

Kopy Goldfields AB (publ)
Press release 14/2016
Stockholm, July 26, 2016

Kopy Goldfields AB: Operational update July 2016

Kopy Goldfields AB (publ) (“Kopy Goldfields” or the “Company”) hereby provides an update of the Company’s operations:

- **Stage 3 of the exploration and development program for the Krasny project was commenced in April 2016. So far, 24 drill holes are completed, accounting for 6,123 meters of core drilling. In addition, 1,748 meters of trench sampling are done. Total 5,508 fire assay tests for gold have been received.**
- **Drill hole #141751 confirmed strike extension of the Krasny Lower mineralization to the west for 80 meters beyond previous modelling.**
- **New gold mineralization has been further confirmed within the Krasny North target.**
- **The work preparing the Kopylovsky deposit for pilot testing is ongoing.**
- **The exploration program on the Northern Territories develops in accordance with schedule.**

This operational update further develops the information provided in press release 13/2016, dated June 9, 2016.

KRASNY CENTRAL AND KRASNY NORTH EXPLORATION RESULTS

Drilling in Stage 3 of the exploration program was commenced in April 2016, and, so far, 24 drill holes, accounting for 6,123 meters of core drilling, are completed, as well as 1,748 meters of trench sampling. In total, 5,508 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). During June 2016, most of the drilling was focused on collection of core for development of a mineral processing flow chart; 1.7 tons of core have been accumulated out of 4.5 tons required for the final bulk mineral processing study. The rest will be collected during July 2016.

From exploration drilling within the Krasny deposit, the most interesting results were received from hole #141751, drilled within drill Profile 38 (see Figure 4 and Figure 6 in the Attachments) on the western flank of the deposit. This profile is drilled to the west of the boundary of the currently estimated resources for the Lower structure. The hole returned mineralized intervals of 40 meters with an average grade of 2.28 g/t. This result from hole #141751 shows evidence of an extension for 80 meters of the Krasny Lower structure to the west, counting from profile 40, which increases the resource potential. From this hole we also received confirmation that the axis of the anticline structure which hosts the Krasny gold mineralization elevates in the western direction and we now recognize the upper boundary of the Lower structure at a depth 20 meters less than in drill Profile 40 (vertically 20 meters up over an 80-meter horizontal distance). This implies that the Lower structure not only further extends to the west, but also comes closer to the surface in the west, in line with what we have expected since 2012. This may result in a significant increase of the resource potential of the Krasny deposit and benefit future mining costs.

Overall, the drilling results for the Lower mineralization so far confirm and extend our modelling and understanding of the Lower structure.

Another encouraging result comes from the Krasny North mineralization (see Figure 5 in the Attachments). We reported initial discovery of gold mineralization within the Krasny North in Press release 13/2016, dated June 9, 2016. The recently drilled hole #141606 in drill profile 180, returned a gold mineralized interval of 7 meters with an average grade of 2.47 g/t. With this result, the Krasny North gold mineralization is now confirmed to the depth of 90 meters (from trench #143521 down through hole #141706 to hole #141606; see cross section at the Figure 7 in the Attachment). We have developed and logged trench #143602 to the east from the current profile and expect assay results shortly. Interestingly enough, we noted visible gold grains in trench #143602, see Figure 8 in the Attachments. We soon plan to proceed with further drilling on the Krasny North target. We see the Krasny North mineralization as a potential satellite deposit to the current Krasny mineralization. Needless to say that the Krasny North is covered by the general Krasny license and we have all similar permissions to develop it. It will make a positive addition to the Krasny project by extending the life of Krasny operations and feeding the Krasny processing plant during transition from Krasny Upper to Lower structure development.

Important. For the clarity of understanding, from now on we will call the current Krasny deposit and mineralization as “Krasny Central”, in order to distinguish it from the newly discovered “Krasny North” mineralization.

Other interesting mineralized intervals (at cut-off grade 0.4 g/t) include 56 meters with an average grade of 2.13 g/t in hole #141747, 19 m @ 2.59 g/t (hole #141744), 28 m @ 1.61 g/t (hole #141744), 24 m @ 1.11 g/t (hole #141615), 12.7 m @ 1.37 g/t (hole #141615), 22 m @ 1.51 g/t (hole #141610), 7 m @ 3.49 g/t (hole #141612). See Table 1 for more assay data for the drilled boreholes.

