



ALROSA Q3 and 9M 2019 operating results

Moscow, 17 October 2019 – ALROSA, a global leader in diamond production, reports its Q3 2019 diamond production of 12.1 m carats and sales of 6.4 m carats or \$0.6 bn.

- **Q3 diamond production** seasonally grew by 24% q-o-q (up 15% y-o-y) to 12.1 m cts due to the launch of production at new deposits and expansion of the existing ones (for more details see page 5). As a consequence, production in **9M 2019** reached 29.7 m cts (up 12% y-o-y).
- **Q3 ore and gravels processing** seasonally grew by 64% q-o-q (flat y-o-y) to 17.2 mt. A 3% y-o-y increase in **9M 2019** to 34 mt was mainly due to the ramp-up of production at the V.Munskoye deposit and increased productivity at the Nyurba and Udachny Division's processing plants.
- **Ore and gravels inventories as at the end of Q3 2019** seasonally decreased by 26% q-o-q (up 9% y-o-y) to 23.6 mt.
- **Q3 average diamond grade** stood at 0.71 cpt, representing a seasonal decrease of 24% q-o-q, though on a y-o-y basis grades increased by 16%. **9M** average diamond grade grew by 9% y-o-y to 0.87 cpt, driven by an increase in high-grade ore processing at the Botuobinskaya pipe.
- **Q3 diamond sales** decreased by 23% q-o-q (down 5% y-o-y) to 6.4 m cts, including 4.3 m cts of gem-quality diamonds (down 28% q-o-q and 8% y-o-y), against the backdrop of reduction in stocking by cutters and retailers (for more details see page 3). **9M** sales shrank by 13% y-o-y to 25.3 m cts, mainly driven by lower sales of gem-quality diamonds (down 14% y-o-y).
- **Diamond inventories as at the end of Q3 2019** increased by 36% q-o-q (up 40% y-o-y) to 21.7 m cts due to both seasonal production growth at alluvial deposits and weaker sales.
- **Q3 2019, average realised prices for gem-quality diamonds** rose 4% q-o-q (down 32% y-o-y) to \$135/ct, driven by an increased share of medium- and large-size diamonds.
- **In Q3 2019, the diamond price index** came lower by 3% q-o-q, down 7.5% year-to-date.
- **Q3 diamond sales in value terms** went down to \$601 m (down 24% q-o-q and 37% y-o-y), with **9M** sales amounting to \$2,386 m (down 34% y-o-y).

Rough and polished diamond market overview

- Diamond jewellery demand is being affected by increased macroeconomic uncertainty weighing negativity on consumer confidence.
- Amid the declining demand since the beginning of 2019, diamond jewellery producers and cutters have been actively reducing their polished and rough

diamonds stocks (year-to-date rough diamond purchases decreased by 13% y-o-y).

- However, the second half of Q3 2019 saw an upward trend in rough diamond sales after a turning point in destocking, thus creating a basis for the market recovery in the future.

Hereinafter, data on Q3 2019 production, sales, prices, and inventories is preliminary and may be updated. Data on the diamond market is the Company's estimate.

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Key events until the end of 2019 (*Investor calendar*)

8 November	Q3 and 9M 2019 IFRS results; conference call with the management
8 November	October 2019 sales results
10 December	November 2019 sales results

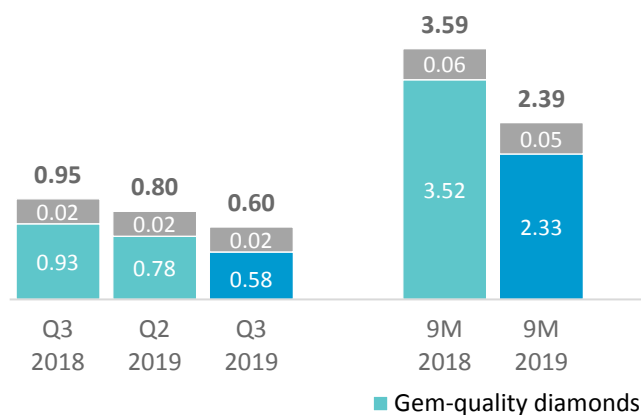
PRELIMINARY SALES RESULTS

Sales: 6.4 m cts

- **In Q3 2019, diamond sales (ex. polished diamonds) declined by 1.9 m cts q-o-q to 6.4 m cts (down 23% q-o-q)**, with sales of gem-quality diamonds falling by 1.7 m cts q-o-q to 4.3 m cts (down 28% q-o-q).
- The decline was caused by softer demand in the diamond jewellery markets after the record-high sales in 2018, particularly a somewhat weaker demand from end consumers in China and USA amid the ongoing trade tensions.
- Elevated polished diamond inventories piled up in 2018 on positive expectations for 2019 diamond jewellery demand, which turned negative instead, were an overhang negatively impacting polished prices. Deflation in polished diamond prices eroded midstream margins and, as a result, made industry financing more difficult.
- Moreover, the jewellery sector consolidation and an expanding share of online jewellery sales result in an ongoing non-recurrent reduction in polished diamond stocks across the retail sector as more efficient stock management practices are introduced, which is in turn reflected in the amount of diamonds purchased by cutting and polishing companies.
- **Gem-quality diamond sales decreased by 8% y-o-y.** Industrial diamond sales went down 9% q-o-q to 2.1 m cts, their share accounted for 32% of Q3 sales.

