

Konkola Copper Mines plc
March 2015



Outline

■ Overview of KCM assets

- *Vedanta acquired its interest in 2004. Major extension to the life of the business.*
- *KCM has a long presence in Zambia, making a major contribution to the life of the country.*

■ The Zambian copper mining industry

- *Zambia is in the midst of profound policy discussions in relation to the mining sector, which will affect the industry's future.*

■ The future for KCM

- *KCM is undergoing a significant transition from older, low grade and high cost assets to long life, high grade resources.*

KCM is Zambia's largest integrated copper producer



\$2.9bn of capital invested to-date, in a stable regulatory and democratic environment

Konkola Deep Mining Project



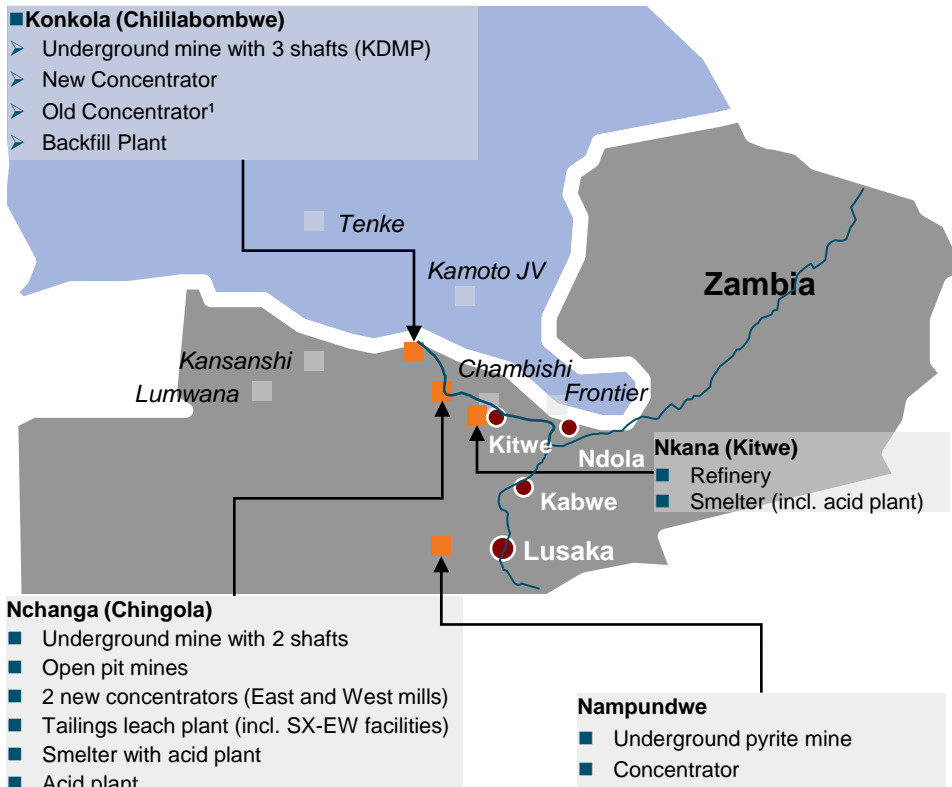
- **Konkola (Chililabombwe)**
 - Underground mine with 3 shafts (KDMP)
 - New Concentrator
 - Old Concentrator¹
 - Backfill Plant

Nchanga Open Pits



- **Nchanga (Chingola)**
 - Underground mine with 2 shafts
 - Open pit mines
 - 2 new concentrators (East and West mills)
 - Tailings leach plant (incl. SX-EW facilities)
 - Smelter with acid plant
 - Acid plant
 - Refractory ore stockpiles (CRO)

Overview of KCM Assets



- KCM Group operations
- Other operators
- Main Highway Routes in Zambia

- **Nampundwe**
 - Underground pyrite mine
 - Concentrator



The KCM journey in the last 10 years

- ❑ Largest foreign investment in Zambia - US\$ 2.9 bn
- ❑ Significant life of mine extension to 30+ years
- ❑ Currently one of the largest employer's in Zambia.
- ❑ Substantial social investment in health, education, livelihood and sports, \$150 million over 10 years.
- ❑ A major taxpayer, \$850 million contribution over 10 years.

