

KAZ Minerals announces completion of transaction with NFC on investment in Koksay Project

Aliya Assilbekova — July 04, 2019

KAZ Minerals announced the completion of the transaction initially announced on June 8, 2018, according to which NFC invests 70 mn USD in the Koksay project and receives a share of 19,4% in the project. Koksay is a copper mine located in Kazakhstan with estimated open pit mining. Mineral resources of the field are estimated at 736 mn tons, which implies copper reserves of 3,2 mn tons with a grade of 0,43%. NFC investments in Koksay will be directed to the project feasibility study.

Our opinion:

The strategic priority for the Company is the implementation of the construction project for the 2nd sulphide factory at Aktogay, the investment in which will total to 1 200 mn USD in 2018-2021. The Koksay copper deposit, located in the southeast of the Republic of Kazakhstan, is a possible direction of development of KAZ Minerals in a more remote time perspective. We do not include the Koksay project in our valuation of the Company and the announced completion of NFC investments in the Koksay project does not entail changes in the Company's fair value measurement. We maintain our recommendation to **Buy** KAZ Minerals' shares with 12M TP **760 GBp/share**.

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