

Kiruna, 7 November 2023

## INTERIM REPORT JANUARY-SEPTEMBER 2023

### JULY – SEPTEMBER 2023

- Net sales amounted to KSEK 0 (0).
- Profit for the period amounted to KSEK -4,237 (-3,696).
- Earnings per share before and after dilution amounted to SEK 0 (0).
- The Group's cash flow for the period amounted to KSEK -82,539 (-47,689).

### JANUARY – SEPTEMBER 2023

- Net sales amounted to KSEK 0 (0).
- Profit for the period for January-September amounted to KSEK -20,122 (-12,828).
- Earnings per share before and after dilution amounted to SEK -0.01 (-0.01).
- The Group's cash flow for the period amounted to KSEK 23,274 (61,575). The company's cash position was strengthened by KSEK 266 000, before issue costs, through a new share issue in June.
- The assets for capitalized exploration expenses amounted to KSEK 835,980 as of September 30, 2023 (639,503 as of December 31, 2022).
- Cash and cash equivalents amounted to KSEK 352,427 as of September 30, 2023 (329,153 as of December 31, 2022).
- Equity increased by 25.4 percent and amounted to KSEK 1,237,493 as of 30 September 2023 (986,551 as of 31 December 2022).
- Total assets as of September 30, 2023, amounted to KSEK 1,320,896 (1,063,693 as of December 31, 2022).

### SIGNIFICANT EVENTS DURING JULY-SEPTEMBER

- On August 14, it was announced that Henrik Ager will leave his position as CEO. In September, Henrik Ager was elected new member of Copperstone's Board of Directors.
- The Board of Directors appointed Jörgen Olsson as CEO of Copperstone, a position he took up on September 4, 2023. Jörgen Olsson had been executive Chairman of the Board since 2020. In connection with Jörgen Olsson taking over as CEO, Board member Per Colleen was appointed new Chairman of the Board.
- Copperstone is preparing to change listing from First North Growth Market to a listing on Nasdaq Stockholm, which is expected to take place around the turn of the year.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On October 19, changes to Group Management were announced. Anna Tyni was appointed deputy CEO. Peter Wihlborg was appointed new Head of Environment and Sustainability and Christopher Wikman new Head of Mine, as a result of natural succession. At the same time, Tove Thelin Täckdal, Head of Enrichment, and Thomas Nordmark, Head of Infrastructure and Logistics, joined Group Management. Anders Lundqvist, former Head of Sustainability, and Glenn Nilsson, former Head of Mine, will continue to work with the company and their long experience will continue to be valuable for Copperstone.

"Our solid work to reopen the Viscaria copper mine continued with high energy in the third quarter of the year. In the beginning of 2024, we aim to take important steps by presenting a pre-feasibility study and obtaining an environmental permit. During the quarter, we have worked on several parallel tracks to best achieve these important milestones. We want to be ready to start mining and have as good knowledge of the ore bodies as possible when the mine opens," said CEO Jörgen Olsson.

## COMMENTS FROM THE CEO

Our solid work to reopen the Viscaria copper mine continued with high energy in the third quarter of the year. In the beginning of 2024, we aim to take important steps by presenting a pre-feasibility study and obtaining an environmental permit. During the quarter, we have worked on several parallel tracks to best achieve these important milestones. We want to be ready to start mining and have as good knowledge of the ore bodies as possible when the mine opens.



### **Informative inspection of the area completed**

Our environmental permit application is complete, and we have a timetable for the remaining steps to obtain the important environmental permit. One of the steps in this process was the site inspection that took place on September 29. At the inspection, the Land and Environment Court (MMD) at Umeå District Court, other authorities and interested parties were able to see on site how our plans for the mine will take shape. The inspection is normally held in connection with the main hearing, but to ensure that the area was free of snow, it was held already in September.

### **Transparent process ahead of the main hearing in February**

The next formal step in the environmental permit application is the main hearing, which is scheduled to be held in February 2024. All the opinions received before the August deadline are available on our website under the Permit portal tab, and we expect to post the second round of opinions as soon as possible after the 8 January 2024 deadline. All to be as transparent as possible in the process. After the main hearing, which is expected to last three to four weeks, MMD will decide the case.

### **Process tests increase our knowledge**

During the quarter, we conducted several process tests to increase our knowledge of the ore bodies so that we can enrich them in the best possible way. Among other things, the tests form the basis for the economic calculation for Viscaria. The ore bodies are rich in copper and with the right preparatory work, the economic calculation is very good.

### **Drilling forms the basis for ambitious pre-feasibility study**

During the third quarter, an additional nearly 12,000 meters of core drilling was carried out, making a major contribution to increased knowledge of the deposit. The drilling provides a solid basis for the pre-feasibility study, including a resource upgrade, which we are conducting to verify and detail the project plan for the mine. The results of the drilling have been encouraging and will also be used to extend the life of the mine. By increasing the level of knowledge, we can convert inferred mineral resources into indicated and/or known mineral resources. The pre-feasibility study is expected to be completed shortly after the end of the year and will form the basis for our planned debt financing.

### **Aiming for a listing around the turn of the year**

During the quarter, we announced the ambition to list Copperstone on Nasdaq Stockholm around the turn of the year. The purpose of the move is to ensure that we can attract a broad circle of owners and facilitate future financing needs. As previously announced, the financing to restart Viscaria is estimated to consist of 60 percent debt and 40 percent new equity and amount to SEK 4.5–5 billion. We are working hard to meet the requirements of the stock exchange and look forward to ringing the stock exchange bell around the turn of the year. We appreciate the current verification of all our processes and procedures to ensure our delivery reliability. I look forward to getting back to you with updates on our progress.

*Jörgen Olsson, CEO Copperstone Resources*

## BUSINESS DEVELOPMENT DURING THE PERIOD

### ENVIRONMENTAL PERMIT

Copperstone Resources intends to resume mining operations at the Viscaria mine in Kiruna. The planned mining operations are subject to an environmental permit. The application for an environmental permit was submitted on 30 March 2022. It includes Copperstone's description and ambition of responsible modern mining by using the best available technology in terms of the impact of the mining operations on the local environment, in the enrichment plant and in transport and logistics solutions. In total, the application comprises approximately 4,000 pages and includes a plan for innovative water management and purification, recycling of valuable minerals in old tailings, as well as expected environmental effects, protective measures and compensatory measures for nature and reindeer husbandry.

The process for the necessary permits to start the Viscaria mine has taken important steps forward during the year.

According to the Environmental Code:

On 24 May 2023, the Land and Environment Court (MMD) announced Copperstone's environmental permit application and subsequently established a preliminary timetable for the remaining process in the Environmental Code permit. The main hearing is planned to take place in Kiruna in February 2024. As part of the process, MMD held a so-called inspection at the Viscaria copper mine on 29 September.

According to the Minerals Act:

On 30 June 2021, Copperstone applied for a land allocation from the Mining Inspectorate of Sweden (Bergsstaten) in favour of the processing concessions Viscaria K No. 3, Viscaria K No. 4 and Viscaria K No. 7 in Kiruna Municipality, in accordance with the provisions of Chapter 9, Minerals Act (1991:45). After a cadastral procedure meeting was held with property and interested parties on May 25 this year, the Chief Mining Inspector (bergmästaren) decided to grant Copperstone land allocation on June 29, 2023.

### GEOLOGY

#### Viscaria

The third quarter focused on completing the intensive exploration work that led to more than 27,000 meters of core drilling in the Viscaria area in the previous quarter, which is a record for a single quarter. The third quarter added an additional nearly 12,000 meters of drilling, which will be a major contribution to increased awareness of the discovery.

The focus of the explorations continued to be resource drilling (so-called infill drilling) aimed at increasing the level of knowledge of the deposit, i.e., converting inferred mineral resources into indicated and/or known mineral resources. During the third quarter, copper sulphide mineralisation in Viscaria's A- and B-zones was mainly investigated. The results are encouraging and will be used to extend the life of the Viscaria mine.

