



For further information, please
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1 Company details

Company number	0	4	3	4	3	8	4	1
Company name in full	Petrovavlovsk PLC							

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	Allister
Surname	Manson

3 Administrator's address

Building name/number	322 High Holborn
Street	
Post town	London
County/Region	
Postcode	W C 1 V V 7 P B
Country	

4 Administrator's name

Full forename(s)	Trevor
Surname	Binyon

Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number	322 High Holborn
Street	
Post town	London
County/Region	
Postcode	W C 1 V 7 P B
Country	

Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report


6 Period of progress report

From date	1	8	0	7	2	0	2	3	
To date	1	7	0	1	2	0	2	4	

7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
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8 Sign and date

Administrator's signature	Signature 	
Signature date	^d 1 ^d 6 ^m 0 ^m 2 ^y 2 ^y 0 ^y 2 ^y 4	

AM10

Notice of administrator's progress report



Presenter information

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Allister Manson

Opus Restructuring LLP

322 High Holborn

London

Postcode

W C 1 V 7 P B

DX

020 3326 6454



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- ☐ You have attached the required documents.
- ☐ You have signed the form.



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DX 33050 Cardiff.



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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☐ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

ⓘ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Joanne Kim

Surname Rolls

3 Insolvency practitioner's address

Building name/number Opus Restructuring LLP

Street 322 High Holborn

Post town London

County/Region

Postcode W C 1 V 7 P B

Country

In the High Court of Justice Reference No. CR-2022-002121

Petropavlovsk PLC (In Administration)

The Joint Administrators' Progress Report to 17 January 2024

**Allister Manson
Trevor John Binyon
Joanne Kim Rolls**

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Allister Manson, Trevor John Binyon and Joanne Kim Rolls were appointed Joint Administrators of Petropavlovsk PLC on 18 July 2022. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

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1. THE PROGRESS OF THE ADMINISTRATION

1.1 The Joint Administrators' Receipts and Payments Account

Attached at Appendix II is a receipts and payments account in respect of the Administration of Petropavlovsk PLC ("the Company" or "PLC") for the period 18 July 2023 to 17 January 2024 ("the Review Period"), together with a summary of the transactions in the previous Review Periods.

The rest of this report describes the key developments in the Administration over the Review Period. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix V.

In this section, we have summarised the main asset realisations made during the Review Period and have estimated the value of those assets yet to be realised, together with providing details of the costs associated with making these realisations (incurred, but as yet unpaid).

We would recommend that this report is read in conjunction with the previous Progress Reports as well as the Joint Administrators' Proposals dated 8 September 2022, for further background and detail in relation to the Administration of the Company. These can be accessed on the creditor portal and at <https://petropavlovskplc.com/administration-news/>.

1.2 Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progression of the Administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Review Period, primary tasks have included:

- Providing information to stakeholders;
 - Issuing information regarding the Scheme of Arrangement;
 - Drafting and issuing the progress report to creditors;
 - Realising assets of the Company (as detailed further below);
 - Monitoring the completion of the Company's Scheme of Arrangement including adjudicating claims and making distributions to creditors;
 - Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
 - Maintaining case files, which must include records to show and explain the Administration and any decisions made by the Joint Administrators that materially affect the Administration;
 - Significant correspondence and work done in relation to outstanding pre-appointment and post-appointment returns to HMRC and finalising the position with HMRC;
 - Continuously monitoring the updated sanctions lists to maintain work and correspondence are completed within the sanctions requirements;
 - Significant correspondence with the Bond and Note holders in relation to their claims, and completing detailed background checks and money laundering and sanction checks on all parties prior to allowing any payments to be made;
-

- Ongoing correspondence with the Office of Financial Sanctions Implementation (“OFSI”) regarding the issuance of a licence to receive \$25m of the Company’s funds held in the Company’s pre-appointment bank account at a sanctioned bank;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- Consideration given to proposed exit strategy from Administration and overall planning;
- Completing periodic tax returns; and
- Liaising with counsel and solicitors on various legal matters due to ensure compliance with the evolving sanctions landscape.

1.3 Sanctions Issues

Throughout the Administration, the Joint Administrators have obtained specialist sanctions legal advice and counsel. Such advice has been necessary given the complex and shifting geo-political and sanctions landscape. This advice has been sought to ensure that the Joint Administrators avoid breaches of the UK sanctions regimes administered by OFSI and, where appropriate, the Office of Foreign Assets Control (“OFAC”) and the EU Sanctions regimes.

As detailed throughout this report, the Joint Administrators have spent considerable time and incurred expenditure ensuring that appropriate levels of due diligence have been carried out in various aspects of the Administration, notably the execution of the Share Sale Deed and payments to creditors.

Creditors will recall from earlier Progress Reports that the shares in the majority of the subsidiaries of the Petropavlovsk PLC Group were sold to UMMC-Invest JSC (“UMMC-Invest”) by the Company (acting via the Joint Administrators) on 7 September 2022 and that UMMC-Invest became a subordinated creditor of PLC as a result. UMMC-Invest has changed its name to Atlas Mining LLC during the Review Period.

During the Review Period, the corporate shareholder of Atlas Mining LLC, OJSC Ural Mining and Metallurgical Company (“UMMC”), was designated as a sanctioned person by the UK Government further to a Financial Sanctions Notice on 8 November 2023. Prior to this designation, the Joint Administrators were informed that UMMC-Invest (now Atlas Mining LLC) had gone through a corporate restructuring. This effect of this restructuring on the sanctions position and the Administration will be reviewed by the Joint Administrators and their legal advisors and will be reported on in subsequent reports.

1.4 Corporation Tax

As detailed in my previous reports, the Joint Administrators have been working with Macintyre Hudson LLP (“MHA”), in dealing with the complex corporation tax position of the Company following the sale of a majority of the Company’s subsidiaries to UMMC.

Further to the Administrations of two other group entities, Petropavlovsk 2010 Limited and Petropavlovsk 2016 Limited, it was necessary to liaise with HMRC and to make a proposal to re-submit revised tax returns, in order to mitigate and surrender the tax losses of one of these group entities. In the Review Period, these finalised submissions were made. MHA’s costs in relation to their tax assistance are detailed in the Joint Administrators’ receipts and

payments account at Appendix II. We have yet to receive confirmation from HMRC that these revised submissions have been accepted.

1.5 VAT Refunds

As mentioned in the previous reports, an agreement was in place with HMRC to allow the Company to reclaim 66% of its input VAT. This agreement continued following the Joint Administrators' appointment.

1.6 Banking

As detailed in the previous reports, the Joint Administrators opened a new bank account for the Company at Maccorp Exact Exchange E.P.S.A ("Maccorp") in Madrid, Spain in May 2023.

The switch from the Company's existing bank, CitiBank ("Citi"), at Citi's insistence, required substantial time to be spent on due diligence and in ensuring that the facility provided by Maccorp was compliant with both UK insolvency legislation and the appropriate regulatory authorities. During the Review Period, the Joint Administrators have incurred £889.36 in transfer fees that relates to transfer charges of 0.3% per transaction.

The Joint Administrators have also spent a considerable amount of time and effort in negotiating with NatWest Bank Plc ("NatWest") and the Insolvency Service with respect to opening a UK bank account. This will predominantly be used to receive the funds in relation to the estimated future realisation of USD \$25million of the Company's money, currently held at Bank GPB International S.A. ("GPB Luxembourg").

The Joint Administrators have incurred fees in relation to the due diligence carried out by NatWest, totalling £19,837.50, which are shown on the Joint Administrators' receipts and payments account. I am pleased to report that this account is now open.

