



URAL MINING AND METALLURGICAL COMPANY

COMPANY OVERVIEW



IN 2021 UMMC BECAME A LEADER IN Cu, Zn & COAL PRODUCTION IN RUSSIA

453
thous. tons
Cu PRODUCTION

#1 copper¹ manufacturer delivering 99.99% cathode copper produced at a benchmarking production plant

200
thous. tons
Cu WIRE ROD

High quality wire rod made of pure copper assuring best available quality on the market

197
thous. tons
Zn PRODUCTION

Produced on the only zinc plant in Russia, guarantying monopolistic control over Zinc market

44
mln tons
ANNUAL OREMINING

#2 coal¹ producer in Russia with established long-term relations with buyers

13.8
tons
Au PRODUCTION

With an potential to increase production up to 21 tones a year

228.8
tons
Ag PRODUCTION

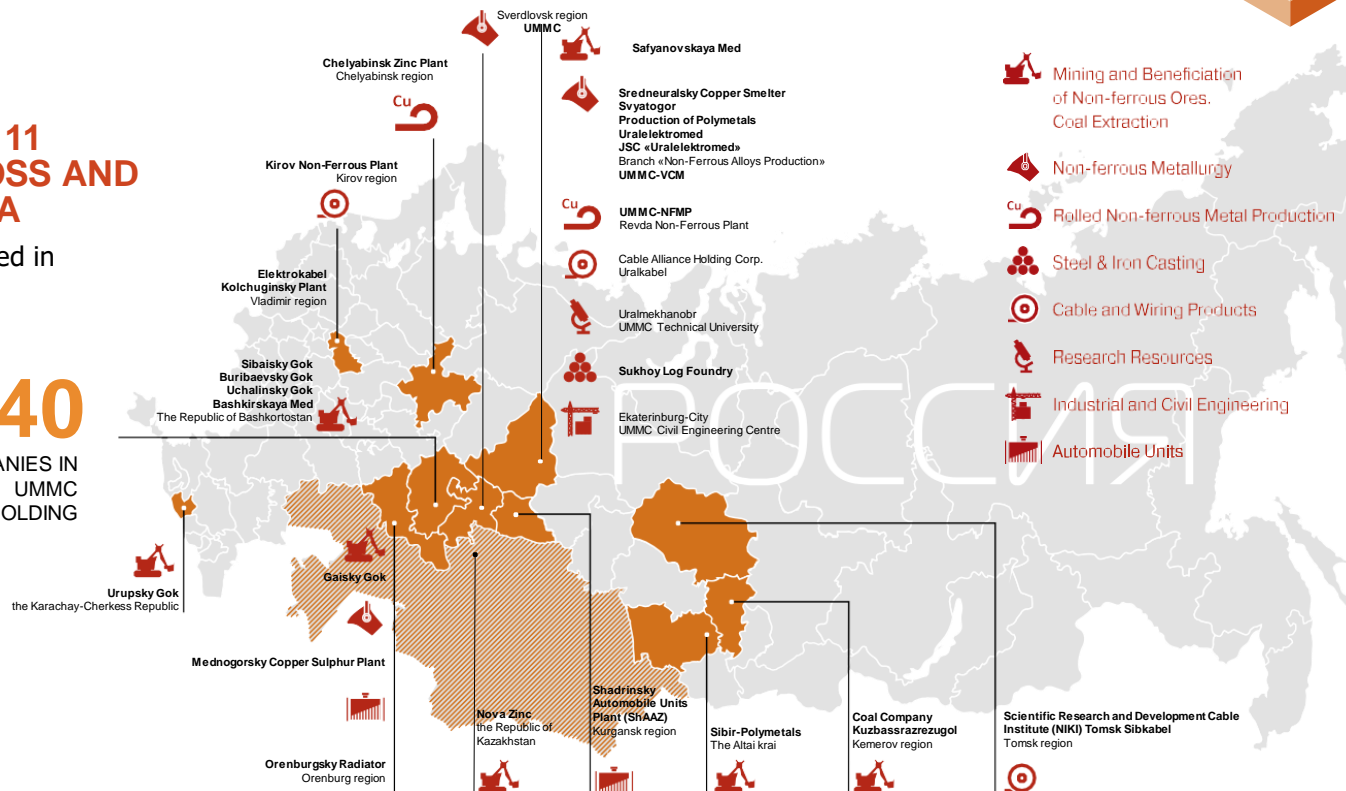
With an potential to increase production 300 tones

1 – preliminary

UMMC UNITES COMPANIES IN 11 REGIONS ACROSS AND BEYOND RUSSIA

<80
thous.
PEOPLE
EMPLOYED

<40
COMPANIES IN
UMMC
HOLDING

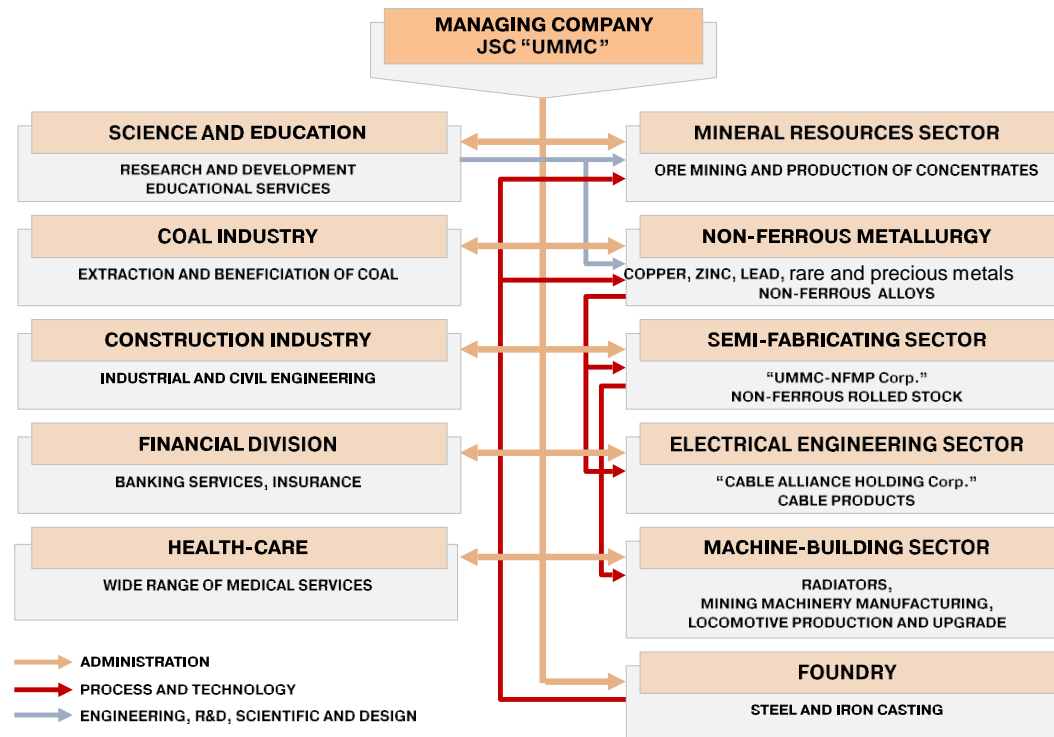


PRINCIPAL BUSINESSES OF UMMC GROUP

UMMC is a Russian mining and metallurgical holding company

THE LARGEST PRODUCER OF COPPER, ZINC, COAL AND, PRECIOUS METALS

UMMC Group manufactures a wide range of products: starting with copper and iron ore up to value-added products





MINING ASSETS DEVELOPMENT

1.2

bln tons

BALANCE RESERVES
OF NON-FERROUS ORES

**UMMC STRATEGIC PRIORITY
STANDS FOR MAINTENANCE AND
DEVELOPMENT OF MINING ASSETS**

25.8

mln tons

ANNUAL ORE MINING

Currently, 9 sites and operations mine and process copper, zinc, and polymetallic ores in 5 regions of the Russian Federation and in the Republic of Kazakhstan



04



1517



EXTRACTION AND BENEFICIATION OF COAL

11%

SHARE IN THE
DOMESTIC COAL
MINING¹

JSC "Coal Company "Kuzbassrazrezugol" has been incorporated in UMMC since 2006. It ranks second in Russia as the company engaging in open-pit coal mining.

44

mln tons
OF COAL MINING PER
ANNUM

Over the past few years UMMC has put into operation four beneficiation plants fitted with the latest high-tech equipment.

2.6%

SHARE IN THE
GLOBAL COAL TRADE¹

In the near future, UMMC sets out to start constructing "Taldinsky Energeticheskyy" and "Bachatsky Energeticheskyy 2" Beneficiation Plants.

High quality coal allows providing stable supplies, including abroad.

1 – as of 2020

05



1518



COPPER CATHODES

40%
SHARE IN THE
DOMESTIC
COPPER
PRODUCTION¹

100% of blister copper, produced by UMMC Copper smelting plants, is processed in JSC "Uralektromed", the main industrial site of the Group.

2%
SHARE IN
THE GLOBAL
COPPER
PRODUCTION¹

JSC "Uralektromed" produces copper cathodes of M00k Grade (according to Russian GOST standard) and Cu Cath1 Grade (according to EU standard BS EN 1978:1998), which are registered with the London Metal Exchange under UMMC and UMMC II brands.

453
thous. tons
COPPER
CATHODES
PER ANNUM

LME Copper Committee approved Grade A copper cathodes under UMMC and UMMC II brands (Ural Mining and Metallurgical Company), and now they have the status Good Delivery (reliable delivery)

COPPER WIRE ROD

Wire rod production is **one of the final links in the main process chain of copper production, which** starts with ore mining and ends with manufacturing of copper wire rod of 8 and 10 m min diameter, round electrotechnical copper wire of 1.04 to 4.5 mm in diameter and copper strand with section of 0.5 to 16.0 mm².

The highest level of product quality is guaranteed by own cathode copper of M00k Grade and modern continuous casting and rolling process.

The bulk of the finished products are supplied to Russian cable plants and enterprises of Cable Alliance Holding Corp., the rest volumes of the wire rod is exported.



06

1 – preliminary market share, based on market share of 2020



PRECIOUS METALS

over
225
tons

SILVER PRODUCTION
PER ANNUM

over
13
tons

GOLD PRODUCTION
PER ANNUM

The main raw material base for precious metals production embraces slimes from copper electrolysis, products of gold ore as well as placer and precipitated gold from concentrating mills.

JSC "Uralelektromed" is a listed London Bullion Market Association (LBMA) **gold and silver refiner** with products having the Good Delivery status.





ZINC

2%

SHARE IN THE
GLOBAL ZINC
PRODUCTION¹

197
ths tons

ZINC
PRODUCTION
PER ANNUM

Chelyabinsk Zinc Plant manufactures zinc ingots of SPECIAL HIGH GRADE quality, LME certified brand CZPSHG (CHELYABINSK ZINC PLANTSPECIAL HIGH GRADE), which guarantees no less than 99.995 %metal purity.

LEAD

20
ths tons

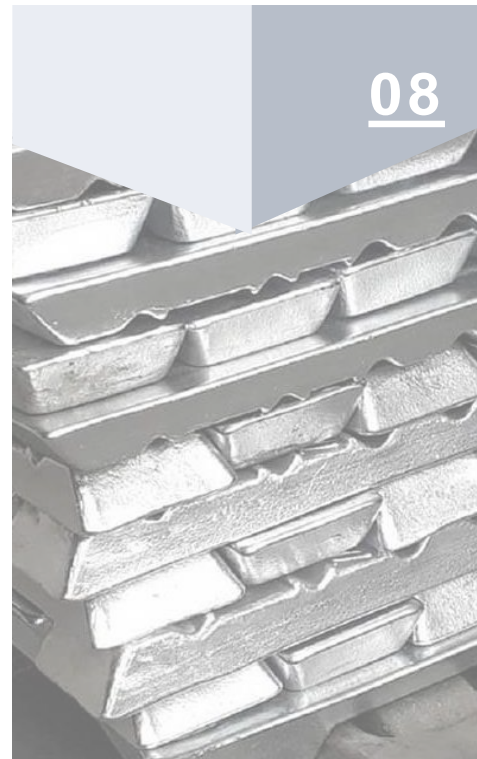
LEAD
PRODUCTION
PER ANNUM

**RECYCLING
IS THE MOST
ECONOMIC AND
THE GREENEST
METHOD FOR
PRODUCING
LEAD**

Lead production is located at JSC "Uralkhrommet" branch "Non-Ferrous Alloys Production" in Verkh-Neyvinsky, Sverdlovsk region.

The main raw materials are lead cakes, containing up to 50 % of lead, and battery scrap. Complex processing of cakes allows the company to produce antimony and tin concentrates, lead-bismuth alloy sand copper bearing lead. There are three grades of produced lead: C0,C1, C2.

08



1 – preliminary market share, based on market share of 2020



NON-FERROUS ROLLED PRODUCTS

UMMC-NFMP, which is a UMMC subholding company, was established in May, 2007 to manage the assets of the following plants that process non-ferrous metals:

- ⌘ JSC "Kirov Non-Ferrous Plant"
- ⌘ PJSC "Revda Non-Ferrous Plant"

PRODUCT RANGE:

- ⌘ tubes, incl. copper tubes for water supply, heating, cooling, and air-conditioning;
- ⌘ rods, sheets, belts, plates, strips, foil, bus bars, wire.

11



1522



COPPER ELECTROLYTIC POWDER AND HIGH-PRECISION POWDER PRODUCTS

30+
grades

OF COPPER
POWDERS

JSC "Uralektromed" is one of the leading producers of copper electrolytic powders in Europe and Russia. Partially powders are used for manufacturing at Copper Sintered Parts Plant of JSC "Uralektromed"

To date, **more than 1,300 items of powder sintered products** have been mastered, of which 300 are serial:

- ⌘ parts with the most complex configuration -lameley for traction electric motors of railway locomotives;
- ⌘ contacts for low-voltage equipment plants;
- ⌘ bushings for the automotive industry.





CABLE AND WIRES

160^{ths.}
LABELSIZES
OF CABLE

40 +
GROUPS

Cable Holding Alliance Corp. stands for cable assets of UMMC

The Company, established in 2011, combines:

- ⌘ JSC "Elektrokabel works, Kolchugino"
- ⌘ JSC "Sibkabel"
- ⌘ JSC "Uralkabel"
- ⌘ Scientific and Research, Design and Technological Institute for cables (JSC "NIKI", Tomsk)

The main types of cable products: power cables for low, medium and high voltage; fiber optic cables; control cables; wires and cables for rolling stock, signaling and blocking; wire sand cables for construction works.



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HIGH-QUALITY FERROUS ROLLED AND GAUGED SECTIONS

1.0 mln tons

OF ROLLED
STEEL PER YEAR

UMMC-Steel is a highly efficient ferrous metallurgy division operating on the basis of parity of economic development and environmental responsibility in accordance with high quality standards of production processes.

350

GRADES OF STEEL

UMMC-Steel has united three enterprises:

- ☛ Nadezhdinsky Metallurgical Plant;
- ☛ Minimill "Electrosteel of Tyumen";
- ☛ Bogoslovskoye Mine.

100

TYPES OF ROLLED METAL
PRODUCTS

1.2 mln tons

OF IRON
ORE CON
CENTRATE
PER YEAR





RADIATOR PRODUCTS

All-metal brazed copper-brass and aluminum radiators are manufactured according to the following technologies: Cupro Braze, Nocolok, Sofico, Plate& Bar and SplitterFin, as well as the conventional soldering technology.

These radiators comply with the requirements of manufacturers of automotive and tractor equipment, and have the following advantages:

- ☞ efficient heat transfer;
- ☞ low level of hydraulic resistance;
- ☞ high strength;
- ☞ resistance to corrosion and temperature variations in a wide range.

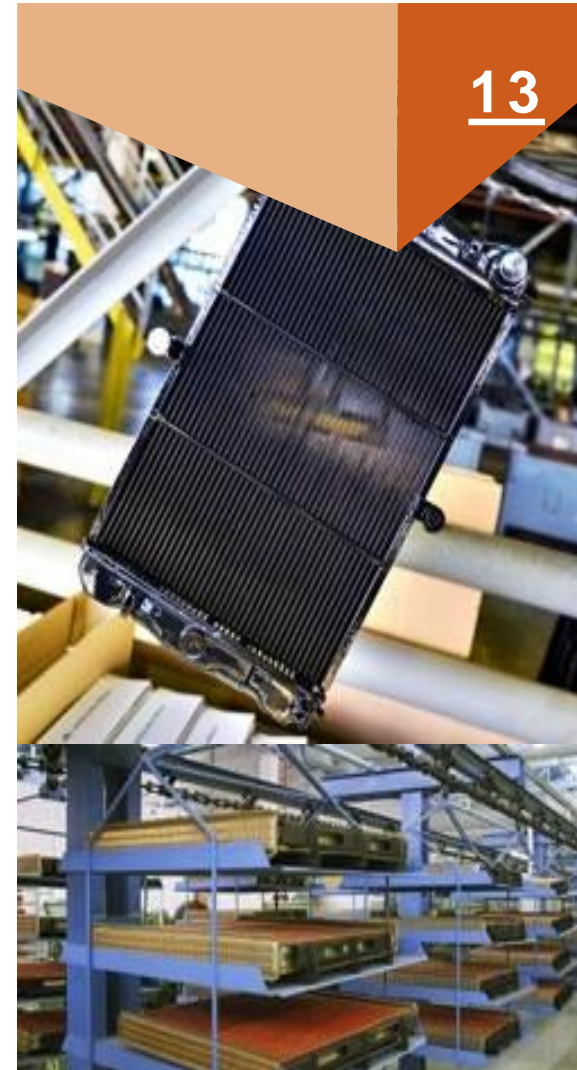
Radiator plants of UMMC:

JSC "SHADRINSKY AUTOMOBILE UNITS PLANT"

Main consumers of radiators: PJSC "KAMAZ", AP "Ural", JSC "MAZ", LLC "UAZ", bus plants of "GAZ Group".

LLC "ORENBURGSKY RADIATOR"

The Orenburg sky radiator plant manufactures radiator blocks for grain harvesters and other agricultural machinery that are supplied to "Rostselmash", "St. Petersburg Tractor Plant", "Promtractor", "Gomselmash" (Republic of Belarus).



13

CAST PARTS FROM PIG IRON AND STEEL

more than
3 ths.
ITEMS

(JSC "Sukhoy Log Foundry") is a fully integrated manufacturer of cast parts from pig iron and steel of various grades with use of cold-hardening mixture technology (with machine treatment) to the satisfaction of 23 UMMC enterprises.

JSC "Sukhoy Log Foundry" has launched into manufacturing steel grinding balls of 25 to 60 mm and 80 to 120 mm in diameter for UMMC concentrators.

CORE PRODUCTS:

- ☛ spare parts for crushing and grinding equipment;
- ☛ moulds for blister copper;
- ☛ machinery spare parts and consumables;
- ☛ dipper teeth;
- ☛ press units, etc.





» JSC "URAL MINING
& METALLURGICAL
COMPANY"

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JAN 2022





PRESS RELEASE

09 March 2022

Petropavlovsk PLC

Statement on Events in Ukraine

Petropavlovsk PLC ("Petropavlovsk" or the "Company" or, together with its subsidiaries, the "Group") today reports that its mining operations, which are located in the Far East of Russia, currently continue without interruption despite the ongoing conflict in Ukraine.

No member of the Group has to date been named in the sanctions against Russia announced by the United Kingdom, United States, European Union and other nations. The Company is ensuring that appropriate systems and procedures are put in place to verify that it is not conducting restricted forms of business with any sanctioned parties. Petropavlovsk will continue to identify and analyse potential risks to its business as a result of sanctions, countermeasures adopted by the Russian Federation, and trading decisions announced by private companies.

A significant risk at present is the potential disruption to the supply chain. Company management initiated contingency planning on day one of the crisis to mitigate this risk and ensure that operations continue uninterrupted. This included assessing existing stocks of imported parts and materials, immediately procuring additional supplies where necessary, and identifying replacement suppliers.

Petropavlovsk continues to sell gold, as before, to domestic commercial banks at London fixing and is therefore not affected by export controls at this time.

The Company has sufficient funds available to service its current debt. Management continues to examine opportunities for refinancing the remaining US\$306m of the Company's 8.125% guaranteed notes maturing later this year.

Petropavlovsk's Board of Directors and senior management have contacted employees throughout the Group to offer them support during this difficult time and would like to thank them for their continued hard work and dedication.

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 Small Cap 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.8.7Moz 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 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.



PRESS RELEASE

09 March 2022

Petropavlovsk PLC

Statement on the UK's Sanctions on Dealings in Transferable Securities or Money Market Instruments

Petropavlovsk PLC ("Petropavlovsk" or the "Company") is aware of the provisions of Regulation 16 of the UK's Russia (Sanctions) (EU Exit) Regulations 2019 (the "Regulations") in relation to dealings with transferable securities or money market instruments ("Securities") issued by certain sanctioned entities or by certain persons connected with Russia as defined in the Regulations (each a "PCWR").

Having taken legal advice on this issue, the Company does not consider that its shares or debt instruments are Securities in which dealings are restricted under the Regulations on the grounds that:

- the Company is domiciled in the UK and is therefore excluded from the operation of Regulation (16)(4C) (by operation of Regulation (16)(4D)(a)(ii)); and
- although the Company has a number of direct and indirect shareholders who are PCWRs and who are domiciled in Russia or may be restricted under the Regulations, it is not owned by a PCWR (within the meaning of Regulations (16)(4D)(b) and (16)(7)), because – to the Company's knowledge – no such shareholder holds, directly or indirectly, more than 50% of the shares or voting rights in the Company.

The Company is cognizant that the Regulations are complex and intends therefore to seek confirmation from the Office of Financial Sanctions Implementation that its interpretation of the Regulations is correct.

Recent analysis undertaken for the Company indicates that, at 31 January 2022 (being the latest date at which such analysis was performed) 49.90% of the Company's issued share capital was beneficially owned by Russian individuals or entities.

The Company has not issued any Securities on or after 1 March 2022. Notice of conversion of US\$5,400,000 of the US\$125m convertible bonds guaranteed by the Company has been received and, subject to the admission of those shares to listing, is currently expected to be settled by the issue of ordinary shares in the Company by 14 March 2022. Future issuances of Securities (including in respect of the aforementioned conversion notice) will be announced in advance by the Company.

In the event that the Company's interpretation of the Regulations proves to be incorrect, or if circumstances otherwise change such that the Company becomes subject to the restrictions set out in Regulation 16 of the Regulations, any person who, directly or indirectly, deals with Securities issued by the Company after 1 March 2022 in circumstances where that person knows or has reasonable cause to suspect that he or she is dealing with Securities which are subject to the Regulations may be guilty of committing an offence.

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FTSE Russell Indices – Deletions

Evraz Plc., Polymetal International Plc., Petropavlovsk Plc., Raven Property Group

11 March 2022

FTSE Russell has received feedback from FTSE Russell's External Advisory Committees and a range of market participants that the ability to buy or sell shares of the index constituents below is severely restricted due to major international brokerage firms no longer supporting trading of these securities and therefore there is insufficient institutional liquidity and market depth. Consequently, this will prevent index trackers from replicating the ongoing inclusion of these names within the FTSE Russell indices.

Following consideration from the FTSE Russell Index Governance Board, FTSE Russell will invoke Principle 2 of the [Statement of Principles for the FTSE Russell Equity Indices](#), which states: '*The index calculation methods should be capable of being readily understood and followed by index users.*'

Accordingly, FTSE Russell will delete the following constituents from all FTSE Russell indices in conjunction with the forthcoming March 2022 index reviews, at zero value (effective from the open on 21 March 2022):

- **Evraz Plc. (UK, B71N6K8, FTSE All-Share, GEIS Mid Cap, FTSE 100) – currently suspended by the Financial Conduct Authority from the Official List**
- **Polymetal International Plc. (UK, B6T5S47, GEIS Mid Cap, FTSE All-Share, FTSE 100)**
- **Petropavlovsk Plc. (UK, 3154454, GEIS Small Cap, FTSE All-Share, FTSE 250)**
- **Raven Property Group (UK, B0D5V53, FTSE All-Share, FTSE UK Small Cap)**

For the avoidance of doubt, the index calculation will continue to use the trading price of the above constituents until the close on Friday 18 March 2022, when the close prices will be updated to zero. In the absence of a resumption of trade, Evraz will be held at 80.89p for the duration of its suspension until it is updated to zero at the close on 18 March 2022, inclusive of the 18 March 2022 expiry.

FTSE UK Index Series

Evraz Plc. and Polymetal International Plc. are currently scheduled to be deleted from the FTSE 100 Index and concurrently added to the FTSE 250 Index at the forthcoming March 2022 FTSE UK Series' Index review. Consequent to their deletions from all FTSE Russell indices, **NB Private Equity Partners (B28ZZX8)** and **Standard Life Private Equity Trust (3047468)** will now be promoted from the FTSE UK Small Cap index and added to the FTSE 250 Index in conjunction with the March 2022 index review, after ranking the FTSE UK Monitored List and selecting the highest ranked non-constituent based on Friday 11 March 2022 close prices.

The replacements for the associated FTSE UK indices will be confirmed and communicated on Monday, 14 March 2022 (e.g. FTSE4Good UK 50).

March 2022 Indicative Review Files

The March 2022 indicative review files published on Monday 14 March 2022 (dated Monday 21 March 2022) will reflect these changes.

For further information please contact FTSE Russell Client Services at info@ftserussell.com or call:

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14 Mar 2022 10:51

Makhmudov, Bokarev no longer controlling beneficiaries of four UMMC entities



YEKATERINBURG. March 14 (Interfax) - Iskander Makhmudov and Andrei Bokarev are no longer the respective controlling beneficiaries of OJSC Ural Mining and Metallurgical Company (UMMC), JSC MC Kuzbassrazrezugol, JSC Vostochny Port, and JSC Rosterminalugol, and they have also exited the boards of directors of the companies, UMMC's press service said.

"All the enterprises of the UMMC group continue to operate as usual, thereby ensuring the continuity of the production process, timely fulfillment of all obligations to their employees, customers and other partners, as well as maintaining stability in the regions of presence," according to the statement.

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18 Mar 2022 12:05

Euroclear restricts transactions on NSD account



MOSCOW. March 18 (Interfax) - Euroclear has restricted transactions on the account of Russia's National Settlement Depository (NSD), the NSD, which is part of the Moscow Exchange Group , said in a statement.

"According to received information, transactions on the NSD account have been restricted by Euroclear in order to implement regulation (EU) 899/2014 regarding restrictive measures in connection with Russia's actions that are destabilizing the situation in Ukraine, with amendments and updates made by council regulation (EU) 2022/328 dated February 25, 2022," the NSD said.

Euroclear is not executing any instructions to carry out transactions with securities and money, including instructions to participate in corporate actions on foreign securities.



The concrete timeframe for receiving clarification was not stated. The NSD will inform depositors of further changes as information is received from Euroclear," the NSD said.

Last week there were reports of problems with payment of coupons to Russian Eurobond holders.

The problem is due to the fact that most Russian holders of Eurobonds use the NSD, to which Euroclear is supposed to transfer money from issuers as to a lower-level depository. When money is transferred through Euroclear for coupon payments on Eurobonds or their redemption, funds are reaching foreign bondholders but not Russian ones, the Russian Union of Industrialists and Entrepreneurs (RSPP) said in a letter to the Central Bank of Russia.

At the beginning of March it was reported that the NSD also imposed restrictions on transactions on the accounts of Euroclear and Clearstream.

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GENERAL LICENCE – Wind Down of Positions Involving Various Designated Banks

INT/2022/1424276

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3. In this licence:

The "DPs" means	Alfa Bank JSC GazPromBank Rosselkhozbank SMP Bank Ural Bank for Reconstruction and Development
"Subsidiary" means	Any entity owned or controlled by any of the DPs.
a "Person" means	An individual, a body of persons corporate or unincorporate, any organisation or any association or combination of persons.
a "Relevant Institution" means	<p>A person that has permission under Part 4A of the Financial Services and Markets Act 2000(3) (permission to carry on regulated activity).</p> <p>A person that is authorised or registered under Part 2 of the Payment Services Regulations (SI 2017/752).</p> <p>A person that is authorised or registered under Part 2 of the Electronic Money Regulations (SI 2011/99).</p> <p>A person that is a "recognised clearing house", "third country central counterparty", "recognised CSD" or "third country CSD" for the purposes of s.285 of the Financial Services and Markets Act 2000.</p> <p>A person that is an operator of a recognised payment system (or that is a service provider in relation to recognised payment systems) for the purposes of Part 5 of the Banking Act 2009.</p>

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4. Under this licence, subject to the conditions below:
 - 4.1. A Person (other than the DPs or a Subsidiary) may wind down any transactions to which it is a party, involving the DPs or a Subsidiary including the closing out of any positions, and a Person, Relevant Institution, or the DPs or a Subsidiary can carry out any activity reasonably necessary to effect this.

General

5. The permissions in this licence do not authorise any act which the person carrying out the act knows, or has reasonable grounds for suspecting, will result in funds or economic resources being dealt with or made available in breach of the Russia Regulations, save as permitted under this or other licences granted under the Russia Regulations.
6. Information provided to HM Treasury in connection with this licence shall be disclosed to third parties only in compliance with the UK General Data Protection Regulation and the Data Protection Act 2018.
7. This licence takes effect from 24 March 2022 and expires on 23 April 2022.
8. HM Treasury may vary, revoke or suspend this licence at any time.

Signed:



Office of Financial Sanctions Implementation

HM Treasury

24 March 2022.



PRESS RELEASE

25 March 2022

Petropavlovsk PLC

Statement in Relation to Gazprombank

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) notes the inclusion of Gazprombank (“GPB”) on the UK Sanctions List and the designation of GPB for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019 (the “Regulations”) on 24 March 2022 and the general licence (INT/2022/1424276) of wind down of positions involving various designated banks (including GPB).

The Group has substantial commercial and financial relationships with GPB and its subsidiaries, including a US\$200 million committed term loan between the Company and Bank GPB (JSC) (the “Term Loan”) and circa US\$86.7 million in revolving credit facilities made available to certain of the Company’s subsidiaries in Russia. It is a condition of these facilities and the Term Loan that GPB acts as an off-taker of 100% of the Group’s gold production.

GPB’s designation under the Regulations for the purposes of an asset freeze prohibits further sales of gold by the Group to GPB at present, and restrictions on purchasing and selling gold in Russia may make it challenging to find an alternative purchaser for the Group’s gold output. The Company also notes that an interest payment of US\$560,000 is due to be paid today under the Term Loan; however, the Company is currently prohibited from making such payment under the Regulations.

The Company is urgently considering with its advisers the implications for the Group’s activities and financing arrangements resulting from GPB being designated for the purposes of an asset freeze. A further announcement will be made in due course.

Petropavlovsk reconfirms that none of the companies in the Group has to date been named in the sanctions against Russia announced by the United Kingdom, United States, European Union, and other nations.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

About Petropavlovsk

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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.

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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.



PRESS RELEASE

30 March 2022

Petropavlovsk PLC

Update in Relation to Gazprombank

Petropavlovsk PLC ("Petropavlovsk" or the "Company" and, together with its subsidiaries, the "Group") wishes to provide an update in relation to the implications for the Group of the inclusion of Gazprombank ("GPB") on the UK Sanctions List and the designation of GPB for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019 (the "Regulations").

As noted in the Company's announcement of 25 March 2022, there is a US\$200 million committed term loan between the Company and Bank GPB (JSC) (the "Term Loan") and c.US\$86.7 million in revolving credit facilities (the "RCFs") made available by GPB to certain of the Company's subsidiaries in Russia. An interest payment of US\$560,000 became due on 25 March 2022 under the Term Loan, which the Company was and remains prohibited from making under the Regulations. In addition, on 28 March 2022 the rouble equivalent of c.US\$9.5m became repayable under the RCFs, which also has not been paid as a consequence of the Regulations.

In light of the above and the scheduled maturity in November 2022 of the US\$500 million 8.125% guaranteed notes due 2022 issued by Petropavlovsk 2016 Limited (of which US\$304 million remains outstanding), the Company is in the early stages of discussions with its advisers and GPB relating to a potential restructuring of the Group's debt within the limitations imposed by the Regulations.

This announcement contains inside information.

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PRESS RELEASE

4 April 2022

Petropavlovsk PLC

Board Update

The Board of Directors (the “Board”) of Petropavlovsk PLC today announces that Natalia Yakovleva, independent non-executive director, has resigned from the Board with immediate effect. The Board would like to express its sincere thanks to Ms Yakovleva for her hard work and dedication during her tenure.

About Petropavlovsk

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TR-1: Standard form for notification of major holdings

1. Issuer Details

ISIN

GB0031544546

Issuer Name

PETROPAVLOVSK PLC

UK or Non-UK Issuer

UK

2. Reason for Notification

An acquisition or disposal of voting rights

3. Details of person subject to the notification obligation

Name

Konstantin Ivanovich Strukov

City of registered office (if applicable)

Plast

Country of registered office (if applicable)

Russian Federation

4. Details of the shareholder

Full name of shareholder(s) if different from the person(s) subject to the notification obligation, above

City of registered office (if applicable)

Country of registered office (if applicable)

5. Date on which the threshold was crossed or reached

17-Jun-2022

6. Date on which Issuer notified

01-Jul-2022

7. Total positions of person(s) subject to the notification obligation

	% of voting rights attached to shares (total of 8.A)	% of voting rights through financial instruments (total of 8.B 1 + 8.B 2)	Total of both in % (8.A + 8.B)	Total number of voting rights held in issuer
Resulting situation on the date on which	29.180140	0.000000	29.180140	1155169303

threshold was crossed or reached				
Position of previous notification (if applicable)				

8. Notified details of the resulting situation on the date on which the threshold was crossed or reached

8A. Voting rights attached to shares

Class/Type of shares ISIN code(if possible)	Number of direct voting rights (DTR5.1)	Number of indirect voting rights (DTR5.2.1)	% of direct voting rights (DTR5.1)	% of indirect voting rights (DTR5.2.1)
GB0031544546		1155169303		29.180140
Sub Total 8.A	1155169303		29.180140%	

8B1. Financial Instruments according to (DTR5.3.1R.(1) (a))

Type of financial instrument	Expiration date	Exercise/conversion period	Number of voting rights that may be acquired if the instrument is exercised/converted	% of voting rights
Sub Total 8.B1				

8B2. Financial Instruments with similar economic effect according to (DTR5.3.1R.(1) (b))

Type of financial instrument	Expiration date	Exercise/conversion period	Physical or cash settlement	Number of voting rights	% of voting rights
Sub Total 8.B2					

9. Information in relation to the person subject to the notification obligation

2. Full chain of controlled undertakings through which the voting rights and/or the financial instruments are effectively held starting with the ultimate controlling natural person or legal entities (please add additional rows as necessary)

Ultimate controlling person	Name of controlled undertaking	% of voting rights if it equals or is higher than the notifiable threshold	% of voting rights through financial instruments if it equals or is higher than the notifiable threshold	Total of both if it equals or is higher than the notifiable threshold
Konstantin Ivanovich Strukov	Uzhuralzoloto Group of Companies Joint-Stock Company	29.180140		

10. In case of proxy voting

Name of the proxy holder

The number and % of voting rights held

--

The date until which the voting rights will be held

--

11. Additional Information

As a result of the transaction, Konstantin Ivanovich Strukov being an ultimate controlling person of Uzhuralzoloto Group of Companies Joint-Stock Company (holding 1,155,169,303 ordinary shares in Petropavlovsk plc), has become its direct shareholder.
--

12. Date of Completion

30-Jun-2022

13. Place Of Completion

Moscow, Russia

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
28	Correspondence between the Board and Match Liquidity	5 April – 20 May 2022	1549- 1560

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
29	Correspondence between the Board and Prosperity	8 April – 28 June 2022	1561- 1565



PRESS RELEASE

11 April 2022

PetroPavlovsk PLC

Board Update

The Board of Directors of PetroPavlovsk PLC (the “Board”) is pleased to announce the appointment of Mr Roman Deniskin as independent non-executive director with immediate effect.

Mr Deniskin has over 20 years of operational and strategic experience in the mining, metals and minerals industries in Russia and Kazakhstan, with a focus on strategic planning, business transformation and human capital development. He is the co-owner and director of Belka Digital, a company offering solutions for automating and optimising minerals processing.

Upon joining the Board, he will become a member of the audit and remuneration committees.

Chairman James W. Cameron Jr said:

"I am pleased to welcome Roman to the Board, where his extensive knowledge and practical experience of Russian mining operations, combined with his fresh perspective and insight, will be of considerable value as we navigate a very challenging environment. The Board remains committed to the recruitment of additional non-executive directors with the breadth and depth of skills, knowledge and experience to serve the needs of the business."

About Roman Deniskin

Mr Roman Deniskin began his career at McKinsey & Company in 1995 before joining Severstal Resources as chief executive in 2002. He subsequently served as chief executive at gold producer Pavlik and, in 2018, briefly as CEO and Director of PetroPavlovsk, and held senior management positions at Boston Consulting Group, Rostec, Eurasian Resources Group, and diamond miner Alrosa. Since 2021, his focus has been on Belka Digital, which serves the mining industry throughout Eurasia and Latin America.

Mr Deniskin holds a BA in math and mechanics from Moscow State University and an MA in economics from University of Michigan. He is a Russian national and a fluent English speaker.

Mr Deniskin has no other disclosable appointments and there is no other information relating to him required to be disclosed pursuant to paragraph LR 9.6.13R of the Listing Rules of the Financial Conduct Authority.

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PRESS RELEASE

14 April 2022

PetroPavlovsk PLC

Update Regarding Gazprombank and Corporate Options

The Board (the “Board”) of PetroPavlovsk PLC (“PetroPavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) wishes to provide a further update in relation to the implications for the Group of the inclusion of Gazprombank (“GPB”) on the UK Sanctions List and the designation of GPB for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019 (the “Regulations”). In addition to the Regulations, the Company is aware of reports of proposed Russian legislation to make it a criminal offence for persons or entities in Russia to refuse to deal with counterparties on the grounds of the Regulations. If such legislation is enacted, the Board may not be able to ensure that its subsidiaries will comply with the Regulations in Russia.

As previously announced, there is a US\$200 million committed term loan between the Company and Bank GPB (JSC) (the “Term Loan”) and c.US\$86.7 million in revolving credit facilities (the “RCFs”) made available by GPB to certain of the Company’s subsidiaries in Russia. An interest payment of US\$560,000 became due on 25 March 2022 under the Term Loan, which the Company was and remains prohibited from making under the Regulations. In addition, on 28 March 2022, the rouble equivalent of c.US\$9.5 million became repayable under the RCFs, which also has not been paid as a consequence of the Regulations.

As also previously announced, it is a condition of the RCFs and the Term Loan that GPB acts as an off-taker of 100% of the Group’s gold production. GPB’s designation under the Regulations prohibits further sales of gold by the Group to GPB. The Group continues to explore options for the sale of its gold, including to other potential buyers, subject to GPB granting waivers. Furthermore, the price at which the Russian Central Bank purchases gold, which effectively limits prices offered by commercial buyers, is set daily at levels generally below London fixing (US\$1,660/oz as at 13 April 2022) and may therefore adversely affect the Group’s free cashflow.

The Group has limited cash reserves outside Russia. There are legal restrictions in place in Russia which limit the Group’s ability to transfer cash out of Russia. The Board is mindful that an interest payment of approximately US\$12.36 million is due on 14 May 2022 in respect of the US\$500 million 8.125% guaranteed notes 2022 (the “Notes”) issued by PetroPavlovsk 2016 Limited (of which US\$304 million remains outstanding), and that the Notes are scheduled to mature in November 2022. In the present circumstances the Board considers that it will be very challenging to refinance the Notes. The Company is guarantor of payments on the Notes and on the guaranteed convertible 8.25% bonds due 2024 issued by PetroPavlovsk 2010 Limited (the “Bonds”).

The Company has appointed AlixPartners UK LLP to assist the Board as it explores its options and determines the Company’s course of action in the best interest of all stakeholders, including creditors and shareholders. These options include the sale of the Company’s entire interests in its operating subsidiaries as soon as practically possible. It is not currently clear what return, if any, may be secured for shareholders or the holders of the Bonds or Notes as a result of this process.

This announcement contains inside information.

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Gazprombank
Joint Stock Company

Bank GPB JSC

Albyn Mine LLC

18 April 2022 No. 159-3/122

Pre-term loan repayment

DEMAND
for pre-term repayment of the indebtedness

Bank GPB JSC (hereinafter referred to as the Bank) and Malomir Mine LLC (hereinafter referred to as the Borrower) have entered into the Loan Agreement on establishment of the credit facility on 10 November 2021 No. 133/21-P (hereinafter referred to as the Loan Agreement) whereas the Bank has provided a limited credit facility (maximum amount of the aggregate debt) to the Borrower in the amount of 4,000,000,000.00 (Four billion and 00/100) Rubles with maturity not later than 30 June 2026.

In accordance with the terms of the Loan Agreement the Bank has provided to the Borrower the tranches of the Loan in US dollars. As on 18 April 2022 the principal debt of the Borrower under the Loan Agreement amounted to 13,700,000.00 (Thirteen million seven hundred thousand and 00/100) US dollars.

According to item 7.1, item 7.1.1 of the Loan Agreement the Bank has unconditional right to demand fulfillment of the cash liabilities of the Borrower in full and earlier than the time stipulated in the Loan Agreement against written notification of the Borrower, should the Borrower fail to fulfill its obligations as stipulated in article 4 of the Loan Agreement in full or in part.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 28 December 2021, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 28 December 2021 in the amount of 1,700,000.00 (One million seven hundred thousand and 00/100) US dollars on 28 March 2022.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 11 January 2022, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 11 January 2022 in the amount of 1,700,000.00 (One million seven hundred thousand and 00/100) US dollars on 11 April 2022.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 13 January 2022, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 13 January 2022 in the amount of 500,000.00 (Five hundred thousand and 00/100) US dollars on 13 April 2022.

In accordance with item 4.3 of the Loan Agreement the Borrower is obliged to repay (return) the Loan in full within the period of time specified in the Loan Agreement, including pre-term repayment should the Bank send respective written notification in case of the circumstances outlined in item 7.1 of the Loan Agreement.

In accordance with item 6.8.2 of the Loan Agreement, the Borrower is obliged to pay interest for the Last Interest period on the date of final repayment of the Tranche of the Loan.

Thus, the Borrower was obliged to:

- repay principal amount of the loan in the amount 1,700,000.00 (One million seven hundred thousand and 00/100) US dollars and accrued interest in the amount of 3,521.10 (Three thousand five hundred twenty one and 10/100) US dollars not later than 28 March 2022. The above mentioned indebtedness was not repaid by the specified date;
- repay principal amount of the loan in the amount 1,700,000.00 (One million seven hundred thousand and 00/100) US dollars and accrued interest in the amount of 1,178.36 (One thousand one hundred seventy eight and 36/100) US dollars not later than 11 April 2022. The above mentioned indebtedness was not repaid by the specified date;
- repay principal amount of the loan in the amount 500,000.00 (Five hundred thousand and 00/100) US dollars and accrued interest in the amount of 409.59 (Four hundred nine and 59/100) US dollars not later than 13 April 2022. The above mentioned indebtedness was not repaid by the specified date;

In accordance with item 7.3 of the Loan Agreement, should the Bank decide to demand fulfillment of obligations by the Borrower earlier than the date specified in the Loan Agreement in case of occurrence of any of the circumstances specified in item 7.1 of the Loan Agreement, the Bank shall send to the Borrower a written notification with demand to the Borrower at least 5 (Five) business days before the date of fulfillment of obligation.

The notification shall be sent to the address and in accordance with the order specified in item article 12 of the Loan Agreement. The Borrower is obliged to fulfill the demand of the Bank within the period of time specified in the notification.

Considering the above, herewith the Bank demands that Albyn Mine LLC would fulfill its obligations under the Loan Agreement in full earlier than the time frames specified in the Loan Agreement and repay the whole amount of indebtedness under the Loan Agreement in full by 26 April 2022

As on 26 April 2022 (inclusive) the total amount of indebtedness of Albyn Mine LLC under the Loan Agreement will total 13,782,730.77 (Thirteen million seven hundred eighty two thousand seven hundred thirty and 77/100) US dollars, of which:

- the principal amount – 13,700,000.00 (Thirteen million seven hundred thousand and 00/100) US dollars;
- interest – 74,913.98 (Seventy four thousand nine hundred thirteen and 98/100) US dollars;
- forfeit payments accrued on the overdue amounts of the principal and interest in accordance with item 6.10.2 and 6.10.4 of the Loan Agreement – 7,816.79 (Seven thousand eight hundred sixteen and 79/100) US dollars.

Please note that you need to calculate the amount of accrued interest for utilization of the Loan and of forfeit payments as specified in the Loan Agreement on the date of actual repayment of indebtedness under the Loan Agreement.

Bank details for transfer of the funds:

Intermediary Bank:
CITIBANK N.A. NEW YORK, USA

SWIFT CITIUS33

Bank Beneficiary:

GAZPROMBANK, MOSCOW, RUSSIA

SWIFT: GAZPRUMM

Account No. 36141825

Beneficiary:

Beneficiary account number 47422840200000000044.

Beneficiary name BANK GPB (JSC)

Beneficiary address – 16, BLD. 1, NAMETKINA STR., 117420, MOSCOW, RUSSIA.

The present demand has to be considered as a claim that is sent to the Borrower in accordance with article 4 of the Administrative and Procedural Code of Russia and item 10.5 of the Loan Agreement in order to take actions for dispute mediation as provided in the Loan Agreement.

Should Malomir Mine LLC fail to fulfill the present demand voluntarily, the Bank will have to seek protection of its legitimate rights in the court of arbitration.

Appendices:

1. Extract from the credit account, 3 pages - 1 copy, in electronic form;
2. Interest statements, 7 pages – 1 copy, in electronic form;
3. Power of Attorney for representative of the Bank dated 28 May 2021 No. D-01/1994, 12 pages – 1 copy, in electronic form.

First Vice-President

N. A. Matyunina



Gazprombank
Joint Stock Company

Bank GPB JSC

Malomir Mine LLC

18 April 2022 No. 159-3/121

Pre-term loan repayment

DEMAND
for pre-term repayment of the indebtedness

Bank GPB JSC (hereinafter referred to as the Bank) and Malomir Mine LLC (hereinafter referred to as the Borrower) have entered into the Loan Agreement on establishment of the credit facility on 10 November 2021 No. 134/21-P (hereinafter referred to as the Loan Agreement) whereas the Bank has provided a limited credit facility (maximum amount of the aggregate debt) to the Borrower in the amount of 4,000,000,000.00 (Four billion and 00/100) Rubles with maturity not later than 30 June 2026.

In accordance with the terms of the Loan Agreement the Bank has provided to the Borrower the tranches of the Loan in US dollars. As on 18 April 2022 the principal debt of the Borrower under the Loan Agreement amounted to 14,500,000.00 (Forteen million five hundred thousand and 00/100) US dollars.

According to item 7.1, item 7.1.1 of the Loan Agreement the Bank has unconditional right to demand fulfillment of the cash liabilities of the Borrower in full and earlier than the time stipulated in the Loan Agreement against written notification of the Borrower, should the Borrower fail to fulfill its obligations as stipulated in article 4 of the Loan Agreement in full or in part.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 28 December 2021, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 28 December 2021 in the amount of 3,300,000.00 (Three million three hundred thousand and 00/100) US dollars on 28 March 2022.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 11 January 2022, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 11 January 2022 in the amount of 4,000,000.00 (Four million and 00/100) US dollars on 11 April 2022.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 13 January 2022, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 13 January 2022 in the amount of 1,000,000.00 (One million and 00/100) US dollars on 13 April 2022.

In accordance with item 4.3 of the Loan Agreement the Borrower is obliged to repay (return) the Loan in full within the period of time specified in the Loan Agreement, including pre-term repayment should the Bank send respective written notification in case of the circumstances outlined in item 7.1 of the Loan Agreement.

In accordance with item 6.8.2 of the Loan Agreement, the Borrower is obliged to pay interest for the Last Interest period on the date of final repayment of the Tranche of the Loan.

Thus, the Borrower was obliged to:

- repay principal amount of the loan in the amount 3,300,000.00 (Three million three hundred thousand and 00/100) US dollars and accrued interest in the amount of 6,835.07 (Six thousand eight hundred thirty five and 07/100) US dollars not later than 28 March 2022. The above mentioned indebtedness was not repaid by the specified date;
- repay principal amount of the loan in the amount 4,000,000.00 (Four million and 00/100) US dollars and accrued interest in the amount of 2,772.60 (Two thousand seven hundred seventy two and 60/100) US dollars not later than 11 April 2022. The above mentioned indebtedness was not repaid by the specified date;
- repay principal amount of the loan in the amount 1,000,000.00 (One million and 00/100) US dollars and accrued interest in the amount of 819.18 (Eight hundred nineteen and 18/100) US dollars not later than 13 April 2022. The above mentioned indebtedness was not repaid by the specified date;

In accordance with item 7.3 of the Loan Agreement, should the Bank decide to demand fulfillment of obligations by the Borrower earlier than the date specified in the Loan Agreement in case of occurrence of any of the circumstances specified in item 7.1 of the Loan Agreement, the Bank shall send to the Borrower a written notification with demand to the Borrower at least 5 (Five) business days before the date of fulfillment of obligation.

The notification shall be sent to the address and in accordance with the order specified in item article 12 of the Loan Agreement. The Borrower is obliged to fulfill the demand of the Bank within the period of time specified in the notification.

Considering the above, herewith the Bank demands that Malomir Mine LLC would fulfill its obligations under the Loan Agreement in full earlier than the time frames specified in the Loan Agreement and repay the whole amount of indebtedness under the Loan Agreement in full by 26 April 2022

As on 26 April 2022 (inclusive) the total amount of indebtedness of Malomir Mine LLC under the Loan Agreement will total 14,576,688.66 (Fourteen million five hundred seventy six thousand six hundred eighty eight and 66/100) US dollars, of which:

- the principal amount – 14,500,000.00 (Forteen million five hundred thousand and 00/100) US dollars;
- interest – 60,560.54 (Sixty thousand five hundred sixty and 54/100) US dollars;
- forfeit payments accrued on the overdue amounts of the principal and interest in accordance with item 6.10.2 and 6.10.4 of the Loan Agreement – 16,128.12 (Sixteen thousand one hundred twenty eight and 12/100) US dollars.

Please note that you need to calculate the amount of accrued interest for utilization of the Loan and of forfeit payments as specified in the Loan Agreement on the date of actual repayment of indebtedness under the Loan Agreement.

Bank details for transfer of the funds:

Intermediary Bank:
CITIBANK N.A. NEW YORK, USA
SWIFT CITIUS33

Bank Beneficiary:

GAZPROMBANK, MOSCOW, RUSSIA

SWIFT: GAZPRUMM

Account No. 36141825

Beneficiary:

Beneficiary account number 47422840200000000044.

Beneficiary name BANK GPB (JSC)

Beneficiary address – 16, BLD. 1, NAMETKINA STR., 117420, MOSCOW, RUSSIA.

The present demand has to be considered as a claim that is sent to the Borrower in accordance with article 4 of the Administrative and Procedural Code of Russia and item 10.5 of the Loan Agreement in order to take actions for dispute mediation as provided in the Loan Agreement.

Should Malomir Mine LLC fail to fulfill the present demand voluntarily, the Bank will have to seek protection of its legitimate rights in the court of arbitration.

Appendices:

1. Extract from the credit account, 3 pages - 1 copy, in electronic form;
2. Interest statements, 5 pages – 1 copy, in electronic form;
3. Power of Attorney for representative of the Bank dated 28 May 2021 No. D-01/1994, 12 pages – 1 copy, in electronic form.

First Vice-President

N. A. Matyunina



Gazprombank
Joint Stock Company

Bank GPB JSC

JSC Pokrovsky Mine

18 April 2022 No. 159-3/123

Pre-term loan repayment

DEMAND
for pre-term repayment of the indebtedness

Bank GPB JSC (hereinafter referred to as the Bank) and JSC Pokrovsky Mine (hereinafter referred to as the Borrower) have entered into the Loan Agreement on establishment of the credit facility on 21 April 2021 No. 39/21-P (hereinafter referred to as the Loan Agreement) whereas the Bank has provided a limited credit facility (maximum amount of the aggregate debt) to the Borrower in the amount of 5,000,000,000.00 (Five billion and 00/100) Rubles with maturity not later than 31 May 2022.

In accordance with the terms of the Loan Agreement the Bank has provided to the Borrower the tranches of the Loan in US dollars. As on 18 April 2022 the principal debt of the Borrower under the Loan Agreement amounted to 49,500,000.00 (Forty nine million five hundred thousand and 00/100) US dollars.

According to item 7.1, item 7.1.1 of the Loan Agreement the Bank has unconditional right to demand fulfillment of the cash liabilities of the Borrower in full and earlier than the time stipulated in the Loan Agreement against written notification of the Borrower, should the Borrower fail to fulfill its obligations as stipulated in article 4 of the Loan Agreement in full or in part.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 28 December 2021, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 28 December 2021 in the amount of 4,500,000.00 (Four million five hundred thousand and 00/100) US dollars on 28 March 2022.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 11 January 2022, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 11 January 2022 in the amount of 4,000,000.00 (Four million and 00/100) US dollars on 11 April 2022.

According to the terms of the Loan Agreement and of the Request for provision of the Tranche of the Loan dated 13 January 2022, the Borrower had to repay (return) the Tranche of the Loan provided to the Borrower by the Bank on 13 January 2022 in the amount of 1,000,000.00 (One million and 00/100) US dollars on 13 April 2022.

In accordance with item 4.3 of the Loan Agreement the Borrower is obliged to repay (return) the Loan in full within the period of time specified in the Loan Agreement, including pre-term repayment should the Bank send respective written notification in case of the circumstances outlined in item 7.1 of the Loan Agreement.

In accordance with item 6.8.2 of the Loan Agreement, the Borrower is obliged to pay interest for the Last Interest period on the date of final repayment of the Tranche of the Loan.

Thus, the Borrower was obliged to:

- repay principal amount of the loan in the amount 4,500,000.00 (Four million five hundred thousand and 00/100) US dollars and accrued interest in the amount of 9,320.55 (Nine thousand three hundred twenty and 55/100) US dollars not later than 28 March 2022. The above mentioned indebtedness was not repaid by the specified date;
- repay principal amount of the loan in the amount 4,000,000.00 (Four million and 00/100) US dollars and accrued interest in the amount of 2,772.60 (Two thousand seven hundred seventy two and 60/100) US dollars not later than 11 April 2022. The above mentioned indebtedness was not repaid by the specified date;
- repay principal amount of the loan in the amount 1,000,000.00 (One million and 00/100) US dollars and accrued interest in the amount of 819.18 (Eight hundred nineteen and 18/100) US dollars not later than 13 April 2022. The above mentioned indebtedness was not repaid by the specified date;

In accordance with item 7.2 of the Loan Agreement, should the Bank decide to demand fulfillment of obligations by the Borrower earlier than the date specified in the Loan Agreement in case of occurrence of any of the circumstances specified in item 7.1 of the Loan Agreement, the Bank shall send to the Borrower a written notification with demand to the Borrower at least 5 (Five) business days before the date of fulfillment of obligation.

The notification shall be sent to the address and in accordance with the order specified in item article 12 of the Loan Agreement. The Borrower is obliged to fulfill the demand of the Bank within the period of time specified in the notification.

Considering the above, herewith the Bank demands that JSC Pokrovsky Mine would fulfill its obligations under the Loan Agreement in full earlier than the time frames specified in the Loan Agreement and repay the whole amount of indebtedness under the Loan Agreement in full by 26 April 2022

As on 26 April 2022 (inclusive) the total amount of indebtedness of JSC Pokrovsky Mine under the Loan Agreement will total 49,858,189.81 (Forty nine million eight hundred fifty eight thousand one hundred eighty nine and 81/100) US dollars, of which:

- the principal amount – 49,500,000.00 (Forty nine million five hundred thousand and 00/100) US dollars;
- interest – 247,130.10 (Two hundred forty seven thousand one hundred thirty and 10/100) US dollars;
- forfeit payments accrued on the overdue amounts of the principal and interest in accordance with item 6.10.2 and 6.10.4 of the Loan Agreement – 111,059.71 (One hundred eleven thousand fifty nine and 71/100) US dollars.

Please note that you need to calculate the amount of accrued interest for utilization of the Loan and of forfeit payments as specified in the Loan Agreement on the date of actual repayment of indebtedness under the Loan Agreement.

Bank details for transfer of the funds:

Intermediary Bank:
CITIBANK N.A. NEW YORK, USA

SWIFT CITIUS33

Bank Beneficiary:

GAZPROMBANK, MOSCOW, RUSSIA

SWIFT: GAZPRUMM

Account No. 36141825

Beneficiary:

Beneficiary account number 47422840200000000044.

Beneficiary name BANK GPB (JSC)

Beneficiary address – 16, BLD. 1, NAMETKINA STR., 117420, MOSCOW, RUSSIA.

The present demand has to be considered as a claim that is sent to the Borrower in accordance with article 4 of the Administrative and Procedural Code of Russia and item 10.5 of the Loan Agreement in order to take actions for dispute mediation as provided in the Loan Agreement.

Should JSC Pokrovsky Mine fail to fulfill the present demand voluntarily, the Bank will have to seek protection of its legitimate rights in the court of arbitration.

Appendices:

1. Extract from the credit account, 5 pages - 1 copy, in electronic form;
2. Interest statements, 14 pages – 1 copy, in electronic form;
3. Power of Attorney for representative of the Bank dated 28 May 2021 No. D-01/1994, 12 pages – 1 copy, in electronic form.

First Vice-President

N. A. Matyunina



GAZPROMBANK

Gazprombank (Joint-stock Company)

Bank GPB (JSC)

Building 1, 16 Nametkina st., 117420, Moscow

TELEPHONE: +7 (495) 719-1763

FAX: +7 (495) 913-7319

S.W.I.F.T.: GAZPRUMM

TELEX: 412027 GAZ RU

www.gazprombank.ru

Our N TX-01.128/1296
18.04.2022

To: PETROPAVLOVSK PLC as the Borrower

11 Grosvenor Place, London, SW1X 7HH, United Kingdom

Attn.: James W Cameron Jr, Chairman of the Board of Directors

From: BANK GPB (JSC) as the Agent

Ref:

Re: Event of Default and Acceleration under the Facility Agreement dated 28 July 2021 # 138/21-B

Dear Sir,

We refer to the Facility Agreement dated 28 July 2021 ("**Facility Agreement**") entered into between Bank GPB (JSC) (as the Arranger, Original Lender and the Agent) and Petropavlovsk Plc. (as the borrower, "**Borrower**"). Unless otherwise stated, this letter adopts the terms defined in the Facility Agreement.

Since March 25, 2022 the Borrower has been in breach of its obligation under Clause 8.2 (*Payment of Interest*) of the Facility Agreement by reason of its failure to make timely payment of accrued interest on the Loan.

As of the date of this letter, the Borrower has now failed to pay accrued interest on the Loan in the total amount of USD 1,040,000.00 and accrued default interest in the total amount of USD 2,476.27 in accordance with Clause 8.3 of the Facility agreement¹. Therefore, Event of Default under clause 21.1 (*Non-payment*) of the Facility Agreement has occurred which is continuing.

¹ Under Clause 8.3, default interest shall accrue in respect of overdue amount:

a. (for the period starting on the relevant due date and ending on (and including) the fifth calendar following such date) 7.20 per cent. per annum;

b. (for the period starting on the sixth calendar day following the due date until the date of payment) 6.60 per cent. per annum.

