

First Quarter Report 2021



Q1-21

KOPY GOLDFIELDS

Today's presenters



Mikhail Damrin
CEO



Tim Carlsson
CFO, Vice President



Solid financial results despite operational challenges

- ▶ This time last year, Kopy Goldfields had no revenue and operated at a significant loss
- ▶ Financial numbers clearly illustrate that the company now operates at a significantly different level than a year ago
- ▶ Operations and result affected by consequences of Covid-19 outbreak at Yubileyniy mine in December 2020
- ▶ Revenues of MUSD 19.4 (23.1), down 16% from Q1-20
- ▶ EBITDA of MUSD 7.2 (9.3), down 23% from Q1-20
- ▶ Profit before tax of MUSD 10.0 (5.0), up 100% from Q1-20
- ▶ 2021 gold production guidance of 56-59 koz unchanged with long-term organic growth target of 100 koz by 2025



Gold price at a multi-year high

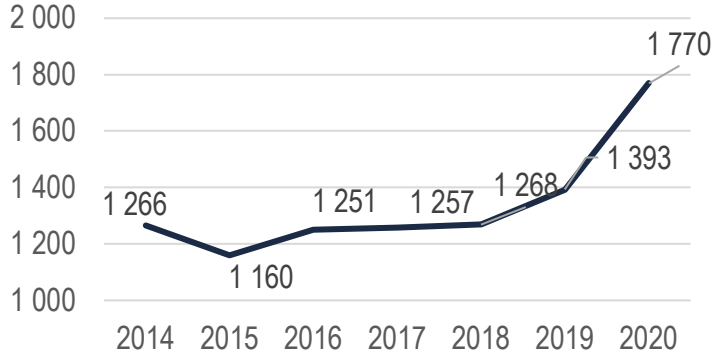
- ▶ Average gold price during Q1 2021 was USD 1,794/oz, 13% higher than in Q1 2020
- ▶ Average gold price in 2020 was 27% higher than in 2019
- ▶ With peak in 2018 of 3,509 tons of gold, worldwide gold mining output has fallen by 3% during 2019 and 2020 to 3,400 tons. This trend will continue as lack of exploration activities in the 2010s resulted in both fewer new discoveries and fewer new mines started which will further lead to disbalances between demand and supply

The price on May 26
was

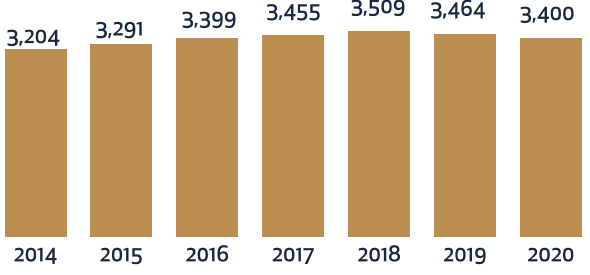
1,896 USD/oz



Average gold price (USD/OZ)



Worldwide gold mining output



One of the most attractive regions for gold

- ▶ The weak RUB/USD rate (-19.3% in 2020 and further -2.5% in Q1 2021) is another favorable macroeconomic factor for Kopy Goldfields, as the Company’s cost base is denominated in RUB.

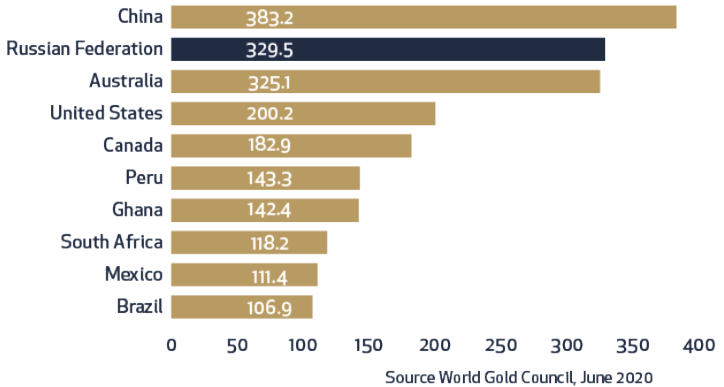
Why Russia – 8 reasons

- ▶ Gold rich with great exploration potential
- ▶ Support of local authorities
- ▶ Talented, skilled human resources
- ▶ Low taxes and favorable tax legislation, incl. tax benefits for mining project in Siberia and Far East
- ▶ Straight-forward permit process
- ▶ Low production costs
- ▶ Favorable currency conditions
- ▶ Established market infrastructure

