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**Date** 27 January 2022

LSE, MOEX, AIX: POLY / ADR: AUCOY

## Polymetal International plc

### Q4 2021 production results

#### Polymetal reports solid production results for the fourth quarter of 2021.

*“In 2021, we continued to deliver on our promises despite persistent challenges. Polymetal beat production guidance, maintained solid safety track record, and paid record dividends. The successful ramp-up of Nezhda and steady progress on POX-2 paved the way for the approval of Veduga and ensured the Company remains on its path to consistent and significant long-term growth”, said Vitaly Nesis, Group CEO of Polymetal. “2022 should see another step-up in Polymetal’s output at competitive costs”.*

#### HIGHLIGHTS

- No fatal accidents among the Group’s employees occurred in 2021 (nor any in 2020). As reported earlier, a contract driller lost his life in July at Saum, part of the Voro hub (no fatalities among contractors in 2020). Lost time injury frequency rate (LTIFR) among the Group’s employees was stable at 0.12. Days lost due to work-related injuries (DIS) for the full year decreased by 10% y-o-y to 1,516.
- The Company’s FY2021 gold equivalent (“GE”) production amounted to 1,677 Koz<sup>1</sup>, a 2% increase y-o-y and 5% above the original production guidance of 1.6 Moz. Q4 GE output grew by 24% y-o-y driven by concentrate stockpile release at Kyzyl, high grades at Dukat and first production from Nezhda.
- Nezhda smoothly ramped up to full design throughput and recovery within three months of first concentrate production, a testament to high quality of in-house engineering and construction. Consequently, the Board approved US\$ 471 million investment in the 4 Moz Veduga project which will produce 200 Koz of gold per year on average over 21-year mine-life. Construction will commence in Q3 2022, with start of production scheduled for Q2 2025.
- Revenue in 2021 was stable y-o-y at US\$ 2.9 billion, while Q4 revenue was down 6% y-o-y to US\$ 0.8 billion on the back of lower commodity prices. The lag between silver production and sales originating from very strong December production at Dukat will be closed in H1 2022.
- The Company expects full-year Total Cash Costs (“TCC”) to be within the original guidance of US\$ 700-750/GE oz. CAPEX for the full year is expected to be approximately 5% above the upper end of the previous guidance range of US\$ 675-725 million. All-in Sustaining Cash Costs (“AISC”) are also expected to be c. 5% above the upper end of the guidance range of US\$ 925-975/GE.
- In Q4, Polymetal generated exceptionally strong free cash flows with Net Debt falling to US\$ 1.65 billion by the end of 2021, Net Debt/EBITDA is expected to be approximately at 1.1x. For the full year, Net Debt increased by US\$ 296 million. The Company paid US\$ 632 million in dividends in 2021.
- In 2021, Polymetal received further external recognition of its ESG efforts with improved ratings and scores by MSCI ESG Ratings, Sustainalytics, Vigeo Eiris, ISS ESG Corporate Rating. The Company announced a target to cut GHG emission intensity by 30% by 2030 and is developing the plan to achieve carbon neutrality (to be announced in Q4 2022).
- After a slowdown in Q4, Russia and Kazakhstan encountered a rise in C-19 infection rate at the beginning of 2022. Among Polymetal employees, the number of active cases presently stands at approximately 130 with three people hospitalized. The Company re-introduced remote work for some off-site personnel. Operations and projects continue undisrupted.

<sup>1</sup> Based on 80:1 Au/Ag conversion ratio and excluding base metals. Comparative data for 2020 and guidance for 2021 restated accordingly (120:1 Au/Ag conversion ratio was used previously).

