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29 January 2015

KAZ MINERALS PLC PRODUCTION REPORT FOR 12 MONTHS AND THE FOURTH QUARTER ENDED 31 DECEMBER 2014

- **Full year copper cathode production from continuing operations 83.5 kt**
 - Achieved upper end of guidance, 80–85 kt
 - 2014 cathode production from continuing operations rose by 9%, supported by increase in copper in concentrate production
 - Movement from prior year also impacted by build-up of work in progress at the smelter during 2013
 - Increased recovery rate at Nikolayevsky concentrator following modernisation programme
- **Q4 2014 copper cathode production from continuing operations 24.1 kt**
 - Strong Q4 2014 copper cathode output of 24.1 kt (Q3 2014: 18.3 kt) as concentrate work in progress from the previous quarter was processed
- **Full year by-product output from continuing operations robust**
 - Zinc in concentrate output of 121 kt – ahead of guidance
 - Silver output of 3,435 koz – in line with guidance
 - Gold output of 34.6 koz – 4.0 koz gold in concentrate delivered from Bozymchak will be processed in 2015

Basis of preparation – continuing operations versus discontinued operations

- The 'Mining Production – Retained Assets' section contains production figures, comparative data and commentary that relate to the continuing operations in the East Region and Bozymchak
- The 'Group Production Summary' section includes separate production data for the Disposal Assets that were under the ownership of the Group until the Restructuring was completed on 31 October 2014

Oleg Novachuk, Chief Executive, said: "Our continuing operations in the East Region delivered a strong fourth quarter of copper cathode production and we have achieved the upper end of our full year guidance. The fourth quarter also included copper cathode production from our new copper-gold mine at Bozymchak, which made its first shipment of concentrate to the Balkhash smelter in December 2014. We look forward to updating the market on 26 February 2015 with our full year results for 2014 and on progress at our major growth projects, Bozshakol and Aktogay."

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NOTES TO EDITORS

KAZ Minerals PLC (“KAZ Minerals”) is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan. It is a leading copper producer in Kazakhstan with five operating mines and four concentrators. In 2014, total copper cathode output from continuing operations was 84 kt. The Group’s continuing operations also produced 121 kt of zinc in concentrate, 3,435 koz of silver and 35 koz of gold in 2014.

The Group has two major copper projects under construction, Bozshakol and Aktogay, and a third, Koksay, at scoping stage. These projects are expected to deliver one of the highest growth rates in the industry and transform KAZ Minerals into a company dominated by world class open pit copper mines.

KAZ Minerals PLC is listed on the London Stock Exchange, the Kazakhstan Stock Exchange and the Hong Kong Stock Exchange and employs around 10,000 people, principally in Kazakhstan.

Group Restructuring

In October 2014, the Group completed the disposal of certain mature assets in the Zhezkazgan and Central Regions (the “Disposal Assets”) to Cuprum Netherlands Holding B.V. (the “Restructuring”).

Following completion of the Restructuring, the Company was renamed KAZ Minerals PLC. The Company retained mining and processing assets in the East Region, Bozymchak (the new mine and concentrator in Kyrgyzstan) and the three major growth projects Bozshakol, Aktogay and Koksay (the “Retained Assets”). As a result of the Restructuring, KAZ Minerals is a smaller, focused group, with the potential for exceptional future growth as it develops its projects.

MINING PRODUCTION – RETAINED ASSETS

East Region and Bozymchak Production Summary¹

		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
Ore extraction	kt	4,628	4,350	1,116	1,260	1,076
Average copper grade	%	2.35	2.41	2.36	2.11	2.51
Copper concentrate	kt	474.6	462.1	125.3	114.4	126.5
Copper in concentrate	kt	89.9	86.8	23.6	21.9	23.3
Copper cathode production	kt	83.5	76.8	24.1	18.3	22.7

¹Includes output from the commissioning of the Bozymchak mine in 2014.

Copper cathode output from continuing operations rose by 9% in 2014 to 83.5 kt, supported by an increase in recovery rates at the Nikolayevsky concentrator. The movement from the prior year was also impacted by a build-up of work in progress at the Balkhash smelter during 2013.

2014 production includes a contribution from the new copper-gold Bozymchak mine of 426 kt of ore and 0.7 kt of copper in concentrate. The first shipment of concentrate reached the Balkhash smelter in December 2014, part of which was processed in the month.

