



NORNICKEL

PRESS RELEASE

April 28, 2017

Public Joint Stock Company "Mining and Metallurgical Company "NORILSK NICKEL"
(PJSC "MMC "Norilsk Nickel", "Nornickel" or the "Company")

NORILSK NICKEL ISSUES NOTICE OF LEGAL PROCEEDINGS AGAINST GOVERNMENT OF BOTSWANA

Johannesburg – MMC Norilsk Nickel Group (hereinafter "Norilsk Nickel") has served notice that it intends to commence legal proceedings in Botswana against the Government of Botswana in respect of its involvement in the reckless trading of BCL Limited and BCL Investments Proprietary Limited (together "BCL"), with a view of recovering the USD 271 million plus damages and other costs that are owed to Norilsk Nickel in relation to the sale of a 50% interest in the Nkomati mine in South Africa ("the Nkomati deal") and the USD 6.4 million that are owed to Norilsk Nickel in relation to the sale of the Tati mine in Botswana. The Government of Botswana is the ultimate shareholder of BCL through its corporate vehicle MDCB.

The notice was served under section 4 of the State Proceedings (Civil Actions by or against Government or Public Officers) Act on the Attorney General of Botswana, the Minister of Mineral Resources, Green Technology and Energy Security, and the Minister of Finance.

Norilsk Nickel agreed in October 2014 to sell their operations in Africa to BCL for a total price of USD 337 million, though that amount was later reduced when Norilsk Nickel agreed to price concessions requested by BCL and the Government.

The Nkomati deal, announced by BCL as a strategic priority as part of its high-profile "Polaris II" diversification and investment strategy, was designed to guarantee long-term future of BCL's operations by securing the supply of concentrate to its smelter in Selebi Phikwe, Botswana. The Government was involved in or approved all material decisions relating to this transaction.

It is well known that BCL had always historically relied on financial support from the Government to survive and, in view of BCL's financial position, it was clear that most if not all of the funding for the Nkomati deal would have to come from or be guaranteed by the Government.

However, although BCL became obliged to buy Nkomati on 13 September 2016, BCL and the Government have made no attempts to complete the deal, in clear breach of the agreement with Norilsk Nickel.

In October 2016, Norilsk Nickel learned through the media that BCL had been placed by the Government into provisional liquidation in an apparent attempt to avoid its obligations towards

Norilsk Nickel. Since then Norilsk Nickel has tried on numerous occasions, and through numerous channels, to reach a satisfactory and amicable resolution, but none has been forthcoming.

Norilsk Nickel has therefore been left with no other option but to pursue a resolution through legal channels. In its claim against the Government, Norilsk Nickel asserts that the business of BCL has been carried on recklessly and that the Government was party to that recklessness through the actions of individual Government Ministers, MDCB and the Government-appointed directors on BCL's board.

In addition to the Government taking and being involved in material decisions in relation to the management of BCL, it was also aware of BCL's financial situation throughout, and knew or ought to have known that there was no reasonable prospect of it being able to pay the amounts due to Norilsk Nickel without support from the Government.

Norilsk Nickel was also provided with assurances throughout the negotiations for the deal that the Government was fully supportive of the Nkomati transaction, and that BCL would perform its obligations in full. Yet, when the time for completion of the deal came, it became apparent that the Government had had no intention of supporting BCL and had in fact taken steps which meant that BCL would not be able to perform its obligations.

In its claim, Norilsk Nickel will ask for a court order making the Government responsible for paying all of the liabilities due from BCL under its agreement with Norilsk Nickel and the costs of the intended court proceedings.

It would appear that the Government of Botswana is in negotiations with potential investors about a possible sale of BCL. Norilsk Nickel reiterates its rights in relation to the Nkomati and Tati transactions and will continue to seek the repayment of the outstanding debts due to Norilsk Nickel by all legal means. In this regard, Norilsk Nickel expects its rights to be recognized by the Government in its negotiations and in any agreement ultimately reached in relation to BCL, failing which Norilsk Nickel reserves its rights, including to challenge any such agreement.

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 include Polar Division, located at the Norilsk Industrial District on Taimyr Peninsula, and Kola Mining and Metallurgical Company located on the Kola Peninsula in Russia as well as Harjavalta nickel refinery in Finland.

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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