

KOPY GOLDFIELDS AB (publ) Year End Report January – December 2016

Financial information July – December and full year 2016

- The Company does not yet report any revenue
- Net income MSEK -1.7 (-3.9), full year -5.0 (-3.7)
- Earnings per share before and after dilution SEK -0.02 (-0.07), full year -0.08 (-0.07)
- Total cash flow of MSEK 1.6 (-1.3), full year 9.3 (0.3)
- Investments in exploration work and licenses MSEK 1.8 (2.1), full year 1.9 (2.7)
- Investments into joint ventures MSEK 8.6 (-), full year 8.6 (-)
- Cash and cash equivalents amounted to MSEK 10.7 (1.4) at period end
- The Board of Directors proposes that no dividend is paid

| MSEK | Jul – Dec | | Jan – Dec | |
|---|-----------|-------|-----------|-------|
| | 2016 | 2015 | 2016 | 2015 |
| Investments in exploration work and licenses | 1.8 | 2.1 | 1.9 | 2.7 |
| Investments into joint ventures | 8.6 | - | 8.6 | - |
| Cash & cash equivalents at end of period | 10.7 | 1.4 | 10.7 | 1.4 |
| Profit/loss after financial items | -1.7 | -3.9 | -5.0 | -3.8 |
| Net income for the period | -1.7 | -3.9 | -5.0 | -3.7 |
| Earnings per share before and after dilution, SEK | -0.02 | -0.07 | -0.08 | -0.07 |

Significant events during July – December and full year 2016

In February 2016, a short-term loan of MSEK 3 was converted into shares

- In total, 5,454,545 new shares were issued by converting a debt of SEK 2,999,999.75 at the subscription price of 0.55 SEK/share. The share capital was increased by SEK 2,073,934.09 to SEK 22,775,080.27 and the number of shares amount to 59,899,541 following the share issue.

On March 30, 2016, the formal approval of a mineral reserve report for the Krasny deposit was received by the Russian authorities.

- The report was prepared in accordance with the Russian GKZ regulations, and confirmed gold reserves of 9.767 tons (314 koz) in the C2 category. The project was recommended for development into production.
- The Krasny mineralization was classified as a “gold deposit” and the Company was graded as a “pioneer discoverer” in Russia.

In April 2016, an additional consideration was received and a short-term loan was repaid

- On April 21, 2016, the Company received an additional consideration of MUSD 2 from GV Gold in accordance with the joint venture agreement and at the same time, the short term interest bearing loan of MSEK 3.3 from five shareholders was repaid. The Company is now debt free.

In May 2016, a new positive scoping study was announced for the Krasny deposit

- The scoping study was performed by Irgiredmet engineering consultancy and included the exploration results from Stage 2 of the exploration program (November 2015).
- The study evaluated gold production from the Upper structure only and confirmed feasibility of Krasny mine development with a total undiscounted free cash flow of USD 94 million at a fixed gold price of 1,100 USD/oz and estimated total production costs of 475 USD/oz.

In May 2016, a JORC mineral resource update was announced for the Krasny deposit

- The updated JORC mineral resource estimate was issued by Micon International Co Limited and was based on the exploration data acquired until January 2016 and covered both the Upper and Lower mineralization.

- It shows 288,000 oz of Indicated mineral resources (7,848,000 tons of rock at an average grade of 1.141 g/t Au) and 667,000 oz of Inferred mineral resources (12,324,000 tons at an average grade of 1.682 g/t Au) within an economically minable open pit.

A new mineralization on Krasny was discovered during 2016, preliminary called Krasny North

- The mineralization is located approximately 4 km to the North from the Krasny Central deposit.
- It has been confirmed in 4 drill profiles so far, for a total strike of 600 meters and for 140 meters down dip.
- The new mineralization will be included into the new JORC resource update coming in 2017.

In October 2016, the Company launched a new homepage

- The new website is responsive, has a new design and presents the Kopy Goldfields' projects in a more informative way than previously.

A share issue with preferential rights for existing shareholders was finalized and registered by the Swedish Companies Registration Office in November 2016

- The share issue was subscribed to 166.4%, whereof 91.5% of the shares were subscribed by shareholders using their preferential rights.
- The number of shares in the Company increased by 19,966,513 to 79,866,054 shares and the Company received MSEK 16.6 net of transaction costs.

The year 2016 exploration program on the Northern Territories was finalized

- 1,852 sq km were covered with a stream sediment survey and 5,380 samples were collected, processed and analyzed.
- A great exploration potential is confirmed and 12 prioritized clusters for more detailed exploration have been identified.

Statutory approval for pilot mining operations on the Kopylovskoye license was received

- Negotiations with several potential pilot production partners are being held with the target to commence test gold mining during 2017.

Comments from CEO

Dear shareholders,

In 2016, we made obvious progress with our projects, reaching all planned targets. At the same time, financial markets favored gold price and mining industry development and we saw clear signs of worldwide return of interest to gold exploration activities. Tensions between Russia and the West did not escalate and we noticed a request for normalization of business relations. All in all, our projects seem to be in the right industry and in the right momentum for a long growth story.

