

Fourth quarter report and year-end report – December 31, 2021

Q4 OCTOBER – DECEMBER 2021 (Q4 October – December 2020)

- ▶ Revenue TUSD 19,213 (31,452)
- ▶ EBITDA TUSD 7,553 (14,384)
- ▶ Unrealized loss from gold hedges TUSD -1,437 (-397)
- ▶ Non-cash inventory adjustment TUSD -5,170 (-4,447)
- ▶ Loss for the period TUSD -4,021 (2,505)
- ▶ Earnings per share before dilution USD -0.00 (0.00)
- ▶ Launch of the upgraded Yubileynyi plant

JANUARY – DECEMBER 2021 (January – December 2020)

- ▶ Revenue TUSD 89,578 (98,841)
- ▶ EBITDA TUSD 36,899 (45,620)
- ▶ Unrealized gain from gold hedges TUSD 2,099 (-2,131)
- ▶ Non-cash inventory adjustment TUSD -11,174 (-1,012)
- ▶ Profit for the period TUSD 7,715 (19,153)
- ▶ Earnings per share before dilution USD 0.01 (0.02)
- ▶ The Board of Directors proposes no dividend to be paid
- ▶ 2022 gold production target of 52-57 koz

Significant events after the reporting period

- ▶ In end of February 2022, the geopolitical tension in eastern Europe escalated. For more information, see headline "Comments from the CEO" on page 2, "Current geopolitical situation" on page 4 and Note 4 on page 19.
- ▶ During March 2022, the Board Members Andreas Forssell and Britta Dalunde resigned from the Board of Directors.

SUMMARY OF FINANCIAL INFORMATION

	Q4 2021	Q4 2020	Δ %	FY 2021	FY 2020	Δ %
Gold production (gold equivalent, GE), koz	9.94	10.83	-8%	51.61	53.11	-3%
Gold sales (GE), koz	10.50	16.87	-38%	49.81	55.43	-10%
Average realized gold price, USD/oz	1,805	1,857	-3%	1,783	1,773	1%
Revenue, TUSD	19,213	31,452	-39%	89,578	98,841	-9%
Gross profit, TUSD	1,712	8,487	-80%	24,421	40,973	-40%
Gross margin, %	9%	27%		27%	41%	
EBITDA, TUSD	7,553	14,384	-47%	36,899	45,620	-19%
EBITDA margin, %	39%	46%		41%	46%	
Profit before tax, TUSD	-4,656	3,604	-229%	10,640	24,728	-57%
Profit for the period, TUSD	-4,021	2,505	-261%	7,715	19,153	-60%
Earnings per share before dilution, USD	-0.00	0.00		0.01	0.02	
Earnings per share after dilution, USD	-0.00	0.00		0.01	0.02	
Cash flow from operating activities before changes in working capital, TUSD	7,265	14,520	-50%	36,636	44,268	-17%
Total investments, including capitalized exploration costs	3,604	7,051	-49%	26,843	17,742	51%
Cash & cash equivalents at the end of the period, TUSD				6,145	10,388	
Net debt, TUSD				60,637	41,938	
Net debt/LTMEBITDA				1.64	0.92	
Equity per share, USD				0.12	0.11	

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

Comments from the CEO

2021 – a year of operational achievements and major milestones

Towards the end of February 2022, the geopolitical tension in eastern Europe unfolded into a tragedy. Our thoughts are with those directly affected and those who have lost their loved ones and we hope for a near ceasefire and peaceful settlement.

Current geopolitical situation

We continue to explore, mine, process and sell gold at international market prices. So far, the gold mining industry is not falling under any announced or published sanctions. The fundamentals of the Russian gold mining business have not changed and Kopy Goldfields' mining operations have so far not been directly affected. However, as any business active in Russia, Kopy Goldfields is influenced and exposed to the international sanctions environment. The Russian financial system and industries with trans-border activities are under strong pressure. Kopy Goldfields' Russian subsidiaries co-operate with major Russian banks and some of them are subject to international sanctions. In addition, Russian companies are facing increased monetary restrictions and regulations, which affect intragroup transactions.

We continue to closely monitor the development of the situation, including the effects of the sanctions imposed by the EU, the US and other countries, as well as countersanctions from Russia and global financial market developments. Contingency measures have been initiated to ensure gold sales channels, liquidity and supply channels.

Turning to 2021 and the fourth quarter in particular, Kopy Goldfields made many operational achievements and reached a major milestone towards the long-term development plan.

Investments

The major milestone in 2021 was the completion of the modernization and extension of the Yubileyniy plant. We completed the construction work and commissioned the updated plant, which almost doubled the processing capacity from 130 to 250 kilo tonnes of ore per year. The expanded facility is already adding to the gold output and is also a vital part of our long-term plan to double gold production to above 100 koz by 2025. In addition, at year-end 2021 the major construction works of the new heap leach plant at Perevalnoe were also completed. This plant is planned to be commissioned in the second quarter 2022.

During the year, the development of the Malyutka mine and plant continued. Malyutka will also be our major investment focus in 2022. The commissioning of this major growth driver, planned for 2023, will be next major milestone in reaching our long-term production target. Currently, equipment procurement and construction at site is ongoing at full speed. We are taking advantage of the winter season using the winter roads to deliver the equipment to the site.

Production

Kopy Goldfields' gold equivalent production in the fourth quarter 2021 decreased by 8% compared to the same quarter last year, 9.94 koz compared to 10,83 koz. The late additional production from the modernized Yubileyniy plant couldn't completely make up for the scheduled decline at the Perevalnoe plant due to the depletion of Perevalnoe's open pit mines in 2021. Full year 2021 GE production amounted to 51.61 koz (53.11 koz).

Financial performance

Fourth quarter revenue decreased by 39% compared to the fourth quarter 2020, due to the lower volume of gold sold. In the fourth quarter 2021 we sold 10.50 koz of gold, compared to sales of 16.87 koz in the fourth quarter 2020. The sales in Q4 2021 were slightly above produced volume, in contrast with last quarter last year, when we sold almost 60% more than we produced. Our average achieved gold price during the quarter amounted to 1,805 USD/oz, 3% lower than Q4 2020. EBITDA decreased compared to the fourth quarter 2020, mostly driven by the lower sales volumes. Kopy's gold bullions in stock by year-end amounted to 8.21 koz, with a market value of MUSD 14.7. Lower production and sales volumes resulted in decreasing operating costs. Total Cash Cost per GE ounce sold decreased compared to last year and amounted to USD 837 for the fourth quarter 2021, an improvement of 7%. The net result for the quarter and full year were further affected by non-cash adjustments for hedge positions and inventories.

Exploration

In 2021 we conducted a total of over 45 km of exploratory drilling, essentially within the Krasny deposit. The 2021 exploration program for Krasny will be finalized in spring 2022, and thereafter we target to advance the project into the feasibility stage and production planning. Major efforts were also put on explorations in and around our present producing mines in Khabarovsk region to extend the mine life. We plan to update the reserve and resource estimations for our exploration projects later this year.