The new drilling information was analysed, interpreted, and compiled during the period in an updated geological model. New standardized estimation techniques were applied and will form the basis for the upcoming updates of the mineral resources. Methodology and reporting follow PERC standard, which is the international regulatory framework for reporting mineral resources and mineral reserves. As part of the continued appraisal of the deposit, an external review is being conducted by a so-called Competent Person who will make a final signing of the Mineral Resources.

During the period, exploration drilling was also carried out in adjacent areas to Viscaria. Several interesting prospects were investigated, including drilling within the Viscaria No. 107 exploration permit as a follow-up to results from geophysical surveys. The results from the drilling are being analysed and are expected to add additional assets to the company as part of the company's long-term geological strategy.

Application for extension of the exploration permit Viscaria nr. 107 were submitted during the month of August. In the application, the company describes a summary of the exploration work that has been done so far in the permit

area, which includes soil sampling as well as geophysical surveys, inversion models and diamond drilling programs. Investigations of the existing waste rock facility continued during the quarter. The rock fragments were analysed and continued work is currently underway to compile the results.

### Arvidsjaur

Continued work with the deposits in Arvidsjaur has been based on the new geological interpretation that was developed earlier in the year. According to an external review, the estimates have been further refined and the completion of reporting according to PERC standard is ongoing.



The preliminary results are positive and indicate that the Eva deposit consists of two mineralized domains: a zinc-gold (Zn-Au) domain and a gold-copper (Au-Cu) feeder zone (area from which the mineralization originates). Given the extent of the new geological interpretation, combined with the parallel work underway at Viscaria, a PERC mineral resource is planned for the processing concession Eva k No. 1 at the end of the year.

Among the most interesting exploration areas in Arvidsjaur are Eva and Västra Granliden. The ambition is to try to identify the gold around Eva (previously confirmed by Copperstone that it is a different origin than the zinc) and the significant geophysical anomaly at Västra Granliden, which has never been core drilled.

## PROCESSING

Preparatory work is still ongoing to create the best possible conditions for an efficient processing process, specially adapted to the different characteristics of the three ore zones. A schematic flowchart has been established and Copperstone continues with in-depth studies to increase the level of detail of the various components in the processing process. Extensive laboratory studies have been carried out and the company has been able to further refine the enrichment trials and adapt settings for the three different ore zones with positive results with both elevated yields and increased Cu levels in the concentrate. This has been done in connection with Copperstone's framing study together with Ausenco. The work with the pre-feasibility study is now in its final phase.

## INFRASTRUCTURE

The private entrance to the Viscaria area, from road E10, which includes a bridge over the railway Malmbanan and an upgraded and paved access road, has now been completed. The final inspection was held on 13 September and was approved in its entirety. The warranty period is five years with an extended warranty for the abrasive concrete on the bridge until 13 September 2030. The municipality has named the address Viscariavägen 10.

The work to develop a design for a high-voltage substation and switchgear and operation of the entire mine with ABB and Vattenfall has been completed. The goal is to have a voltage supply from 150 kV on a total output of 70 MW in operation by 1 November 2025. The next step is to enter into a connection agreement with Vattenfall and order a main transformer. Vattenfall has submitted a concession application to the Swedish Energy Markets Inspectorate (Ei) for the relocation of current high-voltage lines. A processing time of two years to a decision is common, therefore the start-up of Viscaria will most likely be done without rerouting the lines. The affected Sami communities, the Sami Parliament and SSR (Svenska Samerna Riksförbund) have requested consultation on the matter. Copperstone has requested to participate in the consultation, but no response or date has been announced.

The pilot plant for water treatment was temporarily taken out of operation after rockfalls were found in the open pits on the same side as the plant. A decision was therefore made to move the facility to a safer and more permanent location. Relocation of the plant was carried out in August and the water that is purified is taken from the northern mine entrance and discharged to the same recipient as before with a flow of 70 – 100 m<sup>3</sup>/h. For the permanent

facility with a capacity of 1,000 m<sup>3</sup>/h, a pre-feasibility study is underway to develop the technical solution, costs, and schedule.

Pre-planning of a new tailings pond, upgrading of the filtering pond and reinforcement of the existing tailings pond is ongoing. An important part of this work is that the construction of the new tailings pond is now divided into several smaller phases instead of a larger phase as was planned in the application. An investigation into further optimisations is underway if the construction needs to take place over only one snow-free season. Several questions regarding dam safety and environmental impact have been received from the Land & Environment Court and are in the process of being answered. In connection with this, some excavations are carried out in existing dams to verify and ensure its construction. During the autumn, staff from Copperstone were trained in GrukRIDAS, which is the Swedish industry organization Swemin's guidelines for dam safety.

The planning of the connection of the planned railway yard to the railway Malmbanan has started during the autumn. Continuous project meetings have started between the Swedish Transport Administration and Copperstone with the goal of having a railway yard and railway connection ready in September 2025.

The temporary project office of 700 m<sup>2</sup> spread over two floors has been put into operation inside the Viscaria area. The cabins and furniture are rented for three years.

## **MINE**

Together with SRK Consulting, work is underway to update the mine design and production plan according to the latest block model. Completion of the rock mechanical foundation for the pre-feasibility study is ongoing. Investigation of mining spaces in the old mine has been carried out with the help of drones equipped with 3D scanners to test the technology and learn more about the existing mine. Meetings with various suppliers for future communication and positioning solutions for the underground mine have been conducted.

Surveys of moraine and soil layers have been carried out on top of the B-zone to plan in detail for the uncovering of the B-zone open-pit mine.

Dialogue has been initiated with the municipal emergency services and other appropriate parties to create future cooperation regarding preparedness for fire and accidents, while Copperstone's own future organization regarding preparedness is under development.

## **SUSTAINABILITY**

Copperstone is pursuing genuine sustainability work. Therefore, it is required that the business is planned and implemented with solutions that provide good conditions to minimize negative impact on the environment.

When the Viscaria mine is commissioned, Copperstone will be one of the top five percent of the most climate-efficient copper mines in the world and thus be able to deliver sustainable and responsibly produced copper to the European market.

The company makes commitments in the environmental permit process with far-reaching purification processes, which means that a very large proportion of the discharge water will be purified to very low levels of pollutants during the lowering of water from the old mine and from the new mining area.

The waste rock deposits, which normally have a major impact on the landscape, will be designed and laid out using geomorphological design. This means a significant impact on the landscape during operation and with a faster return to natural conditions after completion of mining operations.

In 2022, the company's sustainability work was adopted, which includes seven focus areas with associated targets. The basis for the focus areas is based on the principles of ICM (International Council on Mining & Metals), Svemin's guidelines, TSM Protocols (Towards Sustainable Mining), the UN's Agenda 2030 and the UN Global Compact as well as data from the stakeholder dialogue and external analysis. The focus areas have been adopted by the management team and the board of directors and will guide the sustainability work in the coming years. Follow-up and reporting of the sustainability goals will continue in 2023.

The environmental work and preparations that are part of the process for approval of the environmental permit for the Viscaria mine are also ongoing. Read more about the permit work on the Permit portal at [www.copperstone.se](http://www.copperstone.se).

In April, Copperstone's annual report was published, where the results of the company's work in 2022 were presented, including the company's carbon dioxide emissions in scope 1 and 2, energy consumption and resource management. Copperstone's sustainability work can contribute to the UN's Sustainable Development Goals in various ways, read more about the sustainability work in the Annual Report 2022.

A sustainability policy is being developed to further strengthen and clarify goals and requirements for the business, both before the restart of the mine and when the company is in production.



