

Kopy Goldfields AB (publ)
Press release 11/2014
Stockholm, October 20, 2014

Krasny-license: Operational update October 2014

Kopy Goldfields AB (publ) (“Kopy Goldfields” or the “Company”) is hereby providing an operational update of the Krasny-license.

- **The exploration program which is done in cooperation with GV Gold continues in accordance with plan. 4,157 meters has been drilled and 1,638 meters of exploration trenches have been developed as per October 16, 2014.**
- **So far, the exploration results still confirm the existing geological model of the Krasny deposit, which accounts for 300 koz of gold to the depth of 200 meters.**
- **New mineralized intervals discovered increase the upside potential.**
- **These intermediate results are part of the exploration Stage 1, which will be finalized by the end of November.**

This operational update further develops the information provided in press release 10/2014, dated September 9, 2014. For background information about the total exploration program and general targets, please refer to Attachment 1 to this press release.

Exploration stage 1

Exploration activities were commenced in mid July 2014. By October 16, 25 drill holes were completed and two holes were in process, totaling 4,157 meters of core drilling (see Figure 4 in attachment 1 for details). In addition, 1,638 meters of exploration trenches were developed. The drilling is done by an independent Russian contractor called “OOO Prikladnaya Geologiya” from Krasnoyarsk city of Russia which provided drilling services on the Krasny site during the years 2011-2013. Currently two rigs are in operation and a third rig will be added by October 20, 2014.

Intermediate results

Based on the assay tests received, covering 5,631 samples from drilling and trenching, we can make some intermediate comments over the exploration results. So far, we see that the new exploration results continue to confirm the existing geological model and new mineralized intervals discovered increase the upside potential.

The trench sampling provides results from the surface and these results confirm an outcropping mineralization along the whole strike of the exploration area (approximately 840 meters), reaching 45 meters visible width at surface in the trench #143523, see Figure 5 in attachment 1 for details. From Figure 5, one can see that the new trenches #143511 and #143523 on the western side and trench # 143510 of the eastern side confirm extension of the outcropping part of the mineralization beyond the blue contour representing the existing model which was used for the previous resource estimation. Both the most western new trench #143523 and the most eastern new trench #143510 contain mineralized intervals, which implies that the outcropping part of mineralization is still open further along strike.

By October 16, drilling in profiles #40, #41, #42, #43, #44 and #45, see Figure 4 in attachment 1, has been completed and drilling along profiles #39 and #46 was in process. Preliminary in-house resource estimation done for the area between the profiles #40 and #44 (at 0.6 gr/t cut-off grade) comparing old resources based on the 2011-2013 results and new resources based on all data (incl new results), confirm 6.6 % increase of gold and 4 % decrease in average grade.

Cross sections along profiles #40, #42, #43 and #44 are presented in Figures 6, 7, 8 and 9 in attachment 1. The most interesting mineralized intervals include 13 m with average gold grade of 2.961 g/t in hole #141507, 25 m @ 1.779 g/t (hole #141508), 11.5 m @ 2.251 g/t (hole #141509), 34 m @ 1.333 g/t (hole #141532), 27 m @ 1.955 g/t (hole #141534), 21 m @ 1.977 g/t (hole #141548), 9 m @ 2.508 g/t (hole #141554), 42 m @ 1.199 g/t (hole #141555), 12.6 m @ 1.942 g/t (hole #141556), 11.5 m @ 2.2286 g/t (hole #141561), 6 m @ 3.656 g/t (hole #141573). See Table 1 in attachment 1 for more assay data for the drilled boreholes.

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About Kopy Goldfields AB

Kopy Goldfields AB (publ), listed at NASDAQ OMX First North in Stockholm is a gold exploration and production company operating in one of the most gold rich areas in the world; Lena Goldfields, Bodaibo, Russia. The company holds 11 bedrock exploration- and production licenses on 1,963 sq km. The target for Kopy Goldfields is to create value by identifying and acquiring high potential gold projects, prospect and explore them until the stage when it can be either sold out for cash or developed in cooperation with another partner under JV agreement.

Kopy Goldfields AB applies International Financial Reporting Standards (IFRS), as approved by the European Union. Aqurat Fondkommission acts as Certified Adviser, contact number: +46-8-684 05 800.

The Share

Ticker: KOPY

<http://www.nasdaqomxnordic.com/shares/microsite?Instrument=SSE77457>

Outstanding shares: 30,247,220

Attachment 1 – Krasny development program – targets and time schedule

During the summer 2014 Kopy Goldfields entered into a Joint Venture with the Russian gold producer GV Gold over the Krasny license. A new exploration program is financed by GV Gold and the exploration is currently ongoing.

Total Exploration Program and General Targets

The total in-fill exploration program primarily targets the upper structure of the Krasny mineralization which is closest to the surface and is limited to the depth of 200 meters. The target for the exploration program is to prove no less than 300 koz of gold reserves, although this upper structure is preliminary estimated to contain up to 30 % of the previously reported Indicated and Inferred JORC resources of Krasny totaling 1.37 Moz. Majority of the remaining 1 Moz resources will be upgraded to the categories Measured or Indicated and hopefully some new Inferred resources will be added.

The exploration program is scheduled for 18 months, including the reserve reporting both under the international JORC-code and the Russian GKZ-classification. The program will be developed in two stages.

Exploration Stage 1

Within Stage 1, the exploration activities aim to confirm the existing model of the Krasny mineralization for 840 meters along the strike. This stage includes 7,415 meters of core drilling in 48 holes and 1,733 meters of trench sampling and shall be completed by the end of November 2014.

