

Release time IMMEDIATE
Date 25 January 2023

LSE, MOEX, AIX: POLY
ADR: AUCOY

Polymetal International plc

Q4 and FY 2022 production results

Polymetal (the “Company” or the “Group”) reports strong production results for the fourth quarter of 2022 and meets full-year production guidance of 1.7 Moz GE.

“2022 presented unprecedented challenges for our company. Nevertheless, Polymetal met original production guidance and maintained solid safety performance. In 2023, we are targeting stable production and return to free cash flow generation”, said Vitaly Nesis, Group CEO of Polymetal.

HIGHLIGHTS

- No fatal accidents among the Group’s employees and contractors occurred in 2022. Lost time injury frequency rate (LTIFR) among the Company’s workforce for the full year decreased by 17% year-on-year (y-o-y) to 0.10. Days lost due to work-related injuries (DIS) fell by 42% y-o-y to 877.
- The Company’s FY 2022 gold equivalent (“GE”) production amounted to 1,712 Koz, a y-o-y increase of 2% and in line with the original production guidance of 1.7 Moz. First full year of operations at Nezhda and initial production at Kytyn compensated for declining grades at mature assets. Q4 GE output grew by 16% y-o-y to 540 Koz driven by Nezhda contribution and strong grades at Kyzyl.
- POX-2 and other development projects progressed in line with the revised schedules. 2023 will be marked by the launch of Voro flotation plant and start of mining at Prognoz.
- Revenue for FY 2022 stood at US\$ 2.8 billion, a y-o-y decrease of 3% on the back of lower average gold and silver prices. Q4 revenue was up by 30% y-o-y to US\$ 1.0 billion as the Company sold down metal and concentrate inventory accumulated in the previous quarters. The remaining gap between production and sales is expected to close during the course of H1 2023.
- In Q4, net debt decreased by US\$ 0.4 billion to approximately US\$ 2.4 billion on the back of strong positive free cash flows from unwinding of working capital.
- The Company expects full-year Total Cash Costs (“TCC”) and All-in Sustaining Cash Costs (“AISC”) to be within the announced guidance range of US\$ 900-1,000/GE oz and US\$ 1,300-1,400/GE oz, respectively. CAPEX is also estimated within the guidance range of US\$ 725-775 million.

2023 OUTLOOK

- The Company reiterates its current production guidance for FY 2023 of 1.7 Moz of GE.
- Polymetal expects its costs to be in the ranges of US\$ 950-1,000/GE oz for TCC and US\$ 1,300-1,400/GE oz for AISC¹. A minor y-o-y increase is mostly due to domestic inflation, stronger rouble, and royalty increase in Kazakhstan.
- Capital expenditures are expected to be approximately US\$ 700-750 million. Major investment projects include POX-2, Albazino power line, Voro flotation, and Prognoz.

UPDATE ON THE POTENTIAL MODIFICATION OF ASSET HOLDING STRUCTURE

- As previously announced, the Company has continued to evaluate all available options to modify its asset holding structure in order to maximise shareholder value.
- Further to the announcement on 22 September 2022, the Company has progressed the evaluation of a potential re-domiciliation of the parent company, Polymetal International plc, to jurisdiction deemed to be “friendly” by the Russian Federation, a move which could unblock the ability to execute further corporate actions.

¹ Based on 65 RUB/USD, 450 KZT/USD rates, 7% inflation in Russia and 9% in Kazakhstan.

- Based on the initial analysis, the Company are of the view that a re-domiciliation into the Astana International Financial Centre (AIFC), a financial hub in Astana, Kazakhstan, is the preferred jurisdiction, taking into account the Group's significant operations and presence in the region, the AIFC legal system, tax regime and the ability to execute such a re-domiciliation.
- Should the Company proceed with a re-domiciliation to the AIFC, The Company's primary listing may move to AIX where its Ordinary Shares will be traded with the new ISIN. The Company will look to ensure continuous liquidity of trading.
- The evaluation of the re-domiciliation process continues to be ongoing and will, in any event, be subject to a number of conditions. No decision has been made in relation to the various options available to the Company. There can therefore be no certainty that the Company will proceed with, or ultimately complete, a re-domiciliation nor any certainty as to which jurisdiction would be ultimately selected were it to proceed.
- The Company confirms that any actions will be compliant with all applicable international sanctions, counter-sanctions and regulatory requirements.

