

KOPY GOLDFIELDS - Interim report at March 31, 2012

Highlights during first quarter 2012

During the quarter, the next stage drilling program on the Krasny license was initiated and finalized in April 2012. The results from the 2,400 meters of core drilling are positive and confirm a mineralization of 240 meters along the strike.

- 8.5 meters @ 1.81 g/t, 14 m @ 1.4 g/t, 22.5 m @ 2.35 g/t, 79.25 m @ 1.83 g/t.
- The mineralisation is open in all directions.
- The results follow expectations and further drilling along strike is planned in order to estimate the scope of mineralization.

Acquisition of two new licenses which cover 232 km² and doubles the current exploration area was announced on March 5, 2012

- Purpolskaya 150 km² and Verkhnyaya Orlovka 81 km²
- Both license areas are covered with historic studies
- Known gold mineralization within the license boundaries.
- Both licenses neighbour known bedrock gold deposits
- Roads and other basic infrastructure in place
- Low acquisition costs of USD 1,000 and beneficial license terms
- Strong synergies with current portfolio and follow 5 Moz of mineral resources target

Financial information

- The Company does not yet report any revenue
- Net income MSEK -3.9 (-3.9)
- Earnings per share before and after dilution SEK -0.42 (-0.59)
- Cash flow from operating activities of MSEK -4.4 (-8.6)
- Cash and cash equivalents amounted to MSEK 9.1 (23.0) at period end

MSEK	First quarter		Jan-Dec
	2012	2011	2011
Evaluation work and licenses	7.0	8.6	36,5
Cash & cash equivalents at end of period	9.1	23.0	20,4
Profit/loss after financial items	-3.2	-3.4	-94,2
Net income for the period	-3.9	-3.9	-91,5
Earnings per share before and after dilution, SEK	-0.42	-0.59	-12,65

Significant events after the reporting period

On May 3, 2012, the Annual General Meeting of Kopy Goldfields AB (publ) decided to issue maximum 6,995,395 new shares with preferential rights for existing shareholders, with subscription price of SEK 3.80 per share. The prospectus was released on May 8, 2012 and the subscription period is May 14, 2012 – May 28, 2012. The Public is also invited to subscribe for shares to the extent that is possible by any subscription rights not used. The proceeds from the rights issue, if fully subscribed, may provide the Company with approximately MSEK 26.6 before transaction costs.

Comments from CEO

Dear Shareholders,

Successful development of drilling program on Krasny was the most important event during the first quarter.

Positive results from Krasny

The drilling was commenced on February 8. With average daily temperature during this period being below minus 20 degrees Celsius, we managed to complete on schedule on April 11. Total 2,412 meters of core boreholes were drilled, logged and assayed. The results were released on May 3. Results confirmed continuation of gold mineralization along the strike to the east and west from the line drilled in 2011 for total 240 meters. Within the drilled profiles we intersected mineralized zones which are similar to each other in mineralogy, grade and thickness. Results are in line with our expectations and supports further development of exploration activities. The exploration program for Krasny mineralization includes several drill stages and we now plan further drilling further along the strike. The proceeds from current share issue will be mostly used to support this drilling.

New acquisitions

In March we released information on acquisition of two new exploration properties covering 231 sq km which nearly double size of our license acreage. Both properties are located in highly prospective area for gold discoveries. There are known gold mineralizations and alluvial mining within new license areas which both neighbor existing bedrock gold deposits. The acquisition costs were very low totaling 1,000 USD and license terms are beneficial for us. The reason for this is that we applied and received so called prospecting licenses which give rights for prospecting and preliminary appraising gold occurrences and upon discovery of a deposit the license provides preferential rights for receiving an exploration and production license.

Further drilling and more acquisitions

Our next step exploration program will focus on further drilling on Krasny project during second and third quarter targeting to estimate scope of gold mineralization. We shall also proceed with land acquisitions in gold perspective area in order to get closer to 5 Moz resource target.

