

INVESTOR PRESENTATION

October 2018



KAZ
MINERALS



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All financial definitions can be found in the glossary to the Half-Yearly Results 2018 press release.



1. Introduction to KAZ Minerals

VALUE AND VOLUME



► Today

- Strong H1 results, all assets in first quartile of global cost curve
- Bozshakol and Aktogay delivered
- Interim dividend declared

► Medium term growth

- Copper market deficit to emerge over next decade
- Aktogay II (+80kt) offers low-risk, value-accretive growth from 2021
- KAZ Minerals will be a larger scale, low cost copper producer, with highly profitable operations

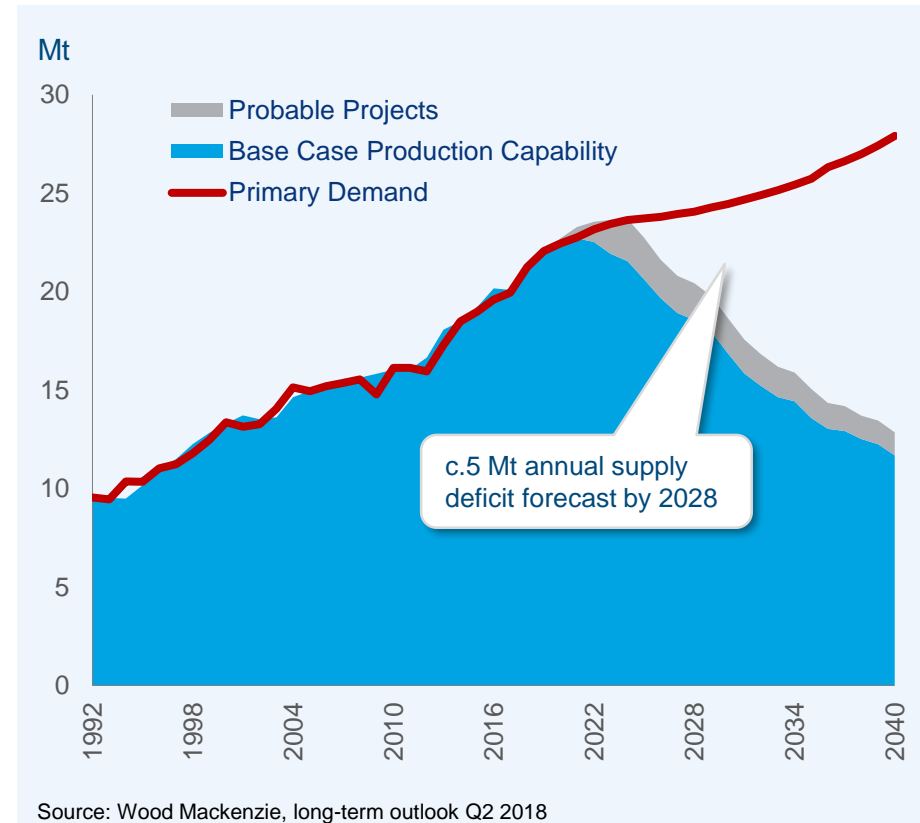
► Transformational growth

- Baimskaya (+250kt) provides value-accretive growth from 2026
- Capital phasing, financing and partnering options to be assessed during feasibility study

STRONG COPPER MARKET FUNDAMENTALS



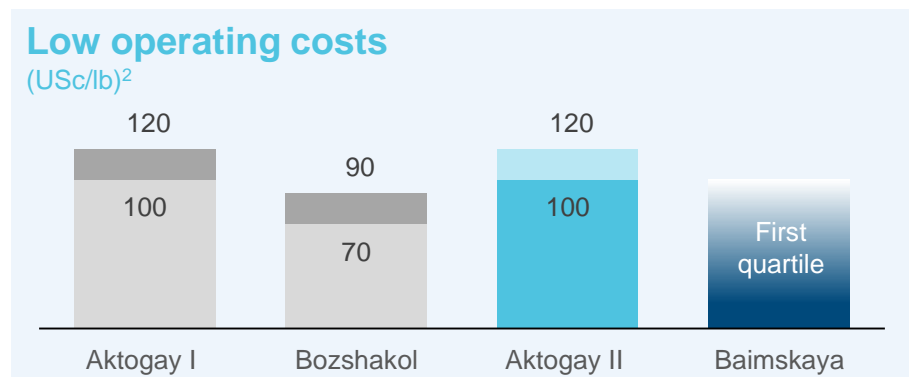
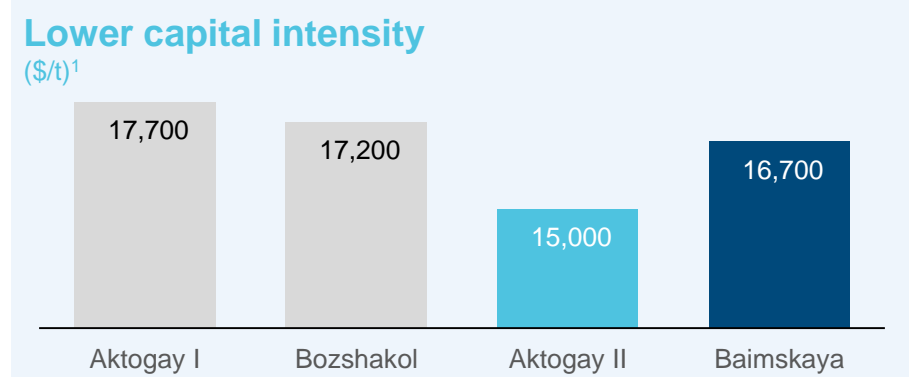
- ▶ Supply from existing mines forecast to decline materially
- ▶ New copper projects will be required to meet demand, but viable large scale deposits are rare
- ▶ Growth in new markets for copper including clean energy and electrical vehicles could significantly increase the supply shortage



PORTFOLIO DELIVERS VALUE AND VOLUME



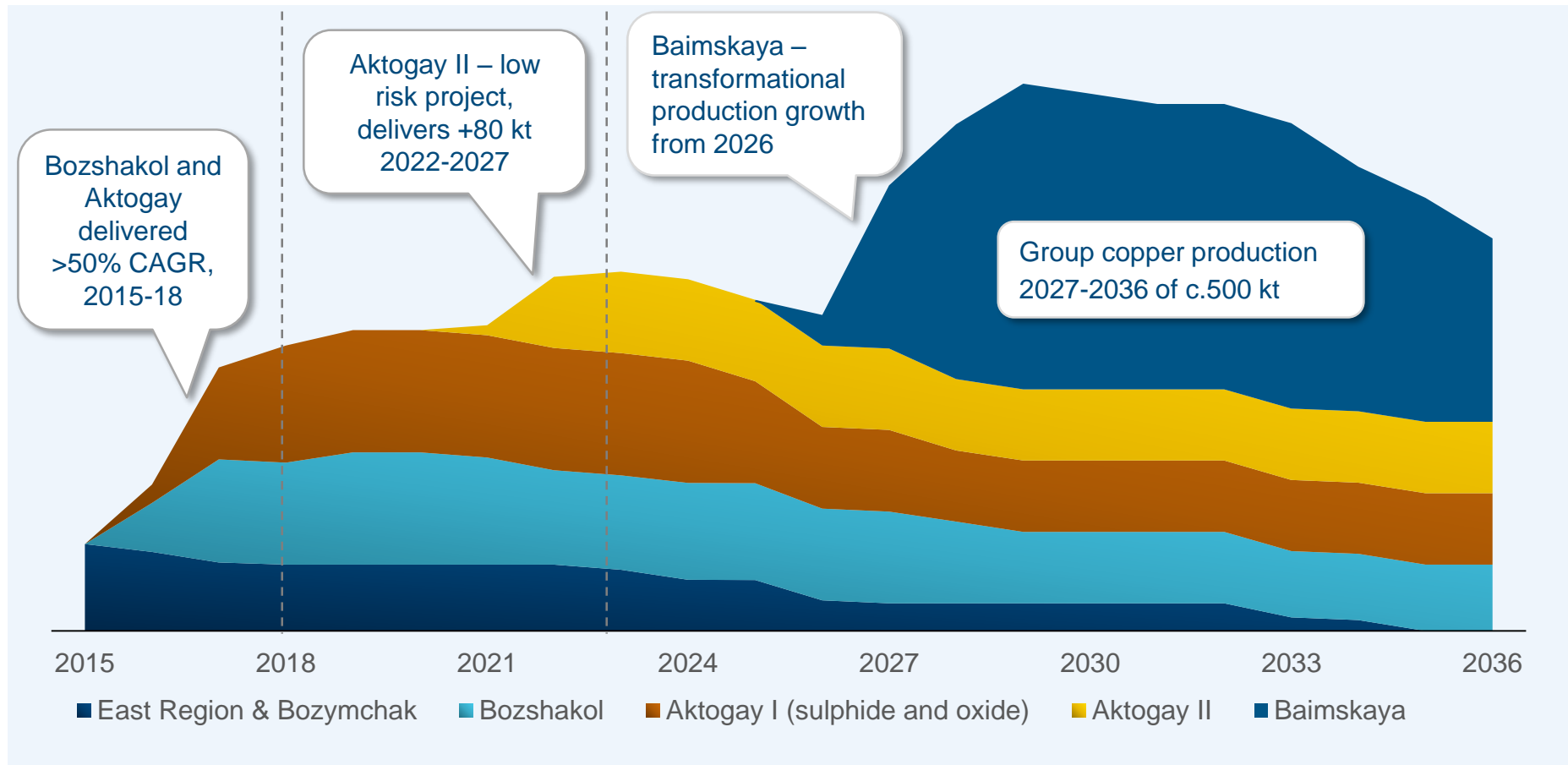
- ▶ Existing large scale, low cost assets generate significant cash flows
- ▶ Aktogay II and Baimskaya will significantly increase the Group's copper production at a lower capital intensity than the previous major growth projects
- ▶ Economies of scale at Aktogay II will maintain cash costs at 100-120 USc/lb out to 2027
- ▶ Baimskaya is expected to be in the first quartile of the global cost curve over the life of the mine, with higher grades in earlier years
- ▶ Both projects offer significant NPV uplift and attractive IRR



1. Approximate capital expenditure per ktpa copper equivalent production calculated as capital expenditure divided by forecast annual copper equivalent production for the first ten years after commissioning.

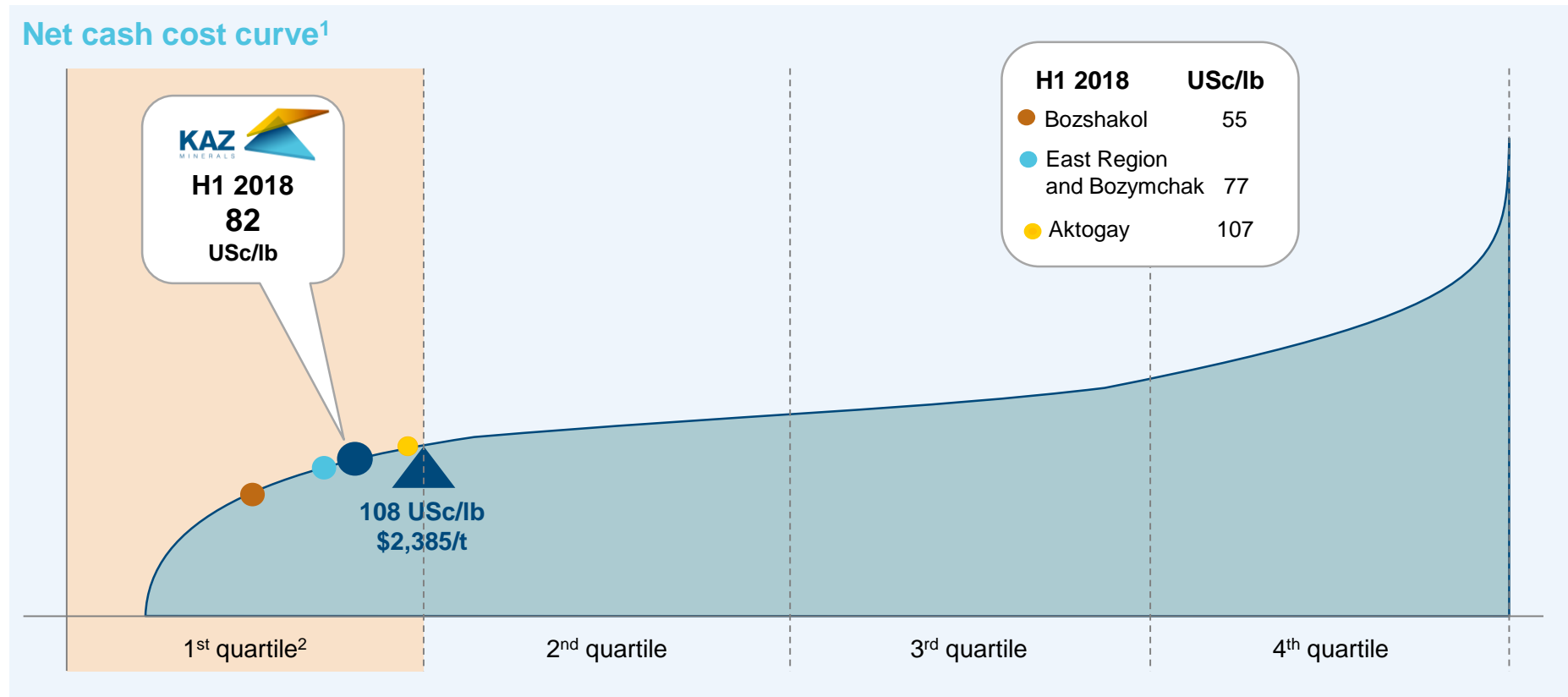
2. Net cash cost guidance in USc/lb for first ten years of operations. Baimskaya operating costs subject to feasibility study.

