



Norilsk Nickel
Update on Recent
Developments
March 29, 2021

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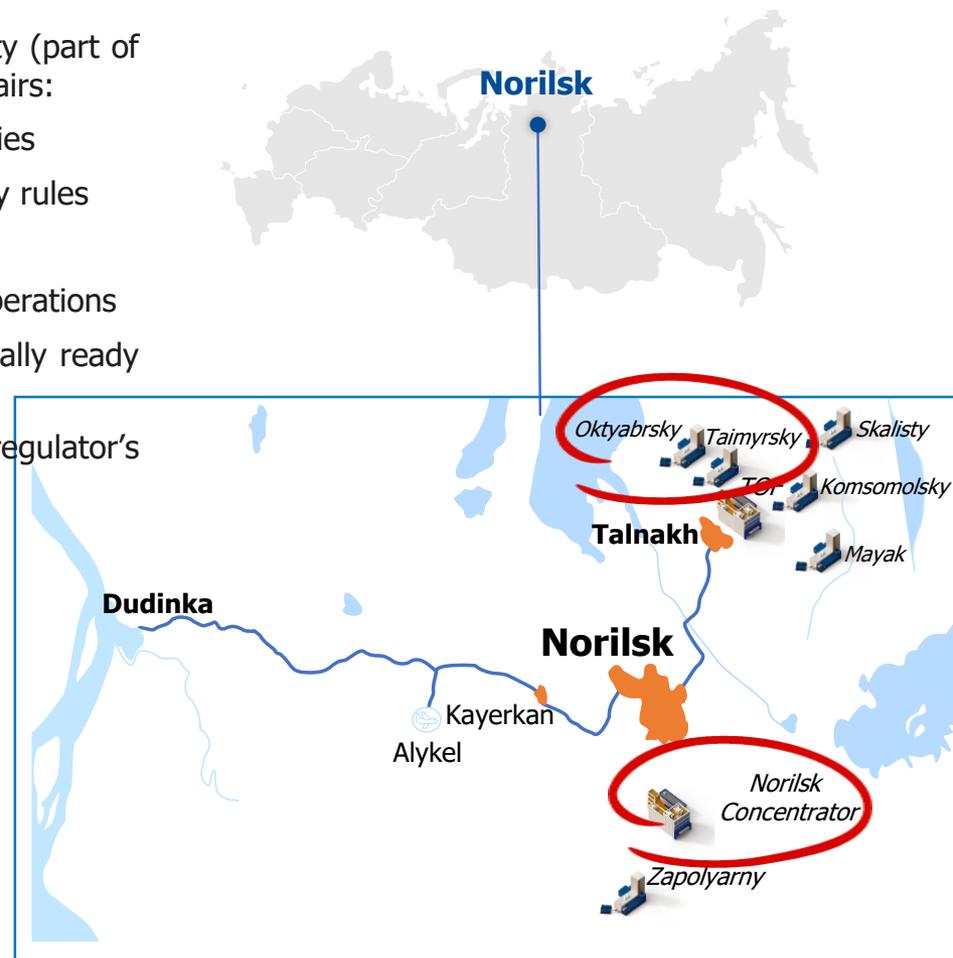
Update on Selected Recent Developments

