



KOPY GOLDFIELDS

COMPANY DESCRIPTION

for the purpose of the acquisition of Amur Gold Company Limited and the continued listing of Kopy Goldfields AB (publ) on Nasdaq First North Growth Market

June 2020

Nasdaq First North Growth Market Disclaimer

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IMPORTANT INFORMATION

This company description (the "Company Description") has been prepared by the board of directors of Kopy Goldfields AB (publ), reg.no. 556723-6335 (in this Company Description, "Kopy", "Kopy Goldfields" or the "Company" shall mean either Kopy Goldfields AB (publ) or Kopy Goldfields AB (publ) together with its subsidiaries, depending on the context), as a consequence of Kopy's contemplated acquisition of all shares in Amur Gold Company Limited ("Amur Zoloto") through an in-kind share issue (the "Reverse Takeover") and Kopy's continued listing on Nasdaq First North Growth Market. For the purposes of this Company Description, "New Kopy" refers to Kopy Goldfields after the Reverse Takeover of Amur Zoloto. The Company Description has not been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC or the Financial Instruments Trading Act (SFS 1991:980) (Sw. Lag (1991:980) om handel med finansiella instrument) and thereby the Company Description does not constitute a prospectus. For definition of certain terms used in this Company Description, refer to section "Definitions".

The Company Description has been prepared by the board of directors of Kopy Goldfields and reviewed by Nasdaq Stockholm AB. The board of directors of Kopy Goldfields is responsible for the content of this Company Description. The Company Description has not been approved or registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) in accordance with the Financial Instruments Trading Act. Any disputes regarding, or arising as a consequence of, the content of this Company Description, or legal circumstances related thereto shall be exclusively determined under the laws of Sweden and by a Swedish court of law whereupon the Stockholm District Court shall constitute the court of first instance.

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Presentation of financial information

Some of the figures contained in this Company Description have been rounded off. Consequently, certain tables may not appear to add up correctly. No information contained in the Company Description has been audited or reviewed by the Company's or Amur Zoloto's auditors other than as expressly stated.

Forward-looking statements

The Company Description contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. The Company cannot give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments. In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Company Description may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Company Description may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation, other events or factors than those described in the section Risk Factors. After the date of the Company Description, the Company assumes no obligation, except as required by law or Nasdaq First North Growth Market's Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

Business and market data

The Company Description includes industry and market data pertaining to Kopy's and Amur Zoloto's business and markets. Such information is based on the Company's and Amur Zoloto's, as applicable, analysis of multiple sources, stated in the Company Description. For example, as applicable, each of the Company and Amur Zoloto has obtained certain market data from, for example, gold.org. Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Neither the Company nor Amur Zoloto has independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Company Description that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. Neither the Company nor Amur Zoloto assumes any responsibility for the correctness of any business or market data included in the Company Description. Information provided by third parties has been accurately reproduced and, as far as the Company and Amur Zoloto are aware and have been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Company Description is dated 23 June 2020.

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FINANCIAL CALENDAR

- The Annual General Meeting 2020 will be held on June 30, 2020
- Half year report, January – June 2020, will be published on August 27, 2020
- Year End Report, January – December 2020, will be published on March 25, 2021

CERTAIN DEFINITIONS

Kopy, Kopy Goldfields or the Company

Shall mean either Kopy Goldfields AB (publ) or Kopy Goldfields AB (publ) together with its subsidiaries depending on the context

Amur Zoloto, Amur

Shall mean Amur Gold Company Limited (Russian name «Амур Золото»)

Reverse Takeover

Kopy's contemplated acquisition of all shares in Amur Zoloto

New Kopy

Kopy Goldfields after the Reverse Takeover of Amur Zoloto

Gold industry definitions

COMEX

COMEX is the primary futures and options market for trading metals such as gold, silver, copper, and aluminium. Formerly known as the Commodity Exchange Inc., COMEX merged with the New York Mercantile Exchange (NYMEX) in 1994 and became the division responsible for metals trading.

ETF

Exchange-traded fund, usually focused on gold investments

Flotation

Part of the enrichment process in which chemicals are used to significantly increase the concentration of valuable minerals.

GKZ

The Russian State Commission on Mineral Reserves. The state authority responsible for the registration and approval of mineral resource and ore reserve estimates.

JORC

Approved standard set by the Australian Joint Ore Reserve Committee (JORC) for the calculation and reporting of mineral resources and ore reserves.

Mineralization

Natural concentration of mineral(s) in the bedrock or the earth's crust that is potentially of economic interest in terms of quantity, grade, shape and physical characteristics.

OTHER

Short name (ticker): KOPY

ISIN code: SE0002245548

Mineral Resource

Is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Ore (or Mineral) Reserve

Is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

Open pit

Type of mine where superficial deposits are mined above ground

tpa/ktp

tonnes per annum/thousand tonnes per annum

Troy ounce (oz)/koz/Moz

Weight measure for gold corresponding to 31.104 grams. /thousand oz/ million oz

Finance definitions

SEK/TSEK/MSEK

Swedish krona/Thousand Swedish krona/Million Swedish krona

USD/TUSD/MUSD

US Dollar/Thousand US Dollar/Million US Dollar

RUB/TRUB/MRUB

Russian ruble/Thousand Russian rubles/Million Russian rubles

RISK FACTORS

An investment in Kopy Goldfields' and New Kopy's shares is associated with various risks. A number of factors impact, or may impact, Kopy Goldfields' and New Kopy's operations directly and indirectly, both prior to and after the Reverse Takeover. The risk factors and circumstances of major importance, which are considered as material to Kopy's and New Kopy's operations and future development are described below without any particular order of importance or claim to be exhaustive. The risks described below are not the only risks to which New Kopy and its shareholders may be exposed. There are other risks that are unknown to Kopy Goldfields and Amur Zoloto as of the date of the Company Description, or which Kopy Goldfields and Amur Zoloto, as of the date of the Company Description, does not consider to be material, but that may also adversely impact New Kopy's operations, financial position or earnings. If any of the risks described below, or another risk of which Kopy Goldfields and Amur Zoloto are not aware, were actually to occur, New Kopy's business operations, financial position and earnings could be materially adversely impacted. Such risks may also cause a considerable decline in the price of New Kopy's shares and investors risk losing part or all of their investment. In addition to carefully considering this section, investors should also take into consideration other information contained in the Company Description and, prior to any investment decision regarding the shares, consult their own financial, legal and tax advisers to make a careful assessment of the risks attributable to an investment in the shares and consider such an investment decision on the basis of their personal circumstances.

The Company Description contains forward-looking statements that could be affected by future events, risks and uncertainties. The Company's actual results may differ materially from the results referred to in these forward-looking statements due to a number of factors, some of which are beyond the Company's control.

RISKS RELATED TO NEW KOPY'S INDUSTRY AND OPERATIONS

Exploration and Development Risks

The exploration for, and development of, mineral deposits involves significant risks. Few exploration properties are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. There is a risk that the exploration or development programs of New Kopy will not result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, including but not limited to: the particular attributes of the deposit, such as quantity and quality of the minerals, metallurgy and proximity to infrastructure and labour; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon New Kopy's operations.

There is a risk that the expenditures made by New Kopy towards the search and evaluation of precious metals and other minerals will not result in discoveries of additional mineral resources, mineral reserves or any other mineral occurrences. There is a risk that even if commercial quantities of ore are discovered, the new ore body will not be developed and brought into commercial production. Development projects are subject to, but not limited to, the successful completion of final feasibility studies, issuance of necessary permits and other government approvals and receipt of adequate financing.

Mineral reserves and mineral resource figures are estimates, and there is a risk that any of the mineral resources and mineral reserves identified will not be realized. Until a deposit is actually mined and processed, the quantity of mineral resources and mineral reserves and grades must be considered as estimates only. In addition, the quantity of mineral resources and mineral reserves may vary depending on, among other things, precious metal prices. Any material change in quantity of mineral resources, mineral reserves or percent extraction of those mineral reserves recoverable by underground mining techniques may affect the economic viability of any project undertaken by New Kopy. In addition, there is a risk that metal recoveries in small scale laboratory tests will not be duplicated in a larger scale test under on-site conditions or during production.

Mineral resources that are not mineral reserves do not have demonstrated economic viability, and there is a risk that they will never be mined or processed profitably. Any material reductions in estimates of mineral reserves could have a material adverse effect on New Kopy's results of operations and financial condition.

Gold price

The price of gold is affected by numerous factors beyond New Kopy's control, including levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of metal substitutes, international economic and political conditions, interest rates, currency values and inflation. A decrease in the gold price could negatively impact New Kopy's business, financial condition and results of operations in a number of ways. The development of New Kopy's projects requires substantial additional capital. Variations in the gold price may impact the availability and the terms of additional financing required to develop the projects. The estimation of economically viable identified mineral resources and ore reserves requires certain assumptions, including assumptions related to the gold price. A revised estimate of identified mineral resources and ore reserves due to a substantial decline in the gold price could result in the decrease in the estimates of New Kopy's mineral resources and ore reserves, subsequent write downs and negative impact on mine life. If New Kopy's projects are developed to production, the majority of New Kopy's revenue will be derived from the sale of gold. Therefore, fluctuations in the prices of this commodity may affect New Kopy's future operations and potential profitability. Such decreased revenues may also increase the requirements for capital.

The volume, ore grades and recovery ratios of New Kopy may not meet current expectations

Part of New Kopy's reserves and resources will constitute estimates that comply with standard evaluation methods generally used in the CIS countries and are stated in accordance with the FSU Classification. In respect of these estimates, no assurance can be given that the anticipated mining tonnages and ore quality characteristics will be achieved, or that the indicated level of recovery will be realised or that mineral reserves can be mined or processed profitably. Actual reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests un-

der on site conditions or during production.

Lower market prices, increased production costs, reduced recovery rates and other factors may render the Company's reserves uneconomic to exploit and may result in revision of its reserve estimates from time to time. Reserve data are not indicative of future results of operations. If New Kopy's actual mineral reserves and resources are less than current estimates, New Kopy's results of operations and financial condition may be materially impaired.

Gold mining companies are subject to extensive industrial safety and environmental laws and regulations

New Kopy's operations are subject to the extensive environmental risks inherent in the mining and processing industry. Russia has adopted environmental regulations requiring industrial companies to undertake programs to reduce, control or eliminate various types of pollution and to protect natural resources. Environmental legislation and permitting requirements and the manner in which these are enforced are likely to evolve in a manner which will require higher and more demanding standards and stricter enforcement, as well as increased fines and penalties for non-compliance. New Kopy must actively monitor specific air emission levels, ambient air quality, quality of nearby surface water, level of contaminants in soil and creation of solid waste.

As the risk of environmental pollution is greater when using heap leaching and cyanidation, compared with gravity concentration and flotation enrichment, New Kopy's transition to heap leaching and cyanidation will require greater efforts from New Kopy to comply with its environmental obligations.

During the conduct of its operations New Kopy is subject to regular inspections and reporting requirements for a range of issues relating to environmental pollution, and must comply with maximum acceptable concentrations, determined by state authorities, for air quality, water quality, soils and sediments. New Kopy must also submit an annual report on pollution levels to the environmental authorities in Russia. Any issues identified in such inspections or reporting processes and/or any breach of these requirements could have adverse consequences for New Kopy.

New Kopy may be subject to investigations by the Russian environmental regulator, which may make announcements relating to such investigations when they are at a very preliminary stage and in advance of any findings, which could have a material adverse effect on New Kopy's business, results of operations and financial condition.

Pursuant to environmental laws and regulations, upon the cessation of mining operations gold mining companies are also obligated to close their operations and rehabilitate the lands that they mine in accordance with these laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on current legal and regulatory requirements that may change materially.

Following the Reverse Takeover, as may be required under its subsoil licences, New Kopy makes regular contributions into liquidation funds to be used upon the cessation of mining operations for environmental clean ups of the territories covered by its licences. However, in the event that these funds are insufficient to meet the cost of New Kopy's clean up obligations, New Kopy is obliged to fund any such shortfall.

Environmental laws and regulations are continually changing and are generally becoming more restrictive. If New Kopy's environmental compliance obligations were to change as a result of changes in the laws and regulations or in certain assumptions it makes to estimate liabilities, or if unanticipated conditions were to arise in its operations, New Kopy's expenses and provisions would increase to reflect these changes. If material, these expenses and provisions could adversely affect its business, operating results and financial position.

The impact of weather conditions

New Kopy's assets are located in the Russian East Siberia and the Far East, which are areas that can be subject to severe climatic conditions. Severe weather conditions, such as cold temperatures in winter and torrential rain, which can cause flooding in the region, could have a material adverse effect on operations, including on the delivery of supplies, equipment and fuel, and exploration and production levels.

The use of hazardous facilities

As with other mining companies, certain of the operations of New Kopy are carried out under potentially hazardous conditions. New Kopy's employees may become exposed to health and safety risks which may lead to the occurrence of work-related accidents and harm to New Kopy's employees. Any future accidents or other occupational health and safety incidents caused by New Kopy or third parties could result in further investigations, adversely affect production levels, cause production stoppages, harm New Kopy's reputation and adversely affect its relationship with its contract partners and other stakeholders. Any such event could have a material adverse effect on New Kopy's business, financial condition and results of operations.

The activity of New Kopy is subject to regular inspections in respect of industrial safety, including with respect to the exploitation of various hazardous industrial objects which are required for extraction of minerals as well as processing and production activities. During the exploitation of hazardous industrial objects, New Kopy is required to comply with a significant number of established technical and regulatory requirements. In the event that any issues are identified during such inspections, this could have a material adverse effect on New Kopy's business, results of operations and financial condition.

Where obligations relating to industrial safety are fulfilled by New Kopy's contractors performing the operations envisaged by New Kopy's subsoil licences, any breaches of these requirements by such contractors, or New Kopy's own personnel, may negatively affect the licence holders, the status and existence of their respective licences.

Mining risks and risk related to underground development

Following the Reverse Takeover, New Kopy's activities related to the development of its projects will be subject to risks inherent in the mining industry generally, including unexpected problems associated with required water flow, retention and treatment, water quality, surface and underground conditions, equipment performance, accidents, labour disputes, force majeure risks and natural disasters. Particularly with underground development, inherent risks include variations in rock structure and strength as it impacts on construction of the mine, de-watering and water handling requirements and unexpected local ground conditions. Hazards, such as unusual or unexpected rock formations, rock bursts, pressures, collapses, flooding or other conditions, may be encountered during construction. Such risks could result in personal injury or fatality; damage to or destruction of the mine, processing facilities or equipment; environmental damage; delays, suspensions or permanent cessation of activities; monetary losses; and possible legal liability.

Title matters and surface rights and access

There is a risk that title to the mining concessions, the surface rights and access rights comprising New Kopy's projects may be deficient or subject to dispute. The procurement or enforcement of such rights can be costly and time consuming. In areas where there are local populations or land owners, it may be necessary, as a practical matter, to negotiate surface access. Despite having the legal right to access the surface and carry on mining activities, New Kopy may not be able to negotiate satisfactory agreements with existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities as planned. In addition, in circumstances where such access is denied, or no agreement can be reached, New Kopy may need to rely on the assistance of local officials or the courts in such jurisdictions, which may delay or impact mining activities as planned. There is also a risk that New Kopy's prospecting, exploration, development and mining authorizations (including relevant subsoil licences) and surface rights may be challenged or impugned by third parties. In addition, there is a risk that Kopy's licenses may be prematurely terminated, suspended or restricted by the licensing authorities if Kopy breaches any of their material terms (such as work program obligations or other license commitments) without referring the matter to court. Further, there is a risk that New Kopy will not be able to renew some or all its licenses in the future. Inability to renew a license could result in the loss of any project located within that license area. Future laws and actions could have a material adverse effect on New Kopy's operations or on its financial position, cash flow and results of operations.

Russian foreign investment legislation

In May 2008, Russian Federal Law No. 57-FZ of 29 April 2008 "On the manner of conducting foreign investments into companies having strategic significance for securing the defence of the country and the security of the state" (as

amended) introduced regulating foreign investments into strategic sectors of the Russian economy.

The aforementioned law sets out the criteria of strategic deposits being a deposit containing hard rock gold reserves of 50 tonnes (or more), copper reserves of 500,000 tonnes (or more) or any reserves of any precious minerals (being hard rock reserves of platinum group metals or diamonds, as well as reserves of the following: uranium, especially pure raw quartz, rare earths of the yttrium group, nickel, cobalt, tantalum, niobium, beryllium or lithium) irrespective of the quantity.

If, through new discoveries or otherwise, any of the deposits operated by the Company is viewed as a strategic deposit, then, pursuant to Law of the Russian Federation No. 2395-1 of 21 February 1992 "On Subsoil" (as amended), the Russian Government may prevent the exploration and production at such strategic deposit on the grounds that such exploration and production is a threat to state security. The Russian Government has the following powers in respect of licences granted in relation to strategic deposits:

- the power to terminate a mineral licence which is classified as a "prospecting, exploration & production licence" after a discovery of a strategic deposit has been made; and
- the power to refuse to issue a "production" or "exploration and production" licence to the holder of a prospecting only licence.

If the Russian Government exercises such powers under, the subsoil user would have no right to carry out further work at the relevant deposit and the subsoil user could seek limited compensation, which would typically be calculated by reference to the costs incurred by the licence holder at the deposit.

Political instability and administrative restrictions

New Kopy will be subject to certain risks related to potential political and economic instability associated with Russia due to its operations there. Such risks include political unrest, labour disputes, invalidation of government orders, permits or property rights, risk of corruption including violations under applicable foreign corrupt practices laws, military repression, war, civil disturbances, criminal and terrorist acts, arbitrary changes in laws, expropriation, nationalization, renegotiation or nullification of existing agreements and changes to monetary or taxation policies. The occurrence of any of these risks may adversely affect the mining industry, mineral exploration and mining activities generally or New Kopy and, among impacts, could result in the impairment or loss of mineral concessions or other rights.

Prospecting, exploration, development or production may also be affected to varying degrees by government (both federal and regional) regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, sanctions, restrictions on conduct of operations and movement of personnel related to pandemics and other epidemiological reasons, income taxes, labour and immigration, and by delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, high rates of inflation, increased financing costs and site safety. These factors may affect both New Kopy's ability to undertake prospecting, exploration and development activities in respect of future properties in the manner contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained prospecting, exploration and/or development rights to date.

Any shifts in political attitudes or changes in laws that may result in, among other things, significant changes to mining laws or any other national legal body of regulations or policies are beyond the control of New Kopy and may adversely affect its business. New Kopy faces the risk that future governments may adopt substantially different policies, which might extend to the expropriation of assets or increased government participation in the mining sector. In addition, changes in resource development or investment policies, increases in taxation rates, higher mining fees and royalty payments, revocation or cancellation of mining concession rights or shifts in political attitudes in Russia may adversely affect New Kopy's business.

Risks relating to the Russian legal system and Russian legislation

Certain weaknesses in the Russian judicial legal system and Russian legislation that could affect New Kopy's ability to enforce its rights under licences, contracts or statutes, or to defend itself against claims by others which could

have an adverse effect on New Kopy's business, results of operations and financial condition, including the following:

- legal norms at times overlapping and contradicting one another;
- lack of independence in the judicial system;
- limited judicial and administrative guidance on interpreting Russian legislation;
- conflicting views and judgments as regards the interpretation of and the effect of Russian law in a number of key areas which affect investment in Russia;
- the relative inexperience of judges in interpreting new Russian business legislation, particularly relating to capital markets, companies, corporate governance and investor protection; and
- the difficulty in enforcing court judgments in practice.

Governmental authorities in Russia have a high degree of discretion and may at times exercise their discretion arbitrarily or in a manner that is unduly influenced by political or commercial considerations. Selective or arbitrary governmental actions have included unscheduled audit by regulators, suspension or withdrawal of licences and permissions, unexpected tax audits, criminal prosecutions and civil actions. Furthermore, federal and local government entities have used common defects in matters surrounding the documentation of business activities as pretexts for court claims and other demands to invalidate such activities or to void transactions, often to further interests different from the formal substance of the claims. The occurrence of such selective or arbitrary action against New Kopy could have a material adverse effect on New Kopy's business, results of operations and financial condition.

Risks relating to the Covid-19 pandemic

The full impact of the Covid-19 pandemic on the global economy has not yet been evaluated and materialised. The global financial crisis in 2008 left a lasting negative impact on the global mining industry for several years. As commodity prices and demand dropped drastically, mining companies had a hard time turning a profit from their operations. There's a risk that the Covid-19 pandemic might lead to a financial crisis similar to, or worse, than the one in 2008 and that a similar, or larger, drop on prices and demand might occur. The effects of the Covid-19 pandemic might result in a reduced demand for the services provided by the mining industry and as a result impact the sales of New Kopy. While New Kopy is likely to incur limited direct effects on operations and earnings related to the Covid-19 pandemic in the short term, New Kopy may be exposed to indirect effects such as longer prospecting processes, deferral of revenue and invoicing and customers with financial difficulties. This could, in the medium term, have an effect on the demand on New Kopy's products/services. In the short term, the Covid-19 pandemic could also have negative effects on New Kopy's recruitments and smaller investments.

Governmental and regulatory approvals

New Kopy's prospecting, exploration and development activities and its operations depend on its ability to obtain, sustain or renew various mineral rights, licenses, permits, authorizations and regulatory approvals (collectively referred to as rights and individually a right) from various governmental and quasi-governmental authorities. New Kopy's ability to obtain, sustain or renew such rights on acceptable terms and on a timely basis is subject to changes in regulations and policies and to the discretion of the applicable governmental and quasi-governmental bodies. New Kopy may not be able to obtain, sustain or renew its rights or its rights may not be obtainable on reasonable terms or on a timely basis.

Additional rights necessary to permit Kopy to commercially exploit the current deposits may be subject to unfavourable terms, may be delayed or may not be obtained at all as there is no clarity in the Russian legislation that prospecting rights may be freely converted into mining rights upon application of New Kopy. A delay in obtaining any such rights, the imposition of unfavourable terms or conditions on any rights or the denial of any right may have a material adverse effect on New Kopy's business, financial condition, results of operations and prospects and, in particular, the development of the current projects.

The integration of the operations following the Reverse Takeover may be difficult, and New Kopy may not be able to achieve anticipated synergies or other expected benefits of the transaction

Following the Reverse Takeover, an integration process will commence in order to fully benefit from the transaction. The potential for future growth of New Kopy will depend upon a number of factors, including New Kopy's ability to

continue to:

- integrate the infrastructure of Amur Zoloto, including its management information systems and risk and asset liability management systems;
- achieve synergies in a timely manner;
- control costs;
- integrate New Kopy's marketing functions;
- integrate the different company and management cultures of Kopy and Amur Zoloto.

Furthermore, although both parties have conducted financial and legal due diligence on each other before the Reverse Takeover, there may be integration risks that will only become apparent after the Reverse Takeover.

There can be no assurance that significant difficulties do not arise in the future, that material additional expenditures beyond those already incurred for the integration will not be necessary, or that the benefits of regional expansion will be as effective as expected. If the integration process is not successful in a timely and efficient basis, or if New Kopy incurs higher than expected costs, encounters operational risks in the integration process or cannot sufficiently expand or otherwise improve the profitability of New Kopy, New Kopy may be unable to achieve the anticipated synergies or other expected benefits of the Reverse Takeover. Failure to integrate Amur Zoloto's operations successfully could have a material adverse impact on New Kopy's business, results of operations and financial condition and may prevent it from achieving its strategic objectives.

Acquisitions may prove unsuccessful, strain or divert the Company's resources

Following the Reverse Takeover, New Kopy intends to grow its business by continuing to implement and develop its core strategies and may consider making further acquisitions to support future growth and profitability. Successful growth through acquisitions is dependent on New Kopy's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required licenses and authorizations and ultimately complete such acquisitions and integrate them into the Company. If New Kopy makes acquisitions, it may not be able to generate expected margins or cash flows or realize the anticipated benefits of such acquisitions, including growth or expected synergies. New Kopy's assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from expectations. New Kopy may not be able to integrate acquisitions successfully and such integration may require more investment than anticipated, and New Kopy could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, suppliers, employees, government authorities or other parties. The process of integrating acquisitions may also be disruptive to New Kopy's operations, as a result of, among other things, unforeseen legal, regulatory, contractual and other issues, difficulties in realizing operating synergies, which could cause New Kopy's results of operations to decline. Moreover, any acquisition may divert New Kopy's management's attention from the day to day business and may result in the incurrence of additional debt. If New Kopy would make unsuccessful acquisitions, it could have a material adverse effect on New Kopy's business, financial condition and results of operations.

