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**THE REPUBLICAN ASSOCIATION OF
 MINING AND METALLURGICAL
 ENTERPRISES**



The success of any business is based on collective efforts and a systemic approach. After uniting the mining enterprises under its wing 13 years ago, AMME has determined for itself the main goal of representing and protecting the interests of the mining and metallurgical companies in state bodies, public and other organizations in the territory of the Republic of Kazakhstan and beyond.

Thanks to the clearly stated goals, the Association has achieved significant results in promoting the interests of the industry, implementing the principles of the Extractive Industries Transparency Initiative, bringing the national legislation and strategic documents closer to OECD standards.

We are actively involved in improving the industry's legal framework, expert evaluation of legislative drafts. The Association directly participated in the development of the basic documents of the industry - the Code on Subsoil and Subsoil Use and the new Tax Code which set the stage for fundamental reforming of mining and metallurgical industries. Currently, AMME is engaged in the development of an equally important document - the new Environmental Code of the Republic of Kazakhstan.

AMME maintains a continuous dialogue with state authorities, representing the consolidated position of the industry on subsoil use, ecology, taxation, competition, customs administration, investment activities, labor relations, transport service, tariff setting, personnel training, local content. All efforts of the Association are aimed at increasing the investment attractiveness of the industry.

We intend to continue working for the benefit of the mining and metallurgical industries of Kazakhstan, while always remaining open to cooperation and partnership.

Nikolay Radostovets

About AMME

The Republican Association of Mining and Metallurgical Enterprises (AMME) was established in 2005 on the initiative of the mining enterprises of the Republic of Kazakhstan and with the support of the sectoral ministry.

The Association is accredited in seven ministries, the National Chamber of Entrepreneurs of the Republic of Kazakhstan «Atameken» and performs several functions of the «Atameken» related to geology, mining, coal and metallurgical industries.

Today AMME is the largest industrial association of Kazakhstan, which comprises more than 100 companies of ferrous and nonferrous metallurgy, uranium and coal industry, in particular, the enterprises of the Eurasian Resources Group, ArcelorMittal Temirtau JSC, Kazakhmys Corporation LLP, KazMinerals, Tau-Ken Samruk National Mining Company JSC, NGC Kazgeology JSC, Polymetal Eurasia LLP, Ust-Kamenogorsk Titanium and Magnesium Plant JSC, NAC Kazatomprom JSC, Bogatyr Komir LLP, RioTinto and others.

The AMME's major mission is to protect the rights and legitimate interests of the Association's member companies, and to ensure an open and constructive dialogue between state authorities and the business community.

AMME consolidates efforts to promote private entrepreneurship in the mining and metallurgical complex of Kazakhstan based on the principles of socially responsible business.

EXPERTISE

The priority activity of AMME is the examination of draft regulatory legal acts affecting the interests of private business entities in the framework of the procedures stipulated by the Entrepreneurship Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On Legal Acts". In addition, AMME participates in the discussion of draft laws within the consultative and advisory bodies of the Government and Parliament of the Republic of Kazakhstan.

ANALYSIS

One of the activities of the Association is systemic analytical work, as well as expert assessment of the risks of adopting a regulatory legal act in the context of projected social and economic and legal consequences.

ORGANIZATION AND SUPPORT OF INDUSTRY EVENTS

AMME provides official support to the most significant industry events that can contribute to the development of the mining and metallurgy sector. The Association organizes the Congress of Workers of the Mining and Metallurgical Industry of Kazakhstan.

SOCIAL PARTNERSHIP

AMME is the authorized representative of employers in social partnerships at the sectoral level, and signs sectoral agreements with relevant authorized bodies and trade unions of the mining and metallurgical industry and the coal industry. These agreements form the social environment in these industries and labor compensation policies.

INTERNATIONAL COOPERATION

AMME takes an active part in the implementation of the Extractive Industries Transparency Initiative (EITI) in Kazakhstan.

AMME has established close collaboration and signed memorandums of cooperation with sectoral associations of Russia, Latvia, Ukraine and Kyrgyzstan, as well as with large companies of Poland, Austria and Germany.

Interaction with international institutions and organizations is carried out with OECD, World Bank, EBRD, GIZ and others.

