

" Production growth following operational improvements

Mikhail Damrin, CEO

First quarter report – March 31, 2023

Q1, JANUARY – MARCH 2023 (January – March 2022)

- Revenue TUSD 26,107 (25,654)
- EBITDA TUSD 1,163 (11,142)
- Loss for the period -3,130 (3,700)
- Earnings per share before dilution USD -0.0035 (0.0042)

SUMMARY OF FINANCIAL INFORMATION

	Q1 2023	Q1 2022	Δ %	Full year 2022
Gold production (gold equivalent), koz	8.24	7.24	14%	42.94
Gold sales (gold equivalent), koz	13.87	13.49	3%	70.00
Average realized gold price, USD/oz	1,856	1,887	-1%	1,639
Revenue, TUSD	26,107	25,654	2%	115,775
Gross profit/loss, TUSD	4,650	13,960	-67%	-2,609
EBITDA, TUSD	1,163	11,142	-90%	11,235
EBITDA margin, %	4%	43%	-	10%
Loss/profit for the period, TUSD	-3,130	3,700	-185%	-29,480
Earnings per share before dilution, USD	-0.0035	0.0042	-183%	-0.03
Cash & cash equivalents at the end of the period, TUSD	851	3,563	-76%	6,293
Net debt, TUSD	123,035	61,509	100%	118,383
Equity per share, USD	0.0842	0.1091	-23%	0.093

Glossary and definitions of the above performance measures are presented on page [17-18].

Comments from the CEO

Production growth following operational improvements

Kopy Goldfields AB reports another quarter with operational achievements in line with the company strategy aimed at increasing operational efficiency at the Yubileyniy site and developing the Malyutka project. Production costs remained elevated as ore inventories were reduced, hampering financial performance.

Production

The total consolidated production during Q1 2023 amounted to 8.24 koz, a 14% increase compared to Q1 2022 which was mainly driven by the Yubileyniy CIP plant capacity upgrade and finetuning during 2022. The Malyutka project is on track aiming for the launch in 2023. The total unconsolidated production from the Zolotaya Zvezda Mayskiy project amounted to 0.53 koz in the reporting period.

Financial performance

Gold sales increased by 3% compared to Q1 2022 resulted in revenues of MUS\$ 26. Our average gold price during the quarter amounted to 1,856 USD/oz which was approximately the same as in Q1 2022. EBITDA and the net result were negatively affected by increased costs of sales mainly as a result of high production cost and strengthen of the Russian Ruble. Production costs per ounce at Perevalnoe remained elevated in the quarter affecting cost of sales and thus EBITDA. Going forward production costs per ounce are expected to normalise.

Project development

We confirm our plan to commissioning the Malyutka project later in 2023. Malyutka is our major development project in 2023 as we are eager to reach our production target of 100 koz of gold in 2025. As scheduled, construction as well as engineering works are being implemented on the site.

Investments into the Yubileyniy project during the quarter were aimed at further equipment upgrade and underground mine capital development.

We also continue modernizing and extending Zolotaya Zvezda's Mayskiy processing plant as we see a lot of exploration and production potential in the Khakassia region.

ESG

During the quarter we continued the realization of our ESG strategy and as a result Kopy Goldfield's subsidiary, Amur Zoloto, received an ESG rating from one of the national rating agencies at BBB.esg level. The Company is now eligible for green financing and will consider various options to raise funds for our ESG projects. In addition, in Q1 2023 to support the local communities in the area of the Company's operation we signed agreements for socio-economic development with the Khabarovsk region and with Ayano-Maisky district.

Macro environment

The mining industry in Russia is facing various challenges affecting the operations and financial performance. In order to maintain Kopy Goldfields' strategic flexibility we are constantly evaluating our risk profile and monitoring the development of legislation and markets 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 and adjust operations accordingly. Nevertheless, Russian macroeconomic indicators remained stable during the quarter, supply and sales channels were secured. The gold market in Russia was volatile in Q1 2023 but in general the local prices denominated in the Russian Ruble strengthened.

Outlook

In 2023 we continue focusing on our operational efficiency at Yubileyniy and plan to kick-off the gold production from the Malyutka project as planned. Mid-term we are looking forward to developing our project in the Khakassia region as it has substantial production potential. We remain committed to our long-term strategy and targets.

Mikhail Damrin

CEO Kopy Goldfields



Operations

Summary Gold production

During the reporting period the Company operated two bedrock projects, Yubileyniy and Perevalnoe, and two placer mines, Onne and Buor in the Khabarovsk region of Russia. In addition, the Company operated a non-consolidated producing gold project, Zolotaya Zvezda, in the Khabarovsk region of Russia. The consolidated gold equivalent production during Q1 2023 compared with the gold production during the corresponding period in 2022 and full year 2022, is presented in the following table:

Gold equivalent (GE) production	Q1 2023		Q1 2022		Full year 2022	
	kg	koz	kg	koz	kg	koz
Yubileyniy project (CIP)	180.39	5.80	120.84	3.88	631.11	20.29
Yubileyniy project (HL)	-	-	-	-	46.91	1.51
Perevalnoe project (CIP)	62.68	2.02	102.08	3.28	304.58	9.79
Perevalnoe project (HL)	10.03	0.32	-	-	90.83	2.92
Placer mines	-	-	-	-	244.84	7.87
Silver production, in GE	3.25	0.10	2.36	0.08	17.18	0.55
Total GE production	256.35	8.24	225.27	7.24	1,335.45	42.94

The total gold equivalent (GE) production during Q1 2023 amounted to 8.24 koz (256.35 kg), a 14% increase compared to 7.24 koz (225.27 kg) in Q1 2022. Q1 2023 GE production included 8.59 koz (267.08 kg) of silver, equivalent of 0.10 koz (3.25 kg) of gold.