Financing arrangements

The development of New Kopy's projects requires substantial additional capital. When such additional capital is required, New Kopy may need to pursue various financing transactions or arrangements, including equity financing, debt financing, joint venturing of projects or other means. The Company's current financing and debt agreement includes a pledge of Kopy's assets, in the form of pledged shares in one of Kopy's subsidiaries and such pledge is senior to interests of the Company's shareholders. In addition, the Reverse Takeover will trigger a change of control provision in one of Kopy's loan agreements enabling the lender to terminate the agreement after six months from the change of control event, see further under "Legal Considerations and Supplementary Information". Also, New Kopy may from time to time enter into other arrangements to borrow money to fund its development plans, and such arrangements may include covenants that have similar obligations or that restrict its business in some way. Kopy and its subsidiaries are subject to restrictive covenants under the current debt agreement. Events may occur in the future, including events out of Kopy's control, that could cause Kopy and, following the completion of the Reverse Takeover, New Kopy to fail to satisfy its obligations under the current debt agreements or other debt instruments that may arise. In such circumstances, the amounts drawn under Kopy's current debt agreements may become due and payable before the agreed maturity date, and

New Kopy may not have the financial resources to repay such amounts when due (assuming the due date is after the completion of the Reverse Takeover). If Kopy were to default on its obligations under its current debt agreements or other secured debt instruments, either now or in the future, the lender(s) under such debt instruments could enforce their security and seize Kopy's assets. If New Kopy raises additional funding by issuing equity, such financing may substantially dilute the interests of shareholders and reduce the value of their investment. Moreover, New Kopy may not be successful in locating suitable financing when required or at all. A failure to raise capital when needed would have a material adverse effect on New Kopy's business, financial condition and results of operations.

Information Security

Kopy's as well as New Kopy's operations are dependent on the group's IT systems. Significant disruptions or other type of major breakdown of network servers, a hacker attack, IT virus or other interruption of the IT system could thus impact both Kopy's and New Kopy's ability to conduct operating activities. The IT systems and its operation are provided partly by third parties, which is why neither Kopy nor New Kopy can fully control the quality of the development efforts made by such third parties to maintain the IT systems at a high functional level. Kopy is and New Kopy will therefore be dependent on continuous improvements and upgrades to the IT system by third parties in accordance with relevant demands and expectations. There is also a risk that New Kopy's employees and other partners may not act in accordance with New Kopy's instructions and guidelines for ensuring the necessary IT security. Furthermore, some of the Company's data is and will continue to be stored on, and operations are based on information from, servers and cloud services. The Company's and New Kopy's activities will be activities are dependent on the functionality and reliability of these storage media. There is a risk that a lost access to servers and cloud services due to disruption, malfunctioning or other reasons, could have a material adverse impact on the Company's as well as New Kopy's operations. Disruptions in the Company's or New Kopy's IT systems may also give rise to transaction errors, customer losses, the loss of business opportunities and reputational damage. In the event that any of these risks should materialise, this could thus have a material adverse impact on the Company's and, following the Reverse Takeover, New Kopy's operations, financial position and earnings.

New Kopy's industry and operations are ordinarily influenced by the general economic climate and other macroeconomic effects

New Kopy will primarily operate in the Irkutsk and Amur regions of Russia in the area of gold exploration. The gold exploration industry and New Kopy's operations are dependent on a sound and stable general economy and levels of imports and exports. Negative changes to the general economic conditions both in Russia and globally, such as periods of weaker growth or recession, inflation or deflation, generally poor import and export levels and changes to the purchasing power of companies and consumers, may therefore impact demand for New Kopy's business. These factors, in combination with greater caution among companies and consumers, which are outside New Kopy's control, may lead to further economic decline and recession. If any of the aforementioned circumstances were to occur, this may have a negative effect on demand for New Kopy's products and thereby a material adverse impact on New Kopy's operations, financial position and earnings.

Foreign currency rate

As of the date of the Company Description, Kopy's currency risk comprises transaction risk and translation risk. Such risk will continue to apply to New Kopy. Transaction risk is and will be the risk of an impact on the Company's and New Kopy's, respectively, earnings and cash flow due to the value of flows in foreign currencies changing in the event of changes in exchange rates. Translation risk consists of assets in foreign subsidiaries less liabilities, which constitutes a net investment in foreign currency that on consolidation gives rise to a translation difference. Kopy's accounting currency is and will, following the Reverse Takeover, be SEK and the major portion of the Company's expenditure is and will, following the Reverse Takeover, conducted in RUB. At the same time, the price of gold sales is tied to the USD. The Company is affected and New Kopy will be affected by changes to exchange rates with regard to the operational transaction exposure. This risk is not hedged as of the date of the Company Description. An adverse effect on the operational transaction exposure may have a material adverse impact on the Company's and, following the Reverse Takeover, New Kopy's operations, financial position and earnings.

Tax related risks

The Company conducts and New Kopy will conduct its operations in different jurisdictions in accordance with its interpretation of applicable tax legislation and relevant requirements from authorities. There is a risk that the Company's and New Kopy's or their respective advisers' interpretation and application of legislation and requirements from authorities are, or may become, incomplete or that tax law and the exercise of official authority could change, potentially with retroactive effect. Should such an event occur, the Company's and, following the Reverse Takeover, New Kopy's tax obligations may increase, which could have a material adverse impact on the Company's and, following the Reverse Takeover, New Kopy's earnings and financial position.

Disputes, claims, investigations and proceedings may lead to Kopy and, following the Reverse Takeover, New Kopy having to pay damages or cease with certain operations

Kopy is and New Kopy will be a company active in an international market. Kopy and, following the Reverse Takeover, New Kopy may periodically be involved in disputes or be the target of claims, inquiries or other administrative proceedings in both Sweden, Russia and other countries. There is a risk that board members or other employees of the Company and, following the Reverse Takeover, New Kopy could face criminal sanctions or that Kopy and, following the Reverse Takeover, New Kopy may be required to pay damages or cease certain operations. Legal proceedings are generally time-consuming and costly, disrupting operating activities in the Company and, following the Reverse Takeover, New Kopy and the outcome is difficult to foresee. Potential disputes may also take place abroad and be settled in accordance with foreign laws. Such disputes are generally, to a greater extent than disputes in Sweden settled in accordance with Swedish law, subject to greater uncertainty in terms of outcome, time required and costs. If the Company is or New Kopy will be involved in legal disputes or subject to administrative proceedings, inquiries or third-party claims, regardless of whether the dispute takes place in Sweden or abroad, this may have an adverse impact on Kopy's and, following the Reverse Takeover, New Kopy's operations, financial position and earnings.

If New Kopy fails to properly manage growth, the business could suffer

Through the Reverse Takeover, New Kopy must continue to implement a sustainable growth strategy in order to realize increased results of operations. To achieve New Kopy's revenue and growth targets, New Kopy must successfully manage business opportunities. As New Kopy grows, New Kopy may explore new and diversified revenue generating strategies, and the increasing business complexity of operations may place additional requirements on New Kopy's systems, controls, procedures and management, which may strain New Kopy's ability to successfully manage future growth. If so, this could have a material adverse effect on Kopy's and, following the Reverse Takeover, New Kopy's business, financial condition and results of operations.

Future growth will also impose significant added responsibilities on management, including the need to identify, recruit, train and integrate additional employees with relevant expertise. Rapid and significant growth may, therefore, place strain on the Company's and, following the Reverse Takeover, New Kopy's administrative and operational infrastructure. In order to manage operations and growth, the Company and, following the Reverse Takeover, New Kopy will need to continue to improve operational and management controls, reporting and information, and financial internal control. The Company and, following the Reverse Takeover, New Kopy may fail to successfully manage such developments and growth in the future. If the Company and, following the Reverse Takeover, New Kopy is unable to effectively manage its growth, or is unsuccessful in adapting to changes and increased requirements resulting from expansion, this could have a material adverse effect on the Company's and, following the Reverse Takeover, New Kopy business, financial condition and results of operation.

Dependence on key employees

Kopy's and, following the Reverse Takeover, New Kopy's continued development is dependent on a number of key employees within the Company. These key employees have extensive knowledge of the gold market in general and the Company's business in particular, which is why the Company and, following the Reverse Takeover, New Kopy is dependent on the expertise and experience of these individuals and their continued commitment to the Company. If the Company and, following the Reverse Takeover, New Kopy is to continue to grow at the intended rate, the Company and, following the Reverse Takeover, New Kopy will need to recruit new personnel and retain the personnel with special-

ised expertise or experience and keep these individuals motivated. Should key employees at the Company choose to end or substantially change their commitments to the Company, the Company and, following the Reverse Takeover, New Kopy cannot guarantee that these employees can be replaced by individuals with similar expertise or experience. There is also a risk that Kopy and, following the Reverse Takeover, New Kopy could fail to retain other personnel with specialist experience or fail to recruit employees with similar expertise or experience. Should these risks materialise, this could adversely impact Kopy's and, following the Reverse Takeover, New Kopy's operations, financial position and results.

Risk of insufficient or inapplicable insurance coverage

Kopy has signed insurances that covers its Swedish operations against losses and/or potential liability in relation to claims from third parties. The risks encompassed are damage in the amount of up to MSEK 10. Kopy has also signed a liability insurance covering board members and the CEO. Russian subsidiaries of Kopy ensure industrial safety, real estate and vehicles. There is a risk that Kopy's and, following the Reverse Takeover, New Kopy's insurance cover could prove to be inadequate for protecting the Company and, following the Reverse Takeover, New Kopy against all obligations that may arise in the operations, particularly given the expansion of the Company, and New Kopy after the Reverse Takeover. Certain types of losses are not generally covered by insurances since it is not deemed possible to insure such losses. This could include, for example, damage caused by terrorism and professional or personal liability in the event of negligent, intentional or criminal acts. Furthermore, there may be losses that are expressly excluded from or, for other reasons, are not encompassed by the Company's existing insurances. Most of Kopy's insurance policies are limited to certain maximum amounts per claim or series of claims or pertain to total amounts during a certain insurance period (insured amounts). Compensation is also generally dependent on the insured party having paid a surplus or excess and on the maximum amount of an insurance policy not already having been paid. If a loss is not covered by an insurance policy, exceeds the amount limitations or causes consequential losses, this may have a material adverse impact on the Company's and, following the Reverse Takeover, New Kopy's reputation, operations, financial position and earnings.

RISKS RELATED TO KOPY'S SHARES

Risk of volatile shares price

There is a risk that upswings and downturns will occur in the Company's and, following the Reverse Takeover, New Kopy's share price as regards prices and volumes, that have no relation to, or that is disproportionate in relation to, the Company's and, following the Reverse Takeover, New Kopy's earnings and that are beyond the Company's and, following the Reverse Takeover, New Kopy's control. General economic and industrial factors could have a material impact on the price of the Company's shares, regardless of its actual earnings. These fluctuations could be even more pronounced in the shares trading shortly after the Reverse Takeover. The market for shares may also be influenced by reports published by the industry or securities analysts concerning the Company and, following the Reverse Takeover, New Kopy and its industry. If one or more of the analysts stop monitoring the Company and, following the Reverse Takeover, New Kopy or do not regularly publish reports, this would make the Company and, following the Reverse Takeover, New Kopy less visible on financial markets, which could have an adverse impact on the liquidity of the Company's and, following the Reverse Takeover, New Kopy's shares. The aforementioned means there is a risk that investors will not be able to sell shares at a price equivalent to or above the price they acquired the shares for. Inactive and illiquid trading in New Kopy's shares after the completion of the Reverse Takeover can thus entail that investors may have trouble divesting their holdings and investors may lose part or all of their investment.

The current shareholders of Amur Zoloto will own a substantial percentage of New Kopy's shares and will be able to exert significant control over matters subject to shareholder approval

Amur Zoloto's current shareholders, HC Alliance Mining Group Ltd. ("HCAM") and Lxor Group SA ("Lxor") will hold in total approximately 88% (HCAM will own approximately 66% and Lxor will own approximately 22%) of the shares and votes of Kopy following the Reverse Takeover. Therefore, these shareholders will continue to have the ability to influence Kopy through their ownership position. If these shareholders act together, they may be able to determine all matters requiring both majority and qualified shareholder approval. For example, these shareholders will be able to control a very high degree of key powers attributable to such a majority, e.g. elections of directors, share issues and

amendments of Kopy's articles of association. HCAM and Lexor may also have large influence over the Company's senior management and business in the future.

The interests of HCAM and Lexor may significantly deviate from other shareholders' interests and HCAM and/or Lexor may exercise such influence in a way which is unfavourable to the other shareholders. HCAM and Lexor have certain ownership related connections and are cooperating for the purposes of achieving the Reverse Takeover. Following completion of the Reverse Takeover,

HCAM and Lexor will formally act as independent shareholders of New Kopy. HCAM has obtained an exemption from the mandatory bid requirement under the Takeover rules for certain trading platforms (decision 2020:20 from the Swedish Securities Council). In case HCAM acquires additional shares without getting a new exemption, HCAM is required to announce a mandatory takeover bid in relation to Kopy's outstanding shares. If such takeover is successful, there is a risk that New Kopy's shares will be delisted from Nasdaq First North Growth Market.

Risk of low liquidity in Kopy's shares

Due to the ownership situation described above in the risk factor "The current shareholders of Amur Zoloto will own a substantial percentage of Kopy's shares and will be able to exert significant control over matters subject to shareholder approval" there is a risk that New Kopy's shares will be subject to a low liquidity. This means that shareholders of New Kopy may have difficulties selling their respective shares. Accordingly, there is a risk that New Kopy's shares cannot be sold at a price, or sold at all, acceptable to the shareholders.

New Kopy's ability to pay dividends is dependent on New Kopy's future earnings, financial position, cash flows, working capital requirements, capital expenditures and other factors

The resolution to pay dividend must take into account financial needs, liquidity, acquisition potential, and the general economic and commercial conditions. The amount of any future dividend payment to New Kopy's shareholders, should such a dividend be paid, will depend on a number of factors, which could include assessments of future earnings, fulfilment of financial goals, financial position, cash flow, working capital requirements, capital expenditures and other factors, including solvency considerations and other legal restrictions on payment of dividends, applicable to New Kopy's Russian subsidiaries. There is a risk that New Kopy may not have sufficient distributable funds. Should this risk materialise, New Kopy's shareholders may decide to not approve dividend payments in the future. New Kopy's shares will only be traded in SEK and any dividend will be paid in SEK. This means that shareholders whose reference currency is a currency other than SEK may suffer from a neg-

ative impact on the value of their holdings and dividends when they are converted to other currencies if SEK declines in value relative to the reference currency.

Shareholders in countries outside Sweden may not be able to participate in any future cash issues

As a general rule, if New Kopy issues new shares in a cash issue, shareholders have preferential rights to subscribe for new shares in relation to the number of shares held prior to the issue. However, certain shareholders who are not residents in Sweden may be subject to restrictions that would prevent them from participating in issues, or that would hinder or restrict participation in some other way. For example, shareholders in the US may be prevented from exercising preferential rights if the shares and subscription rights are not registered under the Securities Act and if no exemption from the registration requirements is applicable. Shareholders in other jurisdictions outside Sweden may be similarly affected if the subscription rights or new shares are not registered or approved by the regulatory authorities in these jurisdictions. New Kopy is therefore obliged to apply for registration in accordance with the Securities Act or to apply for equivalent approval in accordance with laws of any other jurisdiction outside Sweden in respect of such subscription rights or shares or find applicable exemptions from registration. This may be impractical, costly or even impossible. In cases where New Kopy's shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future issues, their proportional interests in New Kopy will be diluted.

Future issues of shares or other securities in New Kopy could dilute the shareholding and affect the price of the shares

New Kopy may in the future resolve to offer additional shares or securities in New Kopy to finance new capital-intensive projects, in connection with unforeseen obligations or costs, or for other purposes. Any additional offerings could dilute the proportional ownership and value of voting rights for New Kopy's shareholders as well as earnings per share and net debt per share, and could have an adverse impact on the market price of the shares.

The rights of investors as shareholders in New Kopy are governed by Swedish law and in certain respects differ from the rights offered to shareholders in companies in other jurisdictions

The Company is and will, after the completion of the Reverse Takeover, remain a Swedish public limited liability company that is governed by Swedish law. Shareholders' rights are governed by Swedish law and by the articles of association. These rights may differ in material respects from the rights offered to shareholders in companies registered outside Sweden.

BACKGROUND AND TRANSACTION RATIONALE

Kopy Goldfields, listed on Nasdaq First North Growth Market, is a Swedish gold exploration company operating in the Irkutsk and Amur regions of Russia, which are two of the most gold rich areas in the world. Kopy Goldfields currently holds 12 licenses, grouped into four projects, which entitle the holder to explore for and produce gold.

Kopy's most advanced project to date is the Krasny project, where exploration activities have been performed since 2010, when the project was acquired from the Russian state through a competitive public auction. In 2014, a joint venture agreement was signed with the Russian gold producer GV Gold, to develop the promising gold deposit together. The project is currently in the prefeasibility stage, in preparation of starting the Krasny gold mine.

Amur Zoloto is a mid-sized gold producing company based in Russia with assets in the Khabarovsk region and is wholly-owned by HCAM and Lexor. The mineral assets base of Amur Zoloto consists of a number of operating gold mines and assets under development (both hard rock and alluvial) with Proved and Probable Reserves of c.0.98 Moz and M, I&I Resources of c.1.42 Moz. Gold production in 2019 amounted to 52 koz.

Over 2015-2019, Amur Zoloto successfully developed a number of mines leading to increase in production from 21 koz of gold in 2015 to 52 koz in 2019 with a gradual expanding of its reserve base. Most recently, the Amur Zoloto also commissioned new processing capacity of 130 kt of ore per annum at the Yubileiny Complex and has planned to commission heap leaching plant within its Perevalnoye Complex to process low-grade copper ore.

Given growth optionality present in the company's portfolio, Amur Zoloto is set to deliver increased production volumes year by year and long-term organic growth.

On 29 May 2020, Kopy entered into an agreement to acquire all shares in Amur Zoloto through an in-kind share issue (Sw. apportesmission). The Reverse Takeover is subject to approval by Kopy's Annual General Meeting to be held on 30 June 2020.

Following completion of the Reverse Takeover, which is expected to occur in or around August 2020, Amur Zoloto will become a fully owned subsidiary of Kopy, thus forming New Kopy. Amur Zoloto's shareholders will hold approximately 88% of the shares and votes in New Kopy and the existing shareholders of Kopy will hold approximately 12% of the shares and votes in New Kopy.

Kopy Goldfields and Amur Zoloto believe that the Reverse Takeover represents a unique opportunity for shareholders of Kopy Goldfields and Amur Zoloto to benefit from the significant value accretion arising from the combined asset and project portfolios. New Kopy will be positioned to deliver a strong production profile and attractive growth and exploration opportunities:

- Creating a Russian leading mid-cap Gold Exploration and Production Group backed by gold reserves and resources in Russia;
- Adding gold production, revenue and cash flow to Kopy Goldfield's current exploration focus;
- Transforming Kopy Goldfields' position from a high-impact exploration business to a consistent and attractive gold producer in the CIS and Emerging Markets gold mining universe with a long-term organic growth potential and overall substantial growth opportunities in production from existing mines;
- Following completion of the Reverse Takeover, New Kopy will have total pro-forma attributable Proven and Probable Reserves of 1.1 Moz and Measured, Indicated and Inferred Resources of 2.3 Moz (incl. P&P Reserves) across a selection of assets; proforma 2019 gold production of 52 koz and solid experience and competences for further efficient exploration activity;
- New Kopy would have an aggregated EBITDA of approximately MSEK 229 (or MUS\$ 24) as of the financial year 2019.

Due to the Reverse Takeover, a new listing process was initiated on Nasdaq First North Growth Market by the new entity. On 23 June 2020, Nasdaq approved New Kopy's continued listing on Nasdaq First North Growth Market, subject to completion of the Reverse Takeover.

For more information, reference is made to this Company Description, which has been prepared by the board of directors of Kopy in connection with Kopy's acquisition of Amur Zoloto and New Kopy's continued listing on Nasdaq First North Growth Market.

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in the Company Description.

Stockholm 23 June 2020

The Board of Directors of Kopy Goldfields AB (publ)

MESSAGE FROM THE CEO



DEAR SHAREHOLDERS,

The last year has marked multiple operational and exploration achievements, including substantial progress in financial planning for the Krasny project as well as value creation activities that took place at the Maly Patom project, where we believe a few bedrock gold deposits will be discovered in the future that will transform this currently alluvial mining area into a significant bedrock gold producer in similar way that has already happened in other parts of Lena Goldfields.

In April 2019, we completed the acquisition of a new exploration property called "Polovinka", which extended the Maly Patom project by 88 km². During the fall 2019, Kopy also drilled the first holes ever in this area, totalling 2,505 meters. Based on the activities, gold mineralizations were intersected with several intervals with anomalous gold content above 1 gr/t. Despite the fact that commercial gold mineralization was not yet identified, the exploration results strongly evidence the existence of bedrock gold mineralization within our license area. This is a large area with a lot of alluvial gold production. So far, we are the first to prospect for bedrock gold here. We see many more targets to explore and with the results we have received from our activities, it is our belief that we are one step closer to discovering a significant future gold deposit.

Day-to-day operational improvement has always been one of our key goals. This focus is expected to continue, as the Company grows further.

Since its establishment, Kopy's vision has been to become a renowned exploration company with a core focus on Russia. The Company's strategy has been to create value by identifying and acquiring high potential gold projects located within established areas of alluvial and bedrock gold mining in Russia, prospect and explore them until they reach the stage of being ready to be sold for cash or further developed into production in cooperation with a partner.

The management of the Company firmly believes that there is a time in the life of every company when strategic vision must be prioritized and as transformative momentum occurs, it can be grasped for the benefit of all stakeholders. While pursuing our exploration strategy, the ultimate objective has always been to identify and capitalize on the opportunity to grow into a gold producer.

The Reverse Takeover, which we believe immediately creates value for Kopy's shareholders through access to producing assets of Amur Zoloto, broadly reflects our historic aspiration to become an attractive producer in this region also. New Kopy will be positioned to deliver a strong production profile and attractive growth and exploration opportunities. The enhanced organic growth potential of New Kopy would be further supported by selective value-adding mining asset acquisitions following the strategy to create a leading mid-cap Gold Exploration and Production group listed in Stockholm.

We are pleased to welcome our new colleagues from Amur Zoloto into Kopy and aspire that all our shareholders and new investors will continue to see further progress across all of our assets in the years to come.

With kind regards,

Mikhail Damrin
CEO

SUMMARY OF THE REVERSE TAKEOVER

On 29 May 2020, Kopy entered into an agreement to acquire all shares in Amur Zoloto through an in-kind share issue (Sw. apportemission). Below follows a brief summary of the Reverse Takeover.

- The total consideration for 100 percent of the shares of Amur Zoloto is 782,179,706 shares in Kopy Goldfields. The number of new shares to be issued is based on a negotiated Equity Value of Amur Zoloto of approximately SEK 1.1 billion (MUSD 119.6)¹;
- The implied subscription price of SEK 1.46 per share implies a transaction premium of 54 percent to the three month volume weighted average price of Kopy Goldfields' share at Nasdaq First North Growth Market in Stockholm, Sweden to the closing price on 28 May 2020;
- The Reverse Takeover is structured as a contribution in kind where HCAM and Lxor contribute 100 percent of the shares in Amur Zoloto in exchange for a total of 782,179,706 shares in Kopy Goldfields, whereby HCAM and Lxor will hold approximately in total 88 percent of New Kopy after the completion of the Reverse Takeover;
- The Reverse Takeover will be presented for approval at the annual general meeting of Kopy on 30 June 2020. In addition, it is proposed that the annual general meeting resolves to amend the articles of association with respect to the limits of the share capital and number of shares. It is also proposed to elect Eric Forss and Arsen Idrisov as new members of the board, such election being subject to completion of the Reverse Takeover;
- Shareholders representing approximately 30% of Kopy's current outstanding share capital have irrevocably agreed to vote their shareholdings in favour of the proposals on the annual general meeting relation to the Reverse Takeover;
- The Reverse Takeover is conditional upon, (i) approval by the annual general meeting of Kopy, (ii) approval of New Kopy for continued trading on Nasdaq First North Growth Market and (iii) regulatory approvals such as merger control clearance in Russia;
- From a consolidated financial statement perspective, the Reverse Takeover will be treated as a reverse acquisition;
- Following completion of the Reverse Takeover, HCAM² will hold 587,416,959 shares corresponding to approximately 66.10% of the shares and votes and Lxor³ will hold 194,762,747 shares corresponding to approximately 21.90% of the shares and votes in New Kopy, in total approximately 88%;
- When the consideration shares have been registered with the Swedish Companies Registration Office, the total number of shares in New Kopy on a fully diluted basis will increase from 103,825,869 to 888,840,575 and the share capital will increase from SEK 39,476,805.02 to SEK 336,878,175.62. The Reverse Takeover involves a dilution effect for New Kopy's existing shareholders of approximately 88.3% based on the total number of shares outstanding as of the date of this Company Description;
- HCAM has been granted an exemption from the mandatory bid requirement by the Swedish Securities Council (decision of the Swedish Securities Council AMN 2020:20)⁴;
- The Reverse Takeover is expected to be completed in or around August 2020.