Our flagship Krasny project is steadily moving towards production. We consider to develop the project in two stages, starting with Stage 1 and mining of the Krasny Upper structure and later add Stage 2 with mining of the Lower structure. The 2016 activities primarily targeted Stage 1 development; we proved Russian GKZ reserves for the Upper structure, issued a detailed scoping study, proceeded with further exploration along the strike and we initiated the work with the processing flow chart and a PFS report (investment justification report). The processing flow chart will be finalized shortly and the PFS report, planned for Q2 2017, will serve as basis for taking the formal decision of mine construction start.

In parallel, we plan and prepare for the future Stage 2 by exploring the Lower structure; in 2016, we drilled Lower structure to estimate scope of mineralization and to upgrade resources, we issued an updated JORC resource statement, covering both the Upper and Lower structures, and we are now developing a separate scoping study covering mining of the Lower structure. With the strong exploration results from 2016, we see a potential for a further resource increase on top of the reported 955 koz of gold in May 2016. The new JORC resource report is in progress and we expect the report to be published during Q2 this year. With all these interim results being in line with expectations, we are confident with future development of the Krasny project. It is no longer a question of “to be or not to be”, rather “how to get the maximum outcome”. All economic evaluations of future gold mining on Krasny that we have undertaken so far have returned positive NPV results for mine development.

In 2016 we were happy to confirm a satellite gold mineralization within the Krasny North structure which is located within 3-4 km from the Krasny Central and makes a part of the Krasny project. Krasny North will make an excellent supplement to the Krasny Central by sharing its infrastructure, mill, personnel and mining equipment. On top of the Krasny North, we constantly review other possibilities to increase gold resources around Krasny and in January 2017 we received a new license which borders the Krasny license on the North-West and where we see a possibility to locate another mineralization, similar to the Krasny mineralization.

In 2016 we expanded our exploration activities and commenced operations on the Northern Territories and Kopylovskoye projects as well. The Northern territories project is very similar in geology to the nearby located 60 Moz Sukhoy Log deposit, sold at a State auction in January 2017. The area of the Northern Territory project (1,852 km²) is well known for a successful alluvial mining and within our bedrock licenses there are still a lot of running alluvial mines which directly indicates for existence of the bedrock sources of alluvial gold nearby. By a common geological opinion, the license area is recognized for high potential of elephant gold discoveries. In 2016 we completed stream sediment survey collecting 5,380 samples covering the total license area. Based on the work done, we have identified 20 prospective clusters including 12 priority areas, for more detailed exploration. We are very excited with the results and we clearly see an exploration potential of the Northern Territories project that may conceal several Sukhoy Log type deposits.

Within the Kopylovskoye project, our work last year was spent on a renewal of exploration and mining permits for the license to update and extend the license terms. By the end of the year, we received a statutory approval for pilot mining operations which allows us to mine 150,000 tons of ore during the next two years. With this in place, we advance negotiations about pilot gold operations from the Kopylovskoye project already in 2017.

On January 26, 2017, a Joint venture between Polyus Gold, a Russian major gold producer, and Rostekh, a Russian state owned multi-industry company, won the Russian State auction of the Sukhoy Log deposit by offering RUB 9.4 billion, approximately of USD 158 million. We believe that this event makes the start of a new period in the development of the Bodaibo area. The Sukhoy Log deposit is located 60 kilometers North from our Krasny license and holds approximately 1,953 tons (62.8 Moz) of gold reserves plus 799 tons (25.7 Moz) of gold resources. Sukhoy Log is undoubtedly one of the biggest undeveloped gold deposits in the world. Polyus Gold is a top-ten worldwide gold producer and the largest Russian gold company, producing more than 20% of the total gold production in Russia. We believe that there are all the prerequisites that Polyus Gold will be able to develop the Sukhoy Log project on time and under various estimations, Sukhoy Log annual gold production

is expected at 56-60 tons of gold per year, which is three times more than the total current gold production of the Bodaibo area.

Development of this deposit will provide a significant improvement of the local infrastructure with new roads, electricity lines, mining service providers, transportation, etc. This in turn will lead to a general reduction of the mining costs in the area. We also anticipate that the Bodaibo region in general will become more visible and familiar for big international companies providing mining services and as such, it is likely that the valuation of all mining and exploration assets within Bodaibo will appreciate.

On the shareholder side, I am pleased to conclude that the share price increased by 55% during 2016, following a 71% increase during 2015. During the year, the number of shareholders increased by 1,329 to 5,521 and the liquidity in the share was kept on a high level. In October 2016, as part of an ongoing process of improving our communication to the financial market and our shareholders, we were proud to launch a new website which is more user-friendly, has a new design and presents our projects in a more informative way than previously. I recommend you to visit the homepage if you have not done it already. On behalf of Kopy Goldfields AB, I thank you for your interest and support of the company.

