

KOPY GOLDFIELDS AB (publ) Half Year Report January – June 2020

The consolidated financial statements of the Kopy Goldfields Group (“Kopy Goldfields”, “the Company”), of which Kopy Goldfields AB (publ) with corporate identity number 556723-6335 is the parent company (“the Parent Company”), are hereby presented for the six-month period ended on 30 June 2020.

On 29 May 2020, Kopy Goldfields announced that the company had entered into a conditional agreement to acquire Amur Zoloto, a mid-sized gold producing company based in Russia, via a reverse takeover. The transaction was not yet completed as of 30 June 2020, and consequently Amur Zoloto’s operations and financial results are not included in this half year report. Nor did the transaction had any financial impact on this half year report. Kopy Goldfields plan to announce pro-forma figures for the combined company, including Amur Zoloto, for the first half year 2020 in September 2020.

Financial information half year 2020

- The Company does not report any revenue
- Income from sale of the Kopylovskoye project MSEK 2.3 (2.9)
- Result from Joint Ventures of MSEK -7.0 (+4.6), difference between the periods of totally MSEK -11.6 mainly explained by currency effects.
- Net income MSEK -14.3 (-0.6)
- Total comprehensive income MSEK -14.7 (+2.9)
- Earnings per share before and after dilution SEK -0.14 (-0.01)
- Total cash flow MSEK -2.7 (-8.7), including paid interest of MSEK 0 (-2.8) and new loans MSEK 3 (0)
- Investments in exploration work and licenses MSEK 0 (0)
- Investments into joint ventures MSEK 0 (0)
- Cash and cash equivalents amounted to MSEK 3.6 (11.4) at period end

Key ratios	Jan - Jun		Jan – Dec
	2020	2019	2019
Investments in exploration work and licenses, MSEK	0.0	0.0	6.0
Investments into joint ventures, MSEK	0.0	0.0	5.7
Cash & cash equivalents at end of period, MSEK	3.6	11.4	6.3
Net income for the period, MSEK	-14.3	-0.6	-3.7
Total comprehensive income for the period, MSEK	-14.7	2.9	-6.4
Earnings per share before and after dilution, SEK	-0.14	-0.01	-0.04
Equity per share, SEK	1.02	1.25	1.16
Equity asset ratio, %	64.9	79.4	71.2

Significant events January – June 2020

On 29 May 2020, the Company announced the conditional reverse takeover of Amur Gold Company Limited “Amur Zoloto”. Amur Zoloto is a mid-sized gold producing company based in Russia, with Proven and Probable Gold Reserves of 1.0 Moz, and Measured, Indicated and Inferred Resources of 1.4 Moz. Amur Zoloto produced 52 koz of gold in 2019 from two bedrock and several alluvial mines. The reverse takeover is structured as a contribution in kind where Kopy Goldfields acquires 100 percent of the shares in Amur Zoloto in exchange for a total of 782,179,706 new shares in Kopy Goldfields. Due to the reverse takeover, a new listing process was initiated on Nasdaq First North Growth Market, which was subsequently approved on 23 June 2020. The reverse takeover was also approved by the annual general meeting in Kopy Goldfields on 30 June 2020.

Completion of the acquisition of Amur Zoloto was initiated on 25 August 2020 and is expected to be finalized no later than 16 September 2020.

Comments from the CEO: On the way to become a gold producer amid historic high gold prices and COVID-19 pandemic

Dear shareholders,

The first half of 2020 has been the most eventful six months ever for Kopy Goldfields. The outbreak of COVID-19 caused the world economy into depression, thus reducing investors' appetite for exploration risk. However, the worldwide economic crisis pushed the gold prices up to historic records, which in turn heated M&A transactions in the industry and Kopy Goldfields utilized this momentum to become a profitable gold producer.

After more than a decade of running gold exploration projects in Russia, Kopy Goldfields has secured a strategic position as one of the major regional exploration landholders in Lena Goldfields, one of the most exciting gold mining and exploration areas in the world, where both of our major exploration projects Krasny and Maly Patom are located.

