

London-listed miner Petropavlovsk lines up advisers for crunch debt talks

A London-listed gold mining group which was prevented from making a loan repayment this week after its Russian lender was sanctioned is lining up advisers to help restructure its borrowings.

Sky News has learnt that Petropavlovsk, which has seen its shares plummet in the last year, is preparing to bring in AlixPartners to advise it on discussions with lenders.

City sources said that AlixPartners' appointment could be finalised within days.

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Petropavlovsk, which mines gold in the far east of Russia, said this week that it had been prohibited from making a loan interest payment of \$560,000 because Gazprombank had been sanctioned by the UK government.

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It added that in light of the maturity date of November this year for \$500m of loans, of which \$304m remained outstanding, it was "in the early stages of discussions with its advisers and [Gazprombank] relating to a potential restructuring of the group's debt within the limitations imposed by the regulations".

The alternative options available to Petropavlovsk were unclear on Friday, and would partly depend upon the length of the sanctions affecting the Russian lender.

Petropavlovsk has seen its shares plunge to just 3.84p, leaving it with a market value of only £158m.

The stock has fallen by over 80pc in the last 12 months.

In recent years, the company has been embroiled in a series of rows involving management and shareholders.

A Petropavlovsk spokesman declined to comment.