In addition, the Agent also considers that the Events of Defaults have occurred under clauses 21.9 (*Unlawfulness*) and clause 21.12 (*Material Adverse Change*) of the Facility Agreement due to sanctions imposed by Her Majesty's Treasury under the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855), each of which is continuing.

In light of the above and in accordance with Clause 21.13 (*Acceleration*) of the Facility Agreement, the Agent hereby gives notice (the "**Acceleration Notice**") to the Borrower pursuant sub clause (B) of the Clause 21.13 that it:

(a) declares that all of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents are immediately due and payable; and

(b) accordingly demands, in its capacity as both Agent and Lender, the immediate payment of USD 201,042,476.27 (which includes principal amount, interest and default interest accrued up until the date of this letter (inclusive) (for the purposes of the present letter, the "**Outstanding Amount**") (such demand being the "**Demand for Payment**").

Please note, if the Outstanding Amount (all or any part of it) is not paid immediately (the "**Overdue Amount**"), interest shall continue to accrue on the Overdue Amount up to the date of the actual payment (both before and after any award or judgement) pursuant to Clause 8.3 (*Default Interest*) of the Facility Agreement.

Please pay the Outstanding Amount forthwith to:

Intermediary Bank:

CITIBANK N.A. NEW YORK, USA

SWIFT CITIUS33

Bank Beneficiary:

GAZPROMBANK, MOSCOW, RUSSIA

SWIFT: GAZPRUMM

account N 36141825

Beneficiary:

Beneficiary account number 47422840200000000044.

Beneficiary name BANK GPB (JSC)

Beneficiary address - 16, BLD. 1, NAMETKINA STR., 117420, MOSCOW, RUSSIA.

The rights of the Agent and the Lender are reserved in full. In particular, the Agent and the Lender reserve the rights to:

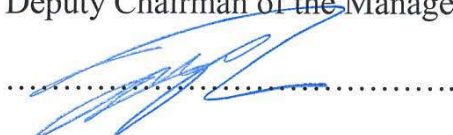
- a) enforce their rights under the Facility Agreement and the Finance Documents promptly, before any competent forum and in any relevant jurisdiction without further notice to Borrower; and
- b) recover any and all further sums incurred in the enforcement of those rights under the Facility Agreement and the Finance Documents (including but not limited to legal fees and expenses) in accordance with Clause 16.3 (“**Enforcement Costs**”) of the Facility Agreement.

For the avoidance of doubt, this letter, Acceleration Notice and Demand for Payment should not be understood to reflect all outstanding amounts that may be owed by the Borrower, or other members of the Group, to GPB (JSC) or its affiliates, whether under the Facility Agreement, the Finance Documents or otherwise. Nothing in the present letter should be construed as the waiver of any right under the Facility Agreement, the Finance Documents or otherwise.

This letter is governed by English law.

Yours faithfully,

Tigran G. Khachaturov
Deputy Chairman of the Management Board



For and on behalf of

BANK GPB (JSC)



GAZPROMBANK

Gazprombank (Joint-stock Company)

Bank GPB (JSC)

Building 1, 16 Nametkina st., 117420, Moscow
TELEPHONE: +7 (495) 719-1763
FAX: +7 (495) 913-7319
S.W.I.F.T.: GAZPRUMM
TELEX: 412027 GAZ RU
www.gazprombank.ru

Our N TX-01.128/1297
18.04.2022

To: **Petropavlovsk Plc** as Borrower

11 Grosvenor Place, London
SW1X 7HH, United Kingdom

From: **Gazprombank (Joint Stock Company)** as Agent and Original Lender

Nametkina str. 16 bld 1, Moscow,
117420, Russia
(the “Agent” and “Original Lender”)

Dear Sirs

Petropavlovsk Plc (the “Borrower”) – Committed Term Facility Agreement dated 28 July 2021 between the Borrower and Gazprombank (Joint Stock Company) as Arranger, Original Lender and Agent (the “Facility Agreement”)

1. We refer to the Facility Agreement. Terms defined in the Facility Agreement shall have the same meaning when used in this letter, unless given a different meaning herein.
2. Hereby, considering the potential assignment of our rights as the Lender under the Facility Agreement and other Finance Documents, we inform you that:
 - (a) pursuant to paragraph (B) of Clause 24.12 (*Resignation of the Agent*) of the Facility Agreement we (in our capacity as Agent) intend to resign from the position as Agent under the Facility Agreement; and
 - (b) in accordance with paragraph (B) of Clause 24.12 (*Resignation of the Agent*) of the Facility Agreement we (in our capacity as Original Lender and Majority Lenders) intend to appoint Joint Stock Company "UMMC-INVEST" (the main state registration number (OGRN) 1156658096143, address: 624092, Sverdlovskiy region, the city of Verkhnya Pyshma, Petrova street, bldg.1 B, room 14) as successor Agent (the “**Successor Agent**”),by sending you a separate notice (the “**Notice**”).
3. In addition, we expect that the Notice and the appointment of the Successor Agent will take immediate effect (once served) in accordance with paragraph (F) of Clause 24.12 (*Resignation of the Agent*) of the Facility Agreement.

4. Please confirm by counter-signing and returning of this letter that:
 - (a) you are informed about our intended resignation from the position as Agent under the Facility Agreement; and
 - (b) you do not object with the appointment of Joint Stock Company "UMMC-INVEST" (the main state registration number (OGRN) 1156658096143, address: 624092, Sverdlovskiy region, the city of Verkhnya Pyshma, Petrova street, bldg.1 B, room 14) as successor Agent.
5. This letter is governed by English law.
6. The provisions of Clause 38.1 (*Enforcement*) of the Facility Agreement shall be incorporated into this letter as if set out in full in this letter and as if references in that clause to "the Finance Documents" are references to this letter.
7. This letter may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of this letter.

Yours faithfully,

Gazprombank (Joint Stock Company)



Name: Tigran G. Khachaturov

Title: Deputy Chairman of the Management Board

Date: 18 April 2022



Gazprombank (Joint-stock Company)

Bank GPB (JSC)

Building 1, 16 Nametkina st., 117420, Moscow
TELEPHONE: +7 (495) 719-1763
FAX: +7 (495) 913-7319
S.W.I.F.T.: GAZPRUMM
TELEX: 412027 GAZ RU
www.gazprombank.ru

Our Nº TX-01.128/1338, 19.04.2022

To:

Gazprombank (Joint Stock Company)
as Original Lender
Nametkina str. 16 bld 1, Moscow,
117420, Russia

Petropavlovsk Plc as Borrower
11 Grosvenor Place, London
SW1X 7HH, United Kingdom

From:

Gazprombank (Joint Stock Company)
as Agent
Nametkina str. 16 bld 1, Moscow,
117420, Russia
(the "**Retiring Agent**")

Dear Sirs

Petropavlovsk Plc (the "Borrower") – Committed Term Facility Agreement dated 28 July 2021 between the Borrower and Gazprombank (Joint Stock Company) as Arranger, Original Lender and Agent (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a resignation notice (the "**Notice**"). Terms defined in the Facility Agreement shall have the same meaning when used in this Notice, unless given a different meaning herein.
2. Pursuant to paragraph (B) of Clause 24.12 (*Resignation of the Agent*) of the Facility Agreement the Retiring Agent hereby resigns from its position as Agent under the Facility Agreement.
3. In accordance with paragraph (B) of Clause 24.12 (*Resignation of the Agent*) of the Facility Agreement Gazprombank (Joint Stock Company) as Majority Lender hereby appoints Joint Stock Company "UMMC-INVEST" (the main state registration number (OGRN) 1156658096143, address: 624092, Sverdlovskiy region, the city of Verkhnya Pyshma, Petrova street, bldg.1 B, room 14) as successor Agent (the "**Successor Agent**") (and therefore this Notice takes effect immediately in accordance with paragraph (F) of Clause 24.12 (*Resignation of the Agent*)).

4. With effect from the date of this Notice the Successor Agent shall assume all rights and obligations of, and shall be treated as the Agent for the purposes of the Facility Agreement and the other Finance Documents.
5. With effect from the date of this Notice, the Retiring Agent is discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of Clauses 24.11 (*Lenders' indemnity to the Agent*) and 24.12 (*Resignation of the Agent*) of the Facility Agreement and any agency fees for the account of the Retiring Agent shall cease to accrue from (and shall be payable on) that date.
6. Save as expressly provided otherwise in this letter, a person who is not a party to this letter may not rely on it and the terms of the Contracts (Rights of Third Parties) Act 1999 are excluded.
7. This Notice is governed by English law.
8. The provisions of Clause 38.1 (*Enforcement*) of Agreement shall be incorporated into this Notice as if set out in full in this Notice and as if references in that clause to "the Finance Documents" are references to this Notice.
9. This Notice may be executed in any number of counterparts, and this shall have the same effect as if the signatures on the counterparts were on a single copy of this Notice.
10. This Notice has been entered into as a deed with effect as of, and from, the date of this letter.

Please indicate your acceptance of the terms of this Notice by executing and returning the enclosed copy.

Yours faithfully,

Gazprombank (Joint Stock Company)



Name: Tigran G. Khachaturov

Title: Deputy Chairman of the Management Board

Date: 19 April 2022

Joint Stock Company "UMMC-INVEST" hereby consents to the terms and provisions of this Notice, agrees to be appointed as Agent under the Facility

Agreement and agrees to be bound by and act in accordance with the provisions of the Finance Documents relating to the Agent.



Name: Fedor Kirsanov

Title: Director

Date: 19.04.2022

To:

Petropavlovsk Plc as Borrower
11 Grosvenor Place, London
SW1X 7HH, United Kingdom

From:

Joint Stock Company "UMMC-INVEST" as Agent and New Lender
624092, Sverdlovskiy region, the city of Verkhnya Pyshma,
Petrova street, bldg.1 B, room 14
(the "Agent" and the "New Lender")

19 April 2022, Moscow

Dear Sirs

Petropavlovsk Plc (the "Borrower") – Committed Term Facility Agreement dated 28 July 2021 originally entered into between the Borrower and Gazprombank (Joint Stock Company) as Arranger, Original Lender and Agent (the "Facility Agreement")

1. We refer to the Facility Agreement. Terms defined in the Facility Agreement shall have the same meaning when used in this notice, unless given a different meaning herein.
2. We write to notify you that "Gazprombank" (Joint Stock Company) has assigned all its rights under the Facility Agreement and other Finance Documents to the New Lender.
3. For the purposes of Clause 22.7 (*Copy of Transfer Certificate*) of the Facility Agreement, we attach a copy of the Assignment Agreement to this notice.
4. This notice is governed by English law.
5. The provisions of Clause 38.1 (*Enforcement*) of the Facility Agreement shall be incorporated into this notice as if set out in full in this notice and as if references in that clause to "the Finance Documents" are references to this notice.

Yours faithfully,

Joint Stock Company "UMMC-INVEST"

By: Fedor Kirsanov

Title: Director

Date: 19 April 2022



Договор уступки

Кому: АО «УГМК-ИНВЕСТ» в
качестве Агента и
Petrovavlovsk Plc в качестве
Заемщика

От: «Газпромбанк» (Акционерное
общество) («**Существующий
кредитор**») и АО «УГМК-
ИНВЕСТ» («**Новый
кредитор**»)

Дата: 19 апреля 2022 г.

***Petrovavlovsk Plc («Заемщик») –
Договор об открытии срочной
кредитной линии на
установленных условиях от
28 июля 2021 г. № 138/21-В между
Заемщиком в качестве Заемщика и
«Газпромбанк» (Акционерное
общество) в качестве
Организатора, Первоначального
Кредитора и Агента («Договор»)***

1 Мы ссылаемся на Договор.
Настоящий договор
представляет собой Договор
уступки. Термины, определенные
в Договоре, имеют такое же
значение в настоящем Договоре
уступки, если в настоящем
Договоре уступки не указано
другое значение.

2 Мы ссылаемся на пункт 22.6
(Порядок уступки) Договора:

(A) Существующий Кредитор
полностью передает Новому
Кредитору все права
Существующего Кредитора
по Договору и другим
Финансовым Документам,
которые относятся к той
части Обязательств
Существующего Кредитора и
участия в Займах по
Договору, которая указана в
Приложении.

Assignment Agreement

To: Joint Stock Company "UMMC-
INVEST" as Agent and
Petrovavlovsk Plc as Borrower

From: Gazprombank (Joint Stock
Company) (the "**Existing
Lender**") and Joint Stock
Company "UMMC-INVEST" (the
"**New Lender**")

Dated: 19 April 2022

***Petrovavlovsk Plc (the "Borrower") –
Committed Term Facility Agreement
dated 28 July 2021 No. 138/21-B
between the Borrower as Borrower and
Gazprombank (Joint Stock Company)
as Arranger, Original Lender and Agent
(the "Agreement")***

1 We refer to the Agreement. This is
an Assignment Agreement. Terms
defined in the Agreement have the
same meaning in this Assignment
Agreement unless given a different
meaning in this Assignment
Agreement.

2 We refer to Clause 22.6 (*Procedure
for assignment*) of the Agreement:

(A) The Existing Lender assigns
absolutely to the New Lender all
the rights of the Existing Lender
under the Agreement and the
other Finance Documents which
relate to that portion of the
Existing Lender's Commitment
and participations in Loans
under the Agreement as
specified in the Schedule.

(B) Существующий Кредитор освобождается от всех обязательств Существующего Кредитора, соответствующих той части Обязательств Существующего Кредитора и участия в Займах по Договору, которая указана в Приложении.

(C) Новый Кредитор становится Стороной в качестве Кредитора и принимает на себя обязательства, эквивалентные тем, от которых Существующий Кредитор освобождается в соответствии с пунктом 2(B) выше.

3 Во избежание сомнений: Новый Кредитор приобретает все права Существующего Кредитора по Договору (как настоящие, так и будущие), включая, помимо прочего, договорные и внедоговорные права требования, права требования по Финансовым Документам, права на проценты, которые уже начислены или будут начислены по Договору, а также права Существующего Кредитора по договорам обеспечения, которые обеспечивают (гарантируют) исполнение обязательств Заемщика по Договору, в частности права по следующим Гаранциям (Поручительствам):

(a) Договор поручительства от 28.07.2021 г. №138/21-В-П между Существующим Кредитором в качестве кредитора и ООО «Албынский рудник»;

(B) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment and participations in Loans under the Agreement specified in the Schedule.

(C) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph 2(B) above.

3 For the avoidance of doubt, the New Lender shall acquire all rights of the Existing Lender under the Agreement (both present and future), including but not limited to the contractual and non-contractual claim rights, claim rights under the Finance Documents, rights to the interest accrued under the Agreement and the interest to be accrued in the future, and the rights of the Existing Lender under the security and collateral agreements, which secure (cover) the performance of the Borrower's obligations under the Agreement, in particular the rights under the following Guarantees:

(a) Suretyship agreement (Договор поручительства) №138/21-В-П between the Existing Lender as a creditor and LLC Albynskiy Rudnik dated July 28, 2021;

(b) Договор поручительства от 28.07.2021 г. №138/21-В-П между Существующим Кредитором в качестве кредитора и ООО «Маломырский рудник»;	(b) Suretyship agreement (<i>Договор поручительства</i>) №138/21-В-П between the Existing Lender as a creditor and LLC Malomirskiy Rudnik dated July 28, 2021;
(c) Договор поручительства от 28.07.2021 г. №138/21-В-П между Существующим Кредитором в качестве кредитора и АО «Покровский рудник»;	(c) Suretyship agreement (<i>Договор поручительства</i>) №138/21-В-П between the Existing Lender as a creditor and JSC "Pokrovskiy mine" dated July 28, 2021;
(d) Договор поручительства от 28.07.2021 г. №138/21-В-П между Существующим Кредитором в качестве кредитора и ООО «Тэми».	(d) Suretyship agreement (<i>Договор поручительства</i>) №138/21-В-П between the Existing Lender as a creditor and Temi LLC dated July 28, 2021.
4 Планируемая Дата передачи 4 19.04.2022.	The proposed Transfer Date is 19.04.2022.
5 В Дату передачи Новый Кредитор становится Стороной Финансовых Документов в качестве Кредитора.	On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.
6 Офис по обслуживанию кредитной линии Нового Кредитора, а также его адреса и контактные лица для уведомлений для целей пункта 29.2 (<i>Адреса</i>) Договора указаны в Приложении.	The Facility Office and address and attention details for notices of the New Lender for the purposes of Clause 29.2 (<i>Addresses</i>) of the Agreement are set out in the Schedule.
7 В интересах Агента и без ответственности перед Заемщиком Новый Кредитор подтверждает, что он является Кредитором, подпадающим под действие Договора об избежании двойного налогообложения.	The New Lender confirms, for the benefit of the Agent and without liability to the Borrower, that it is a Treaty Lender.
8 Настоящим стороны подтверждают, что они признают, что Новый Кредитор соответствует критериям Нового Кредитора (определенным в Договоре) в соответствии с пунктом 22.1 (<i>Уступки и</i>	The parties hereby confirm that they are satisfied with the New Lender to fulfill the criteria for the New Lender (as defined in the Agreement) in accordance with clause 22.1 (<i>Assignments and transfers by the Lenders</i>) of the Agreement.

передачи прав Кредиторами)
Договора.

- | | | | |
|----|--|----|---|
| 9 | Настоящий Договор уступки признается уведомлением об уступке, являющейся предметом настоящего Договора уступки, в адрес Агента (действующему от имени каждой Стороны финансирования) и, после вручения в соответствии с пунктом 22.7 (<i>Вручение копии Передаточного сертификата или Договора уступки Заемщику</i>) Договора, в адрес Заемщика. | 9 | This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 22.7 (<i>Copy of Transfer Certificate or Assignment Agreement to the Borrower</i>) of the Agreement, to the Borrower of the assignment referred to in this Assignment Agreement. |
| 10 | Настоящий Договор уступки может быть заключен в любом количестве экземпляров, и это равнозначно тому, как если бы все подписи стояли на одном экземпляре настоящего Договора уступки. | 10 | This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement. |
| 11 | Настоящий Договор уступки и любые внедоговорные обязательства, возникающие из него или в связи с ним, регулируются английским правом. | 11 | This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law. |
| 12 | Настоящий Договор уступки составлен на английском и русском языках. В случае расхождений между английской и русской версиями Договора уступки приоритет имеет версия на английском языке. | 12 | This Assignment Agreement is made in English and Russian. In case of any discrepancies between the English version and the Russian version of this Assignment Agreement the English version shall prevail. |
| 13 | Настоящий Договор уступки был заключен в дату, указанную в начале настоящего Договора уступки. | 13 | This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement. |
| 14 | Все споры, разногласия или требования, возникающие из Договора уступки или в связи с ним, или касающиеся его нарушения, прекращения или | 14 | Any and all disputes, controversies or claims arising out of or in connection with the Assignment Agreement or a breach, termination or invalidity hereof, shall be settled |

недействительности, подлежат рассмотрению в Российском арбитражном центре при автономной некоммерческой организации «Российский институт современного арбитража» в соответствии с Арбитражным регламентом.

Местом арбитража является Москва, Россия.

Стороны соглашаются для направления письменных заявлений, уведомлений и иных письменных документов использовать следующие адреса электронной почты:

Существующий кредитор:

ruslan.khalilov@gazprombank.ru;
Natalia.matyunina@gazprombank.ru

Новый Кредитор:

Fedor.Kirsanov@ugmk.com;
m.maryanovich@ugmk.com

В случае изменения адреса электронной почты, указанного выше, соответствующая сторона обязана незамедлительно уведомить другую сторону о таком изменении, и в случае, если уже начато арбитражное разбирательство, также уведомить Российский арбитражный центр при автономной некоммерческой организации «Российский институт современного арбитража». Если соответствующее уведомление не было направлено, нарушившая сторона несет негативные последствия направления любых письменных заявлений, уведомлений и других письменных документов на неверный адрес электронной

by arbitration at the Russian Arbitration Center at the Autonomous Non-Profit Organisation "Russian Institute of Modern Arbitration" in accordance with the Arbitration Rules.

The seat of arbitration shall be Moscow, Russia.

The parties agree that for the purposes of sending written submissions, notifications and other written documents the following e-mail addresses shall be used:

the Existing Lender:

ruslan.khalilov@gazprombank.ru;
Natalia.matyunina@gazprombank.ru

the New Lender:

Fedor.Kirsanov@ugmk.com;
m.maryanovich@ugmk.com

In the event of change of the e-mail address specified above the party shall immediately notify the other party of such change and, if the arbitration has already commenced, also notify the Russian Arbitration Center at the Autonomous Non-Profit Organisation "Russian Institute of Modern Arbitration". If such notice is not given, the party failing to give notice shall be responsible for any written submissions, notifications and other written documents being sent to a wrong e-mail address. The parties hereby agree to be bound by and to voluntarily perform the arbitral award.

почты. Настоящим стороны
соглашаются соблюдать и
добровольно исполнять
арбитражное решение.

ПРИЛОЖЕНИЕ К ДОГОВОРУ УСТУПКИ

Передаваемые права и освобождение от обязательств

SCHEDULE TO ASSIGNMENT AGREEMENT

Rights to be assigned and obligations to be released and undertaken

Размер кредитной линии	Адрес и информация для уведомлений:
Сумма основного долга: 200 000 000 долларов США	Новый кредитор АО «УГМК-ИНВЕСТ»
Начисленные проценты: 1 060 000,00 долларов США	Адрес: Свердловская область, город Верхняя Пышма, улица Петрова, д. 1В, помещение 14, 624092, Российская Федерация
Проценты за просрочку: 2 577,53 долларов США	Адрес для корреспонденции: Свердловская область, город Верхняя Пышма, Успенский проспект, д. 1, 624091, Российская Федерация
	Электронная почта: Fedor.Kirsanov@ugmk.com; m.maryanovich@ugmk.com Вниманию: Федора Кирсанова, Мишела Марьяновича
	Реквизиты для оплаты уступки: Текущий счет: 40701840254000100002 Транзитный счет: 40701840154000200002 Корреспондентский счет: 30101810450045004888 SWIFT: JSBSRU2P ПАО «Банк «Санкт-Петербург», Санкт-Петербург, Россия

Facility Amount	Address and Details for Notices:
Principal: USD 200,000,000	New Lender Joint Stock Company "UMMC-INVEST" Address: Sverdlovskiy region, the city of Verkhnya Pyshma, Petrova street, bldg.1 B, room 14, 624092, the Russian Federation
Accrued Interest: USD 1 060 000,00	Address for correspondence: Sverdlovskiy region, the city of Verkhnya Pyshma, Uspenskiy prospect 1, 624091, the Russian Federation
Default Interest: USD 2,577.53	E-mail: Fedor.Kirsanov@ugmk.com; m.maryanovich@ugmk.com Attn: Fedor Kirsanov; Mishel Maryanovich
	Account details for payments Current account: 40701840254000100002 Transit account: 40701840154000200002 Corresponding account: 30101810450045004888 SWIFT: JSBSRU2P Bank "Saint-Petersburg" PJSC, Saint-Petersburg, Russia

**«Газпромбанк»
общество)**

в качестве Существующего Кредитора



ФИО: Тигран Г. Хачатуров

Должность: Заместитель Председателя
Правления

(Акционерное

Gazprombank (Joint Stock Company)


as Existing Lender



Name: Tigran G. Khachaturov

Title: Deputy Chairman of Management
Board

Акционерное общество
ИНВЕСТ
в качестве Нового Кредитора



ФИО: Федор Кирсанов
Должность: Директор

«УГМК- Joint Stock Company "UMMC-INVEST"
as New Lender



Name: Fedor Kirsanov
Title: Director

Настоящий Договор уступки принимается Агентом, подтвержденная Дата передачи – 19.04.2022.

Подписание Агентом настоящего Договора уступки представляет собой подтверждение Агентом получения уведомления об уступке, являющейся предметом настоящего Договора уступки, которое Агент получает от имени каждой Стороны финансирования.

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as 19.04.2022.

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

Акционерное общество «УГМК-ИНВЕСТ» в качестве Агента



ФИО: Федор Кирсанов
Должность: Директор

Joint Stock Company "UMMC-INVEST" as Agent



Name: Fedor Kirsanov
Title: Director

A handwritten signature in blue ink, consisting of two distinct parts. The left part is a stylized, cursive-like mark, and the right part is a more vertical, elongated signature.



PRESS RELEASE

20 April 2022

Petropavlovsk PLC

Update Regarding Gazprombank

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) provides a further update in relation to Gazprombank (“GPB”). As previously announced, GPB is on the UK Sanctions List and is designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019 (the “Regulations”).

Further to Petropavlovsk’s previous announcements (including the Company’s announcement of 14 April 2022), the Group has now received notices from GPB purporting to require:

- 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
- repayment by 26 April 2022 of, in aggregate, approximately US\$87.1m (including accrued interest) due under the Group’s Russian subsidiaries’ revolving credit facilities.

The Company has also received a notice from Joint Stock Company UMMC-INVEST (“UMMC”), as successor agent under the Term Loan, that GPB has assigned all its rights under the Term Loan and related finance documents to UMMC.

The Company is considering the implications of these notices with its advisers.

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.8.7Moz 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 or contact:

Petropavlovsk PLC
John Mann / Max Zaltsman

+44 (0) 20 7201 8900
TeamIR@petropavlovskplc.com

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.

Project Haribo

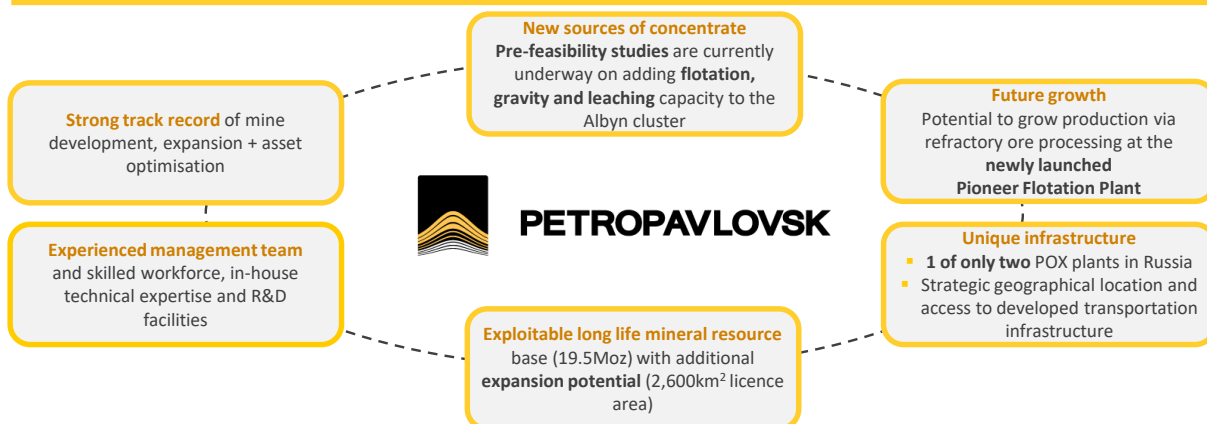
Opportunity to acquire Tier-1 gold mining assets in Russia



PETROPAVLOVSK

Opportunity to acquire gold mining assets and other subsidiaries of Petropavlovsk Plc

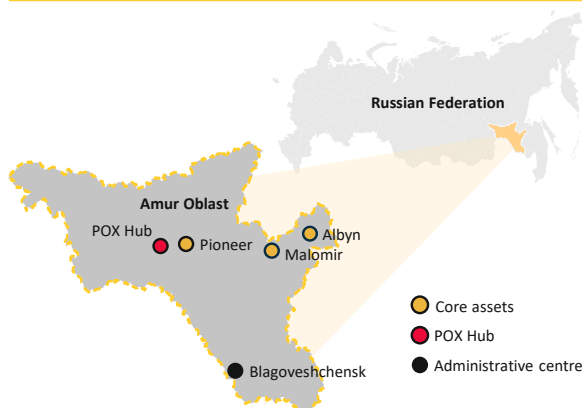
Key Investment Highlights



Company overview

- Petropavlovsk PLC (LSE: POG. MOEX: POGR) (the "Company") is a major integrated Russian gold producer with JORC Resources of 19.50Moz Au which include Reserves of 7.16Moz Au
- 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.8.7Moz of gold since operations began in 1994 and has a strong track record of mine development, expansion, and asset optimisation
- On 31 May 2021, the Company launched the Pioneer flotation plant, with the capacity to process 3.6Mtpa of ore, thereby doubling the Group's total processing capacity for refractory gold ore from its own mines to 7.2Mtpa (including the existing Malomir plant)
- Recent sanctions have implicated PLC's ability to refinance its debt, but the Company itself is not subject to sanctions
 - Petropavlovsk is currently exploring options of selling the Company's entire interests in its operating subsidiaries

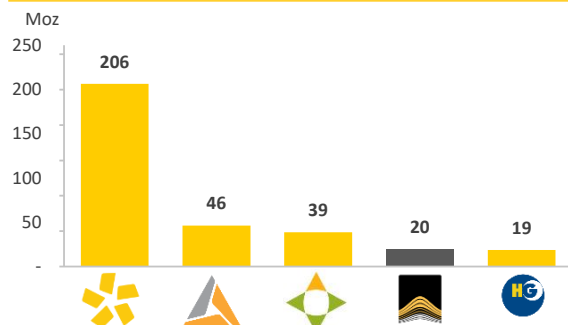
Assets geographical location



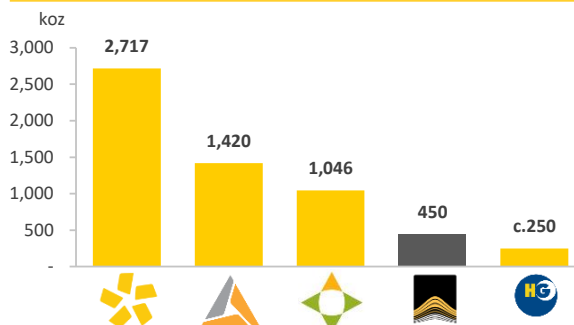
Operating mines overview

Mine name	Ownership	Mining method	Mineralisation type	Mine life	Plant capacity	Total gold licence area	Gold mined to date	2021 Recoveries
Pioneer	99.4%	Open pit, Underground	Epithermal low sulphidation	15 years	6.7Mtpa RIP + 3.6Mtpa flotation	1,337km ²	2.8Moz	80% RIP 82% Flotation 95% POX
Albyn	100.0%	Open pit	Epithermal low sulphidation	20 years	4.7Mtpa RIP	1,053km ²	1.4Moz	80% RIP
Malomir	99.9%	Open pit, Underground	Orogenic-type refractory gold	12 years	0.4Mtpa RIP + 3.6Mtpa flotation	74.5km ²	1.1Moz	73% RIP 83% Flotation 93% POX

#4 in Russia by Reserves and Resources^{1,2}



#4 in Russia by gold production²



HANNAM&PARTNERS

1 Source: Company filings, SnL
Notes: ¹ Mineral Resources are inclusive or Mineral Reserves; ² Latest available public data

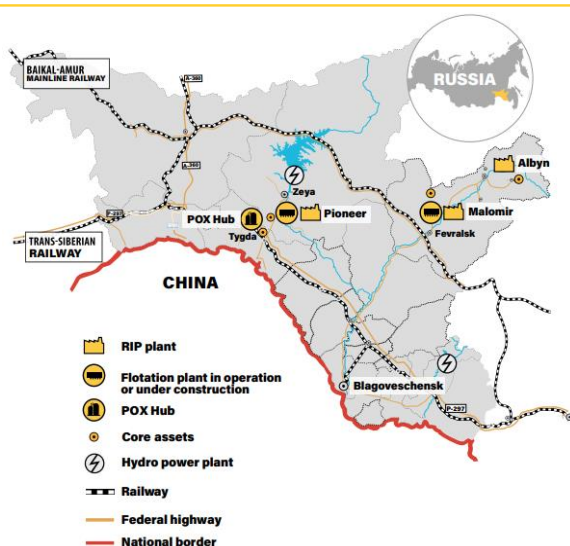
Project Haribo

Opportunity to acquire Tier-1 gold mining assets in Russia



PETROPAVLOVSK

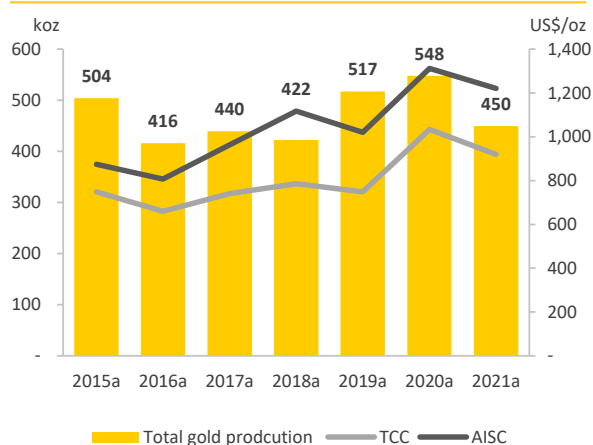
Key infrastructure overview



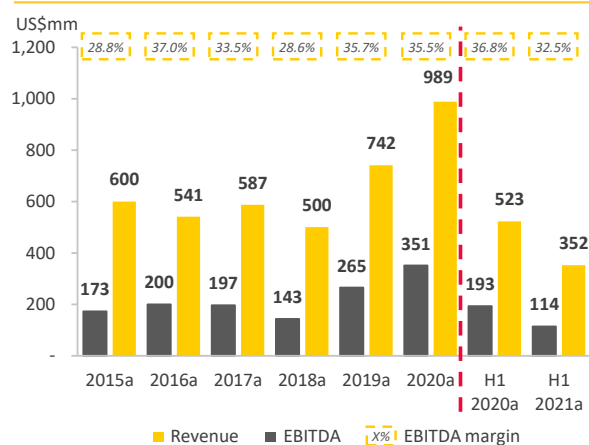
Latest results

	Production (koz) 2021a	TCC (US\$/oz) 2021e	TCC (US\$/oz) H1 2021a	AISC (US\$/oz) H1 2021a
Pioneer	132	760-860	1,339	1,677
Malomir	159	1,100-1,200	822	1,179
Albyn	99	690-790	781	1,294
Third-party concentrate (POX Hub)	59	N/A	N/A	N/A
Total	450	870 - 970	1,020	1,404

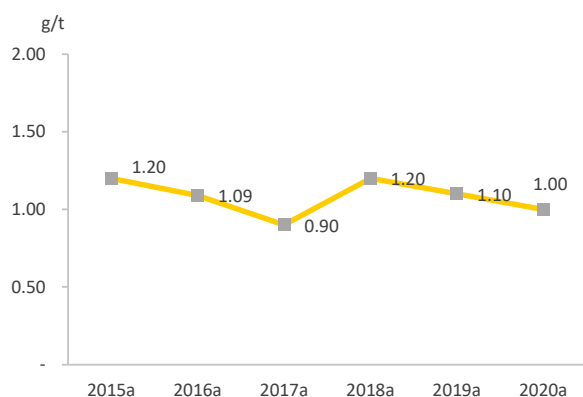
Production and costs dynamics¹



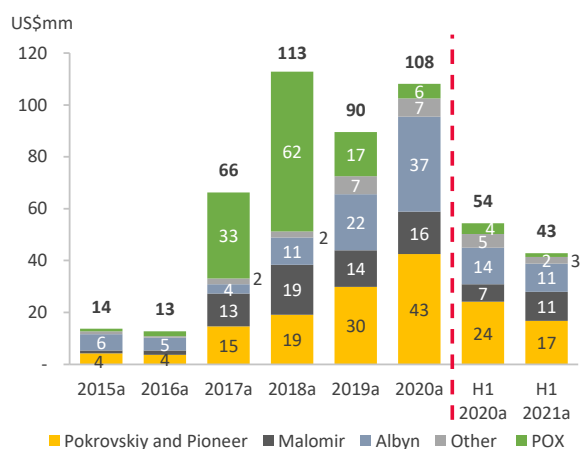
Revenue and EBITDA dynamics



Average grade



Capex breakdown



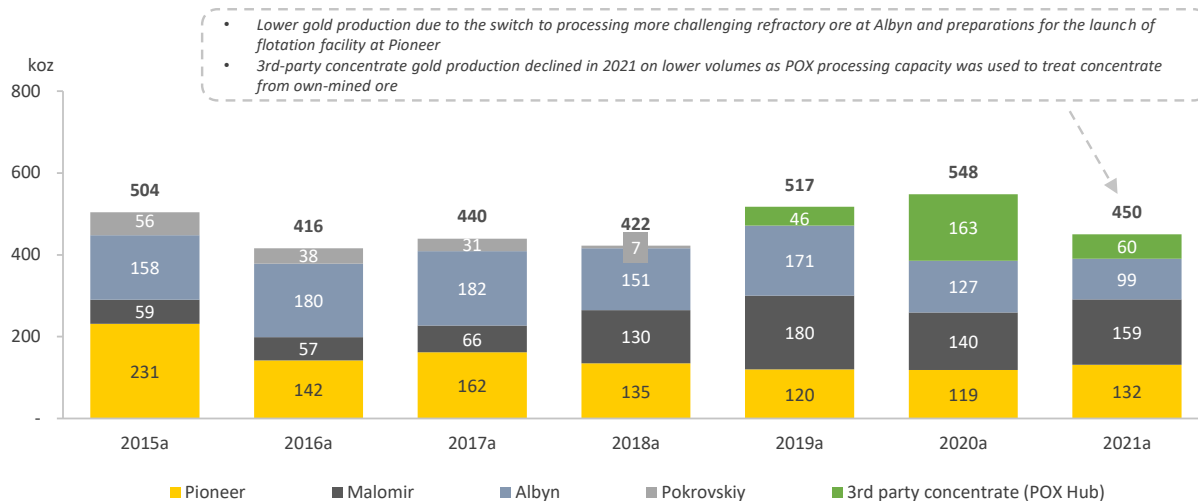
HANNAM&PARTNERS

Project Haribo

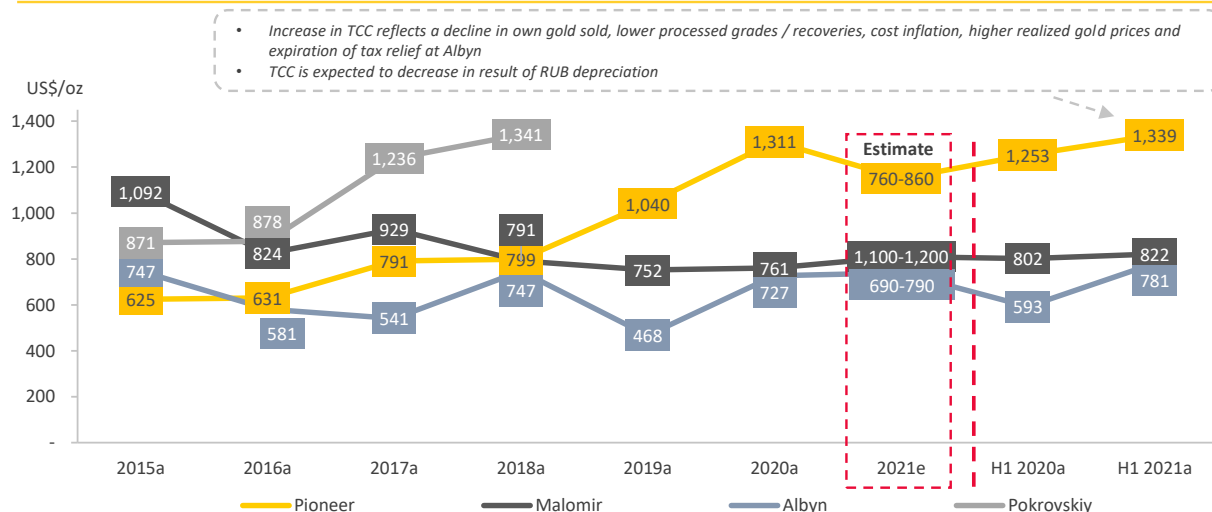
Opportunity to acquire Tier-1 gold mining assets in Russia



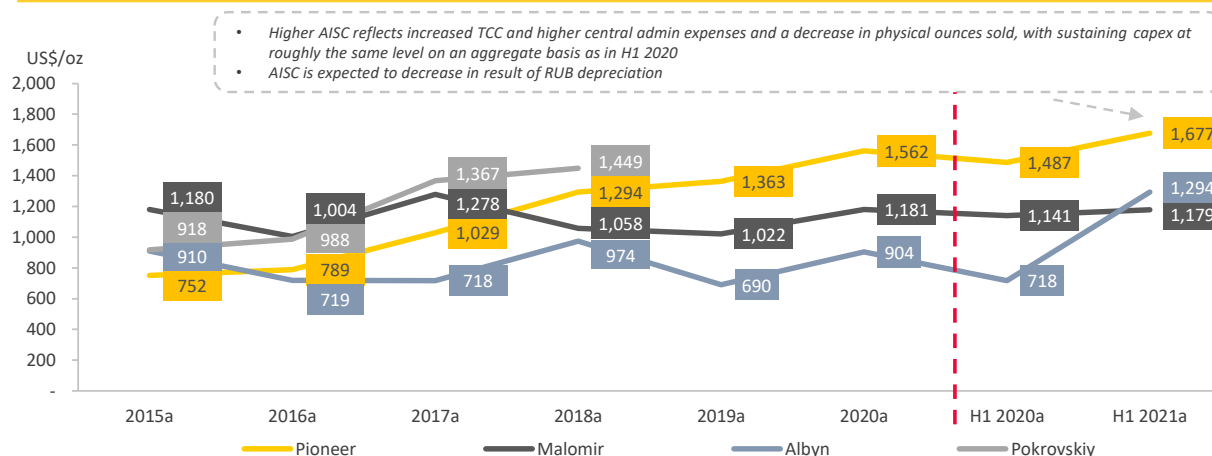
Production breakdown by asset



TCC breakdown by asset



AISC breakdown by asset



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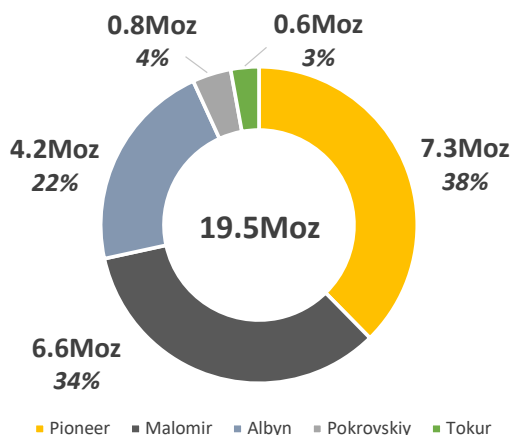
Project Haribo

Opportunity to acquire Tier-1 gold mining assets in Russia

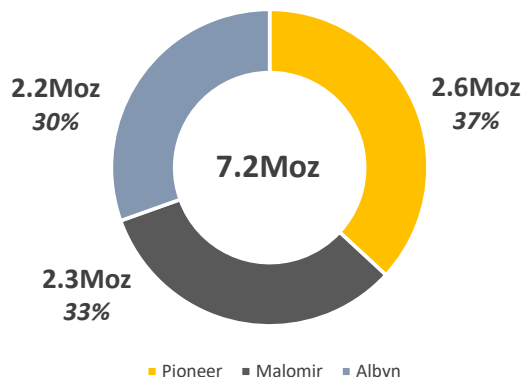


PETROPAVLOVSK

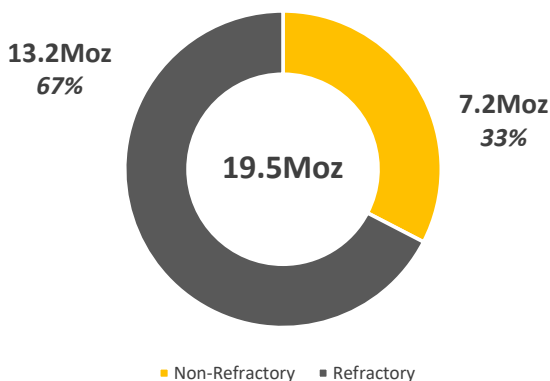
M&I and I Resources breakdown by asset



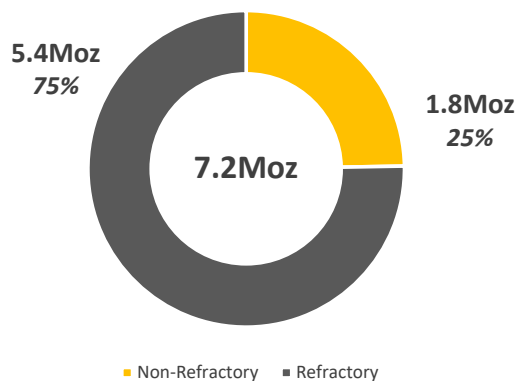
2P Reserves breakdown by asset



Refractory vs Non-Refractory M&I and I Resources



Refractory vs Non-Refractory 2P Reserves



JORC Reserves & Resources table (as of 31 December 2020)

		Tonnage (kt)	Grade (g/t Au)	Contained Gold (Moz)
Producing assets				
Pioneer	Measured + Indicated	238,942	0.72	5.51
	Inferred	122,630	0.46	1.83
Malomir	Measured + Indicated	137,342	0.88	3.88
	Inferred	124,198	0.69	2.74
Albyn	Measured + Indicated	97,763	1.03	3.24
	Inferred	22,246	1.36	0.97
Non-producing assets				
Pokrovskiy	Measured + Indicated	9,836	1.06	0.34
	Inferred	34,898	0.38	0.43
Tokur	Inferred	10,889	1.6	0.56
Total Resources	Measured + Indicated	483,884	0.83	12.97
	Inferred	314,861	0.65	6.53
Pioneer	Proved + Probable	84,890	0.97	2.64
Malomir	Proved + Probable	74,825	0.97	2.34
Albyn	Proved + Probable	67,999	1.00	2.18
Total Reserves	Proved + Probable	227,715	0.98	7.16

HANNAM&PARTNERS

Project Haribo

Opportunity to acquire Tier-1 gold mining assets in Russia

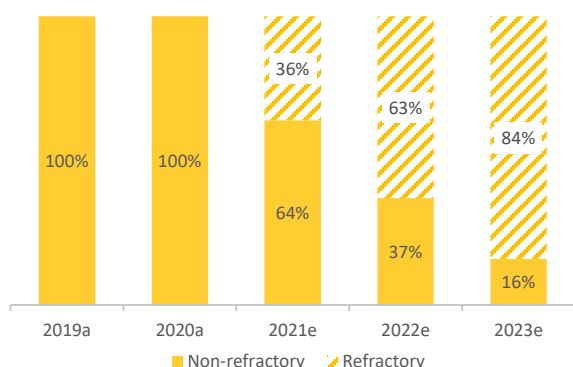


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Pioneer flotation plant launch

- Commissioned on 31 May 2021, ahead of mid-year target
- New 3.6Mtpa flotation facility enables the group to process abundant refractory resources at Pinoer in which 5.3Moz (72%) of JORC resources are refractory in nature
- Fully operational from July 2021
- Increasing flotation concentrate production capacity will enable Petropavlovsk to process and monetise more of its own refractory material through processing at the POX Hub and therefore decreasing reliance on low-margin 3rd party concentrate

Pioneer production split evolution



Management team



Denis Alexandrov
CEO

- Previously CEO at Highland Gold Mining Ltd & Auriant Mining AB
- Track record of operational excellence



Stanislav Plushchenko
CFO

- Previously CFO and head of corporate finance at Mechel, CTC Media and East Mining Company
- Masters degree from Reading University



Sergey Baikarov
COO

- Previously Managing Director at Highland Gold with over 35 years mining experience
- Graduated from Krasnoyarsk State Academy



John Mann
Head of Corporate Communications

- Previously head of communications at Highland Gold Mining Ltd
- Over 25 years' experience in the fields of public relations, public affairs, and investor relations



Roman Dertinov
Head of Health and Safety

- Previously at Schlumberger
- Over 15 years' experience in health, safety and environment systems at major Russian and international companies



Alexey Kharitontsev
Head of Corporate Development

- Previously deputy CEO at Highland Gold Mining Ltd
- Over 20 years' experience in consulting and management in investing companies



Yuriy Frolov
Head of Procurement and Logistics

- Previously head of procurement at Highland Gold
- Over 20 years' experience in purchasing and logistics for natural resources



Sergey Shumilov
Head of Regional Affairs

- Previously Managing Director of the Chukotka region at Highland Gold, General Director of the Rudnik Valunisty LLC and Deputy General Director for Human Resources at Auriant Mining



Egor Maslov
Head of Business Transformation

- Previously at Highland Gold, KPMG and Rosatom State Corporation
- MBA from the Skolkovo Moscow School of Management



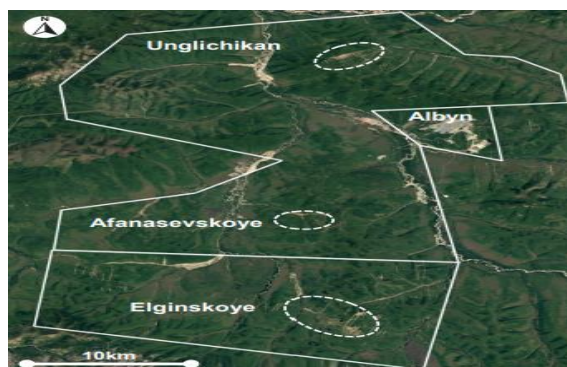
Dmitry Ryabchenko
Head of Capital Construction

- Previously Deputy General Director for Capital Construction at Highland Gold and held executive positions in the companies of Slavneft, NOVATEK, Rusal, RussNeft, Bashneft

Albyn: Potential future source of flotation concentrate

- Pre-feasibility studies are currently underway on adding flotation, gravity and leaching capacity to the Albyn cluster
- Following the Pioneer flotation launch and Malomir expansion, could become the Company's third source of refractory gold concentrate for POX
- From 2021, Elginskoye replaced the depleted Albyn pit as the main source of ore for the Albyn processing plant
- Options being studied include: – Converting part of the existing plant at Albyn to concentrate refractory ores prior to transportation to POX for further processing / gold

Albyn cluster map



Project Haribo

Opportunity to acquire Tier-1 gold mining assets in Russia

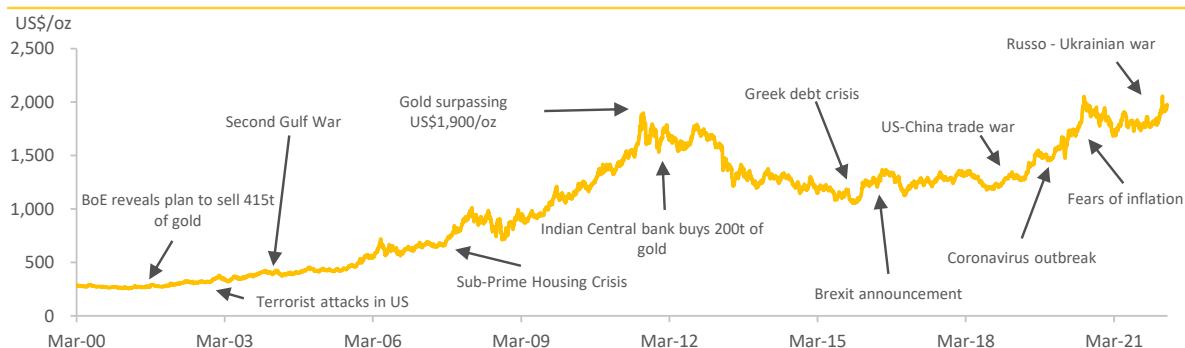


PETROPAYLOVSK

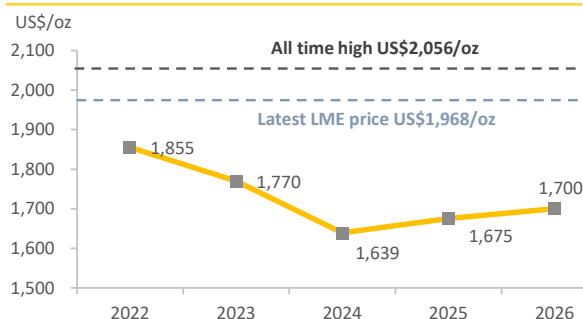
Principal subsidiaries and other significant investments

Principal Subsidiary, Joint Venture and Associate Undertakings	Country of incorporation	Principal activity	Proportion of shares held by Petropavlovsk		Proportion of shares held by The Group	
			31 December 2020	31 December 2019	31 December 2020	31 December 2019
Subsidiaries						
JSC Management Company Petropavlovsk	Russia	Management company	100.0%	100%	100.0%	100.0%
Petropavlovsk 2010 Limited	Jersey	Finance company	100.0%	100%	100.0%	100.0%
Petropavlovsk 2016 Limited	Jersey	Finance company	100.0%	100%	100.0%	100.0%
JSC Pokrovskiy mine	Russia	Gold exploration and production	19.37%	19.37%	99.38%	99.38%
LLC Malomirskiy Rudnik	Russia	Gold exploration and production	-	-	99.94%	99.94%
LLC Albynskiy Rudnik	Russia	Gold exploration and production	100.0%	100.0%	100.0%	100.0%
LLC Osipkan	Russia	Gold exploration and production	-	-	100.0%	100.0%
LLC Tokurskiy Rudnik	Russia	Gold exploration and production	-	-	100.0%	100.0%
LLC TEMI	Russia	Gold exploration and production	-	-	75.0%	75.0%
LLC Perspektiva DV	Russia	Gold exploration and production	-	-	99.94%	99.94%
LLC Vostok Geologiya	Russia	Gold exploration and production	-	-	99.94%	99.94%
LLC Kapstroj	Russia	Contruction services	-	-	100.0%	100.0%
LLC NPGF Regis	Russia	Exploration services	-	-	100.0%	100.0%
CJSC ZRK Dalgeologiya	Russia	Exploration services	-	-	99.38%	99.38%
JSC PHM Engineering	Russia	Project and engineering services	-	-	94.0%	94.0%
JSC Irgiredmet	Russia	Research services	-	-	99.69%	99.69%
LLC NIC Gydrometallurgiya	Russia	Research services	-	-	100.0%	100.0%
LLC BMRP	Russia	Repair and maintenance	-	-	100.0%	100.0%
LLC AVT-Amur	Russia	Production of explosive materials	-	-	49.0%	49.0%
LLC Transit	Russia	Transportation services	-	-	100.0%	100.0%
Pokrovskiy Mining College	Russia	Educational institute	-	-	99.38%	99.38%

Gold price performance in the past 22 years – recently jumped to around US\$2,000/oz as a result of inflation fears



Consensus gold price dynamics



Consensus gold price estimates

Broker	2022	2023	2024	2025	2026
Goldman Sachs	2,050	2,150			
Fitch Solutions	1,900	1,800	1,700	1,610	1,600
MUFG Bank	2,068	2,090	1,900		
Citigroup Inc	1,805	1,675			
Emirates NBD	1,963	1,875			
Westpac Banking	1,901	1,541	1,103	1,541	
Intesa Sanpaolo	2,050	1,950	1,900	1,850	1,800
Landesbank	1,875	1,800			
Capital Economics	1,890	1,580			
JPMorgan	1,780	1,790	1,787		
Panmure Gordon	1,750	1,700	1,650		
Median	1,863	1,790	1,688	1,655	1,700
Mean	1,855	1,770	1,639	1,675	1,700

Source: Company filings, SnL, Bloomberg

HANNAM&PARTNERS

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W1G 9DQ
United Kingdom

STRICTLY PRIVATE & CONFIDENTIAL

[●] April 2022

Request for Proposal ("RfP") for acquisition of the gold mining assets and other subsidiaries of PetroPavlovsk in Russia

Dear Sirs,

H&P Advisory Ltd ("**H&P**", "**us**", "**we**") has been appointed as financial advisor to PetroPavlovsk PLC "**PetroPavlovsk**", or the "**Company**" and, together with its subsidiaries, the ("**Group**") to conduct an accelerated sale of the Company's entire interests in its operating subsidiaries in Russia ("**Assets**").

This letter and the attached teaser set out the investment opportunity including the timing of the process, procedures to be followed and the content requirements for a Proposal should you wish to submit one (the "**Process**").

1. Overview of the Transaction Process

It is currently envisaged that the Transaction will proceed by way of a two-stage process. The first stage ("**Stage One**") will incorporate an Indicative Offer based on the review of the public information ("**Public Information**") which is available on the company website.

Stage One will last approximately two weeks and is expected to end on Friday, 29 April 2022. At the completion of Stage One, bidders will be asked to submit an Indicative Offer together with proof of funds, which will be reviewed by PetroPavlovsk and H&P.

The second and final bid stage will allow the selected group of shortlisted bidders to continue due diligence with access to a limited data room (the "**Data Room**"). The Data room will include financial and technical information about the Assets, copies of major contracts, legal documents and relevant appendixes. Site visits and management presentations are also possible during this stage ("**Stage Two**").

Further guidance will be released to shortlisted bidders in Stage Two, including details about site visits and procedures for submitting a final binding offer ("**Final Binding Offer**").

2. Stage One process

The Indicative Offer submitted should include a non-binding Indicative Offer addressing the items set out in the section below. The Indicative Offer should focus on establishing the relevant bidder's valuation, assessment of the Assets, development plan for the Assets and strategic fit, and should identify other key commercial and structural terms of the Transaction.

During Stage One, the due diligence process will be limited to the materials provided in the public sources. The management has limited availability for calls during this stage. However, in Stage Two of the process, full site visit and management access are possible.

The ability to demonstrate committed funding, deliverability and ability to conduct diligence within an appropriate time frame and the expected path to navigate current issues in Russia will be key to screening and entry into Stage Two.

Key Matter	Dates
Stage One	
Submission of non-binding Indicative Offer	Friday, 29 April 2022

Submission of Indicative Offers

Bidders must submit electronic copies of their Indicative Offer to:

Hannam and Partners

Attention: Andrew Chubb, Franck Nganou, Ilya Demichev

ac@hannam.partners, franck.nganou@hannam.partners, ilya.demichev@hannam.partners

before 8:00pm (GMT) on Friday, 29 April 2022.

Indicative Offer Requirements

I. Bidder details

- Confirmation whether the bidder is acting in a consortium, and if so, identification of consortium members and proposed percentage equity interest of each party in the consortium;
- Brief description of the bidder and its significant shareholders (including its ultimate ownership structure) (and where there is a consortium, the reference to bidder should be read as a requirement of each consortium member);
- Names of legal, financial, accounting/tax, technical and any other advisers or consultants that would advise the bidder;
- Brief description of the expected path to navigate current issues in Russia;
- An outline of the bidder's corporate strategy and the fit of the Petropavlovsk assets into such strategy;
- Sufficient financial information in relation to the bidder (and, as applicable, its shareholders and affiliates) to enable an assessment of the bidder's financial and operating strength (and where there is a consortium, the reference to bidder should be read as a requirement of each consortium member);
- Other than for the persons described in your Indicative Offer submission, you are required to confirm that you (and each consortium member where there is a proposed consortium) have not entered into any agreement, undertaking, arrangement or understanding with any other person in relation to the Transaction or the outcome thereof.

II. Indicative Offer price and consideration

- The proposed valuation of 100% of Petropavlovsk's share in the Assets in USD on a cash-free and debt-free basis ("100% Valuation"), with a summary of key assumptions made to derive the valuation, including enterprise value and adjustments considered;
- Indication of the valuation upsides or downsides that could materially impact the Valuation;
- Indication of your assessment of any regulatory considerations that could impact the Transaction;
- Description of any relevant terms and conditions that you intend to include in an eventual Binding Offer (as defined below), including details of structure of the offer and any specific legal and/or governance rights required; and
- Indication of the proposed structure and timing of the Consideration to be paid to Petropavlovsk (or its nominee) under the Transaction.