In early 2020, we released the 2019 exploration results for the Maly Patom project, where we drilled 2,505 meters of first ever holes, targeting bedrock gold mineralizations. Our drilling intersected gold mineralizations with several intervals of gold content above 1gr/ton. The exploration results strongly indicate the existence of bedrock gold mineralizations within our license area.

Creating a Leading Russian Mid Cap Gold Exploration and Production Group

In May 2020, we signed, and we have just initiated the completion of the reverse take-over of Amur Zoloto, a mid-sized gold producer based in Russia. Certain registration procedures remain for the transaction to be closed. The integration of Amur Zoloto will indeed write a new chapter of the Kopy Goldfields story. The deal combines our strong exploration knowledge and asset portfolio with Amur Zoloto's well-established gold production assets and capabilities. Amur Zoloto's 2019 gold production totaled 52 koz which will make "new" Kopy Goldfields one of the strongest CIS (Commonwealth of Independent States) based public gold producers with total assets of 1.1 Moz of Proven and Probable reserves and 2.4 Moz of Measured, Indicated and Inferred resources.

Since the Transaction was not finalized by June 30, this half year report does not show any financial impact of the Transaction, nor Amur Zoloto's operations. Going forward, our financial reports will include Amur Zoloto's gold production operations and strong financial performance.

In parallel with Amur Zoloto's existing production, we believe that the current historic record gold prices will favor Kopy Goldfields in the next step of our history as we continue to explore the exciting Lena Goldfields area and prepare to move into production – which will provide us with a platform for further growth.

So far, the COVID-19 has not been registered on the Amur Zoloto production sites since 14-days quarantine period was introduced for all personnel coming to the mines from the very beginning. However, long-lasting general travel restrictions significantly complicate staffing of the Amur Zoloto' operations and equipment maintenance.

On behalf of the company, I would like to thank all shareholders voting in favor for the acquisition of Amur Zoloto. Our focus now will be on the integration of the two companies' businesses as the next step of transforming Kopy Goldfields' position from high-impact exploration business to a consistent and attractive gold producer in the Russian gold mining universe.

Mikhail Damrin
CEO Kopy Goldfields

Summary of operations



Kopy Goldfields AB (publ) (ticker: KOPY) is a public junior Swedish gold exploration company, established in 2007 and listed on Nasdaq First North Growth Market, Stockholm. The Company holds 12 licenses that cover a total area of 2,156 km² and are located in Lena Goldfields of Siberia, Russia, and in the Amur Region of the Russian Far East. The flagship project, Krasny, consists of three licenses and is at the prefeasibility development stage. Kopy's total Indicated and Inferred mineral resources reported in accordance with JORC amount to 0.9 Moz.

Projects in brief and development during 2020

The Company has a diversified portfolio of exploration targets in different stages. All licenses have been grouped into a portfolio consisting of four projects: Krasny, Maly Patom, Amur and the recently acquired license Verkhovya Tamaraka. The flagship project, Krasny, which is at the feasibility development stage, consists of three licenses (Krasny bedrock, Krasny alluvial and Batiy bedrock) with a total area of 119 km². The Maly Patom project, which is in the prospecting stage, is split into seven licenses (Tyrynakh, Bolshaya Taimendra, Gorbylyakh, Omur-Yuryakh, Chenchka, Malo-Patomsky and Polovinka) with a total area of 1,940 km². The Amur project, being in the prospecting stage, includes since first quarter 2020 one license with a total area of 13 km². The Verkhovya Tamaraka license, with an area of 83 km² and in the prospecting stage, is located in the Bodaibo area, but stays separately from Krasny and Maly Patom, and if successful, will grow into a standalone project.

The Krasny project

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 license authority 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. Under this agreement, GV Gold earned a 51% interest in the Krasny Project by paying Kopy Goldfields MUSD 3 in cash and investing MUSD 6 in exploration. During 2016 to 2019, another MUSD 6 for further development of the project has been invested by GV Gold and Kopy Goldfields.

The project is currently in the prefeasibility stage. The Krasny Gold Project includes two bedrock licenses and one alluvial gold license.

