

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**KAZ Minerals PLC**  
**哈薩克礦業有限公司\***

*(incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05180783)*  
**(Stock code: 847)**

## **BOARD CHANGES**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance.

KAZ Minerals PLC (the “Company”) has released a Board changes announcement. Please see the attached announcement for more details.

By order of the Board  
**KAZ Minerals PLC**  
**Susanna Freeman**  
*Company Secretary*

27 April 2017, Hong Kong

*The Board of Directors at the time of the announcement are: S J N Heale<sup>†</sup>; O N Novachuk; A Southam; C H E Watson<sup>†</sup>; M D Lynch-Bell<sup>†</sup>; L A Armstrong OBE<sup>†</sup>; J F MacKenzie<sup>†</sup>; V S Kim<sup>#</sup>.*

<sup>†</sup> *Independent non-executive Director*

<sup>#</sup> *Non-executive Director*

<sup>\*</sup> *For identification purpose*

KAZ Minerals PLC (“KAZ Minerals”, “the Group” or “the Company”) announces the following changes to the Board with effect from 1 January 2018:

- Simon Heale, the non-executive Chairman of the Company, will retire from the Board having served eleven years with the Company, including five as Chairman
- Oleg Novachuk, Chief Executive Officer, will become Chair
- Andrew Southam, Chief Financial Officer, will be appointed Chief Executive Officer
- Michael Lynch-Bell, Senior Independent Director will be additionally appointed Deputy Chair with responsibility for Board governance matters and to represent the interests of independent shareholders constituting the Group’s majority free float
- A process is under way to identify and appoint a new independent non-executive Director and a new Chief Financial Officer

Simon Heale, Chairman said: “I have decided to stand down from the Board of KAZ Minerals PLC at the end of 2017, having served eleven years as a Director and five years as Chairman. Following the restructuring in 2014 which positioned KAZ Minerals as a globally competitive, low cost producer and with the completion of the two major growth projects in 2016, KAZ Minerals is well positioned to benefit from the improving outlook for copper. It is the right time for a new Chair to take the Company forward.”

Oleg Novachuk has been the Group’s Chief Executive Officer for the past eleven years and prior to that, as Finance Director, he led the Listing of the Group on the London Stock Exchange in 2005. As Chief Executive Officer, he has delivered the two major growth projects and put in place a strong operational management team. The Board views Oleg’s operational knowledge, project development expertise and senior relationships with industrial, financial and political leaders in both China and Kazakhstan as invaluable to the Group and its future prospects. Given the history of the Group, its status as a leading Kazakhstan-based developer and operator of copper mining assets, together with the diverse challenges involved with operating in the region, Oleg is uniquely qualified to take responsibility, as Chair, for the strategic leadership of KAZ Minerals going forward. The Chair role will be full-time and will include responsibility for strategy, government relations and business development. Oleg retains a significant shareholding in the Group and his interests therefore remain closely aligned with those of other shareholders.

Oleg Novachuk said: “I would like to thank Simon for his contribution to the Group over the last eleven years which has included a period of significant change, including the completion of our major growth projects last year. His advice and leadership will be greatly missed. I am pleased to be taking on the role of Chair of the Group upon Simon’s departure which will enable me to increase my focus on strategic development and build on our key relationships in the region. As Chair, and as a significant shareholder in KAZ Minerals, I will continue to seek to maximise the value of the Group’s assets over the long term.”

Andrew Southam, currently Chief Financial Officer, will be appointed to the role of Deputy Chief Executive Officer and Chief Financial Officer with effect from 1 July 2017 and will succeed Oleg Novachuk as Chief Executive Officer with effect from 1 January 2018. Andrew Southam is ideally placed to take on the role of Chief Executive Officer and is Oleg's clear successor with a deep understanding of the business of the Group, its culture and stakeholders in the UK and Kazakhstan. Andrew was, together with Oleg, one of the architects of the October 2014 restructuring which created KAZ Minerals. As Chief Executive Officer, Andrew will be responsible to the Board for the executive management of the Group including leadership of the Executive Committee and implementation of the Group's strategy. A process is underway to appoint a new Chief Financial Officer.

Andrew Southam said: "I am delighted to have the opportunity to steer the Group through the next phase in its development as we ramp up production from our new assets. Oleg and I have worked together closely for many years and we have a shared vision for the Group. I am pleased that KAZ Minerals will retain Oleg's experience and leadership as Chair and I look forward to continuing to work together with him in delivering value for our shareholders."

The Board is mindful of the UK Corporate Governance Code's provisions regarding a Chief Executive Officer going on to become Chair of the same company. However, having consulted with major shareholders, the Board believes that Oleg's appointment as Chair will allow the Group to continue to benefit from his unique skills, experience and relationships in the region in which the Group operates. In recognition of the need to maintain the Group's existing high standards of corporate governance the Board will appoint Michael Lynch-Bell, the current senior independent Director, as Deputy Chair with effect from 1 January 2018. The division of responsibilities between the Chair, Deputy Chair and Chief Executive Officer have been clearly defined and approved by the Board. The Chair will lead the Board other than in matters of governance, which will be led by the Deputy Chair. In addition, the Chair will be responsible for the development of strategy, government relations and business development. The Chief Executive Officer will be responsible for the day to day executive management of the Group.

The Deputy Chair role will expand the authority and responsibilities of the senior independent Director. Michael Lynch-Bell will lead on governance issues, including the annual review of Board effectiveness, the leadership of the Nomination Committee and acting as an intermediary between non-executive Directors and the Chair. The Deputy Chair will also provide a point of contact between the Company and independent shareholders who may wish to raise issues with the Board other than through the Chair. Michael has been a Director of KAZ Minerals PLC and chair of the Audit Committee since 2013 and was formerly an audit partner at Ernst and Young, where he worked for over 38 years having developed and later led its global mining practice.

To further strengthen the representation of shareholders, the Group will seek to appoint a new independent non-executive Director before the Board changes take effect on 1 January 2018 and at all times a majority of the Board will comprise non-executive Directors determined by the Board to be independent.

Michael Lynch-Bell, the Senior Independent Director and Deputy Chair designate, said: "I am pleased to be taking on the additional role of Deputy Chair and I am confident that the proposed new governance arrangements are in the best interests of shareholders. The Board of KAZ Minerals remains committed to upholding the highest standards of corporate governance and has consulted with shareholders as part of this process."

**For further information please contact:**

---

**KAZ Minerals PLC**

Chris Bucknall	Investor Relations, London	Tel: +44 20 7901 7882
Anna Mallere	Investor Relations, 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
----------------	-----------------------

---

**REGISTERED OFFICE**

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

**NOTES TO EDITORS**

**KAZ Minerals PLC** 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.