

Increasing margins and improving operational performance at key mining sites

Mikhail Damrin, CEO

Second quarter report – June 30, 2023

APRIL – JUNE 2023 (April – June 2022)

- ▶ Revenue TUSD 15,985 (17,258)
- ▶ EBITDA TUSD 3,969 (4,217)
- ▶ Loss for the period TUSD -942 (-8,918)
- ▶ Earnings per share before dilution USD -0.001 (-0.0099)

JANUARY – JUNE 2023 (January – June 2022)

- ▶ Revenue TUSD 42,092 (42,912)
- ▶ EBITDA TUSD 5,132 (15,359)
- ▶ Loss for the period TUSD -4,072 (-5,218)
- ▶ Earnings per share before dilution USD -0.0045 (-0.0058)

SUMMARY OF FINANCIAL INFORMATION

	Q2 2023	Q2 2022	Δ %	H1 2023	H1 2022	Δ %	FY 2022
Gold production (gold equivalent), koz	9.1	12.5	-27%	17.3	19.7	-12%	42.94
Gold sales (gold equivalent), koz	7.98	9.45	-16%	21.85	22.9	-5%	70.02
Average realized gold price, USD/oz	1,969	1,806	9%	1,897	1,854	2%	1,639
Revenue, TUSD	15,985	17,258	-7%	42,092	42,912	-2%	115,775
Gross profit/loss, TUSD	5,370	-3,597	249%	10,020	10,363	-3%	-2,609
EBITDA, TUSD	3,969	4,217	-6%	5,132	15,359	-67%	11,235
EBITDA margin, %	25%	24%	-	12%	36%	-	10%
Loss for the period, TUSD	-942	-8,918	-89%	-4,072	-5,218	-22%	-29,480
Loss per share before dilution, USD	-0.001	-0.0099	-89%	-0.0045	-0.0058	-23%	-0.0327
Cash & cash equivalents at the end of the period, TUSD	1,160	2,083	-44%	1,160	2,083	-44%	6,293
Net debt, TUSD	124,782	108,097	15%	124,782	108,097	15%	118,383
Equity per share, USD	0.077	0.16	-51%	0.077	0.16	-51%	0.093

Glossary and definitions of the above performance measures are presented on pages 18-19.

Comments from the CEO

Operational improvements at key mining sites and progressing growth projects in a challenging business environment

During the second quarter of 2023, the Company increased gold production from key operational mines within both the Khabarovsk and the new Khakasia regions advancing in parallel with all major development projects. We managed to bring the recently upgraded Yubileyniy plant to exceed the capacity and achieved improved gold recovery. In addition, the construction of the important Malyutka project is on schedule with the production launch planned for later this year. Alluvial mining operations have been launched. Supported by higher gold prices, financial performance was stable.

Production

In the Khabarovsk region, the Yubileyniy CIP and HL and Buor placer were in operation by the end of the second quarter of 2023. The recently modernized and extended Yubileyniy plant exceeded the 250 ktpa capacity (on annual basis). Gold recovery has increased. During the remainder of 2023 the plant will be further modernized and the capacity is expected to increase by 15-20% by yearend with recovery reaching 85%. The total CIP production at Yubileyniy increased by 13% compared to Q2 2022. Operations at the Perevalnoe mill and HL were mothballed early in Q2. With the start of the warmer season, we launched production at our placer mine at Buor while operations at another placer deposit Onne was rescheduled to the next season due to failures with logistics during the spring floods. Overall production of gold equivalent was 27% below Q2 last year primarily due to the absence of Perevalnoye production.

Financial performance

Stronger Ruble nominated gold prices supported our financials during the quarter and the Q2 revenues were only 7% lower compared to Q2 last year, despite a 16% reduction in gold sales. The 2023 Q2 EBITDA was in line with Q2 2022. Our average achieved gold price during the quarter amounted to 1,969 USD/oz, a 9% increase compared to Q2 2022. While we report negative operating and net results for Q2, operating cash flow, before changes in working capital, remained positive.

Kopy Goldfields continues to achieve tax benefits for the Yubileyniy project, with zero Mineral Extraction Tax and reduced profit tax from March 2022. The preferential tax regime is designed to support regional investment projects within East Siberian and Far East regions of Russia.

Investments

We are making scheduled progress with all investment projects. Our main development focus in 2023 is the Malyutka project. Commissioning of this major growth driver will be the next milestone towards reaching our production target of 100 koz of gold in 2025. Considering the challenging business environment, we are generally on track with the construction and expect to commence production at Malyutka later this year with full capacity to be reached in 2024. In addition, we commenced preparations to extend the Yubileyniy project capacity from 250 to 400 ktpa which is planned to be commissioned in 2024.

Although the open pit reserves at Perevalnoe are depleted and HL operations were suspended earlier this year, in the current strong gold prices environment we see potential for future production of underground gold ore reserves and continues to evaluate different options on how to proceed with mine development.

We continue our exploration programs with focus on Yubileyniy, the alluvial areas and on Ket Kap, which is located in the greater Yubileyniy area. On Krasny, we have received all exploration results and assay tests from the 2022 exploration program and we are proceeding with updating the geological model and reserve report.

