

Strengthened cash flow, operational improvements and development of new production areas

Mikhail Damrin, CEO

Fourth quarter report – December 31, 2022

Q4 OCTOBER – DECEMBER 2022 (October – December 2021)

- Revenue TUSD 29,550 (19,213)
- EBITDA TUSD -7,020 (7,553)
- Cash flow from operating activities TUSD 20,921 (2,160)
- Impairment of TUSD 8,774, mainly related to the Perevalnoe project where the open pit mines were depleted and the CIP mill was stopped and mothballed in 2022
- Unrealized loss from gold hedges TUSD -1,634 (-1,437)
- Loss for the period -19,756 (-4,021)
- Earnings per share before dilution USD -0.02 (-0.01)
- Kopy establishes operations in Khakassia through acquisition of 25% interest in the gold company Zolotaya Zvezda

JANUARY – DECEMBER 2022 (January – December 2021)

- Revenue TUSD 115,775 (89,578)
- The Group recognized non-cash revenue from sale of gold of TUSD 32,619 and cost of gold purchased of TUSD 41,725 during Q3 2022, affecting the gross loss for the year with TUSD -9,106 as a result of the settlement of a commodity loan.
- EBITDA TUSD 11,235 (36,899)
- Unrealized gain from gold hedges TUSD 32 (2,099)
- Non-cash inventory adjustment TUSD -5,992 (-11,174)
- Loss for the year TUSD -29,480 (profit: 7,715)
- Earnings per share before dilution USD -0.03 (0.01)

SUMMARY OF FINANCIAL INFORMATION

| | Q4 2022 | Q4 2021 | Δ % | Full year 2022 | Full year 2021 | Δ % |
|--|------------|------------|-------|----------------------|----------------------|-------|
| Gold production (gold equivalent), koz | 8.83 | 9.94 | -11% | 42.94 | 51.61 | -17% |
| Gold sales (gold equivalent), koz | 17.15 | 10.50 | 63% | 70.00 | 49.81 | 41% |
| Average realized gold price, USD/oz | 1,702 | 1,805 | -6% | 1,639 | 1,783 | -8% |
| Revenue, TUSD | 29,550 | 19,213 | 54% | 115,775 | 89,578 | 29% |
| Gross profit/loss, TUSD | -5,376 | 1,712 | -414% | -2,609 | 24,421 | -111% |
| EBITDA, TUSD | -7,020 | 7,553 | -193% | 11,235 | 36,899 | -70% |
| EBITDA margin, % | -24% | 39% | | 10% | 41% | |
| Profit/loss for the period, TUSD | -19,756 | -4,021 | n/a | -29,480 | 7,715 | -482% |
| Earnings per share before dilution, USD | -0.02 | -0.01 | | -0.03 | 0.01 | |
| Cash flow from operating activities, TUSD | 20,921 | 2,160 | 869% | -38,849 | 18,231 | n/a |
| Net cash flows used in investing activities, TUSD | 14,966 | 4,008 | 273% | 35,100 | 28,376 | 24% |
| Cash & cash equivalents at the end of the period, TUSD | 6,293 | 6,145 | | 6,293 | 6,145 | |
| Net debt, TUSD | 118,383 | 60,637 | | 118,383 | 60,637 | |
| Net debt/LTM EBITDA, x | 10.54 | 1.64 | | 10.54 | 1.64 | |
| Equity per share, USD | 0.093 | 0.115 | | 0.093 | 0.115 | |

Glossary and definitions of the above performance measures are presented on page 21-22.

Comments from the CEO

Strengthened cash flow, operational improvements and development of new production areas

During Q4, the earlier strategy to delay gold sales, build gold inventory and settle the gold loan resulted in significantly improved cash flow as gold sales increased and the Ruble nominated gold price strengthened during the quarter. The company focused on operations improvements at the Yubileyniy mine and the processing plant while keeping our major development project Malyutka on track. In parallel, the company entered a new operational cluster in the Khakassia region of Russia by acquiring a stake in the Zolotaya Zvezda project.

Production

2022 was the start-up year for the expanded plant at Yubileyniy where gold production increased by 53% year-on-year, which actually remained below our targets due to an extended start-up phase. A focus area during the reporting quarter has been on technical improvements at Yubileyniy mill and mine in order to fine tune processes and processing equipment. We also added new production by entering the high potential gold mining project Zolotaya Zvezda in Khakassia, establishing a new cluster for our gold mining operations. The production from this new region was not consolidated in the financial statements for 2022. The total consolidated production in Q4 amounted to 8,83 koz, a decrease of 11% compared to the last quarter of 2021.

Financial performance

In Q3 2022, we decided to limit gold sales substantially and instead increase our gold inventory. The Ruble nominated gold price increased substantially during the quarter, and we sold almost twice the volume produced. Increased sales resulted in revenues of MUS\$ 30, up 54% compared to Q4 2021 and cash flow from operations reaching MUS\$ 21, a tenfold increase from Q4 2021. The stronger Russian Ruble and higher production cost per ounce produced at Perevalnoye affected the cost of sales and thus the EBITDA in Q4 as sales volumes increased. The financial results were further affected by non-cash impairment charges primarily relating to, the Perevalnoye project property of TUSD 8,774.

Investments

At the Malyutka project, our main development focus, we are on track with the construction and moving forward to the targeted commissioning of the project later in 2023. Out of our total investments into existing assets in 2022, almost 70% were related to the Malyutka project. We used the winter roads for the further logistic and procurement activities to secure needed materials for the development. Malyutka will be our next milestone towards reaching our production target of 100 koz of gold in 2025.

In December 2022, we closed the acquisition of a 25% interest in the Russian gold company Zolotaya Zvezda CJSC. Zolotaya Zvezda holds substantial reserves and resources that have been in production since the mid 90s, as a heap leach producer. Following the acquisition, we initiated a review and update of Zolotaya Zvezda's development plans for 2023 and beyond. Zolotaya Zvezda has a significant exploration and production upside, and we are in the process of modernizing and extending its Mayskiy

processing plant, targeted to start operations in the second half of 2023.

ESG

Thanks to our proactive approach, we managed to decrease the Lost Time Injury Frequency Rate ("LTIFR") to 0.75 in 2022 from 1.66 in 2021. We proceeded with plans to use renewable energy from solar power plant at Yubileyniy and Malyutka where relevant pre-design and engineering works have been completed. Pre-designed capacity of solar power plants is expected to cover more than 30% of required energy. We have also advanced our waste utilization project in order to further minimize our environmental footprint.

Macro environment

Although 2022 was a very turbulent year, the mining industry in Russia has generally adapted to the new challenges: new supply channels for procurement of equipment and materials have been secured, staffing issues put under control, inflation and interest rates have stabilized and the new grounds for future growth have been identified. The escalating sanctions and other restrictions continue affecting the business environment and influence development strategies. During Q4 2022, the gold prices strengthened and the local market stabilized. The future challenges are hard to predict, but we are constantly evaluating the situation.

Outlook

Short-term, we continue to focus is on the technical improvements at Yubileyniy. The Malyutka plant enters the final construction phase and we target to commission the project in 2023. Next year will be the first for us operating our new project in Khakassia which going forward has the potential to become a significant part of our operations. We remain on our path and continue to pursue our long-term plan while we seek to manage and mitigate many challenges in the current environment.

Mikhail Damrin
CEO Kopy Goldfields



Operations

Summary Gold production

The Company operates two bedrock projects, Yubileyniy and Perevalnoe, and two placer mines, Byor and Khayarylakh, in the Khabarovsk region of Russia. In addition, the Company operates a non-consolidated producing gold project, Zolotaya Zvezda, in the Khakassia region of Russia. The consolidated gold equivalent production during Q4 and the full year 2022 compared with the gold production during the corresponding period in 2021, is presented in the following table:

| Gold equivalent (GE) production | Q4 2022 | | Q4 2021 | | Full year 2022 | | Full year 2021 | |
|---------------------------------|---------------|-------------|---------------|-------------|-----------------|--------------|-----------------|--------------|
| | Kg | koz | kg | koz | kg | koz | kg | koz |
| Yubileyniy project (CIP) | 165.65 | 5.33 | 110.79 | 3.56 | 631.11 | 20.29 | 411.84 | 13.24 |
| Yubileyniy project (HL) | 14.96 | 0.48 | 13.24 | 0.43 | 46.91 | 1.51 | 41.90 | 1.35 |
| Perevalnoe project (CIP) | 54.84 | 1.76 | 165.74 | 5.33 | 304.58 | 9.79 | 752.65 | 24.20 |
| Perevalnoe project (HL) | 23.78 | 0.76 | - | - | 90.83 | 2.92 | - | - |
| Placer mines | 11.42 | 0.37 | 11.87 | 0.38 | 244.84 | 7.87 | 373.03 | 11.99 |
| Silver production, in GE | 4.02 | 0.13 | 7.37 | 0.24 | 17.18 | 0.55 | 25.74 | 0.83 |
| Total GE production | 274.66 | 8.83 | 309.01 | 9.94 | 1,335.45 | 42.94 | 1,605.16 | 51.61 |

Definition of Gold Equivalent (GE) is presented on pages 21-22.