ESG

Our ambitions on environmental, social and governance issues continue with full focus. Now, more than ever, sustainable and profitable gold production requires acting in harmony with all stakeholders and nature. Kopy Goldfields has joined the UN Global Compact, the world's largest corporate sustainability initiative. Through this,

we commit to do business responsibly by aligning our operations with ten principles related to human rights, labor, the environment and anti-corruption. Accordingly, we have strengthened our team and I welcome our new ESG manager Dmitry Evdokimov and our Sustainability officer Marina Filippova to the company.

Outlook

We remain on track towards our long-term target to double production to more than 100 koz by 2025. As a short-time target, our objective is to produce 52-57 koz in 2022. Substantial increases in production are planned to materialize in 2024 and 2025 as Mal-yutka is launched and Yubileyniy further upgraded. Increased gold production, the strengthened gold price environment and a depreciated Russian Ruble, provides support for improved financial performance, increased margins and further balance sheet strengthening going forward. However, the rapidly changing geopolitical environment, the impact of sanctions on our business environment and financial market turbulence provides uncertainty and challenges. We have therefore temporarily paused our ambition to

apply for listing on Nasdaq's main market. In the meantime, we continue, from a stable position in an unstable environment, to operate our mines, produce and sell gold, and execute our development plans, which currently are fully financed.

March 2022

Mikhail Damrin
CEO Kopy Goldfields



Operations

Summary Gold production

During the fourth quarter 2021, the Company operated two bedrock mines, Yubileyniy and Perevalnoe, and two placer mines, Buor-Sala and Khayarylakh, in the Khabarovsk region of Russia. The gold production during Q4 2021 and the full year 2021, compared with the gold production during the corresponding periods in 2020, is presented in the following table:

Gold equivalent (GE) production	Q4 2021		Q4 2020		Full year 2021		Full year 2020	
	kg	koz	kg	koz	kg	koz	kg	koz
Yubileyniy project (CIP)	110.79	3.56	81.19	2.61	411.84	13.24	439.48	14.13
Yubileyniy project (HL)	13.24	0.43	10.82	0.35	41.90	1.35	21.29	0.68
Perevalnoe project	165.74	5.33	235.82	7.58	752.65	24.20	933.53	30.01
Placer mines	11.87	0.38	3.10	0.10	373.03	11.99	215.60	6.93
Silver production, in GE	7.37	0.24	5.99	0.19	25.74	0.83	42.15	1.36
Total GE production	309.01	9.94	336.96	10.83	1,605.16	51.61	1,652.04	53.11

Definition of Gold Equivalent (GE) is presented on pages 23-24.

The total gold equivalent (GE) production during Q4 2021 amounted to 9.94 koz (309.01 kg), an 8% decrease compared to Q4 2020 (10.83 koz). Q4 2021 GE production included 17.73 koz (551.42 kg) of silver, equivalent to 0.24 koz (7.37 kg) of gold.

The production decrease in Q4 2021 compared to Q4 2020 was a result of the forecasted low-grade ore to be processed from the Brekchivaya open pit prior to the transition to underground mining. Open pit (OP) mining at the Perevalnoe project which has been gradually declining in accordance with plan. In Q2 2021, the Priyatnoe open pit was depleted, and in Q4 2021, the Brekchivaya open pit was depleted. The production decrease at Perevalnoe was partially mitigated by increased production at Yubileyniy.

Current geopolitical situation

Following the escalation of the geopolitical situation in eastern Europe in the first quarter 2022, new sanctions have been imposed on Russia by the US, the EU and other countries. Russia has responded with countersanctions. So far, the gold mining industry is not falling under any announced or published sanctions and Kopy Goldfields' operations continue undisrupted.

However, as any business in Russia, Kopy Goldfields' Russian subsidiaries are influenced and exposed in general to the international sanctions. The Russian financial system and industries with trans-border activities are under strong pressure. Kopy Goldfields' Russian subsidiaries cooperate with major Russian banks and some of them are subject to international sanctions. In addition, Russian companies are facing increased monetary restrictions and regulations, which affect intragroup transactions.

Operationally, Kopy Goldfields is to a limited extent dependent on foreign suppliers whose activities in Russia are affected by the sanctions.

Kopy continuously monitors and evaluates the development in order to secure that business operations are compliant with relevant legislation and that relevant actions are taken to efficiently and timely mitigate the effects of the financial volatility. Contingency measures have been initiated to ensure advance equipment and spare parts procurement, liquidity and gold sales channels. Currently, the company is fully financed to execute its development plans.

Seasonal variations

Kopy Goldfields' gold production is traditionally affected by seasonal variations. Alluvial mining operations are restricted to the warm season and transportation of concentrates from the Perevalnoe site to the Yubileyniy processing plant takes place primarily during the winter season.

Covid-19

Only a few new cases were recorded during Q4 2021 at the sites, but following sanitary measures and protocol activities, it was possible to quickly isolate them and they did not significantly influence the operations. As a consequence of the Covid-19 labor migration restrictions, the Company continued in Q4 2021 to be affected by an industry-wide shortage of qualified mining personnel at the mine sites as well as extended procurement and maintenance for the mining and investment activities.

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 mining operations in 2010. Yubileyniy is a conventional CIP plant. 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.

In 2021, Kopy Goldfields completed the modernisation and extension of the Yubileyniy plant, which almost doubled the processing capacity from 130 to 250 ktpa. The new equipment was delivered by Metso, RIVS, Ridtec and Kemix, among others. The modernization of the Yubileyniy plant was initiated in mid-2020 and targeted all processing stages and will be followed by further expansion to 400 ktpa in the coming years. The increased capacity facilitated the expansion of the gold production from Yubileyniy at the end of the fourth quarter 2021 and is expected to reach full utilisation during 2022. The plant modernization is further expected to provide for reduced energy consumption and CO₂ emissions per ton of processed ore.

During Q4 2021, the total CIP and Heap leach ("HL") GE production amounted to 3.99 koz (124.03 kg), an increase of 35% compared to Q4 2020 mainly as a result of increased CIP output.

During Q4 2021, CIP production of GE totaled 3.56 koz (110.79 kg), an increase of 36% compared to Q4 2020. The increase in production was primarily explained by 44% increase in the volume of ore processed during Q4 2021 following both the modernisation of the Yubileyniy mill to 250 ktpa and also following low utilization in Q4 2020 due to Covid-19. In addition, the head grade increased by 7% due to down deep development of higher grade underground reserves.

The increased production at Yubileyniy during Q4 2021 was achieved despite construction activities related to the modernisation and extension of the plant causing temporary interruptions. The upgrade of the capacity of the mill was developed in parallel with ordinary mill operations, which caused the processing to be put on hold from time to time during the quarter.

The gold grade of the ore mined increased by 4% during Q4 2021 and by 5% during 2021 compared with the corresponding periods in 2020. In 2021, the company developed underground mining operations to the deeper horizons where ore gold grade is increasing. This underpins the completed capacity extension of the Yubileyniy mine and mill to 250 ktpa and the planned further expansion to 400 ktpa.

During Q4 2021, 1.76 kt of ore were stacked for heap leach (HL) operations at Yubileyniy and 0.43 koz of gold was produced which makes a 22% increase compared to Q4 2020.

Gravity and flotation concentrates produced at the Perevalnoe plant are also leached to doré bars at the Yubileyniy plant, which are reported under the Perevalnoe project further below.

