

October 31, 2019

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

## **NORILSK NICKEL GROUP ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR NINE MONTHS 2019**

**Moscow** - PJSC MMC Norilsk Nickel, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper, announces today preliminary consolidated production results for the third quarter and the nine months of 2019.

**First Vice-President, Chief Operating Officer, Sergey Dyachenko commented on the 9M19 production results,**

«**In 9M19, the output of all of our core metals increased** owing mainly to productivity improvements. The growth in nickel production was attributed to increased processing of high-grade matte from Polar Division, ramp-up of a refining shop with new chlorine leaching technology at Kola MMC, as well as higher production volumes of saleable metal at Norilsk Nickel Harjavalta driven by higher processing volumes of Russian material and feed from third parties. The increase in PGM production was mainly driven by higher output in 1Q19 due to release of accumulated work-in-progress inventory at Krasnoyarsk Precious Metals Refinery. In addition, the increase of PGM production by Norilsk Nickel Harjavalta was attributed to higher metal content in processed Russian feed. The increase in copper output primarily resulted from the ramp-up of Bystrinsky project, which was fully commissioned in September 2019.

**We reiterate our 2019 production targets for core metals".**

### **NORILSK NICKEL GROUP**

#### Nickel

**In 3Q19**, consolidated nickel production increased 7% quarter-on-quarter (q-o-q) to **57 kt**, almost all of which was produced from own Russian feed. The growth was mainly attributed to increased production at Norilsk Nickel Harjavalta as the refinery recovered its capacity utilization rate to normal after the scheduled maintenance carried out in 2Q19.

**In 9M19**, consolidated nickel production increased 6% year-on-year (y-o-y) to **167 kt**, with nickel output from the Company's Russian feed totaling **164 kt**, up 6% y-o-y. The growth was attributed to the expansion of carbonyl nickel production at Kola MMC, increased refinery utilization rate, higher volumes of nickel matte shipped to Norilsk Nickel Harjavalta for further processing and processing of nickel feed supplied by a third party, Boliden.

#### Copper

**In 3Q19**, consolidated copper production decreased 3% q-o-q to **121 kt**, almost all of which was produced from the Company's Russian feed. The reduction was attributed to lower processing volumes of concentrate purchased from Rostec and trial shipments of copper concentrate from Kola MMC and Norilsk Nickel Harjavalta to Copper Plant at Polar Division for further refining in 4Q19.

**In 9M19**, consolidated copper production increased 6% y-o-y to **372 kt**, almost all of which was produced from the Company's Russian feed. The growth was driven by the ramp-up of Bystrinsky Project and higher volumes of copper concentrate produced at Kola MMC for the sale to third parties.

## Platinum Group Metals

**In 3Q19**, palladium and platinum (both produced solely from the Company's Russian feed) output amounted to **720 koz** (down 6% q-o-q) and **164 koz** (down 11% q-o-q), respectively. Lower production was attributed to the commissioning of the new precious metals concentrate production line at the metallurgical shop at Kola MMC and trial shipments of copper cake (containing precious metals) from Norilsk Nickel Harjavalta to Polar Division for further processing. The new production line at Kola MMC is being launched as part of nickel refinery upgrade to a new nickel electrowinning technology, whereby precious metal concentrates will be produced from residue of chlorine leaching.

**In 9M19**, palladium and platinum output amounted to **2,253 koz** (up 7% y-o-y) and **553 koz** (up 8% y-o-y), respectively. The increase of PGMs output was attributed to the release of work-in-progress inventory at Krasnoyarsk Precious Metals Refinery, higher PGM content in the Russian feed and processing of the feed purchased from third parties at Norilsk Nickel Harjavalta.

## **RUSSIAN OPERATIONS**

**In 9M19, the Company's Russian operations produced all saleable metal from own domestic feed.**

### Nickel

**In 3Q19**, nickel production at Kola MMC amounted to **40 kt** and remained largely unchanged compared to the previous quarter (-1% q-o-q).

