Kopy Goldfields AB (publ)
Press release 16/2016
Stockholm, August 31, 2016

Kopy Goldfields AB: Operational update August 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 is developing in accordance with schedule: 37 drill holes are completed, accounting for 9,052 meters of core drilling or 62% of the total drilling program for 2016. In addition, 1,886 meters of trench sampling are done. Total 9,216 fire assay tests for gold have been received.**
- **The exploration results confirm our modelling of the Lower structure mineralization.**
- **New high grade intervals have been discovered.**
- **Drilling for rock collection for mineral processing test has been completed and the sample is prepared for shipment to the lab.**
- **The compliance paperwork required for the Kopylovsky deposit pilot testing will be finalized within September 2016.**
- **The exploration program on the Northern Territories develops on plan: 2,902 samples have been sent to the lab covering 2/3 of the prospected area.**

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

KRASNY CENTRAL AND KRASNY NORTH EXPLORATION RESULTS
Drilling of the Stage 3 exploration program was commenced in April 2016, and, so far, 37 drill holes, accounting for 9,052 meters of core drilling, are completed, as well as 1,886 meters of trench sampling. In total, 9,216 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 July and August have been focused on collection of rock for development of a mineral processing flow chart. Since these holes were drilled within the Central part of the Krasny deposit (Profiles #41 and #42, see Figure 4 and Figure 6 in the Attachments) and mostly within the Upper structure, they increase the density of drilling within the area of the previously approved Russian GKZ reserves, which in turn will lead to an update of the Russian reserves into a higher reserve category in the future. The required volume of rock was accumulated and the sample will shortly be sent for bulk mineral processing study, resulting in a flow chart development.

From the exploration in-fill drilling of the Lower structure during July and August, we received further confirmation for our modelling of gold grade and volume distribution within the Lower structure. Interestingly, drill hole #141748 within Profile #50 on the Eastern flank of the mineralization (see Figure 4 and Figure 7 in the Attachments) returned very high grades, somewhat uncommon for the rest of the deposit: we were able to outline a 41 meters' interval with an average grade of 4.71 g/t. Based on this promising result, we decided to continue with more drilling along the Eastern strike of Krasny with the target to confirm an extension of the Lower structure to the east.

We proceed with exploration on the Krasny North mineralization (see Figure 5 in the Attachments). Both trench sampling and drilling are being done and upon getting new assay results from the lab, we hope to report new results in the next operational update. We continue to note visible gold grains within the trench samples.

Based on the 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 an average grade of 4.71 g/t and 25 meters with an average grade of 2.02 g/t in hole #141748, 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), 25 m @ 1.32 g/t (hole #141486), 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). See Table 1 in the Attachments for more assay data for the drilled boreholes.

NORTHERN TERRITORIES AND KOPYLOVSKY PROJECTS

Stage 1 of the prospecting program on the Northern Territories (NT) project is developing according to plan. By mid-August, we had covered 2/3 of the 1,852 km2 (182,500 ha) license area with stream sediment survey. Two batches for a total of 2,902 samples have been sent to the lab. We plan to finalize the program by October and have all results by the end of 2016. The 2016 exploration program targets to generate 20-26 targets (each target covering approximately 10 sq km) for the next stage of exploration, which will be a detailed geochemical and geophysical survey with a density of 200 samples per sq km. This will in turn will be followed by trench sampling and drilling.

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 run a bulk sample test to confirm historic grades and volume of mineralization. The mining plan has already been developed and we currently wait for the forestry logging permits to be issued before filing the mining permits which is expected during September-October 2016.

NEXT STEPS

We forecast the following events during the next few months:

- Fall 2016 – Release full Krasny JORC report
- November 2016 – Complete the 2016 Krasny Exploration and Development Program
- End 2016 – Release results of the 2016 Krasny exploration program
- End 2016 – Release results of Northern Territories geochemical survey
- Early 2017 – Release results of the Krasny alluvial exploration program and take decision over early alluvial production (ahead of Krasny bedrock production)
- Early 2017 – Decision over development of the Krasny Central bedrock project into construction

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 8.50 CEST on August 31, 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 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
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