Building a platform for the next 30+years

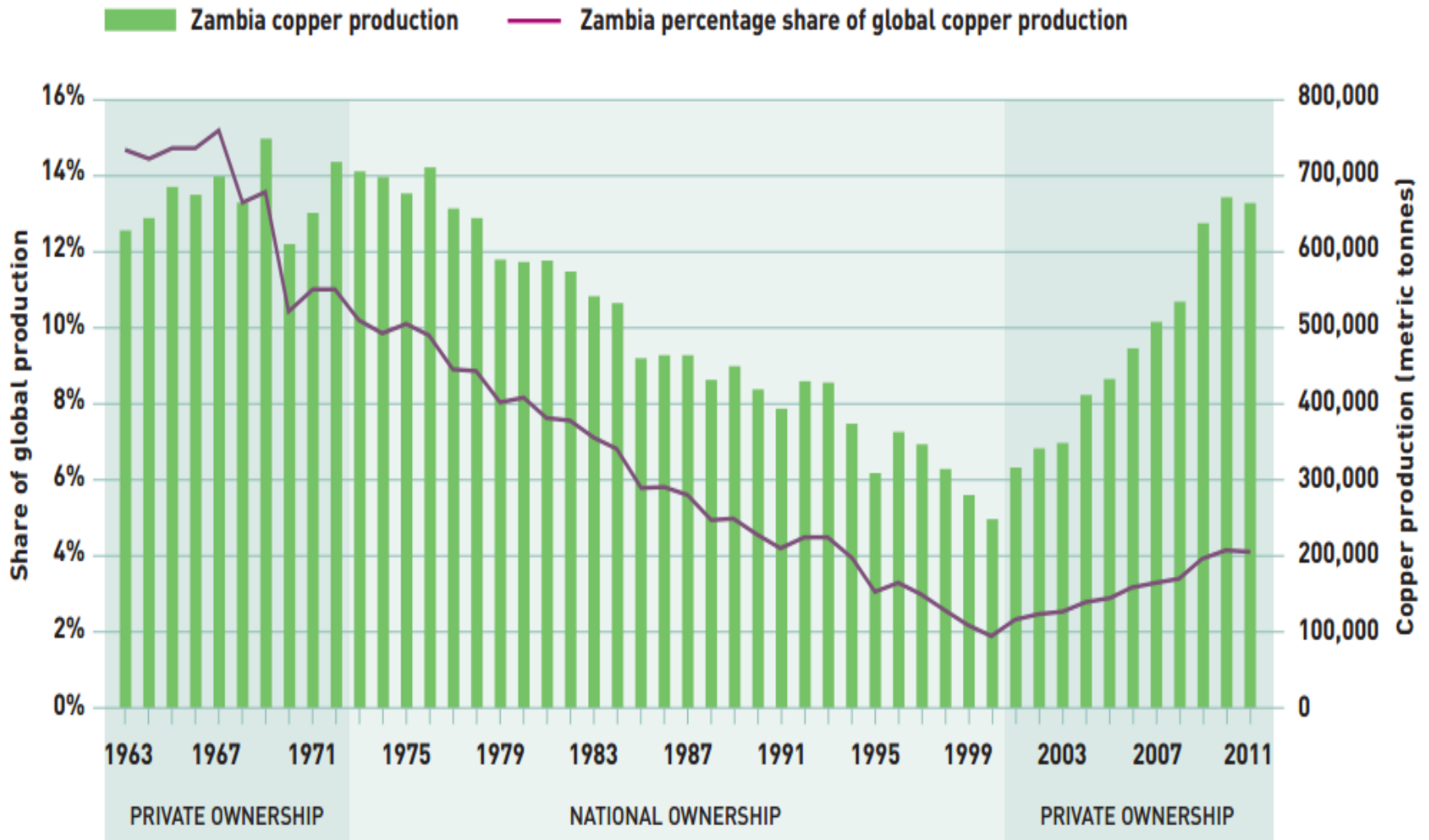
- ❑ KDMP project – from a pipe dream to a reality after \$1.1 billion – the deepest mine shaft in Zambia. Commissioned in 2012.
- ❑ Built new facilities
 - ❑ Nchanga Smelter commissioned 2008- \$466 M.
 - ❑ Nchanga Concentrators commissioned 2012 - \$112 M
 - ❑ TLP expansion commissioned 2012 - \$31 M.
 - ❑ Konkola primary development - \$425 M.