ESG

Our action plan targeting to reduce Lost Time Injury Frequency Rate ("LTIFR") is progressing. We are reviewing opportunities to use renewable energy from solar power plant at two of our sites. Design and engineering works had been finalized and validated the business case with solar panels. The next stage will be to arrange financing to support green energy development. In addition, we continue with our waste utilization project, in order to further minimize our environmental footprint.

Macro environment

The macro environment continues to create many challenges. International sanctions influence the business and the development strategy. The recent sanctions against mining companies in Russia adopted by EU and other countries affect our ability to finance the future CAPEX projects to facilitate production on the existing mines. To secure gold sales channels, to have more options and to get the best price, we have started to directly export gold to international markets. It is hard to predict what effects, if any, the gold export sanctions will have on the industry in general, but we are constantly evaluating the situation and considering our options to make sure that we are fully compliant.

Further restrictions on operations of international companies and new hard currency regulations have been introduced in Russia during H1 2023.

Gold price volatility affects revenues and a 24% depreciation of the Russian Ruble against the USD from the start of 2023 affected our results significantly in H1 2023. Increased restrictions and regulations complicate cross-border transactions and make supply chains more expensive.

Outlook

Any outlook today is more uncertain than usual. We proceed to do what we are good at – adopt to the circumstances and continue to effectively mine our gold deposits and explore for new ones. On the operational side, we are taking advantage of the warm season with alluvial and heap leach production. We continue with our development projects in order to meet our long-term production targets.



August 2023

Mikhail Damrin

CEO Kopy Goldfields

Operations

Summary Gold production

During the reporting period the Company operated the Yubileyniy bedrock project and the Buor alluvial deposit in the Khabarovsk region of Russia. In addition, the Company operated the non-consolidated Zolotaya Zvezda project in the Khakassia region of Russia. The consolidated gold equivalent production during Q2 2023 and H1 2023 compared to the corresponding periods in 2022 and the full year of 2022, is presented in the following table:

Gold equivalent (GE) production	Q2 2023		Q2 2022		H1 2023		H1 2022		FY 2022	
	kg	koz	kg	koz	kg	koz	kg	koz	kg	koz
Yubileyniy project (CIP)	217.97	7.01	193.09	6.21	398.36	12.81	313.93	10.09	631.11	20.29
Yubileyniy project (HL)	-	-	5.60	0.18	-	-	5.60	0.18	46.91	1.51
Perevalnoe project (CIP)	11.01	0.35	112.51	3.62	73.69	2.37	214.59	6.90	304.58	9.79
Perevalnoe project (HL)	-	-	-	-	10.03	0.32	-	-	90.83	2.92
Placer mines	52.59	1.69	71.72	2.31	52.59	1.69	71.72	2.31	244.84	7.87
Silver production, in GE	0.33	0.01	4.99	0.16	3.58	0.12	7.35	0.24	17.18	0.55
Total GE production	281.90	9.06	387.91	12.47	538.25	17.31	613.18	19.71	1,335.45	42.94

The total gold equivalent (GE) production during Q2 2023 amounted to 9.06 koz (281.90 kg), a 27% decrease compared to Q2 2022 (12.47 koz). The decrease in gold production was mainly driven by the planned shutdown of the Perevalnoe CIP project due to the open-pit reserve depletion. Q2 2023 GE production

included 0.93 koz (28.98 kg) of silver, equivalent of 0.01 koz (0.33 kg) of gold.

In Q2 2023 gold production from the Yubileyniy CIP plant increased by 13% compared to Q2 2022, following the capacity upgrade. The alluvial mining commenced in Q2 2023 following the arrival of the warm season.

Comments on operations

Yubileyniy project

The production from the Yubileyniy CIP plant amounted to 7.01 koz in Q2 2023, an increase of 13% compared to 6.21 koz in Q2 2022. The increase in production in Q2 2023 was primarily

explained by an 11% increase in the volume of ore processed in the reporting period compared to Q2 2022.

Yubileyniy project	Q2 2023	Q2 2022	Δ %	H1 2023	H1 2022	Δ %	FY 2022
CIP							
Underground ore mined, 000' ton	86.24	77.24	12%	154.97	140.03	11%	262.73
Underground development, meter	757.40	635.30	19%	1,297.20	1,243.00	4%	2,497.80
Underground ore grade, g/t	3.81	4.20	-9%	7.89	4.20	88%	4.28
Ore processed, 000' ton	60.44	54.61	11%	112.89	90.66	25%	191.38
Average grade, g/t	4.59	5.16	-11%	9.17	5.18	77%	4.91
Gold produced CIP, kg	217.97	193.09	13%	398.36	313.93	27%	631.11
Gold produced CIP, koz	7.01	6.21	13%	12.81	10.09	27%	20.29
Heap Leach (HL)							
One stacking, 000' ton	-	10.17	n/a	9.55	10.17	-6%	17.48
Grade, (g/t)	-	2.98	n/a	2.92	2.98	-2%	2.99
Gold in ore stacked, kg	-	30.27	n/a	27.84	30.27	-8%	52.30
Gold produced HL, kg	-	5.60	n/a	-	5.60	n/a	46.91
Gold produced HL, koz	-	0.18	n/a	-	0.18	n/a	1.51

Placer mining

The alluvial gold production commenced in Q2 2023 when the snow and permafrost melted. In Q2 2023 gold production from placer mining totaled to 1.69 koz, a decrease of 27% compared to 2.31 koz in Q2 2022 primarily as a result of the delay at the Onne

project. Development of the Onne alluvial project was rescheduled to 2024 season due to damaged logistic during the spring river flood.

