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Polymetal International plc

Tomtor initial Ore Reserve estimate

Polymetal announces that its associate ThreeArc Mining Ltd. (ThreeArc, in which Polymetal owns 9.1%) has completed an initial Ore Reserve estimate in accordance with the JORC Code (2012) for the Buranny area of the Tomtor niobium and rare-earth metals project (Tomtor).

"Tomtor confirmed its scale and grade as one of the premier niobium and rare earths deposits globally", said Vitaly Nesis, Group CEO of Polymetal. "The project team will now focus on completion of a bankable feasibility study, paving the way for the investment decision. Permitting issues and a Covid-related slowdown in offshore engineering work remain the key challenges for the project".

HIGHLIGHTS

- The initial Ore Reserve estimate as at 31 December 2019 comprises 11.4 Mt of ore available for open-pit mining at 6.0% Nb_2O_5[1]+14.5% REO[2] grade (including 2.8% of NdPr[3] oxides) containing 0.7 Mt of Nb_2O_5 and 1.7 Mt of REO which makes Tomtor one of the top-3 rare earths projects globally by reserves.
- The open pit mine will be operated in two roughly equal stages:
  - Stage 1: 14 years of mining of niobium-rich ore with ore being stockpiled at the mine to provide feed sufficient for more than 40 years of processing at Krasnokamensk Hydrometallurgical Facility (KHF). The ore will be dried on site and transported via a sequence of ice roads, barges, ships and rail to KHF. Accelerating mining and stockpiling ore is considered to be the most practical approach given the project's location.
  - Stage 2: the open pit will recommence after the ore stockpiled during Stage 1 has been fully processed to complete mining and stockpile ore for a further 27 years of processing. The Stage 2 feed will contain higher content of Rare Earth Elements (REE) and lower niobium grades.
- The KHF will be built near the town of Krasnokamensk located in South-Eastern Siberia close to the border with China being the location of Russia's largest uranium mine and associated processing and tailings infrastructure that is expected to be used to store the waste generated by the plant.
- The planned plant's throughput is 160 Ktpa of dry ore. The facility will produce niobium oxide which will be toll converted to ferroniobium, and a bulk REE carbonate concentrate which is currently planned to be toll treated to produce Ce&La oxides, NdPr oxides and a mixed medium-heavy rare earth carbonate.
- The bankable feasibility study of the project, including a number of downstream processing flowsheet improvements is currently in progress. The process has been slowed down due to Covid-related challenges.
- The completion of the feasibility study and basic engineering of the project will be contingent on the state approval of the sustainable waste management concept developed for the project and of the respective legislative changes.
- Mineral Resources (additional to Ore Reserves) amount to 1.5 Mt of ore with an average grade of 4.8% Nb_2O_5+15.2% REO grade representing 0.07 Mt of Nb_2O_5 and 0.2 Mt of REO.
- The Ore Reserve and Mineral Resource audit prepared by SRK Consulting (Russia) Ltd is the first independent audit of the Tomtor project.

[1] Niobium oxide.
[2] Rare earth oxides.
[3] Nd - Neodymium, Pr - Praseodymium.

ORE RESERVE AND MINERAL RESOURCE STATEMENT

The Ore Reserve and Mineral Resource estimates are classified in accordance with the JORC Code (2012) as at 31 December 2019 using the following prices: US$ 23.9/kg of Nb_2O_5, US$ 53.5/kg of Pr_6O_{11}, US$ 48.5/kg of Nd_2O_3, US$ 20.80 / kg carbonate concentrate of medium and heavy rare earths (Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu, Y) and at 7.8% Nb_2O_5 Equivalent cut-off grade. Any discrepancies in calculations are due to rounding.

Tomtor Ore Reserve estimate

	Tonnage	Grade				Content			
			REO				REO		
	Mt	Nb_2O_5 %	NdPr oxides %	Other REO %	Total REO %	Nb_2O_5 Kt	NdPr oxides Kt	Other REO Kt	Total REO Kt
Probable									
Stage 1	7.0	6.7	2.5	10.7	13.2	470	173	747	920
Stage 2	4.4	5.0	3.1	13.6	16.7	220	134	606	740
Total Probable	**11.4**	**6.0**	**2.8**	**11.7**	**14.5**	**690**	**306**	**1,354**	**1,660**

Tomtor Additional Mineral Resource estimate

	Tonnage	Grade				Content			
			REO				REO		
	Mt	Nb_2O_5 %	NdPr oxides %	Other REO %	Total REO %	Nb_2O_5 Kt	NdPr oxides Kt	Other REO Kt	Total REO %
Indicated	0.06	5.9	2.4	10.9	13.3	4	1	7	8
Inferred	1.4	4.7	2.8	12.5	15.3	68	40	180	220
Total Indicated + Inferred	**1.5**	**4.8**	**2.8**	**12.4**	**15.2**	**72**	**41**	**187**	**228**

ABOUT TOMTOR

Tomtor is located in the north-west of Yakutia. It is one of the largest and highest grade rare earth elements (REE) projects globally and considered to be the highest grade development stage niobium (Nb) project in the world. The deposit was discovered in 1977 with initial statutory reserves approved in 1999. In 2013, ICT established ThreeArc Mining Ltd., a subsidiary of which purchased the Tomtor license subsequently. In March 2020, Polymetal acquired a 9.1% stake in ThreeArc for US$ 20 million. The proceeds were allocated to developing the Pre-Feasibility Study and preparing the initial Ore Reserve and Mineral Resource estimate.

COMPETENT PERSONS

The Ore Reserves estimate was compiled by David Pearce, who is employed full-time by SRK Consulting (Russia) Ltd, as a Principal Mining Consultant and Managing Director. Mr Pearce is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), and has sufficient experience relevant to the mining method and type of deposit under consideration, and to the engineering solutions proposed for developing the project, to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code).

The Mineral Resource estimate was compiled by Robin Simpson, who is employed full-time by SRK Consulting (Russia) Ltd, as a Principal Consultant (Resource Geology). Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code).

The 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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Forward-looking statements

This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements speak only as at the date of this release. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "should" or similar expressions or, in each case their negative or other variations or by discussion of strategies, plans, objectives, goals, future events or intentions. These forward-looking statements all include matters that are not historical facts. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the company's control that could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company's present and future business strategies and the environment in which the company will operate in the future. Forward-looking statements are not guarantees of future performance. There are many factors that could cause the company's actual results, performance or achievements to differ materially from those expressed in such forward-looking statements. The company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.