**Release time** IMMEDIATE

**Date** 27 March 2015

# Polymetal International plc

## Ore Reserves, Mineral Resources and Exploration update as at 1 January 2015

**Polymetal International plc (LSE, MOEX: POLY, ADR: AUCOY) (together with its subsidiaries – "Polymetal", the "Company", or the "Group") is pleased to provide an Exploration update for the year ended 31 December 2014 and an update of its Ore Reserves and Mineral Resources as at 1 January 2015 in accordance with the JORC Code (2012).**

HIGHLIGHTS

- In 2014 Polymetal expanded its Ore Reserves to 21.6 Moz of gold equivalent (GE) as a result of Kyzyl acquisition (+6.7 Moz) and updated Ore Reserves estimates at several of our operating mines and exploration projects including, among others, Albazino underground, Svetloye, Kutyn, Veduga;
- Mineral Resources (additional to Ore Reserves) decreased by 12% mainly due to resource-to-reserve conversion at Albazino and Svetloye, and a more conservative approach in Mineral Resources estimation for underground mining and as a result of lower prices used. In the meantime, the acquisition of Kyzyl added 3.8 Moz to Mineral Resources;
- Average Ore Reserves grade increased by 16% to 4.3 g/t GE while average Mineral Resources grade increased by 14% to 4.2 g/t GE, both mainly due to the Kyzyl project acquisition;
- More conservative gold and silver prices were used for the analysis compared to prior year ($1,200/oz and $17/oz in 2014 vs $1,300/oz and $22.5/oz in 2013);
- 268.8 km of exploration drilling completed, with 200.5 km on brownfield projects and 68.3 km on greenfield projects.

"I am pleased to report meaningful expansion of our reserve base. Our investment in exploration, both greenfield and brownfield, despite the current weak commodity price levels, is one of the core pillars of our strategy." said Vitaly Nesis, CEO of Polymetal, commenting on the results. "I strongly believe that our long-term growth is underpinned by these efforts."

### Ore Reserves and Mineral Resources summary[1]

| | 1 January 2015 | 1 January 2014 | Change[2] |
|---|---|---|---|
| **Ore Reserves (Proved + Probable), gold equivalent Moz** | **21.6** | **13.3** | **63%** |
| Gold, Moz | 17.8 | 8.9 | 100% |
| Silver, Moz | 210.7 | 219.5 | -4% |
| Copper, Kt | 79.8 | 77.0 | 4% |
| **Mineral Resources (Measured + Indicated + Inferred), gold equivalent Moz** | **14.6** | **16.7** | **-12%** |
| Gold, Moz | 12.6 | 13.4 | -6% |
| Silver, Moz | 50.3 | 117.2 | -57% |
| Copper, Kt | 152.6 | 145.2 | 5% |

1) Mineral Resources and Ore Reserves are reported in accordance with the JORC Code (2012). Mineral Resources are additional to Ore Reserves.
2) Differences are due to rounding.

## Ore Reserves and Mineral Resources by metal, 1 January 2015

| | Ore Reserves | Mineral Resources |
|---|---|---|
| Gold | 82% | 86% |
| Silver | 15% | 5% |
| Copper | 3% | 8% |
| **Total** | **100%** | **100%** |

## Ore Reserves reconciliation, gold equivalent, Koz

| Ore Reserves, 01.01.2014 | Processing | Re-valuation | Acquisitions and initial reserve estimates [1] | Ore Reserves, 01.01.2015 |
|---|---|---|---|---|
| 13,277 | -1,688 | 2,591 | 7,455 | 21,635 |

1) Including Kyzyl project, North Kaluga, Veduga

## Mineral Resources and Ore Reserves as at 1 January 2015[1]

| | Tonnage | Content | | | |
|---|---|---|---|---|---|
| | Kt | Au, koz | Ag, Koz | Cu, Kt | GE, Koz |
| **Mineral Resources** | | | | | |
| Measured | 7,160 | 522 | 4,495 | 18 | 732 |
| Indicated | 30,016 | 2,185 | 15,122 | 84 | 3,088 |
| **Measured + Indicated** | **37,176** | **2,707** | **19,617** | **102** | **3,821** |
| Inferred | 71,690 | 9,882 | 30,687 | 51 | 10,770 |
| **Measured + Indicated + Inferred** | **108,866** | **12,589** | **50,304** | **153** | **14,591** |
| **Ore Reserves** | | | | | |
| Proved | 53,090 | 5,037 | 119,788 | 5 | 6,904 |
| Probable | 103,650 | 12,741 | 90,873 | 74 | 14,731 |
| **Proved + Probable** | **156,740** | **17,778** | **210,660** | **80** | **21,635** |

1) Mineral Resources and Ore Reserves are reported in accordance with the JORC Code (2012). Mineral Resources are additional to Ore Reserves. Discrepancies in calculations are due to rounding.

