

Sustained success: Delivered by a purpose-driven culture

Once again, we have delivered on our promises with an excellent set of results based on our strongly purpose-driven culture. In particular, Kyzyl, our flagship project, fulfilled its potential, and our investments in the Company's future pipeline were also on track.

A very successful year

Delivering on our promises and commitment to sustainable cash returns to our shareholders is a distinguishing feature of Polymetal in the sector. Our production guidance has been exceeded for the eighth year in a row. Strong earnings during the period reflect solid operational delivery and, most notably, excellent results from Kyzyl. We are also fully on track with the construction of our Nezhda and POX-2 development projects. Strong operating performance and a favourable commodity price environment enabled us to both finance these projects and generate significant free cash flow during 2019. This, in turn, allowed us to sustain a sector-leading dividend yield and provide cash returns to our shareholders through regular and special dividends, while ensuring that the leverage ratio remains at our target level.

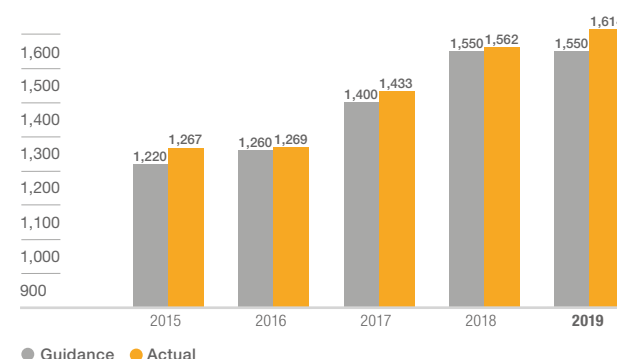
📍 Culture, purpose and values – pages 02, 20, 99

📍 Operating review – pages 32–49

📍 Financial review – pages 64–77

ROBUST PERFORMANCE

PRODUCTION (KOZ GE)



\$483m

Net profit
2018: \$355m

\$385m

Dividends proposed
2018: \$223m

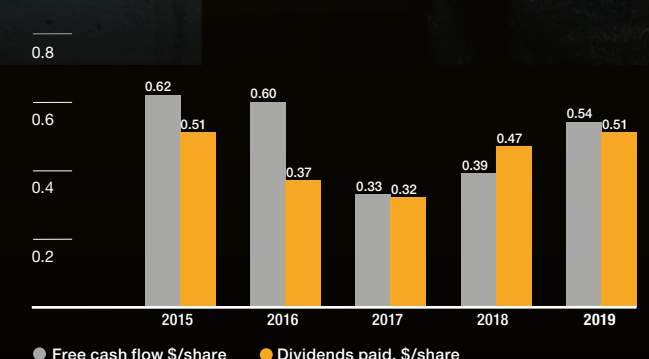
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We are pleased to report record earnings and solid free cash flow for the year underpinned by a robust operating performance and strong commodity prices. We have also advanced our key strategic projects, reduced net debt and paid substantial dividends.

Vitaly Nesis
Group CEO

TRANSLATING PRODUCTION INTO DIVIDENDS

(\$)



Operating responsibly: Integrating sustainability throughout

⊕ Read more on sustainability on pages 50–63

Polymetal's strategy and culture places great emphasis on integrating sustainability and maintaining good governance practices to create long-term value for all of its stakeholders.