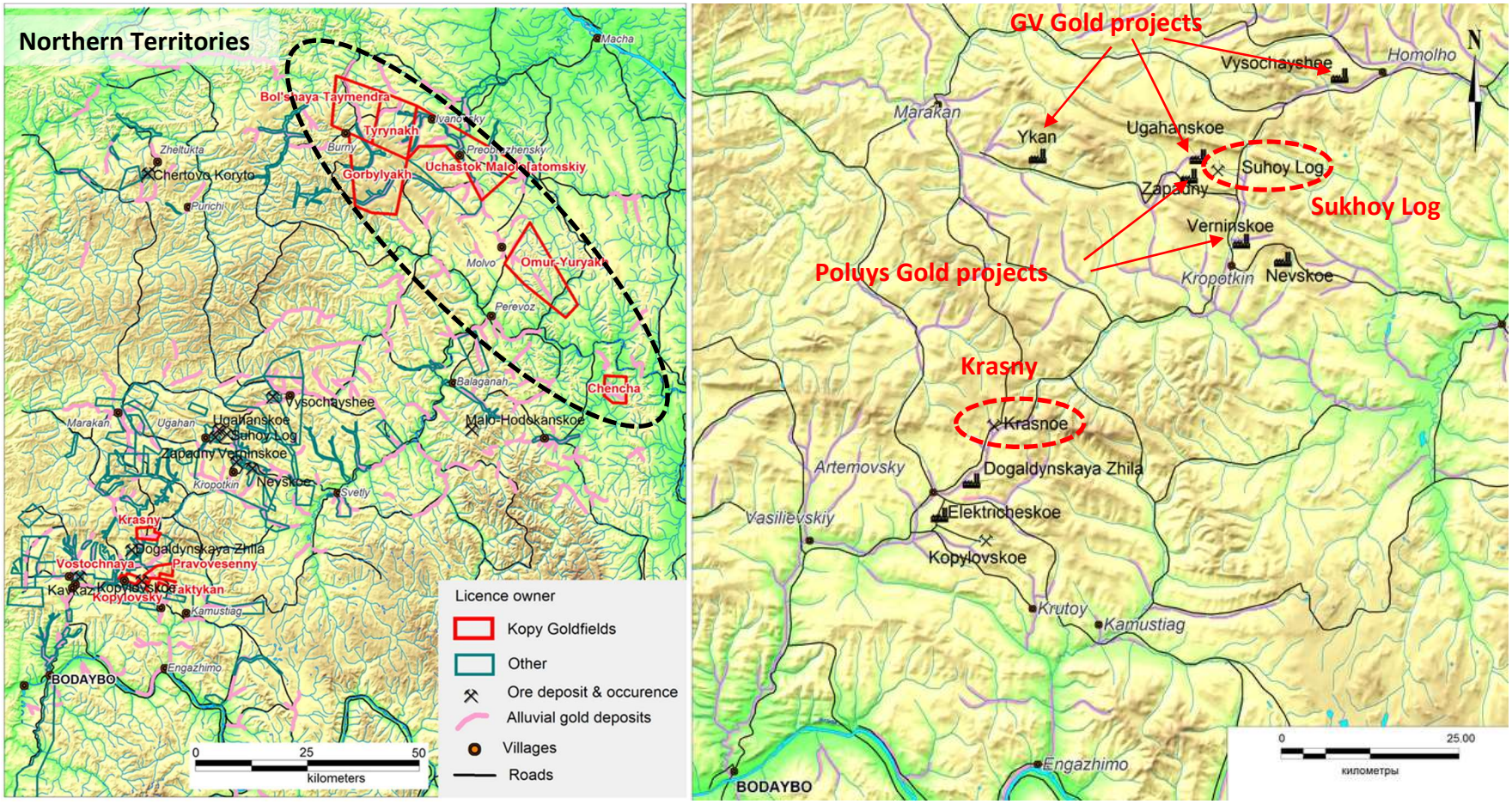


Figure 2. Map of the Krasny license area

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.

