

Kiruna, March 8, 2023

YEAR-END REPORT 2022

OCTOBER – DECEMBER 2022

- Capitalized exploration assets at the end of the quarter amounted to KSEK 639,503 (454,363).
- Cash and cash equivalents at the end of the period totaled KSEK 329,153 (124,291).
- Equity at the end of the quarter increased 82 percent to KSEK 986,209 (542,350).
- Result for the quarter amounted to KSEK -9,114 (-4,475).
- Earnings per share for the quarter amounted to SEK -0.01 (0.00).
- Cash flow for the quarter amounted to KSEK 143,287 (-45,603), mainly related to investments in core drilling, the water purification project, the infrastructure project “The bridge construction” in Viscaria, project development in Arvidsjaur and the directed share issue of approximately MSEK 235 on October 21.
- Total assets at the end of the quarter amounted to KSEK 1,063,693 (606,941).

JANUARY – DECEMBER 2022

- Result for the period amounted to KSEK -22,328 (-16,249).
- Earnings per share amounted to SEK -0.01 (-0.01)
- Cash flow for the period was KSEK 204,862 (123,339).

SIGNIFICANT EVENTS DURING 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, by which Thomas von Koch became the company’s largest shareholder. Transaction costs amounted to MSEK 2.75 or 1.17 percent.
- On November 18, 2022, the mineral resources at Viscaria were upgraded, with the measured and measured & indicated mineral resources in the A/B/D zones increasing by 43 percent and 23 percent, respectively, and expected to secure a further 3-4 years of future production.
- On December 1, 2022, an Extraordinary General Meeting was held at which Per Colleen was elected as a Board Member.
- On December 7, 2022, Copperstone presented groundbreaking results from the water purification plant, which was assessed on a large scale in late November in an authentic environment adjacent to Viscaria.
- On December 19, 2022, Henrik Ager assumed the position of President and CEO of Copperstone Resources.
- On December 29, Copperstone updated its applicable environmental permit application for Viscaria stating that no announcement would be issued by the Land and Environment Court before year-end.

SIGNIFICANT EVENTS AFTER THE PERIOD

- On January 4, 2023, Frida Keskitalo was appointed CFO.
- On February 8, 2023, Copperstone updated its applicable environmental permit application for Viscaria due to the request for supplementary information received from the Land and Environment Court. On February 20, a further request for supplementary information was received.
- On February 9, 2023, Norrlandsfonden chose to invest another approximately MSEK 5.6 in a convertible bond in Copperstone Resources.
- On March 8, 2023, Copperstone updated again regarding the environmental permit application for Viscaria.

“We are a small but growing company and it is important that we focus on the most essential areas of activity. They can be divided into four: pursuing the environmental permit process, planning and preparing a rapid restart of Viscaria, other value adding activities and financing.”, *CEO Henrik Ager.*

CEO COMMENTS

The fourth quarter and the beginning of 2023 has been an intense period for Copperstone. As the new CEO, I am impressed by the competence in our team and the energy in the preparatory work to achieve our main objective – to reopen the Viscaria copper mine in Kiruna. The timing for opening Viscaria remains favorable. The demand for responsible, locally produced copper will increase significantly in conjunction with a more electrified society. In the next ten years, global demand for copper is expected to increase by approximately 45–50 percent, while there are not enough expansion projects to meet such a strong rise in demand. The recycling of copper is increasing, but that is only expected to cover half of the anticipated demand growth.



We are a small but growing company and it is important that we focus on the most essential areas of activity. They can be divided into four: pursuing the environmental permit process, planning and preparing a rapid restart of Viscaria, other value adding activities and financing.

Pursuing environmental permit process

Copperstone will continue its constructive dialog with the responsible authorities and other stakeholders to support the permit application process. On March 30, 2022, we submitted our environmental permit application to the Land and Environment Court (MMD). At the end of June, we received feedback from the Court and a number of consultation bodies, and on October 7, supplementary information was submitted. In February 2023, we received another request for supplementary information from the Court to which the company will respond on March 17, 2023, at the latest. The focus of this supplementary information is the clarification of the production conditions, logistics, water-related issues, waste rock management and adaptation to the Seveso Directive. No further field surveys or major modeling are expected to be required to prepare these supplements. The timing of the announcement and receipt of a permit is naturally outside our control, but we now deem it possible to obtain an environmental permit toward the end of 2023, provided that there is constructive correspondence and a date set for the main hearing. In the event of such a scenario, we still have the capacity to have a processing plant in place with production starting before end of 2025.

