

PRESS RELEASE

Kiruna on 22 December 2020

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The board of directors of Copperstone Resources resolves upon a rights issue in accordance with formerly disclosed intention

The board of directors of Copperstone Resources AB (publ) ("Copperstone" or the "Company") has today, by virtue of the authorisation of the EGM of 15 December 2020, resolved upon a rights issue with preferential rights for the shareholders of Copperstone amounting to approximately MSEK 160, before deductions for transaction costs (the "Rights Issue"). Furthermore, the Company may resolve upon a so-called over-allotment issue amounting to approximately MSEK 10.3. The Rights Issue is primarily intended to finance the project development towards a reopening of the Viscaria mine in Kiruna, as well as to prepay the additional purchase price regarding the Viscaria acquisition. The resolution regarding the issue is in accordance with the press release that the Company published on 20 November 2020.

The Rights Issue in brief

- A person registered on the record date on 7 January 2021 as a shareholder in Copperstone has pre-emption right to subscribe for new shares in the Rights Issue of approximately MSEK 160, before deduction of issue costs, whereby two (2) existing shares entitle to subscription of one (1) new share (i.e. subscription ratio 1:2) at a subscription price of SEK 0.50 per new share.
- The subscription period will take place from and including 11 January up to and including 25 January 2021.
- Copperstone has obtained subscription undertakings in an aggregate amount of approximately MSEK 81.7 corresponding to approximately 50.9 per cent of the Rights Issue with and without the support of subscription rights. This includes undertakings with or without subscription rights from management and Board members of approximately MSEK 19.0 in total, corresponding to approximately 11.8 per cent of the Rights Issue.
- The Company has in connection with the Rights Issue entered into an agreement regarding an interest-free bridge loan, from the Company's Chairman of the Board, Jörgen Olsson, via JOHECO of approximately MSEK 10.3 (which is included in the just mentioned MSEK 19.0), that will be set-off against shares in the Rights Issue, firstly within the Rights Issue or, secondly, at a very high subscription rate, by the means of a directed share issue by set-off (corresponding to a so-called over-allotment issue).
- The Rights Issue is intended to, primarily, finance the project development towards a reopening of the Viscaria mine, as well as to prepay the additional purchase price regarding the Viscaria acquisition.

Shareholders who choose not to participate in the Rights Issue will have their shareholding diluted by a maximum of approximately 33.3 per cent of the capital. However, such non-participating shareholder have a possibility to sell their subscription rights in order to receive compensation, in whole or in part, for the dilution. In the event that the above mentioned bridge loan is utilized by the Company, the bridge loan is intended to be settled by a set-off in connection with the allotment, and as a second alternative at a very high subscription rate, by a directed share issue by set-off (corresponding to a so called over-allotment issue). In such case, the total amount for the two rights issues may amount to a maximum of approximately MSEK 170. The total dilution, included the over-allotment issue, may therefore amount to a maximum of approximately 34.7 per cent.

In the event that not all new shares are subscribed for by exercise of subscription rights, the board of directors shall, within the limits of the maximum amount of the Rights Issue, resolve on allotment of new shares subscribed for without subscription rights, whereby allotment shall be made primarily to those who have given binding undertakings prior to the launch of the planned Rights Issue to subscribe for shares without support of subscription rights, secondly to those who have subscribed for shares by exercise of subscription rights (irrespective of whether the subscriber was a shareholder on the record date or not) and have applied for subscription without subscription rights, and, in the event allotment cannot be fully made, pro rata in relation to the number of subscription rights each subscriber has exercised for subscription of shares those who have subscribed for shares, thirdly to those who have subscribed for shares in the Rights Issue without subscription rights and, in the event allotment cannot be fully made, pro rata in relation to the number of shares stated in each subscription application.

Complete terms and conditions and instructions for the Share Issue as well as other information regarding the Company will be stated in the prospectus that will be published before the subscription period.

Indicative time plan

4 January 2021	Final trading day for the Copperstone share including the right to participate in the Rights Issue
5 January 2021	First trading day for the Copperstone share excluding the right to receive subscription rights
7 January 2021	Record day for the right to participate with pre-emption rights in the Rights Issue
On or around 7 January 2021	Publication of prospectus
11 – 25 January 2021	Subscription period
11 – 21 January 2021	Trading with subscription rights takes place on the Nasdaq First North Growth Market
11 January 2021 until the Swedish Companies Registration Office has registered the Rights Issue	Trading with interim shares
29 January 2021	Estimated date for the publication of the outcome of the Rights Issue

Advisors

Financial advisor to Copperstone in connection with the Rights Issue is Arctic Securities AS, filial Sverige and legal advisor is Hannes Snellman Attorneys.

For more information, please contact

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ABOUT COPPERSTONE

Copperstone Resources AB is a mineral exploration company formed in 2006. During 2019, the Company acquired Viscaria deposit in Kiruna and accordingly, the Company's strategy was revised. The goal is to become a modern and responsible producing mining company through the reopening of the Viscaria mine. The deposit's high level of copper and the geographical location provide for good conditions to become a key supplier of qualitative and responsible produced copper to customers who are driving the global change towards an electrified society. In addition to the Viscaria mine, Copperstone has several Exploitation Concessions and Exploration Permits in Arvidsjaur (Eva, Svartliden, Granliden) and Smedjebacken (Tvistbogruvan), all of which are located in Sweden. The Company's shares are subject trading on Nasdaq First North Growth Market (ticker COPP B). The Certified Adviser is Augment Partners AB, info@augment.se, +46 8 505 65 172.

IMPORTANT INFORMATION

The information in this press release does not constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in Copperstone. Any invitation to the persons concerned to subscribe for shares in Copperstone will only be made through the prospectus which Copperstone will publish on the Company's website (www.copperstone.se) on or around 7 January 2021.

This press release is not a prospectus in the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus, corresponding to an EU Growth Prospectus, will be drawn up by the Company and published on the Company's website.

This press release does not constitute an offer to, or an invitation to, acquire or subscribe for any shares in Copperstone in any jurisdiction, neither from Copperstone nor from anyone else. This press release may not be announced, published or distributed, directly or indirectly, in or into the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or any other jurisdiction where participation in the share issue would require further prospectuses, registration or other measures than under Swedish law. Neither may this press release be distributed in or into such countries or any other country/other jurisdiction if such distribution would involve requirements of such measures or otherwise violate applicable rules. Measures in violation of these restrictions may constitute a breach of applicable securities market laws.

No subscription rights, interim shares or shares in Copperstone have been, or will be, registered under the United States Securities Act of 1933 in its current wording (the "**Securities Act**") or the securities laws of any state or other jurisdiction in the United States and no subscription rights, interim shares or shares may be offered, subscribed for, utilized, pledged, approved, sold, resold, delivered or otherwise transmitted, directly or indirectly, in or into the United States, except in accordance with an applicable exception from, or in a transaction not covered by, the registration requirements pursuant to the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction in the United States. There will be no public offering of such shares in the United States.

The securities referred to herein have not been approved or disapproved by the US Securities and Exchange Commission (the "**SEC**"), any state securities commission or other regulatory authority in the United States. Nor have any such authority passed upon or endorsed the rights issue or the accuracy or reliability of this document. Any representation to the contrary is a criminal offence in the United States.

This press release contains certain forward-looking information that reflects Copperstone's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.

Arctic Securities is the financial advisor of Copperstone, and not anyone else, in connection with the rights issue. Arctic Securities is not responsible to anyone else than Copperstone for advice in connection with the Rights Issue.