The total gold equivalent (GE) production during Q4 2022 amounted to 8.83 koz (274.66 kg), a 11% decrease compared to 9.94 koz (309.01 kg) in Q4 2021. Q4 2022 GE production included 9.66 koz (300.38 kg) of silver, equivalent of 0.13 koz (4.02 kg) of gold.

Gold production from the upgraded Yubileyniy CIP plant increased by 50% compared to Q4 2021, which was lower than

planned due to an extended start-up phase of the modernized and extended plant in combination with issues related to understaffing. In Q4 2022 the Group acquired a 25% interest in the gold company Zolotaya Zvezda with total GE production of 5.32 koz in 2022 (non-consolidated). In addition, mining commenced at the Malyutka project aiming for the launch in 2023.

Comments on operations

Yubileyniy project

The modernised and extended Yubileyniy plant reached its full capacity utilisation in Q2 2022, however it remained in a start-up phase with improvements of processes and equipment during the year. Due to the extended start-up phase in combination with issues related to understaffing, the production from Yubileyniy was lower than planned. The production from the upgraded Yubileyniy CIP plant in Q4 2022 amounted to 5.33 koz, an increase of 50% compared to Q4 2021. In addition, 0.48 koz of gold were produced at the Yubileyniy Heap leach facility. The increase in production in Q4 2022 was primarily explained by 28% increase in the volume of ore processed and by 6% increase in average ore grade.

| Yubileyniy project | Q4 2022 | Q4 2021 | Δ % | Full year 2022 | Full year 2021 | Δ % |
|---------------------------------|---------|---------|------|----------------|----------------|------|
| CIP | | | | | | |
| Underground ore mined, 000' ton | 50.03 | 58.79 | -15% | 262.73 | 173.87 | 51% |
| Underground development, meter | 741.60 | 581.00 | 28% | 2,497.80 | 1,872.00 | 33% |
| Underground ore grade, g/t | 4.46 | 4.00 | 12% | 4.28 | 4.24 | 1% |
| Ore processed, 000' ton | 47.94 | 37.57 | 28% | 191.38 | 122.71 | 56% |
| Average grade, g/t | 5.14 | 4.84 | 6% | 4.91 | 4.79 | 2% |
| Gold produced CIP, kg | 165.65 | 110.79 | 50% | 631.11 | 411.84 | 53% |
| Gold produced CIP, koz | 5.33 | 3.56 | 50% | 20.29 | 13.24 | 53% |
| Heap Leach (HL) | | | | | | |
| Ore stacking, 000' ton | - | 1.76 | n/a | 17.48 | 19.44 | -10% |
| Grade, (g/t) | - | 4.06 | n/a | 2.99 | 3.79 | -21% |
| Gold in ore stacked, kg | - | 7.15 | n/a | 52.30 | 73.74 | -29% |
| Gold produced HL, kg | 14.96 | 13.24 | 13% | 46.91 | 41.90 | 12% |
| Gold produced HL, koz | 0.48 | 0.43 | 13% | 1.51 | 1.35 | 12% |

Placer mining

In 2022, the Company operated two placer mines - Byor and Kharilakh. Q4 2022 gold production from both placers totalled 0.37 koz, a minor decrease compared 0.38 koz in Q4 2021.

Alluvial operations are seasonal and depend on the weather conditions. Both placers were discontinued in Q4 2022 for the winter period. Alluvial mining will commence again in Q2 2023.

| Placer mining | Q4 2022 | Q4 2021 | Δ % | Full year 2022 | Full year 2021 | Δ % |
|---|---------|---------|------|----------------|----------------|------|
| Overburden, 000' m ³ | 88.26 | 90.40 | -2% | 1,088.76 | 1,492.20 | -27% |
| Capital mining, 000' m ³ | 57.65 | 77.10 | -25% | 270.75 | 425.70 | -36% |
| Placer gravel washed, 000' m ³ | 19.55 | 35.30 | -45% | 514.15 | 631.80 | -19% |
| Average grade, mg/m ³ | 583.89 | 336.12 | 74% | 476.20 | 590.42 | -19% |
| Gold produced, kg | 11.42 | 11.87 | -4% | 244.84 | 373.03 | -34% |
| Gold produced, koz | 0.37 | 0.38 | -4% | 7.87 | 11.99 | -34% |

Perevalnoe project

During Q4 2022 the gold production from the new Perevalnoe HL-plant amounted to 0.76 koz. The operations at the plant commenced in 2022, and during this first year, the operations has been in a test phase that has not yielded desired recovery results. Different further production options are being evaluated.

In Q2 2022, the Perevalnoe CIP mill was stopped and moth-balled following depletion of open pit mines, and no further gravity and flotation concentrates is planned. GE production from previously produced flotation concentrate amounted to 1.76 koz, a decrease of 67%.

| Perevalnoe project | Q4 2022 | Q4 2021 | Δ % | Full year 2022 | Full year 2021 | Δ % |
|--|---------|----------|-------|----------------|----------------|------|
| CIP | | | | | | |
| Ore processed, 000 tons | - | 45.94 | 100% | 45.62 | 173.43 | -74% |
| Average grade, g/t | - | 3.34 | -100% | 3.84 | 4.30 | -11% |
| Gravity concentrate produced, tons | - | 75.82 | -100% | 75.51 | 326.97 | -77% |
| Average grade, g/t | - | 458.19 | -100% | 628.51 | 688.47 | -9% |
| Flotation concentrate produced, tons | - | 1,299.41 | -100% | 1,544.50 | 6,001.20 | -74% |
| Average grade, g/t | - | 83.69 | -100% | 78.21 | 78.81 | -1% |
| Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), kg | 54.84 | 165.74 | -67% | 304.58 | 752.65 | -60% |
| Gold produced (at the Yubileyniy plant from gravity and flotation concentrates of Perevalnoe project), koz | 1.76 | 5.33 | -67% | 9.79 | 24.20 | -60% |
| Heap Leach (HL) | | | | | | |
| Ore stacking, 000'tons | 65.35 | 19.97 | 227% | 281.94 | 42.05 | 571% |
| Grade, g/t | 1.19 | 1.33 | -11% | 1.45 | 1.45 | 0% |
| Gold in ore stacked, kg | 77.65 | 26.58 | 192% | 407.51 | 60.82 | 570% |
| Gold produced HL, kg | 23.78 | - | n/a | 90.83 | - | n/a |
| Gold produced HL, koz | 0.76 | - | n/a | 2.92 | - | n/a |

Zolotaya Zvezda

In November 2022, Kopy Goldfields AB's (publ) wholly owned subsidiary JSC AG Mining, signed and completed an agreement to acquire a 25% interest of the Russian gold company Zolotaya Zvezda CJSC ("Zolotaya Zvezda"). Zolotaya Zvezda is an established gold producer located in the Khakassia region of Russia. Zolotaya Zvezda holds 0.62 Moz in C1+C2 gold reserves plus 1.2 Moz of P1 gold resources in accordance with the Russian reserve classification.

In 2022, the total GE production from Zolotaya Zvezda's Mayskiy and Chazy-Gol HL projects amounted to 5.32 koz. Zolotaya Zvezda is included in the Group's financial reporting as an associated company from the date of the acquisition.

Development

In Q4 2022 the production development continued to be focused on the Malyutka project, which is the next milestone on the way towards the target of 100 koz gold production by 2025. The

production at Malyutka is planned to commence in 2023 with full capacity to be reached in 2024.

The main development activities during Q4 2022 were focused on construction of a hydrometallurgy processing plant. Six sections of heap leach pads are planned to be constructed as well as installation of ore crushers which have already been procured.

In Q4 2022, mining commenced at the site with 71.62 thousand cubic meter of waste stripping and a total of 10.26 thousand tonnes of ore mined. The ore had an average grade of 0.60 g/t.

Exploration

The Company owns the Krasny gold project together with the Russian gold producer GV Gold.

The Krasny 2022 exploration program was agreed during Q2 and commenced in July 2022. Based on the exploration results and assay tests from 2021 program, the Company proceeds with updating the geological model and the mineral resource report. During Q4, a total of 10,742 meters of core holes within Krasny, Vostochny and Batiy areas within the Krasny project were completed.

