POLYMETAL
INTERNATIONAL PLC

ANALYST AND INVESTOR DAY

8 November 2021

TABLE OF CONTENTS

01 BUSINESS UPDATE

02 PROJECTS UPDATE

03 OUTLOOK

04 APPENDIX

01
BUSINESS UPDATE

COVID UPDATE

- Epidemiological situation in Polymetal remains under control. Operations and development projects undisrupted
- COVID-related transportation restrictions in China persist. The Company shortened concentrate transit time by switching from boxcar to container shipping
- Russia is going through the massive “fourth wave” of the pandemic. Several regions introduced lockdowns. Polymetal as a business with continuous production is allowed to work as usual
- There are currently 56 active cases of COVID in Polymetal. Extensive testing and observatory periods, are maintained at all sites
- 45% of Polymetal employees are already vaccinated

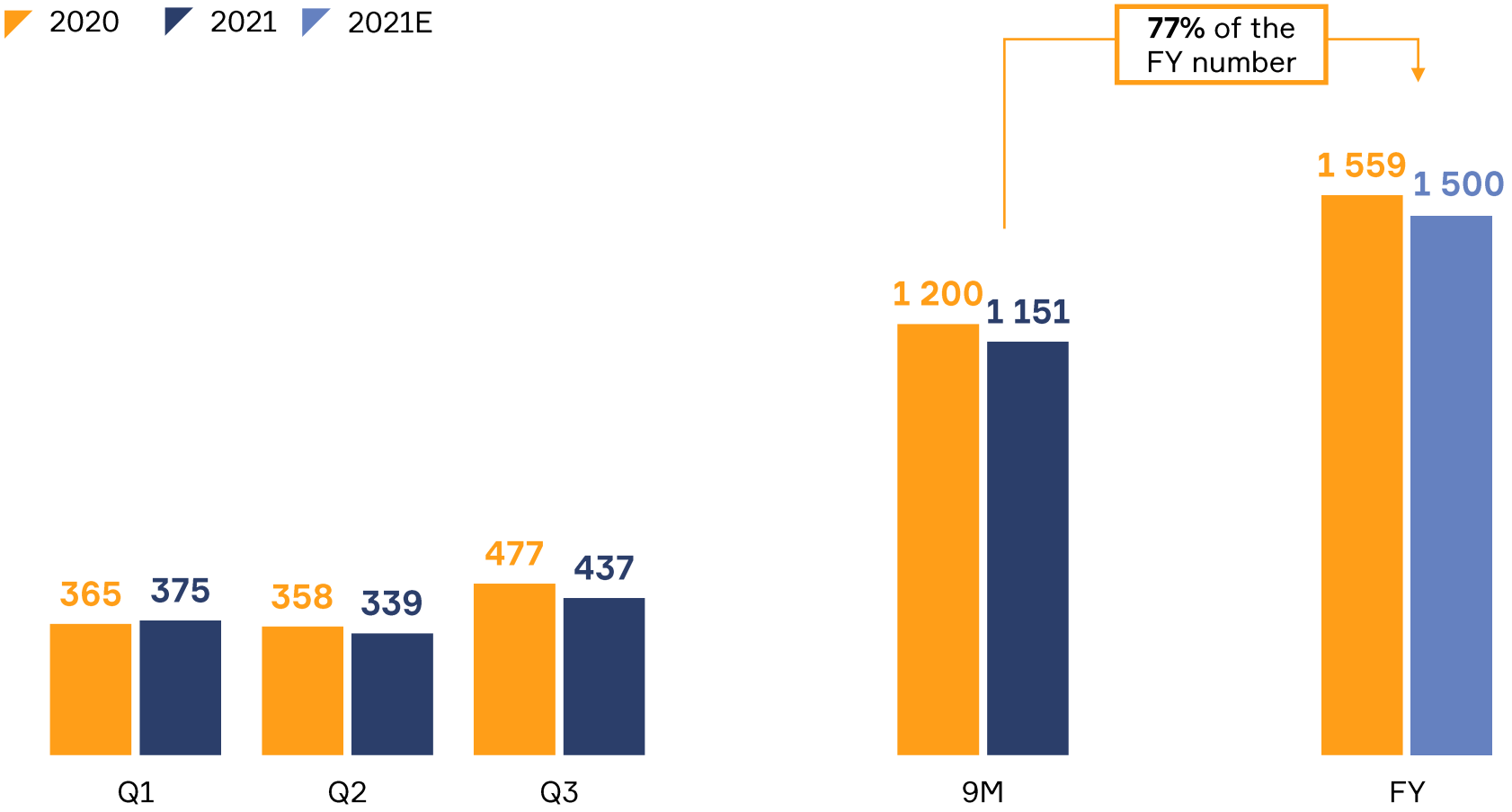
TAX REGULATION UPDATE

No impact on precious metals miners yet

Latest tax initiatives	Status
RUSSIA	
Proposal to increase MET for mining sector ◥ No additional taxes were proposed for precious metals miners. **6% for Au / 6.5% for Ag remain unchanged**	**Adopted (effective from 1 Jan 2022)**
Potential increase of income tax rate for mining companies (from 20% to 25%-30%) ◥ No precise mechanism announced yet	**Under discussion** No changes expected until 2023
KAZAKHSTAN	
Potential increase of MET rate for gold miners by 60% (to 8%)	**Under discussion** No changes expected until 2023
Potential increase of the income tax rate for companies of mining sector by 20% (to 24%)	

Q3 2021 RESULTS

PRODUCTION, GE Koz (@120 Au/Ag ratio)



NEZHDA

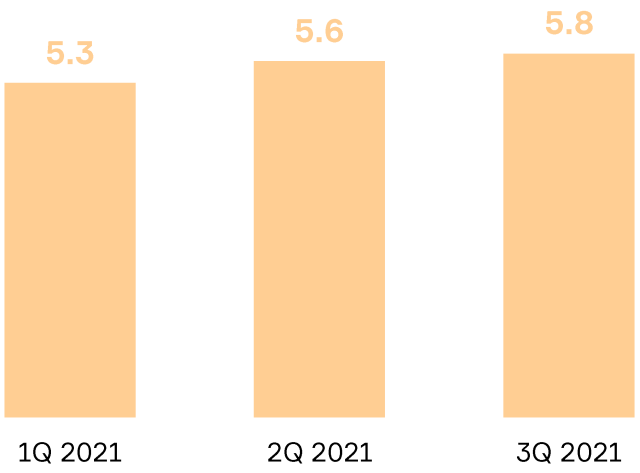
VIDEO UPDATE

Click on the image or scan the QR code to play the video on YouTube

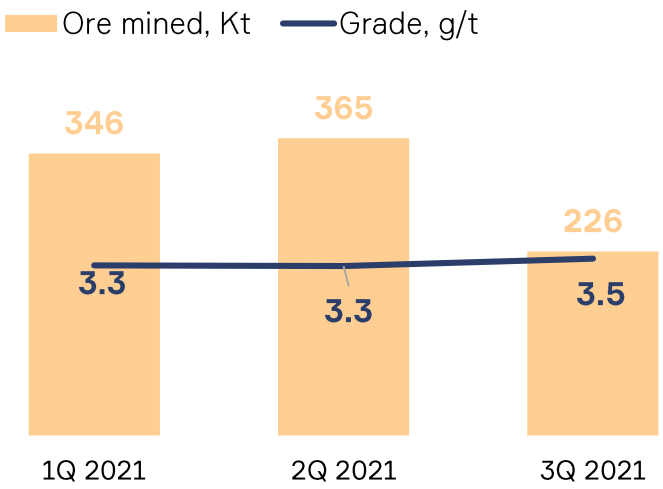
QUARTERLY OPERATING DATA

- Nezhda successfully produced first gold and silver concentrate on October 16th, **two weeks ahead of schedule**
- The concentrator is now in a ramp-up period, and is expected to reach its **nameplate capacity** and full design recovery by **April 2022**
- This year, Polymetal plans to produce up to 30 Koz of gold at Nezhda with **average production of 180 Koz per year** in 2022-2024 at estimated AISC of $850-900/oz

WASTE MINED, Mt

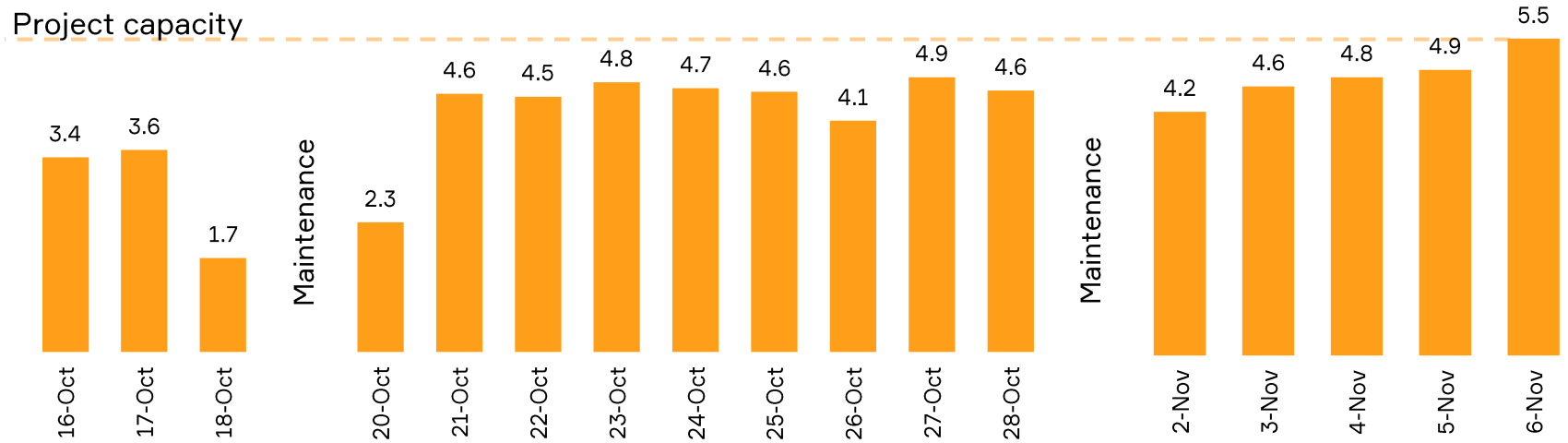


ORE MINED AND GRADE

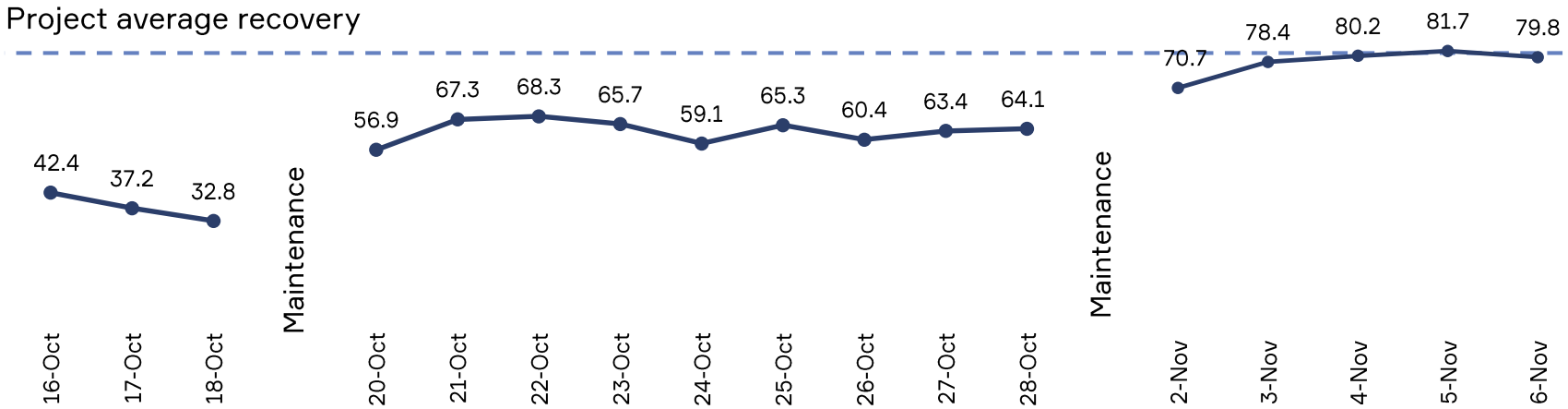


DAILY OPERATING DATA

ORE PROCESSED, Kt

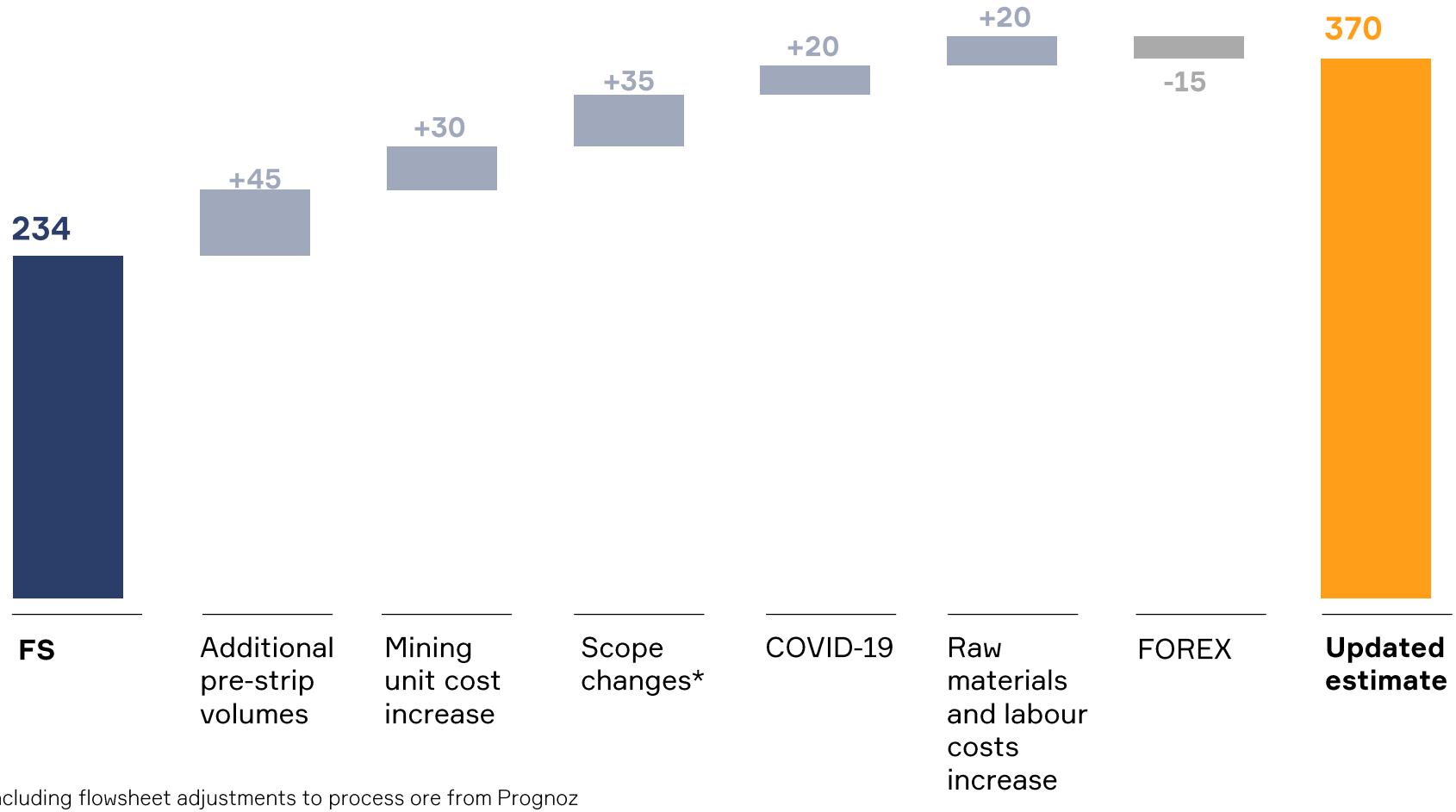


AU RECOVERY, %



INITIAL CAPEX UPDATE

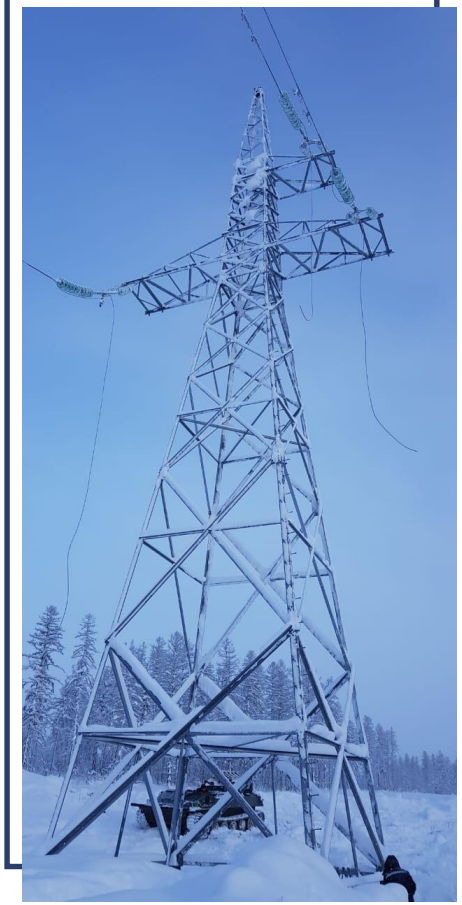
START-UP CAPEX: FS vs UPDATED ESTIMATE, $m