Preparations fully under way

In addition to the environmental permit process in 2022, we are making significant investments to prepare for the restart of the Viscaria mine. We constructed a bridge to simplify the access to the area. In November, we commissioned our large-scale pilot project for water treatment and these showed groundbreaking results. A reduction of as much as 97-99 percent is achieved for multiple metals (zinc, uranium, etc) resulting in significantly cleaner water being discharged into adjacent natural recipients. In January, we also commenced the process of applying for a permit to drain the Viscaria mine, which is currently waterlogged. The objective is to enable earlier pumping and water treatment and a faster start of mining as soon as the general environmental permit becomes legally binding.

During the fourth quarter, a resource upgrade was completed, in which we reported the outcome of the most recent two core drillings in Viscaria. The outcome was that our measured and measured & indicated mineral resources increased by 43 percent and 23 percent, respectively, due to a successful conversion to higher classification. The feasibility study for Viscaria commenced during the fourth quarter in close cooperation with the SRK consultancy. The first phase of the study focused on a detailed analysis of Viscaria's financial conditions and the indicative results are very promising, with a significantly longer lifetime for Viscaria (15 years), maintained low cash cost and healthy financial returns, given the estimated investments and future copper price. See table below for more information. However, there is an increase in expected CAPEX, driven by both earlier and more extensive underground mining and the recent higher inflation. Based on the resource upgrade, further core drilling in Viscaria and this initial analysis, the work on a detailed feasibility study will commence shortly.

Other value adding activities

There are other value adding activities under way. To date, we have focused exploration activities in Viscaria on the planned A, B and D mining zones. Copperstone also has exploration permits for additional areas directly adjacent to Viscaria – areas where our geology team sees clear potential. Accordingly, we are considering further expanding our exploration activities during 2023 with the objective of increasing resources in the Viscaria area. In 2022, we also conducted core drillings and geophysical surveys in the Arvidsjaur project with favorable results. The purpose of the exploration was the quality assurance of mineral resources and to be able to upgrade the resources to the PERC 2017 standard, an upgrade that is estimated to be completed during 2023.

Favorable preconditions

A couple of things have become even more obvious to me during my first months on the job. The preconditions for our Viscaria Project are favorable from a financial, social, geographical and environmental perspective. We have a competent, experienced and locally established team on site in Kiruna and an ownership structure that has enabled an ambitious environmental permit application, and investments in infrastructure, exploration and water treatment. This is a very solid platform for a new, major Swedish industrial project.

Henrik Ager, CEO Copperstone Resources

KEY FIGURES	New operational assumptions	Operational assumptions annual report 2021
Initial life of mine (LoM)	Approx. 15 years	10 years
Initial CAPEX	4,500 – 5,000 MSEK	Approx. 3,500 MSEK
Loan financing	60 %	60 %
Annual production rate	3 million tonnes	3 million tonnes
Total copper production during LoM, recovered	Approx. 420 kt	Approx. 300 kt
Average copper grade during LoM	0.95 %	1.15 %
Copper price	USD 9,000	USD 9,000
Average Cash cost during LoM, per tonne	USD 3,900	USD 3,900
Net profit	Approx. 850 MSEK	Approx. 850 MSEK
<i>The used exchange rate for USD is 10.38 SEK</i>		

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 and responsibly producing mining company through the reopening of the Viscaria mine in Kiruna, Sweden. The deposit's high copper grade, geographical location and growing team provide a strong foundation for becoming a supplier of responsibly produced copper – a metal that plays a critical role in Sweden's and Europe's transition to 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 (Tvistbogruvan), all in Sweden. The 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 supplementary documentation was submitted to the Land and Environment Court during the fourth quarter. The application and supplements (Swedish only) can be viewed in full under the tab "Tillståndsportalen" at www.copperstone.se.

AFTER THE END OF THE PERIOD

During the first quarter of 2023, Copperstone received requests for supplementary information from the Land and Environment Court regarding the environmental permit application. It contained a requirement for supplementary information applying to clarification of production terms, logistics, water-related issues, waste rock management and adaptation to the Seveso Directive. No further field surveys or modeling are deemed necessary to prepare these supplements, which will be submitted to the Land and Environment Court on March 17, 2023 at the latest.

