

Kiruna, November 18, 2022

INTERIM REPORT JANUARY–SEPTEMBER 2022

JULY – SEPTEMBER 2022

- Capitalized exploration assets at the end of the quarter amounted to KSEK 585,949 (408,033).
- Cash and cash equivalents at the end of the period totaled KSEK 185,866 (169,894).
- Equity at the end of the quarter increased 40% to KSEK 762,100 (546,187).
- Result for the quarter amounted to KSEK -3,869 (-3,069).
- Earnings per share for the quarter amounted to SEK 0.00 (0.00).
- Cash flow for the quarter amounted to KSEK -47,689 (-15,490), mainly related to investments in core drilling, the water purification project, the infrastructure project “The bridge construction” in Viscaria and project development in Arvidsjaur.
- Total assets at the end of the quarter amounted to KSEK 829,945 (585,371).

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- Result for the period amounted to KSEK -13,213 (-11,774).
- Earnings per share amounted to SEK -0.01 (-0.01)
- Cash flow for the period was KSEK 61,575 (168,942).

SIGNIFICANT EVENTS DURING THE PERIOD

- In September 2022, Copperstone and GreenIron H2 AB started a joint development project, based on GreenIron’s fossil-free reduction process and Copperstone’s future by-product flows from planned copper and magnetite mining.
- Copperstone appointed Henrik Ager as the new CEO and Group President in September 2022. He will take up the position at the end of the year. Anna Tyni will remain in the management team as the CEO of the subsidiary Copperstone Viscaria AB.

SIGNIFICANT EVENTS AFTER THE PERIOD

- On October 7, 2022, Copperstone submitted supplements to the environmental permit application for the Viscaria mine.
- On October 21, 2022, Copperstone completed a directed share issue of approximately MSEK 235 before transaction costs where Thomas von Koch became the company’s largest shareholder and nominates Per Colleen as a new Board member of Copperstone.
- On November 3, 2022 Copperstone announced notice of an Extraordinary General Meeting to be held on December 1, 2022.
- On November 18 2022, the mineral resources at Viscaria were upgraded, where the measured respectively measured & indicated mineral resources in the A/B/D zones increase by as much as 43 percent and 23 percent, respectively, and are expected to secure another 3-4 years of future production.

“Our mineral resource upgrade is expected to secure another 3-4 years of future production from the Viscaria mine. In addition, we have submitted additions to our environmental permit application and the work with partial investigations has contributed to further insights before the reopening of the Viscaria mine.” CEO Anna Tyni,

CEO COMMENTS

The environmental permit application for reopening the Viscaria mine remained Copperstone's focus in the third quarter. On March 30, we submitted an application for an environmental permit to the Land and Environment Court and at the end of June we received feedback from the court and a number of consultation bodies regarding additions to the application, which is a completely normal phase and means that our application will be as complete as possible. We worked our way through these items over the summer and submitted all additional information on October 7. We continue to have a productive dialogue and communication with the relevant authorities. The investigations performed in the summer have also provided additional insight and innovative solutions ahead of the reopening. When the court deems our application to be complete it will announce a public notice, and we aim this will happen before the end of the year, but the exact timing is out of our control. Our timetable, which involves securing an environmental permit by mid 2023, is bold yet realistic and feasible.

A bridge to secure future development

The quarter has contained several important work streams. The newly built bridge was installed September 11, a bridge that will serve as the new entrance to the Viscaria site. The bridge spans over the iron ore railway (*Malmabanan*) and will facilitate our continued daily work, our exploration activities. The inauguration ceremony took place on November 11, and from December onwards, the *Viscariapassagen* bridge will be fully open to traffic. The water purification pilot project is proceeding according to plan and the water pumping begun in November.

Resources upgrade

We are accelerating the pace of our core drilling at Viscaria. Our calculations indicate that, with the last two years of core drilling, we have secured the future production of the Viscaria mine with another 3–4 years. More specifically, the measured and measured plus indicated mineral resources in the A/B/D zones have increased by as much as 43 percent and 23 percent, respectively. The mineral resource upgrade forms the foundation of the feasibility study that forms the basis of the final mine planning and future bank financing. Copperstone has now completed upwards of 45,000 meters of core drilling since the acquisition of Viscaria in 2019.

Team strengthened with new CEO

We have also strengthened the organization considerably during the quarter. Henrik Ager will take office as the new CEO and Group President by the end of the year. Henrik Ager joins us from Sandvik where he was Head of the Sandvik Mining and Rock Solutions business area. With Henrik onboard, we are adding industry experience to the team that is needed in the company's upcoming phase and financing if an environmental permit is granted. I will be able to focus wholeheartedly on restarting Viscaria as the CEO of the subsidiary Copperstone Viscaria AB and thus have a central role in the Group's management team and operating activities. We have also strengthened our team with the addition of Environmental Manager Peter Wihlborg, who has worked closely together with our Sustainability Manager Anders Lundkvist on the environmental permit application. He brings additional experience and expertise to the company.

Limited impact from global turbulence and strengthened finances

Another sign of strength is that, despite the difficult financing climate, we further strengthened our finances after the end of the quarter by raising MSEK 235 through a directed share issue to, among others, Thomas von Koch, Jan Ståhlberg and RoosGruppen AB. As a result, Thomas von Koch has become the largest owner of the Company. Ahead of future financing and other activities, it is a huge advantage to have a qualified, long-term investor engaged in the Company who has held prominent roles in the Swedish business world for decades.

The increased turbulence in the world during the autumn has had a limited impact on Copperstone and our operations to date. The long-term gap in demand for copper in the market, that has arisen as society is becoming more electrified, has not changed and in fact the trend toward more locally produced minerals, shorter transport distances and a more self-sufficient Europe has been amplified. This, together with the continued positive response to the Viscaria project in Kiruna, provides us with significant energy for the upcoming winter

Anna Tyni, CEO Copperstone Resources AB



ABOUT COPPERSTONE RESOURCES

VISION

Responsible mining for a sustainable future.