## Ore Reserves as at 1 January 2015[1]

| | Tonnage | Grade | | | | Content | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Kt | Au, g/t | Ag, g/t | Cu, % | GE, g/t | Au, Koz | Ag, Koz | Cu, Kt | GE, Koz |
| **Proved** | | | | | | | | | |
| **Standalone Mines** | | | | | | | | | |
| Albazino [2] | 7,560 | 5.2 | - | - | 5.2 | 1,259 | - | - | 1,259 |
| Mayskoye | 3,860 | 8.8 | - | - | 8.8 | 1,091 | - | - | 1,091 |
| Varvara [3] | 6,280 | 0.8 | - | 0.39 | 1.1 | 166 | - | 5.5 | 212 |
| **Dukat hub** | **7,020** | | | | **8.2** | **284** | **99,011** | **-** | **1,849** |
| Dukat | 5,020 | 1.0 | 446 | - | 8.0 | 169 | 71,947 | - | 1,293 |
| Lunnoye | 1,230 | 1.7 | 380 | - | 8.1 | 68 | 15,058 | - | 322 |
| Goltsovoye | 340 | - | 685 | - | 10.5 | - | 7,491 | - | 115 |
| Arylakh | 290 | 0.9 | 472 | - | 8.4 | 8 | 4,430 | - | 79 |
| Olcha [4] | 140 | 8.8 | 19 | - | 9.0 | 39 | 85 | - | 40 |
| **Omolon hub** | **7,680** | | | | **3.3** | **624** | **15,414** | **-** | **821** |
| Birkachan | 2,470 | 2.0 | 6 | - | 2.1 | 158 | 448 | - | 163 |
| Sopka | 2,800 | 1.9 | 82 | - | 2.9 | 171 | 7,430 | - | 260 |
| Oroch [5] | 930 | 4.0 | 172 | - | 6.6 | 119 | 5,154 | - | 197 |
| Dalneye | 1,170 | 3.3 | 61 | - | 4.0 | 125 | 2,280 | - | 149 |
| Tsokol Kubaka | 310 | 5.1 | 10 | - | 5.2 | 51 | 102 | - | 53 |
| **Voro** | **12,220** | | | | **2.5** | **966** | **1,299** | **-** | **980** |
| Voro [7] | 12,220 | 2.5 | 3 | - | 2.5 | 966 | 1,299 | - | 980 |
| **Khakanja hub** | **1,730** | | | | **3.8** | **165** | **4,064** | **-** | **209** |
| Avlayakan | 70 | 16.4 | 117 | - | 18.0 | 38 | 270 | - | 41 |
| Ozerny | 600 | 4.4 | 26 | - | 4.7 | 86 | 513 | - | 91 |
| Khakanja | 1,060 | 1.2 | 97 | - | 2.3 | 41 | 3,281 | - | 76 |
| **Exploration projects** | | | | | | | | | |
| Maminskoye [11] | 4,810 | 1.9 | - | - | 1.9 | 295 | - | - | 295 |
| Veduga [12] | 350 | 1.7 | - | - | 1.7 | 19 | - | - | 19 |
| Kutyn [13] | 1,580 | 3.3 | - | - | 3.3 | 169 | - | - | 169 |
| **Total Proved** | **53,090** | | | | **4.0** | **5,037** | **119,788** | **5.5** | **6,904** |
| **Probable** | | | | | | | | | |
| **Standalone Mines** | | | | | | | | | |
| Albazino [2] | 8,660 | 5.1 | - | - | 5.1 | 1,421 | - | - | 1,421 |
| Mayskoye | 2,590 | 8.0 | - | - | 8.0 | 662 | - | - | 662 |
| Varvara [3] | 32,800 | 0.9 | - | 0.42 | 1.4 | 971 | - | 55.4 | 1,442 |
| **Dukat hub** | **6,920** | | | | **7.2** | **250** | **85,070** | **-** | **1,602** |
| Dukat | 4,430 | 0.8 | 386 | - | 6.9 | 118 | 54,973 | - | 977 |
| Lunnoye | 1,540 | 0.9 | 369 | - | 7.1 | 44 | 18,224 | - | 351 |
| Goltsovoye | 380 | - | 571 | - | 8.8 | - | 6,965 | - | 107 |
| Arylakh | 340 | 0.9 | 433 | - | 7.8 | 9 | 4,771 | - | 86 |
| Olcha [4] | 230 | 10.6 | 18 | - | 10.9 | 79 | 137 | - | 81 |
| **Omolon hub** | **1,520** | | | | **10.1** | **459** | **2,663** | **-** | **495** |
| Birkachan | 890 | 10.0 | 38 | - | 10.5 | 284 | 1,074 | - | 298 |

