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Polymetal International plc

2011 exploration results update

Polymetal International plc (LSE: POLY) (together with its subsidiaries, including JSC “Polymetal” – “Polymetal”, the “Company”, or the “Group”) is pleased to provide an update on its exploration results in 2011.

Exploration activities overview

Polymetal International is conducting exploration activities in four regions of Russian Federation (Khabarovsk, Magadan, Sverdlovsk, Karelia) and Kazakhstan.

Exploration portfolio includes 39 licences for the total surface of 9,665 km².

In 2011 exploration activities were performed in 25 licensed areas. We have performed: core drilling – 129.7 km (up 54% from 84.0 km in 2010); trenches – 186.8 thousand m³ (2010 – 315.0 thousand m³); open pit geophysical activities covered 75.0 km² (up 54% from 54.0 km² in 2010).

Total capital expenditures on exploration were US\$ 67 mln.

2011 exploration programme highlights

- **46 ore intercepts** in core holes **of estimated true width of 0.5 – 20.3 m grading 2.1 – 20.0 g/t gold** (average 6.0 g/t gold) were identified at Nadezhda zone, Albazino.
- **A new mineralised zone Ekaterina-2 was discovered** at the south-east flank of Albazino ore field.
- At Ozerny, 40 km from Khakanja, additional infill drilling extended inferred mineral resources base to **337 koz of gold and 1.5 Moz of silver**.
- At **Burgali** (65 km from Kubaka mill at the Omolon hub) **mineralized potential** of 2 newly discovered ore zones is estimated at **2.0-3.0 Mt at 3.5-5.0 g/t for 0.3-0.4 Moz of gold contained**.

2012 exploration plan

Major resource updates are expected by the end of 2012 for the advanced exploration targets, including Kutyn, Burgali, Albazino, and Tamunier.

Exploration programme for 2012 includes 184 km of drilling and 327 thousand m³ of trenches.

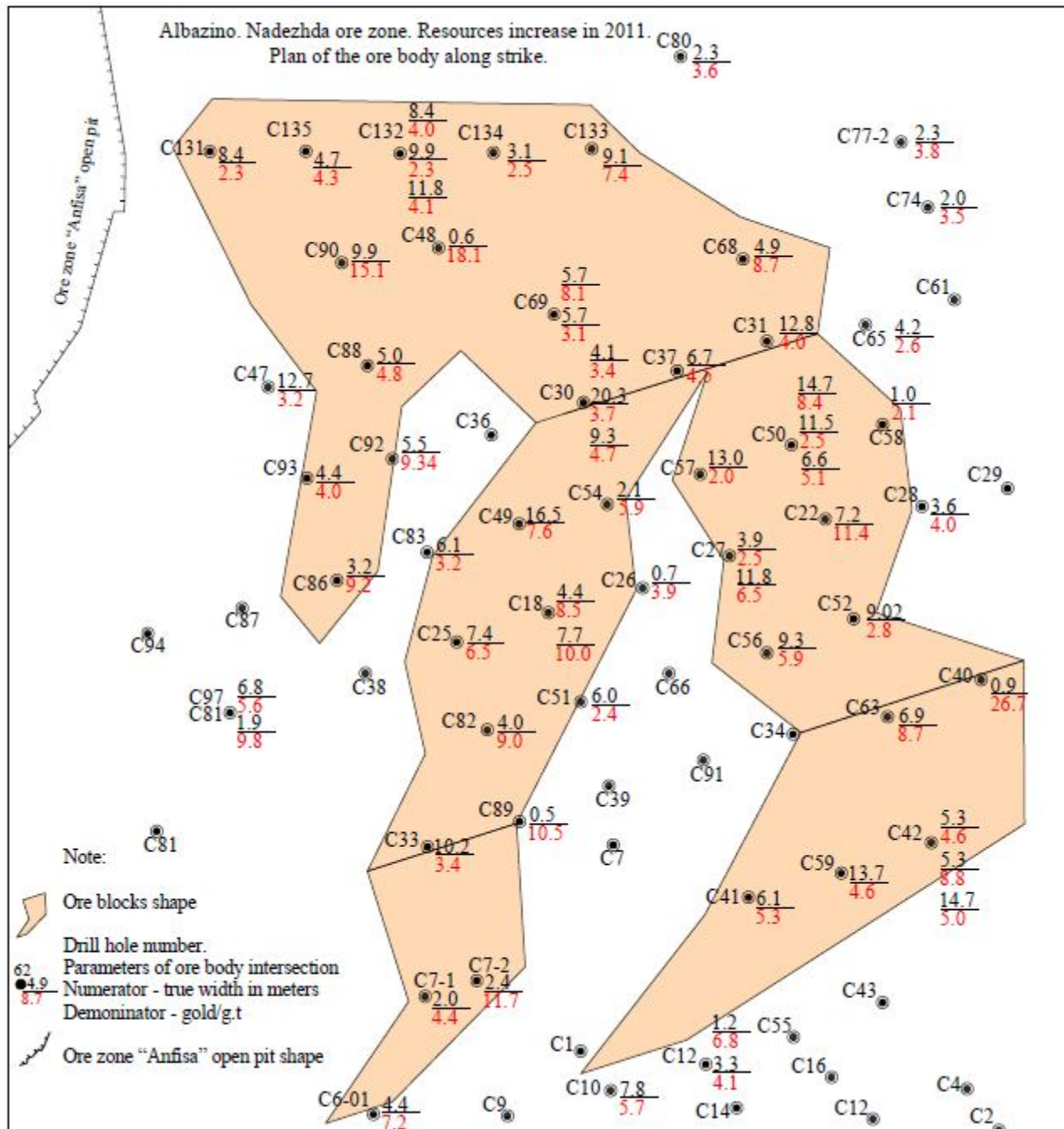
Brownfield Exploration

Albazino

In 2010 between Olga and Anfisa zones, Nadezhda ore zone was discovered, and a second (deeper) gold mineralization horizon was identified.

