



KAZ MINERALS PLC
6TH FLOOR
CARDINAL PLACE
100 VICTORIA STREET
LONDON SW1E 5JL
Tel: +44 (0) 20 7901 7800

30 April 2015

**KAZ MINERALS PLC PRODUCTION REPORT FOR THE FIRST
QUARTER ENDED 31 MARCH 2015 AND INTERIM MANAGEMENT
STATEMENT**

- **Copper cathode production 19.1 kt**
 - Underlying copper in concentrate output of 21.5 kt
 - On target to meet 2015 cathode production target of 80-85 kt
- **Strong zinc and silver output**
 - Zinc in concentrate output of 25.1 kt (2015E 90-95 kt)
 - Silver granule output of 895 koz, benefiting from release of work in progress (2015E 2,250-2,500 koz)
- **Gold output of 6.4 koz (2015E 42-47 koz)**
 - Gold in concentrate output of 10.7 koz, not all processed in the period
 - Bozymchak to continue ramp up over the remainder of 2015
- **Financial update**
 - Copper cathode sales of 17.8 kt, slightly below production reflecting timing of deliveries over the period end
 - Net debt of \$1,294 million at 31 March 2015

Oleg Novachuk, Chief Executive, said: "Our East Region operations have delivered a solid start to 2015, with efficient processing of materials. Copper production remains on track to achieve our guidance of 80-85 kt of cathode in 2015."

For further information please contact:

KAZ Minerals PLC

Chris Bucknall	Investor Relations, London	Tel: +44 20 7901 7882
Maria Babkina	Corporate Communications, London	Tel: +44 20 7901 7849
Irene Burton	Financial Analyst, London	Tel: +44 20 7901 7814
Maksut Zhapabayev	Corporate Communications, Almaty	Tel: +7 727 244 03 53

Instinctif Partners

David Simonson	Tel: +44 20 7457 2020
Anca Spiridon	Tel: +44 20 7457 2020

Hill & Knowlton Hong Kong

K W Lam	Tel: +852 2894 6321
---------	----------------------------

REGISTERED OFFICE

6th Floor, Cardinal Place, 100 Victoria Street, London SW1E 5JL, United Kingdom.

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 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.

MINING PRODUCTION

Production summary

East Region and Bozymchak

		Q1 2015	Q4 2014	Q1 2014
Ore extraction	kt	1,051	1,116	1,096
Average copper grade	%	2.31	2.36	2.53
Copper in ore mined	kt	24.3	26.3	27.7
Copper in concentrate	kt	21.5	23.6	22.1
Copper cathode production ¹	kt	19.1	24.1	21.2
Zinc in concentrate	kt	25.1	32.0	31.7
Silver granule	koz	895	805	951
Gold bar	koz	6.4	11.2	10.1

¹ Toll processed at the Balkhash smelter.

Overall ore extraction and copper grade in Q1 2015 was in line with management expectations and copper cathode output is on track to achieve guidance of 80-85 kt for the full year. The output of copper in concentrate in Q1 2015 of 21.5 kt benefited from efficient material flows and strong concentrator recovery rates across the East Region operations.

Copper in concentrate output in Q1 2015 was 9% lower than in Q4 2014 mainly due to the planned reduction in ore extraction at Orlovsky and lower copper output from Artemyevsky as extraction moved to lower grade sections.

Copper in concentrate output was 3% lower in Q1 2015 compared to Q1 2014 as a result of the planned decline in copper output from Orlovsky and the mature Yubileyno-Snegirikhinsky mine, partially offset by the stockpiling of ore in Q1 2014.

Copper cathode output in Q1 2015 of 19.1 kt, which is tolled at the Balkhash smelter, was impacted by a small build-up of work in progress. Copper cathode output in Q1 2015 was 5.0 kt below Q4 2014 partly as a result of the lower volume of copper in concentrate output, but principally because the comparative period in 2014 benefited from a large release of work in progress.

By-product output is anticipated to fall in 2015 compared to 2014 as mining activity moves to lower by-product grade areas in the East Region. The main driver of this is the Artemyevsky mine where by-product grades have reduced as extraction moves to a lower grade transitional area between two ore bodies.

Bozymchak produced 0.7 kt of copper in concentrate and 3.7 koz of gold in concentrate in the quarter, with 0.4 kt of copper cathode and 0.7 koz of gold bar processed due to the timing of shipments of concentrate to Balkhash and a build-up of work in progress at the smelter. Optimisation works at the concentrator in 2015 are expected to deliver additional output in the second half.

