



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")

NORNICKEL ANNOUNCES PRELIMINARY CONSOLIDATED PRODUCTION RESULTS FOR FY2019 AND REITERATES PRODUCTION OUTLOOK FOR 2020

Moscow - PJSC MMC Norilsk Nickel the world's largest 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 2019 and reiterates its production outlook for the full year 2020.

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

«**In 2019, the Company increased the output of all key metals** as a result of improved operating efficiency, optimization of production flow and ongoing ramp-up of Bystrinsky project.

Total nickel output increased 5% year-on-year to 229 kt owing to the ramp-up of the refining shop operating new chlorine leaching technology and expansion of carbonyl nickel production capacity at Kola MMC. **Total copper output increased 5% year-on-year to a record of 499 kt** driven by improved operating efficiency, increased mined ore volumes and higher copper grades at Talnakh mines as well as the ramp-up of Bystrinsky (Chita) project that was fully commissioned in September 2019. **Palladium and platinum output increased 7% and 8% year-on-year to 2.9 moz and 0.7 moz**, respectively, owing primarily to the release of work-in-progress inventory.

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

NORILSK NICKEL GROUP

Nickel

In 4Q19, consolidated nickel production increased 8% quarter-on-quarter (q-o-q) to **62 kt**, almost all of which was produced from own Russian feed. The growth was attributed to increase in production of nickel concentrate for sale to third parties and expansion of carbonyl nickel production capacity at Kola MMC.

In 2019, consolidated nickel production increased 5% year-on-year (y-o-y) to **229 kt**. The growth was attributed to gradual ramp-up of nickel refinery operating new chlorine-leaching technology, the expansion of carbonyl nickel production as well as the launch of low-grade nickel concentrate production for the sale to third parties at Kola MMC and more third party feed processed at Norilsk Nickel Harjavalta.

Nickel output from the Company's own Russian feed amounted to **225 kt** in line with the top end of the **220-225 kt** production guidance for 2019.

Copper

In 4Q19, consolidated copper production increased 5% q-o-q to **127 kt**, almost all of which was produced from own Russian feed. The growth owed to higher copper grades in mined ore at Polar Division and the ramp-up of Bystrinsky (Chita) project.

In 2019, consolidated copper production increased 5% y-o-y to a record of **499 kt**. The growth was driven by the ramp up of Bystrinsky (Chita) Project, increased mined ore volumes and higher

copper grades at Talnakh mines as well as increased copper concentrate and copper cathodes production at Kola MMC from the matte received from Polar Division.

Copper output from the Company's own Russian feed (excluding Bystrinsky project) amounted to **455 kt**, slightly above the **430-450 kt** production guidance range for 2019. Copper output at Bystrinsky GOK amounted to **43 kt**, which was in line with the **40-46 kt** production guidance for the asset.

Platinum Group Metals

In 4Q19, palladium and platinum output amounted to **669 koz** (-7% q-o-q) and **149 koz** (-9% q-o-q), respectively. The decrease of PGMs output was scheduled and attributed to the commissioning of the new precious metals concentrate production line at the metallurgical shop at Kola MMC and trial shipments of copper cake (containing precious metals) from Norilsk Nickel Harjavalta for further processing at Polar Division.

In 2019, palladium and platinum output amounted to **2,922 koz** (+7% y-o-y) and **702 koz** (+8% y-o-y), respectively. The increase of PGMs output was attributed to the release of work-in-progress inventory at Krasnoyarsk Precious Metals Refinery and processing of the feed purchased from third parties at Norilsk Nickel Harjavalta.

Overall, in 2019 PGMs output from the Company's own Russia feed was above the production targets **for palladium of 2,770-2,800 koz and 646-670 koz for platinum.**

RUSSIAN OPERATIONS

In 2019, all saleable metals produced by the Company's Russian operations were from their own feed.

Nickel

In 4Q19, nickel output at Kola MMC increased 13% q-o-q to **46 kt**. Substantial increase of nickel output in 4Q19 was attributed to increase in production of nickel concentrate for sale to third parties and expansion of carbonyl nickel production capacity at Kola MMC to 1.7 kt (4-fold growth q-o-q).

In 2019, the Company's nickel output in Russia increased 5% y-o-y to **166 kt**. The growth was primarily attributed to the gradual ramp-up of nickel refinery operating new chlorine-leaching technology, expansion of carbonyl nickel production at Kola MMC to 4.4 kt (+75% y-o-y) and the launch of low-grade nickel concentrate production for the sale to third parties at Kola MMC.

