

Complete proposal for resolution on adoption of Incentive program 2022/2026 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 (item 10)

Referring to item 9 in the notice to the general meeting on 1 December 2022, 1,228,870 warrants in Incentive program 2022/2025:1, which lapse on 18 December 2025, will remain following the allotment of warrants to the CEO Henrik Ager together with other allotments after the annual general meeting's resolution on 18 May 2022. The board of directors of Copperstone Resources AB (publ), reg.no. 556704-4168 ("**Copperstone**" or the "**Company**"), intends to propose a new incentive program for management and key personnel ahead of the annual general meeting 2023 but deems it important to already before the annual general meeting 2023 be able to facilitate important recruitment of new staff and, for this purpose, have more warrants with appropriate maturity available than the aforementioned number. For this reason, the board wishes to create space for further allotments corresponding to in total 3,700,000 warrants, which increase and replace ongoing incentive programs. As the Company intends to cancel the above-mentioned remaining 1,228,870 warrants, this will thus correspond to a net increase of approximately 2,470,000 warrants, which entails a dilution of not more than 0.2 percent.¹

The board of directors of Copperstone thus proposes that the general meeting resolves to adopt a new incentive program aimed for management and key personnel in the Company. This new incentive program will thus increase and partly replace the remaining warrants in Incentive program 2022/2025:1, which will be cancelled. The new incentive program is proposed to be adopted by way of an issue of warrants to Copperstone Incentive AB, reg.no. 556735-6596 (the "**Subsidiary**") in accordance with resolution item (A) below, as well as transfer to selected management and key personnel in accordance with resolution item (B). Resolution items (A) and (B) are mutually conditioned by each other and are resolved upon one resolution.

The board of directors assesses it as 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 Company's share. A personal and 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 the participants' and affinity with the Company and its shareholders.

Incentive program 2022/2026 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 3,700,000 warrants of series 2022/2026 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 why the issue is proposed to deviate from the shareholders' preferential rights is thus to create incentives for management and key personnel to at all times work for the Company's positive development, since these hold management roles or key roles in the Company and accordingly constitute an important part of the Company's continued operations.

¹ The net increase of approximately 2,470,000 warrants entails a total dilution of approximately 0.19 percent before completion of the registration of the new share issue as announced on 20 October 2022, and approximately 0.16 percent after completion of the registration of the aforementioned share issue.

- 3 The warrants are issued without consideration.
- 4 Subscription of warrants shall be made on a specific subscription list no later than 2 December 2022. The board of directors is entitled to extend the subscription period.
- 5 Each warrant shall entitle to subscription of 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 days ending the day before the Company's general meeting on 1 December 2022, 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 29 May 2026.
- 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 370,000.
- 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 general meeting resolves to approve transfers of warrants to the Subsidiary in accordance with item (A) above and that the Subsidiary is entitled and 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 regarding the Subsidiary's transfer of warrants in Incentive program 2022/2026.

The subsidiary shall transfer no more than 3,700,000 warrants in total to management or key personnel (or wholly owned companies by these persons) in the Company with the distribution stated below.

Position / Categories	Number of warrants
Management and other key personnel, including consultants on a permanent basis	Maximum 1,000,000 warrants per person
Newly employed management and key personnel	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 based on 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, and with the assumption that all warrants will be exercised for subscription of shares and that 1,228,870 warrants from Incentive program 2022/2025:1 will be cancelled, the dilution as a consequence of the proposed incentive program will not exceed 0.2 percent of the shares and votes in the Company (not included 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 impact on important key figures

The incentive program 2022/2026 has been prepared in consultation with external advisors and the total cost for this advice is not expected to amount to noteworthy amounts. In addition to 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, bonus costs of which in that case will fall within the Company's ordinary personnel costs.

In relation to the Company's key performance indicators, the dilutive effect stated above refers to the dilution of the number of shares and affects relevant key figures definitely if the Company's value has risen to the degree that exercise 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 exercise, would (based on current share price) be added an amount of approximately SEK 6,900,000.