GEOLOGY

Viscaria

2022 was the most active year in the company's history, particularly in environment and financing, but also geologically. During 2022, our geology team was expanded by 50 percent, thereby adding valuable skills, and core drilling of more than 28,000 meters was conducted, meaning that as much as 50,000 meters have been core drilled since the Viscaria acquisition in 2019. A large share of the core drillings are currently aimed at infill to raise the classification and support mine planning in the feasibility study that is being conducted with increasingly intense focus.

The B zone continues to provide indications of higher copper grades below historic shallow areas, which resulted in new mineralized shoots, in both shallow and larger depths that in turn could ultimately increase tonnage and lifetime. The D zone, which has not previously been mined, has now outgrown the A and B zones and is therefore currently the largest mineralized zone at Viscaria, with high grades and excellent anticipated yields of copper and iron. The D zone has, to date, shown copper and iron-bearing mineralization of almost 37 Mton and the magnetite has proven to be a reliable indication of copper sulphide mineralization in this area, which is why additional geophysical surveys are planned in order to study shallow mineralization along the direction and at depth. In addition, a 2.5D IP geographical survey was carried out for the entire Viscaria 101 area south of the E10 highway, which resulted in additional drilling targets for new mineralized zones laterally away from historic exploitation concession areas.

In conjunction with the resource upgrade that was announced during the fourth quarter, Copperstone Viscaria, as a result of core drilling and the increased geological understanding, has increased the measured and measured & indicated mineral resources by 43 percent and 23 percent, respectively. Accordingly, the core drillings of the past two years have probably secured future production in the Viscaria mine by a further 3–4 years. The company's ambition is to confirm this in the feasibility study currently being conducted.

Further agreements with core drilling suppliers have been signed, pertaining to work being conducted through December 2025. Core drilling based on the exploration permit for Viscaria 101 and Viscaria 107 is scheduled for winter 2023. The previously received exploitation concessions are found within Viscaria 101, and Viscaria 107 represents the southern extension of the D zone. The company is also planning continued regional exploration in Nikha East, Viscaria no 1, Goddevarri no 101 and Kirkkovaarti no 1, where a combined new interpretation of the structural lineaments and recently obtained soil anomalies provide a basis for conducting even more detailed geophysical surveys and core drilling.

Arvidsjaur

New work areas of exploration were defined in 2021/2022, primarily within the vast Sandberget 500 exploration permit. Several detailed FLEM Squid ground geophysical surveys were carried out in the areas that indicated shallow airborne EM anomalies, in order to verify the presence of potential stacked series of deeper conductors. Core drilling in the area, which, historically, has responded well to geophysical impulses, produced (due to the unusually favorable conductive capacity of the copper and gold), for example, excellent results in the 2018 campaign featuring 7,615 meters of core drilling, increasing Copperstone's Arvidsjaur assets in accordance with the PERC 2017 code from 5 Mton of copper-bearing rock to 26 Mton (Granliden Svartliden). The results of the FLEM campaign have defined a geophysical footprint of at least 1.8 km on the western side of the Sandberget 500 license, which could potentially mean new VMS mineralizations.

The ambition to convert the Eva mineral resources from a so-called historical resource to PERC 2017 remains and is still considered to be fully viable, although the work during the past quarter did not have the highest priority due to the Viscaria project's status and progress.

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 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.

During the third quarter, project planning commenced for the grinding circuit in the processing plant in cooperation with Orway mineral consulting and Geopöyrä, and this was completed in the fourth quarter. The aim is to identify the right crushers and milling equipment for the ore types found in Viscaria. Elsewhere, further metallurgical tests are being conducted to establish as optimal a process as possible for the future processing plant. The processing team was also strengthened during the period, by adding construction and engineering know-how.

During the fourth quarter, work commenced to prepare a flow chart for the processing plant in collaboration with Ausenco. Ausenco has long experience of developing processes for various ore types and the construction of processing plants throughout the world. The goal is to develop as efficient a process as possible, adapted to Copperstone's three ore zones.

INFRASTRUCTURE

For the purpose of facilitating work with infrastructure, exploration and other activities in the Viscaria area in the coming years, a decision was made to construct the company's 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 opened and named on November 11, which is almost exactly nine months since the project started.

