

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION  
FOR IMMEDIATE RELEASE**

**28 October 2020**

**RECOMMENDED CASH ACQUISITION**

**of**

**KAZ MINERALS PLC**

**by**

**NOVA RESOURCES B.V.**

**(a company indirectly owned by joint offerors (i) Oleg Novachuk and (ii) Vladimir Kim)**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**Summary**

- The board of Nova Resources B.V. ("**Bidco**") and the Independent Committee of KAZ Minerals PLC ("**KAZ Minerals**") are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by Bidco for the entire issued and to be issued share capital of KAZ Minerals (other than the KAZ Minerals Shares already owned or controlled by the Consortium) (the "**Acquisition**"). As at 27 October 2020 (being the last Business Day prior to the date of this announcement), the Consortium owned or controlled 186,079,209 KAZ Minerals Shares, representing approximately 39.39 per cent. of KAZ Minerals' issued share capital (excluding shares held in treasury) as at that date. It is intended that the Acquisition will be implemented by way of a scheme of arrangement.
- Under the terms of the Acquisition, KAZ Minerals Shareholders will be entitled to receive:

**For each KAZ Minerals Share: 640 pence in cash**

- The Acquisition values the entire issued and to be issued share capital of KAZ Minerals at approximately £3.0 billion, and represents a premium of approximately:
  - 24.9 per cent. to the Closing Price of 512.4 pence per KAZ Minerals Share on 2 October 2020 (being the last Business Day prior to agreement having been reached with the Independent Committee);

- 12.1% per cent. to the Closing Price of 570.8 pence per KAZ Minerals Share on 27 October 2020 (being the last Business Day prior to the date of this announcement);
  - 16.5% per cent. to the volume-weighted average price of 549.2 pence per KAZ Minerals Share for the one-month period ended 27 October 2020 (being the last Business Day prior to the date of this announcement); and
  - 26.5% per cent. to the volume-weighted average price of 505.8 pence per KAZ Minerals Share for the six-month period ended 27 October 2020 (being the last Business Day prior to the date of this announcement).
- The cash consideration payable to KAZ Minerals Shareholders by Bidco pursuant to the terms of the Acquisition will be financed with the proceeds of the VTB Facility Agreement.
  - If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital is declared, made or paid or becomes payable in respect of the KAZ Minerals Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the KAZ Minerals Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced.
  - The KAZ Minerals Shares owned or controlled by the Consortium (being 186,079,209 KAZ Minerals Shares as at 27 October 2020, being the last Business Day prior to the date of this announcement) will not be Scheme Shares and will not be acquired by Bidco pursuant to the Scheme but will be acquired by Bidco pursuant to the Share Exchange Agreement. The registered holders of the KAZ Minerals Shares owned or controlled by the Consortium will not be permitted to vote such KAZ Minerals Shares at the Court Meeting, but will be permitted to vote such KAZ Minerals Shares at the KAZ Minerals General Meeting.

## **Recommendation**

- The Independent Committee, which has been so advised by Citigroup and UBS as to the financial terms of the Acquisition, considers the terms of the Acquisition to be fair and reasonable. In providing their advice to the Independent Committee, Citigroup and UBS have taken into account the commercial assessments of the Independent Committee.
- Accordingly, the members of the Independent Committee intend unanimously to recommend that KAZ Minerals Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the KAZ Minerals General Meeting, as the members of the Independent Committee who hold KAZ Minerals Shares have irrevocably undertaken to do in respect of their own beneficial holdings totalling 719,026 KAZ Minerals Shares (representing approximately 0.15 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement)). Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

## Irrevocable undertakings

- Bidco has also received irrevocable undertakings from Ferris, Denalot and Greenleas to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the KAZ Minerals General Meeting, in respect of 28,245,449 KAZ Minerals Shares, representing, in aggregate, approximately 5.98 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement).
- In total, therefore, Bidco has received irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the KAZ Minerals General Meeting in respect of 28,964,475 KAZ Minerals Shares in aggregate, representing approximately 6.13% per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement).

## Background to and reasons for the Acquisition and recommendation

- The Consortium believes that there is a strong strategic rationale for the Acquisition, recognising that KAZ Minerals' focus on developing and operating large scale, low cost copper mines in Kazakhstan and the CIS region has enabled it to successfully progress a pipeline of growth projects, including its largest assets in Kazakhstan, Aktogay and Bozshakol. The Consortium also believes that KAZ Minerals' decision to dedicate efforts to a capital intensive strategy focused on long term growth remains the optimal long term strategic path for KAZ Minerals. The Consortium recognises this may be misaligned with the preference of many investors in the mining sector.
- Consequently, the members of the Consortium have concluded that KAZ Minerals' long term development of Baimskaya would be best undertaken away from public markets as a private company. Accordingly, the Consortium is offering KAZ Minerals Shareholders an opportunity to crystallise the value of their investment in KAZ Minerals Shares in cash at a premium to recent trading levels.
- In reaching its decision to recommend the terms of the Acquisition, the Independent Committee of KAZ Minerals has taken account of both the long term potential value of KAZ Minerals and the risks inherent in achieving this value. The Independent Committee believes that the Acquisition provides KAZ Minerals Shareholders with a fair value for KAZ Minerals' operating assets and development portfolio in Kazakhstan and Kyrgyzstan, and crystallises a value for Baimskaya that reflects the Independent Committee's view of the increasing risks in this project.

## Information on Bidco and the Consortium

- Bidco is a Dutch private limited liability company indirectly owned by a consortium comprising of Oleg Novachuk (the current chairman of KAZ Minerals) and Vladimir Kim (a non-executive director of KAZ Minerals) (together, the "**Consortium**"). Bidco is a wholly-owned subsidiary of Vostok Cooper B.V. ("**Holdco**"), itself a Dutch private limited liability company indirectly owned by the Consortium. As at the Effective Date, Oleg Novachuk will indirectly own 36.5 per cent. of Holdco and Vladimir Kim will indirectly own 63.5 per cent. of Holdco.

- Oleg Novachuk and Vladimir Kim are joint offerors with respect to the Acquisition.

### **Timetable and Conditions**

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel).
- The Acquisition will be on the terms and subject to the Conditions and further terms set out in Appendix 1 to this announcement, and to be set out in full in the Scheme Document. The Conditions include (among others):
  - approval of KAZ Minerals Shareholders at the KAZ Minerals Meetings;
  - satisfaction of certain Regulatory Conditions; and
  - the sanction of the Scheme by the Court.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and KAZ Minerals General Meeting, together with the associated forms of proxy, will be posted to KAZ Minerals Shareholders in due course and that the Court Meeting and the KAZ Minerals General Meeting will be held in December 2020 or early January 2021. The Acquisition is currently expected to become Effective in the first half of 2021, subject to the approval of the KAZ Minerals Shareholders, receipt of the relevant antitrust clearances and regulatory approvals and the sanction of the Scheme by the Court. An expected timetable of key events relating to the Acquisition will be provided in the Scheme Document.

Commenting on the Acquisition, Oleg Novachuk, Chairman of Bidco, said:

*"We are pleased to announce this recommended cash offer for KAZ Minerals. Mr. Kim and I believe that KAZ Minerals has made notable progress as a public company since listing on the London Stock Exchange in 2005. However, driven by the current market uncertainty and the corporate circumstances of sequential development projects, we believe that KAZ Minerals' long term interests would be best served as a private company. We remain confident that the execution of a higher risk, capital intensive strategy remains the optimal long term path for KAZ Minerals, but we recognise that our risk appetite may be misaligned with the preference of many investors in the mining sector. In taking this important step, we wanted to ensure that KAZ Minerals Shareholders were provided with the opportunity to crystallise the value of their investment at a premium valuation. We are confident that this recommended Acquisition delivers an attractive return to KAZ Minerals Shareholders."*

Commenting on the Acquisition, Michael Lynch-Bell, KAZ Minerals Senior Independent Director and Chair of the Independent Committee, said:

*"Following extensive negotiations, the Independent Committee of KAZ Minerals intends to unanimously recommend the Acquisition to KAZ Minerals Shareholders as it represents an opportunity for KAZ Minerals Shareholders to realise their investment in KAZ Minerals at a premium in cash in the near term. We believe the offer provides a fair value for KAZ Minerals'*

*operating assets and development portfolio, and crystallises a value for Baimskaya that reflects the Independent Committee's view of the increasing risks in this project."*

**This summary should be read in conjunction with the following announcement and the Appendices. The Conditions to, and certain further terms of, the Acquisition are set out in Appendix 1. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Details of irrevocable undertakings are set out in Appendix 3 to this announcement. Certain definitions and terms used in this announcement are set out in Appendix 4.**

**Enquiries:**

Bidco / VTB Capital (Financial adviser to Bidco)  
Alexander Metherell +44 (0) 20 3334 8000  
Giles Coffey  
Elena Loseva

KAZ Minerals  
Chris Bucknall, Head of Investor Relations +44 (0) 20 7901 7882  
Susanna Freeman, Company Secretary +44 (0) 20 7901 7826

Brunswick Group (Financial PR adviser to KAZ Minerals)  
Carole Cable +44 (0) 20 7404 5959  
Charles Pretzlik

Citigroup Global Markets Limited (Financial adviser and  
corporate broker to KAZ Minerals)  
Robert Way +44 (0) 20 7986 4000  
Tom Reid  
David Fudge

UBS AG London Branch (Financial adviser and corporate  
broker to KAZ Minerals)  
Ian Hart +44 (0) 20 7567 8000  
Jason Hutchings  
David Roberts

Clifford Chance LLP is acting as legal adviser to Holdco and Bidco.

Linklaters LLP is acting as legal adviser to KAZ Minerals.