Yubileyniy project	Q4 2021	Q4 2020	Δ %	Full year 2021	Full year 2020	Δ %
CIP						
Underground ore mined, 000' ton	58.79	39.90	47%	173.87	172.31	1%
Underground development, meter	581.00	566	3%	1,872.00	2,168.00	-14%
Underground ore grade, g/t	4.00	3.84	4%	4.24	4.04	5%
Ore processed, 000' ton	37.57	26.12	44%	122.71	122.15	0%
Average grade, g/t	4.84	4.53	7%	4.79	4.81	0%
Gold produced CIP, kg	110.79	81.19	36%	411.84	439.48	-6%
Gold produced CIP, koz	3.56	2.61	36%	13.24	14.13	-6%
Heap Leach (HL)						
One stacking, 000' ton	1.76	-	n/a	19.44	14.00	39%
Grade, (g/t)	4.06	-	n/a	3.79	2.88	32%
Gold in ore stacked, kg	7.15	-	n/a	73.74	40.30	83%
Gold produced HL, kg	13.24	10.82	22%	41.90	21.29	97%
Gold produced HL, koz	0.43	0.35	22%	1.35	0.68	97%

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 ktpa. Following the elimination of bottlenecks in 2019, the 2021 annual throughput reached 173.43 ktpa.

The Perevalnoe deposit is represented by two zones, which are considered as two separate deposits: Brekchiyevaya Zone and Priyatnoe Zone. Open pit (OP) mining at the Perevalnoe project has been gradually declining in accordance with plan. In Q2 2021, the Priyatnoe open pit was depleted, and in Q4 2021, the Brekchivaya open pit was depleted. No more open pit mining activities are scheduled at Perevalnoe.

In 2021, the company commenced preparations for underground (UG) mining at the Brekchivaya site developing the initial 152.5 meters of decline, and initiated a review of an updated resource model, optimised underground development and mill operations. Based on this review, the market and geopolitical development, a decision will be taken on how to proceed with underground mining. In 2022, the Perevalnoe CIP mill will process only the accumulated high-grade and low-grade ore from the stockpiles.

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 parts of the "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 also stockpiled on-site for 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 Q4 2021, the Perevalnoe mill processed 45.94 kt of ore, an increase of 12% compared to Q4 2020. Gravity concentrate production totalled 75.82 t, a decrease of 16%, and flotation concentrate 1,299.41 t, a decrease of 25%. GE production from Perevalnoe concentrates at the Yubileyniy mill amounted to 5.33 koz (165.74 kg), a decrease of 30%, which is in line with expectations due to the planned processing of the low-grade ore from Brekchivaya open pit, prior to transition to underground mining.

By the end of 2021, the construction works of the new heap leach plant at Perevalnoe were completed. The new plant is planned to be commissioned and start producing gold in the second quarter 2022. In 2021, ore crushing for HL operations totalled 42 kt of ore. Ore crushing and heaps piling will proceed in 2022.

Perevalnoe project	Q4 2021	Q4 2020	Δ %	Full year 2021	Full year 2020	Δ %
CIP						
Underground development, meters	44.88			152.50		
Waste stripping, 000' m ³	32.08	676.20	-95%	651.69	2,616.75	-75%
Ore mined, 000' tons	110.63	176.90	-37%	400.63	370.71	8%
Average ore grade, g/t	2.50	3.78	-34%	2.50	3.60	-30%
including						
High grade ore, 000' tons	12.56	52.96	-76%	86.64	101.97	-15%
Average grade, g/t	5.60	8.64	-35%	5.15	8.73	-41%
Low grade ore, 000' tons	33.67	13.34	152%	59.66	33.97	76%
Average grade, g/t	3.15	3.16	0%	3.24	3.36	-4%
Heap Leach ore, 000' tons	64.39	110.60	-42%	254.34	234.78	8%
Average grade, g/t	1.55	1.52	2%	1.43	1.41	1%
Ore processed, 000 tons	45.94	41.14	12%	173.43	165.85	5%
Average grade, g/t	3.34	9.31	-64%	4.30	6.88	-38%
Gravity concentrate produced, tons	75.82	90.54	-16%	326.97	367.82	-11%
Average grade, g/t	458.19	1,573.86	-71%	688.47	1,079.96	-36%
Flotation concentrate produced, tons	1,299.41	1,728.59	-25%	6,001.20	6,158.01	-3%
Average grade, g/tt	83.69	129.62	-35%	78.81	110.58	-29%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	165.74	235.82	-30%	752.65	933.53	-19%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project)*, koz	5.33	7.58	-30%	24.20	30.01	-19%
Heap Leach (HL)						
Ore stacking, 000' tons	19.97	-		42.05	-	
Grade, g/t	1.33	-		1.45	-	
Gold in ore stacked, kg	26.58	-		60.82	-	
Gold produced HL, kg	-	-		-	-	
Gold produced HL, koz	-	-		-	-	

*Since transportation of gravity and flotation concentrates from the Perevalnoe mine site to the Yubileyniy processing plant depends on the season and proceeds over time, there is a time lag between production of concentrate at the Perevalnoe plant and its further processing at the Yubileyniy plant. Hence, the reported gold production for Perevalnoe at the Yubileyniy plant does not necessarily involve processing the same concentrates which Perevalnoe produced in this reporting period but rather the ones produced earlier during this or the previous year.

Placer mining

In 2021 the Company operated two placer mines - Buor-Sala and Khayarylakh, located within 100 km to the west of the Yubileyniy site. While the Buor-Sala placer has been in production for several years, 2021 was the first year of gold mining on the Khayarylakh placer. These are shallow stream placers that are dozed and loaded into articulated haul trucks and hauled to semi-mobile washing plants or hauled by front-loaders.

Alluvial operations are seasonal and depend on the weather conditions. They were discontinued in Q4 2021 for the winter period and will commence again in Q2 2022.

Q4 2021 gold production from both placers amounted to 0.38 koz (11.87 kg) compared to 0.10 koz (3.10 kg) in Q4 2020.

Placer mining	Q4 2021	Q4 2020	Δ %	Full year 2021	Full year 2020	Δ %
Overburden, 000' m ³	90.40	-	n/a	1,492.20	1,457.10	2%
Capital mining, 000' m ³	77.10	-	n/a	425.70	258.60	65%
Placer gravel washed, 000' m ³	35.30	8.70	306%	631.80	463.90	36%
Average grade, mg/m ³	336.12	361.61	-7%	590.42	464.72	27%
Gold produced, kg	11.87	3.10	283%	373.03	215.60	73%
Gold produced, koz	0.38	0.10	283%	11.99	6.93	73%

Exploration

With a focus on organic production growth from multiple sites, the Company operates and develops a robust asset portfolio with high growth potential at different stages 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.

The Company's main exploration activities in the full year 2021 include:

- Yubileyniy project, Khabarovsk region: 5,381 meters drilling program at the Krasivoe deposit targeting gold mineralization down dip.
- Perevalnoe project, Khabarovsk region: 5,257 meters drilling program at Brekchivaya deposit to specify gold mineralization for underground mining.
- Alluvial deposits, Khabarovsk region: 6,623 meters drilling program on the Khayunda, the Khayarylakh and the Buor-Sala placers, targeting to increase alluvial reserves to support the 2022 - 2023 and beyond placer mining.
- Krasny project, Irkutsk region: Drilling of 27,773 meters of core holes under the 2021 exploration program.