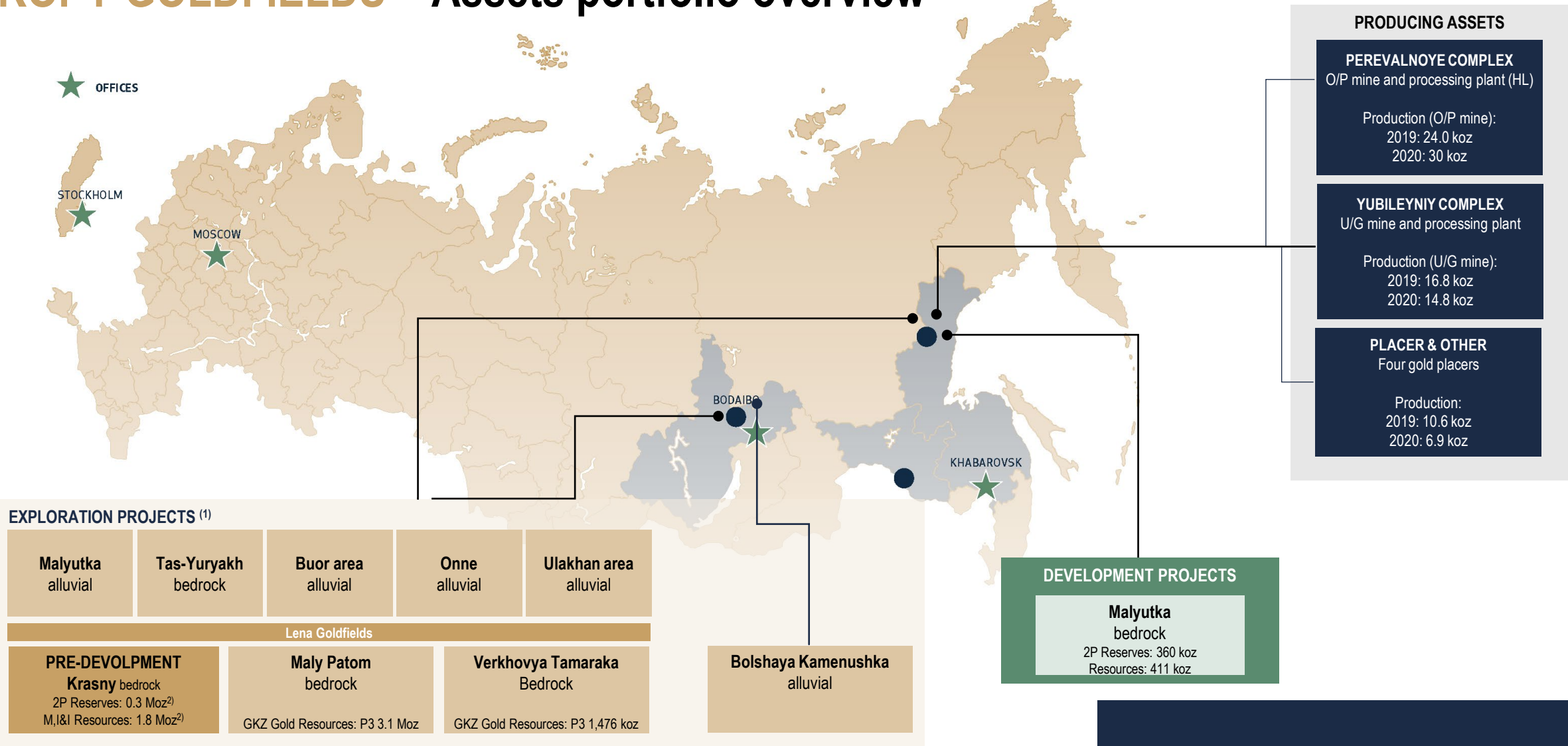
RUB-USD FX rates 2014-2021



Top 10 Gold Producers in 2019



KOPY GOLDFIELDS – Assets portfolio overview



1) Selected exploration projects
2) Kopy Goldfields owns 49%, figures show 100%

2021 gold production guidance unchanged

(koz)	Q1 2021	Q1 2020	%	Full Year 2020
Yubileyniy project (CIP)	2.34	3.51	-33	14.13
Yubileyniy project (HL)	0	0	-	0.68
Perevalnoe project	5.28	6.26	-16	30.01
Placer mines	0	0	-	6.93
Silver production, in GE	0.06	0.27	-78	1.36
Total GE production	7.69	10.04	-23	53.11

- ▶ Production affected by Covid-19 outbreak in December
- ▶ Production typically varies between quarters due to seasonal variations
 - ▶ alluvial mining operations are restricted to the warm season
- ▶ Operations at Yubileyniy restored to initial capacity during the quarter
- ▶ 2021 gold production guidance of 56-59 koz unchanged