* Including flowsheet adjustments to process ore from Prognoz

POWER LINE
Project highlights

- 110 kV power line will run 254 km from Khandyga, 415 km east from Yakutsk, to the Nezhda production site
  - **85%** of power line completed
  - **95%** of substation completed
  - Commissioning and power supply to Nezhda is scheduled for **Q3 2022**
- Grid connection will **reduce all-in power cost** from approximately **26 to 14 US$ cents/Kw-h** compared to in-house generation from diesel
- Roughly **$70/oz reduction** in Nezhda's **TCC**



POWER LINE UPDATE

Power substation at Nezhda

SUSTAINABLE DEVELOPMENT

ENVIRONMENT

- Grid connection will reduce **GHG emissions by 65%** in comparison with the on-site diesel generation (41 vs 118 Kt in the first year of production)
- The **emission intensity** level is expected to be **in line with the Group's trajectory** for carbon footprint reduction (624 CO2e/oz GE at Nezhda on 2023 vs 2025 Group target of 680)
- Tailings from the plant are stored in the form of **dry cake**. No impoundments or dam structures required

SOCIAL

- Nezhda creates more than **1,000 permanent jobs**
- During construction in 2018-2021 there have been only 4 light work-related injuries within both Polymetal and contractors, and zero fatalities
- More than **$20m per year in taxes** for all levels of government
- The Company has invested approximately **$1.7m into various social projects** in the region, including **$0.5m for COVID preventive measures**

VEDUGA

PROJECT OPERATING HIGHLIGHTS

Start of production	Q2 2025
Annual production*	200 Koz of gold
Ore Reserves	4 Moz of gold @ 3.9 g/t (both open-pit and underground)
Processing	Flotation + Amursk POX / Offtake to China
Concentrator capacity	2.0 Mtpa
Recovery*	85%
Stripping ratio (ex pre strip)	15
Underground mining method	Open stope mining followed by cemented paste backfill, with ore hauling by skip shaft
LOM	21 years (combined open-pit and underground)
Tailings	Dry cake

* LOM average

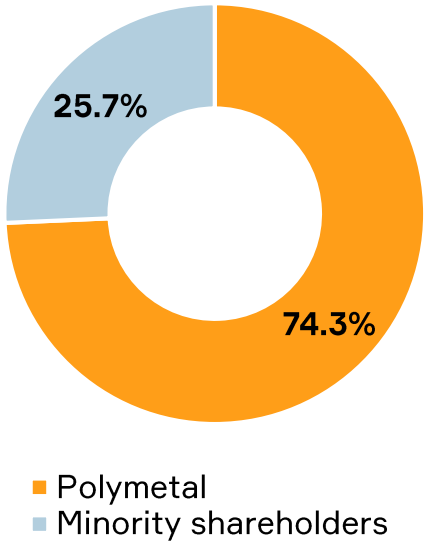
PROJECT ECONOMIC HIGHLIGHTS

TCC/AISC*	$725-775 per oz / $800-850 per oz
Project CAPEX	$447m incl cap strip ($371m - excluding post launch skip shaft and UG infrastructure construction)
NPV (10% discount rate, $1,500/oz)	$292m
IRR	19%
Ownership	59.4% + a call option to increase the stake to 100%
Tax benefits	Regional investment project tax benefits (reduced income tax for the project in 2025-2028 and Mineral Extraction Tax benefits until 2034)

* LOM average

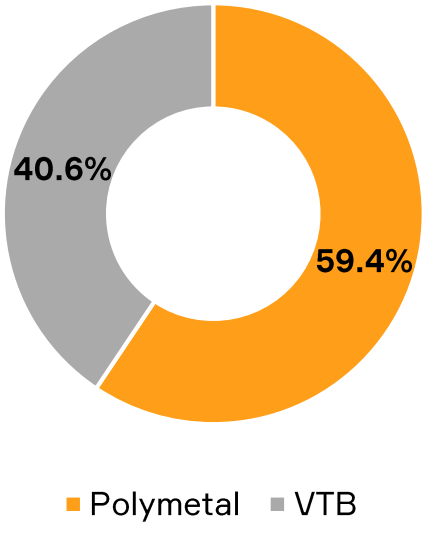
CHANGES IN OWNERSHIP

OCTOBER 2018



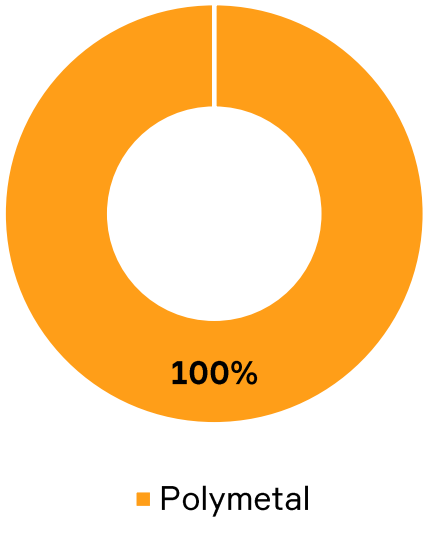
- Polymetal increased its stake in Veduga up to 74.3% through the acquisition of a 31.7% stake from two minority shareholders

APRIL 2020



- VTB invested **$71m** in exchange for 41% stake (minorities buyout + newly issued capital)
- Polymetal was granted a call option to acquire VTB's stake in Veduga

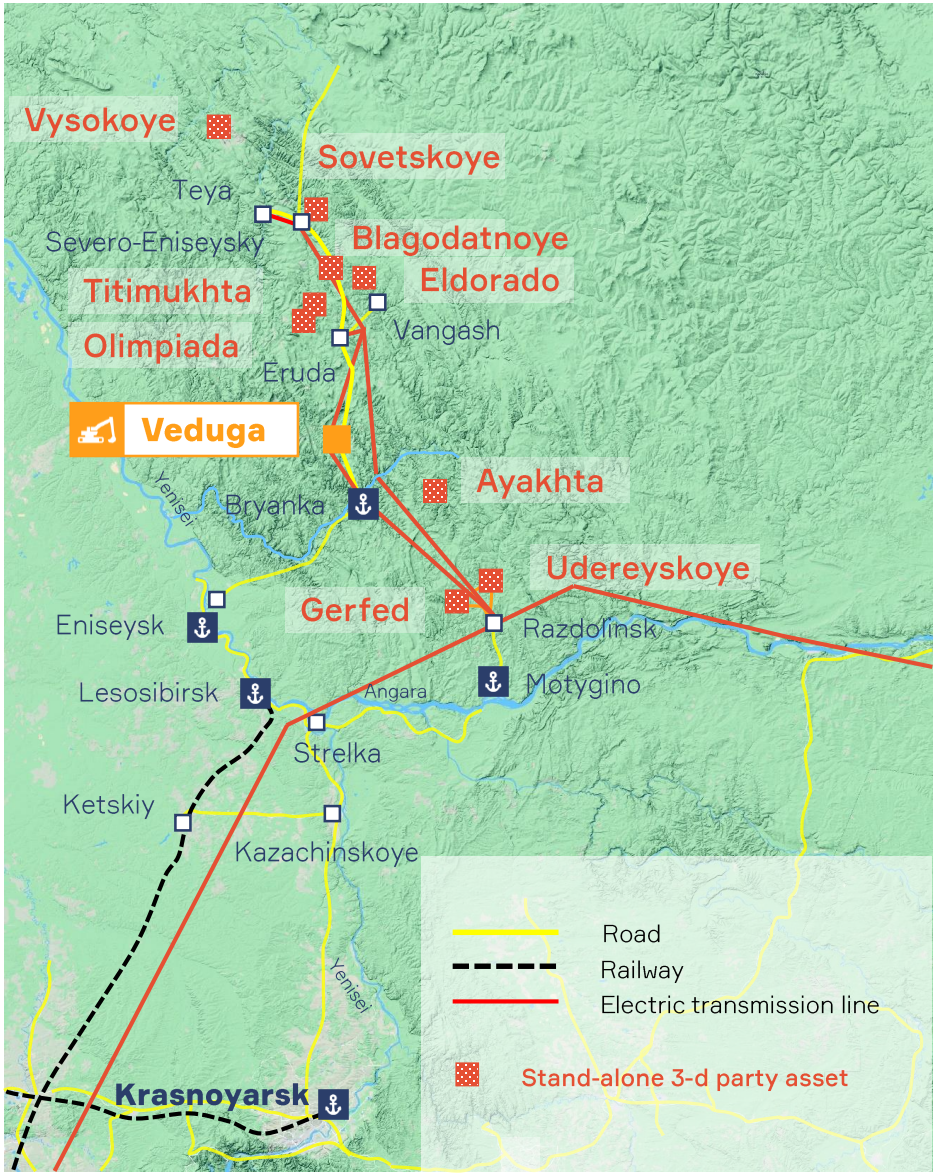
TAREGT STRUCTURE – Q2 2022



- Execution of the option and acquisition of the VTB's stake a pre-determined price with an upfront payment giving VTB a fixed rate of return on initial investment

ASSET GEOGRAPHY

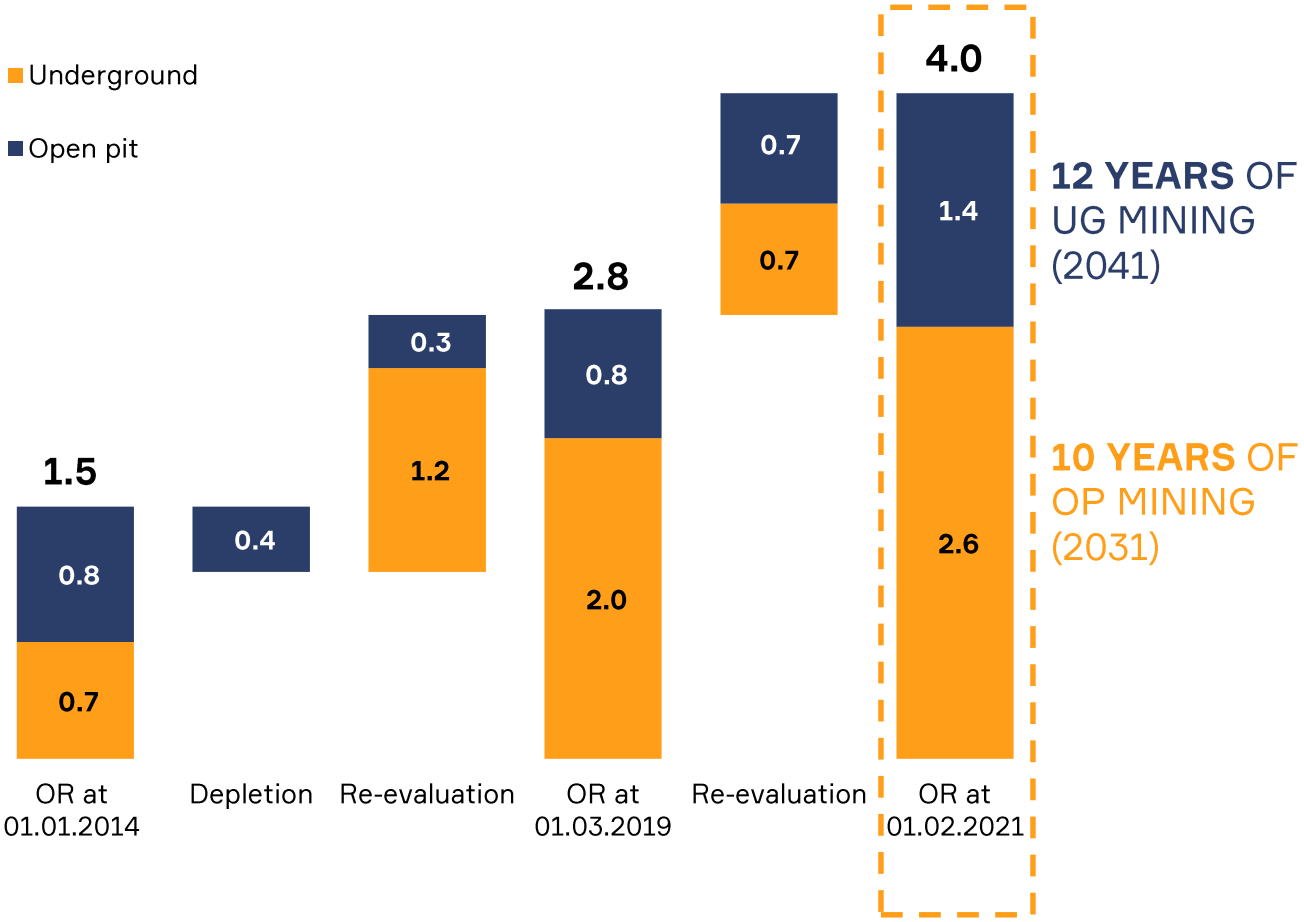
- Veduga is located in the Krasnoyarsk Region:
  - 520 km from regional center of **Krasnoyarsk**
  - 160 km from municipal center of **Severo-Eniseyskiy**
- Veduga comprises **4 license** plots with the total area of 18 sq.km.
- **Accessible by an all-year road** and has direct access to the federal **power grid**



UPDATED ORE RESERVE ESTIMATE

Historical re-evaluation of ore reserves

ORE RESERVES, Moz of gold



12 YEARS OF UG MINING (2041)

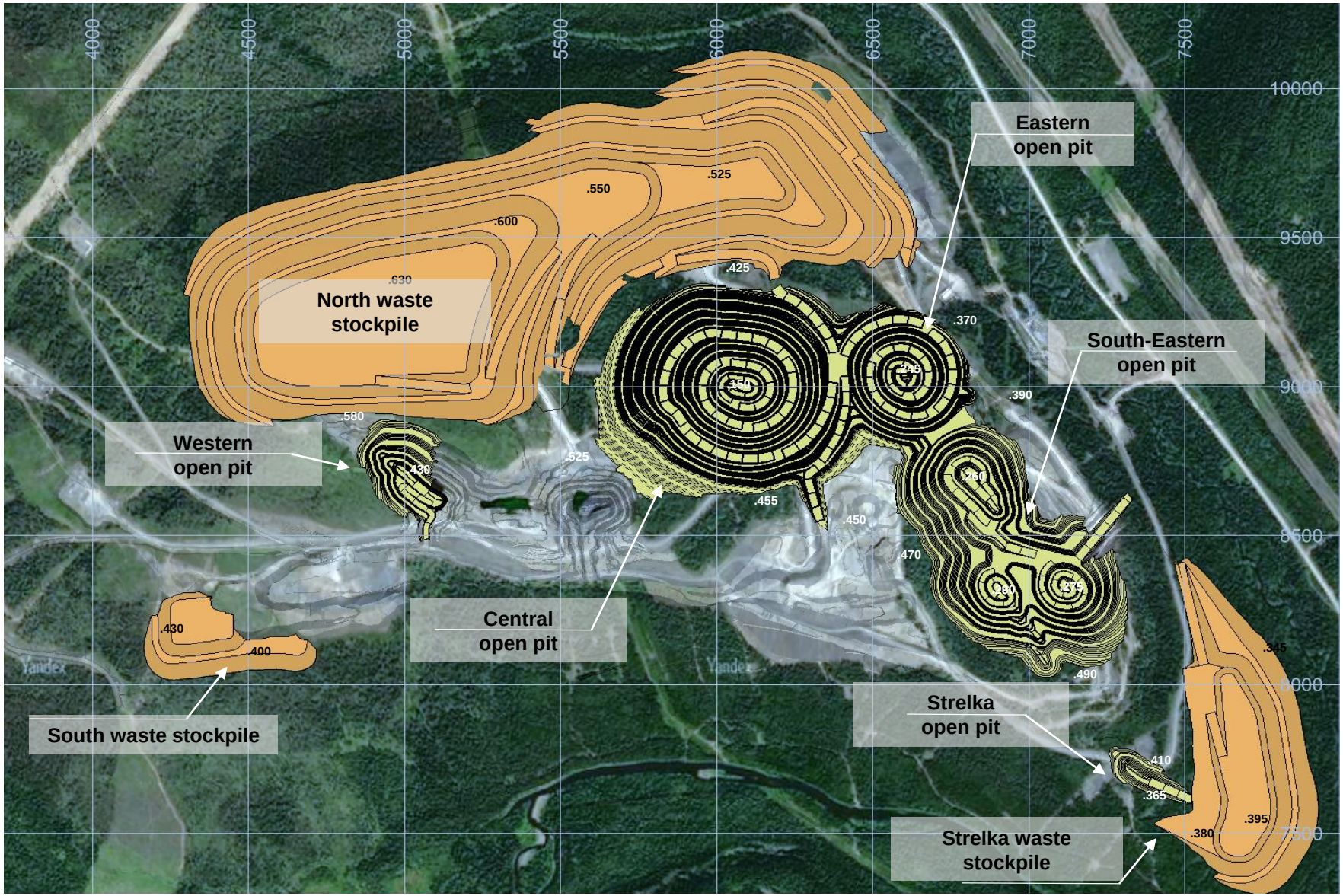
10 YEARS OF OP MINING (2031)

