

# KOPY GOLDFIELDS AB (publ)

## First quarter report – 31 March 2021

### January – March 2021 (January – March 2020)

- Revenue TUSD 19,362 (23,125), -16%
- EBITDA TUSD 7,181 (9,277), -23%
- Profit before tax TUSD 10,014 (5,012), +100%
- Profit for the period TUSD 7,870 (3,926), +100%
- Earnings per share before dilution USD 0.01 (0.01)
- Production affected by consequences of the outbreak of Covid-19 at the Yubileyniy mine in December 2020.
- 2021 gold production guidance of 56-59 koz unchanged

### Summary of financial information

	Jan-Mar 2021	Jan-Mar 2020	%	Jan-Dec 2020
Gold production (gold equivalent, "GE"), koz	7.69	10.04	-23	53.1
Gold sales, koz	10.99	14.25	-23	55.4
Average realized gold price, USD/oz	1,754	1,611	+9	1 773
Revenue, TUSD	19,362	23,125	-16	98,841
Gross profit, TUSD	7,284	8,793	-17	40,973
Gross margin, %	38%	38%		41%
EBITDA, TUSD	7,181	9,277	-23	45,620
EBITDA margin, %	37%	40%		46%
Profit before tax, TUSD	10,014	5,012	+100	24,728
Profit for the period, TUSD	7,870	3,926	+100	19,153
Earnings per share before dilution, USD	0.01	0.01		0.02
Earnings per share after dilution, USD	0.01	0.01		0.02
Equity per share, USD	0.11			0.11
Cash & cash equivalents at the end of the period, TUSD	792			10,388
Net Debt, TUSD	50,890			41,938
Net debt/ LTM EBITDA, x	1.17			0.92

Glossary and definitions of the above performance measures are presented on page 23-24.

# Comments from the CEO

## Solid financial results in Q1 despite operational challenges

This time last year, Kopy Goldfields had no revenue and operated at a significant loss. In the first quarter of 2021, revenues amounted to MUSD 19.4. Our first quarterly report fully consolidates the mining operations acquired last year and all comparisons have been adjusted accordingly. Revenues were lower than the reported comparable quarter, as we faced operational challenges due to Covid -19, but clearly illustrate that the company now operates at a significantly different level than a year ago. The Q1 profit before tax doubled to MUSD 10.0.

First quarter operations were influenced by the Covid-19 outbreak in Yubileyniy. It caused a slowdown in production and affected sales in early 2021. During the Covid-19 outbreak, our priority was the safety of our personnel and we have taken further measures to avoid and prevent similar situations. We have also taken measures to catch up with the gold production, including transfer to shift staffing, adding additional mining equipment and extra efforts in increased processing recovery. We could start to see the effects on those measures towards the end of the first quarter and remain confident to maintain our production guidance of 56-59 koz for the full year 2021 and our long-term organic growth target of 100 koz by 2025.

### On a path to lower TCC per oz

The total cash costs per oz (TCC/oz) increased due to the decrease in production and sales volumes. We expect that the TCC/oz will decrease during the year as we are increasing the production rate. Given the forecasted production ramp up starting in 2022, we will have additional room for further optimization on TCC-levels given economies of scale.

### Focus on organic expansion

Kopy's investment program is on track and during the quarter we focused on construction activities and permitting processes. Development operations started on Maluytka and we proceeded with constructions on the Yubileyniy mill targeting to commission the 250 ktpa capacity by fourth quarter 2021. During the winter months, we used the winter roads to supply our operational sites. With investments being made at several of our sites, we have taken advantage of those roads and moved the majority of the equipment planned for installation during 2021. Winter roads also give us the opportunity to transport flotation concentrate from Perevalnoe to Yubileyniy for final processing. We managed it well during this season and were able to take valuable advantage of the roads until the last ones were closed in late April. In March, we commenced preparations for placer operations for the 2021 season. We upgraded, repaired and procured the missing placer equipment and living camps, commenced mobilizing employees on sites, started snow cleaning and waste stripping. The preparations are proceeding full speed.

### Clear ESG agenda and objective to upgrade listing

Our ESG-agenda is one of the key priorities on our development path. To further enhance our ESG-work we have initiated an external audit of our existing ESG-framework as well as an analysis on how to further improve. The work now being conducted aims at finding best industry practice and implementation. We remain committed to upgrading the listing of Kopy's shares to a regulated market with the objective to be approved for trading on Nasdaq Stockholm's main market. Currently we are performing a pre-listing review of the company by an external auditor to identify the gaps that should be filled in prior to the listing application.

### Further opportunities lie ahead

With organic and corporate development plans on track and a healthy financial standing, Kopy is well positioned to explore further growth opportunities above and beyond the current plans. We are targeting to advance our flagship exploration project Krasny to the feasibility and production planning stage by the end of the year together with our partner GV Gold. We are also reviewing strategic options to expand through M&A activities and to attract a broader institutional shareholder base to support additional growth and flexibility.

Finally, I would like to thank all shareholders and employees. I feel confident that 2021 will be another exciting year for Kopy Goldfields.

