

KOPY GOLDFIELDS AB (publ)

Year-end Report 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 full-year period ended on 31 December 2020. Following the transaction with Amur Zoloto, Kopy Goldfields has chosen to change the presentation currency from Swedish krona (SEK) to US dollars (USD). In accordance with the Swedish Accounting Act, the Parent Company’s financial information is reported in Swedish krona and not the Group’s presentation currency of US dollars.

July – December 2020 (H2 2019)

- Revenue TUSD 54,606 (40,215), +36%
- EBITDA TUSD 27,815 (15,392), +81%
- Profit before tax TUSD 12,404 (5,928), +109%
- Profit for the period TUSD 9,429 (4,662), +102%
- Earnings per share before dilution USD 0.01 (0.01)
- Announcement of long-term production target of >100 koz of gold and gold equivalent by 2025.
- Construction and development activities started for the production growth projects Perevalnoe Heap Leach and Maluytka Heap Leach.
- New estimation of Mineral Resources and Reserves announced. Total estimated M, I&I Mineral Resources amount to 2,756 koz of gold, including total new Probable Ore Reserves of 1,313 koz of gold.

January – December 2020 (2019)

- Revenue TUSD 98,841 (70,114), +41%
- EBITDA TUSD 45,620 (27,310), +67%
- Profit before tax TUSD 24,728 (11,719), +111%
- Profit for the period TUSD 19,153 (9,160), +109%
- Earnings per share before dilution USD 0.02 (0.01)
- Acquisition of Amur Zoloto announced in May and completed in September 2020.
- The Board of Directors proposes that no dividend be paid.

Summary of financial information

	Jul-Dec 2020	Jul-Dec 2019	%	Jan-Dec 2020	Jan-Dec 2019	%
Gold production (GE), koz	29.0	26.3	+10	53.1	52.3	+2
Gold sales, koz	28.9	26.1	+11	55.4	48.7	+14
Average realized gold price, USD/oz	1 878	1 495	+26	1 773	1 400	+27
Revenue, TUSD	54 606	40 215	+36	98 841	70 114	+41
Gross profit, TUSD	21 095	12 291	+72	40 973	23 298	+76
Gross margin, %	39%	31%		41%	33%	
EBITDA, TUSD	27 815	15 392	+81	45 620	27 310	+67
EBITDA margin, %	51%	38%		46%	39%	
Profit before tax, TUSD	12 404	5 928	+109	24 728	11 719	+111
Profit for the period, TUSD	9 429	4 662	+102	19 153	9 160	+109
Earnings per share before dilution, USD	0.01	0.01		0.02	0.01	
Earnings per share after dilution, USD	0.01	0.01		0.02	0.01	
Equity per share, USD	0.11	0.07		0.11	0.07	
Cash & cash equivalents at the end of the period, TUSD	10 388	396		10 388	396	
Net Debt, TUSD	41 938	43 619		41 938	43 619	
Net debt/ EBITDA, x	0.92	1.60		0.92	1.60	

Glossary and definitions of the above performance measures are presented on page 24-25.

Comments from the CEO

2020 was truly a “game changer” for Kopy Goldfields. Through the reverse takeover of Amur Zoloto, we created a leading Swedish gold producer operating in the most renowned gold mining regions of Russia. Despite the challenges caused by the Covid-19 virus, the transaction went very smoothly, followed by the successful integration of the two companies. On the back of historically high gold prices and with strong production development plans, Kopy Goldfields enters 2021 with an exciting growth story.

With a clear focus on profitable growth, the significantly enlarged company has identified, explored, and developed high potential areas for gold mining for several decades, resulting in a solid track record of bringing profitable ounces online. Our strategy to combine local geological and mining knowledge and science with modern and efficient technology allows us to identify and develop mineral deposits in a cost-efficient, safe and transparent way. By combining Kopy Goldfields’ strong exploration knowledge and asset portfolio with Amur Zoloto’s well-established gold production assets and capabilities, we have created a leading gold company active in all aspects of gold mining from exploration to production and gold sales.

Strong financial results and gold production growth

During the second half of the year, the total gold equivalent production amounted to 29.0 koz (903 kg), which is a 10% increase compared to the H2 2019 production of 26.3 koz (818 kg), largely due to gold production growth at the Perevalnoe project. Total gold production for the full year 2020 amounted to 53.1 koz (1,652 kg). Revenues for the year increased by 41% and totaled TUSD 98,841 compared to TUSD 70,114 during 2019, following higher production levels and metal prices. EBITDA for 2020 amounted to TUSD 45,620, which is a 67% increase compared to last year’s TUSD 27,310. Our strong cash flow from operations fuels our growth projects and allows us to maintain a healthy debt ratio. The solid balance sheet allows us to borrow over the long term on an unsecured basis from the leading Russian commercial banks. Going forward the company will maintain a prudent approach to financial leverage, focusing on keeping the right balance between an optimal capital structure, capex investments, leverage and dividends. It is satisfying to see that despite the negative impact Covid-19 has had, we have delivered a record year in terms of both gold production and profits.

Covid-19

Covid-19 has affected us all both personally and professionally. Kopy Goldfields is no exception and even though we managed to avoid major outbreaks within the company, a few cases were reported at the Yubileyniy site in December. In close coordination with the Russian authorities, all employees at the site were tested, and infected personnel were evacuated from the site. Testing and evacuating personnel slowed down the mineral processing and mining operations and thus affected the site’s production levels during the interruption. Since January, all operations have been restored to the planned scale and no additional Covid-19 cases have been reported at Yubileyniy or elsewhere within the company’s mining sites. We have also offered all our employees in Russia the opportunity to have a free vaccination. Travel restrictions due to Covid-19 also had a negative impact, particularly on our alluvial mining operations which underperformed during 2020.

Bright prospects ahead

Our long-term target is to double our current gold production to above 100 koz per year by 2025 from Perevalnoe, Yubileyniy, Maluytka and placer operations. On top of that we expect additional upside to come from Krasny and our other exploration projects that have not been included in the production modelling so far. We have already commenced all construction projects leading towards the long-term production target and we expect to make further important progress in the coming year. For 2021 we have budgeted more than USD 55 million for construction and exploration projects, which is almost half of our total long-term investment plan. The Krasny project will be our priority exploration target during 2021, and together with our partner GV Gold, we aim to advance Krasny into the feasibility stage and production planning by the end of the year. For 2021 we forecast gold production of between 56-59 koz, an increase of 5-11 percent compared to 2020, in line with our long-term goal and supportive of further financial growth.

Finally, I would like to thank all our shareholders and employees. 2020 was in many ways a challenging year, but by working together we have made more progress in the company development than ever before.

Mikhail Damrin, CEO Kopy Goldfields

Operations

Summary Gold production

The Company operates two bedrock mines, Yubileyniy and Perevalnoe, and two placer mines, Buor-Sala and Kagkan-Chudny, in the Khabarovsk region of Russia. The gold production during the second half of 2020 and full year 2020, compared with the gold production during the corresponding periods in 2019, is presented in the following table:

Gold equivalent (GE ¹) production	Jul – Dec 2020		Jul – Dec 2019			Full year 2020		Full year 2019		
	kg	koz	kg	koz		kg	koz	kg	koz	
Yubileyniy project (CIP)	200.08	6.43	259.48	8.34	-23%	439.48	14.13	523.42	16.83	-16%
Yubileyniy project (HL)	21.29	0.68	0	0		21.29	0.68	0	0	
Perevalnoe project	510.56	16.41	338.5	10.88	51%	933.53	30.01	749.18	24.09	25%
Placer mines	152.45	4.9	209.76	6.74	-27%	215.60	6.93	330.09	10.6	-35%
Silver production, in GE	18.79	0.6	10.88	0.35	71%	42.15	1.36	22.72	0.73	86%
Total GE production	903.17	29.04	818.62	26.32	10%	1,652.04	53.11	1,625.41	52.26	1.6%

The total GE production during the last six months of 2020 increased by 10% year-on-year to 29.04 koz (903.17 kg), compared to 26.32 koz (818.62 kg) during July – December 2019. Total 2020 production amounted to 53.11 koz (1,652.04 kg) of gold equivalent, which was 1.6% above the 2019 production level of 52.26 koz (1,625.41 kg). 2020 GE production includes 97 koz (3,026 kg) of silver which is an equivalent of 1.36 koz (42.15 kg) of gold.

