



NORNICKEL

PRESS RELEASE

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Public Joint Stock Company «Mining and Metallurgical Company «NORILSK NICKEL» (PJSC “MMC “Norilsk Nickel”, “Nornickel” or the “Company”) the world’s largest of palladium and high-grade nickel and a major producer of platinum and copper.

NORNICKEL ANNOUNCES CONSOLIDATED PRODUCTION RESULTS FOR 1Q2020

Moscow - PJSC MMC Norilsk Nickel announces preliminary consolidated production results for the first quarter of 2020.

First Vice-President, Chief Operating Officer, Sergey Dyachenko commented on the 1Q2020 production results:

«First of all, I would like to highlight that COVID-19 outbreak has not had any material adverse impact on Company’s operating activity so far. [Nornickel is making significant arrangements to protect the health and safety of its employees](#), while maintaining business as usual in all operating sites.

Therefore, **we reiterate our production guidance from own Russian feed for FY2020** announced at the [Capital Markets Day in November 2019](#).

In 1Q2020, the Company increased mine output 5% compared to last year. However, the volumes of saleable metals were affected by the pre-commissioning of the new chlorine leaching refining shop at Kola MMC. As a result, the Company built up temporarily nickel and (to a lesser extent) PGMs work-in-progress material inventories. In addition, PGMs’ volumes reduced relative to last year due to a high base effect of 1Q2019, when a substantial amount of earlier accumulated work-in-progress PGM inventory was released. Whereas the decrease in copper output was attributed to scheduled reduction in processing volumes of concentrate purchased from Rostec and its lower metal grades. At the same time, Bystrinsky project continued its ramp-up delivering a record 15 kt of copper in copper concentrate, up 21% from the fourth quarter 2019 and 51% higher than a year ago.

We expect that saleable metal production volumes to recover during the rest of this year as the accumulated work-in-progress inventory will be released following the gradual ramp-up of the new refining shop at Kola MMC».

NORILSK NICKEL GROUP

Nickel

In 1Q2020, consolidated nickel production decreased 7% year-on-year (y-o-y) to **52 kt**. Nickel output from the Company’s own Russian feed decreased 7% to **51 kt**. The decline was attributed to accumulation of work-in-progress inventory owing to the pre-commissioning of the new chlorine leaching refining shop at Kola MMC and a build-up of semis inventories at Norilsk Nickel Harjavalta to ensure uninterrupted production during a navigation break. As part of strategic diversification of sales into premium products, production of carbonyl nickel increased 39% y-o-y to **1.6 kt**.

Copper

In 1Q2020, consolidated copper production decreased 9% y-o-y to **115 kt**, almost all of which was produced from own Russian feed. The decline was attributed to lower processing volumes of concentrate purchased from Rostec and its lower copper content. This reduction was partly offset by increased mined ore volumes at Polar Division and expansion of copper production at

Bystrinsky (Chita) Project to **15 kt** (+51% y-o-y). This growth owed to the improvement of the grinding equipment productivity as the concentrator having been reaching its design parameters.

Platinum Group Metals

In 1Q2020, palladium and platinum output amounted to **548 koz** (-29% y-o-y) and **150 koz** (-26% y-o-y), respectively. The decrease of PGMs was attributed mostly to a high base effect of 1Q19 when the Company processed earlier accumulated work-in-progress inventory. The pre-commissioning of the new refining shop at Kola MMC, where precious metal concentrates are extracted from residue of chlorine leaching, has led to an increase of PGM work-in-progress inventory, which also contributed negatively to PGMs output.

RUSSIAN OPERATIONS

In 1Q2020, all saleable metals produced by the Company's Russian operations came from their own feed.

Nickel

In 1Q2020, nickel output at Kola MMC decreased 10% y-o-y to **35 kt**. The decline was attributed to accumulation of work-in-progress inventory owing to the pre-commissioning of the new chlorine leaching refining shop at Kola MMC and semis inventories build-up at Norilsk Nickel Harjavalta to ensure uninterrupted production during the navigation break.

Copper

In 1Q2020, copper output at the Company's operations in Russia decreased 6% y-o-y to **115 kt**. The decline was attributed to the scheduled reduction in processing of concentrate purchased from Rostec, its lower copper content, as well as scheduled reduction of metal produced for the sale to third parties.

Bystrinsky Project's ramp up was on schedule, where production increased 51% y-o-y to **15 kt** of copper in copper concentrate. The growth has been achieved as a result of productivity improvement of the grinding equipment and full ramp-up of the concentrator.

Platinum Group Metals

In 1Q2020, the Company's palladium and platinum output in Russia amounted to **547 koz** (-27% y-o-y) and **150 koz** (-25% y-o-y), respectively. The decrease of PGMs was attributed mostly to a higher base effect of 1Q19, when the Company processed work-in-progress inventory accumulated earlier at Krasnoyarsk Precious Metals Refinery.

The pre-commissioning of the new refining shop at Kola MMC where precious metal concentrates are extracted from residue of chlorine leaching has led to an increase of work-in-progress inventory, thus having an additional negative impact on PGMs output.