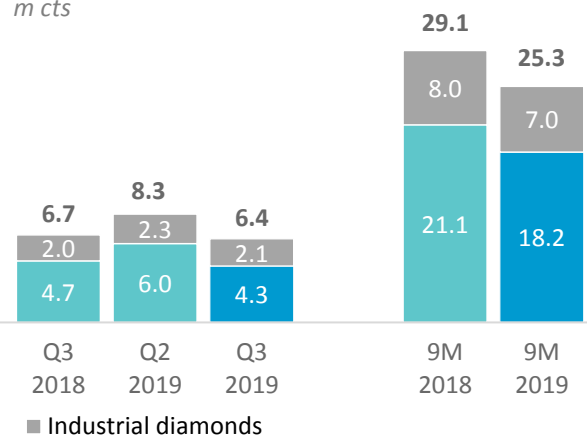
Rough diamond sales

\$ bn



Rough diamond sales

m cts



- **9M diamond sales decreased by 3.8 m cts (down 13% y-o-y)** on lower demand and mid-stream destocking.
- **Diamond inventories increased to 21.7 m cts as at Q3** (up 5.7 m cts q-o-q), driven by lower sales and seasonal growth in output at alluvial deposits. As compared to the previous year, inventories went up by 6.2 m cts (up 40%) due to both decreased sales and a y-o-y increase in output.
- **Total sales in Q3 2019 amounted to \$611 m**, including \$601 m (down 24% q-o-q) in diamond sales (ex. polished diamonds), with a 23% q-o-q sales decline in carats due to a lower share of small-size diamonds. A y-o-y decrease of 37% in total sales came as a result of a 5% fall in sales in carats, as well as a larger share of small-size diamond sales and price index decline (down 7.5% year-to-date).

Inventories: 21.7 m cts

Q3 2019

Total sales – \$611 m

Diamond sales – \$601 m

- **Q3 gem-quality diamond sales** in value terms decreased by 25% q-o-q to \$585 m as sales in carats declined by 28%, but the average realised price moved up. The Q3 sales in value terms declined by 37% y-o-y due to an 8% decrease in volumes and a lower average realised price (down 32% y-o-y) driven by (a) growing sales of small-size diamonds and (b) price index reduction.
- **9M total sales amounted to \$2,423 m** (down 34% y-o-y), including \$2,386 m in diamond sales (ex. polished diamonds) (down 34% y-o-y).
- **9M gem-quality diamond sales** in value terms amounted to \$2,334 m, down 34% y-o-y amid a 14% decline in sales and a 23% drop in the average realised price.
- **Q3 and 9M polished diamond sales** amounted to \$10 m (down 13% q-o-q, down 60% y-o-y) and \$37 m (down 50% y-o-y), respectively.
- **In Q3 2019, average realised prices for gem-quality diamonds rose 5% q-o-q** to \$135/ct due to a lower share of small-size diamonds.