¹ Based on an exchange ratio USD/SEK of 9.52 as of 28 May 2020.

² HCAM is beneficially owned by Musa Bazhaev, Deni Bazhaev and Arsen Idrisov.

³ Lxor is beneficially owned by Magomed Bazhaev.

⁴ HCAM and Lxor have certain ownership related connections and are cooperating for the purposes of achieving the Reverse Takeover. Following completion of the Reverse Takeover, HCAM and Lxor will formally act as independent shareholders of New Kopy.

MARKET OVERVIEW

THE GOLD MARKET

In 2019, gold enjoyed its best performance since 2010, rising by 18.4 per cent in US dollar terms. It also outperformed major global bond and emerging market stock benchmarks in the same period. Meanwhile, gold prices continued to surge to record levels during the first quarter 2020, as investors reassessed the metal as a “safe haven” and inflation hedge as the corona virus was shaking global financial markets. The gold market's future is considered as bright as the global economy deals with unprecedented stimulus during a time of unprecedented uncertainty.

In 2019, gold prices recorded their biggest rise between early June and early September as political uncertainty increased and interest rates fell. But investors' appetite for gold was apparent throughout the year, as seen by strong flows into gold-backed ETFs, growing gold reserves from central banks, and an increase in COMEX net

longs positioning. Annual buying by central banks reached 650.3t – the second highest level for 50 years and only 6t less than in 2018. Central banks were net buyers of gold for the tenth consecutive year.

According to the World Gold Council, demand for gold-backed ETFs surged in 2019 as investors sought to diversify their portfolios and hedge against uncertainty in other markets. Inflows into gold-backed ETFs and similar products pushed global holdings to a record year-end total of 2,885.5t. Retail investment and jewellery demand sank, however.

Total annual gold supply edged up by 2 percent to 4,776.1 tons. An 11 per cent jump in recycling was the main reason for the increase, as consumers capitalized on the sharp rise in the gold price in the second half of the year. Annual mine production was marginally lower at 3,463.7 tons – the first annual decline in over ten years.

Goldprice indexed chart from January 1, 2009 to April 2020 in USD and RUB.



Continued demand expected in 2020

Looking ahead, The World Gold Council expects gold's “safe haven” qualities to remain at the forefront of investors' minds as they navigate global tensions, low yields, and stretched equity valuations. A wave of global central bank stimulus, including an emergency rate cut to zero and an aggressive bond purchase plan by the Fed, along with a pledge from leaders of the G7 nations to do whatever is necessary to respond to a global slowdown, have bolstered gold's prospects. The commodity is described by some analysts as the “currency of last resort” in the outbreak of COVID-19, the infectious disease that has caused a shutdown in much of the world, predicting that it will help drive prices of bullion higher.

For 2020, Goldman Sachs forecasts that financial and geopolitical uncertainty combined with low interest rates will continue to bolster gold investment demand. It also predicts that gold purchases by central banks will remain robust, even if they are lower than the record highs seen in recent quarters. Momentum and speculative positioning may keep gold price volatility elevated, and while gold

price volatility and expectations of weaker economic growth may result in softer consumer demand near term, structural economic reforms in India and China will support demand in the long term.

Popular investment tool

Gold is a popular precious metal for investment purposes due to several reasons. One reason is that gold, throughout history, has been used as a substitute for money, which has led to many central banks still holding large reserves of gold. Because of this, gold is still a significant part of the economic system and is considered a very stable asset class that protects the owner against inflation, turbulent stock markets and other uncertainties in the financial system. Today, there are some 165,000 metric tons of gold in existence above ground, according to recent estimates. If every single ounce of this gold should be placed next to each other, the resulting cube of pure gold would only measure 20 meters in any direction.

Gold differs from many other assets in the way that it is virtually indestructible, being one of the least reactive chemical elements,

which means that all gold that has ever been produced, still exists. The price of gold is determined by supply and demand, but because gold can be re-used and production have long lead times, as for example, opening a mine can take several years, demand plays a bigger role than the supply on the price development.

Demand for gold is driven by several factors, but in general it can be said that the price correlates negatively with factors such as the stock market's rise and fall in inflation. The demand for gold derives from diverse sources in many geographies and sectors. Around 50 per cent of today's produced gold becomes jewellery, where India and China with their expanding economic power have been at the forefront of consumption in recent times. But jewellery creates just one source of demand; investment, central bank reserves and the technology sector are all significant for the demand.

Production around the globe

Gold mining companies operate on every continent of the globe, except for the Antarctic where mining is banned until 2048. The vast majority of the world's gold has been mined in the modern, post-war era and as the industry has evolved it has also diversified. A greater number of countries have emerged as gold producers over recent decades, which means mine supply has become less geographically concentrated and therefore, overall, more stable. The annual total supply of gold has averaged around 4,000 tons over the last ten years.

Mining is not the only way in which gold is supplied to the market, however. Mine production accounts for typically 75 per cent of gold supply each year. Recycled gold accounts for the remaining 25 per cent and is most responsive to the gold price and economic fluctuations. Gold production experience long lead times and it takes more than ten years before a mine is ready for production. That means mining output is relatively inelastic and unable to respond quickly to a change in price outlook. Because of the long lead times, even a sustained price rally does not translate easily into increased production.

South Africa was the dominant gold producer during the 20th century, accounting for 70 per cent of the total gold production in the world in the 1970's. This has changed radically – China was the largest producer in the world in 2018, accounting for 12 per cent of total global production. Australia and Russia were the second and third largest producers, with 9 and 8.6 per cent of total global production respectively. Asia as a whole produced some 17 per cent of all newly mined gold. Around 12 per cent of the production came from Africa and 14 per cent from the CIS region. Central and South America produced around 14 per cent of the total, with North America supplying around 17 per cent.

Production growth in 2019 was largely from greenfield and brown-field development. Russian gold mine production saw an 8 per cent increase in 2019. The ramp up of greenfield sites and increases at several brownfield sites contributed to the growth in output. Similarly, in Australia, aggregate mine production rose by percent owing to higher production at several mines and the ramp up of projects.

Mine production in Turkey leapt due to improvements in the regulatory environment and permitting process, while West Africa again proved to be an engine of growth for mine production. Several of the region's nations, such as Ghana, Burkino Faso and Côte d'Ivoire, all saw increased gold production.

But this was outweighed by declines in some top producing nations. In China, the world's largest producer, mine output fell 6 percent in 2019, the third consecutive year of decline. Chinese gold production was hampered primarily by the strict environmental restrictions that have come into force in recent years.

In 2019, global gold jewellery demand volumes fell 6 percent to 2,107 tons. The weakness was primarily due to higher gold prices, which impacted affordability. Together, the two gold consuming giants China and India accounted for 80 percent of the y-o-y decline. The demand is expected to persist for the longer term, however, supported by a greater proportion of middle-class consumers in emerging market economies, particularly in China and India, which are two of the largest consumers today.

Gold used in electronics fell 2 percent to 262.6 tons in 2019 as a result of the overall weakness of the sector during the year. Gold's use in technology, however, is expected to increase in the future, as its unique attributes make it the only alternative for certain critical applications. Gold can be used to build highly-targeted methods for delivering drugs into the human body, to create conducting plastics and specialized pigments, or advanced catalysts that can purify water or air. It has also been used in dentistry for centuries. Although most technological applications use low volumes of gold, their impacts are diverse and wide-reaching.

Market development in Russia

Interest in Russian gold mining projects has increased markedly in the wake of the weakening of the RUB and rising gold prices. From the beginning of January to the end of March 2020, the RUB plummeted by 29 percent against the USD to its lowest level in more than four years, as oil prices crashed following the breakdown of the Russia-Saudi Arabia pact to limit production. As Russian gold production costs are in RUB and revenues in USD, this immediately pushed up margins for Russian gold producers by 20-25 percent.

Mining commodities, including oil, gas and metals, contributes to 11 per cent of Russia's total GDP. Russia's gold mining industry amounts to USD 908 in exports every year. Over the last ten years, according to the Russian Union of Gold Producers, Russia has mined 2,189 tons of gold and also plans to increase the annual production to 400 tons by 2030. During the increase in gold mining production in recent years, Russia's weakened currency (RUB), has counteracted the relatively low global gold prices since 2014. There are a number of major gold mining regions in Russia. The regions of Amur and Magadan are the fastest growing gold hubs, while the Siberian city Bodaibo is also one of the most prominent mining areas in the country.

FROM EXPLORATION TO MINING IN RUSSIA

Russia has a strong mining tradition and is known for highly skilled mining specialists. It is also estimated to have the second largest minable gold reserves in the world. Gold mining, however, is not regarded as a strategic industry in Russia and international companies currently account for some 30 % of the gold production. Half of the top ten largest gold producing companies are also international, with a favourable tax legislation, amongst other factors, creating an attractive framework.

Classification of mineral resources

The mining and tax legislation climate in Russia is favourable – it only takes 6-12 months in average to get production permits. Meanwhile, production costs are low as a result of a good supply of local expertise, combined with comparatively cheap electricity and fuel. Production costs in terms of USD is affected by the exchange rate of the RUB.

Most exploration data in Russia goes back to the 1960-70s and new exploration data collected with modern technology is limited to brown field projects. The known gold deposits are not exploited to their full potential and large areas of Russia remain to be explored.

Detailed system for exploration and mining

The Russian system for conducting exploration and mining operations is based on a detailed and objective description of how the process should be conducted, leaving less scope for professional estimations. It includes specifications for exploration methods, calculations of mineral resources and reporting.

All approvals of calculations of mineral resources and ore reserves in Russia are made by GKZ, which is the state authorities dealing with major deposits. On the regional level GKZ is represented by its branches, TKZ, which deals with the majority of deposits in Russia.

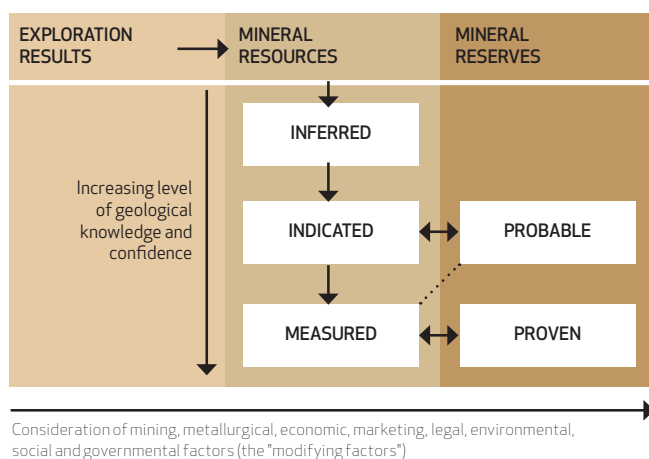
Mineral resources and ore reserves

The Russian system uses a distinct system to classify mineralizations according to a number of qualities and characteristics. There are three main categories and seven sub-categories:

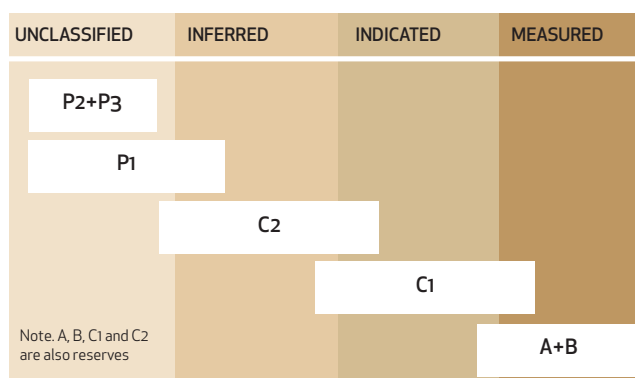
- Explored reserves and resources (A, B and C1)
- Examined reserves and resources (C2)
- Forecasted resources (P1, P2 and P3).

When deciding on commencing mining operations, normally the categories A, B, C1 and C2 are taken into consideration. This means that these categories could be roughly compared to the international system when it comes to measured and indicated ore reserves.

BASIC WESTERN APPROACH FOR MINERAL RESOURCE CLASSIFICATION



RECONCILIATION OF RUSSIAN AND INTERNATIONAL REPORTING SYSTEMS



Legal framework

In accordance with the Constitution of the Russian Federation, mining and mining rights are joint competence of Russian Federation and its constituent bodies. As a result, the mining legislation comprises federal legislative acts and regional legislative acts. The most important of the federal legislative acts are:

- the Subsoil Law
- the Law on Dangerous Production Facilities
- the Law on Precious Metals and Precious Stones

The competence pertaining to mining and mining rights is divided between federal and regional authorities, as envisaged by the legislation. Legislative acts promulgated by regional authorities cannot contradict the federal ones.

Designated usage

Pursuant to Article 6 of the Subsoil Law, subsoil areas are granted for geological study (prospecting), exploration of natural resources, extraction of natural resources, construction and exploitation of subsoil facilities.

Holders of mining rights

As a general rule, both Russian and foreign individuals and legal entities (joint ventures) can be holders of mining rights unless otherwise stipulated by the federal laws.

Terms of mining rights

Terms of mining rights differ based on the type of mining rights and type of deposit; for instance, mining rights for extraction of

natural resources can be granted for a term specified in the technical and economical substantiation concerning the particular mining area.

Grounds for provision of mining rights

The Subsoil Law enumerates various grounds for provision of mining rights, including:

- Decision of the Government of the Russian Federation
- Mining auction
- Succession in interest – for legal entities (joint ventures)
- Production-sharing agreements
- Application for prospecting and exploration ground on “first come – first served” principal

The most important document, which evidences the existence of mining rights, is the license. The license is issued by statutory authorities and is supplemented by the mining terms and conditions. The mining terms and conditions cannot contravene the provisions of the license. Licenses (and rights granted thereunder) can be suspended, revoked or restricted if a holder of mining rights (the licensee-holder) violates the Subsoil Law or requirements or obligations set forth in the license or, as the case may be, in the mining terms and conditions and the contract. Suspension, revocation or restriction of the license can be challenged either in court or administrative proceedings.

Industrial safety and dangerous production facilities

Both the Subsoil Law and the Law on Dangerous Production Facilities impose quite stringent requirements and obligations on the holders of mining rights. In most cases, gold mines, areas and occurrences are qualified as dangerous production facilities. Hence, the requirements and obligations thereunder are applicable to the holders of mining rights for gold mining areas and gold occurrences. Holders of mining rights for gold mining areas and gold occurrences are supposed to have the following documents:

- Development plan approved by relevant statutory authorities
- Insurance contract (policy) which covers liability arising out of, or in connection with, potential harm to life and health of people, their property and the environment
- Documents proving employees' qualification in the sphere of industrial safety
- Documents on inclusion of dangerous production facilities in the State Register of Dangerous Production Facilities
- Documents proving the personnel engaged in works on the dangerous production facilities is equipped with the required individual and collective protective gear and equipment

Gold refining

The Law on Precious Metals and Precious Stones directs that extracted and produced precious metals shall be placed for gold refining to legal entities certified by the Government of the Russian Federation. However, holders of mining rights remain owners of precious metals and precious stones placed for gold refining unless otherwise agreed with gold refining companies.

Law on strategic deposits

In 2008, Russia introduced legislation relating to strategically and nationally important industries and assets, including certain mineral resources. A gold deposit of 50 tonnes (1.6 Moz) or more of mineral reserves is considered to be of national significance, and thus falls within this legislative framework. The law means, among other things, that only Russian companies can hold these assets and that the authorities have certain rights relating to a strategic resource and the companies that exploit it. The government may deny a foreign investor in a Russian company to develop a strategic deposit, in exchange for reimbursement of costs incurred according to a particular model.

The system of taxes and payments

The Subsoil Law delineates the system of taxes and payments for the mining industry. The system includes:

- Natural Resources Extraction Tax (NRET) and other taxes, as provided by the Tax Code
- Regular mining payments
- Non-recurrent mining payments

Natural resources extraction tax (NRET)

Legal entities and sole entrepreneurs – users of subsoil resources – are considered as taxpayers. Extracted natural resources shall be considered as the object of taxation. The tax base is to be determined by the taxpayer with regard to every type of extracted natural resource, generally, as the value of extracted natural resources. The tax period of NRET is one calendar month. Tax rates depend on the type of the mineral resource. For gold, the current applicable tax rate is 6 %. The quantity and value of the extracted natural resources is determined directly (through the application of measurement means and devices) or indirectly (by means of calculations, by the data on the content of extracted natural resource in a natural raw material (waste, lost rock) extracted from subsoil). Regular mining payments may refer to annual payments for license holders regarding subsoil use for purposes of search, assessment and exploration, and water tax for the use of water on the license areas.

BUSINESS DESCRIPTION

KOPY GOLDFIELDS ⁵

Kopy Goldfields was established in 2007 following the acquisition of a gold deposit named Kopylovskoye. During the last twelve years, the Company has acquired an additional 22 additional licenses, whereof six have been sold, two have been returned to the Russian state and three licenses were returned to local JV partners. The current 12 licenses cover a total area of 2,156 km² and are located in Lena Goldfields of Siberia and in the Amur Region of the Russian Far East. Total mineral resources according to JORC amounts to 1.832 koz, of which 896 koz refers to the ownership of Kopy.

LOCATION MAP



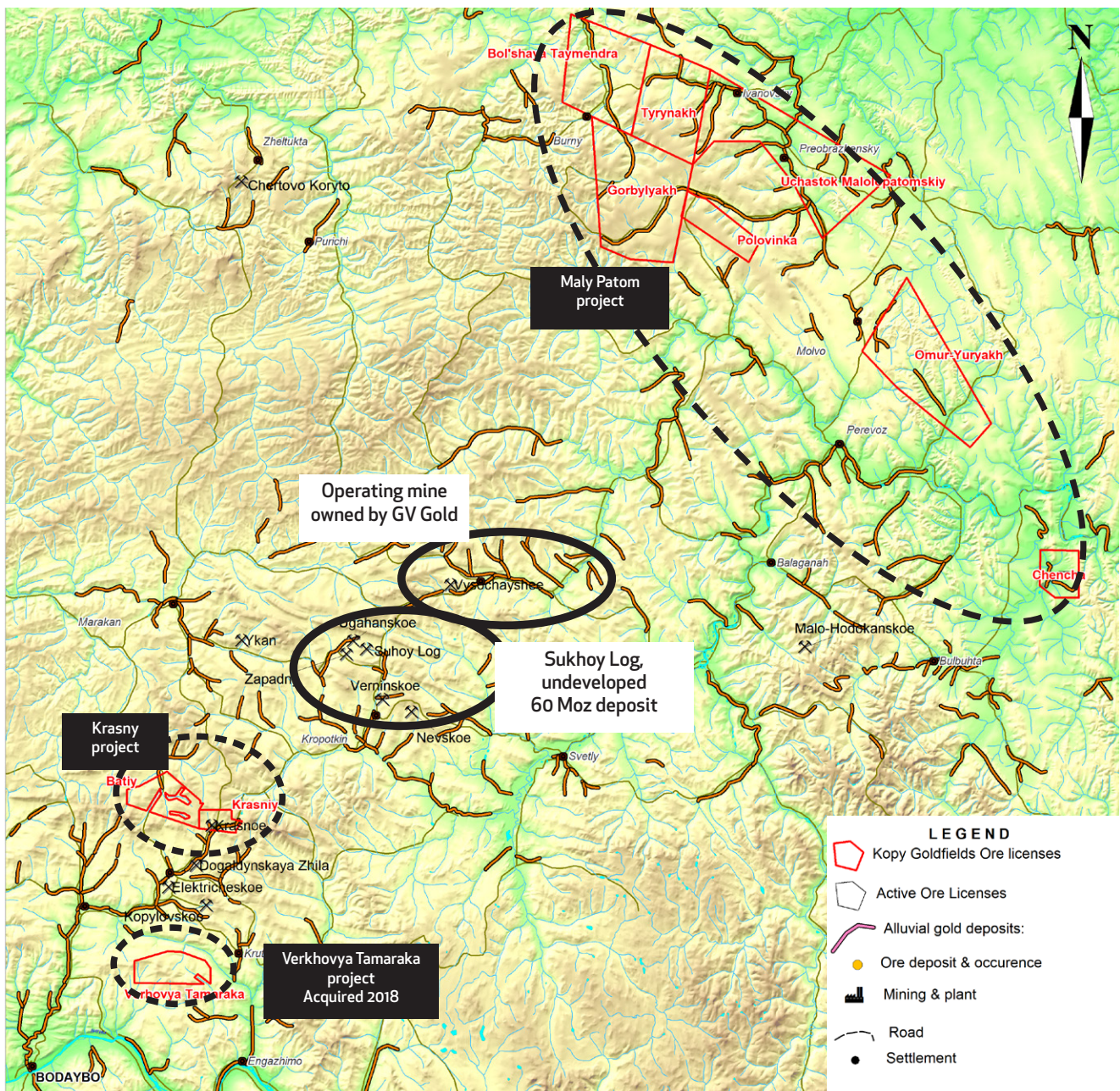
Combining the skills and knowledge of Russian geologists with an efficient, Swedish organization, Kopy strives to create a world-class exploration company. The company's business model is based on using expertise in identifying high potential areas, while cooperating with partners to develop them into production. The aim is to achieve short-term gains, while creating long-term value.

After more than a decade of operating in Russia, Kopy have achieved a solid track record and long experience of running successful exploration projects. In 2019 – in accordance with the business model – the company focused on marketing the most advanced project, Krasny.

In parallel, Kopy continued to increase land properties in Lena Goldfields with the acquisition of a new exploration property, Polovinka, extending existing Maly Patom project by 88 km².

Through the acquisition, Kopy has secured a position as one of three major regional players in Lena Goldfields. The company also drilled the first holes ever on the Maly Patom project that is the company's next project in line after the Krasny project. The exploration results strongly evidence existence of bedrock gold mineralization within Kopy's license area and make a step towards discovering the company's next million-ounce deposit.

⁵ Before Reverse Takeover



Kopy Goldfields projects in Lena Goldfields, marked in red

KEY PROJECTS

Krasny Gold Project – vast mineral resource base with the growth prospects

The Krasny Gold Project includes two bedrock licenses and one alluvial gold license. The project hosts the Krasny deposit and the Vostochny mineralization. The city located nearest to the Krasny sites is Bodaibo, a city of more than 16,000 citizens, with schools, colleges, hospital and other service facilities, and the majority of the population have a relation to the gold mining industry. The area has developed infrastructure with an airport in Bodaibo, state roads maintained all-year round to access the most important gold production sites, and hydropower plant located on the local Mamakan river.

There are several established electric grids crossing the Krasny site, although the current exploration activities are supported by diesel electric generators. The Krasny sites are located favourable, with the distance to the main state road – which runs north from Bodaibo to the town of Kropotkinsky – ranging between 1 and 10 km.

License Area and Exploration activities completed

- The total license area is 117 km².
- The Krasny license is valid until 2035.
- Scope of exploration (2011- 2018): drilling – 85,276 m (401 drill holes), trenching – 10,633 m, geochemical, geophysical and topographic-geodetic studies.
- In 2016, the Krasny deposit reserves of 9,767 kg of gold C2 categories were approved by the Russian Reserves Committee
- In 2016, the Vostochnoye mineral occurrence was discovered within the license area.
- In 2018, the most recent mineral resource estimation according to JORC was published.
- In 2019, a proposal for electricity supply from the local national electricity land grid for 15 MWt capacity was granted, which should be enough to support a production start.
- In 2019, New scoping study providing several production scenarios, all with positive NPV. The scoping study provides several potential mine development alternatives. The study is based on the most recent gold resource estimation from 2018.