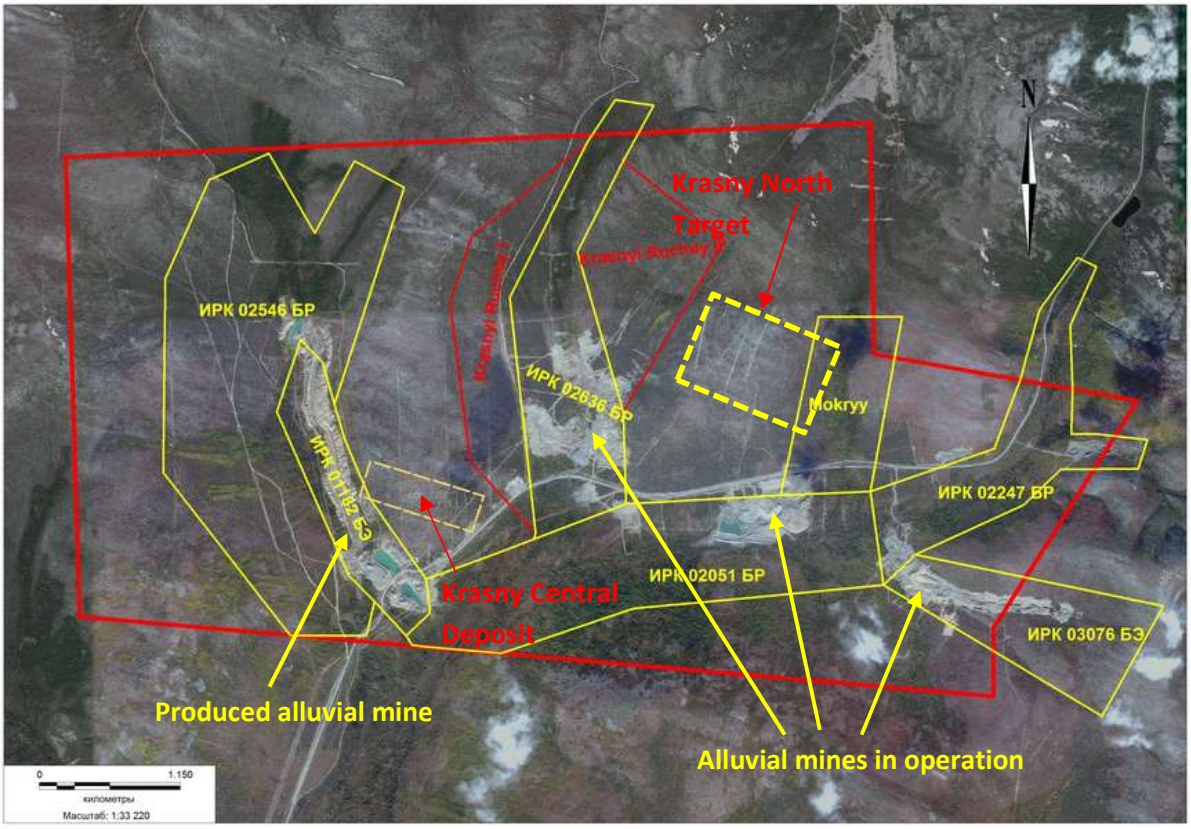




Figure 3. Map of exploration and prospecting activities on Krasny in 2016

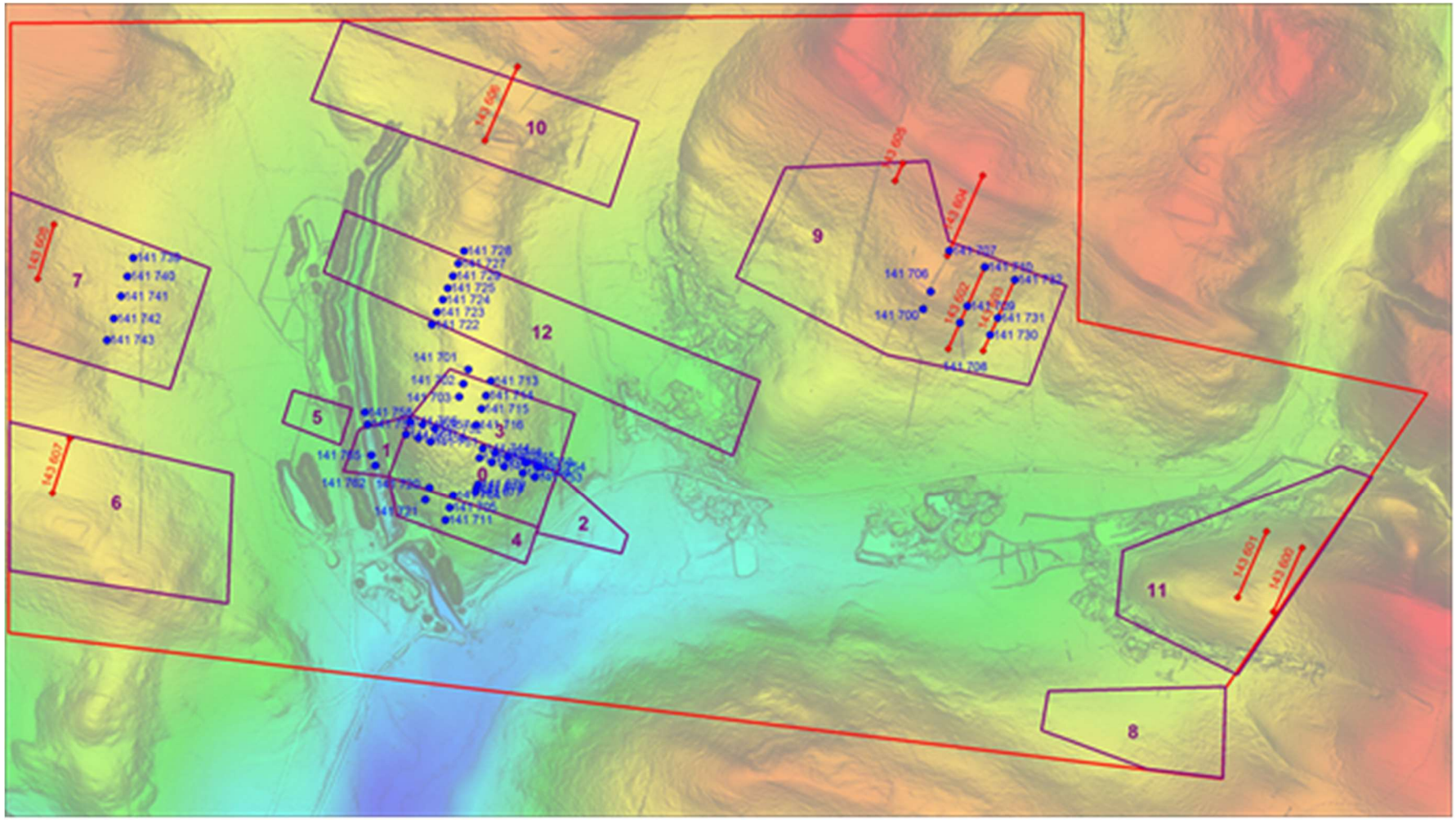


Figure 4. Exploration plan for the Krasny deposit, Central part (targets 0, 1, 2, 3, 4, 5, 12 - see Figure 3) as of August 23, 2016

