



PRESS RELEASE

NORNICKEL

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

NORNICKEL ANNOUNCES CONSOLIDATED PRODUCTION RESULTS FOR 9 MONTHS OF 2020

Moscow, 19 October, 2020 – Nornickel, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper, announces preliminary consolidated production results for the third quarter and nine months of 2020.

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

«I would like to reiterate that reduction of environmental footprint remains our strategic priority and we continue our efforts to cardinally improve the ecological situation in the regions of our operations.

In the Kola division, we are planning to shut down smelting facilities by the end of this year, that should lead to a dramatic reduction of sulfur dioxide emissions. In addition, we are launching modernization of copper production, moving to a more eco-friendly 'roasting-leaching-electrowinning' technology and also increasing capacity to 200 ktpa of copper.

The Company has already achieved a material progress in the clean-up of the fuel spill incident in Norilsk. Currently, we have completed the collection of contaminated soil from the area around the HPP-3 and started the rehabilitation of the damaged land and vegetation, which continued until the first snowfalls. All the water-fuel mixture, which was collected from the Ambarnaya river, has been pumped using a temporary pipeline to a site at Norilsk and afterwards separated into industrial water and fuel. This industrial water will be used in our operations. We have also installed new sorbent booms at the Ambarnaya river, which will be replaced after ice melting in the spring of 2021.

Nornickel is continuing its analysis of the most efficient technological solutions to recycle the contaminated soil and to restore the disturbed ecosystem in close cooperation with all stakeholders.

Great Norilsk Expedition comprised of 30 scientists from 14 leading research institutes of the Siberian Branch of Russian Academy of Sciences has completed its fieldwork in Norilsk region. After carrying out an analysis of samples of water, soil and living organisms collected in the region, the scientists will publish a report providing an independent assessment of the fuel spill impact on environment and recommendations for most efficient rehabilitation of the disturbed area.

I would like to emphasize that our fight against the spread of the COVID-19 is ongoing and that [the Company is taking maximum precautions to protect the health and safety of its employees.](#) The situation is kept well under control and has not had any material impact on our operations.

In the third quarter, nickel and palladium output increased 8% quarter-on-quarter owing to the scheduled ramp-up of the new chlorine leaching technology at our Kola nickel refining shop. At the same time, PGMs production at Kola division increased by more than 30%.

Nickel production in 9 months of 2020 was unchanged year-on-year, while copper and PGMs output were somewhat lower. Reduction of PGMs production was due to a high base effect of 9M2019, when large volumes of earlier accumulated work-in-progress inventory were processed, while copper output decreased due to lower processed volumes of concentrate, which was purchased from Rostec, due to depletion of its stockpile.

At the same time, Bystrinsky GOK continued to ramp-up to its designed capacity, having increased production of copper in concentrate by almost 50% year-on-year.

Taking into account the nine months operating results, the Company has everything in place to meet its guidance for FY2020».

NORNICKEL GROUP

Nickel

In 3Q2020, consolidated nickel production increased 8% quarter-on-quarter (q-o-q) to **60 kt**, almost all of which were produced from the Company's own Russian feed (59 kt, +7% q-o-q). The growth was attributed to the gradual ramp-up of nickel refinery at Kola MMC using new chlorine-leaching technology and production of nickel concentrate for sale.

In 9M2020, total nickel output was almost flat year-on-year (y-o-y) amounting to **168 kt**, with almost all of which produced from the Company's own Russian feed (166 kt, +1% y-o-y).

In 9M2020, as part of strategic diversification of sales into premium products, Nornickel increased carbonyl nickel production 34% y-o-y to 3.6 kt.

Copper

In 3Q2020, consolidated copper production decreased 5% q-o-q to **119 kt**, almost all of which were produced from the Company's own Russian feed. The decline was driven primarily by scheduled repairs at Talnakh concentrator in Polar Division.

In 9M2020, total copper output decreased 4% y-o-y to **359 kt**, with almost all of which produced from the Company's own Russian feed. The decline was attributed to changes in saleable product mix, reallocation of copper intermediates within the Company's divisions and lower processed volumes of concentrate, which was purchased from Rostec, comparing to the previous year.

