



PRESS RELEASE

22 June 2018

Petropavlovsk PLC (the “Company”)

Response to factual inaccuracies

Following misleading and inaccurate statements made by Kenges Rakishev, Pavel Maslovskiy and Sir Roderic Lyne, in respect to the Company, the Board feels compelled to make a statement to inform shareholders of the facts. Misleading and inaccurate information can have a material impact on the future direction of the Company. Going into next week’s AGM vote, shareholders should be properly informed.

Below we list some of the factually incorrect accusations and address them with the truth.

Lack of transparency

Fake news: The advisor of CABS Platform Ltd (“CABS”), Nikolay Lioustiger, said to a UK newspaper that CABS and Slevin Ltd (“Slevin”) have been “fully transparent” in their campaign.

Fact: CABS and Slevin appeared on the shareholder register in March 2018. Following this, they declined the Board’s invitation to meet. Shortly after, on 8 May 2018, they requisitioned for the removal of the entire Board.

The Board still has no proof of who ultimately controls the mystery shareholder(s), and the veil of secrecy with cascading offshore companies prevails. Their aggressive campaign to oust the Board before communicating their concerns and engaging to find a solution has created uncertainty, increased advisor fees and become a distraction for the Company’s operations.

Without further transparency, the Board is concerned that this could be part of a strategy to takeover Petropavlovsk by stealth means at a discount. This may result in shareholders not receiving a proper price for their shareholding interests.

Experience of Ian Ashby

Fake News: Chairman Ian Ashby has no relevant experience compared with Sir Roderic Lyne.

Fact: Sir Roderic Lyne, the requisitioning shareholders’ proposed chairman, has been a lifetime civil servant and has no technical mining experience. In comparison, Ian Ashby has extensive direct mining experience across various geographies and mining technologies and is a mining engineer by training. In his 35-year career in the mining industry, Mr Ashby has held various technical and executive roles, including an executive position at the world’s largest resources company, BHP Billiton. In addition to Petropavlovsk, he currently sits on the board of Anglo American and Nevsun Resources.

Experience of Roman Deniskin

Fake news: Dr Maslovskiy is a better CEO for the Company.

Fact: Dr Maslovskiy’s sudden resignation last year as CEO with no nominated successor demonstrated a clear lack of duty and responsibility, leaving the Company and shareholders with a sudden void in leadership. Dr

Maslovskiy proposed a bond refinancing last year with large unusual prepayment fees to the Company's banks. The Board renegotiated these fees following his departure and saved the Company \$13.6m.

Roman Deniskin has extensive experience in the mining sector, at both strategic and senior operating levels, having held senior positions at Rostec, MMK and Severstal Resources. Before joining Petropavlovsk, Mr Deniskin was Deputy Chairman of Eurasian Resources Group. He has spent significant time working at global management consulting firms McKinsey & Company and Boston Consulting Group, focusing primarily on metals and mining and also served on the boards of various mining companies: OJSC Mine Berezovskaya, Vorgashorskaya Coal Mine, JSC Karelskiy Okatysh, JSC Olenegorskiy mining and processing plant, JSC VorkutaUgol, JSC Vorgashorskaya mine and High River Gold Mines Ltd.

Scheduling of POX

Fake news: POX has fallen behind schedule.

Fact: The Malomir flotation plant is in commissioning phase. The POX development is progressing on time and budget to start commissioning in Q4 2018, with a ramp up to commercial production throughout 2019. The plant has conducted activities consistent with the general industry definition of "wet commissioning". Our team on site continues to focus on achieving commissioning for the long term.

Completion of POX project

Fake news: Dr Maslovskiy is the best qualified to finish construction of POX.

Fact: Dr Maslovskiy has never completed or operated a POX plant. The success of POX will be based on having the best technical and operating people to run the development day to day. The Board has demonstrated strong leadership in employing the right people and ensuring they are appropriately trained. These colleagues are the ones who are at the mine site 24 hours per day, 7 days per week.

Performance of the Company

Fake news: The Board has no merits or strategy.

Fact: The Board has been clear in its strategy to achieve long-term stability for the Company in order to create shareholder value. This includes the completion of the POX Hub, removal of the IRC debt obligation and continued progress with underground mining, which will allow all shareholders to benefit from the eventual re-rating of the shares. The Board will continue to review opportunities to optimize the Company's capital structure and to grow the business, both organically and through M&A, as appropriate.

The Board's search for the most qualified CEO

Fake news: The Board left the Company without a CEO for several months.

Fact: Dr. Maslovskiy resigned suddenly in July 2017 without a succession plan in place. The Board appointed Sergey Ermolenko as Interim CEO. Mr Ermolenko is one of the original members of the Group's founding management team. He is General Director of Management Company Petropavlovsk and previously served as CEO of Petropavlovsk PLC from December 2011 to November 2014 following Dr Maslovskiy's previous resignation. Any absence of leadership felt during this interim period should be addressed to Mr Ermolenko. The appointment of Roman Deniskin as CEO followed an extensive search for the most qualified candidate. The process was complicated by Mr Rakishev publicly calling for the return of Dr Maslovskiy as CEO during the recruitment process, before discussing the matter with the Board and other major shareholders.

Performance of the Company under the previous board

Fake news: Mr Lioustiger told a UK newspaper that the three nominee directors have an 'impeccable record'.

Fact: Dr Maslovskiy, Sir Roderic Lyne and Robert Jenkins were unable to present a compelling strategy or create shareholder value. They constantly over-promised and under-delivered on operations, missing production and cost guidance. Sir Roderic Lyne and Dr Maslovskiy were on the board when the ICBC guarantee was approved for IRC, which is considered by many shareholders to be a major strategic mistake of the Company. From May 2013 through May 2017, the previous Board oversaw an 87% share price decline. Sir Roderic Lyne retired in June 2016 because he was no longer considered an independent director.

Conclusion

The Board urges shareholders to vote for the current Board, in line with the UK's leading independent proxy advisory firms, Glass Lewis & Co. ("Glass Lewis") and Institutional Shareholder Services, Inc. ("ISS"). ISS and Glass Lewis have both recommended to support the current Board and reject the demands of the requisitioning shareholders.

Enquiries

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About Petropavlovsk

Petropavlovsk is one of Russia's leading gold mining companies. As at 31 March 2018, the Company had produced approximately 6.9Moz of gold.

At this time, Petropavlovsk is in the construction phase of a state of the art pressure oxidation facility to process the Company's substantial refractory resource base. The Company's combined 3,430km² license holding has untapped resource potential. The Company is a leading employer and contributor to the development of the local economy in the Amur region, Russian Far East, where it has operated since 1994.

Petropavlovsk is a shareholder (31.1%) of IRC Limited and is the guarantor of the US\$340 million project finance facility (US\$234 million principal outstanding as at 31 March 2018). IRC is a vertically integrated iron ore producer and developer in the Russian Far East and North-eastern China. IRC is listed on the Hong Kong Stock Exchange (ticker: 1029.HK).

Petropavlovsk is listed on the Main Market of the London Stock Exchange (ticker POG:LN).