



PRESS RELEASE

14 July 2021

Petropavlovsk PLC

IRC Announcement: Update on Administrative Offence Proceeding Against K&S

Petropavlovsk PLC (the “Company”) notes that IRC Limited (“IRC”), the producer and developer of industrial commodities in which the Company is a significant shareholder (31.1%), today published an update to its 3 June 2021 announcement regarding operations at the Kimkano-Sutarsky Mining and Beneficiation Plant LLC, a wholly owned IRC subsidiary (“K&S”).

IRC announced that the Russian Federal Service for Environmental, Technological, and Nuclear Supervision (“RTN”) had issued a ruling imposing an administrative penalty on K&S of RUB200,000 (c.US\$3,000) for non-registration of K&S as a hazardous facility. K&S was also ordered to take measures to rectify conditions leading to non-registration and to inform RTN about remedial measures taken within one month.

RTN has not required K&S to suspend operations, nor has it imposed or specified any further action in relation to the issue. K&S will pay the administrative penalty while continuing to operate as usual, while at the same time seeking to resolve the non-registration as soon as practicable.

The full text of the announcement can be found on the IRC website at:
http://www.ircgroup.com.hk/en/ir_announcements.php

Petropavlovsk acts as guarantor of the obligations of K&S under two loan facility agreements with Gazprombank. The outstanding loan principal amount was US\$194m as at 30 June 2021.

About Petropavlovsk

Petropavlovsk PLC (LSE: POG. MOEX: POGF) is a major integrated Russian gold producer with JORC Resources of 19.50Moz Au which include Reserves of 7.16Moz 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 shares also trade on the Moscow Exchange and are a constituent of the RTS Index and MOEX Index.

The Company’s key operating mines (Pioneer, Malomir and Albyn) and its Pokrovskiy Pressure Oxidation (POX) Hub, are located in the Amur Region in the Russian Far East. Petropavlovsk has produced a total of c.8.5Moz of gold since operations began in 1994 and has a strong track record of mine development, expansion, and asset optimisation.

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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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, 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 does not form part of this announcement.