

"We are on track towards our long-term growth targets."

Mikhail Damrin, CEO

Second quarter report – June 30, 2021

APRIL – JUNE 2021 (April – June 2020)

- ▶ Revenue TUSD 17,872 (21,110)
- ▶ EBITDA TUSD 6,833 (8,529)
- ▶ Unrealized loss from gold hedges TUSD -2,805 (-801)
- ▶ Loss before tax TUSD -2,192 (+7,312)
- ▶ Loss for the period TUSD -1,942 (+5,798)
- ▶ Earnings per share before dilution USD 0.00 (0.01)
- ▶ Gold in stock ready for sale increased by 3.2 koz during Q2 2021, corresponding to a sales value of TUSD 5,722.
- ▶ USD 6.8 million exploration program on the Krasny project agreed with the partner GV Gold during the quarter with financing agreed after the end of the reporting period.

JANUARY – JUNE 2021 (January – June 2020)

- ▶ Revenue TUSD 37,234 (44,235)
- ▶ EBITDA TUSD 14,014 (17,805)
- ▶ Unrealized gain from gold hedges TUSD 3,362 (-1,383)
- ▶ Profit before tax TUSD 7,822 (12,324)
- ▶ Profit for the period TUSD 5,928 (9,724)
- ▶ Earnings per share before dilution USD 0.01 (0.01)
- ▶ 2021 gold production guidance of 56-59 koz unchanged

SUMMARY OF FINANCIAL INFORMATION

MSEK	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Gold production (gold equivalent, GE), koz	13.0	14.0	20.7	24.1	53.1
Gold sales (GE), koz	9.8	12.3	20.8	26.5	55.4
Average realized gold price, USD/oz	1,800	1,719	1,775	1,658	1,773
Revenue, TUSD	17,872	21,110	37,234	44,235	98,841
Gross profit, TUSD	4,361	11,085	11,645	19,878	40,973
Gross margin, %	24%	53%	31%	45%	41 %
EBITDA, TUSD	6,833	8,529	14,014	17,805	45,620
EBITDA margin, %	38%	40%	38%	40%	46 %
Profit before tax, TUSD	-2,192	7,312	7,822	12,324	24,728
Profit for the period, TUSD	-1,942	5,798	5,928	9,724	19,153
Earnings per share before dilution, USD	-0.00	0.01	0.01	0.01	0.02
Earnings per share after dilution, USD	-0.00	0.01	0.01	0.01	0.02
Cash flow from operating activities before changes in working capital, TUSD	6,830	7,020	14,009	15,770	44,268
Cash & cash equivalents at the end of the period, TUSD			868		10,388
Net debt, TUSD			59,592		41,938
Net debt/LTMEBITDA			1.42		0.92
Equity per share, USD			0.11		0.11

Glossary and definitions of the above performance measures are presented on page 20-21.

Comments from the CEO

On track towards long-term growth targets

We can look back on a rather smooth quarter for Kopy Goldfields, given the unstable circumstances. In the second quarter 2021, Kopy Goldfields' gold production grew 69 percent on a quarter-by-quarter basis, following efforts to increase capacity and stabilize processing and underground mining operations at the Yubileyniy project. Gold in stock increased while revenue was lower than in the first quarter as sales volumes were lower than production volumes. EBITDA and EBITDA margins were stable and TCC per GE ounce sold improved slightly compared to the first quarter 2021. TCC per GE ounce sold improved substantially compared to the second quarter of 2020.

Operations had to a large extent recovered from the Covid-19 outbreak at the Yubileyniy site around new year, but the Company is still affected by the ongoing global pandemic. We have had several new cases of infection during the quarter, but following sanitary measures and protocol activities, we were able to quickly identify and isolate them. Kopy Goldfields strongly supports vaccinations and offers free and priority service to the employees. We have been able to restrict pandemic development and mitigate effects on gold production. However, Covid-19 continues to negatively affect operations by creating an industry-wide shortage of qualified mining personnel. At the same time, travel restrictions and lockdowns within Russia and neighbouring countries causes some delays for the mining and investment activities.

Production and sales

In the second quarter, the production from Kopy's two bedrock and two alluvial mines in the Khabarovsk region of Russia totaled 13.01 koz, which was 69 percent higher than in the first quarter 2021 but seven percent lower than in the second quarter 2020. The Company's gold production was affected by the shortage of qualified mining personnel at the Yubileyniy project in combination with an increased amount of gold held up in the alluvial production cycle (work-in-progress) that will be included in production in the third quarter 2021. Gold sales during the second quarter of 2021 amounted to 9.83 koz, compared to 10.99 koz in the first quarter of 2021 and 12.28 koz in the second quarter of 2020. The lower gold sales were offset by increased gold in stock, which increased by 3.2 koz, and will be realized in coming periods. If this gold would have been sold during the quarter, the revenues would have been TUSD 5,722 higher.

Investments

Investments in construction remain a top priority to reach the long-term organic production target of over 100 koz of gold and gold equivalent by 2025. We are on track with all investment projects. The construction of the Heap leach plant at Perevalnoe, which is planned to be commissioned by the end of 2021 and operating in 2022 continued. The construction of a second gravity and flotation line at Yubileyniy will be completed in the fourth quarter of this year, increasing the plant's capacity from 130 ktpa to 250 ktpa. At Malyutka, one of the major drivers of growth, construction

of the mine and mill infrastructure has begun. And at the Perevalnoe project, the preparations for underground mining at Brekchiyeveva has commenced with the first 107 meters of decline developed.

Exploration

The summer is the season for field exploration activities. With the target to increase total gold resources and increase the quality of the resources by converting Inferred resources into the Measured & Indicated category, the 2021 exploration program focuses on drilling in both the Khabarovsk and the Irkutsk regions. On our Krasny project, 5,115 meters of core holes out of the planned 27,500 meters were drilled by the end of the second quarter. The Krasny exploration program also includes gathering of geotechnical and hydrology data, further processing of sample tests, and a JORC resource update following the completion of the drilling program.

Outlook

Even though we got a delayed start for this season's alluvial mining, we expect the alluvial operations to outperform 2020 results. This year, we launched the Khayarylakh placer – its first year in production. We also expect the first gold from the Heap leach operations at Yubileyniy, in the third quarter of 2021. We expect these activities, together with our efforts to increase capacity and stabilize processing and underground mining operations at the Yubileyniy project, to support further production growth in the second half of the year, which makes me confident to confirm our production guidance for 2021 of 56-59 koz.

Finally, I would like to thank you all for your trust in Kopy Goldfields. We are on track towards our long-term growth targets!

Mikhail Damrin
CEO Kopy Goldfields



Operations

Summary Gold production

The Company operates two bedrock mines, Yubileyniy and Perevalnoe, and two placer mines, Buor-Sala and Khayarylakh, in the Khabarovsk region of Russia. The gold production during Q2 2021 and H1 2021, compared with the gold production during the corresponding periods in 2020 and full year 2020, is presented in the following table:

Gold equivalent (GE) production	Q2 2021		Q2 2020		H1 2021		H1 2020		FY 2020	
	kg	koz	kg	koz	kg	koz	kg	koz	kg	koz
Yubileyniy project (CIP)	115.77	3.72	130.35	4.19	188.68	6.07	239.40	7.70	439.48	14.13
Yubileyniy project (HL)	0	0	0	0	0	0	0	0	21.29	0.68
Perevalnoe project	224.76	7.23	228.40	7.34	389.07	12.51	422.98	13.60	933.53	30.01
Placer mines	55.96	1.80	63.14	2.03	55.96	1.80	63.14	2.03	215.60	6.93
Silver production, in GE	8.10	0.26	14.81	0.48	9.94	0.32	23.35	0.75	42.15	1.36
Total GE production	404.59	13.01	436.70	14.04	643.65	20.70	748.87	24.08	1,652.04	53.11

Definition of Gold Equivalent (GE) is presented on pages 20-21.

