

KOPY GOLDFIELDS

Kopy Goldfields AB (publ)
Press release 7/2021
Stockholm, April 22, 2021

KOPY GOLDFIELDS PUBLISHES Q1 2021 OPERATIONAL UPDATE

Kopy Goldfields AB (publ) ("Kopy Goldfields" or "the Company") hereby announces an operational update for the first quarter 2021. As previously disclosed, the outbreak of COVID-19 in December 2020 affected the gold production in early 2021. However, the Company has secured the safety of its personnel against the pandemic and gold production has been recovering during the quarter. The 2021 production guidance is unchanged.

Highlights:

- The total gold equivalent (GE¹) production in Q1 2021 from the Company's two bedrock mines in the Khabarovsk region of Russia totalled 7.69 koz (239.06 kg) which was 23 % lower compared to 10.04 koz (312.17 kg) in Q1 2020. Q1 2021 GE production includes 5.26 koz (163.75 kg) of silver which is an equivalent of 0.06 koz (1.84 kg) of gold.
- Gold sales for Q1 2021 amounted to 10.99 koz (341.91 kg), compared to 14.25 koz (443.12 kg) in the corresponding period 2020.
- The Company confirms 2021 gold production guidance of 56-59 koz (unchanged).
- Gold production in Q1 2021 was affected by downscaled mineral processing and underground mining operations at the Yubileyniy mine following the outbreak of COVID-19 in December 2020. The operations at Yubileyniy were restored to initial capacity during the quarter. However, shortages of some key personnel at the mine sites affected quarterly operations.
- To further increase capacity and stabilize processing and underground mining operations at the Yubileyniy project, the Company has taken actions by adding extra loaders and ore haulage trucks for underground mining, upgrading the crushing units of the processing plant to both increase capacity and reliability of the ore feed, revising the recruitment program and changing for shift-based employment system.
- First quarter gold production was traditionally affected by seasonal variations since alluvial mining operations are restricted to the warm season. Transportation of concentrates from the Perevalnoe site to the Yubileyniy processing plant take place primarily during the winter season and extraordinary cold weather conditions create temporary reductions of operations on the open pits and crushing units of processing plants.
- The alluvial mining is expected to commence in Q2 2021 when the snow and permafrost melts. In Q1 2021 waste stripping operations at two placer mines totalled 38.3 thsd m³ (compared to 50.2 thsd m³ in 2020) of overburden.
- The Company continues with quarantine measures and other precautions to prevent COVID-19 incidents in the future.

"Q1 was challenging following the outbreak of COVID-19 in December. We put safety first and reduced underground mining and processing operations at Yubileyniy. However, we managed to quickly restore mining and processing activities, despite a shortage of personnel and we remain on track towards our 2021 production target.", said Mikhail Damrin, CEO of Kopy Goldfields.

¹ Varies based on relation between actual gold and silver prices: for 3 months of 2021 the applied average conversion ratio for silver was 1:89 Ag/Au.

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Yubileyniy project

During Q1 2021, GE production totalled 2.34 koz (72.91 kg), a decrease of 33% compared to Q1 2020. The decrease in production was explained by lower gold grades (-5%) and a decrease in volume (-27%) of ore processed due to a reduction in operations in January because of COVID-19 and lack of personnel.

The gold grade of the ore mined increased by 9% during Q1 2021. This is in line with the recent CPR report, published in October 2020, which shows an increase of grade and thickness of ore bodies down dip. In 2021, the Company develops underground mining operations to the deeper horizons where ore gold grade is increasing. This underpins our plans to increase capacity of the Yubileyniy mine and mill to 250 ktpa by Q4 this year.

Heap leach (HL) operations at Yubileyniy will commence in Q2 2021 with first gold production in Q3 2021.

