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Polymetal International plc

Q1 2024 production results

Polymetal International plc (“Polymetal” or the “Company”) reports production results for the first quarter ended March 31, 2024.

“Q1 production was in line with our guidance. We expect sales to gain pace in the following quarters”, said Vitaly Nesis, Group CEO of Polymetal International plc.

HIGHLIGHTS

- No fatal accidents among the Company’s employees and contractors occurred in Q1 2024 as well as no lost time injuries were recorded.
- Gold equivalent (“GE”) production for the quarter grew by 2% year-on-year (y-o-y) to 117 Koz on the back of higher concentrate shipment volumes at Kyzyl.
- GE sales stood at 116 Koz. Improvements in shipments of the Kyzyl concentrate remain limited. Inventory previously accumulated in the Russian far-eastern ports are expected to be monetized by the end of the year.
- Revenue was up by 26% y-o-y to US\$ 294 million on the back higher gold prices and improved timing of the sales receipts.
- Given the cash proceeds from the disposal of the Russian business and strong free cash flow in Q1, the Company recorded a Net Cash position of US\$ 155 million versus pro forma Net Debt of US\$ 174 as at the end of 2023.
- The Company reiterates its full-year guidance: production (475 Koz), TCC (US\$ 900-1,000/oz) and AISC (US\$ 1,250-1,350) guidance.
- Polymetal will host its Capital Markets Day in Astana on 11 June 2024. At the event, Vitaly Nesis, Group CEO, and Maxim Nazimok, CFO, will present updated business strategy of the Group including new capital allocation policy.

The event will begin at 4:00 pm Astana time (12:00 pm London time) at the “Tulpar” room, St. Regis Hotel, 1 Qabanbay Batyr Avenue, Astana, Kazakhstan. To attend in-person please register by Monday, 10 June 2024, with the Investor Relations team using the contacts below.

To join the video webcast please follow the link: <https://edge.media-server.com/mmc/p/qza39mby>. Webcast participants will be able to ask questions via live chat.

PRODUCTION RESULTS

	3 months ended Mar 31,		% change ¹
	2024	2023	
Waste mined, Mt	31.7	30.6	+4%
Ore mined (open pit), Mt	1.2	1.3	-10%
Ore processed, Mt	1.6	1.5	+3%
Average GE grade processed, g/t	3.0	2.9	+2%
Production, GE Koz ²	117	115	+2%
Kyzyl	76	71	+6%
Varvara	41	44	-6%
Sales, GE Koz ²	116	125	-7%
Kyzyl	75	76	-1%
Varvara	41	49	-17%
Revenue, US\$m ^{3, 4}	294	234	+26%
Net debt/(cash), US\$m ⁵	(155)	174	NA
Safety			
LTIFR (Employees) ⁶	0	0	NA
Fatalities	0	0	NA

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. Discrepancies in calculations are due to rounding.

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

(4) Revenue includes re-sale of third party metal. Sales are shown net of re-sale of third party metal.

(5) Non-IFRS measure based on unaudited consolidated management accounts. Comparative information is presented for 31 December 2023.

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

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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 Mar 31,		% change
	2024	2023	
<u>MINING</u>			
Waste mined, Mt	20.8	20.0	+4%
Ore mined (open pit), Kt	582	518	+12%
<u>PROCESSING</u>			
Ore processed, Kt	604	560	+8%
Gold grade, g/t	5.3	5.2	+2%
Gold recovery	88.2%	88.5%	-0%
Concentrate produced, Kt	30.7	30.0	+3%
Concentrate gold grade, g/t	92.6	86.7	+7%
Gold in concentrate, Koz ¹	92	84	+10%
Concentrate shipped, Kt	12.8	8.8	+46%
Payable gold shipped, Koz	24	16	+47%
<u>Toll-processing at Amursk POX</u>			
Concentrate processed, Kt	17	14	+18%
Gold grade, g/t	116.6	125.4	-7%
Gold recovery	93.3%	93.6%	-0%
Dore produced, Koz	52	55	-6%
<u>TOTAL PRODUCTION</u>			
Gold, Koz	76	71	+6%

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 under the tolling contract at Amursk POX.

Gold in concentrate increased by 10% on the back of higher processing volumes and better grades. Concentrate sales and bookable production continued to lag due to logistical constraints.

Q1 gold production at Kyzyl grew by 6% y-o-y to 76 Koz due to higher volumes of concentrate shipped to offtakers in comparison with the low base of Q1 2023 when there were logistical challenges related to concentrate shipped through the Russian ports.

In the reporting quarter, Kyzyl was producing low-arsenic concentrate which was railed directly to China which significantly reduces the working capital cycle.

VARVARA

	3 months ended Mar 31,		% change
	2024	2023	
<u>MINING</u>			
Waste mined, Mt	11.0	10.6	+3%
Ore mined (open pit), Kt	590	782	-25%
<u>PROCESSING</u>			
Leaching			
Ore processed, Kt	765	768	-0%
Gold grade, g/t	1.3	1.4	-8%
Gold recovery ¹	87.7%	89.1%	-2%
Gold production (in dore), Koz	31	34	-9%
Flotation			
Ore processed, Kt	198	189	+5%
Gold grade, g/t	2.3	2.2	+6%
Recovery ¹	89.3%	85.1%	+5%
Gold in concentrate, Koz	10	10	+8%
<u>TOTAL PRODUCTION</u>			
Gold, Koz	41	44	-6%

Note:

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

In Q1, Varvara recorded a planned 6% y-o-y decline in production driven by a moderate planned decrease in Komar ore grade at the leaching circuit.

PERSONNEL

The Company strengthened its management team by four new appointments. For more information please see the relevant press release at the [link](#).