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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 2017

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 2017.

Susanna Freeman
Company Secretary
Tel: + 44 (0)20 7901 7826

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

29 June 2018, London

The Board of Directors at the time of the announcement are: O N Novachuk; A Southam; C H E Watson[†]; M D Lynch-Bell[†]; L A Armstrong OBE[†]; A C Baker[†]; 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 2017

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 2017.

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 2017, payments to governments under the Regulations amounted to \$311.7 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	—	15,708	—	—	—	—	15,708
Irtysky — License	—	11,574	—	—	385	—	11,959
Orlovsky — License	—	26,098	—	—	—	—	26,098
Yubileyno-Snegirihinsky — License	—	2,347	—	—	156	—	2,503
Legal entity	42,620	—	292	—	—	3,863	46,775
Total East Region	42,620	55,727	292	—	541	3,863	103,043
Aktogay license and legal entity	11,659	33,441	13,075	—	806	601	59,582
Bozshakol license and legal entity	7,403	94,021	34,158	—	157	5,896	141,635
Koksay license and legal entity	—	—	—	—	—	—	—
Other legal entities	168	128	—	—	—	—	296
	61,850	183,317	47,525	—	1,504	10,360	304,556
RECIPIENT							
State Revenue Committee	61,850	183,317	47,525	—	698	—	293,390
Local Authorities	—	—	—	—	806	10,360	11,165
	61,850	183,317	47,525	—	1,504	10,360	304,556
KYRGYZSTAN							
Bozymchak licence and legal entity	—	6,110	1,019	—	—	—	7,129
RECIPIENT							
State Tax Administration (central government)	—	5,176	1,019	—	—	—	6,195
Local Authorities	—	934	—	—	—	—	934
	—	6,110	1,019	—	—	—	7,129
Payments to Governments	61,850	189,427	48,544	—	1,504	10,360	311,685

- (1) The Mineral Extraction Tax is payable in Kazakhstan 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 Bullion Market Association. Royalties are paid by Bozymchak on sold metal.
- (2) Payments made as required under subsoil use license.
- (3) Infrastructure and social payments of \$10.4 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.

A copy of this report can be found on the Company's website at <https://www.kazminerals.com/investors/news/>

For further information please contact:

KAZ Minerals PLC

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REGISTERED OFFICE

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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 the Bozshakol and Aktogay open pit copper mines in the Pavlodar and East Region of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2017, total copper production was 259 kt with by-products of 58 kt of zinc in concentrate, 179 koz of gold and 3,506 koz of silver.

The Group's new operations at Bozshakol and Aktogay have delivered one of the highest growth rates in the industry and transformed KAZ Minerals into a company dominated by world class, open pit copper mines.

Bozshakol is a first quartile asset on the global cost curve with an annual ore processing capacity of 30 million tonnes and a remaining mine life of 39 years at an average copper grade of 0.35%. 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 a remaining mine life of 28 years at an average copper grade of 0.36% (oxide) and 0.33% (sulphide). Aktogay commenced production of copper cathode from oxide ore in December 2015 and copper in concentrate from sulphide ore in February 2017. The operating sulphide concentrator has an annual ore processing capacity of 25 million tonnes and the sulphide processing capacity will be doubled to 50 million tonnes with the addition of a second concentrator by the end of 2021. Aktogay is competitively positioned on the global cost curve and will produce an average of 90 kt of copper per year from sulphide ore until 2021, increasing to 170 kt per year from 2022 to 2027, after the second concentrator commences operations. Copper production from oxide ore will be in the region of 20 kt per annum until 2025.

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.