

## **Half year report January-June 2011**

*“Kopy Goldfields reported a maiden mineral resource estimate in accordance with the international JORC Code, signed by SRK Consulting, which is the first out of potentially many mineral resource statements in the future. The company has also succeeded to attract an international industrial potential investor during PDAC in Toronto where the company presented a strong exploration team and an attractive exploration portfolio from one of the world’s main gold fields.”*

## Interim report January – June 2011

### Highlights during second quarter 2011

#### Exploration development

- The company announces an initial resource estimation for Kopylovskoye project in compliance with JORC Code of 37 000 Oz of indicated with gold grade of 1.31 g/t and 80 000 Oz of inferred gold resources with gold grade of 1.07 g/t estimated by SRK Consulting. The mineralization is open along strike and to depth.
- Through in-house economical evaluation of the properties beside Kopylovskoye project the company make a decision on how to add up to the Kopylovskoye mine development
- Within Kavkaz-property 634 meter of RC and 1370 meter of diamond drill holes have been completed targeting Milliony structure. The drill samples have been collected and sent for fire assay test and the results are expected during third quarter 2011.
- On Zolotoy-prospect within Prodolny property five exploration trenches with the total length of 1700 meters have been excavated and sampled. Trench samples have been sent for fire assay test. Mineralized zones are strongly visible with thickness of mineralized rock increasing from west to east along strike to above 100 meters on surface. Diamond drilling has commenced to test mineralization at depth.
- On West Uspenskoye-prospect within Prodolny-license 800 meters of trenching was finalized and chip samples were collected along the trench. Express gold- and multielement analysis are under process during third quarter.

#### Corporate development

- Kopylovskoye AB has changed name to Kopy Goldfields AB. The new name better corresponds to the portfolio of 17 exploration projects within the Lena Goldfields.
- The company has implemented a cost-reduction program both in Sweden and in Russia.

Financial information	Second quarter		First Half-Year		Full Year
	2011	2010	2011	2010	2010
Evaluation work and licenses, MSEK	7,1	11,2	15,8	17,1	0,0
Cash & cash equivalents at end of period, MSEK	5,6	5,5	5,6	5,5	0,0
Profit/loss after financial items, MSEK	-83,3	-3,8	-86,8	-5,5	-13,2
Net income for the period, MSEK	-78,8	-4,1	-82,7	-6,2	-8,6
Net income for the period per share, SEK	-11,90	-1,70	-12,48	-2,55	-2,85

#### The second quarter 2011

- Impairment of exploration costs accumulated to Kopylovskoye project amounted to –74.7 MSEK (0).
- During the period 7.1MSEK (6.5) was invested in exploration work.
- During the period nothing (4.7 MSEK) was invested in exploration licenses.

#### The first half year 2011

- Impairment of exploration costs accumulated to Kopylovskoye project amounted to –74.7 MSEK (0).
- During the period 15,4 MSEK (12,4) was invested in exploration work.
- During the period 0,4 MSEK (4,7) was invested in exploration licenses

### Significant events after the reporting period

- Three new board members were elected on the EGM on July 27, 2011. Johan Österling, Patric Perenius and Andreas Forssell.
- An option program for the employees was approved by the EGM.
- Long-term loan commitments of 12.7 MSEK with major shareholders with 7 % interest rate and two years duration
- A term-sheet non-binding agreement with Eldorado Gold Corp was reached on placing 2,700,000 new shares for the total amount of 29 MSEK.

## Comments from CEO

Dear Shareholders,

In June 2011 we reached the first long targeted goal of proving JORC compliant resources for Kopylovskoye project. The mineralisation on Kopylovskoye-project is open along strike and to the depth. At the current gold price it is possible that it can make a mining project. Particularly having in mind potential resource upside in the projects around Kopylovskoye – Vostochnaya, Takhtykan, Pravovesenny which together make one cluster. Although I believe that the report itself represents a strong technical achievement for the company as the quality of our exploration work was recognised and appreciated, this report triggered a crush for the share price and initiated management and BOD changes. The main conclusions have been made and the immediate corrective actions taken.

