

Kopy Goldfields AB (publ)
Press release 18/2015
Stockholm, October 29, 2015

Krasny license: Operational update October 2015

Kopy Goldfields AB (publ) ("Kopy Goldfields" or the "Company") hereby provides an operational update of the Krasny project.

- **The Stage 2 exploration drilling was finalized on September 18, 2015, ahead of schedule. Overall, 49 drill holes were completed, totaling 7,551 meters of core drilling, which also includes 7 drill holes for engineering and water flow testing amounting to 860 meters.**
- **All core samples have been logged, registered and assayed for gold. Totally 7,766 assay tests were received for Stage 2.**
- **The exploration results of Stage 2 are in line with the existing geological model of the Krasny deposit, which accounts for 300 koz of gold to the depth of 200 meters.**
- **Metallurgical processing tests for gold recovery are still ongoing and results are expected shortly. In general, the preliminary results from the current processing tests follow the results from previous processing tests in 2012.**
- **The work with the Russian reserve report continues in accordance with schedule and the drafting of a JORC report has also started. Preparations for pre-feasibility and feasibility studies are initiated.**

This operational update further develops the information provided in press release 13/2015, dated July 30, 2015; press release 9/2015, dated June 16, 2015; press release 15/2015, dated September 10, 2015 and press release 16/2015, dated September 21, 2015.

Background

In 2013, before entering into the Krasny joint venture agreement, Kopy Goldfields published a mineral resource estimate in accordance with the JORC code showing 1.37 Moz of inferred and indicated gold resources at an average grade of 1.59 g/t. Based on these results, the joint venture with GV Gold was initiated and a new exploration program was developed, divided into 2 stages. The overall target was to confirm the existing geological modelling, starting with only the upper structure and the most central part of the deposit and convert that part into reserves first, in order to enable feasibility studies and production start, leaving the remaining deposit as upside potential. The existing geological model showed a reasonable target of 300 koz of reserves for this part of the structure. The results from Stage 1, which was finalized during Q1 2015, confirmed continuity of the gold mineralization and improved the initial geological model. In April 2015, decision was taken to proceed with Stage 2.

Exploration Program Stage 2

Stage 2 of the exploration program is focusing on in-field drilling and preparation for the reserve reporting under Russian GKZ and JORC, but also on collecting the missing engineering, processing, environmental and other data required for Feasibility Study. In-field drilling is done to convert the previous Inferred and Indicated resources into the more "safe" categories Indicated and Measured Resources and subsequent Reserves (see attachment 1 for an extract from Kopy Goldfields' Annual Report 2014 (page 15) explaining classification of mineral resources and reserves).

Within Stage 2 we still focus on the central part of the deposit, down to the depth of 200 meters, with the aim to develop it into gold production soonest. All 2014-2015 drill holes are located in the central part of the Krasny deposit. Increase of gold resources was however not the main target and for that reason, the Krasny mineralization was deliberately left open along the strike. We believe that

increase of Krasny resources will be achieved at a later stage of the Krasny project development and we do see strong indications for gold resource upside both within the current Krasny deposit but also within other gold mineralizations, all located within the boundary of the Krasny license.

Preliminary exploration results

By September 18, 2015, all drilling operations on Stage 2 had been completed, totaling 49 drill holes or 7,551 meters of core drilling (see Figure 3 in attachment 2 for location of the drill holes), and all assay test have now been received. Based on the 7,766 assay tests received from the Stage 2 drilling, we see that the new exploration results continue to strongly confirm the existing geological model. Some new mineralized intervals discovered identify the upside potential.

Cross sections along profiles #46 and #48 are presented in Figure 4 in attachment 2. They represent drill lines in the central part of the deposit. From both cross sections presented, a good correlation between the projected and actual mineralized intervals (projected ore bodies are marked with purple color) can be seen.

The most interesting mineralized intervals (at cut-off grade 0.4 g/t) from Stage 2 include 27 meters (actual thickness) with average grade 2.172 g/t in the hole #141581, 14 m @ 2.142 g/t (hole # 141587), 37.9 m @ 1.521 g/t (hole # 141589), 19.2 m @ 1.775 g/t (hole #141592), 18.1 m @ 1.847 g/t (hole #141595), 8.7 m @ 2.189 g/t (hole #141595), 28 m @ 1.539 g/t (hole #141596), 26.1 m @ 1.91 g/t (hole #141597), 15.4 m @ 2.191 g/t (hole #141598), 18 m @ 1.656 g/t (hole 141599), 16.9 @ 2.492 g/t (hole 141600), 19.7 m @ 5.683 g/t (hole # 141600), 18.4 m @ 1.596 g/t (hole # 141601), 10 m @ 2.373 g/t (hole #141602), 22.7 m @ 2.499 g/t (hole #141620), 15.5 m @ 2.35 g/t (hole #141623), 23.9 m @ 1.581 g/t (hole #141623), 18.4 m @ 1.598 g/t (hole #141630), 13.6 m @ 1.94 g/t (hole # 141640), 12.6 m @ 2.058 g/t (hole # 141644), 10.4 m @ 4.075 g/t (hole #141645), 24.5 m @ 1.535 g/t (hole #141657). See Table 1 for more assay data for the drilled boreholes.