Placer mining	Q2 2023	Q2 2022	Δ %	H1 2023	H1 2022	Δ %	FY 2022
Overburden, 000' m ³	531.50	528.40	1%	561.60	569.50	-1%	1,088.76
Capital mining, 000' m ³	101.30	126.80	-20%	102.30	126.80	-19%	270.75
Placer gravel washed, 000' m ³	136.80	147.60	-7%	136.80	147.60	-7%	514.15
Average grade, mg/m ³	497.48	485.89	2%	497.48	485.89	2%	476.20
Gold produced, kg	52.59	71.72	-27%	52.59	71.72	-27%	244.84
Gold produced, koz	1.69	2.31	-27%	1.69	2.31	-27%	7.87

Perevalnoe project

In Q2 2022, the Perevalnoe CIP mill was stopped and mothballed 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 0.35 koz in Q2 2023, a decrease of 90% compared to Q2 2022.

The Perevalnoe HL-plant was stopped in 2023 as it did not reach the desired results during the testing phase in 2022.

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.

During 2023, Zolotaya Zvezda plans to produce Mayskiy and Chazy-Gol bedrock gold deposits using heap-leach processing technology. In Q2 2023, the total GE production from the Zolotaya Zvezda Mayskiy project amounted to 0.75 koz.

Development

In Q2 2023, mining operations at the Malyutka project included 391.40 thousand cubic meter of waste stripping and a total of 151.92 thousand tonnes of ore mined with an average grade of 1.06 g/t. Production at Malyutka is planned to commence later in 2023 with full capacity to be reached in 2024.

- Alluvial deposits, Khabarovsk region: 2,845 meters drilling program on Buor, Yuluyn, Tas and Dyusmakit placer projects, targeting to increase alluvial reserves to support placer mining in 2023 – 2024 and beyond

Exploration

The Company owns the Krasny gold project together with the Russian gold producer GV Gold. During Q2 2023, the activities were focused on updating the geological model based on the recent exploration results and preparing pre-feasibility study in Russia.

The Company's other main exploration activities in Q2 2023 included:

- Yubileyniy project, Khabarovsk region: 1,051 meters drilling program at the Krasivoe deposit targeting gold mineralization down dip to support further capacity increase to 400 ktpa;

Reserves and Resources

Following the updated resource statement issued in June 2023, Kopy Goldfields' total estimated M, I&I Mineral Resources according to JORC (2012) amounted to 3,239 koz of gold, and total Probable Ore Reserves amounted to 1,802 koz of gold, including the attributable reserves and resources of the Krasny project which yet have not been updated.

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 which is also the high season for heap leach operations.

ESG

During the second quarter of 2023, Kopy Goldfields made significant strides in advancing its Environmental, Social, and Governance (ESG) strategy across all subsidiaries in Russia. In H1 2023 Kopy Goldfields subsidiary, Amur Zoloto, achieved a BBB ESG rating from a national rating agency, which positions the company for opportunities in green financing such as green bonds and subsidies. Kopy Goldfields is now poised to explore various financing avenues to support its ESG-focused initiatives.

Prioritizing Health and Safety

Kopy Goldfields remained committed to enhancing its health and safety management system. Throughout Q2 2023, the Company successfully completed the recruitment process for Health and Safety engineers and specialists, finalizing the managerial structure for health and safety across all production sites within Amur Zoloto. The primary objective for 2023 is to stabilize the Lost

Time Injury Frequency Rate (LTIFR) at a level consistent with that of 2022.

Aiming to bolster the well-being of its shift employees, Kopy Goldfields continued to advance its major reconstruction program at the Yubileyniy site's shift camp, alongside the ongoing construction of a shift camp at the Maluytka site. These efforts are aimed at creating improved living and social conditions for employees working in shifts. Furthermore, Kopy Goldfields is actively addressing turnover reduction through the initiation of a retention program and internal value initiatives scheduled for the 2023-2024 timeframe.

Environmental Commitment

Upon the completion of pre-design and engineering work for solar power plants at the Yubileyniy and Maluytka sites in Q1 2023, Kopy Goldfields remained engaged in exploring financing options to

support this environmentally conscious ESG project. The Company is planning the construction of a solar power stations at the Yubileyniy and Maluytka sites, located in the Khabarovsk region.

In Q2 2023, the Company progressed in implementing an Environmental reporting system, integrating Key Performance Indicators (KPIs) into overall management reporting system. The aim is to fully implement this initiative by the end of 2023.

Social Engagement

In Q2 2023, Kopy Goldfields sustained effective relationships with diverse stakeholder groups. The Company extended its support to a local hospital in Khabarovsk, in alignment with an agreement signed with the Khabarovsk region for socio-economic development. Additionally, Kopy Goldfields maintained its commitment to local communities through a support program established with the Ayano-Maisky district.

