



PETROPAVLOVSK

PRESS RELEASE

24 August 2020

Petropavlovsk PLC ("Petropavlovsk" or the "Company")

Resignation of Auditor

On 28 July 2020, Petropavlovsk announced that PricewaterhouseCoopers ("PwC") was not able to accept its proposed appointment as the Company's auditors and awaited the results of the General Meeting to reassess its position. Petropavlovsk has today received a letter from PwC confirming that it does not intend to accept its proposed appointment.

PwC has not performed any work for the Company since its proposed appointment as auditor. PwC has also declined to enter into any engagement with the Board regarding its reasons for resignation. However, in its letter of resignation, PwC has cited the reasons for its resignation as: *"the recent significant changes in the composition of the Board of Directors, namely the removal of the majority of both independent and executive directors, and our concerns over the governance environment and the lack of clarity as to the future direction of the Petropavlovsk group."*

A copy of PwC's statement of reasons relating to its resignation will be sent to shareholders, as required by Section 520(2) of the Companies Act 2006.

Since its appointment at the Requisitioned General Meeting on 10 August 2020, the Board has continued to address the question of Board composition, including through the announcement earlier today of the appointment of Mr. Malay Mukherjee as a new Independent Non-Executive Director.

The Board is in the process of engaging an external search consultancy to assist it in making further appointments of Independent Non-Executive Directors and remains committed to ensuring it has the necessary strength and breadth, with a transparent governance structure that will command the trust and support of all stakeholders.

The Independent Non-Executive Directors are engaging with the Company's larger institutional and other shareholders.

The Board has today commenced work on identifying a new auditor and a tender process is underway. A further announcement will be made in due course. An update on the publication of the Company's interim accounts will be provided in due course.

About Petropavlovsk

Petropavlovsk PLC (LSE: POG. MOEX: POGR) is a major integrated Russian gold producer with JORC Resources of 21.03Moz Au which include Reserves of 8.46Moz Au. Following its IPO on the Alternative Investment Market (AIM) in 2002, Petropavlovsk was promoted to the London Stock Exchange in 2009, where today it is a Premium Listed company and a constituent of the FTSE 250, FTSE 350 and FTSE All Share indices.

The Company's key operating mines (Pioneer, Malomir and Albyn) are in the Amur Region in the Russian Far East. Petropavlovsk has produced a total of c.7.9Moz of gold since operations began in 1994 and has a strong track record of mine development, expansion and asset optimisation.

The Group recently entered a new era of growth following the successful commissioning and start-up of its flagship asset, the Pressure Oxidation (POX) Hub at Pokrovskiy, which enables the processing of the Company's abundant refractory reserves and resources.

Petropavlovsk is one of the region's largest employers and one of the largest contributors to the sustainable development of the local economy.

For more information

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