Below: Solar power plant at Svetloye

26%

decrease in fresh water consumption

39%

female qualified personnel

0.19

LTIFR

2018: 0.09

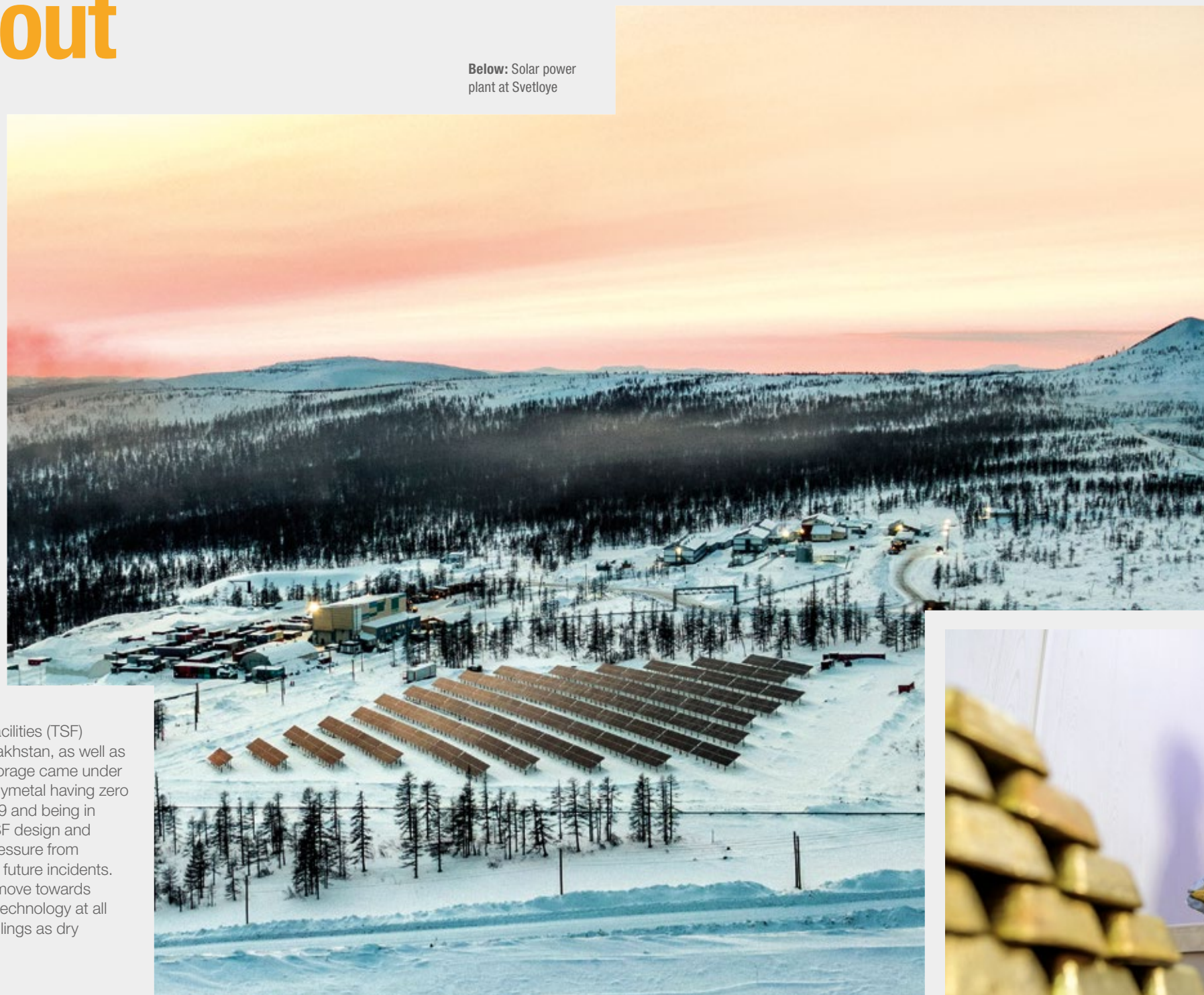
\$15m

invested in local communities

2018: \$10m

Tailings storage facilities

Polymetal operates nine tailings storage facilities (TSF) at operating mine sites in Russia and Kazakhstan, as well as two dry-stack facilities. In 2019, tailings storage came under the spotlight within our sector. Despite Polymetal having zero environmental incidents in this area in 2019 and being in compliance with local and international TSF design and maintenance standards, we welcomed pressure from investors to add extra safeguards to avoid future incidents. We have announced our commitment to move towards dry-stack storage facilities, to deploy this technology at all new sites and dispose of 15% of all our tailings as dry stacks by 2024.



Global climate change

We fully recognise that climate change requires us to be more resilient and carbon neutral. This means innovating in extraction methods that minimise greenhouse gas (GHG) emissions, while adapting to a changing climate. Market volatility related to climate risks is likely to increase and be on the agenda of investors. Our newly adopted Climate Management System is at the heart of our approach to mitigation of the potential impacts of climate change at our sites.

Diversity

We believe that workforce diversity is a strength and we are deeply committed to equal opportunities and terms of employment. We actively recruit people on merit, eliminating any discrimination on the grounds of race, gender, religion, political opinions, nationality or social origin. In particular, we aim to create the right conditions for the greater inclusion of women within both our workforce and leadership team.

33

By focusing on responsible mining and production, we are able to contribute both to our stakeholders and the natural world.

Vitaly Savchenko

Chief Operating Officer



Left: A quality inspector at Voro

Kyzyl: Outstanding performance

8.2 Moz

Reserves of GE at 6.3 g/t

27 years

Life of mine

343 GE Koz

Production
2018: 96 GE Koz
+257%

\$514/GE oz

AISC
-38%

Exceptional delivery

In 2019, Kyzyl was the key driver behind our excellent operating results, with the largest contribution of 343 Koz towards Group total production of 1,614 GE Koz, and delivering Adjusted EBITDA of \$355 million, one-third of the Group's total.