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. The current maximum power output is set at 1 MW but can be gradually raised to 3.5 MW as required. The work to plan and install a transformer substation and high voltage switchgear for operating the entire mine is in progress with Vattenfall and ABB. The aim is to have a voltage feed from 150 kV of a total output of 70 MW completed during 2025.

The pilot facility for water purification was brought into operation at the end of November and was operated at full output of 100 m³/h in recirculation, entailing that the water was returned to the open cut lake after purification. The

water analyses shows that a high degree of purification was achieved, upon which the purified water was redirected to discharge into the recipient as of December 1. The flow was reduced to 70 m³/h, corresponding to the normal flow from the open cut lake.

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 6 percent 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.

During the fourth quarter, the analysis continued of such metrics as the company's emissions, energy consumption and social factors – 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

OCTOBER – DECEMBER 2022

During the fourth quarter of 2022, Copperstone's focus was primarily on the Viscaria Project. Capitalized exploration assets within the Group amounted to KSEK 639,503, corresponding to an increase of KSEK 185,140 from SEK 454,363 on December 31, 2021.

Net sales for the quarter were KSEK 0 (0) and the result after tax amounted to KSEK -9,114 (-4,475).

Cash flow for the quarter amounted to KSEK 143,287 (-45,603), mainly related to investments in core drilling at Viscaria, the water purification project, the infrastructure project "The bridge construction" at the entrance to Viscaria and the directed share issue of approximately MSEK 235 on October 21. Cash flow from operating activities, excluding investments and financing, was KSEK -5,911 (5,006). Net investments amounted to KSEK -82,880 (-47,846). Net cash flow from financing activities for the quarter was KSEK 232,078 (-2,763).

JANUARY – DECEMBER 2022

Net sales for the period were KSEK 0 (0) and the result before tax amounted to KSEK -22,328 (-16,249).

Cash flow for the period was KSEK 204,862 (123,339), 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 -16,527 (-24,157). Net investments amounted to KSEK -245,230 (-112,039), largely based on investments in core drilling at Viscaria and Arvidsjaur, environmental studies, as well as the infrastructure project "The bridge construction" at Viscaria. Net cash flow from financing activities for the period was KSEK 466,619 (259,535).

FINANCIAL POSITION AS PER DECEMBER 31, 2022

Assets as per December 31, 2022

Capitalized exploration assets increased 41 percent at the end of the period and amounted to MSEK 639 (454.4). Cash and cash equivalents at the end of the period totaled MSEK 329 (124).

Interest-bearing liabilities as per December 31, 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.

On the balance-sheet date, Norrlandsfonden held MSEK 21.56 worth of convertibles at an interest rate of STIBOR +5% per annum.

After the end of the period, in February 2023, Norrlandsfonden decided to continue to support Copperstone, this time with a convertible loan of MSEK 5.6 at STIBOR +5% annual interest rate and a conversion rate of SEK 1.61 per share until December 31, 2028. 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

OCTOBER – DECEMBER 2022

Net sales for the quarter were KSEK 0 (0) and the result before tax amounted to KSEK -8,883 (-4,333).

During the quarter, capitalized exploration assets amounted to KSEK 1,234 (725). Total operating expenses amounted to KSEK 13,221 (6,984).

JANUARY – DECEMBER 2022

Net sales for the period were KSEK 0 (0) and the result before tax amounted to KSEK -21,087 (-16,091). During the period, capitalized exploration assets amounted to KSEK 7,852 (2,235). Total operating expenses amounted to KSEK 36,002 (27,965).

OTHER INFORMATION

Employees

Under the Corporate Management of Chairman Jörgen Olsson and CEO Henrik Ager, Copperstone's management also includes Anna Tyni (CEO Copperstone Viscaria), Glenn Nilsson (Mining Manager), Anders Lundkvist (Head of Environment and Sustainability), Marcello Imaña (Chief Geologist) and Michael Mattsson (Head of Business Development). At the end of the period, the team consisted of a total of 31 employees, 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

On February 6, 2022, Copperstone had, according to the Mining Inspectorate of Sweden's Mineral Rights Register (MRR), six granted exploitation concessions and 13 exploration permits valid.