1.7 Realisation of Assets

Share Sale Deed

As detailed in previous reports, on 1 August 2022 the Joint Administrators received approval following a Court Order from Jonathan Hilliard KC sitting as Deputy Judge of the High Court to execute the Share Sale Deed with UMMC-Invest (now Atlas Mining LLC). The transfer of the shares was completed on 7 September 2022. For completeness, please see below for a breakdown of the total USD \$619m nominal consideration agreed with UMMC-Invest:

- Administration Fund of \$20m
 - Administration Top-Up Fund of \$10m
 - Contingency Fund of \$6m
 - Adjusted Cash Consideration, being the amount of \$380.5m less the value of any 2022 Notes that are already held by the Purchaser, as described below.
 - The 2022 Note Consideration Amount, being the face value of the Buyer 2022 Notes held by the Purchaser by completion date and tendered to the Company. UMMC had purchased 177,509 Notes as at the completion date, all of which were considered by the Company to be capable of acceptance by way of consideration.
 - The Term Loan Consideration – an amount equal to any and all outstanding amounts payable in respect of the Term Loan from time to time (save for any statutory interest payable in respect of the Term Loan). This was anticipated to be \$202,500,000 and is owed to UMMC-Invest (now Atlas Mining LLC). This figure will be offset against UMMC-
-

Invest's claim as an unsecured creditor in the Administration following the completion of distributions to all external creditors.

BDO retainer

In the Review Period, the Administrators realised the sum of £91,363 from BDO. This sum represented funds paid to BDO on retainer prior to the Joint Administrators' appointment. There will be no further realisations in this respect.

VAT refund – pre-appointment period

The Administrators received £203,176.28 during the Review Period in respect of VAT due from prior to the Administrators' appointment.

There have been no other realisations made in the Review Period nor any payments made to agents in respect of the BDO retainer or VAT refund realisation.

1.8 Estimated Future Realisations

Bank Balance held at GPB Luxembourg

As mentioned above, a balance of USD \$25 million is still being held at GPB Luxembourg and remains an asset that the Joint Administrators are actively pursuing. The Administrators made an application to OFSI for a licence to receive these funds, in October 2022. The estimated time period for the receipt of a decision from OFSI regarding an application was envisaged to be 9 months from the date of submission.

The Administrators have liaised with OFSI and the instructed solicitors regarding aspects of the application. This has included obtaining legal advice from Arendt, a leading law firm based in Luxembourg, in order to satisfy OFSI to matters of Luxembourgish law.

After the end of the Review Period, the Joint Administrators' have received confirmation that OFSI have agreed to issue a licence in respect of the above balance. Further details will be provided in our next report to creditors.

Furniture & Office Equipment

The Joint Administrators have not yet realised any amount in relation to furniture and equipment, due to its previous usage by the Company's skeleton staff. We anticipate future realisations totalling approximately £5,000 from the sale of these assets. These assets are being dealt with by our chattel agents, PDS Valuers. Further details regarding this agent are stated below in the "Other Professionals Instructed" section.

1.9 Costs Incurred but Unpaid

The following table summarises the costs incurred during the Review Period, but which remained unpaid as at the end of the Review Period:

JHA	GBP £178,138
I2 Capital Markets Ltd	USD \$900,000
Opus Peartree	GBP £70,173 (including VAT)

2. CREDITORS: CLAIMS AND DISTRIBUTIONS

As reported in the Joint Administrators' previous six-month progress reports, three interlocking Schemes of Arrangement (in respect of the Company, POG10 and POG16) were implemented by the Joint Administrators in order to enable creditors to prove their claims and receive distributions. On 20 January 2023, following sufficient votes being received from creditors of the Company, the High Court of Justice sanctioned the Company's Schemes of Arrangement. The Schemes' effective date was 30 January 2023.

It is important to note that Schemes of Arrangement are governed by the Companies Act and not the Insolvency Act and, as such, there is no requirement under the terms of the Scheme in the present case to differentiate between classes of creditor i.e. there are no preferential, secondary preferential and ordinary unsecured classes. All statutory classes of creditors are therefore treated the same: no creditor classes are prejudiced by this treatment, as all classes of creditors are receiving a distribution of 100p in the £ (together with an additional Scheme Multiplier) under the terms of the Scheme.

In order to remain consistent with the manner in which previous creditor information has been reported, we have elected to present the impact of the Schemes on each of the classes of creditor, as set out in insolvency legislation.

2.1. Secured creditors

There are no secured creditors in the Administration.

2.2. Preferential creditors

As detailed in my previous report, the Joint Administrators adopted certain employees' contracts so that they could assist with a range of ongoing issues, particularly matters relating to the Bond- and Noteholders, to assist with shareholder issues and the sale of the assets (including post-sale administrative matters), to take advantage of their knowledge and experience of the business operations.

In addition, the Joint Administrators and their staff have assisted employees in calculating and finalising what entitlements they would be due following the termination of their employment. Legal employment advice was received for the additional complexity of their redundancies following their post-appointment employment.

Preferential claims relating to unpaid holiday pay and pension contributions were estimated at £98,451.00 in the Administrator's Estimated Financial Statement. During the Review Period, two of the remaining three employees who were still employed by the Company were made redundant and were paid their entitlements. On this basis, £39,180.63 was paid to employees on 29 November 2023 via the Scheme of Arrangement.

It is envisaged that the last remaining employee will be made redundant during February 2024 with an amount payable of approximately £14,000, which would be deemed to be a preferential claim.

2.3. Secondary Preferential creditors

In any insolvency process started from 1 December 2020, HMRC is a secondary preferential creditor for the following liabilities:

- VAT
- PAYE Income Tax
- Employees' NIC
- CIS deductions
- Student loan deductions

This means that, should sufficient funds be available, any of the above amounts owed by the Company will be paid after the preferential creditors have been paid in full.

The Administrators and their staff have spent time finalising HMRCs claims in the Administration, which has included email and telephone correspondence with HMRC to the relevant departments.

Secondary Preferential claims relating to VAT, PAYE and employees' NIC were estimated at £12,904,353.00 in the Administrator's Estimated Financial Statement. The final claim received from HMRC was £2,792,717.23, which was paid in full, via the Scheme, on 6 April 2023.

During the Review Period, £414,638.10 was paid to HMRC in respect of PAYE and NIC due on PILON payments made to ex directors of the Company and two employees who were employed post the Administrators appointment, but whose contracts were terminated during the Review Period.

2.4. Unsecured creditors

Total unsecured creditor claims, including the claims of the Petropavlovsk 2010 and the Petropavlovsk 2016 Note and Bond Holders, were estimated at £1,681,794,629 in the Joint Administrator's initial Estimated Financial Statement. As reported previously, the Administrators have been making distributions to the "trade and expense" creditors of PLC via PLC's Scheme of Arrangement, with the effective date of the Scheme being 30 January 2023.

The Administrators envisaged Scheme trade and expense claims totalling USD \$23,560,725.

The Administrators spent a substantial amount of time adjudicating creditor claims to date.

As detailed above, the Company reached an agreement with HMRC in respect of the Company's VAT due to HMRC. This agreement reduced the Company's liability of USD \$13,002,804 to GBP £2,792,717.23 (approximately USD \$3,500,000.00).

Additionally, the Administrators entered negotiations with the landlord of the Company's former trading premises and a former employee of the Company, who had brought an employment claim against the Company prior to Administration. These negotiations led to reductions in the landlord's claim of £110,000 and a settlement reached with the ex-employee, reducing that claim by £320,000.

To date, payments totalling £7,238,287.75 have been made from the Administrators' information and tabulation agent, i2 Capital Markets Limited, in respect of the Company's trade and expense creditors.

Please note that the Joint Administrators have also made payments to the current directors of the Company in respect of their claims for unpaid fees on termination of their employment and payments in lieu of notice in the Review Period. These payments are included in the above figures and total £275,305.61.