Gold production, sales and costs

	Q1 2021	Q1 2020	%
Gold production, koz	7.69	10.04	-23
Gold sales, koz	10.99	14.25	-23
Average realized gold price, USD/oz	1,754	1,611	+9
Total Cash Costs (TCC), USD/oz	869	789	+10
All-in-sustaining costs (AISC), USD/oz	1,353	1,025	+32

- ▶ Realized gold price increased 9%, mitigating the decreased production and sales
- ▶ Reduced number of ounces produced and sold led to higher TCC/oz
- ▶ Higher sustaining capex in combination with lower ounces sold led to higher AISC
- ▶ TCC/oz expected to decrease during the year with increasing production rate

Summary of financial information

	Q1 2021	Q1 2020	%
Revenue	19,362	23,125	-16
Gross profit, TUSD	7,284	8,793	-17
Gross margin, %	38%	38%	
EBITDA, TUSD	7,181	9,277	-23
EBITDA margin, %	37%	40%	
Profit before tax, TUSD	10,014	5,012	+100
Profit for the period, TUSD	7,871	3,926	+100
Earnings per share after dilution, USD	0.01	0.01	

- ▶ Gross margin in line with Q1 -20
- ▶ Unrealized gain from gold price hedges of MUSD 6.2
- ▶ Profit before tax doubled to MUSD 10.0

Summary of financial information

	31 Mar 2021	31 Dec 2020
Equity per share, USD	0.11	0.11
Cash & cash equivalents at the end of the period, TUSD	792	10,388
Gold in stock ready for sale, TUSD	2,407	4,918
Net Debt, TUSD	50,890	41,938
Net debt/ LTM EBITDA, x	1.17	0.92

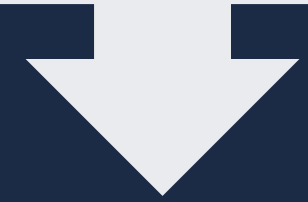
- ▶ Loans repaid MUSD 6.1
- ▶ Loans received MUSD 7.1
- ▶ Unused credit facilities of MUSD 19.5

Growing production ahead

Kopy Goldfields has four producing mines

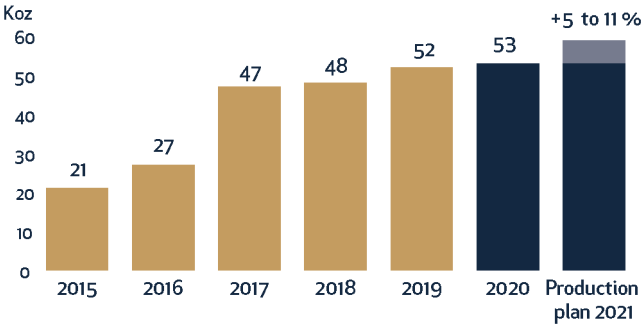
- ▶ 2 hard rock mines, Krasivoye in Yubileyniy underground mine and Perevalnoye open pit
- ▶ 2 operating alluvial mines, placers in Buor-Sala and Khayarilakh
- ▶ 2 processing plants

Attractive growth and exploration potential in our robust asset portfolio



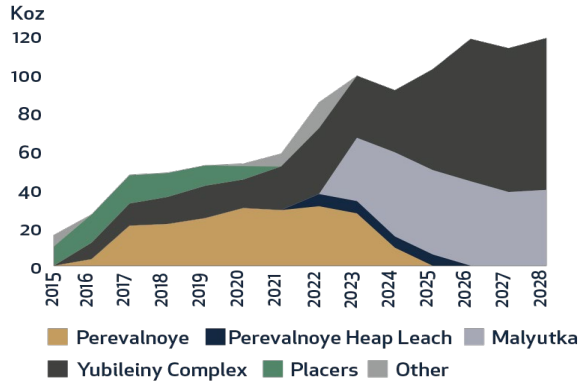
Production target **>100** koz of gold by **2025**