AWARDED EXPLOITATION CONCESSIONS						
NAME	AREA(ha)	VALID FROM	VALID TO	MINERAL	MUNICIPALITY	OWNER (100 %)
Svartliden K nr 1	36	2000-12-27	2025-12-27	lead, gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Viscaria K nr 3	116	2012-01-16	2037-01-16	gold, iron, copper, silver, zinc	Kiruna	Copperstone Viscaria AB
Viscaria K nr 4	30	2012-01-16	2037-01-16	gold, iron, copper, silver, zinc	Kiruna	Copperstone Viscaria AB
Tvistbogruvan K nr 1	11	2012-04-17	2037-04-17	lead, gold, copper, manganese, silver, tungsten, zinc	Smedjebacken	Copperstone Tvistbo AB
Eva K nr 1	34	2017-11-13	2042-11-13	lead, gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Viscaria K nr 7	64	2018-03-26	2043-03-26	copper	Kiruna	Copperstone Viscaria AB
Total (ha)	291					
APPLIED EXPLOITATION CONCESSION						
NAME	AREA(ha)	VALID FROM	VALID TO	MINERAL	MUNICIPALITY	OWNER (100 %)
Viscaria K nr 8	128			gold, iron, cobalt, copper, silver, vanadium, zinc	Kiruna	Copperstone Viscaria AB
Total (ha)	128					
AWARDED EXPLORATION PERMITS						
NAME	AREA(ha)	VALID FROM	VALID TO	MINERAL	MUNICIPALITY	OWNER (100 %)
Nihka East	144	2015-06-16	2023-06-16	copper	Kiruna	Copperstone Viscaria AB
Viscaria nr 101	1 472	2002-10-16	2023-07-07	copper	Kiruna	Copperstone Viscaria AB
Viscaria nr 107	1 843	2009-08-10	2023-08-10	copper	Kiruna	Copperstone Viscaria AB
Kirkkovaarti nr 1	386	2018-11-08	2023-11-08	copper, lead, zinc, iron, gold, silver	Kiruna	Copperstone Viscaria AB
Rengarde nr 1	3 517	2018-11-08	2023-11-08	copper, lead, zinc, iron, gold, silver	Kiruna	Copperstone Viscaria AB
Viscaria nr 112	1 945	2011-12-05	2023-12-05	copper	Kiruna	Copperstone Viscaria AB
Sandberget nr 500	7 641	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Sandberget nr 400	536	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Sandberget nr 300	19	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Sandberget nr 200	19	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur	Copperstone Resources AB
Goddevarri nr 101	148	2019-12-04	2024-12-04	copper, lead, zinc, iron, gold, silver	Kiruna	Copperstone Viscaria AB
Viscaria nr 1	819	2008-06-24	2025-06-24	copper	Kiruna	Copperstone Viscaria AB
Viscaria nr 117	4 987	2023-01-13	2026-01-13	gold, iron, cobalt, copper, molybden, nickel, silver	Kiruna	Copperstone Viscaria AB
Total (ha)	23 476					

*Information regarding Viscaria East is missing in the data from the Mining Inspectorate. The issue of the exploration permit's validity period is under review by the Mining Inspectorate.

- The Viscaria East exploration permit is, according to Copperstone's best assessment, still applicable, although it has temporarily been removed from MRR, since the Mining Inspectorate is processing the company's extension application. The company, in accordance with the judgment of the Administrative Court of Appeal, has updated the Mining Inspectorate on the expedient surveys conducted from June 9, 2020 through June 9, 2021 (the pandemic period) and Copperstone continues to be of the view that sufficiently active exploration work has been conducted to ensure that an extension of the Viscaria East exploration permit in accordance with the Minerals Act should be granted.
- Processing of the Viscaria 8 exploitation concession (comprising parts of Viscaria East and Viscaria 101) is in progress.
- In January 2023, Copperstone Viscaria AB was issued with the Viscaria 117 exploration permit, a significant area south of, but directly connected to, the Viscaria area. The company is planning of initial geophysical surveys and ultimately, the possibilities of locating concession minerals.
- In February 2023, Copperstone Viscaria AB applied for the Viscaria 118 exploration concession, a highly attractive mineral exploration area just north of the Viscaria mine and E10, formerly held by another player.
- For more information, visit the Copperstone website at www.copperstone.se.