Thank you very much for of the faith in our projects and hope that you will support our current share issue.

Best regards,

Mikhail Damrin

Kopy Goldfields creates value through prospecting and exploration in Lena Goldfields

History of Kopy Goldfields

Kopy Goldfields AB (publ) (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 four years the company has acquired eight additional licenses (whereof two announced in March 2012) and developed a portfolio of 20 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: LLC Kavkaz Gold, LLC Kopylovskoye, LLC Krasny, LLC Prodolny, LLC Resurs and LLC Kopylovskoye Management and the Swedish subsidiary Kopy Development AB.

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 develop 5 Moz of mineral resources and to be able to produce 0.2 Moz of gold annually.

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

Following the last acquisition of two more exploration licenses, Kopy Goldfields has identified 20 bedrock gold targets within the existing license area.

During the Q1 of 2012 Kopy Goldfields focused exploration activities on Krasny project, where we drilled, logged and assayed 2,412 meters. This allows us to confirm and map the continuation and shape of gold mineralisation along the strike and plan further exploration activities.

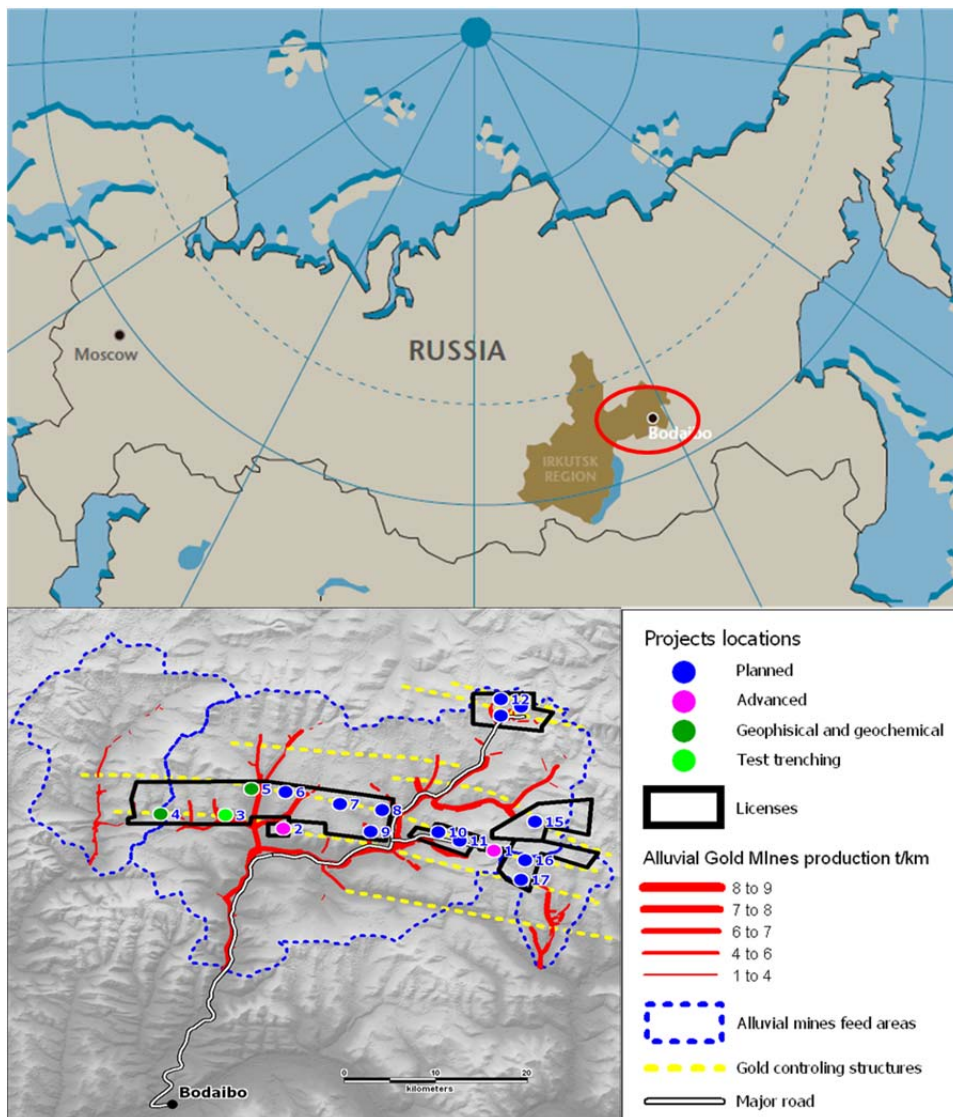
In addition to that we were drafting Russian compliant resource appraisal reports covering Kopylovskoye and Kavkaz properties. These activities will proceed in Q2 targeting to establish and register resource and reserves for both projects under Russian classification which is crucial for further development of both projects towards production under joint venture arrangements.