The production growth during the last six months of 2020 was driven by increased production from gravity and flotation concentrates from the Perevalnoe mill, which processed a total of 166 kt of ore in 2020, compared to 131 kt in 2019².

Covid-19

One key operational focus during 2020 was to mitigate the negative effects of the Covid-19 pandemic and preserve employee health and the Company's operations and production targets. Following the outbreak of Covid-19, mine shifts were extended to cover the transition period since travel was restricted in order to protect the Company's remote operations and nearby communities. A 14-day quarantine period was also introduced for all personnel travelling to the production mine sites. These precautionary activities managed to keep the Company's mine sites safe from the pandemic until the end of the year. During the last two weeks of December 2020, the pace of mineral processing and underground mining operations slowed down at Yubileyniy due to several cases of Covid-19 reported at the mine site. The reduction affected the volume of ore processed and total gold production at Yubileyniy for the fourth quarter.

Out of the two mine sites, infections only occurred at Yubileyniy while Perevalnoe remained safe. There were also several Covid-19 cases at the storage terminals on the way to the mine sites. Infected employees were evacuated to Khabarovsk and those who needed treatment were admitted to the local hospital. Everybody recovered in January and since then no new cases of Covid-19 have been reported on the sites. Following the outbreak of Covid-19, the Company has strengthened quarantine measures and other precautions to prevent similar incidents in the future. In January 2021, all operations were restored to the planned scale. The Company offered employees in Russia the opportunity to get vaccinated against Covid-19 free of charge.

¹ Varies based on the relation between actual gold and silver prices: for twelve months of 2020 the applied average conversion ratio for silver was 1:72 Ag/Au.

² Since transportation of gravity and flotation concentrates from the Perevalnoe mine site to the Yubileyniy processing plant proceeds over time, the reported gold production for Perevalnoe does not necessarily involve concentrates from Perevalnoe produced in the same reporting period but rather earlier during this and last year.

Comments on operations

Yubileyniy project

The Yubileyniy project includes the operational Krasivoe underground mine and the Yubileyniy processing plant. The Krasivoe mine commenced production in 2004, initially as an open pit and then switched to underground in 2010. Yubileyniy is a conventional CIP plant with an installed capacity of 130,000 tons per annum (tpa). It has a planned expansion in capacity to 250,000 tpa by the end of 2021, followed by further expansion to 400,000 tpa by 2025. The plant's flowsheet is as follows: gravity concentration, followed by intensive leaching of gravity concentrate and flotation concentration of gravity tailings, followed by CIP process of flotation concentrate. The output product from the site is gold alloys (Doré bars) containing some 17-30% of gold content. These are further refined to bankable gold bullions by the external refinery.

During July - December 2020, CIP and HL gold production totaled 7.11 koz, a decrease of 15% compared to the corresponding period in 2019. The decrease in production is explained by lower gold grades (-9%) and a decrease in volume (-12%) of ore processed due to a reduction in operations in December because of Covid-19.

The full year GE production from the Yubileyniy project, both CIP and HL, totaled 14.13 koz, a decrease of 16% compared to 2019. The decrease in production can be mainly explained by the lower average grades (-10%) of the processed ore.

Yubileyniy project	Jul - Dec			Full year		
	2020	2019	Change	2020	2019	Change
CIP						
Underground ore mined, 000'tons	82.80	77.57	7%	172.30	117.07	47%
Underground development, meters	1 066	484	120 %	2,168	967	124%
Underground ore grade, g/t	3.93	4.97	-21%	4.04	5.20	-22%
Ore processed, 000'tons	57.68	65.62	-12%	122.15	125.12	-2%
Average grade, g/t	4.64	5.08	-9%	4.81	5.34	-10%
Gold produced CIP, kg	200.08	259.48	-23%	439.48	523.42	-16%
Gold produced CIP, koz	6.43	8.34	-23%	14.13	16.83	-16%
Heap Leach (HL)						
Ore stacking, 000'tons	14.00			14.00		
Grade, g/t	2.88			2.88		
Gold in ore stacked, kg	40.30			40.30		
Gold produced HL, kg	21.29			21.29		
Gold produced HL, koz	0.68			0.68		

Gravity and flotation concentrates produced at the Perevalnoe plant are also leached to Doré bars at the Yubileyniy plant. During 2020, a total of 367.82 tons of gravity concentrate and 6,158.01 tons of flotation concentrate from the Perevalnoe project were leached at the Yubileyniy plant, producing 30.01 koz (933.53 kg) of gold, which is reported under the Perevalnoe project further below.

Perevalnoe project

The Perevalnoe project includes the Perevalnoe processing plant and the Perevalnoe deposit. Mining from the Perevalnoe open pit commenced in 2015 and the processing plant was commissioned in 2017. The plant produces gravity and flotation concentrates which are further transported and leached at the Yubileyniy processing plant to produce Doré bars. The Perevalnoe concentration (gravity and flotation) plant has a designed capacity of 125,000 tpa. Following the elimination of bottlenecks, the 2020 annual throughput reached 165,850 tpa (or 165.85 ktpa).

The Perevalnoe deposit is now represented by two zones, which are considered as two separate deposits: Brekchiyevaya Zone and Priyatnoe Zone. Ore is currently mined from the Brekchiyevaya open pit and the

Priyatnoe open pit and starting in 2021 from an underground mine below the open pit at Brekchiyevaya. The mined ore is split into three categories: “High grade”, “Low grade” and “Heap leach” grade. The “High grade” ore with a grade of above 5 g/t is mixed with “Low grade” ore (grade of between 3 and 5 g/t) to get a head grade of 5.5-6.5 g/t. This is then processed at the Perevalnoe mill into gravity and flotation concentrates which are further transported and leached at the Yubileyniy processing plant. The “Low grade” ores are partially mixed “High grade” ores and partially stockpiled on site for the future use. “Heap leach” grade ores with grades below 2 g/t are stockpiled on site until 2021 when the heap leach operations will commence at a rate of 250 ktpa.

During July – December 2020, the Perevalnoe mill processed 83.24 kt of ore, an increase of 16% compared to the corresponding period in 2019. Gravity concentrate production totaled 184.84 t, a 2% increase, and flotation concentrate production was 3,265.47 t, an increase of 33%. GE production from Perevalnoe concentrates at the Yubileyniy mill amounted to 16.41 koz, an increase of 51%.

In 2020, full-year gravity concentrate production reached 367.82 t, an increase of 3% and flotation concentrate production was 6,158.01 t, an increase of 29%, enabled by a 26% increase in ore processing at the Perevalnoe mill – 165.85 kt compared to 131.30 kt in 2019. In 2020, GE production from Perevalnoe concentrates at the Yubileyniy mill amounted to 30.01 koz, an increase of 25%.