**Important notices**

*VTB Capital, which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for Bidco and no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of VTB Capital nor for giving advice in relation to the Acquisition or any matter or arrangement referred to in this announcement.*

*Citigroup, which is authorised by the PRA and regulated in the UK by the FCA and the PRA, is acting as financial adviser for KAZ Minerals and for no one else in connection with the Acquisition and other matters described in this announcement, and will not be responsible to anyone other than KAZ Minerals for providing the protections afforded to clients of Citigroup nor for providing advice in connection with the Acquisition or any other matters referred to in this announcement. Neither Citigroup nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citigroup in connection with this announcement, any statement contained herein, the Acquisition or otherwise.*

*UBS is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom. UBS provided financial and corporate broking advice to KAZ Minerals and no one else in connection with the contents of this announcement. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.*

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer to sell or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document), which together with the associated forms of proxy will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any acceptance or other response to the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document).*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

### **Overseas Shareholders**

*This announcement has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The Acquisition will be subject to the applicable rules and regulations of the FCA, the London Stock Exchange and the Takeover Code.*

*The availability of the Acquisition to KAZ Minerals Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their KAZ Minerals Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of*

*any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

#### **Notice to US investors in KAZ Minerals**

*The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934 (the "**US Exchange Act**"). Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information relating to KAZ Minerals included in this announcement and the Scheme Document has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.*

*If, in the future, Bidco exercises its right to implement the Acquisition by way of a Takeover Offer, which is to be made into the US, such Takeover Offer will be made in compliance with the applicable US laws and regulations, including Section 14(e) and Regulation 14E under the US Exchange Act. Such a takeover would be made in the United States by Bidco and no one else.*

*In the event that the Acquisition is implemented by way of Takeover Offer, Bidco, its affiliates, and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Kent outside the Acquisition, such as in open market purchases or privately negotiated purchases, during the period in which the Acquisition remains open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including United Kingdom laws and the US Exchange Act. Any such purchases by Bidco or its affiliates will not*

*be made at prices higher than the price of the Acquisition provided in this announcement unless the price of the Acquisition is increased accordingly. Any information about such purchases or arrangements to purchase shall be disclosed as required under United Kingdom laws and will be available to all investors (including US investors) via the Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will, as applicable, also be publicly disclosed in the United States.*

*It may be difficult for US holders of KAZ Minerals Shares to enforce their rights and any claim arising out of the US federal laws, since Bidco and KAZ Minerals are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of KAZ Minerals Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved or passed judgement upon the fairness or the merits of the Acquisition, or determined if the information contained in this announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the US.*

*The receipt of consideration by a US KAZ Minerals Shareholder for the transfer of its KAZ Minerals Shares pursuant to the Acquisition will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US KAZ Minerals Shareholder is urged to consult their independent legal, tax and financial advisers immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable US state and local, as well as overseas and other, tax laws.*

### **Forward looking statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and KAZ Minerals contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and KAZ Minerals about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Bidco and KAZ Minerals (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "strategy", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Bidco and KAZ Minerals believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and KAZ Minerals can give no assurance that such*

*expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions, changes in general economic and business conditions, the behaviour of other market participants; the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and KAZ Minerals operate; weak, volatile or illiquid capital and/or credit markets; changes in tax rates; interest rate and currency value fluctuations; the degree of competition in the geographic and business areas in which Bidco and KAZ Minerals operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor KAZ Minerals, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Bidco nor KAZ Minerals is under any obligation, and Bidco and KAZ Minerals expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Dealing and Opening Position Disclosure requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under*

*Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on a website**

*This announcement and the documents required to be published pursuant to Rule 26.1 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Bidco's website at [www.novaresourcesbv.com](http://www.novaresourcesbv.com) and on KAZ Minerals' website at [www.kazminerals.com](http://www.kazminerals.com) by no later than 12 noon (London time) on the Business Day following the date of this announcement. The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.*

### **No profit forecasts, estimates or quantified benefits statements**

*Nothing in this announcement is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for KAZ Minerals for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for KAZ Minerals.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, KAZ Minerals Shareholders, persons with information rights and participants in the KAZ Minerals Share Plans may request a hard copy of this announcement by contacting KAZ Minerals' registrars, Computershare Investor Services PLC, during business hours on +44 (0) 370 707 1100 or at [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk). For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by KAZ Minerals Shareholders, persons with information rights and other relevant persons for*

*the receipt of communications from KAZ Minerals may be provided to Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

### **Rule 2.9 of the Takeover Code**

*For the purposes of Rule 2.9 of the Takeover Code, KAZ Minerals confirms that, as at 27 October 2020, it had in issue and admitted to trading on the Main Market of the London Stock Exchange 472,438,527 ordinary shares of 20 pence each. The ISIN for the shares is GB00B0HZPV38.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION  
FOR IMMEDIATE RELEASE**

**28 October 2020**

**RECOMMENDED CASH ACQUISITION**

**of**

**KAZ MINERALS PLC**

**by**

**NOVA RESOURCES B.V.**

**(a company indirectly owned by joint offerors (i) Oleg Novachuk and (ii) Vladimir Kim)**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**1. Introduction**

The board of Nova Resources B.V. ("**Bidco**") and the Independent Committee of KAZ Minerals PLC ("**KAZ Minerals**") are pleased to announce that they have agreed the terms of a recommended cash offer to be made by Bidco for the entire issued and to be issued share capital of KAZ Minerals (other than the KAZ Minerals Shares already owned or controlled by the Consortium) (the "**Acquisition**").

As at 27 October 2020 (being the last Business Day prior to the date of this announcement), the Consortium owned or controlled 186,079,209 KAZ Minerals Shares, representing approximately 39.39 per cent. of KAZ Minerals' issued share capital (excluding shares held in treasury) as at that date.

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel).

**2. The Acquisition**

Under the Acquisition, which will be made on the terms and subject to the Conditions and further terms set out in Appendix 1 to this announcement, and to be set out in full in the Scheme Document, KAZ Minerals Shareholders will be entitled to receive:

### **For each KAZ Minerals Share: 640 pence in cash**

The Acquisition values the entire issued and to be issued share capital of KAZ Minerals at approximately £3.0 billion, and represents a premium of approximately:

- 24.9 per cent. to the Closing Price of 512.4 pence per KAZ Minerals Share on 2 October 2020 (being the last Business Day prior to agreement having been reached with the Independent Committee);
- 12.1 per cent. to the Closing Price of 570.8 pence per KAZ Minerals Share on 27 October 2020 (being the last Business Day prior to the date of this announcement);
- 16.5 per cent. to the volume-weighted average price of 549.2 pence per KAZ Minerals Share for the one-month period ended 27 October 2020 (being the last Business Day prior to the date of this announcement); and
- 26.5 per cent. to the volume-weighted average price of 505.8 pence per KAZ Minerals Share for the six-month period ended 27 October 2020 (being the last Business Day prior to the date of this announcement).

If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital is declared, made or paid or becomes payable in respect of the KAZ Minerals Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the KAZ Minerals Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. In such circumstances, KAZ Minerals Shareholders would be entitled to retain any such dividend and/or other distribution and/or return of capital.

The Acquisition is subject to antitrust and regulatory approvals and is currently expected to become Effective in the first half of 2021.

### **3. Background to and reasons for the Acquisition**

The Consortium believes that there is a strong strategic rationale for the Acquisition. KAZ Minerals is a well-established and efficient copper company focused on large scale, low cost open pit mining in the CIS region.

The Consortium recognises that KAZ Minerals' focus on developing and operating large scale, low cost copper mines in Kazakhstan and the CIS region has enabled it to successfully progress a pipeline of growth projects, including its largest assets in Kazakhstan, Aktogay and Bozshakol.

The Consortium also believes that KAZ Minerals' decision to dedicate efforts to a capital intensive strategy focused on long term growth remains the optimal long term strategic path for KAZ Minerals. The Consortium has the appetite for the risk involved in this strategy, which necessarily entails a number of years of heavy capital investment with diminished prospects for a reliable dividend stream. The members of the Consortium accept those diminished prospects, but recognise this may be misaligned

with the preference of many investors in the mining sector for a greater proportion of capital to be allocated to dividends rather than re-investment into long term growth projects.

The Baimskaya project is one of the world's most significant undeveloped copper assets with the potential to deliver a strong return on investment, but is subject to a number of risks including project delivery risks, demand and supply dynamics for copper, future prevailing prices for copper and gold, and a reliance on the Russian government to make the necessary investments in new infrastructure for the project. The members of the Consortium accept those uncertainties.

Consequently, whilst the Consortium firmly believes that Baimskaya marks the next stage of the transformation of KAZ Minerals and represents an attractive opportunity to deliver value accretive growth, the members of the Consortium have concluded that KAZ Minerals' long term development of Baimskaya would be best undertaken away from public markets as a private company.

The Consortium also recognises that KAZ Minerals, along with other CIS and international businesses, is currently subject to unprecedented market uncertainty caused by the outbreak of COVID-19 and its potential long term impact on the global economy.

Accordingly, the Consortium is offering KAZ Minerals Shareholders an opportunity to crystallise the value of their investment in KAZ Minerals Shares in cash at a premium to recent trading levels.

The Consortium considers the terms of the Acquisition to be highly attractive for KAZ Minerals Shareholders. The Offer Price represents a premium of approximately:

- 24.9 per cent. to the Closing Price of 512.4 pence per KAZ Minerals Share on 2 October 2020 (being the last Business Day prior to agreement having been reached with the Independent Committee); and
- 26.5% per cent. to the volume-weighted average Closing Price of 505.8 pence per KAZ Minerals Share for the six-month period ended on 27 October 2020 (being the last Business Day prior to the date of this announcement).

The terms of the Acquisition represent a premium to the average of research analysts' target prices published as at 27 October 2020.

#### **4. Recommendation**

The Independent Committee, which has been so advised by Citigroup and UBS as to the financial terms of the Acquisition, considers the terms of the Acquisition to be fair and reasonable. In providing their advice to the Independent Committee, Citigroup and UBS have taken into account the commercial assessments of the Independent Committee.

Accordingly, the members of the Independent Committee intend unanimously to recommend that KAZ Minerals Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the KAZ Minerals General

Meeting, as the members of the Independent Committee who hold KAZ Minerals Shares have irrevocably undertaken to do in respect of their own beneficial holdings totalling 719,026 KAZ Minerals Shares (representing approximately 0.15 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement)).

Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

## 5. **Background to and reasons for the recommendation**

The Independent Committee recognises that KAZ Minerals' proven ability to develop a portfolio of world-class assets has created significant value, with its operations at Aktogay and Bozshakol delivering low cost, industry leading production growth. Over the past 5 years, KAZ Minerals' production has risen from 85 kt of copper in 2015 to 311 kt in 2019 and it has consistently been amongst the lowest cost copper miners globally with a 2019 net cash cost of just 77 cents per pound. KAZ Minerals' five year total shareholder return measured to the Offer Price is 484 per cent., compared to a return over the same period of 11 per cent. for the FTSE 350 and 119 per cent. for FTSE 350 Mining. The Independent Committee also recognises that KAZ Minerals delivered a strong performance in the first half of the current financial year despite challenging conditions across the sector since the emergence of COVID-19 and continues to have confidence in the long term prospects of the company.

In reaching its decision to recommend the terms of the Acquisition, the Independent Committee has taken account of both the long term potential value of KAZ Minerals and the risks inherent in achieving this value. In particular, the Independent Committee believes that the Acquisition:

- provides KAZ Minerals Shareholders with a fair value for KAZ Minerals' operating assets and development portfolio in Kazakhstan and Kyrgyzstan, particularly in the context of the trading multiples and precedent transaction multiples of other producing copper assets in similar regions; and
- crystallises a value for the Baimskaya project that reflects the Independent Committee's view of the increasing risks in this project, as outlined below.

The Baimskaya project is currently in its early stages and is not expected to commence production until 2026 at the earliest. Whilst the Independent Committee believes that the Baimskaya project has the potential to generate value over the long term, the risks surrounding the successful development of the project are significant and have recently increased, which may impact the potential value that KAZ Minerals Shareholders could realise from this project. In particular:

- in a project update announcement on 5 June 2020, the capital budget for the Baimskaya project was increased from the initial estimate of \$5.5 billion on acquisition to around \$7 billion. Although KAZ Minerals' estimated base case capital budget for the project is unchanged at approximately \$7 billion, KAZ Minerals is in ongoing discussions with the Russian government regarding the provision of transport and power infrastructure for the operational phase of the

Baimskaya project. The outcome of these discussions remains uncertain and has the potential to further increase the capital and operating costs of the project;

- in order to deliver the project on schedule, which would maximise its value, the Independent Committee believes that there is increasing risk that the KAZ Minerals Group may need to make material capital investments ahead of definitive commitments from the Russian government in respect of all aspects of infrastructure;
- the Russian government has recently confirmed an increase in mineral extraction tax ("**MET**") rates for mining companies in Russia. Whilst there may be limited protections against this increase for new mining projects for a period of time, the Independent Committee considers that the revised MET regime has a negative impact on the overall economics of the Baimskaya project; and
- the Independent Committee believes that the impact of prolonged economic uncertainty could reduce the ability of the KAZ Minerals Group to finance the construction of the Baimskaya project from its own cash resources, increasing pressure on gearing levels during the development of the project.