The budget for Stage 1 is USD 3 million. The results from this Stage 1 are successful if they confirm:

- A continuity of gold mineralization between drill fences #39 and #57 (720 meters) and to depth of 150-200 meters.
- The following basic financial modelling parameters:
 - Gold reserves of 280-373 koz
 - Average gold grade of about 2 g/t (seen on the whole model and not each hole individually)
 - Minimum thickness of ore bodies of 5 meters

Exploration Stage 2

Commence of exploration activities under Stage 2 will depend on the results from Stage 1, and include further 8,190 meters of core drilling in 32 holes. The main objective of this Stage 2 is Pre-Feasibility Studies (PFS) and an assessment of the mineralization further along the strike and to the depth in the central part of the structure. It also includes gold processing tests and a recovery study, engineering drilling for PFS, as well as GKZ and JORC reporting. The budget for Stage 2 is USD 3 million. It is scheduled until July 2015 (not including timing for the GKZ reporting).

GV Gold covers the total budget of the USD 6 million exploration program. GV Gold has however the right to stop further exploration following completion of Stage 1.

Further production development

Following the successful completion of Stage 1 and 2, the Krasny project will move into Feasibility Studies (FS) and the first production is realistic by the end of 2016. The projected production capacity of the mine and plant is preliminary estimated at 40-60 thousand Oz but this will be further revised during FS.

Figure 1. Map of Kopy Goldfields gold licenses

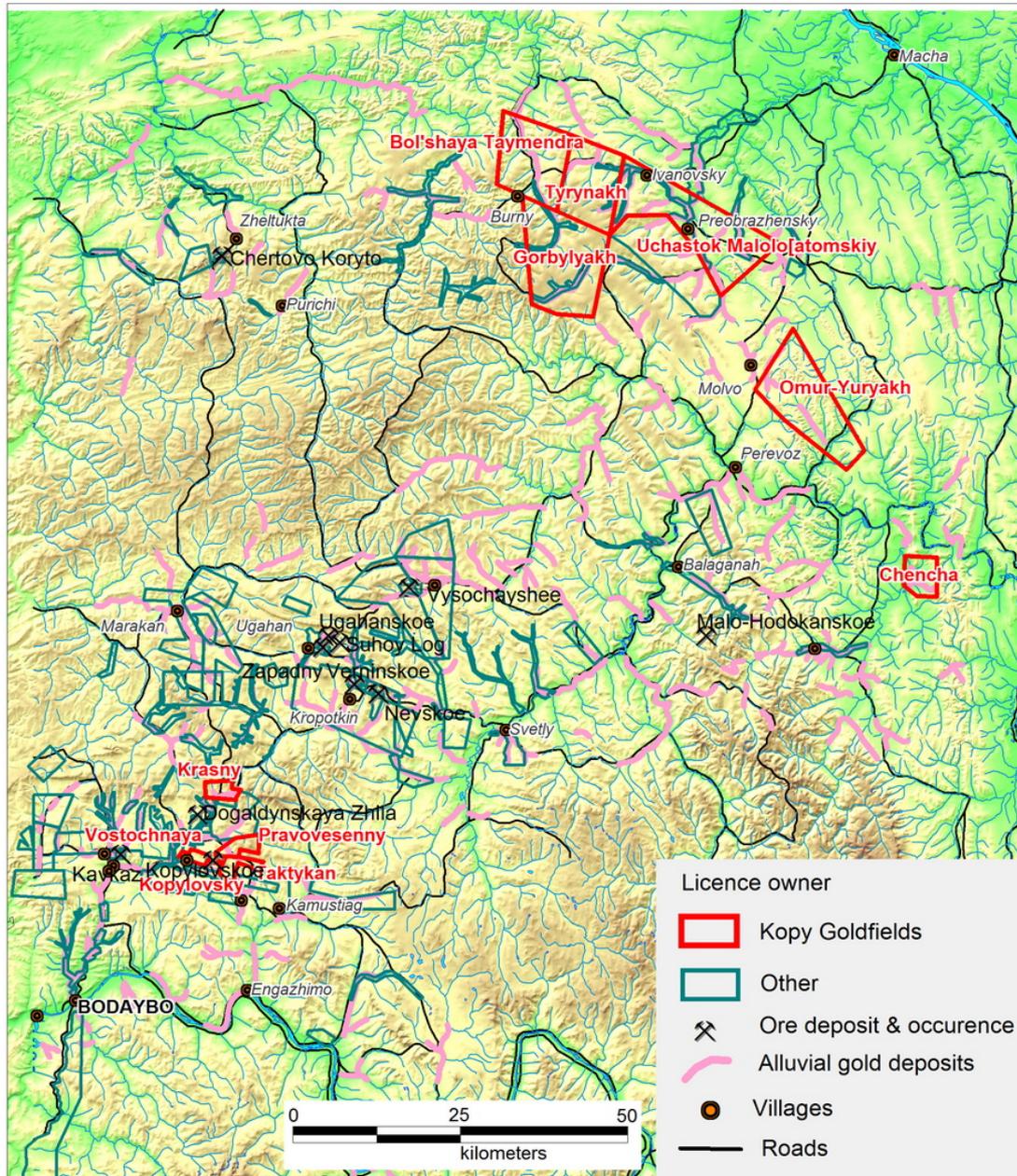


Figure 2. Map of Krasny license area with marked soil gold anomalies from geochemical surveys and located mineralizations