III. Indicative Offer price assumptions

Bidders should provide details of the key assumptions supporting their Indicative Offer price and valuation, including:

- gold price over the life of mine for relevant products (specifically whether in nominal or real terms)
- discount rate
- long-term RUB/USD exchange rate
- inflation rate
- key operating assumptions
- other key assumptions or changes to assumptions made to be specified

Bidders should assume that there will be minimal or no representations, warranties and undertakings given in relation to the sale.

IV. Valuation risks

Bidders are requested to provide a summary of any issues that they believe may materially impact the valuation or the bidder's ultimate decision to proceed with the Transaction and the information they would need to resolve such issues.

V. Internal and external approvals

Bidders are required to specify in detail the internal approvals (e.g. board approval, management committees, etc.) that are required (indicating those that have already been obtained) and any material preconditions to participation in the Transaction, such as outstanding corporate or shareholder approvals and the anticipated timing for signing.

With regards to external approvals, Bidders should provide a full list of all such approvals (legal, regulatory, or otherwise) required to complete the Transaction, as well as an overview of anticipated timing for satisfying those conditions.

Bidders are required to provide a statement as to their ability to meet the timetable set out below and to formulate the Final Binding Offer.

VI. Funding arrangements and support

Bidders should provide their proposed source(s) of funding required to support their Indicative Offer and a high-level statement of the cash available, i.e. copies of recent company filings, published accounts or bank statements.

For all sources of external financing (equity and/or debt) required to complete the Transaction, Bidders should provide all details relating to such arrangements and, if applicable, the anticipated timing involved to secure such funding.

Where a Bidder proposes to acquire less than 100% of the Assets, the Bidder should also provide details of their proposed financing and development strategy to production.

VII. Additional information and due diligence items

Bidders must detail their timetable, advisors assisting them and any additional information that they would require completing the due diligence of the Assets and the Company.

VIII. Conditions

Bidders should clearly state any other material conditions that relate to their Indicative Offer which have not already been outlined, including the minimum set of shareholder protections that would be sought.

3. Stage Two process

Following the receipt and evaluation of the Indicative Offers, H&P, on behalf of Petropavlovsk, will be in direct contact with all the parties who have submitted an effective Indicative Offer and, following any clarifications necessary, will notify them as to whether or not, in its sole and absolute discretion, they will be invited to participate in Stage Two of the Process and submit a Final Binding Offer.

During Stage Two, the due diligence process will be limited to the materials provided in the Data Room. Before accessing the Data Room, a Confidentiality Agreement (the “CA”) will be required to be signed between the relevant parties. If requested by the bidder, a follow-up conference call or meeting (the “Q&A Session”) will be arranged, where the bidder will have the opportunity to ask clarifying questions on the Assets and materials in the Data Room to finalise its Final Binding Offer. A list of the points to be discussed should be provided electronically to H&P no later than two business days before the Q&A Session.

Key Matter	Dates
Stage Two	
Sign CA	from Monday, 2 May 2022
Access to the Data Room (post CA)	from Monday, 2 May to Tuesday, 24 May 2022
Q&A Session & Management Presentations	from Monday, 2 May to Tuesday, 24 May 2022
Submission of Final Binding Offer	Tuesday, 7 June 2022

4. Communication and conduct

H&P will act as the point of contact for all potential Investors and any communication regarding the Transaction should be directed to Andrew Chubb, Franck Nganou and Ilya Demichev.

At this stage of the Transaction, any Investor that contacts the management and/or employees and/or shareholders of the Group directly under any circumstances may be disqualified from participating in the next phase.

Bidders should also note the following requirements:

- Details of the senior members of the bidder's working team that would lead the due diligence process and the negotiations on behalf of the bidder should be provided. (For access to the Data Room please see below).
- Bidders are requested to nominate those people (employees, advisors and consultants) who are to be provided access to the Data Room.
- The Indicative Offer should be signed by the bidder's duly authorised representative(s).
- All requests for information or questions related to the Process should be directed to H&P representative(s) listed above.
- Bidders may not communicate with any Petropavlosk employees or other personnel, or their suppliers or customers, except with prior written consent of Petropavlosk.

5. Disclaimer

You acknowledge and agree that Petropavlosk:

- a) may undertake a Transaction related to the sale the Assets in any manner it considers appropriate, whether in the form of private negotiations, tender process or otherwise, and at any time and without notice, may change or terminate the Process;
- b) may continue and conduct discussions, processes and negotiations with any one or number of potential purchasers and on any basis as it considers appropriate;
- c) has no obligation to provide any information which is given to one potential purchaser to any other potential purchaser, or to conduct discussions or negotiations with any potential purchaser on the same basis as any other potential purchaser;
- d) has no obligation to consider or accept any offer, regardless of whether it is the highest proposed valuation or commercial offer or otherwise and has the absolute discretion to accept any offer it considers appropriate; and
- e) may reject any proposals and evaluate any offers without giving any reasons.

Petropavlosk also reserves the right to take any action, whether in or out of the ordinary course of business, which it deems necessary or prudent in its sole discretion in the conduct of its business or the Process contemplated in this letter or any other communication.

Petropavlosk also reserves the right to abridge and or extend any of the proposed timelines and to have ongoing discussions with any potential purchaser.

Neither this letter, nor the release of other information in relation to Petropavlosk, the Group or the Process constitutes an offer to sell or an invitation to purchase or tender for any securities or an interest in the Assets. No potential purchaser shall become entitled for any reason (including, without limitation, any modification of the Process or timing set out in this letter) to be reimbursed for any costs, expenses or losses incurred in reliance upon this letter or its participation in the Process. No potential purchaser shall be entitled to rely on the terms of this letter, any teaser and or any other documents and or information made available to a potential purchaser and must rely exclusively on any executed sale agreement and the terms thereof.

Petropavlosk hereby confirms that neither of the Group, nor its senior management and/or its Assets are currently subject to any sanctions (whether those sanctions are imposed in the UK, US, EU or elsewhere (the "**Sanctions**")). However, certain bond and / debt holders (such as Gazprombank) of the Group are subject to Sanctions, where their assets have been, for instance, frozen.

Having taken legal advice on this issue, the Company does not consider that anything in this letter, in its opinion, restricts it from selling the Assets as a consequence of Sanctions.

Prior to entering in this Process, you must complete your own assessment of the Sanctions to ensure that you are compliant with such Sanctions. If necessary, you should appoint suitably experienced and qualified legal advisers to assist you with navigating the Sanctions issues in the context of the Process (and to obtain any such licences as may be necessary).

Yours sincerely,
Hannam & Partners

UK SANCTIONS LIST PUBLICATION - HUMAN-READABLE

Last Updated: 21/04/2022

THE AFGHANISTAN (SANCTIONS) (EU EXIT) REGULATIONS 2020

INDIVIDUAL

1.

Primary Name: 1: Mullah MOHAMMAD HASSAN AKHUND **Position:** First Deputy, Council of Ministers under the Taliban regime, Governor of Kandahar under the Taliban regime, Foreign Minister under the Taliban regime, Political Advisor of Mullah Mohammed Omar **D.O.B:** dd/mm/1945, dd/mm/1946, dd/mm/1947, dd/mm/1948, dd/mm/1949, dd/mm/1950, dd/mm/1955, dd/mm/1956, dd/mm/1957, dd/mm/1958 **Place of Birth:** 1: Pashmul village, Panjwai District, Kandahar Province, Afghanistan **Nationality(/ies):** Afghanistan **Non Latin Names:** 1: محمد حسن آخوند **Sanctions Imposed:** Asset freeze, Travel Ban **Other Information:** A close associate of Mullah Mohammed Omar (TAi.004). Member of Taliban Supreme Council as at Dec. 2009. Belongs to Kakar tribe. Review pursuant to Security Council resolution 1822 (2008) was concluded on 21 Jul. 2010. INTERPOL-UN Security Council Special Notice web link: <https://www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals> click here **Designation Source:** UN **Date Designated:** 25/01/2001 **Last Updated:** 26/01/2022 **Unique Id:** AFG0006 **OFSI Group ID:** 7172 **UN Reference ID:** TAi.002

2.

Primary Name: 1: Maulavi Abdul Kabir MOHAMMAD JAN **Alias - Good Quality:** 1: A Kabir **Position:** Governor of Nangarhar Province under the Taliban regime, Second Deputy, Economic Affairs, Council of Ministers under the Taliban regime, Head of Eastern Zone under the Taliban regime **D.O.B:** dd/mm/1963 **Place of Birth:** 1: Pul-e-Khumri, Afghanistan 2: Baghlan Jadid District, Baghlan Province, Afghanistan **Nationality(/ies):** Afghanistan **Non Latin Names:** 1: عبد الكبير محمد جان **Sanctions Imposed:** Asset freeze, Travel Ban **Other Information:** Active in terrorist operations in Eastern Afghanistan. Collects money from drug traffickers. Believed to be in Afghanistan/Pakistan border area. Member of the Taliban Supreme Council as at 2009. Family is originally from Neka District, Paktia Province, Afghanistan. Responsible for attack on Afghan parliamentarians in November 2007 in Baghlan; owns land in central Baghlan Province. Belongs to Zadran tribe. Review pursuant to Security Council resolution 1822 (2008) was concluded on 23 Jul. 2010. INTERPOL-UN Security Council Special Notice web link: <https://www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals> click here **Designation Source:** UN **Date Designated:** 25/01/2001 **Last Updated:** 18/12/2021 **Unique Id:** AFG0007 **OFSI Group ID:** 6909 **UN Reference ID:** TAi.003

3.

Primary Name: 1: Mullah Mohammed Omar GHULAM NABI **Position:** Leader of the Faithful ('Amir ul-Mumineen'), Afghanistan, Director of Administrative Affairs under the Taliban regime **D.O.B:** dd/mm/1966, dd/mm/1960, dd/mm/1953 **Place of Birth:** 1: Naw Deh village, Deh Rawud District, Uruzgan Province, Afghanistan 2: Maiwand District, Kandahar Province, Afghanistan **Nationality(/ies):** Afghanistan **Non Latin Names:** 1: محمد عمر غلام نبی **Sanctions Imposed:** Asset freeze, Travel Ban **Other Information:** Father's name is Ghulam Nabi, also known as Mullah Musafir. Left eye missing. Brother-in-law of Ahmad Jan Akhundzada Shukoor Akhundzada (TAi.109). Believed to be in Afghanistan/Pakistan border area. Belongs to Hotak tribe. Review pursuant to Security Council resolution 1822 (2008) was concluded on 27 Jul. 2010. Reportedly deceased as of April 2013. INTERPOL-UN Security Council Special Notice web link: <https://www.interpol.int/en/How-we-work/Notices/View-UN-Notices-Individuals> click here

72.

Primary Name: 1: ROSNEFT AERO **Address:** 15, Malaya Kaluzhskaya Str Moscow 119071 Russia
Sanctions Imposed: Asset freeze **UK Statement of Reasons:** Designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019. The designation is made as a designation by name under the urgent procedure. The relevant provision by reference to which the Minister considers that condition B is met is the European Union's Council Decision 2014/145/CFSP (as amended) concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, and Council Regulation (EU) No 269/2014. The purposes of this provision correspond or are similar to the purposes of the UK's Russia (Sanctions) (EU Exit) Regulations 2019, which have as their purposes to encourage Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. The Minister considers that it is in the public interest to designate (condition C). **Designation Source:** UK **Date Designated:** 15/03/2022 **Last Updated:** 15/03/2022 **Unique Id:** RUS1040 **OFSI Group ID:** 14977

73.

Primary Name: 1: JSC ZELENODOLSK SHIPYARD **Address:** 5, Zavodskaya Str Zelenodolsk Republic of Tatarstan 422546 Russia **Sanctions Imposed:** Asset freeze **UK Statement of Reasons:** Designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019. The designation is made as a designation by name under the urgent procedure. The relevant provision by reference to which the Minister considers that condition B is met is the European Union's Council Decision 2014/145/CFSP (as amended) concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, and Council Regulation (EU) No 269/2014. The purposes of this provision correspond or are similar to the purposes of the UK's Russia (Sanctions) (EU Exit) Regulations 2019, which have as their purposes to encourage Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. The Minister considers that it is in the public interest to designate (condition C). **Designation Source:** UK **Date Designated:** 15/03/2022 **Last Updated:** 15/03/2022 **Unique Id:** RUS1041 **OFSI Group ID:** 14978

74.

Primary Name: 1: Oboronnye Initsiativy **Address:** office 5, building 3 64 Perehodnaya str. Minsk 220070 Belarus **Sanctions Imposed:** Asset freeze **UK Statement of Reasons:** Designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019. The designation is made as a designation by name under the urgent procedure. The relevant provision by reference to which the Minister considers that condition B is met is the Autonomous Sanctions Regulations 2011 in respect of Australia's Ukraine and Russia sanctions regimes. The purposes of this provision correspond or are similar to the purposes of the UK's Russia (Sanctions) (EU Exit) Regulations 2019, which have as their purposes to encourage Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. The Minister considers that it is in the public interest to designate (condition C). **Designation Source:** UK **Date Designated:** 24/03/2022 **Last Updated:** 23/03/2022 **Unique Id:** RUS1071 **OFSI Group ID:** 15014

75.

Primary Name: 1: Gazprombank **Address:** 63 Novocheremushkinskaya St. Moscow 117418 Russia **Sanctions Imposed:** Asset freeze **UK Statement of Reasons:** Designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019. The designation is made as a designation by name under the urgent procedure. The relevant provision by reference to which the Minister considers that condition B is met is Canada's Special Economic Measures (Russia) Regulations. The purposes of this provision correspond or are similar to the purposes of the UK's Russia (Sanctions)

(EU Exit) Regulations 2019, which have as their purposes to encourage Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. The Minister considers that it is in the public interest to designate (condition C). **Designation Source:** UK **Date Designated:** 24/03/2022 **Last Updated:** 23/03/2022 **Unique Id:** RUS1072 **OFSI Group ID:** 15015

76.

Primary Name: 1: Russian Agricultural Bank **Address:** 0 Bld. 2 Presnenskaya Emb. (Moscow City, IQ-quarter Complex) Moscow 123112 Russia **Sanctions Imposed:** Asset freeze **UK Statement of Reasons:** Designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019. The designation is made as a designation by name under the urgent procedure. The relevant provision by reference to which the Minister considers that condition B is met is Canada's Special Economic Measures (Russia) Regulations. The purposes of this provision correspond or are similar to the purposes of the UK's Russia (Sanctions) (EU Exit) Regulations 2019, which have as their purposes to encourage Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. The Minister considers that it is in the public interest to designate (condition C). **Designation Source:** UK **Date Designated:** 24/03/2022 **Last Updated:** 23/03/2022 **Unique Id:** RUS1073 **OFSI Group ID:** 15016

77.

Primary Name: 1: Alfa-Bank JSC **Primary Name Variations:** 1: Alfa-Bank Russia **Address:** 27 Kalanchevskaya str. Moscow Russia **Sanctions Imposed:** Asset freeze **UK Statement of Reasons:** Designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019. The designation is made as a designation by name under the urgent procedure. The relevant provision by reference to which the Minister considers that condition B is met is Canada's Special Economic Measures (Russia) Regulations. The purposes of this provision correspond or are similar to the purposes of the UK's Russia (Sanctions) (EU Exit) Regulations 2019, which have as their purposes to encourage Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. The Minister considers that it is in the public interest to designate (condition C). **Designation Source:** UK **Date Designated:** 24/03/2022 **Last Updated:** 25/03/2022 **Unique Id:** RUS1074 **OFSI Group ID:** 15017

78.

Primary Name: 1: Alrosa **Address:** 678174 Republic of Sakha (Yakutia) Russia **Sanctions Imposed:** Asset freeze **UK Statement of Reasons:** Designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019. The designation is made as a designation by name under the urgent procedure. The relevant provision by reference to which the Minister considers that condition B is met is Canada's Special Economic Measures (Russia) Regulations. The purposes of this provision correspond or are similar to the purposes of the UK's Russia (Sanctions) (EU Exit) Regulations 2019, which have as their purposes to encourage Russia to cease actions destabilising Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of Ukraine. The Minister considers that it is in the public interest to designate (condition C). **Designation Source:** UK **Date Designated:** 24/03/2022 **Last Updated:** 23/03/2022 **Unique Id:** RUS1075 **OFSI Group ID:** 15018

79.

Primary Name: 1: EXIAR **Address:** nab. Krasnopresnenskaya d. 12 Moscow 123610 Russia **Sanctions Imposed:** Asset freeze **UK Statement of Reasons:** Designated for the purposes of an asset freeze under the Russia (Sanctions) (EU Exit) Regulations 2019. The designation is made as a designation by name under the urgent procedure. The relevant provision by reference to which the Minister considers that condition B is met is the Autonomous Sanctions Regulations 2011 in respect of Australia's Ukraine and Russia sanctions regimes. The purposes of this provision correspond or are



PRESS RELEASE

22 April 2022

Petropavlovsk PLC

Q1 2022 Production and Sales Report

Petropavlovsk PLC ("Petropavlovsk" or the "Company" or, together with its subsidiaries, the "Group") today issues its sales and production results and corporate update for the quarter ending 31 March 2022 (the "Period" or "Q1 2022").

Mr Denis Alexandrov, CEO, said:

"Petropavlovsk achieved its production targets in the first quarter of this year, with higher output from Pioneer, aided by its new flotation plant, and 3rd-party concentrate offsetting expected lower production at Albyn and Malomir due to lower grades. Despite the conflict in Ukraine and related sanctions that have led to various challenges at the corporate level, our mines operated without disruption throughout the period. In this rapidly changing environment, we continue to monitor the situation to take all necessary steps to ensure the continuity of our business and compliance with sanctions, and to plan for contingencies that may adversely impact our operations."

Operational Highlights

Gold Production

- Total Q1 2022 gold production was 103.0koz, an 8% increase versus Q1 2021 (95.6koz) on higher volumes from Pioneer and 3rd-party concentrate
- Own-mined gold production during the period was 80.2koz, a 3% decrease vs. Q1 2021 (82.4koz) due to lower production at Albyn and Malomir
- 3rd-party concentrate gold production increased 73% to 22.8koz (Q1 2021: 13.2koz) on higher throughput volumes as compared to the same period last year

Gold production (koz)

Asset	Q1 2022	Q1 2021
Pioneer	32.9	24.1
Malomir	30.2	36.0
Albyn	17.2	22.3
Total Own Gold	80.2	82.4
3rd-party concentrate	22.8	13.2
Total Group	103.0	95.6

Gold Sales

- Gold sales totalled 89.8koz in Q1 2022 (Q1 2021: 95.6koz)
- The average realised gold price during the period was US\$1,871/oz, a 5% increase on Q1 2021 (US\$1,789/oz)

Pokrovskiy Pressure Oxidation (POX) Hub

- The POX Hub processed c.99kt of refractory gold concentrate in Q1 2022, almost twice the throughput in the same period in 2021 (52kt), essentially operating at near full capacity for concentrates with the sulphur and carbon content mix treated during the quarter
- Total Q1 2022 throughput included 37kt from Pioneer at a grade of 21.1g/t, 35kt from Malomir at 28.4g/t and 28kt of 3rd-party concentrate at 26.2g/t (all average grades), meaning 72% of the concentrate processed during the period was from our own mines (Q1 2021: 64%)

2022 Guidance

- Guidance for own gold production for the year remains unchanged in the range of 345-365koz. Guidance for production from 3rd-party concentrate is lowered to 30-40koz (previously 35-55koz) due to expected supply chain disruptions. Total gold production is therefore expected to be in the range of 375-405koz (previous guidance: 380-420koz)

Debt Principal and Cash

- Cash (unaudited) as of 31 March 2022 was US\$71.8m (31 December 2021: US\$25.5m)
- Debt principal outstanding as of 31 March 2022 was US\$624.4m (31 December 2021: US\$590m)

Hedging

- Following the expiry of zero cost collar option contracts for gold and currency on 31 December 2021, the Company has not entered into any new zero cost collar contracts
- The Company hedges purchases of 3rd-party concentrate from the time of purchase until gold is produced and is ready for sale. The amount and timing of hedging corresponds to the volume of gold the Company expects to produce and the timing of the expected sale. As of 31 March 2021, no gold was hedged using forward contracts

Sanctions Impact

- Petropavlovsk continues to monitor the adoption of sanctions against Russia due to the conflict in Ukraine, and countermeasures introduced by the Russian government, to ensure compliance and assess the possible direct or indirect impact these may have on its business
- At the time of publishing, there are no direct sanctions on the Company or any of its subsidiaries, directors or employees, and mining operations continue uninterrupted
- Potential disruptions to the supply chain were flagged as a key risk to future mine performance, and the Group initiated contingency planning on day one of the crisis
- As per the Company's announcements on 25 and 30 March and 14 and 20 April 2022, sanctions enacted in relation to the Company's largest creditor, Gazprombank ("GPB"), prohibited the Group from making interest and principal repayments under a US\$200m committed term loan and US\$86.7m in revolving credit facilities ("RCFs"). GPB has notified the Group of demands for early repayment of the term loan and RCFs and of the assignment of the term loan to JSC UMMC-INVEST
- Petropavlovsk is also prohibited by sanctions from selling gold to GPB, which had acted as the main off-taker for the Group's production. The Group continues to explore options for the sale of its gold, including to other potential buyers, and has applied for a new licence to export gold
- In light of the above, as well as legal restrictions that limit the Group's ability to transfer cash out of Russia, and keeping in mind the US\$500 million 8.125% guaranteed notes 2022 issued by Petropavlovsk 2016 Limited (of which US\$304 million remains outstanding) maturing November 2022, the Company has appointed AlixPartners UK LLP to assist the Board of Directors as it explores its options and determines the Company's course of action in the best interest of all stakeholders, including creditors and shareholders.
- Please refer to the Company's announcements on 25 and 30 March and 14 and 20 April 2022 for more detail

Responsible Business

- No fatal accidents occurred at the Group's operations during the period
- The Group recorded a Lost Time Injury Frequency Rate ("LTIFR") of 1.0 in Q1 2022, less than half the rate recorded during the same period last year
- The improved safety performance follows the implementation in 2021 of better personnel training, new standards for safe work practices, stricter controls on the application of fundamental safety rules, and broad information campaigns designed to highlight key occupational and seasonal risks
- Zero major environmental incidents were recorded during the quarter

Metric	Units	Q1 2022	Q1 2021
LTIFR	Per 1m hrs worked	1.00	2.01
Environmental incidents	Number	0	0

Note: Environmental incidents defined as moderate or serious

- Despite an uptick in reported, mostly mild COVID-19 cases among Group employees during the Omicron wave in January-February, the Company avoided major outbreaks at its production sites, where strict protocols remain in place
- As of 4 April 2022, 85% of the Group's employees were fully vaccinated against COVID-19

Development Update

Malomir expansion

- The construction of a third line at the Malomir flotation plant is progressing. The project is due for completion in Q3 2022, although supply chain issues could potentially cause some delay
- When launched, the expansion will add an additional 1.8Mtpa of flotation processing capacity, increasing the Group's total combined refractory ore processing capacity to 9.0Mtpa

Corporate News

- On 24 January 2022, the Board of Directors (the "Board") appointed Mr Stanislav Ploshchenko as the Group's chief financial officer. Mr Ploshchenko has over two decades of experience in finance including CFO positions at several major publicly listed companies
- On 11 April 2022, the Board appointed Mr Roman Deniskin as independent non-executive director. Mr Deniskin has over 20 years of operational and strategic experience in the mining, metals and minerals industries in Russia and Kazakhstan. His appointment followed the departure of independent director Natalia Yakovleva, who resigned on 4 April 2022

Operations Report

Pioneer

Pioneer mines refractory and non-refractory ores from several conventional open pits and underground operations. The launch of a new flotation plant at Pioneer in Q2 2021 was a major step in the mine's transition from mining non-refractory to mainly refractory ores, which are concentrated ahead of processing at the POX Hub.

PIONEER	Units	Q1 2022	Q1 2021
Mining operations			
Total material moved	m3 '000	5,047	4,720
Non-refractory ore mined	t '000	644	1,085
Average grade	g/t	1.07	1.02
Gold content	oz. '000	22.1	35.4
Refractory ore mined	t '000	665	-

Average grade	g/t	1.01	-
Gold content	oz. '000	21.6	-
Processing operations (RIP plant)			
Ore milled	t '000	381	1,314
Average grade	g/t	1.27	0.67
Gold content	oz. '000	15.6	28.2
Recovery	%	78.8	80.6
Gold recovered	oz. '000	12.3	22.7
Flotation plant (refractory ores)			
Ore milled	t '000	882	-
Average grade	g/t	1.06	-
Gold content	oz. '000	30.1	-
Recovery	%	83.7	-
Concentrate yield	%	4.2	-
Concentrate produced	t '000	37.2	-
Average grade	g/t	21.1	-
Concentrate gold content	oz. '000	25.2	-
POX Plant (Pioneer concentrate)			
Concentrate treated	t '000	36.6	-
Average grade	g/t	21.1	-
Gold in concentrate	oz. '000	24.9	-
Recovery	%	95.7	-
Gold recovered	oz. '000	23.8	-
Total gold production (doré)	oz. '000	32.9	24.1

Note: numbers may not add up due to fluctuation of gold in circuit and / or rounding

Pioneer processed ore from both open pit and underground mining in Q1 2022, with total gold production rising by 36% year-on-year to 32.9 koz. Just over half the ore mined during the period was refractory versus zero in the first quarter of last year, while the total volume of mined ore rose by 21% from 1,085 kt to 1,309 kt. The average grade for mined non-refractory ore improved slightly to 1.07 g/t versus 1.02 g/t during the same period last year. At 1.01 g/t, refractory ore mined was of a lower grade than in Q4 2021 (1.30 g/t).

Open pit mining focused on the Severny and Katrin open pits, with work on the latter being accelerated due to a backlog of stripping work at Severny. Mining of the underground Andreevsky and Bakmut-3 ore zones was completed in Q1 2022, while work continues on the Bakmut-2 ore zone.

Issues with the press filters at the flotation plant, first flagged by the Company in its Q3 2021 trading update, have recurred, thereby constraining the plant's ability to produce dry concentrate. While repairs are ongoing, Pioneer has employed cement trucks to transport wet concentrate directly to the POX plant.

Malomir

Malomir is a conventional open pit mine and underground operation which has transitioned from mining mainly non-refractory ore towards processing refractory ore using the onsite flotation plant. The flotation concentrate is shipped to the POX Hub for further processing. The Malomir deposit has extensive refractory reserves and resources and both near-mine and surrounding areas are considered highly prospective for the discovery of further refractory gold ounces.

MALOMIR	<i>Units</i>	Q1 2022	Q1 2021
Mining operations			
Total material moved	m3 '000	3,685	2,273
Non-refractory ore mined	t '000	-	110

Average grade	g/t	-	1.89
Gold content	oz. '000	-	6.7
Refractory ore mined	t '000	1,532	1,176
Average grade	g/t	1.00	1.17
Gold content	oz. '000	49.0	44.2
Processing operations (RIP plant)			
Resin-in-pulp (RIP plant), non-refractory ores			
Ore milled	t '000	-	110
Average grade	g/t	-	2.18
Gold content	oz. '000	-	7.7
Recovery	%	-	71.9
Gold recovered	oz. '000	-	5.5
Flotation plant (refractory ores)			
Ore milled	t '000	1,037	958
Average grade	g/t	1.30	1.26
Gold content	oz. '000	43.3	38.8
Recovery	%	83.0	83.2
Concentrate yield	%	3.8	3.7
Concentrate produced	t '000	39.3	35.5
Average grade	g/t	28.5	28.2
Concentrate gold content	oz. '000	35.9	32.3
POX Plant (Malomir concentrate)			
Concentrate treated	t '000	34.9	32.9
Average grade	g/t	28.4	28.5
Gold in concentrate	oz. '000	31.9	30.1
Recovery	%	93.2	92.9
Gold recovered	oz. '000	29.7	28.0
Total gold production (doré)	oz. '000	30.2	36.0

Note: numbers may not add up due to fluctuation of gold in circuit and / or rounding

Malomir shifted its focus entirely to refractory ore last year and mined 1,532 kt of ore in Q1 2022, an increase of 30% year-on-year. Ore mining focused mainly on the Central open pit following the recruitment of a contractor to increase mining and transportation capacity.

Concentrate produced at the flotation plant rose by 11% year-on-year to 39.3 kt during the period, reflecting a combination of higher volumes and yields. Nevertheless, total gold output during the period fell by 16% year-on-year to 30.2 koz as the increase in production of gold from refractory sources failed to compensate for the lack of production from non-refractory ore. Together with the decline in grades to 1.00 g/t versus 1.17 g/t the year prior, this supports the case for investing in the ongoing expansion of the flotation plant.

Albyn

The Albyn processing facility is currently being used to treat ore from the nearby Elginskoye satellite deposit, which replaced the depleted Albyn pit as the main source of non-refractory ore starting from 2021. Albyn could also potentially treat ore from the earlier-stage Unglichikanskoye deposit in the future. Both of these licences are owned 75% through TEMI LLC.

ALBYN	<i>Units</i>	Q1 2022	Q1 2021
Mining operations			
Total material moved	m3 '000	-	3,197
Non-refractory ore mined	t '000	-	3,338
Average grade	g/t	-	0.95

Gold content	oz. '000	-	102.0
Refractory ore mined	t '000	-	-
Average grade	g/t	-	-
Gold content	oz. '000	-	-
Processing operations (RIP plant)			
Ore milled	t '000	921	792
Average grade	g/t	0.76	0.96
Gold content	oz. '000	22.4	24.5
Recovery	%	74.3	88.3
Gold recovered	oz. '000	16.6	21.6
Total gold production (doré)	oz. '000	17.2	22.3

Note: numbers may not add up due to fluctuation of gold in circuit and / or rounding

Mining operations at the Elginskoye deposit were halted in Q1 2022 pending completion of a new mine plan following a broad exploration drilling programme undertaken at the site in 2021. Additional RC drilling was carried out during the period to confirm the block model and to identify promising occurrences of non-refractory ore.

During the quarter, the processing plant treated ore from stockpiles, with higher processing volumes more than offset by lower grades and recoveries, leading to a decline in gold produced to 17.2koz from 22.3koz. Albyn is examining ways to implement ore sorting at the stockpiles to improve feedstock to the mill.

3rd-Party Concentrate (POX Hub)

Petropavlovsk processes 3rd-party concentrate as a means to optimise unused POX Hub capacity, which allows the Group to demonstrate the production potential of the POX Hub and improve Group cash flow.

3RD PARTY CONCENTRATES	Units	Q1 2022	Q1 2021
POX plant			
Concentrate treated	t '000	28.0	18.9
Average grade	g/t	26.2	30.1
Gold in concentrate	oz. '000	23.5	18.3
Recovery	%	93.2	93.4
Gold recovered	oz. '000	21.9	17.0
Total gold production (doré)	oz. '000	22.8	13.2

Note: numbers may not add up due to fluctuation of gold in circuit and / or rounding

The POX hub treated 28kt of 3rd-party concentrate in Q1 2022, 48% more than in the same period last year when there were issues with concentrate supplies. The average concentrate grade was 13% lower at 26.2 g/t, but the resulting volume of gold recovered increased by 29% to 21.9koz. Accounting for gold in circuit, total production rose by 73% to 22.8koz.

All four autoclaves were in operation during most of the quarter, aside from brief stoppages for maintenance.

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.8.8Moz 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 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.

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To: Petropavlovsk rouble treasury limited
cc: Petropavlovsk PLC

LLC Malomirsky mine and Petropavlovsk rouble treasury limited have concluded the loan agreement, where LLC Malomirsky mine is the Creditor, and Petropavlovsk rouble treasury limited is the Borrower.

Please find additional details regarding these agreements below:

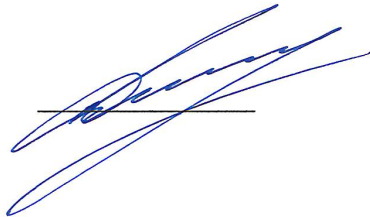
Date of agreement	Interest rate	Currency of the loan	Maturity	Amount of the principal
05.03.2020	6,38%	RUR	05.03.2027	600 000 000,00

Considering the press release of Petropavlovsk PLC (which is a parent company of LLC Malomirsky mine) that was published on 14 April 2022, which states that the situation caused by inclusion of the bank GPB into the sanction lists of United Kingdom could result, amongst the other, in divestiture of the share of Petropavlovsk PLC in Russian production assets, we would like to update the information regarding accounts receivable of the entities of Petropavlovsk Group.

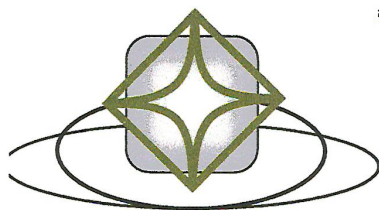
Taking into account the above, herewith we would like to ask you to provide a confirmation that Petropavlovsk rouble treasury limited will continue to fulfill the obligations of the Borrower and perform mandatory payments to the Creditor, as well as payment of the interest accrued on the amount of the loan.

Should Petropavlovsk rouble treasury limited break its contractual obligations, we will have to take all and any actions in order to defend our rights as creditor to recover due amounts from you.

General director
Managing Company
Atlas Mining LLC



D. V. Alexandrov



JSC Pokrovsky Mine

675004, Russia,
Amur region,
Blagoveshchensk,
Lenin St., 140/1

phone/fax (4162) 39-09-73

E-mail: amur-blg@pokrmine.ru

676150, Russia,
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phone/fax (4162) 39-44-87

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105082, Russia,
Moscow, Rubtsov Pereulok St.,
13

phone (495) 380-28-10,
fax (495) 380-28-11

E-mail: mosinfo@pokrmine.ru

“Pokrovskiy mine”

To: Petropavlovsk rouble treasury limited
cc: Petropavlovsk PLC

JSC Pokrovsky Mine and Petropavlovsk rouble treasury limited have concluded the loan agreements, where JSC Pokrovsky Mine is the Creditor, and Petropavlovsk rouble treasury limited is the Borrower.

Please find additional details regarding these agreements below:

Agreement No.	Date of agreement	Interest rate	Currency of the loan	Maturity	Amount of the principal
20210-11/IIP	31.05.2011	6,00%	RUR	22.03.2023	220 567 191,50
20274-12/IIP	10.10.2012	6,00%	RUR	22.03.2023	1 205 449 737,40
20320-15/IIP	16.11.2015	6,00%	RUR	22.03.2023	1 470 943 483,90
n/a	19.08.2014	6,00%	RUR	22.03.2023	400 000 000,00
n/a	01.09.2016	6,00%	RUR	22.03.2023	1 768 550 450,00
20074-15/IIP	06.03.2015	6,38%	RUR	22.03.2023	523 275 569,02
20282-13/IIP	06.11.2013	6,38%	RUR	22.03.2023	516 197 132,42
n/a	14.10.2014	6,38%	RUR	22.03.2023	719 804 380,64
n/a	16.12.2014	6,38%	RUR	22.03.2023	1 144 250 472,66
n/a	21.09.2015	6,38%	RUR	22.03.2023	57 700 555,43

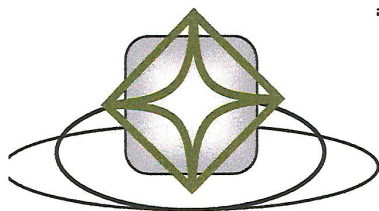
Considering the press release of Petropavlovsk PLC (being a parent company of JSC Pokrovsky Rudnik) that was published on 14 April 2022, which states that the situation caused by inclusion of the bank GPB into the sanction list of United Kingdom could result, amongst the other, in divesture of the share of Petropavlovsk PLC in Russian production assets, we would like to update the information regarding accounts receivable of the entities of Petropavlovsk Group.

Taking into account the above, herewith we would like to ask you to provide a confirmation that Petropavlovsk rouble treasury limited will continue to fulfill the obligations of the Borrower and perform mandatory payments to the Creditor, as well as payment of the interest accrued on the amount of the loan.

Should Petropavlovsk rouble treasury limited break its contractual obligations, we will have to take all and any actions in order to defend our rights as creditor to recover due amounts from you.

General director
Managing Company
Atlas Mining LLC

D. V. Alexandrov



JSC Pokrovsky Mine

675004, Russia,
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phone/fax (4162) 39-44-87

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105082, Russia,
Moscow, Rubtsov Pereulok St.,
13

phone (495) 380-28-10,
fax (495) 380-28-11

E-mail: mosinfo@pokrmine.ru

"Pokrovskiy mine"

To: Petropavlovsk PLC

JSC Pokrovsky Mine and Petropavlovsk PLC have concluded the loan agreement, where JSC Pokrovsky Mine is the Creditor, and Petropavlovsk PLC is the Borrower.

Please find additional details regarding these agreements below:

Date of agreement	Interest rate	Currency of the loan	Maturity	Amount of the principal
24.02.2022	7,13%	RUR	31.12.2023	3 042 508 000,00

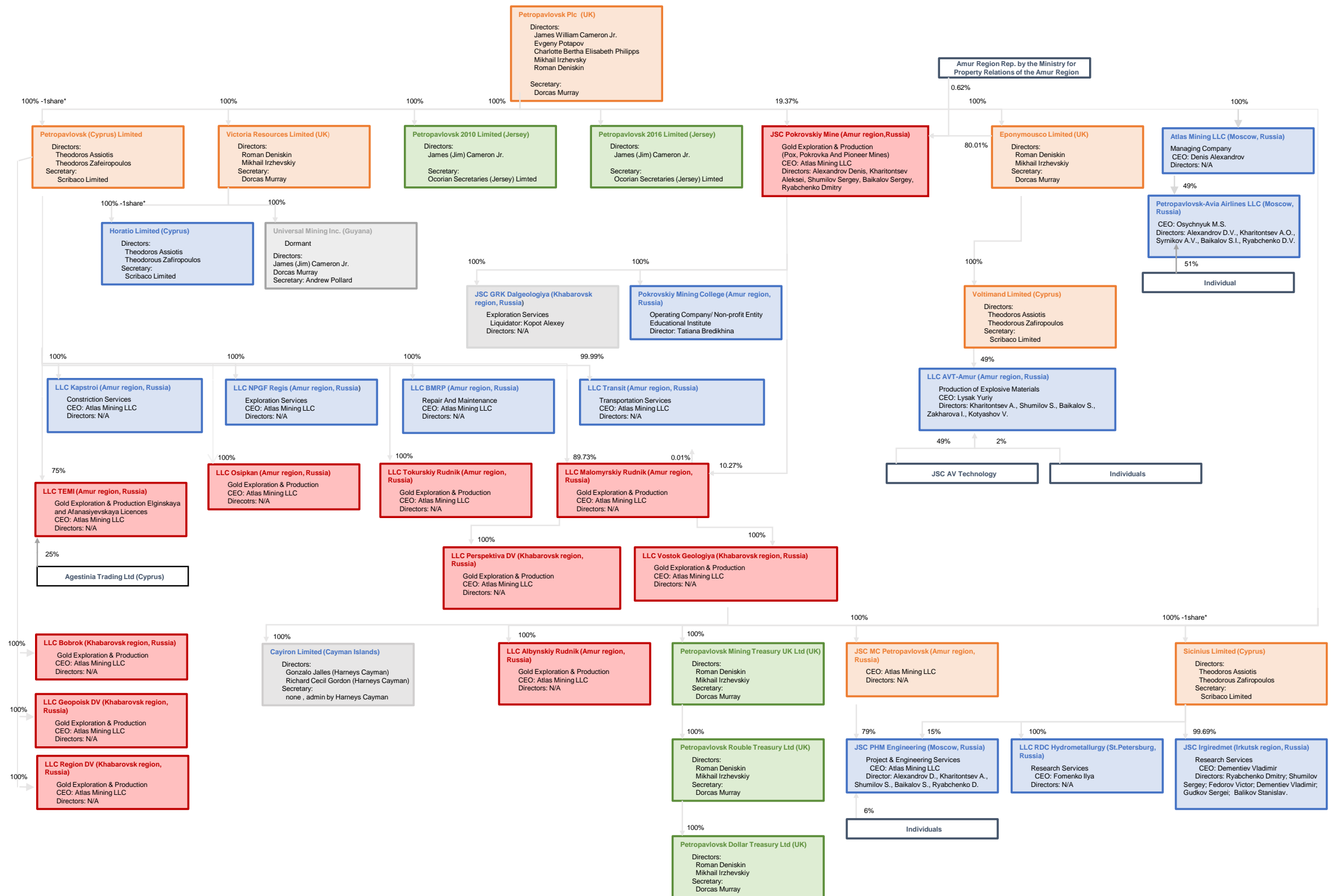
Considering the press release of Petropavlovsk PLC that was published on 14 April 2022, which states that the situation caused by inclusion of the bank GPB into the sanction lists of United Kingdom could result, amongst the other, in divestiture of the share of Petropavlovsk PLC in Russian production assets, we would like to update the information regarding accounts receivable.

Taking into account the above, herewith we would like to ask you to provide a confirmation that Petropavlovsk PLC will continue to fulfill the obligations of the Borrower and perform mandatory payments to the Creditor, as well as payment of the interest accrued on the amount of the loan.

Should Petropavlovsk PLC limited break its contractual obligations, we will have to take all and any actions in order to defend our rights as creditor to recover due amounts from you.

General director
Managing Company
Atlas Mining LLC

D. V. Alexandrov



Gold exploration and production

Operating company

Finance company

Holding company

Dormant/Liquidation

Third-parties, outside the Group

* 1 share holding - Eponymousco Ltd



PRESS RELEASE

29 April 2022

Petropavlovsk PLC

Update on Guaranteed Notes and Convertible Bonds

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) wishes to provide an update in relation to the US\$500 million 8.125% Guaranteed Notes due 2022 and issued by Petropavlovsk 2016 Limited (the “Guaranteed Notes”, US\$304m outstanding) and the US\$125 million 8.25% Guaranteed Convertible Bonds due 2024 and issued by Petropavlovsk 2010 Limited (the “Convertible Bonds”, US\$33m outstanding).

The Company announced on 20 April that it had received notices from Gazprombank (“GPB”) purporting to require:

- immediate repayment of approximately US\$201.0m (including accrued interest) due under the Company’s Committed Term Facility Agreement (the “Term Loan”) with GPB (such notice accompanied by notification from GPB of the assignment of the Term Loan to JSC UMMC-Invest); and
- repayment by 26 April 2022 of, in aggregate, approximately US\$87.1m (including accrued interest) due under the Group’s Russian subsidiaries’ revolving credit facilities.

As a result of the acceleration of the Term Loan and/or the revolving credit facilities referred to above, one or more Events of Default under the Conditions (as defined in each of the trust deeds which constitute the Guaranteed Notes and the Convertible Bonds) have occurred. Consequently, the Group has sent Notices of Events of Default to the relevant trustees pursuant to the provisions of the respective trust deeds.

At this time, no acceleration of the Guaranteed Notes or Convertible Bonds has occurred.

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.8.8Moz 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 or contact:

Petropavlovsk PLC
John Mann / Max Zaltsman

+44 (0) 20 7201 8900
TeamIR@petropavlovskplc.com

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.



Significant shareholdings in PETROPAVLOVSK PLC / Значительные пакеты акций в ПЕТРОПАВЛОВСК ПЛК

The following information has been provided to the Company pursuant to the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (**DTR**) and has been published on a Regulatory Information Service. / Следующая информация была предоставлена Компании в соответствии с Руководством по раскрытию информации и Правилами прозрачности (DTR) Управления по финансовому регулированию и надзору и опубликована в Службе нормативно-справочной информации.

As at **30 June 2022**, the Company had received the following disclosures of major holdings of voting rights, pursuant to the requirements of Rule 5 of the DTR. / По состоянию на **30 июня 2022** года Компания получила следующую информацию о крупных держателях голосующих прав в соответствии с требованиями Правила 5 Руководства по раскрытию информации и Правил прозрачности.

	Country of registered office / Страна зарегистрированного офиса	No of Shares / Кол-во акций	% interest in voting rights ordinary shares / % доля участия в голосующем праве обыкновенных акций	Financial Instruments (Number of voting rights that may be acquired if the instrument is exercised/ converted) / Финансовые инструменты (Количество голосующих прав, которые могут быть приобретены, если инструмент используется/ конвертируется)	% voting Rights / % голосующих прав	Financial instruments with similar economic effect / Финансовые инструменты с аналогичным экономическим эффектом	% of voting Rights / % голосующих прав	Total number of Voting rights / Общее количество голосующих прав	% voting rights (as at 30 June 2022) / % голосующих прав (по состоянию на 30 июня 2022 г.)
Uzhuralzoloto Group of Companies Joint Stock Company /	Russia /	1,155,169,303	29.18014					1,155,169,303	29.18014

Petropavlovsk PLC
11 Grosvenor Place
Belgravia
London SW1X 7HH

T: +44(0)20 7201 8900
F: +44(0)20 7201 8901
contact@petropavlovskplc.com
www.petropavlovskplc.com

Registered Office as shown.
Registered in England and Wales
Number: 4343841

АО «Южуралзолото Группа Компаний» (a)	Россия								
Prosperity Capital Management Limited / Просперити Кэпитал Менеджмент Лимитед (b)	Cayman Islands / Острова Кайман	394,442,259	9.97					394,442,259	9.97
Everest Alliance Limited (formerly known as CABS Platform Limited) / Эверест Альянс Лимитед (предыдущее наименование «КАБС Платформ Лимитед»)	Gibraltar, British Overseas Territories / Гибралтар, Британски е заморские территори и	212,017,537	5.355666					212,017,537	5.355666
Polygon Global Partners LLP / Полигон Глобал Партнерс ЛЛП (c)	United Kingdom / Великобри тания	-	-			207,569,248	5.245 264	207,569,248	5.245264
The Russian Prosperity Fund / Зе Рашн Просперити Фанд (b)	Cayman Islands / Острова Кайман	192,357,263	4.86					192,357,263	4.86
Société Générale SA (SG SA) / Сосьете Женераль СА (d)	France / Франция	18,455,115	0.56	108,429,907	3.28	4,065,911	0.12	130,950,933	3.96
Norges Bank / Норвежский Банк	Norway / Норвегия	148,049,862	3.74					148,049,862	3.74

(a) Uzhuralzoloto Group of Companies Joint Stock Company is controlled by Konstantin Ivanovich Strukov / АО «Южуралзолото Группа Компаний» контролируется Струковым Константином Ивановичем.

(b) Prosperity Capital Management Limited's holding of 9.97% includes the disclosure of The Russian Prosperity Fund (5.99%). On 9 December 2021 the company received the notification of reduction in holding of The Russian Prosperity Fund to 4.86%, the holding of Prosperity Capital Management Limited should reduce accordingly. / 9,97% акций компании Prosperity Capital Management Limited включают раскрытие информации о The Russian Prosperity Fund (5,99%). 9 декабря 2021 года компания получила уведомление о сокращении владения The Russian Prosperity Fund до 4,86%, владение Prosperity Capital Management Limited должно соответственно сократиться.



PETROPAVLOVSK

(c) Polygon Global Partners LLP is controlled by Reade Eugene Griffith, an investment manager which has investment discretion over certain funds and managed accounts, including Polygon Convertible Opportunity Master Fund. The voting rights for 6,976,655 Ordinary Shares are in relation to the Contract for Difference; 8,000,000 voting rights are in relation to Borrow Contract for Difference and 192,592,593 voting rights are in relation to Convertible Bond. / Polygon Global Partners LLP контролируется Ридом Юджином Гриффитом, инвестиционным менеджером, который имеет право инвестировать в определенные фонды и управляемые счета, включая Polygon Convertible Opportunity Master Fund. Право голоса в отношении 6,976,655 обыкновенных акций относится к Контракту на разницу; 8,000,000 прав голоса относятся к Контракту о займе на разницу, а 192,592,593 права голоса относятся к Конвертируемым облигациям.

(d) The voting rights for 108,429,907 Ordinary Shares are in relation to Borrowed Ordinary Shares and 4,065,911 voting rights are in relation to the Contract for Difference. / Право голоса по 108,429,907 обыкновенным акциям относится к заимствованным обыкновенным акциям, а право голоса по 4,065,911 акциям относится к Контракту на разницу.

In providing this information the Company relies on information disclosed to it. So far as the Company is aware, based on the information as disclosed to it, the information provided was correct as at the date set out above. / Предоставляя данную информацию, Компания полагается на раскрытую ей информацию. Насколько известно Компании на основе раскрытой информации, предоставленная информация верна на дату, указанную выше.

Date: 30 June 2022 / Дата: 30 июня 2022 г.

Signature / Подпись:

Dorcas Murray / Доркас Муррей

Company Secretary / Секретарь компании

Petropavlovsk PLC
11 Grosvenor Place
Belgravia
London SW1X 7HH

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contact@petropavlovskplc.com
www.petropavlovskplc.com

Registered Office as shown.
Registered in England and Wales
Number: 4343841

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
50	Fair market valuation prepared by Kroll Advisory Ltd	2 May 2022	1631-1674



PETROPAVLOVSK

Registered number: 04343841

PetroPavlovsk plc
(the *Company*)

**Minutes of a meeting of the Board of Directors (the *Board*) of the Company
held at 11 Grosvenor Place, London, SW1X 7HH and via Microsoft Teams
on 3 May 2022 at 14:05 BST.**

Present:	James W Cameron Jr	Chair
	Charlotte Philipps	Senior Independent Director (SID)
	Mikhail Irzhevsky	
	Roman Deniskin	
	Evgeny Potapov	
In attendance:	Stanislav Ploschenko	Chief Financial Officer (CFO)
	Simon Appell	Alix Partners (Alix)
	Daniel Imison	Alix
	Perry Higgins	Alix
	David Avery Gee	Weil Gotshal & Manges LLP (Weil)
	Mark Lawford	Weil
	Alan Lee	Kroll (to 3.2)
	Matthias Schumacher	Kroll (to 3.2)
	Peter Lam	Kroll (to 3.2)
	Neil Passmore	Hannam and Partners (Hannam) to 3.3)
	Ilya Demichev	Hannam (to 3.3)
	Robert Wieder	Faegre Drinker LLP (Faegre)
	Dorcas Murray	Company Secretary

1. Introduction

Action

It was noted that notice of the meeting had been given to all the directors of the company (the **Directors**) in accordance with the company's articles of association (the **Articles**). The Chair confirmed that a quorum was present and declared the meeting to be open. Each of the Directors confirmed that he or she had no conflict in relation to any matter to be considered at the meeting.

2. Minutes of prior meetings

The minutes of the meeting of the Board of 21 April 2022 were approved.

3. Project Haribo

3.1 Summary Valuation

Alan Lee presented Kroll's valuation of the three principal mining subsidiaries of the Company and the POX hub on a debt free basis as at 29 April 2022. He outlined the basis of valuation by reference to:

- a net asset value (**NAV**) of between US\$1.83m and US\$2.07m, based on the group's long-term model and assumptions as to gold price based on long-term consensus, exchange rates based on IMF projections and applying a non-sanctions related discount of 7%. He explained that the value ascribed to the POX hub reflected the incremental value of processing third party concentrate;

- a NAV multiple determined by reference to the implied multiples in the recent sale of Kinross Gold's Kupol mine and Polymetal's trading prices in March to April 2022. Alan outlined the background to and status of the Kuprol sale which has not yet completed. He highlighted that both Kupol and Polymetal have higher grade ores and lower operating costs than the group and that the multiples for each had been significantly reduced by the current geopolitical risks. The board discussed the possible relevance of other comparators; Evgeny Potapov asked why other companies with listings in Russia had not been used and Alan Lee replied that comparators from countries deemed 'unfriendly' in Russia but with Russian assets were more appropriate. Polyus had not been taken into account because the range of multiple applied by the two analysts covering that company made it an unreliable comparator.

Alan Lee outlined the sensitivities to which the NAV was subject and their impact on the NAV and NAV multiple. in in the NAV. He reported that the exercise has resulted in the assessment of a fair market value for the assets of between US\$458,000 and US\$621,000. Kroll's full valuation report will be provided to the Company shortly.

Kroll

Kroll left the meeting.

3.2 Update on refinancing

The CFO explained the actions which had been undertaken to seek to secure refinancing for the group, outlining the banks which had been contacted and the responses received as set out in the email of 29 April 2022 circulated to the Board. He reported that:

- there was no interest in providing finance to the Group from banks outside of Russia;
- the consensus within Russia was that any refinancing undertaken would need to cover all debt of the group, including the US\$200m term loan, the guaranteed notes due 2022 (the **22 Notes**), the guaranteed convertible bonds due 2024 (the **24 Bonds**) and US\$87m due to Gazprombank (**GPB**) in Russia. Should any bank or banks be willing to do so (which was not evident at present) they would require security over the Group's assets and the creation of that security would be in breach of the terms of the 22 Notes and 24 Bonds. Moreover, Moreover, the amount required in any such refinancing would not be underwritten by a single bank;
- the risks of transferring funds out of Russia reduced further the appetite to take on this debt against a backdrop in which a limited number of licences had been granted to approve coupon payments by the Russian authorities but none to repay the entirety of a group's debt, so far as the CFO was aware;
- all banks approached had declined to participate.

3.3 Update on sales process

Neil Passmore presented Hannam's report on the outcome of the first phase of marketing and selling the Company's assets in Russia. He outlined that GeoProm Mining (**GPM**) had made a credible non-binding indicative offer to set against that received from UMMC. An offer had also been received from NMMC but, as they had not progressed discussions on the matter, they were not recommended to be taken forward to the second phase of the process. Polyus had also indicated that they would make an offer but had not done so. He gave an update on the status of the discussions with GPM, including on regulatory approvals which GPM did not consider an issue, funding which GPM had confirmed would be provided by a non-sanctioned bank and their request for exclusivity which had been refused. Hannam recommended proceeding to phase 2 with GPM and UMMC and confirmed that both candidates had agreed to the mid-May date for final and binding offers. Hannam will take the workstreams forward with both bidders and will provide a draft phase 2 process letter for review.

H&P

Neil Passmore outlined the principal workstreams in phase 2: due diligence; regulatory approvals; the sale documents and proof of financing. The latter will follow a process analogous to the Takeover Code requirements for cash bidders. Where funding is by way of finance, he envisaged that the lender's counsel would also be involved, noting his expectation that Alix and the Company would also have their own controls and checks to carry out. Weil confirmed that Counsel had now been instructed to opine on sanctions issues, which Hannam and Weil would discuss further separately.

The SID asked for clarification of the terms of UMMC's and GPM's offers. Simon Appell summarised these, reporting that UMMC had offered circa US\$675m to pay all creditors in full, with any balance to be returned to UMMC, and GPM had offered circa US\$750m from which the local debt of circa US\$87m would be repaid, giving an effective offer of US\$663m, with any balance after payment of creditors to go to shareholders. It was noted that the Company's balance sheet records creditors of circa US\$720m including around US\$115m in intercompany balances, the treatment of which remained to be agreed.

It was agreed that a comparison of the UMMC and GPM offers be set out in summary for the Board, together with an analysis of the balance sheet position of the Company based on inclusion of the intercompany debt and its exclusion in the alternative. This would be best done once GPM have seen the draft sale and purchase agreement and should be available within the next several days.

H&P

The Board confirmed Hannam's recommendation on next steps and that the Company Secretary was mandated to enlist senior management's involvement in the due diligence process.

Hannam left the meeting.

3.4 Administration application

Mark Lawford reminded the Board that the Board had reviewed at its meeting of 21 April 2022 the factors relevant to a decision as to whether to file for administration. These included the acceleration of the US\$200m term loan, as a result of which the Company was now insolvent. Although UMMC had given its assurance that it would not take action prior to 9 May 2022 provided that the sales process continued during that period, that assurance did not amount to a waiver of their rights to do so and the debt remained due and payable. The primary duty of the Board was now to act in the best interests of creditors and the Board's acts should be designed to improve rather than worsen the creditors' position. In this instance, there may be good and justifiable reasons for the Board not to put the Company into administration at this stage, including the concern that doing so may have a material adverse impact on the sale process and that the marketing process designed to maximise returns to creditors would be more likely to succeed if run outside of administration. The Board should bear in mind the Company's financial position and their duty to all creditors in entering into any transaction or making any payment to creditors, so that no transactions at an undervalue, preferential payments or wrongful trading occurred. The fact that the non-binding offers received for the assets proposed payment of all creditors in full was helpful in supporting the Board's decision not to go into administration at present but clearly there was no certainty that those offers would proceed to completion. That fact did not, however, support paying some unsecured creditors and not others or taking on new liabilities. In addition, the risk of actions by shareholder remained, even should creditors be paid in full.

Simon Appell summarised the comments from Mark Lawford, noting that there were two issues for the Board:

- should the Company now file for administration? In relation to this point, it has been stated that there were good reasons not to do so at present, including the potential threat to the

success of the sales and marketing process. It was noted that a defined and demanding timetable had been set for completion of this process;

- having made the decision not to file for administration at this stage, how should the Company deal with its creditors? Here the Board should not pay creditors or take on new liabilities unless there were good and justifiable reasons to do so, including where necessary to support or further the sale process.

The Board agreed that, given the risks to the sales process outlined above, it was in the best interests of creditors not to file for administration at this juncture. The Board discussed the timeline for the sales and marketing process and, in light of the deadline for binding offers of 16 May, agreed to re-convene on 17 May to consider further whether to file for administration. **DM**

The Company Secretary reported that the Company had been informed that the US\$25m transferred from the Company's account with GPB Luxembourg had been received with the Bank of Cyprus but had not been credited to the account of Petropavlovsk Cyprus Limited pending completion of the bank's compliance checks.

Evgeny Potapov enquired as to the Board's views on his email of 3 May 2022 in relation to strategic investment laws in Russia, which he considered a serious issue. It was confirmed that this matter was in the course of review with the Company's legal advisors and a response provided. **DM**

There being no further business the meeting closed.

Chairman

From: [Потапов Евгений Владимирович](#)
Sent: 03 May 2022 10:38
To: [James W. Cameron Jr.](#); Charlotte Philipps External; [Mikhail Irzhevsky](#); rvdeniskin@gmail.com
Cc: [Dorcas Murray](#)
Subject: Administration / 57 - FZ

Dear members of the board,

As I understand, at today's meeting directors plan to deliberate and decide on application for administration order in relation to the Company.

As I previously explained on a number of occasions, I am deeply concerned with such possible decision due to the following:

1. Violation of Russian Strategic Investment Law

Petropavlovsk's Russian subsidiaries are deemed strategic in the sense of the Russian Federal Law No. 57-FZ, which means that an acquisition of control over them requires prior clearance with the RF Governmental Committee. The clearance requirement applies not only to transactions, but also to any actions as a result of which a foreign investor acquires (whether directly or indirectly) the right to determine decisions of the strategic company.

This applies to any actions, including to the appointment of an external administrator by a court. The argument that the relevant action is a court decision will not be accepted, especially if the appointment of an administrator is driven by the directors themselves.

The failure to obtain prior clearance will result in significant sanctions. Specifically, the shares of the Russian strategic companies will be deemed non-voting, which means that the group could not take corporate decisions, including liquidation of assets. The court could also impose the same restrictions as an injunction pending the outcome of the main claim. The Russian regulators could also challenge and reverse transactions entered into by the relevant strategic companies after the change of control.

