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Polymetal International plc

Updated mineral resource estimate for Viksha deposit

Polymetal announces the updated Mineral Resource estimate in accordance with the JORC Code (2012) for Viksha PGM deposit. Resources at the property now stand at 5.7 Moz of palladium equivalent (PdEq).

“We have confirmed Viksha’s potential as a large open-pittable deposit. The goal is to complete the feasibility study and publish a reserve estimate in 1H 2021”, said Vitaly Nesis, Group CEO of Polymetal.

HIGHLIGHTS

- The new estimate incorporates data from 359 additional diamond drill holes (44,349 m) completed by Polymetal in 2017-2018. Cut-off grade is 0.5 g/t of PdEq.
- The total amount of 4 metals contained is 5.7 Moz of PdEq (6.1 Moz of 3E) at an average grade of 1.1 g/t of PdEq (1.1 g/t of 3E).
- The share of Measured and Indicated Resources increased from 13% to 65%.
- Average reef width is 8 m.
- Palladium represents 67%, platinum – 12% and gold – 10% of total resource value, respectively.
- Maximum pit depth is 300 m below surface with average preliminary stripping ratio of 10.7 t/t.
- Next steps – met testing (recovery increase), statutory resource certification, other FS work streams.

Viksha Open Pit Mineral Resources estimate as at 5 September 2019

	Tonnage		Grade					Content					
	Mt	Au, g/t	Pt, g/t	Pd, g/t	Cu, %	PdEq, g/t	3E, g/t	Au, Moz	Pt, Moz	Pd, Moz	Cu, Kt	PdEq, Moz	3E, Moz
Measured	7	0.1	0.3	0.8	0.09	1.1	1.2	0.03	0.06	0.2	6.5	0.2	0.3
Indicated	101	0.1	0.3	0.7	0.10	1.1	1.1	0.5	0.8	2.4	96.2	3.5	3.7
Measured+ Indicated	107	0.1	0.3	0.7	0.10	1.1	1.1	0.5	0.9	2.6	102.7	3.7	4.0
Inferred	57	0.1	0.3	0.7	0.10	1.1	1.1	0.3	0.5	1.4	58.4	2.0	2.1
Measured+ Indicated+ Inferred	165	0.1	0.3	0.7	0.10	1.1	1.1	0.8	1.4	3.9	161.0	5.7	6.1

Notes: Mineral resources are provided in accordance with the JORC (2012) with a cut-off grade of palladium equivalent 0.5 g/t. The PdEq formula is: PdEq = Pd(g/t) + Pt(g/t)*0.43 + Au(g/t)*0.68+ Cu(%)*1.32, at Pd price of \$1,500/oz, Pt price of \$800/oz, Au price of 1,200/oz, Cu price of \$6,000/t.

ABOUT VIKSHA

The Viksha is a PGM-copper deposit located in the Republic of Karelia (North-West Russia) approximately 450 km from St. Petersburg. The infrastructure in the area is well developed with easy access to grid power, paved roads, and railway. Polymetal’s 100%-owned subsidiary holds a 20-year mining licence for a project area of 47 km².

GEOLOGY

The property lies near the centre of the southern Karelian Craton which is situated within the Archaean granite-greenstone terrain, adjacent to the lower Proterozoic Onega trough.

The Viksha deposit comprises of three adjacent areas within the north-west limb of the syncline structure: Viksha proper, Kenti, and Shargi. All of them contain platinum, palladium, gold and copper mineralisation within the Koikar sill gabbro-dolerites. The outcrop of reef-type mineralisation has been traced for over 20 km.

Viksha mineralisation is localized within the stratified sill rocks at the boundary between the lower gabbro and the upper dolerite zones. The sill has a maximum thickness of approximately 235 m. The underlying dolomite sediments are 40-50 m thick. Mineralised zones are clearly stratified with gold and copper predominance in the upper part, and palladium in the lower part of the mineralisation. The platinum-palladium-gold-enriched layer lies approximately 45 m above the sediments. The reef thickness is 5-11 m.

The near-surface reef-shaped mineralisation forms contiguous ore bodies of considerable width and is amenable to low-cost mechanised bulk open-pit mining. The shallow dip of mineralised zones enables selection of the acceptably low stripping ratios.

MINERALOGY

Mineralisation at the Viksha project is associated with titanium-magnetite, chalcopyrite, and bornite. The most abundant species are Pt arsenide and Pd tellurides. The PGM grain size is 5-9 µm; most PGM are locked or exposed/attached to Cu sulphides, Fe oxides/spinel/ilmenite, and silicate minerals. In contrast, the gold minerals, consisting dominantly of gold-bearing silver and electrum are coarser-grained.

Favourable mineralogy (without nickel) enables conventional flotation process producing bulk copper-PGM sulfide concentrate that can be processed through either PGM refineries or copper smelters with PGM circuit.

COMPETENT PERSONS

This estimate was prepared by employees of JSC Polymetal Management Company and JSC Polymetal Engineering, subsidiaries of the Company, led by Mr. Valery Tsyplakov.

Mr. Tsyplakov is employed full-time as the Managing Director of JSC Polymetal Engineering and has more than 18 years' experience in gold, silver and polymetallic mining. He is a Member of the Institute of Materials, Minerals & Mining (MIMMM), London, and a Competent Person under the JORC Code.

Listed below are other Competent Persons employed by the Company that are responsible for relevant research on which the Mineral Resources and Ore Reserves estimate is based:

- Geology and Mineral Resources – Roman Govorukha, Head of Geologic Modelling and Monitoring Department, MIMMM, with 18 years' relevant experience;*
- Mining and Ore Reserves - Igor Epshteyn, Head of Mining Process Department, FIMMM, with 37 years' relevant experience;*
- Concentration and Metals – Igor Agapov, Deputy Director of Science and Technology, MIMMM, with 21 years' relevant experience;*

All the above-mentioned Competent Persons 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 (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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