In Olga and Nadezhda zones 14.3 km (2010) and 27.5 km of prospecting and exploration drilling was completed. Drilling network in ore zones was done at 80x80-40 m, in Olga - partially at 40x40. Nadezhda ore zones represent a northward extension of Olga zone's non-outcropping ore bodies. At Nadezhda zone 46 ore intercepts in core holes of estimated true width of 0.5 – 20.3 m with gold grades of 2.1 – 20.0 g/t (average 6.0 g/t) were identified in 2011.

Nadezhda zone plan of the ore body along strike



Exploration works at Nadezhda's flanks are continuing. Underground exploration mining at the deep levels of the Olga zone has commenced. The ore body is open down-dip, and the increase of the gold grade with depth provides potential for further increase of mineralised zone.

Nadezhda and Olga zones selected exploration results

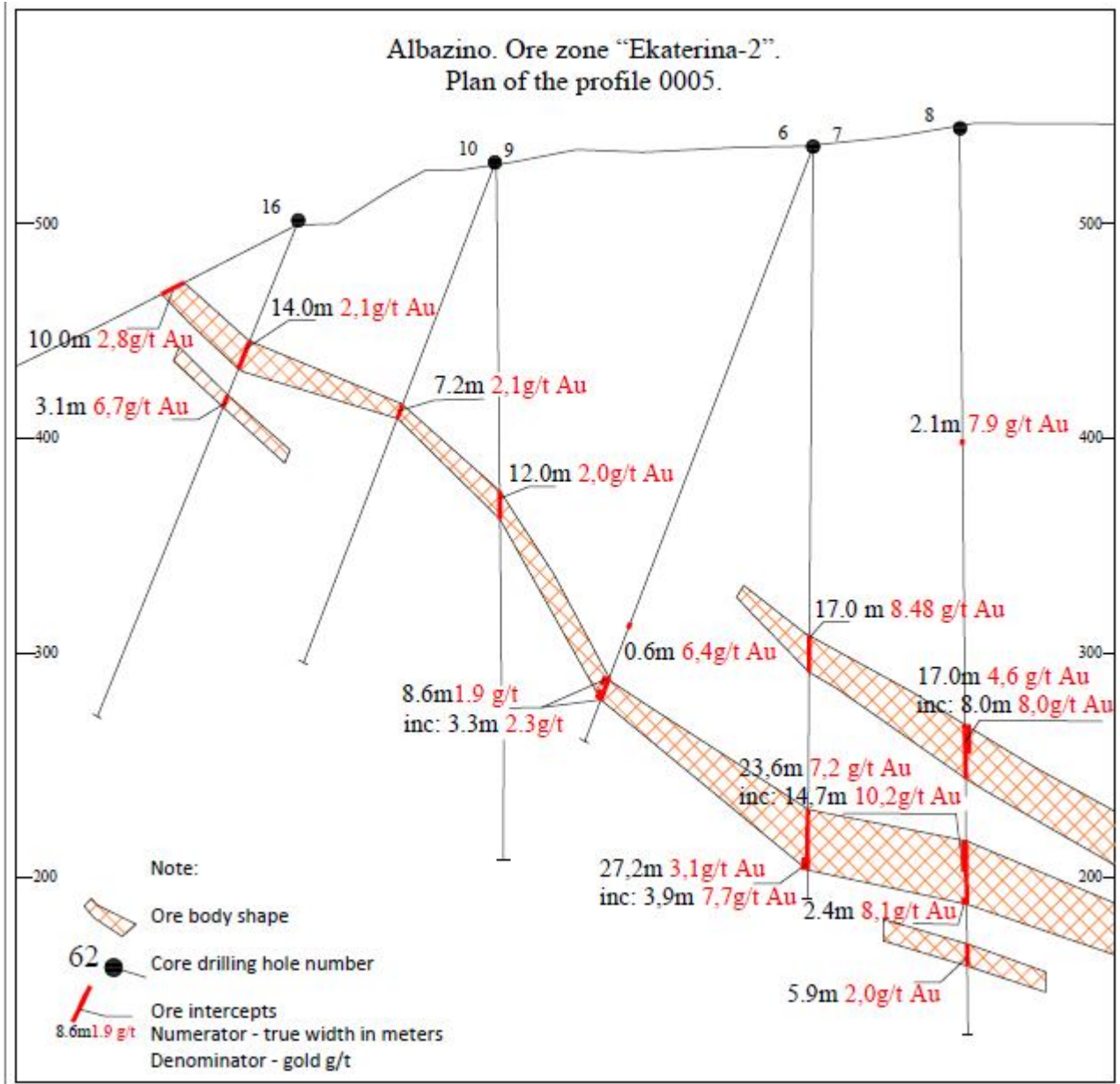
Area	Drill Hole No.	Depth (metres)	True Width (metres)	Gold (g/t)
Nadezhda	133	411.7	9.1	7.4
	132	232.3	4.8	5.9
	and	295.7	3.1	5.8
	and	304.3	11.8	4.1
	50	329.7	7.8	5.8
	and	362.0	14.7	8.4
	and	423.1	10.2	3.6
	30	327.8	7.8	4.0
	and	339.2	8.9	5.6
	and	356.0	3.0	16.1
	31	426.6	12.8	4.0
	37	384.6	3.4	7.4
	68	469.5	4.9	8.7
	69	302.2	5.7	8.1
	49	263.2	14.4	7.1
	86	255.7	3.2	9.2
	and	352.5	2.4	8.1
	88	251.5	5.0	4.8
	90	234.8	8.9	16.7
	92	254.0	5.5	9.3
Olga	40	383	2.1	10.2
	and	510.3	0.9	20.0
	42	408.2	4.6	5.2
	and	417.4	5.3	7.8
	and	462.2	15.2	5.2
	59	340.6	13.7	4.6
	33	27.0	1.2	9.0
	and	94.7	10.2	3.4
	63	361.6	4.5	3.6
	and	428.2	6.9	9.5
	56	308.3	9.3	4.6
	82	132.8	3.6	4.2
	and	185.6	6.0	8.9