2.5. Bond and Note Holders

Petropavlovsk 2010 Limited ("POG10") Scheme of Arrangement

Creditors may recall from previous reports that PLC is a guarantor in respect of certain bonds issued by POG10. POG10 is now in Administration and is also subject to a Scheme of Arrangement, as sanctioned by the High Court of Justice on 20 January 2023.

As guarantor of the bonds, it is the responsibility of PLC to pay the claims, as POG10 does not have the ability to do so. Prior to the Scheme, the total liabilities were estimated to be \$34,149,435.

The terms of Scheme are that bond and note-holders would be paid their principal holding (i.e face value of the bond), together with a scheme multiplier of 1.07692, which is designed to compensate creditors for the loss of future interest and any missed coupon payments. Claims received in the Scheme total \$33,000,000, of which \$32,600,000 (exclusive of the Scheme multiplier) has been paid during the Review Period. Subsequent to the end of the Review Period, further sums have been paid. In total, funds of \$35,538,360 inclusive of the Scheme multiplier have been paid, representing 100% of the bondholder claims.

Due to the global nature of the bonds, it has been critically important that the Joint Administrators investigate holders, to ensure that any payments comply with relevant sanctions regimes in the UK, US and EU. This has required intensive information gathering and analysis.

Where appropriate, the Joint Administrators have utilised the services of their legal advisors (including leading Counsel), forensic accountants and private investigators to carry out enhanced due diligence. These investigations, and the advice of leading Counsel, had resulted in claims totalling \$26,800,000.00 being put on hold whilst further due diligence was conducted.

Prior to the expiry of the relevant Scheme, the Joint Administrators circulated a Global announcement via the Irish Stock exchange and published the announcement on the Company's website. The announcement highlighted the imminent approach of the Scheme expiry date, being 30 January 2024, and indicated that all amounts not claimed in the Scheme, on the Scheme expiry date would, per the Scheme mechanics, be remitted to the Administration estate. Please refer to the Scheme and Holding Period Trust Deed ("the Deed") for more details on the Scheme Expiry Date and Scheme mechanics.

Petropavlovsk 2016 Limited ("POG16") Scheme of Arrangement

Creditors may recall that PLC is also a guarantor in respect of certain notes issued by POG16. POG16 is now in Administration and is also subject to a Scheme of Arrangement, as sanctioned by the High Court of Justice on 20 January 2023.

As guarantor of the notes, it is the responsibility of PLC to pay the claims as POG16 does not have the ability to do so. Prior to the Scheme, the total liabilities were estimated to be \$134,848,433.

The terms of Scheme are that holders would be paid the principal holding (i.e face value of the notes), together with a scheme multiplier of 1.10727, which is designed to compensate creditors for the loss of future interest and any missed coupon payments.

Claims received in the Scheme total \$122,632,000, of which \$111,416,000 (exclusive of the Scheme multiplier) has been paid, amounting to over 90% of the issued Notes.

As above, due to the global nature of the notes, it has been critical that the Joint Administrators investigate holders so as to comply with sanctions regimes in the UK, US and EU. Due to the global nature of the bonds, it has been critically important that the Joint Administrators investigate holders, to ensure that any payments comply with relevant sanctions regimes in the UK, US and EU. This has required intensive information gathering and analysis.

Where appropriate, the Joint Administrators have utilised the services of their legal advisors (including leading Counsel), forensic accountants and private investigators to carry out enhanced due diligence. At the date of this report, no private investigator is currently investigating any claims, however, should the need arise prior to the Scheme expiry date, then this will be conducted.

The Joint Administrators and their legal advisors are in ongoing dialogue with the relevant holders to gather further information.

As mentioned in the previous report, the Joint Administrators received a claim of \$670,000 from a sanctioned individual. Funds to satisfy this claim currently remain held in the trust. However, as the Expiry Date has passed, the Joint Administrators reserve their rights to deal with these funds in accordance terms of the Scheme and the Trust.

There remains an unclaimed principal amount of \$4,128,000.

As above, the trust has now expired, following the end of the Review Period, on 30 January 2024. All amounts either not yet claimed, or which are on hold, are currently held on trust with the paying agent but, in the Joint Administrators' discretion, may be transferred to PLC's Administration Estate. Please refer to the Scheme and the Deed for more details on the Scheme Expiry Date and Scheme mechanics.

3. INVESTIGATIONS

3.1. Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

3.2. Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we are obliged to review all the information available to us shortly after our appointment and conduct an initial assessment of whether

there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

This review has been completed and we confirm that we did not identify any further assets or actions which would lead to a recovery for creditors.

4. ETHICS

Please also be advised that Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

4.1. General ethical considerations

During the Review Period, no new threats to compliance with the Code of Ethics have been identified and the safeguards put in place to mitigate threats previously identified have been reviewed and they are effectively managing those threats.

4.2. Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

4.3. Legal Advisors and Corporate Agents

- Joseph Hague Aaronson LLP (“JHA”) advised in relation to legal issues surrounding the Sale including negotiation of the SPA and subsequent work in relation to completing the Sale. They have continued to assist the Joint Administrators with matters arising in the Administration. JHA were initially instructed by the Company pre-appointment (alongside insolvency counsel) to assist with placing the Company into Administration and preparing the required documentation, including the initial application to Court for the appointment of administrators, as well as subsequent Court applications by the Administrators.
 - In addition, JHA advised on the potential impact of sanctions on the Administration and the sale of the Company’s assets and assisted in writing to OFSI, on various occasions. This correspondence has continued in the latest Review Period and will continue until OFSI have concluded their decision-making process regarding the outstanding license application. The majority of JHA’s pre-appointment costs were paid by the Company during the pre- Administration period.
 - JHA also extensively worked on preparing and organising the three, inter-linking Schemes of Arrangement in order to facilitate payments to the creditors. During the Review Period, their costs have totalled £559,583 excluding VAT. In the Review Period the sum of £446,742 excluding VAT has been paid directly to JHA and the sum of £399,242 has been paid from funds held on account.
-

- Peter Arden KC and Joseph Wigley have been instructed as insolvency Counsel throughout the Administration, in addition to sanctions Leading Counsel (Jim Sturman KC), who has provided specialist advice and representation. The Administrators are continuing to seek advice from sanctions and insolvency counsel in relation to various issues. These issues include advice regarding the impact of UMMC becoming sanctioned in the UK by OFSI during the Review Period, the effect of this (if any) on UMMC-Invest (now Atlas Mining LLC) and the Administration; and frequent advice regarding the findings of the forensic accountants' and investigators' due diligence reports on certain creditors. The costs incurred by JHA above include Counsel's fees.
- Isadore Goldman were instructed to provide legal advice in relation to the Company's leasehold interest in its trading premises. Isadore Goldman also provided advice regarding the level of quantum of dilapidations claimed in accordance with the lease. Their fees in the Review Period have totalled £3,801 plus VAT and they have been paid in full.
- DAC Beachcroft LLP ("DAC") were instructed by the Company prior to the Administration to deal with the outstanding employee claim against the Company. This matter was resolved in the previous Review Period, however, following the settlement with the employee some correspondence continued to ensure all parties had appropriate records on file. Their fees in the Review Period totalled £304 plus VAT and they have been paid in full.
- Shoosmiths LLP were instructed to provide advice relating to all employment matters. This included advising on TUPE implications and retention agreements with those employees who remained with the Company post the appointment of the Administrators to assist with the Administration. They have incurred no costs in the Review Period.
- As stated in my previous report, multiple lawyers were instructed in various jurisdictions to assist with the execution of the Share Sale Deed. Those instructed were:
 - Harneys Fiduciary (Cayman) Limited – Cayman Island Shares.
 - Infralex, a Russian law firm, have provided Russian legal advice throughout the Administration.
 - Baker Tilly - Cyprus: during the Review Period they have not incurred any costs.

