



Report on the Aluminum Industry Growth in Kazakhstan

-Opportunities for cooperation with ERG in the production of aluminium

29 May 2026

Eurasian Resources Group
www.eurasianresources.lu

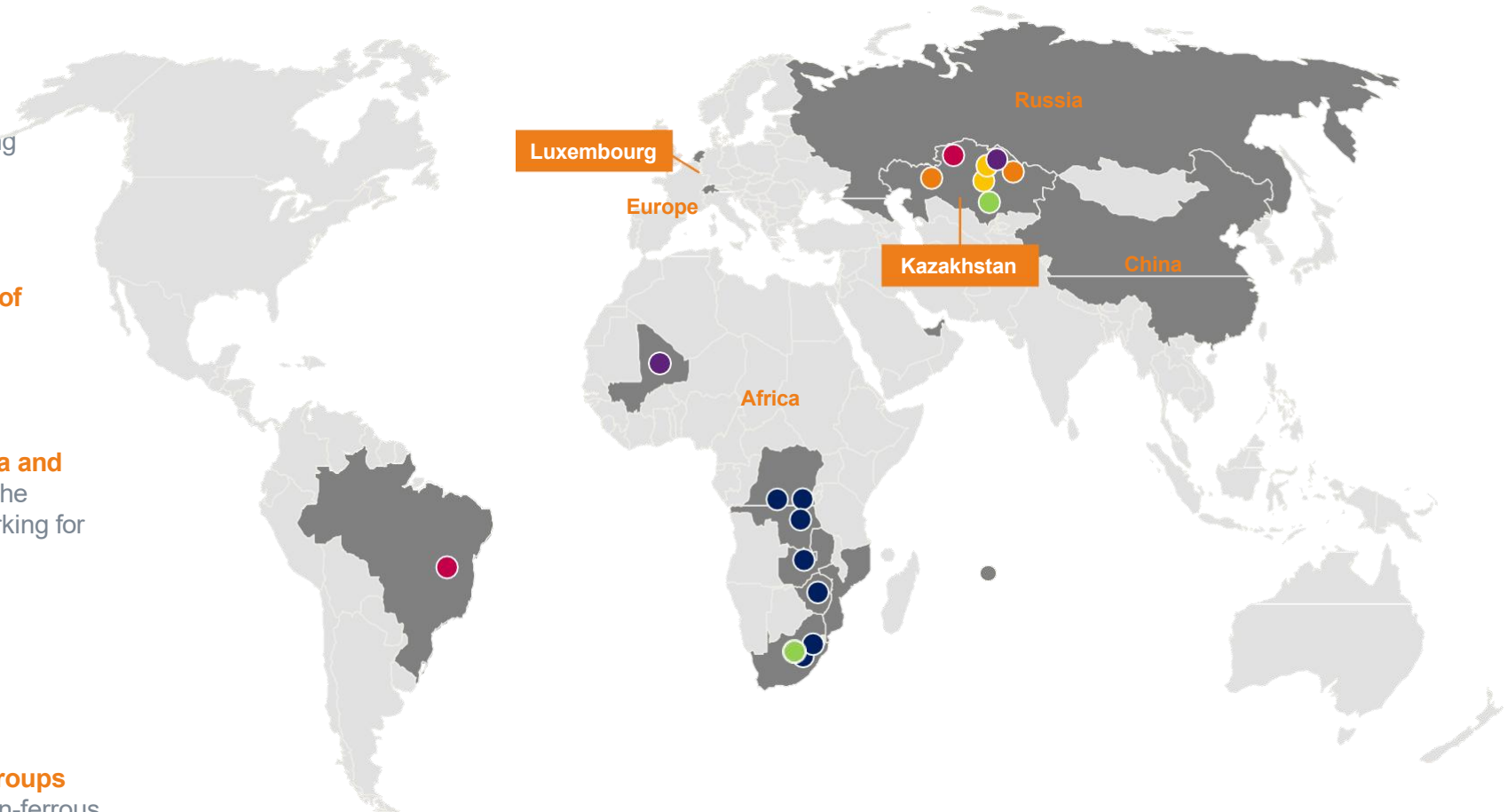
ERG Today: International Metals and Mining Major with a Diversified Product Portfolio and Fully Integrated Production Cycle