At the south-east flank of Albazino ore field a new ore zone Ekaterina-2 was discovered. In 2011 exploration activities were done with trenches (42 th. m³) and by diamond drilling (2,978 m) at the depth of up to 300 m. 17 ore intercepts in 3 profiles were obtained.

Ekaterina zone selected exploration results

Area	Drill Hole No.	Depth (metres)	Width (metres)	Gold (g/t)
Ekaterina	d0013	42.4	12.6	4.9
	and	58.3	5.8	3.0
	d0016	61.2	6.3	4.1
	and	89.6	3.1	6.7
	d0010	154.2	3.6	5.1
	d007	235.2	10.0	13.9
	and	309.0	19.1	2.8
	and	332.3	3.9	7.7
	d008	141.4	2.1	7.9
	and	276.8	8.0	8.8
	and	331.3	14.7	10.2
	and	352.5	2.4	8.1

Ekaterina zone cross section



Ore bodies are open down and along strike. On the surface the zone is traced by 400 m with trenches.

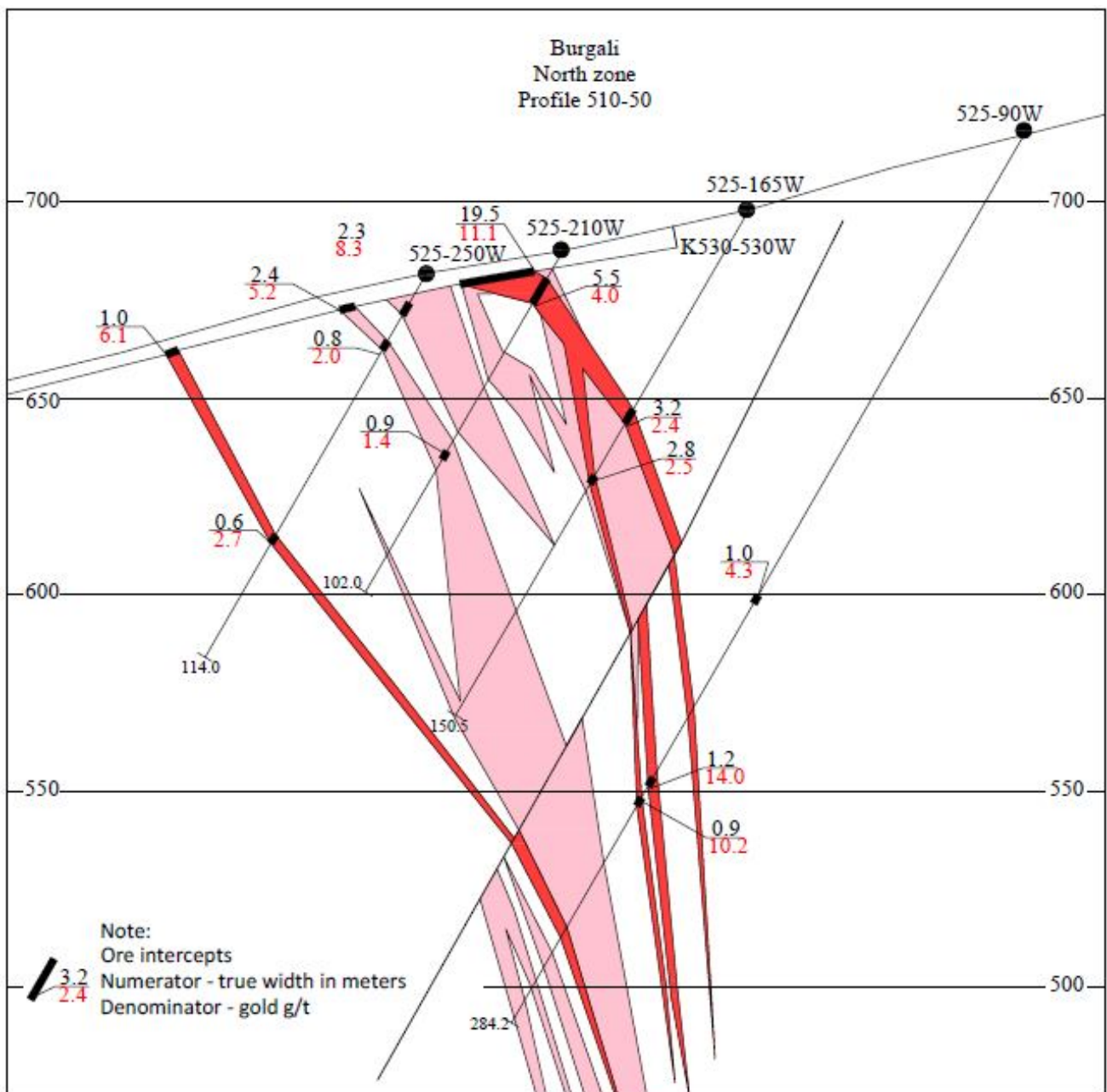
Analysis of ore bodies down dip and along strike is continuing in 2012. Discovered parameters of the ore zone and increase of the gold grade with the depth gives the basis for estimation of Ekaterina-2 zone potential to be similar to Olga zone. Non-JORC mineralised content estimate (in addition to JORC-compliant reserves and resources) is 12.0-18.0 Mt at 4.0-6.0 g/t for 2-3 Moz of contained gold (internal non-JORC estimate).