General comments and future work

From Figure 2 in attachment 2, it can be seen that the area of the Krasny license is heavily exploited for alluvial gold with three alluvial mines being currently in operation and one fully produced. As a rule of thumb, an alluvial gold deposit has a bedrock primary source deposit. We believe that Krasny is one of them and see clear signs for potential new discoveries in the future.

We proceed with metallurgical bulk sample processing tests for gold recovery from the ore. In February 2015, we sent two bulk samples of 1,000 kg each to an engineering company in Irkutsk, Russia and we expect to have the metallurgical test finalized shortly. The preliminary results in general follow the previous processing test of 2012, which recommended gravitation-flotation-leaching technology. During the current processing test, a commercial volume of oxidized rock, forming the upper part of the gold mineralization to the depth of 80-120 meters, was identified. Oxidized rock is usually easy to process and it is still to be evaluated if the oxidized rock and the primary rock can be processed with the same technology or if it may be more profitable to start with only the oxidized rock.

We proceed with drafting of the Russian reserve report in accordance with the Russian GKZ rules, which is prepared by an independent engineering company in Irkutsk. Our geologists closely review the process and confirm that intermediary results are in line with our expectations. The Russian reserve report is expected to be finalized by the end of 2015 and in January 2016, the Krasny reserve report is scheduled for review by the Russian Committee on Reserves.

We have also closed a tender for drafting a JORC resource report and based on the tender results, we have chosen Micon International Company. Micon International Company is a world leading mineral industry consulting company from UK, with experience of working in former USSR countries. They

have previously had other projects in the Bodaibo area and are familiar with the local geology. We expect the JORC resource report to be completed sometime in February 2016.

In close cooperation with GV Gold, we are working on summarizing the results from our exploration activities on Krasny with the target to both develop an internal shared view over the gold resources and reserves in Krasny and to identify the most efficient way of producing them. This work will be compiled into an Internal Report which will be finalized by early December 2015.

Next steps

Following the completion of Stage 2, the Krasny project will move into Feasibility Studies, equipment procurement, construction and commissioning. The first production is preliminary estimated in the end of 2017.

In total, the Stage 1 and Stage 2 exploration costs for the Krasny project are significantly lower than the initially budgeted cost, mostly due to the sharp Ruble depreciation during 2014-2015. This will leave us with funds in the Joint Venture to proceed with the Feasibility Studies immediately after Stage 2. We are currently preparing a tender to identify an engineering consultancy that will run the pre-Feasibility Study and further the Feasibility Study report with target to commence the work already in December this year.

We plan the following events to come during the next six months:

- Completion of the Internal report in December 2015
- Commence pre-FS/FS report in December 2015
- Completion and filing Russian GKZ report in January 2016
- Approval of Russian GKZ reserves in February-March 2016
- Completion of JORC report in February – March 2016

For more information, please contact:

Mikhail Damrin, CEO, +7 916 808 12 17, mikhail.damrin@kopygoldfields.com

Tim Carlsson, CFO, + 46 702 31 87 01, tim.carlsson@kopygoldfields.com

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 and one alluvial license on 1,963 sq km of which the Krasny license is held to 49% and is preliminary forecasted to be in production in 2017. The target for Kopy Goldfields is to become a near-term gold producer in cooperation with a producing partner under JV agreement.

Kopy Goldfields AB applies International Financial Reporting Standards (IFRS), as approved by the European Union. Aqrat 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

FROM EXPLORATION TO MINING PRODUCTION IN RUSSIA

The Russian system for conducting exploration and mining operations is based on a detailed and objective description of how the process should be conducted. It includes specifications for exploration methods, calculations of mineral resources and reporting.

CLASSIFICATION OF MINERAL RESOURCES

Kopy Goldfields' operations consist of exploring the presence of gold within areas for which the company holds licences for gold exploration and production. The operations are conducted according to clearly defined methods. Through collecting samples and analyses, a clearer picture is gradually created of the presence of gold within a specific area. The end result is three-dimensional model of a gold bearing ore body, the content of which can be calculated through measuring concentrations in the ore and calculations of the volumes. As exploration work continues and develops, knowledge about a deposit grows. In general, the amount of accuracy increases as a result of the number of holes and density between them. The end result of a project is thus an estimation of the deposit that is as accurate as today's technology, knowledge and methodology allows for.

A finalized exploration report, conducted according to a generally accepted standard, constitutes the basis for a decision whether profitable production is possible. Gold deposits that have been confirmed according to an accepted standard are often considered as providing enough security to be granted bank loans in order to finance acquisitions or production plants and may be highly valued even before production has been initiated.

Exploration activities are conducted in several stages, with an evaluation of test samples after each stage. Trading in permissions and licences that have not yet been fully explored also occurs.