- Kopy Goldfields is an exploration company operating in a world class gold mining area with a portfolio of exploration projects. We have qualified personnel and we can do a quality exploration work. **However all our projects are pure exploration and carry all relevant exploration risks.**
- Our exploration strategy is evaluated and is likely to be revised later this year. However our approach to build a portfolio of projects and expand in the area turned very correct. **It is because of our portfolio the company has opportunities to develop further.**
- It is very rare to hit a world class gold target from the first attempt; we did not achieve to find a world class target, but **we succeed to prove bedrock gold mineralisation at the first attempt.** We have revised the exploration program for second half-year 2011. The main objective of the program is to understand resource potential for the most interesting mineralisation's we have –Krasniy, Zolotoy, Kavkaz, Uspenskoye and Obrucheva. We target to develop project in stages and control exploration risks – surface exploration, target drilling, scoping drilling and then estimate mineral resources over an extensive area if possible.
- We have one diamond- and one RC drilling rig on site. We are taking on one more core drilling rig to make sure that the program is completed on time. We have realised that all contractors have challenges when operating in our area and it is not easy to change them during the season.
- We have significantly reduced support- and non-exploration costs and activities. Total saving for the second half-year are targeted at 1.9 MSEK (or by 17% compared to initial budget). **Our objective is to release as much funds as possible for the exploration activities.**
- Gold exploration business needs long term approach with knowledge of industry and risk diversification.. I welcome interest from Eldorado Gold Corp to become the major shareholder in the company. Our cooperation will undoubtedly extend our development horizons and objectives in the area.

We have a strong support from many of the major shareholders. We have a record high gold price and strong fundamentals for the industry. **We managed to build a good portfolio of gold properties. We have a spirit to go forward and we shall make through to first develop a world class gold exploration company and thereafter a successful production company.**

With best regards, Mikhail Damrin

## Kopy Goldfields AB on a mission

### History of Kopy Goldfields AB (publ)

Kopy Goldfields AB (ticker: KOPY) is a public junior listed Swedish gold exploration company, listed on Nasdaq OMX First North, Stockholm. The Company was established in 2007 after having acquired a gold deposit, with the name Kopylovskoye. During the last three years the company has acquired six additional licenses and developed a portfolio of 17 exploration targets hence the company decided to change name from Kopylovskoye AB to Kopy Goldfields AB (publ). Kopy Goldfields AB is the holding company for six Russian subsidiaries: OOO Kavkaz Gold, OOO Kopylovskoye, OOO Krasny, OOO Prodolny, OOO Resurs and OOO Kopylovskoye Management and the Swedish subsidiary Kopy Development AB.

### Operating in one of the world's most gold rich areas

Kopy Goldfields is currently developing 17 bedrock gold projects, but with focus on investing in the three most advanced projects, within seven license areas, all controlled in full by the company. All projects are located in Lena Goldfields famous for long history of alluvial gold mining. Our exploration projects are in different development stages, with the Kopylovskoye deposit being in the most advanced stage:

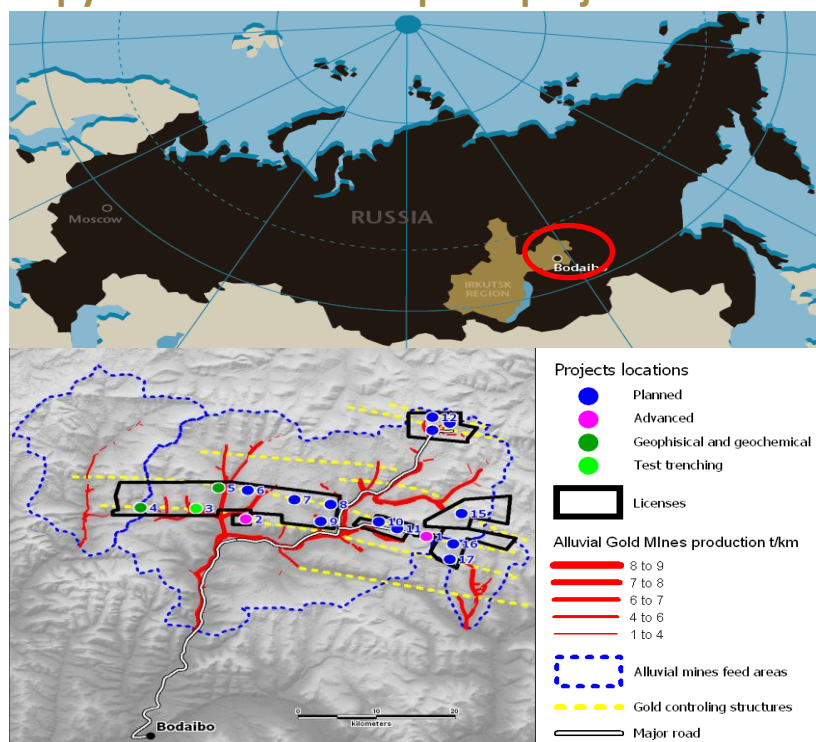
- Kopylovskoye has recently announced mineral resource estimation in accordance with JORC Code. Kopylovskoye belongs to a cluster of geologically similar mineralizations located within two to five kilometers distance from each other within Kopylovskoye, Vostochnaya, Takhtykan and Pravovesenniy properties all belonging to Kopy Goldfields AB.
- Kavkaz is in the advanced exploration phase together with Zolotoy, Uspenskiy- and Obrucheva mineralizations within Prodolny-license which are in the exploration scope currently
- Krasnyy-mineralisation at Krasnyy-license is prepared for target drilling during September 2011
- Takhtykan-license, Bannoye East and Bannoye mineralisation at Vostochnaya-license; Gromovsky North, Vladmirovskiy- and Zolotoy-sites on Prodolnyy-license; Krasnyy East-, and Krasnyy North-targets on Krasnyy-license and Kapustinskiy-mineralisation at Pravovesenniy-licenses are in early exploration phase.