With kind regards,

Mikhail Damrin, CEO

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 First North, Stockholm. The Company was established in 2007 following the acquisition of a gold deposit with the name Kopylovskoye. During the last ten years, the company has acquired 16 additional licenses, whereof two have been sold, two have been returned to the Russian state and three are developed in joint venture with the Russian gold producer GV Gold.

Kopy Goldfields AB is the holding company and holds 100% of the Russian subsidiaries LLC Kopylovskoye, LLC Vostochny, LLC Patom Gold, LLC Taiga and LLC Nirungda Gold, the Swedish subsidiaries AB Krasny Gold Fields and Kopy Development AB and 49% of the Cyprus company Bodaibo Holding Ltd and the Russian company LLC Krasny. The subsidiary LLC Nirungda Gold was established by the end of 2016 with the purpose to be the holding company of any newly acquired licenses in the future. All Russian subsidiaries are domiciled in Bodaibo, in the Irkutsk region in Russia.

Business concept and targets

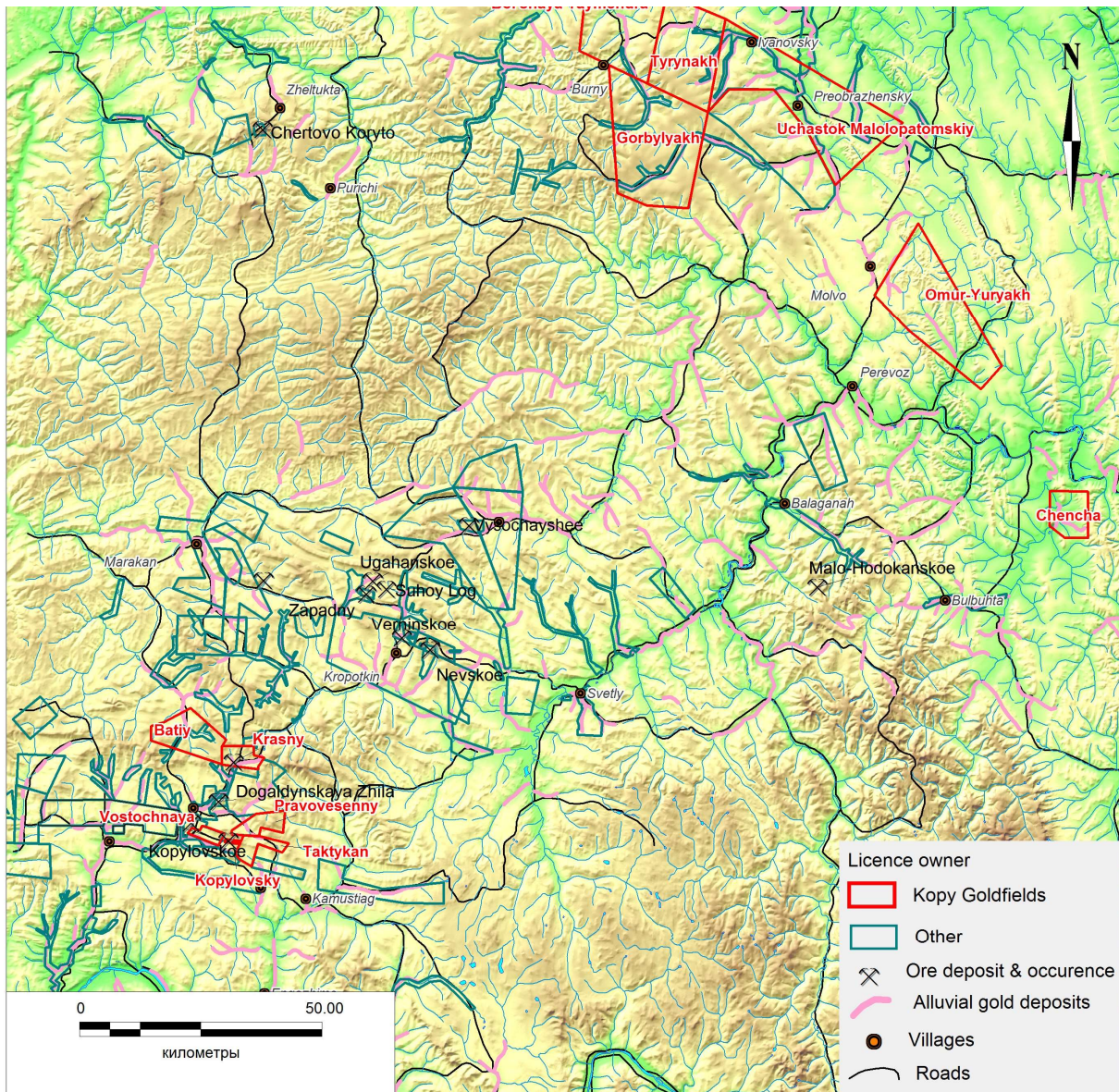
Kopy Goldfields' vision is to become a world-class exploration company with focus on Lena Goldfields, Russia. The Company's business concept is to create value by identifying and acquiring high potential gold projects located within the established area of alluvial gold mining in Lena Goldfields in the Bodaibo area of the Irkutsk region in Russia, prospect and explore them until they reach the stage of being ready to be sold for cash or further developed in cooperation with a partner. The target for Kopy Goldfields is to become a near-term gold producer in cooperation with a producing partner under a joint venture agreement.