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 Khayarilakh, in the Khabarovsk region of Russia. The gold production during Q1 2021, compared with the gold production during the corresponding period in 2020 and full year 2020, is presented in the following table:

Gold equivalent (GE <sup>1</sup> ) production	Jan – Mar 2021		Jan – Mar 2020		Change	Full year 2020	
	kg	koz	kg	Koz		kg	koz
Yubileyniy project (CIP)	72.91	2.34	109.05	3.51	-33%	439.48	14.13
Yubileyniy project (HL)	0	0	0	0		21.29	0.68
Perevalnoe project	164.31	5.28	194.57	6.26	-16%	933.53	30.01
Placer mines	0	0	0	0	-	215.60	6.93
Silver production, in GE	1.84	0.06	8.54	0.27	-78%	42.15	1.36
<b>Total GE production</b>	<b>239.06</b>	<b>7.69</b>	<b>312.17</b>	<b>10.04</b>	<b>-23%</b>	<b>1,652.04</b>	<b>53.11</b>

The total gold equivalent (GE) production during Q1 2021 totalled 7.69 koz (239.06 kg) which was 23 % lower compared to 10.04 koz (312.17 kg) in Q1 2020. The GE production in Q1 2021 included 5.26 koz (163.75 kg) of silver which is an equivalent of 0.06 koz (1.84 kg) of gold. Gold production in Q1 2021 was affected by the outbreak of Covid-19 at the Yubileyniy mine in December 2020.

To further increase capacity and stabilize processing and underground mining operations at the Yubileyniy project, the Company has taken actions by adding extra loaders and ore haulage trucks for underground mining, upgrading the crushing units of the processing plant to both increase capacity and reliability of the ore feed, revising the recruitment program and changing for shift-based employment system.

## Seasonal variations

Q1 2021 gold production was traditionally affected by seasonal variations since alluvial mining operations are restricted to the warm season. Transportation of concentrates from the Perevalnoe site to the Yubileyniy processing plant take place primarily during the winter season and extraordinary cold weather conditions create temporary reductions of operations on the open pits and crushing units of processing plants.

## Covid-19

Following the outbreak of Covid-19 on the Yubileyniy mine site in December 2020, the Company has strengthened and extended quarantine measures and other precautions to prevent similar incidents in the future. The Company does not have any new Covid-19 cases on sites and managed to avoid spreading of Covid-19 to the other operational sites. The operations at Yubileyniy were restored to initial capacity during the quarter. However, shortages of some key personnel at the mine sites affected quarterly results.

Prevention and mitigation of the negative effects of the Covid-19 pandemic will be within the operational focus of the Company for the rest of 2021 with the target to preserve employee health and the Company's operations and production targets. The Company offered employees in Russia the opportunity to get vaccinated against Covid-19 free of charge.

## 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

<sup>1</sup> Varies based on the relation between actual gold and silver prices: for the first three months of 2021 the applied average conversion ratio for silver was 1:89 Ag/Au.

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 an external refinery.

During Q1 2021, GE production totalled 2.34 koz (72.91 kg), a decrease of 33% compared to Q1 2020. The decrease in production was mainly explained by a decrease in volume (-27%) of ore processed due to a reduction in operations in January because of COVID-19 and lack of personnel.

The gold grade of the ore mined increased by 9% during Q1 2021. This is in line with the recent CPR report, published in October 2020, which shows an increase of grade and thickness of ore bodies down dip. In 2021, the Company develops underground mining operations to the deeper horizons where ore gold grade is increasing. This underpins the plans to increase capacity of the Yubileyniy mine and mill to 250 ktpa by Q4 this year.

Heap leach (HL) operations at Yubileyniy are scheduled to commence in Q2 2021 with first gold production planned in Q3 2021.

Yubileyniy project	Jan – Mar		Change	Full year 2020
	2021	2020		
<b>CIP</b>				
Underground ore mined, 000'tons	25.97	48.87	-47%	172.30
Underground development, meters	530.20	576.50	-8%	2,168
Underground ore grade, g/t	4.03	3.71	9%	4.04
Ore processed, 000'tons	22.47	30.62	-27%	122.15
Average grade, g/t	4.49	4.74	-5%	4.81
Gold produced CIP, kg	72.91	109.05	-33%	439.48
Gold produced CIP, koz	2.34	3.51	-33%	14.13
<b>Heap Leach (HL)</b>				
Ore stacking, 000'tons				14.00
Grade, g/t				2.88
Gold in ore stacked, kg				40.30
Gold produced HL, kg				21.29
Gold produced HL, koz				0.68

Gravity and flotation concentrates produced at the Perevalnoe plant are also leached to Dore bars at the Yubileyniy plant. During Q1 2021, a total of 88.26 tons of gravity concentrate and 1,625.46 tons of flotation concentrate from the Perevalnoe project were leached at the Yubileyniy plant, producing 5.28 koz (164.31 kg) of gold, which are 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. Initially, the Perevalnoe concentration (gravity and flotation) plant had a designed capacity of 125,000 tpa. Following elimination of bottlenecks in 2019, the 2020 annual throughput reached 165,850 tpa (or 165.85 ktpa). For 2021, the business plan includes 160 ktpa of ore.

