

Published 2018-02-22

**01 JANUARY 2017 TO 31 DECEMBER 2017**

**YEAR END AND QUARTERLY REPORT (Q4)**

## **CEO Letter**

*“Since 1 September 2017 it has been an honour to serve as the Chief Executive Officer of Copperstone Resources AB and its subsidiary companies. Within a period of five months much formulation and background work has gone in to set the Company on a new course to becoming an accredited international explorer seeking for and then developing precious and base metal mineral resource discoveries in Sweden. There is a need to invigorate and grow this frontier sector in line with overall national interests, and we play a vital role as a local business in that grand initiative.*

*Throughout my preceding years as consultant to the Company I have developed a strong belief in the possibility of porphyry style copper-gold mineralisation seemingly left undiscovered within the midst of a large database that is the Copperstone project. It is that belief, and without hesitation, that has driven me forward in my quest to discover and unlock the great possibilities that lie therein. For all the tantalizing intercepts of copper, gold and zinc mineralisation from nearly 34km of historical drilling, and a further 5km of drillings cited by myself, I have firmly maintained that there must be a common unifying hydrothermal event that has created such an area of local richness.*

*The concept of a genetic model searches for an explanation for these scattered veins of copper, and thus creating a fundamental but yet evolving tool for successful mineral exploration. Discovery exploration is no doubt a noble but high risk venture that requires constant interpretative skills to refine, and a willingness to walk the extra mile. Perseverance leads us to reward as the complex four dimensional geological history of the target is probed and evaluated using state-of-art exploration practice. Ultimately there is but one hidden geological event accounting for the widespread mineralisation, which must be found. The mission of Copperstone today is to find the cause of that event, and thereby find the true value of the resource that the genetic model points towards.*

*Porphyry copper systems are well known worldwide as the powerhouse supply of mineral reserves of copper, gold and molybdenum. Deposits when found form clusters along mountain chains old and new, with resultant mining and beneficiation industries typically of sizeable business operations. Porphyry copper discovery exploration is where it all begins, should the geology be favourable.*



*At Copperstone, the concept of discovering a porphyry copper deposit is a revolutionary view and so exploration is carried out with much anticipation but also, inevitably, a small degree of trepidation. These deposits form in reasonably youthful geology around the planet at locations of plate convergence. Whilst generalized models demonstrate the typical characteristics of these deposits such as the size and shape of the causative intrusions, the haloes of alteration as well as the location and nature of mineralisation, there is great variability due to local geological factors that needs to be understood as we progress. Our discovery exploration endeavours are well founded, and using our total commitment approach to our cause, the Company is now developing into a true Junior Explorer. This is our pathway and destiny now.*

*In the autumn of 2017, we set about creating magnetic and electromagnetic data sets over the area in question which assisted greatly on our geological understanding at that time. Since January 2018, tremendous effort has been made to kick-off another deep drilling campaign, find a new secure home for the operations, and staff the planned activities so we can meet these goals. The expressed challenge is to make a discovery, find proof of concept and to lay out the likely scale of any discovered mineralisation before the year is out. That effort will encompass approximately 8000m of core drillings by the end of the summer, with integrated geological logging, laboratory analysis, detailed 3D interpretation and further in-hole geophysical profiling following on into the autumn months to reach our best value add. The international markets will soon know of our existence, work ethos and unnerving intentions. What lies in the ground will define our sentiments, our company value, and I stand firm on my word that Copperstone will grow and develop into a world class explorer.*

*Today we have a robust plan, a sensible exploration budget, a well-controlled business platform, and a wonderful team to achieve this goal. After all it is quality people that make these discoveries. I'm tremendously proud of our team and progress, and I can assure all investors and anyone connected with our group that Copperstone is right at the forefront of this discovery exploration industry in Sweden."*

**Chris McKnight**

**Chief Executive Officer**



## Financial Highlights 2017

The following section provides a summary of the financial year 2017.

Financial Year 2017 (2017-01-01 – 2017-12-31)

Net revenue: 11 (91) KSEK  
Loss before taxes: -7,984 (-13,618) KSEK  
Earnings after tax per share: -0.04 (-0.12) SEK  
Cash flow: 25,557 (778) KSEK  
Total assets (Dec 31): 78,642 (38,060) KSEK  
Bank balance (Dec 31): 28,286 (2,729) KSEK  
Cumulative capitalised expenditure for exploration (Dec 31): 39,151 (26,677) KSEK

Fourth quarter (2017-10-01 – 2017-12-31)

Net revenue: 0 (67) KSEK  
Loss before taxes: -1,958 (-8,063) KSEK  
Earnings after tax per share: -0.01 (-0.05) SEK  
Cash flow: 23,951 (1,756) KSEK  
Total assets (Dec 31): 78,642 (38,060) KSEK  
Bank balance (Dec 31): 28,286 (2,729) KSEK.  
Cumulative capitalised expenditure for exploration (Dec 31): 39,151 (26,677) KSEK.