| | Tonnage | Grade | | | | Content | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Kt | Au, g/t | Ag, g/t | Cu, % | GE, g/t | Au, Koz | Ag, Koz | Cu, Kt | GE, Koz |
| Oroch [5] | 190 | 4.2 | 197 | - | 7.2 | 26 | 1,206 | - | 44 |
| Tsokol Kubaka | 170 | 14.8 | 24 | - | 15.1 | 80 | 130 | - | 81 |
| Burgali [6] | 270 | 7.8 | 29 | - | 8.1 | 69 | 254 | - | 72 |
| **Voro** | **320** | | | | **16.4** | **70** | **1,056** | **18.9** | **171** |
| North Kaluga [8] | 320 | 6.7 | 101 | 5.81 | 16.4 | 70 | 1,056 | 18.9 | 171 |
| **Khakanja hub** | **7,580** | | | | **3.4** | **808** | **2,084** | **-** | **838** |
| Svetloye [9] | 7,320 | 2.8 | 3 | - | 2.9 | 664 | 765 | - | 677 |
| Avlayakan | 230 | 18.7 | 162 | - | 20.9 | 137 | 1,185 | - | 153 |
| Ozerny | 10 | 5.0 | 3 | - | 5.0 | 1 | 1 | - | 1 |
| Khakanja | 20 | 8.2 | 210 | - | 10.5 | 5 | 133 | - | 7 |
| **Exploration projects** | | | | | | | | | |
| Kyzyl project (Bakyrchik) [10] | 27,550 | 7.5 | - | - | 7.5 | 6,660 | - | - | 6,660 |
| Maminskoye [11] | 9,890 | 1.9 | - | - | 1.9 | 618 | - | - | 618 |
| Veduga [12] | 3,750 | 5.1 | - | - | 5.1 | 605 | - | - | 605 |
| Kutyn [13] | 2,070 | 3.3 | - | - | 3.3 | 217 | - | - | 217 |
| **Total Probable** | **103,650** | | | | **4.4** | **12,741** | **90,873** | **74.3** | **14,731** |

## Proved + Probable

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Standalone Mines** | | | | | | | | | |
| Albazino [2] | 16,220 | 5.1 | - | - | 5.1 | 2,679 | - | - | 2,679 |
| Mayskoye | 6,450 | 8.5 | - | - | 8.5 | 1,753 | - | - | 1,753 |
| Varvara [3] | 39,080 | 0.9 | - | 0.42 | 1.3 | 1,137 | - | 60.9 | 1,655 |
| **Dukat hub** | **13,940** | | | | **7.7** | **534** | **184,081** | **-** | **3,451** |
| Dukat | 9,450 | 0.9 | 418 | - | 7.5 | 287 | 126,920 | - | 2,270 |
| Lunnoye | 2,770 | 1.2 | 374 | - | 7.6 | 111 | 33,282 | - | 672 |
| Goltsovoye | 720 | - | 625 | - | 9.6 | - | 14,456 | - | 222 |
| Arylakh | 630 | 0.9 | 451 | - | 8.1 | 18 | 9,201 | - | 165 |
| Olcha [4] | 370 | 9.9 | 19 | - | 10.2 | 119 | 222 | - | 122 |
| **Omolon hub** | **9,200** | | | | **4.4** | **1,082** | **18,077** | **-** | **1,316** |
| Birkachan | 3,360 | 4.1 | 14 | - | 4.3 | 442 | 1,522 | - | 461 |
| Sopka Kvartsevaya | 2,800 | 1.9 | 82 | - | 2.9 | 171 | 7,430 | - | 260 |
| Oroch [5] | 1,120 | 4.0 | 177 | - | 6.7 | 144 | 6,360 | - | 241 |
| Dalneye | 1,170 | 3.3 | 61 | - | 4.0 | 125 | 2,280 | - | 149 |
| Tsokol Kubaka | 480 | 8.5 | 15 | - | 8.7 | 131 | 231 | - | 134 |
| Burgali [6] | 270 | 7.8 | 29 | - | 8.1 | 69 | 254 | - | 72 |
| **Voro** | **12,540** | | | | **2.9** | **1,037** | **2,354** | **18.9** | **1,151** |
| Voro [7] | 12,220 | 2.5 | 3 | - | 2.5 | 966 | 1,299 | - | 980 |
| North Kaluga [8] | 320 | 6.7 | 101 | 5.81 | 16.4 | 70 | 1,056 | 18.9 | 171 |
| **Khakanja hub** | **9,310** | | | | **3.5** | **972** | **6,147** | **-** | **1,047** |
| Svetloye [9] | 7,320 | 2.8 | 3 | - | 2.9 | 664 | 765 | - | 677 |
| Avlayakan | 300 | 18.1 | 151 | - | 20.2 | 175 | 1,456 | - | 195 |
| Ozerny | 610 | 4.4 | 26 | - | 4.7 | 87 | 514 | - | 93 |
| Khakanja | 1,080 | 1.4 | 99 | - | 2.4 | 47 | 3,413 | - | 83 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Exploration projects** | | | | | | | | | |
| Kyzyl project (Bakyrchik) [10] | 27,550 | 7.5 | - | - | 7.5 | 6,660 | - | - | 6,660 |
| Maminskoye [11] | 14,700 | 1.9 | - | - | 1.9 | 913 | - | - | 913 |
| Veduga [12] | 4,100 | 4.8 | - | - | 4.8 | 623 | - | - | 623 |
| Kutyn [13] | 3,650 | 3.3 | - | - | 3.3 | 386 | - | - | 386 |
| **Total Proved + Probable** | **156,740** | | | | **4.3** | **17,778** | **210,660** | **79.8** | **21,635** |