In addition, the Independent Committee notes that:

- current conditions in the markets for copper and gold, the KAZ Minerals Group's primary products, are favourable, with LME copper prices on 26 October 2020 trading within 6 per cent. of the five-year high of \$7,263 /t on 8 June 2018 (based on the ask price) and LBMA gold prices within 8 per cent. of the recent record high of \$2,067 /oz on 6 August 2020 (based on the close price);
- the Offer Price represents a premium of:
  - 24.9 per cent. to the Closing Price of 512.4 pence per KAZ Minerals Share on 2 October 2020 (being the last Business Day prior to agreement having been reached with the Independent Committee); and
  - 26.5 per cent. to the volume-weighted average Closing Price of 505.8 pence per KAZ Minerals Share for the six-month period ended on 27 October 2020 (being the last Business Day prior to the date of this announcement); and
- the Acquisition provides an opportunity for all KAZ Minerals Shareholders to realise their investments in KAZ Minerals at a premium and in cash.

Accordingly, following careful consideration of the above factors, the Independent Committee intends unanimously to recommend the Acquisition to KAZ Minerals Shareholders.

6. **Strategic plans, management, employees, pensions, research and development and locations**

**Consortium's strategic plans for KAZ Minerals**

The Consortium believes that KAZ Minerals' long term interests are best served as a private company.

Since KAZ Minerals' listing on the London Stock Exchange in 2005, it has focused on developing and operating large scale, low cost copper mines in Kazakhstan and the CIS region. As set out in paragraph 3, the Consortium believes that the long term growth of KAZ Minerals is best served by embarking on the execution of its capital intensive strategy, a strategy which necessarily entails the prospect of a number of years of heavy capital investments.

Despite the prevailing market uncertainty and significant long term capital expenditure commitments, the Consortium is confident in the underlying quality and potential of KAZ Minerals' assets and accordingly believes that KAZ Minerals represents an attractive long term investment opportunity.

The Consortium intends that KAZ Minerals will continue to operate as a standalone business that will continue to pursue robust standards of business practice.

**Employees, management, existing rights and pensions**

The Consortium attaches significant importance to the skills and experience of the existing management and employees of the KAZ Minerals Group. The Consortium has communicated to the Independent Committee that, following the Effective Date, the existing employment rights, including pension rights, of all KAZ Minerals employees, will be safeguarded in accordance with applicable law.

The Consortium does not expect any reduction in headcount that would be material in the context of KAZ Minerals' 15,755 employees. KAZ Minerals has 27 employees in its London head office. Following the Effective Date, the Consortium intends to conduct a review of certain corporate and support functions in KAZ Minerals' London head office, including those related to KAZ Minerals' status as a listed company. Further to that review and subject to any necessary consultation, it is likely that there will be a reduction in the London head office headcount. The Consortium has not yet developed specific proposals as to how potential reductions will be implemented, but will draw up detailed plans within three months of the Effective Date. Any individual potentially impacted will be treated in accordance with applicable law. With the exception of the review of the corporate and support functions in KAZ Minerals' London head office and its likely output, the Consortium does not expect any restructuring being undertaken that would result in any significant job losses in the operating business of KAZ Minerals.

The Consortium expects that the independent non-executive directors of KAZ Minerals' board will resign as directors of KAZ Minerals effective as at the date of KAZ Minerals delisting from the London Stock Exchange and the Kazakhstan Stock Exchange.

With the exception of those referenced above, the Consortium's plans do not involve any material change in the terms and conditions of employment, or in the balance of the skills and functions, of KAZ Minerals employees and management.

KAZ Minerals does not operate or sponsor a defined benefit pension scheme.

### **Management incentivisation arrangements**

Except as described below, Bidco has not entered into and has not had discussions on proposals to enter into, any new incentivisation arrangements with members of KAZ Minerals' management.

In order to promote the retention of Andrew Southam and John Hadfield following the Effective Date and subject to the cancellation of the listing of KAZ Minerals Shares on the Official List, Bidco has agreed that it will, following the Effective Date, grant to these two individuals (subject to their still being employed by the KAZ Minerals Group at the Effective Date) cash bonuses payable subject to continued employment (the "**Transition Awards**"). The aggregate value of the Transition Awards is not expected to exceed £815,000.

The value of each individual's Transition Award will be calculated by reference to an agreed formula based on the value of the KAZ Minerals Shares subject to the individual's unvested awards under the 2017 Long Term Incentive Plan that is expected to lapse upon the Scheme becoming Effective due to the application of time pro-rating (before the application of reduction for performance assessment) reduced by 50 per cent., multiplied by the Offer Price. The Transition Awards will become payable at the same time as the awards they replace would have vested, had the Acquisition not occurred. The terms of the Transition Awards will broadly replicate the terms of awards under the 2017 Long Term Incentive Plan, save that no further performance conditions will apply, no post-vesting holding period or malus/clawback provisions will apply, and awards will become payable in full immediately if the individual ceases employment with the KAZ Minerals Group other than due to resignation or dismissal for gross misconduct.

As required by, and solely for the purposes of Rule 16.2 of the Takeover Code, Citigroup and UBS have reviewed the terms of the Transition Awards and advised the Independent Committee that the Transition Awards are fair and reasonable so far as Kent Shareholders are concerned. In providing their advice, Citigroup and UBS have taken into account the commercial assessments of the Independent Committee.

### **Trading facilities**

As set out in paragraph 17, it is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in KAZ Minerals Shares on the London Stock Exchange's market for listed securities and the listing of the KAZ Minerals Shares on the Official List on or shortly after the Effective Date.

It is also intended that the Kazakhstan Stock Exchange will be requested to cancel trading in KAZ Minerals Shares for listed securities and the listing of the KAZ Minerals Shares on the official list on the Kazakhstan Stock Exchange on or shortly after the Effective Date.

## **Headquarters, fixed assets and research and development**

The Consortium does not have any intentions to change the places of KAZ Minerals' business, including the location of its headquarters and the headquarters' functions. The Consortium does not intend to redeploy any of KAZ Minerals' fixed assets.

KAZ Minerals does not have any material research and development operations or functions and the Consortium does not intend to change this position.

## **7. Information relating to Bidco and Holdco**

### *Bidco*

Nova Resources B.V. is a Dutch private limited liability company indirectly owned by the Consortium. Bidco has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Acquisition and financing of the Acquisition.

### *Holdco*

Bidco is wholly-owned by Vostok Cooper B.V., a Dutch private limited liability company indirectly owned by the Consortium. Holdco has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Acquisition and financing of the Acquisition.

Holdco's share capital consists of 10,000 shares of which Oleg Novachuk holds, through his investment vehicle, 3,650 shares (representing 36.5 per cent. of the issued share capital of Holdco) and of which Vladimir Kim holds, through his investment vehicle, 6,350 shares (representing 63.5 per cent. of the issued share capital of Holdco). As at the Effective Date, Oleg Novachuk will indirectly own 36.5 per cent. of Holdco and Vladimir Kim will indirectly own 63.5 per cent. of Holdco.

## **8. Information relating to the Consortium**

As detailed above, the Consortium consisting of Oleg Novachuk and Vladimir Kim has been formed for the purpose of making the Acquisition.

As at 27 October 2020 (being the last Business Day prior to the date of this announcement), each member of the Consortium legally and/or beneficially owned (directly or indirectly) the following interests in KAZ Minerals Shares:

<b>Consortium Member</b>	<b>Registered Holder</b>	<b>Number of KAZ Minerals Shares owned</b>	<b>Percentage of KAZ Minerals Shares*</b>
<b>Oleg Novachuk</b>	<b>Oleg Novachuk</b>	1,848,991	0.39%
	<b>Harper Finance Limited</b>	29,706,901	6.29%
	<b>Kinton Trade Ltd</b>	5,216,522	1.10%

<b>Vladimir Kim</b>	<b>Cuprum Holding Limited</b>	135,944,325	28.78%
	<b>Perry Partners S.A.</b>	13,362,470	2.83%

\*Percentage of KAZ Minerals' entire issued share capital (excluding shares held in treasury) as at 27 October 2020, being the last Business Day prior to the date of this announcement.

In addition, Oleg Novachuk has vested options to acquire 186,884 KAZ Minerals Shares through his participation in the Long Term Incentive Plan 2007, and unvested options to acquire 629,927 KAZ Minerals Shares through his participation in the 2017 Long Term Incentive Plan, which Oleg Novachuk intends to waive entirely when the Court sanctions the Scheme.

Accordingly, as at 27 October 2020 (being the last Business Day prior to the date of this announcement), the Consortium holds in aggregate a total of 186,079,209 KAZ Minerals Shares, representing approximately 39.39 per cent. of KAZ Minerals' entire issued share capital (excluding shares held in treasury).

Oleg Novachuk is the current Chair of KAZ Minerals. He joined the KAZ Minerals Group in 2001 and was Finance Director from 2005 to 2007, overseeing the KAZ Minerals Group's listing on the London Stock Exchange, before serving as Chief Executive Officer from 2007 to 2017 during which time he led the delivery of the major growth projects and the restructuring that created the listed entity which today is KAZ Minerals. Oleg Novachuk was appointed Chair of KAZ Minerals on 1 January 2018, with responsibility for strategy, government relations and business development. Prior to joining the KAZ Minerals Group, Oleg Novachuk was chairman of Kazprombank JSC, at the time one of the largest private banks in Kazakhstan.

Vladimir Kim has served on the board of KAZ Minerals as a non-executive director since stepping down as Chair in 2013. Vladimir Kim was appointed Chair of KAZ Minerals in 2005 prior to its listing on the London Stock Exchange. Vladimir Kim joined the KAZ Minerals Group in 1995, when he was appointed as Managing Director and Chief Executive Officer of Zhezkazgantsvetmet JSC, now part of the Kazakhmys group. Prior to that, between 1992 and 1995, he worked for the Kazakhstan-Samsung industrial enterprise.

## 9. **Information relating to KAZ Minerals**

KAZ Minerals is a well-established and efficient copper company focused on large scale, low cost, open pit mining in Kazakhstan, Russia and Kyrgyzstan. It operates the Aktogay and Bozshakol open pit copper mines in the East Region and Pavlodar region of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2019, total copper production was 311 kt with by-products of 201 koz of gold, 3,382 koz of silver and 38 kt of zinc in concentrate. The KAZ Minerals Group acquired the Baimskaya project in the Chukotka region of Russia in January 2019, one of the world's most significant undeveloped copper assets, with the potential to become a large scale, low cost, open pit copper mine.