## About

Copperstone Resources AB (“the Company”) is a Public Company trading as COPP B on NASDAQ First North (Stockholm). From 01<sup>st</sup> October 2017 the Certified Adviser is Augment Partners AB. The Company is primarily focused on mineral exploration (base and precious metals) in the vicinity of the internationally-recognized mining region of the Skellefte-field in northern Sweden.

## Permits

The Copperstone project is situated on four contiguous exploration permits in Norrbotten County (Sandberget 100 (8074ha), Sandberget 200 (19ha), Sandberget 300 (19ha) and Svartliden 1001 (444ha). In addition the Company owns one exploitation concession within the same area, namely Svartliden K no. 1 (36ha) and an approved exploitation concession application for Eva K no. 1 (34ha) subject to an ongoing objection as discussed below.

The Company also owns the Såggården no. 1 (188ha) exploration permit (Co) and the Tvistbogruvan K no. 1 (11ha) exploitation concession (Zn-Ag) in the Bergslagen mining region of central Sweden.



Validity dates are shown below and quoted surface areas are approximate to the nearest hectare. All exploration permits and exploitation concessions are 100% owned, either directly or through a subsidiary.

During the Q417 period from 01<sup>st</sup> October 2017 until 31<sup>st</sup> December 2017, no changes were made to the permit / concession portfolio.

### **Q417 Year End Report**

The Q417 year-end report herein summarises all significant events during the period from 01<sup>st</sup> October 2017 up to and including the 31<sup>st</sup> December 2017. This report also contains the updated financial reports for the Company and all subsidiary Companies (the Group) for the Q417 period from 01<sup>st</sup> October 2017 until 31<sup>st</sup> December 2017, the cumulative 12 month period of 2017, and also both compared to the equivalent 2016 results (see Appendices).

### **Annual Report**

The Annual Report is planned to be published and uploaded onto the Company website [www.copperstone.se](http://www.copperstone.se) as from 16<sup>th</sup> April 2018.

### **Annual General Meeting**

The Annual General Meeting ("AGM") of the Company is planned to be held on 17<sup>th</sup> May 2018 at 16:00 (Swedish time) at Advokatfirman Lindahl, Mäster Samuelsgatan 20, 111 44 Stockholm. The exact venue, date and time will be presented in the Notice to the AGM.

### **Dividend**

The Board proposes that no cash dividend is paid out with respect to the financial year 01<sup>st</sup> January to 31<sup>st</sup> December 2017.

### **Significant Finances Received in Q417**

On the 25<sup>th</sup> October 2017 the Parent Company received an investment of 29,319,182 SEK raised through Penser Bank, with the agreed transaction costs deducted. This is in accordance with the 30 million SEK investments as published on 16<sup>th</sup> October 2017 and mentioned in detail below.

### **Budget and Cash Flow**

Using a detailed analysis of the cost breakdown for a five (5) month period from 01<sup>st</sup> September 2017 until 31<sup>st</sup> January 2018, a detailed update of the operational budget and project cash flow model has been developed and refined. During the period, the Company has been in a unique set-up and growth phase to meet the objectives, visions and world-class standards set down since September

2017. During this period the Company has also employed six (6) new staff and commissioned new logging / office facilities in Malå for both the 2017 autumn geophysical surveys and the follow-on core drilling programme started in January 2018. In general terms, the Company has a strong cash position that is fully allocated to exploration objectives over the 2018 period.

### Company Ownership

As at 31<sup>st</sup> December 2017, the Company has a total of 242.353.761 shares in issue on the First North platform. According to Euroclear Sweden AB, the share register is as follows as at 29<sup>th</sup> December 2017.

Shareholder	No. of shares	Ownership ( %)
Avanza**	86.279.322	35,6%
Nordnet**	33.571.962	13,9%
Swedbank	22.389.850	9,2%
SHB**	20.291.654	8,4%
Nordea	16.493.126	6,8%
Michael Mattsson*	14.375.843	5,9%
Björn Israelsson*	11.000.000	4,5%
SEB	10.290.277	4,2%
Skandiabanken	8.122.153	3,4%
JPMEL Stockholm Branch	6.351.363	2,6%
Other	13.188.211	5,4%
<b>TOTAL</b>	<b>242.353.761</b>	<b>100,0%</b>

\* Including capital insurance and ISK.

