

Release time IMMEDIATE**Date** 24 July 2019

Polymetal International plc

Q2 2019 production results

Polymetal reports strong production for the second quarter and the six months ended June 30, 2019.

“Excellent results from Kyzyl drove our production growth while other operations delivered strong performances”, said Vitaly Nesis, Group CEO of Polymetal.“

HIGHLIGHTS

- The Company’s Q2 gold equivalent (“GE”) production grew 19% year-on-year to 384 Koz as Kyzyl delivered at full capacity with 81 Koz of gold produced in the quarter. GE production from continuing operations was up 29% year-on-year.
- Q2 gold production was up 30% over the previous year at 302 Koz. Silver production was down 11% at 6.0 Moz on the back of asset disposals.
- GE production for H1 2019 was 756 Koz, up 22% year-on-year. We expect stronger production in 2H driven by seasonal concentrate de-stockpiling at Mayskoye.
- Revenue for Q2 increased 13% year-on-year to US\$ 492 million, with gold sales rising 31% on strong production. Silver sales fell 22% due to a temporary logistical lag between production and sales to be eliminated in H2.
- The Company is well positioned to meet its full-year 2019 production guidance of 1.55 Moz of GE and reiterates its cost guidance: TCC of US\$ 600-650/ GE oz and AISC of US\$ 800-850/ GE oz¹.
- Polymetal generated significant free cash flow in Q2. Net debt remained unchanged during the quarter at US\$ 1,700 million as of 30 June 2019, while the Company paid US\$ 146 million of final dividends for FY 2018 (US\$ 0.31 per share). As in previous years, we expect significantly stronger free cash flow generation in the second half of the year on the back of higher production volumes and seasonal working capital drawdown.
- We are saddened to report a fatal accident that occurred on 10 May 2019. A pump station operator died at Omolon. The Company’s risk management activities increasingly focus on behavioral and cultural issues underpinning unsafe labor practices. We remain committed to our strategic objective of zero fatalities.
- At Nezhda, mining activities focused on constructing pit access roads. Construction proceeded according to schedule with the concentrator building comfortably on track for full winterization by the time the cold season starts in November. The project is expected to start up in Q4 2021.
- At POX-2, detailed engineering of the facility is in full swing. All long-lead equipment has been contracted. Site preparation activities including deforestation and topsoil removal are in progress. The project is on track for launch in H2 2023.

Note: (1) The cost guidance remains contingent on the Russian rouble and Kazakh tenge exchange rate dynamics, which has a significant effect on the Group’s operating costs.

	3 months ended June 30,		% change ¹	6 months ended June 30,		% change ¹
	2019	2018		2019	2018	
Waste mined, Mt	40.0	32.1	+25%	77.6	60.9	+27%
Underground development, km	26.1	31.8	-18%	54.3	64.4	-16%
Ore mined, Mt	4.3	3.4	+30%	8.6	6.5	+31%
Open-pit	3.3	2.2	+53%	6.5	4.2	+55%
Underground	1.0	1.2	-13%	2.1	2.4	-12%
Ore processed, Mt	4.1	3.7	+11%	7.6	7.0	+8%
Production						
Gold, Koz	302	232	+30%	602	446	+35%
Silver, Moz	6.0	6.8	-11%	11.0	12.7	-14%
Copper, Kt	0.6	0.9	-38%	1.4	1.6	-13%
Gold equivalent, Koz ²	384	324	+19%	756	619	+22%
Sales						
Gold, Koz	314	239	+31%	604	445	+36%
Silver, Moz	5.6	7.3	-22%	10.3	12.1	-15%
Copper, Kt	0.7	1.2	-44%	1.0	1.5	-30%
Revenue, US\$m ³	492	435	+13%	946	789	+20%
Net debt, US\$m ⁴	1,700	1,704	-0%	1,700	1,518	+12%
Safety ⁵						
LTIFR	0.22	0.17	+29%	0.23	0.16	+44%
Fatalities	1	0	+1	2	1	+1

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 1:80 Ag/Au, 5:1 Cu/Au, 2:1 Pb/Au and 2:1 Zn/Au conversion ratios.