The Perevalnoe deposit is now represented by two zones, which are considered as two separate deposits: Brekchiyevalaya Zone and Priyatnoe Zone. Ore is currently mined from the Brekchiyevalaya open pit and the Priyatnoe open pit and, starting from 2022, from an underground mine below the open pit at Brekchiyevalaya. 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. Parts of the “Low grade” ore are mixed with “High grade” ore while other parts are stockpiled on site for the future use. “Heap leach” grade ores with grades below 2 g/t are stockpiled on site and will be used for the heap leach operations that will commence this year.

During Q1 2021, the Perevalnoe mill processed 41.44 kt of ore, an increase of 2% compared to Q1 2020. Gravity concentrate production totaled 88.26 t, a decrease of 11% and flotation concentrate 1,625.46 t, an increase of 15%. GE production from Perevalnoe concentrates at the Yubileyniy mill amounted to 5.28 koz, a decrease of 16%.

In Q1 2021 ore crushing for HL operations have commenced totaling 5.80 kt of ore. The target is to prepare piles in Q3 to produce the first gold in 2022.

Perevalnoe project	Jan – Mar		Change	Full year
	2021	2020		2020
<b>CIP</b>				
Waste stripping, 000'm <sup>3</sup>	421.76	533.58	-21%	2, 616.75
Ore mined, 000'tons	71.82	48.27	49%	370.71
Average ore grade, g/t	3.09	3.80	-19%	3.60
including				
High grade ore, 000'tons	23.07	11.54	100%	101.97
Average grade, g/t	6.23	8.67	-28%	8.73
Low grade ore, 000'tons	5.50	9.34	-41%	33.97
Average grade, g/t	3.42	3.82	-11%	3.36
Heap Leach ore, 000'tons	43.24	27.39	58%	234.78
Average grade, g/t	1.38	1.73	-21%	1.41
Ore processed, 000'tons	41.44	40.83	2%	165.85
Average grade, g/t	5.79	6.02	-4%	6.88
Gravity concentrate produced, tons	88.26	99.24	-11%	367.82
Average grade, g/t	915.67	729.01	26%	1,079.96
Flotation concentrate produced, tons	1,625.46	1,419.05	15%	6,158.01
Average grade, g/t	90.09	113.75	-21%	110.58
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	164.31	194.57	-16%	933.53
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project) <sup>2</sup> , koz	5.28	6.26	-16%	30.01
<b>Heap Leach (HL)</b>				
Ore crushing, 000'tons	5.80	-	-	
Ore stacking, 000'tons				
Grade, g/t				
Gold in ore stacked, kg				
Gold produced HL, kg				
Gold produced HL, koz				

## Placer mining

In 2021 the Company plans to operate two placer mines - Buor-Sala and Khayarilakh located within 100 km to the west from the Yubileyniy site. 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 alluvial gold production is

<sup>2</sup> 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 in 2020.

expected to commence in Q2 when the snow melts. In Q1 2021 waste stripping operations at the two placer mines were started and totaled 38.3 thsd m<sup>3</sup> (50.2 thsd m<sup>3</sup> in Q1 2020) of overburden.

Placer mining	Jan – Mar		Change	Full year
	2021	2020		2020
Overburden, 000'm <sup>3</sup>	38.30	50.20	-24%	1,457.10
Capital mining, 000'm <sup>3</sup>	2.00	46.40	-96%	258.60
Placer gravel washed, 000'm <sup>3</sup>				463.90
Average grade, mg/m <sup>3</sup>				464.72
Gold produced, kg				215.60
Gold produced, koz				6.93

## Guidance

Kopy Goldfields target is to produce 56 koz to 59 koz of gold equivalent (GE) in 2021, an increase of 5-11% compared to 53.1 koz of GE produced in 2020. The Company plans capital expenditures of around USD 56 million in 2021 on production growth and exploration projects.

## Exploration

With a focus on organic production growth from multiple sites, the Company operates and develops a robust asset portfolio with high growth potential including projects at different stage of development from early prospecting to construction and production. The Company has a solid track record of making discoveries and bringing profitable ounces to the market.

Out of the total USD 8 million exploration budget for 2021, in Q1 the Company has spent USD 0.7 million, including the following exploration activities:

- Yubileyniy project, Khabarovsk region: 2,595 meters drilling program at the Krasivoe deposit targeting gold mineralisation at depth.
- Alluvial deposits, Khabarovsk region: 215 meters drilling program on Onne placer targeting to increase alluvial reserves to support for 2021 – 2023 operations.

### 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%. During Q1 2021, Kopy Goldfields and GV Gold has agreed 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' 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.

## Financial overview

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

In September 2020, the Company completed the acquisition of LLC Amur Gold Company ("Amur Zoloto") in exchange for shares issued by the Company. Since the shareholders of Amur Zoloto became the owners of 88.28% of the Company at the date of the transaction, the financial statements have been prepared using the accounting model prescribed by IFRS 3 "Business combination" for "reverse acquisitions". 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. 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, due to the application of the reverse acquisition. For more information, see Note 3.

### Comments on financial performance

Total revenues for Q1 2021 amounted to TUSD 19,362, a decrease of 16% compared to the corresponding period 2020, mainly a consequence of lower volumes of gold sold but partially offset by higher average realized gold price. Gold sales for Q1 2021 amounted to 10.99 koz (341.91 kg), compared to 14.25 koz (443.12 kg) in the corresponding period 2020, a decrease of 23%. Gold production in Q1 2021 was affected by the outbreak of Covid-19 at the Yubileyniy mine in December 2020. The average realized gold price increased by 9% and amounted to USD 1,754/oz for Q1 2021, compared USD 1,611/oz in Q1 2020.

