



12 May 2022

Petropavlovsk PLC

Petropavlovsk 2016

Update on Debt and Gold Sales

Petropavlovsk PLC, guarantor of the US\$125 million 8.25% guaranteed convertible bonds due 2024 issued by Petropavlovsk 2010 Limited and of the US\$500 million 8.125% guaranteed notes due 2022 issued by Petropavlovsk 2016 Limited, has today issued the following statement:

Petropavlovsk PLC (“Petropavlovsk” or the “Company” and, together with its subsidiaries, the “Group”) provides an update on developments at its operating subsidiaries within the Russian Federation.

As previously announced:

- Petropavlovsk received notice from Gazprombank (“GPB”) requiring repayment of, in aggregate, c.US\$87.1m (including accrued interest) due under the Group’s Russian subsidiaries’ revolving credit facilities (the “RCFs”);
- it is a condition of the RCFs that GPB acts as offtaker of 100% of the Group’s gold production; and
- As a consequence of GPB’s designation under the UK’s Russia (Sanctions) (EU Exit) Regulations 2019, the Group has not repaid the RCFs or sold gold to GPB.

GPB has issued waivers of its offtaker rights such that Petropavlovsk has been able to sell gold to third parties, and the Group has identified new buyers as well as applied for a gold export licence. However, the Group has also received a notice from GPB that the bank:

- may revoke such waivers at any time and may elect not to issue further waivers; and
- reserves the right to initiate judicial proceedings against certain Petropavlovsk subsidiaries in Russia for repayment of the RCFs.

If GPB were to take the action it refers to in its notice, including initiating judicial proceedings in Russia for the repayment of the RCFs (for example, by seeking an injunction to freeze the assets of the Russian subsidiaries, which the Group has been advised GPB is in a position to do notwithstanding the current moratorium on bankruptcy proceedings in Russia), it would cause a material adverse effect on the Group’s cash flow position and limit the Russian subsidiaries’ ability to meet obligations to employees and suppliers.

In light of the above, the Group’s four main operating companies – Pokrovskiy Rudnik JSC, Albynskiy Rudnik LLC, Malomirskiy Rudnik LLC and TEMI LLC – have applied to the Russian government for a waiver of the country’s current moratorium on bankruptcy filings. Once in place, the waiver will give the Group additional legal options to ensure uninterrupted operations and payment of salaries and other current expenses should there be any legal action by the subsidiaries’ creditors to recover debts owed.

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. 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.