THE COMPANY IN BRIEF

Copperstone Resources AB is a company now scaling up to become a modern mining company with responsible production through the reopening of the Viscaria mine in Kiruna, Sweden. The deposit's high copper grade, mineral resources, geographical location and growing team of experts provides good prerequisites for Copperstone to become a key supplier of high-quality and responsibly produced copper – a metal that plays a critical role in Sweden's and Europe's climate transition toward an electrified society. In addition to the Viscaria mine, Copperstone holds a number of other exploitation concessions and exploration permits in Arvidsjaur (Eva, Svartliden, Granliden) and Smedjebacken (Tvistbo mine), all in Sweden. The Parent Company's shares are traded on the Nasdaq First North Growth Market (ticker COPP B). Augment Partners is the company's certified adviser, info@augment.se, +46 8 604 22 55.

GROUP OF COMPANIES

Copperstone Resources AB owns the following four subsidiaries (100%): Copperstone Viscaria AB, Copperstone Arvidsjaur AB, Copperstone Tvistbo AB and Copperstone Incentive AB. The above companies form the Group presented in the following financial statements. For more information on the Group structure and subsidiaries, please refer to the 2021 Annual Report.

BUSINESS PERFORMANCE FOR THE PERIOD

ENVIRONMENTAL PERMIT

Copperstone Resources intends to resume mining operations at the Viscaria mine in Kiruna. The planned mining operations require an environmental permit. The application for an environmental permit to resume mining operations at the Viscaria mine in Kiruna was submitted on March 30, 2022. The application includes Copperstone's description and ambition for responsible modern mining using the best available technology within the mining industry in terms of the impact on the local environment, in the processing plant and within transport and logistics solutions. In total, the application comprises some 4,000 pages and, inter alia, includes a plan for innovative water management and water purification; recycling of valuable minerals in the old tailings as well as expected environmental impacts, and protection and compensation measures for nature and reindeer herding.

A number of investigations were completed in the third quarter to respond to the Land and Environment Court's request for additional information from the company in June 2022. These included calculating future emissions to water and water current impact in connection with all operating phases of the mine. In addition, more detailed inventories and assessments of the impact on Natura 2000 areas were made. The results improve the conditions for the Land and Environment Court to quickly rule that the application is complete and thus publish a public notice of the application. The application and supplements (Swedish only) can be viewed in full under the tab "Tillståndsportalen" at www.copperstone.se.

GEOLOGY

Viscaria

In connection with the mineral resource upgrade that was announced earlier today, Copperstone Viscaria has increased the measured and measured & indicated mineral resources with 43 percent and 23 percent respectively, and the last two years of core drilling has, therefore, in somewhat simplified terms, secured the future production of the Viscaria mine with another 3-4 years.

Core drillings continued during the third quarter and, because of the summer months, with less rig capacity than during the second quarter. A total of 3,125 meters were core drilled during the third quarter. Core drilling verified the existence of copper/sulphide mineralization in the "gap" zone between the D zone north and south shoots. More specifically, this means a larger depth area may prove as economic deposits in the future, something that would affect the cash cost in a healthy way, since investments in underground infrastructure, such as stopes and tunnels, could be split among larger production tonnage.

So called hyper scanning of historical drill cores from the A zone was conducted and the information supports the geometallurgical pilots studies and works. Similar hyper imaging is planned for the copper ores in the B and D zones.

Core drilling in the B zone showed high-quality copper ore at shallow depths in areas that have not previously been studied.

Several agreements with core drilling suppliers have been signed, regarding work during the period up and until December 2025. Core drillings based on the exploration permit for Viscaria 101 and Viscaria 107 are scheduled for the winter. The previously received exploitation concessions have all been carved-out from Viscaria 101; and Viscaria 107 represents the southern extension of the D zone. The D zone, which to date has shown copper and iron-bearing mineralization of almost 37 Mton, is a part of an almost 7 km long northeasterly/southwesterly magnetic anomaly of which only 1.2km has been explored sufficiently to date.

Arvidsjaur

New work areas are being planned for exploration under the vast exploration permit for Sandberget 500. A new land survey featuring a electro magnetic (TEM) geophysical study has been contracted and is scheduled to be completed before the end of the year. The aim of the study is to verify and define the scope of several conductive anomalies that have been identified at deeper levels than previously drilled by Copperstone. Core drilling in areas that have historically responded well to electrical impulses gave (thanks to the excellent conductivity of copper and gold) great results in the 2018 campaign of 7,600 meter core drilling, where Copperstone's Arvidsjaur assets according to international standards increased from 5 Mton copper-bearing rock to 26 Mton (Granliden Svartliden).

The ambition and work on converting the Eva mineral resource from so called historical resource to PERC 2017 is underway and is now estimated to be complete during the first quarter of 2023.

PROCESSING

Advance planning of the electrical and automation systems is underway for the planned processing plant for the Viscaria mine in Kiruna. The advance planning is being conducted together with Granitor and Siemens, which are experts in their respective fields in areas such as digitalization, electricity/automation, AI and more. The advance planning encompasses relevant key metrics for the plant and processing in terms of production efficiency and traceability, for example. The work with Granitor continued during the period and the first steps are beginning to take shape for what the joint decision-making room should look like.

Project planning for the grinding circuit in the processing plant started in the third quarter with Orway Mineral Consultants and Geopyörä. The aim is to identify the right crushers and milling equipment for the ore types found in Viscaria. Elsewhere, additional metallurgical tests are being conducted to secure as optimal a process as possible for the coming processing plant. The processing team was also strengthened, by adding construction and engineering know-how.