Norilsk Concentrator

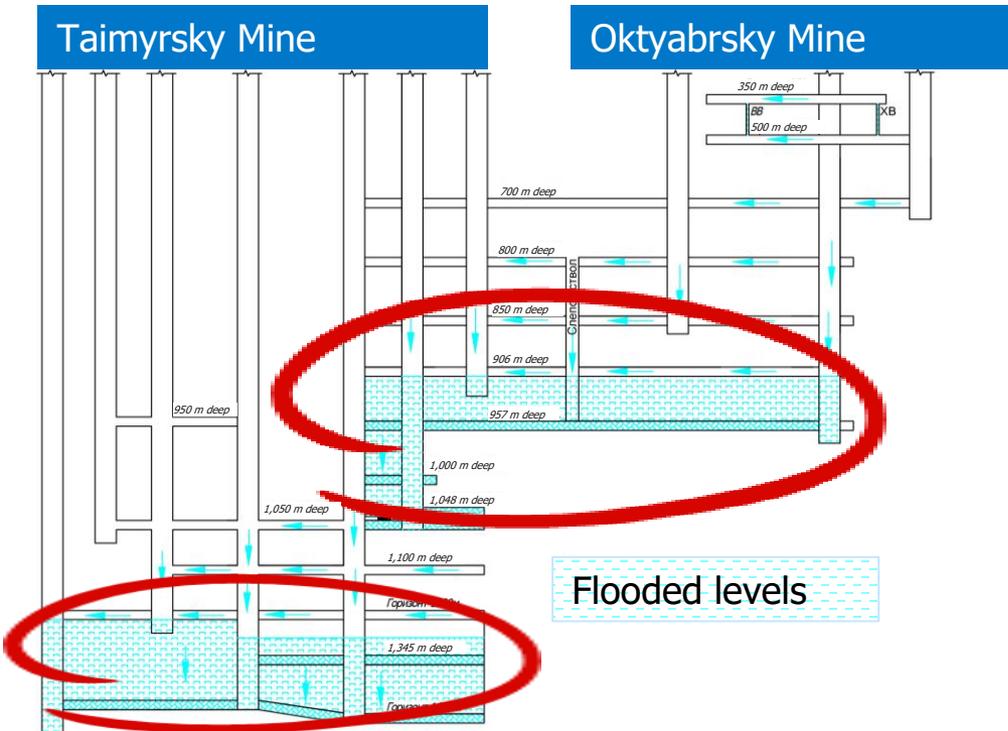
- **February 20th** – the building of the ore reloading facility (part of disseminated ore processing circuit) collapsed during repairs:
 - ✓ Three employees died and three more sustained injuries
 - ✓ The accident occurred due to gross violations of safety rules
 - ✓ There was no adverse impact on the environment
- **March 15th** – after repairs the copper circuit resumed operations
- **April 15th** – the disseminated ore circuit will be technically ready to resume operations
 - ✓ The decision to relaunch will be made upon the regulator's (Rostekhnadzor) inspection and internal audit

Oktyabrsky and Taimyrsky mines

- **February 24th** – the two mines were temporary suspended due to the increased inflow of groundwater
- **March 13th** – the first phase of the plan (installation of a cofferdam and backfilling neighboring workings) was completed
- **March 25th** – the second phase was completed: additional cofferdams were installed; all of the adjacent workings were filled with backfill mix
- **March 27th** – water inflow was stopped by shutting off the gate valves
- **April-June** – the third phase: pumping out of water, mining operations to gradually restore



Base Case Scenario: Oktyabrsky and Taimyrsky Mines Expected to Resume Operations within 3-4 Months