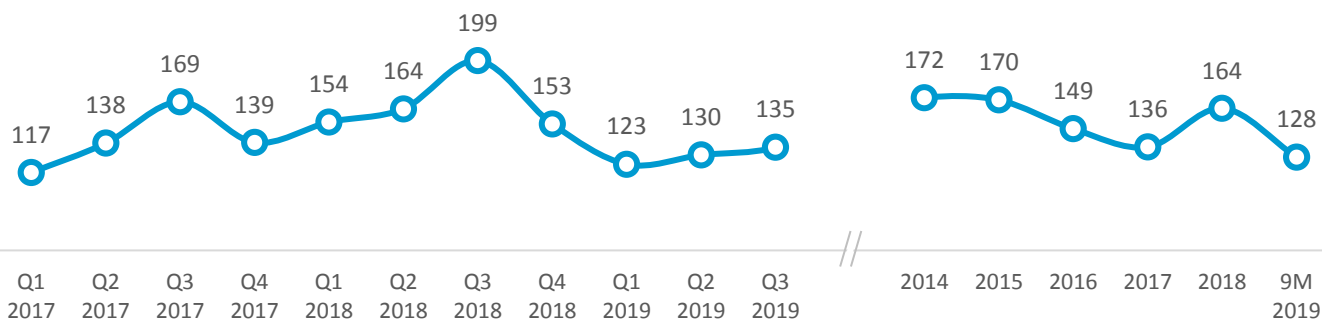
9M 2019

Total sales – \$2,423 m

Diamond sales – \$2,386 m

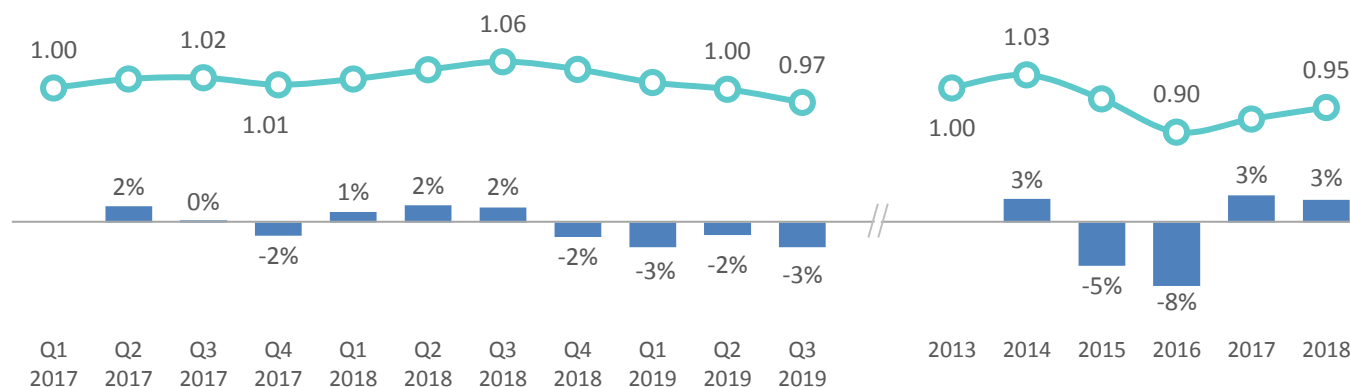
Average realised prices for gem-quality diamonds

\$/ct



- **In Q3 2019, the diamond price index lost 3.1% q-o-q, down 7.5% year-to-date.**

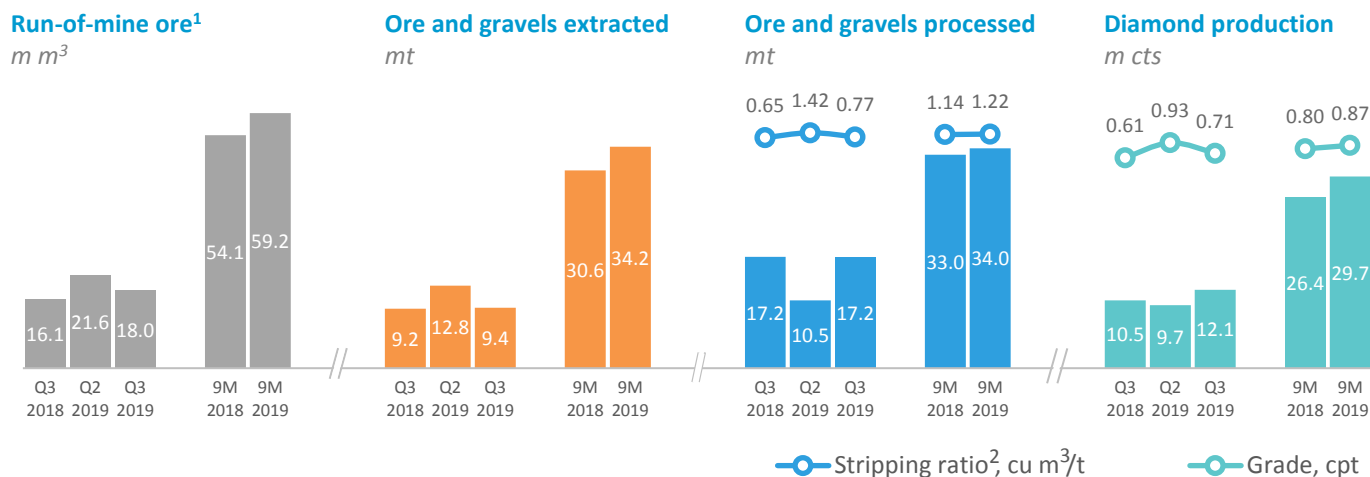
Gem-quality diamond price indices



PRODUCTION

Production: 12.1 m cts

- **Q3 diamond production** was up 24% q-o-q to 12.1 m cts mainly due to seasonally increased production at alluvial deposits.
- **Q3 and 9M diamond production** grew by 14% and 12% y-o-y, respectively, reaching 29.7 m cts year-to-date. The y-o-y growth is attributed to the launch of production at the V.Munskoye deposit in Q4 2018 and the growth of production at the Nyurba Division's Botuobinskaya pipe on the back of both the increased higher-grade ore processing and the roll-out of the operational efficiency improvement programme.



Run-of-mine ore: 18 m m³

- **Q3 run-of-mine ore** decreased by 17% q-o-q to 18 m m³ mainly due to seasonal decline in preparatory pre-mining operations at Almazy Anabara. The 12% y-o-y growth was primarily driven by the launch of production at the V.Munskoye deposit as well as implementation of design solutions at the Lomonosov Division's Arkhangelskaya pipe (Severalmaz) (cutback for pit deepening).
- **9M run-of-mine ore** totalled 59.2 m m³, up 9% y-o-y, mostly due to the launch of production at the V.Munskoye deposit.
- **Q3 stripping ratio** was down 46% q-o-q to 0.8 m m³/t mostly due to the seasonal increase in gravel processing at Almazy Anabara deposits coupled with seasonal decrease in rock moved by 86% q-o-q. A 19% rise y-o-y was mainly driven by an increase in stripping operations as part of implementation of design solutions at Severalmaz.
- **9M stripping ratio** was 1.2 m m³/t (up 6% y-o-y).
- **Q3 open-pit mining** decreased by 7% q-o-q to 5.2 m cts as production at the Jubilee pipe went down following the shutdown of the processing plant No. 14 for scheduled maintenance (18 July – 19 August) and processing of the mine's lower-grade ores.

