

# KOPY GOLDFIELDS

Press release  
21 October 2022

## Operational update Q3 2022

### Highlights\*:

- The gold equivalent (GE\*\*) production from the Company's mines in the Khabarovsk region amounted to 14.39 koz during Q3 2022, compared to 20.98 koz in Q3 2021.
- The Company adjusts the 2022 production guidance. The Company now forecasts production of 49-52 koz in 2022 (previously 52 – 57 koz).
- GE sales for Q3 2022 amounted to 29.91 koz compared to GE sales of 18.49 koz in Q3 2021. Sales volumes included 24.02 koz, acquired in the gold market, that was delivered to settle a commodity loan. Excluding the effects of the settlement, GE sales under ordinary operations amounted to 5.89 koz. No silver was sold in Q3 2022 nor in Q3 2021.
- The average realized gold price amounted to 1,424 USD/oz (1,779 USD/oz in Q3 2021), and was affected by the settlement of the commodity loan which was recorded at 1,358 USD/oz. Excluding the effects of the settlement, the average realized gold price under ordinary operations amounted to 1,695 USD/oz.
- Gold production from the upgraded Yubileyniy CIP plant increased by 35% compared to Q3 2021. Fine tuning of processes and processing equipment is still ongoing at the plant.
- In Q3, the first gold from the new heap leach (HL) plant at Perevalnoe was produced. The plant was commissioned late in Q2 2022 to be operated all-year round.

*"In this challenging environment, the production targets for Q3 2022 were not fully reached and we are adjusting the production plan for 2022 accordingly. We continued to position the company for further volatility in macro parameters by further additions to the gold inventory and settlement of outstanding delivery obligations," said Mikhail Damrin, CEO of Kopy Goldfields.*

Gold equivalent (GE) production and sales, koz	Q3		Change	Year to date		Change
	2022	2021		2022	2021	
Yubileyniy project (CIP)	4.87	3.61	35%	14.96	9.68	55%
Yubileyniy project (HL)	0.85	0.92	-8%	1.03	0.92	12%
Perevalnoe project (CIP)	1.13	6.36	-82%	8.03	18.87	-57%
Perevalnoe project (HL)	2.16	-	n/a	2.16	-	n/a
Placer mines	5.20	9.81	-47%	7.50	11.61	-35%
Silver production, in GE	0.19	0.27	-31%	0.42	0.59	-28%
<b>Total GE production</b>	<b>14.39</b>	<b>20.98</b>	<b>-31%</b>	<b>34.11</b>	<b>41.67</b>	<b>-18%</b>
<b>Total GE sales</b>	<b>29.91</b>	<b>18.49</b>	<b>62%</b>	<b>52.85</b>	<b>39.31</b>	<b>34%</b>

\* Preliminary production and sales volumes

\*\* Varies based on the relationship between actual gold and silver prices: for 9 months of 2022, the applied average conversion ratio for silver was 1:80 Ag/Au.

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## Yubileyniy project

In 2021, Kopy Goldfields completed the modernisation and extension of the Yubileyniy plant, which almost doubled the processing capacity from 130 to 250 ktpa. Although the facility reached its full capacity utilisation in Q2 2022, it is still in a start-up phase with finetuning of processes and processing equipment. The production from the upgraded Yubileyniy CIP plant amounted to 4.87 koz, an increase of 35% compared to Q3 2021. In addition, 0.85 koz of gold were produced on the Yubileyniy Heap leach facility. The increase in production was primarily explained by 71% increase in the volume of ore processed during Q3 2022.

Yubileyniy project	Q3		Change	Year to date		Change
	2022	2021		2021	2022	
<b>CIP</b>						
Underground ore mined, 000'tons	72.67	51.75	40%	212.70	115.08	85%
Underground development, meters	504.20	351.20	44%	1,747.20	1,291.00	35%
Underground ore grade, g/t	4.30	4.25	1%	4.23	4.37	-3%
Ore processed, 000'tons	52.78	30.87	71%	143.44	85.14	68%
Average grade, g/t	4.25	4.46	-5%	4.23	4.77	-11%
Gold produced CIP, kg	151.53	112.38	35%	465.46	301.05	55%
Gold produced CIP, koz	4.87	3.61	35%	14.96	9.68	55%
<b>Heap Leach (HL)</b>						
Ore stacking, 000'tons	7.31	10.78	-32%	17.48	17.68	-1%
Grade, g/t	3.01	3.55	-15%	2.99	3.50	-14%
Gold in ore stacked, kg	22.03	38.31	-42%	52.30	61.79	-15%
Gold produced HL, kg	26.35	28.65	-8%	31.96	28.65	12%
Gold produced HL, koz	0.85	0.92	-8%	1.03	0.92	12%