Perevalnoe project	Jul – Dec		Change	Full year		Change
	2020	2019		2020	2019	
Waste stripping, 000'm ³	1,353.81	847.74	60%	2,616.75	1,532.42	71%
Ore mined, 000'tons	262.31	135.82	93%	370.71	265.70	40%
Average ore grade, g/t	3.58	4.44	-19%	3.60	4.59	-22%
including						
High grade ore, 000'tons	68.75	41.57	65%	101.97	81.63	25%
Average grade, g/t	9.33	9.78	-5%	8.73	10.44	-16%
Low grade ore, 000'tons	15.03	94.25	-84%	33.97	184.07	-82%
Average grade, g/t	3.14	2.08	51%	3.36	1.99	69%
Heap Leach ore, 000'tons	178.53			234.78	-	-
Average grade, g/t	1.40			1.41	-	-
Ore processed, 000'tons	83.24	71.60	16%	165.85	131.3	26%
Average grade, g/t	8.21	6.80	21%	6.88	7.50	-8%
Gravity concentrate produced, tons	184.84	181.94	2%	367.82	356.58	3%
Average grade, g/t	1,412.91	1,040.12	36%	1,079.96	1,098.57	-2%
Flotation concentrate produced, tons	3,265.47	2,455.26	33%	6,158.01	4,782.26	29%
Average grade, g/t	117.94	113.00	4%	110.58	115.69	-4%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	510.56	338.50	51%	933.53	749.18	25%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project) ³ , koz	16.41	10.88	51%	30.01	24.09	25%

Placer mining

During May - October 2020, alluvial gold was produced at the two placer deposits Buor-Sala and Kagkan-Chudny, located near the Yubileyniy and Perevalnoe sites respectively. These are shallow stream placers which are dozed and loaded into articulated haul trucks and hauled to semi-mobile washing plants or hauled by front-loaders. The waste stripping is conducted largely in the autumn and early spring with washing of gravels from May to October.

The Company developed an exploration program at the Onne placer project aimed at replacing the alluvial reserves and extending the life of placer operations.

³ Since transportation of gravity and flotation concentrates from the Perevalnoe mine site to the Yubileyniy processing plant proceeds over time, the reported gold production for Perevalnoe does not necessarily involve concentrates from Perevalnoe produced in the same reporting period but rather earlier during this and last year.

In 2020, full-year gold production from placer operations totaled 6.93 koz, a decrease of 35% compared to 2019. The decline in alluvial production is explained by a significantly lower volume of placer gravel being processed (a decrease of 44%) due to the late start of alluvial mining caused by Covid-19 travel restrictions.

Placer mining	Jul – Dec		Change	Full year		Change
	2020	2019		2020	2019	
Overburden, 000'm ³	635.74	483.90	31%	1,457.10	1,033.60	41%
Capital mining, 000'm ³	89.07	116.70	-24%	258.60	240.10	8%
Placer gravel washed, 000'm ³	336.27	531.10	-37%	463.90	833.30	-44%
Average grade, mg/m ³	453.36	394.96	15%	464.72	396.13	17%
Gold produced, kg	152.45	209.76	-27%	215.60	330.09	-35%
Gold produced, koz	4.90	6.74	-27%	6.93	10.6	-35%

Exploration

With a clear focus on growth, the Company has identified, explored, and developed high potential areas to gold producing mines for over a decade, resulting in a solid track record of bringing profitable ounces online. The Company has a robust asset portfolio with high organic growth potential for creating value and generating substantial future cash flow.

The company ran several exploration programs during 2020:

- Krasivoe deposit: Continuous exploration is being carried out aimed at supporting the Yubileyniy plant life of mine. A total of 7,847 meters of underground core holes were drilled during 2020.
- Perevalnoe deposit: A total of 3,750 meters of diamond holes were completed during 2020. The aim is to increase the Perevalnoe resources and reserves and extend the CIP plant (not HL operations) life of mine operations beyond 2024 when the mine closure is currently planned.
- Placer deposits: A total of 1,291 meters of RAB drill holes were drilled during 2020. The exploration target is to extend alluvial reserves to support 2021 – 2022 operations.

Explorations were very successful, and in October 2020 the Company released an updated resource statement for Amur Zoloto projects showing a 32% increase of Measured, Indicated and Inferred gold resources for hard rock and placer assets compared to the previous estimate made in 2019.

Krasny project

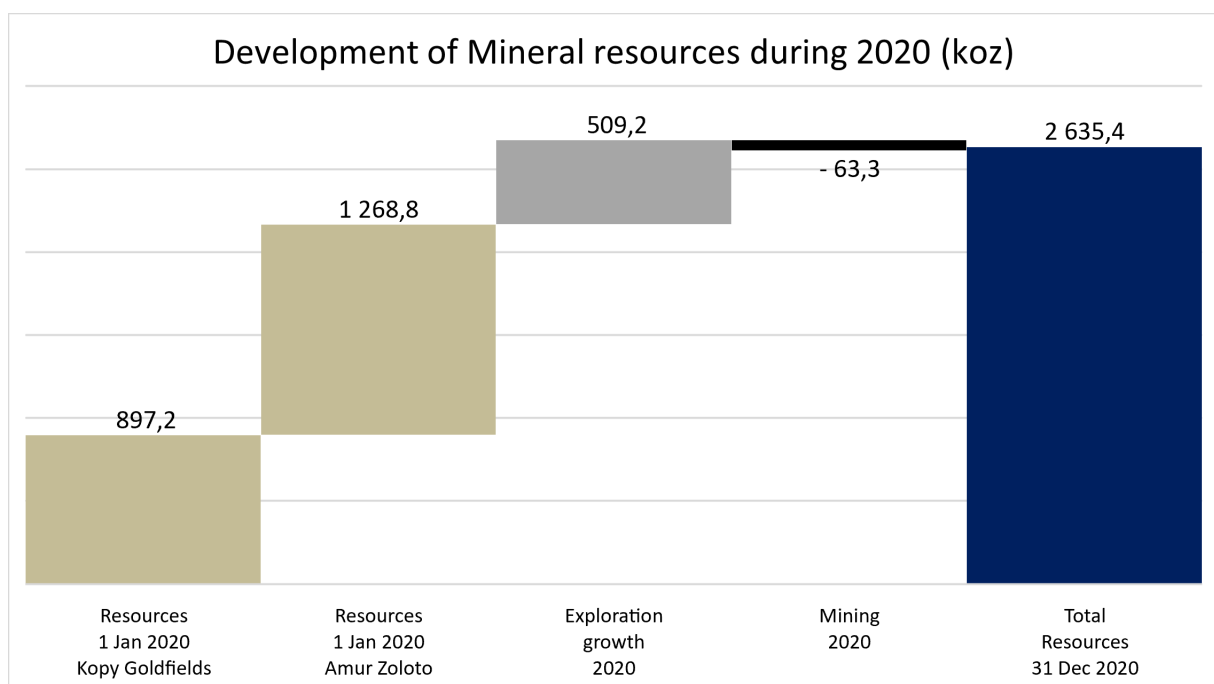
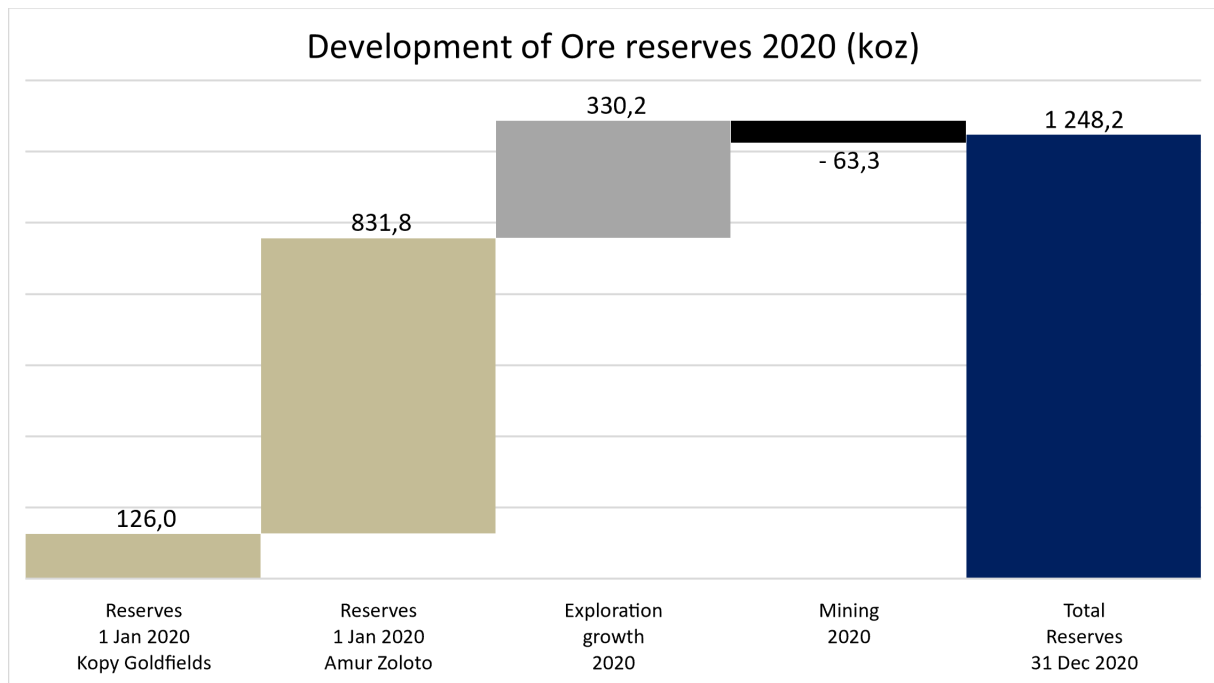
The Krasny Gold Project includes two bedrock licenses and one alluvial gold license with 1.8 Moz of Inferred and Indicated resources, including 0.3 Moz of Probable reserves (JORC) for part of the mineralization, still open along the strike and to the depth.