JORC Resources estimation (as of May, 2018)

Category	Ore, kt	Gold, kg	Au, koz	Average grade, g/t
Indicated	7,539	9,045	291	1.2
Inferred	18,515	37,371	1,202	2.0
incl. Vostochnoye	6,689	10,537	339	1.6
Total	32,743	56,953	1,832	

Economics

In June 2019, AMC Consultants Pty Ltd from Perth, Australia, issued a scoping study for the Krasny project, providing several production scenarios. The recommended production option for Kopy Goldfields, providing the highest internal rate of return (IRR) but not the highest NPV for the investments, is one that uses an annual 1 million tonne plant throughput rate and a combined open pit and underground mine at the Krasny deposit in combination with an open pit mine at the Vostochny mineralization. This option was evaluated using a gold price of USD 1,300/ounce and features the following:

- Pre-tax NPV of USD 90 to 104 million at 6% discount rate and pre-tax IRR of 20% to 26%
- Mine life of approximately 16 years and a discounted pre-tax payback period of 6 years
- Total capital expenditure (CAPEX) of approximately USD 107 million with upfront CAPEX of USD 66 million
- Average metallurgical recovery over mine life of 87% using a gravity-flotation-CIL flowsheet
- Average gold head grade of 1.8 g/t
- Average life of mine (LOM) annual gold production of 40,000 to 50,000 ounces
- Average LOM stripping ratio (including both open pit and underground) of 7 tonnes waste per tonne of ore

Potential for Mineral Resource Base Increase

- Krasny site license: prospecting and appraisal operations at the extension of the Krasny deposit and Vostochnoye mineral occurrence structures.
- Batiy site license: prospecting and appraisal operations at the extension of the Krasny deposit and Vostochnoye mineral occurrence structures within the Anticlinalny, Munur, Batiy sites.

The Maly Patom Project

The Maly Patom-area is located to the north of Bodaibo and accessible by roads all-year-round. It covers a total area of 1,940 km² (194,000 ha), split into seven properties. Kopy's licenses for bedrock gold prospecting, exploration and production in the Maly Patom project are valid to 2037, with extension options. The licenses owned by Kopy has been grouped into projects with a geographical distribution that makes it possible to process ore from several deposits at one production plant per project. The area is located in the Patomo-Nechersky gold district within Lena Goldfields, with a 100-year history of successful alluvial gold mining and with many active mining projects of this type currently ongoing. A majority of the river valleys in this part host alluvial gold deposits and placer miners have reported pristine gold grains in the area, which indicates the existence of bedrock sources of alluvial gold nearby. No serious and consistent bedrock gold exploration, however, has been conducted in the area to date.

HISTORY

The key events in the history of the Company are listed chronologically below:

- 2006** Central Asia Gold AB (CAG) acquires OOO Kopylovsky and the Kopylovskoye license.
- 2007** Kopylovskoye AB is founded as a subsidiary to CAG and becomes the owner of OOO Kopylovsky.
- 2008** Acquisition of the Prodolny and Kavkaz licenses. Exploration activities for the Kopylovskoye project commenced. Kopylovskoye AB shares are distributed to CAG's shareholders in a spin off and the former becomes an independent company.
- 2010** Acquisition of the Krasny, Pravovesenny and Vostochnaya licenses. The Company is listed on Nasdaq First North (now Nasdaq First North Growth Market) in Stockholm.
- 2011** Acquisition of the Takhtykan license. The Company changes name to Kopy Goldfields AB. The Company publishes its first international mineral resource report in accordance with JORC for the Kopylovskoye deposit. Eldorado Gold Corp becomes a major shareholder in Kopy Goldfields. The Krasny license shows substantial gold contents and grades.
- 2012** Acquisition of the Purpolskaya and Verkhnyaya Orlovka licenses as well as six licenses in the Maly-Patom area of Lena Goldfields, covering a total area of 1,852 km². The company reports an international mineral resource report according to JORC for Krasny.
- 2013** First resource estimation in accordance with JORC for Krasny. A scoping study for Krasny indicates favorable conditions for open pit mining. Two licenses, Kavkaz and Prodolny, are sold for MRUB 50 in cash (approx. MSEK 10).
- 2014** A joint venture is formed with the Russian gold producer GV Gold to take Krasny to production. According to the agreement, GV Gold invests MUS\$ 9 for a 51 per cent stake of the licenses. Step 1 of a new, joint exploration program on Krasny is initiated.
- 2015** Step 2 of the exploration program for Krasny started. The results from step 1 and 2 are used for mineral resource reports according to GKZ and JORC, as well as for production planning. Test results indicate that the same technology can be used for both the oxidized ore and the primary ore with an estimated gold recovery of 90 per cent for the primary ore and 78–79 per cent for the oxidized ore.
- 2016** A substantial gold mineralization in the lower structure of Krasny is confirmed. The GKZ authorities in Irkutsk formally approve a GKZ report, confirming gold reserves of 9.7 tons (314 koz) in the C2 category. An updated JORC report is issued as well as an updated scoping study confirming feasibility in the Krasny mine development.
- 2017** Updated JORC report for Krasny confirms gold resources of 1,388 koz. Results from a scoping study show several production options for Krasny - all scenarios return positive free cash flows. New exploration program on Krasny carried out. Geochemical survey at Maly Patom confirm that this is a high potential area.
- 2018** The most recent JORC mineral resource report issued in early June 2018. The mineral resource estimation is based on a gold price of 1,250 USD/oz and shows 1,832 koz of indicated and inferred gold resources for the Krasny project and includes both Krasny and Vostochny. The report also includes 257 koz of probable gold reserves. As the mineralization is open along the strike and down dip, there is significant potential for increased gold resources. Mineral processing test for the Vostochny gold mineralization shows that it can be developed together with Krasny. Operatorship of Krasny handed over to GV Gold and decision is taken to exit the 49 per cent stake in the project. Exploration covering seven out of 21 identified exploration targets on the Maly Patom licenses confirming its strong potential for substantial gold findings. Acquisition of new licenses in the Amur region of Russia. The Kopylovskoye project sold to a group of Russian private investors for MUS\$ 6.
- 2019** New scoping study for Krasny made by AMC Consultants, Australia, based on the gold resource estimation in accordance with the JORC from 2018. The study provides several production scenarios for developing the Krasny project, all with positive NPV. Base case shows a pre-tax NPV of MUS\$ 90 to 104 at 6% discount rate and pre-tax IRR of 20% to 26%, using a gold price of 1,300 USD/oz.
- Acquisition of new exploration license, Polovinka, adds a further 88 km² to the Maly Patom project. First ever core drilling program for bedrock gold on the Maly Patom license, totaling 2,505 meters. 2,338 meters of trenches also developed and sampled of previously identified gold anomalies and a geophysical survey of 38 km² performed. Results confirm strong exploration potential of the area and that the long-term target of making one or several +1 Moz discoveries within the licenses is achievable.
- 2020** Kopy Goldfields entered a conditional agreement with HCAM and Loxor where Kopy Goldfields acquires 100% of the shares of Amur Zoloto.

MINERAL LICENCES

Summary of Kopy's licences is presented below (as of April 1, 2020):

License	Project	Acquired	Mineral reserves according to JORC	Mineral resources according to JORC	Mineral resources according to GKZ	Valid until:	Ownership Kopy Goldfields AB	License area
Krasny (Bedrock)	Krasny	2010	Krasny Probable: 257 koz@1.09 g/t	Krasny Indicated: 290 koz@1.2 g/t Krasny Inferred: 1 201 koz@2.02 g/t Vostochny Inferred: 338 koz@1.57 g/t Signed by Micon 2018	C1+C2: 314 koz P1: 233 koz	2035	49%	31 sq km
Krasny (Alluvial)	Krasny	2015			P2: 1 koz	2030	49%	2.46 sq km (within the bedrock license)
Batiy	Krasny	2017			P3: 322 koz	2024	49%	86 sq km
Tyrynakh	Maly Patom	2012			P3: 578 koz	2037	100%	250 sq km
Bolshaya Taimendra	Maly Patom	2012			P3: 578 koz	2037	100%	289 sq km
Gorbylyakh	Maly Patom	2012			P3: 578 koz	2037	100%	417 sq km
Omur-Yuryakh	Maly Patom	2012			P3: 160 koz	2037	100%	365 sq km
Chencha	Maly Patom	2012			P3: 321 koz	2037	100%	71 sq km
Malo-Patomsky	Maly Patom	2012			P3: 578 koz	2037	100%	460 sq km
Polovinka	Maly Patom	2019			P3: 310 koz	2026	100%	88,65 sq km
Verkhovya Tamaraka	Verkhovya Tamaraka	2018			P3: 1476 koz	2025	100%	83,08 sq km
Bolshaya Kamenushka	Amur	2018				2023	67%	12,85 sq km
Total			JORC: Probable: 257 koz	JORC: Indicated: 290 koz Inferred: 1,539 koz	Russian GKZ: C1+C2: 314 koz P1-P3: 5,135 koz			2,156 sq km

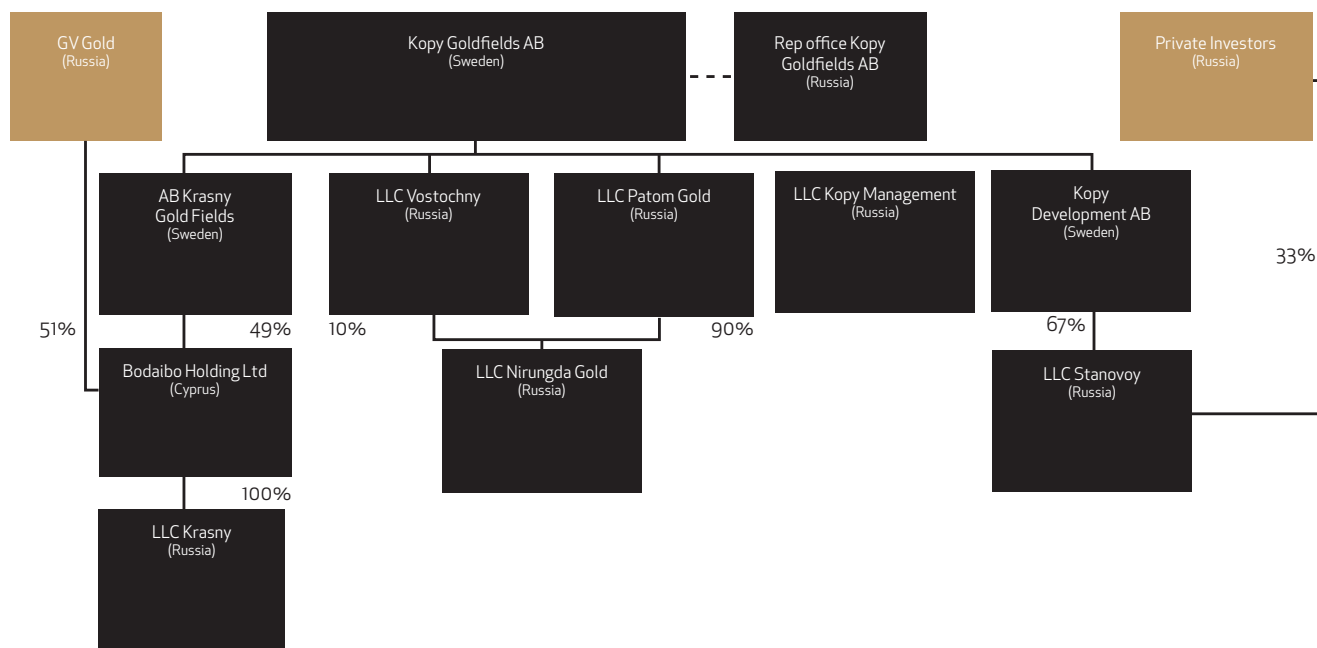
ORGANISATIONAL STRUCTURE

Kopy Goldfields' corporate structure (June 2020)

Kopy Goldfields AB is the Swedish parent company and holds 100% of the Swedish subsidiaries AB Krasny Gold Fields and Kopy Development AB and 100% of the Russian subsidiaries LLC Vostochny, LLC Patom Gold, and LLC Nirungda Gold. All Russian subsidiaries are domiciled in Bodaibo in the Irkutsk region of Russia. The Company also holds 67% of the Russian subsidiary LLC Stanovoy, domiciled in Blagoveshchensk in the Amur region

of Russia, and 49% of the Cyprus-based company Bodaibo Holding Ltd, which in turn is 100%-owned by the Russian company LLC Krasny. All Russian subsidiaries are Limited Liability Companies (LLC). Each of these subsidiaries is the owner of different gold exploration and production licenses.

In 2019 Kopy had on average 8 employees, whereof 2 women. 6 employees were located in Russia and 2 in Sweden.



* Representative office in Russia is currently being shut down to be replaced by OOO Kopy Management

Subject to completion of the acquisition of Amur Zoloto, two more fully owned Russian subsidiaries will be added, Amur Zoloto, domiciled in the Ayano-Mayskiy District of Khabarovskiy Krai and LLC "Dalniy Vostok", domiciled in Khabarovsk city of Khabarovskiy Krai. See page 53 for an organisational structure post completion.

Vision and strategy

Kopy Goldfields' and, following the Reverse Takeover, New Kopy's vision is to become a fast growing world-class gold exploration and production company with focus on Russia and former Soviet Union countries. Our strategy to achieve this is to:

- Identify and acquire high potential gold projects, located within the established area of alluvial and bedrock gold mining
- Maintain a pipeline of bedrock exploration projects varying from greenfield to feasibility stages allowing the organic growth of gold production
- On a merit and competitive basis, develop exploration projects

into mining operations to maximize shareholders' returns

- Pursue value-adding acquisition opportunities in gold mining
- Attract and retain strong international and Russian geological expertise
- Combine Russian geologic knowledge and science with international management, "best industry practices" and modern and efficient technology to identify and explore mineral deposits in a cost-efficient way
- Establish a medium-sized but efficient organization with the right competencies in exploration and running mining operations
- Build-up professional and friendly relations with regional authorities and communities in order to support the company's growth and development
- Develop exploration and mining activities in a safe and environmentally friendly way in compliance with Russian and international industry and environmental standards

AMUR ZOLOTO

Amur Zoloto is a Russia-focused gold producer, which is owned by HCAM and Lexor. HCAM is beneficially owned by Musa Bazhaev, Deni Bazhaev and Arsen Idrisov while Lexor is beneficially owned by Magomed Bazhaev. The mineral assets of the company consist of a number of developing and operating gold mines (both hard rock and alluvial) and processing plants.

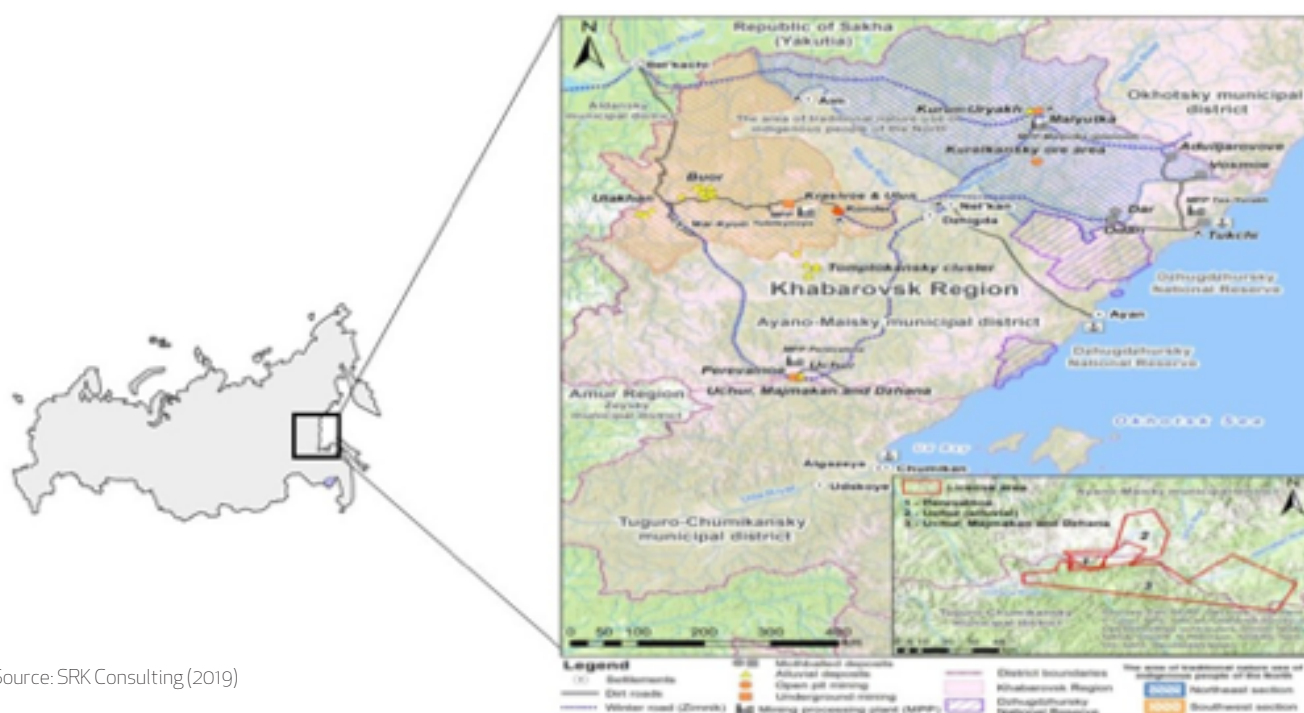
The company's mineral assets are located in Ayano-Maisky and Tuguro-Chumikansky municipal districts of Khabarovsk Region of the Russian Far East.

Asset Location Map

Khabarovsk Region is one of the five largest regions of the Russian Federation and belongs to the central part of Far Eastern Federal District. The region consists of 17 municipal districts and two cities. The region borders with five other regions of Russia and with the People's Republic of China to the south. The Sea of Okhotsk and the Sea of Japan are to the East from the region. Most of the assets are located in Ayano-Maisky municipal district of Khabarovsk Region 900-1,150 km from the city of Khabarovsk.

The Perevalnoe Complex (licence areas of Perevalnoye, Uchur, Maimakan and Dzhana deposits and alluvial cluster Uchur) is partially located in Tuguro-Chumikansky municipal district about 820 km from the city of Khabarovsk.

Both Ayano-Maisky and Tuguro-Chumikansky municipal districts are the largest and less populated in the region. Each of them covers an area of over 16 million ha and belongs to the Far North.



Source: SRK Consulting (2019)

YUBILEINY COMPLEX

The Yubileiny Complex comprises the Krasivoye underground mine, the Ulun deposit and the Yubileiny processing plant. The assets are situated about 5 km apart, in the north-western part of Ayano-Maysky municipal district of Khabarovsk Region, within the Dansky Ore Field. The processing plant produces gravity and flotation concentrates that are processed further by cyanidation (CIP). A second gravity and flotation line is planned to be commissioned to process increased feed from Krasivoye and possibly Ulun if developed.

Krasivoye underground mine

Krasivoye is a high grade, underground gold mine that feeds the nearby Yubileiny processing facility. The mine commenced production in 2004, initially using open pit methods and then switched to underground mining in 2010. The Krasivoye underground mine is accessed by adits, the mining method is sub-level open stoping. Mineral resources are classified as Indicated to this depth and Infer-

red below that. Amur Zoloto is developing decline access to reserves below the lowest adit at 950 meters above sea level.

Ulun deposit

Ulun is a gold deposit adjacent to Krasivoye for which Amur Zoloto has no current plans for development.

Yubileiny processing plant

The Yubileiny plant produces gravity and flotation concentrates that are processed further by cyanidation to Dore bars with an average recovery over 2017-2018 of 89% gold and 62% silver. The plant has a crushing capacity of 200 kilo tonnes per annum ("ktpa") and the gravity and flotation section has a capacity of 130 ktpa. A second gravity and flotation line is under construction and will be commissioned in 2022 increasing plant capacity to 265 ktpa. The plant process ore from the neighboring Krasivoye underground gold mine and flotation and gravity concentrates from Perevalnoye mine and mill.

THE PEREVALNOYE COMPLEX

Perevalnoye operates an open pit mine and a processing plant. Mining from the Perevalnoye open pit commenced in 2015 and the processing plant was commissioned in 2017. The facility produces gravity and flotation concentrates, which are further leached (CIP) at the Yubileiny process plant. Currently the ore is mined from the Brekchiyeveya and Priyatnoe pits will in the future be mined from an underground mine below the open pit at Brekchiyeveya. The commissioned plant has capacity treat ore at a rate of 144 ktpa. The plant produces gravity and flotation concentrates which are trucked to the Yubileiny facility for cyanide leaching (CIP). A heap leach plant to process lower grade "halo" ore is planned to be commissioned later this year.

THE MALYUTKA COMPLEX

Malyutka is a greenfield project planned to be commissioned in 2023. It is an open pit deposit where gold is planned to be recovered using a heap leaching circuit. Ore will be stacked and leached.

THE TAS-YURAKH COMPLEX (ON MAINTENANCE)

The decommissioned Tas-Yurakh complex comprises five distinctive deposits, two of which are intended for open pit mining, and three of which are intended for underground mining. Two of the underground mines are extensions of exhausted open pits and the bulk of the required infrastructure is therefore already in place. Due to depletion of the near-by golds reserves, the complex is currently on care-and-maintenance.

PLACER SOURCES

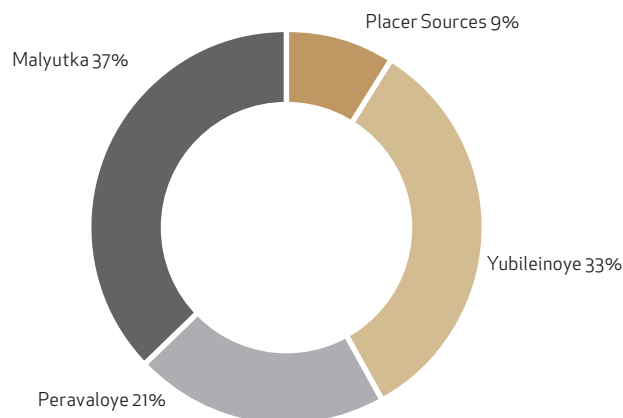
There are four gold placers currently mined from the two areas Buor and Kagkan. Together the placers could produce some 400-500 kg (13-16 koz) of gold per year. Future gold placers planned to be mined at Khayunda and Kurun-Uryakh.

Probable Reserves (summary), 1 Jan 19

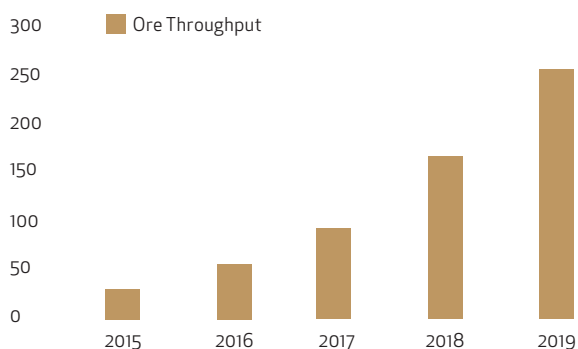
Total Probable Reserves	Au	Au	Ag	Ag
	t	koz	t	koz
Grand Total Probable Reserves	30.3	975	49.1	3,395
Malyutka	11.2	360	9.5	33
Yubileiny	10.1	325	-	-
Perevalnoye	6.3	203	39.6	3,364
Placer Sources	2.7	87	-	-

Source: SKR Consulting (2019)

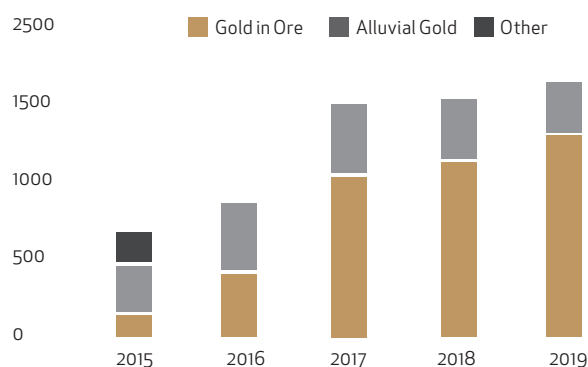
Probable Reserves (by complex), 1 Jan 19



Ore processing at Amur Zoloto, t



Gold production (2015-2019), kg



AMUR ZOLOTO'S HISTORY

- 2010** In 2010, a separate gold-producing company, Amur Zoloto, was created by its shareholders by transferring the gold assets from the company "Artel of prospectors" "Amur" which existed at the time. Relevant licenses for ore and placer deposits also were transferred to Amur Zoloto. At the time, production facilities within the perimeter of the company included:
- TAS-Yuryakh complex (commissioned in 2007)
 - Yubileiny Complex (commissioned in 2007)
 - Placer gold mining facilities
- 2011-2015** In 2011-2015, the company went through a number of changes in terms of the composition of its asset portfolio:
- February 2012: The "Krasivoye" mine was decommissioned.
 - March 2015: TAS-Yuryakh complex was put on care and maintenance following the depletion of the main deposits.
- 2015-2019** In 2015-2019, the company successfully developed / restored a number of assets, driving substantial transformation of its asset portfolio. Over this period, the company replaced 39 units of equipment (VOLVO and LIEBHERR) for a total cost of ~RUB 1.1 bn. Such transformation led to an increase in production from ~0.66 t (21.1 koz) of gold in 2015 to ~1.6 t (~52 koz) in 2019.
- 2020** In January-April 2020, Amur Zoloto produced 422 kg of gold (equivalent of c.13.6 koz).

