

Kopy Goldfields AB (publ)  
Press release 21/2016  
Stockholm, September 26, 2016

## **Kopy Goldfields AB: Operational update September 2016**

**Kopy Goldfields AB (publ) ("Kopy Goldfields" or the "Company") hereby provides an update of the Company's operations:**

- **Exploration at the Krasny project is developing according to plan: 53 drill holes are completed, accounting for 11,370 meters of core drilling. In addition, 1,965 meters of trench sampling are done. Totally 11,256 fire assay tests for gold have been received**
- **Based on the new drill results, the Lower Mineralization has been extended beyond the previous model for 246 meters along the strike.**
- **New drill results confirm the Krasny North mineralization for 200 meters along the strike and for 95 meters down dip.**
- **A 3,259 kg sample with an average gold grade of 1.77 g/t from the Upper structure of Krasny has been accumulated for a mineral processing test. The processing test will start shortly and will be completed by early 2017.**
- **Within the Northern Territories project, 4,600 samples have been collected, of which 3,525 samples have been sent to the laboratory and 1,258 results have been received from the lab. Seven clusters for further follow up exploration were identified including a 3 by 5 kilometers' gold anomaly, not previously reported. This is a vast gold anomaly indicating a potentially big source of bedrock gold nearby.**

*This operational update further develops the information provided in press release 13/2016, dated June 9, 2016, 14/2016 dated July 26, 2016 and 16/2016 dated August 31, 2016.*

### **KRASNY CENTRAL AND KRASNY NORTH EXPLORATION RESULTS**

Drilling of the Stage 3 exploration program was commenced in April 2016, and, so far, 53 drill holes, accounting for 11,370 meters of core drilling, are completed. In addition, 1,965 meters of trench sampling are done. In total, 11,256 fire assay tests for gold have been received (see Table 1 in the Attachments for mineralized intervals above 0.4 g/t cut-off grade).

Most of the drilling activities during August and early September were focused on collection of rock for development of a mineral processing flow chart as part of the feasibility studies (see Figure 4 in the Attachments for the map of the exploration activities on the Krasny Central). The drilling for the processing test is now completed, and a bulk sample that proportionally represents all types of mineralized ore within the contour of the modelled open pit for the Upper structure has been accumulated. The sample, which is fairly representative for the Upper Structure, amounts to 3,259 kg and the average gold grade turned out to be 1.77 g/t, which is positively somewhat higher than the average gold grade for the Upper Structure according to the previous resource estimations. The processing test will commence shortly and be completed by early 2017. The mineral processing flow chart for Krasny will be developed as a result of this processing test.

Drilling was also done as part of the Feasibility Studies to prove the choice of exploration grid in the Central part of Krasny Upper mineralization. This means that a limited area was drilled with a denser drilling, where the distance between the drill holes is 20 meters instead of the 40 meters which is the case in the common grid. If these results confirm the continuity of the mineralization and the

modelling, the common grid has been verified and thus an upgrade of the resource category would be possible.

#### **Krasny central**

The intermediate results from Krasny Central continues to be very positive with the exploration drilling confirming a further strike extension of the Lower mineralization. On the western flank within Profile 38, the exploration hole #141752 intersects the Lower mineralization for 120 meters, including intervals of 21 meters with an average gold grade of 1.949 g/t, 10.4 meters with an average gold grade of 3.746 g/t and 27 meters with an average gold grade of 1.847 g/t (See Table 1 in the Attachments for more details). This extension was further confirmed by hole #141751, drilled in the same profile. Previously, Profile 40 was the most western drill intersection confirming the mineralization, but with these new results, the Lower Mineralization is extended to the West for 86 meters along the strike (see cross section along Profile 38 in Figure 6 in the Attachments).

On the Eastern flank, the mineralization is extended as well. Exploration hole #141750, drilled in Profile 53, intersects the Lower mineralization for 150 meters, including intervals of 7.5 meters with an average gold grade of 5.985 g/t and 14 meters with an average gold grade of 1.867 g/t. Hole #141754, drilled in Profile 55 located further 80 meters to the East compared to profile 53, also intersects the same extension of the Lower Mineralization. In this case, the intersection accounts for 125 meters, including intervals of 33 meters with an average gold grade of 3.35 g/t and 11 meters with an average gold grade of 3.44 g/t. Previously, Profile 51 was the most eastern drill intersection confirming the mineralization, but with these new results, the Lower Mineralization is extended to the East for 160 meters along the strike (see cross section along Profile 53 and Profile 55 in Figure 8 in the Attachments).

These promising drill results both on the western and eastern flanks of the Krasny Lower mineralization will add new resources to the Krasny project. As presented in Figure 7 in the Attachments, showing the long section of the Krasny Central mineralization along the strike, the recently discovered extensions of the Lower Mineralization go outside the previous projection of the open pit, which will be redefined to reflect these new results during the new resource modelling later this year. We believe that the total minable resources of the Krasny project will increase as a result of the recently discovered extensions of the Lower Structure.

#### **Krasny North**

Following the encouraging results from previous exploration on the Krasny North mineralization, we proceed with both trench sampling and drilling (see Figure 5 in the Attachments for the map of the exploration activities on the Krasny North). Two additional drill holes, #141708 and #141709, have been completed within Profile 186 during August – September and assay test results received (see Figure 9 for the cross sections along Profile 180 and Profile 186 in the Attachments). Both new holes intersected a gold mineralization, thus confirming the exploration potential of the Krasny North. So far, the Krasny North mineralization is confirmed along the strike for 200 meters between the drill profiles 180 and 186, and for 95 meters down dip. The thickness of the mineralization varies from 6 to 30 meters with an average gold grade of around 1.5 g/t. We see indications for a further increase of the mineralization along the strike, since numerous samples with visible gold nuggets have been recorded within trench #143610 in Profile 176 which is located 160 meters to the West from Profile 180 (see Figure 5 in the Attachments). We are expecting the assay results from this trench shortly. We also see that the mineralization is open down dip. The exploration within Krasny North is proceeding with the target to preliminary identify the resources of Krasny North by the end of 2016. We believe that the Krasny North will make an excellent supplement to the Krasny Central and enhance the economics.

Based on Stage 3 exploration results on Krasny we are glad to report the following most significant mineralized intervals (at cut-off grade 0.4 g/t) – 41 meters with average grade of 4.71 g/t and 25 meters with average grade of 2.02 g/t in the hole #141748, 7.5 m @ 5.984 g/t (hole #141750), 56 m @ 2.13 g/t (hole #141747), 19 m @ 2.588 g/t and 28 m @ 1.611 g/t (hole #141744), 40 m @ 2.28 g/t (hole #141751), 13 m @ 3.94 g/t and 15 m @ 1.89 g/t and 14 m @ 3.59 g/t (hole # 141481), 23 m @ 1.58 g/t (hole #141678), 31 m @ 1.39 g/t (hole # 141746), 22 m @ 1.514 g/t (hole #141610), 7 m @ 3.493 g/t (hole #141612), 43.5 m @ 2.049 g/t (hole #141482), 83 m @ 2.294 g/t (hole #141483), 8.6 m @ 4.515 g/t (hole #141485), 21.5 m @ 1.949 g/t and 10.4 m @ 3.746 g/t (hole #141752), 33 m @ 3.35 g/t and 11 m @ 3.44 g/t (hole #141754). See Table 1 in the Attachments for more assay data for the drilled boreholes.