The total gold equivalent (GE) production during Q2 2021 amounted to 13.01 koz (404.59 kg), which represented a 69% growth over Q1 2021 results (7.69 koz or 239.06 kg), however it was 7% lower compared to 14.04 koz (436.7 kg) in Q2 2020. Q2 2021 GE production included 17.73 koz (551.58 kg) of silver, equivalent to 0.26 koz (8.1 kg) of gold. Gold production in Q2 2021 was influenced by personnel shortages and other effects caused by the Covid-19 pandemic.

The increased production from Q1 to Q2 2021 resulted from the Company's actions initiated in Q1 2021 to increase capacity and stabilize processing and underground mining operations at the Yubileyniy project. In Q2 2021, the Company took further actions to strengthen the recruitment program and changing for a shift-based employment system to further address understaffing of mining operations.

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. In the absence of the winter roads, flotation concentrate is accumulated at the Perevalnoe

site and gravity concentrate is transported to the Yubileyniy plant by helicopters, subject to weather conditions. Extraordinary cold weather conditions can also create temporary reduction of operations on the open pits and crushing units of processing plants.

Covid-19

Following the outbreak of Covid-19 on the Yubileyniy mine site in December 2020, the Company has strengthened and extended quarantine measures and other precautions to prevent similar incidents in the future. Prevention and mitigation of the negative effects of the Covid-19 pandemic are within the Company's operational focus. The Company offered employees in Russia the opportunity to get vaccinated against Covid-19.

During Q2, the Company had several new cases of infection, but following sanitary measures and protocol activities, it was possible to quickly identify and isolate them. As a consequence of Covid-19, the Company is affected by an industry-wide shortage of qualified mining personnel at the mine sites. At the same time travel restrictions and lockdowns within Russia and neighboring countries extend the procurement and maintenance for the mining and investment activities.

Comments on operations

Yubileyniy project

The Yubileyniy project includes the operational Krasivoe underground mine and the Yubileyniy processing plant. The Krasivoe mine commenced production in 2004, initially as an open pit and then switched to underground in 2010. Yubileyniy is a conventional CIP plant with an installed capacity of 130,000 tons per annum (tpa). It has a planned expansion in capacity to 250,000 tpa by the end of 2021, followed by further expansion to 400,000 tpa by 2025. The plant's flowsheet is as follows: gravity concentration, followed by intensive leaching of gravity concentrate and flotation concentration of gravity tailings, followed by CIP process of flotation concentrate. The output product from the site is gold alloys (Doré bars) containing some 17-30% of gold content. These are further refined to bankable gold bullions by an external refinery.

During Q2 2021, GE production totaled 3.72 koz (115.77 kg), a decrease of 11% compared to Q2 2020. The decrease in production was explained by lower volume (-6%) of ore processed and lower recovery rate due to extended maintenance shutdowns because of a shortage of service staff.

The gold grade of the ore mined increased by 2% during Q2 2021 and by 8% since the start of the year compared to relevant periods of 2020. This is in line with the most recent CPR report, published in October 2020, which shows an increase of grade and thickness of ore bodies down dip. In 2021, the Company develops underground mining operations to the deeper horizons where ore gold grade is increasing. This underpins the plans to increase the capacity of the Yubileyniy mine and mill to 250 ktpa in Q4 this year.

During Q2 2021, 6.72 kt of ore were stacked for Heap leach (HL) operations at Yubileyniy, with the first gold production to be reported in Q3 2021.

Gravity and flotation concentrates produced at the Perevalnoe plant are also leached to Dore bars at the Yubileyniy plant. During Q2 2021, a total of 84.33 tons of gravity concentrate and 1,745.23 tons of flotation concentrate from the Perevalnoe project were leached at the Yubileyniy plant, producing 7.23 koz (224.76 kg) of gold, which are reported under the Perevalnoe project further below.

Yubileyniy project	Q2 2021	Q2 2020	Δ %	H1 2021	H1 2020	Δ %
CIP						
Underground ore mined, 000' ton	37.37	40.64	-8%	63.33	89.52	-29%
Underground development, meter	409.60	525.20	-22%	939.80	1,101.70	-15%
Underground ore grade, g/t	4.77	4.67	2%	4.47	4.15	8%
Ore processed, 000' ton	31.80	33.86	-6%	54.27	64.48	-16%
Average grade, g/t	5.56	5.15	8%	4.95	4.95	0%
Gold produced CIP, kg	115.77	130.35	-11%	188.68	239.40	-21%
Gold produced CIP, koz	3.72	4.19	-11%	6.07	7.70	-21%
Heap Leach (HL)						
One stacking, 000' ton	6.72			6.72		
Grade, (g/t)	3.31			3.31		
Gold in ore stacked, kg	22.24			22.24		
Gold produced HL, kg	0			0		
Gold produced HL, koz	0.00			0.00		

Perevalnoe project

The Perevalnoe project includes the Perevalnoe processing plant and the Perevalnoe deposit. Mining from the Perevalnoe open pit commenced in 2015 and the processing plant was commissioned in 2017. The plant produces gravity and flotation concentrates which are further transported and leached at the Yubileyniy processing plant to produce Doré bars. Initially, the Perevalnoe concentration (gravity and flotation) plant had a designed capacity of 125,000 tpa. Following the elimination of bottlenecks in 2019, the 2020 annual throughput reached 165,850 tpa (or 165.85 ktpa). For 2021, the business plan includes processing of 160 ktpa of ore.

The Perevalnoe deposit is now represented by two zones, which are considered as two separate deposits: Brekchiyevaya Zone and Priyatnoe Zone. During Q2 2021, ore was mined from the Brekchiyevaya open pit and the Priyatnoe open pit and, starting from 2022, ore will be mined from an underground mine below the open pit at Brekchiyevaya. The mined ore is split into three categories: "High grade", "Low grade" and "Heap leach" grade. The "High grade" ore with a grade of above 5 g/t is mixed with "Low grade" ore (grade of between 3 and 5 g/t) to get a head grade of 5.5-6.5 g/t. This is then processed at the Perevalnoe mill into gravity and flotation concentrates which are further transported and leached at the Yubileyniy processing plant. Parts of the "Low grade" ore are mixed with "High grade" ore while other parts are stockpiled on site for the future use. "Heap leach" grade ores with grades below 2 g/t are stockpiled on site

and will be used for the heap leach operations that will commence this year.

Open pit (OP) mining at the Perevalnoe project is declining in accordance with plan. In Q2 2021, the Priyatnoe open pit was completed, while operations were proceeding at the Brekchivaya open pit, which is preliminary expected to be completed by the end of the year.

In Q2 2021, the Company commenced preparations for underground (UG) mining at the Brekchivaya site, developing the initial 107 meters of decline. UG ore mining is expected to commence in 2022. Until that time, the ore from the OP Brekchivaya and accumulated ore from the stockpiles will feed the Perevalnoe mill.