We proceeded with summarizing and reinterpreting the historic exploration data covering Bodaibo syncline area in order to develop a unified model of the area and better target our exploration efforts within Prodolny, Vostochnaya, Takhtykan and Pravovesenny areas. Following acquisition of Purpolskaya and Verkhnya Orlovka properties in February 2012, we initiated compliance paperwork to authorise exploration activities within these licenses and also started to collect, digitalise and re-interpret the historic exploration data covering both properties in order to develop an exploration work scope.

Kopy Goldfields has a pipeline of 20 projects within 9 licenses on 487 km²

Well developed infrastructure and trusted by local authorities

The licenses (apart from the two licenses acquired in 2012) are geographically concentrated within a 40 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 ten 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. The infrastructure is well developed with water supply, electricity and federal roads to the deposits. The deposits are located approximately 100 km from Sukhoy Log (60 Moz) which is the largest undeveloped gold deposit in Russia. Artemovskiy district (Lena Goldfields) is the target exploration area with 20 Moz of historic alluvial gold production. All our subsidiaries in Russia closely follow Russian environmental and safety requirements and are on good record with local authorities.



Outlook 2012

The company has developed a plan for 2012 together with the Technical Committee. The focus is to create value on Krasny and drill the project in several stages to be able to estimate a mineral resource. The company plans to acquire additional licenses within Lena Goldfields and prepare a Joint Venture production for Kopylovskoye and Kavkaz. The company intends to further reduce administration costs.

January – March 2012

(Numbers in brackets refer to the same period last year)

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

During the period the Company invested MSEK 7.0 (8.6) in exploration work and acquisitions of licenses, whereof MSEK 6.9 (8.3) was exploration work and MSEK 0.1 (0.3) was acquisition of two new licences. The new licenses were acquired on a public auction. Of the exploration work MSEK 3.7 (3.1) consisted of work performed by the company for its own use and capitalised. The exploration licenses and evaluation work amounts to MSEK 116.6 in the balance sheet (152.5).

Operating expenses amounted to MSEK 6.8 (6.6) of which MSEK 4.3 (4.3) were personnel costs.

Net tax expenses amounted to MSEK 0.6 (0.5), mainly explained by change in deferred tax liability. The company does not record any deferred tax assets related to tax loss carry forwards.

Net profit for the period amounted to MSEK -3.9 (-3.9) which equals SEK -0.42 per share (-0.59).

During the period January – March the Russian ruble strengthened against the Swedish krona by approximately 4,7%, compared to a depreciation by 0.7 % during the corresponding period last year. Since a large portion of the Groups assets are denominated in rubles, the Company reports exchange differences of MSEK 4.5 (-1.2) in the consolidated statement of comprehensive income for the period.

Cash and cash equivalents amounted to MSEK 9.1 (23.0) at the end of the period.

Cash flow for the period amounted to MSEK -11.3 (22.1). During the period last year, the proceeds from the rights issue completed in December 2010 were received. The Company received MSEK 41.9 after set off of loans and net of issue costs. No corresponding transactions have been carried out during the first quarter 2012.

