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Date	23 January 2020	

Polymetal International plc

Q4 and full year 2019 production results

Polymetal reports strong production results for the fourth quarter and twelve months ended December 31, 2019.

"A strong Q4 allowed Polymetal to exceed both original and updated guidance for the eighth year in a row. Robust production and positive gold price dynamics drove strong free cash flow generation", said Vitaly Nesis, Group CEO of Polymetal. "Stable operating performance should ensure steady and significant dividend flow while planned progress with execution of Nezhda and POX-2 projects will enable us to resume production growth in 2022".

HIGHLIGHTS

- The Company's FY2019 gold equivalent ("GE") production amounted to 1,614 Koz, an increase of 3% over 2018 and 4% above the original production guidance of 1.55 Moz. A strong contribution from Kyzyl more than compensated for disposals against the backdrop of stable results from the rest of the portfolio. Production from continuing operations grew by 14% year-on-year to 1,609 Koz GE.
- Safety performance in 2019 deteriorated both in terms of frequency of lost-time injuries and the number of fatalities. Management expects the Board to consider and approve significant safety-related changes to the remuneration structure for all levels of the Company management together with a comprehensive action plan focused on impacting the behavior and attitudes of the employees. Our goal remains zero fatalities.
- Q4 GE output was 383 Koz, 15% below Q4 2018 production from continuing operations, mainly as a result of limited throughput at the POX plant in the reporting quarter due to scheduled downtime which was part of the POX-2 project activities.
- Gold production for the full year was up 8% while silver output contracted by 15% on the back of asset disposals and planned grade decline at Dukat.
- Full-year revenue jumped by 19% to reach US$ 2.2 billion on the back of higher volumes and metal prices. Q4 revenue increased by 1% to US$ 643 million as lower volumes were offset by increasing prices.
- The Company expects full-year costs to be close to the top of the range of its cost guidance of US$ 600-650/GE oz for Total Cash Costs ("TCC") and US$ 800-850/GE oz for All-in Sustaining Cash Costs ("AISC"). The main factors driving this guidance are: stronger Rouble, higher royalties driven by higher metal prices, and higher domestic diesel prices.
- In Q4, Polymetal generated strong free cash flow resulting in Net Debt reduction to US$ 1.48 billion as at the end of 2019. The Company expects Net Debt/EBITDA ratio to be lower than the target level of 1.5x.

2020 OUTLOOK

- The Company reiterates its current production guidance of 1.6 Moz of GE for each of FY2020 and 2021.
- TCC in 2020 is expected to be in the range of US$ 650-700/GE oz while AISC is expected to average US$ 850-900/GE oz. The expected increase over 2019 cost levels is driven by the current appreciation of the Russian rouble and increased domestic diesel fuel price, as well as increased royalties on the back of continued strong gold and silver price performance. The guidance remains contingent on the Rouble/Dollar exchange rate and Brent oil price.
- Capital expenditures in 2020 are expected to be approximately US$ 475 million. The US$ 50 million increase compared to the previous estimate is driven by accelerated pre-stripping at Nezhda, several environmentally driven investments, as well as stronger Rouble.

	3 months ended Dec 31[1],		% change[2]	12 months ended Dec 31[1],		% change[2]
	2019	2018		2019	2018	
Waste mined, Mt	39.7	32.2	+23%	158.6	126.7	+25%
Underground development, km	25.6	33.2	-23%	105.8	130.0	-19%
Ore mined, Mt	4.2	3.8	+11%	17.2	14.0	+23%
Open-pit	3.1	2.6	+19%	13.0	9.3	+40%
Underground	1.1	1.1	-6%	4.2	4.7	-10%
Ore processed, Mt	3.5	3.7	-6%	15.0	15.2	-1%
Production						
Gold, Koz	312	414	-25%	1,316	1,216	+8%
Silver, Moz	5.2	5.9	-11%	21.6	25.3	-15%
Copper, Kt	0.5	1.3	-66%	2.5	3.9	-37%
Gold equivalent, Koz[3]	383	497	-23%	1,614	1,562	+3%
Sales						
Gold, Koz	374	432	-13%	1,366	1,198	+14%
Silver, Moz	5.7	8.3	-31%	22.1	25.7	-14%
Copper, Kt	0.8	1.4	-42%	2.8	3.3	-15%
Revenue, US$m[4]	643	634	+1%	2,245	1,882	+19%
Net debt, US$m[5]	1,479	1,702	-13%	1,479	1,518	-3%
Safety						
LTIFR[6]	0.18	0	NA	0.19	0.09	+111%
Fatalities	0	0	NA	2	1	+100%