OPERATING HIGHLIGHTS

	3 months ended Dec 31,		% change ¹	12 months ended Dec 31,		% change ¹
	2022	2021		2022	2021	
Waste mined, Mt	49.0	53.9	-9%	211.1	205.9	+3%
Underground development, km	23.5	25.0	-6%	98.0	95.5	+3%
Ore mined, Mt	4.5	4.1	+11%	19.5	15.6	+24%
Open-pit	3.5	3.0	+17%	15.4	11.7	+32%
Underground	1.0	1.1	-6%	4.1	4.0	+3%
Ore processed, Mt	4.7	4.1	+15%	18.3	15.8	+16%
Average GE grade processed, g/t	3.9	4.0	-2%	3.6	3.8	-4%
Production						
Gold, Koz	451	385	+17%	1,450	1,422	+2%
Silver, Moz	7.2	6.5	+10%	21.0	20.4	+3%
Gold equivalent, Koz ²	540	467	+16%	1,712	1,677	+2%
Sales						
Gold, Koz	560	384	+46%	1,376	1,386	-1%
Silver, Moz	3.5	4.9	-29%	18.5	17.5	+6%
Revenue, US\$m ³	1,039	798	+30%	2,801	2,890	-3%
Net debt, US\$m ⁴	2,393	2,781	-14%	2,393	1,647	+45%
LTIFR ⁵	0.12	0.16	-25%	0.10	0.12	-17%
DIS ⁶				877	1,516	-42%
Fatalities						
Employees	0	0	NA	0	0	NA
Contractors	0	0	NA	0	1	-100%
Average headcount				14,694	13,268	+11%

Notes:

(1) % changes can be different from zero even when absolute numbers are unchanged because of rounding. Likewise, % changes can be equal to zero when absolute numbers differ due to the same reason. This note applies to all tables in this release.

(2) Based on 80:1 Au/Ag conversion ratio and excluding base metals. Comparative data for 2021 restated accordingly (120:1 Au/Ag conversion ratio was used previously). Discrepancies in calculations are due to rounding.

(3) Calculated based on the unaudited consolidated management accounts.

(4) Non-IFRS measure based on unaudited consolidated management accounts. Comparative information is presented for 30 September 2022 (for the three months period) and 31 December 2021 (for the twelve months period).

(5) LTIFR = lost time injury frequency rate per 200,000 hours worked. Company employees only are taken into account.

(6) DIS – days lost due to work-related injuries. Company employees only are taken into account.

PRODUCTION BY MINE

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
<u>GOLD EQ. (KOZ)</u>¹						
Kazakhstan	164	125	+31%	541	558	-3%
Kyzyl	113	85	+34%	330	360	-8%
Varvara	51	40	+27%	211	198	+7%
Russia	376	342	+10%	1,170	1,120	+5%
Dukat	101	96	+6%	292	291	+0%
Albazino	64	59	+8%	230	249	-8%
Omolon	56	55	+2%	199	217	-8%
Nezhda	42	21	+96%	133	21	+518%
Mayskoye	57	54	+6%	120	139	-14%
Svetloye	28	26	+9%	104	109	-5%
Voro	28	30	-10%	93	93	+0%
TOTAL	540	467	+16%	1,712	1,677	+2%

Notes: (1) Based on 80:1 Au/Ag conversion ratio and excluding base metals. Comparative data for 2021 restated accordingly (120:1 Au/Ag conversion ratio was used previously). Discrepancies in calculations are due to rounding.

CONFERENCE CALL AND WEBCAST

The Group's management will discuss production results during the Analyst and Investor Day on Wednesday, 25 January 2023, at 12:00 GMT (15:00 Moscow time) at the Queen Elizabeth II Centre – Broad Sanctuary, London, SW1P 3EE. To join the webcast please follow the link <https://edge.media-server.com/mmc/p/oym5gsx7>.

Enquiries

Investor Relations

Polymetal	ir@polymetalinternational.com
Evgeny Monakhov	+44 20 7887 1475 (UK)
	+7 812 334 3666 (Russia)
Kirill Kuznetsov	+7 717 261 0222 (Kazakhstan)

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.

