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Polymetal International plc

Ore Reserves increase at Kyzyl

Polymetal announces a 25% increase in Ore Reserves at Kyzyl to 10.3 Moz of gold following initial reserve estimate at East Bakyrchik of 2.2 Moz of gold.

“A substantial reserve addition at East Bakyrchik extends the life-of-mine at Kyzyl to 30 years”, said Vitaly Nesis, Group CEO of Polymetal. “Importantly, open-pit mining will now continue till 2036”.

HIGHLIGHTS

- The initial JORC-compliant Ore Reserve estimate for East Bakyrchik (Zone 2 of Kyzyl) as at 1 April 2020 comprises 18.8 Mt of ore at an average grade of 3.7 g/t containing 2.2 Moz of gold, roughly 80% of which are underground.
- Total Kyzyl Ore Reserves now stand at 59.3 Mt of ore with an average grade of 5.4 g/t containing 10.3 Moz of gold. This represents a 25% increase compared with the estimate at the end of 2019.
- Open-pit reserves increased by 9% to 4.3 Moz of gold contained at an average grade of 4.9 g/t, underground reserves were up 40% to 6.0 Moz at an average grade of 5.8 g/t.
- East Bakyrchik has added 5 years to the total Kyzyl life of mine (2050), while life-of-mine (LOM) for the open pit has extended by 6 years (to 2036). East Bakyrchik open-pit LOM average strip ratio is 27 t/t.
- The new mining schedule assumes an increase in the capacity of the Kyzyl processing plant from 2.0 Mtpa to 2.2 Mtpa in 2022.
- East Bakyrchik Ore Reserve estimate incorporates data from the exploration campaign in 2015-2020 including 29.9 km of drilling (168 diamond drill holes).
- Total Kyzyl Mineral Resources (additional to Ore Reserves) amount to 15.6 Mt of ore with an average grade of 4.0 g/t representing 2.0 Moz of gold contained.

Ore Reserves (Proved + Probable) changes

Ore Reserves	Category	01.01.2020 (Bakyrchik)	01.04.2020 (Bakyrchik & East Bakyrchik)	Change, %
Open pit¹	Tonnage, Mt	21.8	27.3	+25%
	Au grade, g/t	5.7	4.9	-13%
	Au content, Moz	4.0	4.3	+9%
Underground	Tonnage, Mt	18.8	32.1	+71%
	Au grade, g/t	7.1	5.8	-18%
	Au content, Moz	4.3	6.0	+40%
Total	Tonnage, Mt	40.6	59.3	+46%
	Au grade, g/t	6.3	5.4	-15%
	Au content, Moz	8.2	10.3	+25%

¹ Including stockpiles

ORE RESERVES

The Ore Reserve estimate is reported in accordance with the JORC Code (2012) and was prepared by Polymetal using a gold price of US\$ 1,200/oz. For the Bakyrchik open pit and underground the previous estimate was performed as at 1 July 2019, the updated estimate was prepared as at 1 April 2020 and accounts for the pit extension and depletion. A cut-off grade of 0.8 g/t of gold was applied for the open pit and 3.0 g/t for the underground. East Bakyrchik initial Ore Reserve estimate was performed as at 1 April 2020. A cut-off grade for recovered gold of 0.6 g/t was applied for the open pit and 2.0 g/t for the underground, the reserves were estimated on the basis of variable recovery value for each of the blocks generated.

Kyzyl Ore Reserve estimate

Ore Reserves	Tonnage, Mt	Gold grade, g/t	Gold content, Moz
Proved			
Open-pit (Bakyrchik)	1.4	7.4	0.3
Stockpiles	0.4	5.2	0.1
Total Proved	1.8	6.9	0.4
Probable			
Open-pit	25.5	4.8	3.9
<i>Bakyrchik</i>	20.4	5.3	3.5
<i>East Bakyrchik</i>	5.0	2.6	0.4
Underground	32.1	5.8	6.0
<i>Bakyrchik</i>	18.4	7.1	4.2
<i>East Bakyrchik</i>	13.7	4.1	1.8
Total Probable	57.5	5.3	9.9
Proved + Probable			
Open-pit	26.9	4.9	4.2
<i>Bakyrchik</i>	21.8	5.4	3.8
<i>East Bakyrchik</i>	5.0	2.6	0.4
Underground	32.1	5.8	6.0
<i>Bakyrchik</i>	18.4	7.1	4.2
<i>East Bakyrchik</i>	13.7	4.1	1.8
Stockpiles	0.4	5.2	0.1
Total Proved+Probable	59.3	5.4	10.3