Position of new drill holes are marked according to the legend

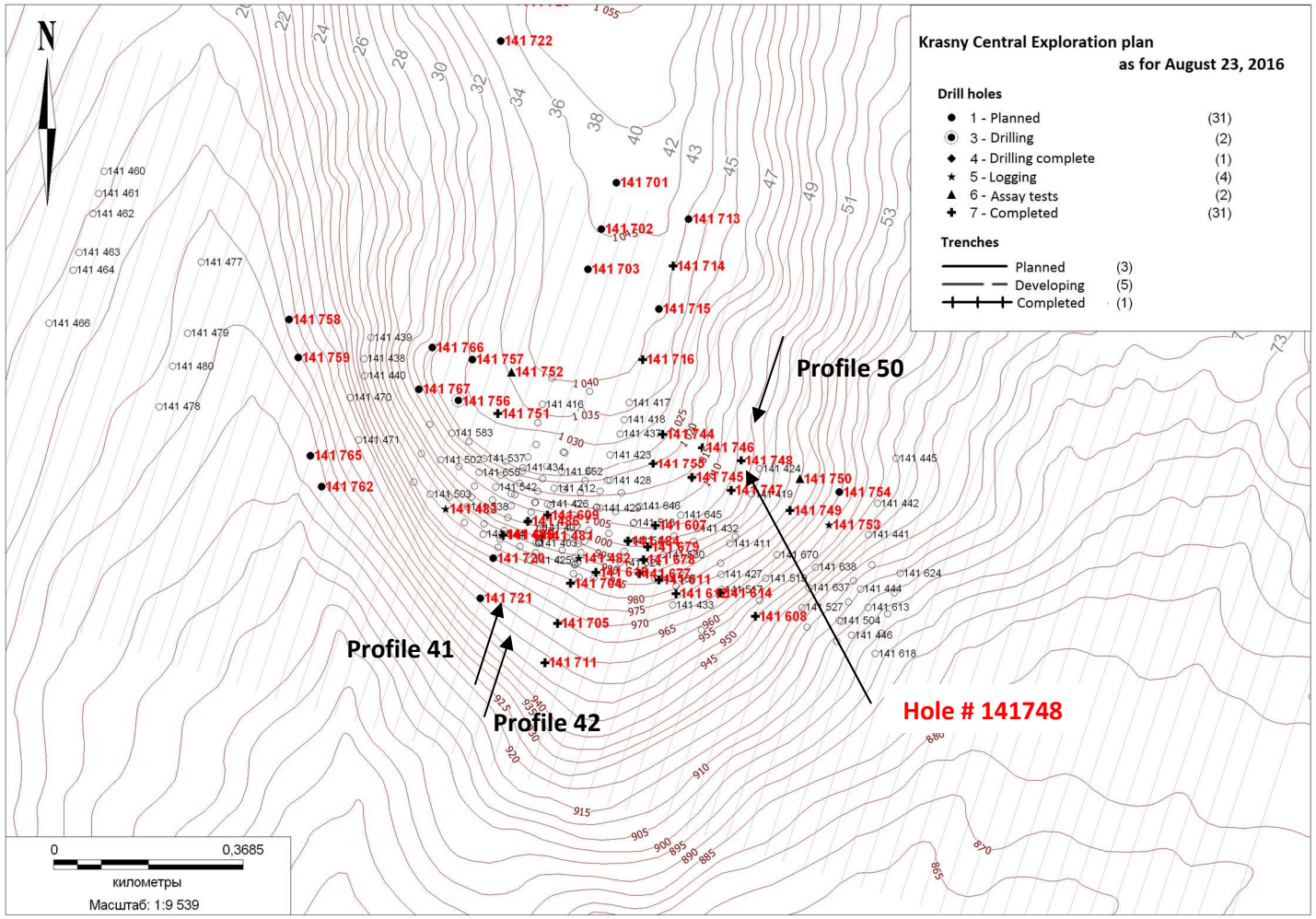


Figure 5. Drill plan at the Krasny North (target 9, see Figure 3) as of August 23, 2016