The licenses are geographically concentrated within a 15 x 20 km large area, within 40 to 75 km distance to the area's main town Bodaibo. The distance from the deposits to the main road is between one and 10 km. From Kavkaz in the west to Takhtykan in the east the distance is only 25 km, creating a good opportunity for servicing several deposits from one processing plant.

### Business concept and targets

Kopy Goldfields vision is to become a world-class exploration and production company. The company's business concept is to identify and develop bedrock gold projects located within the established area of alluvial gold mining in Lena Goldfields in Bodaibo area of Irkutsk Region in Russia from exploration into production. The long-term target is to hold 5 Moz of mineral resources and to be able to produce 0.2 Moz of gold annually.

## Kopy Goldfields develops 17 projects within 7 licenses on 255 sq km



## Project development January - June 2011

### Kopylovskoye license

#### Half-year exploration activities

During the period 5 788 meter of RC holes were drilled within Kopylovskoye-deposit to max depth of 180 meters. The main target of exploration was to test the mineralized structure to depth and along the strike to the density enough to report JORC compliant resources.

#### Results from exploration activities H12011

The Kopylovskoye license is the only license with mineral resources reported within the international JORC Code yet. The company aims to develop 17 projects and report all of their mineral resources within the JORC Code within the coming years. The three most advanced projects after Kopylovskoye are currently developed into mineral resources and are planned to be reported within the JORC Code. A mineral resource estimate within JORC Code was signed by SRK Consulting. The results from the report has been used in the impairment test to estimate the write-offs of 74,7 MSEK on the Kopylovskoye license, including both activated exploration work and acquisition costs for the license.

**Table 1. Mineral Resource Statement for the Kopylovskoye Gold Deposit, Irkutsk Region, Russia, SRK Consulting, June 7, 2011\***

Resource Category	Zone	Tonnes	Au Grade (g/t)	Contained Au (Oz)
Measured	All Zones	0	0	0
Indicated	All Zones	878, 000	1.31	37, 000
Inferred	All Zones	2,314, 000	1.07	80, 000

The mineral resource estimate was performed by Jeffrey Volk, MSc, CPG, FAusIMM of SRK.

\*Notes:

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves estimate;

Resources stated as contained within a potentially economically minable open pit stated above a 0.40g/t Au cut-off

Pit optimization is based on an assumed gold price of \$1,500/oz, metallurgical recovery of 90% and a processing and G&A cost of \$16.50/t Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding;

Mineral resource tonnage and grade are reported as diluted to reflect a potentially minable bench height of 1.5m

## **Kavkaz license**

### H1 2011 exploration activities

On Kavkaz-license 634 meter of RC-drilling and 1370 meter of diamond drilling have been completed and samples are analyzed in laboratory with the aim to explore gold mineralization along Milliony fault zone. Based on the results received the company targets to estimate resource potential for Milliony structure.