The KAZ Minerals Group's major operations at Aktogay and Bozshakol have delivered industry leading production growth and transformed KAZ Minerals into a company with a strong portfolio of world class, open pit copper mines.

Aktogay is a large scale, open pit mine with a remaining mine life of around 25 years (including the expansion project) at an average copper grade of 0.35 per cent. (oxide) and 0.33 per cent. (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 is expected to 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 is expected to produce an average of 100 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 is expected to be in the region of 20 kt per annum until 2024.

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 c.40 years at an average copper grade of 0.36 per cent. The mine and processing facilities commenced output in 2016 and is expected to produce an average of 100 kt of copper production and 120 koz of gold in concentrate per year over the first 10 years of operations.

The Peschanka deposit within the Baimskaya licence area in Russia has JORC resources of 9.5 Mt of copper at an average grade of 0.43 per cent. and 16.5 Moz of gold at an average grade of 0.23 g/t. The project is located in a region identified by the Russian government as strategically important for economic development and is expected to benefit from the construction of state-funded power and transport infrastructure and the provision of tax incentives. The estimated capital budget for construction is around \$7 billion, with c.10 per cent. to be incurred after the commencement of production.

KAZ Minerals is listed on the London Stock Exchange and the Kazakhstan Stock Exchange and employs around 15,755 people, principally in Kazakhstan.

## **10. Financing of the Acquisition**

The cash consideration payable to KAZ Minerals Shareholders by Bidco pursuant to the terms of the Acquisition will be financed with the proceeds of the VTB Facility Agreement.

VTB Capital is satisfied that sufficient resources are available to Bidco to satisfy in full the consideration payable to KAZ Minerals Shareholders under the terms of the Acquisition.

## **11. Irrevocable undertakings**

Bidco has received irrevocable undertakings from all of the members of the Independent Committee who hold KAZ Minerals Shares to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the KAZ Minerals General Meeting in respect of their own beneficial holdings totalling 719,026

KAZ Minerals Shares and representing, in aggregate, approximately 0.15 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement).

Bidco has received irrevocable undertakings from Ferris, Denalot and Greenleas to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the KAZ Minerals General Meeting, in respect of 28,245,449 KAZ Minerals Shares, representing, in aggregate, approximately 5.98 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement).

In total, therefore, Bidco has received irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the KAZ Minerals General Meeting in respect of 28,964,475 KAZ Minerals Shares in aggregate, representing approximately 6.13 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement).

Further details of these irrevocable undertakings to vote in favour of the Scheme at the Court Meeting are set out in Appendix 3 of this announcement.

## 12. **Offer-related arrangements**

### *Confidentiality Agreement*

On 8 October 2020, Bidco, Kinton and KAZ Minerals entered into a confidentiality agreement (the "**Confidentiality Agreement**") in relation to the Acquisition, pursuant to which, amongst other things, Bidco has undertaken to keep information relating to KAZ Minerals and to the Acquisition confidential and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until the second anniversary of the date of the Confidentiality Agreement (or, if earlier, the completion of the Acquisition). The Confidentiality Agreement contains standstill provisions which restrict Bidco and its associated persons from acquiring or seeking to acquire interests in certain securities of KAZ Minerals; with those restrictions ceasing to apply upon the release of this announcement. The Confidentiality Agreement contains provisions pursuant to which Bidco has agreed not to solicit certain employees of KAZ Minerals' Group, subject to customary carve-outs, for a period of 12 months from the date of the Confidentiality Agreement. Kinton has agreed to guarantee the obligations of Bidco under the Confidentiality Agreement.

### *Bid Conduct Agreement*

Oleg Novachuk, Vladimir Kim, Holdco and Bidco have entered into a bid conduct agreement (the "**Bid Conduct Agreement**"), pursuant to which they have agreed certain principles in accordance with which they intend to cooperate in respect of the Acquisition. The terms of the Bid Conduct Agreement include an agreement not to pursue a competing proposal with respect to KAZ Minerals or take any action to frustrate the Acquisition or solicit or induce another person to make a competing proposal until such time as, among others, the offer (once made) completes, is

withdrawn or lapses, a competing offer is effective or completes or they both agree to no longer pursue a transaction.

#### *Cooperation Agreement*

On 27 October 2020, Bidco and KAZ Minerals entered into a cooperation agreement (the "**Cooperation Agreement**"), pursuant to which, among other things, Bidco and KAZ Minerals have agreed to cooperate: (i) in relation to obtaining any consents, clearances, permissions, waivers and/or approvals as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition; and (ii) in preparing and implementing appropriate proposals in relation to the KAZ Minerals Share Plans. In addition, Bidco has agreed to certain provisions if the Scheme should switch to a Takeover Offer and the approach to be followed after the Effective Date in respect of certain employee matters.

The Cooperation Agreement will terminate in certain circumstances, including if the Acquisition is withdrawn, terminated or lapses, a competing offer completes, becomes effective or is declared unconditional, or if the Independent Committee withdraws its recommendation of the Acquisition or if the Scheme does not become effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Bidco and KAZ Minerals.

#### *Shareholders Agreement*

On 27 October 2020, Holdco and the Consortium entered into a shareholders agreement (the "**Shareholders Agreement**") which governs: (i) the terms on which the parties have agreed to invest in Holdco and their rights and obligations as directors and shareholders in relation to the operation and management of Holdco; and (ii) the mutual relationship between the shareholders and their rights and obligations in respect of their shareholdings in Holdco, all in conjunction with the articles of association of Holdco.

### 13. **Share Exchange Agreement**

Holdco, Bidco, Oleg Novachuk and certain other wholly-owned (either directly or indirectly) subsidiaries of each of the Consortium members have entered into a share exchange agreement (the "**Share Exchange Agreement**") under which Bidco has agreed to acquire 186,079,209 KAZ Minerals Shares owned or controlled (either directly or indirectly) by the Consortium, representing approximately 39.39 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement), upon the Acquisition becoming Effective. In consideration for the acquisition of such KAZ Minerals Shares from the Consortium, Holdco will issue additional shares in the capital of Holdco to certain wholly-owned (either directly or indirectly) subsidiaries of each of the Consortium members, conditional, and taking effect, upon the Acquisition becoming Effective. At the Effective Date, Oleg Novachuk will indirectly own 36.5 per cent. of Holdco and Vladimir Kim will indirectly own 63.5 per cent. of Holdco.

#### 14. **Baimskaya SPA**

In 2018, KAZ Minerals, KAZ Minerals Investments Limited (a wholly-owned subsidiary of KAZ Minerals) and Aristus entered into the Baimskaya SPA, pursuant to which KAZ Minerals Investments Limited agreed to acquire from Aristus the Baimskaya project, one of the world's most significant undeveloped copper assets, located in the Chukotka region of Russia. The Baimskaya SPA provides for completion of the acquisition to occur in two tranches: (i) first completion, which took place in January 2019; and (ii) second completion, which has yet to take place.

At first completion under the Baimskaya SPA, KAZ Minerals Investments Limited acquired a 75 per cent. interest in the Baimskaya project from Aristus, in return for cash consideration of approximately USD 436 million and an approximately 4.75 per cent. shareholding in KAZ Minerals. The KAZ Minerals Shares issued at first completion remain subject to a lock-up period that expires in January 2022. Pursuant to a carve-out to that lock-up agreement, Aristus subsequently transferred its holding of KAZ Minerals Shares to its parent company, Ferris. Ferris currently holds 22,344,944 KAZ Minerals Shares, representing approximately 4.73 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement). In addition, Denalot and Greenleas, ultimate beneficiaries of which are among the ultimate beneficiaries of Ferris, currently hold 4,067,219 and 4,067,218 KAZ Minerals Shares, representing approximately 0.86 per cent. and 0.86 per cent. of the existing issued share capital (excluding shares held in treasury) of KAZ Minerals on 27 October 2020 (being the last Business Day prior to the date of this announcement), respectively.

Under the Baimskaya SPA, KAZ Minerals Investments Limited agreed to acquire the remaining 25 per cent. interest in the Baimskaya project at second completion. Second completion is scheduled to occur at the earlier of: (i) the date when the Baimskaya project reaches an agreed level of ore processing capacity, which is not expected until 2026 at the earliest; and (ii) a long stop date of 31 March 2029. At scheduled second completion, the consideration payable to Aristus comprises the issue of up to 21,009,973 new KAZ Minerals Shares (although the Baimskaya SPA provides that such number of new KAZ Minerals Shares may be adjusted upwards to account for any dividend paid by KAZ Minerals prior to second completion). The exact number of new KAZ Minerals Shares to be issued depends on the extent to which various project delivery triggers (the "**Consideration Triggers**") are satisfied, or waived by the KAZ Minerals Group, at the date of second completion.

If and to the extent that the Consideration Triggers have not been satisfied, or waived by the KAZ Minerals Group, at second completion, share consideration is not payable at second completion and is instead payable in cash at the long stop date of 31 March 2029. The maximum cash consideration payable at the long stop date of 31 March 2029 (if none of the Consideration Triggers are satisfied at second completion) is USD 225 million. If the Baimskaya project does not reach the agreed level of ore processing capacity by the long stop date of 31 March 2029, second completion will occur as if none of the Consideration Triggers have been satisfied, and USD 225 million in cash consideration will be payable at that date.

Under the Baimskaya SPA, Aristus has the right to accelerate second completion in certain circumstances, including on the cancellation of the premium listing of KAZ

Minerals Shares on the Official List, which will occur on or shortly after the Effective Date of the Acquisition. If the Scheme becomes Effective and Aristus exercises this acceleration right, under the terms of the Baimskaya SPA: (i) Aristus will have the right to receive its second tranche of consideration at or shortly after the Effective Date, rather than at the date at which second completion would otherwise have occurred and/or at the long stop date of 31 March 2029; and (ii) that second tranche of consideration will comprise USD 225 million in cash, rather than the issue and allotment of any KAZ Minerals Shares to Aristus.

However, if Aristus did not exercise this acceleration right, the 21,009,973 new KAZ Minerals Shares (assuming that the number of new KAZ Minerals Shares has not been adjusted as described above) that would be issued to Aristus at second completion (if all the Consideration Triggers were satisfied at second completion) would have a value at the Offer Price of approximately USD 176 million (assuming that the number of new KAZ Minerals Shares has not been adjusted as described above).

#### **15. KAZ Minerals Share Plans**

Participants in the KAZ Minerals Share Plans will be contacted regarding the effect of the Acquisition on their outstanding options and awards under the KAZ Minerals Share Plans and will, in due course, be provided with further details concerning the proposals which will be set out in the Scheme Document and in separate letters to be sent to participants in the KAZ Minerals Share Plans.

Additionally, as set out in paragraph 18, Oleg Novachuk has vested options to acquire 186,884 KAZ Minerals Shares through his participation in the Long Term Incentive Plan 2007, and unvested options to acquire 629,927 KAZ Minerals Shares through his participation in the 2017 Long Term Incentive Plan, which Oleg Novachuk intends to waive entirely when the Court sanctions the Scheme.