MEDIUM AND LONG TERM GROWTH



1. Indicative production schedule, not to scale. Assumes 100% ownership, first production from Baimskaya in 2026 and ramp up from 2027. Actual construction timetable to be determined during feasibility study.

LOW COST POSITION MAINTAINED



Notes:

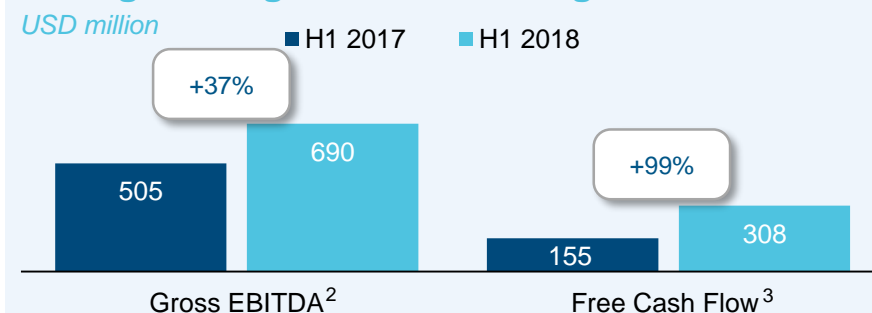
1. Conceptual representation as at 30 June 2018, not to scale.
2. Wood Mackenzie first quartile cut off 108 USc/lb, 30 June 2018.

H1 2018 RESULTS HIGHLIGHTS

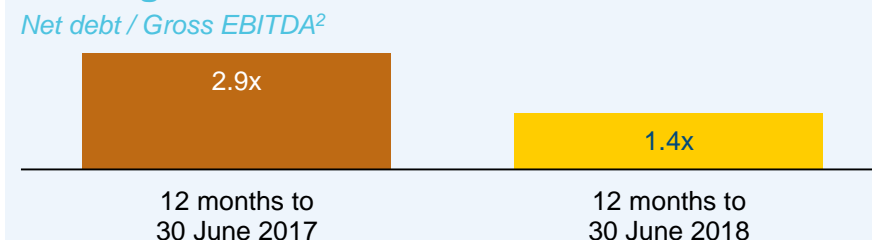


- ▶ Copper production¹ increased by 18% to 140 kt (H1 2017: 118 kt)
 - Aktogay sulphide concentrator achieved design ore throughput capacity
- ▶ Gross EBITDA² up 37% to \$690 million
 - Industry leading net cash cost of 82 USc/lb
- ▶ Gearing level reduced to 1.4x Gross EBITDA
- ▶ Interim dividend of 6.0 USc per share declared

Strong earnings and cash flow growth



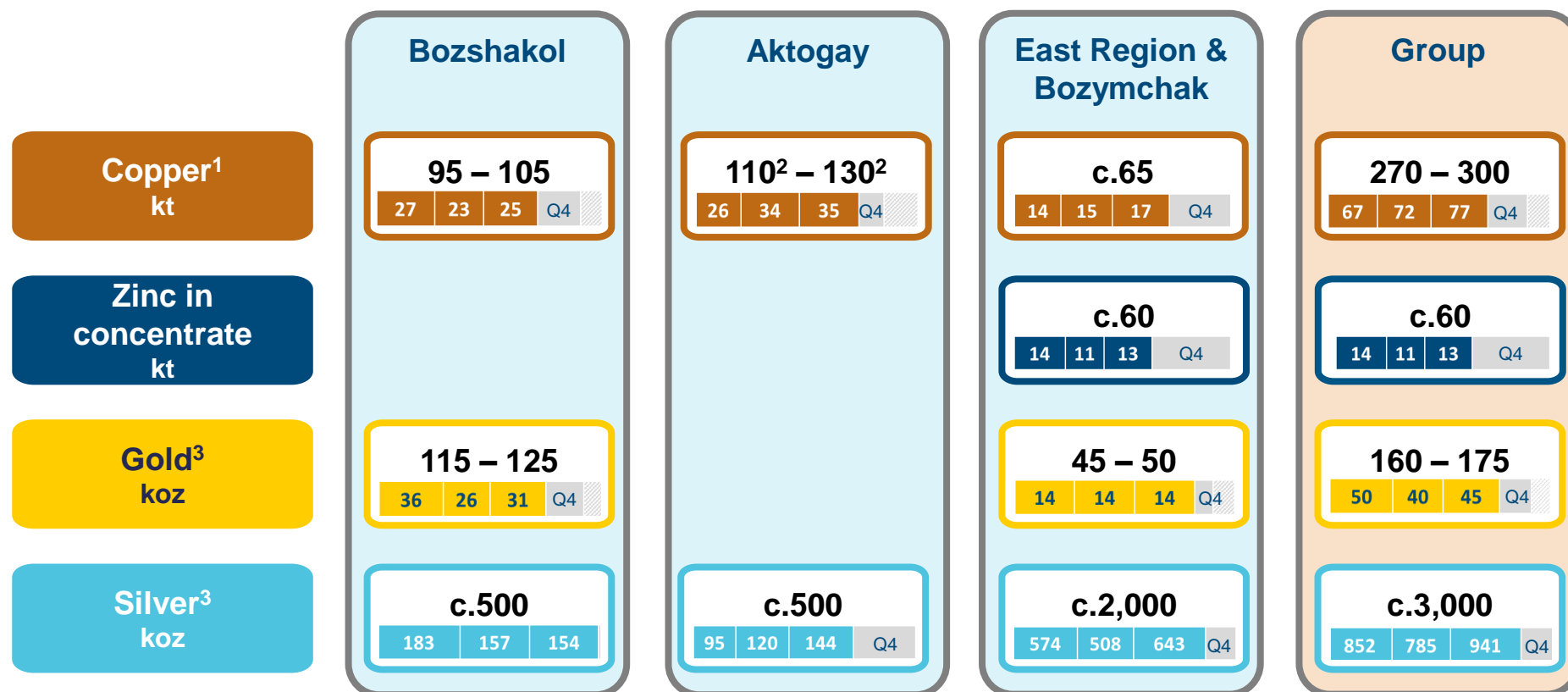
Gearing level reduced



Notes:

1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
2. Gross EBITDA (excluding MET, royalties and special items) for the prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay.
3. Net cash flow from operating activities before capital expenditure and non-current VAT associated with expansionary and major projects less sustaining capital expenditure.

2018 PRODUCTION GUIDANCE



Notes:

1. Payable metal in concentrate and copper cathode from Aktogay oxide ore.
 2. Includes 20-25 kt of cathode production from oxide ore.
 3. Payable metal in concentrate.
- N.B. charts indicate Q1, Q2 and Q3 actual production.

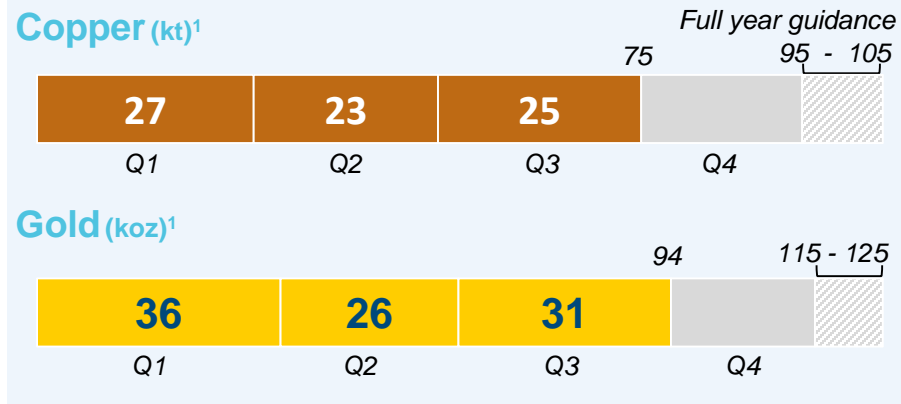


2. Review of operations

BOZSHAKOL PRODUCTION ON TRACK



- ▶ Q3 2018:
 - Ore throughput at design capacity, copper grade 0.46% (Q2 2018: 90% of design capacity, grade 0.46%)
 - Copper production increased by 10% to 25.2 kt
 - Gold production increased by 19% to 31.4 koz
- ▶ 9M 2018:
 - 21.0 Mt ore processed, copper grade 0.48% (9M 2017: 18.5 Mt, grade 0.54%)
 - Copper production 75.0 kt (9M 2017: 78.8 kt)
 - Gold output 93.7 koz (9M 2017: 91.1 koz)
- ▶ Copper production on track to achieve full year guidance
 - Lower copper grade sections expected to be mined in Q4
 - Q4 will be impacted by scheduled mill maintenance
- ▶ Gold production on track to achieve upper end of full year guidance



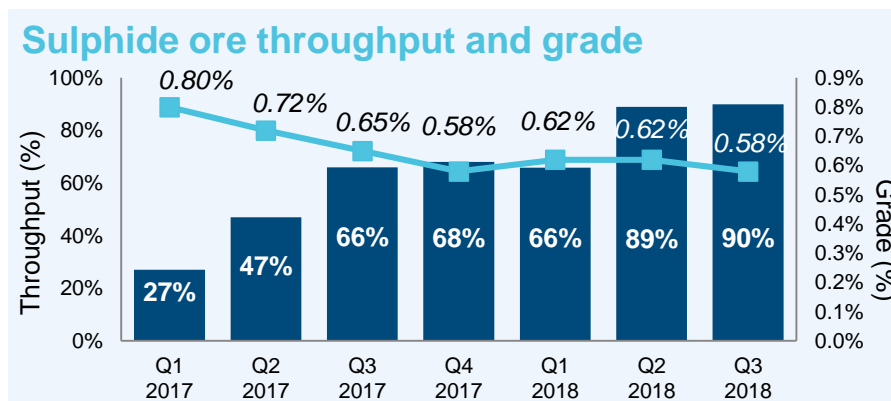
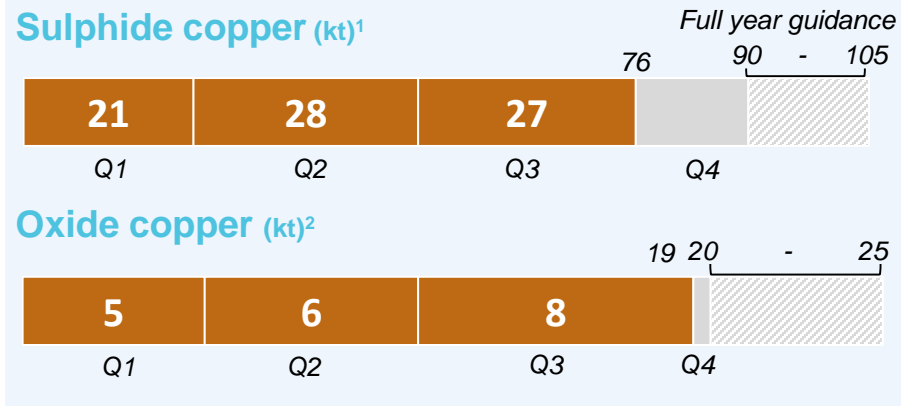
Notes:

1. Payable metal in concentrate.

AKTOGAY IN UPPER HALF OF 2018 RANGE



- ▶ Q3 2018:
 - 7.5 Mt sulphide ore extracted (Q2 2018: 6.2 Mt), additional ore mined to access high grade zones
 - 5.7 Mt sulphide ore processed (Q2 2018: 5.5 Mt)
 - 4.1 Mt oxide ore to leach pads, grade 0.35% (Q2 2018: 4.5 Mt, grade 0.31%)
 - Copper production +2% to 34.9 kt (Q2 2018: 34.1 kt)
- ▶ 9M 2018:
 - 30.7 Mt ore extracted, reflecting sulphide plant ramp up (9M 2017: 19.8 Mt)
 - Copper production 95.4 kt (9M 2017: 64.2 kt)
 - Sulphide 76.5 kt (9M 2017: 45.8 kt)
 - Oxide 18.9 kt (9M 2017: 18.4 kt)
- ▶ Full year copper production expected to be in the upper half of guidance range, 110-130 kt
 - Q4 production will be impacted by seasonally lower oxide output, scheduled mill maintenance and lower average sulphide copper grades