INFRASTRUCTURE

For the purpose of facilitating work with infrastructure, exploration and other activities in the Viscaria area in the coming years, the company has decided to construct its own bridge and entrance to Viscaria. The bridge over the railway is dimensioned to have a capacity to bear loads weighing up to 90 tons. The bridge was inaugurated on 11 November, which is almost exactly nine months since the project started. The remaining work that will be carried out until summer 2023 includes asphaltting and sowing of grass.

The process of securing electricity to Viscaria to conduct the water purification pilot project and meet future needs to pump water from the mine and construct processing plants, etc. was completed in October when Copperstone's network substation was connected to Vattenfall's 10 kV grid. A total output of 2.0 MW can be supplied from Vattenfall via this connection. Work to plan and subsequently install a transformer substation and high voltage switchgear for operating the entire mine has commenced with Vattenfall, ABB and Elkoll. The aim is to have a voltage feed from 130 kV of a total output of 70 MW completed by summer 2025. Work with the new water purification pilot has proceeded according to plan. The electric power, water and pump infrastructure has now been installed on-site. Copperstone visited its supplier Teollisuuden Vesi Oy in October to inspect the equipment before being transported to Kiruna and Viscaria. The plant was put into operation in November.

The pilot plant is dimensioned to clean 100 m³/h, which corresponds to about one sixth of the volume that will be cleaned before and after the start of production. Former mining operations are currently discharging mine water into natural recipients. During the test period, this environmental impact will be

significantly reduced since the purification efficiency is over 95% for certain substances such as zinc and uranium. The flow rate of 100 m³/h corresponds to the existing volume of the natural outflow from the old mine.

SUSTAINABILITY

Copperstone will pursue credible and genuine sustainability initiatives. For this reason, thorough groundwork is being conducted prior to the production start of mining operations. When the Viscaria mine starts operation, we will be in the top 5% of the most climate-efficient copper mines in the world and thus be able to deliver sustainably and responsibly produced copper for the European market.

Copperstone's Annual Report was published in the second quarter and covered the company's sustainability efforts as well as a presentation of seven selected focus areas. Selection of the focus areas was based on principles from the International Council on Mining & Metals (ICMM), SveMin's guidelines, the Towards Sustainable Mining (TSM) protocols, the UN's 2030 Agenda and the UN Global Compact. Moreover, decision data from stakeholder dialogues and business intelligence was also taken into consideration. The focus areas have been adopted by the management and Board, and will set the tone for work with sustainability in the years ahead. Each focus area has an adopted sustainability goal that guide work design and follow-up.

An analysis of such metrics as the company's emissions, energy consumption and social factors was initiated in the third quarter, in line with the adopted sustainability goals. The aim is to create a baseline for 2022 so as to be able to follow the company's development and generate deeper understanding of Copperstone's impact. Environmental activities and preparations are also ongoing as part of the process for gaining approval of Viscaria mine's environmental permit.

Copperstone's sustainability activities can contribute to the UN Sustainable Development Goals (SDGs) in different ways, read more about how in the 2021 Annual Report.



GROUP FINANCIAL INFORMATION

JULY – SEPTEMBER 2022

During the third quarter of 2022, Copperstone's focus was primarily on the Viscaria Project. Capitalized exploration assets within the Group amounted to KSEK 585,949, corresponding to an increase of KSEK 177,916 from SEK 408,033 on September 30, 2021.

Net sales for the quarter were 0 (0) KSEK and the result after tax amounted to -3,869 KSEK (-3,069).

Cash flow for the quarter amounted to KSEK -47,689 (-15,490), mainly based on investments in core drilling at Viscaria, the water purification project as well as the infrastructure project "The bridge construction" at the entrance to Viscaria. Cash flow from operating activities, excluding investments and financing, was KSEK -244 (5,326). Net investments amounted to KSEK -49,265 (-29,259). Net cash flow from financing activities for the quarter was KSEK 1,820 (8,443).

JANUARY – SEPTEMBER 2022

Net sales for the period were 0 (0) KSEK and the result after tax amounted to -13,213 KSEK (-11,774).

Cash flow for the period was KSEK 61,575 (168,942), based on financing through a new share issue, the redemption of warrants and convertibles. Cash flow from operating activities, excluding investments and financing, was KSEK -10,618 (-28,981). Net investments amounted to KSEK -162,349 (-64,208), largely based on investments in core drilling at Viscaria and Arvidsjaur, environmental studies and the infrastructure project "The bridge construction" at Viscaria. Net cash flow from financing activities for the period was KSEK 234,542 (262,131).

FINANCIAL POSITION AS PER SEPTEMBER 30, 2022

Assets as per September 30, 2022

Capitalized exploration assets increased 43.6% at the end of the period and amounted to MSEK 586 (408). Cash and cash equivalents at the end of the period totaled MSEK 185.9 (169.9).

Interest-bearing liabilities as per September 30, 2022

In May 2022, Norrlandsfonden decided to continue to support Copperstone, this time with a convertible loan of MSEK 5.5 at STIBOR +5% annual interest rate and a conversion rate of SEK 1.54 per share until April 2027.

Norrlandsfonden held MSEK 21.56 worth of convertibles at an interest rate of STIBOR +5% per annum. For more information on Norrlandsfonden's investments in Copperstone, please refer to www.copperstone.se or the Group's 2021 Annual Report.

PARENT COMPANY FINANCIAL INFORMATION

JULY – SEPTEMBER 2022

Net sales for the quarter were KSEK 0 (0) and the result before tax amounted to KSEK -3,632 (-3,006).

During the quarter, capitalized exploration assets amounted to KSEK 2,124 (394). Total operating expenses amounted to KSEK 6,768 (5,365).

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Net sales for the period were KSEK 0 (0) and the result before tax amounted to KSEK -12,203 (-11,758).

During the period, capitalized exploration assets amounted to KSEK 6,618 (1,510). Total operating expenses amounted to KSEK 22,780 (20,981).