**In 9M19**, Kola MMC increased nickel output by 7% y-o-y to **121 kt**. The growth was primarily attributed to increased shipments of high-grade matte from Polar Division and gradual ramp-up of refined nickel production using new chlorine-leaching technology. In addition, in line with diversification of sales into premium products strategy carbonyl nickel production at Kola MMC more than doubled to 2.7 kt (+104% y-o-y).

### Copper

**In 3Q19**, the Company's Russian operations reduced copper output by 4% q-o-q to **117 kt**. The reduction was attributed to lower processed volumes of concentrate purchased from Rostec and trial shipments of copper concentrate from Kola MMC to Copper Plant at Polar Division for further refining.

**In 9M19**, copper output at the Company's operations in Russia increased 7% y-o-y to **360 kt**. The growth was driven by the ramp-up of Bystrinsky (Chita) Project and higher volumes of copper concentrate produced at Kola MMC for the sale to third parties. Bystrinsky Project was ramping-up on schedule, having increased production more than two-fold to **31 kt** of copper in copper concentrate.

## Platinum Group Metals

**In 3Q19**, palladium and platinum output in Russia amounted to **707 koz** (down 6% q-o-q) and **162 koz** (down 11% q-o-q), respectively. Lower production was attributed to the commissioning of the new precious metals concentrate production line at the metallurgical shop at Kola MMC.

**In 9M19**, palladium and platinum output in Russia amounted to **2,204 koz** (up 7% y-o-y) and **542 koz** (up 7% y-o-y), respectively. The increase of PGM output was due to a release of accumulated work-in-progress inventory at Krasnoyarsk Precious Metals Refinery.

## NORILSK NICKEL HARJAVALTA (FINLAND)

### Nickel

**In 3Q19**, nickel output at Norilsk Nickel Harjavalta increased 29% q-o-q to **17 kt**. The increase was mainly attributed to a low base effect of 2Q19, when refinery was undergoing annual scheduled maintenance and repairs.

**In 9M19**, nickel output increased 5% y-o-y to **46 kt**. The increase was attributed to higher processing volumes of Russian feed as a result of the downstream reconfiguration and processing of nickel feed supplied by Boliden.

### Copper

**In 3Q19**, copper output at Norilsk Nickel Harjavalta increased 11% q-o-q to **4 kt**. The increase was mainly attributed to a low base effect of 2Q19, when refinery was undergoing annual scheduled maintenance and repairs.

**In 9M19**, copper output decreased 13% y-o-y to **12 kt**. The reduction was owing to the high base effect of 9M18, when the Company processed work-in-progress concentrate, and in addition a trial shipment of copper cake from Norilsk Nickel Harjavalta to Copper Plant at Polar Division for further refining.

### Platinum Group Metals

**In 3Q19**, output of saleable palladium and platinum (both contained in copper cake) amounted to **13 koz** (down 10% q-o-q) and **3 koz** (down 28% q-o-q), respectively. The reduction was attributed to trial shipment of copper cake from Norilsk Nickel Harjavalta to Copper Plant at Polar Division for further refining.

**In 9M19**, output of palladium and platinum reached **49 koz** (up 16% y-o-y) and **11 koz** (up 35% y-o-y), respectively. The increase in metals production was attributed to higher PGM content in processed Russian feed and processing of third party feed.

## NKOMATI (SOUTH AFRICA) (\*)

In 9M19, output at Nkomati (50%-owned by Norilsk Nickel) amounted to **5 kt** of nickel (up 6% y-o-y), **3 kt** of copper (up 22% y-o-y), **26 koz** of palladium (up 11% y-o-y) and **11 koz** of platinum (up 20% y-o-y). The increase in metals production was attributed to higher volumes of mined ore with higher metal content.