In Q4 2014, copper cathode output from continuing operations of 24.1 kt was 32% above Q3 2014, assisted by an 8% increase in copper in concentrate production (5% excluding Bozymchak) and the release of work in progress accumulated in Q3 2014.

Copper Production Detail

		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
MINING						
Artemyevsky	ore (kt)	1,358	1,332	344	340	310
	grade (%)	1.78	1.68	1.86	1.69	1.72
Irtyshtsky	ore (kt)	637	626	171	145	157
	grade (%)	1.49	1.49	1.56	1.46	1.44
Orlovsky	ore (kt)	1,548	1,557	390	376	392
	grade (%)	3.66	3.45	3.46	3.48	3.60
Yubileyno-Snegirikhinsky	ore (kt)	659	835	150	149	217
	grade (%)	2.13	2.30	2.11	2.13	2.43
Bozymchak	ore (kt)	426	-	61	250	-
	grade (%)	1.00	-	1.01	1.00	-
Total	ore (kt)	4,628	4,350	1,116	1,260	1,076
Average	grade (%)	2.35	2.41	2.36	2.11	2.51

Ore extraction from the East Region operations and Bozymchak mine increased to 4,628 kt in 2014, 6% above the prior year, with the Bozymchak mine in Kyrgyzstan contributing 426 kt of ore at 1.00% copper grade. Ore output in the East Region decreased by 3% in 2014 mainly due to a 21% reduction in ore extraction at the mature Yubileyno-Snegirikhinsky mine, with the mine expected to cease operations within the next two years. Ore output at the Artemyevsky and Orlovsky mines, which together produced 74% of the copper in ore in 2014, was consistent with the prior year.

MINING PRODUCTION – RETAINED ASSETS

The average copper grade achieved of 2.35% in 2014 was below the prior year, as lower grade contributions from the Bozymchak (1.00%) and Yubileyno-Snegirikhinsky (2.13%) mines were only partially offset by extraction from copper rich sections at the Orlovsky and Artemyevsky mines. The average copper grade at Orlovsky increased from 3.45% to 3.66% in 2014, whilst the Artemyevsky mine average copper grade increased from 1.68% to 1.78%. The average copper grade at Irtyshsky was in line with the prior year.

In Q4 2014, the average copper grade of 2.36% was above the previous quarter due to mining at higher grade zones at Artemyevsky, and the effect of lower ore output in Q4 2014 from Bozymchak, which has a copper grade of 1.00%. Bozymchak ore output in Q3 2014 was higher as sufficient material was stockpiled for use in commissioning.

		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
PROCESSING						
Orlovsky concentrator	kt	50.7	47.6	12.2	12.0	12.5
Nikolayevsky concentrator	kt	27.8	14.5	8.4	7.5	4.2
Belousovsky concentrator	kt	9.0	10.0	2.4	2.3	2.8
Other concentrators ¹	kt	1.7	14.7	-	-	3.8
Bozymchak concentrator	kt	0.7	-	0.6	0.1	-
Total copper in concentrate output	kt	89.9	86.8	23.6	21.9	23.3
Copper cathode production	kt	83.5	76.8	24.1	18.3	22.7

¹Includes third party processing and Berezovsky concentrator, which was suspended in December 2013.

East Region copper in concentrate production in 2014 was 3% or 3.1 kt above the prior year at 89.9 kt. Copper in concentrate output benefited from an increase in recovery rates at the Nikolayevsky concentrator, rising to 88% compared to 82% in 2013. Copper in concentrate production in 2014 does not fully reflect copper in ore mined output as some ore from Artemyevsky mine was stockpiled at the Nikolayevsky concentrator, where capacity was restricted due to modernisation works that occurred mainly during H1 2014. In H2 2014, ore processing volumes were in line with ore extraction and it is expected that the Nikolayevsky concentrator will increase its capacity in 2015. The processing of ore from the Bozymchak mine is limited during the commissioning of the concentrator, with production expected to ramp up in 2015.

Copper in concentrate output in Q4 2014 increased by 8% versus Q3 2014 to 23.6 kt, reflecting a 7% increase in copper in ore mined during the quarter in the East Region, in particular at the Artemyevsky and Irtyshsky mines due to the temporary mining of higher grade sections, and the 0.7 kt contribution from the Bozymchak concentrator.