During Q2 2021, the Perevalnoe mill processed 42.92 kt of ore, an increase of 3% compared to Q2 2020. Gravity concentrate production totaled 84.01 t, in line with Q2 2020, and flotation concentrate 1,874.54 t, an increase of 27%. GE production from Perevalnoe concentrates at the Yubileyniy mill amounted to 7.23 koz (224.76 kg), a decrease of 2%. The delivery of concentrates from Perevalnoe to Yubileyniy in the second quarter of 2021 was affected by unstable weather conditions in the spring.

In Q2 2021, ore crashing for HL operations totaled 15.34 kt of ore. The target is to prepare HL piles in Q3 to produce the first gold in 2022.

Perevalnoe project	Q2 2021	Q2 2020	Δ %	H1 2021	H1 2020	Δ %
CIP						
Underground development, meters	107.32			107.32		
Waste stripping, 000' m3	141.96	729.36	-81%	563.72	1,262.95	-55%
Ore mined, 000' tons	123.47	60.13	105%	195.28	108.40	80%
Average ore grade, g/t	2.18	3.54	-39%	2.51	3.65	-31%
including						
High grade ore, 000' tons	27.26	21.67	26%	50.33	33.22	52%
Average grade, g/t	4.14	6.82	-39%	5.10	7.47	-32%
Low grade ore, 000' tons	10.15	9.59	6%	15.65	18.94	-17%
Average grade, g/t	3.43	3.26	5%	3.42	3.54	-3%
Heap Leach ore, 000' tons	86.06	28.86	198%	129.30	56.25	130%
Average grade, g/t	1.41	1.17	20%	1.40	1.44	-3%
Ore processed, 000 tons	42.92	41.78	3%	84.36	82.61	2%
Average grade, g/t	5.06	5.06	0%	5.42	5.53	-2%
Gravity concentrate produced, tons	84.01	83.74	0%	172.27	182.98	-6%
Average grade, g/t	909.00	760.97	19%	912.42	743.64	23%
Flotation concentrate produced, tons	1,874.54	1,473.49	27%	3,500.01	2,892.54	21%
Average grade, g/tt	67.40	91.24	-26%	77.94	102.28	-24%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	224.76	228.40	-2%	389.07	422.98	-8%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project)*, koz	7.23	7.34	-2%	12.51	13.60	-8%

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

Placer mining

In 2021 the Company operates two placer mines - Buor-Sala and Khayarylakh, located within 100 km to the west from the Yubiley site. These are shallow stream placers that are dozed and loaded into articulated haul trucks and hauled to semi-mobile washing plants or hauled by front-loaders.

The alluvial gold production at the placers could only commence in May 2021, affecting the second quarter production.

While the Buor-Sala placer has been in production for several years, 2021 is the first year of gold mining on the Khayarylakh placer. Q2 2021 gold production from both placers totaled 1.8 koz (55.96 kg), a decrease of 11% compared to 2020. The decline in alluvial production was explained by a decrease of the gold grade and an increase of the "gold in process inventory" which will roll forward and be reported in Q3 2021.

Placer mining	Q2 2021	Q2 2020	Δ %	H1 2021	H1 2020	Δ %
Overburden, 000' m3	806.60	771.14	5%	844.90	821.34	3%
Capital mining, 000' m3	161.20	123.14	31%	163.20	169.54	-4%
Placer gravel washed, 000' m3	137.70	127.64	8%	137.70	127.64	8%
Average grade, mg/m3	406.42	494.65	-18%	406.42	494.65	-18%
Gold produced, kg	55.96	63.14	-11%	55.96	63.14	-11%
Gold produced, koz	1.80	2.03	-11%	1.80	2.03	-11%

Guidance

Kopy Goldfields target is to produce 56 koz to 59 koz of gold equivalent (GE) in 2021, an increase of 5-11% compared to 53.1 koz of GE produced in 2020. The Company plans capital expenditures of around USD 56 million in 2021 on production growth and exploration projects.

Exploration

With a focus on organic production growth from multiple sites, the Company operates and develops a robust asset portfolio with high growth potential including projects at different stage of development from early prospecting to construction and production. The Company has a solid track record of making discoveries and bringing profitable ounces to the market.

Out of the total USD 8 million exploration budget for 2021, the Company invested USD 1.3 million during the first six months, on primarily the following activities:

- Yubileyniy project, Khabarovsk region: 2,895 meters drilling program at the Krasivoe deposit targeting gold mineralization down dip.
- Alluvial deposits, Khabarovsk region: 2,023 meters drilling program on the Khayunda placer and 398 meters on the Khayarylakh placer targeting to increase alluvial reserves to support the 2021 – 2023 placer mining.
- Krasny project, Irkutsk region: Drilling of 5,115 meters of core holes under the 2021 exploration program and payment of deferred capitalization from 2020 of MUSD 0.5.

Krasny project

The Krasny Gold Project includes two bedrock licenses and one alluvial gold license with 1.8 Moz of Inferred and Indicated resources, including 0.3 Moz of Probable reserves (JORC) for part of the mineralization, still open along the strike and to the depth. The project is a joint venture with the Russian gold producer GV Gold, in which Kopy Goldfields owns 49%. During Q2 2021, Kopy Goldfields and GV Gold agreed on a USD 6.8 million exploration program for 2021 with the target to advance Krasny into the feasibility stage and production planning by the end of the year. After the reporting period, the financing was agreed and will be made on a pro-rata basis 49%/51%, and Kopy Goldfields' part amounts to MUSD 3,3.

Reserves and Resources

Following the updated resource statement issued in October 2020, Kopy Goldfields' total estimated M, I&I Mineral Resources amount to 2,756 koz of gold, and total new Probable Ore Reserves amount to 1,313 koz of gold, including the attributable reserves and resources of the Krasny project.

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

Financial overview

In September 2020, the Company completed the acquisition of LLC Amur Gold Company ("Amur Zoloto") in exchange for shares issued by the Company. Since the shareholders of Amur Zoloto became the owners of 88.28% of the Company at the date of the transaction, the financial statements have been prepared using the accounting model prescribed by IFRS 3 "Business combination" for "reverse acquisitions". This accounting model requires Amur Zoloto to be treated as the accounting acquirer for the consolidated financial information and Kopy Goldfields AB being presented as the acquiree. Kopy Goldfields AB's financial statements have been included in the consolidated financial statements for the period from September 1, 2020, the accounting date of the transaction, due to the application of the reverse acquisition. For more information, see Note 3.

Comments on financial performance

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

Total revenues for the second quarter of 2021 amounted to TUSD 17,872 (21,110), a decrease of -15% compared to the corresponding period 2020, mainly driven by lower volumes of gold sold. Gold sales (GE) for Q2 2021 amounted to 9.83 koz, compared to 12.28 koz in the corresponding period 2020, a decrease of 20%. During the quarter, gold in stock ready for sale increased by 3.2 koz, corresponding to a sales value of TUSD 5,722, based on the average realized gold price for Q2 2021. The average realized gold price increased by 5% and amounted to USD 1,800/oz for Q2 2021, compared to USD 1,719/oz in Q2 2020.

Total revenues for the first half 2021 amounted to TUSD 37,234, compared to TUSD 44,235 in the corresponding period 2020, a decrease of -16%. The decrease was mainly driven by lower volumes of gold sold. Gold sales (GE) for the first six months of 2021 amounted to 20.82 koz, compared to 26.53 koz in the corresponding period 2020, a decrease of 22%. Gold production during the first six months of 2021 was affected by the outbreak of Covid-19 at the Yubileyniy mine in December 2020 and shortages of key personnel due to travel restrictions and lock-downs. The average realized gold price increased by 7% from USD 1,658 during the first six months 2020 to USD 1,775/oz in 2021.