Owners

As per December 30, 2022, the number of shares in issue was 1,534,302,356 (share capital SEK 153,430,235.6), distributed among about 15,000 shareholders. The largest owners, as per December 30, 2022, are set forth in the table below.

Shareholders as per December 30, 2022	Number of shares	Votes, %
Thomas von Koch via companies	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	43,478,261	2.8%
Avanza Pension	39,744,622	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	25,274,066	1.6%
Björn Israelsson	25,025,000	1.6%
Michael Mattsson	24,200,250	1.6%
AB Gespann	22,041,278	1.4%
SEB AB, Luxembourg	20,900,000	1.4%
Emanuel Lipschütz incl company	20,740,699	1.4%
Others	841,162,651	54.8%
Total	1,534,302,356	100.0%
If 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	82,849,848
Total possible dilution, warrants, number of shares	62,982,742
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, %	5.29%

Future outlook

Copperstone's financial position is solid, with a cash position of MSEK 329 at the end of the financial year and also a future contribution of MSEK 5.6 through a convertible issued to Norrlandsfonden. Essential working capital for 2023 and 2024 has therefore been secured. The Board's assessment is that Copperstone will be able to use long-term borrowing of around 60 percent for future financing of the mine and 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 strengthened (in relation to SEK) by more than 10 percent in 2022, 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

April 12, 2023	Publication of 2022 Annual Report
May 11, 2023	Publication of Q1 Report 2023
May 11, 2023	Annual General Meeting
August 17, 2023	Publication of Q2 Report 2023
November 17, 2023	Publication of Q3 Report 2023
March 1, 2024	Publication of 2023 Year-end Report

This report has not 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, March 8, 2023

Jörgen Olsson
Executive Chairman of the Board

Ing-Marie Andersson Drugge
Board Member

Jane Lundgren Eriksson
Board member

Lars Seiz
Board Member

Markus Petäjaniemi
Deputy Chairman of
the Board

Michael Mattsson
Board Member

Per Colleen
Board Member

Sven-Erik Bucht
Board Member

Henrik Ager
CEO

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 (KSEK)**

	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating revenue, etc.				
Capitalized expenditure for exploration	53,553	46,331	185,139	109,694
Other operating revenue	39	65	320	278
Total operating revenue	53,592	46,396	185,459	109,972
Operating expenses				
Other external costs	- 49,434	- 39,801	- 167,018	-98,522
Wages, salaries and other personnel costs	-11,257	-7,090	-32,427	-23,012
Amortization/depreciation and impairment	-1,384	-3,034	-5,420	-3,304
Other operating expenses	-333	-17	-838	-33
Total operating expenses	-62,408	-49,942	-205,703	-124,871
Operating result	-8,816	-3,546	-20,244	-14,899
Financial items				
Financial income	433	-	433	-
Financial expenses	-731	-929	-2,517	-1,350
Net financial items	-298	-929	-2,084	-1,350
Result before tax	-9,114	-4,475	-22,328	-16,249
Result for the period and comprehensive income	-9,114	-4,475	-22,328	-16,249
Number of shares				
Number of shares at the end of the period	1,534,302,356	1,117,018,694	1,534,302,356	1,117,018,694
Average number of shares	1,432,197,683	1,117,018,694	1,577,977,214	960,402,866
Earnings per share – before and after dilution, SEK*	-0.01	0.00	-0.01	-0.01

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

CONSOLIDATED BALANCE SHEET (KSEK)