Copperstone Resources AB Corp. Reg. No. 556704-4168

OTHER INFORMATION

Employees

Under the Corporate Management of Chairman Jörgen Olsson and CEO Anna Tyni, Copperstone's management also includes Glenn Nilsson (Mining Manager), Anders Lundkvist (Head of Environment and Sustainability), Marcello Imaña (Chief Geologist) and Michael Mattsson (Head of Business Development). The team now consists of 25 employees in total, plus an additional number of environmental and mine planning consultants on a temporary basis during the environmental permit process and work on the feasibility study. Thomas Lindholm, Geovista, is the Group's Qualified Person according to the Fennoscandian Association for Minerals and Metals Professionals and he is also a Fellow of the AusIMM, which means that he can report according to both PERC and JORC regulations.

Exploitation concessions and exploration permits

As per November 7, 2022, Copperstone had, according to the Mining Inspectorate of Sweden's Mineral rights register "MRR", six approved exploitation concessions and 12 exploration permits valid.

AWARDED EXPLOITATION CONCESSIONS						
NAME	AREA (ha)	VALID FROM	VALID TO	MINERAL	MUNICIPALITY	OWNER (100 %)
Svartliden K nr 1	36,0	2000-12-27	2025-12-27	lead, gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Viscaria K nr 3	115,7	2012-01-16	2037-01-16	gold, iron, copper, silver, zinc	Kiruna	Copperstone Viscaria AB
Viscaria K nr 4	30,0	2012-01-16	2037-01-16	gold, iron, copper, silver, zinc	Kiruna	Copperstone Viscaria AB
Tvistbogravan K nr 1	11,4	2012-04-17	2037-04-17	lead, gold, copper, manganese, silver, tungsten, zinc	Smedjebacken	Copperstone Tvistbo AB
Eva K nr 1	34,2	2017-11-13	2042-11-13	lead, gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Viscaria K nr 7	63,8	2018-03-26	2043-03-26	copper	Kiruna	Copperstone Viscaria AB
Total [hektar]:	291,2					
APPLIED EXPLOITATION CONCESSION						
NAME	AREA (ha)	VALID FROM	VALID TO	MINERAL	MUNICIPALITY	OWNER (100 %)
Viscaria K nr 8	128,3			gold, iron, cobalt, copper, silver, vanadium, zinc	Kiruna	Copperstone Viscaria AB
Total [hektar]:	128,3					
AWARDED EXPLORATION PERMITS						
NAME	AREA (ha)	VALID FROM	VALID TO	MINERAL	MUNICIPALITY	OWNER (100 %)
Nikka East	144,1	2015-06-16	2023-06-16	copper	Kiruna	Copperstone Viscaria AB
Viscaria nr 101	1 472,3	2002-10-16	2023-07-07	copper	Kiruna	Copperstone Viscaria AB
Viscaria nr 107	1 842,8	2009-08-10	2023-08-10	copper	Kiruna	Copperstone Viscaria AB
Kirkkovaarti nr 1	386,4	2018-11-08	2023-11-08	copper, lead, zinc, iron, gold, silver	Kiruna	Copperstone Viscaria AB
Rengarde nr 1	3 517,3	2018-11-08	2023-11-08	copper, lead, zinc, iron, gold, silver	Kiruna	Copperstone Viscaria AB
Viscaria nr 112	1 944,8	2011-12-05	2023-12-05	copper	Kiruna	Copperstone Viscaria AB
Sandberget nr 500	7 641,0	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Sandberget nr 400	535,6	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Sandberget nr 300	18,7	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Sandberget nr 200	19,2	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Goddevarri nr 101	148,4	2019-12-04	2024-12-04	copper, lead, zinc, iron, gold, silver	Kiruna	Copperstone Viscaria AB
Viscaria nr 1	818,7	2008-06-24	2025-06-24	copper	Kiruna	Copperstone Viscaria AB
Total [hektar]:	18 489,2					
APPLIED EXPLORATION PERMITS						
NAME	AREA (ha)	VALID FROM	VALID TO	MINERAL	MUNICIPALITY	OWNER (100 %)
Viscaria nr 117	4 986,5			gold, iron, cobalt, copper, molybden, nickel, silver	Kiruna	Copperstone Viscaria AB
Total [hektar]:	4 986,5					

- The company considers the possibility of environmental benefits as well as the economically viable extraction of metals from the Viscaria mine's existing tailing ponds to be high. The exploitation concession for Viscaria 8 (comprising parts of Viscaria East and Viscaria 101) is being processed.
- According to Copperstone's best judgment, the Viscaria East exploration permit is still valid (despite the fact that it is temporarily out of the MRR), with the Court of Appeal's judgement which overturns the decisions of the sub-instances and sends the case back to Bergsstaten for examination of whether appropriate investigations were undertaken during the period on 9 June 2017–June 9, 2021 and if other prerequisites for extending the research permit are met. The company continues to believe that sufficient active exploration has been carried out so that the first extension of the Viscaria East exploration permit under the Minerals Act will probably be granted.
- For more information, visit the Copperstone website at www.copperstone.se.

Owners

As per November 11, 2022, the number of shares in issue was 1,534,302,356 (share capital SEK 153,430,235.6), distributed among almost 15,000 shareholders. The largest owners, as per November 11, 2022, are set forth in the table below.