Current projects in brief

The Company has a diversified portfolio of exploration targets in different stages. All licenses have been grouped into a portfolio consisting of 3 projects; Krasny, Kopylovskoye and the Northern Territories. The flagship project, Krasny, consists of 3 licenses (Krasny bedrock, Krasny alluvial and Batiy bedrock) with a total area of 117 km². The Kopylovskoye-project includes 4 licenses (Kopylovskoye, Pravovesenny, Takhtykan and Vostochnaya) with a total area of 80 km². The Northern Territories-project is split into 6 licenses (Tyrynakh, Bolshaya Taimendra, Gorbylyakh, Omur-Yuryakh, Chenchu, Malo-Patomsky) with a total area of 1,852 km². The Krasny- and the Kopylovskoye-projects 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 kilometers. The infrastructure is fairly developed with water supply, electricity and federal roads to the deposits. The six licenses, all acquired during 2012, which make together the Northern Territories project, are geographically located 200 – 300 km from Bodaibo, are all served by gravel and seasonal roads and have a history of alluvial production. All Russian subsidiaries closely follow the Russian environmental and safety requirements and are on good record with local authorities.

All deposits are located up to 150 km from Sukhoy Log (60 Moz) which is the largest undeveloped gold deposit in Russia. Sukhoy Log was sold at a Russian State auction on January 26, 2017, to a Joint venture between

Polyus Gold, a Russian major gold producer, and Rostekh, a Russian state owned multi-industry company, for RUB 9.4 billion, approximately of USD 158 million.



Development of the projects during 2016

During 2016, the Company focused on the Krasny-project but conducted limited exploration programs on the Northern Territories and Kopylovskoye projects in parallel. With the Krasny project now progressing from exploration into feasibility studies, towards construction and finally production, the other projects are now being prepared to move along a similar pipeline.

The Krasny project

In the summer of 2014, Kopy Goldfields entered a joint venture agreement with the Russian gold producer GV Gold over the Krasny project. Under the agreement, GV Gold earned a 51% interest in the Krasny Project by paying Kopy Goldfields MUSD 1 in cash and by financing an in-fill exploration program followed by a reserve report in accordance with both the Russian GKZ classification and the international JORC standard. The budget for the total exploration program was MUSD 6 and was financed by GV Gold in full. The exploration program was developed in several stages and primarily targeted the part of the Krasny deposit which is closer to surface and limited to the depth of 200 meters (Krasny Upper structure).

On December 28, 2015, a mineral reserve report for the Krasny deposit was filed with the Russian GKZ authorities in Irkutsk for review and approval. The report was formally approved on March 30, 2016 and

confirmed Russian gold reserves of 9.767 tons (314 koz) in the C2 category. The report covers the Upper structure only and is based on the exploration data as of January 1, 2015. On April 21, 2016, following the GKZ report approval and in accordance with the joint venture agreement, the Company received an additional consideration payment of MUS\$ 2 from GV Gold.

Exploration on the Krasny project has been developed in stages with clear decision points in between. Following the completion of Stage 2 exploration program in October 2015, an Expansion drilling program was commenced in mid-December 2015 and completed in February 2016 with 16 holes drilled, accounting for 3,504 meters of core drilling. The main outcome of this drilling program was further delineation of the Krasny Upper mineralization along the strike and a revision of the thickness and grades of the Lower Mineralization.

In early 2016, a second mineral processing test for the oxidized rock from the Upper mineralization on Krasny was developed using a new sample of 640 kg. The test was performed by Irgiredmet engineering consultancy in Irkutsk, which performed the previous mineral processing tests for Krasny as well. The gold recovery via gravitation-flotation-leaching process totaled 78-79% (based on two experiments), showing improvement from the previous results of 75% gold recovery that was released in early December 2015.

During January – March 2016, a new scoping study was done by Irgiredmet engineering consultancy. This study was based on the exploration results until November 2015. The study evaluated gold production from the Upper structure only and confirmed feasibility of Krasny mine development with total undiscounted free cash flow of USD 94 million at a fixed gold price of 1,100 USD/oz and estimated total production costs of 475 USD/oz. This study did not include any development of the Lower structure thus leaving the upside from gold production of the Lower structure for the future.

In May 2016, the Company announced an updated JORC mineral resource estimate for the Krasny deposit. The updated estimate was issued by Micon International Co Limited and showed 288,000 oz of Indicated mineral resources (7,848,000 tons of rock at an average grade of 1.141 g/t Au) and 667,000 oz of Inferred mineral resources (12,324,000 tons at an average grade of 1.682 g/t Au) within an economically minable open pit. This resource estimation increased the quality of gold resources, and Indicated resources now represent 30% of the total mineral resources reported, compared to 15% in the previous JORC report from 2013. This estimation did not include the drill results acquired since January 2016.