Thus, appointment of a UK Administrator will be a direct violation of the Russian 57-FZ Law on Strategic Investment. To be legal Such appointment needs to be preapproved by the Russian Government Investment Committee. Otherwise, the company will automatically forfeit any rights of a shareholder in respect of the subsidiaries. This will make further operation of the company impossible as well as any further payments to the creditors. Administrator will not be able to achieve any goals.

2. UGMC debt creates significant risks for the company's subsidiaries and officers and directors based in Russia. UGMC has power and influence to quickly seize all company's assets in Russia. The UK administrator will not be able to prevent this. The company will shortly lose control of the Russian assets and will not be able to protect interests of its other creditors.
3. Moreover, the subsidiaries are likely to become significant creditors of the company. Once UGMC seized control over the Russian subsidiaries this creates a separate risks for the company, its directors and officers.
4. Once CEO learns that the Company petitioned for the administration, he, to shield himself, is very likely to immediately waive the moratorium in Russia and file for voluntary bankruptcy.

UGMC will likely try to file civil claims and push for criminal charges against independent directors based in Russia to create additional pressure on the company.

Given the reasons above, I once again urge you to decide against the application for the administration and develop alternative strategy that will allow the board to retain control over the group and implement robust measures in the interest of all stakeholders.

Kind regards,

E. Potapov

С уважением,

Потапов Евгений Владимирович
Тел. +9067509087

From: [Dorcas Murray](#)
Sent: 09 May 2022 15:57
To: '[Потапов Евгений Владимирович](#)'; '[James W. Cameron Jr.](#)'; Charlotte Philipps External; '[Mikhail Irzhevsky](#)'; '[rvdeniskin@gmail.com](#)'
Subject: RE: Administration / 57 - FZ: response sent on behalf of the Chairman

Dear Evgeny

Thank you for your email of 3 May 2022, below.

We briefly discussed this at the board meeting on that day and it was agreed that we would revert on this once we had taken legal advice. We have taken both Russian and English legal advice and respond to your questions as follows.

Russian strategic investment law

1. The effect of an administration order would essentially be to transfer the directors' powers of management to the administrators. The administrators would act as agents of Petropavlovsk PLC.
2. The Russian law advice is that Petropavlovsk PLC would remain the controlling person with respect to the Russian strategic entities, so there would be no persons acquiring indirect control and no need for prior approval by the governmental commission of any administration application.

Risk of enforcement in Russia

3. We are conscious of the risk of GPB or UMMC seeking to enforce their claims against the key operating subsidiaries in Russia. As you are aware, GPB wrote to the subsidiaries on 3 May threatening enforcement action and requesting that the CEO waive the moratorium in Russia.
4. We are in dialogue with the CEO about this, but it is a separate issue and is progressing independently from the question whether the directors of Petropavlovsk PLC should apply for an administration order.
5. As has been discussed with you, the directors have made exhaustive efforts to seek an alternative to the potential administration of Petropavlovsk PLC. However, it has become clear that there is no realistic scope for a refinancing and no other practical way to repay the debts that are due outside of administration.
6. As you have heard from Weil (including at the meeting of 3 May), the directors also have duties as a matter of English law and need to ensure that they comply with them. As ever, we would be happy to discuss further.

With kind regards

James W Cameron Jr
Non-executive Chairman of the Board

From: Потапов Евгений Владимирович <e.potapov@Ugold.ru>

Sent: 03 May 2022 10:38

To: James W. Cameron Jr. <jim@629j.com>; Charlotte Philipps <cp@limitationslimited.com>; Mikhail Irzhevsky <irzhevsky@gmail.com>; rvdenskin@gmail.com

Cc: Dorcas Murray <DM@petropavlovskplc.com>

Subject: Administration / 57 - FZ

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This applies to any actions, including to the appointment of an external administrator by a court. The argument that the relevant action is a court decision will not be accepted, especially if the appointment of an administrator is driven by the directors themselves.

The failure to obtain prior clearance will result in significant sanctions. Specifically, the shares of the Russian strategic companies will be deemed non-voting, which means that the group could not take corporate decisions, including liquidation of assets. The court could also impose the same restrictions as an injunction pending the outcome of the main claim. The Russian regulators could also challenge and reverse transactions entered into by the relevant strategic companies after the change of control.

Thus, appointment of a UK Administrator will be a direct violation of the Russian 57-FZ Law on Strategic Investment. To be legal Such appointment needs to be preapproved by the Russian Government Investment Committee. Otherwise, the company will automatically forfeit any rights of a shareholder in respect of the subsidiaries. This will make further operation of the company impossible as well as any further payments to the creditors. Administrator will not be able to achieve any goals.

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Given the reasons above, I once again urge you to decide against the application for the administration and develop alternative strategy that will allow the board to retain control over the group and implement robust measures in the interest of all stakeholders.

Kind regards,

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С уважением,

Потапов Евгений Владимирович

Тел. +9067509087

From: [Потапов Евгений Владимирович](#)
Sent: 11 May 2022 10:31
To: [Dorcas Murray](#); [James W. Cameron Jr.](#); Charlotte Philipps
External; [Mikhail Irzhevsky](#); rvdeniskin@gmail.com
Subject: Re: Administration / 57 - FZ: response sent on behalf of the Chairman
Attachments: [05 11 BGP_memo_appointment of an administrator_10052022_EN.pdf](#)

Dear colleagues,

Thank you for your email. Please see my comments to the points below:

Russian strategic investment law

I with advisors have had numerous discussions on this issue on a no-name basis with leading antimonopoly and investment control law experts in Russia over the last few days. All of them unanimously and unequivocally assured me that in our situation it is an imperative requirement of Russian law that the appointment of an administrator requires prior consent of the Russian strategic investment committee.

I am struggling to exert any kind of analysis and reasoning from the second paragraph of your email. Given the logic expressed in that paragraph, if any non-Russian third party acquires 25-30% of stock in Petropavlovsk this also would not trigger the requirements of the Russian strategic investment law because "Petropavlovsk would remain the controlling person with respect to the Russian strategic entities". But this clearly would not be the case.

We even made one step further and engaged an independent reputable law firm to prepare a legal opinion analyzing this issue. Their view reaffirmed my concern. I attach this opinion for the benefit of the board.

I would like to have a chance to examine the opinion provided by company's Russian counsel. However, given this discrepancy in opinions between the company's counsels and a view of what seems to be a majority of expert legal community the only safe way forward would be for the company to apply to FAS (Russian authority) for an official clarification. I see such step to be absolutely necessary to protect the company from hastily made decisions.

Risk of enforcement in Russia

I cannot agree that directors have made exhaustive efforts to seek an alternative to the potential administration of company.

The potential acquirer of UGC's shares has reached out to the company and expressed, with determination, its intention to provide an alternative solution to solving the company's financial problems. It is well known to the board that this company has sufficient resources and expertise to accomplish this.

Clearly, UMMC acquired the rights under the loan not to receive repayment of the interest and the loan amount, but to establish control over the company. At the same time, the acquisition of shares would be a fairer solution in relation to all stakeholders.

The appointment of an administrator or any other form of external management (bankruptcy) will lead to the destruction of the management system and value of the company, a complete separation in the relationship between the holding company in the UK and Russian operating companies. Due to external circumstances, no new management model can be created at this time.

I urge you once again to reconsider taking any further steps towards appointment of the administrator and work on other viable solutions that you have been presented with.

Kind regards,

E. Potapov

От: Dorcas Murray <DM@petropavlovskplc.com>

Отправлено: 9 мая 2022 г. 17:57:21

Кому: Потапов Евгений Владимирович; James W. Cameron Jr.; Charlotte Philipps; Mikhail Irzhevsky; rvdenskin@gmail.com

Тема: RE: Administration / 57 - FZ: response sent on behalf of the Chairman

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Non-executive Chairman of the Board

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Sent: 03 May 2022 10:38
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Cc: Dorcas Murray <DM@petropavlovskplc.com>
Subject: Administration / 57 - FZ

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The failure to obtain prior clearance will result in significant sanctions. Specifically, the shares of the Russian strategic companies will be deemed non-voting, which means that the group could not take corporate decisions, including liquidation of assets. The court could also impose the same restrictions as an injunction pending the outcome of the main claim. The Russian regulators could also challenge and reverse transactions entered into by the relevant strategic companies after the change of control.

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Given the reasons above, I once again urge you to decide against the application for the administration and develop alternative strategy that will allow the board to retain control over the group and implement robust measures in the interest of all stakeholders.

Kind regards,

E. Potapov

С уважением,

Потапов Евгений Владимирович

Тел. +9067509087

Petropavlovsk PLC is a public limited company registered in England and Wales with registered number 04343841. Our registered office is at 11 Grosvenor Place, Belgravia, London, SW1X 7HH.

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С уважением,

Потапов Евгений Владимирович

Тел. +9067509087

Prepared for:
Evgeny Potapov, Director of Petropavlovsk PLC

May 10, 2022

Re: Approval of the appointment of a foreign administrator with the Government Committee for the Control of Foreign Investment in the Russian Federation under the Federal Law No. 57-FZ "On the Procedure for Making Foreign Investments in Companies of Strategic Importance for National Defense and State Security" dated 29 April 2008.

Dear Mr. Potapov,

Please find below our analysis regarding the need to approve the appointment of the foreign administrator of the Petropavlovsk PLC (also, the **"Company"**) by the Government Committee for the Control of Foreign Investment in the Russian Federation (the **"Government Committee"**) to comply with the Federal Law No. 57-FZ "On the Procedure for Making Foreign Investments in Companies of Strategic Importance for National Defense and State Security" dated 29 April 2008 (the **"Law on Strategic Companies"**).

Background:

The Company is incorporated in the United Kingdom and owns nearly 100% shares (participation interests) in certain Russian companies (also, the **"Key Russian Subsidiaries"**) which are holders of the license to use natural resources sites of federal significance.

The Company is considering applying to a court to make an administration order for a non-Russian national is to be appointed as an administrator of the Company.

During the period for which the court's order is effective, the business and property of the Company will be managed by the administrator. Immediately following the appointment, the structure of charter capital of the Company is not subject to change. The foreign administrator will acquire same rights the directors have with the purpose to manage the Company and its assets. The administrator will have the power to, among other things, dispose of the shares in the Key Russian Subsidiaries and exercise any shareholder rights to appoint and/or remove directors of the Key Russian Subsidiaries.

Given questions:

1. Does the appointment of the administrator require prior approval of the Government Committee in accordance with the Law on Strategic Companies?
2. What are the consequences for not obtaining approval of the Government Committee prior for appointment of the administrator of the Company?

Qualifications:

Our conclusions presented herein are based on the provisions of laws and regulations in effect as at the date of this analysis issuance, as well as on the information that was made available to us, including without limitation:

- Law on Strategic Companies;
- Administrative Offenses Code of the Russian Federation No.195-FZ dated December 30, 2001 (as amended and supplemented as of July 1, 2021) (the "**Russian Administrative Offences Code**");
- Academic and Practical Commentary on the Law No. 57-FZ "On the Procedure for Making Foreign Investments in Companies of Strategic Importance for National Defense and State Security" dated 29 April 2008.
- Facts communicated to us and outlines in the Background section above.

Terms and definitions:

- 1) **A Strategic company**¹ is a Russian-based entity, which conduct business in certain fields specifically mentioned in Article 6 of the Law on Strategic Companies;
- 2) **FAS of Russia** – antimonopoly authority of Russia.
- 3) **Foreign investors** are²:
 - a) foreign private persons;
 - b) foreign states and foreign state-owned entities;
 - c) international organizations;
 - d) foreign privately-owned entities that disclose information regarding their beneficial ownership structure (disclosing foreign investors); or
 - e) foreign privately-owned entities that do not disclose information regarding their beneficial ownership structure (non-disclosing foreign investors).
- 4) **Foreign investor control**³ means:
 - the ability of a foreign investor or group of persons, directly or indirectly to determine decisions made by the Strategic Company by disposing of voting shares in its charter capital, at the general meeting of shareholders (participants) of the Strategic Company, through participation in the Board of Directors (Supervisory Board) and other management bodies of such Strategic Company;
 - concluding an agreement on performing the functions of a manager (management organization) in relation to the Strategic Company;
 - the right of a foreign investor or a group of persons to directly or indirectly dispose of twenty-five percent or more of the total number of votes attributable

¹ Article 3(2) of the Law on Strategic Companies;

² Article 3(2) of the Law on Strategic Companies;

³ Article 3(2) of the Law on Strategic Companies;

to the voting shares comprising the charter capital of the Strategic Company, which uses subsurface areas of federal significance;

- the right of a foreign investor or group of persons to appoint the sole executive body and (or) twenty-five percent or more of the collective executive body of the Strategic Company or the unconditional ability of a foreign investor or group of persons to elect twenty-five percent or more of the Board of Directors (Supervisory Board) or any other collective management body of the Strategic Company.

Unless expressly stated otherwise, the terms in this analysis shall have the meaning ascribed to them in the Law on Strategic Companies or other laws and regulations.

Analysis

1. Does the appointment of the administrator require prior approval of the Government Committee in accordance with the Law on Strategic Companies?

Based on the information we received, the Company owns shares (participatory interest) in Russian legal entities which have the license to use natural resources sites of federal significance.

In accordance with the Federal Law on Strategic Companies, geological study of subsoil and (or) exploration and production of mineral resources in subsoil areas of federal significance is related to activities of strategic importance for national defense and state security⁴. In other words, the Company owns Strategic companies.

As were mentioned above, the Company is considering applying to a court to appoint a foreign national as the administrator to manage the business and property of the Company. Therefore, the administrator, effectively acquiring control over the Company's assets, becomes a Foreign investor regarding Strategic companies within the meaning of the Law on Strategic Companies.

According to the Law on Strategic companies a pre-approval is required to make the following transactions which would result in the Foreign investor or its group gaining⁵:

(a) the right to manage the Strategic company;

(b) the right to otherwise manage the decisions of the bodies governing the Strategic company, including the terms of its operations.

The clearance requirement applies not only to transactions, but also to any actions as a result of which a Foreign investor acquires (whether directly or indirectly) the right to determine decisions of the strategic company.

From the Federal Law on Strategic Companies standpoint it is irrelevant whether from UK law perspective powers of the administrator were delegated by the Company or exist independently. It is only important if a Foreign Investor⁶ has the right set out above. Thus, the acquisition by a Foreign investor of the indirect right to dispose of Strategic companies is subject to the approval of the Government Committee.

Conclusions:

The Key Russian Subsidiaries are deemed Strategic companies under Law on Strategic Companies. Therefore, an acquisition of control over the Key Russian Subsidiaries requires prior clearance with the Government Committee under the laws of the Russian Federation.

⁴ Article 6 (39) of the Law on Strategic Companies;

⁵ Article 7 (1) of the Law on Strategic Companies;

⁶ Please note that the term "foreign investor" is a word of art used by the law and means any person which may or may not be an actual investor in economic sense.

2. What are the consequences for not obtaining approval of the Government Committee prior for appointment of the administrator of the Company?

If the transactions⁷ provided for in the Article 7 of the Law on Strategic Companies are made without the prior approval of the Government Committee, the Company can be subject to an administrative liability in accordance Article 19.8.2 of Russian Administrative Offences Code.

Failure by a foreign investor or his group of persons to submit an application for approval of transactions under Article 7 of the Law on Strategic Companies is subject to apply a fine.

Administrative liability also applies if the application is filed in violation of the established deadlines or contains false information.

- The amount of fine for officials is from thirty thousand to fifty thousand rubles;
- The amount of fine for legal entities is from five hundred thousand to one million rubles⁸.

Moreover, if the above-mentioned transactions are made without the prior approval of the Government Committee, the court shall recognize such transactions as void and apply the consequences of invalidity⁹. The court is also authorized to decide on deprivation of the foreign investor (and/or its group of persons) of the right to vote at the general meeting of shareholders/participants of the Strategic company. This means that the votes of the foreign investor (and/or its group of persons) will not be taken into account in determining the quorum of the general meeting of shareholders/participants of the Strategic company and in counting the votes at the meeting.

We propose to consider as an example **Case No. A42-2854/2014**. The FAS of Russia applied to a court to invalidate decisions made by Uzarel Investments Limited (hereinafter, also "**Uzarel**") regarding to Vitino Specialized Sea Port LLC (hereinafter, also "**Vitino Port**").

On March 19, 2013 the London High Court of Justice ruled to confiscate the assets of Uzarel in favor of BTA Bank JSC controlled by the Republic of Kazakhstan. By an order dated April 19, 2013 three British citizens were appointed as interim managers of Uzarel and allowed to operate this company and, respectively, Vitino Port, 100% of the shares in the authorized capital of which are owned by Uzarel. The above decision and order of the London High Court of Justice have not been recognized by the Russian court (no application has been filed with the Russian court). At the same time Uzarel made a decision to liquidate the Vitino port and filed an application with the court to declare it bankrupt. Appointment of citizens of Great Britain as temporary managers of the company "Uzarel" as well as their further appointment as directors of this company was in full contradiction with the norms of the Law № 57-FZ in the part relating to obtaining control over the economic entity "Specialized Sea Port "Vitino" LLC, which has strategic importance for national defense and security, and such appointment required the prior approval of the Government Committee, because the above-mentioned actions.

⁷ As stated above this could be not only transaction but any action;

⁸ Article 19.8.2 (1) of Russian Administrative Offences Code;

⁹ Article 15 (1) (2) of the Law on Strategic Companies;

Conclusions:

The failure to obtain prior approval will result in significant sanctions. The interest (shares) in the Key Russian Subsidiaries will be deemed non-voting, which means that Company (and the administrator if appointed) could not take corporate decisions, including liquidation of assets. The Russian regulators could also challenge and reverse transactions entered into by the relevant strategic companies after the change of control.

Should you have any questions or need our comments, please do not hesitate to contact us at your convenience.

Sincerely,

Irina Akimova
Attorney, Partner,
Head of Antitrust practice

Dear colleagues,

One of the topics for the meeting of Petropavlovsk PLC ("**POG**") Board of Directors scheduled for May 17, 2022 is appointment of the administrator. It is also evident that the subsequent sale of the main operating subsidiaries of POG is the next step that will be proposed by some of the members.

In emails to the Board of Directors, as well as in discussions at the previous Board meeting, I have repeatedly expressed the position that such approach is not only extremely unfair to shareholders but also to some of the significant creditors. This is even more so given that there are ways of preserving the Company's value.

1 Arguments in favor of such position

1.1 The introduction of administration violates the requirements of Law 57-FZ

I have not received an answer to my previous question why the introduction of administration without obtaining permission from the Government of the Russian Federation does not violate Federal Law of the Russian Federation No. 57-FZ dated April 29, 2008 "On the Procedure for Making Foreign Investments in Business Companies of Strategic Importance for Ensuring the Defense of the Country and the Security of the State" ("**Law 57-FZ**").

The appointment of an administrator will inevitably deprive the shareholders of their governance rights. Almost all management powers will be delegated from the Board of Directors to a foreign national. Such actions by direct operation of Law 57-FZ requires prior approval of the special government committee.

I have to once again remind the Board that compliance with Law 57-FZ has always been of paramount importance to the company, as even evidenced by a separate chapter in POG's articles of association. Breach of Law 57-FZ will lead to devastating and irreparable consequences that would not allow to achieve any goals of the administratorship.

Moreover, such move will clearly only benefit UMMC because they have direct claim against the Russian subsidiaries and necessary resources to ensure quick enforcement against POG's shares in those subsidiaries. According to presentation provided by Weil, "directors could be liable for breach of duty or subject to ... if the company gives a preference to a creditor or guarantor. A preference involves the company doing anything which puts that person into a position which, in the event of the company going into insolvent liquidation, will be better than the position they would otherwise have been in." If the Board approves petitioning to the court for appointment the administrator, this would be exactly the case.

1.2 POG has the ability to service and pay the debt

Unfortunately, management did not submit the 2022 budget for approval. The most recent estimate submitted by the CFO demonstrated an operating cash flow after interest payments of \$148 million taking into account EBITDA of \$218 million.

Obviously, in a situation where shareholders are at risk of losing all value, an investment program in the amount of \$158 million is out of the question. Previously, I provided the rationale that investment costs could be reduced to \$82 million without significant detriment to development. In the current situation, the reduction could be larger.

Such reduction will free up cash flow for debt repayment in an amount equivalent to the debt of Russian operating companies, \$87 million.

1.3 Kroll's evaluation is not objective

At the meeting of the Board of Directors on May 3, 2022, I noted that the valuation of POG assets was significantly underestimated (to match the amount of UMMC-Invest's offer) due to a 70% discount (a 0.3 ratio to the actual value of assets). I noted that the coefficient has been calculated on the basis of two not very appropriate cases:

- (i) speedy withdrawal of Kinross from Russia for political reasons;
- (ii) the drop in the price of Polymetal's shares due to its listing in the UK, also for political reasons that led to mutual sanctions.

Unfortunately, the examples of significantly smaller fluctuations in the share price of such companies as Polyus or Seligdar which I noted were not taken into account, and the final estimate remained unchanged.

Accordingly, Kroll's valuation is a subjective opinion driven by political factors rather than an objective assessment based on fundamentals. This demonstrates that any deal to be entered into in the current situation would be disadvantageous to creditors and shareholders.

Taking into account the negative lessons of the past, we should be cautious about arbitrary asset valuations. Let me please remind you that one of the main arguments in favor of selling the IRC stake was the forecast presented by the CEO, according to which the price of the company's products was influenced by the Fe 65% quotation at the level of 104 dollars per ton, which according to the management conclusion should have resulted in a default in Q1, already. The actual data shows that the quotation of Fe 65% was at the level of 170 dollars, the production and sales volumes were stable. As a result, IRC repaid 25% of the debt to be repaid in 2022 in the 1st quarter, and the share price did not change comparing to December. All this confirms the fallacy of the decision made at the time, which caused losses to shareholders.

1.4 Repayment of the loan following transfer by Gazprombank

Following the sale of the debt by Gazprombank, POG has no creditors that are subject to sanctions. Accordingly, there is an opportunity to immediately start servicing the debt and stop the default.

1.5 POG has the potential to transfer liquidity from Russia to the PLC level

After the moratorium on bankruptcy is waived, Russian operating companies can pay dividends to the parent company.

1.6 PLC has a strong position to stop the default on its debt to UMMC-Invest

Back in April, I suggested paying the overdue interest debt to UMMC-Invest and proposing a supplementary agreement setting out the conditions to stop the default.

In a conversation with me, Weil pointed out the impossibility of such a solution explaining it by the lack of desire on the part of UMMC-Invest and the legal principle of freedom of contract.

I do not agree with this position, because I believe that this is more complicated legal issue and in addition to the legal principle of freedom of contract there is a principle of good faith, legal doctrine of estoppel, equitable defenses and others.

It is obvious to everyone that the goal of UMMC-Invest is to short-cut its way to establishing control over POG assets to the detriment of the interests of shareholders. This cannot be considered as good faith behavior. I am confident that the law must provide for avenue to counter such blatant ways to circumvent legal procedures. For example, there should be grounds to initiate procedure with FCA, UK Takeover Panel and other regulators to protect the interest of the company and its shareholders.

Moreover, it does not appear fair and legal that UMMC-Invest and Nordic's rights as creditors are not affected by the possible abuse by them of their rights to make and withdraw the gold offtake exclusivity.

I am not a legal expert, but Weil should be instructed to zealously work on any possible defenses and counterclaims that would allow the company to maximize its position.

1.7 Relations with bondholders can be settled on a mutually beneficial basis without the sale of assets

I do not agree with the statement that the situation with bondholders is critical.

First of all, there is a very likely risk that the Russian bondholders, who are supposed to be the majority creditors, will receive nothing from the sale of assets, as the funds will be frozen in the depositary.

Given the maturity in October, there is a solution that allows the exchange of POG bonds for similar securities of Russian operating companies with longer maturities. I am sure that such a decision will attract more interest among bondholders than freezing money in a depo account.

1.8 The prospects, timing and costs of the administration are unclear

The introduction of administration is carried out under a proper pretext: to prevent bankruptcy and to liquidate the company, settling accounts with all creditors, even giving nothing to the shareholders.

In theory, such solution is not impossible, however, in practice there are the following unexplored risks:

- (i) the discrepancies between Russian and English law, such as the above-mentioned example with Law 57-FZ;
- (ii) uncertainty regarding the timeline and costs of the administration procedure. Significant delay is very likely and will result in higher costs. Given that there is one potential buyer who is also a creditor, the funds may not be enough to fulfill the obligations to all the creditors;
- (iii) in addition to Russian operating companies, there are subsidiaries in other jurisdictions. It is possible that their liquidation will require certain costs which have not been taken into account, as well as long terms for liquidation, which, in turn, will entail additional costs;
- (iv) there is a significant debt owed by POG to the Russian subsidiaries under loans, the treatment of which is regulated by the currency and sanctions legislation. It is unclear how this will be resolved during the administration;
- (v) it is clear to shareholders and creditors that one of the creditors is taking advantage of the situation to gain control not through a normal and fair share purchase deal, but through the non-competitive advantage. In such situation, the likelihood of claims is high, which will lead to increase in the duration and costs of the procedure.

Given the above, I believe that the introduction of the administration will destroy the existing and the only possible under current circumstances governance system; will not create conditions for fair satisfaction of all of creditors' claims, will eliminate the value of the company for shareholders and will lead to complex or unsolvable consequences, which at the moment cannot be fully calculated.

Even if we do consider introduction of the administration, it should protect the interests of all stakeholders, rather than selling POG's assets to one of the creditors as a matter of urgency and priority.

2 Possible plan of action

2.1 Settle the \$200 million default

- (i) pay UMMC-Invest the overdue interest;
- (ii) propose to UMMC-Invest a supplementary agreement to terminate the state of default and to service the debt on the terms previously agreed with GPB;
- (iii) prepare a position to defend the interests in court based on the legal construct of good faith conduct;
- (iv) prepare a position on interacting with FCA to force a mandatory buyback offer.

2.2 Settle the \$87 million default

- (i) prioritize liquidity to repay overdue debts;
- (ii) come to agreement to receive an advance payment of \$30-50 million with any of the buyers of gold;
- (iii) come to agreement with Nordic on debt restructuring;
- (iv) work on the issue of withdrawing consent to waive the moratorium on bankruptcy in the event of an unfavorable development of the situation.

2.3 Establish a process for transfer (upstreaming) liquidity within the Group

- (i) evaluate the possibility of paying dividends to POG by the operating subsidiaries;
- (ii) obtain, if necessary, a license from Russian regulators for POG financing by the operating companies of the Group, substantiating this by taking measures to transfer the Group to Russian jurisdiction.

2.4 Negotiate with bondholders

Start negotiating with the trustee and the largest bondholders on the following issues:

- (i) inform of a sufficient margin of safety and debt settlement measures for \$287 million;
- (ii) propose debt restructuring, possibly in the form of a swap for debt obligations of Russian legal entities with longer maturities;
- (iii) propose quick change the Group's jurisdiction from the UK to Russia.

2.5 Development and implementation of an action plan to transfer the jurisdiction of the holding company from the United Kingdom to Russia

2.6 Negotiations with UMMC-Invest on an offer to buy back shares

2.7 Formation of the agenda of the annual meeting, taking into account the submitted plan and the adoption of the necessary decisions by the shareholders

The plan proposed above preserves the existing management system, provides a more predictable process and allows for an optimal balance of interests for all stakeholders.

Kind regards,

Evgeny Potapov



Evgeny Potapov

(By Email)

17 May 2022

Private and confidential

Dear Mr Potapov

Re: Recent developments concerning (1) the key Russian operating subsidiaries of Petrovsk plc (the “Company” together with its subsidiaries, the “Group”) and (2) the proposed administration of the Company

We refer to your emails dated 11 May 2022 (at 10:31 BST and 17:13 BST) to the Board of Directors of Petrovsk plc (the “**Company**”), together with the recent email correspondence between you and the Board of Directors of the Company (the “**Board**”) in relation to the above matters more generally.

I set out below the Company’s position in respect of a number of the issues that you have raised.

We also acknowledge receipt of your email to the members of the board of directors of the Company of 16 May 2022 at 20:49 BST, which raises several of the same matters covered below. We will consider your latest email and respond to you separately on any issues raised in it which are not dealt with below. We note that a number of your proposals were discussed in detail with you at the meeting between you, me and Weil Gotshal & Manges LLP at the Company’s offices in London on 27 April 2022 and/or at the board meeting of 3 May 2022.

Russian operating subsidiaries’ waiver of Russia’s bankruptcy moratorium

As you know, in light of the recent developments at the Company’s operating subsidiaries in Russia, the Company learned last week that the Group’s four main operating companies (Pokrovskiy Rudnik JSC, Albynskiy Rudnik LLC, Malomirskiy Rudnik LLC and TEMI LLC, together the “**Key Russian Operating Subsidiaries**”) have applied to the Russian government for a waiver of the country’s current moratorium on bankruptcy filings.

We note your concerns around the waiver of the protection afforded by the moratorium in place in Russia and, in particular, the circumstances in which the waiver arose and your position that it does not provide “*additional legal options*” to the Group as indicated in the Company’s press release dated 12 May 2022. In respect of this, I summarise below the Company’s current position:

- a) In relation to this matter, the Company has already provided to you a copy of the email exchange dated 4-5 May 2022 involving the Company’s CEO, Mr Alexandrov. You will have seen from that email chain several explanations of the basis on which Mr Alexandrov considers that the waiver will provide additional legal options to the Key Russian Operating Subsidiaries, including to ensure their uninterrupted operation and the payment of salaries and other current expenses should there be any legal action by those subsidiaries’ creditors to recover debts owed. In particular, you will note Mr Alexandrov’s assertion that the waiver of the moratorium is expected to preserve the continued grant by Gazprombank (“**GPB**”) of waivers to allow gold sales to third parties and to

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Registered in England and Wales
Number: 4343841

forestall action through the courts in Russia to freeze the assets of the Group. If GPB were to pursue such actions, it is anticipated that the effect on the Group would be severe, and could include: (i) cash flow pressures which could in turn affect the Group's ability to pay its staff; (ii) failure to meet supplier obligations causing breakdowns in the supply chain and the risk of enforcement action by those creditors; (iii) interrupted gold sales; and (iv) potential asset freezes in the context of loan enforcement.

- b) You will also know, as a director of the Company, that a waiver of the current moratorium on bankruptcy in order to allow GPB to initiate an observation (or any other procedure) could not be approved by the Company's Board in circumstances where it is likely to constitute the provision of a significant financial benefit to GPB, which is prohibited by the UK sanctions regime under which GPB is subject to an asset freeze. In those circumstances, the Company could not – and did not – approve the suggestion to waive the moratorium (or any other proposal which would have the effect of providing a significant benefit to GPB). As you have seen, the Company specifically directed Atlas Mining LLC, in its capacity as general director of the four Key Russian Operating Subsidiaries, not to effect that waiver. Nonetheless, the waiver was sought.
- c) The Company has obtained Russian legal advice on this matter, in respect of which advice privilege is not waived. In the circumstances, there is a tension between, on the one hand: (i) Atlas Mining LLC's duties as general director of the Key Russian Operating Subsidiaries, Mr Alexandrov's duties as a general director of that entity and local law obligations that are required to be met in those capacities, and, on the other, (ii) Atlas Mining LLC's duties to comply with a direct instruction from the Company as its parent (even when that instruction runs contrary to (i) above).
- d) Russian counsel has indicated that, in circumstances where the duties of the directors of local entities conflict with those owed to a parent company as in this case, there is no clear legal answer as to which duty would have formal priority. However, the generally accepted view is that the former (i.e. the duty to act in the interests of the local entity and its creditors through initiating a bankruptcy process), is likely to rank higher.

The Company's press release dated 12 May 2022

In any event and irrespective of the Company's position regarding the waiver, the fact that the Key Russian Operating Subsidiaries' have applied to the Russian government for a waiver of the country's current moratorium on bankruptcy filings application constitutes inside information. Accordingly, the Company was required to issue the press release dated 12 May 2022 in order to comply with the applicable listing obligations and disclosure requirements.

Company administration - Law No. 57-FZ approvals

Thank you for circulating the opinion that you obtained from BGP Litigation dated 10 May 2022 (the "**BGP Memo**"). Having now had the opportunity to take Russian and English legal advice in relation to the BGP Memo (in respect of which advice privilege is not waived) and further consider the concerns raised in your first email of 11 May 2022, the Company makes the following observations:

- a) The Company's position as to the effect of an administration order and the operation of the Federal Law No. 57-FZ dated 29 April 2008 ("**Law No. 57-FZ**") remains as communicated to you previously. In summary: (i) the effect of an administration order would essentially be to transfer the Company's directors' powers of management to the administrators; and (ii) the administrators would then act as agents of the Company (and not in their own name). In those circumstances, as the Company would remain the controlling person with respect to the Russian strategic entities within the meaning of Law No. 57-FZ, there would be no persons acquiring indirect control and therefore no need for prior approval by the government committee for the Control of Foreign

Investment in the Russian Federation (the “**Government Commission**”) of any administration application.

b) Taking certain of the points made in the BGP Memo in more detail:

- (i) The BGP Memo concludes that the administrators, by effectively acquiring control over the assets of the Company, would become foreign investors with respect to Russian strategic companies within the meaning of Law No. 57-FZ. On the basis of Russian law advice, the Company disagrees. In the present scenario the administrators will exercise the powers of the Company’s directors not in their own name, but as representatives of the Company. It follows that decisions made by the administrators will, in effect, be decisions of the Company.
- (ii) In those circumstances, the administrators will not be recognized as foreign investors controlling Russian strategic companies, in much the same way that the directors of the Company (acting prior to the transfer of their powers to the administrators) are not recognized as foreign investors controlling Russian strategic companies.
- (iii) Accordingly, the Company is advised that the administrators are not required to obtain prior approval for the acquisition of powers from the Government Commission under Law No. 57-FZ.
- (iv) Further, we note that, the BGP Memo refers to Arbitrazh case No. A42-2854/2014 in support of its conclusions. However, we are informed by Russian counsel that the reference to this case does not support the contention that Government Commission approval is required in the present scenario. That case concerned the appointment of special managers (purportedly acting in the interests of BTA Bank JSC) over the property and subsidiaries of Usarel Investments LLC. However, in that case, the Federal Antimonopoly Service of Russia (the “**FAS**”) withdrew its claim before completion of the proceedings in the court of the first instance. That withdrawal was accepted, and the proceedings were subsequently terminated (see Ruling of the Arbitrazh Court of Murmansk Region of 17.09.2015 in case No. A42-2854/2014). Pursuant to part 5 of art. 49 of the Russian Code of Arbitrazh Procedure, the court will not accept a plaintiff’s withdrawal of claim if it contradicts the law or violates the rights of third parties, and so the fact that the court did accept the withdrawal of the claim in that case indicates that Law No. 57-FZ was not violated. In the context, that case does not evidence any potentially negative consequences that may arise in the context of an administration application, and appointment of administrators, in respect of the Company.
- (v) Accordingly, on the basis of Russian legal advice (including as summarised above), the Company’s position on the need for prior approval by the Government Commission of any administration application remains unchanged.

Company administration – sale process

As explained previously, the directors have, together with advisors, sought and considered alternatives to the administration of the Company and a sale of its operating assets. However, that process has highlighted that there is no realistic scope for a refinancing and that administration will provide a practical means by which to repay creditors. At all times during this process, and throughout the events of the last couple of months, your fellow directors have been mindful of their duties and have acted in the best interests of all stakeholders.

We thank you again for your emails and for taking the time to raise your concerns. The Company takes such matters seriously and we have endeavoured to address your concerns by this letter.

Yours sincerely

A handwritten signature in blue ink, appearing to read "J. Cameron Jr.", with a stylized, cursive script.

James W. Cameron Jr. (Chairman)
For and on behalf of Petropavlovsk PLC

From: [Потапов Евгений Владимирович](#)
Sent: 19 May 2022 18:10
To: [Dorcas Murray](#)
Сс: [James W. Cameron Jr.](#)
Subject: Re: Minutes of the Board of Directors May 3

Thank You,
Please change the version in Board book

От: Dorcas Murray <DM@petropavlovskplc.com>
Отправлено: 19 мая 2022 г. 19:53:56
Кому: Потапов Евгений Владимирович
Копия: James W. Cameron Jr.
Тема: RE: Minutes of the Board of Directors May 3

Dear Evgeny
I have amended the draft minutes as attached.
Dorcas

From: Потапов Евгений Владимирович <e.potapov@Ugold.ru>
Sent: 19 May 2022 17:02
To: Dorcas Murray <DM@petropavlovskplc.com>
Сс: James W. Cameron Jr. <jim@629j.com>
Subject: Minutes of the Board of Directors May 3

Dear Dorcas,

I would like to draw your attention to the content of section 3 of the minutes of the Board of Directors dated May 3.
As far as you remember, I expressed the opinion that one-sided benchmarks are given for the valuation calculations, which underestimates the value of assets. I consider this a matter of principle and I ask that it be included in the draft protocol, which will be submitted for approval.

Kind regards,

E. Potapov

С уважением,

Потапов Евгений Владимирович
Тел. +9067509087

Petropavlovsk PLC is a public limited company registered in England and Wales with registered number 04343841. Our

registered office is at 11 Grosvenor Place, Belgravia, London, SW1X 7HH.

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С уважением,

Потапов Евгений Владимирович

Тел. +9067509087

From: [Потапов Евгений Владимирович](#)
Sent: 19 May 2022 16:57
To: [Dorcas Murray](#); [James W. Cameron Jr.](#); Charlotte Philipps External;
[Mikhail Irzhevsky](#); rvdeniskin@gmail.com
Cc: [Lawford, Mark](#); [David Avery-Gee](#); [Weil Project Haribo](#)
Subject: Re: Haribo - draft sale and purchase agreement

Dear Dorcas,

Thank you. I have the following questions in respect of the SPA

1. Please confirm that this contract will be entered into only and if the administrators are appointed.
2. Has the Company's counsel obtained from UMMC copies of the FAS approval, 57-FZ approval (or prior notification) and approval in accordance with the Russian Presidential decree No 81 in relation to the transaction? If not, how the Company will ensure compliance by the buyer with relevant regulations? The SPA does not appear to have any relevant conditions or Buyer's warranties. Absence of consent is likely to make the completion impossible in respect of Russian JSCs.
3. Currently, Russian government, Russian central bank imposed a number of restrictions on money transfers between Russia and "Unfriendly Countries" (as referred to in relevant regulations). Please advise with particularity how the company and its advisors made sure that the buyer will be able to pay the consideration and the company will be able to receive it.
4. Why the "Buyer Sanction Event" only extends to the Buyer and not its UBO? For example, the buyer may become indirectly designated if the Buyer UBO becomes directly designated.
5. Why the contract is, effectively, not binding on the parties? According to 5.2 either party has a soft obligation to agree on the Completion Date.
6. According to 6.1 sale of shares is meant to be a single day event. This may not be possible at all, especially in respect of Albynsky Mine. What is the protection mechanism for the Company in a likely event that this does not happen within one day? Why the Company's counsel did not negotiate detailed closing mechanics, which is more customary for a transaction with Russian subsidiaries?
7. Is it possible that the group companies will retain any claim against the Company and directors following Completion? How is it being dealt with in the SPA. Existing provisions in 6 appear to be limited in scope.
8. Please confirm that 10.5-10.8 operate to prevent the Buyer from any assignment of the loan prior to completion and further complicating the situation.
9. Has the Company and its counsel accounted for indirect profit tax applied to reals estate rich companies in clause 18? Please provide calculation of impact of that tax and confirm that this will be covered by the gross up provision.
10. Have tax implications in relation of the pre-completion debt restructuring been analyzed? What are the conclusions of the analysis?

11. Does the contract regulate situation where the second GPB assignee starts enforcement procedures in Russian and abroad? This might result in limitations to the debt restructuring.

I would appreciate if you provide detailed answers to these queries as soon as practicable.

Best regards,

Evgeny Potapov

От: Dorcas Murray <DM@petropavlovskplc.com>

Отправлено: 19 мая 2022 г. 12:34:39

Кому: James W. Cameron Jr.; Charlotte Philipps; Mikhail Irzhevsky; rvdeniskin@gmail.com; Потанов Евгений Владимирович

Копия: Lawford, Mark; David Avery-Gee; Weil Project Haribo

Тема: Haribo - draft sale and purchase agreement

Dear members of the board

Please find attached the near final version of the sale and purchase agreement negotiated with UMMC for your consideration.

The outstanding points for finalisation of the agreement are highlighted in the draft. Aside from the condition in relation to an OFSI licence, these are:

1. UMMC/BDO to agree Contingency Fund number.
2. BDO to consider request for more frequent information on expenses.
3. UMMC to review and consider timeline of steps in Clause 5/7.

Please let me know if you have any questions.

Dorcas

Dorcas Murray

Company Secretary and Corporate Counsel

Petropavlovsk PLC

Tel: + 44 (0) 7826 794835

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С уважением,

Потанов Евгений Владимирович

Тел. +9067509087



Evgeny Potapov
(By Email)

20 May 2022

Private and confidential

Dear Evgeny

Re: Recent developments concerning the proposed administration of PetroPavlovsk plc (the "Company")

We refer to your emailed letter to the Board of Directors of the Company (the "**Board**") dated 16 May 2022 at 20:49 BST, together with the recent correspondence between you and the Board in relation to the above matter. We have already replied to a number of the points made in your 16 May 2022 letter in our response to you of earlier today (our "**First 17 May Letter**"). For convenience, we use the numbering in your letter.

As a general point, we repeat the comments made in our First 17 May Letter here; particularly those that summarise: (i) the Board's consideration, together with advisors, of alternatives to the administration of the Company and a sale of its operating assets; and (ii) the Board's conclusion that there is no realistic scope for a refinancing and that administration will provide a practical means by which to repay creditors. At all times during this process, and more generally throughout the events of the last couple of months, your fellow directors have been mindful of their duties and have acted in the best interests of all stakeholders.

Taking the points raised in your 16 May 2022 letter in turn:

1.1 Federal Law No. 57-FZ dated 29 April 2008 ("Law 57-FZ")

We replied to this in our First May 17 Letter. As explained in that letter, the Company has been advised that the appointment of administrators will not have the consequences that you envisage under Law 57-FZ. In particular, the Company is advised that there is no requirement pursuant to Law 57-FZ for prior approval by the Government Commission in respect of the proposed administration of the Company.

You suggest in your letter that the administration will "*clearly only benefit UMMC*" and that the Board seeks to prefer UMMC by appointing administrators. This is not accurate and, further, we do not agree that this move would prefer UMMC. Any administrators of the Company will be subject to strict obligations to act in the interests of the creditors of the Company as a whole, according to English insolvency laws.

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Registered in England and Wales
Number: 4343841

1.2 The Group's ability to service its debt

The latest budget prepared by management as at May 2022 demonstrates that the Group will have cash to service its operations only on the basis that there is no repayment of debt during 2022. The acceleration of the US\$201m term loan in the UK and the US\$87m revolving credit facilities in Russia require the repayment of the principal due under the debts, together with interest, and have resulted in cross-default under the 2022 Notes and the 2024 Convertible Bonds.

The Group currently has RUB200m in cash (around US\$3.2m) in Russia and circa US\$6m available to it in the UK (excluding the US\$25m held by the Bank of Cyprus, as these funds have not been credited to the Group and we have been informed have been returned to Bank GPB International in Luxembourg). Taking into account changes in the RUB:USD exchange rate (reduced from 80:1 in the May 2022 iteration of the budget to circa 63:1 as at 18 May 2022) the Group's operations show negative cashflow of over US\$121m in 2022. The Company currently has 1.8 tonnes of gold in stock and expects revenue of RUB 1.8bn before the end of this month. The sole reliable market for gold currently is through Lanta-Bank at a quoted rate of RUB 3,117/g as at 18 May.

1.3 Kroll's valuation

You suggest that the value of the Company's assets, as identified in the Kroll Report, were "significantly underestimated".

However, you will recall that the reasons for the NAV multiple assumed by Kroll were discussed extensively at the meeting of the Board on 3 May 2022, when Kroll explained in detail the basis for their assumptions and why the comparators were relevant in this context. Further, the Kroll Report itself confirms that the valuation of the Company's assets is based on the concept of fair market value. In light of this, the Company does not consider that the Kroll valuation can be fairly or properly characterised as "arbitrary" as you suggest and, instead, reflects an objective assessment in the circumstances.

1.4 Repayment of the US\$201 term loan

In circumstances where the US\$201 term loan has been accelerated, in order to service the debt the Company is required to pay the full amounts due thereunder.

While the Company may not now be prohibited from making such a payment by applicable sanctions, it does not currently have the funds or any means of refinancing which enables it to do so. It follows that, as a practical matter, there is no opportunity by which the Company may immediately begin servicing the debt and stop the default continuing, as you suggest.

1.5 Potential to transfer liquidity from Russia to PLC

Any dividend distribution from Russia to the UK would require a licence of the State Commission in Russia and, moreover, the Group does not have the cash reserves to make a payment of the quantum required. Although considerable efforts have been made to secure further financing in Russia this has not been possible. This was reported to the Board extensively by the Chief Financial Officer at the Board meeting on 3 May 2022.

1.6 Ability to stop default on its debt to UMMC

Your suggestion in relation to this point would only be possible with the cooperation of UMMC. As you know, this suggestion has already been put to UMMC, who have declined to engage on this and

cannot be forced to do so. This was discussed in detail with you during your meeting of 27 April 2022 with me, which Weil also attended.

1.7 Relations with bondholders

We repeat the comments at 1.6 above: your proposal in this regard requires the cooperation of the bondholders which may be difficult to secure given their diverse interests. In addition, the Company has limited visibility of the identity of its bondholders but is aware that a number are outside of Russia. Your proposal does not take account of how the interests of non-Russian bondholders would be accommodated. In any event, the Company does not have the funds likely required to facilitate such a proposal and therefore, we do not consider it a viable option.

1.8 Prospects, timing and costs of administration

Given the financial situation of the Company, the Board's primary duty (as a matter of law) is to the Company's creditors. Each of your proposed alternatives would necessarily involve incurring additional, and unnecessary, time and costs which runs contrary to the Board's obligations at this time. Further, your proposals would require that the Company continues to operate and to incur liabilities where it is not in a position to discharge them. Again, this would run contrary to the Board's legal obligations at this time and may significantly increase the risks to the Company's creditors as a whole. The administration process is designed to provide the Company with protection from action by individual creditors and to facilitate a solution that is in the interests of its creditors as a whole. There are, of course, costs associated with it, as there are indeed costs and timing implications for the proposals you have put forward. However, if the Board resolves to seek the protection of a court-approved administration procedure, that will be because the Board considers it to be in the best interests of all of its stakeholders and in particular creditors, whose interests are now paramount.

Please note that the Group's intercompany debts are proposed to be dealt with as part of any pre-packaged sale agreed to by the administrator.

2 Possible action plan

Thank you for your suggestions which we trust have been shared in good faith. As you know, we have considered and discussed these matters in detail in prior meetings, including with the Company's advisors. Unfortunately, for the reasons discussed at those meetings and as set out above, we do not consider that the proposals in your 16 May 2022 letter have any reasonable prospect of success, nor are they prudent or appropriate in the current circumstances.

We thank you again for your emails and for taking the time to raise your concerns. The Company takes such matters seriously and we have endeavoured to address your concerns by this letter. For the reasons explained above (and previously, on numerous occasions) the Board urges you to engage with the administration of the Company and a sale of its operating assets and pursue this in the best interests of all stakeholders.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J. Cameron Jr.', with a stylized flourish at the end.

James W. Cameron Jr. (Chairman)
For and on behalf of Petropavlovsk PLC

From: [Dorcas Murray](#)
Sent: 20 May 2022 18:02
To: [Потапов Евгений Владимирович](#); [James W. Cameron Jr.](#);
Charlotte Philipps External; [Mikhail Irzhevsky](#);
[rvdeniskin@gmail.com](#)
Cc: [Lawford, Mark](#); [David Avery-Gee](#); [Weil Project Haribo](#)
Subject: RE: Haribo - draft sale and purchase agreement

Dear Evgeny
Please see below for the answers to your questions.
Dorcas

Dorcas Murray
Company Secretary and Corporate Counsel
Petropavlovsk PLC

Tel: + 44 (0) 7826 794835

From: Потапов Евгений Владимирович <e.potapov@Ugold.ru>
Sent: 19 May 2022 16:57
To: Dorcas Murray <DM@petropavlovskplc.com>; James W. Cameron Jr. <jim@629j.com>; Charlotte Philipps <cp@limitationslimited.com>; Mikhail Irzhevsky <irzhevsky@gmail.com>;
rvdeniskin@gmail.com
Cc: Lawford, Mark <Mark.Lawford@weil.com>; David Avery-Gee <David.Avery-Gee@weil.com>; Weil Project Haribo <Weil.Project.Haribo@weil.com>
Subject: Re: Haribo - draft sale and purchase agreement

Dear Dorcas,

Thank you. I have the following questions in respect of the SPA

1. Please confirm that this contract will be entered into only and if the administrators are appointed. **Response: Confirmed.**
2. Has the Company's counsel obtained from UMMC copies of the FAS approval, 57-FZ approval (or prior notification) and approval in accordance with the Russian Presidential decree No 81 in relation to the transaction? If not, how the Company will ensure compliance by the buyer with relevant regulations? The SPA does not appear to have any relevant conditions or Buyer's warranties. Absence of consent is likely to make the completion impossible in respect of Russian JSCs. **Response: We have copies of: (a) the Government Commission approval regarding Executive Order # 81; and (b) FAS approvals. Clause 16.6 puts the risk on the Buyer if the relevant approvals are not obtained. UMMC is not a foreign investor for the purposes of Law No. 57-FZ.**
3. Currently, Russian government, Russian central bank imposed a number of restrictions on money transfers between Russia and "Unfriendly Countries" (as referred to in relevant regulations). Please advise with particularity how the company and its advisors

made sure that the buyer will be able to pay the consideration and the company will be able to receive it. **Response: The Government Commission approval permits UMMC to transfer the funds. The practicalities of the transfer will be discussed ahead of completion, but in any event the SPA provides that the company must receive payment before it transfers the subsidiaries.**

4. Why the “Buyer Sanction Event” only extends to the Buyer and not its UBO? For example, the buyer may become indirectly designated if the Buyer UBO becomes directly designated. **Response: This would only be the case if there were a shareholder holding more than 50% of the Buyer, which there is not. And, if that did happen, the sanctions would ‘trickle down’ to UMMC such that it would qualify as a ‘Buyer Sanctions Event’.**
5. Why the contract is, effectively, not binding on the parties? According to 5.2 either party has a soft obligation to agree on the Completion Date. **Response: Clause 5.2 provides that the Completion Date shall happen before the Longstop Date.**
6. According to 6.1 sale of shares is meant to be a single day event. This may not be possible at all, especially in respect of Albynsky Mine. What is the protection mechanism for the Company in a likely event that this does not happen within one day? Why the Company’s counsel did not negotiate detailed closing mechanics, which is more customary for a transaction with Russian subsidiaries? **Response: Clause 6.3 provides that the Buyer has to pay the Seller on or before the Completion Date. Clause 6.4 provides that the Seller’s obligation to transfer the shares is subject to the Buyer first having paid. It was also made very clear in discussions with UMMC that the shares will only be transferred once we have received payment, so the Seller is protected.**
7. Is it possible that the group companies will retain any claim against the Company and directors following Completion? How is it being dealt with in the SPA. Existing provisions in 6 appear to be limited in scope. **Response: Clauses 5.4 and 5.5 provide for claims as between the Seller and the subsidiaries to be rationalized into a single net claim by the Seller against Petropavlovsk Mining Treasury UK Limited. Clauses 6.8 to 6.11 provide that if any new claims come to light, they must be transferred to the other party and, pending transfer, any such claims must not be enforced. There is no express provision dealing with claims against directors.**
8. Please confirm that 10.5-10.8 operate to prevent the Buyer from any assignment of the loan prior to completion and further complicating the situation. **Response: Confirmed (unless the Seller consents).**
9. Has the Company and its counsel accounted for indirect profit tax applied to real estate rich companies in clause 18? Please provide calculation of impact of that tax and confirm that this will be covered by the gross up provision. **Response: Yes clause 18 covers that tax. Our Russian counsel has not confirmed whether or not tax is expected to apply, but has confirmed that the liability would fall on the purchaser as a tax agent in Russia, rather than the Seller. Our Russian counsel has further advised that they are not aware of any case where the Russian tax authorities have sought to claim against a foreign taxpayer. Finally, our Russian counsel has confirmed that there is no reporting requirement on the Seller.**

10. Have tax implications in relation of the pre-completion debt restructuring been analyzed? What are the conclusions of the analysis? **Response: Yes they have been considered and we have sought to effect the restructuring in the most tax efficient way possible, bearing in mind legal and commercial constraints. There is one outstanding point in relation to which we have asked UMMC to put their tax counsel in touch with our Russian tax counsel.**
11. Does the contract regulate situation where the second GPB assignee starts enforcement procedures in Russian and abroad? This might result in limitations to the debt restructuring. **Response: Enforcement by the second GPB assignee would not of itself entitle UMMC to terminate, although they might find a way to avoid completing if the value of the subsidiaries deteriorated substantially.**

I would appreciate if you provide detailed answers to these queries as soon as practicable.

Best regards,

Evgeny Potapov

От: Dorcas Murray <DM@petropavlovskplc.com>

Отправлено: 19 мая 2022 г. 12:34:39

Кому: James W. Cameron Jr.; Charlotte Philipps; Mikhail Irzhevsky; rvdeniskin@gmail.com; Потанов Евгений Владимирович

Копия: Lawford, Mark; David Avery-Gee; Weil Project Haribo

Тема: Haribo - draft sale and purchase agreement

Dear members of the board

Please find attached the near final version of the sale and purchase agreement negotiated with UMMC for your consideration.

The outstanding points for finalisation of the agreement are highlighted in the draft. Aside from the condition in relation to an OFSI licence, these are:

1. UMMC/BDO to agree Contingency Fund number.
2. BDO to consider request for more frequent information on expenses.
3. UMMC to review and consider timeline of steps in Clause 5/7.

Please let me know if you have any questions.

Dorcas

Dorcas Murray

Company Secretary and Corporate Counsel

Petropavlovsk PLC

Tel: + 44 (0) 7826 794835

Petropavlovsk PLC is a public limited company registered in England and Wales with registered number 04343841. Our registered office is at 11 Grosvenor Place, Belgravia, London, SW1X 7HH.

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С уважением,

Потапов Евгений Владимирович

Тел. +9067509087

From: [Charlotte Philipps](#)
Sent: 01 July 2022 12:42
To: [Michelle Duncan](#); [Dara Barkhordar](#); [Ian McKim](#); [James Cameron Jr.](#); [Mikhail Irzhevsky](#); [Daniel Margolin](#)
Subject: Fwd: Directors Nomination
Attachments: [07 01 Directors Nomination.pdf](#)

Follow Up Flag: Follow up
Flag Status: Flagged

Please see below.

Begin forwarded message:

From: Потапов Евгений Владимирович <e.potapov@ugold.ru>
Date: 1 July 2022 at 12:40:20 BST
To: "James W. Cameron Jr." <jim@629j.com>, Charlotte Philipps <cp@limitationslimited.com>, Mikhail Irzhevsky <irzhevsky@gmail.com>, rvdenskin@gmail.com, Dorcas Murray <DM@petropavlovskplc.com>
Subject: Directors Nomination

Dear colleagues,

In order to strengthen the management competencies of the Board of Directors and find effective solutions in the current situation, I ask you to consider the issue of electing the candidates presented to the Board of Directors of Petropavlovsk PLC.

I kindly ask you to consider the issue at the next meeting of the Board of Directors on Monday, July 4.

Kind regards,

E. Potapov

С уважением,

Потапов Евгений Владимирович
Тел. +9067509087

To: Directors, Nominations Committee of Petropavlovsk PLC
11 Grosvenor Place, Belgravia, London, SW1X 7HH

01 July 2022

Nomination of directors for appointment to the Board of Petropavlovsk plc (the "Company")

Dear Sirs

I would like to raise a question of electing new directors and, pursuant to Article 79 of the Company's Articles of Association, request the Company's Secretary to include the nomination of the Proposed Directors (as defined below) into the agenda of the upcoming meeting.

Should the nomination not be included, pursuant to Article 113 of the Company's Articles of Association, I would like to ask the Company's Secretary to summon a Board meeting as soon as possible but in any event no later than 5 July 2022 and include the aforementioned nomination to the agenda.

In view of the current state of the Company's affairs, as well as uncertain and rapidly changing global business environment, I believe that strengthening the Board by election of the additional number of independent directors is extremely important for the Company and interests of the shareholders.

Therefore, I would like to nominate the following persons for appointment to the Board of the Company as independent directors (the "**Proposed Directors**"):

- Mr Alexey Gostevskikh
- Mr Ovanes Oganisian
- Mr Vitaly Zarkhin

The extensive skill sets and unique credentials of the Proposed Directors will constitute an invaluable asset to the Company.

To the best of my knowledge, all the Proposed Directors meet the independence criteria prescribed by the UK Corporate Governance Code 2018, and there are no circumstances which are likely to impair, or could appear to impair, a non-executive director's independence.

The biographical details of each Proposed Director aimed to illustrate the skills and experience that each director brings are set out in Annexes 1 - 3 to this letter.

I also attach the notices executed by each Proposed Director of his willingness to be appointed as a Director of the Company as Annexes 4 - 6 to this letter.

I am absolutely convinced that the election of the Proposed Directors is in the best interests of the Company and its shareholders and would be thankful for your consideration.

Annexes:

Annex 1 – CV of Mr Alexey Gostevskikh

Annex 2 – CV of Mr Ovanes Oganisian

Annex 3 – CV of Mr Vitaly Zarkhin

Annex 4 – Notice of willingness to be appointed a Director from Mr Alexey Gostevskikh

Annex 5 – Notice of willingness to be appointed a Director from Mr Ovanes Oganisian


Annex 6 – Notice of willingness to be appointed a Director from Mr Vitaly Zarkhin



Yours faithfully,

Evgeny Potapov

Director of Petropavlovsk PLC



01.07.2022

ANNEX 1
CV of Mr Alexey Gostevskikh

Alex Gostevskikh
MSc Geology, MBA, MMSA (QP)

126 Charles Rd, Princeton BC
V0X 1W0 Canada

Mob: +1 (778) 938 7631
Mob: +7 (985) 207 3009
Email: avg20180808@outlook.com

CORE COMPETENCIES

- Hands-on experience across a range of commodities – reconnaissance and exploration through development and production; strong ability to operate effectively in a broad spectrum of administrative and cultural environments;
- Evaluation of mineral opportunities in exploration, development, and producing stage, negotiate agreements and structure JV, acquisition transactions; qualified person reports;
- Generative exploration, development of mineralization models;
- In-depth expertise: orogenic Au: both sed-hosted and RIRGS, HS and LS epithermal Au-Ag, Au-Cu porphyry, roll-front U, Sb±Au±Ag vein deposits; Cu-Ni-PGM gabbroic-hosted deposits; other commodities include REE, coal, iron ore;
- Develop, plan, budget and manage exploration programs, including diamond and RC, surface and UG drilling, UG development;
- Deep database competency, including programming;
- Hands-on country experience: Canada, Africa, the CIS, Turkey, many others;
- Resource/reserve estimates; scoping and feasibility studies; bankable feasibility studies

EXPERIENCE

- Feb 2019 - Present** **Managing Director at Private.** Developing a significant OP Cu-Ni-PGM deposit: BFS, engineering, resource/reserve estimates. Developing a 3Moz LSE gold deposit, exploration of Cu porphyry. Identify, evaluate and value acquisition opportunities.
- Dec 2018 - 2019** **Independent Consultant.** Acquisition/exploration target reviews; Exploration programs, incl. diamond and RC, surface & UG drilling, UG development; GIS data acquisition, synthesis & interp; geochem, drilling programs; Resource/reserve evaluation; scoping to bankable feasibility studies.
- Jul 2008 - 2018** **Uranium Resources plc (AIM:URA).** Advanced an early-stage world-class sandstone-hosted uranium discovery in Tanzania. Generate and evaluate acquisition opportunities – both early-stage and advanced targets across a range of commodities and jurisdictions, make presentations to the board, shareholders, liaise with public and government, JV partners. Develop and budget exploration and development programs (U, Au, Cu, Fe, REE), acquisition and farm-in transactions. Built an effective exploration team of local and expatriate geologists. Developed new mineralization models for the company's key uranium and REE assets in SW Tanzania, leading to a deep uranium discovery at Mtonya; structured and executed JVA with Rio Tinto.
- 2011 - 2014** **Director, Mediterranean Resources (TSX:MNR).** Qualified Person and Member of the Compensation Committee
- 2005 - 2008** **Regional Exploration Manager, Central Asia, Centerra Gold Inc (TSE:CG).** Generate, identify, evaluate acquisition and exploration targets across a wide range of geological environments; review and evaluate property submissions; develop, manage, implement exploration programs in Central Asia and Turkey, adjacent areas of Russia, China. Generate business opportunities, structure engagement. Established regional exploration office in Bishkek, Kyrgyzstan and built a strong exploration team; implemented reporting and accounting procedures, financial controls.
- 2004 - 2005** **Exploration Manager, Gulf International Minerals.** Review and evaluate epithermal, skarn, and porphyry exploration targets in Tajikistan. Developed regional and early-

stage exploration programs. Identified a large-scale epithermal Au-Ag district exploration opportunity, developed the mineralization model and designed prospecting and exploration programs.