International classification systems (for example JORC and SAM-REC) provide guidelines and a clearly defined reporting system, in which a competent person is responsible for the final results. These reports are based on the transparency, competency and relevancy of the competent person as well as the operations and process that are being evaluated.

The Russian system leaves less scope for professional estimations, being more based on a detailed and objective description of how the process should be conducted. It includes specifications for exploration methods, calculations of the mineral resources and reporting. All approvals of calculations of mineral resources and ore reserves in Russia are made by GKZ, which is the state authorities dealing with major deposits. On the regional level GKZ is represented by its branches, TKZ, which deals with the majority of deposits in Russia.

The international classification system report is approved by a competent person, who often is a member of a "Recognised Overseas Professional Organisation" (ROPO). Kopy Goldfields has chosen to cooperate with the international consultancy agency SRK Consulting for the Kopylovskoye project and with OOO Miramine for the Krasny project. These have evaluated the transparency and security of the work performed by the company, estimated the total mineral resources and signed the mineral resource report.

MINERAL RESOURCES AND ORE RESERVES

The Russian system uses a distinct system to classify mineralizations according to a number of qualities and characteristics. There are three main categories and seven sub-categories:

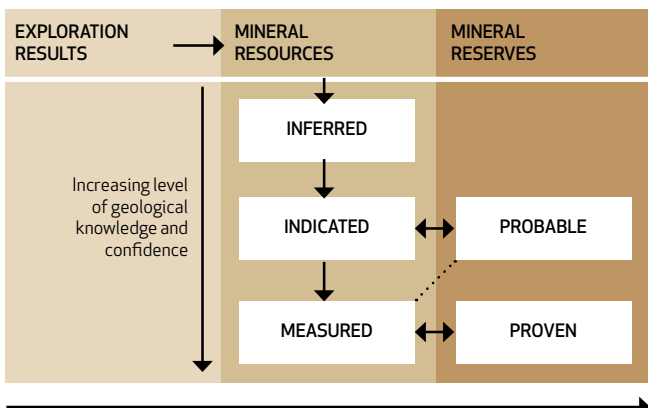
- Explored reserves and resources (A, B and C1)
- Examined reserves and resources (C2)
- Forecasted resources (P1, P2 and P3).

When deciding on commencing mining operations, normally the categories A, B, C1 and C2 are taken into consideration. This means that these categories could be roughly compared to the international system when it comes to measured and indicated ore reserves. The international system is based on a similar system, in which the categories "inferred", "indicated" and "measured" refer to less certain estimations of the mineral resources.

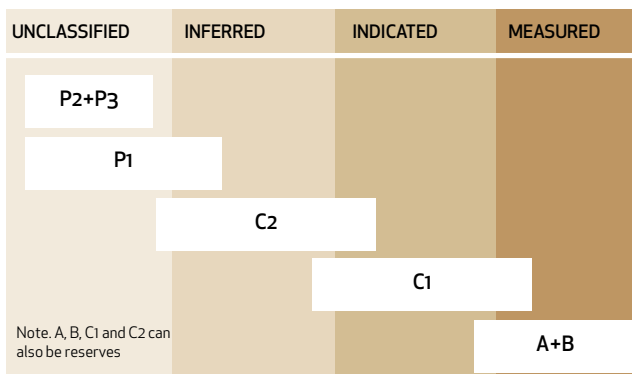
When denser test drilling has been performed, the deposit will be classified as an "ore reserve", which, in turn, can be divided into "probable" and "proven".

The exploration work that is currently being conducted within the company's Krasny licence is aimed at resulting in an ore reserve report according to the international JORC standard. This means that the previously classified inferred and indicated mineral resources will be upgraded to indicated and measured, as well as mineral resources being upgraded to ore reserves.

BASIC WESTERN APPROACH FOR MINERAL RESOURCE CLASSIFICATION



RECONCILIATION OF RUSSIAN AND INTERNATIONAL REPORTING SYSTEMS



Attachment 2

Figure 1. Map of Kopy Goldfields gold properties and location of operating mines near the Krasny deposit