Following the positive scoping study results and the strong JORC resource report, Stage 3 of the exploration and development program on the Krasny project was commenced in April 2016. This program included 19,600 meters of core drilling and covered a range of exploration and feasibility targets:

- Upgrade category and increase volume of gold resources
- Finalize and approve mineral processing technology with flow chart development
- Proceed with engineering and geotechnical studies for rock properties and infrastructure positioning on site
- Evaluate potential for alluvial gold production

By the end of 2016, total of 18,667 meters of diamond holes and 440 meters of rotary air blast (alluvial exploration) were completed and assayed. The rest of core drilling was completed in February 2017.

Most of the core drilling activities on Krasny were focused on verification drilling within the Central part of the Krasny Upper structure to prove the choice of exploration grid and to upgrade the category of resources. A strong correlation between the new drill results from the area of verification drilling and the previous drill results can be seen, and currently a test calculation of the resources based on the detailed 20*20 meters versus the common 40*40 meters exploration grids is being done to compare the results. This will allow an upgrade of the resource quality and confidence with production planning.

In addition to verification drilling, drilling along the strike of the Lower and Upper mineralizations on the Krasny Central deposit was done to increase the scope of mineralization. Based on the new drill results, the Lower mineralization was extended along the strike by 480 meters beyond the boundary of the 2016 JORC resource statement and is still left open.

Prospecting drilling within the Krasny license in 2016 returned discovery of a new mineralization – Krasny North, located approximately 4 km to the northeast from the Krasny Central deposit. The Krasny North mineralization has been confirmed in 4 drill profiles so far, for a total strike of 600 meters and for 140 meters down dip. Mineralization is open along strike and to depth. The Company believes that Krasny North will make

an excellent supplement to Krasny Central and enhance the economics. The Krasny North mineralization will be covered by the new JORC resource update coming in 2017.

A processing test of a bulk sample representing the ore (oxidized, primary and transition) of the Upper structure, which was commenced in October 2016, is in progress and the results are expected during Q2 2017.

An Investment justification report was initiated in October 2016 and is currently being done by TOMS Engineering, a Russian mining engineering consultancy. The report will include drafting of a detailed mining plan and production schedule, justification of the mill capacity, infrastructure layout, detailed CAPEX for mill and pit construction, detailed calculation of OPEX and a NPV-model for gold production. The report will focus on development of the Upper mineralization only and will be used as a basis for decision to commence the Krasny mine development. In November 2016, a team from TOMS Engineering visited Bodaibo and the Krasny site to collect the primary data, make QA&QC review of geological procedures and discuss location of infrastructure items of the mine and mill. In January 2017, preliminary pit optimization results were presented internally, which were positive for the project and in line with expectations. The final report is expected in Q2 2017.

Based on the new drilling results from the 2016 exploration program, the JORC resource statement will be updated and the JORC report is expected to be finalized in Q2 2017. The new JORC update will be issued by Micon International, which also did the JORC resource estimation for Krasny in 2016.

The formal decision to proceed to mine development is expected in Q2 2017.

The Northern Territories project

Total area of the Northern Territory project is 1,852 km² (182,500 ha) and it is split into 6 properties. Geographically, the project is in the North-East of the Bodaibo area; approximately 250 km from Bodaibo. The general geological opinion is that there is a high potential of elephant gold discoveries in the license area and the area is known for a long history of successful alluvial mining and within Kopy Goldfields' bedrock licenses there are still a lot of active alluvial mines. The alluvial gold production in the area has historically reported a lot of pristine gold grains, not reshaped gold grains, which directly indicates for existence of the bedrock source of alluvial gold nearby. The geology and age of rock in the area is similar to that of Sukhoy Log, with stratigraphy, lithology and structural setting favorable for primary gold mineralization. There have been numerous reports from the area of secondary gold halo, zone and points of gold mineralization, as well as many grab samples with gold. No serious and consistent bedrock gold exploration, however, has been conducted in the area to date.

The exploration program 2016 was done at a limited cost, allowing Kopy Goldfields to stay within the strategy to do initial prospecting and exploration and then develop the projects in partnerships. The area has been mapped historically before Kopy Goldfields acquired it, and the approach was to cover the total license area with a systematic and modern method for exploration to identify and prioritize multiple targets. Our plan for 2016 was to collect 5,500 stream sediment samples to cover the total license area with a density of 6 samples per square km. The target was to confirm the exploration potential, verify historic data and to generate targets for next stage of exploration, which will be a detailed geochemical and geophysical survey.