- 2000 - 2004** **Consultant.** Project evaluation; resource/reserve estimates; project and cash flow modeling; facilitated a loan application with the EBRD. Key role in a large QC/QA project with ALS Chemex.
- 1996 - 2000** **Senior Geologist, Kinross Gold (previously Amax Gold).** Epithermal and mesothermal Au+Ag. Key role in planning, budgeting and management of both grassroots and advanced Au exploration projects in the Russian Northeast: epithermal, orogenic and porphyry targets. Evaluated properties for acquisition and development; developed integrated project models for scoping and feasibility studies.
- 1995 - 1996** **Head, Mine Engineering Department, Apocan Inc. (Amspec Chemical Corp.),** Fredericton, NB. Re-evaluated the reserve at the Lake George Sb mine. Supervised mine rehab and UG development. Set up the engineering department, hired and trained staff. Developed and implemented a UG exploration drilling program. Reviewed and evaluated submissions.
- 1993 - 1995** MBA Student, University of Montana, Amspec Chemical Corp., Gloucester City, NJ - mining and processing.
- 1989 - 1993** Chief Geologist, Express Service, Kyrgyzstan. Lead the development of integrated management information systems for several large mining operations.
- 1986 - 1989** Mine Geologist, Khaidarkan Sb-Hg UG and OP mine, Kyrgyzstan. Reserve estimates; grade control; mine planning.
- 1985 - 1986** Geologist. Deep Tectonics Lab, Institute of Seismology. Regional geological mapping and field recon near the 19 Moz Kumtor Au deposit.

EDUCATION

- MBA:** University of Montana, School of Business Administration, 1993-1995. Missoula, MT.
- MSc Geology:** Frunze Polytechnic Institute, 1980-1985, Kyrgyzstan. Major: Geology, Minor: Mining Engineering.

PROFESSIONAL TRAINING

- 1986:** Extended 3-month course for mine geologists: reserve estimates, grade control, mine planning and development, Yekaterinburg, Russia.
- 2010:** SEG Short Course on Structural Geology, Toronto, ON
- 2010:** SEG Short Course on Uranium Deposits, Toronto, ON
- 2009:** Snowden Short Course on Resource/Reserve JORC Reporting, Perth,WA
- 2009:** Snowden Short Course on QA/QC, Perth,WA

PROFESSIONAL AFFILIATIONS

- | | |
|--|--------|
| Mining and Metallurgical Society of America, QP Status | - 2008 |
| Geological Society of London, Fellow | - 2011 |
| Society of Economic Geologists, Fellow | - 1998 |

PERSONAL

- Citizenship: Canadian
- Language skills: Russian - native, English - fluent, Turkic languages - basic, German - basic

OVANES OGANISIAN

ANNEX 2 CV of Mr Ovanes Oganisian

Phone: +7 965-1095688
midlincoln@gmail.com

Goryshkino Vlg GP-1 House 43
Moscow Region RF

WORK EXPERIENCE

Midlincoln Research, Moscow – Founder

2013- Present

- Founded and led investment research boutique – with global investment strategy scope. Authored research reports, build data focused products, launched Midlincoln.com investment portal and launched Midlincoln startup studio challenging ideas of modern economic principals, pursuing ideas of sustainable development and modern rural lifestyle.

IQG Asset Management, Moscow - Chief Economist

2019 – 2021

- Part of the team managing Russia's largest private pension funds Safmar and part of Gazfond with AUM over 6bn\$. Maintained investor relations with major clients, prepared investment presentations, built DCF and RI models for stocks and credit screens for bonds in portfolio.

CIS Junior Gold Mining Fund - Project Leader

2017- 2019

- Test marketed CIS focused junior gold mining portfolio backed by US based Firebird AM. Selected assets for the fund, organized conferences, build valuation models for CIS junior gold miners, participated in M&A projects of CIS junior gold miners.

Verno, Moscow – Analyst, emerging markets

2016- 2017

- Verno is Mubadala's arm focused on CIS. Worked to build Verno expertise in portfolio management using Quantamental methods. Marketed Verno Funds to international investors, including largest SWF Mubadala, NBIM, CIC and GIC. Organised conferences, prepared presentations and analytics to aid Verno management with marketing. Covered emerging markets universe of investment instruments, built valuation models and wrote investment letters

Troika Dialog/Sberbank CIB, Moscow - Russia strategist

2012-2013

- Co-headed team covering Russian investment strategy, marketing Russia's investment case to international and domestic clients. Published research reports, prepared presentations, financial and economic models to support various investment ideas

Renaissance Capital, Moscow – Russia strategist

1997 - 2011

- Headed a team covering Russian investment strategy, marketing Russia's investment case to international and domestic clients. Published research reports, prepared presentations, financial and economic models to support various investment ideas

EDUCATION

PhD (ABD) University of Kentucky in Lexington, Mathematics and Chemistry May 1996

BS University of Nebraska in Lincoln, Chemistry, Mathematics and Literature 1994

OTHER

With my wife Svetlana rising five children ages 25 to 9.
International freestyle wrestler and not retired.

Ovanes Oganisian

ANNEX 3
CV of Mr Vitaly Zarkhin

Personal

Name	Vitaly Y. Zarkhin
Date of birth	July 23, 1976
Home address	Hamovnicheskiy val, 36-86 Moscow 119 048
Telephone	(7 985) 776-3646
Citizenship	Russian
Languages	Russian (native), English (fluent)

Education

1998-2000
Higher School of Economics
Department of Management
Degree: Master of Management
1994-98
Higher School of Economics
Department of Economics
Degree: Bachelor of Economics

Professional Courses	February 1999 – June 1999 Academy of National Economy Management Courses
----------------------	--

June 2018 – Present Member of the BoD, Independent Director IDGC of Centre, IDGC of South, IDGC of Centre and Volga region, IDGC of Siberia (distribution grid companies); PJSC Enel Russia (generating company, until July 2021), PJSC KTK (coal company, until November 2019)	- Active work on protection of minority shareholder rights and corporate governance issues in all aspects of the companies’ activity, including strategy, management LTIPs and STIPs, dividend policy, RPT deals, etc - Head of Audit and Corporate Governance Committee of PJSC Enel Russia - Head of Audit Committee of PJSC KTK
February 2010 – March 2018 JSC Gazprombank Managing Director, Special Situations	- - Arrangement of various ECM and special situation deals in the power utilities, power engineering, retail, mining and oil sectors, including origination and execution - Client coverage, including coordination of ECM, S&T and analytical teams - Illiquid block trades, buybacks and REPO deals, including structuring
August 2008 – January 2010 Independent Consultant	- Private projects in the power utilities and power engineering sectors, including recommendations to key players on strategy,

	investment programs, non-core asset management, etc.
<p>August 2007 – August 2008 East Capital (Sweden) Portfolio manager</p>	<ul style="list-style-type: none"> - Under sole management – East Capital Power Utilities Fund (EUR 111 mln, established in November 2007) - Investment in public and semi-public stocks as well as private equity deals in utilities-related stories, including the R&M sector in the CIS and Eastern Europe - Co-management of East Capital utilities portfolio in other funds (EUR 500 mln) - Member of RusHydro strategy committee
<p>August 2005 – August 2007 JSC SUEK Moscow, Russia Head of Structured Projects in the Power Utilities Sector</p>	<ul style="list-style-type: none"> - Financial analysis of subsidiary companies - Investment analysis of new projects in the power utilities sector - Coverage of all of the company's deals in the power utilities sector, including the JV with Gazprom, consolidation of TGK-13, TGK-14 and Far East energos, the sale of a blocking stake in TGK-14, and the purchase of a blocking stake in TGK-13 - Analytical support for the Management Board on key aspects of UES' restructuring - Development of the company's medium and long-term strategy in the power utilities sector, approved by the BoD - Leadership in the company's valuation process (in order to develop an options scheme) - Board member of TGK-13, DEK, Yakutskenergo and other utilities
<p>June 2003 – July 2005 Alfa Bank Moscow, Russia Senior Utilities Analyst</p>	<ul style="list-style-type: none"> - Worked with the team of UES Advisors (Alfa Bank – Merrill Lynch) on key questions for sector restructuring, including recommendation on the Advisor's position for realization of UES' "5+5" Strategy Document - Preparation, organization and analytical support for meetings between UES top management and the investment community in Russia and abroad - Coverage of Ukrainian utility stocks

June 2002 – June 2003

Eurosibenergo

Moscow, Russia

Head of Analytical Division

- Analysis and recommendations regarding the investment attractiveness of Russia's power sector for shareholders; analysis of different shareholders' projects in the power sector
- Analytical support for the Group's PR projects

Before June 2002

Morgan Stanley, Alfa Bank

Moscow, Russia

Utilities Analyst

- Coverage of East European utilities stocks

Recommendations

Available upon request

ANNEX 4

Notice of willingness to be appointed a director from Mr Alexey Gostevskikh

To: The Directors, Nominations Committee of Petropavlovsk PLC
Petropavlovsk PLC (the "Company")
11 Grosvenor Place
Belgravia
London
SW1X 7HH

Date: 30 June 2022

Dear Sirs and/or Madams

I, Alexei Gostevskikh, hereby notify you that I am willing to be appointed as a Director of Petropavlovsk plc.

I declare that:

- I am not, nor have I been, disqualified from acting as a director of a company; nor have I performed any acts, nor are there any circumstances, under which I could be so disqualified.
- I am not prohibited by law from acting as a director of a company.
- I have not been convicted of an offence, criminal or civil, that is not spent under the Rehabilitation of Offenders Act 1974.
- I am not an undischarged bankrupt.
- I have not made a composition or arrangement with my creditors from which I have not been discharged.
- I am otherwise eligible, and a fit and proper person, to be a director of the Company.
- I will notify the Company promptly of any changes in the information provided in this declaration.



Yours faithfully,

Alexei Gostevskikh

ANNEX 5

**Notice of willingness to be appointed a director
from Mr Ovanes Oganisian**

To: The Directors, Nominations Committee of Petropavlovsk PLC
Petropavlovsk PLC (the "Company")
11 Grosvenor Place
Belgravia
London
SW1X 7HH

Date: 30 June 2022

Dear Sirs and/or Madams

I, Ovanes Oganisian, hereby notify you that I am willing to be appointed as a Director of Petropavlovsk plc.

I declare that:

- I am not, nor have I been, disqualified from acting as a director of a company; nor have I performed any acts, nor are there any circumstances, under which I could be so disqualified.
- I am not prohibited by law from acting as a director of a company.
- I have not been convicted of an offence, criminal or civil, that is not spent under the Rehabilitation of Offenders Act 1974.
- I am not an undischarged bankrupt.
- I have not made a composition or arrangement with my creditors from which I have not been discharged.
- I am otherwise eligible, and a fit and proper person, to be a director of the Company.
- I will notify the Company promptly of any changes in the information provided in this declaration.



Yours faithfully,

Ovanes Oganisian

ANNEX 6

Notice of willingness to be appointed a director from Mr Vitaly Zarkhin

To: The Directors, Nominations Committee of Petropavlovsk PLC
Petropavlovsk PLC (the "Company")
11 Grosvenor Place
Belgravia
London
SW1X 7HH

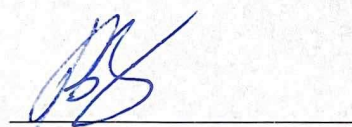
Date: 30 June 2022

Dear Sirs and/or Madams

I, Vitaly Zarkhin, hereby notify you that I am willing to be appointed as a Director of Petropavlovsk plc.

I declare that:

- I am not, nor have I been, disqualified from acting as a director of a company; nor have I performed any acts, nor are there any circumstances, under which I could be so disqualified.
- I am not prohibited by law from acting as a director of a company.
- I have not been convicted of an offence, criminal or civil, that is not spent under the Rehabilitation of Offenders Act 1974.
- I am not an undischarged bankrupt.
- I have not made a composition or arrangement with my creditors from which I have not been discharged.
- I am otherwise eligible, and a fit and proper person, to be a director of the Company.
- I will notify the Company promptly of any changes in the information provided in this declaration.



Yours faithfully,

Vitaly Zarkhin

Petropavlovsk PLC

Board of Directors

07/05/2022

Dear colleagues,

Let me please bring to your attention my position on the meeting of Board of Directors ("**Board**") initially scheduled for today, July 4, regarding "a meeting of the board to consider the filing of an application for an order for the administration of the Company".

I am consistent in my view that since the start of the crisis at the end of March 2022, we have been on the wrong path:

Group Structure

Geopolitical changes and the imposition of sanctions have put under threat the continuation of the Group's activities.

In recent months, a number of companies with an ownership structure similar to ours (i.e. foreign holdings with Russian assets) have been actively restructuring their business. Unfortunately, we are far behind in that direction.

In my opinion, if we started actively the transfer of the holding structure to a Russian or friendly jurisdiction, it would have significantly extended our options to refinance the debt. In the past three months, we would have already made significant progress.

Despite the lost time, it is not too late to change the situation and take immediate measures to optimize the structure of the Group. From my end, I am prepared to take a lead and coordinate this workstream.

UMMC

It is obvious to everyone that new creditor (UMMC-Invest) is not interested in collection of the debt. Its goal is to establish control over the Group.

At the same time, we are not aware of the ultimate objectives of UMMC regarding the subsidiaries. Given the unfriendly tactics chosen by UMMC for acquisition of the Company's assets, UMMC is likely to act unfairly towards the subsidiaries as well.

Under the circumstances, the Board, discharging its fiduciary duties properly, must counteract a potential hostile takeover of the Company. I believe that the Company and the Board still have the means to protect the subsidiaries and shareholders from hostile actions of UMMC.



Issues of trust between the shareholders and the Board

Being a Russian mining business, the Company has a unique shareholding structure: it does not have a single controlling shareholder. As a result, for many years the power in the company has exclusively belonged to independent directors and the management.

The Board, having such power, must appreciate the high degree of responsibility for the decisions it makes. I do not want to focus on negative aspects pointing out decisions which, in my opinion, were made without properly considering the interests of the shareholders. However, I must emphasize that such approach, which was prevalent over the last 2 years, has resulted in deterioration of the relations between the Board and shareholders.

One of the most visible examples is the failure to hold the annual general meeting because of the inability to pay several hundred thousand dollars to the auditors. I am positive that shareholders would have paid the outstanding sum themselves for the opportunity to speak out at the meeting.

Evidently, under the circumstances, the current Board, no matter how highly professional it is, cannot overcome the existing problems without the support of the shareholders. Fortunately, for the Company, its shareholders have significant experience in the industry, a sound reputation in the investment sphere and access to the required resources, including the finances.

I have every reason to believe that shareholders are willing to help the Company to overcome the current crisis, on condition that the trust in the Board is fully restored. Therefore, I have proposed the appointment of new independent members to the Board. I am sure that these candidates would be supported by an absolute majority of shareholders if nominated at the annual general meeting.

Prospects for the introduction of an external administration

The issue of introducing an external administration has already been discussed for more than a month. At the same time, in addition to concerns on the merits of the matter, there are procedural issues.

Despite the importance of the topic, meaningful materials on the proposal have not been provided to date. The corporate secretary recommended using the materials of 15 May. In addition to being outdated, the materials were prepared by our adviser Weil, engagement with whom was terminated. Thus, there are doubts whether it is reasonable to rely on these materials.

As for the essence of the matter: the exchange of opinions held during April-May did not convince me that the introduction of an external administration is the optimal solution. Again, there are a number of fundamental problems associated with the introduction of external administration – the contradictions to Federal Law 57, legal restrictions in the Russian Federation and others. There is also a very high risk of claims from shareholders will be completely deprived of the value of their shares. Therefore, I ask for your understanding in connection with my intention to vote against such a decision.

Complete loss of trust in management

The lack of decisions on debt refinancing and restructuring, the rejection of the moratorium on bankruptcy – all these actions (and mostly failure to act) of management destroyed the value of shareholders' assets in the current crisis and worsened their ability to protect their rights. Current management enjoyed the absolute support of the Board during 2021.

By February 2022, the Board had become certain of the ineffectiveness of the management team, but did not act to replace the CEO. Thus, the issue of replacing the CEO remains relevant.

Conclusion

In the current situation, I am prepared to put aside the previous disagreements and ask you to take a consolidated position to restore the confidence of shareholders and overcome the crisis.

In this regard, I propose:

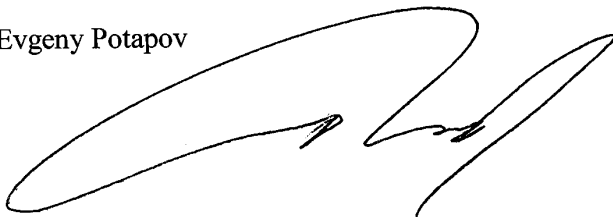
1. **To schedule a meeting of the Board for the election of additional directors on the period July 6 - 8**, as requested by me, and to vote “for” three independent candidates for directors of the Company.

This step will allow to consolidate the shareholders around the Board and to find a robust solution to the problem of debt repayment.

2. To postpone any decision on introduction of external administration for at least two weeks to give to the extended Board the opportunity to work out a new balanced strategy.
3. To convene a Board meeting as soon as possible to decide on the commencement of restructuring (i.e. change of jurisdiction of the holding company, protection against a hostile takeover by UMMC and debt refinancing), including the appointment of a capable legal adviser to facilitate the process.

Kind regards,

Evgeny Potapov

A handwritten signature in black ink, appearing to be 'Evgeny Potapov', with a large, sweeping loop at the end.

PETROPAVLOVSK PLC

6 July 2022

Dear Members of the Board

Potential restructuring of the Group's debt (Target)

This letter sets out the principal terms on and subject to which shareholders of PETROPAVLOVSK PLC (**Company**) which signed this letter (**Shareholders**) are willing to procure restructuring of financial indebtedness of the Company subject to certain conditions precedent and detailed legally binding documentation.

This letter is not exhaustive and is not intended to be legally binding among the Shareholders and between the Shareholders and the Company except as specifically provided otherwise in this letter.

1. RESTRUCTURING OF DEBT

The Shareholders propose to procure:

- 1.1 Full immediate repayment of outstanding amounts (including accrued interest) under:
 - (a) term loan between the Company and UMMC-Invest (formerly GPB); and
 - (b) revolving credit facilities between the Company's Russian subsidiaries and Nordic LLC (formerly GPB).
- 1.2 Buy-out of the remaining minority shareholders of the Company at a current (preceding to announcement of this proposal) trading price of the Shares.
- 1.3 Transfer and subsequent restructuring and repayment of debt under:
 - (a) a USD 500,000,000 note due 14 November 2022, issued by Petropavlovsk 2016 Limited; and
 - (b) a USD 125,000,000 convertible bond due in 2024, issued by Petropavlovsk 2010 Limited,to a subsidiary of the Shareholders incorporated in the jurisdiction outside of UK, EU, US and Russia (**SPV**) with termination of the Company's guarantee.
- 1.4 Immediate repayment of other outstanding indebtedness incurred by the Company in the ordinary course of business (including salaries, professional fees, administrative expenses etc).

2. TRANSFER OF ASSETS

- 2.1 The Company will subject to accomplishment of measures outlined in paragraph 1 above will transfer all material assets (including its Russian subsidiaries) to the SPV

(together with measures outlined in paragraph 1, the **Proposed Restructuring**).

3. CONDITIONS PRECEDENT

The Proposed Restructuring is conditional on the following matters:

- (a) current directors who are EU, UK, or US nationals resigning from the board;
- (b) the board of directors appointing three additional independent directors;
- (c) the Shareholders conducting legal, financial, and taxation due diligence concerning the Group;
- (d) the current CEO being replaced with Roman Deniskin, who currently serves as a director;
- (e) the parties agreeing, signing and exchanging binding documentation;
- (f) approval of the Proposed Restructuring by competent government body of the Company and regulatory authorities.

4. TIMETABLE AND NEGOTIATIONS

- 4.1 The Shareholders intend to proceed as quickly as possible with the Proposed Restructuring. The parties involved will negotiate in good faith with a view to signing the documentation and completing the Proposed Restructuring no later than 1 September 2022.
- 4.2 The remaining provisions of this paragraph 4 are legally binding.
- 4.3 The Shareholders may terminate negotiations in relation to the Proposed Restructuring at any time without giving a reason for doing so and without incurring any liability in relation to such termination.
- 4.4 This letter is not intended to, nor does it create, a legally binding obligation to proceed with the Proposed Restructuring and no such obligation will arise unless and until binding documentation is agreed, signed and exchanged by the parties.

5. CONFIDENTIALITY

- 5.1 This paragraph 5 is legally binding.
- 5.2 The content of this letter is confidential to the parties.

6. LANGUAGE

The negotiations in relation to the Proposed Restructuring will be conducted in English and all legal agreements will be prepared in English and, where required, Russian.

7. GOVERNING LAW AND JURISDICTION

- 7.1 This paragraph 7 is legally binding.

- 7.2 This letter and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.
- 7.3 The Shareholders and the Company irrevocably agree that any dispute, controversy, difference or claim arising out of or relating to this letter, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non- contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted.
- (a) The seat of arbitration shall be Hong Kong.
 - (b) The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English.

SUBJECT TO CONTRACT
CONFIDENTIAL

Yours faithfully,

Konstantin Strukov
President of
Uzhuralzoloto Group of Companies





Mr K Strukov

By email

7 July 2022

Dear Mr Strukov

We refer to your letter dated 6 July 2022, but received on the afternoon of 7 July 2022.

Your letter is described as a *“potential restructuring of the Group’s debt”* and sets out proposals for the repayment of some of the Company’s obligations, and a *“restructuring”* of others. As you are aware, this is a matter that the Board has been exploring for some considerable time. We engaged Hannam & Partners (*“H&P”*), a very reputable firm of financial advisers, to carry out a thorough process aiming at identifying potential purchasers of the assets of the Company. In the first instance, this involved the issuance of letters dated 20 April 2022 to a number of potentially interested parties, setting out the basis on which indicative bids were to be invited. As you will recall, UGC were specifically included – as H&P stated in their presentation identifying potential investors dated 19 April 2022, *“Shareholders will be contacted to the extent permitted as it’s important that they have a chance to participate.”*

There were numerous criteria set out in the 20 April 2022 letters that any parties making an Indicative Offer were required to satisfy by 29 April 2022. These included:

- completion of a diligence questionnaire to identify any potentially sanctioned entities;
- the provision of proof of funds with any such Indicative Offer, supported by evidence such as published accounts or bank statements;
- details of each bidder, including individual consortium members where applicable;
- an indicative price and valuation, including any regulatory considerations that affected these figures;
- pricing assumptions;
- identification of any valuation risks that might have a material impact on valuation or willingness to proceed, together with the identification of any information required to resolve any such issues; and
- setting out any internal or external approvals required to complete an acquisition, together with an estimate of the time required to obtain any such approvals.

UGC did not make an Indicative Offer in response to this request.

Had an Indicative Offer been received from UGC that satisfied the stated criteria and been selected to progress to Stage II, it would have been followed up in accordance with H&P’s Stage II process, which was set out in letters dated 4 May 2022. These letters set out the criteria that were required to be satisfied in order to make a valid Final Binding Offer, which included:

- delivery of a revised draft SPA by 8 May 2022;
- attendance at a *“working session to discuss the availability of acquisition funding and funds flow”* with the company’s advisers on 6 May 2022, followed by delivery of a *“cash confirmation to City Code on Takeover and Mergers equivalent standards”* accompanying a final bid by 16 May 2022; and
- further requirements as to the content of a fully funded, binding offer that had to be delivered by 16 May 2022, including a final form SPA, details of how the offer was to be structured (including how monies were to be delivered from Russia and how sanctioned parties would be treated).

UGC did not participate in Stage II, but it is notable from the above that bidders were required to deliver very detailed information regarding their bid in very short timescales. This process led to the delivery of a compliant Final Binding Offer from UMMC within the deadlines specified.

Petro Pavlovsk PLC
11 Grosvenor Place
Belgravia
London SW1X 7HH

T: +44(0)20 7201 8900
F: +44(0)20 7201 8901
contact@petropavlovskplc.com
www.petropavlovskplc.com

Registered Office as shown.
Registered in England and Wales
Number: 4343841

As I said in my letter to Mr Popatov of earlier today, UGC (and other shareholders) have also been reminded in Board meetings that the Company would welcome proposals for refinancing by shareholders; I referred in that letter to the Board meeting of 7 June 2022 in particular. I note that although UGC has at all times been aware of the progression of the bidding process and the detail of the bids, and has also had an additional two months beyond the timeline set out in the H&P Letters to consider its position, your proposal of today omits very significant information that would have been required for it to have been considered at even the very first stage of the bidding process. In order for the Board or our advisers to even begin to consider your proposal, you need to provide similar levels of supporting information to those required of other bidders. In particular:

- you have not provided any proof of funds – please provide this, including independent confirmation of the funds available;
- you have not given any assurances that funds could be paid to the United Kingdom even if available. Please provide evidence that the sums required to repay creditors and purchase the Company's shares can be transferred to the United Kingdom, including (without limitation) all required Russian regulatory approvals;
- you have also not stated whether any additional regulatory requirements would apply to the acquisition – you refer at paragraph 3(f) of your letter to approval by “*regulatory authorities*” as a condition precedent, but you do not identify what these are or how long it would take to obtain them;
- we do not understand your reference to the “*transfer*” of the debt owed in respect of the Convertible Bonds and the Notes to a subsidiary of yours located outside the UK, EU, US or Russia, with the Company's guarantee being “*terminated*”, followed by a “*restructuring and repayment*” of the debt. Please explain in detail how you propose to effect such a transfer of debt and release of guarantees without the consent of the Trustees or bondholders, and precisely what your intentions are regarding repayment of the amounts presently owed;
- we do not follow how the further negotiation of your proposal would be carried out in circumstances where you apparently intend that the majority of the present board, including me, resign from office to be replaced with three additional directors. Please set out your intentions in further detail, including as to the timing of these steps, particularly with regard to the matters identified as forming the normal appointment process in my letter to Mr Popatov earlier today.

My letter to Mr Potapov explained that whatever other considerations might apply, the Company is or is likely to become insolvent, and this question requires the urgent attention of the Board. I confirmed in that letter that it remains the intention of the Board to meet at 4.00 pm on 11 July 2022 to consider whether an application for the appointment of administrators to be made. Therefore, please provide the information requested above by 5.00 pm London time tomorrow, 8 July 2022. We will then discuss the information supplied at the Board meeting, in order to assess your proposal properly.

If the Board were to resolve to apply to the Court for the appointment of administrators, you would remain free to continue to discuss the matter with the administrators after appointment, although we anticipate that they would also need to be satisfied as to the matters set out above in order to consider your proposal any further.

Yours sincerely



James W. Cameron Jr.

Chairman

H&P Advisory Ltd
3rd Floor
7-10 Chandos Street
London
W1G 9DQ
United Kingdom

STRICTLY PRIVATE & CONFIDENTIAL

4 May 2022

Request for Proposal ("RfP") for acquisition of the gold mining assets and other subsidiaries of Petropavlovsk in Russia – Stage II

Dear Sirs,

On behalf of Petropavlovsk PLC ("**Petropavlovsk**", or the "**Company**" and, together with its subsidiaries, the "**Group**"), we ("**H&P Advisory Ltd**", "**Hannam & Partners**" or "**H&P**") would like to thank you for the Offer submitted in relation with the possible acquisition of the gold mining assets and other subsidiaries of Petropavlovsk in Russia (the "**Transaction**").

We are pleased to confirm that the Company has selected you as a potential bidder to continue participating in the sale process ("**Phase II**").

This letter (the "**Phase II Process Letter**") outlines the procedure and timing with respect to the Due Diligence and submission of the Final Binding Offer.

During Phase II, each potential bidder will be given the opportunity to finalise their due diligence (the "**Due Diligence**") and negotiate a Sale and Purchase Agreement ("**SPA**") with Petropavlovsk. Potential bidders are required to submit a detailed mark-up of the SPA (the "**SPA Mark-up**") no later than 20:00 GMT on Sunday, 8 May 2022.

Potential bidders are invited to submit a fully funded, binding offer (the "**Final Binding Offer**") including a final agreed SPA (the "**Final SPA**") to Petropavlovsk at any time, but by no later than 20:00 GMT on Monday, 16 May 2022. Thereafter, no later than Tuesday, 17 May, Petropavlovsk (along with Hannam & Partners) will determine the successful party and enter into a short period of exclusivity with that party to allow the finalisation of the Transaction.

This letter, its contents, all discussions in connection with the Transaction, and any further information in relation to Petropavlovsk disclosed to you as part of the process, will be subject to the terms of the confidentiality agreement you have signed with Petropavlovsk.

Requests for any additional information or documents deemed necessary to reach the stage where a Final Binding Offer can be submitted, as well as any questions on the Assets and any requests to have a discussion with Management on specific areas of interest should be sent by e-mail to ilya.demichev@hannam.partners.

1. Timeline

Item	Dates
Access to the Data Room	from Tuesday, 3 May 2022 to Sunday, 15 May 2022
Q&A function available	from Wednesday, 4 May to Sunday, 15 May 2022
Cash Confirmation negotiation session	by Friday, 6 May 2022
Offer structuring negotiation session	by Friday, 6 May 2022
Submission of SPA Mark-up	by Sunday, 8 May 2022
SPA negotiation sessions	from Tuesday, 10 May to Sunday, 15 May 2022
Submission of Final Binding Offer including agreed SPA	by Monday, 16 May 2022
Completion of the Petropavlovsk's DD requirements	by Monday, 16 May 2022
Selection process end date	by Tuesday, 17 May 2022
Regulatory / 3 rd party approvals	[to be agreed during SPA discussions]

2. Due Diligence Overview

Due diligence will entail

- (i) a management engagement opportunity that will include a question and answer (“Q&A”) session (if requested by you);
- (ii) access to a virtual data room (“VDR”) containing additional financial, technical, legal and other relevant information; and
- (iii) a Q&A process where any questions can be submitted through the Q&A function in the VDR.

3. VDR

You and your authorised representatives have been given access to a VDR. The VDR will contain updated and additional operational, technical, legal and financial information on Petropavlovsk required to enable you to deliver a Binding Offer as outlined in this letter. The VDR will be available on a 24-hour, 7-day-a-week basis until 20:00 GMT on Sunday, 15 May 2022.

4. Petropavlovsk's Due Diligence

Petropavlovsk is required to complete threshold level due diligence on prospective buyers to satisfy Director's statutory duties and various regulatory requirements. An information list will be forthcoming and tailored to each bidder.

5. Sale and Purchase Agreement

In addition to the Phase II Process Letter, you will be provided with a draft sale and purchase agreement (SPA) from the Company which will be available in the VDR. The SPA should be reviewed and adjusted to meet the terms of your Binding Offer. Potential bidders are required to submit a detailed mark-up of the SPA no later than 20:00 GMT on Sunday, 8 May 2022. A series of working sessions on the SPA will be then scheduled from Tuesday, 10 May 2022.

6. Cash Confirmation

A working session to discuss the visibility of acquisition funding and envisaged funds flow should take place with AlixPartners, H&P and Weil, Gotshal & Manges on Friday, 6 May 2022.

A cash confirmation to City Code on Takeover and Mergers equivalent standards should be submitted together with a binding offer and a final agreed SPA no later than 20:00 GMT on Thursday, 16 May 2022, by an appropriate third party (usually a financial adviser) that resources are available to the potential bidder sufficient to satisfy full acceptance of the offer.

7. Offer structuring

The payment mechanism to bondholders and shareholders, as well as other creditors, including any approvals needed to transfer money from Russia and treatment of sanctioned parties, should be discussed with AlixPartners, H&P and Weil, Gotshal & Manges on Friday, 6 May 2022.

8. Binding Offer – Content

Your Binding Offer should be communicated in the form of a detailed, written document signed by a director(s) or officer(s) having the authority to do so, and should contain the following information:

- (i) *Commitment:* The confirmation that your Binding Offer will not be subject to any conditions other than those included in the SPA (and in particular the confirmation that your Binding Offer is not conditional upon any further due diligence) and will remain open for a period of [90] days, unless rejected in writing by the Company prior to that time;



- (ii) *Offer price:* The final consideration in US Dollars to acquire 100% of the gold mining assets and other subsidiaries of Petropavlovsk in Russia (the detailed mechanics will be included in the negotiated and agreed SPA);
- (iii) *Offer structure:* The detailed structure of the Transaction, including the payment mechanism to bondholders and shareholders, as well as other creditors, including any approvals needed to transfer money from Russia and treatment of sanctioned parties. This should include money in the account evidenced by the bank statement or equivalent bank comfort;
- (iv) *Sales and Purchase Agreement:* A clean copy of the final SPA, as agreed with Petropavlovsk and in form you would be willing to sign;
- (v) *Financing:* Details on the financing of the transaction, including any steps required to finalise such financing;

If financing is required from external sources, the Final Binding Offer must include fully executed facility documentation together with the lender(s) confirmation that any conditions precedent to drawdown for such financing have been satisfied or waived, and/or commitment letters signed and approved by the credit committee or equivalent of the institution providing "certain funds" financing, without conditions for a period sufficient to complete the Transaction. It should also include the name and contact details for each lender with whom we will be able to confirm your financing arrangements;

- (vi) *Acquiring Entity:* The name, jurisdiction of incorporation and ultimate ownership of the purchasing entity and confirmation that it is acting as principal and not agent, as well as whether you are acting alone as a single purchaser or as part of a consortium; if the latter, you are requested to explain your rationale for forming such a consortium and notify it to the Company for approval at least two weeks before the Binding Offer deadline. Should the acquiring entity be a consortium of companies, the said relevant corporate information is required in respect to each company included in the consortium. Shareholding structure and key arrangements in place of the consortium should be also provided;
- (vii) *External approvals:* Potential bidders should provide a proposed timetable with the steps already taken and necessary to be taken to obtain any regulatory approvals required by you.

We kindly ask you to submit your Binding Offer, signed by an authorized representative, no later than Monday, 16 May 2022. Please submit your Binding Offer to the two transaction team members listed below and arrange for a hard copy to be delivered to H&P's office thereafter.

Andrew Chubb
Partner
Telephone: +44 207 907 8538
Mobile: +44 7786 366 265
ac@hannam.partners

Franck Nganou
Senior Vice-President
Telephone: +44 20 7907 8584
Mobile: +44 7468 714 815
franck.nganou@hannam.partners

Ilya Demichev
Analyst
Telephone: +44 20 7907 8533
Mobile: +44 7909 436 386
ilya.demichev@hannam.partners

Yours sincerely,

Neil Passmore
CEO
Hannam & Partners

Joint Stock Company "UMMC- INVEST"

624091, Russian Federation,
Sverdlovsk region,
Verkhnyaya Pyshma, Uspensky Avenue, 1
Tel.: +7 916 548 81 40,
e-mail: Fedor.Kirsanov@ugmk.com

From No. 1-002 from 06.05.2022
Received No. _____ from _____

To whom:

LLC "Malomyrsky Rudnik"

675004, Russian Federation, Amur Region, Blagoveshchensk, ul. Lenina, 140/1
(Hereinafter referred to as *the "Company"*)

Documents Request

06 May 2022

1. We refer to the agreement No. 138/21-B-P dated July 28, 2021 (hereinafter referred to as the **"Agreement"**), originally concluded between the Company as a guarantor and Gazprombank (Joint Stock Company) as a creditor.
2. Gazprombank (Joint Stock Company) ceded, among other things, all its rights under the Agreement in favour of us, of which the Company was notified on the basis of the notice of assignment dated April 19, 2022.
3. Please provide us, as a creditor under the Agreement, with the following information :
 - (a) information on all existing transactions for the provision of financing in favor of the Company and its subsidiaries (including loans, borrowings, bonds, bills, leasing), the amount of liabilities for which exceeds 7,000,000 (seven million) rubles, indicating:
 - (i) details of the relevant transaction (parties, date of conclusion);
 - (ii) the amount of financing provided (principal);
 - (iii) the amount of outstanding arrears; and
 - (iv) the term of validity of the relevant transaction (date of final repayment).
 - (b) information on all existing transactions on the provision of security by the Company and its subsidiaries for the obligations of third parties (including pledges, sureties, guarantees), if the amount of secured obligations under the relevant collateral exceeds 7,000,000 (seven millions) rubles, indicating:

- (i) details of the relevant security (parties, date of conclusion);
 - (ii) details of the secured transaction (parties, date of conclusion);
 - (iii) the size and duration of the secured obligations; and
 - (iv) the duration of the relevant collateral.
- (c) information on any other off-balance liabilities of the Company and its subsidiaries, if the amount of the relevant liabilities exceeds 7,000,000 (seven million) rubles.
4. We ask you, by signing this request, to confirm that the Company and all its subsidiaries (if any) have adopted an accounting policy in accordance with which proper accounting is carried out and accounting (financial) statements of the Company and the relevant subsidiaries (if any) are reliably prepared.

Creditor

Акционерное общество "UMMC-INVEST"

Ф.И.О: Федор Кирсанов

Должность: Директор

Company

We hereby confirm that the Company and all its subsidiaries (if any) have adopted an accounting policy in accordance with which accounting is properly carried out and accounting (financial) statements of the Company and the relevant subsidiaries (if any) are reliably prepared.

LLC "Malomyrsky Rudnik"

Full name:

Position:

Акционерное общество «УГМК-ИНВЕСТ»



624091, Российская Федерация,
Свердловская область,
г. Верхняя Пышма, проспект Успенский, 1
Тел.: +7 916 548 81 40,
e-mail: Fedor.Kirsanov@ugmk.com

Исх № 2-002 от 06.05.2022
На № _____ от _____

Кому:

ООО "Маломирский рудник"

675004, Российская Федерация, Амурская область,
город Благовещенск, ул. Ленина, дом 140/1
(далее – "Компания")

06 мая 2022 года

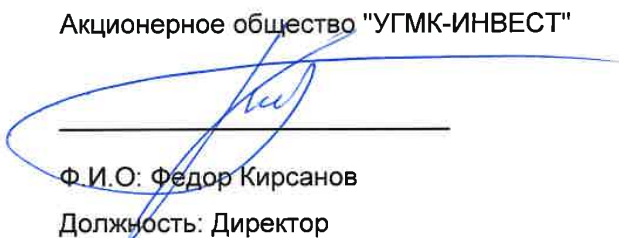
Запрос документов

1. Мы ссылаемся на договор поручительства №138/21-В-П от 28 июля 2021 года (далее – "**Договор Поручительства**"), изначально заключенный между Компанией в качестве поручителя и "Газпромбанк" (Акционерное общество) в качестве кредитора.
2. "Газпромбанк" (Акционерное общество) уступило, среди прочего, все свои права по Договору Поручительства в пользу нас, о чем Компания была уведомлена на основании уведомления об уступке от 19 апреля 2022 года.
3. Просим предоставить нам как кредитору по Договору Поручительства следующую информацию:
 - (a) информацию обо всех действующих сделках о предоставлении финансирования в пользу Компании и ее дочерних обществ (включая кредиты, займы, облигации, векселя, лизинг), сумма обязательств по которым превышает 7 000 000 (семь миллионов) рублей, с указанием:
 - (i) реквизитов соответствующей сделки (стороны, дата заключения);
 - (ii) суммы предоставленного финансирования (основного долга);
 - (iii) суммы непогашенной задолженности; и
 - (iv) срока действия соответствующей сделки (даты окончательного погашения).
 - (b) информацию обо всех действующих сделках о предоставлении обеспечения Компанией и ее дочерними обществами по обязательствам третьих лиц (включая залоги, поручительства, гарантии), если размер обеспечиваемых обязательств по соответствующему обеспечению превышает 7 000 000 (семь миллионов) рублей, с указанием:

- (i) реквизитов соответствующего обеспечения (стороны, дата заключения);
 - (ii) реквизитов обеспечиваемой сделки (стороны, дата заключения);
 - (iii) размера и срока исполнения обеспечиваемых обязательств; и
 - (iv) срока действия соответствующего обеспечения.
- (с) информацию о любых иных забалансовых обязательствах Компании и ее дочерних обществ, если размер соответствующих обязательств превышает 7 000 000 (семь миллионов) рублей.
4. Просим вас путем подписания настоящего запроса подтвердить, что в Компании и во всех ее дочерних обществах (при их наличии) принята учетная политика, в соответствии с которой надлежащим образом осуществляется бухгалтерский учет и достоверно составляется бухгалтерская (финансовая) отчетность Компании и соответствующих дочерних обществ (при их наличии).

Кредитор

Акционерное общество "УГМК-ИНВЕСТ"



Ф.И.О: Федор Кирсанов

Должность: Директор

Компания

Настоящим подтверждаем, что в Компании и во всех ее дочерних обществах (при их наличии) принята учетная политика, в соответствии с которой надлежащим образом осуществляется бухгалтерский учет и достоверно составляется бухгалтерская (финансовая) отчетность Компании и соответствующих дочерних обществ (при их наличии).

ООО "Маломирский рудник"

Ф.И.О:

Должность:



PRESS RELEASE

12 May 2022

PetroPavlovsk PLC

Update on Debt and Gold Sales

PetroPavlovsk PLC (“PetroPavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) provides an update on developments at its operating subsidiaries within the Russian Federation.

As previously announced:

- PetroPavlovsk received notice from Gazprombank (“GPB”) requiring repayment of, in aggregate, c.US\$87.1m (including accrued interest) due under the Group’s Russian subsidiaries’ revolving credit facilities (the “RCFs”);
- it is a condition of the RCFs that GPB acts as offtaker of 100% of the Group’s gold production; and
- As a consequence of GPB’s designation under the UK’s Russia (Sanctions) (EU Exit) Regulations 2019, the Group has not repaid the RCFs or sold gold to GPB.

GPB has issued waivers of its offtaker rights such that PetroPavlovsk has been able to sell gold to third parties, and the Group has identified new buyers as well as applied for a gold export licence. However, the Group has also received a notice from GPB that the bank:

- may revoke such waivers at any time and may elect not to issue further waivers; and
- reserves the right to initiate judicial proceedings against certain PetroPavlovsk subsidiaries in Russia for repayment of the RCFs.

If GPB were to take the action it refers to in its notice, including initiating judicial proceedings in Russia for the repayment of the RCFs (for example, by seeking an injunction to freeze the assets of the Russian subsidiaries, which the Group has been advised GPB is in a position to do notwithstanding the current moratorium on bankruptcy proceedings in Russia), it would cause a material adverse effect on the Group’s cash flow position and limit the Russian subsidiaries’ ability to meet obligations to employees and suppliers.

In light of the above, the Group’s four main operating companies – Pokrovskiy Rudnik JSC, Albynskiy Rudnik LLC, Malomirskiy Rudnik LLC and TEMI LLC – have applied to the Russian government for a waiver of the country’s current moratorium on bankruptcy filings. Once in place, the waiver will give the Group additional legal options to ensure uninterrupted operations and payment of salaries and other current expenses should there be any legal action by the subsidiaries’ creditors to recover debts owed.

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.

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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 or contact:

Petropavlovsk PLC
John Mann / Max Zaltsman

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To whom: **JSC "Pokrovsky Mine"**

675000, Russian Federation, Amur region, Magdagachinsky district, Tygda village, ul. Sovetskaya, d. 17

From: **LLC «Nordic»**

129301, Russian Federation, Moscow, Boris Galushkin str., 19, kor. 2, apt. 97

(Hereinafter referred to as the "New Creditor")

Gazprombank (Joint Stock Company)

117420, Russian Federation, Moscow, Nametkina str., 16, building 1

(Hereinafter referred to as the "Existing Creditor")

May 12, 2022

Notification of the assignment

1) We refer to:

a) a loan agreement on the opening of a credit line dated April 21, 2021 No. 39/21-R and a credit agreement on the opening of a credit line dated November 10, 2021 No. 132/21-R as a borrower and an Existing Lender as a lender (hereinafter referred to as "Loan Agreements"); and

B) the following surety agreements (hereinafter referred to as "Surety Agreements"):

- i) surety agreement No. 39/21-R-P dated April 21, 2021 between Malomyrsky Rudnik LLC as a guarantor and the Existing Creditor as a creditor;
- ii) surety agreement No. 132/21-R-P dated November 10, 2021 between Albynsky Rudnik LLC as a guarantor and the Existing Creditor as a creditor;
- iii) surety agreement No. 132/21-R-P dated November 10, 2021 between Malomyrsky Rudnik LLC as a guarantor and the Existing Creditor as a creditor;
- iv) surety agreement No. 132/21-R-P dated November 10, 2021 between TEMI LLC as a guarantor and the Existing Creditor as a creditor;

2) We hereby notify you that pursuant to Assignment Agreement No. 3 dated May 12, 2022, the Existing Lender has assigned all its rights under each Loan and each Surety Agreement to the New Lender.

As of May 12, 2022, the New Lender is a "Lender" for the purposes of Loan Agreements and Surety Agreements.

3) For the purposes of Article 12.2 of the Credit Agreements and Article 6.1. of the Surety Agreements, The New Lender provides the following details of the New Lender:

- (a) Address: 129301, Russian Federation, Moscow, Boris Galushkin Street, 19, kor. 2, apt. 97
- (b) Address for postal items and other notifications: 129301, Russian Federation, Moscow, Boris Galushkin Street, 19, kor. 2, apt. 97
- (c) Account details in rubles:

Current account: 40702810800330001144

PJSC "BANK URALSIB", at the address: Moscow, ul. Efremova, 8

INN 0274062111, KPP 997950001, OGRN 1020280000190

Bank account: 30101810100000000787, BIC: 044525787, OKPO Bank code:
32020814

d) Account details in US dollars :

Current account: 40702840300330018173,

Transit account: 40702840200330118173

PJSC "BANK URALSIB", at the address: Moscow, ul. Efremova, 8

INN 0274062111, KPP 997950001, OGRN 1020280000190

f) Other details: INN: 7729456940, KPP: 771701001, OGRN: 1157746329553

New Lender



Existing Lender

Gazprombank (Joint Stock Company)





Attention: Issuer Services, Payments Desk and the holders of the Petropavlovsk 2016 Limited U.S.\$500,000,000 8.125 per cent. Guaranteed Notes due 2022

By email to daniel.lecomber@citi.com

Copied to: dl.icg.uk.petropavlovsktrustee@imceu.eu.ssmb.com; darren.levene@citi.com

15 May 2022

Dear Sirs

Trust deed constituting Petropavlovsk 2016 Limited U.S.\$500,000,000 8.125 per cent. Guaranteed Notes due 2022 ("Trust Deed")

Regulation S Notes: XS1711554102; Rule 144A Notes: US71675MAA45

We refer to the Trust Deed. Capitalised terms use here and not otherwise defined have the meanings given to them in the Trust Deed.

We note the occurrence of the following circumstances:

1. On 18 April 2022, notice was received from Bank GPB (JSC) ("**GPB**") purporting to require immediate repayment of approximately US\$201.0m (including accrued interest) due under the Committed Term Facility Agreement between Petropavlovsk PLC and GPB and dated 28 July 2021.
2. On the same date, notice was also received from GPB requiring repayment by 26 April 2022 of, in aggregate, approximately US\$87.1m (including accrued interest) due under certain Russian subsidiaries' revolving credit facilities.

As a result of the circumstances referred to in paragraphs 1 and/or 2 above, one or more Events of Default under the Conditions (as defined in the Trust Deed) has occurred and is continuing. Accordingly, notice has been given to the Trustee in accordance with Clause 6.2 of the Trust Deed of the occurrence of such Event(s) of Default.

The Trustee has not been involved in formulating this Notice but has confirmed to the Issuer that it has no objection to this Notice being delivered to Noteholders.

We reserve all rights.

Yours faithfully,

Petropavlovsk PLC

Petropavlovsk 2016 Limited

Petropavlovsk PLC
11 Grosvenor Place
Belgravia
London SW1X 7HH

T: +44(0)20 7201 8900
F: +44(0)20 7201 8901
contact@petropavlovskplc.com
www.petropavlovskplc.com

Registered Office as shown.
Registered in England and Wales
Number: 4343841



PRESS RELEASE

16 May 2022

Petropavlovsk PLC

Update on Gazprombank Debt

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) today reports that it has received notification from Gazprombank (“GPB”) that the revolving credit facilities (“RCFs”) between GPB and the Group’s Russian subsidiaries have been assigned to a new creditor, Nordic LLC.

As previously announced, Petropavlovsk received notice from Gazprombank last month requiring repayment of, in aggregate, c.US\$87.1m (including accrued interest) due under the RCFs. Since GPB’s designation under the UK’s Russia (Sanctions) (EU Exit) Regulations 2019 in March, the Group has not made payments on the RCFs.

The Company is considering the implications of the assignment with its advisers.

The Company also announces that the Group is unable to pay the coupon due on 14 May 2022 of approximately US\$12.36 million in respect of the US\$500 million 8.125% guaranteed notes 2022 issued by Petropavlovsk 2016 Limited (of which US\$304 million remains outstanding) (the “Notes”). Among other reasons, this is as a result of the inability of the Group to extract cash from its Russian subsidiaries in the current environment and the previously announced acceleration of the approximately US\$201m (including accrued interest) term loan between Petropavlovsk and UMMC-Invest (formerly with GPB) (the “Term Loan”).

As a result of (in particular):

- the acceleration of the Term Loan;
- the existence of payment and cross defaults under the Notes;
- the limited cash resources available to the Company; and
- the Board’s assessment that it will be very challenging to refinance the Notes in the present circumstances;

Petropavlovsk continues to explore its options to determine the Company’s course of action in light of recent events and their impact on the Group’s financial position in the best interest of all stakeholders, including creditors and shareholders. As announced on 14 April 2022, these options include the sale of the Company’s entire interests in its operating subsidiaries as soon as practically possible. That process is continuing, and it remains unclear what return, if any, may be secured for shareholders or the holders of the Group’s listed debt securities as a result of that process.

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Joint-stock company «UMMC-INVEST»



1, Uspensky Avenue, Verkhnyaya Pyshma,
Sverdlovsk region, Russia, 624091
phone: +7 916 548 81 40
e-mail: Fedor.Kirsanov@ugmk.com

STRICTLY PRIVATE AND CONFIDENTIAL

To: **H&P Advisory Ltd**

3rd Floor
7-10 Chandos Street
London
W1G 9DQ
United Kingdom

Attention of:

Andrew Chubb

Partner

ac@hannam.partners

Franck Nganou

Senior Vice-President

franck.nganou@hannam.partners

Ilya Demichev

Analyst

ilya.demichev@hannam.partners

16 May 2022

Dear Sirs!

Binding offer for acquisition of the gold mining assets and other subsidiaries of Petropavlovsk PLC in Russia

We thank you for your process letter (the "**Process Letter**") of 4 May 2022 regarding "Request for Proposal for acquisition of the gold mining assets and other subsidiaries of Petropavlovsk in Russia – Stage II" in relation to the transaction procedure for the possible acquisition of the gold mining assets and other subsidiaries of Petropavlovsk PLC in Russia (the "**Transaction**").

Hereby JSC "UMMC-INVEST" ("UMMC-INVEST") submits its final binding offer to acquire the gold mining assets and other subsidiaries of Petropavlovsk PLC (the "**Company**") in Russia

in accordance with your Process Letter (the "**Offer**") on the terms specified in the attached draft of the share sale deed (the "**SPA**").

(a) **Commitment**

UMMC-INVEST hereby confirms its intention to enter into the SPA once this Offer is accepted by the Company. UMMC-INVEST also confirms that the Offer is not subject to any conditions other than those included in the SPA (and, in particular, UMMC-INVEST confirms that the Offer is not conditional upon any further due diligence) and will remain open for a period of 30 days (starting from tomorrow), unless rejected in writing by the Company prior to that time.

(b) **Offer price**

The offer price in accordance with the SPA shall be in total approximately \$625 million (subject to adjustments in respect of interest accrued in accordance with the terms of the SPA), comprising:

- (i) cash consideration in the amount of approximately \$375 million as adjusted in accordance with the SPA for the amount of par value of the bonds, transferred to the Company in accordance with clause (b)(v) below;
- (ii) administration fund in the amount of \$40 million;
- (iii) contingency fund in the amount of \$4 million;
- (iv) consideration in the amount of principal debt and interest accrued (\$200 million of principal debt as of the date of this Offer and about \$6 million of interest to be accrued up to 31 December 2022) in the form of set-off (or otherwise terminated as may be agreed by the parties) of the term loan facility dated 28 July 2021 between the Company as a borrower and UMMC-INVEST as a lender (the "**Term Loan**"); and
- (v) if applicable, consideration in the form of transfer of certain notes of \$500 million note (of which c.\$304 million (plus interest) remains outstanding) due 14 November 2022, issued by Petropavlovsk 2016 Limited.

(c) **Offer structure**

In accordance with the agreed SPA, the Transaction shall be completed in one day. On completion, UMMC-INVEST shall pay to the Company the consideration specified in clauses (b)(i) - (b)(iii) above, and, if applicable, transfer the bonds in accordance with clause (b)(v) above.

Upon payment of the consideration, the Company shall transfer the shares and participatory interests of the operating and holding companies of its group (full list of the shares is attached as SCHEDULE 1A to the SPA (the "**Shares**")) and assign to UMMC-INVEST all intercompany loans owed to the Company and its subsidiaries (not included in SCHEDULE 1 to the SPA) by the companies included in the SCHEDULE 1 to the SPA at completion. Upon completion of the transfer of title to the Shares, the Company shall repay its debts (save for the debt to UMMC-INVEST under the Term Loan), including debt owed to holders of the bonds, issued by the Company's subsidiaries. After repayment of the debts of the Company, UMMC-INVEST will set-off (or otherwise terminate) the Term Loan.

In accordance with the terms of the SPA, UMMC-INVEST warrants to the Company that to the best of its knowledge none of the bonds acquired by UMMC-INVEST has been purchased from sanctioned persons.

Please find attached the extract from UMMC-INVEST's bank account confirming that UMMC-INVEST possesses the necessary cash amount in order to pay the consideration to the Company in accordance with the terms of the SPA (Schedule 1).

(d) Sales and Purchase Agreement

Please find attached clean version of the SPA generally agreed with the Company's counsel (Schedule 2). We express our will to sign the SPA substantially on the attached terms.

Please note that our draft SPA does not include as a condition precedent receiving of OFSI License for the transaction. As nobody of the sanctioned persons may benefit from the transaction (in particular, Bank GPB (JSC) has assigned all its claims to the Company's group to third parties), our current understanding is that such license is not required, whereas receiving of such licence will materially extend the timeframe of completion of the transaction.

(e) Financing

The Transaction would be financed from UMMC-INVEST's group companies own funds. As evidenced by the extract attached hereto as Schedule 1, UMMC-INVEST has necessary cash amount on its bank account.

(f) Acquiring Entity

UMMC-INVEST is a joint stock company incorporated and registered in the Russian Federation with company number 1156658096143 whose registered office is at Petrova street, bldg.1 B, room 14, Verkhnyaya Pyshma, Sverdlovsk region, Russia, 624092.

UMMC-INVEST is a finance company within the UMMC Group. The UMMC Group exercises full control over UMMC-INVEST, with 99% and 1% of the shares held by Open Joint-Stock Company "UMMC" and the management of UMMC-INVEST. Thus, UMMC-

INVEST is beneficially owned by the following persons: Kamilov D.A. (24,8%); Kudryashkin I.G. (22,3%); Makhmudov I.K. (19,8%); Kozitsyn A.A. (17,3%); Chukhlebov E.A. (7,4%); Bokarev A.R. (4,95%); Kudryashkina S.B. (2,5%); Kirsanov F.V. (1%).

The UMMC Group is Russia's largest producer of copper, zinc, coal and precious metals. The group also operates as a strategic institutional investor in the market for non-ferrous and precious metals. In accordance with financial report of Open Joint-Stock Company "UMMC" for 2021, the financial results of the UMMC Group are as follows:

- The revenue: approximately RUB 985 bln (\$13.2 bln at the exchange rate as of 31 December 2021);
- EBITDA: approximately RUB 267 bln (\$3.6 bln at the exchange rate as of 31 December 2021).

UMMC-INVEST is an institutional investor, and acquisition of the Shares by UMMC-INVEST will allow the Company's subsidiaries to develop their business without any cuts in respect of human resources and investments. Moreover, UMMC-INVEST will be able to procure sustainable development of the business of the Company's subsidiaries.

UMMC-INVEST hereby confirms that in submitting this Offer it acts alone as principal and not agent.

(g) External approvals

- (i) UMMC-INVEST has received a consent from the Government Commission for the Control of Foreign Investments in the Russian Federation to acquire the Shares for a value of up to \$675,000,000 (Schedule 3).
- (ii) UMMC-INVEST has received all necessary approvals from the Federal Antimonopoly Service of the Russian Federation for the Transaction. Please note that no other approvals from the Federal Antimonopoly Service of the Russian Federation is required for the Transaction.

(h) Other matters

In our opinion, this Offer is beneficial to the Company and its creditors for the following reasons:

- (i) this Offer will allow the Company to fully repay all its debts without any discount;
- (ii) UMMC-INVEST is in a position to sign the SPA and complete the Transaction promptly;
- (iii) UMMC-INVEST has confirmed that it has necessary cash on its bank account;

- (iv) UMMC-INVEST does not require any conditions to be fulfilled for signing or completion of the SPA and the Transaction. The draft SPA does not provide for any title or business warranties, therefore, the sale of the Shares would not create any contingent liability for the Company or its administrators.