Notes: *(1) Including discontinued operations.*

(2) % changes can be different from zero even when absolute numbers are unchanged because of rounding. Likewise, % changes can be equal to zero when absolute numbers differ due to the same reason. This note applies to all tables in this release.

(3) Based on 1:80 Ag/Au, 5:1 Cu/Au, 2:1 Pb/Au and 2:1 Zn/Au conversion ratios.

(4) Calculated based on the unaudited consolidated management accounts.

(5) Non-IFRS measure based on unaudited consolidated management accounts. Comparative information is presented for 30 September 2019 (for the three months period) and 31 December 2018 (for the twelve months period).

(6) LTIFR = lost time injury frequency rate per 200,000 hours worked.

PRODUCTION BY MINE

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2019	2018		2019	2018	
GOLD EQ. (KOZ)[1]						
Kyzyl	90	86	+4%	343	96	257%
Dukat	70	75	-7%	302	306	-1%
Albazino-Amursk	30	67	-55%	241	308	-22%
Omolon	57	58	-3%	205	195	5%
Varvara	35	39	-9%	149	142	5%
Mayskoye	52	70	-25%	129	117	10%
Svetloye	27	23	14%	134	136	-1%
Voro	22	29	-23%	107	107	-1%
TOTAL (continuing operations)	**383**	**448**	**-15%**	**1,609**	**1,407**	**+14%**
Okhotsk	-	35	NA	-	104	NA
Kapan	-	13	NA	5	51	-90%
TOTAL (including discontinued operations)	**383**	**497**	**-23%**	**1,614**	**1,562**	**+3%**

Notes: *(1) Based on 1:80 Ag/Au, 5:1 Cu/Au and 2:1 Zn/Au conversion ratios.*

CONFERENCE CALL AND WEBCAST

The company will hold a conference call and webcast on Thursday, 23 January 2020 at 11:00 London time (14:00 Moscow time).

To participate in the call, please dial:

From the UK:
+44 330 336 9411 (local access)
0800 279 7204 (toll free)

From the US:
+1 929 477 0324 (local access)
800 458 4121 (toll free)

From Russia:
+7 495 646 9190 (local access)
8 10 8002 867 5011 (toll free)

To participate from other countries, please dial any of the local access numbers listed above.

Conference code: 9191693

To participate in the webcast follow the link: https://webcasts.eqs.com/polymetal20200123. Please be prepared to introduce yourself to the moderator or register.

A recording of the call will be available immediately after the call at +44 20 7660 0134 (from the UK), +1 719 457 0820 (from the USA) and 8 10 8002 702 1012 (from Russia), access code 9191693, from 17:30 Moscow time Thursday, 23 January, till 17:30 Moscow time Thursday, 30 January, 2020. Webcast replay will be available on Polymetal's website (www.polymetalinternational.com) and at https://webcasts.eqs.com/polymetal20200123.

About Polymetal

Polymetal International (LSE, MOEX: POLY, ADR: AUCOY) (together with its subsidiaries – "Polymetal", the "Company", or the "Group") is the 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.

Enquiries

Media		**Investor Relations**	
FTI Consulting Leonid Fink Viktor Pomichal	+44 20 3727 1000	**Polymetal** Evgeny Monakhov Timofey Kulakov Kirill Kuznetsov	ir@polymetalinternational.com +44 20 7887 1475 (UK) +7 812 334 3666 (Russia)
Joint Corporate Brokers			
Morgan Stanley Andrew Foster Richard Brown	+44 20 7425 8000	**RBC Europe Limited** Marcus Jackson Jamil Miah	+44 20 7653 4000
Panmure Gordon James Stearns	+44 20 7886 2500		