Yubileyniy project	1Q		Change	Year to date		Change
	2021	2020		2021	2020	
CIP						
Underground ore mined, 000'tons	25.97	48.87	-47%	25.97	48.87	-47%
Underground development, meters	530.20	576.50	-8%	530.20	576.50	-8%
Underground ore grade, g/t	4.03	3.71	9%	4.03	3.71	9%
Ore processed, 000'tons	22.47	30.62	-27%	22.47	30.62	-27%
Average grade, g/t	4.49	4.74	-5%	4.49	4.74	-5%
Gold produced CIP, kg	72.91	109.05	-33%	72.91	109.05	-33%
Gold produced CIP, koz	2.34	3.51	-33%	2.34	3.51	-33%
Heap Leach (HL)						
Ore crashing, 000'tons						
Ore stacking, 000'tons						
Grade, g/t						
Gold in ore stacked, kg						
Gold produced HL, kg						
Gold produced HL, koz						

Gravity and flotation concentrates produced at the Perevalnoe plant are also leached to Dore bars at the Yubileyniy plant. During Q1 2021, a total of 88.26 tons of gravity concentrate and 1,625.46 tons of flotation concentrate from the Perevalnoe project were leached at the Yubileyniy plant, producing 5.28 koz (164.31 kg) of gold, which are reported under the Perevalnoe project further below.

Perevalnoe project

During Q1 2021, the Perevalnoe mill processed 41.44 kt of ore, an increase of 2% compared to Q1 2020. Gravity concentrate production totalled 88.26 t, a decrease of 11% and flotation concentrate 1,625.46 t, an increase of 15%. GE production from Perevalnoe concentrates at the Yubileyniy mill amounted to 5.28 koz, a decrease of 16%.

In Q1 2021 ore crashing for HL operations have been commenced totalling 5.8 kt of ore. The target is to prepare piles in Q3 to produce the first gold in 2022.

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Perevalnoe project	Q1		Change	Year to date		Change
	2021	2020		2021	2020	
CIP						
Waste stripping, 000'm3	421.76	533.58	-21%	421.76	533.58	-21%
Ore mined, 000'tons	71.82	48.27	49%	71.82	48.27	49%
Average ore grade, g/t	3.09	3.80	-19%	3.09	3.80	-19%
including						
High grade ore, 000'tons	23.07	11.54	100%	23.07	11.54	100%
Average grade, g/t	6.23	8.67	-28%	6.23	8.67	-28%
Low grade ore, 000'tons	5.50	9.34	-41%	5.50	9.34	-41%
Average grade, g/t	3.42	3.82	-11%	3.42	3.82	-11%
Heap Leach ore, 000'tons	43.24	27.39	58%	43.24	27.39	58%
Average grade, g/t	1.38	1.73	-21%	1.38	1.73	-21%
Ore processed, 000'tons	41.44	40.83	2%	41.44	40.83	2%
Average grade, g/t	5.79	6.02	-4%	5.79	6.02	-4%
Gravity concentrate produced, tons	88.26	99.24	-11%	88.26	99.24	-11%
Average grade, g/t	915.67	729.01	26%	915.67	729.01	26%
Flotation concentrate produced, tons	1,625.46	1,419.05	15%	1,625.46	1,419.05	15%
Average grade, g/t	90.09	113.75	-21%	90.09	113.75	-21%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	164.31	194.57	-16%	164.31	194.57	-16%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project) ² , koz	5.28	6.26	-16%	5.28	6.26	-16%
Heap Leach (HL)						
Ore crashing, 000'tons	5.80	-	-	5.80	-	-
Ore stacking, 000'tons						
Grade, g/t						
Gold in ore stacked, kg						
Gold produced HL, kg						
Gold produced HL, koz						

Placer mining

In 2021 the Company will operate two placer mines - Byor and Khayarilakh. The alluvial gold production is expected to commence in Q2 when the snow and permafrost melts. In Q1 2021 waste stripping operations at the two placer mines were started and totalled 38.3 thsd m3 (compared to 50.2 thsd m3 in 2020) of overburden.

² Since transportation of gravity and flotation concentrates from the Perevalnoe mine site to the Yubileyniy processing plant depends on season and proceeds over time, there is a time lag between production of concentrate at the Perevalnoe plant and its further processing at the Yubileyniy plant. Hence, the reported gold production for Perevalnoe at the Yubileyniy plant does not necessarily involve processing concentrates from Perevalnoe produced in the same reporting period but rather earlier during this and the last year.

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Placer mining	Q1		Change	Year to date		Change
	2021	2020		2021	2020	
Overburden, 000'm3	38.30	50.20	-24%	38.30	50.20	-24%
Capital mining, 000'm3	2.00	46.40	-96%	2.00	46.40	-96%
Placer gravel washed, 000'm3						
Average grade, mg/m3						
Gold produced, kg						
Gold produced, koz						

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.

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This information is information that Kopy Goldfields AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8.30 am CEST on 22 April 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. 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. Nordic 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: 889,064,175

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

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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 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.