

Kopy Goldfields AB (publ)  
Press release 4/2015  
Stockholm, March 25, 2015

## **GV Gold invests further 3 MUSD into Stage 2 of the exploration program on Krasny**

**Kopy Goldfields AB (publ) ("Kopy Goldfields" or "the Company") is pleased to announce that the Russian gold producer and Kopy Goldfields' JV partner GV Gold OJSC ("GV Gold") has formally confirmed its commitment to proceed to Stage 2 of the Exploration program on the Krasny Project and has invested further USD 3 million into exploration.**

Within the terms of the shareholders' agreement of the Krasny project, GV Gold had a 3 months grace period following the completion of Stage 1 of the ongoing Exploration program, to take a decision to invest additionally USD 3 million and proceed with further exploration under Stage 2. Now this decision is formally taken and the money has been received to the Joint Venture.

*Mikhail Damrin, CEO of Kopy Goldfields, comments the news: "Based on the positive exploration results from Stage 1, we were confident that GV Gold would proceed with further investments and exploration of Krasny. As an operator, we have put a lot of effort to make the exploration smooth and successful and now I am very happy to see their formal decision. Before taking the decision to proceed into Stage 2, GV Gold made a rigorous modelling of volumes and economics of a potential production on Krasny. With this decision, they signal that gold production from Krasny is both likely and profitable and that they would be interested to develop it. I would hardly believe that they would spend additionally USD 3 million into pure exploration without a strong and soon production opportunity. From our side, Kopy Goldfields will do its best to complete the Stage 2 exploration ASAP, to the best industry standards and cost efficiently. We find GV Gold a reliably and capable company and we are glad to have GV Gold as a partner in the Krasny project."*

Stage 1 exploration activities on the Krasny license were commenced in mid July 2014 and were completed on schedule by the end of November 2014. In total, 51 drill holes, amounting to 7,916 meters of core drilling, were completed, and 1,712 meters of exploration trenches were developed. In addition, a bulk of metallurgical processing tests has been initiated to develop the optimum processing technology. The new exploration results strongly confirm and improve the existing geological model and increase the upside potential. The mineralization is left open along strike and down dip.

The targets of Stage 2 exploration will be to:

- Prepare for reserve reporting and to collect more engineering, processing, environmental and other data required for Feasibility Studies.
- Draft and file the reserve report both under Russian GKZ and JORC requirements.
- Increase resources by drilling along the strike, which is left open to both directions after stage 1.

The drill equipment and the camp are ready for the start of exploration activities Stage 2.

Due to weakening Ruble, the exploration costs after Stage 1 are so far much lower than the budget. As of today, it looks like the Stage 2 activities will also be run below the initial budget, which leaves funds to proceed with Feasibility Studies and permitting process in parallel with exploration activities of Stage 2.

**For more information, please contact:**

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**About Kopy Goldfields AB**

Kopy Goldfields AB (publ), listed at Nasdaq 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: 54,444,996

## **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 Measured or Indicated and hopefully some new Inferred 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 preliminary 7,415 meters of core drilling in 48 holes and 1,733 meters of trench sampling and was 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 or trench individually and account for different cut-off grades)
  - Minimum thickness of ore bodies of 5 meters

All exploration targets for Stage 1 have been achieved.

### **Exploration Stage 2**

Commence of exploration activities under Stage 2 will depend on the results from Stage 1, and include further preliminary some 8,190 meters of diamond 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 (10 holes) and to the depth (12 holes) 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 for six months (not including timing for the GKZ reporting).