- **Eurasian Resources Group (ERG)** is a leading diversified natural resources group with integrated mining, processing, energy, logistics, and marketing operations
- **Headquartered in the Grand Duchy of Luxembourg**, ERG's main shareholder (40% stake) is the **Government of the Republic of Kazakhstan**

- Operating in **15 countries in Asia, Europe, Africa and Latin America** – one of the biggest employers in the global industry. **More than 75,000 people** are working for the Group
- **Supplying products to over 40 countries**

- **One of the most diversified mining & metals groups with a balanced product portfolio** in ferrous, non-ferrous and energy
- **Cost competitiveness:** global cost competitive industry leader of **high-carbon ferrochrome** production; enjoys its highly-competitive first-quartile position on the global **aluminium** cost curve; one of the world's most cost-efficient **copper and cobalt** producers



● Ferroalloys

● Alumina and Aluminum

● Other Non-ferrous (copper and cobalt – core business)

● Iron ore

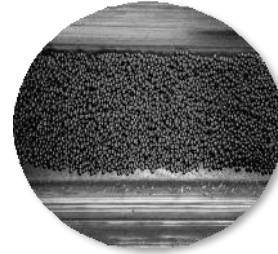
● Energy

● Logistics



Alumina and Aluminium

Aluminium of Kazakhstan,
Kazakhstan Aluminium Smelter



Iron Ore

Iron ore concentrate and pellets – SSGPO
/ Kachary, Iron ore – BAMIN



Ferroalloys

The world's largest ferrochrome
producer by chromium content



Other non-ferrous

Copper metal
Copper concentrate
Cobalt hydroxide



Energy

Coal
Electricity



Logistics

Reserves and Global Standing

- **Ranking:** Kazakhstan currently ranks **11th globally** in bauxite reserves.
- **Quantity:** Total proven reserves are estimated at approximately **160 million tons**.
- **Ore Quality:** The ores are primarily **karst-type bauxites**. Major deposits, such as those in the **Krasnooktyabrsky** unit, often feature a lower silica ratio ($\text{Al}_2\text{O}_3 / \text{SiO}_2$ of approximately 3.5–4), requiring specialized processing like the **Bayer-Sintering** method.



Geographical Distribution

- **Kostanay Region (Turgay Bauxite Basin):** This is the country's primary bauxite hub, containing roughly **90-97%** of national reserves.
- **Aktobe Region:** Houses smaller but notable deposits, representing about **2-2.6%** of the national total. Key sites include the **Mugodzharsky** district and the **Shelektinskoye** deposit near Nikel-Tau.

Production and Industry Players

- **Output:** Kazakhstan is the **8th to 10th largest producer** of bauxite worldwide, with an annual production of approximately **4.3 to 5.2 million tons**.
- **Key Operator:** **Aluminium of Kazakhstan** (part of the **Eurasian Resources Group (ERG)**) is the dominant player, managing the full cycle from mining in Kostanay to alumina refining and aluminum smelting in Pavlodar.

