

**The board of directors' of Copperstone Resources AB (publ) proposal on resolution on adoption of Incentive program 2021/2024:1 by way of (A) issue of warrants to the subsidiary Copperstone Incentive AB and (B) approval of transfer of warrants to management and key personnel in the Company.**

The board of directors of Copperstone Resources AB (publ) Reg.No. 556704-4168 ("Copperstone" or the "Company"), proposes that the general meeting resolves to adopt an incentive program aimed for management and key personnel in the Company. This is proposed to be carried out by way of a directed issue of warrants to the wholly owned subsidiary Copperstone Incentive AB (the "Subsidiary") in accordance with the resolution item (A) below, and transfer to selected management and key personnel in accordance with resolution item (B). The resolution items (A) and (B) are mutually conditioned by each other and are resolved upon one resolution.

The board of directors assesses that it is urgent and in the interest of all shareholders that management and key personnel have a long-term interest of a good value development of the share in the Company. A personal and a long-term ownership commitment may be expected to contribute to an increased interest of the Company's operations and results as well as to increase the motivation for, and togetherness with, the Company and its shareholders.

Incentive program 2021/2024:1 has been prepared by the board of directors in consultation with external advisors, whereby affected members of management and key personnel have not been participating in relevant parts.

**(A) – Issue of warrants to the subsidiary Copperstone Incentive AB**

The board of directors proposes that a directed issue of warrants is carried out on the following terms:

- 1 No more than 10 000 000 warrants of series 2021/2024:1 shall be issued.
- 2 The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only accrue to the Subsidiary. The intention is that the warrants afterwards shall be transferred to management and key personnel in the Company in accordance with what is stated in resolution item (B). The reason for that the issue is proposed to deviate from the shareholders' preferential rights is therefor to create incentives for management and key personnel to at all times work for the Company's positive development since these possess management roles or key roles in the Company and thereby constitutes an important part of the Company's continued operations.
- 3 The warrants are issued without consideration.
- 4 Subscription of warrants shall be made on a specific subscription list no later than 26 May, 2021. The board of directors is entitled to extend the subscription period.
- 5 Each warrant shall entitle to subscribe for one (1) share in the Company to a subscription price per share corresponding to the volume-weighted average price for the share on Nasdaq First North Growth Market's official stock price list during a period of ten (10) trading day ending the day before the Company's general meeting on 19 May 2021, multiplied with 1.5. Subscription of shares by exercising the warrants shall, in accordance with the terms and conditions for the warrants, be possible to carry out up until and including 20 December 2024.
- 6 In the event that all of the warrants are exercised for subscription of shares, the Company's registered share capital will be increased with SEK 1,000,000.

- 7 The terms and conditions, including customary provisions of recalculation with regard to certain events related to the Company etc., which are set forth in Appendix A, shall be applied regarding the warrants.
- 8 A share that has been issued due to exercising, shall entitle to dividend the first time on the record date for dividend immediately after that the exercising has been registered with the Swedish Companies Registration Office and the shares have been registered in the share registered kept by Euroclear Sweden AB.
- 9 The CEO, or the person the board of directors appoints, shall have the right to make such minor adjustments that may be necessary in connection with registration with the Swedish Companies Registration Office.

**(B) - Approval of transfer of warrants to management and key personnel in the Company**

Further, the board of directors proposes that the annual general meeting resolves to approve transfers of warrants to the Subsidiary in accordance with item (A) above and that the Subsidiary is entitled and is obliged to transfer the warrants issued in accordance with item (A) to management or key personnel in accordance with the board of directors' resolution hereby. The following shall apply with regard to the Subsidiary's transfer of warrants in Incentive program 2021/2024:1:

The subsidiary shall transfer no more than 10,000,000 warrants to management or key personnel (or wholly owned companies by these persons) in the Company with the distribution stated below.

<b>Position / classes</b>	<b>The number of warrants</b>
CEO	Maximum 3,500,000 warrants
Management and other key personnel, including consultants on a permanent basis	Maximum 2,000,000 warrants per person
Newly employed management and key personnel	Maximum 2,000,000 warrants per person
Other employees	Maximum 500,000 warrants per person

The warrants shall be transferred on market-based terms to a price determined on the basis of the calculated market value for the warrants at the time for transfer, by an application of Black & Scholes valuation model (options premium). The calculation of the option premium to management shall be made or controlled by an independent valuation expert, or shall be made on the basis of the expert's valuation.