## 2022 OUTLOOK

- The Company reiterates its current production guidance of 1.7 Moz of GE for FY2022 and 1.75 Moz of GE for FY2023. Operations in Kazakhstan have not been affected by recent events.
- TCC in 2022 is expected to be in the range of US\$ 850-900/GE oz (approximately 20% increase versus 2021). The y-o-y TCC dynamics will be driven by:
  - A significant increase in CPI in Russia and Kazakhstan (to approximately 8.5%) driving wage and salary increases;
  - Commodity-driven inflation including diesel fuel, gas (with impact on explosives and cyanide), and steel prices;
  - A manifold increase in both bulk and container sea freight rates.
- Capital expenditures in 2022 are expected to be approximately US\$ 700 million. The US\$ 90 million increase compared to the previous guidance is driven by:
  - Advance payments for electrical excavators and mining trucks for Veduga and other projects in anticipation of increasing lead times for such equipment;
  - Accelerated construction of Kutyn and Urals flotation projects with the goal to bring forward commissioning and first production by 3-6 months compared with original plan (H2 2022 in both cases);
  - Decarbonization of on-site power supply infrastructure following the agreement for 3<sup>rd</sup>-party investment in the grid line to Albazino.
- As a result, AISC in 2022 is expected to average US\$ 1,100-1,200/GE oz.

## OPERATING HIGHLIGHTS

	3 months ended Dec 31,		% change <sup>1</sup>	12 months ended Dec 31,		% change <sup>1</sup>
	2021	2020		2021	2020	
Waste mined, Mt	53.9	44.0	+23%	205.9	166.8	+23%
Underground development, km	25.0	22.6	+11%	95.5	90.0	+6%
Ore mined, Mt	4.1	3.4	+20%	15.6	15.4	+2%
Open-pit	3.0	2.4	+28%	11.7	11.2	+4%
Underground	1.1	1.0	+0%	4.0	4.2	-5%
Ore processed, Mt	4.1	3.7	+12%	15.8	15.4	+2%
Average GE grade processed, g/t	4.0	4.1	-3%	3.8	4.1	-8%
Production						
Gold, Koz	385	322	+20%	1,422	1,402	+1%
Silver, Moz	6.5	4.4	+48%	20.4	18.8	+8%
Gold equivalent, Koz <sup>2</sup>	467	377	+24%	1,677	1,637	+2%
Sales						
Gold, Koz	384	386	-1%	1,386	1,392	-0%
Silver, Moz	4.9	5.2	-7%	17.5	19.3	-10%
Revenue, US\$m <sup>3</sup>	798	846	-6%	2,890	2,865	+1%
Net debt, US\$m <sup>4</sup>	1,647	1,897	-13%	1,647	1,351	+22%
LTIFR (Employees) <sup>5</sup>	0.16	0.16	-	0.12	0.12	-
DIS (Employees) <sup>6</sup>				1,516	1,679	-10%
Fatalities	0	0	NA	1	0	NM
Employees	0	0	NA	0	0	NM
Contractors	0	0	NA	1	0	NM
Average headcount				13,268	12,065	+10%

Notes: (1) % changes can be different from zero even when absolute numbers are unchanged because of rounding. Likewise, % changes can be equal to zero when absolute numbers differ due to the same reason. This note applies to all tables in this release.

(2) Based on 80:1 Au/Ag conversion ratio and excluding base metals. Comparative data for 2020 restated accordingly (120:1 Au/Ag conversion ratio was used previously).

(3) Calculated based on the unaudited consolidated management accounts.

(4) Non-IFRS measure based on unaudited consolidated management accounts. Comparative information is presented for 30 September 2021 (for the three months period) and 31 December 2020 (for the twelve months period).

(5) LTIFR = lost time injury frequency rate per 200,000 hours worked.

(6) DIS – days lost due to work-related injuries.

## PRODUCTION BY MINE

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b><u>GOLD EQ. (KOZ)</u><sup>1</sup></b>						
Kyzyl	85	67	+26%	360	382	-6%
Dukat	96	66	+46%	291	275	+6%
Albazino	59	56	+5%	249	261	-5%
Omolon	55	58	-4%	217	213	+2%
Varvara	40	28	+42%	198	159	+24%
Mayskoye	54	61	-11%	139	139	+0%
Svetloye	26	28	-10%	109	120	-9%
Voro	30	12	+153%	93	89	+5%
Nezhda	21	-	NA	21	-	NA
<b>TOTAL</b>	<b>467</b>	<b>377</b>	<b>+24%</b>	<b>1,677</b>	<b>1,637</b>	<b>+2%</b>

Notes: (1) Based on 80:1 Au/Ag conversion ratio and excluding base metals. Comparative data for 2020 restated accordingly 120:1 Au/Ag conversion ratio was used).

## CONFERENCE CALL AND WEBCAST

The Company will hold a conference call and webcast on Thursday, 27 January 2022 at 11:00 London time (14:00 Moscow time).