1) Ore Reserves are reported in accordance with the JORC Code (2012). Discrepancies in calculations are due to rounding.
2) Including Olga/Nadezhda, Ekaterina-1 and Ekaterina-2. Initial Ore Reserves estimate prepared by Polymetal as at 01.01.2015.
3) Cu grade only represents average grade of Float feed. Ore Reserves of Float feed: 1.4 Mt Proved and 13.2 Mt Probable.
4) Initial estimate prepared by Polymetal as at 01.01.2015.
5) Estimate prepared by Polymetal as at 01.01.2014. Price: Au=1,300 $/oz, Ag = 23 $/oz. Revised estimate was not performed due to lack of material changes.
6) Initial estimate prepared by Polymetal as at 01.01.2015.
7) Including Voro South.
8) Initial estimate prepared by Polymetal as at 01.07.2014. Price: Au=1,300 $/oz, Ag = 20 $/oz, Cu = 7000$/t. Revised estimate was not performed due to lack of material changes.
9) Initial estimate prepared by Snowden as at 01.01.2014. Price: Au=1,300 $/oz, Ag = 22.5 $/oz. Revised estimate was not performed due to lack of material changes.
10) Estimate prepared by RPA Inc. as at 26.06.2014 based on data as at 31.07.2013. Price: Au=1,300 $/oz. Revised estimate was not performed due to lack of material changes.
11) Estimate prepared by Polymetal as at 01.01.2014. Price: Au=1,300 $/oz. Revised estimate was not performed due to lack of material changes.
12) Initial estimate prepared by Snowden as at 01.01.2014. Price: Au=1,300 $/oz. Revised estimate prepared by Polymetal as at 01.01.2015 (only stoping without Au price change). Ore Reserves are presented in accordance with the Company's ownership equal to 42.65%
13) Initial estimate prepared by Snowden as at 01.01.2015. Price: Au=1,300 $/oz (only Ore Reserves estimate for Heap Leach).

## Mineral Resources as at 1 January 2015[1]

| | Tonnage | Grade | | | | Content | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Kt | Au, g/t | Ag, g/t | Cu, % | GE, g/t | Au, Koz | Ag, Koz | Cu, Kt | GE, Koz |
| **Measured** | | | | | | | | | |
| **Standalone Mines** | | | | | | | | | |
| Albazino | 30 | 3.7 | - | - | 3.7 | 4 | - | - | 4 |
| Mayskoye | 660 | 8.9 | - | - | 8.9 | 188 | - | - | 188 |
| Varvara [2] | 4,170 | 0.8 | - | 0.45 | 2.0 | 113 | - | 18.2 | 267 |
| **Omolon hub** | **230** | | | | **3.5** | **16** | **677** | **-** | **26** |
| Oroch [5] | 230 | 2.1 | 92 | - | 3.5 | 16 | 677 | - | 26 |
| **Khakanja hub** | **350** | | | | **9.5** | **61** | **3,818** | **-** | **106** |
| Khakanja | 350 | 5.4 | 341 | - | 9.5 | 61 | 3,818 | - | 106 |
| **Exploration projects** | | | | | | | | | |
| Maminskoye [11] | 980 | 1.4 | - | - | 1.4 | 44 | - | - | 44 |
| Kutyn [13] | 740 | 4.1 | - | - | 4.1 | 97 | - | - | 97 |
| **Total Measured** | **7,160** | | | | **3.2** | **522** | **4,495** | **18.2** | **732** |
| **Indicated** | | | | | | | | | |
| **Standalone Mines** | | | | | | | | | |
| Albazino | 140 | 5.1 | - | - | 5.1 | 22 | - | - | 22 |
| Mayskoye | 1,090 | 8.7 | - | - | 8.7 | 306 | - | - | 306 |
| Varvara [2] | 18,770 | 1.0 | - | 0.58 | 1.9 | 625 | - | 62.9 | 1,160 |
| **Dukat hub** | **1,096** | | | | **6.8** | **-** | **13,229** | **3.7** | **239** |
| Perevalnoye [4] | 1,096 | - | 375 | 0.34 | 6.8 | - | 13,229 | 3.7 | 239 |
| **Omolon hub** | **230** | | | | **4.6** | **22** | **792** | **-** | **34** |
| Oroch [5] | 180 | 2.4 | 131 | - | 4.4 | 14 | 756 | - | 26 |
| Burgali [6] | 50 | 5.0 | 23 | - | 5.3 | 8 | 36 | - | 8 |
| **Khakanja hub** | **730** | | | | **2.6** | **51** | **733** | **-** | **60** |
| Svetloye [8] | 630 | 1.7 | 2 | - | 1.7 | 35 | 44 | - | 35 |
| Khakanja | 100 | 4.8 | 199 | - | 7.1 | 17 | 689 | - | 25 |
| **Exploration projects** | | | | | | | | | |
| Kyzyl project (Bakyrchik) [10] | 3,220 | 8.0 | - | - | 8.0 | 820 | - | - | 820 |
| Maminskoye [11] | 1,150 | 1.5 | - | - | 1.5 | 55 | - | - | 55 |
| Kutyn [13] | 2,070 | 4.2 | - | - | 4.2 | 279 | - | - | 279 |
| Tarutin [14] | 1,520 | 0.1 | 8 | 1.12 | 2.3 | 4 | 368 | 17.0 | 114 |
| **Total Indicated** | **30,016** | | | | **3.2** | **2,185** | **15,122** | **83.6** | **3,088** |