Moreover, acceptance of this Offer by the Company will allow UMMC-INVEST and the Company to avoid lengthy and costly court and arbitration proceedings in several jurisdictions that can, among other things, include:

- (i) arbitration proceedings that can be initiated by UMMC-INVEST against the Company in the HKIAC in order to induce the Company to repay its debt under the Term Loan;
- (ii) court proceedings in Russia seeking injunctive relief in support of the above arbitration. Such injunctions may include attachment of the Company's assets in Russia, including the Company's shares in Russian subsidiaries;
- (iii) court proceedings in Russia against Russian subsidiaries of the Company as sureties under the Term Loan;
- (iv) bankruptcy proceedings against Russian subsidiaries of the Company, as guarantors under the Term Loan, given that the insolvency moratorium was waived by subsidiaries of the Company.

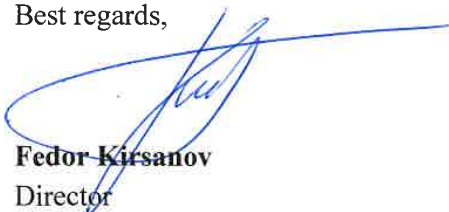
This letter shall be governed by and construed in accordance with English law.

Any dispute arising out of or in connection with this Offer, including any question regarding its existence, validity or termination, shall be referred for final resolution to arbitration administered by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Singapore. The Tribunal shall consist of 3 arbitrators. The language of the arbitration shall be English.

* * * * *

Please do not hesitate to contact us should you have any questions. We would be grateful to receive your response to our Offer which we hope will lead to a successful transaction. We are looking forward to hearing from you.

Best regards,



Fedor Kirsanov
Director

Enclosures:

1. Schedule 1. Confirmation from UMMC-INVEST's bank;
2. Schedule 2. Draft SPA;
3. Schedule 3. Consent from the Government Commission for the Control of Foreign Investments in the Russian Federation.

SCHEDULE 1
CONFIRMATION FROM UMMC-INVEST'S BANK

Joint-stock company «UMMC-INVEST»



1, Uspensky Avenue, Verkhnyaya Pyshma,
Sverdlovsk region, Russia, 624091
phone: +7 916 548 81 40
e-mail: Fedor.Kirsanov@ugmk.com

Our ref: № 2-004/7 date: 28.04.2022
Your ref: № _____ date: _____

COVER LETTER

I hereby confirm the accuracy and truthfulness of the statement of account dated 28 April 2022 of UMMC-INVEST (JSC) enclosed to the present letter. This statement of account is to confirm the availability of funds sufficient to complete the acquisition of the assets of Petropavlovsk Plc.

The enclosed statement of account has been issued by Bank Saint Petersburg (PJSC) in Russian and sealed by this Bank, and then translated into English. The translation is certified by a notary.

According to this statement of account, the amount of available funds is of RUB 28,000,001,913.00, which is equal to USD 385,097,311.51 at the USD exchange rate (72,7089) established by the Russian Central Bank as of 27 April 2022 (the deposit date).

Kirsanov Fedor
Director of UMMC-INVEST (JSC)



BANK "SAINT PETERSBURG"

PJSC "BANK "SAINT PETERSBURG"
"Nevsky" Branch
7, Kamenskaya street, Novosibirsk 630099
Phone: +7/383/375 8877
nsk@bspb.ru, www.bspb.ru
OKPO 09804728, OGRN 1027800000140
INN/KPP 7831000027/540643001
BIK 045004888
Dated 28.04.2022 No. w/o number

JSC "UMMC-INVEST" (INN 6686073603)
Address: office 14, 1V, Petrova street,
Verkhnyaya Pyshma 624092

Certificate

PJSC "Bank "Saint-Petersburg" hereby informs that JOINT-STOCK COMPANY "UMMC-INVEST" (INN 6686073603) keeps the open current account No. 40701810554000000007 with PJSC "Bank "Saint-Petersburg", the balance of the account as of April 28, 2022 (beginning of the transaction day) is 28,000,001,913.00 rubles (twenty-eight billion one thousand nine hundred and thirteen rubles 00 kopecks).

Deputy Director of "Nevsky" Branch [signature] Ye.A. Merkulov

Round seal:

Public Joint-Stock Company "Bank "Saint Petersburg" * OGRN 1027800000140 *
64A, Malookhtinsky Avenue, Saint Petersburg * "Nevsky" Branch of PJSC "Bank "Saint-Petersburg" * 9, Gogolya street – 7, Kamenskaya street, Novosibirsk

Document originator: A.V. Yepishina
Phone: (383)3758877*6925

Настоящий перевод с русского языка на английский язык выполнен мной, переводчиком Городницкой Оксаной Ивановной. Идентичность перевода подтверждаю.

Городницкая Оксана Ивановна

SCHEDULE 2
DRAFT SPA

SCHEDULE 3
CONSENT FROM THE GOVERNMENT COMMISSION FOR THE CONTROL OF
FOREIGN INVESTMENTS

Part A. Russian version

04.05.2022

05-06-10/ВН-22962

ВЫПИСКА

**из протокола заседания подкомиссии Правительственной комиссии
по контролю за осуществлением иностранных инвестиций
в Российской Федерации от 22 апреля 2022 года № 37**

г. Москва

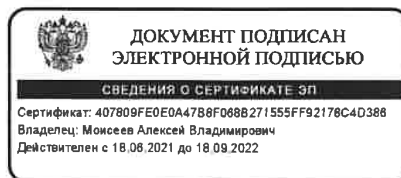
1. С учетом изученной информации и состоявшегося обсуждения подкомиссией Правительственной комиссии по контролю за осуществлением иностранных инвестиций в Российской Федерации (далее – Подкомиссия) принято единогласное решение разрешить АО «УТМК-ИНВЕСТ» осуществление (исполнение) сделок (операций) по приобретению у компании Petropavlovsk Plc и/или у подконтрольных ей компаний ценных бумаг организаций, входящих в группу компаний «Петропавловск», на сумму, не превышающую 675 000 000 (шестьсот семьдесят пять миллионов) долларов США, запрет на осуществление (исполнение) которых установлен подпунктом «а» пункта 1 Указа Президента Российской Федерации от 01.03.2022 № 81, в соответствии с условиями, определенными сторонами сделки.

2. С учетом изученной информации в связи отсутствием запрета на осуществление (исполнение) между резидентами и нерезидентами сделок (операций), влекущих за собой возникновение права собственности на доли в уставном капитале российских организаций, установленного Указами Президента Российской Федерации от 28.02.2022 № 79 и от 01.03.2022 № 81, и соответствующих полномочий у Подкомиссии, решение по указанному вопросу не принимать.

3. Установить, что разрешение, предусмотренное пунктом 1, действует до 15.11.2022.

Выписка верна.

Заместитель Министра финансов
Российской Федерации



А.В. Моисеев

Part B. Translation

04.05.2022

05-06-10/BH-22962

EXTRACT from the protocol of meeting of Subcommittee of the Government Commission for the Control of Foreign Investments in the Russian Federation of 22 April 2022 No. 37

1. Taking into account the information studied and the discussion held, the Subcommittee of the Government Commission for the Control of Foreign Investments in the Russian Federation (hereinafter referred to as the "Subcommittee") unanimously decided to authorise JSC "UMMC-INVEST" to make / perform transactions (operations) relating to the acquisition of securities of Petropavlovsk Group companies for up to Six hundred seventy five million U.S. Dollars (US\$ 675,000,000) from Petropavlovsk plc and/or its controlled companies, which is otherwise prohibited pursuant to clause 1(a) of Executive Order No. 81 dated 01.03.2022, on terms and conditions as agreed upon by the parties to the transaction.

2. Taking into account the information studied and the lack of prohibition to make / perform transactions (operations) between residents and non-residents giving rise to the title to participation interest in the authorised capital of Russian entities as established by Executive Order No. 79 dated 28.02.2022 and Executive Order No. 81 dated 01.03.2022 and that the Subcommittee does not have any respective authority, no decision shall be made in respect of that issue.

3. To establish that the authorisation referred to in paragraph 1 shall be valid until 15.11.2022.

Document certified by electronic signature
Details of certificate of ES
Certificate:407809FE0E0A47B8F068B271555FF92178C4D386 Owner: Moiseev Alexey Vladimirovich Valid from 18.06.2021 until 18.09.2022

True extract.

Deputy Minister of Finance
of the Russian Federation

A.V. Moiseev

To: **Atlas Mining Ltd**
Rubtsov Pereulok, 13, Moscow
105082, Russian Federation
Attn: Denis Alexandrov, General Director

Copy **PETROPAVLOVSK PLC**
11 Grosvenor Place, London
SW1X 7HH, United Kingdom
Attn: James W Cameron Jr, Chairman of the Board of
Directors

From: **Nordic LLC**
Borisa Galushkina str., 19, bld. 2, apt. 97
Moscow, Russian Federation

23/05/2022

Dear Sirs!

Hereby we refer to Notice regarding the Assignment Agreement entered into between Nordic LLC and "Gazprombank" (Joint Stock Company) on 12 May 2022 in respect of obligations of Malomyrsky Rednik LLC, Albynsky Rudnik LLC and Pokrovsky Rudnik JSC (hereinafter referred to as the Debtors) under the Facility Agreements.

Due to the sanctions imposed by UK government on "Gazprombank" (Joint Stock Company), from 24 March 2022 Petropavlovsk PLC and the Debtors have suspended execution of their obligations under the Facility Agreements. On 20 May 2022 Nordic LLC provided Petropavlovsk PLC with the documents and information which confirm that Nordic LLC is not a sanctioned person and it is not subject to Russia (Sanctions) (EU Exit) Regulations 2019.

In the view of abovementioned, Nordic LLC as the New Lender under the Facility Agreements kindly request you to provide information regarding the renewal of fulfillments of obligations under the Facility Agreements including the repayments of the loans. Otherwise, Nordic LLC reserves the right to exercise its creditor rights under the Facility Agreements to get the full repayment of loan.

Sincerely yours,



Maxim Kazantsev



ЮЖУРАЛЗОЛОТО ГРУППА КОМПАНИЙ

ЮГК

Joint Stock Company "Uzhuralzoloto Group of Companies"
457020, Russian Federation, Chelyabinsk region, Plast, mine "Central"
INN/KPP 7424024375/742401001 corr. acc. 40702810872180116819
in Department № 8597 of Sberbank Russian city of Chelyabinsk
corr. acc. 30101810700000000602 Bank Ident. Code 047501602

From: Joint-Stock Company Uzhuralzoloto Group of Companies
Territory of Centralnaya mine, Plast town, Chelyabinsk Region, 457020, Russia

To: The Directors, Petropavlovsk PLC
11 Grosvenor Place, Belgravia, London, SW1X 7HH

04 June 2022

Dear Sirs

Certain matters related to the Annual General Meeting (the "AGM") of Petropavlovsk plc (the "Company")

Joint-Stock Company Uzhuralzoloto Group of Companies as the major shareholder over the past year has consistently pointed to problems in the governance of the Company which resulted in the current state of the Company's affairs.

The governance problems we are referring to are detailed in the statement to members of the Company attached as Annex 1 hereto.

We request that the Board of Directors reviews our statement carefully and immediately:

- refrain from introducing an external administration;
- take measures to end the Company's default;
- take measures to protect the Company from the dishonest actions of UMMC-Invest aimed at establishing control over the Company by circumventing proper corporate procedures;
- search and appoint additional independent members of the Board of Directors;
- elect new members of the Board of Directors by the decision of the current directors followed by confirmation of their powers at the AGM;
- give notice of, and circulate, the resolutions for the AGM proposed by us, along with the statement on the subject matter of the resolutions, to the members of the Company as set out in the Requisition Notice and Statement attached as Annex 1 hereto;
- process our notice of the intention to propose Mr Alexei Gostevskikh as a Director set out in the Notice under Article 81 of the AoA attached as Annex 2 hereto.

Annexes

Annex 1 – Requisition Notice and Statement

Annex 2 – Notice under Article 81 of the AoA

Yours faithfully,

for and on behalf of **Joint-Stock Company Uzhuralzoloto Group of Companies**

the president of its management company, Limited Liability Company "Management Company UGC"
Strukov Konstantin Ivanovich

Annex 1
Requisition Notice and Statement

From: Joint-Stock Company Uzhuralzoloto Group of Companies
Territory of Centralnaya mine, Plast town, Chelyabinsk Region, 457020, Russia

To: The Directors, Petropavlovsk PLC
11 Grosvenor Place, Belgravia, London, SW1X 7HH

04 June 2022

Dear Sirs

Annual General Meeting (the “AGM”) of Petropavlovsk plc (the “Company”) – Requisition Notice and Statement from member of the Company in respect of resolutions to be proposed at the AGM

We, Joint-Stock Company Uzhuralzoloto Group of Companies, hereby give notice pursuant to section 338 of the Companies Act 2006 that we require the Company to give to members of the Company entitled to receive notice of the next AGM notice of the following ordinary resolutions which may be properly moved and are intended to be moved at that meeting:

1. To re-elect Mr James W Cameron as a Director of the Company with immediate effect.
2. To re-elect Ms Charlotte Philipps as a Director of the Company with immediate effect.
3. To re-elect Mr Mikhail Irzhevsky as a Director of the Company with immediate effect.
4. To re-elect Mr Roman Deniskin as a Director of the Company with immediate effect.
5. To re-elect Mr Evgeny Potapov as a Director of the Company with immediate effect.
6. To remove Mr James W Cameron as a Director of the Company with immediate effect.
7. To remove Ms Charlotte Philipps as a Director of the Company with immediate effect.
8. To remove Mr Mikhail Irzhevsky as a Director of the Company with immediate effect.
9. To remove Mr Roman Deniskin as a Director of the Company with immediate effect.
10. If Mr Evgeny Potapov has been removed as Director of the Company at any time before the end of this general meeting, to appoint Mr Evgeny Potapov as a Director of the Company with immediate effect.
11. To appoint Mr Alexei Gostevskikh as a Director of the Company with immediate effect.
12. If Mr Alexei Gostevskikh has been removed as Director of the Company at any time before the end of this general meeting, to appoint Mr Alexei Gostevskikh as a Director of the Company with immediate effect.
13. To direct the Board of Directors to report on the results of the measures taken in connection with the KPMG investigation pursuant to Resolution 19 adopted at the AGM 2020, stating with particularity the amount of funds recovered as a result of measures taken by the Company, the list and value of the assets recovered by the Company and actions taken against potential wrongdoers and outcomes of those actions. The report shall be presented unredacted to the benefit of the shareholders within 15 days following the annual general meeting.
14. To direct the Board of Directors to promptly (within 15 days) present to the shareholders a detailed strategy

for the development of the Company.

15. To direct the Board of Directors to promptly (within 10 days) provide a detailed explanation on the reasons for the sale of the shares of IRC and the benefit received by the Company from the sale of shares of IRC, taking into account the subsequent resale of the IRC shares at a price several times higher than the price received by the Company from the initial sale.
16. To direct the Board of Directors to promptly (within 10 days) present to the shareholders an action plan for restructuring the Company's debt owed to creditors.
17. To direct the Board of Directors to promptly (within 10 days) present to the shareholders a detailed action plan for the corporate restructuring of the Company and its subsidiaries, taking into account the adverse geopolitical changes that have taken place since the end of February 2022 and the geographical scope of the group, allowing the Company and the subsidiaries to carry out their operational activities without interruption and limit their exposure to negative effect of economic and financial restrictions.

Pursuant to section 314 of the Companies Act 2006 we also require you to circulate the above resolutions with the following statement on the subject matter of the resolutions:

STATEMENT OF JOINT-STOCK COMPANY UZHURALZOLOTO GROUP OF COMPANIES

Joint-Stock Company Uzhuralzoloto Group of Companies as the major shareholder over the past year has consistently pointed to problems in the governance of the Company which resulted in the current state of the Company's affairs being an ultimate negative outcome.

The Company and its significant shareholders are currently not subject to any EU or UK economic sanctions. Given the deteriorating geopolitical situation, the Board, should it fulfill its duties in good faith, would have taken specific measures aimed at minimising the negative consequences of sanctions, including undertaking preemptive corporate restructuring. Based on the information available to the shareholders, it does not appear that the Board of Directors has made any progress in that direction. At the same time, a number of public companies with assets in Russia are taking such actions and achieve visible results.

According to rumors actively circulating in the market, the Board intends to introduce an external administration of the Company, despite the Company being able to generate sufficient cash flow to service the debt. This move may appear to many to be an attempt of the directors to promote such a scenario for the sake of certain creditors, as well as to avoid personal responsibility at the expense of the shareholders and the other creditors.

The Board did not foresee and did not take measures to avoid default on the debt to Gazprombank ("GPB"). The UK blocking sanctions were imposed on GPB on March 24, 2022 that is, a month after the start of the Ukraine-related situation. The Board and management should have foreseen the probable scenario and restructured the debt.

In the first half of May, 2022, key Russian subsidiaries of the Company released waivers of the bankruptcy moratorium (introduced by Russian government in view of Ukraine-related situation). Apparently, that could have been done by the management of the Company in pursuit of the interest of the group's new creditor, UMMC-Invest, which does not seem to hide its intentions to seize the group's assets, circumventing the Company's shareholders and other creditors. The content of the press release on this issue creates an inference that the Board was in support of this decision or no more controls the management.

According to the press release of April 22, 2022, the cash balance of the Company amounted to \$72 million. The Company's new creditors – UMMC-Invest and Nordic – are not sanctioned by the UK. Why, therefore, did the Board and management failed to get the Company out of the default?

The situation with UMMC-Invest seems very similar to the sale of IRC shares for \$10 million to Stocken Board AG, which in less than a month were re-sold to a new purchaser for \$98 million (i.e. 10 times higher than the initial price). We continue monitoring the performance of IRC. According to the IRC press release of April 28,

2022, the company demonstrates excellent results despite the current geopolitics – production volumes are stable, the Platts Fe 65% index is at \$170 per ton, cash on accounts is \$32 million, net debt is around \$69 million. As a result, the company's capitalization is \$196 million, and the cost of a 31% stake is \$61 million. We hope the Directors appreciate the damage that the sale of IRC shares has caused to the Company.

All the above considered, we see an issue of trust and confidence among the shareholders and the Board, as well as a pressing and urgent need to strengthen the Board by election of new Directors. We believe that the election of new Directors should be carried out immediately by the decision of the Board, followed by confirmation of their powers at the AGM. Such a decision, in addition to strengthening managerial competencies, will allow those current Directors who doubt the prospects of the Company to resign, instead of arranging for the administration for the sake of their own interests, which would destroy the value of the Company.

In view of the foregoing, we request that the Board circulates the resolutions for the annual general meeting proposed by us to the shareholders of the Company.

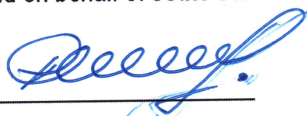
END OF STATEMENT

We are prepared to immediately pay a sum of £5,000 which we believe is reasonably sufficient to meet the expenses of the Company in giving effect to this requisition. Please provide the bank details of the Company to information@Ugold.ru with a copy to e.potapov@Ugold.ru. However, if the actual reasonable expenses of the Company in complying with the Companies Act 2006 in respect of this requisition notice and statement exceed such amount, we undertake to pay to the Company an additional sum on demand.

We confirm that we are a member representing at least 5% of the total voting rights of all the members who have a right to vote on the resolutions set out above at the AGM.

Yours faithfully,

for and on behalf of **Joint-Stock Company Uzhuralzoloto Group of Companies**



the president of its management company, Limited Liability Company "Management Company UGC"
Strukov Konstantin Ivanovich

Annex 2

Notice under Article 81 of the AoA

From: Joint-Stock Company Uzhuralzoloto Group of Companies
Territory of Centralnaya mine, Plast town, Chelyabinsk Region, 457020, Russia

To: The Directors, Petropavlovsk PLC
11 Grosvenor Place, Belgravia, London, SW1X 7HH

04 June 2022

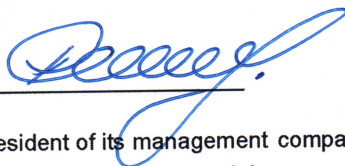
Dear Sirs

Annual General Meeting (the "AGM") of Petropavlovsk plc (the "Company") – Notice under Article 81 of the AoA

Pursuant to Article 81 of the Company's Articles of Association, we hereby notify you of the intention to propose Mr Alexei Gostevskikh (the "**Proposed Director**") for appointment as a Director of the Company. Appendix 1 sets out the particulars in relation to the Proposed Director which would, if he were so appointed, be required to be included in the Company's register of Directors pursuant to section 163 of the Companies Act 2006. We also enclose, at Appendix 2, a notice executed by the Proposed Director of his willingness to be appointed as a Director of the Company.

Yours faithfully,

for and on behalf of **Joint-Stock Company Uzhuralzoloto Group of Companies**



the president of its management company, Limited Liability Company "Management Company UGC"
Strukov Konstantin Ivanovich

Appendix 1
Particulars for the Register of Directors

1	Full name	Alexei Vladimirovich Gostevskikh
2	Any former name	None
3	Service address	The Company's registered office
4	Residential address	126 Charles Rd, Princeton BC V0X 1W0 Canada
5	Country or state in which he is usually resident	Canada
6	Nationality	Canadian/Russian
7	Business occupation	Geologist
8	Date of birth	02 January 1963

Appendix 2

Notice of willingness to be appointed a director

[attached on the next page]

Notice of willingness to be appointed a director

To: The Directors
Petropavlovsk PLC
11 Grosvenor Place
Belgravia
London
SW1X 7HH


Date: 03 June 2022

Dear Sirs and/or Madams

Pursuant to Article 81 of the Articles of Association of Petropavlovsk PLC (the "Company"), I, Alexei Gostevskikh, hereby notify you that I am willing to be appointed as a Director of the Company.

I declare that:

- I am not, nor have I been, disqualified from acting as a director of a company; nor have I performed any acts, nor are there any circumstances, under which I could be so disqualified.
- I am not prohibited by law from acting as a director of a company.
- I have not been convicted of an offence, criminal or civil, that is not spent under the Rehabilitation of Offenders Act 1974.
- I am not an undischarged bankrupt.
- I have not made a composition or arrangement with my creditors from which I have not been discharged.
- I am otherwise eligible, and a fit and proper person, to be a director of the Company.
- I will notify the Company promptly of any changes in the information provided in this declaration.



Yours faithfully,

Alexei Gostevskikh



PETROPAVLOVSK

(/).

Investors

Investment Rationale

Petropavlovsk is a leading vertically integrated Russian gold miner. With a premium listing on the Main Market of the London Stock Exchange, the Company is one of Russia's largest gold producers. Having operated continuously in the Far East of Russia for over 25 years, from where it has produced more than 7.8Moz of gold, the Company has a strong track record of mine development, expansion and asset optimisation. The Company is one of the major employers and taxpayers in the Amur region and benefits from strong relationships with the local communities in which it operates.

The POX Hub

The Pressure Oxidation facility ('**POX Hub** (<https://ppetropavlonet.wpengine.com/operation/poxhub/>)') is a cornerstone of Petropavlovsk's strategy and the principal driver of future value for the Company. The POX Hub is a world-class facility and one of only two in Russia.

The POX Hub was commissioned late in 2018 and began ramping up in early 2019, onwards and can treat both Petropavlovsk's own abundant refractory gold reserves as well as those of third parties. Not only does this enable the Company to increase gold production but also reduce cash costs – it also means that Petropavlovsk is in a strong position to consider stranded refractory ore deposits in the region and across Russia.

The POX Hub is well located in terms of easy access and well-developed infrastructure. The anticipated growth in cash flow from processing its own and third-party ore will be used to strengthen the balance sheet, which will then enable the option of paying dividends to our shareholders.

Significant Assets

Petropavlovsk has three active gold mines: **Pioneer** (<https://petropavlovskplc.com/operation/pioneer/>), **Albyn** (<https://petropavlovskplc.com/operation/albyn/>) and **Malomir** (<https://petropavlovskplc.com/operation/malomir/>) and gold licences which cover an area of more than 3,200km² in Russia. The mines are a mix of open pit and underground, with c.15Mtpa ore processing capacity in addition to the 500ktpa potential of the POX Hub. Petropavlovsk today has a long-life mineral resource base with high expansion potential.

Experienced Management and Technical Expertise

Through 25 years of operating in Russia, the Company has established itself as a successful explorer, developer and miner of gold, with all its active mines being developed from initial greenfield discoveries. Petropavlovsk differentiates itself from its peers through its technological expertise and R&D capabilities. The Company owns several world-class institutes, including Irgiredmet and NIC Gydrometallurgia ('**RDC Hydrometallurgy** (<https://petropavlovskplc.com/about-us/our-in-house-expertise/scientific-institutes/rdc-hydrometallurgy/>)'), which are responsible for the innovative design of its processing plant and continuous improvement of its processing operations.

Deleveraging

The Company's Net debt / EBITDA was 2.1x as at 31 December 2019, and Board has set deleveraging as a management priority given the need to strengthen the Company's balance sheet and liquidity position. The key driver of increased cash flow to the Company is the POX Hub which was commissioned in 2018 and began ramping up early 2019.

ESG Principles

Sustainable development and responsible business practices have always been integral to our operations. Since the early years when Petropavlovsk received financing from the IFC, the Group has adhered to strict ESG principles and the very high H&S standards required under Russian law in addition to operating in line with international best practices. The Company has a strong Sustainability track record and strives for continuous improvement for the benefit of all stakeholders. As part of its ESG strategy, Petropavlovsk joined the UN Global Compact Initiative on corporate sustainability and further enhanced its Corporate Social Responsibility ('CSR') framework, among other achievements.

Investors

Petropavlovsk PLC's shares are publicly traded on the Main Market of the London Stock Exchange (the ticker is POG). Detailed share price information may be found [here](#).

(<https://ppetropavlonet.wpengine.com/investors/share-price-centre/share-fact-table/>)

Disclosure under section 430 (2B) of Companies Act 2006 (https://ppetropavlonet.wpengine.com/wp-content/uploads/2018/05/Settlement_Agreement_-_website_disclosure_-_20_October_2017.pdf)

Information for US Investors – Announcement of Pricing of Senior Notes

(https://ppetropavlonet.wpengine.com/wp-content/uploads/2018/05/08.11_US_FINAL.pdf)

Issuance of Bonds for US (https://ppetropavlonet.wpengine.com/wp-content/uploads/2018/05/Announcement_14.11.2017_-_Issuance_of_Bonds_US.pdf)

(https://ppetropavlonet.wpengine.com/wp-content/uploads/2018/05/Announcement_14.11.2017_-_Issuance_of_Bonds_US.pdf)

Warning to Shareholders

We would like to remind shareholders to be very mindful of unsolicited phone calls or correspondence concerning your shareholding or investment matters. If you have not already done so, please take a few moments to read **our warning to Shareholders** (https://ppetropavlonet.wpengine.com/wp-content/uploads/2018/05/Warning_to_Shareholders.pdf).

Investor Relations

John Mann – Head of Communications

Max Zaltsman – Investor Relations

E-mail: jm@petropavlovsk.net (<mailto:jm@petropavlovsk.net>) / teamir@petropavlovskplc.com (<mailto:teamir@petropavlovskplc.com>)

Telephone: +44 (0) 20 7201 8900

Petropavlovsk PLC
11 Grosvenor Place
London
SW1X 7HH
United Kingdom

Petropavlovsk PLC
Rubtsov pereulok 13
Moscow 105082
Russian Federation

**PETROPAVLOVSK**

(L)

Contact Us

London Office

Petropavlovsk PLC
11 Grosvenor Place
London

SW1X 7HH

United Kingdom

Telephone: +44 (0) 20 7201 8900

E-mail: contact@petropavlovskplc.com (<mailto:contact@petropavlovskplc.com>)

Moscow Office

Atlas Mining Ltd
Rubtsov Pereulok, 13
Moscow, 105082

Russian Federation

Telephone: +7 495 380 2816, +7 495 780 2810

E-mail: info@petropavlovsk.net (<mailto:info@petropavlovsk.net>)

Human Resources

Telephone 8-800-201-69-49

E-mail: hr@petropavlovsk.net (<mailto:hr@petropavlovsk.net>)

Investor Relations/PR

John Mann, Head of Communications

Max Zaltsman, Investor Relations

Telephone: +44 (0) 20 7201 8900

E-mail: jm@petropavlovsk.net (<mailto:jm@petropavlovsk.net>)

E-mail: teamir@petropavlovskplc.com (<mailto:teamir@petropavlovskplc.com>)

Registrars to the Company

Link Group

10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Email: enquiries@linkgroup.co.uk (<mailto:enquiries@linkgroup.co.uk>)

Telephone: UK – 0871 664 0300, from overseas call +44 (0) 371 664 0300

*calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.



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\(http://resources.companieshouse.gov.uk/serviceInformation.shtml#compInfo\)](http://resources.companieshouse.gov.uk/serviceInformation.shtml#compInfo)

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PETROPAVLOVSK PLC

Company number **04343841**

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return_to=/company/04343841](https://beta.companieshouse.gov.uk/company/04343841/authorise?return_to=/company/04343841))

Registered office address

11 Grosvenor Place, Belgravia, London, SW1X 7HH

Company status

Active

Company type

Public limited Company

Incorporated on

20 December 2001

Accounts

Next accounts made up to **31 December 2021**
due by **30 June 2022**

Last accounts made up to **31 December 2020**

Confirmation statement

Next statement date **20 December 2022**
due by **3 January 2023**

Last statement dated **20 December 2021**

Nature of business (SIC)

- 08990 - Other mining and quarrying not elsewhere classified
- 70100 - Activities of head offices

Previous company names

Name	Period
PETER HAMBRO MINING PLC	14 Mar 2002 - 23 Sep 2009
EXCELSIOR CORPORATION PLC	20 Dec 2001 - 14 Mar 2002

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PETROPAVLOVSK PLC

Company number **04343841**

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Filter officers



Current officers

Apply filter

6 current officers

MURRAY, Dorcas Anne Helen

Correspondence address **11 Grosvenor Place, Belgravia, London, SW1X 7HH**

Role Active **Secretary**

Appointed on **8 November 2020**

CAMERON JR, James William

Correspondence address **11 Grosvenor Place, Belgravia, London, SW1X 7HH**

Role Active **Director**

Date of birth **November 1947**

Appointed on **15 October 2018**

Nationality **American**

Country of residence **United States**

Occupation **Director**

DENISKIN, Roman

Correspondence address **11 Grosvenor Place, Belgravia, London, SW1X 7HH**

Role Active **Director**

Date of birth **October 1967**

Appointed on **11 April 2022**

Nationality **Russian**

Country of residence **Russia**

Occupation **Director**

IRZHEVSKIY, Mikhail

Correspondence address **11 Grosvenor Place, Belgravia, London, SW1X 7HH**

Role Active **Director**

Date of birth **June 1973**

Appointed on **16 April 2021**

Nationality **Russian**

Country of residence **Russia**

Occupation **Director**

PHILIPPS, Charlotte Bertha Elisabeth

Correspondence address **11 Grosvenor Place, Belgravia, London, SW1X 7HH**

Role Active **Director**

Date of birth **February 1962**

Appointed on **8 November 2019**

Nationality **German**

Country of residence **England**

Occupation **Director**

POTAPOV, Evgenii

Correspondence address **11 Grosvenor Place, Belgravia, London, SW1X 7HH**

Role Active **Director**

Date of birth **August 1974**

Appointed on **12 July 2021**

Nationality **Russian**

Country of residence **Russia**

Occupation **Lawyer**

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PETROPAVLOVSK PLC

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Change of accounting reference date

Company Name: **PETROPAVLOVSK PLC**

Company Number: **04343841**



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Received for filing in Electronic Format on the: **07/06/2022**

The accounting reference period ending **31/12/2021** is extended so as at to end on **28/02/2022**

Subsequent periods will end on the same day and month in future years

Authorisation

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Permanent Representative on behalf of an Overseas Company, Person Authorised on behalf of an Overseas Company, Administrator, Administrative Receiver, Receiver, Receiver Manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.



PRESS RELEASE

7 June 2022

Petropavlovsk PLC

Change of Accounting Reference Date and Corporate Update

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) announces that, as a result of the Company’s current financial situation, it has been unable to complete the audit of its annual report and accounts for the year ended 31 December 2021 and will be unable to do so in time to comply with the publication and filing time limits stipulated by the Companies Act 2006 and the Disclosure Guidance and Transparency Rules on the basis of its current accounting reference date.

Accordingly, the Company’s board of directors (the “Board”) has today resolved to extend the Company’s accounting reference date from 31 December 2021 to 28 February 2022 in order to give the Company more time for the audit of its annual report and accounts for that extended period to be completed. This extension of the accounting reference period also extends the period to convene the Company’s annual general meeting for 2022. However, even with that extension, the Board considers it unlikely that it will be able to complete the audit in the absence of a material change in circumstances.

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 JSC 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 US\$500 million 8.125% guaranteed notes 2022 issued by Petropavlovsk 2016 Limited (of which US\$304 million remains outstanding) (the “Notes”) and the Convertible Bonds. The Company has not paid the most recent coupon due on the Notes.

In light of the above and as previously announced, Petropavlovsk has engaged external advisors to assist in determining the Company’s course of action and the available options include the sale of the Company’s entire interests in its operating subsidiaries as soon as practically possible. That process is continuing; however, it is highly unlikely that any return will be secured for shareholders as a result of that process given the level of the Company’s indebtedness.

About Petropavlovsk

Petropavlovsk PLC (LSE: POG, MOEX: POGF) 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.8.8Moz 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 or contact:

Petropavlovsk PLC
John Mann / Max Zaltsman

+44 (0) 20 7201 8900
TeamIR@petropavlovskplc.com

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.



PETROPAVLOVSK

Petropavlovsk PLC

Management Report
April Actual Results and 2022 Forecast
9 June 2022

STRICTLY CONFIDENTIAL

Key performance indicators

	Unit	2021	April 2022			April 2022 YTD			2022		
		Actual	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Forecast	Variance
Production											
Total movement	m3	42 228	3 306	2 947	(359)	12 038	11 679	(359)	43 510	43 152	(359)
Ore mined	kt	24 491	761	1 056	295	3 602	3 896	295	14 722	15 017	295
Ore processed	kt	12 786	1 061	1 068	7	4 282	4 289	7	13 103	13 111	7
Average grade (processed)	g/t	1.2	1.1	1.2	0.0	1.1	1.1	0.0	1.1	1.1	0.0
Concentrate processed	kt	311	28	29	1	128	128	1	340	342	2
incl. 3rd party concentrate	kt	62	5	5	-	33	33	-	35	36	1
Gold production (own ore)	kOz.	390	30	32	2	103	113	10	364	349	(14)
Gold production (3rd party concentrat	kOz.	59	4	4	-	25	26	1	29	30	1
Gold production (total)	kOz.	450	34	36	2	128	139	11	392	380	(13)
Sales											
Sales (own ore)	kOz.	386	4	4	0	83	83	-	350	350	0
Sales (3rd party concentrate)	kOz.	160	-	-	-	11	11	-	32	34	2
Sales (total)	kOz.	437	4	4	0	94	94	-	382	384	2
Sales price (spot)	\$/Oz.	1 791	1 664	1 664	0	1 862	1 862	0	1 745	1 714	(30)
Revenue (incl. other sales)	\$m	821	9	19	11	186	197	11	701	707	6
Opex											
Mining cost (open pit)	\$/m3	3.3	4.0	3.7	(0.3)	3.4	3.3	(0.1)	4.1	4.6	0.5
Processing cost (RIP)	\$/t ore	6.5	8.9	6.9	(2.1)	7.7	7.2	(0.5)	8.6	9.4	0.8
Processing cost (flotation)	\$/t ore	7.0	7.8	7.1	(0.7)	7.1	7.0	(0.2)	8.2	9.0	0.9
Processing cost (POX)	\$/t conc.	155.7	149.2	141.0	(8.2)	137.7	135.9	(1.8)	160.4	176.8	16.5
Transport of Malomir concentrate	\$/t conc.	70.5	65.5	-	(65.5)	62.5	88.0	25.5	63.7	77.5	13.8
Transport of TEMI ore to Albyn plant	\$/t ore	4	3.7	4.2	0.5	3.6	3.7	0.1	3.9	4.4	0.5
TCC (own ore)	\$/Oz.	882	(514)	2 211	2 724	953	1 077	124	1 055	1 175	120
TCC (3rd party concentrate)	\$/Oz.	1 634	-	-	-	1 525	1 577	52	1 603	1 655	52
TCC (total)	\$/Oz.	988	(514)	2 211	2 724	1 022	1 138	115	1 101	1 218	117
Central admin*	\$m	(64)	(5)	(6)	(1)	(14)	(15)	(1)	(51)	(55)	(4)
USD/RUB exchange rates		72.2	78.2	78.2	-	83.8	83.8	-	75.4	66.5	(8.9)

* 2021 includes professional fees of KPMG (Resolution 19) and Weils (legal services)

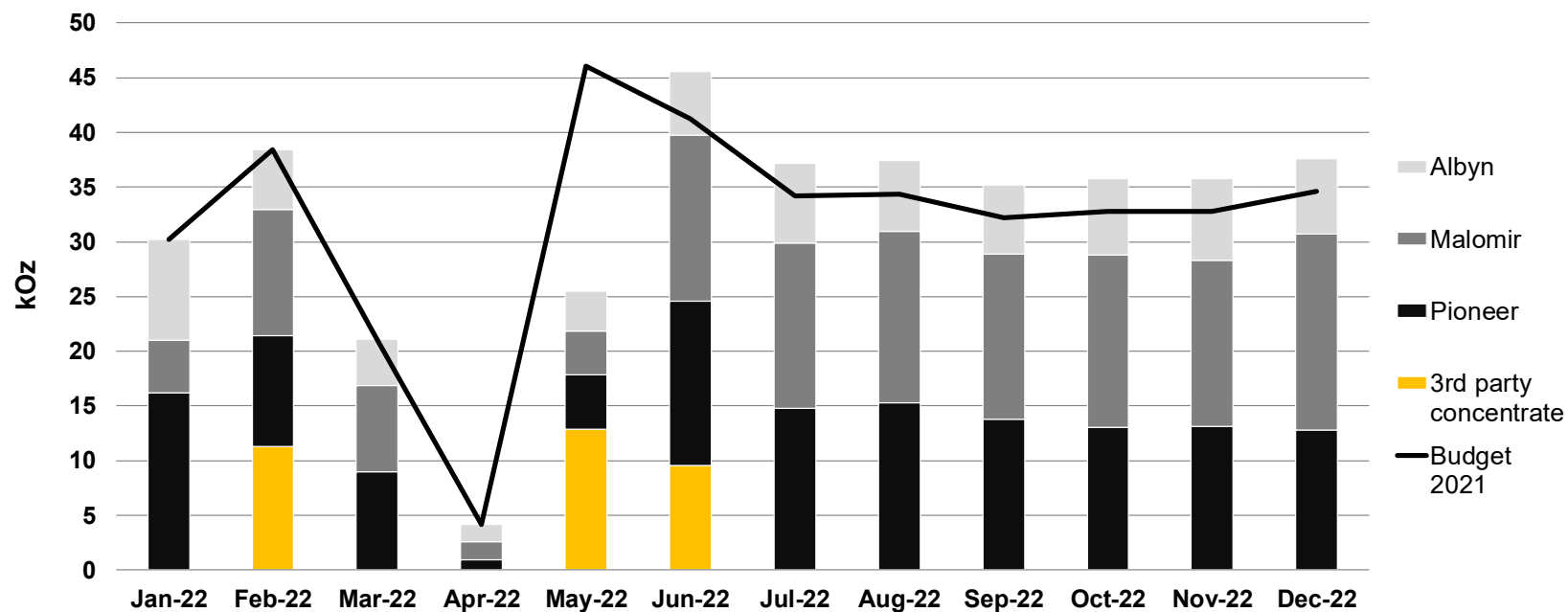
- The actual results are displayed against an updated budget. The latter includes actual results for 1Q 2022 and actual April 2022 sales.
- YTD mining volume was slightly below the plan with larger volumes of ore mined.
- The plan for third party concentrate remains low due to current limitations over gold export and the gold price discount, which render third-party gold unprofitable.
- A flat price has been adopted close to gold spot price.
- The change in YTD TCC is due to non-cash movements in bullion in progress – in the current pricing environment little gold was sold in April 2022.
- The change in YTD revenue relates to Irgiredmet April 2022 sales.

Key performance indicators (continued)

	Unit	2021	April 2022			April 2022 YTD			2022		
		Actual	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Forecast	Variance
Cash flow											
Net operating cash flow	\$m	77	(12)	(26)	(15)	29	14	(15)	112	67	(45)
Capex and capitalized stripping											
Development and other	\$m	108	12	8	(4)	34	29	(5)	116	124	8
Exploration	\$m	9	1	0	(1)	3	2	(1)	11	11	(0)
Total capex	\$m	117	13	9	(5)	37	31	(6)	127	134	7
Capitalized stripping	\$m	24	7	4	(3)	16	13	(3)	48	50	2
Grand total	\$m	141	20	12	(8)	53	45	(9)	175	184	9
Earnings											
EBITDA	\$m	260	4	8	4	65	68	4	196	153	(43)
Profit/(loss) for the period	\$m	1	(14)	12	26	(33)	(7)	26	(12)	(31)	(19)
EPS	\$	(0.00)	(0.00)	0.00	0.01	(0.01)	(0.00)	0.01	(0.00)	(0.01)	(0.00)
Group cash and liabilities											
Cash balance	\$m	25	40	40	0	40	40	0	1	(46)	(47)
Revolving credit line	\$m	47	-	21	21	87	87	0	87	87	0
Loans	\$m	199	-	201	201	199	200.56	1	504	505	1
Bonds	\$m	340	346	347	1	346	347	1	31	32	1
Net Debt	\$m	561	593	595	2	593	595	2	621	671	50
Gold sales advances payables	\$m	-	#3HA4!	-	#3HA4!	#3HA4!	-	#3HA4!	-	-	-
Net Debt/EBITDA	x	2.2x	2.1x	2.1x	(0.0)	2.1x	2.1x	(0.0)	3.2x	4.4x	1.2

- Annual CAPEX remains low due to deficit of funding
- Change in YTD net profit is attributable to reversal of deferred tax accruals that had been caused by USD/RUB exchange rate high volatility

Sales 2022



kOz	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Pioneer	16	10	9	1	5	15	15	15	14	13	13	13	139
refractory ore	11	6	6	1	3	10	10	11	9	9	9	9	94
non-refractory	5	5	3	0	2	5	5	5	4	4	4	4	45
Malomir	5	12	8	2	4	15	15	16	15	16	15	18	140
refractory ore	5	12	8	2	4	15	15	16	15	16	15	18	140
non-refractory	-	-	-	-	-	-	-	-	-	-	-	-	-
Albyn	9	5	4	2	4	6	7	6	6	7	8	7	72
Total (own ore)	30	27	21	4	13	36	37	37	35	36	36	38	350
3rd party concentrate	-	11	-	-	13	10	-	-	-	-	-	-	34
Total	30	38	21	4	25	46	37	37	35	36	36	38	384

Cash flow

\$m	2021 Actual	April 2022 YTD			2022		
		Budget	Actual	Variance	Budget	Forecast	Variance
Cash Flow from Operating activity							
Cash generated from operations before working capital changes	290	66	71	5	198	156	(42)
Working capital changes	(137)	(30)	(48)	(18)	(19)	(23)	(4)
Interest paid	(47)	(5)	(2)	3	(51)	(49)	3
Income tax / dividend tax	(44)	(3)	(9)	(6)	(19)	(21)	(3)
Guarantee fee	14	1	2	1	3	4	1
Total Cash Flow from Operating activity	77	29	14	(15)	112	67	(45)
Cash Flow from Investing activity							
Development & other	(108)	(33)	(29)	5	(116)	(124)	(8)
Exploration and evaluation assets	(9)	(3)	(2)	1	(11)	(11)	0
Capitalized stripping	(24)	(16)	(13)	3	(48)	(50)	(2)
Other investments and disposals, interest income	14	1	1	0	1	1	0
Total Cash Flow from Investing activity	(128)	(52)	(44)	8	(174)	(183)	(9)
Cash Flow from Financing activity							
Revolving credit line (received)	335	47	47	-	47	47	-
Revolving credit line (repaid)	(88)	(7)	(7)	-	(7)	(7)	-
Loans	-	-	-	-	304	304	-
Bonds (repaid)	(196)	(0)	(1)	(1)	(305)	(305)	-
Other	(11)	-	(0)	(0)	(0)	(0)	(0)
Total Cash Flow from Financing activity	41	40	39	(1)	39	39	(0)
Cash opening balance	35	25	25	-	25	25	-
Total Cash Flow change	(10)	17	10	(8)	(23)	(77)	(54)
Effect of exchange rates on cash and cash equivalents	0	(2)	5	7	(2)	5	7
Cash closing balance	25	41	40	(1)	1	(46)	(47)

- Annual CAPEX remains low due to deficit of funding

Working Capital analysis 2022

\$m		2022		
		Budget	Forecast	Variance
Cash Flow from Operating activity				
	Cash generated from operations before working capital changes	198	156	(42)
A	3rd party concentrate stockpile	33	25	(8)
B	GIC and BIP (3rd party)	7	(12)	(19)
	3rd party concentrate payables	(17)	(4)	14
C	Ore stockpiles	(54)	(69)	(16)
D	Other inventories, GIC etc.	(15)	11	26
	Trade and other receivables	11	6	(4)
	Trade and other payables	21	20	(1)
E	Interest paid	(51)	(49)	3
F	Income tax paid	(19)	(21)	(3)
	Guarantee fee (IRC)	3	4	1
Total Cash Flow from Operating activity		117	67	(50)

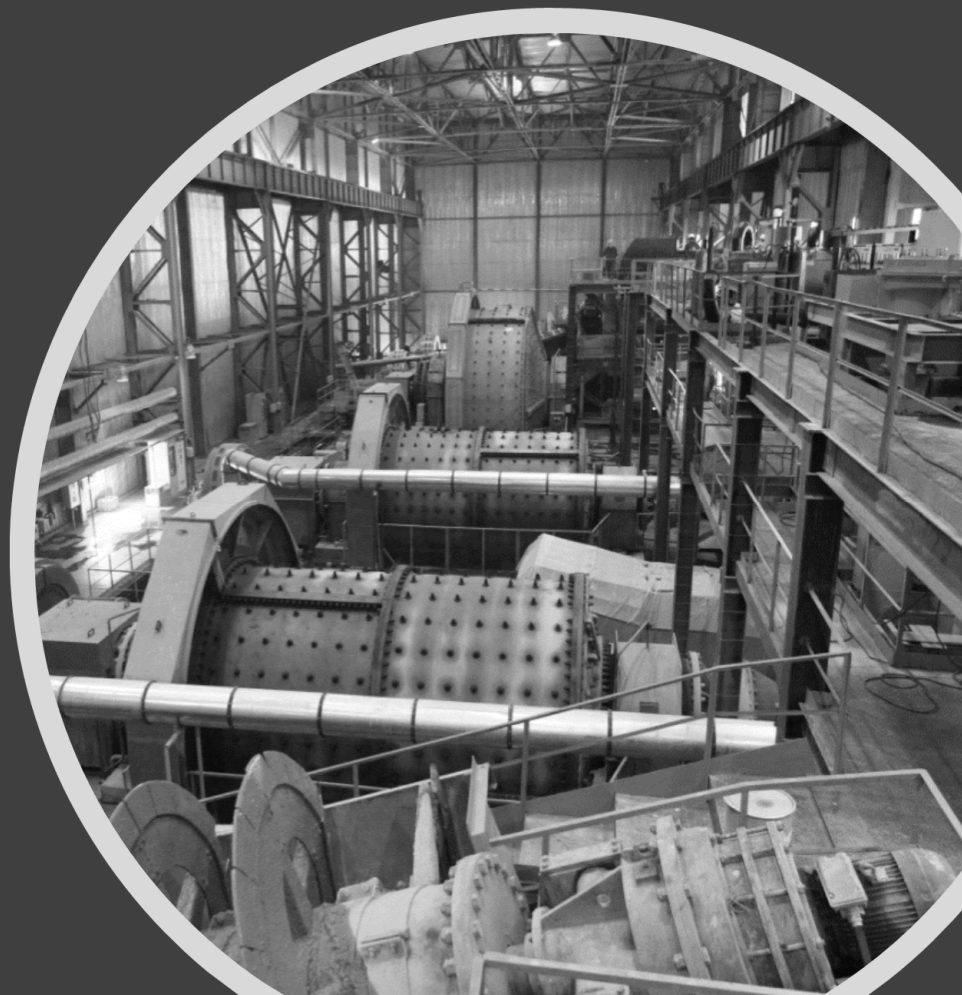
Profit & loss

\$m	2021 Actual	April 2022 YTD			2022		
		Budget	Actual	Variance	Budget	Forecast	Variance
Revenue							
Total revenue	821	186	197	11	701	707	6
Expenses							
Operating expenses	(474)	(107)	(113)	(6)	(453)	(498)	(45)
Depreciation and amortisation	(201)	(55)	(59)	(4)	(148)	(153)	(5)
Central Administration	(64)	(14)	(15)	(1)	(51)	(55)	(4)
Reversal/(impairment) of PPE, ore, GIC etc	(34)	(8)	(9)	(1)	(8)	(9)	(1)
Foreign exchange gains/(losses)	(2)	2	1	(0)	2	1	(0)
Total expenses	(775)	(183)	(195)	(12)	(659)	(714)	(55)
Operating profit/(loss)	46	3	2	(2)	42	(8)	(49)
%	6%	2%	1%		6%	-1%	
Loss from the disposal of associate and Group held for sale	(27)	-	-	-	-	-	-
Investment income	6	0	1	0	0	1	0
Interest expense	(46)	(14)	(13)	2	(55)	(53)	2
Other finance gains/(losses)	45	2	2	(0)	41	41	(0)
Profit/(loss) before tax	24	(8)	(8)	0	29	(19)	(48)
Income tax / dividend tax*	(23)	(25)	0	25	(41)	(12)	28
Profit/(loss) for the period	1	(33)	(7)	26	(12)	(31)	(19)
EBITDA (excl. IRC)	260	65	68	4	196	153	(43)
%	32%	35%	35%	0%	28%	22%	-6%

a. Revenue and operating expenses increased because of Irgiredmet sales in April 2022.

* Accrued income tax includes both current and deferred tax, the latter making up major difference with the budget.

Appendix



Appendix 1 - Cash flow (monthly breakdown)

\$m	Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Forecast	Jun Forecast	6m2022 Forecast	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	2022 Forecast
Cash Flow from Operating activity														
Cash generated from operations before working capital changes	19	26	17	9	9	6	87	16	16	13	10	9	4	156
Working capital changes	(16)	(10)	9	(30)	31	13	(4)	(16)	14	(17)	(12)	20	(7)	(23)
<i>incl. advances received</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>incl. trade payables settled</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	(1)	(1)	(1)	1	(15)	(3)	(20)	(2)	(2)	(3)	(2)	(15)	(3)	(49)
Income tax paid	(3)	(3)	5	(7)	(2)	(1)	(12)	(1)	(1)	(1)	(1)	(2)	(1)	(21)
Guarantee fee	-	1	-	1	2	-	4	-	-	-	-	-	-	4
Total Cash Flow from Operating activity	(1)	12	30	(26)	25	14	53	(4)	26	(8)	(6)	12	(7)	67
Cash Flow from Investing activity														
Development & other	(1)	(14)	(5)	(8)	(17)	(12)	(58)	(20)	(13)	(11)	(10)	(6)	(6)	(124)
Exploration and evaluation assets	(1)	(1)	(0)	(0)	(1)	(1)	(4)	(1)	(1)	(1)	(1)	(1)	(1)	(11)
Capitalized stripping	(2)	(5)	(3)	(4)	(8)	(8)	(29)	(5)	(3)	(3)	(4)	(3)	(4)	(50)
Other investments and disposals, interest income	0	0	0	0	-	-	1	-	-	-	-	-	-	1
Total Cash Flow from Investing activity	(4)	(20)	(8)	(12)	(25)	(21)	(90)	(26)	(17)	(15)	(14)	(11)	(10)	(183)
Cash Flow from Financing activity														
Revolving credit line (received)	23	17	7	-	-	-	47	-	-	-	-	-	-	47
Revolving credit line (repaid)	-	-	(7)	-	-	-	(7)	-	-	-	-	-	-	(7)
Hedging	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	304	-	304
Bonds (received)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds (repaid)	-	-	(1)	-	-	-	(1)	-	-	-	-	(304)	-	(305)
Other	(0)	(0)	(0)	(0)	-	-	(0)	-	-	-	-	-	-	(0)
Total Cash Flow from Financing activity	23	17	(1)	(0)	-	-	39	-	-	-	-	-	-	39
Cash Opening Balance	25	44	51	72	40	40	25	33	3	12	(10)	(30)	(29)	25
Total Cash Flow change	18	10	20	(39)	(0)	(7)	2	(30)	9	(23)	(20)	1	(17)	(77)
equivalents		(2)	(0)	7	-	-	5	-	-	-	-	-	-	5
Cash Closing Balance	44	51	72	40	40	33	33	3	12	(10)	(30)	(29)	(46)	(46)

Appendix 2 – Profit&loss (monthly breakdown)

\$m	Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Forecast	Jun Forecast	6m2022 Forecast	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	2022 Forecast
Revenue														
Revenue	57	77	43	19	49	74	320	65	66	62	63	63	67	707
Total revenue	57	77	43	19	49	74	320	65	66	62	63	63	67	707
Expenses														
Operating expenses	(34)	(50)	(24)	(5)	(35)	(64)	(211)	(44)	(45)	(44)	(49)	(50)	(56)	(498)
Depreciation and amortisation	(12)	(15)	(17)	(16)	(12)	(12)	(83)	(12)	(12)	(12)	(12)	(12)	(12)	(153)
Central Administration	(4)	(2)	(3)	(6)	(5)	(5)	(25)	(5)	(5)	(5)	(5)	(4)	(6)	(55)
Reversal/(impairment) of PPE, ore, GIC and other	-	0	(8)	(1)	-	-	(9)	-	-	-	-	-	-	(9)
Foreign exchange gains/(losses)	-	5	(3)	(0)	-	-	1	-	-	-	-	-	-	1
Other (expense)/income	-	-	-	-	-	-	-	-	-	-	0	0	0	0
Total expenses	(50)	(62)	(54)	(28)	(52)	(80)	(327)	(61)	(61)	(60)	(65)	(65)	(74)	(714)
Operating profit/ (loss)	7	16	(12)	(9)	(2)	(6)	(7)	5	5	2	(2)	(2)	(8)	(8)
%	12%	20%	-28%	-46%	-5%	-8%	-2%	7%	7%	3%	-3%	-4%	-11%	-1%
Share of associates' profit/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	-	0	0	0	-	-	1	-	-	-	-	-	-	1
Interest expense	(3)	(3)	(3)	(3)	(5)	(5)	(22)	(5)	(5)	(5)	(5)	(6)	(5)	(53)
Other finance gains/(losses)	-	0	2	(0)	-	39	41	-	-	-	-	-	-	41
Profit/(loss) before tax	4	13	(12)	(12)	(7)	28	13	(0)	(0)	(3)	(7)	(8)	(13)	(19)
Income tax / dividend tax	(3)	(24)	4	24	(2)	(1)	(3)	(1)	(1)	(1)	(1)	(2)	(1)	(12)
Profit/(Loss) for the period	0	(11)	(8)	12	(10)	26	9	(1)	(2)	(4)	(8)	(11)	(14)	(31)
EBITDA (excl. IRC)	19	25	16	8	9	6	83	16	16	13	10	9	4	153
%	33%	33%	38%	41%	19%	8%	26%	25%	25%	22%	16%	15%	7%	22%

Appendix 3 – CAPEX (monthly breakdown)

\$m	Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Forecast	Jun Forecast	6m2022 Forecast	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	2022 Forecast
Sustaining and development														
Pioneer	0.1	2.9	(0.6)	0.4	6.4	1.4	10.6	6.1	2.0	3.2	2.2	1.1	0.8	26.0
POX	0.0	0.2	0.1	0.2	0.6	0.6	1.9	0.7	0.6	0.3	0.2	0.1	0.1	3.8
Malomir	1.7	0.6	(0.7)	0.3	1.2	1.2	4.3	0.8	3.8	1.3	0.2	0.2	0.2	10.9
Albyn	0.0	4.0	1.7	2.1	2.7	2.7	13.1	2.8	1.2	1.4	0.3	0.3	0.4	19.7
Other	-	1.1	0.5	0.3	0.6	0.6	3.1	2.3	1.4	0.3	0.3	0.6	0.4	8.4
Subtotal	1.8	8.8	1.1	3.3	11.6	6.5	33.0	12.7	8.9	6.5	3.2	2.3	2.0	68.7
Strategic														
Flotation (Malomir)	-	3.3	2.0	2.9	4.9	5.1	18.2	3.6	3.6	3.6	3.5	3.5	3.5	39.5
Flotation (Pioneer)	-	1.4	2.3	1.8	-	-	5.5	3.1	-	-	2.3	-	-	10.9
Transformation	-	-	-	-	0.5	0.5	1.1	0.5	0.5	0.5	0.5	0.5	0.5	4.2
Road (Elga)	-	-	0.1	0.2	(0.0)	-	0.3	-	-	-	-	-	-	0.3
Subtotal	-	4.8	4.4	4.9	5.4	5.6	25.0	7.2	4.1	4.1	6.3	4.0	4.0	54.9
Exploration														
Pokrovskiy rudnik	-	0.0	-	-	-	-	0.0	-	-	-	-	-	-	0.0
Malomir	0.1	0.5	0.2	0.1	0.1	0.1	1.1	0.1	0.1	0.1	0.1	0.1	0.1	1.5
Albyn	0.1	0.7	(0.0)	0.2	0.1	0.1	1.2	0.1	0.1	0.1	0.1	0.1	0.1	1.9
Other	-	0.2	0.1	0.1	0.6	0.8	1.8	1.0	1.0	0.9	1.0	0.9	0.6	7.2
Subtotal	0.1	1.5	0.2	0.5	0.8	1.0	4.2	1.2	1.2	1.1	1.1	1.1	0.8	10.6
TOTAL	1.9	15.0	5.7	8.6	17.8	13.1	62.2	21.1	14.2	11.8	10.7	7.5	6.8	134.2



Thank you!

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Press release

UK sanctions Russian gold exports

New exports of Russian gold will no longer be allowed to enter the UK, Canada, US and Japan thanks to tough new measures to be announced at the G7 Summit.

From:

[Prime Minister's Office, 10 Downing Street \(/government/organisations/prime-ministers-office-10-downing-street\)](/government/organisations/prime-ministers-office-10-downing-street) and [The Rt Hon Boris Johnson MP \(/government/people/boris-johnson\)](/government/people/boris-johnson)

Published

26 June 2022



- UK, US, Japan and Canada will lead G7 to ban import of Russian gold, the country's biggest non-energy export
- UK import restrictions now apply to over £13.5 billion of Russian exports
- Comprehensive sanctions package a demonstration of international unity and resolve as leaders gather in Bavaria for the G7 Summit

New exports of Russian gold will no longer be allowed to enter the UK, Canada, US and Japan thanks to tough new measures to be announced at the G7 Summit starting today [Sunday 26th June] designed to ratchet up the pressure on Putin's war machine.

Gold is a major Russian export, worth £12.6 billion to the Russian economy in 2021. Its value to the Russian elite has also increased in recent months with oligarchs rushing to buy gold bullion in an attempt to avoid the financial impact of western sanctions. London is a major global gold trading hub and UK sanctions, which will be the first of their kind to be implemented against Russia anywhere in the world, will have a huge impact on Putin's ability to raise funds.

Given's London central role in the international gold trade and parallel US, Japanese and Canadian action, this measure will have global reach, shutting the commodity out of formal international markets. At the G7, the Prime Minister will urge other leaders to join us to further isolate Russia from the international financial system.