Shareholders as per November 11, 2022	Number of shares	Votes, %
Thomas von Koch incl company	146,956,522	9.6%
JRS Asset Management AB Client accounts	101,992,332	6.6%
JOHECO AB	71,000,000	4.6%
RoosGruppen AB	57,144,056	3.7%
Jan Ståhlberg	43,478,260	2.8%
Avanza Pension	39,433,047	2.6%
SIX SIS AG	36,746,967	2.4%
Santhe Dahl Invest AB	31,895,652	2.1%
Skandinavkonsult i Stockholm AB	26,000,000	1.7%
Futur Pension	25,194,066	1.6%
Björn Israelsson	25,025,000	1.6%
Michael Mattsson	24,200,250	1.6%
Johan Lundberg incl company	22,416,132	1.5%
AB Gespann	22,041,278	1.4%
Emanuel Lipschütz incl company	21,484,342	1.4%
Others	839,294,452	54.7%
Total	1,534,302,356	100.0%
Where known and confirmed, the ultimate owners are listed above, rather than indirect custodians or insurer solutions recorded in Euroclear's registers.		

Future possible dilution 2023/2029

Total (SEK) to Copperstone if warrants fully exercised	83,273,555
Total possible dilution, warrants, number of shares	63,579,723
Total possible dilution, convertibles, number of shares	22,713,361
Total number of outstanding shares in Copperstone	1,534,302,356
Total possible dilution from warrants and convertibles, %	5.32%

Future outlook

Copperstone's financial position is solid, with a cash position of more than MSEK 185 at the end of the third quarter and also a contribution of MSEK 235 from a directed share issue in October. Essential working capital for the upcoming financial years has therefore been secured. The Board's assessment is that Copperstone will be able to use long-term borrowing of around 60% for future financing of the processing plant.

The increased turbulence that has characterized the outside world in recent times has so far had a limited impact on Copperstone and its operations. Short-term fluctuations in copper prices and currencies do not affect the company in the ongoing preparation phase. In addition, the USD has continued to strengthen, which benefits Copperstone since copper is denominated and sold in USD internationally. In a longer perspective, there is still a large demand gap for copper. In addition, Copperstone benefits from the trend toward more locally produced minerals and a long-term increase in demand from future European customers. In the medium to long term, the demand for responsibly sourced copper within the EU is estimated to increase further.

Material risks and uncertainties

Mineral exploration is a high-risk high-reward business where only a few of the evaluated projects may lead to development of producing mines. Exploration results will continuously be evaluated by the company, and there can be no guarantee that any exploration of mineralization will lead to commercial production in Kiruna, Arvidsjaur or Smedjebacken. There is no guarantee that the Group 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 Group can be found in the 2021 Annual Report. Despite these risks, the Board is confident that advances are being made, and that the Group has been significantly de-risked through the Viscaria acquisition in 2019 and intensified development of the project.

Accounting policies

Refer to Note 1

Financial calendar

March 3, 2023	Publication of 2022 Year-end Report
April 20, 2023	Publication of Annual Report 2023
May 17, 2023	Publication of Q1-report 2023
May 17, 2023	Annual General Meeting
August 17, 2023	Publication of Q2-report 2023
November 17, 2023	Publication of Q3-report 2023

This report has been reviewed by the company's auditor.

Assurance

The Board of Directors and the CEO hereby give their assurance that the interim report provides a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company and describes the significant risks and uncertainties to which the Parent Company and Group companies are exposed.

Kiruna, November 18, 2022

Jörgen Olsson
Executive Chairman of the Board

Markus Petäjaniemi
Deputy Chairman of the
Board

Michael Mattsson
Board Member

Lars Seiz
Board Member

Jane Lundgren Ericsson
Board Member

Sven-Erik Bucht
Board Member

Ing-Marie Andersson Drugge
Board Member

Anna Tyni
CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KSEK)

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Operating revenue, etc.					
Capitalized expenditure for exploration	38,644	28,592	131,586	63,363	109,694
Other operating revenue	81	120	281	212	278
Total operating revenue	38,725	28,712	131,867	63,575	109,972
Operating expenses					
Other external costs	-33,934	-26,492	-117,584	-58,720	-98,522
Wages, salaries and other personnel costs	-6,449	-5,042	-21,169	-15,922	-23,012
Amortization/depreciation and impairment	-1,346	-105	-4,036	-270	-3,304
Other operating expenses	-150	-14	-505	-17	-33
Total operating expenses	-41,879	-31,653	-143,294	-74,929	-124,871
Operating result	-3,154	-2,941	-11,427	-11,354	-14,899
Financial items					
Financial income	-	-	-	-	-
Financial expenses	-715	-128	-1,786	-420	-1,350
Net financial items	-715	-128	-1,786	-420	-1,350
Result before tax	-3,869	-3,069	-13,213	-11,774	-16,249
Result for the period and comprehensive income	-3,869	-3,069	-13,213	-11,774	-16,249
Number of shares					
Number of shares at the end of the period	1,330,093,009	1,117,018,694	1,330,093,009	1,117,018,694	1,117,018,694
Average number of shares	1,330,093,009	1,113,893,694	1,271,116,742	960,402,866	960,402,866
Earnings per share – before and after dilution, SEK*	0.00	0.00	-0.01	-0.01	-0.01

**There are warrant programs and convertible loans that could entail dilution but no dilutive effect arises since there a loss was recorded for the period*

CONSOLIDATED BALANCE SHEET (KSEK)