## **Prodolny license**

### H1 2011 exploration activities

- On Zolotoy-prospect within Prodolny- license the company completed five exploration trenches with the total length of 1700 meters. The drilling was commenced in August 2011.
- On West Uspenskoye-prospect within Prodolny-license 800 meters of trenching was finalized and chip samples were collected along the trench. Express gold and multi element analysis are under process. Drilling was commenced and expected to be completed by end of third quarter. The target of exploration activities was to trace Milliony fault structure from Kavkaz further to west within Uspenskoye mineralization. The drilling was commenced in July 2011.

### Results from exploration activities 2011

Mineralization on Zolotoy-prospect was strongly visible in trenches with thickness of mineralized rock increasing from east to west above 100 meters on surface.

## **Krasnyy license**

### H1 2011 exploration activities

Within Krasny licence we have completed 3.2 km of linear geophysical survey and prepared drill pads for diamond- and RC- drilling. The target of exploration is to validate Russian historic resources within Krasniy mineralization and test the Northen structure.

## **Pravovesenny, Vostochnaya and Takhtykan licenses**

Based on the results on the economic and production modeling which is been developed in- house currently, the company will make a decision to commence moderate evaluation of the property to understand how it can add up to the Kopylovskoye mine development.

## **Outlook second quarter 2011**

- The company target to cover Kavkaz-, Uspenskiye and Zolotoy within Prodolny license and Krasny-license with trenching and around 4,000 meter of RC and diamond drilling in order to assess resource potential
- The company continues to work with SRK Consulting who is continuously supervising the drilling and exploration results since they will issue a JORC-report. Samples from the activities are continuously analyzed at Alex Stewart Laboratory in Moscow.

## Second quarter 2011

During the period the Company invested 7.1 MSEK (6.5) in exploration and evaluation work and 0,0 MSEK (4,7) in new licences. Of the exploration and evaluation work 4.6 MSEK (2.5) consisted of work performed by the company for its own use and capitalised. After having received the mineral resource report within the JORC Code of the Kopylovskoye project which was lower than expected it was decided to reduce the book value of Kopylovskoye project with 74.7 MSEK to fair value based on impairment test with the new information from the new resource estimation within the JORC Code. The impairment test was made with the assumptions as described in the annual report for 2010, except for the gold price changed from 1 200 to 1 500 USD/oz and new estimations for the production and capital costs developed with the help of SRK Consulting. After the value adjustment amounts exploration licenses and evaluation work to 89 MSEK in the balance sheet.

Operating expenses amounted to 88.5 MSEK (7,0) of which 5,5 MSEK (3,2) were personnel costs. The net income includes the 74.7 MSEK value adjustments of exploration licences and evaluation work.

Net tax revenue amounted to 4.5 MSEK (-0.4) and was related to reduced deferred tax liability attributable to the impaired capitalized Kopylovskoye project costs.

Net income for the period amounted to -78.8 MSEK (-4.1) which equals -11.90 SEK per share (-1.70).

## January – June 2011

The Company has not yet started production and does therefore not report any net revenue.

During the period the Company invested 15,4 MSEK (12,4) in exploration work and 0,4 MSEK (4,7) in a new licence. The new license was acquired on an open auction. Of the exploration work 7,7 MSEK (5,0) consisted of work performed by the company for its own use and capitalised. The book value of the Kopylovskoye project was written off with 74,7 MSEK to fair value based on an impairment test with the new information from new resource report received at the end of second quarter. After the value adjustment amounts exploration licenses and evaluation work to 89 MSEK in the balance sheet.

Operating expenses amounted to 95,1 MSEK (10,3) of which 74,7 MSEK was a value adjustment of exploration licences work and 9,8 MSEK (5,6) were personnel costs.

Net income for the period amounted to -82,7 MSEK (-6,2) which equals -12.48 SEK per share (-2.55).

Net tax revenue amounted to 4,1 MSEK (-0,8) and was related to reduced deferred tax liability attributable to the impaired capitalized Kopylovskoye project costs.

Cash and cash equivalents amounted to 5,6 MSEK (5,5) at the end of the period.

Cash flow for the period amounted to 3,5 MSEK (-0,2). During the period the proceeds from the rights issue completed in December 2010 were received. The Company received 41,9 MSEK after set off of loans and net of issue costs. In the first quarter the Company also settled the remainder of the short term loans received during the autumn 2010 from a number of the larger shareholders, directors of the board and management. The remainder of the loans that were settled amounted to 4.0 MSEK.

