

**Release time** IMMEDIATE  
**Date** 24 January 2022

LSE, MOEX, AIX: POLY / ADR: AUCOY

## Polymetal International plc

### Novopetrovsky initial Mineral Resource estimate

**Polymetal announces an initial JORC-compliant Mineral Resource estimate for the Novopet polymetallic deposit (75% ownership) of 2.4 Moz of gold equivalent (“GE”) at an average grade of 8.0 g/t GE.**

“Novopet is the first convincing proof for Polymetal’s strategy of teaming up with exploration juniors. The asset fits our long-term strategy perfectly. It has high grade, low environmental footprint, and huge growth potential. It also more than doubles Polymetal’s exposure to copper”, said Vitaly Nesis, Group CEO of Polymetal.

#### HIGHLIGHTS

- The initial Mineral Resource estimate as at 1 January 2022 comprises 9.2 Mt of mineralised material with an average GE grade of 8.0 g/t. The value structure by metal is as follows<sup>1</sup>: 37% - copper, 35% - gold, 23% - zinc, 6% - silver. Tabular mineralisation remains open in multiple directions.
- Novopet is a VMS type deposit with primary gold-copper-zinc ores suitable for processing by conventional flotation and gravity concentration. The deposit is amenable to conventional mechanized underground mining. Average mineralisation depth is 395 m. Average thickness is 19 m.
- The resource estimate is based on data from 87 drill holes with a total length of 50.5 km, including 82 drill holes (46.8 km) completed in 2020-2022, after Polymetal invested in the project.
- Total exploration capital costs amounted to US\$ 8 million. Inclusive of acquisition price, Polymetal invested approximately US\$ 15 million, or US\$ 6 per ounce of GE (adjusted for the Company’s stake).
- Polymetal’s current share in the Novopet JV is 75%. The Company owns a 7-year call option to buy out the remaining 25% stake in the project from the JV partner (Rosgeo), based on JORC-compliant Ore Reserve estimate.

#### MINERAL RESOURCE STATEMENT

The Mineral Resource estimate is reported in accordance with the JORC Code (2012) and was prepared by Polymetal as at 1 January 2022 using US\$ 7,700/t copper, US\$ 2,200/t zinc, US\$ 1,500/oz gold and US\$ 20/oz silver prices. A cut-off grade of 1.9 g/t of GE was applied.

#### Novopetrovsky Mineral Resources<sup>2</sup>

	Tonnage, Mt	GE grade, g/t	Cu grade, %	Zn grade, %	Au grade, g/t	Ag grade, g/t	GE content, Moz
Indicated (Underground)	7.0	9.1	2.5	4.2	3.5	45	2.1
Inferred (Underground)	2.2	4.3	1.4	1.5	1.4	14	0.3
<b>Total Indicated +Inferred</b>	<b>9.2</b>	<b>8.0</b>	<b>2.2</b>	<b>3.6</b>	<b>3.0</b>	<b>38</b>	<b>2.4</b>

#### ABOUT NOVOPETROVSKY

The Novopet prospective area was identified in the 1980s in the course of state-funded geological and geophysical studies. The area with potentially commercial mineralisation was further explored in 2010-2017 by the state-owned Bashkirgeology and subsequently Rosgeo. In 2020, Polymetal acquired a 75% stake in the Rosgeo’s subsidiary holding the license for the Novopet area for US\$7 million in cash.

Novopet is located in the Khaibullinsky district of Bashkortostan, 110 km from the city of Sibay (population of 60,000). The deposit is located in an industrial region with low density of agricultural population. The location has easy access to grid-power and well-developed transportation infrastructure.

<sup>1</sup> Based on market prices as of 21 January 2022. Metal recovery to concentrate and metal payability in concentrate are also taken into account.

<sup>2</sup> Discrepancies in calculations are due to rounding.

The deposit is confined to the volcanic structure of the Devonian age. VMS mineralisation occurs among the quartz-sericite altered rocks developed within the volcanic-sedimentary formation.

The main value of the asset stems from a deposit of solid, densely disseminated and vein-disseminated mineralisation developed as a result of the activity of "black smokers" on the slope of ancient seabed dome.

A sub-horizontal mineralised body is elongated in the meridional direction, has a strike length of 750 m, a cross-strike width of 200-400 m. The average thickness is 19 m with swells of up to 43 m. The internal structure is very variable in terms of mineral composition and metal grades. Upper boundary of mineralisation is clear and easily visually identifiable, while the lower boundary is gradational and may be determined only by sampling.