#### NORTHERN TERRITORIES AND KOPYLOVSKOYE PROJECTS

We are pleased with the first results received from the exploration activities on the Northern Territories project. The stream sediment survey on the project is moving according to schedule. Field operations are expected to be finalized in early October and so far, some 4,600 samples out of the planned 5,500 have been collected, of which 3,525 samples have been sent to the laboratory for analysis and 1,258 test results have been received. The Northern Territories project consist of six licenses and the results received are covering parts of the licenses “Malo-Patomsky” and “Gorbylyakh”. Based on a preliminary review of the analytical results, we have already identified several potential clusters for follow up exploration, see Figure 10 in the Attachments. The most interesting target is located in the east of the Malo-Patomsky license and is marked with number 1. This gold anomaly was never reported previously and has a vast size of 3 by 5 kilometers. Gold was identified in sediments along 5 streams within this target indicating the presence of a big source of bedrock gold nearby. When the laboratory results for all samples have been received, the data will be further statistically examined to identify boundaries of gold anomalies, and further research will be done on the origins of potential underlying bedrock gold mineralizations. These results confirm our high expectations over the exploration potential of the Northern Territories project.

Within the Kopylovskoye project, we are waiting for the forestry logging permits to be issued shortly in order to file papers to obtain mining permits for the Kopylovskoye license to update and extend the license terms and run a bulk sample test to confirm historic grades and volume of mineralization. The permits are expected to be issued during September-October 2016. The mining plan has been already developed.

#### NEXT STEPS

We forecast the following events during the next few months:

- Release full Krasny JORC report
- Complete the 2016 Krasny Exploration and Development Program by November 2016
- Release results of the 2016 Krasny exploration program by the end of 2016
- Release results of Northern Territories geochemical survey by the end of 2016

Operation updates will be released on a regular basis.

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*This information is information that Kopy Goldfields is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 11.00 am CEST on September 26, 2016.*

## 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 in total 1,963 sq km, of which the Krasny licenses (bedrock and alluvial) are held 49% by the company. 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. Aqrat Fondkommission acts as Certified Adviser, contact number: +46-8-684 05 800.

## The Share

Ticker: KOPY

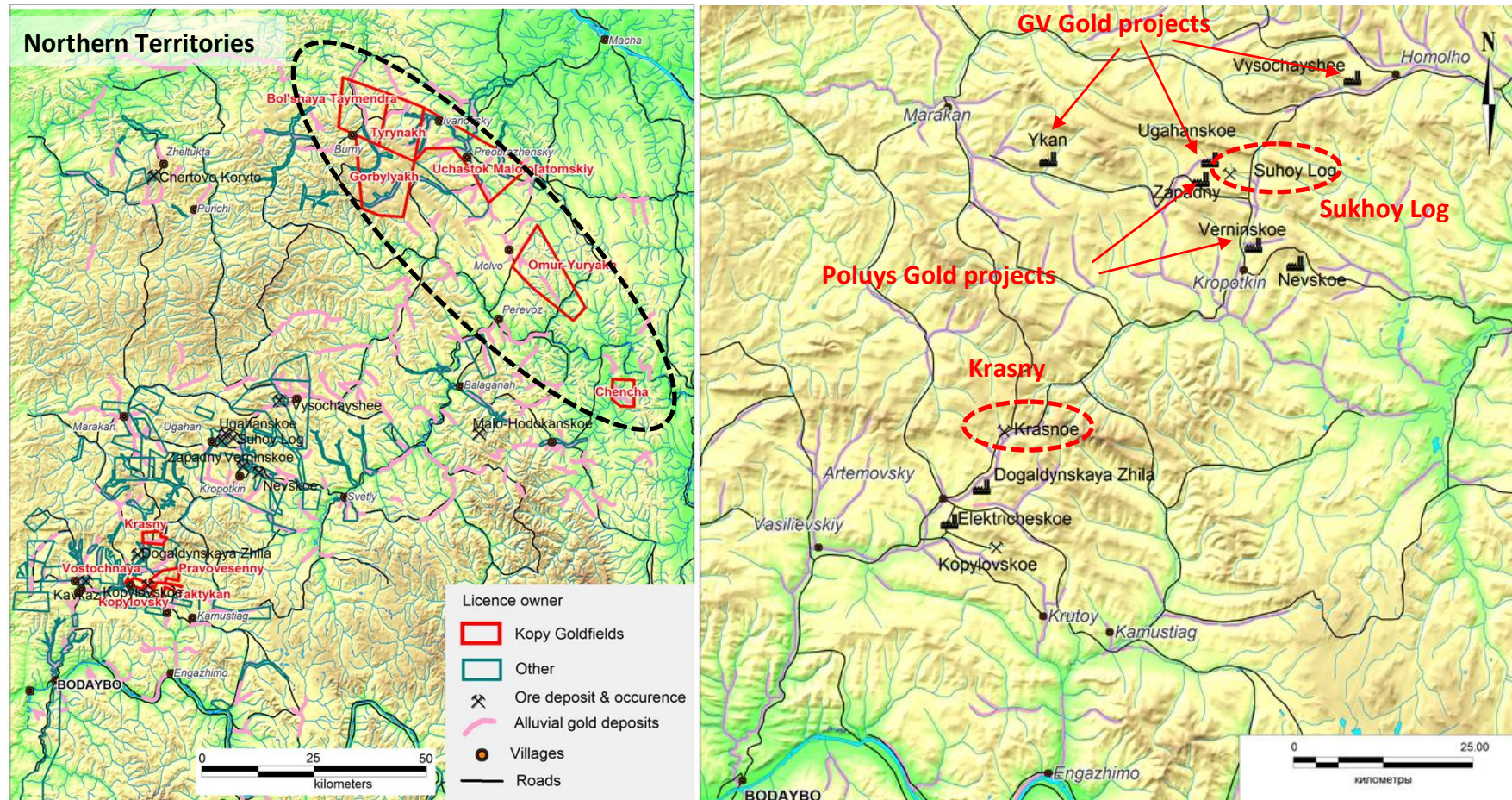
<http://www.nasdaqomxnordic.com/shares/microsite?Instrument=SSE77457>

Outstanding shares: 59,899,541



## Attachments

Figure 1. Map of Kopy Goldfields gold properties and location of operating mines near the Krasny deposit