4.4. Accounting and Tax Advisors

- As advised earlier in this report, MHA have continued to assist with all tax matters. As previously reported, MHA were predominantly making adjustments to the Company's corporation tax returns as a result of the insolvency of other group entities (POG10 and POG16).

During the Review Period, this work has continued, as has MHA's correspondence with HMRC. This work ultimately culminated in revised submissions being made for the Company, POG10 and POG16. These tax matters are now at their latter stages of finalisation, and it is anticipated HMRC will confirm the final position very soon.

In the Review Period, MHA's fees have totalled £22,835 plus VAT and they have been paid in full. Please note that these fees relate to work carried out across the tax group, but the Company is covering these costs in full.

- A4G LLP provided advice in connection with stamp duty arising on the sale of the UK shares and tax due on the Term Loan. In the Review Period, their fees have totalled £2,900.44 and they have been paid in full.
- Opus Pear Tree Ltd (OPT) and Pear Tree Forensic Accounting Ltd (PTFA), both associated companies of Opus Restructuring LLP, have provided advice in relation to sanction checks that the Administrators are obliged to undertake before proceeding with certain creditor distributions.

They have also assisted with sanction checks and enhanced due diligence that have been carried out on certain Bond or Note Holders, where deemed necessary. During the Review Period they have incurred no fees. Their fees to date total £135,404 and OPT has been paid £65,231 of that, to the end of the Review Period.

4.5. Other professionals instructed

- SIA Group, professional valuers, were instructed to assist with the practical advice and valuation of the lease and to negotiate with the landlord in respect of the amount claimed for dilapidations. During the Review Period they have incurred £18,481.52 excluding VAT and they have been paid in full.
 - GN2, property agents, were instructed by the Company pre-appointment to identify an interested party for an assignment of the lease and were subsequently instructed by the Joint Administrators to assist with the proposed assignment of the lease to the interested party identified. However, since our appointment, negotiations have broken down. To date, no payments have been made to GN2.
 - Office Freedom, property agents, were instructed to source alternative offices. The Company vacated their old office at the end of September 2022 into a new office from the beginning of October 2022. To date, no payments have been made to Office Freedom.
 - Burton & Smith Moving Limited were instructed to assist with the office move at the end of September 2022. This involved providing resources to carry out the relocation including crate hire delivery and collection. No costs have been incurred by them and no payments have been made in this respect during the Review Period.
 - PDS Auctioneers & Valuers, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of the Company's chattels and intangible assets where appropriate. The agent has been instructed to realise the assets once trading has ceased. These assets have negligible value in the overall context of the Administration. To date, £650 has been received from PDS in respect of the sale of gold on the Company's premises, and no payments have been made to PDS.
 - The Company's pre-appointment public relations company and website administrator, Thoburns, has been instructed to assist with publication of updates by the Joint Administrators to the Company's website. As explained above, publication in this way is
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intended to ensure that interested parties are kept abreast of the Administration and are supplied with copies of relevant documentation. During the Review Period, they have not incurred any costs.

- As previously reported, Clumber Consultancy Limited were instructed to assist with matters relating to the Company's pension scheme. Work will be required to wind down the pension scheme and deal with the RPS regarding any unpaid pension contributions which will be claimed in the Administration as a preferential creditor claim. During the Review Period their fees total £500 and they have been paid in full.
 - The post-appointment insurance requirements are being dealt with by Marsh Commercial Limited who have been instructed to maintain adequate insurance cover for of the Company in Administration. In the Review Period, they have not incurred any costs.
 - The Joint Administrators are due to instruct CAPA, a firm of specialists in dealing with assessing the business rates position and whether the Company are entitled to any potential refunds. CAPA are contractually entitled to be remunerated by reference to a percentage of any refunds achieved. No costs have been incurred by them and no payments have been made in this respect during the Review Period.
 - The Trustees of the 2010 Bonds were Apex. The Trustee of the 2022 Notes was Citibank but was replaced by I2 on implementation of the Schemes. During the Review Period, neither Apex nor Citi have incurred any costs.
 - Nick Hood, an external consultant to Opus, who has significant experience with the media has been retained to assist with managing the public relations both prior to and following the Administration. Nick Hood will be paid on an hourly rate and is working alongside the Joint Administrators' team. During the Review Period, his costs have totalled £4,500 plus VAT, and he has been paid in full.
 - In the Review Period, the Administrators have paid an external consultant £18,000 excluding VAT in relation to providing banking due diligence services. This consultant is not associated with Opus in any way.
 - Go Ahead Advise S.L., a Madrid based banking and legal consultancy firm were engaged to assist in sourcing a bank account facility, which proved to be successful. Their fees were agreed on the basis of a fixed fee of €15,000 (no VAT chargeable) for a consultancy fee and 1% of total funds transferred on successfully opening an account facility from their own introductions. Accordingly, a success fee of €51,480.11 excluding VAT was paid in the previous Review Period.
 - Imperial & Legal have provided payroll information for the employees whilst they have remained employed. During the Review Period, their costs have totalled £175, and they have been paid in full.
 - I2 Capital Markets Limited ("I2") were instructed following the resignation of Citibank as Trustee for the 2022 Notes. I2 were instructed to facilitate the distribution and payment of Note and Bond holders in a capacity of Settlement Agent. They were also instructed in the capacity of being a Tabulation Agent; involving them collating information on Bond
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and Note holders who claim in the Scheme and ensuring sufficient checks are completed on their Sanction status. They were also instructed as Information Agent and in this capacity, they would communicate with holders any information that the Joint Administrators may have wished to publish to bond and note-holders.

I2 have also been instructed to act as Paying Agents and have made payments to the creditors during the Review Period. No fees have yet been paid to I2 as per the engagement agreement which stipulated payment on conclusion of the Scheme.

All third party professional fees are based upon the parties' recorded time costs incurred at their standard charge out rates, unless a fixed fee is agreed or a percentage of realisations and will be reviewed and agreed by the Joint Administrators before being approved for payment.

5. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

5.1. Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration Costs. These costs were approved as detailed, below:

All amounts exclude VAT *Conversion rate used 1.284 This may be subject to change	Amount approved (USD \$)	Converted to GBP as at 18 January 2024 (Conversion rate: 0.78889) £
Opus Restructuring LLP	1,635,900	1,290,545.15
OPT and Pear Tree Forensic Accounting	50,947	40,191.58
Outlook Investment Ltd	14,350	11,320.57
Agents' costs – SIA Group	6,888	5,433.87
Agents' costs – PDS Valuers	2,623	2,069.26
Transfer of Shares Legal Fees – Infralex	46,139	36,398.60
ERA Specialists Fee	689	543.54
MHA MacIntyre Hudson	120,540	95,092.80
JHA	1,238,110	976,732.60
JHA – legal disbursements	313,173	247,059.05
TOTAL	3,429,359	2,705,387.02

The following additional pre-appointment costs were approved on 28 November 2022 and have been paid in full:

All amounts exclude VAT (unless otherwise stated)	Amount (£)
Weil, Gotshal & Manges LLP (including disbursements & VAT)	1,028,289.72
Nick Hood (publicity and investor relations)	38,750
TOTAL	1,067,039.72

5.2. The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 26 September 2022 by a resolution of creditors as follows:

1. A fixed fee of £2,800,000 plus VAT

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix III and further information regarding the charge-out rates of the Joint Administrators and their staff is provided at Appendix IV.

As shown in Appendix IV, the time costs for the Review Period amount to £629,272, predominantly made up of time spent in case strategy and planning and dealing with creditors' claims in respect of the Bonds and Notes. As detailed throughout this report, this time has been incurred when dealing with detailed bondholder and noteholder claims, including liaising with claimants and their legal representatives, carrying out the appropriate due diligence on the creditors, and in reviewing account holder information.