These robust operating results had a positive impact on the Group's cost level: Kyzyl total cash costs were tracking at \$399/GE oz and AISC at \$514/GE oz, significantly below the Company's average and feasibility study levels, and down 28% year-on-year as the mine delivered in excess of its design capacity and planned grade.

Polymetal's important development project Kyzyl made a substantial contribution to our robust operating performance in 2019, its first full year of operation.



Exceeding all expectations

Kyzyl has performed very strongly since its start-up and in 2019, it outperformed budget on throughput, grade and production. The processing plant is now running at a rate of 2.0 Mt per annum – above its nameplate capacity of 1.8 Mt per annum. We have also incorporated the recent drilling results into an updated reserve, extending open-pit life-of-mine at this flagship operation. The updated ore reserves estimate comprised an 18% increase in gold contained compared with reserves as at the end of 2018. Total life-of-mine is extended by eight years to 2047 with open-pit mining now ending in 2031.

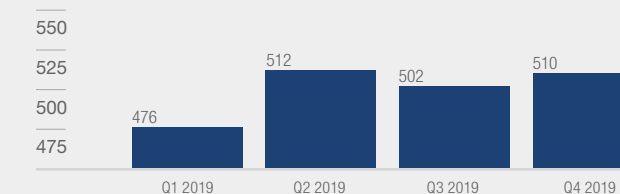
[Read more on Kyzyl on page 36](#)

Key performance figures

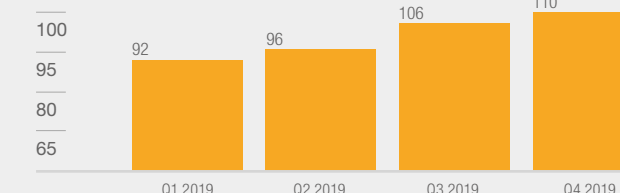
	Forecast in feasibility study 2015	Delivered
TCC, \$/GE oz	562 ¹	399
AISC, \$/GE oz	581 ¹	514
Gold production, Koz	325	344
Grade, g/t	6.9	7.1
Throughput, Mtpa	1.8	2.0

¹ Open-pit mining.

ORE PROCESSED (KT)



GOLD IN CONCENTRATE (KOZ)



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Kyzyl is our undisputed success story. It delivered a robust performance in 2019, exceeding the initial plan on grade, throughput and production.

Vitaly Savchenko
Chief Operating Officer

Amursk POX-2: Leveraging core expertise for value creation

Read more on Amursk POX on pages 41, 102–103

Key project milestones



18%

IRR*
*riskied upside case

250–300 Ktpa

Concentrate capacity

9.0 Moz

Life-of-mine gold production

\$100–150/oz

Averaged impact on costs reduction

Core technical capabilities

Emerging trends in the global gold mining industry, with more and more resources being refractory, make POX-2 crucial to Polymetal's long-term strategy. The project will ensure the strategic security of downstream processing as environmental regulations tighten in China, as well as creating capacity for the treatment of third-party refractory concentrates. POX-2 will process double refractory concentrates from Kyzyl, Nezhda, Mayskoye and Voro. After its start-up in 2H 2023, POX-2 is expected to generate significant long-term economic benefits due to lower in-house processing costs and higher recoveries vs third-party off-takers.

In 2019, the Amursk POX plant became the second gold production operation in Russia and the FSU to be certified as

Leveraging our core technical capabilities, de-risking our business model and creating substantial value with POX-2.



fully compliant with the International Cyanide Management Code. POX-2 also fits well with our sustainable development strategy, incorporating important design features to minimise its environmental impact such as dry tailings storage and closed water circuit.

Stakeholder engagement

Engaging with local stakeholders to ensure that their interests are taken into account has been an integral part of the Board's decision-making and approval of POX-2 construction.