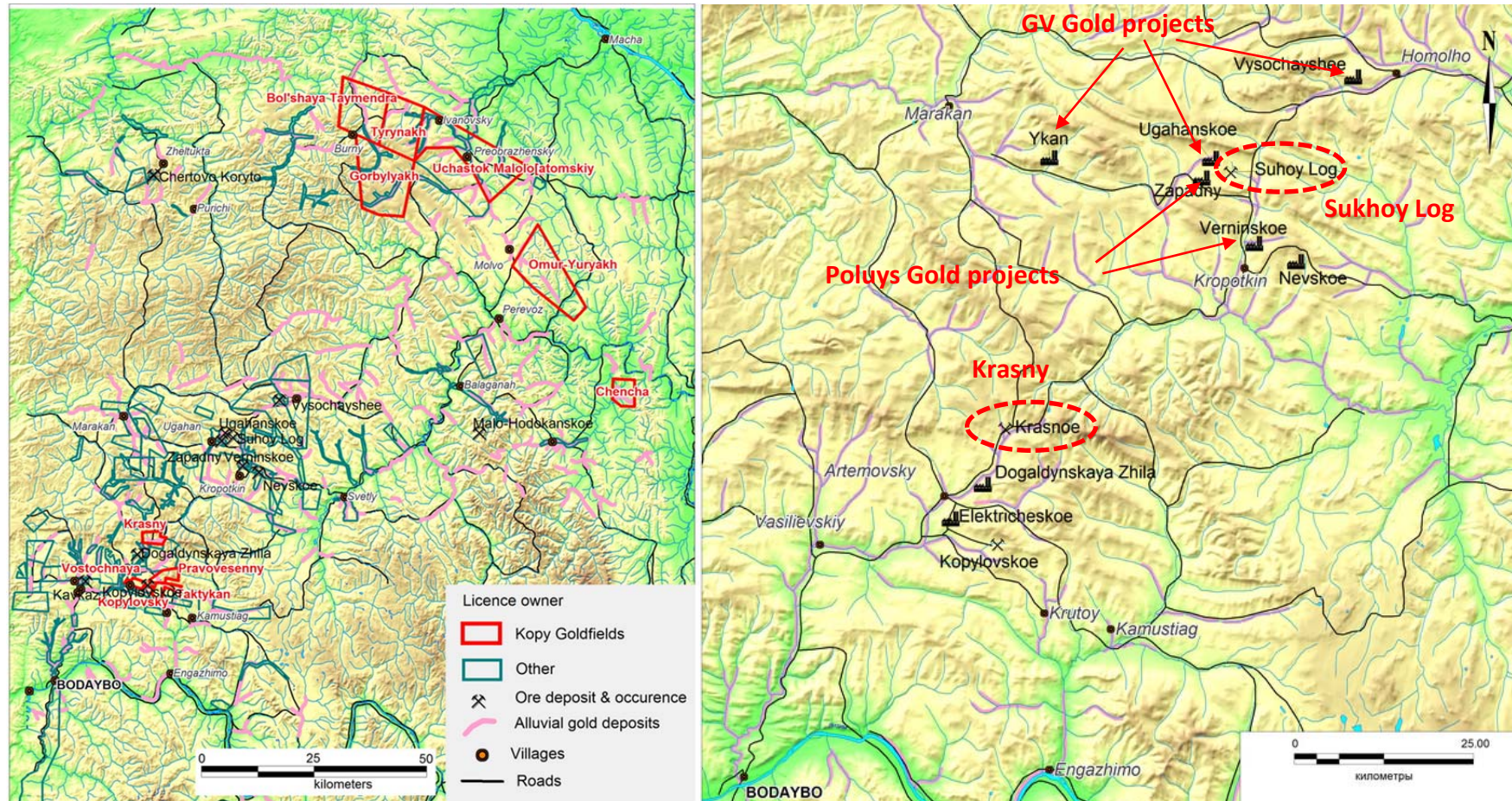


Figure 2. Map of Krasny license area

The boundaries of alluvial licenses owned by third companies are marked in yellow.

The boundaries of alluvial licenses acquired by OOO Krasny during the summer of 2015 are marked in red.