Gold production from the upgraded Yubileyniy CIP plant increased by 49% compared to Q1 2022 following the capacity

upgrade in 2022. In Q1 2023, advance mining operations continued at the Malyutka project aiming for the launch in 2023.

In addition, the total GE production from the unconsolidated Zolotaya Zvezda Mayskiy project amounted to 0.53 koz in the reporting period.

Comments on operations

Yubileyniy project

The production from the Yubileyniy CIP plant amounted to 5.80 koz in Q1 2023, an increase of 49% compared to 3.88 koz in Q1 2022. The increase in production in Q1 2023 was primarily

explained by a 45% increase in the volume of ore processed compared to Q1 2022. This increase was the result of the capacity upgrade of the Yubileyniy mill from 130 ktpa to 250 ktpa completed in 2021-2022.

Yubileyniy project	Q1 2023	Q1 2022	Δ %	Full year 2022
CIP				
Underground ore mined, 000' ton	68.73	62.79	9%	262.73
Underground development, meter	539.80	607.70	-11%	2,497.80
Underground ore grade, g/t	4.08	4.20	-3%	4.28
Ore processed, 000' ton	52.44	36.05	45%	191.38
Average grade, g/t	4.57	5.21	-12%	4.91
Gold produced CIP, kg	180.39	120.84	49%	631.11
Gold produced CIP, koz	5.80	3.88	49%	20.29
Heap Leach (HL)				
Ore stacking, 000' ton	9.55	-	n/a	17.48
Grade, (g/t)	2.92	-	n/a	2.99
Gold in ore stacked, kg	27.84	-	n/a	52.30
Gold produced HL, kg	-	-	n/a	46.91
Gold produced HL, koz	-	-	n/a	1.51

Placer mining

The alluvial gold production is expected to commence in Q2 2023 when the snow and permafrost melts. During 2023 the company targets to operate Onne and Buor alluvial projects. In Q1 2023 waste stripping operations at the two placer mines were started and totaled 30.10 thousand m³ (compared to 41.10 thousand m³

in Q1 2022) of overburden. Alluvial operations are seasonal and depend on the weather conditions. The waste stripping is conducted largely in the autumn and early spring with washing of gravels normally from May to October.

Placer mining	Q1 2023	Q1 2022	Δ %	Full year 2022
Overburden, 000' m ³	30.10	41.10	-27%	1,088.76
Capital mining, 000' m ³	1.00	-	n/a	270.75
Placer gravel washed, 000' m ³	-	-	n/a	514.15
Average grade, mg/m ³	-	-	n/a	476.20
Gold produced, kg	-	-	n/a	244.84
Gold produced, koz	-	-	n/a	7.87

Perevalnoe project

During Q1 2023 the gold production from the Perevalnoe HL-plant amounted to 0.32 koz. The operations at the plant commenced in 2022, and during this first year, the operations have been in a testing phase that has not yielded desired results. Different further production options are being evaluated.

In Q2 2022, the Perevalnoe CIP mill was stopped and moth-balled following depletion of open pit mines, and no further gravity and flotation concentrates have been produced. GE production from previously produced flotation concentrate amounted to 2.02 koz in Q1 2023, a decrease of 39% compared to Q1 2022.

Perevalnoe project	Q1 2023	Q1 2022	Δ %	Full year 2022
CIP				
Ore processed, 000 tons	-	45.62	n/a	45.62
Average grade, g/t	-	3.84	n/a	3.84
Gravity concentrate produced, tons	-	75.11	n/a	75.51
Average grade, g/t	-	626.81	n/a	628.51
Flotation concentrate produced, tons	-	1,531.47	n/a	1,544.50
Average grade, g/t	-	77.28	n/a	78.21
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	62.68	102.08	-39%	304.58
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), koz	2.02	3.28	-39%	9.79
Heap Leach (HL)				
Ore stacking, 000' tons	-	37.42	n/a	281.94
Grade, g/t	-	1.55	n/a	1.45
Gold in ore stacked, kg	-	58.14	n/a	407.51
Gold produced HL, kg	10.03	-	n/a	90.83
Gold produced HL, koz	0.32	-	n/a	2.92

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. Zolotaya Zvezda is included in the Group's financial reporting as an associated company from the date of the acquisition.

During 2023, Zolotaya Zvezda plans to produce Mayskiy and Chazy-Gol bedrock gold deposits using heap-leach processing technology. In Q1 2023, the total GE production from the Zolotaya Zvezda Mayskiy project amounted to 0.53 koz.