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 project with the Russian gold producer GV Gold, in which Kopy Goldfields owns 49%. During the year, Kopy Goldfields and GV Gold agreed on a USD 6.8 million exploration program for 2021 with the target to advance Krasny into the feasibility stage and production planning.

Guidance

Kopy Goldfields target is to produce 52 koz to 57 koz of gold equivalent (GE) in 2022, compared to 51.61 koz of GE produced in 2021.

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. An update the reserve and resource estimations for Kopy Goldfields' exploration projects is planned for later in 2022.

For more information on the Mineral resources and Reserves, please visit www.kopygoldfields.com.

Financial overview

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 for 2020 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

(Numbers in parentheses refer to the same period last year.) Total revenues for Q4 2021 amounted to TUSD 19,213 (31,452), a decrease of 39% compared to the corresponding period 2020, mainly driven by lower volumes of gold sold. Gold sales (GE) for Q4 2021 amounted to 10.50 koz (16.87 koz), a decrease of 38%. In Q4 2021, gold sales were slightly above the production, while sales in Q4 2020 exceeded the production by 56% and resulted in a net decrease of gold in stock. During Q4 2021, gold in stock ready for sale increased by 0.5 koz, corresponding to a sales value of TUSD 957, based on the average realized gold price for Q4 2021. The average realized gold price decreased by 3% and amounted to USD 1,805/oz for Q4 2021 (USD 1,857/oz). Based on the amount of gold sold, the decreased gold price had an effect of TUSD -2,314 on revenues for Q4 2021.

Total revenues for the full year period 2021 amounted to TUSD 89,578 (TUSD 98,841), a decrease of 9%. The decrease was primarily an effect of lower volumes of gold sold, somewhat offset by higher average realized gold price. Gold sales (GE) for the full year month period 2021 amounted to 49.81 koz (55.43), a decrease of 10%. In 2021, gold sales were 1.80 koz lower than production, while sales in 2020 were 2.32 koz higher than production, resulting in a net increase of gold in stock in 2021 and a

net decrease in 2020. Gold production during the full year 2021 was affected by the outbreak of Covid-19 at the Yubileynyi mine in December 2020 and shortages of key personnel due to travel restrictions and lockdowns. The average realized gold price in 2021 amounted to USD 1,783/oz, which was in line with USD 1,773/oz in 2020.

The company's on-site end product is doré 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 for Q4 2021 amounted to TUSD 17,501 (22,965), the decrease primarily explained by lower volumes of gold sold. Cost of sales includes impairment of low-grade ore in stock of TUSD 5,170 (4,447) during the quarter.

Costs of Sales for the full year 2021 amounted to TUSD 65,157 (57,868), an increase of 13% compared to the corresponding period 2020. Cost of sales includes impairment of low-grade ore in stock of TUSD 11,174 (1,012) during the full year, being TUSD 10,163 higher than the previous year, and the main reason to the increased Costs of Sales. Within the mining operations, low grade ore is stockpiled and being recorded as inventory, to be further processed within the heap leach operations. The volume of low grade ore is being valued each period end, based on the expected amount of gold and expected processing cost. The value is compared with the gold price forecast at period end and if necessary, impaired. The valuation as per December 31, 2021, was based on the gold price forecast as per Year End, which amounted to USD 1,735/oz and does not take into consideration the sharp increase in the gold price during the first quarter 2022. The volume of low grade ore has increased during the year compared to 2020, combined with increased expected processing costs, which explain the increase of impairment. The impairment is a non-cash item and is disclosed in the EBITDA reconciliation and in the Cash Flow statement under line "Change in allowance for slow-moving and obsolete inventory".

Total Cash Costs amounted to TUSD 8,790 (15,221) during Q4 2021 and TUSD 41,731 (46,362) during the full year 2021. TCC per gold equivalent ounce sold (TCC/oz) decreased by 7% in Q4 2021 and amounted to USD 837 per GE oz compared to USD 902 per GE oz in Q4 2020. This reflects lower expenses related to drilling and blasting operations, maintenance of vehicles as well as lower Mineral Extraction Tax (MET) during the quarter compared to last year. TCC/oz for the full year 2021 remained on the same level as last year and amounted to USD 838 per GE oz in 2021 compared to USD 836 per GE oz in 2020.

All-in sustaining costs (AISC) per gold equivalent ounce sold increased during the quarter and full year 2021, from USD 1,131 per GE oz in Q4 2020 to USD 1,176 per GE oz in Q4 2021 and from USD 1,096 per GE oz during the full year 2020 to USD 1,190 per GE oz during the full year 2021. Higher sustaining capital expenses negatively impacted the cost performance during the reporting periods. Further, due to the accounting rules following the acquisition in September 2020, the figures for the full year 2020 do not include corporate, general and administrative expenses of the Parent Company for the first nine months.

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

Total Cash Costs (TCC) (TUSD)	Q4 2021	Q4 2020	Δ %	Full Year 2021	Full Year 2020	Δ %
Cost of gold and silver sales	17,457	23,993	-27%	64,719	57,364	13%
Property, plant, and equipment depreciation and intangible assets amortization	-3,306	-4,175	-21%	-11,491	-9,762	18%
Provision for mine closure, rehabilitation, and decommissioning costs	-191	-162	18%	-323	-228	42%
Change in allowance for slow-moving and obsolete inventory	-5,170	-4,435	17%	-11,174	-1,012	1,005%
Total cash costs	8,790	15,221	-42%	41,731	46,362	-10%
Ounces sold (GE koz)	10.50	16.87	-38%	49.82	55.43	-10%
TCC per GE ounce sold (USD/oz)	837	902	-7%	838	836	0%

All-in Sustaining Costs (AISC) (TUSD)	Q4 2021	Q4 2020	Δ %	Full Year 2021	Full Year 2020	Δ %
Total cash costs	8,790	15,221	-42%	41,731	46,362	-10%
Corporate, general, and administrative expenses	2,201	2,395	-8%	9,586	8,325	15%
Amortization and depreciation related to corporate, general, and administrative expenses	-77	-36	111%	-229	-185	24%
Exploration impairment losses	0	-41	-100%	0	-921	-100%
Provision for mine closure, rehabilitation, and decommissioning costs	191	162	18%	323	228	42%
Sustaining exploration expenses	6	106	-94%	555	995	-44%
Sustaining capital expenses	512	233	120%	4,248	1,797	136%
Sustaining lease payments	730	1,036	-30%	3,049	4,144	-26%
Total all-in sustaining costs	12,353	19,077	-35%	59,264	60,746	-2%
Ounces sold (GE koz)	10.50	16.87	-38%	49.82	55.43	-10%
AISC per GE ounce sold (USD/oz)	1,176	1,131	4%	1,190	1,096	9%

The gross profit in Q4 2021 amounted to TUSD 1,712 (8,487). Gross profit for the full year 2021 amounted to TUSD 24,421 (40,973). The decrease of gross profit was mainly driven by lower revenues.