| | Tonnage | Grade | | | | Content | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Kt | Au, g/t | Ag, g/t | Cu, % | GE, g/t | Au, Koz | Ag, Koz | Cu, Kt | GE, Koz |
| **Measured + Indicated** | | | | | | | | | |
| **Standalone Mines** | | | | | | | | | |
| Albazino | 170 | 4.9 | - | - | 4.9 | 27 | - | - | 27 |
| Mayskoye | 1,750 | 8.8 | - | - | 8.8 | 493 | - | - | 493 |
| Varvara [2] | 22,940 | 1.0 | - | 0.55 | 1.9 | 738 | - | 81.1 | 1,427 |
| **Dukat hub** | **1,096** | | | | **6.8** | **-** | **13,229** | **3.7** | **239** |
| Perevalnoye [4] | 1,096 | - | 375 | 0.34 | 6.8 | - | 13,229 | 3.7 | 239 |
| **Omolon hub** | **460** | | | | **4.0** | **38** | **1,469** | | **60** |
| Oroch [5] | 410 | 2.2 | 109 | - | 3.9 | 30 | 1,433 | - | 51 |
| Burgali [6] | 50 | 5.0 | 23 | - | 5.3 | 8 | 36 | - | 8 |
| **Khakanja hub** | **1,080** | | | | **4.8** | **112** | **4,551** | **-** | **166** |
| Svetloye [8] | 630 | 1.7 | 2 | - | 1.7 | 35 | 44 | - | 35 |
| Khakanja | 450 | 5.3 | 308 | - | 8.9 | 77 | 4,507 | - | 131 |
| **Exploration projects** | | | | | | | | | |
| Kyzyl project (Bakyrchyk) [10] | 3,220 | 8.0 | - | - | 8.0 | 820 | - | - | 820 |
| Maminskoye [11] | 2,130 | 1.4 | - | - | 1.4 | 99 | - | - | 99 |
| Kutyn [13] | 2,810 | 4.2 | - | - | 4.2 | 376 | - | - | 376 |
| Tarutin [14] | 1,520 | 0.1 | 8 | 1.12 | 2.3 | 4 | 368 | 17.0 | 114 |
| **Total Measured + Indicated** | **37,176** | | | | **3.2** | **2,707** | **19,617** | **101.8** | **3,821** |
| **Inferred** | | | | | | | | | |
| **Standalone Mines** | | | | | | | | | |
| Albazino | 4,770 | 5.5 | - | - | 5.5 | 837 | - | - | 837 |
| Mayskoye | 10,990 | 10.1 | - | - | 10.1 | 3,569 | - | - | 3,569 |
| Varvara [2] | 11,730 | 1.1 | - | 0.56 | 2.1 | 431 | - | 42.1 | 788 |
| **Dukat hub** | **1,088** | | | | **11.0** | **64** | **20,093** | **0.4** | **383** |
| Lunnoye | 290 | 2.1 | 517 | - | 10.8 | 20 | 4,829 | - | 101 |
| Goltsovoye | 440 | - | 880 | - | 13.5 | - | 12,550 | - | 193 |
| Arylakh | 150 | 0.7 | 427 | - | 7.5 | 3 | 2,050 | - | 36 |
| Olcha [3] | 130 | 9.4 | 35 | - | 9.9 | 40 | 151 | - | 42 |
| Perevalnoye [4] | 78 | - | 206 | 0.46 | 4.1 | - | 513 | 0.4 | 10 |
| **Omolon hub** | **820** | | | | **9.8** | **106** | **10,030** | **-** | **258** |
| Oroch [5] | 790 | 3.9 | 394 | - | 9.9 | 99 | 10,001 | - | 250 |
| Burgali [6] | 30 | 7.3 | 30 | - | 7.7 | 7 | 29 | - | 7 |
| **Voro** | **24,070** | | | | **1.9** | **1,475** | **-** | **-** | **1,475** |
| Tamunier [7] | 24,070 | 1.9 | - | - | 1.9 | 1,475 | - | - | 1,475 |
| **Khakanja hub** | **662** | | | | **4.9** | **99** | **351** | **-** | **103** |
| Svetloye [8] | 460 | 3.0 | 4 | - | 3.0 | 44 | 63 | - | 45 |
| Avlayakan | 50 | 16.4 | 136 | - | 18.3 | 24 | 200 | - | 27 |
| Khakanja | 10 | 2.8 | 199 | - | 5.2 | 1 | 49 | - | 1 |
| Kirankan [9] | 142 | 6.5 | 8 | - | 6.7 | 30 | 39 | - | 30 |