(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 2019 (for the three months period) and 31 December 2018 (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
	2019	2018		2019	2018	
<u>GOLD EQ. (KOZ)¹</u>						
Kyzyl	81	-	NA	159	-	NA
Dukat	82	76	9%	158	155	2%
Albazino-Amursk	55	63	-13%	136	153	-11%
Omolon	46	54	-16%	99	86	15%
Mayskoye	-	-	NA	5	-	NA
Varvara	39	31	24%	76	66	16%
Voro	29	28	3%	57	54	4%
Svetloye	52	45	16%	61	53	15%
TOTAL (continuing operations)	384	297	+29%	751	568	+32%
Okhotsk	-	12	-100%	-	24	-100%
Kapan	-	15	-100%	5	27	-82%
TOTAL (including discontinued operations)	384	324	+19%	756	619	+22%

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

CONFERENCE CALL AND WEBCAST

Polymetal will hold a conference call and webcast on Wednesday, 24 July 2019 at 12:00 London time (14:00 Moscow time).

To participate in the call, please dial:

8 800 500 98 63 access code 34668237# (free from Russia), or

+44 203 009 24 80 (free from the UK), or

+1 646 722 49 14 (free from the US), or

follow the link: <https://webcasts.eqs.com/polymetal20190724>. Please be prepared to introduce yourself to the moderator or register.

Webcast replay will be available on Polymetal's website (www.polymetalinternational.com) and at <https://webcasts.eqs.com/polymetal20190724>. A recording of the call will be available immediately after the call at +44 20 3364 5147 (from within the UK), +1 646 722 4969 (USA Toll Free) and +7 495 249 16 71 (from within Russia), access code 418860357#, from 14:30 Moscow time Wednesday, 24 July, till 14:30 Moscow time Wednesday, 31 July, 2019.

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KYZYL

	3 months ended June 30,			6 months ended June 30,		
	2019	2018	% change	2019	2018	% change
MINING						
Waste mined, Mt	16.5	14.9	+11%	32.3	28.7	+13%
Ore mined (open-pit), Kt	511	323	+58%	1,033	397	+160%
PROCESSING						
Ore processed, Kt	512	74	NM	988	74	NM
Gold grade, g/t	6.6	2.5	+159%	6.7	2.5	+164%
Gold recovery	87.8%	41.7%	+111%	87.3%	41.7%	+110%
Concentrate produced, Kt	28.5	1.3	NM	58.3	1.3	NM
Concentrate gold grade, g/t	104.2	46.5	+124%	100.0	46.5	+115%
Gold in concentrate, Koz ¹	95.5	2.0	NM	187.4	2.0	NM
Concentrate shipped, Kt	17.3	-	NA	36.9	-	NA
Payable gold shipped, Koz	40.4	-	NA	91.2	-	NA
Amursk POX						
Concentrate processed, Kt	12	-	NA	20	-	NA
Gold grade, g/t	128.9	-	NA	124.7	-	NA
Gold recovery	93.4%	-	NA	93.8%	-	NA
Gold produced, Koz	40.9	-	NA	68.3	-	NA
TOTAL PRODUCTION						
Gold, Koz	81.4	-	NA	159.5	-	NA

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.

Kyzyl continued to outperform in Q2. The operation continued to benefit from high-grade softer ore and exceeded design specifications on throughput, grade and production. Half-year gold production came in at 159.5 Koz of gold with 187.4 Koz of gold produced in concentrate.

The average concentrate recovery rate increased to 87.8% despite low mass pulls achieved to improve transportation economics and attractiveness of concentrate for Chinese off-takers. Share of gold in low-carbon concentrate processed at the Amursk POX exceeded 50%.

The processing plant is now running at a rate of 2 Mt per annum - above its nameplate capacity of 1.8 Mtpa. Recent performance tests demonstrate that further improvement in throughput can be achieved with US\$ 3 million investment in hydrocyclones and concentrate filtering area.

Open-pit mining continued at a stable pace. A detailed technical study is under way to re-optimize the open pit under updated operational and economic assumptions with the results, including the updated Ore Reserves estimate, to be presented in Q4 2019.