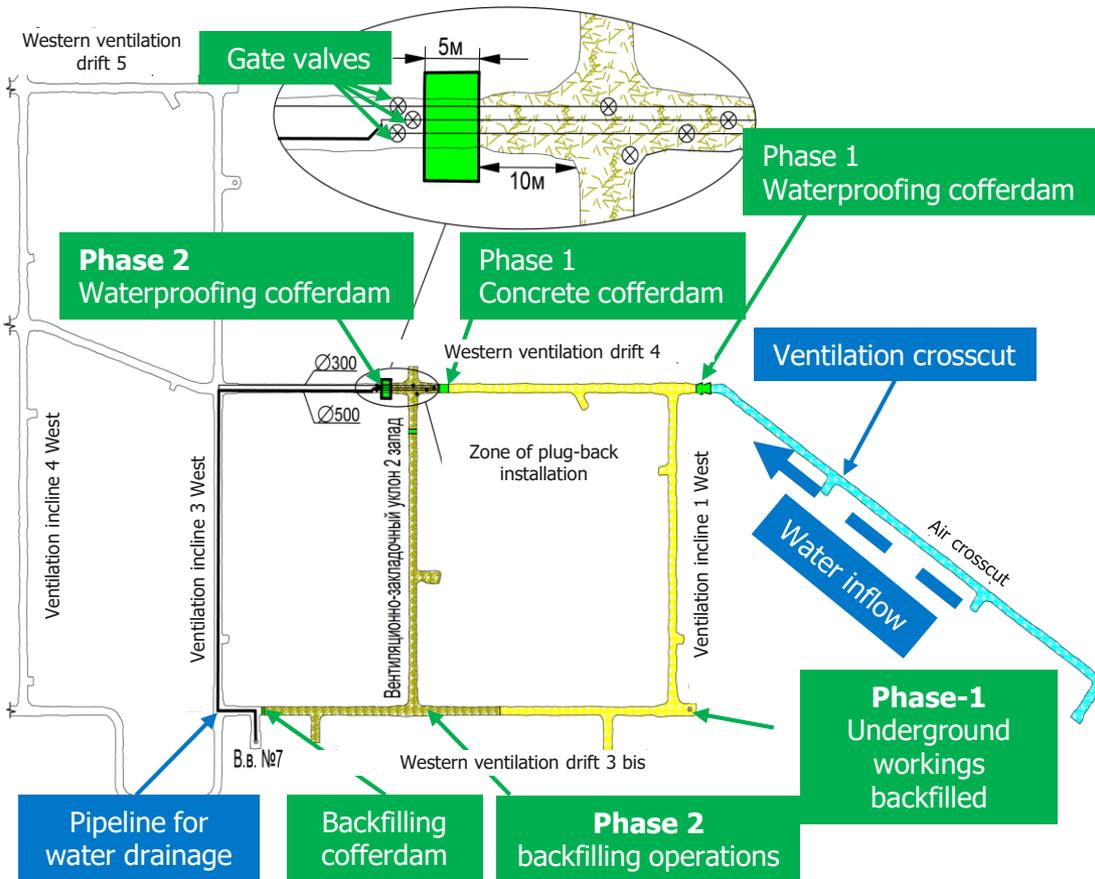


- ✓ **Oktyabrsky Mine (5 mtpa)** mines rich, cuprous and disseminated ores
- ✓ **Taimyrsky Mine (4.3 mtpa)** mines rich ores
- ✓ The water inflow has been stopped in the ventilation crosscut; backfilling it as well as neighboring workings, has not materially affected ore reserves
- ✓ All equipment has been removed/transferred to safe locations
- ✓ Total volume of water accumulated in underground workings by March 26th was preliminary estimated at 1.8 mln m³
- ✓ Water pumping is conducted by 4 pipelines with a total throughput of 2,600 m³ per hour

Timeline for the gradual recovery of mining operations:

- ✓ **Oktyabrsky Mine** – mid April-May
- ✓ **Taimyrsky Mine** – within a month starting from the beginning of June

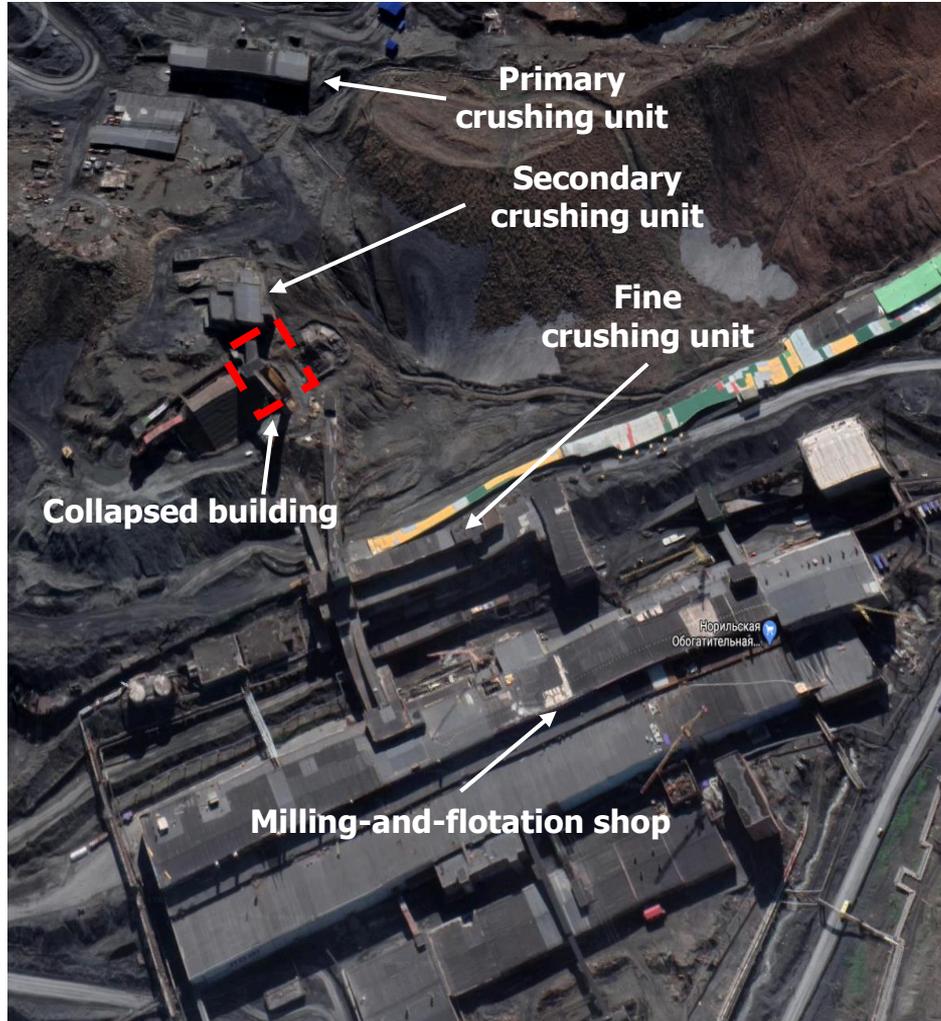
Oktyabrsky Mine: Containment of Water Inflow at the -350 m Level



