



## PRESS RELEASE

**NORNICKEL**

Public Joint Stock Company «Mining and Metallurgical Company «NORILSK NICKEL»  
(PJSC "MMC "Norilsk Nickel", "Nornickel" or the "Company")

### **NORNICKEL ANNOUNCES 1H 2021 CONSOLIDATED OPERATING RESULTS**

**Moscow, July 20, 2021** – Nornickel, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper, announces preliminary consolidated operating results for the second quarter and the first half of 2021 and production outlook for the full year 2021.

#### **Senior Vice-President, Operations, Sergey Stepanov commented on the 1H2021 production results,**

«In 2Q and 1H 2021, the output of all key metals reduced owing to one-off factors such as the temporary suspension of Oktyabrsky and Taimyrsky underground mines of the Norilsk division due to the natural groundwater inflow and an accident at Norilsk Concentrator. Currently, recovery of these assets is progressing by and large in line with the schedule.

The water inflow to these mines was effectively stopped in late March. The Oktyabrsky mine resumed full production by the middle of May, however the restoration of mining at the Taimyrsky mine has been delayed due to larger than expected volume of recovery work. As the industrial and environmental safety is our absolute priority, having pumped out the water, we are reinforcing supports in the mine underground workings. The Taimyrsky mine has been already restored to 80% capacity since resuming operation in early June and expected to return to full capacity by the end of this November.

The technical audit of the Norilsk Concentrator was completed in the second quarter. The construction defects identified by the audit have been completely fixed by now. The Concentrator has already reached 85% of its design capacity and is expected to return to full capacity in early October this year.

**Taking into account the current progress in the restoration of the impacted production capacity of the Norilsk division, as well as the efficiency gains at other mining assets, we reiterate previously announced 2021 metal production forecast».**

### **NORILSK NICKEL GROUP**

#### Nickel

**In 2Q21**, consolidated nickel output decreased 30% quarter-on-quarter (q-o-q) to **33 kt**, most of which were produced from the Company's own Russian feed (**31 kt**, down 31% q-o-q). **In 1H2021**, total nickel output decreased 26% year-on-year (y-o-y) to **79 kt** (of which **77 kt** were produced from own Russian feed, down 28% y-o-y).

The decrease in production was attributed to the temporary [suspension of mining operations](#) and subsequent restoration works at Oktyabrsky (5 mtpa of ore) and Taimyrsky (4.3 mtpa of ore) underground mines of the Norilsk division after the flooding caused by the inflow of groundwater, as well as the suspension at the Norilsk Concentrator and consequent repairs. The copper circuit (4 mtpa of ore throughput) of the concentrator resumed operations on March 15th after a temporary suspension for technical safety inspections and necessary repairs. The disseminated ore processing circuit (5.2 mtpa of ore throughput) of the Norilsk Concentrator operated in 2Q21 at just over 50% of its nameplate capacity.

## Copper

**In 2Q21**, consolidated copper production decreased 11% q-o-q to **81 kt**. **In 1H2021**, total copper output decreased 28% y-o-y to **173 kt**. All of the copper produced in the reporting periods was produced from the Company's own feed. Copper production declined in the reporting periods owing to the same causes as nickel as described above.

Bystrinsky Project continued to ramp up on schedule, having increased production of copper in concentrate by 8% y-o-y to **33 kt in 1H2021**.

## Platinum Group Metals

**In 2Q21**, palladium and platinum output decreased 28% q-o-q to **548 koz** and 27% q-o-q to **134 koz**, respectively. All PGMs were produced from the Company's own Russian feed. The decline of PGM output in the second quarter was attributed to the same reasons as base metals as described above. **In 1H2021**, palladium and platinum output amounted to **1,314 koz** (up 3% y-o-y) and **318 koz** (down 1% y-o-y), respectively. The increase of palladium and slight decrease of platinum output in the first half, despite a significant loss of production in the second quarter, was explained by the high base effect of the first quarter, when a new line for production of precious metals from chlorine leaching residues at Kola MMC was ramped up to its design capacity and, as a result, the work-in-progress in transit inventory reduced.

### **NKOMATI (SOUTH AFRICA) (\*)**

**In 2Q21**, Nkomati (50% of the Group) was placed on limited care and maintenance pending the finalization and submission of a closure plan.

*Note: (\*) Nkomati production results are not consolidated in the Group's total operating results.*

### **Production Guidance from the Company's Russian feedstock for 2021**

<b>Metal</b>	<b>Volume</b>
Norilsk Nickel Group (excluding Chita)	
Ni, kt	190-200
Cu, kt	335-355
Pd, koz	2,350-2,410
Pt, koz	580-640
Bystrinsky (Chita) Copper Project (1)	
Cu, kt	65-70
Au, koz	230-240

*Note: 1. Norilsk Nickel Group owns 50.01% of Bystrinsky GOK (Chita Copper Project). Production results are shown metal in concentrate for sale on 100% basis and fully consolidated in total operational results. The concentrator at the Bystrinsky project was launched 2019.*

