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For immediate release

18 March 2021

**RECOMMENDED PRE-CONDITIONAL MANDATORY CASH
OFFER**

for

TRANS-SIBERIAN GOLD PLC

by

HORVIK LIMITED

Summary

- ℞• Trans-Siberian Gold plc ("**TSG**") and Horvik Limited ("**Horvik**") are pleased to announce that they have reached agreement on the terms of a recommended pre-conditional mandatory cash offer to be made by Horvik for the TSG Shares not already held or agreed to be acquired by Horvik (the "**Offer**").
- ℞• Today, Horvik agreed to acquire 44,558,918 TSG Shares, representing approximately 51.2 per cent. of the issued share capital of TSG (excluding any shares held in treasury), from the following TSG Shareholders: UFG Special Situations Fund LP, UFG Equity Opportunities Limited, UFG Russia Select Master Ltd, Charles Ryan, Florian Fenner and Petrovka GmbH (the "**Selling Shareholders**"), at a price of £1.18 per TSG Share (the "**Acquisition**").
- ℞• The Acquisition will take place in two stages. Firstly, Horvik will acquire 21,437,000 TSG Shares, representing 24.7 per cent. of the issued share capital of TSG (excluding any shares held in treasury) pro rata from each of the Selling Shareholders, conditional only upon Horvik making this Announcement. The acquisition of the remaining 23,121,918 TSG Shares held by the Selling Shareholders is conditional only upon Horvik receiving clearance from the Russian Federal Antimonopoly Service ("**FAS**").
- ℞• As a result of the Acquisition, under Rule 9 of the Code, Horvik is required to make the Offer, at a price per TSG Share not less than the

price per TSG Share being paid to the Selling Shareholders.

3. The making of the Offer will be subject to the satisfaction or waiver of the FAS Pre-Condition (as set out in Part A of Appendix I). Under the terms of the Offer, which will be subject to the Condition and further terms to be set out in the Offer Document and the Form of Acceptance, TSG Shareholders will be entitled to receive:

for each TSG Share Â£1.18 in cash

3. The terms of the Offer value TSG's entire issued and to be issued share capital at approximately £108,383,046.

- R•** The terms of the Offer represent a premium of approximately:

- 18 per cent. to the Closing Price per TSG Share of £1.00 on 17 March 2021 (being the last practicable date prior to the date of this Announcement);

- 34 per cent. premium to the Closing Price per TSG Share of £0.88 on 4 March 2021 (being the last Business Day prior to the date on which Horvik first approached the TSG Independent Directors); and

- 26 per cent. to the volume weighted average Closing Price per TSG Share of £0.94 for the one month period ended on 17 March 2021 (being the last practicable date prior to the date of this Announcement).

- The TSG Independent Directors, who have been so advised by Canaccord Genuity as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing advice to the TSG Independent Directors, Canaccord Genuity has taken into account the TSG Independent Directors' commercial assessments. Canaccord Genuity is providing independent financial advice for the purposes of Rule 3 of the Code to the TSG Independent Directors.

- Accordingly, the TSG Independent Directors unanimously recommend that TSG Shareholders accept the Offer and the certainty of cash that it provides today. The TSG Independent Directors who hold TSG Shares have irrevocably undertaken to accept the Offer, as described in Section 6 (*Irrevocable undertakings*).

3. The Horvik Board believes there is a compelling strategic and financial rationale for making the Offer:

- TSG is a gold producer in Russia and the Offer provides Horvik with an opportunity to participate in TSG's future development and growth in a key region of gold production.

- TSG owns and operates the high-grade, low-cost Asacha gold mine in Kamchatka, Far East Russia, and also owns the greenfield Rodnikova gold deposit which has the potential to provide for an extension of the life of TSG's Kamchatka operations. Horvik considers it strategically important to establish its operational footprint in Kamchatka, which is historically one of the most underexplored regions in Russia and has high geological potential. Horvik believes that the execution of this strategy is best achieved through the acquisition of TSG, as one of the key regional gold producers.

- ℞• Vladislav Sviblov, the ultimate beneficial owner ("UBO") of Horvik, has interests in a number of mining assets, including in the precious metals sector. The Acquisition and the Offer is in line with Mr. Sviblov's strategy to build a broader asset portfolio in the natural resources sector in Russia.
- ℞• Horvik is a Cyprus registered company indirectly owned by Vladislav Sviblov and is part of his wider business interests in the metals and mining industry. Mr. Sviblov's existing strategic investments include Highland Gold Mining Limited, one of Russia's leading gold mining companies with assets in the Khabarovsk, Zabaikalsk and Chukotka regions of Russia, and Ozeroye Mining Company, which is developing zinc-lead and gold-zinc deposits, as well as certain other gold mining assets and prospective deposits in the Zabaikalsk region.
- ℞• Commenting on the Offer, Vladislav Sviblov, UBO of Horvik, said:

"We are pleased to announce the Acquisition and the Offer which represent a further strategic investment for us in the Russian natural resources sector. This is in line with our strategy to build a broader asset portfolio and adds to our investments in Highland Gold and the Ozeraya Mining Company. We believe that TSG has an attractive asset portfolio in the Kamchatka region and we believe that we can support TSG's future development."

We are pleased to have reached agreement with both the Selling Shareholders and the TSG Independent Directors as to the terms of the Acquisition and the recommended Offer providing TSG Shareholders the opportunity to realise in cash the value of their investment at a compelling valuation."
- ℞• If any dividend or other distribution is authorised, declared, made or paid in respect of TSG Shares on or after the date of this Announcement, Horvik reserves the right to reduce the offer consideration by the aggregate amount of such dividend or other distribution.
- ℞• The making of the Offer by the publication of the Offer Document will take place as soon as reasonably practicable and in any event within 28 days (or such longer period as the Panel may agree) following the satisfaction of the FAS Pre-Condition which relates to the receipt of clearance from FAS.
- ℞• It is intended that the Offer will be implemented by way of a takeover offer within the meaning of Part 28 of the Companies Act 2006 and under the Code. The Offer is conditional upon Horvik having received acceptances in respect of TSG Shares which, together with TSG Shares acquired or agreed to be acquired before or during the Offer, will result in Horvik and any person acting in concert with it holding TSG Shares carrying more than 50 per cent. of the voting rights then normally exercisable at a general meeting of TSG.
- ℞• The Offer is expected to complete in Q3 2021, subject to the satisfaction of the FAS Pre-Condition and the Condition set out in Appendix I to this Announcement.