NORTHERN TERRITORIES AND KOPYLOVSKY PROJECTS

We have commenced Stage 1 of the prospecting program on the Northern Territories (NT) project. Our approach is to cover the total highly prospective license area which has never been explored for bedrock gold before, with a systematic and modern method for exploration to identify and prioritize multiple targets. During this year we plan to collect 5,500 stream sediment samples which will cover the total 1,852 km² (182,500 ha) license area with a density of 6 samples per square km. We will then analyze them for a number of chemical elements, including gold. This will allow us to identify geochemical anomalies for gold and map them. We will then compare the new anomalies with the existing ones which we have already mapped based on historic data to test, and validate both. The 2016 exploration program will generate 20-26 targets (each target covering approximately 10 sq km) for the next stage exploration, which will be a detailed geochemical and geophysical survey with a density of 200 samples per sq km.

This year’s exploration program on the NT is done by the company “Prikladnaya Geology” from Krasnoyarsk, which has also provided drilling services to the Krasny project during 2011-2016. The exploration is developing in accordance with schedule.

Within the Kopylovsky project, we target to renew exploration and mining permits for the license in order to update and extend the license terms and potentially run a bulk sample test to confirm grades and volume of mineralization. The work is ongoing and we have filed all necessary documents and expect to have the relevant permits and extended license terms in place during the coming months.

OTHER ACTIVITIES

During July 14-15, 2016, Kopy Goldfields AB participated and presented on the “Minex Far East” Mining Conference which took place in the city of Magadan, Russia. The conference targeted development of mining projects and investments in the Eastern Siberia (which includes the Bodaibo area where we operate) and Far East regions of Russia. The current low cost gold mining environment in Russia as a

consequence of a depreciated Ruble in combination with a stronger gold price has increased the interest for gold investments in Russia. Kopy Goldfields AB presented on the development of junior exploration companies in Russia based on its own experience and history.

NEXT STEPS

We forecast the following events during the next few months:

- Release full Krasny JORC report during summer 2016
- Complete the 2016 Krasny Exploration and Development Program by November 2016
- Release the full 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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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 preliminary forecast is to be in production in 2018. 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