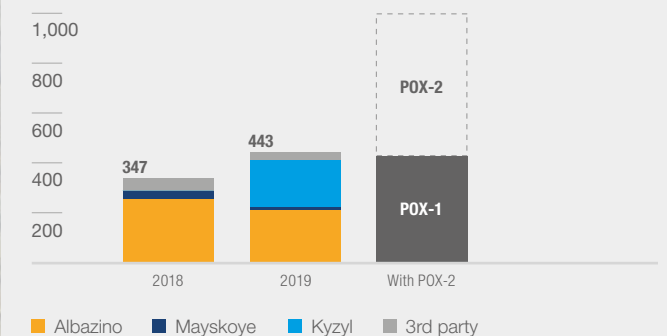


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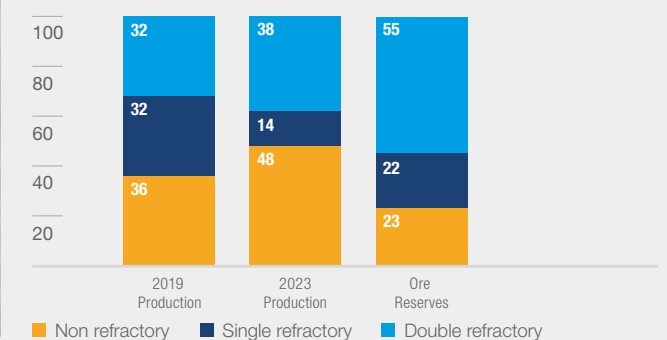
POX-2 will unlock the value of Polymetal's substantial refractory reserve base while also having positive environmental, social and economic impacts.

Valery Tsyplakov
Managing Director, Polymetal Engineering

GOLD PRODUCTION THROUGH AMURSK POX (KOZ)



OUR ORE TYPES (%)



Nezhda: Building growth

29%

IRR*
*At \$1,200 gold price

4.4 Moz

Reserves of GE at 3.6 g/t

25 years

Life of mine

155–180 GE Koz

Expected annual production

A world-class long-life gold deposit with robust economics. First production is planned for Q4 2021 with full ramp-up by Q2 2022.



Below: The Nezhda plant.

Read more on Nezhda on page 47

Key project milestones

2019	2020	2021	2022
Start of construction, first ore mined	Construction and commissioning of power plant completed	Mechanical completion, commissioning activities and first production	Full ramp-up

A world-class gold deposit

Nezhda is a long-life, high-grade asset with robust economics. The project is capital light and will contribute to shareholder dividends in 2022.

The proved and probable ore reserves are 38 Mt, at an average grade of 3.6 g/t GE per 4.4 Moz of GE contained. Mineral resources comprise 8.1 Moz of GE with an average GE grade of 5.1 g/t.

The feasibility study envisions 25 years of production from 2021 to 2045. This is based on a conventional 1.8 Mtpa flotation concentrator with a gravity concentration circuit. Annual production during the first full three years of operation will be 180 Koz, with 155 Koz average annual gold production during the first 15 years of open-pit operation.

Construction activities

Construction started in March 2019. During the year, we completed permitting and received final government approval for Nezhda, and we completed the processing plant building metalworks and winterisation. All equipment is now contracted, and mining and construction are both on schedule. As of the year-end, 45% of the work at Nezhda had been completed, and we are positive about completing this project on time and within budget.

Above: Site of the Nezhda mine.

66

Construction at Nezhda is progressing on schedule and, as of the year-end, about 45% had been completed.

Roman Shestakov
Deputy CEO, Project development and construction

NEZHDA PROJECT COMPLETION SCORECARD

	Engineering	Contracting	Equipment delivery	Construction
Main building / Processing plant	90%	80%	70%	55%
Ore preparation complex	100%	100%	70%	10%
Storage facility	100%	100%	100%	80%
Power complex	100%	100%	80%	5%
Infrastructure and camp	100%	100%	100%	90%
Tailings storage facility №1	70%	50%	50%	30%

Start up Q4 2021

At a glance

A sustainable, thriving future

With its portfolio of nine gold and silver mines and a pipeline of growth projects, Polymetal International plc is a leading precious metals group with operations in Russia and Kazakhstan. Investing in sustainable development is core to Polymetal's future plans and benefits all its stakeholders.

Polymetal today

2nd largest
gold producer in Russia and
16th in the world¹

2 major
development projects

FTSE 100
constituent

9 operations
across 2 countries

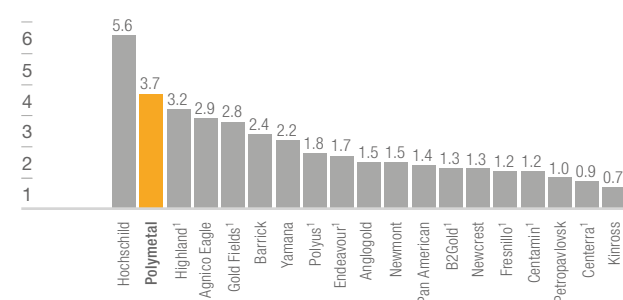
First POX facility
in Former Soviet Union

MSCI Russia
constituent

¹ Metals Focus 2018.