## FINANCIAL INFORMATION – THE GROUP

### JULY – SEPTEMBER 2023

During the third quarter of 2023, Copperstone's main focus was on the restart of Viscaria. Assets for capitalized exploration investments within the Group amounted to KSEK 835,980, which corresponds to an increase of KSEK 196,477 from KSEK 639,503 as of 31 December 2022. Capitalized investments mainly consist of exploration work regarding mineral resources, as well as study work regarding construction and strengthening of dams, water treatment and development of the enrichment process. During the autumn, the work on the pre-feasibility study was intensified and is now in its final phase.

Net sales during the quarter amounted to KSEK 0 (0). Operating profit amounted to KSEK -8,276 (-3,154). Profit for the period amounted to KSEK -4,237 (-3,686) and earnings per share before and after dilution amounted to SEK 0 (0).

Cash flow during the quarter amounted to KSEK -82,539 (-47,689). Cash flow from operations, excluding investments and financing, amounted to KSEK -11,001 (-244). Net investments amounted to KSEK -70,328 (-49,265). Net cash flow from financing activities during the quarter amounted to KSEK -1,210 (1,820).

### JANUARY – SEPTEMBER 2023

Net sales during the period amounted to KSEK 0 (0) and operating profit amounted to KSEK -22,907 (-11,427). Profit for the period for January-September amounted to KSEK -20,122 (-12,828). Earnings per share before and after dilution amounted to SEK -0.01 (-0.01).

The Group's cash flow for the period amounted to KSEK 23,274 (61,575) and was mainly affected by the new issue and redemption of warrants on the financing side, accrued costs in investment activities for exploration drilling, process water and construction of a new bridge. Cash flow from operations, excluding investments and financing, amounted to KSEK -10,606 (-10,618). Net investments amounted to KSEK -234,025 (-162,349) and net cash flow from financing activities during the period amounted to KSEK 267,905 (234,542).

## FINANCIAL POSITION AS OF SEPTEMBER 30, 2023

### Assets as of September 30, 2023

Capitalized investments in exploration assets increased to KSEK 835,980 at the end of the period, an increase of 31 percent compared to KSEK 639,503 as of December 31, 2022.

Cash and cash equivalents at the end of the period amounted to KSEK 352,427 compared to KSEK 329,153 as of December 31, 2022.

### Interest-bearing liabilities as of September 30, 2023

As of the balance sheet date, Norrlandsfonden held convertible debentures of approximately KSEK 22,174 at an interest rate of STIBOR +5% nominally per annum. For more information about Norrlandsfonden's investments in Copperstone, please see [www.copperstone.se](http://www.copperstone.se) or the Group's Annual Report 2022.

## FINANCIAL INFORMATION – PARENT COMPANY

### JULY – SEPTEMBER 2023

Other operating income amounted to KSEK 3,110 (1,518) and profit for the period amounted to KSEK –3,813 (-3,449). Expenses for capitalized investments in exploration amounted to KSEK 593 (2,124). Total operating expenses amounted to KSEK -11,722 (-6,768).

### JANUARY – SEPTEMBER 2023

Other operating income for the period amounted to KSEK 8,790 (5,073) and the operating result amounted to KSEK -22,458 (-11,089). Expenses for capitalized investments in exploration amounted to KSEK 2,223 (6,618) during the period, which means that capitalized exploration assets were KSEK 72,087 as of September 30. The Parent Company's capitalized expenses relate to continued work on the deposits in Arvidsjaur. Profit for the period amounted to KSEK -19,132 (-11,818).

## SIGNIFICANT EVENTS

### SIGNIFICANT EVENTS DURING THE PERIOD

- On August 14, it was announced that Henrik Ager will leave his position as CEO. In September, Henrik Ager was elected new member of Copperstone's Board of Directors.
- The Board of Directors appointed Jörgen Olsson as CEO of Copperstone, a position he took up on September 4, 2023. Jörgen Olsson has been Executive Chairman of the Board since 2020. In connection with Jörgen Olsson taking over as CEO, Board member Per Colleen was appointed Chairman of the Board.
- Copperstone is preparing to change listing from First North Growth Market to a listing on Nasdaq Stockholm around the turn of the year.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On October 19, changes to Group Management were announced. Anna Tyni was appointed Deputy CEO. Peter Wihlborg was appointed new Head of Environment and Sustainability and Christopher Wikman new Head of Mine, as a result of natural succession. At the same time, Tove Thelin Täckdal, Head of Enrichment, and Thomas Nordmark, Head of Infrastructure and Logistics, joined Group Management. Anders Lundqvist, former Head of Sustainability, and Glenn Nilsson, former Head of Mine, will continue to work with the company and their long experience will continue to be valuable for Copperstone.

## OTHER INFORMATION

### COLLABORATOR

Under the leadership of President and CEO Jörgen Olsson, the company's group management, since October 19, 2023, consists of Anna Tyni (Deputy CEO), Frida Keskitalo (CFO), Karin Lindgren (Head of Geology), Michael Mattsson (Head of Business Development), Emma Mäkitaavola (Head of Project Office), Thomas Nordmark (Head of Infrastructure and Logistics), Tove Thelin Täckdal (Head of Enrichment), Peter Wihlborg (Head of Environment and Sustainability and Christopher Wikman (Head of Mine). At the end of the period, the team consisted of a total of 35 employees, plus a number of additional environmental and mine planning consultants on a temporary basis during the environmental permit process and the work on the pre-feasibility study. Thomas Lindholm, Geovista, is the Group's qualified person according to the Fennoscandian Association for Minerals and Metals Professionals and is also a Fellow of AusIMM, which means that he is authorized to report in accordance with both the PERC and JORC regulations.



## PROCESSING CONCESSIONS AND EXPLORATION PERMITS

As of November 2, 2023, according to the Mining Inspectorate of Sweden's Mineral Rights Register (Bergsstatens mineralrättsregister, MRR), Copperstone owned six granted processing concessions and 15 exploration permits.

### PROCESSING CONCESSIONS GRANTED

NAME	AREA HA	VALID FROM	VALID UNTIL	MINERAL	MUNICIPALITY
Viscaria K no. 3	115,7	2012-01-16	2037-01-16	gold, iron found in bedrock, copper, silver, zinc	Kiruna
Viscaria K no. 4	30,0	2012-01-16	2037-01-16	gold, iron found in bedrock, copper, silver, zinc	Kiruna
Viscaria K no. 7	63,8	2018-03-26	2043-03-26	copper	Kiruna
Eva K nr 1	34,2	2017-11-13	2042-11-13	lead, gold, copper, silver, zinc	Arvidsjaur
Svartliden K nr 1	36,0	2000-12-27	2025-12-27	lead, gold, copper, silver, zinc	Arvidsjaur
Tvistbogruvan K nr 1	11,4	2012-04-17	2037-04-17	lead, gold, copper, manganese, silver, tungsten, zinc	Smedjebacken
<b>Total (ha)</b>	<b>291,2</b>				

### EXPLORATION PERMITS GRANTED

NAME	AREA HA	VALID FROM	VALID UNTIL	MINERAL	MUNICIPALITY
Viscaria No. 119	1408,5	2023-11-01	2026-11-01	gold, iron found in the bedrock, copper	Kiruna
Viscaria No. 118	9,0	2023-03-29	2026-03-29	gold, copper	Kiruna
Viscaria No. 117	4 986,5	2023-01-13	2026-01-13	gold, iron occurring in bedrock, cobalt, copper, molybdenum, nickel, silver	Kiruna
Goddevarri nr 101	148,4	2019-12-04	2024-12-04	lead, gold, iron occurring in the bedrock, copper, silver, zinc	Kiruna
Rengarde No. 1	3 517,3	2018-11-08	2023-11-08	lead, gold, iron occurring in the bedrock, copper, silver, zinc	Kiruna
Kirkkovaarti No. 1	386,4	2018-11-08	2023-11-08	lead, gold, iron occurring in the bedrock, copper, silver, zinc	Kiruna
Viscaria East	211,9	2017-06-09	2025-06-09	copper	Kiruna
Nihka East	144,1	2015-06-16	2023-06-16	copper	Kiruna
Viscaria No. 112	1 944,8	2011-12-05	2023-12-05	copper	Kiruna
Viscaria No. 107	1 842,8	2009-08-10	2023-08-10	copper	Kiruna
Viscaria No. 1	818,7	2018-11-08	2023-11-08	lead, gold, iron occurring in the bedrock, copper, silver, zinc	Kiruna
Sandberget no 500	7641,0	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur
Sandberget no 400	535,6	2019-02-11	2024-02-11	gold, copper, silver, zinc	Arvidsjaur
Sandberget no 300	18,7	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur
Sandberget no 200	19,2	2012-10-03	2024-10-03	gold, copper, silver, zinc	Arvidsjaur
<b>Total (ha)</b>	<b>23 632,9</b>				

All granted processing concessions and granted exploration permits are 100 percent owned by Copperstone Resources AB, Copperstone Viscaria AB or Copperstone Tvistbo AB.

