



## PRESS RELEASE

24 July 2020

### Petrovavlovsk PLC

#### Posting of Circular

#### and Notice of Requisitioned General Meeting

Petrovavlovsk PLC ("Petrovavlovsk" or the "Company") announces that it is today posting a circular to shareholders (the "Circular") which contains a notice convening a general meeting of the Company requisitioned in accordance with section 303 of the Companies Act 2006 (the "Requisitioned General Meeting").

The Requisitioned General Meeting will be held at 11 a.m. on 10 August 2020 at the offices of White & Case LLP, 5 Old Broad Street, London EC2N 1DW. The Requisitioned General Meeting will consider:

- Resolutions proposed by Aurora Nominees Limited on behalf of The Russian Prosperity Fund, The Russian Prosperity Cub Fund and The Prosperity Quest Fund (the "Prosperity Funds") in a requisition dated 6 July 2020, as announced by the Company on 7 July 2020.
- Resolutions proposed by Everest Alliance Limited ("Everest") in requisitions dated 9 July and 14 July 2020, as announced by the Company on 10 and 15 July.

The Prosperity Funds' requisition includes a resolution to appoint Ms Fiona Paulus as a Director of the Company. Ms Paulus has subsequently informed both the Prosperity Funds and the Company that she has withdrawn her consent due to personal reasons. There are no other changes to the resolutions proposed by the Prosperity Funds and Everest to those previously announced by the Company.

The Circular contains the statements of both of the requisitioners, the Board's Responses and the recommendations of the Directors. The Recommendation of the Directors, as detailed in the Circular, is set out below:

#### **Recommendation**

The Order of the High Court dated 9 July 2020 in respect of the derivative claim made by Everest in respect of the appointment of the Temporary Directors (the "**Order**") requires any resolution of the Board in relation to the convening and conduct of the Requisitioned General Meeting to have the approval of not less than 2 Elected Directors. This means that the Board is unable to make any recommendation based solely on a majority vote of the Directors (such as represented by Mr Peter Hambro, Dr Alya Samokhvalova, Mr Jonny Martin Smith and Ms Angelica Phillips (the "Temporary Directors") and Mr Martin Smith) without the support of at least 2 of Mr James W. Cameron Jr, Mr Maxim Kharin, Ms Charlotte Philipps and Mrs Katia Ray (the "Elected Directors").

Given the requirements of the Order, the Board is therefore unable to pass the necessary board resolution to make a recommendation as to how shareholders should vote in relation to resolutions 1 to 6, 9, 10 and 11 (as the Board was unable to agree the form of a recommendation in respect of such resolutions which had the support of at least two of the Elected Directors).

All of the Resolutions to be proposed at the Requisitioned General Meeting are set out at the end of this announcement.

**The Board recommends that Shareholders should vote FOR resolutions 12 to 17 inclusive.**

**The Board recommends that Shareholders should vote AGAINST resolutions 7, 8 and 18 and unanimously recommends a vote against special resolution 19.**

**In the Board’s opinion voting in accordance with the Board’s recommendations set out above would be in the best interests of shareholders.**

In respect of resolutions 1 to 6, 9, 10 and 11, the position of the Directors is as follows:

		<b>Number of Directors in favour</b>	<b>Number of Directors against</b>	<b>Reason for no agreed recommendation</b>
1.	To appoint Mr Damien Hackett as a Director	6	3	The resolution did not have the support of at least 2 Elected Directors as required by the Order.
2.	To appoint Mr Michael Kavanagh as a Director	5	4	The resolution did not have the support of at least 2 Elected Directors as required by the Order.
3.	To appoint Mr Harry Kenyon-Slaney as a Director	6	3	The resolution did not have the support of at least 2 Elected Directors as required by the Order.
4.	To appoint Dr Pavel Maslovskiy as a Director	6	3	The resolution did not have the support of at least 2 Elected Directors as required by the Order.
5.	To appoint Mr Timothy McCutcheon as a Director	5	4	The resolution did not have the support of at least 2 Elected Directors as required by the Order.
6.	To appoint Mr Vitaly Zarkhin as a Director	5	4	The resolution did not have the support of at least 2 Elected Directors as required by the Order.
9.	To appoint Mr James Cameron if he has been removed as a director	3	6	The resolution was opposed by a majority of the Directors but such majority did not have the support of at least 2 Elected Directors as required by the Order.
10.	To appoint Ms Charlotte Philipps if she has been removed as a director	3	6	The resolution was opposed by a majority of the Directors but such majority did not have the support of at least 2 Elected Directors as required by the Order.
11.	To appoint Mr Maxim Kharin if he has been removed as a director	3	6	The resolution was opposed by a majority of the Directors but such majority did not have the support of at least 2 Elected Directors as required by the Order.