- Further details of the Offer will be contained in the Offer Document and the Form of Acceptance. The Offer will be made and the Offer Document will be published as soon as reasonably practicable and in any event within 28 days (or such longer period as the Panel may agree) following the satisfaction or waiver of the FAS Pre-Condition. Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, the Offer Document and the Form of Acceptance will also be made available on Horvik's website at <https://horviklimited.com/> and TSG's website at <http://trans-siberiangold.com>.

This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices).

The Offer is subject to the FAS Pre-Condition and the Condition and further terms that are set out in Appendix I, and to the full terms and conditions which will be set out in the Offer Document and accompanying Form of Acceptance. Appendix II contains the bases and sources of certain information used in this Announcement. Appendix III contains details of the irrevocable undertakings received in relation to the Offer that are referred to in this Announcement. Appendix IV contains definitions of terms used in this Announcement.

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Skadden, Arps, Slate, Meagher & Flom (UK) LLP is retained as legal adviser to Horvik. Akin Gump LLP is retained as legal adviser to TSG.

Important notices relating to financial advisers

VTB Capital plc, which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, is acting exclusively for Horvik and no one else in connection with the Offer and this Announcement, and will not be responsible to anyone other than Horvik for providing the protections afforded to clients of VTB Capital plc nor for providing advice in connection with the Offer or this Announcement or any matter referred to herein.

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser, corporate broker and nominated adviser exclusively for TSG and for no one else in connection with the Offer and this Announcement, and will not regard any other person as its client in relation to the matters referred to in this Announcement and will not be responsible to anyone other than TSG for providing the protections afforded to clients of Canaccord Genuity Limited, nor for providing advice in connection with the Offer or this Announcement or any other matter referred to herein.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form any part of, an offer to sell or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise.

The Offer will be subject to English law and to the applicable requirements of the Code, the Panel, AIM Rules, the London Stock Exchange and the FCA.

The Offer will be made solely by the Offer Document and the accompanying Form of Acceptance, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Any acceptance decision or response in relation to the Offer should be made solely on the basis of the Offer Document and the Form of Acceptance. TSG Shareholders are advised to read the formal documentation in relation to the Offer carefully once it has been published. Each TSG Shareholder is urged to consult his or her independent professional adviser regarding the tax consequences of the Offer.

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England.

Overseas shareholders

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to accept the Offer, may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with applicable legal or regulatory

requirements of any jurisdiction may constitute a violation of securities laws in that jurisdiction.

The Offer will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported acceptance of the Offer.

Further details in relation to TSG Shareholders in overseas jurisdictions will be contained in the Offer Document.

Forward-looking statements

This Announcement contains certain forward-looking statements with respect to Horvik and TSG. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, synergies, financial conditions, market growth, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Horvik Group or the TSG Group; and (iii) the effects of government regulation on the business of the Horvik Group or the TSG Group. There are many factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among such factors are changes in the global, political, social, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals.

These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. By their nature, these forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this Announcement may cause the actual results, performance or achievements of any such person, or industry results and developments, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and persons reading this Announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. All subsequent oral or written forward-looking statements attributable to Horvik, or TSG, or their respective affiliates or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Neither Horvik nor TSG undertakes any obligation to update publicly or revise forward-looking statements, whether as

a result of new information, future events or otherwise, except to the extent legally required.

Publication on website

A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 and Rule 26.2 of the Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, on Horvik's website at <https://horviklimited.com/> and TSG's website at <http://trans-siberiangold.com> by no later than 12 noon on the Business Day following the date of this Announcement.

Neither the contents of these websites nor the content of any other website accessible from hyperlinks on either such website is incorporated into, or forms part of, this Announcement.

Hard copy documents

In accordance with Rule 30.3 of the Code, TSG Shareholders and persons with information rights may request a hard copy of this Announcement by contacting Simon Olsen (Company Secretary) on +44(0) 1480 811 871 or email Simon.Olsen@trans-siberiangold.com (call charges will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate). For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information be sent to them in relation to the Offer in hard copy form.

Information relating to TSG Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by TSG Shareholders, persons with information rights and other relevant persons for the receipt of communications from TSG may be provided to Horvik during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9 of the Code

For the purposes of Rule 2.9 of the Code, TSG confirms that, as at 17 March 2021, it has in issue 110,053,073 ordinary shares of £0.10 each, of which 23,101,022 are held in treasury. The International Securities Identification Number (ISIN) of the ordinary shares is GB0033756866.

Important Information

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial advisor duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident

in the United Kingdom or, if not, from another appropriately authorised independent financial advisor.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Code) following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Code) following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day (as defined in the Code) following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44(0)20 7638 0129.

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18 March 2021

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TRANS-SIBERIAN GOLD PLC

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HORVIK LIMITED

1. Introduction

TSG and Horvik are pleased to announce that they have reached agreement on the terms of a recommended pre-conditional mandatory cash offer to be made by Horvik for the TSG Shares not already held or agreed to be acquired by Horvik.

Today, Horvik agreed to acquire 44,558,918 TSG Shares, representing approximately 51.2 per cent. of the issued share capital of TSG (excluding any shares held in treasury), from the following TSG Shareholders: UFG Special Situations Fund LP, UFG Equity Opportunities Limited, UFG Russia Select Master Ltd, Charles Ryan, Florian Fenner and Petrovka GmbH (the "Selling Shareholders"), at a price of $\text{£}1.18$ per TSG Share (the "Acquisition").

The Acquisition will take place in two stages. Firstly, Horvik will acquire 21,437,000 TSG Shares, representing approximately 24.7 per cent. of the issued share capital of TSG (excluding any shares held in treasury) pro rata from each of the Selling Shareholders, conditional only upon Horvik making this Announcement. The acquisition of the remaining 23,121,918 TSG Shares held by the Selling Shareholders is conditional only upon Horvik receiving clearance from the Russian Federal Antimonopoly Service ("FAS").

As a result of the Acquisition, under Rule 9 of the Code, Horvik is required to make the Offer, at a price per TSG Share not less than the price per TSG Share being paid to the Selling Shareholders.

2. The Offer

The making of the Offer will be subject to the satisfaction or waiver of the FAS Pre-Condition. Under the terms of the Offer, which will be subject to the Condition and further terms to be set out in the Offer Document and the Form of Acceptance, TSG Shareholders will be entitled to receive:

for each TSG Share $\text{£}1.18$ in cash

The terms of the Offer value TSG's entire issued and to be issued share capital (excluding any shares held in treasury) at approximately $\text{£}108,383,046$.