Bystrinsky GOK continued its ramp-up, having increased the output of copper in concentrate by 48% y-o-y to **46 kt**.

Platinum Group Metals

In 3Q2020, palladium and platinum output amounted to **783 koz** (+8% q-o-q) and **190 koz** (+10% q-o-q), respectively. The increase of PGM output was mostly driven by the start of processing of chlorine-leaching residues in-house at Kola Division (instead of the previous temporary arrangement, whereby they used to be shipped for processing to Polar division) following the ramp-up of new refining capacities at Kola MMC.

In 9M2020, palladium and platinum output amounted to **2,053 koz** (-9% y-o-y) and **513 koz** (-7% y-o-y), respectively. The decrease of PGMs was attributed mostly to a high base effect of 9M2019, when Krasnoyarsk Precious Metals Plant processed earlier accumulated work-in-progress inventory.

RUSSIAN OPERATIONS

In **9M2020**, all saleable metals were produced by the Company's Russian operations from their own feed.

Nickel

In 3Q2020, nickel output at Kola MMC increased 21% y-o-y to **48 kt**. The increase was attributed to the scheduled ramp-up of nickel refinery at Kola MMC operating new chlorine-leaching technology as well as higher production of nickel concentrate for sale. **In 9M2020**, Kola MMC increased its nickel output by 1% y-o-y to **122 kt**, which included 10 kt of nickel in concentrate for sale (an increase of 128% y-o-y).

Copper

In 3Q2020, copper output at the Company's operations in Russia amounted to **118 kt** (-4% q-o-q). The decreased was mostly driven by scheduled repairs at Talnakh concentrator.

In 9M2020, total copper output decreased 1% y-o-y to **357 kt**. The minor decline was attributed to changes in saleable product mix, reallocation of copper intermediates within the Company's

divisions and lower processed volumes of concentrate, which was purchased from Rostec, comparing to the previous year.

Bystrinsky Project increased its copper in concentrate production by 48% y-o-y to **46 kt**.

Platinum Group Metals

In **3Q2020**, the Company's Russian operations produced **780 koz** (+9% q-o-q) of palladium and **190 koz** (+11% q-o-q) of platinum. The growth of PGMs was attributed mostly to the start of processing of chlorine-leaching residues in-house at Kola Division (as a previous temporary arrangement, whereby they used to be shipped for processing to Polar division, was canceled) following the ramp-up of new refining capacities at Kola MMC.

In **9M2020**, palladium and platinum output amounted to **2,044 koz** (-7% y-o-y) and **511 koz** (-6% y-o-y), respectively. The decrease of PGMs output was attributed mostly to a high base effect of 2019, when Krasnoyarsk Precious Metals Plant processed earlier accumulated work-in-progress inventory.

NORILSK NICKEL HARJAVALTA (FINLAND)

Nickel

In **3Q2020**, nickel production at Norilsk Nickel Harjavalta decreased 23% q-o-q to **13 kt** driven by change in the maintenance schedule, with the scheduled repairs rescheduled from May to August. In **9M2020**, nickel output was almost flat (-1% y-o-y) at **46 kt**.

Copper

In **3Q2020**, copper output at Norilsk Nickel Harjavalta amounted to **253 t** (a 5-fold decrease q-o-q). In **9M2020**, total copper output decreased 86% y-o-y to approximately **2 kt**. 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.

Platinum Group Metals

In **3Q2020**, output of saleable palladium and platinum (both contained in copper cake) amounted to **3 koz** (-57% q-o-q) and **1 koz** (-38% q-o-q), respectively. In **9M2020**, output of palladium and platinum amounted to **9 koz** (-81% y-o-y) and **2 koz** (-82% 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 **9M2020**, Nkomati (50%-owned by Norilsk Nickel Group) produced **4 kt** of nickel (-12% y-o-y), **2 kt** of copper (-24% y-o-y), **22 koz** of palladium (-14% y-o-y) and **10 koz** of platinum (-10% y-o-y). The decrease in metal production was attributed to an earlier taken decision to put the mine on care and maintenance and depletion of the existing open pit reserves.