To participate in the call, please dial:

**From the UK:**

+44 203 984 9844 (local access)

+44 800 011 9129 (toll free)

**From the US:**

+1 718 866 4614 (local access)

+1 888 686 3653 (toll free)

**From Russia:**

+7 495 283 9858 (local access)

To participate from other countries, please dial any of the local access numbers listed above.

**Conference code:** 785872

To participate in the webcast follow the link: <https://mm.closir.com/slides?id=785872>.

Please be prepared to introduce yourself to the moderator or register.

A recording of the call will be available at the same numbers and webcast link listed above within an hour after the call and until 3 February 2022.

### About Polymetal

Polymetal International plc (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is a top-10 global gold and silver producer with assets in Russia and Kazakhstan. The Company combines strong growth with a robust dividend yield.

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### **Forward-looking statements**

This release may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements speak only as at the date of this release. These forward-looking statements can be identified by the use of forward-looking terminology, including the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “should” or similar expressions or, in each case their negative or other variations or by discussion of strategies, plans, objectives, goals, future events or intentions. These forward-looking statements all include matters that are not historical facts. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the company’s control that could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company’s present and future business strategies and the environment in which the company will operate in the future. Forward-looking statements are not guarantees of future performance. There are many factors that could cause the company’s actual results, performance or achievements to differ materially from those expressed in such forward-looking statements. The company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

## KYZYL

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b><u>MINING</u></b>						
Waste mined, Mt	21.0	19.7	+6%	83.0	77.7	+7%
Ore mined (open-pit), Kt	505	486	+4%	2,177	2,041	+7%
Gold grade, g/t				6.2	7.2	-14%
<b><u>PROCESSING</u></b>						
Ore processed, Kt	517	488	+6%	2,200	2,004	+10%
Gold grade, g/t	6.3	7.8	-19%	6.2	7.9	-22%
Gold recovery	87.3%	88.6%	-2%	88.6%	88.0%	+1%
Concentrate produced, Kt	30.0	40.5	-26%	128.1	150.6	-15%
Concentrate gold grade, g/t	94.2	83.4	+13%	94.2	92.9	+1%
Gold in concentrate, Koz <sup>1</sup>	91	108	-16%	388	450	-14%
Concentrate shipped, Kt	25.8	15.9	+62%	83.9	84.3	-0%
Payable gold shipped, Koz	50	28	+80%	156	160	-2%
<b><u>Amursk POX</u></b>						
Concentrate processed, Kt	11	10	+12%	55	53	+3%
Gold grade, g/t	132.7	136.8	-3%	133.6	142.6	-6%
Gold recovery	93.0%	91.7%	+1%	92.3%	92.0%	+0%
Gold produced, Koz	34	39	-13%	204	222	-8%
<b><u>TOTAL PRODUCTION</u></b>						
Gold, Koz	85	67	+26%	360	382	-6%

Note: (1) For information only; not considered as gold produced and therefore not reflected in the table representing total production. It will be included in total production upon shipment to off-taker or dore production at Amursk POX.

(2) To be further processed at Amursk POX.

In Q4, gold production at Kyzyl grew by 26% y-o-y to 85 Koz after the Company managed to eliminate the gap and ship the concentrate stockpiled in the previous quarters due to disruptions at the railway border-crossing point. The sales/production gap was closed.

The full-year production was impacted by the planned grade decline towards the reserve average partially offset by an increase in throughput to 2.2 Mtpa. As a result, gold production for 2021 stood at 360 Koz, a decrease of 6% year-on-year.

Recoveries and concentrate quality remained stable despite grade decline. Kyzyl concentrate quality is sufficiently high to avoid the recently imposed import restrictions in China.