YUBILEINY COMPLEX

- March 2015:** Resumption of mining and extraction of ore at "Krasivoye" mine
- March 2015:** start of construction of the processing plant
March-June 2016: commissioning works were carried out at the Yubileiny processing plant
- June 2016:** Russian state industrial supervisor "Rostekhnadzor" confirmed compliance of the project with relevant regulations and a permission was granted to commission the processing plant
- June 2016:** processing complex commissioned with a design capacity of 82.4 kt of ore per year.
- 2016 – 2017:** production volumes increased to 100 kt of ore per year, including the processing of ore at the Perevalnoye plant
- 2018:** In addition to the design capacity of 100 kt of ore per year, the plant began production of flotation and gravity concentrate which is trucked to the Yubileiny plant. The "Perevalnoye" plant was decommissioned. A modernization plan was devised to increase processing capacity at the processing plant to 130 kt of ore per year in order to increase the efficiency of the factory.
- 2019:** The production capacity of 130 thousand tons of ore per year was achieved at the mill. Moreover, 3.5 kt of flotation concentrate and 0.5 kt of gravel concentrate capacity also achieved at the Perevalnoye plant. A decision was taken on the next stage of modernization in the period 2020-2022.
In 2019, the production of gold from Yubileiny amounted to 523 kg.

PEREVALNOYE COMPLEX

- End of 2015:** Start of open pit mining at "Brekchieva" and "Priyatniy". Additionally, the company completed construction of the processing plant, which uses the gravity-flotation ore enrichment.
- Until the start of operation of the processing plant, Amur Zoloto practiced selective extraction of rich ore, with further transportation to the Yubileiny processing plant. A 305 km long road was built to transport ore in winter and deliver equipment and materials for the construction of the processing plant, supply of goods and materials to support the activities of the mine.
- 2015 – 2018:** Production of rich ore started with the initial volumes of 135.7 kt. (content of 15 g/t). More than 58 kt of ore (content of 24.2 g/t; gold in the ore 1407.8 kg) were transported to the Yubileiny complex for further processing. Construction of the processing plant continued.
- March 2018.** Rostekhnadzor confirmed compliance of the built facility with the initial capital plan.
- April-June 2018:** Commissioning at the Perevalnoye processing plant
June 2018: Permission to commission the processing plant was granted by the Department of Subsoil Use for the Far-Eastern Federal district.
- June 2018:** The processing was launched with a design capacity of 100 kt of ore per year and an initial production of concentrates of 6.2 kt
- In 2018:** Final shipments of rich ore to the Yubileiny processing plant. Delivered the first batch of gravity concentrate from Yubileiny processing facility
- 2019:** Achieved year-round transportation of concentrates for processing at the Yubileiny complex.
Commissioning of "Priyatniy" open pit. Commissioning of the heap leaching plant (HL) to process low-grade ore stockpiled in the period between 2015 and 2022
In 2019, the production of gold from Perevalnoye amounted to 749 kg.

PROBABLE RESERVES AND M&I RESOURCES (AS OF 1 JAN, 2019)

Total Probable Reserves	Au	Au	Ag	Ag
	t	koz	t	koz
Total Probable Reserves	30.3	975	49.1	3,395
Malyutka	11.2	360	9.5	33
Yubileiny	10.1	325	-	-
Perevalnoye	6.3	203	39.6	3,364
Placer Sources	2.7	87	-	-
Mineral Resources	Au	Au	Ag	Ag
Measured	t	koz	t	koz
Open pit (O/P)	4.1	132	45.4	1,460
Underground (U/G)	2.4	77	5.2	167
Indicated				
Open pit (O/P)	16.2	521	69.2	2,225
Underground (U/G)	16.7	537	0.7	23
Total M&I	39.4	1,267	120.5	3,875

MINERAL LICENCES

Amur Zoloto's mineral licences as of May 2020 are presented below

The AZ Mineral Licences

1	Licence XAB 02424 BP for the geological survey, exploration and mining of mineral resources in the lower reach of Buor river;
2	Licence XAB 02627 БЭ for the exploration and mining of mineral resources within deposits of Khayunda and Chohcho streams;
3	Licence XAB 02628 БЭ for the exploration and mining of mineral resources within Kurun-Uryakh stream – lotkan river;
4	Licence XAB 02660 БП for the geological survey, including prospecting and appraisal of mineral deposits in the upper reach basin area of Leviy Ulakhan-Chaidakh river;
5	Licence XAB 02736 BP for the geological survey, exploration and mining of alluvial gold within Buor-Sala deposit;
6	Licence XAB 02748 БЭ for the exploration and mining of mineral resources, including the use of mining and related processing waste within Dzhemkie deposit;
7	Licence XAB 02749 БЭ for the exploration and mining of mineral resources, including the use of mining and related processing waste within Udachniy deposit;
8	Licence XAB 02344 BP for the geological survey, exploration and mining of mineral resources within Dansky ore cluster;
9	Licence XAB 02345 BP for the geological survey, exploration and mining of mineral resources on the right bank of Ulya river;
10	Licence XAB 02347 BP for the geological survey, exploration and mining of mineral resources within Malyutka subsoil plot;
11	Licence XAB 02351 БЭ for the exploration and mining of mineral resources, including the use of mining and related processing waste within Perevalnoye deposit;
12	Licence XAB 02352 БЭ for the exploration and mining of mineral resources in Tukchi deposit;
13	Licence XAB 02572 БЭ for the exploration and mining of gold ore within Odari deposit Osennya zone ore cluster No. 1;
14	Licence XAB 02573 БЭ for the exploration and mining of mineral resources within Dar deposit;
15	Licence XAB 02659 БП for the geological survey, including prospecting and appraisal of mineral deposits in Kurelkanskaya area;
16	Licence XAB 02845 BP for the geological survey, exploration and mining of mineral resources within subsoil plot in basin areas of Yurtoviy and Khvoyiny Streams;
17	Licence XAB 02851 BP for the geological survey, exploration and mining of mineral resources within estuary of Praviy Ulakhan-Chaidakh stream;
18	Licence XAB 02955 БП for the geological survey on the underlying beds of developed mineral deposits within Krasivoye mineral deposit;
19	Licence XAB 03006 БЭ for the exploration and mining of mineral resources in Verhniy Kagkan and Chudniy stream valleys;
20	Licence XAB 03106 БП for the geological survey, including prospecting and appraisal of mineral deposits in the middle and upper reach basin area of Onne stream; and
21	Licence XAB 03107 БП for the geological survey, including prospecting and appraisal of mineral deposits in the basin area of Ulakhan-Kharyy-alakh stream.

FINANCIAL INFORMATION

KOPY GOLDFIELDS' CONSOLIDATED INCOME STATEMENT

in thousands of Swedish krona, TSEK	2019 (audited)	2018 (audited)
Other operating income	562	796
Total revenue	562	796
Operating expenses		
Other external costs	-5,655	-6,763
Personnel costs	-7,049	-6,491
Results from joint ventures	7,618	-7,453
Divestment of subsidiaries	-	-20,394
Depreciation and amortization of tangible and intangible assets	-1,897	-209
Operating earnings	-6,421	-40,514
Earnings from financial items		
Finance income	6,469	66
Finance costs	-4,162	-3,313
Earnings before tax	-4,114	-43,761
Tax on earnings for the year	400	-249
Net income	-3,714	-44,010
<i>Of which attributable to:</i>		
Parent Company shareholders	-3,707	-43,844
Non-controlling interests	-7	-166
	-3,714	-44,010
Earnings per share before and after dilution*	-0.04	-0.52
Average number of shares before and after dilution*	103,825,869	83,710,877

*Earnings per share before and after dilution and Average number of shares before and after dilution were remeasured to reflect the share issue implemented in 2018.

KOPY GOLDFIELDS' CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of Swedish krona, TSEK	2019 (audited)	2018 (audited)
Net income	-3,714	-44,010
Items that may be reclassified to profit or loss		
Translation differences on foreign operations	-2,731	38,851
Total comprehensive income	-6,445	-5,159
<i>Of which attributable to:</i>		
Parent company shareholders	-6,438	-4,993
Non-controlling interests	-7	-166
	-6,445	-5,159

KOPY GOLDFIELDS' CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of Swedish krona, TSEK	31 Dec 2019 (audited)	31 Dec 2018 (audited)
ASSETS		
Non-current assets		
Exploration licenses and evaluation work	16,732	10,547
Buildings	798	836
Machinery and equipment	139	147
Investments in joint ventures	105,234	96,708
Other financial assets	38,589	32,221
Deferred tax assets	–	44
Total non-current assets	161,492	140,502
Current assets		
Inventories	1	11
Trade receivables	140	94
Other receivables	1,215	832
Prepaid expenses and accrued income	190	214
Cash and cash equivalents	6,326	20,078
Total current assets	7,872	21,229
TOTAL ASSETS	169,364	161,731
EQUITY		
Share capital	39,477	39,477
Other paid-in capital	301,780	301,236
Translation reserve	4,979	7,710
Retained earnings, incl. net income	-225,592	-221,885
Equity attributable to Parent Company shareholders	120,644	126,538
Non-controlling interests	-173	-166
TOTAL EQUITY	120,471	126,371
LIABILITIES		
Non-current liabilities		
Deferred tax	–	576
Non-current financial liabilities	46,586	15,000
Total non-current liabilities	46,586	15,576
Current liabilities		
Trade payables	218	305
Other current liabilities	490	15,688
Accrued expenses and deferred income	1,599	3,791
Total current liabilities	2,307	19,784
TOTAL EQUITY AND LIABILITIES	169,364	161,731

KOPY GOLDFIELDS' CONSOLIDATED STATEMENT OF CASH FLOWS

in thousands of Swedish krona, TSEK

	2019 (audited)	2018 (audited)
Operating activities		
Earnings before tax ⁶⁾	-4,114	-43,761
Adjustment for non-cash items	-12,343	30,311
Taxes paid	0	0
Cash flow from operating activities before changes in working capital	-16,457	-13,450
Cash flow from changes in working capital:		
Increase (-)/Decrease (+) in inventories	12	2
Increase (-)/Decrease (+) in operating receivables	-305	-937
Increase (+)/Decrease (-) in operating liabilities	-416	-1,445
Cash flow from operating activities	-17,165	-15,831
Cash flow from investing activities		
Acquisition of property, plant and equipment	-54	-
Acquisition of intangible assets	-6,132	-2,500
Investment in joint ventures	-5,725	-5,131
Sale of property, plant and equipment	58	-
Divestment of subsidiaries/licenses	-	1,078
Cash flow from investing activities	-11,853	-6,553
Cash flow from financing activities		
Share issue	-	25,158
Issue expenses	-	-3,601
Proceeds from warrants	254	50
Loans raised	15,000	15,000
Cash flow from financing activities	15,254	36,607
Cash flow for the year	-13,764	14,223
Cash and cash equivalents at start of year	20,078	5,871
Exchange gains/losses on cash and cash equivalents	12	-16
Cash and cash equivalents at end of year	6,326	20,078
Supplementary cash flow disclosures		
Cash and cash equivalents		
The following subcomponents are included in cash and cash equivalents:		
Cash and bank balances	6,326	20,078

⁶⁾ Amount includes interest received, KSEK 15 (5), and interest paid, KSEK 4,700 (1,734).

COMMENTS TO THE FINANCIAL DEVELOPMENT

Earnings

The Company did not have any revenue during the period.

The Company sold the wholly-owned subsidiary LLC Taiga in December 2018. The total sales price corresponded to MUSD 6, to be paid in several instalments with final payment date in June 2022. However, if the payments are accelerated and finalized on December 31, 2020, the sale price will be discounted by MUSD 1 and amount to MUSD 5.

At December 31, 2018, the total sales amount of MUSD 5, corresponding to MSEK 45.2, was discounted and recognized in the income statement. The receivable at December 31, 2018, net of transaction costs, amounted to MSEK 32.2. In accordance with IFRS 10, historical exchange differences of MSEK 33.1 attributable to the Kopylovskoye project were recognized as an expense in the income statement, which resulted in an accounting loss of MSEK 20.4 on the sale of subsidiaries for the year 2018. Historical exchange differences from the Kopylovskoye project have been recognized directly in equity in previous periods. The expenses for 2018 are therefore only a reclassification and do not have a net impact on equity. The total expected payments of MUSD 6 are discounted at the end of each reporting period. The receivable at December 31, 2019 is MSEK 38.6 and the income statement shows income of MSEK 6.4 in net financial items.

Operating earnings amounted to MSEK -6.4 (-40.5), which is MSEK 34.1 better than in the previous year. The change is primarily due to the effects of the sale of the subsidiary LLC Taiga in 2018. Earnings from joint ventures amounted to MSEK 7.6 (-7.4) for 2019. The difference of MSEK +15.1 is largely due to exchange differences. Impairment losses of MSEK 1.7 (0) on the Amur project are included in operating earnings.

Earnings after tax attributable to Parent Company shareholders holders amounted to MSEK -3.7 (-43.8). Net financial items for 2019 were MSEK 2.3 (-3.2), with the change being mainly an effect of the remeasurement of the receivable from the Taiga sale and interest expenses for long-term loans.

Comprehensive income for 2019 amounted to MSEK -6.4 (-5.0). The result in 2018 was an effect of historical exchange differences when the Kopylovskoye project was reclassified from other comprehensive income to the income statement.

Tax

Tax for the period was MSEK 0.4 (-0.2). Management's assessment is that the Group will not generate any taxable profits from operating activities over the next few years. The Company does not capitalize deferred tax assets attributable to tax losses.

Earnings per share

Earnings per share for the year amounted to SEK -0.04 (-0.52). Equity per share amounted to SEK 1.16 (1.22).

Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital amounted to MSEK -16.5 (-13.5), which includes interest payments of MSEK 4.7. The change in working capital was MSEK -0.7 (-2.4). Cash flow from investing activities was MSEK -11.9 (-6.6). The difference from the previous year was mainly due to investments in intangible assets which were MSEK 6.1 in 2019, compared with MSEK 2.5 in 2018, and investments in joint ventures which amounted to MSEK 5.7 (5.1). Cash flow from financing activities amounted to MSEK 15.3 (36.6), with the difference from the previous year attributable to the share issue in fall 2018, which brought MSEK 21.6, net of issue expenses.

In September 2019, the Company received a loan of MSEK 15 from Scandinavian Credit Fund I, resulting in interest-bearing liabilities of MSEK 46.7 (30) at year-end. Consolidated cash and cash equivalents amounted to MSEK 6.3 (20.1) at year-end.

The equity/assets ratio was 71 percent at year-end compared with 78 percent in the previous year. No dividend was paid to shareholders during the year.

Equity

The 2019 AGM adopted two incentive programs 2019/2022: one for management and one for the Board of Directors. Up to 2,835,000 warrants can be issued under the programs. Each warrant entitles the holder to subscribe for one (1) new share in the Company, which means that share capital may be increased by up to SEK 1,077,927. As of December 31, 2019, the number of warrants issued to participants was 2,835,000 and the effect on equity for 2019 was KSEK 544.

Investments

The Group's investments in exploration and evaluation amounted to MSEK 6.0 (2.5) during the year. One license was acquired during the year without direct payment, while five licenses were acquired for a total amount of KSEK 25 in the previous year. The Group also invested MSEK 5.7 (5.1) in the joint venture project for the Krasny license. Investments in buildings, machinery and equipment amounted to MSEK 0.1 (0) in 2019.

Depreciation for the year amounted to MSEK 0.2 (0.2).

The Company wrote down the Amur project to zero during the year and recognized an expense of MSEK 1.7 (0) in the income statement. The Group's property, plant and equipment and intangible assets were tested for impairment during the year. Other than the Amur project, no impairment was identified.

AMUR ZOLOTO'S CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND LOSS

in thousands of US Dollars (TUSD)	31 Dec 2019 (audited)	31 Dec 2018 (audited)
Revenue	70,114	60,037
Cost of sales	-46,816	-46,425
Gross profit	23,298	13,612
General and administrative expenses	-6,580	-6,071
Other operating expenses, net	-1,457	-1,374
Operating profit	15,261	6,167
Finance costs	-3,564	-4,502
Finance income	22	31
Profit before tax	11,719	1,696
Income tax expense	-2,559	-485
Profit for the year attributable to owners of the parent	9,160	1,211
Other comprehensive income/loss		
Items that will not be reclassified subsequently to profit or loss:		
Effect of translation to presentation currency	5,364	-8,577
Total comprehensive income/loss for the year attributable to owners of the parent	14,524	-7,366

AMUR ZOLOTO'S CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of US Dollars (TUSD)	31 Dec 2019 (audited)	31 Dec 2018 (audited)
ASSETS		
Non-current assets		
Exploration and evaluation assets	5,261	4,931
Property, plant and equipment	43,577	46,073
Right-of-use assets	8,132	-
Deferred tax asset	283	64
Inventories	6,512	4,601
Total non-current assets	63,765	55,669
Current assets		
Inventories	43,423	28,645
Other receivables	148	191
Advances paid	1,275	689
Taxes receivable	3,302	2,339
Cash and cash equivalents	396	911
Other current assets	322	1,024
Total current assets	48,866	33,799
Total assets	112,631	89,468
Equity and liabilities		
Capital and reserves		
Participants' capital	53,977	53,977
Retained earnings	32,481	23,342
Foreign currency translation reserve	-30,227	-35,591
Total net assets attributable to participants	56,231	41,728
Non-current liabilities		
Borrowings	6,003	6,643
Mine rehabilitation provision	2,659	1,883
Lease liabilities	1,806	1,190
Deferred tax liability	-	216
Contract liability	23,290	27,916
Other non-current liabilities	126	101
Total non-current liabilities	33,884	37,949
Current liabilities		
Borrowings	2,284	382
Accounts payable and accrued liabilities	8,404	5,945
Contract liability	8,023	
Income tax payable	236	21
Taxes payable	923	712
Mine rehabilitation provision	37	2
Lease liabilities	2,609	2,729
Total current liabilities	22,516	9,791
Total equity and liabilities	112,631	89,468

AMUR ZOLOTO'S CONSOLIDATED STATEMENT OF CASH FLOWS

in thousands of US Dollars (TUSD)

	31 Dec 2019 (audited)	31 Dec 2018 (audited)
Operating activities		
Profit before tax	11,719	1,696
<i>Non-cash adjustments</i>		
Depreciation and depletion and impairment of property, plant and equipment	0	0
Impairment of exploration and evaluation assets	7,540	4,755
Loss on disposal of assets	669	-
Finance costs	699	379
Finance income	3,564	4,502
Movement in allowance for obsolete inventory and net realisable value	-22	-31
Foreign exchange loss	2,068	9,682
Other non-cash adjustments	-51	38
<i>Working capital adjustments:</i>	23	606
Change in other receivables and advances paid	-	-
Change in inventories	-1,131	1,543
Change in other assets	-17,062	-16,304
Change in contract liability	1,339	-1,088
Change in trade and other payables and advances received	-	28,590
Interest received	412	-36
Interest paid	25	31
Income tax paid	-	-2,500
	-2,733	-595
Net cash flows from operating activities	7,019	31,268
Investing activities		
Purchase of property, plant and equipment	-2,853	-4,615
Net cash flows used in investing activities	-2,853	-4,615
Financing activities		
Payment of lease liabilities	-4,681	-4,751
Proceeds from borrowings	-	15,268
Repayments of borrowings	-	-36,387
Net cash flows from financing activities	-4,681	-25,870
Net increase/(decrease) in cash and cash equivalents	-515	783
Cash and cash equivalents at 1 January	911	128
Cash and cash equivalents at 31 December	396	911

COMMENTS TO THE FINANCIAL DEVELOPMENT

Amur Zoloto's profit after tax for 2019 amounted to MUSD 9,1, an increase of approximately MUSD 7,9 compared to MUSD 1,2 in 2018.

The strengthening of the net financial result was due to higher operating profit caused by higher revenue. During 2019, the revenue increased by 17% compared to 2018 and amounted to MUSD 70 (MUSD 60). An increased average gold price contributed 12% to and higher sales volume contributed 5% to increase of revenue during the year.

Sales of gold and silver were performed in the Far East of the Russian Federation. The main customer in 2019 was bank VTB PJSC (bank Sberbank for 2018 year).

General and administrative expenses for 2019 amounted to MUSD 6,6, in line with MUSD 6,1 in 2018.

Finance costs in 2019 amounted to MUSD 3,6 and were mainly interest expenses on contract liability in gold to a Russian bank of MUSD 2,1. Finance costs decreased by approximately MUSD 1 compared to 2018 (MUSD 4,5), primarily explained by a

decrease in interest expense on borrowings due to partial repayment of loans to a related party and revaluation of derivatives to the fair value.

As of 31 December 2019 the net assets amounted to MUSD 56. Total assets amounted to USD 112,6 (31 December 2018: MUSD 89,4), corresponding to an increase of 26% for the year. The change mostly related to increased inventories of MUSD 14,8 due to increases in production and stock of flotation concentrate at Perevalnoye GOK. The other driver for the asset increase was new Property, plant and equipment including leasing assets.

Total current and non-current liabilities as of 31 December 2019 amounted to MUSD 56,4 (31 December 2018: MUSD 47,7). Liabilities were mainly presented by a commodity loan (MUSD 31,3) and RUB denominated borrowings and promissory notes from shareholder (MUSD 8). In September 2018, Amur Zoloto entered into a long-term commodity loan with PJSC VTB Bank with the obligation to deliver a certain amount of gold to the bank at the scheduled contract term. The commodity loan bears interest of 6.45% per annum and has maturity date on 31 July 2022.

PRO-FORMA ACCOUNTS

On 29 May 2020, Kopy Goldfields entered into an agreement with HCAM and Lxor to acquire all shares in Amur Zoloto through an in-kind share issue (Sw. *apportemission*) which is to be considered as a reverse takeover from Amur Zoloto. The Reverse Takeover, which is accounted for as a reverse acquisition, is subject to approval by Kopy Goldfields' Annual General Meeting to be held on 30 June 2020.

With the purpose of illustrating the hypothetical impact of the Reverse Takeover could have had if it had been executed prior to the beginning of financial year 2019 and the financial position as of 31 December 2019, Kopy Goldfields has prepared a pro forma income statement for 2019 and a pro forma balance sheet as of 31 December 2019. The purpose of the following consolidated pro-forma information is to report the hypothetical effect which the Reverse Takeover would have had on Kopy Goldfields' consolidated income statement for financial year 2019 and consolidated financial position as of 31 December 2019.

The pro forma information has the sole purpose of providing information and facts. This pro-forma information is, by its nature, intended to describe a hypothetical situation and, consequently, is not intended to describe Kopy Goldfields' factual financial position or results. Furthermore, the pro-forma information is not representative in terms of what the operating results will look like in the future. Investors should thus not put too much emphasis to the pro-forma information.

These pro-forma accounts have the sole purpose of being used in conjunction with the Reverse Takeover and admission for trading in the Company's shares on Nasdaq First North Growth Market following completion in the manner stated in the Company Description which has been approved by Nasdaq Stockholm AB. The pro-forma accounts should also be read together with the other information found in the Company Description.

THE REVERSE TAKEOVER

Kopy Goldfields acquires 100% of the shares of Amur Zoloto, a gold producing company based in Russia, through a share exchange. The total consideration for 100% of the shares of Amur Zoloto is approximately SEK 1.17 billion (MUSD 119.6). The Reverse Takeover is structured as a contribution in kind where HCAM and Lxor contribute 100 percent of the shares in Amur Zoloto in exchange for a total of 782,179,706 shares in Kopy Goldfields.

ASSUMPTIONS AND JUDGEMENTS

Basis for pro-forma accounts

In the consolidated financial statements, the Reverse Takeover will be recognised as a reverse acquisition as Amur Zoloto will be deemed the acquirer for accounting purposes, whereby the Purchase Price Allocation ("PPA") will be performed on Kopy Goldfields. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Commission Delegated Regulation (EC) 2019/980.

