



NORNICKEL

PRESS RELEASE

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

NORNICKEL ANNOUNCES PRODUCTION RESULTS FOR 4Q AND FY2020

Moscow, 29 January, 2021 – 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 fourth quarter and the full year of 2020 and reiterates its production outlook for the full year 2021.

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

«**The Company fully met its 2020 production guidance** despite some unprecedented environmental and epidemiological challenges.

Total **nickel output came in line, while platinum group metals production exceeded the guidance** owing mainly to productivity improvements and successful ramp-up of the refining shop at Kola MMC after its upgrade to a new chlorine leaching technology.

Copper output was also within the guidance driven by the scheduled ramp-up of Bystrinsky (Chita) project that reached its design capacity for all metals in 4Q 2020.

Nornickel has achieved a material progress in the clean-up of the fuel spill incident in Norilsk. By now [we have completed the main phase of the clean-up](#). We continue developing the most effective approach for the rehabilitation of the contaminated soil and restoration of the damaged ecosystem in close cooperation with all stakeholders.

In the second half of the last year, a unique Great Norilsk Expedition, which was comprised of 30 scientists from 14 leading research institutes of the Siberian Branch of Russian Academy of Sciences, completed its fieldwork in the Norilsk region. Based on the results of the research, [a report was published](#) providing an independent assessment of the fuel spill impact on the local environment and recommendations for the most efficient rehabilitation of the disturbed area.

Reduction of the Company’s environmental impact remains our absolute strategic priority and we reiterate our commitment to radically improve the environmental situation in the regions of our operations.

In particular, in December 2020, smelting facilities of Kola MMC located in the town of Nickel in Russia’s Murmansk region, [were shut down as scheduled](#). As a result, sulphur dioxide emissions at the cross-border area with Norway have been completely eliminated, while overall sulphur dioxide emissions at Kola MMC were down by more than 50% in 2020 and should reduce by 85% in 2021 comparing to 2015 level.

Finally, I would like to highlight that Nornickel is making all necessary arrangements to [protect the health and safety of its employees from the impact of COVID-19](#). The epidemiological situation at our operating sites remains well under control, with the epidemic not having any material impact on Company’s operations.

We reiterate our production guidance from own Russian feed for FY2021 as announced at [the Capital Markets Day in December 2020](#)».

NORILSK NICKEL GROUP

Nickel

In 4Q20, consolidated nickel production increased 13% quarter-on-quarter (q-o-q) to **68 kt**, almost all of which were produced from the Company's own Russian feed (67 kt, +12 q-o-q). The growth was attributed to the gradual ramp-up of nickel refinery at Kola MMC, which is using new chlorine-leaching technology, increase of production of nickel concentrate for sale and a low base effect of the previous quarter, when Norilsk Nickel Harjavalta refinery was undergoing annual scheduled maintenance and repairs.

In 2020, consolidated nickel production increased 3% year-on-year (y-o-y) to **236 kt** primarily owing to increase in production of nickel concentrate for sale at Kola MMC and higher processing volumes of the Company's Russian feed at Norilsk Nickel Harjavalta.

Nickel output from the Company's own Russian feed amounted to **233 kt**, near the top end of the **225-235 kt** production guidance for 2020.

Copper

In 4Q20, consolidated copper production increased 8% q-o-q to **129 kt**, almost all of which were produced from own Russian feed. The growth was attributed to increased mined ore volumes at the Polar Division, expansion of copper production and higher copper grades at Bystrinsky (Chita) Project and shipment of copper cake from Norilsk Nickel Harjavalta to Boliden.

In 2020, consolidated copper production decreased 2% y-o-y to **487 kt**. 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.

Copper output from the Company's own Russian feed (excluding Bystrinsky project) amounted to **424 kt**, which was in line with **420-440 kt** production guidance range for 2020. Copper output at Bystrinsky GOK increased 44% y-o-y to **63 kt**, which was at the top end of the **60-63 kt** production guidance for the asset.

Platinum Group Metals

In 4Q20, palladium and output reduced 1% q-o-q to **773 koz** and 5% q-o-q to **182 koz**, respectively, almost all of which were produced from the Company's own Russian feed. The decrease of PGMs output was attributed to the commissioning of the new precious metals concentrate production line at the metallurgical shop of Kola MMC and termination of temporary processing of chlorine leaching residues at the facilities of the Polar Division.