During the second and third quarters, the company has carried out active resource drilling (infill, for the feasibility study) within the Viscaria 3, 4 and 7 processing concessions, as well as significant geophysical campaigns with subsequent core drilling regionally within Nikha East, Viscaria 101 and Viscaria 107. During the summer, the exploration permit has been extended for Nikha East and during the third quarter, permits have also been extended (107) and re-granted for (Viscaria 101 to 119). In all three areas, copper pyrite has been found, with varying levels. The exploration permit for Rengarde No. 1 expires on November 8, and is not intended to be extended. The company's management is confident that the Viscaria deposit will eventually grow well beyond the three current concession areas.

## SHAREHOLDERS

As of September 30, 2023, the number of issued shares amounted to 1,801,606,824, each with a quota value of SEK 0.10. The total share capital amounted to SEK 180,160,682.

The number of shareholders was 17,680 as of September 30, 2023. The largest shareholders are listed in the table below.

Shareholders as of 30 September 2023	Number of shares	Capital & votes, %
Thomas von Koch via bolag	184 339 700	10,8%
JRS Asset Management AB on behalf of clients	103 728 355	5,8%
Joheco AB	71 000 000	3,9%
Håkan Roos (RoosGruppen)	66 489 850	3,7%
Jan Ståhlberg	64 669 850	3,6%
Avanza Pension	54 102 912	3,0%
Nordnet Pension Insurance	50 703 586	2,8%
Mikael Wirén	44 759 776	2,5%
Handelsbanken Funds	42 056 075	2,3%
Fourth Swedish National Pension Fund	42 056 074	2,3%
Santhe Dahl	39 568 549	2,2%
Future Pension	38 969 440	2,2%
Svante Wedman (incl. company)	26 941 278	1,5%
Skandinavkonsult i Stockholm AB	26 000 000	1,4%
Björn Israelsson	25 205 000	1,4%
Henrik Raalskov Petersen	25 139 114	1,4%
Michael Mattsson	22 669 120	1,3%
Life Insurance Skandia	21 331 038	1,2%
Skandia Funds	20 725 037	1,2%
Handelsbanken Life Insurance AB	20 015 713	1,1%
<b>A total of 20 largest shareholders</b>	<b>990 470 467</b>	<b>55,6%</b>
<b>Other</b>	<b>811 136 357</b>	<b>44,4%</b>
<b>Total number of shares</b>	<b>1 801 606 824</b>	<b>100%</b>

Source: Modular Finance AB.

### Planning a change of listing to Nasdaq Stockholm, reverse split of shares

Copperstone is planning for a listing of the company's shares on Nasdaq Stockholm. Preparations are underway and the ambition is that a listing can take place around the turn of the year. Copperstone's shares are currently listed on First North Growth Market.

The Board of Copperstone proposes a reverse split of the company's shares, whereby 20 existing shares in the company are merged into 1 share. The proposal will be decided at an extraordinary general meeting on November 30, 2023. After the reverse split, the number of outstanding shares in the company will amount to 90,080,342, with a quota value of SEK 2.00 per share.

## **FUTURE OUTLOOK**

Copperstone's financial position is solid, with a cash position of just over SEK 352 million at the end of the third quarter. Essential working capital has thus been secured for the current year and large parts of the next financial year. The Board of Directors' assessment is that Copperstone will be able to use long-term borrowing of approximately 60 percent for future financing of the mine and processing plant.

The copper price is relatively steady, albeit slightly increased volatility because of recent global uncertainty. Short-term fluctuations in copper prices and currencies are not expected to affect the company in the ongoing preparation phase. The price of copper (London Metal Exchange) has risen by about 30 percent over the past five years. In a longer-term perspective, a large demand gap for copper remains. In addition, Copperstone benefits from the trend for more locally produced minerals as well as a long-term increase in demand from future European customers. In the medium to long term, the demand for responsibly produced copper in the EU is expected to increase further.

## **MATERIAL RISKS AND UNCERTAINTIES**

Mineral exploration is a high-risk, high-reward activity where only a few of the evaluated projects may lead to producing mines. The exploration results are continuously evaluated by the company and there is no guarantee that exploration of mineralization will lead to commercial production in Kiruna, Arvidsjaur or Smedjebacken. There is no guarantee that the Group will be able to generate sufficient funds to finance continued operations. Failure by the Group to generate funds at the right time may result in postponed investigations, downsized or terminated operations. A more detailed description of the Group's risks and uncertainties can be found in the 2022 Annual Report. The Board of Directors believes that the progress made since the Viscaria acquisition was made in 2019 and the intensified development of the project in recent times have significantly reduced the risks.

## **THE GROUP'S SUBSIDIARIES**

Copperstone Resources AB owns the following four subsidiaries (100%): Copperstone Viscaria AB, Copperstone Arvidsjaur AB, Copperstone Tvistbo AB and Copperstone Incentive AB. For more information on the Group structure and subsidiaries, please see the Annual Report for 2022.

## **ACCOUNTING AND VALUATION PRINCIPLES**

See Note 1.

**Kiruna, 7 November 2023**

*Jörgen Olsson*  
CEO

## AUDITOR'S REPORT

Copperstone Resources AB (publ) org. nr. 556704-4168

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### Introduction

We have reviewed the condensed interim financial information (interim report) for Copperstone Resources AB (publ) as of 30 September 2023 and the nine months period ended on this date. The Board of Directors and the CEO are responsible for preparing and presenting this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Entity's Selected Auditor. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, performing analytical procedures and performing other review procedures. A review has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with ISAs and generally accepted accounting principles. The audit procedures performed in a review do not make it any less possible for us to obtain assurance sufficient to make us aware of all material matters that could have been identified if an audit had been performed. Therefore, the conclusion based on a review does not have the assurance that an explicit conclusion based on an audit has.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material respects, been prepared for the Group in accordance with IAS34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm den 7 November 2023