#### **16. Scheme process and Conditions to the Acquisition**

It is intended that the Acquisition shall be effected by means of a Court-approved scheme of arrangement between KAZ Minerals and the Scheme Shareholders under Part 26 of the Companies Act.

The effect of the Scheme (in conjunction with the Share Exchange Agreement) is to provide for Bidco to become the holder (directly or indirectly) of the entire issued and to be issued share capital of KAZ Minerals. This is to be partially achieved by the transfer of the Scheme Shares to Bidco, in consideration for which the Scheme Shareholders shall receive the consideration on the basis set out in paragraph 2 of this announcement.

The KAZ Minerals Shares owned or controlled by the Consortium (being 186,079,209 KAZ Minerals Shares as at 27 October 2020, being the last Business Day prior to the date of this announcement), will not be Scheme Shares and will not be acquired by Bidco pursuant to the Scheme but will be acquired by Bidco pursuant to the Share Exchange Agreement. The registered holders of the KAZ Minerals Shares owned or controlled by the Consortium will not be permitted to vote such KAZ Minerals Shares at the Court Meeting, but will be permitted to vote such KAZ Minerals Shares at the KAZ Minerals General Meeting in favour of the resolutions relating to the Acquisition.

To become Effective, the Scheme requires, among other things:

- the approval of a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent not less than 75 per cent. in value of the KAZ Minerals Shares voted by those Scheme Shareholders;
- the passing of the resolutions necessary to implement the Acquisition at the KAZ Minerals General Meeting (which will require the approval of KAZ Minerals Shareholders representing at least 75 per cent. of the votes cast at the KAZ Minerals General Meeting either in person or by proxy);
- receipt of the relevant antitrust clearances and regulatory approvals; and
- the sanction of the Scheme by the Court and, following such sanction, the delivery of a copy of the Court Order to the Registrar of Companies.

The Conditions in paragraph 2 of Part A of Appendix 1 to this announcement provide that the Scheme will lapse if:

- the Court Meeting and the KAZ Minerals General Meeting are not held by the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and KAZ Minerals (and that the Court may allow));
- the Sanction Hearing to approve the Scheme is not held by the 22nd day after the expected date of such hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and KAZ Minerals (and that the Court may allow)); or
- the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the KAZ Minerals General Meeting and the Sanction Hearing as set out above may be waived by Bidco, and the Long Stop Date may be extended by agreement between KAZ Minerals and Bidco.

If any Condition in paragraph 2 of Part A of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, Bidco shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 7.00 a.m. on the Business Day following the date so specified, stating whether Bidco has invoked that Condition, (where applicable) waived that Condition or, with the agreement of KAZ Minerals, specified a new date by which that Condition must be satisfied.

Upon the Scheme becoming Effective, it shall be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the KAZ Minerals General Meeting.

It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and KAZ Minerals General Meeting,

together with the associated forms of proxy, will be posted to KAZ Minerals Shareholders in due course and that the Court Meeting and the KAZ Minerals General Meeting will be held in December 2020 or early January 2021.

Subject to the satisfaction of the Conditions, the Scheme is expected to become Effective in the first half of 2021.

**17. Delisting, cancellation of trading and re-registration**

It is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in KAZ Minerals Shares on the London Stock Exchange's market for listed securities and the listing of the KAZ Minerals Shares on the Official List on or shortly after the Effective Date.

The last day of dealings in KAZ Minerals Shares on the Main Market of the London Stock Exchange is expected to be the date of the Sanction Hearing and no transfers will be registered after 6.00 p.m. (London time) on that date.

It is intended that KAZ Minerals be re-registered as a private limited company as soon as practicable on or following the Effective Date.

It is also intended that the Kazakhstan Stock Exchange will be requested to cancel trading in KAZ Minerals Shares for listed securities and the listing of the KAZ Minerals Shares on the official list on the Kazakhstan Stock Exchange on or shortly after the Effective Date. It is expected that the request will be made immediately after the resolution required to implement voluntary delisting has been duly passed at the KAZ Minerals General Meeting (or any adjournment thereof).

It is expected that the last day of dealings in KAZ Minerals Shares on the Kazakhstan Stock Exchange will be the effective date of the decision passed by the Listing Commission of the Kazakhstan Stock Exchange which may or may not coincide with the Effective Date.

**18. Interests in KAZ Minerals Shares**

As at the close of business on 27 October 2020 (being the last Business Day prior to the date of this announcement), the Consortium had an indirect interest in KAZ Minerals Shares (being 186,079,209 KAZ Minerals Shares representing approximately 39.39 per cent. of the existing issued share capital of KAZ Minerals as of that date), as more particularly described in paragraph 8 above. In addition, Oleg Novachuk has vested options to acquire 186,884 KAZ Minerals Shares through his participation in the Long Term Incentive Plan 2007, and unvested options to acquire 629,927 KAZ Minerals Shares through his participation in the 2017 Long Term Incentive Plan, which Oleg Novachuk intends to waive entirely when the Court sanctions the Scheme.

Save as disclosed in this announcement, as at the close of business on 27 October 2020 (being the last Business Day prior to the date of this announcement) neither Bidco nor any of its directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Acquisition: (i) had any interest in or right to subscribe for or had borrowed or lent any KAZ Minerals Shares or securities convertible or exchangeable into KAZ Minerals Shares; or (ii) had

any short positions in respect of relevant securities of KAZ Minerals (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) has borrowed or lent any relevant securities of KAZ Minerals (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold; or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

**19. Documents available on website**

Copies of the following documents will be available promptly on both Bidco's website at [www.novaresourcesbv.com](http://www.novaresourcesbv.com) and on KAZ Minerals' website at [www.kazminerals.com](http://www.kazminerals.com), subject to certain restrictions relating to persons resident in Restricted Jurisdictions, by no later than 12 noon (London time) on the Business Day following this announcement until the end of the Acquisition:

- (a) this announcement;
- (b) the irrevocable undertakings as set out in Appendix 3 of this announcement;
- (c) the Confidentiality Agreement;
- (d) the Cooperation Agreement;
- (e) the Shareholders Agreement;
- (f) the Bid Conduct Agreement;
- (g) the Share Exchange Agreement; and
- (h) the VTB Facility Agreement.

The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.

**20. General**

The Acquisition will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document.

The KAZ Minerals Shares will be acquired pursuant to the Scheme fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid with a record date on or after the Scheme Record Time.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

Each of VTB Capital, Citigroup and UBS has given and not withdrawn its consent to the publication of this announcement with the inclusion herein of the references to its name in the form and context in which it appears.

**Enquiries:**

Bidco / VTB Capital (Financial adviser to Bidco)  
Alexander Metherell +44 (0) 20 3334 8000  
Giles Coffey  
Elena Loseva

KAZ Minerals  
Chris Bucknall, Head of Investor Relations +44 (0) 20 7901 7882  
Susanna Freeman, Company Secretary +44 (0) 20 7901 7826

Brunswick Group (Financial PR adviser to KAZ Minerals)  
Carole Cable +44 (0) 20 7404 5959  
Charles Pretzlik

Citigroup Global Markets Limited (Financial adviser and corporate broker to KAZ Minerals)  
Robert Way +44 (0) 20 7986 4000  
Tom Reid  
David Fudge

UBS AG London Branch (Financial adviser and corporate broker to KAZ Minerals)  
Ian Hart +44 (0) 20 7567 8000  
Jason Hutchings  
David Roberts

Clifford Chance LLP is acting as legal adviser to Holdco and Bidco.

Linklaters LLP is acting as legal adviser to KAZ Minerals.

**Important notices**

*VTB Capital, which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for Bidco and no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of VTB Capital nor for giving advice in relation to the Acquisition or any matter or arrangement referred to in this announcement.*

*Citigroup, which is authorised by the PRA and regulated in the UK by the FCA and the PRA, is acting as financial adviser for KAZ Minerals and for no one else in connection with the Acquisition and other matters described in this announcement, and will not be responsible to anyone other than KAZ Minerals for providing the protections afforded to clients of Citigroup nor for providing advice in connection with the Acquisition or any other matters referred to in this announcement. Neither Citigroup nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect,*

*consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citigroup in connection with this announcement, any statement contained herein, the Acquisition or otherwise.*

*UBS is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom. UBS provided financial and corporate broking advice to KAZ Minerals and no one else in connection with the contents of this announcement. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.*

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer to sell or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document), which together with the associated forms of proxy will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any acceptance or other response to the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document).*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

### **Overseas Shareholders**

*This announcement has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The Acquisition will be subject to the applicable rules and regulations of the FCA, the London Stock Exchange and the Takeover Code.*

*The availability of the Acquisition to KAZ Minerals Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their KAZ Minerals Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or*

*indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

### **Notice to US investors in KAZ Minerals**

*The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934 (the "**US Exchange Act**"). Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information relating to KAZ Minerals included in this announcement and the Scheme Document has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.*

*If, in the future, Bidco exercises its right to implement the Acquisition by way of a Takeover Offer, which is to be made into the US, such Takeover Offer will be made in compliance with the applicable US laws and regulations, including Section 14(e) and Regulation 14E under the US Exchange Act. Such a takeover would be made in the United States by Bidco and no one else.*

*In the event that the Acquisition is implemented by way of Takeover Offer, Bidco, its affiliates, and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Kent outside the Acquisition, such as in open market purchases or privately negotiated purchases, during the period in which the Acquisition remains open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including United Kingdom laws and the US Exchange Act. Any such purchases by Bidco or its affiliates will not be made at prices higher than the price of the Acquisition provided in this announcement unless the price of the Acquisition is increased accordingly. Any information about such purchases or arrangements to purchase shall be disclosed as required under United Kingdom laws and will be available to all investors (including US investors) via the Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is required to be publicly*

*disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will, as applicable, also be publicly disclosed in the United States.*

*It may be difficult for US holders of KAZ Minerals Shares to enforce their rights and any claim arising out of the US federal laws, since Bidco and KAZ Minerals are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of KAZ Minerals Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved or passed judgement upon the fairness or the merits of the Acquisition, or determined if the information contained in this announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the US.*

*The receipt of consideration by a US KAZ Minerals Shareholder for the transfer of its KAZ Minerals Shares pursuant to the Acquisition will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US KAZ Minerals Shareholder is urged to consult their independent legal, tax and financial advisers immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable US state and local, as well as overseas and other, tax laws.*

### **Forward looking statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and KAZ Minerals contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and KAZ Minerals about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Bidco and KAZ Minerals (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "strategy", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Bidco and KAZ Minerals believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and KAZ Minerals can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and KAZ Minerals operate; weak, volatile or illiquid capital and/or credit markets; changes in tax rates; interest rate and currency value fluctuations; the degree of competition in the geographic and business areas in which Bidco and KAZ Minerals operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor KAZ Minerals, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Bidco nor KAZ Minerals is under any obligation, and Bidco and KAZ Minerals expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Dealing and Opening Position Disclosure requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree*

*company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on a website**

*This announcement and the documents required to be published pursuant to Rule 26.1 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Bidco's website at [www.novaresourcesbv.com](http://www.novaresourcesbv.com) and on KAZ Minerals' website at [www.kazminerals.com](http://www.kazminerals.com) by no later than 12 noon (London time) on the Business Day following the date of this announcement. The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.*

### **No profit forecasts, estimates or quantified benefits statements**

*Nothing in this announcement is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for KAZ Minerals for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for KAZ Minerals.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, KAZ Minerals Shareholders, persons with information rights and participants in the KAZ Minerals Share Plans may request a hard copy of this announcement by contacting KAZ Minerals' registrars, Computershare Investor Services PLC, during business hours on +44 (0) 370 707 1100 or at [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk). For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by KAZ Minerals Shareholders, persons with information rights and other relevant persons for the receipt of communications from KAZ Minerals may be provided to Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).*

## **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

## **Rule 2.9 of the Takeover Code**

*For the purposes of Rule 2.9 of the Takeover Code, KAZ Minerals confirms that, as at 27 October 2020, it had in issue and admitted to trading on the Main Market of the London Stock Exchange 472,438,527 ordinary shares of 20 pence each. The ISIN for the shares is GB00B0HZPV38.*

**APPENDIX 1**  
**CONDITIONS AND FURTHER TERMS OF THE ACQUISITION**

**Part A: Conditions to the Scheme and Acquisition**

1. The Acquisition will be conditional upon the Scheme becoming unconditional and effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date.

