

Kopy Goldfields AB (publ)
Pressrelease 12/2014
Stockholm, 17 november 2014

This press release may not be released, published or distributed, directly or indirectly, in or into the United States, Australia, Canada, Singapore, South Africa, Switzerland, Hong Kong, Japan or New Zealand or any other jurisdiction where such action is wholly or partially subject to legal restrictions. The information in this press release does not constitute an offer to acquire, subscribe for or otherwise trade in shares, subscription rights or other securities in Kopy Goldfields AB (publ). For further information, please refer to "Important Information" in this press release.

Kopy Goldfields announces fully underwritten rights issue of approximately MSEK 10.9

The Board of Directors of Kopy Goldfields AB (publ) ("Kopy Goldfields" or the "Company") has decided to propose Extraordinary General Meeting on 17 December 2014 to decide on the issue of new shares with preferential rights for existing shareholders in Kopy Goldfields of approximately MSEK 10.9 before transaction costs (the "Rights Issue"). The Rights Issue is underwritten to 100 per cent via subscription undertakings and underwriting commitments.

Summary

- A rights issue of shares with preferential rights for shareholders in Kopy Goldfields. Shareholders will receive one (1) subscription right for each, on the record date, owned share. Five (5) subscription rights entitle the holder to subscribe for four (4) new shares in Kopy Goldfields. Each new ordinary share shall have the same rights as currently issued shares in the Company.
- The subscription price in the Rights Issue is SEK 0.45 per share, which represents issue proceeds of approximately MSEK 10.9 (before transaction costs).
- The record date for right to participate in the Rights Issue with preferential rights is 29 December 2014.
- The subscription period will run from and including 7 January up until and including 20 January 2015.
- Subscription undertakings amounting to 2.0 per cent of the Rights Issue have been entered into by existing shareholders of the Company, and underwriting commitments from external investors amount to 98.0 per cent of the Rights Issue.
- The Rights Issue is decided by Extraordinary General Meeting on 17 December 2014 and the Board of Directors' proposal is conditional upon the General Meeting also deciding on amendment of the Articles of Association and reduction of share capital in accordance with the Board of Directors' proposal.

Background and reasons for the Rights Issue

Kopy Goldfields is a gold exploration company active in the Bodaibo area located in the Lena Goldfields, Russia, which is one of the most gold rich areas in the world. The Company currently holds 11 licenses which entitles to exploration and production of gold. Kopy Goldfield's strategy is to create value by identifying and acquiring high potential gold projects, prospect and explore them until the stage when they can be either sold out for cash or developed in cooperation with another partner under a joint venture agreement.

In August 2014, Kopy Goldfields entered into a joint venture agreement with one of the largest Russian gold producers, GV Gold, regarding the Company's license "Krasny". The agreement is worth MUS\$ 9.0 and is divided into two stages. Stage 1 commenced in connection with the companies entering into the agreement, and the Company received a cash payment amounting to MUS\$ 1.0 and investments amounting to MUS\$ 3.0 in exploration activities. Stage 1 shall be completed during November 2014 and thereafter GV Gold has the option to invest an additional MUS\$ 3.0 in exploration activities in stage 2. Given positive exploration results after stage 2, the Company will receive an additional consideration of MUS\$ 2.0 in cash payment. The current drilling program is on track, and the results so far show that the joint venture project is developing in accordance with expectations and the geological model established for the Krasny deposit. Upon successful conclusion of stages 1 and 2, the Krasny-project will be passed on to feasibility studies, and first production is realistic at the end of 2016. The future production capacity is currently estimated preliminarily to 40 – 60 koz, but this will be subject to adjustment during the feasibility studies. The Company has a need for working capital in order to complete the joint venture project.

In the light of these considerations, the Board of Directors of Kopy Goldfields has decided to propose to Extraordinary General Meeting held on 17 December 2014 to decide on a rights issue of approximately MSEK 10.9. The capital shall ensure that the Company can manage the working capital requirements of the business until such time when the additional consideration is expected to be received, which in turn is expected to last until start of production.

Main Terms

The Board of Directors of Kopy Goldfields has decided to propose to Extraordinary General Meeting on 17 December 2014 to decide on the issue of shares with preferential rights for the shareholders of the Company of approximately MSEK 10.9 before transaction costs.

For each share held on the record date shareholders will receive one (1) subscription right. Five (5) subscription rights entitle to subscription of four (4) new shares at a subscription price of SEK 0.45 per share. The record date in Euroclear Sweden AB for the right to participate in the Rights Issue with preferential rights is 29 December 2014. The subscription period will run from and including 7 January up until and including 20 January 2015 or such later date as determined by the Board of Directors. The Company's share capital can increase by a maximum of SEK 9,200,509.42 (after reduction of the share capital) by the issue of a maximum 24,197,776 new shares¹. Through the reduction of share capital (without cancellation of shares) which the Board simultaneously proposes Extraordinary General Meeting on 17 December 2014, before the decision on the Rights Issue, the par value of shares will amount to approximately SEK 0.38.

The Rights Issue is fully underwritten by a combination of subscription undertakings from existing shareholders and underwriting commitments from external investors.

The Board of Directors' proposal is subject to the General Meeting on 17 December 2014 also deciding on amendment of the Articles of Association and reduction of share capital in accordance with the proposal of the Board of Directors.

Shareholders who choose not to participate in the Rights Issue will have their shareholding diluted, but will have the opportunity to sell their subscription rights on Nasdaq First North.

¹ If the warrants that the Company has already issued of "Series 2012/2014" were to be exercised to subscribe for shares before the record date the share capital and amount of shares shall be adjusted. If all warrants are exercised the share capital can increase by a maximum of 9,348,328.42 by the issue of a maximum of 24,586,547 new shares. Said subscription undertakings and underwriting commitments do not include such additional shares in the Rights Issue, which may come about due to outstanding warrants being exercised for subscription of shares before the record date.

Time Schedule for the Rights Issue

17 December 2014	Extraordinary General Meeting to decide on the Rights Issue
17 December 2014	Information Memorandum is estimated to be released
22 December 2014	Last day of trading in Kopy Goldfield's shares including the right to participate in the Rights Issue
23 December 2014	First day of trading in Kopy Goldfield's shares excluding the right to participate in the Rights Issue
29 December 2014	The Record Date for participation in the Rights Issue, i.e. shareholders registered in the share register of the Company as of this date will receive subscription rights for participation in the Rights Issue
7 January – 16 January 2015	Trading in subscription rights
7 January – 20 January 2015	The subscription period for the Rights Issue
23 January 2015	Announcement of the preliminary outcome

Financial advisor

Mangold Fondkommission AB is acting as financial advisor in the Rights Issue.

This is a translation of the Swedish version. In case of any discrepancy between the English and the Swedish version, the Swedish version shall take precedence.

For further information, please contact

Mikhail Damrin, VD, +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 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

IMPORTANT INFORMATION

The information in this press release does not constitute an offer to acquire, subscribe for or otherwise trade in shares, subscription rights or other securities in Kopy Goldfields AB (publ).

This press release may not be released, published or distributed, directly or indirectly, in or into the United States, Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or any other jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require additional prospectuses, registrations or other actions in addition to what follows from Swedish law. Nor may the information in this press release be forwarded, reproduced or disclosed in a manner that contravenes such restrictions or would entail such requirements. Failure to comply with this instruction may result in a violation of applicable securities laws.

No subscription rights, BTAs (interim shares) or shares have or will be registered under the U.S. Securities Act of 1933, as amended, or securities legislation in any state or other jurisdiction in the United States and may not be offered or sold, directly or indirectly, in or into the United States.