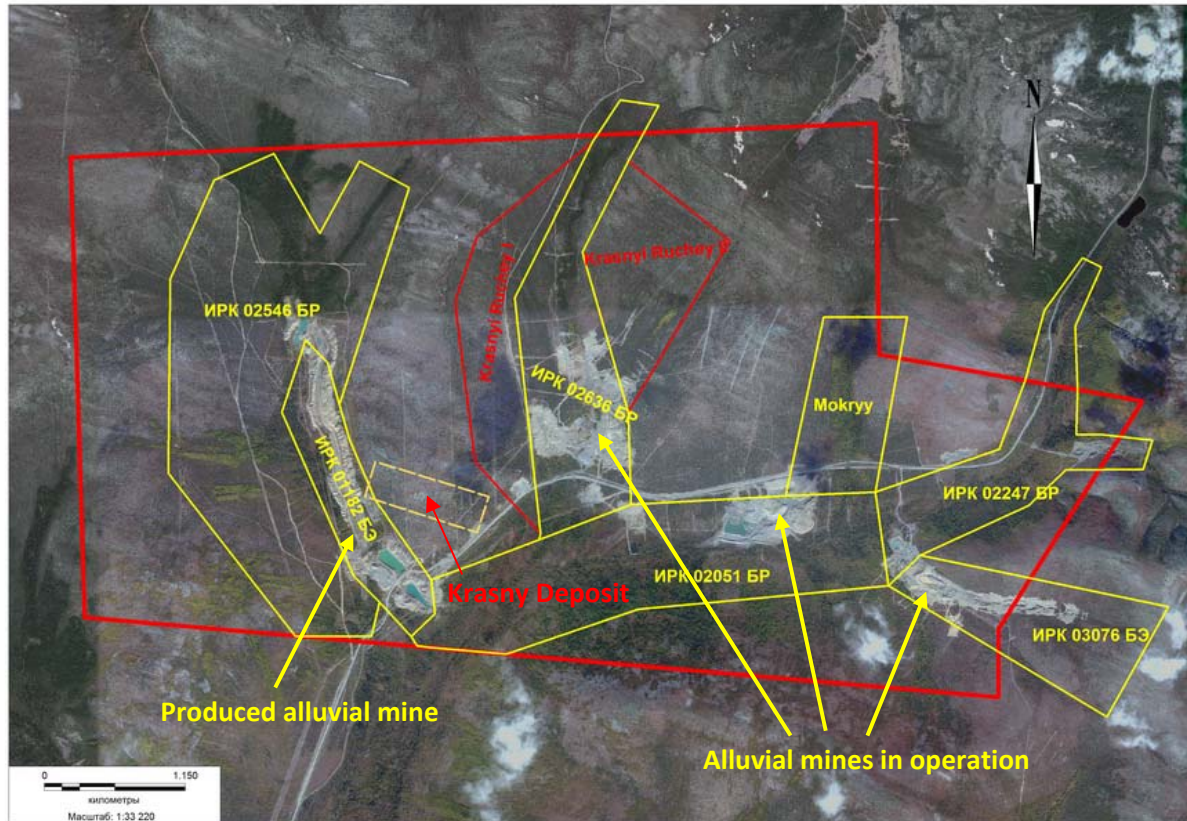


Figure 3. Location of drill holes at the Krasny deposit following completion of Stage 2.

Projection of ore bodies to the surface are marked with pink color; position of the Stage 2 (only) drill holes are marked according to the legend.

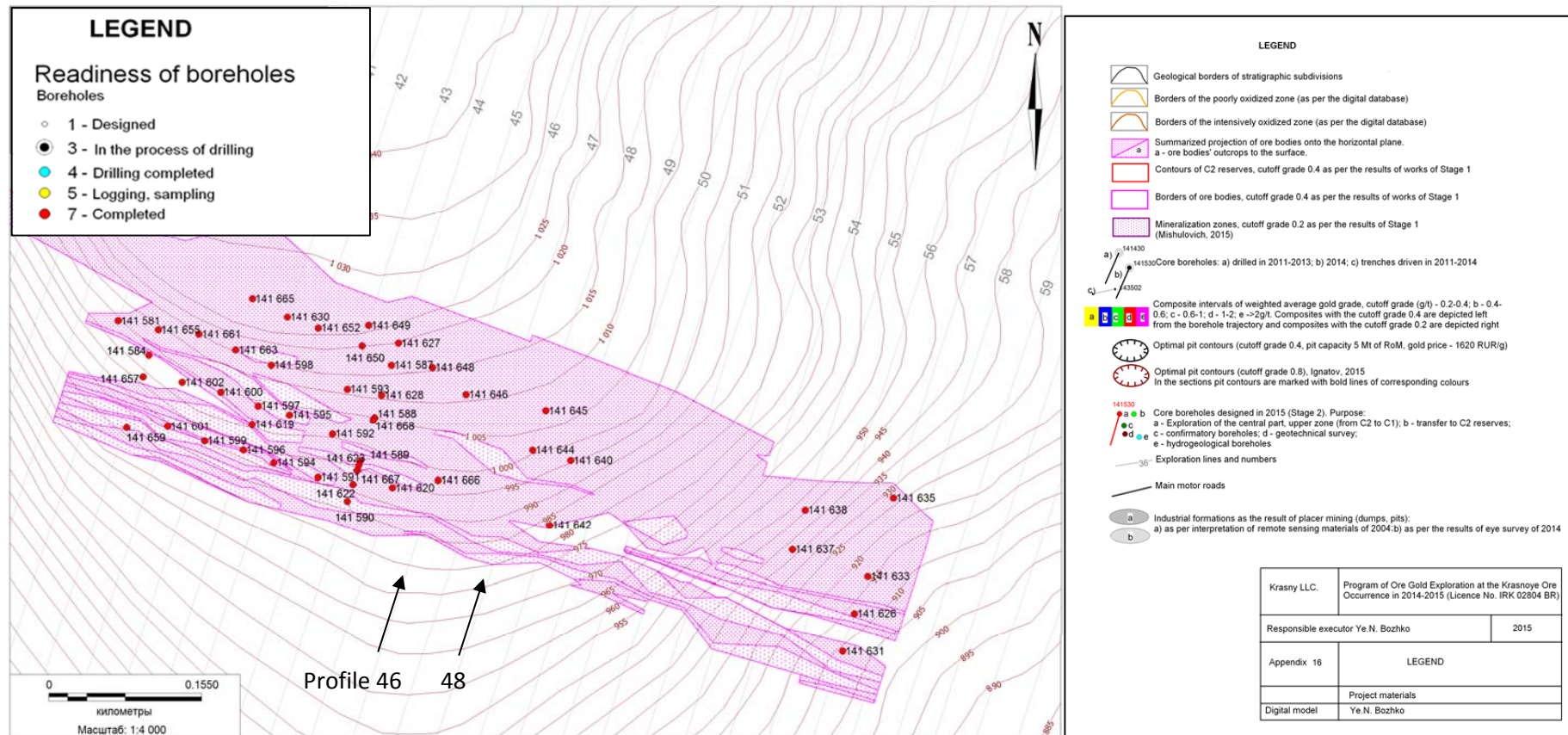


Figure 4

Geological cross sections along Profile 46 and 48 in the central part of Krasny deposit, with location of former and new drill holes, boundaries of the projected open pit and outline of gold mineralization (see the legend on Figure 3)