Expenses

The Joint Administrators' expenses, which include expenses that have been incurred and not yet paid during the Review Period, are detailed below. Also set out below is a comparison of the expenses likely to be incurred in the Administration as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

Category 1 expenses paid for during the Review Period are detailed on the Receipts and Payments account at Appendix II and represent payments to parties not associated with the Opus, who have provided services or goods for the administration of the assignment.

Category 2 expenses paid for in the Review Period are detailed on the Receipts and Payments account at Appendix II. The basis of calculation of these expense was disclosed to creditors prior to approval, which was given on 26 September 2022, in accordance with the details set out, below.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with Opus' charge-out rate and expenses policy may be found at www.opusllp.com. A hard copy of both the Creditors' Guide and the firm's charge-out rate and expenses policy may be obtained on request.

5.3. Other professional costs

Sub-contracted work

During the Administration, some of the work that was required to be undertaken was sub-contracted. The work consisted of providing employment advice and calculations on estimated redundancy costs as well as liaising with the current pension provider to understand the pension position. This work was contracted to Clumber Consultancy Ltd ("Clumber") which is an unconnected party.

This work could have been carried out by the office holders and their staff, but the decision was made to instruct Clumber, because they are a reputable and respected firm that provides a wide range of specialist Employee Remuneration, Pension & Cyber Security services in the UK restructuring and insolvency market. Clumber are commonly instructed on Opus cases, and have demonstrated that they are reliable and cost-effective. Clumber are specialist sector providers and there are few other providers of these services. This work is ongoing and their costs to date are £1,774.40, which have been paid in full.

Associates

Nick Hood was instructed as a media and public relations liaison to assist with managing public relations and assisting with shareholders with general queries both prior to and following the Administration; as previously advised Nick Hood is considered to be an associate under the SIP 9 regulation.

The basis of these costs was approved by creditors on 28 November 2022, and is based on time costs, plus disbursements and VAT, capped at £38,750. As detailed above, fees for the Review Period amount to £4,500. The total time costs from the date of appointment amount to £24,690 and have been paid in full.

Opus Pear Tree Ltd and Pear Tree Forensic Accounting Ltd were instructed as forensic accountants to conduct a forensic review of the bond and note-holder positions and, as previously advised, they are considered to be associates of Opus under SIP9. The basis of their costs was approved by creditors on 26 September 2022 and is based on time costs, plus disbursements and VAT. Please see above for details of costs in the Review Period and to date.

5.4. Comparison of estimates

The expenses incurred to date are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate \$ (estimate was provided in the Proposals in \$)*	Original expenses estimate converted to £ as at 17.01.2024 (Conversion rate: 0.78889) £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any variance (ie if the expenses are likely to, or have, exceeded the original estimate)
Legal Fees (JHA)	1,607,200.00	1,267,904.00	446,742.50	446,742.50	JHA have assisted the Joint Administrators with continuing sanctions related advice (including with regards to OFSI and due diligence on obtained certain creditors), creditor correspondence (specifically relating to certain bond and note holders and their legal advisors), all of which far exceeded any anticipated work
Legal Disbursements (JHA)	212,960.58	168,002.47	41,546.75	320,539.91	
					Leading Counsel has

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Legal Fees (Sanctions)	300,000.00	236,667.00	NIL	N/A	been instructed to provide specific sanctions advice during the Review Period. These costs have been invoiced through JHA.
Tax and Accountancy Fees	57,400.00	45,282.29	25,735.44	129,005.15	This figure contains fees that relate to both Petropavlovsk PLC and group entities Petropavlovsk 2010 Limited and Petropavlovsk 2016 Limited
Legal costs: transfer of shares	249,306.57	196,675.46	NIL	113,144.56	
Tax Advice Fees – Stamp Duty	54,630.21	43,097.23	NIL	47,000.00	
Consultants' Fees	117,525.00	92,714.30	4,500.00	29,190.00	
Forensic Accounting costs (Sanctions checks and financial reviews)	86,100.00	67,923.43	NIL	65,231.25	A further £70,173 has been incurred during the Review Period but remains unpaid.
Agents' fees (Property)	18,222.20	14,375.31	NIL	-	Estimate was provided as payable on completion on the assignment of the lease. This taken place during the Review Period but took longer than expected.
Legal fees (Property)	1,052.72	830.48	NIL	2,969.50	Further advice needed in regard to dilapidation report and issues with landlord.
Agents' fees (Rates Refund)	Uncertain	Uncertain	NIL	-	
Legal fees (Employees)	51,955.04	40,986.81	228.00	17,258.00	Further advice needed in regard to employees with regard to retention bonuses and contracts.
Legal Fees (Employment Tribunal Claim)	20,664.00	16,301.62	NIL	93,237.00	
Website Management Fees	10,000.00	7888.90	616.25	13,816.25	
Insurance	15,000.00	11,833.35	NIL	1,170.00	
Payroll Costs	17,220.00	13,584.69	175.00		
PAYE / NIC and P11D			36,590.92	48,977.70	
Document Storage	6,000.00	4733.34	172.79	2,939.97	

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Admin Employee Costs	832,011.55	656,365.59	90,913.35	408,078.70	
Admin Directors' Costs	100,000.00	78889.00	NIL	65,139.21	
Admin Trading Costs (office etc)	68,880.00	54,338.74			
ERA / Pension Advisors' Fees	2,870.00	2,264.11	1,418.50	3,795.10	
Provision for Jersey Liquidation	45,000.00	35,500.05	22,385.96	-	Extensive unanticipated work in relation to Jersey tax filings and legal advice concerning Jersey Company Law.
Repairs and Maintenance			NIL	90.00	Estimated under General Disbursements
Statutory Advertising			NIL	310.50	Estimated under General Disbursements
Bank Charges (including transfer fees)			889.46	9,780.28	Estimated under General Disbursements
Courier Charges			NIL	223.12	Estimated under General Disbursements
Property Expenses			NIL	1,535.62	Estimated under General Disbursements
Postage			NIL	2,596.55	Estimated under General Disbursements
Trustee Fees and expenses (Petropavlovsk 2016 Ltd and Petropavlovsk 2010 Ltd)			NIL	156,285.47	Additional costs incurred from the Bond and Notes Trustees, that was not originally estimated
Tabulation Agent Fees				USD \$900,000 / £710,001	12 Fees, not originally anticipated, but fundamental to administering the Schemes of Arrangement
TOTAL	3,870,478	3,071,234	555,038	3,684,213	

*Please note as shown above, the original expenses estimate is provided in USD because the amounts were originally agreed in USD. However, the Administration has been conducted in GBP which is why the incurred expenses are shown in GBP.

The bases on which the expenses defined as Category 2 expenses are calculated are explained in Appendix IV.

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

the original expenses estimate is unlikely to be exceeded as shown in the above table and detailed further below.

5.5. Legal Fees (lease)

As reported previously, the Joint Administrators spent considerably more time than first anticipated negotiating the Dilapidations Report with the landlord once the property was no longer being used for the purpose of the Administration. This involved liaising with Isadore Goldman to receive legal advice and has meant the expenses estimate has been exceeded. This was resolved in the previous Review Period and it is not anticipated that there will be any more costs in relation to this.

5.6. Tax and accountancy fees

The Joint Administrators have spent substantially more time than first envisaged liaising with MHA regarding the submission of revised Tax returns. As detailed previously in my report, this has been due to a tax liability against another group entity, thus meaning revised submission are required to eliminate the liability.

This work has required significant collaboration and communication with MHA and has meant the original expenses estimate has been exceeded. The finalised submissions in respect of the Company have been submitted and we anticipate HMRC confirming the acceptance of the revised submissions in due course. It is not thought there will be any further substantial costs in relation to this.