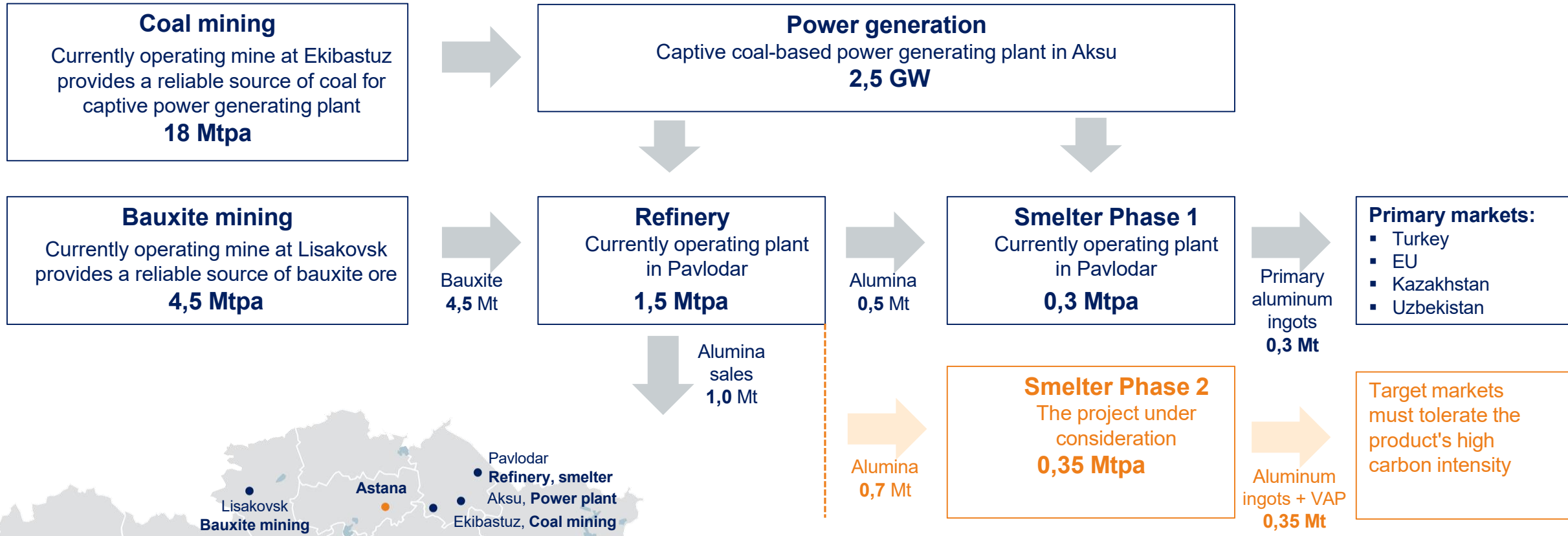
ERG aluminium business is represented by two enterprises:



Astana International Exchange listing

<p>Aluminium of Kazakhstan JSC (AoK)</p> <p>a) Bauxite is mined at a rate of 4.5–5.3 wMTPA and is refined internally.</p> <p>b) Alumina production in the range of 1.3–1.6 MTPA, with bauxite consumption of about 2.5 t/t alumina. Approximately 0.8–1.0 MTPA of alumina are sold on the market, and about 0.5 MTPA are supplied to KAS.</p>	<p>Ticket: ALMNMKZ</p> <p>Profile: https://aix.kz/issuers/aluminium-of-kazakhstan-jsc-almnmkz/</p> <p>Annual report 2022: https://k4txdyb.onk2.com/Runtime/Runtime/Form/MRA.Disclosure+Document+Display+Form?documentid=0655a364-30fa-4a17-b62e-9bde85b14f4b</p>
<p>Kazakhstan Aluminium Smelter JSC (KAS)</p> <p>a) The aluminum production capacity is up to 270 KTPA, while the alumina consumption is 1.9 t/t.</p> <p>b) Project KAS-2 involves expanding the smelter by 350-500 KTPA and increasing internal alumina consumption to 1,5 MTPA.</p>	<p>Ticket: KAS</p> <p>Profile: https://aix.kz/issuers/kazakhstan-aluminium-smelter-jsc-kas/</p> <p>Annual report 2022: https://k4txdyb.onk2.com/Runtime/Runtime/Form/MRA.Disclosure+Document+Display+Form?documentid=c395b240-9896-453e-8d7c-1b8b5d6c2d21</p>

ERG aluminum division is vertically integrated and fully secured by own sources of alumina and cheap coal-based energy



The excess capacity of alumina and energy provides the opportunity to expand smelting capabilities

ERG bauxite reserves

Deposit	Reserves, mln t	Al ₂ O ₃	SiO ₂	Fe ₂ O ₃	CO ₂	S	Al ₂ O ₃ / SiO ₂ ratio
Krasnoktyabrskoe	70	43,4	12,1	19,36	2,88		3,6
Vostochno-Ayatskoe	37	44,1	8,8	21,10	1,11	0,06	5,0
Ayatskoe	1	44,5	8,4	21,31	0,78		5,3
Total	108						