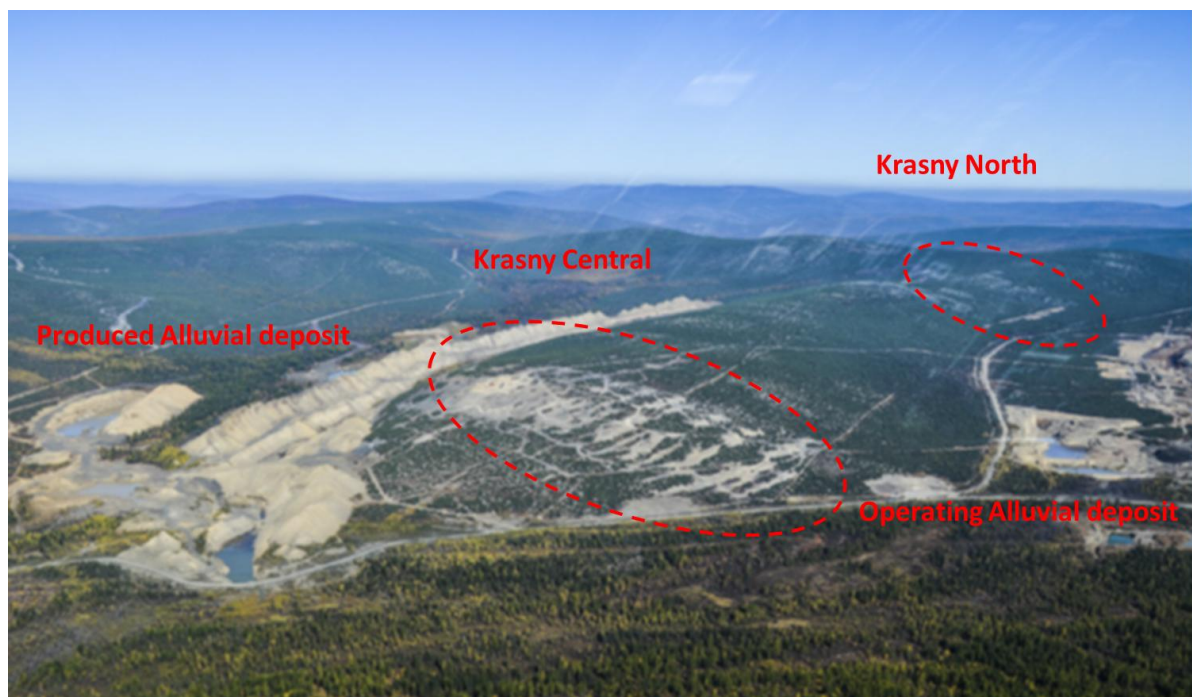
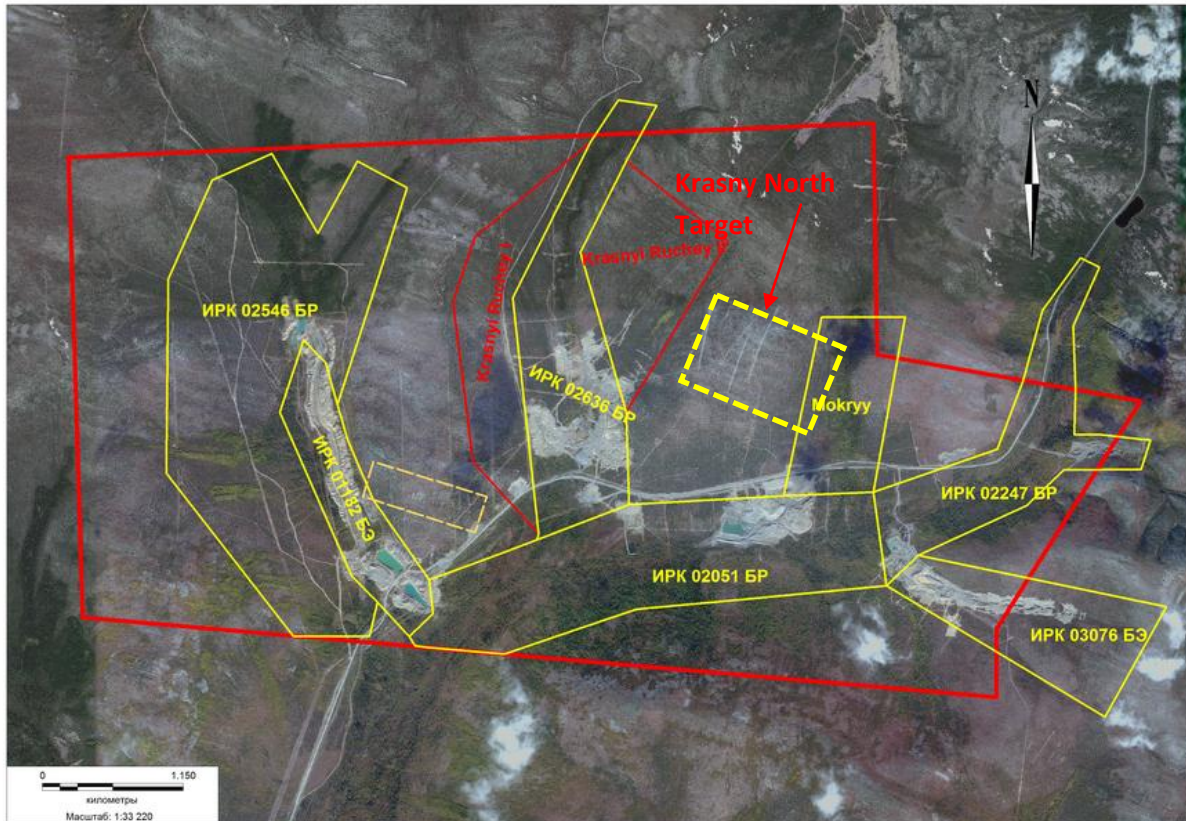




**Figure 2. Map of Krasny license area**

The boundaries of alluvial licenses owned by third companies are marked in yellow.