The terms of the Offer represent a premium of approximately:

- 18 per cent. to the Closing Price per TSG Share of £1.00 on 17 March 2021 (being the last practicable date prior to the date of this Announcement);
- 34 per cent. premium to the Closing Price per TSG Share of £0.88 on 4 March 2021 (being the last Business Day prior to the date on which Horvik first approached the TSG Independent Directors); and
- 26 per cent. to the volume weighted average Closing Price per TSG Share of £0.94 for the one month period ended on 17 March 2021 (being the last practicable date prior to the date of this Announcement).

If any dividend or other distribution in respect of the TSG Shares is announced, declared, payable or paid in respect of the TSG Shares on or after the date of this Announcement, Horvik reserves the right to reduce the consideration payable for each TSG Share by the amount of all or part of any such dividend or other distribution.

3. Background to and reasons for the Offer

Horvik believes there is a compelling strategic and financial rationale for the Acquisition and for making the Offer.

Vladislav Sviblov, the ultimate beneficial owner of Horvik, has interests in a number of mining assets, including in the precious metals sector. The Acquisition and the making of the Offer is in line with Mr. Sviblov's strategy to build a broader asset portfolio in the natural resources sector in Russia. Mr. Sviblov's existing strategic investments include Highland Gold Mining Limited, one of Russia's leading gold mining companies with assets in the Khabarovsk, Zabaikalsk and Chukotka regions of Russia, and Ozeroye Mining Company, which is developing zinc-lead and gold-zinc deposits, as well as certain other gold mining assets and prospective deposits in the Zabaikalsk region.

TSG is a gold producer in Russia, which operates the high-grade, low-cost Asacha mine in the Kamchatka peninsula and owns the greenfield Rodnikova deposit which has the potential to provide for an extension of the life of TSG's Kamchatka operations.

Horvik believes that the Kamchatka peninsula, historically one of the most underexplored regions in Russia, has high geological potential. Accordingly, in line with the strategy of building a broader asset portfolio, Horvik considers it strategically important to establish its operational footprint in Kamchatka and believes that the execution of this strategy is best achieved through a strategic investment in TSG, one of the key regional gold producers. Horvik is comfortable with assuming the execution risks associated with TSG's growth strategy and believes that it can support TSG's future development.

The Offer provides TSG Shareholders with an opportunity to crystallise the value of their TSG Shares for cash at an attractive premium, providing a liquidity event for TSG Shareholders. Horvik considers the terms of the Offer to be highly attractive for TSG Shareholders representing a premium of approximately:

- 18 per cent. to the Closing Price per TSG Share of £1.00 on 17 March 2021 (being the last practicable date prior to the date of this Announcement);

- ✎ 34 per cent. premium to the Closing Price per TSG Share of Â£0.88 on 4 March 2021 (being the last Business Day prior to the date on which Horvik first approached the TSG Independent Directors); and
- ✎ 26 per cent. to the volume weighted average Closing Price per TSG Share of Â£0.94 for the one month period ended on 17 March 2021 (being the last practicable date prior to the date of this Announcement).

4. Recommendation of the TSG Independent Directors

The TSG Independent Directors, who have been so advised by Canaccord Genuity as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing advice to the TSG Independent Directors, Canaccord Genuity has taken into account the TSG Independent Directors' commercial assessments. Canaccord Genuity is providing independent financial advice for the purposes of Rule 3 of the Code to the TSG Independent Directors.

Given that certain members of the TSG Board are Selling Shareholders or are connected to Selling Shareholders, for the purpose of considering the Offer, the TSG Board constituted a committee comprising the TSG Independent Directors to consider the Offer.

5. Background to and reasons for the TSG Independent Directors' recommendation

In considering the Offer, the TSG Independent Directors have taken account of the following important factors:

- ✎ The Selling Shareholders, which comprise the Company's Chairman, Charles Ryan and a non-executive director, Florian Fenner, together with connected entities and various funds managed by UFG Asset Management Limited ("UFG"), collectively own over 50 per cent. of the share capital of TSG (excluding any shares held in treasury) and have agreed to the sale of their entire shareholdings in TSG at the Offer Price.
- ✎ UFG has been a long-term and supportive shareholder of TSG with certain persons or entities within the group of Selling Shareholders having been TSG Shareholders since 2006.
- ✎ Whilst UFG has reduced its shareholding over recent years, which has aided liquidity in the trading of TSG Shares, the TSG Independent Directors understand that the Selling Shareholders have been looking at opportunities to monetise the value of their entire holding in TSG for a period of time and have concluded that the Offer represents the most appealing way of realising value at an attractive price.
- ✎ The TSG Independent Directors recognise this desire and that the Selling Shareholders may have moved from the investing stage to the realisation stage of their investment life-cycle. Alternative methods of the Selling Shareholders seeking to realize value from their TSG shareholdings in the near term would likely have a detrimental impact on the market price of TSG Shares pending and, in particular, during such monetisation.
- ✎ The TSG Independent Directors believe that, given the Company has a single production asset and all its operations are based in the

Kamchatka region in Far East Russia, there is a relatively limited number of potential alternative buyers for the Company that could provide similar opportunities for a full cash monetisation for TSG Shareholders in the near term. The Offer represents a liquidity opportunity for all TSG Shareholders to realise their investment in TSG in full, in cash, and on the same terms as the Selling Shareholders.

☞• The outlook for gold is uncertain, with market consensus on the long-term price of gold being materially below that of the current spot price, the TSG Independent Directors believe that the Offer Price represents fair value on the basis of their commercial assessments of TSG. The TSG Independent Directors believe the long term prospects of the Asacha Gold mine remain attractive. However, delivery of TSG's strategy to grow production has execution risk, including customary permitting requirements, and would require further material capital expenditures. In this context, the TSG Independent Directors believe that the Offer Price recognises the prospects and execution risks of TSG, whilst providing certainty, in cash, to TSG Shareholders now.

☞• TSG Independent Directors also note:

- There can be no guarantee that similar future liquidity events will materialise;
- TSG's share price has only traded higher than the Offer Price for 32 trading days in the last 15 years, reaching its 15 year peak in September 2019;
- Mining operations are inherently risky and susceptible to interruption as evidenced by the recent and regrettable incident at TSG's Asacha Gold mine; and
- TSG's development asset, Rodnikova, is not due for development for some time and it is currently estimated that it would require US\$133,000,000 of capital expenditure. Accordingly, TSG would likely have to raise a combination of further debt and equity if it were to develop this asset. The TSG Independent Directors acknowledge that there is no certainty that UFG would participate in further investment in TSG.