**Statutory Conditions**

2. The Scheme will be subject to the following Conditions:
  - (a) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or the relevant class or classes thereof) who are on the register of members of KAZ Minerals at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof); and (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and KAZ Minerals (and that the Court may allow));
  - (b) (i) the resolutions required to implement the Scheme being duly passed at the KAZ Minerals General Meeting (or any adjournment thereof); and (ii) such KAZ Minerals General Meeting being held on or before the 22nd day after the expected date of the KAZ Minerals General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and KAZ Minerals (and that the Court may allow)); and
  - (c) (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to Bidco and KAZ Minerals)) and the delivery of a copy of the Court Order to the Registrar of Companies; and (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and KAZ Minerals (and that the Court may allow)).

**General Conditions**

3. The Acquisition will also be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where capable of waiver, waived:

**Antitrust and regulatory**

- (a) The State Administration for Market Regulation of the PRC ("**SAMR**") issuing a notice confirming that it will not conduct further review of the Acquisition or approving the Acquisition; or the statutory review period pursuant to the PRC Anti-Monopoly Law, including any extension of such period, having elapsed and no objection having been raised or qualifications or requirements that are

not on terms reasonably satisfactory to Bidco imposed by the SAMR in relation to the Acquisition;

- (b) The Federal Antimonopoly Service of Russia (the "**FAS of Russia**") issuing a clearance decision approving the Acquisition pursuant to Art. 33(2)(1) or Art. 33(2)(4) of Federal Law No. 135 On Protection of Competition, dated 26 July 2006 on terms reasonably satisfactory to Bidco;
- (c) The Government Commission on Monitoring Foreign Investment in the Russian Federation acting through the FAS of Russia issuing a clearance decision approving the Acquisition pursuant to Art. 11(1)(1) or Art. 11(1)(2) of Federal Law No. 57-FZ On the Procedure for Making Foreign Investments in Business Entities of Strategic Importance for National Defence and State Security, dated 29 April 2008 on terms reasonably satisfactory to Bidco;
- (d) the Turkish Competition Board rendering a decision pursuant to the Act on the Protection of Competition Law No. 4054, as amended (the "**Turkish Antitrust Act**") and Communiqué No. 2010/4 on the Mergers and Acquisitions Calling for the Authorisation of the Competition Board (as amended), stating that the Acquisition is not subject to notification, or approving the Acquisition after a preliminary investigation on terms reasonably satisfactory to Bidco ("**Turkish Antitrust Condition**"); the Turkish Antitrust Condition shall be deemed satisfied upon the earlier of:
  - (i) receipt of the short form decision (without having to wait for the reasoned decision) with the express permission of the Turkish Competition Board for the Acquisition; or
  - (ii) failure to receive a response or other form of communication from the Turkish Competition Board within thirty (30) days after the date of complete notification of the Acquisition, in which case approval shall be deemed to have been granted;
- (e) the Kazakhstan Committee for Protection and Development of Competition of the Ministry of National Economy having given consent for economic concentration by way of the Acquisition on terms reasonably satisfactory to Bidco;
- (f) the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan rendering a permit for the Acquisition and transfer of the subsoil use right related objects pursuant to Article 44 of the Kazakh Subsoil Code on terms reasonably satisfactory to Bidco; and
- (g) the Government of the Kyrgyz Republic issuing a waiver decision approving the Acquisition pursuant to the Law of the Republic of Kyrgyzstan on Strategic Assets;

(together, the "**Regulatory Conditions**");

## Other Third Party clearances

- (h) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would or might:
  - (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider KAZ Minerals Group by any member of the Bidco Group or the Consortium Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, impede, challenge, delay or otherwise to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider KAZ Minerals Group by any member of the Bidco Group or the Consortium Group or require amendment of the Acquisition;
  - (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Bidco Group or the Consortium Group or by any member of the Wider KAZ Minerals Group of all or any material part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Bidco Group or the Consortium Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in KAZ Minerals (or any member of the Wider KAZ Minerals Group) or on the ability of any member of the Wider KAZ Minerals Group or any member of the Bidco Group or any member of the Consortium Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider KAZ Minerals Group;
  - (iv) other than pursuant to the implementation of the Acquisition, require any member of the Bidco Group or the Consortium Group or the Wider KAZ Minerals Group to acquire or offer to acquire any shares, other

securities (or the equivalent) or interest in any member of the Wider KAZ Minerals Group or any asset owned by any third party;

- (v) require, prevent or materially delay a divestiture by any member of the Bidco Group or the Consortium Group of any shares or other securities (or the equivalent) in any member of the Wider KAZ Minerals Group;
- (vi) result in any member of the Wider KAZ Minerals Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (vii) impose any material limitation on the ability of any member of the Bidco Group or any member of the Consortium or any member of the Wider KAZ Minerals Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Bidco Group and/or the Consortium Group and/or the Wider KAZ Minerals Group; or
- (viii) otherwise materially affect the business, assets, value, profits, prospects or operational performance of any member of the Wider KAZ Minerals Group or any member of the Bidco Group or any member of the Consortium Group;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any KAZ Minerals Shares or otherwise intervene having expired, lapsed, or been terminated;

- (i) all material notifications, filings or applications which are deemed by Bidco to be necessary or appropriate (acting reasonably) having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Bidco to be necessary or appropriate (acting reasonably) in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, KAZ Minerals by any member of the Bidco Group or the Consortium Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider KAZ Minerals Group or the Bidco Group or the Consortium Group has entered into contractual arrangements and all such Authorisations which are deemed by Bidco to be necessary or appropriate (acting reasonably) to carry on the business of any member of the Wider KAZ Minerals Group in any jurisdiction having been obtained in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any Restricted

Jurisdiction or have a material adverse effect on the Wider KAZ Minerals Group, any member of the Bidco Group, any member of the Consortium Group or the ability of Bidco to implement the Acquisition and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

- (j) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order threatened or issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider KAZ Minerals Group by any member of the Bidco Group or the Consortium Group, or the implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, materially delaying or otherwise materially interfering with the consummation or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider KAZ Minerals Group by any member of the Bidco Group or the Consortium Group;

#### **Absence of adverse circumstances**

- (k) except as Disclosed, there being no provision of any material arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider KAZ Minerals Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Bidco Group or the Consortium Group of any shares or other securities in KAZ Minerals or because of a change in the control or management of any member of the Wider KAZ Minerals Group or otherwise, would or might reasonably be expected to result in:
  - (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider KAZ Minerals Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider KAZ Minerals Group or any member of the Bidco Group or any member of the Consortium Group under any such material arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider KAZ Minerals Group or any member of the Bidco Group or any member of the Consortium Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected

or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;

- (iii) any member of the Wider KAZ Minerals Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider KAZ Minerals Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider KAZ Minerals Group;
- (v) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider KAZ Minerals Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider KAZ Minerals Group being prejudiced or adversely affected;
- (vii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider KAZ Minerals Group, other than under the Baimskaya SPA; or
- (viii) any liability of any member of the Wider KAZ Minerals Group to make any severance, termination, bonus or other payment to any of its directors or other officers;

**No material transactions, claims or changes in the conduct of the business of the KAZ Minerals Group**

- (l) except as Disclosed, no member of the Wider KAZ Minerals Group having since 31 December 2019:
  - (i) save as between KAZ Minerals and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of KAZ Minerals Shares on the exercise of options or vesting of awards granted in the ordinary course under the KAZ Minerals Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of KAZ Minerals Shares out of treasury;
  - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution

(whether payable in cash or otherwise) other than to KAZ Minerals or one of its wholly-owned subsidiaries;

- (iii) save as between KAZ Minerals and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any material assets or any right, title or interest in any material asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;
- (iv) save as between KAZ Minerals and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save as between KAZ Minerals and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability which is material in the context of the Wider KAZ Minerals Group as a whole;
- (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any material contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case, material in the context of the KAZ Minerals Group or in the context of the Acquisition, or which is or is reasonably likely to be materially restrictive on the business of any member of the Wider KAZ Minerals Group, any member of the Bidco Group, or the Consortium Group;
- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider KAZ Minerals Group which are material in the context of the Wider KAZ Minerals Group and outside the normal course of business;
- (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider KAZ Minerals Group save for salary increases, bonuses or variations of terms in the ordinary course;
- (ix) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment

or termination of employment of any employee of the Wider KAZ Minerals Group;

- (x) procured, made or agreed, to:
  - (I) any significant change to: (a) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider KAZ Minerals Group or their dependants (a "**Relevant Pension Plan**"); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the manner in which the assets of any Relevant Pension Plan are invested; (e) the basis or rate of employer contribution to a Relevant Pension Plan; or
  - (II) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or
  - (III) carry out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or might create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would or might give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 to 56 inclusive of the Pensions Act 2004 in relation to the scheme;
- (xi) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Acquisition);
- (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (xiv) other than with respect to claims between KAZ Minerals and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course

of business which is material in the context of the KAZ Minerals Group taken as a whole or in the context of the Acquisition;

- (xv) made any material alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme);
- (xvi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider KAZ Minerals Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the KAZ Minerals Group taken as a whole; or
- (xx) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of shareholders of KAZ Minerals in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

**No material adverse change**

- (m) except as Disclosed, since 31 December 2019, there having been:
  - (i) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider KAZ Minerals Group;

- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider KAZ Minerals Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider KAZ Minerals Group or to which any member of the Wider KAZ Minerals Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider KAZ Minerals Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider KAZ Minerals Group;
- (iii) no contingent or other liability having arisen, increased or become apparent; and
- (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider KAZ Minerals Group, which is necessary for the proper carrying on of its business,

in each case, which is material in the context of the Wider KAZ Minerals Group taken as a whole;