The Company's other main exploration activities in Q4 2022 include:

- Yubileyniy project, Khabarovsk region: review results of the recent drilling program at the Krasivoe deposit targeting gold mineralization down dip to support further capacity increase to 400 ktpa
- Alluvial deposits, Khabarovsk region: 2,205 meters drilling, targeting to increase alluvial reserves to support the 2023 – 2024 and beyond placer mining.

ESG

Kopy Goldfield's subsidiary in Russia, Amur Zoloto, received an ESG rating from one of the national rating agencies at ESG.bbb. The Company is now also eligible for green financing (e.g. green bonds, subsidies, etc) and will consider options to finance its ESG projects.

Health and Safety

During Q4 2022 Kopy has fully implemented a Health and Safety reporting system with KPIs integrated into the overall management reporting. LTIFR (Lost Time Injury Frequency Rate) stabilized at 0.75 – one of the lowest levels in the Company's history. Kopy is strongly committed to the health and safety of its employees and will continue to improve its health and safety management system.

Risks and uncertainty

International sanctions environment

Kopy Goldfields is the Swedish parent company in a group that conducts gold production and exploration in Russia through its fully owned subsidiaries. As from the end of February 2022, the EU and other countries have imposed far-reaching sanctions against Russia and Russia has responded with counter sanctions. In December 2022, a new sanction package was adopted by EU, which focuses on limiting financing of Russian mining projects by EU residents. The Group is financed through its subsidiaries

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. An update the reserve and resource estimations for Kopy Goldfields' exploration projects is planned for first half of 2023.

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

Seasonal variations

Kopy Goldfields' gold production is traditionally affected by seasonal variations. Alluvial mining operations are restricted to the warm season and transportation of concentrates from the Perevalnoe site to the Yubileyniy processing plant takes place primarily during the winter season. The warm season is also the high season for heap leach operations.

Kopy has initiated a major reconstruction program at the shift camp at the Yubileyniy site that will result in better living and social conditions for workers. In addition, Kopy continues to work on turnover reduction with a retention program and internal value programs initiated.

Environment and climate change

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

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. 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 in Russia 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 3 in this report and the Annual Report 2021.

Comments on financial performance

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

Gold sales (GE) for Q4 2022 amounted to 17.15 koz (10.50 koz), an increase of 63%. GE sales in Q4 2022 included silver sales equivalent to 0.20 koz of gold compared to 0.95 koz in Q4 2021.

Total revenues for Q4 2022 amounted to TUSD 29,550 (19,213), a 54% increase compared to Q4 2021 driven by higher volumes of gold sold despite a lower gold price than in Q4 2021.

The average realized gold price amounted to 1,702 USD/oz (1,805 USD/oz in Q4 2021).

Gold sales (GE) for the full year 2022 amounted to 70.00 koz (49.81), an increase of 41% following a settlement of a gold loan in Q3 2022. Sales volume for the full year included 24.02 koz, acquired in the gold market in Q3 2022, that was delivered to settle the commodity loan. Total revenues for the full year 2022 amounted to TUSD 115,775 (89,578), including revenue of TUSD 32,619 from settlement of the gold loan. Excluding the effects of the gold loan settlement, revenues decreased 7% during the full year 2022 driven by lower volumes of gold sold.

The average realized gold price decreased 8% in the full year 2022, and amounted to USD 1,639/oz (USD 1,783/oz), and was affected by the settlement of the commodity loan which was recorded at 1,358 USD/oz.

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

Cost of sales for Q4 2022 amounted to TUSD 34,926 (17,501), an increase of 100% compared to the corresponding period 2021, mainly as a result of 63% higher sales volumes, stronger Russian Ruble and higher production cost per ounce produced at Perevalnoye. Cost of sales was also affected by a reversed impairment of low-grade ore in stock of TUSD 985 (-5,170). In 2022, Kopy Goldfields has been qualified for tax benefits for the Yubileyniy project, which benefits from no Mineral Extraction Tax being charged. The preferential tax regime is designed to support regional investment projects within East Siberian and Far East regions of Russia.

Cost of sales for the full year 2022 amounted to TUSD 118,384 (65,157), an increase of 82% compared to the full year 2021 mainly as an effect of the settlement of the gold loan in Q3 2022 of TUSD 42,115. Cost of sales was also affected by stronger Russian Ruble, higher production cost per ounce produced at both Yubileyniy and Perevalnoye, by higher prices in general and by an impairment of low-grade ore in stock of TUSD 5,992 (11,174). To settle the gold loan, Kopy bought 24.0 koz in the gold market at an average price of USD 1,737/oz. Excluding the cost of settlement of the gold loan, the Cost of sales increased 18% and amounted to TUSD 76,659.

Total Cash Costs ("TCC") amounted to TUSD 32,981 during Q4 2022, an increase of 275% compared to TUSD 8,790 during Q4 2021 as a result of significant higher cost of gold and silver sales. TCC per gold equivalent ounce sold (TCC/oz) therefore increased by 129% in Q4 2022 and amounted to USD 1,920 per GE oz compared to USD 837 per GE oz in Q4 2021.

TCC for the full year 2022 increased by 140% and amounted to TUSD 100,141 (41,731), mainly explained by the gold loan settlement in Q3 2022 described above. TCC per gold equivalent ounce sold (TCC/oz) therefore increased by 71% in the full year 2022 and amounted to USD 1,430 per GE oz compared to USD 838 per GE oz in full year 2021. TCC/oz for the full year 2022 net of the gold loan settlement amounted to USD 1,306 per GE oz.

All-in sustaining costs ("AISC") per gold equivalent ounce sold increased from USD 1,176 per GE oz in Q4 2021 to USD 2,198 per GE oz in Q4 2022. The increase by 87% was driven by higher TCC. In addition, corporate, general and administrative expenses increased following strengthening of the Russian Ruble.

AISC per gold equivalent ounce sold increased by 44% in the full year 2022, from USD 1,190 per GE oz in 2021 to USD 1,714 per GE oz, mainly due to higher TCC. Higher corporate, general and administrative expenses due to maintenance of mothballed/depleted fields and strengthening of the Ruble against USD affected AISC as well.

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

| Total Cash Costs (TCC) (TUSD) | Q4 2022 | Q4 2021 | Δ % | Full year 2022 | Full year 2021 | Δ % |
|---|---------------|--------------|-------------|-------------------|-------------------|-------------|
| Cost of gold and silver sales | 35,262 | 17,457 | 102% | 118,384 | 64,719 | 83% |
| Property, plant, and equipment depreciation and amortization | -3,303 | -3,306 | 0% | -12,126 | -11,491 | 6% |
| Provision for mine closure, rehabilitation, and decommissioning costs | 36 | -191 | -119% | -125 | -323 | -61% |
| Change in allowance for slow-moving and obsolete inventory | 985 | -5,170 | -119% | -5,992 | -11,174 | -46% |
| Total cash costs | 32,981 | 8,790 | 275% | 100,141 | 41,731 | 140% |
| Ounces sold (GE koz) | 17.17 | 10.50 | 64% | 70.02 | 49.82 | 41% |
| TCC per GE ounce sold (USD/oz) | 1,920 | 837 | 129% | 1,430 | 838 | 71% |

| All-in Sustaining Costs (AISC) (TUSD) | Q4 2022 | Q4 2021 | Δ % | Full year 2022 | Full year 2021 | Δ % |
|--|---------------|---------------|-------------|-------------------|-------------------|-------------|
| Total cash costs | 32,981 | 8,790 | 275% | 100,141 | 41,731 | 140% |
| Corporate, general, and administrative expenses | 3,808 | 2,201 | 73% | 14,284 | 9,586 | 49% |
| Amortization and depreciation related to corporate, general, and administrative expenses | -55 | -77 | -29% | -192 | -229 | -16% |
| Provision for mine closure, rehabilitation, and decommissioning costs | -36 | 191 | -119% | 125 | 323 | -61% |
| Sustaining exploration expenses | 62 | 6 | 891% | 514 | 555 | -7% |
| Sustaining capital expenses | 447 | 512 | -13% | 2,714 | 4,245 | -36% |
| Sustaining lease payments | 546 | 730 | -25% | 2,442 | 3,049 | -20% |
| Total all-in sustaining costs | 37,752 | 12,353 | 206% | 120,027 | 59,262 | 103% |
| Ounces sold (GE koz) | 17.17 | 10.50 | 64% | 70.02 | 49.82 | 41% |
| AISC per GE ounce sold (USD/oz) | 2,198 | 1,176 | 87% | 1,714 | 1,190 | 44% |

The gross profit/(loss) in Q4 2022 decreased and amounted to a loss of TUSD -5,376 (profit of 1,712). The Gross margin decreased to -18% in Q4 2022, compared to 9% in the corresponding period of 2021.