KYZYL

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
MINING						
Waste mined, Mt	20.9	21.0	-0%	83.2	83.0	+0%
Ore mined (open pit), Kt	534	505	+6%	2,223	2,177	+2%
Gold grade, g/t				5.5	6.2	-11%
PROCESSING						
Ore processed, Kt	549	517	+6%	2,200	2,200	+0%
Gold grade, g/t	6.6	6.3	+4%	5.5	6.2	-12%
Gold recovery	89.4%	87.3%	+2%	88.9%	88.6%	+0%
Concentrate produced, Kt	35.3	30.0	+18%	113.6	128.1	-11%
Concentrate gold grade, g/t	91.3	94.2	-3%	93.9	94.2	-0%
Gold in concentrate, Koz ¹	104	91	+14%	343	388	-12%
Concentrate shipped, Kt	25	26	-4%	67	84	-20%
Payable gold shipped, Koz	46	50	-8%	125	156	-20%
Amursk POX						
Concentrate processed, Kt	13	11	+25%	48	55	-12%
Gold grade, g/t	129.3	132.7	-3%	132.7	133.6	-1%
Gold recovery	92.4%	93.0%	-1%	93.8%	92.3%	+2%
Gold produced, Koz	67	34	+94%	205	204	+1%
TOTAL PRODUCTION						
Gold, Koz	113	85	+34%	330	360	-8%

Note:

(1) For information only; not considered as gold produced and therefore not reflected in the table representing total production. It will be included in total production upon shipment to off-taker or dore production at Amursk POX.

(2) To be further processed at Amursk POX.

At Kyzyl, quarterly gold production increased by 34% y-o-y to 113 Koz driven by mining of higher-grade ore blocks accompanied by better recoveries as well as larger volumes of low-carbon concentrate processed at Amursk POX. Full-year production contracted by 8% to 330 Koz due to the planned grade decline.

VARVARA

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
<u>MINING</u>						
Waste mined, Mt	11.2	11.3	-1%	43.3	42.0	+3%
Ore mined (open pit), Kt	825	810	+2%	3,857	3,624	+6%
Gold grade, g/t				1.6	1.5	+2%
<u>PROCESSING</u>						
Leaching						
Ore processed, Kt	778	796	-2%	3,199	3,183	+1%
Gold grade, g/t	1.4	1.4	-1%	1.6	1.6	+1%
Gold recovery ¹	87.7%	89.4%	-2%	90.0%	88.9%	+1%
Gold production (in dore), Koz	42	31	+34%	170	153	+11%
Flotation						
Ore processed, Kt	185	188	-2%	752	696	+8%
Gold grade, g/t	2.4	2.4	+1%	2.7	2.6	+3%
Recovery ¹	86.4%	85.6%	+1%	87.2%	85.5%	+2%
Gold in concentrate, Koz	9	9	+1%	41	44	-7%
<u>TOTAL PRODUCTION</u>						
Gold, Koz	51	40	+27%	211	197	+7%

Note:

(1) Technological recovery, includes gold and copper within work-in-progress inventory. Does not include toll-treated ore.

At Varvara, Q4 gold production was up by 27% y-o-y to 51 Koz, mostly on the back of work-in-progress release at the leaching circuit. Full-year output increased by 7% to 211 Koz on the back of better grades from Komar.

The Company has commenced engineering for solar power plant and will complete feasibility study by the end of 2023.