Total gold and gold equivalent production

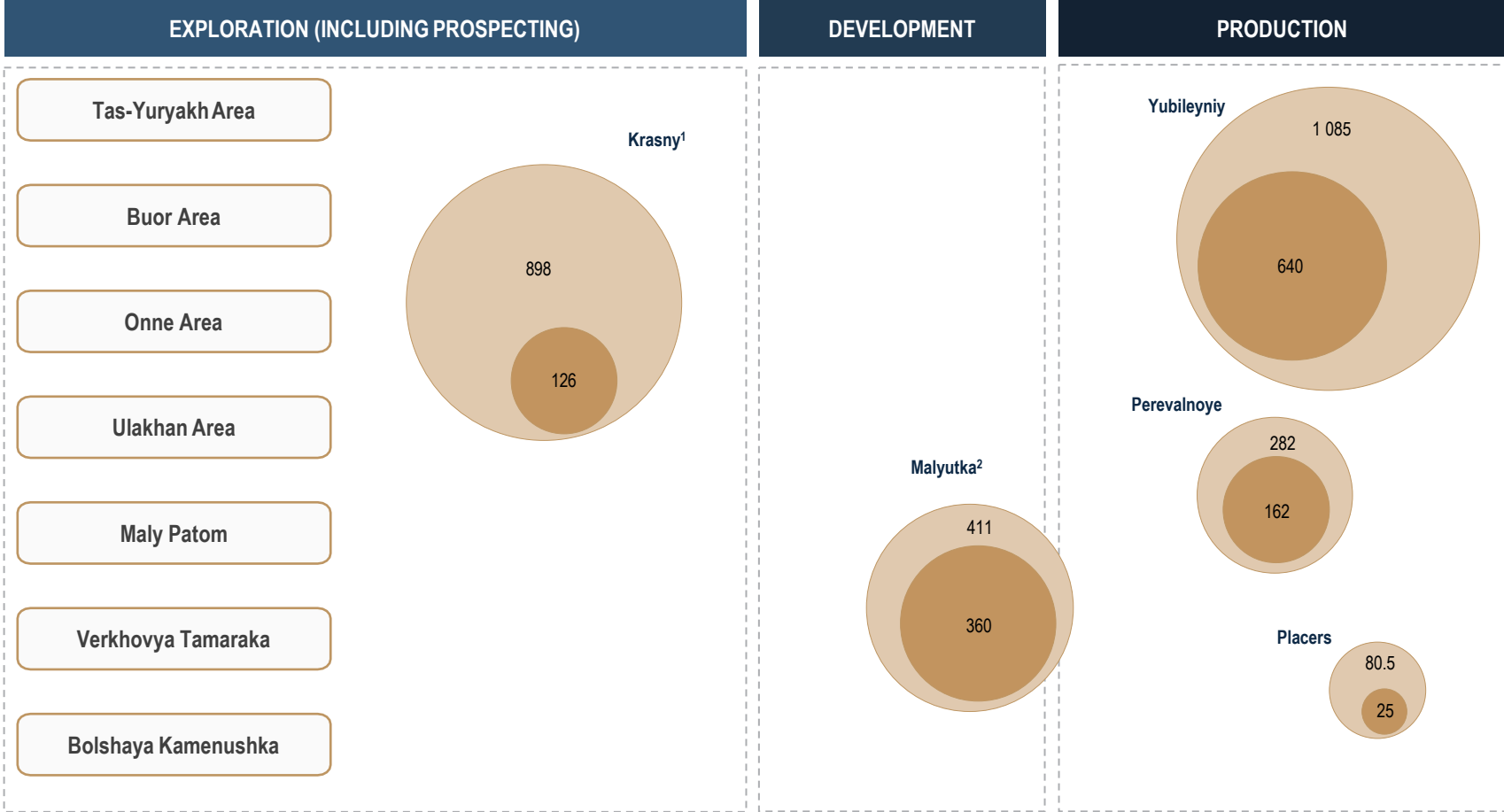


Gold equivalent includes silver production recalculated into gold based on the relation between gold and silver prices