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

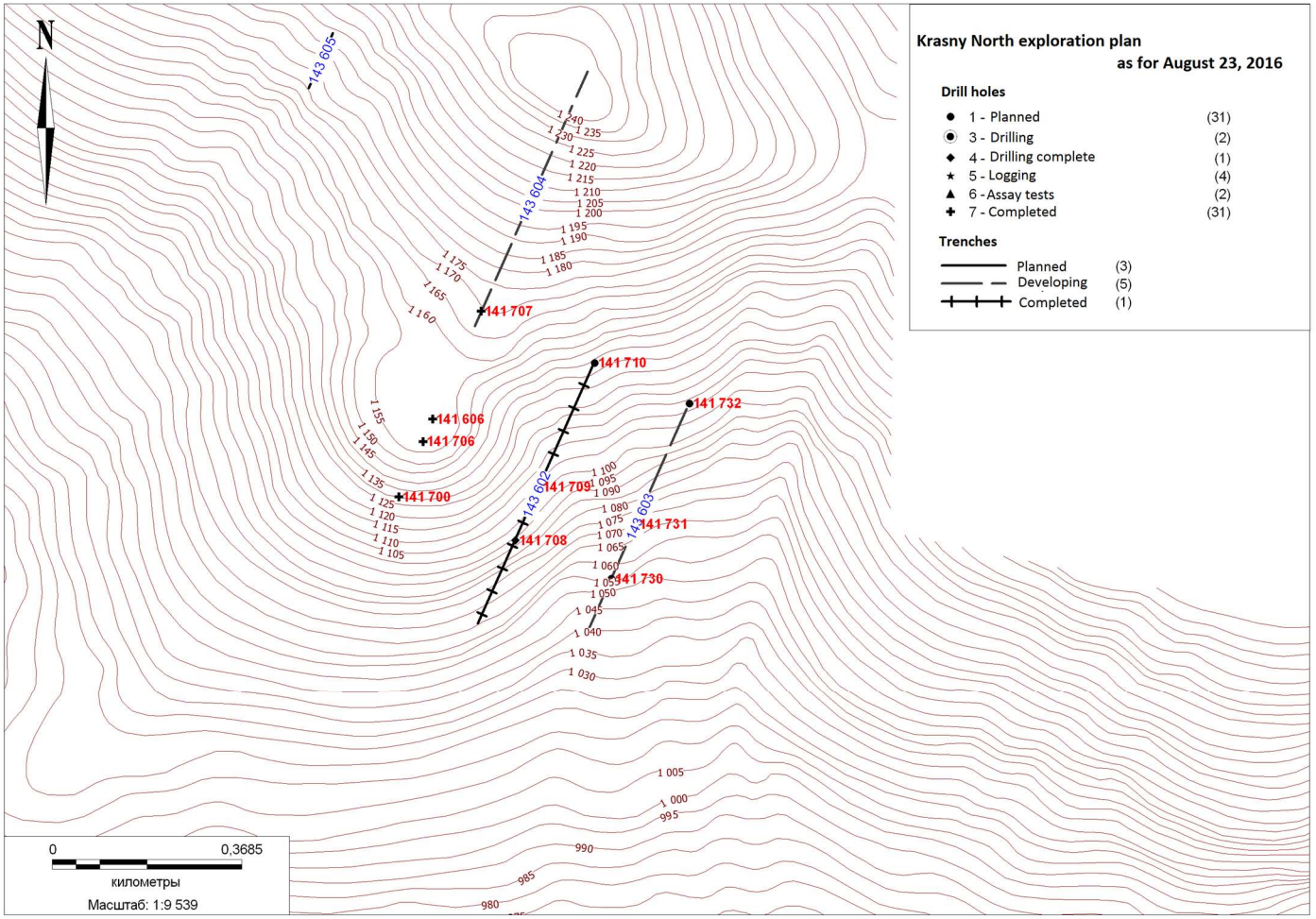


Figure 6. Geological cross section along Profile 41 and Profile 42 in the Central part of Krasny deposit, with location of former and new drill holes, boundaries of the projected open pit and outline of gold mineralization

