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Polymetal International plc

Start-up of Kyzyl and delivery of first concentrate production

Polymetal International plc (LSE, MOEX: POLY; ADR: AUCOY) (“Polymetal”, the “Company”) announces the start-up of the new Kyzyl mine in Kazakhstan ahead of schedule and below budget.

Following the completion of all construction and commissioning activities, Kyzyl has successfully produced first gold concentrate on June 25th. Polymetal has achieved the start-up of the concentrator one quarter ahead of the original schedule that had been announced in 2014, and one month earlier compared with the January 2018 updated plan. Project Capex is expected to be approximately 3% below the original US\$ 325 million budget, inclusive of 62 Mt of pre-stripping.

Mining activities have reached full design capacity with 315 kt of ore stockpiled ahead of start-up. The grade control program demonstrated robust reconciliation with the reserve model with both ore grade and gold contained tracking slightly above plan. First concentrate deliveries to off-takers are scheduled for the end of July with shipments to the Amursk POX expected to commence in September.

The Kyzyl concentrator now enters the 3-month ramp-up period, after which it is expected to reach nameplate capacity of 150 kt per month and recoveries of 86% by October 2018. Polymetal will host a site visit to Kyzyl for investors and analysts in October. This year Polymetal plans to produce 80 koz of payable gold at Kyzyl, ramping up production to 280 koz in 2019 and 330 koz thereafter at AISC of approximately US\$ 500-550/oz.

JORC-compliant gold reserves at Kyzyl are estimated at 7.3 Moz at 7.7 g/t of gold. This supports a life-of-mine of 10 years for the open pit followed by further 14 years of underground mining. Additional JORC-compliant gold resources comprise 3.1 Moz at 6.8 g/t indicating strong potential to further extend operations.

“Polymetal is delighted and proud to successfully complete the largest development project in the company’s history ahead of time and below budget”, said Vitaly Nesis, Group CEO of Polymetal. “Significant cash flow and net income contributions from Kyzyl should start in Q4 2018.”

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