- ✓ **February 12th** – during tunnelling operations, natural groundwater inflow was detected at the -350m level
- ✓ **March 1st** – a concrete two-section waterproof cofferdam was installed at the ventilation crosscut of the -350m horizon at the Oktyabrskiy mine with drainage pipes and high-pressure shut-off valves for water discharge and water control
- ✓ **March 4-9** – adjacent underground workings were backfilled with hardening mixtures
- ✓ **March 13th** – Phase-1 completed: a waterproofing cofferdam was installed, the backfill mixture hardened and water was drained
- ✓ **March 25th** – the second phase was completed: additional cofferdams were installed, all of the adjacent workings were filled with backfill mix, and water release launched
- ✓ **March 27th** – the gate valves were shut, water inflow was stopped
- ✓ Total volume of concrete backfilled of approximately **32 kt** (Phase 1 -16kt, Phase 2 -16kt)

Norilsk Concentrator Overview

Norilsk Concentrator Layout



- **Total throughput in 2021 (plan) – 9.2 mtpa, including:**
 - ✓ Disseminated ore circuit of 5.2 mtpa
 - ✓ Cuprous ore circuit of 4.0 mtpa
- **Feedstock processed:**
 - ✓ Disseminated ores mined at Norilsk-1 Deposit by Zapolyarny Mine (South Cluster project)
 - ✓ Disseminated and cuprous ores mined at Oktyabrskoye and Talnakh deposits by Mayak, Oktyabrsky and Komsomolsky mines
 - ✓ Tailing of the Copper Plant
- **The accident took place at the disseminated ore circuit.** As the result of the building collapse:
 - ✓ Secondary crushing unit and crushed ore warehouse have been decommissioned
 - ✓ Primary crushing unit was temporarily suspended, as a result of which processing of disseminated ores from the Zapolyarny open pit and Mayak and Komsomolsky mines have stopped

Overview of the Accident at Norilsk Concentrator

Before the accident



After the accident



- **Accident:** on February 20th, the building of the ore reloading facility, secondary crushing unit, collapsed during repairs
- **Preliminary causes of the accident:**
 - ✓ Gross violations of safety rules
 - ✓ Safety instructions of the repair works were not followed and operation of the building, which was in critical technical condition, was continued
 - ✓ Free passage of repair and maintenance staff to the site of work through a dangerous area was allowed
- **Immediate response:**
 - ✓ Comprehensive technical expert assessment of buildings and structures of the ore crushing shop
 - ✓ Update on safe walkways within the ore crushing shop, of which all employees of Norilsk Concentrator have been notified
- **Accelerated upgrade and technical audit:**
 - ✓ Processing of disseminated ores suspended from February 22nd, processing of cuprous ores suspended from March 9th
- **On March 15th, processing of cuprous ores resumed**
- Completion of repairs and upgrade of the disseminated circuit is scheduled **from April 15th**.
 - ✓ The decision to relaunch will be made jointly with the regulator (Rostekhnadzor) upon technical inspection