Risks and uncertainty

International sanction 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

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 Q2 2023 amounted to 7.97 koz (9.45 koz), a decrease of 16%. GE sales in Q2 2023 included silver sales equivalent to 0.12 koz (0.83 koz) of gold.

The average realized gold price amounted to 1,969 USD/oz for Q2 2023 (1,806 USD/oz).

Total revenues for Q2 2023 amounted to TUSD 15,985 (17,258), a decrease of 7% compared to the corresponding period of 2022, mainly due to lower volumes of GE sold.

Total revenues for the first half of 2023 amounted to TUSD 42,092 (42,912), a decrease of 2% compared to the corresponding period of 2022. Gold sales (GE) for the six months period 2023 amounted to 21.84 koz (22.94 koz), a decrease of 5%. The average realized gold price increased by 2% in the first six months of 2023, and amounted to USD 1,897/oz (USD 1,854/oz).

Costs of Sales for Q2 2023 amounted to TUSD 10,615 (20,855), a decrease of 49% compared to the corresponding period of 2022, mainly as a result of a decrease in the amount of gold sold during the reporting quarter.

Costs of Sales for the first six months of 2023 amounted to TUSD 32,072 (32,549), a decrease of 1% compared to the corresponding period of 2022.

Total Cash Costs ("TCC") amounted to TUSD 9,244 during Q2 2023, an increase by 11% compared to TUSD 8,353 during Q2 2022. TCC per gold equivalent ounce sold (TCC/oz) increased by 31% in Q2 2023 and amounted to 1,160 USD/oz compared to 884 USD/oz in Q2 2022.

Total Cash Costs amounted to TUSD 30,796 (20,636) during the first six months of 2023. TCC per gold equivalent ounce sold increased by 57% in the first six months of 2023 and amounted to 1,410 USD/oz compared to 900 USD/oz in the first six months of 2022. The main drivers for the increased TCC in H1 2023 compared to the corresponding period of 2022 were high cost per ounce produced at Perevalnoye HL and general price inflation.

All-in sustaining costs (AISC) per gold equivalent ounce sold increased by 5% in Q2 2023, from 1,496 USD/oz in Q2 2022 to 1,567 USD/oz in Q2 2023.

All-in sustaining costs per gold equivalent ounce sold in the first six months of 2023 amounted to USD 1,818 (1,355) an increase of 34%, primarily as a result of higher TCC.

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

Total Cash Costs (TCC) (TUSD)	Q2 2023	Q2 2022	Δ %	H1 2023	H1 2022	Δ %	FY 2022
Cost of gold and silver sales	10,498	20,648	-49%	31,775	32,202	-1%	118,384
Property, plant, and equipment depreciation and intangible assets amortization	-1,254	-3,502	-64%	-2,815	-5,624	-50%	-12,126
Provision for mine closure, rehabilitation, and decommissioning costs	-	-0	-100%	0	-0	-100%	-125
Change in allowance for slow-moving and obsolete inventory	0	-8,792	-100%	1,836	-5,942	-131%	-5,992
Total cash costs	9,244	8,353	11%	30,796	20,636	49%	100,141
Ounces sold (GE koz)	7.97	9.45	-16%	21.84	22.94	-5%	70.02
TCC per GE ounce sold (USD/oz)	1,160	884	31%	1,410	900	57%	1,430

All-in Sustaining Costs (AISC) (TUSD)	Q2 2023	Q2 2022	Δ %	H1 2023	H1 2022	Δ %	FY 2022
Total cash costs	9,244	8,353	11%	30,796	20,636	49%	100,141
Corporate, general, and administrative expenses	2,894	4,285	-32%	6,654	7,075	-6%	14,284
Amortization and depreciation related to corporate, general, and administrative expenses	-142	-165	-14%	-208	-177	18%	-192
Provision for mine closure, rehabilitation, and decommissioning costs	0	0	-100%	0	0	-100%	125
Sustaining exploration expenses	0	93	-100%	0	352	-100%	514
Sustaining capital expenses	103	243	-58%	1,515	1,955	-23%	2,714
Sustaining lease payments	391	546	-28%	956	1,238	-23%	2,442
Total all-in sustaining costs	12,490	14,142	-12%	39,712	31,080	28%	120,027
Ounces sold (GE koz)	7.97	9.45	-16%	21.84	22.94	-5%	70.02
AISC per GE ounce sold (USD/oz)	1,567	1,496	5%	1,818	1,355	34%	1,714

The gross profit in Q2 2023 amounted to TUSD 5,370 (-3,597). The increase of gross profit was mainly driven by lower cost of sales. The gross margin improved to 34% in Q2 2023 (-21%).

The gross profit for the first half of 2023 decreased by 3% and amounted to TUSD 10,020 (10,363) mainly due to lower amount of gold sold. The gross margin remained stable at 24% (24%) in the first six months of 2023.

General and Administrative expenses (G&A expenses) for Q2 2023 decreased by 17% compared to Q2 2022 and amounted to TUSD 2,138 (2,570). G&A expenses for the first six months of 2023 stabilized and amounted to TUSD 4,527 (4,535).

