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## Polymetal International plc

### Sale of North Kaluga

**Polymetal announces that it has agreed to sell North Kaluga property for US\$ 13.5 million in cash and debt assumption plus royalty, which together represents a total transaction value of approximately US\$ 27 million.**

“We continue to advance our non-core asset disposals. The North Kaluga deal brings us some cash and retains exposure to commodity prices”, said Vitaly Nesis, Group CEO of Polymetal.

Polymetal has entered into a legally binding agreement to sell North Kaluga to North Kaluga Mining Limited. The transaction consideration consists of a US\$ 10.7 million fixed upfront cash payment, 5% NSR and 50% royalty on excess revenue. Excess revenue is defined as actual revenue less base revenue, where the latter is potential revenue calculated based on actual grades and the following metal prices: Cu = US\$ 5,500/t, Zn = US\$ 2,310/t, Au = US\$ 1,650/oz, Ag = US\$ 18.7/oz. The fair value of the royalties is estimated at US\$ 13.5 million<sup>1</sup> as of the date of the agreement. Both NSR and the excess revenue royalty are capped at US\$ 300 million. The new owner will also repay all debt owed by the North Kaluga’s license holder to Polymetal as at transaction completion date (US\$ 2.8 million as of the date of the agreement).

#### ABOUT NORTH KALUGA

North Kaluga is a polymetallic deposit located in the Sverdlovsk region of Russia. The property’s mineral resources comprise copper, gold, zinc and silver, with most of the value attributable to copper and gold.

JORC-compliant reserves for underground mining stand at 212 Koz of GE at 12.9 g/t as at 01.06.2018. The asset was marked as non-core due to its small size, short life-of-mine and lack of spare capacity at the future flotation circuit at Voro.

#### About Polymetal

Polymetal International plc (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is a top-10 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.

## Enquiries

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<sup>1</sup> The Company’s estimate at 15% discount rate.

### **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.