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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)

OVERSEAS REGULATORY ANNOUNCEMENT

REPORT ON PAYMENTS TO GOVERNMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In accordance with Rule 4.3A of the UK Disclosure and Transparency Rules, the Company provides information in respect of payments made to governments for the year ended 31 December 2016.

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

30 June 2017, London

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

[†] *Independent non-executive Director*

[#] *Non-executive Director*

* *For identification purposes*

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
Irtysky - 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