DUKAT OPERATIONS

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2019	2018		2019	2018	
<u>MINING</u>						
Underground development, km	14.9	15.2	-2%	30.0	29.4	+2%
Ore mined, Kt	649	626	+4%	1,252	1,221	+3%
<u>PROCESSING</u>						
Omsukchan concentrator						
Ore processed, Kt	516	513	+1%	1,029	996	+3%
Grade						
Gold, g/t	0.5	0.5	-1%	0.5	0.5	+0%
Silver, g/t	306	291	+5%	295	302	-2%
Recovery ¹						
Gold	85.3%	87.0%	-2%	85.7%	86.6%	-1%
Silver	86.6%	88.2%	-2%	86.9%	88.0%	-1%
Production						
Gold, Koz	7.0	7.1	-1%	14.4	14.3	+1%
Silver, Moz	4.3	4.1	+5%	8.3	8.4	-1%
Lunnoye plant						
Ore processed, Kt	117	114	+2%	232	227	+2%
Grade						
Gold, g/t	1.3	1.2	+13%	1.4	1.2	+14%
Silver, g/t	264	323	-18%	266	340	-22%
Recovery ¹						
Gold	85.1%	85.4%	-0%	85.7%	85.3%	+0%
Silver	90.1%	90.2%	-0%	90.1%	91.0%	-1%
Production						
Gold, Koz	4.4	3.6	+22%	9.1	7.6	+20%
Silver, Moz	0.9	1.1	-15%	1.8	2.2	-19%
<u>TOTAL PRODUCTION</u>						
Gold, Koz	11.4	10.7	+7%	23.6	21.9	+8%
Silver, Moz	5.3	5.2	+1%	10.1	10.6	-5%

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

The Dukat hub demonstrated a stable performance in Q2 with silver output up 1% year-on-year to 5.3 Moz. Silver grades at the Omsukchan concentrator increased by 5% as it processed high-grade ore from the Terem satellite underground mine. Stronger performance at Omsukchan has compensated for a planned decrease in grade at the Lunnoye plant.

Gold output increased 7% year-on-year to 11.4 Koz, driven mainly by increase in gold grade at Lunnoye.

Underground development declined by 2% as Goltsovoye approaches the end of its reserves with mining focused on pillar removal.

ALBAZINO

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2019	2018		2019	2018	
MINING						
Albazino						
Waste mined, Mt	5.6	5.4	+3%	11.1	10.5	+6%
Underground development, Km	2.6	2.3	+10%	4.9	4.7	+4%
Ore mined, Kt	545	478	+14%	1,026	930	+10%
Open-pit	404	370	+9%	766	715	+7%
Underground	141	108	+31%	259	216	+20%
PROCESSING						
Albazino concentrator						
Ore processed, Kt	431	441	-2%	856	860	-1%
Gold grade, g/t	4.0	4.8	-18%	4.2	5.0	-17%
Gold recovery ¹	86.9%	85.0%	+2%	85.2%	85.8%	-1%
Concentrate produced, Kt	33.7	35.0	-4%	69.3	68.9	+1%
Concentrate gold grade, g/t	44.1	51.7	-15%	44.3	54.4	-19%
Gold in concentrate, Koz ²	47.7	58.1	-18%	98.6	120.3	-18%
Amursk POX						
Concentrate processed, Kt	38	32	+17%	91	82	+10%
Gold produced, Koz	55.1	63.0	-13%	136.4	152.8	-11%
TOTAL PRODUCTION						
Gold, Koz	55.1	63.0	-13%	136.4	152.8	-11%

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, gold in concentrate production decreased by 18% to 47.7 Koz driven by continued processing of a lower grade ore from the Ekaterina-1 open pit. This, in turn, impacted total gold output which fell 13% year-on-year to 55.1 Koz. Grade decline was partially compensated by an increase in recoveries from 83.7% in Q1 to 86.9% in Q2.