Potential resource conversion with additional

+10 years of LOM

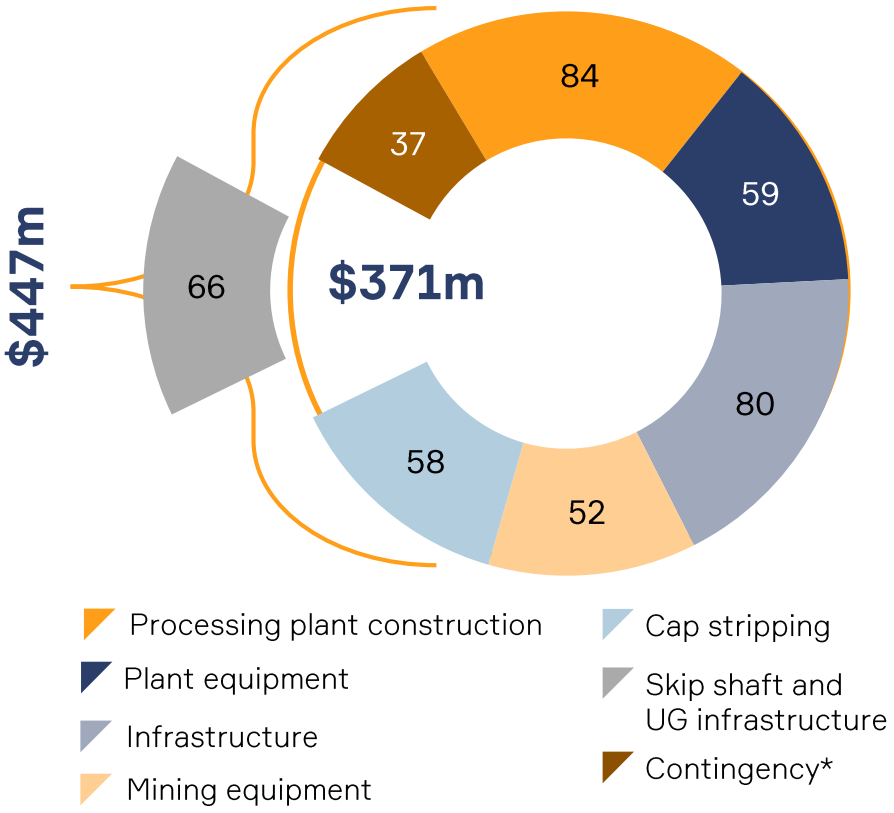
* On a 100% basis

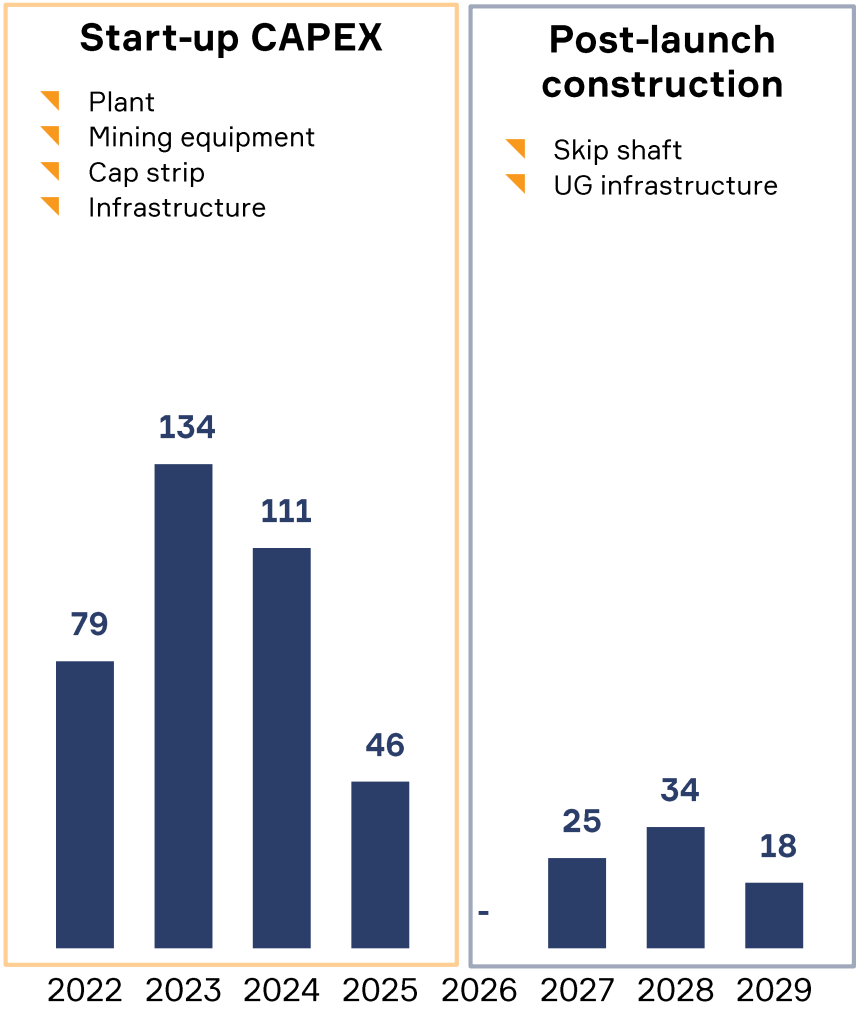
VEDUGA GENERAL OPEN-PIT MINE LAYOUT



CAPEX

PROJECT CAPEX, $m

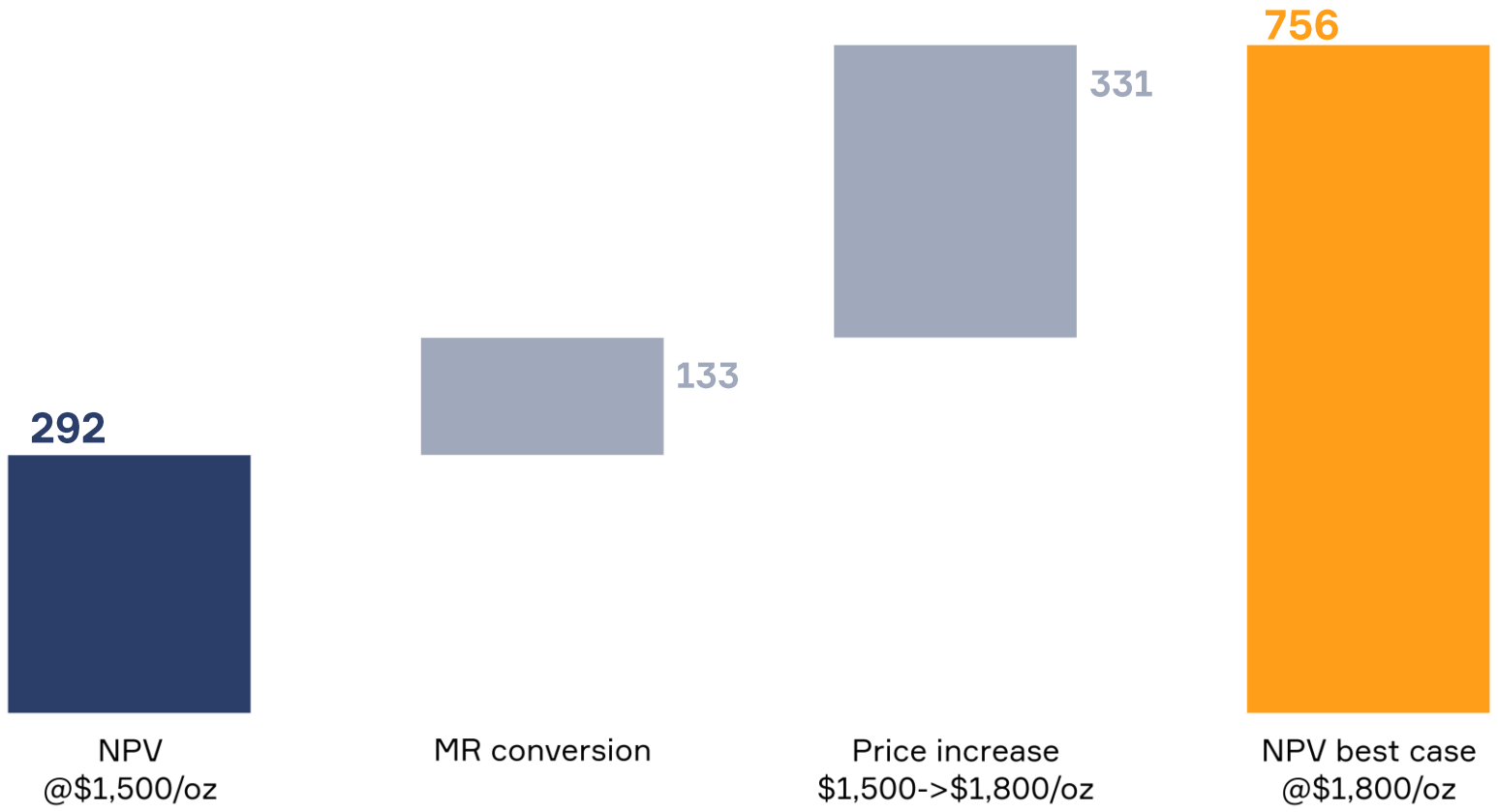




* Average contingency rate of 14% applied, which comprises 20% contingency for construction works, 5% for key technological equipment and 10% for auxiliary equipment and transport

NPV GROWTH POTENTIAL

NPV INCREASE SOURCES, $m



STAKEHOLDER ANALYSIS
Project's environmental footprint

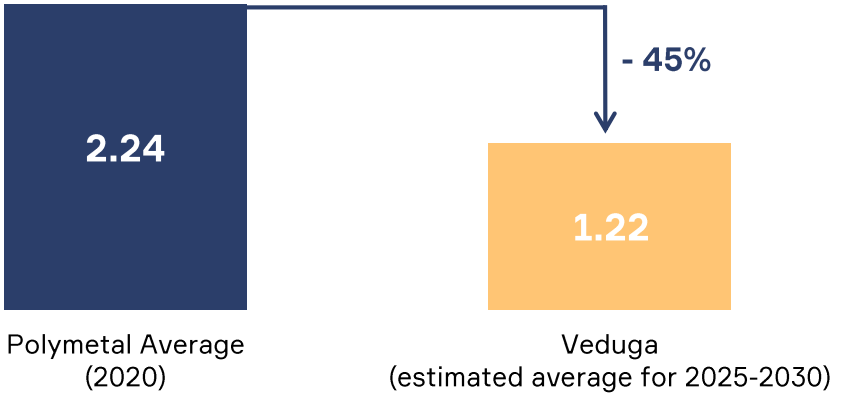
Total GHG emissions
85 Kt CO_2e

GHG emissions intensity
405 kg CO_2e/oz

Fresh water intensity
1.2 m^3/oz GE

GHG INTENSITY (SCOPE 1+2),
kg CO_2e/oz of gold equivalent

FRESH WATER INTENSITY,
m^3/oz of gold equivalent



STAKEHOLDER ANALYSIS

DECARBONISATION

- Annual electricity consumption – **100,000 MWh**
- Main source – Boguchanskaya **Hydroelectric** Power Plant (HPP)
- Increasing the share of renewable electricity at Polymetal to 25% by 2030 (as compared to 16% without Veduga)
- **Exclusively battery electric vehicles** throughout the underground mine
- Electric excavators at the open pit

BIODIVERSITY

- Reforestation program: **up to 85 ha** of new forest by 2023
- **No** specially protected natural areas
- Archaeological material and signs of the presence of cultural heritage objects were **not found**
- **No** cultural heritage sites
- **No** deer pastures
- Rare or endangered species of animals or plants **not found**

STAKEHOLDER ANALYSIS

WATER MANAGEMENT

- Recycled water supply system envisaged. Share of recycled water – **85%**
- **Storm and drainage water** will be used, reducing freshwater withdrawal
- The volume of fresh water withdrawal from external sources: **240,000 m^3 per year**

TAILINGS MANAGEMENT

- Dry-stacking.
  Eliminating risks of
  - major accident/dam failure/pollutant leaching,
  - protecting wildlife,
  - reducing land use by 20% and
  - reducing water consumption.
- Dry stack tailings on Group level will increase to **18%** (2020 – **11%**)
- **~30%** of the dry cake generated will be used for backfilling

STAKEHOLDER ANALYSIS

COMMUNITIES

- Investing approximately **$11.5m** in the social projects until 2028 in the Krasnoyarsk region
- Special focus on **targeted investments and support** in solving urgent problems of the local residents
- As part of **COVID-related support**, materials and equipment were donated to the North-Yenisei district of the Krasnoyarsk region

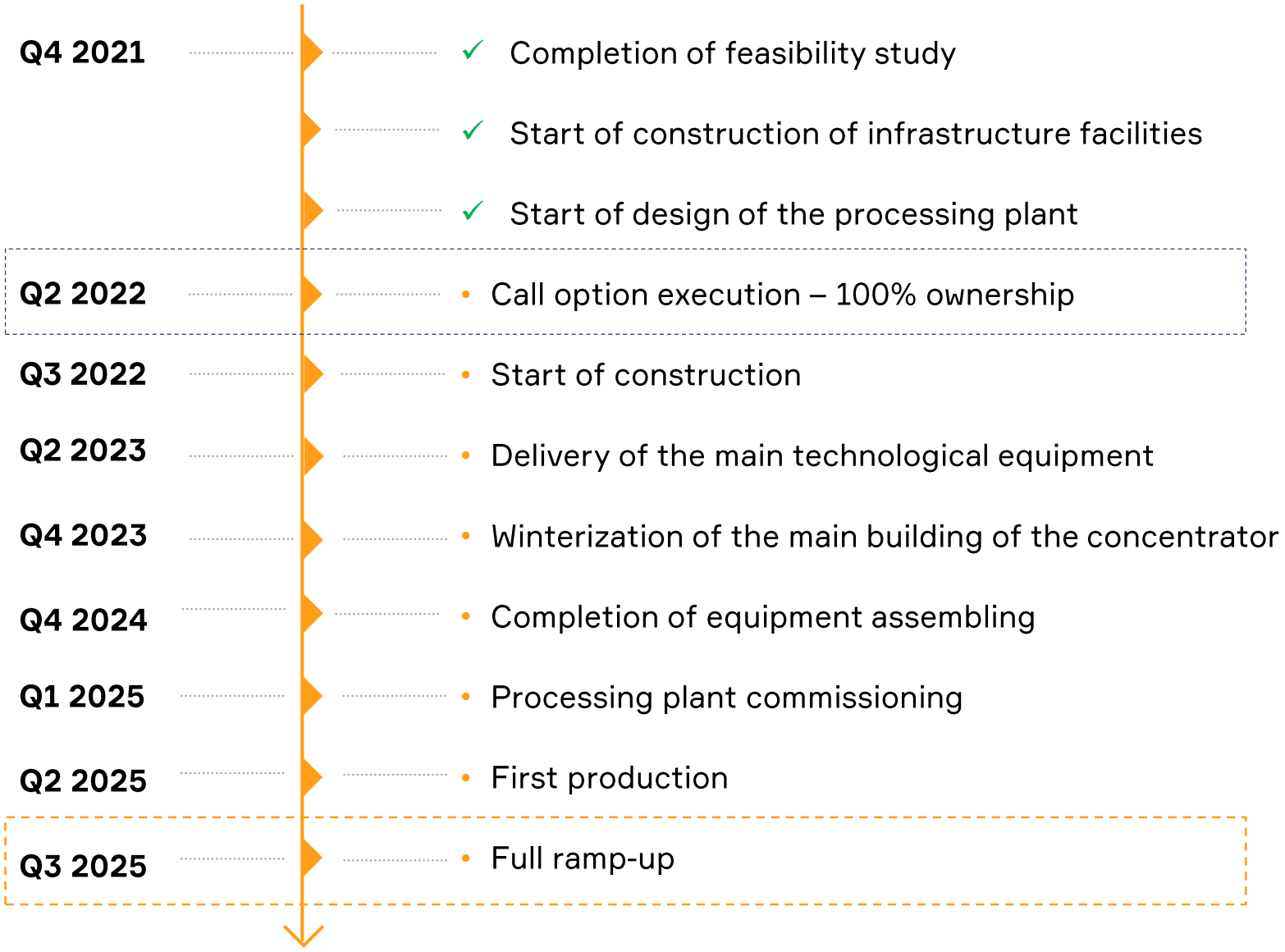
EMPLOYEES

- **> 300 employees** currently, **627 new jobs** will be created by 2027 for specialists in mining and metal processing
- Prioritizing local workforce from **Krasnoyarsk region**
- **Cooperation** with Secondary and Higher education institutions in organising internships for young specialists

