

Kopy Goldfields AB (publ)
Press release 21/2015
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Krasny ore is minable with 90% gold recovery rate

Kopy Goldfields AB (publ) (“Kopy Goldfields” or “the Company”) completed the mineral processing tests for the Krasny ore, and the projected total recovery is 90% for the primary ore and 75% for the oxidized ore. The recommended processing method includes crashing-grinding-gravity separation-flotation and CIP leaching circuits, which represents a common industry practice. With these results, the project is one step closer to become a mine.

In January 2015, Kopy Goldfields initiated new mineral processing tests for the Krasny ore, with target to develop the most efficient technology to recover the gold from the rock. Two bulk samples of one ton of rock each were sent to Irgiredmet laboratory in Irkutsk, which is a top mineral processing consulting company in Russia. One sample represented the oxidized part of the deposit and the second sample represented the primary ore.

The mineral processing tests took approximately 10 months and included:

- Study of chemical and mineral composition of the ore and the hosting rock
- Study of gold mineralogy
- Study of potential for initial ore separation
- Developing optimal parameters for the crashing and grinding circuits
- Developing optimal parameters for gravity and flotation separation processes
- Heap leaching tests
- Developing optimal parameters for leaching processes for concentrates and tailings
- Development of the flow chart

The report from Irgiredmet on how to process the Krasny ore recommended similar flow charts for both oxidized and primary rock based on crashing-grinding-gravity separation-flotation and CIP leaching circuits. The projected total recovery is 90% for the primary ore and 75% for the oxidized ore. The recommended processing methods are well known and widely used in the gold industry and represent limited technological risks. In addition, the current processing results are in line with the results of the processing test done in 2013.

Mikhail Damrin, CEO of Kopy Goldfields, comments the news: “We are happy with the processing test results. The Krasny ore has between 1% and 3% of carbon which is a strong sorbent complicating the leaching. In addition, the Krasny ore has less than 70% of free gold which is unfavorable for the gold liberation process. Irgiredmet found a way to mitigate presence of carbon and efficiently separate the gold from the waste, achieving 90% gold recovery for the primary ore on a relatively big sample. The high recovery ratio for the primary ore confirms that the Krasny deposit shall be able to produce far more than just 300 koz of gold over the life of mine. We also believe that the next stage processing testing with larger samples will further confirm and improve the results, especially for the oxidized ore since we think that 75% recovery appears too low for oxidized type ore compared to our knowledge.”

Based on the results of the processing modelling and as part of feasibility study, the Company is now taking the next step towards production by developing the mineral processing methods for Krasny:

- Identify the boundary between the oxidized and primary ores in order to estimate the volume of the oxidized, partially oxidized and primary rock within the deposit in order for detailed modelling of open pit and future production scheduling. Although the oxidized ore represents only a minor part of the total ore resources of the Krasny deposit, it is located on

the top of the deposit and will be the first ore to be produced. Hence economics of the oxidized ore production are important for the cash flow in the initial years.

- Repeat processing test for the Oxidized ore by taking a new sample from another Oxidized part of the Krasny deposit to confirm the total gold recovery as the current 75% recovery result for the Oxidized ore appears too low compared with our knowledge.
- Run pilot processing test on a bigger sample in accordance with recommended flow chart to confirm recovery results and further detail parameters of processing circuits.

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About Kopy Goldfields AB

Kopy Goldfields AB (publ), listed at NASDAQ First North in Stockholm is a gold exploration and production company operating in one of the most gold-rich areas in the world; Lena Goldfields, Bodaibo, Russia. The company holds 11 bedrock exploration- and production licenses and one alluvial license covering 1,963 sq km, of which the Krasny license is held 49% by the Company. The preliminary forecast is to be in production in 2017. The target for Kopy Goldfields is to become a near-term gold producer in cooperation with a producing partner under JV agreement.

Kopy Goldfields AB applies International Financial Reporting Standards (IFRS), as approved by the European Union. Aqurat Fondkommission acts as Certified Adviser, contact number: +46-8-684 05 800.

The Share

Ticker: KOPY

<http://www.nasdaqomxnordic.com/shares/microsite?Instrument=SSE77457>

Outstanding shares: 54,444,996