General and Administrative expenses (G&A expenses) for Q4 2021 amounted to TUSD 2,317 (2,192) and TUSD 9,202 (6,887) for the full year 2021. The increased G&A expenses during 2021 compared to 2020 are mainly explained by "former" Kopy Goldfields not being included in the expenses in the first eight months 2020 due to the accounting rules.

Operating profit for Q4 2021 amounted to TUSD -1,063 (5,599). Operating profit for the full year of 2021 decreased from TUSD 31,637 in 2020 to TUSD 13,813 in 2021.

EBITDA for Q4 2021 amounted to TUSD 7,553 (14,384), with an EBITDA margin of 39% compared to 46% in Q4 2020. EBITDA for the full year 2021 amounted to TUSD 36,899 (45,620), with an EBITDA margin of 41% compared to 46% in 2020. EBITDA is a non-IFRS financial measure and is reconciled as follows:

EBITDA reconciliation to Profit before tax (TUSD)	Q4 2021	Q4 2020	Full Year 2021	Full Year 2020
Profit before tax	-4,656	3,604	10,640	24,728
Share of net profit of associates accounted for using the equity method	144	66	-144	310
Financial income	-165	-41	-2,762	-114
Financial costs	3,614	1,970	6,082	6,713
Depreciation and depletion	3,578	4,160	11,964	10,103
Net realizable value allowance for stockpiles, work in progress, and finished goods	5,170	4,447	11,174	1,012
Change in allowance for slow-moving and obsolete inventory	-56	-	-91	-
Impairment of exploration and evaluation assets	-	142	-	956
Other one-off adjustments	-78	36	34	1,912
EBITDA	7,553	14,384	36,899	45,620

Net financial result for Q4 2021 amounted to TUSD -3,593 (-1,995). Net financial result for the full year 2021 amounted to TUSD -3,176 (-6,909). The variations were mainly explained by non-cash unrealized gains and losses 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. Unrealized loss in Q4 2021 amounted to TUSD -1,437, while the full year financial net includes unrealized gains of TUSD 2,099 in total. The Company shows Derivative financial assets in the balance sheet of TUSD 1,089 as of December 31, 2021, relating to the fair value of derivatives on gold commodities.

Net profit for Q4 2021, attributable to shareholders of the parent company, amounted to TUSD -4,021 (2,505), corresponding to USD -0.00 (USD 0.00) per share before and after dilution. Net profit for the full year 2021, attributable to shareholders of the parent company, amounted to TUSD 7,716 (19,152). This equals USD 0.01 (USD 0.02) per share before and after dilution.

Comments on the financial position

Total loans and borrowings amounted to TUSD 36,620 at period end, compared to TUSD 21,590 as of December 31, 2020.

During the year, the Company repaid a loan of TUSD 6,063 to Scandinavian Credit Fund. Following the repayment, the Company has no assets pledged. During the year, the Group received a loan of TUSD 20,298 from VTB. For more information, see note 6.

Total net debt as of December 31, 2021, amounted to TUSD 60,637 compared to TUSD 41,938 as of December 31, 2020. Net Debt is a non-IFRS financial measure and is reconciled as follows:

Total Net Debt (TUSD)	Dec 31, 2021	Dec 31, 2020
Borrowings	36,620	21,590
Contract liability	26,094	26,241
Leasing	4,068	4,495
Total Debt	66,782	52,326
Cash and Cash equivalents	-6,145	-10,388
		-
Total Net debt	60,637	41,938

Total Net Debt/LTMEBITDA amounted to 1.64x on December 31, 2021, compared to 0.92x at Year End 2020.

Investments

Total investments, including capitalized exploration costs and capitalized borrowing costs, during the full year 2021 amounted to TUSD 28,376 (17,859). The investments included:

- Yubileyniy project of TUSD 10,320
- Perevalnoe project of TUSD 6,585
- Maljutka project of TUSD 6,822
- Other projects of TUSD 1,368
- Exploration of TUSD 1,748
- Capitalized borrowing costs of TUSD 1,037
- Payment of deferred capitalization of Krasny from 2020 of TUSD 496.

Financing of the 2021 exploration program on Krasny was agreed with GV Gold in the beginning of the third quarter 2021 and will be done on a pro-rata basis 49%/51%. Kopy Goldfields' part amounts to TUSD 3,346. In accordance with the shareholders agreement between Kopy Goldfields and GV Gold, Kopy Goldfields has the right to postpone the payment of the investment for 360 days.

Liquidity

The Company's cash and cash equivalent position at December 31, 2021 amounted to TUSD 6,145, compared to TUSD 10,388 on December 31, 2020. Unused credit facilities on December 31, 2021, amounted to TUSD 6,729 (27,073 at December 31, 2020). 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 to 8.21 koz at period end, at a book value of TUSD 9,705 (corresponding to a market value of TUSD 14,737).

Personnel

As of December 31, 2021, the Group had 702 employees, of which 621 men and 81 women, compared to 652 employees on December 31, 2020, of which 575 men and 77 women. The average number of employees during the fourth quarter of 2021 was 742 (678), of which 658 (610) men and 84 (67) women. The average number of employees during the full year 2021 was 726 (667), of which 650 (604) men and 76 (63) women. All figures relating to 2020 have been counted as if Kopy Goldfields and Amur Zoloto had been one Group the whole period.

The Parent Company

The Parent Company's revenue for Q4 2021 totaled TSEK 917 (234) and TSEK 1,765 (1,150) for the full year 2021. The revenue was related to the re-invoicing of expenses to subsidiaries. Net loss for Q4 amounted to TSEK -12,527 (-13,089). Net loss for the full year amounted to TSEK -30,584 (-22,248).

Total assets at period end amounted to TSEK 1,984,557 and remained relatively unchanged compared to TSEK 1,974,987 on 31 December 2020. Cash and cash equivalents amounted to TSEK 4,091 compared to TSEK 2,344 on December 31, 2020. Equity on December 31, 2021, amounted to TSEK 1,874,856 (December 31, 2020: TSEK 1,900,975).

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

The share

On December 31, 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.

Dividend

The Board of Directors proposes that no dividend be paid for the 2021 financial year.

Kopy Goldfields' current strategy is to 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 2021 financial year. The dividend policy is 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.

Significant events after the reporting period

In end of February 2022, the geopolitical tension in eastern Europe escalated. For more information, see headline "Comments from the CEO" on page 2, "Current geopolitical situation" on page 4 and Note 4 on page 19.