The company's on-site end product is dore alloy bars containing gold (17-30%), silver as well as inclusions of other metals. The bars are transported to a refinery in order to be purified and smelted into marketable gold and silver bullion bars, which are stored securely until sales transactions take place. In line with the common practice in the industry, Kopy Goldfields sells refined gold and silver bullion to Russian commercial banks at international US dollar prices.

Costs of Sales amounted to TUSD 12,078 (14,332), a decrease of 16%, mainly explained by lower sales volumes.

As a consequence of lower production and sales volumes, Total Cash Costs amounted to TUSD 9,549 during the Q1 2021, compared to TUSD 11,244 in Q1 2020. The reduced number of ounces sold led to higher TCC per gold equivalent ounce sold (TCC/oz) which amounted to USD 869 per GE oz in Q1 2021, compared to USD 789 per GE oz in Q1 2020.

All-in sustaining costs (AISC) per gold equivalent ounce sold increased during the year from USD 1,025 per GE oz for the first quarter 2020 to USD 1,353 per GE oz during Q1 2021. Higher TCC/oz, sustaining capital and exploration expenses, and lower sales volumes negatively impacted the cost performance during the reporting period. Further, due to the accounting rules following the acquisition in September 2020, the Q1 2020 figures do not include corporate, general and administrative expenses of the Parent Company.

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

Total Cash Costs (TCC) (TUSD)	Jan – Mar 2021	Jan – Mar 2020	%	Jan – Dec 2020
Cost of gold sales	11,930	12,940	-8%	57,364
Property, plant, and equipment depreciation and intangible assets amortization	-2,321	-1,677	38%	-9,762
Provision for mine closure, rehabilitation, and decommissioning costs	-59	-19	212%	-228
Change in allowance for slow-moving and obsolete inventory	-	-	-	-1,012
<b>Total cash costs</b>	<b>9,549</b>	<b>11,244</b>	<b>-15%</b>	<b>46,362</b>
Ounces sold (GE koz)	10.99	14.25	-23%	55.43
<b>TCC per GE ounce sold (USD/oz)</b>	<b>869</b>	<b>789</b>	<b>10%</b>	<b>836</b>



# KOPY GOLDFIELDS

All-in Sustaining Costs (AISC) (TUSD)	Jan – Mar 2021	Jan – Mar 2020	%	Jan – Dec 2020
Total cash costs	9,549	11,244	-15%	46,362
Corporate, general, and administrative expenses	2,354	1,847	27%	8,325
Amortization and depreciation related to corporate, general, and administrative expenses	-51	-49	4%	-185
Exploration impairment losses	0	-27	100%	-921
Provision for mine closure, rehabilitation, and decommissioning costs	59	19	212%	228
Sustaining exploration expenses	46	107	-57%	995
Sustaining capital expenses	2,087	426	389%	1,797
Sustaining lease payments	822	1,036	-21%	4,144
<b>Total all-in sustaining costs</b>	<b>14,868</b>	<b>14,604</b>	<b>2%</b>	<b>60,746</b>
Ounces sold (GE koz)	10.99	14.25	-23%	55.43
<b>AISC per GE ounce sold (USD/oz)</b>	<b>1,353</b>	<b>1,025</b>	<b>32%</b>	<b>1,096</b>

The Gross profit decreased by 17%, amounting to TUSD 7,284 for the Q1 2021, compared to TUSD 8,793 in Q1 2020, a consequence of lower sales.

The Operating profit for the period 2021 amounted to TUSD 4,702, a decrease of 29% from TUSD 6,608 in the Q1 2020. G&A expenses increased in 2021 by TUSD 322, mainly relating to the Parent Company which was not included in the 2020 expenses.

EBITDA for Q1 2021 amounted to TUSD 7,181 (9,277), with an EBITDA margin of 37%, compared to 40% in Q1 2020. The change compared to the corresponding period in 2020 is primarily explained by lower sales volumes partially offset by higher gold prices. EBITDA is a non-IFRS financial measure and is reconciled as follows:

EBITDA reconciliation to Profit before tax (TUSD)	Jan – Mar 2021	Jan – Mar 2020	12M ended Mar 2021	Jan-Dec 2020
<b>Profit before tax</b>	<b>10,014</b>	<b>5,012</b>	<b>29,732</b>	<b>24,728</b>
Share of net profit of associates accounted for using the equity method	-192	-	118	310
Financial income	-6,695	-4	-6,820	-114
Financial costs	1,575	1,600	6,703	6,713
Depreciation and depletion	2,384	1,909	10,578	10,103
Net realizable value allowance for stockpiles, work in progress, and finished goods	-	-	1,012	1,012
Change in allowance for slow-moving and obsolete inventory	-	-	-	-
Impairment of exploration and evaluation assets	-	27	929	956
Other one-off adjustments	95	733	1,273	1,911
<b>EBITDA</b>	<b>7,181</b>	<b>9,277</b>	<b>43,525</b>	<b>45,620</b>

Financial net increased by TUSD 6,908 in Q1 2021 compared to Q1 2020, which is mainly explained by unrealized gain of TUSD 6,167 from derivatives revaluation relating to gold price hedge positions. As part of debt financing requirements, hedging instruments are used to form a corridor between floor and ceiling gold 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. The Company shows other non-current assets in the balance sheet of TUSD 4,975 as per 31 March 2021, relating to fair value of derivatives on gold commodities.