The project is a joint venture with the Russian gold producer GV Gold, in which Kopy Goldfields owns 49%. In spring 2020, Kopy Goldfields and GV Gold agreed to invest a further MUS\$ 1 to finance a Russian reserve report and to secure connection of the future mine site to the regional electricity grid. 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; the feasibility study should be completed by April 2024, and the mine should be commissioned by October 2025. Kopy Goldfields and GV Gold are currently reviewing the 2021 exploration program with the target to advance Krasny into the feasibility stage and production planning by the end of the year.

Reserves and Resources

Following the updated resource statement issued in October 2020, Kopy Goldfields' new total estimated M, I&I Mineral Resources amount to 2,756 koz of gold, and total new Probable Ore Reserves amount to 1,313 koz of gold, including the attributable reserves and resources of the Krasny project.

Changes in Kopy Goldfields' JORC-compliant Reserves and Resources during 2020 is shown below:



Financial overview

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

In September 2020, the Company completed the transaction with HC Alliance Mining Group Ltd ("HCAM") and Lexor Group SA ("Lexor") contributing the entire participants' capital of LLC Amur Gold Company ("Amur Zoloto") in exchange for 782,179,706 ordinary shares issued by the Company.

Following the completion of the transaction with the Amur Zoloto shareholders, the financial statements have been prepared using the accounting model prescribed by IFRS 3 "Business combination" for "reverse acquisitions" since the shareholders of Amur Zoloto became the owners of 88.28% of the Company at the date of the transaction. This accounting model requires Amur Zoloto to be treated as the accounting acquirer for the consolidated financial information and Kopy Goldfields AB being presented as the acquiree.

The assets and liabilities of Kopy Goldfields AB, being the legal parent, have been initially recorded at fair value in the consolidated financial statements.

The assets and liabilities of the legal subsidiary Amur Zoloto have been recognized and measured in the consolidated financial statements at their pre-transaction carrying amounts. The comparative financial information for the financial year ended December 31, 2019 represents Amur Zoloto's financial statements for this period.

Kopy Goldfields AB's financial statements have been included in the consolidated financial statements for the period from September 1, 2020, the accounting date of the transaction, to December 31, 2020 due to the application of the reverse acquisition. The stand-alone financial statements of Kopy Goldfields AB are presented for the twelve months ended December 31, 2020 with comparative information for the twelve months ended December 31, 2019. See note 3 for more information.

Currency

Following the transaction with Amur Zoloto, Kopy Goldfields has chosen to change the presentation currency from Swedish krona (SEK) to US dollars (USD). The Group has chosen to present its consolidated financial statements in USD, as management believes it is a convenient presentation currency for international users of the consolidated financial statements of the Group. The change in the reporting currency constitutes a change of the accounting principle, i.e. it is applied retroactively in accordance with the requirements in IAS 8. All comparative information for the Group for 2019 has therefore been translated into USD.

In accordance with the Swedish Accounting Act, the Parent Company's financial information is reported in Swedish krona and not the Group's presentation currency of US dollars.

Comments on financial performance

Total revenues for the year amounted to TUSD 98,841, an increase of 41% compared to 2019, mainly driven by higher volumes of gold sold and a higher average realized gold price. Gold sales for the full year 2020 amounted to 55.43 koz (1,723.96 kg), compared to 48.71 koz (1,515.01 kg) in 2019, an increase of 14%. The average realized gold price increased by 27% and amounted to USD 1,773/oz for the full year 2020, compared USD 1,400/oz in 2019.

Costs of Sales amounted to TUSD 57,868 (46,816), an increase of 24%.

Total Cash Costs (TCC) per gold equivalent ounce sold increased during the year from USD 738/oz for the full year 2019 to USD 836/oz during 2020. This reflects lower average grades in ore processed at Yubileyniy (4.81 grams per ton in 2020 compared to 5.34 grams per ton in 2019) and Perevalnoe (6.88 grams per ton in 2020 compared to 7.50 grams per ton in 2019). While reduction of average grades at Perevalnoe were planned, lower grades at Yubileyniy were consequences of Covid-19 restrictions, when the company experienced shortages with spare parts and personnel and was forced to revise underground mining schedule resulting in lower gold grades output. Higher personnel expenses, diesel, services, and other consumables also negatively impacted the cost performance during the reporting period. These factors were partially offset by higher sales volumes in 2020, as

well as a significant depreciation in the local currency, RUB, compared to the previous year (the average RUB/USD exchange rate was 72.62 in 2020 compared to 64.84 in 2019).

All-in Sustaining Costs (AISC) per gold equivalent ounce sold increased during the year from USD 1,050/oz for full year 2019 to USD 1,096/oz during 2020. The higher AISC per ounce sold was mainly a result of increased TCC but was partially offset by higher sales volumes in 2020, as well as higher sustaining capital expenses in 2019 and a significant local currency depreciation compared to the previous year.

TCC and AISC are both non-IFRS measures and are reconciled as follows:

Total Cash Costs (TCC) (TUSD)	Jan – Dec 2020	Jan – Dec 2019	%
Cost of gold sales	57 364	46 228	24%
Property, plant, and equipment depreciation and intangible assets amortization	-9 762	-7 170	36%
Provision for mine closure, rehabilitation, and decommissioning costs	-228	-242	-6%
Allowance for obsolescence of inventory	-1 012	-2 195	-54%
Total cash costs	46 362	36 621	27%
Ounces sold (GE koz)	55.43	49.62	12%
TCC per GE ounce sold (USD/oz)	836	738	13%

All-in Sustaining Costs (AISC) (TUSD)	Jan – Dec 2020	Jan – Dec 2019	%
Total cash costs	46 362	36 621	27%
Corporate, general, and administrative expenses	8 325	7 956	5%
Amortization and depreciation related to corporate, general, and administrative expenses	-185	-308	-40%
Exploration impairment losses	-921	-1 029	-10%
Provision for mine closure, rehabilitation, and decommissioning costs	228	242	-6%
Sustaining exploration expenses	995	853	17%
Sustaining capital expenses	1 797	3 622	-50%
Sustaining lease payments	4 144	4 159	0%
Total all-in sustaining costs	60 746	52 117	17%
Ounces sold (GE koz)	55.43	49.62	12%
AISC per GE ounce sold (USD/oz)	1 096	1 050	4%

Gross profit increased by 76%, amounting to TUSD 40,973 for the full year 2020, compared to TUSD 23,298 in 2019.