Underground mine productivity continued to improve with ore mined up 14% year-on-year as underground development at the Ekaterina-2 underground mine continues according to plan. Ekaterina-2 should become the main source of higher-grade ore starting from H2 2020.

AMURSK POX

	3 months ended June 30,		%	6 months ended June 30,		%
	2019	2018		change	2019	
Concentrate processed, Kt	50	32	+55%	111	82	+34%
Albazino	36	27	+32%	81	71	+14%
Kyzyl	12	-	NA	20	-	NA
Other ¹	2	5	-66%	10	11	-14%
Gold recovery	93.4%	96.7%	-3%	94.3%	97.1%	-3%
Average gold grade, g/t	67.7	59.3	+14%	63.7	58.1	+10%
Average sulphur grade	12.6%	8.8%	+43%	12.6%	8.4%	+50%
Total gold produced ² , Koz	96.0	63.0	+52%	204.7	152.8	+34%
Albazino	49.5	50.6	-2%	116.0	130.5	-11%
Kyzyl	40.9	-	NA	68.3	-	NA
Other ¹	5.6	12.3	-55%	20.4	22.4	-9%

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.

Quarterly gold production at the Amursk POX increased 52% to 96 Koz on the back of the increased volume of concentrate processed and Kyzyl-driven higher average concentrate grade.

The introduction of large quantities of Kyzyl concentrate to the feed significantly changed operating parameters and led to a temporary decline in recoveries by 3 percentage points from 96.7% to 93.4%. Over the last two months, the POX team successfully introduced new operating procedures that resulted in recoveries climbing back up over 95%. The changes focus on tighter control of feed variability.

The Amursk POX underwent a planned 15-day shutdown, the first one since the launch of the debottlenecked facility in November. No material issues have been identified.

OMOLON OPERATIONS

	3 months ended June 30,		%	6 months ended June 30,		%
	2019	2018		change	2019	
MINING						
Waste mined, Mt	1.9	1.6	+13%	3.2	2.7	+20%
Underground development, Km	3.3	3.2	+5%	6.5	6.3	+3%
Ore mined, Kt	730	97	+650%	1,378	482	+186%
Open-pit	625	5	NM	1,159	298	+289%
Underground	105	92	+13%	220	184	+19%
PROCESSING						
Birkachan Heap Leach						
Ore stacked, Kt	493	472	+4%	546	472	+16%
Gold grade, g/t	1.2	1.1	+6%	1.2	1.1	+6%
Gold production, Koz	2.1	1.0	+101%	2.1	1.0	+101%
Kubaka Mill						
Ore processed, Kt	208	216	-4%	428	422	+1%
Grade						
Gold, g/t	5.0	5.2	-4%	6.5	5.0	+30%
Silver, g/t	125	171	-27%	72	102	-29%
Recovery ¹						
Gold	97.1%	95.7%	+1%	95.5%	95.4%	+0%
Silver	88.8%	88.2%	+1%	79.1%	81.7%	-3%

	3 months ended June 30,			6 months ended June 30,		
	2019	2018	% change	2019	2018	% change
Gold production, Koz	34.9	39.7	-12%	86.4	70.1	+23%
Silver production, Moz	0.7	1.1	-37%	0.8	1.2	-31%
TOTAL PRODUCTION						
Gold, Koz	37.0	40.7	-9%	88.4	71.1	+24%
Silver, Moz	0.7	1.1	-37%	0.8	1.2	-31%

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

In Q2, gold and silver production decreased by 9% and 37% respectively on the back of lower grades at Kubaka Mill which processed ore from Sopka low-grade stockpiles. H1 gold output increased 24% year-on-year as higher-grade ore from Olcha was introduced to the feed in Q1.

At Birkachan, open-pit mining rate achieved 500 Kt per in Q2, while heap leach operation has doubled production on the back of higher stacking volumes and higher gold grade.

Open-pit mining at Sopka is completed. The mining fleet has re-located to a new satellite deposit, Yolochka (80 km from the Kubaka mill), where mining commenced and will continue for 12 months.

