



ESTIMATING ORE RESERVES IN ACCORDANCE WITH JORC CODE

Last year, Metinvest arranged a reassessment of its mineral resources and ore reserves in accordance with the JORC Code. The aim was to provide stakeholders with the most accurate data, as well as help the Group's long-term planning.

AN INDUSTRY STANDARD

The JORC Code is the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. It is an internationally recognised reporting standard for minerals exploration results, mineral resources and ore reserves that is adopted worldwide for market-related public reporting and financial investments. The code was first published in 1989 and has been regularly updated since, with the last one being done in 2012.

Last year, Metinvest appointed a reputable international independent expert, SRK Consulting (UK) Limited, to prepare Mineral Resources and Ore Reserves statements for its Ukrainian iron ore mining assets Central GOK, Northern GOK and Ingulets GOK in accordance with the JORC Code. The assessment process

takes into account several external factors, including the latest legislation governing subsoil resource use, health and safety policies, environmental considerations and other important factors impacting the development of these resources.

According to the results of the assessment, as at 31 December 2018 Metinvest's Mineral Resources totalled 10,163 million tonnes grading 35.2% Fe_T (total iron) and 26.2% Fe_M (magnetic iron) and Ore Reserves totalled 2,296 million tonnes grading 34.2% Fe_T and 25.3% Fe_M.

This represents a 62% and 96% growth in the Group's estimated Mineral Resources and Ore Reserves, respectively, in comparison with the previous assessment conducted as at 1 January 2010, adjusted by management for depletion

during the 2010-18 period and other revaluations according to Ukrainian standards. The updated statements reflect the Group's continued successful focus on exploration activities and completion of technical studies to secure the Group's long-term production profile and support the sustainable supply of iron ore for internal and external sales.

Overall, the Group has invested US\$2,481 million since 2011 in its three iron ore assets to maintain operations, explore ore deposits, upgrade production facilities to improve output quality, and to manage environmental impacts. As of the date of the assessment and based on current production volumes, Metinvest has sufficient iron Ore Reserves to continue to maintain operations for more than 25 years. Importantly, this assessment helped Metinvest to reconfirm its status as one of the largest iron ore producers in the world, not only based on annual production volumes but also based on iron ore reserves.

MINERAL RESOURCES

10,163MT

ORE RESERVES

2,296MT