KYZYL

	3 months ended Dec 31, 2019	2018	% change	12 months ended Dec 31, 2019	2018	% change
MINING						
Waste mined, Mt	17.6	16.1	+9%	67.5	60.9	+11%
Ore mined (open-pit), Kt	440	416	+6%	2,000	1,249	+60%
Gold grade, g/t				7.4	5.5	+33%
PROCESSING						
Ore processed, Kt	510	478	+7%	2,000	914	+119%
Gold grade, g/t	7.6	6.6	+16%	7.1	5.7	+26%
Gold recovery	88.0%	85.5%	+3%	87.8%	81.5%	+8%
Concentrate produced, Kt	35	34	+3%	125	56	+124%
Concentrate gold grade, g/t	98.6	79.4	+24%	100.8	74.8	+35%
Gold in concentrate, Koz[1]	110.3	86.4	+28%	403.6	133.6	+202%
Concentrate shipped, Kt	13.5	40.0	-66%	67.6	45.4	+49%
Payable gold shipped, Koz	28.0	79.3	-65%	155.0	89.3	+74%
Amursk POX						
Concentrate processed, Kt	16	2	NM	52	2	NM
Gold grade, g/t	134.1	127.0	+6%	128.1	127.0	+1%
Gold recovery	91.4%	95.5%	-4%	92.4%	95.5%	-3%
Gold produced, Koz	62.0	7.0	NM	188.4	7.0	NM
TOTAL PRODUCTION						
Gold, Koz	90.0	86.3	+4%	343.5	96.3	+257%

Note: (1) For information only; not considered as gold produced and therefore not reflected in the table representing total production. It will be included in total production upon shipment to off-taker or dore production at Amursk POX.

In Q4 and FY2019, Kyzyl outperformed budget on throughput, grade and production. Management expects the average grade to decrease to open-pit reserve average in 2020 as the mining will shift to deeper levels with more uniform distribution of gold in ore.

Concentrator throughput reached the nameplate capacity of 2 Mtpa vs 1.8 Mtpa design capacity. The Company intends to push the throughput further to 2.1 Mtpa level by H2 2020.

The recovery rates at Amursk POX remained stable quarter-on-quarter though it decreased in comparison with the previous year as starting from Q3 the Company increased the share of gold contained in low-carbon concentrate processed at Amursk POX in response to noticeable tightening of markets in China.

In the reporting quarter, Polymetal completed a FS-level technical study to re-optimize the open pit and updated Ore Reserves estimate. The new estimate comprises 8.5 Moz of gold at an average grade of 6.3 g/t. This represents 1.5 Moz increase in gold contained in comparison with the reserves as at the end of 2018, mostly in open pit. Total life of mine extended by eight years to 2047 with open-pit mining ending in 2031.

DUKAT OPERATIONS

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2019	2018		2019	2018	
MINING						
Underground development, km	14.5	15.0	-3%	59.5	59.6	-0%
Ore mined, Kt	620	595	+4%	2,515	2,426	+4%
Grade						
Gold, g/t				0.6	0.5	+12%
Silver, g/t				278	286	-3%
PROCESSING						
Omsukchan concentrator						
Ore processed, Kt	523	500	+5%	2,058	1,995	+3%
Grade						
Gold, g/t	0.4	0.5	-16%	0.5	0.5	-8%
Silver, g/t	266	288	-8%	285	297	-4%
Recovery[1]						
Gold	83.8%	86.7%	-3%	85.6%	86.7%	-1%
Silver	84.6%	88.0%	-4%	86.3%	88.2%	-2%
Production						
Gold, Koz	5.8	7.0	-18%	27.4	29.5	-7%
Silver, Moz	3.7	4.0	-8%	15.8	16.4	-4%
Lunnoye plant						
Ore processed, Kt	113	116	-2%	461	463	-0%
Grade						
Gold, g/t	1.4	1.5	-7%	1.4	1.3	+5%
Silver, g/t	251	318	-21%	256	327	-22%
Recovery[1]						
Gold	83.9%	84.2%	-0%	86.7%	85.1%	+2%
Silver	92.9%	91.7%	+1%	91.8%	91.3%	+1%
Production						
Gold, Koz	4.0	4.6	-12%	18.0	16.7	+8%
Silver, Moz	0.8	1.1	-24%	3.5	4.4	-20%
TOTAL PRODUCTION						
Gold, Koz	9.8	11.5	-15%	45.4	46.2	-2%
Silver, Moz	4.5	5.1	-11%	19.3	20.8	-7%

Note: (1) Technological recovery, includes gold and silver within work-in-progress inventory.