Operating profit for the full year 2020 amounted to TUSD 31,637, an increase of 107% from TUSD 15,261 in the previous year. G&A expenses remained relatively unchanged while Other operating expenses increased by TUSD 994.

EBITDA for the year amounted to TUSD 45,620 (27,310), with an EBITDA margin of 46%, a significant improvement compared to the corresponding period in 2019, primarily driven by higher gold prices and increased sales. EBITDA is a non-IFRS financial measure and is reconciled as follows:

EBITDA reconciliation to Profit before tax (TUSD)	Jul-Dec 2020	Jul-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Profit before tax	12 404	5 928	24 728	11 719
Share of net profit of associates accounted for using the equity method	310	-	310	-
Financial income	-106	39	-114	-22
Financial costs	3 384	1 941	6 713	3 564
Depreciation and depletion	6 434	3 832	10 103	7 540
Net realizable value allowance for stockpiles, work in progress, and finished goods	4 447	2 195	1 012	2 195
Change in allowance for slow-moving and obsolete inventory	-	-127	-	-127
Impairment of exploration and evaluation assets	330	669	956	669
Other one-off adjustments	611	916	1 912	1 772
EBITDA	27 815	15 392	45 620	27 310

Finance costs increased by TUSD 3,149, which is mainly explained by losses of TUSD 2,131 from new hedging instruments entered into in the first half of 2020. The hedging instruments are arranged as a corridor between floor and ceiling prices. The instruments provide a secured floor gold price of USD 1,400/oz for approximately 40% of the projected gold production for 2021-2025 with ceiling prices exceeding USD 2,500/oz.

Net profit for the year, attributable to equity holders of the parent, amounted to TUSD 19,152 (9,160), an increase of TUSD 9,992 or 109% compared to last year. This equals USD 0.02 (0.01) per share before dilution and USD 0.02 (0.01) per share after dilution.

Comments on the financial position

Total loans and borrowings amounted to TUSD 21,590 at the period end, compared to TUSD 8,287 at 31 December 2019. This corresponds to an increase of TUSD 13,303, mostly explained by a new RUB denominated credit facility in the amount of TUSD 15,653. For more information, see note 5.

During 2020, the Group repaid a shareholder's loan of TUSD 5,128.

Total net debt as of 31 December 2020 amounted to TUSD 41,938 (43,619). Net Debt is a non-IFRS financial measure and is reconciled as follows:

Total Net Debt (TUSD)	31 Dec 2020	31 Dec 2019
Borrowings	21,590	8,287
Contract liability	26,241	31,313
Leasing	4,495	4,415
Total Debt	52,326	44,015
Cash and Cash equivalents	-10,388	-396
Total Net debt	41,938	43,619

Investments, financing, and Liquidity

Investments

Total investments during 2020 amounted to TUSD 17,742 (2,853), including capitalized exploration costs of TUSD 721 (2019: nil).

During 2020 the Company capitalized borrowing costs in the amount of TUSD 117 (2019: nil).

Financing

In June 2020, the Company entered into a new unsecured finance facility with PJSC VTB bank for the refinancing of promissory notes from shareholders and funding of the investment program, with a maximum credit facility

of TUSD 42,301 (equivalent to TRUB 3,125,000), bearing a floating interest rate linked to the key rate of the Central Bank of the Russian Federation plus a margin of 2.95%. The loan facility matures in September 2023.

Liquidity

The Company's cash and cash equivalent position at the end of the period amounted to TUSD 10,388 (396). Unused credit facilities at the period end amounted to TUSD 27,073 (2019: nil).

Gold in stock ready for sale (not included in cash and cash equivalents) amounted to TUSD 4,918 (7,614).

Personnel

As of 31 December 2020, the Group had 650 employees, of which 575 were men. As of 31 December 2019, Amur Zoloto had 574 employees, of which 514 were men. The average number of employees during 2020 was 689, of which 618 were men, including both Amur Zoloto and Kopy Goldfields for the full year. The average number of employees in Amur Zoloto during 2019 was 574, of which 520 were men.

Significant events after the reporting period

In March 2021, the Company repaid the SEK nominated loan from Scandinavian Credit Fund in full.

No other significant events were identified after the reporting period.

The Parent Company

The Parent Company's revenue for 2020 totaled TSEK 1,150 (2,385). The revenue was related to re-invoicing of expenses to subsidiaries. Net loss for the year amounted to TSEK -22,248 (-19,728).

Total assets at the period end increased to TSEK 1,974,987 (136,728), mainly explained by the acquisition of Amur Zoloto, refer to note 3. Cash and cash equivalents amounted to TSEK 2,344 (6,246). Equity at 31 December 2020 amounted to TSEK 1,900,975 (88,330). The change in equity is mainly explained by the acquisition of Amur Zoloto.

There was 1 person (2) employed by the Parent Company at the end of the period.

Risks and uncertainties

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

The risks include 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, amongst others. Since 2014, the EU and USA have implemented sanctions against Russia. The Company is currently not directly affected by the sanctions but does continuously monitor developments.

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 have been presented under a separate heading elsewhere in this report.

Dividend

The Board of Directors proposes that no dividend be paid for the 2020 financial year.

Kopy Goldfields' current strategy is to consolidate its position following the transformation of the Company in 2020 and redeploy cash flows from operations through its capital expenditure program aimed at increasing resources, reserves, and production. Consequently, no dividend has been proposed for the 2020 financial year. The dividend policy will be reviewed annually with the long-term objective to distribute a portion of operating cash flows as dividends. The dividend payout ratio will be determined based on the Company's financial position, capital expenditure plans, and relevant peer group benchmarks.

Audit

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

Consolidated Statement of Profit and Loss and Other Comprehensive Income

Amounts in thousands of US Dollars (TUSD)

	Note	Jul – Dec		Jan – Dec	
		2020	2019	2020	2019
Revenue from contracts with customers		54 606	40 215	98 841	70 114
Cost of sales		-33 511	-27 925	-57 868	-46 816
Gross profit/loss		21 095	12 291	40 973	23 298
General and administrative expenses		-3 770	-3 392	-6 885	-6 580
Other operating expenses, net		-1 333	-991	-2 451	-1 457
Operating profit		15 992	7 908	31 637	15 261
Share of net profit of associates accounted for using the equity method		-310	-	-310	-
Financial income		106	-39	114	22
Financial costs	5, 6	-3 384	-1 941	-6 713	-3 564
Financial income /(expenses), net		-3 588	-1 980	-6 909	-3 542
Profit before tax		12 404	5 928	24 728	11 719
Income tax		-2 975	-1 266	-5 575	-2 559
Profit for the year		9 429	4 662	19 153	9 160
<i>Of which attributable to:</i>					
Parent company shareholders		9 428	4 662	19 152	9 160
Non-controlling interest		1	-	1	-
Other comprehensive income/(loss)					
<i>Items that will not be reclassified to profit or loss</i>					
Exchange differences on translation to presentation currency		-7 822	981	-14 411	5 364
Total comprehensive income/(loss) for the year		1 607	5 643	4 742	14 524
<i>Of which attributable to:</i>					
Parent company shareholders		1 586	5 643	4 721	14 524
Non-controlling interest		21	-	21	-
Earnings per share for profit attributable to the ordinary equity holders of the company:					
Basic earnings per share (US Dollars)		0.0111	0.0060	0.0235	0.0117
Diluted earnings per share (US Dollars)		0.0111	0.0060	0.0234	0.0117

Consolidated Statement of Financial Position

Amounts in thousands of US Dollars (TUSD)