Copper

In 4Q19, copper output at the Company's operations in Russia increased 6% q-o-q to **126 kt**. The growth was attributed to the increase in mined ore volumes and higher copper grades at Polar Division, increased processing volumes of copper concentrate received from Kola MMC and copper cake received from Norilsk Nickel Harjavalta at the Polar Division's Copper Plant as well as the ramp-up of Bystrinsky (Chita) Project.

In 2019, the Company's Russian operations increased copper output 7% y-o-y to **486 kt**. The growth was attributed to the gradual ramp-up of Bystrinsky (Chita) Project as well as higher volumes of copper concentrate produced for the sale to third parties and copper cathodes from the matte received from the Polar Division at Kola MMC.

Bystrinsky Project was ramping-up on schedule, having increased production more than two-fold y-o-y to **43 kt** of copper in copper concentrate.

Platinum Group Metals

In 4Q19, the Company's palladium and platinum output in Russia amounted to **664 koz** (-6% q-o-q) and **148 koz** (-8% q-o-q), respectively. Lower production was attributed to the commissioning of the new precious metals concentrate production line at the metallurgical shop at Kola MMC. The new precious metals production line at Kola MMC has been launched as part of nickel refinery upgrade to a new nickel electrowinning technology, whereby precious metal concentrates will be produced from residue of chlorine leaching.

In 2019, palladium and platinum output amounted to **2,868 koz** (+7% y-o-y) and **690 koz** (+8% y-o-y), respectively. The PGM production volumes increased primarily owing to processing of work-in-progress inventory.

NORILSK NICKEL HARJAVALTA (FINLAND)

Nickel

In 4Q19, nickel production at Norilsk Nickel Harjavalta decreased 5% q-o-q to **16 kt**. The decrease was a result of a three days-long production stoppage in November 2019 due to a scheduled «solidarity» strike in Finland in support of postal workers.

In 2019, nickel output at Harjavalta increased 3% y-o-y to **62 kt**. The increase was attributed to higher volumes of nickel feed received from Boliden for further processing.

Copper

In 4Q19, copper output at Norilsk Nickel Harjavalta decreased 69% q-o-q to **1kt**. The decrease was attributed to a trial shipment of copper cake from Norilsk Nickel Harjavalta to Copper Plant of the Polar Division for further refining, while the copper cake was previously sold to third parties.

In 2019, copper output at Harjavalta decreased 28% y-o-y to **13 kt**. The reduction was owing to the trial shipment of copper cake from Norilsk Nickel Harjavalta to Copper Plant of the Polar Division for further refining and the high base effect of the previous year, when work-in-progress concentrate was processed.

Platinum Group Metals

In 4Q19, output of saleable palladium and platinum (both contained in copper cake) amounted to **5 koz** (down 64% q-o-q) and **1 koz** (down 73% q-o-q), respectively. The reduction was attributed to the trial shipment of copper cake containing precious metals from Norilsk Nickel Harjavalta to Copper Plant of the Polar Division for further refining.

In 2019, output of palladium and platinum amounted to **54 koz** (-8% y-o-y) and **12 koz** (+5% y-o-y), respectively. The decrease in palladium production was attributed to the trial shipment of copper cake from Norilsk Nickel Harjavalta to Copper Plant of the Polar Division for further refining.

NKOMATI (SOUTH AFRICA) (*)

In 2019, output at Nkomati (50% - owned by Norilsk Nickel) amounted to **6 kt** of nickel (-2% y-o-y), **3 kt** of copper (+12% y-o-y), **33 koz** of palladium (-1% y-o-y) and **14 koz** of platinum (+6% y-o-y). The decrease in nickel and palladium output and increase in copper and platinum output in the reported period was attributed to a change in the mined ore mix and launched scale down of production as part of the asset conservation plan scheduled for completion by 2021.