- (n) except as Disclosed, since 31 December 2019, Bidco not having discovered:
  - (i) that any financial, business or other information concerning the Wider KAZ Minerals Group publicly announced or disclosed to any member of the Bidco Group at any time prior to the date of this announcement by or on behalf of any member of the Wider KAZ Minerals Group or to any of their advisers is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
  - (ii) that any member of the Wider KAZ Minerals Group is subject to any liability, contingent or otherwise, which is not disclosed in the Annual Report and Accounts of KAZ Minerals; or
  - (iii) any information which affects the import of any information disclosed to Bidco at any time by or on behalf of any member of the Wider KAZ Minerals Group,

in each case, which is material in the context of the Wider KAZ Minerals Group taken as a whole;

### **Environmental liabilities**

- (o) except as Disclosed, Bidco not having discovered that:
  - (i) any past or present member of the Wider KAZ Minerals Group has not complied in any material respect with all applicable legislation or

regulations, notices or other requirements of any jurisdiction or any Third Party or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or greenhouse gas, or any substance likely to impair the environment (including property) or harm the health of humans, animals or other living organisms or eco-systems or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider KAZ Minerals Group; or

- (ii) there has been a material disposal, discharge, spillage, accumulation, leak, emission, release or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or greenhouse gas or any substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to non-compliance with any law or regulation) would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider KAZ Minerals Group; or
- (iii) there is or is likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, re-instate or clean up any property, asset currently or previously owned, occupied or made use of by any past or present member of the Wider KAZ Minerals Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, or other elements of the environment (including any controlled waters) under any environmental legislation, common law, regulation, notice, circular, Authorisation, other legally binding requirement or order of any Third Party or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or
- (iv) circumstances exist (whether as a result of the Acquisition or otherwise):
  - (I) which would be likely to lead to any Third Party instituting; or
  - (II) whereby any member of the Bidco Group or the Consortium Group or any present or past member of the Wider KAZ Minerals Group would be likely to be required to institute,

an environmental audit or take any other steps which would in any such case be likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider KAZ Minerals Group (or on its behalf) or by any person for which a member of the Wider KAZ Minerals Group is or has been responsible, or in which any such member may have or previously

have had or be deemed to have had an interest, which is material in the context of the Wider KAZ Minerals Group taken as a whole; or

- (v) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider KAZ Minerals Group which claim or claims would be likely to affect any member of the Wider KAZ Minerals Group, which is material in the context of the Wider KAZ Minerals Group taken as a whole;

### **Intellectual Property**

- (p) except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider KAZ Minerals Group which would have a material adverse effect on the Wider KAZ Minerals Group taken as a whole or is otherwise material in the context of the Acquisition, including:
  - (i) any member of the Wider KAZ Minerals Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider KAZ Minerals Group and material to its business being revoked, cancelled or declared invalid;
  - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider KAZ Minerals Group to, or the validity or effectiveness of, any of its intellectual property; or
  - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider KAZ Minerals Group being terminated or varied;

### **Anti-corruption and sanctions**

- (q) except as Disclosed, Bidco not having discovered that:
  - (i) any past or present member of the Wider KAZ Minerals Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - (ii) any member of the Wider KAZ Minerals Group is ineligible to be awarded any contract or business under regulation 57 of the Public Contracts Regulations 2015 or regulation 80 of the Utilities Contracts Regulations 2016 (each as amended from time to time);
  - (iii) any past or present member of the Wider KAZ Minerals Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by

any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; and

- (iv) a member of the KAZ Minerals Group has engaged in a transaction which would cause the Bidco Group or the Consortium Group to be in breach of any applicable law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states;

**No criminal property**

- (r) except as Disclosed, Bidco not having discovered that any asset of any member of the Wider KAZ Minerals Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

## **Part B: Further Terms of the Acquisition**

1. Subject to the requirements of the Panel in accordance with the Takeover Code, Bidco reserves the right to waive, in whole or in part, all or any of the Conditions in Part A above, except Conditions 2(a)(i), 2(b)(i) and 2(c) which cannot be waived.
2. Bidco shall be under no obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
3. If Bidco is required by the Panel to make an offer for KAZ Minerals Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
4. Under Rule 13.5(a) of the Code, Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. The Conditions contained in paragraph 2 of Part A above and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Takeover Code.
5. Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme, with the consent of the Panel and subject to the terms of the Cooperation Agreement. In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75 per cent. (or such other percentage as Bidco may, subject to the rules of the Takeover Code and with the consent of the Panel, decide) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such offer are received and/or sufficient KAZ Minerals Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding KAZ Minerals Shares to which such offer relates.
6. The Acquisition will be governed by English law and be subject to the jurisdiction of the English courts and to the Conditions and further terms set out above and to be set out in full in the Scheme Document. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Listing Rules, the FCA and the Registrar of Companies.
7. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
8. The KAZ Minerals Shares will be acquired pursuant to the Acquisition fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and

retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of value on or after the Effective Date.

9. If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital is declared, made or paid or becomes payable in respect of the KAZ Minerals Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the KAZ Minerals Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced.
10. The Acquisition will be subject, inter alia, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the Takeover Code.
11. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
12. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

## **APPENDIX 2**

### **SOURCES AND BASES OF INFORMATION**

Unless otherwise stated in this announcement:

1. As at the close of business on 27 October 2020, being the last Business Day prior to the date of this announcement, there were 472,438,527 KAZ Minerals Shares in issue (excluding 8,285,450 shares held in treasury).
2. The value placed by the Acquisition on the existing issued and to be issued share capital of KAZ Minerals is based upon:
  - (i) the 472,438,527 KAZ Minerals Shares referred to in paragraph 1 of this Appendix 2 above; and
  - (ii) further KAZ Minerals Shares which may be issued on or after the date of this announcement on the exercise of options or vesting of awards granted or agreed to be granted under the KAZ Minerals Share Plans, amounting in aggregate to 1,412,025 KAZ Minerals Shares as at 27 October 2020, being the last Business Day prior to the date of this announcement.
3. information relating to Bidco and Holdco has been provided by persons duly authorised or appointed by the board of directors of Bidco and Holdco respectively;
4. information relating to the Consortium members has been provided by persons duly authorised or appointed by the relevant Consortium member;
5. unless otherwise stated, the financial information relating to KAZ Minerals is extracted from the Annual Report and Accounts of KAZ Minerals;
6. unless otherwise stated, all prices for KAZ Minerals Shares have been derived from Bloomberg and represent Closing Prices on the relevant date(s);
7. where amounts are shown in both US dollars and pounds sterling in this announcement, an exchange rate of £/\$1.31 has been used, which was derived from data provided by Bloomberg as at 5.00 p.m. on 27 October 2020 (being the last Business Day prior to the date of this announcement); and
8. the average of research analysts' target prices has been derived from Bloomberg (not including any target prices of VTB Capital, Citi and UBS): Halyk Finance on 24/06/2020 of 543p, PKO BP Securities on 20/07/2020 of 570p, Credit Suisse on 19/08/2020 of 530p, Renaissance Capital on 20/08/2020 of 650p, Peel Hunt on 21/08/2020 of 695p, SOVA Capital on 10/09/2020 of 670p, Morgan Stanley on 23/09/2020 of 650p, Deutsche Bank on 01/10/2020 of 600p, Jefferies on 06/10/2020 of 575p, JP Morgan on 07/10/2020 of 565p, RBC on 11/10/2020 of 590p, Barclays on 13/10/2020 of 750p, Exane BNP Paribas on 14/10/2020 of 770p, BMO on 15/10/2020 of 600p, BCS on 26/10/2020 of 680p and Liberum on 27/10/2020 of 470p).

**APPENDIX 3**  
**DETAILS OF IRREVOCABLE UNDERTAKINGS**

**1. Members of the Independent Committee**

The members of the Independent Committee have each given irrevocable undertakings to vote, or procure votes, in favour of resolutions relating to the Acquisition at the KAZ Minerals Meetings in respect of their own beneficial holdings of KAZ Minerals Shares (or those KAZ Minerals Shares over which they have control):

<b>Name</b>	<b>Total number of KAZ Minerals Shares</b>	<b>Percentage of existing issued share capital (excluding shares held in treasury)</b>
Andrew Southam	676,236	0.1431%
Michael Lynch-Bell	12,000	0.0025%
John MacKenzie	5,000	0.0011%
Lynda Armstrong	8,500	0.0018%
Charles Watson	13,790	0.0029%
Alison Baker	3,500	0.0007%

The irrevocable undertakings referred to in this paragraph cease to be binding on the earlier of the following occurrences: (i) a third party announces a firm intention to make an offer for the entire issued and to be issued share capital of KAZ Minerals, which is declared wholly unconditional or, if implemented by way of a scheme of arrangement, becomes effective; (ii) Bidco announces, with the consent of the Panel, and before the Scheme Document is published, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme (or Takeover Offer) is announced by Bidco in accordance with Rule 2.7 of the Takeover Code; (iii) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise; or (iv) the Scheme or Takeover Offer (if applicable) has not become Effective by 11.59 p.m. on the Long Stop Date.

## 2. Other KAZ Minerals Shareholders

The following KAZ Minerals Shareholders have given irrevocable undertakings to vote, or procure votes, in favour of resolutions relating to the Acquisition at the KAZ Minerals Meetings in respect of their own beneficial holdings of KAZ Minerals Shares:

<b>Name</b>	<b>Total number of KAZ Minerals Shares</b>	<b>Percentage of existing issued share capital (excluding shares held in treasury)</b>
Ferris Services Limited	22,344,944	4.7297%
Denalot Worldwide Limited	4,067,219	0.8609%
Greenleas International Holdings Ltd	1,833,286	0.3880%

The irrevocable undertakings referred to in this paragraph cease to be binding on the earlier of the following occurrences: (i) if Bidco announces that it is exercising its right to implement the Acquisition by way of a Takeover Offer; (ii) a third party announces a firm intention to make an offer for the entire issued and to be issued share capital of KAZ Minerals; (iii) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition; or (iv) the Scheme has not become effective by 11.59 p.m. on 27 July 2021 (or such later time or date as agreed between Bidco and KAZ Minerals, with the approval of the Court and/or the Panel if required); or (v) if (a) the Second Completion Condition (as defined in the Baimskaya SPA) is deemed to be satisfied or waived pursuant to the terms of the Baimskaya SPA; (b) Second Completion (as defined in the Baimskaya SPA) is accelerated pursuant to the terms of the Baimskaya SPA (whether or not Second Completion has occurred); or (c) Second Completion otherwise occurs pursuant to the terms of the Baimskaya SPA.