Zambian Copper Industry

Zambian copper production fell during national ownership and rose during private ownership



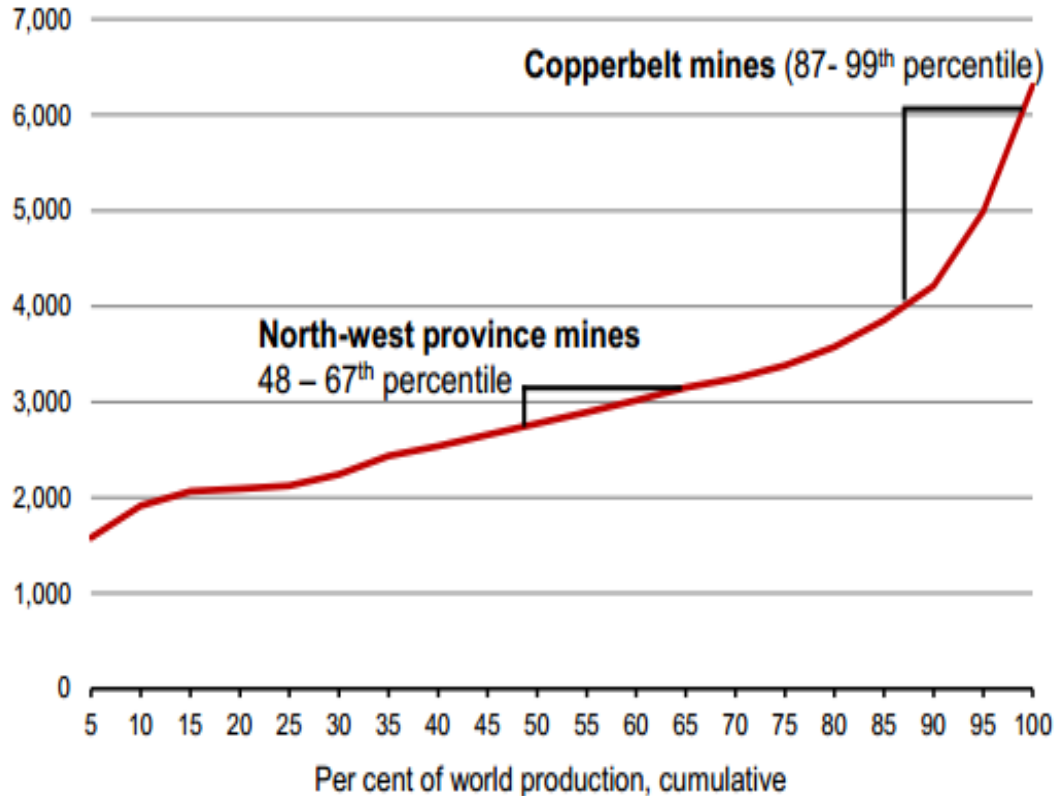
Copperbelt mines are at the top of the global cost curve



World copper industry cost curve

Cash costs

(C1, US\$/tonne)



Power - Rates have increased by ~80% since 2008

Labour - Costs have increased by over 250% in the last 8 years – 100% increase over and above cumulative high inflation

