



**NORNICKEL**

## **PRESS RELEASE**

26 April 2018

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

### **NORILSK NICKEL ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR 1Q 2018**

**Moscow** - PJSC MMC Norilsk Nickel, the largest palladium and refined nickel producer in the world, announces today preliminary consolidated production results for the first quarter 2018.

**First Vice-President, Chief Operating Officer, Sergey Dyachenko commented on the 1Q18 production results:** "As the main phase of our downstream reconfiguration program was completed last year and thus work-in-progress inventory levels got normalized, **the Company increased production of all key metals in the first quarter of this year.** In addition, the Company also actively processed copper concentrate purchased from Rostec. As a result, metal production from the Company's own Russian feed increased **in the first quarter by 8–22% year-on-year.** Furthermore, Norilsk Nickel Harjavalta was almost 100% loaded by the Company's Russian feed. In April 2018, the first batch of copper concentrate, produced during the hot commissioning stage aiming at reaching the project's target parameters at Bystrinsky GOK (Chita Copper Project), was shipped to Chinese customers. We have however reduced the 2018 production targets for the Chita project due to the ramp-up issues at the FLS and Outotec supplied equipment, which we plan to sort out in this quarter. This year, Kola MMC's nickel refining capacity is scheduled for intensive modernization and transition to a new chlorine leaching technology. **Overall, we confirm our 2018 targets for metal production from our own Russian feed."**

#### **Nickel**

**In 1Q18**, consolidated nickel production amounted to **54 kt** increasing 1% year-on-year (y-o-y). Nickel output from the Company's own Russian feed increased 8% y-o-y to **53 kt**. The growth was mainly attributed to the increase in processing volumes of nickel matte shipped from Polar division to Kola MMC and Norilsk Nickel Harjavalta as result of downstream reconfiguration.

#### **Copper**

**In 1Q18**, consolidated copper production increased 18% y-o-y to **112 kt**. Copper output from the Company's own Russian feed increased 22% y-o-y to **112 kt mainly owing to** an increase in processing of metals' concentrate purchased from [Rostec](#).

#### **Platinum Group Metals**

**In 1Q18**, palladium and platinum were produced solely from the Company's own Russian feed, with their volumes increasing 6% y-o-y to **583 koz** and **138 koz**, respectively. The increase of PGM output was mostly due to the lower base effect of the 1Q17, when PGMs work-in-progress inventory was building up. At the same time, in the reported quarter, the output of palladium and platinum from the Company's own Russian feed increased 12% and 17% y-o-y, respectively. In 1Q18, production of PGMs from third party feed was stopped due to the practical suspension of third party feed processing at Norilsk Nickel Harjavalta.

## RUSSIAN OPERATIONS

In **1Q18**, nickel output at Kola MMC increased by a minor 1% y-o-y to **38 kt**, which was driven mostly by the processing of additional volumes of nickel matte shipped from Polar division.

**In 1Q18**, copper output at the Company's operations in Russia increased 18% y-o-y to **107 kt mainly owing to** an increase in processing volumes of metals' concentrate purchased from Rostec.

**In 1Q18**, palladium output in Russia increased 7% y-o-y to **571 koz**, while platinum output was up 8% y-o-y to **136 koz**. The increase of PGM production volumes owed mostly to the lower base effect of the 1Q17, when PGMs work-in-progress inventory was building up.

In 1Q18, almost all saleable metals produced by the Company in Russia were from its own feed.

### NORILSK NICKEL HARJAVALTA (FINLAND)

**In 1Q18**, nickel production at Norilsk Nickel Harjavalta increased 2% y-o-y to **16 kt**, almost all of which were produced from the Company's own Russian feed (16 kt, +21% y-o-y). The small growth was attributed to the increase in processing of Russian feed as result of downstream reconfiguration.

**In 1Q18**, all of the copper produced at Norilsk Nickel Harjavalta was from the Company's own Russian feed and increased 39% y-o-y to **5 kt**. The growth was attributed to the increase in processing of Russian feed as result of downstream reconfiguration.

**In 1Q18**, output of saleable palladium (palladium in copper cake) reduced 18% y-o-y to **12 koz**, while output of saleable platinum (platinum in copper cake) reduced 52% y-o-y to **2 koz**. The decrease of PGM output at Harjavalta owed to the substitution of purchased feed from third parties by the Company's own Russian feed with a lower PGM content.

