

KOPY GOLDFIELDS

Kopy Goldfields AB (publ)
Press release 4/2021
Stockholm, January 28, 2021

KOPY GOLDFIELDS PROVIDES GUIDANCE FOR 2021 GOLD PRODUCTION AND CAPEX

INSIDE INFORMATION: Kopy Goldfields AB's (publ) ("Kopy Goldfields" or "the Company") target is to produce 56 koz to 59 koz of gold equivalent (GE¹) in 2021, an increase of 5-11% compared to 53.1 koz of GE produced in 2020. The Company plans capital expenditures of around USD 56 million in 2021 on production growth and exploration projects. The expenditures will be funded through existing available debt facilities and expected cash flow from production.

Production

In line with the plans to double gold production by 2025 to more than 100 koz per year, Kopy Goldfields' target is GE production of 56-59 koz in 2021, an increase of 5-11% compared to the production of 53.1 koz in 2020.

The increase in gold production is primarily expected from the Yubileyniy project, where the Company aims both to increase the output from heap leach (HL) operations and to commission the 250 ktpa processing capacity in Q4 2021. In addition, some production growth is expected from alluvial mining, which significantly underperformed in 2020 due to the COVID-19 restrictions.

Capital expenditures

The Company plans to increase capital construction expenditures in 2021 to around USD 48 million in line with long-term development plans to increase gold production. The key production growth projects will include:

- **Maluytka project**, where Kopy Goldfields plans to process 1.5 mtpa of ore through HL operations and initiate gold production in 2023.
- **Yubileyniy project**, where the Company is continuing construction activities to extend processing capacity to 250 ktpa by Q4 2021. In parallel, the Company will develop the underground (UG) mine down to 850 meters horizon above sea level.
- **Perevalnoe project**, which will transform from open pit operations to underground mining in 2021. In addition, HL operations with annual capacity of 200 kt of ore will commence in 2021 with initial gold production anticipated in 2022.

In addition, the Company plans several exploration projects in 2021 with a budget of approximately USD 8 million:

- Yubileyniy project, Khabarovsk region: 12,500 meters drilling program at the Krasivoe deposit targeting gold mineralisation at depth.
- Perevalnoe project, Khabarovsk region: 6,000 meters drilling program on the flanks and within the vicinity of the Perevalnoe deposit.
- Maly Patom project, Irkutsk region: Continue prospecting within the license area including 1,500 meters drilling program.
- Krasivoe deposit, Khabarovsk region: Commence prospecting within the Ket-Kap area including 6,000 meters drilling program.

¹ Gold is the primary product of the Company. Silver production in 2020 totalled 97 koz (3,026 kg), which was equivalent to 1.36 koz (42.15 kg) of gold and represented 2.5% of the total 2021 gold equivalent production. The conversion ratio from silver to gold varies based on the relation between actual gold and silver prices: for the twelve months of 2020 the applied average conversion ratio for silver was 1:72 Ag/Au.

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- Krasny project, Irkutsk region: 26,000 meters drilling and exploration program to reserves.
- Continue alluvial exploration activities.

The initiated capital construction and exploration programs will be financed through existing available debt facilities and cash flows from current gold production.

Competent person

Alexander Polonyankin, a competent person under JORC and member of Australasian Institute of Mining and Metallurgy, MAusIMM (CP), has reviewed and approved the technical information relating to operations covered in this press release.

Responsible party

Kopy Goldfields is obliged to make this information public in accordance with EU Market Abuse Regulation 596/2014. The information in this press release has been made public through the agency of the responsible persons set out below for publication at the time stated by Kopy Goldfields news distributor beQuoted at the publication of this press release.

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About Kopy Goldfields

Kopy Goldfields is a leading Swedish gold exploration and production company operating in the most renowned gold mining regions of Russia. Kopy Goldfields' strategy is to combine Russian geologic knowledge and science with international management, best industry practices and modern, efficient technology to identify and develop mineral deposits in a cost-efficient, safe and transparent way. The Company is listed on Nasdaq First North Growth Market in Stockholm.

Kopy Goldfields applies International Financial Reporting Standards (IFRS), as approved by the European Union. Stockholm Certified Advisers acts as Certified Adviser, contact number: +46 707 94 90 73, e-mail: info@certifiedadviser.se.

The Share

Ticker: KOPY

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

Outstanding shares: 886,005,575

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's and the company group's intentions, beliefs, or current expectations about and targets for the Company's and the company group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. The forward-looking statements are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where Kopy Goldfields operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) Kopy Goldfields' continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including but not limited to risks and uncertainties surrounding any gold production and exploration company at an early

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stage of its development. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein apply only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq First North Growth Market rule book for issuers.