Accordingly, the Board is unable to make any recommendation as to the voting action shareholders should take for resolutions 1 to 6, 9, 10 and 11 and whether such resolutions are, in the Board’s opinion, in the best interests of shareholders.

Notwithstanding, the Board recommends all Shareholders to vote by proxy on the resolutions to be proposed at the Requisitioned General Meeting.

**Shareholders are asked to read the whole of the Circular carefully.**

In light of the impact of the COVID-19 pandemic and in line with the Public Health England guidance, Shareholders will not be able to attend the Requisitioned General Meeting in person. Arrangements will be made to enable Shareholders to participate in the general meeting. A further announcement will be made in this respect and details will be made available on the Company's website.

**Shareholders are encouraged to lodge their votes by proxy by the voting deadline of 11 a.m. on Friday 7 August 2020 to ensure that their proxy votes can be counted.**

A copy of the Circular and Proxy Form will be available on the Company's website at [www.petrodavlovsk.net](http://www.petrodavlovsk.net).

Copies of these documents have also been submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, in accordance with Listing Rule 9.6.1.

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## RESOLUTIONS TO BE PROPOSED AT THE REQUISITIONED GENERAL MEETING

### ***Resolutions 1 to 6 are proposed by the Prosperity Funds***

- 1 Mr Damien Hackett is appointed as a Director of the Company with immediate effect.
- 2 Mr Michael Kavanagh is appointed as a Director of the Company with immediate effect.
- 3 Mr Harry Kenyon-Slaney is appointed as a Director of the Company with immediate effect.
- 4 Dr Pavel Maslovskiy is appointed as a Director of the Company with immediate effect.
- 5 Mr Timothy McCutcheon is appointed as a Director of the Company with immediate effect.
- 6 Mr Vitaly Zarkhin is appointed as a Director of the Company with immediate effect.

### ***Resolutions 7 to 19 are proposed by Everest***

- 7 Mr Paul Adrian Bushell be appointed as a Director of the Company with immediate effect.
- 8 Mr Ivan Kulakov be appointed as a Director of the Company with immediate effect.
- 9 If Mr James William Cameron Jr has been removed as director of the Company at any time before the end of this general meeting, to appoint Mr James William Cameron Jr as a director of the Company with immediate effect.
- 10 If Ms Charlotte Bertha Elisabeth Philipps has been removed as director of the Company at any time before the end of this general meeting, to appoint Ms Charlotte Bertha Elisabeth Philipps as a director of the Company with immediate effect.
- 11 If Mr Maksim Kharin has been removed as director of the Company at any time before the end of this general meeting, to appoint Mr Maksim Kharin as a director of the Company with immediate effect.

- 12 If Mrs Ekaterina Ray has been removed as director of the Company at any time before the end of this general meeting, to appoint Mrs Ekaterina Ray as a director of the Company with immediate effect.
- 13 To remove Mr Peter Charles Percival Hambro as a director of the Company with immediate effect.
- 14 To remove Dr Alfiya Samokhvalova as a director of the Company with immediate effect.
- 15 To remove Ms Angelica Phillips as a director of the Company with immediate effect.
- 16 To remove Mr Jonathan Eric Martin Smith as a director of the Company with immediate effect.
- 17 To remove Mr Martin Smith as a director of the Company with immediate effect.
- 18 To remove as a director of the Company with immediate effect any person appointed as a director of the Company since 9 July 2020 and up to the end of this general meeting, and who is not one of the persons referred to in the resolutions numbered 7 to 12 (inclusive) above.

### **SPECIAL RESOLUTION**

- 19 To direct the board to commission an independent forensic investigation to review all transactions and arrangements entered into in the three years preceding the date of this resolution to which any of the following entities:

- (a) the Company or any of its subsidiaries or affiliates; or
- (b) IRC Limited, LLC KS GOK (Kimkano-Sutarsky GOK) or any of their subsidiaries or affiliates,

was directly or indirectly a party and in which any of the following persons is or was during the last three years, in any way, directly, or indirectly, interested:

- (i) any current or former director or senior manager of the Company or any of its subsidiaries or affiliates; or
- (ii) any current or former director or senior manager of IRC Limited or any of its subsidiaries or affiliates; or
- (iii) any legal or natural person connected with and/or who is an associate of any of the persons referred to in (i) and (ii) above, where “connected with” and “associated of” shall have the meanings set out in section 252 of the Companies Act 2006 and section 435 of the Insolvency Act 1986, respectively.

For the purpose of carrying out such independent forensic investigation the board shall retain one of the following firms: Deloitte, EY, KPMG or PwC. The purpose of such forensic investigation is to determine if each such transaction or arrangement was carried out in the best interests of the Company and to the benefit of its shareholders or otherwise. The independent forensic investigator shall provide a written report detailing its findings. The board shall promptly make available to the shareholders an unredacted copy of the independent forensic investigator’s report.

## For more information

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### **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.*