



PRESS RELEASE

7 June 2022

Petropavlovsk PLC

Change of Accounting Reference Date and Corporate Update

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) announces that, as a result of the Company’s current financial situation, it has been unable to complete the audit of its annual report and accounts for the year ended 31 December 2021 and will be unable to do so in time to comply with the publication and filing time limits stipulated by the Companies Act 2006 and the Disclosure Guidance and Transparency Rules on the basis of its current accounting reference date.

Accordingly, the Company’s board of directors (the “Board”) has today resolved to extend the Company’s accounting reference date from 31 December 2021 to 28 February 2022 in order to give the Company more time for the audit of its annual report and accounts for that extended period to be completed. This extension of the accounting reference period also extends the period to convene the Company’s annual general meeting for 2022. However, even with that extension, the Board considers it unlikely that it will be able to complete the audit in the absence of a material change in circumstances.

As announced on 20 April 2022, Gazprombank (“GPB”) demanded immediate repayment of approximately US\$201.0m (including accrued interest) due under the Company’s Committed Term Facility Agreement (the “Term Loan”) with GPB, and subsequently assigned all its rights under the Term Loan to JSC UMMC-Invest. The Company is unable to repay the Term Loan at the present time and, for a number of reasons (including the difficulties previously announced), the Board considers it very unlikely that it will be able to refinance the Term Loan in the short term and has to date been unable to do so. The Board is also mindful of the Group’s obligations to the holders of the US\$500 million 8.125% guaranteed notes 2022 issued by Petropavlovsk 2016 Limited (of which US\$304 million remains outstanding) (the “Notes”) and the Convertible Bonds. The Company has not paid the most recent coupon due on the Notes.

In light of the above and as previously announced, Petropavlovsk has engaged external advisors to assist in determining the Company’s course of action and the available options include the sale of the Company’s entire interests in its operating subsidiaries as soon as practically possible. That process is continuing; however, it is highly unlikely that any return will be secured for shareholders as a result of that process given the level of the Company’s indebtedness.

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. 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.8.8Moz 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.