The gross loss for the full year 2022 amounted to TUSD -2,609 (profit of 24,421). Gross profit/(loss) for the full year 2022 includes the net effect from the settlement of the gold loan of TUSD -9,106. The Gross margin decreased to -2% in the full year 2022, compared to 27% in the full year 2021.

General and Administrative expenses (G&A expenses) for Q4 2022 increased by 35% compared to Q4 2021 and amounted to TUSD 3,125 (2,317). G&A expenses for the full year 2022 increased by 9% compared to full year 2021 and amounted to TUSD 10,076 (9,202). Other operating expenses for both the quarter and the full year were affected by maintenance cost relating to the mothballed/depleted fields.

The operating loss of TUSD -1,063 in Q4 2021 increased to an operating loss of TUSD -18,261 in Q4 2022. Operating profit

for the full year 2021 of TUSD 13,816 decreased to an operating loss of TUSD -24,599 in 2022. Operating loss for the full year 2022 included impairment of property, plant and equipment and exploration and evaluation assets in the amount of TUSD 8,774. The impairment relates to impairment of Perevalnoe project property, plant and equipment of TUSD 7,498 due to depletion of open pit mines. Perevalnoe CIP mill was stopped and mothballed in 2022. Exploration and evaluation assets were also impaired in the amount of TUSD 1,276 related to negative results of the licenses in the Bodaibo district of the Irkutsk region. EBITDA for Q4 2022 decreased by TUSD 14,573 to a negative TUSD -7,020 (7,553), with an EBITDA margin of -24% compared to 39% in Q4 2021. EBITDA for the full year 2022 decreased by 70% and amounted to TUSD 11,235 (36,899), with an EBITDA margin of 10% compared to 41% in 2021.

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

| EBITDA reconciliation to Profit before tax (TUSD) | Q4 2022 | Q4 2021 | Full year 2022 | Full Year 2021 |
|---|----------------|---------------|-------------------|-------------------|
| Loss/Profit before tax | -23,652 | -4,655 | -33,778 | 10,640 |
| Share of net profit/(loss) of associates accounted for using the equity method | 7 | 144 | -124 | -144 |
| Financial income | -115 | -165 | -1,142 | -2,762 |
| Financial costs | 5,499 | 3,614 | 10,445 | 6,082 |
| Depreciation and depletion | 3,545 | 3,578 | 12,126 | 11,964 |
| Net realizable value allowance for stockpiles, work in progress, and finished goods | -985 | 5,170 | 5,992 | 11,174 |
| Loss from settlement of gold loan liability | - | - | 9,105 | - |
| Change in allowance for slow-moving and obsolete inventory | -2 | -56 | 14 | -91 |
| Impairment of property, plant and equipment and exploration and evaluation assets | 8,774 | - | 8,774 | - |
| Other one-off adjustments | -91 | -78 | -177 | 34 |
| EBITDA | -7,020 | 7,553 | 11,235 | 36,899 |

The net financial result amounted to a loss of TUSD -5,391 (-3,593) during the quarter. The quarterly net financial result was negatively affected mainly by increased interest expense on loans and borrowings amounting to TUSD 3,095 (1,175). Non-cash unrealized losses from derivatives revaluation relating to gold price hedge positions amounted to TUSD -1,634 (TUSD -1,437).

The net financial result for the full year 2022 amounted to a loss of TUSD -9,179 (-3,176) and was mainly negatively affected by increased Interest expense on loans and borrowings amounting to TUSD -9,608 (-4,368). Non-cash unrealized gains from derivatives revaluation relating to gold price hedge positions positively affected the net financial result by TUSD 32 (TUSD 2,099).

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 664 as of December 31, 2022, relating to the fair value of derivatives on gold commodities (asset of TUSD 1,089 as of December 31, 2021).

The net result for Q4 2022, attributable to shareholders of the parent company, amounted to a loss of TUSD -19,756 (-4,021), corresponding to USD -0.0218 (USD -0.0147) per share before and after dilution. The net result for the full year 2022, attributable to shareholders of the parent company, amounted to a loss of TUSD -29,480 (profit of 7,716), corresponding to USD -0.0327 (USD 0.0087) per share before and after dilution.

Comments on the financial position

Total loans and borrowings amounted to TUSD 119,745 at period end, compared to TUSD 36,620 as of December 31, 2021. At 24 June 2022 the Group entered into a new finance facility with a local bank in Russia for operating needs and funding of the investment program with a maximum credit facility of TRUB 3,000,000 (equivalent of TUSD 42,652 as at December 31, 2022) bearing floating interest rate as key rate of Central Bank of Russian Federation plus margin in the range of 2.95% - 3.25%. The loan facility matures starting from September 2024 to September 2027. At 15 August 2022 the amount of credit facility was increased to TRUB 5,000,000 (equivalent of TUSD 71,086 as at December 31, 2022), which was partially utilized to settle a commodity loan. During the full year, the Group obtained TUSD 88,067 from the loan facilities. For more information, see note 5.

As at December 31, 2022, the Company was in breach of certain loan covenants connected to a loan from a local Russian bank. As a result, the loans with maturity dates September 2024 - September 2027 were reflected in the statement of financial position as at December 31, 2022, as a short-term. On March 9, 2023, the Company has received a waiver from bank on the breached covenants.

In Q3 2022, the Group fully settled its contractual obligations under the commodity loan using the finance facility with a local bank in Russia.

Total net debt as of December 31, 2022 amounted to TUSD 118,383 compared to TUSD 140,394 as of September 30, 2022 and TUSD 60,637 as of December 31, 2021. The net debt calculation does not include gold in stock, see Liquidity. Net Debt is a non-IFRS financial measure and is reconciled as follows:

| Total Net Debt (TUSD) | Dec 31, 2022 | Dec 31, 2021 |
|------------------------------|---------------------|---------------------|
| Borrowings | 119,745 | 36,620 |
| Contract liability | - | 26,094 |
| Leasing | 4,931 | 4,068 |
| Total debt | 124,676 | 66,782 |
| Cash and cash equivalents | -6,293 | -6,145 |
| Total Net debt | 118,383 | 60,637 |

Total Net Debt/LTM EBITDA amounted to 10.54x at Year End 2022, compared to 1.64x at Year End 2021.

Investments

Net cash flows used in investing activities during the full year 2022 amounted to TUSD 35,100 (28,376), whereof investments in assets, including capitalized exploration costs and capitalized borrowing costs, amounted to TUSD 27,444 (27,880). The investments in assets included:

- Yubileyniy project of TUSD 3,620 with the majority relating to mill equipment scheduled upgrade and underground mine capital development;
- Perevalnoe project of TUSD 1,402, where the majority refers to construction of a hydrometallurgy workshop building and sprinkler system for heap leaching;
- Malyutka project of TUSD 18,804 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 160;
- Exploration of TUSD 2,036, referring to drilling at Krasivoe underground deposit and alluvial projects, and equipment
- Capitalized borrowing costs of TUSD 1,422.
- Loans provided to associates accounted for using the equity method of TUSD 199

In November 2022, Kopy Goldfields AB's (publ) wholly owned subsidiary JSC AG Mining, signed and completed an agreement to acquire a 25% interest of the Russian gold company Zolotaya Zvezda CJSC ("Zolotaya Zvezda"), for a total cash consideration of MRUB 550 (corresponding to MUSD 7.5) including transaction costs.

Financing of the 2021 exploration program on Krasny was agreed with GV Gold on a pro-rata basis 49%/51%. Kopy Goldfields' part amounted to TUSD 3,346 that was payable by the end of Q2 2022 in accordance with the shareholders agreement between Kopy Goldfields and GV Gold. Following the introduction of international sanctions against Russia, payments in USD are difficult to execute and Kopy Goldfields AB did not meet the deadline for the payment. Currently Kopy Goldfields share in the Krasny project is diluted to 37%. Kopy Goldfields is in discussions with GV Gold on how to settle the payment in order to restore the 49/51 interests in Krasny.

A new exploration program for Krasny for 2022 was agreed with GV Gold in Q2 2022 with total budget of approximately 180 MRUB (corresponding to MUSD 2.54 as per December 31, 2022) and financing of the 2022 exploration program on Krasny shall be done on a pro-rata basis 37%/63% if 49%/51% interests is not restored in the near-term. Drilling operations under the new program were commenced in July 2022. The Company provides exploration support services to the drilling program.

Liquidity

The Company's cash and cash equivalent position at December 31, 2022 amounted to TUSD 6,293, compared to TUSD 6,145 on December 31, 2021. At December 31, 2022, unused credit facilities amounted to TUSD 2,833 (at December 31, 2021: TUSD 6,729). 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 3.41 koz at period end, corresponding to a market value of TUSD 6,173. Gold in stock ready for sale as at September 30, 2022 and December 31, 2021 amounted to 13.41 koz and 8.21 koz respectively.