5.7. Trustee Fees

As mentioned in my last report, the Joint Administrators incurred unexpected additional costs with regard to Trustee Fees in Jersey for the 2022 Notes and 2024 Bonds. This item was not included in the original expenses estimates as it was not anticipated that there would be costs incurred in dealing with these areas.

5.8. Tabulation Agent Fees

The Joint Administrators have agreed to pay I2 Capital Markets Ltd USD\$900,000 for acting as the tabulation agent in respect of the Schemes of the Company, POG10 and POG16. This role was imperative to the implementation of the Schemes and the on-going due diligence and payment process. Please note that these fees remain outstanding in their entirety and will be paid following the Scheme Expiry Date.

5.9. Creditors' right to request information

Any unsecured creditor, with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing that the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

5.10. Creditors' right to challenge fees and/or expenses

Any unsecured creditor, with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether, or not, discharged from the estate) disclosed in prior progress reports.

6. CONCLUSION

The Administration will continue, in order to finalise the following outstanding matters:

- Completion of the few matters to be finalised pertaining to the Schemes, subsequent to the end of the Review Period, which expired on 30 January 2024.
- Adherence with the appropriate Scheme mechanics in order to deal with residual funds not claimed in the Schemes following the Schemes' expiration date on 30 January 2024.
- Continuing to liaise with OFSI regarding the issue of the license to realise the \$25 million balance held at GPB Luxembourg.
- Resolution of the final employee's contract with the Company and settlement of any amounts owed to them by way of termination of their contract.
- Making a final distribution to UMMC-Invest / Atlas to the extent permissible.
- Depending on the progress of the above matters, the Joint Administrators may then commence seek to extend the period of Administration further or convert the Administration into a Liquidation and / or seek to dissolve the Company.

Should you require any further information regarding the Administration, please contact petro@opusllp.com.



Allister Manson
Joint Administrator

Allister Manson, Trevor John Binyon and Joanne Kim Rolls were appointed Joint Administrators of Petropavlovsk PLC on 18 July 2022. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

PETROPAVLOVSK PLC (IN ADMINISTRATION)**STATUTORY INFORMATION**

Company Name	Petropavlovsk PLC
Previous Names	Peter Hambro Mining PLC
Proceedings	In Administration
Court	High Court of Justice
Court Reference	CR-2022-002121
Date of Appointment	18 July 2022
Joint Administrators	<p>Allister Manson Trevor John Binyon Joanne Kim Rolls</p> <p>Opus Restructuring LLP 322 High Holborn London WC1V 7PB</p>
Registered office address	<p>Formerly: 11 Grosvenor Place Belgravia London SW1X 7HH</p> <p>Currently: 1 Radian Court Knowlhill Milton Keynes MK5 8PJ</p>
Company Number	04343841
Appointment by	Appointed by and order of the High Court of Justice on 18 July 2022.

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Joint Administrators	Allister Manson, Trevor Binyon and Joanne Rolls
The Company	Petropavlovsk PLC (in Administration)
The Court	High Court of Justice
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 18 July 2023 to 17 January 2024
SPA	Sale & Purchase Agreement
Russia	The Russian Federation
HMRC	HM Revenue & Customs
The Sale	The agreement for the sale of the Company's shares in its main subsidiaries to joint stock company UMMC which was signed on 1 August 2022 and completed on 7 September 2022
UMMC	OJSC Ural Mining and Metallurgical Company
UMMC-Invest and/or Atlas Mining LLC	Joint Stock Company UMMC-Invest (now "Atlas Mining LLC")
GPB	Joint Stock Company Gazprombank
OFSI	Office of Financial Sanctions Implementation
Term Loan	GPB US\$200 million term loan to the Company
JHA	Joseph Hage Aaronson LLP
2022 Notes	US\$500 million 8.125% notes due in November 2022
2010 Bonds	US\$125 million 8.25% convertible bonds due in 2024
DAC	DAC Beachcroft LLP
MHA	MacIntyre Hudson LLP
A4G	A4G Chartered Accountants
OPT	Opus Pear Tree Limited
I2	I2 Capital Markets Limited
Adjusted Cash Consideration	a non-refundable cash payment of the amount obtained by deducting the 2022 Note Consideration Amount from the Cash Consideration.
Administration Fund	a payment of USD 20,000,000 which is non-refundable save as specified in clause 12.1 of the Sale Purchase Agreement

Contingency Fund	a non-refundable payment of USD 6,000,000
The 2022 Note Consideration Amount	the amount equal to the face value of the 2022 Notes together with accrued interest thereon or, if higher, the amount due on such Notes;
The Term Loan Consideration	an amount equal to any and all outstanding amounts payable in respect of the Term Loan from time to time (save for any statutory interest payable in respect of the Term Loan).
Scheme	Scheme of Arrangement sanctioned by the High Court on 20 January 2023
The Schemes	Schemes of Arrangement sanctioned by the High Court on 20 January 2023 relating to the Company, POG10 and POG16
The Deed	Holding Period Trust Deed made between the Company, POG10, POG16, i2 Capital Markets Ltd and i2 Capital Trust Corporation Ltd.
Sanctions	Any economic or financial sanctions or trade embargoes affecting a person or activity administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Departments of State or Commerce, the United Kingdom Office of Financial Sanctions Implementation, the United Nations Security Council or the European Union, the government of the Bailiwick of Jersey, or the government of the Cayman Islands.
POG10	Petropavlovsk 2010 Limited – in Administration
POG16	Petropavlovsk 2016 Limited – in Administration

PETROPAVLOVSK PLC (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

S of A £	As Previously Reported	18/07/23 to 17/01/24	Total £
RECEIPTS			
NIL Cash at Bank	173,931,556.00	NIL	173,931,556.00
NIL Rates Refund	21,714.89	NIL	21,714.89
NIL Refund of retainers	4,315.93	NIL	4,315.93
5,000 Furniture & Equipment	NIL	NIL	NIL
808 Gold	650.00	NIL	650.00
NIL Inter Company Loans	8,220,000.00	NIL	8,220,000.00
138,701 Balance held by BDO	NIL	NIL	NIL
115,585 Balance Held by Bird & Bird	69,598.50	NIL	69,598.50
NIL Contingency Fund	3,439,085.20	NIL	3,439,085.20
NIL Admin fund	6,167,762.65	NIL	6,167,762.65
NIL Adjusted Cash consideration	155,969,423.39	NIL	155,969,423.39
NIL Miscellaneous Income	3,524.16	NIL	3,524.16
NIL VAT refund (pre appt)	NIL	203,176.28	203,176.28
NIL BDO Retainer Refund	NIL	91,362.82	91,362.82
NIL Critical Illness Scheme	532.20	NIL	532.20
NIL Group Life Assurance Scheme	2,125.70	(574.82)	1,550.88
NIL Credit card refund	3,944.61	NIL	3,944.61
260,094	347,834,233.23	293,964.28	348,128,197.51
PAYMENTS			
NIL Leasehold Property (1)	NIL	(3,801.00)	(3,801.00)
NIL Rent	(4,622.75)	NIL	(4,622.75)
NIL Inter Company Accounts	(146,272,063.11)	NIL	(146,272,063.11)
NIL Repairs & Maintenance	(90.00)	NIL	(90.00)
NIL Agents/Valuers Fees	(380,191.33)	(56,319.02)	(436,510.35)
NIL Office Holders Fees	(2,800,000.00)	NIL	(2,800,000.00)
NIL Pre-Appointment Agents/Valuers Fees	(549,609.66)	NIL	(549,609.66)
NIL Legal Fees - shares	(113,144.56)	NIL	(113,144.56)
NIL Storage Costs	(2,767.18)	(172.79)	(2,939.97)
NIL Statutory Advertising	(310.50)	NIL	(310.50)
NIL Bank Charges	(7,376.10)	(0.10)	(7,376.20)
NIL Vat Irrecoverable	(78,622.91)	NIL	(78,622.91)
NIL Accountancy Fees	(55,829.71)	(2,900.44)	(58,730.15)
NIL Professional fees - forensics - pre appt	(23,750.00)	NIL	(23,750.00)
NIL VAT Irrecoverable (33%)	(288,316.54)	(26,538.40)	(314,854.94)
NIL Employee Entitlements	(283.00)	NIL	(283.00)