The company's on-site end product is dore alloy bars containing gold (17-30%), silver as well as inclusions of other metals. The bars are transported to a refinery in order to be purified and smelted into marketable gold and silver bullion bars, which are stored securely until sales transactions take place. In line with the common practice in the industry, Kopy Goldfields sells refined gold and silver bullion to Russian commercial banks at international US dollar prices.

Costs of Sales for the second quarter of 2021 amounted to TUSD 13,511, compared to TUSD 10,025 in the corresponding period 2020. Costs of Sales for the second quarter of 2021 include an impairment of low-grade ore in stock of TUSD -2,043, compared to a reversal of impairment allowance of TUSD 3,435 in the corresponding quarter 2020.

Costs of Sales for the first half of 2021 amounted to TUSD 25,589 (24,357), an increase of 5% compared to the corresponding period 2020, mainly explained by adjustments of inventory value and lower sales volumes.

Total Cash Costs amounted to TUSD 8,345 (11,608) during Q2 2021 and TUSD 17,895 (22,851) for the first six months of 2021. TCC per gold equivalent ounce sold (TCC/oz) decreased in Q2 2021 by -10% and amounted to USD 849 per GE oz compared to USD 945 per GE oz in Q2 2020. TCC/oz remained on the same level for the six months period, amounting to USD 859 per GE oz in 2021 compared to USD 861 per GE oz in 2020. This reflects higher average grades in ore being processed during Q2 2021 compared to Q2 2020, while the same average grades in ore being processed during the first six months 2020 and 2021.

All-in sustaining costs (AISC) per gold equivalent ounce sold increased during the quarter and the first six months, from USD 1,184 per GE oz in Q2 2020 to USD 1,254 per GE oz in Q2 2021 and from USD 1,098 per GE oz during the first six months 2020 to USD 1,306 per GE oz during the first six months 2021. Higher sustaining capital expenses and lower sales volumes negatively impacted the cost performance during the reporting periods. Further, due to the accounting rules following the acquisition in September 2020, the figures for the first six months of 2020 do not include corporate, general and administrative expenses of the Parent Company.

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

Total Cash Costs (TCC) (TUSD)	Q2 2021	Q2 2020	Δ %	H1 2021	H1 2020	Δ %	FY 2020
Cost of gold and silver sales	13,370	9,891	35%	25,300	22,830	11%	57,364
Property, plant, and equipment depreciation and intangible assets amortization	-2,954	1,685	75%	-5,275	-3,362	57%	-9,762
Provision for mine closure, rehabilitation, and decommissioning costs	-28	21	34%	-87	-40	119%	-228
Change in allowance for slow-moving and obsolete inventory	-2,043	3,423	-160%	-2,043	3,423	-160%	-1,012
Total cash costs	8,345	11,608	-28%	17,895	22,851	-22%	46,362
Ounces sold (GE koz)	9.83	12.28	-20%	20.82	26.53	-22%	55.43
TCC per GE ounce sold (USD/oz)	849	945	-10%	859	861	0%	836

All-in Sustaining Costs (AISC) (TUSD)	Q2 2021	Q2 2020	Δ %	H1 2021	H1 2020	Δ %	FY 2020
Total cash costs	8,345	11,608	-28%	17,895	22,851	-22%	46,362
Corporate, general, and administrative expenses	2,583	2,152	20%	4,937	3,999	23%	8,325
Amortization and depreciation related to corporate, general, and administrative expenses	-49	-48	3%	-100	-96	4%	-185
Exploration impairment losses	0	-647	-100%	0	-674	-100%	-921
Provision for mine closure, rehabilitation, and decommissioning costs	28	21	34%	87	40	119%	228
Sustaining exploration expenses	13	140	-91%	59	247	-76%	995
Sustaining capital expenses	622	280	122%	2,709	706	283%	1,797
Sustaining lease payments	789	1,036	-24%	1,612	2,072	-22%	4,144
Total all-in sustaining costs	12,332	14,542	-15%	27,199	29,146	-7%	60,746
Ounces sold (GE koz)	9.83	12.28	-20%	20.82	26.53	-22%	55.43
AISC per GE ounce sold (USD/oz)	1,254	1,184	6%	1,306	1,098	19%	1,096

The gross profit decreased by -61% during the quarter, amounting to TUSD 4,361 (11,085) in Q2 2021. Gross profit for the first six months of 2021 amounted to TUSD 11,645, compared to TUSD 19,878 in 2020, representing a decrease of -41%.

G&A expenses for Q2 2021 amounted to TUSD 2,442 (1,432) and TUSD 4,447 (3,115) for the first six months of 2021. The increased G&A expenses during 2021 compared to 2020 mainly relate to Kopy Goldfields not being included in the 2020 expenses.

Operating profit for Q2 2021 amounted to TUSD 1,709 compared to TUSD 9,037 in Q2 2020. Operating profit for the first

six months of 2021 decreased by -59% from TUSD 15,645 in 2020 to TUSD 6,411 in 2021.

EBITDA for Q2 2021 amounted to TUSD 6,833 (8,529), with an EBITDA margin of 38% compared to 40% in Q2 2020. EBITDA for the first six months of 2021 amounted to TUSD 14,014 (17,805), with an EBITDA margin of 38% compared to 40% in 2020. The change compared to the corresponding periods in 2020 was primarily explained by lower sales volumes partially offset by higher gold prices. EBITDA is a non-IFRS financial measure and is reconciled as follows:

EBITDA reconciliation to Profit before tax (TUSD)	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Profit before tax	-2,192	7,312	7,822	12,324	24,728
Share of net profit of associates accounted for using the equity method	-149	-	-341	-	310
Financial income	-288	-4	-6,983	-8	-114
Financial costs	4,338	1,729	5,913	3,328	6,713
Depreciation and depletion	3,015	1,760	5,399	3,669	10,103
Net realizable value allowance for stockpiles, work in progress, and finished goods	2,043	-3,435	2,043	-3,435	1,012
Impairment of exploration and evaluation assets	-	599	-	626	956
Other one-off adjustments	66	568	161	1,301	1,912
EBITDA	6,833	8,529	14,014	17,805	45,620

Net financial result decreased by TUSD -2,176 in Q2 2021 compared to Q2 2020, while it increased by TUSD 4,732 during the first six months 2021 compared to the corresponding period 2020. Changes are mainly explained by non-cash unrealized gains and losses from derivatives revaluation relating to gold price hedge positions. As part of debt financing requirements, hedging instruments are used to form a corridor between floor and ceiling gold prices. The instruments provide a secured floor gold price of USD 1,400/oz for approximately 40% of the projected gold production for 2021–2025 with ceiling prices exceeding USD 2,500/oz. Unrealized losses in Q2 2021 amounted to TUSD -2,805, while the six months financial net includes unrealized gains of totally TUSD 3,362. The Company shows other non-current assets in the balance sheet of TUSD 2,372 as per June 30, 2021, relating to fair value of derivatives on gold commodities.

Net loss for Q2 2021, attributable to shareholders of the parent company, amounted to TUSD -1,942 (+5,798). This equals USD 0.00 (USD 0.01) per share before dilution and USD 0.01 (USD 0.01) per share after dilution. Net profit for the first six months of 2021, attributable to shareholders of the parent company, amounted to TUSD 5,929 (9,724), a decrease of TUSD -3,795 or -39 % compared to the corresponding period 2020. This equals USD 0.01 (USD 0.01) per share before dilution and USD 0.01 (USD 0.01) per share after dilution.

Comments on the financial position

Total loans and borrowings amounted to TUSD 29,777 at period end, compared to TUSD 21,590 as of December 31, 2020.