| | Tonnage | Grade | | | | Content | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Kt | Au, g/t | Ag, g/t | Cu, % | GE, g/t | Au, Koz | Ag, Koz | Cu, Kt | GE, Koz |
| **Exploration projects** | | | | | | | | | |
| Kyzyl project (Bakyrchik) [10] | 13,830 | 6.6 | - | - | 6.6 | 2,950 | - | - | 2,950 |
| Veduga [12] | 580 | 4.1 | - | - | 4.1 | 77 | - | - | 77 |
| Kutyn [13] | 2,110 | 4.0 | - | - | 4.0 | 273 | - | - | 273 |
| Tarutin [14] | 1,040 | 0.1 | 6 | 0.81 | 1.7 | 3 | 213 | 8.4 | 58 |
| **Total Inferred** | **71,690** | | | | **4.7** | **9,882** | **30,687** | **50.8** | **10,770** |
| **Measured + Indicated + Inferred** | | | | | | | | | |
| **Standalone Mines** | | | | | | | | | |
| Albazino | 4,940 | 5.4 | - | - | 5.4 | 863 | - | - | 863 |
| Mayskoye | 12,740 | 9.9 | - | - | 9.9 | 4,062 | - | - | 4,062 |
| Varvara [2] | 34,670 | 1.0 | - | 0.55 | 2.0 | 1,169 | - | 123.2 | 2,215 |
| **Dukat hub** | **2,184** | | | | **8.9** | **64** | **33,322** | **4.1** | **622** |
| Lunnoye | 290 | 2.1 | 517 | - | 10.8 | 20 | 4,829 | - | 101 |
| Goltsovoye | 440 | - | 880 | - | 13.5 | - | 12,550 | - | 193 |
| Arylakh | 150 | 0.7 | 427 | - | 7.5 | 3 | 2,050 | - | 36 |
| Olcha [3] | 130 | 9.4 | 35 | - | 9.9 | 40 | 151 | - | 42 |
| Perevalnoye [4] | 1,174 | - | 364 | 0.35 | 6.6 | - | 13,742 | 4.1 | 249 |
| **Omolon hub** | **1,280** | | | | **7.7** | **143** | **11,499** | **-** | **317** |
| Oroch [5] | 1,200 | 3.3 | 296 | - | 7.8 | 128 | 11,434 | - | 302 |
| Burgali [6] | 80 | 5.9 | 25 | - | 6.2 | 15 | 65 | - | 16 |
| **Voro** | **24,070** | | | | **1.9** | **1,475** | **-** | **-** | **1,475** |
| Tamunier [7] | 24,070 | 1.9 | - | - | 1.9 | 1,475 | - | - | 1,475 |
| **Khakanja hub** | **1,742** | | | | **4.8** | **211** | **4,902** | **-** | **270** |
| Svetloye [8] | 1,090 | 2.3 | 3 | - | 2.3 | 79 | 107 | - | 80 |
| Avlayakan | 50 | 16.4 | 136 | - | 18.3 | 24 | 200 | - | 27 |
| Khakanja | 460 | 5.2 | 306 | - | 8.9 | 78 | 4,556 | - | 132 |
| Kirankan [9] | 142 | 6.5 | 8 | - | 6.7 | 30 | 39 | - | 30 |
| **Exploration projects** | | | | | | | | | |
| Kyzyl project (Bakyrchik) [10] | 17,050 | 6.9 | - | - | 6.9 | 3,770 | - | - | 3,770 |
| Maminskoye [11] | 2,130 | 1.4 | - | - | 1.4 | 99 | - | - | 99 |
| Veduga [12] | 580 | 4.1 | - | - | 4.1 | 77 | - | - | 77 |
| Kutyn [13] | 4,920 | 4.1 | - | - | 4.1 | 649 | - | - | 649 |
| Tarutin [14] | 2,560 | 0.1 | 7 | 0.99 | 2.1 | 7 | 581 | 25.4 | 171 |
| **Total Measured + Indicated + Inferred** | **108,866** | | | | **4.2** | **12,589** | **50,304** | **152.6** | **14,591** |

1) Mineral Resources are reported in accordance with the JORC Code (2012). Mineral Resources are additional to Ore Reserves. Discrepancies in calculations are due to rounding.
2) Cu estimate is listed for fresh ore and powder ore that has high Cu grade(total Mineral Resources for fresh ore and powder ore with high Cu grade of 15.6 and 6.7 Mt of ore respectively).
3) Initial estimate prepared by Polymetal as at 01.01.2015.
4) Estimate prepared by SRK Consulting as at 01.07.2011 Price: Ag=13 $/oz, Cr=220c/lb. Revised estimate was not performed due to lack of material changes.
5) Estimate prepared by Polymetal as at 01.01.2014. Price: Au=1,500 $/oz, Ag = 26 $/oz. Revised estimate was not performed due to lack of material changes.
6) Initial estimate prepared by Polymetal as at 01.01.2015.
7) Estimate prepared by Snowden as at 01.01.2012. COG (Au)=1.0 g/t. The mineral resource estimate includes ore zone 2 where Inferred mineral resources are estimated at: 840 Kt, grading 4.0 g/t Au, 49 g/t Ag, containing 109 Koz Au and 1,327 Koz Ag. In other parts of the

deposit there are no silver mineral resources. Revised estimate was not performed due to lack of material changes.

8) Estimate prepared by Snowden as at 01.01.2014. Price: Au=1,300 $/oz, Ag=22.5 $/oz. Revised estimate was not performed due to lack of material changes.

9) Estimate prepared by Snowden as at 01.07.2011. COG (Au)=1.5 g/t. Revised estimate was not performed due to lack of material changes.

10) Estimate prepared by RPA as at 31.07.2013. Price: Au=1,400 $/oz. Revised estimate was not performed due to lack of material changes.

11) Estimate prepared by Polymetal as at 01.01.2014. Price: Au=1,300 $/oz. Revised estimate was not performed due to lack of material changes.