Omolon

65 km north-east from Kubaka mill at the licensed area **Burgali** gold and silver intercepts were obtained. Core drilling – 4,006 m and trenching of 44.6 th.m³ were performed in the area.

The zone of hydrothermal and methasomata works is traced or 4 km in submeridian direction with the width of 500-800 m. Gold and silver mineralisation is found in quartz and adular-quartz veins with the estimated true width from <0.9 to 17.9 m. Exploration activity is performed at 2 mineralisation concentration zones – North and South.

North zone cross section



North zone selected exploration results

Area	Hole/Trench No.	Depth (metres)	True Width (metres)	Gold (g/t)
North	K 530-530W		17.9	11.1
	And		2.4	5.2
	C 525-210W	6.3	5.3	4.0
	C 520-090W	77.8	6.9	17.5
	K 500-400W		0.9	5.0
	And		2.8	3.0
	And		0.9	12.6
	C525-165W	59.7	2.8	2.4
	C525-90W	191.9	1.1	14.0
	C525-250W	9.6	2.2	8.3

In the South area several bodies with relatively low grade veins were discovered and tracked along strike by 300 m.

South zone selected exploration results

Area	Hole/Trench No.	Depth (metres)	True Width (metres)	Gold (g/t)
South	K220-354E		3.3	3.2
	and		6.2	2.4
	K230-285E		3.1	2.8
	K 245-355E		2.1	4.5
	and		10	3.9
	C220-395E	68.8	0.9	10.8
	and	7.4	26.1	1.5
	247-340E	83.0	1.0	5.8
	231-333E	72.0	1.0	21.4
	231-333E	43.4	0.6	12.5
	230-416E	85.5	2.0	4.1

Mineralised potential of the zone is estimated at 2.0-3.0 Mt at 3.5-5.0 g/t for 0.3-0.4 Moz of gold contained (internal non-JORC estimate).

The work is currently at its initial stage, as the main exploration activity is expected to be performed in 2012 when ore bodies are geometrized and specified by drilling and mine works.