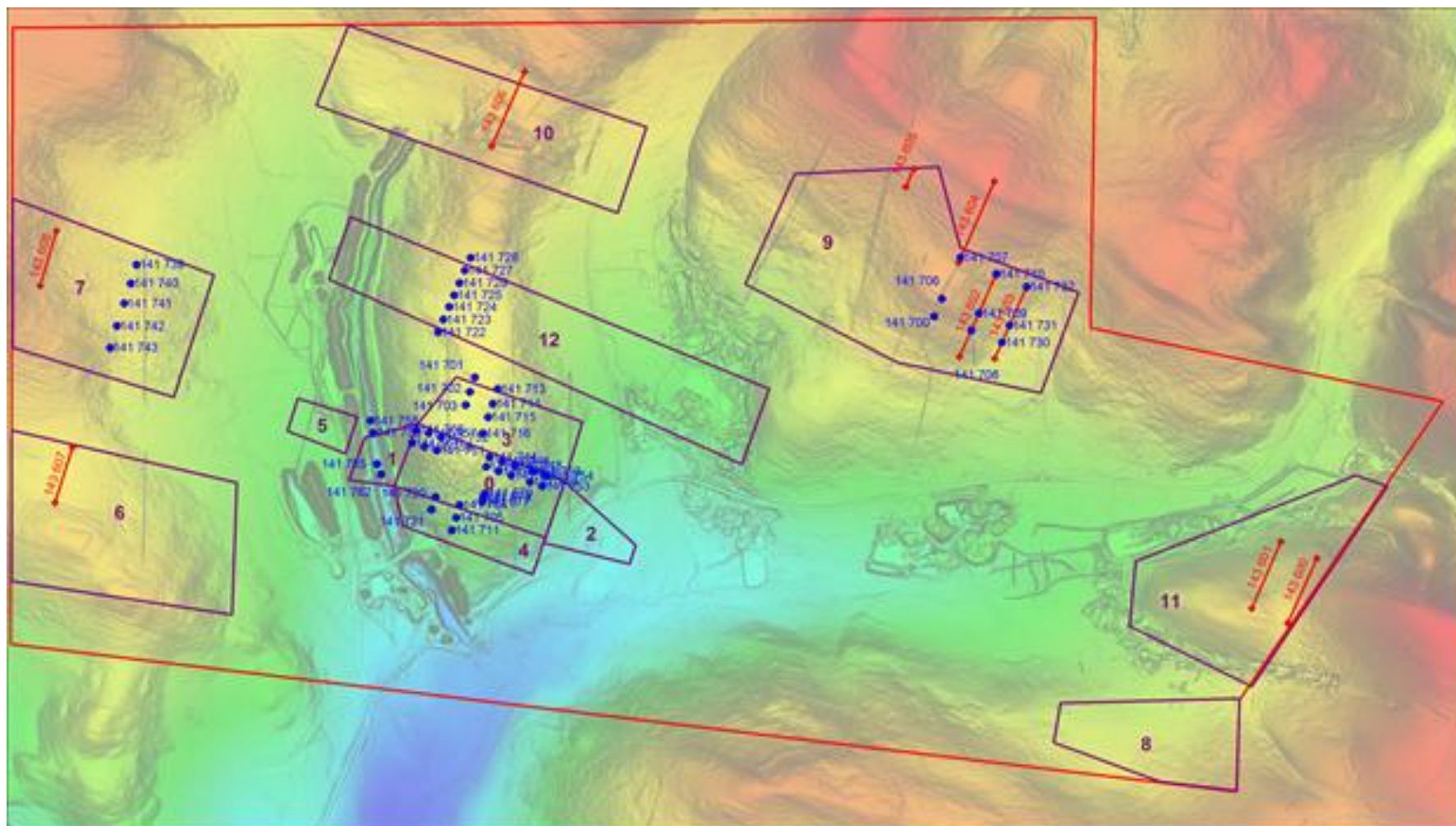
The boundaries of alluvial licenses acquired by OOO Krasny during the summer of 2015 are marked in red.



# KOPY GOLDFIELDS

GOLD EXPLORATION

Figure 3. Map of exploration activities on Krasny in 2016



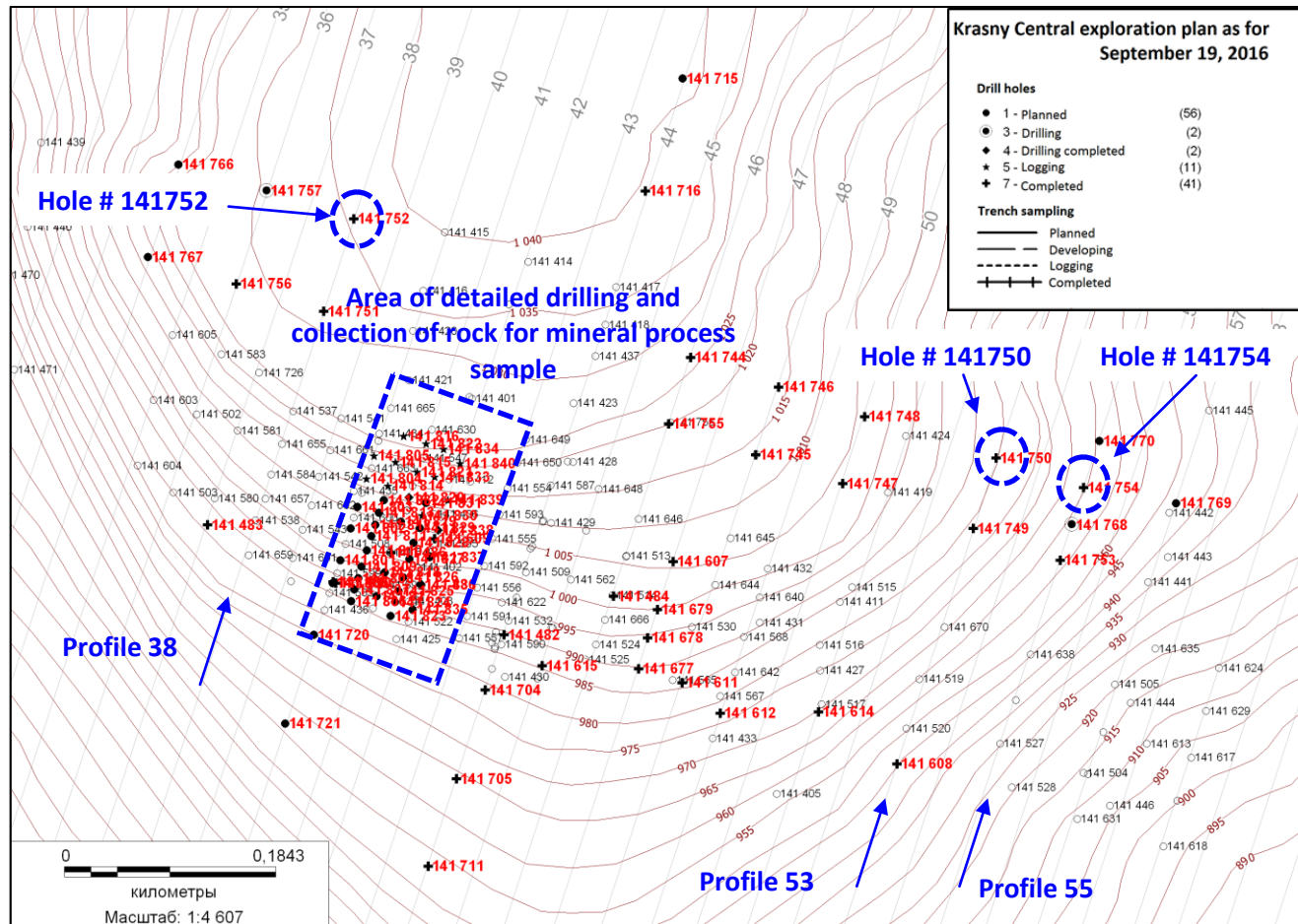


# KOPY GOLDFIELDS

GOLD EXPLORATION

Figure 4. Map view of the exploration activities on the Krasny deposit, Central part (targets 0, 1, 2, 3, 4, 5, 12 - see Figure 3) as for September 19, 2016