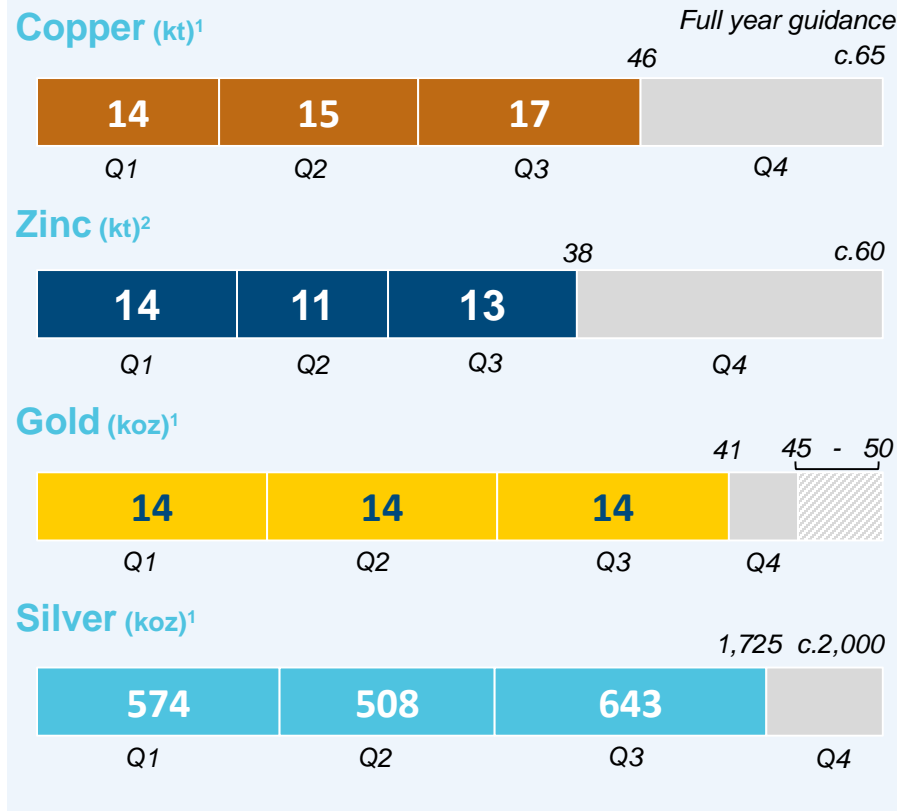
Notes:

1. Payable metal in concentrate.
2. Copper cathode from oxide ore.

EAST REGION & BOZYMCHAK



- ▶ Q3 2018:
 - Ore processed increased by 22% to 1,162 kt, copper grade 1.73% (Q2 2018: 952 kt, grade 1.90%)
 - Stockpiled ore from Artemyevsky mine processed at the Nikolayevsky concentrator, following planned idling in H1 2018
- ▶ 9M 2018:
 - Copper production 46.4 kt (9M 2017: 50.3 kt)
- ▶ On track to achieve close to full year copper production target of around 65 kt
 - Gold production expected to exceed the top end guidance of 45-50 koz
 - Silver production of 1,725 koz represents strong progress against 2018 guidance of c.2,000 koz
 - Zinc output expected to be 10-15% below full year guidance of around 60 kt due to low zinc grades



Notes:

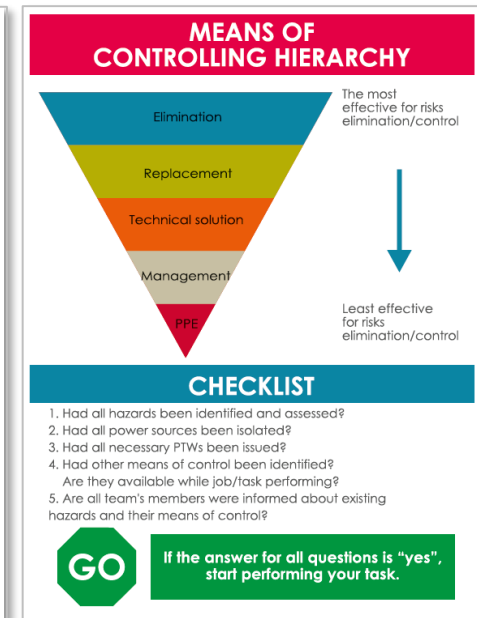
1. Payable metal in concentrate.
2. Zinc in concentrate.



3. 2018 H1 results

HEALTH AND SAFETY

- ▶ One fatality in July 2018, contractor in the East Region
 - Zero fatalities in H1 across all operations (H1 2017: 1)
 - Zero fatality track record at Bozshakol, Aktogay and Bozymchak since operations commenced
- ▶ TRIFR¹ of 2.00 (H1 2017: 1.81)
 - H1 2018 increase due to slips, trips and falls
- ▶ Focus on high potential incidents and initiatives to further develop safety culture



'SLAM' procedure requires employees to assess and record risks

Notes:

1. Total Recordable Injury Frequency Rate or TRIFR is the number of Recordable Injuries occurring per million hours worked.

FINANCIAL UPDATE



\$m (unless otherwise stated)	H1 2018	H1 2017
Gross Revenues ¹	1,098	837
Gross EBITDA ^{1,2}	690	505
<i>Margin (%)</i>	<i>63</i>	<i>60</i>
Revenues	1,098	721
EBITDA ²	690	429
Net cash cost (USc/lb) ³	82	64
Free Cash Flow ⁴	308	155
EPS – based on Underlying Profit (\$) ⁵	0.62	0.44

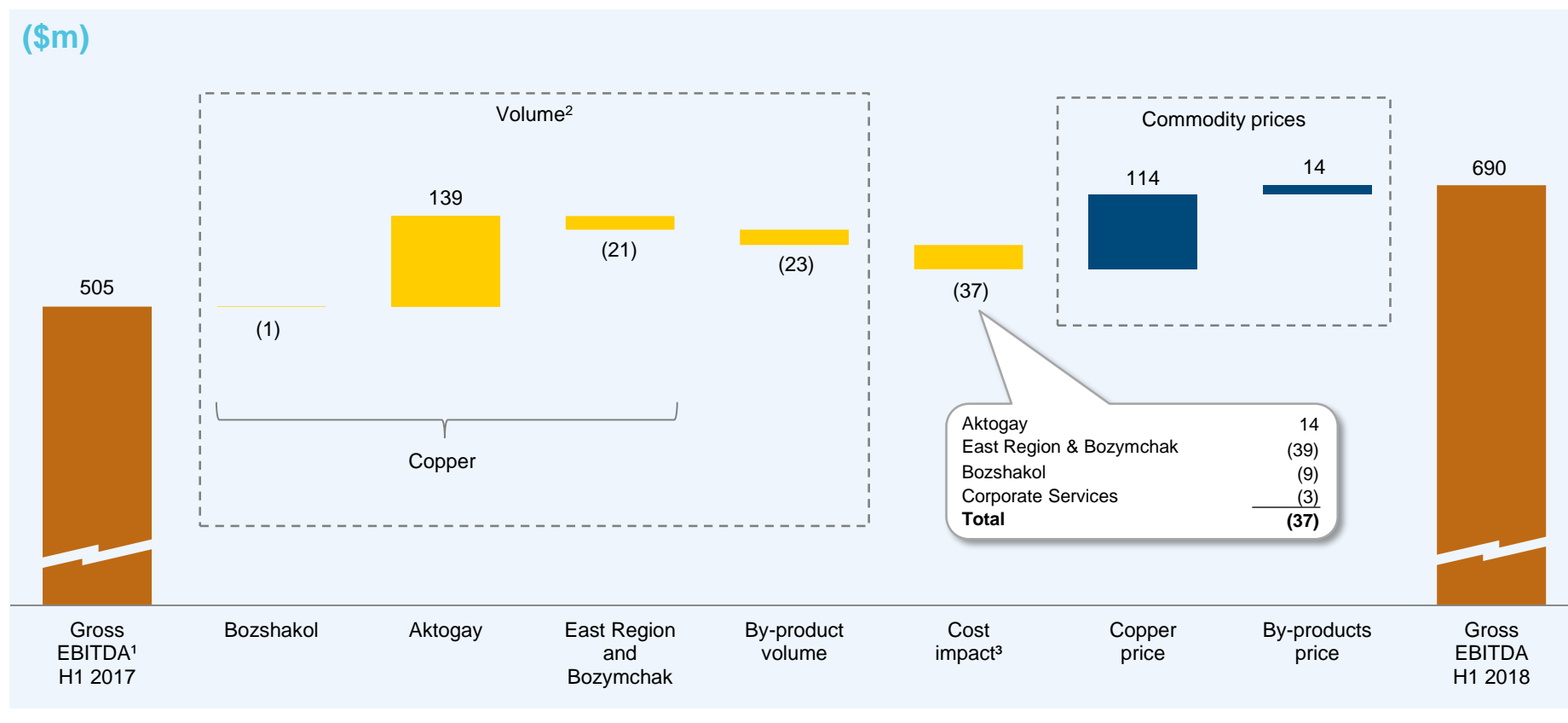
- ▶ Volume growth from Aktogay and favourable copper price results in higher revenues, earnings and cash flow
- ▶ EBITDA \$690 million, with strong margin of 63%
- ▶ Group net cash cost 82 USc/lb, increase from prior year reflects growth of Aktogay, which has limited by-product credits
- ▶ Free Cash Flow of \$308 million, supported by cash flow from new operations
- ▶ Net debt \$1,986 million at 30 September (30 June 2018: \$2,052 million), with \$1,516 million of available liquidity

Notes:

1. The prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay.
2. Excluding MET, royalties and special items.
3. Cash operating costs, plus TC/RC on concentrate sales, less by-product Gross Revenues, divided by the volume of own copper sales.
4. Net cash flow from operating activities before capital expenditure and non-current VAT associated with expansionary and major projects, less sustaining capital expenditure.
5. EPS based on Underlying Profit excluding special items.

GROSS EBITDA RECONCILIATION

Volume growth from Aktogay sulphide and improved copper price resulted in 37% higher Gross EBITDA¹

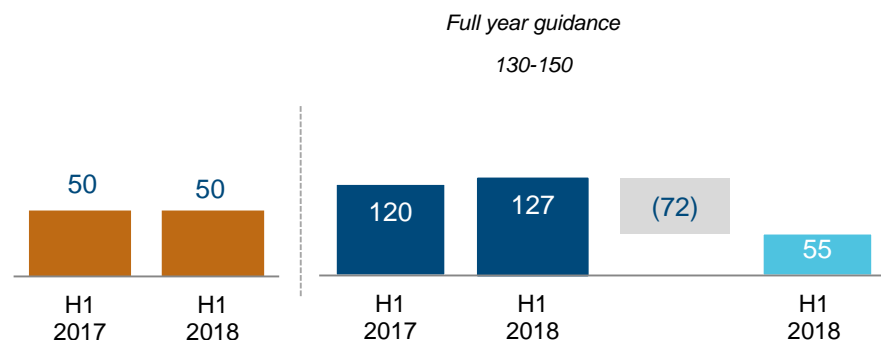


Notes:

1. Gross EBITDA (excluding MET, royalties and special items) for the prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay.
2. 2018 sales volume movement at 2017 cash costs.
3. Net change in cash costs per tonne.

