

Release time IMMEDIATE

Date 23 July 2020

Polymetal International plc

Q2 2020 production results

Polymetal reports strong production results for the second quarter and the six months ended June 30, 2020.

“Q2 saw a continued steady performance of the Group”, said Vitaly Nesis, Group CEO of Polymetal. “We have been taking a range of measures aimed at protecting our employees and contractors in light of the COVID-19 pandemic, while allowing our operations and projects to proceed without interruptions or delays to date”.

HIGHLIGHTS

- There were no fatal accidents during the first half of the year within Polymetal and the Company's contractors. LTIFR for the period improved by 70% year-on-year (y-o-y) to 0.07 as only four minor injuries were recorded.
- The Company's Q2 gold equivalent (“GE”) production (based on 120:1 Au/Ag ratio¹) increased by 2% y-o-y to 358 Koz driven by a strong performance at Kyzyl which compensated for the planned decline at Svetloye. GE output for H1 stood at 723 Koz, an increase of 4% y-o-y.
- Revenue for Q2 increased by 30% y-o-y to reach US\$ 641 million on the back of higher gold prices and sales volumes. H1 revenue amounted to US\$ 1,135 million, up 20% y-o-y. There was a lag between gold production and sales due to Varvara concentrate sales, which is expected to close in H2 2020.
- Polymetal generated significant free cash flow in the reporting period. Net debt was largely unchanged relative to Q1 2020 at US\$ 1.69 billion, while the Company paid US\$ 197 million of final dividends for FY 2019 or US\$ 0.42 per share. As in previous years, free cash flow generation will be weighted towards the second half of the year on the back of seasonal working capital drawdown.
- Construction and development activities at Nezhda and POX-2 progressed on schedule. COVID-related restrictions and cautionary measures have not slowed down execution progress of these projects.
- The Company confirms its full-year 2020 production guidance of 1.5 Moz of GE. It also for now maintains its cost guidance, as depreciation of the Russia Rouble and Kazakh Tenge is currently counterbalanced by COVID-related costs. However, TCC, AISC and CapEx guidance will be updated along with H1 financial results on August 26.

¹ Following consistent change of the market price ratio, Polymetal has decided to use gold/silver ratio of 120:1 (previously 80:1) for presentation of its gold equivalent production data and guidance. Simultaneously, base metal by-products have been excluded from gold equivalent production data and guidance due to insignificance. The new ratio is applied from 1 April 2020. Comparative data for previous periods has been restated accordingly.

COVID-19 UPDATE

Health and safety

- No material COVID-19 outbreaks have so far occurred at our operations. Multiple employees tested positive for the virus with the vast majority of confirmed cases occurring during intra-shift breaks away from mines or during mandatory observatory period.
- Health and safety of our employees and other people is our top priority. Strict precautionary procedures are maintained at all production sites despite gradual relaxation of state quarantine requirements in Russia. The procedures include daily temperature checks, regular medical surveillance and 14-day isolation of new shifts with COVID tests performed twice – first upon arrival and then before allowing to proceed to work on-site. Polymetal has organised isolated accommodation space for placement of potentially infected employees, enhanced hygiene protection in public spaces and increased control over disinfection and sterilisation measures. Adequate medical supplies are in place at all locations.
- Personnel at off-site offices in Russia who report to work are tested on a rolling 2-week basis. Personal meetings and business trips are limited. Management offices in Kazakhstan continue to work remotely.

Business continuity

- Russian regions are relaxing lockdown measures in respect of retail and other activities. The scope and pace, however, vary across regions. In Kazakhstan, a new quarantine was introduced from the 5th of July after the country had started experiencing the second wave of infections. Continuous operations and strategic industrial companies (including Polymetal) in both countries are allowed to continue operating at regular capacity.
- In both countries, Polymetal has had no interruptions either in production or supply chain. The vast majority of operating consumables and spares are sourced domestically and from China.
- Sales and refining activities remain unaffected. Refineries in Russia and Kazakhstan continue to operate normally.