During March 2022, the Board Members Andreas Forssell and Britta Dalunde resigned from the Board of Directors.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>Amounts in thousands of US Dollars (TUSD)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue from contracts with customers	19,213	31,452	89,578	98,841
Cost of sales	-17,501	-22,965	-65,157	-57,868
Gross profit/loss	1,712	8,487	24,421	40,973
General and administrative expenses	-2,317	-2,192	-9,202	-6,887
Other operating expenses, net	-458	-696	-1,403	-2,449
Operating profits	-1,063	5,599	13,816	31,637
Share of net profit of associates accounted for using the equity method	-144	-66	144	-310
Financial income	165	41	2,762	114
Financial costs	-3,614	-1,970	-6,082	-6,713
Financial income /(expenses), net	-3,593	-1,995	-3,176	-6,909
Profit before tax	-4,656	3,604	10,640	24,728
Income tax	635	-1,099	-2,925	-5,575
Profit for the year	-4,021	2,505	7,715	19,153
<i>Of which attributable to:</i>				
Parent company shareholders	-4,021	2,505	7,716	19,152
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	-1,477	5,191	-23	-14,411
Total comprehensive income/(loss) for the period	-5,498	7,696	7,692	4,742
<i>Of which attributable to:</i>				
Parent company shareholders	-5,498	7,695	7,693	4,721
Non-controlling interest	-	1	-1	21
(Loss)/Earnings per share for profit attributable to the ordinary equity holders of the company:				
Basic (loss)/earnings per share (USD)	-0.0045	0.0028	0.0087	0.0235
Diluted (loss)/earnings per share (USD)	-0.0045	0.0028	0.0087	0.0234

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in thousands of US Dollars (TUSD)</i>	Note	Dec 31, 2021	Dec 31, 2020
Assets			
Non-current assets			
Exploration and evaluation assets		2,273	5,860
Property, plant, and equipment		62,104	39,934
Right-of-use assets		8,141	9,084
Investments in associates		29,023	28,721
Financial assets at amortized cost		4,014	3,731
Derivative financial assets		1,089	-
Deferred tax assets		3,238	1,381
Inventories		5,951	13,819
Total non-current assets		115,833	102,530
Current assets			
Inventories		53,922	39,756
Other current assets		2,130	558
Other receivables		960	1,727
Advances paid		1,000	1,527
Taxes receivable		4,246	4,190
Cash and cash equivalents		6,145	10,388
Total current assets		68,403	58,146
Total assets		184,236	160,676
Equity			
Equity attributable to shareholders of the Parent Company			
Share capital		39,115	38,977
Other contributed capital		48,635	48,265
Foreign currency translation reserve		-44,681	-44,658
Retained earnings, including profit (loss) for the period		59,349	51,633
Total equity attributable to shareholders of the Parent Company		102,418	94,217
Non-controlling interest		-	3
Total equity		102,418	94,220
Liabilities			
Non-current liabilities			
Loans and Borrowings	6	35,197	15,038
Contract liability	7	26,094	26,241
Mine rehabilitation provision		3,598	2,702
Lease liabilities		1,219	2,037
Other non-current liabilities		-	982
Total non-current liabilities		66,108	47,000
Current liabilities			
Loans and Borrowings	6	1,423	6,552
Mine rehabilitation provision		1,275	32
Lease liabilities		2,849	2,458
Accounts payable and accrued liabilities		8,610	7,672
Income tax payable		210	1,716
Taxes payable		1,343	1,026
Total current liabilities		15,710	19,456
Total liabilities		81,818	66,456
Total equity and liabilities		184,236	160,676

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in thousands of US Dollars (TUSD)</i>	Note	Attributable to shareholders of the Parent Company					Total	Non- controlling interest	Total equity
		Share capital	Other contributed capital	Foreign cur- rency transla- tion reserve	Retained earnings, including profit (loss) for the period				
Opening balance January 1, 2020		53,977	-	-30,227	32,481	56,231	0	56,231	
Profit for the period					19,152	19,152	1	19,153	
Merger of LLC Amur Gold and Kopy Goldfields (reverse acquisition)	3	-15,000	47,604			32,604	-18	32,586	
Incentive programs 2017/2020			661			661		661	
Other comprehensive in- come for the period				-14,431		-14,431	20	-14,411	
Total comprehensive in- come for the period		-15,000	48,265	-14,431	19,152	37,986	3	37,989	
Closing balance December 31, 2020		38,977	48,265	-44,658	51,633	94,217	3	94,220	
Opening balance January 1, 2021		38,977	48,265	-44,658	51,633	94,217	3	94,220	
Profit for the period					7,716	7,716	-1	7,715	
Disposal of non-control- ling interest							-2	-2	
Other comprehensive in- come for the period				-23		-23	0	-23	
Total comprehensive in- come for the period		0	0	-23	7,716	7,693	-3	7,692	
Transactions with own- ers in their capacity as owners									
Incentive programs 2017/2020		138	-138			0		0	
Incentive programs 2021/2024			207			207		207	
Incentive programs 2018/2021			301			301		301	
Closing balance December 31, 2021		39,115	48,635	-44,681	59,349	102,418	0	102,418	

CONSOLIDATED STATEMENT OF CASH FLOW

<i>Amounts in thousands of US Dollars (TUSD)</i>	Note	Q4 2021	Q4 2020	FY 2021	FY 2020
Cash flow from operating activities					
Profit before tax		-4,656	3,604	10,640	24,728
Adjustments for non-cash items					
Depreciation and depletion of property, plant and equipment, intangible assets, and right of-use assets		3,577	4,107	11,964	10,103
Impairment of exploration and evaluation assets		-	142	-	956
(Gain)/Loss on disposal of assets		-171	32	-48	309
Finance costs		3,614	1,970	6,082	6,713
Finance income		-165	-41	-2,762	-114
Gain on disposal of subsidiary		-	-	-103	-
Movements in allowance for obsolete inventory and net realizable value		5,113	4,550	11,083	1,012
Foreign exchange loss		-37	36	85	195
Share of net profit of associates accounted for using the equity method		144	66	-144	310
Other non-cash adjustments		-154	54	-161	56
Cash flow from operating activities before changes in working capital		7,265	14,520	36,636	44,268
Changes in working capital					
Change in inventories		-2,827	1,367	-21,324	-16,336
Change in other receivables and advances paid		15,124	-995	12,999	-2,013
Change in trade and other payables and advances received		-7,092	-2,630	-372	-1,545
Change in other assets		-9,612	355	-9,708	545
Cash flow from operating activities		2,858	12,617	18 231	24,919
Interest received		72	2	145	14
Interest paid		-458	-266	1,674	-2,503
Income tax paid		-1,696	-1,309	-5,985	-5,080
Net cash flow from operating activities		776	11,044	10 717	17,350
Cash flow from investing activities					
Payment for additional share issue of equity investees		-	-	-496	-
Cash acquired during merger of LLC Amur Gold and Kopy Goldfields AB (reverse acquisition)	3	-	-	-	138
Purchase of property, plant, and equipment		-3,254	-6,834	-25,858	-17,021
Purchase of exploration and evaluation assets		-350	-217	-985	-721
Interest paid capitalized		-404	-80	-1,037	-117
Net cash flows used in investing activities		-4,008	-7,131	-28,376	-17,721
Cash flow from financing activities					
Proceeds from the issue of shares and warrants under incentive programs		-	-	698	-
Proceeds from borrowings, net of debt issue costs	6	3,774	2,459	20,298	15,653
Proceeds from borrowings from shareholder	5, 6	750	-	1,250	-
Repayment of borrowings	6	-	-438	-6,063	-5,567
Repayment of finance lease liabilities net of cash received per buy back leasing agreements		-607	3,880	-2,767	277
Net cash flow from financing activities		3,917	5,901	13,416	10,363
Net (Decrease)/increase of cash and cash equivalents		685	9,814	-4,243	9,992
Cash and cash equivalents, opening balance		5,460	574	10,388	396
Cash and cash equivalents, closing balance for the period		6,145	10,388	6,145	10,388