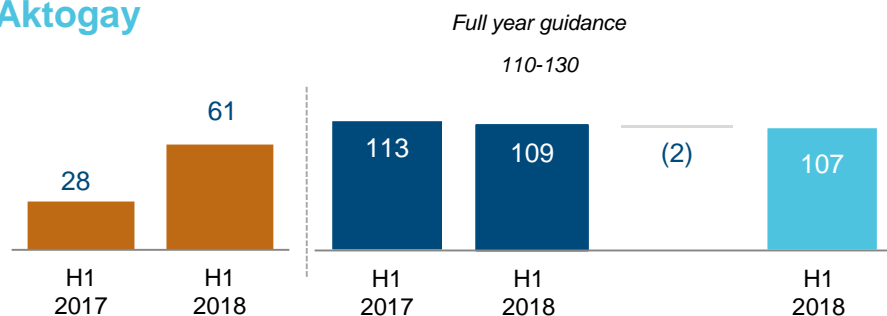
OPERATING COST DETAIL

Bozshakol



- ▶ Gross cash cost increased from H1 2017 when operations benefited from higher grades, limited maintenance expenditure and lower clay volumes
- ▶ Strong gold credits result in low net cash cost

Aktogay

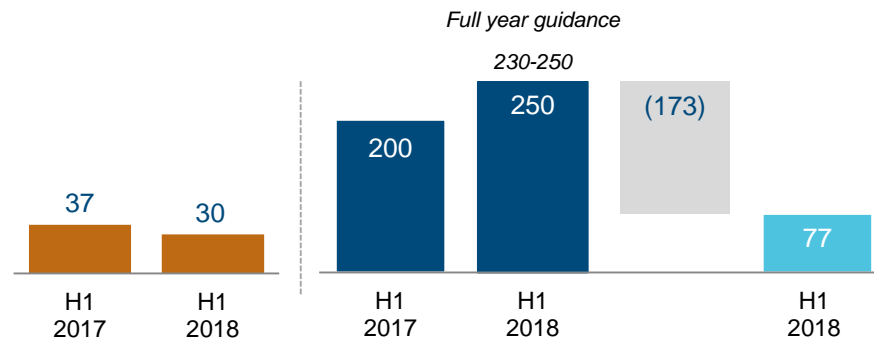


- ▶ H1 2018 gross cash cost benefited from higher sulphide volumes, partly offset by normalisation of maintenance costs
- ▶ Costs expected to trend upwards in H2 due to reduced grades, higher maintenance and full period inflation

■ Copper sales volumes (kt)
 ■ Gross cash cost (USc/lb)
 ■ By-product credit (USc/lb)
 ■ Net cash cost (USc/lb)

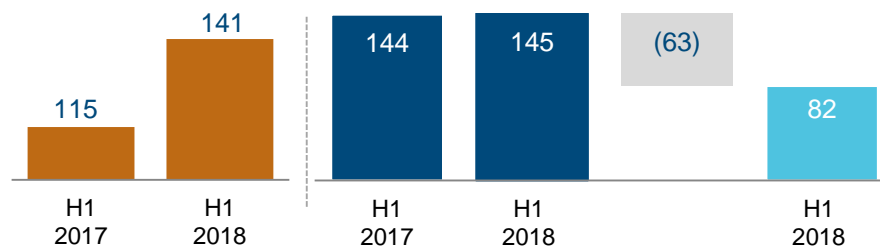
OPERATING COST DETAIL

East Region and Bozymchak



- ▶ H1 2018 costs increased mainly due to lower sales volumes and impact of inflation
- ▶ Costs are expected to benefit from higher sales volumes in H2, when all concentrators are scheduled to operate at close to full capacity
- ▶ Strong by-product credits result in competitive first quartile cost

Group



- ▶ Gross cash cost in H1 2018 in line with prior year period
- ▶ Net cash cost amongst the lowest copper producers globally

■ Copper sales volumes (kt)
 ■ Gross cash cost (USc/lb)
 ■ By-product credit (USc/lb)
 ■ Net cash cost (USc/lb)

2018 FINANCIAL GUIDANCE



Gross cash cost (USc/lb)	Sustaining capex (\$ million)	Expansionary capex (\$ million)
Bozshakol 130-150	Bozshakol 35	Bozshakol 40
Aktogay 110-130	Aktogay 30	Aktogay I & II 550
East Region & Bozymchak 230-250	East Region & Bozymchak 50	Other (incl. Artemyevsky II) 40
	Group 115	Group 630

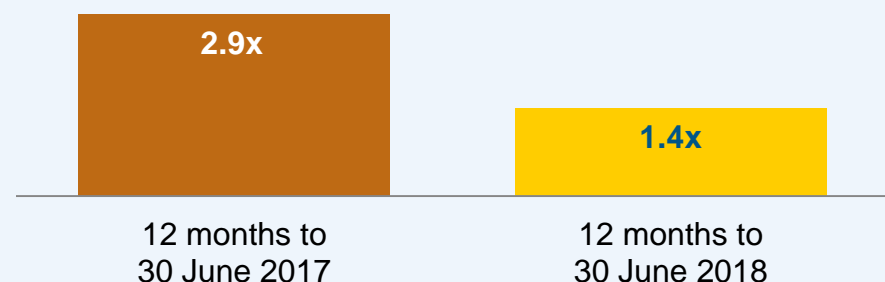
INTERIM DIVIDEND DECLARED



- ▶ Bozshakol and Aktogay now delivered
- ▶ New operations are highly cash generative
- ▶ Interim dividend of 6.0 US cents per share declared in respect of H1 2018
- ▶ Future financing requirements are manageable
 - Baimskaya capex spread over 2018-26
 - Options for phasing of capex
- ▶ Baimskaya partnering options will be evaluated during the feasibility study – optimal timing
- ▶ Capital investment to be supported by significant earnings from low cost portfolio

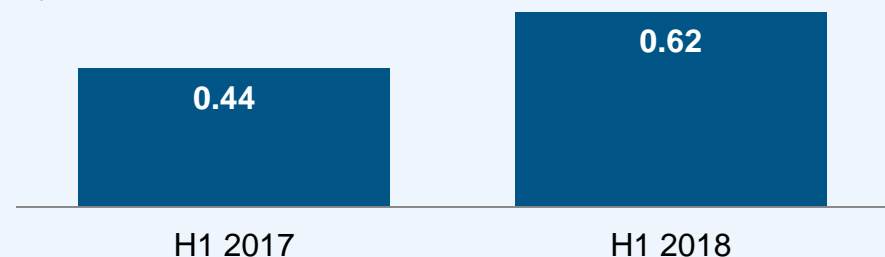
Gearing level reduced

Net debt: Gross EBITDA¹



EPS

\$ per share²



Notes:

1. Gross EBITDA (excluding MET, royalties and special items) for the prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay.
2. Earnings per share based on Underlying Profit excluding special items.



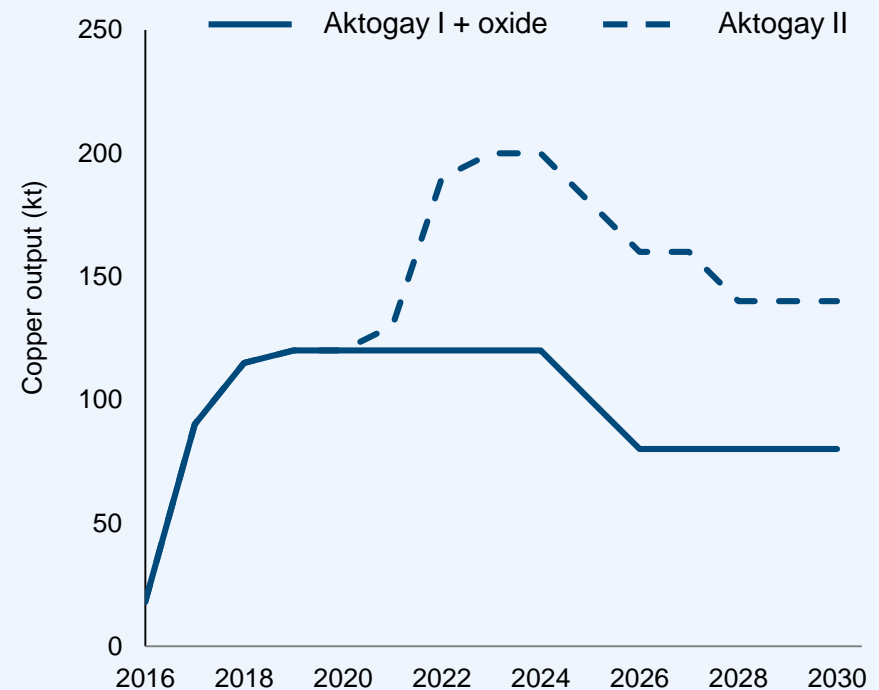
4. Aktogay II expansion project

LOW-RISK MEDIUM TERM GROWTH



- ▶ Aktogay II is a \$1.2 billion project approved in Dec 2017 to double sulphide processing capacity from 25 to 50 Mtpa
- ▶ First production expected in H2 2021, ramp up in 2022
- ▶ Adds c.80 kt of annual copper production from 2022-27 and c.60 kt from 2028 onwards
- ▶ Net cash cost 100-120 US\$/lb¹
- ▶ Accelerated processing reduces mine life from 56 to 28 years

Indicative copper production profile



Notes:

1. Net cash cost guidance in US\$/lb for the period 2022-27.

PROJECT SCHEDULE AND PROGRESS

H1 2018

- ▶ Commenced initial excavation and earthworks ✓
- ▶ Long lead time equipment ordered ✓

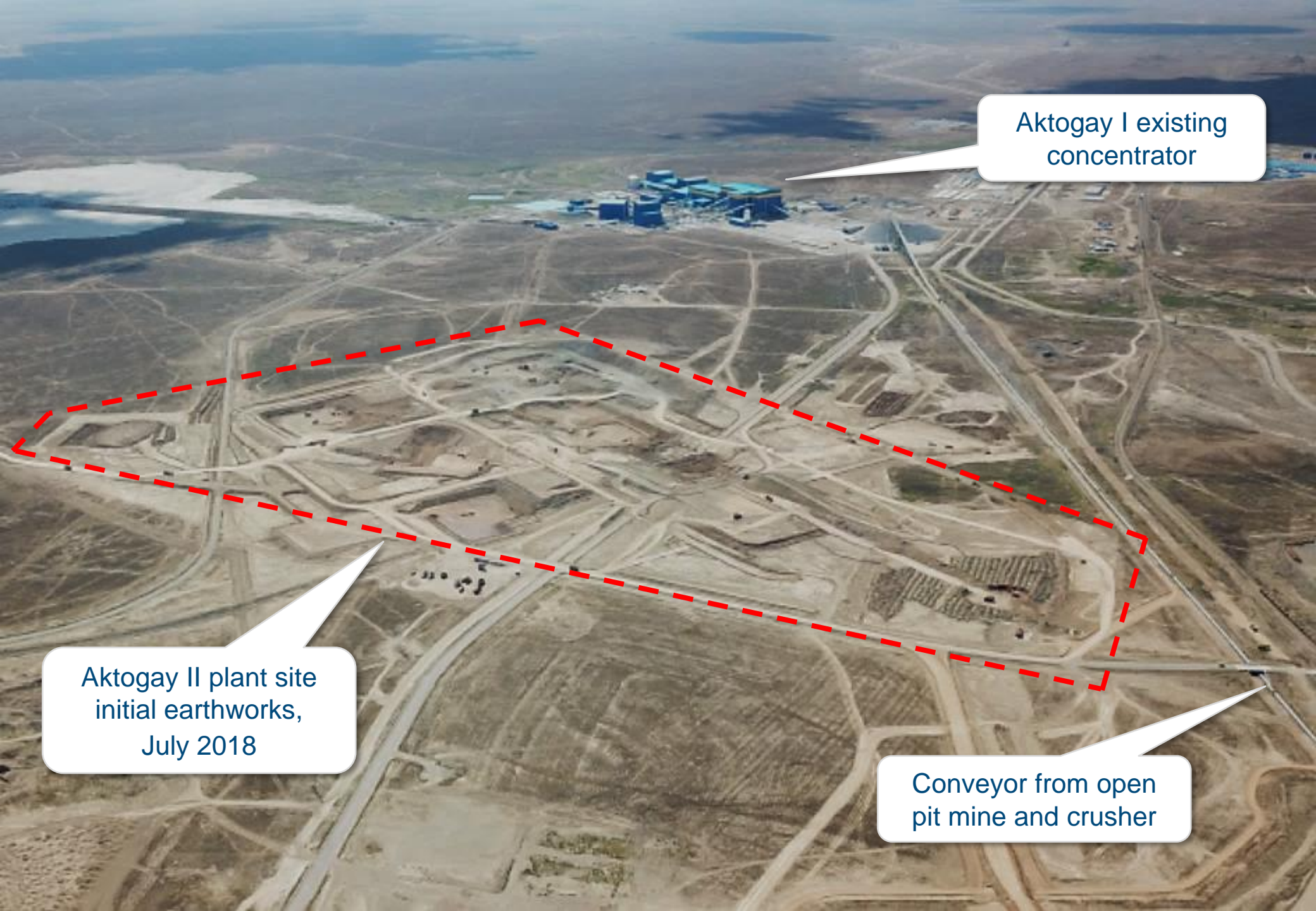
Schedule

Start date

- ▶ Detailed engineering *H2 2018*
- ▶ Site infrastructure *H2 2018*
- ▶ Expansion of permanent camp and mine maintenance facilities *2019*
- ▶ Main construction activities *2019*
- ▶ Mill installation *2020*
- ▶ First ore processed *2021*



Initial earthworks, Aktogay expansion project

An aerial photograph of an industrial site in a desert environment. In the upper center, there is a cluster of blue-roofed buildings identified as the Aktogay I existing concentrator. A large area in the center and lower-left is outlined with a red dashed line, representing the Aktogay II plant site where initial earthworks were completed in July 2018. A long, straight conveyor belt structure runs diagonally from the bottom right towards the center, identified as the conveyor from an open pit mine and crusher. The surrounding landscape is arid with some water bodies visible in the top left.