Personnel

As of December 31, 2022, the Group had 705 (702) employees, of which 602 (621) were men and 103 (81) women. The average number of employees during Q4 of 2022 was 706 (742), of which 618 (658) were men and 88 (84) women. The average number of employees during the full year 2022 was 769 (726), of which 658 (650) were men and 111 (76) women.

Organisation

Kopy Goldfields has conducted an organizational restructuring. A new subsidiary called AG Mining was formed in 2022 as an open joint stock company, in which Kopy Goldfields holds 100% of the interest. All Kopy's subsidiaries in Russia as well as the Swedish subsidiary holding the interest in Krasny were contributed into this new company.

Board of directors

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

The Parent Company

The Parent Company's revenue for Q4 2022 totaled TSEK 260 (917) and TSEK 1,092 (1,765) for the full year 2022. The revenue was related to invoicing to subsidiaries. Net profit for Q4 2022 amounted to TSEK 20,800 (loss: -12,527). Net loss for the full year 2022 amounted to TSEK -29,458 (-30,584). The main driver for the profit in Q4 and the loss during the full year 2022 was non-cash revaluation of intra-group debt following the appreciation of the Russian Ruble.

Total assets at period end amounted to TSEK 1,987,156 and remained relatively unchanged compared to TSEK 1,984,557 on December 31, 2021. Cash and cash equivalents amounted to TSEK 5,157 compared to TSEK 4,091 on December 31, 2021. Equity on December 31, 2022, amounted to TSEK 1,854,247 (December 31, 2021: TSEK 1,874,856).

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

The share

In January 2022, the number of shares and votes in Kopy Goldfields AB (publ) increased by 1,640,200 shares and votes as a result of warrants exercised under incentive program 2018/2021, adopted at the Annual General Meeting on May 29, 2018.

In April 2022, Kopy Goldfields completed a directed new share issue raising proceeds of MSEK 8.1 (TUSD 817) to secure the parent company's liquidity. Through the share issue, the number of shares and votes in Kopy Goldfields increased from 890,704,375 to 903,204,375 shares and votes.

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

Dividend

The Board of Directors proposes that no dividend be paid for the 2022 financial year.

Kopy Goldfields' current strategy is to redeploy cash flows from operations through its capital expenditure program aimed at increasing resources, reserves, and production. Consequently, no dividend has been proposed for the 2022 financial year. The dividend policy is reviewed annually with the long-term objective to distribute a portion of operating cash flows as dividends. The dividend payout ratio will be determined based on the Company's financial position, capital expenditure plans, and relevant peer group benchmarks.

Significant events after the reporting period

As at December 31, 2022, the Company was in breach of certain loan covenants connected to a loan from a local Russian bank. As a result, the loans with maturity dates September 2024 - September 2027 were reflected in the statement of financial position as at December 31, 2022, as a short-term. On March 9, 2023, the Company received a waiver from bank on the breached covenants.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

| <i>Amounts in thousands of US Dollars (TUSD)</i> | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|--------------------|--------------------|---------------------------|---------------------------|
| Revenue from contracts with customers | 29,550 | 19,213 | 115,775 | 89,578 |
| Cost of sales | -34,926 | -17,501 | -118,384 | -65,157 |
| Gross profit/loss | -5,376 | 1,712 | -2,609 | 24,421 |
| General and administrative expenses | -3,125 | -2,317 | -10,076 | -9,202 |
| Impairment of property, plant and equipment and exploration and evaluation assets | -8,774 | - | -8,774 | - |
| Other operating expenses, net | -986 | -458 | -3,140 | -1,403 |
| Operating profits | -18,261 | -1,063 | -24,599 | 13,816 |
| Share of net profit of associates accounted for using the equity method | -7 | -144 | 124 | 144 |
| Financial income | 115 | 165 | 1,142 | 2,762 |
| Financial costs | -5,499 | -3,614 | -10,445 | -6,082 |
| Financial income /(expenses), net | -5,391 | -3,593 | -9,179 | -3,176 |
| Profit before tax | -23,652 | -4,656 | -33,778 | 10,640 |
| Income tax | 3,896 | 635 | 4,298 | -2,925 |
| Profit for the period | -19,756 | -4,021 | -29,480 | 7,715 |
| <i>Of which attributable to:</i> | | | | |
| Parent company shareholders | -19,756 | -4,021 | -29,480 | 7,716 |
| Non-controlling interest | - | - | - | -1 |
| Other comprehensive income/(loss) | | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | | |
| Exchange differences on translation to presentation currency | -14,833 | -1,477 | 10,195 | -23 |
| Total comprehensive income/(loss) for the period | -34,589 | -5,498 | -19,285 | 7,692 |
| <i>Of which attributable to:</i> | | | | |
| Parent company shareholders | -34,589 | -5,498 | -19,285 | 7,693 |
| Non-controlling interest | - | - | - | -1 |
| (Loss)/Earnings per share for profit attributable to the ordinary equity holders of the company: | | | | |
| Basic (loss)/earnings per share (USD) | -0.0218 | -0.0147 | -0.0327 | 0.0087 |
| Diluted (loss)/earnings per share (USD) | -0.0218 | -0.0147 | -0.0327 | 0.0087 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| <i>Amounts in thousands of US Dollars (TUSD)</i> | <i>Note</i> | Dec 31, 2022 | Dec 31, 2021 |
|--|-------------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Exploration and evaluation assets | | 1,848 | 2,273 |
| Property, plant, and equipment | | 85,467 | 62,104 |
| Right-of-use assets | | 9,238 | 8,141 |
| Investments in associates | | 35,745 | 29,023 |
| Financial assets at amortized cost | | 4,007 | 4,014 |
| Derivative financial assets | | - | 1,089 |
| Deferred tax assets | | 6,402 | 3,238 |
| Inventories | | 3,611 | 5,951 |
| Total non-current assets | | 146,318 | 115,833 |
| Current assets | | | |
| Inventories | | 59,499 | 53,922 |
| Other current assets | | 2,673 | 2,130 |
| Other receivables | | 1,087 | 960 |
| Advances paid | | 2,306 | 1,000 |
| Taxes receivable | | 4,771 | 4,246 |
| Income tax receivable | | 253 | - |
| Short-term loans receivable from related party | | 172 | - |
| Cash and cash equivalents | | 6,293 | 6,145 |
| Total current assets | | 77,054 | 68,403 |
| Total assets | | 223,372 | 184,236 |
| Equity | | | |
| Equity attributable to shareholders of the Parent Company | | | |
| Share capital | | 39,663 | 39,115 |
| Other contributed capital | | 48,981 | 48,635 |
| Foreign currency translation reserve | | -34,486 | -44,681 |
| Retained earnings, including profit (loss) for the period | | 29,869 | 59,349 |
| Total equity attributable to shareholders of the Parent Company | | 84,027 | 102,418 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Loans and Borrowings | 5 | - | 35,197 |
| Contract liability | 6 | - | 26,094 |
| Mine rehabilitation provision | | 4,771 | 3,598 |
| Lease liabilities | | 2,815 | 1,219 |
| Derivative financial liabilities | | 664 | - |
| Total non-current liabilities | | 8,250 | 66,108 |
| Current liabilities | | | |
| Loans and Borrowings | 5 | 119,745 | 1,423 |
| Mine rehabilitation provision | | 562 | 1,275 |
| Lease liabilities | | 2,116 | 2,849 |
| Accounts payable and accrued liabilities | | 6,956 | 8,610 |
| Income tax payable | | - | 210 |
| Taxes payable | | 1,716 | 1,343 |
| Total current liabilities | | 131,095 | 15,710 |
| Total liabilities | | 139,345 | 81,818 |
| Total equity and liabilities | | 223,372 | 184,236 |