Net profit, attributable to equity holders of the parent, amounted in Q1 2021 to TUSD 7,871 (Q1 2020: TUSD 3,926), an increase of TUSD 3,945 or 100% compared to last year. This equals USD 0.01 (USD 0.01) per share before dilution and USD 0,01 (USD 0.01) per share after dilution.



## Comments on the financial position

Total loans and borrowings amounted to TUSD 21,798 on 31 March 2021, compared to TUSD 21,590 on 31 December 2020.

During the quarter, the Group repaid a loan of TUSD 6,063 to Scandinavian Credit Fund. Following the repayment, the Company has no assets pledged. During the quarter, the Group received a loan of TUSD 7,072 from VTB. For more information, see note 6.

Total net debt as of 31 March 2021 amounted to TUSD 50,890 compared to TUSD 41,938 as per 31 December 2020. Net Debt is a non-IFRS financial measure and is reconciled as follows:

<b>Total Net Debt (TUSD)</b>	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
Borrowings	21,798	21,590
Contract liability	25,608	26,241
Leasing	4,276	4,495
<b>Total Debt</b>	<b>51,682</b>	<b>52,326</b>
<b>Cash and Cash equivalents</b>	<b>-792</b>	<b>-10,388</b>
<b>Total Net debt</b>	<b>50,890</b>	<b>41,938</b>

Total Net Debt/LTM EBITDA amounted to 1.17x on March 31, 2021, compared to 0.92x at Year End 2020.

## Investments, financing, and Liquidity

### Investments

Total investments during the first quarter 2021 amounted to TUSD 9,323 (TUSD 4,427), including capitalized exploration costs of TUSD 213 (0). The investments include:

- Maluytka project of TUSD 2,168
- Yubileyniy project of TUSD 1,781
- Perevalnoe project of TUSD 2,961
- Placer projects of TUSD 1,429
- Exploration of TUSD 690

During the period, the Company capitalized borrowing costs in the amount of TUSD 105 (-).

### Financing

During the period, the Company obtained additional borrowing facilities available of TUSD 7,072 under the finance facility with PJSC VTB bank for financing of the capex program.

### Liquidity

The Company's cash and cash equivalent position at 31 March 2021 amounted to TUSD 792, compared to TUSD 10,388 on 31 December 2020. Unused credit facilities at the period end amounted to TUSD 19,474. The bank credit facilities may be drawn by the bank notice in RUB and have an average maturity of 6 years.

Gold in stock ready for sale (not included in cash and cash equivalents) amounted at 31 March 2021 to TUSD 2,407 compared to 4,918 on 31 December 2020.

## Personnel

As of 31 March 2021, the Group had 764 employees, of which 682 were men. As of 31 March 2020, Amur Zoloto had 708 employees, of which 641 were men. The average number of employees during the first quarter 2021 was 706, of which 623 were men. The average number of employees in Amur Zoloto during the first quarter 2020 was 631, of which 568 were men.

## **The Parent Company**

The Parent Company's revenue for the first quarter 2021 totaled TSEK 330 (TSEK 467). The revenue was related to re-invoicing of expenses to subsidiaries. Net loss for the period amounted to TSEK -5,189 (net profit TSEK 94).

Total assets at period end amounted to TSEK 1,974,007 and remained relatively unchanged compared to TSEK 1,974,987 at 31 December 2020. Cash and cash equivalents amounted to TSEK 2,745 compared to TSEK 2,344 at 31 December 2021. Equity at 31 March 2021 amounted to TSEK 1,895,738 (31 December 2020: TSEK 1,900,975).

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

## **The share**

On 31 March 2021, the total number of issued shares in Kopy Goldfields AB was 889,064,175, with a quota value of SEK 0.38 (SEK 0.38). All shares represent one vote each. In the first quarter 2021, the number of shares and votes increased by 3,058,600 following exercise of warrants under incentive program 2017/2020, adopted at the Annual General Meeting on May 30, 2017.

## **Significant events after the reporting period**

No significant events were identified after the reporting period.