Further, a so-called offer of first refusal-agreement, shall be entered into, according to which the warrant holder shall be obliged to offer the Company to acquire the warrants, or a certain part of these, under certain conditions.

Dilution

Based on the current number of shares in the Company, the dilution as a consequence of the proposed incentive program, with the assumption that all warrants will be exercised for subscription of shares, will not exceed 1 per cent of the shares and votes in the Company (not included the dilution which may arise as a result of the proposed incentive program for the board of directors and the Company's current incentive programs).

See below for further information regarding the total potential dilution as a result of the Company's proposed and current incentive programs.

#### Costs for the incentive program and effects to important key figures

The incentive program 2021/2024:1 has been prepared in consultation with external advisors and the total cost for this advice is not expected to amount to noteworthy amounts. Beyond the costs for advisors, the board of directors assesses that the incentive program will cause some administrative costs in connection to subscription of shares by exercising of the warrants and registration with the Swedish Companies Registration Office. Furthermore, the Company may link salary-based bonuses to allotments in order to facilitate participation in the program, the bonus costs of which in that case will fall within the Company's ordinary personnel costs.

The stated dilution above refers to in relation to the Company's key figure the dilution of the number of shares, and finally affects relevant key figures first if the Company's value has risen so much that exercising is carried out during the maturity period. In such a case, the dilution should be counteracted by the fact that the Company, in the event of full exercising, would be added an amount of approximately SEK 15,000,000.

#### Earlier incentive programs in the Company

The Company has currently some ongoing share-related incentive programs which includes members of the board of directors and management in the Company, which are presented below.

On the annual general meeting 17 May 2018, it was resolved to adopt an incentive program, including 2,000,000 warrants totally, with a maturity of 3 years. Consequently, these warrants expire in direct connection to the annual general meeting. Currently, each warrant entitles to one share, after recalculation due to issues carried out, to a strike price of SEK 3.13 per share. As a result of terminated employment, 1,050,000 of the 2,000,000 warrants that the incentive program includes, have been cancelled. Since this program expires in connection with the proposed Incentive program 2021/2024:1 which the meeting is proposed to adopt, and that it can be expected that no warrants will be exercised to shares, the board of directors has assessed it as unnecessary to include this program in the presentation regarding potential dilution.

On the annual general meeting 14 May 2019, it was resolved to adopt incentive programs aimed for both the board of directors as well as the management, including a total of 6,000,000 warrants with a maturity of three years. By way of a resolution on the meeting held on 29 September 2020, a reorganization to several programs was carried out in order to adapt the terms and conditions for some warrants for the purpose to comply with what was agreed with some later added warrant holders. Currently, each warrant entitles to one share after recalculation due to issues carried out, to a strike price of SEK 0.66 to 0.99 per share and a maturity expiring between 14 May 2022 and 14 January 2023.

On the annual general meeting 20 May 2020, it was resolved to adopt incentive programs aimed for both the board of directors as well as for management, including a total of 16,250,000 warrants with a maturity of three years. By way of resolution on the extra general meeting held on 29 September 2020, a reorganization to several programs was carried out regarding certain warrants in order to comply with what was agreed with some later added warrant holders. Thereby, the reorganized programs have a fixed strike price which currently, after recalculation due to issues carried out, entitle to one share of SEK 0.73 to 1.17 per share and a maturity expiring between 20 May 2023 and 24 July 2023. All of the Company's warrant programs are presented on the Company's website.

In the event that the incentive program in accordance with the board of directors' proposal above as well as the shareholders' proposal regarding incentive program aimed for the board of directors, would be fully implemented within the now intended frames, the total numerical dilution together with the today existing warrant programs, will not exceed 5 per cent.

Majority requirements

Resolution to adopt incentive programs according to the above stated, is covered by the rules for the board of directors and management in Chapter 16 of the Swedish Companies Act (2005:551), which, in order for a valid resolution, requires that the proposal under this item is supported by shareholders representing no less than nine tenth (9/10) of both the votes cast as well as of the shares represented at the general meeting.

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Kiruna in April 2021  
**Copperstone Resources AB (publ)**  
*The board of Directors*