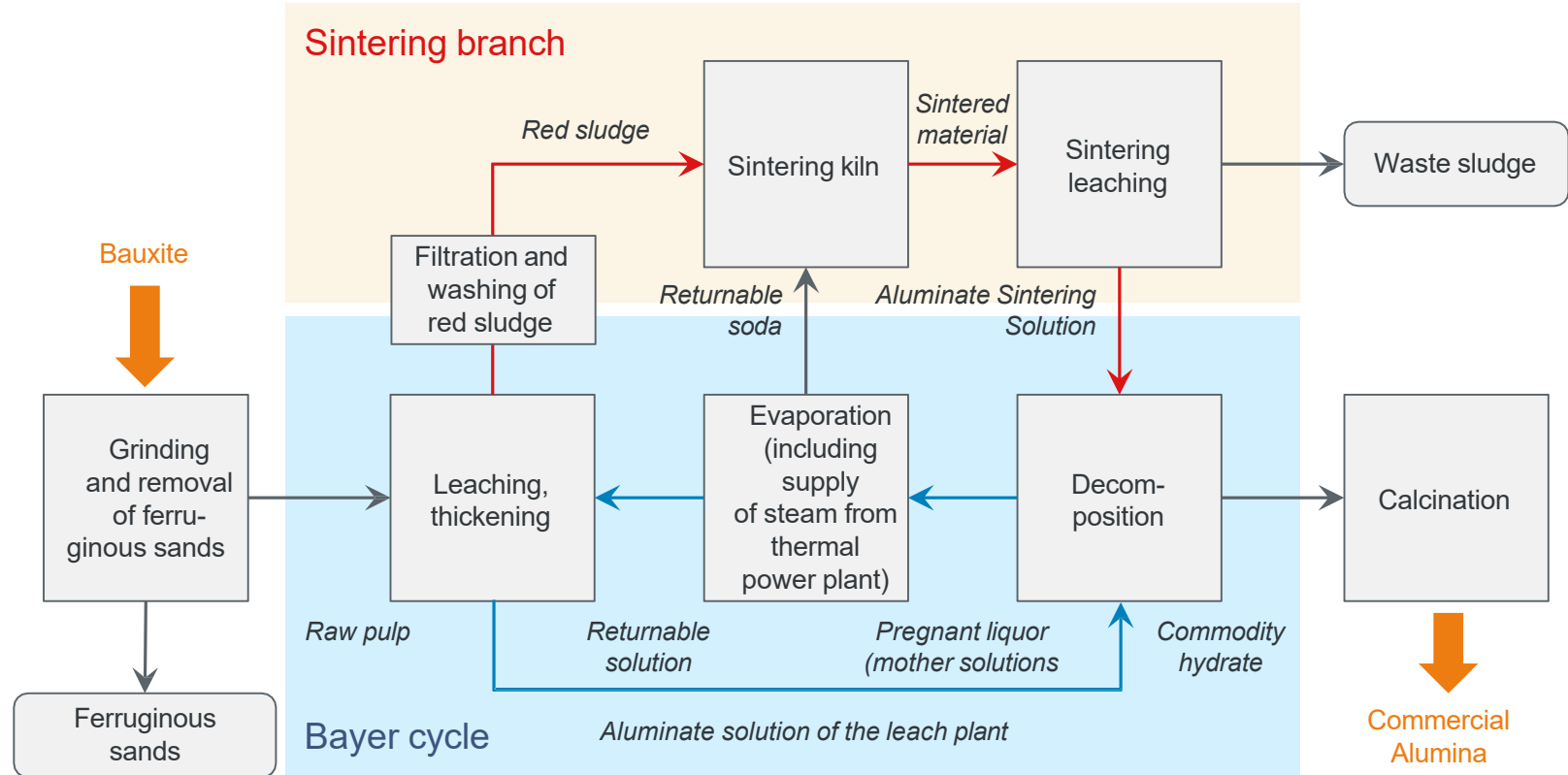
Bauxite resources AI are estimated at 115 Mt

- Bauxite deposits will last up to 2047
- Current short list of exploration targets indicate additional potential of 150 mln t bauxite resources
- ERG owns a limestone deposit, which supplies the alumina refinery

Alumina production is located in Pavlodar and carried out in a sequential version of the combined Bayer-Sintering process.

The alumina refinery is supplied with electricity and steam from the adjacent thermal power plant (CHP), which is part of the refinery.

The refinery has a capacity up to 1,6 MTPA. Keeping CAPEX budgeted annually ensures proper equipment maintenance and prolonged residual plant life.