During the first six months, the Group repaid a loan of TUSD 6,062 to Scandinavian Credit Fund. Following the repayment, the Company has no assets pledged. During the first six months, the Group received a loan of TUSD 13,377 from VTB. For more information, see note 6.

Total net debt as of June 30, 2021, amounted to TUSD 59,592 compared to TUSD 41,938 as of December 31, 2020. Net Debt is a non-IFRS financial measure and is reconciled as follows:

Total Net Debt (TUSD)	Jun 30, 2021	Dec 31, 2020
Borrowings	29,777	5,012
Contract liability	26,787	26,241
Leasing	3,896	4,495
Total Debt	60,460	52,326
Cash and Cash equivalents	-868	-10,388
Total Net debt	59,592	41,938

Total Net Debt/LTMEBITDA amounted to 1.42x on June 30, 2021, compared to 0.92x at Year End 2020.

Investments

Total investments, including capitalized exploration costs, during the first six months 2021 amounted to TUSD 16,394 (5,278). The investments include:

- Maluytka project of TUSD 3,728
- Yubileyniy project of TUSD 5,381
- Perevalnoe project of TUSD 4,583
- Other projects of TUSD 1,861
- Exploration of TUSD 839

During the six months period, the Company capitalized borrowing costs in the amount of TUSD 307 (0).

Liquidity

The Company's cash and cash equivalent position at the end of the period amounted to TUSD 868, compared to TUSD 10,388 on December 31, 2020. Unused credit facilities on June 30, 2021, amounted to TUSD 13,906 (27,073 at YE 2020). The bank credit facilities may be drawn by the bank notice in RUB and have an average maturity of 6 years.

Gold in stock ready for sale (not included in cash and cash equivalents) amounted to 5.25 koz at period end, at a book value of TUSD 5,780 (corresponding to a market value of TUSD 9,248).

Personnel

As of June 30, 2021, the Group had 736 employees, of which 663 were men and 73 women. As of June 30, 2020, Amur Zoloto had 696 employees, of which 630 were men and 66 women. The average number of employees during the second quarter of 2021 was 745, of which 674 were men and 71 women. The average number of employees in Amur Zoloto during the second quarter of 2020 was 665, of which 607 were men and 58 women. The average number of employees during the first six months 2021 was 725, of which 638 were men and 87 women. The average number of employees in Amur Zoloto during the first six months 2020 was 641, of which 584 were men and 57 women.

The Parent Company

The Parent Company's revenue for Q2 2021 totaled TSEK 248 (233) and TSEK 578 (700) for the first six months of 2021. The revenue was related to the re-invoicing of expenses to subsidiaries. Net loss for Q2 amounted to TSEK -8,273 (-5,005). Net loss for the first six months amounted to TSEK -13,462 (-4,948).

Total assets at period end amounted to TSEK 1,976,465 and remained relatively unchanged compared to TSEK 1,974,987 on 31 December 2020. Cash and cash equivalents amounted to TSEK 3,868 compared to TSEK 2,344 on December 31, 2020. Equity on June 30, 2021, amounted to TSEK 1,887,464 (December 31, 2020: TSEK 1,900,975).

There was 1 person (2) employed by the Parent Company at the end of the period.

The share

On June 30, 2021, the total number of issued shares in Kopy Goldfields AB was 889,064,175, with a quota value of SEK 0.38 (SEK 0.38). All shares represent one vote each. In the first quarter 2021, the number of shares and votes increased by 3,058,600 following the exercise of warrants under incentive program 2017/2020, adopted at the Annual General Meeting on May 30, 2017.

Significant events after the reporting period

During the period, Kopy Goldfields and GV Gold agreed on an exploration program for 2021 with the target to advance Krasny into the feasibility stage and production planning by the end of the year. In July 2021, after the reporting period, the parties agreed to invest further TUSD 6,830 into the Krasny project. Financing will be made on a pro-rata basis 49%/51% and Kopy Goldfields part amounts to TUSD 3,346. In accordance with the shareholders agreement between Kopy Goldfields and GV Gold, Kopy Goldfields has the right to postpone the payment of the investment for 360 days.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>Amounts in thousands of US Dollars (TUSD)</i>	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue from contracts with customers	17,872	21,110	37,234	44,235	98,841
Cost of sales	-13,511	-10,025	-25,589	-24,357	-57,868
Gross profit/loss	4,361	11,085	11,645	19,878	40,973
General and administrative expenses	-2,442	-1,432	-4,447	-3,115	-6,887
Other operating expenses, net	-210	-616	-787	-1,118	-2,449
Operating profits	1,709	9,037	6,411	15,645	31,637
Share of net profit of associates accounted for using the equity method	149	0	341	0	-310
Financial income	288	4	4,178	8	114
Financial costs	-4,338	-1,729	-3,108	-3,329	-6,713
Financial income /(expenses), net	-3,901	-1,725	1,411	-3,321	-6,909
Profit before tax	-2,192	7,312	7,822	12,324	24,728
Income tax	250	-1,514	-1,894	-2,600	-5,575
Profit for the year	-1,942	5,798	5,928	9,724	19,153
<i>Of which attributable to:</i>					
Parent company shareholders	-1,942	5,798	5,929	9,724	19,152
Non-controlling interest	0	0	-1	0	1
Other comprehensive income/(loss)					
<i>Items that will not be reclassified to profit or loss</i>					
Exchange differences on translation to presentation currency	3,444	5,539	1,698	-6,589	-14,411
Total comprehensive income/(loss) for the period	1,502	11,337	7,626	3,135	4,742
<i>Of which attributable to:</i>					
Parent company shareholders	1,502	11,337	7,627	3,135	4,721
Non-controlling interest	0	0	-1	0	21
Earnings per share for profit attributable to the shareholders of the company:					
Earnings per share before dilution (US Dollars)	-0.0022	0.0074	0.0067	0.0124	0.0235
Earnings per share after dilution (US Dollars)	-0.0022	0.0074	0.0067	0.0124	0.0234

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in thousands of US Dollars (TUSD)</i>	<i>Note</i>	Jun 30, 2021	Dec 31, 2020
Assets			
Non-current assets			
Exploration and evaluation assets		2,096	5,860
Property, plant, and equipment		55,677	39,934
Right-of-use assets		8,447	9,084
Investments in associates		29,274	28,721
Financial assets at amortized cost		-	3,731
Deferred tax assets		1,008	1,381
Inventories		17,435	13,819
Other non-current assets		2,372	-
Total non-current assets		116,309	102,530
Current assets			
Inventories		45,182	39,756
Other current assets		6,710	558
Other receivables		5,328	1,727
Advances paid		1,677	1,527
Taxes receivable		4,360	4,190
Cash and cash equivalents		868	10,388
Total current assets		64,125	58,146
Total assets		180,434	160,676
Equity			
Equity attributable to shareholders of the Parent Company			
Share capital		39,115	38,977
Other contributed capital		48,127	48,265
Foreign currency translation reserve		-42,960	-44,658
Retained earnings, including profit (loss) for the period		57,562	51,633
Total equity attributable to shareholders of the Parent Company		101,844	94,217
Non-controlling interest		2	3
Total equity		101,846	94,220
Liabilities			
Non-current liabilities			
Loans and Borrowings	6	29,101	15,038
Contract liability	7	26,787	26,241
Mine rehabilitation provision		2,837	2,702
Lease liabilities		1,423	2,037
Other non-current liabilities		93	982
Total non-current liabilities		60,241	47,000
Current liabilities			
Loans and Borrowings	6	676	6,552
Mine rehabilitation provision		33	32
Lease liabilities		2,473	2,458
Accounts payable and accrued liabilities		13,412	7,672
Income tax payable		33	1,716
Taxes payable		1,720	1,026
Total current liabilities		18,347	19,456
Total liabilities		78,588	66,456
Total equity and liabilities		180,434	160,676