Copper cathode production of 83.5 kt was 9% above the prior year supported by an increase in copper concentrate output. The movement from the prior year was also impacted by a build-up of work in progress at the Balkhash smelter during 2013.

In Q4 2014, copper cathode production toll processed at Balkhash of 24.1 kt reflected the combined benefit of an increase in copper in concentrate production compared to Q3 2014 and the release of work in progress at the smelter.

MINING PRODUCTION – RETAINED ASSETS

By-Product Production

MINING & PROCESSING		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
Zinc bearing ore mined	kt	4,202	4,350	1,055	1,010	1,076
Average zinc grade	%	4.07	4.16	4.09	3.58	4.28
Zinc in concentrate	kt	121.4	133.8	32.0	27.7	34.2
Silver bearing ore mined	kt	4,628	4,350	1,116	1,260	1,076
Average silver grade	g/t	54.54	63.87	60.54	41.38	63.36
Silver in concentrate	koz	3,862	5,164	1,181	893	1,258
Silver granule	koz	3,435	4,685	805	962	1,208
Gold bearing ore mined	kt	4,628	4,350	1,116	1,260	1,076
Average gold grade	g/t	0.91	0.86	0.91	0.96	0.93
Gold in concentrate	koz	39.5	46.9	13.6	8.7	11.5
Gold bar	koz	34.6	48.6	11.2	5.6	14.5

Zinc

Zinc in concentrate output of 121.4 kt exceeded the guidance of 115-120 kt but this was a 9% decrease year on year, due to lower grades and lower zinc bearing ore production. All East Region mines with the exception of Orlovsky had lower zinc grades compared to the prior year. Zinc in concentrate output in 2014 was also impacted by a build-up of stockpiled ore while modernisation works took place at the Nikolayevsky concentrator.

In Q4 2014, zinc in concentrate output was 32.0 kt, an increase of 16% compared to the previous quarter. This reflected higher zinc grades at the Orlovsky and Artemyevsky mines, the main contributors of zinc metal in ore mined (82%) in the East Region.

It is expected that zinc metal grades at Artemyevsky and Orlovsky will decrease in 2015 from the level achieved in 2014 as production temporarily moves to lower grade areas.

Silver

Silver in ore mined in 2014 decreased by 9% compared to the prior year, mainly reflecting a decrease in silver grade at the Artemyevsky mine from 90.8 g/t to 63.8 g/t in 2014.

In 2014, silver granule production decreased by 27% to 3,435 koz compared to the prior year due to a 25% reduction in silver in concentrate production. This was anticipated in the full year guidance of 3,300-3,700 koz. Silver in concentrate output decreased due to falling recovery rates resulting from processing of lower grade material. In the prior year the volume of silver processed was higher than silver metal in ore extracted.

In Q4 2014, output of silver granule decreased by 16% to 805 koz, reflecting the release of work in progress in Q3 2014 compared to a build-up in Q4 2014.

MINING PRODUCTION – RETAINED ASSETS

It is expected that silver metal grades at Artemyevsky and Orlovsky will decrease in 2015 from the level achieved in 2014 as production temporarily moves to lower grade areas.

Gold

In 2014, gold in ore mined increased by 12% compared to the prior year, benefiting from output from the gold-rich Bozymchak mine, which was partially offset by a decrease in grade at Artemyevsky.

Gold bar production of 34.6 koz in 2014 was below guidance of 37-42 koz, reflecting the timing of the first concentrate shipment from Bozymchak. Total concentrate produced in Q4 2014 at Bozymchak contained 4 koz of gold in concentrate, none of which was processed into finished goods in 2014.

In Q4 2014, output of gold bar doubled to 11.2 koz from the 5.6 koz reported in Q3 2014, reflecting both an increase in gold in concentrate produced from the East Region and the release of work in progress at the precious metals refinery.

It is expected that gold metal grades at Artemyevsky and Orlovsky will decrease in 2015 from the level achieved in 2014 as production temporarily moves to lower grade areas.

