



PETROPAVLOVSK

PRESS RELEASE

19 October 2018

Petropavlovsk PLC IRC Announces Update On Temporary Bridge Loan

The Board of Petropavlovsk PLC (“Petropavlovsk” or the “Company”) notes the announcement made today by IRC Limited (“IRC”), regarding a delay of approximately two months in repayment of the temporary bridge loan advanced by the Company to IRC in June 2018.

As set out in IRC’s announcement on 13 June 2018, and its circular to shareholders dated 23 July 2018, JSC Pokrovskiy Rudnik (the “Lender”) entered into a temporary bridge loan with IRC on 13 June 2018 for the purposes of facilitating the repayment obligations of Kimkano-Sutarsky Mining and Beneficiation Plant LLC (“K&S”) under the ICBC Facility (the “Bridge Loan”).

Further to IRC’s announcement dated 24 September 2018, providing an update on the K&S refinancing arrangements, negotiation of the finance documentation for the purposes of completing the refinancing is ongoing and until the process is finalised, IRC will not be in a position to repay the Bridge Loan on its due date of 20 October 2018.

Accordingly, Petropavlovsk has confirmed that it will not take any action or exercise its right to demand repayment of the Bridge Loan on 20 October 2018 provided that;

- (i) All amounts owing under the Bridge Loan are repaid in full by 20 December 2018
- (ii) Any interest under the Bridge Loan which has accrued on or prior to 20 October 2018 is paid in full by 20 October 2018 and any interest accruing after 20 October 2018 is paid on the last day of each month prior to 20 December 2018, and on 20 December 2018
- (iii) IRC is to pay a fee equivalent to US\$200,000 to Petropavlovsk in consideration for the waiver of the Lender’s rights as set out above

Please refer to the IRC website, <http://www.ircgroupp.com.hk>, to access the full release.

Enquiries

For more information, please visit www.petropavlovsk.net and www.ircgroupp.com.hk or contact:

Petropavlovsk PLC

Alya Samokhvalova
+44 (0) 20 7201 8900

TeamIR@petropavlovsk.net

Buchanan

Bobby Morse
Chris Judd

+44 (0) 207 466 5000

POG@buchanan.uk.com

About Petropavlovsk

Petropavlovsk is one of Russia’s leading gold mining companies. As at 30 June 2018, the Company had produced approximately c.6.9Moz of gold.

At this time, Petropavlovsk is in the construction phase of a state of the art pressure oxidation facility to process the Company’s substantial refractory resource base. The Company’s combined 3,430km² license holding has untapped resource potential. The Company is a leading employer and contributor to the development of the local economy in the Amur region, Russian Far East, where it has operated since 1994.

Petropavlovsk is a shareholder (31.1%) of IRC Limited and is the guarantor of IRC's US\$340 million project finance facility, of which US\$204 million was outstanding as at 30 June 2018. IRC is a vertically integrated iron ore producer and developer in the Russian Far East and North-eastern China. IRC is listed on the Hong Kong Stock Exchange (ticker: 1029.HK).

Petropavlovsk is listed on the Main Market of the London Stock Exchange (ticker POG:LN).