	Note	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
ASSETS				
Fixed assets				
Intangible assets				
Capitalized expenditure for exploration	3	585,949	408,033	454,363
Total intangible assets		585,949	408,033	454,363
Tangible assets				
Buildings and land		910	373	990
Leasehold improvements		426	-	506
Right-of-use assets		16,929	1,178	18,703
Equipment, tools, fixtures and fittings		1,261	939	1,236
Construction in progress and advance payments for	4	30,555	-	-
Total tangible assets		50,081	2,490	21,435
Financial assets				
Other non-current receivables		173	73	73
Total financial assets		173	73	73
Total fixed assets		636,203	410,596	475,871
Current assets				
Current receivables				
Other current receivables		6,981	4,271	5,948
Current tax receivables		-	83	-
Prepaid expenses and accrued income		895	527	831
Total current receivables		7,876	4,881	6,779
Cash and bank balances		185,866	169,894	124,291
Total current assets		193,742	174,775	131,070
TOTAL ASSETS		829,945	585,371	606,941
EQUITY AND LIABILITIES				
Equity				
Share capital	5	133,009	111,702	111,702
Other contributed capital		746,050	537,118	537,285
Retained earnings including result for the period		-116,959	-102,633	-106,637
Total equity		762,100	546,187	542,350
Non-current liabilities				
Convertible loans	7	21,735	16,060	15,894
Lease liabilities	7	12,223	920	14,742
Total non-current liabilities		33,958	16,980	30,636
Current liabilities				
Accounts payable	7	21,400	16,156	18,214
Lease liabilities	7	4,768	255	3,873
Other current liabilities		2,069	2,029	1,818
Accrued expenses and deferred income		5,650	3,764	10,050
Total current liabilities		33,887	22,204	33,955
TOTAL EQUITY AND LIABILITIES		829,945	585,371	606,941

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (KSEK)

	Note	Share capital	Other contributed capital	Retained earnings incl. result of the period	Total equity
Closing balance, Jan 1, 2021	5,6,7	64,128	325,336	-92,662	296,802
New share issue		47,574	220,736		268,310
Issue costs			-8,954		-8,954
Warrants				1,803	1,803
Result for the period				-11,774	-11,774
Closing balance, Sep 30, 2021		111,702	537,118	-102,633	546,187
Convertible bonds			167		167
Warrants				471	471
Result for the period				-4,475	-4,475
Closing balance, Dec 31, 2021		111,702	537,285	-106,637	542,350
	Note	Share capital	Other contributed capital	Retained earnings incl. result of the period	Total equity
Closing balance, Jan 1, 2022	5,6,7	111,702	537,285	-106,637	542,350
New share issue		21,307	212,612		233,919
Issue costs			-3,890		-3,890
Warrants				2,892	2,892
Convertible bonds			43		43
Result for the period				-13,214	-13,214
Closing balance, Sep 30, 2022		133,009	746,050	-116,959	762,100

CONSOLIDATED STATEMENT OF CASH FLOWS (KSEK)

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Cash flow from operating activities					
Operating result before financial items	-3,154	-2,941	-11,427	-11,354	-14,899
Adjustment for non-cash items	960	164	3,885	270	3,335
Interest paid	-329	-125	-1,401	-420	-1,350
Income tax paid	-	-31	-	-83	-
Cash flow before changes in working capital	-2,523	-2,933	-8,943	-11,587	-12,914
Increase/decrease other current receivables	2,763	-268	-1,097	-3,223	-5,204
Increase/decrease accounts payable	-2,803	9,193	3,186	5,702	7,760
Increase/decrease other current operating liabilities	2,319	-666	-3,764	-19,873	-13,799
Cash flow from operating activities	-244	5,326	-10,618	-28,981	-24,157
INVESTING ACTIVITIES					
Expenditure for exploration	-38,644	-28,592	-131,586	-63,378	-109,694
Investments in tangible assets	-10,621	-667	-30,857	-830	-2,345
Sales of tangible assets	-	-	21	-	-
Change in financial assets	-	-	73	-	-
Cash flow from investing activities	-49,265	-29,259	-162,349	-64,208	-112,039
FINANCING ACTIVITIES					
New share issue	-	-	230,029	252,056	252,056
Convertible bonds	7	-	43	-	167
Warrants	2,935	45	2,892	1,803	2,274
Borrowings	-	8,460	5,457	8,460	8,460
Repayment of lease liabilities	-1,115	-62	-3,879	-188	-3,422
Cash flow from financing activities	1,820	8,443	234,542	262,131	259,535
Cash flow for the period	-47,689	-15,490	61,575	168,942	123,339
Cash and cash equivalents at the beginning of the period	233,555	185,384	124,291	952	952
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	185,866	169,894	185,866	169,894	124,291

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

	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Operating revenue, etc.					
Capitalized expenditure for exploration	2,124	394	6,618	1,510	2,235
Other revenue	1,518	2,077	5,073	8,089	10,317
Total operating revenue	3,642	2,471	11,691	9,599	12,552
Operating expenses					
Other external costs	-5,165	-3,715	-16,729	-14,726	-19,911
Wages, salaries and other personnel costs	-1,592	-1,635	-5,999	-6,208	-7,990
Depreciation/amortization and impairment	-6	-15	-18	-47	-63
Other operating expenses	-5	-	-34	-	-1
Total operating expenses	-6,768	-5,365	-22,780	-20,981	-27,965
Operating result	-3,126	-2,894	-11,089	-11,382	-15,413
Financial items					
Interest expense and similar profit/loss items	-506	-112	-1,114	-376	-678
Total financial items	-506	-112	-1,114	-376	-678
Result before tax	-3,632	-3,006	-12,203	-11,758	-16,091
Result for the period	-3,632	-3,006	-12,203	-11,758	-16,091

BALANCE SHEET – PARENT COMPANY (KSEK)