	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Exploration and evaluation assets		5 860	5 261
Property, plant, and equipment		39 934	43 577
Right-of-use assets		9 084	8 132
Investments in associates	3	28 721	-
Financial assets at amortized cost		3 731	-
Deferred tax assets		1 381	283
Inventories		13 819	6 512
Total non-current assets		102 530	63 765
Current assets			
Inventories		39 756	43 423
Other current assets		558	322
Other receivables		1 727	148
Advances paid		1 527	1 275
Taxes receivable		4 190	3 302
Cash and cash equivalents		10 388	396
Total current assets		58 146	48 866
TOTAL ASSETS		160 676	112 631
EQUITY			
Equity attributable to shareholders of the Parent Company			
Share capital		38 977	53 977
Other contributed capital		48 265	-
Foreign currency translation reserve		-44 658	-30 227
Retained earnings, including profit (loss) for the period		51 633	32 481
Total equity attributable to shareholders of the Parent Company		94 217	56 231
Non-controlling interest		3	-
Total equity	3, 7	94 220	56 231
LIABILITIES			
Non-current liabilities			
Loans and Borrowings	5	15 038	6 003
Contract liability	6	26 241	23 290
Mine rehabilitation provision		2 702	2 659
Lease liabilities		2 037	1 806
Other non-current liabilities		982	126
Total non-current liabilities		47 000	33 884
Current liabilities			
Loans and Borrowings	5	6 552	2 284
Contract liability	6	-	8 023
Mine rehabilitation provision		32	37
Lease liabilities		2 458	2 609
Accounts payable and accrued liabilities		7 672	8 404
Income tax payable		1 716	236
Taxes payable		1 026	923
Total current liabilities		19 456	22 516
Total liabilities		66 456	56 400
TOTAL EQUITY AND LIABILITIES		160 676	112 631

Consolidated Statement of changes in Equity

Amounts in thousands of US Dollars (TUSD)

	Attributable to shareholders of the Parent Company						Non-controlling interest	Total equity
	Note	Share capital	Other contributed capital	Foreign currency translation reserve	Retained earnings, including profit (loss) for the year	Total		
Opening balance at 1 January 2019		53 977		-35 591	23 321	41 707		41 707
Profit for the year					9 160	9 160		9 160
Other comprehensive income for the year				5 364		5 364		5 364
Total comprehensive income for the year				5 364	9 160	14 524		14 524
Closing balance at 31 December 2019		53 977		-30 227	32 481	56 231		56 231
Opening balance at 1 January 2020		53 977		-30 227	32 481	56 231		56 231
Profit for the year					19 152	19 152	1	19 153
Other comprehensive income for the year				-14 431		-14 431	20	-14 411
Total comprehensive income for the year				-14 431	19 152	4 721	21	4 742
Transactions with owners in their capacity as owners								
Merger of LLC Amur Gold and Kopy Goldfields AB (reverse acquisition), net of issue costs	Note 3	-15 000	47 604			32 604	-18	32 586
Incentive programs 2017	Note 7		661			661		661
Closing balance at 31 December 2020		38 977	48 265	-44 658	51 633	94 217	3	94 220

Consolidated Statement of Cash Flow

Amounts in thousands of US Dollars (TUSD)

	Note	Jan – Dec	
		2020	2019
Cash flow from operating activities			
Profit before tax		24 728	11 719
Adjustments for non-cash items			
Depreciation and depletion of property, plant and equipment, intangible assets, and right of-use assets		10 103	7 540
Impairment of exploration and evaluation assets		956	669
Loss on disposal of assets		309	699
Finance costs	5, 6	6 713	3 564
Finance income		-114	-22
Movements in allowance for obsolete inventory and net realizable value		1 012	2 068
Foreign exchange loss		195	-51
Share of net profit of associates accounted for using the equity method		310	-
Other non-cash adjustments		56	23
Cash flow from operating activities before changes in working capital		44 268	26 209
Changes in working capital			
Change in inventories		-16 336	-17 062
Change in other receivables and advances paid		-2 014	-1 131
Change in trade and other payables and advances received		-1 546	412
Change in other assets		545	1 339
Cash flow from operating activities		24 919	9 767
Interest received		14	25
Interest paid	5, 6	-2 503	0
Income tax paid		-5 080	-2 773
Net cash flow from operating activities		17 350	7 019
Cash flow from investing activities			
Cash acquired during merger of LLC Amur Gold and Kopy Goldfields AB (reverse acquisition)	3	138	-
Purchase of property, plant, and equipment		-17 021	-2 853
Purchase of exploration and evaluation assets		-721	-
Interest paid capitalized		-117	-
Net cash flows used in investing activities		-17 721	-2 853
Cash flow from financing activities			
Proceeds from borrowings	5	15 653	-
Repayment of borrowings	5	-5 567	-
Repayment of lease liabilities		277	-4 681
Net cash flow from financing activities		10 363	-4 681
Net (Decrease)/increase of cash and cash equivalents		9 992	-515
Cash and cash equivalents at 1 January		396	911
Cash and cash equivalents at 31 December		10 388	396

Parent Company Condensed Income Statement and Other Comprehensive Income

Amounts in thousands of Swedish Krona (TSEK)

	Jul – Dec		Jan – Dec	
	2020	2019	2020	2019
Revenue	450	805	1 150	2 385
Total operating income	450	805	1 150	2 385
General and Administrative Expenses	-7 320	-4 266	-10 922	-8 401
Operating loss	-6 870	-3 461	-9 772	-6 016
Results from investments in subsidiaries	-3 040	-13 516	-4 497	-18 001
Financial items	-7 440	423	-7 975	4 289
Result after financial items	-17 350	-16 554	-22 244	-19 728
Appropriations	-4	0	-4	0
Result before tax	-17 354	-16 554	-22 248	-19 728
Income tax	0	0	0	0
Net loss	-17 354	-16 554	-22 248	-19 728
Other comprehensive income (loss)				
Translation differences	-68	12	-122	79
Total comprehensive income (loss)	-17 422	-16 542	-22 370	-19 649

Parent Company Condensed Balance Sheet

Amounts in thousands of Swedish Krona (TSEK)

	Note	Dec 31 2020	Dec 31 2019
ASSETS			
<i>Non-current assets</i>			
Tangible fixed assets		0	6
Shares in group companies	3	1 926 713	87 395
Other non-current financial assets		30 551	38 589
Financial fixed assets		1 957 264	125 984
<i>Current assets</i>			
Receivables	7	15 379	4 492
Cash & cash equivalents		2 344	6 246
Total current assets		17 723	10 738
TOTAL ASSETS		1 974 987	136 728
EQUITY AND LIABILITIES			
Equity	3, 7	1 900 975	88 330
Non-current liabilities	5	0	46 586
Current liabilities	5	74 012	1 812
TOTAL EQUITY AND LIABILITIES		1 974 987	136 728

Notes

Note 1 Information about the Company

Kopy Goldfields AB (publ) is a Swedish limited liability company domiciled and headquartered at Skeppargatan 27 in Stockholm, Sweden (Corp. ID 556723-6335). The Company's and its subsidiaries' operations are focused on gold and silver exploration, evaluation, and production in the Khabarovsk region and the Bodaibo district of the Irkutsk region of the Russian Federation. Kopy Goldfields AB is a public company listed on Nasdaq First North Growth Market, Stockholm under the ticker code "KOPY".

Note 2 Accounting principles

The Year End Report for the period ended 31 December 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, consistent 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 2019 financial year 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.

Following the transaction with Amur Zoloto, the Group changed the presentation currency from Swedish krona (SEK) to US dollars (USD). The Group has chosen to present its consolidated financial statements in USD, as management believes it is a convenient presentation currency for international users of the consolidated financial statements of the Group, including market investors, banks, and rating agencies, and as it is a common presentation currency for the mining industry. All comparative information for the Group for 2019 year has been translated into USD.