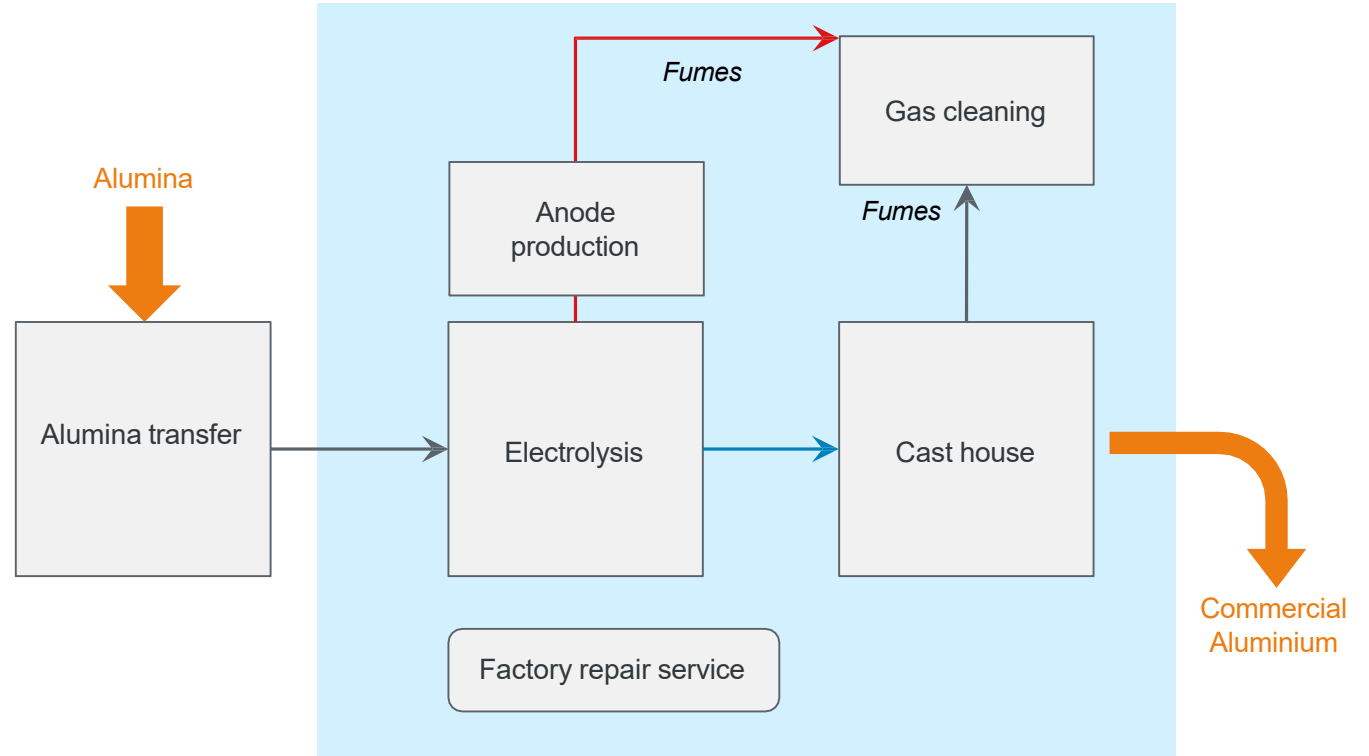


Aluminium smelter is located in Pavlodar, 13 km from the Alumina refinery.

