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Polymetal International plc

Ore Reserves increase at Kutyn

Polymetal is pleased to announce a twofold increase in Ore Reserves at the Kutyn gold project to 0.8 Moz of gold in accordance with the JORC Code (2012).

- The updated JORC-compliant open-pit Ore Reserves estimate as at 1 October 2019 comprises 8.4 Mt of ore with an average grade of 3.0 g/t containing 812 Koz of gold. This represents a 110% increase in gold contained in comparison with the previous reserve estimate prepared in 2015¹.
- The growth of reserves is attributable to the updated geological model based on 32.3 km of drilling (440 diamond drill holes) and 180 thousand m³ of trenching conducted in 2017-2019.
- The reserves represent only oxidised material suitable for heap leaching (average recovery based on extensive geometallurgical work is 70.7%). Life-of-mine stripping ratio is 8.1 t/t.
- The reserve assessment is based on a 1.3 Mt per year heap leach facility. The flowsheet envisions two-stage crushing to -40 mm, stacking by truck and the Merrill-Crowe process to recover gold. Annual average production is estimated to be approximately 80 Koz of gold.
- Mineral Resources of Kutyn (additional to Ore Reserves) amount to 6.6 Mt of ore for open-pit and underground mining with an average grade of 3.7 g/t representing 785 Koz of gold contained.
- 2020 work plan at Kutyn includes 13 km of exploration drilling to continue resource-to-reserve conversion as well as the commencement of statutory permitting and the establishment of a permanent access road from the sea access point.

“The new reserve estimate significantly enhances the value of Kutyn for a potential acquirer or partner”, said Vitaly Nesis, Group CEO of Polymetal. “We continue to evaluate various strategic options and plan to announce a transaction in 2H 2020”.

Ore Reserves (Proved + Probable) changes

Category	01.01.2015	01.10.2019	Change, %
Tonnage, Mt	3.7	8.4	+130%
Au grade, g/t	3.3	3.0	-9%
Au content, Koz	386	812	+110%

¹ The previous Kutyn Ore Reserves and Mineral Reserves estimate was prepared as at 01 January 2015. The Ore Reserves and Mineral Resources audit was completed by Snowden Mining Industry Consultants for the open pit and the audit of Mineral Resources completed by CSA Global Pty Ltd (“CSA Global”) for the underground.

ORE RESERVE AND MINERAL RESOURCE STATEMENT²**Kutyn Open Pit Ore Reserves**

Ore Reserves	Tonnage, Mt	Gold grade, g/t	Gold content, Koz
Proved	1.9	3.5	211
Probable	6.5	2.9	601
Total Proved+Probable	8.4	3.0	812

Kutyn Mineral Resources

Mineral Resources	Tonnage, Mt	Gold grade, g/t	Gold content, Koz
Measured			
Open-pit	0.0	4.5	1
Underground	0.6	4.3	76
Total Measured	0.6	4.3	77
Indicated			
Open-pit	1.0	3.2	102
Underground	2.0	4.5	295
Total Indicated	3.0	4.1	396
Measured + Indicated			
Open-pit	1.0	3.2	103
Underground	2.6	4.5	370
Total Measured + Indicated	3.6	4.1	473
Inferred			
Open-pit	2.5	2.9	228
Underground	0.6	4.3	84
Total Inferred	3.1	3.2	312
Measured + Indicated + Inferred			
Open-pit	3.5	3.0	330
Underground	3.2	4.4	454
Total Indicated + Inferred	6.6	3.7	785

Note: Mineral Resources are additional to Ore Reserves. Discrepancies in calculations are due to rounding.

² The Ore Reserves and Mineral Resources estimate is reported in accordance with the JORC Code (2012) as at 1 October 2019 using a gold price of US\$ 1,300/oz and was prepared by Polymetal. The cut-off grade is 0.5 g/t recoverable gold (by heap leach). The general cut-off grade at the real recovery rates for the entire Kutyn project was not calculated. The pits were optimised on the basis of total value for each of the blocks generated.

ABOUT KUTYN

Kutyn deposit is located in the Khabarovsk Territory, Far East Russia, 114 km north-west of the Albazino mine operated by Polymetal and 10 km from the Sea of Okhotsk. The license area covers 120 square kilometres. The Kutyn site can be accessed using a winter road and by sea through the deep-water Gulf of Ulban from July through October.

Polymetal acquired the deposit in 2011. During the extensive exploration campaign from 2012 through 2014, the Company completed a total of 31.8 km drilling and 245 thousand m³ of trenching with the focus on near-surface heap leachable mineralisation including the extensions of known ore bodies. In September 2014, following the acquisition of the Kyzyl project, Polymetal announced the decision to postpone development of the Kutyn project and suspended further exploration activities. The asset was marked for sale/JV due to relatively small size in terms of the Company's target portfolio and focus on Kyzyl and other larger projects. The exploration campaign was recommenced in 2017.

To date, 10 zones of mineralisation have been identified extending for up to 2 km along strike. The zones of mineralisation are represented by several subparallel lenses with the average ore body thickness of 4 m.

COMPETENT PERSONS

This estimate was prepared by employees of JSC Polymetal Management Company, Khabarovsk Branch of JSC Polymetal Management Company and JSC Polymetal Engineering, led by Mr. Vladimir Makhinya.

Mr. Makhinya is employed full-time as the Deputy Director for Mineral Resources, Khabarovsk Branch of Polymetal Management Company, and has more than 30 years' experience in gold, silver and polymetallic mining. Being a Member of the Institute of Materials, Minerals & Mining (MIMMM), London, he is a Competent Person under the JORC Code.

Listed below are other Competent Persons employed by the Company and its subsidiaries that are responsible for relevant research on which the Mineral Resources and Ore Reserves estimate is based:

- Mining and Ore Reserves: Open Pit – Anton Ignatov, Chief Specialist for Open-pit Mining, Technical Department, Polymetal Management Company, MIMMM, with 17 years' relevant experience;*
- Concentration and Metals – Andrey Galyutin, Chief Metallurgist, Khabarovsk Branch of Polymetal Management Company, MIMMM, with 20 years' relevant experience.*

All the above-mentioned Competent Persons have sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code).

All Competent Persons have given their consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

About Polymetal

Polymetal International (LSE, MOEX: POLY, ADR: AUCOY) (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is a top-20 global gold producer and a top-5 global silver producer with assets in Russia and Kazakhstan. The Company combines strong growth with a robust dividend yield.

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