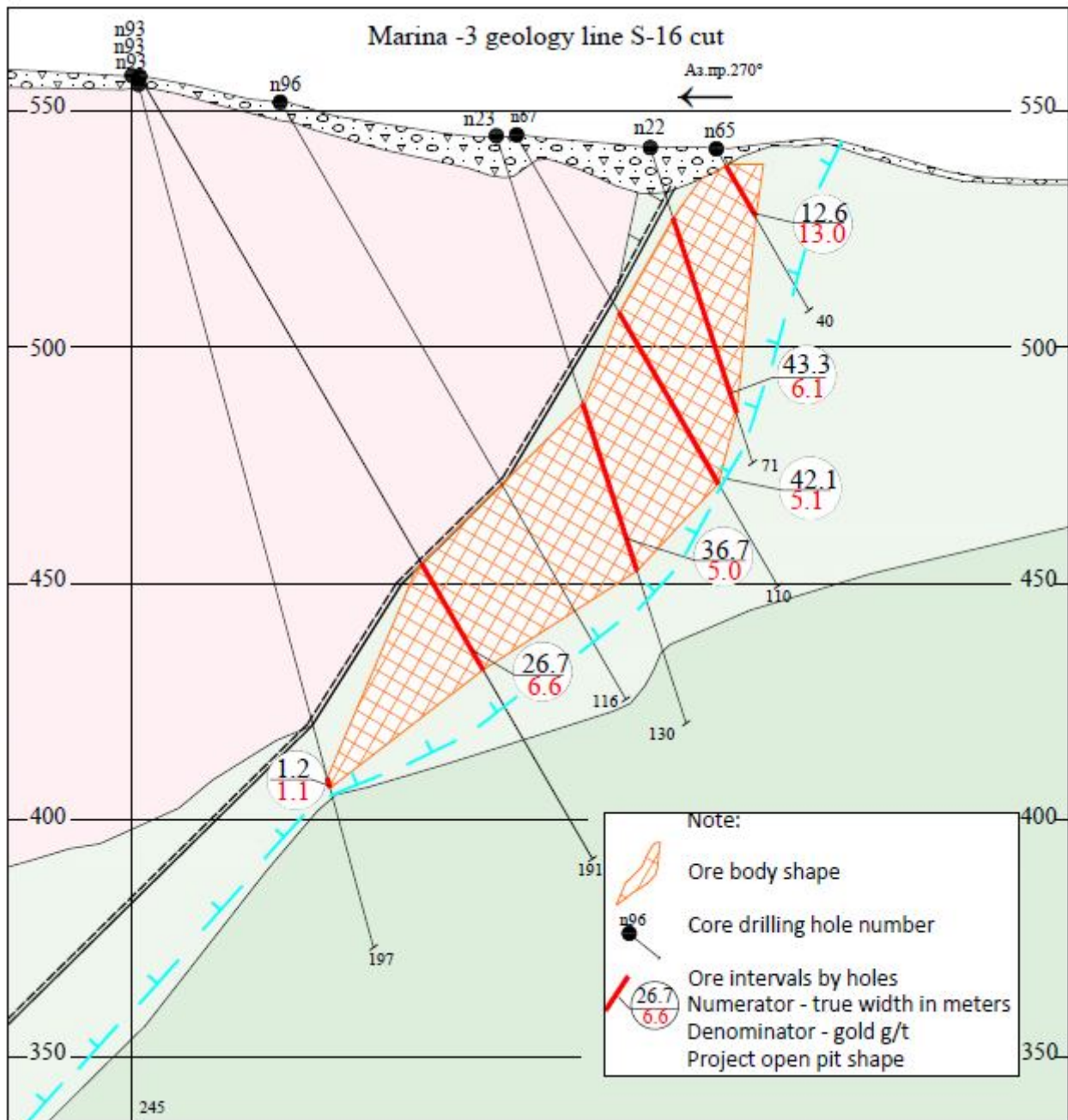
Khakanja

In 2010 a gold and silver deposit **Ozernoye** was discovered 40 km north-west from Khakanja plant. Ore zone Marina constitutes a part of this deposit.

In 2011 prospecting and exploration activities including trenches – 25.1 km³ and core drilling (9,312 m) were performed at Marina ore zone. On 1 July 2011 the deposit's inferred mineral resources were audited by Snowden at 337 Koz of gold with 5.5 g/t and 1,474 Koz of silver with 24 g/t.

The central part of the ore zone (ore body 1) in 2011 was further explored with trenches with the sampling step of 10-20 m, by drilling with the network of 40x40 m and 20x20 m. 140 ore intercepts were identified. Ore body is explored at 320 m at the strike and 150 m at the dip, estimated average true width is 7.6 m.

Marina-3 zone cross section



An ore body 2 was discovered by drilling and mining activities in the north flank of the ore zone Marina. The body is traced by 350 m to the valley of Manjkanja river. In addition to drilling results included in Snowden’s resource audit, new intercepts were obtained at the north flank:

Marina zone selected exploration results

Area	Drill Hole No.	Depth (metres)	True Width (metres)	Gold (g/t)
Marina (Ozernoye)	t0148	Trench	15	4.8
	d0104	49.7	4.0	4.1
	and	60.7	1.6	2.1
	and	77.5	4.0	6.4
	d0107	30.2	4.9	4.1

The ore zone is also traced 1.5 km to the south, where the increase of the mineralised zone is expected. Exploration activity is continuing in the zone.

Varvara

Exploration in Varvara deposit in 2011 was concentrated around 4 areas. The following activities were performed: magneticfilming with the network of 20x10m – 5.4 km², electro exploration with the method of provoked polarisation – 27 profiles with total length of 22.2 km; core drilling – 12,507m.

On the south of existing open pit the following ore intervals with industrial gold content were discovered:

Varvara zone selected exploration results

Area	Drill Hole No.	Depth (metres)	True Width (metres)	Gold (g/t)
Varvara	ESW-23	28.0	6	1.33
	and	150.0	14	1.27
	ESW-28	82.0	12.0	1.04
	Including		8.0	1.77
	ESW-33	171.7	9.3	1.55

Dukat

Exploration on Dukat deposit was done by core drilling and above-ground geophysics at the south flank of the field with the surface of 12 km². The activity is performed with the goal to trace by geophysics methods silver containing quartz vein-veinlet zones and veins, including underground ones, down dip and along strike.

Trial procedures allowed to select a number of geophysics methods, that potentially show mineralization at the depth (non-outcropping).

Overground geophysics is expected to be completed in 2012. Discovered abnormal fields of potential ore zone will be confirmed after interpretation. Individual exploration holes allowed to identify true width intervals of 1.0-2.2 m with average gold grade of 0.7-2.2 g/t. and silver grade of 263-564 g/t.

Voro

On the South-Voro immediately adjacent to Voro deposit, geophysical and geochemical works allowed to identify prospective areas, where a number of exploration characteristics give the basis to expect the increase of the Voro's ore field potential. In 2012 the exploration drilling activity will be performed for primary and oxidised ores in this area.

Mayskoye

Core drilling at Mayskoye was performed along ore bodies of the ore zones 1 and 2.

