



## PRESS RELEASE

28 June 2019

### Petropavlovsk PLC

#### **Entry Into Share Retention Agreement by Petropavlovsk PLC and IRC Limited In Connection With The Gazprombank Facilities**

Petropavlovsk PLC ("Petropavlovsk" or the "Company") and IRC Limited ("IRC"), a producer and developer of industrial commodities in which the Company is a significant shareholder (31.1%), have entered into a Share Retention Agreement which contains certain covenants in favour of JSC Gazprombank ("Gazprombank") regarding the Company's shareholding in IRC.

This relates to the refinancing of the legacy Industrial and Commercial Bank of China Ltd ("ICBC") facility, in respect of which Petropavlovsk acted as a guarantor for IRC. Following the approval by Petropavlovsk shareholders at a General Meeting held on 12 March 2019, to guarantee the obligations of the Kimkano-Sutarsky Mining and Beneficiation Plant LLC ("K&S", a wholly owned subsidiary of IRC), under two new broadly identical facility agreements with Gazprombank, an initial drawdown on a new US\$240 million facility by K&S occurred on 19 March 2019. Detailed information regarding the refinancing may be found in an announcement published by Petropavlovsk dated 15 February 2019 (*The Recommended Proposal to Guarantee the Obligations of K&S, a Wholly Owned Subsidiary of IRC Limited, under Two Facility Agreements with JSC Gazprombank*) and the related circular (<https://www.petropavlovsk.net/wp-content/uploads/2019/02/c114994CCL-pfp.pdf>)

In connection with the Gazprombank Facilities, on 28 June 2019, Petropavlovsk and IRC entered into a share retention agreement with Gazprombank (the "Share Retention Agreement").

Under the Share Retention Agreement, unless otherwise agreed with Gazprombank, for so long as the Gazprombank Facilities or any sum thereunder is outstanding:

- (i) Petropavlovsk must retain at least a 20% direct or indirect interest in IRC (and the grant of any option, pre-emptive right or similar right in respect of Petropavlovsk's interest in IRC would constitute a disposal for the purpose of this covenant); and
- (ii) Petropavlovsk must not create, grant or permit to subsist any encumbrance over any direct or indirect interest in IRC (other than any encumbrance arising by operation of law or where following such encumbrance, Petropavlovsk has at least a 20% interest in IRC which remains unencumbered).

#### **Enquiries**

For more information, please visit [www.petropavlovsk.net](http://www.petropavlovsk.net) and [www.ircgroup.com.hk](http://www.ircgroup.com.hk) or contact:

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#### **About Petropavlovsk PLC**

Petropavlovsk is one of Russia's major gold mining companies, both in terms of production and the size of its resources. With a strong track record of mine development, expansion and asset optimisation, the Company has

entered a new era of growth following the successful commissioning and start-up of the Pokrovskiy POX Hub. 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. The Company and its subsidiaries (together, the "Group") is vertically-integrated with expertise and operations across the entire mining lifecycle, and its in-house exploration team has a strong track record of identifying new targets and adding to the Group's resource base.

The Company is listed on the Main Market of the London Stock Exchange (POG:LN)

**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.*