## DUKAT OPERATIONS

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b>MINING</b>						
Waste mined, Mt	0.9	-	NA	2.8	-	NA
Underground development, km	11.0	10.9	+1%	44.7	43.6	+2%
Ore mined, Kt	701	530	+32%	2,615	2,228	+17%
Open-pit	115	-	NA	431	-	NA
Underground	586	530	+11%	2,184	2,228	-2%
Grade						
Gold, g/t				0.8	0.2	+349%
Silver, g/t				266	242	+10%
<b>PROCESSING</b>						
<b>Omsukchan concentrator</b>						
Ore processed, Kt	518	499	+4%	2,055	2,001	+3%
Grade						
Gold, g/t	0.8	0.6	+36%	0.6	0.5	+4%
Silver, g/t	335	245	+37%	266	266	+0%
Recovery <sup>1</sup>						
Gold	86.0%	85.3%	+1%	85.3%	84.9%	+0%
Silver	85.4%	85.6%	-0%	86.0%	86.4%	-0%
Production						
Gold, Koz	11	8	+43%	31	29	+8%
Silver, Moz	4.6	3.2	+42%	14.7	14.4	+2%
<b>Lunnoye plant</b>						
Ore processed, Kt	119	118	+1%	477	466	+2%
Grade						
Gold, g/t	1.7	1.5	+11%	1.6	1.4	+14%
Silver, g/t	248	278	-11%	239	273	-12%
Recovery <sup>1</sup>						
Gold	87.4%	90.8%	-4%	89.7%	90.4%	-1%
Silver	92.6%	93.1%	-1%	93.1%	92.6%	+1%
Production						
Gold, Koz	6	5	+8%	22	19	+16%
Silver, Moz	0.9	1.0	-11%	3.4	3.7	-10%
<b>Primorskoye DSO</b>						
Ore shipped, Kt	5.9	-	NA	5.9	-	NA
Payable gold contained, Koz	2	-	NA	2	-	NA
Payable silver contained, Moz	0.7	-	NA	0.7	-	NA
<b>TOTAL PRODUCTION</b>						
Gold, Koz	19	13	+48%	56	48	+16%
Silver, Moz	6.2	4.2	+46%	18.8	18.2	+3%

Notes: (1) Technological recovery, includes gold and silver within work-in-progress inventory.

At Dukat, Q4 production jumped by nearly half as grades increased both underground (due to mining high-grade narrow veins) and open pit (better grade control and highly selective mining).

Primorskoye delivered its first batches of high-grade direct-shipment ore (DSO) to several customers across the world. DSO shipments are expected to more than compensate for planned grade decline at Dukat in 2022.

Engineering and procurement for the transition of the Omsukchan concentrator to dry-stack tailings commenced. The project is planned for completion in H1 2024.

## ALBAZINO

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b>MINING</b>						
Waste mined, Mt	6.7	4.8	+40%	23.0	19.9	+16%
Underground development, km	5.2	3.4	+53%	16.9	12.1	+39%
Ore mined, Kt	729	592	+23%	2,259	1,993	+13%
Open-pit	527	403	+31%	1,485	1,308	+14%
Underground	202	189	+7%	774	686	+13%
Gold grade, g/t				3.8	4.2	-10%
Open-pit				3.9	4.2	-8%
Underground				3.8	4.4	-14%
<b>PROCESSING</b>						
<b>Albazino concentrator</b>						
Ore processed, Kt	448	451	-1%	1,777	1,771	+0%
Gold grade, g/t	5.2	4.6	+12%	4.4	4.6	-4%
Gold recovery <sup>1</sup>	89.6%	88.5%	+1%	89.1%	87.2%	+2%
Concentrate produced, Kt	39.6	35.4	+12%	143.7	143.0	+0%
Concentrate gold grade, g/t	52.7	51.2	+3%	49.0	49.9	-2%
Gold in concentrate, Koz <sup>2</sup>	67	58	+15%	226	229	-1%
<b>Amursk POX</b>						
Concentrate processed, Kt	26.7	32.3	-17%	151.2	158.7	-5%
Gold grade, g/t	51.1	53.9	-5%	50.5	52.0	-3%
Gold recovery	96.5%	96.2%	+0%	96.4%	96.4%	+0%
Gold produced, Koz	59	56	+4%	248	261	-5%
<b>TOTAL PRODUCTION</b>						
Gold, Koz	59	56	+4%	248	261	-5%

Notes: (1) To concentrate.

(2) For information only; not considered as gold produced and therefore not reflected in the table representing total production. Included in total production after Dore production at the Amursk POX.

At Albazino, grade in Q4 increased by 12% y-o-y as underground mining made some progress in limiting dilution by reducing the stope size. Higher grade as well as continued improvement in recoveries led to the 4% increase in gold production. Full-year grade dynamics was negative on the back of depleting high-grade Anfisa pit, and challenging geotechnical conditions in the underground mine. Annual output contracted by 5% to 248 Koz.