Compared to Q3 2018, open-pit mining increased by 38%. **9M** open-pit mining totalled 16.9 m cts, up 29% y-o-y. The growth was driven by an increase in

¹ Less pre-stripping

² The stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes).

higher-grade ore processing at the Botuobinskaya pipe and the launch of the V.Munskoye deposit.

In Q3 2019 and 9M 2019, open-pit mining accounted for 43% and 57% of total production, respectively.

- A 30% q-o-q **decline in underground mining in Q3 2019** to 1.6 m cts was associated with a decrease in production at the Aikhal underground mine (for more details see page 7) and a decline in ore processing at the International underground mine (for more details see page 8). A 57% y-o-y **increase in underground mining in Q3 2019** and a 3% y-o-y increase in **9M 2019** is attributable to higher ore processing as the Udachny underground mine reached its design capacity.

In Q3 2019 and 9M 2019, underground mining accounted for 13% and 18% of total production, respectively.

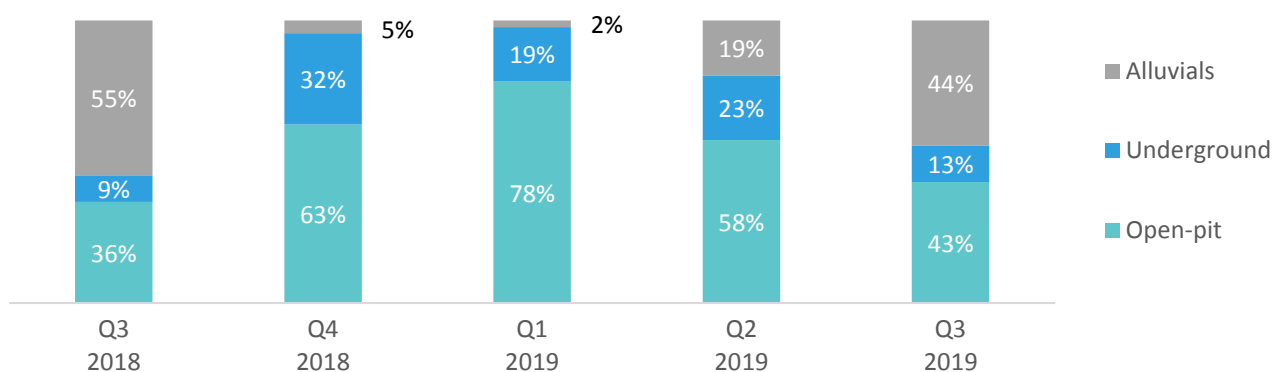
- **Q3 alluvial mining** achieved a 2.8 times q-o-q growth to 5.4 m cts following seasonal increase of production at deposits of this type. The 7% y-o-y decline in **Q3** and 9% y-o-y decline in **9M** was due to a production decrease at the Nyurba Division's alluvial deposits following gravel processing termination at processing plant No. 16.

In Q3 2019 and 9M 2019, alluvials production accounted for 44% and 25% of total production, respectively.

Average diamond grade:
0.71 cpt

- **Q3 average diamond grade** seasonally went down 24% q-o-q (up 16% y-o-y) to 0.71 cpt due to the increase in the share of ore produced at lower-grade alluvial deposits. In Q4, production from alluvial deposits is suspended resulting in a higher average grade q-o-q. **Q3 and 9M** average diamond grade went up 16% and 9% y-o-y, respectively, reaching 0.87 cpt in 9M, driven by an increase in high-grade ore processing at the Botuobinskaya pipe.

Diamond production by mining type



PERFORMANCE BY DIVISION

Aikhal Division operational overview

Aikhal Division accounted for 11% and 23% of ALROSA Group's total diamond production in Q3 2019 and 9M 2019, respectively.

	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Ore processing, '000 t	1,670	2,627	(36%)	1,567	7%	6,746	6,763	(0.3%)
Grade, cpt	0.78	1.10	(29%)	1.12	(30%)	1.03	1.11	(7%)
Diamond production, '000 cts	1,298	2,896	(55%)	1,748	(26%)	6,967	7,477	(7%)

Aikhal Division:
Jubilee pipe
Aikhal pipe
Komsomolskaya pipe
Zarya pipe

Location: Republic of Sakha
(Yakutia), near Aikhal
settlement, 485 km away
from Mirny town

Q3 diamond production decreased 55 % q-o-q (down 26% y-o-y) to **1,298,000 cts.** Ore processed in this period amounted to **1,670,000 tonnes**, down 36% q-o-q (up 7% y-o-y).

