



PRESS RELEASE

09 March 2022

Petropavlovsk PLC

Statement on the UK's Sanctions on Dealings in Transferable Securities or Money Market Instruments

Petropavlovsk PLC ("Petropavlovsk" or the "Company") is aware of the provisions of Regulation 16 of the UK's Russia (Sanctions) (EU Exit) Regulations 2019 (the "Regulations") in relation to dealings with transferable securities or money market instruments ("Securities") issued by certain sanctioned entities or by certain persons connected with Russia as defined in the Regulations (each a "PCWR").

Having taken legal advice on this issue, the Company does not consider that its shares or debt instruments are Securities in which dealings are restricted under the Regulations on the grounds that:

- the Company is domiciled in the UK and is therefore excluded from the operation of Regulation (16)(4C) (by operation of Regulation (16)(4D)(a)(ii)); and
- although the Company has a number of direct and indirect shareholders who are PCWRs and who are domiciled in Russia or may be restricted under the Regulations, it is not owned by a PCWR (within the meaning of Regulations (16)(4D)(b) and (16)(7)), because – to the Company's knowledge – no such shareholder holds, directly or indirectly, more than 50% of the shares or voting rights in the Company.

The Company is cognizant that the Regulations are complex and intends therefore to seek confirmation from the Office of Financial Sanctions Implementation that its interpretation of the Regulations is correct.

Recent analysis undertaken for the Company indicates that, at 31 January 2022 (being the latest date at which such analysis was performed) 49.90% of the Company's issued share capital was beneficially owned by Russian individuals or entities.

The Company has not issued any Securities on or after 1 March 2022. Notice of conversion of US\$5,400,000 of the US\$125m convertible bonds guaranteed by the Company has been received and, subject to the admission of those shares to listing, is currently expected to be settled by the issue of ordinary shares in the Company by 14 March 2022. Future issuances of Securities (including in respect of the aforementioned conversion notice) will be announced in advance by the Company.

In the event that the Company's interpretation of the Regulations proves to be incorrect, or if circumstances otherwise change such that the Company becomes subject to the restrictions set out in Regulation 16 of the Regulations, any person who, directly or indirectly, deals with Securities issued by the Company after 1 March 2022 in circumstances where that person knows or has reasonable cause to suspect that he or she is dealing with Securities which are subject to the Regulations may be guilty of committing an offence.

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 Small Cap 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.8.7Moz 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.