Aktogay I existing
concentrator

Aktogay II plant site
initial earthworks,
July 2018

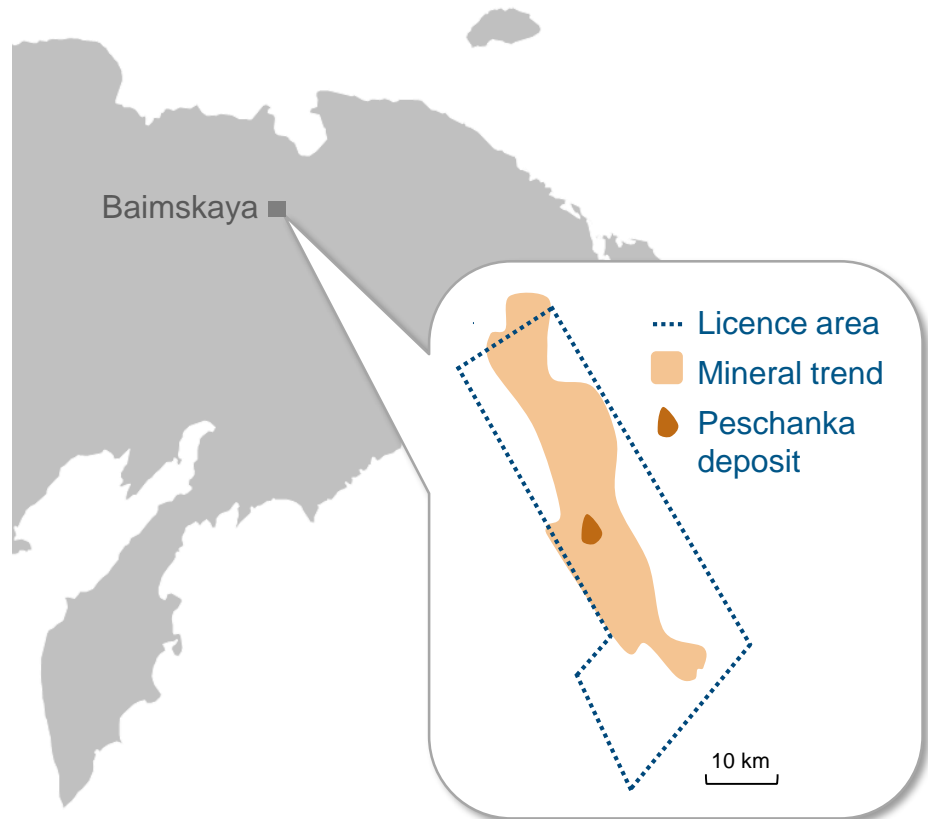
Conveyor from open
pit mine and crusher



5. Baimskaya copper project

BAIMSKAYA PROJECT OVERVIEW

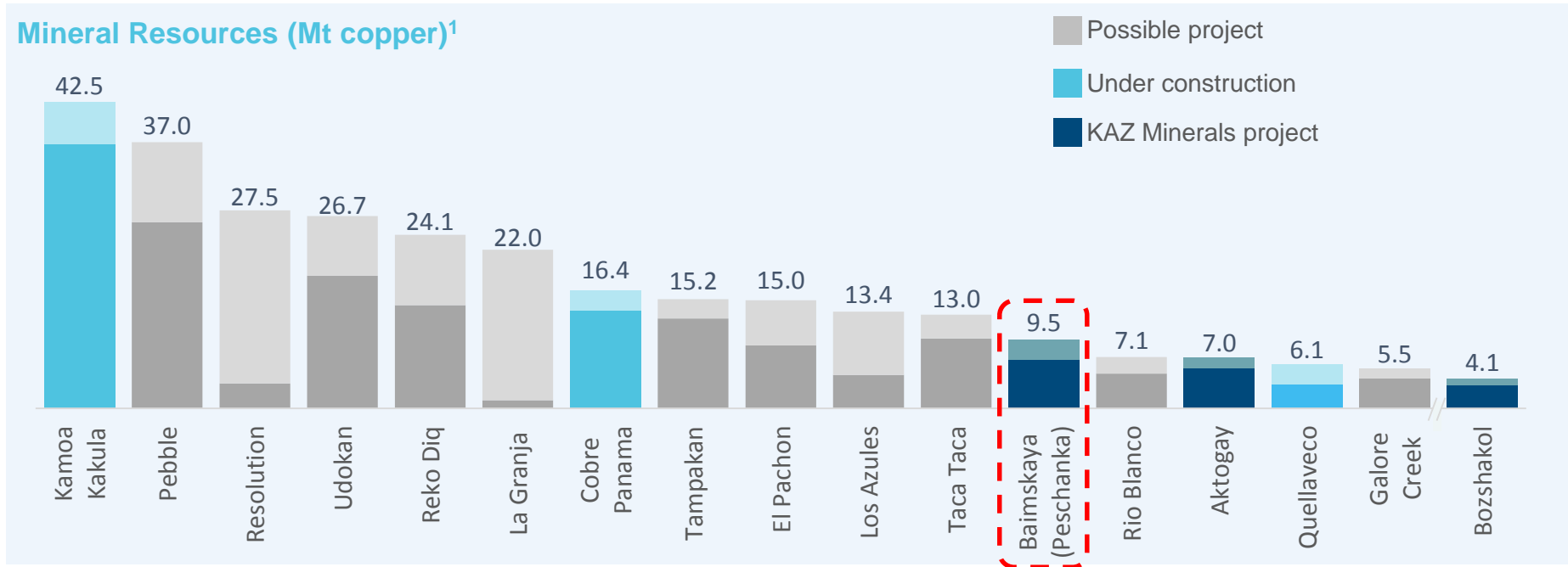
- ▶ The Group has agreed to acquire the Baimskaya copper project for \$900 million in cash and shares
 - \$675 million Initial Consideration plus Deferred Consideration of \$225 million
- ▶ Indicative \$5.5 billion nominal capex budget 2018-26¹
- ▶ 60 Mtpa ore processing capacity, c.25 year mine life
- ▶ Average annual production² of 250 kt copper and 400 koz gold, copper equivalent 330 ktpa³
- ▶ First quartile net cash costs over life of mine, higher grades in first ten years of operations
- ▶ Potential for resource expansion in c.1,300 sq. km licence area



Baimka mineral trend and licence area

1. In nominal terms based on 100% share of development capital expenditure, subject to confirmation in feasibility study.
2. Average for first ten years of operations, based on 100% share of production.
3. Assuming analyst consensus long term copper price of 6,700 \$/t and gold price of 1,300 \$/oz.

GLOBALLY SIGNIFICANT COPPER RESOURCE



- The Peschanka deposit in the Baimskaya licence area ranks in the top 10 undeveloped greenfield copper projects globally

1. Source: Company data. Mineral Resources include Measured and Indicated Resources (bottom bar) and Inferred Resources (top bar).

TRANSACTION TERMS

- ▶ The Group has agreed to acquire Baimskaya for \$900 million in cash and shares
- ▶ Initial Consideration of \$675 million for 75% stake
 - \$436 million in cash
 - 22.3 million new KAZ Minerals shares¹ issued to Vendor, subject to 3 year lock-in (5.0% of issued share capital)
 - Initial Completion and payment expected in H1 2019, pending regulatory approvals
- ▶ Deferred Consideration of \$225 million for remaining 25% stake, payable in shares or cash dependent on Project Delivery Conditions
 - Vendor will not contribute to development capital expenditure due to Deferred Consideration structure



Peschanka deposit, Baimskaya copper project, July 2018

1. Value of 22,344,944 shares is approximately \$239 million, based on 30 day VWAP as at 31 July 2018.

DEFERRED CONSIDERATION

- ▶ Project Delivery Conditions:
 1. Commercial production being achieved from the first concentrator for six months
 2. State construction of road and power infrastructure
 3. Year-round sea access to Pevek port
 4. Confirmation of TASED tax incentives¹
- ▶ If Project Delivery Conditions are met before 31 March 2029 then Deferred Consideration becomes payable in shares²
- ▶ If conditions are not met before 31 March 2029, Deferred Consideration of \$225 million is payable in cash at that date
- ▶ The opportunity to receive equity creates a strong incentive for the Vendor to assist with delivery of the Project and aligns interests with all shareholders



Bozshakol mine commercial production, October 2016

1. Territory of Accelerated Social and Economic Development. If the Project is eligible for TASED tax incentives there would be no tax on profits payable by the project entity for a period of five years from the year the first profit is recorded, and a reduced tax rate for the following five years.
2. Value of 21,009,973 shares is approximately \$225 million, based on 30 day VWAP as at 31 July 2018.

FINANCING

Acquisition cost

- ▶ Cash component (\$436 million) covered by existing cash resources

Project development

- ▶ Large scale, low cost project and strong execution credentials will attract a range of finance options
- ▶ The Group has a strong track record of obtaining debt facilities to fund major project development
- ▶ Financing requirements are manageable:
 - Capex spread over 2018-26
 - Existing asset base is highly cash generative
 - Options for phasing of capex deployment
- ▶ Financing structure to be developed during feasibility
- ▶ Expected to attract interest from Russian, Chinese and international lenders
- ▶ May explore opportunities for partnering



Bozshakol construction, 2014

PROJECT DEVELOPMENT TRACK RECORD

- ▶ KAZ Minerals has a proven capability to deliver large scale, low cost, open pit copper mining projects in the CIS region
- ▶ Successfully developed two large scale open pit copper mines in parallel from 2011 to 2017
 - Bozshakol completed in December 2015
 - Aktogay sulphide I completed in December 2016
 - Delivered on time and on budget
- ▶ Aktogay sulphide II commenced in 2018 – repeat of previous projects
- ▶ Baimskaya will be managed by the KAZ Minerals projects division, drawing on experience gained from previous projects in Kazakhstan



Bozshakol concentrator construction, 2014

OPERATING IN RUSSIA

- ▶ Development of the Far East of Russia is a high priority strategic objective of the Russian Government
- ▶ Significant support from the Russian Government is available in the form of power and transport infrastructure investments and tax incentives
- ▶ Vendor retained as local partner for development phase
- ▶ KAZ Minerals will have a number of advantages operating in Russia:
 - Close political links with Kazakhstan
 - Common language and business culture
 - Customs union (Eurasian Economic Union)
 - Experience of cold climate and remote locations



Chukotka region, Russia

INDICATIVE TIMETABLE



1. Deferred Consideration payable in cash on Long Stop Date if conditions not met.

INFRASTRUCTURE

Power

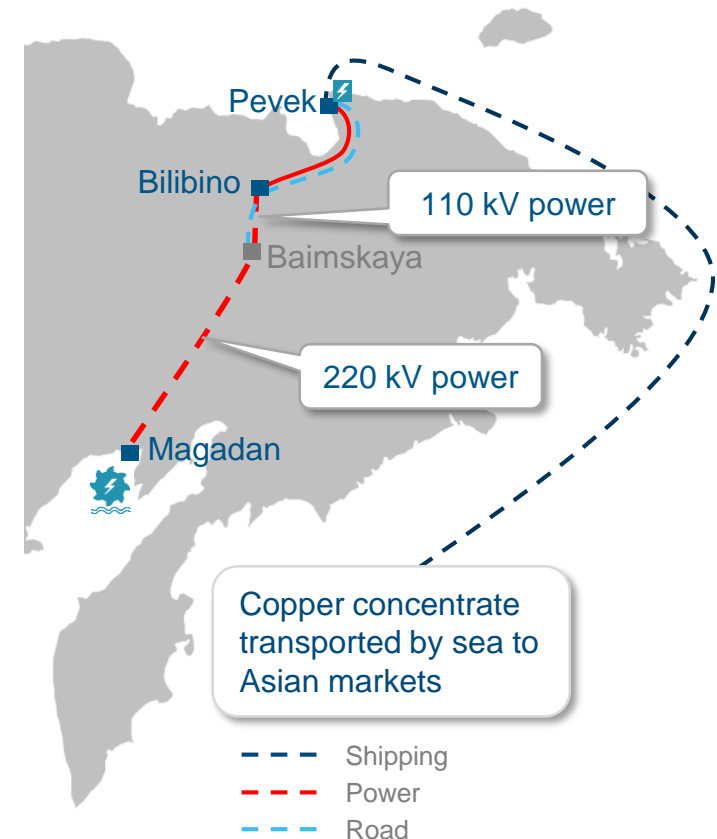
- ▶ Power generation for the construction phase of the project is currently being installed at Pevek
- ▶ Government funded 110 kV Bilibino-Baimskaya power line is under construction
- ▶ Government financing allocated to commence construction of a 220 kV line connecting the project to existing hydropower near Magadan for the production phase

Road

- ▶ Access to the site initially via winter road from Pevek
- ▶ Russian government to finance permanent road