At Dukat, quarterly silver and gold production were down 11% and 15% year-on-year respectively. The decline was primarily driven by the Omsukchan concentrator processing larger volumes of lower-grade ore as well as a fall in recoveries due to processing of material from Goltsovoye crown pillars. Mining at Goltsovoye was completed and the operation has been transferred to care and maintenance. Grades at Lunnoye plant also decreased in line with the budget on the back of depletion of higher-grade Zone 9.

ALBAZINO-AMURSK

	3 months ended Dec 31, 2019	3 months ended Dec 31, 2018	% change	12 months ended Dec 31, 2019	12 months ended Dec 31, 2018	% change
MINING						
Waste mined, Mt	4.5	5.4	-17%	21.2	21.3	-1%
Underground development, Km	3.1	2.3	+32%	10.8	9.2	+17%
Ore mined, Kt	536	412	+30%	2,133	1,784	+20%
Open-pit	370	317	+17%	1,555	1,379	+13%
Underground	166	95	+74%	578	405	+43%
Gold grade, g/t				4.0	5.2	-22%
Open-pit				3.9	5.2	-25%
Underground				4.4	5.0	-12%
PROCESSING						
Albazino concentrator						
Ore processed, Kt	433	432	+0%	1,736	1,724	+1%
Gold grade, g/t	5.1	5.6	-9%	4.6	5.3	-13%
Gold recovery[1]	88.4%	86.2%	+3%	86.6%	85.7%	+1%
Concentrate produced, Kt	37.9	37.4	+1%	143.9	143.1	+1%
Concentrate gold grade, g/t	50.8	55.2	-8%	47.7	54.5	-12%
Gold in concentrate, Koz[2]	61.8	66.4	-7%	220.8	250.7	-12%
Amursk POX						
Concentrate processed, Kt	24	39	-38%	159	170	-6%
Gold grade, g/t	55.5	55.2	+0%	51.2	56.9	-10%
Gold recovery	96.5%	96.2%	+0%	95.4%	96.7%	-1%
Gold produced, Koz	30.0	67.5	-55%	241.1	307.9	-22%
TOTAL PRODUCTION						
Gold, Koz	30.0	67.5	-55%	241.1	307.9	-22%

Notes: *(1) To concentrate*
(2) For information only; not considered as gold produced and therefore not reflected in the table representing total production. Included in total production after dore production at the Amursk POX

At Albazino, FY2019 performance was affected by processing of lower grade ore from Ekaterina-1 open pit. As a result, both quarterly and yearly gold in concentrate volumes were down 7% and 12%, respectively. Mining at Ekaterina-1 was completed in August and the increased volume of underground ore from Ekaterina-2 positively contributed to quarter-on-quarter grade dynamics. The recovery rate increased in Q4 year-on-year as processing of near-surface partial oxidized ore from Ekaterina-2 pit ended.

The total gold output for the full year amounted to 241 Koz, a 22% decline year-on-year. Apart from decrease in production from Albazino concentrate, this was driven by lower volumes of third-party feed processed at the POX plant. In October, the plant underwent a planned 3-week shutdown.

AMURSK POX

	3 months ended Dec 31, 2019	2018	% change	12 months ended Dec 31, 2019	2018	% change
Concentrate processed, Kt	41	45	-10%	211	176	+20%
Albazino	20	31	-37%	142	147	-3%
Mayskoye	0	4	-97%	0	5	-97%
Kyzyl	16	2	NM	52	2	NM
Other[1]	4	8	-44%	17	23	-26%
Gold recovery	93.3%	96.1%	-3%	94.1%	96.7%	-3%
Average gold grade, g/t	87.2	58.1	+50%	70.1	57.5	+22%
Average sulphur grade	17.0%	14.5%	+17%	13.4%	10.0%	+35%
Total gold produced[2], Koz	92.0	74.5	+24%	429.5	314.9	+36%
Albazino	29.6	53.7	-45%	208.1	256.4	-19%
Kyzyl	62.0	7.0	NM	188.4	7.0	NM
Other[1]	0.4	13.8	-97%	33.0	51.5	-36%

Notes: (1) Veduga and purchased concentrates which are included in reportable production in the Albazino segment.
(2) For information only. Already accounted for in production at operating mines.