## **APPENDIX 4 DEFINITIONS**

**The following definitions apply throughout this document unless the context otherwise requires:**

<b>"Acquisition"</b>	the proposed recommended cash acquisition by Bidco of the entire issued and to be issued share capital of KAZ Minerals (other than the KAZ Minerals Shares already owned or controlled by the Consortium) by means of the Scheme (and other matters to be considered at the KAZ Minerals Meetings), or should Bidco so elect, by means of a Takeover Offer
<b>"Annual Report and Accounts of KAZ Minerals"</b>	the annual report and audited accounts of KAZ Minerals for the year ended 31 December 2019
<b>"Aristus"</b>	Aristus Holdings Limited, a private limited company incorporated in the Republic of Cyprus, whose registered office is at Chrysanthou Mylona, 3 P.C. 3030, Limassol, Cyprus and with registered number HE194952
<b>"associated undertaking"</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations)
<b>"Authorisations"</b>	regulatory authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
<b>"Baimskaya "</b>	the licence to develop the Baimskaya area, an undeveloped copper asset located in the Chukotka region of Russia
<b>"Baimskaya SPA "</b>	the share purchase agreement entered into between KAZ Minerals, KAZ Minerals Investments Ltd and Aristus, dated 1 August 2018, relating to the acquisition of Baimskaya, as more particularly described in paragraph 14 of this announcement

<b>"Bid Conduct Agreement"</b>	the bid conduct agreement entered into between the Consortium, Holdco and Bidco dated 27 October 2020
<b>"Bidco"</b>	Nova Resources B.V. a private company with limited liability incorporated in the Netherlands, having its corporate seat in Amsterdam, whose registered office is at Strawinskylaan 1151, Tower C, Level 11, 1077 XX Amsterdam and with registered number 67335845, indirectly owned by the Consortium
<b>"Bidco Group"</b>	Bidco, Holdco and Holdco's subsidiary undertakings (excluding the Wider KAZ Minerals Group) and, where the context permits, each of them
<b>"Business Day"</b>	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
<b>"CIS"</b>	the Commonwealth of Independent States
<b>"Citigroup"</b>	Citigroup Global Markets Limited
<b>"Closing Price"</b>	the closing middle market price of a KAZ Minerals Share as derived from the Daily Official List on any particular date
<b>"Companies Act"</b>	the Companies Act 2006, as amended from time to time
<b>"Conditions"</b>	the conditions to the implementation of the Acquisition (including the Scheme) which are set out in Part A of Appendix 1 to this announcement and to be set out in the Scheme Document
<b>"Confidentiality Agreement"</b>	the confidentiality agreement entered into between Bidco, Kinton and KAZ Minerals dated 8 October 2020
<b>"Consideration Triggers"</b>	has the meaning given in paragraph 14 of this announcement
<b>"Consortium"</b>	together, Oleg Novachuk and Vladimir Kim
<b>"Consortium Group"</b>	each member of the Consortium and their respective associated undertakings and any other body corporate, partnership, joint venture or person in which any Consortium

	member and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent, and where the context requires, each of them (but excluding the Wider KAZ Minerals Group and the Bidco Group)
<b>"Cooperation Agreement"</b>	the cooperation agreement entered into between Bidco, Kinton and KAZ Minerals dated 27 October 2020
<b>"Court"</b>	the High Court of Justice in England and Wales
<b>"Court Meeting"</b>	the meeting of KAZ Minerals Shareholders to be convened at the direction of the Court pursuant to Part 26 of the Companies Act at which a resolution will be proposed to approve the Scheme, including any adjournment thereof
<b>"Court Order"</b>	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
<b>"Daily Official List"</b>	the daily official list of the London Stock Exchange
<b>"Denalot"</b>	Denalot Worldwide Limited, a private limited company incorporated in the British Virgin Islands, whose registered office is at Trident Chambers, P.O. Box 146, Road Town, British Virgin Islands and with registered number 1662452
<b>"Disclosed"</b>	the information fairly disclosed by or on behalf of KAZ Minerals: (i) in the Annual Report and Accounts of KAZ Minerals; (ii) in this announcement; (iii) in any announcement to a Regulatory Information Service prior to the date of this announcement; and (iv) otherwise in writing prior to the date of this announcement to Bidco, the Consortium or their respective advisers (in their capacity as such)
<b>"Effective"</b>	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or

	having become unconditional in all respects in accordance with the requirements of the Takeover Code
<b>"Effective Date"</b>	the date on which the Acquisition becomes Effective
<b>"Excluded Shares"</b>	any KAZ Minerals Shares owned or controlled by the Consortium at the Scheme Record Time
<b>"FCA"</b>	Financial Conduct Authority or its successor from time to time
<b>"Ferris"</b>	Ferris Services Limited, a private limited company incorporated in the British Virgin Islands, whose registered office is at Wickham's Cay II, Coastal Building, P.O. Box 2221, Road Town, Tortola, BVI and with registered number 1478762
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended from time to time)
<b>"Greenleas"</b>	Greenleas International Holdings Ltd, a private limited company incorporated in the British Virgin Islands, whose registered office is at Wickham's Cay II, Coastal Building, P.O. Box 2221, Road Town, Tortola, BVI and with registered number 1014809
<b>"Holdco"</b>	Vostok Cooper B.V. a private company with limited liability incorporated Amsterdam, whose registered office is at Strawinskyiaan 1151, Tower C, Level 11, 1077 XX Amsterdam and with registered number 73773123, indirectly owned by the Consortium
<b>"Independent Committee"</b>	the committee of the board of KAZ Minerals formed for the purposes of considering the Acquisition, consisting of the directors of KAZ Minerals other than Oleg Novachuk and Vladimir Kim, being as at the date of this announcement: <ul style="list-style-type: none"> <li>(a) Michael Lynch-Bell;</li> <li>(b) Andrew Southam;</li> <li>(c) Lynda Armstrong;</li> </ul>

- (d) Alison Baker;
- (e) John MacKenzie; and
- (f) Charles Watson

<b>"JORC"</b>	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, as amended from time to time
<b>"KAZ Minerals"</b>	KAZ Minerals PLC
<b>"KAZ Minerals General Meeting"</b>	the general meeting of KAZ Minerals Shareholders to be convened to consider and, if thought fit, pass, inter alia, the resolutions in relation to the implementation of the Scheme and certain amendments to be made to the articles of association of KAZ Minerals, including any adjournments thereof
<b>"KAZ Minerals Group"</b>	KAZ Minerals and its subsidiary undertakings and where the context permits, each of them
<b>"KAZ Minerals Meetings"</b>	the Court Meeting and the KAZ Minerals General Meeting
<b>"KAZ Minerals Share Plans"</b>	<ul style="list-style-type: none"> <li>(a) 2017 Deferred Share Bonus Plan;</li> <li>(b) 2017 Long Term Incentive Plan;</li> <li>(c) Long Term Incentive Plan 2007;</li> <li>(d) Deferred Share Bonus Plan 2007;</li> <li>(e) Kazakhmys International Share Incentive Plan 2010; and</li> <li>(f) Kazakhmys International Sharesave Plan 2010</li> </ul>
<b>"KAZ Minerals Shareholders"</b>	the holders of KAZ Minerals Shares
<b>"KAZ Minerals Shares"</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 20 pence each in the capital of KAZ Minerals and any further shares which are unconditionally allotted or issued before the Scheme becomes

	Effective but excluding in both cases any such shares held or which become held in treasury
<b>"Kazakhstan Stock Exchange"</b>	Kazakhstan Stock Exchange Joint-Stock Company or its successor from time to time
<b>"Kinton"</b>	Kinton Trade Ltd, a private limited company incorporated in the British Virgin Islands, under company number 561683 with registered address at Craigmuir Chambers, Road Town, Tortola VG1110, British Virgin Islands, which is wholly-owned by Oleg Novachuk
<b>"LBMA"</b>	the London Bullion Market Association
<b>"Listing Rules"</b>	the listing rules, made by the FCA under Part 6 FSMA, as amended from time to time
<b>"LME"</b>	the London Metal Exchange
<b>"London Stock Exchange"</b>	the London Stock Exchange plc or its successor from time to time
<b>"Long Stop Date"</b>	30 July 2021 (or such later date as may be agreed between Bidco and KAZ Minerals and the Panel and the Court may allow)
<b>"Offer Price"</b>	640 pence in cash per KAZ Minerals Share
<b>"Official List"</b>	the Official List of the FCA
<b>"Overseas Shareholders"</b>	holders of KAZ Minerals Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
<b>"Panel"</b>	the Panel on Takeovers and Mergers
<b>"PRA"</b>	Prudential Regulation Authority or its successor from time to time
<b>"PRC"</b>	the People's Republic of China
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales
<b>"Regulatory Conditions"</b>	the antitrust and regulatory conditions as set out in Conditions 3(a) to 3(g) of Part A of Appendix 1 to this announcement

<b>"Regulatory Information Service"</b>	a regulatory information service as defined in the FCA's Handbook of rules and guidance as amended from time to time
<b>"relevant securities"</b>	KAZ Minerals Shares, other KAZ Minerals share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Scheme is sent or made available to KAZ Minerals Shareholders in that jurisdiction
<b>"Sanction Hearing"</b>	the Court hearing to sanction the Scheme
<b>"Scheme"</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between KAZ Minerals and the holders of the KAZ Minerals Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by KAZ Minerals and Bidco
<b>"Scheme Document"</b>	the document to be sent to KAZ Minerals Shareholders and persons with information rights containing, amongst other things, the Scheme and notices of the KAZ Minerals Meetings and proxy forms in respect of the KAZ Minerals Meetings
<b>"Scheme Record Time"</b>	the time and date to be specified in the Scheme Document, expected to be 6.00 p.m. on the date of the Sanction Hearing
<b>"Scheme Shareholder"</b>	a holder of Scheme Shares at any relevant date or time
<b>"Scheme Shares"</b>	(i) the KAZ Minerals Shares in issue at the date of the Scheme and (where the context requires) which remain in issue at the Scheme Record Time; (ii) any KAZ Minerals Shares issued after the date of the Scheme but before the Voting Record Time and (where the context requires) which remain in issue at the Scheme Record Time; and (iii) any KAZ Minerals Shares issued at or after the Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be

	bound by the Scheme, or in respect of which the original or any subsequent holders thereof shall have agreed in writing to be bound by the Scheme, and in each case (where the context requires) which remain in issue at the Scheme Record Time, but in any case excluding any Excluded Shares
<b>"Share Exchange Agreement"</b>	the share exchange agreement dated on or around the date of this announcement between, among others, Bidco, Holdco and Oleg Novachuk as described further in paragraph 13 of this announcement
<b>"Shareholders Agreement"</b>	the shareholders agreement dated 27 October 2020 between Holdco and the Consortium as described further in paragraph 12 of this announcement
<b>"subsidiary", "subsidiary undertaking" and "undertaking"</b>	shall be construed in accordance with the Companies Act
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers, issued by the Panel on Takeovers and Mergers, as amended from time to time
<b>"Takeover Offer"</b>	subject to the consent of the Panel, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of KAZ Minerals, other than the KAZ Minerals Shares already owned or controlled by the Consortium and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
<b>"UBS"</b>	UBS AG London Branch
<b>"UK" or "United Kingdom"</b>	United Kingdom of Great Britain and Northern Ireland
<b>"US"</b>	United States of America
<b>"US holder"</b>	a US person as defined in Regulation 14E under the US Exchange Act
<b>"US Exchange Act"</b>	the US Securities and Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder

<b>"Voting Record Time"</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
<b>"VTB Capital"</b>	VTB Capital plc
<b>"VTB Facility Agreement"</b>	the senior term loan facilities agreement dated 27 October 2020 between, amongst others, Bidco, Holdco and VTB Bank (PJSC)
<b>"Wider KAZ Minerals Group"</b>	KAZ Minerals and associated undertakings and any other body corporate, partnership, joint venture or person in which KAZ Minerals and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent

All times referred to are London time unless otherwise stated.