DUKAT

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
<u>MINING</u>						
Waste mined, Mt	1.0	0.9	+9%	4.1	2.8	+44%
Underground development, km	10.8	11.0	-1%	46.7	44.7	+4%
Ore mined, Kt	630	701	-10%	2,523	2,615	-3%
Open pit	100	115	-13%	435	431	+1%
Underground	530	586	-10%	2,088	2,184	-4%
Grade						
Gold, g/t				1.1	0.8	+39%
Silver, g.t				301	266	+13%
<u>PROCESSING</u>						
Omsukchan concentrator						
Ore processed, Kt	511	518	-1%	2,033	2,055	-1%
Grade						
Gold, g/t	0.4	0.8	-43%	0.5	0.6	-11%
Silver, g/t	236	335	-30%	236	266	-11%
Recovery ¹						
Gold	83.3%	86.0%	-3%	83.3%	85.3%	-2%
Silver	87.0%	85.4%	+2%	85.7%	86.0%	-0%
Production						
Gold, Koz	6	11	-45%	27	31	-14%
Silver, Moz	3.3	4.6	-29%	12.8	14.7	-13%
Lunnoye plant						
Ore processed, Kt	121	119	+2%	474	477	-1%
Grade						
Gold, g/t	1.8	1.7	+10%	1.8	1.6	+11%
Silver, g/t	231	248	-7%	204	239	-15%
Recovery ¹						
Gold	89.3%	87.4%	+2%	90.2%	89.7%	+1%
Silver	92.7%	92.6%	+0%	93.2%	93.1%	+0%
Production						
Gold, Koz	6	6	+14%	25	22	+12%
Silver, Moz	0.8	0.9	-5%	2.9	3.4	-15%
Primorskoye						
Ore shipped, Kt	23.1	-	NA	29.5	-	NA
Production						
Gold, Koz	10	2	+299%	11	2	+359%
Silver, Moz	2.2	0.7	+238%	2.7	0.7	+300%
<u>TOTAL PRODUCTION</u>						
Gold, Koz	22	19	+17%	63	56	+13%
Silver, Moz	6.3	6.2	+3%	18.3	18.8	-3%

Notes:

(1) Technological recovery, includes gold and silver within work-in-progress inventory.

Direct high-grade ore shipments from Primorskoye compensated for grade declines at other mining areas. As a result, Dukat silver production for the quarter increased by 3% y-o-y to 6.3 Moz while gold production was up 17% to 22 Koz. Due to the abnormally cold weather, last shipments of ore in 2022 were canceled.

ALBAZINO

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
MINING						
Waste mined, Mt	8.1	6.7	+21%	30.6	23.0	+33%
Underground development, km	4.4	5.2	-16%	19.1	16.9	+13%
Ore mined, Kt	841	729	+15%	3,849	2,259	+70%
Open pit	635	527	+20%	2,994	1,485	+102%
Underground	207	202	+2%	855	774	+10%
Gold grade, g/t				2.7	3.8	-30%
Open-pit				2.2	3.9	-43%
Underground				4.3	3.8	+14%
PROCESSING						
Albazino concentrator						
Ore processed, Kt	470	448	+5%	1,843	1,777	+4%
Gold grade, g/t	2.9	5.2	-44%	3.2	4.4	-29%
Gold recovery ¹	85.2%	89.6%	-5%	86.4%	89.1%	-3%
Concentrate produced, Kt	34.6	39.6	-13%	134.8	143.7	-6%
Concentrate gold grade, g/t	32.8	52.7	-38%	37.2	49.0	-24%
Gold in concentrate, Koz ²	36	67	-46%	161	226	-29%
Kutyn Heap Leach						
Ore stacked, Kt	340	-	NA	902	-	NA
Gold grade, g/t	3.9	-	NA	3.9	-	NA
Gold production, Koz	39	-	NA	52	-	NA
Amursk POX						
Concentrate processed, Kt	31	27	+14%	136	151	-10%
Gold grade, g/t	33.3	51.1	-35%	39.3	50.5	-22%
Gold recovery	95.9%	96.5%	-1%	96.2%	96.4%	-0%
Gold produced, Koz	24	59	-59%	177	248	-29%
TOTAL PRODUCTION						
Gold, Koz	63	59	+7%	229	248	-8%

Notes:

(1) To concentrate.

(2) For information only; not considered as gold produced and therefore not reflected in the table representing total production. Included in total production after Dore production at the Amursk POX.

At Albazino, gold production for the reporting quarter increased by 7% y-o-y to 63 Koz thanks to contribution from the recently launched Kutyn Heap Leach. Full-year production declined by 8% to 229 Koz of gold as the high-grade Anfisa open pit was fully depleted.

Construction of the power line linking Albazino to the grid has commenced. Commissioning is expected in Q2 2025.