www.nasdaqomxnordic.com/firstnorth/

Outstanding shares: 59,899,541

Attachments

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

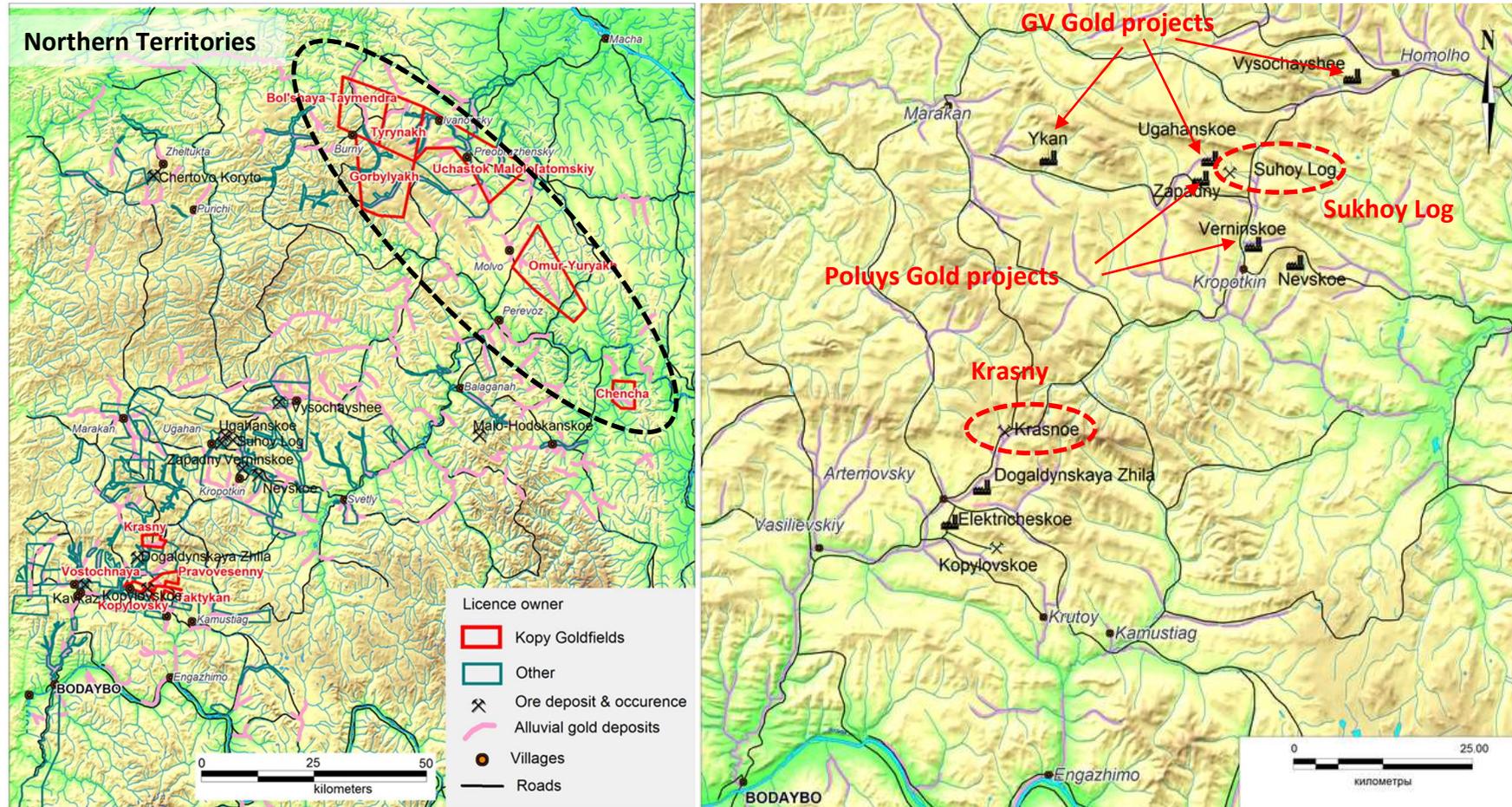
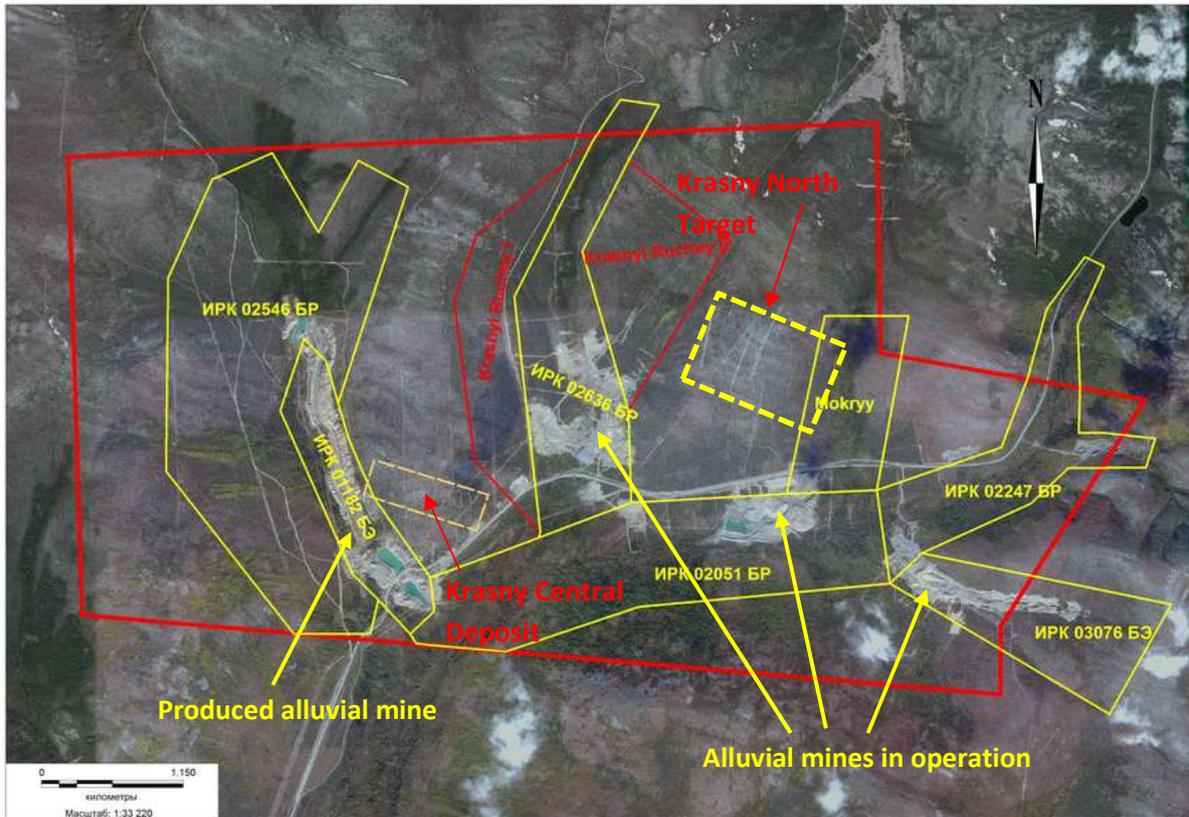


