Kim as Chairman on 17 May 2013. Simon Heale has significant global marketing and business operations and management experience having been chief operating officer of Jardine Fleming Limited, deputy managing director of Cathay Pacific Airways and chief executive of The London Metal Exchange. He has also been a non-executive director and chairman of Panmure Gordon & Co plc.

Oleg Novachuk (Chief Executive)

Oleg Novachuk joined the Group in 2001 and was appointed Chief Executive in 2007, having been Finance Director since 2005. He was formerly vice president of financial projects for Kazakhmys Corporation and the financial adviser to the president of Kazakhmys Corporation, and chairman of the board of directors of Kazprombank JSC.

Eduard Ogay (Executive Director)

Eduard Ogay was appointed as an executive Director in May 2011, having joined the Group in 2001 as director of marketing and international relations, becoming director of corporate development in 2005. He was appointed Chief Executive Officer of Kazakhmys Corporation, the Group's principal subsidiary, in 2006, a position he continues to retain.

Philip Aiken AM (Non-executive Director and Senior Independent Director)

Philip Aiken has extensive global experience in the engineering and energy sectors. He was formerly group president of BHP Billiton's energy business, an executive director of BTR plc, held a number of senior positions in BOC Group plc and was a senior adviser to Macquarie Capital (Europe) Limited.

Clinton Dines (Non-executive Director)

Clinton Dines has been involved in business in China since 1980, including senior positions with the Jardine Matheson Group, Santa Fe Transport Group and Asia Securities Venture Capital. In 1988, he joined BHP as their senior executive in China and, following the merger of BHP and

Billiton in 2001, became president of BHP Billiton China, a position from which he retired in 2009 prior to joining Kazakhmys. He brings exceptional knowledge of China combined with global resource industry and management experience.

Vladimir Kim (Non-executive Director)

Vladimir Kim joined the Group in 1995, when he was appointed managing director and chief executive officer of Zhezkazgantsvetmet JSC and was elected chairman of the board of directors of that company in 2000. He was appointed Chairman of the Company in 2005, prior to its listing on the London Stock Exchange. With extensive knowledge of the mining industry, a thorough working knowledge of the CIS and an exemplary understanding of the political and regulatory environment in Kazakhstan, Vladimir Kim brings extensive Kazakh mining experience and knowledge of government and regulatory interfaces. Vladimir Kim stepped down as Chairman on 17 May 2013, but remains on the Board as a non-executive Director.

Michael Lynch-Bell (Non-executive Director)

Michael Lynch-Bell has extensive experience in the mining, oil and gas industries having spent his whole 38-year career with Ernst & Young developing and later leading its global mining and energy practices. During his time with Ernst & Young, he played a key role in establishing Ernst & Young's practice in Kazakhstan and advised a number of major CIS companies on transactions. He retired as senior partner of their transaction advisory practice for mining and metals and as an elected member of Ernst & Young's global advisory council in June 2012. He continues to act as a senior adviser to Ernst & Young's transaction advisory practice.

Lord Renwick of Clifton, KCMG (Non-executive Director)

Lord Renwick has had a diplomatic career spanning over 30 years, including serving as British Ambassador to the United States and to South Africa. He was a non-executive director of BHP Billiton plc, SABMiller plc, British Airways plc, Liberty International plc, Fluor Corporation, Harmony Gold Mining Company Limited and Bumi plc. He is vice chairman of Investment Banking of J.P. Morgan Europe and vice chairman of J.P. Morgan Cazenove. Lord Renwick's diplomatic, financial and mining experience make him a valuable contributor to the Board.

Charles Watson (Non-executive Director)

Charles Watson has an extensive background in both operational management and major project delivery, having spent 29 years at Shell. During his time at Shell, he held a number of senior executive positions throughout the world, culminating in his appointment as executive vice president covering Russia and the CIS, including oversight of Shell's activities in Kazakhstan, chairman of Shell Russia and chairman of the board of directors for the Sakhalin Energy Investment Company.

Daulet Yergozhin (Non-executive Director)

Daulet Yergozhin is a representative of the Government of Kazakhstan, a member of the Consortium, which formed Eurasian Resources for the purposes of the ENRC Takeover Offer (Eurasian Resources holds an approximately 26.6 per cent. interest in the total voting share capital of the Company). He has been Head of the Socio-Economic Monitoring Division of the Administration of the President of the Republic of Kazakhstan since November 2012, having been vice finance minister of Kazakhstan, chairman of the tax committee of the Ministry of Finance and having held a number of other governmental positions since 2006. Prior to his governmental appointments, he gained considerable exposure to the oil and gas sectors becoming deputy director of the North-Caspian project department of JSC NC KazMunaiGas before moving to a deputy director general role in JSC "Offshore Oil Company KazMunayTeniz", a subsidiary of JSC KazMunaiGas. He also previously worked for KazTransOil JSC and has been a non-executive director of ENRC.

Senior Management

The following table sets out the Company's senior management:

Name	Age	Position
Andrew Southam	35	Chief Financial Officer

Andrew Southam (Chief Financial Officer)

Andrew Southam joined the Group in February 2006 and he has held a number of positions in Finance, including that of Group Financial Controller. In January 2012, he was appointed Deputy Chief Financial Officer and, following the departure of Matthew Hird, was appointed Chief Financial Officer in May 2013. He is a chartered accountant who began his career at Deloitte in London where he provided audit and transaction services to a number of UK listed companies.

Corporate Governance

The Board is committed to the highest standards of corporate governance. As of the date of this Prospectus, the Board complies and intends to continue to comply with the requirements of the UK Corporate Governance Code. The Company reports to its shareholders on its compliance with the UK Corporate Governance Code in accordance with the Listing Rules.

The four principal committees of the Board are the Audit Committee; the Group Health, Safety and Environment Committee; the Nomination Committee and the Remuneration Committee.

Audit Committee

The Audit Committee is primarily responsible for reviewing and monitoring the integrity of financial reporting by the Company, for reviewing the Group's internal control and risk management systems, for monitoring the effectiveness of the Group's internal audit function and for overseeing the relationship with the external auditor.

The Board relies on the Audit Committee to provide effective governance over financial reporting, internal control and assurance processes, together with the identification and management of risk. The current members of the Audit Committee are Clinton Dines, Michael Lynch-Bell and Charles Watson. Michael Lynch-Bell replaced Simon Heale as chairman of the Audit Committee with effect from 17 May 2013.

The Audit Committee meets at least five times a year.

Group Health, Safety and Environment Committee

The Group Health, Safety and Environment Committee is primarily responsible for keeping under review the development and maintenance of a framework of policies and standards for identifying, assessing, managing and reporting health, safety and environmental risks and their impacts on the Group's activities. Improving our health, safety and environmental performance is a priority and we will continue to work hard to strive toward meeting international standards.

The current members of the Group Health, Safety and Environment Committee are Clinton Dines, Simon Heale and Charles Watson. Charles Watson replaced Philip Aiken as chairman of the Group Health, Safety and Environment Committee with effect from 1 June 2013.

The Group Health, Safety and Environment Committee meets at least two times a year.

Nomination Committee

The Nomination Committee is primarily responsible for leading the process for Board appointments and for keeping under review the balance of skills, experience, independence, knowledge and diversity, including gender, on the Board to ensure the orderly evolution of the membership of the Board.

The Nomination Committee keeps under review the planned and progressive refreshing of the Board and its committees, prepares a description of the specific experience and skills needed for an appointment, considers candidates put forward by external consultants, and recommends to the Board the appointment of all Directors after having met short-listed candidates. It also supervises and puts into place succession planning for non-executive Directors and certain senior managers and reviews and, where appropriate, recommends to the Board for authorisation Directors' conflicts of interest. The current members of the Nomination Committee are Philip Aiken, Simon Heale and Lord Renwick. Simon Heale is chairman of the Nomination Committee.

The Nomination Committee, which provides a formal and transparent procedure for the appointment of new Directors to the Board, generally consults external consultants and advisers on prospective Board appointments.

The Nomination Committee meets at least once a year.

Remuneration Committee

The Remuneration Committee is primarily responsible for determining and recommending to the Board the framework for executive remuneration and for determining, on behalf of the Board, the remuneration of executive Directors and certain senior managers.

The current members of the Remuneration Committee are Philip Aiken, Lord Renwick and Charles Watson. Lord Renwick is chairman of the Remuneration Committee.

The Remuneration Committee meets at least two times a year.

Governance Framework

For a detailed description of the Company's governance framework, please refer to pages 22 and 23, 50 to 63 and 70 of the 2012 Annual Report and Accounts, which is incorporated by reference into this document, as described in the section headed "Information Incorporated by Reference".

PART III

OPERATING AND FINANCIAL REVIEW

The following discussion of the Group's financial condition and results of operations should be read in conjunction with the historical financial information on the Group and the notes related thereto referred to in Part IV: "Historical Financial Information". Unless otherwise specified below, the financial information included in this Part III has been extracted without material adjustment from the financial information referred to in Part IV: "Historical Financial Information". The historical financial information referred to in this discussion has been prepared in accordance with the IFRS as explained in Part IV: "Historical Financial Information".

The following discussion of the Group's results of operations and financial conditions contains forward-looking statements. The Group's actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly in the sections headed "Risk Factors" and "Important Information—Information regarding forward-looking statements".

Operating and financial review

See the section headed "Information Incorporated by Reference" for details about information that has been incorporated by reference into this document which comprises the operating and financial review of the Group for the financial years ended 31 December 2012, 2011 and 2010.

Capitalisation and indebtedness

The following table shows the indebtedness and capitalisation of Kazakhmys as at the dates indicated:

	As at 31 May 2013
	(U.S.$ million) *(unaudited)*
Total current debt	
Guaranteed	102
Secured	—
Unguaranteed/unsecured	—
Total non-current debt	
Guaranteed	2,608
Secured	233
Unguaranteed/unsecured	—
Total debt	**2,943**

	As at 31 December 2012
	(U.S.$ million) *(unaudited)*
Shareholders' equity	
Share capital	200
Share premium	2,650
Other reserves	(932)
Retained earnings	4,341
Total shareholders' equity	**6,259**
Total capitalisation(1)(2)	**9,202**

Notes:

(1) The figures for the capitalisation of Kazakhmys comprise the shareholders' equity, which has been extracted without material adjustment from Kazakhmys' audited financial statements for the financial year ended 31 December 2012 and the indebtedness of Kazakhmys, which has been extracted without material adjustment from Kazakhmys' 31 May 2013 unaudited management accounts.

(2) As at 31 May 2013, there has been no material change to the capitalisation of Kazakhmys since 31 December 2012.

This statement of capitalisation has been prepared under the IFRS using policies that are consistent with those used in preparing Kazakhmys' combined historical financial information for the year ended 31 December 2012.

Indebtedness

The following table shows the net indebtedness of Kazakhmys as at 31 May 2013. The figures have been extracted without material adjustment from Kazakhmys' 31 May 2013 unaudited management accounts:

	As at 31 May 2013
	(U.S.$ million) *(unaudited)*
Cash	208
Cash equivalent	1,178
Current investments(1)	399
Liquidity	**1,785**
Current bank debt	—
Current portion of non-current debt	(102)
Other current financial debt	—
Current financial debt	**(102)**
Net current financial indebtedness	**1,683**
Non-current bank loans	(2,841)
Bonds issued	—
Other non-current loans	—
Non-current financial indebtedness	**(2,841)**
Net financial indebtedness	**(1,158)**

Note:
(1) Current investments represent bank deposits with maturities between three and six months.

As at 31 May 2013, the total current borrowings of the Group were U.S.$102 million.

Capital resources and liquidity

Cash flows

Summary of year ended 31 December 2012

Net cash inflow from operating activities for the year ended 31 December 2012 was U.S.$692 million, a decrease of U.S.$552 million (or 44 per cent.) compared with 2011. Net cash flows from operating activities declined following the lower profitability of the Group coupled with higher interest payments and lower dividends received, which were partially offset by lower tax payments and a reduction in working capital requirements over the year.

Dividends received

In 2012, the Group received dividends of U.S.$59 million from ENRC and U.S.$28 million from the Ekibastuz GRES-1 joint venture compared to U.S.$113 million of dividends received from ENRC in 2011. The dividend received from ENRC in 2012 represents the 2011 final dividend and the 2012 interim dividend.

Working capital

Working capital increased by U.S.$64 million during the year ended 31 December 2012, compared to an increase of U.S.$154 million in 2011.

The significant working capital movements over the year ended 31 December 2012 are attributed to the following factors:

- overall inventory levels increased by U.S.$40 million as a decrease in the level of inventory at Kazakhmys Mining was offset by a rise in inventory levels at Kazakhmys Power and MKM. Lower finished goods at Kazakhmys Mining principally reflect the sale of 69 koz of gold bar inventory built up in the second half of 2011. All other finished goods, including copper cathode, reported higher inventory levels as production exceeded sales for the year. The finished goods movement was offset by larger raw material inventories which were impacted by higher input prices at Kazakhmys Mining and Kazakhmys Power. MKM's inventory levels reflect larger quantities on hand and the higher copper price compared to the prior year;
- prepayments and other current assets were U.S.$177 million higher in 2012, principally due to a U.S.$89 million increase in VAT receivable balances. The major reasons for the increase were the delayed VAT refund from the Government due to various technical reasons and the build-up of VAT receivable on the internal restructuring of assets within the Group;
- receivables decreased at Kazakhmys Mining by U.S.$52 million reflecting lower revenues and the timing of receipts; and
- trade and other payables and employee benefits increased by U.S.$278 million in 2012, mainly relating to Kazakhmys Mining. Of this increase, U.S.$168 million related to the disability benefits obligation that was reassessed following pay awards granted during the year, and U.S.$110 million was due to trade and other payables resulting principally from higher payables for auxiliary services and equipment purchases.

Interest cash flows

Interest paid during the year ended 31 December 2012 was U.S.$85 million, U.S.$19 million above the interest paid in 2011 of U.S.$66 million, primarily due to the higher average effective interest rate of 4.84 per cent. compared to 3.32 per cent. in 2011, on an increased level of debt outstanding during the period.

Income taxes and mineral extraction tax

Income tax payments of U.S.$142 million were lower in the year ended 31 December 2012 than the prior year reflecting the fall in the Group's profitability. The income tax payments were lower than the income statement charge for current tax of U.S.$178 million. As at 31 December 2012, the Group's net tax receivable position was U.S.$29 million compared to U.S.$64 million as at 31 December 2011, as the Group utilised part of the prior year's prepayment against the current year income tax charge.

Mineral extraction tax ("MET") payments of U.S.$199 million were lower in 2012 than the income statement charge of U.S.$260 million as a result of past Excess Profits Tax payments of U.S.$56 million which the tax authorities agreed to set off against MET liabilities for the 2012 financial year. As at 31 December 2012, the MET payable balance of U.S.$71 million was comparable to the balance as at 31 December 2011.

Free cash flow

Lower MET and income tax payments and reduced working capital requirements partially offset the impact of lower earnings, higher sustaining capital expenditure and increased interest payments, which resulted in free cash flow for the year ended 31 December 2012 of U.S.$85 million, a decline from U.S.$824 million in the prior year.

Capital expenditure

Capital expenditure on sustaining the current business operations rose to U.S.$662 million for the year ended 31 December 2012 from U.S.$420 million in 2011, and expansionary expenditure rose by U.S.$308 million year on year as the Group invested in Bozshakol, Aktogay and the mid-sized projects. Total capital expenditure incurred in the year ended 31 December 2012 was U.S.$1,229 million compared to U.S.$679 million for the year ended 31 December 2011.

Major social projects

In 2012, the Group spent U.S.$12 million (compared to U.S.$36 million in 2011) as part of the Group's social development programme on major projects in Kazakhstan.

Investing cash flows

The most significant investing cash flows during 2012 related to the Group's share buyback programme which commenced in September 2011 and completed in May 2012, and the payment of the Group's final dividend for 2011 and interim dividend for 2012. In addition, during the year the Group disposed of a number of assets for proceeds of U.S.$51 million, principally relating to the sale of two corporate aeroplanes for a total of U.S.$30 million.

Net debt

Net debt (consisting of cash and cash equivalents, current investments and borrowings) as at 31 December 2012 was U.S.$707 million, compared with net funds of U.S.$19 million as at 31 December 2011.

Cash and short-term deposits of the Group's continuing businesses as at 31 December 2012 were U.S.$1,246 million, an increase over the U.S.$1,102 million as at 31 December 2011, principally due to the additional drawdowns under the CDB/Samruk-Kazyna financing facilities partially being offset by repayments of the principal under the pre-export debt finance facility. As at 31 December 2012, of the cash and cash equivalents and current investments, approximately U.S.$1,545 million had been drawn under the CDB/Samruk-Kazyna financing facilities and is intended to be used for the development of the Group's projects under the terms of the individual facility agreements.

Gross borrowings of the Group's continuing operations were U.S.$2,468 million as at 31 December 2012, increased from U.S.$1,893 million at 31 December 2011, following the repayment of the pre-export debt finance facility in full of U.S.$614 million being offset by U.S.$1,200 million drawn down under the CDB/Samruk-Kazyna financing facilities, less arrangement fees of U.S.$18 million.

Borrowings under the CDB/Samruk-Kazyna financing facilities were U.S.$2,468 million as at 31 December 2012, compared to U.S.$1,281 million at 31 December 2011. In 2012, of the U.S.$2,500 million, excluding amortised fees, drawn down under the CDB/Samruk-Kazyna financing facilities, U.S.$2,000 million is intended for the development of the Bozshakol copper project, U.S.$300 million is intended for the development of the Bozymchak deposit in Kyrgyzstan, with U.S.$200 million intended for use on certain of the Group's mid-sized development projects. A further U.S.$200 million under these financing facilities was drawn down in January 2013, following which the full facility has been drawn down.

Expenditure and operating lease commitments

As at 31 December 2012, the Group had expenditure commitments in property, plant and equipment of U.S.$1,208 million compared to U.S.$148 million as at 31 December 2011. The Group has capital expenditure commitments for the purchase of property, plant and equipment as well as commitments under its mining subsoil agreements. Committed expenditure under the subsoil agreements typically relates to investments in community-related projects and includes investments in social sphere assets, infrastructure and public utilities. The Group's operating lease expense for each of the years ended 31 December 2012 and 2011 was U.S.$4 million. As at 31 December 2012 and 2011, the Group had total commitments under non-cancellable operating leases of U.S.$61 million and U.S.$83 million, respectively.

Capital management

The overriding objectives of the Group's capital management policy are to safeguard and support the business as a going concern through the commodity cycle, to maximise returns to shareholders (either through dividends or share buybacks) and benefits to other stakeholders and to maintain an optimal capital structure in order to reduce the Group's cost of capital.

As at 31 December 2012, total capital employed (which comprises equity holders' funds, non-controlling interests and borrowings) of the Group amounted to U.S.$8,733 million, compared to U.S.$10,725 million as at 31 December 2011. Total capital employed is the measure of capital that is used by the Directors in managing capital.

The Group does not have a target debt/equity ratio, but has determined a maximum debt capacity based on a ratio of long-term "normalised" earnings before interest, taxation, the non-cash component of the disability benefits obligation, depreciation, depletion, amortisation and MET ("EBITDA") which the Board believes establishes a sustainable level of gearing through the commodity cycle. This ratio is reviewed in conjunction with market conditions and prevailing commodity prices in order to ensure an efficient capital structure that is balanced against the risks of carrying excessive leverage. The Group manages net debt to ensure that it does not exceed two times "normalised" EBITDA through the commodity cycle, where "normalised" EBITDA excludes special items and equity accounted earnings from ENRC and Ekibastuz GRES-1, although this target maximum is expected to be exceeded as the Group increases its gearing during the development phase of the major projects. Included within the debt facilities are financial covenants related to maximum borrowing levels of the Group (determined by reference to net debt to EBITDA and debt to equity ratios), minimum tangible net worth of individual Group entities and consolidated gross assets to gross liabilities ratios, for which compliance certificates are produced. All financial covenants were fully complied with during the year ended 31 December 2012 and up to the Latest Practicable Date. There are no covenants under negotiations at present.

Material unused sources of financing

The Group had the following material unused sources of financing as at the dates specified below and under the financing facilities as further described in paragraph 18 of Part VII: "Additional Information".

	As at 31 May 2013	As at 31 December 2012
	(U.S.$ million)	
Pre-export finance facility—2012	750	1,000
CDB Aktogay finance facility	1,444	1,500
CDB/Samruk-Kazyna financing facilities	—	200
Revolving credit facilities	100	300
Total	**2,294**	**3,000**

Financial position since 31 December 2012

Commodity prices and review of operations

As highlighted in the section headed "Risk Factors", the Group's financial performance is highly dependent upon the price of copper, and also dependent on the price of silver, gold and zinc. The prices for copper, zinc, gold and silver started 2013 strongly, before declining in March and during the second quarter of 2013. The LME copper price was U.S.$/t 6,981 as at 1 July 2013 compared to U.S.$/t 7,907 as at 31 December 2012. In light of the decline in the price of commodities produced by the Group, and the anticipated future spend on the Group's major growth projects, the Group is taking action to cut costs and review discretionary capital expenditure in order to improve the operating cash flow of the business. The Group intends to undertake a review of its operations and costs structure, including a reassessment of the Group's integrated model with a focus on profitable production rather than volume targets. The Satpayev concentrator was suspended in June 2013 and the Zhezkazgan smelter may be suspended later in 2013 which would result in a move from copper cathode to copper concentrate sales. Further actions include the optimisation of mine plans and recovery rates, reducing the cost of materials used in production, reviewing the number of mobile units in operation, potential labour optimisation and a review of non-core assets. As previously disclosed, the Group has held discussions with the Government of Kazakhstan regarding the disposal of its 50 per cent. holding in Ekibastuz GRES-1 and, whilst no discussions are currently ongoing, the

Group continues to evaluate a disposal of this interest. It is the Board's intention to manage the Group's existing core copper operations to generate sustainable positive cash flow, recognising the potential for short-term cash flow volatility inherent in a business which is operationally geared to movements in the price of its key commodities. Whilst these plans are yet to be finalised and their impact fully quantified, ongoing operating costs are expected to be reduced. The suspension of operations would also result in limited upfront costs and in impairment charges. In the event of the Zhezkazgan smelter being suspended, copper concentrate output from the region will be sold as concentrate into China with a limited volume processed at the Balkhash smelter, utilising spare capacity.

Disability benefits obligation

Under the relevant Kazakh legislation, the Group has a disability benefits obligation to current and former employees who suffered workplace injuries with the level of payments indexed to current pay rates within the Group. As at 31 December 2012, the Group's employee benefits obligation was approximately U.S.$373 million, the most significant of which was the long-term disability benefits obligation. The disability benefits obligation is currently being reassessed following: (i) the assumption by the Group of previously insured liabilities arising from the financial difficulties of the entities providing the insurance, and also (ii) an increase in the number of claimants. This reassessment will result in an additional charge to the Group's income statement and an increase in the employee benefits obligation recognised on the Group's balance sheet. The charge relating to the impact of both these items may be significant to the Group's results for the year but is unlikely to have a material impact on the Group's total equity. The additional charge relating to the assumption of previously insured liabilities would be treated as a special item as it is considered to be outside of the Group's normal trading performance.

Net debt for continuing subsidiary businesses

Net debt for the Group's continuing subsidiary businesses increased to U.S.$1,158 million as at 31 May 2013 from U.S.$707 million as at 31 December 2012 as the Group continued to develop the Aktogay and Bozshakol projects. Operating cash flows during the period included a VAT refund of U.S.$87 million related to 2012, offset by income tax and mineral extraction tax payments of U.S.$156 million, the 2012 final dividend payment of U.S.$42 million and the bi-annual interest payment of U.S.$61 million under the U.S.$2.7 billion facility obtained from CDB and Samruk-Kazyna.

As at 31 May 2013, gross debt was U.S.$2,943 million, an increase of U.S.$475 million from the position as at 31 December 2012, following an additional U.S.$200 million to fully drawdown the U.S.$2.7 billion CDB/Samruk-Kazyna finance facility, a U.S.$250 million drawdown under the Group's pre-export finance facility for U.S.$1.0 billion signed in December 2012 and the first U.S.$56 million drawdown under the U.S.$1.5 billion CDB facility for the Aktogay project.

In January 2013, the Group made the first principal repayment, amounting to U.S.$14 million, of the CDB/Samruk-Kazyna finance facility. Of the outstanding gross debt balance as at 31 May 2013, U.S.$2,654 million related to the CDB/Samruk-Kazyna finance facility, U.S.$56 million related to the CDB facility for the Aktogay project and U.S.$233 million to the pre-export finance facility.

Total cash and cash equivalents and current investments for the Group rose from U.S.$1,761 million as at 31 December 2012 to U.S.$1,785 million as at 31 May 2013, mainly due to the drawdown of the Group's debt facilities and the receipt of the proceeds from the sale of MKM, partially offset by the funding of the Group's major projects through the development stage. Of these total funds, U.S.$1,493 million is reserved for the development of the Group's projects under the relevant finance facilities.

Net debt/funds of Ekibastuz GRES-1

The net debt of the Group's subsidiaries excludes the net debt/funds of the equity accounted joint venture investment in Ekibastuz GRES-1. Ekibastuz GRES-1 moved from a net funds position, on a 100 per cent. basis as at 31 December 2012, of U.S.$10 million to a net debt position of U.S.$36 million as at 31 May 2013. Strong operating cash flows were offset by capital expenditure on the power plant's ongoing rehabilitation programme, in particular the refurbishment of Units 1 and 2.

Disposal of MKM

On 28 May 2013, the Group sold MKM for €42 million to a European family office. Cash consideration of €30 million has been received and the remaining €12 million is receivable on a deferred basis. MKM was sold with net debt of €128 million. The Group also received a dividend of €10 million in April 2013 from MKM.

Holding in ENRC

The Group's holding of 334,824,860 ENRC Shares had a market value of U.S.$1,218 million, based on a share price of 240 pence as at 31 May 2013, and a market value of U.S.$1,151 million, based on a share price of 225 pence as at the Latest Practicable Date, compared to a market value of U.S.$1,546 million as at 31 December 2012 when the ENRC share price was 284 pence.

Financial risk management

Descriptions of the use of financial instruments and the Group's financial risk management policies, including hedging activities and exposure to liquidity risk, credit risk, interest rate risk, foreign exchange risk and commodity price risk, are included in Note 33 to the audited financial statements for the financial year ended 31 December 2012, contained in the 2012 Annual Report and Accounts which are incorporated by reference in this document.

PART IV

HISTORICAL FINANCIAL INFORMATION

See the section headed "Information Incorporated by Reference" for details about information that has been incorporated by reference into this document, which comprises the historical financial information of the Group for the financial years ended 31 December 2012, 2011 and 2010.

PART V
UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A: Unaudited Pro Forma Financial Information

The unaudited pro forma statement of net assets of the Group has been based on the net assets of the Group as at 31 December 2012 and prepared on the basis of, and should be read in conjunction with, the notes set out below. The unaudited pro forma statement of net assets has been prepared to illustrate the effect of the Transaction on the net assets of the Group as if the Transaction had taken place on 31 December 2012.