MAYSKOYE

	3 months ended June 30,			6 months ended June 30,		
	2019	2018	% change	2019	2018	% change
MINING						
Waste mined, Mt	1.4	1.4	+3%	2.6	1.9	+33%
Underground development, km	5.3	6.0	-12%	10.8	12.1	-11%
Ore mined, Kt	220	285	-23%	438	463	-5%
Open-pit	70	110	-36%	134	132	+2%
Underground	150	174	-14%	305	331	-8%
PROCESSING						
Ore processed, Kt	207	213	-3%	426	416	+2%
Gold grade, g/t	6.6	8.3	-21%	6.1	6.7	-9%
Gold recovery	69.9%	71.4%	-2%	76.5%	77.5%	-1%
Gold in concentrate, Koz ²	25.2	26.2	-4%	58.6	55.0	+7%
Gold produced in dore from concentrate (POX), Koz	-	-	NA	-	-	NA
Gold produced in dore from carbon, Koz ³	-	-	NA	4.6	-	+100%
Payable gold in concentrate shipped to off-takers, Koz	-	-	NA	-	-	NA
TOTAL PRODUCTION						
Gold, Koz	-	-	NA	4.6	-	NA

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 decreased by 4% year-on-year to 25.2 Koz on the back of lower processing volumes and reduced grades in ore from the open-pit as the processing plant at Mayskoye switched over to the seasonal treatment of oxide feed.

The management selected conveyor ore haulage for the long-term upgrade of the underground mine materials handling system. The key considerations in the decision included lower capital intensity, lower execution risk and greater flexibility (compared with the conventional shaft). Total investment in the project is estimated at approximately US\$45m in 2020-2022. The project is expected to yield US\$150/oz cost savings in diesel fuel, electricity and maintenance as well as to reduce operation's carbon footprint. The expected IRR is 45%.

In parallel, Polymetal selected Paterson & Cooke, a UK engineering firm, to evaluate options regarding conversion from conventional tailings to cemented paste backfill. Potential benefits include lower dilution in flat-dipping ore bodies and the reduction of surface waste disposal. Detailed study results are expected in Q4 2019.

VARVARA

	3 months ended June 30,		% change	6 months ended June 30,		% change
	2019	2018		2019	2018	
MINING						
Waste mined, Mt	11.6	7.6	+53%	22.7	14.7	+55%
Ore mined, Kt	977	711	+38%	1,938	1,386	+40%
PROCESSING						
Flotation						
Ore processed, Kt	130	104	+25%	277	180	+54%
Grade						
Gold, g/t	1.1	1.4	-20%	1.1	1.3	-13%
Copper	0.52%	0.51%	+1%	0.55%	0.53%	+3%
Recovery ¹						
Gold	51.1%	71.8%	-29%	60.3%	67.7%	-11%
Copper	90.8%	92.6%	-2%	91.4%	91.5%	-0%
Production						
Gold (in concentrate), Koz	1.9	2.6	-27%	4.5	4.2	+8%
Copper (in concentrate), Kt	0.6	0.5	+16%	1.3	0.9	+48%
Veduga ore toll processed, Kt ²	31	32	-3%	63	43	+46%
Leaching						
Ore processed, Kt	784	723	+8%	1,535	1,498	+3%
Gold grade, g/t	1.4	1.3	+8%	1.4	1.4	+2%
Gold recovery ¹	87.7%	87.5%	+0%	86.5%	86.9%	-0%
Gold production (in dore), Koz	34.1	26.3	+30%	65.5	57.5	+14%
Total ore processed, Kt	945	858	+10%	1,875	1,721	+9%
TOTAL PRODUCTION						
Gold, Koz	35.9	28.9	+25%	69.9	61.7	+13%
Copper, Kt	0.6	0.5	+16%	1.3	0.9	+48%

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.

In Q2, Varvara delivered a solid gold production increase of 25% to 35.9 Koz. The jump was driven by increases in throughput, gold grade and recovery at the leaching circuit, all benefiting from higher Komar ore tonnage.

Flotation circuit production declined as it did not process high-grade 3rd-party material available in 2018.

Varvara continued to toll-treat high-grade ore from Veduga and plans to process more than 100 Kt in 2019.