☞• The Offer Price represents a premium of approximately:

- 18 per cent. to the Closing Price per TSG Share of £1.00 on 17 March 2021 (being the last practicable date prior to the date of this Announcement);
- 34 per cent. premium to the Closing Price per TSG Share of £0.88 on 4 March 2021 (being the last Business Day prior to the date on which Horvik first approached the TSG Independent Directors); and
- 26 per cent. to the volume weighted average Closing Price per TSG Share of £0.94 for the one month period ended on 17 March 2021 (being the last practicable date prior to the date of this Announcement).

☞• As the Selling Shareholders' holdings represent greater than 50 per cent. of the share capital of TSG (excluding any shares held in

treasury), if the FAS Pre-Condition is satisfied, control of TSG will have passed from the Selling Shareholders to Horvik.

- ℞• If, through acceptances of the Offer, Horvik acquires interests which, together with TSG Shares it acquires pursuant to the SPA, amount to at least 75 per cent. of the share capital of TSG, Horvik will seek to cancel the admission of the TSG Shares to trading on AIM, which, if such cancellation occurs, will mean there is no liquid market to trade TSG shares.
- ℞• If Horvik fails to acquire interests in at least 75 per cent. of the share capital of TSG, Horvik intends to retain the Company's listing on AIM. Pursuant to the Relationship Agreement, Horvik will be entitled to appoint three directors and therefore, subject to the provisions of the Relationship Agreement, will have significant influence over the strategic direction and priorities of the Company, including any future dividend payments and may have a different perspective on these matters to other shareholders.
- ℞• Accordingly, the TSG Independent Directors unanimously recommend that TSG Shareholders accept the Offer and the certainty of cash that it provides today. The TSG Independent Directors who hold TSG Shares have irrevocably undertaken to do so in respect of their entire beneficial holdings of 1,449,093 TSG Shares, in aggregate, representing approximately 1.67 per cent. of the issued share capital of TSG (excluding any shares held in treasury) as at 17 March 2021 (being the last practicable date prior to the date of this Announcement).

6. Irrevocable undertakings

Horvik has received irrevocable undertakings to accept the Offer from the TSG Independent Directors who hold TSG Shares, in respect of their entire beneficial holdings, amounting to 1,449,093 TSG Shares, in aggregate, representing approximately 1.67 per cent. of the issued share capital of TSG (excluding any shares held in treasury) as at 17 March 2021 (being the last practicable date prior to this Announcement). These irrevocable undertakings require each TSG Independent Director who holds TSG Shares and Robert Sasson to accept, or procure acceptance of the Offer in respect of their entire beneficial holdings of TSG Shares and any further TSG Shares to be issued to them under the TSG LTIP.

The irrevocable undertakings will cease to be binding if (a) a third party announces through a Regulatory Information Service, a firm intention to make an offer in accordance with Rule 2.7 of the Code to acquire the entire issued and to be issued share capital of TSG (excluding any shares held in treasury); (b) the Offer Document is not published within 28 days (or such longer period as the Panel may agree) after the date on which the FAS Pre-Condition is satisfied or waived; (c) Horvik announces, with the consent of the Panel and prior to the publication of the Offer Document that it does not intend to proceed with the Offer; (d) the Offer lapses or is withdrawn in accordance with its terms; or (e) six months has elapsed from the date of the irrevocable undertakings (unless the parties to the SPA extend the date of completion of the Acquisition).

Further details of these irrevocable undertakings are set out in Appendix III.

7. Information on Horvik

Horvik is a Cyprus registered company indirectly owned by Vladislav Sviblov and is part of his wider business interests in the metals and mining industry.

8. Information on TSG

TSG is focused on low cost, high grade gold mining operations and stable gold production from its wholly owned Asacha Gold Mine in Far East Russia which has been in production since September 2011. TSG also holds the licence for the development and exploration of the Rodnikova deposit, estimated to be one of the largest gold fields in South Kamchatka. TSG has been admitted to trading on AIM since 2003.

9. Financing

Horvik intends to finance the cash consideration payable to TSG Shareholders pursuant to the Offer using third party debt to be provided under a facilities agreement arranged by VTB Bank (the "**Facilities Agreement**"). The term loan facilities provided under the Facilities Agreement (the "**Facilities**") are committed and are secured by security granted by Horvik and certain of its affiliates. The Facilities have a three year term.

In connection with the Facilities Agreement, Horvik has entered into a foreign exchange agreement with VTB Bank in order to facilitate the payment of the cash consideration payable to TSG Shareholders pursuant to the Offer.

VTB Capital, as financial adviser to Horvik, is satisfied that sufficient resources are available to Horvik to enable it to satisfy in full the cash consideration payable to TSG Shareholders under the terms of the Offer.

Further information on the financing of the Offer will be set out in the Offer Document.

10. Strategic plans, management, employees, pensions, research and development, locations

Horvik's strategic plans for TSG

Horvik believes there is a compelling strategic and financial rationale for making the Offer, which provides Horvik with an opportunity to participate in the realisation of TSG's upside potential. Horvik believes it can support TSG's future development.

Employees, management, existing rights and pensions

Horvik attaches great importance to the skills and experience of existing management and employees of TSG. Horvik intends that the existing contractual and statutory employment rights, including in relation to pensions, of all TSG management and employees will be fully safeguarded in accordance with applicable law. Horvik does not anticipate making any material changes to the balance of skills and functions of TSG's employees and management.

Horvik does not expect any reduction in headcount that would be material in the context of TSG's employees of around 610 people. In the event that the admission to trading of the TSG Shares on AIM is cancelled, Horvik intends to conduct a review of certain corporate and support functions, including those related to TSG's status as a listed company. TSG has a registered office in Cambridge in the UK; whilst certain corporate and support functions are currently undertaken in the UK, these are provided via outsourced agreements and TSG has no UK-based employees. TSG has three Russian-based employees all of whom also have employment agreements with OOO TSG Management, TSG's Russian subsidiary based in Moscow. Horvik has not yet

developed specific proposals as to potential changes in the corporate and support functions of TSG, but will draw up detailed plans within three months of the cancellation of the admission to trading of the TSG Shares on AIM.