AMURSK POX

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
Concentrate processed, Kt	47	43	+10%	191	214	-11%
Albazino	31	26	+18%	132	142	-7%
Kyzyl	13	11	+25%	48	55	-12%
Nezhda	3	-	NA	7	-	NA
Mayskoye	0	6	-100%	0	8	-98%
Veduga	-	-	NA	-	4	-100%
Other ¹	-	1	-100%	4	5	-29%
Gold recovery	93.4%	94.4%	-1%	94.8%	94.3%	+1%
Average gold grade, g/t	60.9	71.9	-15%	63.0	72.0	-13%
Average sulphur grade	16.5%	15.9%	+4%	15.9%	14.2%	+12%
Total gold produced ² , Koz	95	102	-6%	392	466	-16%
Albazino	24	56	-57%	174	227	-23%
Kyzyl	67	34	+94%	205	204	+1%
Nezhda	5	-	NA	8	-	NA
Mayskoye	0	8	-100%	2	14	-89%
Veduga	-	0	-100%	-	11	-100%
Other ¹	0	3	-88%	3	10	-75%

Notes:

(1) Purchased concentrates which are included in reportable production in the Albazino segment.

(2) For information only. Already accounted for in production at operating mines.

The decrease in annual POX production was due to the decline in grade in feedstock sourced from Kyzyl and Albazino. The plant continued to process Nezhda's low-carbon gold flotation concentrate with reasonable average recovery of 95% for the year.

A planned two-week autoclave maintenance shutdown was successfully completed in October.

OMOLON

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
MINING						
Waste mined, Mt	1.8	1.6	+9%	7.7	4.9	+57%
Underground development, Km	2.5	3.1	-19%	10.9	11.8	-7%
Ore mined, Kt	197	257	-23%	628	740	-15%
Open pit	102	165	-38%	216	407	-47%
Underground	95	92	+3%	413	332	+24%
Grade						
Gold, g/t				6.1	6.6	-7%
Silver, g/t				16.8	29.3	-43%
PROCESSING						
Kubaka Mill						
Ore processed, Kt	214	211	+1%	860	862	-0%
Grade						
Gold, g/t	7.9	6.8	+16%	6.6	6.7	-1%
Silver, g/t	22	31	-27%	22	52	-58%
Recovery ¹						
Gold	93.9%	95.4%	-2%	93.9%	94.8%	-1%
Silver	77.2%	72.6%	+6%	76.6%	79.1%	-3%
Gold production, Koz	49	49	+1%	168	180	-6%
Silver production, Moz	0.1	0.2	-42%	0.5	1.2	-62%
Birkachan Heap Leach						
Ore stacked, Kt	188	150	+25%	655	851	-23%
Gold grade, g/t	1.1	1.1	+3%	1.1	1.7	-37%
Gold production, Koz	5	4	+40%	24	21	+12%
TOTAL PRODUCTION						
Gold, Koz	55	53	+4%	192	201	-4%
Silver, Moz	0.1	0.2	-37%	0.5	1.3	-59%

Note:

(1) Technological recovery, includes gold and silver within work-in-progress inventory.

In Q4, gold production at Omolon grew by 4% y-o-y to 55 Koz thanks to increased volumes of higher-grade ore from the Burgali open pit.

NEZHDA

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
MINING						
Waste mined, Mt	3.1	5.2	-40%	18.1	22.0	-18%
Ore mined (open pit), Kt	566	255	+122%	2,654	1,192	+123%
Grade						
Gold, g/t				3.0	2.2	+35%
Silver, g/t				41.8	13.5	+210%
PROCESSING						
Ore processed, Kt	511	344	+49%	2,011	344	+485%
Grade						
Gold, g/t	4.8	3.7	+29%	4.0	3.7	+9%
Silver, g/t	54	24	+127%	44	24	+86%
Recovery ¹						
Gold	79%	73%	+8%	76%	73%	+3%
Silver	88%	67%	+32%	83%	67%	+25%
Gold in concentrate, Koz	61	30	+106%	195	30	+560%
Silver in concentrate, Moz	0.8	0.2	+347%	2.4	0.2	+1,276%
Concentrate shipped, Kt	4	-	NA	28	-	NA
Payable gold in concentrate, Koz	13	-	NA	74	-	NA
Payable silver in concentrate, Moz	0.6	-	NA	1.7	-	NA
Amursk POX						
Concentrate processed, Kt	3	-	NA	7	-	NA
Gold grade, g/t	40.1	-	NA	40.3	-	NA
Gold recovery	87.4%	-	NA	88.6%	-	NA
Gold produced, Koz	5	-	NA	8	-	NA
Gold produced in dore, Koz	18	-	NA	29	-	NA
TOTAL PRODUCTION¹						
Gold, Koz	35	20	+74%	111	20	+454%
Silver, Moz	0.6	0.1	+395%	1.8	0.1	+1,398%

