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Polymetal International plc

Polymetal completes the sale of Kapan

Polymetal International plc completes the previously announced sale of Kapan to Chaarat Gold Holdings Limited (AIM: CGH) (together with its subsidiaries – “Chaarat”) for a total consideration of US\$ 55 million (the “Transaction”).

“Sale of Kapan is yet another step to concentrate and upgrade our asset portfolio”, said Vitaly Nesis, Group CEO of Polymetal. “On behalf of Polymetal, I wish the employees of Kapan and its new owners success going forward”.

Following satisfaction of all outstanding conditions to closing and requisite regulatory approvals, the Transaction was completed on 30 January 2019.

The total consideration payable for Kapan is US\$ 55 million, subject to post-closing working capital and other customary adjustments. Of the total consideration, US\$ 10 million was settled in Chaarat’s 2021 Convertible Notes. The remaining US\$ 45 million is payable in cash, of which US\$ 5 million was received by Polymetal in November 2018 as an advance payment and US\$ 40 million will be received within 5 working days following the execution of certain settlement procedures associated with Chaarat’s syndicated acquisition financing facility. The payment is secured by a pledge of Kapan’s shares in favour of Polymetal, which will be released upon the receipt of remaining cash proceeds.

Simultaneously with the completion of the sale, Polymetal has agreed with Dundee Precious Metals (“DPM”), the previous owners of the asset, to terminate the royalty owed to DPM via a buyout for a cash consideration of US\$ 5.5 million, fully eliminating the Company’s exposure to the asset.

The transaction (including the royalty buyout) is not expected to result in any material gain or loss.

Scotiabank Europe plc acted as financial advisor to Polymetal.

About Polymetal

Polymetal International plc (LSE, MOEX: POLY, ADR: AUCOY) (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is a top-20 global gold producer and top-5 global silver producer with assets in Russia and Kazakhstan. The Company combines strong growth with a robust dividend yield.

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