Shipping

- ▶ Copper concentrate will be shipped to customers from Pevek with year-round navigation expected in Northern Sea Route



*Russian government funded
floating nuclear power facility
'Akademik Lomonosov'*

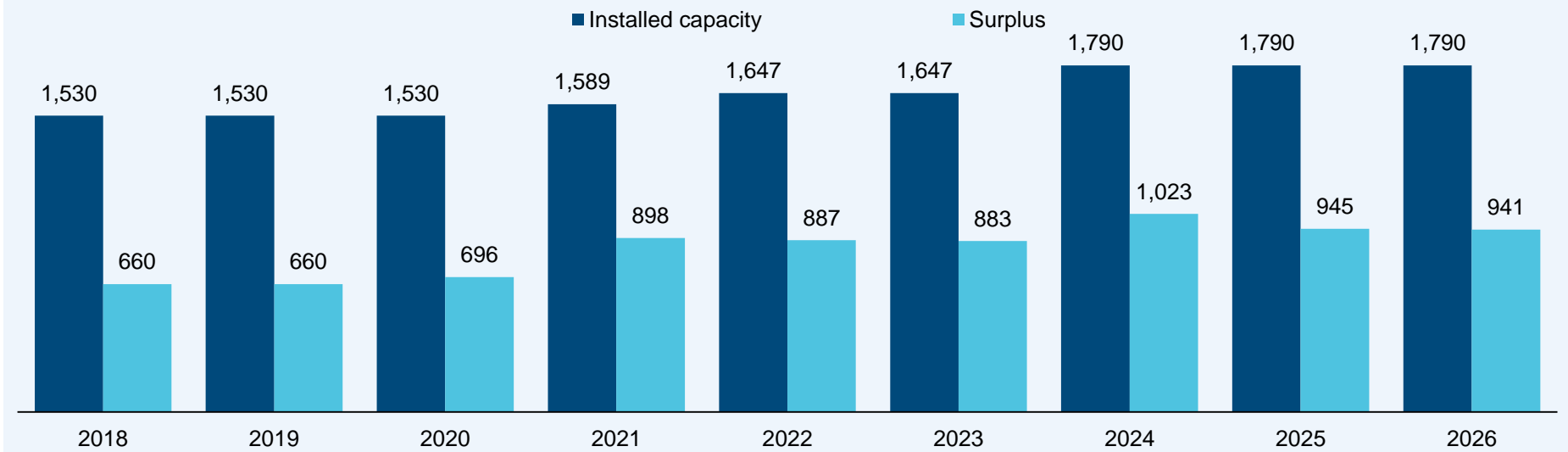


*Delivery of pylons for
110 kV power line,
Pevek*



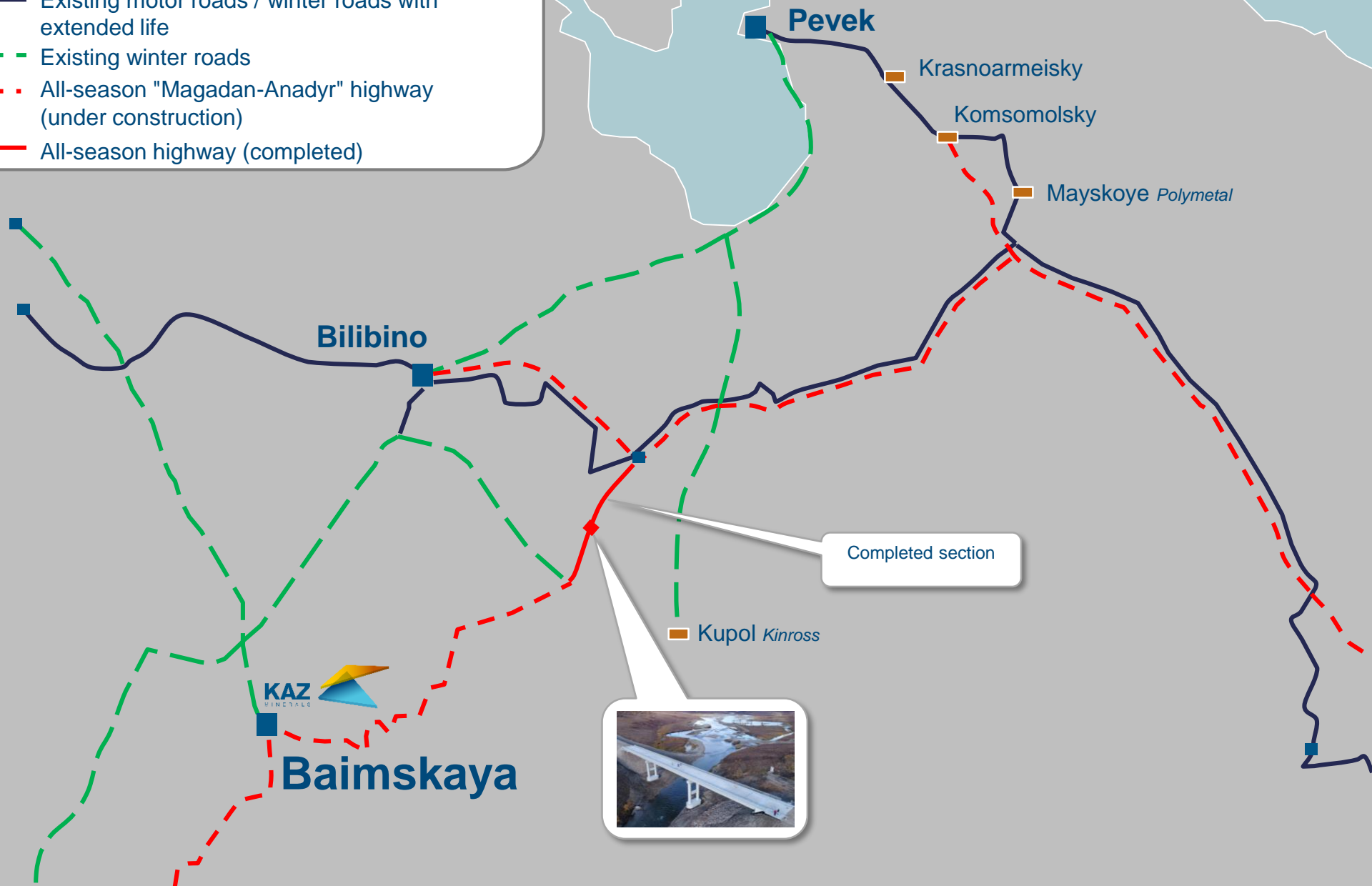
MAGADAN POWER CAPACITY SURPLUS

Magadan regional power balance (MW)



- ▶ The majority of generation capacity in the Magadan region is low cost hydropower from Kolyma HPP
- ▶ Baimskaya will require c.280 MW for operations
- ▶ Financing has been allocated to commence construction of the 220 kV power line linking Magadan to Chukotka

- Gold mine
- Existing motor roads / winter roads with extended life
- Existing winter roads
- All-season "Magadan-Anadyr" highway (under construction)
- All-season highway (completed)



*Government funded
road infrastructure under
construction*



NORTHERN SEA ROUTE

- ▶ Increasing the use of the Northern Sea Route to Asia is a policy objective of the Russian government
- ▶ The shipping route is already open and being used by oil & gas producers
 - On 31 July 2018, the *Christophe de Margerie* LNG tanker completed the first Yamal to Tangshan delivery in 18.5 days without icebreaker support
- ▶ Existing fleet of nuclear icebreakers currently in service and new vessels planned for construction
- ▶ Shipments from Pevek expected to join convoys travelling east



Arktika class icebreaker, '50 years of victory'



6. Value and volume

VALUE AND VOLUME



► Today

- Strong H1 results, all assets in first quartile of global cost curve
- Bozshakol and Aktogay delivered
- Interim dividend declared

► Medium term growth

- Copper market deficit to emerge over next decade
- Aktogay II (+80kt) offers low-risk, value-accretive growth from 2021
- KAZ Minerals will be a larger scale, low cost copper producer, with highly profitable operations

► Transformational growth

- Baimskaya (+250kt) provides value-accretive growth from 2026
- Capital phasing, financing and partnering options to be assessed during feasibility study



APPENDIX

SUMMARY INCOME STATEMENT



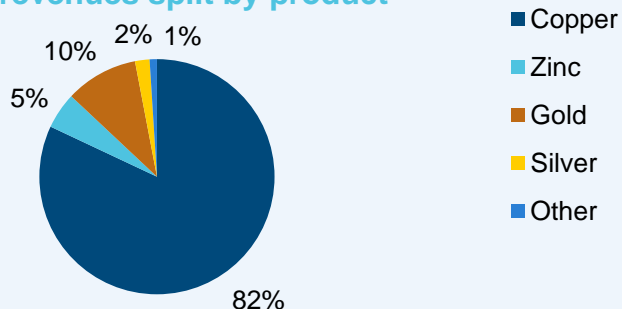
Key line items

\$m (unless otherwise stated)	H1 2018	H1 2017
Revenues¹	1,098	721
Cost of sales	(533)	(344)
Gross profit	565	377
Operating profit	464	291
Net finance costs	(109)	(51)
Profit before taxation	355	240
Income tax expense	(79)	(55)
Profit for the period	276	185
EPS based on Underlying Profit (\$)	0.62	0.44

Reconciliation of Underlying Profit

\$m	H1 2018	H1 2017
Net profit attributable to equity holders of the Company	276	185
Special items	-	10
Underlying Profit	276	195

H1 2018 revenues split by product



Notes:

- The prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay (H1 2017 \$116 million: Bozshakol clay \$21 million, Aktogay sulphide \$95 million).

REVENUES AND SALES VOLUMES (COMMERCIAL PRODUCTION ONLY)



Revenues¹

\$m	H1 2018	H1 2017
Copper cathode	342	266
Copper in concentrate	560	251
Zinc in concentrate	60	59
Gold	33	31
Gold in concentrate	72	75
Silver	19	27
Silver in concentrate	7	7
Other	5	5
Total revenues	1,098	721

Average realised prices

	H1 2018	H1 2017
Copper cathode (\$/t)	6,916	5,799
Copper in concentrate (\$/t) ³	6,135	5,251
Zinc in concentrate (\$/t)	2,255	1,850
Gold (\$/oz)	1,314	1,236
Gold in concentrate (\$/oz) ³	1,296	1,265
Silver (\$/oz)	16.6	17.4
Silver in concentrate (\$/oz) ³	16.1	17.0

Sales volumes¹

kt (unless otherwise stated)	H1 2018	H1 2017
Copper cathode	50	46
Copper in concentrate ²	91	48
Zinc in concentrate	27	32
Gold (koz)	25	25
Gold in concentrate (koz) ²	56	59
Silver (koz)	1,116	1,594
Silver in concentrate (koz) ²	438	361

LME and LBMA Prices

	H1 2018	H1 2017
Copper (\$/t)	6,917	5,748
Zinc (\$/t)	3,268	2,690
Gold (\$/oz)	1,318	1,238
Silver (\$/oz)	16.7	17.3

Notes:

1. The prior year comparative period excludes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay (H1 2017 \$116 million: Bozshakol clay \$21 million, Aktogay sulphide \$95 million).
2. Payable metal in concentrate sold.
3. After the deduction of processing charges.