Figure 2. Map of Krasny license area

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.



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GOLD EXPLORATION

Figure 3. Map of exploration and prospecting activities on Krasny in 2016

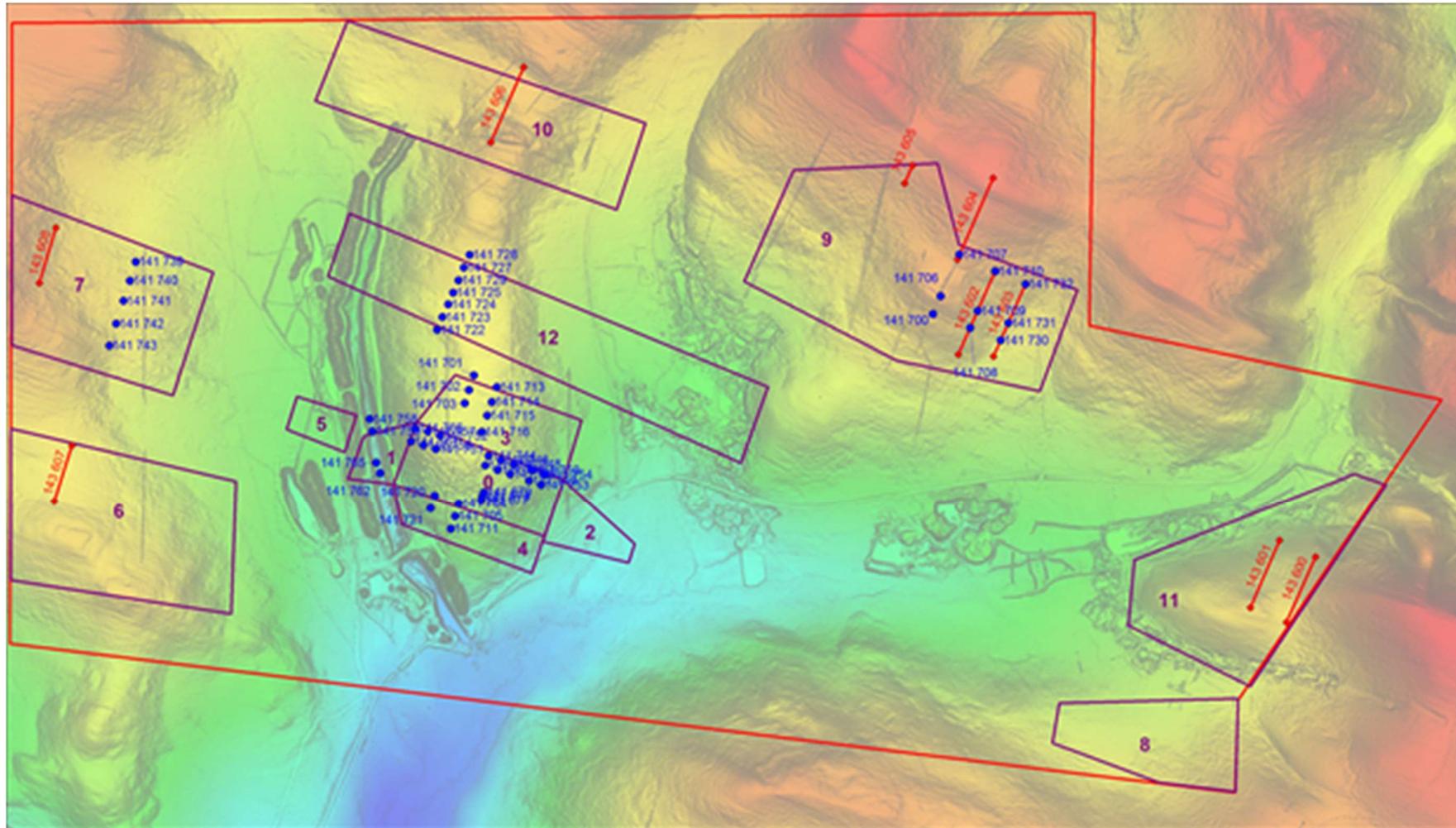


Figure 4. Exploration plan for the Krasny deposit, Central part (targets 0, 1, 4, see Figure 3) as for July 18, 2016

