

Kopy Goldfields AB (publ)  
Press release 1/2016  
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## **Krasny license: GKZ reserve report is now completed and filed for authority approvals with 9.5 tons of minable gold reserves**

**Kopy Goldfields AB (publ) (“Kopy Goldfields” or the “Company”) is pleased to announce that a mineral reserve report (“GKZ report”) for the Krasny deposit was completed and filed with the Russian GKZ authorities in Irkutsk in the end of December 2015 for review and approval. The report was prepared in accordance with the Russian GKZ regulations and confirms minable gold reserves of 9.5 tons (305 koz) in the C1+C2 categories and total gold reserves and gold resources of 18.6 tons (598 koz). The approval is expected latest in February 2016.**

The GKZ reserve report for the Krasny deposit was prepared by an independent engineering consultancy firm based in Irkutsk which has a strong expertise in local geology and Russian reserve reporting. The report was commenced in July 2015 and filed with the GKZ authorities in Irkutsk on December 28, 2015.

The GKZ report is based on the drilling data acquired before January 1, 2015, which means that the new data coming from the Stage 2 drilling operations was not included into the report since this would significantly delay the GKZ reporting process. The drilling data from the Stage 2 drilling and from the current on-going expansion drilling will instead be used for updating and revising the current GKZ report in the future. It is likely that the new data will improve the GKZ report further.

The Russian GKZ system classifies reserves into “on balance” and “off balance”, which in short means that “on balance” reserves may be mined with profit at the current market conditions and “off balance” reserves may be mined with profit if the market conditions improves. The current draft of the GKZ report confirms “on balance” gold reserves of totally 9.5 tons (C1+C2 categories) and “off balance” gold reserves (C2 category) of 1.3 tons. In addition, the GKZ report shows P1 resources of 7.8 tons, making total reserves and resources of 18.6 tons (598 kOz) of gold.

The procedure for the GKZ report approval by the Russian authorities is the following:

- The draft of the report will be reviewed and commented by several independent industry experts appointed by the GKZ authorities in Irkutsk.
- The engineering consultancy firm which drafted the report will review the comments and make appropriate amendments and submit the report again. It is likely that the final draft of the report will differ from the current version to some extent, but no major changes are expected.
- Following the expert review and having their comments over the report, the Irkutsk State Committee on Reserves will appoint a date for the formal report review and approval.
- If all goes according to plan, the report will be approved on this meeting and the Irkutsk State Committee on Reserves will issue relevant minutes.

If no significant changes to the draft are required based on the expert review, we estimate the GKZ report review and approval to be done within January-February 2016.

As released before, Kopy Goldfields is also developing a report on mineral resources and reserves in accordance with the JORC provisions (“JORC report”). JORC and GKZ reports, although using similar basic geological principals of resource calculation, are drafted under different framework and reporting procedures and therefore usually provide different estimations of resources and

particularly reserves, which in turn means that the outcome from the JORC report will not necessarily be the same as from the GKZ report. In addition, the JORC report will use all the drilling data acquired before the end of November 2015, including the data from the Stage 2 exploration (but not the data from the on-going expansion drilling). Developing and filing a GKZ report is a statutory responsibility for a Russian mineral producer to enable mineral production. When accepted by the Russian authorities, the GKZ report creates rights and obligations for a Russian producer in terms of minimum annual production levels, mine life expectation and is used as a basis for calculation of various taxes and commitments. The JORC-report is a globally accepted standard of reporting mineral resources and primarily addresses investors, banks or other international stakeholders.

## Further information to follow

We plan the following events to come during the next months:

- Finalization of the Internal report in January 2016
- Commence pre-feasibility/feasibility report January-February 2016
- Approval of Russian GKZ reserves January-February 2016
- Completion of JORC report in February – March 2016

## For more information, please contact:

Mikhail Damrin, CEO, +7 916 808 12 17, [mikhail.damrin@kopygoldfields.com](mailto:mikhail.damrin@kopygoldfields.com)

Tim Carlsson, CFO, + 46 702 31 87 01, [tim.carlsson@kopygoldfields.com](mailto:tim.carlsson@kopygoldfields.com)

## 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