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 cur- rency transla- tion reserve | Retained earnings, including profit (loss) for the period | Total | | |
| Opening balance January 1, 2021 | | 38,977 | 48,265 | -44,658 | 51,633 | 94,217 | 3 | 94,220 |
| Profit for the period | | - | - | - | 7,716 | 7,716 | -1 | 7,715 |
| Other comprehensive in- come for the period | | - | - | -23 | - | -23 | - | -23 |
| Total comprehensive in- come for the period | | - | - | -23 | 7,716 | 7,693 | -1 | 7,692 |
| Disposal of non-control- ling interest | | - | - | - | - | - | -2 | -2 |
| Transactions with own- ers in their capacity as owners | | | | | | | | |
| Incentive programs 2017/2020 | | 138 | -138 | - | - | - | - | - |
| Incentive programs 2021/2024 | | - | 207 | - | - | 207 | - | 207 |
| Incentive programs 2018/2021 | | - | 301 | - | - | 301 | - | 301 |
| Closing balance December 31, 2021 | | 39,115 | 48,635 | -44,681 | 59,349 | 102,418 | - | 102,418 |

| | | | | | | | | |
|---|--|---------------|---------------|----------------|----------------|----------------|----------|----------------|
| Opening balance January 1, 2022 | | 39,115 | 48,635 | -44,681 | 59,349 | 102,418 | - | 102,418 |
| Profit for the period | | - | - | - | -29,480 | -29,480 | - | -29,480 |
| Other comprehensive in- come for the period | | - | - | 10,195 | - | 10,195 | - | 10,195 |
| Total comprehensive in- come for the period | | - | - | 10,195 | -29,480 | -19,285 | - | -19,285 |
| Transactions with own- ers in their capacity as owners | | | | | | | | |
| Incentive programs 2018/2021 | | 66 | -71 | - | - | -5 | - | -5 |
| Incentive programs 2022/2026 and 2022/2025 | | - | 81 | - | - | 81 | - | 81 |
| Share issue | | 482 | 336 | - | - | 818 | - | 818 |
| Closing balance at 31 December 2022 | | 39,663 | 48,981 | -34,486 | 29,869 | 84,027 | - | 84,027 |

CONSOLIDATED STATEMENT OF CASH FLOW

| <i>Amounts in thousands of US Dollars (TUSD)</i> | <i>Note</i> | Q4 2022 | Q4 2021 | FY 2022 | FY 2021 |
|---|-------------|----------------|----------------|----------------|----------------|
| Cash flow from operating activities | | | | | |
| Profit before tax | | -23,652 | -4,656 | -33,778 | 10,640 |
| Adjustments for non-cash items | | | | | |
| Depreciation and depletion of property, plant and equipment, intangible assets, and right-of-use assets | | 3,545 | 3,578 | 12,126 | 11,964 |
| Impairment of property, plant and equipment and exploration and evaluation assets | | 8,774 | - | 8,774 | |
| (Gain)/Loss on disposal of assets | | 112 | -171 | 92 | -48 |
| Finance costs | | 5,499 | 3,614 | 10,445 | 6,082 |
| Finance income | | -115 | -165 | -1,142 | -2,762 |
| Gain on disposal of subsidiary | | 1 | - | 1 | -103 |
| Movements in allowance for obsolete inventory and net realizable value | | -987 | 5,114 | 6,006 | 11,083 |
| Foreign exchange loss | | -106 | -37 | -267 | 85 |
| Share of net profit of associates accounted for using the equity method | | 7 | 144 | -124 | -144 |
| Revenue from settlement of gold loan liability | | - | - | -32,619 | - |
| Other non-cash adjustments | | -298 | -156 | -300 | -161 |
| Cash flow from operating activities before changes in working capital | | -7,220 | 7,265 | -30,786 | 36,636 |
| Changes in working capital | | | | | |
| Change in inventories | | 21,608 | -2,827 | -3,285 | -21,324 |
| Change in other receivables and advances paid | | -472 | 14,426 | -1,867 | 12,999 |
| Change in trade and other payables and advances received | | 5,289 | -7,092 | -8,979 | -372 |
| Change in other assets | | 1,716 | -9,612 | 6,068 | -9,708 |
| Cash flow from operating activities | | 20,921 | 2,160 | -38,849 | 18,231 |
| Interest received | | 110 | 72 | 426 | 145 |
| Interest paid | | -2,655 | -458 | -7,771 | -1,674 |
| Income tax paid/reimbursed | | 1,329 | -1,696 | -205 | -5,985 |
| Net cash flow from operating activities | | 19,705 | 78 | -46,399 | 10,717 |
| Cash flow from investing activities | | | | | |
| Purchase of investments in associates accounted for using the equity method | | -7,457 | | -7,457 | |
| Payment for additional share issue of equity investees | | - | - | - | -496 |
| Purchase of property, plant, and equipment | | -7,009 | -3,254 | -23,987 | -25,858 |
| Purchase of exploration and evaluation assets | | -139 | -350 | -2,035 | -985 |
| Interest paid capitalized | | -162 | -404 | -1,422 | -1,037 |
| Loans provided to associates accounted for using the equity method | | -199 | | -199 | |
| Net cash flows used in investing activities | | -14,966 | -4,008 | -35,100 | -28,376 |
| Cash flow from financing activities | | | | | |
| Payment for warrants by shareholders | | - | 698 | - | 698 |
| Proceeds from the issue of shares | | - | - | 817 | |
| Proceeds from borrowings from third party, net of debt issue costs | 5 | - | 3,774 | 88,067 | 20,298 |
| Proceeds from borrowings from shareholder | 5 | - | 750 | - | 1,250 |
| Repayment of financial liabilities classified at FVTPL | | -134 | | -134 | |
| Repayment of borrowings | 5 | -2,583 | - | -2,589 | -6,063 |
| Repayment of finance lease liabilities net of cash received per buy back leasing agreements | | -1,668 | -607 | -4,514 | -2,767 |
| Net cash flow from financing activities | | -4,385 | 4,615 | 81,647 | 13,416 |
| Net (Decrease)/increase of cash and cash equivalents | | 354 | 685 | 148 | -4,243 |
| Cash and cash equivalents, opening balance | | 5,939 | 5,460 | 6,145 | 10,388 |
| Cash and cash equivalents, closing balance for the period | | 6,293 | 6,145 | 6,293 | 6,145 |

PARENT COMPANY CONDENSED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

| <i>Amounts in thousands of Swedish Krona (TSEK)</i> | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|--------------------|--------------------|---------------------------|---------------------------|
| Revenue | 260 | 917 | 1,092 | 1,765 |
| Total operating income | 260 | 917 | 1,092 | 1,765 |
| General and Administrative Expenses | -2,342 | -5 098 | -9,613 | -16,847 |
| Operating loss | -2,082 | -4 181 | -8,521 | -15,082 |
| Results from investments in subsidiaries | -1,850 | - | -1,371 | -1,056 |
| Financial items | 24,732 | -8 345 | -19,566 | -14,445 |
| Result after financial items | 20,800 | -12,527 | -29,458 | -30,584 |
| Appropriations | - | - | - | - |
| Result before tax | 20,800 | -12,527 | -29,458 | -30,584 |
| Income tax | 0 | 0 | 0 | 0 |
| Net result | 20,800 | -12,527 | -29,458 | -30,584 |
| Other comprehensive income (loss) | | | | |
| Translation differences | - | - | - | - |
| Total comprehensive income (loss) | 20,800 | -12,527 | -29,458 | -30,584 |

PARENT COMPANY CONDENSED BALANCE SHEET

| <i>Amounts in thousands of Swedish Krona (TSEK)</i> | Note | Dec 31, 2022 | Dec 31, 2021 |
|---|-------------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Machinery and equipment | | 26 | 67 |
| Shares in group companies | | 1,928,483 | 1,927,882 |
| Other non-current financial assets | | 41,820 | 35,818 |
| Non-current assets | | 1,970,329 | 1,963,767 |
| Current assets | | | |
| Receivables | | 11,670 | 16,699 |
| Cash & cash equivalents | | 5,157 | 4,091 |
| Current assets | | 16,827 | 20,790 |
| Total assets | | 1,987,156 | 1,984,557 |
| Equity and liabilities | | | |
| Equity | 7 | 1,854,247 | 1,874,856 |
| Current liabilities | | 132,909 | 109,701 |
| Total equity and liabilities | | 1,987,156 | 1,984,557 |

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 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 December 31, 2022, 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 2021 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 2021 annual report.

The same accounting principles have been applied during the period as were applied during the 2021 financial year and corresponding interim reporting period in the way they were described in the 2021 annual report, except for the adoption of new and amended standards as set out below.

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 2022 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 interim consolidated financial statements.

| Title | Subject | Effective for annual periods beginning on or after | Expected effect on the consolidated financial statements |
|-----------------------|--|--|--|
| Amendments to IFRS 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 | No effect |
| Amendments to IFRS 3 | Update the references to the Conceptual Framework for Financial Reporting and exception for the recognition of liabilities and contingent liabilities | January 1, 2022 | No effect |
| Amendments to IFRS 1 | A subsidiary that applies IFRS for the first time | January 1, 2022 | No effect |
| Amendments to IFRS 41 | Effect of taxation in determining fair value | January 1, 2022 | No effect |
| Amendments to IFRS 37 | Burdensome contracts – The costs of fulfilling the contract | January 1, 2022 | No effect |
| Amendments to IFRS 9 | Commission fee included in the "10% test" upon derecognition of a financial liability | January 1, 2022 | 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 |
|-----------------------|--|--|--|
| Amendments to IFRS 17 | Insurance contracts | January 1, 2023 | Under review |
| Amendments to IFRS 1 | Classification of liabilities into short-term or long-term | January 1, 2023 | Under review |
| Amendments to IFRS 8 | A new definition of accounting estimates | January 1, 2023 | Under review |
| Amendments to IFRS 1 | Disclosure of accounting policies | January 1, 2023 | Under review |

Currency rates used in the report

| 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 |

| Year 2021 | RUB/USD | SEK/USD | SEK/RUB |
|--------------|---------|---------|---------|
| Average Q1 | 74.3414 | 8.3902 | 0.1128 |
| Average Q2 | 74.2155 | 8.4208 | 0.1135 |
| Average Q3 | 73.4746 | 8.6468 | 0.1177 |
| Average Q4 | 72.6059 | 8.7676 | 0.1219 |
| March 31 | 75.7023 | 8.7239 | 0.1153 |
| June 30 | 72.3723 | 8.5103 | 0.1179 |
| September 30 | 72.7608 | 8.7911 | 0.1201 |
| December 31 | 74.2926 | 9.0437 | 0.1217 |

NOTE 3 RISKS AND UNCERTAINTIES

A detailed description of the Company's risks is included in the 2021 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. 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 Company follows the laws and regulations and is working to adapt the organization to the new circumstances.

