

# KOPY GOLDFIELDS

Press release  
21 July 2022

## Operational update Q2 2022

**Kopy Goldfields' production of gold equivalent (GE\*) in the second quarter 2022 amounted to 12.47 koz. The Company commissioned gold production at Perevalnoe Heap Leach project and alluvial mines.**

### Highlights:

- The gold equivalent production during Q2 2022 from the Company's two bedrock mines and two alluvial mines in the Khabarovsk region amounted to 12.47 koz (387.91 kg), a decrease of 4% compared to Q2 2021.
- GE sales for Q2 2022 amounted to 9.40 koz (292.37 kg) at an average realized gold price of 1,816 USD/oz, compared to GE sales of 9.83 koz (305.91 kg) at an average realized gold price of 1,800 USD/oz in Q2 2021. GE sales in Q2 2022 includes silver sales equivalent to 0.83 koz (25.92 kg) of gold compared to 0.46 koz (14.34 kg) in Q2 2021.
- Gold production at Yubileyniy increased by 67%, following the capacity upgrade in 2021.
- In Q2, the heap leach (HL) operations at Perevalnoe were commenced. The first gold from Perevalnoe HL is expected in Q3.
- Upon the arrival of the warm season, the alluvial mining season was opened. During 2022 the Company will operate Buor and Khariyalakh placer deposits.
- The Company confirms 2022 gold production guidance of 52-57 koz (unchanged).

*"During Q2 2022 we managed to bring the Yubileyniy plant up to full utilization. I am also happy to report that our new heap leach plant at Perevalnoe was commissioned with first gold expected in Q3. With the start of the warmer season, we also launched production at our placer mines", said Mikhail Damrin, CEO of Kopy Goldfields.*

Gold equivalent (GE) production and sales, koz	Q2		Change	Year to date		Change
	2022	2021		2022	2021	
Yubileyniy project (CIP)	6.21	3.72	67%	10.09	6.07	66%
Yubileyniy project (HL)	0.18	-	n/a	0.18	-	n/a
Perevalnoe project (CIP)	3.62	7.23	-50%	6.90	12.51	-45%
Perevalnoe project (HL)	-	-	n/a	-	-	n/a
Placer mines	2.31	1.80	28%	2.31	1.80	28%
Silver production, in GE	0.16	0.26	-38%	0.24	0.32	-26%
<b>Total GE production</b>	<b>12.47</b>	<b>13.01</b>	<b>-4%</b>	<b>19.71</b>	<b>20.69</b>	<b>-5%</b>
<b>Total GE sales</b>	<b>9.40</b>	<b>9.83</b>	<b>-4%</b>	<b>22.89</b>	<b>20.82</b>	<b>10%</b>

\* *Varies based on the relationship between actual gold and silver prices: for 6 months of 2022, the applied average conversion ratio for silver was 1:82 Ag/Au.*

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## Yubileyniy project

In 2021, Kopy Goldfields completed the modernisation and extension of the Yubileyniy plant, which almost doubled the processing capacity from 130 to 250 ktpa. During Q2 the project reached the full capacity utilisation.

The total CIP and Heap leach (“HL”) production of GE during Q2 2022 amounted to 6.39 koz (198.69 kg), an increase of 72% compared to Q2 2021. The increase in production was primarily explained by 72% increase in the volume of ore processed during Q2 2022.

The average gold grade of the ore mined decreased by 12% during Q2 2022 compared with Q2 2021 in line with mining schedule due to development of lower grade blocs within the ore body. Overall, since 2021 the Company has been advancing underground mining operations to the deeper horizons where ore gold grade is increasing in general. This underpins the completed capacity extension of the Yubileyniy mine and mill and the planned further expansion to 400 ktpa.

Yubileyniy project	Q2		Change	Year to date		Change
	2022	2021		2021	2022	
<b>CIP</b>						
Underground ore mined, 000'tons	77.24	37.37	107%	140.03	63.33	121%
Underground development, meters	635.30	409.60	55%	1,243.00	939.80	32%
Underground ore grade, g/t	4.20	4.77	-12%	4.20	4.47	-6%
Ore processed, 000'tons	54.61	31.80	72%	90.66	54.27	67%
Average grade, g/t	5.16	5.56	-7%	5.18	4.95	5%
Gold produced CIP, kg	193.09	115.77	67%	313.93	188.68	66%
Gold produced CIP, koz	6.21	3.72	67%	10.09	6.07	66%
<b>Heap Leach (HL)</b>						
Ore stacking, 000'tons	10.17	6.72	51%	10.17	6.72	51%
Grade, g/t	2.98	3.31	-10%	2.98	3.31	-10%
Gold in ore stacked, kg	30.27	22.24	36%	30.27	22.24	36%
Gold produced HL, kg	5.60	0	n/a	5.60	0.00	n/a
Gold produced HL, koz	0.18	0.00	n/a	0.18	0.00	n/a

No further production of gravity and flotation concentrates at the Perevalnoe plant is planned for 2022. The flotation concentrate produced at Perevalnoe in 2021 and Q1 2022 has already been transported to the Yubileyniy plant. It will be further leached to Dore bars at Yubileyniy during 2022 and reported under the Perevalnoe project below.

