

PRESS RELEASE

24 May 2024 07:55:00 CEST

Kopy Goldfields proposes redemption of up to approximately 156 million shares

Kopy Goldfields AB (publ) ("Kopy Goldfields" or the "Company") (listed on Nasdaq First North Growth Market, under the ticker KOPY) hereby proposes a voluntary redemption of up to approximately 156 million shares in the Company at a price per share of SEK 0.35 (the "Redemption"). The Redemption will entitle all shareholders, except the main shareholders HC Alliance Mining Group Ltd and Magomed Bazhaev, to request redemption of their shares in the Company during the period of July 3 and July 17, 2024. The Redemption will be subject to approval by the Annual General Meeting ("AGM") to which the notice will be published separately in connection with this press release.

The Board of Directors of Kopy Goldfields proposes that the AGM resolves to redeem up to 155,755,865 shares in the Company (approximately 17 percent of the total outstanding shares in the Company) at a value of SEK 0.35 per share, whereby the share capital of the Company will be reduced by maximum of SEK 59,221,693.9887855 through repayment to shareholders by maximum SEK 54,514,552.75 and transfer of maximum SEK 4,707,141.2387855 to unrestricted equity. The reduction of the share capital will be effected without obtaining the authorization of the Swedish Companies Registration Office (Sw. Bolagsverket) or a court of general jurisdiction, as the Company, at the same time, conditions the Redemption of the AGM's approval of a bonus issue equal to the maximum reduction of share capital, resulting in no reduction of the restricted equity of the Company or its share capital. The notice to the AGM on June 27, 2024, will include proposals to resolve on the Redemption, including an amendment of the articles of association to be able to facilitate the Redemption. The Company has received voting undertakings to approve the Redemption and undertakings not to transfer any shares during the redemption period from the main shareholders and Swedish shareholders, who jointly control approximately 87 percent of the shares and votes in the Company.

The Board of Directors has structured the Redemption on the basis that the Company and its operations are increasingly exposed to sanctions and other legislation in both Russia and the EU. In addition, policy decisions by third parties further discourage cross-border operations and transactions and also restrict liquidity and shareholder flexibility with respect to their shares. Kopy Goldfields, and ultimately its shareholders, therefore face increasing difficulties and significant risks. The Board of Directors recognizes that there is significant interest and external pressure on the Company and the Swedish shareholders to cease operations in Russia, and has therefore evaluated a number of strategic alternatives to structurally secure the business and offer an exit in a balanced way for all the Company's stakeholders.

The Company now proposes that the minority shareholders are offered to redeem their shares at a redemption price that exceeds the market price at the date of the publication of this press release. The Company's main shareholders, holding approximately 83 percent of the shares, will not be offered to redeem their shares while other shareholders will be able to be offered to redeem all their shares. In case of full participation in the redemption by minority shareholders the main owners' shareholding increases to 100 percent of the shares in the Company. In light of the Company's ownership structure and Euroclear Sweden AB's interpretation of the current sanctions' legislation, Euroclear Sweden AB does not consider itself able to participate in the issue of any new securities, including redemption rights, in the Company. The Redemption will therefore not include any issue of, or trading of, redemption rights.

Potential delisting

If the Redemption is adopted at the AGM, and the number of shares for which shareholders request redemption result in that the main owners jointly control more than 90 percent of the shares and votes in the Company, the Company intends to apply for a delisting of the shares from Nasdaq First North Growth Market. The Company will in due course inform the market if such measures are initiated.

Indicative timetable for the Redemption

June 27, 2024	AGM to resolve on the Redemption and to amend the Articles of Association
July 3-July 17, 2024	Redemption period during which shareholders may request Redemption
July 18, 2024	Announcement of outcome in the Redemption
July 30, 2024	Indicative payment date on consideration for shares redeemed

Risks

In the current environment, rapidly changing legislation, the introduction of additional sanctions, interpretation and policy changes could affect the Company's ability to complete the Redemption. The execution of the Redemption requires and is dependent on the participation and performance of third parties, including banks, who could also be affected by such changes or other factors beyond the Company's control.

This is a translation of the Swedish version of the press release. In case of discrepancies, the Swedish wording shall prevail.

For more information, please contact:

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About Kopy Goldfields

Kopy Goldfields is a Swedish gold exploration and production company. Kopy Goldfields' strategy is to combine local geologic knowledge and science with international management, best industry practices and modern, efficient technology to identify and develop mineral deposits in a cost-efficient, safe and transparent way. Kopy Goldfields' shares are traded on Nasdaq First North Growth Market in Stockholm under the symbol "KOPY". Nordic Certified Advisers is Certified Adviser (Tel +46 707 94 90 73, e-mail: info@certifiedadviser.se).

This information is information that Kopy Goldfields is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-05-24 07:55 CEST.

Attachments

Kopy Goldfields proposes redemption of up to approximately 156 million shares