APPENDIX II

	NIL	Commission Payment	(4,500.00)	(27,000.00)	(31,500.00)
	NIL	Courier Charges	(223.13)	NIL	(223.13)
	NIL	Court Fees	(340.00)	NIL	(340.00)
	NIL	Pension Payments	NIL	(17,656.32)	(17,656.32)
	NIL	Property Removal Costs	(1,535.62)	NIL	(1,535.62)
220,190	P11D		NIL	(36,590.92)	(36,590.92)
	NIL	PAYE / NIC	(12,386.78)	NIL	(12,386.78)
	NIL	Legal Fees - Property	(2,969.50)	NIL	(2,969.50)
	NIL	Postage	(2,596.55)	NIL	(2,596.55)
	NIL	Transfer Fee	(1,514.72)	(1,531.30)	(3,046.02)
	NIL	Professional fees - forensics	(65,231.25)	NIL	(65,231.25)
	NIL	IT Costs	(27,960.93)	(1,379.09)	(29,340.02)
	NIL	Legal fees	(1,501,847.65)	(574,174.99)	(2,076,022.64)
	NIL	Legal fees - pre appt	(929,357.60)	NIL	(929,357.60)
	NIL	Legal disbursements - pre appt	(121,808.59)	(13,400.00)	(135,208.59)
	NIL	Legal disbursements	(445,803.99)	(56,645.75)	(502,449.74)
	NIL	IT costs - pre appt	(83,464.64)	NIL	(83,464.64)
	NIL	Payroll costs	(300.00)	(175.00)	(475.00)
	NIL	Trustees fees - Petropavlovsk 2016 Ltd	(80,257.61)	NIL	(80,257.61)
	NIL	Professional fees - pensions - pre appt	(600.00)	NIL	(600.00)
	NIL	Jersey Administrative Costs - Post.	(43,669.63)	(3,489.50)	(47,159.13)
	NIL	VAT (Weil Fees) (irrecoverable)	(202,288.41)	NIL	(202,288.41)
	NIL	Consultancy fees - Media & PR	(24,690.00)	(4,500.00)	(29,190.00)
	NIL	Trustee Expenses Petropavlovsk 2016 LTD	(52,659.00)	NIL	(52,659.00)
	NIL	Professional Fees - Tax	(72,440.00)	(22,835.00)	(95,275.00)
	NIL	Trustee Fees Petropavlovsk 2010 Limited	(23,368.86)	NIL	(23,368.86)
	NIL	Office Holder Fees - Petropavlovsk 2016	(50,000.00)	NIL	(50,000.00)
	NIL	Office Holder Expenses Petropavlovsk 2016	(461.77)	NIL	(461.77)
	NIL	Office Holder Fees - Petropavlovsk 2010	(50,000.00)	NIL	(50,000.00)
	NIL	Office Holder Expenses Petropavlovsk 2010	(460.57)	NIL	(460.57)
	NIL	Jersey Legal Fees	(142,748.35)	(1,396.46)	(144,144.81)
	NIL	London Stock Exchange Fees	(250.00)	NIL	(250.00)
	NIL	Payment to i2 Creditor distribution	(10,562,002.42)	NIL	(10,562,002.42)
	NIL	Payment to i2 Creditor distribution bond and note holders	(175,895,905.20)	NIL	(175,895,905.20)
	NIL	Jersey Agent Fees - MHA	(26,750.00)	NIL	(26,750.00)
	NIL	Vat Receivable	(580.95)	(62,121.12)	(62,702.07)
	NIL	Vat Control Account	(734,480.82)	679,060.89	(55,419.93)
	NIL	Specific Bond	(1,170.00)	NIL	(1,170.00)
220,190			(341,743,601.89)	(233,566.31)	(341,977,168.20)
		TRADING			
		Trading Profit/(Loss)	(1,101,706.87)	(151,741.03)	(1,253,447.90)
39,904		CASH IN HAND	4,988,924.47	(91,343.06)	4,897,581.41

APPENDIX III

PETROPAVLOVSK PLC (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' TIME COSTS

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning							
Cash Accounting and Time Records	0.00	0.00	0.00	0.30	0.30	67.50	225.00
Case Closure	2.40	0.00	0.00	0.20	2.60	1,665.00	640.38
Internal Documentation and IT	16.20	0.00	0.10	2.70	19.00	11,583.75	609.675
Case Planning	347.00	1.40	34.50	220.60	603.50	323,152.50	535.47
Case Reviews including MR1s/MR2s	0.00	0.00	0.00	3.60	3.60	810.00	225.00
Administrative Set Up	1.00	0.00	0.00	0.30	1.30	742.50	571.155
Appointment Notification	0.40	0.00	0.20	0.00	0.60	352.50	587.505
Maintenance of Records	0.00	0.10	0.00	18.70	18.80	4,266.00	226.92
Statutory Reporting and Compliance	13.30	0.00	5.30	12.60	31.20	13,968.75	447.72
Firms Administration - Feeing etc	0.20	0.00	0.00	0.40	0.60	225.00	375.00
Cashiering	6.40	0.10	2.30	49.30	58.10	17,778.75	306.00
Statutory forms	0.10	0.00	0.00	0.00	0.10	67.5	675
Post appointment Corporation tax	2.70	0.00	0.00	0.00	2.70	1,822.5	675.00
Post appointment VAT	7.40	0.00	0.60	3.80	11.80	6,097.50	516.735
Other post appointment tax matters	1.50	0.00	0.10	1.20	2.80	1323.75	472.77
Advisory	1.30	0.00	0.00	0.00	1.30	877.50	675.00
File Review	0.00	0.00	0.00	4.90	4.90	1,102.50	225.00
	399.90	1.60	43.10	318.60	763.20	385,903.50	505.64
Investigations							
Analysis of financial records	0.00	0.10	0.00	0.00	0.10	58.50	585.00
Legal Correspondence	0.00	0.00	0.00	0.10	0.10	22.50	225.00
Correspondence with director	0.00	0.00	0.00	0.10	0.10	22.50	225.00
	0.00	0.10	0.00	0.20	0.30	103.50	345.00

APPENDIX III

Realisation of Assets

Sale of Assets	2.70	0.00	0.10	0.00	2.80	2,572.50	918.75
Debt Collection	2.60	0.00	0.00	0.10	2.70	1,777.50	658.335
Internal Documentation	0.70	0.00	0.00	0.00	0.70	472.50	675.00
Insurance	0.00	0.00	0.00	0.10	0.10	22.50	225.00
Correspondence with Agent	0.10	0.00	0.00	0.40	0.50	157.50	315.00
Legal Matters	2.80	0.00	0.00	0.00	2.80	1,890.00	675.00
Identifying, securing, insuring assets	2.30	0.00	0.00	0.00	2.30	1,552.50	675.00
Other assets	1.10	0.00	0.00	0.70	1.80	900.00	499.995
Rent	0.00	0.00	0.00	0.60	0.60	135.00	225.00
Cash at Bank	39.30	0.00	0.00	2.60	41.90	30,918.75	737.93
Correspondence/calls and emails with solicitors	0.20	0.00	0.00	0.00	0.20	135.00	675.00
	51.80	0.00	0.10	4.50	56.40	40,533.75	718.68