UK import restrictions now apply to over £13.5 billion worth of Russian exports. The UK has also sanctioned more than 1,000 individuals and more than 100 entities since Putin's invasion of Ukraine.

The Prime Minister said:

"The measures we have announced today will directly hit Russian oligarchs and strike at the heart of Putin's war machine.

"Putin is squandering his dwindling resources on this pointless and barbaric war. He is bankrolling his ego at the expense of both the Ukrainian and Russian people.

"We need to starve the Putin regime of its funding. The UK and our allies are doing just that."

Chancellor Rishi Sunak said:

"With this import ban on new Russian-origin gold, over £13.5bn of our imports from Russia will be covered by restrictions. Given London's role at the heart of the global gold trade, this shows the UK will take tough steps to stop the Russian war machine.

"I am pleased that following discussions with others in the G7 Finance Track, the US, Canada and Japan will be joining us in imposing this measure, shutting down avenues for Russian gold sales and maximising the impact that we can have on Putin and his cronies."

The measures announced today build on the action taken by the London Bullion Market on 7th March to suspend six Russian refineries.

The gold import ban, which will come into force shortly, will apply to newly mined or refined gold. It does not impact Russian-origin gold previously exported from Russia. There are no plans to extend restrictions to Russian gold purchased legitimately before the import ban was put in place.

Published 26 June 2022

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- [Russia sanctions: guidance \(/government/publications/russia-sanctions-guidance\)](/government/publications/russia-sanctions-guidance)
- [NATO Public Forum session on NATO in an era of great power competition: Foreign Secretary's remarks \(/government/speeches/nato-public-forum-panel-session-nato-in-an-era-of-great-power-competition\)](/government/speeches/nato-public-forum-panel-session-nato-in-an-era-of-great-power-competition)
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PRESS RELEASE

27 June 2022

Petropavlovsk PLC

Moscow Exchange Listing Level Re-classification

Petropavlovsk PLC ("Petropavlovsk" or the "Company" and, together with its subsidiaries, the "Group"), today received notification from the Moscow Exchange ("MoEx") that commencing 28 June 2022, the Company's MoEx listing will be re-classified from level 1 to level 3.

It is usual practice for MoEx shares listed by a non-domestic issuer to be assigned to one of three different levels, with companies included as part of level 3 considered as satisfying only basic listing requirements. As a result of the re-classification, only qualified retail investors will be permitted to purchase Petropavlovsk's shares on MoEx, while pension funds will be forbidden from purchasing the Company's shares.

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.8.8Moz 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 or contact:

Petropavlovsk PLC
John Mann / Max Zaltsman

+44 (0) 20 7201 8900
TeamIR@petropavlovskplc.com

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.

From: Nataliya A Matyunina <Natalia.Matyunina@gazprombank.ru>

Sent: Tuesday, June 28, 2022 3:33 pm

To: 'Mikhail Irzhevsky' <irzhevsky@gmail.com>

Cc: Michelle Duncan <MDuncan@jha.com>

Subject: RE: [External Email] Petropavlovsk PLC

Dear Mr. Irzhevsky,

I'm writing on behalf of Gazprombank (Joint Stock Company) ("GPB").

In response to your letter below please be informed of the following:

We refer to:

The Committed Term Facility Agreement dated 28 July 2021 between Petropavlovsk Plc ("Petropavlovsk") (as Borrower) and GPB (as Arranger, Original Lender and Agent) relating to a committed US\$ 200,000,000 term loan facility (the "Term Loan") and the relevant Assignment Agreement as of 19 April 2022 by which GPB has assigned its rights under the Term Loan to JSC "UMMC-INVEST" ("Assignment 1"); and

The Facility Agreement No. 133/21-R dated 10 November 2021 between Albynsky Rudnik LLC (as Borrower) and GPB (as Lender); the Facility Agreement No. 134/21-R dated 10 November 2021 between Malomyrsky Rudnik LLC (as Borrower) and GPB (as Lender); the Facility Agreement No. 39/21-R dated 21 April 2021 and the Facility Agreement No. 132/21-R dated 10 November 2021 between Pokrovsky Rudnik JSC (as Borrower) and GPB (as Lender)

(together, the "Facilities") and the relevant Assignment Agreements No. 1, 2, 3 as of 12 May 2022 by which GPB has assigned its rights under the Facilities to LLC "Nordic" ("Assignment 2")

We hereby confirm to you the following:

1). GPB no longer holds any rights under either the Term Loan or the Facilities, and that no further consideration (including contingent consideration) is or might become due to GPB from any party as a result of the Assignment 1 or Assignment 2.

2) GPB does not currently hold, and has no interest in, any debt or other security relating to Petropavlovsk or other members of its corporate group.

Best regards,

Natalia Matyunina

From: Mikhail Irzhevsky <irzhevsky@gmail.com>
Sent: Monday, June 27, 2022 9:00 AM
To: Матюнина Наталия Анатольевна <Natalia.Matyunina@gazprombank.ru>; Michelle Duncan <mduncan@jha.com>
Subject: [External Email] Petropavlovsk PLC

Dear Ms. Matyunina,

I am writing to you on behalf of Petropavlovsk PLC ("**Petropavlovsk**").

We refer to:

The Committed Term Facility Agreement dated 28 July 2021 between Petropavlovsk (as Borrower) and Bank GBP (JSC) ("**GBP**") (as Arranger, Original Lender and Agent) relating to a committed US\$ 200,000,000 term loan facility (the "**Term Loan**"); and

The Facility Agreement No. 133/21-R dated 10 November 2021 between Albynsky Rudnik LLC (as Borrower) and GPB (as Lender); the Facility Agreement No. 134/21-R dated 10 November 2021 between Malomyrsky Rudnik LLC (as Borrower) and GPB (as Lender); the Facility Agreement No. 39/21-R dated 21 April 2021 and the Facility Agreement No. 132/21-R dated 10 November 2021 between Pokrovsky Rudnik JSC (as Borrower) and GPB (as Lender) (together, the "**Facilities**").

By a letter dated 19 April 2022 from JSC UMMC-Invest ("**UMMC**"), UMMC informed us that GPB had assigned all its rights under the Term Loan to UMMC. By a letter dated 12 May 2022, Nordic LLC ("**Nordic**") informed us that GPB had assigned all its rights under the Facilities to Nordic.

We should be grateful for GPB's confirmation that:

GPB no longer holds any rights under either the Term Loan or the Facilities, and that no further consideration (including contingent consideration) is or might become due to GPB from any party as a result of the assignments referred to above.

GPB does not currently hold, and has no interest in, any debt or other security relating to Petropavlovsk or other members of its corporate group.

Best regards,

Mikhail Irzhevsky

Independent board member of Petropavlovsk PLC

JOSEPH HAGE AARONSON LLP

Joseph Hage Aaronson LLP
280 High Holborn
London WC1V 7EE

+44 (0)20 7851 8888

29 June 2022

Office of Financial Sanctions Implementation
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

By email [ofsi@hmtreasury.gov.uk] and courier

CONFIDENTIAL

Dear Sir or Madam

Introduction

- 1 We are instructed on behalf of the majority of the directors of the Company ("**Applicants**") of Petropavlovsk Plc ("**Company**") and Trevor Binyon, Allister Manson and Jo Rolls of Opus Restructuring LLP ("**Proposed Administrators**") in respect of:
 - 1.1 an application to the High Court which is intended to be issued shortly on behalf of the Applicants for an administration order in respect of the Company and the appointment of the Proposed Administrators as administrators ("**Administration Application**");
 - 1.2 an intended application by the Proposed Administrators (to be formally issued following their appointment as administrators) for directions under paragraph 63 of Schedule B1 to the Insolvency Act 1986 ("**Paragraph 63**"), which it is proposed should be considered by the Court at the same time as the Administration Application ("**Directions Application**"); and
 - 1.3 the intended pre-packaged sale by the Proposed Administrators (if and when appointed, and subject to the outcome of the Directions Application) of the Company's operating subsidiaries to UMMC-INVEST (JSC) ("**UMMC-INVEST**") on the terms of a draft sale and purchase agreement which has been negotiated with UMMC-INVEST ("**SPA**") (or substantially on those terms) as described in more detail below ("**Proposed Transaction**").
- 2 The primary purpose of this letter is to bring certain aspects of the Proposed Transaction to your attention in the context of the Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) ("**Regulations**"¹).
- 3 For the avoidance of doubt, neither the Applicants nor the Proposed Administrators consider that an OFSI licence ("**Licence**") pursuant to regulation 64 is needed for the Proposed Transaction to proceed. In particular, we would point out that the Proposed Transaction does not involve any

¹ References below to statutory material are to the corresponding provisions of the Regulations unless otherwise stated.

dealing with funds or economic resources for the benefit of a designated person. As explained in more detail below, however, a small number of discrete sanctions-related issues have been identified as arising in relation to aspects of the Proposed Transaction, and the further steps that will be necessary in the course of the conduct of the administration after the Proposed Transaction has been concluded. In the circumstances, and erring on the side of caution, the Applicants and the Proposed Administrators consider that the main features of the Proposed Transaction, and those specific issues, ought to be brought to your attention in advance of the Proposed Transaction taking place.

- 4 Whilst neither the Applicants nor the Proposed Administrators consider that a Licence is required, if you are of a different view then we would welcome the opportunity to discuss this with you as a matter of urgency. It goes without saying that the Applicants and the Proposed Administrators would wish to comply with any applicable requirements under the Regulations. At all events, the Proposed Administrators intend to seek confirmation from the Court, pursuant to the Directions Application, that the Proposed Transaction does not involve any contravention of the Regulations. They also reserve the right, if appointed as administrators, to seek further directions from the Court under Paragraph 63 as appropriate.
- 5 The remainder of this letter addresses the following matters:
 - 5.1 The background to the Administration Application and the Proposed Transaction.
 - 5.2 Overview of the Company and the Group.
 - 5.3 The terms of the Proposed Transaction.
 - 5.4 The potential relevance of UK sanctions to the Proposed Transaction.
 - 5.5 Conclusion.

The background to the Administration Application and the Proposed Transaction

- 6 The Company is the parent company of a group of gold mining and exploration companies operating in the far east of Russia (the Company and its subsidiaries are referred to collectively as the “**Group**”). As a result of international sanctions and other restrictions relating to Russia’s invasion of Ukraine earlier this year, the Group’s ability to operate its business has been seriously impaired and the Company is now unable to pay its debts as they fall due. More particularly this is because, in summary:
 - 6.1 Until recently, the Company’s main lender was Bank GPB (JSC) (“**GPB**”), one of Russia’s largest commercial banks. GPB provided a US\$ 200 million term loan to the Company (“**Term Loan**”) and credit facilities of c. US\$ 86.7 million to certain of the Company’s subsidiaries in Russia (“**Facilities**”). The Company also had a significant commercial relationship with GPB and its subsidiaries, who were major buyers of the gold produced by the Group.
 - 6.2 On 24 March 2022 the UK government announced the imposition of 65 new sanctions targeting strategic industries, banks and business elites. GPB was one of six Russian banks which became subject to asset-freezing measures under the Regulations.
 - 6.3 As a result, the Company and its subsidiaries were unable to make payments to GPB and so defaulted on the Term Loan and the Facilities, which were in turn accelerated by GPB on 18 April 2022. The Group was also unable to sell gold to GPB (with which it had a contractual relationship of exclusivity).

- 6.4 In addition, the Company is the guarantor of a US\$ 500 million note due in November 2022 (“**Notes**”) and US\$ 125 million in convertible bonds due in 2024 (“**Bonds**”) issued by one of its subsidiaries. Default under the Term Loan and Facilities triggered cross-defaults under the terms of those instruments.
- 6.5 During the course of April and May 2022 GPB assigned the Term Loan and the Facilities to unrelated third parties which are not sanctioned persons (and to which the Group could therefore, at least theoretically, make payments). Consequently, the Group has no current financial or commercial connection with any entity which is a designated person under the Regulations. However, ongoing sanctions and banking restrictions (as well as a general reluctance on the part of Western financial institutions to accept Russia-related business) have made it difficult for the Company’s Russian subsidiaries to move funds to the Company to enable the Company to service its debts, such that it remains practically unable to meet its obligations to its creditors.
- 7 Once the impact of the UK sanctions regime on the Company’s business and financial position started to become apparent in late February 2022, the Company sought to refinance its debt but this proved impossible. Consequently, from late March 2022 the Company began to explore a possible sale of its subsidiaries.
- 8 Following a marketing process and receipt of competitive bids, the Company and the Proposed Administrators have negotiated the terms of a sale of the Company’s operating subsidiaries to UMMC-INVEST. UMMC-INVEST is one of the investment arms of the UMMC Group, and a major producer in Russia of copper, zinc, and precious metals and of coal. UMMC-INVEST had already expressed an interest in purchasing the Company or its business in late 2021/early 2022 but negotiations were interrupted by Russia’s invasion of Ukraine in February 2022. Following the Company’s default under the Term Loan, UMMC-INVEST purchased that debt from GPB as part of what is understood to be a “loan to own” strategy (in which, to be clear, the Company had no involvement and of which it had no prior knowledge). It is further understood that UMMC-INVEST will be purchasing Notes in the market.
- 9 The main terms of the Proposed Transaction are outlined below. In essence, it is hoped that the consideration which it is envisaged that the Company will receive will enable it to meet its obligations to creditors in full although without there being any surplus for shareholders. Given the difficult circumstances in which the Company now finds itself and the continuing deterioration of its business and financial position, this is considered to be a better outcome than would be achieved if the Company were to be put into liquidation. The Applicants are therefore seeking to put the Company into administration so that the Proposed Administrators, once appointed, can enter into the Proposed Transaction.

Overview of the Company and the Group

- 10 The Company is incorporated and registered in England and Wales with company registration no. 04343841. Its registered office is 11 Grosvenor Place, Belgravia, London SW1X 7HH, which is also its main administrative headquarters.
- 11 The Company is listed on the premium listing segment of the Official List of the Financial Conduct Authority (“**FCA**”) and admitted to trading on the main market for listed securities of the London Stock Exchange (“**LSE**”). Until a dramatic fall in its share price in March 2022 following the invasion of Ukraine, the Company was also a constituent of the FTSE 250, FTSE 350 and FTSE All Share indices. The Company was removed from all FTSE indices with effect from 21 March 2022. The Company also has a secondary listing on the Moscow Stock Exchange (“**MOEX**”).

- 12 The Company has numerous subsidiaries. We attach a structure chart for the Group as at 28 April 2022. Its operating subsidiaries are based near its assets in Russia. Previously, almost all the gold produced by the Group was sold in Russia.
- 13 As a result of its premium listing on the Official List of the FCA, the Company is subject to, among other things, ongoing obligations under the Listing Rules, the Disclosure Rules and Transparency Guidance issued by the FCA.
- 14 As regards the Company's creditor profile, it has the following financial debts, all of which are unsecured.

(i) The Term Loan

- 15 As mentioned above, the Company is the borrower in respect of the Term Loan, a US\$ 200 million committed term loan facility, in respect of which the original lender was GPB. The Term Loan is guaranteed by four of the Company's key operating subsidiaries. There are payments due of (i) US\$ 66 million on 31 December 2022; (ii) US\$ 66 million on 31 March 2023; and (iii) US\$ 68 million on 30 June 2023. Interest is payable on the 25th of each month. The Term Loan is governed by English law, with disputes to be referred to arbitration in Hong Kong.
- 16 On 25 March 2022, an interest payment of US\$ 560,000 became due under the Term Loan. As GPB was subject to UK financial sanctions the Company could not make this payment. In consequence, on 18 April 2022 GPB gave notice to accelerate the Term Loan. On 19 April 2022, GPB gave further notice that it had assigned its rights in respect of the Term Loan to UMMC-INVEST ("**UMMC-INVEST Assignment**"). Further interest payments under the Term Loan have since fallen due which are also unpaid.
- 17 The Company had no involvement in or prior knowledge of the UMMC-INVEST Assignment, but understands from subsequent discussions with UMMC-INVEST that:
- 17.1 After the Company announced on 25 March 2022 that it was unable to service its debt to GPB due to UK sanctions, UMMC-INVEST (which, as noted above, had already started exploring an acquisition of the Company or its assets some months before) approached GPB with a view to purchasing the Term Loan. UMMC-INVEST wanted to acquire the Company's debt with a view to converting that debt to equity (a "loan to own" strategy, as referred to above). GPB was, as UMMC-INVEST understood it, motivated to sell the Term Loan because it recognised that the Company was prevented by the Regulations from making ongoing interest payments or repaying the principal, and so hoped thereby to realise some value rather than keeping a bad debt on its books or having to take steps to enforce against the Company and/or its subsidiaries.
- 17.2 The consideration paid by UMMC-INVEST to GPB for the assignment was the face value of the debt without any discount. This has been paid in full and no further sums are due to GPB. There are no provisions that would allow the assignment of the Term Loan to be unwound.

(ii) The Facilities

- 18 Separately from the Term Loan, as mentioned above GPB also made the Facilities (c. US\$ 86.7 million in credit facilities) available to certain of the Company's subsidiaries in Russia. The Facilities are not a liability of the Company but are nonetheless relevant to the marketing of the Company's subsidiaries, because any sale would be subject to the subsidiaries' liabilities in respect of the

Facilities.

- 19 On 18 April 2022, GPB gave notice to accelerate the Facilities (as referred to in more detail below). On 12 May 2022, GPB notified the relevant subsidiaries that it had assigned the Facilities to Nordic LLC ("**Nordic**") which is understood to be an investor in distressed debt ("**Nordic Assignment**"). It is assumed that Nordic became aware of the Company's difficulties from public sources.

(iii) The Notes

- 20 In addition, the Company is a guarantor in respect of a US\$ 500 million note (of which c. US\$ 304 million remains outstanding) due 14 November 2022 and issued by one of the Company's Jersey subsidiaries, Petropavlovsk 2016 Limited ("**Notes**", as defined above). The Notes are further guaranteed by three of the Company's key operating subsidiaries in Russia. Interest is payable semi-annually on 14 May and 14 November of each year. The Notes are listed on the GEM in the Republic of Ireland. Approximately 40% of the Notes are held by Western (non-Russian) entities.
- 21 An interest payment of approximately US\$ 12.36 million was due on the Notes on 14 May 2022. As discussed further below, the Company was unable to make this payment because the Group does not have sufficient funds available and because the acceleration of the Term Loan means that the Company cannot pay all of its due debts.

(iv) The Bonds

- 22 The Company is also the guarantor in respect of US\$ 125 million convertible bonds (of which c. US\$ 32 million plus interest remains outstanding) due in 2024, issued by one of the Company's Jersey subsidiaries, Petropavlovsk 2010 Limited ("**Bonds**", as defined above). Interest is payable quarterly on 3 January, 3 April, 3 July and 3 October. (The Company will take appropriate steps to ensure that the interest which falls due imminently, on 3 July 2022, is not paid.) The Bonds are listed on the Official List of the LSE. They are currently held by two Western (non-Russian) hedge funds.
- 23 An interest payment of approximately US\$ 688,000 in respect of the Bonds fell due on 3 April 2022. Although the directors of the Company had given instructions that this payment should not be made in light of the Company's financial position, the payment was processed on 31 March 2022 due to an internal administrative error.

(v) Cross-default

- 24 The acceleration of the Facilities and/or the Term Loan caused a cross-default under the terms of the Notes and the Bonds. Accordingly, on 21 April 2022 the Company sent event of default notices to the Trustee for the Notes (Citibank, N.A., London Branch ("**Citi**")) and the Trustee for the Bonds (Apex Corporate Trustees (UK) Limited ("**Apex**")).
- 25 Apex and Citi emailed the Company to confirm receipt of the event of default notices on 26 and 27 April 2022 respectively. Apex has since confirmed that it has notified the holders of the Bonds. On 15 May 2022, the Company also gave notice of the events of default to the holders of the Notes.

(vi) Intragroup arrangements

- 26 There are also a number of intragroup arrangements entered into for treasury purposes, in which the Company acts as both a lender and a borrower. As at 31 March 2022 the Company had aggregate claims against subsidiaries of approximately US\$ 1,392.32 million (total principal and accrued interest) and aggregate liabilities to subsidiaries of approximately US\$ 1,409.38 million (total principal and accrued interest).

The terms of the Proposed Transaction

- 27 In summary, the UMMC-INVEST offer is of an amount estimated to be sufficient to pay all creditors in full, subject to a limit of US\$ 675 million, with any balance to be returned to UMMC-INVEST. The overall structure of the Proposed Transaction is that on completion:
- 27.1 UMMC-INVEST will, in exchange for the Company's shares in certain of its subsidiaries, provide:
- 27.1.1 cash consideration of c. US\$ 375 million less the value of any Notes which it may hold (as discussed further below);
- 27.1.2 consideration of US\$ 206 million, being equal to the amount outstanding on the Term Loan from time to time, to be discharged by way of set-off or similar against UMMC-INVEST's claims under the Term Loan (which is to be subordinated to all other creditors pending the set-off);
- 27.1.3 an additional sum of up to c. US\$ 20 million to fund the remuneration and expenses of the administration and to meet the estimated amount of additional identified contingent and uncertain liabilities, with any residual funds not expended in meeting these obligations being returned to UMMC-INVEST; and
- 27.1.4 contingency funding of US\$ 4 million for the purpose of funding the defence of any challenges brought in relation to the Proposed Transaction, with any residual funds being returned to UMMC-INVEST; and
- 27.2 UMMC-INVEST will transfer such Notes as it may have purchased to the Company for cancellation, subject to an assessment of whether it is appropriate for the Company to accept Notes in this manner, as discussed in more detail below.
- 28 If and when an administration order has been made, it is intended that the Company's shares and the Bonds will be delisted from the LSE and the Notes will be delisted from the GEM (if the listing on the GEM is not automatically suspended or cancelled as a result of the Company's administration) before the Proposed Transaction is entered into, since they will be paid in full following completion of the Proposed Transaction.

The potential relevance of UK sanctions to the Proposed Transaction

- 29 Careful consideration has been given to whether any aspect of the Proposed Transaction could give rise to a breach of the Regulations such that a Licence would be required for the Proposed Transaction lawfully to proceed. In particular, the Applicants and the Proposed Administrators have considered whether there could be any breach of the Regulations by reason of:
- 29.1 the Company's past relationship with GPB (which, as mentioned above, has been subject to asset-freezing measures under the Regulations since 24 March 2022), the UMMC-INVEST Assignment and/or the Nordic Assignment ("**GPB Sanctions Issue**");
- 29.2 the provisions of the Regulations prohibiting the export of luxury goods to Russia, bearing in mind that certain of the Company's subsidiaries produce and sell products which contain gold ("**Export of Luxury Goods Sanctions Issue**");
- 29.3 the fact that a minority (indirect) shareholder in UMMC-INVEST, Mr Andrei Bokarev, has since 13 April 2022 been a designated person under the Regulations ("**Bokarev Sanctions**").

Issue”); and/or

29.4 certain matters relating to the current ownership, and potential acquisition by UMMC-INVEST, of the Notes (“**Notes Sanctions Issue**”).

30 Having undertaken a careful and rigorous analysis of these matters, the Applicants and the Proposed Administrators have concluded that none of them involves any breach of the Regulations for the reasons outlined below.

31 Before dealing briefly with each of those matters in turn, we observe that the SPA contains various provisions which are designed to eliminate any risk that the Proposed Transaction could give rise to any breach of the Regulations. In particular:

31.1 By clause 16.7, UMMC-INVEST as Buyer warrants that “no Sanctioned Person exists in the Buyer’s Group save for any Disclosed Sanctioned Person” (those terms being defined in clause 1.1 of the SPA²) and that “the Buyer shall use its best endeavours and shall take all possible steps to ensure that, as result of the sale of the Shares, no funds or economic resources will be made available, directly or indirectly, to or for the benefit of any Sanctioned Person in the Buyer’s Group, for the duration of the period in which they remain a Sanctioned Person, including, without limitation, by preventing the payment of any sums where such payment (directly or indirectly) would be in breach of Sanctions (if the Buyer were required, as a matter of law, to comply with such Sanctions)”.

31.2 Clause 28.1 of the SPA permits the Seller (i.e. the Company) and the Administrators (i.e. the Proposed Administrators) to terminate the SPA immediately upon notice to the Buyer upon the occurrence of a “Buyer Sanctions Event” (as defined in clause 1.1³), and clause 28.2 permits the Buyer (i.e. UMMC-INVEST) to terminate in the event of a “Seller Sanctions Event” (also defined in clause 1.1⁴).

² “**Sanctioned Person**” is defined as “an individual or entity (“**Person**”) that is: (a) listed on, or directly or indirectly owned or controlled by a Person listed on, or acting on behalf of a Person listed on, any Sanctions List; or (b) located in, incorporated under the laws of, or directly or indirectly owned or controlled by, or acting on behalf of, a Person located in or organised under the laws of a Sanctioned Country.” “**Buyer’s Group**” means “the Buyer and any other person who: (i) owns (directly, indirectly, beneficially, wholly or partly) any interest in the Buyer; or (ii) controls the Buyer.” “**Disclosed Sanctioned Person**” means “Andrei Bokarev and any other Sanctioned Person disclosed by the Buyer to the Seller in writing prior to the Completion Date, in each case for so long as they remain a Sanctioned Person.”

³ “**Buyer Sanctions Event**” is defined as “(i) the imposition of any Sanctions on the Buyer; or (ii) the imposition of any or any further Sanctions on any other person or entity connected in any way with the transactions contemplated hereby, or (iii) any formal request by a Sanctions Authority to the Seller to cease, delay, defer, pause or withhold performance of any of the obligations in this Deed for whatever reason; or (iv) any other event occurring after the date of this Deed (including, without limitation, the issuance of any further guidance in relation to existing or future Sanctions by any Sanctions Authority, or intervention with respect to the transactions contemplated hereby by any Sanctions Authority) as a result of which the Seller reasonably considers based on a legal opinion of a reputable and qualified legal consultant or following an order or direction of the court that it would be in violation of any Sanctions if it were to perform or continue to perform its obligations under clause 6 (Completion) and clause 1 (Completion: 2022 Notes).”

⁴ “**Seller Sanctions Event**” is defined as “(i) the imposition of any Sanctions on the Seller; or (ii) the imposition of any or any further Sanctions on any other person or entity connected in any way with the transactions contemplated hereby, or (iii) any formal request by a Sanctions Authority to the Buyer to cease, delay, defer, pause or withhold performance of any of the obligations in this Deed for whatever reason; or (iv) any other event occurring after the date of this deed (including, without limitation, the issuance of further guidance in relation to existing Sanctions by any Sanctions Authority, or intervention with respect to the transactions contemplated hereby by any Sanctions Authority) as a result of which the Seller reasonably considers based on a legal opinion of a reputable and qualified

(i) GPB Sanctions Issue

32 As mentioned above: (i) the original lender in respect of the Term Loan was GPB; (ii) GPB also made the Facilities available to certain of the Company's subsidiaries; (iii) since 24 March 2022 GPB has been a designated person under the Regulations; (iv) on 18 April 2022, GPB gave notice to accelerate the Term Loan on the basis of the Company's failure to pay the interest payment of US\$ 560,000 which became due on 25 March 2002, and which the Company could not lawfully make; (v) on the same date it gave notice of acceleration to the relevant Group subsidiaries in respect of the Facilities; on (vi) 19 April 2022 GPB gave notice of the UMMC-INVEST Assignment; and (vii) the Nordic Assignment took place on 12 May 2022.

33 In light of these facts, the Applicants have carefully considered whether there is any risk that the Proposed Transaction might give rise to a breach of the asset-freeze provided for in regulations 11-15 by reason of GPB's status as a designated person under regulations 5 and 10, and have concluded that there is no such risk.

34 In broad terms, the effect of the asset-freeze provisions of the Regulations is that persons subject to UK jurisdiction are prohibited from dealing with funds or economic resources owned, held or controlled by a designated person, and prohibited from making funds or economic resources available (directly or indirectly) to or for the benefit of a designated person. More particularly, the Regulations provide as follows:

34.1 Regulation 11(4) provides that a person deals with funds if that person:

- "(a) uses, alters, move, transfers or allows access to the funds,*
- (b) deals with the funds in any other way that would result in any change in volume, amount, location, ownership, possession, character or destination, or*
- (c) makes any other change, including portfolio management, that would enable use of the funds."*

34.2 Regulation 11(5) provides that a person deals with economic resources if that person:

- "(a) exchanges the economic resources for funds, goods or services; or*
- (b) uses the economic resources in exchange for funds, goods or services (whether by pledging them as security or otherwise)."*

34.3 As regards making funds available for the benefit of a designated person, regulation 13(4) provides that:

- "(a) funds are made available for the benefit of a designated person only if that person thereby obtains, or is able to obtain, a significant financial benefit, and*
- (b) 'financial benefit' includes the discharge (or partial discharge) of a financial obligation for which the designated person is wholly or partly responsible."*

legal consultant or following an order or direction of the court, that it would be in violation of any Sanctions if it were to perform its obligations under clause 6 (Completion) and clause 7 (Completion: 2022 Notes)."

35 Regulation 19 prohibits circumvention of the asset-freeze provisions, providing, so far as material for present purposes, as follows:

“(1) A person must not intentionally participate in activities knowing that the object or effect of them is (whether directly or indirectly) –

(a) to circumvent any of the prohibitions in regulations 11 to 18A, or

(b) to enable or facilitate the contravention of any such prohibition.

(2) A person who contravenes the prohibition in paragraph (1) commits an offence.”

36 By reason of the UMMC-INVEST Assignment and the Nordic Assignment, as referred to above, GPB is no longer a creditor of the Company. The Proposed Transaction cannot, therefore, give rise to any breach of the asset-freeze provisions by reason of GPB’s status as a designated person.

37 Further, it is understood that the UMMC-INVEST Assignment and the Nordic Assignment have had the effect of removing and extinguishing all of GPB’s rights against the Company under the Term Loan and the Facilities. Each of UMMC-INVEST and Nordic was asked to confirm, and each of them has confirmed, that the consideration for their respective assignments from GPB has been paid in full, and that no further obligations are owed to GPB in connection therewith. There cannot, therefore, be any suggestion that GPB has any subsisting rights under the Term Loan or the Facilities, or that the Proposed Transaction would have the effect of making funds or economic resources available (even indirectly) to GPB in breach of the asset-freeze provisions.

38 Nor is there any basis for suggesting that the Company has attempted or is attempting to circumvent any provisions of the Regulations, in breach of regulation 19. As previously stated, the Company was not involved in the UMMC-INVEST Assignment or the Nordic Assignment and nor did it have any knowledge of those transactions before they were entered into. On the contrary, UMMC-INVEST and Nordic entered into the UMMC-INVEST Assignment and the Nordic Assignment with GPB for their own commercial reasons, without any involvement, encouragement or knowledge on the part of the Company. Further, so far as the UMMC-INVEST Assignment is concerned, this took place during the currency of the General Licence, which permitted any person to “*wind down any transactions to which it is a party, [involving GPB] ... including the closing out of any positions*” prior to 23 April 2022.

39 In the circumstances, we do not consider that, when properly analysed, the GPB Sanctions Issue gives rise to any obstacle in terms of the Company’s intended entry into and/or completion of the Proposed Transaction.

(ii) Export of Luxury Goods Sanctions Issue

40 As considered in more detail below, the Regulations prohibit the export of luxury goods into Russia. The Proposed Transaction clearly does not involve any export of luxury goods into Russia. It is concerned with the sale of shares in various subsidiary companies which own gold-producing assets, not with the sale of luxury assets or of gold; it does not involve a transfer in ownership of those companies’ underlying assets to UMMC-INVEST; and any materials which those companies hold will have been produced in Russia and will remain in Russia.

41 The Company’s operating subsidiaries based in Russia include LLC Malomyrskiy Rudnik (“**Malomyrskiy**”), which operates the Malomir mine; LLC Albynskiy Rudnik (“**Albynskiy**”), which operates the Temi mine; JSC Pokrovskiy Mine (“**Pokrovskiy**”), which operates the Pioneer mine and

a pressure oxidation (“POX”) hub which is also used by Malomyrskiy to treat the concentrate which it produces, as outlined below; and LLC TEMI, which is engaged in exploration.

- 42 In very brief summary, rock containing gold ore is mined and then undergoes multiple rounds of treatment depending on its refractory qualities. Non-refractory ore undergoes several stages of crushing and chemical treatment with reagents followed by electrolysis (a resin-in-pulp or RIP process). A refractory ore (ore with sulphur encapsulating gold) goes through various stages of enrichment resulting in a gold concentrate, a liquid form of rock containing around 30 grams of gold per tonne (and less than 35 grams of gold per tonne). The gold concentrate (essentially, as mentioned, a liquid form of rock, which is brown in colour and looks rather like liquid concrete) is then transported to the POX hub, where the gold/metal content is extracted from sulphides under high pressure and temperature and the resulting pulp undergoes a similar RIP treatment as the non-refractory ore, both processes converging, resulting in a cathode deposit, which is then smelted to produce a substance known as “doré”, a metallic mix containing copper, gold and silver and other metals, and consisting of more than 75% by weight of gold. The doré produced at the POX hub is in the form not of regular gold bars but of fairly rough grey/brown lumps. The doré is then transported to a regulated refinery (i.e. a refinery regulated by the Russian state) where it is smelted to remove impurities and where the gold content is affirmed, and then melted into the form requested by the customer and/or formed into gold bars. The processes involved are summarised in the attached “Petropavlovsk Gold Production Process” flowchart. These operating subsidiaries currently remain in operation such that there are quantities of doré present and/or stored at their premises and there are gold bars owned by the mines present and/or stored at one or more regulated refineries.
- 43 Regulation 46B is headed “Luxury goods” and contains provisions which prohibit the export of luxury goods to, or for use in, Russia. So far as material for present purposes, those provisions are as follows:
- “(1) The export of luxury goods to, or for use in, Russia is prohibited.
- (2) A person must not directly or indirectly –
- (a) supply or deliver luxury goods from a third country to a place in Russia;
- (b) make luxury goods available to a person connected with Russia;
- (c) make luxury goods available for use in Russia.”
- 44 Regulation 21, so far as material, provides that a person is to be regarded as connected with Russia if the person is:
- “(a) an individual who is, or an association or combination of individuals who are, ordinarily resident in Russia,
- (b) an individual who is, or an association or combination of individuals who are, located in Russia,
- (c) a person, other than an individual, which is incorporated or constituted under the law of Russia, or
- (d) a person, other than an individual, which is domiciled in Russia.”
- 45 It is accepted that UMMC-INVEST, as “a person, other than an individual, which is incorporated or

constituted under the law of Russia” and/or “a person, other than an individual, which is domiciled in Russia”, would appear to fall within the scope of regulation 21(c) and/or (d). For the reasons outlined below, however, it is clear that the Proposed Transaction does not involve making luxury goods available to UMMC-INVEST within the meaning of regulation 46B(2)(b) or making luxury goods available for use in Russia within the meaning of regulation 46B(2)(c), and accordingly there can be no breach of the Regulations by virtue of the Export of Luxury Goods Sanctions Issue.

- 46 Regulation 21 (“*Interpretation of this Part*”), dealing with the interpretation of Part 5 of the Regulations (“*Trade*”), also provides that:

“(1) *In this Part –*

...

“*luxury goods*” means any thing specified in Schedule 3A, other than any thing for the time being specified in –

- (a) *Schedules 2 or 3 to the Export Control Order 2008,*
- (b) *Annex 1 of the Dual-Use Regulation, or*
- (c) *Schedule 2A ...”.*

- 47 Paragraph 11 of Schedule 3A specifies that “*Pearls, precious and semi-precious stones, articles of pearls, jewellery, gold- or silversmith articles falling within the commodity codes set out in the following table*” constitute “luxury goods”.

- 48 Further, pursuant to paragraph 1 of Schedule 3A (and paragraph 1 of Schedule 3), Schedule 3A refers to a table which, among other things, contains certain commodity codes as specified in the Goods Classification Table in Annex I in Part 3 of the Tariff of the United Kingdom in order to identify what constitutes “luxury goods”. The table includes the following details:

<i>“Commodity code</i>	<i>Description</i>
...	...
7108 00 00	<i>Gold (including gold plated with platinum), unwrought or in semi-manufactured forms, or in powder form”.</i>

- 49 As appears from the UK Integrated Online Tariff, commodity code 7108 includes “*Gold ..., unwrought or in semi-manufactured forms ...*”.⁵

- 50 Notwithstanding the reference in the table in Schedule 3A to commodity code 7108 00 00 and to “*Gold ..., unwrought or in semi-manufactured forms ...*”, it is, in our view, clear that neither the doré nor the gold bars produced and/or held by operating subsidiaries of the Company fall within the scope of “luxury goods” in regulation 46B. In particular:

- 50.1 Regulation 46B appears under the heading “*Luxury Goods*”. It is appropriate to have regard to that heading for the purposes of interpreting the relevant provisions.

⁵ Further, an explanatory note adopted by the World Customs Organisation in respect of the International Convention on the Harmonised Commodity Description and Coding System states in respect of the heading 7108: “*The alloy called “doré” or “bullion doré” consisting mainly of silver and copper falls in this heading when it contains 2% or more, by weight, of gold. It is obtained from certain cupriferous pyrites or from residues derived from the processing of blister copper and is subsequently refined to separate its constituent metals.*”

- 50.2 The other items specified in Schedule 3A as constituting luxury goods are primarily goods intended for personal and/or domestic use by an individual end user, as distinct from industrial materials requiring one or more further processes to turn them into goods suitable for personal and/or domestic use.
- 50.3 More particularly, as mentioned above, paragraph 11 of Schedule 3A specifies that *“Pearls, precious and semi-precious stones, articles of pearls, jewellery, gold- or silversmith articles falling within the commodity codes set out in the following table”* constitute luxury goods. Irrespective of whether the doré and the gold bars produced and/or held by operating subsidiaries of the Company fall within the scope of the commodity code and description given in the table referred to above, they are self-evidently industrial materials and not *“gold- or silversmith articles”*. A goldsmith producing, say, items of jewellery for personal use would not do so using gold bars, but would instead use gold granules or smaller, thinner gold rods or gold sheets which are obviously easier to work, and in any event we understand that the gold bars produced and/or held by the Company’s operating subsidiaries would not be of a suitable size to be worked on by a goldsmith. Neither the doré nor the gold bars produced by the Company’s operating subsidiaries therefore constitute luxury goods for the purposes of regulation 46B.
- 50.4 Consistently with the matters referred to above, the Government’s announcement of the relevant restrictions⁶ makes it clear that the primary intention of the provisions in question is to introduce an export ban for the purpose of depriving certain categories of individuals (namely *“oligarchs and other members of the elite, who have grown rich under President Putin’s reign and support his illegal invasion”*) of access to luxury goods:

“The UK Government has today announced a ban on exports to Russia of high-end luxury goods, while also hitting hundreds of key products with new import tariffs.

...

- *UK to ban exports of luxury goods to Russia alongside G7 allies.*

The UK Government has today announced a ban on exports to Russia of high-end luxury goods, while also hitting hundreds of key products with new import tariffs that represent a 35 percentage point hike on current rates.

Russian vodka is one of the iconic products affected by the tariff increases, while the export ban will likely affect luxury vehicles, high-end fashion and works of art.

The measures will cause maximum harm to Putin’s war machine while minimizing the impact on UK businesses as G7 leaders unite to unleash a fresh wave of economic sanctions on Moscow.

The export ban will come into force shortly and will make sure oligarchs and other members of the elite, who have grown rich under President Putin’s reign and support his illegal invasion, are deprived of access to luxury goods.”

...

⁶ <https://www.gov.uk/government/news/uk-announces-new-economic-sanctions-against-russia>.

Background:

...

- *Further details on the export ban will follow in due course; previous export bans have included items such as high-end fashion, works of art and luxury vehicles. ..."*

50.5 That announcement serves to emphasise that the relevant restrictions are clearly intended to prevent the influx of luxury goods into Russia, whereas, as mentioned above, the Proposed Transaction does not involve any influx of luxury goods into Russia, being concerned with the sale of shares in various subsidiary companies which own gold-producing assets, not with the sale of luxury assets or of gold. Nor does the Proposed Transaction involve a transfer in ownership to UMMC-INVEST of those companies' underlying assets, such as doré or gold bars which they may produce or hold. Further, any doré, gold bars or other materials which those subsidiaries may hold will have been produced in Russia and will remain in Russia.

51 Regulation 55 prohibits circumvention of the trade restrictions (including those restrictions concerning luxury goods) in similar terms to the circumvention provision in regulation 19 referred to above. It is not considered that there is any basis for suggesting that the Proposed Transaction involves any such circumvention or attempted circumvention.

(iii) Bokarev Sanctions Issue

52 Mr Bokarev is understood to hold an indirect shareholding in UMMC-INVEST, albeit one of less than 5%. The Applicants have considered (i) whether Mr Bokarev's shareholding and involvement in UMMC-INVEST are or could be such as to meet the ownership and/or control tests laid down in the Regulations (i.e. whether UMMC-INVEST is owned or controlled by Mr Bokarev and, therefore, should be considered to be sanctioned), and (ii) whether the Proposed Transaction could breach the asset-freeze provisions of the Regulations by making funds or economic resources available (directly or indirectly) to or for the benefit of Mr Bokarev. They have come to the view that the ownership test is plainly not satisfied and that there is nothing whatsoever to suggest that the control test is satisfied (as, in the light of Mr Bokarev's very modest shareholding, is entirely unsurprising).

53 As regards the first of those issues, regulation 7 provides as follows:

"(1) A person who is not an individual ("C") is "owned or controlled directly or indirectly" by another person ("P") if either of the following two conditions is met (or both are met).

(2) The first condition is that P –

(a) holds directly or indirectly more than 50% of the shares in C,

(b) holds directly or indirectly more than 50% of the voting rights in C, or

(c) holds the right directly or indirectly to appoint or remove a majority of the board of directors of C.

(3) Schedule 1 contains provision applying for the purpose of interpreting paragraph (2).

- (4) *The second condition is that it is reasonable, having regard to all the circumstances, to expect that P would (if P chose to) be able, in most cases or in significant respects, by whatever means and whether directly or indirectly, to achieve the result that affairs of C are conducted in accordance with P's wishes."*

54 Schedule 1 contains further guidance on the interpretation of these tests. In addition, general non-binding guidance on the concepts of ownership and control has been published⁷ which states, at paragraph 4.1:

"An entity is owned or controlled directly or indirectly by another person in any of the following circumstances:

- *The person holds (directly or indirectly) more than 50% of the shares or voting rights in an entity;*
- *The person has the right (directly or indirectly) to appoint or remove a majority of the board of directors of the entity; or*
- *It is reasonable to expect that the person would be able to ensure the affairs of the entity are conducted in accordance with the person's wishes. This could, for example, include:*
 - o *Appointing, solely by exercising one's voting rights, a majority of the members of the administrative, management or supervisory bodies of an entity, who have held office during the present and previous financial year;*
 - o *Controlling alone, pursuant to an agreement with other shareholders in or members of an entity, a majority of shareholders' or members' voting rights in that entity;*
 - o *Having the right to exercise a dominant influence over an entity, pursuant to an agreement entered into with that entity, or to a provision in its Memorandum or Articles of Association, where the law governing that entity permits its being subject to such agreement or provision;*
 - o *Having the right to exercise a dominant influence referred to in the point above, without being the holder of that right (including by means of a front company);*
 - o *Having the ability to direct another entity in accordance with one's wishes. This can be through any means, directly or indirectly. For example, it is possible that a designated person may have control or use of another person's bank accounts or economic resources and may be using them to circumvent financial sanctions."*

55 It is clear, in the circumstances, that Mr Bokarev's limited, indirect shareholding does not meet the

7

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/961516/General_Guidance_-_UK_Financial_Sanctions.pdf.

basic ownership test applicable under the Regulations. Nor is there anything to suggest that any of the control tests outlined above is satisfied. Accordingly, it is appropriate to proceed on the basis that UMMC-INVEST is neither owned nor controlled by Mr Bokarev and is not, therefore, subject to an asset-freeze by reason of Mr Bokarev's status as a designated person under the Regulations.

- 56 Nor is it considered arguable that the Proposed Transaction would involve the Company or the Potential Administrators making funds or economic resources available (whether directly or indirectly) to or for the benefit of Mr Bokarev. It does not follow from the fact that Mr Bokarev holds shares in UMMC-INVEST that funds or economic resources will be made available to him or for his benefit pursuant to the Proposed Transaction; for that, some additional agreement or arrangement would be required, and none exists. (As to this, it is understood that as a matter of Russian law the existence of any such "corporate agreement" between Mr Bokarev and UMMC-INVEST and/or other shareholders and relating to the exercise of rights arising from Mr Bokarev's ownership of shares would have had to be notified to UMMC-INVEST, and it has been confirmed that no such notification has been received.) Further, as mentioned, the SPA contains in clause 16.7(e) a warranty by UMMC-INVEST that it *"shall use its best endeavours and shall take all possible steps to ensure that, as result of the sale of the Shares, no funds or economic resources will be made available, directly or indirectly, to or for the benefit of any Sanctioned Person in the Buyer's Group, for the duration of the period in which they remain a Sanctioned Person, including, without limitation, by preventing the payment of any sums where such payment (directly or indirectly) would be in breach of Sanctions (if the Buyer were required, as a matter of law, to comply with such Sanctions)."* Thus there is not considered, in the circumstances, to be any material risk that the Regulations will be infringed by reason of Mr Bokarev's indirect shareholding in UMMC-INVEST.

(iv) Notes Sanctions Issue

- 57 It is understood that, without reference to the Company and without any involvement on the part of the Company, UMMC-INVEST has been purchasing Notes in the market. In practical terms, it is understood that UMMC-INVEST may do so either by purchasing them bilaterally or by doing so on an exchange. We return to the potential significance of this distinction below.
- 58 As mentioned above, one element of the consideration payable by UMMC-INVEST to the Company for the shares under the terms of the Proposed Transaction will be cash consideration of approximately US\$ 375 million, but the SPA recognises the possibility that UMMC-INVEST may acquire Notes and provides for the cash consideration payable to be reduced accordingly on a dollar for dollar basis at completion by (i) the face value and unpaid interest on any Notes acquired by UMMC-INVEST and then transferred to the Company prior to completion ("**Buyer 2022 Notes**" as defined in the SPA) or (ii) the amount due on the Notes, if greater, with UMMC-INVEST being free to seek to acquire Notes prior to completion of the Proposed Transaction (though under no obligation to do so). It is envisaged that the Company will cancel the Buyer Notes in accordance with their terms following completion of the share transfer pursuant to the SPA and the delivery of the Buyer 2022 Notes to the Company.
- 59 The SPA contains the following provisions in this regard:

59.1 Clause 7.1 provides:

"The Buyer shall, six Business Days prior to the Completion Date (or as early as possible if the information with respect to any Proposed Buyer 2022 Notes (as defined below) is available earlier):

- (a) *provide the Seller with such evidence as the Seller may reasonably require of:*

(i) (A) the identity of the immediately prior legal and beneficial owner(s) of any Buyer 2022 Notes it intends to deliver to the Seller pursuant to clause 7.7 (the “**Proposed Buyer 2022 Notes**”); and (B) proof of such identity; and

(i) to the extent available following the Buyer’s best endeavours to procure such information: (A) the identity of all previous legal and beneficial owner(s) of any Proposed Buyer 2022 Notes it intends to deliver to the Seller pursuant to clause 7.7 since 19 April 2022; and (B) proof of such identity.”

59.2 Clause 7.2 provides:

“For the purposes of clause 7.1, the Seller acknowledges that it may not be possible for the Buyer to provide details (and/or proof) of the identity of the prior legal or beneficial owner(s) of any Buyer 2022 Notes acquired by the Buyer via an exchange. In relation to any such notes, and notwithstanding clause 7.1(a)(i) above, the Buyer shall provide the Seller with details of: (i) when the Buyer acquired the relevant notes; and (ii) from which exchange the Buyer acquired the relevant notes.”

59.3 Clause 7.3 provides:

“The Buyer agrees and undertakes that: (i) it will not, directly or indirectly, seek to acquire (and will not knowingly acquire or permit any other person to acquire) any Buyer 2022 Notes from any Sanctioned Person; and (ii) will take all reasonable steps (including, to the extent possible, verifying the identity of all previous legal and beneficial owner(s) of any Buyer 2022 Notes it may seek to acquire) to ensure that it does not do so.”

59.4 Clause 7.4 provides:

“Following receipt by the Seller of the proof delivered by the Buyer pursuant to clause 7.1, the Seller shall be entitled to refuse to accept from the Buyer any Proposed Buyer 2022 Notes which the Buyer has acquired:

- (a) in breach of clause 7.3; and/or
- (b) from a Sanctioned Person; and/or
- (c) if, following an application for directions made by the Administrators pursuant to paragraph 63 of Schedule B1 to the Insolvency Act 1986 on notice to the Buyer, an order of the High Court of England & Wales declares that acceptance of the relevant Proposed Buyer 2022 Notes gives rise to a breach of Sanctions and/or any other liability on the part of the Seller and/or Administrators.

In respect of any application identified in clause 7.4(c), the Seller will promptly notify the Buyer of any matter or event occurring after the date of this deed that might give rise to an application to the Court for directions and shall endeavour to bring the application before the Court at the earliest opportunity and on an urgent basis.”

59.5 Clause 7.5 provides:

“The Seller shall, two Business Days after receiving all evidence and information

required by clause 7.1, notify the Buyer in writing of any Proposed Buyer 2022 Notes which it has refused to accept under clause 7.4."

59.6 By clause 7.6:

"The Buyer acknowledges and agrees that any Proposed Buyer 2022 Notes acquired in breach of clause 7.3 or 7.13 or refused by the Seller and notified to the Buyer in accordance with clause 7.5 may not be delivered to the Seller pursuant to clause 7.7."

59.7 Clause 7.7 provides that:

"The Buyer shall, at least three Business Days before the Completion Date:

- (a) transfer the Buyer 2022 Notes to an account within a depository in Russia designated by the Seller ("**Seller Depository**") and shall transfer full and unencumbered title to the Buyer 2022 Notes to the Seller;*
- (b) advise the Seller and the Administrators in writing of when it has transferred the Buyer 2022 Notes to the Seller Depository (noting the transfer will only be deemed effective once receipt is confirmed by the Seller Depository); and*
- (c) provide the Seller and the Administrators with such evidence as they may reasonably require of the transfer of the Buyer 2022 Notes to the Seller Depository."*

59.8 Clause 7.8 provides:

"The transfer of the Buyer 2022 Notes to the Seller shall include the transfer of all right, title and interest in the Buyer 2022 Notes and shall include all outstanding rights to conversion, interest, dividends and other distributions whether declared before or after the date of this deed in respect of the Buyer 2022 Notes and all other rights belonging to or accruing on the Buyer 2022 Notes on or after that date."

59.9 Clause 7.9 provides:

"If after the Completion Date one or more of the Co-Guarantors makes a payment pursuant to the Deed of Guarantee, there is provision at clause 2.1.5 of the Deed of Guarantee for the relevant Co-Guarantor to be subrogated to the rights of the Trustee."

59.10 Clause 7.10 provides:

"The final and irrevocable transfer of the Buyer 2022 Notes to the Seller Depository shall satisfy in full and final discharge the Buyer's requirement to pay the 2022 Note Consideration Amount."

59.11 Clause 7.11 provides:

"In the event that the Buyer fails to transfer to the Seller any of the Buyer 2022 Notes on or prior to the Completion Date, the Buyer shall not make any claims in respect of those 2022 Notes, and shall not take, seek or instruct the Trustee or any other party to take, any enforcement action against the Seller in respect of

the 2022 Notes, and shall hold any payment it receives on trust for the Seller and transfer it to the Seller within five Business Days of receipt. The Buyer irrevocably agrees that, notwithstanding anything to the contrary in the terms and conditions of the 2022 Notes, it shall not transfer any 2022 Notes unless the proposed transferee acknowledges and agrees in writing by deed to the Seller and the Administrators to be bound by, and that it will comply with, the terms of this clause 7.11 and clause 7.12."

59.12 Clause 7.12 provides:

"For the avoidance of doubt, the Buyer shall not make any claims in respect of any 2022 Notes it holds from time to time after the Completion Date, and shall not take, seek or instruct the Trustee or any other party to take, any enforcement action in respect of the 2022 Notes, for any action or proceedings relating to any claims for any breach of the 2022 Notes arising out of the terms of this deed or any transactions contemplated herein. For the avoidance of doubt, this Clause 7.12 shall not apply if this deed is rescinded and terminated in accordance with Clause 11."

59.13 By clause 7.13:

"The Buyer warrants that, to the best of its knowledge, none of the Buyer 2022 Notes are acquired or will be or have been acquired by it (or on its behalf), directly or indirectly, from any from Sanctioned Persons."

59.14 And clause 7.14 provides:

"Following the acknowledgment by the Seller and the Buyer of the Transfer Success Date in accordance with clause 9.2, the Seller shall seek to have the Buyer 2022 Notes cancelled in accordance with their terms and to the extent permitted by law."

60 Thus under the terms of the SPA, the Company is entitled to refuse to accept any Notes which have been acquired by UMMC-INVEST from a sanctioned person, and stringent obligations are imposed with a view to establishing the current/recent ownership of any Notes which may be tendered in partial satisfaction of the purchase price under the SPA so as to ensure that Notes previously held by a designated person are not accepted. Whilst it seems that it may not be practicable to verify the identity of the prior legal and beneficial owner of any particular Notes where they have been acquired via an exchange, the terms of the SPA are designed to ensure, so far as possible, that there is no risk of the Company having to accept Notes previously owned by a designated person, although, given the Company's lack of involvement in any such arrangements, we do not consider there to be any risk of such arrangements leading to a breach by the Company of the Regulations in any event.

61 In this regard we should add that it recently came to light that GPB was, or may have been, holding not more than 0.5% of the Notes as at mid-May 2022. Accordingly, we wrote to GPB on 26 June 2022 asking, among other things, for confirmation that GPB no longer holds or has any interest in any debt or other security relating to the Company or any other members of the Group. GPM has confirmed by an email dated 28 June 2022 that it no longer holds any rights under either the Term Loan or the Facilities, that no further consideration (including contingent consideration) is or might become due to GPB from any party as a result of the UMMC-INVEST Assignment or the Nordic Assignment, and that it does not currently hold, and has no interest in, any debt or other security relating to Petropavlovsk or other members of its corporate group.

- 62 As regards the proposal that in due course the Company will cancel the Buyer Notes in accordance with their terms following completion of the share transfer and the delivery of the Buyer Notes to the Company pursuant to clause 7.14 of the SPA, it is understood that in practical terms this may be dealt with most efficiently by way of a scheme of arrangement or similar procedure, although this would be a matter for the Proposed Administrators in due course. Were there to be any issue in relation to, for example, GPB's holding Notes, it could be addressed by the Proposed Administrators at that stage, including, insofar as necessary, by their seeking a Licence in relation to such scheme of arrangement or alternative procedure (insofar as it might be considered to involve dealing in the funds of a UK asset-freeze target) or by seeking further directions from the Court. In this regard we would draw your attention specifically to clause 7.4(c) of the SPA, which expressly provides for the Proposed Administrators to seek directions pursuant to Paragraph 63 as to whether acceptance of any particular Proposed Buyer 2022 Notes gives rise to a breach of Sanctions and/or any other liability on the part of the Company and/or the Proposed Administrators.

Conclusion

- 63 For the reasons outlined above, neither the Applicants nor the Proposed Administrators consider that the Proposed Transaction would involve any breach of the Regulations. We would be grateful for your confirmation that you agree, not least so that we can communicate this to the Court on the hearing of the Administration Application and the Directions Application. We will let you know when the Administration Application is to be heard once it has been issued.
- 64 If, however, you consider that the Proposed Transaction would or might give rise to a breach of the Regulations, we should be grateful if you would inform us as soon as possible, with a view to ensuring that any such issues are resolved, to the extent possible, before the Administration Application and the Directions Application are heard or can be raised with the Court at the hearing of the Administration Application and the Directions Application.
- 65 Equally, if you have any queries regarding the Proposed Transaction (or the Administration Application or the Directions Application), please let us know at your earliest convenience so that we can endeavour to answer them.

Yours faithfully



Joseph Hage Aaronson LLP

Enc. Structure chart as at 28 April 2022

Petropavlovsk Gold Production Process flowchart

Joint-stock company «UMMC-INVEST»



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phone: +7 916 548 81 40
e-mail: Fedor.Kirsanov@ugmk.com

STRICTLY PRIVATE AND CONFIDENTIAL

To: **Petropavlovsk PLC**

Attention of: Mr. Mikhail Irzhevsky

cc: Mr. James W Cameron Jr

30 June 2022

Dear Sirs,

We refer to:

- the letter of UMMC-INVEST (JSC) (*UMMC-INVEST*) dated 16 May 2022, in which UMMC-INVEST set out its final binding offer (the *Offer*) to acquire the gold mining assets and other subsidiaries of Petropavlovsk PLC (the *Assets*); the Offer was stated to remain open for a period of 30 days after the date of that letter;
- the exclusivity agreement dated 18 May 2022 made between UMMC-INVEST and Petropavlovsk PLC (the *Exclusivity Agreement*), according to which the Exclusivity Period (as defined in the Exclusivity Agreement) was to expire on 25 May 2022; that date was subsequently extended till, respectively, 1 June 2022, 9 June 2022, 15 June 2022, and 5 July 2022;
- the letter from Petropavlovsk PLC to UMMC-INVEST dated 17 June 2022, whereas Petropavlovsk PLC requested UMMC-INVEST to, inter alia, extend the period during which the Offer remained open until 5 July 2022;
- UMMC-INVEST's agreement to extend the Offer.

We understand that currently there are no prospects that the Offer will be accepted by Petropavlovsk PLC prior to 5 July 2022, and that the agreement to acquire the Assets will be concluded prior to that date. Therefore, we understand that Petropavlovsk PLC requires further extension of the validity of the Offer (and, respectively, of the Exclusivity Period).

At the same time, we note that the economic and financial conditions of the Assets have already significantly deteriorated and are swiftly continuing to deteriorate, as

- the Assets have serious difficulties in selling gold available, are therefore running out of cash available to maintain their day-to-day activities, which has already caused the decrease of the gold production by the key Assets and to suspension of all investment projects;
- the Company and the Assets do not service the Term Loan, Bonds, Notes and other

financial indebtedness. Consequently, there is an increasing imminent risk that the creditors of the Assets will file for their bankruptcy, arrest the assets (including the equipment involved in production of gold) and / or obtain other form of injunction, and the SPA for purchase of the Assets will not be possible to complete;

- the key management and staff of the Assets are leaving or about to leave, those remaining have no motivation to perform on the level required by the worsening conditions of the Assets, whereas the Board of Petropavlovsk PLC is currently concentrated on issues other than supervision of the operational activities of the Assets, which is not helpful for preservation of the value of the Assets' business;
- the general political and economic environment is constantly deteriorating, which may leave to impossibility to conclude the SPA for purchase of the Assets on the terms previously agreed.

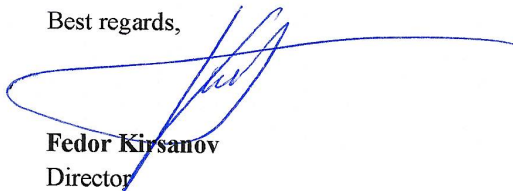
Despite all this, UMMC-INVEST is ready to extend the period during which the Offer remains open till 12 July 2022 inclusive, provided that Petropavlovsk PLC agrees that the Exclusivity Period shall continue in full force and effect in accordance with the Exclusivity Agreement until the same date.