12) Initial estimate prepared by Snowden as at 01.01.2014. COG (Au) = 2.0 g/t. Revised estimate prepared by Polymetal as at 01.01.2015. Mineral Resources are presented in accordance with the Company's ownership equal to 42.65%.

13) Initial estimate for open pit prepared by Snowden, for underground by CSA Global Pty Ltd as at 01.01.2015. Price: Au=1,300 $/oz.

14) Initial estimate prepared by Polymetal as at 01.01.2015. Price: Cu= 5,600 $/t. Mineral Resources are presented in accordance with the Company's ownership equal to 25% as at 01.01.2015.

*This estimate was prepared by employees of JSC Polymetal Management Company and CJSC Polymetal Engineering, subsidiaries of the Company, led by Mr. Valery Tsyplakov, who assumes overall responsibility for the Mineral Resources and Ore Reserves Report. Mr. Tsyplakov is the employed full-time as the Managing Director of CJSC Polymetal Engineering and has more than 14 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, MIMMM, with 14 years' relevant experience;*
- *Mining and Ore Reserves - Igor Epshteyn, Head of Mining Process Department, FIMMM, with 33 years' relevant experience;*
- *Concentration and Metals – Igor Agapov, Deputy Director of Science and Technology, MIMMM, with 17 years' relevant experience;*
- *Environmental Issues – Tatiana Kuleshova, Director for Ecology, MIMMM, with 24 years' relevant experience.*

*All 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 his (or her) information in the form and context in which it appears.*

*Metals prices used in estimating Mineral Resources and Ore Reserves are listed below (unless otherwise indicated in the footnotes):*

*Au = US$1200/oz;*

*Ag = US17.0/oz;*

*Cu = US$7000/t;*

*Gold equivalent data is based on "Conversion ratios of metals into gold equivalent" provided in the Appendix below. Lead and zinc Ore Reserves and Mineral resources have not been assessed in this report due to immateriality.*

## Exploration results and targets

| | Drilling, km | | Trenching, 1000*m3 | |
|---|---|---|---|---|
| | 2014 | 2013[1] | 2014 | 2013[1] |
| **Brownfield** | | | | |
| **Voro** | **5.2** | **-** | **-** | **-** |
| North Kaluga | 5.2 | - | - | - |
| **Varvara** | **36.1** | **13.4** | **-** | **-** |
| Varvara | 3.3 | 13.4 | - | - |
| Tarutin | 32.9 | - | - | - |
| **Dukat hub** | **41.4** | **25.6** | **-** | **-** |
| Flanks | 29.9 | 13.8 | - | - |
| Olcha | 11.5 | 11.8 | - | - |
| **Albazino** | **75.5** | **46.2** | **21.8** | **10.2** |
| **Khakanja hub** | **8.3** | **9.8** | **0.1** | **25.0** |
| Flanks | - | 3.7 | - | - |
| Ozerny | 8.3 | 6.1 | 0.1 | 25.0 |
| **Omolon hub** | **17.1** | **23.0** | **13.6** | **52.2** |
| Burgali | 6.2 | 15.0 | 3.4 | 30.0 |
| Nevenrekan | - | 8.0 | - | 3.6 |
| Adygaya | 5.0 | - | 10.3 | 9.5 |
| Pyatinakh | 2.0 | - | - | 9.1 |
| Dalneye | 4.0 | - | - | - |
| **Kazakhstan** | **16.8** | - | - | - |
| Kyzyl project | *16.8* | - | - | - |
| **Subtotal** | **200.5** | **118.0** | **35.5** | **87.4** |
| **Greenfield** | | | | |
| **Urals** | **24.3** | **59.1** | **12.4** | **19.0** |
| Maminskoye | 5.4 | 27.4 | - | 3.8 |
| Tamunyer | 7.6 | 5.2 | - | - |
| Svetlobor (PGM) | 3.6 | 10.9 | 8.8 | 8.2 |
| Urals regional | 7.7 | 15.6 | 3.6 | 7.0 |
| **Far East** | **19.4** | **25.0** | **181.3** | **32.1** |
| Kutyn | 5.4 | 15.2 | 103.0 | 32.1 |
| Svetloye | 6.1 | 8.7 | 12.7 | - |
| Olyndja | 4.6 | - | 42.5 | - |
| Uchama | - | 0.8 | - | - |
| Golubichny | 3.3 | - | 23.1 | - |
| Landjinskaya | - | 0.3 | - | - |
| **North-West** | **24.6** | **18.3** | **-** | **-** |
| Semcha (PGM) | 18.7 | 5.0 | - | - |
| Elmus | 5.9 | 13.3 | - | - |
| **Subtotal** | **68.3** | **102.4** | **193.6** | **51.1** |
| **Total** | **268.8** | **220.4** | **229.1** | **138.5** |

1) Restated data.

Polymetal exploration activity is focused on five regions in Russia (Chukotka, Khabarovsk region, Karelia, Magadan, Sverdlovsk regions) and in Kazakhstan. The company owns 62 gold, silver and copper exploration and mining licences covering the total surface of 8,624 km$^2$.

In 2014, gold and silver exploration activities were held in 29 licence areas including the following stages:

- Mining – 2;
- Evaluation – 15;
- Exploration – 12.