MINING PRODUCTION

Copper

MINING		Q1 2015	Q4 2014	Q1 2014
Artemyevsky	ore (kt)	324	344	324
	grade (%)	1.73	1.86	1.80
Irtyshtsky	ore (kt)	164	171	162
	grade (%)	1.74	1.56	1.44
Orlovsky	ore (kt)	354	390	383
	grade (%)	3.49	3.46	3.86
Yubileyno-Snegirikhinsky	ore (kt)	157	150	175
	grade (%)	1.88	2.11	2.41
East Region		ore (kt)	1,055	1,044
		grade (%)	2.38	2.44
Bozymchak	ore (kt)	52	61	52
	grade (%)	0.99	1.01	1.03
Total		ore (kt)	1,116	1,096
		grade (%)	2.31	2.53

Ore extraction in Q1 2015 from the East Region and Bozymchak mines of 1,051 kt was 6% below Q4 2014 and 4% below Q1 2014 levels. The average copper grade achieved in Q1 2015 was 2.31%, lower than the grade of 2.36% achieved in Q4 2014 and 2.53% in Q1 2014.

Output at the Orlovsky mine decreased compared to Q1 2014 and Q4 2014 in line with the lower annual ore output expectations for this mine as extraction moves to deeper sections. Orlovsky contributed 35% of ore output from the East Region at a copper grade of 3.49% in Q1 2015, a decline from 3.86% in Q1 2014 but a modest increase versus 3.46% in Q4 2014.

A reduced copper grade at Artemyevsky accounted for some of the overall grade decline in the East Region as extraction moved into a transitional area between ore bodies.

The higher copper grade at Irtyshtsky of 1.74% in Q1 2015 (Q4 2014: 1.56%) partially offset the lower grades across other mines, as extraction temporarily moved to a higher metal grade zone.

Ore output at the Yubileyno-Snegirikhinsky mine in Q1 2015 was consistent with the previous quarter but represented a 10% decrease compared to Q1 2014. Falling copper grade at the mine contributed to the overall grade reduction in the East Region. Mining at Yubileyno-Snegirikhinsky is expected to cease within the next two years due to the depletion of resources.

Ore was stockpiled at Bozymchak in 2013 and 2014 which will be processed during 2015. Ore extraction in the current year will be limited to approximately 400 kt and will be performed alongside stripping work.

Copper

		Q1 2015	Q4 2014	Q1 2014
PROCESSING				
Orlovsky concentrator	kt	11.0	12.2	13.2
Nikolayevsky concentrator	kt	7.2	8.4	5.8
Belousovsky concentrator	kt	2.6	2.4	2.0
Third party ¹	kt	-	-	1.1
Bozymchak concentrator	kt	0.7	0.6	-
Total copper in concentrate output	kt	21.5	23.6	22.1
Total copper cathode production²	kt	19.1	24.1	21.2

¹Third party processing of ore ceased in Q3 2014.

²Toll processed at the Balkhash smelter.

Copper in concentrate production in Q1 2015 was 9% or 2.1 kt below the previous quarter at 21.5 kt, mainly due to the lower volume of copper in ore mined at the Artemyevsky and Orlovsky mines. Compared to Q1 2014, copper in concentrate production only declined by 3% or 0.6 kt in Q1 2015, reflecting stockpiling of ore in Q1 2014 and the contribution from Bozymchak in Q1 2015.

The Orlovsky concentrator produced 11.0 kt of copper in concentrate in Q1 2015, representing a decline of 10% compared to Q4 2014, in line with the 9% lower ore output from the Orlovsky mine. Recovery rates at the Orlovsky concentrator improved in Q1 2015 versus Q1 2014.

The Nikolayevsky concentrator processes ore from the Artemyevsky and Yubileyno-Snegirikhinsky mines, where metal in ore output fell by 14% in Q1 2015 compared to Q1 2014. Nikolayevsky increased its copper in concentrate production by 24% over the same period, from 5.8 kt in Q1 2014 to 7.2 kt in Q1 2015, reflecting stockpiling of ore in 2014 as the concentrator underwent modernisation work.

In Q1 2014, 1.1 kt of copper in concentrate was produced from Artemyevsky ore by a third party. Following the increase in capacity at the Nikolayevsky concentrator, shipments of ore for third party processing ceased in Q3 2014.

The Belousovsky concentrator, processing ore from the Irtyshtsky mine, delivered 8% higher copper in concentrate production in Q1 2015 versus Q4 2014, and an increase of 30% compared to Q1 2014. This was mainly a result of the higher copper grade at Irtyshtsky of 1.74% (Q1 2014: 1.44%, Q4 2014: 1.56%).

