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## Polymetal International plc

### Ore Reserves increase at Veduga

**Polymetal more than doubles Ore Reserves at the Veduga gold deposit to 2.8 Moz of gold following an extensive exploration campaign.**

- The updated JORC-compliant Ore Reserve estimate as at 1 March 2019 comprises 18.9 Mt of ore with an average grade of 4.6 g/t containing 2.8 Moz of gold. This represents a 111% increase in gold contained. Gold price assumption of US\$ 1,200/oz was used to complete the estimate.
- Open-pit reserves increased by 31% to 0.8 Moz of gold contained (28% of total reserves) at an average grade of 3.8 g/t.
- The estimate incorporates results from 57 additional diamond drill holes (24 km of drilling) completed by Polymetal in 2017 and 2018. Total investment in this exploration campaign amounted to approximately US\$ 5 million or US\$ 5 per ounce of newly added reserves.
- The bulk of new reserves is located at the depths of 500 m to 790 m from the surface. Mineralisation is represented by two contiguous sub-vertical ore bodies with an average true width of 14 and 21 m. Thickness of the ore bodies varies from 1 to 65 meters.

“The new reserve numbers confirm that Veduga is large, high-grade, and is likely to be larger still”, said Vitaly Nesis, Group CEO of Polymetal. “The updated estimate and fresh exploration results should be helpful for potential acquirers of the asset”.

#### Ore Reserves reconciliation

Ore Reserves	Category	01.01.2019	01.03.2019	Change, %
<b>Proved + Probable</b>	Tonnage, Mt	8.6	18.9	<b>+120%</b>
	Au grade, g/t	4.8	4.6	<b>-4%</b>
	Au content, Moz	1.3	2.8	<b>+111%</b>

Notes: Ore Reserves are reported on a 100% ownership basis in accordance with the JORC Code (2012) and are estimated using a gold price of US\$ 1,200/oz. Discrepancies in calculations are due to rounding. Cut-off grades for open-pit and underground are 1.0 g/t and 2.5 g/t of gold equivalent, respectively.

The attributable Ore Reserves, based on 74.3% Polymetal's ownership, comprise 14.0 Mt of ore with an average grade of 4.6 g/t containing 2.1 Moz of gold

## ABOUT VEDUGA

Veduga is a high-grade refractory gold deposit located in a prolific Northern Yenisey gold belt in the Krasnoyarsk Region, the top gold producing region of Russia. Polymetal has been a partial owner of the property since 2006 with the original 50% stake acquired through the JV with AngloGold Ashanti and subsequently diluted by external equity financing.

In October 2018, the Company increased its ownership in Veduga to 74.3%.

Veduga comprises 4 licence plots with the total area of 18 sq.km. The property is accessible by an all-year road and has direct access to the federal power grid. It is located 60 km from the largest producing gold mine in Russia, Olimpiada (owned by Polyus).

Currently, mining at Veduga focuses on high-grade open pit which supplies ore for processing at Polymetal's Varvara mill with concentrate subsequently treated at the Amursk POX.

2019-2020 exploration program consists of 254 diamond drill holes totaling 68 703 m and 24 000 m<sup>3</sup> of trenches. First results include:

- True width: 4 m at 16.9 g/t gold from 391-396 m.
- True width: 59 m at 6.8 g/t gold from 796-898 m.

## ORE RESERVES

The Ore Reserve estimate is reported in accordance with the JORC Code (2012) as at 1 March 2019 using a gold price of US\$ 1,200/oz and was prepared by Polymetal. A cut-off grade of 1.0 g/t of gold equivalent has been applied for the open pit and 2.5 g/t for the underground.

### Veduga Ore Reserves estimate as at 1 March 2019

Ore Reserves	Tonnage Mt	Gold grade, g/t	Gold content, Koz
Stockpiles	0.5	3.5	52
<b>Total Proved</b>	<b>0.5</b>	<b>3.5</b>	<b>52</b>
Open-pit	6.4	3.8	779
Underground	12.0	5.1	1,959
<b>Total Probable</b>	<b>18.4</b>	<b>4.6</b>	<b>2,738</b>
<b>Total Proved + Probable</b>	<b>18.9</b>	<b>4.6</b>	<b>2,790</b>

Notes: Ore Reserves are reported on a 100% ownership basis in accordance with the JORC Code (2012). Discrepancies in calculations are due to rounding.

## ADDITIONAL MINERAL RESOURCES

Additional Mineral Resources for Veduga are reported in accordance with the JORC Code (2012) as at 1 March 2019 using a gold price of US\$ 1,200/oz. Mineral Resources for the open pit were estimated up to a depth of 230 m from the surface.

### Veduga additional Mineral Resources estimate as at 1 March 2019

Mineral Resources	Tonnage Mt	Gold grade, g/t	Gold content, Koz
Stockpiles	0.5	0.8	14
<b>Total Measured</b>	<b>0.5</b>	<b>0.8</b>	<b>14</b>
Open-pit	0.0	3.1	4
Underground	1.3	4.4	184
<b>Total Inferred</b>	<b>1.3</b>	<b>4.4</b>	<b>188</b>
<b>Total Measured + Inferred</b>	<b>1.9</b>	<b>3.4</b>	<b>202</b>

Notes: Mineral Resources are reported on a 100% ownership basis in accordance with the JORC Code (2012). Discrepancies in calculations are due to rounding. Measured and Indicated Mineral Resources are additional to Ore Reserves. Inferred Mineral Resources are by definition always additional to Ore Reserves.

## COMPETENT PERSONS

*This estimate was prepared by employees of JSC Polymetal Management Company and JSC Polymetal Engineering, subsidiaries of the Company, led by Mr. Valery Tsyplakov.*

*Mr. Tsyplakov is employed full-time as the Managing Director of JSC Polymetal Engineering and has more than 18 years' experience in gold, silver and polymetallic mining. He is a Member of the Institute of Materials, Minerals & Mining (MIMMM), London, and a Competent Person under the JORC Code.*

*Listed below are other Competent Persons employed by the Company that are responsible for relevant research on which the Mineral Resources and Ore Reserves estimate is based:*

- Geology and Mineral Resources – Roman Govorukha, Head of Geologic Modelling and Monitoring Department, MIMMM, with 18 years' relevant experience;*
- Mining and Ore Reserves - Igor Epshteyn, Head of Mining Process Department, FIMMM, with 37 years' relevant experience;*
- Concentration and Metals – Igor Agapov, Deputy Director of Science and Technology, MIMMM, with 21 years' relevant experience;*

*All the above-mentioned Competent Persons have sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code).*

*All Competent Persons have given their consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

## About Polymetal

Polymetal International plc (LSE, MOEX, AIX: POLY, ADR: AUCOY) (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is a top-20 global gold producer and top-5 global silver producer with assets in Russia and Kazakhstan. The Company combines strong growth with a robust dividend yield.

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