Development

In Q1 2023, mining operations at the Malyutka project included 152.09 thousand cubic meter of waste stripping and a total of 77.86 thousand tonnes of ore mined. The ore had an average grade of 1.20 g/t. Production at Malyutka is planned to commence in 2023 with full capacity to be reached in 2024.

Exploration

The Company owns the Krasny gold project together with the Russian gold producer GV Gold. During Q1 2023, 9 core holes with total of 1,825 meters within Krasny, Vostochny and Batiy areas were completed.

The Company's other exploration activities in Q1 2023 included:

- Chazy-Gol project of Zolotaya Zvezda, Khakassia: 1,192 meters of core drilling to verify geological model to support 2023 mining operations;
- Mayskiy project of Zolotaya Zvezda, Khakassia region: 1,667 meters of core drilling to verify geological model to support 2023 mining operations;
- Alluvial deposits, Khabarovsk region: 43 holes with total 318 meters were drilled at Buor project and 39 holes with total 197 meters were completed at Maly Safron project. The drilling was targeted to increase alluvial reserves to support the 2023 – 2024 and beyond placer mining.

Reserves and Resources

Following the resource statement issued in October 2020, Kopy Goldfields' total estimated M, I&I Mineral Resources amount to

ESG

In Q1 2023 Kopy Goldfields continued the realization of ESG strategy. In the reporting period Kopy Goldfield's subsidiary in Russia, Amur Zoloto, received an ESG rating from one of the national rating agencies at BBB.esg. The Company is now eligible for green financing (e.g. green bonds, subsidies, etc) and will consider options to finance its ESG projects.

Health and Safety

Kopy Goldfields is strongly committed to the health and safety of its employees and plans to continue improving its health and safety management system. In Q1 2023 Kopy Goldfields complied with a Health and Safety reporting system with KPIs integrated into the overall management reporting. LTIFR (Lost Time Injury Frequency Rate) stabilized at 0.75 in 2022 – one of the lowest levels in the Company's history.

Kopy Goldfields initiated a major reconstruction program at the shift camp at the Yubileyniy site and continued the construction of shift camp at the Malyutka site that would result in better living and social conditions for shift employees. In addition, Kopy Goldfields continued to work on turnover reduction and initiated a retention program and an internal value programs for the period of 2023 – 2024.

Risks and uncertainty

International sanctions environment

Kopy Goldfields is the Swedish parent company in a group that conducts gold production and exploration in Russia through its fully owned subsidiaries. As from the end of February 2022, the EU and other countries have imposed far-reaching sanctions against Russia and Russia has responded with counter sanctions. In December 2022, a new sanction package was adopted by EU, which focuses on limiting financing of Russian mining projects by EU residents. The Group is financed through its subsidiaries mining operations, the group's available cash sources and finance facilities with local Russian banks. The Group follows the laws and regulations in the legislations where it operates and is working to adapt the organization to the new circumstances. Sanctions

2,537 koz of gold, and total Probable Ore Reserves amount to 1,282 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 the first half of 2023.

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

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. The warm season is also the high season for heap leach operations.

Environment and climate change

Kopy Goldfields finalized, as planned, the pre-design and engineering for solar power plants at Yubileyniy and Malyutka sites. Both power plants should, upon implementation, significantly reduce CO2 emissions and the average cost of electricity at both sites.

In Q1 2023 Kopy Goldfields started the development of Environmental reporting system with KPIs integrated into the overall management reporting. This initiative is going to be implemented by the end of 2023.

Social

Kopy Goldfields continued maintaining relationship with different stakeholder groups in the reporting period. The Company develops a plan aimed at communities in the regions of operation. In Q1 2023 Kopy Goldfields signed an agreement with the Khabarovsk region for socio-economic development. Also, in order to support the local communities in the area of the Company's operation, in the reporting period Kopy Goldfields signed a local community support program with Ayano-Maisky district.

regarding gold sales have been imposed by G7-countries and by EU. Kopy Goldfields is not, and has never been, exporting to any country falling under the gold sales sanctions.

Mining operations, processing and gold sales activities continue together with the implementation of the Company's development plans. All business activities are however influenced by and exposed to the international sanctions' environment. Increased monetary restrictions and regulations affect and complicates cross-border transactions and transfers and may affect the Parent Company's cash situation and access to cash balances.

For further information, see note 4 in this report and the Annual Report 2022.

Comments on financial performance

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

Gold sales (GE) for Q1 2023 amounted to 13.87 koz (13.49 koz), an increase of 3%. GE sales in Q1 2023 included silver sales equivalent to 0.19 koz of gold.

Total revenues for Q1 2023 amounted to TUSD 26,107 (25,654), a 2% increase compared to Q1 2022.

The average realized gold price amounted to 1,856 USD/oz in the reporting period (1,887 USD/oz in Q1 2022).

Kopy Goldfields sells refined gold and silver bullions mainly to Russian commercial banks at prices competitive to international US dollar prices. During 2022, the Company widened the sales channels both within Russia and by starting to export gold.

Costs of Sales for Q1 2023 amounted to TUSD 21,457 (11,694), an increase of 83% compared to the corresponding period of 2022 primarily as a result of higher production volumes

and cost per ounce produced at Perevalnoye HL, strengthen of the Russian Ruble and general price inflation.