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of US Dollars (TUSD)	Note	Attributable to shareholders of the Parent Company					Non- controlling interest	Total equity
		Share capital	Other contributed capital	Foreign currency translation reserve	Retained earnings, including profit (loss) for the period	Total		
Opening balance January 1, 2020		53,977	-	-30,227	32,481	56,231	-	56,231
Profit for the period		-	-	-	9,724	9,724	-	9,724
Other comprehensive in- come for the period		-	-	-6,589	-	-6,589	-	-6,589
Total comprehensive in- come for the period		-	-	-6,589	9,724	3,135	-	3,135
Closing balance June 30, 2020		53,977	-	-36,816	42,205	59,366	-	59,366
Opening balance January 1, 2021	3	38,977	48,265	-44,658	51,633	94,217	3	94,220
Profit for the period		-	-	-	5,929	5,929	-1	5,928
Other comprehensive in- come for the period		-	-	1,698	-	1,698	-	1,698
Total comprehensive in- come for the period		-	-	1,698	5,929	7,627	-1	7,626
Transactions with own- ers in their capacity as owners								
Incentive programs 2017		138	-138	-	-	-	-	-
Closing balance June 30, 2021		39,115	48,127	-42,960	57,562	101,844	2	101,846

CONSOLIDATED STATEMENT OF CASH FLOW

<i>Amounts in thousands of US Dollars (TUSD)</i>	<i>Note</i>	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Cash flow from operating activities						
Profit before tax		-2,192	7,312	7,822	12,324	24,728
Adjustments for non-cash items						
Depreciation and depletion of property, plant and equipment, intangible assets, and right-of-use assets		3,015	1,660	5,399	3,569	10,103
Impairment of exploration and evaluation assets		-	-	-	-	956
Loss on disposal of assets		28	29	29	100	309
Finance costs		4,338	1,729	3,108	3,329	6,713
Finance income		-288	-4	-4,178	-8	-114
Movements in allowance for obsolete inventory and net realizable value		2,043	-3,612	2,043	-3,612	1,012
Foreign exchange loss		36	-95	131	65	195
Share of net profit of associates accounted for using the equity method		-149	-	-341	-	310
Other non-cash adjustments		-1	1	-4	3	56
Cash flow from operating activities before changes in working capital		6,830	7,020	14,009	15 770	44,268
Changes in working capital						
Change in inventories		-3,712	-577	-12,775	-4,933	-16,336
Change in other receivables and advances paid		5,807	1,582	-166	-613	-2,013
Change in trade and other payables and advances received		-8,702	-8,094	6,346	4,314	-1,545
Change in other assets		2,707	2,263	-2,526	-6,117	545
Cash flow from operating activities		2,930	2,194	4,888	8,421	24,919
Interest received		10	4	64	8	14
Interest paid		-313	-2,087	-819	-2,087	-2,503
Income tax paid		-937	-1,730	-2,784	-2,451	-5,080
Net cash flow from operating activities		1,690	-1,619	1,349	3,891	17,350
Cash flow from investing activities						
Payment for additional share issue of equity investees		-496	-	-496	-	-
Cash acquired during merger of LLC Amur Gold and Kopy Goldfields AB (reverse acquisition)	3	-	-	-	-	138
Purchase of property, plant, and equipment		-6,803	-851	-15,913	-5,278	-17,021
Purchase of exploration and evaluation assets		-268	-	-481	-	-721
Interest paid capitalized		-202	-	-307	-	-117
Net cash flows used in investing activities		-7,769	-851	-17,197	-5,278	-17,721
Cash flow from financing activities						
Proceeds from borrowings	6	6,305	8,438	13,377	8,438	15,653
Proceeds from borrowings from shareholder	5, 6	500	-	500	-	-
Repayment of borrowings	6	0	-5,129	-6,062	-5,129	-5,567
Repayment of lease liabilities		-650	-718	-1,487	-2,047	277
Net cash flow from financing activities		6,155	2,591	6,328	1,262	10,363
Net (Decrease)/increase of cash and cash equivalents		76	121	-9,520	-125	9,992
Cash and cash equivalents, opening balance		792	150	10,388	396	396
Cash and cash equivalents, closing balance for the period		868	271	868	271	10,388

PARENT COMPANY CONDENSED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

<i>Amounts in thousands of Swedish Krona (TSEK)</i>	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue	248	233	578	700	1,150
Total operating income	248	233	578	700	1,150
General and Administrative Expenses	-5,774	-1,292	-8,538	-3,602	-10,922
Operating loss	-5,526	-1,059	-7,960	-2,902	-9,772
Results from investments in subsidiaries	-329	-407	-764	-1,457	-4,497
Financial items	-2,418	-3,522	-4,738	-535	-7,975
Result after financial items	-8,273	-4,988	-13,462	-4,894	-22,244
Appropriations	-	-	-	-	-4
Result before tax	-8,273	-4,988	-13,462	-4,894	-22,248
Income tax	0	0	0	0	0
Net loss	-8,273	-4,988	-13,462	-4,894	-22,248
Other comprehensive income (loss)					
Translation differences	0	-17	0	-54	-122
Total comprehensive income (loss)	-8,273	-5,005	-13,462	-4,948	-22,370

PARENT COMPANY CONDENSED BALANCE SHEET

<i>Amounts in thousands of Swedish Krona (TSEK)</i>	Note	Jun 30, 2021	Dec 31, 2020
Assets			
Non-current assets			
Shares in group companies	3	1,926,738	1,926,713
Other non-current financial assets		-	30,551
Financial fixed assets		1,926,738	1,957,264
Current assets			
Receivables		45,858	15,379
Cash & cash equivalents		3,868	2,344
Current assets		49,726	17,723
Total assets		1,976,465	1,974,987
Equity and liabilities			
Equity	3, 8	1,887,464	1,900,975
Non-current liabilities	6	0	0
Current liabilities		89,000	74,012
Total equity and liabilities		1,976,464	1,974,987

NOTES

NOTE 1 INFORMATION ABOUT THE COMPANY

Kopy Goldfields AB (publ) is a Swedish limited liability company domiciled and headquartered at Skeppargatan 27 in Stockholm, Sweden (Corp. ID 556723-6335). The Company's and its subsidiaries' operations are focused on gold and silver exploration, evaluation, and production in the Khabarovsk region and the Bodaibo district of the Irkutsk region of the Russian Federation. Kopy Goldfields AB is a public company listed on Nasdaq First North Growth Market, Stockholm, under the ticker code "KOPY".

NOTE 2 ACCOUNTING PRINCIPLES

The interim report for the period ended June 30, 2021, has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act (Sw. Årsredovisningslagen). The interim consolidated financial statements have been prepared, consistent with the 2020 consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and by the Swedish Annual Reports Act. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Reports Act and the recommendations "RFR 2 on Financial Reporting for Legal Entities" issued by the

Swedish Financial Reporting Board (Sw. Rådet för finansiell rapportering).

The interim report does not contain the entirety of the information that appears in the annual report and accordingly, the interim report should be read in conjunction with the 2020 annual report.