HEALTH & SAFETY

- The site has implemented the corporate Health and Safety Management System
- 2020 – **zero injuries**
  2021 – **one minor injury** in Q1 (employee slipping)

KEY PROJECT MILESTONES



PROGNOZ

PROJECT OPERATING HIGHLIGHTS

First payable production	1H 2024
Annual production*	6.5 Ag Moz
Ore Reserves	142 Moz of silver @ 560 g/t (all open pit)
Processing	Processing at the Nezhda concentrator (winter road transportation)
Mine capacity	250 Ktpa
Stripping ratio	34
LOM	18 years of open pit
Tailings	Dry cake

* LOM average

PROJECT ECONOMIC HIGHLIGHTS

AISC*	US$ 13.8 per AgEq oz
Initial CAPEX	$85m incl cap strip ($105m incl spending in 2021)
NPV (10% discount rate, $20/oz Ag price))	$154m
IRR	35%

* LOM average

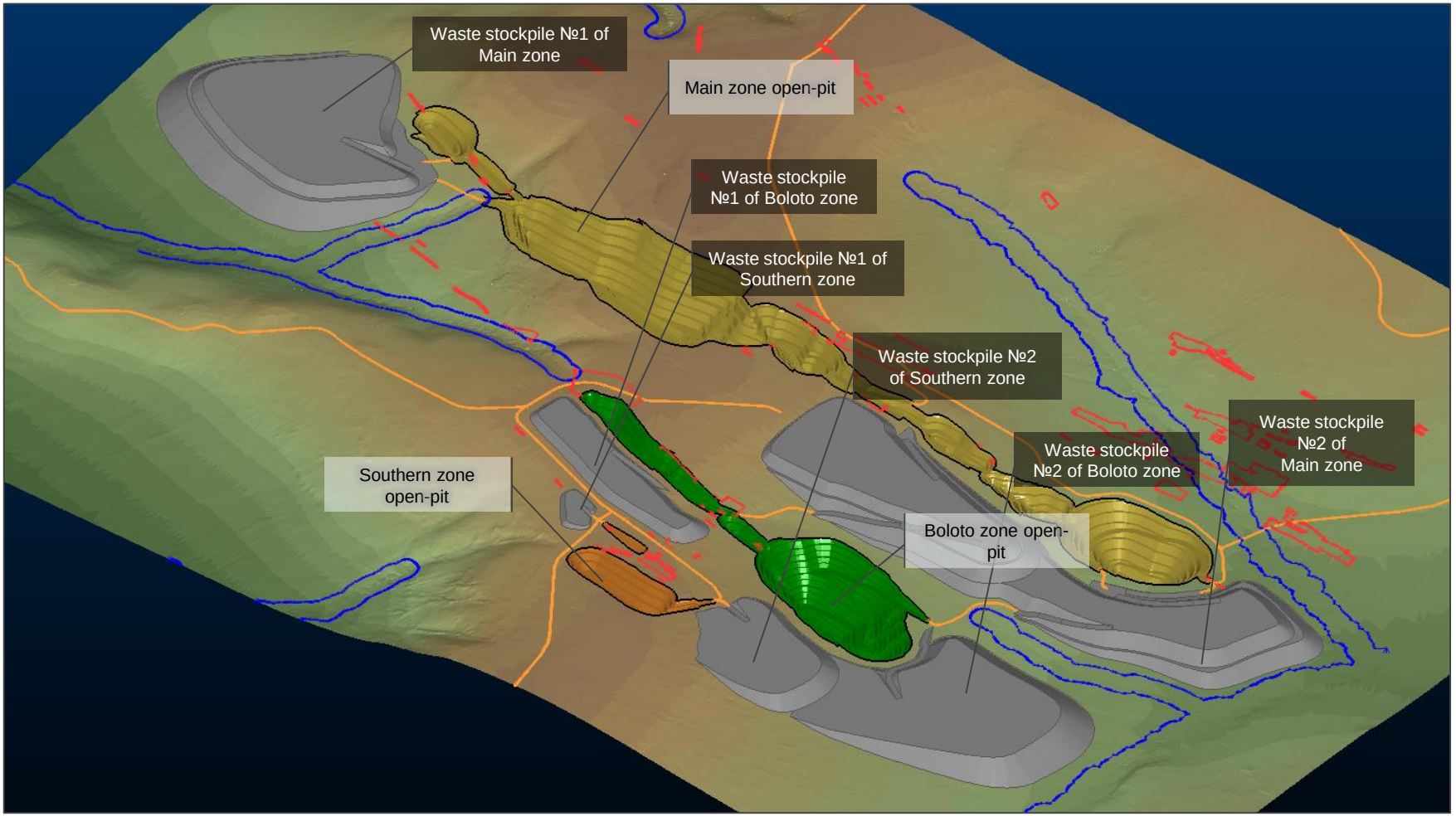
PROS AND CONS

Processing facilities on site vs Nezhda processing

	Processing facility on site	Nezhda processing
Initial CAPEX	$268m	$85m
Average AISC	$12.5/oz	$13.8/oz
IRR (@$20/oz)	24%	35%
AgEq, cut-off grade change	PFS (COG=125 g/t) 620 g/t, 157 Moz	UPD (COG=240 g/t) 700 g/t, 131 Moz
Carbon footprint	◥ Solar power plant (up to 30% of total site's electricity consumption) ◥ Diesel for electricity generation and heating	◥ Grid power supply 327 kg CO2e/oz of GE (**18% lower GHG intensity**)
Start	Start of processing 3Q 2026	Start of processing H1 2024

Processing of Prognoz ore at Nezhda is economically and environmentally beneficial to all stakeholders

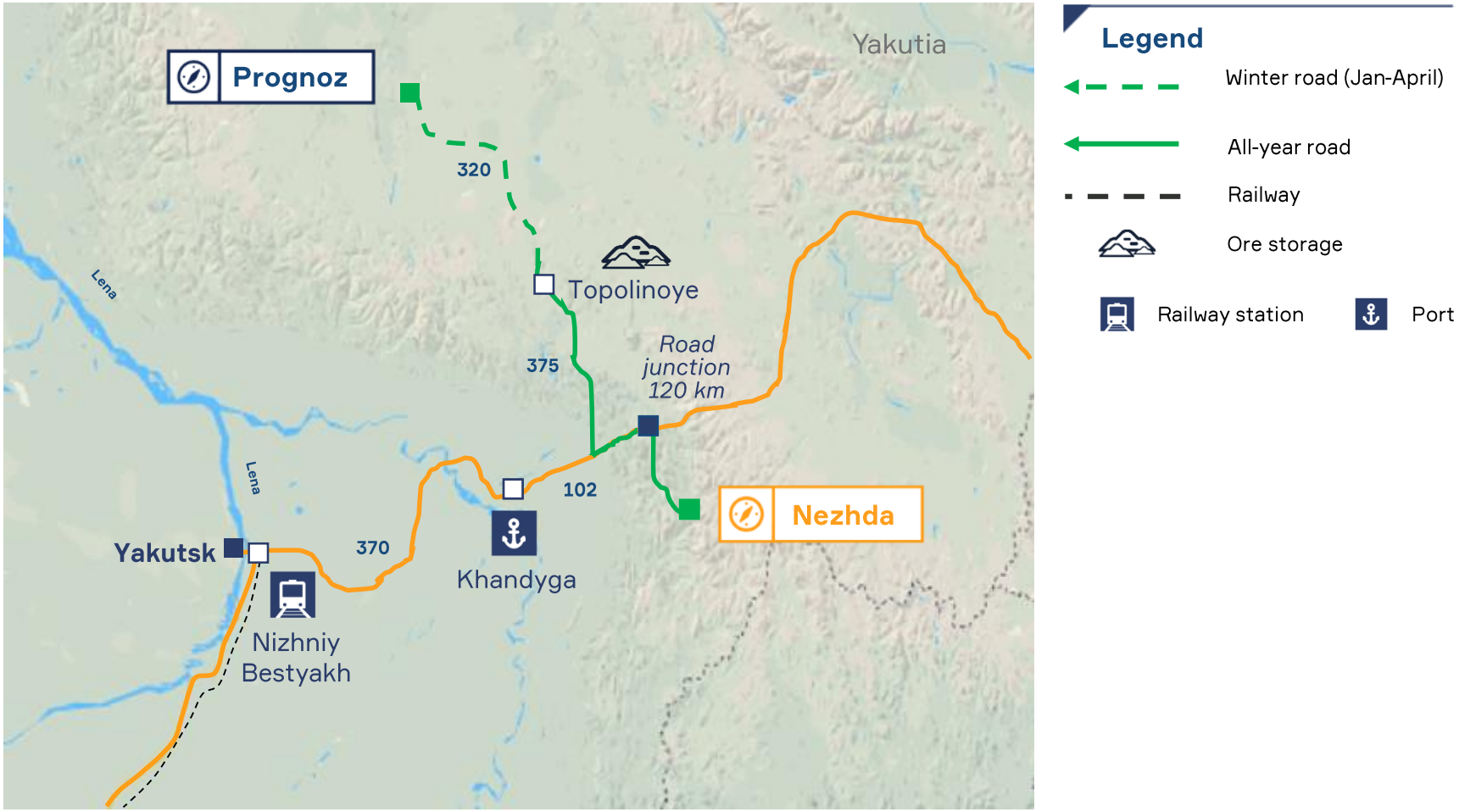
PROGNOZ GENERAL OPEN-PIT MINE LAYOUT



- Projections of ore bodies
- Water protection zones
- Roads
- Dumps

LOCATION & ORE LOGISTICS

- The property is located approximately 980 km from the regional center of Yakutsk (population of 300,000) and 720 km by road from Polymetal's Nezhda project



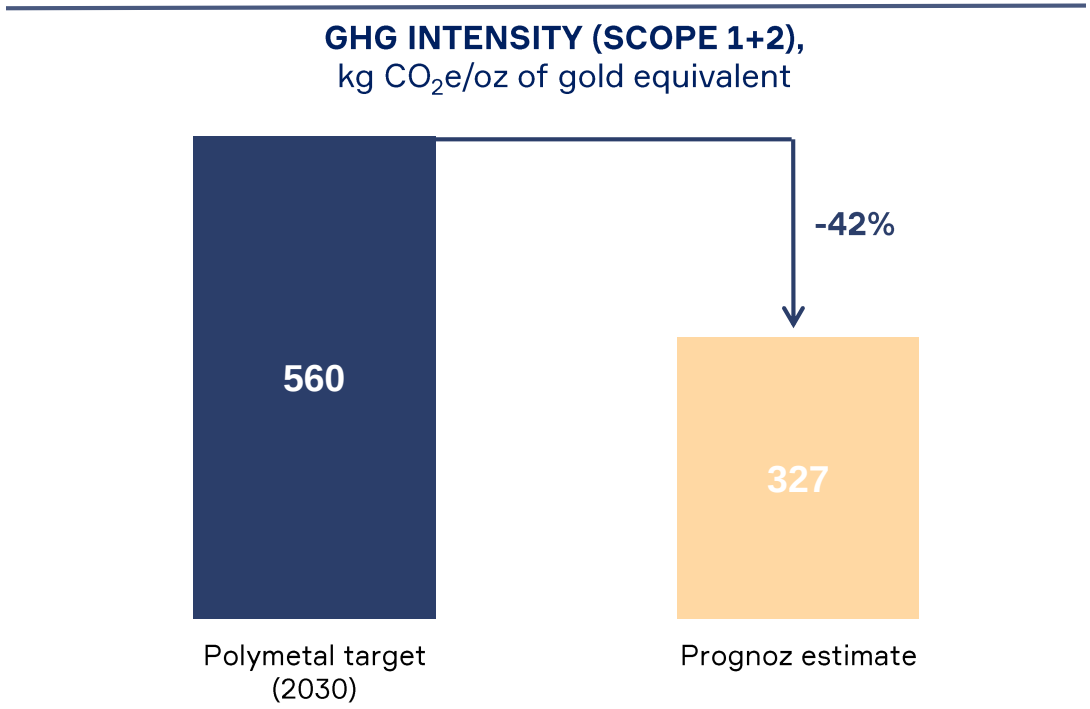
CLIMATE AND ENERGY
Decarbonisation opportunity

1 MW, 30%

of site's electricity consumption generated by solar power plant

18% lower

GHG intensity per oz of GE if ore will be processed at Nezhda (due to grid access)



Other energy sources

- Diesel electricity generation (70-80% of electricity)
- Diesel for heating
- Diesel, petrol for transport and machinery

STAKEHOLDER ANALYSIS

WATER

- Fresh water withdrawal from the Nelgese river – **25,000 m³ per year**
- Ore processing at Nezhda will reduce fresh water intensity at Prognoz by **more than 50%**
- **80-90%** of water used for technological needs will by recycled/reused (settling tanks for waste rainwater)

EMPLOYEES

- **170** new jobs at the open-pit operations in 2022
- Skills development programmes for locals together with the State Committee for Employment
- Short-term courses for the unemployed locals: in **2020-2021**, **120** Yakuts were trained, **42** students were offered job

COMMUNITIES

- **$0.3m** of community investments in Verkhoyansky and Tomponsky districts
  - **3 schools** renovated
  - **3 sports grounds** constructed
  - **Vehicles for agriculture** purchased
- **$0.4m** of COVID-related support to local healthcare institutions

KEY PROJECT MILESTONES

POX-2

COMPLETION SCORECARD
On track for launch in 2H 2023

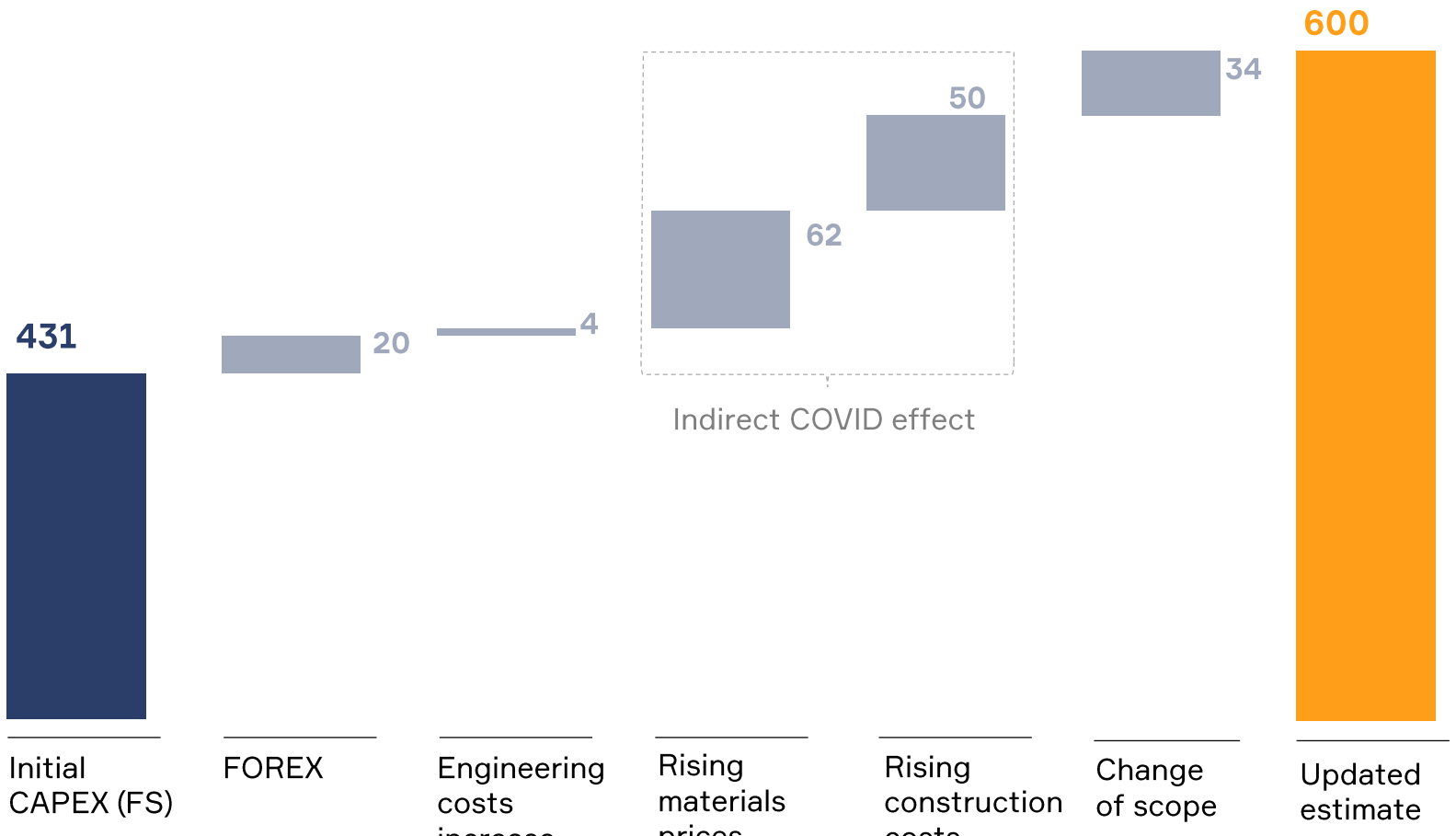
	Engineering	Contracting	Equipment Delivery	Construction
POX Area (Hatch Scope)	100%	100%	60%	50%
Other processing areas (PME Scope)	90%	100%	75%	40%
Oxygen Plant	100%	100%	100%	55%
Internal and external infrastructure	100%	100%	85%	60%