The exploration activities on the Northern Territories project were finalized both on time and below cost budget. In total, 5,380 samples were collected and all samples were analyzed both for gold and 24 other elements. The collected geochemical data was then used for developing geochemical maps of gold and concomitant elements distribution. A statistical review of the identified anomalies based on gold and pathfinder elements was completed. Further, multiplicative anomalies were identified and mapped for every license area. These anomalies, the result of 2016 exploration activities, were compared with historic exploration data existing before 2016. Based on the work done, 12 prospective priority clusters for more detailed exploration were identified. The results are very exciting showing a clear exploration potential of the Northern Territories project that may conceal several Sukhoy Log type deposits.

The Kopylovskoye project

Within the Kopylovskoye project, a statutory approval for pilot mining operations has been received, allowing mining of 150,000 tons of ore during the next two years. With this in place, negotiations are now being held with several potential partners about the possibility to commence pilot gold production from the Kopylovskoye project already in 2017.

July – December 2016 and full year 2016

(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 last six months, the Company invested MSEK 1.8 (2.1) in exploration work, of which MSEK 1.0 (1.0) consisted of work performed by the company for its own use and capitalized. For the full year 2016, the Company invested MSEK 1.9 (2.7) in exploration work, of which MSEK 1.6 (1.4) consisted of work performed by the company for its own use and capitalized. No acquisition of licenses was done during the year or during the last year.

Since 2014, the Company is part of a Joint Venture agreement with the Russian gold producer GV Gold regarding the Krasny project. As per December 31, 2016, investments in joint ventures amount to MSEK 86.2 (65.3) on the Balance Sheet and the Profit and Loss statement shows results from Joint Ventures of MSEK 3.5 (-3.7) for the last six months and MSEK 4.9 (-0.1) for the full year 2016. On April 21, 2016, the Company received a conditional consideration of MUS\$ 2, corresponding to MSEK 16.2, referring to successful finalization of the exploration program on the Krasny project. The conditional consideration has been accounted for and discounted and estimated with a probability in previous periods and as per December 31, 2015, the receivable amounted to MSEK 16.7, which means that the Cash Flow from investing activities shows MSEK 16.2 from sale of subsidiaries and the Profit and Loss statement shows translation differences of MSEK -0.5, included in operation expenses. During the autumn 2016, Kopy Goldfields and GV Gold agreed to invest MUS\$ 2.0 into the Krasny project for further development of the Krasny project within the 2016 exploration and development program. The capital contribution was shared pro-rata 51/49 by GV Gold and Kopy Goldfields and paid in two tranches on September 30 and November 15, 2016. Kopy Goldfields' total pro-rata share amounted to MUS\$ 1.0, corresponding to MSEK 8.6, shown in the Cash Flow from investing activities.

Operating expenses for the six months' period amounted to MSEK 4.7 (8.6), and MSEK 9.5 (11.4) for the full year, including results from joint ventures. The operating expenses further include MSEK 3.4 (2.5) of personnel costs for the last six months and MSEK 5.7 (5.1) for the full year.

Net tax for the six months' period amounted to MSEK 0 (0) and for the full year MSEK 0 (0). The company does not record any deferred tax assets related to tax loss carry forwards.

Net profit for the last six months amounted to MSEK -1.7 (-3.9), which equals SEK -0.02 (-0.07) per share. The full year Net profit amounted to MSEK -5.0 (-3.7), which equals SEK -0.08 (-0.07) per share.

During the period of July – December, the Russian ruble strengthened against the Swedish krona by 13.0 % (-23.4 %), and the Euro strengthened by 1.3 % (-5.1 %). The Company reports exchange differences of MSEK 3.9 (-13.2) in the consolidated statement of comprehensive income for the last six months.

During the full year 2016, the Russian ruble strengthened against the Swedish krona by 30.9 % (-17.5 %), and the Euro strengthened by 4.8 % (-3.8 %). The Company reports exchange differences of MSEK 13.1 (-10.1) in the consolidated statement of comprehensive income for the full year.

In February 2016, a short-term loan of MSEK 3 was converted into shares. In total, 5,454,545 new shares were issued by converting a debt of SEK 2,999,999.75 at the subscription price of 0.55 SEK/share.

The Board of Directors decided on September 13, 2016, with authorization from the Annual General Meeting, to issue 19,966,513 new shares with preferential rights for existing shareholders. The share issue, which was oversubscribed by 66.4 % and provided the Company with MSEK 16.6 net after issue costs, was closed in October 2016 and registered in two steps during October – November 2016. Following the registration, the number of issued shares in Kopy Goldfields amount to 79,866,054 shares as per December 31, 2016 and new share capital totals SEK 30,366,773.44. The cash flow effect is shown in cash flow from financing activities.

Cash and cash equivalents amounted to MSEK 10.7 (1.4) at the end of the period.

Equity amounted to MSEK 121.1 (93.3) at the end of the period which equals SEK 1.52 (1.59) per share.

Equity asset ratio was 95.7 % (89.3) at the end of the period.

The average number of employees during the year was 6 (8). 5 (6) persons were permanent employees and 1 (2) person was a temporary employee involved in seasonal exploration work. Number of employees at period end was 6 (6).