TSG has confirmed to Horvik that it does not have any defined benefit pension schemes in place.

In the event that TSG remains admitted to trading on AIM, Horvik intends that TSG will continue to operate as a standalone business and the Relationship Agreement, as further described in Section 12 (*Offer-related arrangements*), ensures that the relationship between Horvik and TSG is managed so that, among other things, TSG carries on its business independently of Horvik. The Relationship Agreement will terminate (save for accrued rights) if Horvik holds less than 20 per cent. of the issued share capital of TSG (excluding shares held in treasury) and Horvik has a right to give written notice to TSG to terminate the Relationship Agreement if Horvik holds 75 per cent. or more of the entire issued share capital of TSG (excluding shares held in treasury).

Were TSG to remain admitted to trading on AIM, Horvik is committed to high standards of corporate governance and would maintain a balanced Board of Directors, comprising executive directors, non-executive directors and independent non-executive directors. The Relationship Agreement provides that a majority of these directors will also be independent of Horvik. Horvik recognises the skills and experience of Lou Naumovski and Stewart Dickson and is pleased that they have confirmed their intention to continue to serve on the Board of TSG in the event that TSG's admission to trading on AIM remains. Horvik intends to appoint new directors to the TSG Board, nominated by Horvik in accordance with the terms of the Relationship Agreement, as further described in Section 12 (*Offer-related arrangements*).

Horvik intends to review the management, governance and incentive structure of TSG. Horvik has not entered into, and has not had discussions on proposals to enter into, any new incentivisation arrangements with members of TSG's management but may enter into such discussions with certain members of the TSG management team.

Headquarters, locations, research and development and fixed assets

TSG's registered office and head office are both located in Cambridgeshire, UK, however all employees are based in Moscow (23 employees) and Kamchatka (587 employees). In the event that the admission to trading of the TSG Shares on AIM is cancelled, Horvik will review the requirement for maintenance of TSG's registered office in the UK and the outsourced functions currently undertaken in the UK as described above. With the exception of this review of the UK office in the event that the admission to trading on AIM is cancelled, Horvik does not have intentions to change the location of TSG's business, including the location of TSG's headquarters and its functions.

TSG does not have any research and development functions and Horvik does not intend to redeploy any of TSG's fixed assets.

Trading facilities

It is intended that Horvik will make a request for the cancellation of the admission to trading of TSG Shares on AIM ("**Cancellation of Trading**"). The Cancellation of Trading is subject to Horvik receiving acceptances of the Offer in respect of TSG Shares which, together with the TSG Shares acquired or agreed to be acquired before the Offer, will result in Horvik and any person acting in concert with it holding TSG Shares carrying 75 per cent. or more of

the voting rights then normally exercisable at a general meeting of TSG (the "**75% De-listing Threshold**").

In the event that the 75% De-listing Threshold is not met, Horvik does not anticipate that the Acquisition or the Offer will result in a change to TSG's admission to trading on AIM and in such context Horvik remains committed to TSG as a publicly traded entity.

No statements in this Section 10 (*Strategic plans, management, employees, pensions, research and development, locations*) constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

11. TSG LTIP

The Offer will extend to any TSG Shares issued and allotted to satisfy the vesting and exercise of options and awards granted under the TSG LTIP. Participants in the TSG LTIP will be contacted regarding the effect of the Offer on their options and awards under the TSG LTIP and an appropriate proposal will be made to such participants in respect of their options and awards in accordance with Rule 15 of the Code.

12. Offer-related arrangements

Share Purchase Agreement

Horvik and the Selling Shareholders entered into a sale and purchase agreement in connection with the Acquisition (the "**SPA**") on 18 March 2021, which commits Horvik to buy, and the Selling Shareholders to sell, 44,558,918 TSG Shares, representing approximately 51.2 per cent. of the total issued share capital of TSG (excluding any shares held in treasury) at a price of £1.18 per TSG Share.

The SPA provides for the Acquisition to take place in two stages. Firstly, Horvik will acquire 21,437,000 TSG Shares, representing approximately 24.7 per cent. of the issued share capital of TSG (excluding any shares held in treasury) pro rata from each of the Selling Shareholders, conditional only upon Horvik making this Announcement. The acquisition of the remaining 23,121,918 TSG Shares held by the Selling Shareholders is conditional only upon Horvik receiving clearance from the Russian Federal Antimonopoly Service ("**FAS**").

Confidentiality Agreements

Horvik entered into a confidentiality agreement with UFG (on behalf of the Selling Shareholders) on 2 March 2021 (the "**UFG NDA**") pursuant to which Horvik has undertaken to keep confidential information relating to the Acquisition and the Offer and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until the second anniversary of the date of the UFG NDA. The UFG NDA contains, amongst other things: (a) a 30 day exclusivity period beginning on the date of the UFG NDA during which UFG and its connected persons are prevented from discussing, entertaining or soliciting from any party other than Horvik and its affiliates any competing inquiry, proposal or offer for their interests in TSG and are obliged to immediately discontinue any ongoing discussions relating to any competing inquiry, proposal or offer; and (b) a standstill provision preventing UFG or its connected persons from (i) selling their shares in the Company or (ii) acquiring any further interests in TSG shares. TSG Shares acquired pursuant to the TSG LTIP are excluded from this standstill.

Horvik and TSG entered into a confidentiality agreement on 10 March 2021 (the "**Confidentiality Agreement**"), pursuant to which Horvik has undertaken to keep confidential information relating to TSG and the Offer and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until the second anniversary of the date of the Confidentiality Agreement. The Confidentiality Agreement contains restrictions on Horvik contacting any current or former directors or employees of the TSG Group (other than the Selling Shareholders) in relation to the sale of their TSG Shares pursuant to the SPA, or any person which Horvik knows to be a customer, client, supplier or agent of the TSG Group, other than in the ordinary course of business. The Confidentiality Agreement also contains provisions pursuant to which Horvik has agreed not to solicit directors, management or senior employees of TSG, subject to customary carve-outs, for a period of twelve months.

Co-operation Letter

On 18 March 2021, Horvik and TSG entered into a letter whereby each party undertakes to the other to co-operate in order to satisfy the FAS Pre-Condition (the "**Co-operation Letter**"). Under the Co-operation Letter, Horvik undertakes to use its best efforts to take any and all actions necessary to avoid, eliminate, and resolve any and all impediments as may be required by FAS to satisfy the FAS Pre-Condition as soon as reasonably practicable following the date of the Confidentiality Letter. In addition, Horvik agrees not to seek to invoke the FAS Pre-Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the FAS Pre-Condition are of material significance to Horvik in the context of the Offer in accordance with the Code. TSG has certain information and review rights in respect of the FAS Pre-Condition, including rights to receive copies of any substantive communication with FAS, regularly review the process of application for FAS approval and attend substantive meetings and discussions in connection with the same.