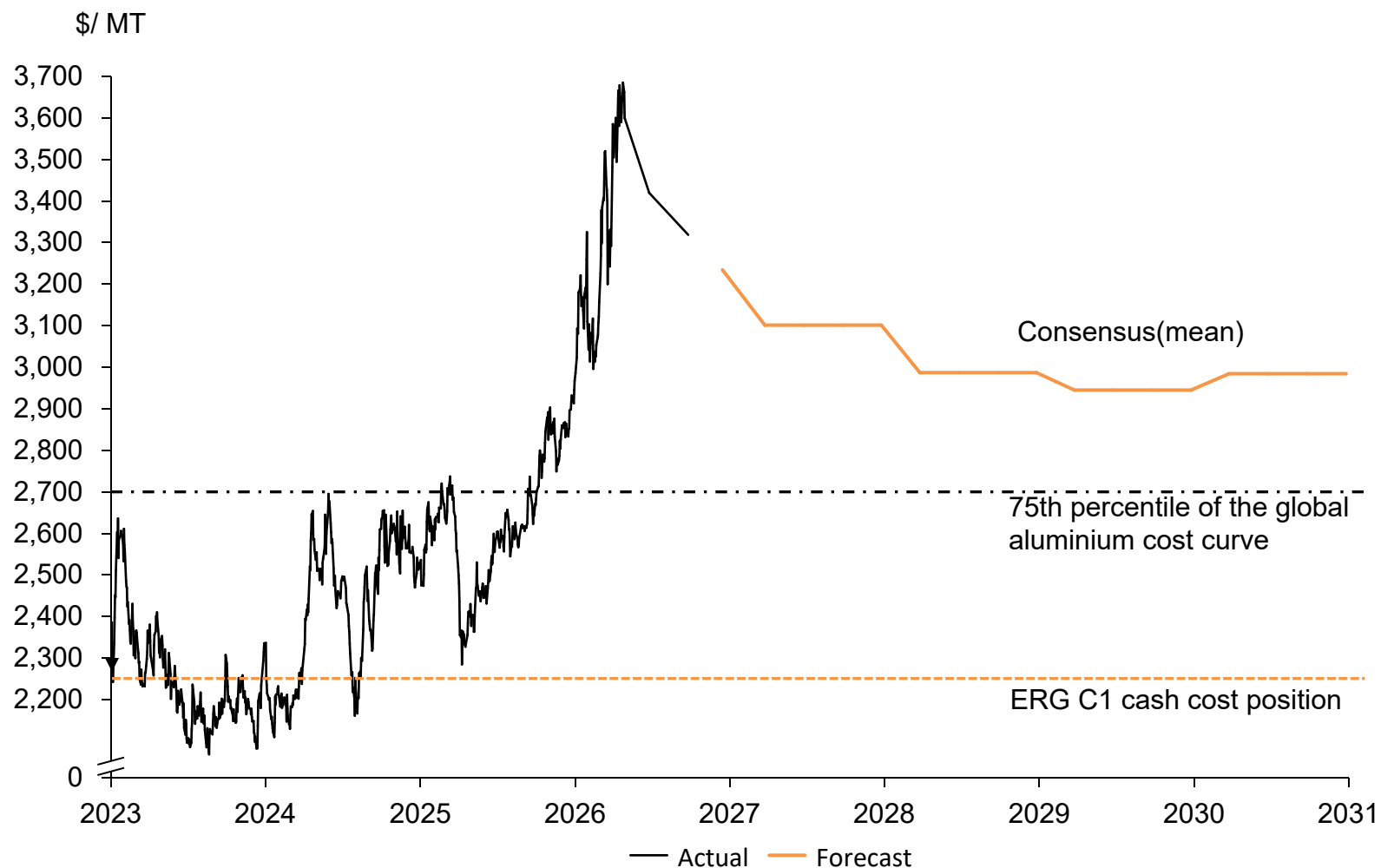
ERG Group owns and operates the power plant (JSC EEC), which supplies electricity to the aluminium smelter.

A 500 kV transmission line is also part of the ERG. Power sourcing is captive for the ERG Group, but not for the aluminium smelter.

The aluminum production capacity is up to 270 KTPA.



Global Aluminium market: Structural Upcycle with Strong Profitability Support



- Global aluminium is entering a structurally supportive cycle driven by capped Chinese supply and accelerating energy-transition demand.
- The global aluminium cost curve continues to shift upward amid higher power, carbon, and raw material costs
- Aluminium prices are expected to remain structurally supported near the USD 3,000/t level over the long term.
- Kazakhstan aluminium production remains positioned in the lower half of the global cost curve, benefiting from integrated alumina supply and competitive power costs
- Kazakhstan smelting projects are expected to deliver strong margins and attractive returns in a structurally supportive aluminium price environment.

Supportive aluminium fundamentals, rising cost support, and Kazakhstan's low-cost advantage position the project to deliver sustained high margins and attractive long-term returns.