The operating profit for Q2 2023 amounted to TUSD 2,278 (-7,517). Operating profit for the first six months of 2023 decreased by 24% to TUSD 3,104 (4,093).

EBITDA reconciliation to Loss before tax (TUSD)	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Loss before tax	-708	-9,969	-4,300	-5,432	-33,778
Share of net loss/profit of associates	1,263	-646	1,411	-443	-124
Financial income	-420	-381	-612	-1,866	-1,142
Financial costs	2,143	3,479	6,605	11,834	10,445
Depreciation and depletion	1,368	3,313	3,005	5,361	12,126
Net realizable value allowance for stockpiles, work in progress, and finished goods	-	8,792	-1,836	5,942	5,992
Loss from settlement of gold loan liability	-	-	-	-	9,105
Change in allowance for slow-moving and obsolete inventory	1	4	19	-	14
Impairment of property, plant and equipment and exploration and evaluation assets	-	-	-	-	8,774
Foreign exchange loss/income and other one-off adjustments	322	-376	840	-37	-177
EBITDA	3,969	4,217	5,132	15,359	11,235

The financial expenses for Q2 2023 increased by 22% compared to Q2 2022 and amounted to TUSD -2,986 (-2,452) mainly due re-valuation of the derivatives fair value.

During the first six months of 2023, the financial expenses amounted to TUSD -7,404 (-9,525). A decrease of 22% compared to H1 2022 was primarily as a result of forex loss reduction.

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 567 as of June 30, 2023, relating to the fair value of derivatives on gold commodities (TUSD 664 as of December 31, 2022).

The net result for Q2 2023, attributable to shareholders of the parent company, amounted to a loss of TUSD -942 (-8,918), corresponding to USD -0.001 (-0.0099) per share before and after dilution. The net result for the first six months of 2023, attributable to shareholders of the parent company, amounted to a loss of TUSD -4,072 (-5,218), corresponding to USD -0.0045 (-0.0058) per share before and after dilution.

Comments on the financial position

Total loans and borrowings amounted to TUSD 122,678 at period end, compared to TUSD 119,745 as of December 31, 2022.

At 23 June 2023 the Group entered into a new finance facility for refinancing of current bank facilities and funding of the investment program with a maximum credit facility of TUSD 160,856 (equivalent of TRUB 14,000,000 at the reporting date) bearing floating interest rate as key rate of Central Bank of Russian Federation plus margin of 3.45%. The loan facility matures starting from March 2025 to June 2028. For more information, see note 3.

Total net debt as of June 30, 2023 amounted to TUSD 124,782 compared to TUSD 118,383 as of December 31, 2022. The net debt

EBITDA for Q2 2023 decreased by 6% compared to Q2 2022 and amounted to TUSD 3,969 (4,217), with an EBITDA margin of 25% (24%). EBITDA for the first six months of 2023 decreased by 67% and amounted to TUSD 5,132 (15,359), with an EBITDA margin of 12% (36%).

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

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)	Jun 30, 2023	Dec 31, 2022
Borrowings	122,678	119,745
Contract liability	-	-
Leasing	3,264	4,931
Total Debt	125,942	124,676
Cash and Cash equivalents	-1,160	-6,293
Total Net debt	124,782	118,383

Investments

Net cash flows used in investing activities during the first six months of 2023 amounted to TUSD 17,631 (17,363). The investments in assets included:

- Yubileyniy project of TUSD 6,963 with the majority relating to mill equipment upgrade, direct cyanidation implementation and underground mine capital development;
- Perevalnoe project of TUSD 50;
- Malyutka project of TUSD 8,602 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 334;
- Exploration of TUSD 206, referring to drilling at Krasivoe underground deposit and alluvial projects;
- Capitalized borrowing costs of TUSD 386;
- Loans provided to associates of TUSD 1,091.

Liquidity

The Company's cash and cash equivalent position as of June 30, 2023 amounted to TUSD 1,160, compared to TUSD 6,293 on December 31, 2022. At June 30, 2023, unused credit facilities amounted to TUSD 45,619 (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 1.2 koz at period end corresponding to a market value of TUSD 2,340. Gold in stock ready for sale as of December 31, 2022 amounted to 3.41 koz.

Personnel

As of June 30, 2023, the Group had 1,163 (785) employees, of which 926 (681) were men and 237 (104) women. The average number of employees during the second quarter of 2023 was 1,105 (786), of which 880 (694) were men and 225 (93) women. The average number of employees during the first six months of 2023 was 1,010 (747), of which 804 (659) were men and 206 (88) women.

Board of directors

Kopy Goldfields' board of directors, elected at the AGM in May 2023, consists of three members: Kjell Carlsson (chairman), Eric Forss and Arsen Idrisov.

The Parent Company

The Parent Company's revenue for Q2 2023 totaled TSEK 213 (306) and TSEK 1,250 (556) for the first six months of 2023. The revenue was related to the re-invoicing of expenses to subsidiaries. Net result for Q2 2023 amounted to TSEK 6,109 (-53,146). Net result for the first six months of 2023 amounted to TSEK 11,512 (-49,635). The main driver for the profit in Q2 2023 was non-cash revaluation of intra-group debt following the appreciation of the Russian Ruble.