The same accounting principles have been applied during the period as were applied during the 2020 financial year and corresponding interim reporting period in the way they were described in the 2020 annual report, except for the adoption of new and amended standards as set out below.

Following the transaction with Amur Zoloto, the Group changed the presentation currency from Swedish krona (SEK) to US dollars (USD). The Group has chosen to present its consolidated financial statements in USD, as management believes it is a convenient presentation currency for international users of the consolidated financial statements of the Group, including market investors, banks, and rating agencies, and as it is a common presentation currency for the mining industry.

In accordance with the Swedish Accounting Act, the Parent Company's financial information is reported in Swedish krona and not the Group's presentation currency of US dollars.

New and amended accounting principles in 2021 that have been adopted by the Group

The following is a list of new or amended IFRS standards and interpretations that have been applied by the Group for the first time in these consolidated financial statements.

Title	Subject	Effective for annual periods beginning on or after	Expected effect on the consolidated financial statements
IFRS 17	Insurance Contracts	January 1, 2021 or later	No effect

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

The following is a list of new and revised IFRSs that have been issued but are not yet effective and have not been applied by the Group:

Title	Subject	Effective for annual periods beginning on or after	Expected effect on the consolidated financial statements
IAS 16	Prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use	January 1, 2022	Under review
IFRS 3	Updates the references to the Conceptual Framework for Financial Reporting and exception for the recognition of liabilities and contingent liabilities	January 1, 2022	Under review
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2020 or later	Under review
Annual Improvements to IFRS Standards 2018–2020	IFRS 9 Financial Instruments – 10% test for derecognition of financial liabilities. IFRS 16 Leases – amendment of illustrative example	January 1, 2022	Under review
Annual Improvements to IFRSs (2010–2012 Cycle Amendments to IAS 1)	Classification of Liabilities as Current or Non-Current	January 1, 2022	Under review

Currency rates used in the report

Year 2021	RUB/USD	SEK/USD	SEK/RUB
Average Q1	74.3414	8.3902	0.1128
Average Q2	74.2155	8.4208	0.1135
March 31	75.7023	8.7239	0.1153
June 30	72.3723	8.5103	0.1179

Year 2020	RUB/USD	SEK/USD	SEK/RUB
Average Q1	66.3514	9.6692	0.1454
Average Q2	72.3611	9.6823	0.1337
Average Q3	73.5598	8.8724	0.1206
Average Q4	76.2207	8.6192	0.1131
March 31	77.7326	10.0771	0.1278
June 30	69.9513	9.349	0.1327
December 31	73.8757	8.1886	0.1108

NOTE 3 REVERSE ACQUISITION

In the beginning of September 2020, the Company completed the transaction with HC Alliance Mining Group Ltd ("HCAM") and Lexor Group SA ("Lexor") contributing the entire participants' capital of LLC Amur Gold Company (LLC "Amur Zoloto") in exchange for 782,179,706 ordinary shares issued by the Company.

Since the acquisition of Kopy Goldfields AB does not qualify as a business combination, the transaction is treated as an asset acquisition under IFRS 2 Share Based Payment, since the asset is acquired in exchange for shares, no goodwill was recognized.

Following the completion of the transaction with Amur Zoloto shareholders, the financial statements have been prepared using the accounting model prescribed by IFRS 3 "Business combination" for "reverse acquisitions" since the shareholders of Amur Zoloto became the owners of 88.28% of the Company at the date of the transaction. This accounting model requires Amur Zoloto to be treated as the accounting acquirer for the consolidated financial information and Kopy Goldfields AB being presented as the acquiree.

Consequently, the assets and liabilities of Kopy Goldfields AB, being the legal parent, have been recorded at fair value initially in the consolidated financial statements. The transaction cost was determined based on the value of the underlying asset which was then compared to the number of Kopy Goldfields AB's shares existing at the completion date. As of the closing of the transaction, the share price of the existing 103,825,869 Kopy Goldfields AB shares was 2.35 SEK/share constituting a market

value of Kopy Goldfields of TUSD 28,233 as of the transaction date (equivalent to KSEK 243,991). This implied a surplus value of TUSD 19,038 as of the transaction date (equivalent to KSEK 164,349), which has been attributed to the investment in the Associate containing the Krasny project. The directly attributable transaction costs incurred both by Kopy Goldfields AB and Amur Zoloto amounted to TUSD 923.

The assets and liabilities of the legal subsidiary Amur Zoloto have been recognized and measured in the consolidated financial statements at their pre-transaction carrying amounts. The comparative financial information for the period ended June 30, 2020, represents Amur Zoloto's financial statements.

Kopy Goldfields AB's financial statements have been included in the consolidated financial statements for the period since September 1, 2020, the accounting date of the transaction due to the application of the reverse acquisition.

The standalone financial statements of the parent company Kopy Goldfields AB are presented for the period ended June 30, 2021, with comparative information for the corresponding period 2020, as well as the twelve months ended December 31, 2020.

NOTE 4 RISKS AND UNCERTAINTIES

A detailed description of the Company's risks is included in the 2020 annual report of Kopy Goldfields which is available on Kopy Goldfields' corporate web.

The risks include geological risks, risks related to the deposits, supplier and contractor delivery risk, impairment test risks, financing risks, gold price risks, currency exchange risk, and political risks, amongst others. Since 2014, the EU and USA have implemented sanctions against Russia. The Company is currently not directly affected by the sanctions but does continuously monitor developments.

The Board of Directors and Management monitors the general development of the Covid-19 virus and its impact on the Company's business. The effects of the virus have been presented on page 3 in this report.

NOTE 5 RELATED-PARTY TRANSACTIONS

The Company enters into related-party transactions as part of the normal course of business and on an arm's length basis.

Two Board members have received consulting fees, amounting to TUSD 46 in total for the first six months of 2021.

In May 2021, the Company received a short-term USD denominated loan from a shareholder of TUSD 500. The loan is interest free and due for repayment on June 30, 2022.

See also note 8, incentive program.

NOTE 6 LOANS AND BORROWINGS

(TUSD)	Interest rate	Maturity	30 Jun 2021	Dec 31 2020
Long-term borrowings				
RUB denominated bank loans	Key rate of Russian Central Bank plus a margin of 2.95%	September 2023 - June 2026	29,101	15,038
Total long-term borrowings			29,101	15,038
Short-term borrowings				
SEK denominated borrowings from credit institutions	11.75%	March 2021	-	6,379
USD denominated borrowings from Shareholder	0%	June 2022	500	-
Other RUB denominated borrowings from Related parties	0% - 5%	On demand / December 2021	175	173
Total short-term borrowings			676	6,552
Total			29,777	21,590

On March 24, 2021 the Company fully repaid its SEK denominated borrowings from credit institutions of TUSD 6,354 (TSEK 54,757 at the exchange rate on the date of payment) including interest.

On June 26, 2020, the Group entered into a new unsecured finance facility with PJSC VTB bank for refinancing of promissory notes from shareholder and funding of the investment program with a maximum credit facility of TUSD 43,180 (equivalent of TRUB 3,125,000 at the reporting date) bearing floating interest rate as key rate of Central Bank of Russian Federation plus margin of 2.95%. The loan facility matures starting from September 2023 year to June 2026.

Secured liabilities and assets pledged as security

On December 31, 2020, the Group had a pledge of shares in associates under the SEK denominated borrowing facilities from credit institutions. Following the repayment, the Group has no assets pledged.

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial and non-financial covenants that, if breached by the Company, permit the bank to demand repayment before the loans' normal maturity date.