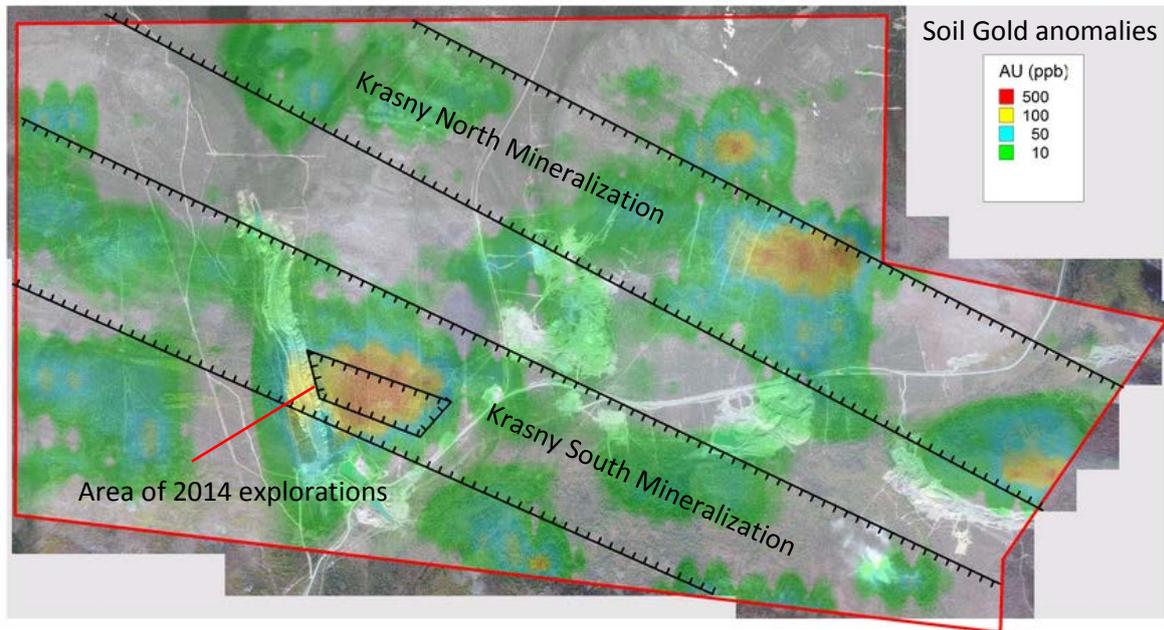
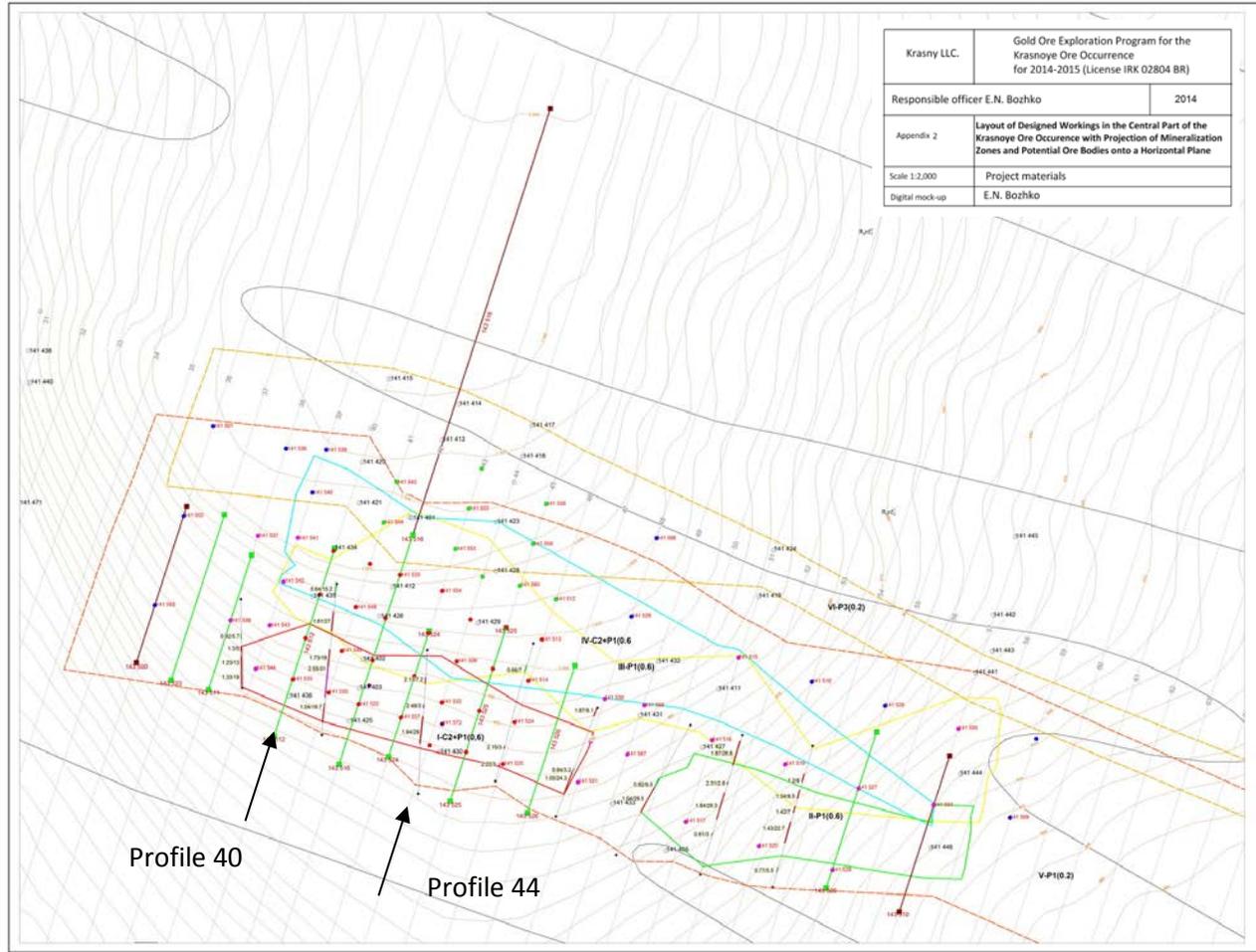