Öhrlings PricewaterhouseCoopers AB

Martin Johansson  
Authorized Public Accountant

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

	July-Sep	July-Sep	Jan-Sep	Jan-Sep	Jan-Dec
	2023	2022	2023	2022	2022
<b>Operating revenue and capitalized expenditures</b>					
Other operating revenue	46	81	443	281	320
Capitalized expenditures on exploration and appraisal assets	60 354	38 644	196 477	131 586	185 139
<b>Total operating revenue and capital expenditures</b>	<b>60 400</b>	<b>37 725</b>	<b>196 920</b>	<b>131 867</b>	<b>185 459</b>
<b>Operating expenses</b>					
Other external costs	-56 485	-33 934	-178 668	-117 584	-167 018
Employee benefit costs	-10 279	-6 449	-35 015	-21 169	-32 427
Depreciation and amortization of intangible and tangible assets	-1 696	-1 346	-4 688	-4 036	-5 420
Other operating expenses	-216	-150	-1 456	-505	-838
<b>Total operating expenses</b>	<b>-68 676</b>	<b>-41 879</b>	<b>-219 827</b>	<b>-143 294</b>	<b>-205 703</b>
<b>Operating profit</b>	<b>-8 276</b>	<b>-3 154</b>	<b>-22 907</b>	<b>-11 427</b>	<b>-20 244</b>
<b>Financial items</b>					
Financial income	4 209	-	4 217	-	433
Financial expenses	-205	-532	-1 496	-1 401	-1 966
<b>Net financial items</b>	<b>4 004</b>	<b>-532</b>	<b>2 721</b>	<b>-1 401</b>	<b>-1 533</b>
<b>Profit before tax</b>	<b>-4 272</b>	<b>-3 686</b>	<b>-20 186</b>	<b>-12 828</b>	<b>-21 777</b>
Tax on profit for the period	35	-	64	-	-
Other comprehensive income	-	-	-	-	-
<b>Profit for the period and comprehensive income</b>	<b>-4 237</b>	<b>-3 686</b>	<b>-20 122</b>	<b>-12 828</b>	<b>-21 777</b>
<b>Attributable to:</b>					
Shareholders of the Parent Company	-4 237	-3 686	-20 122	-12 828	-21 777
<b>Earnings per share-- before and after dilution, SEK*</b>	<b>-0,00</b>	<b>-0,00</b>	<b>-0,01</b>	<b>-0,01</b>	<b>-0,01</b>

\* There are warrant programs and convertible loans which may result in dilution, but then profit for the period is negative, no dilution effect occurs. See note 6 on page 20.

<b>Number of shares</b>	<b>30-Sep-23</b>	<b>30-Sep-22</b>	<b>31-Dec-22</b>
Number of shares at the end of the period	1 801 606 824	1 330 093 009	1 534 302 356
Average number of shares from January 1	1 582 245 125	1 271 116 742	1 314 981 011

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (KSEK)**

	Note	30-Sep-23	30-Sep-22	31-Dec-22
<b>ASSETS</b>				
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Capitalized expenditure on exploration and appraisal assets	3	835 980	585 949	639 503
<b>Total intangible assets</b>		<b>835 980</b>	<b>585 949</b>	<b>639 503</b>
<b>Tangible assets</b>				
Mining Infrastructure		2 044	910	2 225
Leasehold improvements		602	426	751
Right-of-use assets		19 220	16 929	16 699
Equipment, tools and installations		1 541	1 261	1 182
Construction in progress and advance payments for tangible assets	4	95 085	30 555	58 167
<b>Total tangible assets</b>		<b>118 492</b>	<b>50 081</b>	<b>79 024</b>
<b>Financial assets</b>				
Deferred tax assets		184	-	-
Other long-term receivables		173	173	173
<b>Total financial fixed assets</b>		<b>357</b>	<b>173</b>	<b>173</b>
<b>Total fixed assets</b>		<b>954 829</b>	<b>636 203</b>	<b>718 700</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Accounts receivable		-	-	344
Current tax assets		929	-	390
Other current receivables		10 504	6 981	10 097
Prepaid expenses and accrued income		2 207	895	5 009
<b>Total current receivables</b>		<b>13 640</b>	<b>7 876</b>	<b>15 840</b>
<b>Cash and cash equivalents</b>		<b>352 427</b>	<b>185 866</b>	<b>329 153</b>
<b>Total current assets</b>		<b>366 067</b>	<b>193 742</b>	<b>344 993</b>
<b>TOTAL ASSETS</b>		<b>1 320 896</b>	<b>829 945</b>	<b>1 063 693</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	5	180 161	133 009	153 430
Other contributed capital		1 202 517	745 841	958 642
Retained earnings including profit for the period		-145 185	-116 574	-125 521
<b>Total equity</b>		<b>1 237 493</b>	<b>762 276</b>	<b>986 551</b>
<b>Non-current liabilities</b>				
Convertible loans	7	22 174	21 559	21 560
Lease liabilities	7	12 074	12 223	11 548
<b>Total non-current liabilities</b>		<b>34 248</b>	<b>33 782</b>	<b>33 108</b>
<b>Current liabilities</b>				
Accounts payable	7	25 310	21 400	24 262
Leasing debt	7	7 563	4 768	5 296
Other current liabilities		3 394	2 069	4 478
Accruals and deferred income		12 888	5 650	9 998
<b>Total current liabilities</b>		<b>49 155</b>	<b>33 887</b>	<b>44 034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 320 896</b>	<b>829 945</b>	<b>1 063 693</b>

**GROUP CHANGE IN EQUITY (KSEK)**

	Note	Share capital	Other Contributed capital	Retained profit, incl. profit for the period	Total equity
<b>Opening balance 1/1/2022</b>	<b>5,6,7</b>	<b>111 702</b>	<b>537 285</b>	<b>-106 637</b>	<b>542 350</b>
Rectification of convertible bond		-	-167		-167
<b>Adjusted opening balance 1/1 2022</b>		<b>111 702</b>	<b>537 118</b>	<b>-106 637</b>	<b>542 183</b>
New share issue		20 795	208 056		228 851
Issue costs, net after tax			-3 692		-3 692
Warrants			-	4 513	4 513
Profit for the period			-	-3 740	-3 740
<b>Closing balance 31/03/2022</b>		<b>132 497</b>	<b>741 482</b>	<b>-105 864</b>	<b>768 115</b>
New share issue		512	4 556		5 068
Issue costs, net after tax			-198		-198
Convertible bonds			43		43
Rectification of convertible bond			-43		-43
Warrants			-	-4 556	-4 556
Profit for the period			-	-5 403	-5 403
<b>Closing balance 30/06/2022</b>		<b>133 009</b>	<b>745 840</b>	<b>-115 823</b>	<b>763 026</b>
Warrants				2 935	2 935
Profit for the period				-3 686	-3 686
<b>Closing balance 30/09/2022</b>		<b>133 009</b>	<b>745 840</b>	<b>-116 574</b>	<b>762 275</b>
New share issue		20 421	214 419		234 840
Issue costs, net after tax			-1 618		-1 618
Rectification of convertible bond			1	-1	-
Warrants			-	-	-
Profit for the period				-8 948	-8 948
<b>Closing balance 31/12/2022</b>		<b>153 430</b>	<b>958 642</b>	<b>-125 523</b>	<b>986 549</b>

  

	Note	Share capital	Other Contributed capital	Balanced Results incl. Profit for the period	Total equity
<b>Opening balance 1/1/2023</b>	<b>5,6,7</b>	<b>153 430</b>	<b>958 642</b>	<b>-125 523</b>	<b>986 549</b>
Warrants				202	202
Convertible bonds		779	4 280		5 059
Rectification of convertible debenture			-59		-59
Profit for the period				-7 427	-7 427
<b>Closing balance 31/03/2023</b>		<b>154 209</b>	<b>962 863</b>	<b>-132 748</b>	<b>984 324</b>
New share issue		24 860	241 140		266 000
Issue costs, net after tax			-8 363		-8 363
Warrants		1 092	6 877	150	8 119
Profit for the period				-8 458	-8 458
<b>Closing balance 30/06/2023</b>		<b>180 161</b>	<b>1 202 517</b>	<b>-141 056</b>	<b>1 241 622</b>
Warrants				108	108
Profit for the period				-4 237	-4 237
<b>Closing balance 30/09/2023</b>		<b>180 161</b>	<b>1 202 517</b>	<b>-145 185</b>	<b>1 237 493</b>