Notes:

(1) Includes concentrate produced and stockpiled for future sale, and excludes low-grade material. Expected 90% gold payable ratio is applied.

In the first full year of operation, Nezhda reached its nameplate capacity and recovery. Total annual production amounted to 111 Koz. The Company expects the output to increase as soon as the gravity concentrate will be redirected from Voro and Dukat to the intensive cyanidation section of POX-2 (launch planned for Q2 2023) and flotation concentrate processed at POX-2 after its launch in H1 2024 (currently low-carbon concentrate is processed at POX-1 and high-carbon mostly stockpiled).

Mining activity at the Nezhda open-pit is temporarily suspended from the 1st of December 2022 for four months in order to optimize costs. Sufficient ore stockpiles are available to ensure full productivity of the flotation plant for several months.

MAYSKOYE

	3 months ended Sep 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
MINING						
Waste mined, Mt	0	0.8	-100%	2.6	3.7	-30%
Underground development, km	5.8	4.7	+22%	21.3	19.5	+9%
Ore mined, Kt	162	198	-19%	839	781	+7%
Open-pit	-	25	-100%	127	109	+16%
Underground	162	174	-7%	712	671	+6%
Gold grade, g/t				5.7	5.7	+1%
Open-pit				5.4	4.5	+18%
Underground				5.7	5.8	-2%
PROCESSING						
Ore processed, Kt	242	232	+5%	925	901	+3%
Gold grade, g/t	5.4	5.4	-1%	5.6	5.7	-3%
Gold recovery ¹	90.8%	92.2%	-2%	82.8%	86.9%	-5%
Gold in concentrate, Koz ²	38	37	+2%	133	140	-5%
Payable gold in concentrate shipped to off-takers, Koz	53	43	+24%	112	117	-5%
Amursk POX						
Gold produced in dore from concentrate (POX), Koz	0	8	-100%	2	14	-89%
Gold produced in dore from carbon, Koz ³	4	3	+35%	7	8	-17%
TOTAL PRODUCTION						
Gold, Koz	57	54	+6%	120	139	-14%

Notes:

(1) To concentrate.

(2) For information only; not considered as gold produced and therefore not reflected in the table representing total production. Included in total production upon sale to off-taker or dore production at Amursk POX.

(3) Gold produced from carbon at Amursk POX.

In Q4, gold production at Mayskoye recorded a y-o-y increase of 5% and amounted to 57 Koz driven by concentrate stockpile unwinding namely sale to China. Annual output was 14% lower y-o-y due to grade and recovery decrease (higher carbon content).

Conveyor system has been fully ramped up. In 2023, the backfill plant construction project will enter full-scale construction. Commissioning, which will help reduce dilution and thus optimize costs, is scheduled for 2024.

SVETLOYE

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
MINING						
Waste mined, Mt	1.5	1.6	-5%	6.2	4.6	+33%
Ore mined (open pit), Kt	704	400	+76%	2,542	1,800	+41%
Gold grade, g/t				2.3	2.1	+8%
PROCESSING						
Ore stacked, Kt	331	304	+9%	1,404	1,404	+0%
Gold grade, g/t	3.4	2.4	+45%	3.1	3.0	+6%
Gold production, Koz	28	25	+9%	103	109	-5%
TOTAL PRODUCTION						
Gold, Koz	28	25	+9%	103	109	-5%

In Q4, ongoing Emmy pit development drove increases in ore mined and grade processed. Ore stacking volumes also grew on the back of favorable weather conditions and sufficient ore moisture. Gold production for the quarter was up by 9% y-o-y to 28 Koz.

