Key investment projects

CAPACITY UPGRADE AND RAMP-UP AT TALNAKH CONCENTRATOR

Norilsk Industrial District, Krasnoyarsk Territory (Polar Division)

In April 2014, massive reconstruction of Talnakh Concentrator entered its main stage. In January 2015, Stage 1 was commissioned, followed by the launch of Stage 2 in May 2016. Decision on launching Stage 3 will be made in 1H 2018.

Highlights

<table>
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<th>Stage 1</th>
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<td>- Maintaining existing capacity at 7.5 mtpa; - Reconstructing existing flotation capacities and replacing flotation machines that are beyond their useful lives and building a new tailings pit (first phase)</td>
<td>- Ramping up capacity from 7.5 mtpa to 10.2 mtpa - Upgrading equipment; - Increasing nickel content in nickel-pyrrhotite concentrate from 5.8% to 9.5%; - Total CAPEX of ca. RUB 33.7 bn (USD 671 mln)</td>
<td>- Ramping up capacity from 10.2 mtpa to 18 mtpa; - Building the second phase of the tailings pit. - Investment decision on launching Stage 3 expected in 1H 2018.</td>
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