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

Production Guidance from the Company's Own Russian Feed 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 GOK (Chita Copper Project) ⁽¹⁾	
Cu, kt	55-65
Au, koz	220-240

Note: (1) Nornickel owns 50.01% of Bystrinsky (Chita Copper) Project. Production results are shown metal in concentrate for sale on 100% basis. Production results are consolidated in total operational results on 100% basis. 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 ¹			3Q 2020	2Q 2020	Q-o-Q	9M 2020	9M 2019	Y-o-Y
Total nickel	t	60,165	55,831	8%	167,753	166,948	0%	
including from own Russian feed	t	59,414	55,438	7%	165,985	164,446	1%	
Total copper	t	118,674	124,926	-5%	358,587	371,971	-4%	
including from own Russian feed	t	118,623	124,909	-5%	358,446	371,714	-4%	
Total palladium	koz	783	722	8%	2,053	2,253	-9%	
including from own Russian feed	koz	782	722	8%	2,052	2,251	-9%	
Total platinum	koz	190	173	10%	513	553	-7%	
including from own Russian feed	koz	190	173	10%	513	551	-7%	
Polar Division and Kola MMC (Russia)								
Nickel	t	47,483	39,312	21%	121,938	120,513	1%	
Kola MMC, including	t	47,483	39,312	21%	121,938	120,513	1%	
refined Ni from own Russian feed	t	40,879	37,940	8%	112,079	116,180	-4%	
saleable intermediate products from own Russian feed	t	6,604	1,372	381%	9,859	4,333	128%	
from 3d parties feed	t	0	0	-	0	0	-	
Copper	t	102,901	108,611	-5%	311,159	329,305	-6%	
Polar Division	t	85,961	94,251	-9%	262,384	264,970	-1%	
Kola MMC, including	t	16,940	14,360	18%	48,775	64,335	-24%	
Cu cathodes from own Russian feed	t	14,280	13,770	4%	44,990	53,978	-17%	
saleable intermediates from own Russian feed	t	2,660	590	351%	3,785	10,357	-63%	
from 3d parties feed	t	0	0	-	0	0	-	
Palladium	koz	780	716	9%	2,044	2,204	-7%	
Polar Division	koz	330	373	-11%	880	754	17%	
Kola MMC, including	koz	450	343	31%	1,164	1,450	-20%	
from own Russian feed	koz	450	343	31%	1,164	1,450	-20%	
from 3d parties feed	koz	0	0	-	0	0	-	
Platinum	koz	190	172	11%	511	542	-6%	
Polar Division	koz	81	88	-8%	224	184	22%	
Kola MMC, including	koz	109	83	30%	288	358	-20%	
from own Russian feed	koz	109	83	30%	288	358	-20%	
from 3d parties feed	koz	0	0	-	0	0	-	
Bystrinsky GOK (Russia, Zabaykalsky Krai) ²								
Copper	t	15,520	15,119	3%	45,779	30,926	48%	
Gold	koz	62	58	7%	176	128	38%	
Iron ore concentrate	kt	594	491	21%	1,466	833	76%	
Norilsk Nickel Harjavalta (Finland)								
Nickel, including	t	12,682	16,519	-23%	45,815	46,435	-1%	
from own Russian feed	t	11,931	16,126	-26%	44,047	43,933	0%	
from 3d parties feed	t	751	393	91%	1,768	2,501	-29%	
Copper, including	t	253	1,196	-79%	1,649	11,740	-86%	
from own Russian feed	t	202	1,179	-83%	1,508	11,483	-87%	
from 3d parties feed	t	51	17	200%	141	257	-45%	
Palladium, including	koz	3	6	-57%	9	49	-81%	
from own Russian feed	koz	2	6	-63%	8	46	-82%	
from 3d parties feed	koz	0	0	135%	1	3	-61%	
Platinum, including	koz	1	1	-38%	2	11	-82%	
from own Russian feed	koz	1	1	-52%	2	9	-82%	
from 3d parties feed	koz	0	0	150%	0	2	-81%	
Nkomati (South Africa) ³								
Nickel	t	1,761	1,337	32%	4,387	4,964	-12%	
Copper	t	898	581	55%	2,035	2,688	-24%	
Palladium	koz	9	6	50%	22	26	-14%	
Platinum	koz	4	3	33%	10	11	-10%	

Notes:

1. 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.
2. 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 September 2019.
3. 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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