Gold production at the Amursk POX increased by 24% in Q4 and 36% in 2019 year-on-year driven by the introduction of high-grade Kyzyl concentrate to the feed. The output from Veduga concentrate amounted to 28 Koz for the full year.

The 3% year-on-year decline in recovery is attributable to processing of large volumes of Kyzyl concentrate starting from Q2. In Q4, the recovery rate slightly contracted in comparison with the previous quarter as different mixes were tested to include optimal quantities of Kyzyl concentrate with relatively high carbon content.

OMOLON OPERATIONS

	3 months ended Dec 31, 2019	2018	% change	12 months ended Dec 31, 2019	2018	% change
MINING						
Waste mined, Mt	1.8	1.5	+19%	7.0	6.1	+14%
Underground development, Km	3.0	3.2	-5%	12.9	12.9	+0%
Ore mined, Kt	790	356	NM	2,973	1,014	NM
Open-pit	673	227	NM	2,522	627	NM
Underground	117	129	-9%	451	387	+17%
Grade						
Gold, g/t				3.0	5.0	-40%
Silver, g/t				18	74	-76%
PROCESSING						
Kubaka Mill						
Ore processed, Kt	222	220	+1%	834	862	-3%
Grade						
Gold, g/t	6.5	8.2	-21%	6.4	5.7	+13%
Silver, g/t	108	37	+194%	95	98	-3%
Recovery[1]						
Gold	95.2%	95.7%	-1%	95.5%	95.5%	-0%
Silver	77.3%	75.4%	+3%	79.0%	86.4%	-9%
Gold production, Koz	45.2	52.9	-14%	164.3	152.7	+8%
Silver production, Moz	0.7	0.2	+221%	2.1	2.3	-10%
Birkachan Heap Leach						
Ore stacked, Kt	-	39	-100%	897	997	-10%
Gold grade, g/t	-	1.1	-100%	1.2	1.1	+5%
Gold production, Koz	3.0	3.0	+1%	14.1	12.9	+9%

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2019	2018		2019	2018	
TOTAL PRODUCTION						
Gold, Koz	48.3	55.8	-14%	178.4	165.5	+8%
Silver, Moz	0.7	0.2	+221%	2.1	2.3	-10%

Note: (1) Technological recovery, includes gold and silver within work-in-progress inventory

At Omolon, gold production in Q4 was down 14% while silver production was up three-fold year-on-year driven by processing of stockpiled Oroch ore.

In Q4, there was no heap leach stacking and the gold was produced from the feed stacked in the previous quarters.

Full-year gold production increased by 8% year-on-year to 178 Koz as the Kubaka mill processed larger volumes of higher grade ore from Birkachan and Olcha underground.

Silver grade in ore mined for the full year declined drastically due to Sopka full depletion, while Birkachan open pit was recommenced and Yolochka launched in 2019.

VARVARA

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2019	2018		2019	2018	
MINING						
Waste mined, Mt	11.2	6.8	+64%	45.4	28.7	+58%
Ore mined, Kt	991	864	+15%	3,943	3,139	+26%
Grade						
Gold, g/t				1.3	1.3	-2%
Copper, float ore, %				0.30%	0.59%	-50%
PROCESSING						
Leaching						
Ore processed, Kt	723	755	-4%	2,991	3,079	-3%
Gold grade, g/t	1.4	1.4	-1%	1.5	1.4	+5%
Gold recovery[1]	86.6%	89.1%	-3%	86.8%	88.1%	-1%
Gold production (in dore), Koz	26.7	29.7	-10%	123.4	118.2	+4%
Flotation						
Ore processed, Kt	148	159	-7%	559	456	+23%
Grade						
Gold, g/t	2.3	1.5	+49%	1.5	1.4	+5%
Copper	0.37%	0.67%	-45%	0.49%	0.59%	-18%
Recovery[1]						
Gold	77.8%	78.5%	-1%	69.5%	72.5%	-4%
Copper	87.0%	92.5%	-6%	90.5%	92.2%	-2%
Production						
Gold (in concentrate), Koz	6.1	4.3	+41%	13.3	11.7	+14%
Copper (in concentrate), Kt	0.5	0.9	-51%	2.3	2.4	-4%
Veduga ore toll processed, Kt[2]	14	22	-35%	113	108	+4%
Total ore processed, Kt	885	936	-5%	3,663	3,642	+1%