Position of new drill holes are marked according to the legend



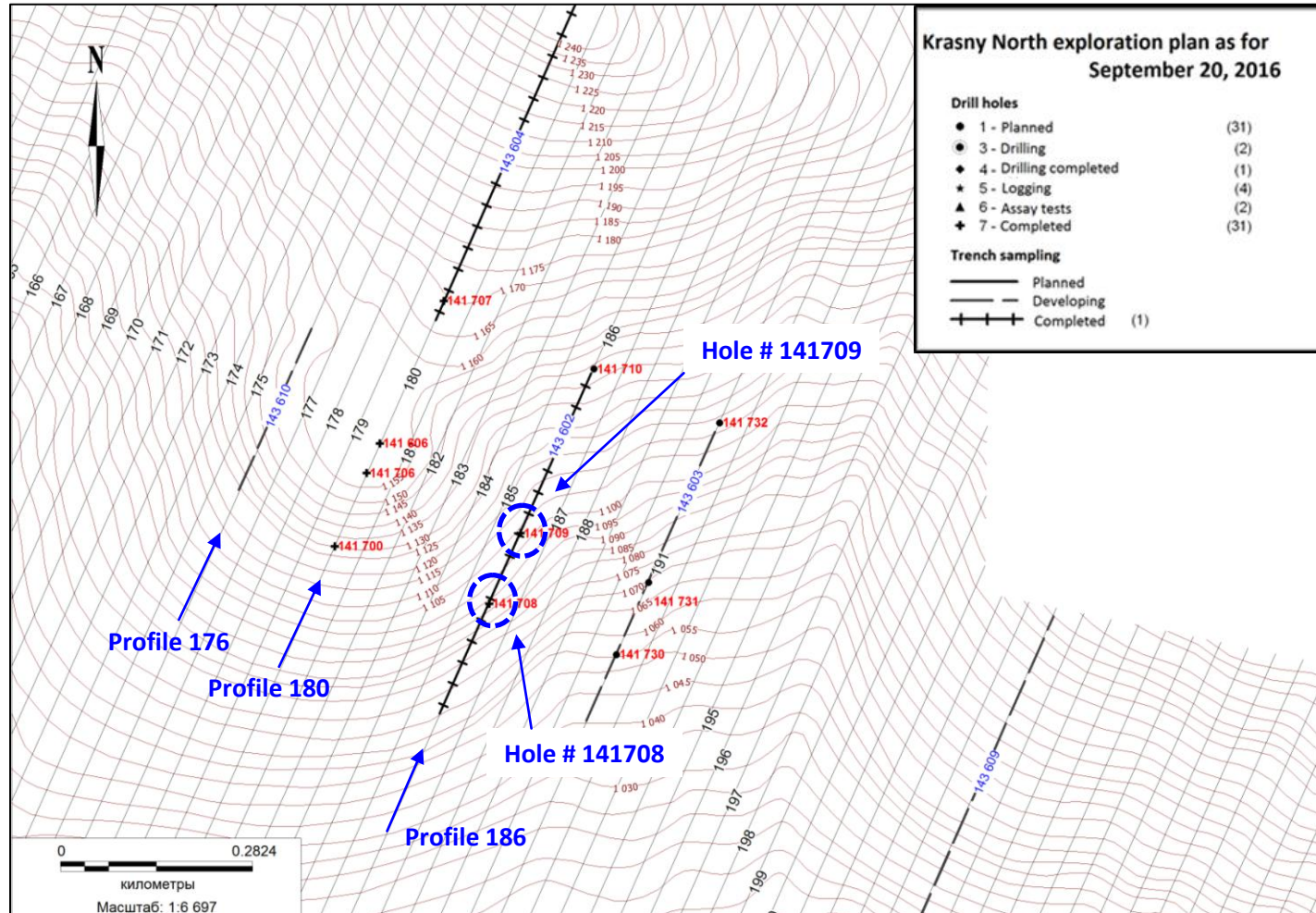


# KOPY GOLDFIELDS

GOLD EXPLORATION

**Figure 5. Map view of the exploration activities on the Krasny North (target 9, see Figure 3) as of September 20, 2016**

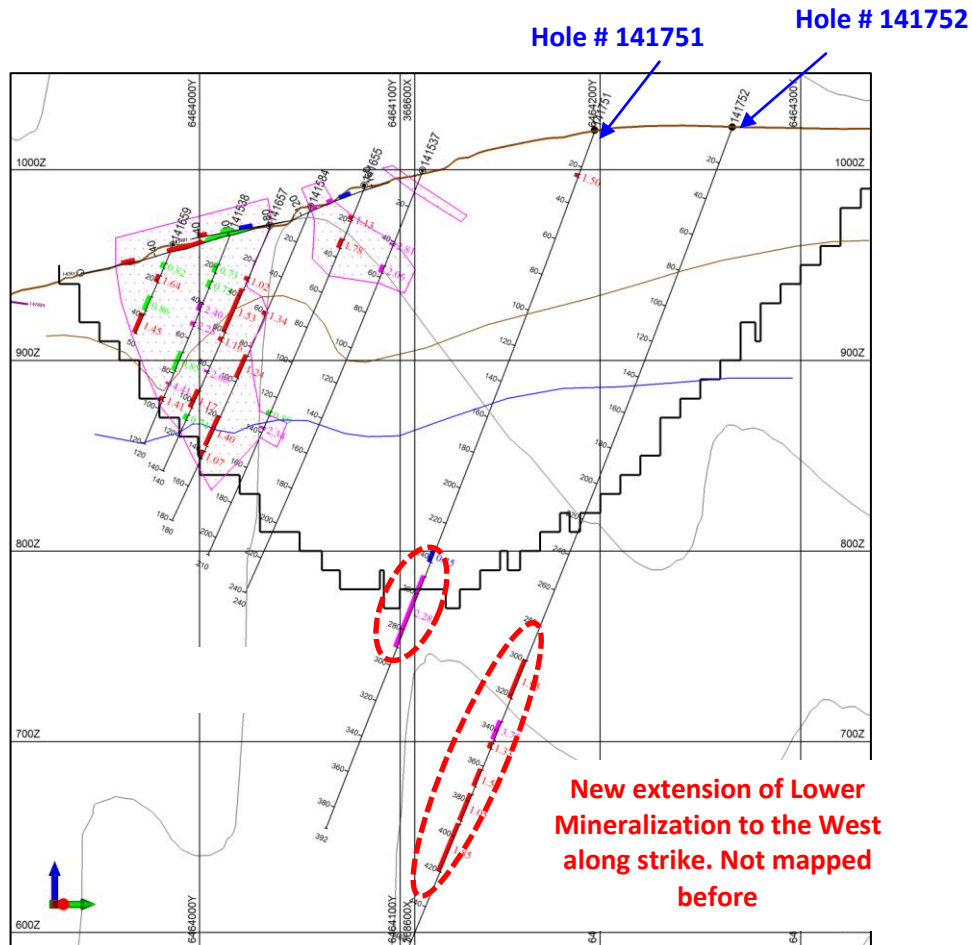
Position of drill holes (only new drilling) are marked according to the legend