Waste and ore mining volumes were higher throughout the year driven by Farida and Kutyn open pit development. Underground development advanced due to ramping-up of Ekaterina and Anfisa underground mines.

Kutyn project proceeded ahead of schedule. First ore was mined. The Merrill-Crowe and ore crusher buildings construction is in progress, key equipment has been installed. Start-up is expected in Q3 2022.



## AMURSK POX

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
Concentrate processed, Kt	43	45	-4%	214	215	-0%
Albazino	26	28	-8%	142	147	-3%
Kyzyl	11	10	+12%	55	53	+3%
Mayskoye	6	3	+94%	8	3	+182%
Veduga	-	4	-100%	4	7	-43%
Other <sup>1</sup>	1	-	NA	5	4	+11%
Gold recovery	94.4%	94.3%	+0%	94.3%	94.3%	-0%
Average gold grade, g/t	71.9	71.8	+0%	72.0	74.6	-3%
Average sulphur grade	15.9%	15.6%	+2%	14.2%	14.4%	-2%
Total gold produced <sup>2</sup> , Koz	102	100	+2%	466	487	-4%
Albazino	56	46	+21%	227	222	+2%
Kyzyl	34	39	-13%	204	222	-8%
Mayskoye	8	4	+116%	14	4	+227%
Veduga	0	10	-99%	11	29	-63%
Other <sup>1</sup>	3	-	NA	10	10	+2%

Notes: (1) Purchased concentrates which are included in reportable production in the Albazino segment.

(2) For information only. Already accounted for in production at operating mines.

POX quarterly output was up y-o-y due to higher grade in the feed from Albazino, while full-year production decreased by 4% to 466 Koz driven by lower gold/sulphur ratio in Kyzyl concentrate.

## OMOLON OPERATIONS

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b>MINING</b>						
Waste mined, Mt	1.6	0.6	+169%	4.9	3.4	+46%
Underground development, Km	3.1	3.1	+2%	11.8	13.1	-10%
Ore mined, Kt	257	353	-27%	740	2,525	-71%
Open-pit	165	206	-20%	407	2,034	-80%
Underground	92	147	-37%	332	491	-32%
Grade						
Gold, g/t				6.6	3.4	+96%
Silver, g/t				29.3	13.2	+121%
<b>PROCESSING</b>						
<b>Kubaka Mill</b>						
Ore processed, Kt	211	215	-2%	862	863	-0%
Grade						
Gold, g/t	6.8	7.6	-11%	6.7	7.1	-5%
Silver, g/t	31	29	+7%	52	24	+117%
Recovery <sup>1</sup>						
Gold	95.4%	96.2%	-1%	94.8%	94.5%	+0%
Silver	72.6%	67.1%	+8%	79.1%	71.8%	+10%
Gold production, Koz	49	49	+0%	180	181	-0%
Silver production, Moz	0.2	0.1	+45%	1.2	0.5	+160%
<b>Birkachan Heap Leach</b>						
Ore stacked, Kt	150	199	-25%	851	1 318	-35%
Gold grade, g/t	1.1	1.6	-34%	1.7	2.0	-13%
Gold production, Koz	4	7	-44%	21	25	-17%
<b>TOTAL PRODUCTION</b>						
Gold, Koz	53	56	-6%	201	206	-2%
Silver, Moz	0.2	0.1	+37%	1.3	0.5	+145%

Note: (1) Technological recovery, includes gold and silver within work-in-progress inventory.

At Omolon, gold and silver production demonstrated the opposite dynamics both in Q4 and FY2021 as the Merrill-Crowe circuit of the Kubaka mill was processing higher silver grade material, while in 2020 it was suspended due to the lack of appropriate feed. Gold production at the heap leach was lower y-o-y due to re-handling of the stockpiles.

Overall, gold equivalent production for the full year was up by 2% to 217 Koz.

Grades in ore mined were substantially higher y-o-y due to the absence of low-grade Birkachan heap leach ore, higher grade at Birkachan underground and start of mining at high-grade Burgali open-pit.

In Q4, both dry tails TSF and solar power plant have been successfully commissioned at Kubaka.

