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Polymetal International plc

Termination of deferred additional consideration liability at Kyzyl

Polymetal International plc (LSE, MOEX: POLY; ADR: AUCOY) (“Polymetal”, the “Company”) announces the early termination of the deferred conditional consideration related to the Kyzyl acquisition for US\$ 10 million in Polymetal shares.

The initial Kyzyl acquisition agreement (announced 22 May 2014) comprised of an immediate consideration of US\$ 618.5 million in cash and Polymetal shares and a deferred conditional cash consideration (“Additional Consideration”) capped at US\$ 500 million. The Additional Consideration was dependent on the relative dynamics of the gold price and the price of Polymetal’s shares over a period of up to 7 years.

Under the termination agreement, Sky Tower (FZE), the current rights holder for the Additional Consideration, will receive US\$ 10 million through the issue of 1,015,113 new Polymetal shares (“Consideration Shares”, 0.2% of Polymetal’s issued share capital post the transaction) in return for the termination of the Additional Consideration, effective immediately. The number of Consideration Shares to be issued was determined by dividing US\$ 10 million by Polymetal’s closing share price on 2 May 2018.

As at 31 December 2017, the fair value of the contingent consideration liability was estimated at US\$ 12 million using the Monte-Carlo model.

“We have taken the opportunity to lock in the deferred consideration at an attractive price for shareholders”, said Vitaly Nesis, Group CEO of Polymetal. “The elimination of the liability is an important step in further de-risking the Company’s cash flow.”

An application has been made to the London Stock Exchange and UKLA on the official list and the Consideration Shares are expected to be admitted to trading on the London Stock Exchange on 8 May 2018. Together with the admission of awarded shares under the Company’s Performance Share Plan, which was also announced today, the total issued share capital of the Company will comprise 452,587,679 ordinary shares of no par value, each carrying one vote.

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