Total Cash Costs ("TCC") amounted to TUSD 21,552 in Q1 2023 (12,283), an increase of 75% compared to Q1 2022 as a result of significantly higher costs of gold and silver sales. TCC per gold equivalent ounce sold (TCC/oz) therefore increased by 71% in Q1 2023 and amounted to USD 1,554 per GE oz compared to USD 911 per GE oz in Q1 2022.

All-in sustaining costs ("AISC") per gold equivalent ounce sold increased by 57% from USD 1,256 per GE oz in Q1 2022 to USD 1,970 per GE oz in Q1 2023. Corporate, general and administrative expenses increased by 88% mainly due to strengthen of the Russian Ruble.

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

Total Cash Costs (TCC) (TUSD)	Q1 2023	Q1 2022	Δ %	Full year 2022
Cost of gold and silver sales	21,277	11,554	84%	118,384
Property, plant, and equipment depreciation and amortization	-1,561	-2,121	-26%	-12,126
Provision for mine closure, rehabilitation, and decommissioning costs	-	-	-	-125
Change in allowance for slow-moving and obsolete inventory	1,836	2,850	-36%	-5,992
Total cash costs	21,552	12,283	75%	100,141
Ounces sold (GE koz)	13.87	13.49	3%	70.02
TCC per GE ounce sold (USD/oz)	1,554	911	71%	1,430

All-in Sustaining Costs (AISC) (TUSD)	Q1 2023	Q1 2022	Δ %	Full year 2022
Total cash costs	21,552	12,283	75%	100,141
Corporate, general, and administrative expenses	3,760	2,004	88%	14,284
Amortization and depreciation related to corporate, general, and administrative expenses	-66	-12	452%	-192
Provision for mine closure, rehabilitation, and decommissioning costs	0	-0	-100%	125
Sustaining exploration expenses	0	258	-100%	514
Sustaining capital expenses	1,474	1,713	-14%	2,714
Sustaining lease payments	600	692	-13%	2,442
Total all-in sustaining costs	27,319	16,938	61%	120,027
Ounces sold (GE koz)	13.87	1,49	3%	70.02
AISC per GE ounce sold (USD/oz)	1,970	1,256	57%	1,714

The gross profit in Q1 2023 decreased by 67% compared to Q1 2022 and amounted to TUSD 4,650 (13,960). The Gross margin decreased to 18% in Q1 2023, compared to 54% in the corresponding period of 2022.

General and Administrative expenses (G&A expenses) for Q1 2023 increased by 22% compared to Q1 2022 and amounted to TUSD 2,389 (1,965). Other operating expenses for the reporting quarter increased by 273% compared to Q1 2022 and were mainly affected by the mothballing of Perevalnoye.

The operating profit for Q1 2023 amounted to TUSD 826 (TUSD 11,610). EBITDA for Q1 2023 decreased by 90% to TUSD 1,163 (11,142), with an EBITDA margin of 4% compared to 43% in Q1 2022.

EBITDA is a non-IFRS financial measure and is reconciled as follows:

EBITDA reconciliation to Profit before tax (TUSD)	Q1 2023	Q1 2022	Full year 2022
Loss/profit before tax	-3,592	4,537	-33,778
Share of net profit/loss of associates	148	203	-124
Financial income	-192	-1,485	-1,142
Financial costs	4,462	8,355	10,445
Depreciation and depletion	1,637	2,048	12,126
Net realizable value allowance for stockpiles, work in progress, and finished goods	-1,836	-2,850	5,992
Loss from settlement of gold loan liability	-	-	9,105
Change in allowance for slow-moving and obsolete inventory	18	-4	14
Impairment of property, plant and equipment and exploration and evaluation assets	-	-	8,774
Foreign exchange income/loss and other one-off adjustments	518	338	-177
EBITDA	1,163	11,142	11,235

The net financial expenses amounted to TUSD -4,418 (-7,073) during the reporting quarter. The quarterly net financial result was positively affected mainly by decreased financial costs amounting to TUSD 4,462 (8,355) due to lower fair value loss on derivatives valuation compared to Q1 2022.

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 2022–2025 with ceiling prices exceeding USD 2,500/oz. The Company shows Derivative financial liabilities in the balance sheet of TUSD 1,617 as of March 31, 2023, relating to the fair value of derivatives on gold commodities (TUSD 664 as of December 31, 2022).

The net result for Q1 2023, attributable to shareholders of the parent company, amounted to a loss of TUSD -3,130 (3,700), corresponding to USD -0.0035 (USD 0.0042) per share before and after dilution.

Comments on the financial position

Total loans and borrowings amounted to TUSD 119,493 at period end, compared to TUSD 119,745 as of December 31, 2022. For more information, see note 3.

Total net debt as of March 31, 2022 amounted to TUSD 123,035 compared to TUSD 118,383 as of December 31, 2022. The net debt calculation does not include gold in stock, see Liquidity. Net Debt is a non-IFRS financial measure and is reconciled as follows:

Total Net Debt (TUSD)	Mar 31, 2023	Dec 31, 2022
Borrowings	119,493	119,745
Contract liability	-	-
Leasing	4,393	4,931
Total debt	123,886	124,676
Cash and cash equivalents	-851	-6,293
Total Net debt	123,035	118,383

Total Net Debt/LTM EBITDA amounted to 92.89x as of March 31, 2023, compared to 10.54x as of December 31, 2022.