As any business in Russia, Kopy Goldfields' Russian subsidiaries are also 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 and access to cash balances.

In September 2022, Russia launched a mobilization of military reservists. This mobilization has had very limited effect on Kopy Goldfields operation so far. However, if the mobilization would be extended, it could not be excluded that it could have a negative effect of the operations.

Increased occurrences of cyber-attacks resulting in potential data corruption or security breaches.

Kopy continuously monitors and evaluates the development in order to secure that business operations are compliant with relevant legislation and that relevant actions are taken to efficiently and timely mitigate the effects of the financial volatility. Contingency measures have been initiated to ensure advance equipment and spare parts procurement and liquidity. To secure gold sales channels, the Group has increased the number of Russian banks to use for domestical gold sales, and to have more options and flexibility to get the best price, Kopy has started to directly export gold to open markets.

Most Covid-19 limitations were lifted earlier during the year, and Covid-19 did not have any significant influence on the operations during the quarter. The Group continuously reviews the epidemic environment ready to resume sanitary measures and protocol activities as a precaution measure.

NOTE 4 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 and one has received office rent, totally amounting to TUSD 37 in total for Q4 2022.

See also note 7, incentive program.

NOTE 5 LOANS AND BORROWINGS

| (TUSD) | Interest rate | Maturity | Dec 31 2022 | Dec 31 2021 |
|---|--|---------------------------------|----------------|----------------|
| Long-term borrowings | | | | |
| RUB denominated bank loans | Key rate of Russian Central Bank plus a margin of 2.95% | September 2024 – September 2027 | - | 35,197 |
| Total long-term borrowings | | | - | 35,197 |
| Short-term borrowings | | | | |
| RUB denominated Bank loans | Key rate of Russian Central Bank plus a margin of 3.25% - 10.04% | June-December 2023 | 118,330 | - |
| USD denominated borrowings from Shareholder | 0% | 1 May 2023 | 1,250 | 1,250 |
| Other RUB denominated borrowings from Related parties | 0% - 5% | On demand / December 2021 | 164 | 173 |
| Total short-term borrowings | | | 119,745 | 1,423 |
| Total | | | 119,745 | 36,620 |

At 24 June 2022 the Group's entered into a new finance facility with a local bank in Russia for operating needs and funding of the investment program with a maximum credit facility of TRUB 3,000,000 (equivalent of TUSD 42,652 as at December 31, 2022) bearing floating interest rate as key rate of Central Bank of Russian Federation plus margin in the range of 2.95% - 3.25%. The loan facility matures starting from September 2024 year to September 2027. At 15 August 2022 the amount of credit facility was increased to TRUB 5,000,000 (equivalent of TUSD 71,086 as at December 31, 2022), which was partially utilized to settle a commodity loan, see note 6.

Secured liabilities and assets pledged as security

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

At December 31, 2022 unused credit facilities were TUSD 2,833 (at 31 December 2021: TUSD 6,729). The bank credit facilities may be drawn by the bank notice in RUB and have an average maturity of 5 years.

During 2022 the Group capitalized borrowing costs in the amount of TUSD 1,422 (2021: 1,195). The weighted average capitalization rate for 2022 year was 13.57% per annum (2021: 8.68% per annum).

NOTE 6 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 started from September 2023 through June 2025.

The 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".

On August 22, 2022, the Group fully settled its contractual obligations under the commodity loan. As a result of the commodity loan principal settlement the Group recognised revenue from sale of gold of TUSD 32,619 and respective cost of gold purchased for settlement of TUSD 41,725. Thus the Group's gross profit for the full year 2022 included loss from settlement of the commodity loan of TUSD 9,106.

NOTE 7 INCENTIVE PROGRAM

Kopy Goldfields has incentive programs as part of the remuneration package to management and key personnel. The board of directors have also been offered incentive programs. Warrants have been issued following a decision by the respective AGM. During Q2 2022, 5,700,000 warrants were issued under the management warrant incentive program 2022/2025 (management) and 560,000 warrants were issued under the 2022/2026 board incentive program. On 31 December 2022, the 2019/2022 incentive programs for management and board expired, without any warrants being exercised.

| Warrant incentive program | Last exercise date | Subscription price, SEK | Shares per Warrant | 1 Jan 2022 | Number of warrants | | | |
|---------------------------|--------------------|-------------------------|--------------------|------------------|--------------------|----------------|------------------|-------------------|
| | | | | | Issued 2022 | Exercised 2022 | Expired 2022 | December 31, 2022 |
| 2019/2022 (management) | 31.12.2022 | 1.30 | 1 | 1,890,000 | - | - | 1,890,000 | - |
| 2019/2022 (Board) | 31.12.2022 | 1.30 | 1 | 945,000 | - | - | 945,000 | - |
| 2021/2024 (management) | 31.8.2024 | 2.75 | 1 | 5,200,000 | - | - | - | 5,200,000 |
| 2021/2025 (board) | 31.8.2025 | 2.75 | 1 | 1,280,000 | - | - | - | 1,280,000 |
| 2022/2025 (management) | 31.8.2025 | 0.88 | 1 | - | 5,700,000 | - | - | 5,700,000 |
| 2022/2026 (board) | 31.8.2026 | 0.88 | 1 | - | 560,000 | - | - | 560,000 |
| Total | | | | 9,315,000 | 6,260,000 | | 2,835,000 | 12,740,000 |

NOTE 8 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As at December 31, 2022, the Company was in breach of certain loan covenants connected to a loan from a local Russian bank. As a result, the loans with maturity dates September 2024 - September 2027 were reflected in the statement of financial position as at December 31, 2022, as a short-term. On March 9, 2023, the Company received a waiver from bank on the breached covenants.

Signatures

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

Mikhail Damrin
CEO

Kjell Carlsson
Chairman

Eric Forss
Board member

Arsen Idrisov
Board member

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

Upcoming financial reporting

| Report | Date |
|----------------------|---|
| Annual Report 2022 | Expected to be published last week of April, 2023 |
| Q1 2023 | May 25, 2023 |
| Half year 2023 | August 24, 2023 |
| Q3 2023 | November 23, 2023 |
| Year-end Report 2023 | March 21, 2024 |

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

| Report | Date |
|---------------------------|------------------|
| Q1 2023 Operations Report | April 21, 2023 |
| Q2 2023 Operations Report | July 21, 2023 |
| Q3 2023 Operations Report | October 20, 2023 |
| Q4 2023 Operations Report | January 19, 2024 |

Annual General Meeting 2023

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

For more information, please contact:

Mikhail Damrin, CEO, +7 916 808 1217,

mikhail.damrin@kopygoldfields.com

Jakob Sintring IR and communication, +46 70 207 90 18

jakob.sintring@kopygoldfields.com

Address:

Kopy Goldfields AB (publ) (CIN 556723-6335)

PO Box 7292, 103 90 Stockholm, Sweden

Visiting address: Eriksbergsgatan 10, Stockholm

Tel: +46 (0)8 660 21 59

www.kopygoldfields.com

Ticker code: KOPY (Nasdaq First North Growth Market)

Number of shares 903,204,375 (as per March 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 CET on March 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. 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 year-end report and additional information are available on www.kopygoldfields.com

GLOSSARY AND DEFINITIONS

Alternative performance measures

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance, or cash flows that are not defined or specified in the applicable regulations for financial reporting, IFRS, and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS.

If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required.