## Placer mining

In 2022, the Company operates two placer mines - Byor and Khayarilakh. The alluvial gold production commenced in the second quarter when the snow and permafrost melted. Q3 2022 gold production from both placers totalled 5.20 koz, an decrease of 47% compared to Q3 2021.

Placer mining	Q3		Change	Year to date		Change
	2022	2021		2022	2021	
Overburden, 000'm3	431.00	556.90	-23%	1,000.50	1,401.80	-29%
Capital mining, 000'm3	86.30	185.40	-53%	213.10	348.60	-39%
Placer gravel washed, 000'm3	347.00	458.80	-24%	494.60	596.50	-17%
Average grade, mg/m3	466.02	665.21	-30%	471.95	605.47	-22%
Gold produced, kg	161.71	305.20	-47%	233.43	361.16	-35%
Gold produced, koz	5.20	9.81	-47%	7.50	11.61	-35%

## Perevalnoe project

In Q2 2022, the operations at new heap leach (HL) plant at Perevalnoe commenced with first gold amounting to 2.16 koz produced in Q3 2022. Preparations are ongoing to transform the Perevalnoe HL-plant into a year-round production facility. Heaters are being installed in order to increase the temperature of leach solutions to continue gold production during the cold season.

In Q2 2022, the Perevalnoe CIP mill was stopped and mothballed following depletion of open pit mining, and no further production of gravity and flotation concentrates is planned for 2022. A review

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of how to proceed with underground mine development has been initiated. GE production from flotation concentrate produced in 2021 and Q1 2022 amounted to 1.13 koz, a decrease of 82%.

Perevalnoe project	Q3		Change	Year to date		Change
	2022	2021		2022	2021	
<b>CIP</b>						
Ore processed, 000'tons	-	43.12	-100%	45.62	127.49	-64%
Average grade, g/t	-	3.12	-100%	3.84	4.64	-17%
Gravity concentrate produced, tons	-	78.88	-100%	75.51	251.15	-70%
Average grade, g/t	-	420.72	-100%	628.51	757.99	-17%
Flotation concentrate produced, tons	-	1,201.78	-100%	1,544.50	4,701.79	-67%
Average grade, g/t	-	76.04	-100%	78.21	77.46	1%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg	35.15	197.84	-82%	249.74	586.91	-57%
Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), koz	1.13	6.36	-82%	8.03	18.87	-57%
<b>Heap Leach (HL)</b>						
Ore stacking, 000'tons	98.15	-	n/a	205.32	-	n/a
Grade, g/t	1.48	-	n/a	1.49	-	n/a
Gold in ore stacked, kg	145.28	-	n/a	306.18	-	n/a
Gold produced HL, kg	67.06	-	n/a	67.06	-	n/a
Gold produced HL, koz	2.16	-	n/a	2.16	-	n/a

## Competent person

Alexander Polonyankin, a competent person under JORC and member of Australasian Institute of Mining and Metallurgy, MAusIMM (CP), has reviewed and approved the technical information relating to operations covered in this press release.

## For more information, please contact:

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*This information is information that Kopy Goldfields AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out above at 8.30 CEST on 21 October 2022.*

## About Kopy Goldfields

Kopy Goldfields is a leading 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](mailto:info@certifiedadviser.se)).

## Forward-looking statements

This press release contains forward-looking statements that reflect the Company's and the company group's intentions, beliefs, or current expectations about and targets for the Company's and the company group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. The forward-looking statements are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and

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political environments in the countries where Kopy Goldfields operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) Kopy Goldfields' continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including but not limited to risks and uncertainties surrounding any gold production and exploration company at an early stage of its development. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein apply only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq First North Growth Market rule book for issuers.