

KOPY GOLDFIELDS

Press release
27 May 2021

KOPY GOLDFIELDS AB (publ) Interim Report January – March 2021

January – March 2021 (January – March 2020)

- Revenue TUSD 19,362 (23,125), -16%
- EBITDA TUSD 7,181 (9,277), -23%
- Profit before tax TUSD 10,014 (5,012), +100%
- Profit for the period TUSD 7,870 (3,926), +100%
- Earnings per share before dilution USD 0.01 (0.01)
- Production affected by consequences of the outbreak of Covid-19 at the Yubileyniy mine in December 2020.
- 2021 gold production guidance of 56-59 koz unchanged

Summary of financial information

	Jan-Mar 2021	Jan-Mar 2020	%	Jan-Dec 2020
Gold production (gold equivalent, "GE"), koz	7.69	10.04	-23	53.1
Gold sales, koz	10.99	14.25	-23	55.4
Average realized gold price, USD/oz	1,754	1,611	+9	1 773
Revenue, TUSD	19,362	23,125	-16	98,841
Gross profit, TUSD	7,284	8,793	-17	40,973
Gross margin, %	38%	38%		41%
EBITDA, TUSD	7,181	9,277	-23	45,620
EBITDA margin, %	37%	40%		46%
Profit before tax, TUSD	10,014	5,012	+100	24,728
Profit for the period, TUSD	7,870	3,926	+100	19,153
Earnings per share before dilution, USD	0.01	0.01		0.02
Earnings per share after dilution, USD	0.01	0.01		0.02
Equity per share, USD	0.11			0.11
Cash & cash equivalents at the end of the period, TUSD	792			10,388
Net Debt, TUSD	50,890			41,938
Net debt/ LTM EBITDA, x	1.17			0.92

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Solid financial results in Q1 despite operational challenges

This time last year, Kopy Goldfields had no revenue and operated at a significant loss. In the first quarter of 2021, revenues amounted to MUSD 19.4. Our first quarterly report fully consolidates the mining operations acquired last year and all comparisons have been adjusted accordingly. Revenues were lower than the reported comparable quarter, as we faced operational challenges due to Covid -19, but clearly illustrate that the company now operates at a significantly different level than a year ago. The Q1 profit before tax doubled to MUSD 10.0.

First quarter operations were influenced by the Covid-19 outbreak in Yubileyniy. It caused a slowdown in production and affected sales in early 2021. During the Covid-19 outbreak, our priority was the safety of our personnel and we have taken further measures to avoid and prevent similar situations. We have also taken measures to catch up with the gold production, including transfer to shift staffing, adding additional mining equipment and extra efforts in increased processing recovery. We could start to see the effects on those measures towards the end of the first quarter and remain confident to maintain our production guidance of 56-59 koz for the full year 2021 and our long-term organic growth target of 100 koz by 2025.

On a path to lower TCC per oz

The total cash costs per oz (TCC/oz) increased due to the decrease in production and sales volumes. We expect that the TCC/oz will decrease during the year as we are increasing the production rate. Given the forecasted production ramp up starting in 2022, we will have additional room for further optimization on TCC-levels given economies of scale.

Focus on organic expansion

Kopy's investment program is on track and during the quarter we focused on construction activities and permitting processes. Development operations started on Maluytka and we proceeded with constructions on the Yubileyniy mill targeting to commission the 250 ktpa capacity by fourth quarter 2021. During the winter months, we used the winter roads to supply our operational sites. With investments being made at several of our sites, we have taken advantage of those roads and moved the majority of the equipment planned for installation during 2021. Winter roads also give us the opportunity to transport flotation concentrate from Perevalnoe to Yubileyniy for final processing. We managed it well during this season and were able to take valuable advantage of the roads until the last ones were closed in late April. In March, we commenced preparations for placer operations for the 2021 season. We upgraded, repaired and procured the missing placer equipment and living camps, commenced mobilizing employees on sites, started snow cleaning and waste stripping. The preparations are proceeding full speed.

Clear ESG agenda and objective to upgrade listing

Our ESG-agenda is one of the key priorities on our development path. To further enhance our ESG-work we have initiated an external audit of our existing ESG-framework as well as an analysis on how to further improve. The work now being conducted aims at finding best industry practice and implementation. We remain committed to upgrading the listing of Kopy's shares to a regulated market with the objective to be approved for trading on Nasdaq Stockholm's main market. Currently we are performing a pre-listing review of the company by an external auditor to identify the gaps that should be filled in prior to the listing application.

Further opportunities lie ahead

With organic and corporate development plans on track and a healthy financial standing, Kopy is well positioned to explore further growth opportunities above and beyond the current plans. We are targeting to advance our flagship exploration project Krasny to the feasibility and production planning stage by the end of the year together with our partner GV Gold. We are also reviewing strategic options to expand through M&A activities and to attract a broader institutional shareholder base to support additional growth and flexibility.

Finally, I would like to thank all shareholders and employees. I feel confident that 2021 will be another exciting year for Kopy Goldfields.

Mikhail Damrin, CEO Kopy Goldfields

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Presentation for investors, analysts, and the media

CEO Mikhail Damrin and CFO Tim Carlsson will present the report and answer questions via a webcast on 27 May 2021 at 10.00 a.m. CEST. The presentation will be in English and can be followed online or via telephone. Number for participation by telephone: Sweden: +46850558351 / United Kingdom: +443333009270 / Russian Federation: +88005009867 (PIN: 37688888#). Follow the presentation at <https://tv.streamfabriken.com/kopy-goldfields-q1-2021>.

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This information is information that Kopy Goldfields AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8 am CEST on 27 May 2021.

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. Kopy Goldfields' shares are traded on Nasdaq First North Growth Market in Stockholm under the symbol "KOPY". Nordic Certified Advisers is Certified Adviser (Tel +46 707 94 90 73, e-mail: info@certifiedadviser.se).