Assistance to communities

- Polymetal continued to provide financial support to all regions of operations in Russia and Kazakhstan in order to prevent the spread of the COVID-19 pandemic. The Company has been purchasing critical medical equipment such as mobile X-Ray and anesthetic-respiratory machines, oxygen concentrators, ventilators, ultrasound machines, pulse oximeters, personal protection gear and other medical supplies for 25 regional and municipal hospitals, and volunteers. The total amount of donations in H1 amounted to RUB 129 million (US\$ 1.8 million).
- Polymetal remains committed to supporting local communities and investing in their health and safety especially during the pandemic. The Company will maintain its assistance to medical and dedicated volunteer institutions at all levels.

	3 months ended June 30,		% change ¹	6 months ended June 30,		% change ¹
	2020	2019		2020	2019	
Waste mined, Mt	39.2	40.0	-2%	79.1	77.6	+2%
Underground development, km	23.2	26.1	-11%	46.4	54.3	-15%
Ore mined, Mt	4.1	4.3	-5%	8.1	8.6	-6%
Open-pit	3.1	3.3	-6%	6.0	6.5	-7%
Underground	1.0	1.0	-1%	2.0	2.1	-2%
Ore processed, Mt	4.3	4.1	+4%	7.8	7.6	+3%
Average GE grade processed, g/t	3.8	3.5	+8%	4.0	3.7	+7%
Production						
Gold, Koz	318	302	+5%	642	602	+7%
Silver, Moz	4.9	6.0	-19%	9.8	11.0	-11%
Gold equivalent, Koz ²	358	352	+2%	723	694	+4%
Sales						
Gold, Koz	324	314	+3%	595	604	-2%
Silver, Moz	5.2	5.6	-8%	9.9	10.3	-4%
Revenue, US\$m ³	641	492	+30%	1,135	946	+20%
Net debt, US\$m ⁴	1,690	1,661	+2%	1,690	1,479	+14%
Safety ⁵						
LTIFR	0.08	0.22	-64%	0.07	0.23	-70%
Fatalities	0	1		0	2	

Notes: (1) % 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.

(2) Based on 120:1 Au/Ag conversion ratio (Polymetal previously used 80:1 Au/Ag ratio) and excluding base metals (previously were included). Comparative data for 2019 restated accordingly.

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

(4) Non-IFRS measure based on unaudited consolidated management accounts. Comparative information is presented for 31 March 2020 (for the three months period) and 31 December 2019 (for the six months period).

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

PRODUCTION BY MINE

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
<u>GOLD EQ. (KOZ)¹</u>						
Kyzyl	104	81	+28%	213	159	+33%
Albazino	62	55	+13%	140	136	+2%
Dukat	52	55	-6%	104	108	-4%
Omolon	46	43	+7%	88	95	-8%
Varvara	41	36	+14%	84	70	+21%
Svetloye	31	52	-41%	52	61	-15%
Voro	22	29	-24%	42	56	-25%
Mayskoye	1	-	NA	1	5	-79%
TOTAL (continuing operations)	358	352	+2%	723	691	+5%
Kapan	-	-	NA	-	3	-100%
TOTAL (including discontinued operations)	358	352	+2%	723	694	+4%

Notes: (1) Based on 120:1 Au/Ag conversion ratio (Polymetal previously used 80:1 Au/Ag ratio) and excluding base metals (previously were included). Comparative data for 2019 restated accordingly.

CONFERENCE CALL AND WEBCAST

Polymetal will hold a conference call and webcast on Thursday, 23 July 2020 at 12:00 London time (14:00 Moscow time).

To participate in the call, please dial:

From the UK:

+44 330 336 9125 (local access)

0800 358 6377 (toll free)

From the US:

+1 646 828 8143 (local access)

800 263 0877 (toll free)

From Russia:

+7 495 213 1767 (local access)

8 800 500 9283 (toll free)

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

Conference code: 3221219

To participate in the webcast follow the link: <https://webcasts.eqs.com/polymetal20200723>.

Please be prepared to introduce yourself to the moderator or register.