# KOPY GOLDFIELDS

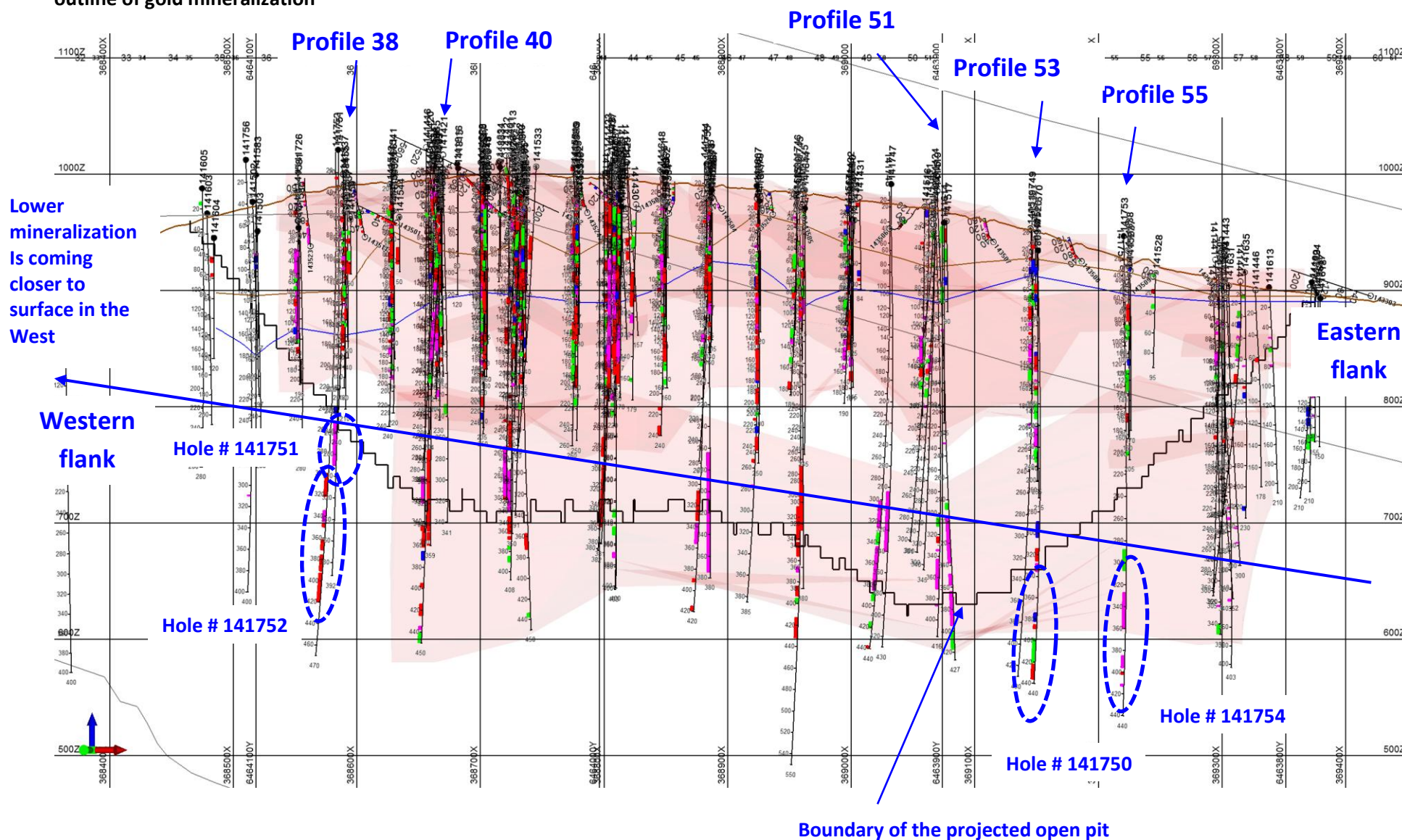
GOLD EXPLORATION

Figure 6. Geological cross section along Profile 38 on the western flank of Krasny Central deposit, with location of former and new drill holes, boundaries of the projected open pit and outline of gold mineralization



**KOPY GOLDFIELDS**  
GOLD EXPLORATION

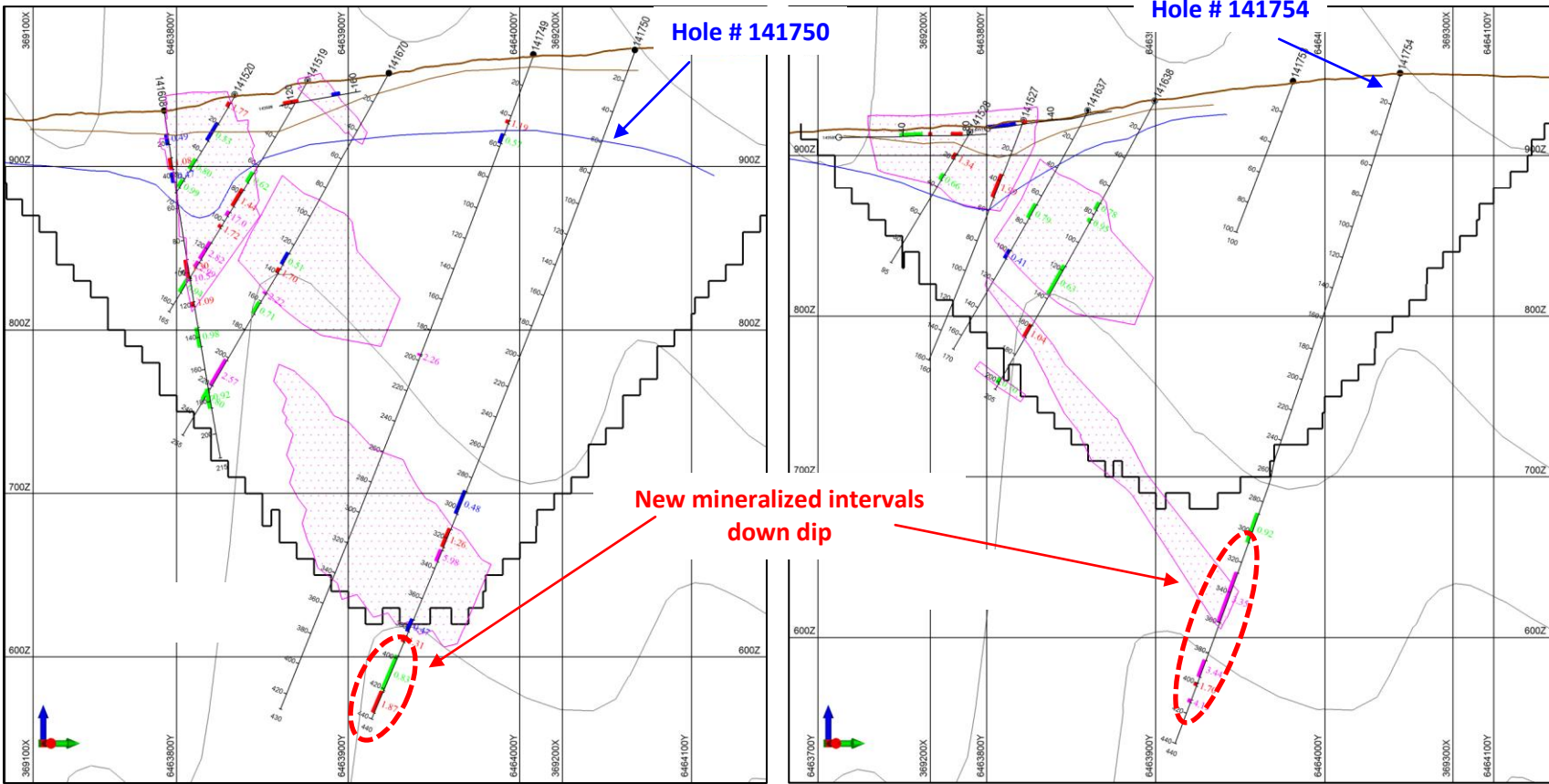
**Figure 7. Geological long section of the Krasny Central deposit, with location of former and new drill holes, boundary of the projected open pit and outline of gold mineralization**





