

KOPY GOLDFIELDS

Press release
20 January 2023

Operational update Q4 2022

Highlights*:

- The gold equivalent (GE**) production from the Group's mines in the Khabarovsk region amounted to 8.83 koz during Q4 2022, compared to 9.94 koz in Q4 2021. Consolidated 2022 GE production amounted to 42.94 koz (51.61 koz in 2021)
- In Q4 2022 the Group acquired a 25% interest in the gold company Zolotaya Zvezda with total GE production of 5.32 koz in 2022 (non-consolidated).
- GE sales for Q4 2022 amounted to 17.15 koz compared to GE sales of 10.50 koz in Q4 2021. GE Sales for 2022*** amounted to 70.00 koz (49.81)
- The average realized gold price in Q4 2022 amounted to 1,702 USD/oz (1,805 USD/oz in Q4 2021). The average realized gold price amounted to 1,639 USD/oz*** for the full year 2022 (1,805 USD/oz in 2021).
- Gold production from the Yubileyniy CIP plant increased by 53% in 2022 compared to 2021, following the upgrade of the plant.
- Mining commenced at the Malyutka project in preparation for the planned launch of the project in 2023.

"2022 was the start-up year for the expanded plant at Yubileyniy where gold production increased by 53%, which actually remained below our targets due to an extended start-up phase. We also added new production by entering the high potential gold mining project Zolotaya Zvezda in Khakasia, establishing a new cluster for our gold mining operations, and we commenced mining operations at our new Maluytka project," said Mikhail Damrin, CEO of Kopy Goldfields.

Gold equivalent (GE) production and sales, koz	Q4		Change	Full year		Change
	2022	2021		2022	2021	
Yubileyniy project (CIP)	5.33	3.56	50%	20.29	13.24	53%
Yubileyniy project (HL)	0.48	0.43	13%	1.51	1.35	12%
Perevalnoe project (CIP)	1.76	5.33	-67%	9.79	24.20	-60%
Perevalnoe project (HL)	0.76	-	n/a	2.92	-	n/a
Placer mines	0.37	0.38	-4%	7.87	11.99	-34%
Silver production, in GE	0.13	0.24	-45%	0.55	0.83	-33%
Total GE production	8.83	9.94	-11%	42.94	51.61	-17%
Total GE sales***	17.15	10.50	63%	70.00	49.81	41%

* Preliminary sales volumes

** Varies based on the relationship between actual gold and silver prices: for 12 months of 2022, the applied average conversion ratio for silver was 1:78 Ag/Au.

*** Sales volumes for the full year 2022 included 24.02 koz, acquired in the gold market, that was delivered to settle a commodity loan during Q3 2022. The settlement of the commodity loan also affected the average realized gold price for the full year 2022.

KOPY GOLDFIELDS

Yubileyniy project

The modernised and extended Yubileyniy plant reached its full capacity utilisation in Q2 2022, however it remained in a start-up phase with improvements of processes and equipment during the year. Due to the extended start-up phase in combination with issues related to understaffing, the production from Yubileyniy was lower than planned. The production from the upgraded Yubileyniy CIP plant amounted to 5.33 koz, an increase of 50% compared to Q4 2021. In addition, 0.48 koz of gold were produced at the Yubileyniy Heap leach facility. The increase in production was primarily explained by 28% increase in the volume of ore processed during and 6% higher average ore grade in Q4 2022.

Yubileyniy project	Q4		Change	Full year		Change
	2022	2021		2022	2021	
CIP						
Underground ore mined, 000'tons	50.03	58.79	-15%	262.73	173.87	51%
Underground development, meters	741.60	581.00	28%	2,497.80	1,872.00	33%
Underground ore grade, g/t	4.46	4.00	12%	4.28	4.24	1%
Ore processed, 000'tons	47.94	37.57	28%	191.38	122.71	56%
Average grade, g/t	5.14	4.84	6%	4.91	4.79	2%
Gold produced CIP, kg	165.65	110.79	50%	631.11	411.84	53%
Gold produced CIP, koz	5.33	3.56	50%	20.29	13.24	53%
Heap Leach (HL)						
Ore stacking, 000'tons	-	1.76	n/a	17.48	19.44	-10%
Grade, g/t	-	4.06	n/a	2.99	3.79	-21%
Gold in ore stacked, kg	-	7.15	n/a	52.30	73.74	-29%
Gold produced HL, kg	14.96	13.24	13%	46.91	41.90	12%
Gold produced HL, koz	0.48	0.43	13%	1.51	1.35	12%