Trading

Trading Accounts	0.30	0.00	0.00	0.00	0.30	202.15	675.00
Ongoing Trading Activities	10.00	0.00	0.00	0.00	10.00	9,375.00	937.50
Employee Matters	16.00	0.00	0.00	4.00	20.00	11,700.00	585.00
Management of operations	45.90	0.00	0.00	0.20	46.10	42,708.75	926.43
HMRC - PAYE and NIC	0.20	0.00	0.00	4.80	5.00	1,215.00	243.00
	72.40	0.00	0.00	9.00	81.40	65,201.25	801.00

Creditors

Internal Documentation	2.20	0.00	0.00	0.00	2.20	1485.00	675.00
Employees	0.50	0.00	0.00	1.20	1.70	607.50	357.36
Employee Communications	1.00	0.00	0.00	0.00	1.00	675.00	675.00
Correspondence and telephone calls	10.60	0.00	0.00	2.10	12.70	8,467.50	666.735
Distributions	4.50	0.00	0.00	0.40	4.90	3,915.00	798.975
Communication with creditors	74.40	0.20	1.50	5.80	81.90	59,321.25	724.32
Dealing with legal reps re creditors	11.00	0.00	0.00	3.50	14.50	8,212.50	566.385
Employee claims	0.80	0.20	0.80	2.10	3.90	1432.50	367.305
Pre appointment P35s, P45s etc	0.20	0.00	0.00	0.00	0.20	135.00	675.00
Adjudication on claims	63.50	0.00	0.00	0.90	64.40	43,983.75	682.98
Dealing with Trade & Expense Creditor Claims	0.00	0.00	0.40	18.90	19.30	4,417.50	228.885
	168.70	0.40	2.70	34.90	206.70	132,652.50	641.76

APPENDIX III

Case Specific Matters							
Pre-appointment VAT	0.00	0.00	0.00	0.20	0.20	45.00	225.00
Shareholders liaison	1.30	0.00	0.00	0.00	1.30	877.50	675.00
legal issues	0.00	0.00	0.00	7.40	7.40	1,665.00	225.00
Pre-appointment Corporation Tax	0.80	0.00	0.00	0.40	1.20	630.00	525.00
Response to Regulatory Body	0.00	0.00	0.00	3.30	3.30	742.50	225.00
Pre-appointment PAYE	0.30	0.00	0.00	0.00	0.30	202.50	675.00
Pension Scheme	0.00	0.00	0.00	1.10	1.10	247.50	225.00
Accounts review	0.00	0.00	0.00	0.20	0.20	45.00	225.00
Property leases and general issues	0.00	0.00	0.00	0.60	0.60	135.00	225.00
Utilities	1.00	0.00	0.00	0.30	1.30	742.50	571.155
	3.40	0.00	0.00	13.50	16.90	5,332.50	315.54

	Total hours	696.20	2.10	45.90	380.70	1,124.90	
Time costs		522,828.75	972.00	18,896.25	87,030.00	629,727.00	
Average hourly rate		753.96	462.855	411.69	228.60	559.80	

Summary of Fees			
Time spent in administering the Assignment during Review Period	Hours		1,124.90
Value of time spent during Review Period to 17 January 2024	£		629,727.00
Total Joint Administrators' fees charged to 17 January 2024	£		2,800,000.00

Disbursements			
Description	Total Incurred £	Total Recovered £	
TOTALS	363.49		0.00

PETROPAVLOVSK PLC (IN ADMINISTRATION)**CHARGE-OUT RATES AND BASES OF CATEGORY 2 EXPENSES****Information relating to Opus Restructuring LLP's Fees and Expenses****Explanation of Opus Restructuring LLP's charging and expense recovery policies****Time recording**

Work undertaken on cases is recorded in 6-minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are:

	Rates from 04.05.2020 £'s Please note that the below are the agreed increased complex rates
Partner	863 – 938
Senior Manager / Director	563 – 675
Assistant Manager / Manager	450 – 585
Junior Administrator / Administrator / Senior Administrator	225 – 413
Cashier	300 - 338
Support Staff	225

Expense recovery

In line with the revised Statement of Insolvency Practice 9 effective from 1 April 2021, creditors will note that in our previous circulars, expenses were known as disbursements. Should any creditor require any clarification on this point or the impact it will have on their claim, please contact us for further information.

Expenses are categorised as either Category 1 or Category 2.

Category 1 expenses will generally comprise of external parties which will include the supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Opus Restructuring LLP and then recharged to the case, approval from creditors is required and are identified as Category 2 expenses. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses include but are not limited to case advertising, invoiced travel, agents' costs and expenses, solicitors' fees and expenses, external room hire, bank charges, Insolv case management charge and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to the HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 expenses include elements of shared or allocated costs incurred by Opus and are recharged to the estate; they are not attributed to the estate by a third party invoice and they do not include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 expenses are photocopying, all business

mileage (for cases commencing on or after 1 November 2011). Payment of Category 2 expenses require the approval of creditors. Included in Category 2 expenses are costs incurred with associated parties. These include Forensic work undertaken by Opus Pear Tree Limited.

Examples of the current levels of Category 2 expenses recovered by Opus Restructuring LLP are as follows:

Postage - current Royal Mail postage rates	£6.00
Bank Charges	£2.00
Opus Pear Tree Limited forensic work	Forensic work reviewing potential sanctions issues and parties

*The costs recharged are based upon the actual cost of the material used or the costs which would have been incurred if that service had been sourced externally.

PETROPAVLOVSK PLC (IN ADMINISTRATION)**DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS IN THE REVIEW PERIOD****General Description Includes****Administration (including statutory reporting)**

Statutory/advertising	Filing and advertising to meet statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters. Maintenance of statutory and case progression task lists/diaries Updating checklists Reviewing OFSI notices and liaising with legal counsel regarding evolving sanctions landscape.
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending case files to storage
Creditor reports	SIP16 disclosure following pre-pack sale of assets. Preparing progress report

Realisation of Assets

\$25m held at GPB Luxembourg	Liaising with counsel and OFSI regarding license application Answering OFSI questions and providing further information as requested.
Other assets: Company's shareholding	Liaising with HMRC and bank to recover VAT/corporation tax due to the Company Liaising with leasing company regarding Company rental deposit due on termination of the lease Liaising with Company, reviewing records regarding Company shareholdings.
VAT/corporation tax refunds	Liaising with BDO regarding retainers funds owed to the Company.
Rent Deposit	
BDO funds	

Trading

Accounting for trading	Tax and VAT returns
Ongoing employee issues	Consultation with staff Review of staffing requirements for trading period Deciding on and making redundancies where necessary

Creditors (claims and distribution)

Creditor communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims
Distribution procedures	Agreeing allocation of realisations and costs between fixed and floating charges Paying distribution to secured creditors and seeking confirmation of discharged claims

Administering Scheme Arrangement	the of	Paying distribution to preferential/secondary preferential or unsecured creditors
		The process below will need to be applied for each class of creditor paid:
		Preparation of correspondence to creditors advising of intention to declare dividend
		Advertisement of notice of intended dividend
		Preparation of dividend calculation
		Preparation of correspondence to creditors announcing declaration of dividend
		Preparation of cheques/BACS to pay dividend
		Preparation of correspondence to creditors enclosing payment of distribution
		Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC
		Dealing with unclaimed dividends
		When paying the secondary preferential creditor the adjudication of HMRC's secondary preferential claim, may involve bringing the Company's preferential tax affairs up to date
		Communicate with Creditors to ensure they provide claim documents to satisfy eligibility confirmations as detailed in the Schemes.
		Calculation of scheme consideration payable to creditors including statutory interest
		Distribution to creditors under the Scheme including adjudicating on claim and holding claims in Trust if disputed.
		Circulating notices for creditors who have not claimed their Scheme consideration to make themselves known to the Joint Administrators.
		Liaising with tabulation agent regarding certain payments.
		Drafting letters to creditors detailing distribution amount.