	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for exploration	3	639,503	454,363
Total intangible assets		639,503	454,363
Tangible assets			
Buildings and land		2,225	990
Leasehold improvements		751	506
Right-of-use assets		16,699	18,703
Equipment, tools, fixtures and fittings		1,182	1,236
Construction in progress and advance payments for tangible assets	4	58,167	-
Total tangible assets		79,024	21,435
Financial assets			
Other non-current receivables		173	73
Total financial assets		173	73
Total fixed assets		718,700	475,871
Current assets			
Current receivables			
Accounts receivable		344	-
Other current receivables		10,097	5,948
Current tax receivables		390	-
Prepaid expenses and accrued income		5,009	831
Total current receivables		15,840	6,779
Cash and bank balances		329,153	124,291
Total current assets		344,993	131,070
TOTAL ASSETS		1,063,693	606,941
EQUITY AND LIABILITIES			
Equity			
Share capital	5	153,430	111,702
Other contributed capital		958,851	537,285
Retained earnings including result for the period		-126,072	-106,637
Total equity		986,209	542,350
Non-current liabilities			
Convertible loans	7	21,902	15,894
Lease liabilities	7	11,548	14,742
Total non-current liabilities		33,450	30,636
Current liabilities			
Accounts payable	7	24,262	18,214
Lease liabilities	7	5,296	3,873
Other current liabilities		4,478	1,818
Accrued expenses and deferred income		9,998	10,050
Total current liabilities		44,034	33,955
TOTAL EQUITY AND LIABILITIES		1,063,693	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
Convertible bonds			167		167
Warrants				2,274	2,274
Result for the period				-16,249	-16,249
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		41,728	427,031		468,759
Issue costs			-5,508		-5,508
Warrants				2,893	2,893
Convertible bonds			43		43
Result for the period				-22,328	-22,328
Closing balance, Dec 31, 2022		153,430	958,851	-126,072	986,209

**CONSOLIDATED STATEMENT OF
 CASH FLOWS (KSEK)**

	Note	Oct–Dec 2022	Oct–Dec 2021	Jan–Dec 2022	Jan–Dec 2021
Cash flow from operating activities					
Operating result before financial items		-8,818	-3,545	-20,244	-14,899
Adjustment for non-cash items		1,217	3,247	5,103	3,335
Interest received		433	-	433	
Interest paid		-565	-930	-1,966	-1,350
Income tax paid		-390	83	-390	-
Cash flow before changes in working capital		-8,123	-1,145	-17,064	-12,914
Increase/decrease accounts receivable		-344		-344	
Increase/decrease other current receivables		-7,230	-1,981	-8,327	-5,204
Increase/decrease accounts payable		2,862	2,058	6,048	7,760
Increase/decrease other current operating liabilities		6,924	6,074	3,160	-13,799
Cash flow from operating activities		-5,911	5,006	-16,527	-24,157
INVESTING ACTIVITIES					
Expenditure for exploration		-53,553	-46,331	-185,140	-109,694
Investments in tangible assets		-29,327	-1,515	-60,184	-2,345
Sales of tangible assets		-	-	21	-
Change in financial assets		-	-	73	-
Cash flow from investing activities		-82,880	-47,846	-245,230	-112,039
FINANCING ACTIVITIES					
New share issue		233,222	-	463,251	252,056
Convertible bonds	7	-	-	43	167
Warrants			471	2,893	2,274
Borrowings		-		5,455	8,460
Repayment of lease liabilities		-1,144	-3,234	-5,023	-3,422
Cash flow from financing activities		232,078	-2,763	466,619	259,535
Cash flow for the period		143,287	-45,603	204,862	123,339
Cash and cash equivalents at the beginning of the period		185,866	169,894	124,291	952
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		329,153	124,291	329,153	124,291

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

	Oct–Dec 2022	Oct–Dec 2021	Jan–Dec 2022	Jan–Dec 2021
Operating revenue, etc.				
Capitalized expenditure for exploration	1,234	725	7,852	2,235
Other revenue	3,235	2,228	8,308	10,317
Total operating revenue	4,469	2,953	16,160	12,552
Operating expenses				
Other external costs	-7,940	-5,185	-24,669	-19,911
Wages, salaries and other personnel costs	-5,248	-1,782	-11,247	-7,990
Depreciation/amortization and impairment	-5	-16	-23	-63
Other operating expenses	-28	-1	-63	-1
Total operating expenses	-13,221	-6,984	-36,002	-27,965
Operating result	-8,752	-4,031	-19,842	-15,413
Financial items				
Other interest income and similar profit/loss items	399	-	399	-
Interest expense and similar profit/loss items	-530	-302	-1,644	-678
Total financial items	-131	-302	-1,245	-678
Result before tax	-8,883	-4,333	-21,087	-16,091
Result for the period	-8,883	-4,333	-21,087	-16,091