**CONSOLIDATED CASH FLOW (KSEK)**

	July-Sep 2023	July-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>OPERATING ACTIVITIES</b>					
Operating result before financial items	-8 276	-3 154	-22 907	-11 427	-20 244
Adjustment for non-cash items etc.	1 354	1 345	4 686	4 270	5 101
Interest received	4 209	-	4 217	-	433
Interest paid	-205	-531	-1 496	-1 401	-1 966
Income tax paid	-239	-	-659	-	-390
<b>Cash flow before changes in working capital</b>	<b>-3 157</b>	<b>-2 340</b>	<b>-16 159</b>	<b>-8 558</b>	<b>-17 066</b>
Increase/decrease accounts receivable	-	-	344	-	-344
Increase/decrease other current receivables	2 891	2 763	2 395	-1 097	-8 327
Increase/decrease accounts payable	-1 287	-2 803	1 048	3 186	6 048
Increase/decrease other current operating liabilities	-9 448	2 136	1 766	-4 149	3 160
<b>Cash flow from operating activities</b>	<b>-11 001</b>	<b>-244</b>	<b>-10 606</b>	<b>-10 618</b>	<b>-16 529</b>
<b>INVESTING ACTIVITIES</b>					
Investments in exploration and appraisal assets	-60 354	-38 644	-196 477	-131 586	-185 140
Investments in tangible assets	-9 974	-10 621	-37 548	-30 857	-60 184
Sale of tangible assets	-	-	-	21	21
Change in financial assets	-	-	-	73	73
<b>Cash flow from investing activities</b>	<b>-70 328</b>	<b>-49 265</b>	<b>-234 025</b>	<b>-162 349</b>	<b>-245 230</b>
<b>FINANCING ACTIVITIES</b>					
New share issue	-	-	257 637	230 029	463 251
Warrants	107	2 935	8 428	2 892	2 893
New/utilized loans	-	-	5 614	5 500	5 500
Amortisation of lease liability	-1 317	-1 115	-3 774	-3 879	-5 023
<b>Cash flow from financing activities</b>	<b>-1 210</b>	<b>1 820</b>	<b>267 905</b>	<b>234 542</b>	<b>466 621</b>
<b>Cash flow for the period</b>	<b>-82 539</b>	<b>-47 689</b>	<b>23 274</b>	<b>61 575</b>	<b>204 862</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>434 966</b>	<b>233 555</b>	<b>329 153</b>	<b>124 291</b>	<b>124 291</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>352 427</b>	<b>185 866</b>	<b>352 427</b>	<b>185 866</b>	<b>329 153</b>



**PARENT COMPANY INCOME STATEMENT (KSEK)**

	July-Sep 2023	July-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
<b>Operating revenue and capitalized expenditures</b>					
Other operating revenue	3 110	1 518	8 790	5 073	8 308
Capitalized expenditures on exploration and appraisal assets	593	2 124	2 223	6 618	7 852
<b>Total operating revenue and capitalized expenditures</b>	<b>3 903</b>	<b>3 642</b>	<b>11 013</b>	<b>11 691</b>	<b>16 160</b>
<b>Operating expenses</b>					
Other external costs	-7 434	-5 165	-19 164	-16 729	-24 669
Personnel costs	-4 282	-1 592	-14 285	-5 999	-11 247
Depreciation and amortization of intangible and tangible assets	-6	-6	-18	-18	-23
Other operating expenses	-	-5	-4	-34	-63
<b>Total operating expenses</b>	<b>-11 722</b>	<b>-6 768</b>	<b>-33 471</b>	<b>-22 780</b>	<b>-36 002</b>
<b>Operating income</b>	<b>-8 019</b>	<b>-3 126</b>	<b>-22 458</b>	<b>-11 089</b>	<b>-19 842</b>
<b>Financial items</b>					
Other interest income and similar profit/loss items	4 207	-	4 208	-	399
Interest expenses and similar profit/loss items	-1	-323	-882	-729	-1 093
<b>Total financial items</b>	<b>4 206</b>	<b>-323</b>	<b>3 326</b>	<b>-729</b>	<b>-694</b>
<b>Profit before tax</b>	<b>-3 813</b>	<b>-3 449</b>	<b>-19 132</b>	<b>-11 818</b>	<b>-20 536</b>
<b>Profit for the period and comprehensive income</b>	<b>-3 813</b>	<b>-3 449</b>	<b>-19 132</b>	<b>-11 818</b>	<b>-20 536</b>

PARENT COMPANY BALANCE SHEET (KSEK)	Note	30-Sep-23	30-Sep-22	31-Dec-22
<b>ASSETS</b>				
<b>Fixed assets</b>				
<b>Intangible assets</b>				
Capitalized expenditure on exploration and appraisal assets	3	72 087	68 630	69 864
<b>Total intangible assets</b>		<b>72 087</b>	<b>68 630</b>	<b>69 864</b>
<b>Tangible assets</b>				
Equipment, tools and installations		39	62	57
<b>Total tangible assets</b>		<b>39</b>	<b>62</b>	<b>57</b>
<b>Financial assets</b>				
Participations in Group companies		227 202	227 202	227 202
Other non-current receivables		47	47	47
<b>Total financial fixed assets</b>		<b>227 249</b>	<b>227 249</b>	<b>227 249</b>
<b>Total fixed assets</b>		<b>299 375</b>	<b>295 941</b>	<b>297 170</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Receivables from Group companies		630 473	307 813	409 757
Current tax receivables		729	-	376
Other current receivables		858	1 546	517
Prepaid expenses and accrued income		375	377	373
<b>Total current receivables</b>		<b>632 435</b>	<b>309 736</b>	<b>411 023</b>
<b>Cash and cash equivalents</b>		<b>326 934</b>	<b>171 324</b>	<b>297 077</b>
<b>Total current assets</b>		<b>959 369</b>	<b>481 060</b>	<b>708 100</b>
<b>TOTAL ASSETS</b>		<b>1 258 744</b>	<b>777 001</b>	<b>1 005 270</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
Share capital	5	180 161	133 009	153 430
Fund for development reserve		52 981	49 524	50 758
<b>Total restricted equity</b>		<b>233 142</b>	<b>182 533</b>	<b>204 188</b>
<b>Non-restricted equity</b>				
Share premium reserve		1 195 867	739 192	951 992
Retained earnings		-196 730	-172 737	-173 971
Profit for the period		-19 132	-11 818	-20 536
<b>Total non-restricted equity</b>		<b>980 005</b>	<b>554 637</b>	<b>757 485</b>
<b>Total equity</b>		<b>1 213 147</b>	<b>737 170</b>	<b>961 673</b>
<b>Non-current liabilities</b>				
Convertible loans		22 174	21 559	21 560
<b>Current liabilities</b>				
Accounts payable		4 832	2 044	2 647
Liabilities to group companies		14 505	14 505	14 505
Current tax liabilities		-	-	-
Other current liabilities		1 718	808	3 019
Accrued expenses and deferred income		2 368	915	1 866
<b>Total current liabilities</b>		<b>23 423</b>	<b>18 272</b>	<b>22 037</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 258 744</b>	<b>777 001</b>	<b>1 005 270</b>

## NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board RFR 1 and, for the Parent Company, RFR 2. The same accounting principles and calculation methods were used in the 2022 annual report. The consolidated financial statements have been prepared in accordance with the European Union (EU)-approved International Financial Reporting Standards (IFRS).

### *New and amended standards applied by the group*

The new and amended standards applicable for financial years beginning on January 1, 2023, have not had a material impact on the group's financial reports.

### *New and amended standards not yet applied by the group*

Several new standards and interpretations will come into effect for financial years beginning after January 1, 2023, and later and have not been applied in the preparation of this financial report.

In connection with the preparation of the financial statements as of June 30, 2023, an error has been noted in the calculation of present value of convertible bonds, which has been corrected in this report. The comparative figures have been recalculated.