Royalties - Ten-fold increase since 2008 - ~\$70 million annualized increase

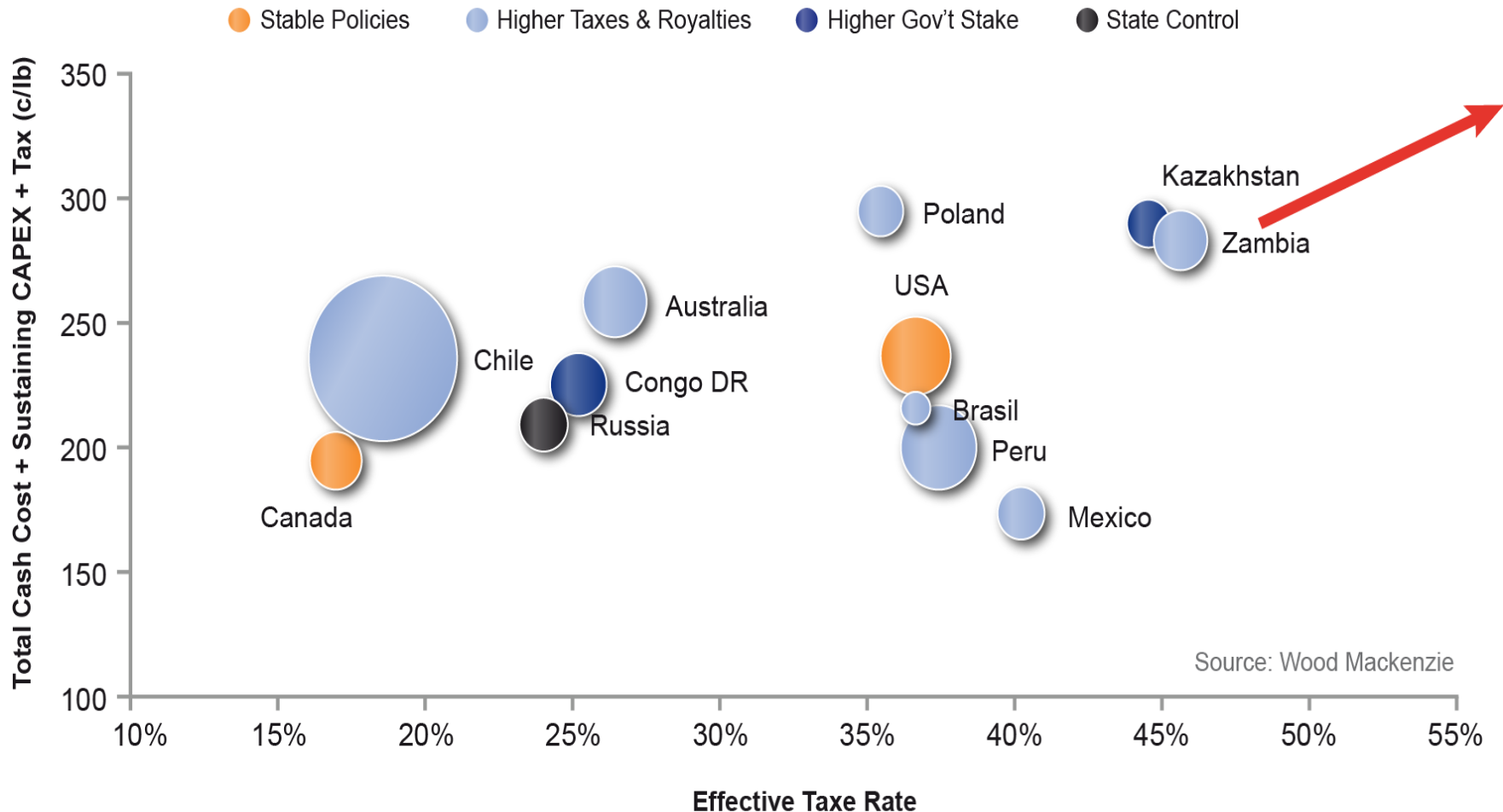
Recent Statutory Instruments - SIs on minimum wage and currency etc. have impact on costs

Input commodities - Prices of petroleum products, tyres, chemicals, explosives etc. have risen (e.g. oil prices have increased by ~200% in last 8 years)