Accounting policies

The pro forma information has been based on IFRS as adopted by the EU and applied by Kopy Goldfields. Amur Zoloto applies IFRS as issued by the IASB but there are no differences in practice.

Amur Zoloto's income statement is categorised by function, while Kopy Goldfields' income statement is categorised by type of cost. To harmonise these differences, Kopy Goldfields adjustments have been made in the pro forma information to align with Amur Zoloto's presentation format as Kopy Goldfields will adopt it post transaction. This does not affect the operating profit.

Supporting data

The pro forma information for the period 2019 and 31 December 2019 has been prepared based on the audited FY2019 annual reports of Kopy Goldfields and Amur Zoloto.

Amur Zoloto uses USD as its presentation currency. The income statement in the annual report of Amur Zoloto, which is the basis for the pro forma financial statements, has been converted into SEK based on accumulated average USD/SEK exchange rates, and the balance sheet has been converted into SEK based on the closing USD/SEK exchange rate. All exchange rates used for the conversion to SEK are based on corresponding exchange rates used in Kopy Goldfields' financial statements⁷.

No pro forma adjustments have been made with respect to synergy effects or integration costs.

Pro forma adjustments

The pro forma adjustments are described in detail below and in the notes to the pro forma financial statements. The adjustments are recurring unless indicated otherwise.

1. Acquisition analysis

The preliminary acquisition analysis and pro forma information in general are based on the following assumptions:

- As Amur Zoloto's shareholders will take control, the acquisition will be deemed to be a so-called reverse acquisition whereby Amur Zoloto is treated as the acquirer of Kopy Goldfields from an accounting perspective.
- The transaction will be deemed to be an asset acquisition under IFRS 2 Share Based Payment, as an asset is acquired in exchange for shares. The fair value of Kopy Goldfields is predominately attributable to the investment in the JV containing the Krasny project.
- As IFRS 2 is applicable, the fair value of the asset should be the basis of valuing the consideration of shares in the transaction. In the transaction a fair value of TUSD 14,674 has been attributed to Krasny.
- As the increase in value of the Krasny project will be allocated to the rights owned by the JV which are not amortized, this means that no proforma adjustments will be made in the income statement.

⁷ The consideration has been established based on an exchange ratio USD/SEK of 9.52 as of 28 May 2020

⁸ 9.46 USD/SEK in the income statement for the period 1 January 2019 – 31 December 2019 and 9.32 USD/SEK regarding the financial position as of 31 December 2019

PRO-FORMA STATEMENT OF CONSOLIDATED COMPREHENSIVE LOSS AND INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2019

The consolidated pro forma income statement for the period 1 January – 31 December 2019 has been prepared as if the Transaction had taken place on 1 January 2019. No proforma adjustments are applicable as there will be no identified effects on the income statement.

	Amur Zoloto (TUSD)	Amur Zoloto (TSEK)	Kopy Goldfields (TSEK)	Proforma adjust- ments (TSEK)	2019 Total (TSEK)
Revenue	70,114	663,278	-		663,278
Cost of sales	-46,816	-442,879	-		-442,879
Gross profit	23,298	220,399	-		220,399
General and administrative expenses	-6,580	-62,247	-14,601		-76,848
Share of results of joint ventures	-	-	7,618		7,618
Net of other operating income and expenses	-1,457	-13,783	562		-13,221
Operating profit	15,261	144,369	-6,421	-	137,948
Finance costs	-3,564	-33,715	-4,162		-37,877
Finance income	22	208	6,469		6,677
Profit before tax	11,719	110,862	-4,114	-	106,748
Income tax	-2,559	-24,208	400		-23,808
Profit for the year attributable to owners of the parent	9,160	86,654	-3,714	-	82,940
Of which attributable to:					
Parent company shareholders	9,160	86,654	-3,707		82,947
Non-controlling interests	-	-	-7		-7
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss:					
Effect of translation to presentation currency	5,364	50,743	-2,731		48,012
Total comprehensive income/(loss) for the year attributable to owners of the parent	14,524	137,397	-6,445		130,952
Of which attributable to:					
Parent company shareholders	14,524	137,397	-6,438		130,959
Non-controlling interests	-	-	-7		-7

PRO-FORMA STATEMENT OF CONSOLIDATED FINANCIAL POSITION 31 DECEMBER 2019

The consolidated pro forma balance sheet has been prepared as if the Transaction had taken place on 31 December 2019.

	Amur Zoloto (TUSD)	Amur Zoloto (TSEK)	Kopy Goldfields (TSEK)	Proforma adjustments (TSEK)	Note	2019 Total (TSEK)
Assets						
Non-current assets						
Investments in joint ventures	-	-	105,234	31,530	1)	136,764
Exploration and evaluation assets	5,261	49,033	16,732			65,765
Property, plant and equipment	43,577	406,138	937			407,075
Right-of-use assets	8,132	75,790	-			75,790
Deferred tax asset	283	2,638	-			2,638
Inventories	6,512	60,692	-			60,692
Other financial assets	-	-	38,589			38,589
Total non-current assets	63,765	594,290	161,492	31,530		787,312
Current assets						
Inventories	43,423	404,702	1			404,703
Trade and other receivables	148	1,379	295			1,674
Advances paid	1,275	11,883				11,883
Taxes receivable	3,302	30,775	1,060			31,835
Cash and cash equivalents	396	3,691	6,326			10,017
Other current assets	322	3,001	190			3,191
Total current assets	48,866	455,431	7,872	-		463,303
Total assets	112,631	1,049,721	169,364	31,530		1,250,615
Equity and liabilities						
Capital and reserves						
Total Equity	56,231	524,073	120,471	31,530	1)	676,074
Non-current liabilities						
Borrowings	6,003	55,948	46,586			102,534
Mine rehabilitation provision	2,659	24,782				24,782
Lease liabilities	1,806	16,832	-			16,832
Contract liability	23,290	217,063	-			217,063
Other non-current liabilities	126	1,174	-	-		1,174
Total non-current liabilities	33,884	315,799	46,586	-		362,385
Current liabilities						
Borrowings	2,284	21,287				21,287
Accounts payable and accrued liabilities	8,404	78,325	2,307			80,632
Contract liability	8,023	74,774	-			74,774
Income tax payable	236	2,200	-			2,200
Taxes payable	923	8,602	-			8,602
Mine rehabilitation provision	37	345	-			345
Lease liabilities	2,609	24,316				24,316
Total current liabilities	22,516	209,849	2,307	-		212,156
Total equity and liabilities	112,631	1,049,721	169,364	31,530		1,250,615

Notes to the balance sheet

1) If the transaction had taken place on 31 December 2019 the value of TUSD 14,674, corresponding to TSEK 136,764, based on the closing USD/SEK exchange rate as of 31 December 2019 of 9.32 SEK/USD, would have been attributed to the Krasny project. The share of Krasny had, as of 31 December 2019, a book value of TSEK 105,234. The difference between the fair value of and the book value of TSEK 31,530 is treated as a pro forma adjustment to the asset and with a corresponding adjustment to equity.

AUDITOR'S REPORT ON PRO FORMA FINANCIAL INFORMATION



Independent Auditor's Assurance Report on the Compilation of Pro Forma Financial Information included in a company presentation as defined by Nasdaq Stockholm

To the shareholders of Kopy Goldfields AB (publ), corporate identity number 556723-6335

Report on the Compilation of Pro Forma Financial Information Included in a Company presentation

We have completed our assurance engagement to report on the compilation of pro forma financial information of Kopy Goldfields AB (publ) ("Company"). The pro forma financial information consists of the pro forma balance sheet as at 31 December 2019, the pro forma income statement for the period ended 31 December 2019 and related notes as set out on pages 36–37 of the company presentation, as defined by Nasdaq Stockholm ("Company presentation"), issued by the Company. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Commission Delegated Regulation (EC) 2019/980 and described on page 35 in the Company presentation.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the Company's acquisition of OOO Amur Zoloto (accounted for as a reverse acquisition) Company, set out on page 35 of the Company presentation, on the Company's financial position as at 31 December 2019 and the Company's financial performance for the period ended 31 December 2019 as if the reverse takeover had taken place at 31 December 2019 and at 1 January 2019, respectively.

As part of this process, information about the company's financial position, and financial performance has been extracted by the Board of Directors from the Company's financial statements for the period ended 31 December 2019, on which an audit report has been published.

Information about OOO Amur Zoloto consolidated balance sheet and financial performance has been extracted by the Board of Directors from the OOO Amur Zoloto's consolidated financial statements for the year ended 31 December 2019. The financial statements of OOO Amur Zoloto for the year ended 31 December 2019 were audited by AO Deloitte & Touche CIS and their audit report thereon was issued on 1 June 2020.

The Board of Directors Responsibility for the Pro Forma Financial Information

The Board of Directors is responsible for compiling the pro forma financial information on the basis of the Commission Delegated Regulation (EC) 2019/980.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements in Sweden, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



The firm applies ISQC 1¹ (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express an opinion, as requested by Nasdaq Stockholm AB, about whether the pro forma financial information has been compiled correctly, in all material respects, by the Board of Directors on the basis of the Commission Delegated Regulation (EC) 2019/980.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the Auditor plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information on the basis of the Commission Delegated Regulation (EC) 2019/980.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a Company presentation is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The pro forma adjustments have been compiled correctly on the basis of the applicable criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The basis of the applicable criteria are in accordance with the company's accounting principles.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

¹ ISQC 1 Quality control for firms that perform audits and reviews of financial statements, and other assurance and related services engagements



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria stated on page 35 and are in accordance with the company's accounting principles.

Stockholm, 23 June 2020
Öhrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Authorized Public Accountant

CAPITALISATION AND INDEBTEDNESS

The tables below show Kopy Goldfields' and Amur Zoloto's capitalization and indebtedness on a stand-alone basis as of March 31, 2020. The information below shall be read together with the sections "financial information" and "comments to the financial development". See also section "Share capital and ownership structure" for Kopy Goldfields for more information about the share capital and shares.

As of March 31, 2020, Kopy Goldfields had interest bearing liabilities of MSEK 48.0 and Amur Zoloto had interest bearing liabilities of MSEK 361.4. At the same time

cash and cash equivalents amounted to MSEK 3.3 for Kopy Goldfields and to MSEK 1.6 for Amur Zoloto, which means that the interest-bearing net liability amounted to MSEK 44.7 and to 359.8, respectively, as of March 31, 2020. Equity, including accumulated losses, attributable to Parent Company shareholders amounted to MSEK 114.4 for Kopy Goldfields and to MSEK 427.3 for Amur Zoloto as of March 31, 2020 which corresponds to an equity/asset ratio of 69.5% and 42.2%, respectively. The table below shows the equity and net liability of Kopy Goldfields and Amur Zoloto as of March 31, 2020.

Equity and indebtedness, MSEK

	Kopy Goldfields 31 March 2020 (TSEK)	Amur Zoloto 31 March 2020 (TSEK)
Total current liabilities	2.5	331.8
Against guarantee	-	-
Against security	-	-
Unsecured credits	2.5	331.8
Total non-current liabilities	48.0	230.8
Against guarantee	-	-
Against security	48.0	-
Unsecured credits	-	230.8
Total equity	114.4	427.3
Share capital	39.5	351.1
Restricted reserves	-	-
Other reserves	314.2	201.8
Total capitalization	164.9	989.8
Net indebtedness, MSEK	31 March 2020	31 March 2020
A. Cash	-	-
B. Cash equivalents	3.3	1.6
C. Quickly realizable securities	-	-
D. Total liquidity (A+B+C)	3.3	1.6
E. Current financial receivables	4.1	50.9
F. Current bank debt	-	-
G. Current portion of non-current liabilities	-	113.7
H. Other current liabilities	2.5	218.0
I. Total current liabilities (F+G+H)	2.5	331.8
J. Net current indebtedness (I-E-D)	-4.9	279.2
K. Non-current bank loans	-	161.9
L. Issued bonds	-	-
M. Other non-current loans	48.0	68.9
N. Total non-current liabilities (K+L+M)	48.0	230.8
O. Net indebtedness (J+N)	43.1	510.0

Statement regarding working capital

It is Kopy Goldfields' assessment that the working capital is sufficient to meet New Kopy's requirement during the coming 12 months period. Working capital means in this sense New Kopy's ability to access cash to fulfil the payment obligations as they fall due for payment.

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITOR

BOARD OF DIRECTORS

Kopy's board of directors currently consists of five members elected at the annual general meeting 2019, including the chairman of the board, all of whom have been elected for the period up until the end of the 2020 annual general meeting. The nomination committee has proposed that two new board members are elected at the annual general meeting 2020 as part of the Reverse Takeover, Eric Forss and Arsen Idrisov. These two directors will be elected by the annual general meeting 2020, while their appointment will not be submitted for registration with the Swedish Companies Registration Office until completion of the Reverse Takeover. Consequently, the new directors will not formally become directors until such submission takes place. A description of the current and new board members, their position, the year in which they were elected and proposed for election for the first time and whether they are regarded as independent in relation to the Company and senior executives and in relation to major shareholders is presented in the table

Name	Position	Board member since	Independent in relation to*:	
			The Company and management	Major shareholders (≥10%)
Kjell Carlsson	Chairman of the board	2010	Yes	Yes
Johan Österling	Board member	2011	Yes	Yes
Andreas Forssell	Board member	2011	Yes	Yes
Tord Cederlund	Board member	2019	Yes	Yes
Lennart Schönning**	Board member	2019	Yes	Yes
Eric Forss	Board member	Proposed to be elected at annual general meeting 2020	Yes	Yes
Arsen Idrisov	Board member	Proposed to be elected at annual general meeting 2020	Yes	No

* After completion of the Reverse Takeover

** Lennart Schönning has declined re-election at the AGM in 2020.

MEMBERS OF THE BOARD OF DIRECTORS



Kjell Carlsson (1951)

Chairman and board member since 2010

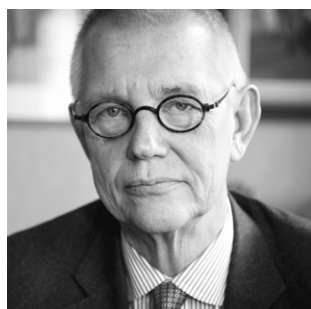
Nationality: Swedish

Education/background: MSc mechanical engineering. Senior management positions with Sandvik, Atlas Copco and ABB.

Current positions: Board member of Appalto AB, Kopy Development AB, AB Krasny Gold Fields and Bruzaholms Bruk AB.

Prior positions (past five years): Board member, EuroMaint Rail AB, EuroMaint Gruppen AB, Partner, Ingenjörskontorsfirma C.J. Carlsson HB.

Holdings in the Company: 500,000 shares and 1,430,000 warrants (17/20: 750,000; 18/21: 375,000; 19/22: 305,000)



Johan Österling (1946)

Board member since 2011

Nationality: Swedish

Education/background: Swedish LL.M (Master in Law) and BA (business administration), Dipl. Air Space Law (McGill U, Montreal), Lawyer (Member Swedish Bar Association), Partner of Foyen law firm until 2011.

Current positions: Board member of AB Krasny Gold Fields, Bodaibo Holding Ltd, Dragon Mining (Sweden) AB, Dala Tillväxt AB, AB Surdittet, de Ski AB, Latef Consulting AB, Producenterna Produktion I Stockholm AB, AB Ogado, AB Borppinne, AB Botstift, AB Dikation, Lilla Kopparberg AB, AB Byggbag Förvaltning, Preorder AB, Maudan AB, Datty AB AB Ogado, AB Strahera and Human&heart HR AB. Board chairman of Kilimanjaro Gold AB, Penclic AB, JE Österling Fastigheter AB, AB Ility AB, Eskilos ekonomisk förening, AB Bröckeln (publ), Beizperr (publ), Viking Gold & Prospecting AB, PenClic AB, PenClic International AB, AB Bröckeln and AB Ility. Deputy board member of Kopparhinken AB, Asplunds i Falun AB, Foyart i Stockholm Aktiebolag, Foco 17 AB, Masart AB, AB Onnent, Jämtlands Ros AB, Asplunds Rör i Falun AB, Kopy Development AB, Preorder AB.

Prior positions (past five years): Board member Svea Invent AB of J.A. Göthes AB, Göthes Säkerhet Aktiebolag, Göthes Teknik AB, Nomor AB (publ), Bofors Bruk AB, Hedera Group AB (publ), Byggbag AB, JE Österling Förvaltning AB, Hydropulsor AB (publ), Julhem Aktiebolag, AB Zugfrei, AB Undant, EcoDC Falun AB AB Straktion, AB Ogados AB Beizperrand Fahlia AB. Deputy board member of Botäkt Invest AB and Zuglich AB.

Holdings in the Company: 1,010,000 shares and 730,000 warrants (17/20: 380,000; 18/21: 190,000; 19/22: 160,000).



Andreas Forssell (1971)

Board member since 2011

Nationality: Swedish

Education/background: M.Sc. Economics, MBA. CEO Tomsk Refining AB.

Current positions: CEO of Crown Energy AB. Board member of Andreas Forssell AB, AB Krasny Gold Fields, Crown Energy Iraq AB, Amicoh Resources Ltd, Crown Energy Ventures Corporation and Simbo Petroleum No.2 Limited, Skogsaktiebolaget Eternali. Deputy board member of DIYTI AB.

Prior positions (past five years): Board member of Crown Energy AB and H2DO AB.

Holdings in the Company: 218,400 shares and 730,000 warrants (17/20: 380,000; 18/21: 190,000; 19/22: 160,000).



Tord Cederlund (1941)

Board member since 2019

Nationality: Swedish

Education/background: M.Sc. Economics, Lund University. Authorized Public Accountant PWC, Exec. chairman, Cederlund & Grandin AB finance company, Exec. Chairman, Bjurfors AB, CEO, Arctic Gold AB, CEO, Novatelligence AB

Current positions: Board member of Tarento Group AB, Uppsala Bostadsproduktion AB, Waya Finance & Technology AB, Ziot Solutions AS, Tekaverket Aktiebolag, Julia Boats Sweden Aktiebolag, Scandinavian Minerals AB, Countermine Reservdelar AB, Meditelligence Aktiebolag, Medipal Solutions AB, Frilansarna i Sverige AB and Kalkbrottet 8 AB. CEO and board member of Egenanställda i Sverige AB, CME Engineering AB, Terra Management Int AB, NovaTelligence Aktiebolag, Contermine Operations AB, Frilansjobbarna i Norden AB, Första Hjälpens Kapitalförvaltning AB and Nya Svenskar i Sverige AB.

Prior positions (past five years): Board member of Sarsys-Asft AB (publ), ASFT Industries AB, Nordic Mines AB (publ), Nordic Mines Optioner AB, Nordic Mines Marknad AB, Tradewind Aero AB, ASFT Weather System AB, Mobil Inläring Nr 1 AB, Ösby Park Parkering AB, gee Finance Sweden AB. CEO and board member of Arctic Gold AB (publ) and Arctic Minerals AB.

Holdings in the Company: 11,947,390 shares and 160,000 warrants (19/22: 160,000).



Lennart Schönning (1948)

Board member since 2019

Nationality: Swedish

Education/background: M.Sc. (Engineering), Chalmers University of Technology, Business Administration, Umeå University, Advanced Management Program, Harvard Business School. CEO, Åke Larson Construction, Inc., USA, and Närkebro AB (publ).

Current positions: Board chairman Campusområde Bromma AB, Uppsala Bostadsproduktion AB, Marielundsviken Holding AB, Swede Solar AB, Kungsholmens Fastighetsutveckling AB, Noc Fas Ett AB, Noccon Fastighetsutveckling AB, Åkerholmen Fastigheter AB, GULA SÄTRA AB, Noc Fast tre AB, Swede Solar DB1 AB, Swede Solar DB2 AB, Swede Solar DB3 AB, Swede Solar DB4 AB, Megacard Nordic AB, Ytterholmen Bostadsproduktion AB, Jakobililjan Bostadsproduktion AB, Hemsön Skog AB, Kassören Fastigheter AB, Dovrevik AB, Hemsön Energi AB. Board member of Valla Energi AB, Global Media Dynamics AB, Dynamic Ventures Scandinavia AB, Payair Technologies AB, IntJoors Holding AB, Ankarholmen Ask AB, Gudmundrå Energi AB, Kelicomp AB and Kelisec AB. CEO and board member of Nordanstig Vindkraft AB, Skräddarholmen Skog AB, Uppvidinge Energi AB. Deputy board member Bergsdjupet Vårdfastigheter AB, Skrivargården Fastigheter AB, Bergsdjupet Fastigheter Kurvan AB, Bergsdjupet Holding AB.

Prior positions (past five years): Board chairman of Stenvalvet Fastigheter AB, Nordic Mines AB (publ), Dakay AB, Bakborren Förvaltning AB, Smedsbylen AB, Wallenstam Bagarsvängen AB, Östaholmen Bostadsproduktion AB, Marielundsviken 2 AB, Babone AB, Lyftholmen Fastigheter AB, Sista versen 35785 AB, Swede Energy Power Solutions AB, Ekholmen Industrifastigheter AB, Svista Utveckling AB, Triennium Stockholm AB, Tuleholmen Fastigheter AB, Noc Fast Två AB, DaKay Invest Aktiebolag, Emerjo Fastigheter AB, Ekholmen Invest AB, Kåbo Utvecklings AB. Board member of Nordic Mines Marknad AB, Söderhamns Hair & Beauty Aktiebolag, Real Nissaholmen Fastigheter AB. Deputy board member Vaxö Godsfrakt Aktiebolag, Ankarholmen Intressenter AB, SUNnersta Development AB.

Holdings in the Company: No shares and 160,000 warrants (19/22: 160,000).



Eric Forss (1965)

Proposed to be elected as board member at the annual general meeting 2020 subject to completion of the Reverse Takeover

Nationality: Swedish

Education/background: B.Sc. degree in Finance from Babson College, Wellesley, Massachusetts USA. Former Chairman of Alliance Oil Company Ltd (former West Siberian Resources Ltd) and AR Oil and Gaz BV, and President of Forcenergy AB. He has also served as a director of and advisor to several public and private Swedish and international companies.

Current positions: Owner and CEO of Forsinvest AB. Chairman of Mediagruppen Stockholm MGS AB, D.O.Y AB, Gangsters Post AB and WindForss Energy AB, board member of Forcenergy AB, Forsinvest AB, S.O.G. Energy AB and Brf Furiren nr 6. Deputy board member of Fogel & Partners i Stockholm AB, Fogel & Partners Analys AB Pebble beach AB.

Prior positions (past five years): Board member of Lirio 3 AB and Matra Petroleum AB. Deputy board member of Misu Consulting AB and MISU Consulting no. 2 AB

Holdings in the Company: 302,729 shares held via Forsinvest AB.

**Arsen Idrisov (1970)**

Proposed to be elected as board member at the annual general meeting 2020 subject to completion of the Reverse Takeover

Nationality: Russian

Education/background: Graduated with from the Russian Economic Academy named after G. V. Plekhanov. Managing director and Board member of Alliance Oil Company Ltd. Board member and Chairman of OJSC Alliance Oil Company, Vice-president and President of OJSC Alliance Oil Company, CEO of CJSC IC Alliance Capital, adviser to the President of OJSC Sidanko, Marketing director and General Director of Lia Oil S.A., Moscow office

Current positions: Managing director of Alliance Mining Company LLC, Senior Vice-president of Russian Platinum LLC, and Vice-President of OJSC Alliance Group

Prior positions (past five years): -

Holdings in the Company: Mr Idrisov is one of three shareholders in HC Alliance Mining Group Ltd., holding 587,416,959 shares in Kopy Goldfields upon completion of Reverse Takeover.

MANAGEMENT

**Mikhail Damrin (1970)**

CEO since 2009

Nationality: Russian

Education/background: MSc mechanical engineering, Moscow Technical University; Bachelor's degree in mining technology, Tomsk Poly-technical University; Bachelor's degree in international finance, Russian Academy of Foreign Trade; MBA, Cranfield University, Bachelor's degree in open pit mining from the Moscow Mining University. Business development and M&A manager of Central Asia Gold; CFO and Commercial Director at West Siberian Resources and Vostok Nafta Investment Ltd; Management position at Vostok Nafta Investment Ltd.

Current positions: Board member of LLC Krasny and Kopy Development AB.

Prior positions (past five years): -

Holdings in the Company: 301,577 shares and 1,875,000 warrants (17/20: 750,000; 18/21: 375,000; 19/22: 750,000).