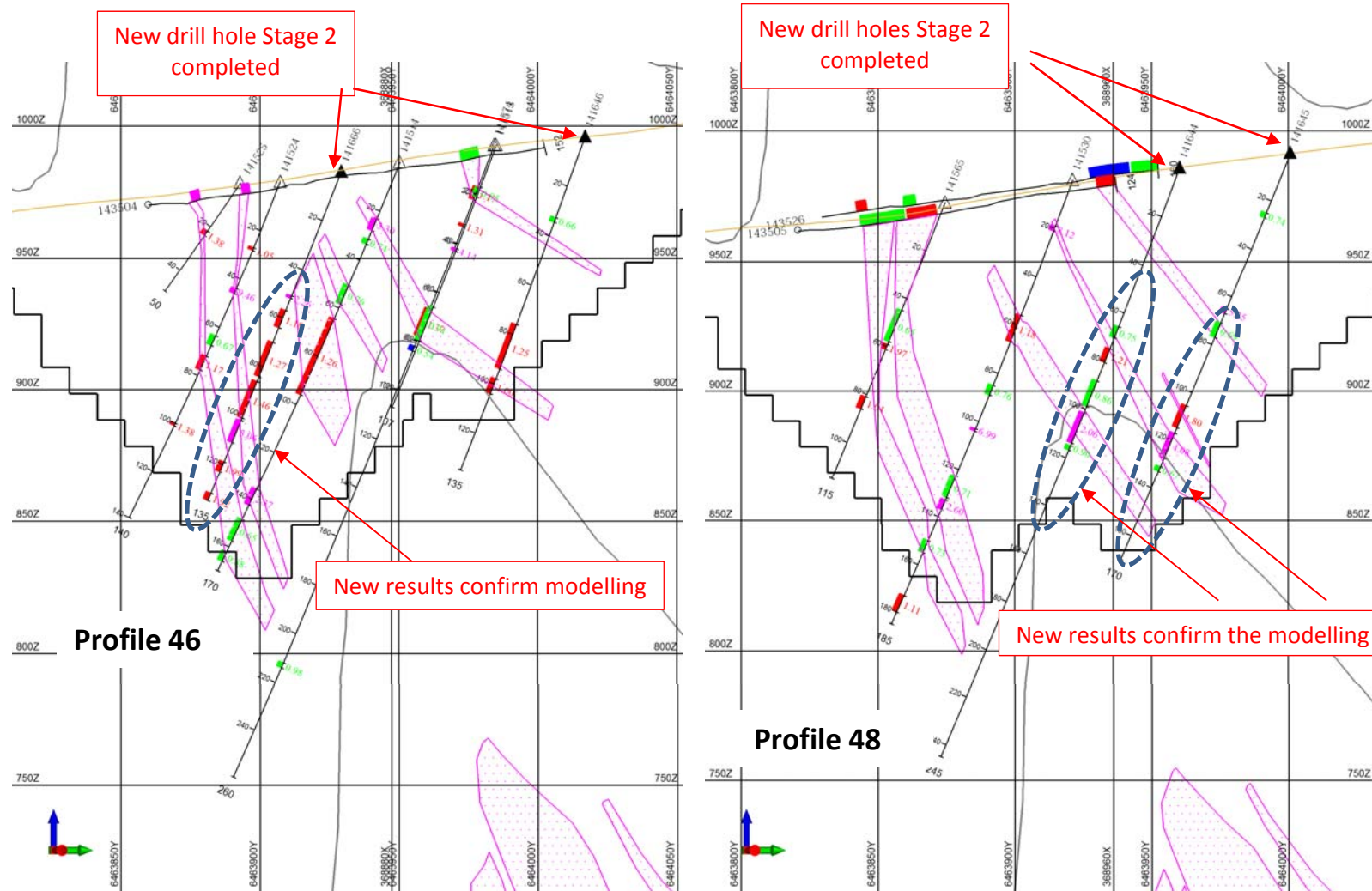


Table 1

Mineralized intervals with gold grades above cut off 0.4 gram/ton, based on all Stage 2 drill results from 2015.