In 2020, palladium and platinum output reduced 3% y-o-y to **2,826 koz** and 1% y-o-y to **695 koz**, respectively, owing to the commissioning of the new precious metals concentrate production line at the metallurgical shop of Kola MMC, as well as high base effect of 2019, when Krasnoyarsk Precious Metals Plant processed earlier accumulated work-in-progress inventory.

In 2020, palladium and platinum output from the Company's own Russia feed amounted to **2,820 koz** and **693 koz**, respectively, which was above the production targets **for palladium of 2,648-2,777 koz and 611-675 koz for platinum**.

RUSSIAN OPERATIONS

In 2020, all saleable metals produced by the Company's Russian operations were from their own feed.

Nickel

In 4Q20, nickel output at Kola MMC increased 6% q-o-q to **50 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 2020, Kola MMC's nickel production increased 4% y-o-y to **172 kt**, including **18 kt** (+41% y-o-y) of nickel concentrate for sale to third parties. As part of strategic diversification of sales into premium products, carbonyl nickel production at Kola MMC increased 2% y-o-y to **4 kt**.

Copper

In 4Q20, copper output at the Company's operations in Russia increased 8% q-o-q to **128 kt**, owing to the increase in mined ore volumes at Polar Division, as well as the ramp-up of Bystrinsky (Chita) Project and higher mined copper grades there.

In 2020, the Company's copper output in Russia remained practically unchanged at **485 kt**, including **63 kt** in copper concentrate (+44% y-o-y) of Bystrinsky (Chita) Project .

Platinum Group Metals

In 4Q20, the Company's palladium and platinum output in Russia reduced 2% q-o-q to **766 koz** and 5% q-o-q to **180 koz**, respectively. Lower production was attributed to the start of processing of chlorine-leaching residues in-house at Kola Division following the ramp-up of new precious metals concentrate production line at the metallurgical shop at Kola MMC and termination of temporary processing of chlorine leaching residues at the facilities of the Polar Division.

In 2020, palladium and platinum output reduced 2% y-o-y to **2,809 koz** and increased marginal 0,2% y-o-y to **691 koz**, respectively. The decrease in palladium production and an insignificant increase in platinum production were attributed to the ramp-up of the new precious metals concentrate production line at the metallurgical shop at Kola MMC, where precious metal concentrates are produced from residues of chlorine leaching, the feed coming from the new chlorine leaching nickel refinery at Kola MMC. During the ramp-up phase, concentrates of precious metals, which were produced at Kola MMC, were shipped for processing to Polar Division, which led to increase of work-in-progress materials in transit. Another reason for palladium production being small down y-o-y was the high base effect of 2019, when Krasnoyarsk Precious Metals Plant processed earlier accumulated work-inprogress inventory.

NORILSK NICKEL HARJAVALTA (FINLAND)

Nickel

In 4Q20, Norilsk Nickel Harjavalta increased its nickel production 38% q-o-q to **18 kt**, primarily due to a low base effect of the previous quarter, when the refinery was undergoing scheduled repairs and maintenance.

In 2020, Harjavalta increased its nickel output 1% y-o-y to **63 kt** owing to a slight increase in volumes of Russian feed shipped for processing.

Copper

In 4Q20, Norilsk Nickel Harjavalta increased copper output 3-fold to **841 t**, which was driven by the deliveries of copper cake to Boliden to meet contractual obligations.

In 2020, copper output at Harjavalta decreased 81% y-o-y to just over **2 kt**, owing to the shipment of copper cake to Copper Plant of the Polar Division for further refining.

Platinum Group Metals

In 4Q20, Harjavalta's output of saleable palladium and platinum (both contained in copper cake) amounted to **7 koz** (a 3-fold increase q-o-q) and **2 koz** (a 2- fold increase q-o-q), respectively. The increase was attributed to the deliveries of copper cake to Boliden to meet contractual obligations.

In 2020, Harjavalta's output of palladium and platinum reduced 69% y-o-y to **17 koz** and 68% y-o-y to **4 koz**, respectively, due to shipment of copper cake (containing PGMs) to Copper Plant of the Polar Division for further refining.

