



PETROPAVLOVSK

## PRESS RELEASE

23 November 2020

**Petrovavlovsk PLC**

### **Appointment of KPMG LLP as independent forensic investigator Investigation to examine historic Group transactions with related parties**

23 November 2020: Petrovavlovsk PLC (“Petrovavlovsk”, or the “Company”) announces the appointment of KPMG LLP to undertake a forensic investigation into certain transactions undertaken by the Company and its subsidiaries, and IRC Ltd and its subsidiaries, in the three years to August 2020.

The investigation, principally into related party transactions, was proposed at the Requisitioned General Meeting on 10 August 2020, and approved by 84% of shareholders. The formal investigation will start immediately. The Board believes that it has already identified several areas which warrant further enquiry and will be providing such information to KPMG.

The Company encourages any party or person with knowledge relevant to the investigation to contact KPMG at [Resolution19@kpmg.com](mailto:Resolution19@kpmg.com) in confidence.

**James W Cameron Jr, Petrovavlovsk Chairman said** “The Board is pleased to announce the appointment of KPMG in accordance with shareholders’ instructions and welcomes the commencement of the investigation. Petrovavlovsk has failed to deliver value to its shareholders and employees over many years, and we believe that poor governance and controls have been a major contributory factor. The current Board is committed to transparency and exposing any historic instances of failed corporate governance, as well as to the recovery of any misappropriated funds or assets.”

#### **For more information**

Please visit [www.petrovavlovsk.net](http://www.petrovavlovsk.net) or contact:

**Petrovavlovsk PLC**

Patrick Pittaway / Max Zaltsman / Viktoriya Kim

+44 (0) 20 7201 8900

[TeamIR@petrovavlovsk.net](mailto:TeamIR@petrovavlovsk.net)

**Hudson Sandler**

Charlie Jack / Katerina Parker / Elfie Kent

+44 (0) 20 7796 4133

[Petrovavlovsk@hudsonsandler.com](mailto:Petrovavlovsk@hudsonsandler.com)

#### **About Petrovavlovsk**

*Petrovavlovsk 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, Petrovavlovsk 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 shares also trade on the Moscow Exchange and are a constituent of the flagship RTS / MOEX index.

Petropavlovsk'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.8.1Moz 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.

#### **Cautionary note on forward-looking statements**

*This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this release and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the future price of gold, the Group's results of operations, financial position, liquidity, prospects, growth, estimation of mineral reserves and resources and strategies, and exchange rates and the expectations of the industry. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances outside the control of the Group. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates may differ materially from those described in, or suggested by, any forward-looking statements contained in this release. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause results and/or developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the impact of the current Covid-19 pandemic, general economic and business conditions, demand, supply and prices for gold and other long-term commodity price assumptions (and their effect on the timing and feasibility of future projects and developments), trends in the gold mining industry and conditions of the international gold markets, competition, actions and activities of governmental authorities (including changes in laws, regulations or taxation), currency fluctuations (including as between the US Dollar and Rouble), the Group's ability to recover its reserves or develop new reserves, changes in its business strategy, any litigation, and political and economic uncertainty. Except as required by applicable law, rule or regulation (including the Listing and Disclosure Guidance and Transparency Rules), the Group does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Past performance cannot be relied on as a guide to future performance. The content of websites referred to in this announcement do not form part of this announcement.*