A recording of the call will be available at +44 207 660 0134 (from the UK), +1 719 457 0820 (from the USA) and 8 10 800 2702 1012 (from Russia), access code 3221219, from 17:30 Moscow time Thursday, 23 July, till 17:30 Moscow time Thursday, 30 July 2020. Webcast replay will be available on Polymetal's website (www.polymetalinternational.com) and at <https://webcasts.eqs.com/polymetal20200723>.

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.

KYZYL

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
MINING						
Waste mined, Mt	18.8	16.5	+14%	38.0	32.3	+18%
Ore mined (open-pit), Kt	518	511	+1%	1,041	1,033	+1%
PROCESSING						
Ore processed, Kt	481	512	-6%	1,006	988	+2%
Gold grade, g/t	8.5	6.6	+29%	8.3	6.7	+23%
Gold recovery	87.2%	87.8%	-1%	87.2%	87.3%	-0%
Concentrate produced, Kt	37.3	28.5	+31%	73.0	58.3	+25%
Concentrate gold grade, g/t	97.4	104.2	-7%	99.3	100.0	-1%
Gold in concentrate, Koz ¹	117	96	+22%	233	187	+24%
Concentrate shipped, Kt	26.4	17.3	+52%	47.3	36.9	+28%
Payable gold shipped, Koz	51	40	+25%	92	91	+1%
Veduga ore toll processed, Kt ²	31	-	NA	31	-	NA
Amursk POX						
Concentrate processed, Kt	13	12	+8%	29	20	+44%
Gold grade, g/t	149.2	128.9	+16%	141.8	124.7	+14%
Gold recovery	91.8%	93.4%	-2%	91.8%	93.8%	-2%
Gold produced, Koz	54	41	+31%	121	68	+77%
TOTAL PRODUCTION						
Gold, Koz	104	81	+28%	213	159	+33%

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.

(2) To be further processed at Amursk POX.

In Q2, grade in ore mined at Kyzyl continued to normalize down towards the reserve average with current grade in ore mined closely reconciling to reserve averages. Waste volumes continued to increase as equipment productivity was positively impacted by the introduction of a quick turn-round system for both trucks and excavators (so called Hot Seat shift change).

Grade processed jumped 29% y-o-y to 8.5 g/t due to the impact of accumulated ore stockpiles, which made gold production grow by 28% y-o-y to 104 Koz.

High gold grades and high carbon grades in ore processed complicated flowsheet management and led to a 1 percentage point decrease in recovery at the concentrator. Amursk POX recovery also slipped as a concerted effort was made to divert as much concentrate as possible to the POX in the wake of COVID disruptions in China.

ALBAZINO

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
MINING						
Waste mined, Mt	5.1	5.6	-9%	9.9	11.1	-11%
Underground development, km	3.1	2.6	+22%	6.2	4.9	+27%
Ore mined, Kt	464	545	-15%	981	1,026	-4%
Open-pit	295	404	-27%	655	766	-14%
Underground	169	141	+19%	325	259	+25%
PROCESSING						
Albazino concentrator						
Ore processed, Kt	446	431	+3%	891	856	+4%
Gold grade, g/t	4.8	4.0	+21%	4.6	4.2	+10%
Gold recovery ¹	86.5%	86.9%	-0%	86.0%	85.2%	+1%
Concentrate produced, Kt	36.8	33.7	+9%	72.7	69.3	+5%
Concentrate gold grade, g/t	50.0	44.1	+13%	49.1	44.3	+11%
Gold in concentrate, Koz ²	59	48	+24%	115	99	+16%
Amursk POX						
Concentrate processed, Kt	40	38	+6%	86	91	-5%
Gold grade, g/t	51.6	48.0	+7%	52.6	50.1	+5%
Gold recovery	96.5%	93.4%	+3%	96.5%	94.5%	+2%
Gold produced, Koz	62	55	+13%	139	136	+2%
TOTAL PRODUCTION						
Gold, Koz	62	55	+13%	139	136	+2%

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, quarterly gold production was up 13% y-o-y to 62 Koz driven by gold grade increase of 21%, which was attributable to processing of higher grade ore from the deeper levels of Anfisa pit.

Open-pit mining was limited during the quarter as Anfisa pit was undergoing the wall push back to enhance its stability. Underground mine productivity increased due to continued underground development at Olga. Stopping at Ekaterina-2 commenced.