The unaudited pro forma statement of net assets has been prepared in a manner consistent with the accounting policies adopted by the Group in preparing the audited financial statements for the year ended 31 December 2012.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not reflect the Group's actual financial position or results and should not be construed as indicative of the Group's future financial position or results. Future results or operations may differ materially from those presented below due to various factors.

		Adjustments					
	Actual 2012[1]	Net cash receipt[2]	ENRC investment[3]	Loss on disposal[4]	Cost of Share Repurchase[5]	Reserves reclassification[6]	Unaudited pro forma adjusted 2012[7]
	(U.S.$ million)						
Non-current assets							
Intangible assets	64	—	—	—	—	—	64
Property, plant and equipment	2,448	—	—	—	—	—	2,448
Mining assets	614	—	—	—	—	—	614
Investment in joint venture	927	—	—	—	—	—	927
Investment in associate	2,027	—	(2,027)	—	—	—	—
Other non-current assets	532	—	—	—	—	—	532
Deferred tax asset	87	—	—	—	—	—	87
	6,699	—	(2,027)	—	—	—	4,672
Current assets							
Inventories	750	—	—	—	—	—	750
Prepayments and other current assets	380	—	—	—	—	—	380
Income taxes receivable	30	—	—	—	—	—	30
Trade and other receivables	122	—	—	—	—	—	122
Investments	515	—	—	—	—	—	515
Cash and cash equivalents	1,246	875	—	—	—	—	2,121
	3,043	875	—	—	—	—	3,918

		Adjustments					
	Actual 2012(1)	Net cash receipt(2)	ENRC investment(3)	Loss on disposal(4)	Cost of Share Repurchase(5)	Reserves reclassification(6)	Unaudited pro forma adjusted 2012(7)
				(U.S.$ million)			
Assets classified as held for sale	251	—	—	—	—	—	251
	3,294	875	—	—	—	—	4,169
Total assets	9,993	875	(2,027)	—	—	—	8,841
Share capital	200	—	—	—	—	—	200
Share premium	2,650	—	—	—	—	—	2,650
Capital reserves	(932)	—	—	—	—	436	(496)
Retained earnings	4,341	—	—	(833)	(319)	(436)	2,753
Attributable to equity holders of the Company	6,259	—	—	(833)	(319)	—	5,107
Non-controlling interests	6	—	—	—	—	—	6
Total equity	6,265	—	—	(833)	(319)	—	5,113
Non-current liabilities							
Borrowings	2,439	—	—	—	—	—	2,439
Deferred tax liability	1	—	—	—	—	—	1
Employee benefits	330	—	—	—	—	—	330
Provisions	100	—	—	—	—	—	100
	2,870	—	—	—	—	—	2,870
Current liabilities							
Trade and other payables	622	—	—	—	—	—	622
Borrowings	29	—	—	—	—	—	29
Income taxes payable	1	—	—	—	—	—	1
Employee benefits	43	—	—	—	—	—	43
Provisions	5	—	—	—	—	—	5
	700	—	—	—	—	—	700
Liabilities directly associated with assets classified as held for sale	158	—	—	—	—	—	158
	858	—	—	—	—	—	858
Total liabilities	3,728	—	—	—	—	—	3,728
Net assets	6,265	875	(2,027)	—	—	—	5,113
Total equity and liabilities	9,993	—	—	(833)	(319)	—	8,841

Notes:

(1) The net assets of the Group have been sourced without adjustment from the Group's audited consolidated financial statements for the year ended 31 December 2012.

(2) Represents the cash to be received by Kazakhmys under the Transaction, calculated as the cash offer price per ENRC Share of U.S.$2.65 multiplied by 334,824,860 (the number of ENRC Target Shares) = U.S.$887,285,879, net of expected transaction expenses of approximately U.S.$12 million.

(3) Following the disposal of the ENRC Target Shares, the investment in the ENRC Target Shares is no longer held in the Group's balance sheet.
(4) As the total consideration, comprising the cash and Kazakhmys Shares received under the Transaction, is lower than the Group's balance sheet value for the ENRC Target Shares, a loss on disposal will be recognised in the Group's income statement.
(5) The price for the Share Repurchase is £206,516,265 (equivalent to approximately U.S.$319,342,296) which will be settled by way of net settlement (i.e. the Share Repurchase price will be netted against an equivalent amount of the additional cash consideration the Group is entitled to under the ENRC Takeover Offer, so no cash is paid in respect of these payment obligations). The Group's retained earnings are reduced by this amount. Eurasian Resources shall pay £1,032,585 to Kazakhmys in order to fund the stamp duty of £1,032,585 payable on the Share Repurchase. No further cash is paid or received as a result of the Share Repurchase.
(6) The Group's share of ENRC's capital reserves carried in the Group's balance sheet is transferred from capital reserves to retained earnings when the ENRC Target Shares are disposed of.
(7) No account has been taken of any trading or results of the Group since 31 December 2012.

Section B: Accountant's Report on the Unaudited Pro Forma Financial Information

The Directors
Kazakhmys PLC
6th floor, Cardinal Place
100 Victoria Street
London SW1E 5JL

7 August 2013

Dear Sirs

Kazakhmys PLC

We report on the pro forma financial information (the 'Pro forma financial information') set out in Part V of the prospectus dated 7 August 2013, which has been prepared on the basis described in Part V of the prospectus, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by Kazakhmys PLC in preparing the financial statements for the period ended 31 December 2012. This report is required by paragraph 20.2 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of Kazakhmys PLC to prepare the Pro forma financial information in accordance with paragraph 20.2 of Annex I of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of Kazakhmys PLC.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Kazakhmys PLC.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Kazakhmys PLC.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG Audit Plc

PART VI
TAXATION

The following statements are intended to apply only as a general guide to current United Kingdom tax law and to the current published practice of HM Revenue & Customs ("HMRC"). They relate only to certain limited aspects of the United Kingdom taxation treatment of holders of Kazakhmys Shares and (except to the extent stated otherwise) are intended to apply only to shareholders who are resident or ordinarily resident in the United Kingdom for United Kingdom tax purposes, who hold Kazakhmys Shares as investments and who are the beneficial owners of Kazakhmys Shares. The statements may not apply to certain classes of shareholders such as dealers in securities.

Prospective Kazakhmys shareholders who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of Kazakhmys Shares or who are subject to tax in a jurisdiction other than the United Kingdom should consult their own tax advisers.

Dividends

The Company will not be required to withhold tax at source from dividend payments it makes.

Individuals

An individual shareholder who is resident in the United Kingdom for tax purposes and who receives a dividend from the Company will be entitled to a tax credit which may be set off against his total income tax liability on the dividend. Such an individual shareholder's liability to income tax is calculated on the aggregate of the dividend and the tax credit (the "gross dividend") which will be regarded as the top slice of the individual's income. The tax credit will be equal to 10 per cent. of the "gross dividend" (i.e. the tax credit will be one-ninth of the amount of the dividend).

A United Kingdom resident individual shareholder who is not liable to income tax in respect of the gross dividend will not be entitled to reclaim any part of the tax credit.

For an individual United Kingdom resident shareholder who is liable to United Kingdom income tax on the dividend at the basic rate (currently 10 per cent.), the 10 per cent. tax credit should mean that they have no further income tax to pay in relation to the dividend.

For an individual United Kingdom resident shareholder who is liable to United Kingdom income tax on the dividend at the higher rate, United Kingdom tax will be chargeable on the gross dividend, but the shareholder will be able to set the tax credit off against part of this liability. The higher rate is currently 32.5 per cent., which, after taking the 10 per cent. United Kingdom tax credit into account, produces an effective tax rate of 25 per cent. on the net cash dividend.

From 6 April 2013, for an individual United Kingdom resident shareholder who is liable to United Kingdom income tax on the dividend above the higher rate, United Kingdom tax will be charged on the gross dividend, but the shareholder will be able to set the tax credit off against part of this liability. Dividend income liable to taxation above the higher rate is taxed at 37.5 per cent., which, after taking the 10 per cent. tax into account, produces an effective tax rate of 30.6 per cent. on the net cash dividend.

Companies

Shareholders within the charge to United Kingdom corporation tax which are "small companies" (for the purposes of United Kingdom taxation of dividends) will not generally be subject to United Kingdom tax on any dividend received from the Company.

Other shareholders within the charge to United Kingdom corporation tax will not be subject to United Kingdom tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. For example, dividends paid on shares that are "ordinary shares" and are not "redeemable" (both for United Kingdom tax purposes) and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) should generally fall within an exempt class.

No payment of tax credit

A shareholder (whether an individual, a company, a pension fund or a charity) who is not liable to tax on dividends will not be entitled to reclaim the tax credit attaching to any dividend paid by the Company.

Non-United Kingdom residents

Subject to certain exceptions for individuals who are Commonwealth citizens, residents of the Isle of Man or the Channel Islands, nationals of states which are part of the European Economic Area and certain others, the right of a shareholder who is not resident in the United Kingdom (for tax purposes) to a tax credit on dividends will depend upon the existence and terms of any double tax treaty between the United Kingdom and the country in which that person is resident. Such shareholders should note, however, that in practice most shareholders will not be able to claim repayment in respect of tax credits or will be entitled to only a minimal repayment.

Persons who are not resident in the United Kingdom (or who are resident in both the United Kingdom and another country) should consult their own tax advisers concerning their tax liabilities (in both the United Kingdom and any other relevant country) on dividends received, whether they are entitled to claim any part of the tax credit and, if so, the procedure for doing so, and whether any double taxation relief is due in any country in which they are subject to tax.

Capital Gains

A disposal of Kazakhmys Shares by a shareholder who is resident in the United Kingdom for tax purposes, or is not United Kingdom resident but carries on a trade, profession or vocation in the United Kingdom through a permanent establishment, branch or agency and has used, held or acquired the Kazakhmys Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency, may, depending on the shareholder's circumstances and subject to any available exemptions and reliefs, give rise to a chargeable gain or an allowable loss for the purposes of the taxation of capital gains.

Individuals

A disposal by an individual shareholder within the charge to United Kingdom capital gains tax will, subject to the availability to the shareholder of any exemptions, reliefs and/or allowable losses, be subject to tax at the rate of 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher and additional rate taxpayers, as well as trustees or personal representatives), with no taper relief or indexation allowance.

Individuals who are temporarily non-United Kingdom resident may, in certain circumstances, be subject to tax in respect of gains realised whilst they are not resident in the United Kingdom.

Companies

A disposal by a shareholder within the charge to United Kingdom corporation tax may give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom corporation tax, depending on the circumstances and subject to any available exemptions or reliefs. Corporation tax is charged on chargeable gains at the rate applicable to that company.

Shareholders within the charge to United Kingdom corporation tax will, for the purposes of computing gains but not losses, be allowed to claim an indexation allowance in respect of the monies paid for their Kazakhmys Shares.

Stamp duty and stamp duty reserve tax ("SDRT")

The following statements on United Kingdom stamp duty and SDRT apply regardless of whether or not a shareholder is resident in the United Kingdom for United Kingdom tax purposes.

The statements summarise the current position and are intended as a general guide only to stamp duty and SDRT. Special rules apply to agreements made by certain categories of person including charities, broker dealers and market makers in the ordinary course of their business and to those who may be liable to stamp duty or SDRT at a higher rate.

Kazakhmys Shares registered on the Principal Share Register

Subject to a stamp duty exemption for certain low-value transactions and to the special rules relating to clearance services and depositary receipts referred to below, dealings in Kazakhmys Shares which are not registered on the Hong Kong Share Register (the "Principal Share Register") will generally be subject to United Kingdom stamp duty or SDRT. An instrument transferring the Kazakhmys Shares on sale should generally be subject to ad valorem stamp duty at the rate of 0.5 per cent. of the consideration paid (rounded up to the nearest multiple of £5). An unconditional agreement to transfer such shares should generally be liable to SDRT at the rate of 0.5 per cent. of the consideration payable but such liability will be cancelled, or a right to a repayment of the SDRT paid will arise, if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. Stamp duty is normally paid by the purchaser and SDRT is the liability of the purchaser.

Kazakhmys Shares registered on the Hong Kong Share Register

Transfers of, or agreements to transfer, Kazakhmys Shares which are registered on the Hong Kong Share Register outside of CCASS should not give rise to any United Kingdom stamp duty or SDRT, provided that no instrument of transfer is executed in the United Kingdom in respect of them, and in the case of both stamp duty and SDRT, subject to the special rules relating to clearance services and depositary receipts referred to below.

No United Kingdom stamp duty or SDRT should be payable when Kazakhmys Shares that are registered on the Principal Share Register are re-registered on the Hong Kong Share Register or where Kazakhmys Shares which are registered on the Hong Kong Share Register are removed from the Hong Kong Share Register to the Principal Share Register, provided that there is no change in the ownership of those Kazakhmys Shares.

Clearance services and depositary receipt providers

The issue or transfer of Kazakhmys Shares to (a) a person whose business is or includes the provision of clearance services (or their nominee or agent) or (b) a person whose business is or includes issuing depositary receipts (or their nominee or agent) may give rise to United Kingdom stamp duty or SDRT at the higher rate of 1.5 per cent. of the issue price, the consideration payable or, in certain circumstances, the value of the Kazakhmys Shares as the case may be. This would apply regardless of whether the Kazakhmys Shares are registered on the Principal Share Register or on the Hong Kong Share Register, although see below for the position in relation to Kazakhmys Shares registered on the Hong Kong Share Register that are issued or transferred into, or subsequently settled or cleared in, CCASS. Subsequent transfers of, or agreements to transfer, Kazakhmys Shares within such a clearance service should not generally give rise to any United Kingdom stamp duty or SDRT, provided no instrument is used to complete the transfer.

HMRC has suspended the 1.5 per cent. SDRT charge on the issue of shares into a clearance service within the EU following a decision of the European Court of Justice (ECJ) to the effect that such charge is contrary to EU law.

HMRC accepts that the ECJ decision also applies to the issue of shares into depositary receipts systems. This position is confirmed by the First-tier Tribunal decision in *HSBC Holdings PLC and The Bank of New York Mellon Corporation v Commissioners for HMRC* where it was held that the 1.5 per cent. SDRT charge on the issue of depositary receipts was contrary to EU law. HMRC have stated that it has decided not to appeal the decision which is now regarded as final and that it will no longer seek to impose the 1.5 per cent. SDRT charge on issues of UK shares and securities to depositary receipt issuers and clearance services anywhere in the world.

Therefore, there should be no 1.5 per cent. SDRT charge on the issue of the Kazakhmys Shares into a clearance service or depositary receipt system.

Transfers of Kazakhmys Shares to clearance service and depositary receipts systems are not covered by the decision in *HSBC Holdings PLC and The Bank of New York Mellon Corporation v Commissioners for HMRC* (unless the transfer is integral to the raising of new capital) and HMRC continues to apply the 1.5 per cent. charge to such transfers.

These paragraphs are intended as a general guide only. Each prospective investor is urged to consult its own tax adviser about possible stamp duty and SDRT charges in relation to shares held through clearance systems or depositary receipt arrangements.

Kazakhmys Shares registered on the Hong Kong Share Register held in CCASS

HMRC has confirmed that no United Kingdom stamp duty or SDRT should be payable on the entry into, or subsequent settlement or clearance in, CCASS of Kazakhmys Shares registered on the Hong Kong Share Register, provided that no instrument of transfer is executed in the United Kingdom in respect of them.

PART VII
ADDITIONAL INFORMATION

1 Responsibility

The Company and the Directors, whose names appear in Part II: "Directors, Senior Management and Corporate Governance", accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Incorporation and registered office

2.1 The Company was incorporated and registered in England and Wales as a public limited company under the name KCC International PLC on 15 July 2004 and with registered number 05180783. Pursuant to a special resolution dated 23 September 2005, the name of the Company was changed from KCC International PLC to Kazakhmys PLC on 26 September 2005.

2.2 The Company's registered office is at 6th Floor, Cardinal Place, 100 Victoria Street, London SW1E 5JL, United Kingdom, telephone number +44(0)20 7901 7800.

2.3 The principal legislation under which the Company operates is the Companies Act.

2.4 The principal business of the Company is to act as the ultimate holding company of the Group.

3 Share capital

3.1 The issued and fully paid share capital of the Company, as at the Latest Practicable Date, was as follows:

Class of shares	Nominal value	Number	Amount
Ordinary shares	£0.20	535,420,180	£107,084,036

3.2 During the period covered by historical financial information, the issued share capital of the Company increased from 535,240,338 Kazakhmys Shares to 535,420,180 Kazakhmys Shares following the allotment and issue of 177,623 Kazakhmys Shares on 24 November 2011 and the allotment and issue of 2,219 Kazakhmys Shares on 26 June 2012. Furthermore, during 2011 and 2012 the Company carried out a buyback programme with 11,701,830 Kazakhmys Shares purchased and held in treasury. As the Kazakhmys Shares bought back are held in treasury rather than being cancelled this had no effect on the issued share capital of the Company.

3.3 The Kazakhmys Consideration Shares are ordinary shares of £0.20 each in the capital of the Company. The Kazakhmys Consideration Shares are in registered form and capable of being held in both certificated and uncertificated form. The Kazakhmys Consideration Shares have ISIN Number GB00B0HZPV38.

4 Memorandum of association

In accordance with Section 31 of the Companies Act, and following the deletion of all provisions of the Company's memorandum of association which would otherwise be treated as provisions of the Company's Articles of Association, by way of a special resolution of the Company on 15 May 2009, the Company's objects are unrestricted.

5 Summary of Articles of Association

The Articles of Association of Kazakhmys include, amongst other things, provisions to the following effect:

5.1 Share rights

Voting rights

Members may attend any general meeting of the Company. On a show of hands every member (or his representative) who is present in person or by proxy has one vote on each resolution and on a poll every member (or his representative) who is present in person or by proxy shall have one vote on each resolution for each share of which he/she is the holder.

As a result of changes introduced by the Companies Act to allow multiple proxies appointed by a single member to vote on a show of hands, all substantive resolutions at general meetings will normally be put to a poll vote. Employees who participate in the Company's Share Incentive Plans ("SIP") and hold shares in the SIP trusts provide directions to the trustee to vote on their behalf by way of a form of direction.

The Company is not aware of any agreements between shareholders that may result in restrictions on voting rights.

Dividend rights

Kazakhmys Shareholders may by ordinary resolution declare dividends, but the amount of the dividend may not exceed the amount recommended by the Board. If cheques, warrants or orders for dividends sent by the Company to a shareholder are returned to the Company or left uncashed on two consecutive occasions (or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose), the Company shall not be obliged to send any dividends due to that shareholder until he notifies the Company of an address to be used for the purpose. All dividends unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

Liquidation

In the event of liquidation, a liquidator may, subject to special resolution, divide the assets of the Company among the shareholders.

Redemption

The Company may purchase its own shares, subject to the provisions of the Companies Act.

5.2 Transfer of shares

Right to refuse registration

The Board may, in its absolute discretion, refuse to register any transfer of a share (or renunciation of a renounceable letter of allotment) unless:

(i) it is in respect of a share which is fully paid up;

(ii) it is in respect of only one class of shares;

(iii) it is in favour of a single transferee or not more than four joint transferees;

(iv) it is duly stamped (if so required); and

(v) it is delivered for registration to the registered office of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him,

provided that the Board shall exercise its power to disapprove the transfer of shares in such a manner that does not disturb the market in those shares, and provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are listed on the London Stock Exchange or any other regulated market on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

Transfers of shares will not be registered where the sanctions for failure to disclose an interest in shares have been triggered.

5.3 Variation of rights

Any of the rights for the time being attached to any share or class of shares in the Company may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate General Meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise).

5.4 Members of administrative, management and supervisory bodies

Remuneration of Executive Directors

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of the Articles of Association may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to the Articles.

Pensions and other benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit-sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit any person who is or has at any time been a Director or employee of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him. For such purpose, the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Companies Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the aforesaid matters. The Board may procure any of such matters to be done by the Company either alone or in conjunction with, any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under the Articles and shall not be obliged to account for it to the Company.

Director's interests

Subject to the provisions of the Companies Acts, the Board shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. Authorisation of a matter under the Articles shall be effective only if:

(i) the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Board may approve;

(ii) any requirement as to the quorum at the meeting of the Board at which the matter is considered is met without counting the Director in question and any other interested Director (together the "Interested Directors"); and

(iii) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

Any authorisation of a matter under the Articles shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. Any such authorisation shall be subject to such conditions or limitations as the Board may determine, and may be terminated by the Board at any time. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation. A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Board under the Articles and any contract, transaction or arrangement relating thereto shall not be liable to be voided on the grounds of any such benefit.

Interested Director not to vote or count for quorum

Subject to a limited number of exceptions, a Director may not vote on, or be counted in the quorum in relation to, any resolution in respect of any contract, arrangement, transaction or any other proposal in which he (or a person connected with him) has an interest. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded.

Director's interest in own appointment

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company (or any body corporate in which the Company is interested), the proposals may be divided and a separate resolution considered in relation to each Director. In such case, each Director (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

Chairman's ruling conclusive on a Director's interest

If any question arises at any meeting as to whether any interest of a Director (other than the Chairman) prevents him from voting or being counted in the quorum, such question shall be referred to the Chairman of the meeting. The Chairman's ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed to the Board.

Number of Directors and share qualification

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be not more than 12 or less than two. At least one Director shall be a natural person.

A Director shall not be required to hold any shares of the Company.

Director's appointment and retirement by rotation

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles. Any Director so appointed shall retire at the Annual General Meeting next following such appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation (if applicable) at such meeting.

Each Director shall retire at the Annual General Meeting held in the third calendar year following the year in which he was elected or last re-elected by the Company. Each Director (other than the Chairman and any Director holding an executive office) shall retire at each Annual General Meeting following the ninth anniversary of the date on which he was elected by the Company.

5.5 General Meetings

Meetings

An Annual General Meeting shall be held in each period of six months beginning with the day following the Company's accounting reference date, at such time and place as the Board may determine, in accordance with Section 336 of the Companies Act.

Notice of General Meetings

An Annual General Meeting shall be convened by not less than 21 clear days' notice in writing. All other General Meetings shall be convened by not less than 21 clear days' notice in writing, unless the following conditions are met:

(i) a special resolution authorising the calling of General Meetings on 14 days' clear notice has been passed at an immediately preceding General Meeting or a subsequent General Meeting; and

(ii) the Company offers a facility to vote or appoint a proxy by electronic means, in which case such General Meeting can be convened by not less than 14 days' clear notice.

Subject to the provisions of the Companies Acts, and notwithstanding that it is convened by shorter notice than that specified in the Articles, a General Meeting shall be deemed to have been duly convened if it is so agreed:

(i) in the case of an Annual General Meeting, by all the members entitled to attend and vote at the meeting; and

(ii) in the case of any other General Meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

The notice shall specify:

(a) whether the meeting is an Annual General Meeting or a General Meeting;

(b) the place, the date and the time of the meeting;

(c) the general nature of the business to be dealt with;

(d) if the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution as such;

(e) the address of the website which contains the information required by Section 311A of the Companies Act;

(f) a statement that the right to vote at the meeting is determined by reference to the register and of a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend or vote at the meeting;

(g) a statement of the procedures for members to be able to attend and vote at the meeting, including the date by which they must comply;

(h) a statement of the right of members to ask questions at meetings;

(i) details of proxy appointment forms;

(j) details of any facilities to be provided by the Company to allow members to vote in advance of the meeting or by electronic means; and

(k) with reasonable prominence, that a member is entitled to appoint one or more proxies to exercise all or any of his rights to attend and to speak and to vote (subject to the Articles), and that a proxy need not also be a member.

The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company) and to the Directors.

In relation to General Meetings, references to notice "in writing" shall include notice in electronic means and/or by means of a website.

Omission to send notice

Subject to the provisions of the Companies Acts, the accidental omission to give or send notice of meeting or, in cases where it is intended that it be sent out with the notice, an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

6 Existing shareholder authorities

6.1 At the Annual General Meeting of the Company held on 17 May 2013, Kazakhmys Shareholders passed the following resolutions.

(i) To authorise the Directors generally and unconditionally pursuant to and in accordance with Section 551 of the Companies Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares:

(a) up to an aggregate nominal amount of £34,914,556; and

(b) comprising equity securities (as defined in Section 560(1) of the Companies Act) up to a further aggregate nominal amount of £34,914,556 in connection with an offer by way of a rights issue,

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the Companies Act and to expire at the conclusion of the Company's next Annual General Meeting or on 30 June 2014, whichever is earlier, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

(ii) To empower the Directors, subject to the passing of the resolution in paragraph (i) above, to allot equity securities (as defined in Section 560(1) of the Companies Act) wholly for cash:

(a) pursuant to the authority given by paragraph (i)(a) above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Companies Act in each case:

(A) in connection with a pre-emptive offer; and

(B) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £5,354,201; and

(b) pursuant to the authority given by paragraph (i)(b) above in connection with a rights issue,

as if Section 561(1) of the Companies Act did not apply to any such allotment, such power to expire at the conclusion of the Company's next Annual General Meeting or on 30 June 2014, whichever is the earlier, so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended.

6.2 For the purposes of the authorities in paragraph 6.1:

(i) "rights issue" means an offer to:

(a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(b) holders of other equity securities as required by the rights of those securities or, as the Directors consider it necessary, as permitted by the rights of those securities, to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;

(ii) "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders (other than the Company) on the register on a record date fixed by the Directors of shares in proportion to their respective holdings but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;

(iii) references to an allotment of equity securities shall include a sale of treasury shares; and

(iv) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

7 List of significant subsidiaries and undertakings

The Company is the holding company of all the companies in the Group. The following table shows the principal subsidiaries and undertakings of the Company, being those which are considered by the Company to be most likely to have a significant effect on the assessment of the assets and liabilities, financial position or profits and losses of the Group:

Subsidiary	Principal activity	Operating division	Country of incorporation	Equity interest at 31 December 2012
Kazakhmys Corporation LLC	Copper mining and concentrating	Kazakhmys Mining	Kazakhstan	99.9(1)
Kazakhmys Smelting LLC	Copper refining and smelting	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Aktogay LLP	Copper mine development	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Bozshakol LLP	Copper mine development	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Projects BV	Project development company	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Energy LLP	Electricity generation	Kazakhmys Power	Kazakhstan	100.0(1)
Kazakhmys Sales Limited	Sales and logistics	Kazakhmys Mining	United Kingdom	100.0
Dank LLP	Gold mining and processing and copper processing	Kazakhmys Mining	Kazakhstan	100.0(1)
Andas Altyn LLP	Gold mining and processing	Kazakhmys Mining	Kazakhstan	100.0(1)
Kazakhmys Gold Kyrgyzstan LLP	Copper/gold mine development	Kazakhmys Mining	Kyrgyzstan	100.0(1)
Ekibastuz GRES-1 LLP	Electric power generation	Kazakhmys Power	Kazakhstan	50.0(1)
Kazakhmys Finance PLC	Group financing	N/A	United Kingdom	100.0
Kazakhmys Services Limited	Management and services company	N/A	United Kingdom	100.0
Kazakhmys Investments Limited	Holding company	N/A	United Kingdom	100.0
MKM Mansfelder Kupfer und Messing GmbH	Copper processing	MKM	Germany	100.0(1)(2)

Notes:

(1) Indirectly held by the Company.

(2) As at 31 December 2012, MKM was classified as held for sale (see note 37 to the 2012 Annual Report and Accounts, which is incorporated by reference into this document as described in the section headed "Information Incorporated by Reference"). The sale was completed on 28 May 2013.