Optimisation works were undertaken at the Bozymchak concentrator in Q1 2015 to increase throughput capacity, necessitating periods of production downtime whilst additional equipment was installed. The optimisation works will continue in 2015 and are expected to deliver increased throughput in the second half of 2015.

Copper cathode output in Q1 2015 of 19.1 kt from toll processing at Balkhash was impacted by a small build-up of work in progress at the smelter. Copper cathode output in Q1 2015 was 5.0 kt below Q4 2014, partly as a result of the lower volume of copper in concentrate output in Q1 2015, but principally because the comparative period in 2014 benefited from a large release of work in progress.

MINING PRODUCTION

Copper

Copper cathode production in Q1 2015 was 10% or 2.1 kt below Q1 2014, reflecting a 3% decrease in copper in concentrate output and the small build-up of work in progress at the smelter in Q1 2015.

One of the two furnaces at the Balkhash smelter is due to undergo annual maintenance in Q2 2015. Depending on the timing of the maintenance, this could affect copper cathode production in Q2 2015, with some material being carried forward for processing in the second half of the year.

MINING PRODUCTION

Other Metals

Zinc

MINING & PROCESSING		Q1 2015	Q4 2014	Q1 2014
Zinc bearing ore mined	kt	999	1,055	1,044
Average zinc grade	%	3.23	4.09	4.63
Zinc in ore mined	kt	32.3	43.1	48.4
Zinc in concentrate	kt	25.1	32.0	31.7

The East Region delivered a strong first quarter of production of 25.1 kt of zinc in concentrate and is on track to achieve the full year guidance of 90-95 kt.

The average zinc grade is anticipated to reduce in 2015 as production temporarily moves to lower zinc grade areas at the Artemyevsky and Orlovsky mines. Zinc grades were lower in Q1 2015 at all the East Region mines when compared to both Q4 2014 and Q1 2014, with the exception of the Irtyshsky mine. As a result of the lower grades, Q1 2015 zinc in concentrate output of 25.1 kt was 22% or 6.9 kt below Q4 2014 and 21% or 6.6 kt below Q1 2014.

Zinc in concentrate output in Q1 2015 benefited from the processing of some higher zinc grade ore from stockpiles at the Nikolayevsky concentrator which partially offset the underlying decrease in zinc in metal mined during the quarter.

Silver

MINING & PROCESSING		Q1 2015	Q4 2014	Q1 2014
Silver bearing ore mined	kt	1,051	1,116	1,096
Average silver grade	g/t	48.1	60.5	61.1
Silver in ore mined	koz	1,626	2,171	2,153
Silver in concentrate	koz	864	1,181	900
Silver granule	koz	895	805	951

Silver output is anticipated to be lower in 2015 compared to 2014 as mining activity temporarily moves to lower by-product grade areas in the East Region, in particular at the Artemyevsky and Orlovsky mines.

Silver in ore mined decreased in Q1 2015 by 25% and 24% (546 koz and 527 koz) compared to Q4 2014 and Q1 2014, respectively. This was principally due to the lower grades at the Artemyevsky and Orlovsky mines.

Output of silver in concentrate in Q1 2015 decreased by 27% from the previous quarter to 864 koz, in line with the lower silver in ore output from the mines. However, silver granule output of 895 koz was 11% above Q4 2014 following a release of work in progress in Q1 2015, compared to the build-up reported in Q4 2014.

Silver granule output in Q1 2015 was only 6% lower compared to Q1 2014, largely as a result of a build-up of ore stockpiles in Q1 2014 and a higher recovery rate in Q1 2015. Silver production is on track to achieve the full year 2015 guidance of 2,250-2,500 koz.

MINING PRODUCTION

Other Metals

Gold

		Q1 2015	Q4 2014	Q1 2014
MINING & PROCESSING				
Gold bearing ore mined	kt	1,051	1,116	1,096
Average gold grade	g/t	0.71	0.91	0.90
Gold in ore mined	koz	24.1	32.7	31.6
Gold in concentrate	koz	10.7	13.6	8.9
Gold bar	koz	6.4	11.2	10.1

Overall Group gold production is expected to increase to 42-47 koz in 2015 from 35 koz in 2014. This includes the contribution from the ramp up of Bozymchak. As with zinc and silver, gold output from the East Region is anticipated to be lower in 2015 compared to 2014 as mining activity temporarily moves to lower by-product grade areas in the East Region.

