



## PRESS RELEASE

25 May 2021

### Petropavlovsk PLC

#### **Update on proposed termination of IRC Guarantees and disposal of the Company's interest in IRC**

As announced on 18 March 2020, Petropavlovsk PLC ("**Petropavlovsk**" or the "**Company**" or, together with its subsidiaries, the "**Group**") entered into an agreement (the "**Agreement**") with Stocken Board AG ("**Stocken**") a Liechtenstein-incorporated investment company, which set out the terms on which Petropavlovsk would sell to Stocken a c.29.9% shareholding in IRC Limited ("**IRC**"), subject to certain conditions precedent being met (the "**Proposed Transaction**").

The Company announces that it has been notified by Gazprombank ("**GPB**") that GPB has consented to the Proposed Transaction. Accordingly, the Agreement has now become binding upon the Group.

The terms of the Proposed Transaction remain as set out in the Agreement and as announced on 18 March 2020. As announced at that time, completion of the Proposed Transaction remains conditional upon:

- Termination and irrevocable release of the Group from all loan guarantees given to GPB under the facility agreements signed between Kimkano-Sutarsky Mining and Beneficiation Plant LLC (a subsidiary of IRC) and GPB in December 2018 ("**Guarantees**"); and
- The receipt of any consents that may be required under the Company's US\$500 million 8.125% notes maturing November 2022 or confirmation by the Board that none is required.

There can be no certainty that the conditions precedent will be satisfied and, as such, that the Proposed Transaction will proceed to completion.

James Cameron, chairman of Petropavlovsk, said

"The board notes that Stocken has been able to arrange for GPB to outline a path to the removal of the Guarantees, which is a key strategic focus for the Company. Removal of the Guarantees would significantly reduce the financial risk of the Group, improve our credit metrics and allow our new management team to focus on developing our gold mining and processing business in the Amur Region."

#### **About Petropavlovsk**

*Petropavlovsk PLC (LSE: POG. MOEX: POGR) is a major integrated Russian gold producer with JORC Resources of 19.50Moz Au which include Reserves of 7.16Moz Au. Following its IPO on the Alternative Investment Market (AIM) in 2002, Petropavlovsk was promoted to the London Stock Exchange in 2009, where today it is a Premium Listed company and a constituent of the FTSE 250, FTSE 350 and FTSE All Share indices. The Company's shares also trade on the Moscow Exchange and are a constituent of the RTS Index and MOEX Index.*

*The Company's key operating mines (Pioneer, Malomir and Albyn) and its Pressure Oxidation (POX) Hub at Pokrovskiy, are located in the Amur Region in the Russian Far East. Petropavlovsk has produced a total of c.8.3Moz of gold since operations began in 1994 and has a strong track record of mine development, expansion, and asset optimisation.*

*Petropavlovsk is one of the region's largest employers and one of the largest contributors to the sustainable development of the local economy.*

### **For more information**

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