Going concern

Gold exploration is a capital-intensive activity and as noted above the Company does not yet have any revenue. It is the opinion of the Board that the operating capital is sufficient to cover the needs of Kopy Goldfields for the twelve months of 2017. Depending on the outcome of the ongoing exploration and feasibility studies, however, it cannot be excluded that further capitalizations will be needed to explore the Northern Territories further, to develop the Kopylovskoye-project or to maintain the ownership in Krasny. The formal decision to move Krasny Central into construction is planned for 2017, which may also lead to the need for further capital contributions to Krasny. The Board believes that financing primarily should be done via either sale of assets or new share issues possibly supplemented by bridge financing. Given the estimated values of the Company's, it is the Board's assessment that the Company can continue a going concern.

Significant events after the reporting period

The Krasny Joint venture was granted a new bedrock license in January 2017. The license is called "Batiy" and borders the Krasny license. The new license was granted without an auction and is deemed to have high exploration potential.

The Parent Company

Total assets at period end amounted to MSEK 130.5 (120.7). Cash and cash equivalents amounted to MSEK 10.6 (1.2). Net income for the full year amounted to MSEK -11.0 (-9.8).

Risks and uncertainties

A detailed description of the Company's risks is included in the 2015 annual report of Kopy Goldfields. The risks include, among others, geological risks, risks related to the deposits, supplier and contractor delivery risk, impairment test risks, financing risks, gold price risks, currency exchange risk and political risks. Since 2014, because of the uncertainties in Ukraine, the EU and USA have implemented sanctions towards Russia. The Company is not affected by the sanction as per today, but does continuously monitor the development.

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

Stockholm March 23, 2017
Kopy Goldfields AB (publ)

The Board of Directors

Upcoming financial reporting

The next financial reporting will be the half year report for January – June 2017, published on August 24, 2017.

Annual Report

The Annual Report 2016 will be published on the Company's homepage www.kopygoldfields.com in the beginning of May 2017.

Annual General Meeting

The Annual General Meeting for Kopy Goldfields AB will be held on May 30, 2017 at 10 am at the Company's head office on Skeppargatan 27, 4th floor in Stockholm.

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Ticker codes: KOPY (Nasdaq First North)

Number of shares 79,866,054

Publication under Swedish law

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 8:45 CEST on March 23, 2017.

Kopy Goldfields is since June 3, 2011, applying the internationally accepted JORC code to verify the mineral resources and ore reserves. Micon International Co Limited 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 half year 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 | Note | Jul – Dec | | Jan – Dec | |
|---|------|---------------|---------------|---------------|----------------|
| | | 2016 | 2015 | 2016 | 2015 |
| Net turnover | | 0 | 0 | 0 | 0 |
| Other revenue | | 1 242 | 4 247 | 2 611 | 6 977 |
| Total revenue | | 1 242 | 4 247 | 2 611 | 6 977 |
| Work performed by the company for its own use and capitalized | | 1 500 | 989 | 1 560 | 1 418 |
| Other external costs | | -4 710 | -2 377 | -8 722 | -6 077 |
| Personnel costs | | -3 398 | -2 540 | -5 655 | -5 122 |
| Result from Joint Ventures | | 3 471 | -3 717 | 4 924 | -138 |
| Depreciation and write-downs of intangible and fixed assets | | -32 | 78 | -64 | -58 |
| Total operating expenses | | -4 669 | -8 556 | -9 517 | -11 395 |
| Operating result | | -1 927 | -3 320 | -5 346 | -3 000 |
| Financial items | | 221 | -566 | 382 | -756 |
| Result after financial items | | -1 706 | -3 886 | -4 964 | -3 756 |
| Tax | | 11 | 4 | -10 | 13 |
| NET INCOME FOR THE PERIOD | | -1 695 | -3 882 | -4 974 | -3 743 |
| Earnings per share before and after dilution* | | -0,02 | -0,07 | -0,08 | -0,07 |
| <i>Average number of shares before and after dilution*</i> | | 70 494 026 | 58 792 315 | 66 289 450 | 55 629 391 |
| <i>Number of shares at the end of the period*</i> | | 79 866 054 | 58 792 315 | 79 866 054 | 58 792 315 |

*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 2015 and 2016.