BALANCE SHEET – PARENT COMPANY (KSEK)	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for exploration	3	69,864	62,012
Total intangible assets		69,864	62,012
Tangible assets			
Equipment, tools, fixtures and fittings		57	126
Total tangible assets		57	126
Financial assets			
Participations in Group companies		227,202	227,202
Other non-current receivables		47	48
Total financial assets		227,249	227,250
Total fixed assets		297,170	289,388
Current assets			
Current receivables			
Receivables from Group companies		409,757	159,400
Current tax receivables		376	
Other current receivables		517	378
Prepaid expenses and accrued income		373	365
Total current receivables		411,023	160,143
Cash and bank balances		297,077	108,420
Total current assets		708,100	268,563
TOTAL ASSETS		1,005,270	557,951
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	5	153,430	111,702
Fund for development reserve		50,758	42,906
Total Restricted equity		204,188	154,608
Non-restricted equity			
Share premium reserve		952,202	530,636
Retained earnings		-173,971	-150,028
Result for the period		-21,087	-16,091
Total non-restricted equity		757,144	364,517
TOTAL EQUITY		961,332	519,125
Non-current liabilities			
Convertible loans		21,902	15,894
Current liabilities			
Accounts payable		2,647	2,599
Liabilities to Group companies		14,505	17,174
Other current liabilities		3,019	931
Accrued expenses and deferred income		1,865	2,228
Total current liabilities		22,036	22,932
TOTAL EQUITY AND LIABILITIES		1,005,270	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

Apart from the warrants events (acquisition of warrants and redemption of warrants against shares in the 2019/2022 incentive program), no related-party transactions were noted during the financial year. Refer also to Note 6.

NOTE 3 CAPITALIZED EXPENDITURE FOR EXPLORATION

Group – (KSEK)

	Dec 31, 2022	Dec 31, 2021
Opening cost	473,593	363,885
Capitalized expenditure for the year	185,140	109,708
Closing accumulated cost	658,733	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	639,503	454,363

Parent Company – (KSEK)

	Dec 31, 2022	Dec 31, 2021
Opening cost	62,012	59,777
Capitalized expenditure for the year	7,852	2,235
Closing accumulated cost	69,864	62,012
Opening amortization	-	-
Closing accumulated amortization	-	-
Opening impairment	-	-
Impairment for the year	-	-
Closing accumulated impairment	-	-
Closing residual amount according to plan	69,864	62,012

During the 2022 financial year, the capitalized exploration and exploration assets increased by MSEK 185.14, which was largely related to project development investments for the Viscaria mine in Kiruna and also core drilling with the accompanying core physics and analysis for the Arvidsjaur project.

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

	Dec 31, 2022	Dec 31, 2021
Opening cost	-	-
Capitalized expenditure for the year	59,881	-
Reclassification	-1,714	-
Closing accumulated cost	58,167	-

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 417,283,662 shares and share capital of KSEK 41,216. Warrants were also exercised corresponding to 5,119,114 shares and share capital corresponding to KSEK 512. In total, the number of shares increased by 27.2% during the period. 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. During the second quarter, the Group's 2019/2022 incentive program ended and in connection with this warrants were exercised corresponding to 5,119,114 shares, at SEK 0.99 per share. In October, directed share issue was conducted totaling 204,209,347 shares at SEK 1.15 per share. The number of shares at the end of the period amounted to 1,534,302,356.

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	412,164,548	41,216
Exercise of warrants	5,119,114	512
Closing amount, December 31, 2022	1,534,302,356	153,430

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.

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

Total	850,472			620,845
2020/2023 Board	Number of shares	Strike price	Exercise until	SEK if exercised
Lars Seiz	1,417,454	1.17	July 24, 2023	1,658,421
Total	1,417,454			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	July 24, 2023	995,052
Glenn Nilsson	850,472	1.17	July 24, 2023	995,052
Other key individuals	2,000,000	1.17	July 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	4,110,000	1.65	Dec 18, 2025	6,781,500
Total	5,110,000			8,431,500
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 CEO and Group President				
Henrik Ager	10,000,000	1.65	Dec 18, 2025	16,500,000
Total	10,000,000			16,500,000

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 December 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	270	809	2,509	16,659	7,678
Lease liabilities	1,375	4,094	4,963	4,419	
Accounts payable and other liabilities	24,262				

NOTE 8 LEASES

Group – (KSEK)	Dec 31, 2022	Dec 31, 2021
Lease liabilities presented in the balance sheet are as follows:		
Non-current lease liabilities	11,548	14,742
Current lease liabilities	5,296	3,873
Total lease liabilities	16,844	18,615