	3 months ended Dec 31, 2019	3 months ended Dec 31, 2018	% change	12 months ended Dec 31, 2019	12 months ended Dec 31, 2018	% change
TOTAL PRODUCTION						
Gold, Koz	32.8	34.0	-4%	136.7	129.9	+5%
Copper, Kt	0.5	0.9	-51%	2.3	2.4	-4%

Note: *(1) Technological recovery, includes gold and copper within work-in-progress inventory. Does not include toll-treated ore*
(2) To be further processed at Amursk POX.

At Varvara, full-year gold output increased by 5% to reach 137 Koz driven by higher mining and railing volumes at Komar.

Quarterly production was down 4% on the back of introduction of ore with lower grade and recovery from Komar into feed at the leaching circuit. In the meantime, gold production in concentrate at the flotation circuit was up 41% as the concentrator was processing higher grade third party ore.

MAYSKOYE

	3 months ended Dec 31, 2019	3 months ended Dec 31, 2018	% change	12 months ended Dec 31, 2019	12 months ended Dec 31, 2018	% change
MINING						
Waste mined, Mt	1.4	1.4	-3%	5.4	5.0	+8%
Underground development, km	5.0	6.4	-22%	20.5	23.9	-14%
Ore mined, Kt	175	239	-27%	813	1,005	-19%
Open-pit	3	91	-97%	178	372	-52%
Underground	172	148	+16%	635	633	+0%
Gold grade, g/t				6.1	6.4	-5%
Open-pit				7.0	8.0	-13%
Underground				5.9	5.5	+7%
PROCESSING						
Ore processed, Kt	220	221	-1%	878	861	+2%
Gold grade, g/t	5.8	5.9	-2%	6.1	7.1	-14%
Gold recovery	90.3%	85.2%	+6%	82.1%	79.1%	+4%
Gold in concentrate, Koz[2]	36.8	35.6	+3%	131.6	119.8	+10%
Gold produced in dore from concentrate (POX), Koz	-	6.7	-100%	-	7.4	-100%
Gold produced in dore from carbon, Koz[3]	8.2	23.5	-65%	14.2	24.6	-42%
Payable gold in concentrate shipped to off-takers, Koz	44.2	39.6	+12%	114.5	84.9	+35%
TOTAL PRODUCTION						
Gold, Koz	52.4	69.8	-25%	128.7	116.9	+10%

Notes: *(1) To concentrate*
(2) For information only; not considered as gold produced and therefore not reflected in the table representing total production. Included in total production upon sale to off-taker or dore production at Amursk POX
(3) Gold produced from carbon at Voro and Amursk POX

In Q4, the Mayskoye plant was processing sulfide ore only, hence the production was positively impacted by higher recoveries. Gold in concentrate produced during the quarter increased by 3%, while full-year gold in concentrate produced was up 10%. Full-year gold production totaled 129 Koz, a 10% increase over 2018.

SVETLOYE

	3 months ended Dec 31, 2019	3 months ended Dec 31, 2018	% change	12 months ended Dec 31, 2019	12 months ended Dec 31, 2018	% change
MINING						
Waste mined, Mt	0.3	0.2	+42%	1.4	0.7	+111%
Ore mined (open pit), Kt	300	339	-11%	1,573	1,317	+19%
Gold grade, g/t				3.8	3.8	+0%
PROCESSING						
Ore stacked, Kt	333	234	+42%	1,301	1,378	-6%
Gold grade, g/t	3.2	3.5	-9%	3.8	3.7	+2%
Gold recovery				80.7%	80.7%	+0%
TOTAL PRODUCTION						
Gold, Koz	26.5	23.3	+14%	133.5	135.3	-1%

At Svetloye, quarterly production grew by 14% year-on-year on the back of higher stacking volumes following extension of the stacking season until December due to poor weather conditions in the first nine months of 2019.