Having developed the Krasny project from the initial greenfield to the current prefeasibility stage of exploration from 2010 to 2019, Kopy Goldfields and GV Gold believed it was a good time to realize the value of the project. In the middle of 2018, the field exploration activities on Krasny were put on hold and the project was prepared for a sale. Since then, discussions have been held with GV Gold regarding the different options for a sale. Following the merger with Amur Zoloto, the development strategy for Krasny will be reviewed considering the new production targets of Kopy Goldfields.

In the spring 2020, Kopy Goldfields and GV Gold agreed to invest further MUSD 1 to finance a Russian reserve report and to secure connection of the future mine site to the regional electricity grid. GV Gold paid their pro-rata of KUSD 507 in June 2020, while Kopy Goldfields utilized the right to postpone the payment of KUSD 493 for 360 days.

In 2020, the license terms for Krasny were prolonged for three years. In accordance with the revised license agreement, the Krasny reserve report should be filed with the Russian license authorities in April, 2023; feasibility study to be completed by April, 2024 and mine should be commissioned by October, 2025.

The Maly Patom project

The Maly Patom-area is located in the Patomo-Nechersky gold district within Lena Goldfields, approximately 250 km northeast of Bodaibo. The area has high potential for new gold discoveries, and it is known for a long history of successful alluvial mining. Within Kopy Goldfields' bedrock licenses there are still a lot of active alluvial mines. The geology and age of rock in the area is similar to that of Sukhoy Log, with stratigraphy, lithology and structural settings favorable for primary gold mineralization. There have been numerous reports from the area of secondary gold halo, zone and points of gold mineralization, as well as many grab samples with gold. However, until Kopy Goldfields acquired the licenses, no serious and consistent bedrock gold exploration had been conducted in the area.

The initial work program conducted by Kopy Goldfields included a 1,852 km² stream sediment survey, where a total, 5,380 samples were collected and analyzed. Through mapping of this data, 23 prospective clusters for more detailed exploration were identified.

Subsequently, a soil geochemical survey was carried out within the area of 122 km²: a total of 12,896 soil samples were collected and analyzed. The results confirmed that the Maly Patom is an area with high exploration potential. Three anomalies were identified for drilling and trench sampling., namely Mezhdurechnaya, Sekushaya and Polovinka. In addition to these drilling and trench sampling targets, there are still another 14+ targets left for detailed geochemical survey.

In 2019, a total of 2,505 meters of core holes were drilled, and 2,338 meters of trenches were developed and sampled within three previously identified gold anomalies. In addition, a geophysical survey of 38 sq. km of the ground was done. Based on the activities, gold mineralizations at both the Zhelanny and Alemakitskiy areas were intersected with several intervals with anomalous gold content above 1 gr/t. Although no commercial gold mineralization has been identified yet, the exploration results strongly evidence existence of bedrock gold mineralization within the license area.

The Amur project

The Amur project included initially four alluvial exploration properties, located within 60 km from Blagoveshensk. A limited revision exploration program, including drilling and sample testing, was completed in 2018, and was aimed at verifying historical data and confirming exploration potential. In Q1 2020, Kopy Goldfields divested its shares in LLC Zolt and LCC Enerkom, while increasing its holding in LLC Stanovoy to 67 percent. This transaction was done without any consideration paid. Kopy Goldfields does not currently have any plans to invest further in the project.

Transaction with Amur Zoloto

On 29 May 2020, Kopy entered into an agreement to acquire all shares in the Russian gold producing company Amur Zoloto. Amur Zoloto is a mid-sized gold producing company based in Russia. The mineral assets of Amur Zoloto include several operating gold mines and projects under development (both hard rock and alluvial) located in Ayano-Maisky and Tuguro-Chumikansky municipal districts of Khabarovsk Region of the Russian Far East. Proved and Probable Reserves amount to 0.98 Moz and M,I&I Resources to 1.42 Moz. In 2019 Amur Zoloto produced 52 koz of gold.

Bedrock gold mining operations are conducted at The Yubileiny Complex and the Perevalnoye Complex. In addition, gold is also mined from placer deposits. The Yubileiny Complex comprises the Krasivoye underground mine, the Ulun deposit and the Yubileiny processing plant. Perevalnoye operates an open pit mine and a processing plant.

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 its reserve base. Most recently, Amur Zoloto commissioned new processing line 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.