# Consolidated Statement of Profit and Loss and Other Comprehensive Income

Amounts in thousands of US Dollars (TUSD)

	Note	Jan – Mar		Jan – Dec
		2021	2020	2020
Revenue from contracts with customers		19,362	23,125	98,841
Cost of sales		-12,078	-14,332	-57,868
<b>Gross profit/loss</b>		<b>7,284</b>	<b>8,793</b>	<b>40,973</b>
General and administrative expenses		-2,005	-1,683	-6,887
Other operating expenses, net		-577	-502	-2,449
<b>Operating profit</b>		<b>4,702</b>	<b>6,608</b>	<b>31,637</b>
Share of net profit of associates accounted for using the equity method		192	-	-310
Financial income		6,695	4	114
Financial costs	6, 7	-1,575	-1,600	-6,713
<b>Financial income /(expenses), net</b>		<b>5,312</b>	<b>-1,596</b>	<b>-6,909</b>
<b>Profit before tax</b>		<b>10,014</b>	<b>5,012</b>	<b>24,728</b>
Income tax		-2,144	-1,086	-5,575
<b>Profit for the year</b>		<b>7,870</b>	<b>3,926</b>	<b>19,153</b>
<i>Of which attributable to:</i>				
Parent company shareholders		7,871	3,926	19,152
Non-controlling interest		-1	-	1
<b>Other comprehensive income/(loss)</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Exchange differences on translation to presentation currency		-1,746	-12,128	-14,411
<b>Total comprehensive income/(loss) for the year</b>		<b>6,124</b>	<b>-8,202</b>	<b>4,742</b>
<i>Of which attributable to:</i>				
Parent company shareholders		6,125	-8,202	4,721
Non-controlling interest		-1	-	21
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>				
Basic earnings per share (US Dollars)		0.0089	0.0050	0.0235
Diluted earnings per share (US Dollars)		0.0089	0.0050	0.0234

# Consolidated Statement of Financial Position

Amounts in thousands of US Dollars (TUSD)

	Note	31 March 2021	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets		1,691	5,860
Property, plant, and equipment		49,045	39,934
Right-of-use assets		8,797	9,084
Investments in associates	3	28,596	28,721
Financial assets at amortized cost		3,840	3,731
Deferred tax assets		367	1,381
Inventories		15,689	13,819
Other non-current assets		4,975	-
<b>Total non-current assets</b>		<b>113,000</b>	<b>102,530</b>
<b>Current assets</b>			
Inventories		44,388	39,756
Other current assets		6,606	558
Other receivables		1,421	1,727
Advances paid		4,768	1,527
Taxes receivable		5,821	4,190
Cash and cash equivalents		792	10,388
<b>Total current assets</b>		<b>63,796</b>	<b>58,146</b>
<b>TOTAL ASSETS</b>		<b>176,796</b>	<b>160,676</b>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Parent Company</b>			
Share capital		39,115	38,977
Other contributed capital		48,127	48,265
Foreign currency translation reserve		-46,404	-44,658
Retained earnings, including profit (loss) for the period		59,504	51,633
<b>Total equity attributable to shareholders of the Parent Company</b>		<b>100,342</b>	<b>94,217</b>
Non-controlling interest		2	3
<b>Total equity</b>	3, 8	<b>100,344</b>	<b>94,220</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and Borrowings	6	21,631	15,038
Contract liability	7	25,608	26,241
Mine rehabilitation provision		2,674	2,702
Lease liabilities		1,854	2,037
Deferred tax liability		255	-
Other non-current liabilities		89	982
<b>Total non-current liabilities</b>		<b>52,111</b>	<b>47,000</b>
<b>Current liabilities</b>			
Loans and Borrowings	6	167	6,552
Mine rehabilitation provision		31	32
Lease liabilities		2,422	2,458
Accounts payable and accrued liabilities		19,588	7,672
Income tax payable		698	1,716
Taxes payable		1,435	1,026
<b>Total current liabilities</b>		<b>24,341</b>	<b>19,456</b>
<b>Total liabilities</b>		<b>76,452</b>	<b>66,456</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>176,796</b>	<b>160,676</b>

## 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 period	Total		
<b>Opening balance 1 January 2020</b>		<b>53,977</b>	-	<b>-30,227</b>	<b>32,481</b>	<b>56,231</b>	-	<b>56,231</b>
Profit for the period		-	-	-	3,926	3,926	-	3,926
Other comprehensive income for the period		-	-	-12,128	-	-12,128	-	-12,128
<b>Total comprehensive income for the period</b>		-	-	<b>-12,128</b>	<b>3,926</b>	<b>8,202</b>	-	<b>8,202</b>
<b>Closing balance 31 March 2020</b>		<b>53,977</b>	-	<b>-42,355</b>	<b>36,407</b>	<b>48,029</b>	-	<b>48,029</b>
<b>Opening balance 1 January 2021</b>		<b>38,977</b>	<b>48,265</b>	<b>-44,658</b>	<b>51,633</b>	<b>94,217</b>	<b>3</b>	<b>94,220</b>
Profit for the period		-	-	-	7,871	7,871	-1	7,870
Other comprehensive income for the period		-	-	-1,746	-	-1,746	-	-1,746
<b>Total comprehensive income for the period</b>		-	-	<b>-1,746</b>	<b>7,871</b>	<b>6,125</b>	<b>-1</b>	<b>6,124</b>
<b>Transactions with owners in their capacity as owners</b>								
Incentive programs 2017		138	-138	-	-	-	-	-
<b>Closing balance at 31 March 2020</b>		<b>39,115</b>	<b>48,127</b>	<b>-46,404</b>	<b>59,504</b>	<b>100,342</b>	<b>2</b>	<b>100,344</b>

## Consolidated Statement of Cash Flow

Amounts in thousands of US Dollars (TUSD)