8 Directors and senior management

8.1 The Directors and the senior management together with details of their functions in the Company and brief biographies are set out in Part II: "Directors, Senior Management and Corporate Governance".

8.2 The companies and partnerships of which the Directors and the senior management are, or have been, within the past five years, members of the administrative, management or supervisory bodies or partners (excluding, in the case of the Directors, the Company and its subsidiaries) are as follows:

Name	Current directorship/ partnerships	Former directorships/partnerships
Simon Heale	Morgan Advanced Materials PLC Coats plc Marex Spectron Group Limited PZ Cussons plc Macmillan Cancer Support	Panmure Gordon & Co plc
Oleg Novachuk	N/A	
Eduard Ogay	N/A	
Philip Aiken AM	AVEVA Group plc Essar Energy plc National Grid plc Newcrest Mining Limited	Macquarie Capital (Europe) Limited Miclyn Express Offshore Limited Robert Walters plc
Clinton Dines	Caledonia (Private) Investments Pty Limited Zanaga Iron Ore Company Limited Pacific Aluminium	
Vladimir Kim	N/A	
Michael Lynch-Bell	Action Aid International Equus Petroleum Plc Seven Energy International Limited	Ernst & Young LLP
Lord Renwick of Clifton, KCMG	Fleming Family & Partners Limited Compagnie Financière Richemont SA J.P. Morgan Europe J.P. Morgan Cazenove	Fluor Corporation SABMiller plc GEM Diamonds Limited Bumi plc
Charles Watson	Taipan Resources Inc. JSOC Bashneft	Sakhalin Energy Investment Company
Daulet Yergozhin	N/A	
Andrew Southam	N/A	

Save as set out above, none of the Directors or senior management has any business interests, performs any activities, or acts as a partner outside the Company which are significant with respect to the Company.

8.3 There are no family relationships between any Directors or senior management.

8.4 As at the date of this Prospectus, none of the Directors or senior management has, at any time within the last five years:

(i) had any prior convictions in relation to fraudulent offences;

(ii) been a director or senior manager (who is relevant to establishing that an entity has the appropriate expertise and experience for the management of that entity) of any company or partnership at the time of any bankruptcy, receivership or liquidation of such company or partnership; or

(iii) been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

8.5 Daulet Yergozhin, a Non-executive Director, is a minister of the Government of Kazakhstan and is a representative of the Government (a member of the Consortium) on the Board. Daulet Yergozhin does not participate, has not participated and will continue to not participate in any Board consideration of matters involving the Government (including the Transaction). Save for the foregoing, none of the Directors or senior management has any potential conflicts of interest between their duties to the Company and their private interests or other duties.

9 Directors' service contracts, terms of appointment and other details

9.1 The Company's policy is that executive Directors will be employed on a contract that can be terminated by the Company on giving no more than one year's notice, with the executive Director required to give up to six months' notice of termination.

9.2 Oleg Novachuk's contract entered into on 26 September 2005 is terminable by either the Company or the executive on three months' notice. The Company retains the right to terminate this contract immediately, in accordance with the terms of his service agreement, on payment of a sum equal to the contractual notice entitlement of three months. The Company reserves the right on termination to make phased payments which are paid in monthly instalments and subject to mitigation through a legal obligation on the part of the outgoing executive Director to seek new employment.

9.3 As Eduard Ogay's operational duties lie in Kazakhstan, he has a Kazakhstan-based contract of employment granted on 23 January 2012 by Kazakhmys Corporation LLC, which entitles him to six months' notice of termination from that company or three months' notice of termination from him. Kazakhmys Corporation LLC retains the right to terminate his contact immediately, in accordance with the terms of the contract of employment, on payment of a sum equal to six months' salary. He also has a letter of appointment with the Company dated 22 March 2012 in respect of his appointment as an executive Director of the Company which is coterminous with his Kazakhstan contract, but also capable of termination in its own right without compensation.

9.4 Following his stepping down as Chairman of the Company on 17 May 2013, Vladimir Kim remains on the Board as a non-executive Director and has a letter of appointment with the Company dated 17 May 2013. This letter of appointment cancels and is in substitution for Vladimir Kim's service contract with the Company dated 26 September 2005. In addition to his non-executive Director base fee of £84,000 per annum, he is paid a salary of £780,000 per annum and is entitled to a discretionary annual cash bonus award of up to 120 per cent. of salary as executive chairman of Kazakhmys Corporation.

9.5 Non-executive Directors do not have service contracts, but each has a letter of appointment with the Company. Each letter of appointment provides for a one-month notice period, with the exception of Simon Heale's letter of appointment, which provides for a three-month notice period. Non-executive Directors are normally appointed for two consecutive three-year terms, with any third term of three years being subject to rigorous review and taking into account the need progressively to refresh the Board. For each non-executive Director who served during 2012, the effective date of their letter of appointment and the fees paid are shown in the table below:

Name	Position	Effective date of letter of appointment	Notice period (months)	Total fees paid in 2012 (£000)
Non-Executive Directors				
Philip Aiken AM	Non-Executive Director and Senior Independent Director	1 November 2006	One	126
Clinton Dines	Non-Executive Director	1 October 2009	One	105
Simon Heale(1)	Non-Executive Chairman	27 February 2013	Three	108
Lord Renwick of Clifton, KCMG	Non-Executive Director	1 December 2005	One	96
Charles Watson	Non-Executive Director	24 August 2011	One	108
Daulet Yergozhin(2)	Non-Executive Director	19 November 2008	One	84

Notes:

(1) Prior to his appointment as non-executive Chairman of the Company, Simon Heale had a letter of appointment with the Company with an effective date of 1 January 2007. Simon Heale became non-executive Deputy Chairman on 27 February 2013 and non-executive Chairman on 17 May 2013. The letter of appointment with the Company dated 27 February 2013 entitles Simon Heale to a fee of £300,000 per annum as Chairman and provides for a three-month notice period.

(2) As a minister of the Government of Kazakhstan, Daulet Yergozhin is not permitted to receive fees personally and his fees were paid to SABY Charitable Foundation, a children's charity based in Kazakhstan.

9.6 The remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to each of the executive Directors by the Company and its subsidiaries during the financial year ended 31 December 2012 for services in all capacities is set out on page 71 of the 2012 Annual Report and Accounts, which is incorporated by reference as described in the section headed "Information Incorporated by Reference".

9.7 The remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to current senior management by the Company and its subsidiaries during the financial year ended 31 December 2012 for services in all capacities is set out below:

Name	Position	Salary (£)	Bonus (£)	Other benefits (£)
Andrew Southam(1)(2)	Chief Financial Officer	250,000	87,000	26,720

Notes:

(1) These are the figures which were paid in 2012 in respect of Andrew Southam's position as Deputy Chief Financial Officer. Effective from 17 May 2013, the salary increased to £410,000 in respect of his position as Chief Financial Officer.

(2) The DSBP and the LTIP awards granted to Andrew Southam are set out in paragraphs 11.2 and 11.3.

9.8 The Company does not provide pension benefits on behalf of any executive or non-executive Directors.

9.9 The total amount set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits for the Directors and senior management for the financial year ended 31 December 2012 was nil.

10 Employee share plans

10.1 The following is a summary of the principal terms of the Long Term Incentive Plan 2007, the Deferred Share Bonus Plan 2007, the UK Executive Share Option Plan 2010, the UK Sharesave Plan 2010, the International Sharesave Plan 2010, the UK Share Incentive Plan 2010 and the International Share Incentive Plan 2010 (together the "Plans"). The Plans are discretionary benefits offered by the Company for the benefit of its employees. The main purpose is to increase the interest of the employees in Kazakhmys' long-term business goals and performance through share ownership. They represent incentives for employees' future performance and commitment to be aligned with the goals of the Group. The shares issued under these Plans are ordinary shares as the Company purchased 379,825 shares at a cost of U.S.$7 million during 2009, 246,337 shares at a cost of approximately U.S.$4.2 million during 2010 and 270,000 shares at a cost of approximately U.S.$5 million during 2011 through an Employee Benefit Trust. For any future awards, the Company may issue new shares to the Employee Benefit Trust or use treasury shares rather than purchase the shares in the open market.

10.2 The total expense for the year ended 31 December 2012 arising from the Plans was U.S.$6 million (2011: U.S.$4 million, 2010: U.S.$3 million).

10.3 Long Term Incentive Plan 2007

(i) Under the Long Term Incentive Plan 2007 (the "LTIP"), options over shares are granted to executive Directors and senior management of the Company at nil cost. The vesting of the shares is dependent on the total shareholder return of the Group as compared to a group of listed comparator companies, as well as a requirement for the recipients of awards to remain in employment with the Group over the vesting period. Cash settlement is available under certain circumstances at the discretion of the Remuneration Committee.

(ii) Details of outstanding options under the LTIP, including names of the option holders who are Directors, the senior management of the Company and persons connected with them (within the meaning of Section 96B(1) of and Schedule 11B to FSMA), numbers of options held and exercise prices, are set out in paragraph 11 below.

(iii) As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company, the total number of Kazakhmys Shares subject to the outstanding options granted to them, the vesting period and the exercise price of the options are listed below:

Aggregate number of grantees	**Total number of Kazakhmys Shares subject to the outstanding options granted to them**	**Vesting period**	**Exercise price**
			(£)
4	161,612	3 years	Nil
12	674,383	38 months	Nil

10.4 Deferred Share Bonus Plan 2007

(i) Deferred share bonus options are awarded under the Deferred Share Bonus Plan 2007 (the "DSBP"), under which each year up to 60 per cent. of the total bonus earned by eligible executives is deferred and invested in the Company's shares to be held by the Employee Benefit Trust. Provided the executive remains in employment, the shares normally vest up to three years after the date of grant.

(ii) As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company, the total number of Kazakhmys Shares subject to the outstanding options granted to them, the vesting period and the exercise price of the options are listed below:

Aggregate number of grantees	**Total number of Kazakhmys Shares subject to the outstanding options granted to them**	**Vesting period**	**Exercise price**
			(£)
23	62,874	1 year	Nil
71	252,657	2 years	Nil

10.5 UK Executive Share Option Plan 2010

(i) The UK Executive Share Option Plan 2010 (the "ESOP") is an HMRC approved discretionary company share option plan that provides for the grant of market value options up to a value of £30,000 to executive Directors and certain selected UK-based senior executives. Options will normally vest three years from the date of grant, subject to the satisfaction of a performance condition and the participant being a Director or employee of the Group at that time. Options granted to executive Directors and senior executives under the ESOP will count towards the individual limits under the LTIP and will normally be subject to the same performance condition as awards granted under the LTIP.

(ii) The ESOP was approved by the Board on 3 March 2010 and approved by Kazakhmys Shareholders on 14 May 2010.

(iii) As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company, the total number of Kazakhmys Shares subject to the outstanding options granted to them, the vesting period and the exercise price of the options are listed below:

Aggregate number of grantees	**Total number of Kazakhmys Shares subject to the outstanding options granted to them**	**Vesting period**	**Exercise price**
			(£)
1	2,122	38 months	14.14

10.6 UK Sharesave Plan 2010 and International Sharesave Plan 2010

(i) The UK Sharesave Plan 2010 is an HMRC approved all employee share plan which provides an opportunity for all UK employees, including executive Directors, to save over a period of either three or five years and to use their accumulated savings (and any interest) to exercise an option to acquire ordinary shares in the Company at a predetermined exercise price. It permits the grant of options to acquire ordinary shares in the Company (at a discount of up to 20 per cent. of the share price at the time of invitation) and is linked to a Sharesave contract, with a maximum savings limit of £250 per month.

(ii) The terms of the International Sharesave Plan 2010 are substantially the same as those for the UK Sharesave Plan 2010, save that under the International Sharesave Plan 2010 the Remuneration Committee will have a greater degree of discretion to determine who of its approximately 58,000 employees will be eligible to participate and to permit eligible employees to save in a currency other than pounds sterling.

(iii) The UK Sharesave Plan 2010 and the International Sharesave Plan 2010 were approved by Kazakhmys Shareholders on 14 May 2010.

(iv) As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company, the total number of Kazakhmys Shares subject to the outstanding options granted to them, the vesting period and the exercise price of the options are listed below:

Aggregate number of grantees	Total number of Kazakhmys Shares subject to the outstanding options granted to them	Vesting period	Exercise price
			(£)
14	8,235	3 years	9.70
2	2,362	5 years	9.70
11	4,951	3 years	8.40
22	26,538	3 years	4.95
2	6,039	5 years	4.95

10.7 UK Share Incentive Plan 2010 and International Share Incentive Plan 2010

(i) The UK Share Incentive Plan 2010 is an HMRC approved all employee share plan which provides an opportunity for all UK employees, including executive Directors, to contribute up to a maximum of £125 per month or 10 per cent. of their gross monthly salary, whichever is the lower, to be used to purchase shares in the Company on a monthly basis ("Partnership Shares"). For every Partnership Share that a participant purchases, the Company will purchase the equivalent number of shares ("Matching Shares") on behalf of the participant with all Partnership Shares and Matching Shares held in Trust for a specified holding period. The Partnership Shares and Matching Shares held in Trust are entitled to receive dividends when a dividend is paid by the Company to the Kazakhmys Shareholders. The amount of the dividend payable on the Partnership Shares and Matching Shares held in Trust is re-invested into further shares ("Dividend Shares") which are also held in Trust for a specified holding period.

(ii) The terms of the International Share Incentive Plan 2010 are substantially the same as those for the UK Share Incentive Plan 2010, save that under the International Share Incentive Plan 2010 the Remuneration Committee will have a greater degree of discretion to determine who of its approximately 58,000 employees will be eligible to participate and to permit eligible employees to contribute in a currency other than pounds sterling. Also, when the Company pays a dividend to Kazakhmys Shareholders, participants in the International Share Incentive Plan 2010 will receive a cash payment in the form of a dividend equivalent rather than the amount of dividend payable being re-invested into further Dividend Shares (see above).

(iii) The UK Share Incentive Plan 2010 and the International Share Incentive Plan 2010 were approved by Kazakhmys Shareholders on 14 May 2010 and both plans were launched in April 2011. As at the Latest Practicable Date, the aggregate number of grantees who are not Directors or senior management of the Company participating in the plans are 28 (seven in the UK Share Incentive Plan 2010 and 21 in the International Share Incentive Plan 2010).

11 Interests of the Directors and senior management

11.1 As at the Latest Practicable Date, the interests (all of which are beneficial unless otherwise stated) of the Directors or senior management, their immediate families and (so far as is known to them or could with reasonable diligence be ascertained by them) persons connected (within the meaning of Section 252 of the Companies Act) with the Directors or senior management in the issued ordinary share capital of the Company, including: (i) those arising pursuant to transactions notified to the Company pursuant to DTR3.1.2R; and (ii) those of persons connected with the Directors or senior management, which would, if such connected person was a Director or senior management, be required to be disclosed under (i) above, are set out in the following table:

	As at the Latest Practicable Date	
Name	**Number of Kazakhmys Shares**	**Percentage of issued ordinary share capital**
Vladimir Kim[(1)]	149,306,795	27.89
Oleg Novachuk[(2)]	34,923,423	6.52
Eduard Ogay[(3)]	3,834,427	0.72
Michael Lynch-Bell	7,000	<0.01
Simon Heale	5,000	<0.01
Lord Renwick of Clifton, KCMG	4,000	<0.01
Philip Aiken AM	4,000	<0.01
Charles Watson	3,624	<0.01
Clinton Dines	3,000	<0.01
Daulet Yergozhin	—	—
Andrew Southam[(4)]	321	<0.01
Total	188,091,590	35.13

Notes:

(1) Vladimir Kim has pledged 90,805,063 Kazakhmys Shares (out of the total of 149,306,795 Kazakhmys Shares) but has retained the voting rights in respect of such pledged Kazakhmys Shares.

(2) Oleg Novachuk has pledged 34,923,423 Kazakhmys Shares but has retained the voting rights in respect of such pledged Kazakhmys Shares.

(3) Eduard Ogay has pledged 3,834,427 Kazakhmys Shares but has retained the voting rights in respect of such pledged Kazakhmys Shares.

(4) Ordinary shares acquired due to participation in the UK Share Incentive Plan 2010 as described in paragraph 10.7 above.

11.2 The interests of Directors and the senior management of the Company in options over Kazakhmys Shares under the LTIP as at the Latest Practicable Date are set out in the following table:

Name	Date of grant	Number of Kazakhmys Shares subject to the options	Share price at date of grant	Current exercise price	Vesting period
			(£)		
Oleg Novachuk	6 April 2011	117,006	14.14	Nil	38 months
Oleg Novachuk	4 April 2012	188,359	9.09	Nil	38 months
Oleg Novachuk	5 April 2013	455,998	3.75	Nil	38 months
Eduard Ogay	6 April 2011	73,623	14.14	Nil	38 months
Eduard Ogay	4 April 2012	110,841	9.09	Nil	38 months
Eduard Ogay	5 April 2013	280,379	3.75	Nil	38 months
Andrew Southam	6 April 2011	7,587	14.14	Nil	38 months
Andrew Southam	4 April 2012	17,878	9.09	Nil	38 months
Andrew Southam	5 April 2013	85,333	3.75	Nil	38 months

11.3 The interests of Directors and the senior management of the Company in options over Kazakhmys Shares under the DSBP as at the Latest Practicable Date are set out in the following table:

Name	Date of grant	Number of Kazakhmys Shares subject to the options	Share price at date of grant	Current exercise price	Vesting period
			(£)		
Andrew Southam	6 April 2011	1,751	14.14	Nil	2 years
Andrew Southam	4 April 2012	2,886	9.09	Nil	1 year
Andrew Southam	4 April 2012	2,886	9.09	Nil	2 years

11.4 The interests of Directors and the senior management of the Company in options over Kazakhmys Shares under the UK Sharesave Plan 2010 as at the Latest Practicable Date are set out in the following table:

Name	Date of grant	Number of Kazakhmys Shares subject to the option	Exercise price	Vesting Period
			(£)	
Andrew Southam	21 September 2012	1,818	4.95	3 years

11.5 Save as disclosed in this paragraph 11, no Director or senior management, nor their immediate families, nor any person connected with any Director or senior management, has any interests (beneficial or non-beneficial) in the share capital of the Company or any of its subsidiaries.

12 Interests of significant shareholders

12.1 Other than the interests of Directors and senior management disclosed in paragraph 11 above, so far as it has been made known to the Company, the following persons held, directly or indirectly, 3 per cent. or more of the Company's voting rights as at the Latest Practicable Date:

	As at the Latest Practicable Date	
Kazakhmys Shareholder	Number of Kazakhmys Shares	Percentage of voting rights
Eurasian Resources Group B.V.	139,162,843	26.57
Cuprum Holding Limited[(1)]	135,944,325	25.96
Harper Finance Limited[(2)]	29,706,901	5.67
UBS AG London Branch	15,736,408	3.01
Total	320,550,477	61.21

Notes:

(1) Vladimir Kim holds a 100 per cent. interest in Cuprum Holding Limited and this is included in the disclosure at paragraph 11.1 above.

(2) Oleg Novachuk holds a 100 per cent. interest in Harper Finance Limited and this is included in the disclosure at paragraph 11.1 above.

12.2 None of the major shareholders in the Company has or will have different voting rights attached to the shares they hold in the Company.

12.3 The Company is not aware of any person or persons who directly, indirectly, jointly or severally exercise or could exercise control over the Company. The Company is also not aware of any arrangements, the operation of which may, at a subsequent date, result in a change in control of the Company.

13 Related party transactions

Details of related party transactions entered into by the Company during the period covered by the historical financial information are set out in (i) Note 35 to the audited financial statements for the financial year ended 31 December 2012 contained in the 2012 Annual Report and Accounts, (ii) Note 38 to the audited financial statements for the financial year ended 31 December 2011 contained in the 2011 Annual Report and Accounts, and (iii) Note 37 to the audited financial statements for the financial year ended 31 December 2010 contained in the 2010 Annual Report and Accounts, each of which is incorporated by reference as described in the section headed "Information Incorporated by Reference". Save for those transactions, the Share Repurchase Agreement, the Irrevocable Undertaking and the Implementation Agreement (which were approved at the General Meeting) and the Kazakhmys Concert Party Irrevocable Undertakings, the Company has not entered into any related party transactions during the period covered by the historical financial information and up to the date of this document.

14 Dividends and dividend policy

14.1 The following table sets out certain information regarding dividends declared and paid by the Company in respect of the financial years ended 31 December 2010, 2011 and 2012:

	Financial year ended 31 December		
	2010	**2011**	**2012**
Dividends declared and paid (U.S.$ millions)	80	129	121
Dividend per share (U.S. cents)	15.0	24.0	23.0

14.2 The policy established at the time of listing on the Official List and admission to trading of Kazakhmys Shares on the London Stock Exchange in 2005 was for the Company to maintain a dividend policy which took into account the profitability of the business and underlying growth in earnings of the Group, as well as its cash flows and growth requirements. The Directors would also ensure that dividend cover is prudently maintained. Interim and final dividends will be paid in the approximate proportions of one-third and two-thirds of the total annual dividend, respectively. Share buybacks and special dividends have been used in addition to the ordinary dividend to return surplus funds to shareholders.

14.3 In the second half of 2011, the Directors announced a share buyback programme of up to $250 million, the completion of which was subject to market conditions. In 2011, 5.6 million shares were purchased, with a further 6.1 million purchased in 2012, at a total cost of $166 million, representing 2.2 per cent. of the Company's shares in issue at the commencement of the programme.

14.4 The Directors recommended a final dividend for 2012 of 8.0 U.S. cents per share which, together with the interim ordinary dividend of 3.0 U.S. cents per share, gave a total full-year dividend of 11.0 U.S. cents per share (2011: 28.0 U.S. cents per share), based on the earnings for 2012. The final dividend, recommended by the Board, was approved by Kazakhmys Shareholders at the 2013 Annual General Meeting held on 17 May 2013 and was paid on 21 May 2013.

14.5 The ability of the Company to pay dividends is dependent on a number of factors and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See the section headed "Risk Factors—Risks Relating to the Group's Structure—Because the Company is primarily a holding company, its ability to pay dividends depends upon the ability of its subsidiaries to pay dividends and to advance funds".

15 Property, plant and equipment

The Group's material assets are its mining reserves and resources and its exploration claims, permits and licences, which are summarised in the "Mining reserves and resources" section of the 2012 Annual Report and Accounts, which are incorporated by reference into this Prospectus, in Part VIII: "Summary Ore Reserves and Mineral Resources Information".

The Group also owns various mineral processing facilities, smelting and refining facilities and concentrators, as well as approximately 1,000 km of railways which connect its operations with the main national rail trunk lines. See Part I: "Information on the Group".

In addition, the Group has office space in London, Hong Kong and Amsterdam rented under leases. The Group also has various properties in Kazakhstan, such as schools, hospitals and other facilities which are primarily for use by employees, retirees, their families and other members of local communities. In general, these properties are not run for profit as a primary objective.

16 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the year preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company or the Group.

17 Mandatory bids and compulsory acquisition

The Takeover Code is issued and administered by the Panel. The Company is subject to the Takeover Code and therefore shareholders are entitled to the protection afforded by the Takeover Code. The Company is also subject to the squeeze-out and sell-out provisions under the Companies Act. The following is a summary of such provisions which are relevant to Kazakhmys Shares.

17.1 Mandatory bids

Under Rule 9 of the Takeover Code, when (i) a person acquires an interest in shares which (taken together with shares he and persons acting in concert with him are interested in) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code, or (ii) a person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the voting rights of the company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then, in either case, that person, together with the person acting in concert with him, is normally required to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non voting and also to the holders of any other class or transferable securities carrying voting rights.

Vladimir Kim, Oleg Novachuk and Eduard Ogay are Directors and are deemed to be acting in concert with each other by the Panel. Together, they are taken to constitute a "concert party" for the purposes of the Takeover Code. As at the Latest Practicable Date, the Kazakhmys Concert Party was interested in an aggregate of approximately 35.91 per cent. of the total voting share capital of the Company. As the Kazakhmys Concert Party's interest is already above the threshold of 30 per cent. specified in Rule 9 of the Takeover Code, any incremental increase in the Kazakhmys Concert Party's aggregate interest could require the Kazakhmys Concert Party to make a mandatory offer for the remainder of the issued ordinary share capital of the Company under such rule, absent a waiver by the Panel, subject to approval by independent Kazakhmys Shareholders.

The maximum interest in Kazakhmys Shares which the Kazakhmys Concert Party could hold as a result of the Share Repurchase proceeding (for which a Rule 9 waiver was granted by the Panel and approved by the independent Kazakhmys Shareholders at the General Meeting), assuming the vesting in full of the LTIP Awards (for which existing Rule 9 waivers granted by the Panel and approved by the then independent Kazakhmys Shareholders in 2011, 2012 and 2013 remain in force) and the full use by the Company of the buyback authority approved at the 2013 AGM, is approximately 47.86 per cent. of the total voting share capital of the Company. If the Share Repurchase proceeds and the LTIP Awards vest in full, but the Company makes no use of the buyback authority approved at the 2013 AGM, the maximum interest in Kazakhmys Shares which the Kazakhmys Concert Party could hold would be 42.26 per cent. of the total voting share capital of the Company.

17.2 Squeeze-out

Under the Companies Act, if a "takeover offer" (as defined in Section 974 of the Companies Act) is made for the Company's shares and the offeror was to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which the offer relates (the "offer shares") and not less than 90 per cent. of the voting rights attached to the offer shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their offer shares and then, six weeks later, it would execute a transfer of the outstanding offer shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose offer shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

17.3 Sell-out

The Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his/her rights, the offeror is bound to acquire those shares, on the terms of the offer or on such other terms as may be agreed.

18 Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and/or any member of the Group within the two years immediately preceding the date of this document which are, or may be, material to the Group or which have been entered into at any time by any member of the Group which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document:

18.1 Pre-export finance facility—2012

On 20 December 2012, Kazakhmys Finance, a wholly-owned subsidiary of the Company, signed a five-year pre-export finance facility for U.S.$1.0 billion with a syndicate of banks to be used for general corporate purposes. The funds are available for drawing at any time within a year of the date of the agreement and, once drawn, will attract interest at U.S.$ LIBOR plus 2.80 per cent. The facility has a final maturity date of December 2017 and monthly loan repayments of principal will commence in January 2015. Kazakhmys PLC, Kazakhmys Corporation LLC and Kazakhmys Sales Limited act as guarantors of the loan. Kazakhmys Finance made the first drawdown under this facility in March 2013.