9M diamond production was down 7% y-o-y to **6,967,000 cts.** Ore processed in this period remained flat y-o-y and amounted to **6,746,000 t.**

Open-pit mining:

At the Jubilee pipe, a 56% q-o-q decrease in diamond production in Q3 2019 came as a result of the scheduled preventive maintenance shutdown of processing plant No. 14 from 18 July to 19 August. The y-o-y decrease in diamond production of 29% in Q3 2019 and of 12% in 9M 2019 was driven by increased production of lower-grade ore at the mine's flanks.

At the Komsomolskaya pipe, the 30% q-o-q production growth in Q3 (down 14% y-o-y) was driven by a 25% q-o-q increase in ore processing caused by alternating processing of ores from the Komsomolskaya pipe and Aikhal underground mine at processing plant No. 8.

The 9% y-o-y decrease at the Komsomolskaya pipe in 9M 2019 was also due to a 14% y-o-y decline in ore processing caused by the suspended operation of the autogenous mill.

Underground mining:

At the Aikhal underground mine, a 66% q-o-q decline in diamond production in Q3 2019 (down 14% y-o-y) is attributable to a 59% decrease in ore processing due to higher processing of ore from the Komsomolskaya pipe at processing plant No. 8 and a 17% q-o-q decrease in the average diamond grade (down 16% y-o-y).

A 20% y-o-y production growth at the Aikhal underground mine in 9M was driven by a 21% y-o-y rise in ore processing.

Mirny Division operational overview

Mirny Division accounted for 6% and 7% of ALROSA Group's total diamond production in Q3 2019 and 9M 2019, respectively.

	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Ore and gravels processed, '000 t	1,813	1,545	17%	1,601	13 %	3,771	3,484	8%
Grade, cpt	0.39	0.65	(39%)	0.31	28%	0.58	0.80	(27%)
Diamond production, '000 cts	715	1,003	(29%)	493	45%	2,188	2,778	(21%)

Mirny Division:
Mir pipe
International pipe
Alluvial deposits

Location: Republic of Sakha
(Yakutia), Mirny town,
220 km south of the Arctic
Circle

Diamond production in Q3 2019 decreased 29% q-o-q (up 45% y-o-y) to **715,000 cts**. Ore and gravels processed in this period amounted to **1,813,000 t**, an increase of 17% q-o-q (up 13% y-o-y).

In 9M 2019, diamond production was down 21% y-o-y to **2,188,000 cts**. Ore and gravels processed in this period amounted to **3,771,000 t**, an increase of 8% y-o-y.

Underground mining:

At the International underground mine, a 58% q-o-q decline in production in Q3 is attributable to a 60% q-o-q decrease in ore processing due to scheduled preventive maintenance at processing plant No. 3 in September and challenging mining and geological conditions. Diamond production grew 31% y-o-y on the back of a 2.1 times y-o-y increase in processing caused by increased ore production and shorter scheduled maintenance at the processing plant, despite a 39% y-o-y decrease in the average grade triggered by high-grade ore processing termination. A 30% y-o-y decline in production in 9M stemmed from a 14% y-o-y decrease in ore processing caused by challenging mining and geological conditions and use of ore with a lower average grade (down 18% y-o-y).

Alluvial mining:

A 2.1-times q-o-q increase in Q3 diamond production at the alluvial and technogenic deposits came on the back of a 26% seasonal growth in gravels processing coupled with a higher average diamond grade (up 70% q-o-q) caused by the processing of higher-grade gravels from the Irelyakh placer deposit. Diamond production was up 62% y-o-y as a result of an 11% y-o-y increase in ore processing volumes due to shorter planned maintenance hours at processing plant No. 3 and higher diamond grade (up 45% y-o-y) in gravels from the Gornoye placer deposit.

A 26% y-o-y increase in 9M diamond production at the alluvial and technogenic deposits is associated with an 11% increase in ore processing volumes due to shorter planned maintenance hours at processing plant No. 3, emergencies at the Irelyakh placer deposit in August 2018 caused by unprecedented levels of rainfall, as well as operations at deposits with a higher average grade (up 13% y-o-y).

Udachny Division operational overview

Udachny Division accounted for 14% and 15% in ALROSA Group's total diamond production in Q3 2019 and 9M 2019, respectively.

	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Ore and gravels processing, '000 t	2,433	1,977	23%	1,921	27%	6,653	4,940	35%
Grade, cpt	0.70	0.66	6%	0.45	56%	0.66	0.54	23%
Diamond production, '000 cts	1,694	1,303	30%	858	97%	4,377	2,652	65%

*Udachny Division:
Udachnaya pipe
Zarnitsa pipe
V.Munskoye deposit
Alluvial deposits*

*Location: Republic of
Sakha (Yakutia), 550 km
north of Mirny town*

Q3 diamond production was up 30% q-o-q (up 2.0 times y-o-y) to **1,694,000 cts**. Ore and gravels processed in this period amounted to **2,433,000 t**, an increase of 23% q-o-q (up 27% y-o-y).

9M diamond production was up 65% y-o-y to **4,377,000 cts**. Ore and gravels processed in this period amounted to **6,653,000 t**, an increase of 35% y-o-y.