Figure 3. Detailed Map of 2014 - early 2015 exploration activities on Krasny deposit



LEGEND

- Geological borders of stratigraphic subdivisions
- Mineralization zones, cutoff grade 0.2 g/t
- VI-P3(0.2) Upper
- V-P1(0.2) Lower
- Potential ore bodies, cutoff grade 0.6 g/t
- I-C2+P1(0.6) Upper
- II-P1(0.6) Upper
- III-P1(0.6) Lower
- IV-C2+P1(0.6) Lower
- Core boreholes (a) and trenches (b) driven in 2011-2013
- Composite intervals of weighted average gold grade, cutoff grade 0.6 g/t. a - 0.5-1; 6 - 1-2; b - >2 g/t
- Core boreholes designed in 2013-2014. Function: a - Exploration of the central part, upper zone (from C2 to C1); b - Exploration of flanks, upper zone (from P1 to C2); c - Borehole clusters, mineralogical sample collection; exploration of the central part, lower zone (from C2 to C1); d - Exploration of deep horizons, flanks
- Trenches designed in 2014; a - first stage; b - second stage
- Exploration lines and numbers

Figure 4. Map of current activities on the Krasny site

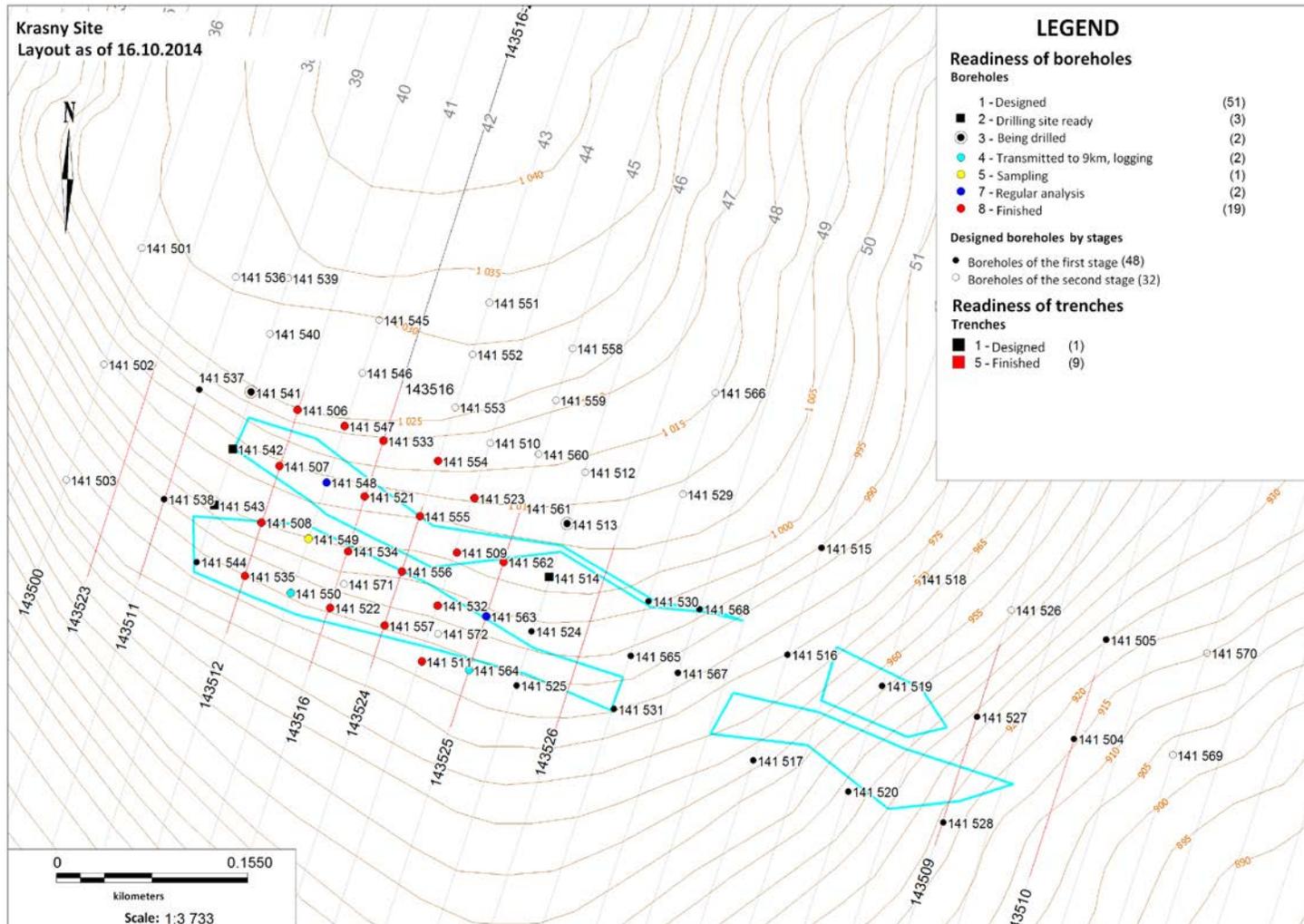


Figure 5. Plan view of trenches with composite intervals (weighted average) gold grade @ 0.6 gram/ton cut-off. Blue contour marks the outcropping ore bodies modelled previously based on the results of 2011-2013 exploration activities (at the same @ 0.6 gram/ton cut off).