	Note	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
ASSETS				
Fixed assets				
Intangible assets				
Capitalized expenditure for exploration	3	68,630	61,287	62,012
Total intangible assets		68,630	61,287	62,012
Tangible assets				
Equipment, tools, fixtures and fittings		62	142	126
Total tangible assets		62	142	126
Financial assets				
Participations in Group companies		227,202	227,202	227,202
Other non-current receivables		47	48	48
Total financial assets		227,249	227,250	227,250
Total fixed assets		295,941	288,679	289,388
Current assets				
Current receivables				
Receivables from Group companies		307,813	106,201	159,400
Current tax receivables		-	83	
Other current receivables		1,546	223	378
Prepaid expenses and accrued income		377	121	365
Total current receivables		309,736	106,628	160,143
Cash and bank balances		171,324	162,109	108,420
Total current assets		481,060	268,737	268,563
TOTAL ASSETS		777,001	557,416	557,951
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital	5	133,009	111,702	111,702
Fund for development reserve		49,524	42,181	42,906
Total restricted equity		182,533	153,883	154,608
Non-restricted equity				
Share premium reserve		739,401	530,469	530,636
Retained earnings		-172,737	-149,303	-150,028
Result for the period		-12,203	-11,758	-16,091
Total non-restricted equity		554,461	369,408	364,517
TOTAL EQUITY		736,994	523,291	519,125
Non-current liabilities				
Convertible loans		21,735	16,060	15,894
Current liabilities				
Accounts payable		2,044	907	2,599
Liabilities to Group companies		14,505	14,544	17,174
Other current liabilities		808	1,212	931
Accrued expenses and deferred income		915	1,402	2,228
Total current liabilities		18,272	18,065	22,932
TOTAL EQUITY AND LIABILITIES		777,001	557,416	557,951

NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared according to the IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Standards Board's recommendation RFR 1 and for the Parent Company RFR 2. The same accounting policies and calculation methods were used in the 2021 Annual Report.

The Group has issued warrants to the Board, senior executives and key individuals. Fair value was paid for the warrants, and this warrant premium is recognized as retained earnings. The holder can only receive shares when they are exercised. When the warrants are exercised, the strike price will be recognized against equity. For a more detailed description of the accounting policies applied for the consolidated accounts and for the Parent Company in this interim report, see the 2021 Annual Report.

NOTE 2 RELATED-PARTY TRANSACTIONS

No related-party transactions were noted during the period other than the exercise of warrants in connection with the end of the 2019/2022 incentive program. Refer also to Note 6

NOTE 3 CAPITALIZED EXPENDITURE FOR EXPLORATION

Group – (KSEK)

	Sep 30, 2022	Dec 31, 2021
Opening cost	473,593	363,885
Capitalized expenditure for the year	131,586	109,708
Closing accumulated cost	605,179	473,593
Opening amortization	-544	-544
Closing accumulated amortization	-544	-544
Opening impairment	-18,686	-18,686
Impairment for the year	-	-
Closing accumulated impairment	-18,686	-18,686
Closing residual amount according to plan	585,949	454,363

Parent Company – (KSEK)

	Sep 30, 2022	Dec 31, 2021
Opening cost	62,012	59,777
Capitalized expenditure for the year	4,494	2,235
Closing accumulated cost	66,506	62,012
Opening amortization	-	-
Closing accumulated amortization	-	-
Opening impairment	-	-
Impairment for the year	-	-
Closing accumulated impairment	-	-
Closing residual amount according to plan	66,506	62,012

During the first three quarters of 2022, MSEK 131.6 was capitalized (MSEK 177.9 in the last 12 months), which relates to investments in project development for the Viscaria mine in Kiruna and core drilling with associated geophysics and analysis for the Arvidsjaur project.

NOTE 4 CONSTRUCTION IN PROGRESS AND ADVANCE PAYMENTS FOR TANGIBLE ASSETS
Group – (KSEK)

	Sep 30, 2022	Dec 31, 2021
Opening cost	-	-
Capitalized expenditure for the year	30,555	-
Closing accumulated cost	30,555	-

Construction in progress refers to the construction of the bridge, water purification plant, infrastructure, construction power and storage.

NOTE 5 CHANGE IN SHARE CAPITAL

During the period, the Parent Company carried out four new share issues of a total of 213,074,315 shares, corresponding to 16% of the shares issued and share capital of KSEK 21,307. Directed share issues of a total of 207,955,201 shares at SEK 1.08 and SEK 1.14 took place in February and March, respectively. This corresponds to 15.6% of the shares issued. During the quarter, the Group's 2019/2022 incentive program ended and in connection with this 5,119,114 shares were issued, corresponding to 0.4% of the shares issued, at SEK 0.99 per share. The number of shares at the end of the period amounted to 1,330,093,009.

Share capital trend – (KSEK)	Number of shares	Share capital
Opening amount, January 1, 2022	1,117,018,694	111,702
Changes during the year:		
New share issue	207,955,201	20,795
Exercise of warrants	5,119,114	512
Closing amount, September 30, 2022	1,330,093,009	133,009

In October 2022, a directed share issue of a total of approximately MSEK 234.8 was completed. A maximum of 204,209,347 shares will be issued and the share capital will increase by a maximum of SEK 20,420,934.7 on registration. The issue price amounted to SEK 1.15 per share.

NOTE 6 COPPERSTONE WARRANT OPTION

The Annual General Meeting on May 18, 2022 resolved to introduce a 2022/2025 incentive program in the form of warrants for the Board, senior executives and key individuals. Each warrant carries the right to subscribe for one (1) share at a strike price of SEK 1.65. Subscription can take place up to and including December 18, 2025. The program was valued using the Black & Scholes valuation model. The subscription period for the 2019/2022 incentive program ended on May 14, 2022, and 5,119,114 warrants corresponding to 5,119,114 shares were exercised. The Group received KSEK 5,068 from the issue.