AMURSK POX

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
Concentrate processed, Kt	53	50	+7%	115	111	+4%
Albazino	38	36	+7%	79	81	-2%
Kyzyl	13	12	+8%	29	20	+44%
Veduga	1	1	+11%	3	6	-48%
Other ¹	0	0	-89%	3	4	-8%
Gold recovery	94.2%	93.4%	+1%	94.2%	94.3%	-0%
Average gold grade, g/t	75.6	67.7	+12%	75.2	63.7	+18%
Average sulphur grade	13.5%	12.6%	+7%	13.9%	12.6%	+10%
Total gold produced ² , Koz	116	96	+20%	260	205	+27%
Albazino	51	50	+4%	111	116	-4%
Kyzyl	54	41	+31%	121	68	+77%
Veduga	4	3	+33%	19	16	+16%
Other ¹	6	2	+163%	10	4	+119%

Notes: (1) Purchased concentrates which are included in reportable production in the Albazino segment.

(2) For information only. Already accounted for in production at operating mines.

Quarterly gold production at the Amursk POX increased by 20% y-o-y to 116 Koz on the back of higher concentrate grade from Kyzyl and Albazino and larger volumes of concentrate processed.

In Q2, the plant underwent a planned 15-day maintenance shutdown. No major issues were identified.

DUKAT OPERATIONS

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
MINING						
Underground development, km	10.9	14.9	-26%	22.2	30.0	-26%
Ore mined, Kt	545	649	-16%	1,084	1,252	-13%
PROCESSING						
Omsukchan concentrator						
Ore processed, Kt	496	516	-4%	1,009	1,029	-2%
Grade						
Gold, g/t	0.6	0.5	+18%	0.5	0.5	+0%
Silver, g/t	273	306	-11%	280	295	-5%
Recovery ¹						
Gold	85.1%	85.3%	-0%	84.8%	85.7%	-1%
Silver	87.4%	86.6%	+1%	86.6%	86.9%	-0%
Production						
Gold, Koz	8	7	+14%	14	14	-1%
Silver, Moz	3.7	4.3	-14%	7.7	8.3	-7%
Lunnoye plant						
Ore processed, Kt	116	117	-0%	232	232	-0%
Grade						
Gold, g/t	1.4	1.3	+4%	1.5	1.4	+4%
Silver, g/t	278	264	+5%	273	266	+3%
Recovery ¹						
Gold	91.8%	85.1%	+8%	91.2%	85.7%	+6%
Silver	92.8%	90.1%	+3%	92.1%	90.1%	+2%
Production						
Gold, Koz	5	4	+7%	10	9	+7%
Silver, Moz	1.0	0.9	+6%	1.9	1.8	+3%
TOTAL PRODUCTION						
Gold, Koz	13	11	+11%	24	24	+2%
Silver, Moz	4.7	5.3	-11%	9.5	10.1	-5%

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

At Dukat, Q2 silver production contracted by 11% y-o-y to 4.7 Moz on the back of planned decline in silver grade at the Omsukchan concentrator. Gold production for the quarter was up 11% supported by gold-rich ore from the underground Arylakh mine.

Better recoveries at Lunnoye plant were driven by separate processing of Arylakh and Lunnoye ores as well as lower carbon content in Lunnoye ore.

Underground development meters declined materially following the decommissioning of the Goltsovoye underground mine.