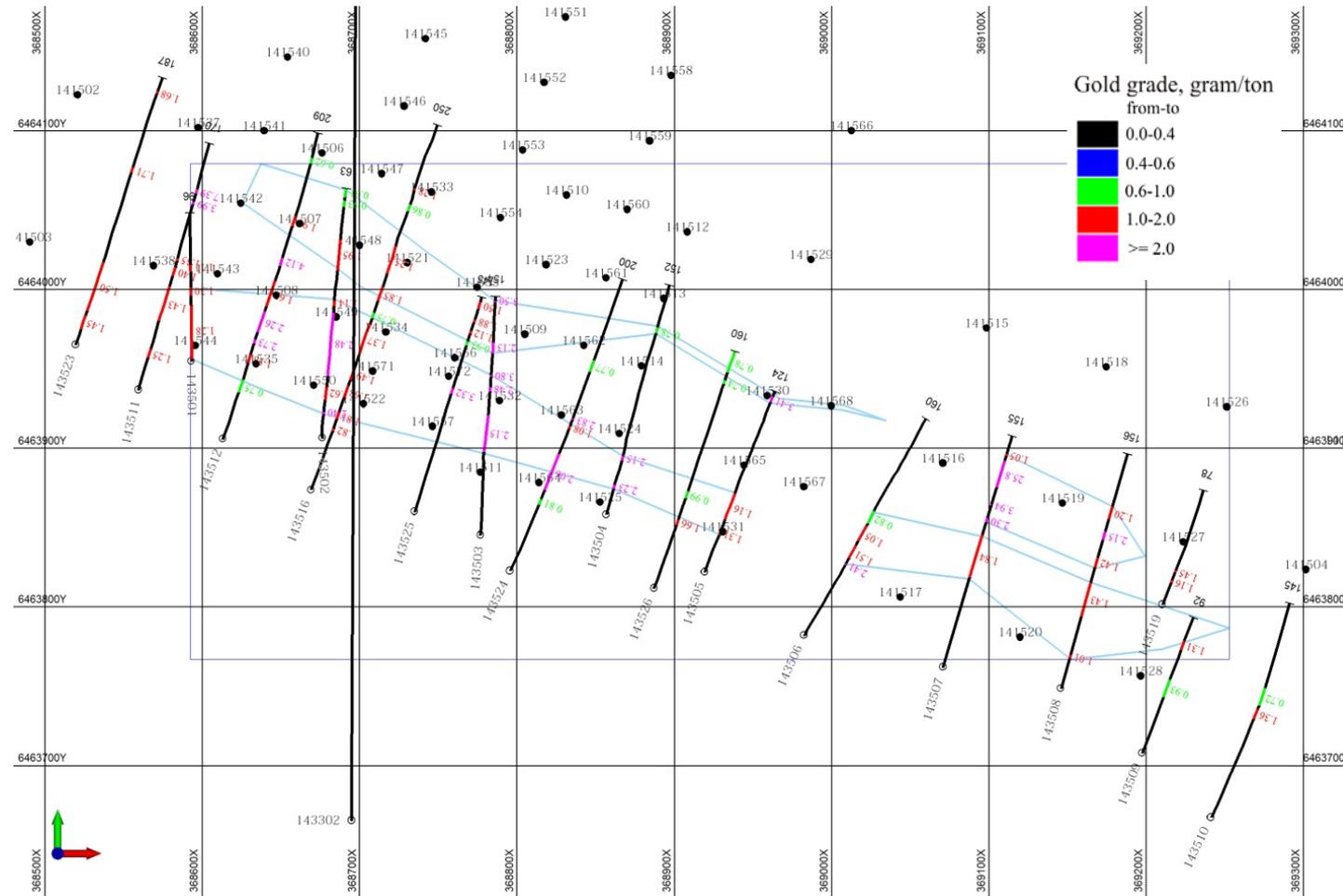


Figure 6. Geological cross section along drill profile # 40. Collars of 2014 holes are marked with dark blue triangles; collars of 2011-2013 holes are marked with black triangles. Light blue color marks ore bodies modelled based on 2011-2013 exploration.