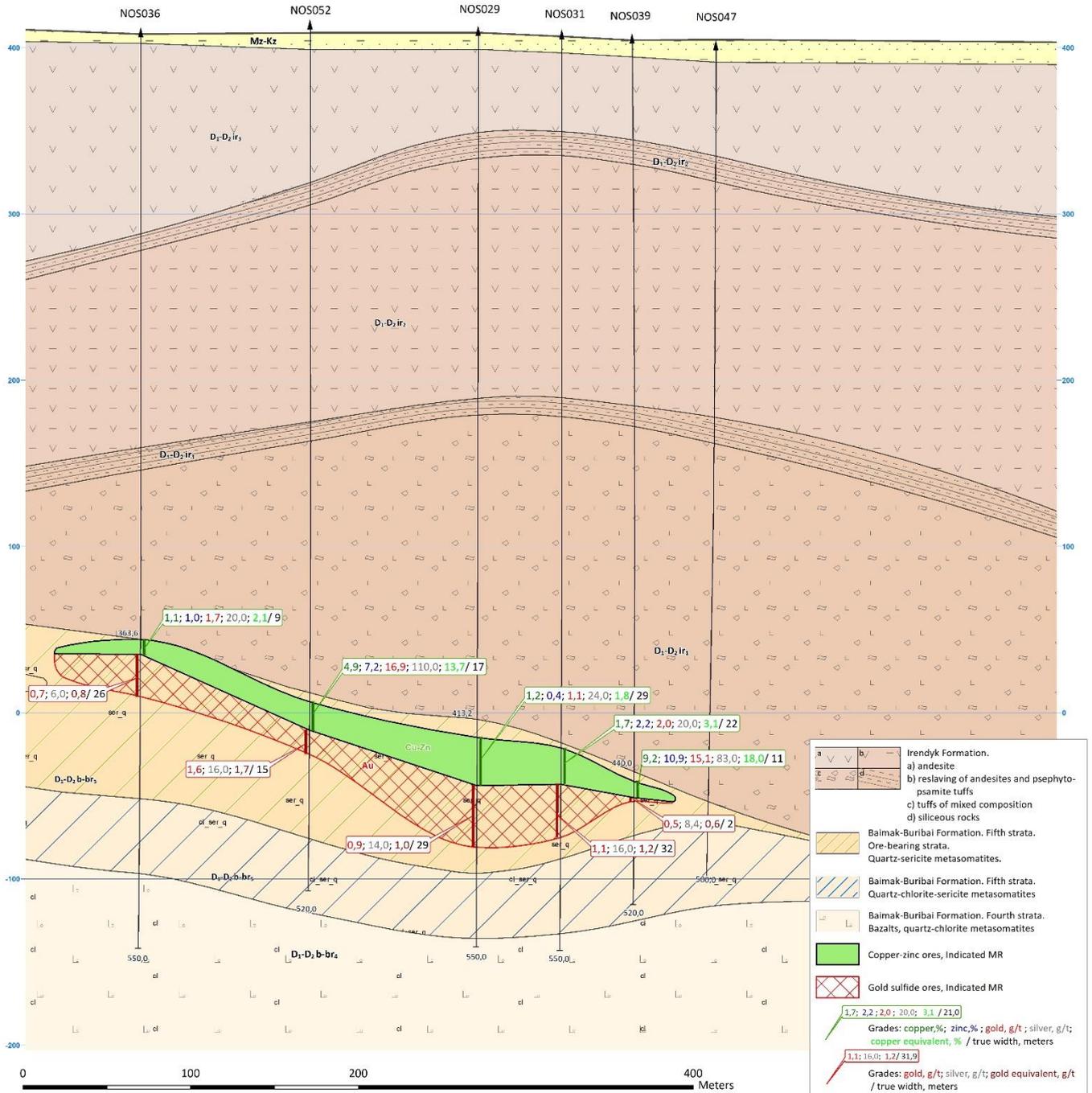
Similarly to comparable deposits, gravity and flotation flowsheet is assumed to achieve copper recoveries into copper concentrate of 84-91%, zinc recoveries into zinc concentrate of 84-93%. Total gold and silver recoveries into gravity concentrate and copper and zinc concentrates are expected to be in the range of 60-70% and 65-75% respectively. In-house metallurgical testing will take place in H2 of 2022.

Mineralisation has been studied to a depth of 500 m and remains open along and across strike. Northern and southern flanks of the Novopet deposit with numerous mineralised intersections in drill holes have not been fully explored.

The next milestones at the property include:

1. Mineral Resource estimate update in Q2 2023
2. Initial Ore Reserve estimate in Q4 2023
3. Mining license approval in Q1 2024
4. Preliminary feasibility study in Q1 2025.

Figure 1 Geological cross-section



**COMPETENT PERSONS**

This estimate was prepared by employees of JSC Polymetal Management Company, led by Mr Andrey Gottman.

Mr Gottman is employed full-time as the chief exploitation geologist JSC Polymetal Engineering and has more than 20 years' experience in gold, silver and polymetallic mining. He is a Member of the National Association for mineral resources assessment.

All the above-mentioned 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 and silver producer with assets in Russia and Kazakhstan. The Company combines strong growth with a robust dividend yield.

## Enquiries

Media		Investor Relations	
<b>FTI Consulting</b> Leonid Fink Viktor Pomichal	+44 20 3727 1000	<b>Polymetal</b> Evgeny Monakhov Timofey Kulakov Kirill Kuznetsov	<a href="mailto:ir@polymetalinternational.com">ir@polymetalinternational.com</a> +44 20 7887 1475 (UK)  +7 812 334 3666 (Russia)
Joint Corporate Brokers			
<b>Morgan Stanley &amp; Co. International plc</b> Andrew Foster Richard Brown	+44 20 7425 8000	<b>RBC Europe Limited</b> Marcus Jackson Jamil Miah	+44 20 7653 4000
<b>Panmure Gordon</b> John Prior Rupert Dearden	+44 20 7886 2500		

## 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.