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AKTOGAY PROJECT UPDATE

KAZ Minerals today announces an update on the Aktogay Expansion Project including a reduction in capital expenditure guidance for 2020.

Following a review of construction progress to date and the near-term impact of Covid-19 restrictions, the project remains on track for completion in 2021, as previously guided, but is now expected to commence production in late 2021. Measures taken to control the spread of Covid-19, both in Kazakhstan and internationally, have negatively impacted the supply chain, reduced the availability of local contractors and prevented vendor representatives from entering the country to support equipment installations.

After total spend on the project of \$663 million to 31 December 2019, capital expenditure in 2020 is now forecast to be \$300-350 million, which is lower than the previous guidance of \$400 million. The balance of the unchanged \$1.2 billion project budget will be incurred in 2021.

Oleg Novachuk, Chair, said: "Our first priority is to keep our employees and contractors safe during this difficult time. We are also working hard to meet the challenges posed by Covid-19 and to maintain progress at the Aktogay expansion project. Whilst we still expect to deliver the project within our guided timeframe, we now anticipate that production from the new Aktogay concentrator will commence towards the end of 2021 and capital expenditure in 2020 will be lower than previously indicated, at around \$300-350 million."

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NOTES TO EDITORS

KAZ Minerals is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan, Russia and Kyrgyzstan. It operates the Aktogay and Bozshakol open pit copper mines in the East Region and Pavlodar region of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2019, total copper production was 311 kt with by-products of 201 koz of gold, 3,382 koz of silver and 38 kt of zinc in concentrate. The Group acquired the Baimskaya project in the Chukotka region of Russia in January 2019, one of the world's most significant undeveloped copper assets, with the potential to become a large scale, low cost, open pit copper mine.

The Group's new operations at Aktogay and Bozshakol have delivered industry leading production growth and transformed KAZ Minerals into a company dominated by world class, open pit copper mines.

Aktogay is a large scale, open pit mine similar to Bozshakol, with a remaining mine life of around 25 years (including the expansion project) at an average copper grade of 0.35% (oxide) and 0.33% (sulphide). Aktogay commenced production of copper cathode from oxide ore in December 2015 and copper in concentrate from sulphide ore in February 2017. The operating sulphide concentrator has an annual ore processing capacity of 25 million tonnes and the sulphide processing capacity will be doubled to 50 million tonnes with the addition of a second concentrator by the end of 2021. Aktogay is competitively positioned on the global cost curve and will produce an average of 100 kt of copper per year from sulphide ore until 2021, increasing to 170 kt per year from 2022 to 2027, after the second concentrator commences operations. Copper production from oxide ore will be in the region of 20 kt per annum until 2024.

Bozshakol is a first quartile asset on the global cost curve with an annual ore processing capacity of 30 million tonnes and a remaining mine life of c.40 years at an average copper grade of 0.36%. The mine and processing facilities commenced output in 2016 and will produce an average of 100 kt of copper cathode equivalent and 120 koz of gold in concentrate per year over the first 10 years of operations.

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

KAZ Minerals is listed on the London Stock Exchange and the Kazakhstan Stock Exchange and employs around 16,000 people, principally in Kazakhstan.

Definitions

Aktogay Expansion Project	the project to increase sulphide ore processing capacity to 50 Mtpa at the Group's Aktogay mine site through the construction of a second concentrator and associated infrastructure
KAZ Minerals or the Group	KAZ Minerals PLC, together with its subsidiary undertakings
kt	thousand metric tonnes
ktpa	thousand metric tonnes per annum
koz	thousand troy ounces
Mtpa	million metric tonnes per annum