Available credit facilities

On June 30, 2021, unused credit facilities were TUSD 13,906 (on December 31, 2020: TUSD 27,073). The bank credit facilities may be drawn by the bank notice in RUB and have an average maturity of 6 years.

NOTE 7 CONTRACT LIABILITY

In September 2018, the Group entered into a long-term commodity loan with a bank with the obligation to deliver a certain amount of gold to the bank at the scheduled contract term. The commodity loan bears an interest of 6.45% per annum and had an initial maturity date of July 31, 2022. During the year

ended December 31, 2020, the Group signed an addendum to the agreement with the Bank to postpone the maturity of principal amount payments. The new repayment schedule starts from September 2023 through June 2025.

Commodity loan is subject to certain financial and non-financial covenants that, if breached by LLC Amur Zoloto, permit the bank to demand repayment before the loans' normal maturity date.

The contract liability is treated as a prepayment for gold supply and accounted for according to IFRS 15 "Revenue from contracts with customers".

NOTE 8 INCENTIVE PROGRAM

On December 31, 2020, the 2017/2020 incentive program expired. Following registration of new shares issued under the incentive program with the Swedish Companies Registration Office in February 2021, the number of shares in the Company increased by 3,058,600, from 886,005,575 to 889,064,175 shares, and the share capital increased by SEK 1,162,945 (equivalent to TUSD 138 translated at the exchange rate on the date of issue), from SEK 336,878,176 to SEK 338,041,120 (rounded off to the nearest whole number). Consideration received in the new share issue amounted to TUSD 649,5 (equivalent of TSEK 5,414 translated at the exchange rate on the date of payment).

The Annual General Meeting 2021 approved two long-term incentive programs: 2021/2024 for management and key personnel and 2021/2025 for the Board of Directors. Under the programs, a maximum of 8,000,000 warrants of series 2021/2024 and a maximum of 2,000,000 warrants of series 2021/2025 can be issued. Each warrant entitles the holder to subscribe for one (1) share in the Company, which means that the share capital can be increased by SEK 3,802,213 (rounded off to the nearest whole number) at maximum. The exercise date is August 31, 2024, for the warrants of series 2021/2024 and August 31, 2025, for the warrants of series 2021/2025 and strike price is SEK 2.75.

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 26, 2021
Kopy Goldfields AB (publ)
Org. No. 556723-6335

Kjell Carlsson
Chairman

Mikhail Damrin
CEO

Andreas Forssell
Board member

Arsen Idrisov
Board member

Britta Dalunde
Board member

Eric Forss
Board member

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

Upcoming financial reporting

Starting with the first quarter of 2021, Kopy Goldfields publishes interim reports quarterly.

Report	Date
Q3 2021	November 25, 2021
Year-end Report 2021	March 24, 2022

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

Report	Date
Q3 2021 Operations Report	October 22, 2021
Q4 2021 Operations Report	January 21, 2022

For more information, please contact:

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Ticker code: KOPY (Nasdaq First North)
Number of shares 889,064,175

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 26, 2021.

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 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 is available on www.kopygoldfields.com

Presentation for investors, analysts, and the media

CEO Mikhail Damrin and CFO Tim Carlsson will present the report and answer questions via a webcast on August 26, 2021, at 10.00 a.m. CEST. The presentation will be in English and can be followed online or via telephone. Number for participation by telephone: Sweden: +46850558374 / United Kingdom: +443333009270 / Russian Federation: +88005009867 (PIN: 42598186#). Follow the presentation at <https://tv.streamfab-riken.com/kopy-goldfields-q2-2021>.

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.
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

Financial calendar



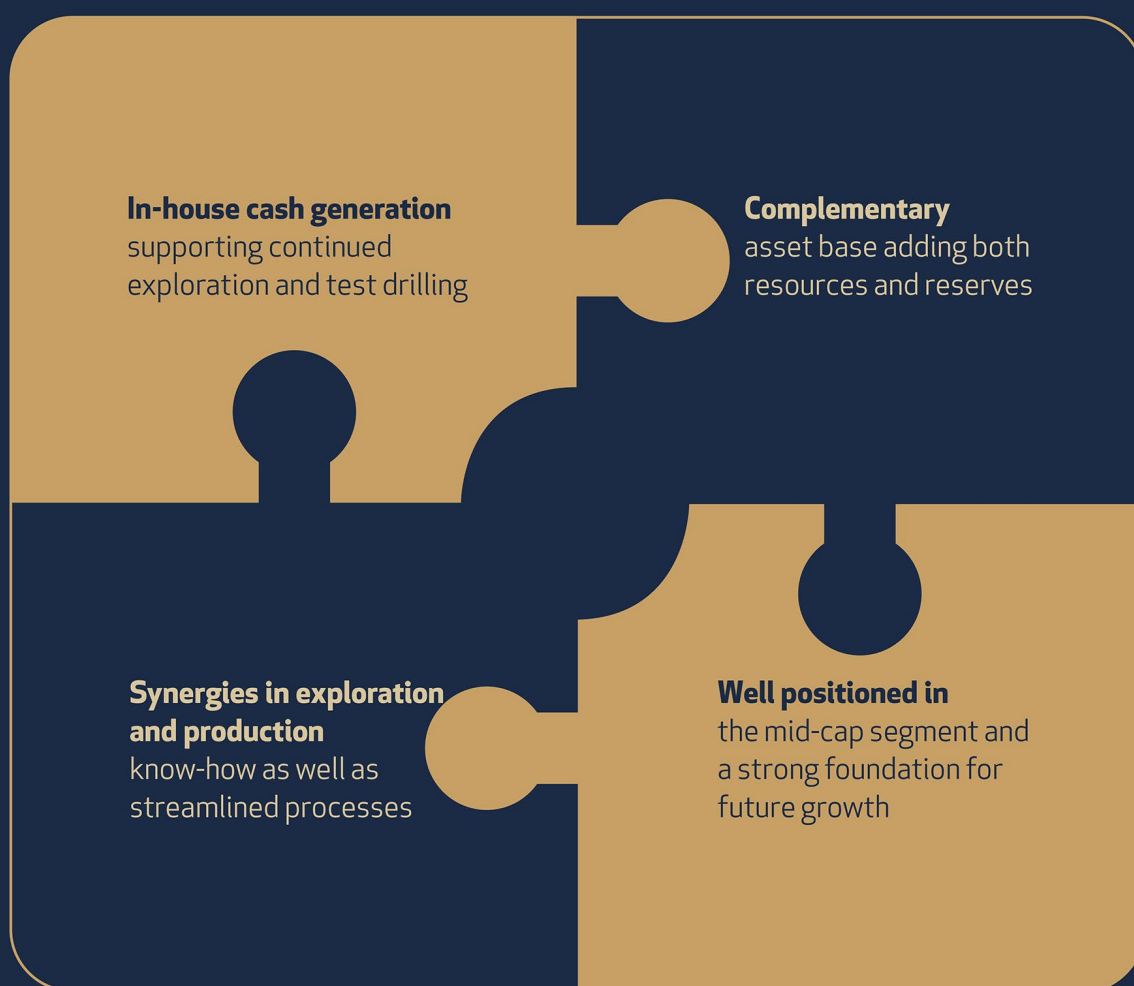
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THIS IS KOPY GOLDFIELDS

Kopy Goldfields is a leading Swedish gold exploration and production company operating in the most renowned gold mining regions of Russia. Kopy Goldfields' strategy is to combine Russian geologic knowledge and science with international management, best industry practices and modern, efficient technology to identify and develop mineral deposits in a cost efficient, safe, and transparent way.



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