OMOLON OPERATIONS

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
MINING						
Waste mined, Mt	1.1	1.9	-40%	2.0	3.2	-36%
Underground development, Km	3.7	3.3	+10%	7.0	6.5	+7%
Ore mined, Kt	763	730	+5%	1,564	1,378	+14%
Open-pit	642	625	+3%	1,331	1,159	+15%
Underground	121	105	+16%	234	220	+6%
PROCESSING						
Kubaka Mill						
Ore processed, Kt	220	208	+6%	433	428	+1%
Grade						
Gold, g/t	6.6	5.0	+31%	6.7	6.5	+4%
Silver, g/t	26	125	-80%	20	72	-73%
Recovery ¹						
Gold	94.3%	97.1%	-3%	93.2%	95.5%	-2%
Silver	69.5%	88.8%	-22%	74.3%	79.1%	-6%
Gold production, Koz	41	35	+18%	83	86	-4%
Silver production, Moz	0.1	0.7	-83%	0.2	0.8	-77%
Birkachan Heap Leach						
Ore stacked, Kt	707	493	+44%	707	546	+29%
Gold grade, g/t	2.3	1.2	+95%	2.3	1.2	+95%
Gold production, Koz	3	2	+68%	3	2	+68%
TOTAL PRODUCTION						
Gold, Koz	45	37	+21%	86	88	-3%
Silver, Moz	0.1	0.7	-82%	0.2	0.8	-76%

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

At Omolon, gold output for the quarter jumped by 21% y-o-y to 45 Koz while silver production was down by 82% to 0.1 Moz as Kubaka mill switched to processing gold-rich ore from Yolochka and Birkachan underground at the CIP circuit from treating Sopka ore with higher silver content at the Merrill-Crowe circuit. Heap leach production also positively contributed to the total output on the back of stacking of larger volumes of higher-grade ore stockpiles.

At Birkachan, underground productivity is gaining pace, while open-pit mining is planned to be completed by the end of 2020.

VARVARA

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
MINING						
Waste mined, Mt	10.1	11.6	-12%	20.3	22.7	-11%
Ore mined, Kt	702	977	-28%	1,484	1,938	-23%
PROCESSING						
Leaching						
Ore processed, Kt	796	784	+2%	1,530	1,535	-0%
Gold grade, g/t	1.5	1.4	+4%	1.5	1.4	+3%
Gold recovery ¹	89.1%	87.7%	+2%	88.1%	86.5%	+2%
Gold production (in dore), Koz	32	34	-6%	67	65	+2%
Flotation						
Ore processed, Kt	188	130	+44%	317	277	+14%
Grade						
Gold, g/t	2.6	1.1	+139%	2.8	1.1	+155%
Copper	0.34%	0.52%	-34%	0.33%	0.55%	-39%
Recovery ¹						
Gold	87.2%	88.7%	-2%	86.5%	83.7%	+3%
Copper	85.7%	90.8%	-6%	84.9%	91.4%	-7%
Production						
Gold (in concentrate), Koz	9	2	+372%	18	4	+292%
Copper (in concentrate), Kt	0.5	0.6	-17%	0.8	1.3	-38%
Veduga ore toll processed, Kt ²	-	31	-100%	30	63	-53%
Total ore processed, Kt	984	945	+4%	1,876	1,875	+0%
TOTAL PRODUCTION						
Gold, Koz	41	36	+14%	84	70	+21%
Copper, Kt	0.5	0.6	-17%	0.8	1.3	-38%

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.

Varvara delivered strong gold production y-o-y increase of 14% to 41 Koz in Q2 and 21% to 84 Koz in H1 driven by larger volumes of high-grade third-party ore in the flotation circuit.

The leaching circuit Q2 production was down 6% y-o-y due to accumulation of work-in-progress as of the end of the quarter.

In Q2, high-grade Veduga feed was redirected to the Kyzyl flotation plant which is more suitable for refractory gold ore.

In 2020, all mining at Varvara open pit will be focused on waste for the new TSF construction.

MAYSKOYE

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
MINING						
Waste mined, Mt	0.6	1.4	-55%	1.7	2.6	-34%
Underground development, km	5.5	5.3	+4%	11.0	10.8	+2%
Ore mined, Kt	306	220	+39%	567	438	+29%
Open-pit	108	70	+54%	186	134	+39%
Underground	197	150	+32%	380	305	+25%
PROCESSING						
Ore processed, Kt	230	207	+11%	458	426	+8%
Gold grade, g/t	6.7	6.6	+2%	6.2	6.1	+2%
Gold recovery	84.4%	69.9%	+21%	87.5%	76.5%	+14%
Gold in concentrate, Koz ²	37	25	+48%	76	59	+29%
Gold produced in dore from concentrate (POX), Koz	-	-	NA	0	-	NA
Gold produced in dore from carbon, Koz ³	1	-	NA	1	5	-86%
Payable gold in concentrate shipped to off-takers, Koz	-	-	NA	-	-	NA
TOTAL PRODUCTION						
Gold, Koz	1	-	NA	1	5	-79%

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 Amursk POX.

