

**The board of directors' of Copperstone Resources AB (publ) proposal on resolution on adoption of Incentive program 2023/2027:1 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 (item 12)**

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 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 as 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 in good value development of the share in the Company. A personal and long-term ownership commitment can be expected to contribute to an increased interest of the Company's operations and results as well as to increase the participants' motivation for, and affinity with, the Company and its shareholders.

Incentive program 2023/2027:1 has been prepared by the board of directors in consultation with external advisors, whereby affected members of management 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 15,000,000 warrants of series 2023/2027:1 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 the proposal to deviate from the shareholders' preferential rights is thus to create incentives for management and key personnel to always work for the Company's positive development, since these persons possess management roles or key roles in the Company and thereby constitute 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 12 May 2023. 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 annual general meeting on 11 May 2023, multiplied with 1.5. Subscription of shares by exercising the warrants shall, in accordance with the terms of the warrants, be possible to carry out until and including 19 May 2027.
- 6 In the event that all of the warrants are exercised for subscription of shares, the Company's registered share capital will increase with SEK 1,500,000.
- 7 The terms, including customary provisions of recalculation with regard to certain events related to the Company etc., which are set forth in [Appendix A](#), shall otherwise be applied to 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 the exercising has been registered with the Swedish Companies Registration Office and the shares have been registered in the share register kept by Euroclear Sweden AB.
- 9 The CEO, or the person appointed by the board of directors, 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**

The board of directors further proposes that the general meeting resolves to approve transfer 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 with regard to the Subsidiary’s transfer of warrants in Incentive program 2023/2027:1:

The Subsidiary shall transfer no more than 15,000,000 warrants in total to management or key personnel (or companies wholly owned by these persons) in the Company with the distribution stated below.

<b>Position / Categories</b>	<b>Number of warrants</b>
CEO	Maximum 2,500,000 warrants
Management and other key personnel, including consultants on a permanent basis	Maximum 1,500,000 warrants per person
Newly employed management and key personnel	Maximum 2,500,000 warrants per person
Other employees	Maximum 350,000 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 of transfer, by an application of Black & Scholes valuation model (option 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.

Furthermore, 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, under assumption that all warrants will be exercised for subscription of new shares, will not exceed 1 per cent<sup>1</sup> of the shares and votes in the Company (not included the dilution which may arise as a result of the proposed program for the executive chairman of the board 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.

<sup>1</sup> The dilution amounts to 0.97 per cent of the shares and votes in the Company.

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

The incentive program 2023/2027:1 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 with subscription of shares by exercise 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 which in that case will fall within the Company's ordinary personnel costs.

The stated dilution above refers, in relation to the Company's key figures, to the dilution of the number of shares, and affects relevant key figures first if the Company's value has risen so much that exercise is carried out during the maturity period. In such case, the dilution should be counteracted by that the Company, in the event of full exercise, would (based on current share price) be added an amount of approximately SEK 32,600,000.

### Earlier incentive programs in the Company

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

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 on 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 entitles to subscription of one share currently, after

recalculation due to issues carried out, to a strike price of SEK 1.65 per share, with a maturity expiring on 18 December 2025. At the extraordinary general meeting on 1 December 2022, it was resolved to execute an adaptation of the allotment principles for parts of the incentive program for management and key personnel and for the incentive program for members of the board of directors, with the purpose to adapt the incentive programs' frameworks and allotment principles to the agreed transfer to the new CEO. The resolution enabled transfer to the CEO of 5,631,130 warrants in the incentive program for management and key personnel. After the transfer to the CEO, 1,228,870 warrants that had not been re-sold remained, and were then cancelled and have thus ceased to have a potential dilutive effect. The resolution further enabled transfer to the CEO of 4,368,870 warrants in the incentive program for members of the board of directors, after which no additional warrants remained in the program for potential allotment.

On the extraordinary general meeting on 1 December 2022, it was resolved to adopt an incentive program for management and key personnel, including 3,700,000 warrants. The incentive program has a maturity of three and a half years. Each warrant in the incentive program entitles to subscription of one share, currently after recalculation due to issues carried out, to a strike price of SEK 2.00 per share, with a maturity expiring 29 May 2026. Together with the 1,228,870 warrants resolved by the annual general meeting on 18 May 2022 and were intended to be cancelled by resolution at the extraordinary general meeting, the warrants corresponded to a net increase of approximately 2,470,000 warrants.

All of the Company's warrant programs are presented on the Company's website.

In the event that the incentive program for management and key personnel in accordance with the board of directors' proposal above and the incentive program for the executive chairman of the board in accordance with the nomination committee's proposal would be fully implemented to the now intended extent, the total numerical dilutive effect together with the current warrant programs will not exceed 5 per cent.<sup>2</sup>

#### Minor amendments

The board of directors, or a person appointed by the board, shall have the right to make minor amendments regarding this resolution, which may be necessary in connection with registration at the Swedish Companies Registration Office.

#### Majority requirements

The resolution to adopt incentive programs according to the above, 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 2023  
**Copperstone Resources AB (publ)**  
*The Board of Directors*

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<sup>2</sup> The dilution amounts to 4.54 per cent of the shares and votes in the Company. In this respect, the total dilutive effect does not consider the 11,226,233 warrants (after recalculation in accordance with the warrant terms) which will lapse in May 2023, irrespective of if they are exercised or not.