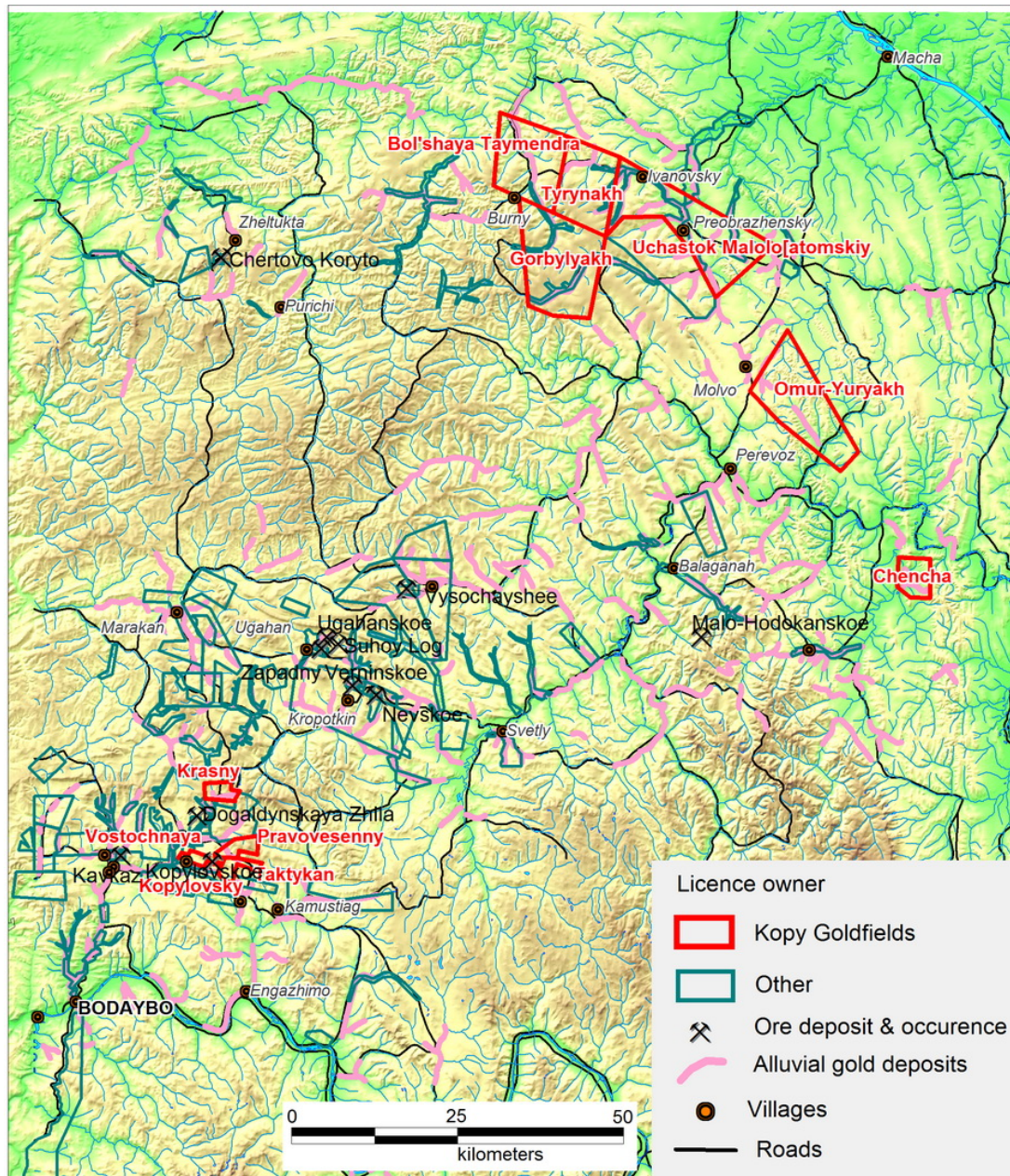
GV Gold covers the total budget of the USD 6 million exploration program for Stage 1 and 2. GV Gold has however the right to stop further exploration following completion Stage 1.

### **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 in 2017. The projected production capacity of the mine and plant is preliminary estimated at 40-60 thousand Oz and will be further revised during FS.



**Figure 1. Map of Kopy Goldfields gold properties**



**Figure 2. Map of Krasny license area with marked soil geochemical gold anomalies, placer deposits and identified mineralizations**

