

KOPY GOLDFIELDS AB (publ) Interim Report January – March 2013

Significant events during first quarter 2013

An updated mineral resource report was issued for a part of the Krasny Gold deposit on March 26, 2013, showing totally 1.37 Moz of Inferred and Indicated gold resources at 1.59 g/t according to JORC.

- Indicated Mineral resources of 0.21 Moz (4.3 million tons of rock at an average grade 1.53 g/t Au) and Inferred Mineral resources of 1.16 Moz (22.5 million tons at an average grade of 1.60 g/t Au).
- The estimation covers 1,300 meters of mineralization out of total 2,850 meters strike confirmed with the recent drilling.

Significant events after the reporting period

A scoping study was done for the Krasny project and was released in April 2013. The scoping study confirms a potential for 60 koz of open pit production of gold per year during 18 years and financial returns of USD 360 million in free cash flow. Highlights of the scoping study are the following:

- Total gold resources mined: 1.3 Moz (40.7 tons) at an average grade of 1.53 g/t
- Annual gold production: 62.8 koz (1,955 kg)
- Undiscounted project value: USD 362 million (USD 458 million pretax)
- Discounted project value (NPV): USD 192 million at 5% discount rate (USD 101 million at 10%)
- IRR: 23.9%
- Annual average revenue from gold sales: USD 105 million
- Annual average profit before tax: USD 26.5 million
- Capital costs (plant, open pit, infrastructure): USD 147 million
- Production costs (mining and processing): 855 USD/oz
- Average Gold price: 1,670 USD/oz (sensitivity analysis shows positive cash flow at a gold price of 1,240 USD/oz)
- Plant capacity: 1.5 million tons per year
- Average strip ratio: 4.6 m³/t
- Overall recovery: 85%
- Life of mine: 18 years

Financial information first quarter 2013

- The Company does not yet report any revenue
- Net income MSEK 1.1 (-3.9)
- Earnings per share before and after dilution SEK 0.05 (-0.41)
- Total cash flow of MSEK -8.9 (-11.3)
- Cash and cash equivalents amounted to MSEK 2.5 (9.1) at period end

MSEK	First Quarter		Jan - Dec
	2013	2012	2012
Evaluation work and licenses	8.6	7.0	36.7
Cash & cash equivalents at end of period	2.5	9.1	11.4
Profit/loss after financial items	-2.6	-3.2	-14.8
Net income for the period	1.1	-3.9	-17.0
Earnings per share before and after dilution, SEK	0.05	-0.41	-1.23

Comments from CEO

Dear shareholders,

During the first quarter of 2013 we were developing and building on the results from 2012.

Firstly, we completed the drilling of the extra 2,400 meters on our Krasny South project, targeting the western strike extension of the structure. Based on the preliminary new drilling results received and upon reviewing the results from the 2012 resource modeling, we initiated a resampling of 340 meters of core from the 2012 drilling with fire assay test. This core is relating to the Upper mineralization within the intervals that we initially did not expect to be mineralized, and hence we did not sample it before because of cost saving reasons. Now we are confident that the core will contain minable gold and also add to the resources within the Upper mineralization close to surface. These activities will be completed shortly and after that we will release the results.

Secondly, we completed a Scoping study for the Krasny project based on the resources reported in November 2012. The study confirms a potential for 60 koz of open pit production of gold per year during 18 years, with strong financial returns of 360 MUSD in free cash flow. This Scoping study is a strong confirmation that the Krasny project is worth developing further into the Feasibility Stage. Although the majority of resources are Inferred and the mineralization is open along strike and to depth, I believe that we now have good information over the Krasny project to market it to potential partners and to develop the project further under a Joint Venture arrangement.