# Hole	From (m)	To (m)	Length (m)	Au, gr/t
141581	18	22	4	1,413
141581	110	137	27	2,172
141581	149	152	3	0,983
141581	157	163	6	1,135
141581	189	190	1	1,04
141584	60	62	2	1,335
141584	85	97,8	12,8	1,242
141584	111	112	1	1,99
141584	120	137	17	1,403
141584	140	144	4	1,073
141584	149	149,8	0,8	1,71
141587	3,5	5,5	2	0,72
141587	63	65	2	0,57
141587	79	93	14	2,142
141587	97	100	3	1,397
141588	44	57	13	1,044
141588	150,2	164	13,8	0,667
141589	2,5	8	5,5	0,4
141589	16	28	12	1,283
141589	36	40	4	0,728
141589	49	67	18	1,177
141589	75,6	81,6	6	1,158
141589	87,6	125,5	37,9	1,521
141589	129,5	130,5	1	1,15
141590	3,5	10	6,5	1,464
141590	12	30,5	18,5	0,875
141590	35,8	45,1	9,3	0,726
141590	51	59	8	0,618
141591	7,3	11,3	4	3,49
141591	24,3	26,3	2	1,84
141591	35,3	52	16,7	0,83
141591	54	60,9	6,9	0,65
141591	69,9	72,9	3	0,55
141592	15	16	1	1,06
141592	26	28	2	1,35
141592	48	49	1	1,04
141592	53	59	6	1,24
141592	68	73,2	5,2	0,902
141592	93,4	100	6,6	0,517
141592	105	106	1	2,89
141592	113	132,2	19,2	1,775
141592	133,9	143,3	9,4	1,172
141592	146	148	2	1,145

141593	50	66	16	1,004
141593	155,7	165	9,3	0,702
141593	179,2	199,5	20,3	1,468
141593	203,5	204,5	1	1,14
141593	210	216,7	6,7	0,904
141594	2,5	6,5	4	1,063
141594	13,7	14,7	1	3,24
141594	35,6	36,6	1	1,26
141594	45,6	57,6	12	0,518
141594	59,6	80	20,4	1,335
141595	3	6	3	0,545
141595	31	39	8	1,879
141595	46,5	47,3	0,8	2,88
141595	50,9	69	18,1	1,847
141595	71	73	2	0,655
141595	80	90	10	1,404
141595	93	101,7	8,7	2,189
141595	106	117	11	1,542
141595	122	123	1	2,99
141595	130,1	138	7,9	0,53
141595	140	142	2	0,58
141595	145	148	3	1,613
141595	161	164	3	0,71
141596	2,8	7	4,2	2,241
141596	14	20	6	1,007
141596	54	63	9	0,606
141596	71	72	1	1,18
141596	74	102	28	1,539
141597	3,6	5	1,4	1,335
141597	20	24	4	1,248
141597	34	37	3	2,473
141597	44	46	2	0,9
141597	57	83,1	26,1	1,91
141597	87	107	20	1,051
141597	110	111	1	1,56
141597	113,9	114,6	0,7	1,69
141597	126	127	1	1,02
141597	133	147,5	14,5	1,359
141597	151,5	164	12,5	1,18
141597	169	172	3	0,41
141598	11	13	2	2,03
141598	25	27	2	1,075
141598	56	60	4	1,273
141598	151	166,4	15,4	2,191
141598	207	215	8	1,133
141599	3	4	1	1,1
141599	9	27	18	1,656
141599	37	38	1	1,64
141599	47	54	7	0,993

141599	85,7	90	4,3	0,42
141600	5	8	3	2,93
141600	31	39	8	2,76
141600	43,5	71	27,5	0,969
141600	74	90,9	16,9	2,492
141600	104,3	107	2,7	0,85
141600	130	149,7	19,7	5,683
141600	152,2	153	0,8	1,59
141601	16,1	19,65	3,55	0,938
141601	27,6	40,95	13,35	1,462
141601	54,6	73	18,4	1,596
141602	19	20	1	1,06
141602	42	65,5	23,5	0,93
141602	69	77	8	1,348
141602	80,4	85	4,6	2,123
141602	115	125	10	2,373
141619	6	21	15	1,466
141619	26,8	29,3	2,5	1,063
141619	34	35,5	1,5	0,837
141619	42,2	47,2	5	2,054
141619	51	55	4	0,4
141619	59	87	28	1,1
141619	88	91	3	0,503
141619	104	122	18	0,874
141619	136,9	142,6	5,7	1,483
141620	11,4	12,4	1	2,8
141620	20,1	21,1	1	1,73
141620	41,5	52,7	11,2	0,807
141620	54,7	77,4	22,7	2,499
141620	102,3	107,3	5	0,947
141622	8,5	38,5	30	1,445
141622	50	54	4	0,72
141622	59	68	9	1,453
141622	82	84	2	0,63
141622	132	133	1	1,18
141622	140	149	9	1,113
141622	152	153	1	1,5
141622	160	166	6	0,907
141622	176	178	2	1,925
141623	4,1	28	23,9	1,581
141623	54,3	70,7	16,4	1,319
141623	72,5	74,5	2	0,905
141623	76,5	78,3	1,8	0,588
141623	92	94	2	0,905
141623	100	110,3	10,3	1,071
141623	114,9	119,5	4,6	0,916
141623	123,5	139	15,5	2,35
141623	147,75	149	1,25	3,68
141628	37,2	38,2	1	1,57