The Co-operation Letter contains information on the impact of the Acquisition on subsisting options and awards under the TSG LTIP and the proposals to be made in accordance with Rule 15 of the Code in respect of subsisting options and awards under the TSG LTIP. The proposals will explain the impact of the Acquisition on participants' options and awards, and the actions they may take in respect of their options and awards in relation to the Offer.

Relationship Agreement

On 18 March 2021, Horvik and TSG entered into a relationship agreement to ensure, among other things, that TSG carries on its business independently of Horvik (the "**Relationship Agreement**"). Under the Relationship Agreement, Horvik is entitled, subject to it satisfying the FAS Pre-Condition and it having a certain level of shareholding in TSG, to appoint three non-executive directors to the TSG Board. Prior to satisfying the FAS Pre-Condition, Horvik is also entitled to appoint an observer to the TSG Board, subject to certain conditions set out in the Relationship Agreement. In addition, Horvik agrees to certain undertakings in connection with TSG carrying on its business independently of Horvik.

The Relationship Agreement will terminate (save for accrued rights) if Horvik holds less than 20 per cent. of the issued share capital of TSG (excluding any shares held in treasury) and Horvik has a right to give written notice to TSG to terminate the Relationship Agreement if Horvik holds 75 per cent. or more of the entire issued share capital of TSG (excluding any shares held in treasury).

Further details of the Relationship Agreement are described in Section 10 (*Strategic plans, management, employees, pensions, research and development, locations*).

13. Structure of the Offer

The making of the Offer by the publication of the Offer Document will take place as soon as reasonably practicable and in any event within 28 days (or such longer period as the Panel may agree) following the satisfaction or waiver of the FAS Pre-Condition.

The Offer will be implemented by way of a takeover offer within the meaning of Part 28 of the Companies Act 2006 and under the Code. The Offer is conditional upon Horvik having received acceptances in respect of TSG Shares which, together with TSG Shares acquired or agreed to be acquired before or during the Offer, will result in Horvik and any person acting in concert with it holding TSG Shares carrying more than 50 per cent. of the voting rights then normally exercisable at a general meeting of TSG.

The TSG Shares shall be acquired by Horvik under the Offer with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid after the completion of the Offer.

The Offer Document and Form of Acceptance will include full details of the Offer and the expected timetable, and will specify the actions to be taken by TSG Shareholders in connection with the Offer. It is expected that the Offer Document will be published as soon as practicable and in any event within 28 days following the satisfaction or waiver of the FAS Pre-Condition unless Horvik and TSG otherwise agree with the consent of the Panel.

TSG Shareholders are urged to read the Offer Document and the accompanying Form of Acceptance when they are sent to them because they will contain important information. An indicative timetable setting out the expected dates for implementation of the Offer will be included in the Offer Document.

14. Disclosure of interests in TSG

As at the close of business on 17 March 2021 (being the last practicable date prior to the date of this Announcement), save for: (i) the TSG Shares acquired or to be acquired pursuant to the Acquisition; and (ii) the irrevocable undertakings referred to in Section 6 (*Irrevocable undertakings*), none of Horvik or any of its directors or, so far as Horvik is aware, any person acting, or deemed to be acting, in concert with Horvik had:

- ✎ any interest in, or right to subscribe for, relevant securities of TSG;
- ✎ any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, relevant securities of TSG;
- ✎ procured an irrevocable commitment or letter of intent to accept the terms of the Offer in respect of relevant securities of TSG; or
- ✎ borrowed or lent any TSG Shares.

Furthermore, no dealing arrangement (of the kind referred to in Note 11 of the definition of "acting in concert" in the Code) exists between Horvik or TSG or any person acting in concert with Horvik or TSG in relation to TSG Shares.

15. General

The Offer will be subject to the FAS Pre-Condition and the Condition and other terms set out in Appendix I and to be set out in the Offer Document and accompanying Form of Acceptance.

Appendix II contains the bases and sources of certain information used in this Announcement. Appendix III contains details of the irrevocable undertakings received in relation to the Offer that are referred to in this Announcement. Appendix IV contains definitions of terms used in this Announcement.

Each of VTB Capital and Canaccord Genuity has given and not withdrawn its consent to the inclusion in this Announcement of the references to its name in the form and context in which they appear.

16. Documents available on a website

Subject to certain restrictions relating to persons in Restricted Jurisdictions, copies of the following documents will, by no later than 12 noon on the Business Day following the date of this Announcement, be made available on Horvik's website at <https://horviklimited.com/> and on TSG's website at <http://trans-siberiangold.com> until the end of the Offer Period:

- (a) this Announcement;
- (b) the SPA;
- (c) the UFG NDA;
- (d) the Confidentiality Agreement;
- (e) the Co-operation Letter;
- (f) the Relationship Agreement;
- (g) the irrevocable undertakings referred to in Section 6 (*Irrevocable undertakings*); and
- (h) the documents relating to the financing of the Offer referred to in Section 9 (*Financing*).

Neither the contents of Horvik's website nor TSG's website, nor the content of any other website accessible from hyperlinks on either such website, is incorporated into or forms part of, this Announcement.

Enquiries:

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Skadden, Arps, Slate, Meagher & Flom (UK) LLP is retained as legal adviser to Horvik. Akin Gump LLP is retained as legal adviser to TSG.

Important notices relating to financial advisers

VTB Capital plc, which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, is acting exclusively for Horvik and no one else in connection with the Offer and this Announcement, and will not be responsible to anyone other than Horvik for providing the protections afforded to clients of VTB Capital plc nor for providing advice in connection with the Offer or this Announcement or any matter referred to herein.

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser, corporate broker and nominated adviser exclusively for TSG and for no one else in connection with the Offer and this Announcement, and will not regard any other person as its client in relation to the matters referred to in this Announcement and will not be responsible to anyone other than TSG for providing the protections afforded to clients of Canaccord Genuity Limited, nor for providing advice in connection with the Offer or this Announcement or any other matter referred to herein.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form any part of, an offer to sell or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise.

The Offer will be subject to English law and to the applicable requirements of the Code, the Panel, AIM Rules, the London Stock Exchange and the FCA.