Group Production Summary

COPPER MINING

Retained Assets

		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
East Region and Bozymchak						
Artemyevsky	ore (kt)	1,358	1,332	344	340	310
	grade (%)	1.78	1.68	1.86	1.69	1.72
Irtysky	ore (kt)	637	626	171	145	157
	grade (%)	1.49	1.49	1.56	1.46	1.44
Orlovsky	ore (kt)	1,548	1,557	390	376	392
	grade (%)	3.66	3.45	3.46	3.48	3.60
Yubileyno-Snegirikhinsky	ore (kt)	659	835	150	149	217
	grade (%)	2.13	2.30	2.11	2.13	2.43
Bozymchak	ore (kt)	426	-	61	250	-
	grade (%)	1.00	-	1.01	1.00	-
Total Retained Assets	ore (kt)	4,628	4,350	1,116	1,260	1,076
Average	grade (%)	2.35	2.41	2.36	2.11	2.51

Disposal Assets

		10m 2014	12m 2013
Zhezkazgan Region			
North	ore (kt)	1,396	2,601
	grade (%)	0.74	0.66
East (incl. West)	ore (kt)	5,511	6,935
	grade (%)	0.83	0.80
South (incl. Stepnoy)	ore (kt)	6,903	8,576
	grade (%)	0.71	0.73
Zhomart	ore (kt)	3,147	3,738
	grade (%)	0.98	1.11
Central Region			
Nurkazgan West	ore (kt)	2,570	3,167
	grade (%)	0.71	0.60
Abyz	ore (kt)	-	391
	grade (%)	-	0.62
Akbastau	ore (kt)	1,786	2,163
	grade (%)	1.99	1.80
Sayak	ore (kt)	1,275	1,814
	grade (%)	0.95	0.90
Shatyrkul	ore (kt)	536	646
	grade (%)	1.92	2.24
Konyrat	ore (kt)	3,995	4,810
	grade (%)	0.31	0.30
Total Disposal Assets	ore (kt)	27,119	34,841
Average	grade (%)	0.83	0.81

Group Production Summary

COPPER PROCESSING

Retained Assets

		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
East Region						
Copper concentrate	kt	471.9	462.1	123.0	114.0	126.5
Copper in concentrate	kt	89.2	-	23.0	21.8	-
Bozymchak						
Copper concentrate	kt	2.7	-	2.3	0.4	-
Copper in concentrate	kt	0.7	-	0.6	0.1	-
Total Retained Assets						
Copper concentrate	kt	474.6	462.1	125.3	114.4	126.5
Copper in concentrate	kt	89.9	86.8	23.6	21.9	23.3
Copper cathode output	kt	83.5	76.8	24.1	18.3	22.7

Disposal Assets

		10m 2014	12m 2013
Zhezkazgan Region			
Copper concentrate	kt	337.8	435.8
Copper in concentrate	kt	113.9	145.0
Central Region			
Copper concentrate	kt	561.2	624.0
Copper in concentrate	kt	72.7	82.8
Total Disposal Assets			
Copper concentrate	kt	899.0	1,059.8
Copper in concentrate	kt	186.6	227.8

Cathode output

Zhezkazgan smelter			
Own concentrate	kt	-	76.3
Balkhash smelter			
Own concentrate	kt	89.5	109.4
Purchased concentrate	kt	0.1	1.7
Tolling	kt	4.0	0.1
Copper in concentrate sold ¹	kt	81.8	31.5
Total Disposal Assets			
Own concentrate	kt	89.5	185.7
Cathode equivalent production¹	kt	171.3	217.2

¹Copper cathode equivalent of copper in concentrate sold.

Group Production Summary

OTHER METALS MINING – ZINC

Retained Assets

		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
East Region						
Artemyevsky	grade (%)	4.04	4.65	4.61	3.23	4.04
Irtyshtsky	grade (%)	3.21	3.31	2.98	3.02	3.50
Orlovsky	grade (%)	5.48	5.31	5.02	4.81	6.00
Yubileyno-Snegirikhinsky	grade (%)	1.65	1.85	1.73	1.88	2.08
Average	grade %	4.07	4.16	4.09	3.58	4.28
Zinc bearing ore mined	kt	4,202	4,350	1,055	1,010	1,076
Zinc in concentrate	kt	121.4	133.8	32.0	27.7	34.2

Disposal Assets

		10m 2014	12m 2013
Abyz	grade (%)	-	1.98
Akbastau	grade (%)	1.38	1.16
Average	grade (%)	1.38	1.28
Zinc bearing ore mined	kt	1,786	2,554
Zinc in concentrate	kt	-	0.3