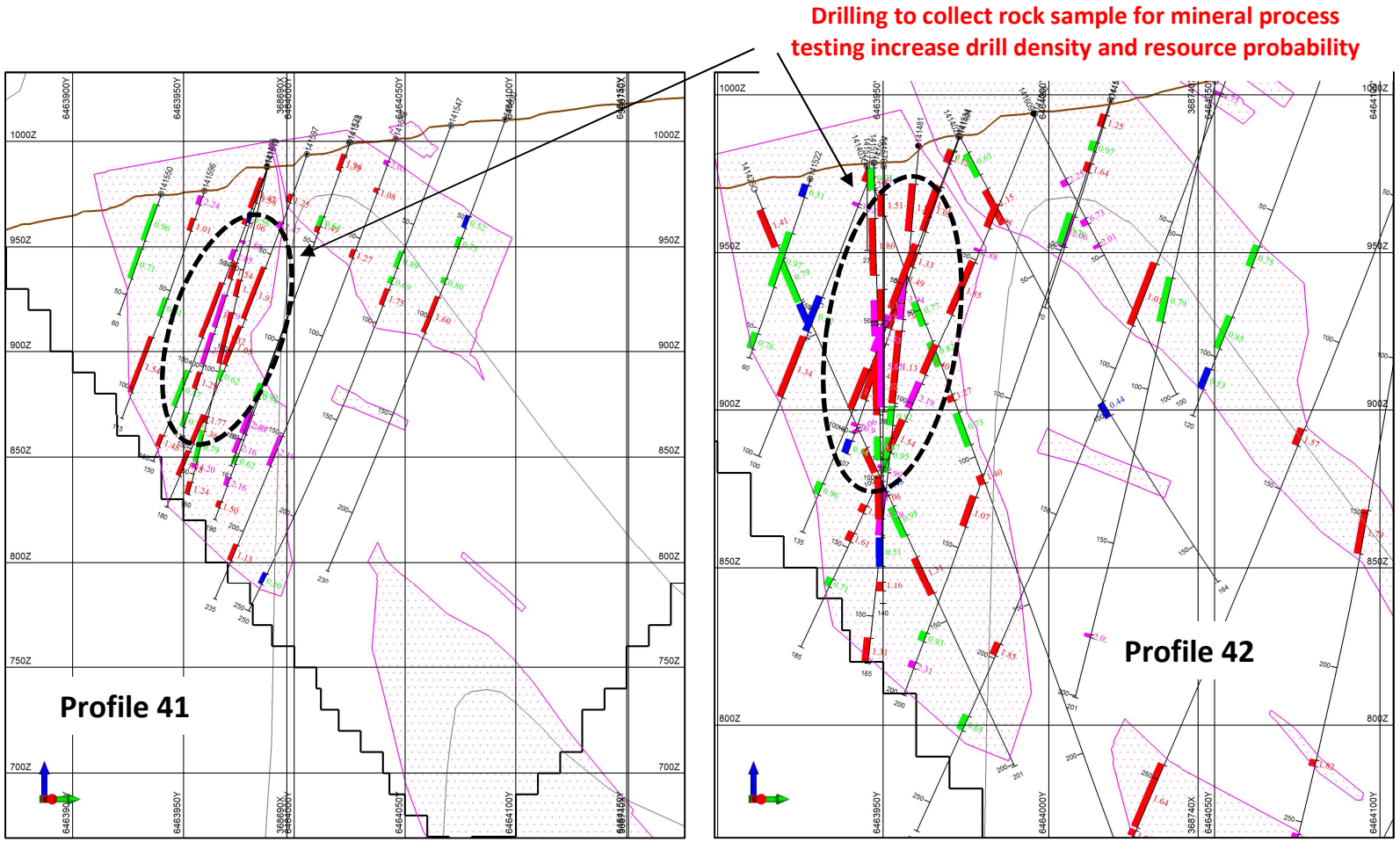
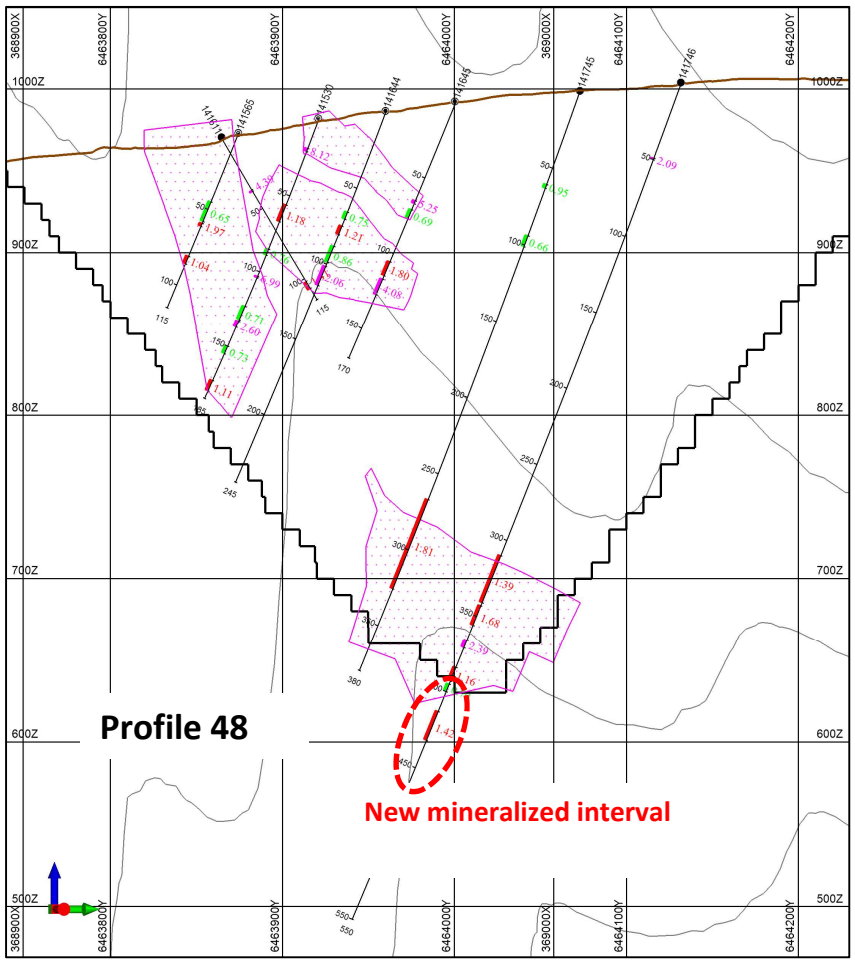