The Offer will be made solely by the Offer Document and the accompanying Form of Acceptance, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Any acceptance

decision or response in relation to the Offer should be made solely on the basis of the Offer Document and the Form of Acceptance. TSG Shareholders are advised to read the formal documentation in relation to the Offer carefully once it has been published. Each TSG Shareholder is urged to consult his or her independent professional adviser regarding the tax consequences of the Offer.

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England.

Overseas shareholders

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to accept the Offer, may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with applicable legal or regulatory requirements of any jurisdiction may constitute a violation of securities laws in that jurisdiction.

The Offer will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported acceptance of the Offer.

Further details in relation to TSG Shareholders in overseas jurisdictions will be contained in the Offer Document.

Forward-looking statements

This Announcement contains certain forward-looking statements with respect to Horvik and TSG. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, synergies, financial conditions, market growth, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Horvik Group or the TSG Group; and (iii) the effects of government regulation on the business of the

Horvik Group or the TSG Group. There are many factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among such factors are changes in the global, political, social, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals.

These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. By their nature, these forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this Announcement may cause the actual results, performance or achievements of any such person, or industry results and developments, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and persons reading this Announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. All subsequent oral or written forward-looking statements attributable to Horvik, or TSG, or their respective affiliates or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Neither Horvik nor TSG undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Publication on website

A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 and Rule 26.2 of the Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, on Horvik's website at <https://horviklimited.com/> and TSG's website at <http://trans-siberiangold.com> by no later than 12 noon on the Business Day following the date of this Announcement.

Neither the contents of these websites nor the content of any other website accessible from hyperlinks on either such website is incorporated into, or forms part of, this Announcement.

Hard copy documents

In accordance with Rule 30.3 of the Code, TSG Shareholders and persons with information rights may request a hard copy of this Announcement by contacting Simon Olsen (Company Secretary) on +44(0) 1480 811 871 or email Simon.Olsen@trans-siberiangold.com (call charges will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information be sent to them in relation to the Offer in hard copy form.

Information relating to TSG Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by TSG Shareholders, persons with information rights and other relevant persons for the receipt of communications from TSG may

be provided to Horvik during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9 of the Code

For the purposes of Rule 2.9 of the Code, TSG confirms that, as at 17 March 2021, it has in issue 110,053,073 ordinary shares of Å£0.10 each, of which 23,101,022 are held in treasury. The International Securities Identification Number (ISIN) of the ordinary shares is GB0033756866.

Important Information

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial advisor duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident in the United Kingdom or, if not, from another appropriately authorised independent financial advisor.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Code) following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Code) following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later

than 3.30 p.m. (London time) on the Business Day (as defined in the Code) following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44(0)20 7638 0129.

APPENDIX I

PRE-CONDITION AND CONDITION AND FURTHER TERMS OF THE OFFER

Part A

Pre-Condition to the making of the Offer

1. The making of the Offer by the publication of the Offer Document shall take place as soon as reasonably practicable and in any event within 28 days (or such longer period as the Panel may agree) following the granting of clearance, whether unconditionally or subject to conditions, in connection with the Offer in accordance with Russian Federal Law No. 135-FZ On Protection of Competition, dated 26 July 2006 (as amended) (the "**FAS Pre-Condition**").

Condition to the Offer

2. The Offer will be subject to the following Condition:

Acceptance of the Offer

Valid acceptances of the Offer being received (and not, where permitted, withdrawn) by Horvik by no later than 1.00 p.m. (London time) on the first closing date of the Offer (or such later time(s) and/or date(s) as Horvik may, subject to the Code or with the consent of the Panel, decide) in respect of TSG Shares which, together with TSG Shares acquired or agreed to be acquired before such time, will result in Horvik and any person acting in concert with it holding TSG Shares carrying, in aggregate, more than 50 per cent. of the voting rights then normally exercisable at a general meeting of TSG, including (to the extent, if any, required by the Panel for this purpose) any such voting rights attaching to TSG Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to

acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

For the purposes of this Condition:

- (i) all percentages of voting rights, share capital and relevant securities are to be calculated by reference to the percentage held and in issue outside treasury;
- (ii) TSG Shares that have been unconditionally allotted but not issued shall be deemed to carry the voting rights that they will carry upon issue; and
- (iii) valid acceptances shall be treated as having been received in accordance with the Code (including but not limited to Rule 10, the notes to Rule 10 and Appendix 4).

Part B

Certain further terms of the Offer

1. The availability of the Offer to persons not resident in the UK may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the UK should inform themselves about, and observe, any applicable requirements. TSG Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay and observe any applicable requirements.
2. This Offer will be governed by English law and be subject to the jurisdiction of the English courts and to the terms and conditions set out in the Offer Document. The Offer will comply with the applicable rules and regulations of the FCA, the AIM Rules, the London Stock Exchange and the Code.
3. The TSG Shares will be acquired by Horvik with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this Announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made after the completion of the Offer in respect of the TSG Shares.
4. Horvik reserves the right to reduce the Offer consideration by the amount of any dividend (or other distribution) which is paid or becomes payable by Horvik to the holders of TSG Shares.
5. Under Rule 13.5(a) of the Code, Horvik may not invoke the FAS Pre-Condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the FAS Pre-Condition are of material significance to Horvik in the context of the Offer.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement, unless otherwise stated, or the context otherwise requires, the following bases and sources have been used:

- (i) the value of the Offer is based upon the Offer price of £1.18 for each TSG Share and 110,053,073 TSG Shares being in issue (excluding 23,101,022 shares held in treasury and including 4,897,988 shares issued under the LTIP) on 17 March 2021 (being the last practicable date prior to the date of this Announcement);
- (ii) unless otherwise stated, all prices for TSG Shares are the Closing Price derived from Bloomberg for the relevant date; and
- (iii) information relating to Horvik Limited has been provided by persons duly authorised or appointed by the board of directors of Horvik Limited.

APPENDIX III

IRREVOCABLE UNDERTAKINGS

Horvik has received irrevocable undertakings from the TSG Independent Directors who directly or indirectly hold TSG Shares, as listed below, and Robert Sasson, a non-executive director of TSG, in respect of their beneficial holdings of TSG Shares, representing in aggregate approximately 1.67 per cent. of the existing issued share capital of TSG (excluding any shares held in treasury). These irrevocable undertakings require each TSG Independent Director who holds TSG Shares and Robert Sasson to accept, or procure acceptance of the Offer in respect of their entire beneficial holdings of TSG Shares and any further TSG Shares to be issued to them under the TSG LTIP.