18.2 CDB and Samruk-Kazyna financing line

On 30 December 2009, Kazakhmys PLC announced that it had secured a U.S.$2.7 billion financing line with CDB and Samruk-Kazyna, allocated from a U.S.$3.0 billion financing line agreed between CDB and Samruk-Kazyna. Of the U.S.$2.7 billion secured for the Group, facility agreements were signed for U.S.$2.1 billion on 30 December 2009, and for a further U.S.$200 million on 12 January 2010, for the development of the Group's projects at Bozshakol and Bozymchak and other development projects, and two facility agreements for U.S.$200 million each, allocated to the Akbastau-Kosmurun and Zhomart projects, were signed on 11 June 2012. Samruk-Kazyna has separately signed an agreement for U.S.$300 million of the $3.0 billion to be used elsewhere and not for the benefit of the Group, which was subsequently repaid by Samruk-Kazyna in January 2013. As part of this financing package, the Company, along with a subsidiary of Samruk-Kazyna, provided a guarantee in favour of CDB in respect of Samruk-Kazyna's obligations under the U.S.$3.0 billion financing line, including 85 per cent. of the U.S.$300 million which was not on-lent for the benefit of the Group. The funds, which were fully drawn down in January 2013, attract interest semi-annually at an annualised rate of U.S.$ LIBOR plus 4.8 per cent. The loans have a final maturity falling between January 2022 and August 2025 with first repayments commencing in January 2013.

18.3 CDB Aktogay finance facility

On 16 December 2011, Kazakhmys Aktogay Finance Limited signed a U.S.$1.5 billion loan facility with CDB, to be used for the development of the major copper growth project at Aktogay. The loan facility consists of two separate agreements with similar terms and conditions. The first agreement is for up to U.S.$1.3 billion and the second agreement for up to RMB1.0 billion (U.S.$159 million equivalent at 31 December 2012 RMB/$ exchange rate). The U.S. dollar agreement attracts interest at U.S.$ LIBOR plus 4.2 per cent. and the RMB agreement attracts interest at the applicable benchmark lending rate published by the People's Bank of China. The funds are available to drawdown over a three-year period commencing from 31 December 2012 and mature 15 years from the date of first drawdown. As at 31 May 2013, U.S.$56 million of this facility was drawn down. Kazakhmys PLC acts as guarantor of the loan.

18.4 Revolving credit facility

The Group has a U.S.$100 million revolving credit facility entered into by Kazakhmys Finance with the Bank of China Limited for general corporate purposes and to provide standby liquidity. The facility, which is presently undrawn, has a financial maturity in March 2015.

18.5 Relationship Agreement

The Relationship Agreement, originally entered into in September 2005, is between the Company, Cuprum Holding Limited and its principal beneficial owner, Vladimir Kim, who is a Director. The Relationship Agreement ensures that the Group is capable of carrying on business independently and to ensure that transactions with Mr Kim are at arm's length, on commercial terms and that control of the Company is not abused. Under the Relationship Agreement, *inter alia*, there must be a majority of independent Directors on the Board and on all its standing committees, and no material transaction may be entered into without approval of the independent Directors. The Relationship Agreement will continue as long as the Kazakhmys Shares are listed on the Official List and traded on the London Stock Exchange and will terminate should Cuprum Holding Limited or Vladimir Kim cease to control a shareholding of 10 per cent. or more of Kazakhmys Shares.

18.6 Implementation Agreement

On 24 June 2013, the Company and Eurasian Resources entered into an Implementation Agreement in relation to the ENRC Takeover Offer. The Implementation Agreement sets out the actions to be taken by the Company in order that Kazakhmys Shares can be offered as consideration under the ENRC Takeover Offer and to facilitate the ENRC Takeover Offer.

Pursuant to the Implementation Agreement, the Company has prepared, published and circulated the Circular, convened the General Meeting and proposed the Resolutions.

The Company has agreed in the Implementation Agreement to publish the Prospectus in connection with the Kazakhmys Consideration Shares being offered by Eurasian Resources as partial consideration under the ENRC Takeover Offer. Furthermore, the Company has agreed to maintain its listing of Kazakhmys Shares on the Official List and admission to trading on the London Stock Exchange and provide to Eurasian Resources such information it requires in relation to Kazakhmys for the Eurasian Resources Offer Document. The obligations on the Company to publish the Prospectus and maintain its listing of Kazakhmys Shares are conditional on the approval of the Resolutions at the General Meeting (which approval was obtained).

The Company has also given Eurasian Resources certain representations and warranties, including in relation to the Prospectus. The representations and warranties relating to the Prospectus are conditional upon the approval of the Resolutions at the General Meeting (which approval was obtained).

The Implementation Agreement shall terminate if the ENRC Takeover Offer lapses or is withdrawn in accordance with its terms or the ENRC Takeover Offer has not become effective nor been declared unconditional in all respects by 6.00 p.m. on 31 December 2013.

18.7 Irrevocable Undertaking

On 23 June 2013, the Company and Eurasian Resources entered into an Irrevocable Undertaking under which the Company agreed that the Group will accept the ENRC Takeover Offer (if implemented by way of a contractual offer) or vote in favour of the ENRC Takeover Offer (if implemented by way of a Scheme). The Company has also agreed that the Group will not sell any of its interest in ENRC Shares for a period of six months from the date of the Irrevocable Undertaking and not to accept or otherwise agree to any takeover offer or scheme of arrangement for ENRC by any person other than Eurasian Resources. This restriction shall lapse upon the Irrevocable Undertaking lapsing as further described below.

The obligations of the Group to accept the ENRC Takeover Offer (or vote in favour if implemented by way of a Scheme) are conditional on the approval of the Resolutions at the General Meeting (which approval was obtained).

The obligations of the Company under the Irrevocable Undertaking shall lapse if the ENRC Takeover Offer lapses or is withdrawn in accordance with its terms or the ENRC Takeover Offer has not become effective or been declared unconditional in all respects by 6.00 p.m. on 31 December 2013.

18.8 Share Repurchase Agreement

On 24 June 2013, the Company and Eurasian Resources entered into the Share Repurchase Agreement in relation to the repurchase by the Company of 77,041,147 Kazakhmys Shares from Eurasian Resources.

Under the ENRC Takeover Offer, Eurasian Resources has offered the Group the right to receive additional cash consideration of £207,548,850 in aggregate (based on the closing price of Kazakhmys Shares of 269.4 pence on 21 June 2013 (being the latest practicable dealing date prior to the date of the ENRC Takeover Offer Announcement)). This right of Kazakhmys to receive additional cash consideration is instead of the 77,041,147 Kazakhmys Shares to which the Group would otherwise be entitled under the ENRC Takeover Offer.

Under the Share Repurchase Agreement, the Group has agreed to repurchase 77,041,147 Kazakhmys Shares from Eurasian Resources for £206,516,265 in aggregate. The repurchase of the Kazakhmys Repurchase Shares will complete immediately following the payment of the consideration to ENRC Shareholders pursuant to the ENRC Takeover Offer. The consideration payable by the Company for the Share Repurchase shall be settled by way of net settlement against the right to part of the additional cash consideration payable to the Group under the ENRC Takeover Offer. The balance of the additional cash consideration, being an amount equal to the stamp duty payable on the 77,041,147 Kazakhmys Shares repurchased, will be paid by Eurasian Resources to Kazakhmys which Kazakhmys will then use to pay the stamp duty on the Share Repurchase (putting Kazakhmys in the same position as the Relevant ENRC Shareholders).

The agreement to repurchase the Kazakhmys Repurchase Shares is conditional upon the acceptance by the Group of the ENRC Takeover Offer and the ENRC Takeover Offer becoming unconditional in all respects or effective (in the case of a Scheme).

The Share Repurchase Agreement shall terminate if the ENRC Takeover Offer lapses or is withdrawn in accordance with its terms or the ENRC Takeover Offer has not become effective or been declared unconditional in all respects by 6.00 p.m. on 31 December 2013.

18.9 Kazakhmys Concert Party Irrevocable Undertakings

On 23 June 2013, each of Vladimir Kim, Oleg Novachuk and Eduard Ogay provided an irrevocable undertaking to the Company and Eurasian Resources under which each irrevocably undertook to each of the Company and Eurasian Resources that he would vote in respect of his beneficial shareholding in favour of the Resolutions (other than the Rule 9 waiver resolution, on which he was not entitled to vote) at the General Meeting. Each of Vladimir Kim, Oleg Novachuk and Eduard Ogay also agreed not to acquire or deal in any Kazakhmys Shares, or fetter the voting rights attached thereto, in certain ways which may prejudice the success of the Transaction.

The obligations of Vladimir Kim, Oleg Novachuk and Eduard Ogay under their undertakings shall lapse if the ENRC Takeover Offer has not become effective or been declared unconditional in all respects by 6.00 p.m. on 31 December 2013.

19 Working capital statement

The Company is of the opinion that, after taking into account the net proceeds receivable by the Company pursuant to the Transaction, existing available facilities and existing cash resources, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

20 Significant change

Save as described in the section headed "Financial position since 31 December 2012" in Part III: "Operating and Financial Review", there has been no significant change in the financial or trading position of the Group since 31 December 2012, the date to which the Company's last published audited financial statements were prepared.

21 Consent

KPMG Audit Plc, whose address is 15 Canada Square, Canary Wharf, London E14 5GL, has given, and has not withdrawn, its written consent to the inclusion in this document of its report set out in Section B of Part V: "Unaudited Pro Forma Financial Information" and to its name in the form and context in which they appear.

22 Documents available for inspection

Copies of the following documents:

(i) the Memorandum and Articles of Association;

(ii) the 2012 Annual Report and Accounts;

(iii) the 2011 Annual Report and Accounts;

(iv) the 2010 Annual Report and Accounts;

(v) the Production Report for Q1 2013 and IMS;

(vi) the Production Report for six months and Q2 2013;

(vii) the consent letter referred to in paragraph 21 above; and

(viii) this Prospectus,

are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period from the date of publication of this document until Completion at the registered office of the Company, 6th Floor, Cardinal Place, 100 Victoria Street, London SW1E 5JL, United Kingdom.

PART VIII
SUMMARY RESERVES AND RESOURCES INFORMATION

Reserves and Resources

The following table sets out the reserves and resources information incorporated by reference into this document relating to the Group which is relevant to this document:

Information incorporated by reference into this document	Reference document	Page number(s) in reference document
Mining reserves and resources	2012 Annual Report and Accounts	162-166
Mining reserves and resources	2011 Annual Report and Accounts	202-206
Mining reserves and resources	2010 Annual Report and Accounts	171-175

Subsoil use contracts

Summary of the terms of subsoil use contracts

The Group's subsoil use contracts are owned by its subsidiaries.

Kazakhmys Corporation has 22 contracts in connection with hard minerals, of which:

- 14 contracts are for extraction (Zhezkazgan and Zhilandiinskaya group; Konyrad, Sayak-1 and Tastau, Shatyrkul, Sayak-IV; Zhaisan; Abyz; Kosmurun; Akbastau; Borly; Kuu-Chekinskoe; Orlovsky; Yubileyno-Snegirikhinsky; Belousovsky, Irtyshsky);
- two contracts are for exploration (Sarysuiskiy plot; Severo-Nikolayevsky mineralization and the Ubinskiy plot); and
- six contracts are for exploration and extraction (Zhaman-Aybat; Aidarly; Nurkazgan; Karagaily; Mizek; Nikolayevsky and Artemyevsky).

In addition, Kazakhmys Corporation also has 12 contracts for the extraction of common minerals and three contracts for the extraction of underground water.

Kazakhmys Bozshakol LLP has two contracts in connection with solid minerals: one for extraction (Bozshakol) and one for exploration (Boschekul).

Kazakhmys Aktogay LLP has one contract in connection with solid minerals for extraction (Aktogay), as well as one contract for the exploration and extraction of common minerals and two contracts for the extraction of underground water.

The key terms of the subsoil use contracts include the following obligations of the subsoil user:

- To complete the work programme and performance of the terms of the contract regarding the quantity and deadlines for completion of the exploration and/or extraction works.
- To purchase goods and services during the course of subsoil operations in the manner established by the Government of Kazakhstan (in one of the following ways: through open tender, from one source, requests for bids, through an electronic bidding system, through commodity exchanges) in accordance with applicable law and regulations, excluding operations with common minerals.
- To ensure the health and safety of workers during mining operations.
- To use the contract territory only for the purposes provided for by the relevant subsoil use contract.
- To comply with the conditions of the Memorandum of Understanding regarding the implementation of the Extractive Industries Transparency Initiative in Kazakhstan (except for contracts in relation to underground water and common minerals).
- To observe the provisions of the project and technical documents in relation to production operations, personnel and population health and safety, rational and efficient use of subsoil and environmental protection, in accordance with applicable law.

- To employ preferentially Kazakh personnel when carrying out production operations. The number of Kazakh personnel cannot be, in percentage terms, below the contractual minimum. This includes contract personnel, personnel on an administrative board, experts with higher and secondary professional education and skilled workers.
- To finance education, training and re-training of workers who are Kazakh nationals, involved in the performance of the contract during the production period. This is to be a fixed percentage of annual investment. If the obligations are not fully met regarding expenditure on education, training and re-training of workers who are Kazakh nationals involved in the performance of the contract, the remaining funds shall be used for training Kazakh nationals in certain agreed specialities.
- To pay taxes and other obligatory payments on time and in full.
- To comply with national industrial safety legislation when conducting mining operations.
- To provide geological reports on the results of the contract area to the authorised body for the study and use of subsoil.
- Each year, by no later than 1 February in the year of the planned procurement or no later than 60 calendar days from the registration of the contract, to submit to the competent authority the annual programme for the procurement of goods, works and services for the coming year and the mid- and long term programme for the procurement of goods, works and services for the coming periods.
- On a quarterly basis, no later than by the 15th day of the month following the reporting period, to submit to the competent authority various reports on the purchase of goods, works and services and regarding expenditure on education, training and re-training of workers who are Kazakh nationals.
- Each year, not later than by the 15th day of the month following the reporting period, to submit to the competent authority a report on the implementation of the obligation to employ local personnel.
- To bring all facilities and land, at point of termination of mining operations, into a satisfactory condition, ensuring health and safety, and to manage the consequences of mining activities according to applicable law.
- To contribute towards the socio-economic and infrastructure development of the region as outlined in the budget of the relevant public authority.
- To provide annual financing for solid mineral contracts in the area of research, science and technology, and/or development activities provided by Kazakh producers of goods, works and services in accordance with applicable law.
- To make contributions to the liquidation fund (a fund to manage the effects of subsoil use in Kazakhstan) according to the prescribed amount (from 1 per cent. to 1.5 per cent. of the annual costs).

The following tables set out the duration and main terms of the Group's subsoil use contracts:

Subsoil use contracts in relation to solid minerals

No.	Contract number, date	Fields and subsoil use operations type	Term of the contract	Supplement
		PO Zhezkazgantsvetmet		
1	**Contract No. 114 dated 21.05.1997**	**Zhezkazgan and Zhilandin tribe** (*for the development of the Zhezkazgan copper ore field and production of copper-bearing ores in the field of the Zhilandin tribe*) (Eastern Zhezkazgan mine, Annensky Zhezkazgan mine, South Zhezkazgan mine, Western Zhezkazgan mine, Stepnoy mine—underground mining, North Zhezkazgan mine—open pit)	**Zhezkazgan** Licence MG No. 28 dated 07.04.1995—for 20 years **Zhilandin tribe** Licence GKI No. 1383 dated 19.02.1998—for 20 years	No. 1 reg. No. 403 dated 10.02.2000 No. 2 reg. No. 791 dated 31.10.2001 No. 3 reg. No. 1015 dated 23.10.2002 No. 4 reg. No. 1840 dated 16.09.2005 No. 5 reg. No. 3587-TPI dated 18.05.2010 No. 6 reg. No. 4013-TPI dated 05.12.2011

No.	Contract number, date	Fields and subsoil use operations type	Term of the contract	Supplement
		PO Zhezkazgantsvetmet		
2	**Contract No. 663 dated 25.04.2001**	**Zhaman-Aibat** (*for the exploration and production of copper and foreign-metal impurities*) (underground)	Licence series AI No. 1542 dated 04.03.1999, until 04.03.2024	No. 1 reg. No. 934 dated 16.05.2002, No. 2 reg. No. 1837 dated 16.09.2005 No. 3 reg. No. 3581-TPI dated 18.05.2010 No. 4 reg. No. 4006-TPI dated 05.12.2011
3	**Contract No. 2493 dated 26.11.2007**	**Sarysuiskiy block** in the Karaganda Region (*for the exploration of gold, copper and polymetals*)	From 26.11.2007 to 2013 (exploration—6 years)	No. 1 reg. No. 3755-TPI dated 1.11.2010 No. 2 reg. No. 3929-TPI dated 14.09.2011 No. 3 reg. No. 4004-TPI dated 05.12.2011
		PO Balkhashtsvetmet		
4	**Contract No. 243 dated 18.09.1998**	**Konyrad, Sayak-1** and **Tastau** (*for the production of copper ores*), **Konyrad** (open pit), **Sayak-1** and **Tastau** (underground)	Licences GKI No. 56D and GKI No. 1180D dated 19.02.1998 in relation to Konyrad and Tastau—for 20 years, GKI No. 57D dated 19.02.1998 in relation to Sayak-1—for 10 years + with the resolution of the Competent Body in relation to extension of the contract term for 10 years until 19.02.2018. Minutes No. 20 dated 07.12.07	No. 1 reg. No. 789 dated 31.10.2001 No. 2 reg. No. 847 dated 27.12.2001 No. 3 reg. No. 1835 dated 16.09.2005 No. 4 reg. No. 2874 dated 27.11.2008 No. 5 reg. No. 2934 dated 26.12.2008 No. 6 reg. No. 3649-TPI dated 28.06.2010 No. 7 reg. No. 4016-TPI dated 05.12.2011 No. 8 reg. No. 3791-TPI dated 30.12.2011 No. 9 reg. No. 4124-TPI dated 29.07.2012
5	**Contract No. 583 dated 04.12.2000**	**Shatyrkul** in the Shu District of the Jambyl Region (*for the production of copper and molybdenum ores*) (underground)	Until 2025, for 25 years	No. 1 reg. No. 802 dated 09.11.2001 No. 2 reg. No. 1438 dated 01.07.2004 No. 3 reg. No. 1848 dated 16.09.2005 No. 4 reg. No. 3583-TPI dated 18.05.2010 No. 5 reg. No. 3994-TPI dated 05.12.2011
6	**Contract No. 1668 dated 18.02.2005**	**Sayak-IV** in the Karaganda Region (*for the production of gold and cobalt ores*) (underground)	For 15 years (preliminary period—5 years, production—10 years)	No. 1 reg. No. 1843 dated 16.09.2005 No. 2 reg. No. 3999 dated 05.12.2011 No. 3 reg. No. 4041 dated 11.01.2012 No. 4 reg. No. 4125-TPI dated 29.07.2012
7	**Contract No. 2619 dated 24.04.2008**	**Zhaisan** in the Jambyl Region (*for the production of copper*) (underground)	For 25 years	No. 1 reg. No. 3035 dated 26.02.09
8	**Contract No. 2006 dated 03.04.2006**	**Aidarly** in the Eastern Kazakhstan Region (*for the exploration and production of copper*) (open pit)	Exploration—6 years, production—19 years from completion of the exploration stage. Until 2018.	No. 1 reg. No. 2338 dated 30.03.2007 No. 2 reg. No. 3582-TPI dated 18.05.2010 No. 3 reg. No. 4002-TPI dated 05.12.2011

No.	Contract number, date	Fields and subsoil use operations type	Term of the contract	Supplement
		PO Karagandatsvetmet		
9	**Contract No. 109 dated 03.03.1997**	**Nurkazgan** (Samarskoe) field in the Karaganda Region (*for the exploration and development of and geological study in relation to gold, copper and polymetals, including further development of the identified commercial objects*)	Licence MG No. 701 dated 28.08.1995 Exploration until 28.08.2006, production until 28.08.2024	No. 1 reg. No. 984 dated 18.09.2002 No. 2 reg. No. 1651 dated 11.02.2005 No. 3 reg. No. 1838 dated 16.09.2005 No. 4 reg. No. 2572 dated 05.02.2008 No. 5 reg. No. 3792-TPI dated 30.12.2010 No. 6 reg. No. 4011-TPI dated 05.12.2011 No. 7 reg. No. 4039-TPI dated 11.01.2012 No. 8 reg. No. 4176-TPI dated 29.12.2012
10	**Contract No. 1681 dated 03.03.2005**	**Abyz** in the Karaganda Region (*for the production of gold and sulphide and polymetallic ores*) (open pit)	Until 2022, for 17 years	No. 1 reg. No. 1836 dated 16.09.2005 No. 2 reg. No. 3580-TPI dated 18.05.2010 No. 3 reg. No. 3995-TPI dated 05.12.2011 No. 4 reg. No. 4127-TPI dated 29.07.2012
11	**Contract No. 2139 dated 01.09.2006**	**Kosmurun** in the Eastern Kazakhstan Region (*for the production of polymetallic ores*) (open pit)	Until 2026, for 20 years	No. 1 reg. No. 3542 dated 23.02.2010 No. 2 reg. No. 4000-TPI dated 05.12.2011 No. 3 reg. No. 4057-TPI dated 06.02.2012
12	**Contract No. 2321 dated 11.03.2007**	**Akbastau** in the Eastern Kazakhstan Region (*for the production of polymetallic ores*) (open pit)	Until 2017, for 10 years	No. 1 reg. No. 3586 dated 18.05.2010 No. 2 reg. No. 4009-TPI dated 05.12.2011 No. 3 reg. No. 4056-TPI dated 20.03.2012
13	**Contract No. 3032 dated 25.02.2009**	**Karagaily** in Karaganda Region (*for the exploration and production of baryte and polymetals*)	28 years from the date of the contract (where 3 years have been granted for exploration and 25 years for development)	No. 1 reg. No. 3870 dated 01.04.2011 No. 2 reg. No. 4001-TPI dated 05.12.2011
14	**Agreement No. 34 dated 27.12.1995**	**Mizek**—in the Eastern Kazakhstan Region (*exploration and extraction of gold*) (open pit)	Licence MG No. 102 dated 10.01.1995 for 10 years, until 10.01.2005, extended until 2014 (Supplement No. 3)	No. 1 reg. No. 725 dated 27.07.2001, No. 2 reg. No. 1151 dated 30.04.2003, No. 3 reg. No. 1322 dated 29.01.2004, No. 4 reg. No. 2298 dated 09.02.2007, No. 5 reg. No. 3511 dated 29.12.2009, No. 6 reg. No. 3596-TPI dated 25.05.2010, No. 7 reg. No. 4189-TPI dated 25.02.2013

No.	Contract number, date	Fields and subsoil use operations type	Term of the contract	Supplement
		UD Borly		
15	**Contract No. 368 dated 17.09.1999**	**Borlinskoe** in the Karaganda Region (*for the production of coal*) (open pit)	Licence MG No. 1343 dated 04.12.1997 until 04.12.2022	No. 1 reg. No. 794 dated 03.11.2001 No. 2 reg. No. 1844 dated 16.09.2005 No. 3 reg. No. 2028 dated 17.04.2006 No. 4 reg. No. 3922-TPI dated 22.07.2011 No. 5 reg. No. 4018-TPI dated 05.12.2011
16	**Contract No. 367 dated 17.09.1999**	**Kuu-Chekinskoe** in the Karaganda Region (*for the production of coal*) (open pit)	Licence MG No. 1342 dated 04.12.1997 until 04.12.2017	No. 1 reg. No. 795 dated 03.11.2001 No. 2 reg. No. 1845 dated 16.09.2005 No. 3 reg. No. 2027 dated 17.04.2006 No. 4 reg. No. 3541 dated 23.02.2010 No. 5 reg. No. 3923-TPI dated 22.08.2011 No. 6 reg. No. 4015-TPI dated 05.12.2011
		PO Vostoktsvetmet		
17	**Contract No. 62 dated 07.10.1996**	**Orlovsky** in the Eastern Kazakhstan Region (*for the production of copper and polymetallic ores*) (underground)	Licence MG No. 45 dated 07.06.1995 for 20 years, until 2015	No. 1 reg. No. 580 dated 31.11.2000 No. 2 reg. No. 796 dated 03.11.2001 No. 3 reg. No. 1113 dated 21.02.2003 No. 4 reg. No. 1839 dated 16.09.2005 No. 5 reg. No. 3585-TPI dated 18.05.2010 No. 6 reg. No. 4121-TPI dated 07.07.2012
18	**Contract No. 664 dated 25.04.2001**	**Yubileyno-Snegirikhinsky** in the Glubokoe District of the Eastern Kazakhstan Region (*for the production of polymetallic ores*) (underground)	Licence GKI No. 1525 dated 21.10.1998 until 21.10.2018	No. 1 reg. No. 1067 dated 19.12.2002 No. 2 reg. No. 1846 dated 16.09.2005 No. 3 reg. No. 3997-TPI dated 05.12.2011 No. 4 reg. No. 4040-TPI dated 11.01.2012 No. 5 reg. No. 4097-TPI dated 20.03.2012
19	**Contract No. 113 dated 28.05.1997**	**Nikolayevsky** (*for the production of copper and zinc ores*), **Artemyevsky** (*for additional exploration and production of polymetallic ores*) (underground)	Licence MG No. 197 for 20 years (Nikolayevsky) until 2015, MG No. 198 for 6 years (Shemonaikhinsky) dated 10.05.1995 until 2001, MG No. 567 dated 29.01.1996 (Artemyevsky) for 23 years until 2019	No. 1 reg. No. 405 dated 16.02.2000 No. 2 reg. No. 713 dated 11.07.2001 No. 3 reg. No. 1849 dated 16.09.2005 No. 4 reg. No. 3671-TPI dated 26.07.2010 No. 5 reg. No. 3996-TPI dated 05.12.2011

No.	Contract number, date	Fields and subsoil use operations type	Term of the contract	Supplement
		PO Vostoktsvetmet		
20	**Contract No. 2029 dated 17.06.2006**	**Severo-Nikolayevsky** ore occurrence and **Ubinskiy** block in the Eastern Kazakhstan Region (*for the exploration of polymetals*)	Until 17.10.2011	No. 1 reg. No. 3756-TPI dated 1.11.2010 No. 2 reg. No. 3925 dated 22.08.2011 No. 3 reg. No. 4003 dated 05.12.2011 No. 4 reg. No. 4048 dated 11.01.2012
21	**Contract No. 245 dated 30.09.1998**	**Belousovsky** in the Eastern Kazakhstan Region (*for the production of polymetallic ores*) (underground)	Licence MG No. 354D dated 04.12.1997 until 04.12.2022	No. 1 reg. No. 422 dated 15.03.2000 No. 2 reg. No. 790 dated 21.10.2001 No. 3 reg. No. 1842 dated 16.09.2005 No. 4 reg. No. 2312 dated 28.02.2007 No. 5 reg. No. 3613-TPI dated 31.05.2010 No. 6 reg. No. 4014-TPI dated 05.12.2011 No. 7 reg. No. 4115-TPI dated 08.05.2012
22	**Contract No. 531 dated 9.09.2000**	**Irtyshsky** in the Glubokoe District of the Eastern Kazakhstan Region (*for the production of polymetallic ores*) (underground)	Licence GKI No. 355D dated 08.12.1997 until 08.12.2022	No. 1 reg. No. 813 dated 30.11.2001 No. 2 reg. No. 1841 dated 16.09.2005 No. 3 reg. No. 2311 dated 28.02.2007 No. 4 reg. No. 3584-TPI dated 18.05.2010 No. 5 reg. No. 4010-TPI dated 05.12.2011
		Kazakhmys Bozshakol LLC		
23	**Contract No. 2494 dated 26.11.2007**	**Bozshakol** in the Pavlodar Region (*for the production of copper*) (open pit)	Production until 2032 for 25 years	No. 1 reg. No. 3543 dated 23.02.2010 No. 2 reg. No. 3992-TPI dated 05.12.2011 No. 3 reg. No. 4220-TPI dated 15.05.2013
24	**Contract No. 2623 dated 25.04.2008**	Boschekul (eastern block) in the Pavlodar Region (for the exploration of copper)	Exploration until 25.04.2014	No. 1 reg. No. 3588-TPI dated 18.05.2010 No. 2 reg. No. 3993-TPI dated 05.12.2011 No. 3 reg. No. 4226-TPI dated 20.05.2013 No. 4 reg. No. 4227-TPI dated 20.05.2013
		Kazakhmys Aktogay LLC		
25	**Contract No. 637 dated 19.02.2001**	**Aktogay** in the Eastern Kazakhstan Region (*for the production of copper and porphyry ores*) (open pit)	Licence GKI No. 1359 dated 19.01.1998 until 19.01.2023	No. 1 reg. No. 658 dated 20.04.2001 No. 2 reg. No. 1642 dated 28.01.2005 No. 3 reg. No. 1847 dated 16.09.2005 No. 4 reg. No. 3650-TPI dated 28.06.2010 No. 5 reg. No. 4012-TPI dated 05.12.2011 No. 6 reg. No. 4083-TPI dated 01.03.2012