PARENT COMPANY CONDENSED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

<i>Amounts in thousands of Swedish Krona (TSEK)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue	917	234	1,765	1,150
Total operating income	917	234	1,765	1,150
General and Administrative Expenses	-5 098	-5,022	-16,847	-10,922
Operating loss	-4 181	-4,788	-15,082	-9,772
Results from investments in subsidiaries	-	-	-1,056	-1,457
Financial items	-8 345	-8,297	-14,445	-11,015
Result after financial items	-12,527	-13,085	-30,584	-22,244
Appropriations	-	-4	-	-4
Result before tax	-12,527	-13,089	-30,584	-22,248
Income tax	0	0	0	0
Net loss	-12,527	-13,089	-30,584	-22,248
Other comprehensive income (loss)				
Translation differences	-	-	-	-122
Total comprehensive income (loss)	-12,527	-13,089	-30,584	-22,370

PARENT COMPANY CONDENSED BALANCE SHEET

<i>Amounts in thousands of Swedish Krona (TSEK)</i>	Note	Dec 31, 2021	Dec 31, 2020
Assets			
Non-current assets			
Machinery and equipment		67	-
Shares in group companies	3	1,927,882	1,926,713
Other non-current financial assets		35,818	30,551
Financial fixed assets		1,963,767	1,957,264
Current assets			
Receivables		16,699	15,379
Cash & cash equivalents		4,091	2,344
Current assets		20,790	17,723
Total assets		1,984,557	1,974,987
Equity and liabilities			
Equity	3, 8	1,874,856	1,900,975
Current liabilities		109,701	74,012
Total equity and liabilities		1,984,557	1,974,987

NOTES

NOTE 1 INFORMATION ABOUT THE COMPANY

Kopy Goldfields AB (publ) is a Swedish limited liability company domiciled and headquartered at Eriksbergsgatan 10 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 December 31, 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 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 interim consolidated financial statements.

Title	Subject	Effective for annual periods beginning on or after	Expected effect on the consolidated financial statements
IFRS 17	Insurance Contracts	January 1, 2021, or later	No effect
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform and its Effects on Financial Reporting phase 2: replacing Libor with alternative risk-free rates	1 January 2021	No effect
Amendments to IFRS 16	Extension of the validity period of a practical simplification related to lease concessions in connection with Covid-19	1 January 2021	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	January 1, 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	January 1, 2022	Under review
Amendments to IFRS 1	A subsidiary that applies IFRS for the first time	1 January 2022	Under review
Amendments to IFRS 41	Effect of taxation in determining fair value	1 January 2022	Under review
Amendments to IFRS 37	Burdensome contracts – The costs of fulfilling the contract	1 January 2022	Under review
Amendments to IFRS 9	Commission fee included in the "10% test" upon derecognition of a financial liability	1 January 2022	Under review
Amendments to IFRS 17	Insurance contracts	1 January 2023	Under review
Amendments to IFRS 1	Classification of liabilities into short-term or long-term	1 January 2023	Under review
Amendments to IFRS 8	A new definition of accounting estimates	1 January 2023	Under review
Amendments to IFRS 1	Disclosure of accounting policies	1 January 2023	Under review

Currency rates used in the report

Year 2021	RUB/USD	SEK/USD	SEK/RUB
Average Q1	74.3414	8.3902	0.1128
Average Q2	74,2155	8,4208	0.1135
Average Q3	73.4746	8.6468	0.1177
Average Q4	72.5990	8.7684	0.1219
March 31	75.7023	8.7239	0.1153
June 30	72.3723	8.5103	0.1179
September 30	72.7608	8.7911	0.1201
December 31	73.6514	9.0788	0.1233

Year 2020	RUB/USD	SEK/USD	SEK/RUB
Average Q1	66.3514	9.6641	0.1454
Average Q2	72.3611	9.6911	0.1337
Average Q3	73.5598	8.8724	0.1206
Average Q4	76.2207	8.6192	0.1131
March 31	77,7326	10.0771	0.1278
June 30	69.9513	9.349	0.1327
September 30	79,6845	8,9883	0.1134
December 31	73.8757	8.1886	0.1108

NOTE 3 REVERSE ACQUISITION 2020

In the beginning of 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 (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.

Consequently, 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 transaction cost 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 period until September 2020, represents Amur Zoloto's financial statements.

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 period ended December 31, 2021, with comparative information for the corresponding period 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. Following the escalation of the geopolitical situation in eastern Europe in the first quarter 2022, new sanctions have been introduced by the US, the EU and other countries. In response, Russia has imposed countersanctions. So far, the gold mining industry is not falling under any announced or published sanctions, and Kopy Goldfields' operations have so far not been affected in any particular way.

However, as any business in Russia, Kopy Goldfields' Russian subsidiaries are influenced and exposed in general to the sanctions. The Russian financial system and industries with trans-border activities are under strong pressure. Kopy Goldfields' Russian subsidiaries cooperate with major Russian banks and some of them are subject to international sanctions. In addition, Russian companies are facing increased monetary restrictions and regulations, which affect intragroup transactions.

Operationally, Kopy Goldfields is to a limited extent dependent on foreign suppliers which activities in Russia are affected by the sanctions.

The situation is dynamic and a lot of uncertainty exists. However, depending on how events transpire, there is the potential for political, economic, and other implications that may impact the company:

Economic sanctions on organizations, or countries that are either directly or indirectly related to the company may introduce new legal and regulatory compliance matters for the company to consider. Additionally, sanctions may restrict or limit global financial system access, financial transactions, trade, or access to infrastructure (technology, communications, and physical). Further countersanctions may also be applied by Russia. Sanctions are generally issued by several countries and may vary based on a number of factors.

Business interruptions, including to supply chains, due to sanctions, military conflict, commodity and broader market instability, or retaliatory actions that could impact the company and the affiliates, customers, counterparties, or suppliers/vendors.

Increased occurrences of cyber-attacks resulting in potential data corruption or security breaches.

Kopy continuously monitors and evaluates the development in order to secure that business operations are compliant with relevant legislation and that relevant actions are taken to efficiently and timely mitigate the effects of the financial volatility. Contingency measures have been initiated to ensure advance equipment and spare parts procurement, liquidity and gold sales channels. Currently, the Company is fully financed to execute its development plans.

NOTE 6 LOANS AND BORROWINGS

(TUSD)	Interest rate	Maturity	Dec 31 2021	Dec 31 2020
Long-term borrowings				
RUB denominated bank loans	Key rate of Russian Central Bank plus a margin of 2.95%	September 2023 - June 2026	35,197	15,038
Total long-term borrowings			35,197	15,038
Short-term borrowings				
SEK denominated borrowings from credit institutions	11.75%	March 2021	-	6,379
USD denominated borrowings from Shareholder	0%	June 2022	1,250	-
Other RUB denominated borrowings from Related parties	0% - 5%	On demand / December 2021	172	173
Total short-term borrowings			1,423	6,552
Total			36,620	21,590

In March 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.