\*\* Excluding capital insurance and ISK in respect of \*.

Both Björn Israelsson and Michael Mattsson (Chairman) are Directors of the Company.

### Significant Events during Q417 period

The following section outlines in time order all significant events that have taken place from 01<sup>st</sup> October 2017 up to and including the 31<sup>st</sup> December 2017.

#### (1) Brokered Direct Issue for 30MSEK

On the 16<sup>th</sup> October 2017 the Company announced that the Board of Directors decided on the 13<sup>th</sup> October 2017 to issue 15.957.447 class B-shares to a small group of qualified investors for a total consideration of 30 million SEK, before transaction costs amounting to approx. 0.9 million SEK. The subscription price was 1,88 SEK per share corresponding to a discount of approximately 9,7 % based on a 10 days volume weight average price and at a discount of approximately 7,4 % to the closing price of 13<sup>th</sup> October 2017. The Company's total outstanding shares have now increased from 226.396.314 shares to 242.353.761 shares. The directed issue was executed with authorization from

the Annual General Meeting of 16<sup>th</sup> May 2017 and corresponds to a dilution of 6,58% of the total number of shares outstanding in Copperstone.

Erik Penser Bank has been the Company's financial advisor and Advokatfirman Lindahl has been the legal advisor in connection to this transaction.

The funds raised are being utilised to carry out exploration drilling of the geophysical targets, and to test out the potential for porphyry-style Cu-Au mineralisation on the property.

## **(2) Award of Eva K no. 1 Exploitation Concession**

On the 10<sup>th</sup> November 2017 the Company announced that the Mining Inspectorate of Sweden (Bergsstaten) has awarded the Eva K no. 1 exploitation concession in the Arvidsjaur Kommun, Norrbotten County to the Company. This exploitation concession (Dnr BS 22-285-2009) has been awarded by The Chief Mining Inspector under the Minerals Act (1991:45) and is valid for 25 years, subject to an objection period.

The award of the Eva exploitation concession to the Company finally brings to an end a 10 year long period of application. Whilst the Company is currently engaged with a study for unforeseen larger mineralisation systems that may be present on the property, the Eva K no.1 and the related geological-assay drill core database has helped significantly to define a larger zoned metal system on the property.

Exploration work on the porphyry copper-gold target at Granliden will continue in 2018 with the objective to seek out the full value potential of the property, and develop a more integrated business plan with the Eva Concession.

## **(3) Eva Concession status**

On the 28<sup>th</sup> November 2017 an objection was received by the Mining Inspectorate regarding the Eva K no. 1 Exploitation Concession in the Arvidsjaur Kommun, Norrbotten County (Dnr BS 22-285-2009). The case has been referred by the Mining Inspectorate to the Government for discussion and decision.

## **(4) Geophysics report**

On the 12<sup>th</sup> December 2017 the Company filed a technical report entitled "2017 Geophysical Survey Report". This work study was carried out by a team of consultants working on behalf of the Company and under the direct guidance of Chris McKnight. The report was reviewed and approved for publication by Thomas Lindholm, the Qualified Person (QP) of the Company.

The executive summary of the Report is as follows:

“Copperstone Resources AB has recently completed an extensive geophysical survey on the 100% owned porphyry copper exploration target project in Norrbotten County, northern Sweden. Fieldwork commenced on the 21st September 2017 and has included both a ground magnetic and a Natural-source Audio-frequency Magnetotellurics (NSAMT) survey. The objective of this integrated study was to utilise the two geophysical survey techniques to aid in the identification, mapping and interpretation of geology, alteration zonation vector patterns of the proposed porphyry copper model, and to provide target locations for further core drilling.

From 3D modelling and interpretation of the geophysical data sets, as well as back-analysis of drill cores available at key positions within the property, the location of possible causative intrusive(s) and the surrounding halos of alteration or potential mineralisation have been proposed. A large NSAMT anomaly (zone of low apparent resistivity) coincident with a magnetic high was identified adjacent to a deeper magnetic feature. The resistive anomaly is interpreted to represent a steep zone of Advanced Argillic alteration, with a number of historic boreholes that penetrate this anomaly displaying extensive kaolinite clay development. To the west there is a deep magnetic body that is interpreted to be a possible blind causative intrusive, and this is mantled by a halo of intense phyllic alteration.