## VARVARA

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b>MINING</b>						
Waste mined, Mt	11.3	10.3	+10%	42.0	40.6	+4%
Ore mined, Kt	810	603	+34%	3,624	2,812	+29%
Gold grade, g/t				1.5	1.4	+7%
<b>PROCESSING</b>						
<b>Leaching</b>						
Ore processed, Kt	796	753	+6%	3,183	3,056	+4%
Gold grade, g/t	1.4	1.4	+1%	1.6	1.4	+10%
Gold recovery <sup>1</sup>	89.4%	87.4%	+2%	88.9%	87.9%	+1%
Gold production (in dore), Koz	31	22	+40%	153	121	+27%
<b>Flotation</b>						
Ore processed, Kt	188	167	+13%	696	660	+6%
Gold grade, g/t	2.4	2.6	-9%	2.6	2.9	-8%
Recovery <sup>1</sup>	85.6%	83.5%	+2%	85.5%	86.6%	-1%
Gold in concentrate, Koz	9	6	+49%	44	38	+17%
<b>TOTAL PRODUCTION</b>						
Gold, Koz	40	28	+42%	197	159	+24%

Note: (1) Technological recovery, includes gold and copper within work-in-progress inventory. Does not include toll-treated ore.

At Varvara, gold production at the leaching circuit recorded y-o-y increases both in the Q4 and full year 2021 due to larger processing volumes, higher grade in the Komar ore and better recoveries after flowsheet improvements.

At the flotation circuit, production was up y-o-y on the back of higher throughput, improve in recoveries and work-in-progress release. Grade decline in ore processed is attributable to lower volumes of higher grade third-party material.

As a result of the positive production dynamics at the both units, total production at Varvara increased by 42% y-o-y to 40 Koz in Q4, and by 24% to 197 Koz for the full year.

## MAYSKOYE

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b>MINING</b>						
Waste mined, Mt	0.8	0.5	+44%	3.7	2.9	+29%
Underground development, km	4.7	5.3	-10%	19.5	21.1	-8%
Ore mined, Kt	198	184	+8%	781	1 039	-25%
Open-pit	25	0	NA	109	278	-61%
Underground	174	184	-5%	671	761	-12%
Gold grade, g/t				5.7	6.6	-14%
Open-pit				4.5	8.0	-43%
Underground				5.8	6.1	-4%
<b>PROCESSING</b>						
Ore processed, Kt	232	229	+1%	901	912	-1%
Gold grade, g/t	5.4	6.1	-11%	5.7	6.6	-13%
Gold recovery <sup>1</sup>	92.2%	91.6%	+1%	86.9%	83.6%	+4%
Gold in concentrate, Koz <sup>2</sup>	37	41	-10%	140	145	-4%
Payable gold in concentrate shipped to off-takers, Koz	43	49	-12%	117	123	-5%
<b>Amursk POX</b>						
Gold produced in dore from concentrate (POX), Koz	8	4	+116%	14	4	+227%
Gold produced in dore from carbon, Koz <sup>3</sup>	3	8	-63%	8	11	-27%
<b>TOTAL PRODUCTION</b>						
Gold, Koz	54	61	-11%	139	139	+0%

Notes: (1) To concentrate.

(2) For information only; not considered as gold produced and therefore not reflected in the table representing total production. Included in total production upon sale to off-taker or dore production at Amursk POX.

(3) Gold produced from carbon at Amursk POX.

At Mayskoye, Q4 gold production was down y-o-y on the back of a decline in grade in the underground driven by geotechnical issues. Full-year output was stable y-o-y as production at POX compensated for the gold in concentrate decrease stemming from low-grade and highly carbonaceous open-pit ore.

Polymetal continued construction of infrastructure needed to commission ore transportation conveyor. The project is on track for launch in Q3 2022.

Backfill construction is progressing on schedule. The start-up is expected in Q1 2023.

## SVETLOYE

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b>MINING</b>						
Waste mined, Mt	1.6	0.7	+145%	4.6	3.0	+54%
Ore mined (open pit), Kt	400	434	-8%	1,800	1,888	-5%
Gold grade, g/t				2.1	2.7	-20%
<b>PROCESSING</b>						
Ore stacked, Kt	304	282	+8%	1,404	1,303	+8%
Gold grade, g/t	2.4	3.7	-36%	3.0	3.9	-25%
Gold recovery				81.2%	80.8%	+1%
Gold production, Koz	25	28	-10%	109	119	-9%
<b>TOTAL PRODUCTION</b>						
Gold, Koz	25	28	-10%	109	119	-9%

Quarterly and annual gold production at Svetloye contracted y-o-y on the back of the planned decline in grade.