The Group has issued warrants to the Board of Directors, senior executives, and key employees. Fair value has been paid for the options; this option premium is reported as retained earnings. The holder can only receive shares upon redemption. Upon exercise of the options, the exercise price will be reported against equity.

For a more detailed description of the accounting and measurement principles applied to the consolidated financial statements and to the Parent Company in this interim report, see the Annual Report 2022.

## NOTE 2 RELATED-PARTY TRANSACTIONS

KSEK	Supplier	Related party	Jan-Sep 2023	Jan-Dec 2022
Carpentry services	Åkerström Bygg & Inredning AB	Deputy CEO Anna Tyni	94	290
Apartment rental	Joheco AB	CEO Jörgen Olsson	133	-
<b>Total</b>			<b>227</b>	<b>290</b>

The authorisation decision has been made in accordance with the company's policy on related party transactions.

## NOTE 3 CAPITALIZED EXPENSES RELATED TO EXPLORATION AND APPRAISAL ASSETS

KSEK	Group	
	30-Sep-2023	31-Dec-2022
<b>Opening cost</b>	<b>658 733</b>	<b>473 593</b>
Capitalized expenses for the year	196 477	185 140
Closing accumulated cost	855 210	658 733
Opening amortisation	-544	-544
Closing accumulated amortisation	-544	-544
Opening impairment	-18 686	-18 686
Closing accumulated impairment	-18 686	-18 686
<b>Closing residual value according to plan</b>	<b>835 980</b>	<b>639 503</b>

During the year up until the end of September, the work has continued with the goal of start mining operations at Viscaria. During the third quarter, the focus has been on the completion of exploration work, which in the previous quarter led to record quarterly results of more than 27,000 meters of core drilling. The third quarter adds an additional 12,000 drilling, which contributes to increased knowledge of the deposit. Drilling and analysis correspond to approximately half of the capitalized expenses for the year. Feasibility studies regarding dams, new construction, and reinforcement of existing ones, as well as permanent water treatment are parts of capitalized expenses. Within

the process, there are accrued costs to create the most efficient concentration process possible adapted to the characteristics of the different ore zones. In-depth studies and laboratory studies have been carried out. The pre-feasibility study with regard to the start-up of Viscaria mine has intensified during the autumn and is now in its final phase.

The company has, for several years, allocated invested (capitalized) project costs per processing concession/exploration permit. The company assesses impairment of the permit portfolio's values at year-end and writes down the invested value if a permit is lost and not expected to be recovered through a renewal application. The company has renewed and obtained various exploration permits after customary active exploration. Viscaria 101 expired, in accordance with the Mineral Act's maximum of 15 years per exploration permit. In connection with this, the company immediately applied for the same permit, called Viscaria 119 (excluding the three processing concessions, all of which originated from Viscaria 101 and have thus been excluded). Processing is ongoing, and the company has been granted an extension beyond the expiration year, and Viscaria 119 is expected to be approved, so no impairment has occurred during this quarter or fiscal year.

	<b>Parent Company</b>	
	<b>30-Sep-2023</b>	<b>31-Dec-2022</b>
<b>Opening cost</b>	<b>69 864</b>	<b>62 012</b>
Capitalized expenses for the year	2 223	7 852
Closing accumulated cost	72 087	69 864
<b>Closing residual amount according to plan</b>	<b>72 087</b>	<b>69 864</b>

Capitalized expenses in the parent company continue to relate to work on the deposits in Arvidsjaur, which are based on the new geological interpretation that was developed earlier in the year. According to an external review, the estimates have been further refined and the completion of reporting according to the PERC standard is ongoing.

#### **NOTE 4 CONSTRUCTION IN PROGRESS AND ADVANCES ON PROPERTY, PLANT AND EQUIPMENT**

##### **Group KSEK**

	<b>30-Sep-2023</b>	<b>31-Dec-2022</b>
<b>Opening cost</b>	<b>58 167</b>	-
Capitalized expenses for the year	36 918	59 961
Reclassification	-	-1 794
<b>Closing accumulated cost</b>	<b>95 085</b>	<b>58 167</b>

Ongoing new construction concerns the construction of a bridge, water treatment plant, process water, infrastructure, construction power and storage.

#### NOTE 5 CHANGE IN SHARE CAPITAL

During the period, three convertible debentures totalling SEK 5 million were converted. The conversions took place on 1 March 2023 at prices of SEK 0.57 per share corresponding to 1,754,385 shares, SEK 0.60 per share corresponding to 3,333,333 shares and SEK 0.74 per share corresponding to 2,702,702 shares. During the second quarter, the Group's incentive programs "2020/2023 Board of Directors" and "2020/2023 Management and key employees" expired and in connection with that, warrants were exercised corresponding to 10,915,918 shares and a share capital corresponding to SEK 1,092 thousand. In addition, a directed share issue of a total of 248,598,130 shares was carried out at a subscription price of SEK 1.07 per share. At the end of the period, the number of shares amounted to 1,801,606,824.

	Number of shares	Share capital, KSEK
Share capital development		
<b>Opening value 1 January 2023</b>	<b>1 534 302 356</b>	<b>153 430</b>
Change during the year:		
Convertible bond	7 790 420	779
Redemption of warrants	10 915 918	1 092
New share issue	248 598 130	24 860
<b>Closing value 30 September 2023</b>	<b>1 801 606 824</b>	<b>180 161</b>

#### NOTE 6 COPPERSTONE WARRANT PROGRAM

At the Annual General Meeting on 11 May 2023, it was resolved to implement incentive programs 2023/2027:1 and 2023/2027:2 in the form of warrants to the then executive Chairman of the Board, now CEO, as well as to senior executives and key employees. Each warrant entitles the holder to subscribe for one (1) share at an exercise price of SEK 2.14. Subscription can be made up to and including 19 May 2027. The valuation of the program has been made using the Black & Scholes valuation model. In May 2023, the subscription period for incentive programs "2020/2023 The Board of Directors" and "2020/2023 Management and key employees" expired and 10,915,918 warrants corresponding to 10,915,918 shares were exercised. SEK 7,969 thousand was provided to the Group through the exercise of the option program.

##### Incentive programs to the Board of Directors

2021/2024 Board of Directors	Number of shares	Strike price	Exercise until	SEK if exercised
Jörgen Olsson	3 000 000	1,27	2024-12-20	3 810 000
Markus Petäjämäki (Lemape AB)	1 250 000	1,27	2024-12-20	1 587 500
Lars Seiz	3 280 000	1,27	2024-12-20	4 165 600
Jane Lundgren Ericsson	2 000 000	1,27	2024-12-20	2 540 000
Sven-Erik Bucht	2 000 000	1,27	2024-12-20	2 540 000
Former Board Member	720 000	1,27	2024-12-20	914 400
<b>Total</b>	<b>12 250 000</b>			<b>15 557 500</b>
2022/2025 Board of Directors	Number of shares	Strike price	Exercise until	SEK if exercised
Jörgen Olsson	5 000 000	1,65	2025-12-18	8 250 000
Markus Petäjämäki (Lemape AB)	750 000	1,65	2025-12-18	1 237 500
Lars Seiz	2 000 000	1,65	2025-12-18	3 300 000
Jane Lundgren Ericsson	2 000 000	1,65	2025-12-18	3 300 000
Ing-Marie Andersson Drugge	500 000	1,65	2025-12-18	825 000
Michael Mattsson (former board member)	381 130	1,65	2025-12-18	628 865
<b>Total</b>	<b>10 631 130</b>			<b>17 541 365</b>

<b>2022/2025 Former CEO, now board member<sup>1</sup></b>	<b>Number of shares</b>	<b>Strike price</b>	<b>Exercise until</b>	<b>SEK if exercised</b>
Henrik Ager	1 000 000	1,65	2025-12-18	1 650 000
<b>Total</b>	<b>1 000 000</b>			<b>1 650 000</b>