This outcome is supportive of the perceived genetic model on this property for location of a porphyry-style copper mineralisation system. Mineralisation envelopes are expected to straddle central causative intrusive / host rock boundaries as well as form widespread leakage veins beyond into the hydrothermally altered host rocks. Property-wide metal zonation patterns also support the hypothesis of a porphyry-style system being present with zinc-rich sulphide lode veins (Eva-style) located distal to more central chalcopyrite-bornite mineralisation.

Historical drill holes that have intercepted the NSAMT anomaly display well developed Advanced Argillic alteration, and are sporadically mineralised (pyrrhotite and chalcopyrite). This mineralisation style is interpreted to represent leakage from an underlying mineralised stock that has impinged on the margins of the zoned alteration that typifies porphyry systems. At Granliden Hill and Granliden South, veins with more well developed chalcopyrite, and subordinate bornite veining are considered to be more proximal to the main mineralisation centre.

In general, the application of combined geophysical surveys has enabled the alteration patterns as seen from a large drill dataset to be resolved into vectors that indicate the likely source of the system.”

The Report made the following recommendations:

“The ground magnetic and NSAMT geophysical surveys carried out since late September 2017 have led to a significant improvement in the interpretation of a large scale porphyry copper system present on this property. Integral features such as buried causative intrusive centres and advanced argillic alteration zones are now identified, and these compliment the metal zonation, geology and extensive alteration rock types already known.

To date copper mineralisation intercepted in historic drill holes is considered to be peripheral to the main mineralised stockwork. There is strong potential that much larger volumes of mineralisation may well be present in the central untested blind part of the system.

Thus a deep core drilling campaign is highly recommended to drill test the primary Target A (between Granliden Hill and Granliden South) in order to explore for the potential mineralised stockwork at depth.

It is also recommended that angled drill holes should be designed to penetrate the margins of the deep magnetic feature which is where copper mineralisation should be located in this model.

It is also recommended that the NSAMT survey be extended to the south to cover the Svartliden / Eva areas in order to create exploration drill targets in those areas.

Further examination of all drill cores available on this property is also highly recommended and will no doubt help with further mapping of alterations zonation patterns, and identification of other intrusive / breccia centres such as at Svartliden and Eva.

The genetic model for a porphyry copper-gold-zinc mineralisation system present at the property has been significantly improved, and now deep core drilling is required to test out this model.”

## **(5) Norrlandsfonden**

On the 20<sup>th</sup> December 2017 the Company announced that Norrlandsfonden had approved of a convertible debenture of 2.6 million SEK. In accordance with the existing loan agreement in connection with fund raisings, Norrlandsfonden has the right, but not obligation, to support Copperstone.

The credit facility is at Stibor 90 + 5 % with quarterly interest payments commencing from 01<sup>st</sup> April 2018. Norrlandsfonden is entitled to convert parts of, or the entirety, between 30<sup>th</sup> June 2019 and 30<sup>th</sup> June 2026. The conversion price shall be 2.64 SEK/share, corresponding to a 40% premium from the recent directed issue (at 1.88 SEK/share). At full conversion, Norrlandsfonden would receive 984.848 B-shares.

### **Significant Events after Q417 period**

The following section outlines any significant events that have taken place since the 31<sup>st</sup> December 2017.

#### **(1) Commencement of core drilling**

On the 02<sup>nd</sup> January 2018 the Company announced that deep core drilling had commenced on the main porphyry copper mineralisation target (Target A) at the exploration property in Arvidsjaur



Kommun, Norrbotten County in northern Sweden. Drilling work is being carried out by Styrod Arctic AB, with geological support from the new Copperstone team and core logging facilities now in place in Malå. Over a period from January until July 2018 the Company plans to drill up to approximately 8,000m of N-size core. Individual angled drill holes may be up to 800m in length (8-10 collars), and perhaps deeper depending on the intersection depths of targeted mineralisation.

Throughout the campaign, drill and assay interpretations will be announced progressively as they become available to the Company. To date work is in progress, and no updates have been filed as yet.

### Staff and Logistics

Under the technical management of Chris McKnight, the Company is advised and supported by Thomas Lindholm (QP and Consultant) and David Dodd (Geological Consultant). Database and Geographical Information Services (GIS) are provided by Karsten Drescher.

The Malå-based team consists of four (4) local staff working under the supervision of the Project Geologist Maurice Zongo.