DEVELOPMENT OF INDUSTRY HUMAN RESOURCES

AMME works systematically to provide the mining and metallurgical industry with qualified personnel, as well as to establish professional standards in mining and metallurgy.

Together with the Ministry of Labor and Social Protection of Population of the Republic of Kazakhstan and local executive bodies, AMME works to determine staffing needs for mining and metallurgy, as well as to assess the impact of modernization on possible employee displacement and to design measures for managing the possible flow of workers until 2025.

TECHNICAL REGULATION AND STANDARDIZATION

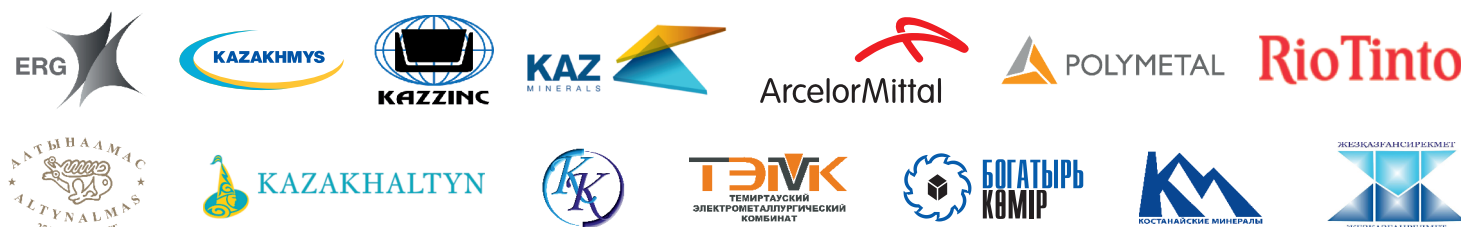
AMME established the Technical Committee on Standardization No. 85 "Subsoil Use and Metallurgy", whose work is aimed at raising the quality of mining and metallurgy national standards, their harmonization with international standards for ensuring the competitiveness of Kazakhstan products in the domestic and foreign markets.

Currently, the Association comprises more than 100 largest mining and metallurgical enterprises of Kazakhstan. Along with this, AMME is an organization open for cooperation and accession of new companies with a view to consolidate efforts for developing the industry.

1. Ust-Kamenogorsk Titanium and Magnesium Plant JSC
2. Teriskei LLP
3. Dank LLP
4. JV Betpak Dala LLP
5. South Mining and Chemical Company LLP
6. Kazakhstan Nickel Mining Plant LLP
7. Voskhod-Oriel LLP
8. Sary Kazna LLP
9. Karazhyra LTD JSC
10. AK Altynalmas JSC
11. Alel Finance and Investment Corporation JSC
12. Kazzinc LLP
13. Arcelor Mittal Temirtau JSC
14. Eurasian Group LLP
15. Eurasian Industrial Association
16. Tasmola LLP
17. Kazakhmys Corporation LLP
18. Bogatyr Komir LLP
19. Maikainzoloto JSC
20. MMC Kazakhaltyn JSC
21. Yuzhpolymetall Industrial Corporation JSC
22. Zhezkazganredmet RSE
23. Metal Terminal Service LLP
24. Komarovskoe Mining Company LLP
25. Zhartas LLP
26. Nova-Zinc LLP
27. AltynEx Company JSC
28. Yubileynoye LLP
29. National Center on Complex Processing of Mineral Raw Materials RSE
30. Temirtau Electrometallurgical Plant JSC
31. NAC Kazatomprom JSC
32. JV Inkai LLP
33. RG Gold LLP
34. Central Asian Mining Industry Union, Public Association
35. Maikuben-West LLP
36. Metal Trading House
37. Olimp Trade and Industrial Company LLP
38. SBS Group LTD LLP
39. JV Saga Creek Gold Company LLP
40. Institute of Mining named after D.A. Kunayev
41. Ken-Kazba, Kurylys Zhane Ondiru LLP
42. Kazchermet Automatica JSC
43. Altyn MM LLP
44. LLP's Subsidiary BAURGOLD RSE
45. TNC Kazchrome JSC
46. Zhayremskiy Ore Mining and Processing Enterprise JSC
47. Transcom LLP
48. Kazakhstan Aluminium Smelter JSC
49. Eurasian Energy Corporation JSC
50. Aluminum of Kazakhstan JSC
51. Sokolovsko-Sarbaiskoe Ore Mining and Processing Enterprise JSC
52. Kostanai Minerals JSC
53. Shalkiya Zinc LTD JSC
54. Varvarinskoe JSC
55. Polymetal Eurasia LLP
56. TransRemVagon LLP
57. Shubarkol Komir JSC
58. Antal LLP
59. Two Key LLP
60. Bereke 2004 LLP
61. Universal-Service LLP
62. SAT &Company JSC
63. Non-Ferrous Metals Processing Plant JSC
64. Ekaterinburg Non-Ferrous Metals Processing Plant JSC
65. MC Kaz Silicon LLP
66. Tau-Ken Temir LLP
67. Tort Kudyk Mining Plant JSC
68. Tauken-Stepnogorsk LLP