VIDEO UPDATE

Click on the image or scan the QR code to play the video on YouTube

INITIAL CAPEX UPDATE

START-UP CAPEX UPDATE, $m



PACIFIC POX

MAIN CONCEPTS

PROJECT RATIONALE

- Meeting Polymetal internal and 3rd party growing needs for refractory concentrates treatment
- Avoiding significant extra costs of selling concentrate to offtakers

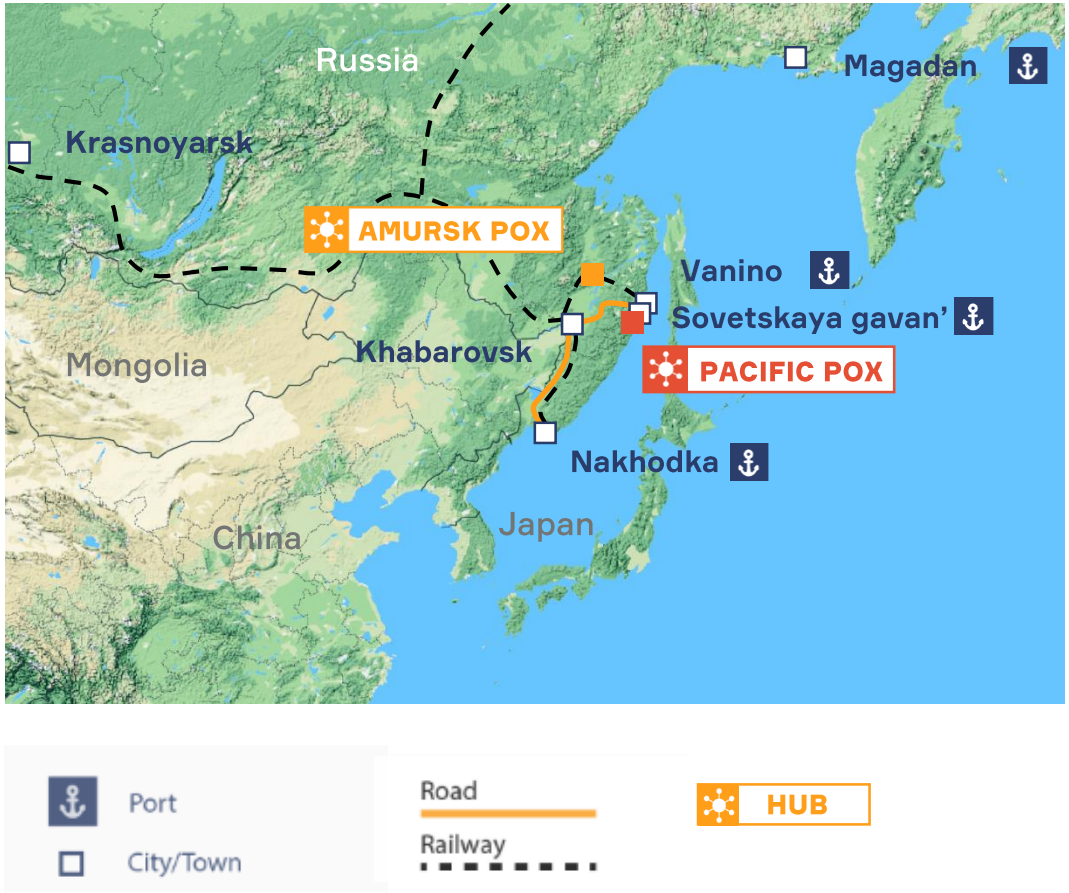
KEY PARAMETERS

Feed	Own and 3rd party Au concentrates
Flowsheet	Identical to POX-2 with minor changes based on the results of detailed engineering
Capacity	~250-300 Ktpa
Conceptual construction CAPEX	~$730m
Conceptual start-up	H2 2027/H1 2028

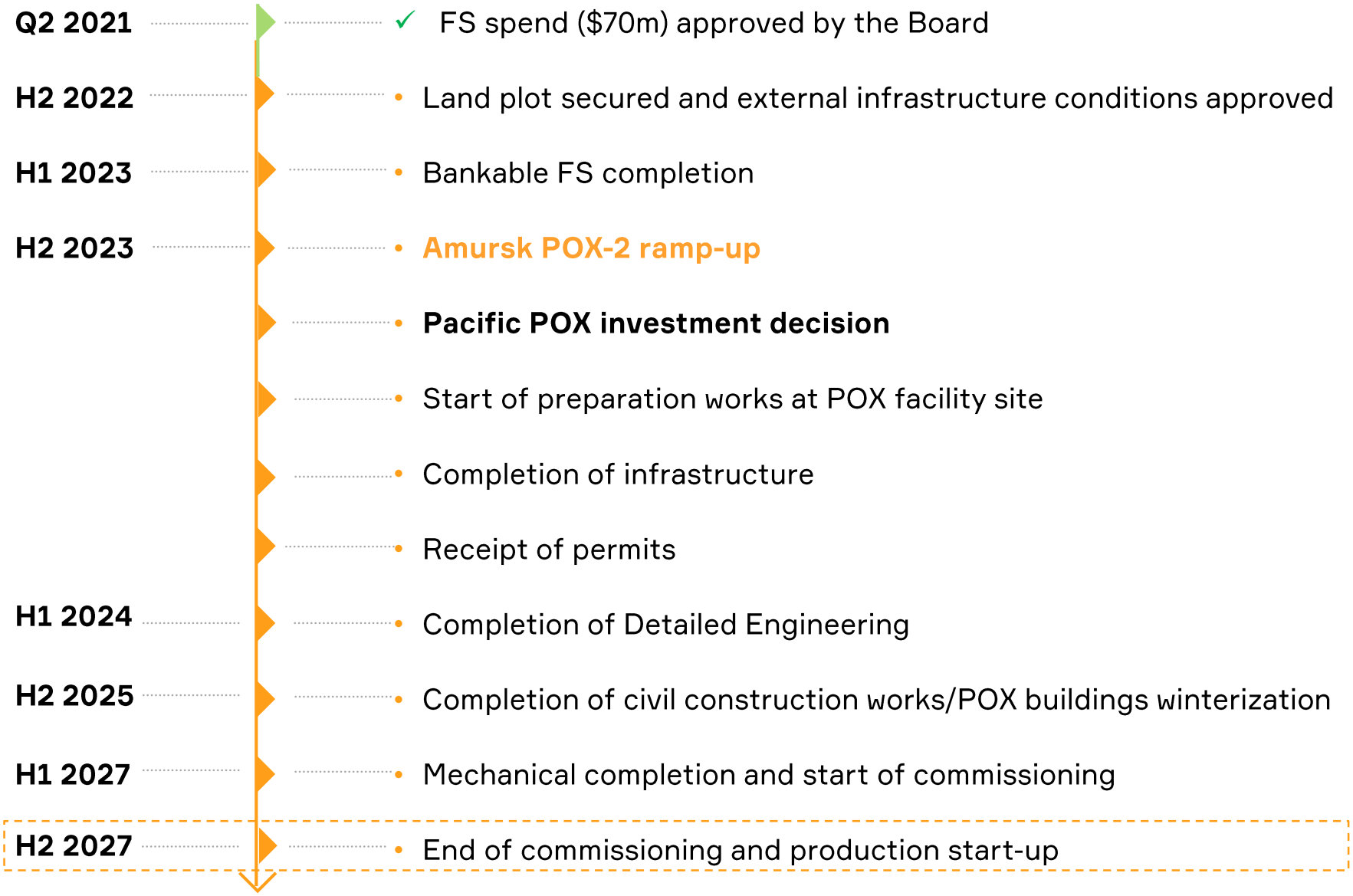
LOCATION

LOCATION

- All-year sea port in Sovetskaya Gavan and two nearest ports in Vanino (40 km) and Vladivostok (1,300 km)
- Railway and road access
- 570 km from the Amursk POX / 581 km from Khabarovsk



CONCEPTUAL SCHEDULE



REFRACTORY CONCENTRATE MARKET
New regulations

- The Chinese government released a new bill updating existing regulations on impurities of As in imported gold concentrates :
  - if gold content is **less than 60 g/t** then As limit is **3.5%**
  - if gold content is **above 60 g/t** then As limit is **6.5%**

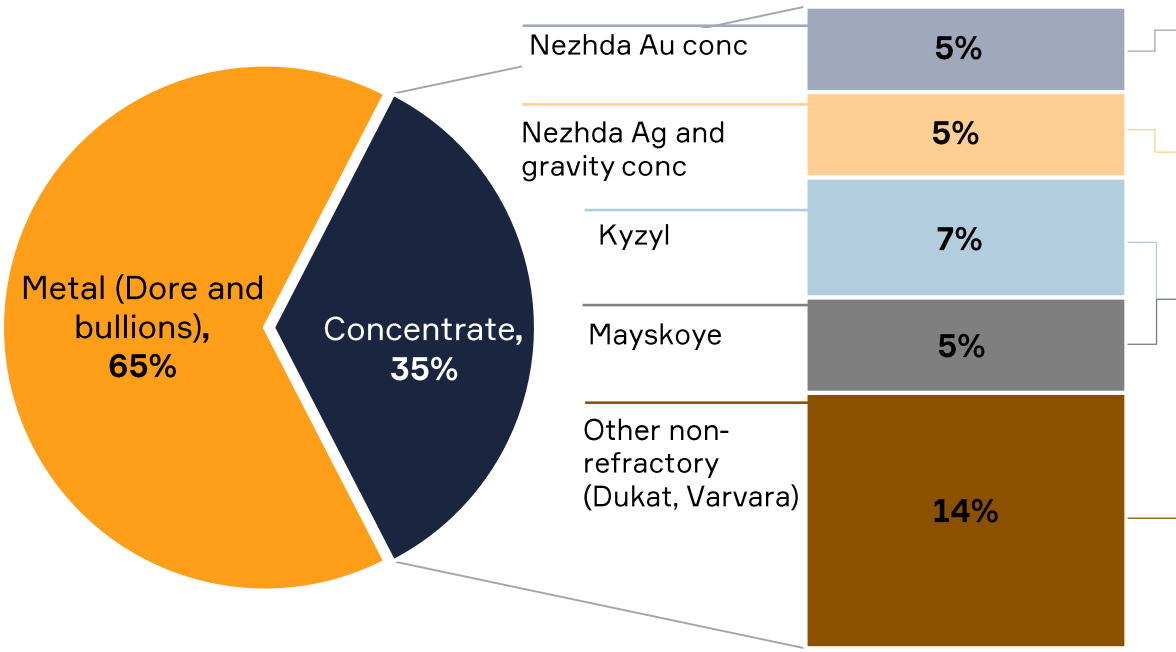
- Non-compliance will lead to a **13% penalty VAT** on exported concentrate

- The rule became effective in October 2021

REFRACTORY CONCENTRATE NEW REGULATIONS
Mitigation plan

In 2022, c.20% of revenue will be exposed to the new rule. However, Polymetal is able to minimize the impact

2022E REVENUE STRUCTURE



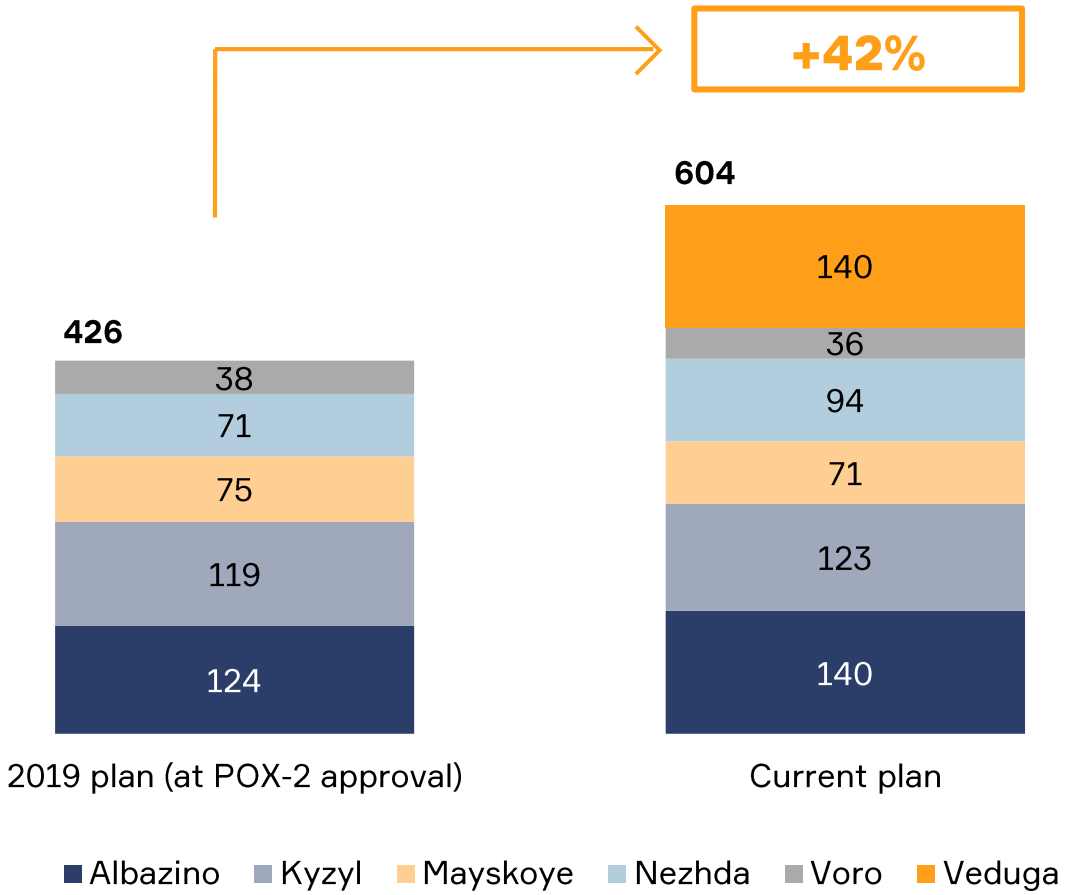
MITIGATING ACTIONS

- **Blending** for further offtake **without** additional VAT ($25-50/oz of additional cash costs)
- Non-Chinese offtake - **VAT not applicable**
- **Flowsheet adjustments** – offtake with **no additional VAT**
- New rules not applicable

After the launch of POX-2 in H2 2023, 100% of the refractory concentrate will be processed in-house