For the drilling campaign currently underway, the Company has set-up and commissioned a new 500m<sup>2</sup> core logging facility in Malå. Laboratory services are being supplied by ALS Global, an internationally accredited laboratory Group with sample preparation facilities in Malå.

### Permits and Concessions

According to the Mineral Rights Register (MRR) of the Swedish Geological Survey (SGU), the following permits and concessions are 100% owned by Copperstone Resources AB as at 10<sup>th</sup> February 2018.

NAME	AREA (ha)	VALID FROM	VALID TO	COUNTY	MUNICIPALITY
<b>Exploration permits</b>					
Sandberget nr 100	8074	15/12/2004	01/01/3000	Norrbottens län	Arvidsjaur
Sandberget nr 200	19	03/10/2012	03/10/2018	Norrbottens län	Arvidsjaur
Sandberget nr 300	19	03/10/2012	03/10/2018	Norrbottens län	Arvidsjaur
Svartliden nr 1001	444	18/09/1996	01/01/3000	Norrbottens län	Arvidsjaur
Såggården nr 1*	199	12/06/2013	12/06/2019	Dalarnas län	Smedjebacken
<b>Exploitation concessions</b>					
Svartliden K nr 1	36	27/12/2000	27/12/2025	Norrbottens län	Arvidsjaur
Eva K nr 1	34	13/11/2017	13/11/2042	Norrbottens län	Arvidsjaur
Tvistbogruvan K nr 1*	11	17/04/2012	17/04/2037	Dalarnas län	Smedjebacken

\* owned by Kopparberg Mineral Exploration AB

Note that Eva K no. 1 is awarded subject to a public objection as described above.



## Group of Companies

Copperstone Resources AB fully owns the following subsidiaries (100%):

- Argo AB
- Kopparberg Mineral Exploration AB
- Copperstone Skellefteå AB (formerly Norrliden Mining AB)

The above companies form the Group for financial documentation as reported below.

## Nordic Iron Ore AB

Copperstone holds a significant interest in Nordic Iron Ore AB ("NIO"); a five-year bond at nominal value 10 MSEK, maturing at 30 November 2018 with a linear accrued interest of 1.4 MSEK per year, ie 17 MSEK payable to Copperstone at maturity. In addition, Copperstone holds 11.157.684 shares in NIO, corresponding to 10.18% of the shareholders equity. NIO is an advanced pre-mining premium-grade iron ore project in Ludvika, Sweden. All relevant permissions are in place and the planned logistical solution to harbour facilities at Oxelösund is considered favourable.

## Prospects for the Future

During 2017, the Company has continued to make steady progress to develop a sound geological model for the proposed porphyry-style copper-gold mineralisation system that is envisaged to be present on the property. That work has resulted in Target Generation for further drilling, which has recently begun in January 2018. The Company cannot guarantee that discovery of such systems, nor guarantee that any exploration activities will result in any economic outcome in the future.

For the Company, geological exploration is inherently a risk-reward business based on the expenditure of raised capital to pursue the discovery of large-scale hydrothermal systems and related mineralisation. Despite these intuitive risks, the management of the Company is confident that all scientific work is being carried out to the expected level of professionalism, and that there is a strong core belief that technical advance is being made, and that the prospect for discovery in some form remains high.

At this stage, the Company has sufficient funds to carry out deep core drilling and downhole geophysical / optical surveys aimed at unlocking the porphyry-style mineralization potential of the property.

## Financial Result

### (1) Group

Net revenue for the period was 11 (91) KSEK and loss before taxes amounted to -7,984 (-13,618)



KSEK, of which -1,958 (-8,603) KSEK is for the fourth quarter. Earnings after tax per share were -0.04 (-0.12) SEK, and for the fourth quarter -0.01 (-0.05) SEK.

The cash flow during the period was 25,557 (778) KSEK, of which 23,951 (1,756) KSEK is for the fourth quarter. Total assets at the end of the period was 78,642 (38,060) KSEK and a bank balance of 28,286 (2,729) KSEK.

The closing balance of cumulative capitalised expenditure for exploration amounted to 39,151 (26,677) KSEK.

## **(2) Parent Company**

Net revenue for the period was 11 (91) KSEK and loss before taxes amounted to -7,786 (-6,734) KSEK, of which -2,599 (-2,438) KSEK is for the fourth quarter.

