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## Polymetal International plc

### Polymetal secures offtake for Kyzyl concentrate

**Polymetal International plc (LSE, MOEX: POLY; ADR: AUCOY) (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) has signed its first offtake contract for Kyzyl concentrate.**

The concentrate buyer under the offtake agreement is one of Polymetal’s established trading partners, which has purchased significant volumes of Mayskoye concentrate during the last two years. Under the agreement, the buyer will purchase Kyzyl high-carbon concentrate (50% of forecast Kyzyl production in 2018). Polymetal has the contractual option to increase the amount up to 100% of all annual concentrate production. The Company plans to process low-carbon concentrate at the debottlenecked Amursk POX facility, but retains the flexibility to direct this material to offtake.

Commercial terms of the offtake agreement compare favorably with management’s original expectations, with the percentage of payable gold in concentrate in line with the project feasibility study, and a better treatment charge than in the recent Mayskoye contracts. Under the terms of the contract, Polymetal will deliver the concentrate from Kyzyl to the seaport of Vladivostok (approximately 6 thousand km via railway). The buyer will then be responsible for shipping the concentrate for further processing at roasters in Eastern China or elsewhere.

“Securing offtake for Kyzyl concentrate at good terms is an important milestone for the project”, said Vitaly Nesis, Group CEO of Polymetal. “This ensures the asset will generate significant free cash flows almost immediately after the start of concentrate production”.

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