

Release time IMMEDIATE
Date 16 April 2018

Polymetal International plc

Polymetal and Russian Copper Company agree to exchange Tarutin for East Tarutin deposit

Polymetal International plc (LSE, MOEX: POLY, ADR: AUCOY) (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) has reached an agreement with the Russian Copper Company (“RCC”) for an all-share exchange of Polymetal’s Tarutin property in Russia for 85% of RCC’s East Tarutin property in Kazakhstan.

TRANSACTION SUMMARY

As a result of the transaction, Polymetal will receive 85% of LLP Tarutinskoye, the licence holder for the copper-gold East Tarutin deposit located in Kazakhstan. In return, Polymetal will transfer 100% of Vostochny Basis LLC, the license holder for the copper-gold Tarutin deposit located in the Russian Federation.

The transaction is an asset swap and does not entail any additional payments or deferred considerations. It is expected to close in Q2 2018 and is subject to statutory approvals and other customary condition.

INFORMATION ON ASSETS

The East Tarutin licence area (66.4 km²) is situated in the Karabalyk municipal district of the Kostanay region and forms the eastern extension of the mineralised trend stretching across the border between Russia and Kazakhstan. The deposit is of the copper-gold skarn type with vein-disseminated mineralisation. The infrastructure in the region is well developed with easy access to the electricity grid, the railway and paved highways.

Previous owners have completed 18 km of diamond drilling at the property. JORC-compliant mineral resources for the property are estimated at 6.4 Mt of ore at 1.06% copper (68 Kt) and 0.07 g/t of gold (450 kg)¹ or 354 Koz of gold equivalent.

The Tarutin licence area (1.8 km²) has been partially owned by Polymetal since 2013. The company consolidated 100% interest in the property in January 2017. The GKZ reserve estimate for the deposit comprises roughly 4.6 Mt of ore at 1.39% copper (63.7 Kt) and 0.09 g/t of gold (420.8 kg)² or 333 Koz of gold equivalent.

The transaction is synergistic for both parties due to improved logistical fit of the properties with the existing processing facilities. East Tarutin is situated on the same (Kazakh) side of the border as the Varvara processing plant. Consequently, ore haulage distance is reduced to 110 km compared to 150 km for Tarutin on the other side of the border.

In 2018-2019, Polymetal plans to resume exploration at East Tarutin and complete a JORC-compliant reserve estimate in 1H 2020.

“East Tarutin represents a much better fit for Polymetal in terms of logistics and potential size of reserve.” – said Vitaly Nesis, Group CEO of Polymetal. “This asset swap simplifies operational management of the Varvara hub and avoids the complications of cross-border ore shipment while preserving significant exploration optionality.”

Notes:

1) Estimate prepared by IMC consultants as at 15.09.2016

2) For a JORC compliant resource and reserve estimate for the property as at 01.01.2018 please refer to the Company's website.

Enquiries

Media		Investor Relations	
FTI Consulting	+44 20 3727 1000	Polymetal	ir@polymetalinternational.com
Leonid Fink		Evgenia Onuschenko	+44 20 7016 9505 (UK)
Viktor Pomichal		Maryana Nesis	
		Michael Vasiliev	+7 812 334 3666 (Russia)

Joint Corporate Brokers

Morgan Stanley Andrew Foster Richard Brown	+44 20 7425 8000	RBC Europe Limited Tristan Lovegrove Marcus Jackson	+44 20 7653 4000
Panmure Gordon Adam James James Stearns	+44 20 7886 2500		

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