VORO

	3 months ended June 30,		%	6 months ended June 30,		%
	2019	2018		2019	2018	
MINING						
Waste mined, Mt	0.4	0.9	-58%	0.8	1.9	-59%
Ore mined, Kt	210	272	-23%	479	575	-17%
PROCESSING						
Voro Heap Leach						
Ore stacked, Kt	-	1.8	-100%	-	1.8	-100%
Gold grade, g/t	-	1.5	-100%	-	1.5	-100%
Gold production, Koz	6.4	2.1	+202%	11.1	3.7	+201%
Voro CIP						
Ore processed, Kt	270	252	+7%	519	498	+4%
Gold grade, g/t	3.5	4.2	-16%	3.5	4.0	-14%
Gold recovery ¹	85.7%	81.1%	+6%	86.3%	80.8%	+7%
Gold production, Koz	22.6	26.2	-14%	44.9	50.8	-11%
TOTAL PRODUCTION						
Gold, Koz	29.0	28.3	+2%	56.0	54.5	+3%

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

Q2 gold production at Voro increased 2% year-on-year to 29.0 Koz driven by seasonal contributions from the residual heap leach operation. Higher gold recoveries partially offset a planned decline in grade at the CIP plant.

Ore mined volume continued to decrease as the open pit nears the end of its life in Q3 2019. Exploration drilling identified substantial mineralisation below the open pit with technical studies currently under way to determine the feasibility of underground mining.

SVETLOYE

	3 months ended June 30,		%	6 months ended June 30,		%
	2019	2018		2019	2018	
MINING						
Waste mined, Mt	0.4	0.1	+222%	0.8	0.2	+251%
Ore mined (open pit), Kt	453	335	+35%	867	661	+31%
PROCESSING						
Ore stacked, Kt	414	434	-4%	598	653	-8%
Gold grade, g/t	3.5	3.8	-7%	4.0	3.8	+4%
Gold production, Koz	51.8	44.7	+16%	61.0	53.0	+15%
TOTAL PRODUCTION						
Gold, Koz	51.8	44.7	+16%	61.0	53.0	+15%

At Svetloye, gold production increased 16% to 51.8 Koz as the operation has achieved the third full year of operation. However, rainy weather in Q2 impacted the pace of stacking and availability of high-grade material.

DEVELOPMENT UPDATE

At Nezhda, mining and construction activities proceeded according to plan. Pouring of concrete for the concentrator building and mill is complete. Construction of the mine camp and storage facilities is complete. The construction of the haulage road between the mine and the concentrator commenced in May.

Statutory permitting process entered its final phase with the submission of full design documentation to the Chief Environmental Expertise, a government agency in charge of environmental permitting.

At POX-2, Polymetal signed comprehensive contract for the detailed engineering of high-pressure sections of the facility with Hatch. Equipment for the concentrate preparation section (roll crushers, acid-resistant mills, steep-angle conveyors) and intensive cyanidation unit has been contracted. The land use rights for construction have now been received. Construction of a new concentrate storage facility is under way.

At Veduga, Polymetal published an updated JORC-compliant Ore Reserve estimate which comprised 18.9 Mt of ore with an average grade of 4.6 g/t containing 2.8 Moz of gold (a 111% increase in gold contained). Exploration drilling is ongoing with further resource and reserve upgrade expected in Q1 2020.

SUSTAINABILITY, HEALTH AND SAFETY

In Q2, our LTIFR stood at 0.22 (versus 0.17 in Q2 2018) with a total of 6 work-related incidents recorded across the Group (5 incidents in Q2 2018). The increase is driven by minor incidents that occurred on site but not during the production process.

We regret to report a fatality that occurred on 10 May 2019 at our Omolon operation. A pump station operator died at the Kubaka pit. We extend our sincere condolences to the family, friends and colleagues of the deceased employee.

Earlier in Q2, Polymetal provided full disclosure on its tailings storage facilities management in response to public investor enquiries to mining companies, while two of Polymetal gold production operations, Voro and the Amursk POX plant, became certified as being in full compliance with the International Cyanide Management Code.