GROSS REVENUES AND SALES VOLUMES (INCLUDING PRE-COMMERCIAL PRODUCTION)



Gross Revenues¹

\$m	H1 2018	H1 2017
Copper cathode	342	301
Copper in concentrate	560	331
Zinc in concentrate	60	59
Gold	33	31
Gold in concentrate	72	75
Silver	19	27
Silver in concentrate	7	8
Other	5	5
Total revenues	1,098	837

Average realised prices

	H1 2018	H1 2017
Copper cathode (\$/t)	6,916	5,793
Copper in concentrate (\$/t) ³	6,135	5,238
Zinc in concentrate (\$/t)	2,255	1,850
Gold (\$/oz)	1,314	1,236
Gold in concentrate (\$/oz) ³	1,296	1,265
Silver (\$/oz)	16.6	17.4
Silver in concentrate (\$/oz) ³	16.1	16.9

Sales volumes¹

kt (unless otherwise stated)	H1 2018	H1 2017
Copper cathode	50	52
Copper in concentrate ²	91	63
Zinc in concentrate	27	32
Gold (koz)	25	25
Gold in concentrate (koz) ²	56	59
Silver (koz)	1,116	1,594
Silver in concentrate (koz) ²	438	449

LME and LBMA Prices

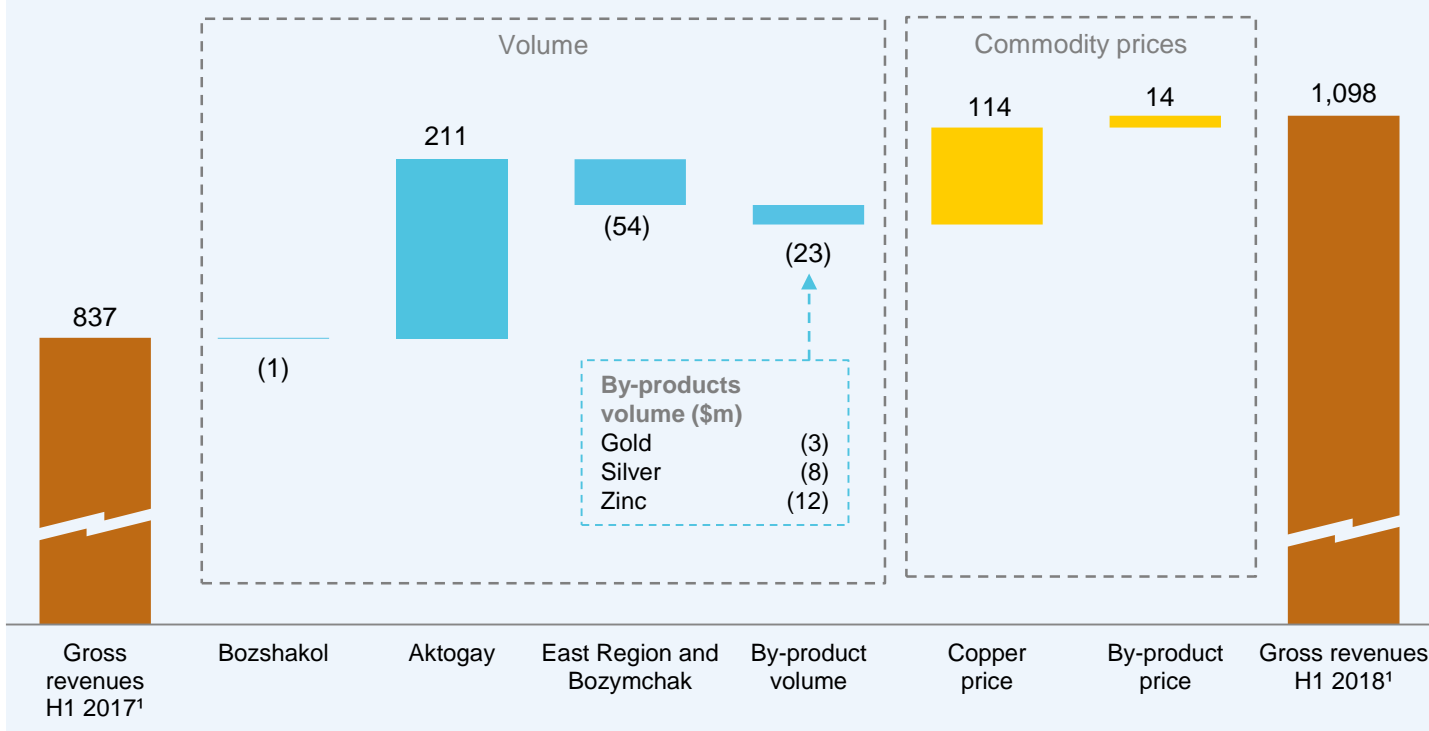
	H1 2018	H1 2017
Copper (\$/t)	6,917	5,748
Zinc (\$/t)	3,268	2,690
Gold (\$/oz)	1,318	1,238
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Notes:

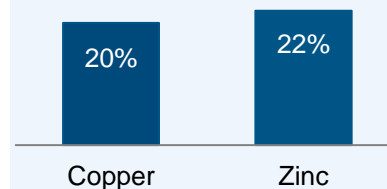
1. The prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay (H1 2017 \$116 million: Bozshakol clay \$21 million, Aktogay sulphide \$95 million).
2. Payable metal in concentrate sold.
3. After the deduction of processing charges.

GROSS REVENUE RECONCILIATION

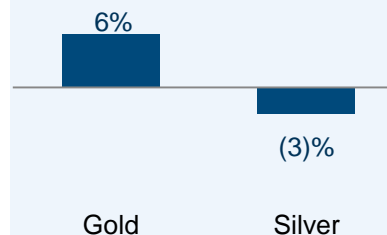
Volume growth complemented by increase in commodity prices (\$m)



Average LME HY 2018 vs HY 2017



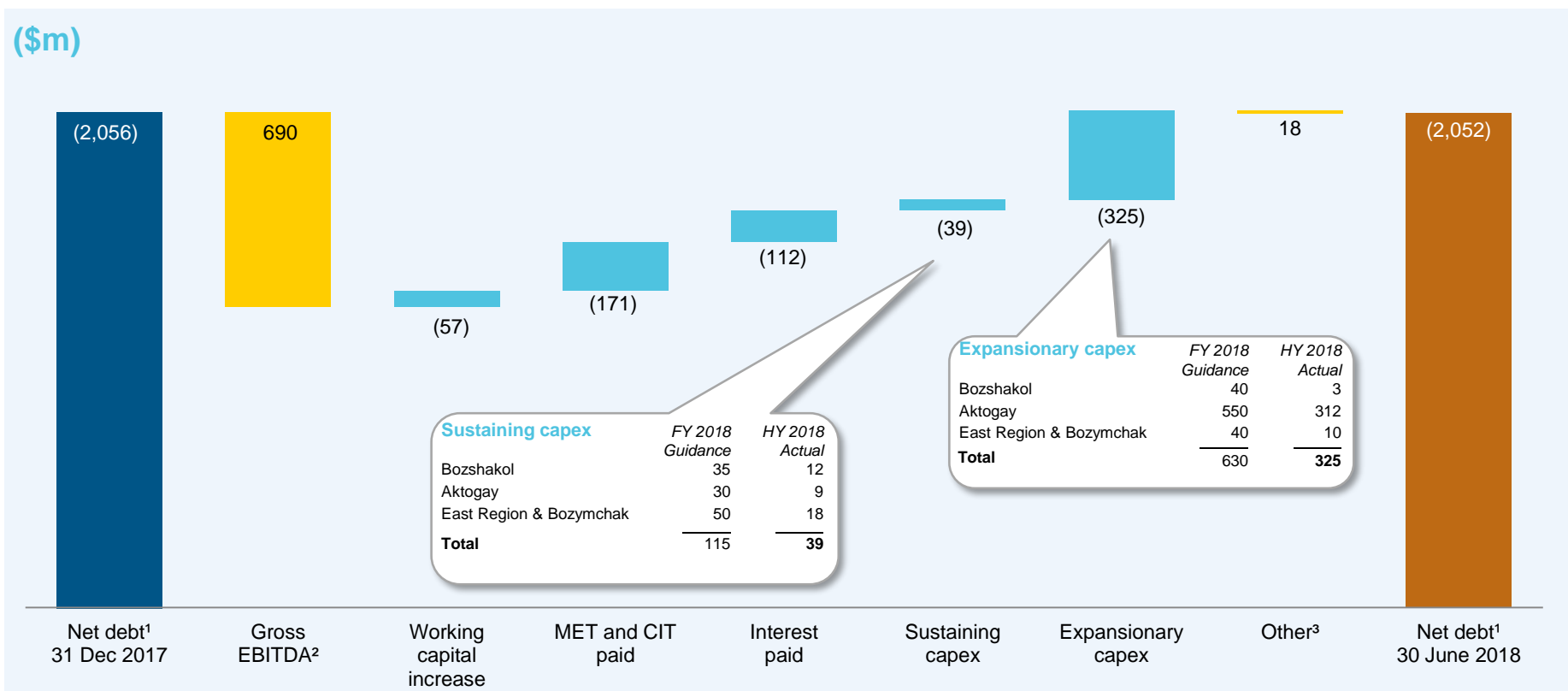
Average LBMA HY 2018 vs FY 2017



Notes:

- The prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay (H1 2017 \$116 million: Bozshakol clay \$21 million, Aktogay sulphide \$95 million).

MOVEMENT IN GROUP NET DEBT



Notes:

1. The excess of borrowings over cash and cash equivalents.
2. The prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay.
3. Includes foreign exchange, interest received and other movements.

EBITDA RECONCILIATION



EBITDA¹ by operating segment

\$m	H1 2018	H1 2017
Bozshakol ²	277	242
Aktogay ²	271	93
East Region and Bozymchak	155	180
Corporate services	(13)	(10)
Gross EBITDA²	690	505
Less: Capitalised pre-commercial production EBITDA	-	(76)
Bozshakol	-	(12)
Aktogay	-	(64)
EBITDA¹	690	429

Notes:

1. EBITDA (excluding MET, royalties and special items).
2. The prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay.

CASH FLOW



\$m	H1 2018	H1 2017
EBITDA¹	690	429
Working capital movements ²	(57)	(31)
Interest paid	(112)	(114)
MET and royalties paid ²	(111)	(66)
Income tax paid	(60)	(47)
Foreign exchange and other movements	(3)	7
Net cash flows from operating activities before capital expenditure and non-current VAT associated with major projects	347	178
Sustaining capital expenditure	(39)	(23)
Free Cash Flow	308	155
Expansionary and new project capital expenditure ³	(325)	(85)
Net non-current VAT associated with major projects	3	159
Interest received	14	7
Other movements	(1)	(1)
Cash flow movement in net debt	(1)	235

Notes:

1. EBITDA (excluding MET, royalties and special items).
2. Excludes working capital and MET movements arising from pre-commercial production from Aktogay sulphide and Bozshakol clay in H1 2017.
3. Includes the capitalisation of revenues, costs and working capital outflows during the period of pre-commercial production in H1 2017.

SUMMARY BALANCE SHEET



Assets

\$m	H1 2018	2017	H1 2017
Non-current assets	3,125	3,215	3,540
Gross liquid funds	1,653	1,821	1,223
Other current assets	670	586	496
Total	5,448	5,622	5,259

Non-current assets

\$m	H1 2018	2017	H1 2017
Intangible assets	7	7	7
Tangible assets	2,840	2,973	3,217
Other non-current assets	216	170	242
Deferred tax asset	62	65	74
Total	3,125	3,215	3,540

Equity & liabilities

\$m	H1 2018	2017	H1 2017
Equity	1,198	998	840
Borrowings	3,705	3,877	3,665
Other liabilities	545	747	754
Total	5,448	5,622	5,259

Net debt

\$m	H1 2018	2017	H1 2017
Gross liquid funds	1,653	1,821	1,223
Borrowings	(3,705)	(3,877)	(3,665)
Long-term	(3,187)	(3,459)	(3,399)
Short-term	(518)	(418)	(266)
Total	(2,052)	(2,056)	(2,442)