In accordance with the Swedish Accounting Act, the Parent Company's financial information is reported in Swedish krona and not the Group's presentation currency of US dollars.

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

The following is a list of new or amended IFRS standards and interpretations that have been applied by the Group for the first time in these consolidated financial statements.

Title	Subject	Effective for annual periods beginning on or after	Expected effect on the consolidated financial statements
Amendments IAS 1 and IAS 8	Definition of Material	1 January 2020	No effect
Amendment IFRS 3	Definition of a Business	1 January 2020	No effect
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform and its Effects on Financial Reporting	1 January 2020	No effect
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020	No effect
Covid-19-related Rent Concessions – Amendments to IFRS 16	Qualifying rent concessions in the same way as if they were not lease modifications	1 June 2020	No effect

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following is a list of new and revised IFRSs that have been issued but are not yet effective and have not been applied by the Group:

Title	Subject	Effective for annual periods beginning on or after	Expected effect on the consolidated financial statements
IFRS 17	Insurance Contracts	1 January 2021 or later	Under review
IAS 16	Prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use	1 January 2022	Under review
IFRS 3	Updates the references to the Conceptual Framework for Financial Reporting and exception for the recognition of liabilities and contingent liabilities	1 January 2022	Under review
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2020 or later	Under review
Annual Improvements to IFRS Standards 2018–2020	IFRS 9 Financial Instruments – 10% test for derecognition of financial liabilities. IFRS 16 Leases – amendment of illustrative example	1 January 2022	Under review
Annual Improvements to IFRSs (2010–2012 Cycle Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2022	Under review

Note 3 Reverse acquisition

In the beginning of September 2020, the Company completed the transaction with HC Alliance Mining Group Ltd ("HCAM") and Lxor Group SA ("Lxor") contributing the entire participants' capital of LLC Amur Gold Company (LLC "Amur Zoloto") in exchange for 782,179,706 ordinary shares issued by the Company.

Since the acquisition of Kopy Goldfields AB does not qualify as a business combination, the transaction is treated as an asset acquisition under IFRS 2 Share Based Payment, since the asset is acquired in exchange for shares, no goodwill was recognized.

Following the completion of the transaction with Amur Zoloto shareholders, the financial statements have been prepared using the accounting model prescribed by IFRS 3 "Business combination" for "reverse acquisitions" since the shareholders of Amur Zoloto became the owners of 88.28% of the Company at the date of the transaction. This accounting model requires Amur Zoloto to be treated as the accounting acquirer for the consolidated financial information and Kopy Goldfields AB being presented as the acquiree.

As a consequence, the assets and liabilities of Kopy Goldfields AB, being the legal parent, have been recorded at fair value initially in the consolidated financial statements. The cost of the transaction was determined based on

KOPY GOLDFIELDS

the value of the underlying asset which was then compared to the number of Kopy Goldfields AB's shares existing at the completion date. As of the closing of the transaction the share price of the existing 103,825,869 Kopy Goldfields AB shares was 2.35 SEK/share constituting a market value of Kopy Goldfields of TUSD 28,233 as of the transaction date (equivalent to KSEK 243,991). This implied a surplus value of TUSD 19,038 as of the transaction date (equivalent to KSEK 164,349), which has been attributed to the investment in the Associate containing the Krasny project. The directly attributable transaction costs incurred both by Kopy Goldfields AB and Amur Zoloto amounted to TUSD 923.

The assets and liabilities of the legal subsidiary Amur Zoloto have been recognized and measured in the consolidated financial statements at their pre-transaction carrying amounts. The comparative financial information for the financial year ended December 31, 2019 represents Amur Zoloto's financial statements for this period. Kopy Goldfields AB's financial statements have been included in the consolidated financial statements for the period since September 1, 2020, the accounting date of the transaction, until December 31, 2020 due to the application of the reverse acquisition.

The standalone financial statements of the parent company Kopy Goldfields AB are presented for the twelve months ended December 31, 2020 with comparative information for the twelve months ended December 31, 2019.

The fair values of the acquired assets and liabilities of the Company are presented in the table below.

(TUSD)	Kopy Goldfields AB Group book values	Fair value adjustments	Kopy Goldfields AB Group fair values
Date of acquisition (for accounting purpose)		Sep 1, 2020	
Non-current assets			
Exploration and evaluation assets	1 196		1 196
Property, plant, and equipment	71		71
Financial assets at amortized cost	3 606		3 606
Investment in associates	9 731	19 038	28 769
	14 604	19 038	33 642
Current assets	1 154		1 154
Non-current liabilities			
Loans and borrowings	5 713		5 713
Current liabilities			
Loans and borrowings	470		470
Accounts payable and accrued liabilities	375		375
Other current liabilities	3		3
Total assets at acquisition date	15 758	19 038	34 796
Minority interest	20		20
Net assets acquired	9 195		28 233
Total cost of transaction including acquisition-related costs			29 156
Cash paid for the acquisition-related costs as at December 31, 2020			-923
<i>Less: Cash and cash equivalents of the acquired subsidiary</i>			138
Cash flow on acquisition, net of cash acquired			-785
Result of the Company for the period since the acquisition date included in the Group's consolidated income statement			-1 787
Revenue for the combined Group for the twelve months of 2020 as though the acquisition date had been January 1, 2020			98 841
Result for the combined Group for the period for the twelve months of 2020 as though the acquisition date had been January 1, 2020			15 615

Note 4 Related-party transactions

The Company enters into related-party transactions as part of the normal course of business and on an arm's length basis.

During 2020, the Group repaid RUB denominated borrowings and promissory notes from shareholders in the amount of TUSD 5,128 (2019: nil).

Purchases of services and materials from related parties in 2020 amounted to TUSD 4,004 (TUSD 7,691).

Note 5 Loans and Borrowings

	Interest rate	Maturity	Dec 31 2020	Dec 31 2019
Long-term borrowings				
RUB denominated bank loans	Key rate of Russian Central Bank plus a margin of 2.95%	September 2023 - June 2026	15 038	-
RUB denominated borrowings and promissory notes from shareholders	6.70%	January 2021	-	5 754
Other borrowings from related parties	7.75%	January 2021	-	249
Total long-term borrowings			15 038	6 003
Short-term borrowings				
SEK denominated borrowings from credit institutions	11.75%	March 2021	6 379	-
Interest on RUB denominated borrowings and promissory notes from shareholders	-	On demand	-	2 154
Other borrowings from related parties	4.25 - 5%	On demand / December 2021	172	130
Total short-term borrowings			6 552	2 284
Total			21 590	8 287

Secured liabilities and assets pledged as security

At 31 December 2020, the Group pledged its shares in associates under the SEK denominated borrowing facilities from credit institutions (2019: none).

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial and non-financial covenants that, if breached by the Company, permit the bank to demand repayment before the loans' normal maturity date. As of 31 December 2020 and 2019, the Company complied with all covenants.

Available credit facilities

At 31 December 2020, unused credit facilities was TUSD 27,073 (2019: nil).

Repayment after the reporting date

In March 2021, the Company repaid the SEK nominated loan from Scandinavian Credit Fund in full.

Note 6 Contract liability

In September 2018, the Group entered into a long-term commodity loan with a bank with the obligation to deliver a certain amount of gold to the bank at the scheduled contract term. The commodity loan bears an interest of 6.45% per annum and had an initial maturity date of 31 July 2022. During the year ended 31 December 2020, the Group signed an addendum to the agreement with the Bank to postpone the maturity of principal amount payments. The new repayment schedule starts from September 2023 through June 2025.

The commodity loan is subject to certain financial and non-financial covenants that, if breached by the Company, permit the bank to demand repayment before the loans' normal maturity date. As of 31 December 2020 and 2019 the Company complied with all covenants.