Open-pit mining:

At the Zarnitsa pipe, a 9% q-o-q growth in Q3 diamond production was driven by a 13% q-o-q increase in ore processing as processing plant No. 12 reached its design capacity following planned maintenance in Q2 2019. On a y-o-y basis, diamond production dropped 48% due to a 45% decrease in ore processing associated with increased processing of ore from the Udachnaya pipe and the processing of ore from the Zapolyarnaya pipe of the V.Munskoye deposit. This was also the reason why diamond production at the Zarnitsa pipe for 9M 2019 decreased 27% y-o-y.

A 51% q-o-q growth in Q3 diamond production at the Zapolyarnaya pipe was caused by a 48% q-o-q increase in ore processing attributable to higher ore output and transportation volumes, as well as processing of higher-grade ore from the north-western ore body.

Underground mining:

At the Udachnaya underground mine, a 32% q-o-q (2.1 times y-o-y) increase in Q3 diamond production came on the back of higher ore extraction volumes and the processing of ores with a higher diamond grade (up 4% q-o-q). A 39% y-o-y growth for 9M 2019 resulted from a 37% y-o-y increase in ore processing as a result of a scheduled ramp-up to design capacity.

Alluvial mining:

A 39% q-o-q decrease in Q3 diamond production at the Udachny Division's alluvial placers was caused by the completion of alluvial mining at the Zapolyarnaya pipe. On a y-o-y basis, a 12% growth was driven by a higher average diamond grade (up 14% y-o-y) attributable to the processing of ore from higher-grade blocks in line with the mining plan.

A 43% y-o-y growth in 9M diamond production was triggered by an increase in gravels processing (up 10% y-o-y) and a higher average diamond grade (up 30% y-o-y).

Nyurba Division operational overview

Nyurba Division accounted for 27% and 27% in ALROSA Group's total diamond production in Q3 2019 and 9M 2019, respectively.

	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Ore and gravels processing, '000 t	875	634	38%	814	7%	1,961	1,617	21%
Grade, cpt	3.75	3.73	1%	2.89	30%	4.02	3.38	19%
Diamond production, '000 cts	3,284	2,364	39%	2,351	40%	7,874	5,458	44%

Nyurba Division:
Nyurbinskaya pipe
Botuobinskaya pipe
Alluvial deposits

Location: Republic of
Sakha (Yakutia), 200 km
north-west of Nyurba
town and 320 km north-
east of Mirny town

Q3 diamond production increased 39% q-o-q (up 40% y-o-y) to **3,284,000 cts**. Ore and gravels processed in this period amounted to **875,000 t**, an increase of 38% q-o-q (up 7% y-o-y).

9M diamond production was up 44% y-o-y to **7,874,000 cts**. Ore and gravels processed in this period amounted to **1,961,000 t**, an increase of 21% y-o-y.

Open-pit mining:

At the Nyurbinskaya pipe, an 18% q-o-q growth in Q3 diamond production was driven by a higher average diamond grade (up 29% q-o-q) due to the processing of higher-grade ore. A 19% y-o-y decrease in diamond production in Q3 2019 is associated with the processing of lower-grade ore (down 12% y-o-y).

9M diamond production at the Nyurbinskaya pipe reduced 11% y-o-y as a result of a 14% y-o-y decrease in average diamond grade caused by the processing of lower-grade ore extracted in H1 2019 while the amount of processed ore increased 4% y-o-y.

At the Botuobinskaya pipe, a 17% q-o-q (up 6.8 times y-o-y) increase in diamond production in Q3 2019 was driven by a 14% q-o-q (up 3.8 times y-o-y) rise in ore processing due to higher share of Botuobinskaya ore treated at processing plant No. 16 and operational efficiency improvement programme rolled out across all process stages. This was also the reason why diamond production at the Botuobinskaya pipe for 9M 2019 grew 5.4 times y-o-y.

Alluvial mining:

Q diamond production grew by 2.4x q-o-q thanks to a twofold q-o-q rise in ore processing on the back of higher capacity and longer operation of processing plant No. 15 in Q3 2019 (launched in May 2019), as well as a higher average diamond grade (up 15% q-o-q) due to the processing of ore from higher-grade blocks. A 32% y-o-y decrease in diamond production in Q3 2019 was attributable to lower processing volumes (down 31% y-o-y) as alluvial placers were no longer processed at processing plant No. 16, also bringing 9M diamond production down by 32% y-o-y.

Lomonosov Division (Severalmaz) operational overview

Lomonosov Division accounted for 10% and 10% in ALROSA Group's total diamond production in Q3 2019 and 9M 2019, respectively.

	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Ore processing, '000 t	983	901	9%	823	19%	2,682	2,566	5%
Grade, cpt	1.21	1.05	15%	1.29	(7%)	1.16	1.03	12%
Diamond production, '000 cts	1,185	947	25%	1,065	11%	3,106	2,648	17%

Lomonosov Division:
Arkhangelskaya pipe
Karpinskogo-1 pipe
Karpinskogo-2 pipe

Location: Arkhangelsk
Region, Russian
Federation

Q3 diamond production increased 25% q-o-q (up 11% y-o-y) to **1,185,000 carats**. Ore processing increased 9% q-o-q (up 19% y-o-y) to **983,000 t**.