REFRACTORY CONCENTRATE PRODUCTION
In-house production

2026 REFRACTORY CONCENTRATE PRODUCTION PLAN, Kt



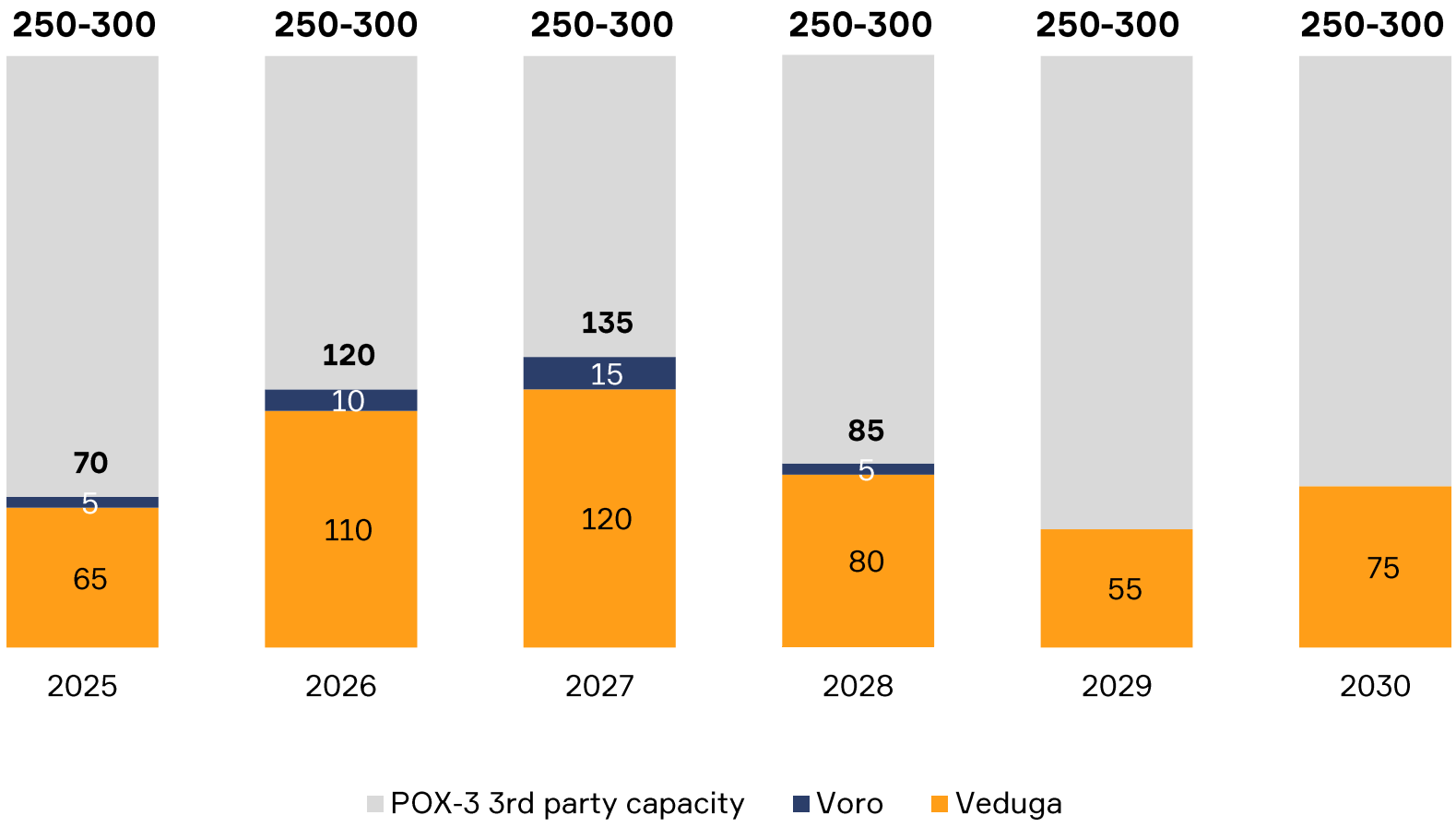
>>> Veduga inclusion in the base case

>>> An increase due to plant capacity extension

>>> An increase driven by Kutyn refractory material

IN-HOUSE REFRACTORY CONCENTRATE SOURCES

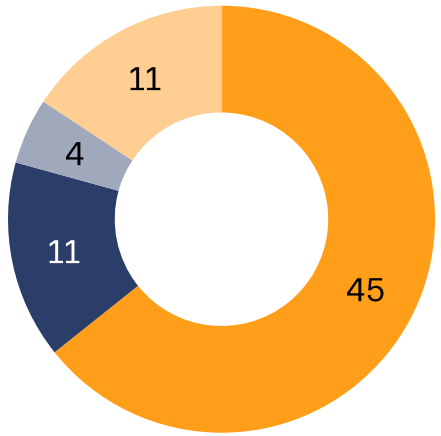
REFRACTORY CONCENTRATE PRODUCTION – IN EXCESS OF POX-1&2 CAPACITY, Kt



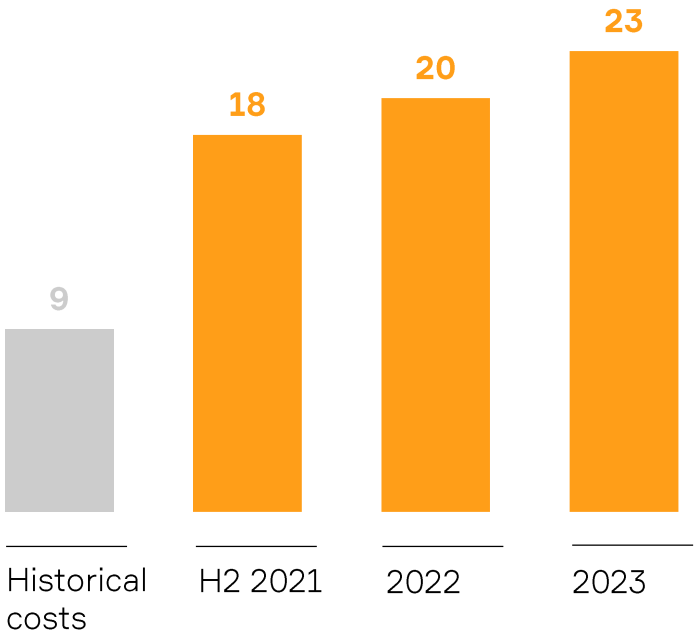
CAPEX ESTIMATE: 2021-2023

CAPEX (2021-2023), $m

$70m



Engineering
Infrastructure
Owner's team
Contingency



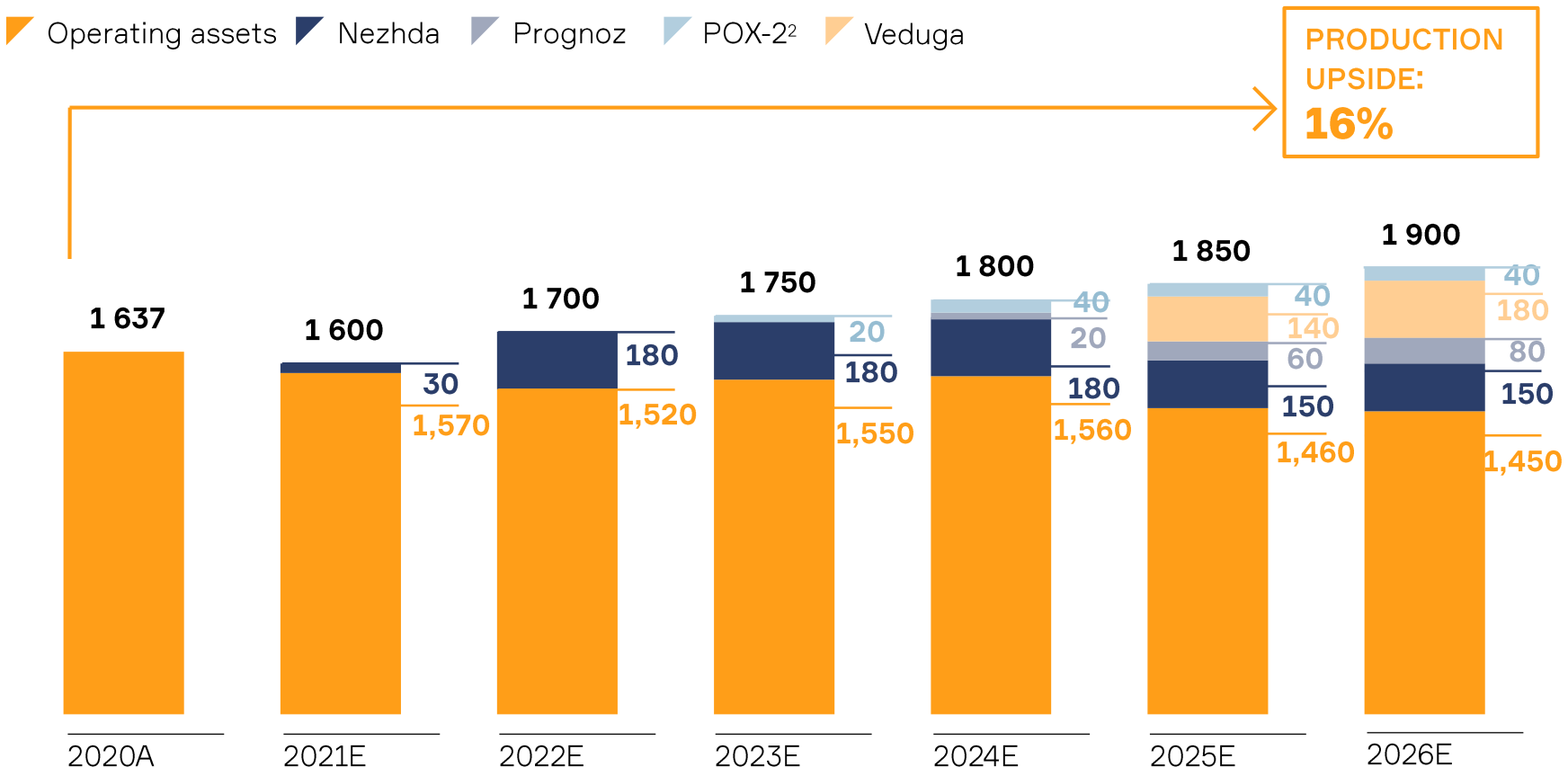
Early spending rationale:

- Obtain permits and prepare construction site and basic infrastructure prior to the investment decision
- Study construction site and introduce adjustments to engineering solutions
- Avoid potential disruptions and delays at engineering phase

03
OUTLOOK

UPDATED PRODUCTION OUTLOOK (@80 Au/Ag)
2021-2026

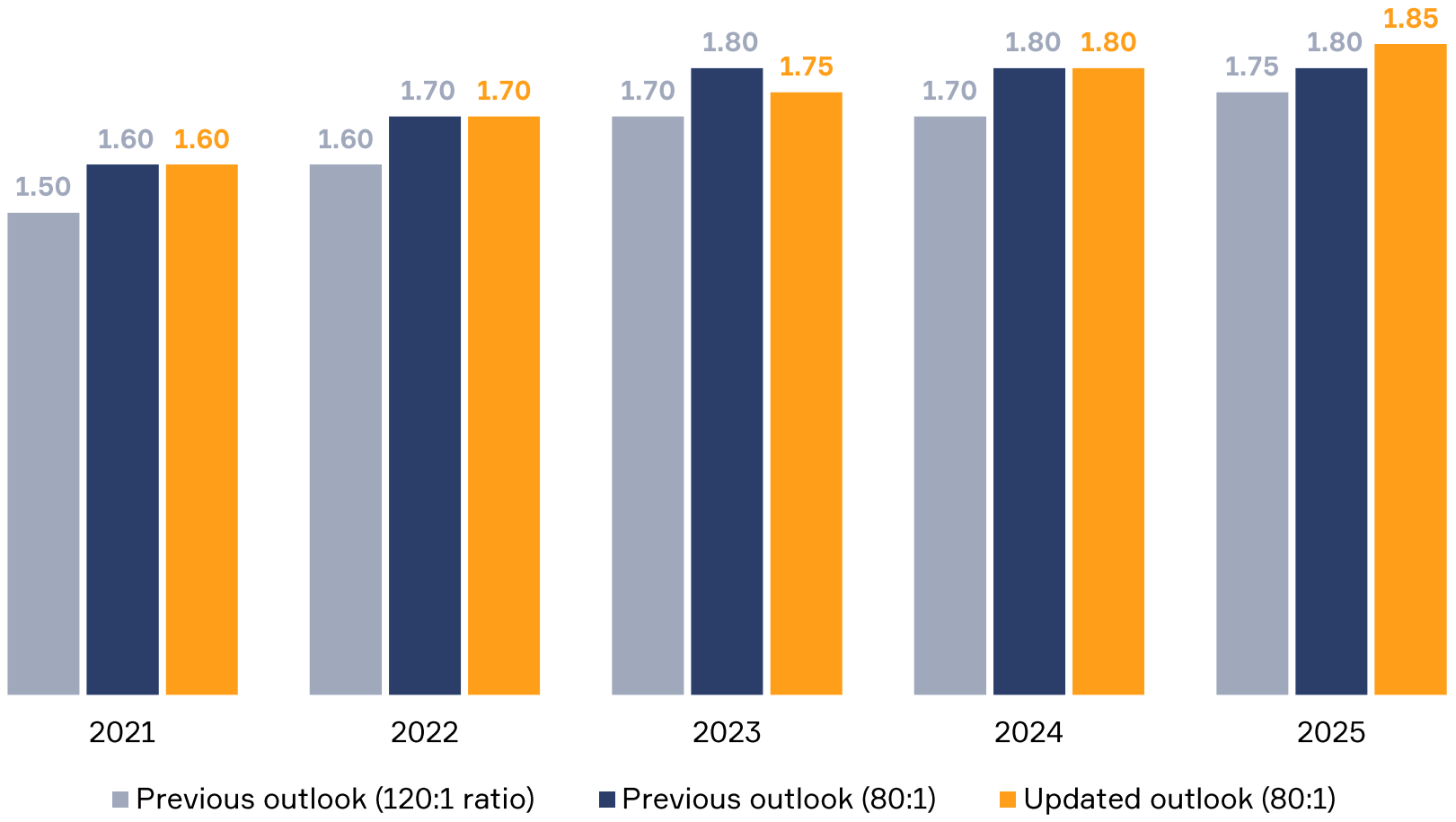
PRODUCTION OUTLOOK, GE Koz[1]



Notes:
1) Gold equivalent (GE) including gold and silver at 80:1 Ag oz/Au oz conversion ratio
2) Effect from recoveries increase and 3rd party concentrate processing

PRODUCTION OUTLOOK CHANGES

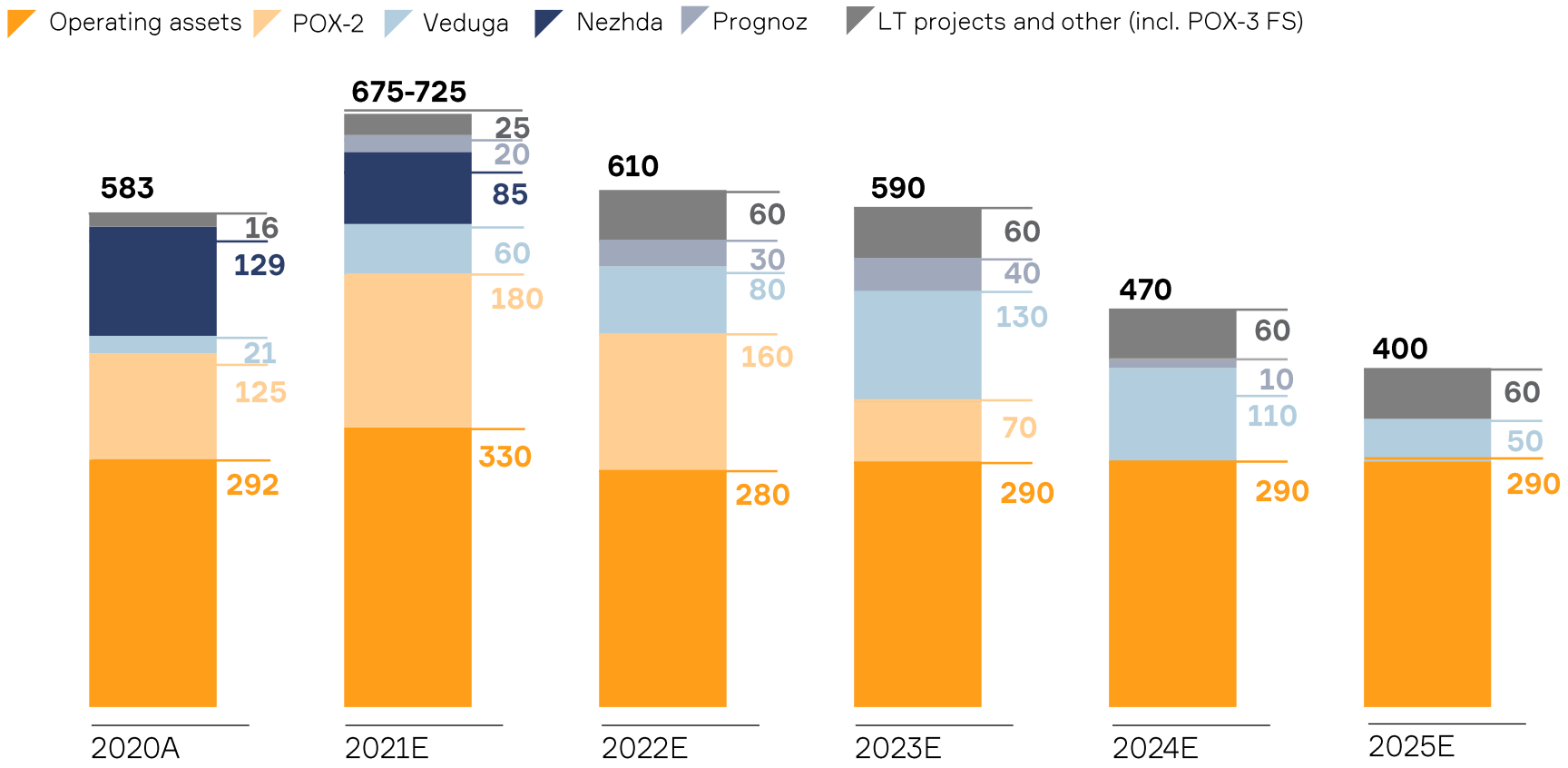
PRODUCTION OUTLOOK COMPARISON, GE Koz[1]