Position of new drill holes are marked according to the legend

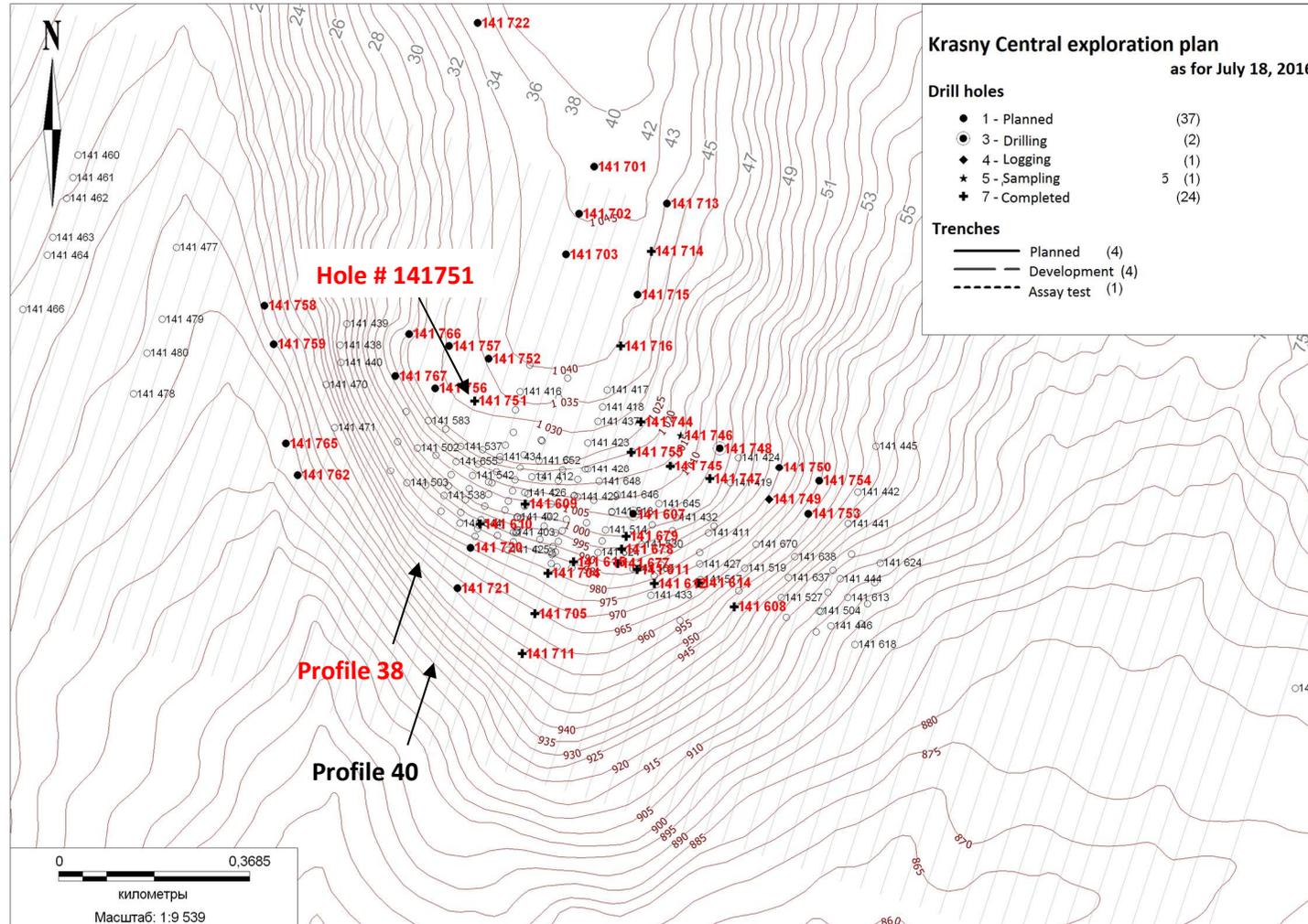


Figure 5. Drill plan at the Krasny North (target 9, see Figure 3) as of July 18, 2016

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