9M diamond production was up 17% y-o-y to **3,106,000 cts**. Ore processed in this period amounted to **2,682,000 t**, up 5% y-o-y.

Open-pit mining:

At the Arkhangelskaya pipe, a 7% q-o-q rise in Q3 diamond production was caused by an 8% q-o-q increase in ore processing. A 23% y-o-y growth in production was attributable to a 33% y-o-y increase in ore processing amid a lower average diamond grade (down 8% y-o-y).

In 9M 2019, diamond production at the Arkhangelskaya pipe grew by 27% y-o-y thanks to an increase in ore processing (up 20% y-o-y) on the back of initiatives to improve performance at the processing plant (replacement of motors for autogenous grinding mills) with the average diamond grade up 6% y-o-y.

At the Karpinskogo-1 pipe, Q3 diamond production grew 72% q-o-q (up 2% y-o-y) driven by a 54% q-o-q increase in ore processing (up 5% y-o-y) also as a result of above said initiatives to improve performance at the processing plant coupled with a higher average diamond grade due to the processing of richer ore from the lower part of the pipe.

A 6% y-o-y growth in 9M diamond production at the Karpinskogo-1 pipe was driven by a higher average diamond grade (up 28% y-o-y) amid a reduction in ore processing (down 17% y-o-y).

No ore from Karpinskogo-2 pipe was processed in Q3 2019.

Almazy Anabara operational overview

Almazy Anabara accounted for 33% and 17% in ALROSA Group's total diamond production in Q3 2019 and 9M 2019, respectively.

	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Gravels processing, '000 t	9,400	2,800	3.4x	10,488	(10%)	12,200	13,668	(11%)
Grade, cpt	0.42	0.44	(4%)	0.38	10%	0.42	0.40	7%
Diamond production, '000 cts	3,939	1,222	3.2x	3,987	(1%)	5,161	5,420	(5%)

Almazy Anabara: several alluvial deposits located in the north-west of the Republic of Sakha (Yakutia)

Q3 diamond production at Almazy Anabara alluvial deposits grew 3.2 times q-o-q (down 1% y-o-y) to 3,939,000 cts due to seasonal factors. Gravels processed in the same period increased seasonally 3.4x q-o-q (down 10% y-o-y) to 9.4 m t. In 9M 2019, diamond production declined 5% y-o-y as a result of an 11% y-o-y decrease in gravels processing, which was triggered by a performance slump when processing gravels from the Khara-Mas alluvial deposit (characterised by higher content of heavy fraction) with average grade going up by 7% y-o-y.

Almazy Anabara conducts mining operations from April–May to September–October (weather permitting).

APPENDICES

Appendix 1. Diamond production

'000 cts	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Aikhal Division	1,298	2,896	(55%)	1,748	(26%)	6,967	7,477	(7%)
Jubilee pipe	944	2,143	(56%)	1,337	(29%)	5,338	6,033	(12%)
Aikhal underground mine	222	651	(66%)	257	(14%)	1,315	1,098	20%
Komsomolskaya pipe	133	102	30%	154	(14%)	314	346	(9%)
Mirny Division	715	1,003	(29%)	493	45%	2,188	2,778	(21%)
International underground mine	347	831	(58%)	266	31%	1,583	2,267	(30%)
Mir underground mine	–	–	–	–	–	–	30	–
Alluvial and technogenic deposits	369	172	114%	228	62%	605	481	26%
Udachny Division	1,694	1,303	30%	858	97%	4,377	2,652	65%
Udachny underground mine	983	743	32%	465	111.7%	2,385	1,713	39%
Zarnitsa pipe	184	169	9%	355	(48%)	570	776	(27%)
Zapolyarnaya pipe (V.Munskoye deposit)	483	320	51%	–	–	1,188	–	–
Alluvial deposits	43	71	(39%)	39	12%	234	163	43%
Nyurba Division	3,284	2,364	39%	2,351	40%	7,874	5,458	44%
Nyurbinskaya pipe	472	399	18%	580	(19%)	2,279	2,559	(11%)
Botuobinskaya pipe	1,793	1,533	17%	265	6.8x	4,144	769	5.4x
Alluvial deposits	1,019	432	136%	1,506	(32%)	1,451	2,129	(32%)
Severalmaz	1,185	947	25%	1,065	11%	3,106	2,648	17%
Arkhangelskaya pipe	598	560	7%	488	23%	1,543	1,217	27%
Karpinskogo-1 pipe	587	342	72%	577	2%	1,519	1,431	6%
Karpinskogo-2 pipe	–	45	–	–	–	45	–	–
Almazy Anabara	3,939	1,222	3.2x	3,987	(1%)	5,161	5,420	(5%)
Total	12,116	9,735	24%	10,502	15%	29,674	26,432	12%