Full-year production was down by 5% to 103 Koz of gold driven by negative grade dynamics during the first nine months of 2022.

VORO

	3 months ended Dec 31,		% change	12 months ended Dec 31,		% change
	2022	2021		2022	2021	
MINING						
Waste mined, Mt	1.4	2.7	-49%	10.1	9.1	+11%
Ore mined (open pit), Kt	70	217	-68%	330	456	-28%
Gold grade, g/t				4.4	3.8	+14%
PROCESSING						
CIP						
Ore processed, Kt	263	265	-1%	1,030	1,049	-2%
Gold grade, g/t	3.0	2.8	+8%	2.6	2.2	+19%
Gold recovery ¹	76.6%	86.6%	-12%	81.4%	85.0%	-4%
Gold production, Koz	21	26	-19%	79	82	-3%
Heap Leach						
Ore stacked, Kt	-	-	NA	-	-	NA
Gold grade, g/t	-	-	NA	-	-	NA
Gold production, Koz	6	4	+45%	9	9	-6%
TOTAL PRODUCTION						
Gold, Koz	27	30	-10%	91	91	-0%

Note:

(1) Technological recovery, includes gold within work-in-progress inventory.

In Q4, CIP plant at Voro recordered higher grade but lower recoveries due to processing of transitional ore from Peshernoye. Quarterly gold production demonstrated negative y-o-y dynamics mostly on the back of the high base of Q4 2021 when significant work-in-progress was released. Full-year production was stable.

Mining at Saum was discontinued in Q3 on the back of deteriorating economics (strong rouble and higher rail tariffs).

Voro flotation is nearing completion (90% completion rate). Start-up is scheduled for Q2 2023.

POX-2

At POX-2, the installation of cable structures and equipment in the power unit section of the downstream circuit was completed, voltage was successfully supplied for the commissioning of the intensive cyanidation section (expected in Q1 2023). The installation of pipelines and connection of technological equipment are nearing completion.

CIL thermal circuit completed. High Bay heating and ventilation systems are being installed (steam conditioning section). The construction of metal frameworks and concrete works for installing technological equipment in the CIL and High Bay sections continues.

The project remains on track to be fully commissioned in Q2 2024.

SUSTAINABILITY, HEALTH AND SAFETY

There were no fatal accidents in 2022. 13 lost-time incidents took place among Polymetal's employees and 12 among contractors, all classified as minor. Most were the result of slipping or tripping while walking or being jammed by a rotating mechanism. Employees' lost-time injury frequency rate (LTIFR) decreased by 17% y-o-y and stood at 0.10 (compared with 0.12 in 2021). Days lost due to work-related employees' injuries for the full year were down by 43% y-o-y to 877 (compared with 1,545 in 2021).

PERSONNEL

Alexander Simon (47) was appointed as the Director of the Magadan Business Unit. Prior to this role, he held various positions at Polymetal since 2003, most recently as a Managing Director at Nezhda. Alexander started his career in 1995 at "Karelsky Okatysh", an iron ore mining company. He holds a degree in mining engineering from St. Petersburg State Mining Institute.

Oleg Pavlov (53) was appointed the Managing Director for Nezhda. Oleg joined Polymetal in 2012 and held various positions at Albazino, having grown from Head of open-pit to senior executive roles with his previous position being Technical Director at Nezhda. Oleg began his career in 1991 at "Kurzunkul mine management". Prior to joining Polymetal he held various executive roles at Aluminium of Kazakhstan Company. Mr Pavlov graduated from Rudny Industrial Institute (Kazakhstan) as an open-pit mining engineer.

Alexey Sharabarin (47) was appointed as the Managing Director at Albazino. Alexey is a mining professional with more than 25 years of experience in the industry. He joined Polymetal in 2006 at Voro and held various positions at Veduga, Albazino and Dukat. Alexey graduated from Krasnoyarsk Institute of Non-ferrous Metals with a degree in open-pit mining.

Abdurakhman Isaev (39) was appointed as the Managing Director at Varvara. Abdurakhman joined Polymetal in 2018 and held various senior positions at Mayskoye and Varvara. Overall he has 18 years of experience in the industry. Mr Isaev holds degree in Underground mining of mineral deposits from the Moscow State Mining University.