Investments

Net cash flows used in investing activities during Q1 2023 amounted to TUSD 8,688 (9,953). The investments in assets included:

- Yubileyniy project of TUSD 1,679 with the majority relating to mill equipment scheduled upgrade and underground mine capital development;
- Perevalnoe project of TUSD 46;
- Malyutka project of TUSD 5,428 referring to infrastructure construction and equipment, including a hydrometallurgy workshop building with a technological control laboratory, dormitory, canteen, laundry and bathing facilities, fresh water pump station open pit mine preparations, fuel storage;
- Other projects of TUSD 203;
- Exploration of TUSD 33, referring to drilling at Krasivoe underground deposit and alluvial projects, and equipment;
- Capitalized borrowing costs of TUSD 203;
- Loans provided to associates of TUSD 1,091.

Liquidity

The Company's cash and cash equivalent position as of March 31, 2023 amounted to TUSD 851, compared to TUSD 6,293 as of December 31, 2022. At March 31, 2023, unused credit facilities amounted to TUSD 2,841 (at December 31, 2022: TUSD 2,833). The bank credit facilities may be drawn by the bank notice in RUB and have an average maturity of 5 years.

Gold in stock ready for sale (not included in cash and cash equivalents) amounted to 0.75 koz at period end, corresponding to a market value of TUSD 1,491. Gold in stock ready for sale as of December 31, 2022 amounted to 3.41 koz.

Personnel

As of March 31, 2023, the Group had 1,000 (732) employees, of which 744 (647) were men and 256 (85) women. The average number of employees during Q1 2023 was 897 (719), of which 755 (649) were men and 142 (70) women.

Board of directors

Kopy Goldfields' board of directors, elected at the AGM in May 2022, consists of three members: Kjell Carlsson (chairman), Eric Forss and Arsen Idrisov.

The Parent Company

The Parent Company's revenue for Q1 2023 totaled TSEK 1,037 (250). The revenue was related to invoicing to subsidiaries. Net profit for Q1 2023 amounted to TSEK 5,403 (3,511). The main driver for the profit in Q1 2023 was non-cash revaluation of intra-group debt following the appreciation of the Russian Ruble.

Total assets at period end amounted to TSEK 1,989,708 and remained relatively unchanged compared to TSEK 1,987,156 as of December 31, 2022. Cash and cash equivalents as of March 31, 2023 amounted to TSEK 4,778 compared to TSEK 5,157 as of December 31, 2022. Equity as of March 31, 2023, amounted to TSEK 1,859,650 (December 31, 2022: TSEK 1,854,247).

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

The share

On March 31, 2023, the total number of issued shares in Kopy Goldfields AB was 903,204,375 (the same number of shares as per Dec 31, 2022), with a quota value of SEK 0.38 (SEK 0.38). All shares represent one vote each.

Dividend

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.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME/LOSS

<i>Amounts in thousands of US Dollars (TUSD)</i>	Q1 2023	Q1 2022	Full year 2022
Revenue from contracts with customers	26,107	25,654	115,775
Cost of sales	-21,457	-11,694	-118,384
Gross profit/loss	4,650	13,960	-2,609
General and administrative expenses	-2,389	-1,965	-10,076
Impairment of property, plant and equipment and exploration and evaluation assets	-	-	-8,774
Other operating expenses, net	-1,435	-385	-3,140
Operating profit/loss	826	11,610	-24,599
Share of net loss/profit of associates	-148	-203	124
Financial income	192	1,485	1,142
Financial costs	-4,462	-8,355	-10,445
Financial expenses, net	-4,418	-7,073	-9,179
Loss/profit before tax	-3,592	4,537	-33,778
Income tax	462	-837	4,298
Loss/profit for the period/year	-3,130	3,700	-29,480
<i>Of which attributable to:</i>			
Parent company shareholders	-3,130	3,700	-29,480
Other comprehensive loss/income			
<i>Items that will not be reclassified to profit or loss</i>			
Exchange differences on translation to presentation currency	-4,858	-8,943	10,195
Total comprehensive loss for the period	-7,988	-5,243	-19,285
<i>Of which attributable to:</i>			
Parent company shareholders	-7,988	-5,243	-19,285
Non-controlling interest	-	-	-
Loss/earnings per share for profit attributable to the ordinary equity holders of the company			
Basic loss/earnings per share (USD)	-0.0035	0.0042	-0.0327
Diluted loss/earnings per share (USD)	-0.0035	0.0042	-0.0327