2019/2022 Management and key individuals	Number of shares*	Strike price*	Exercise until	SEK if exercised*
Former key individuals	566,981	0.66	Dec 12, 2022	374,207
2019/2023 Management and key individuals	Number of shares*	Strike price*	Exercise until	SEK if exercised*
Other key individuals	566,981	0.66	Jan 14, 2023	374,207
2020/2023 Board	Number of shares*	Strike price*	Exercise until	SEK if exercised*
Michael Mattsson	3,968,870	0.73	May 20, 2023	2,897,275
Jörgen Olsson	1,700,944	0.73	May 20, 2023	1,241,689
Sven-Erik Bucht	1,417,454	0.73	May 20, 2023	1,034,741
Jane Lundgren Ericsson	1,417,454	0.73	May 20, 2023	1,034,741
Gregory Hall	453,585	0.73	May 20, 2023	331,117
Former Board member	1,417,454	0.73	May 20, 2023	1,034,741
Total	10,375,761			7,574,306
2020/2023 Management and key individuals	Number of shares*	Strike price*	Exercise until	SEK if exercised*
AL Miljökonsult AB (Anders Lundkvist)	850,472	0.73	May 20, 2023	620,845
2020/2023 Board	Number of shares*	Strike price	Exercise until	SEK if exercised
Lars Seiz	1,417,454	1.17	Jul 24, 2023	1,658,421
2020/2023 Management and key individuals	Number of shares*	Strike price	Exercise until	SEK if exercised
Anna Tyni	850,472	1.17	Jul 24, 2023	995,052
Glenn Nilsson	850,472	1.17	Jul 24, 2023	995,052
Other key individuals	2,000,000	1.17	Jul 24, 2023	2,340,000
Total	3,700,944			4,330,104
2021/2024 Board	Number of shares*	Strike price	Exercise until	SEK if exercised
Jörgen Olsson	3,000,000	1.27	Dec 20, 2024	3,810,000
Markus Petäjaniemi (Lemape AB)	1,250,000	1.27	Dec 20, 2024	1,587,500
Lars Seiz	3,280,000	1.27	Dec 20, 2024	4,165,600
Jane Lundgren Ericsson	2,000,000	1.27	Dec 20, 2024	2,540,000
Sven-Erik Bucht	2,000,000	1.27	Dec 20, 2024	2,540,000
Gregory Hall	720,000	1.27	Dec 20, 2024	914,400
Total	12,250,000			15,557,500
2021/2024 Management and key individuals	Number of shares	Strike price	Exercise until	SEK if exercised
Anna Tyni	500,000	1.27	Dec 20, 2024	635,000
Michael Mattsson	3,250,000	1.27	Dec 20, 2024	4,127,500
AL Miljökonsult AB (Anders Lundkvist)	1,250,000	1.27	Dec 20, 2024	1,587,500
Glenn Nilsson	1,250,000	1.27	Dec 20, 2024	1,587,500
Marcello Imaña	500,000	1.27	Dec 20, 2024	635,000

Other key individuals	1,000,000	1.27	Dec 20, 2024	1,270,000
Other employees	330,000	1.27	Dec 20, 2024	419,100
Total	8,080,000			10,261,600
2022/2025 Management and key individuals				
	Number of shares	Strike price	Exercise until	SEK if exercised
Anna Tyni	1,000,000	1.65	Dec 18, 2025	1,650,000
Other key individuals and employees	4,140,000	1.65	Dec 18, 2025	6,831,000
Total	5,140,000			8,481,000
2022/2025 Board				
	Number of shares	Strike price	Exercise until	SEK if exercised
Jörgen Olsson	5,000,000	1.65	Dec 18, 2025	8,250,000
Markus Petäjaniemi (Lemape AB)	750,000	1.65	Dec 18, 2025	1,237,500
Lars Seiz	2,000,000	1.65	Dec 18, 2025	3,300,000
Jane Lundgren Ericsson	2,000,000	1.65	Dec 18, 2025	3,300,000
Ing-Marie Andersson Drugge	500,000	1.65	Dec 18, 2025	825,000
Michael Mattsson	381,130	1.65	Dec 18, 2025	628,865
Total	10,631,130			17,541,365
2022/2025 Incoming CEO**				
Henrik Ager	10,000,000	1.65	Dec 18, 2025	16,500,000
Total	10,000,000			16,500,000

* number of shares and strike price have been recalculated due to the rights issue 2019 and/or 2021.

** To be executed at Copperstone's Extraordinary General Meeting on December 1, 2022.

NOTE 7 BORROWING

On May 18, 2022, Norrlandsfonden invested MSEK 5.5 in Copperstone via a convertible bond. The bond expires on April 30, 2027 if conversion has not taken place prior to that date, at an annual interest rate of STIBOR +5% and a conversion rate of SEK 1.54 per share.

The table below shows maturities for the Group's financial liabilities on the balance sheet date, with interest payments included where applicable. The amounts reflect the agreed undiscounted cash flows that may differ from the carrying amounts of the liabilities on the balance sheet date.

As per September 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Borrowing	199	596	795	6,911	7,745
Lease liabilities	1,129	3,479	4,414	5,269	
Accounts payable and other liabilities	21,416				

Convertibles for Norrlandsfonden

All convertibles carry STIBOR +5%, and in the past Copperstone has paid 5%.

Nominal amount (SEK)	Conversion rate (SEK)	Exercise	No. of indirectly owned shares in Copperstone
1,000,000	0.57	March 24	1,754,386
2,600,000	2.64	Dec 24	984,848
2,000,000	0.6	Dec 27	3,333,333
2,000,000	0.74	Dec 28	2,702,702
4,850,000	0.70	June 29	6,928,570
3,610,000	1.05	May 26	3,438,095
5,500,000	1.54	Apr 27	3,571,427
21,560,000			22,713,361

A convertible of a nominal MSEK 5.5 was issued to Norrlandsfonden in 2022. The convertible has the same terms as previously, a conversion rate (SEK 1.54 per share) corresponding to a premium of 40% compared with the most recent issue, annual interest of STIBOR +5% and in this case a final conversion option on April 30, 2027.

NOTE 8 LEASES

Group – (KSEK)	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Lease liabilities presented in the balance sheet are as follows:			
Non-current lease liabilities	12,223	920	14,742
Current lease liabilities	4,768	255	3,873
Total lease liabilities	16,991	1,175	18,615

Auditor's report

Copperstone Resources AB (Publ) 556704-4168

Introduction

We have reviewed the condensed interim financial information (interim report) of Copperstone Resources AB (Publ) as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 17 november 2022

Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Auktoriserad revisor