

Kopy Goldfields AB (publ)  
Press release 17/2020  
Stockholm, August 27, 2020

## **KOPY GOLDFIELDS AB (publ)**

### **Half Year Report January – June 2020**

The consolidated financial statements of the Kopy Goldfields Group (“Kopy Goldfields”, “the Company”), of which Kopy Goldfields AB (publ) with corporate identity number 556723-6335 is the parent company (“the Parent Company”), are hereby presented for the six-month period ended on 30 June 2020.

On 29 May 2020, Kopy Goldfields announced that the company had entered into a conditional agreement to acquire Amur Zoloto, a mid-sized gold producing company based in Russia, via a reverse takeover. The transaction was not yet completed as of 30 June 2020, and consequently Amur Zoloto’s operations and financial results are not included in this half year report. Nor did the transaction have any financial impact on this half year report. Kopy Goldfields plan to announce pro-forma figures for the combined company, including Amur Zoloto, for the first half year 2020 in September 2020.

#### **Financial information half year 2020**

- The Company does not report any revenue
- Income from sale of the Kopylovskoye project MSEK 2.3 (2.9)
- Result from Joint Ventures of MSEK -7.0 (+4.6), difference between the periods of totally MSEK -11.6 mainly explained by currency effects.
- Net income MSEK -14.3 (-0.6)
- Total comprehensive income MSEK -14.7 (+2.9)
- Earnings per share before and after dilution SEK -0.14 (-0.01)
- Total cash flow MSEK -2.7 (-8.7), including paid interest of MSEK 0 (-2.8) and new loans MSEK 3 (0)
- Investments in exploration work and licenses MSEK 0 (0)
- Investments into joint ventures MSEK 0 (0)
- Cash and cash equivalents amounted to MSEK 3.6 (11.4) at period end

#### **Significant events January – June 2020**

On 29 May 2020, the Company announced the conditional reverse takeover of Amur Gold Company Limited “Amur Zoloto”. Amur Zoloto is a mid-sized gold producing company based in Russia, with Proven and Probable Gold Reserves of 1.0 Moz, and Measured, Indicated and Inferred Resources of 1.4 Moz. Amur Zoloto produced 52 koz of gold in 2019 from two bedrock and several alluvial mines. The reverse takeover is structured as a contribution in kind where Kopy Goldfields acquires 100 percent of the shares in Amur Zoloto in exchange for a total of 782,179,706 new shares in Kopy Goldfields. Due to the reverse takeover, a new listing process was initiated on Nasdaq First North Growth Market, which was subsequently approved on 23 June 2020. The reverse takeover was also approved by the annual general meeting in Kopy Goldfields on 30 June 2020.

Completion of the acquisition of Amur Zoloto was initiated on 25 August 2020 and is expected to be finalized no later than 16 September 2020.

## **Comments from the CEO: On the way to become a gold producer amid historic high gold prices and COVID-19 pandemic**

Dear shareholders,

The first half of 2020 has been the most eventful six months ever for Kopy Goldfields. The outbreak of COVID-19 caused the world economy into depression, thus reducing investors' appetite for exploration risk. However, the worldwide economic crisis pushed the gold prices up to historic records, which in turn heated M&A transactions in the industry and Kopy Goldfields utilized this momentum to become a profitable gold producer.

After more than a decade of running gold exploration projects in Russia, Kopy Goldfields has secured a strategic position as one of the major regional exploration landholders in Lena Goldfields, one of the most exciting gold mining and exploration areas in the world, where both of our major exploration projects Krasny and Maly Patom are located.

In early 2020, we released the 2019 exploration results for the Maly Patom project, where we drilled 2,505 meters of first ever holes, targeting bedrock gold mineralizations. Our drilling intersected gold mineralizations with several intervals of gold content above 1gr/ton. The exploration results strongly indicate the existence of bedrock gold mineralizations within our license area.

### **Creating a Leading Russian Mid Cap Gold Exploration and Production Group**

In May 2020, we signed, and we have just initiated the completion of the reverse take-over of Amur Zoloto, a mid-sized gold producer based in Russia. Certain registration procedures remain for the transaction to be closed. The integration of Amur Zoloto will indeed write a new chapter of the Kopy Goldfields story. The deal combines our strong exploration knowledge and asset portfolio with Amur Zoloto's well-established gold production assets and capabilities. Amur Zoloto's 2019 gold production totaled 52 koz which will make "new" Kopy Goldfields one of the strongest CIS (Commonwealth of Independent States) based public gold producers with total assets of 1.1 Moz of Proven and Probable reserves and 2.4 Moz of Measured, Indicated and Inferred resources.

Since the Transaction was not finalized by June 30, this half year report does not show any financial impact of the Transaction, nor Amur Zoloto's operations. Going forward, our financial reports will include Amur Zoloto's gold production operations and strong financial performance.

In parallel with Amur Zoloto's existing production, we believe that the current historic record gold prices will favor Kopy Goldfields in the next step of our history as we continue to explore the exciting Lena Goldfields area and prepare to move into production – which will provide us with a platform for further growth.

So far, the COVID-19 has not been registered on the Amur Zoloto production sites since 14-days quarantine period was introduced for all personnel coming to the mines from the very beginning. However, long-lasting general travel restrictions significantly complicate staffing of the Amur Zoloto' operations and equipment maintenance.

On behalf of the company, I would like to thank all shareholders voting in favor for the acquisition of Amur Zoloto. Our focus now will be on the integration of the two companies' businesses as the next step of transforming Kopy Goldfields' position from high-impact exploration business to a consistent and attractive gold producer in the Russian gold mining universe.

Mikhail Damrin  
CEO Kopy Goldfields

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*This information is information that Kopy Goldfields AB is obliged to make public pursuant to the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:30 CEST on August 27, 2020.*

**About Kopy Goldfields AB**

Kopy Goldfields AB (publ), listed on NASDAQ First North Growth Market in Stockholm, is a Swedish gold exploration company operating in the Irkutsk and Amur regions of Russia, which are two of the most gold rich areas in the world. The Company currently holds 12 licenses, grouped into four projects, which entitle the holder to explore for and produce gold. Kopy Goldfield's strategy is to create value by identifying and acquiring high potential gold projects, and then prospecting and exploring them until they reach the stage of being ready to be sold for cash or further developed in cooperation with a partner.

On May 29, 2020 Kopy Goldfields announced that the company had entered into a conditional agreement to acquire Amur Zoloto via a reverse takeover. The Transaction is expected to be completed no later than September 16, 2020.

Kopy Goldfields AB applies International Financial Reporting Standards (IFRS), as approved by the European Union. Hagberg & Aneborn Fondkommission acts as Certified Adviser, contact number: +46 8 408 933 50, e-mail: [info@hagberganeborn.se](mailto:info@hagberganeborn.se).

**The Share**

Ticker: KOPY

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

Outstanding shares: 103,825,869