Gold in ore mined decreased in Q1 2015 by 26% and 24% (8.6 koz and 7.5 koz) when compared to Q4 2014 and Q1 2014, respectively. This reduction was principally due to lower gold grades across all East Region mines and the lower volume of ore mined at Orlovsky. The overall gold grade in the East Region operations decreased to 0.66 g/t in Q1 2015 from 0.86 g/t in Q4 2014 and 0.84 g/t in Q1 2014.

Gold bar production of 6.4 koz in Q1 2015 was 43% or 4.8 koz below Q4 2014 levels due to a 21% decline in gold in concentrate output, with the lower volume of gold in ore extracted and a build-up of work in progress at the smelter and gold in concentrate stock levels. Bozymchak contributed finished metal of 0.7 koz in Q1 2015 from gold in concentrate output of 3.7 koz due to the timing of shipments and processing of concentrate at the Balkhash smelter.

Gold in concentrate production in Q1 2015 was above Q1 2014 due to the 3.7 koz of additional output from Bozymchak in Q1 2015 and the stockpiling of ore at the Nikolayevsky concentrator in Q1 2014. However, the output of gold bar in Q1 2015 was 37% or 3.7 koz below Q1 2014, which benefited from a significant release of work in progress compared to the build-up in the current period.

The achievement of the Group's guidance for gold production of 42-47 koz is dependent on increased production from Bozymchak in the second half of 2015 as optimisation works continue.

INTERIM MANAGEMENT STATEMENT

Financial performance

Sales Volumes

The following table sets out the sales volumes for the major products produced by the operations in the East Region and at Bozymchak. Bozymchak sales volumes were largely in line with its copper cathode and gold bar production. Until Bozymchak reaches commercial levels of production, its net revenues will be deducted against fixed assets.

		Q1 2015	Q1 2014
Copper cathodes	kt	17.8	20.5
Zinc in concentrate	kt	24.5	30.8
Silver granule	koz	873	1,125
Gold bar	koz	6.4	9.5

Copper cathode sales totalled 17.8 kt in Q1 2015, which was 1.3 kt below production due to a build-up of goods in transit. Copper cathode sales were 2.7 kt below the level in Q1 2014 due to a 2.1 kt decline in production and a higher build-up of finished goods inventory in Q1 2015.

Sales of zinc in concentrate of 24.5 kt in Q1 2015 were 0.6 kt below production due to a small build-up of finished goods inventory. Sales of zinc in concentrate were 6.3 kt below the levels in Q1 2014 reflecting the 6.6 kt lower production in Q1 2015.

Silver granule sales in Q1 2015 totalled 873 koz which was broadly consistent with production of 895 koz. Silver sales were 252 koz below Q1 2014 due to a 56 koz decline in production and sales from inventory in Q1 2014.

Gold bar sales of 6.4 koz in Q1 2015 were consistent with production. Gold sales were 3.1 koz below Q1 2014 levels with 3.7 koz lower production in Q1 2015 partially offset by the build-up of finished goods inventory in Q1 2014.

INTERIM MANAGEMENT STATEMENT

Financial performance

Commodity Prices

The following table sets out the average realised prices for the major products sold from the East Region and Bozymchak:

		Q1 2015	Q1 2014
Copper cathode	\$/tonne	5,749	7,127
Zinc in concentrate	\$/tonne	1,158	1,167
Silver	\$/tr.oz	16.4	21.0
Gold	\$/tr.oz	1,228	1,276

The following table sets out the average LME/LBMA prices:

		Q1 2015	Q1 2014
Copper	\$/tonne	5,818	7,041
Zinc	\$/tonne	2,079	2,029
Silver	\$/tr.oz	16.7	20.5
Gold	\$/tr.oz	1,219	1,293

The realised prices for the finished products sold will differ from the average LME/LBMA prices during the same period, principally because sales of the products are not made evenly over the period. Premiums or discounts to metal exchange prices negotiated with customers also impact average realised prices.

The zinc in concentrate realised price is below the LME average price for the finished product due to the deduction of treatment and refining charges from the revenue derived from the sale of the product.

Commodity Hedging

At 31 March 2015, there were no commodity hedges in place.

Exchange Rates

The KZT/\$ exchange rate at 31 March 2015 was KZT/\$ 185.65 compared to KZT/\$ 182.35 at 31 December 2014. The average exchange rate for Q1 2015 was KZT/\$ 184.64, compared to an average rate of KZT/\$ 170.21 in Q1 2014.