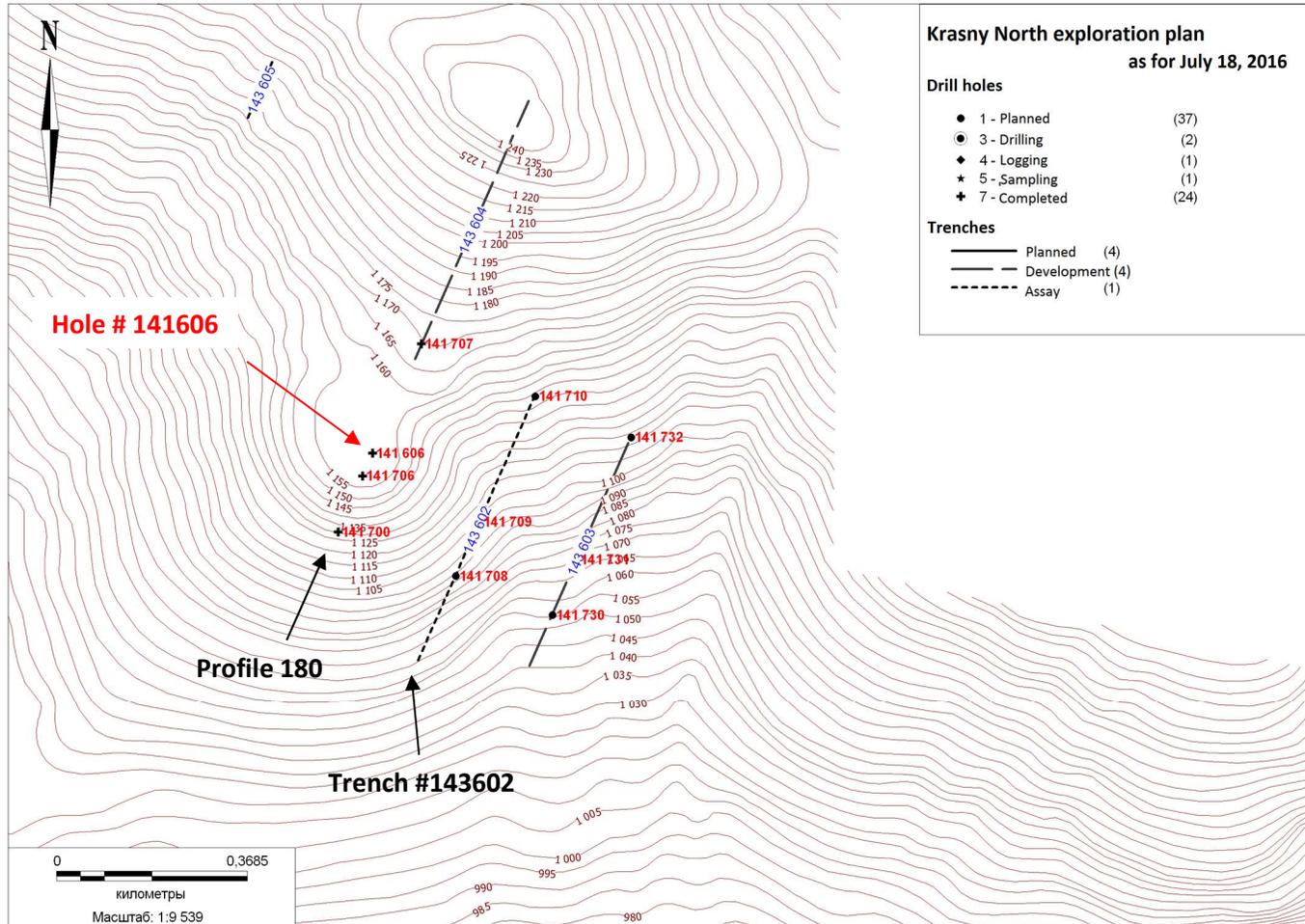


Figure 6. Geological cross section along Profile #38 in the Central part of Krasny deposit, with location of former and new drill holes, boundaries of the projected open pit and outline of gold mineralization.