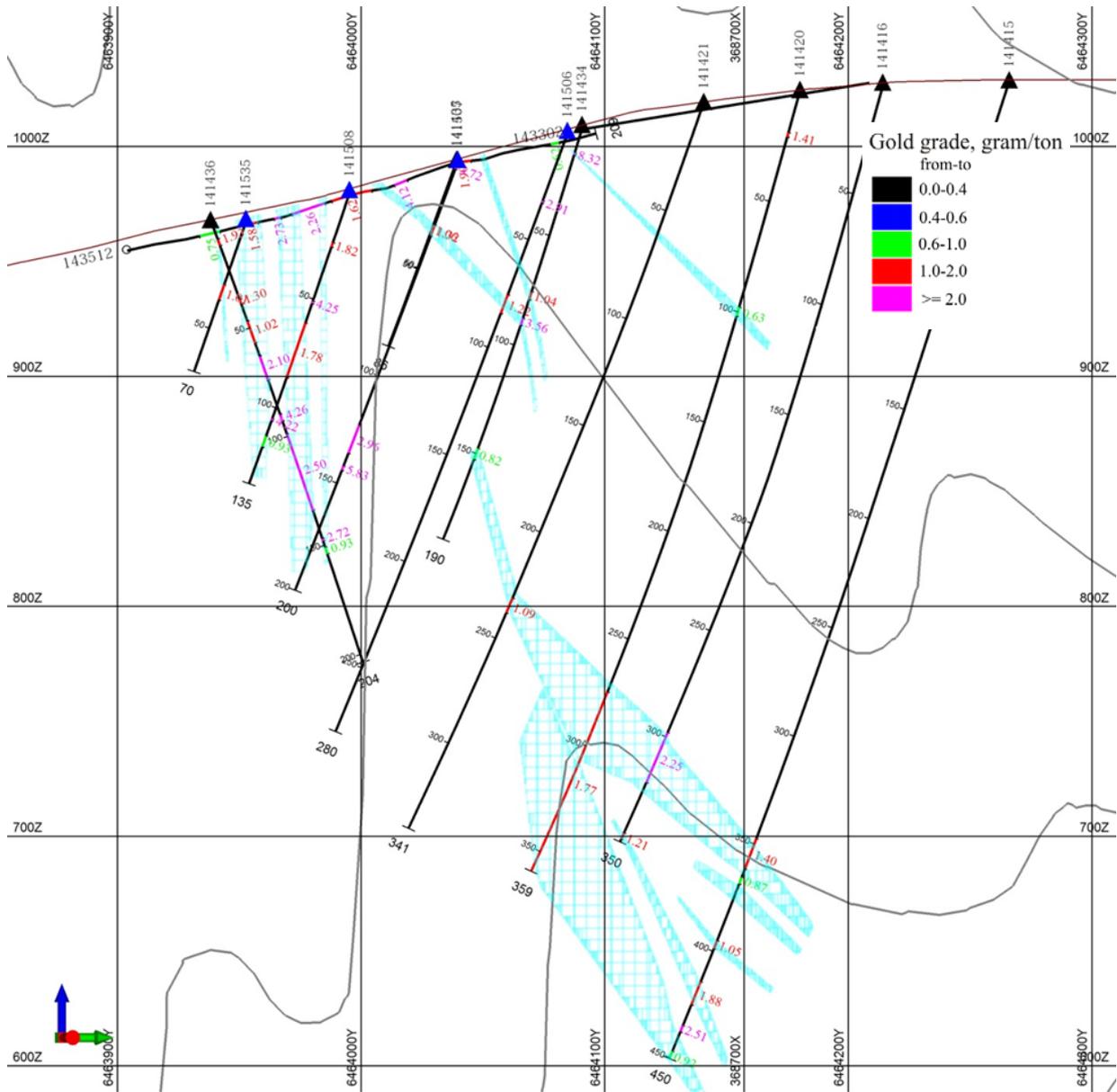


Figure 7. Geological cross section along drill profile # 42. Collars of 2014 holes are marked with dark blue triangles; collars of 2011-2013 holes are marked with black triangles. Light blue color marks ore bodies modelled based on 2011-2013 exploration.