Placer mining

In 2022, the Company operated two placer mines - Byor and Khayarilakh. Q4 2022 gold production from both placers totalled 0.37 koz, a minor decrease compared 0.38 koz in Q4 2021. Alluvial operations are seasonal and depend on the weather conditions. Both placers were discontinued in Q4 2022 for the winter period. Alluvial mining will commence again in Q2 2023.

Placer mining	Q4		Change	Full year		Change
	2022	2021		2022	2021	
Overburden, 000'm3	88.26	90.40	-2%	1,088.76	1,492.20	-27%
Capital mining, 000'm3	57.65	77.10	-25%	270.75	425.70	-36%
Placer gravel washed, 000'm3	19.55	35.30	-45%	514.15	631.80	-19%
Average grade, mg/m3	583.89	336.12	74%	476.20	590.42	-19%
Gold produced, kg	11.42	11.87	-4%	244.84	373.03	-34%
Gold produced, koz	0.37	0.38	-4%	7.87	11.99	-34%

Perevalnoe project

During Q4 2022 the gold production from the new Perevalnoe HL-plant amounted to 0.76 koz. The operations at the plant commenced in 2022, and during this first year, the operations has been in a testing phase that has not yielded desired results. Different further production options are being evaluated.

KOPY GOLDFIELDS

In Q2 2022, the Perevalnoe CIP mill was stopped and mothballed following depletion of open pit mines, and no further gravity and flotation concentrates were produced during the year. GE production from previously produced flotation concentrate amounted to 1.76 koz, a decrease of 67%.

Perevalnoe project	Q4		Change	Full year		Change
	2022	2021		2022	2021	
CIP						
Ore processed, 000'tons	-	45.94	100%	45.62	173.43	-74%
Average grade, g/t	-	3.34	-100%	3.84	4.30	-11%
Gravity concentrate produced, tons	-	75.82	-100%	75.51	326.97	-77%
Average grade, g/t	-	458.19	-100%	628.51	688.47	-9%
Flotation concentrate produced, tons	-	1,299.41	-100%	1,544.50	6,001.20	-74%
Average grade, g/t	-	83.69	-100%	78.21	78.81	-1%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	54.84	165.74	-67%	304.58	752.65	-60%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), koz	1.76	5.33	-67%	9.79	24.20	-60%
Heap Leach (HL)						
Ore stacking, 000'tons	65.35	19.97	227%	281.94	42.05	571%
Grade, g/t	1.19	1.33	-11%	1.45	1.45	0%
Gold in ore stacked, kg	77.65	26.58	192%	407.51	60.82	570%
Gold produced HL, kg	23.78	-	n/a	90.83	-	n/a
Gold produced HL, koz	0.76	-	n/a	2.92	-	n/a

Malyutka project

The Malyutka project is Kopy Goldfields' next major project to be launched. Production at Malyutka is planned to commence in 2023 with full capacity to be reached in 2024. In Q4 2022, mining commenced at the site with 71.62 thousand cubic meter of waste stripping and a total of 10.26 thousand tonnes mined. The ore had an average grade of 0.60 g/t.

Zolotaya Zvezda

In Q4 2022, Kopy Goldfield's wholly owned subsidiary AG Mining acquired a 25% interest in the gold production company Zolotaya Zvezda located in the Khakassia region of Russia. In 2022, the total GE production from Zolotaya Zvezda's Mayskiy and Chazy-Gol HL projects amounted to 5.32 koz. Zolotaya Zvezda will be included in the Group's financial reporting as an associated company from the date of the acquisition.

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.

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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 CET on 20 January 2023.

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About Kopy Goldfields

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