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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)**

**AKTOGAY EXPANSION PROJECT APPROVED AND  
RESUMPTION OF TRADING**

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 its Aktogay Expansion Project Approved announcement. Please see the attached announcement for more details.

At the request of the Company, trading in shares of the Company on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) was halted with effect from 21 December 2017 at 1.00pm HKT, pending the release of an announcement which constitutes inside information. Application has been made to the Stock Exchange for the resumption of trading in shares of the Company with effect from 22 December 2017 at 9.00am HKT.

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

21 December 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>; A C Baker<sup>†</sup>; J F MacKenzie<sup>†</sup>; V S Kim<sup>#</sup>.*

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

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

\* *For identification purpose*

# AKTOGAY EXPANSION PROJECT APPROVED

- \$1.2 billion expansion project approved to double sulphide ore processing capacity at Aktogay from 2021
- Annual copper production from sulphide ore to increase to 170 kt from 2022 to 2027 and 130 kt thereafter
- Net cash cost guidance to 2027 maintained at 100–120 USc/lb
- Capital investment supported by strong cash flows from Bozshakol and Aktogay

KAZ Minerals PLC (“KAZ Minerals” or “the Group”) announces a planned expansion of its processing facilities at the Aktogay copper mine in the East Region of Kazakhstan. Following the achievement of commercial production at the Aktogay sulphide concentrator in October 2017, the Board has approved the construction of a second concentrator which will double the current sulphide ore processing capacity from 25 million to 50 million tonnes per annum.

The expansion represents a low risk growth project, being a duplicate of the sulphide processing facilities successfully commissioned at Bozshakol and Aktogay. Construction will be managed by the KAZ Minerals projects division which delivered the original project, with contracts to be tendered in 2018. The capital budget for the expansion project is expected to be in the region of \$1.2 billion with approximately \$200 million to be invested in 2018. The remaining expenditure will be incurred from 2019 to 2021. The mining fleet will be upgraded to support the higher ore throughput.

Output from the new concentrator is expected to commence in the second half of 2021 with the facility ramping up during 2022. Copper production from sulphide ore at Aktogay will increase by 80 kt to an average of around 170 kt per annum from 2022 to 2027, supported by higher copper grades. Over the remaining life of the mine, when copper grades will be in line with the average resource grade of 0.34%, the Aktogay expansion will add 60 kt per annum, increasing annual production to around 130 kt. Due to higher processing volumes the life of the sulphide ore body will reduce from over 50 years to approximately 28 years. Copper cathode production from oxide ore at Aktogay will be unchanged at the current level of around 20 kt per annum for the remaining eight year life of the oxide deposit.

Net cash cost guidance to 2027 following the expansion is unchanged at 100–120 USc/lb in 2017 US dollar terms with efficiency gains from larger scale mining operations offsetting the effect of accelerated grade decline as processing volumes are brought forward. Sustaining capital expenditure will increase from \$30–\$40 million to \$50–\$60 million per annum from 2022 onwards. The expansion is expected to generate a return in excess of the Group’s cost of capital in the analyst consensus copper price scenario.

Oleg Novachuk, Chief Executive, said: “I am pleased to announce the planned expansion of our second major growth project, Aktogay, which will double its processing capacity from 2021. This expansion represents an opportunity for our proven project team to deliver a strong return on investment from an asset we know well by replicating the existing sulphide plant. Our outlook for copper remains positive and this development will help us to continue to grow in a tightening market. The capital expenditure over the period to 2021 for the expansion will be supported by strong cash flows from our new, low-cost operations at Bozshakol and Aktogay.”

A call for analysts will be held at 10:00am UK time. To participate in the call in listen-only mode please use the following dial-in details:

Conference call dial in: +44 (0) 20 3003 2666  
Password: KAZ Minerals

Webcast: <http://view-w.tv/834-1089-19140/en>  
Presentation download: <http://www.kazminerals.com/investors/presentation-library/>

**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** (“KAZ Minerals” or “the Group”) is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan. It operates the Bozshakol and Aktogay open pit copper mines in the Pavlodar and East regions of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. 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 new operations at Bozshakol and Aktogay are delivering one of the highest growth rates in the industry and transforming 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 and a mine life of 40 years at a copper grade of 0.36%. The mine and processing facilities will produce an average of 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 average copper grades of 0.36% (oxide) and 0.34% (sulphide). Following the expansion project announced in December 2017, the life of the project is expected to be approximately 28 years based on current mineral resources. 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 first sulphide concentrator will have an annual ore processing capacity of 25 million tonnes when fully ramped up which will be doubled to 50 million tonnes when the second concentrator commences production, in the second half of 2021. Aktogay is competitively positioned on the global cost curve and will produce an average of 90 kt of copper from sulphide ore and in the region of 20 kt of copper from oxide ore per year until 2021, with combined output from sulphide ore then rising to a total of approximately 170 kt per annum from 2022 to 2027 as the Aktogay expansion project ramps up.

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.