**Tim Karlsson (1979)**

CFO since 2011 and Deputy CEO since 2012

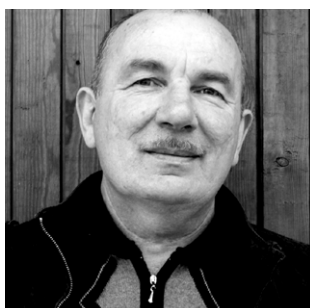
Nationality: Swedish

Education/background: Master of Business, Linköping University, Sweden. Russian Studies, Herzen University, St. Petersburg, Russia, Economics Studies Eberhard Karls Universität Tübingen, Germany. Authorized Public Accountant, KPMG.

Current positions: Board member of LLC Krasny and Kopy Development AB.

Prior positions (past five years): -

Holdings in the Company: 1,090,000 shares and 950,000 warrants (17/20: 380,000; 18/21: 190,000; 19/22: 380,000).

**Alexander Vamboldt (1957)**

Managing Director OOO Kopylovsky since 2010

Nationality: Russian

Education/background: Geologist and degree in Mining engineering, Krasnoyarsk Institute of Non-Ferrous Metals. Master level. Working Board member for GUAM S.a.r.l. in Guinea with responsibility for placer gold prospecting and exploration; director of Minusinsk Exploration Expedition with responsibility for placer gold production at the Beika deposit in the Republic of Khakassia; manager of MAVAX S.a.r.l. in Guinea, with responsibility for bedrock gold exploration planning and development; director of OOO Tardan Gold with responsibility for construction and management of an open pit gold mine and processing plant.

Current positions: Expert at Russian Statutory Committee on Reserves (TKZ) in Krasnoyarsk.

Prior positions (past five years): -

Holdings in the Company: No shares and 950,000 warrants (17/20: 380,000; 18/21: 190,000; 19/22: 380,000).

**Dr. Evgeny Bozhko (1968)**

Chief geologist since 2011 (joined the Company 2010)

Nationality: Russian

Education/background: PhD in geological and mineralogical science. Master in Prospecting and Exploration Geology from Voronej State University, Russia. 1990-2000, geologist at various projects in Yakutia, Russia, and lecturer at Voronej State University; 2000-2010, many senior positions as chief geologist for exploration and mining companies operating in Africa.

Current positions: -

Prior positions (past five years): -

Holdings in the Company: No shares and 950,000 warrants (17/20: 380,000; 18/21: 190,000; 19/22: 380,000).

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND MANAGEMENT

No board members or members of management have any family ties to other board members or members of management. There are no conflicts of interest or potential conflicts of interest between the undertakings of the board members and management in relation to Kopy and their private interests and/or other undertakings (however, a number of board members and management have certain financial interests in Kopy due to their direct or indirect shareholdings in the Company).

Tord Cederlund was board member of Cypod Technologies AS between 18 June 2019 until 27 September 2019. Cypod Technologies AS has filed a petition for bankruptcy. As of the date of this Company Description no claims have been made against Tord Cederlund in his position as board member. Except for what is set out above, no director or senior executive has during the past five years, (i) been convicted in any case involving fraud; (ii) in addition to what is stated above, represented any company which has been placed into bankruptcy or liquidation; (iii) been the subject of sanctions or charged by a public authority organisation as representing a particular professional group and is subject to public law regulation; or (iv) has been the subject of a prohibition on trading.

AUDITORS

Öhrlings PricewaterhouseCoopers AB has been the Company's auditor since elected at the annual general meeting 2019 for the period up until the end of the annual general meeting 2020. Öhrlings PricewaterhouseCoopers AB is proposed to be re-elected as auditors at the annual general meeting 2020. Anna Rozhdestvenskaya (born 1980) is the main responsible auditor. Anna Rozhdestvenskaya is an authorized auditor and a member of FAR (professional institute for authorized auditors). Öhrlings PricewaterhouseCoopers AB's address is presented in the section "Addresses" at the end of the Company Description.

Ernst & Young AB was the Company's auditor between the annual general meeting 2010 and the annual general meeting 2019. Main responsible auditor during 2010 – 2017 was Per Hedström and during 2017-2019 Björn Ohlsson. The reason for the change of auditor was that the Company conducted a procurement of the audit function in the spring of 2019.

AO Deloitte & Touche CIS has been auditing Amur Zoloto since 2013. No decision with respect to the auditor for 2020 has been made by Amur Zoloto yet.

CORPORATE GOVERNANCE

Kopy Goldfields is a Swedish public limited liability company. Corporate governance in the Company is based on Swedish law, Nasdaq First North Growth Market's Rule Book and internal rules and instructions. As of the date of the Company Description, the Company does not apply the Swedish Corporate Governance Code (the "Code"). As such the Code is not applicable for Kopy, however, the Code forms an important part of Kopy's guidelines for corporate governance.

Amur Zoloto is a Russian private limited liability company. Its corporate governance is based on statutory requirements of applicable law and its constitutional documents. Amur Zoloto currently has, among others, the following internal regulations: Procedures for the Board of Directors, a Code of Ethics and regulations on Combating Bribery. Upon completion of the Reverse Takeover, corporate governance of Amur Zoloto will follow corporate governance standards of Kopy applicable to its subsidiaries.

GENERAL MEETING

General

Pursuant to the Swedish Companies Act, the general meeting of shareholders is the Company's highest decision-making body. At a general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's profit, discharge from liability for board members and the CEO, election of board members and auditors, and remuneration of the board and auditors. In addition to the annual general meeting (AGM), extraordinary general shareholder meetings (EGMs) may be convened. In accordance with Kopy's articles of association, convening notices for the AGM and EGMs are made by means of an announcement in Post- och Inrikes Tidningar and by making the convening notice available on Kopy's website. An announcement that notice has been made is published in Svenska Dagbladet.

Right to attend general meetings

All shareholders who are directly registered in the share register maintained by Euroclear Sweden five weekdays before the general meeting and have notified the Company of their intention to participate in the general meeting (with potential advisers) not later than the date stated in the notice convening the general meeting have the right to attend the general meeting and vote for the number of shares they hold. Shareholders may attend the general meeting in person or by proxy and may also be accompanied by a maximum of two advisers. Shareholders can normally register for general meetings in several different ways, as stated in the convening notice for the meeting.

Shareholder initiatives

Shareholders who wish to have a matter addressed at the general meeting must submit a written request to the board of directors. The request must normally have been received by the board not later than seven weeks prior to the general meeting.

Nomination committee

The main task of the Nomination Committee is to propose candidates for election to the board of directors, including the chairman. The Nomination Committee must take into consideration the various rules on independence of the board in relation to the Company, its senior management and major shareholders. In years in which election of auditors are held, the Nomination Committee also proposes candidates for election of auditors. The Nomination Committee also proposes a candidate for election of the chairman of general meetings of shareholders and prepares proposals concerning the level of remuneration for Directors elected by the Annual General Meeting of Shareholders. The member of the Nomination Committee for the 2020 AGM are, in addition to the chairman of the board in Kopy, Bengt Wahlqvist, Sune Nilsson and Tord Cederlund, who have been appointed amongst the three largest shareholders of the Company as of January 31, 2020.

BOARD OF DIRECTORS

The board of directors is the highest decision-making body after the general meeting. In accordance with the Swedish Companies Act, the board is responsible for the management and organisation of the Company, which means that the board is responsible for, among other tasks, establishing targets and strategies, ensuring that procedures and systems are in place for the evaluation of set targets, continuously evaluating Kopy's financial position and performance, and evaluating executive management. The board is also responsible for ensuring that the annual accounts, consolidated financial statements and interim reports are prepared on time. The board also appoints the CEO.

The board members are elected every year at the AGM for the period until the end of the next AGM. According to the Company's articles of association, the board, insofar as it is elected by the AGM, must consist of at least three members and at most ten members with no deputy members.

The chairman of the board is elected by the AGM and has special responsibility for managing the board's work and ensuring that the board's work is well organised and effectively implemented.

The board follows written rules of procedure, which are revised annually and adopted by the statutory board meeting every year. Among other matters, the rules of procedure govern board practice, functions and the division of work between the board members and the CEO and established committees. In connection with the first board meeting, the board also establishes instructions for financial reporting and terms of reference for the CEO.

The board meets according to an annual schedule that is established in advance. In addition to these meetings, additional meetings can be convened to address issues that cannot be postponed until the next scheduled meeting. In addition to the board meetings, the chairman of the board and the CEO continuously discuss the management of the Company.

As of the date of the Company Description, the Company's board consists of five (5) ordinary AGM-elected members, who are presented in more detail in the section "Board of directors, executive management and auditor".

CEO AND OTHER MEMBERS OF THE MANAGEMENT

The CEO is appointed by the board and has the foremost responsibility for the continuous management of the Company and day-to-day operations. The division of work between the board and the CEO is set forth in the rules of procedure for the board and the terms of reference for the CEO. The CEO is also responsible for preparing reports and compiling information from executive management for the board meetings and for presenting such materials at board meetings.

The CEO must continuously keep the board informed of the development of Kopy's operations, the Company's financial position and performance, the liquidity and credit situation, important business events and other circumstances that cannot be presumed to be of insignificant importance to the Company's shareholders for the board to be aware of (such as material disputes, cancellation of agreements that are important to Kopy and significant circumstances concerning Kopy's operations). The CEO and other members of management are presented above in greater detail in the section "Board of directors, executive management and auditor".

REMUNERATION TO THE BOARD OF DIRECTOR AND MANAGEMENT

Remuneration to board members is established by the annual general meeting. At the annual general meeting on 29 May 2019, it was decided that SEK 260,000 would be paid to the chairman of the board of the Company and SEK 100,000 each would be paid to the other board members. For extra ordinary work besides the regular duties of a board member an additional remuneration of maximum SEK 100,000 can be distributed to the board members. Such work must be approved in advance by two board members in association and carried out on market terms.

Remuneration during 2019

An overview of remuneration paid for the 2019 financial year to board members, the CEO and other members of management is presented in the table below.

Amounts in TSEK	Basic salary/ board fee	Variable remuneration	Other benefits	Pension expenses	Incentive program*	Total
Board of directors						
Kjell Carlsson	260	-	-	-	-	260
Johan Österling	100	-	-	-	-	100
Andreas Forssell	100	-	-	-	-	100
Tord Cederlund**	50	-	-	-	-	50
Lennart Schönning**	50	-	-	-	-	50
Total board of directors	560	-	-	-	-	560
CEO and management						
CEO	1,449	33	-	-	144	1,626
Other members of management	1,892	470	-	133	309	2,804
Total management	3,341	503	-	133	453	4,430
Total board of directors and management	3,902	503	-	133	453	4,991

* For more information on incentive program, see "Convertibles, warrants and incentive programs" in "Share capital and ownership structure".

** Elected on the AGM 2019. Remuneration reflects the period June to December 2019.

Current employment contract for the CEO and agreements with other members of management

Decisions regarding the present level of remuneration and terms of employment for Kopy's CEO have been made by the chairman of the board. According to his employment contract, the CEO of the Company is entitled to monthly remuneration of 11,488 USD net of tax and can receive a variable salary of up to a maximum of 20 percent of the fixed salary. Payment of any variable salary is based on both soft and hard targets. The CEO of the Company and the Company have a mutual notice period of six months. The CEO is not entitled to any severance pay. The other senior executives are subject to customary terms of employment.

AUDIT

The auditor is to review the Company's annual accounts and financial statements, as well as the management of the board and the CEO. Following each financial year, the auditor is to submit an audit report and a consolidated audit report to the annual shareholders meeting. According to the Company's articles of association,

the Company is to appoint 1-2 auditors, with not more than two deputy auditors, or an registered auditing company. Kopy's auditor is PricewaterhouseCoopers AB with Anna Rozhdestvenskaya as the main responsible auditor. The Company's auditor is presented in greater detail in the section "Board of directors, executive management and auditor".

Audit fees for audit engagement:

Amounts in TSEK	2019	2018
PwC	295	-
Ernst & Young	1	247
Other audit firms	116	110
Total	412	357

SHARE CAPITAL AND OWNERSHIP STRUCTURE

GENERAL INFORMATION

Pursuant to the Company's articles of association, the Company's share capital may not be less than SEK 22,000,000 and not more than SEK 88,000,000, and the number of shares may not be less than not less than 59,500,000 and not more than 238,000,000. Per the date of the publication of the Company Description, the Company's share capital amounted to SEK 39,476,805.02 distributed on 103,825,869 shares. The shares are denominated in SEK and the quota value of each share is approximately SEK 0.38.

All shares in the Company have been issued pursuant to Swedish law. All issued shares have been fully paid and are freely transferrable.

The shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the offered shares during the current or preceding financial year.

Kopy will issue a total of up to 782,179,706 shares, through an in-kind share issue, to the shareholders of Amur Zoloto at an implied subscription price of SEK 1.46 per share. Subject to completion of the Reverse Takeover and when the consideration shares have been registered with the Swedish Companies Registration Office, the total number of shares in Kopy will increase from 103,825,869 to 886,005,575 and the share capital will increase from SEK 39,476,805.02 to SEK 336,878,175.62. Therefore, it is also proposed that the limits for the share capital and number of shares in the articles of association are changed whereby the Company's share capital may not be less than SEK 330,000,000 and not more than SEK 1,320,000,000, and the number of shares may not be less than not less than 833,000,000 and not more than 3,332,000,000.

Both Amur Zoloto and its wholly owned subsidiary LLC "Dalniy Vostok" are limited liability companies incorporated under the laws of the Russian Federation. As at the date of the publication of the Company Description the charter capital of Amur Zoloto amounts to 1,639,414,569 Russian roubles while the charter capital of LLC "Dalniy Vostok" amounts to 311,552,372 Russian roubles.

The charter capitals of both Amur Zoloto and LLC "Dalniy Vostok" are comprised of participatory interests (share analogue representing a portion of the charter capital while not securities). The entire charter capital of each of Amur Zoloto and LLC "Dalniy Vostok" is represented by 100% of participatory interests denominated in Russian roubles.

The charter capitals of both Amur Zoloto and LLC "Dalniy Vostok" are fully paid-up as at the date of the publication of the Company Description. Participatory interests in the charter capitals of Amur Zoloto and LLC "Dalniy Vostok" are transferable subject to, for example, statutory requirements in accordance with applicable law and their respective constitutional documents, but the shares not eligible to public trading. Participatory interests in the charter capitals of Amur Zoloto and LLC "Dalniy Vostok" are not subject to a mandatory offering, redemption rights or sell-out obligation. No mandatory tender or similar offer has been made for participatory interests in the charter capitals of Amur Zoloto and LLC "Dalniy Vostok" during the current or preceding financial year.

Subject to completion of the Reverse Takeover Kopy Goldfields will own the entire (100%) participation interest in the charter capital of Amur Zoloto and, as such, will indirectly control the entire participation in LLC "Dalniy Vostok".

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The Company's shares are of the same class, ordinary shares. The rights associated with shares issued by the Company, including those pursuant to the articles of association, may only be amended in accordance with the procedures stated in the Swedish Companies Act (2005:551).

Voting rights

All ordinary shares outstanding in the Company and, following the completion of the Reverse Takeover, New Kopy entitle the holder to one vote per share at general

meetings of shareholders. One share entitles the holder to one vote at general meetings and each shareholder will be entitled to vote for all of the ordinary shares held by the shareholder.

Preferential rights to new shares, etc.

If New Kopy issues new shares, warrants or convertibles in a cash issue or set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Rights to dividends and liquidation proceeds

All shares in the Company and, following the completion of the Reverse Takeover, New Kopy carry equal rights to dividends and the assets and any surpluses in the event of liquidation. Decisions regarding dividends are made by the general meeting of shareholders and dividends are paid through Euroclear Sweden. All shareholders registered in the share register maintained by Euroclear Sweden on the record date determined by the general meeting shall be entitled to receive dividends. Dividends are normally paid as a cash amount per share, but may also be paid in forms other than cash (cash-in-kind dividend). Dividends may only be paid in an amount that ensures there is full coverage for the Company's and, following the completion of the Reverse Takeover, New Kopy's restricted equity after the dividend is paid and provided that the dividend appears to be justifiable taking into account (i) the demands placed on the size of the Company's and, following the completion of the Reverse Takeover, New Kopy's equity due to the type of business conducted, its scope and risks, and (ii) the consolidation needs, liquidity and general financial position of the Company and, following the completion of the Reverse Takeover, New Kopy. As a general rule, the shareholders are not permitted to take decisions regarding dividends in an amount that exceeds the amount proposed or approved by the board of directors.

The right to dividends applies to shareholders who are registered as shareholders in the share register maintained by Euroclear Sweden on the record date for dividends decided by the general meeting of shareholders. Should a shareholder not be reached through Euroclear Sweden, the shareholder will continue to have a claim against the Company and, following the completion of the Reverse Takeover, New Kopy concerning the dividend amount and this is limited only by rules concerning a ten-year statute of limitation. After the period of limitations, the dividend amount accrues to the Company and, following the completion of the Reverse Takeover, New Kopy. Neither the Swedish Companies Act nor the articles of association contain any restrictions regarding the right to dividends to shareholders outside Sweden. Apart from the restrictions pursuant to banking and clearing systems, payments to such shareholders are made in the same manner as those made to shareholders domiciled in Sweden. Shareholders who do not have their domicile for tax purposes in Sweden are usually subject to Swedish withholding tax.

DIVIDEND POLICY

The existing dividend policy is stated below. The policy is expected to be reviewed and aligned with a production company subject to completion of the Reverse Takeover.

The primary objective is to add value for the Company's shareholders and employees by running a profitable business with growth. This is to be achieved through increased exploration activities in order to add gold mineral resources and reserves, through the development of discoveries and through the acquisition of gold assets thereby increasing the Company's mineral resources and reserves. When resources and reserves have been established, the Company has two ways of generating cash flow and results – either by divesting the gold asset for cash or by starting production. The total return to shareholders over time is expected to be attributable more to the increase in share price than to dividends received. Extra dividends can however be the case if a sale of an asset is generating more cash than needed for developing the remaining assets.

CENTRAL SECURITIES DEPOSITORY

The Company's shares are issued in dematerialised form through Euroclear

Sweden AB (Box 191, SE-101 23 Stockholm, Sweden). In accordance with the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479), Euroclear is the central securities depository and clearing organisation for the shares. Accordingly, no share certificates have been issued and all transfers of shares take place electronically. All shares are fully paid and denominated in SEK. The ISIN code for the Company's and, following the completion of the Reverse Takeover, New Kopy's shares is SE0002245548.

SHARE CAPITAL DEVELOPMENT

The tables below shows the historical trend for:

- the Company's share capital since it was formed and the changes in the number of shares and the share capital made thereafter.

Registration date	Event	Number of shares		Share capital		Quota value (SEK)
		Change	Total	Change (SEK)	Total (SEK)	
2007	Company formation	10,000	10,000	100,000	100,000	10.00
2007	Share issue	125,010	135,010	1,250,100	1,350,100	10.00
2007	Share issue	740,000	875,010	7,400,000	8,750,100	10.00
2007	Share issue	124,990	1,000,000	1,249,900	10,000,000	10.00
2008	Split 1:849	848,000,000	849,000,000	–	10,000,000	0.01
2009	Reverse split 1:100	-840,510,000	8,490,000	–	10,000,000	1.179
2009	Share capital reduction	–	8,490,000	-9,500,000	500,000	0.0589
2009	Preferential rights issue	195,270,000	203,760,000	11,500,000	12,000,000	0.0589
2009	Private placement	6,834,450	210,594,450	402,500	12,402,500	0.0589
2010	Preferential rights issue	84,407,580	295,002,030	4,971,000	17,373,500	0.0589
2010	Share issue (exercised warrants)	73,161,345	368,163,375	4,308,678	21,682,178	0.0589
2010	Reverse split 1:100	-364,481,742	3,681,633	–	21,682,178	5.89
2010	Preferential rights issue	2,945,304	6,626,937	17,345,728	39,027,905	5.89
2011	Share issue (exercised warrants)	256	6,627,193	1,508	39,029,413	5.89
2011	Private placement	1,700,000	8,327,193	10,011,780	49,041,193	5.89
2011	Private placement	1,000,000	9,327,193	5,889,283	54,930,476	5.89
2012	Share capital reduction	–	9,327,193	-22,500,000	32,430,476	3.48
2012	Preferential rights issue	6,995,394	16,322,587	24,322,855	56,753,331	3.48
2012	Preferential rights issue	6,529,034	22,851,621	22,701,330	79,454,661	3.48
2013	Share capital reduction	–	22,851,621	-59,454,661	20,000,000	0.88
2013	Preferential rights issue	7,394,636	30,246,257	6,471,870	26,471,870	0.88
2013	Bonus issue	–	30,246,257	53,028,130	79,500,000	2.63
2013	Share capital reduction	–	30,246,257	-59,500,000	20,000,000	0.66
2014	Share issue (exercised warrants)	963	30,247,220	637	20,000,637	0.66
2015	Share capital reduction	–	30,247,220	-8,500,000	11,500,637	0.38
2015	Preferential rights issue	24,197,776	54,444,996	9,200,509	20,701,146	0.38
2016	Share issue (conversion of loan)	5,454,545	59,899,541	2,073,934	22,775,080	0.38
2016	Preferential rights issue	19,966,513	79,866,054	7,591,693	30,366,773	0.38
2018	Preferential rights issue	23,959,815	103,825,869	9,110,032	39,476,805	0.38
2020*	Share issue (Reverse Takeover)	782,179,706	886,005,575	297,401,371	336,878,176	0.38

* subject to completion of the Reverse Takeover

- the charter capital of Amur Zoloto since it was formed and the changes in the charter capital made thereafter

Registration date	Event	Charter capital	
		Change (RUB)	Total (RUB)
2010	Formation	10,000	10,000
2011	Charter capital increase	2,290,577,000	2,290,587,000
2012	Reorganization by way of spin-off and charter capital decrease	-651,172,431	1,639,414,569

There are no classes of participatory interests in the charter capital of Amur Zoloto.

OWNERSHIP STRUCTURE

The following table shows the ten largest shareholders in the Company, as shown in the Company's register held by Euroclear Sweden on 30 April 2020 and changes thereafter known by the Company.

Shareholder	Number of shares	Percent
Tord Cederlund	11,947,390	11.5%
KGK Holding AB	10,593,245	10.2%
Avanza Pension	10,205,877	9.8%
UBS Switzerland AG	7,192,550	6.9%
Nordnet Pensionsförsäkring	1,828,443	1.8%
Swedbank Försäkring	1,152,945	1.1%
Bengt Hedblom	1,147,516	1.1%
Anders Sjöberg	1,124,968	1.1%
Tim Karlsson	1,090,000	1.0%
SAXO bank A/S	1,030,538	1.0%
Ten largest shareholders (total)	47,313,472	45.6%
Othershareholders*	56,512,397	54.4%
Total all shareholders	103,825,869	100.0%

*Approximately 4,600 individual shareholders.

Prior to completion of the Reverse Takeover the entire (100%) participation in the charter capital of Amur Zoloto is owned by HCAM (75.1%) and Lxor (24.9%). Upon completion of the Reverse Takeover the entire (100%) participation in the charter capital of Amur Zoloto will be owned by Kopy. The following table shows the ten largest shareholders in New Kopy, after completion of the Reverse Takeover.

Shareholder	Number of shares	Percent
HC Alliance Mining Group Ltd.	587,416,959	66.3%
Lxor Group SA	194,762,747	22.0%
Tord Cederlund	11,947,390	1.3%
KGK Holding AB	10,593,245	1.2%
Avanza Pension	10,205,877	1.2%
UBS Switzerland AG	7,192,550	0.8%
Nordnet Pensionsförsäkring	1,828,443	0.2%
Swedbank Försäkring	1,152,945	0.1%
Bengt Hedblom	1,147,516	0.1%
Anders Sjöberg	1,124,968	0.1%
Ten largest shareholders (total)	827,372,640	93.4%
Other shareholders*	58,632,935	6.6%
Total all shareholders	886,005,575	100 %

*Approximately 4,600 individual shareholders.

SHAREHOLDERS' AGREEMENT

To the best of the board of directors' knowledge, as of the date of this Company Description, there are no shareholders' agreement or similar agreements that could result in a change in the control of the Company.

AUTHORIZATION TO ISSUE SHARES ETC.

The annual general meeting 2019 resolved to authorize the board of directors of Kopy, until the next annual general meeting, with or without deviation from the shareholders' preferential rights, at one or more occasions, to issue shares, warrants, convertibles or a combination thereof. The number of shares that may be issued, alternatively be issued by exercise of warrants or following conversion of convertibles issued pursuant to the authorization, amounts to 30,000,000 shares, corresponding to a maximum of 28.9% of the number of shares as outstanding at the time of the annual general meeting 2019.