Stacking volumes were higher throughout the year due to favorable weather conditions and ore properties as well as technological improvements.

Waste mined increase is attributable to the start of mining at the new Lyudmila pit (launched earlier in 2021), new pushback (Stage 3) at the Emmy pit and increase in mining fleet.

## VORO

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b>MINING</b>						
Waste mined, Mt	2.7	-	NA	9.1	-	NA
Ore mined, Kt	217	-	NA	456	-	NA
Gold grade				3.8	-	NA
<b>PROCESSING</b>						
<b>CIP</b>						
Ore processed, Kt	265	257	+3%	1,049	1,043	+1%
Gold grade, g/t	2.8	2.3	+18%	2.2	2.2	-1%
Gold recovery <sup>1</sup>	86.6%	82.9%	+4%	85.0%	82.7%	+3%
Gold production, Koz	26	11	+136%	82	74	+11%
<b>Heap Leach</b>						
Ore stacked, Kt	-	-	NA	-	22	-100%
Gold grade, g/t	-	-	NA	-	0.9	-100%
Gold production, Koz	4	1	+299%	9	15	-37%
<b>TOTAL PRODUCTION</b>						
Gold, Koz	30	12	+152%	91	89	+3%

Note: (1) Technological recovery, includes gold within work-in-progress inventory.

At Voro, quarterly gold production jumped by 152% y-o-y to 30 Koz on the back of processing significant volumes of very high-grade third-party and Pesherny feedstocks. The surge in Q4 offset the negative dynamics seen in the previous nine months of 2021 and resulted in a y-o-y increase in the full year production of 3% to 91 Koz.

Voro flotation plant construction proceeded ahead of schedule. Major processing equipment has been installed and the concentrator building has been fully winterized. Start-up is expected in Q4 2022.

Polymetal completed initial Mineral Resource estimate of the Pavlov gold property (330 km from Voro). The estimate comprise 9.7 Mt of open-pittable mineralized material with an average Au grade of 2.7 g/t containing 0.7 Moz of gold. The deposit is represented by free-milling ore which can be processed at Polymetal's Voro and Varvara mills.

## NEZHDA

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2021	2020		2021	2020	
<b>MINING</b>						
Waste mined, Mt	5.2	5.3	-1%	22.0	10.0	+121%
Ore mined, Kt	255	211	+21%	1 192	411	+190%
Grade						
Gold, g/t				2.2	-	NA
Silver, g/t				13.5	-	NA
<b>PROCESSING</b>						
Ore processed, Kt	344	-	NA	344	-	NA
Grade						
Gold, g/t	3.7	-	NA	3.7	-	NA
Silver, g/t	23.8	-	NA	23.8	-	NA
Recovery <sup>1</sup>						
Gold	73%	-	NA	73%	-	NA
Silver	67%	-	NA	67%	-	NA
Concentrate produced, Kt	8.5	-	NA	8.5	-	NA
Concentrate gold grade, g/t	109	-	NA	109	-	NA
Gold in concentrate, Koz	30	-	NA	30	-	NA
<b>TOTAL PRODUCTION<sup>1</sup></b>						
Gold, Koz	20	-	NA	20	-	NA
Silver, Moz	0.1	-	NA	0.1	-	NA

Notes: (1) Includes concentrate produced and stockpiled for future sale, and excludes low-grade material. Expected 90% gold payable ratio is applied.

Nezhda concentrator is fully ramped up within 3 months of first concentrate production, significantly faster than planned. The plant has achieved 100% of design hourly throughput on a consistent basis. Availability has reached 90% over the last four weeks (compared with 90% design). Monthly throughput in December was 160 Kt at 4.1 g/t gold (10% above plan due to mining sequencing). Average gold recovery in December was 77%.

Payable metal in Q4 equaled 21 Koz of gold equivalent. Approximately 75% of payable metal reported to materials where exports are not impacted by the recent Chinese imports restrictions.