Total assets at period end amounted to TSEK 1,991,034 and remained relatively unchanged compared to TSEK 1,987,156 as of December 31, 2022. Cash and cash equivalents as of June 30, 2023 amounted to TSEK 2,199 compared to TSEK 5,157 as of December 31, 2022. Equity on June 30, 2023, amounted to TSEK 1,865,759 (December 31, 2022: TSEK 1,854,247).

There was 0 person (1) employed by the Parent Company at the end of the reporting period.

The share

On June 30, 2023, the total number of issued shares in Kopy Goldfields AB was 903,204,375 (the same number of shares as of March 31, 2023), with a quota value of SEK 0.38 (SEK 0.38). All shares represent one vote each.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>Amounts in thousands of US Dollars (TUSD)</i>	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Revenue from contracts with customers	15,985	17,258	42,092	42,912	115,775
Cost of sales	-10,615	-20,855	-32,072	-32,549	-118,384
Gross profit/loss	5,370	-3,597	10,020	10,363	-2,609
General and administrative expenses	-2,138	-2,570	-4,527	-4,535	-10,076
Impairment of property, plant and equipment and exploration and evaluation assets	-	-	-	-	-8,774
Other operating expenses, net	-954	-1,350	-2,389	-1,735	-3,140
Operating profit/loss	2,278	-7,517	3,104	4,093	-24,599
Share of net loss/profit of associates	-1,263	646	-1,411	443	124
Financial income	420	5,698	612	1,866	1,142
Financial costs	-2,143	-8,796	-6,605	-11,834	-10,445
Financial expenses, net	-2,986	-2,452	-7,404	-9,525	-9,179
Loss before tax	-708	-9,969	-4,300	-5,432	-33,778
Income tax	-234	1,051	228	214	4,298
Loss for the period	-942	-8,918	-4,072	-5,218	-29,480
<i>Of which attributable to:</i>					
Parent company shareholders	-942	-8,918	-4,072	-5,218	-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	-5,205	53,061	-10,063	44,118	10,195
Total comprehensive loss/income for the period/year	-6,147	44,143	-14,135	38,900	-19,285
<i>Of which attributable to:</i>					
Parent company shareholders	-6,147	44,143	-14,135	38,900	-19,285
Non-controlling interest	-	-	-	-	-
Loss per share for profit attributable to the ordinary equity holders of the company:					
Basic loss per share (USD)	-0.0010	-0.0099	-0.0045	-0.0058	-0.0327
Diluted loss per share (USD)	-0.0010	-0.0099	-0.0045	-0.0058	-0.0327

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in thousands of US Dollars (TUSD)</i>	Note	Jun 30, 2023	Dec 31, 2022
Assets			
Non-current assets			
Exploration and evaluation assets		2,013	1,848
Property, plant, and equipment		86,906	85,467
Right-of-use assets		6,288	9,238
Investments in associates		33,724	35,745
Financial assets at amortized cost		3,806	4,007
Loans receivable from associate		1,008	-
Deferred tax assets		5,374	6,402
Inventories		2,918	3,611
Total non-current assets		142,037	146,318
Current assets			
Inventories		60,625	59,499
Other current assets		5,874	2,673
Other receivables		1,933	1,087
Advances paid		1,314	2,306
Taxes receivable		5,406	4,771
Income tax receivable		167	253
Loans receivable from associate		142	172
Cash and cash equivalents		1,160	6,293
Total current assets		76,621	77,054
Total assets		218,658	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		-44,549	-34,486
Retained earnings, including profit for the period		25,797	29,869
Total equity attributable to shareholders of the Parent Company		69,892	84,027
Liabilities			
Non-current liabilities			
Loans and borrowings	3	115,369	-
Mine rehabilitation provision		3,978	4,771
Lease liabilities		2,289	2,815
Derivative financial liabilities		567	664
Total non-current liabilities		122,203	8,250
Current liabilities			
Loans and borrowings	3	7,309	119,745
Mine rehabilitation provision		164	562
Lease liabilities		975	2,116
Accounts payable and accrued liabilities		15,750	6,956
Taxes payable		2,340	1,716
Income tax payable		25	-
Total current liabilities		26,563	131,095
Total liabilities		148,766	139,345
Total equity and liabilities		218,658	223,372

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Parent Company

<i>Amounts in thousands of US Dollars (TUSD)</i>	Note	Share capital	Other contributed capital	Foreign currency translation reserve	Retained earnings, including profit/loss for the period	Total
Opening balance at January 1, 2022		39,115	48,635	-44,681	59,349	102,418
Loss for the period		-	-	-	-29,480	-29,480
Other comprehensive income for the period		-	-	10,195	-	10,195
Total comprehensive income/loss for the period		-	-	10,195	-29,480	-19,285
Transactions with owners 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 at December 31, 2022		39,663	48,981	-34,486	29,869	84,027
Opening balance at January 1, 2023		39,663	48,981	-34,486	29,869	84,027
Loss for the period		-	-	-	-4,072	-4,072
Other comprehensive loss for the period		-	-	-10,063	-	-10,063
Total comprehensive loss for the period		-	-	-10,063	-4,072	-14,135
Closing balance at June 30, 2023		39,663	48,981	-44,549	25,797	69,892