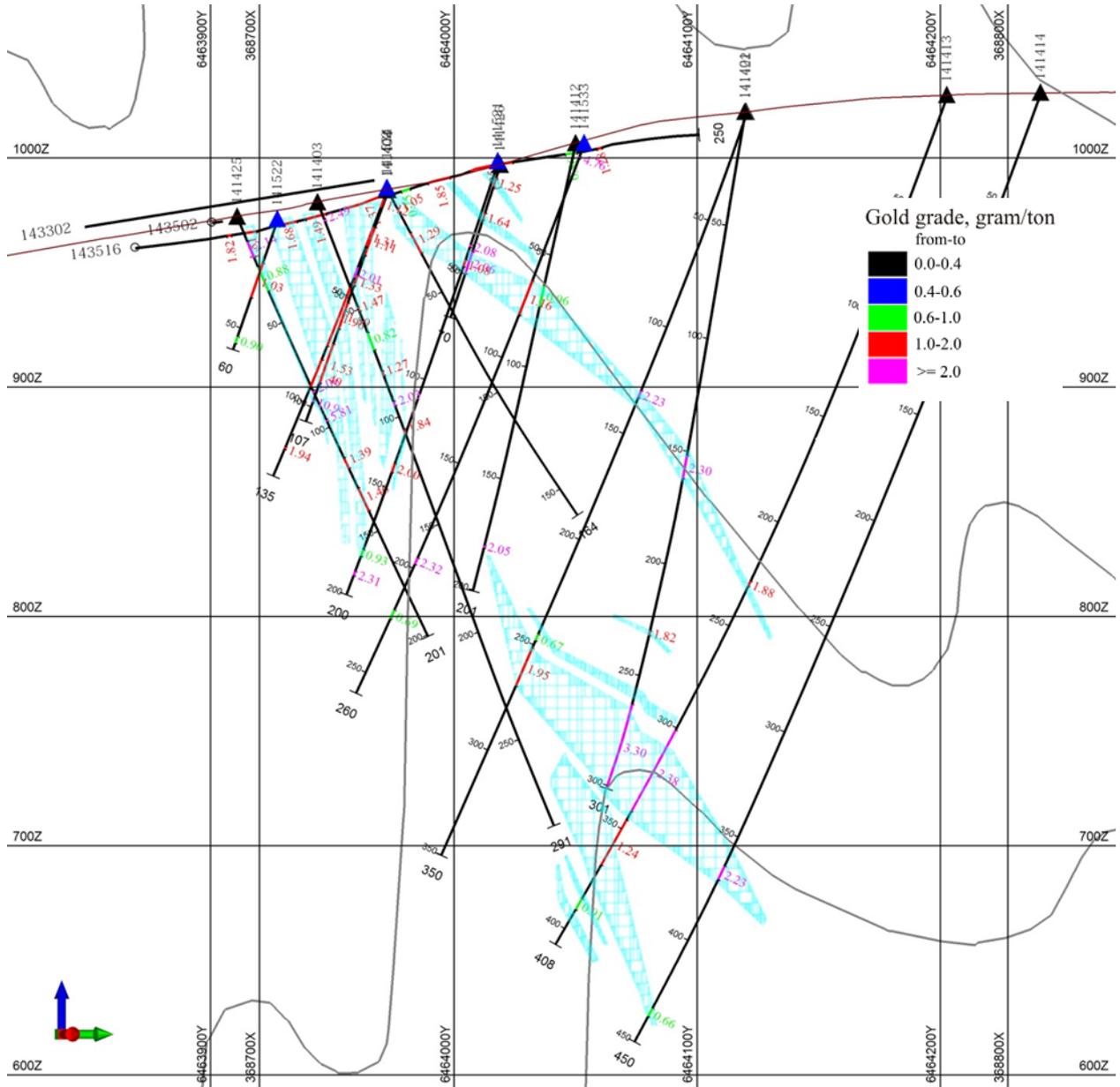


Figure 8. Geological cross section along drill profile # 43. Collars of 2014 holes are marked with dark blue triangles; collars of 2011-2013 holes are marked with black triangles. Light blue color marks ore bodies modelled based on 2011-2013 exploration.

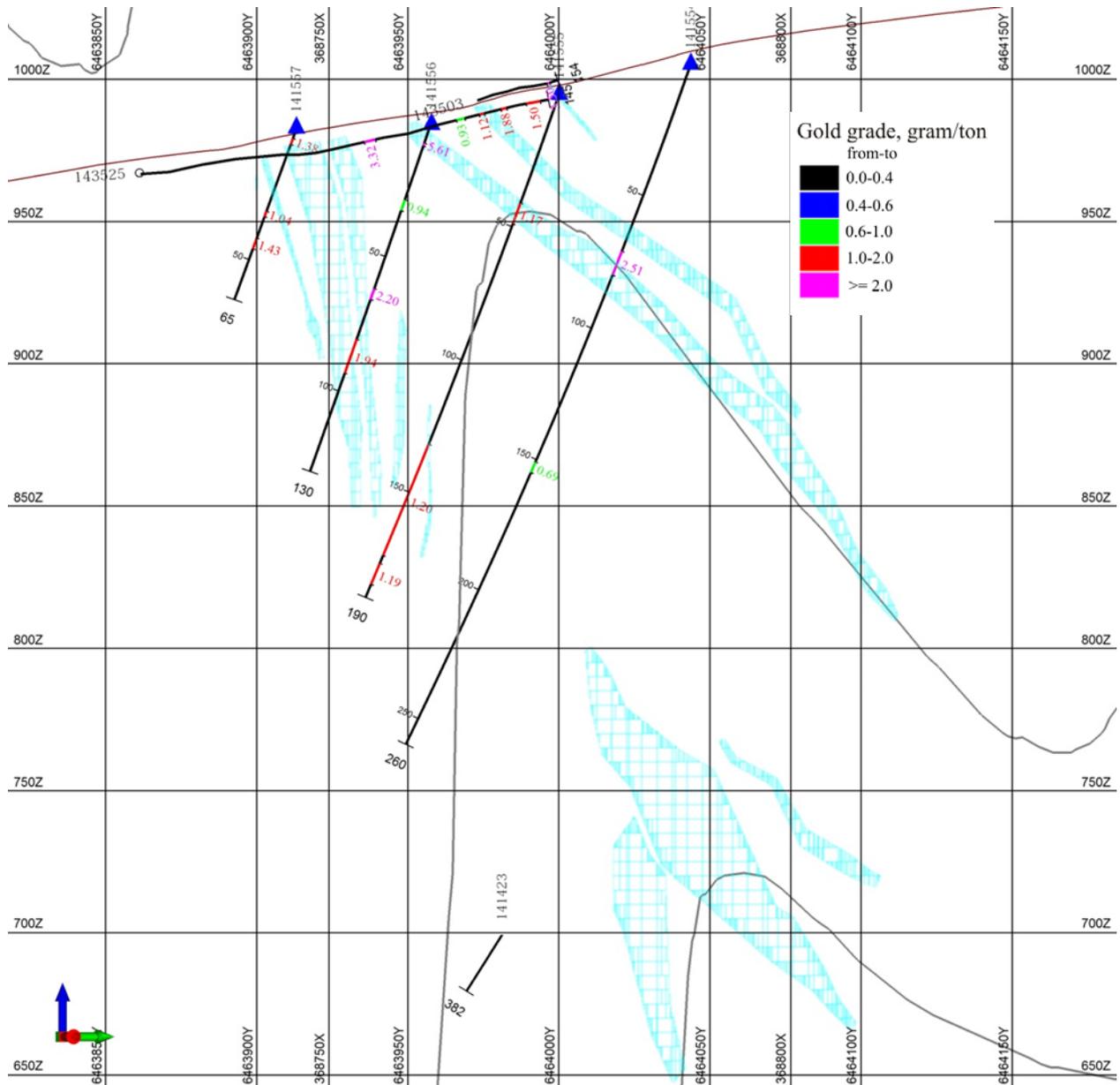


Figure 9. Geological cross section along drill profile # 44. Collars of 2014 holes are marked with dark blue triangles, collars of 2011-2013 holes are marked with black triangles. Light blue color marks ore bodies modelled based on 2011-2013 exploration.