UPDATED CAPEX OUTLOOK
2021-2025

- After completion of POX-2 and Veduga, Polymetal may consider new development projects which will entail additional growth CAPEX if approved

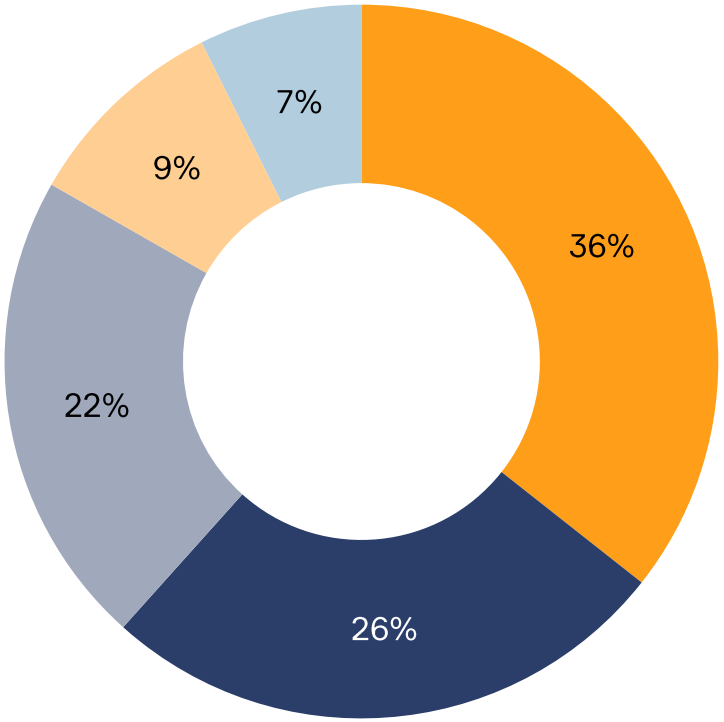
CAPEX, $m



OPERATING ASSETS' CAPEX STRUCTURE

2021E OPERATING ASSETS CAPEX STRUCTURE

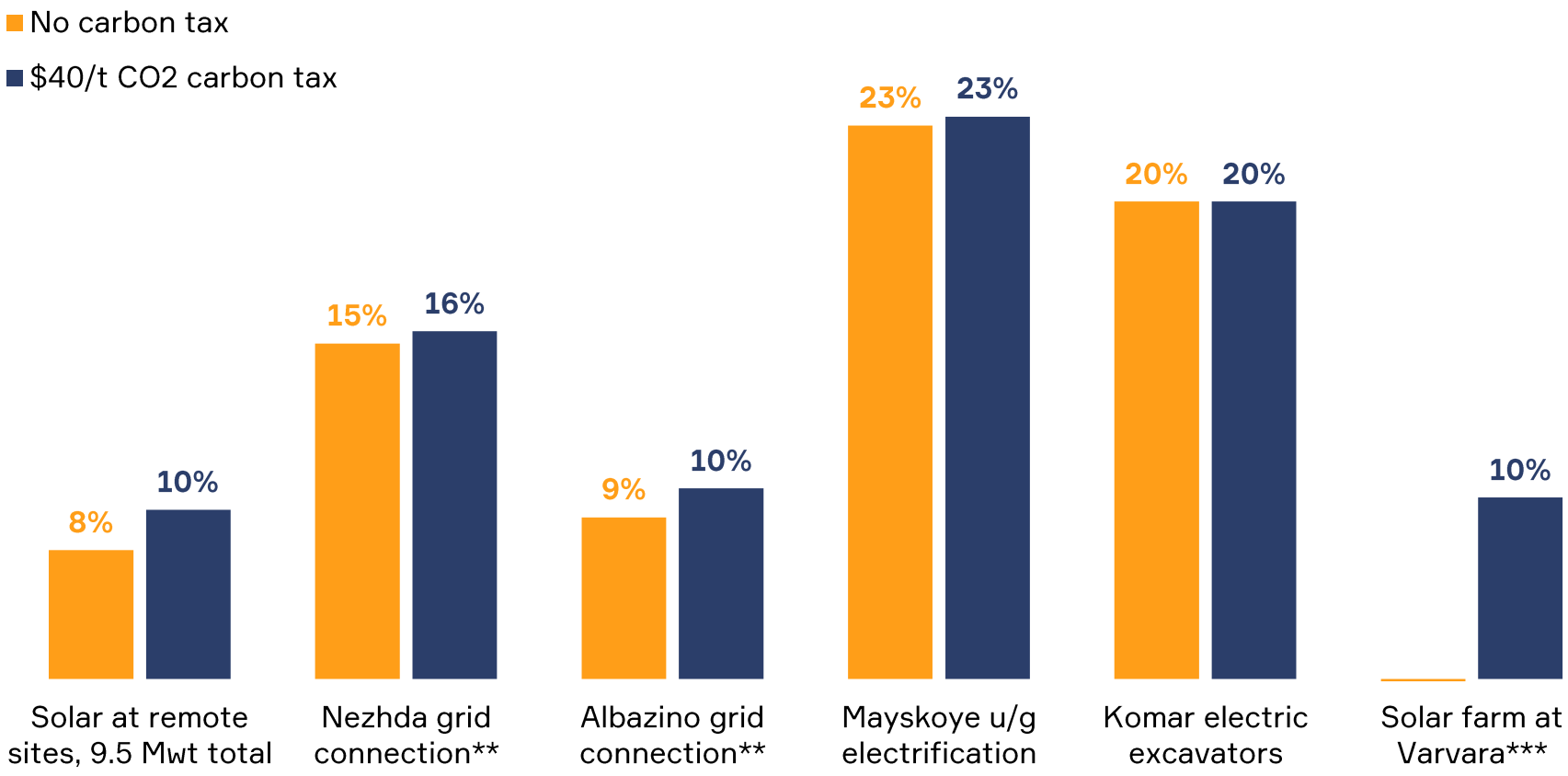
$330m



* Including brownfield projects such as Voro flotation plant, Kutyn heap leach, Mayskoye haulage, solar power plants

GREEN CAPEX: FINANCIAL RETURNS

PROJECT IRR*, %



* LOM assumes realistic additions of reserves
** Assuming balance sheet financing. Albazino accounts for crushed wood boilerhouses instead of coal
*** With gas gensets as smoothing power source

FY 2021 OUTLOOK

	1H 2021 Actual	2021 Guidance	2021 Outlook
Production, Koz of GE (@80 Au/Ag)	753	1,600	*On track*
TCC, $/oz of GE	712	700-750	*On track*
AISC, $/oz of GE	1,019	925-975	*Upper end*
Capital expenditure, $m	375	675-725	*Upper end*
Free cash flow (pre M&A)	-27	Significant positive FCF	*On track*
Dividend	$0.45 /share	50% of NI – of 100% of FCF	
Net Debt/ Adjusted EBITDA	1.05x	Below 1x*	*~1x*

Assumptions	1H 2021 Actual	2021 Guidance	Current
Gold, $/oz	1,793	1,500	1,814
Silver, $/oz	26.5	20	24
RUB/USD rate	74	70	71
Oil	65	60	83

Note: the guidance remains contingent on the RUB/USD exchange rate and Brent oil price
*At spot

H1 2022 NEWSFLOW

Corporate	
27 January	FY 2021 production results
2 March	FY 2021 preliminary financial results
Q2	Climate targets validation by SBTi
End of April	CMD and ESG day

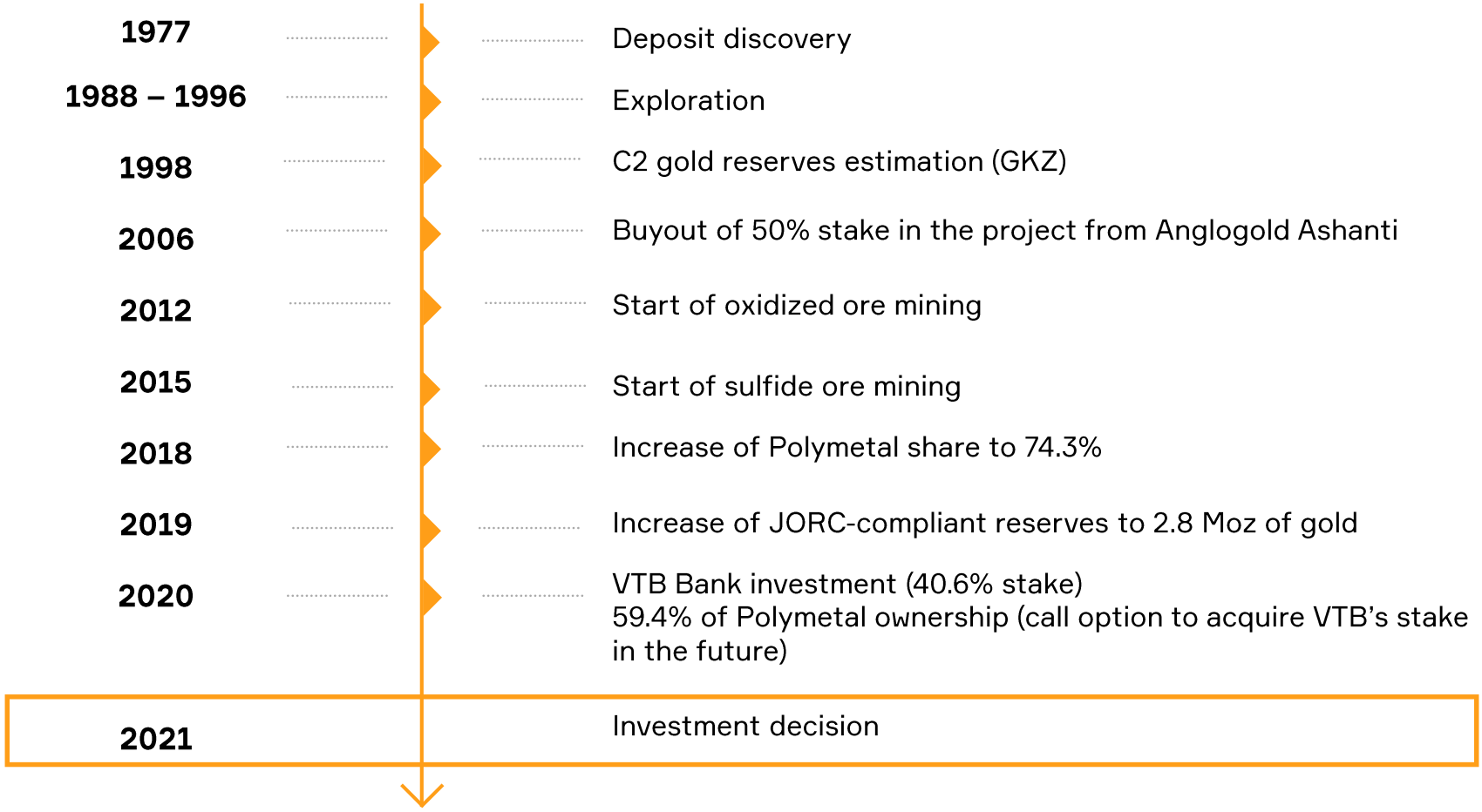
Green and brownfield projects	
Dec 2021-Jan 2022	Material exploration results at two assets
Q2	Veduga call option execution
Q2	Nezhda ramp-up

04
APPENDIX

PRODUCTION BY MINE

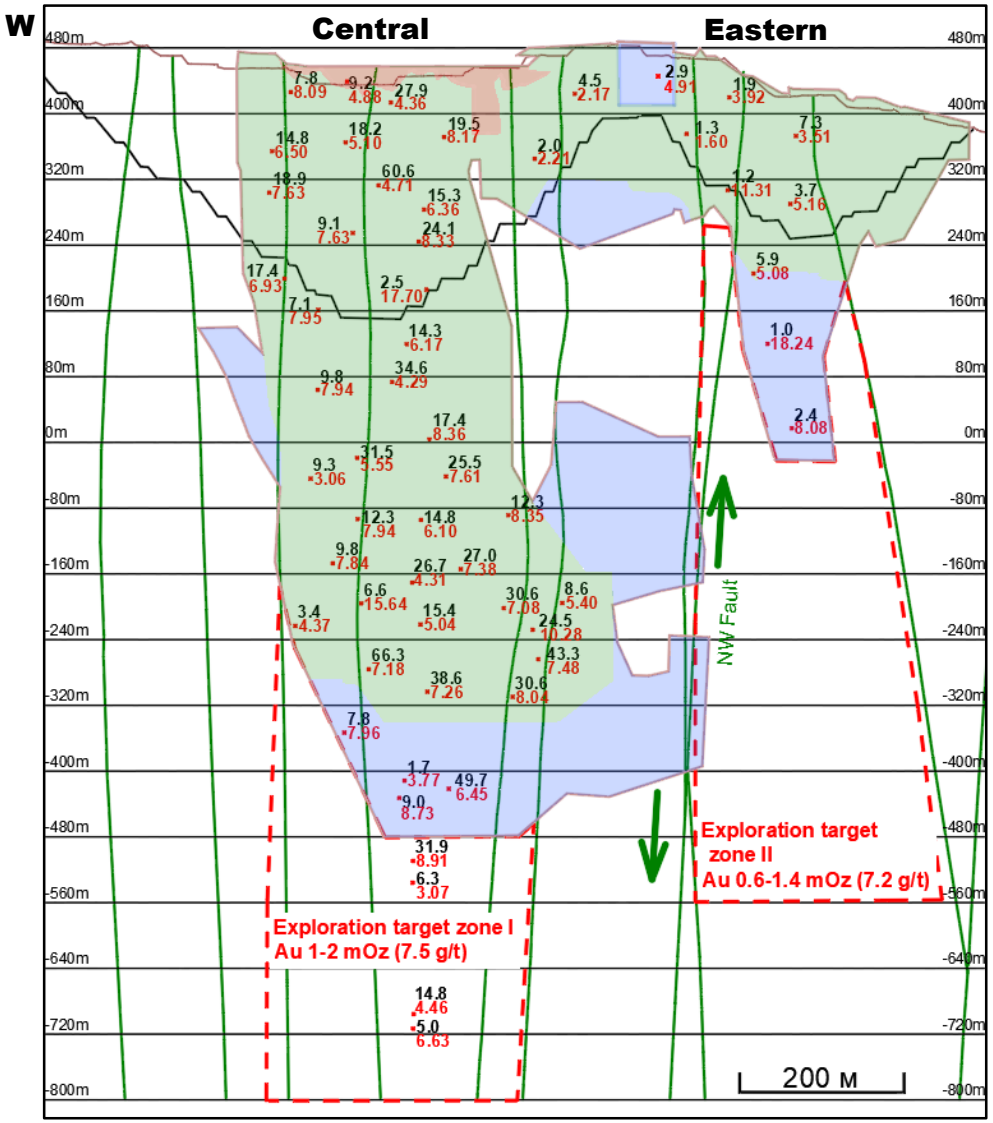
Mine	Production, GE Koz (@120 Au/Ag)			Comment
	9M 2021	9M 2020	Change	
Kyzyl	274	314	-13%	Planned grade decline. Partially compensated by increase in throughput
Albazino	190	204	-7%	Grade decline has been compensated by increasing throughput
Varvara	157	130	+21%	Leaching circuit production increased due to higher grade in the Komar ore and improvements to the flow sheet
Omolon	157	153	+2%	Silver production more than doubled due to high silver grade material
Dukat	142	152	-6%	Planned decline in grade
Mayskoye	85	78	+9%	Up due to production at Amursk POX. Gold in concentrate declined on the back of open-pit low grade oxidised ore in the feed
Svetloye	84	91	-8%	Planned decline in grade
Voro	62	77	-19%	Processing low-grade historical stockpiles
TOTAL	**1,151**	**1,200**	**-4%**	

VEDUGA ASSET HISTORY



VEDUGA GEOLOGY

Potential of Mineral Resource increase (2021 – 2025)



- The ore zone has the form of an S-shaped ribbon, 100-300 m wide, 5,5 km long, confined to the zone of crumpling and shearing.
- Within the mineralized zone, there are 32 steeply dipping lenticular ore bodies with a length of 100-550 m and a thickness of 5-20 m (in swells up to 77 m).
- The main ore bodies are not delineated to depth.
- Mineralization is localized in the bodies of sulfidized quartz-sericite metasomatites