DEBT FACILITIES

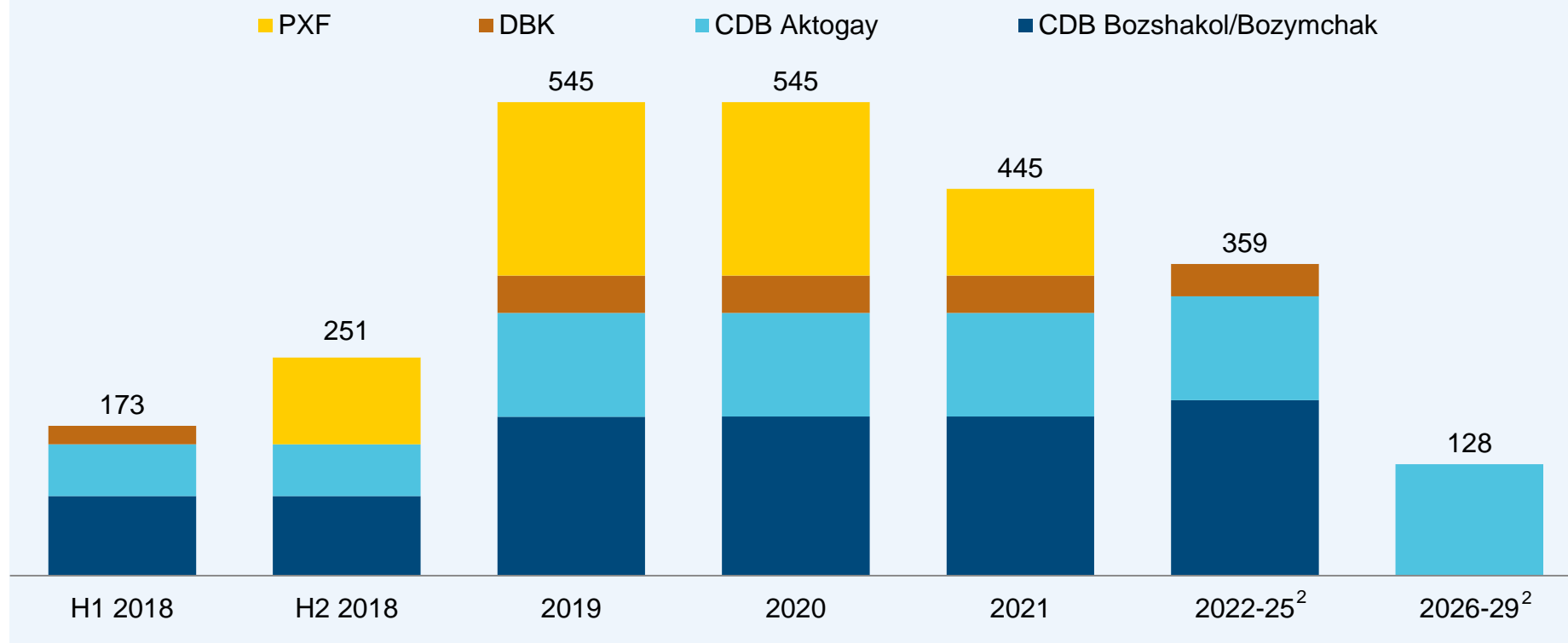
Facility	Maturity and interest rate	Balance as at 30 September 2018 ¹
CDB Bozshakol/Bozymchak	Final maturity 2025 <ul style="list-style-type: none"> ▶ \$ LIBOR + 4.5% ▶ Semi-annual principal and interest payments 	Fully drawn – \$1,357 million <ul style="list-style-type: none"> ▶ Balance sheet covenant
CDB Aktogay	Final maturity 2029 <ul style="list-style-type: none"> ▶ \$ LIBOR + 4.2% (USD facility) ▶ PBoC 5 year (RMB facility) ▶ USD facility - semi-annual principal payments from March 2018; semi-annual interest payments ▶ RMB facility - semi-annual principal payments; quarterly interest payments 	Fully drawn – \$1,343 million <ul style="list-style-type: none"> ▶ Balance sheet covenant
DBK	Final maturity 2025 <ul style="list-style-type: none"> ▶ \$ LIBOR + 4.5% ▶ Semi-annual principal payments from June 2018 ▶ Semi-annual interest payments (USD) 	Fully drawn – \$278 million <ul style="list-style-type: none"> ▶ Balance sheet covenant
PXF	Final maturity 2021 <ul style="list-style-type: none"> ▶ Margin based on net debt/EBITDA ratio <ul style="list-style-type: none"> - between \$ LIBOR +3.0% to 4.5% ▶ Monthly interest payments ▶ Monthly principal repayments from July 2018 to June 2021 	Fully drawn – \$550 million <ul style="list-style-type: none"> ▶ \$600m PXF signed in June 2017 <ul style="list-style-type: none"> - Extended final maturity by 2.5 years to June 2021 - Monthly principal repayments from July 2018

Notes:

1. Drawn amount excludes amortised net fees.

DEBT REPAYMENT PROFILE

Repayment Profile¹ (\$m)

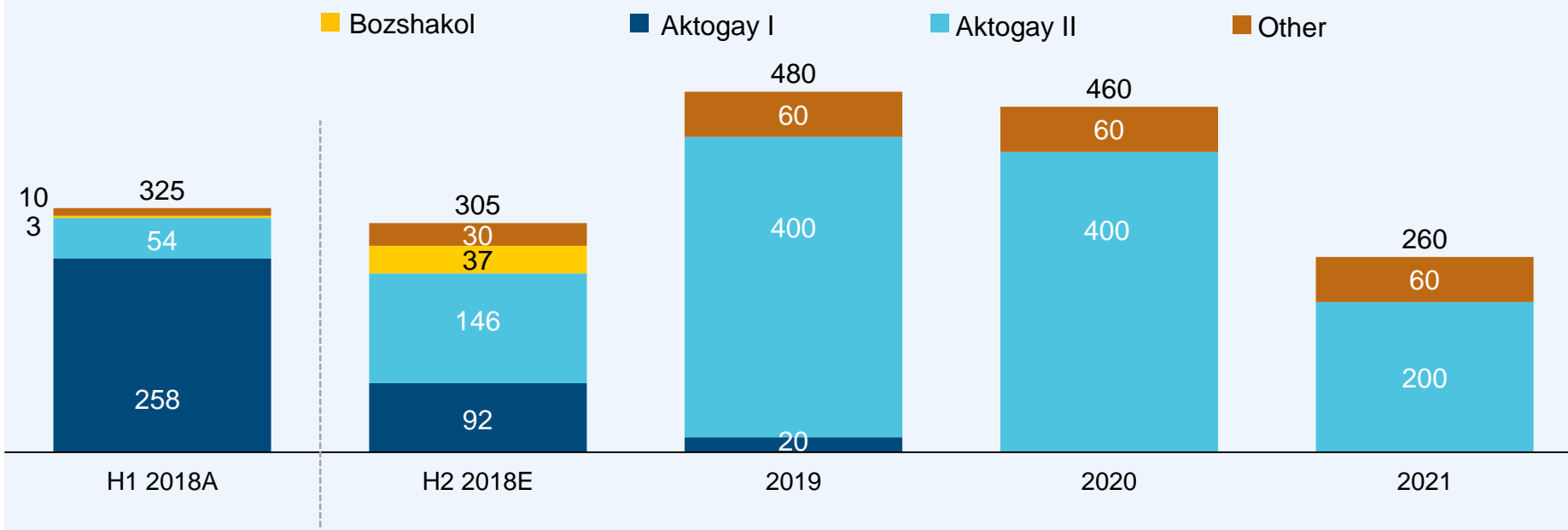


Notes:

1. Based on drawn debt facilities at 30 June 2018.
2. Average debt repayments per annum.

CAPITAL EXPENDITURE GUIDANCE

Expansionary capex (\$m)



- ▶ \$250 million deferred from 2016 paid to NFC for Aktogay construction in January 2018. Final \$50 million to be settled in H2
- ▶ \$54 million invested in Aktogay expansion in H1 2018

GROUP CASH COST RECONCILIATION



\$m (unless otherwise stated)	H1 2018	H1 2017	2017	2016
Copper sales (kt) ¹	141	115	256	141
Revenues	1,098	721	1,663	766
EBITDA ²	(703)	(439)	(1,063)	(375)
Pre-commercial production ³	-	40	78	62
TC/RCs and other adjustments	55	45	98	31
Gross cash cost	450	367	776	484
Gross cash cost (USc/lb)	145	144	138	156
By-product credits	(194)	(205)	(406)	(300)
Net cash costs	256	162	370	184
Net cash cost (USc/lb)	82	64	66	59

Notes:

1. The prior year comparative period includes the results of pre-commercial production from Aktogay sulphide and Bozshakol clay.
2. EBITDA (excluding MET, royalties and special items) excludes corporate services.
3. Cash operating costs capitalised during the periods prior to commercial production.

AKTOGAY KEY PROJECT STATISTICS

Aktogay sulphide I

- ▶ 25 Mt annual sulphide ore processing capacity
- ▶ Mine life of over 50 years
- ▶ Average annual copper production of 90 kt, 2018-27
- ▶ Project development cost \$2.0 billion¹

Aktogay sulphide II

- ▶ Additional 25 Mt sulphide ore processing capacity
- ▶ Reduces mine life to 28 years
- ▶ Increases sulphide copper production to c.170 kt, 2022-27 and c.130 kt annual thereafter
- ▶ Project development cost \$1.2 billion, 2018-21

Aktogay oxide

- ▶ Cathode production c.20 kt, 8 year resource life to 2025



Aktogay sulphide concentrator no. 1

Notes:

1. Aktogay capital expenditure including sulphide and oxide.

SENIOR MANAGEMENT

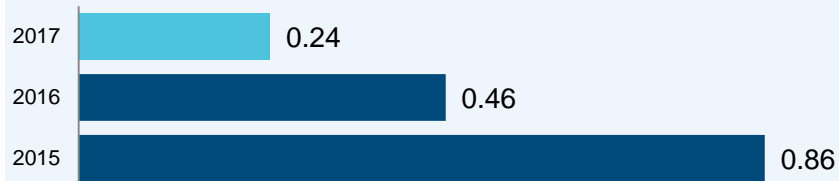
	<p>Oleg Novachuk, Chair Joined the Company in 2001, former Chief Executive and was appointed Chair on 1 January 2018, with responsibility for strategy, government relations and business development.</p>		<p>Eldar Mamedov, General Director, KMM LLP Joined the Company in 1996, former Head of Legal and was appointed as General Director of the KMM LLP in 2014, with responsibility for government relations, legal, procurement and administration.</p>
	<p>Andrew Southam, Chief Executive Officer Joined the Company in 2006, former Chief Financial Officer and was appointed Chief Executive Officer on 1 January 2018, with responsibility of executive management of the Group and leading the senior management team in the day to day running of the business.</p>		<p>Madina Kaparova, Group Procurement Director Joined the Company in 1998 and was appointed Group Procurement Director in 2016, with responsibility for development and implementation of procurement strategy.</p>
	<p>John Hadfield, Chief Financial Officer Joined KAZ Minerals in November 2017 as Deputy Chief Financial Officer and was appointed Chief Financial Officer on 1 January 2018.</p>		<p>Sergey Leu, General Director, Bozshakol Joined KAZ Minerals in August 2016 as General Director of Bozshakol with responsibility for management of Bozshakol operations.</p>
	<p>Mian Khalil, General Director, Projects Joined the Company in 2010, with responsibility for construction of major growth projects, Aktogay and Bozshakol and is currently focused on the expansion project at Aktogay.</p>		<p>Ilsur Dautov, General Director, East Region Appointed General Director of the East Region in March 2014. Responsible for the management of East Region operations.</p>
	<p>Mark Anderson, Chief Operating Officer Joined KAZ Minerals in 2017, with responsibility for overseeing the performance of the Group's mining assets.</p>		<p>Ilyas Tulekeev, General Director, Bozymchak Joined KAZ Minerals in 2006 and was appointed General Director of Bozymchak in 2011, with responsibility for management of Bozymchak operations.</p>

INCREASING EFFICIENCY REDUCES ENVIRONMENTAL IMPACTS



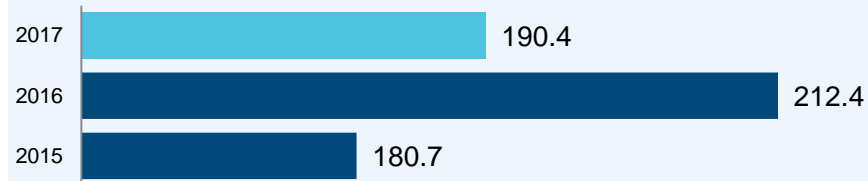
ENERGY USE

TJ/kt sulphide ore processed (energy consumption)



WATER

Water withdrawal per unit of copper (megalitres/kt)

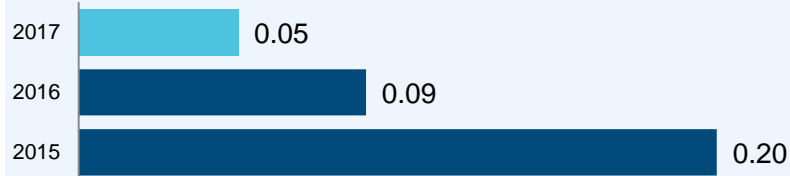


CO₂

CO₂ emissions per unit of copper (kt)



CO₂ emissions per unit of ore processed (kt)



CO₂ emissions per \$ million revenue (t)



RESTRUCTURING OCTOBER 2014



MINERAL RESOURCES SUMMARY - 31 DEC 2017



	Artemyevsky	Irtyshtsky	Orlovsky	Bozymchak	Aktogay sulphide	Aktogay oxide	Bozshakol sulphide	Bozshakol clay
Resources¹ (kt)	24,196 ²	4,645	13,461	15,729	1,583,454	90,257	872,164	26,619
Copper grade (%)	2.06	2.26	3.09	0.84	0.33	0.36	0.35	0.65
Zinc (%)	4.43	5.36	3.99	-	-	-	-	-
Gold grade (g/t)	0.9	0.4	0.9	1.4	-	-	0.1	0.7
Silver grade (g/t)	88	88	38	8.6	-	-	1.3	1.3
Molybdenum grade (%)	-	-	-	-	0.008	-	0.005	-
Type of mine	Underground	Underground	Underground	Open pit / underground	Open pit		Open pit	
Concentrator	Nikolayevsky	Belousovsky	On-site	On-site	On-site		On-site	
Description	Mine with polymetallic ore, operating since 2005	Irtyshtsky has been operating since 2001	Orlovsky is the largest mine in East Region by copper metal in ore extracted	Bozymchak is located in Kyrgyzstan	Large scale mine, located in East Region of Kazakhstan. Commenced production of copper cathode from oxide ore in December 2015 and copper in concentrate from sulphide ore in February 2017		Large scale mine, located in Pavlodar Region of Kazakhstan. Commenced production of copper in concentrate from sulphide ore in February 2016	

Notes:

1. Measured and indicated as at 31 December 2017.
2. Includes Artemyevsky II expansion.

KAZ
MINERALS



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