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

### Production guidance from the Company's own Russian feed for 2019:

Metals	Volume
<b>Norilsk Nickel Group (excluding Chita project)</b>	
Ni, kt	220-225
Cu, kt	430-450
Pd, koz	2,770-2,800
Pt, koz	646-670
<b>Bystrinsky GOK (Chita Copper Project)(*)</b>	
Cu, kt	40-46
Au, koz	192-212

*Note: Norilsk Nickel owns 50.01% of Bystrinsky GOK (Chita Copper Project). Production results are shown on a 100% basis and are fully consolidated in the Company's financial and operating results. The concentrator at the Bystrinsky project was launched in 2018 as part of the hot commissioning stage and was fully commissioned in September 2019.*

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION <sup>1</sup>		3Q 2019	2Q 2019	Q-o-Q	9M 2019	9M 2018	Y-o-Y
<b>Total nickel</b>	t	<b>57,266</b>	<b>53,767</b>	<b>7%</b>	<b>166,948</b>	<b>156,793</b>	<b>6%</b>
including from own Russian feed	t	56,705	52,909	7%	164,446	155,168	6%
<b>Total copper</b>	t	<b>120,667</b>	<b>124,539</b>	<b>-3%</b>	<b>371,971</b>	<b>349,908</b>	<b>6%</b>
including from own Russian feed	t	120,614	124,449	-3%	371,714	349,771	6%
<b>Total palladium</b>	koz	<b>720</b>	<b>764</b>	<b>-6%</b>	<b>2,253</b>	<b>2,097</b>	<b>7%</b>
including from own Russian feed	koz	719	763	-6%	2,251	2,097	7%
<b>Total platinum</b>	koz	<b>164</b>	<b>185</b>	<b>-11%</b>	<b>553</b>	<b>513</b>	<b>8%</b>
including from own Russian feed	koz	164	184	-11%	551	513	7%
<b>Polar division and Kola MMC (Russia)</b>							
<b>Nickel</b>	t	<b>40,474</b>	<b>40,774</b>	<b>-1%</b>	<b>120,513</b>	<b>112,607</b>	<b>7%</b>
Kola MMC, including	t	40,474	40,774	-1%	120,513	112,607	7%
<i>refined Ni from own Russian feed</i>	t	<i>36,655</i>	<i>40,542</i>	<i>-10%</i>	<i>116,180</i>	<i>110,205</i>	<i>5%</i>
<i>Ni in saleable concentrate from own Russian feed</i>	t	<i>3,819</i>	<i>232</i>	<i>1546%</i>	<i>4,333</i>	<i>1,916</i>	<i>126%</i>
<i>from 3d parties feed</i>	t	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>486</i>	<i>-</i>
<b>Copper</b>	t	<b>106,145</b>	<b>110,853</b>	<b>-4%</b>	<b>329,305</b>	<b>323,084</b>	<b>2%</b>
Polar division	t	85,248	89,153	-4%	264,970	262,685	1%
Kola MMC, including	t	20,897	21,700	-4%	64,335	60,399	7%
<i>Cu cathodes from own Russian feed</i>	t	<i>18,150</i>	<i>18,180</i>	<i>0%</i>	<i>53,978</i>	<i>54,191</i>	<i>0%</i>
<i>Cu in saleable concentrate from own Russian feed</i>	t	<i>2,747</i>	<i>3,520</i>	<i>-22%</i>	<i>10,357</i>	<i>6,125</i>	<i>69%</i>
<i>from 3d parties feed</i>	t	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>83</i>	<i>-</i>
<b>Palladium</b>	koz	<b>707</b>	<b>749.3</b>	<b>-6%</b>	<b>2,204</b>	<b>2,055</b>	<b>7%</b>
Polar division	koz	293	275.4	6%	754	731	3%
Kola MMC, including	koz	414	47.9	-13%	1,450	1,324	10%
<i>from own Russian feed</i>	koz	<i>414</i>	<i>473.9</i>	<i>-13%</i>	<i>1,450</i>	<i>1,324</i>	<i>10%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>0,0</i>	<i>-</i>
