



PRESS RELEASE

14 January 2022

Petropavlovsk PLC

Resolution 19 Final Report

Petropavlovsk PLC ("Petropavlovsk" or the "Company" or, together with its subsidiaries, the "Group") today announces that KPMG has published its final report (the "Report") on its forensic investigation into certain historical transactions undertaken by the Company and its subsidiaries, and IRC Ltd and its subsidiaries, focused on but not limited to a period of 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. Publication of the Report follows the release of an interim report by KPMG on 24 June 2021.

A copy of the report is available to shareholders at <https://petropavlovskplc.com/investors/resolution19/>

The Report has identified a number of potential issues with historical transactions and payments involving the Group with an estimated value of USD 302.4 million. These issues include potentially undisclosed related parties and conflicts of interest among the Group's counterparties in several categories of transactions, including:

- The apparent inflated costs of mining licences through pre-acquisitions;
- Transactions with entities related to Petropavlovsk and IRC senior management;
- Expenses paid by the Group potentially for the benefit of entities related to senior management;
- Former Group investments where monies or value may have been diverted to the benefit of entities related to senior management; and
- Other transactions of potential concern.

The Report does not draw conclusions on specific wrongdoing but does establish some clear patterns of inappropriate behaviour and points to possible lapses in corporate governance and controls during the period in question.

The Company will continue to review the KPMG findings together with legal counsel and take any appropriate action available to it with regards to the content of the report.

James W Cameron Jr, Chairman, said: "With the publication of this report, we hope to draw a line under the corporate governance lapses that, in the past, may have permitted individuals within the Company to personally benefit from corporate transactions. As I stated following the release of the interim report in June, we have been working diligently over the course of this year to install new rules, policies and procedures and stricter controls while strengthening internal audit functions, improving transparency within the management structure, and instilling a culture of zero tolerance for improper business practices. We look to the future with confidence that the business practices described in the report cannot and will not be repeated."

This announcement contains inside information.

About Petropavlovsk

Petropavlovsk PLC (LSE: POG. MOEX: POGR) 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.8.6Moz 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.