## GOLD EXPLORATION

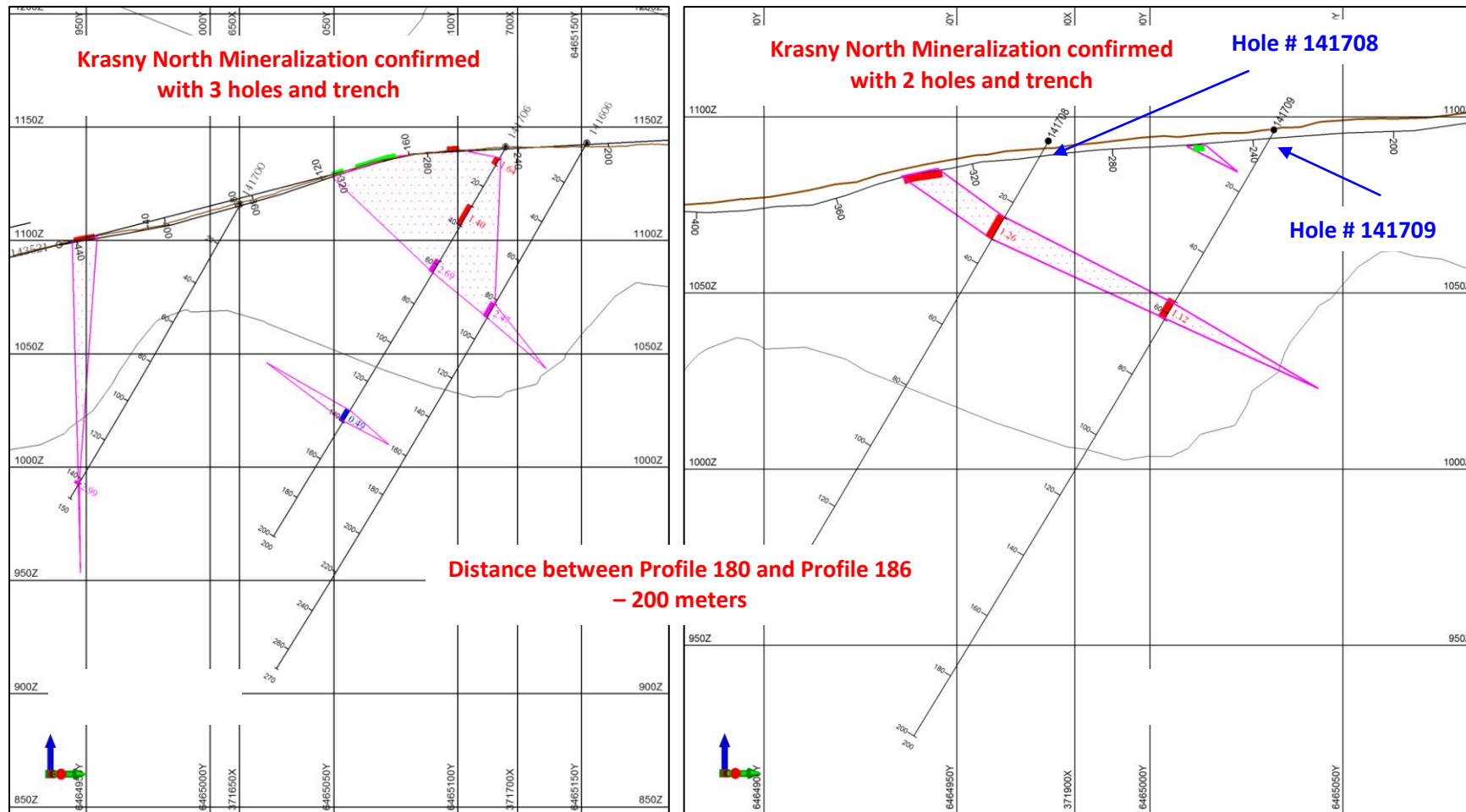
**Figure 8. Geological cross sections along Profile 53 and Profile 55 on the Eastern flank of the Krasny Central deposit, with location of former and new drill holes, boundaries of the projected open pit and outline of gold mineralization**



# KOPY GOLDFIELDS

GOLD EXPLORATION

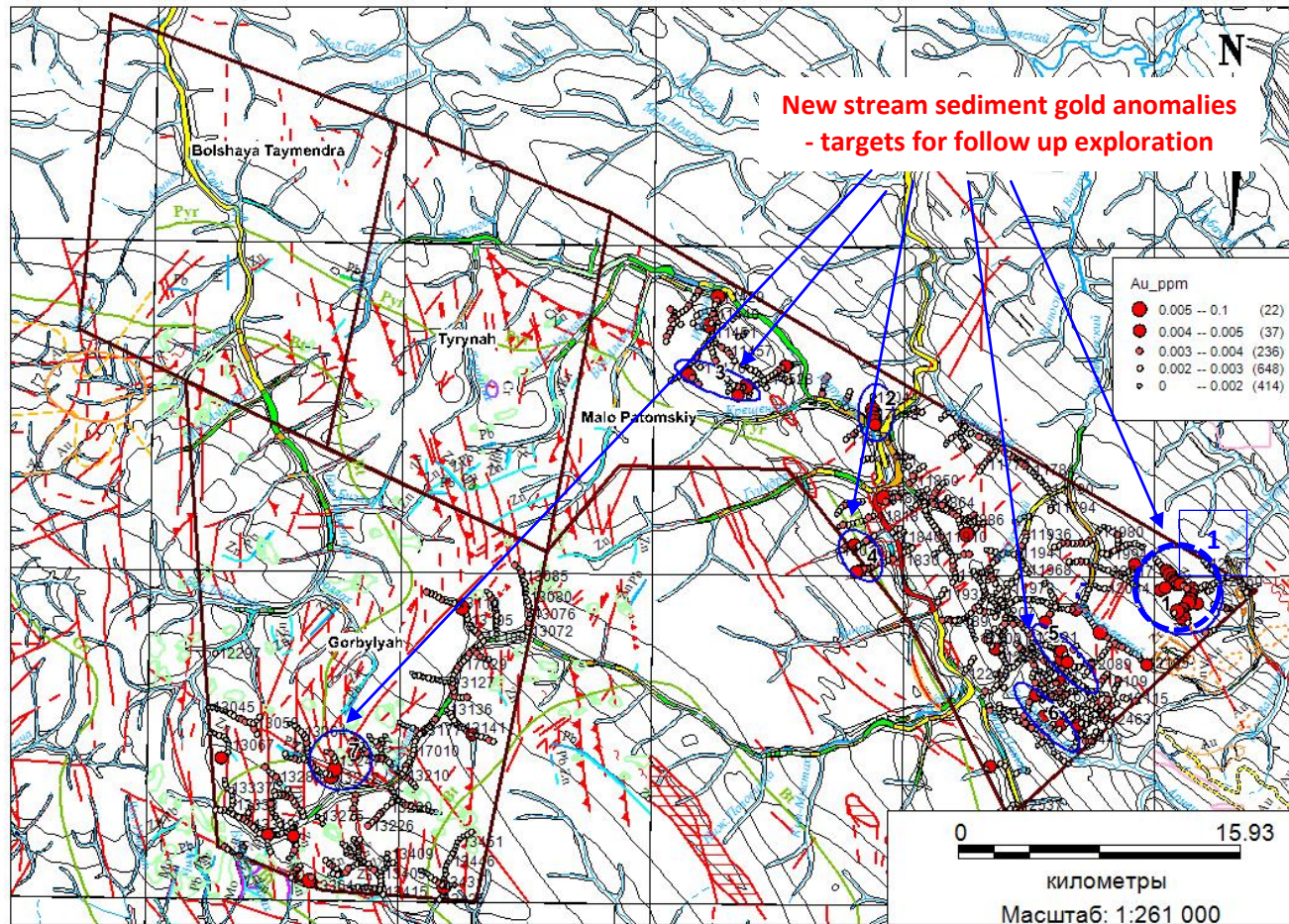
**Figure 9. Geological cross sections along Profile 180 and Profile 186 on the Krasny North mineralization, with location of drill holes and outline of gold mineralization**