CONSOLIDATED STATEMENT OF CASH FLOW

<i>Amounts in thousands of US Dollars (TUSD)</i>	Note	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Cash flow from operating activities						
Loss before tax		-708	-9,969	-4,300	-5,432	-33,778
Adjustments for non-cash items						
Depreciation and depletion of property, plant and equipment, intangible assets and right-of-use assets		1,368	3,313	3,005	5,361	12,126
Impairment of property, plant and equipment and exploration and evaluation assets		-	-	-	-	8,774
Finance costs		2,143	8,796	6,605	11,834	10,445
Finance income		-420	-5,698	-612	-1,866	-1,142
Gain on disposal of subsidiary		-	-	-	-	1
Movements in allowance for obsolete inventory and net realizable value		1	8,796	-1,817	5,942	6,006
Foreign exchange gain/loss		289	-429	807	-111	-267
Share of net profit/loss of associates		1,263	-646	1,411	-443	-124
Revenue from settlement of gold loan liability		-	-	-	-	-32,619
Other non-cash adjustments		36	236	65	234	-208
Cash flow from operating activities before changes in working capital		3,972	4,399	5,164	15,519	-30,786
Changes in working capital						
Change in inventories		-5,124	-1,504	-15,637	-7,914	-3,285
Change in other receivables and advances paid		1,864	2,333	-2,844	-278	-1,867
Change in trade and other payables and advances received		-4,323	-4,273	5,836	800	-8,979
Change in other assets		-870	2,928	-	-1,291	6,068
Cash flow from operating activities		-4,481	3,883	-7,481	6,836	-38,849
Interest received		13	111	74	216	426

<i>Amounts in thousands of US Dollars (TUSD)</i>	Note	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Interest paid		-2,767	-1,531	-5,415	-2,583	-7,771
Income tax paid		-	-1,363	-	-1,528	-205
Net cash flow from operating activities		-7,235	1,100	-12,822	2,941	-46,399
Cash flow from investing activities						
Purchase of investments in associates		-	-	-	-	-7,457
Purchase of property, plant, and equipment		-8,588	-5,492	-15,948	-15,065	-23,987
Purchase of exploration and evaluation assets		-172	-1,421	-206	-1,454	-2,035
Interest paid capitalized		-183	-497	-386	-844	-1,422
Loans provided to associates		-	-	-1,091	-	-199
Net cash flows used in investing activities		-8,943	-7,410	-17,631	-17,363	-35,100
Cash flow from financing activities						
Proceeds from the issue of shares		-	817	-	817	817
Proceeds from loans and borrowings from third party, net of debt issue costs		123,292	4,782	133,407	11,342	88,067
Repayment of derivative financial liabilities		-	-	-	-	-134
Repayment of loans and borrowings		-105,989	-	-106,142	-	-2,589
Repayment of finance lease liabilities		-816	-769	-1,945	-1,799	-4,514
Net cash flow from financing activities		16,487	4,830	25,320	10,360	81,647
Net increase/decrease of cash and cash equivalents		309	-1,480	-5,133	-4,062	148
Cash and cash equivalents, opening balance		851	3,563	6,293	6,145	6,145
Cash and cash equivalents, closing balance		1,160	2,083	1,160	2,083	6,293

PARENT COMPANY CONDENSED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

<i>Amounts in thousands of Swedish Krona (TSEK)</i>	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Revenue	213	306	1,250	556	1,092
Total operating income	213	306	1,250	556	1,092
General and Administrative Expenses	-1,861	-1,719	-4,771	-5,573	-9,613
Operating loss	-1,648	-1,412	-3,521	-5,017	-8,521
Results from investments in subsidiaries	-	-	-	-	-1,371
Financial items	7,757	-51,734	15,033	-44,618	-19,566
Result after financial items	6,109	-53,146	11,512	-49,635	-29,458
Appropriations	-	-	-	-	-
Result before tax	6,109	-53,146	11,512	-49,635	-29,458
Income tax	-	-	-	-	-
Net result	6,109	-53,146	11,512	-49,635	-29,458
Other comprehensive income (loss)					
Translation differences	-	-	-	-	-
Total comprehensive income (loss)	6,109	-53,146	11,512	-49,635	-29,458

PARENT COMPANY CONDENSED BALANCE SHEET

<i>Amounts in thousands of Swedish Krona (TSEK)</i>	Note	Jun 30, 2023	Dec 31, 2022
Assets			
Non-current assets			
Machinery and equipment		23	26
Shares in group companies		1,928,483	1,928,483
Other non-current financial assets		45,850	41,820
Non-current assets		1,974,356	1,970,329
Current assets			
Receivables		14,479	11,670
Cash & cash equivalents		2,199	5,157
Current assets		16,678	16,827
Total assets		1,991,034	1,987,156
Equity and liabilities			
Equity		1,865,759	1,854,247
Current liabilities		125,275	132,909
Total equity and liabilities		1,991,034	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 June 30, 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	Jun 30, 2023	Dec 31, 2022
Long-term borrowings				
RUB denominated bank loans	Key rate of Russian Central Bank plus a margin of 3.45%	March 2025 – June 2028	115,369	-
Total long-term borrowings			115,369	-
Short-term borrowings				
RUB denominated bank loans	Key rate of Russian Central Bank plus a margin of 2.95% - 3.25%	On demand	-	112,608
Agency factoring	10.04%	December 2023	4,641	5,722
USD denominated borrowings from Shareholder	0%	On demand	1,250	1,250
Other RUB denominated borrowings	0-12.5%	On demand	1,418	165
Total short-term borrowings			7,309	119,745
Total			122,678	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 Goldfields 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	0.1432
Average Q2	80.9800	10.5097	0.1297
March 31	77.0863	10.3539	0.1353
June 30	87.0341	10.8509	0.1236