At Mayskoye, gold in concentrate increased by 48% y-o-y to 37 Koz as higher volumes of sulphide ore with better recoveries were introduced into the feed and certain adjustments to the flowsheet were applied (grinding fineness increase and larger volumes of collectors) to further improve recovery.

Stripping volumes fell while ore mined spiked as the open-pit mining is approaching completion.

SVETLOYE

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
MINING						
Waste mined, Mt	0.9	0.4	+127%	1.6	0.8	+104%
Ore mined (open pit), Kt	561	453	+24%	907	867	+5%
PROCESSING						
Ore stacked, Kt	317	414	-23%	626	598	+5%
Gold grade, g/t	3.7	3.5	+4%	4.0	4.0	+2%
Gold production, Koz	31	52	-41%	52	61	-15%
TOTAL PRODUCTION						
Gold, Koz	31	52	-41%	52	61	-15%

At Svetloye, gold production for the quarter decreased by 41% to 31 Koz on the back of lower stacking volumes impacted by maintenance shutdown of the ore crushing complex (moved from Q1) and high ore acidity of freshly mined ore, which required much higher rates of limestone addition.

Waste and ore mined jumped driven by growing productivity at the Emmy pit.

VORO

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2020	2019		2020	2019	
MINING						
Waste mined, Mt	-	0.4	-100%	-	0.8	-100%
Ore mined, Kt	65	210	-69%	106	479	-78%
PROCESSING						
Voro CIP						
Ore processed, Kt	260	270	-4%	529	519	+2%
Gold grade, g/t	2.2	3.5	-37%	2.2	3.5	-37%
Gold recovery ¹	82.5%	85.7%	-4%	82.3%	86.3%	-5%
Gold production, Koz	18	23	-19%	36	45	-20%
Voro Heap Leach						
Ore stacked, Kt	22.2	-	NA	22	-	NA
Gold grade, g/t	0.9	-	NA	0.9	-	NA
Gold production, Koz	4	6	-41%	6	11	-46%
TOTAL PRODUCTION						
Gold, Koz	22	29	-24%	42	56	-25%

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

At Voro, H1 production declined by 25% y-o-y as open-pit mining was completed in January and the CIP plant turned to processing lower-grade stockpiles

At the heap leach facility the remaining part of the oxidised stockpiled ore was stacked in Q2.

DEVELOPMENT UPDATE

At Nezhda, construction has been progressing on schedule. SAG and ball mills have been installed. Installation of flotation cells, gravity concentration equipment and concentrate thickeners is in progress.

Mining at the property proceeded according to plan. Widespread presence of ice lenses in the upper benches of open pit 2 required additional pre-stripping to ensure stable pit walls.

UVES LLC, an independent grid management company, funded by Far East and Arctic Development Fund and Credit Bank of Moscow, has started construction of the grid power line and substation for Nezhda with total cost of approximately US\$ 86 million, net of VAT. Following the construction completion scheduled for Q2 2022, the facility will be leased out to Polymetal on pre-agreed terms.

At POX-2, the autoclave arrived on site on the 21st of July. The installation of the vessel is now ongoing and planned to be completed on schedule by early August. The construction of the oxygen plant is also in progress. The new concentrate storage area has been completed and commissioned thus clearing the space for the construction on the site previously occupied by the old concentrate storage.

SUSTAINABILITY, HEALTH AND SAFETY

In H1, there were no fatalities either among Polymetal employees or the Company's contractors. Our LTIFR stood at 0.08 for the 2nd quarter and 0.07 for the first half of the year (-64% and -70% y-o-y respectively) as only 4 minor work-related incident were recorded across the Group as of 30 June 2020.

Polymetal remains committed to maintaining zero fatalities and improving other health and safety metrics among our employees as well as our suppliers and contractors.