Equity amounted to 105,4 MSEK (123,9) at the end of the period which equals 15.91 SEK per share (41.99).

Equity asset ratio was 91.9% (82,5%) at the end of the period.

The average number of employees during the period was 88(48). 38 persons were permanent employees and 50 persons were temporary employees involved in seasonal exploration work. The increase in employees during the period is due the drilling activities on Kopylovskoye and Kavkaz.

### **Going concern**

Gold exploration is a capital intensive activity and as noted above the Company does not yet have any revenue. As described in the 2010 annual report and prospectuses published in 2010 the Company will require additional financing to continue the operations for the next 12-month period. The Board believe that financing primarily should be done via new share issues possibly supplemented by bridge financing. Given the estimated values of the Company's licenses and probable additionally raised capital the Board's assessment is that the Company can continue on a going concern.

### **Significant events after the reporting period**

- Three new board members were elected on the EGM on July 27, 2011. Johan Österling, Patric Perenius and Andreas Forsell.
- An option program for the employees was approved by the EGM on July 27, 2011.
- Long-term loan commitments of 12.7 MSEK was agreed upon with major shareholders with 7 % Interest rate and two years duration
- A term-sheet non-binding agreement with Eldorado Gold Corp was reached on placing 2,700,000 shares for the total price of 29 MSEK.



## **The Parent Company**

Total assets at the end of the first half year period amounted to 230,0 MSEK (278,8). Cash and cash equivalents amounted to 5,4 MSEK (5,1). Net income for the first half year period amounted to -49,6 MSEK (-1,9). The net income includes a 45,4 MSEK write-off of loans to subsidiaries due to new resource estimation and impairment test of the Kopylovskoye project.

## **Risks and uncertainties**

A detailed description of the Company's risks is included in the 2010 annual report of Kopy Goldfields. There have not been any significant changes in significant risks and uncertainties during the period. The risks include, among others, geological risks, risks related to the deposits, supplier and contractor delivery risk, impairment test risks, gold price risks, currency exchange risk and political risks,

## **Financial calendar**

November 15, 2011

Interim report January - September 2011

## **For more information:**

Mikhail Damrin, CEO, +7 916 808 1217

Anna Sandgren (Daun Wester), Vice president Investor relations, +46 70 973 7131

## **Address:**

Kopy Goldfields AB (publ) (CIN 556723-6335)

Östermalmstorg 1, 114 42 Stockholm, SWEDEN

Tel: +46 8 709 73 71 31

[www.kopygoldfields.com](http://www.kopygoldfields.com)

Ticker codes:

KOPY (Nasdaq OMX First North)

## **Publication under Swedish law**

Kopy Goldfields is publishing this information in accordance with the Swedish Financial Markets Act (Sw. Lag om värdepappersmarknaden) and/or the Swedish Financial Trading Act (Sw. Lag om handel med finansiella instrument). This information was released for publication on August 31, 2011 at 08.45 CET.

Kopy Goldfields is since June 3, 2011, applying the internationally accepted JORC code to verify the mineral resources and ore reserves. SRK Consulting acts as consultant and will approve the mineral resources according to the JORC Code. Kopy Goldfields AB applies International Financial Reporting Standards (IFRS), as approved by the European Union. Mangold Fondkommission acts as Certified Adviser and Liquidity Provider

This report has not been reviewed by the company's auditors.

---

This report is an in-house translation of the original in Swedish

---

The Board of Directors declares that the six-month interim report provides a true and fair overview of the Company's operations, their financial position and performance, and describes material risks and uncertainties facing the Company.

Stockholm August 31, 2011  
Kopy Goldfields AB (publ)

Kjell Carlsson  
Chairman

Andreas Forsell  
*Director*

Peter Geijerman  
*Director*

Markku Mäkelä  
*Director*

Sergei Petrov  
*Director*

Johan Österling  
*Director*

Patrik Perenius  
*Director*

Mikhail Damrin  
*Chief Executive Officer*

---

This interim report and additional information are available on [www.kopygoldfields.com](http://www.kopygoldfields.com)

