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Polymetal International plc

Polymetal increases its interest in the Dolinnoye gold property

Polymetal International plc (LSE, MOEX: POLY; ADR: AUCOY) (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is pleased to announce that it has increased its share in the Dolinnoye gold property to 50%.

HIGHLIGHTS

Polymetal has acquired an additional 25% interest in the Dolinnoye gold property for a net consideration of US\$1.6 million. This transaction completes the earn-in arrangement between Polymetal and its partner on the Dolinnoye property. The earn-in conditions have been satisfied by extensive exploration and the preparation of a JORC-compliant reserve estimate for the property. The Company’s initial 25% interest in the property was acquired in 2015.

The Dolinnoye deposit is expected to become another source of high-grade free-milling feedstock for the Varvara processing plant, with transportation of feedstock to the plant facilitated by the proximity of low-cost rail access. Ore reserves (based on Polymetal’s 50% share) in accordance with the JORC code comprise 2.6 Mt at 2.4 g/t gold for 202 Koz of gold contained. Additional mineral resources are estimated at 6.1 Mt at 2.5 g/t for 494 Koz of gold contained.

“This transaction further expands and strengthens our Varvara hub concept”, said Vitaly Nesis, Group CEO of Polymetal. “We expect first ore to go through the mill in Q3 2017”.

LOCATION AND GEOLOGY

The Dolinnoye deposit is located in the Aktogay district of the Karaganda region in the Republic of Kazakhstan. The nearest city, Balkhash (population of 70,000), is approximately 120 km away. The nearest railway spur is 30 km from the property. The site is accessible by a year-round dirt road with access to grid power.

The geology of the property is associated with quartz veins and vein swarms, mainly within carboniferous terrigenous sediments. Resources were estimated for 22 mineralized zones with an average strike length of 150m and an average true width of 3m. Most of these zones remain open at depth, with approximately half open along strike.

Notes: Revised Reserve and Resource estimate prepared by Polymetal as at 01.01.2017 on the basis of an initial Reserve and Resource estimate prepared by CSA as at 28.07.2016. Price: Au = US\$1,100/oz.

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