Figure 7. Geological cross sections along Profile 48 and Profile 50 in the Central part of Krasny deposit, with location of former and new drill holes, boundaries of the projected open pit and outline of gold mineralization



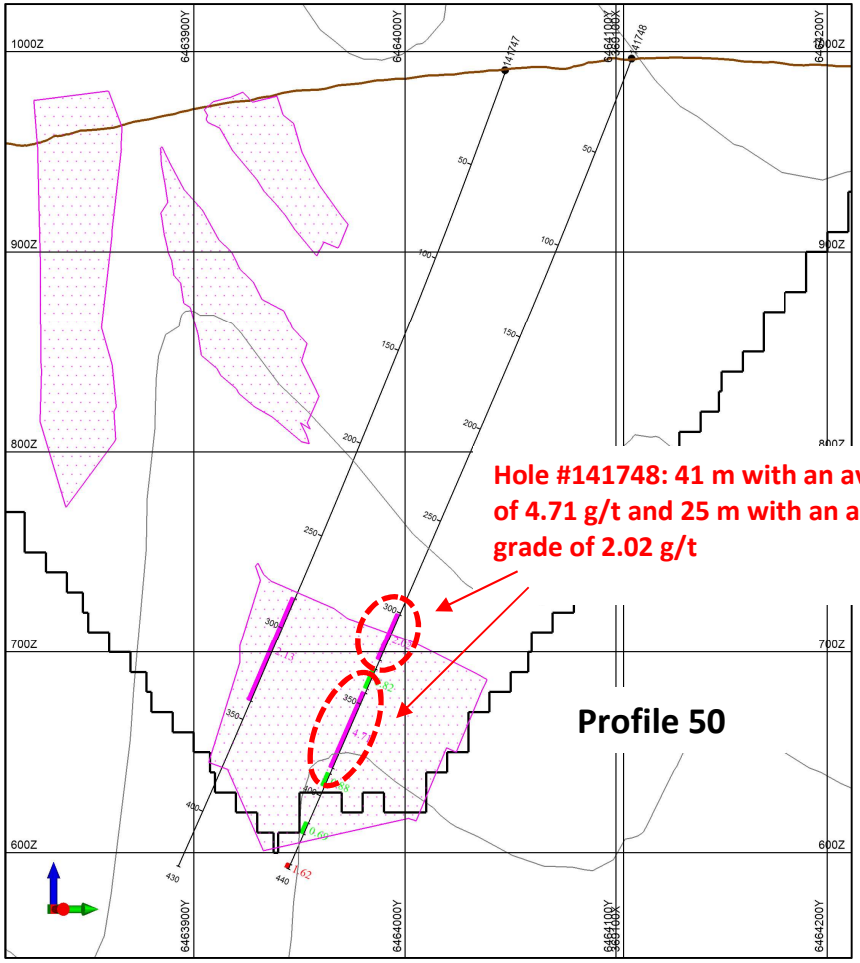


Table 1

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
141751	24	25,7	1,7	1,496
141751	235	242	7	0,446
141751	250	290	40	2,28
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
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
141486	55,00	63,00	8,00	1,31
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
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
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
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