CONVERTIBLES, WARRANTS AND INCENTIVE PROGRAMS

The 2019 AGM adopted two incentive programs 2019/2022: one for management and one for the Board of Directors. Up to 2,835,000 warrants can be issued under the programs. The warrants were transferred without consideration to the management participants at terms adapted to local conditions, while Board members acquired the warrants at market prices. The warrants do not carry entitlement to a dividend or voting rights. Each warrant entitles the holder to subscribe for one (1) share in the Company and the warrants may be used for share subscription during the period June 1, 2020 to December 31, 2022 (inclusive) at an exercise price of SEK 1.30 per share. The number of warrants issued is 2,835,000, which means that share capital may be increased by up to SEK 1,077,927.

The 2018 AGM decided to establish two incentive programs 2018/2021: one for management and one for the Company's Board. Up to 1,700,000 warrants can be issued under the programs. The warrants were transferred without consideration to the management participants at terms adapted to local conditions, while Board members acquired the warrants at market prices. The warrants do not carry entitlement to a dividend or voting rights. After recalculation in accordance with the warrants' terms following the preferential rights issue in 2018, each warrant entitles the holder to subscribe for 1.02 shares in the Company and the warrants may be used for share subscription during the period June 1, 2019 to December 31, 2021 at an exercise price of SEK 1.67 per share. The warrants' exercise price is 135 percent of the volume-weighted average of the last price paid for the Company's share on Nasdaq First North Growth Market during the 30 trading days before April 30, 2018 (the date of the notice of the AGM). The number of warrants issued is 1,700,000, which means that share capital may be increased by up to SEK 659,304.

The 2017 AGM decided to establish two incentive programs 2017/2020: one for management and one for the Company's Board. Up to 3,400,000 warrants can be issued under the programs. The warrants were transferred without consideration to the management participants at terms adapted to local conditions, while Board members acquired the warrants at market prices. The warrants do not carry entitlement to a dividend or voting rights. After recalculation in accordance with the warrants' terms following the preferential rights issue in 2018, each warrant entitles the holder to subscribe for 1.02 new shares in the Company and the warrants may be used for share subscription during the period June 1, 2018 to December 31, 2020 at an exercise price of SEK 1.77 per share. The warrants' exercise price is 135 percent of the volume-weighted average of the last price paid for the Company's share on Nasdaq First North Growth Market during the 30 trading days before May 2, 2017 (the date of the notice of the AGM). The number of warrants issued is 3,400,000, which means that the share capital may be increased by up to SEK 1,318,607.

Neither Amur Zoloto, nor LLC "Dalniy Vostok" has any equivalent incentive programs.

CERTIFIED ADVISER

Hagberg & Aneborn Fondkommission is the appointed certified adviser for the Company and, following the completion of the Reverse Takeover, New Kopy and monitors the compliance of the regulations on Nasdaq First North Growth Market.

ARTICLES OF ASSOCIATION AS OF THE DATE OF THE COMPANY DESCRIPTION

Unofficial translation of the Swedish version of the articles of association as registered with the Swedish Companies Registration Office

The Articles of Association were adopted at the Annual General Meeting on May 26, 2016. The company's registration number is 556723-6335.

ARTICLES OF ASSOCIATION OF Kopy Goldfields AB (PUBL)
Registration number: 556723-6335

1 Company name

The company name is Kopy Goldfields AB (publ).

2 Registered office

The registered head office of the company is in the municipality of Stockholm, Stockholm county.

3 Objects of the company

The objects of the company shall be to pursue production and / or exploration of minerals, in own name, via subsidiaries or through smaller partnership and with that compatible operations.

4 Share capital

The share capital shall be not less than SEK 22,000,000 and not more than SEK 88,000,000.

5 Amount of shares

The amount of shares shall be not less than 59,500,000 and not more than 238,000,000.

6 Board of directors and company auditors

The board of directors shall consist of not less than 3 and not more than 8 members.

The company shall have 1 – 2 auditors, with not more than 2 deputy auditors, or an registered auditing company.

7 Convening of shareholders' meeting

Notice of general meeting of shareholders shall be published in the Official Swedish Gazette (Sw: Post- och Inrikes Tidningar) as well as at the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

8 Opening of shareholders' meeting

The chairman of the board, or a person so appointed by the board, is to open the shareholders' meeting and preside over its proceedings until a chairman has been elected for the meeting.

9 Annual general meeting

The annual general meeting shall be held annually within 6 months after the end of the financial year.

The following business shall be considered at the annual general meeting:

1. Election of chairman of the meeting
2. Drawing up and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to certify the minutes
5. Determination of whether the meeting was duly convened
6. Presentation of the submitted annual report and auditors' report and, where applicable, the consolidated annual report and the auditors' report for the group
7. Resolutions
 - a) regarding the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and balance sheet
 - b) regarding allocation of profit or loss in accordance with the adopted balance sheet
 - c) regarding the discharge from liability of the board members and, where applicable, of the managing director
8. Determination of fees for the board and, where applicable, for the auditors
9. Election of the board and, where applicable, an auditing company or auditors and possible deputy auditors
10. Other matters which rest upon the meeting according to the Swedish Companies Act or the company's articles of association

10 Financial year

The company's financial year shall be 0101–1231.

11 Right to participate in shareholders' meetings

Shareholders wishing to attend to a shareholders' meeting shall to the company give notice of participation and number of assistants before 4.00 p.m. on the day specified in the notice of the shareholders' meeting. That day may not be a Sunday, Bank Holiday, Saturday, Midsummer Night's Eve, Christmas Eve or New Year's Eve and may not fall earlier than on the fifth weekday prior to the meeting. Proxies do not need to give notice of number of assistants. Number of assistants may not be more than two.

12 Reconciliation account

The company's shares shall be registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

THE ARTICLES OF ASSOCIATION PROPOSED FOR NEW KOPY TO BE ADOPTED AT THE AGM 2020

Unofficial translation of the Swedish version of the articles of association as registered with the Swedish Companies Registration Office

The Articles of Association are proposed to be adopted at the Annual General Meeting on June 30, 2020. The company's registration number is 556723-6335.

ARTICLES OF ASSOCIATION OF Kopy Goldfields AB (PUBL)
Registration number: 556723-6335

1 Company name

The company name is Kopy Goldfields AB (publ).

2 Registered office

The registered head office of the company is in the municipality of Stockholm, Stockholm county.

3 Objects of the company

The objects of the company shall be to pursue production and / or exploration of minerals, in own name, via subsidiaries or through smaller partnership and with that compatible operations.

4 Share capital

The share capital shall be not less than SEK 330,000,000 and not more than SEK 1,320,000,000.

5 Amount of shares

The amount of shares shall be not less than 833,000,000 and not more than 3,332,000,000.

6 Board of directors and company auditors

The board of directors shall consist of not less than 3 and not more than 8 members.

The company shall have 1 – 2 auditors, with not more than 2 deputy auditors, or an registered auditing company.

7 Convening of shareholders' meeting

Notice of general meeting of shareholders shall be published in the Official Swedish Gazette (Sw: Post- och Inrikes Tidningar) as well as at the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

8 Opening of shareholders' meeting

The chairman of the board, or a person so appointed by the board, is to open the shareholders' meeting and preside over its proceedings until a chairman has been elected for the meeting.

9 Annual general meeting

The annual general meeting shall be held annually within 6 months after the end of the financial year.

The following business shall be considered at the annual general meeting:

1. Election of chairman of the meeting
2. Drawing up and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to certify the minutes
5. Determination of whether the meeting was duly convened
6. Presentation of the submitted annual report and auditors' report and, where applicable, the consolidated annual report and the auditors' report for the group
7. Resolutions
 - a) regarding the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and balance sheet
 - b) regarding allocation of profit or loss in accordance with the adopted balance sheet
 - c) regarding the discharge from liability of the board members and, where applicable, of the managing director
8. Determination of fees for the board and, where applicable, for the auditors
9. Election of the board and, where applicable, an auditing company or auditors and possible deputy auditors
10. Other matters which rest upon the meeting according to the Swedish Companies Act or the company's articles of association

10 Financial year

The company's financial year shall be 0101–1231.

11 Right to participate in shareholders' meetings

Shareholders wishing to attend to a shareholders' meeting shall to the company give notice of participation and number of assistants on the day specified in the notice of the shareholders' meeting. That day may not be a Sunday, Bank Holiday, Saturday, Midsummer Night's Eve, Christmas Eve or New Years Eve and may not fall earlier than on the fifth weekday prior to the meeting. Proxies do not need to give notice of number of assistants. Number of assistants may not be more than two.

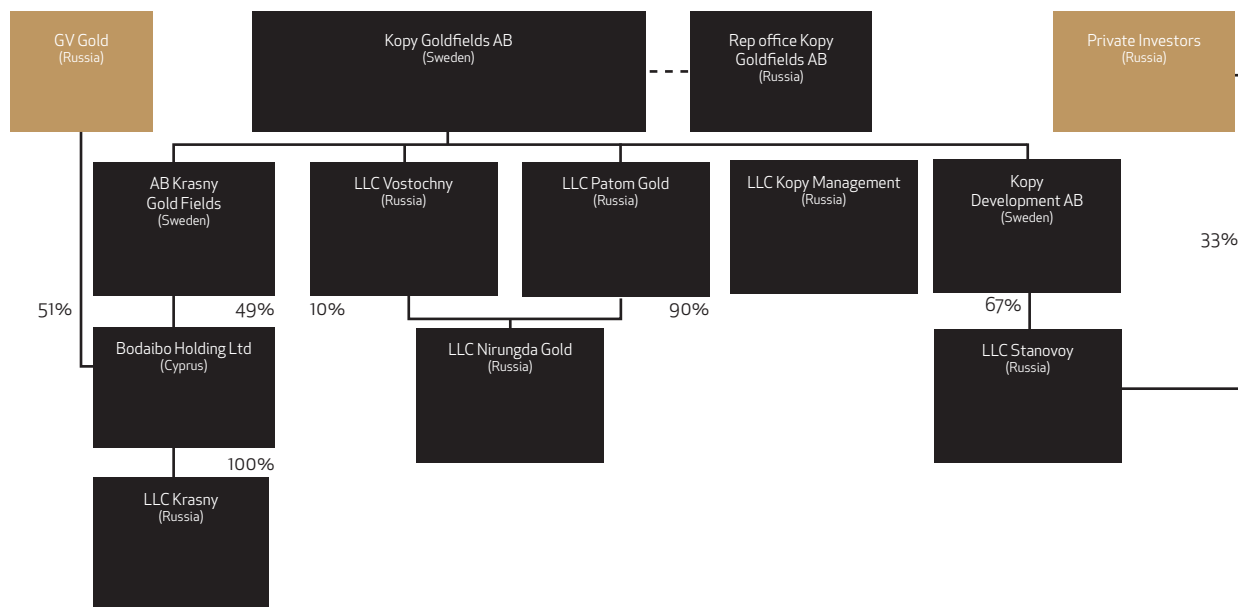
12 Reconciliation account

The company's shares shall be registered in a central securities depository register in accordance with the Swedish Act on Central Securities Depository and Financial Instruments Account (1998:1479).

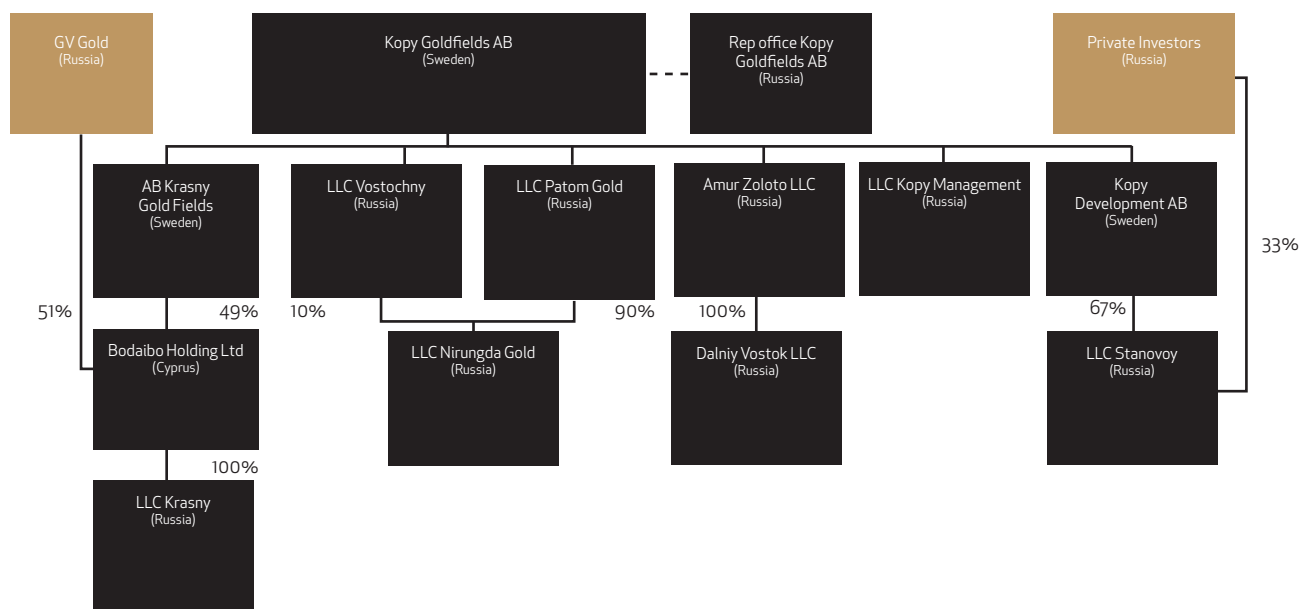
LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

COMPANY INFORMATION AND LEGAL STRUCTURE

The legal group structure per the date of the publication of the Company Description is presented below.



The legal group structure per the date as if the Reverse Takeover has been completed is presented below.



KOPY GOLDFIELDS MATERIAL AGREEMENTS

Material agreements

The Company entered into a joint venture with the Russian gold producer GV Gold in 2014. GV Gold acquired 51% of the shares in the Cyprus entity Bodaibo Holding, which is the 100% owner of the Russian entity LLC Krasny that holds the Krasny bedrock and alluvial licenses. Kopy Goldfields holds 49% of the shares in Bodaibo Holding. The parties have agreed on a shareholder's agreement stipulating the responsibilities between the parties.

Acquisitions and divestments

In December 2018, the Company entered into a sales agreement when 100% of the subsidiary LLC Taiga was sold. The total sales price is MUSD 6, of which MRUB 8 (corresponding to MSEK 1.1) was paid in December 2018. The remainder will be paid in several instalments until June 30, 2022. However, if the payments are accelerated and completed by December 31, 2020, the total price will be reduced by MUSD 1 to MUSD 5. All shares in LLC Taiga are pledged in Kopy's favour until the receivable is fully paid.

Financing

In September 2019 Kopy has entered into a loan agreement with Scandinavian Credit Fund I AB. The shares in AB Krasny Goldfields are pledged on behalf of Kopy Goldfields AB and used as a security for a debt of SEK 45,000,000 to Scandinavian Credit Fund I AB. The term of the loan is from 13 September 2019 to 13 September 2022, and an interest rate of 11.75 %. The loan agreement also contains a change of control provision stating that should a change of ownership of 51 % or more of the shares in Kopy Goldfields AB, the creditor (Scandinavian Credit Fund I AB) has the right to request a repayment of 102.5 % of the borrowed amount + interest rate. Kopy has received a waiver from the creditor in relation to the Reverse Takeover, the effect of the waiver is that the notice period as a consequence of the change of ownership is extended to 6 months (rather than immediately). Furthermore the terms in the loan agreement states that all payments from the sale of the shares in OOO Taiga should be used to repay the debt to Scandinavian Credit Fund I AB. In addition the loan agreement contains certain covenants and restrictions for Kopy Goldfields AB to pay dividends According to covenants, the Equity/Assets ratio must exceed 50% at every six months period end. As per December 31, 2019 the covenants were fulfilled.

Real estate

Kopy has a full ownership legal title to a real estate facility, being the regional company office, located in Bodaibo in the Irkutsk Region, which is necessary for carrying out economic activities.

Intellectual Property Rights

As part of its business activities, Kopy acquires non-exclusive rights for using the results of intellectual activity (operating systems for computers, antivirus programs, help desks, design systems, electronic journals by areas of activity, etc.).

Insurance

Kopy has signed insurances that covers its Swedish operations against losses and/or potential liability in relation to claims from third parties and is also using other types of insurance such as Directors and Officers liability insurance and travel insurance. Kopy's Russian subsidiaries ensure industrial safety, real estate and vehicles.

Disputes and litigation

The Company is not and has not been a party in any legal proceedings or arbitration proceedings, (including matters not yet decided or such that the Company is aware may arise) during the past 12 months.

Permissions and Environment

All exploration activity in the Kopy Goldfield follows existing environmental regulations in the country where operations are conducted.

The Company's facilities are subject to scheduled and unscheduled audits that are carried out by Rostekhnadzor, Rosprirodnadzor to control the work performed. The requirements issued as part of such inspections have been and are strictly fulfilled within the established period of time, in compliance with the requirements of the legislation of the Russian Federation.

Related Party Transactions

Related party transactions entered into by Kopy are subject to approval by the board of directors of the company in accordance with the applicable law of Sweden. There were no owner transactions during 2019.

AMUR ZOLOTO MATERIAL AGREEMENTS

The material agreements for the proper functioning of Amur Zoloto are the following:

Agreements on the joint use with the company "Artel of prospectors" "Amur" of the "Worgalan" airport, year-round roads and winter roads, campuses, the "Belkachi" and "Tommot" transshipment centers, in particular:

- Agreement No. ACA-00032 (cargo handling at the "Belkachi" and "Tommot" transshipment centers, with an extension option for each subsequent year, unilateral termination is possible, payment – 5 days from the receipt of the certificate of completion);
- Agreement No. ACA-00488 (joint use of the "Worgalan" airport, with an extension option for each subsequent year, unilateral termination is possible, monthly reimbursement of maintenance costs – 5 days from the date of signing the act of acceptance of services);
- Agreement No. ACA-01168 (lease of facilities of the "Belkachi" transshipment centre, with an extension option for each subsequent year, unilateral termination is possible, full advanced payment (for each month)).

Agreements on providing air traffic by Amur Airlines for the delivery of personnel, contractors personnel and transportation of finished products, in particular:

- Agreement No. 2309 dated 8 October 2014 (air transportation of goods and passengers, made for an indefinite term, unilateral termination is possible, full advanced payment (for each flight).

Due to the fact that a large number of basic technological equipment and machinery are used at the remote production facilities of Amur Zoloto, the agreements for maintenance, repair, supply of spare parts and fuel and lubricants are also crucial, in particular:

- Agreement No. 36-18-FE-PR dated 22 March 2019 (company Ferro Nordic Machines, maintenance service and supply of spare parts, until 22 March 2021, unilateral termination is not possible, payment (for the services rendered and spare parts delivered) within 30 days from the date of signing the services acceptance act);
- Agreement No. 70E01181 dated 1 July 2016 (company Liebherr-Russland, maintenance service and repair of equipment, prolongation for each subsequent year, unilateral termination is possible, monthly payment (5 days from the receipt of the invoice, after the financial month);
- Agreement No. 40E010110 dated 13 March 2016 (company Liebherr-Russland, supply of spare parts and materials, with an extension option for each subsequent calendar year, unilateral termination is possible, payment within 90 days from the date of delivery);
- Agreement No. 699-PY/2017 dated 18 May 2017 ("RUTEK" LLC, supply of fuel and lubricants, with an extension option for each subsequent calendar year, unilateral termination is not possible, payment within the time period indicated in the specifications).

Since the rock loosening and the excavation at the ore deposits are ensured with the use of drilling and blasting operations, the agreements for supply of explosive materials and drilling tools are of significant importance, in particular:

- Agreement No. 27-CBK/17 dated 22 December 2016 ("SVK" JSC, supply of explosive and initiation materials, until 31 December 2020, unilateral refusal is not available, payment within the time period indicated in the specifications);
- Agreement No. 3/2018-18 dated 16 January 2018 ("Epirok Rus" LLC, supply of drilling tools, with an extension option for each subsequent calendar year, unilateral termination is not available, payment within the time period indicated in the specifications).

Agreements with customers

Amur Zoloto sells its production within the Russian market. The main buyers are Russian banks, FC Otkrytie Bank (PJSC), Sberbank PJSC) and the State Precious Metals and Gems Repository of Russia. The annual sales turnover is 1.6 tons of gold and 2.5 tons of silver.

Supply Agreements

Amur Zoloto has a number of supply agreements. Including for example; Fuel (diesel, gasoline, jet fuel), agreements related mineral processing equipment and spare parts, heavy earthmoving and motor vehicles, spare parts for them, power equipment, explosive materials, reagents, rolled metal products, oils and lubricants, tires, construction materials and edible products (food).

Financing

Amur Zoloto has an open loan portfolio, which includes bank credit facilities, loans, leasing portfolio, bank guarantees. Amur Zoloto regularly considers and uses external borrowings to finance its production and development program. Loans are

raised with Russian commercial banks in the form of credit lines and commodity loans in gold. Amur Zoloto also uses various hedging instruments to mitigate the risk of gold price fluctuations. Leasing arrangements are used for upgrading main production assets: mining and automotive equipment, power and drilling equipment. Bank guarantees are used to apply the declarative procedure for VAT refunding at a rate of 0%.

Real Estate

Amur Zoloto has a full ownership legal title to, and also rents a number of real estate facilities located in the Khabarovsk Region which are necessary for carrying out economic activities. In particular, these are the company office in Khabarovsk, functioning production facilities of "Yubileiny" and "Perevalny" Mining and Processing Plants, abandoned objects of "Tas-Yuryakh" and "Ryabinovy" Mining and Processing Plants, facilities of the "Belkachi" transshipment centre leased from the company "Artel of prospectors" "Amur" (an important element of the logistic structure that is used for the accumulation and transshipment of cargo during the navigation period) and timber plots transferred on a leasehold basis for geological study exploration, mining, wood-felling, and construction of production facilities.

Intellectual Property Rights

As part of its business activities, Amur Zoloto acquires non-exclusive rights for using the results of intellectual activity (operating systems for computers, modules for 1C program, antivirus programs, help desks, databases of recruitment agencies, design systems, electronic journals by areas of activity, etc.).

Insurance

Amur Zoloto uses several types of insurance for example a liability insurance of the owner of a hazardous production facility, comprehensive insurance of property of enterprises, insurance of machinery and mechanicals against breakdowns, Compulsory Motor Third Party Liability Insurance (OSAGO) and voluntary medical insurance (partially). The main insurance partner of Amur Zoloto is IC "Paritet-SK" LLC.

Disputes and Legal Proceedings

Over the past three-year period, starting from 1 January 2017 Amur Zoloto did not participate in disputes and legal proceedings that involved significant risks to the financial conditions and operational performance of the company.

Permissions and Environment

The company owns registered hazardous production facilities at ore mining sites, as evidenced by the registration certificate issued by state supervisory authorities. To conduct mining operations at all deposits, the initial permissive documentation was obtained for conducting all types of work in accordance with the legislation of the Russian Federation.

In the course the activity at the company's facilities, scheduled and unscheduled audits are carried out by Rostekhnadzor, Rosprirodnadzor to ensure the control over the work performed. The requirements issued as part of such inspections are fulfilled strictly within the established period of time, in compliance with the requirements of the legislation of the Russian Federation.

Related Party Transactions

Related party transactions entered into by Amur Zoloto are subject to approval by the board of directors of the company in accordance with the charter of the company and the applicable law of the Russian Federation. The main counterparty, transactions with which are subject to approval in connection with the presence of interest, is the company "Artel of prospectors" "Amur".

Consulting Agreements

If it is necessary to obtain more detailed (extensive) information about certain aspects of the company's activities, Amur Zoloto seeks the help of third-party consultants providing support and verification services for the company's production and financial statements. Relevant services are provided on the basis of separate agreements entered into as a part of the ordinary business of the company.

Agreements with members of the board of directors and the top management of Amur Zoloto

Apart from remuneration paid in accordance with the management of Amur Zoloto's employment and the remuneration paid to board members, there are no other agreements of Amur Zoloto with members of the board of directors and the management of Amur Zoloto. Other material transactions of Amur Zoloto which may be viewed as related-party transactions are discussed in section "Related Party Transactions" above.

ADDRESSES

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