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Polymetal International plc Nezhda start-up

Polymetal announces first concentrate production at the Nezhda gold-silver mine.

"Starting production on schedule, first announced in Q4 2018, demonstrates Polymetal's executing strength in the face of multiple challenges", said Vitaly Nesis, Group CEO of Polymetal. "The mine should ramp-up to full capacity and start generating free cash flows by Q2 2022".

Following the completion of all construction and commissioning activities, Nezhda successfully produced first gold and silver concentrate on October 16th. This is two weeks ahead of the previously announced target date of November 1st. The concentrator now enters a ramp-up period, and is expected to reach its nameplate capacity and full design recovery by April 2022.

The 2 Mtpa open-pit mine and combined gravity/flotation concentrator were built in 38 months following the final construction decision. Total project CAPEX by the time of full ramp-up will be approximately US\$ 370 million.

This year, Polymetal plans to produce up to 30 Koz of Gold Equivalent ("GE") at Nezhda with average production of 180 Koz per year in 2022-2024 at estimated AISC of US\$ 850-900/oz. Further production upside is linked to the opportunity of processing ore from the high-grade Prognoz silver deposit 100% owned by Polymetal.

JORC-compliant Ore Reserves at Nezhda are estimated at 4.4 GE Moz at a grade of 3.6 g/t with 24 years of mine-life. Mineral Resources additional to reserves amount to 8.1 Moz of GE at 5.1 g/t grade.

Starting from Q3 2022, 100% of energy for Nezhda will be sourced via the power line which is currently under construction. Grid connection will result in a 65% reduction of Green House Gas emissions¹ for Nezhda (from 118 Kt to 42 Kt per year) while the emission intensity level is expected to stand at 624 kg CO₂e/oz GE in 2023, which is in line with the Group's trajectory for carbon footprint reduction (680 kg CO₂e/oz GE by 2025).

Tailings from the plant will be stored in the form of dry cake. No impoundments or dam structures will be required.

Nezhda will create more than 1,000 permanent jobs and generate more than US\$ 20 million per year in taxes for all levels of government. The Company has invested approximately US\$ 1.7 million into various social projects in the region related to education, culture, sports, indigenous people, and health, including US\$ 0.5 million for COVID preventive measures.

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

Media		Investor Relations	
FTI Consulting	+44 20 3727 1000	Polymetal	ir@polymetalinternational.com
Leonid Fink		Evgeny Monakhov	+44 20 7887 1475 (UK)
Viktor Pomichal		Timofey Kulakov	
		Kirill Kuznetsov	+7 812 334 3666 (Russia)
Joint Corporate Brokers			
Morgan Stanley & Co. International plc	+44 20 7425 8000	RBC Europe Limited	+44 20 7653 4000
		Marcus Jackson	

¹ Scope 1 + Scope 2

Andrew Foster
Richard Brown

Jamil Miah

Panmure Gordon +44 20 7886 2500
John Prior
Rupert Dearden

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