LEGEND

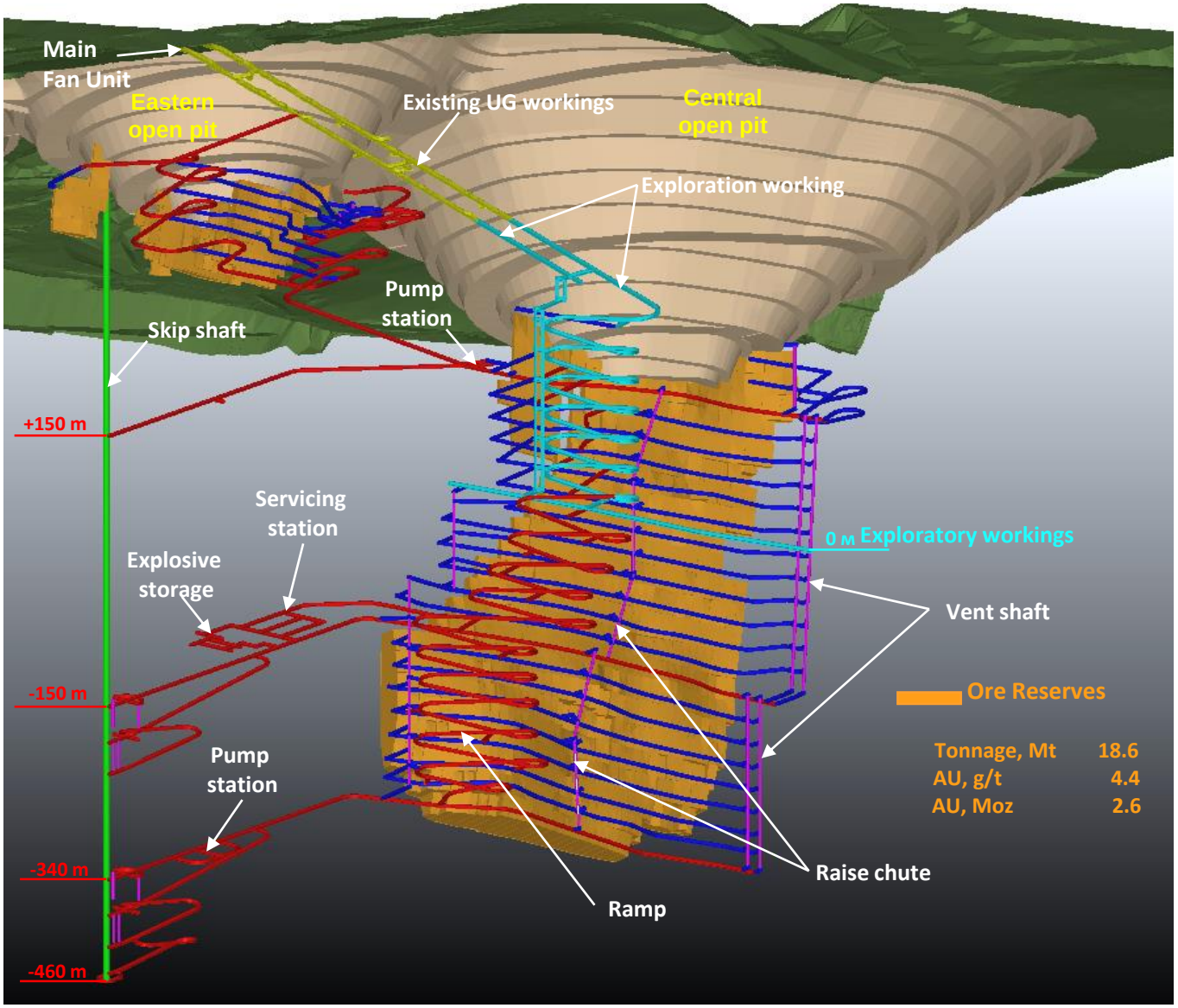
45.6 True width, m
10.5 Grade, g/t

Measured

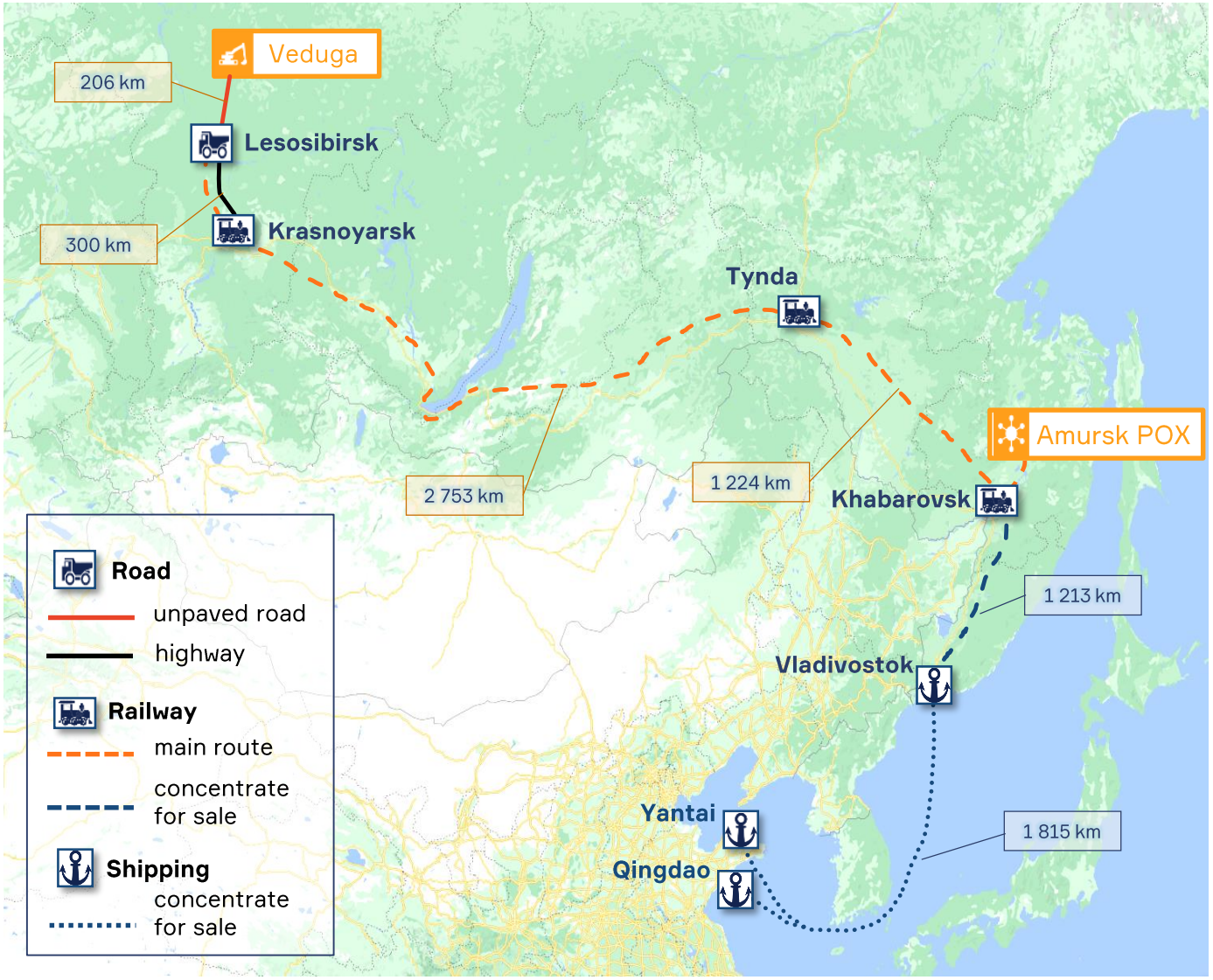
Indicated

Inferred

VEDUGA UNDERGROUND MINING SYSTEM



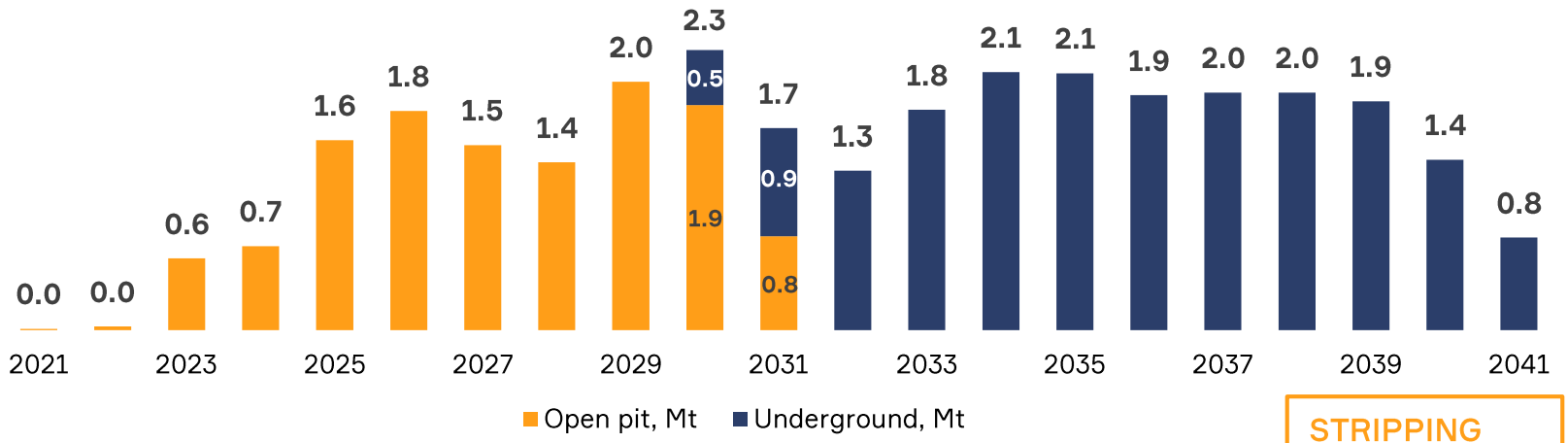
VEDUGA CONCENTRATE LOGISTICS ROUTES



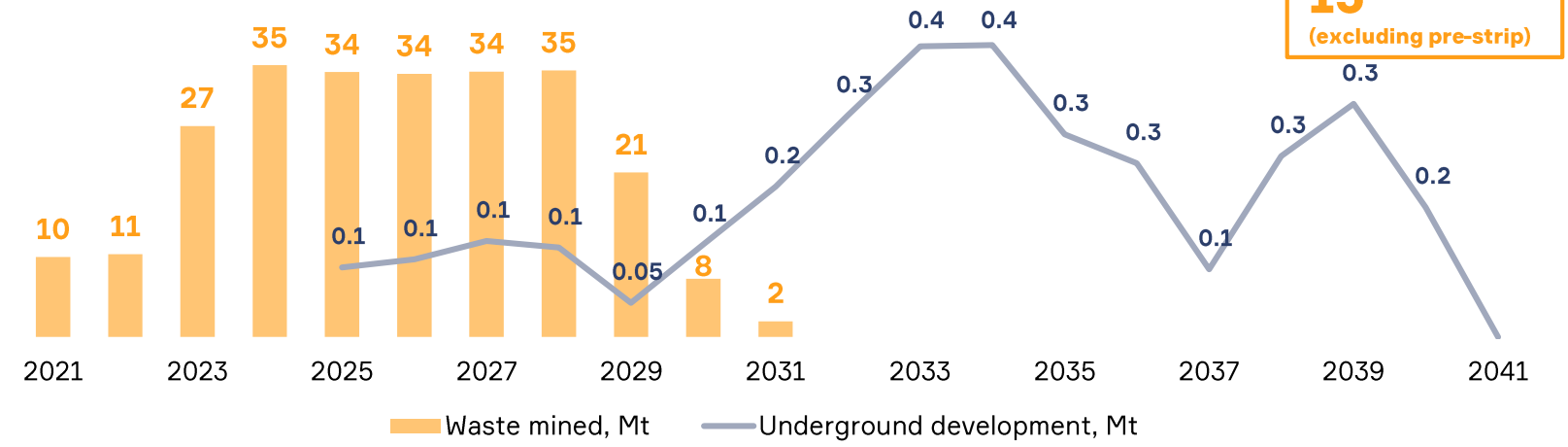
*Visokogorsky bridge will be ready for navigation in 2023

VEDUGA MINING SCHEDULE

ORE MINED, Mt



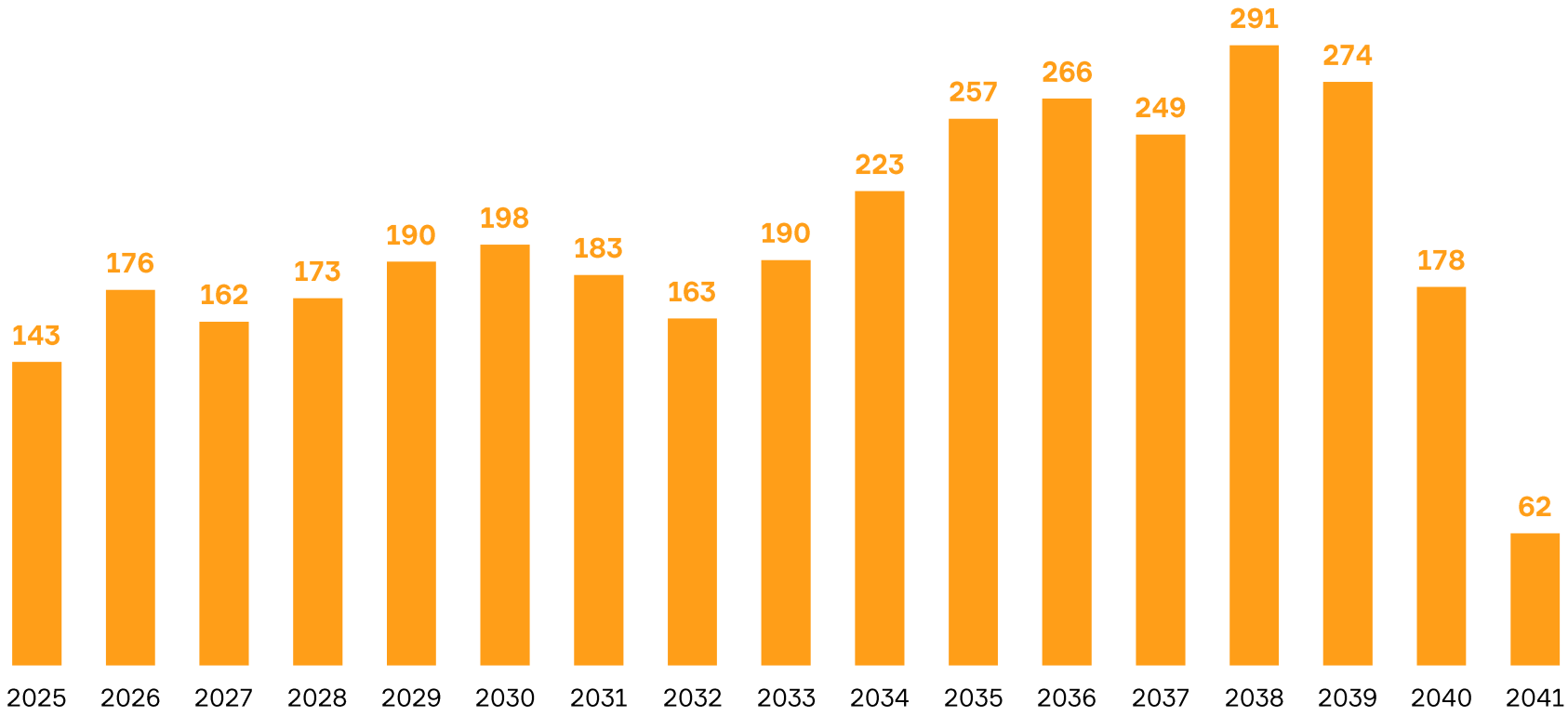
WASTE MINED. Mt



STRIPPING RATIO:
15
(excluding pre-strip)

VEDUGA PRODUCTION PLAN

GOLD PRODUCTION, Koz



IMPROVING OUR CLIMATE STRATEGY

Polymetal is committed to SBTi

- Our target is to reduce GHG emissions intensity by **30%** by 2030 (2019 baseline)
- We are committed to working with our stakeholders and partners to seek an effective and sustainable solutions to achieve this goal
- In October 2021, Polymetal joined **SBTI** to confirm its commitment to the principles of the Paris agreement. Targets validation is expected in H1 2022.
- Full disclosure of Polymetal's **targets** and **climate strategy** can be found in our first Climate Change Report

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The **1st** gold mining company in Russia and Kazakhstan committed to SBTi

4th company in the Mining (precious metals) sector in the world committed to SBTi