69. Altyn Zhiyek LLP
70. TMK-Kazakhstan LLP
71. JV KATKO LLP
72. Rio Tinto Exploration Kazakhstan LLP
73. KSP Steel LLP
74. Golden Compass Jambyl LLP
75. OPTEK LLP
76. Balausa Firm LLP
77. Mineral Wealth LLP
78. Kazakhstan Branch of Eurasia Energy Holdings LTD
79. Orsu Metals LLP, Kazakhstan
80. On-Olzha LLP
81. NGC Kazgeology JSC
82. Engineering Company Oriental Co Ltd LLP
83. SABEK LLP
84. Sandvik Mining & Construction Kazakhstan LTD LLP
85. NMC Tau-Ken Samruk JSC
86. Tranco JSC
87. Kazakhstan-Australia LLP
88. KAZ Minerals Management LLP
89. Vostok Energy Industry LLP
90. Brandt LLP
91. Lomonosovskoye LLP
92. Kaztonika LLP
93. Robit Rocktools Ltd Company
94. Mining Company of Kazakhstan LLP
95. TBKI-700 LLP
96. Temir-Service LLP
97. Rosatom Central Asia LLP
98. Central Asia Gold Corp LLP
99. Kazakhuvelir JSC
100. Zherek LLP
101. Interrin R&D Company LLP
102. Arman-100 LLP
103. KARUAN LLP
104. Saryarka Mining LLP
105. Taraz Metallurgical Plant LLP
106. Ertis Ferronickel Plant LLP
107. SatKomir Mining Company LLP
108. Bakyrchik Mining Enterprise LLP

109. Aktobe Copper Company LLP
110. Tin One Mining JSC
111. Razrez Molodezhny LLP
112. Razrez Kuu-Chekinsky LLP
113. Karagandagiproshakht & Co LLP
114. Geobait-Info LLP
115. Balkhash Saryshagan LLP
116. Korgantas LLP
117. Vostok Minerals LLP
118. Aurum Pump Asia LLP



The mining and metallurgy are among the most competitive and dynamically developing industries of Kazakhstan.

The Republic possesses 30% of world chromium ores, 25% of manganese ores and 10% of iron ores. Copper, lead and zinc account for, respectively, 10% and 13% of the world reserves. 99 of the 105 elements of Mendeleev's table could be found in Kazakhstan, 70 of them have been explored, and more than 60 elements are involved in production.

The total number of mining and metallurgical industries' employees at the beginning of 2018 amounted to 198.5 thousand people.

The volume of the mining and metallurgical production in 2017 amounted to 5,831 billion tenge, which is 20.5% higher comparing with the previous year due to twofold increase in the production of non-ferrous metallurgy in 2016 and sustained dynamics in 2017.

The specified period has also seen a significant increase in the extraction of solid minerals. The volume of non-ferrous mining in monetary terms reached – 968,8 bln tenge (netincrease by – 8,2%), iron ore mining – 242,7 bln tenge (6,9%), mining of coal and lignite – 280.8 blntenge (6,0%).

The metallurgical industry has produced in monetary terms non-ferrous metals in the amount of 2 528,8 bln tenge (6,6%), ferrous metals – 1 533,3 bln tenge (5,8%).