	Note	Jan – Mar		Jan - Dec
		2021	2020	2020
<b>Cash flow from operating activities</b>				
<b>Profit before tax</b>		<b>10,014</b>	<b>5,012</b>	<b>24,728</b>
<b>Adjustments for non-cash items</b>				
Depreciation and depletion of property, plant and equipment, intangible assets, and right-of-use assets		2,384	1,909	10,103
Impairment of exploration and evaluation assets		-	-	956
Loss on disposal of assets		1	71	309
Finance costs	6, 7	1,575	1,600	6,713
Finance income		-6,695	-4	-114
Movements in allowance for obsolete inventory and net realizable value		-	-	1,012
Foreign exchange loss		95	160	195
Share of net profit of associates accounted for using the equity method		-192	-	310
Other non-cash adjustments		-3	2	56
<b>Cash flow from operating activities before changes in working capital</b>		<b>7,179</b>	<b>8,750</b>	<b>44,268</b>
<b>Changes in working capital</b>				
Change in inventories		-9,063	-4,356	-16,336
Change in other receivables and advances paid		-5,973	-2,195	-2,013
Change in trade and other payables and advances received		15,048	12,408	-1,545
Change in other assets		-5,233	-8,380	545
<b>Cash flow from operating activities</b>		<b>1,958</b>	<b>6,227</b>	<b>24,919</b>
Interest received		54	4	14
Interest paid	6, 7	-506	-	-2,503
Income tax paid		-1,847	-721	-5,080
<b>Net cash flow from operating activities</b>		<b>-341</b>	<b>5,510</b>	<b>17,350</b>
<b>Cash flow from investing activities</b>				
Cash acquired during merger of LLC Amur Gold and Kopy Goldfields AB (reverse acquisition)	3	-	-	138
Purchase of property, plant, and equipment		-9,110	-4,427	-17,021
Purchase of exploration and evaluation assets		-213	-	-721
Interest paid capitalized		-105	-	-117
<b>Net cash flows used in investing activities</b>		<b>-9,428</b>	<b>-4,427</b>	<b>-17,721</b>
<b>Cash flow from financing activities</b>				
Proceeds from borrowings	6	7,072	-	15,653
Repayment of borrowings	6	-6,063	-	-5,567
Repayment of lease liabilities		-836	-1,329	277
<b>Net cash flow from financing activities</b>		<b>173</b>	<b>-1,329</b>	<b>10,363</b>
Net (Decrease)/increase of cash and cash equivalents		-9,596	-246	9,992
<b>Cash and cash equivalents at 1 January</b>		<b>10,388</b>	<b>396</b>	<b>396</b>
<b>Cash and cash equivalents at 31 December</b>		<b>792</b>	<b>150</b>	<b>10,388</b>

# Parent Company Condensed Income Statement and Other Comprehensive Income

Amounts in thousands of Swedish Krona (TSEK)

	Jan – Mar		Jan – Dec
	2021	2020	2020
Revenue	330	467	1 150
<b>Total operating income</b>	<b>330</b>	<b>467</b>	<b>1 150</b>
General and Administrative Expenses	-2,764	-2,310	-10 922
<b>Operating loss</b>	<b>-2,434</b>	<b>-1,843</b>	<b>-9 772</b>
Results from investments in subsidiaries	-435	-1,050	-4 497
Financial items	-2,319	2,987	-7 975
<b>Result after financial items</b>	<b>-5,189</b>	<b>94</b>	<b>-22 244</b>
Appropriations	-	-	-4
<b>Result before tax</b>	<b>-5,189</b>	<b>94</b>	<b>-22 248</b>
Income tax	0	0	0
<b>Net loss</b>	<b>-5,189</b>	<b>94</b>	<b>-22 248</b>
<b>Other comprehensive income (loss)</b>			
Translation differences	0	-37	-122
<b>Total comprehensive income (loss)</b>	<b>-5,189</b>	<b>57</b>	<b>-22 370</b>



## Parent Company Condensed Balance Sheet

Amounts in thousands of Swedish Krona (TSEK)

	Note	Mar 31	Dec 31
		2021	2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Shares in group companies	3	1,926,713	1,926,713
Other non-current financial assets		33,498	30,551
<b>Financial fixed assets</b>		<b>1,960,212</b>	<b>1,957,264</b>
<i>Current assets</i>			
Receivables	7	11,050	15,379
Cash & cash equivalents		2,745	2,344
<b>Total current assets</b>		<b>13,795</b>	<b>17,723</b>
<b>TOTAL ASSETS</b>		<b>1,974,007</b>	<b>1,974,987</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	3, 8	1,895,738	1,900,975
Non-current liabilities	6	0	0
Current liabilities	6	78,269	74,012
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,974,007</b>	<b>1,974,987</b>

## 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 interim report for the period ended 31 March 2021 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 2020 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 2020 annual report.

The same accounting principles have been applied during the period as were applied during the 2020 financial year and corresponding interim reporting period in the way they were described in the 2020 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.