Main goals in 2014 included:

- on-going brownfield exploration activities: Dukat, Omolon, Khakanja, Voro, Albazino, Varvara;
- exploration at greenfield gold assets, preparing for development stage: Svetloye, Kutyn, Maminskoye, Kyzyl;

- to continue exploration for platinum group metals (PGM) deposits in Karelia and Ekaterinburg regions in order to establish new hard-rock PGM resources sufficient for a standalone mining operation.

As a result of exploration activities during the year, significant resource to reserve conversions were achieved. Maiden Ore Reserves and Mineral Resources estimates were completed for several greenfield and brownfield projects:

- initial Ore Reserves estimate at Svetloye (Khakanja hub) of 677 Koz GE with an additional 80 Koz GE of Mineral Resources that was followed by the Polymetal Board approval of the project development decision;
- initial Ore Reserves estimate at Kutyn (completed in 2015) reached 386 Koz with additional Mineral Resources at 649 Koz;
- initial Mineral Resources estimate for Tarutin (685 Koz of GE of which Polymetal currently owns 50%) that is now included into Varvara resource base;
- initial Ore Reserves estimate for North Kaluga (171 Koz GE);
- resource-to-reserves conversion at Albazino (+1.4 Moz) and Olcha (Dukat hub) (+120 Koz), initial Ore Reserves estimate at Burgali (+72 Koz).

## Enquiries


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# Appendix

## Reporting of Metal Equivalents

**Silver/gold equivalent conversion ratio for precious metals deposits:**

*AuEqv=Ag/k*

Where *k* is the silver to gold equivalent conversion rate based on the difference in respective metals' value using the following formula:

*k=((Au price/31.1035 - (Au price /31.1035 – treatment charge Au)*(Royalty Au)/100 - (treatment charge Au))*(recovery Au)/((Ag price/31.1035 - (Ag price/31.1035 – treatment charge Ag)*(Royalty Ag)/100 - (treatment charge Ag))*(recovery Ag))*

where *Royalty* is the mineral extraction tax at applicable rate, recovery – life-of-mine expected recovery of the respective the metal in the processing technology applied.

**Silver/gold equivalent conversion ratios for precious metals deposits:**

| Deposit | Ore processing technology | k |
|---|---|---|
| Dukat | Conventional flotation | 64 |
| Voro | Heap leaching+Merrill Crowe process | 200 |
| | Cyanidation carbon-in-pulp | 93 |
| Lunnoye | Cyanidation+Merrill Crowe process | 59 |
| Arylakh | Cyanidation+Merrill Crowe process | 63 |
| Khakanja | Cyanidation+Merrill Crowe process | 94 |
| Sopka | Cyanidation+Merrill Crowe process | 73 |
| | Heap leaching+Merrill Crowe process | 96 |
| Birkachan | Cyanidation carbon-in-pulp | 79 |
| | Heap leaching+carbon-in-colon | 88 |
| Dalneye | Cyanidation+Merrill Crowe process | 86 |
| | Heap leaching+Merrill Crowe process | 113 |
| Oroch | Cyanidation+Merrill Crowe process | 66 |
| Tsokol Kubaka | Cyanidation carbon-in-pulp | 77 |
| Burgali | Cyanidation+Merrill Crowe process | 90 |
| Avlayakan | Cyanidation+Merrill Crowe process | 72 |
| Kirankan [1)] | Cyanidation+Merrill Crowe process | 60 |
| Svetloye | Heap leaching+Merrill Crowe process | 60 |
| Olcha | Cyanidation+Merrill Crowe process | 71 |
| Ozerny | Cyanidation+Merrill Crowe process | 89 |

1) Silver to gold equivalent conversion ratios were not recalculated to deposits that were evaluated in 2011-2012.

**Gold equivalent conversion ratio for polymetallic deposits**

*AuEqv=Me/k*

Where *Me* is the evaluated metal content (copper, silver)

Where *k* is the silver to gold equivalent conversion rate that is calculated considering the difference in metals value issuing the following formula:

For silver (similar to the formula for precious metals deposits), for copper (%): k = 100*((Au price/31.1035-tretment charge Au)*(1-royalty Au%/change Au%)*(recovery Au%))/((Cu price-treatment charge Cu)*(1-royalty Cu%/recovery Cu%)*(recovery Cu%))

where *Royalty* is the mineral extraction tax at applicable rate, recovery – life-of-mine expected recovery of the respective the metal in the processing technology applied.

**Gold equivalent conversion ratios for polymetallic deposits**

| Deposit | Ore processing technology | k | |
|---|---|---|---|
| | | Ag | Cu |
| Goltsovoye | Conventional flotation | 65 | |
| Varvara | Powder ore with high copper content [(1)] | | 0.38 |
| | Primary ore with high copper content - conventional flotation | | 0.38 |
| North Kaluga | Conventional flotation | 91 | 0.68 |
| Tarutin | Conventional flotation | 87 | 0.52 |
| Perevalnoye[(2)] | Conventional flotation | 60 | 0.64 |

1) This type of ore is currently not being processed, it is stockpiled and reflected only in Mineral Resources.
2) Silver to gold equivalent conversion ratios were not recalculated to deposits that were evaluated in 2011-2012.