Equity amounted to MSEK 122.5 (181.3) at the end of the period which equals SEK 13.13 per share (27.37).

Equity asset ratio was 85.23 % (93.9%) at the end of the period.

The average number of employees during the period was 64 (83). 39 (48) persons were permanent employees and 25 (34) persons were temporary employees involved in seasonal exploration work. Number of employees at period end was 64 (97).

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 2011 annual report and the prospectus published in May 2012, 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. The Board intensified the work for further financing during the first quarter 2012 and on May 3, 2012 the Annual General Meeting decided on a rights issue with preferential rights for existing shareholders. The proceeds from the Rights issue, if fully subscribed, may provide the Company with approximately MSEK 26.6 before transaction costs. 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

On May 3, 2012, the Annual General Meeting of Kopy Goldfields AB (publ) decided to issue maximum 6,995,395 new shares with preferential rights for existing shareholders, with subscription price of SEK 3.80 per share. The prospectus was released on May 8, 2012 and the subscription period is May 14, 2012 – May 28, 2012. The Public is also invited to subscribe for shares to the extent that is possible by any subscription rights

not used. The proceeds from the Rights issue, if fully subscribed, may provide the Company with approximately MSEK 26.6 before transaction costs.

The Parent Company

Total assets at period end amounted to MSEK 238.7 (278.4). Cash and cash equivalents amounted to MSEK 7.8 (22.7). Net income for the period amounted to MSEK -0.8 (-1.9).

Risks and uncertainties

A detailed description of the Company's risks is included in the 2011 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,

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

Stockholm May 16, 2012
Kopy Goldfields AB (publ)

The Board of Directors

Upcoming financial reporting

August 24, 2012
November 16, 2012

Half-year report
Quarterly report July - September 2012

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Ticker codes: KOPY (Nasdaq OMX First North)
Number of shares: 9,327,193

Publication under Swedish law

Kopy Goldfields AB (publ) 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 May 16, 2012 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.

This interim report and additional information are available on www.kopygoldfields.com

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

Condensed Consolidated Income Statement

KSEK	Jan – Mar		Jan – Dec
	2012	2011	2011
Net turnover	0	0	0
Other revenue	559	201	3 236
Total revenue	559	201	3 236
Work performed by the company for its own use and capitalized	3 302	3 104	15 049
Other external costs	-2 506	-2 296	-17 865
Personnel costs	-4 308	-4 317	-19 504
Depreciation and write-downs of intangible and fixed assets	-2	-2	-74 714
Total operating expenses	-6 816	-6 615	-112 083
Operating result	-2 955	-3 310	-93 798
Financial items	-253	-116	-401
Result after financial items	-3 208	-3 426	-94 199
Tax	-685	-452	2 654
NET INCOME FOR THE PERIOD	-3 893	-3 878	-91 545
<i>Earnings per share before and after dilution</i>	-0.42	-0.59	-12,65
<i>Average number of shares before and after dilution</i>	9 327 193	6 626 937	7 235 292
<i>Number of shares at the end of the period</i>	9 327 193	6 626 937	9 327 193

Consolidated Statement of Comprehensive Income

KSEK	Jan – Mar		Jan – Dec
	2012	2011	2011
Net income for the period	-3 893	-3 878	-91 545
<i>Other comprehensive income</i>			
Exchange differences	4 519	-1 181	-1 920
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	626	-5 059	-93 465

Condensed Consolidated Balance Sheet

KSEK	Note	2012 Mar 31	2011 Dec 31	2011 Mar 31
ASSETS				
<i>Non-current assets</i>				
<i>Intangible fixed assets</i>				
Exploration licenses and evaluation work		116 662	104 700	152 478
<i>Tangible fixed assets</i>				
Buildings and Machinery and equipment		9 012	9 015	7 450
Total non-current assets		125 634	113 715	159 928
<i>Current assets</i>				
Inventory		2 043	1 776	1 668
Receivables		6 955	5 392	8 610
Cash & cash equivalents		9 055	20 386	22 984
Total current assets		18 053	27 554	33 262
TOTAL ASSETS		143 687	141 269	193 190
EQUITY AND LIABILITIES				
Equity	6, 7	122 466	121 926	181 392
Total non-current liabilities		13 031	12 096	5 644
Total current liabilities		8 190	7 247	6 154
TOTAL EQUITY AND LIABILITIES		143 687	141 269	193 190