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

Signatures

The Board of Directors and CEO declare that the interim 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 August 24, 2023
Kopy Goldfields AB (publ)
Org. No. 556723-6335

Kjell Carlsson
Chairman

Arsen Idrisov
Board member

Eric Forss
Board member

Mikhail Damrin
CEO

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

Upcoming financial reporting

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

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 Aug 24, 2023)

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 CEST on August 24, 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. UPMC Pty Ltd – OptimMine, 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)

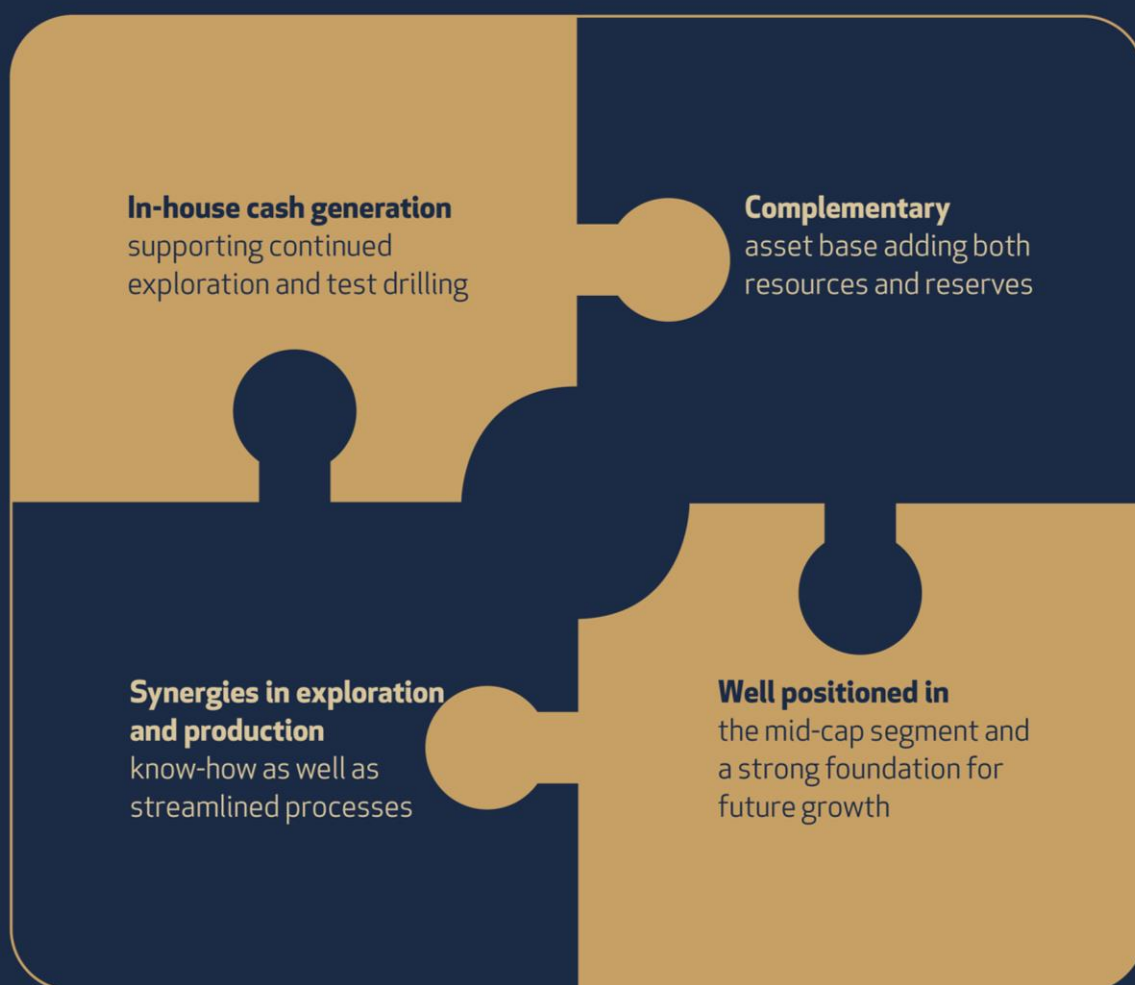
Alluvial gold	Mineralization in riverbeds at ground level.
Carbon-In-Pulp Gold Recovery (CIP)	A common process to recover gold that involves the use of cyanide to dissolve gold in solution and activated carbon to precipitate the gold.
Cut-off	The lowest grade, or quality, of mineralized material that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

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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.



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