Contracts in force in relation to common minerals

No.	Contract number, date	Fields, subsoil use operation	Term of the contract	Supplement
		PO Zhezkazgantsvetmet		
1	**Contract No. 39 dated 21.05.1999**	**Talap** (*for the production of fire clay*) Fire clay is used for copper-smelting furnace of Zhezkazgan copper-smelting plant	Licence KO-03 No. 014 dated 8.06.1998, for 25 years until 8.06.2023	No. 1 reg. No. 1 dated 13.12.2005 No. 2 reg. No. 2 dated 25.07.2006
2	**Contract No. 6\067 dated 07.05.1998**	**Skalny** in the east edge of Zhezkazgan city (*for the production of building stone*) Mining Enterprise of Non-Metallic Materials	Licence Ts-01 No. 167(D) dated 27.04.97 (re-issued on 01.04.98) for 20 years until 27.04.2017	No. 1 reg. No. 1 dated 13.12.2005 No. 2 reg. No. 2 dated 25.07.2006
3	**Contract No. 6\041 dated 08.08.1997**	**Aktas-III** (*for the production of fluxing limestone*)	Licence MG No. 566 dated 12.10.95 for 20 years until 12.10.2015	No. 1 reg. No. 1 dated 13.12.2005 No. 2 reg. No. 2 dated 25.07.2006
4	**Contract No. 041 dated 07.01.2003**	**Shaytantas** (*for the production of building stone*) Mining Enterprise of Non-Metallic Materials	For 20 years until 2023	No. 1 reg. No. 1 dated 13.12.2005 No. 2 reg. No. 2 dated 25.07.2006
5	**Contract No. 6\042 dated 08.08.1997**	**Kyzyl-Zharsk**y (western block) (*for the production of sand and gravel mix*)	Licence Zh-TsK No. 6-26 dated 15.07.1995 until 15.07.2015	No. 1 reg. No. 1 dated 13.12.2005 No. 2 reg. No. 2 dated 25.07.2006 No. 3 reg. No. 19 dated 20.09.2012
		PO Karagandatsvetmet		
6	**Contract No. 43 dated 08.07.1999**	**Sayak-1** (*for the production of facing materials (marble)*)	Licence KO-03 No. 012 dated 05.05.1998 until 05.05.2023	No. 1 reg. No. 1 dated 13.12.2005 Additional agreement reg. No. 1 dated 09.09.2008
7	**Contract No. 15 dated 12.11.98**	**Sarykum** (*for the production of fluxing limestone*)	Licence KO-03 No. 005 dated 17.11.1997 until 17.11.2017	No. 1 reg. No. 290 dated 08.02.1999 No. 2 reg. No. 2 dated 13.12.2005 No. 3 reg. No. 3 dated 25.07.2006
8	**Contract No. 082 dated 28.02.2006**	**Bala-Deresin** in the Karaganda Region (*production of sand and gravel mix*)	For 20 years until 2031	
		UD Borly		
9	**Contract No. 16 dated 12.11.1998**	**Kuu-Chekinsky**-2 (*for the production of building stone*)	Licence Ts-03-209D No. 16 dated 07.05.1997 until 07.05.2017	No. 1 reg. No. 1 dated 26.08.1999 No. 2 reg. No. 2 dated 13.12.2005 No. 3 reg. No. 3 dated 25.07.2006
10	**Contract No. 056 dated 22.12.2003**	**Zhalair** (*for the production of building stone*) **(GRES)**	For 20 years	No. 1 reg. No. 1 dated 13.12.2005 No. 2 reg. No. 2 dated 25.07.2006
		PO Vostoktsvetmet		
11	**Contract No. 52 dated 01.09.1999**	**Belokamenny** in the Eastern Kazakhstan Region (*for the production of limestone*)	Licence VK No. 34 dated 11.08.1998, for 10 years until 11.08.2008	No. 1 reg. No. 521 dated 09.03.2010 No. 2 reg. No. 486 dated 05.11.2010 No. 3 reg. No. 589 dated 27.03.2012

No.	Contract number, date	Fields, subsoil use operation	Term of the contract	Supplement
		PO Vostoktsvetmet		
12	**Contract No. 89 dated 22.12.2003**	**Remki** in the Borodulikhin district (*for the production of clay loam*)	Licence VK No. 35 dated 28.12.1998, for 10 years until 2013	No. 1 reg. No. 168 dated 05.09.2005

Contracts in force for subsoil use in relation to subsurface water

No.	Contract number, date	Fields, subsoil use operation	Term of the contract	Supplement
1	**Contract No. 344 dated 09.07.1999**	**Eskulinsky** (*for subsurface water intake*) Satpayevsky enterprise of heat and water supply system	Licence GKI No. 10226 dated 15.06.1998, until 15.06.2028	No. 1 reg. No. 1462 dated 22.07.2004 No. 2 reg. No. 1878 dated 17.10.2005 No. 3 reg. No. 2912 dated 22.12.2008 No. 4 reg. No. 4008-PV dated 05.12.2011 No. 5 reg. No. 4044-PV dated 11.02.2012
2	**Contract No. 370 dated 22.09.1999**	**Headwater** in the Bukhar-Zhyrau district (for fresh subsurface water production)	Licence MG No. 10039 dated 10.02.1997, 10.02.2010 until 2020	No. 1 reg. No. 1272 dated 27.11.2003 No. 2 reg. No. 1880 dated 17.10.2005 No. 3 reg. No. 3848-PV dated 09.03.2011 No. 4 reg. No. 3998-PV dated 05.12.2011 No. 5 reg. No. 4042-PV dated 11.02.2012
3	**Contract No. 369 dated 22.09.1999**	**Borly** in the Osakarov district (*for fresh subsurface water production*)	Licence MG No. 10027 dated 10.02.1997, 10.02.2010 until 2020	No. 1 reg. No. 1273 dated 27.11.2003 No. 2 reg. No. 1879 dated 17.10.2005 No. 3 reg. No. 3897-PV dated 17.05.2011 No. 4 reg. No. 4007-PV dated 05.12.2011 No. 5 reg. No. 4043-PV dated 11.01.2012
		Kazakhmys Aktogay LLC		
4	**Contract No. 213 dated 24.04.2006**	**Airdrome and stone quarry** in the Eastern Kazakhstan Region (*for the exploration and production of sand and gravel mix and rocky soil*)	For 25 years, until 2031	No. 1 reg. No. 321 dated 03.12.2007 No. 2 reg. No. 477 dated 14.09.2009 No. 3 reg. No. 485 dated 05.11.2010
5	**Contract No. 2864 dated 20.11.2008**	**Zhuzagash** in the Eastern Kazakhstan Region (*for subsurface water production*)	For 25 years, until 2033, transferred to Kazakhmys Aktogay LLC	No. 1 reg. No. 3840-PV dated 02.03.2011 No. 2 reg. No. 3850-PV dated 09.03.2011
6	**Contract No. 2865 dated 20.11.2008**	**Zhanar** in the Eastern Kazakhstan Region (*for subsurface water production*)	For 25 years, until 2033, transferred to Kazakhmys Aktogay LLC	No. 1 reg. No. 3841-PV dated 02.03.2011 No. 2 reg. No. 3849-PV dated 09.03.2011

PART IX

CONDITIONS AND FURTHER TERMS OF THE ENRC TAKEOVER OFFER

This Part IX has been extracted without material change from the Eurasian Resources Offer Document.

The following defined terms apply throughout this Part IX unless the context otherwise requires:

"2006 Act"	the Companies Act
"Annual Report and Accounts of ENRC"	the annual report and audited accounts of ENRC for the year ended 31 December 2012
"Antitrust Conditions"	the antitrust Conditions as set out in Part A of this Part IX
"associated undertaking"	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations)
"Authorisation(s)"	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
"Bidco Group"	Eurasian Resources, Holdco and Holdco's subsidiary undertakings (excluding the Wider ENRC Group) and, where the context permits, each of them
"Business Day"	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
"Consortium Group"	each member of the Consortium and their respective associated undertakings and any other body corporate, partnership, joint venture or person in which any Consortium member and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent, and where the context requires, each of them (but excluding the Wider ENRC Group, the Bidco Group, Kazakhmys PLC and Kazakhmys PLC's associated undertakings)
"CREST member"	a person who is, in relation to CREST, a system member (as defined in the Regulations)
"CREST participant"	a person who is, in relation to CREST, a system participant (as defined in the Regulations)
"CREST payment"	has the meaning given in the CREST manual issued by Euroclear
"CREST sponsor"	a person who is, in relation to CREST, a sponsoring system participant (as defined in the Regulations)
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member under the sponsorship of a CREST sponsor

"Currency Election Facility"	the facility provided by the Receiving Agent under which ENRC Shareholders may elect to receive the U.S. dollar cash portion of the Offer consideration in pounds sterling
"Electronic Acceptance"	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
"ENRC Group"	ENRC and its subsidiary undertakings and where the context permits, each of them
"ENRC Share Plans"	ENRC Deferred Share Plan and ENRC Long Term Incentive Plan
"ESA instruction"	an Escrow Account Adjustment Input (AESN), transaction type "ESA" (as described in the CREST manual issued by Euroclear)
"Escrow Agent"	Computershare Investor Services PLC, in its capacity as escrow agent (as described in the CREST manual issued by Euroclear)
"Eurasian Resources' financial advisers"	Société Générale, Sberbank CIB and VTB Capital
"Euroclear"	Euroclear UK & Ireland Limited
"FCA Handbook"	the handbook of rules made by the FCA
"Holdco"	Eurasian Resources Group, formerly known as Eleanor Investments S.à r.l, a limited liability company (*société à responsibilité limiteé*) incorporated and registered with the Luxembourg Trade and Companies' Register under number B177275, formed at the direction of the Consortium for purposes of the Offer
"member account ID"	the identification code or number attached to any member account in CREST
"Offer Period"	the period commencing on (and including) 19 April 2013 and ending on whichever of the following dates shall be the latest: (i) 1.00 p.m. on the First Closing Date; (ii) the date on which the Offer lapses or is withdrawn in accordance with its terms; and (iii) the date on which the Offer becomes or is declared unconditional as to acceptances (or, if the Offer is implemented by way of a Scheme, the date on which the Scheme becomes effective in accordance with its terms)
"participant ID"	the identification code or membership number used in CREST to identify a CREST member or other CREST participant
"PRA Handbook"	the handbook of rules made by the Prudential Regulation Authority
"Prudential Regulation Authority"	the Prudential Regulation Authority or its successor from time to time

"Receiving Agent"	Computershare Investor Services PLC, as the receiving agent for the Offer
"Regulatory Information Service"	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
"relevant securities"	as the context requires, (i) ENRC Shares and any other securities of ENRC conferring voting rights; (ii) equity share capital of ENRC and Kazakhmys; (iii) securities of Kazakhmys which carry substantially the same rights as the Kazakhmys Consideration Shares; (iv) securities of ENRC and Kazakhmys carrying conversion or subscription rights into any of the foregoing
"Sberbank CIB"	Closed Joint-Stock Company "Sberbank CIB", a closed joint-stock company incorporated in the Russian Federation and its affiliates
"TFE instruction"	a Transfer from Escrow instruction (as described in the CREST manual issued by Euroclear)
"TTE instruction"	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) in relation to ENRC Shares in uncertificated form meeting the requirements set out in paragraph 23.2 of the letter from Eurasian Resources contained in the Eurasian Resources Offer Document
"U.S. Person"	a U.S. person as defined in Regulation S under the U.S. Securities Act
"VTB Capital"	VTB Capital plc
"Wider ENRC Group"	ENRC and associated undertakings and any other body corporate, partnership, joint venture or person in which ENRC and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent

All times referred to in this Part IX are London time unless otherwise stated.

All reference to "this Appendix" in this Part IX shall mean this Part IX.

All reference to "this document" in this Part IX shall mean the "Eurasian Resources Offer Document".

All reference to "the letter from Eurasian Resources" in this Part IX shall mean the letter from Eurasian Resources contained in the Eurasian Resources Offer Document.

All reference to "the Offer " in this Part IX shall mean the "ENRC Takeover Offer".

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

Part A: Conditions of the Offer

The Offer complies with the applicable rules and regulations of the FCA, the London Stock Exchange and the Takeover Code, is governed by English law and is subject to the exclusive jurisdiction of the English courts. In addition, the Offer is subject to the following Conditions:

Acceptance Condition

(a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the First Closing Date of the Offer (or such later time(s) and/or date(s) as Eurasian Resources may, in accordance with the Takeover Code or with the consent of the Panel, decide) in respect of ENRC Shares which, together with any ENRC Shares which Eurasian Resources has acquired, or may otherwise acquire, constitute not less than 75 per cent. of the voting rights in ENRC.

For the purposes of this Condition (i) the 75 per cent. of voting rights is to be calculated by reference to the percentage held and in issue outside treasury and (ii) ENRC Shares which have been unconditionally allotted shall be deemed to carry the voting rights they will carry upon being entered into the register of members of ENRC.

Antitrust

(b) (i) all necessary notifications and filings having been made under the COMESA Competition Regulations in respect of the Offer; and/or

(ii) to the extent that the Offer is notifiable to the competition authorities in any of the COMESA Member States, to the extent required, a decision (or deemed decision) by each such competent competition authority approving the Offer, or the expiry or termination of any relevant waiting period having occurred;

(c) the Kazakhstan Agency for Competition Protection having granted clearance of the Offer or confirmed no such clearance is required in accordance with the applicable competition legislation;

(d) (i) the Federal Antimonopoly Service of Russia having granted clearance of the Offer in accordance with Federal Law No. 135-FZ (the Russian Law on Protection of Competition); and

(ii) the Federal Antimonopoly Service of Russia having issued clearance of the Offer in accordance with the Russian regime for foreign investments, or having issued a decision that no clearance is required under this regime;

(e) the Competition Commission or the Competition Tribunal of South Africa having granted clearance of the Offer (or being deemed to have done so) in accordance with the applicable competition legislation;

(f) the Antimonopoly Committee of Ukraine having granted clearance of the Offer in accordance with the Law of Ukraine "On Protection of Economic Competition" No 2210-III dated 11 January 2001; and

(g) all necessary notifications and filings having been made and all applicable waiting periods (including any extensions thereof) under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the regulations made thereunder having expired or been terminated in respect of the Offer,

(together, the "**Antitrust Conditions**"),

provided that the Antitrust Conditions will be satisfied only if the relevant clearances are obtained on terms satisfactory to Eurasian Resources;

Other Third Party clearances

(h) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:

(i) make the Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider ENRC Group by any member of the Bidco Group or the Consortium Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, the Offer or the acquisition of any shares or other securities in, or control or management of, any member of the Wider ENRC Group by any member of the Bidco Group or the Consortium Group or require amendment of the Offer;

(ii) require, prevent or materially delay the divestiture or alter the terms envisaged for such divestiture by any member of the Bidco Group or the Consortium Group or by any member of the Wider ENRC Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the ENRC Group taken as a whole or the Bidco Group taken as a whole or the Consortium Group taken as a whole or in the context of the Offer (as the case may be);

(iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Bidco Group or the Consortium Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in ENRC (or any member of the Wider ENRC Group) or on the ability of any member of the Wider ENRC Group or any member of the Bidco Group or any member of the Consortium Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider ENRC Group to an extent which is material in the context of the ENRC Group taken as a whole or the Bidco Group taken as a whole or the Consortium Group taken as a whole or in the context of the Offer (as the case may be);

(iv) other than pursuant to the implementation of the Offer, require any member of the Bidco Group or the Consortium Group or the Wider ENRC Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider ENRC Group or any asset owned by any third party in each case which is material in the context of the Wider ENRC Group or the Bidco Group or the Consortium Group, in each case taken as a whole;

(v) require, prevent or materially delay a divestiture by any member of the Bidco Group or the Consortium Group of any shares or other securities (or the equivalent) in any member of the Wider ENRC Group;

(vi) result in any member of the Wider ENRC Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the ENRC Group taken as a whole or in the context of the Offer;

(vii) impose any limitation on the ability of any member of the Bidco Group or any member of the Consortium Group or any member of the Wider ENRC Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Bidco Group and/or the Consortium Group and/or the Wider ENRC Group in a manner which is materially adverse to the Bidco Group or the Consortium Group or the Wider ENRC Group, in each case, taken as a whole or in the context of the Offer; or

(viii) otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider ENRC Group or any member of the Bidco Group or any member of the Consortium Group in each case in a manner which is adverse to and material in the context of the Wider ENRC Group taken as a whole or the Bidco Group taken as a whole or the Consortium Group taken as a whole or of the obligations of any member of the Bidco Group in connection with the Offer;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any ENRC Shares or otherwise intervene having expired, lapsed, or been terminated;

(i) no undertakings or assurances being sought from any member of the Bidco Group, any member of the Consortium Group or any member of the Wider ENRC Group by the Secretary of State or any other third party, except on terms satisfactory to Eurasian Resources;

(j) all notifications, filings or applications which are deemed by Eurasian Resources to be necessary or appropriate having been made in connection with the Offer and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Eurasian Resources to be necessary or appropriate in any jurisdiction for or in respect of the Offer or the acquisition or the proposed acquisition of any shares or other securities in, or control of, ENRC by any member of the Bidco Group or the Consortium Group having been obtained in terms and in a form reasonably satisfactory to Eurasian Resources from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider ENRC Group or the Bidco Group or the Consortium Group has entered into contractual arrangements and all such Authorisations which are deemed by Eurasian Resources to be necessary or appropriate to carry on the business of any member of the Wider ENRC Group in any jurisdiction having been obtained in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider ENRC Group, any member of the Bidco Group, any member of the Consortium Group or the ability of Eurasian Resources to implement the Offer and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

(k) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinment, or other order threatened or issued and being in effect by a court or other Third Party which has the effect of making the Offer or any acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider ENRC Group by any member of the Bidco Group or the Consortium Group, or the implementation of either of them, void, voidable, illegal and/or enforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the Offer or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider ENRC Group by any member of the Bidco Group or the Consortium Group;

Confirmation of absence of adverse circumstances

(l) Except as fairly disclosed in the Annual Report and Accounts of ENRC or as publicly announced to a Regulatory Information Service by or on behalf of ENRC before 24 June 2013, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider ENRC Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Offer or the acquisition or the proposed acquisition by any member of the Bidco Group or the Consortium Group of any shares or other securities in ENRC or because of a change in the control or management of any member of the Wider ENRC Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the ENRC Group taken as a whole or to the obligations of any member of the Bidco Group or any member of the Consortium Group in connection with the Offer:

(i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider ENRC Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(ii) the rights, liabilities, obligations, interests or business of any member of the Wider ENRC Group or any member of the Bidco Group or any member of the Consortium Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider ENRC Group or any member of the Bidco Group or any member of the Consortium Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;

(iii) any member of the Wider ENRC Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the ENRC Group taken as a whole or in the context of the Offer;

(iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider ENRC Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider ENRC Group otherwise than in the ordinary course of business;

(v) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider ENRC Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;

(vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider ENRC Group being prejudiced or adversely affected;

(vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider ENRC Group other than liabilities incurred in the ordinary course of business; or

(viii) any liability of any member of the Wider ENRC Group to make any severance, termination, bonus or other payment to any of its directors or other officers;

No material transactions, claims or changes in the conduct of the business of the ENRC Group

(m) except as fairly disclosed in the Annual Report and Accounts of ENRC or as publicly announced to a Regulatory Information Service by or on behalf of ENRC before 24 June 2013, no member of the Wider ENRC Group having since 31 December 2012:

(i) save as between ENRC and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue of ENRC Shares on the exercise of options or vesting of awards granted before 24 June 2013 in the ordinary course, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities;

(ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than to ENRC or one of its wholly-owned subsidiaries;

(iii) save as between ENRC and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;

(iv) save as between ENRC and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;

(v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between ENRC and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the ENRC Group or in the context of the Offer;

(vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case, material in the context of the ENRC Group or in the context of the Offer, or which is or is reasonably likely to be restrictive on the business of any member of the Wider ENRC Group to an extent which is or is likely to be material to the ENRC Group taken as a whole or in the context of the Offer, or which is or is reasonably likely to be restrictive on the business of any member of the Bidco Group or the Consortium Group;

(vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider ENRC Group which are material in the context of the Wider ENRC Group taken as a whole and outside the normal course of business;

(viii) entered into, varied or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider ENRC Group save for salary increases, bonuses or variations of terms in the ordinary course;

(ix) proposed, agreed to provide or modified in any material respect the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider ENRC Group which, taken as a whole, are material in the context of the ENRC Group taken as a whole;

(x) procured the trustees of the relevant pension scheme, or any such trustees having taken any action since 31 December 2012, to (I) propose, make or agree to any significant change to: (a) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider ENRC Group or their dependants (a "**Relevant Pension Plan**"); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the manner in which the assets of any Relevant Pension Plan are invested; (e) the basis or rate of employer contribution to a Relevant Pension Plan; or (II) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (III) carry out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or might create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would or might give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 to 56 inclusive of the Pensions Act 2004 in relation to the scheme;

(xi) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;

(xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Offer) otherwise than in the ordinary course of business which is material in the context of the ENRC Group taken as a whole or in the context of the Offer;

(xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of ENRC) is material in the context of the ENRC Group;

(xiv) waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the ENRC Group taken as a whole or in the context of the Offer;

(xv) made any material alteration to its articles of association or other constitutional documents;

(xvi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

(xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

(xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;

(xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider ENRC Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the ENRC Group taken as a whole; or

(xx) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of the shareholders of ENRC in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

No material adverse change

(n) since 31 December 2012, and except as fairly disclosed in the Annual Report and Accounts of ENRC or as publicly announced to a Regulatory Information Service by or on behalf of ENRC before 24 June 2013:

(i) there having been no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider ENRC Group to an extent which is material to the ENRC Group taken as a whole or in the context of the Offer or in the obligations of any member of the Bidco Group in connection with the Offer;

(ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider ENRC Group or to which any member of the Wider ENRC Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider ENRC Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider ENRC Group which, in any such case, might reasonably be expected to have a material adverse effect on the ENRC Group taken as a whole or in the context of the Offer;

(iii) no contingent or other liability having arisen, increased or become apparent which might be likely adversely to affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider ENRC Group to an extent which is material to the ENRC Group taken as a whole or in the context of the Offer; and

(iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider ENRC Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and likely to have an adverse effect on the ENRC Group taken as a whole or in the context of the Offer;

(o) since 31 December 2012, and except as fairly disclosed in the Annual Report and Accounts of ENRC or as publicly announced to a Regulatory Information Service by or on behalf of ENRC before 24 June 2013, Eurasian Resources not having discovered:

(i) that any financial, business or other information concerning the Wider ENRC Group publicly announced or disclosed to any member of the Bidco Group at any time by or on behalf of any member of the Wider ENRC Group or to any of their advisers is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the ENRC Group taken as a whole or in the context of the Offer;

(ii) that any member of the Wider ENRC Group is subject to any liability, contingent or otherwise, which is not disclosed in the Annual Report and Accounts of ENRC, and which is material in the context of the ENRC Group or in the context of the Offer; or

(iii) any information which affects the import of any information disclosed to Eurasian Resources at any time by or on behalf of any member of the Wider ENRC Group which is material in the context of the ENRC Group;

Environmental and other issues

(p) Eurasian Resources not having discovered that:

(i) any past or present member of the Wider ENRC Group has not complied with all applicable legislation or regulations, notices or other requirements of any jurisdiction or any Third Party or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or greenhouse gas, or any substance likely to impair the environment (including property) or harm the health of humans, animals or other living organisms or eco-systems or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider ENRC Group;

(ii) there has been a disposal, discharge, spillage, accumulation, leak, emission, release or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or greenhouse gas or any substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to non-compliance with any law or regulation) would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider ENRC Group;

(iii) there is or is likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, re-instate or clean up any property, asset currently or previously owned, occupied or made use of by any past or present member of the Wider ENRC Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, or other elements of the environment (including any controlled waters) under any environmental legislation, common law, regulation, notice, circular, Authorisation, other legally binding requirement or order of any Third Party or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto in any such case to an extent which is material in the context of the ENRC Group;

(iv) circumstances exist (whether as a result of the making of the Offer or otherwise):

(I) which would be likely to lead to any Third Party instituting; or

(II) whereby any member of the Bidco Group or the Consortium Group or any present or past member of the Wider ENRC Group would be likely to be required to institute,

an environmental audit or take any other steps which would in any such case be likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider ENRC Group (or on its behalf) or by any person for which a member of the Wider ENRC Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the ENRC Group; or

(v) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider ENRC Group which claim or claims would be likely to affect any member of the Wider ENRC Group and which is material in the context of the ENRC Group;

Intellectual Property

(q) no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider ENRC Group which would have a material adverse effect on the Wider ENRC Group taken as a whole or is otherwise material in the context of the Offer, including:

(i) any member of the Wider ENRC Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider ENRC Group and material to its business being revoked, cancelled or declared invalid;

(ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider ENRC Group to, or the validity or effectiveness of, any of its intellectual property; or

(iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider ENRC Group being terminated or varied;

Anti-corruption and sanctions

(r) except as fairly disclosed in the Annual Report and Accounts of ENRC or as publicly announced to a Regulatory Information Service by or on behalf of ENRC before 24 June 2013, Eurasian Resources not having discovered that:

(i) any past or present member of the Wider ENRC Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation or has failed to put in place adequate procedures to prevent such activity, practice or conduct;

(ii) any member of the Wider ENRC Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006; or

(iii) any past or present member of the Wider ENRC Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control; and

No criminal property

(s) Eurasian Resources not having discovered that any asset of any member of the Wider ENRC Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Subject to the requirements of the Panel, Eurasian Resources reserves the right in its sole discretion to waive (if capable of waiver) in whole or in part all or any of the above Conditions, save for Condition (a).