---

CONDENSED CONSOLIDATED INCOME STATEMENT

KSEK	Apr-Jun		Jan-Jun		Jan-Dec
	2011	2010	2011	2010	2010
Net turnover	0	0	0	0	0
Other revenue	526	223	727	223	433
<b>Total revenue</b>	<b>526</b>	<b>223</b>	<b>727</b>	<b>223</b>	<b>433</b>
Work performed by the company for its own use and capitalized	4 573	3 013	7 677	5 017	12 582
Other external costs	-8 257	-3 774	-10 553	-4 701	-8 046
Personnel costs	-5 485	-3 222	-9 802	-5 599	-15 962
Depreciation and write-downs of intangible and fixed assets	-74 708	-3	-74 710	-3	-5
<b>Total operating expenses</b>	<b>-88 450</b>	<b>-6 999</b>	<b>-95 065</b>	<b>-10 303</b>	<b>-24 013</b>
<b>Operating result</b>	<b>-83 351</b>	<b>-3 763</b>	<b>-86 661</b>	<b>-5 063</b>	<b>-10 998</b>
Financial items	15	4	-101	-400	-2 217
<b>Result after financial items</b>	<b>-83 336</b>	<b>-3 759</b>	<b>-86 762</b>	<b>-5 463</b>	<b>-13 215</b>
Tax	4 499	-373	4 047	-753	4 605
<b>NET INCOME FOR THE PERIOD</b>	<b>-78 837</b>	<b>-4 132</b>	<b>-82 715</b>	<b>-6 216</b>	<b>-8 610</b>
<i>Earnings per share before and after dilution</i>	<b>-11,90</b>	-1,70	<b>-12,48</b>	-2,55	-2,85
<i>Average number of shares before and after dilution</i>	6 626 937	2 433 004	6 626 937	2 433 004	3 024 366
<i>Number of shares at the end of the period</i>	6 626 937	2 950 020	6 626 937	2 950 020	6 626 937

\*The calculation of average number of shares and shares number of shares at the end of the period have taken the reverse splits that were completed in July/August 2010 and 2009 into account.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

KSEK	Apr-Jun		Jan-Jun		Jan-Dec
	2011	2010	2011	2010	2010
Net income for the period	-78 837	-4 132	-82 715	-6 216	-8 610
<i>Other comprehensive income</i>					
Exchange differences	2 862	-1 102	1 681	3 228	-11 683
<b>Total comprehensive income for the period</b>	<b>-75 975</b>	<b>-5 234</b>	<b>-81 034</b>	<b>-2 988</b>	<b>-20 293</b>

CONDENSED CONSOLIDATED BALANCE SHEET

<b>KSEK</b>	<b>2011 Jun 30</b>	<b>2010 Dec 31</b>
<i>ASSETS</i>		
Non-current assets		
<i>Intangible fixed assets</i>		
Exploration licenses and evaluation work	88 727	144 839
<i>Tangible fixed assets</i>		
Buildings and Machinery and equipment	10 023	6 182
<b>Total non-current assets</b>	<b>98 750</b>	<b>151 021</b>
<i>Current assets</i>		
Inventory	2 015	715
Receivables	8 455	57 303
Cash & cash equivalents	5 554	916
<b>Total current assets</b>	<b>16 024</b>	<b>58 934</b>
<b>TOTAL ASSETS</b>	<b>114 774</b>	<b>209 955</b>
<i>EQUITY AND LIABILITIES</i>		
<b>Equity</b>		
	<b>105 417</b>	<b>186 469</b>
<b>Total non-current liabilities</b>	<b>1 112</b>	<b>5 393</b>
<b>Total current liabilities</b>	<b>8 245</b>	<b>18 093</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>114 774</b>	<b>209 955</b>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

KSEK	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
<b>Cash flow from operating activities</b>	<b>-22 386</b>	<b>-6 769</b>	<b>-9 064</b>
<b>Cash flow from investing activities</b>	<b>-18 423</b>	<b>-18 136</b>	<b>-47 996</b>
<b>Cash flow from financing activities</b>	<b>44 277</b>	<b>24 690</b>	<b>52 293</b>
<b>Cash flow for the period</b>	<b>3 468</b>	<b>-215</b>	<b>-4 767</b>
Cash at the beginning of the period	916	5 702	5 702
Exchange differences on cash	3	14	-19
Cash at the end of the period	4 387	5 501	916