### **Investment**

Investment in intangible assets is only made in the Parent Company and during the period has amounted to 12,661 (6,437) KSEK, of which 3,452 (1,556) KSEK is for the fourth quarter representing 61% of total costs on 5,676 KSEK. Investment in intangible assets is related to exploration and project development. Investment in tangible assets for the period was 434 (0) KSEK, of which 218 (0) KSEK is for the fourth quarter.

### **Risks and Uncertainties**

Mineral exploration is a high risk business where only a few of the evaluated projects may lead to development of producing mines. Exploration results will be continuously evaluated by the Company, and there can be no guarantee that any investigations of mineralisation will lead to commercial production.

There is no guarantee that the Company can generate enough funds to finance continued operations. A failure to generate funds at the right time may lead to postponed investigations, downsized or terminated operations. A more detailed description of the risks and uncertainties of the Company can be found in the annual report of 2016.

### **Upcoming Statutory Reports**

April 16, 2018: Annual Report for 2017.

May 17, 2018: Q1 report, Annual General Meeting.

August 23, 2018: Half-yearly report and Q2 Report.

November 22, 2018: Nine Month Report and Q3 Report.

February 21, 2019: Year-end Report 2018 and Q4 Report 2018.

## Review

This report has not been reviewed by the Company Auditor.

This report has been reviewed by the Qualified Person of the Company (QP) Thomas Lindholm M. Sc., GeoVista AB, Luleå.

Danderyd, 22<sup>nd</sup> February 2018

### *The Board of Directors*

Questions are answered by: Chris McKnight, CEO  
Copperstone Resources AB,  
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## APPENDICES

1. **Group Income Statement**
2. **Group Balance Sheet**
3. **Group Change in Equity**
4. **Group Cash Flow Statement**
5. **Parent Income Statement (Copperstone Resources AB)**
6. **Parent Balance Sheet (Copperstone Resources AB)**

**INCOME STATEMENT – GROUP (KSEK)**

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016
	3 month	3 month	12 month	12 month
<b>Operating Revenue</b>				
Net sales		67	11	91
Capitalized expenditure for exploration	3,457	1 557	12,661	6 437
Other operating revenue	24	-	24	-
<b>Total operating revenue</b>	<b>3,481</b>	<b>1 624</b>	<b>12,696</b>	<b>6 528</b>
<b>Operating expenses</b>				
Other external costs	-5,637	-3 014	-18,673	-10 876
Wages, salaries and other personnel costs	-248	-749	-1,637	-2 438
Depreciation of intangible and tangible assets	-18	-2 341	-510	-2 640
Other operating expenses	-75	-	-75	-
<b>Total operating expenses</b>	<b>-5,978</b>	<b>-6 104</b>	<b>-20,895</b>	<b>-15 954</b>
<b>Operating profit/loss</b>	<b>-2,497</b>	<b>-4 480</b>	<b>-8,199</b>	<b>-9 426</b>
<b>Financial items</b>				
Financial income	801	642	1,833	902
Financial expenses	-262	-4 765	-1,618	-5 094
<b>Net financial items</b>	<b>539</b>	<b>-4 123</b>	<b>-215</b>	<b>-4 192</b>
<b>Net loss before tax</b>	<b>-1,958</b>	<b>-8 603</b>	<b>-7,984</b>	<b>-13 618</b>
<b>Result of the period</b>	<b>-1,958</b>	<b>-8 603</b>	<b>-7,984</b>	<b>-13 618</b>
<b>Other comprehensive income</b>		-	-	-
<b>Total</b>	<b>-1,958</b>	<b>-8 603</b>	<b>-7,984</b>	<b>-13 618</b>
<b>Attributable to:</b>				
Parent company shareholders	-1,958	-8 603	-7,984	-13 618
<b>Total</b>	<b>-1,958</b>	<b>-8 603</b>	<b>-7,984</b>	<b>-13 618</b>
<b>Number of shares</b>				
Number of shares at the end of the period	242.353.761	169.797.236	242.353.761	169.797.236
Average number of shares	238.807.662	164.875.592	217.051.368	111.630.993
<b>Result per share, SEK</b>	<b>-0.01</b>	<b>-0.05</b>	<b>-0.04</b>	<b>-0.12</b>

