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Polymetal International plc

Polymetal exchanges its Chaarat convertible notes into equity

Polymetal announces that following the sale of the Kapan mine in January 2019 to Chaarat Gold Holdings Limited (AIM: CGH) (together with its subsidiaries - "Chaarat"), Polymetal has agreed to exchange the US\$ 10m of Chaarat's Convertible Notes received as part of original consideration, as well as factoring in working capital settlement under the SPA, for 14,638,020 newly issued ordinary shares of US\$ 0.01 each ("New Shares") in Chaarat. This shall represent 3.5% of the enlarged issued share capital of Chaarat post allotment.

"Exchange of convertibles into Chaarat stock, working capital settlement, and release of warranties and indemnities ensure Polymetal's direct exposure to Chaarat's performance while limiting legacy jurisdictional risks," said Vitaly Nesis, Group CEO of Polymetal.

The New Shares will be subject to a 12-months lock-up arrangement and Chaarat will have a right of first refusal in the event of the sale of those New Shares.

As a part of this arrangement Chaarat Gold International Limited, a wholly owned subsidiary of Chaarat, has agreed to release Polymetal from warranties and indemnities under the sale and purchase agreement on acquisition of Kapan except for a limited number of reserved matters. This deal also settles the post-completion working capital adjustment between the parties.

Chaarat has also agreed to waive its exclusivity right and right of first refusal for Lichkvaz, Polymetal's remaining asset in Armenia. This will pave the way for involving other interested parties into the ongoing sale process for Lichkvaz.

About Polymetal

Polymetal International plc (LSE, MOEX, AIX: POLY, ADR: AUCOY) (together with its subsidiaries – "Polymetal", the "Company", or the "Group") is a top-20 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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