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BAIMSKAYA PROJECT UPDATE

KAZ Minerals today announces updated parameters for the Baimskaya Project, based on feasibility study work completed to date.

Work at the Baimskaya site in the second quarter has been limited due to measures taken to control the spread of the Covid-19 virus in the region. Prior to the disruption, equipment and materials were delivered to the site for the pioneer works scheduled to take place during the year. Activity is expected to resume in due course and the Group's capital expenditure guidance of \$150 million for 2020 remains in place.

Progress on the Bankable Feasibility Study has also been impacted by Covid-19 related issues with teams in Moscow and Vancouver required to work from home and restrictions on both domestic and international travel.

The Group and the Russian government are continuing to work together on the details of the power and transport infrastructure required for the operational phase of the project including potential take or pay agreements. Due to the additional time required to finalise the infrastructure plan for the Project, including Covid-19 related delays, the BFS is now expected to be completed by the end of 2020.

Based on the results of ongoing drilling campaigns and work completed on the BFS to date, some of the key parameters of the Baimskaya Project have changed since those announced at the time of acquisition:

- (i) drilling results indicate a potential increase in Mineral Resources which would lead to an extension of the mine life, previously guided at around 25 years;
- (ii) reflecting the expectation of increased Mineral Resources and the latest available technology from equipment suppliers, project economics are optimised by increasing design capacity for the concentrator from 60 Mtpa to 70 Mtpa of ore processed;
- (iii) the current construction plan for the processing plant will ramp up the two lines in consecutive phases around 12 to 18 months apart, reducing the peak funding requirement when compared to a simultaneous startup; and
- (iv) the estimated capital budget for the Baimskaya project has increased to around \$7 billion¹ following more detailed costings during the BFS work and due to the additional plant and equipment required to deliver increased ore volumes for the new concentrator design, including a larger mining fleet, maintenance facilities and site accommodation. Around 10% of the capital budget is expected to be incurred after production commences from the first line.

The timetable for construction remains around seven years. Further details on the project timetable, capital expenditure, production guidance and operating costs will be published upon completion of the BFS. Discussions will then be further progressed with potential lenders and the Group will also assess opportunities for partnering on the Project.

Oleg Novachuk, Chair, said "We are working to develop our execution strategy for the delivery of the Baimskaya copper project, one of the world's largest undeveloped copper assets. Study work and drilling completed so far at Baimskaya indicates that a larger project will unlock the potential of the world class Peschanka deposit. We look forward to updating the market with the details of the Bankable Feasibility Study when it is completed later this year."

¹ Capital budget is estimated in nominal terms based on 100% share of development capital expenditure, subject to confirmation in further study work.

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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. 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 around \$7 billion, with c.10% to be incurred after the commencement of production. The detailed parameters of the project are to be confirmed on completion of the feasibility study by the end of 2020. 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.

This announcement contains inside information.

Definitions

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|------------------------------------------|-------------------------------------------------------------------------------------------------|
| Baimskaya or the Baimskaya Project | the Baimskaya copper project in the Chukotka region of Russia |
| BFS or Bankable Feasibility Study | a feasibility study of the Baimskaya copper project required for the financing of construction. |
| Covid-19 | disease caused by Severe Acute Respiratory Syndrome Coronavirus-2 |
| Inferred Mineral Resources | Inferred Mineral Resources estimated in accordance with the JORC code |
| JORC | Joint Ore Reserves Committee |
| KAZ Minerals or the Group | KAZ Minerals PLC, together with its subsidiary undertakings |
| Measured and Indicated Mineral Resources | Measured and Indicated Mineral Resources estimated in accordance with the JORC code |
| Mineral Resources | Mineral Resources as defined under the JORC code |

Glossary

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| kt | thousand metric tonnes |
| ktpa | thousand metric tonnes per annum |
| koz | thousand troy ounces |
| Mt | million metric tonnes |
| Mtpa | million metric tonnes per annum |