Production outlook, gold and gold equivalent



Diversified high-quality asset portfolio

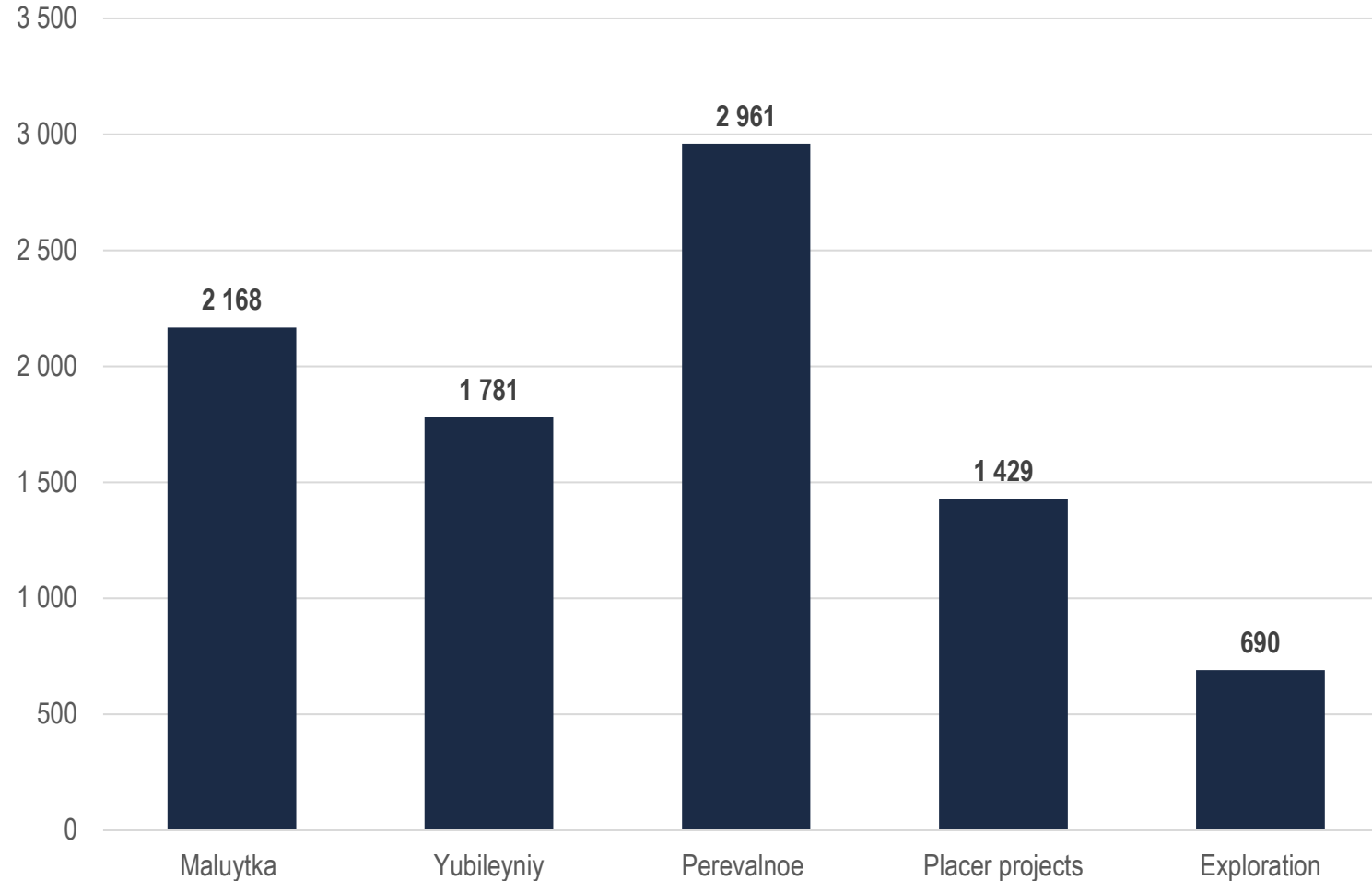


2025 TARGET³

Organic
 >100
 koz
 +
Krasny
 potential
 +
Non-Organic
 +
Exploration
 upside

Source: Company data, SRK Consulting (September 2020), Micon (2018). Note 1. Shown on an attributable basis (49%) Note 2. Malyutka includes bedrock development (license valid until 2030) and alluvial exploration (license valid until 2033). Note 3. Including gold equivalent; Kopy is constantly reviewing arising M&A opportunities and bolt-on acquisition options to enhance its operating and exploration portfolio, thus there is notable non-organic growth potential

Investments Q1 2021 (TUSD)



Q1-21

- ▶ Total investments during the first quarter 2021 amounted to MUSD 9.3 (MUSD 4.4), including capitalized exploration costs of MUSD 0.2 (0).
- ▶ The Company plans capital expenditures of around MUSD 56 in 2021 on production growth and exploration projects

Ambitious agenda ahead

- ▶ Financial performance, solid balance sheet, debt availability support organic growth plans to develop significant gold asset base
- ▶ On track towards 2025 production target of +100 koz, 2021 guidance 56-59 koz
- ▶ Total CAPEX for 2020A – 2025F is estimated at 130 MUSD, out of which 56 MUSD will be invested in 2021
- ▶ Production expansion initiated at existing mines, with expected increase in gold produced in 2021
- ▶ Target to advance exploration project Krasny to feasibility and production planning stage by YE-21
- ▶ ESG framework development and implementation initiated
- ▶ Kopy Goldfields is preparing for Main Market listing on Nasdaq Stockholm, pre-listing review started



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