Group Production Summary

OTHER METALS MINING – SILVER

Retained Assets

		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
East Region and Bozymchak						
Artemyevsky	grade (g/t)	63.76	90.83	65.78	47.92	74.34
Irtyshtsky	grade (g/t)	49.61	50.78	55.45	45.85	55.25
Orlovsky	grade (g/t)	74.75	66.81	79.38	63.84	79.16
Yubileyno-Snegirikhinsky	grade (g/t)	21.60	25.18	26.20	18.71	25.00
Bozymchak	grade (g/t)	10.07	-	9.34	9.74	-
Average	grade (g/t)	54.54	63.87	60.54	41.38	63.36
Silver bearing ore mined	kt	4,628	4,350	1,116	1,260	1,076
Silver in concentrate	koz	3,862	5,164	1,181	893	1,258
Silver granule output	koz	3,435	4,685	805	962	1,208

Disposal Assets

		10m 2014	12m 2013
Zhezkazgan Region			
North	grade (g/t)	6.47	6.98
East (incl. West)	grade (g/t)	9.83	11.84
South (incl. Stepnoy)	grade (g/t)	14.6	15.79
Zhomart	grade (g/t)	8.48	9.22
Central Region			
Nurkazgan	grade (g/t)	2.00	1.44
Abyz	grade (g/t)	-	19.46
Akbastau	grade (g/t)	16.62	16.28
Sayak	grade (g/t)	5.44	4.66
Shatyrkul	grade (g/t)	2.13	2.02
Konyrat	grade (g/t)	1.71	1.20
Average	grade (g/t)	8.87	9.56
Silver bearing ore mined	kt	27,119	34,841
Silver in concentrate¹	koz	6,862	9,126
Silver granule output²	koz	2,431	8,272
Silver granule equivalent in copper concentrate sold³	koz	3,608	1,391

¹Includes a small volume of purchased concentrate.

²Includes a small volume of by-product production from former Kazakhmys Gold's mines and slimes from purchased concentrate.

³Includes silver granule equivalent of silver in concentrate sold.

Group Production Summary

OTHER METALS MINING – GOLD

Retained Assets

		12m 2014	12m 2013	Q4 2014	Q3 2014	Q4 2013
East Region and Bozymchak						
Artemyevsky	grade (g/t)	0.64	0.92	0.67	0.56	0.82
Irtyshtsky	grade (g/t)	0.29	0.27	0.33	0.26	0.27
Orlovsky	grade (g/t)	1.35	1.27	1.38	1.25	1.53
Yubileyno-Snegirikhinsky	grade (g/t)	0.43	0.46	0.54	0.43	0.48
Bozymchak	grade (g/t)	1.83	-	1.77	1.79	-
Average						
	grade (g/t)	0.91	0.86	0.91	0.96	0.93
Gold bearing ore mined	kt	4,628	4,350	1,116	1,260	1,076
Gold in concentrate	koz	39.5	46.9	13.6	8.7	11.5
Gold bar output	koz	34.6	48.6	11.2	5.6	14.5

Disposal Assets

		10m 2014	12m 2013
Nurkazgan	grade (g/t)	0.29	0.27
Abyz	grade (g/t)	-	2.68
Akbastau	grade (g/t)	0.63	0.64
Sayak	grade (g/t)	0.45	0.22
Shatyrykul	grade (g/t)	0.30	0.35
Average			
	grade (g/t)	0.42	0.48
Gold bearing ore mined	kt	6,167	8,181
Gold in concentrate¹	koz	57.1	63.0
Gold bar output²	koz	53.5	58.9

¹Includes a small volume of purchased concentrate.

²Includes slimes from purchased concentrate and a small volume from former Kazakhmys Gold's mines.

Group Production Summary

POWER PRODUCTION

Disposal Assets

		10m 2014	12m 2013
Net power generated ¹	GWh	4,129	5,723
Net dependable capacity ²	MW	832	843

¹Electricity generated and sold to customers less internal consumption and transformer losses in power stations.

²The net dependable capacity is the maximum capacity a unit can sustain over a specified period of time modified for seasonal limitations and reduced by the capacity required for station service and auxiliaries.