Consolidated Statement of Comprehensive Income

| KSEK | Jul – Dec | | Jan – Dec | |
|--|--------------|----------------|--------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| Net income for the period | -1 695 | -3 882 | -4 974 | -3 743 |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | |
| Translation differences on foreign operations | 3 878 | -13 270 | 13 125 | -10 080 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 2 183 | -17 152 | 8 151 | -13 823 |

Condensed Consolidated Balance Sheet

| KSEK | Note | Dec 31 2016 | Dec 31 2015 |
|--|------|----------------|----------------|
| ASSETS | | | |
| <i>Non-current assets</i> | | | |
| <i>Intangible fixed assets</i> | | | |
| Exploration licenses and evaluation work | | 26 336 | 18 419 |
| <i>Tangible fixed assets</i> | | | |
| Buildings and Machinery and equipment | | 1 716 | 2 143 |
| <i>Financial fixed assets</i> | | | |
| Joint Ventures | | 86 184 | 65 349 |
| Total non-current assets | | 114 236 | 85 911 |
| <i>Current assets</i> | | | |
| Inventory | | 88 | 88 |
| Receivables | | 1 461 | 17 117 |
| Cash & cash equivalents | | 10 708 | 1 381 |
| Total current assets | | 12 257 | 18 586 |
| TOTAL ASSETS | | 126 493 | 104 497 |
| EQUITY AND LIABILITIES | | | |
| Equity | | 121 082 | 93 347 |
| Deferred Tax | | 3 013 | 2 294 |
| Total current liabilities | | 2 398 | 8 856 |
| TOTAL EQUITY AND LIABILITIES | | 126 493 | 104 497 |

Condensed Consolidated Cash Flow Statement

| KSEK | Note | Jul – Dec | | Jan – Dec | |
|--|------|---------------|---------------|---------------|--------------|
| | | 2016 | 2015 | 2016 | 2015 |
| Cash flow from operating activities | | -4 787 | -3 488 | -10 023 | -9 455 |
| Cash flow from investing activities | | -10 227 | -1 094 | 6 218 | -1 563 |
| Cash flow from financing activities | | 16 589 | 3 300 | 13 104 | 11 317 |
| Cash flow for the period | | 1 575 | -1 282 | 9 299 | 299 |
| Cash at the beginning of the period | | 9 141 | 2 708 | 1 381 | 1 111 |
| Exchange differences on cash | | -8 | -45 | 28 | -29 |
| Cash at the end of the period | | 10 708 | 1 381 | 10 708 | 1 381 |

Condensed Consolidated Statement of Changes in Equity

| KSEK | Note | Jan – Dec | Jan – Dec |
|--|------|----------------|---------------|
| | | 2016 | 2015 |
| Equity at the beginning of the period | | 93 347 | 99 153 |
| Share issue | | 22 967 | 10 889 |
| Issue costs | | -3 383 | -2 872 |
| Net income for the period | | -4 974 | -3 743 |
| Other comprehensive income for the period | | 13 125 | -10 080 |
| Equity at the end of the period | | 121 082 | 93 347 |

Parent Company Condensed Income Statement

| KSEK | Jul – Dec | | Jan – Dec | |
|--|---------------|---------------|----------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| Revenue | 1 544 | 1 505 | 3 820 | 3 327 |
| Operating expenses | -4 158 | -3 258 | -7 707 | -7 619 |
| Operating result | -2 614 | -1 753 | -3 887 | -4 292 |
| Results from investments in subsidiaries | -3 820 | -1 589 | -4 866 | -3 066 |
| Financial items | -2 787 | -4 565 | -2 910 | -2 488 |
| Result after financial items | -9 221 | -7 907 | -11 663 | -9 846 |
| Appropriations | 648 | 0 | 648 | 0 |
| Result before tax | -8 573 | -7 907 | -11 015 | -9 846 |
| Tax | 0 | 0 | 0 | 0 |
| NET INCOME FOR THE PERIOD | -8 573 | -7 907 | -11 015 | -9 846 |

Parent Company Condensed Balance Sheet

| KSEK | Note | Dec 31 | Dec 31 |
|-------------------------------------|------|----------------|----------------|
| | | 2016 | 2015 |
| ASSETS | | | |
| <i>Non-current assets</i> | | | |
| Tangible fixed assets | | 24 | 58 |
| Financial fixed assets | | 119 237 | 119 237 |
| <i>Current assets</i> | | | |
| Receivables | | 616 | 239 |
| Cash & cash equivalents | | 10 578 | 1 203 |
| Total current assets | | 11 194 | 1 442 |
| TOTAL ASSETS | | 130 455 | 120 737 |
| EQUITY AND LIABILITIES | | | |
| Equity | | 120 999 | 112 412 |
| Current liabilities | | 9 456 | 8 325 |
| TOTAL EQUITY AND LIABILITIES | | 130 455 | 120 737 |

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 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 December 31, 2016 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 2015 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 2015 and in the way they were described in the 2015 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 2015 annual report.

Note 3 Fair value of financial instruments

Financial assets include loans and accounts receivables, cash and cash equivalents and receivables from the additional consideration of the Krasny license. 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 receivable of the additional consideration from the Krasny license has been valued at fair value through the profit and loss according to level 3. Other 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

In October 2015, the Company raised a MSEK 3.3 short term loan from three major shareholders and the Company's CEO and CFO. The loan was repaid in April 2016 and had an arrangement fee of 10 percent and an annual interest rate of 10 percent.

Except from above, 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 2015 annual report.

Note 6 Pledged assets and contingent liabilities

The Company has no pledged assets or contingent liabilities on the balance day.