Thirdly, we received the licenses covering the 1,852 km² exploration area in Lena Goldfields, which we won on a public auction in the end of 2012. We have completed accumulation and review of historic exploration data for this new license area and we have also compiled the exploration program for the season. We are able to avoid expensive airborne survey and also speed up the exploration process by already now identifying target areas for ground prospecting activities. Our intention is to develop this project in a partnership with another exploration company in order to reduce our own exploration spending.

It is unfortunate that the external markets at the moment are not supportive for the operations. The financial markets have not yet recovered from the prolonged 2008 depression, aggravated now by a severe crisis in the mining sector originated in Canada. The crisis is fueled by the bearish market expectations over the short-term gold price and a slide in the share price of mining companies over the last years due to depressed profits and continuous mining costs rise.

Responding to the depressed market conditions, we have significantly decreased own exploration spending during this year and also revised our development strategy going forward. We have the largest exploration land position in the Lena Goldfields area and a good portfolio of projects. We now intend to develop more projects under partnership/joint venture agreements, which will allow us to develop the projects faster and to share value growth from more projects.

We will proceed with intensive cost reduction activities, reviewing and cutting any process not relating directly to exploration. However, we are careful to preserve the knowledge and expertise within the company that allow us to compete in the industry. Our target is to further reduce our overhead costs significantly.

After several years of prospecting and exploration, we now have a portfolio of assets with clear value. This will back us up to survive through the current turbulence in the mining industry.

With kind 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 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 six years the company has acquired 14 additional licenses (whereof eight announced in 2012) and developed a portfolio of 26 exploration targets hence the company decided to change name from Kopylovskoye AB to Kopy Goldfields AB (publ) in 2011. Kopy Goldfields AB is the holding company for seven Russian subsidiaries: LLC Kavkaz Gold, LLC Kopylovskoye, LLC Krasny, LLC Prodolny, LLC Vostochny, LLC Patom Gold and LLC Taiga and the Swedish subsidiary Kopy Development AB. During 2012 LLC Kopylovskoye Management was closed down and a representative office in Moscow was opened.

Business concept and targets

Kopy Goldfields vision is to become a world-class exploration 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 discover 5 Moz of mineral resources to support production of 0.2 Moz of gold within existing and new license areas.

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

During the first quarter of 2013, Kopy Goldfields focused exploration activities on the Krasny project, where we drilled, logged and assayed 2,495 meters. Further, 340 meters of the 2012 core drilling were resampled with fire assay test.