## POX-2

Construction continues on schedule. The project is 65% complete. At the POX circuit all preparation work for the key equipment installation was completed, heating was installed. Foundation works for thickener, downstream circuit equipment, boiler-house were finalized. Chemicals storage construction completed.

Project photo update as of January 2022 is available at the [link](#).

## VEDUGA

Following pre-feasibility study results including updated Ore Reserve estimate of 4.0 Moz of gold @ 3.9 g/t, the Board approved construction of Veduga. Start of construction is scheduled for Q3 2022 with the first production and full ramp-up expected in Q2 and Q3 2025 respectively. Please see our announcement for more information at the [link](#). In 2022, the Company will focus on detailed engineering, contracting major equipment and continued pre-stripping activities.

## SUSTAINABILITY, HEALTH AND SAFETY

In 2021, our lost-time injury frequency rate (LTIFR) stood at 0.12 with 15 lost-time injuries, compared with 0.12 and 13 cases in the previous year. DIS decreased by 10% y-o-y to 1,516 days.

As reported earlier, a contractor employee lost his life in July (please see our Q3 2021 report for more details), while no fatal accidents occurred among our employees.

Most of the other injuries were classified as minor except for the two severe injuries among our employees: one resulted from a hit by a spare part during a mill maintenance and the other resulted in tripping and falling while walking. Following the incidents, the Company updated the risk maps for relevant facilities and ensured the employees received relevant instructions to eliminate such risks.

The safety action plan for 2021 covered mitigation measures for all key safety risks. For example, there was an increased frequency of injuries related to tripping and falling while walking at the beginning of the year. The review of such incidents demonstrated that in most cases, the surfaces were not sanded on time or were not intended for entrance without special personal protection equipment. Relevant preventive measures were taken, such as fencing-off hazardous areas and introducing strict instructions for walking on the site.

One of the focus areas in 2021 was improving the safety of geological exploration works. The Company assigned responsible personnel and introduced risk assessment procedures, identified key hazards for every exploration site, developed mitigation plans and carried out internal safety checks in line with corporate standards.

Road safety programme was further developed, with separate sets of measures for transportation via public roads and at our own sites. For example, Polymetal banned the transportation of workers for more than 200 kilometres at night-time (allowing this only as an exception in extreme situations). Mining vehicles are equipped with collision warning systems and flashing beacons.

Where possible, Polymetal applies digital technologies to improve the safety of workplaces: last year a positioning system was launched at the Varvara processing plant, which enables local management to know the exact location of each worker and prevent them from entering hazardous areas, as well as promptly receive feedback (e.g. in case of emergency).

In Q4, following the 2021 S&P Global Corporate Sustainability Assessment, Polymetal has been reaffirmed as a member of the DJSI World for the second year in a row and DJSI Emerging Markets for the fourth year in a row.

Earlier in 2021, Polymetal upgraded its external ESG recognition receiving better rating and scores with MSCI ESG Ratings, Sustainalytics, Vigeo Eiris, ISS ESG Corporate Rating.

The Company set a 10-year target to cut GHG emission intensity by 30% by 2030. In 2022, Polymetal plans to develop long-term GHG reduction goals until 2050, develop the plan to achieve carbon neutrality, as well as set Scope 3 targets.

## COVID-19 UPDATE

Epidemiological situation in the Company remains under control. Operations and development projects continue uninterrupted.

The number of active cases in Polymetal decreased in Q4, though following recent outbreaks in Omicron variation of the C-19 virus in Russia and Kazakhstan the Company returned to remote work for some of the off-site employees. As of the date of this press release, there are 130 active cases of the disease in Polymetal.

The regions are taking divergent paths on the scope and severity of C-19 related restrictions. Enforcement, in general, is very unstable. Polymetal operations are not affected given there is a specific federal carve-out for the transportation of FIFO employees.

Polymetal continues to facilitate non-obligatory vaccination among employees by organizing vaccination at local hospitals or establishing vaccination points on site. 65% of Polymetal employees are already vaccinated.

## PERSONNEL

Alexandr Govorunov (67) was appointed as the EVP for Security. Formerly, he was the Chief of Staff for the Mayor of St. Petersburg and EVP-Security at Sberbank. His predecessor, Sergey Babkin, resigned for personal reasons.