VORO

	3 months ended Dec 31, 2019	3 months ended Dec 31, 2018	% change	12 months ended Dec 31, 2019	12 months ended Dec 31, 2018	% change
MINING						
Waste mined, Mt	0.2	0.6	-71%	1.3	3.4	-60%
Ore mined, Kt	285	371	-23%	946	1,150	-18%
Gold grade						
Primary, g/t				3.2	3.5	-9%
Oxidised, g/t				1.6	3.2	-51%
PROCESSING						
Voro CIP						
Ore processed, Kt	267	251	+6%	1,050	1,003	+5%
Gold grade, g/t	2.9	3.7	-22%	3.5	3.9	-10%
Gold recovery[1]	85.4%	81.8%	+4%	86.3%	81.0%	+7%
Gold production, Koz	19.9	26.6	-25%	91.2	98.8	-8%
Voro Heap Leach						
Ore stacked, Kt	29	-	NA	87	62	+42%
Gold grade, g/t	1.1	-	NA	1.3	1.4	-7%
Gold recovery				76.6%	73.2%	+5%
Gold production, Koz	2.0	1.8	+8%	14.6	7.6	+93%
TOTAL PRODUCTION						
Gold, Koz	21.8	28.4	-23%	105.9	106.4	-0%

Note: (1) Technological recovery, includes gold within work-in-progress inventory

Open-pit mining at Voro is completed. The technical studies to determine the feasibility of underground mining are under way and expected to be finalized in Q1 2021.

The company is currently preparing the initial Ore Reserves estimate for Saum and Pescherny satellite deposits with the results of both to be presented in Q2 2020. Mining of oxide ore at Saum will start in 2020 for processing at Voro CIP circuit.

DEVELOPMENT UPDATE

At Nezhda, mining and construction proceeded according to schedule. The concentrator building was fully winterized, equipment installation will start in January. Construction of foundations for flotation and thickening sections is under way, tails thickener foundation completed. The haulage road between the mine and the concentrator was built, the construction of the two bridges on this road continues.

At POX-2, detailed engineering and contracting is ongoing. In Q4, the front-end section of the water treatment plant was contracted (conventional filters from Coralina Engineering, South Africa and reverse osmosis system from Hydrotech, Russia). The autoclave foundation was completed. The vessel to carry the autoclave from the port of Antwerp to the mouth of Amur river was chartered and expected to sail in late July.

SUSTAINABILITY, HEALTH AND SAFETY

In Q4, Polymetal had five work-related incidents, which include four minor injuries and one severe injury. No fatalities occurred in the second half of the year. Overall LTIFR in 2019 amounted to 0.19 (versus 0.09 in 2018). The increase was driven by minor incidents of slipping and tripping that occurred on site.

Safety remains a top priority for Polymetal and we continue focusing on further improvements across health and safety metrics and target zero fatalities in relation to our employees and contractors on our sites.

In line with the Company's continued emphasis on sustainability and corporate social responsibility, management expects the Board to consider and approve the following changes to safety-related CEO and relevant senior managements' KPIs for 2020:

- Switch from LTIFR to days lost due to work-related injuries (Disability) as a Health and Safety KPI while penalty factor of up to 50% of the annual bonus earned for non-safety-related KPIs in case of fatal/severe accidents remains unchanged.
- Inclusion of long-term disabilities and fatalities occurring at our contractors into KPI calculation (a 50% penalty factor in case of fatalities/severe injuries will also be applied).
- Introduction of an additional ESG KPI in the Group CEO bonus structure with a total weight of 10%.

According to the updated remuneration structure, the share of the two sustainability related KPIs (health & safety and ESG) in the annual bonus structure will constitute 35%.

All the changes will be cascaded down to the operational management level.

PERSONNEL

Dmitry Galchuk (35) succeeded Mikhail Yegorov (60) as Managing Director of Dukat effective from January 1, 2020. Dmitry joined Polymetal in 2011 as the Chief Engineer at Lunnoye and was most recently the head of Lunnoye plant. He graduated from Norilsk Industrial Institute with the degree in Underground mining.