In first six months of 2020, Amur Zoloto's total production amounted to 23.9 koz (742 kg) of gold and gold equivalent, including 53.9 koz (1,677 kg) of silver, compared to 25.9 koz (807 kg) of gold and gold equivalent in

1H2019. In first six months 2020 gold sales amounted to 26.5 koz (825 kg), compared to 22.6 koz (704 kg) of gold sales in 1H 2019.

The transaction is believed to represent a unique opportunity for shareholders of both companies to benefit from the significant value accretion arising from the combined asset and project portfolios. Kopy Goldfields will upon completion of the transaction be positioned to deliver a strong production profile and attractive growth and exploration opportunities:

- Being a Russian leading mid-cap Gold Exploration and Production Group backed by gold reserves and resources in Russia;
- Gold production, revenue and cash flow have been added to Kopy Goldfield's current exploration focus;
- Kopy Goldfields' position as a high-impact exploration business has been transformed into 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 with
- solid experience and competences for further efficient exploration activity;

The acquisition is treated as a Reverse Takeover, and is structured as a contribution in kind where the owners of Amur Zoloto contribute 100 percent of the shares in Amur Zoloto in exchange for a total of 782,179,706 shares in Kopy Goldfields.

Due to the reverse takeover, a new listing process was initiated on Nasdaq First North Growth Market, which was subsequently approved on 23 June 2020 and a Company Description over the new company was published. On 30 June 2020, Kopy's Annual General Meeting approved the Reverse Takeover and in mid-August 2020, Federal Antimonopoly Service of Russia (FAS) issued consent for the acquisition, which met the remaining condition for completion of the Transaction. Completion of the acquisition of Amur Zoloto was initiated on 25 August 2020 and is expected to be finalized after required registration procedures in Sweden and Russia no later than 16 September 2020.

The new shares are still to be registered with the Swedish Companies Registration Office, and following the registration, the total number of shares in Kopy Goldfields 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. After the transaction, Amur Zoloto's shareholders will hold approximately 88% of the shares and votes in Kopy and the previous shareholders of Kopy will hold approximately 12% of the shares and votes. According to a decision on the Annual General Meeting in Kopy Goldfields, the Board of Directors of Kopy Goldfields will be extended with two new Board members, Arsen Idrisov and Eric Forss upon completion of the transaction.

Summary of accounts January – June 2020

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

The Company does not report any net revenue during the period.

Since 2014, the Company is part of a Joint Venture agreement with the Russian gold producer GV Gold regarding the Krasny project. As per June 30, 2020, investments in joint ventures amount to MSEK 99.9 (103.1) on the Balance Sheet and The Profit and Loss statement shows results from Joint Ventures of MSEK -7.0 (+4.6) for the period, the difference of MSEK -11.6 between the years mainly explained by exchange rate differences reported by the Joint Venture.

Operating expenses for the six months' period amounted to MSEK 13.8 (2.1), the difference of MSEK 11.7 between the years mainly explained by the differences in results from joint ventures. The operating expenses include personnel costs of MSEK 3.2 (3.8).

Financial items for the period amounted to MSEK -0.5 (+1.1), explained by higher interest costs referring to long term loans, and the effect of the recalculated receivable from the Kopylovskoye sale. Income from recalculation of the receivable amounted to MSEK 2.3 (2.9).

Net tax for the period amounted to MSEK 0 (-0.1). The company does not record any deferred tax assets related to tax loss carry forwards.

Net profit for the period, attributable to equity holders of the parent, amounted to MSEK -14.3 (-0.6), which equals SEK -0.14 (-0.01) per share.

In June 2020, the Company received a short term loan of totally MSEK 3 from three major shareholders. This is reflected in the Cash Flow from financing activities.

Cash and cash equivalents amounted to MSEK 3.6 (11.4) at the end of the period.

Equity attributable to equity holders of the parent amounted to MSEK 105.9 (129.9) at the end of the period which equals SEK 1.02 (1.25) per share.

Equity asset ratio was 64.9% (79.4) at the end of the period.