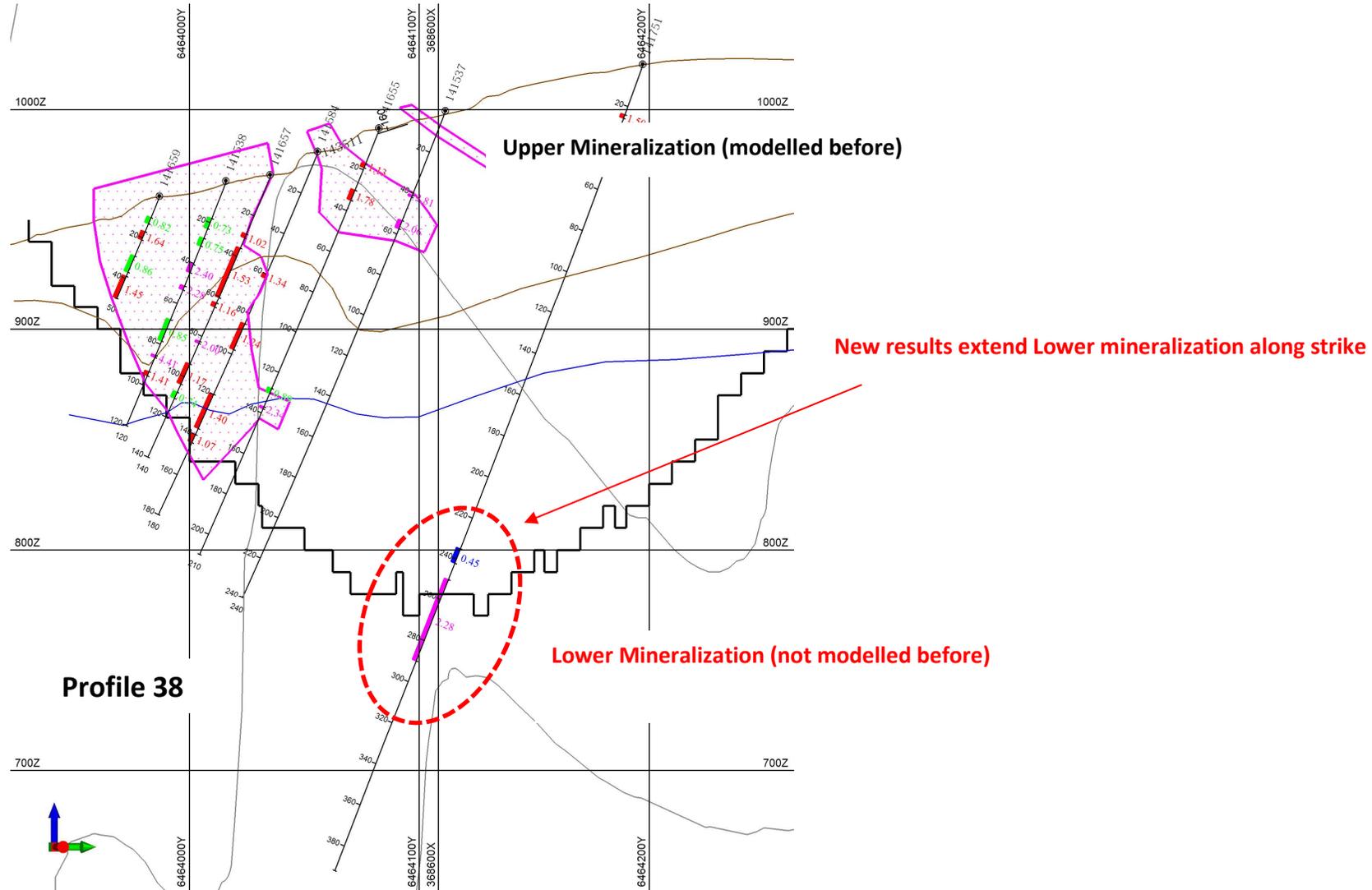
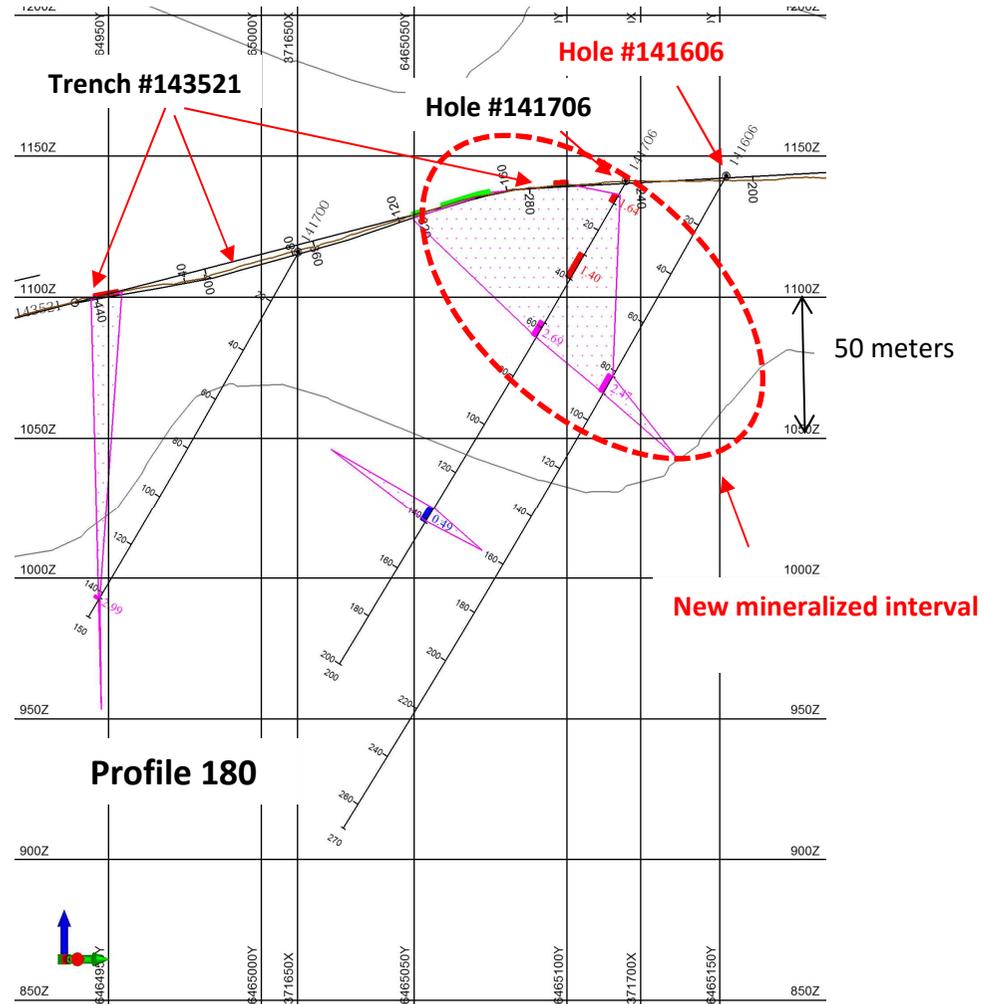


Figure 7. Geological cross sections along Profile 180 on the Krasny North structure (target 9 on the map on Figure 3), with location of new drill holes and outline of gold mineralization



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Figure 8. Pictures with visible gold grains in the trench samples (trench #143602)



Visible gold grains

Table 1

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

# Hole	From (m)	To (m)	Length (m)	Au (average grade), g/t
141606	82	89	7	2,473
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
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
141744	306	334	28	1,611
141744	337	356	19	2,588
141744	389	392	3	1,615
141744	415	419	4	1,269
141747	284	340	56	2,13
141751	24	25,7	1,7	1,496
141751	235	242	7	0,446
141751	250	290	40	2,28