Zambia has one of the highest tax regime in the world

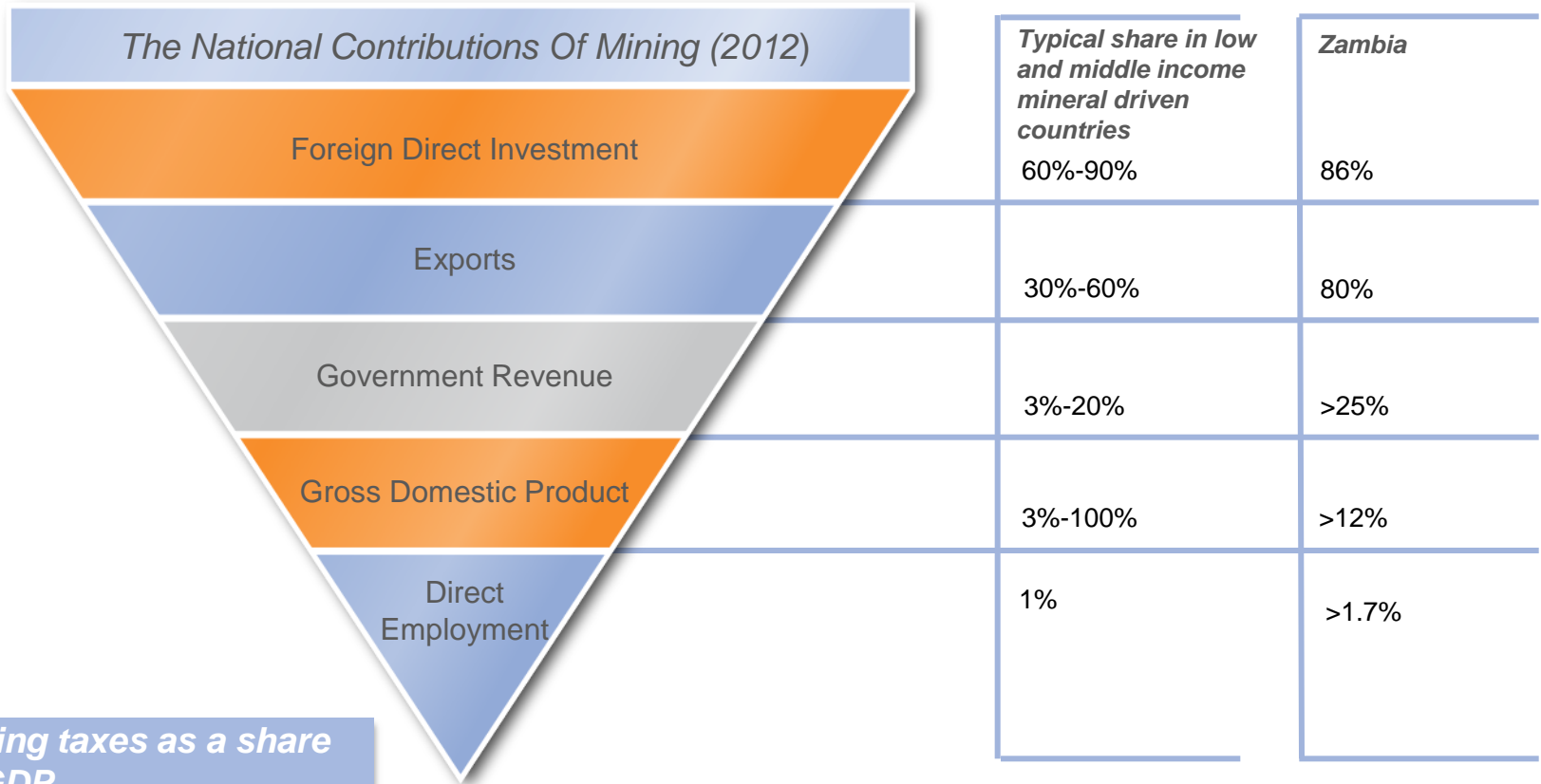


Cost competitiveness vs effective tax rate





Mining makes a major contribution to the economy



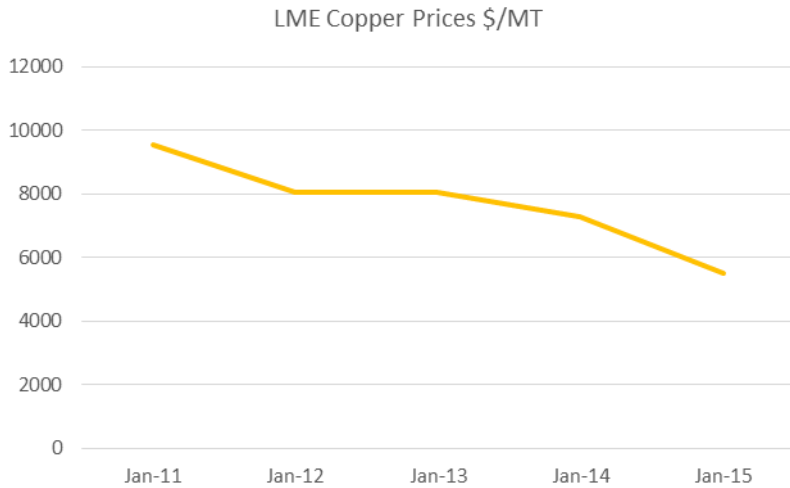
Mining taxes as a share of GDP

Year	GDP (Kw billion)	Total taxes collected (Kw billion)	Mining taxes collected (Kw billion)	Mining taxes (% GDP)	Mining taxes (% total tax)
2008	54, 839	9,670	1,541	2.81%	16%
2012	111,049	20,723	6,619	5.96%	32%