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: 1. Norilsk Nickel 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		4Q 2019	3Q 2019	Q-o-Q	2019	2018	Y-o-Y
Total nickel	t	61,739	57,266	8%	228,687	218,770	5%
including from own Russian feed	t	60,758	56,705	7%	225,204	216,856	4%
Total copper	t	127,148	120,667	5%	499,119	473,654	5%
including from own Russian feed	t	127,124	120,614	5%	498,838	473,515	5%
Total palladium	koz	669	720	-7%	2,922	2,729	7%
including from own Russian feed	koz	669	719	-7%	2 919	2,729	7%
Total platinum	koz	149	164	-9%	702	653	8%
including from own Russian feed	koz	149	164	-9%	700	653	7%
Polar division and Kola MMC (Russia)							
Nickel	t	45,752	40,474	13%	166,265	158,005	5%
Kola MMC, including	t	45,752	40,474	13%	166,265	158,005	5%
<i>refined Ni from own Russian feed</i>	t	<i>37,378</i>	<i>36,655</i>	<i>2%</i>	<i>153,558</i>	<i>148,839</i>	<i>3%</i>
<i>Ni in saleable concentrate from own Russian feed</i>	t	<i>8,374</i>	<i>3,819</i>	<i>119%</i>	<i>12,707</i>	<i>8,680</i>	<i>46%</i>
<i>from 3d parties feed</i>	t	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>486</i>	<i>-100%</i>
Copper	t	113,377	106,145	7%	442,682	436,201	1%
Polar division	t	90,736	85,248	6%	355,706	353,131	1%
Kola MMC, including	t	22,641	20,897	8%	86,976	83,070	5%
<i>Cu cathodes from own Russian feed</i>	t	<i>21,115</i>	<i>18,150</i>	<i>16%</i>	<i>75,093</i>	<i>72,826</i>	<i>3%</i>
<i>Cu in saleable concentrate from own Russian feed</i>	t	<i>1,526</i>	<i>2,747</i>	<i>-44%</i>	<i>11,883</i>	<i>10,161</i>	<i>17%</i>
<i>from 3d parties feed</i>	t	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>83</i>	<i>-100%</i>
Palladium	koz	664	707	-6%	2,868	2,671	7%
Polar division	koz	288	293	-1%	1,042	987	6%
Kola MMC, including	koz	376	414	-9%	1,826	1,684	8%
<i>from own Russian feed</i>	koz	<i>376</i>	<i>414</i>	<i>-9%</i>	<i>1,826</i>	<i>1,684</i>	<i>8%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>0</i>	<i>-</i>
Platinum	koz	148	162	-8%	690	642	8%
Polar division	koz	67	70	-4%	251	260	-3%
Kola MMC, including	koz	81	92	-12%	439	381	15%
<i>from own Russian feed</i>	koz	<i>81</i>	<i>92</i>	<i>-12%</i>	<i>439</i>	<i>381</i>	<i>15%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>0</i>	<i>-</i>	<i>0</i>	<i>0</i>	<i>-</i>
GRK Bystrinskoye (Zabaykaysky Krai) ²							
Copper	t	12,563	10,673	18%	43,489	19,417	124%
Gold	koz	49	41	20%	177	89	99%
Iron ore concentrate	kt	478	328	46%	1,311	346	279%
Norilsk Nickel Harjavalta (Finland)							
Nickel, including	t	15,987	16,792	-5%	62,422	60,765	3%
<i>from own Russian feed</i>	t	<i>15,006</i>	<i>16,231</i>	<i>-8%</i>	<i>58,939</i>	<i>59,337</i>	<i>-1%</i>
<i>from 3d parties feed</i>	t	<i>981</i>	<i>561</i>	<i>75%</i>	<i>3,482</i>	<i>1,428</i>	<i>144%</i>
Copper, including	t	1,208	3,849	-69%	12,948	18,036	-28%
<i>from own Russian feed</i>	t	<i>1,184</i>	<i>3,796</i>	<i>-69%</i>	<i>12,667</i>	<i>17,980</i>	<i>-30%</i>
<i>from 3d parties feed</i>	t	<i>24</i>	<i>53</i>	<i>-55%</i>	<i>281</i>	<i>56</i>	<i>401%</i>
Palladium, including	koz	5	13	-64%	54	58	-8%
<i>from own Russian feed</i>	koz	<i>5</i>	<i>12</i>	<i>-62%</i>	<i>51</i>	<i>58</i>	<i>-13%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>1</i>	<i>-100%</i>	<i>3</i>	<i>0</i>	<i>100%</i>
Platinum, including	koz	1	3	-73%	12	11	5%
<i>from own Russian feed</i>	koz	<i>1</i>	<i>2</i>	<i>-67%</i>	<i>9</i>	<i>11</i>	<i>-15%</i>
<i>from 3d parties feed</i>	koz	<i>0</i>	<i>1</i>	<i>-100%</i>	<i>2</i>	<i>0</i>	<i>100%</i>
Nkomati (South Africa) ³							
Nickel	t	1,521	1,172	30%	6,485	6,597	-2%
Copper	t	731	717	2%	3,419	3,055	12%
Palladium	koz	7	6	13%	33	33	-1%
Platinum	koz	3	3	9%	14	13	6%

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 September 2019.
- 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

PJSC «MMC «NORILSK NICKEL» is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade metal 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.

PJSC «MMC «NORILSK NICKEL» shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges. PJSC «MMC «NORILSK NICKEL» ADRs are traded over the counter in the US and on the London, Berlin and Frankfurt Stock Exchanges.

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