Appendix 2. Ore and gravel processing

'000 t	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Aikhal Division	1,670	2,627	(36%)	1,567	7%	6,746	6,763	(0.3%)
Jubilee pipe	1,272	2,225	(43%)	1,096	16%	5,682	5,615	1%
Aikhal underground mine	51	124	(59%)	50	2%	252	208	21%
Komsomolskaya pipe	347	278	25%	421	(18%)	812	940	(14%)
Mirny Division	1,813	1,545	17%	1,601	13%	3,771	3,484	8%
International underground mine	63	156	(60%)	32	100%	289	338	(14%)
Mir underground mine	–	–	–	–	–	–	11	–
Alluvial and technogenic deposits	1,749	1,389	26%	1,569	11%	3,482	3,136	11%
Udachny Division	2,433	1,977	23%	1,921	27%	6,653	4,940	35%
Udachny underground mine	753	589	28%	377	2.0x	1,836	1,344	37%
Zarnitsa pipe	748	662	13%	1,367	(45%)	2,232	2,922	(24%)
Zapolyarnaya pipe (V.Munskoye deposit)	758	512	48%	–	–	1,843	–	–
Alluvial deposits	174	214	(19%)	177	(2%)	742	674	10%
Nyurba Division	875	634	38%	814	7%	1,961	1,617	21%
Nyurbinskaya pipe	118	129	(9%)	128	(8%)	555	533	4%
Botuobinskaya pipe	350	306	14%	92	3.8x	800	217	3.7x
Alluvial deposits	407	199	105%	594	(31%)	606	867	(30%)
Severalmaz	983	901	9%	823	19%	2,682	2,566	5%
Arkhangelskaya pipe	555	513	8%	417	33%	1,441	1,204	20%
Karpinskogo-1 pipe	428	279	54%	407	5%	1,132	1,363	(17%)
Karpinskogo-2 pipe	–	110	–	–	–	110	–	–
Almazy Anabara	9,400	2,800	3.4x	10,488	(10%)	12,200	13,668	(11%)
Total	17,173	10,484	64%	17,214	(0.2%)	34,013	33,038	3%

Appendix 3. Grade

cpt	Q3 2019	Q2 2019	q-o-q	Q3 2018	y-o-y	9M 2019	9M 2018	y-o-y
Aikhal Division	0.78	1.10	(29%)	1.12	(30%)	1.03	1.11	(7%)
Jubilee pipe	0.74	0.96	(23%)	1.22	(39%)	0.94	1.07	(13%)
Aikhal underground mine	4.35	5.25	(17%)	5.15	(16%)	5.22	5.28	(1%)
Komsomolskaya pipe	0.38	0.37	4%	0.37	4.4%	0.39	0.37	5%
Mirny Division	0.39	0.65	(39%)	0.31	28%	0.58	0.80	(27%)
International underground mine	5.50	5.33	3%	8.43	(35%)	5.47	6.72	(18%)
Mir underground mine	–	–	–	–	–	–	2.88	–
Alluvial and technogenic deposits	0.21	0.12	70%	0.14	45%	0.17	0.15	13%
Udachny Division	0.70	0.66	6%	0.45	56%	0.66	0.54	23%
Udachny underground mine	1.31	1.26	4%	1.23	6.0%	1.30	1.27	1.9%
Zarnitsa pipe	0.25	0.26	(4%)	0.26	(5%)	0.26	0.27	(4%)
Zapolyarnaya pipe (V.Munskoye deposit)	0.64	0.62	2%	–	–	0.64	–	–
Alluvial deposits	0.25	0.33	(25%)	0.22	14%	0.31	0.24	30%
Nyurba Division	3.75	3.73	1%	2.89	30%	4.02	3.38	19%
Nyurbinskaya pipe	4.00	3.09	29%	4.53	(12%)	4.11	4.80	(14%)
Botuobinskaya pipe	5.12	5.01	2%	2.88	78%	5.18	3.54	46%
Alluvial deposits	2.50	2.17	15%	2.53	(1%)	2.39	2.46	(3%)
Severalmaz	1.21	1.05	15%	1.29	(7%)	1.16	1.03	12%
Arkhangelskaya pipe	1.08	1.09	(1%)	1.17	(8%)	1.07	1.01	6%
Karpinskogo-1 pipe	1.37	1.23	12%	1.42	(3%)	1.34	1.05	28%
Karpinskogo-2 pipe	–	0.41	–	–	–	0.41	–	–
Almazy Anabara	0.42	0.44	(4%)	0.38	10%	0.42	0.40	7%
Total	0.71	0.93	(24%)	0.61	16%	0.87	0.80	9%

GLOSSARY

gem-quality diamonds – diamonds used in jewellery

V.Munskoye deposit – the Udachny Division’s Verkhne-Munskoye deposit

ct, cts – carat, unit of mass (weight) equal to 200 mg; one of the 4Cs of diamond quality along with colour, cut and clarity

stripping ratio is calculated as rock moved in cubic metres (less pre-stripping) divided by ore and gravels processed (in tonnes)

p.p. – percentage point

diamond price index helps track changes in average diamond prices on a like-for-like basis (excluding +10.8 cts stones)

average realised price is sales revenue in US dollars divided by sales volumes in carats, which includes an impact of product mix changes

t – tonne