Conditions (b) to (l) inclusive must be satisfied as at, or (if capable of waiver) waived on or before, midnight on the 21st calendar day after the later of the First Closing Date of the Offer and the date on which Condition (a) is fulfilled (or, in each case, such later date as the Panel may agree), failing which the Offer will lapse. Eurasian Resources shall be under no obligation to waive (if capable of waiver) or determine to be, or treat as, satisfied, any of Conditions (b) to (l) inclusive by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or satisfied and that there are, at such earlier date, no circumstances indicating that any of such Conditions may not be capable of satisfaction. In any event, all of the Conditions to the Offer must be satisfied as at, or (if capable of waiver) waived on or before, midnight on the 81st day following the date on which this document is published or such other date as may be agreed with the Panel.

If Eurasian Resources is required by the Panel to make an offer for ENRC Shares under the provisions of Rule 9 of the Takeover Code, Eurasian Resources may make such alterations to the terms and Conditions of the Offer as are necessary to comply with the provisions of that Rule.

Further terms of the Offer

Eurasian Resources reserves the right to elect (with the consent of the Panel) to implement the acquisition of ENRC by way of a Scheme. In such event, the acquisition will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Offer implemented by way of a contractual takeover offer.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about, and observe, any applicable requirements.

Part B: Further terms of the Offer

The following further terms apply, unless the context requires otherwise, to the Offer. Unless the context requires otherwise, any reference in this document and in the Form of Acceptance to:

(i) "**acceptances of the Offer**" includes deemed acceptances of the Offer;

(ii) the Offer being, becoming or being declared "**unconditional**" means the Offer being, becoming or being declared unconditional as to acceptances whether or not any other Condition of the Offer remains to be fulfilled;

(iii) the "**acceptance condition**" is to the condition as to acceptances in paragraph (a) of Part A of this Appendix and references to the Offer being unconditional as to acceptances shall be construed accordingly;

(iv) an "**extension of the Offer**" includes a reference to an extension of the date by which the acceptance condition has to be fulfilled;

(v) "**Day 21**" means 28 August 2013 (being the First Closing Date);

(vi) "**Day 39**" means 15 September 2013 (or such other later date as the Panel may agree);

(vii) "**Day 42**" means 18 September 2013;

(viii) "**Day 46**" means 22 September 2013 (or such other later date as the Panel may agree); and

(ix) "**Day 60**" means 6 October 2013 (or such other later date as may be determined by Eurasian Resources with the agreement of the Panel to be the last date for fulfilment of the acceptance condition in accordance with the Takeover Code).

1. Acceptance Period

(a) The Offer is initially open for acceptance until 1.00 p.m. on Day 21. Eurasian Resources reserves the right (but will not be obliged, other than as may be required by the Takeover Code) at any time or from time to time to extend the Offer after such time and, in such event, will make a public announcement of such extension in the manner described in paragraph 3(a) below and give oral or written notice of such extension to the Receiving Agent.

(b) Although no revision is contemplated, if Eurasian Resources revises the Offer, it will remain open for acceptance for a period of at least 14 calendar days (or such other period as may be permitted by the Panel) after the date on which Eurasian Resources publishes the revised offer document. Except with the consent of the Panel, Eurasian Resources may not revise the Offer or publish any revised offer documentation after Day 46 or, if later, the date which is 14 calendar days before the last date on which the Offer can become unconditional.

(c) The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional after midnight on Day 60 (or any other time or date beyond which Eurasian Resources has stated that the Offer will not be extended and has not, where permitted, withdrawn that statement) nor of being kept open for acceptance after that time and/or date unless the Offer has previously become unconditional. If the Offer has not become unconditional at such time (taking account of any prescribed extension of the Offer), the Offer will lapse in the absence of a competing bid and/or unless the Panel agrees otherwise. If the Offer lapses for any reason, the Offer shall cease to be capable of further acceptance and Eurasian Resources and ENRC Shareholders shall cease to be bound by prior acceptances. Eurasian Resources reserves the right, subject to the consent of the Panel, to extend the time for the Offer to become unconditional to any later time(s) and/or date(s).

(d) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired. If the Offer becomes unconditional and it is stated by or on behalf of Eurasian Resources that the Offer will remain open until further notice or if the Offer will remain open for acceptances beyond the 70^{th} calendar day following publication of this document, then not less than 14 calendar days' notice will be given by or on behalf of Eurasian Resources to ENRC Shareholders (and persons with information rights) who have not accepted the Offer prior to closing the Offer.

(e) If a competitive situation arises (as determined by the Panel) after a "no increase" and/or "no extension" statement (as referred to in the Takeover Code) has been made by or on behalf of Eurasian Resources in relation to the Offer, Eurasian Resources may, if it specifically reserves the right to do so at the time the statement is made (or otherwise with the consent of the Panel), choose not to be bound by or withdraw the statement and extend or revise the Offer provided it complies with the requirements of the Takeover Code and, in particular, that:

(i) it announces the withdrawal and states that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of the firm announcement of the competing offer or other competitive situation; and

(ii) it notifies ENRC Shareholders (and persons with information rights) at the earliest practicable opportunity in writing to that effect or, in the case of ENRC Shareholders (and persons with information rights) with registered addresses in Restricted Jurisdictions or whom Eurasian Resources reasonably believes to be nominees, custodians or trustees holding ENRC Shares for such persons, by announcement in the United Kingdom; and

(iii) any ENRC Shareholders who accept the Offer after the "no increase" and/or "no extension" statement are given a right of withdrawal as described in paragraph 4(d) of Part B of this Appendix.

(f) If ENRC publishes material new information of the kind referred to in Rule 31.9 of the Takeover Code after Day 39, Eurasian Resources may choose not to be bound by a "no increase" and/or "no extension" statement if it specifically reserved the right to do so at the time such statement was made (or otherwise with the consent of the Panel) and be free to extend or revise the Offer if permitted to do so by the Panel, provided that:

(i) it announces the withdrawal and states that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of publication by ENRC; and

(ii) it notifies ENRC Shareholders (and persons with information rights) at the earliest practicable opportunity in writing to that effect or, in the case of ENRC Shareholders (and persons with information rights) with registered addresses in Restricted Jurisdictions or whom Eurasian Resources reasonably believes to be nominees, custodians or trustees holding ENRC Shares for such persons, by announcement in the United Kingdom.

(g) Eurasian Resources may, if it specifically reserves the right to do so at the time the statement is made (or otherwise with the consent of the Panel), choose not to be bound by the terms of a "no increase" and/or "no extension" statement and may publish an increased or improved offer if it is recommended for acceptance by the board of directors of ENRC, or in any other circumstances permitted by the Panel.

(h) If a competitive situation arises as determined by the Panel and is continuing on the Business Day preceding Day 60, Eurasian Resources will enable holders of ENRC Shares in uncertificated form, who have not already validly accepted the Offer but who have previously accepted a competing offer, to accept the Offer by special form of acceptance to take effect on Day 60. The special form of acceptance shall constitute a valid acceptance of the Offer provided that (i) it is received by the Receiving Agent on or before Day 60; (ii) the relevant ENRC Shareholder shall have applied to withdraw his acceptance of the competing offer but that the ENRC Shares to which such withdrawal relates shall not have been released from escrow by the escrow agent to the competing offer before Day 60; and (iii) the ENRC Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in the letter from Eurasian Resources contained in this document on or before Day 60, but an undertaking is given that they will be so transferred as soon as possible thereafter. ENRC Shareholders wishing to use such special forms of acceptance should apply to the Receiving Agent on +44 (0) 870 707 4102 between 9:00 a.m. and 5:00 p.m. on the Business Day preceding Day 60 in order that such forms can be despatched. Notwithstanding the right to use such a special form for acceptance, holders of ENRC Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

2. **Acceptance condition**

(a) Except with the consent of the Panel, for the purpose of determining at any particular time whether the acceptance condition is satisfied, Eurasian Resources may only take into account acceptances received or purchases of ENRC Shares made in respect of which all relevant documents and/or TTE instructions are received by the Receiving Agent:

(i) by 1.00 p.m. on Day 60 (or any other date beyond which Eurasian Resources has stated that it will not extend the Offer and Eurasian Resources has not withdrawn that statement); or

(ii) if the Offer is extended with the consent of the Panel, such later time(s) or date(s) as the Panel may agree.

If the latest time at which the Offer may become unconditional is extended beyond midnight on Day 60, acceptances received and purchases made in respect of which the relevant documents are received by the Receiving Agent after 1.00 p.m. on that date may only be taken into account with the agreement of the Panel (except where the Takeover Code permits otherwise).

(b) Except as otherwise agreed by the Panel:

(i) an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Takeover Code are satisfied in respect of it;

(ii) a purchase of ENRC Shares by Eurasian Resources or its nominee(s) or (if Eurasian Resources is required by the Panel to make an offer for ENRC Shares under Rule 9 of the Takeover Code) by a person acting in concert with Eurasian Resources or its nominee(s), will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Takeover Code are satisfied in respect of it;

(iii) ENRC Shares which have been borrowed by Eurasian Resources may not be counted towards fulfilling the acceptance condition; and

(iv) before the Offer may become or be declared unconditional, the Receiving Agent shall issue a certificate to Eurasian Resources or Eurasian Resources' financial advisers (or their respective agents) which states the number of ENRC Shares in respect of which acceptances have been received and not validly withdrawn, and the number of ENRC Shares otherwise acquired, whether before or during the Offer Period, which comply with the provisions of this paragraph 2. A copy of the certificate will be sent to the Panel as soon as possible after it is issued.

(c) For the purpose of determining at any particular time whether the acceptance condition is satisfied Eurasian Resources is not bound (unless required by the Panel) to take into account any ENRC Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of conversion rights before the determination takes place unless ENRC or its agent has given written notice to Eurasian Resources or the Receiving Agent at Computershare Investor Services PLC, Corporate Actions 2, Bristol BS99 6AG on behalf of Eurasian Resources containing relevant details of the allotment, issue or conversion. Notification by e-mail, fax or other electronic transmission does not constitute written notice for this purpose.

3. **Announcements**

(a) Without prejudice to paragraph 4(b) below, by 8.00 a.m. on the next Business Day (the "**relevant day**") following the day on which the Offer is due to expire or becomes or is declared unconditional, or is revised or extended (or such later time(s) or date(s) as the Panel may agree), Eurasian Resources will make an appropriate announcement through a Regulatory Information Service. The announcement will state (unless otherwise permitted by the Panel):

(i) the total number of ENRC Shares (I) for which acceptances of the Offer have been received (specifying the extent, if any, to which such acceptances have been received from any person(s) acting or deemed to be acting in concert with Eurasian Resources for the purposes of the Offer) and (II) which were the subject of an irrevocable commitment or letter of intent procured by Eurasian Resources or any person acting in concert with it;

(ii) details of any ENRC relevant securities in which Eurasian Resources or any person acting in concert with it has an interest or in respect of which it has a right to subscribe, in each case specifying the nature of the interests or rights concerned and details of any short positions over ENRC relevant securities held by Eurasian Resources or any person acting in concert with it (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;

(iii) details of any ENRC relevant securities in respect of which Eurasian Resources or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and

(iv) details of any ENRC relevant securities which Eurasian Resources or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will specify the percentages of each class of relevant securities represented by these figures and the total number of shares which Eurasian Resources may count towards the satisfaction of the acceptance condition.

(b) Except as otherwise agreed by the Panel, in computing the number of ENRC Shares represented by acceptances and/or purchases for the announcement, an acceptance or purchase will only be counted towards fulfilling the acceptance condition if the requirements of Notes 4, 5 and 6 (as applicable) on Rule 10 of the Takeover Code are satisfied. Subject to this, Eurasian Resources may include or exclude, for announcement purposes, acceptances and purchases not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title and/or not accompanied by the relevant TTE instruction or which are subject to verification.

(c) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced by 8.00 a.m. on the relevant day or such later time(s) and/or date(s) as the Panel may agree. The announcement will state the next expiry time and date unless the Offer is then unconditional, in which case a statement may instead be made that the Offer will remain open until further notice.

(d) In this Appendix, references to the making of an announcement or the giving of notice by or on behalf of Eurasian Resources include (without limitation), in each case by Eurasian Resources, the Consortium, Holdco, Eurasian Resources' public relations consultants or Eurasian Resources' financial advisers or other nominee of Eurasian Resources respectively, on behalf of Eurasian Resources, the release of an announcement to the press and/or the transmission by whatever means of an announcement to a Regulatory Information Service. An announcement made otherwise than through a Regulatory Information Service will be notified simultaneously through a Regulatory Information Service (unless otherwise agreed by the Panel).

(e) A copy of any announcement made by Eurasian Resources in accordance with this paragraph 3 will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on the Consortium's website at www.machkevitchconsortiumoffer.com as soon as possible and in any event by no later than 12 noon on the Business Day following the announcement.

(f) Without limiting the manner in which Eurasian Resources may choose to make any public announcement and, subject to the obligations of Eurasian Resources under applicable law and paragraph 3(e) above, Eurasian Resources will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

4. **Rights of withdrawal**

(a) Except as provided by this paragraph 4, acceptances of and elections under the Offer are irrevocable.

(b) If Eurasian Resources announces the Offer to be unconditional and then fails to comply by 3.30 p.m. on the relevant day (as defined in paragraph 3(a) of this Part B of this Appendix) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 3(a) of this Part B of this Appendix, an accepting ENRC Shareholder may (unless the Panel agrees otherwise) withdraw his acceptance of the Offer by written notice or otherwise in accordance with paragraph 4(k) of this Part B of this Appendix. Subject to paragraph 1(c) of this Part B of this Appendix this right of withdrawal may be terminated not less than eight calendar days after the relevant day by Eurasian Resources confirming, if such is the case, that the Offer is still unconditional, and complying with the other requirements specified in paragraph 3(a) of this Part B of this Appendix. If that confirmation is given, the first period of 14 calendar days referred to in paragraph 1(d) of this Part B of this Appendix will start on the date of that confirmation.

(c) If by 1.00 p.m. on Day 42 (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional, an accepting ENRC Shareholder may withdraw his acceptance of the Offer by written notice or otherwise in accordance with paragraph 4(k) of this Part B of this Appendix at any time before the earlier of (i) the time that the Offer becomes unconditional; and (ii) the final time for the lodging of acceptances of the Offer which can be taken into account in accordance with paragraph 2(a) of this Part B of this Appendix.

(d) If a "no increase" and/or "no extension" statement is withdrawn in accordance with paragraph 1(e) of this Part B of this Appendix, an ENRC Shareholder who accepts the Offer after the date of the statement may withdraw such acceptance by written notice or otherwise in accordance with paragraph 4(k) of this Part B of this Appendix during the period of eight calendar days after the date on which Eurasian Resources sends the notice of the withdrawal of that statement to ENRC Shareholders.

(e) Following publication of a supplementary prospectus (as defined by FSMA) by Kazakhmys in respect of the Kazakhmys Shares, if an ENRC Shareholder who accepted the Offer prior to publication of the supplementary prospectus has a right of withdrawal which arises pursuant to section 87Q FSMA, then such ENRC Shareholder may withdraw his acceptance of the Offer by written notice or otherwise in accordance with paragraph 4(k) of Part B of this Appendix during the period of two Business Days beginning with the first Business Day after the date on which the supplementary prospectus was published.

(f) Any ENRC Shareholder withdrawing his acceptance of the Offer pursuant to paragraphs 4(b), (c), (d) or (e) of this Part B of this Appendix shall be deemed to have withdrawn any election for pound sterling cash consideration.

(g) All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by Eurasian Resources whose determination (except as required by the Panel) will be final and binding. None of Eurasian Resources, the Consortium (or any member thereof), Holdco, Eurasian Resources' financial advisers, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification or for any determination under this paragraph 4.

(h) If an accepting ENRC Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned by post (or by such other method as shall be approved by the Panel) as soon as practicable following the receipt of the withdrawal (and in any event within 14 calendar days) and the Escrow Agent will immediately (or within such period as the Panel may permit, not exceeding 14 calendar days) give TFE instructions to Euroclear for the transfer of securities held in escrow to the original balance(s) of the ENRC Shareholder concerned.

(i) ENRC Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 4 may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 23 of the letter from Eurasian Resources contained in this document at any time while the Offer remains open for acceptance.

(j) In this paragraph 4, "**written notice**" (including any letter of appointment, direction or authority) means notice in writing signed by the relevant accepting ENRC Shareholder (or his/their agent(s) duly appointed in writing and evidence of whose appointment satisfactory to Eurasian Resources is produced with the notice) given to the Receiving Agent by post to Computershare Investor Services PLC, Corporate Actions 2, Bristol BS99 6AG, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE. Fax or other electronic transmission or copies will not be sufficient. A notice which is postmarked in, or otherwise appears to Eurasian Resources or its agents to have been sent from the United States or any other Restricted Jurisdiction, or by a U.S. Person, may not be treated as valid.

(k) In the case of ENRC Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 4(b), (c), (d) or (e) of this Part B of this Appendix, an accepting ENRC Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- the number of ENRC Shares to be withdrawn, together with their ISIN number which is GB00B29BCK10;
- the member account ID of the accepting shareholder, together with his participant ID;
- the participant ID of the Escrow Agent. This is 3RA32;
- the member account ID of the Escrow Agent included in the relevant Electronic Acceptance. This is:
    - ENRUSD01 for cash consideration in U.S. dollars;

    - ENRGBP02 for election to receive cash consideration in pounds sterling;

- the transaction reference number of the Electronic Acceptance to be withdrawn;
- the intended settlement date for the withdrawal;
- the corporate action number for the Offer. This is allocated by Euroclear and will be available on screen from Euroclear; and
- input with standard delivery instruction priority of 80.

Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Eurasian Resources reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

5. **Revised Offer**

(a) Although no revision is contemplated, if Eurasian Resources revises the Offer (from its original or previously revised form(s) and either in its terms and conditions or in the value or nature of the consideration offered or otherwise), the benefit of the revised offer will, subject to paragraphs 5(c) and 8 below, be made available to any ENRC Shareholder who has accepted the Offer (in its original or any revised form(s)) and who has not validly withdrawn such acceptance (a "**previous acceptor**"). The acceptance by or on behalf of a previous acceptor will, subject to paragraphs 5(c) and 8 below be deemed an acceptance of the revised offer and will constitute the separate appointment of each of Eurasian Resources, the Receiving Agent, or any directors or agents of, or any person authorised by, either of them as his attorney and/or agent with authority:

(i) to accept the revised offer on behalf of such previous acceptor;

(ii) if the revised offer includes alternative form(s) of consideration, to make elections for and/or accept the alternative form(s) of consideration on his behalf in the proportions the attorney and/or agent in his absolute discretion thinks fit; and

(iii) to execute on his behalf and in his name all further documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/or elections.

In making any election and/or acceptance, the attorney and/or agent will take into account the nature of any previous acceptance(s) or election(s) made by or on behalf of the previous acceptor and other facts or matters he may reasonably consider relevant. The attorney and/or agent shall not be liable to any ENRC Shareholder or any other person in making such election and/or acceptance or in making any determination in respect thereof.

(b) Although no revision is contemplated, if the Offer is revised, a revised offer document will be published. On the day of publication, Eurasian Resources will publish the revised offer document on the Consortium's website and will announce that the revised offer document has been so published. In addition, Eurasian Resources will make the revised offer document readily available to the trustees of ENRC's pension schemes.

(c) The deemed acceptance and/or election referred to in paragraphs 5(a) and 5(d) of this Part B of this Appendix shall not apply, and the power of attorney and authorities conferred by paragraph 5(a) above shall not be exercised if, as a result, an ENRC Shareholder would (on such basis as Eurasian Resources or Eurasian Resources' financial advisers may reasonably consider appropriate) receive and/or retain (as appropriate) less in aggregate in consideration under the revised offer or otherwise than he would have received and/or retained (as appropriate) in aggregate in consideration as a result of his acceptance of the Offer in the form originally accepted by such ENRC Shareholder or on his behalf.

(d) The deemed acceptance and/or election referred to in paragraph 5(a) above shall not apply, and the power of attorney and the authorities conferred by that paragraph shall not be exercised to the extent that a previous acceptor (i) lodges with the Receiving Agent within 14 calendar days of publication of the revised offer documentation, a form of acceptance (or any other form issued by or on behalf of Eurasian Resources) in which he validly elects to receive consideration under the revised offer in some other manner or (ii) sends (or, if a CREST sponsored member, procures that his CREST sponsor sends), in respect of ENRC Shares in uncertificated form, an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be changed. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- the number of ENRC Shares in respect of which the changed election is made, together with their ISIN number which is GB00B29BCK10;
- the member account ID of the previous acceptor, together with his participant ID;
- the participant ID of the Escrow Agent. This is 3RA32;
- the member account ID of the Escrow Agent included in the relevant Electronic Acceptance. This is:
    - ENRUSD01 for cash consideration in U.S. dollars; and
    - ENRGBP02 for election to receive cash consideration in pounds sterling;
- the transaction reference number of the Electronic Acceptance in respect of which the election is to be changed;
- the intended settlement date for the changed election;
- the corporate action number for the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with standard delivery instruction priority of 80;

and, in order that the desired change of election can be effected, must include:

- the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of Eurasian Resources reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

(e) The powers of attorney and authorities conferred by this paragraph 5 and any acceptance of a revised offer and/or any election in relation to it shall be irrevocable unless and until the previous acceptor withdraws his acceptance having become entitled to do so under paragraph 4 of this Part B of this Appendix.

(f) Eurasian Resources and Eurasian Resources' financial advisers reserve the right to treat an executed Form of Acceptance or TTE instruction relating to the Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or issue of any revised offer as a valid acceptance of the revised offer (and where applicable a valid election for the pound sterling cash consideration). That acceptance will constitute a power of attorney and an authority in the terms of paragraph 5(a) of this Part B of this Appendix, *mutatis mutandis*, on behalf of the relevant ENRC Shareholder.

6. **The Currency Election Facility**

(a) Subject to the remainder of this paragraph 6 and the provisions of paragraphs 7 and 8 of this Part B of this Appendix, ENRC Shareholders will receive cash consideration in U.S. dollars.

(b) Subject to the provisions of paragraphs 7 and 8 of this Part B of this Appendix, instead of receiving cash consideration in U.S. dollars, ENRC Shareholders who validly accept the Offer may, under the Currency Election Facility provided by the Receiving Agent, elect to receive cash consideration in pounds sterling on the basis that the cash amount payable in U.S. dollars to which such ENRC Shareholders would otherwise be entitled pursuant to the Offer will be paid (net of all relevant fees and expenses) in pounds sterling based on the exchange rate obtained by the Receiving Agent within two Business Days before the date of settlement of the Offer consideration in respect of the relevant ENRC Shares. ENRC Shareholders may only elect to receive such amount in pounds sterling for the whole of their holding of ENRC Shares in respect of which they accept the Offer. ENRC Shareholders may not elect to receive both pounds sterling and U.S. dollars.

(c) Cash consideration payable to ENRC Shareholders who hold ENRC Shares in certificated form will be effected by the issue of cheques. Cash consideration payable to ENRC Shareholders who hold ENRC Shares in uncertificated form will be credited to the relevant CREST accounts. If CREST rejects a U.S. dollar or pounds sterling payment (as the case may be) to an ENRC Shareholder because that ENRC Shareholder does not have a valid bank account linked to his participant ID or holding of ENRC Shares or for any other reason, payment will be effected by the issue of cheques.

(d) The actual amount of pounds sterling received by any ENRC Shareholder electing to receive their cash consideration in pounds sterling will depend upon the exchange rate prevailing on the day on which the Receiving Agent converts the relevant amount of U.S. dollars into pounds sterling (which will be within 2 Business Days before the date of settlement of the Offer consideration in respect of the relevant ENRC Shareholder). ENRC Shareholders should be aware that the U.S. dollar/pounds sterling exchange rate which is prevailing at the date on which any election is made to receive pounds sterling and on the dates of despatch and receipt of payment may be different from that prevailing on the date on which the Receiving Agent converts U.S. dollars into pounds sterling. In all cases, fluctuations in the U.S. dollar/pounds sterling exchange rate are at the risk of accepting ENRC Shareholders who elect or are treated as having elected to receive their consideration in pounds sterling. Any ENRC Shareholder who wishes to receive instead a certain, fixed cash amount in U.S. dollars should not elect to receive pounds sterling.

7. **General**

(a) Except with the consent of the Panel, the Offer will lapse unless all the conditions relating to the Offer have been satisfied or (if capable of waiver) waived or, where appropriate, have been determined by Eurasian Resources in its reasonable opinion to be and remain satisfied by midnight on the later of Day 42 and the date which is 21 calendar days after the date on which the Offer becomes unconditional, or such later time(s) and/or date(s) as Eurasian Resources, with the consent of the Panel, may decide. If the Offer lapses for any reason:

(i) it will not be capable of further acceptance;

(ii) accepting ENRC Shareholders and Eurasian Resources will cease to be bound by (I) in the case of ENRC Shares held in certificated form, Forms of Acceptance submitted; and (II) in the case of ENRC Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;

(iii) neither Eurasian Resources nor any person acting, or deemed to be acting, in concert with Eurasian Resources for the purposes of the Offer may, pursuant to the Takeover Code, make an offer (whether inside or outside the United Kingdom) for ENRC Shares for a period of one year following the date of such lapse, except with the consent of the Panel;

(iv) in respect of ENRC Shares held in certificated form, Forms of Acceptance, share certificates and other documents of title will be returned by post within 14 calendar days of the Offer lapsing, at the risk of the ENRC Shareholder in question, to the person or agent whose name and address is set out in the relevant box on the Form of Acceptance or, if none is set out, to the first-named holder at his registered address. No such documents will be sent to an address in the United States or any other Restricted Jurisdiction; and

(v) in respect of ENRC Shares held in uncertificated form, the Escrow Agent will immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the Offer lapsing) give TFE instructions to

Euroclear to transfer all ENRC Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the relevant ENRC Shareholders.

(b) Except with the consent of the Panel:

(i) settlement of the consideration to which any ENRC Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Eurasian Resources or Eurasian Resources' financial advisers may otherwise be, or claim to be, entitled against that ENRC Shareholder (save in respect of the additional cash consideration being offered to Kazakhmys PLC (as described in paragraph 15 of the letter from Eurasian Resources), which will be set-off against the consideration payable by Kazakhmys PLC under the Share Repurchase Agreement); and

(ii) settlement of the consideration to which any ENRC Shareholder is entitled will be effected in the manner prescribed in paragraph 24 of the letter from Eurasian Resources contained in this document and (except as provided in paragraph 24.1.2 of the letter from Eurasian Resources in the case of ENRC Shares held in certificated form) not later than 14 calendar days after the date on which the Offer becomes or is declared unconditional in all respects or within 14 calendar days of the date of receipt of a valid and complete acceptance, whichever is the later.

Subject to paragraph 8 below, Eurasian Resources reserves the right not to send any consideration to an address in the United States or any other Restricted Jurisdiction.

(c) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meaning when used in the Form of Acceptance unless the context requires otherwise. The provisions of this Appendix shall be deemed to be incorporated and form part of the Form of Acceptance.

(d) If the expiry date of the Offer is extended, a reference in this document and in the Form of Acceptance to the expiry date of the Offer or Day 21 will (except in paragraph 1(a) of this Part B of this Appendix and where the context requires otherwise) be deemed to refer to the expiry date of the Offer as so extended.