NKOMATI (SOUTH AFRICA) (*)

In 2020, Nkomati (50% - owned by Norilsk Nickel) produced **6 kt** of nickel (-10% y-o-y), **3 kt** of copper (-16% y-o-y), **30 koz** of palladium (-8% y-o-y) and **13 koz** of platinum (-8% y-o-y). The decrease in metal production was attributed to the mine being put on care and maintenance as scheduled 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 Russian feedstock for 2021:

Metal	Volume
Norilsk Nickel Group (excluding Chita)	
Ni, kt	220-230
Cu, kt	390-410
Pd, koz	2,715-2,843
Pt, koz	647-711
Bystrinsky (Chita) Copper Project ⁽¹⁾	
Cu, kt	65-70
Au, koz	230-240

Note: 1. 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 2019.

NORILSK NICKEL GROUP SALEABLE METALS PRODUCTION ¹		4Q 2020	3Q 2020	Q-o-Q	FY 2020	FY 2019	Y-o-Y
Total nickel	t	67,956	60,165	13%	235,709	228,687	3%
including from own Russian feed	t	66,547	59,414	12%	232,532	225,204	3%
Total copper	t	128,598	118,674	8%	487,186	499,119	-2%
including from own Russian feed	t	128,369	118,623	8%	486,816	498,838	-2%
Total palladium	koz	773	783	-1%	2,826	2,922	-3%
including from own Russian feed	koz	769	782	-2%	2,820	2,919	-3%
Total platinum	koz	182	190	-5%	695	702	-1%
including from own Russian feed	koz	180	190	-5%	693	700	-1%
Polar Division and Kola MMC (Russia)							
Nickel	t	50,419	47,483	6%	172,357	166,265	4%
Kola MMC, including	t	50,419	47,483	6%	172,357	166,265	4%
refined Ni from own Russian feed	t	42,323	40,879	4%	154,402	153,558	1%
saleable intermediate products from own Russian feed	t	8,096	6,604	23%	17,955	12,707	41%
from 3d parties feed	t	0	0	-	0	0	-
Copper	t	110,872	102,901	8%	422,031	442,682	-5%
Polar Division	t	89,029	85,961	4%	351,413	355,706	-1%
Kola MMC, including	t	21,843	16,940	29%	70,618	86,976	-19%
Cu cathodes from own Russian feed	t	19,741	14,280	38%	64,731	75,093	-14%
saleable intermediates from own Russian feed	t	2,102	2,660	-21%	5,887	11,883	-50%
from 3d parties feed	t	0	0	-	0	0	-
Palladium	koz	766	780	-2%	2,809	2,868	-2%
Polar Division	koz	300	330	-9%	1,180	1,042	13%
Kola MMC, including	koz	466	450	4%	1,630	1,826	-11%
from own Russian feed	koz	466	450	4%	1,630	1,826	-11%
from 3d parties feed	koz	0	0	-	0	0	-
Platinum	koz	180	190	-5%	691	690	0,2%
Polar Division	koz	78	81	-4%	302	251	20%
Kola MMC, including	koz	102	109	-6%	390	439	-11%
from own Russian feed	koz	102	109	-6%	390	439	-11%
from 3d parties feed	koz	0	0	-	0	0	-
Bystrinsky GOK (Russia, Zabaykaysky Krai) ²							
Copper	t	16,885	15,520	9%	62,664	43,489	44%
Gold	koz	65	62	5%	241	177	36%
Iron ore concentrate	kt	580	594	-2%	2,046	1,311	56%
Norilsk Nickel Harjavalta (Finland)							
Nickel, including	t	17,537	12,682	38%	63,352	62,422	1%
from own Russian feed	t	16,128	11,931	35%	60,175	58,939	2%
from 3d parties feed	t	1,409	751	88%	3,177	3,482	-9%
Copper, including	t	841	253	232%	2,491	12,948	-81%
from own Russian feed	t	612	202	203%	2,121	12,667	-83%
from 3d parties feed	t	229	51	349%	370	281	32%
Palladium, including	koz	7	3	182%	17	54	-69%
from own Russian feed	koz	3	2	19%	11	51	-79%
from 3d parties feed	koz	5	0	1076%	6	3	115%
Platinum, including	koz	2	1	144%	4	12	-68%
from own Russian feed	koz	0	1	-93%	2	9	-83%
from 3d parties feed	koz	2	0	736%	2	2	-4%
Nkomati (South Africa) ³							
Nickel	t	1,452	1,761	-18%	5,839	6,485	-10%
Copper	t	842	898	-6%	2,877	3,419	-16%
Palladium	koz	8	9	-11%	30	33	-8%
Platinum	koz	3	4	-25%	13	14	-8%

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 2019.
3. 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. The mine will be put on care and maintenance as part of the asset conservation plan scheduled for completion by 2021.

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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