<b>Platinum</b>	koz	<b>162</b>	<b>181</b>	<b>-11%</b>	<b>542</b>	<b>505</b>	<b>7%</b>
Polar division	koz	70	71	-1%	184	190	-3%
Kola MMC, including	koz	92	111	-17%	358	315	14%
<i>from own Russian feed</i>	koz	<i>92</i>	<i>111</i>	<i>-17%</i>	<i>358</i>	<i>315</i>	<i>14%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>0</i>	<i>-</i>
<b>GRK Bystrinskoye (Zabaykaysky Krai) <sup>2</sup></b>							
Copper	t	10,673	10,223	4%	30,926	13,290	133%
Gold	koz	41	44	-8%	128	61	109%
Iron ore concentrate	kt	328	251	31%	833	136	515%
<b>Norilsk Nickel Harjavalta (Finland)</b>							
<b>Nickel, including</b>	t	<b>16,792</b>	<b>12,993</b>	<b>29%</b>	<b>46,435</b>	<b>44,186</b>	<b>5%</b>
<i>from own Russian feed</i>	t	<i>16,231</i>	<i>12,135</i>	<i>34%</i>	<i>43,933</i>	<i>43,047</i>	<i>2%</i>
<i>from 3d parties feed</i>	t	<i>561</i>	<i>858</i>	<i>-35%</i>	<i>2,501</i>	<i>1,139</i>	<i>120%</i>
<b>Copper, including</b>	t	<b>3,849</b>	<b>3,463</b>	<b>11%</b>	<b>11,740</b>	<b>13,534</b>	<b>-13%</b>
<i>from own Russian feed</i>	t	<i>3,796</i>	<i>3,373</i>	<i>13%</i>	<i>11,483</i>	<i>13,480</i>	<i>-15%</i>
<i>from 3d parties feed</i>	t	<i>53</i>	<i>90</i>	<i>-41%</i>	<i>257</i>	<i>54</i>	<i>376%</i>
<b>Palladium, including</b>	koz	<b>13</b>	<b>14</b>	<b>-10%</b>	<b>49</b>	<b>42</b>	<b>16%</b>
<i>from own Russian feed</i>	koz	<i>12</i>	<i>13</i>	<i>-9%</i>	<i>46</i>	<i>42</i>	<i>10%</i>
<i>from 3d parties feed</i>	koz	<i>1</i>	<i>1</i>	<i>-33%</i>	<i>3</i>	<i>0</i>	<i>-</i>
<b>Platinum, including</b>	koz	<b>3</b>	<b>4</b>	<b>-28%</b>	<b>11</b>	<b>8</b>	<b>35%</b>
<i>from own Russian feed</i>	koz	<i>2</i>	<i>3</i>	<i>-25%</i>	<i>9</i>	<i>8</i>	<i>8%</i>
<i>from 3d parties feed</i>	koz	<i>1</i>	<i>1</i>	<i>-38%</i>	<i>2</i>	<i>0</i>	<i>-</i>
<b>Nkomati (South Africa) <sup>3</sup></b>							
Nickel	t	1,172	1,547	-24%	4,964	4,666	6%
Copper	t	717	982	-27%	2,688	2,199	22%
Palladium	koz	6	9	0	26	23	11%
Platinum	koz	3	4	0	11	9	20%

#### Notes:

<sup>1</sup> 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.

<sup>2</sup> 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. Bystrinsky GOK was fully commissioned in September 2019.

<sup>3</sup> Norilsk Nickel Group owns 50% of Nkomati. Production results are shown metal in concentrate for sale on 50% basis and not consolidated in total operational results.

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**

PJSC «MMC «NORILSK NICKEL» is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade metal 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 Chita region in Russia as well as in Finland and South Africa.

PJSC «MMC «NORILSK NICKEL» shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges. PJSC «MMC «NORILSK NICKEL» ADRs are traded over the counter in the US and on the London, Berlin and Frankfurt Stock Exchanges.

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