**BALANCE SHEETS – GROUP (KSEK)**

	31-Dec-17	31-Dec-16
<b>Assets</b>		
<b>Fixed assets</b>		
<i>Intangible assets</i>		
Capitalized expenditure for exploration	39 151	26 677
<b>Total intangible assets</b>	<b>39 151</b>	<b>26 677</b>
<i>Tangible assets</i>		
Plant and machinery	0	395
Equipment, tools, fixtures and fittings	276	4
<b>Total tangible assets</b>	<b>276</b>	<b>399</b>
<i>Financial assets</i>		
Investments in shares	2 789	1 737
Other long-term receivables	7 249	5 848
<b>Total financial assets</b>	<b>10 038</b>	<b>7 585</b>
<b>Total fixed assets</b>	<b>49,465</b>	<b>34 661</b>
<b>Current assets</b>		
<i>Receivables</i>		
Tax receivables	73	74
Other receivables	706	445
Prepaid expenses and accrued income	112	151
<b>Total receivables</b>	<b>891</b>	<b>670</b>
Cash and bank balance	28,286	2 729
<b>Total current assets</b>	<b>29,177</b>	<b>3 399</b>
<b>TOTAL ASSETS</b>	<b>78,642</b>	<b>38 060</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders equity</b>		
Share capital	24 235	16 980
Other contributed capital	126,049	84 551
Loss brought forward included loss for the period	-83,229	-75 245
<b>Total shareholders equity</b>	<b>67,055</b>	<b>26 286</b>
<b>Deferred tax</b>	<b>37</b>	<b>37</b>
<b>Long-term liabilities</b>	<b>4,000</b>	<b>3 388</b>
<b>Current liabilities</b>		
Loan	5,199	6 032
Accounts payable	949	1 013
Other liabilities	252	78
Accrued expenses and deferred income	1 150	1 226
<b>Total current liabilities</b>	<b>7,550</b>	<b>8 349</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>78,642</b>	<b>38 060</b>

**STATEMENT OF CHANGES IN EQUITY – GROUP (KSEK)**

	Share capital	Contributed capital	Retained earnings	Total equity
Opening balance 1/1/2017	16 980	84 551	-75 245	26 286
New capital issue	7 255	45,951		53,206
New capital issue costs		-4 453		-4 453
Total result of the period			-7,984	-7,984
Closing balance 31/12/2017	24 235	126,049	-83,229	67,055

**CASH FLOW STATEMENT- GROUP (KSEK)**

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	3 month	3 month	12 month	12 month
<b>LIQUIDITY GENERATED FROM/ USED ON OPERATION</b>				
Generated from this periods operations	-3,163	-2 393	-8,799	-7 110
Change in working capital	1,374	1 685	-255	5 304
<b>Cash generated from operations</b>	<b>-1,789</b>	<b>-708</b>	<b>-9,054</b>	<b>-1 806</b>
<b>LIQUIDITY GENERATED FROM/ USED ON INVESTMENTS</b>				
Investments in intangible assets	-3,452	-1 556	-12,661	-6 437
Investments in tangible assets	-218	-	-432	-
Sales of tangible assets	200	-	200	-
Investments in financial assets	-	-	-2,000	-7 433
<b>Net change in liquidity from investments</b>	<b>-3,470</b>	<b>-1 556</b>	<b>-14,893</b>	<b>-13 870</b>
<b>LIQUIDITY GENERATED FROM/ USED ON FINANCING</b>				
<b>New capital issue</b>	<b>29,175</b>	<b>4 064</b>	<b>48,753</b>	<b>16 744</b>
Loans	-211	38	751	38
Amortisation of loans	246	-82	-	-328
<b>Net change in liquidity from financing</b>	<b>29,210</b>	<b>-4 020</b>	<b>49,504</b>	<b>16 454</b>
<b>Net change in liquidity through the period</b>	<b>23 951</b>	<b>1 756</b>	<b>25,557</b>	<b>778</b>
Liquidity opening balance 1/1/2017	4 335	973	2 729	1 951
<b>LIQUIDITY CLOSING BALANCE 31/12/2017</b>	<b>28 286</b>	<b>2 729</b>	<b>28,286</b>	<b>2 729</b>