(e) The Offer is made in respect of all ENRC Shares (other than the ENRC Shares already held by Eurasian Resources) issued and unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as Eurasian Resources may, subject to the rules of the Takeover Code or with the consent of the Panel, determine). Any omission or failure to send this document, the Form of Acceptance or any other document relating to the Offer and/or notice required to be sent under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is, or should be, made shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 8 of this Part B of this Appendix, the Offer is made to any ENRC Shareholder to whom this document and the Form of Acceptance or any related document may not be sent or by whom such documents may not be received, and these persons may collect these documents from the Receiving Agent at any of the addresses set out in paragraph 4(j) of this Part B of this Appendix.

(f) Subject to the Takeover Code, and notwithstanding any other provision of this Part B of this Appendix, Eurasian Resources and Eurasian Resources' financial advisers reserve the right to treat as valid in whole or in part any acceptance of the Offer if received by the Receiving Agent or otherwise on behalf of Eurasian Resources which is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other relevant document(s) or the relevant TTE instruction or is received by it at any place or places or in any form or manner determined by either the Receiving Agent or Eurasian Resources otherwise than as set out in this document or in the Form of Acceptance. In that event, no transfer of Kazakhmys Shares or payment of cash under the Offer will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or satisfactory indemnities have been received by the Receiving Agent.

(g) Eurasian Resources intends, after the Offer is declared wholly unconditional, to procure that ENRC applies to the appropriate authorities for the cancellation of the listing on the Official List and the admission to trading of ENRC Shares on the London Stock Exchange, both not less than 20 Business Days after the Offer becomes unconditional in all respects. It is also intended that, following the Offer becoming or being declared unconditional in all respects, ENRC will be delisted from the Kazakhstan Stock Exchange.

(h) All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix or in the Form of Acceptance are given by way of security for the performance of the obligations of the ENRC Shareholder and are irrevocable (in respect of powers of attorney granted in accordance with section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of the power of attorney, appointment or authority validly withdraws his acceptance in accordance with paragraph 4 of this Part B of this Appendix.

(i) No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) or document(s) of title will be given by or on behalf of Eurasian Resources. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from ENRC Shareholders (or their designated agents) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.

(j) Subject to paragraph 8 below the Offer is made at 11.59 p.m. on 7 August 2013 and is capable of acceptance from and after that time. Forms of Acceptance, copies of this document, the Form of Acceptance and any related documents may be collected from the Receiving Agent at any of the addresses specified in paragraph 4(i) of this Part B of this Appendix.

(k) The Offer, all acceptances of the Offer and all elections in respect of it are governed by and will be construed in accordance with English law. The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the Offer, all acceptances of the Offer and all elections in respect of it.

(l) ENRC Shares will be acquired by Eurasian Resources pursuant to the Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after 24 June 2013, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after that date.

(m) The Kazakhmys Consideration Shares rank *pari passu* in all respects with other Kazakhmys Shares, and will be transferred to Relevant ENRC Shareholders pursuant to the Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching to them on or after 24 June 2013, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after that date.

(n) In so far as a distribution is declared, made, paid or payable by ENRC in respect of the ENRC Shares on or after 24 June 2013, Eurasian Resources reserves the right to reduce the price payable under the Offer in respect of the ENRC Shares by the aggregate amount of the distribution that has been declared, made, paid or is payable. To the extent that a distribution that has been declared, made, paid or is payable is or will be transferred or cancelled pursuant to the Offer on a basis which entitles Eurasian Resources alone to receive the distribution and to retain it, the price payable under the Offer in respect of the ENRC Shares will not be subject to change in accordance with this paragraph.

(o) Fractions of Kazakhmys Consideration Shares will not be transferred to Relevant ENRC Shareholders who accept the Offer but will be aggregated and sold in the UK market and the net proceeds of sale distributed pro rata to Relevant ENRC Shareholders entitled thereto, save that individual entitlements to amounts of less than £5 will be retained for the benefit of the Bidco Group.

(p) Eurasian Resources will settle any stamp duty or stamp duty reserve tax in respect of the transfer of Kazakhmys Consideration Shares to accepting Relevant ENRC Shareholders pursuant to the terms of the Offer.

(q) All references in this Appendix to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).

(r) In relation to any Electronic Acceptance, Eurasian Resources reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST, or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeover Code or are otherwise made with the consent of the Panel.

(s) For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.

(t) Any references in this Appendix to the return or despatch of documents by post shall extend to the return or despatch by such other method as the Panel may approve.

(u) If the Panel requires Eurasian Resources to make an Offer for ENRC Shares under the provisions of Rule 9 of the Takeover Code, Eurasian Resources may make such alterations to the terms and Conditions of the Offer, including Condition (a) of Part A of this Appendix, as are necessary to comply with the provisions of that Rule.

(v) Each person accepting the Offer will be deemed to represent and warrant that he or she is not a person in or resident in the United States or any other Kazakhmys Consideration Shares Restricted Jurisdiction or is not otherwise a U.S. Person and is not acquiring, and will not be holding, such Kazakhmys Consideration Shares for the account or benefit of a U.S. Person, or a person resident in a Kazakhmys Consideration Shares Restricted Jurisdiction or with a view to the offer, sale, resale, delivery or distribution, directly or indirectly, of such Kazakhmys Consideration Shares in or into the United States or any other Kazakhmys Consideration Shares Restricted Jurisdiction or to or for the account or benefit of any U.S. Person or person resident in a Kazakhmys Consideration Shares Restricted Jurisdiction or any other person whom such transferee has reason to believe is purchasing for the purposes of such offer, sale, resale, delivery or distribution. Any person unable to give such a representation and warranty is not permitted to accept the Offer.

8. **Overseas shareholders**

(a) The making of the Offer in, or to persons resident in, or nationals or citizens of, jurisdictions outside the United Kingdom ("**overseas shareholders**") or to persons who are custodians, nominees of or trustees for such persons and the availability of the Kazakhmys Consideration Shares to such persons may be prohibited or affected by the laws of the relevant jurisdiction. Such overseas shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any overseas shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such overseas shareholder shall be responsible for any such issue, transfer or other taxes or duties or other payments by whomsoever payable and Eurasian Resources, Holdco, the Consortium members, Eurasian Resources' financial advisers (and any person acting on behalf of any of them) shall be fully indemnified and held harmless by such overseas shareholders for any such issue, transfer or other taxes or duties or other payments which Eurasian Resources, Holdco, the Consortium members or Eurasian Resources' financial advisers (and any person acting on behalf of them) may be required to pay.

(b) Unless otherwise determined by Eurasian Resources or required by the Takeover Code and in either case subject to and in accordance with applicable law and regulation, the Offer is not being made, and will not be made, directly or indirectly, in or into the United States or any other Restricted Jurisdiction or by the use of the mails of, or by any other means or instrumentality (including, without limitation, electronic mail, fax transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national state or other securities exchange of the United States or any other Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from or within the United States (or by or on behalf of any Relevant ENRC Shareholder that is resident in the United States) or any other Restricted Jurisdiction.

(c) Unless otherwise determined by Eurasian Resources or required by the Takeover Code and in either case subject to and in accordance with applicable law and regulation, copies of this document and the Form of Acceptance and any related documents are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed, sent or otherwise made available in, into or from the United States or any other Restricted Jurisdiction including to ENRC Shareholders or persons with information rights or participants in the ENRC Share Plans with registered addresses in the United States or any other Restricted Jurisdiction or to persons whom Eurasian Resources or Eurasian Resources' financial advisers know to be custodians, trustees or nominees holding ENRC Shares for persons with registered addresses in the United States or any other Restricted Jurisdiction. Persons receiving those documents (including, without limitation, custodians, nominees and trustees) should not mail or otherwise forward, distribute, send or otherwise make them available in, into or from the United States or any other Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose directly or indirectly in connection with the Offer, and so doing may render any purported acceptance of the Offer invalid.

(d) Persons wishing to accept the Offer must not use the mails of the United States or any other Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. All ENRC Shareholders (including nominees, trustees and custodians) who may have a contractual or legal obligation, or may otherwise intend, to forward this document and/or Form of Acceptance, should read the further details in this regard which are contained in this paragraph 8 of this Part B and in Part C and Part D of this Appendix before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be postmarked in the United States or any other Restricted Jurisdiction or otherwise despatched from such jurisdictions and all acceptors must provide addresses outside the United States or any other Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer or for the return of the Form of Acceptance or documents of title.

(e) Subject to the provisions of this paragraph 8 and applicable laws, an ENRC Shareholder may be deemed NOT to have accepted the Offer if:

(i) he puts "No" in Box 4 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph (b) of Part C of this Appendix;

(ii) he completes Box 5A of the Form of Acceptance with an address in the United States or any other Restricted Jurisdiction or has a registered address in the United States or any other Restricted Jurisdiction and in any such case does not insert in Box 5B of the Form of Acceptance the name and address of a person or agent outside the United States or other Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;

(iii) he inserts in Box 5B of the Form of Acceptance the name and address of a person or agent in the United States or any other Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;

(iv) in any case, the Form of Acceptance received from him is in an envelope postmarked in, or which otherwise appears to Eurasian Resources or its agents to have been sent from, the United States or any other Restricted Jurisdiction; or

(v) he makes a Restricted Escrow Transfer pursuant to paragraph (f) below unless he also makes a related Restricted ESA instruction which is accepted by the Receiving Agent.

Eurasian Resources reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part C or (as the case may be) Part D of this Appendix could have been truthfully given by the relevant ENRC Shareholder and, if such investigation is made and as a result Eurasian Resources determines (for any reason) that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.

(f) If a holder of ENRC Shares in uncertificated form is unable to give the warranty set out in paragraph (b) of Part D of this Appendix, but nevertheless can provide evidence satisfactory to Eurasian Resources that he is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he may purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both (1) a TTE instruction to a designated escrow balance detailed below (a "**Restricted Escrow Transfer**") and (2) one or more valid ESA instructions (a "**Restricted ESA instruction**"). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and Eurasian Resources decides, in its absolute discretion, to exercise its right described in paragraph 8(k) below to waive, vary or modify the terms of the Offer relating to overseas shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 of this Part B of this Appendix. If Eurasian Resources accordingly decides to permit such acceptance to be made, the Receiving Agent will on behalf of Eurasian Resources accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will on behalf of Eurasian Resources reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and to settle, include the following details:

- the ISIN number for the ENRC Shares. This is GB00B29BCK10;
- the number of ENRC Shares in respect of which the Offer is to be accepted;
- the member account ID and participant ID of the ENRC Shareholder;
- the participant ID of the Escrow Agent (this is 3RA32);
- the member account ID of the Escrow Agent specific to a Restricted Escrow Transfer. This is RESTRICT;
- the intended settlement date.

Each Restricted ESA instruction must, in order for it to be valid and to settle, include the following details:

- the ISIN number for the ENRC Shares. This is GB00B29BCK10;
- the number of ENRC Shares relevant to that Restricted ESA instruction;
- the member account ID and participant ID of the accepting ENRC Shareholder;
- the participant ID and the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer;
- the participant ID and the member account ID of the Escrow Agent relevant to the currency of cash consideration required (further details of which are set out in the letter from Eurasian Resources contained in this document):
    - the participant ID of the Escrow Agent is 3RA32;

- the member account ID of the Escrow Agent is:
  - ENRUSD01 for cash consideration in U.S. dollars; and
  - ENRGBP02 for election to receive cash consideration in pounds sterling;
- the transaction reference number of the Restricted Escrow Transfer to which the Restricted ESA instruction relates; and
- the intended settlement date and the corporate action number for the Offer.

(g) If any person, despite the restrictions described above and whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related document in, into or from the United States or any other Restricted Jurisdiction or uses the mails or any means or instrumentality (including, but not limited to, fax, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, the United States or any other Restricted Jurisdiction in connection with that forwarding, that person should:

(i) inform the recipient of such fact;

(ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and

(iii) draw the attention of the recipient to this paragraph 8.

Notwithstanding the above, Eurasian Resources may in its sole and absolute discretion transfer Kazakhmys Consideration Shares and/or provide cash consideration to a U.S. Person or a resident of or any other Restricted Jurisdiction if requested to do so by or on behalf of that person if Eurasian Resources is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other relevant legislation of the United States or any other Restricted Jurisdiction, as appropriate.

(h) Eurasian Resources, the Consortium and Eurasian Resources' financial advisers each reserves the right to notify any matter, including the making of the Offer, to all or any ENRC Shareholders:

(i) with a registered address outside the United Kingdom; or

(ii) whom Eurasian Resources or Eurasian Resources' financial advisers know to be a custodian, trustee or nominee holding ENRC Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom,

by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any such ENRC Shareholder to receive or see that notice. A reference in this document to a notice or the provision of information in writing by or on behalf of Eurasian Resources is to be construed accordingly. No such document will be sent to an address in the United States or any other Restricted Jurisdiction.

(i) The Kazakhmys Consideration Shares have not been and will not be registered under the U.S. Securities Act or under any laws of any state, district or other jurisdiction, of the United States, nor have clearances been, nor will they be, obtained from the securities commission or similar authority of any province or territory of Canada and no prospectus has been, or will be, filed, or registration made, under any securities law of any province or territory of Canada, nor has a prospectus in relation to the Kazakhmys Consideration Shares been, nor will one be, lodged with, or registered by, the Australian Securities and Investments Commission, nor have any steps been taken, nor will any steps be taken, to enable the Kazakhmys Consideration Shares to be offered in compliance with applicable securities laws of Japan and no regulatory clearances in respect of the Kazakhmys Consideration Shares have been, or will be, applied for in any other jurisdiction. Accordingly, unless an exemption under relevant securities laws is available, the Kazakhmys Consideration Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in, into or from the United States or any other Kazakhmys Consideration Shares Restricted Jurisdiction or to, or for the account or benefit of, any U.S. Person or resident of any other Kazakhmys Consideration Shares Restricted Jurisdiction. The Offer does not constitute an offer of Kazakhmys Consideration Shares in the United States. Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved of the Kazakhmys Consideration Shares, or determined if this document is accurate or complete. Any representation to the contrary is a criminal offence.

(j) If any written notice from an ENRC Shareholder withdrawing his acceptance in accordance with paragraph 4 of this Part B of this Appendix is received in an envelope postmarked in, or which otherwise appears to Eurasian Resources or its agents to have been sent from, the United States or any other Restricted Jurisdiction, Eurasian Resources reserves the right, in its absolute discretion, to treat that notice as invalid.

(k) The provisions of this paragraph 8 and/or any other terms of the Offer relating to overseas shareholders may be waived, varied or modified as regards specific ENRC Shareholders or on a general basis by Eurasian Resources or the Consortium in their sole discretion. Subject to this discretion, the provisions of this paragraph 8 supersede any terms of the Offer inconsistent with them. In particular, without limitation, Eurasian Resources reserves the right to arrange for the sale of Kazakhmys Consideration Shares to which overseas shareholders would otherwise be entitled pursuant to the Offer and to remit the cash proceeds of such sale, net of expenses, to such shareholders instead. Eurasian Resources will have no obligations whatsoever in relation to the timing of such sales or the price obtained and such sales may be made individually or together with other Kazakhmys Consideration Shares to which such provisions apply. In such circumstances, any Electronic Acceptance or signed Form of Acceptance received pursuant to the Offer shall constitute the irrevocable appointment of Eurasian Resources or any of its directors, each of Eurasian Resources' financial advisers and the Receiving Agent to effect such sale as agent of the accepting overseas shareholder with full powers of delegation to do all things as may be necessary for or ancillary to such purpose. Further, Eurasian Resources reserves the right to reject any elections for pounds sterling cash consideration made or purported to be made by the persons to whom this paragraph 8 applies. References in this paragraph 8 to an ENRC Shareholder shall include the person or persons making an Electronic Acceptance and the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph 8 apply to them jointly and severally.

Overseas shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.

Part C: Form of Acceptance for ENRC Shares in certificated form

For the purposes of this Part C of this Appendix and the Form of Acceptance, the phrase "**ENRC Shares in certificated form comprised in the acceptance**" shall mean the number of ENRC Shares inserted in Box 1 of the Form of Acceptance or, if no number is inserted (or a number greater than the relevant ENRC Shareholder's holding of ENRC Shares), the greater of:

(i) the relevant ENRC Shareholder's entire holding of ENRC Shares in certificated form as disclosed by details of the register of members made available to the Receiving Agent prior to the time the relevant Form of Acceptance is processed by them;

(ii) the relevant ENRC Shareholder's entire holding of ENRC Shares in certificated form as disclosed by details of the register of members made available to the Receiving Agent prior to the latest time for receipt of Form(s) of Acceptance which can be taken into account in determining whether the Offer is unconditional; and

(iii) the number of ENRC Shares in certificated form in respect of which certificates or an indemnity in lieu thereof is received.

Without prejudice to the terms of the Form of Acceptance and the provisions of Parts A and B of this Appendix, each ENRC Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and lodged with the Receiving Agent (subject to the rights of withdrawal set out in this document), irrevocably undertakes, represents, warrants and agrees to and with Eurasian Resources, the Consortium, Eurasian Resources' financial advisers and the Receiving Agent (so as to bind him, his personal or legal representatives, heirs, successors and assigns) to the following effect that:

(a) the execution of the Form of Acceptance whether or not any Boxes are completed and whether or not the Form of Acceptance is validly executed as a deed shall constitute:

(i) an acceptance of the Offer in respect of the number of ENRC Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance;

(ii) if Box 2 of the Form of Acceptance is completed, an election to receive cash consideration in pounds sterling in respect of all of the cash which the relevant ENRC Shareholder would have received under the Offer in respect of the number of ENRC Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and

(iii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Eurasian Resources to obtain the full benefit of this Part C of this Appendix and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer;

in each case on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 4 of Part B of this Appendix, each such acceptance, election and undertaking shall be irrevocable. If no Boxes are completed, or the total number of ENRC Shares inserted in Box 1 is greater than the relevant ENRC Shareholder's holding of ENRC Shares or the acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance of the Offer in respect of the ENRC Shares in certificated form comprised in the acceptance as defined in the first paragraph of this Part C;

(b) unless "No" is inserted in Box 4 of the Form of Acceptance such ENRC Shareholder:

(i) has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from the United States or any other Restricted Jurisdiction;

(ii) has not, in connection with the Offer or the execution or delivery of the Form of Acceptance, utilised, directly or indirectly, the mails of, or any means or instrumentality (including, but not limited to, fax, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, the United States or any other Restricted Jurisdiction;

(iii) is accepting the Offer from outside the United States or any other Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was delivered;

(iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside the United States or any other Restricted Jurisdiction;

(v) is not accepting the Offer with a view to the offer, sale, resale, delivery or distribution, directly or indirectly, of any Kazakhmys Consideration Shares in or into the United States or any other Kazakhmys Consideration Shares Restricted Jurisdiction and will not hold or acquire any Kazakhmys Consideration Shares for any other person who he has reason to believe is purchasing for the purpose of such offer, sale, resale, delivery or distribution;

(vi) if he is a U.S. Person, or is acting on behalf of, a U.S. Person, he or that U.S. Person, as the case may be, is outside the United States within the meaning of Regulation S under the U.S. Securities Act; and

(vii) if such ENRC Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in Eurasian Resources, Holdco, the Consortium members, Eurasian Resources' financial advisers or any other person acting on behalf of any of them in breach of the legal or regulatory requirements of, or be liable for any issue, transfer or other taxes or duties or other payments in, any such jurisdiction in connection with the Offer or his acceptance of the Offer;

(c) that, in relation to ENRC Shares in certificated form, the execution of the Form of Acceptance and its delivery constitutes (subject to the Offer becoming unconditional in all respects and to the ENRC Shareholder not having validly withdrawn his acceptance) the irrevocable appointment of Eurasian Resources and the Receiving Agent or any directors or agents of, or any person authorised by, either of them as his agent and/or attorney with an irrevocable instruction and authorisation to such agent and/or attorney to:

(i) complete and execute all or any form(s) of transfer, renunciation and/or other documents at the discretion of such agent and/or attorney in relation to the ENRC Shares comprised in the acceptance in favour of Eurasian Resources or such other persons as Eurasian Resources or its agents may direct;

(ii) deliver any form(s) of transfer, renunciation and/or other document(s) at the discretion of such agent and/or attorney together with any share certificate or other document(s) of title for registration relating to such ENRC Shares; and

(iii) do all such acts and things as may, in the opinion of such agent and/or attorney, be necessary or expedient for the purposes of, or in connection with the acceptance of the Offer and to vest in Eurasian Resources (or its nominees) the full legal title and beneficial ownership of ENRC Shares in certificated form comprised in the acceptance;

(d) that, in relation to ENRC Shares in certificated form, the execution of the Form of Acceptance and its delivery constitutes (subject to the Offer becoming unconditional in all respects and to ENRC Shareholder not having validly withdrawn his acceptance) an irrevocable instruction and authorisation:

(i) to ENRC or its agents to procure the registration of the transfer of the ENRC Shares in certificated form comprised in the acceptance and the delivery of the share certificate(s) and other document(s) of title in respect of the ENRC Shares to Eurasian Resources or as it may direct;

(ii) subject to the provisions of paragraph 8 of Part B of this Appendix, in respect of ENRC Shares in certificated form comprised in the acceptance, to Eurasian Resources, Kazakhmys PLC or their respective agent(s) to procure that the name(s) of Relevant ENRC Shareholder(s) is/are entered on the register of members of Kazakhmys PLC in respect of the Kazakhmys Consideration Shares to which the Relevant ENRC Shareholder(s) is/are entitled under the Offer (subject to the terms of the articles of association of Kazakhmys PLC);

(iii) subject to the provisions of paragraph 8 of Part B of this Appendix, to Eurasian Resources, the Receiving Agent, Kazakhmys PLC or their respective agents to procure the issue and despatch by post of relevant definitive certificate(s) for the Kazakhmys Consideration Shares, a cheque in respect of any cash consideration to which such ENRC Shareholder is entitled under the Offer at such shareholder's risk to the person or agent whose name and address is set out in Box 5B of the Form of Acceptance or, if none is set out, to the first-named holder at his registered address outside the United States or any other Restricted Jurisdiction; and

(iv) to Eurasian Resources, the Receiving Agent, ENRC, Kazakhmys PLC or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of ENRC in respect of his holding of ENRC Shares (until such are revoked or varied) as if such mandates, instructions, consents or instruments had been given in respect of his holding of Kazakhmys Consideration Shares. If a Relevant ENRC Shareholder already holds Kazakhmys Shares, the mandates, instructions, consents and instruments in force for those Kazakhmys Shares will be deemed to apply to the relevant Kazakhmys Consideration Shares;

(e) the execution of the Form of Acceptance constitutes the giving of authority to each of Eurasian Resources, the Receiving Agent and their respective directors, agents or authorised persons within the terms set out in Part B and Part C of this Appendix;

(f) unless the Panel otherwise consents, subject to the Offer becoming unconditional in all respects (or if the Offer would become unconditional in all respects or lapse on the outcome of the resolution in question), in respect of ENRC Shares in relation to which the Offer has been accepted or deemed to be accepted (which acceptance has not been validly withdrawn) and pending registration in the name of Eurasian Resources or as it may direct:

(i) the Eurasian Resources or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general or separate class meeting of ENRC) attaching to the ENRC Shares in certificated form comprised or deemed to be comprised in such acceptance;

(ii) the execution of a Form of Acceptance by an ENRC Shareholder shall constitute with regard to such ENRC Shares in certificated form comprised in the acceptance:

(A) an authority to ENRC or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of ENRC to Eurasian Resources at its registered office;

(B) an irrevocable authority to each of Eurasian Resources, the Receiving Agent and any directors or agents of, or any person authorised by, either of them to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the ENRC Shares held by him in certificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as his agent and/or attorney and on his behalf and executing a form of proxy appointing any person nominated by Eurasian Resources to attend general and separate class meetings of ENRC and attending any such meeting and exercising the votes attaching to the ENRC Shares comprised or deemed to be comprised in such acceptance on his behalf, where relevant such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and

(C) the agreement of such ENRC Shareholder not to exercise any such rights without the consent of Eurasian Resources and the irrevocable undertaking not to appoint a proxy for or to attend such general or separate class meeting of ENRC;

(g) he will deliver to the Receiving Agent, or procure the delivery to the Receiving Agent of, his certificate(s) or other document(s) of title in respect of those ENRC Shares in certificated form comprised in the acceptance and not validly withdrawn by him or an indemnity acceptable to Eurasian Resources, as soon as possible, and in any event within six months of the Offer becoming unconditional in all respects;

(h) he will ratify each and every act or thing which may be done or effected by Eurasian Resources, the Receiving Agent or any directors or agents of, or any person authorised by, either of them or ENRC or Kazakhmys PLC or any of their respective agents, as the case may be, in the exercise of any of the powers and/or authorities under this Part C of this Appendix;

(i) if any provision of Part B or Part C of this Appendix shall be unenforceable or invalid or shall not operate so as to afford Eurasian Resources, the Receiving Agent or any of their respective directors, agents or persons authorised by either of them, or ENRC or Kazakhmys PLC or any of their respective agents the benefit of the authority expressed to be given therein, he will, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable Eurasian Resources, the Receiving Agent and any of their respective directors, agents or persons authorised by them or the ENRC or Kazakhmys PLC or any of their respective agents to secure the full benefit of Part B or Part C of this Appendix;

(j) he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the ENRC Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid with full title guarantee and free from all liens, charges, equities, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights attaching to them on or after 24 June 2013 including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made on or after that date;

(k) the terms and conditions of the Offer shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;

(l) the Form of Acceptance shall be deemed to be delivered on the date of its execution and shall take effect as a deed on such date;

(m) the *ejusdem generis* principle of construction shall not apply to the terms and conditions of the Offer and/or the Form of Acceptance. Accordingly general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;

(n) the execution of the Form of Acceptance constitutes ENRC Shareholder’s submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the Offer and the Form of Acceptance; and

(o) he is not a client (as defined in the FCA Handbook or the PRA Handbook) of any of Eurasian Resources’ financial advisers in connection with the Offer.

A reference in this Part C of this Appendix to an ENRC Shareholder includes a reference to the person or persons executing the Form of Acceptance and in the event of more than one person executing a Form of Acceptance the provisions of Part C of this Appendix will apply to them jointly and to each of them.

PART D: Electronic Acceptance

For the purpose of this Part D of this Appendix, the phrase **“ENRC Shares in uncertificated form comprised in the acceptance”** shall mean the number of ENRC Shares which are transferred by the relevant ENRC Shareholder by Electronic Acceptance to an escrow account by means of a TTE instruction.

