



PRESS RELEASE

19 March 2019

Petrovlovsk PLC

Draw Down of Gazprombank Facilities and Notice of Results

Petrovlovsk PLC ("Petrovlovsk" or the "Company" or, together with its subsidiaries, the "Group") is pleased to announce that the refinancing of the outstanding Industrial and Commercial Bank of China Ltd ("ICBC") loan has been completed following an initial drawdown on a new US\$240 million facility with JSC Gazprombank ("Gazprombank") by the Kimkano-Sutarsky Mining and Beneficiation Plant LLC ("K&S"), a wholly owned subsidiary of IRC Limited ("IRC").

Following the successful approval by Petrovlovsk shareholders at a General Meeting held on 12 March 2019, to guarantee the obligations of K&S under two new broadly identical facility agreements with Gazprombank (the "Facility Agreements"), the Company is pleased to announce that the refinancing of the ICBC loan has been completed following an initial drawdown of US\$172 million from the new Gazprombank facility and, as such, the Petrovlovsk guarantees relating to that new facility have become effective.

The sum of US\$169 million has been applied to fully repay K&S's outstanding principal indebtedness under the ICBC Facility, with the remaining US\$3 million being drawn as working capital for K&S. Of the remaining undrawn amount under the new Facility Agreements, it is expected that US\$57 million will be drawn to repay the two bridge loans advanced by Petrovlovsk to IRC during 2018 as well a guarantee fee of US\$6 million. It is anticipated that both amounts will be drawn on or around 21 March 2019. In addition, a deferred guarantee fee amounting to US\$5 million is payable by IRC to Petrovlovsk no later than 31 March 2020.

As set out in IRC's announcement dated 15 February 2019, the recourse agreement, a connected transaction previously entered into between Petrovlovsk, IRC and K&S dated 13 December 2010 in respect of the ICBC Facility ("ICBC Recourse Agreement"), will terminate and cease to be of any force and effect from when the ICBC Facility is released and discharged. Accordingly, the ICBC Recourse Agreement will terminate and cease to be of any force and effect on or about the date of this announcement.

Confirmation of Full Year 2018 Results and Q1 2019 Production Announcement

The Company would like to announce that annual results for the year ended 31 December 2018, as well as a Q1 2019 production update, will be released on 24 April 2019. A webcast and a conference call will be hosted by Petrovlovsk management to discuss the results.

Enquiries

For more information, please visit www.petrovlovsk.net and www.ircgroup.com.hk or contact:

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

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.