The average number of employees during the period was 8 (8). 5 (5) persons were permanent employees and 3 (3) persons were temporary employees involved in seasonal exploration work. Number of employees at period end was 8 (8).

Going concern

Gold exploration is a capital-intensive activity and as noted above the Company does not yet have any revenues. In December 2018, the Company signed an agreement to sell the fully owned subsidiary LLC Taiga at a sales price corresponding to MUS\$ 6. The payment will be done in several tranches until 30 June 2022, with the main part paid by the end of the period. If the total price is paid before 31 December 2020, the total sales price is reduced to an amount corresponding to MUS\$ 5.

On 29 May 2020, the Company entered into a conditional agreement with HC Alliance Mining Group Ltd. and LEXOR Group SA where Kopy Goldfields acquires 100 percent of the shares of Amur Zoloto, a mid-sized gold producing company based in Russia, through a reverse takeover. The Transaction is structured as a contribution in kind where Shareholders of Amur Zoloto contribute 100 percent of the shares in Amur Zoloto in exchange for a total 782,179,706 shares in Kopy Goldfields. All conditions for the Transaction have been fulfilled and completion of the Transaction was initiated on 25 August 2020. The Transaction is expected to be completed no later than 16 September 2020 and will turn Kopy Goldfields' business into a sustainable gold producer with long-term substantial organic growth opportunities. The growth is expected from production in existing mines and by added assets.

In June 2020, the Company was granted a loan of MSEK 3 from three major shareholders to finance the Company's operations until the Transaction has been completed. It cannot be excluded that further capitalization will be needed if the Transaction would be delayed or if it would be disrupted. The Board believes that the primary source of such funding shall be bridge financing or share issue. Given the estimated values of the Company's licenses, it is the Board's assessment that the Company can continue as a going concern.

Significant events after the reporting period

In mid-August 2020, Federal Antimonopoly Service of Russia (FAS) issued consent for the acquisition of Amur Zoloto, which met the remaining condition for completion of the Transaction. Completion of the acquisition of Amur Zoloto was initiated on 25 August 2020 and expected to be finalized no later than 16 September 2020.

The Parent Company

Total assets at the period end amounted to MSEK 140.4 (137.5). Cash and cash equivalents amounted to MSEK 3.3 (11.3). Net income for the period amounted to MSEK -4.9 (-3.2).

Risks and uncertainties

A detailed description of the Company's risks is included in the 2019 annual report of Kopy Goldfields. In addition, extended risks following the reverse takeover of Amur Zoloto is presented in the Company Description dated 23 June 2020. Both documents are available on Kopy Goldfields corporate web.

The risks include, among others, geological risks, risks related to the deposits, supplier and contractor delivery risk, impairment test risks, financing risks, gold price risks, currency exchange risk and political risks. Since 2014, EU and USA have implemented sanctions towards Russia. The Company is not directly affected by the sanctions as per today but does continuously monitor the development.

The Board of Directors and Management monitors the general development of the COVID-19 virus and its impact on the Company's business. The effects of the virus are deemed not to give any direct impact on the profit and loss statement during 2020, but do have macro-economic effects, such as change in gold price and exchange rates, which will give an indirect impact.

Condensed Consolidated Income Statement

KSEK	Note	Jan – Jun		Jan – Dec
		2020	2019	2019
Net turnover		0	0	0
Other revenue		11	474	562
Total revenue		11	474	562
Work performed by the company for its own use and capitalized		0	0	0
Other external costs		-3 596	-2 835	-5 655
Personnel costs		-3 157	-3 773	-7 049
Result from Joint Ventures		-6 958	4 560	7 618
Depreciation and write-downs of intangible and fixed assets		-94	-99	-1 897
Total operating expenses		-13 805	-2 147	-6 983
Operating result		-13 794	-1 673	-6 421
Financial items	5	-532	1 143	2 307
Result after financial items		-14 326	-530	-4 114
Tax		0	-88	400
NET INCOME FOR THE PERIOD		-14 326	-618	-3 714
<i>Attributable to:</i>				
Equity holders of the parent		-14 304	-623	-3 707
Non-controlling interests		-22	5	-7
		-14 326	-618	-3 714
Earnings per share attributable to the equity holders of the parent, before and after dilution		-0,14	-0,01	-0,04
Average number of shares before and after dilution		103 825 869	103 825 869	103 825 869
Number of shares at the end of the period		103 825 869	103 825 869	103 825 869

