

31 March 2020

ASX Announcement

Polymetal International plc announcement

Please see attached a market update announcement provided by Polymetal International plc regarding the strategic alliance and offtake agreement previously announced by Blackham Resources Limited to ASX earlier today.

This announcement has been approved for release by the Board of Blackham Resources Limited.

For further information on Blackham please contact:

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BOARD OF DIRECTORS

Milan Jerkovic - Executive Chairman

Greg Fitzgerald – Non-Executive
Director

Tony James – Non-Executive Director

Neil Meadows – Operations Director

ASX CODE

BLK

CORPORATE INFORMATION

5,884M Ordinary Shares

674M Quoted Options

188M Unquoted Options

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Release time IMMEDIATE
Date 31 March 2020

Polymetal International plc

Polymetal and Blackham Resources Strategic Alliance and Offtake Agreement

Polymetal is pleased to announce a refractory gold concentrate offtake agreement and Strategic Alliance (“Alliance”) with Blackham Resources (“BLK”), an Australian gold mining company.

HIGHLIGHTS

- Polymetal and BLK entered into an offtake agreement for the greater of (i) 70% of refractory sulphide gold concentrate (“Concentrate”) from BLK’s Wiluna Stage 1 expansion project during its first three years of operation or (ii) 122.5 thousand tonnes of Concentrate containing at least 195 Koz of gold.
- Upon expiration of the initial three-year period of Stage 1 and during Stage 2 of the Wiluna expansion project, Polymetal will obtain exclusive offtake rights for up to 100% of BLK’s Concentrate production.
- The Alliance will establish a process of two-way technical data sharing in respect of the potential expansion of Wiluna Concentrate production and certain regional projects.
- The Alliance aims at reducing the global environmental footprint of refractory sulphide gold ores and concentrates processing as its key long-term goal.

“Using POX technology to process refractory gold concentrates results in the smallest environmental footprint. Our collaboration with BLK addresses a crucial challenge of the global gold mining industry and leverages our core technical capabilities”, said Vitaly Nesis, Group CEO of Polymetal.

About BLK

Blackham Resources Limited is a Perth based, ASX listed gold mining company that owns 100% of the Wiluna gold operation located in Australia’s biggest gold belt. The operation has large defined Mineral Resources of 6.4 Moz of gold at a grade of 2.1 g/t.

The Wiluna deposit is located close to the town of Wiluna, approximately 750 km northeast of Perth. Wiluna ores are either oxide, refractory sulphide, or quartz reef free-milling ores, with most gold occurring within fine-grained sulphides. Currently the only operating CIL plant is treating oxide ores from both Wiluna and other nearby mining centres. The company implements the expansion project to unlock the value of refractory ores which comprises of two stages. Stage 1 assumes 110 Koz average annual gold production from sulphide ores during 2021-2027 following by Stage 2 of expansion which will see an increase of annual production to 250 Koz of gold for more than 10 years.

About Polymetal

Polymetal International plc (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is a top-20 global gold producer and a top-5 global silver producer with assets in Russia and Kazakhstan. The Company combines strong growth with a robust dividend yield.

Enquiries

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Forward-looking statements

This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements speak only as at the date of this release. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "should" or similar expressions or, in each case their negative or other variations or by discussion of strategies, plans, objectives, goals, future events or intentions. These forward-looking statements all include matters that are not historical facts. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the company's control that could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company's present and future business strategies and the environment in which the company will operate in the future. Forward-looking statements are not guarantees of future performance. There are many factors that could cause the company's actual results, performance or achievements to differ materially from those expressed in such forward-looking statements. The company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.