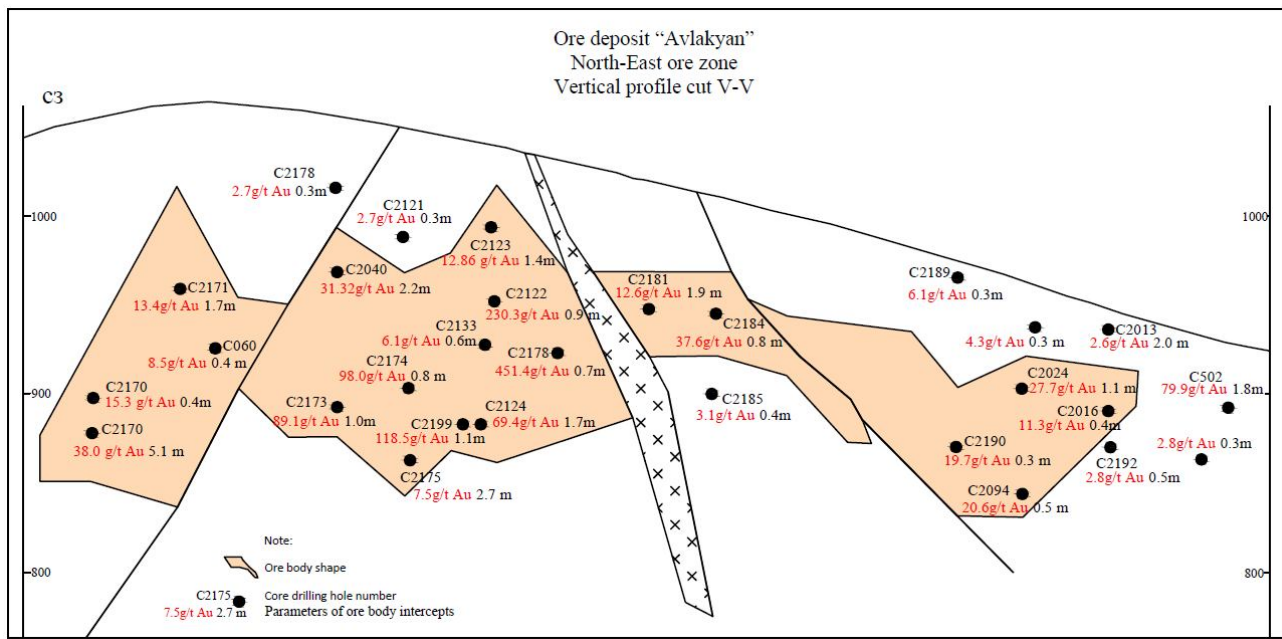
13,486 m were drilled and 6,649 core and 5,141 trench samples were taken. Exploration activity is mainly performed to refine the structure and location of foreign bodies in ore used in primary processing.

Greenfield exploration

AK project

In 2011 a trial mine was developed in the Central ore zone and ore mined was transported to Khakanja plant. In the second half of 2011 additional exploration drilling of 2,745 m was completed in the North-East zone.

North-East zone cross section



North-East ore body selected exploration results

Area	Drill Hole No.	Depth (metres)	True Width (metres)	Gold (g/t)	Silver (g/t)
North-East	2247	53.5	1.8	38.4	302.5
	2248	101.4	2.1	3.2	11.5
	2245	88.4	2.0	6.2	119.4
	2246	149.5	0.9	20.3	96.7
	2273	81.0	3.1	29.0	251.3
	2274	208	2.3	4.9	35.1
	2268	134.2	3.7	49.8	328.8
	2269	159.0	1.4	27.0	168.6
	2264	135.0	0.5	4.1	2.5
	2278	98.0	4.1	3.4	142.9
	2257	100.0	0.5	29.7	6.7
	2258	153.7	1.6	9.2	48.5