INTERIM MANAGEMENT STATEMENT

Financial position

Group Net Debt

The Group's net debt at 31 March 2015 of \$1,294 million was \$332 million higher than the \$962 million at 31 December 2014. The increase is largely driven by the continued development of the Bozshakol and Aktogay projects and interest payments on the Group's debt of \$79 million. Operating cash flows in the quarter included mineral extraction tax payments of \$10 million and corporate income tax payments of \$5 million.

At 31 March 2015, gross debt was \$3,047 million compared to \$3,092 million at 31 December 2014 principally reflecting a \$94 million principal repayment under the CDB Bozshakol/Bozymchak finance facility and an additional \$47 million drawn down under the CDB Aktogay finance facility.

Of the gross debt at 31 March 2015, \$1,964 million related to the CDB Bozshakol/Bozymchak finance facility, which is fully drawn down, \$738 million related to the CDB Aktogay finance facility and \$345 million related to the PXF facility.

Total cash and cash equivalents and current investments for the Group of \$1,753 million at 31 March 2015 were \$377 million lower than the \$2,130 million at 31 December 2014. Of these funds, \$139 million is reserved for the development of the Group's Aktogay project under the relevant finance facility.

APPENDIX – GROUP PRODUCTION SUMMARY

Copper processing

		Q1 2015	Q4 2014	Q1 2014
East Region				
Copper concentrate	kt	107.3	123.0	119.0
Copper in concentrate	kt	20.8	23.0	22.1
Bozymchak				
Copper concentrate	kt	2.9	2.3	-
Copper in concentrate	kt	0.7	0.6	-
Total copper concentrate		110.2	125.3	119.0
Total copper in concentrate		21.5	23.6	22.1
Copper cathode output (tolled)				
East Region	kt	18.7	24.1	21.2
Bozymchak	kt	0.4	-	-

Other metals mining – Zinc

		Q1 2015	Q4 2014	Q1 2014
East Region				
Zinc bearing ore mined	kt	999	1,055	1,044
Artemyevsky	grade (%)	3.31	4.61	4.49
Irtysky	grade (%)	3.29	2.98	3.55
Orlovsky	grade (%)	3.99	5.02	6.49
Yubileyno-Snegirikhinsky	grade (%)	1.30	1.73	1.84
Average	grade (%)	3.23	4.09	4.63
Zinc in ore mined	kt	32.3	43.1	48.4
Zinc in concentrate	kt	25.1	32.0	31.7

APPENDIX – GROUP PRODUCTION SUMMARY

Other metals mining – Silver

		Q1 2015	Q4 2014	Q1 2014
East Region and Bozymchak				
Silver bearing ore mined	kt	1,051	1,116	1,096
Artemyevsky	grade (g/t)	36.8	65.8	67.5
Irtyshtsky	grade (g/t)	66.1	55.5	49.5
Orlovsky	grade (g/t)	70.5	79.4	85.0
Yubileyno-Snegirikhinsky	grade (g/t)	14.5	26.2	22.2
Bozymchak	grade (g/t)	10.1	9.3	12.0
Average	grade (g/t)	48.1	60.5	61.1
Silver in ore mined	koz	1,626	2,171	2,153
East Region	koz	1,609	2,153	2,133
Bozymchak	koz	17	18	20
Total silver in concentrate	koz	864	1,181	900
East Region	koz	840	1,159	900
Bozymchak	koz	24	22	-
Silver granule output	koz	895	805	951
East Region	koz	889	805	951
Bozymchak	koz	6	-	-

Other metals mining – Gold

		Q1 2015	Q4 2014	Q1 2014
East Region and Bozymchak				
Gold bearing ore mined	kt	1,051	1,116	1,096
Artemyevsky	grade (g/t)	0.37	0.67	0.60
Irtyshtsky	grade (g/t)	0.31	0.33	0.25
Orlovsky	grade (g/t)	1.21	1.38	1.52
Yubileyno-Snegirikhinsky	grade (g/t)	0.39	0.54	0.38
Bozymchak	grade (g/t)	1.78	1.77	1.94
Average	grade (g/t)	0.71	0.91	0.90
Gold metal in ore mined	koz	24.1	32.7	31.6
East Region	koz	21.2	29.2	28.3
Bozymchak	koz	2.9	3.5	3.3
Gold in concentrate	koz	10.7	13.6	8.9
East Region	koz	7.0	9.6	8.9
Bozymchak	koz	3.7	4.0	-
Gold bar output	koz	6.4	11.2	10.1
East Region	koz	5.7	11.2	10.1
Bozymchak	koz	0.7	-	-