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in thousands of US Dollars (TUSD)</i>	<i>Note</i>	Mar 31, 2023	Dec 31, 2022
Assets			
Non-current assets			
Exploration and evaluation assets		1,733	1,848
Property, plant, and equipment		89,459	85,467
Right-of-use assets		8,596	9,238
Investments in associates		34,350	35,745
Financial assets at amortized cost		4,114	4,007
Loans receivable from associate		1,069	-
Deferred tax assets		6,278	6,402
Inventories		3,295	3,611
Total non-current assets		148,894	146,318
Current assets			
Inventories		64,619	59,499
Other current assets		4,689	2,673
Other receivables		1,350	1,087
Advances paid		2,301	2,306
Taxes receivable		7,882	4,771
Income tax receivable		195	253
Loans receivable from associate		159	172
Cash and cash equivalents		851	6,293
Total current assets		82,046	77,054
Total assets		230,940	223,372
Equity			
Equity attributable to shareholders of the Parent Company			
Share capital		39,663	39,663
Other contributed capital		48,981	48,981
Foreign currency translation reserve		-39,344	-34,486
Retained earnings, including profit for the period		26,739	29,869
Total equity attributable to shareholders of the Parent Company		76,039	84,027
Liabilities			
Non-current liabilities			
Loans and borrowings	3	97,802	-
Mine rehabilitation provision		4,421	4,771
Lease liabilities		2,699	2,815
Derivative financial liabilities		1,617	664
Total non-current liabilities		106,539	8,250
Current liabilities			
Loans and borrowings	3	21,691	119,745
Mine rehabilitation provision		349	562
Lease liabilities		1,694	2,116
Accounts payable and accrued liabilities		23,262	6,956
Taxes payable		1,366	1,716
Total current liabilities		48,362	131,095
Total liabilities		154,901	139,345
Total equity and liabilities		230,940	223,372

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of US Dollars (TUSD)	Note	Attributable to shareholders of the Parent Company				Total
		Share capital	Other contributed capital	Foreign cur- rency transla- tion reserve	Retained earn- ings, including profit/loss for the period	
Opening balance January 1, 2022		39,115	48,635	-44,681	59,349	102,418
Loss for the period		-	-	-	-29,480	-29,480
Other comprehensive in- come for the period		-	-	10,195	-	10,195
Total comprehensive in- come for the period		-	-	10,195	-29,480	-19,285
Transactions with own- ers in their capacity as owners						
Incentive programs 2018/2021		66	-71	-	-	-5
Incentive programs 2022/2026 and 2022/2025		-	81	-	-	81
Share issue		482	336	-	-	818
Closing balance December 31, 2022		39,663	48,981	-34,486	29,869	84,027

Opening balance January 1, 2023		39,663	48,981	-34,486	29,869	84,027
Loss for the period		-	-	-	-3,130	-3,130
Other comprehensive loss for the period		-	-	-4,858	-	-4,858
Total comprehensive in- come for the period		-	-	-4,858	-3,130	-7,988
Closing balance at March 31, 2023		39,663	48,981	-39,344	26,739	76,039

CONSOLIDATED STATEMENT OF CASH FLOW

<i>Amounts in thousands of US Dollars (TUSD)</i>	<i>Note</i>	Q1 2023	Q1 2022	FY 2022
Cash flow from operating activities				
Loss/profit before tax		-3,592	4,537	-33,778
Adjustments for non-cash items				
Depreciation and depletion of property, plant and equipment, and right of-use assets		1,637	2,048	12,126
Impairment of property, plant and equipment and exploration and evaluation assets		-	-	8,774
Finance costs		4,462	8,355	10,445
Finance income		-192	-1,485	-1,142
Gain on disposal of subsidiary		-	-	1
Movements in allowance for obsolete inventory and net realizable value		-1,818	-2,854	6,006
Foreign exchange gain/loss		518	318	-267
Share of net profit/loss of associates		148	203	-124
Revenue from settlement of gold loan liability		-	-	-32,619
Other non-cash adjustments		29	-2	-208
Cash flow from operating activities before changes in working capital		1,192	11,120	-30,786
Changes in working capital				
Change in inventories		-10,513	-6,410	-3,285
Change in other receivables and advances paid		-4,708	-2,611	-1,867
Change in trade and other payables and advances received		10,159	5,073	-8,979
Change in other assets		870	-4,219	6,068
Cash flow from operating activities		-3,000	2,953	-38,849
Interest received		61	105	426
Interest paid		-2,648	-1,052	-7,771
Income tax paid		-	-165	-205
Net cash flow from operating activities		-5,587	1,841	-46,399
Cash flow from investing activities				
Purchase of investments in associates		-	-	-7,457
Purchase of property, plant, and equipment		-7,360	-9,573	-23,987
Purchase of exploration and evaluation assets		-34	-33	-2,035
Interest paid capitalized		-203	-347	-1,422
Loans provided to associates		-1,091	-	-199
Net cash flows used in investing activities		-8,688	-9,953	-35,100
Cash flow from financing activities				
Proceeds from the issue of shares		-	-	817
Proceeds from loans and borrowings from third party, net of debt issue costs		10,115	6,560	88,067
Repayment of derivative financial liabilities		-	-	-134
Repayment of loans and borrowings		-153	-	-2,589
Repayment of finance lease liabilities		-1,129	-1,030	-4,514
Net cash flow from financing activities		8,833	5,530	81,647
Net decrease/increase of cash and cash equivalents		-5,442	-2,582	148
Cash and cash equivalents, opening balance		6,293	6,145	6,145
Cash and cash equivalents, closing balance		851	3,563	6,293