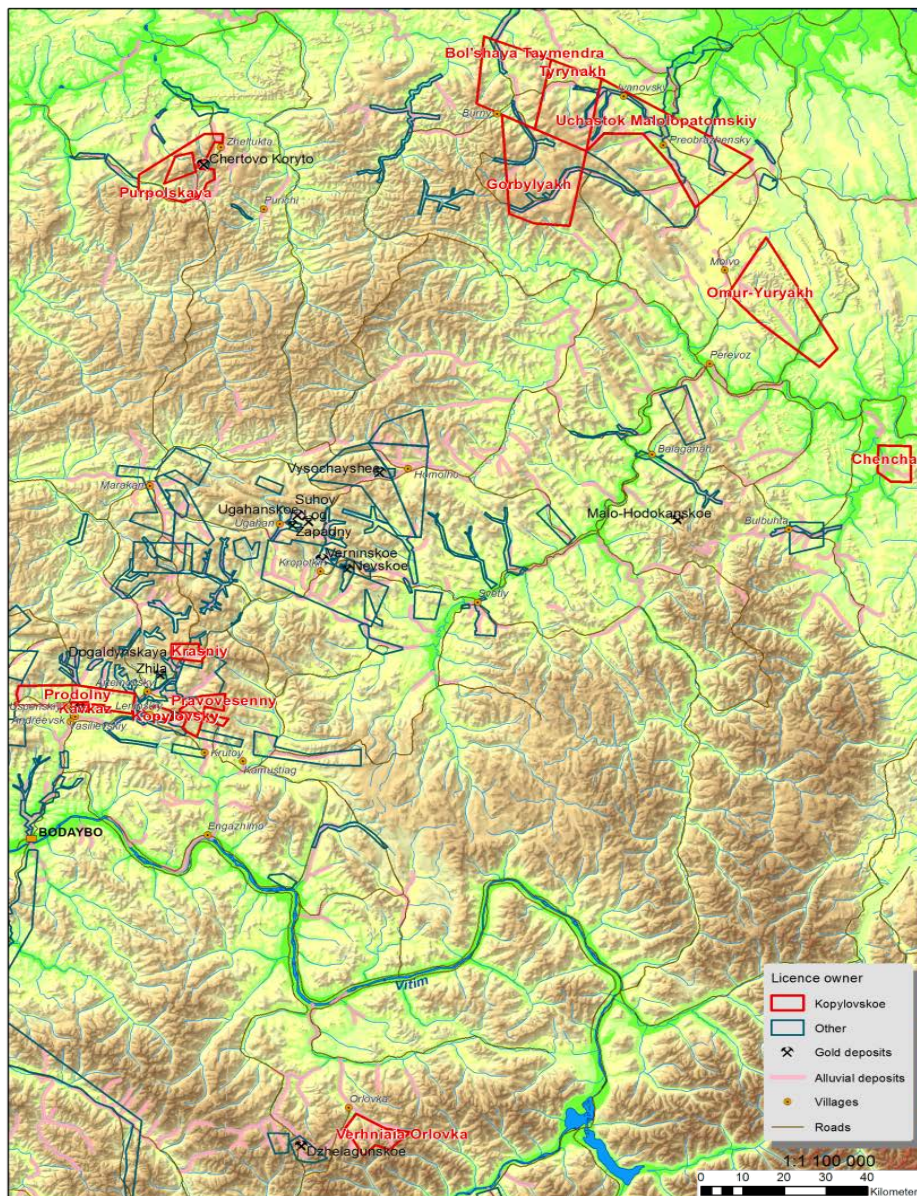
We proceeded with summarizing and reinterpreting the historic exploration data covering the Northern Territories where we received 6 exploration properties covering 1,852 km² in late 2012 with the target to develop the exploration program for these properties for the coming season.

Kopy Goldfields has a pipeline of 26 projects within 15 licenses on 2,338 km²

Well-developed infrastructure and trusted by local authorities

Seven of the licenses are geographically concentrated within a 40 x 20 km large area, within 40 to 75 km distance to the area's main town Bodaybo. 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. Eight licenses, all acquired during 2012, are geographically located on a distance of 200 – 300 km from Bodaybo, all served by a public road and have a history of alluvial production.

All deposits are located up to 150 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 Russian subsidiaries closely follow the Russian environmental and safety requirements and are on good record with local authorities.



January – March 2013

(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 first quarter the Company invested MSEK 8.6 (6.9) in exploration work. No acquisition of licenses was done during the period (MSEK 0.1 in 2012). Of the exploration work MSEK 3.8 (3.7) consisted of work performed by the company for its own use and capitalised. The exploration licenses and evaluation work amounts to MSEK 145.6 (116.6) in the balance sheet.

Operating expenses amounted to MSEK 6.1 (6.8) of which MSEK 4.3 (4.3) were personnel costs.

Net tax for the period amounted to MSEK 3.7 (-0.7), explained by changes in deferred tax liability as a result of restructuring and change in final tax in the Russian subsidiaries. The company does not record any deferred tax assets related to tax loss carry forwards.

Net profit for the period amounted to MSEK 1.1 (-3.9) which equals SEK 0.05 per share (-0.41).

During the period January – March the Russian rouble depreciated against the Swedish krona by approximately 2.2 %, compared to a strengthened currency by 4.7 % during the corresponding period last year. Since a large portion of the Groups assets are denominated in roubles, the Company reports exchange differences of MSEK -2.8 (4.5) in the consolidated statement of comprehensive income for the quarter.