Condensed Consolidated Cash Flow Statement

KSEK	Note	2012	2011	2011
		Jan – Mar	Jan – Mar	Jan-Dec
Cash flow from operating activities		-4 443	-8 570	-25 363
Cash flow from investing activities		-6 814	-13 517	-38 010
Cash flow from financing activities	5	-89	44 157	82 855
Cash flow for the period		-11 346	22 070	19 482
Cash at the beginning of the period		20 386	916	916
Exchange differences on cash		15	-2	-12
Cash at the end of the period		9 055	22 984	20 386

Condensed Consolidated Statement of Changes in Equity

KSEK	Note	2012	2011	2011
		Jan-Mar	Jan-Dec	Jan - Mar
Equity at the beginning of the period		121 926	186 469	186 469
Share issue		-	29 006	-
Not yet registered share issue	6	-	-64 797	-64 797
Registration share issue	6	-	64 797	64 797
Issue costs		-86	-522	-18
Warrants	7	-	438	-
Net income for the period		-3 893	-91 545	-3 878
Other comprehensive income for the period		-4 519	-1 920	-1 181
Equity at the end of the period		122 466	121 926	181 392

Parent Company Condensed Income Statement

KSEK	Jan - Mar		Jan-Dec
	2012	2011	2011
Revenue	306	825	3 183
Operating expenses	-1 353	-3 097	-12 650
Operating result	-1 047	-2 272	-9 467
Financial items	249	369	-70 987
Result after financial items	-798	-1 903	-80 454
Tax	0	0	0
NET INCOME FOR THE PERIOD	-798	-1 903	-80 454

Parent Company Condensed Balance Sheet

KSEK	Note	2012	2011	2011
		Mar 31	Dec 31	Mar 31
ASSETS				
<i>Financial fixed assets</i>				
Shares in group companies		220 161	210 733	207 030
Receivables, group companies		4 070	2 282	43 949
Total non-current assets		224 231	213 015	250 979
<i>Current assets</i>				
Receivables		6 664	6 607	4 727
Cash & cash equivalents		7 812	19 626	22 718
Total current assets		14 476	26 233	27 445
TOTAL ASSETS		238 707	239 248	278 424
EQUITY AND LIABILITIES				
Equity	6, 7	226 692	226 896	275 788
Total non-current liabilities		10 230	10 230	-
Total current liabilities		1 785	2 122	2 636
TOTAL EQUITY AND LIABILITIES		237 707	239 248	278 424

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, Stockholm under the ticker code "KOPY". The Company's and its subsidiaries' operations are described in the "Kopy Goldfields creates value through prospecting and exploration in Lena Goldfields" section in this report.

Note 2 Accounting principles

The interim report for the period ended March 31, 2012 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 2011 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 2011 and in the way they were described in the 2011 annual report.

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 2011 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

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company compared with the information given in the 2011 annual report.

Note 5 Receivables

The proceeds from the rights issue completed in December 2010 were received in January 2011. The Company received net MSEK 41.9 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 Warrants

The Extra General Meeting on July 27, 2011 approved a long-term incentive program for key personnel within the company through issuance of warrants. The warrants were issued to the subsidiary Kopy Development from which the participants bought the warrants to market value. The exercise date is October 15, 2013 and strike price is SEK 7.10. Each warrant entitles the subscriber to subscribe for one share in the Company, and the share capital can be increased by SEK 1 178 958 at maximum.

Note 8 Contingent liabilities

The Company has no contingent liabilities on the balance day.