PARENT COMPANY CONDENSED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

<i>Amounts in thousands of Swedish Krona (TSEK)</i>	Q1 2023	Q1 2022	Full year 2022
Revenue	1,037	250	1,092
Total operating income	1,037	250	1,092
General and Administrative Expenses	-2,910	-3,855	-9,613
Operating loss	-1,873	-3,605	-8,521
Results from investments in subsidiaries	-	-	-1,371
Financial items	7,276	7,116	-19,566
Result after financial items	5,403	3,511	-29,458
Appropriations	-	-	-
Result before tax	5,403	3,511	-29,458
Income tax	-	-	0
Net result	5,403	3,511	-29,458
Other comprehensive income (loss)			
Translation differences	-	-	-
Total comprehensive income (loss)	5,403	3,511	-29,458

PARENT COMPANY CONDENSED BALANCE SHEET

<i>Amounts in thousands of Swedish Krona (TSEK)</i>	Note	Mar 31, 2023	Dec 31, 2022
Assets			
Non-current assets			
Machinery and equipment		25	26
Shares in group companies		1,928,483	1,928,483
Other non-current financial assets		42,591	41,820
Non-current assets		1,971,099	1,970,329
Current assets			
Receivables		13,831	11,670
Cash & cash equivalents		4,778	5,157
Current assets		18,609	16,827
Total assets		1,989,708	1,987,156
Equity and liabilities			
Equity		1,859,650	1,854,247
Current liabilities		130,058	132,909
Total equity and liabilities		1,989,708	1,987,156

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, Khakassia and Irkutsk regions of the Russian Federation. Kopy Goldfields AB is a public company listed on Nasdaq First North Growth Market, Stockholm, under the ticker code "KOPY".

NOTE 2 ACCOUNTING PRINCIPLES

The interim report for the period ended 31 March 2023 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 2022 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 2022 annual report.

The same accounting principles have been applied during the period as were applied during the 2022 financial year and corresponding interim reporting period in the way they were described in the 2022 annual report, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

New standards and amendments effective for periods beginning on 1 January 2023 and therefore relevant to these interim financial statements.

Title	Subject	Effective for annual periods beginning on or after	Expected effect on the consolidated financial statements
IFRS 17 Insurance Contracts	Transfer of Insurance Coverage under a Group of Annuity Contracts	1 January 2023	No effect
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies)	The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	1 January 2023	No effect
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	The amendments clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.	1 January 2023	No effect
IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	The amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.	1 January 2023	No effect

New standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

Title	Subject	Effective for annual periods beginning on or after	Expected effect on the consolidated financial statements
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024	No effect
IAS 1 Presentation of Financial Statements	Amendment – Classification of Liabilities as Current or Non-Current	1 January 2024	No effect
IAS 1 Presentation of Financial Statements	Amendment – Non-current Liabilities with Covenants	1 January 2024	No effect

NOTE 3 LOANS AND BORROWINGS

(TUSD)	Interest rate	Maturity	Mar 31, 2023	Dec 31, 2022
Long-term borrowings				
RUB denominated bank loans	Key rate of Russian Central Bank plus a margin of 2.95%	September 2024 – September 2027	97,802	-
Total long-term borrowings			97,802	-
Short-term borrowings				
RUB denominated Bank loans	Key rate of Russian Central Bank plus a margin of 2.95% - 3.25%	June 2023 – March 2024	15,050	112,608
Agency factoring	10.04%	December 2023	5,242	5,723
USD denominated borrowings from Shareholder	0%	On demand	1,250	1,250
Other RUB denominated borrowings	0%	On demand	149	164
Total short-term borrowings			21,691	119,745
Total			119,493	119,745

NOTE 4 RISKS AND UNCERTAINTIES

A detailed description of the Company's risks is included in the 2022 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. Since the end of February 2022, new sanctions have been introduced by the US, the EU and other countries. In response, Russia has imposed countersanctions. In December 2022, a new sanction package was adopted by EU, which focuses on limiting financing of Russian mining projects by EU residents. The Group is financed through its subsidiaries mining operations, the Group's available cash sources and finance facilities with local Russian banks. The Company follows the laws and regulations and is working to adapt the organization to the new circumstances.

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 cross-border activities are under strong pressure. In addition, Russian companies are facing increased monetary restrictions and regulations, which affect and complicates cross-border transactions and transfers.

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. Depending on how events transpire, there is the potential for political, economic, and other implications that may impact the company:

Economic sanctions on organizations, individuals 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.

Restrictions or problems with intragroup cross-border transactions may affect the Parent Company's cash situation.

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.

