



PETROPAVLOVSK

PRESS RELEASE

25 March 2019

Petropavlovsk PLC

Repayment of Temporary Bridge Loans by IRC

Further to the announcement made on 19 March 2019, regarding the successful refinancing of the outstanding loan between IRC Limited ("IRC") and the Industrial and Commercial Bank of China Ltd ("ICBC"), Petropavlovsk PLC ("Petropavlovsk" or the "Company"), announces that it has received the Rouble equivalent of approximately US\$57 million as full repayment of the two bridge loans advanced by Petropavlovsk to IRC during 2018. In addition, a guarantee fee of US\$6 million is in the process of being paid by IRC to the Company, with a further US\$5 million payable by IRC no later than 31 March 2020.

Dr Pavel Maslovskiy, CEO, comments

"I am pleased to inform shareholders that the Company is in receipt of c.US\$57 million, comprising the full repayment of the bridge loans. I would like to take this opportunity to thank all sides involved in bringing the refinancing to a successful conclusion.

We also note the announcement made by IRC on 21 March, stating that although the anticipated 2018 headline profit has been affected by a non-cash adjustment, the underlying performance of the business improved significantly in 2018, resulting in increases in both IRC's revenue (+39% year-on-year) and EBITDA (+42% year-on-year). The improvement in the performance of IRC is attributable to the ongoing successful ramp up at the K&S iron ore mine, which, in the second half of February 2019, operated at an average production capacity of 86%, up from an average of 70% achieved during the final quarter and the year 2018."

Enquiries

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