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 2021 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
IFRS 17	Insurance Contracts	1 January 2021 or later	No effect

#### 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
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

## Currency rates used in the report

	Year 2021			Year 2020		
	RUB/USD	SEK/USD	SEK/RUB	RUB/USD	SEK/USD	SEK/RUB
Average Q1	74.3414	8.3902	0.1128	66.3514	9.6692	0.1454
Average Q2				72.3611	9.6823	0.1337
Average Q3				73.5598	8.8724	0.1206
Average Q4				76.2207	8.6192	0.1131
March, 31	75.7023	8.7239	0.1153	77,7326	10.0771	0.1278
December, 31				73.8757	8.1886	0.1108

### 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 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 three months ended March 31, 2020 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 due to the application of the reverse acquisition.

The standalone financial statements of the parent company Kopy Goldfields AB are presented for the three months ended March 31, 2021 with comparative information for the three months ended March 31, 2020, as well as the twelve months ended December 31, 2020.

#### **Note 4            Risks and uncertainties**

A detailed description of the Company's risks is included in the 2020 annual report of Kopy Goldfields which is 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 on page 3 in this report.

#### **Note 5            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.

Purchases of services and materials from related parties during the first quarter 2021 amounted to TUSD 1,111 (TUSD 1,415).

## Note 6 Loans and Borrowings

(TUSD)	Interest rate	Maturity	Mar 31 2021	Dec 31 2020
<b>Long-term borrowings</b>				
RUB denominated bank loans	Key rate of Russian Central Bank plus a margin of 2.95%	September 2023 - June 2026	21,631	15,038
<b>Total long-term borrowings</b>			<b>21,631</b>	<b>15,038</b>
<b>Short-term borrowings</b>				
SEK denominated borrowings from credit institutions	11.75%	March 2021	-	6,379
Other borrowings from related parties	0 - 5%	On demand / December 2021	166	172
<b>Total short-term borrowings</b>			<b>167</b>	<b>6,552</b>
<b>Total</b>			<b>21,798</b>	<b>21,590</b>

On March 24, 2021 the Company fully repaid its SEK denominated borrowings from credit institutions of TUSD 6,354 (TSEK 54,757 at the exchange rate on the date of payment) including interest.

At 26 June 2020 the Group entered into a new unsecured finance facility with PJSC VTB bank for refinancing of promissory notes from shareholder and funding of the investment program with a maximum credit facility of TUSD 41,280 (equivalent of TRUB 3,125,000 at the reporting date) bearing floating interest rate as key rate of Central Bank of Russian Federation plus margin of 2.95%. The loan facility matures starting from September 2023 year to June 2026.

### Secured liabilities and assets pledged as security

At 31 December 2020, the Group had pledge of shares in associates under the SEK denominated borrowing facilities from credit institutions. Following the repayment, the Group has no assets pledged.

### 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.

### Available credit facilities

At 31 March 2021 unused credit facilities was TUSD 19,474 (at 31 December 2020: TUSD 27,073). The bank credit facilities may be drawn by the bank notice in RUB and have an average maturity of 6 years.

## Note 7 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.

Commodity loan is subject to certain financial and non-financial covenants that, if breached by LLC Amur Zoloto, permit the bank to demand repayment before the loans' normal maturity date.

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

## Note 8 Incentive program

Warrants in incentive programs have been issued following a decision by the respective AGM.

(TUSD)	Incentive Program 2019/2022	Incentive Program 2018/2021	Incentive Program 2017/2020
Exercise price, (SEK)	1,30	1.67	1.77
Vesting date	1 June 2020	1 June 2019	1 June 2018
Last exercise date	31 December 2022	31 December 2021	31 December 2020
Redemption of shares from last exercise date	-	-	3,058,600
Number of warrants issued during the year	-	-	-
Exercised	-	-	2,998,628
Forfeited	-	-	401,372
At end of year	2,835,000	1,700,000	-
Of which fully vested 31 December 2020	2,835,000	1,700,000	-

Following registration of new shares issued under the 2017/2020 incentive program with the Swedish Companies Registration Office in February 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 (equivalent to TUSD 138 translated at the exchange rate on the date of issue), from SEK 336,878,176 to SEK 338,041,120 (rounded off to the nearest whole number). Consideration received in the new shares issue amounted to TUSD 649,5 (equivalent of TSEK 5,414 translated at the exchange rate on the date of payment).

Stockholm 27 May 2021  
Kopy Goldfields AB (publ)

Mikhail Damrin  
CEO

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

## Upcoming financial reporting

Starting with the first quarter 2021, Kopy Goldfields publishes interim reports quarterly.

Report	Date
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
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.

### For more information, please contact:

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[www.kopygoldfields.com](http://www.kopygoldfields.com)

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. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 am CEST on 27 May 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](mailto:info@certifiedadviser.se).

This interim report and additional information is available on [www.kopygoldfields.com](http://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 27 May 2021 at 10.00 a.m. CEST. The presentation will be in English and can be followed online or via telephone. Number for participation by telephone: Sweden: +46850558351 / United Kingdom: +443333009270 / Russian Federation: +88005009867 (PIN: 37688888#). Follow the presentation at <https://tv.streamfabriken.com/kopy-goldfields-q1-2021>.



## 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.

### **Gold Equivalent**

A quantity of a Metal having an economic value expressed in ounces of Gold and calculated by multiplying the quantity of the Metal by an assumed price for that Metal and dividing the product by an assumed price for Gold, where such prices are determined using the Financial Parameters.

### **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 rouble/Thousand Russian rubles/Million Russian rubles



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## **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.

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