



12 July 2022

## Petropavlovsk PLC

### Notice of Application for an Administration Order

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) announces that its board of directors (the “Board”), having taken advice, has resolved to file with the court an application for an administration order appointing Allister Manson, Trevor Binyon and Jo Rolls of Opus Business Advisory Group as administrators of the Company.

The Board will seek a hearing of the administration application at the High Court in London in the coming days. There will be a further announcement when the date of the hearing is known.

In light of the above, the Company has requested a suspension from listing of the Company's ordinary shares from the premium listing segment of the Official List and of the guaranteed convertible 8.25% bonds due 2024 issued by Petropavlovsk 2010 (the “Convertible Bonds”) from the Official List, and a suspension of trading on the London Stock Exchange. A request is also proposed to be made for the cessation of trading of ordinary shares on the Moscow Exchange in due course and for the suspension of trading of the US\$500 million 8.125% guaranteed notes 2022 issued by Petropavlovsk 2016 Limited (the “Notes”) from the Irish Global Exchange Market.

As announced on 20 April 2022, Gazprombank (“GPB”) demanded immediate repayment of approximately US\$201.0m (including accrued interest) due under the Company's Committed Term Facility Agreement (the “Term Loan”) with GPB, and subsequently assigned all its rights under the term loan to Joint Stock Company UMMC-INVEST. The Company is unable to repay the Term Loan at the present time and, for a number of reasons (including the difficulties previously announced), the Board considers it very unlikely that it will be able to refinance the Term Loan in the short term and has to date been unable to do so. The Board is also mindful of the Group's obligations to the holders of the Notes and the Convertible Bonds (in respect of which US\$304 million and US\$33 million, respectively, remains outstanding).

As previously announced, the Company engaged advisers to assist the Board in exploring a sale of the Company's entire interests in its operating subsidiaries. The Company has received an offer from one party to acquire and a proposal from another party expressing an interest in the acquisition of those subsidiaries. Discussions with both parties are ongoing. There can be no certainty that either will result in a sale and it is highly unlikely that there will be any return to shareholders given the level of the Group's indebtedness.

The evidence to be filed with the High Court includes the following statements:

*Having consulted with Mr Stanislav Ploshchenko, the Group's Chief Financial Officer (“CFO”), and to the best of my knowledge, information and belief, as at 30 June 2022, the Company had assets (listed at book value) amounting to approximately US\$1,619 million; liabilities (including contingent and prospective liabilities) of US\$1,703 million; and net liabilities of US\$84 million. Meanwhile, the Group had assets (listed at book value) amounting to approximately US\$1,675 million; liabilities (including contingent and prospective liabilities) of US\$1,002 million; and net assets of US\$673 million, all as at the end of May 2022. I am not aware of any material changes in assets or liabilities since that date.*

These figures are management estimates and have not been audited or independently reviewed. The information about assets and liabilities represents the Company's standalone (not consolidated) estimated position.

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. 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

Please visit [www.petropavlovskplc.com](http://www.petropavlovskplc.com) or contact:

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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.*