



PRESS RELEASE

20 February 2019

Petropavlovsk PLC

Update on Temporary Bridge Loan to IRC

Petropavlovsk PLC (the "Company") wishes to notify that IRC Limited ("IRC"), a producer and developer of industrial commodities in which the Company is a significant shareholder (31.1%), has today made an announcement in connection with the temporary bridge loan provided by Petropavlovsk to IRC.

As set out in IRC's announcements made on 13 June 2018, 19 October 2018 and 19 December 2018 and its circular to shareholders, dated 23 July 2018, JSC Pokrovskiy Mine (the "Lender") entered into a temporary bridge loan with IRC on 13 June 2018 for the purposes of facilitating the repayment obligations of K&S under the ICBC Facility (the "Bridge Loan").

Further to IRC's announcement dated 19 December 2018, providing an update on the K&S refinancing arrangements, IRC expects to draw down on the Gazprombank Facility in March 2019 and will not be in a position to repay the Bridge Loan on 20 February 2019.

As set out in IRC's announcement dated 19 December 2018, the Lender's parent company, Petropavlovsk, is also participating in the refinancing in connection with the release of its obligations as guarantor of IRC's borrowings under the ICBC Facility.

Accordingly, Petropavlovsk has confirmed that it will not take any action or exercise its right to demand repayment of the Bridge Loan on 20 February 2019 provided that all amounts owing under the Bridge Loan are repaid in full by 21 March 2019 and provided also that IRC pays all related interest owing under the Bridge Loan and a fee in Russian Roubles equivalent to US\$100,000 to the Lender in consideration for the waiver of the Lender's rights as set out above.

The independent directors of IRC consider that the terms of the waiver proposed by the Lender are fair and reasonable and on normal commercial terms or better and it would be in the best interests of IRC and its shareholders as a whole to comply with the terms of the waiver.

The full text of the announcement may be found on the website of IRC at www.ircgroupp.com.hk

Enquiries

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

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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,

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