



## PRESS RELEASE

03 December 2021

### Petropavlovsk PLC

#### Disposal of Stake in IRC

Petropavlovsk PLC (“Petropavlovsk” or the “Company”) has today completed the disposal of its 31.1% stake in IRC Limited (“IRC”), an iron ore producer with operations in the Russian Far East.

The Company sold a 29.9% stake in IRC to Stocken Board AG (“Stocken”) for cash consideration to be paid of US\$10 million. Completion of this transaction follows the satisfaction of conditions precedent initially set out in an agreement signed by the Company and Stocken on 18 March 2020, including the irrevocable release of the Company from all loan guarantees given to Gazprombank (“GPB”) in respect of the facility agreements signed in December 2018 between IRC subsidiary Kimkano-Sutarsky Mining and Beneficiation Plant LLC (“K&S”) and GPB. As of 30 September 2021, K&S’s total guaranteed debt outstanding to GPB was approximately US\$118 million.

Denis Alexandrov, Chief Executive Officer of Petropavlovsk, said:

“Removal of the K&S loan guarantees has been a strategic focus for Petropavlovsk for a number of years and we are pleased to report that we have achieved that goal. This outcome reduces the Company’s financial risks and improves our credit metrics, which are crucial to our liquidity management efforts in light of the Company’s bonds coming due in 2022.”

In addition, on 01 December 2021, the Company closed the sale of 1.2% of IRC to UCP Industrial Holdings Limited (“UCP”) for total consideration of US\$2.24m. The sale price was calculated based on the market price of IRC shares on the Hong Kong Stock Exchange as of 15 November 2021, less a discount of 10%.

*This announcement contains inside information.*

#### **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 Pokrovskiy Pressure Oxidation (POX) Hub, are located in the Amur Region in the Russian Far East. Petropavlovsk has produced a total of c.8.6Moz 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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**Cautionary note on forward-looking statements**

*This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this release and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the future price of gold, the Group's results of operations, financial position, liquidity, prospects, growth, estimation of mineral reserves and resources and strategies, and exchange rates and the expectations of the industry. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances [outside the control of the Group. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates may differ materially from those described in, or suggested by, any forward- looking statements contained in this release. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause results and/or developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, demand, supply and prices for gold and other long-term commodity price assumptions (and their effect on the timing and feasibility of future projects and developments), trends in the gold mining industry and conditions of the international gold markets, competition, actions and activities of governmental authorities (including changes in laws, regulations or taxation), currency fluctuations (including as between the US Dollar and Rouble), the Group's ability to recover its reserves or develop new reserves, changes in its business strategy, any litigation, and political and economic uncertainty. Except as required by applicable law, rule or regulation (including the Listing and Disclosure Guidance and Transparency Rules), the Group does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Past performance cannot be relied on as a guide to future performance. The content of websites referred to in this announcement does not form part of this announcement.*