Cash and cash equivalents amounted to MSEK 2.5 (9.1) at the end of the period.

Equity amounted to MSEK 152.6 (122.4) at the end of the period which equals SEK 6.68 per share (12.96).

Equity asset ratio was 94.7 % (85.2 %) at the end of the period.

The average number of employees during the period was 55 (64). 21 (39) persons were permanent employees and 34 (25) persons were temporary employees involved in seasonal exploration work. Number of employees at period end was 52 (64).

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 2012 annual report, the Company will require additional financing to continue the operations for the next 12-month period. The Board believes that financing primarily should be done via either sale of assets or new share issues possibly supplemented by bridge financing. The priority is given to get revenue through divestment or Joint venture agreements over the Kopylovskoye-, Kavkaz- and potentially Krasny projects. 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

A scoping study was done for the Krasny project and was released in April 2013. The scoping study confirms a potential for 60 koz of open pit production of gold per year during 18 years and financial returns of USD 360 million in free cash flow.

There have been no other significant events after the reporting period.

The Parent Company

Total assets at period end amounted to MSEK 265.4 (238.7). Cash and cash equivalents amounted to MSEK 2.3 (7.8). Net income for the period amounted to MSEK -1.6 (-0.8).

During the 2012, LLC Kopy Management was closed down and a representative office was opened in Moscow, which means that the profit and loss statement of the Parent Company includes the expenses of the Moscow office, amounting to MSEK 0.7, in year 2013.

The transactions above had no impact on the consolidated accounts.

Risks and uncertainties

A detailed description of the Company's risks is included in the 2012 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, liquidity risks, gold price risks, currency exchange risk and political risks.

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

Stockholm May 16, 2013
Kopy Goldfields AB (publ)

The Board of Directors

Upcoming financial reporting

August 22, 2013 Half year report 2013
November 14, 2013 Interim report Q3 2013

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Number of shares: 22,851,621

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, 2013 at 08.00 CET.

Kopy Goldfields is since June 3, 2011, applying the internationally accepted JORC code to verify the mineral resources and ore reserves. SRK Consulting and OOO Miramine act as consultants 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. Aqurat 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
	2013	2012	2012
Net turnover	0	0	0
Other revenue	240	559	1 778
Total revenue	240	559	1 778
Work performed by the company for its own use and capitalized	3 456	3 302	12 186
Other external costs	-1 826	-2 506	-10 115
Personnel costs	-4 261	-4 308	-18 004
Depreciation and write-downs of intangible and fixed assets	-15	-2	-60
Total operating expenses	-6 102	-6 816	-28 179
Operating result	-2 406	-2 955	-14 215
Financial items	-149	-253	-609
Result after financial items	-2 555	-3 208	-14 824
Tax	3 704	-685	-2 203
NET INCOME FOR THE PERIOD	1 149	-3 893	-17 027
<i>Earnings per share before and after dilution*</i>	0,05	-0,41	-1.23
<i>Average number of shares before and after dilution*</i>	22 851 621	9 540 942	13 838 263
<i>Number of shares at the end of the period*</i>	22 851 621	9 450 942	22 851 621

*Earnings per share before and after dilution and Average number of shares before and after dilution, as well as Number of shares at the end of the period has been recalculated to reflect the rights issues in 2012.

Consolidated Statement of Comprehensive Income

KSEK	Jan – Mar		Jan – Dec
	2013	2012	2012
Net income for the period	1 149	-3 893	-17 027
<i>Items that may be reclassified subsequently to profit or loss</i>			
Translation differences on foreign operations	-2 818	4 519	-1 460
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1 669	626	-18 487