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION <sup>1</sup>		2Q 2021	1Q 2021	Q-o-Q	1H 2021	1H 2020	Y-o-Y
<b>Total nickel</b>	t	<b>32,644</b>	<b>46,639</b>	<b>-30%</b>	<b>79,283</b>	<b>107,588</b>	<b>-26%</b>
including from own Russian feed	t	31,457	45,558	-31%	77,015	106,571	-28%
<b>Total copper</b>	t	<b>81,400</b>	<b>91,292</b>	<b>-11%</b>	<b>172,692</b>	<b>239,914</b>	<b>-28%</b>
including from own Russian feed	t	81,400	91,292	-11%	172,692	239,824	-28%
<b>Total palladium</b>	koz	<b>548</b>	<b>766</b>	<b>-28%</b>	<b>1,314</b>	<b>1,270</b>	<b>3%</b>
including from own Russian feed	koz	548	766	-28%	1,314	1,270	4%
<b>Total platinum</b>	koz	<b>134</b>	<b>184</b>	<b>-27%</b>	<b>318</b>	<b>323</b>	<b>-1%</b>
including from own Russian feed	koz	134	184	-27%	318	323	-1%
<b>Norilsk and Kola Division (Russia)</b>							
<b>Nickel</b>	t	<b>23,874</b>	<b>32,810</b>	<b>-27%</b>	<b>56,684</b>	<b>74,455</b>	<b>-24%</b>
Kola MMC, including	t	23,874	32,810	-27%	56,684	74,455	-24%
refined Ni from own Russian feed	t	17,107	26,195	-35%	43,302	71,200	-39%
saleable intermediate products from own Russian feed	t	6,767	6,615	2%	13,382	3,255	311%
from 3d parties feed	t	0	0	0%	0	0	0%
<b>Copper</b>	t	<b>64,932</b>	<b>75,014</b>	<b>-13%</b>	<b>139,946</b>	<b>208,258</b>	<b>-33%</b>
Norilsk Division	t	61,427	62,661	-2%	124,088	176,423	-30%
Kola MMC, including	t	3,505	12,353	-72%	15,858	31,835	-50%
Cu cathodes from own Russian feed	t	66	9,103	-99%	9,169	30,710	-70%
saleable intermediates from own Russian feed	t	3,439	3,250	6%	6,689	1,125	495%
from 3d parties feed	t	0	0	0%	0	0	0%
<b>Palladium</b>	koz	<b>548</b>	<b>766</b>	<b>-28%</b>	<b>1,314</b>	<b>1,264</b>	<b>4%</b>
Norilsk Division	koz	249	235	6%	484	550	-12%
Kola MMC, including	koz	299	531	-44%	830	714	16%
from own Russian feed	koz	299	531	-44%	830	714	16%
from 3d parties feed	koz	0	0	0%	0	0	0%
<b>Platinum</b>	koz	<b>134</b>	<b>184</b>	<b>-27%</b>	<b>318</b>	<b>322</b>	<b>-1%</b>
Norilsk Division	koz	67	60	11%	127	143	-11%
Kola MMC, including	koz	67	124	-46%	192	179	7%
from own Russian feed	koz	67	124	-46%	192	179	7%
from 3d parties feed	koz	0	0	0%	0	0	0%
<b>Zabaykalsky Division (Russia) <sup>2</sup></b>							
Copper	t	16,468	16,278	1%	32,746	30,259	8%
Gold	koz	62	60	3%	122	114	7%
Iron ore concentrate	kt	638	631	1%	1 269	872	46%
<b>Kola Division (NN Harjavalta, Finland)</b>							
<b>Nickel, including</b>	t	<b>8,770</b>	<b>13,829</b>	<b>-37%</b>	<b>22,599</b>	<b>33,133</b>	<b>-32%</b>
from own Russian feed	t	7,583	12,748	-41%	20,331	32,116	-37%
from 3d parties feed	t	1,187	1,081	10%	2,268	1,017	123%
<b>Copper, including</b>	t	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>1,397</b>	<b>-100%</b>
from own Russian feed	t	0	0	0%	0	1,307	-100%
from 3d parties feed	t	0	0	0%	0	90	-100%
<b>Palladium, including</b>	koz	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>7</b>	<b>-100%</b>
from own Russian feed	koz	0	0	0%	0	6	-100%
from 3d parties feed	koz	0	0	0%	0	1	-100%
<b>Platinum, including</b>	koz	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>1</b>	<b>0%</b>
from own Russian feed	koz	0	0	0%	0	1	-100%
from 3d parties feed	koz	0	0	0%	0	0	0%
<b>Nkomati (South Africa) <sup>3</sup></b>							
Nickel	t	0	795	-100%	795	2,626	-70%
Copper	t	0	465	-100%	465	1,137	-59%
Palladium	koz	0	5	-100%	5	13	-62%
Platinum	koz	0	2	-100%	2	6	-65%

Notes:

- Totals may value from the sum of numbers as a result of rounding. The production results of Nkomati is not reflected in totals of Norilsk Nickel Group.
- Norilsk Nickel Group owns 50.01% of Bystrinsky GOK (Chita Copper Project). Production results are shown metal in concentrate for sale on 100% basis and fully consolidated in total operational results. The concentrator at the Bystrinsky project was launched 2019.
- Norilsk Nickel Group owns 50% of Nkomati. Production results report metal contained in saleable concentrate on a 50% basis and are not consolidated in the Group's total operating results. In 2019, the Group and its operating partner, African Rainbow Minerals, reached an agreement to cease the project. In 2Q2021 the mine was placed on limited care and maintenance pending the finalization and submission of a closure plan.

This announcement contains inside information in accordance with Article 7 of EU Regulation 596/2014 of 16 April 2014.

**Full name and position of person making the announcement** - Vladimir Zhukov,  
Vice - president, Investor Relations

#### **ABOUT THE COMPANY**

MMC Norilsk Nickel is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper. The company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium, sulphur and other products.

The production units of Norilsk Nickel Group are located at the Norilsk Industrial District, on the Kola Peninsula and Zabaykalsky Krai in Russia as well as in Finland.

MMC Norilsk Nickel shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges, ADRs are traded over the counter in the US and on the London, Berlin and Frankfurt Stock Exchanges.

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