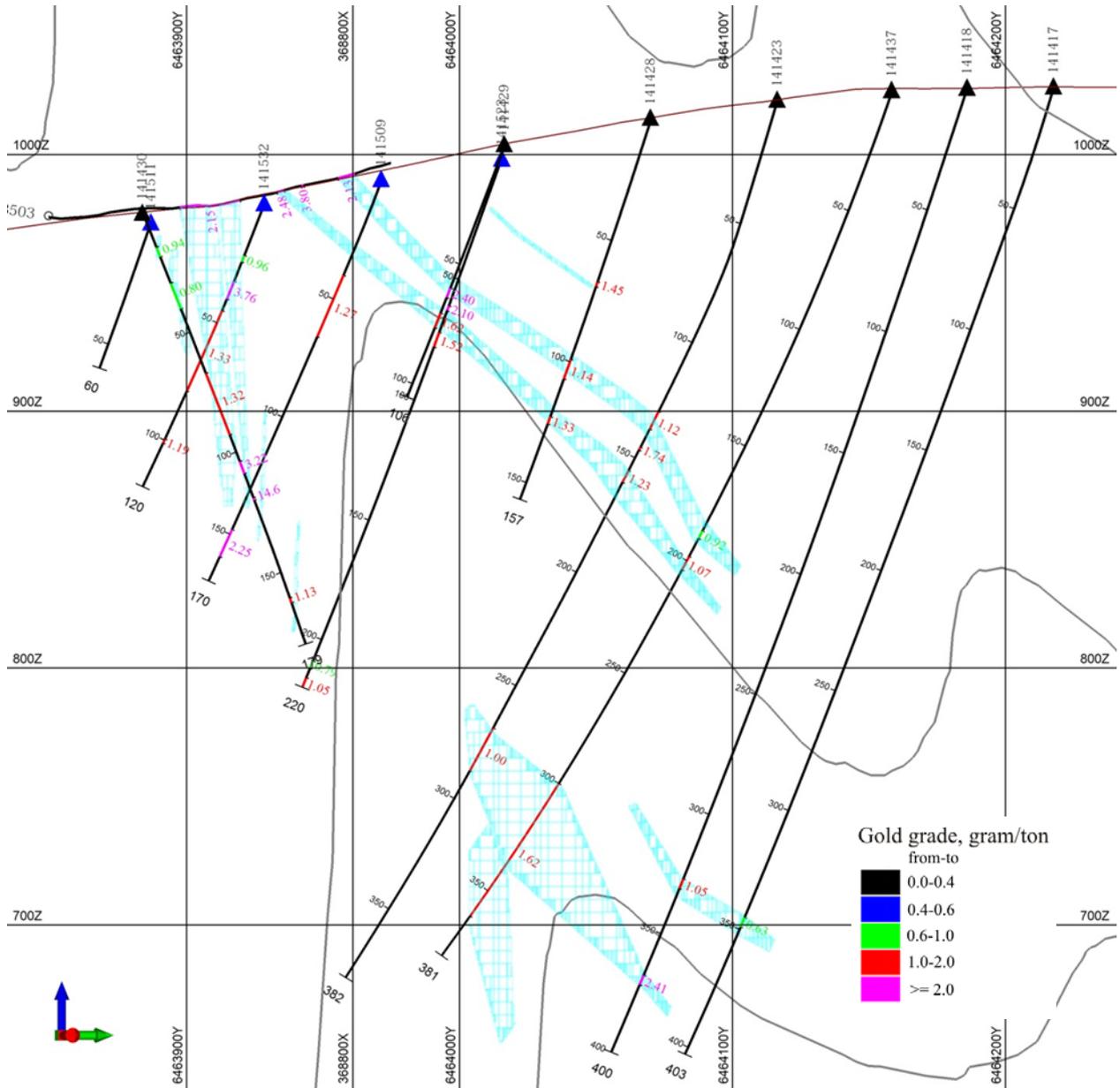


Table 1. Mineralized intervals with gold grades above cut off 0.6 gram/ton based on 2014 drill results.

# Hole	From (m)	To (m)	Length (m)	Au, gr/t
141506	32	33	1	2.91
141506	75.6	84.2	8.6	1.217
141507	30	35	5	1.324
141507	123	136	13	2.961
141507	142	144	2	5.83
141508	24	26	2	1.82
141508	51	52	1	4.25
141508	61	86	25	1.779
141508	113	118	5	0.926
141509	40	66	26	1.275
141509	148	159.5	11.5	2.251
141521	38	39	1	2.08
141521	45	48	3	1.077
141521	139	143	4	1.998
141521	179	182	3	0.927
141521	189	191	2	2.315
141522	20.1	36	15.9	1.028
141522	54	57	3	0.903
141523	61	63	2	2.1
141523	72	78	6	1.516
141523	216	220	4	1.055
141532	32.5	40	7.5	3.76
141532	44.9	79	34.1	1.333
141533	6	7	1	4.76
141533	64	80	16	1.164
141533	195	198	3	2.317
141533	220	224	4	0.695
141534	5	9	4	1.123
141534	18	27	9	1.306
141534	36.8	41.8	5	2.013
141534	46.5	73.5	27	1.955
141534	80	93	13	1.401
141535	30	37	7	1.011
141547	64	71	7	0.954
141547	77	89	12	1.258
141548	7	12	5	1.964
141548	37	42	5	0.638
141548	123	129.8	6.8	0.991
141548	136	157	21	1.977

141554	71	80	9	2.508
141554	151	155	4	0.685
141555	41.2	49	7.8	1.166
141555	131.8	174	42.2	1.199
141555	177	185	8	1.188
141556	8	9	1	5.61
141556	29	33	4	0.945
141556	62	66	4	2.203
141556	80.8	93.4	12.6	1.942
141557	4.8	7	2.2	1.375
141557	42	46	4	1.428
141561	58	60	2	1.865
141561	69.5	81	11.5	2.286
141561	213	214.8	1.8	1.687
141561	231	240	9	1.146
141562	20	21	1	9.72
141562	33	52	19	0.987
141562	62	66	4	1.495
141562	157	159	2	4.72
141573	7	14	7	1.481
141573	39	45	6	1.795
141573	139	145	6	3.656
141573	169	173	4	2.163
141573	182	184	2	2.01