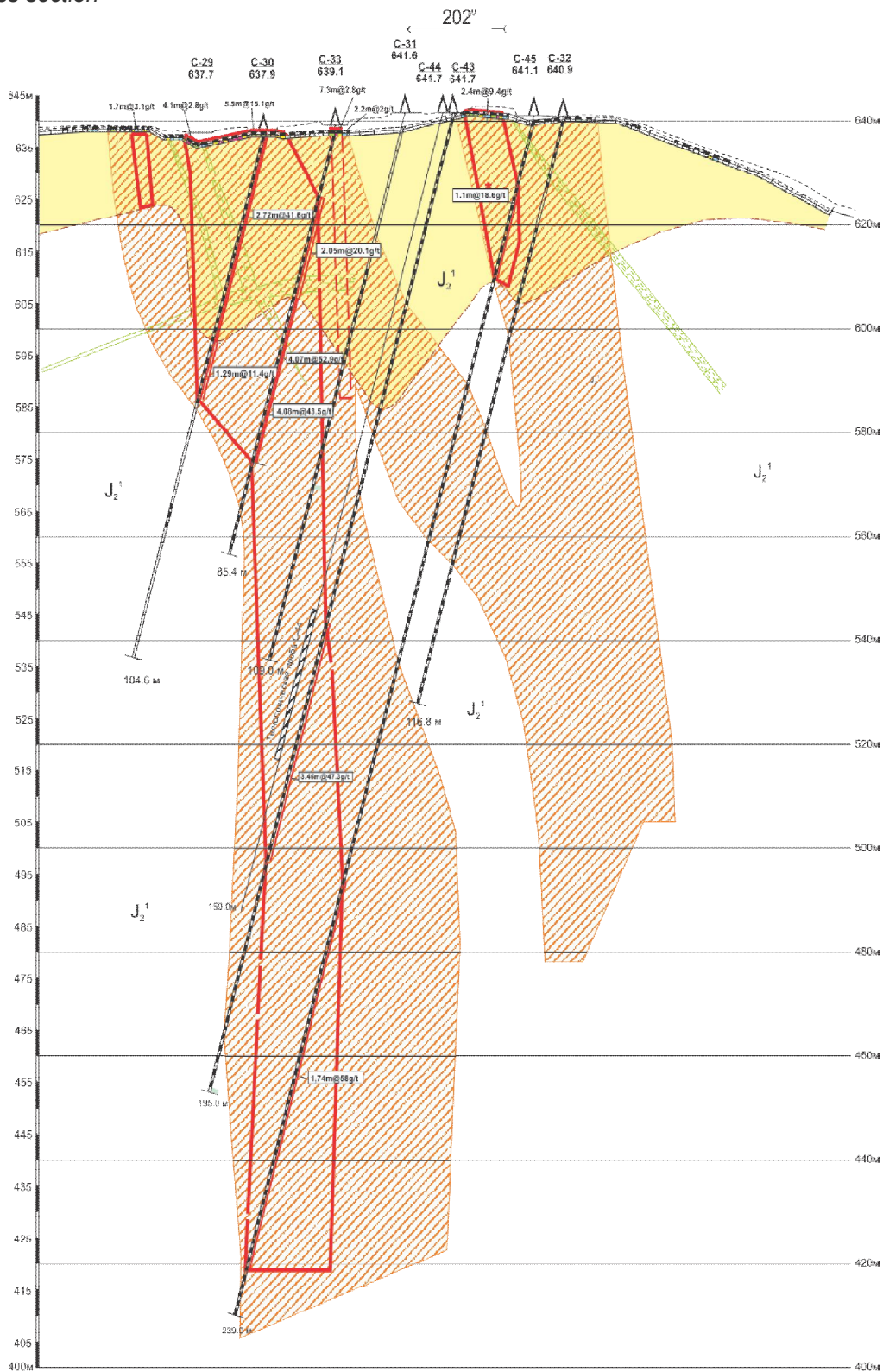
Total JORC-compliant inferred mineral resources are 1.4 Mt at 5.9 g/t of gold and 72 g/t of silver with 263 Koz of gold and 3,227 Koz of silver contained.

Mineralised potential of the zone (inclusive of resources) is estimated at 2.5-3.5 Mt 8-12 g/t for 0.8-1.0 Moz of gold contained (internal non-JORC estimate).

Kutyn

In Q4 2011 drilling of 54.0 km in Kutyn gold ore deposit was done in ore zones Sedlovina, Rodnik and Geophysical. Four technological samples of total weight of ca. 1 tonne were taken in order to evaluate technical characteristics of oxidized and primary ores. All holes demonstrated zones of quartz-sericite altered rocks with thin veins quartz and sulphides mineralisation (up to 3-5% of pyrites and arsenopyrite). Exploration activity is continuing.

Kutyn zone cross section



Total JORC compliant inferred mineral resources are estimated at 5.5 Mt of ore, grading 4.1 g/t of gold with 717 Koz of gold contained.

Mineralised potential of the zone (inclusive of resources) is estimated at 10.0-15.0 Mt at 2.5-3.5 g/t for 1-1.2 Moz of gold contained (internal non-JORC estimate).