# KOPY GOLDFIELDS

GOLD EXPLORATION

Figure 10. Stream sediment results for the Malo-Patomsky, Bolshaya Taimendra, Tyrynakh and Gorbylyakh license areas (part of the Northern Territories project) with location of alluvial gold mines, geological faults and points of stream sediment gold mineralization with gold grade in accordance with table (1 ppm = 1 g/t). Represent only the samples received and processed so far





**Table 1**

Mineralized intervals with gold grades above cut off 0.4 gr/t

# Hole	From (m)	To (m)	Length (m)	Au (average grade), gr/t
141481	12,00	27,00	15,00	1,89
141481	42,00	55,00	13,00	3,94
141481	59,00	82,00	23,00	1,13
141481	83,00	89,00	6,00	0,82
141481	93,00	104,00	11,00	0,95
141481	110,00	124,00	14,00	3,59
141481	157,00	165,00	8,00	1,31
141482	7,3	8	0,7	3,207
141482	22,5	32	9,5	1,123
141482	42	50	8	1,653
141482	68	91	23	1,903
141482	96	139,5	43,5	2,049
141482	141	158	17	1,303
141483	19	102	83	2,294
141484	17,00	23,00	6,00	1,29
141484	46,00	48,00	2,00	4,92
141484	57,00	62,00	5,00	0,88
141484	89,00	91,00	2,00	5,29
141484	94,00	119,00	25,00	1,13
141484	94	119	25	1,13
141485	10	30	20	1,469
141485	39	65	26	1,729
141485	82,4	91	8,6	4,515
141485	96	107	11	1,124
141485	116	119	3	1,696
141485	132	136	4	1,643
141486	71,00	96,00	25,00	1,32
141486	122,00	125,00	3,00	1,77
141486	129,00	144,00	15,00	0,79
141486	145,00	147,00	2,00	4,20
141486	154,00	160,00	6,00	1,24
141606	82	89	7	2,473
141607	55,00	56,00	1,00	3,95
141607	74,00	75,50	1,50	2,44
141607	83,00	92,00	9,00	0,59
141607	93,00	95,00	2,00	1,06
141607	214,00	216,00	2,00	1,04
141607	252,00	255,00	3,00	1,44
141607	276,00	278,00	2,00	2,68
141608	14	20,7	6,7	0,485
141608	29	36	7	1,077

141608	38	44	6	0,465
141608	92	103	11	1,296
141608	104	105	1	10,56
141608	118	121	3	1,09
141608	134	146	12	0,977
141608	172	184	12	0,921
141609	23	25	2	2,245
141609	37	39	2	6,73
141609	46	47	1	2,01
141610	11	20	9	1,088
141610	44	66	22	1,514
141610	101	102	1	26,055
141610	114	123	9	1,036
141610	133	136	3	1,082
141611	37	38	1	4,39
141611	102	107	5	1,411
141612	16	18	2	1,235
141612	119	126	7	3,493
141612	131	139	8	1,856
141613	50	51	1	8,67
141613	62	65	3	0,737
141613	78	80	2	2,28
141614	3	17	14	0,837
141614	56	69	13	0,697
141614	93	94	1	3,39
141615	56,3	69	12,7	1,372
141615	101	106	5	0,742
141615	113	137	24	1,106
141615	138	145	7	0,923
141615	153	157	4	0,923
141677	21,00	23,00	2,00	1,71
141678	6,50	13,00	6,50	1,42
141678	93,00	98,00	5,00	2,88
141678	104,00	117,00	13,00	1,12
141678	118,00	122,00	4,00	3,72
141678	128,00	136,00	8,00	1,47
141678	146,00	169,00	23,00	1,58
141679	48,00	50,00	2,00	2,37
141679	56,00	59,00	3,00	0,70
141679	63,00	74,00	11,00	0,91
141679	77,00	90,00	13,00	1,13
141679	92,00	107,00	15,00	1,46
141679	118,00	130,00	12,00	1,10
141679	144,00	153,00	9,00	1,60
141679	158,00	162,00	4,00	1,31
141679	166,00	175,00	9,00	0,58
141679	181,00	195,00	14,00	1,45

141679	203,00	206,00	3,00	0,75
141679	216,00	222,00	6,00	0,40
141679	226,00	238,00	12,00	1,02
141700	142,00	143,00	1,00	2,99
141706	6,00	9,00	3,00	1,64
141706	30,00	40,00	10,00	1,40
141706	58,00	64,00	6,00	2,69
141706	135,00	141,00	6,00	0,49
141708	25	32	7	1,263
141709	56	62	6	1,121
141744	306	334	28	1,611
141744	337	356	19	2,588
141744	389	392	3	1,615
141744	415	419	4	1,269
141746	49,00	50,00	1,00	2,09
141746	310,00	341,00	31,00	1,39
141746	343,00	356,00	13,00	1,68
141746	366,00	371,00	5,00	2,39
141746	384,00	393,00	9,00	1,16
141746	395,00	400,00	5,00	0,70
141746	413,00	432,00	19,00	1,42
141747	284,00	340,00	56,00	2,13
141748	301,00	326,00	25,00	2,02
141748	331,00	341,80	10,80	0,82
141748	344,00	385,00	41,00	4,71
141748	388,00	395,00	7,00	0,88
141748	415,00	421,00	6,00	0,69
141748	437,50	440,00	2,50	1,62
141749	43,00	45,00	2,00	1,19
141749	52,00	58,00	6,00	0,57
141749	196,00	197,00	1,00	2,26
141750	289	304	15	0,477
141750	314	326	12	1,262
141750	328	335,5	7,5	5,984
141750	374	382	8	0,473
141750	385	389	4	1,31
141750	398,1	421	22,9	0,834
141750	422	436	14	1,867
141751	24	25,7	1,7	1,496
141751	235	242	7	0,446
141751	250	290	40	2,28
141752	300	321,5	21,5	1,949
141752	334,6	345	10,4	3,746
141752	347	350	3	1,333
141752	362	371,5	9,5	1,559
141752	376	391	15	1,052
141752	393	420	27	1,847



141754	288	307	19	0,92
141754	327	360	33	3,35
141754	385	396	11	3,44
141754	400	402	2	1,7
141754	411	413	2	4,15
141756	309	310	1	3,66