The contract liability is treated as a prepayment for gold supply and accounted for according to IFRS 15 "Revenue from contracts with customers".

Note 7 Incentive program

On 31 December 2020, the 2017/2020 incentive program expired. In total 3 058 600 new shares were subscribed for at a total value of TUSD 661 (TSEK 5,414) as a result of warrants exercised under the program. The program was adopted at the Annual General Meeting on May 30, 2017 and each warrant entitled the holder to subscribe for 1.02 new shares in the Company (after a recalculation of share issue carried out in 2018).

The shares were paid and registered during the first quarter of 2021. In the 2020 financial statements, the amount of TUSD 661 (TSEK 5,414 at the rate of the reporting date) has been recorded as an increase in other reserves with the corresponding account receivable in current assets.

Following registration with the Swedish Companies Registration Office in Q1 2021, the number of shares in the Company increased by 3,058,600, from 886,005,575 to 889,064,175 shares, and the share capital increased by SEK 1,162,945 (TUSD 142 at the rate of the reporting date), from SEK 336,878,176 to SEK 338,041,120 (rounded off to the nearest whole number).

Signatures

The Board of Directors and CEO hereby declare that the Year-end 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 25 March 2021
Kopy Goldfields AB (publ)

Kjell Carlsson
Chairman

Mikhail Damrin
CEO

Andreas Forssell
Board member

Arsen Idrisov
Board member

Eric Forss
Board member

Johan Österling
Board member

Tord Cederlund
Board member

Upcoming financial reporting

Starting from the first quarter of 2021, Kopy Goldfields will change from half-yearly reporting to quarterly reporting.

Report	Date
Q1 2021	27 May 2021
Half year 2021	26 August 2021
Q3 2021	25 November 2021
Year-end Report 2021	24 March 2022

In addition to its financial reports, Kopy Goldfields will also publish operations reports on the following dates:

Report	Date
Q1 2021 Operations Report	22 April 2021
Q2 2021 Operations Report	22 July 2021
Q3 2021 Operations Report	22 October 2021
Q4 2021 Operations Report	21 January 2022

2021 Annual General Meeting

The Annual General Meeting will be held on 27 May 2021 in Stockholm, Sweden. Notification of the AGM will be published no later than 29 April 2021 on the Company's website and in the Official Swedish Gazette. The annual report is expected to be published on the Company's website during the week commencing 3 May 2021.

For more information, please contact:

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Ticker code: KOPY (Nasdaq First North)

Number of shares 889,064,175

Publication under Swedish law

This information is information that Kopy Goldfields AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8 am CET on 25 March 2021.

Since June 3 2011, Kopy Goldfields is has applied the internationally accepted JORC code to verify the mineral resources and ore reserves of the Company. Micon International Co Limited and SRK Consulting (Russia) Limited act as consultants and approves the mineral resources according to the JORC Code. Kopy Goldfields applies International Financial Reporting Standards (IFRS), as approved by the European Union. Nordic Certified Advisers acts as the Company's Certified Adviser, contact number: +46 707 94 90 73, e-mail: info@certifiedadviser.se.

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

Presentation for investors, analysts, and the media

CEO Mikhail Damrin and CFO Tim Carlsson will present the report and answer questions via a webcast on 25 March 2021 at 10.00 a.m. CET. The presentation will be in English and can be followed online or via telephone. Number for participation by telephone: Sweden +46856642695 (no PIN) / UK +443333009271 (no PIN) / Russia +88005009867 (PIN: 74613423#). Follow the presentation at <https://tv.streamfabriken.com/kopy-goldfields-q4-2020>

Glossary and definitions

Alternative performance measures

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance, or cash flows that are not defined or specified in the applicable regulations for financial reporting, IFRS, and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS.

If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required.

Definitions of key ratios

EBITDA

Earnings before interest, taxes, depreciation, and amortization is a non-IFRS metric and is defined by the Group as profit for the period before income taxes adjusted for depreciation, amortization and impairment, finance income, finance cost, (gain)/loss on revaluation of derivative financial instruments, foreign exchange (gain)/loss, (gain)/loss on disposal or revaluation of investments in subsidiaries and associates, (gain)/loss on (reversal of impairment)/impairment of property, plant and equipment, write-downs and reversals of inventory to net realizable value, bad debt allowance, share-based compensation expenses, charity expenses, and other one-off adjustments that may be required to provide a clearer view of the performance of the Group's operations. EBITDA is used to measure earnings from operating activities, independent of depreciation, amortization, and impairment losses.

EBITDA margin

EBITDA margin is defined by the Group as EBITDA divided by revenue. The EBITDA margin is used to compare EBITDA in relation to revenue and is a measurement of a company's operating profitability as a percentage of its total revenue.

Total Cash Costs (TCC)

Total cash costs (TCC) are defined as the cost of gold sales, less depreciation of property, plant and equipment, amortization, intangible assets, allowance for obsolescence of inventory and provision for mine closure, rehabilitation and decommissioning costs. TCC per ounce sold is

calculated as TCC divided by the total gold equivalent ounces of gold sold for the period.

All-in sustaining costs (AISC)

All-in sustaining costs (AISC) are defined as TCC plus corporate, general and administrative expenses, provision for mine closure, rehabilitation and decommissioning costs, sustaining exploration, sustaining capital expenditures, and sustaining lease payments less amortization and depreciation related to corporate, general and administrative expenses, and exploration impairment losses. AISC per ounce sold is calculated as AISC divided by the total gold equivalent ounces of gold sold for the period.

Equity

Equity includes all capital and reserves of the Group that are managed as capital. Equity of the Group comprises issued capital, share premium, reserve for translation to presentation currency, retained earnings, and non-controlling interests.

Net debt

Net debt of the Group comprises long-term and short-term interest-bearing liabilities and lease liabilities (excluding derivatives) after deducting cash and cash equivalents.

Net debt/ EBITDA

Net debt/EBITDA is defined by the Group as Net debt divided by EBITDA.

Earnings per share

Earnings per share comprises consolidated earnings for the period (profit after tax from continuing and discontinued operations) attributable to the Parent Company shareholders, divided by the weighted average number of outstanding shares during the period and excluding treasury shares.

Diluted Earnings per share is earnings per share adjusted to reflect the effects of potential dilutive ordinary shares, which constitute shares and options.

Equity per share

Equity at the end of the period divided by the number of shares outstanding at the end of the period.

Total number of shares outstanding

Number of shares outstanding at the end of the period.

Weighted average number of shares

The weighted number of shares outstanding during the year is calculated by taking into account any changes in the number of shares outstanding during the reporting period.

Industry specific definitions and glossary (in accordance with JORC)

Alluvial gold

Mineralization in riverbeds at ground level.

Cut-off

The lowest grade, or quality, of mineralized material that qualifies as economically mineable and available in a given deposit. Cut-off may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.

Doré bars

Unrefined gold bullion containing mostly silver and gold.

Flotation

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

GKZ

The Russian State Committee 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

Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

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 the Pre-Feasibility or Feasibility stage as appropriate, that include the 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.

Recovery

The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.

tpa/ktpa

tons per annum/thousand tons per annum

Troy ounce (oz)/koz/Moz

Weight measure for gold corresponding to 31.1035 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

Currency rates used in the report

	Year 2020		2019
	RUB/USD	SEK/USD	RUB/SEK
Average Q1	66.35		66.1271
Average Q2	72.3611		64.5578
Average Q3	73.5598		64.5681
Average Q3	76.2207	8.6192	63.7192
December, 31	73.8757	8.1886	61.9057



This is Kopy Goldfields

Kopy Goldfields is a leading Swedish gold exploration and production company operating in the most renowned gold mining regions of Russia. Kopy Goldfields' strategy is to combine Russian geologic knowledge and science with international management, best industry practices and modern, efficient technology to identify and develop mineral deposits in a cost-efficient, safe, and transparent way.