Consolidated Statement of Comprehensive Income

KSEK	Jan – Jun		Jan – Dec
	2020	2019	2019
Net income for the period	-14 326	-618	-3 714
<i>Items that may be reclassified subsequently to profit or loss</i>			
Translation differences on foreign operations	-400	3 470	-2 731
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-14 726	2 852	-6 445
<i>Attributable to:</i>			
Equity holders of the parent	-14 704	2 847	-6 438
Non-controlling interests	-22	5	-7
	-14 726	2 852	-6 445

Condensed Consolidated Balance Sheet

KSEK	Note	Jun 30 2020	Jun 30 2019	Dec 31 2019
ASSETS				
<i>Non-current assets</i>				
<i>Intangible fixed assets</i>				
Exploration licenses and evaluation work		14 783	12 070	16 732
<i>Tangible fixed assets</i>				
Buildings and Machinery and equipment		735	970	937
<i>Financial fixed assets</i>				
Joint Ventures		99 933	103 078	105 234
Deferred tax assets		0	43	0
Other non-current financial assets	5	36 916	31 260	38 589
Total non-current assets		152 367	147 421	161 492
<i>Current assets</i>				
Inventory		3	15	1
Receivables	5	7 366	4 748	1 545
Cash & cash equivalents		3 596	11 386	6 326
Total current assets		10 965	16 149	7 872
TOTAL ASSETS		163 332	163 570	169 364
EQUITY AND LIABILITIES				
Equity		105 745	129 768	120 471
Total non-current liabilities		49 371	30 657	46 586
Total current liabilities		8 216	3 145	2 307
TOTAL EQUITY AND LIABILITIES		163 332	163 570	169 364

Condensed Consolidated Cash Flow Statement

KSEK	Note	Jan – Jun		Jan – Dec
		2020	2019	2019
Cash flow from operating activities		-5 657	-6 131	-17 165
Cash flow from investing activities		-52	-36	-11 853
Cash flow from financing activities		3 000	-2 534	15 254
Cash flow for the period		-2 709	-8 702	-13 764
Cash at the beginning of the period		6 326	20 078	20 078
Exchange differences on cash		-21	10	12
Cash at the end of the period		3 596	11 386	6 326

Condensed Consolidated Statement of Changes in Equity

KSEK	Note	Jan – Jun		Jan – Dec
		2020	2019	2019
Equity at the beginning of the period		120 471	109 883	126 371
Warrants		0	90	544
Net income for the period		-14 326	-9 294	-3 714
Other comprehensive income for the period		-400	4 993	-2 731
Equity at the end of the period		105 745	105 672	120 471

Parent Company Condensed Income Statement

KSEK	Jan – Jun		Jan – Dec
	2020	2019	2019
Revenue	700	1 580	2 385
Other external costs	-3 602	-4 135	-8 401
Operating result	-2 902	-2 555	-6 016
Results from investments in subsidiaries	-1 457	-4 485	-18 001
Financial items	-535	3 866	4 289
Result after financial items	-4 894	-3 174	-19 728
Appropriations	0	0	0
Result before tax	-4 894	-3 174	-19 728
Tax	0	0	0
NET INCOME FOR THE PERIOD	-4 894	-3 174	-19 728

Parent Company Condensed Balance Sheet

KSEK	Note	Jun 30	Jun 30	Dec 31
		2020	2019	2019
ASSETS				
<i>Non-current assets</i>				
Tangible fixed assets		3	9	6
Shares in group companies		88 147	83 837	87 395
Other non-current financial assets	5	36 916	31 260	38 589
Financial fixed assets		125 063	115 097	125 984
<i>Current assets</i>				
Receivables		12 079	11 155	4 492
Cash & cash equivalents		3 291	11 263	6 246
Total current assets		15 370	22 418	10 738
TOTAL ASSETS		140 436	137 524	136 728
EQUITY AND LIABILITIES				
Equity		83 383	104 871	88 330
Non-current liabilities		49 371	30 000	46 586
Current liabilities		7 682	2 653	2 653
TOTAL EQUITY AND LIABILITIES		140 436	137 524	137 524

