



## PRESS RELEASE

28 November 2016

### **Impact Assessment of Adverse Weather**

Petropavlovsk PLC ("Petropavlovsk" or the "Company" or, together with its subsidiaries, the "Group") advises that an Impact Assessment, as approved by the competent authorities, is underway at Pioneer's Andreevskaya deposit.

The previously announced regional flooding and now sudden unseasonably low temperatures, falling from 00 Celsius to as low as -400 Celsius in a fortnight, have caused extensive freezing across the Amur region.

The Company's mines at Albyn, Malomir and Pokrovskiy have all experienced minimal impact on operations, due to varying pit designs and/or rock composition. At the Pioneer mine, the Alexandra deposit contains very little groundwater, due to the high clay content, thus limiting the impact of the freezing temperatures. At the Andreevskaya deposit, however, the consequent pressure build and resultant expansion of the frozen groundwater within the more porous rock, has caused some fractures in the pit benches, in some places compromising the rock stability. Specifically, the crater shape pit design at Andreevskaya East, making it operationally difficult for the Company to blast and mine, as scheduled.

Due to health and safety considerations, mining operations at Andreevskaya East have been temporarily suspended, while a full Impact Assessment is underway. During this period, the available mining fleet will be utilised to clear the affected benches of dislodged material.

At Andreevskaya East, the Company has already stripped 3,935,000 tonnes of waste material (including 474,000 tonnes in the Q4) and was scheduled to mine at least 40,000 tonnes of high grade ore. Operationally, successful plant optimisations across all the mines have continued to deliver improved technical recoveries.

The Impact Assessment is scheduled for completion by early December. Once the extent of the impact is fully assessed and a mitigation plan is executed, the Company will inform the market of any potential changes to the mining, production and cost schedule.

Commenting, Pavel Maslovskiy, CEO said:

"These are unfortunate and exceptional circumstances that we are faced with and the safety of our employees is paramount. Upon completion of the assessment report, we are confident of our ability to quickly, safely and efficiently implement any necessary remedial measures, and return to optimal mining capacity at the earliest opportunity. The only potential consequence of this would be a delay in production from Andreevskaya East but not the loss of any gold."

About Petropavlovsk PLC

Petropavlovsk is one of Russia's leading gold mining companies. We operate some of the largest gold mines in Russia in terms of their gold production output, processing capacity and resource base. Furthermore, our assets have untapped exploration potential. We are a leading employer and contributor to the development of the local economy in the Amur region, Russian Far East, where we have operated since 1994. As at 31 December 2015, we have produced approximately 6Moz of gold.

The Company is listed on the Main Market of the London Stock Exchange (Ticker POG:LN)

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