Definitions of key ratios

| | |
|---|--|
| EBITDA | Earnings before interest, taxes, depreciation, and amortization is a non-IFRS metric and is defined by the Group as profit for the period before income taxes adjusted for depreciation, amortization and impairment, finance income, finance cost, (gain)/loss on revaluation of derivative financial instruments, foreign exchange (gain)/loss, (gain)/loss on disposal or revaluation of investments in subsidiaries and associates, (gain)/loss on (reversal of impairment)/impairment of property, plant and equipment, write-downs and reversals of inventory to net realizable value, bad debt allowance, share-based compensation expenses, charity expenses, and other one-off adjustments that may be required to provide a clearer view of the performance of the Group's operations. EBITDA is used to measure earnings from operating activities, independent of depreciation, amortization, and impairment losses. |
| EBITDA-marginal | EBITDA margin is defined by the Group as EBITDA divided by revenue. The EBITDA margin is used to compare EBITDA in relation to revenue and is a measurement of a company's operating profitability as a percentage of its total revenue. |
| Total Cash Costs (TCC) | Total cash costs (TCC) are defined as the cost of gold sales, less depreciation of property, plant and equipment, amortization, intangible assets, allowance for obsolescence of inventory and provision for mine closure, rehabilitation and decommissioning costs. TCC per ounce sold is calculated as TCC divided by the total gold equivalent ounces of gold sold for the period. |
| All-in sustaining costs (AISC) | All-in sustaining costs (AISC) are defined as TCC plus corporate, general and administrative expenses, provision for mine closure, rehabilitation and decommissioning costs, sustaining exploration, sustaining capital expenditures, and sustaining lease payments less amortization and depreciation related to corporate, general and administrative expenses, and exploration impairment losses. AISC per ounce sold is calculated as AISC divided by the total gold equivalent ounces of gold sold for the period. |
| Equity | Equity includes all capital and reserves of the Group that are managed as capital. Equity of the Group comprises issued capital, share premium, reserve for translation to presentation currency, retained earnings, and non-controlling interests. |
| Net debt | The Group's net debt comprises long-term and short-term interest-bearing liabilities and lease liabilities (excluding derivatives) after deducting cash and cash equivalents. |
| Net debt/EBITDA | Net debt/EBITDA is defined by the Group as Net debt divided by EBITDA. |
| Earnings per share | Earnings per share comprises consolidated earnings for the period (profit after tax from continuing and discontinued operations) attributable to the Parent Company shareholders, divided by the weighted average number of outstanding shares during the period and excluding treasury shares. Diluted Earnings per share are earnings per share adjusted to reflect the effects of potential dilutive ordinary shares, which constitute shares and options. |
| Equity per share | Equity at the end of the period divided by the number of shares outstanding at the end of the period. |
| Total number of shares outstanding | Number of shares outstanding at the end of the period. |
| Weighted average number of shares | The weighted number of shares outstanding during the year is calculated by taking into account any changes in the number of shares outstanding during the reporting period. |

Industry specific definitions and glossary (in accordance with JORC)

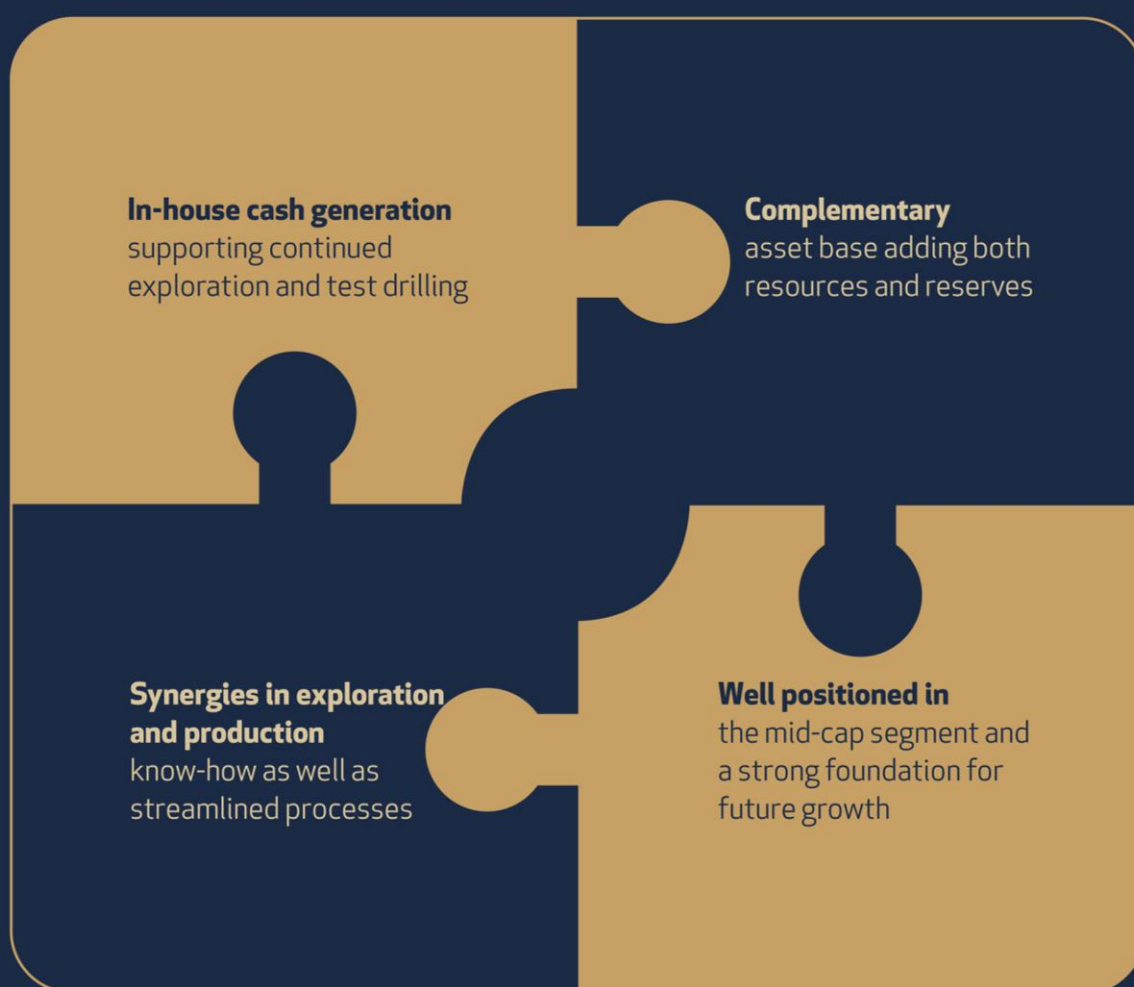
| | |
|---|---|
| Alluvial gold | Mineralization in riverbeds at ground level. |
| Carbon-In-Pulp Gold Recovery (CIP) | A common process to recover gold that involves the use of cyanide to dissolve gold in solution and activated carbon to precipitate the gold. |
| Cut-off | The lowest grade, or quality, of mineralized material that qualifies as economically mineable and available in a given deposit. Cut-off may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification. |
| Doré-bars | Unrefined gold bullion containing mostly silver and gold. |
| Flotation | Part of the enrichment process in which chemicals are used to significantly increase the concentration of valuable minerals. |
| Gold Equivalent | A quantity of a Metal having an economic value expressed in ounces of Gold and calculated by multiplying the quantity of the Metal by an assumed price for that Metal and dividing the product by an assumed price for Gold, where such prices are determined using the Financial Parameters. |
| GKZ | The Russian State Committee on Mineral Reserves. The state authority is responsible for the registration and approval of mineral resource and ore reserve estimates. |
| JORC | Approved standard set by the Australian Joint Ore Reserve Committee (JORC) for the calculation and reporting of mineral resources and ore reserves. |
| Mineralization | Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of deposit, mode of occurrence, genesis, or composition. |
| Mineral Resource | Is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity, and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. |
| Ore (or Mineral) Reserve | Is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at the Pre-Feasibility or Feasibility stage as appropriate, that include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. |
| Open pit | Type of mine where superficial deposits are mined above ground. |
| Recovery | The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency. |
| tpa/ktpa | Tons per annum/thousand tons per annum |
| Troy ounce (oz)/koz/Moz | Weight measure for gold corresponding to 31.1035 grams /thousand oz/million oz. |

Finance definitions

| | |
|----------------------|--|
| SEK/TSEK/MSEK | Swedish krona/Thousand Swedish krona/Million Swedish krona |
| USD/TUSD/MUSD | US Dollar/Thousand US Dollar/Million US Dollar |
| RUB/TRUB/MRUB | Russian ruble/Thousand Russian rubles/Million Russian rubles |

THIS IS KOPY GOLDFIELDS

Kopy Goldfields is a Swedish gold exploration and production company. Kopy Goldfields' strategy is to combine local geologic knowledge and science with international management, best industry practices and modern, efficient technology to identify and develop mineral deposits in a cost-efficient, safe and transparent way.



KOPY GOLDFIELDS

www.kopygoldfields.com