Earlier incentive programs in the Company

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

On the annual general meeting 14 May 2019, it was resolved to adopt an incentive program for management as well as to adopt an incentive program for members of the board of directors. The incentive program for management included a total of 1,500,000 warrants and the incentive program for members of the board of directors included a total of 4,500,000 warrants. Both the incentive program for members of the board of directors and the incentive program for management has a maturity of three years. By way of a resolution on the extraordinary general meeting held 29 September 2020, a reorganisation of the terms and conditions for parts of the incentive program for management was carried out to adapt the warrant terms and conditions for a total of 1,000,000 warrants, in order to comply with what was agreed with some later added warrant holders, at which subscription price and maturity for the warrants were adjusted. Each warrant in both incentive programs resolved on the annual general meeting 2019 currently entitles to subscription of one share after recalculation due to issues carried out, to a strike price of SEK 0.99 per share and a maturity expiring 14 May 2022. Each warrant under the incentive programs, of which the terms and conditions were adjusted on the extraordinary general meeting 29 September 2020, currently entitles to subscription of one share after recalculation due to issues carried out, to a strike price of SEK 0.66 per share, and a maturity expiring 12 December 2022 and 14 January 2023, respectively.

On the annual general meeting 20 May 2020, it was resolved to adopt an incentive program for management as well as to adopt an incentive program for members of the board of directors. The incentive program for management included a total of 7,250,000 warrants and the incentive program for members of the board of directors included a total of 9,000,000 warrants. Both the incentive program for members of the board of directors and the incentive program for management has a maturity of three years. By way of resolution on the extraordinary general meeting 29 September 2020, a reorganisation of the terms and conditions for parts of the incentive program for management and parts of the incentive program for members of the board of directors was carried out to adapt the warrant terms and conditions for a total of 6,350,000 warrants, in order to comply with what was agreed with some later added warrant holders. Each warrant in both incentive programs resolved on the annual general meeting 2020 currently entitles to subscription of one share due to issues carried out, to a strike price of SEK 0.73 per share with a maturity expiring 20 May 2023. Each warrant for the incentive programs, of which the terms and conditions were adjusted on the extraordinary general meeting 29 September 2020, currently entitles to subscription of one share after recalculation due to issues carried out, to a strike price of SEK 1.17 per share and with a maturity expiring 24 July 2023.

On the annual general meeting 19 May 2021, it was resolved to adopt an incentive program for management and key personnel, including 10,000,000 warrants, as well as an incentive program for members of the board of directors, including 15,000,000 warrants. The incentive programs have a maturity of three years, respectively. Each warrant in the incentive programs currently entitles to subscription of one share due to issues carried out, to a strike price of SEK 1.27 per share, with a maturity expiring 20 December 2024. The 1,860,000 warrants under the incentive program for management and key personnel, that have not been transferred to management and key personnel during the subscription period, as well as 2,750,000 warrants under the incentive program for members of the board of directors that have not been resold to members of the board of directors, have been withdrawn for cancellation. Thus, a total of 4,610,000 warrants have ceased to have a potential dilution effect.

On the annual general meeting 18 May 2022, it was resolved to adopt an incentive program for management and key personnel, including 12,000,000 warrants, as well as an incentive program for members of the board of directors, including 15,000,000 warrants. The incentive programs have a maturity of three and a half years, respectively. Each warrant in the incentive programs currently entitle to subscription of one share due to issues carried out, to a strike price of SEK 1.65 per share, with a maturity expiring 18 December 2025. After the resale of warrants under ongoing Incentive program 2022/2025:1 to the new CEO Henrik Ager, 1,288,870 warrants will remain in this incentive program. These 1,228,870 warrants will then be cancelled, which entails that the dilution following the proposed incentive program is mitigated.

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 nomination committee's 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 percent.²

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

² The total dilution taking into account the outstanding warrants in on-going incentive programmes as well as the proposed new program (including the appurtenant cancelling) amounts to approximately 4.93 percent prior to registration of the issue of shares published on 20 October 2022 and approximately 4.27 percent after registration of said share issue.

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.