PROFILE AMONG PEERS

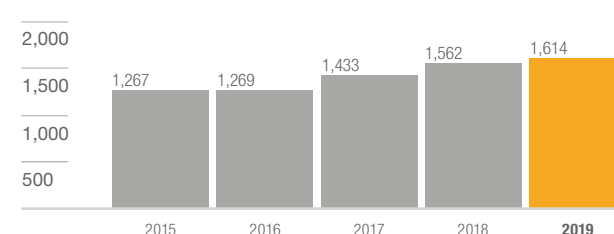
AVERAGE RESERVE GRADE (g/t GE)



¹ 2018 data.

PROVEN TRACK RECORD

ANNUAL PRODUCTION BASED ON 80:1 AG/AU RATIO (KOZ OF GE)



Key financial figures

Revenue
\$2,246m
(2018: \$1,882 million)

Total cash cost
\$655/GE oz
(2018: \$654/GE oz)

Adjusted EBITDA
\$1,075m
(2018: \$780 million)

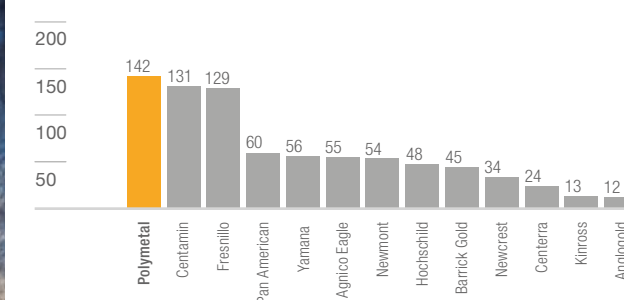
All-in sustaining cash cost
\$866/GE oz
(2018: \$864/GE oz)

Free cash flow
\$299m
(2018: \$134 million)

Net profit
\$483m
(2018: \$355 million)

DIVIDEND PAID SINCE POLYMETAL IPO

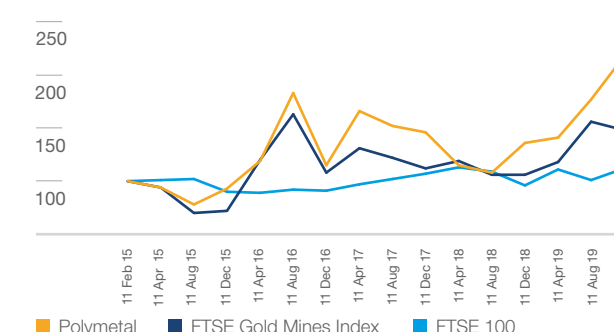
(\$/GE OZ PRODUCED)



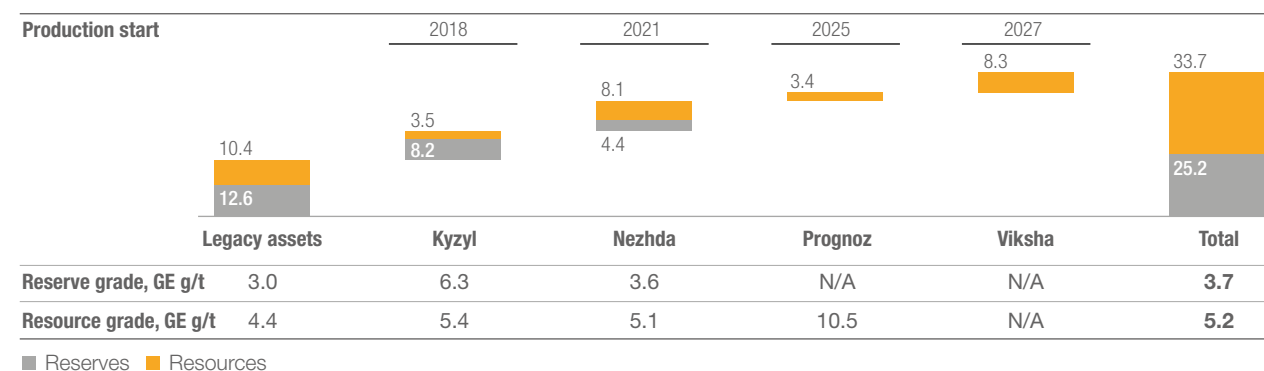
Source: Companies' data, Bloomberg.

TOTAL SHAREHOLDER RETURN

(%)



Focus on high grade and lower cost assets



Value distribution

\$397m
wages, salaries and other payments
and benefits for employees

\$35m
environmental investments

\$15m
community investment

\$233m
taxes paid

\$1.2m
invested in training

\$155m
sustainability-linked loans
in the portfolio