## Perevalnoe project

During Q2 gold production at the processing plant at Perevalnoe was discontinued due to depletion of the open pits Brekchivaya and Priyatnoe. The mill was put on hold and mothballed. During 2022 the CIP plant at Yubileyniy will be processing flotation concentrates from Perevalnoe produced in previous periods. GE production from Perevalnoe concentrates at the Yubileyniy mill amounted to 3.62 koz (112.51 kg), a decrease of 50%.

In 2021, the construction works of the new heap leach plant at Perevalnoe were completed. In Q2 2022, the heap leach (HL) operations at Perevalnoe were commenced. The solution was delivered to the heaps and sprinkler irrigation was initiated. The first gold from Perevalnoe HL is expected in Q3. In Q2 2022, ore stacking for HL operations totalled 70.59 kt of ore.

The company has commenced preparations for underground (UG) mining at the Brekchivaya site by developing the initial 152.5 meters of decline, and has initiated a review of an updated resource model, optimised underground development and mill operations. Based on this review and the

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macroeconomic environment, the company continues to evaluate different options on how to proceed with underground mine development at Perevalnoe

Perevalnoe project	Q2		Change	Year to date		Change
	2022	2021		2022	2021	
<b>CIP</b>						
Underground development, meters	-	107.32	n/a	-	107.32	n/a
Waste stripping, 000'm3	-	141.96	n/a	-	563.72	n/a
Ore mined, 000'tons	-	123.47	n/a	-	195.28	n/a
Average ore grade, g/t	-	2.18	n/a	-	2.51	n/a
Including	-		n/a	-		n/a
High grade ore, 000'tons	-	27.26	n/a	-	50.33	n/a
Average grade, g/t	-	4.14	n/a	-	5.10	n/a
Low grade ore, 000'tons	-	10.15	n/a	-	15.65	n/a
Average grade, g/t	-	3.43	n/a	-	3.42	n/a
Heap Leach ore, 000'tons	-	86.06	n/a	-	129.30	n/a
Average grade, g/t	-	1.41	n/a	-	1.40	n/a
Ore processed, 000'tons	-	42.92	n/a	-	84.36	
Average grade, g/t	-	5.06	n/a	-	5.42	
Gravity concentrate produced, tons	0.40	84.01	-100%	75.51	172.27	-56%
Average grade, g/t	945.05	909.00	4%	628.51	912.42	-31%
Flotation concentrate produced, tons	13.03	1,874.54	-99%	1,544.50	3,500.01	-56%
Average grade, g/t	187.38	67.40	178%	78.21	77.94	0%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	112.51	224.76	-50%	214.59	389.07	-45%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), koz	3.62	7.23	-50%	6.90	12.51	-45%
<b>Heap Leach (HL)</b>						
Ore stacking, 000'tons	70.59	-	n/a	107.18	-	n/a
Grade, g/t	1.46	-	n/a	1.49	-	n/a
Gold in ore stacked, kg	103.27	-	n/a	160.91	-	n/a
Gold produced HL, kg	-	-	n/a	-	-	n/a
Gold produced HL, koz	-	-	n/a	-	-	n/a

## Placer mining

In 2022, the Company operates two placer mines - Byor and Khayarilakh. The alluvial gold production commenced in the second quarter when the snow and permafrost melted. Q2 2022 gold production from both placers totalled 2.31 koz (71.72 kg), an increase of 28% compared to Q2 2021. The increase in alluvial production is primarily explained by an increase of the gold grade and the amount of gravel washed.

Placer mining	Q2		Change	Year to date		Change
	2022	2021		2022	2021	
Overburden, 000'm3	528.40	806.60	-34%	569.50	844.90	-33%
Capital mining, 000'm3	126.80	161.20	-21%	126.80	163.20	-22%
Placer gravel washed, 000'm3	147.60	137.70	7%	147.60	137.70	7%
Average grade, mg/m3	485.89	406.42	20%	485.89	406.42	20%
Gold produced, kg	71.72	55.96	28%	71.72	55.96	28%
Gold produced, koz	2.31	1.80	28%	2.31	1.80	28%

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## **Competent person**

Alexander Polonyankin, a competent person under JORC and member of Australasian Institute of Mining and Metallurgy, MAusIMM (CP), has reviewed and approved the technical information relating to operations covered in this press release.

## **For more information, please contact:**

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*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 persons set out above at 8.30 CEST on 21 July 2022.*

## **About Kopy Goldfields**

Kopy Goldfields is a leading gold exploration and production company. Kopy Goldfields' strategy is to combine local 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. Kopy Goldfields' shares are traded on Nasdaq First North Growth Market in Stockholm under the symbol "KOPY". Nordic Certified Advisers is Certified Adviser (Tel +46 707 94 90 73. e-mail: [info@certifiedadviser.se](mailto:info@certifiedadviser.se)).

## **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's and the company group's intentions, beliefs, or current expectations about and targets for the Company's and the company group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. The forward-looking statements are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where Kopy Goldfields operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) Kopy Goldfields' continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including but not limited to risks and uncertainties surrounding any gold production and exploration company at an early stage of its development. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein apply only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq First North Growth Market rule book for issuers.