



30 June 2017

Report on Payments to Governments for the year ended 31 December 2016

KAZ Minerals PLC (“KAZ Minerals” or “the Group”) today provides information in accordance with DTR4.3A and The Reports on Payments to Governments Regulations 2014 (the “Regulations”) in respect of payments made by the Group for the year ended 31 December 2016.

Payments to Governments

The table below represents the Group’s consolidated report on payments made to governments under the Regulations. The table includes all payments made in excess of £86,000 (\$116,000) for activities related to the exploration, prospecting, discovery, development and extraction of minerals by project, government type and country, rounded to the nearest thousand US Dollars.

For the year ended 31 December 2016, payments to governments under the Regulations amounted to \$169.7 million.

US\$'000	Corporate income tax	Mineral Extraction Tax and Royalties ⁽¹⁾	Withholding tax	Signature bonus	Licence fee ⁽²⁾	Infrastructure and social payments ⁽³⁾	Total
KAZAKHSTAN							
Artemyevsky - License	-	11,143	-	965	-	-	12,108
Irtyshtsky - License	-	6,677	-	-	326	-	7,003
Orlovsky - License	-	27,368	-	-	-	-	27,368
Yubileyno-Snegirihinsky - License	-	3,714	-	-	132	-	3,846
Legal entity	29,824	-	351	-	-	4,485	34,660
Total East Region	29,824	48,902	351	965	458	4,485	84,985
Aktogay project and legal entity	8,494	18,809	515	-	1,051	600	29,469
Bozshakol project and legal entity	-	46,359	208	-	148	2,153	48,868
Koksay project and legal entity	-	-	-	-	-	-	-
Other legal entities	461	-	-	-	-	195	656
	38,779	114,070	1,074	965	1,657	7,433	163,978
RECIPIENT							
State Revenue Committee	38,779	114,070	1,074	965	1,657	-	156,545
Local government	-	-	-	-	-	7,433	7,433
	38,779	114,070	1,074	965	1,657	7,433	163,978
KYRGYZSTAN							
Bozymchak licence and legal entity	-	3,533	544	-	-	1,632	5,709
RECIPIENT							
State Tax Administration (central government)	-	3,123	544	-	-	1,322	4,989
Local government	-	410	-	-	-	310	720
	-	3,533	544	-	-	1,632	5,709
Payments to Governments	38,779	117,603	1,618	965	1,657	9,065	169,687

- (1) The Mineral Extraction Tax is payable on the value of the mineral resources extracted based on the average price of the minerals on the London Metal Exchange or at the London Precious Metal Exchange. Royalties are paid by the Bozymchak operation once metal is sold with a portion thereof paid to local government.
- (2) Payments made as required under subsoil use license.
- (3) Infrastructure and social payments of \$7.4 million made in Kazakhstan represent payments made to bodies, associations, trusts and other public interest groups located in the regions in which the Group operates. These payments include the transfer of assets at their book value, which the Group regards as infrastructure and social payments, as these benefit local communities. The infrastructure payments reflected as part of the Bozymchak operation includes a statutory infrastructure development levy which is based on a percentage of revenues. Part of this payment is made to local government.

A copy of this report can be found on the Company's website at
http://www.kazminerals.com/en/investors_media/investor_library

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NOTES TO EDITORS

KAZ Minerals PLC (“KAZ Minerals” or “the Group”) is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan. It operates three mines and three concentrators in the East Region of Kazakhstan, the Bozymchak copper-gold mine in Kyrgyzstan, the Bozshakol open pit copper mine in the Pavlodar region of Kazakhstan and the Aktogay open pit copper mine in the East Region of Kazakhstan. In 2016, total copper cathode equivalent output was 140 kt with by-products of 75 kt of zinc in concentrate, 120 koz of gold bar equivalent and 3,103 koz of silver bar equivalent.

The Group’s major growth projects at Bozshakol and Aktogay 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.

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

Aktogay is a large scale, open pit mine similar to Bozshakol, with a mine life of more than 50 years and average copper grades of 0.37% (oxide) and 0.33% (sulphide). Aktogay commenced production of copper cathode from oxide ore in December 2015 and copper in concentrate production from sulphide ore commenced in February 2017. The sulphide concentrator will have an annual ore processing capacity of 25 million tonnes when fully ramped up. Aktogay is competitively positioned on the global cost curve and will produce an average of 90 kt of copper cathode equivalent from sulphide ore and 15 kt of copper cathode from oxide ore per year over the first 10 years of operations.

KAZ Minerals is listed on the London Stock Exchange, the Kazakhstan Stock Exchange and the Hong Kong Stock Exchange and employs around 13,000 people, principally in Kazakhstan.

This announcement contains inside information