In 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 42,063 (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 until June 2026.

Secured liabilities and assets pledged as security

On December 31, 2020, the Group had a 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

On December 31, 2021, unused credit facilities were TUSD 6,729 (on December 31, 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 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.

Two Board members have received consulting fees, amounting to TUSD 91 in total for the full year 2021.

During 2021, the Company received a short-term USD denominated loan from a shareholder of totally TUSD 1,250. The loan is interest free and due for repayment on June 30, 2022.

Revenue from geological services rendered to associate amounted to TUSD 276.

See also note 8, incentive program.

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 July 31, 2022. During the year ended December 31, 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

On December 31, 2020, the 2017/2020 incentive program expired. Following registration of new shares issued under the 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

share issue amounted to TUSD 649,5 (equivalent of TSEK 5,414 translated at the exchange rate on the date of payment).

The Annual General Meeting 2021 approved two long-term incentive programs: 2021/2024 for management and key personnel and 2021/2025 for the Board of Directors. Under the programs, a maximum of 8,000,000 warrants of series 2021/2024 and a maximum of 2,000,000 warrants of series 2021/2025 can be issued. Each warrant entitles the holder to subscribe for one (1) share in the Company, which means that the share capital can be increased by SEK 3,802,213 (rounded off to the nearest whole number) at maximum. The exercise date is 31 August 2024 for the warrants of series 2021/2024 and 31 August 2025 for the

warrants of series 2021/2025 and strike price is SEK 2.75. As per December 31, 2021, a total of 6,480,000 warrants from both programs were subscribed.

On 31 December 2021, the 2018/2021 incentive program expired. The shares that were subscribed were paid and registered in January 2022. The total amount of SEK 2,739,134 (TUSD 301) is recorded as an increase of Other contributed capital. Following registration of new shares issued under the incentive program with the Swedish Companies Registration Office, the number of shares in the Company increased by 1,640,200 shares, from 889,064,175 to 890,704,375 shares.

Signatures

The Board of Directors and CEO 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 March 24, 2022
Kopy Goldfields AB (publ)
Org. No. 556723-6335

Mikhail Damrin
CEO

Kjell Carlsson
Chairman

Eric Forss
Board member

Arsen Idrisov
Board member

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

Upcoming financial reporting

Report	Date
Annual Report 2021	Expected to be published last week of April, 2022
Q1 2022	May 26, 2022
Half year 2022	August 25, 2022
Q3 2022	November 25, 2022
Year-end Report 2022	February 24, 2023

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

Report	Date
Q1 2022 Operations Report	April 21, 2022
Q2 2022 Operations Report	July 21, 2022
Q3 2022 Operations Report	October 21, 2022
Q4 2022 Operations Report	January 20, 2023

Annual General Meeting 2022

The Annual General Meeting 2022 will be held on May 31, 2022, in Stockholm, Sweden.

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Ticker code: KOPY (Nasdaq First North Growth Market)
Number of shares 890,704,375 (as per March 24, 2022)

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 CET on March 24, 2022.

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 are available on www.kopygoldfields.com

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-marginal	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	The Group's net debt 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 are 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)

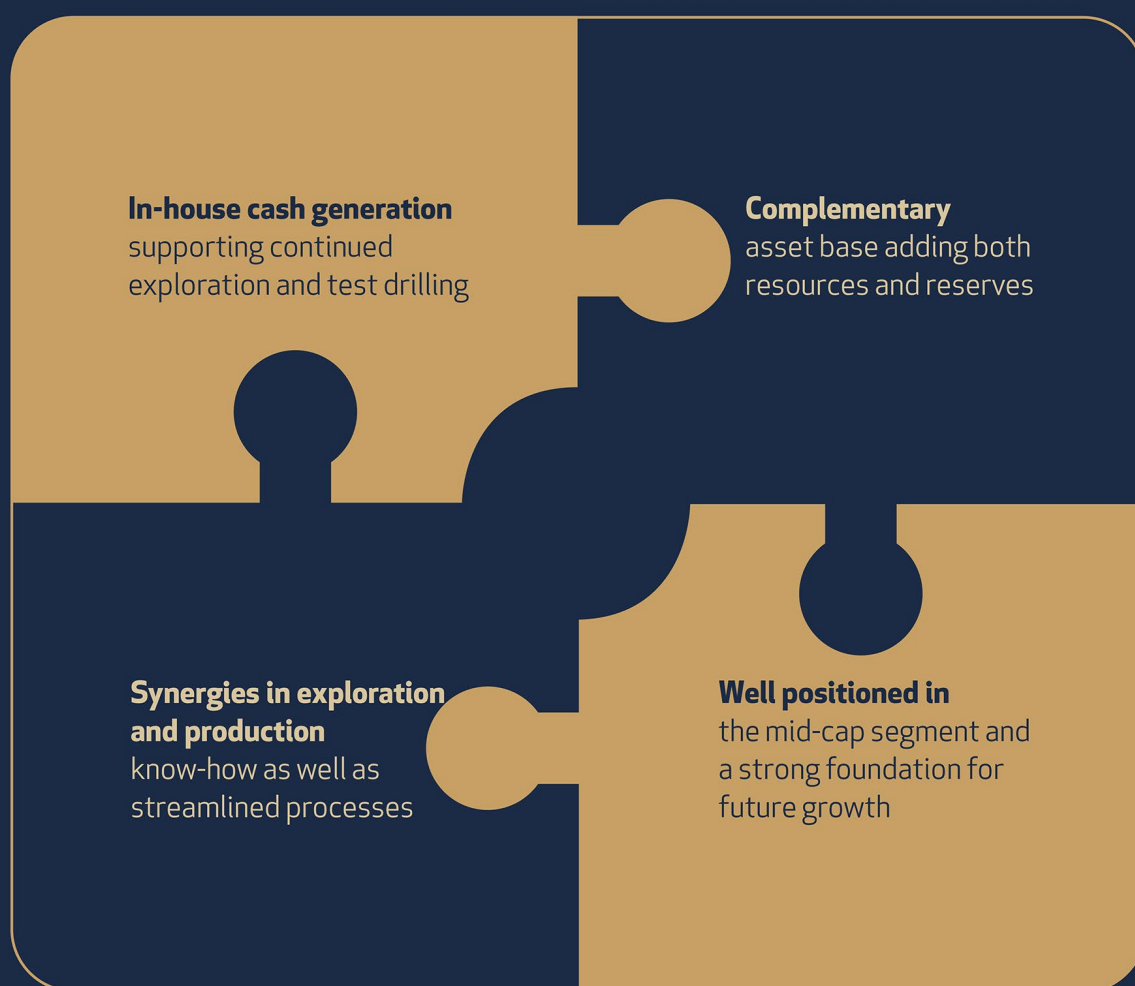
Alluvial gold	Mineralization in riverbeds at ground level.
Carbon-In-Pulp Gold Recovery (CIP)	A common process to recover gold that involves the use of cyanide to dissolve gold in solution and activated carbon to precipitate the gold.
Cut-off	The lowest grade, or quality, of mineralized material that 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 is 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

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.



KOPY GOLDFIELDS

www.kopygoldfields.com