Without prejudice to the provisions of Parts A and B of this Appendix, each ENRC Shareholder by whom, or on whose behalf, an Electronic Acceptance is made (subject to the rights of withdrawal set out in this document), irrevocably undertakes, represents, warrants and agrees to and with Eurasian Resources, the Consortium, Eurasian Resources’ financial advisers and the Receiving Agent (so as to bind him, his personal or legal representatives, heirs, successors and assigns) to the following effect that:

(a) the Electronic Acceptance shall constitute:

    (i) an acceptance of the Offer in respect of the number of ENRC Shares in uncertificated form to which the TTE instruction relates;

(ii) in respect of a TTE instruction which uses ENRGBP02 as the Escrow Agent's membership ID, an election to receive cash consideration in pounds sterling in respect of the number of ENRC Shares in uncertificated form to which the TTE instruction relates;

(iii) an undertaking to execute any documents, take any further action and give any further assurances which may be required to enable Eurasian Resources to obtain the full benefit of this Part D of this Appendix and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer;

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out in paragraph 4 of Part B of this Appendix, each such acceptance, election and undertaking shall be irrevocable;

(b) such ENRC Shareholder:

(i) has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from the United States or any other Restricted Jurisdiction;

(ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, fax, e-mail, TTE instruction or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, the United States or any other Restricted Jurisdiction;

(iii) is accepting the Offer from outside the United States or any other Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE instruction(s);

(iv) in respect of the ENRC Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside the United States or any other Restricted Jurisdiction;

(v) is not accepting the Offer with a view to the offer, sale, resale, delivery or distribution, directly or indirectly, of any Kazakhmys Consideration Shares in or into the United States or any other Kazakhmys Consideration Share Restricted Jurisdiction and will not hold or acquire any Kazakhmys Consideration Shares for any other person who he has reason to believe is purchasing for the purpose of such offer, sale, resale, delivery or distribution;

(vi) if he is a U.S. Person, or is acting on behalf of, a U.S. Person, he or that U.S. Person, as the case may be, is outside the United States within the meaning of Regulation S under the U.S. Securities Act; and

(vii) if such ENRC Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in Eurasian Resources, Holdco, the Consortium members, Eurasian Resources' financial advisers or any other person acting on behalf of any of them in breach of the legal or regulatory requirements of, or be liable for any issue, transfer or other taxes or duties or other payments in, any such jurisdiction in connection with the Offer or his acceptance of the Offer;

(c) the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the ENRC Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of Eurasian Resources, the Receiving Agent or any directors or agents of, or any person authorised by, either of them as his agent and/or attorney with an irrevocable instruction to such agent and/or attorney to do all such acts and things as may, in the opinion of such agent and/or attorney, be necessary or expedient for the purposes of, or in connection with, the acceptance of the Offer and to vest in Eurasian Resources (or its nominees) the full legal title and beneficial ownership of ENRC Shares in uncertificated form comprised in the acceptance;

(d) the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as the accepting ENRC Shareholder's attorney with an irrevocable instruction and authorisation:

(i) subject to the Offer becoming unconditional in all respects in accordance with its terms and ENRC Shareholder not having validly withdrawn his acceptance, to transfer to Eurasian Resources (or to such other person or persons as Eurasian Resources or its agents may direct) by means of CREST all or any of the ENRC Shares in uncertificated form which are the subject of a TTE instruction in respect of that Electronic Acceptance; and

(ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the Offer lapsing) to transfer all such ENRC Shares to the original balance of the accepting ENRC Shareholder;

(e) the Electronic Acceptance constitutes (subject to the Offer becoming unconditional in all respects in accordance with its terms and to the ENRC Shareholder not having validly withdrawn his acceptance) an irrevocable instruction and authorisation:

(i) subject to the provisions of paragraph 8 of Part B of this Appendix, to Eurasian Resources, Kazakhmys PLC or their respective agent(s) to procure that the name(s) of such Relevant ENRC Shareholder(s) is/are entered on the register of members of Kazakhmys PLC in respect of the Kazakhmys Shares to which the Relevant ENRC Shareholder(s) is/are entitled under the Offer (subject to the terms of the articles of association of Kazakhmys PLC);

(ii) subject to the provisions of paragraph 8 of Part B of this Appendix, to Eurasian Resources, the Receiving Agent or their respective agents to procure the making of a CREST payment obligation in favour of ENRC Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such shareholder is entitled under the Offer and to transfer any Kazakhmys Shares to which any ENRC Shareholder is entitled in uncertificated form provided that Eurasian Resources may (if, for any reason, it wishes to do so) determine that all or any part of such cash consideration shall be paid by cheque (despatched by post) and/or that all or any of such Kazakhmys Shares to which the ENRC Shareholder is entitled shall be issued in certificated form (despatched by post) at the risk of the ENRC Shareholder, provided that in the case of an ENRC Shareholder whose registered address is in the United States or any other Restricted Jurisdiction such cheques and/or relevant definitive certificate(s) for the Kazakhmys Shares shall be despatched to the first-named holder at an address outside the United States or other Restricted Jurisdiction stipulated by such holder or as otherwise determined by Eurasian Resources; and

(iii) to Eurasian Resources, the Receiving Agent, ENRC, Kazakhmys PLC or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of ENRC in respect of his holding of ENRC Shares (until such are revoked or varied) as if such mandates, instructions, consents or instruments had been given in respect of his holding of Kazakhmys Shares. If a Relevant ENRC Shareholder already holds Kazakhmys Shares, the mandates, instructions, consents and instruments in force for those Kazakhmys Shares will be deemed to apply to the relevant Kazakhmys Consideration Shares;

(f) the Electronic Acceptance constitutes the giving of authority to each of Eurasian Resources, the Receiving Agent or any directors or agents of, or any person authorised by, either of them within the terms set out in Part B and Part D of this Appendix;

(g) unless the Panel otherwise consents, subject to the Offer becoming unconditional in all respects (or if the Offer would become unconditional in all respects or lapse on the outcome of the resolution in question), in respect of ENRC Shares in relation to which the Offer has been accepted or deemed to be accepted (which acceptance has not been validly withdrawn) and pending registration in the name of Eurasian Resources or as it may direct:

(i) Eurasian Resources or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general or separate class meeting of ENRC) attaching to the ENRC Shares in uncertificated form comprised or deemed to be comprised in the acceptance;

(ii) an Electronic Acceptance by an ENRC Shareholder shall constitute with regard to such ENRC Shares in uncertificated form comprised in the acceptance:

(A) an authority to ENRC or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of ENRC (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such ENRC Shares into certificated form) to Eurasian Resources at its registered office;

(B) an irrevocable authority to each of Eurasian Resources, the Receiving Agent and any directors or agents of, or any person authorised by, either of them to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the ENRC Shares held by him (including, without limitation, signing any consent to short notice of a general or separate class meeting as his attorney and on his behalf and executing a form of proxy appointing any person nominated by Eurasian Resources to attend general and separate class meetings of ENRC and attending any such meeting and exercising the votes attaching to the ENRC Shares in uncertificated form comprised or deemed to be comprised in the acceptance on his behalf, where relevant such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and

(C) the agreement of such ENRC Shareholder not to exercise any such rights without the consent of Eurasian Resources and the irrevocable undertaking not to appoint a proxy for or to attend such general or separate class meeting of ENRC;

(h) if, for any reason, any ENRC Shares in respect of which a TTE instruction has been effected in accordance with paragraph 23.2 of the letter from Eurasian Resources contained in this document are converted to certificated form, he will (without prejudice to paragraph (g) of Part D of this Appendix) immediately deliver, or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such ENRC Shares that are so converted to the Receiving Agent at any of the addresses specified in paragraph 4(i) of Part B of this Appendix or to Eurasian Resources at its registered office or as Eurasian Resources or its agents may direct; and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix in relation to such ENRC Shares without prejudice to the application of this Part D so far as Eurasian Resources deems appropriate;

(i) the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements as referred to in paragraph (e)(ii) of this Part D of this Appendix will, to the extent of the obligation so created, discharge in full any obligation of Eurasian Resources to pay to him the cash consideration to which he is entitled under the Offer;

(j) he will do all such acts and things as shall, in the opinion of Eurasian Resources be necessary or expedient to vest in Eurasian Resources or its nominee(s) the ENRC Shares in uncertificated form comprised or deemed to be comprised in the acceptance and to enable the Receiving Agent to perform its function as Escrow Agent for the purposes of the Offer;

(k) he will ratify each and every act or thing which may be done or effected by Eurasian Resources, the Receiving Agent or any directors or agents of, or any person authorised by, either of them, or by ENRC or Kazakhmys PLC or their respective agents, as the case may be, in the exercise of any of the powers and/or authorities under this Part D of this Appendix;

(l) if any provision of Part B or Part D of this Appendix shall be unenforceable or invalid or shall not operate so as to afford Eurasian Resources, the Receiving Agent or any directors or agents of, or any person authorised by, any of them, or ENRC or Kazakhmys PLC or their respective agents the benefit of the authority expressed to be given therein, he will, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable Eurasian Resources, the Receiving Agent or any directors or agents of, or any person authorised by, either of them, or ENRC or Kazakhmys PLC or their respective agents to secure the full benefit of Part B or Part D of this Appendix;

(m) he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the ENRC Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid with full title guarantee and free from all liens, charges, equities, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights attaching to them on or after 24 June 2013 including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made on or after that date;

(n) the making of an Electronic Acceptance constitutes ENRC Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the Offer;

(o) by virtue of Regulation 43 of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the CREST member accepting the Offer in the terms of all the powers and authorities expressed to be given in Part B, (where applicable by virtue of paragraph (h) above) Part C and Part D of this Appendix to Eurasian Resources, the Receiving Agent or any directors or agents of, or any person authorised by, either of them as set out in this Appendix; and

(p) that he is not a client (as defined in the FCA Handbook or the PRA Handbook) of any of Eurasian Resources' financial advisers in connection with the Offer.

A reference in Part D of this Appendix to an ENRC Shareholder includes a reference to the person or persons making an Electronic Acceptance.

DEFINITIONS

Annual General Meeting	the annual meeting of the Kazakhmys Shareholders held pursuant to the Articles of Association
Articles of Association	the articles of association of the Company
Board	the Company's board of Directors
CAD	cash against document
CCASS	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
CDB or **China Development Bank**	China Development Bank Corporation
certificated or **in certificated form**	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
Chairman	Chairman of the Board and the Company
Circular	the circular dated 12 July 2013 sent to Kazakhmys Shareholders in connection with the Transaction
CIS	Commonwealth of Independent States
COD	cash on delivery
Codelco premium	the stated premium charged by Corporación Nacional del Cobre de Chile over the LME price for copper
COMESA	the Common Market for Eastern and Southern Africa
COMESA Member States	the member states of the COMESA, being Burundi, Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Seychelles, Swaziland, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Uganda, Zambia and Zimbabwe
Companies Act	the Companies Act 2006, as such act may be amended, modified or re-enacted from time to time
Company or **Kazakhmys PLC**	Kazakhmys PLC, a public company incorporated in England and Wales with limited liability
Competent Body	a Kazakh State authority which has the competence to enter into and to register subsoil use contracts, supervise fulfilment of obligations by subsoil users, suspend subsoil use operations, terminate subsoil use contracts in the event of default by a subsoil user with respect to the compliance requirements of the subsoil use contracts, consider applications for consent and the State's waiver in case of alienation of subsoil use rights or shares/participatory interests in a subsoil user, as well as other competencies in the area of subsoil use, as designated under the 2010 Subsoil Law. Prior to 12 March 2010, such State authority was the Ministry for Energy and Mineral Resources of Kazakhstan; on 12 March 2010, the competence of the Ministry for

	Energy and Mineral Resources of Kazakhstan was divided between the Ministry of Oil and Gas (in relation to subsoil use contracts for exploration and production of hydrocarbons) and the Ministry of Industry and New Technologies (in relation to subsoil use contracts in the area of mining, except for widespread minerals, as designated under the 2010 Subsoil Law, which are within the competency of local executive bodies)
Completion	completion of the ENRC Takeover Offer in accordance with the terms and conditions set out in the Eurasian Resources Offer Document
Conditions	the conditions of the ENRC Takeover Offer set out in Appendix I to the Eurasian Resources Offer Document, as restated without material changes in Part IX: "Conditions and Further Terms of the ENRC Takeover Offer" and (in respect of the ENRC Shares held in certificated form) the Form of Acceptance
Consortium	Mr Alexander Machkevitch, Mr Alijan Ibragimov, Mr Patokh Chodiev and the State Property and Privatisation Committee of the Ministry of Finance of the Republic of Kazakhstan
CREST	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK & Ireland is the operator
Director(s)	the director(s) of the Company
DSBP	the Company's Deferred Shares Bonus Plan 2007
DTR	the Disclosure and Transparency Rules made by the Financial Conduct Authority under Part VI of FSMA
ENRC	Eurasian Natural Resources Corporation PLC, a public limited company incorporated in England and Wales with registered number 6023510, of which the Company holds 26 per cent. of the share capital
ENRC Shareholders	holders of ENRC Shares from time to time other than Eurasian Resources
ENRC Shares	the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of U.S.$0.20 each in the capital of ENRC and any further such shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the ENRC Takeover Offer closes (or before such earlier date as the Eurasian Resources may determine, not being earlier than the date on which the ENRC Takeover Offer becomes or is declared unconditional as to acceptances or, if later, the First Closing Date of the ENRC Takeover Offer, as Eurasian Resources may decide) but excluding in both cases any such shares or held or which become held in treasury
ENRC Takeover Offer	the proposed acquisition by Eurasian Resources of the entire issued and to be issued share capital of ENRC (other than the ENRC Shares already held by Eurasian

	Resources) by means of a contractual takeover offer on the terms and subject to the conditions set out in the Eurasian Resources Offer Document and (in respect of ENRC Shareholders who hold ENRC Shares in certificated form) the Form of Acceptance or, should Eurasian Resources so elect (with the consent of the Panel), by means of a Scheme, including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer, and includes any election available in connection with it
ENRC Target Shares	the 334,824,860 ENRC Shares held by Kazakhmys, representing 26 per cent. of ENRC's share capital
EPS	earnings per share
Eurasian Resources	Eurasian Resources Group B.V., formerly known as Eleanor Investments B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, registered with the trade register of the Chambers of Commerce under file number 57923272, formed at the direction of the Consortium for purposes of the ENRC Takeover Offer
Eurasian Resources Offer Document . .	the document containing and setting out the terms and conditions of the ENRC Takeover Offer published by Eurasian Resources on the date of the publication of this Prospectus
EU	the European Union
Euro or **EUR** or **€**	the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community
Europe	in reference to the countries and markets of the Group's sales and customers, includes Europe and countries bordering the Mediterranean Sea
Excess Profits Tax	Kazakhstan excess profits tax
Executive Directors	the executive Directors of the Company
Fatal Accident Review Panel	a sub-committee of the Group Health, Safety and Environment Committee
Financial Conduct Authority or **FCA** . .	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
First Closing Date	28 August 2013
Form of Acceptance	the form of acceptance and authority for use by ENRC Shareholders in connection with the ENRC Takeover Offer
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ,

	United Kingdom at 9.00 a.m. (UK time) on 2 August 2013, notice of which was set out at the end of the Circular, or any reconvened meeting following any adjournment thereof
Government or the **Government of Kazakhstan**	the Government of Kazakhstan, including acting through The State Property and Privatisation Committee of the Ministry of Finance of the Republic of Kazakhstan
Group	the Company and its subsidiaries
Hong Kong or **HK**	the Hong Kong Special Administrative Region of the PRC
Hong Kong Share Register	the Hong Kong securities register of Kazakhmys Shares maintained pursuant to Hong Kong laws and regulations by the Hong Kong Share Registrar
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited
Hong Kong Stock Exchange	the Stock Exchange of Hong Kong Limited
IFRS	International Financial Reporting Standards
IMF	the International Monetary Fund
Implementation Agreement	The implementation agreement dated 24 June 2013 between the Company and Eurasian Resources, further details of which are set out in paragraph 18.6 of Part VII: "Additional Information"
Irrevocable Undertaking	the irrevocable undertaking by the Company and Kazakhmys Eurasia B.V. dated 23 June 2013 to Eurasian Resources, further details of which are set out in paragraph 18.7 of Part VII: "Additional Information"
JORC	the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy
JORC Code	the Australasian Code for Reporting Mineral Resources and Ore Reserves (2004), published by JORC
Kazakhmys or the **Group**	the Company and its consolidated subsidiaries and subsidiary undertakings from time to time
Kazakhmys Concert Party	Vladimir Kim, Oleg Novachuk and Eduard Ogay
Kazakhmys Concert Party Irrevocable Undertakings	the irrevocable undertakings by each member of the Kazakhmys Concert Party dated 23 June 2013 to Eurasian Resources and the Company, further details of which are set out in paragraph 18.9 of Part VII: "Additional Information"
Kazakhmys Consideration Shares	up to 61,664,618 Kazakhmys Shares owned by Eurasian Resources being offered to Relevant ENRC Shareholders as partial consideration under the ENRC Takeover Offer (being 138,705,765 Kazakhmys Shares owned by Eurasian Resources and being used as partial consideration under the ENRC Takeover Offer less the Kazakhmys Repurchase Shares)

Kazakhmys Consideration Shares Restricted Jurisdiction	any jurisdiction outside of the United Kingdom, where the offer of the Kazakhmys Consideration Shares would or may infringe the relevant laws and regulations of such jurisdiction or would or may require Eurasian Resources or the Company to obtain any governmental or other consent or to effect any registration, filing or other formality which either Eurasian Resources or the Company would be unable to comply with or is unduly onerous
Kazakhmys Corporation	Kazakhmys Corporation LLC, or its predecessor legal entity, and its subsidiaries, incorporated in Kazakhstan
Kazakhmys Finance	Kazakhmys Finance PLC, a member of the Group incorporated in England and Wales
Kazakhmys Repurchase Shares	the 77,041,147 Kazakhmys Shares to be purchased by the Company from Eurasian Resources under the Share Repurchase
Kazakhmys Sales Limited	Kazakhmys Sales Limited, a member of the Group incorporated in England and Wales, which acts as the international trading entity for the Group. It enters into sales contracts with third party copper purchasers (outside Kazakhstan and the CIS) to sell the Group's copper products and by-products
Kazakhmys Shares	ordinary shares of 20 pence each in the capital of the Company
Kazakhmys Shareholders	the holders of Kazakhmys Shares
Kazakhstan or **RK** or the **State**	the Republic of Kazakhstan
KazZinc	KazZinc LTD, an entity majority-owned by subsidiaries of Glencore International AG
KEGOC	JSC "Kazakhstan Electricity Grid Operating Company KEGOC"
Kyoto Protocol	the United Nations Framework Convention on Climate Change, which took effect in February 2005
Kyrgyzstan	the Kyrgyz Republic
KZT or **Tenge**	Kazakh Tenge, the lawful currency of Kazakhstan
Latest Practicable Date	5 August 2013, being the latest practicable date prior to the publication of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
LBMA	London Bullion Market Association
LIBOR	London Interbank Offered Rate
Listing Rules	the rules and regulations made by the Financial Conduct Authority in its capacity as the UK Listing Authority under FSMA, and contained in the UKLA's publication of the same name

LME	the London Metal Exchange, a non-ferrous metals market established for over 130 years and headquartered in London; members of LME include global major mining companies and international commodities trading companies
Local Content Requirements	requirements as to Kazakhstan content in personnel, goods, work and services pursuant to the 2010 Subsoil Law
London Stock Exchange	the London Stock Exchange plc or its successor
LTIP	the Company's Long Term Incentive Plan 2007
LTIP Awards	conditional nil-cost awards of Kazakhmys Shares under the LTIP granted to the LTIP Participants made on 6 April 2011, 4 April 2012 and 5 April 2013
LTIP Participants	Oleg Novachuk and Eduard Ogay
Ministry of Industry and New Technologies or **MINT**	the Ministry of Industry and New Technologies of Kazakhstan
Ministry of Oil and Gas	the Ministry of Oil and Gas of the Republic of Kazakhstan
MKM	MKM Mansfelder Kupfer und Messing GmbH and/or all or any of its subsidiaries
Moody's	Moody's Investors Service Limited
National Bank of Kazakhstan or **NBK**	the National Bank of the Republic of Kazakhstan
Natural Monopolies Agency	the Kazakhstan Agency on Regulation of Natural Monopolies, the State body regulating natural monopolies activity
Non-executive Directors	the non-executive directors of the Company
Official List	the Official List maintained by the UKLA
Panel	the Panel on Takeovers and Mergers
pounds sterling or **£**	pounds, the official currency of the United Kingdom
PRC or **China**	the People's Republic of China
Prospectus	this Prospectus dated 7 August 2013
Prospectus Directive or **Prospectus Directive Regulation**	EU Prospectus Directive (2003/71/EC) (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state and includes any relevant implementing measure in the relevant member state, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU)
Prospectus Rules	the prospectus rules made by the Financial Conduct Authority under Part IV of FSMA
Regulations	the Uncertificated Securities Regulations 2001

Relationship Agreement	the agreement between Cuprum Holding Limited, Vladimir Kim and the Company, described in paragraph 18.5 of Part VII: "Additional Information"
Relevant ENRC Shareholders	the ENRC Shareholders other than Eurasian Resources and Kazakhmys
Resolutions	the resolutions set out in the notice of General Meeting at the end of the Circular
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the ENRC Takeover Offer is sent or made available to ENRC Shareholders in that jurisdiction
RMB	the renminbi, the lawful currency of China
Russia	the Russian Federation
Samruk-Kazyna	the Joint Stock Company "National Welfare Fund "Samruk-Kazyna", an entity owned and controlled by the Government
Scheme	a scheme of arrangement under Part 26 of the Companies Act, with or subject to any modification, addition or condition which Eurasian Resources and ENRC may agree, and, if required, the court may approve or impose
Share Repurchase	the proposed purchase by the Company of Kazakhmys Repurchase Shares from Eurasian Resources pursuant to the Share Repurchase Agreement
Share Repurchase Agreement	the conditional share purchase agreement entered into by the Company and Eurasian Resources dated 24 June 2013 in relation to the Share Repurchase, described in paragraph 18.8 of Part VII: "Additional Information"
South Africa	the Republic of South Africa
Standard & Poor's or **S&P**	Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.
Subsoil Law or **2010 Subsoil Law**	the Law of the Republic of Kazakhstan On Subsoil and Subsoil Use dated 24 June 2010 No. 291-IV (in effect as of 5 July 2010)
subsoil user	the holder of rights under the 1996 Subsoil Law or the 2010 Subsoil Law, as applicable
Takeover Code	the City Code on Takeovers and Mergers
Transaction	the proposed disposal of the ENRC Target Shares by the Company pursuant to the ENRC Takeover Offer and the Share Repurchase
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland
UK Bribery Act	the UK Bribery Act 2010

UKLA or **UK Listing Authority**	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
uncertificated or **in uncertificated form**	a share or other security, title to which is recorded in the relevant register of the Company as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
United States or **U.S.**	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
U.S. dollars or **U.S.$**	United States dollars, the lawful currency of the United States
U.S. Securities Act	United States Securities Act of 1933, as amended.
USSR or Soviet Union	the former Union of Soviet Socialist Republics
VAT	Value Added Tax
Zambia	the Republic of Zambia
Zimbabwe	the Republic of Zimbabwe
1996 Subsoil Law	the Law of the Republic of Kazakhstan On Subsoil and Subsoil Use dated 27 January 1996 No. 2828 (repealed by the 2010 Subsoil Law)

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains terms used in this Prospectus as they relate to the Group's business. Some of these definitions may not correspond to standard industry definitions.

adit	a horizontal or nearly horizontal entrance/access to an underground mine from the surface, which often starts from the side of a hill
anode	the electrode by which current enters the cell. For copper refining, impure copper is used as an anode. For zinc refining, lead anodes are used
cathode	the cathode is the conductor through which electricity leaves the cell. For copper refining, the cathode is where the refined copper is deposited
caving	a low-cost bulk method of mining where the ore body is either undercut to encourage it to collapse naturally (block caving) or loosened by blasting (sub-level caving), and then loaded from drawpoints on a safe level
concentrate	material which has been processed to increase the percentage of the valuable mineral to facilitate transportation and downstream processing
copper concentrate	product of the flotation process with a copper metal content typically ranging between 20 per cent. and 40 per cent.
copper in concentrate	copper concentrate measured by the copper metal content within copper concentrate
dilution	waste or sub-economic mineralised material that is mined with the ore as an undesired consequence of mining
drawpoint	a connection to a mining stope from which broken ore is loaded by a front-end loader
electrowinning or **EW**	recovery of metal from solution by electrolysis
GWh	gigawatt hours
inferred resources	mineral resource inferred from geoscientific evidence, drill holes, underground openings or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability
km	kilometres
koz	thousand ounces
kt	kilotonnes
life of mine	the remaining life of the mine in years calculated by deducting the scheduled production rate (i.e. the rate at which material will be removed from the mine to the current defined reserves)
m	metres

M	million
mineable reserve	the portion of the reserve that can be economically (or technically) mined from the total reserve
mineral	a natural, inorganic, homogeneous material that can be expressed by a chemical formula
mineralisation	the process by which minerals are introduced into a rock. More generally, a term applied to accumulations of potentially economic or related minerals in quantities ranging from anomalous to economically recoverable
mineral resource	a tonnage or volume of rock or mineralisation of intrinsic economic interest
mm	millimetre
Moz	million ounces
Mt	million tonnes
MVA	megavolt ampere
MW	megawatt
nameplate capacity	the maximum rated output of electric power production equipment under specified conditions designated by the manufacturer
open pit	surface mining in which the ore is extracted from a pit or quarry
ore	a mineral or mineral aggregate containing precious or useful minerals in such quantities, grade and chemical combination as to make extraction economic
ounce or **oz**	a troy ounce
plant	fixed or moveable equipment required in the process of winning or processing the ore
probable reserves	those measured and/or indicated mineral resources which are not yet "proved", but of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of the determination and under specified economic conditions
proved reserves	measured mineral resources of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of determination and under specific economic conditions
refining	the final process of upgrading the metal quality
reserves	those parts of mineral resources for which sufficient information is available to enable detailed or conceptual mine planning and for which such planning has been undertaken. Reserves are classified as either proved or probable
resources	all of the potential minerals in a defined area based on points of observation and extrapolations from those

	points. Potential minerals are defined as minerals which have been or could be improved to give a quality acceptable for commercial usage in the foreseeable future
room and pillar mining	a common mining method in which mined material is extracted along a horizontal plane leaving open areas called "rooms" with pillars of untouched material to support the roof
secondary pillar extraction	mining process in which ore-bearing pillars supporting the roof of a stope from which all the ore has been extracted are themselves partially or fully extracted
shrinkage stoping	a labour-intensive mining method for narrow, steeply dipping ore bodies in which mining proceeds upwards from the bottom of an ore body and the broken ore is gradually removed from drawpoints at the bottom of the ore body
slag	solid waste matter left when metal has been separated from ore by smelting
smelting	thermal process whereby molten metal is liberated from a concentrate, with impurities separating into a lighter slag
solvent extraction or **SX**	the hydrometallurgical process in which ore is purified and concentrated by leaching using a solvent, yielding a leach solution which is then input to the electrowinning process
stope	a three-dimensional area of ore defined for mining
sustaining capital expenditure	capital expenditure on maintenance and repair of existing capital assets
SX-EW	the combined solvent extraction/electrowinning process
t or **tonne**	metric tonne, equivalent to 2,204.62 pounds
tailings	the waste material produced from ore after economically recoverable metals or minerals have been extracted. Changes in metal prices and improvements in technology can sometimes make the tailings economic to process at a later date
tankhouse	a building in which an electrolytic refinery is housed; the refinery consists of tanks in which electrolytic refining takes place
tolling	the process by which a customer supplies concentrate to a smelter and the smelter invoices the customer for the smelting charge, and possibly a refining charge, and then returns the metal to the customer
zinc concentrate	product of the flotation process with a zinc metal content typically ranging between 45 per cent. and 50 per cent.
zinc in concentrate	zinc concentrate measured by the zinc metal content within zinc concentrate

Printed by RR Donnelley 551041