Please note that, in contrast with the previous times when the validity of the Offer and the Exclusivity Period were extended, this is the final extension. After 12 July 2022, UMMC-INVEST will no more be prepared to conclude the SPA to purchase the Assets on the conditions currently agreed. Given that the Offer is valid since 16 May 2022, and the negotiations on selling the Assets started as early as April, we strongly encourage Petropavlovsk PLC to take urgent action to expedite (1) the consideration of the Offer and (2) conclusion and execution of the SPA.

If so agreed by Petropavlovsk PLC by countersigning and returning this letter:

- the parties shall promptly confirm extension till 12 July 2022 of the Exclusivity Period by e-mail as contemplated in the Exclusivity Agreement;
- all other terms of the Offer (save for its extension till 12 July 2022) and of the Exclusivity Agreement shall remain in full force and effect.

Best regards,



Fedor Kirsanov
Director



PRESS RELEASE

1 July 2022

Petropavlovsk PLC

Resignation of Auditor

Petropavlovsk PLC ("Petropavlovsk" or the "Company" and, together with its subsidiaries, the "Group") has been informed of the resignation of MHA MacIntyre Hudson ("MHA"), the UK member of Baker Tilly International, as the Company's external auditor. MHA had served as external auditor since September 2021.

As announced on 7 June 2022, the Board of Directors extended the Company's accounting reference date from 31 December 2021 to 28 February 2022 in order to give the Company more time to allow the completion of its audit and publish its annual report and accounts for the period ended 28 February 2022. Nevertheless, the Board at that time considered it unlikely that the Company would be able to complete the audit save in the case of a material change in circumstances. This position remains unchanged.

A copy of MHA's statement of reasons relating to its resignation will be sent to shareholders, as required by Section 520(2) of the Companies Act 2006.

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.

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.8.8Moz 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 or contact:

Petropavlovsk PLC
John Mann / Max Zaltsman

+44 (0) 20 7201 8900
TeamIR@petropavlovskplc.com

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.

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
78	Draft SPA	2 July 2022	1823-1869

JOSEPH HAGE AARONSON LLP

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5 July 2022

Office of Financial Sanctions Implementation
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

By email [ofsi@hmtreasury.gov.uk] and courier

CONFIDENTIAL

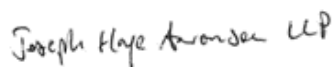
Dear Sir or Madam

Introduction

- 6 We refer to our letter dated 29 June 2022 ("**29 June Letter**"), to which we have yet to receive a response. Terms defined in the 29 June Letter have the same meanings in this letter. Kindly acknowledge receipt of the 29 June Letter and this letter by return.
- 7 First, we write to provide an update to the matters set out in the 29 June Letter. In this regard we refer to paragraph 1 of the 29 June Letter, in which we explained that we were instructed in respect of:
- 3.1 an intended application to the High Court to be issued shortly on behalf of the Applicants for an administration order in respect of the Company and the appointment of the Proposed Administrators as administrators (i.e. the **Administration Application**);
 - 3.2 an intended application by the Proposed Administrators (to be formally issued following their appointment as administrators) for directions under Paragraph 63, which it was proposed should be considered by the Court at the same time as the Administration Application (i.e. the **Directions Application**); and
 - 3.3 the intended pre-packaged sale by the Proposed Administrators (if and when appointed, and subject to the outcome of the Directions Application) of the Company's operating subsidiaries to UMMC-INVEST (JSC) as described in the 29 June Letter (i.e. the **Proposed Transaction**).
- 8 As to this, by way of update:
- 8.1 As things stand, it is still expected that the Administration Application will be issued shortly.
 - 8.2 If they are appointed as administrators, the Proposed Administrators intend to explore the possible sale of the Company's operating subsidiaries to UMMC-INVEST as outlined in the 29 June Letter. They are currently considering whether to seek the Court's guidance in this regard at the hearing of the Administration Application (and to enter into a pre-packaged sale transaction shortly after appointment) or to seek such guidance at a later date.

- 8.3 As indicated in paragraph 63 of the 29 June Letter, once the Administration Application has been issued we will let you know when it is to be heard.
- 9 Secondly, we refer to paragraphs 17 and 38 of the 29 June Letter, where we indicated that the Company had no involvement in or prior knowledge of the UMMC-INVEST Assignment or the Nordic Assignment. In fact, we now understand as follows:
- 9.1 On or about 16 April 2022, shortly before the UMMC-INVEST Assignment took place on 19 April 2022, the Company was informed of the proposed assignment. This was because the UMMC-INVEST Assignment involved the replacement of GPB as Agent under the facility agreement by UMMC-INVEST, which the Company as Borrower would be required to acknowledge. Accordingly, the Company was informed of the proposed assignment shortly before it was executed in the context of being asked to comment on the draft form of acknowledgement. For the avoidance of doubt, the Company had no involvement in the negotiations between GPB and UMMC-INVEST, and it remains the Applicants' position that GPB and UMMC-INVEST entered into the UMMC-INVEST Assignment for their own commercial reasons and without any involvement or encouragement by the Company. Further, as mentioned in the 29 June Letter, the UMMC-INVEST Assignment took place during the currency of the General Licence.
- 9.2 The Company was aware of GPB's intention to assign the debt due under the Facilities before that assignment (i.e. the Nordic Assignment) took place, in that the Company was informed on or about 9 May 2022 that it should expect to receive notification of an intended assignment shortly although the identity of the counterparty was still not known. On or about 12 May 2022 the Company received notice that the Nordic Assignment, as referred to in paragraph 19 of the 29 June Letter, had taken place.
- 10 Thirdly, we refer to paragraph 57 of the 29 June Letter, in which we stated: *"It is understood that, without reference to the Company and without any involvement on the part of the Company, UMMC-INVEST has been purchasing Notes in the market."* In fact, our current understanding is that although UMMC-INVEST may seek to purchase Notes in the market, as at the date of the 29 June Letter it had not done so. At all events, the Company has had no involvement in UMMC-INVEST's decision to acquire Notes.
- 11 The Applicants and the Proposed Administrators remain of the view that a sale to UMMC-INVEST on the terms of the SPA would not involve any breach of the Regulations. We would again invite you to confirm your position in this regard. If you have any queries, please let us know at your earliest convenience so that we can address them.

Yours faithfully



Joseph Hage Aaronson LLP



PRESS RELEASE

11 July 2022

Petropavlovsk PLC

Update on Convertible Bonds

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) wishes to provide the following update in relation to the US\$125 million 8.25% Guaranteed Convertible Bonds due 2024 issued by Petropavlovsk 2010 Limited and guaranteed by the Company, (the “Convertible Bonds”), pursuant to which principal of circa US\$33 million is outstanding:

The following sums which became due and payable in respect of the Convertible Bonds as below were and remain unpaid:

- a sum of circa US\$157,880 due and payable on 27 June 2022 pursuant to a Cash Alternative Election Notice dated 17 March 2022; and
- a coupon payment on the Convertible Bonds of circa US\$680,625 due and payable on 3 July 2022.

The Company announced on 29 April 2022 that Notice of Events of Default had been sent to the Trustee of the Convertible Bonds. Following the above occurrences, the Group has now sent an updated Notice of Event(s) of Default and otherwise notified the Trustee in respect of the above occurrences.

Capitalised words used in this announcement and not defined in have the meanings given to them in the trust deed which constitutes the Convertible Bonds.

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.

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.8.8Moz 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 or contact:

Petropavlovsk PLC
John Mann / Max Zaltsman

+44 (0) 20 7201 8900
TeamIR@petropavlovskplc.com

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.

The Administrators consider that the following document should not be published for the time being for reasons of confidentiality or commercial sensitivity. It has therefore been removed from this copy of the exhibit.

Tab	Document	Date	Pages
81	Email from Mr Potapov to the Company with attachment	11 July 2022	1874-1876

PETROPAVLOVSK PLC

(the *Company*)

Resolutions of the directors (the *Board* and each a *director*) of the Company made at the meeting of directors held by teleconference initiated from 11 Grosvenor Place, Belgravia, London, SW1X 7HH on 11 July 2022 at 4.00p.m. BST.

After due and careful consideration, **IT WAS RESOLVED THAT:**

- (a) the Company is or is likely to become unable to pay its debts within the meaning given to that expression by section 123 of the 1986 Act;
- (b) it would be in the best interests of the Company, having regard to the interests of its creditors, for the Company to be placed into administration and for the Proposed Joint Administrators to seek to sell the Company's subsidiaries in the near term;
- (c) the directors should make an application to the High Court for an administration order with respect to the Company, and Allister Manson, Joanne Rolls and Trevor Binyon should be appointed as joint administrators for the purposes of the Administration Application;
- (d) during the period for which the administration order is in force, the affairs, business and property of the Company (but not the Subsidiaries) should be managed by the Proposed Joint Administrators;
- (e) for the purposes of paragraph 100(2) of Schedule B1 of the 1986 Act, during the period in which administration of the Company is in force, the Proposed Joint Administrators should exercise any of the functions, powers and duties conferred on them by the 1986 Act jointly and severally, so that any act required or authorised under any enactment to be done by the Proposed Joint Administrators may be done by all or any one or more persons for the time being holding office;
- (f) the FCA be informed of the resolution of the Board to file the application in satisfaction of the conditions to the application for the suspension of the listing of the Shares and the Convertible Bonds previously submitted conditionally;
- (g) the Announcements be made to the markets on (i) filing of an application for an administration order and the suspension of the listing of the Shares and the Convertible Bonds and (ii) on the appointment of the administrators and cancellation of the listing of the Shares and the Convertible Bonds, as appropriate and that requests be submitted to the Moscow Exchange for the delisting of the Shares from that exchange and to Euronext for the suspension and delisting of the 2022 Notes from the Irish Global Exchange;
- (h) the draft form of the Administration Documents be, and hereby are, approved;
- (i) The Chairman, supported by the Company Secretary, be and is hereby approved to authorise any amendments and modifications to the Administration Documents and all ancillary documents necessary to implement the Administration Application, which he considers in his absolute discretion to be necessary or appropriate and so that his

signature of any such documents shall be conclusive evidence of agreement to such amendments or modifications;

- (j) The Chairman, supported by the Company Secretary, be and is authorised to do all such acts and things and agree and execute all such documents, certificates and notices and other communications as may be required in connection with or as contemplated by the Administration Application or the terms of the Administration Documents or as may be necessary or desirable in order to complete them;
- (k) The Chairman and the Senior Independent Director be and are hereby authorised to make any and all necessary filings to the Court and submit any witness statement evidence to the Court as is required or desirable in connection with the Administration Application;
- (l) The Chairman and/or JHA and are hereby authorised to sign and serve the Administration Documents, as appropriate;
- (m) The Company Secretary be authorised to inform the FCA of these resolutions of the Board; ; and
- (n) any Director of the Company or the company secretary be authorised to make all necessary and appropriate entries in the books and registers of the Company.

IT WAS ALSO RESOLVED that the Chairman and the Senior Independent Director be and hereby are authorised to do all such acts and things and agree and execute on behalf of the Company all such other documents, instruments, certificates, notices and confirmations which, in the opinion of the Chairman or the Senior Independent Director or authorised attorney, are necessary or desirable in order to facilitate the resolutions adopted at this meeting, and generally to sign all such documents, certificates and notices, and give such representations, undertakings and assurances as may be required in connection with the same].

PETROPAVLOVSK PLC

Insolvency Plus (Enhanced Winding Up Search) FOR GLOBALX

Report Result: **No administration and no winding up petitions found. No moratorium filed**

Search requested by
GlobalX

Your reference
aaa-1-1

Order Date: **11/07/2022**
Report Generated: **11/07/2022 at 14:52**

Order No: **121122394**

Results provided by



Insolvency Plus (Enhanced Winding Up Search)

Company Name: **PETROPAVLOVSK PLC**
Company No: **04343841**

Order No: **121122394**
Order Date: **11/07/2022**
Client Name: **GlobalX**
Your Ref: **aaa-1-1**

WINDING UP PETITIONS PENDING AND MORATORIUMS WITH THE INSOLVENCY AND COMPANIES LIST

We have searched the records at The Insolvency and Companies List (formerly known as Companies Court), Royal Courts of Justice, Rolls Building, London on **11/07/2022 at 14:52** and can confirm that no winding-up petitions have been presented and no winding up orders made against **PETROPAVLOVSK PLC** in England and Wales.

We further confirm there is (a) no notice of intention to appoint an administrator (b) no notice of appointment of an administrator (c) no administration order (d) no application for the making of an administration order filed in London in respect of **PETROPAVLOVSK PLC**.

We further confirm that there is no notice that a moratorium pursuant to part A1 Insolvency Act 1986 has come into force, and no application or order in respect of such a moratorium, has been filed in respect of **PETROPAVLOVSK PLC**.

INSOLVENCY NOTICE(S) PUBLISHED IN THE GAZETTE

Gazette checked on **11/07/2022** - No Notices.

INSOLVENCY/STRIKING OFF

Nothing registered at Companies House.

*Important Note: The company name requested must be an **exact match** to the records kept at Companies House. Due to restrictions imposed by the Insolvency and Companies List system the search will reveal a negative result if abbreviations or variants of the company name are used.*

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General Information

Company Name: **PETROPAVLOVSK PLC**, Company Number: **04343841**

Company Type:	Public limited company
Company Status:	Active
Date of Incorporation:	20/12/2001
Registered Office Address:	11 Grosvenor Place, Belgravia, London, SW1X 7HH
Nature of Business (SIC)	08990 - Other mining and quarrying not elsewhere classified 70100 - Activities of head offices
Accounting Reference Date:	28/02
Last Accounts Made Up To:	31/12/2020
Next Accounts Due:	31/08/2022
Last Return Made: Up To:	
Next Return Due Date:	
Last Confirmation Statement Date:	20/12/2021
Next Confirmation Statement Date:	20/12/2022
Next Confirmation Statement Due Date:	03/01/2023
Mortgage: Number of Charges:	12 (0 Outstanding / 0 Part Satisfied / 12 Satisfied)
Last Member List:	20/12/2014

Previous Names in the Last 20 Years

Previous Name	Effective From	Date of Change
EXCELSIOR CORPORATION PLC	20/12/2001	14/03/2002
PETER HAMBRO MINING PLC	14/03/2002	23/09/2009

Company Filing History (extracted from Companies House Services)

Company Name: **PETROPAVLOVSK PLC**, Company Number: **04343841**

Type	Date	Description
AA01	07/06/2022	Previous accounting period extended from 31/12/2021 to 28/02/2022
AP01	11/04/2022	Appointment of Mr Roman Deniskin as a director on 11/04/2022
TM01	04/04/2022	Termination of appointment of Natalia Iakovleva as a director on 04/04/2022
SH01	01/03/2022	Statement of capital following an allotment of shares on 28/02/2022
TM01	01/02/2022	Termination of appointment of Malay Mukherjee as a director on 29/01/2022
CS01	20/12/2021	Confirmation statement made on 20/12/2021 with no updates
AP01	14/12/2021	Appointment of Ms Natalia Iakovleva as a director on 13/12/2021
AP01	12/07/2021	Appointment of Mr Evgenii Potapov as a director on 12/07/2021
TM01	12/07/2021	Termination of appointment of Maksim Kharin as a director on 12/07/2021
TM01	09/07/2021	Termination of appointment of Denis Alexandrov as a director on 30/06/2021
AA	15/06/2021	Group of companies' accounts made up to 31/12/2020
AD02	10/05/2021	Register inspection address has been changed from Link Group 29 Wellington Street 10th Floor, Central Square Leeds LS1 4DL England to Link Group 29 Wellington Street 10th Floor, Central Square Leeds LS1 4DL
AD02	10/05/2021	Register inspection address has been changed from 34 Beckenham Road Beckenham Kent BR3 4TU to Link Group 29 Wellington Street 10th Floor, Central Square Leeds LS1 4DL
AP01	19/04/2021	Appointment of Mr Mikhail Irzhevskiy as a director on 16/04/2021
CS01	04/01/2021	Confirmation statement made on 20/12/2020 with no updates
RP04SH01	23/12/2020	Second filing of a statement of capital following an allotment of shares on 20/10/2020
SH01	22/12/2020	Statement of capital following an allotment of shares on 30/11/2020
AP01	03/12/2020	Appointment of Mr Denis Alexandrov as a director on 01/12/2020
SH01	13/11/2020	Statement of capital following an allotment of shares on 20/10/2020
TM02	13/11/2020	Termination of appointment of Amanda Whalley as a secretary on 08/11/2020
AP03	13/11/2020	Appointment of Ms Dorcas Anne Helen Murray as a secretary on 08/11/2020
SH01	30/09/2020	Statement of capital following an allotment of shares on 24/09/2020
RESOLUTIONS	25/09/2020	RES13 Transactions/company business 10/08/2020
SH01	24/09/2020	Statement of capital following an allotment of shares on 01/09/2020
SH01	24/09/2020	Statement of capital following an allotment of shares on 11/08/2020
SH01	24/09/2020	Statement of capital following an allotment of shares on 06/08/2020
SH01	24/09/2020	Statement of capital following an allotment of shares on 04/08/2020
TM01	28/08/2020	Termination of appointment of Ekaterina Ray as a director on 23/08/2020
AP01	28/08/2020	Appointment of Mr Malay Mukherjee as a director on 23/08/2020
RESOLUTIONS	26/08/2020	RES13 Transactions of subsidiaries or affiliates/company business 10/08/2020
TM01	11/08/2020	Termination of appointment of Alfiya Samokhvalova as a director on 10/08/2020
TM01	11/08/2020	Termination of appointment of Martin Smith as a director on 10/08/2020
TM01	11/08/2020	Termination of appointment of Angelica Phillips as a director on 10/08/2020
TM01	11/08/2020	Termination of appointment of Jonathan Eric Martin Smith as a director on 10/08/2020
TM01	11/08/2020	Termination of appointment of Peter Charles Percival Hambro as a director on 10/08/2020
SH01	04/08/2020	Statement of capital following an allotment of shares on 23/07/2020
AUD	04/08/2020	Auditor's resignation
MA	31/07/2020	Memorandum and Articles of Association
RESOLUTIONS	31/07/2020	RES10 Resolution of allotment of securities, RES13 Notice re general meetings 30/06/2020, RES01 Resolution of adoption of Articles of Association
AP01	08/07/2020	Appointment of Mr Martin Smith as a director on 01/07/2020
AP01	02/07/2020	Appointment of Mr Jonathan Eric Martin Smith as a director on 30/06/2020
AP01	02/07/2020	Appointment of Mrs Angelica Phillips as a director on 30/06/2020
AP01	02/07/2020	Appointment of Mr Peter Charles Percival Hambro as a director on 30/06/2020
AP01	02/07/2020	Appointment of Dr Alfiya Samokhvalova as a director on 30/06/2020
TM01	01/07/2020	Termination of appointment of Fiona Jane Mary Paulus as a director on 30/06/2020
TM01	01/07/2020	Termination of appointment of Timothy Rand Mccutcheon as a director on 30/06/2020
TM01	01/07/2020	Termination of appointment of Pavel Maslovskiy as a director on 30/06/2020
TM01	01/07/2020	Termination of appointment of Roderic Michael John Lyne as a director on 30/06/2020
TM01	01/07/2020	Termination of appointment of Danila Kotlyarov as a director on 30/06/2020
TM01	01/07/2020	Termination of appointment of Robert John Garton Jenkins as a director on 30/06/2020
TM01	01/07/2020	Termination of appointment of Harry James Rodolph Kenyon-Slaney as a director on 30/06/2020
TM01	01/07/2020	Termination of appointment of Damien Hackett as a director on 30/06/2020



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SH01	22/06/2020	Statement of capital following an allotment of shares on 19/06/2020
AA	15/06/2020	Group of companies' accounts made up to 31/12/2019
AP01	27/05/2020	Appointment of Mr Timothy Rand Mccutcheon as a director on 27/05/2020
AP01	27/05/2020	Appointment of Ms Fiona Jane Mary Paulus as a director on 27/05/2020
AP01	21/04/2020	Appointment of Mr Maksim Kharin as a director on 21/04/2020
AP01	21/04/2020	Appointment of Mr Danila Kotlyarov as a director on 21/04/2020
TM01	05/02/2020	Termination of appointment of Mirzaaziz Musakhanov as a director on 05/02/2020
CS01	02/01/2020	Confirmation statement made on 20/12/2019 with no updates
AP01	08/11/2019	Appointment of Ms Charlotte Bertha Elisabeth Philipps as a director on 08/11/2019
AP01	08/11/2019	Appointment of Mrs Ekaterina Ray as a director on 08/11/2019
CH01	29/10/2019	Director's details changed for Mr Mirzaaziz Musakhanov on 29/10/2019
AP01	14/10/2019	Appointment of Mr Mirzaaziz Musakhanov as a director on 14/10/2019
TM01	31/07/2019	Termination of appointment of Bektas Mukazhanov as a director on 30/07/2019
RESOLUTIONS	27/06/2019	RES13 Authority to allot shares 13/06/2019
AA	28/05/2019	Group of companies' accounts made up to 31/12/2018
SH01	14/05/2019	Statement of capital following an allotment of shares on 10/05/2019
CS01	02/01/2019	Confirmation statement made on 20/12/2018 with no updates
AP01	08/11/2018	Appointment of Mr Harry James Rodolph Kenyon-Slaney as a director on 07/11/2018
AP01	15/10/2018	Appointment of Mr James William Cameron Jr as a director on 15/10/2018
AP01	15/10/2018	Appointment of Mr Damien Hackett as a director on 15/10/2018
SH01	05/09/2018	Statement of capital following an allotment of shares on 13/08/2018
AP01	30/07/2018	Appointment of Mr Bektas Mukazhanov as a director on 27/07/2018
RESOLUTIONS	10/07/2018	RES11 Resolution of removal of pre-emption rights, RES10 Resolution of allotment of securities
AA	04/07/2018	Group of companies' accounts made up to 31/12/2017
AP01	03/07/2018	Appointment of Mr Robert John Garton Jenkins as a director on 29/06/2018
AP01	03/07/2018	Appointment of Sir Roderic Michael John Lyne as a director on 29/06/2018
AP01	03/07/2018	Appointment of Dr Pavel Maslovskiy as a director on 29/06/2018
TM01	29/06/2018	Termination of appointment of Garrett Douglas Soden as a director on 29/06/2018
TM01	29/06/2018	Termination of appointment of Roman Deniskin as a director on 29/06/2018
TM01	29/06/2018	Termination of appointment of Adrian John Geoffrey Coates as a director on 29/06/2018
TM01	29/06/2018	Termination of appointment of Bruce Michael Buck as a director on 29/06/2018
TM01	29/06/2018	Termination of appointment of Ian Robert Ashby as a director on 29/06/2018
TM01	08/06/2018	Termination of appointment of Bektas Mukazhanov as a director on 08/06/2018
AP01	16/04/2018	Appointment of Mr Roman Deniskin as a director on 16/04/2018
TM01	16/04/2018	Termination of appointment of Sergey Ermolenko as a director on 16/04/2018
TM01	03/04/2018	Termination of appointment of Andrey Maruta as a director on 31/03/2018
AP01	20/02/2018	Appointment of Mr Adrian John Geoffrey Coates as a director on 16/02/2018
AP01	14/02/2018	Appointment of Mr Bektas Mukazhanov as a director on 08/02/2018
TM01	04/01/2018	Termination of appointment of Vladislav Egorov as a director on 01/01/2018
CS01	02/01/2018	Confirmation statement made on 20/12/2017 with updates
MR04	27/12/2017	Satisfaction of charge 043438410012 in full
MR04	27/12/2017	Satisfaction of charge 043438410011 in full
MR04	27/12/2017	Satisfaction of charge 043438410010 in full
MR04	27/12/2017	Satisfaction of charge 043438410009 in full
MR04	27/12/2017	Satisfaction of charge 043438410008 in full
AP01	19/07/2017	Appointment of Mr Sergey Ermolenko as a director on 18/07/2017
TM01	18/07/2017	Termination of appointment of Pavel Alexeivich Maslovsky as a director on 17/07/2017
AA	10/07/2017	Group of companies' accounts made up to 31/12/2016
MR01	06/07/2017	Registration of charge 043438410011 created on 30/06/2017
MR01	06/07/2017	Registration of charge 043438410012 created on 30/06/2017
RESOLUTIONS	28/06/2017	RES10 Resolution of allotment of securities
AP01	26/06/2017	Appointment of Mr Garrett Douglas Soden as a director on 22/06/2017
AP01	23/06/2017	Appointment of Mr Ian Robert Ashby as a director on 22/06/2017
AP01	23/06/2017	Appointment of Mr Bruce Michael Buck as a director on 22/06/2017
AP01	23/06/2017	Appointment of Mr Vladislav Egorov as a director on 22/06/2017
TM01	23/06/2017	Termination of appointment of Andrew Vickerman as a director on 22/06/2017
TM01	23/06/2017	Termination of appointment of Alexander James Stuart Green as a director on 22/06/2017
TM01	23/06/2017	Termination of appointment of Robert John Garton Jenkins as a director on 22/06/2017
TM01	23/06/2017	Termination of appointment of Peter Charles Percival Hambro as a director on 22/06/2017
MR01	31/05/2017	Registration of charge 043438410008 created on 17/05/2017
MR01	31/05/2017	Registration of charge 043438410009 created on 17/05/2017
MR01	31/05/2017	Registration of charge 043438410010 created on 17/05/2017
CS01	22/12/2016	Confirmation statement made on 20/12/2016 with updates

MR04	30/09/2016	Satisfaction of charge 6 in full
MR04	22/09/2016	Satisfaction of charge 5 in full
MR04	22/09/2016	Satisfaction of charge 4 in full
MR04	22/09/2016	Satisfaction of charge 7 in full
RESOLUTIONS	03/08/2016	RES10 Resolution of allotment of securities
AA	01/07/2016	Group of companies' accounts made up to 31/12/2015
TM01	01/07/2016	Termination of appointment of Roderic Lyne as a director on 28/06/2016
SH01	10/05/2016	Statement of capital following an allotment of shares on 10/05/2016
AR01	07/01/2016	Annual return made up to 20/12/2015 no member list
<ul style="list-style-type: none"> SH01 - Statement of capital on 07/01/2016 GBP 33005616.97 		
AP01	23/10/2015	Appointment of Mr Andrew Vickerman as a director on 22/10/2015
AP01	03/09/2015	Appointment of Mr Alexander James Stuart Green as a director on 27/08/2015
RESOLUTIONS	29/06/2015	RES10 Resolution of allotment of securities
AA	26/06/2015	Group of companies' accounts made up to 31/12/2014
AP01	06/05/2015	Appointment of Mr Robert John Garton Jenkins as a director on 30/04/2015
TM01	06/05/2015	Termination of appointment of Martin Smith as a director on 30/04/2015
TM01	06/05/2015	Termination of appointment of David Selwyn Cenric Humphreys as a director on 30/04/2015
TM01	06/05/2015	Termination of appointment of Alfiya Samokhvalova as a director on 30/04/2015
TM01	06/05/2015	Termination of appointment of Charles Senff Mcveigh lii as a director on 30/04/2015
TM01	06/05/2015	Termination of appointment of Charles Ronald Llewelyn Guthrie as a director on 30/04/2015
TM01	06/05/2015	Termination of appointment of Malcolm David Field as a director on 30/04/2015
TM01	06/05/2015	Termination of appointment of Dmitrii Chekashkin as a director on 30/04/2015
TM01	06/05/2015	Termination of appointment of Graham John Birch as a director on 30/04/2015
SH01	21/04/2015	Statement of capital following an allotment of shares on 18/03/2015
SH01	20/04/2015	Statement of capital following an allotment of shares on 18/03/2015
SH01	27/03/2015	Statement of capital following an allotment of shares on 16/03/2015
RESOLUTIONS	18/03/2015	RES01 Resolution of adoption of Articles of Association, RES10 Resolution of allotment of securities, RES13 Re-documents 26/02/2015
AR01	19/01/2015	Annual return made up to 20/12/2014 with full list of shareholders
<ul style="list-style-type: none"> SH01 - Statement of capital on 19/01/2015 GBP 1976384.25 		
CH01	16/01/2015	Director's details changed for Sir Roderic Lyne on 15/01/2015
AP01	05/11/2014	Appointment of Dr Pavel Alexeivich Maslovsky as a director on 05/11/2014
TM01	05/11/2014	Termination of appointment of Sergey Ermolenko as a director on 05/11/2014
AA	25/06/2014	Group of companies' accounts made up to 31/12/2013
RESOLUTIONS	25/06/2014	RES10 Resolution of allotment of securities
AR01	02/01/2014	Annual return made up to 20/12/2013 no member list
<ul style="list-style-type: none"> SH01 - Statement of capital on 02/01/2014 GBP 1976384.25 		
CH01	11/12/2013	Director's details changed for Mr Andrey Maruta on 10/12/2013
TM01	24/10/2013	Termination of appointment of Rachel English as a director
SH01	28/08/2013	Statement of capital following an allotment of shares on 26/07/2013
CH01	16/07/2013	Director's details changed for Mr Peter Charles Percival Hambro on 31/05/2013
RESOLUTIONS	28/06/2013	RES10 Resolution of allotment of securities, RES11 Resolution of removal of pre-emption rights
AA	14/06/2013	Interim accounts made up to 31/05/2013
AA	04/06/2013	Group of companies' accounts made up to 31/12/2012
AP01	22/05/2013	Appointment of Mr Dmitrii Chekashkin as a director
AR01	07/02/2013	Annual return made up to 20/12/2012 no member list
RESOLUTIONS	12/06/2012	RES10 Resolution of allotment of securities
RESOLUTIONS	12/06/2012	RES08 Resolution of authority to purchase own shares out of capital, RES13 Increasing the companys borrowing powers 31/05/2012, RES11 Resolution of removal of pre-emption rights
AA	07/06/2012	Interim accounts made up to 18/05/2012
AA	31/05/2012	Group of companies' accounts made up to 31/12/2011
TM01	13/04/2012	Termination of appointment of Joseph Egan as a director
AP01	04/04/2012	Appointment of Ms Rachel June English as a director
CH01	28/02/2012	Director's details changed for Mr Peter Charles Percival Hambro on 28/02/2012
AR01	31/01/2012	Annual return made up to 20/12/2011 no member list
AP01	21/12/2011	Appointment of Mr Sergey Ermolenko as a director
TM01	20/12/2011	Termination of appointment of Pavel Maslovsky as a director



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AP01	31/08/2011	Appointment of Dr David Selwyn Cenric Humphreys as a director
AA	24/06/2011	Group of companies' accounts made up to 31/12/2010
TM02	07/06/2011	Termination of appointment of Anna Subczynska Samberger as a secretary
RESOLUTIONS	02/06/2011	RES10 Resolution of allotment of securities, RES13 Increasing the company's borrowing powers authority to re-purchase shares cancellation of the company's share premium account 19/05/2011, RES11 Resolution of removal of pre-emption rights
TM01	24/05/2011	Termination of appointment of Peter Hill-Wood as a director
AP03	20/05/2011	Appointment of Ms Amanda Whalley as a secretary
CH01	11/03/2011	Director's details changed for Lord Charles Ronald Llewelyn Guthrie on 10/03/2011
CH01	22/02/2011	Director's details changed for Alfiya Samokhvalova on 07/02/2011
CH01	03/02/2011	Director's details changed for Joseph Brian Egan on 20/12/2010
CH03	03/02/2011	Secretary's details changed for Mrs Anna Karolina Subczynska Samberger on 20/12/2010
TM02	31/01/2011	Termination of appointment of Lucille Dolor as a secretary
AR01	26/01/2011	Annual return made up to 20/12/2010 with bulk list of shareholders
AP01	18/01/2011	Appointment of Alfiya Samokhvalova as a director
AP01	18/01/2011	Appointment of Andrey Maruta as a director
AP01	18/01/2011	Appointment of Martin Smith as a director
AP03	22/09/2010	Appointment of Mrs Lucille Dolor as a secretary
SH01	29/06/2010	Statement of capital following an allotment of shares on 15/06/2010
TM02	29/06/2010	Termination of appointment of Heather Williams as a secretary
AA	24/05/2010	Group of companies' accounts made up to 31/12/2009
RESOLUTIONS	24/05/2010	RES10 Resolution of allotment of securities, RES01 Resolution of Memorandum and/or Articles of Association, RES09 Resolution of authority to purchase a number of shares, RES11 Resolution of removal of pre-emption rights
CH01	26/04/2010	Director's details changed for Charles Mcveigh on 20/04/2010
AP01	25/02/2010	Appointment of Graham John Birch as a director
AR01	13/01/2010	Annual return made up to 20/12/2009 with bulk list of shareholders
CH01	13/01/2010	Director's details changed for Doctor Pavel Alexeivich Maslovsky on 01/01/2010
SH01	29/12/2009	Statement of capital following an allotment of shares on 08/12/2009
SH01	05/11/2009	Statement of capital following an allotment of shares on 29/10/2009
AD03	20/10/2009	Register(s) moved to registered inspection location
AD02	20/10/2009	Register inspection address has been changed
MEM/ARTS	23/09/2009	Memorandum and Articles of Association
CERTNM	23/09/2009	Certificate of change of name
AUD	26/08/2009	Auditor's resignation
288a	16/07/2009	Director appointed charles senff mcveigh
AA	29/06/2009	Group of companies' accounts made up to 31/12/2008
RESOLUTIONS	29/06/2009	RES10 Resolution of allotment of securities, RES13 Agm not called less 14 clear days 25/06/2009, RES01 Resolution of Memorandum and/or Articles of Association, RES09 Resolution of authority to purchase a number of shares, RES11 Resolution of removal of pre-emption rights
288b	10/06/2009	Appointment terminated director rudolph agnew
MEM/ARTS	12/05/2009	Memorandum and Articles of Association
123	12/05/2009	Nc inc already adjusted 25/03/09
88(2)	12/05/2009	Ad 22/04/09\gbp si 73928433@0.01=739284.33\gbp ic 971550/1710834.33\
MEM/ARTS	11/05/2009	Memorandum and Articles of Association
288b	09/05/2009	Appointment terminated director george hambro
288b	09/05/2009	Appointment terminated director alexei maslovsky
288b	09/05/2009	Appointment terminated director andrey maruta
288b	09/05/2009	Appointment terminated director anna subczynska samberger
288b	09/05/2009	Appointment terminated director alfia samokhvalova
288a	09/05/2009	Director appointed joseph brian egan
288a	09/05/2009	Director appointed sir malcolm field
288a	09/05/2009	Director appointed roderic michael john lyne
RESOLUTIONS	05/04/2009	RES04 Resolution of increasing authorised share capital, RES10 Resolution of allotment of securities
88(2)	25/02/2009	Ad 10/02/09\gbp si 16000000@0.01=160000\gbp ic 811550/971550\
363a	19/01/2009	Return made up to 20/12/08; bulk list available separately
288c	19/01/2009	Director and secretary's change of particulars anna-karolina subczynska-samberger logged form
288c	07/10/2008	Director's change of particulars / alfia samokhvalova / 01/10/2008
288b	07/10/2008	Appointment terminated director philip leatham
288a	25/09/2008	Director appointed anna karolina subczynska samberger
288c	05/08/2008	Secretary's change of particulars / heather williams / 31/07/2008
288c	22/07/2008	Director's change of particulars / pavel maslovsky / 12/07/2008



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395	09/07/2008	Particulars of a mortgage or charge / charge no: 6
395	09/07/2008	Particulars of a mortgage or charge / charge no: 7
RESOLUTIONS	07/07/2008	RES10 Resolution of allotment of securities, RES01 Resolution of Memorandum and/or Articles of Association, RES09 Resolution of authority to purchase a number of shares, RES11 Resolution of removal of pre-emption rights
AA	30/06/2008	Group of companies' accounts made up to 31/12/2007
395	16/05/2008	Particulars of a mortgage or charge / charge no: 4
395	16/05/2008	Particulars of a mortgage or charge / charge no: 5
288a	31/01/2008	New director appointed
363s	17/01/2008	Return made up to 20/12/07; bulk list available separately
RESOLUTIONS	11/07/2007	RES11 Resolution of removal of pre-emption rights
RESOLUTIONS	11/07/2007	RES10 Resolution of allotment of securities
RESOLUTIONS	11/07/2007	RES09 Resolution of authority to purchase a number of shares
AA	04/07/2007	Group of companies' accounts made up to 31/12/2006
288c	02/07/2007	Director's particulars changed
288c	15/06/2007	Director's particulars changed
363s	30/01/2007	Return made up to 20/12/06; bulk list available separately
288c	22/09/2006	Director's particulars changed
88(2)R	12/09/2006	Ad 18/04/06----- £ si 1448545@.01=14485 £ ic 797065/811550
88(2)R	01/08/2006	Ad 19/07/06----- £ si 750000@.01=7500 £ ic 789565/797065
RESOLUTIONS	29/06/2006	RES11 Resolution of removal of pre-emption rights
RESOLUTIONS	29/06/2006	RES10 Resolution of allotment of securities
RESOLUTIONS	29/06/2006	RES09 Resolution of authority to purchase a number of shares
AA	28/06/2006	Group of companies' accounts made up to 31/12/2005
288c	28/06/2006	Director's particulars changed
288c	28/06/2006	Director's particulars changed
288a	22/05/2006	New secretary appointed
288c	09/05/2006	Director's particulars changed
363s	31/01/2006	Return made up to 20/12/05; bulk list available separately
288a	23/11/2005	New director appointed
OC	25/08/2005	Court order
AA	04/08/2005	Group of companies' accounts made up to 31/12/2004
88(2)R	03/08/2005	Ad 20/07/05----- £ si 2759368@.01=27593 £ ic 761970/789563
88(2)R	03/08/2005	Ad 20/07/05----- £ si 750000@.01=7500 £ ic 754470/761970
123	11/07/2005	Nc inc already adjusted 21/06/05
MEM/ARTS	11/07/2005	Memorandum and Articles of Association
RESOLUTIONS	11/07/2005	RES13 Share prem credit cance 21/06/05
RESOLUTIONS	11/07/2005	RES11 Resolution of removal of pre-emption rights
RESOLUTIONS	11/07/2005	RES10 Resolution of allotment of securities
RESOLUTIONS	11/07/2005	RES08 Resolution of authority to purchase own shares out of capital
RESOLUTIONS	11/07/2005	RES04 Resolution of increasing authorised share capital
RESOLUTIONS	11/07/2005	RES01 Resolution of Memorandum and/or Articles of Association
288a	19/05/2005	New secretary appointed
288b	19/05/2005	Secretary resigned
88(2)R	27/04/2005	Ad 12/04/05----- £ si 1448545@.01=14485 £ ic 739985/754470
363s	27/01/2005	Return made up to 20/12/04; bulk list available separately
		• 363(288) - Director's particulars changed
288a	21/01/2005	New director appointed
403a	30/11/2004	Declaration of satisfaction of mortgage/charge
403a	30/11/2004	Declaration of satisfaction of mortgage/charge
403a	30/11/2004	Declaration of satisfaction of mortgage/charge
AA	07/07/2004	Group of companies' accounts made up to 31/12/2003
88(2)R	22/06/2004	Ad 09/06/04----- £ si 1000000@.01=100000 £ ic 639985/739985
RESOLUTIONS	11/06/2004	RES11 Resolution of removal of pre-emption rights
RESOLUTIONS	11/06/2004	RES10 Resolution of allotment of securities
RESOLUTIONS	08/06/2004	RES13 Make purchase 163(3) 28/05/04
RESOLUTIONS	08/06/2004	RES11 Resolution of removal of pre-emption rights
RESOLUTIONS	08/06/2004	RES10 Resolution of allotment of securities
395	14/04/2004	Particulars of mortgage/charge
395	14/04/2004	Particulars of mortgage/charge
395	14/04/2004	Particulars of mortgage/charge
363s	18/02/2004	Return made up to 20/12/03; bulk list available separately



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- 363(287) - Registered office changed on 18/02/04

287	17/01/2004	Registered office changed on 17/01/04 from: 7 eccleston street belgravia london SW1W 9LX
SA	26/08/2003	Statement of affairs
88(2)R	26/08/2003	Ad 19/06/03----- £ si 6000000@.01=60000 £ ic 655763/715763
288a	24/07/2003	New director appointed
88(2)O	09/07/2003	Ad 17/04/03----- £ si 2018841@.01
RESOLUTIONS	25/06/2003	RES11 Resolution of removal of pre-emption rights
RESOLUTIONS	25/06/2003	RES10 Resolution of allotment of securities
88(2)R	25/06/2003	Ad 17/04/03----- £ si 417080@.01=4170 £ ic 651593/655763
AA	25/06/2003	Group of companies' accounts made up to 31/12/2002
88(2)R	11/05/2003	Ad 25/03/03----- £ si 7578078@.01=75780 £ ic 575813/651593
88(2)R	11/05/2003	Ad 17/04/03----- £ si 2018841@.01=20188 £ ic 555625/575813
88(2)R	17/04/2003	Ad 25/03/03----- £ si 7578078@.01=75780 £ ic 479845/555625
353a	08/04/2003	Location of register of members (non legible)
PROSP	04/04/2003	Prospectus
363s	27/01/2003	Return made up to 20/12/02; bulk list available separately
SA	31/12/2002	Statement of affairs
88(2)R	31/12/2002	Ad 19/12/02----- £ si 11144593@.01=111445 £ ic 348399/459844
SA	28/08/2002	Statement of affairs
88(2)R	28/08/2002	Ad 29/07/02----- £ si 9246318@.01=92463 £ ic 255936/348399
SA	09/07/2002	Statement of affairs
88(2)R	09/07/2002	Ad 19/04/02----- £ si 8971@1=8971 £ ic 246965/255936
SA	09/07/2002	Statement of affairs
88(2)R	09/07/2002	Ad 17/04/02----- £ si 245514@1=245514 £ si 144984@.01=1449 £ ic 2/246965
288a	09/05/2002	New director appointed
PROSP	29/04/2002	Prospectus
RESOLUTIONS	25/04/2002	RES13 Share exchange 17/04/02
RESOLUTIONS	25/04/2002	RES11 Resolution of removal of pre-emption rights
RESOLUTIONS	25/04/2002	RES07 Resolution of financial assistance for the acquisition of shares
RESOLUTIONS	25/04/2002	RES01 Resolution of Memorandum and/or Articles of Association
288a	25/04/2002	New director appointed
288a	25/04/2002	New director appointed
288a	25/04/2002	New director appointed
288a	25/04/2002	New secretary appointed;new director appointed
288a	25/04/2002	New director appointed
CERT8	17/04/2002	Certificate of authorisation to commence business and borrow
117	17/04/2002	Application to commence business
RESOLUTIONS	27/03/2002	RES13 Sh conver and sub div 14/03/02
RESOLUTIONS	27/03/2002	RES11 Resolution of removal of pre-emption rights
RESOLUTIONS	27/03/2002	RES10 Resolution of allotment of securities
RESOLUTIONS	27/03/2002	RES04 Resolution of increasing authorised share capital
RESOLUTIONS	27/03/2002	RES01 Resolution of Memorandum and/or Articles of Association
CERTNM	14/03/2002	Certificate of change of name
287	05/02/2002	Registered office changed on 05/02/02 from: 280 grays inn road london WC1X 8EB
288b	28/01/2002	Director resigned
288b	28/01/2002	Secretary resigned;director resigned
288a	18/01/2002	New secretary appointed;new director appointed
288a	14/01/2002	New director appointed
NEWINC	20/12/2001	Incorporation

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF PETROPAVLOVSK PLC
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

PROPOSED ADMINISTRATOR'S STATEMENT
AND CONSENT TO ACT

1. This statement and consent to act is made by me as a proposed joint administrator of Petropavlovsk PLC (the “**Company**”), a company incorporated in England and Wales under the Companies Act 2006 with registered number 04343841 whose registered office is at 11 Grosvenor Place, Belgravia, London, SW1X 7HH. This statement and consent to act is made in accordance with the requirements of Rule 3.2 of the Insolvency (England and Wales) Rules 2016 (the “**Rules**”) and Schedule B1 (“**Schedule B1**”) to the Insolvency Act 1986 (the “**Act**”).
2. I, Joanne Rolls of Opus LLP, one of the proposed joint administrators, hereby certify that I am qualified to act as an insolvency practitioner in relation to the Company.
3. My insolvency practitioner number is 8867. The recognised professional body which is the source of my authorisation to act as an insolvency practitioner in relation to the Company is the Insolvency Practitioners Association.
4. I consent to act as joint administrator of the Company.
5. I have had a prior professional relationship with the Company to the extent that Opus has been instructed by the Company since 17 June 2022 to provide insolvency advice and to act as proposed administrators should the Company seek an administration order (and received some documentation from the Company under a confidentiality agreement before that date in connection with our proposed engagement).

6. As proposed joint administrator, I confirm that I have fully considered the relevant guide to professional conduct and ethics as issued by my regulatory body and am satisfied that the existence of this prior relationship does not create any conflict of interest or threat to independence for the proposed office holder and consider myself able to accept the appointment.
7. The proposed appointment is to be made by application by the majority of the directors of the Company to the Court for an appointment.
8. I am of the opinion that the purpose of the administration set out in paragraph 3(1)(b) of Schedule B1 to the Act (i.e. “*achieving a better result for the company’s creditors as a whole than would be likely if the company were wound up (without first being in administration)*”) is reasonably likely to be achieved in this particular case. Further, it is expected that distributions will be made to preferential creditors, consistent with the purpose set out in paragraph 3(1)(c) of the same schedule.

Signed:


JOANNE ROLLS

Dated:

11 July 2022

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF PETROPAVLOVSK PLC
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

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2. I, Trevor Binyon of Opus LLP, one of the proposed joint administrators, hereby certify that I am qualified to act as an insolvency practitioner in relation to the Company.
3. My insolvency practitioner number is 9285. The recognised professional body which is the source of my authorisation to act as an insolvency practitioner in relation to the Company is the Insolvency Practitioners Association.
4. I consent to act as joint administrator of the Company.
5. I have had a prior professional relationship with the Company to the extent that Opus has been instructed by the Company since 17 June 2022 to provide insolvency advice and to act as proposed administrators should the Company seek an administration order (and received some documentation from the Company under a confidentiality agreement before that date in connection with our proposed engagement).

6. As proposed joint administrator, I confirm that I have fully considered the relevant guide to professional conduct and ethics as issued by my regulatory body and am satisfied that the existence of this prior relationship does not create any conflict of interest or threat to independence for the proposed office holder and consider myself able to accept the appointment.
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Signed :



TREVOR BINYON

Dated:

11 July 2022

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

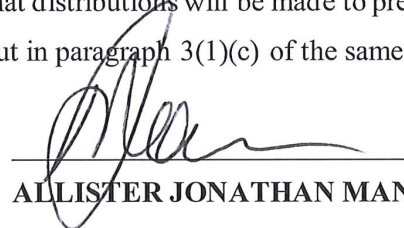
IN THE MATTER OF PETROPAVLOVSK PLC
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

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AND CONSENT TO ACT

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2. I, Allister Jonathan Manson of Opus LLP, one of the proposed joint administrators, hereby certify that I am qualified to act as an insolvency practitioner in relation to the Company.
3. My insolvency practitioner number is 23290. The recognised professional body which is the source of my authorisation to act as an insolvency practitioner in relation to the Company is the Insolvency Practitioners Association.
4. I consent to act as joint administrator of the Company.
5. I have had a prior professional relationship with the Company to the extent that Opus has been instructed by the Company since 17 June 2022 to provide insolvency advice and to act as proposed administrators should the Company seek an administration order (and received some documentation from the Company under a confidentiality agreement before that date in connection with our proposed engagement).

6. As proposed joint administrator, I confirm that I have fully considered the relevant guide to professional conduct and ethics as issued by my regulatory body and am satisfied that the existence of this prior relationship does not create any conflict of interest or threat to independence for the proposed office holder and consider myself able to accept the appointment.
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Signed :


ALLISTER JONATHAN MANSON

Dated:

11 July 2022



Petropavlovsk PLC
11 Grosvenor Place
Belgravia
London SW1X 7HH

T: +44(0)20 7201 8900
F: +44(0)20 7201 8901
contact@petropavlovskplc.com
www.petropavlovskplc.com

Registered Office as shown.
Registered in England and Wales
Number: 4343841

Petropavlovsk PLC

Comparative Estimated Outcome Statement as at 11 July 2022

	Notes	Estimated to Realise (Administration) US \$	Estimated to Realise (Compulsory Liquidation) US \$
Assets Not Specifically Pledged			
Sale of Shares out of Liquidation	1	Nil	Nil
Intercompany loan	2	Nil	Nil
Adjusted cash consideration		380,000,000	Nil
Term Loan - credit bid		202,434,179	Nil
Administration Fund		18,960,390	Nil
Potential deferred consideration	12	10,000,000	Nil
Balance held by BDO		120,000	120,000
Cash at bank	3	Nil	9,000,000
Cyprus Funds	13	Uncertain	Uncertain
		<u>611,514,569</u>	<u>9,120,000</u>
General Costs			
	10		
Joint Administrators' Fees		(2,700,000)	Nil
Joint Administrators' Expenses		(2,000)	Nil
Legal Fees (JHA)		(2,100,000)	(750,000)
Legal Fees (Sanctions)		(300,000)	Nil
Tax and Accounting Fees		(175,000)	(175,000)
Transfer of Shares Legal Costs		(225,000)	(225,000)
Agents' Fees (lease)		(37,500)	(37,500)
Legal Fees (ERA)		(37,500)	Nil
Insurance		(15,000)	(15,000)
Admin employee costs	5	(899,757)	Nil
Admin directors costs	5	(75,517)	Nil
Admin running costs (office etc)		(90,000)	Nil
OR General Fee		Nil	(7,200)
OR Administration Fee		Nil	(6,000)
OR Liquidators Fee	6	Nil	(1,368,000)
Joint Liquidators' Fee	7	Nil	(1,000,000)
Joint Liquidators' Expenses		Nil	(60,000)
Storage Fees		(5,000)	(5,000)
ERA / Pension Advisors' Fees		(6,638)	(6,638)
Provision for Jersey Liq		(45,000)	Nil
		<u>(6,713,912)</u>	<u>(3,655,338)</u>
Assets Available to Preferential Creditors		604,800,657	5,464,662
Preferential Creditors			
Employees - Holiday		(98,760)	(98,760)
Assets Available to Secondary Preferential Creditors		604,701,897	5,365,902
Secondary Preferential Creditors			
HM Revenue & Customs - VAT	8	(13,885,590)	(13,885,590)
		<u>(13,885,590)</u>	<u>(13,885,590)</u>
Assets Available to Unsecured Creditors		590,816,307	(8,519,688)
Unsecured Creditors			
	11		
Term Loan		202,434,179	202,434,179
Trade Creditors		3,065,403	3,065,403
P11D		228,869	228,869
Unclaimed indemnities		3,250,000	3,250,000
Weil		1,517,163	1,517,163
H&P		750,000	750,000
Employees		589,598	589,598
Employee Litigation		268,750	268,750
HMRC - EBT		433,924	433,924
2016 Notes		304,269,000	304,269,000
2016 Notes interest		16,728,230	16,728,230
2016 PUT options		3,042,690	3,042,690
2010 Notes		33,000,000	33,000,000
2010 Notes interest		796,301	796,301
2010 PUT options		330,000	330,000
2022 Bond Conversion outstanding		557,876	557,876
CT IRC		521,442	521,442

Directors Fees	900,000	900,000
Landlord	523,077	523,077
Total Unsecured Creditors	573,206,502	573,206,502
Surplus / (Shortfall) to Unsecured Creditors	9 17,609,805	(581,726,189)
Rate of Dividend - Unsecured Creditors (p/£)	100 p/£	0 p/£

GENERAL NOTES

- 1 The Administration scenario is based on the offer received from UMMG. An offer from UGC was received on 9 July 2022 and there has been insufficient time for the Company or proposed Administrators to consider this prior to the application. However, as can be seen, the UMMC offer proposes that all creditors are paid in full so the UGC would need to do the same. Given this, it is our opinion that the Administration scenario will not materially change.
- 2 The proposed transaction includes a contingency fund of \$6,000,000 which is a legal fund only available for litigation purposes. It is not a fund which can be used for payment of costs, expenses or dividends. For this reason, it is excluded from the estimate outcome statement.
- 3 The proposed transaction is to be carried out in US\$. Where costs or potential claims of creditors are in GBP£, an exchange rate of 1 to 1.25 has been used.
- 4 There are no known security interests in the Company's assets, either by way of fixed or floating charges, registered against the Company.

NOTES TO EOS

- 1 We are of the opinion that a sale of the shares in subsidiaries would not be possible in a Liquidation scenario as, due to various inter company loans it is likely that bankruptcy action would need to be commenced in Russia which would likely result in a cessation of the trading subsidiaries and no return to creditors.
- 2 The intercompany loan is dealt with in the proposed transaction with UMMC by way of net off and waiver. As detailed in note 1, we consider that the intercompany loan balance is irrecoverable.
- 3 The terms of the proposed UMMC transaction are such that the day 1 cash consideration payment will be reduced by the corresponding amount that the Company holds as cash at bank.
- 4 An historic agreement with directors was agreed by the board but not voted by the remuneration committee. Having reviewed the relevant paperwork, we believe that the liability is due for payment and should be an unsecured claim.
- 5 It is envisaged that employees and certain directors will need to be retained for a period of up to six months to enable a transition to a purchaser. In the event of a compulsory winding up it is likely that all employees would resign on the presenting of a winding up petition.
- 6 Calculated as 15% of chargeable receipts realised by the official receiver.
- 7 Estimated for an independent Insolvency Practitioner to either be appointed as a Special Manager, or as the subsequent Liquidator.
- 8 The Company has been subject to an investigation by HMRC in respect of VAT refunds dating back to October 2015. There had also been an investigation for the period 2011 to September 2015 which was settled in 2021. The amount has been calculated on the basis of all refunds received by the company (as a worse case scenario), but excludes interest and any surcharge.
- 9 It is envisaged that any surplus will first be applied to the payment of statutory interest, at the prevailing rate, with any remaining balance thereafter repaid to the purchaser per the terms of the proposed transaction with UMMC.
- 10 All costs are an estimate provided by the professionals that we envisage will be required during the administration period.
- 10 Due to the aforementioned VAT investigation at note 8, we believe that it is unlikely that VAT can be reclaimed on the costs of the Administration.
- 11 All unsecured claims have been identified following a review of the Company's books and records.
- 12 The potential deferred consideration of \$10,000,000 is a payment which UMMC must make should claims or costs exceed the estimates provided.
- 13 There is currently a balance due from a Cypriot subsidiary of \$25,000,000. There is a risk that this sum may not be recoverable.

PETROPAVLOVSK PLC

SHORT TERM TRADING CASH FLOW

EXCHANGE RATE USED	1.2	Wk1	Wk2	Wk3	Wk4	Wk5	Wk6	Wk7	Wk8	Total
		Wk com	Wk com	Wk com	Wk com	Wk com	Wk com	Wk com	Wk com	
		18/07/2022	25/07/2022	01/08/2022	08/08/2022	15/08/2022	22/08/2022	29/08/2022	05/09/2022	
RECEIPTS		\$	\$	\$	\$	\$	\$	\$	\$	
Income		-	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-	-
EXPENDITURE										
Running costs		3,323	3,323	3,323	3,323	3,323	3,323	3,323	3,323	26,585
Wages (Gross)		13,419	13,419	13,419	13,419	13,419	13,419	13,419	13,419	107,349
NI'ers		1,884	1,884	1,884	1,884	1,884	1,884	1,884	1,884	15,069
Directors payments		8,375	8,375	8,375	8,375	8,375	8,375	8,375	8,375	67,000
Pension		1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	10,740
Medical		371	371	371	371	371	371	371	371	2,971
Rent (1 quarter)		-	-	-	-	-	-	-	82,701	82,701
Service charge		-	-	-	-	-	-	-	14,400	14,400
										-
ADMINISTRATION EXPENSES										
Office holders fees		-	-	-	-	-	-	-	432,000	432,000
Legal fees		-	-	-	-	-	-	-	1,008,000	1,008,000
Insurance		-	-	-	-	-	-	-	18,000	18,000
Legal fees - share transfers		-	-	-	-	-	-	-	225,000	225,000
ERA advice		-	-	-	-	-	-	-	43,200	43,200
Legal fees - property		-	-	-	-	-	-	-	36,000	36,000
										-
TOTAL		28,714	28,714	28,714	28,714	28,714	28,714	28,714	1,888,015	2,089,014
Net income	-	28,714	- 28,714	- 28,714	- 28,714	- 28,714	- 28,714	- 28,714	- 1,888,015	
OPENING BALANCE		7,883,172	7,854,458	7,825,744	7,797,030	7,768,316	7,739,602	7,710,888	7,682,174	
CLOSING BALANCE		<u>7,854,458</u>	<u>7,825,744</u>	<u>7,797,030</u>	<u>7,768,316</u>	<u>7,739,602</u>	<u>7,710,888</u>	<u>7,682,174</u>	<u>5,794,158</u>	

	\$
Cash at 11.7.2022	8,363,819
Less:	
Opus	432,000
Apex	23,647
Contingency	25,000

Adjusted opening balance 7,883,172

Note:

All costs including VAT - assume VAT is irrecoverable

Trading anticipated for eight weeks and will only continue in the event that we are successful in negotiating a sale of the shares , resulting in a full repayment to all creditors.

Whilst the anticipated costs of trading have been set out for eight weeks , the trading period may be somewhat shorter if all completion matters, including the transfer of shares, can be completed in a shorter timeframe.

Please also refer to Tab - Trading cash flow - 4 weeks

PETROPAVLOVSK PLC
SHORT TERM TRADING CASH FLOW

EXCHANGE RATE USED	1.2	Wk1	Wk2	Wk3	Wk4	Total
		Wk com	Wk com	Wk com	Wk com	
		18/07/2022	25/07/2022	01/08/2022	08/08/2022	
RECEIPTS		\$	\$	\$	\$	
Income		-	-	-	-	-
TOTAL		-	-	-	-	-
EXPENDITURE						
Running costs		3,323	3,323	3,323	3,323	13,292
Wages (Gross)		13,419	13,419	13,419	13,419	53,674
NI's		1,884	1,884	1,884	1,884	7,535
Directors payments		8,375	8,375	8,375	8,375	33,500
Pension		1,343	1,343	1,343	1,343	5,370
Medical		371	371	371	371	1,485
Rent (1 quarter)		-	-	-	-	-
Service charge		-	-	-	-	-
ADMINISTRATION EXPENSES						
Office holders fees		-	-	-	432,000	432,000
Legal fees		-	-	-	1,008,000	1,008,000
Insurance		-	-	-	18,000	18,000
Legal fees - share transfers		-	-	-	225,000	225,000
ERA advice		-	-	-	43,200	43,200
Legal fees - property		-	-	-	36,000	36,000
TOTAL		28,714	28,714	28,714	1,790,914	1,877,056
Net income	-	28,714	-	28,714	-	28,714
OPENING BALANCE		7,883,172	7,854,458	7,825,744	7,797,030	
CLOSING BALANCE		7,854,458	7,825,744	7,797,030	6,006,116	

	\$
Cash at 11.7.2022	8,363,819
Less:	
Opus	432,000
Apex	23,647
Contingency	25,000
Adjusted opening balance	7,883,172

Note:

All costs including VAT - assume VAT is irrecoverable

This cashflow reflects the anticipated position should all completion matters be concluded within 4 weeks.