Svetloye

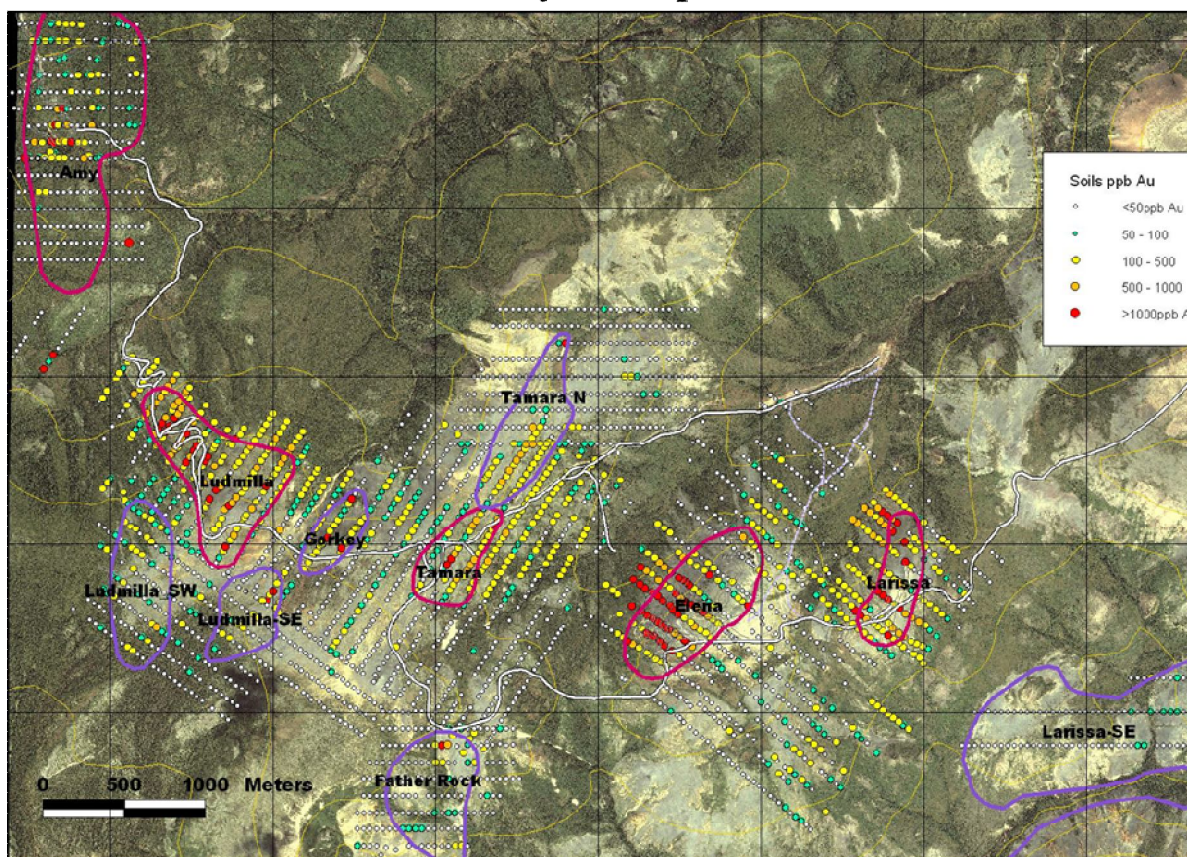
Svetloye deposit is located in Okhotsk region of Khabarovsk territory and is formed by ore zones Emmy, Elena, Ludmila, Larisa, Tamara.

In 2011 technical samples were taken for further laboratory analysis. Preliminary evaluation was made in ore zones Elena, Emmy and Tamara. In August 2011 Snowden specialists visited the deposit and internal resource evaluation was completed. As a result, inferred mineral resources reached 4.08 Mt of ore, average gold grade of 5.85 g/t, average silver grade of 4.1 g/t, gold content - 767 Koz, silver content - 544 Koz.

Total mineralised potential of the zone (inclusive of inferred mineral resources) is estimated as 30-40 Mt at 1.8-2.2 g/t for 2-2.5 Moz of contained gold.

The exploration activity is continuing in 2012.

Svetloye Prospects



Prognoz

Exploration activity in deposit is performed in 2011 (drilling – 6,013 m, trenches – 11.7 th. m³) allowed to specify ore body 1 parameters. Ore intercepts were discovered in two more ore bodies that form deposits sub parallel to the first body.

Prognoznyi field selected exploration results

Profile	Hole/Trench No.	Depth (metres)	True Width (metres)	Gold (g/t)
1750	C1750-220S	30.0	1.6	21.0
2175	C2175-160S	44.0	3.0	4.1
	and	53.0	3.1	1.5
2225	C2225-130S	21.7	3.9	2.4
2250	C2250-080S	19.3	1.0	6.0

Profile	Hole/Trench No.	Depth (metres)	True Width (metres)	Gold (g/t)
	and	21.7	1.1	3.6
2275	C2275-080S	15.5	2.1	3.9
	and	31.0	1.0	4.1
2325	C2325-100S	22.5	3.5	9.1
	C2325-160S	37.0	2.0	6.1
	and	54.5	5.2	4.2
2350	C2350-115S	13.5	3.0	7.0
	and	21.5	6.0	24.6
2375	C2375-150S	4.0	1.0	3.4
	and	38.0	1.0	2.4
2425	C2425-175S	54.4	1.1	2.3
2550	C2550-160S	59.0	6.0	3.1
2600	C2600-170S	66.8	1.1	8.9
2600	K2600-1		9.6	2.3
2375	K2375		1.2	10.5
	and		3.8	7.8
2425	K2425-2		10.6	14.3

Mineralised potential of the zone is estimated at 1-1.5 Mt at 5-7 g/t for 0.2-0.3 Moz of gold (internal non-JORC compliant estimate).

In 2012 the Company plans to finalise the deposit evaluation stage, perform geotechnical research on technological recoverability of metal contained, and complete preparation of the reserves report for Russian mining authorities' approval.

Rogovik

Exploration stopped.

Elmus

In Q3 2011 the Company has started field activity in Elmus. In 2011 exploration concentrated on Perdrolampi, Talmus and other areas. During this period a complex of geological and geophysical exploration was conducted and diamond drilling of 3,900 m was done. Exploration activity is continuing.

Tamunier

At the beginning of 2011 exploration activity in East ore zone has been completed. Three holes of total length of 463 m were drilled. Two technological samples were taken and allow to identify the quality of ordinary ore (gold grade of 2.0-2.5 g/t) and rich ore (gold grade of 4.0-6.0 g/t).

The information in this report that relates to Exploration Results is based on information compiled by Vladimir Ryabukhin who is a Member of the Institute of Materials, Minerals and Mining. Vladimir Ryabukhin is a permanent employee of Polymetal and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Vladimir Ryabukhin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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