Notes: discrepancies in calculations are due to rounding

MINERAL RESOURCES

The Mineral Resources estimate is reported in accordance with the JORC Code (2012) and was prepared by Polymetal using a gold price of US\$ 1,200/oz. For the Bakyrchik open pit and underground the previous estimate was performed as at 1 July 2019, the updated estimate was prepared as at 1 April 2020 and accounts for the pit extension and depletion. Cut-off grades of 0.8 g/t and 3.0 g/t of gold were applied for the open and the underground, respectively. East Bakyrchik updated Mineral Resource estimate was performed as at 1 April 2020. A cut-off grade for recovered gold of 0.6 g/t was applied for the open pit and 2.0 g/t for the underground, the resources were estimated on the basis of variable recovery for each of the blocks generated. The Mineral Resource estimate for Bolshevik was prepared by Polymetal as at 1 January 2019, revised estimate was not performed due to lack of material changes. Cut-off grades for the open pit and the underground are 1.0 g/t and 3.3 g/t of gold, respectively.

Kyzyl Additional Mineral Resource estimate

Mineral Resources (additional to Ore Reserves)	Tonnage, Mt	Gold grade, g/t	Gold content, Moz
Measured			
Open-pit (<i>Bakyrchik</i>)	0.0	2.5	0.003
Total Measured	0.0	2.5	0.003
Indicated			
Open-pit	1.8	2.2	0.1
<i>Bakyrchik</i>	0.7	2.2	0.1
<i>East Bakyrchik</i>	0.4	1.2	0.0
<i>Bolshevik</i>	0.7	2.9	0.1
Underground	5.0	4.5	0.7
<i>Bakyrchik</i>	2.1	4.8	0.3
<i>East Bakyrchik</i>	2.5	4.0	0.3
<i>Bolshevik</i>	0.4	6.4	0.1
Total Indicated	6.8	3.9	0.9
Measured + Indicated			
Open-pit	1.9	2.2	0.1
<i>Bakyrchik</i>	0.8	2.2	0.1
<i>East Bakyrchik</i>	0.4	1.2	0.0
<i>Bolshevik</i>	0.7	2.9	0.1
Underground	5.0	4.5	0.7
<i>Bakyrchik</i>	2.1	4.8	0.3
<i>East Bakyrchik</i>	2.5	4.0	0.3
<i>Bolshevik</i>	0.4	6.4	0.1
Total Measured + Indicated	6.8	3.9	0.9
Inferred			
Open-pit	3.9	2.3	0.3
<i>Bakyrchik</i>	0.4	2.0	0.02
<i>Bolshevik</i>	3.5	2.3	0.3
Underground	4.9	5.6	0.9
<i>Bakyrchik</i>	2.4	6.4	0.5
<i>East Bakyrchik</i>	0.6	3.7	0.1
<i>Bolshevik</i>	1.9	5.2	0.3
Total Inferred	8.7	4.1	1.2

Measured + Indicated + Inferred			
Open-pit	5.7	2.3	0.4
<i>Bakyrchik</i>	1.2	2.1	0.1
<i>East Bakyrchik</i>	0.4	1.2	0.02
<i>Bolshevik</i>	4.2	2.4	0.3
Underground	9.8	5.1	1.6
<i>Bakyrchik</i>	4.5	5.7	0.8
<i>East Bakyrchik</i>	3.1	4.0	0.4
<i>Bolshevik</i>	2.2	5.4	0.4
Total Measured + Indicated + Inferred	15.6	4.0	2.0

Notes: discrepancies in calculations are due to rounding.

COMPETENT PERSONS

This estimate was prepared by employees of JSC Polymetal Management Company, JSC Polymetal Engineering and 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 19 years' experience in gold, silver and polymetallic mining. Being a Fellow of the Institute of Materials, Minerals & Mining (FIMMM), London, he is 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 – Victor Pchelka, Head of Production and Geology Department, Polymetal Eurasia, PONEN, MIMMM, with 34 years' relevant experience;*
- Mining and Ore Reserves: Open Pit Bakyrchik – Anton Ignatov, Chief Specialist for Open-pit Mining, Technical Department, Polymetal Management Company, MIMMM, with 17 years' relevant experience; Open Pit East Bakyrchik – Dmitriy Teterin, Head of Mineral Resources and Ore Reserves Audit Department, Polymetal Engineering, FIMMM, with 11 years' relevant experience; Underground – Andrei Somov, Head of underground mining Department, Polymetal Engineering, PONEN, FIMMM, with 32 years' relevant experience;*
- Concentration and Metals – Igor Agapov, Director of Science and Technology Department, Polymetal Engineering, MIMMM, with 22 years' relevant experience;*
- Mineral Resources, Bolshevik – Alexander Cherepanov, Lead Geologist, Prospecting and Exploration Department, Polymetal Management Company, MIMMM, with 27 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 (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is a top-10 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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