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	2011 Jan-Jun	2010 Jan-Jun	2010 Jan-Dec
Equity at the beginning of the period	<b>186 469</b>	<b>105 510</b>	<b>105 510</b>
Share issue	-	24 478	47 889
Nott yet registered share issue	-64 797	-	64 797
Registration share issue	64 797	-	-
Issue costs	-18	-3 132	-11 434
Net income for the period	-82 715	-6 216	-8 610
Other comprehensive income for the period	1 681	3 228	-11 683
Equity at the end of the period	<b>105 417</b>	<b>123 868</b>	<b>186 469</b>

PARENT COMPANY CONDENSED INCOME STATEMENT

KSEK	Apr-Jun		Jan-Jun		Jan-Dec
	2011	2010	2011	2010	2010
Revenue	1 137	395	1 962	900	3 043
Operating expenses	-3 872	-2 446	-6 969	-3 192	-9 214
<b>Operating result</b>	<b>-2 735</b>	<b>-2 051</b>	<b>-5 007</b>	<b>-2 292</b>	<b>-6 171</b>
Financial items	-45 008	15	-44 639	412	1 196
<b>Result after financial items</b>	<b>-47 743</b>	<b>-2 036</b>	<b>-49 646</b>	<b>-1 880</b>	<b>-4 975</b>
Tax	-	-	-	-	-
<b>NET INCOME FOR THE PERIOD</b>	<b>-47 743</b>	<b>-2 036</b>	<b>-49 646</b>	<b>-1 880</b>	<b>-4 975</b>

PARENT COMPANY CONDENSED BALANCE SHEET

KSEK	2011 Jun 30	2010 Dec 31
<b>ASSETS</b>		
<i>Financial fixed assets</i>		
Shares in group companies	218 652	195 707
Receivables, group companies	-	44 262
<b>Total non-current assets</b>	<b>218 652</b>	<b>239 969</b>
<i>Current assets</i>		
Receivables	5 957	52 520
Cash & cash equivalents	5 356	646
<b>Total current assets</b>	<b>11 313</b>	<b>53 166</b>
<b>TOTAL ASSETS</b>	<b>229 965</b>	<b>293 135</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>	<b>228 702</b>	<b>278 797</b>
<i>Total current liabilities</i>	<b>1 263</b>	<b>14 338</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>229 965</b>	<b>293 135</b>

## NOTES

### Note 1 Information about the Company

Kopy Goldfields AB (publ), corporate identity number 556723-6335, with registered office in Stockholm, Sweden, is a public company listed on Nasdaq OMX First North. The Company's and its subsidiaries' operations are described in the "Kopy Goldfields on a mission" section in this report.

### Note 2 Accounting principles

The interim report for the period ended June 30, 2011 has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act (*Sw. Årsredovisningslagen*). The interim consolidated financial statements have been prepared, consistently with the 2010 consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and by the Swedish Annual Reports Act. The parent company's financial statements have been prepared in accordance with the Swedish Annual Reports Act and the recommendations "RFR 2 on Financial Reporting for Legal Entities" issued by the Swedish Financial Reporting Board (*Sw. Rådet för finansiell rapportering*).

The same accounting principles have been applied during the period as were applied during the financial year 2010 and in the way they were described in the 2010 annual report. A number of new amendments to the IFRS and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) went into effect on January 1, 2011. None of the changes that have gone into effect have had any significant effect on Kopy Goldfields financial reports.

The interim report does not contain the entirety of the information that appears in the annual report and, accordingly, the interim report should be read in conjunction with the 2010 annual report.

### Note 3 Segment reporting

The Company applies IFRS 8 for segment reporting. All of the exploration activity within Kopy Goldfields is exposed to similar risks and possibilities and is performed within Russia. The Company's operations constitute one segment and segment information is therefore not disclosed.

### Note 4 Related party transactions

In January 2011 the Company repaid short term loans of 4 MSEK that had been received during the autumn from major shareholders, directors of the board and management. Long-term loan commitments of 12.7 MSEK were approved with major shareholders in August 2011 to secure further financing with 7 % interest rate and two years duration.

### Note 5 Receivables

The proceeds from the rights issue completed in December 2010, which were reported as current receivables, were received in the January 2011. The Company received net 41.9 MSEK after set off of loans and net of issue costs.

### Note 6 Registration of share issue

The rights issue completed in December 2010 was registered with the Swedish Companies Registration Office in the beginning of 2011.

### Note 7 Contingent liabilities

The Company has no Contingent liabilities on the balance day. The dispute with a former consultant as described in the annual report 2009 was solved during the second quarter.