Source: ICMM

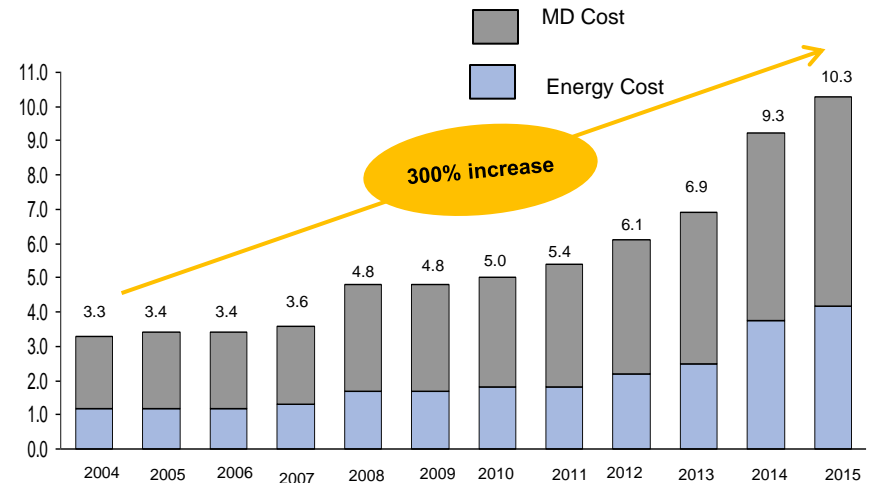
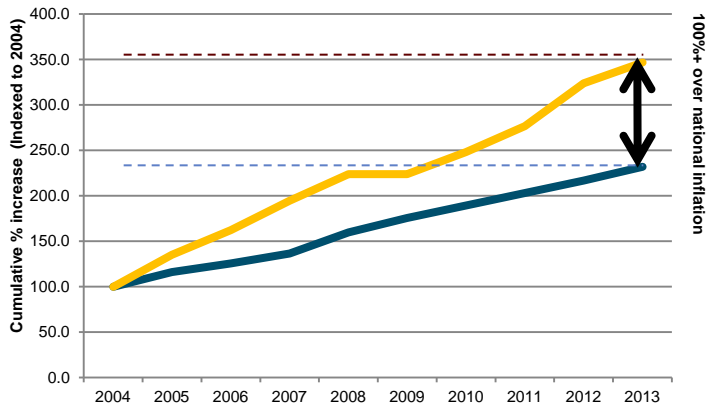


Drivers of profitability



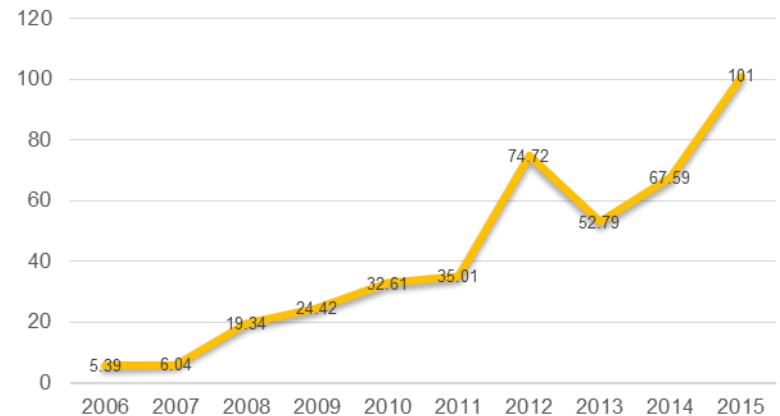
Copper price is trending down (\$9,000 to \$5,500)

Labour: costs increased by 250% in the last 8 years over and above national inflation