Name	Number of TSG Shares	% of TSG Issued Share Capital*
Alexander Dorogov	229,567	0.26%
Eugene Antonov	80,249	0.09%
Robert Sasson	1,109,278	1.28%
FELDI Limited**	29,999	0.03%
TOTAL	1,449,093	1.67%

**Note: Excluding any shares held in treasury.*

***Note: Stewart Dickson, one of the TSG Independent Directors is a director and substantial shareholder of FELDI Limited.*

These irrevocable undertakings will cease to be binding if:

- ℞• a third party announces through a Regulatory Information Service, a firm intention to make an offer in accordance with Rule 2.7 of the Code to acquire the entire issued and to be issued share capital of TSG (excluding any shares held in treasury);
- ℞• the Offer Document is not published within 28 days (or such longer period as the Panel may agree) after the date of satisfaction or waiver of the FAS Pre-Condition;
- ℞• Horvik announces, with the consent of the Panel and prior to the publication of the Offer Document that it does not intend to proceed with the Offer;
- ℞• the Offer lapses or is withdrawn in accordance with its terms; or
- ℞• six months has elapsed from the date of the irrevocable undertakings (unless the parties to the SPA extend the date of completion of the Acquisition).

APPENDIX IV

DEFINITIONS

The following definitions apply throughout this Announcement, unless the context otherwise requires:

Acquisition	the acquisition of TSG Shares by Horvik from the Selling Shareholders pursuant to the SPA, as further described in Sections 1 (<i>Introduction</i>) and 12 (<i>Offer-related arrangements</i>) of this Announcement
Announcement	this announcement made pursuant to Rule 2.7 of the Code
AIM	AIM, a market of the London Stock Exchange
AIM Rules	the AIM Rules for Companies as published by the London Stock Exchange (as amended from time to time)
Business Day	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London, Nicosia and Moscow
Canaccord Genuity	Canaccord Genuity Limited
Closing Price	the closing middle market quotation of a share derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
Code	the City Code on Takeovers and Mergers

Condition	the condition to the Offer set out in Part A of Appendix I and to be set out in the Offer Document
Confidentiality Agreement	the confidentiality agreement entered into on 10 March 2021, between Horvik and TSG as further described in Section 12 (<i>Offer-related arrangements</i>)
Co-operation Letter	the co-operation letter between Horvik and TSG dated 18 March 2021, as further described in Section 11 (<i>Offer-related arrangements</i>)
FAS	the Russian Federal Antimonopoly Service
FAS Pre-Condition	the pre-condition to the Offer set out in Part A of Appendix I
FCA	the UK Financial Conduct Authority
Facilities Agreement	the facilities agreement between Horvik (as borrower) and VTB Bank (as lender) dated 18 March 2021, as further described in Section 9 (<i>Financing</i>)
Form of Acceptance	the form of acceptance, authority and election, for use by TSG Shareholders in connection with the Offer, which shall accompany the Offer Document
Horvik	Horvik Limited, a company registered in Cyprus with its registered address at Agl̄as El̄nis, 36, Galaxias Commercial Centre, Floor 4, Office 403, 1061 Nicosia, Cyprus
Independent TSG Shareholders	the TSG Shareholders other than the Selling Shareholders
London Stock Exchange	London Stock Exchange plc
Offer	the recommended pre-conditional mandatory cash offer to be made, subject to the satisfaction or waiver of the FAS Pre-Condition, by Horvik for the TSG Shares that it does not already own or has agreed to acquire pursuant to the Acquisition on the terms and conditions set out in Appendix I to this Announcement and to be set out in the Offer Document and Form of Acceptance
Offer Document	the document to be sent to TSG Shareholders which will contain the Condition to and the terms of the Offer and certain information about TSG and Horvik
Offer Period	the period commencing on 18 March 2021 (being the date of this Announcement) and ending on the earlier of the date on which the Offer has become or has been declared unconditional as to acceptances or lapses or is withdrawn (or such other date as the Panel may decide)
Offer Price	the price of Â£1.18 being offered to the TSG Shareholders per TSG Share
Official List	the official list maintained by the FCA pursuant to Part 6 of the Financial Services and Markets Act 2000
Opening Position Disclosure	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to an offer if the person concerned has such a position, as defined in Rule 8 of the Code

Panel	the UK Panel on Takeovers and Mergers
Relationship Agreement	the agreement entered into on 18 March 2021, between Horvik and TSG as further described in Sections 10 (<i>Strategic plans, management, employees, pensions, research and development, locations</i>) and 12 (<i>Offer-related arrangements</i>)
Regulatory Information Service	a regulatory information service as defined in the Code
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to TSG Shareholders in that jurisdiction
Selling Shareholders	UFG Special Situations Fund LP, UFG Equity Opportunities Limited, UFG Russia Select Master Ltd, Charles Ryan, Florian Fenner and Petrovka GmbH
SPA	the agreement entered into on 18 March 2021, between Horvik and the Selling Shareholders as further described in Section 12 (<i>Offer-related arrangements</i>)
TSG	Trans-Siberian Gold plc, a public limited company incorporated in England and Wales with registered number 01067991 and with its registered office at 39 Parkside, Cambridge, CB1 1PN
TSG Board	the board of directors of TSG
TSG Group	TSG and its subsidiaries from time to time
TSG Independent Directors	Lou Naumovski, Stewart Dickson, Alexander Dorogov and Eugene Antonov
TSG LTIP	the TSG Long Term Incentive Plan (adopted 5 June 2020) and the TSG Non-Employee Long Term Incentive Plan (adopted 27 August 2020)
TSG Shareholders	the holders of TSG Shares from time to time
TSG Shares	the ordinary shares of £0.10 each in the capital of TSG
UBO	Ultimate Beneficial Owner
UFG	UFG Asset Management Limited
UFG NDA	the confidentiality agreement entered into on 2 March 2021, between Horvik and UFG (on behalf of the Selling Shareholders) as further described in Section 12 (<i>Offer-related arrangements</i>)
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
US or United States	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VTB Bank	VTB Bank PAO, as lender to Horvik

All references to GBP, pence, Sterling, Pounds, Pounds Sterling, p or £ are to the lawful currency of the United Kingdom. All references to USD, dollars or US\$ are to the lawful currency of the United States of America.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, amended, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.