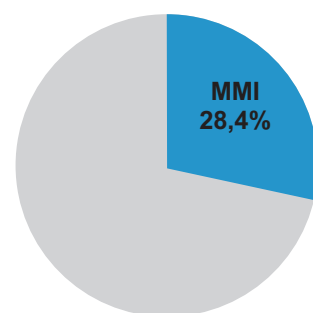
Production of finished metal products in monetary terms amounted to 249,2 bln tenge (5,8%).

The mining and metallurgy production in 2017 went up due to the increase in production of raw materials and finished goods, including the production of copper ore by KAZ Minerals Plc, production of chromium ores and ferroalloys by Kazchrome TNC JSC, copper ore mining and copper production by Kazakhmys Corporation LLP, production of iron ore by Sokolov-Sarbai Mining Production Association JSC, production of steel by ArcelorMittal Temirtau JSC and at other coal-mining enterprises of Kazakhstan, and due to the rise of world prices virtually for all base metals and raw materials since the beginning of 2017.

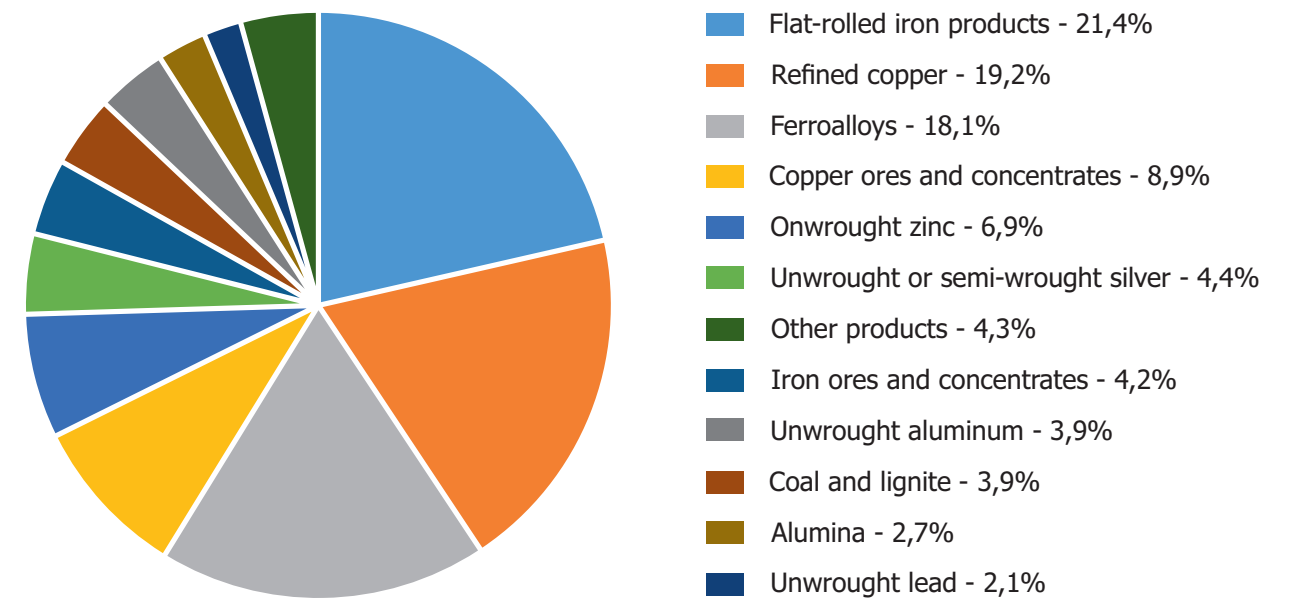
The export of mining and metallurgical industries in 2017 compared to the same period of the previous year increased by 43% and amounted to 12,173.9 million USD. Export growth is connected with the increase of supplies for ferroalloys, refined copper, zinc, copper ores and concentrates.

The industry is an absolute leader as regards to implementation of the social responsibility policy of business. The companies implement the collective agreements. And the industry agreements have been made in the mining and metallurgical industry first time in the history of independent Kazakhstan. Large enterprises of the industry execute memorandums on collaboration with the akimats annually and contribute considerable to development of the social infrastructure of the regions and some company town.

Share of the mining and metallurgical industry in the total volume of industrial production, 2017



Structure of the mining and metallurgy exports in 2017



Size of capital expenditures in Kazakhstan by product, billion US dollars