Notes

Note 1 Information about the Company

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

Note 2 Accounting principles

The interim report for the period ended 30 June 2020 has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act (Sw. Årsredovisningslagen). The interim consolidated financial statements have been prepared, consistently with the 2019 consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and by the Swedish Annual Reports Act. The parent company's financial statements have been prepared in accordance with the Swedish Annual Reports Act and the recommendations "RFR 2 on Financial Reporting for Legal Entities" issued by the Swedish Financial Reporting Board (Sw. Rådet för finansiell rapportering).

The interim report does not contain the entirety of the information that appears in the annual report and accordingly, the interim report should be read in conjunction with the 2019 annual report.

The same accounting principles have been applied during the period as were applied during the financial year 2019 and corresponding interim reporting period in the way they were described in the 2019 annual report, except for the adoption of new and amended standards as set out below.

New and amended accounting principles 2020 that have been adopted by the Group

The IASB made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which now contain a uniform definition of the concept of materiality, with guidance on whether disclosures relating to accounting policies are material or not. An author of a financial report should only provide disclosures relating to accounting policies that are material for a reader of the report. The new rules are effective from 1 January 2020. The amendments will not have a significant impact on the Group's financial reports, but could affect disclosures relating to accounting policies in the 2020 annual report.

Definition of a Business – Amendments to IFRS 3 (effective from 1 January 2020). The amended definition states that to be considered a business, an acquisition must include inputs and processes that together significantly contribute to the ability to create outputs. The definition of the term "output" has been amended to focus on goods and services that are the result of inputs and processes, and generate investment income or other income from activities. In the new definition, the previous wording "a return in the form of lower costs or other economic benefits" has been removed.

New and amended standards and interpretations from the IASB have had no impact on consolidated earnings or financial position, or on the presentation of the interim report

Note 3 Segment reporting

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

Note 4 Related party transactions

In June 2020, Kopy Goldfields was granted a loan of MSEK 3 from three major shareholders to finance the Company's operations until the Reverse Takeover of Amur Zoloto was completed. The loan bears an annual interest rate of 8%. Other than stated above, Kopy has not had any transactions with related parties outside the group during the period.

Note 5 Result from sale of LLC Taiga

In December 2018, Kopy Goldfields sold the fully owned subsidiary LLC Taiga. The total sales price amounts to MUSD 6, which will be paid in several installments until June 2022. If all payments are accelerated and completed by 31 December 2020, the total price is reduced to MUSD 5.

The expected payments of MUSD 6 are discounted by the end of each reporting period, and as per 30 June 2020, the total receivable, net after transaction costs, totals MSEK 40.8 and the profit and loss shows income of MSEK 2.3 (2.9) in the financial net for the period.

Note 6 Pledged assets and contingent liabilities

KSEK	Group		Parent	
	Jun 30	Jun 30	Jun 30	Jun 30
	2020	2019	2020	2019
Floating charges to credit institutions	99 933	103 078	87 344	81 618

Audit

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

Signatures

The Board of Directors and CEO declare that the interim report gives a fair view of the business development, financial position and result of operation of the Parent Company and the consolidated Group and describes significant risks and uncertainties that the Parent Company and its subsidiaries are facing.

Stockholm 27 August 2020
Kopy Goldfields AB (publ)

Mikhail Damrin
CEO

Kjell Carlsson
Chairman

Johan Österling
Director

Tord Cederlund
Director

Andreas Forssell
Director

Upcoming financial reporting

The next financial reporting will be the year-end report for January – December 2020, published on 25 March 2021.

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Kopy Goldfields is since June 3, 2011, applying the internationally accepted JORC code to verify the mineral resources and ore reserves. Micon International Co Limited act as consultants and will approve the mineral resources according to the JORC Code. Kopy Goldfields AB applies International Financial Reporting Standards (IFRS), as approved by the European Union. Hagberg & Aneborn Fondkommission acts as Certified Adviser, contact number: +46 8 408 933 50, e-mail: info@hagberganeborn.se.

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

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