### NORILSK NICKEL NKOMATI (SOUTH AFRICA)

**In 1Q18**, output at Nkomati (50% Norilsk Nickel owned) reduced and amounted to **2 kt** of nickel, **0.7 kt** of copper, **6 koz** of palladium and **2 koz** of platinum. The decrease from the same period of last year was attributed to a lower ore output and lower metal grades.

### Production guidance from the Company's own Russian feed for 2018:

Metals	Volume
<b>Norilsk Nickel Group (excluding Chita project)</b>	
Ni, kt	210-215
Cu, kt	400-420
Pd, koz	2,630-2,725
Pt, koz	600-650
<b>Bystrinsky (Chita) Copper Project <sup>(1)</sup></b>	
Cu, kt	25-31
Au, koz	90-110

*Note: 1. Norilsk Nickel owns 50.1% of Bystrinsky (Chita Copper) Project. Production results shown on 100% basis and fully consolidated in Company's financial and operational results.*

<b>NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION</b>	<b>1Q 2018</b>	<b>1Q 2017</b>	<b>Y-o-Y, %</b>
<b>TOTAL METAL PRODUCTION<sup>1</sup></b>			
<b>Nickel, t</b>	<b>54,063</b>	<b>53,487</b>	<b>1%</b>
<i>thereof from own Russian feed</i>	53,322	49,454	8%
<b>Copper, t</b>	<b>111,598</b>	<b>94,192</b>	<b>18%</b>
<i>thereof from own Russian feed</i>	111,515	91,739	22%
<b>Palladium, koz</b>	<b>583</b>	<b>549</b>	<b>6%</b>
<i>thereof from own Russian feed</i>	583	521	12%
<b>Platinum, koz</b>	<b>138</b>	<b>130</b>	<b>6%</b>
<i>thereof from own Russian feed</i>	138	118	17%
<b>Polar division and Kola MMC (Russia)</b>			
<b>Nickel, t</b>	<b>37,667</b>	<b>37,423</b>	<b>1%</b>
Kola division	37,667	37,423	1%
<i>thereof from Russian feed</i>	37,182	36,165	3%
<i>thereof from 3d parties feed</i>	485	1,258	-61%
<b>Copper, t</b>	<b>107,012</b>	<b>90,882</b>	<b>18%</b>
Polar division	87,713	71,160	23%
Kola division	19,299	19,722	-2%
<i>thereof from Russian feed</i>	19,216	18,161	6%
<i>thereof from 3d parties feed</i>	83	1,561	-95%
<b>Palladium, koz</b>	<b>571</b>	<b>534</b>	<b>7%</b>
Polar division	152	169	-11%
Kola division	419	365	15%
<i>thereof from Russian feed</i>	419	343	22%
<i>thereof from 3d parties feed</i>	0	21	-100%
<b>Platinum, koz</b>	<b>136</b>	<b>125</b>	<b>8%</b>
Polar division	40	44	-10%
Kola division	96	81	19%
<i>thereof from Russian feed</i>	96	73	32%
<i>thereof from 3d parties feed</i>	0	8	-100%
<b>Norilsk Nickel Harjavalta (Finland)<sup>2</sup></b>			
<b>Nickel, t</b>	<b>16,396</b>	<b>16,064</b>	<b>2%</b>
<i>thereof from Russian feed</i>	16,140	13,289	21%
<b>Copper, t</b>	<b>4,586</b>	<b>3,310</b>	<b>39%</b>
<i>thereof from Russian feed</i>	4,586	2,418	90%
<b>Palladium, koz</b>	<b>12</b>	<b>15</b>	<b>-18%</b>
<i>thereof from Russian feed</i>	12	8	54%
<b>Platinum, koz</b>	<b>2</b>	<b>5</b>	<b>-52%</b>
<i>thereof from Russian feed</i>	2	1	140%
<b>Nkomati (South Africa)<sup>3</sup></b>			
Nickel, t	1,736	2,384	-27%
Copper, t	667	1,109	-40%
Palladium, koz	6	12	-50%
Platinum, koz	2	5	-60%

Notes:

<sup>1</sup> Totals may vary from the sum of numbers as a result of rounding.

<sup>2</sup> Production results include processing of nickel concentrate from Russian feed and purchased materials.

<sup>3</sup> Metal in concentrate for sale assuming 50% ownership. Nkomati's performance is reflected in financial results using proportional consolidation according to our stake and not reflected in other totals.

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 refined nickel and palladium and a leading producer of platinum, cobalt, copper and rhodium. The company also produces gold, silver, iridium, selenium, ruthenium and tellurium.

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 trade over the counter in the US and on the London and Berlin Stock Exchanges.

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