141628	66,4	71	4,6	0,86
141628	76,1	79,4	3,3	0,411
141628	86,3	87,3	1	1,5
141630	48,5	49,5	1	1,26
141630	51,5	54,5	3	0,627
141630	59,5	64,5	5	0,75
141630	80	80,6	0,6	2,56
141630	89,6	108	18,4	1,598
141630	188	189	1	1,41
141633	42	43	1	3,51
141633	59	68	9	0,648
141633	153	155	2	1,405
141635	22	22,8	0,8	1,9
141635	85,7	86,4	0,7	20,1
141635	91,6	92,4	0,8	2,21
141635	97,9	99,8	1,9	0,805
141635	105	107	2	1,15
141635	115	116	1	1,34
141635	209	210	1	1,57
141635	222	223	1	1,14
141637	50	52	2	0,68
141637	60,3	62,3	2	0,675
141637	66,2	76	9,8	0,793
141637	91,8	92,5	0,7	1,64
141637	99	100	1	1,85
141637	124,6	125,2	0,6	2,53
141637	137	138	1	1,265
141637	150,3	152	1,7	0,851
141638	49	51,6	2,6	0,65
141638	72	77	5	0,779
141638	83,4	85,7	2,3	0,954
141638	116,8	137,4	20,6	0,633
141638	146	148,4	2,4	0,69
141638	159	167,6	8,6	1,037
141638	197	201	4	0,703
141640	11	13	2	1,605
141640	25,4	28,4	3	1,187
141640	68,4	71	2,6	0,401
141640	79,5	81,7	2,2	0,67
141640	87	88,5	1,5	2,469
141640	107	120,6	13,6	1,94
141640	121,5	129	7,5	1,081
141642	12	14	2	4,03
141642	34	37	3	0,867
141642	43	45	2	1,038
141642	118	119	1	1,49
141644	65,7	70,3	4,6	0,748
141644	74,8	80,5	5,7	1,206
141644	88,2	98,8	10,6	0,861

141644	101,4	114	12,6	2,058
141644	115	116,9	1,9	0,899
141645	25	27	2	0,74
141645	65	67	2	5,245
141645	71	77	6	0,688
141645	105,5	114,7	9,2	1,802
141645	117	127,4	10,4	4,075
141645	131	133	2	0,665
141646	32,7	34,5	1,8	0,658
141646	76	94	18	1,25
141646	98	104	6	1,001
141648	54,1	55,1	1	1,59
141648	78,4	79,4	1	7,58
141648	94	101	7	0,859
141648	108,1	111	2,9	1,517
141649	2	4	2	0,905
141649	72	73	1	1,05
141649	77	79	2	0,51
141649	93	94	1	2,03
141649	109,6	113,4	3,8	1,979
141649	117,6	127	9,4	0,792
141650	4,5	8	3,5	1,417
141650	34	37	3	1,207
141650	80	90	10	0,618
141650	91	94	3	2,353
141650	101	108	7	1,269
141652	62,1	69,1	7	0,751
141652	86,1	97,2	11,1	0,849
141652	104,2	111	6,8	0,525
141655	17	19	2	1,13
141655	30	35	5	1,778
141655	46	47	1	1,38
141655	129,7	130,4	0,7	2,48
141655	137	138	1	2,34
141655	206,7	208,2	1,5	1,295
141657	29	31	2	1,02
141657	36	60,5	24,5	1,535
141657	63,5	65,5	2	1,155
141657	82,5	83,5	1	2
141657	93,7	103,7	10	1,169
141657	107,7	110,7	3	0,743
141659	10	13	3	0,82
141659	17	21	4	1,643
141659	29	37	8	0,859
141659	39	50	11	1,45
141661	36	37	1	1,88
141661	44	50	6	2,422
141661	150,4	153	2,6	2,832
141661	174,5	178,9	4,4	0,789

141661	185	188,6	3,6	2,78
141661	197,3	200	2,7	0,463
141663	19	28	9	1,9
141663	44	45	1	1,38
141663	49,7	51,3	1,6	1,442
141663	59	64	5	0,824
141663	108	112	4	0,443
141663	149	159,8	10,8	0,859
141663	161,8	168,5	6,7	2,041
141663	201,9	208	6,1	2
141665	63,3	64,1	0,8	1,4
141665	101	106	5	1,464
141665	162	163	1	5,69
141666	51	52	1	2,26
141666	57	64	7	1,179
141666	70	84	14	1,269
141666	86	101	15	1,459
141666	102	111	9	3,056
141666	118,9	123	4,1	1,988
141666	132	135	3	1,92
141667*	1	17	16	1,655
141667*	48	142,1	94,1	2,183
141667*	142,8	159,5	16,7	1,273
141668	10,5	12,5	2	0,565
141668	33,6	35,6	2	1,235
141668	43,6	55,2	11,6	1,207
141668	62	64	2	0,725
141668	90	92	2	0,835
141668	146,8	149,8	3	0,473
141668	156	166	10	1,104
141668	191	192	1	1,07
141668	204	208,3	4,3	2,72
141668	219,6	223,5	3,9	0,631

* hydrological hole, drilled along mineralization