Currency rates used in the report

Year 2023	RUB/USD	SEK/USD	SEK/RUB
Average Q1	72.7738	10.4310	0.1434
March 31	77.0863	10.3539	0.1353
Year 2022	RUB/USD	SEK/USD	SEK/RUB
Average Q1	86.0693	9.3374	0.1088
Average Q2	66.6244	9.8203	0.1466
Average Q3	59.4308	10.5312	0.1769
Average Q4	62.4246	10.7306	0.1717
March 31	84.0851	9.2641	0.1102
June 30	51.1580	10.2194	0.1989
September 30	57.4130	11.1227	0.1978
December 31	70.3375	10.4371	0.1484

Stockholm May 25, 2023
Kopy Goldfields AB (publ)
Org. No. 556723-6335

Mikhail Damrin
CEO

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

Upcoming financial reporting

Report	Date
Half year 2023	August 24, 2023
Q3 2023	November 23, 2023
Year-end Report 2023	March 21, 2024

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

Report	Date
Q2 2023 Operations Report	July 21, 2023
Q3 2023 Operations Report	October 20, 2023
Q4 2023 Operations Report	January 19, 2024

Annual General Meeting 2023

The Annual General Meeting 2023 will be held on May 25, 2023, in Stockholm, Sweden.

For more information, please contact:

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Ticker code: KOPY (Nasdaq First North Growth Market)
Number of shares 903,204,375 (as per May 25, 2023)

Publication under Swedish law

This information is that Kopy Goldfields AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 am CEST on May 25, 2023.

Since June 3, 2011, Kopy Goldfields 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 have been acting as consultants and approved 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 year-end 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)

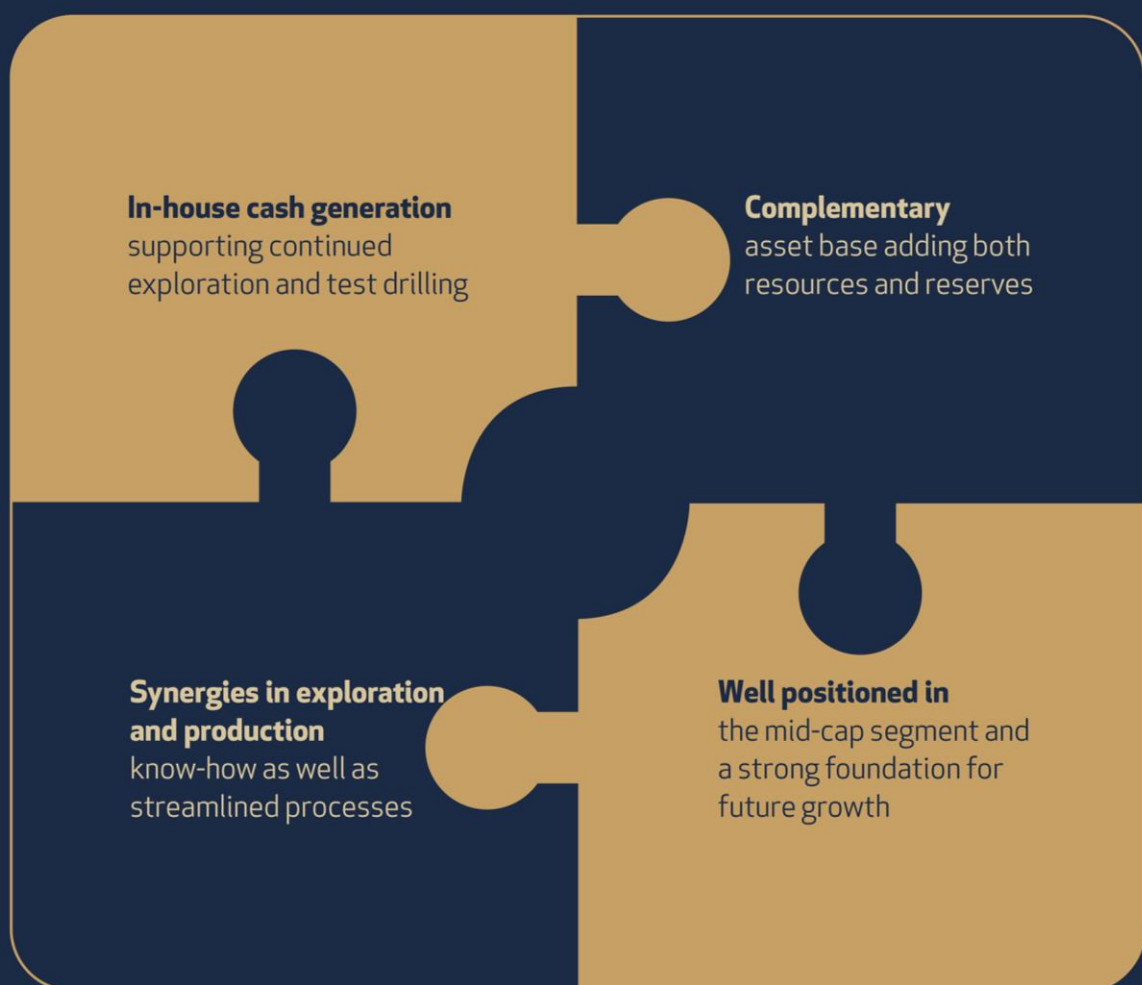
Alluvial gold	Mineralization in riverbeds at ground level.
Carbon-In-Pulp Gold Recovery (CIP)	A common process to recover gold that involves the use of cyanide to dissolve gold in solution and activated carbon to precipitate the gold.
Cut-off	The lowest grade, or quality, of mineralized material that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

www.kopygoldfields.com