NORILSK NICKEL HARJAVALTA (FINLAND)

Nickel

In 1Q2020, nickel production at Norilsk Nickel Harjavalta remained largely unchanged y-o-y at **17 kt**.

Copper

In 1Q2020, copper output at Norilsk Nickel Harjavalta decreased 95% y-o-y to **200 tones**. The decrease resulted from the scheduled shipment of copper cake from Norilsk Nickel Harjavalta to Copper Plant of the Polar Division for further refining.

Platinum Group Metals

In 1Q2020, output of saleable palladium and platinum (both contained in copper cake) amounted to **0.6 koz** (-97% y-o-y) and **0.1 koz** (-98% y-o-y), respectively. The decrease was attributed to the scheduled shipment of copper cake from Norilsk Nickel Harjavalta to Copper Plant of the Polar Division for further refining.

NKOMATI (SOUTH AFRICA) (*)

In 1Q2020, Nkomati (50% - owned by Norilsk Nickel) produced **1.3 kt** of nickel (-43% y-o-y), **0.6 kt** of copper (-44% y-o-y), **7.1 koz** of palladium (-33% y-o-y) and **2.7 koz** of platinum (-38% y-o-y). The decrease in nickel and palladium output and increase in copper and platinum output was attributed to the decision to scale down ore mining in 2020. In the future, Norilsk Nickel and its operating partner African Rainbow Minerals are planning to put the mine on care and maintenance.

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

Production Guidance from the Company's Russian feedstock for 2020:

Metal	Volume
Norilsk Nickel Group (excluding Chita)	
Ni, kt	225-235
Cu, kt	420-440
Pd, koz	2,648-2,777
Pt, koz	611-675
Bystrinsky (Chita) Copper Project ⁽¹⁾	
Cu, kt	55-65
Au, koz	220-240

Note: Norinickel owns 50.01% of Bystrinsky (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 in 2018 as part of the hot commissioning stage and was fully commissioned in 2019.

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION ¹		1Q 2020	1Q 2019	Y-o-Y
Total nickel	t	51,757	55,915	-7%
including from own Russian feed	t	51,133	54,832	-7%
Total copper	t	114,987	126,765	-9%
including from own Russian feed	t	114,914	126,651	-9%
Total palladium	koz	548	770	-29%
including from own Russian feed	koz	548	769	-29%
Total platinum	koz	150	204	-26%
including from own Russian feed	koz	150	203	-26%
Polar division and Kola MMC (Russia)				
Nickel	t	35,143	39,265	-10%
Kola MMC, including	t	35,143	39,265	-10%
refined Ni from own Russian feed	t	33,260	38,983	-15%
saleable intermediate products from own Russian feed	t	1,883	282	568%
from 3d parties feed	t	0	0	-
Copper	t	99,647	112,307	-11%
Polar division	t	82,172	90,569	-9%
Kola MMC, including	t	17,475	21,738	-20%
Cu cathodes from own Russian feed	t	16,940	17,648	-4%
saleable intermediate products from own Russian feed	t	535	4,090	-87%
from 3d parties feed	t	0	0	-
Palladium	koz	547	748	-27%
Polar division	koz	177	186	-5%
Kola MMC, including	koz	371	562	-34%
from own Russian feed	koz	371	562	-34%
from 3d parties feed	koz	0	0	-
Platinum	koz	150	199	-25%
Polar division	koz	55	44	25%
Kola MMC, including	koz	95	155	-39%
from own Russian feed	koz	95	155	-39%
from 3d parties feed	koz	0	0	-
GRK Bystrinskoye (Zabaykaysky Krai) ²				
Copper (in copper concentrate)	t	15,140	10,030	51%
Gold (in copper & gold concentrates)	koz	56	43	31%
Iron ore concentrate (66%)	kt	381	254	50%
Norilsk Nickel Harjavalta (Finland)				
Nickel, including	t	16,614	16,650	0%
from own Russian feed	t	15,990	15,567	3%
from 3d parties feed	t	624	1,082	-42%
Copper, including	t	200	4,428	-95%
from own Russian feed	t	127	4,314	-97%
from 3d parties feed	t	73	114	-36%
Palladium, including	koz	0.6	22.0	-97%
from own Russian feed	koz	0.1	20.8	-100%
from 3d parties feed	koz	0.5	1.2	-57%
Platinum, including	koz	0.1	4.6	-98%
from own Russian feed	koz	0	3.8	-100%
from 3d parties feed	koz	0.1	0.8	-88%
Nkomati (South Africa) ³				
Nickel	t	1,289	2,245	-43%
Copper	t	556	989	-44%
Palladium	koz	7.1	10.7	-33%
Platinum	koz	2.7	4.4	-38%

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 in 2018 as part of the hot commissioning stage and was fully commissioned in 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 scale down production at Nkomati Nickel Mine during 2020. As part of this process, the partners will elaborate in due course a plan contemplating the cessation of the mining operations and the placing of the mine in care and maintenance.

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 and South Africa.

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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