**INCOME STATEMENT – PARENT COMPANY (KSEK)**

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016
	3 month	3 month	12 month	12 month
<b>Operating Revenue</b>				
Net sales	-	67	11	91
Capitalized expenditure for exploration	3 457	1,557	12,661	6 437
Other operating revenue	24	-	24	-
<b>Total operating revenue</b>	<b>3 481</b>	<b>1 624</b>	<b>12 696</b>	<b>6 528</b>
<b>Operating expenses</b>				
Other operating expenses	-5 417	-2 904	-18 122	-10 531
Wages, salaries and other personnel costs	-248	-743	-1 637	-2 265
Depreciation of intangible and tangible assets	-11	-	-13	-
<b>Total operating expenses</b>	<b>-5,676</b>	<b>-3,647</b>	<b>-19,772</b>	<b>-12 796</b>
<b>Operating profit/loss</b>	<b>-2 195</b>	<b>-2 023</b>	<b>-7 076</b>	<b>-6 268</b>
<b>Financial items</b>				
Results from participation in associated companies	-	3 703	-	3 703
Results from others securities and receivables from fixed assets	-	-4,509	-	-4,509
Other interested income and similar profit/loss items	350	642	1 400	902
Interest expense and similar profit/loss items	-754	-251	-2 110	-562
<b>Net financial items</b>	<b>-404</b>	<b>-415</b>	<b>-710</b>	<b>-466</b>
<b>Result before tax</b>	<b>-2 599</b>	<b>-2 438</b>	<b>-7 786</b>	<b>-6 734</b>
<b>TOTAL RESULT FOR THE PERIOD</b>	<b>-2 599</b>	<b>-2 438</b>	<b>-7 786</b>	<b>-6 734</b>
<b>THE TOTAL COMPREHENSIVE INCOME OF THE PERIOD PARENT COMPANY (KSEK)</b>				
<b>OTHER TOTAL RESULT OF THE PERIOD</b>				
<b>TOTAL RESULT OF THE PERIOD</b>	<b>-2 599</b>	<b>-2 438</b>	<b>-7 786</b>	<b>-6 734</b>
<b>Attributable to:</b>				
Parent company shareholders	-2 599	-2 438	-7 786	-6 734
<b>Total</b>	<b>-2 599</b>	<b>-2 438</b>	<b>-7 786</b>	<b>-6 734</b>



BALANCE SHEETS – PARENT COMPANY (KSEK)	31-Dec-17	31-Dec-16
<b>Assets</b>		
<b>Fixed assets</b>		
<i>Intangible assets</i>		
Capitalized expenditure for exploration	38 204	25 543
<b>Total intangible assets</b>	<b>38 204</b>	<b>25 543</b>
<i>Tangible assets</i>		
Equipment, tools, fixtures and fittings	80	-
<b>Total tangible assets</b>	<b>80</b>	<b>-</b>
<b>Financial assets</b>		
Participations in group companies	13 711	13 711
Other securities held as fixed assets	2 789	1 737
Other long-term receivables	7 224	5 823
<b>Total financial assets</b>	<b>23 724</b>	<b>21 271</b>
<b>Total fixed assets</b>	<b>62 008</b>	<b>46 814</b>
<b>Current assets</b>		
<i>Receivables</i>		
Receivables from group companies	3 876	3 067
Tax receivables	73	74
Other receivables	617	421
Prepaid expenses and accrued income	112	93
<b>Total receivables</b>	<b>4 678</b>	<b>3 655</b>
Cash and bank balance	28 091	2 572
<b>Total current assets</b>	<b>32 769</b>	<b>6 227</b>
<b>TOTAL ASSETS</b>	<b>94 777</b>	<b>53 041</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders equity</b>		
<i>Restricted equity</i>		
Share capital	24 235	16 980
Fund for development reserve	19 098	6 437
<b>Total restricted equity</b>	<b>43 333</b>	<b>23 417</b>
<i>Non-restricted equity</i>		
Share premium account	119,400	77 902
Loss brought forward	-85,983	-66 588
Loss for the year	-7,786	-6 734
<b>Total non-restricted equity</b>	<b>25 631</b>	<b>4 580</b>
<b>Total shareholders equity</b>	<b>68 964</b>	<b>27 997</b>
<b>Long-term liabilities</b>	<b>4 000</b>	<b>3 038</b>
<b>Current liabilities</b>		
Loans	5 199	5 703
Accounts payable	936	908
Liabilities to group companies	14 562	14 161
Other liabilities	204	78
Accrued expenses and deferred income	912	1 156
<b>Total current liabilities</b>	<b>21 813</b>	<b>22 006</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>94 777</b>	<b>53 041</b>



### **Accounting Principles**

This interim report is prepared according to the IAS 34 Interim reporting and according to the Swedish Financial Reporting Standards Board (*Rådet för finansiell rapportering*) RFR 1 and for the Parent Company RFR 2. The same accounting principles and calculation methods were used in the latest Interim Report. For a more detailed description for the accounting principles applied for the consolidated accounts and for the Parent Company in this interim report, see the Annual Report of 2016.