#### Incentive program management and key personnel

	<b>Number of shares</b>	<b>Strike price</b>	<b>Exercise until</b>	<b>SEK if exercised</b>
2021/2024 Management and key personnel	8 080 000	1,27	2024-12-20	10 261 600
2022/2025 Management and key personnel	5 110 000	1,65	2025-12-18	8 431 500
2022/2026 Management and key personnel	2 000 000	2,00	2026-05-29	4 000 000
2023/2027:1 Management and key personnel	5 010 000	2,14	2027-05-19	10 721 400

<b>2023/2027:2 FORMER CHAIRMAN OF THE BOARD, CURRENT CEO</b>	<b>Number of shares</b>	<b>Strike price</b>	<b>Exercise until</b>	<b>SEK if exercised</b>
Jörgen Olsson	2 500 000	2,14	2027-05-19	5 350 000
<b>Total</b>	<b>2 500 000</b>			<b>5 350 000</b>

#### Future possible dilution 2024–2027

<b>Total proceeds (SEK) to Copperstone at full exercise of warrants</b>	<b>73 513 365</b>
Total possible dilution (warrants), number of shares	46 581 130
Total possible dilution (convertibles), number of shares	18 410 146
Total number of outstanding shares in Copperstone	1 801 606 824
<b>Total possible dilution from warrants and convertibles, %</b>	<b>3,48%</b>

#### NOTE 7 BORROWINGS

On February 9, 2023, Norrlandsfonden invested SEK 5.6 million in Copperstone via a convertible bond. The bond matures on 31 December 2028 if conversion has not taken place before that date with an annual interest rate of STIBOR 90 + 5% and a conversion price of SEK 1.61 per share. For other information about Norrlandsfonden's investments in Copperstone, see the annual report for 2022.

The table below shows the maturities of the Group's financial liabilities as of the balance sheet date, including interest payments where applicable. The amounts reflect the contracted, undiscounted cash flows, which may differ from the carrying amounts of liabilities at the balance sheet date.

<b>The Group - KSEK</b>					
<b>As of 30 September, 2023</b>	<b>Less than 3 months</b>	<b>Between 3 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>More than 5 years</b>
Convertible bonds	277	832	1 109	13 933	10 716
Lease liabilities	1 724	6 800	6 307	6 101	912
Account payables and other liabilities	25 310	-	-	-	-

<sup>1</sup> In connection with the transition from CEO to board member Henrik Ager sold 9,000,000 of his warrants, after which these were cancelled by the company.

**NOT 8 LEASE**

Group – KSEK	<b>30-Sep-2023</b>	<b>31-Dec-2022</b>
<b>Lease liabilities presented in the balance sheet are as follows:</b>		
Long-term lease liabilities	12 074	11 548
Current lease liabilities	7 563	5 296
<b>Total lease liabilities</b>	<b>19 637</b>	<b>16 844</b>

**NOTE 9 SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**

On October 19, changes to Group Management were announced. Anna Tyni was appointed deputy CEO. Peter Wihlborg was appointed new Head of Environment and Sustainability and Christopher Wikman new Head of Mine, as a result of natural succession. At the same time, Tove Thelin Täckdal, Head of Enrichment, and Thomas Nordmark, Head of Infrastructure and Logistics, joined Group Management. Anders Lundqvist, former Head of Sustainability, and Glenn Nilsson, former Head of Mine, will continue to work with the company and their long experience will continue to be valuable for Copperstone.

**NOTE 10 KEY METRICS**

Copperstone does not present any key performance measures that have not been defined in accordance with IFRS in this interim report.

## GLOSSARY

**Core drilling** - Rotary drilling used to extract a core from the bedrock.

**Enrichment** - Process in which the concentration of the valuable mineral is increased, for example copper.

**Environmental permit** - Permit under the Environmental Code to conduct mining and ore processing.

**Exploration** - The exploratory work of looking for natural resources, such as mineralisation.

**Exploration permit** - The exclusive right to explore the bedrock in the permit area, with the purpose of finding mineral deposits.

**Drill core** - Cylindrical sample of rock obtained during drilling.

**JORC** - An Australian standard for reporting mineral resources and mineral reserves to the stock market and other stakeholders.

**Magnetite** - Shiny, black, highly magnetic mineral with the chemical composition  $Fe_3O_4$ .

**Mineralisation** - Concentration of potentially economically interesting minerals in the bedrock.

**Mineral reserves** - Mineral reserves are the portion of measured and/or indicated mineral resource that are considered to be economically recoverable. Mineral reserves are divided into probable or proven resources depending on the level of knowledge.

**Mineral resources** - Concentration or occurrence of mineral in or on the earth's crust in such quantities and of such form, quality and quantity that it has reasonable prospects for eventual economic extraction. Mineral resources have classes of inferred, indicated, and measured depending on the degree of knowledge about the mineralisation.

**Ore** – Previously a term for mineralisation that can be explored for economic gain, see also “mineral reserves” above.

**PERC** – Standard for reporting of mineral resources etc published by The Pan-European Reserves and Resources Reporting Committee (PERC).

**Pre-feasibility study** – A comprehensive study of a mineral deposit in which all geological, technical, legal, economic, and other relevant factors are considered. The purpose of the study is to provide a basis for determine if all or parts of a Mineral Resource may be converted to Mineral Reserves.

**Processing concession** - Permission to process (mine) a deposit. The licence is often limited to 25 years. In order to mine, an environmental licence must also be applied for from the Land and Environment Court.



## PRESENTATION OF THE INTERIM REPORT

A live presentation of the interim report will be held today, November 7, at 09.30 CET. The report will be presented by CEO Jörgen Olsson and CFO Frida Keskitalo. The presentation will be held in Swedish and will also include a subsequent Q&A session.

The live presentation can be accessed via the link: <https://www.youtube.com/watch?v=Jk5TyYzsp3A>

### For more information, please contact:

CEO Jörgen Olsson

Mobile: +46 (0) 703 – 420 570

E-mail: [jorgen.olsson@copperstone.se](mailto:jorgen.olsson@copperstone.se)

CFO Frida Keskitalo

Mobile: +46 (0) 703 – 401 053

E-mail: [frida.keskitalo@copperstone.se](mailto:frida.keskitalo@copperstone.se)

Press contact Daniel Kangas

Mobile: +46 (0) 702 – 262 656

E-mail: [daniel.kangas@heedmark.com](mailto:daniel.kangas@heedmark.com)

[info@copperstone.se](mailto:info@copperstone.se) eller [www.copperstone.se](http://www.copperstone.se)

### Financial calendar

February 29, 2024	Year-end Report 2023
April 15, 2024	Annual Report 2023
May 7, 2024	Interim Report January – March 2024
May 7, 2024	Annual General Meeting 2024
August 15, 2024	Half-year Report 2024
November 8, 2024	Interim Report January – September 2024

This information was submitted for publication at 07.30 CET on 7 November 2023.

### About Copperstone

Copperstone Resources AB is a company that is scaling up to become a modern and responsibly producing mining company through the reopening of the Viscaria mine in Kiruna. The deposit's high copper grade assessed mineral resources, geographical location and a growing team of experts provide good conditions for Copperstone to become an important supplier of qualitative and responsibly produced copper - a metal that has a central role in Sweden's and Europe's climate transition towards an electrified society. In addition to the Viscaria mine, Copperstone holds a number of other processing concessions and exploration permits in Arvidsjaur (Eva, Svartliden, Granliden) and Smedjebacken (Tvistbogruvan) - all in Sweden. The parent company's shares are traded on Nasdaq First North Growth Market (ticker COPP). Augment Partners is the company's Certified Adviser, [info@augment.se](mailto:info@augment.se), +46 8 604 22 55.

Copperstone Resources AB, Österleden 24, SE-981 38 KIRUNA. Corp.no. 556704-4168. [www.copperstone.se](http://www.copperstone.se)