



NORNICKEL

PRESS RELEASE

December 25, 2018

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

NORNICKEL TERMINATES DEAL WITH BCL AND CONTINUES TO SEEK DAMAGES FROM BOTSWANA FOR BREACH OF CONTRACT

Nornickel has terminated its agreement to sell African assets to BCL Group, including a 50 percent stake in the Nkomati joint venture. The notice of termination was submitted to BCL on 20 December 2018. The termination results from BCL Group's serious breaches of contract.

Nornickel's termination of the agreement means that it will no longer be requiring the BCL Group to purchase Nornickel's interest in the Nkomati joint venture. Instead, Nornickel will continue to seek damages from BCL for the significant loss it has suffered as a result of BCL's failure to honour its obligations. The termination of the agreement will also enable Nornickel to pursue its own strategy for the African assets.

Michael Marriott, Norilsk Nickel Africa's Chief Executive, said:

“We delivered on all of our obligations to the BCL Group and are dismayed by their unwillingness to engage in a constructive dialogue with a foreign investor. We have made efforts in good faith to arrive at a compromise, but they have so far proved futile. Sadly, different branches of Botswana's government and BCL's representatives failed to agree on the approach to resolving the dispute, and in spite of the announcements by top public officials, the dispute with Nornickel has not been settled.

Given that the BCL Group will not be purchasing our interest in Nkomati, we will now pursue our own strategy in respect of the African assets. However, we will continue to pursue our claims against the BCL Group and the Botswana Government to recover the significant loss we have suffered as a result of their unlawful breaches.”

In October 2014, Nornickel and the BCL Group signed a share purchase agreement, which provided for the transfer to the BCL Group of Nornickel's interests in the Nkomati and Tati mines. The agreement became unconditional in September 2016. Yet, BCL failed to perform its obligations. Instead, in October 2016, the Botswana Government applied to the High Court of Botswana and placed the BCL entities into provisional liquidation.

Nornickel is looking to pursue its claim for damages in the London Court of International Arbitration (LCIA), and requested permission to do so from the courts of Botswana. In June 2018 the Botswanan court rejected to grant such permission. Nornickel filed an appeal against this judgement and the Botswanan Court of Appeal is due to consider this appeal in January 2019.

Nornickel also filed a *reckless trading claim* against the Government of Botswana (BCL's shareholder), seeking to declare it responsible for the liabilities of the BCL entities.

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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