Power: rates have more than trebled in last 10 years

Royalty: increased x10 since 2008 - ~\$70 million annualized increase



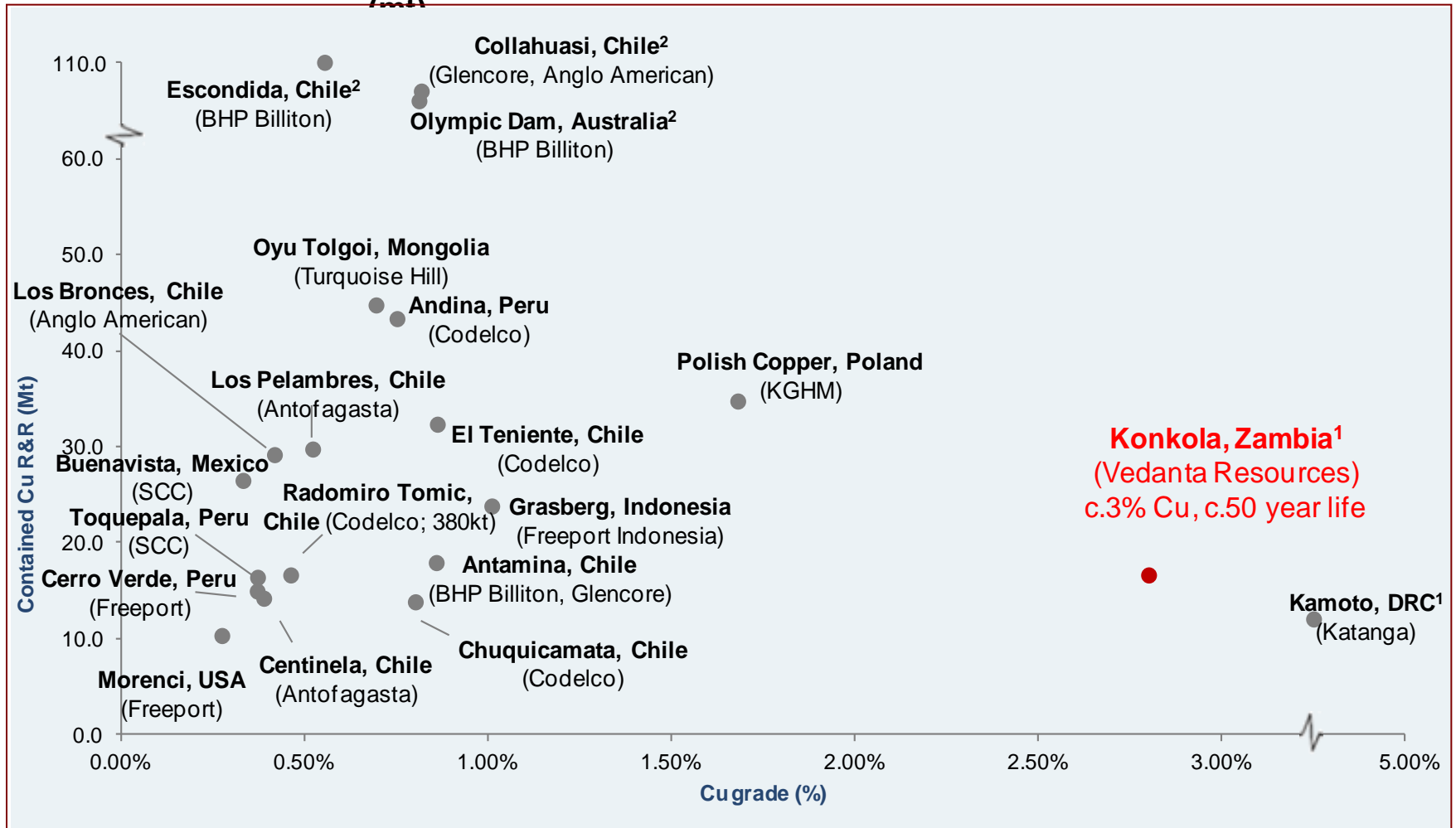


The future



Konkola is a world class copper orebody

Top 20 copper mines by contained copper





KCM is a company in transition

KDMP unlocks access to a Tier 1 asset
Existing operations at approaching the
end of their lives
Konkola Deep is a world class, high grade
deposit.





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