Condensed Consolidated Balance Sheet

KSEK	Note	Mar 31 2013	Dec 31 2012	Mar 31 2012
ASSETS				
<i>Non-current assets</i>				
<i>Intangible fixed assets</i>				
Exploration licenses and evaluation work		145 582	140 422	116 622
<i>Tangible fixed assets</i>				
Buildings and Machinery and equipment		6 862	7 237	9 012
Total non-current assets		152 444	147 659	125 634
<i>Current assets</i>				
Inventory		1 938	1 876	2 043
Receivables		4 301	5 245	6 955
Cash & cash equivalents		2 480	11 421	9 055
Total current assets		8 719	18 542	18 053
TOTAL ASSETS		161 163	166 201	143 687
EQUITY AND LIABILITIES				
Equity		152 625	154 307	122 466
Total non-current liabilities	6	147	3 672	13 031
Total current liabilities	6	8 391	8 222	8 190
TOTAL EQUITY AND LIABILITIES		161 163	166 201	143 687

Condensed Consolidated Cash Flow Statement

KSEK	Note	Jan – Mar		Jan – Dec
		2013	2012	2012
Cash flow from operating activities		-1 302	-4 443	-14 945
Cash flow from investing activities		-7 603	-6 814	-34 616
Cash flow from financing activities		-13	-89	40 617
Cash flow for the period		-8 918	-11 346	-8 944
Cash at the beginning of the period		11 421	20 386	20 386
Exchange differences on cash		-23	15	-21
Cash at the end of the period		2 480	9 055	11 421

Condensed Consolidated Statement of Changes in Equity

KSEK	Note	Jan – Mar	Jan – Dec	Jan – Mar
		2013	2012	2012
Equity at the beginning of the period		154 307	121 926	121 926
Share issue		0	51 394	0
Issue costs		-13	-1 359	-86
Warrants		0	833	0
Net income for the period		1 149	-17 027	-3 893
Other comprehensive income for the period		-2 818	-1 460	4 519
Equity at the end of the period		152 625	154 307	122 466

Parent Company Condensed Income Statement

KSEK	Jan – Mar		Jan – Dec
	2013	2012	2012
Revenue	60	306	919
Operating expenses	-1 537	-1 353	-8 015
Operating result	-1 477	-1 047	-7 096
Financial items	-127	249	-6 144
Result after financial items	-1 604	-798	-13 240
Tax	0	0	0
NET INCOME FOR THE PERIOD	-1 604	-798	-13 240

Parent Company Condensed Balance Sheet

KSEK	Note	Mar 31	Dec 31	Mar 31
		2013	2012	2012
ASSETS				
<i>Non-current assets</i>				
Total tangible fixed assets		219	234	-
Total financial fixed assets		255 299	249 921	224 231
<i>Current assets</i>				
Receivables		7 545	7 593	6 664
Cash & cash equivalents		2 345	9 890	7 812
Total current assets		9 890	17 483	14 476
TOTAL ASSETS		265 408	267 638	238 707
EQUITY AND LIABILITIES				
Equity		262 136	263 683	226 692
Total non-current liabilities	6	-	-	10 230
Total current liabilities	6	3 272	3 955	1 785
TOTAL EQUITY AND LIABILITIES		265 408	267 638	238 707

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, 2013 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 2012 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 2012 and in the way they were described in the 2012 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 2012 annual report.

Note 3 Fair value of financial instruments

Financial assets include loans and accounts receivables, prepayments and cash and cash equivalents. All financial liabilities have been classified as other financial liabilities valued at amortized cost, which includes non-current financial liabilities, current interest bearing liabilities, accounts payable and part of other current liabilities. The fair value of the financial assets and liabilities are estimated to in all material respects correspond to the carrying values as the maturities are short term or the interest rates are estimated to be on market terms.

Note 4 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 5 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 2012 annual report. See also note 6.

Note 6 Liabilities

During 2012 MSEK 9.6 were repaid and due for payment is MSEK 1.3 including interest. The loans have been reclassified from non-current liabilities to current liabilities since they are due for payment in July 2013.

Note 7 Contingent liabilities

The Company has no contingent liabilities on the balance day.